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# Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS
FIRST SESSION

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PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, FIRST SESSION

## SENATE

TUESDAY, JUNE 28, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Gracious Father, as the toil of a new day opens before us, we would lay before Thee the problems and perplexities which burden our hearts. May all our meditations be acceptable in Thy sight. Bring all our desires and powers, we beseech Thee, into conformity with Thy will. Bend our pride to Thy control. Give us inner greatness of spirit and clearness of vision to meet and match the large designs of this glorious and demanding day, that we may keep step with the drumbeat of Thy truth which is marching on in all the earth. We ask it in the dear Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 27, 1949, was dispensed with, and the Journal was approved.

### MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 27, 1949, the President had approved and signed the following acts:

S. 646. An act granting a renewal of patent No. 54,296, relating to the badge of the American Legion;

S. 647. An act granting a renewal of patent No. 55,398, relating to the badge of the American Legion Auxiliary; and

S. 676. An act granting a renewal of patent No. 92,187, relating to the badge of the Sons of the American Legion.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a bill (H. R. 4705) to transfer the office of the probation officer of the United States District Court for the District of Columbia, the office of the Register of Wills for the District of Columbia, and the Commission on Mental Health from the government of the District of Columbia to the Administrative Office of the United States Courts, for budgetary and administrative purposes, in which it requested the concurrence of the Senate.

### REPORT OF A COMMITTEE FILED DURING RECESS

Under authority of the order of the 27th instant,

Mr. DOUGLAS, from the Committee on Banking and Currency, to which was referred the bill (H. R. 5240) to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products, reported it on June 27, 1949, without amendment, and submitted a report (No. 593) thereon.

### COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. THOMAS of Utah, the Armed Services Committee, the Joint Committee on the Renovation of the Executive Mansion, and the Joint Committee on Atomic Energy were granted permission to hold sessions while the Senate is in session.

### CALL OF THE ROLL

Mr. LUCAS. Mr. President, I have conferred with the Senator from Florida [Mr. HOLLAND] and the Senator from Utah [Mr. THOMAS], and they agree that a roll call should be had with the time consumed equally divided between the two sides.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LUCAS. I therefore suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hendrickson | Murray |
| Anderson | Hill | Neely |
| Butler | Hoey | O'Mahoney |
| Cain | Holland | Pepper |
| Chapman | Humphrey | Robertson |
| Chavez | Ives | Russell |
| Connally | Jenner | Schoeppel |
| Cordon | Johnson, Tex. | Smith, Maine |
| Donnell | Johnston, S. C. | Sparkman |
| Downey | Kem | Stennis |
| Eastland | Kerr | Taft |
| Ferguson | Langer | Taylor |
| Flanders | Long | Thomas, Okla. |
| Frear | Lucas | Thomas, Utah |
| Fulbright | McClellan | Thye |
| George | McFarland | Vandenberg |
| Gillette | Magnuson | Watkins |
| Graham | Malone | Wherry |
| Green | Maybank | Williams |
| Gurney | Morse | Withers |
| Hayden | Mundt | Young |

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Wyoming [Mr. HUNT], and the Senator from Maryland [Mr. TYDINGS] are absent on official business at a meeting of the Committee on Armed Services.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Colorado [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from West Virginia [Mr. KILGORE], the Senator from Nevada [Mr. MCCARRAN], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Idaho [Mr. MILLER], and the Senator from Pennsylvania [Mr. MYERS] are detained on official business at meetings of committees of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly meeting at Rome, Italy.

The Senator from Tennessee [Mr. MCKELLAR] is absent on official business, attending a meeting of the Joint Committee on the Renovation of the Executive Mansion.

The Senator from Connecticut [Mr. MCMAHON] is absent on official business, presiding at a meeting of the Joint Committee on Atomic Energy.

The Senator from Maryland [Mr. O'CONOR] is absent on official business, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. WHERRY. I announce that the senior and junior Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] and the Senator from Montana [Mr. ECTON] are absent on official business.

The Senator from Pennsylvania [Mr. MARTIN] is detained at a meeting of the White House Restoration Commission.

The Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Colorado [Mr. MILLIKIN] are in attendance at a meeting of the Joint Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from New Jersey [Mr. SMITH], and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The Senator from Connecticut [Mr. BALDWIN], the Senator from California [Mr. KNOWLAND], and the Senator from Massachusetts [Mr. SALTONSTALL] are detained at a meeting of the Committee on Armed Services.

The Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], and the Senator from Kansas [Mr. REED] are detained at meetings of the various committees of the Senate.

By order of the Senate, the following announcement is made:

The members of the Joint Committee on Atomic Energy are in attendance at a

meeting of the said committee in connection with an investigation of the affairs of the Atomic Energy Commission.

The VICE PRESIDENT. A quorum is present.

NATIONAL LABOR RELATIONS ACT OF 1949

The Senate resumed the consideration of the bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes.

The VICE PRESIDENT. Under the unanimous-consent agreement the time between now and 3 o'clock is divided three ways. On the amendment of the Senator from Florida [Mr. HOLLAND] it is divided equally between him and the Senator from Utah [Mr. THOMAS]. On the amendment of the Senator from Illinois [Mr. LUCAS] it is divided equally between him and the Senator from Ohio [Mr. TAFT]. On the amendment of the Senator from Ohio [Mr. TAFT] it is divided equally between him and the Senator from Utah [Mr. THOMAS].

Until the conclusion of the debate under the unanimous-consent agreement no Senator can be recognized for the presentation of petitions or memorials, the introduction of bills, or for any other purpose, except as he may have time yielded to him by some Senator in control of the time under the provisions mentioned.

The Senator from Florida [Mr. HOLLAND] is recognized.

Mr. HOLLAND. Mr. President, I yield 15 minutes to the junior Senator from Kansas [Mr. SCHOEPPEL].

Mr. SCHOEPPEL. Mr. President, I rise to speak on the pending question with some temerity. I am in favor of the Holland amendment, in which I have joined.

I am opposed to the seizure of plants by the Government, and especially in peacetime.

I know that reasonable men differ on this, and other, important matters regarding this legislation, and differ honestly.

Much has been said in this Chamber on the labor laws, past, present, and even future. I am not an expert on labor and management relationships. I do not pose as one. There are men in this body who by reason of their experience are skilled in labor laws and management affairs; and many have spoken upon the various amendments that were before us. But I think I speak correctly when I say that no one here has claimed to have the solution or perfect answer for labor-management disputes, or knows exactly the type of laws that will do the job of preventing crippling strikes.

I confess that I am confused. At the best the result will be a compromise, a give-and-take proposition; but it should be in the interest of all the people.

The question of labor-management relations reaches into the home of every single American—the employee, who wants a job and pay check; the investors, more small than big, who have saved and invested in some business and want a return and may be relying upon it; the employer, who gambled his money, built a factory and equipped it, and in producing makes jobs, turning out the products which people have learned to rely upon as necessities; the public—the consumer, the innocent bystander—who buys the goods and keeps our economy going.

Mr. President, when trouble comes, the first cry usually heard is, "Seize the plants or plant." Many say, "Let us seize plants rather than resort to injunctions."

I am sure that Senators who were present and heard my distinguished colleague [Mr. HOLLAND] reply to the seizure question recall the attendant evils of it. Thousands of litigated cases and claims involving staggering costs grew out of the seizures in World War I of the railroads and other industries. The experience with seizures during strikes and work stoppages in World War II brings to mind the seizures of Montgomery Ward, the motor carriers, the coal mines, and the railroads.

I commend to the Senate the statement made by the Senator from Florida on the floor yesterday. He pointed out that the Government took possession of the railroads January 1, 1918. They were under control for 26 months by the Director General of Railroads, who reported each year for a number of years. My colleague from Florida pointed out that the staggering cost of that seizure amounted to $1,616,000,000; and the claims against the Government of the United States are still coming in for consideration.

Some advocate plant seizure as a device to enable Congress to enact legislation permitting injunctions without specifying that result. Many Senators are familiar with the case of the United States against United Mine Workers in 1947, wherein the Court, in construing the Labor Disputes Act, decided that once the Government had seized a struck plant, if the workers refused to go back to work, the stoppage could be ended by an injunction.

I am willing to concede that during wartime we are called upon to conduct our affairs in a manner calculated to produce the most effective war effort without too much regard to the injuries or violence done to individuals. Yet the Congress, in passing the War Labor Disputes Act of 1943, which permitted seizures, recognized that the attendant evils should and would end with the termination of hostilities. I am sure that all Senators recall that the then President, Franklin D. Roosevelt, vetoed this act and set forth his reasons therefor.

The Congress of 1943—and some of my distinguished colleagues here today were Members then—at that time feared, and rightly so, the inherent dangers in the proposal of seizure. The Congress was wise enough to insure that no such device should be retained in peacetime.

I am sure it was the considered judgment at that time that it was undemocratic and dictatorial, and that the privilege could be abused. One sure way to undermine confidence in this country is to provide that plants can be seized by the Chief Executive. I care not how benevolent he may be, confidence in investments of all kinds will be dissipated.

Mr. President, a look at the record will disclose that the plant-seizure provisions in the War Labor Disputes Act did not prevent the occurrence of a number of strikes after its passage, despite the fact we had the highest wage scale in history, and a war on our hands, which should have prompted employees as well as employers to continue operations, if for no other reason than patriotic effort for our country. It is also significant to note that the act was not particularly effective in ending wartime disputes promptly.

Professor Mills, formerly National Labor Relations Board Chairman, in his book on organized labor, says that—

> The War Labor Disputes Act has probably had no appreciable effect with respect to minimizing the number of strikes (p. 773).

President Whitney, of the Brotherhood of Railroad Trainmen, said in 1947, before the House Labor Committee, that—"to extend seizure power to peacetime is a grave threat to free enterprise and labor in America"—1947 hearings, page 1546.

Plant-seizure provisions would set a dangerous precedent for any government. It would mean essentially that the Government would be taking over, without due process of law, the private property of an employer who had become embroiled in a labor dispute. If private property can be seized for that purpose, it can be seized for other purposes as well.

I can well envision many asking, Why should this procedure be invoked only against the employer and not against the unions in some manner? If Government is fair, if it is an impartial referee, then certainly sanctions must attach or apply to labor as well as management.

I am sure that no recognized labor leader would agree that seizure should apply to union property. Such a proposal would rightfully evoke the cry of dictatorship and a demand for the abolishment of seizure.

When seizure of plants was invoked in this country during the last war period much criticism followed because under seizure working conditions were changed by the Government. It is significant that those changes involved the increase of wages, as well as other minor changes. The employer found that he had returned to his hands a plant with new conditions, and a strike again threatened if he sought to change them.

In fairness, I must point out that the proposed legislation for plant seizures provides for maintenance of the status quo.

If workers in a free society must—and I believe rightfully so—be allowed individually the right to quit work freely, then when it comes to plant seizures, the employer has some rights which must be protected.

Mr. President, now briefly I wish to say something about the use of injunctions.

I think the people of this country want and admire the side that knows its own mind, says what it means, says what it will do, and then goes ahead and does it.

No one wants to be unfair to labor, irrespective of the accusations that from time to time have been cast about. Let us admit we live in an era of big things, whether it is government, labor, or business. Our responsibilities are big, too, when we deal with these factors—the

responsibility of being fair, impartial, and prompt in meeting emergencies.

No longer can we say we are not interested in how much trouble labor and management have. We are a delicate, sensitive nation in all our interlocked and interrelated affairs. We have seen this when the coal industry came to a halt, when steel plants closed down, when railroads ceased to function, when a citizen could not use his telephone, when blockades were thrown in seaboard areas, when creeping paralysis slowly moved across the country, affecting 140,000,000 of people.

Labor or management has no mandate to starve, or bring to the verge of starvation, millions of people, or cause almost 40,000,000 of gainfully employed people outside the pale of organized labor or organized business to be deprived of work or the means of livelihood. They have a right to bring about inconvenience, but not to destroy and disrupt irreparably, without their Government's interesting itself to see what causes the dispute and what can be done, impartially and fairly, to bring the parties together, and to determine on the merits, wherein lies the fault.

I think in all fairness a procedure should be available and invoked when a national emergency is threatened or exists because of a stoppage of work as a result of a labor dispute in a vital industry which affects the public interest.

That is why I favor spelling out plainly and forthrightly the right of injunction and its use in such cases by the Government of the United States, the one entity that should and must be above all interests. The injunction should be invoked, not in the attitude of forcing the settlement of the dispute, as some, I believe, erroneously say, think or would lead the people to believe, but for a limited period of 60 days during which time the impartial arm of the Government, in the person of the President of the United States, comes forward after the Presidential proclamation and the appointment of a board to investigate and seek to induce the parties to reach a settlement.

The President of the United States may direct the Attorney General to petition any United States district court having jurisdiction of the parties to enjoin such strike or lock-out; and if the court finds the grounds exist for the issuance thereof, it may proceed and issue an injunction.

Mr. President, who issues this writ? A man chosen for his known ability at the law, qualified in training and temperament, honest and upright. He is first appointed by the President of the United States, your President and mine; then he is passed upon and approved by the Senate of the United States. He is a screened man in every sense, a man presumed and, I think, eminently qualified to have said of him that he is open-minded, fair, and impartial.

If one such judge, or any of such judges, prove otherwise, it is to the lasting discredit of a President of the United States or a Senate, that permitted him to be advanced to this position on confirmation.

I mention this only because some there are who would have us believe that the United States district courts are not competent to decide such cases. I cannot agree with this view, if it exists. The integrity of the courts in these past 20 years has been proved too many times to shake my confidence in them.

When our courts have spoken, it is the duty of the citizen of this country to obey, subject to his appealable rights. Mr. President, there are some things that we do not bargain for in this country. One of them is respect for the law. That attitude rests within the mind and heart of all true Americans. Let no one tell you, Mr. President, that the workers of American will follow one—I care not who he might be—who would put himself or his zealous cause above the law of this land.

So, Mr. President, even though we may have gotten to the place where I fear we are open to the charge of playing politics, yes, vying for the votes of labor, I think within this great body, the Senate of the United States, there remains enough courage to face realities, to say what we mean, simply, forcibly, and fairly. Then labor and management will not only respect us, but will be in a position to know and understand that, disagree though they may, there will come a time and a situation when an impartial referee will step in to invoke the rules of the game and see that they are lived up to.

I shall vote for the amendments and, finally, for the law that in my judgment, meets these standards.

Mr. HOLLAND. Mr. President, I yield 5 minutes to the Senator from Ohio.

The VICE PRESIDENT. The Senator from Ohio [Mr. TAFT] is recognized for 5 minutes.

Mr. TAFT. Mr. President, I spoke on this question yesterday evening at greater length. The Senate will find my remarks at the end of the Senate proceedings for yesterday.

I merely wish to say that I intend to support the Holland amendment. In my opinion the injunction procedure is an essential procedure if we are going to stop strikes for 60 days after negotiations break down, and give the President an opportunity, under the Executive power and with all the force of the Executive power and the emergency boards and the findings of fact which have been made by the boards, to undertake one last effort to settle the strike during the 60-day period before finally, in the worst case, it is necessary to call upon Congress to act.

Mr. President, if this amendment is adopted I shall then press for the adoption of my own amendment, which will add seizure to the injunctive provisions. But I would be opposed to seizure alone. It seems to me that injunction is the only thing that really will stop strikes. We have had cases of seizure in which the men refused to work, and then there is no remedy.

Therefore, in any remedy I think injunction is an essential weapon. I am glad to add the other weapon, largely because I think it meets the argument of labor that in some way injunction is looked upon as antilabor. I do not think it is; it works both ways. But to meet that argument and to meet that popular idea, if there is such an idea, I prefer in our amendment to add seizure also. I hope later on we may vote upon that amendment.

What seems to me a most illogical argument is that made by some Senators on this floor, who say they are going to vote against this injunction amendment, carefully defining, limiting, and spelling out the power of injunction, because they say there is an inherent power of injunction. "We are not against the injunction," they say. "Oh, no. But we think we would rather have it under some constitutional process." The whole argument is utterly illogical on its face. In the first place I do not think there is any right of injunction under the Thomas bill. If there were, under the general language of the bill, it seems to me that the express reaffirmation of the Norris-LaGuardia Act would deny such right of injunction.

In the second place, it is said that if we have seizure, then the Government can enjoin. I do not agree to any such conclusion as that. I do not think the United Mine Workers case goes that far. That was a case in which the Government itself had made its contract with the men and they had become employees of the Government. In the ordinary case the situation is different. In the case of a strike, if the Government steps in, the men have never worked for the Government. They never are going to work for the Government. They quit, and they stay quit. I see no possibility, then, in theory, that an injunction can be based on seizure.

In the third place, if opponents of the amendment really mean what they say, that they realize there ought to be an injunction in order to make the seizure effective, and in order to make the Thomas bill effective, then they ought to be willing to take our injunction provision, carefully limited to 60 days only. The injunction they have in mind, if there were ever to be an injunction, could go on for years, if there is any such power under the Constitution. They should take our injunction, limited strictly to matters affecting the national safety and health, and not have some vague idea that the President can say that this, that, or something else constitutes a national emergency. It seems to me we ought clearly to have the provision so drawn and limited that the injunction cannot be used by the President except to hold the status quo for 60 days while the parties proceed with free collective bargaining between themselves in an effort to settle their dispute, whereas if there is a constitutional injunction, then I believe it could be used to force a compulsory settlement. The President could use that power to say, "If you do not settle this dispute, then I will get an injunction, or I will seize the plant," and he could make it conditional in some way on something that is not related to the maintenance of the status quo.

The VICE PRESIDENT. The Senator's time has expired.

Mr. TAFT. So, Mr. President, it seems to me that the position of those

who oppose the Holland amendment on the ground that there are other kinds of injunction they would like to support, but which they do not want to mention in the open, for they do not want to say publicly they are for the injunction by voting for it, is one of the most cowardly and pusillanimous and illogical positions I have yet seen advanced on the floor of the Senate.

The VICE PRESIDENT. The Senator from Ohio has consumed 6 minutes. The Senator from Florida has had 20 minutes of his time.

Mr. THOMAS of Utah. Mr. President, we have been delayed momentarily. I shall take 3 minutes of my own time.

The VICE PRESIDENT. The Senator from Utah is recognized for 3 minutes.

Mr. THOMAS of Utah. The issue presented by this amendment has been thoroughly and exhaustively debated in the Senate during the past 3 days. The real issue on this amendment, Mr. President, is, Do we want to write into the Thomas bill a provision under which, since there is no preliminary seizing in the Thomas bill, the Government in effect is authorized to go into court on behalf of the private employers to seek an injunction against the possibility of a strike? The same issue is presented by the amendment offered by the majority leader, the senior Senator from Illinois [Mr. LUCAS]; but there is a difference. When the amendment offered by the senior Senator from Illinois takes injunction out of the Taft substitute there still remains the seizure provision, so that in theory the injunction being lifted and seizure being left, there is not that great gap which there is in the Holland amendment, which would confer the power to obtain an injunction in favor of a private employer. Since those who are enjoined would be restrained and have to return to work, if this amendment becomes a part of the law, we shall have undone all that we have tried to do since 1896 in taking injunctions out of labor disputes, and we shall have an immediate return of the injunction, so that the Government takes sides in favor of a private employer and causes laboring men to work for a private employer. That is the effect of the pending amendment.

Mr. President, I yield 15 minutes to the Senator from West Virginia [Mr. NEELY].

The PRESIDING OFFICER (Mr. GILLETTE in the chair). The Senator from West Virginia is recognized for 15 minutes.

Mr. NEELY. Mr. President, in The Autocrat of the Breakfast Table, Oliver Wendell Holmes says:

> Sin has many tools, but a lie is the handle which fits them all.

The enemies of labor have many tools, but the brutal instrumentality known as government by injunction is the handle or device that fits them all. It is a part of the whip with which labor is flogged. Under its protection Baldwin-Feltz mine guards and labor spies beat and maim and murder toiling men and women for striking against starvation wages, inhuman hours of service, and intolerable conditions.

The labor injunction is the key that locks the door of the dungeon in which workers languish and rot for having violated a law made not by legislators but by a Federal, State, or municipal judge. American labor has suffered more from injunctions than Job ever suffered from the boils that covered his agonized body from the crown of his head to the soles of his feet.

To adopt either the proposed Taft or Holland amendment to the Thomas bill would be to perpetuate the judicial curse euphemistically called injunction government. All who hate tyranny and abhor oppression should vigorously oppose both these amendments to the bitter end.

Democracy's attitude toward judge-made law was expressed in the 1896 Democratic platform in the following ringing language:

> We especially object to government by injunction as a new and highly dangerous form of oppression by which Federal judges, in contempt of the laws of the States and rights of citizens, become at once legislators, judges, and executioners.

This platform declaration has never been repealed. It should be held inviolate by all members of the Democratic Party. It should not be completely ignored even by those who, by voice and vote, frequently demonstrate that they prefer reactionary Republican policies to the progressive bedrock principles of the party that was founded by Thomas Jefferson, vitalized by Andrew Jackson and immortalized by Franklin Roosevelt.

Attention is invited to certain other evaluations of injunction government by competent authorities who were under no sentimental obligations either to the Democratic Party or its platform.

Samuel Gompers, a very great leader of labor, said:

> If ever the time shall come (and let us hope and work that it never shall come) when government by dynamite shall be attempted, it will have as its main cause the theory and policy upon which is based government by injunction.

An outstanding, conservative Republican President of the United States, after he had become the Nation's Chief Justice, uttered these stirring words:

> Government of the relations between capital and labor by injunction is a solecism. It is an absurdity. Injunctions in labor troubles are merely the emergency brakes for rare use * * *. Frequent application of them (injunctions in labor troubles) would shake to pieces the whole machine.

The Honorable William Howard Taft, the distinguished father of the distinguished senior Senator from Ohio [Mr. TAFT], is the author of that blighting denunciation of government by injunction. He says that such government is a solecism. According to Webster's Dictionary, a solecism means, among other things, "a monstrosity," and a monstrosity is something that partakes of the qualities of a monster. In the lexicon of those who live by toil, "monster insatiate" and "labor injunction" are synonymous terms.

Let me appeal to conservative Senators to vote on the injunction amendment proposed by the Senator from Florida [Mr. HOLLAND] and that proposed by the Senator from Ohio [Mr. TAFT] in accordance with the condemnation of President Taft instead of following the leadership of this eminent President's senatorial son.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. TAFT. Possibly the Senator from West Virginia would like me to read what my father really said. He issued a number of injunctions. He always felt that labor was subject to law, like everyone else. He did not hesitate to issue injunctions when he thought they were properly called for by the law of the case. I should be very glad to put his full statement on labor injunctions in the RECORD, and I can assure the Senator that they are completely in accord with my own ideas.

Mr. NEELY. Mr. President, of course, the words of the Senator from Ohio are accepted at their full face value. But I trust that he will not expect me to doubt that his father's condemnation of government by injunction is a more accurate appraisal of that monstrosity than anything the Senator has ever said in its behalf.

Let it be remembered now, and remembered forever, that the Senator from Ohio is responsible for the law under which one Robert Denham, labor hater extraordinary, and arrogant general counsel for the National Labor Relations Board, is by his frequent use and abuse of labor injunctions affording conclusive probation of what President Taft prophesied or proclaimed, namely, the "shaking to pieces of the whole—American—machine."

Let me again warn my colleagues that there is a possibility that the Senator from Ohio will be the next Republican candidate for President. If that should come to pass, there would be at least a possibility that he might become the President of the Republic. He who is responsible for the venomous Taft-Hartley law and the desolating activity of Robert Denham under it would, if he should ever become President, be likely to use the injunction to govern labor to the limit proposed by the Taft or the Holland amendment if either should be adopted.

Mr. President, there is a serpent in our industrial Garden of Eden. It is a rattlesnake. It is commonly called the Taft-Hartley law. Its mouth is filled with deadly fangs. The most lethal of these is the one known as government by injunction.

The defeat of the Taft and Holland amendments and the adoption of the Lucas amendment will extract the murderous injunction fang from the abominable Taft-Hartley law. I entreat all Senators who are friendly to labor to vote and work for the Lucas anti-injunction amendment and to work and vote against both the Holland and Taft amendments which, if adopted, would perpetuate the injunction infamy.

It is my prediction that a number of Republican Senators will, regardless of their politics, vote according to the dictates of their conscience on these various amendments. It is my confident belief that the distinguished, able Senator from

Oregon [Mr. MORSE] and the able, distinguished Senator from North Dakota [Mr. LANGER], and a number of their Republican friends will, on the approaching roll calls, demonstrate their adherence to the principle enunciated by one of the world's greatest men, Abraham Lincoln, who said, in words or effect:

I am for the man and the dollar. But in a contest between the dollar that man made and the man that God made, put me down on the side of the God-made man every time.

A vote for the Lucas amendment will be a vote for the rights of God-made men and women. By supporting that amendment, I shall demonstrate my loyalty to a lofty Democratic platform pledge and, in imagination, place a new memorial wreath on the sainted Lincoln's grave.

The Holy Bible is, of course, the best and the wisest book in the world. It is as up-to-date as this afternoon's newspaper. It contains a terse and impressive story of judge-made government in the Old World more than fourteen hundred years before Christ. The advocates of judge-made injunction law should read this story in the first verse of the first chapter of Ruth, which is as follows:

Now it came to pass in the days when the judges ruled, that there was a famine in the land.

(At this point the Senate received a message from the President of the United States.)

Mr. NEELY. Mr. President, the message of the beloved President, whose words are "like apples of gold in pictures of silver," was more than welcome even though the time consumed by the interruption was subtracted from the 15 minutes to which, under the existing unanimous-consent agreement, my remarks must be limited. But, in the circumstances, I hope it will not be considered an unpardonable asperity for me to tell the following brief story:

It is said that the modern Croesus, J. P. Morgan, once became interested in a witty tramp and told him that if he would come to the Morgan banking office every Monday morning, he would be given $5. The tramp never failed to make his appearance at the appointed time. But eventually Mr. Morgan decided to reduce the weekly donation. Thereupon he instructed his secretary to act accordingly and to explain to the tramp that the reduction was necessitated by the fact that one of the great financier's daughters was to be married very soon and that her father considered it his duty to give the young lady some valuable wedding presents. The clerk obeyed his instructions to the letter.

The tramp, overwhelmed with disappointment and despair, said: "I suppose I'll have to submit to this highway robbery. But please tell Mr. Morgan that I hope he will not marry off any more of his daughters at my expense." [Laughter.]

If any more messages from the President arrive during the next two minutes, I hope that they will not be received at my expense.

Mr. President, resuming at the point at which I was interrupted, judges were created to judge. Wherever the judges have ruled the toilers by injunction, whether the victims were coal miners, railroaders, printers, or employees in some of the countless other industries of the Nation, there has been famine, weeping, wailing, and gnashing of the teeth.

The VICE PRESIDENT. The time of the Senator from West Virginia will expire in half a minute.

Mr. NEELY. Mr. President, let me close with the earnest entreaty that on the approaching roll calls Senators will show the world their loyalty to labor—to labor to whom everyone in this Chamber and everyone in this Nation owes a debt of gratitude greater than can ever be fully paid between now and the day of doom.

Let us stand against this monster of injunction government as we never stood before. And let us not only stand but let us fight—

Fight—till the last armed foe expires;
Fight—for our altars and our fires;
Fight—for the green graves of our sires;
God—and our native land.

Mr. THOMAS of Utah. Mr. President, I yield 13 minutes to the senior Senator from Florida [Mr. PEPPER].

The VICE PRESIDENT. The Senator from Florida is recognized for 13 minutes.

Mr. PEPPER. Mr. President, the amendment now before the Senate, I think it must be said, out-Tafts TAFT, for the Senator from Ohio, out of his experience with the act which bears his own name, has felt that the only fair approach to the problem here involved is to couple together the remedies of seizure and injunction. It remained for the authors of the pending amendment to strike out seizure and leave the bare weapon of injunction to be used against American men and women who may elect to exercise the right of a citizen not to work for a private employer for profit against their will.

Mr. President, we have the three proposals, the Taft amendment, seizure and injunction, after the Presidential proclamation.

We have the Douglas proposal providing for seizure, with the possibility that injunction might follow under certain circumstances, but with no express provision for injunction in the amendment itself.

Now we have the proposal offered by the authors of the pending amendment, which strikes out seizure, and leaves no doubt about injunction, makes injunction the principal weapon to be employed in an attempt to settle management-labor disputes.

Mr. President, I say that amendment out-Tafts the able Senator from Ohio. It is worse than the able Senator from Ohio thought the remedy should be. If at the last moment, as a matter of parliamentary and strategic and tactical extremity, the Senator from Ohio has felt compelled to announce that he would for the moment support this amendment, it is obviously more stringent and severe than he contemplated the proposal should be. I agree it is bad, it is dangerous public policy and the conferring of unwarranted power.

What does the amendment do? Section 304, on page 4 of the printed amendment, provides for the issuance of a proclamation. I read:

After issuing a proclamation pursuant to section 301 the President may direct the Attorney General to petition any district court—

That is, one judge, Mr. President, a lifetime appointee to the Federal bench, not a circuit court of appeals with more than one judge, but one district judge—

of the United States having jurisdiction of the parties—

That means almost any union, or any local of a national union—

to enjoin such strike or lock-out or the continuing thereof—

And later jurisdiction is given—

if the court finds that such threatened or actual strike or lock-out—

(i) affects an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, or communication among the several States or with foreign nations, or engaged in the production of goods for commerce—

It thereby opens the gate so wide that almost any segment of an industry could be considered included; so that the amendment would practically give the power of injunction respecting any industry in America—the production of milk, fuel of any sort, all the many things that constitute a part of our complicated economic and industrial process today. If the court finds that the continuation of the strike or lock-out will imperil the national health or safety, it—that is, this one district judge—shall have jurisdiction to enjoin any such strike or lock-out, or the continuing thereof—and to make such other orders as may be appropriate.

The judge is given the specific power in an almost unlimited category of cases, and then there is a general catch-all authority which gives him the power to make any other order which he may deem appropriate to the circumstances.

Mr. President, what is the effect of such a power? We have an exhibit of it here in the opinion of Judge Goldsborough, who issued the first injunction under the Taft-Tartley law against the coal miners. This is what the judge said:

The strike by defendant union consists of a concerted stoppage of work on the part of the union which has continued since on or about March 15, 1948.

Then a little further on in his opinion the judge gets to the very heart of the matter we discussed the other day, as to what the section 502 saving provision actually means. The judge says:

The walk-out as set forth in paragraph 19—

That is, a concerted stoppage of work by the employees of these employers, although many of them were scattered over different parts of the country, not congregated in a certain spot.

The walk-out as set forth in paragraph 19 hereof did not constitute an exercise of the right of individual employees to quit their labor, as set forth in section 502 of the act, but was a strike on the part of the union.

So, Mr. President, let us not have any pretense or any deception; it is intended that, while a disgruntled individual, many individually quit work, if he and his colleagues withdraw from labor for their employer engaged in business for profit, it is a strike, and we would confer the power upon a district judge to enjoin that strike, which means the power to chain the employees to their jobs, or, if they quit prior to the Presidential proclamation, it compels them to go back to work.

Here is the order of Justice Goldsborough, and I have before me the orders of injunction in other cases. They all follow this pattern. I read:

*Ordered*, That the defendant * * * union, and its officers, agents, servants, and employees, and all persons in active concert or participation with them be and they are hereby restrained from continuing the strike * * * or engaging in a strike.

That means staying away from the job, and it compels the workers to return to the job which they may have left. Throughout the order the same pattern is followed, and it is followed in the other injunction applications.

What does that mean, Mr. President? It means that that one judge has the power for 60 days, during which time the laborers do not get a penny more wage, although they may be willing to quit work because of protest against inadequate wages, and not one onerous burden of their employment is improved. They are required by the judge to stay on the job and to give their labor and their strength to a private employer for his profit.

Mr. President, it is said the desire is to settle the strike in the public interest, but the employees are compelled to make all the concessions in the public interest. There cannot be found in the amendment one syllable that demands any concession from the employer during those 60 days.

Under the Smith-Connally Act, where the authority to seize was provided, there was the power in the War Labor Board to give an increase in wages or an improvement in working conditions to the employees during the time of the seizure. If there is to be seizure, that is the only fair provision that can be made, so that for the period of 2 months there will not come exclusively from the employees the concession that some say is necessary in the public interest.

Mr. President, labor has called the Taft-Hartley law a slave law, and there have been those who have repudiated that suggestion. It is not "slavery," they say. I have here definitions of "slavery" from Webster's New International Dictionary, second edition, unabridged. One of the definitions is "coercion." Does anyone deny that the court has the power, and that it is intended by the authors of the amendment that the court shall have the power, to require the workers to stay on their jobs, or if they have left them, to command them to return upon penalty of fine or imprisonment? Honest authors of the amendment have admitted that the power of contempt carries with it the power of imprisonment.

This is what the dictionary says coercion means:

The application to another of such force, either physical or moral, as to constrain him to do against his will something he would not otherwise have done.

That is the definition in Webster's New International Dictionary of coercion or slavery.

And again under the word "slavery" we find the definition:

The condition of, or like that of a slave; * * * a state of subjection or involuntary servitude; bondage.

I say that this amendment is designed to fasten again the power of coercion, involuntary subjection and servitude—yes, Mr. President, the power of slavery—upon the working men and women of America, to make them work against their will, without any increased compensation for a private employer for profit during a period of 60 days in alleged service of the public interest.

Mr. President, the candid have admitted that this problem so far has not been possible of solution. We do not know what is the right way by which the public interest can assuredly be protected in industries which are undoubtedly of national reach and scope. But I venture to assert that when the answer is found, it will not demand the concession exclusively from the employees. It may involve, sometime, compulsory arbitration, but the power of compulsory arbitration carries with it the power to command both the employer and the employees to make concessions.

This amendment lays its lash only upon the back of the employee. No one other than he alone is enjoined, under the amendment. It affects no one save him. He alone is constrained against his will to work for a private employer for profit during 60 days of his life, or to bear the pains and penalties of a contempt proceeding in a Federal district court, which may mean imprisonment.

Mr. President, I know we have passed that point in the solution of management-labor disputes. I know that method belongs to the repudiated past, and had not such provisions in the Taft-Hartley law met the indignation and the protest of the Nation, had its people not dedicated themselves to its repeal, however long it takes, we would not today be condemning the present law.

The VICE PRESIDENT. The time of the Senator from Florida has expired.

Mr. PEPPER. I am confident, Mr. President, the Senate will not, as it should not, go along with those who have offered this amendment.

Mr. THOMAS of Utah. Mr. President, I yield 4 minutes of our time to the junior Senator from Kentucky [Mr. WITHERS].

Mr. WITHERS. Mr. President, I do not feel resentful over the remarks which have come from the other side. I am not a coward. No one has ever called me a coward. I am not afraid of facing any issue. What may be construed as cowardice on my part is faith in the American people, faith in their loyalty, faith in their integrity, faith in their patriotism. But I can well understand how people may become cowards who lose faith in America and in her people. That is why I am slow to take any coercive measures against our fellow citizens who are just as loyal to America as we ourselves in the Senate are.

Mr. President, I realize that people oppose being required to work under coercion. I remember last year, when the Senate and the House were called into extraordinary session by the President of the United States, under his recognized power and authority, that the Members of Congress refused to act, and they adjourned within 3 weeks from the time they were called, because of resentment over the fact that the President had exercised his legal and constitutional power. That is merely evidence of how greatly people resent being coerced to do anything. The same spirit which actuated the Congress to show its resentment actuates all the American people to show their resentment when powers of coercion are attempted to be applied to them.

I think the noble Senator from Ohio, who made several great speeches on this subject, and who is indeed a very skillful lawyer, promises no panacea by his proposal. He himself said his own remedy was not a panacea. He says we cannot pass laws which will provide a permanent remedy to take care of any emergency which might arise. Why could we not say to the President that he may exercise such powers as may be necessary? That would not be spelled out specifically, but it would give him the authority to exercise his power and take whatever action may be necessary to deal with any emergency situation that might arise.

Mr. President, I think there is too much tempest in the teapot about this matter. I think too many on the other side are too sure of their opinion. I know the issue is a controversial one. It reminds me of what Charles Fox said to Oliver Cromwell, "Thou needest to know very much, for thou art indeed very positive."

I do not feel positive about this matter. I feel most humble. The more I would be inclined to coerce my fellow citizens to work the more humble I would feel.

It is no trouble to say that the other fellow ought to be coerced, but how did Members of Congress act last year—every one of them? Did not Members of Congress show their resentment at what they felt was coercion, and did not the Congress adjourn without passing a single line of remedial legislation which both parties in their platforms and in their declarations made to the American people had declared themselves to be in favor of? Each Member of Congress last year had the opportunity to stand up and show his good faith. But Members of Congress acted just as Americans would act, because they felt they were being coerced. Let the boys back home share the same privilege Members of Congress have.

Some Members of Congress say they are afraid of an emergency. I think the emergency arises in the hearts and the minds of those Members of Congress

themselves. They are afraid they are going to be deprived of conveniences. The able junior Senator from Oregon [Mr. MORSE] pointed out that we are not entitled to have an injunction issued on the basis of mere personal provocation. We are not entitled to have an injunction issued in order to prevent inconvenience to ourselves, as pointed out by the Senator from Florida. We are entitled to an injunction only in case the national safety is imperiled. How many times has it been imperiled in the course of the history of the United States? As the able Senator from Ohio himself has pointed out, not one single time. How many times would the proposed injunction justly be used? Some make out that it is something which is going to be used to deal with every little incident, or to gratify some whim, or for the benefit of some person who might feel that inconvenience would come to him. In the history of our country it has not been used rightfully within 100 years. There is nothing to worry about or fret about; so long as we have a free America we are going to be safe. So long as American principles prevail we are not going to have such an emergency as would throw us into rebellion. The able Senator from Ohio spoke of such an emergency as would amount to a rebellion. If such a time should ever come, the President has all the power he might need to meet that situation. I do not feel any alarm, Mr. President, because I still have an abiding faith in the American people.

The VICE PRESIDENT. The time of the junior Senator from Kentucky has expired.

Mr. THOMAS of Utah. Mr. President, I yield 6 minutes to the Senator from Minnesota [Mr. HUMPHREY].

The VICE PRESIDENT. The Senator from Minnesota is recognized for 6 minutes.

Mr. HUMPHREY. Mr. President, I believe there is very little new that could be added to the arguments which have been stated on the floor of the Senate. We have debated for weeks the issue of the injunction in labor disputes. We have had very eloquent and persuasive arguments from the proponents of the injunction in national emergencies. We have had equally eloquent, and I think even more persuasive, arguments from those who feel that the injunction would do more to aggravate the situation than to help it. So I think it can be stated that the argument has been pretty well exhausted. In the few moments which have been allotted to me I should like to summarize the case of those of us who are opposed to the injunction.

First, the issue is quite clear, in the vote which will soon be taken on the floor of the Senate. There are two amendments, one proposed by the distinguished junior Senator from Florida [Mr. HOLLAND] to amend the Thomas bill so as to include the injunctive provision. The second amendment is an amendment to the Taft proposal, to strike out the injunction portion.

Frankly, we are to have a counting, a showing of hands by those who are for injunctions and by those who are against them. I think it would be inappropriate and improper to brand anyone because of his convictions. There are those who believe deeply and sincerely that the injunctive process offers the relief which is needed. There are others who believe that the injunctive process offers no relief, and in fact aggravates and increases tension in the labor-dispute situation.

The other issue is whether the injunction is a fair instrument—not only whether we are for it or against it, but whether it is a fair instrument. The proponents say that they are not proposing that the private employer or the labor official shall have the right to seek an injunction. The issue is whether the Government of the United States, the President, through his Attorney General, with many appropriate safeguards, should have the right to go to a suitable district court and obtain an injunction in a national emergency. No matter how we may wish to dress it up, the fact is that the arm of government is to be used in a labor dispute, not on the side of the worker, not even on the side of the public, but definitely on the side of the employer.

The history of the injunction procedure in the courts of the United States in connection with injunctions which have been obtained by the President of the United States through the Attorney General is replete with evidence that the injunction has been used not for the public good, not for the public welfare, but for the employer—to do what? As the distinguished Senator from Oregon [Mr. MORSE] has pointed out repeatedly, to break a strike—to break a union.

There may be those who want strikes broken. I am not one who believes that strikes ought to be broken. I think they ought to be settled. There may be those who feel that labor is too strong. I submit that the answer is not through the injunctive process. The answer is through providing a standard of living in America under which the need for strong labor unions is no longer important.

I think there is another basic issue which should be brought to our attention. It was ably stated by the distinguished junior Senator from Oregon [Mr. MORSE] when he said that the injunction offers an opportunity to foster class warfare in this country. It pits one group against another. It puts government on the side of one group, and foists upon the American people the concept of class conflict. I submit that in a free economy there is no room for class warfare. In a Nation dedicated to the principles of freedom, the Government of the United States must stand as a neutral, impartial arbitrator, as the umpire of the rules of the game, rather than as a proponent on one side or the other.

Mr. THOMAS of Utah. Mr. President, I yield the remainder of our time to the Senator from Oregon [Mr. MORSE].

The VICE PRESIDENT. The Senator from Oregon has 6 minutes.

Mr. MORSE. Mr. President, I wish to make only a few brief remarks on the precise issues that are about to be voted upon in the Senate. I have already spoken at some length during this debate in opposition to the use of the injunction in labor disputes, but I think it worthwhile to summarize briefly what we will be voting for or against in the next three votes.

First, let us consider the amendment to the Thomas bill offered by the Senator from Florida [Mr. HOLLAND], for himself and other Senators. If adopted that amendment would amount to a declaration by the Congress that injunctions obtained by the Government are the only effective means for dealing with labor disputes affecting the national health and safety. Moreover, Mr. President, the Holland amendment definitely permits the use of injunctions at the instance of Federal officials, in aid of private employers. As I have pointed out heretofore, the result is to aline Government on the side of the employers in each case in which a strike or a threatened strike is enjoined, wholly without regard to the merits of the dispute. Even if there is no resort to the injunctive power, its mere existence weights the collective bargaining scales against labor. If issued, it poisons public opinion against the side enjoined, and history, both before the Norris-LaGuardia Act and since the Taft-Hartley Act, teaches that almost invariably it is labor that is enjoined, even though any impartial consideration of the merits of a particular case may demonstrate that industry is in the wrong.

The injunction deprives labor of its only effective weapon—actual or threatened economic force. While labor is disarmed and handcuffed for a period of up to 60 days under the Holland amendment, industry is entirely free to pursue its course in the dispute, secure in the knowledge that for the time being labor is prohibited from striking.

I do not understand that the proponents of the Holland amendment assert that it will settle or even appreciably aid in settling labor disputes. The most that is claimed is that the injunction preserves the status quo and thus in some undefined manner contributes to the ultimate solution of the controversy by forcing delay. But delay, enforced by court order, does not facilitate settlement of the dispute. The report of Cy Ching is crystal clear on that point. In his first annual report as director of the Mediation and Conciliation Service he stated that one of the conclusions to be drawn from the experience with 80-day injunctions in emergency disputes is that the injunction tends to delay rather than facilitate settlement of a dispute.

The issue on the Holland amendment is clear cut. Are we or are we not in favor of adding the injunction—that hated and wholly discredited instrument of compulsion—to the Thomas bill? If so, Senators will vote for the amendment. I urge, however, that Senators reject the proposal, and I shall vote against it.

The Lucas amendment proposes that all reference to the injunction be deleted from the Taft substitute for title III of

the Thomas bill. Those who oppose authorizing the Government to obtain injunctions in aid of private employers obviously should support this amendment. It is, in substance, the obverse of the Holland amendment, which would add injunctions to the Thomas bill.

The issue in this instance is equally clear-cut: Do we or do we not favor a statutory provision specifically empowering the Government to seek injunctions in emergency disputes?

As I stated when the Senator from Illinois [Mr. LUCAS] submitted his amendment, the possibility of injunctions in aid of Government operation, after seizure, still remains even though we eliminate specific reference to the injunction from the Taft substitute. However, we have an additional opportunity to register our views on implied injunctive power, in the event the Lucas amendment is adopted. Thus I say, Mr. President, that the Lucas amendment should be adopted, because it definitely eliminates the injunction in aid of private employers. We can later consider whether, with that authority deleted from the Taft substitute, we then wish to authorize seizure without placing any safeguards in the law governing use of the injunction during Government operation.

The Honolulu, Hawaii, dispute, raises very clearly the point which I have tried to drive home in this debate. What do the proponents of the injunction want? They want an injunction applied in Hawaii. For what purpose? In order to break a strike.

The otherwise great liberal newspaper in Washington, D. C., the Washington Post, in its issue of this morning, contains an editorial on the subject. I expected the editorial. I recognize that when one criticizes a newspaper as I criticized the Washington Post yesterday the chances are that the editor will reciprocate the criticism. I welcome it in this instance because the Washington Post is dead wrong in the position it has taken. The editorial of today is so poorly and fallaciously written that it resembles a chain reaction of Fourth of July firecracker duds. It is nothing but a series of non sequiturs. Let us go to the heart of this editorial. Imagine a newspaper which would have the audacity to print such a paragraph as this:

> The issue is one of national importance, and it is one of obtaining more responsible leadership in the longshoremen's union. There is no easy way to attain this end, but certainly it will not be advanced by arbitration of the sort requested by Senator MORSE that would play into Mr. Bridges' hands.

I am not playing into Mr. Bridges' hands, because I stand against everything in his political philosophy. But I say to the Washington Post that it has exemplified, as well as it could possibly be exemplified, how an injunction can be used in regard to a false issue. The issue in Hawaii is not the issue of Mr. Bridges' union leadership. The issue concerns wages, hours, and working conditions for the longshoremen. Neither the Big Five in Hawaii nor the Washington Post can get away from that issue. What the Washington Post is saying is that it wants an injunction to be imposed by our Government in order to break a union's leadership. Shame, shame, I say, Mr. President, that in 1949 a great newspaper would plead guilty to the very indictment we have presented in this debate, namely, that the injunction, when used, is used on the employer's side of the table. But the Washington Post would have us use the injunction to break a union or its leadership, and it confesses it in the editorial this morning. The Washington Post should be supporting the principle it professes to believe in, namely, arbitration of the merits of the dispute. The Bridges' leadership and the leftist philosophy of Bridges have nothing to do with the question as to whether it is right or sound for the Government to help the employers break a strike.

Mr. President, if we want labor cases decided on the basis of their merits, if we want them settled fairly, if we want to avoid the great strike-breaking weapon, the injunction, then let us vote against the Holland amendment. The proponents of the Holland amendment, as we can see if we analyze their apparent motives, do not want to preserve the right to strike, but they do not come forward with a direct amendment to abolish strikes. They hide behind the injunctive process.

The VICE PRESIDENT. The time of the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I ask that the entire editorial from the Washington Post be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ARBITRATION IN HAWAII

Senator MORSE has cited this newspaper's plea for an injunction to end the strike that has throttled Hawaii as evidence of the Washington Post's antilabor bias. Our record on labor will stand—and, contrary to Senator MORSE'S, it at least is not doctrinaire. The Senator has suggested that the President offer arbitration between Hawaii's Big Five industries, which operate the stevedoring companies, and Harry Bridges' International Longshoremen's and Warehousemen's Union. This newspaper has consistently favored arbitration as a principle; but a condition and not a theory exists in Hawaii, and there are compelling reasons why arbitration at this juncture would be unfortunate.

Arbitration, to be successful, implies substantially equal conditions existing between the parties to a dispute. The conditions in Hawaii are not equal today. For 2 months Mr. Bridges has been enforcing a blockade against Hawaii's half million people. They, and not the Big Five, are the real victims of Mr. Bridges' power. Under these circumstances, arbitration would virtually confirm Bridges' position as economic dictator of the islands.

The Washington Post holds no particular brief for the Big Five. It may well be that the employers were foolish not to arbitrate in the first place, inasmuch as the union offered to arbitrate. But the fight has been over far more than equalization of wages between Hawaii and the mainland; it has been a battle for economic control of the islands. We don't like that kind of control whether exercised by the Big Five or by Mr. Bridges. Mr. Bridges has stated publicly that he is out to break the Big Five, and he intimates that a sugar strike is forthcoming. Nor has the record of arbitration with Mr. Bridges elsewhere been such as to commend it as a device for labor peace. Since the waterfront employers in San Francisco began arbitrating with the ILWU there have been 5 major strikes, and these certainly have contributed to the dwindling of San Francisco's commerce. Whatever may be said of the Big Five in Hawaii, their labor record in recent years has been relatively good. Since the war there has been no instance of an unfair labor practice in Hawaii filed with the National Labor Relations Board.

Senator MORSE makes a big point of the contention that an injunction would break the strike and injure the union. He shows a curious indifference, it seems to us, to how the strike has been and is breaking Hawaii. Indeed, the situation may well invite antitrust scrutiny, for with 35,000 members the ILWU has more adherents than all the other island unions combined, and the strangulation of Hawaii shows how absolute is its control.

The issue is one of National importance, and it is one of obtaining more responsible leadership in the longshoremen's union. There is no easy way to attain this end, but certainly it will not be advanced by arbitration of the sort requested by Senator MORSE that would play into Mr. Bridges' hands.

The best hope for early settlement is in the report of a fact-finding board appointed by the Governor of Hawaii. That report is due this week, and it may furnish a pattern for accommodation—unless, of course, Mr. Bridges is given reason to stall by virtue of indications that a request for arbitration is imminent. If the fact-finding report is rejected, we do not see how the President in good conscience and out of regard for the welfare of 540,000 American citizens can avoid asking for an injunction.

Mr. HOLLAND. Mr. President, I yield 15 minutes to the distinguished senior Senator from North Carolina [Mr. HOEY].

The VICE PRESIDENT. The Senator from North Carolina is recognized for 15 minutes.

The Senator from Florida has 29 minutes remaining.

Mr. HOEY. Mr. President, I wish calmly, deliberately, and dispassionately to discuss the amendment and some of the allied legislation which we have been debating in this Chamber for the past 3 weeks.

I am interested in labor legislation; I am interested in all the men and women and boys and girls of this country who work. Fortunately it has been my privilege to be numbered among the working people. From the time when I was 6 years old, until I was 12 years of age, I worked on the farm, and during that time I did everything a man would do on a small southern farm. At 12 years of age I went in a printing office, and completed my 4 years of service as a journeyman printer. I then began to edit and publish a county newspaper, when I was 16 years old. I continued that until I was 20, when I went to the legislature, studied law, and got a license when I was 21. Since that time I have been doing all the things that men do in the working world. Therefore, all my sympathies are with the people who work. I think I understand some of their problems. I went to work early, for two reasons: One, choice, the other, necessity; but I am glad for every single privation and hardship which it was my privilege to endure, because as a result I think I have a broader sympathy with

men and women who work and with those who undertake to serve in this day and time. I mention that as a prelude, to show that I have none of the feeling which some seek to ascribe to those of us who favor this amendment, as being adverse to labor. I think I can plead very truly that all my life I have been very much interested in all men and women who work with their hands and with their brains.

I might recall that in 1920, I was a Member of the House of Representatives. That was during Woodrow Wilson's administration. In that Congress, I supported a collective bargaining act. It was not popular then, nothing like so popular as it is today. Yet at that period, 29 years ago, I stood for legislation of that character.

Coming down to recent times, I supported the Taft-Hartley bill in the last Congress. I voted for its passage in the first instance, and I voted for its passage over the President's veto in the second instance. I did so because I believed in the principles of that bill. Notwithstanding all the denunciations of it, I stand here to say that it is the best labor bill we have had in the past 15 years. It has more fairness in it than the Wagner Act had, and I say that advisedly.

I do not contend at all that the Taft-Hartley Act was a perfect measure, because I believe it has needed amendment; and I think wherever experience justifies amending it, it should be amended. Consequently, I am supporting amendments to it. But essentially it dealt fairly with labor relations and it corrected some of the one-sidedness and prejudiced provisions of the Wagner Act, which not only was prejudiced in its provisions, but was even more prejudiced in its administration.

As Governor of my State, I had occasion to observe carefully the administration of the Wagner Act. From the National Labor Relations Board, an examiner and a prosecutor were sent to my State. When they came there, they went first to meet and confer with the union. When they had done that, they practically settled the case. The employer had no chance. They made their decisions, and then supported and maintained them. I thought that situation could be corrected, and I think the Taft-Hartley law did correct it, in that it put some fairness into labor relations.

It should be remembered that the Taft-Hartley Act was passed by a majority of all the Democrats and all the Republicans in the Congress. There were 93 Democrats in the Senate and House who voted against the bill, whereas 126 Democrats in the Senate and House voted for the bill, making a net majority of 33 Democrats who favored the adoption of the Taft-Hartley Act.

It has been said that this is a political measure. I do not so regard it. I think it touches the very economics and economic life of the Nation and touches American men and women in all the relations of life, and I do not believe legislation on such subjects should be based upon politics.

At the Democratic National Convention last year, I was a member of the platform committee. I opposed the declaration in favor of repeal of the Taft-Hartley Act. I announced at that time that I was opposed to that declaration. I opposed it not only from the platform of the convention, but also in the campaign. In the campaign, I supported the election of President Truman as the nominee of the Democratic Party; but at the same time I said I did not agree with his position or that of the Democratic platform in declaring against the Taft-Hartley Act, and neither did I agree with the other things in that connection for which our party stood. I had a right to take that position.

In that connection I point out that that platform plank does not stop with its declaration for the repeal of the Taft-Hartley Act but it also calls for the enactment of a fair labor measure. I point out that I do not think the Thomas bill is a fair labor measure. In my opinion, the proponents of that bill admitted that when they agreed to four amendments without even having a yea and nay vote on them in this body, in order to correct some of the imperfections of that bill and some of the omissions which, without explanation, occurred in that bill. These amendments improve the Thomas bill; but even so, it is wholly inadequate to meet the needs of this day and of the Nation in the days which lie ahead.

I call attention to some of the many injustices still contained in that bill. For instance, it permits a labor union to make any sort of contribution it wishes to make to candidates, either to elect or defeat them, or to a party; but it does not permit any other corporations to make any sort of contribution at all, and it provides a penalty of $5,000 or a jail sentence if they make a contribution to help anybody. It holds responsible every employer who makes a contract with a union, and yet it has no provision to make the union abide by its contract. Can there be any suggestion of fairness about a measure which deals in that sort of fashion with our economic relations?

Then, of course, it does not contain the injunction feature, and it does not contain the seizure feature. Personally I do not like seizure; but I am in favor of the injunction, and I am in favor of it without any sort of equivocation. I am in favor of the declaration made in this amendment; and it is the same as the Taft amendment in that respect. The Holland amendment provides for an injunction in case of national emergency.

Mr. President, it is a very strange situation that confronts the Senate in this respect. We hear those who are the proponents of the Thomas bill saying, and the President himself says, that he has the power to apply for an injunction in a national emergency. Yet we hear some of those who make speeches decry that power. They say there ought not to be a power of injunction and it ought not to be exercised, and not only that but it should not be invested in the President of the United States. Well, the President of the United States says he already has that power. The Attorney General of the United States says the President already has it. Many of the proponents of this measure say the President has it. If he has it, where is the crime in writing straight and clear in the law the limitations which shall attach when he undertakes to apply for an injunction?

This character of injunction is not comparable to those which existed in the days when injunctions were used for the purpose of destroying unions or stopping strikes, as some of my friends argue. In this instance the injunction is limited to times of national emergency; and before anyone can obtain an injunction from any United States district court judge the President of the United States must find that a national emergency exists, and in addition to that, he must find that the national security and health are imperiled, and only the Government can apply for an injunction. No private person or employer can apply for an injunction under this provision.

At a time when the national health and security are imperiled, and when we are in the midst of a national emergency, does anybody want to stop and say that the President of the United States should not have the power, clear and unmistakable, to go into the United States courts and to obtain an injunction to stop a strike and to protect the country? Do we want to leave our country helpless and defenseless in the presence of ruthless dictators who would take charge of affairs and who would utterly destroy and wreck our economy in their lust for power and in their desire to obtain authority? I stand with those who believe that this country ought to be protected. I stand with those who believe that it is the inherent right of the Congress to say to the President, "We stand by to give you the authority in any time of national emergency and of national peril to exercise the power of injunction and to protect the people of this land." Why should we not do that?

It is said there is something about such a procedure which is adverse to the unions. I am favorable toward the unions, but I believe that the unions should be controlled by the law just as anybody else. I do not believe the fact that a man belongs to a union ought to give him the right to violate the law. I do not believe that because people band themselves into a union they should rise above the law.

For that reason, I am also in favor of another amendment, the purpose of which is to do away with the closed shop. I do not think it is an American institution. We have about 15,000,000 people in America who belong to unions and who work. We have 45,000,000 who work for pay, and who do not belong to any union. That makes about 60,000,000 people employed in this country. I think the 45,000,000 who do not belong to any union have some rights which ought to be respected and protected. I believe in the right of every citizen to strike if he wants to do so. But I believe in the right of a man to work, if he wants to, and I think his right to work is just as sacred as is the right of any man to strike.

Furthermore, Mr. President, I do not believe that a man ought to be required to join anything in order to get a job. Only the other day a man from North Carolina came to my office. He had been a painter for about 15 years. He came here to get a job. He had one in Washington. He came to me and wanted to

borrow some money. He said he went down to get his job, but he found he would have to join the union before he could work. They wanted $100 to join. He had only $75. Then of course, after he pays the initial fee of $100, he must pay dues. I do not like the policy or the principle that in a great free country such as America any people can band themselves together and say, "You cannot work anywhere, unless you join a union." I think every man ought to have a right to join a union or not, just as he pleases, and his right to work should not be taken away from him because he exercises his right and choice. Seventeen States have either statutes or constitutional provisions against the closed shop, and I think in the Thomas bill there ought to be adopted another amendment which respects the rights of those 17 States and the rights of the 45,000,000 people who belong to no union in America, but who have to work for a living. They should have some consideration.

Mr. President, my time is about to expire. I want to come back to the injunction for just a moment. I am not one of those who are afraid of injunctions. I think this amendment is safeguarded as much as any proposition could be. It limits the power to get an injunction to the times of emergency and of national peril. Do any of us want to deny the right through our President and through the processes of our courts to protect our country in its whole economy, pleasure, and happiness, and likewise the serenity and calmness of the Nation? Do we want to deny to the President the right to have that power available to him when a period of emergency comes? I am unwilling to leave the country helpless and defenseless before those who would destroy it in their lust for power, in order to obtain yet greater power. Therefore I am in favor of the Holland amendment. I believe it is for the best interests of the workers and of the unions of this land. I believe it will do more to prevent the arising of emergencies and the increasing peril to our whole civilization than almost any other measure we could have. It will do a great deal to prevent national emergencies. It will stand as notice to all the world that the President has this power for the protection of the country and that, in the exercise of the power, he can bring security and peace to our people, even though we are faced by a period of national emergency on hand. For the consummation of that purpose, I shall support this amendment, and I shall do so in the full consciousness that it is fair to the workingman and is fair to all the people who constitute the great country we know as America.

The VICE PRESIDENT. The Senator from Florida has approximately 14 minutes remaining.

Mr. HOLLAND. Mr. President, in closing the debate on this particular amendment offered by my three colleagues and myself, I want first to correct one statement which I am sure was made through misapprehension on the part of the distinguished Senator from Oregon [Mr. MORSE], when he said that anyone who votes for this amendment is voting an expression that only the injunction is a worth-while tool for use in connection with the closing or threatened closing of national industries. That statement is not borne out by the facts, because after this amendment is voted on, and even if it be adopted, as I hope it will be, we shall still have a chance to consider, and to consider fully in two different proceedings, whether or not we want to add to the injunction provision a seizure provision which is suggested in different ways, and which will come up on two particular issues, on votes to be had at 2 o'clock and 3 o'clock this very afternoon.

The authors of this amendment felt, however, that the Members of the Senate were entitled to have one clear chance, one clear opportunity to pass upon the question of whether or not the injunction, standing by itself, should be included or excluded from the provisions of the act, which we hope will emerge after the final action of the Congress and of the President of the United States. The only way in which we felt it could be clearly and exclusively presented as a single issue, as to whether the Senators wanted the injunction to remain as a part of the tools to be used, or whether they wanted it to be excluded, was by offering this particular amendment in its particular form. After it is disposed of, regardless of what may be the disposition of the Senate, we shall still have the other two amendments pending, and we shall reach them. The adoption of this particular amendment by no means shuts off the consideration and action of the Senate upon the other two amendments. If, in the judgment of the Senate, it wishes to add seizure, it will have a full opportunity to do so hereafter.

Mr. President, I am for this amendment. I am for the amendment as a friend of labor and as a friend of industry. But particularly, I am for it as one who believes that our responsibility is primarily to the entire people of the United States and that if we do not have as a portion of the bill, whatever else is in it, when the bill passes at the end of this consideration, the provision that the injunction may be used by the President and the Attorney General of the United States fairly in behalf either of labor or of industry, but primarily in behalf of the welfare of the general public of the Nation, we shall have remaining an ineffectual piece of machinery, something which we cannot possibly hope will protect the public interest during the period of time when negotiations are continuing.

Mr. President, I think it is established beyond any peradventure of doubt, and at least it was admitted this morning by the junior Senator from Minnesota [Mr. HUMPHREY] in his expression on this floor, that the injunction provision of the Taft-Hartley Act has been successful in the carrying out of its primary objective, which was to keep men at work, to keep industries producing, to avert from our Nation and its economy and from the lives and existence of our people dangers attendant upon such things as the coal strike and the other strikes in national emergencies which were prevented within the last 2 years by the use of the injunction. It is true that in all six cases where the injunction was invoked, with the single exception of a few days in the coal strike between the original injunction and the time Mr. Lewis reluctantly complied with it, the injunction kept these vital industries running and protected the public.

I want to say to my distinguished colleague that I think, when he finds fault with the decision of Judge Goldsborough in the coal case, he is running counter to the feelings of millions of persons throughout the Nation, because we could almost hear the expressions of "Thank God" going up when it was learned that our people would not be confronted with a shut-down in the vital coal industry at that particular time.

I remind the Members of the Senate that that controversy was ended during the period of the injunction. In five cases out of six the use of the injunction was effective in giving time for the ending of the controversy, either within the period of the injunction itself, or within 3 or 4 days thereafter, without the public sustaining any injury as a result of the threatened shut-down.

When a tool has been used patriotically by the President and the Attorney General, who used it regretfully but as the only tool which existed whereby they could protect the public, when, in five instances out of six, it has given protection to the people and to the industries of the Nation in the past 2 years, how can anyone say it does not operate effectively and efficiently, and how can anyone say it does not operate impartially? It was designed for use by the President, who did not want that particular tool, but who looked around at all else he had—and he had everything that is in the Thomas bill—and found nothing which afforded any measure of protection against the injury threatening and impending, and that the only way to avert disaster would be through the use of the injunction.

The Attorney General went through with it. Proceedings were begun before able judges whose reputation, character, ability, and great legal acumen have not been questioned by anyone. After hearings were had, injunctions were issued upon a finding that grave disaster was imminent, and the injunctive process was the only way in which it could be avoided. How can anyone say that the injunction has not worked effectively?

Mr. President, I close on the question of the injunction by simply reminding Members of the Senate that the injunction works both ways. While it is designed primarily to protect the public, it may work either against labor or against industry. The fact that it has been used against labor in six cases should not by any means shut out from our minds knowledge of the fact that it is likely to be needed against industry in these days of a declining economy, when, just as surely as we are here on the floor of the Senate, there will be employers who will say, "We shall not continue to pay the rates of wages now being paid, and we shall not continue the present conditions of employment. If you want to continue to work for us, you must accede to some reduction, because we are in the midst of

a declining economy. We must make a small profit or else we cannot continue to render the important service which we are rendering to our people."

Mr. President, this tool is designed to be used and can be and will be used just as effectively in the one instance as in the other. I again call attention to the fact that it is not used primarily as against someone, but is used for someone. For whom? For all the people of the United States, because, when the coal industry shuts down, the life-preserving heat in the dwellings of a large number of persons is affected, and the operation of industries in which a large portion of our people are engaged is affected. It is a vital matter; it strikes right at the ability of our people in every community to continue in existence.

I pass from that to the question of seizure. I am opposed to seizure as a peacetime remedy. I think it would be unwise to include it in the bill. I call attention to the fact that we have not addressed our amendment to the Taft amendment. We have, to the contrary, addressed it to the Thomas bill. So, after it is engrafted upon the Thomas bill, there is still before us the question as to whether we shall have seizure. On the question of seizure I invite attention to the fact that heretofore it has not been used in peacetime. It is recognized as being undemocratic, unprecedented, and extravagant. It plays into the hands of big government and statism. It is the very antithesis of a democratic approach. For us to write into the statute books a provision for peacetime seizure would, I think, be of the most doubtful wisdom. I think we are entitled to have an opportunity to pass upon the retention of the injunction without there being involved within our choice at that time the question of seizure. I believe it is amply clear from the debate heretofore that our experience with seizure has been confined to times of war and immediately following war. Seizure has been exceedingly extravagant, extremely uneconomical, exceedingly inefficient. Seizure has left us severe headaches. The results of the seizures in the First World War are not yet over, Mr. President. The railroad seizure cost us $1,616,000,000 and it gave us such a headache that in the last war we did not even think about seizing railroads, except for brief periods when labor troubles threatened. We found out that the railroad managers knew more about operating railroads than did any agencies of the United States Government.

In connection with seizure, Mr. President, I should like to call attention to the fact that not only is there involved the question of the wisdom of seizure in time of peace, but there is involved also the question of the wisdom of injecting seizure as an alternative along with the injunction. If we wanted to open the doors of the temple and invite in the most disastrous and continuing sort of pressure and of political controversy every time one of these national issues arises, we shall certainly have followed that course if we write seizure in as an alternative method of handling the question, because every time a matter goes to the President, every time it goes to the Attorney General and is handled by him in the court, every time it goes to the lower court, and every time it goes to the upper court, here is an alternative, and here is one big pressure group on one side not particularly interested in the public welfare, demanding that this course should be followed, and another pressure group on the other side demanding with equal insistence that another course should be followed.

Mr. President, shall we place the President of the United States in such a position that he will be subjected to that continuous, vindictive pressure throughout the consideration of each issue which arises? Thereafter he will be subjected, just as surely as we are sitting here, to objections, criticisms, and all kinds of contumelious statements in which it will be charged that for some selfish or improper reason he has followed the course which he has followed. We do not want any such situation or any such proposal in our bill.

Mr. President, I close in the two minutes which I have remaining by calling attention to the fact that the Thomas bill, with all the excellent motives behind it, contains not the slightest bit of provision for an emergency which the President could not employ without the passage of any bill at all on the subject.

First, the President issues a proclamation. Second, the employees are asked not to stop working. Third, he establishes an emergency board, an investigation is made, followed by a report and recommendations. During all that time the parties shall continue or resume work and operations under the terms and conditions of employment which were in effect immediately prior to the beginning of the dispute, unless a change therein is agreed to by the parties.

Mr. President, there is not a word in that title of the Thomas bill which deals with emergency contests which will arise throughout the Nation or which gives to the President a single scintilla of power or a single bit of organizing activity which he does not already possess. If we pass the Thomas bill we do not give to the President of the United States any additional power to deal with such disputes.

The VICE PRESIDENT. The hour of 1 o'clock having arrived, all time for debate has expired under the order of the Senate, and the vote will be taken now upon the amendment of the Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the senior Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly, meeting at Rome, Italy. If present and voting, the Senator from Louisiana would vote "yea."

I announce further that the senior Senator from New York [Mr. WAGNER] is necessarily absent. If present and voting the Senator from New York would vote "nay."

Mr. SALTONSTALL. On this vote the senior and junior Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] who are absent on official business have a general pair.

The Senator from Montana [Mr. ECTON] is absent on official business.

The result was announced—yeas 37, nays 54, as follows:

YEAS—37

| | | |
|---|---|---|
| Brewster | Hickenlooper | Robertson |
| Bricker | Hoey | Russell |
| Butler | Holland | Schoeppel |
| Byrd | Jenner | Stennis |
| Cain | Johnson, Tex. | Taft |
| Cordon | Kem | Vandenberg |
| Donnell | Knowland | Watkins |
| Eastland | McClellan | Wherry |
| Ferguson | Martin | Wiley |
| Fulbright | Maybank | Williams |
| George | Millikin | Young |
| Gurney | Mundt | |
| Hendrickson | Reed | |

NAYS—54

| | | |
|---|---|---|
| Aiken | Ives | Miller |
| Anderson | Johnson, Colo. | Morse |
| Baldwin | Johnston, S. C. | Murray |
| Capehart | Kefauver | Myers |
| Chapman | Kerr | Neely |
| Chavez | Kilgore | O'Conor |
| Connally | Langer | O'Mahoney |
| Douglas | Lodge | Pepper |
| Downey | Long | Saltonstall |
| Flanders | Lucas | Smith, Maine |
| Frear | McCarran | Smith, N. J. |
| Gillette | McCarthy | Sparkman |
| Graham | McFarland | Taylor |
| Green | McGrath | Thomas, Okla. |
| Hayden | McKellar | Thomas, Utah |
| Hill | McMahon | Thye |
| Humphrey | Magnuson | Tydings |
| Hunt | Malone | Withers |

NOT VOTING—5

| | | |
|---|---|---|
| Bridges | Ellender | Wagner |
| Ecton | Tobey | |

So the amendment offered by Mr. HOLLAND, on behalf of himself and Mr. HOEY, Mr. BRICKER, and Mr. SCHOEPPEL, was rejected.

The VICE PRESIDENT. The question now is on the amendment offered by the Senator from Illinois [Mr. LUCAS] to the amendment offered by the Senator from Ohio [Mr. TAFT], to the Thomas substitute. Under the order of the Senate that amendment will be voted upon at 2 o'clock. The time between now and then is divided equally between the Senator from Illinois [Mr. LUCAS] and the Senator from Ohio [Mr. TAFT].

Mr. LUCAS. Mr. President, the time is divided equally between the Senator from Utah [Mr. THOMAS] and the Senator from Ohio [Mr. TAFT].

The VICE PRESIDENT. The Chair understood that the Senator from Illinois had control of half the time. The Chair will state that the time is divided equally between the Senator from Ohio [Mr. TAFT] and the Senator from Utah [Mr. THOMAS].

Mr. THOMAS of Utah. Mr. President, if the clock is correct, there are 48 minutes left. That means 24 minutes for each side.

Mr. President, I wish to take only enough time to state the situation with which the Senate is now confronted.

Mr. LUCAS. Mr. President, I make the point of order that the Senate is not in order. There is much confusion on the floor of the Senate Chamber and in the galleries.

The VICE PRESIDENT. The Senate will be in order. Conversation will cease on the floor and in the galleries,

and wherever else conversation is going on. Senators who are compelled to converse will please retire to the cloak rooms. Persons in the galleries who are compelled to converse will retire from the galleries.

Mr. THOMAS of Utah. Mr. President, in a way the pending amendment is just the reverse of the one which the Senate has just rejected, but in another way there is a vital difference between the two. By voting against the inclusion of the injunction in title III of the Thomas amendment we made it possible to keep that title clear, that is, as the bill is presented. The Taft amendment would change title III of the Thomas amendment and put into it both the injunction and the seizure features.

The amendment upon which we are about to vote, offered by the Senator from Illinois, would take from the Taft substitute all the injunction features. Therefore from the standpoint of the plain injunction principles those Senators who voted "nay" on the amendment which was just rejected, should vote "yea" on the amendment which is now before the Senate.

Mr. President, there is still another difference between the two amendments. Because of the fact that there is no seizure provision in title III of the Thomas amendment, had the Senate put the injunction feature in that title, it would have made it possible for the injunction to have moved against laborers who are working in private industry, and it would have brought about the most abusive use of the injunction ever known. Since the Taft substitute contains the seizure provision, there is a difference between the two. But the vote should be in favor of taking the injunction even out of the Taft amendment, because the injunction has proved itself to be bad, it has proved itself to be an act against labor, it has caused all organized labor in the United States to stand out wholeheartedly against it, because it has been used to their disadvantage.

Mr. President, the Senator from North Carolina [Mr. HOEY] has given us statistics in the address he just delivered. He showed that there are 15,000,000 organized workers in the United States, and 45,000,000 unorganized workers. He thought we should take care of the 45,000,000. If the working people of America are to be considered as being divided up in that way, surely we should think in terms of what is to the advantage of all the workingmen, and not what is to the disadvantage of all the workingmen, merely because certain employers want to take advantage of them.

Mr. President, those who have the affirmative on this question are entitled to the last speech. Therefore, I yield the remainder of the time at my disposal to the Senator from Illinois [Mr. LUCAS] with the understanding that he will use it to make a statement respecting his amendment.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Senator will state it.

Mr. LUCAS. How much time is remaining for the proponents of the amendment?

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that the Senator from Utah has used 5 minutes and that there remain 19 minutes at the disposal of those who take the affirmative position with respect to the Lucas amendment.

The Chair now recognizes the Senator from Ohio [Mr. TAFT].

Mr. TAFT. Mr. President, I have no objection to the affirmative having the opening and closing, and it seems to me there should be more of the time used in the opening presentation, but I have no objection to proceeding myself.

Mr. President, the matter before us represents a very curious parliamentary maneuver. At the beginning of the discussion we filed an amendment which has been before the Senate continuously. It is a proposal that in a national emergency the President be given all the power we could reasonably give him, for one purpose only—to maintain the status quo for 60 days. In effect what the amendment we propose does is to say that when the bargaining period comes to an end, when the negotiations between the parties break down, when the contract expires, then the President is given the power to step in and ask the parties to continue to work for 60 days, for fear that the cessation of work would threaten the national welfare—the safety and health of 145,000,000 people. That is the purpose of our amendment. It does not go beyond that. The question is how can we best accomplish that purpose.

We have seen repeatedly occasions when the President has attempted to call on workers to continue working, but they have not done so. There were three or four strikes before the Taft-Hartley law was enacted, and since then, when the men, once there was no longer any injunctive power, insisted on striking, or the employers insisted on their position to such an extent that the strike was forced, whoever may have been to blame in one way or another, the people of the country suffered.

In the Taft-Hartley Act we adopted the injunction, and it was used. So far as I know there was no labor criticism of the Taft-Hartley Act on the basis of that particular national strike injunction. I do not remember hearing any attack by labor on that particular feature of the law. It was used in five or six cases by the President himself, because he thought it was the best method of protecting the national health and security, and the best method to bring about a settlement. If he had not thought so he would not have used this power.

In the committee we listened to the complaints of the representatives of labor against the provisions of the Taft-Hartley law. No great exception was taken to this particular provision, but the claim was made that there ought not to be any power of injunction, because in some way an injunction was considered to be a reflection on labor, and once it was issued it was an indictment of labor. I do not agree to that, because the injunction is issued against both labor and the employer. It does not purport in any way to settle the merits of the strike. It says, "You must give up a modicum of liberty and continue for 60 days on the same terms to which you yourselves agreed a year ago, which cannot be too unreasonable." It calls upon both labor and the employer to continue for 60 days while the President, with all his executive power, with the special emergency board which he is given authority to establish, and with all the force of his own prestige and position, urges upon the parties the necessity of settling a strike before the strike actually occurs. That is the purpose of the law, and it has been reasonably successful.

But the labor people say that in some respects the injunction is a reflection on labor. When the Republican members of the committee sat down to discuss the subject we finally came to this conclusion: If the injunction is in any way regarded as a reflection on labor, we will give the President also the power of seizure. The power of seizure cannot be a reflection on labor. The power of seizure is simply a provision to take over the employer's plant. If it is subject to any interpretation, it is a reflection on the employer. We thought that if there were a real national emergency—so great that it threatened national health and safety—the President ought to have every reasonable power—the power of seizure, as well as the power of injunction.

In my opinion, the power of seizure without the power of injunction, which the Lucas amendment proposes to accomplish, is practically null and void. It is of no effect. We have had two cases in which there has been seizure, and in which, nevertheless, the men have refused to work. The theory is that in some way, once there is seizure, an injunction can be obtained. That is based upon very tenuous grounds.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I am sorry. I have not sufficient time. I cannot yield.

That argument is based upon the theory that once there is seizure the Government can obtain an injunction against its own employees. In the United Mine Workers case the workers were Government employees. The men were operating under the Krug-Lewis agreement—an agreement made by the United States Government with the men—and they had agreed to be employees. But there is no evidence whatever that the power of injunction would extend to a case in which the men never had worked for the Government—a case in which the contract had come to an end and the men had quit before the Government stepped in. There is no evidence whatever that those men would be employees of the Government. They never were. They are the employees of no one after that because they are not working.

So it seems obvious to me that seizure dos not necessarily imply any power of injunction. I believe that seizure, by itself, is a perfectly useless remedy, and a very unfair remedy, because it is aimed

only at the employer. So in our amendment we tried to establish a fair and equal division of powers. We feel that we are entitled to a vote from the Senate on the question, Do we want to set up a control to deal with a situation in which the President has the power both of injunction and seizure? Are we willing to say, "We will grant him powers which labor does not want granted to him, and we will grant powers which the employer does not want granted to him"? That is the effect of the Taft-Smith-Donnell amendment.

The distinguished Senator from Illinois [Mr. LUCAS] does not want the Senate to vote on that amendment. He does not want to give the Senate the right to say whether it wishes to adopt that particular method of solving national emergency disputes. He wants to eliminate the injunction feature and leave the seizure provision. Frankly, if he is successful in that effort, I shall oppose my own amendment, because in my opinion seizure alone is one-sided and ineffective.

I think we are entitled to a vote on the amendment as we have submitted it to the Senate. I feel that anyone who is reasonably fair in his approach to the problem must admit that the Senate ought to have a right to consider that particular proposal. It has turned down seizure alone. It has turned down the injunction alone. I think we are entitled to a vote on the question whether the Senate wishes to put them together in one provision, where they cannot be criticized as being one-sided. We are entitled to a vote on that amendment.

Therefore, I appeal to Senators to vote down the Lucas amendment. If the Senator from Illinois is sincerely trying to present a seizure amendment, he can offer his amendment as an amendment to the Thomas bill. This is no affirmative amendment. This is an amendment intended to prevent the Senate from voting on the most reasonable proposal that is before it. So I trust that the Lucas amendment will be defeated.

Mr. President, may I ask how much time I have taken?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Senator has 15 minutes left.

Mr. TAFT. I yield 10 minutes to the Senator from Missouri [Mr. DONNELL].

Mr. DONNELL. Mr. President, the Senator from Ohio has so clearly stated the issue involved in the Lucas amendment that it is really unnecessary to make a further statement, but I shall attempt, as well as I can, to supplement in my own language what he has said.

The Taft amendment provides two remedies, first, the remedy by way of injunction, and second, the remedy by way of seizure. The Lucas amendment proposes to excise that portion of it which has to do with the injunction. Thus there would be left in the Taft amendment, if the operation proposed by the Senator from Illinois were successful, only the remedy of seizure. I submit that it would have been entirely appropriate had the Senator from Illinois desired to attack the Taft amendment in its theory, to have moved to strike out both the remedy of injunction and the remedy of seizure. But obviously the Senator from Illinois has elected to strike out the one remedy which he considers to be directed primarily against labor, and to leave in the provision which the Senator from Illinois conceives, I take it, to be designed primarily against management.

On the subject of seizure, I myself have had very considerable doubt, as I have stated on the floor of the Senate, and as I have indicated in a memorandum attached to the minority views, as to whether seizure is or is not an appropriate remedy. But to my mind it is perfectly clear that it is not advisable to adopt an amendment which provides for only one side of the case to be covered.

It seems to me that if the injunction feature of the Taft amendment is eliminated by the process proposed by the Senator from Illinois, we have left the plan by which the Government may take over the property of the employer, and we have no remedy whatsoever with respect to the continuance of the strike. The very thing which is the occasion for the national emergency, and which imperils the national health and safety, will not in any sense be covered by the amendment. It is the strike, or the threat of cessation of labor by a great concerted effort engineered by a great organization which brings to a head the imperiling of the safety and health of the Nation as an entirety. If that portion of the Taft amendment which provides for an injunction to prevent a strike from occurring shall be removed from the amendment, there will be nothing left in it except the provision that the Government may take over the premises of the business of the employer, and perhaps have the highly doubtful remedy which is implied, and which has been suggested on the floor of the Senate, the remedy that the President may have some implied power of seeking an injunction, on the theory that he has the inherent power to preserve the national interest.

We have a situation, then, if the amendment of the Senator from Illinois shall prevail, that possession of a business will be taken by the Government, and then we are confronted with one of two alternatives: Either that no power resides in the President to prevent, even under some inherent power that is suggested by the Attorney General, the carrying on of a strike which will imperil the national health and safety, or, on the other hand—and this is the other horn of the dilemma—we have the question of whether there is any limitation whatsoever on the power of the President to act by way of the exercise of the inherent power suggested by the Attorney General.

Mr. President, it seems to me that, in the first place, the Taft amendment clearly and reasonably defines and settles the question of whether the President does or does not have such power. The Taft amendment grants him the power to proceed by way of injunction. It expressly does so. It does not leave the matter to the whim or caprice of anyone or to a doubtful legal question as to whether the President does or does not possess the power which is claimed for him. On the other hand, the amendment very clearly limits the exercise of power, so that the President cannot, by invoking the processes of a court, take possession of the property for a period of more than 60 days.

So, Mr. President, I suggest, as has been in substance already so adequately set forth by the Senator from Ohio, that in the Taft amendment we have a perfectly logical course, one which defines accurately and clearly, and also limits the power of the President to secure an injunction, and thereby also secures to the great public of the Nation freedom from peril or danger to the health and safety of the Nation during the period of the injunction, and on the other hand provides for seizure, which in some cases may be justified.

Mr. President, to my mind the only doubtful portion of the Taft amendment is that which pertains to seizure. I can see some real argument against giving the President the right to seize a business at all. Nevertheless, certainly the doubt in that case cannot override, as I see it, the importance of the right with respect to the injunction, which by the Taft amendment is conferred upon the President.

Mr. President, this brings us back to the question of the merits of the injunction plan. All of us have heard it argued back and forth, and there is nothing I can add with reference to it, save only perhaps one observation which might properly be made with respect to an utterance today of the senior Senator from Florida [Mr. PEPPER], when he told us that under the injunction plan set forth in the Holland amendment, and likewise that set forth in the Taft amendment, one judge would have the power to issue an injunction. That is true; that power would be possessed by one judge appointed by the President of the United States and confirmed by the United States Senate, presumably possessing, as I think the great majority of our judges, from the earliest period of our history, have possessed, integrity and skill and learning. So I say it is no reflection on the Taft amendment to say, as was said by the senior Senator from Florida with respect to the Holland amendment, that it provides for action by one judge. There is no provision here for arbitrary action on the part of one judge. He must, in order to issue—yes, not merely to issue, but in order to have jurisdiction to issue the injunction—make a finding, first, that the threatened or actual strike or lock-out affects an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, or communication among the several States or with foreign nations or engaged in the production of goods for commerce; and, in the second place, before the court has jurisdiction to issue the order, he must find that, if permitted to occur or to continue, the threatened or actual strike or lock-out will imperil the national health and safety. Until those findings have been made, the court is without jurisdiction, under the terms of the Taft amendment, to make the order.

So it appears to me that a charge with respect to the Federal judiciary——

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. DONNELL. Mr. President, with the permission of the Senator from Ohio, I shall continue for 1 minute.

Mr. TAFT. I yield one more minute to the Senator from Missouri.

Mr. DONNELL. Mr. President, it seems to me that the charge that is made against the plan, namely, that only one judge will pass upon this matter, is not well founded. Indeed, experience has demonstrated, as the junior Senator from Florida [Mr. HOLLAND] so clearly pointed out, that in national emergency cases the action of one judge has protected the national interest, the national safety and health. I find nothing in the record so far to indicate that there has been any abuse whatsoever on the part of the one judge.

So, Mr. President, I earnestly plead with the Senate today in favor of the proposition that the Lucas amendment should be rejected by the Senate, and that the twofold remedy suggested and outlined in the Taft amendment should be permitted to be voted upon by the Senate.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. TAFT. How much time do we have remaining, Mr. President?

The PRESIDING OFFICER. Four minutes.

Mr. TAFT. I yield 3 minutes to the Senator from Vermont [Mr. FLANDERS].

Mr. FLANDERS. Mr. President, I find I must vote against the pending Lucas amendment, even as I voted against that presented by the junior Senator from Florida [Mr. HOLLAND]. The reasons which impel me are the same in each case.

Early in the consideration of labor legislation, I sought to outline for myself the principles on which this legislation should be based. It became clear that I should be guided by the following considerations: The legislation must hold the balance even between employer and employee. It must protect the rights of the individual union member. It must protect the national health and safety.

In many hundreds of letters and in scores of personal interviews I have supported these principles, and have found no one disposed to question them. I am, therefore, following them as a guide in determining my votes on the Senate floor today.

The amendment offered by the senior Senator from Illinois seeks to maintain the public interest by laying a burden upon the employer alone. It does not hold the balance even. Besides that, as the junior Senator from Florida so clearly showed yesterday, past experience with seizure has been unfortunate. It breeds litigation, and develops problems of adjudication which may take months or years to solve. So I cannot vote for the pending amendment.

I hope to have an opportunity to vote for the amendment proposed by the senior Senator from Ohio [Mr. TAFT]. It does hold the balance even, and under it the conditions imposed on either employer or employee are no more arduous or unjust. Organized labor is not confronted with the abuses which brought forth the Norris-LaGuardia Act. The injunctions are not sought for and granted on petitions of employers. They are sought for on petition of the President of the United States in the interest of the national health and safety. On the other hand, industry cannot have the same objection to seizures which, under the terms of the amendment, cannot be used by the Government to impose the conditions under which a strike shall be settled. Seizure can be used only to give further opportunity for the normal processes as of negotiation and conciliation. The balance is held even.

For these reasons, Mr. President, I must vote against the Lucas amendment.

The PRESIDING OFFICER. The Senator from Ohio has 2 minutes of his time left.

Mr. TAFT. I have no desire to use that time, Mr. President.

The PRESIDING OFFICER. Then the Senator from Utah is recognized.

Mr. THOMAS of Utah. Mr. President, I yield to the Senator from Illinois [Mr. LUCAS] whatever time is left to us.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. LUCAS. Mr. President, when the Senator from Illinois offered the amendment to the Taft substitute, he made it very plain that he was attempting to strike out every word, every line, every syllable and every paragraph of the Taft substitute dealing specifically with the injunctive power, which in my opinion is the core of the emergency provision of the Taft substitute. There can be no question about that. I have never offered a substitute in the way of a seizure amendment, as has been reported from time to time by the press. I have said, time and time again, that the question of the seizure amendment would be taken care of in one way or another, following the vote on my amendment, which seeks to dispose of the injunctive features of the Taft substitute.

I desire to read section 304 of the Taft substitute:

> After issuing a proclamation pursuant to section 301 the President may direct the Attorney General to petition any district court of the United States having jurisdiction of the parties to enjoin such strike or lock-out or the continuing thereof or for authority for the President to take immediate possession and through such agency or department of the United States as he may designate to operate such industry, or both.

So, we have the plain, bald proposition before the Senate, through the amendment offered by the Senator from Ohio, to confer authority upon the President to use either the injunctive process or the seizure process, or both. It is amazing to find my good friend, the senior Senator from Ohio, saying that seizure alone is unfair, one-sided, and ineffective, that it is unreasonable, and that we are not fair in presenting this particular amendment in the form in which it appears. No one will deny, in the event the Taft substitute should become the law of the land, that if during the next 2 years we again should have seven so-called national emergencies, the President of the United States, under the Taft substitute, would never have to use the injunction at any time, if he did not want to. He could use the seizure method in all seven cases. For the Senator from Ohio to say that seizure standing alone is unfair, unworkable, and ineffective is to deny his own words and his own position in proposing his amendment as a substitute.

Mr. President, when the Senator from Ohio added seizure to his position with respect to the injunction, he admitted the weakness of the injunctive provision, standing alone. There can be no question about that. Otherwise, the Senator from Ohio would have stood alone where he stood 2 years ago with respect to injunction, and injunction alone. But, having placed seizure alongside the remedy of injunction, he admits that injunction standing alone is not proper and not right, and that the President of the United States should have the power to employ seizure as well as injunction. That is all there is to it.

For the Senator from Ohio at this late hour in this great debate to tell the Senate and the country that he is not going to vote for his own seizure amendment, in the event the Lucas amendment carries, is to deny what he has advocated from the beginning until the time the Lucas amendment was offered. It is wholly and utterly inconsistent with the language written into section 304 of the amendment. There can be no question about it.

For the Senator now to say that my amendment providing for seizure is a one-sided proposition in behalf of the employees is absolutely wrong. As stated over and over again in the debate, the great distinction is simply this: Under the injunctive remedy the situation is taken hold of immediately, and the employees are under court orders from that time on. Under the seizure provision the injunction, of course, as everyone must admit, is incidental. It can come about under certain circumstances and under certain conditions. It is, therefore, obviously untrue to say that seizure is aimed solely at the employer.

In any event, when the plant is seized in the first instance, the worker at that time is not under an injunction; he is working for his Government. I undertake to say that the workingman of this country is just as patriotic as his employer. The records in both World Wars show the record of patriotism both of the men in the shops and of their sons who went to war. When they are working for their Government and not for the employer, making a private profit for him, I undertake to say there will be a better opportunity in a great national emergency, to settle an industrial dispute in an amicable, a fair, and a just way, than would be the case if the injunction whip were put on the backs of the laboringmen from the very beginning. That is the distinction that is here made. When a great national emergency arises—we hope none will come, but if it should come—the men who sit around the bargaining table, honestly and faithfully attempting to bargain collectively, should have no strings attached to them. They should be free. They should have the right to bargain faithfully without intimidation from the courts through an

injunction and without any other type of interference. If it is possible to arrive at that sort of situation, we shall come nearer, during the cooling-off period, to adjusting and settling a dispute involving a national emergency than if the long arm of the court is around the necks of the men who are conferring, who are ready to strike, or ready to stop work, as a result of some grievance they may have.

Mr. President, there is another thing I have never been able to understand. Over and over again I have heard the argument as to how important the injunction is to the welfare of America. The great trouble with the average individual who does not thoroughly understand what we are doing is that he has a notion that the injunction to be used in the Taft procedure is the same as that which is used in the ordinary courts back home. Everyone knows that when there is a final decree of injunction before the local court, the party against whom it is issued is restrained and enjoined sometimes forever, for example, in the case of an injunction against committing a simple act of trespass. That is not the case here. Everybody knows that after 60 days under the Taft substitute the injunction is ended; there is not a single thing the Government of the United States can do thereafter, not one thing. I undertake to say that, under the Taft proposal, the President cannot declare a second national emergency. Under it there must be a new cause of action before there can be another injunction or another seizure; and when the men strike, the strike goes on and on, after the period of 60 or 80 days. There can be no question about that. So, after all, the injunction solves nothing. The only thing it does is to frustrate, more or less, the situation as it exists at the time and to make it worse rather than better.

I have never been able to understand how Senators on the opposite side of the aisle and some on this side of the aisle literally love the injunction. They embrace it with all their thought and with all the force at their command. They speak of it as though it were some God-given right which has been handed down from time to time. Yet, Mr. President, the one great institution in this country in which a strike would, overnight, paralyze the Nation, is the great railroad industry. Everyone knows that to be so. If one-third of the railroad workers of America should walk out tomorrow, we would find out from 2 days to a week's time we were confronted with an emergency which would threaten the health, safety, and security of this great country of ours. Yet, in the amendment offered by the able Senator from Ohio, it is provided, on page 7, as follows:

> The provisions of this title shall not be applicable with respect to any matter which is subject to the provisions of the Railway Labor Act, as amended from time to time.

I am in favor of that provision. I think it is a proper provision to put into a bill of this kind. It shows beyond peradventure of a doubt that even though the Senator from Missouri [Mr. DONNELL], the Senator from Ohio [Mr. TAFT], and the Senator from Florida [Mr. HOLLAND] have been arguing all week long how important it is to have the injunction included in the bill, nevertheless the great institution known as the railway system of America, the one institution in which a strike could paralyze the national safety overnight, is exempted. Why? Because in 172 cases since the Railway Labor Act has been in effect grievances in that industry have been settled without the use of the injunctive power.

In a short while, Mr. President, through evolution and through education, the problems of the labor movement will be solved in the same way they have been solved under the Railway Labor Act. That is just as certain as is the fact that I am standing here. If the proponents of the Taft proposal are as much interested in the injunction as they pretend to be and if they want the country to believe that upon that one feature hinges the question whether any labor law will be a success, I can see no reason for making this exemption. As I say, however, I am satisfied that it is the proper thing to do. It is a thing which should be done with respect to all other laboring men. They should be placed in the same category, so far as the injunction is concerned, as are the men operating the railway systems.

Mr. President, this is a vital vote. We are about to vote on the same question as that on which we voted a short while ago. There is no difference. The Holland amendment attempted to add the injunction to the original Thomas bill. I am trying to take the injunction out of the Taft substitute. The Senators who voted against the Holland amendment should vote for my amendment if they wish to be consistent on the great question which is now pending before the United States Senate.

Mr. THOMAS of Utah. Mr. President, I yield 3 minutes to the Senator from Minnesota [Mr. HUMPHREY].

The VICE PRESIDENT. The Senator from Minnesota is recognized for 3 minutes.

Mr. HUMPHREY. Mr. President, there seems to be a great deal of concern on the part of the distinguished Senator from Ohio that we shall not have an opportunity to vote on the Taft amendment, which includes the injunction and the seizure. The Senator from Ohio has deplored the amendment offered by the distinguished majority leader, the Senator from Illinois [Mr. LUCAS]. I think I should make a brief analysis of what has transpired. The Senate has voted against the injunction, 54 to 37. The United States Senate has indicated by its vote that the injunction is not only ineffective but is unfair. The Senate has voted that the injunction does not do anything more than keep men on the job against their will; that it does not protect the national welfare, according to the history of the Taft-Hartley Act, and, finally, that it does not promote the spirit of conciliation or mediation.

I was intrigued by the comments of the distinguished Senator from Ohio. I have taken the liberty of carefully noting exactly what the distinguished Senator said. He said, in referring to the amendment:

> Seizure alone, Mr. President, is unfair and ineffective.

The Senator from Ohio has stated again and again that "seizure alone is unfair and ineffective." The injunction has proven to be unfair and ineffective, by the record. Mr. Leiserson, Mr. William Davis, and Mr. Feinsinger have testified to that. It has been proved that it does not promote mediation or conciliation or settlement of a dispute.

Here is the admission from the Senator from Ohio: No. 1, seizure alone is unfair and ineffective. The Senate a moment ago voted 54 to 37 against the injunction.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HUMPHREY. The Senator does not yield. The Senator from Ohio is proposing that we take two ineffective and unfair measures, by his own admission, and join them together, and by adding together two negative quantities, two unfair measures, what do we get? We get the millennium. We get the answer to the problem of labor-management national emergencies according to the proposal of the Senator from Ohio.

I submit to this very distinguished body that if the record of injunctions in the seven national emergency disputes is one of failure, and it has been proved conclusively so to be, and if this distinguished body, by a vote of 54 to 37 has rejected the injunction, then I think we should follow the advice of the Senator from Ohio, and acknowledge that he is right in saying that seizure alone is unfair and ineffective. We know that the injunction alone, by the record, has proven its ineffectiveness. The question is, shall we join them together and, by some kind of a senatorial arithmetical, get the answer to solving the problems of national emergencies? The answer is quite obvious—of course not—such procedure violates all rules of logic and common sense.

Mr. President, I call upon the Senate to stand by the distinguished Senator from Illinois, the majority leader, and vote for the provisions of the Thomas bill which afford peaceful negotiation in an environment of fairness and equity.

Mr. THOMAS of Utah. Mr. President, I yield the remainder of my time to the Senator from Florida [Mr. PEPPER].

The VICE PRESIDENT. The Senator from Utah has no more time remaining. The Senator from Ohio [Mr. TAFT] has 2 minutes.

Mr. THOMAS of Utah. The Senator from Ohio gave up that time, Mr. President.

The VICE PRESIDENT. That still would not give the time to the Senator fom Utah.

The question now is on agreeing to the amendment offered by the Senator from Illinois [Mr. LUCAS].

Mr. WHERRY. I ask for the yeas and nays.

The yeas aid nays were ordered.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MALONE (when his name was called). On this vote I have a pair with the senior Senator from Louisiana [Mr. ELLENDER], who is absent by leave of the Senate on official business. If he were present and voting he would vote "nay." If I were permitted to vote I would vote "yea."

The roll call was concluded.

Mr. MYERS. I announce that the senior Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly, meeting at Rome, Italy.

I announce further that the senior Senator from New York [Mr. WAGNER] is necessarily absent, and if present and voting would vote "yea" on this amendment.

Mr. SALTONSTALL. The senior and junior Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] are absent on official business and have a general pair on this vote.

The Senator from Montana [Mr. ECTON] is absent on official business.

The result was announced—yeas 44, nays 46, as follows:

YEAS—44

| | | |
|---|---|---|
| Aiken | Johnston, S. C. | Morse |
| Anderson | Kefauver | Murray |
| Chavez | Kerr | Myers |
| Douglas | Kilgore | Neely |
| Downey | Langer | O'Conor |
| Frear | Lodge | O'Mahoney |
| Gillette | Long | Pepper |
| Graham | Lucas | Sparkman |
| Green | McCarran | Taylor |
| Hayden | McFarland | Thomas, Okla. |
| Hill | McGrath | Thomas, Utah |
| Humphrey | McKellar | Thye |
| Hunt | McMahon | Tydings |
| Ives | Magnuson | Withers |
| Johnson, Colo. | Miller | |

NAYS—46

| | | |
|---|---|---|
| Baldwin | Gurney | Robertson |
| Brewster | Hendrickson | Russell |
| Bricker | Hickenlooper | Saltonstall |
| Butler | Hoey | Schoeppel |
| Byrd | Holland | Smith, Maine |
| Cain | Jenner | Smith, N. J. |
| Capehart | Johnson, Tex. | Stennis |
| Chapman | Kem | Taft |
| Connally | Knowland | Vandenberg |
| Cordon | McCarthy | Watkins |
| Donnell | McClellan | Wherry |
| Eastland | Martin | Wiley |
| Ferguson | Maybank | Williams |
| Flanders | Millikin | Young |
| Fulbright | Mundt | |
| George | Reed | |

NOT VOTING—6

| | | |
|---|---|---|
| Bridges | Ellender | Tobey |
| Ecton | Malone | Wagner |

So Mr. LUCAS' amendment to Mr. TAFT's amendment to the so-called Thomas substitute was rejected.

The VICE PRESIDENT. The question now comes on the amendment offered by the Senator from Ohio [Mr. TAFT] in the nature of a substitute for title III of the amendment of the Senator from Utah [Mr. THOMAS] in the nature of a substitute. The time between now and 3 o'clock will be divided equally between the Senator from Ohio [Mr. TAFT] and the Senator from Utah [Mr. THOMAS].

Mr. TAFT. Mr. President, do I understand that there are 50 minutes which are divided evenly between the Senator from Utah and myself?

The VICE PRESIDENT. The remaining time is equally divided.

Mr. TAFT. Mr. President, I have already spoken on this subject so often that I hesitate to take further time of the Senate. I should be very glad to yield to anyone who wishes to speak in favor of the amendment.

I can state again very briefly the problem which is before the Senate. There has been developed in recent years monopoly control of industry and of labor in labor negotiations to a point where in various industries, if labor and management fail to agree, and if there is a strike, the entire country is tied up, and is subjected to hardship of one kind or another because of that failure of labor and management to agree. That is no more the fault of labor than the fault of management. In some cases labor may be to blame and in others management may be to blame. But in any event the public interest is concerned; it is deprived of conveniences, and even of the necessities of life.

In our amendment we have attempted to deal only with the one case where a strike is of such overwhelming nature that it endangers the safety and health of all the people of the United States. That is the condition with which we have to deal. I have said frankly before that no one has found the ultimate solution in dealing with that kind of a situation. In the last analysis it may go on until a general strike occurs.

There was a general strike in England in 1925, and the problem was what the Government should do about it. All powers were granted to the Government. The Government seized everything. It requisitioned all the trucks in England. The Government operated the trucks and delivered the food and the necessities to the people of the island. Probably we will not reach such an extreme situation here, but in various fields we may be so tied up that finally failure to solve the problem would threaten the destruction of the people of the United States. When we come to such a point, and the parties will not agree, the country practically faces a revolution and the President would have to be given broad powers equivalent almost to the powers given him in time of war.

I hope we will never reach that point. We never have reached it, although 3 years ago the President of the United States himself came before Congress and demanded from Congress the power arbitrarily to draft all the strikers into the Army of the United States, and, incidentally, all the labor-union leaders. I do not know what he was going to do with them. He asked Congress to give him the power to draft them into the Army and to seize the property, and to operate the property under Government supervision, with the use of the United States Army. As a matter of fact, the strike was solved perhaps by that threat alone. But in any event I hope we may never reach that point.

All we are trying to do now is to give the President some reasonable powers to deal with the situation when negotiations between labor and management have broken down. Let us say a contract is to expire on the 31st of July. Labor and management get together, and everyone thinks they are going to agree. No one expects a strike. But on the last day the parties fail to agree. That is the first time the public becomes aware of the situation. Then what can the President do? Under the Thomas bill he can take no effective action. All he can do is to call upon the men to continue working for 60 days while he appoints an emergency board to look into the situation. If the workers defy him, he has no power whatever. He cannot seize the property. He cannot use the injunction.

Mr. President, the sponsors of the various amendments all agree that we should say that a strike for a period of 60 days after the end of the negotiation period should be illegal. We should be able to maintain the status quo while the President uses the prestige of his office and all his powers, and makes use of the emergency board, to settle the strike. Everyone agrees on that. Everyone agrees that there should be a 60-day waiting period. There is no question that there is unanimous agreement on the part of everyone who has sponsored amendments to the labor bill before the Senate, that there should be that 60-day waiting period. But the question is, How is that to be brought about? If the men simply insist on striking, if the employer refuses to pay the sums which the workers think are right, and the plant is shut down, the President is left absolutely without power.

The Ives amendment, which was rejected, was very frank in its terms. It recognized that the President had no power, so it provided that he call Congress into session on the next day after there was a break-down. The Senate rejected that amendment because it did not feel that at so early a point Congress should be called into the matter.

It is up to us to give the President some power to use in his Executive discretion simply to enforce the provisions on which we all agree—that there ought to be no strike for 60 days. The only question that is before the Senate is, What powers should be granted the President? It seems to me the injunctive power is sufficient. I think the injunction operated in every case to keep the men working for 60 days, to keep the plant operating, to keep the people of the country supplied with necessities; and during the 60 days some progress was made toward settlement in every case. Efforts at settlement were not always successful; in some cases they were and in some cases they were not; but, at least, some progress was made. Under the injunction procedure, strike action was delayed for 60 days.

I have not heard much public protest against the emergency injunction provision. Let us look back at all the criticisms which have been made of the Taft-Hartley law. Senators will probably not remember any criticism aimed particu-

larly at the President's use of the injunction in emergency cases. He has made use of the injunction in such cases four or five times. I do not remember any criticism from the public of the President's use of the injunction in such cases. Criticisms were aimed at injunctions issued at the request of Mr. Denham's board dealing with secondary boycotts. But there was no resentment on the part of labor against the President's use of injunctions in emergency cases.

But when the proposal was made for repeal of the Taft-Hartley law, labor said that the injunction, if granted, implied that labor was wrong. I do not agree with that. The injunction, if granted, works both ways. It does not imply that anyone is wrong. The injunction simply enforces the provision of law that both parties maintain the status quo for 60 days. That is all the injunction does. I do not think it implies that labor is wrong or that the employer is wrong. I am quite willing to stand by the Holland amendment.

But, Mr. President, there is the psychological feeling on the part of labor that the injunction is in some way a reflection on them. I believe we can meet that criticism by adding a provision for seizure within 60 days, so that if the President found he could maintain a more equable atmosphere in a particular situation and remove labor's objection by seizing the plant, and labor would then be willing to go on and negotiate, he ought to have power to seize.

There has been much said to the effect that seizure would be unfair to the employers, whose plants were seized. Those who own the plants may be in the right in a controversy. I agree that the situation is somewhat one-sided. But with the injunction provision remaining in the law and along with it a seizure provision, it does not seem to me there would be anything unfair. If the emergency is of sufficiently dangerous proportions to justify the injunction, a move to preserve the safety and health of the people of the United States should be made. I agree that an injunction, making people work, even for a period of 60 days, is some limitation on the freedom which I would defend. But it seems to me that with the two provisions in the law the employer would not be able to say, "But there should not be seizure of my plant. That is unfair to me."

I believe that if we face a national emergency the President should have power during 60 days to try to settle the dispute. I believe my amendment is a reasonable one. I believe it is equitable. I believe we can fairly say to labor, "Look, you must behave, but we also are going to put into the law the seizure provision to see that the employer behaves." That is a fair proposition. The law should be availed of only in case of greatest emergency, an emergency which justifies seizure as well as the injunction. Both provisions are very limited. The injunction provided for is nothing like the old injunction which at one time was used in every labor dispute and put the Federal courts into the business of regulating every strike. It is simply a measure to enforce the prohibition of the strike during the 60 days.

Likewise the seizure provided for is nothing like the seizure during the war. The Government cannot step in, as it did upon one occasion, and negotiate with the employees, or make a new contract, or new terms, which are then fastened on the employer. The Government cannot step in and deal with or for the employees. The status quo must be maintained for 60 days; and at the end of 60 days the Government must step out. Then is the time, if all efforts have failed, when Congress may have to be called together. If at that time the people are in danger of starvation or death, there will be no remedy except a complete emergency law to deal with that particular strike and no other—the kind of law which I would not want to see permanently on the statute books of the United States.

So I believe we have here a perfectly reasonable amendment. I do not see how it can be logically opposed by Senators who are saying in every other breath that the right of injunction is contained in their own proposals. The distinguished Senator from Utah admits, and the President claims, that under his bill there is the right of injunction. If he has the right of injunction, it is a very dangerous kind of right. It is one that could be used under any circumstances which the President might call a national emergency. It is a right which should be clearly defined; and we have the right clearly to define it. All those who claim that the right exists admit the right of Congress to define it. So those who claim that there is such power of injunction should be for this amendment, because it limits the power of the President against labor, rather than extending it.

The distinguished Senator from Illinois [Mr. LUCAS] and other Senators say, "We are for seizure, because we think seizure implies an injunction." I do not think it does. I think their whole argument is incorrect. I do not believe that the United Mine Workers case says that when the Government seizes a plant it can obtain an injunction. But if Senators believe that the President can obtain an injunction under such circumstances, why do they oppose a measure which gives the President power to obtain an injunction and exercise the right of seizure at the beginning of the strike, instead of moving in and finding that the men have gone? Frankly, under the United Mine Workers case, I do not see how the President can get an injunction; but Senators have said that they think he can get an injunction. If they think so, why are they not in favor of having Congress define and limit the injunctive power in accordance with the provisions of the Taft-Smith-Donnell amendment?

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BALDWIN. I notice that in section 304, subdivision (a) there is the following language:

> After issuing a proclamation pursuant to section 301 the President may direct the Attorney General to petition any district court of the United States.

Do I correctly understand that it is the Senator's interpretation of this language that at that point the President shall have discretion as to whether or not he will petition the court? Under the Senator's amendment would it be possible for the proclamation to be issued and the emergency board to be appointed, without the necessity of either an injunction or the seizure of a plant?

Mr. TAFT. The Senator is correct. The President would have complete discretion. If he were to call upon the parties to continue operations, and they continued the status quo, there would be no reason why he should get an injunction or exercise the right of seizure.

Mr. BALDWIN. That would depend entirely upon his discretion.

Mr. TAFT. That would depend entirely upon his discretion.

Mr. BALDWIN. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. BALDWIN. Do I correctly understand that the Senator interprets the language to mean that the President may ask either for an injunction, or for seizure of the plant? Would he have discretion in that respect?

Mr. TAFT. That would be within his discretion. My impression is that he probably would always ask for both, but the procedure might be varied in particular cases. Obviously if he asked for seizure he would probably ask for injunction at the same time, because he would not be sure that the men would continue working, even if he seized the plant. I am certain he would like to be sure of that.

Mr. BALDWIN. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. BALDWIN. Does the Senator interpret the language to mean that the court may in its discretion require notice of a hearing on the question of the issuance of the injunction, or on the question of seizure, or both?

Mr. TAFT. Yes. The court may require notice. Of course, as a matter of fact, the entire public interest is centered on the question. There is notice of the hearing in every newspaper in the United States. Under the Norris-LaGuardia Act, an injunction could be obtained for 5 days without notice and without hearing, but that was only temporary. There would be no difficulty about full hearing under this provision.

Mr. BALDWIN. I may say that under the law of the State of Connecticut, in a labor-management dispute, an injunction of any kind cannot be obtained ex parte. There must be notice and hearing. Does this provision leave the door open, so that that could be done under the Federal law, in the direction of the court?

Mr. TAFT. Surely. Moreover, as I have stated, the provisions of the Norris-LaGuardia Act permitted a temporary restraining order for 5 days, but no longer than 5 days. An injunction for a longer period required notice and hearing. That would undoubtedly be the

practice followed by the court in this case. As I have said, in most cases full notice would be given before the hearing, and the court would want such notice.

Mr. BALDWIN. There would be no departure from the Norris-LaGuardia Act, even in an emergency situation, except insofar as it is specifically provided for in this particular provision.

Mr. TAFT. The procedure would be governed by rule 65 of the Federal Rules of Civil Procedure, which were revised last year. It provides that—

> No temporary restraining order shall be granted without notice to the adverse party unless it clearly appears from specific facts shown by affidavit or by the verified complaint that immediate and irreparable injury, loss, or damage will result to the applicant before notice can be served and a hearing had thereon. Every temporary restraining order granted without notice shall be endorsed with the date and hour of issuance; shall be filed forthwith in the clerk's office and entered of record; shall define the injury and state why it is irreparable and why the order was granted without notice; and shall expire by its terms within such time after entry, not to exceed 10 days, as the court fixes, unless within the time so fixed the order, for good cause shown, is extended for a like period or unless the party against whom the order is directed consents that it may be extended for a longer period.

Mr. BALDWIN. The only one who could make such an application, under this amendment, would be the President of the United States.

Mr. TAFT. The Senator is correct.

Mr. President, in line with the procedure followed with respect to the previous amendments, I ask that we have the right to close, and that the Senator from Utah now proceed.

The VICE PRESIDENT. The Senator has 8 minutes.

Mr. THOMAS of Utah. Mr. President, as the Senator from Ohio has said, this question has been debated back and forth. I merely wish to reiterate what I have said time and time again, and to add one further quotation. I have gone to the trouble to go back to the definition of the President's powers at the very beginning, when our country was at its very worst. I quote from Attorney General Bates, in rendering his opinion to President Lincoln at the beginning of the Civil War. This statement is no stronger than statements which have been made on the floor of the Senate, but at least it brings home the point to all those who have a fear that we must give the Executive certain rights or this country will fall to pieces:

> The duties of the office comprehend all the executive power of the Nation, which is expressly vested in the President by the Constitution (art. II, sec. 1) and, also, all the powers which are specially delegated to the President, and yet are not, in their nature, executive powers. For example, the veto power; the treaty-making power; the appointing power; the pardoning power. These belong to the class which, in England, are called prerogative powers, inherent in the crown. And yet the framers of our Constitution thought proper to preserve them, and to vest them in the President, as necessary to the good government of the country. The executive powers are granted generally, and without specification; the powers not executive are granted specially and for the purposes obvious in the context of the Constitution. And all of these are embraced within the duties of the President, and are clearly within that clause of his oath which requires him to faithfully execute the office of President.

It has been said time and time again that the aim of our bill is to go back to the time of the Norris-LaGuardia Act in regard to injunctions and seizures. The Taft amendment provides for injunctions as well as for seizures, and it seems to me that it brings about confusion in the labor mind.

It was said yesterday that the President's power was changed in some way or other by the Norris-LaGuardia Act. I disagree wholeheartedly with that statement. The President's powers have not been curbed or changed by the Norris-LaGuardia Act. The question is whether our country shall continue in the orderly way in which it has proceeded since its beginning.

The Senator from Ohio has pointed out that we have not had such emergencies very often, that they have not bothered us, that the President's power as to them has not been questioned, and that even when the President has made certain suggestions in that connection, the Congress in its wisdom has not seen fit to follow them. I believe the one-hundred-and-fifty-odd years of our experience with Presidents of the United States is sufficient to satisfy us.

I now yield 5 minutes of my time to the senior Senator from Florida.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The Senator from Florida is recognized for 5 minutes.

Mr. PEPPER. Mr. President, upon reflection it will appear that the ones who are inconsistent in this matter are not we, but the Senator from Ohio and those who adopt the position he takes. He is saying that in order to deal with a national emergency and in order to make the national interest secure, it is necessary to amend the Thomas bill in such a way as to give the Government of the United States either the power of seizure or the power of injunction, or both. He says that unless the Government of the United States has such power, the national health and safety cannot be assured.

Yet, Mr. President, it has already been pointed out that in the last section of the amendment of the Senator from Ohio it is stated that—

> The provisions of this title shall not be applicable with respect to any matter which is subject to the provisions of the Railway Labor Act, as amended from time to time.

All of us know, as has been said many times, that a tie-up in the transportation system of the United States would do more to strangle the United States and to paralyze its economy than almost anything else which could occur would do. We generally have on hand a 30- or 60- or 90-day, or more, supply of coal. Ordinarily we think of the coal-mining operation as being one essential to the national health and safety. We can generally get along for 1, 2, or 3 months without having new coal brought out of the earth. But Mr. President, what would happen to the United States if the railway system stopped for 12 hours or 24 hours or 1 week or 2 weeks or 3 weeks or a month? Yet the Senator from Ohio would not change the Railway Labor Act, which governs management-labor controversies in the transportation system; and the Railway Labor Act gives neither the power of seizure nor the power of injunction, and assuredly not both, although both are provided by the amendment of the Senator from Ohio as to other industries.

We never have had the power of seizure in the Government of the United States, except in respect to the railroads, by the act of 1916 or 1917, which was a peculiar case, until the Smith-Connally Act in 1943, which soon expired. That was all we resorted to, even in war time, and that was an amendment to the Selective Service Act. We never had the power of the Government, expressly provided by statute, to secure an injunction in a district court, until the Taft-Hartley Act in October of 1947. If we have gotten along from the inception of the Nation until the present time—except for a brief interval from about 1943 to the end of the war, when there was the seizure power under the Smith-Connally Act—without the Government having the power to take over private property as if it belonged to the public, without paying just compensation for it, without having compensation proceedings had, and without provision for the right of the owner to be heard; if we have never had that power except during the recent war, for a brief period until the cessation of hostilities, I believe we do not need it now. If we never have provided that the Government shall have power to coerce men to stay on their jobs and to keep men from exercising their personal liberty, the freedom of the body, which God gave them, if we have not restricted that power until the time when the Taft-Hartley bill was enacted, I cannot believe that such legislation is necessary now for the health and safety of the United States. Especially, Mr. President, if the Senator from Ohio does not seek to apply it to the transportation system of the United States, why should he seek to apply it to any other phase or phases of our economy? An attempt was made to apply it under the Smith-Connally Act, but that act has now passed out of existence, by way of expiration.

Now we are debating the Taft-Hartley law. It is rather clear that the Senate wishes to rid itself of the injunction, and to tear it out of the law of the land as an evil force, something which aggravates, rather than betters, labor-management relations in the United States. We have tried the Taft-Hartley Act and it has failed. Now let us try the Thomas bill. That is what the Chief Executive, who has the responsibility of protecting the national health and safety, wishes. That is the sounder proposal.

If the Thomas bill is enacted and the Taft amendment is rejected, the President will have, with respect to every phase of the economy, exactly the power he has now and the power he has under the Taft-Hartley Act with respect to the railway industry of the United States.

Therefore, I hope the Taft amendment will be rejected, and the Thomas bill provisions will be adopted.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. THOMAS of Utah. Mr. President, I yield 5 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. IVES. Mr. President, I appreciate the courtesy of the able Senator from Utah, but I do not need 5 minutes.

I merely wish to state that I intend to offer, as a perfecting amendment to the Taft amendment which now is before us, an amendment almost, but not quite, identical with the amendment originally offered by me to the Thomas bill. The amendment I shall offer provides for neither seizure nor injunction. It provides that when an emergency of the type we are now discussing arises and the President has issued a proclamation, after the emergency board has been appointed by the President, when a condition of strike or lock-out occurs or continues, the President is mandated immediately to bring the matter to the attention of the Congress for action.

I shall not go into detail regarding this proposal, for I have already covered it on two occasions on the floor of the Senate.

However, I wish to point out one thing in connection with what has been said so recently in the debate today, namely, that my proposal eliminates entirely any question or any doubt regarding the implied powers of the President of the United States. I take a proposal similar to the proposal which is in the Thomas bill—which of course is not before us at all in connection with the approaching vote, which is to be a vote as between the Taft proposal and my proposal—but I take a proposal similar to that of the Senator from Utah, and carry it one step farther. In other words, I close the gap, and leave nothing whatever in doubt.

I hope that enough Senators will favor my proposal to permit of its adoption.

Again I thank the Senator from Utah for yielding to me.

The PRESIDING OFFICER. Does the Senator from New York offer his amendment at this time?

Mr. IVES. I do.

The PRESIDING OFFICER. Without objection, the perfecting amendment of the Senator from New York to the amendment of the Senator from Ohio will be printed in the RECORD, and its reading at this time will be waived.

The amendment proposed by Mr. IVES to the amendment proposed by Mr. TAFT, is as follows:

On page 2, on line 13, insert "appointment of the board" and strike out "issuance of the proclamation."

On page 4, at line 10, strike out "an emergency board has made its report" and insert in lieu thereof the following: "the issuance of the proclamation pursuant to section 301."

On page 4, at line 11, after the word "submit" insert "immediately."

On page 4, at line 13, insert after the word "board" the following: "if such report has been made."

On page 4, at line 18, strike out the word "report" and insert in lieu thereof "recommendations."

On page 4, starting with line 19, strike out through line 23 on page 6, inclusive, and appropriately renumber the following sections.

Mr. THOMAS of Utah. Mr. President, I believe we have sufficient time left to permit me to ask for a statement of the parliamentary situation in regard to the amendment which has just been offered. Does it affect in any way the unanimous-consent agreement, or shall we vote on the amendment of the Senator from New York after we have voted on the pending question?

The PRESIDING OFFICER. The Chair will state that the offering of this amendment does not interfere with the unanimous consent agreement, and the voting on the amendments will commence at 3 o'clock.

Mr. THOMAS of Utah. Then the purpose of the Senator from New York in offering his amendment at this time was to give notice to the Members of the Senate that, no matter what might be the outcome of the approaching vote, the Senator from New York will offer an amendment to the Thomas proposal; is that correct?

Mr. IVES. Mr. President, if the Senator will yield to me, I should like to clear up this matter. My amendment is offered, not to the Thomas amendment, but to the Taft amendment, as a perfecting amendment.

The PRESIDING OFFICER. The Senator from New York has correctly stated the situation, and the vote will come first on the amendment of the Senator from New York to the amendment of the Senator from Ohio.

Mr. THOMAS of Utah. Then at 3 o'clock we shall vote on the amendment of the Senator from New York? Is that correct?

The PRESIDING OFFICER. At not later than 3 o'clock.

Mr. THOMAS of Utah. I thank the Chair.

Mr. President, that is all the time that those of us on this side need.

The PRESIDING OFFICER. Then the Senator from Ohio is recognized.

Mr. TAFT. Mr. President, has the Senator from Utah used all his time?

Mr. THOMAS of Utah. I have used all the time I desire to use. The Senator from Ohio previously yielded two minutes of his time. By a sort of petit larceny, I tried to steal those 2 minutes, but the Vice President, who was in the chair, did not give me a chance to get away with it. Now I am trying to get even, by yielding whatever time we have left, and I do not care if the Senator from Ohio steals it.

Mr. TAFT. Mr. President, the Senator from Maryland wishes to speak. I have sent for him. How much time, Mr. President, do we have?

The VICE PRESIDENT. The Senator has 8 minutes left.

Mr. TAFT. I yield 5 minutes to the Senator from Missouri.

Mr. DONNELL. Mr. President, if the Senator from Maryland returns, I shall be very happy not to consume that amount of time. I observe that the Senator from Maryland is now on the floor. With the consent of the Senator from Ohio, I shall defer my remarks.

Mr. TAFT. Mr. President, I yield 3 minutes, or whatever part of it the Senator from Maryland may need.

Mr. TYDINGS. One minute is all I need.

Mr. President, in the consideration of this measure, it has always been my purpose to try to evolve a mechanism to deal with a Nation-wide strike which would affect the health and safety of the American people. I am not in favor of leaving the matter to chance. As the various alternatives were proposed, I frankly supported the proposition for seizure, due to a multitude of reasons; among which was the thought that the more moderate and sane elements of labor seemed to feel that they would like to have seizure, as opposed to the injunction, and, as I deemed it efficacious to deal with the situation, I acceded to that view in the hope that the more moderate elements of the labor group would support the general legislation, once passed, with a degree that they might not support other provisions of the bill. After having twice supported this philosophy, I now realize that there is no chance of evolving a solution of this type. I therefore want to announce that, rather than leave no stopper in the bottle, I intend on the next vote to support the Taft proposal, because it is either that or nothing. I think the debate has shown that the Senate wants something, and as that is the proposal before us, I intend to give it my support.

Mr. IVES. Mr. President, will the Senator yield for a question?

Mr. TYDINGS. I yield.

Mr. IVES. Was the able Senator from Maryland in the Chamber when the Senator from New York just offered an amendment which will be offered to the Taft amendment?

Mr. TYDINGS. I am familiar, I think, with the philosophy of the amendment to be offered by the Senator from New York, which is somewhat the same proposal as the one he offered the other day.

Mr. IVES. Somewhat.

Mr. TYDINGS. That is, it is to let the matter come back to Congress for decision. I do not believe that is an adequate provision to deal with a national or a threatened national dispute. There is too much time to be lost. There are too many intangibles in the proposition. We either need the seizure provision or the injunctive provision, or both, to deal adequately with a national emergency situation, and, as we have had numerous votes on the proposal, rather than have nothing, which will be the result if we strike down the Taft amendment, I intend to give it my support.

Mr. IVES. Mr. President, will the Senator yield for a question?

Mr. TYDINGS. I yield.

Mr. IVES. The Senator from Maryland will, I think, admit there are three proposals which will be before us, when the votes come.

Mr. TYDINGS. There may be three votes, or four. But my point is that there are only two adequate remedies. One is the injunction, the other, the seizure provision. We have had enough

votes to know now that we must ultimately come back to the original proposition, or we are likely to have no efficacious solution of the national labor disputes matter, should one arise, unless one of these proposals is adopted, or both.

The VICE PRESIDENT. The Senator's time has expired.

Mr. TAFT. I yield 5 minutes to the Senator from Missouri.

The VICE PRESIDENT. The Senator from Ohio only has 4 minutes to yield.

Mr. DONNELL. Mr. President, while we have the Ives amendment before us, it seems to me the Senator from Maryland has very correctly diagnosed the situation. The Senate has already spoken decisively, it seems to me, with respect to the amendment previously submitted by the Senator from New York, which, as I understand, is very similar to that which he now proposes. So, in the very few minutes remaining to me, I desire to contrast very briefly the Thomas bill with the Taft amendment; for, after all, as I see it, that is, practically speaking, the choice which now remains before the Senate.

The Thomas bill provides nothing whatever, except, in the case of great national emergencies, that, if the President finds that a national emergency is threatened, he shall issue a proclamation and call upon the parties to the dispute to refrain. There is no provision by which any enforcement is to be had. Nothing whatever is provided, other than what I have stated, plus the action of an emergency board in bringing in recommendations. For the carrying out of such recommendations, however, there is no procedure outlined in the Thomas bill.

On the other hand, the Taft amendment, as has been indicated, provides two remedies, namely, the remedy of injunction and the remedy of seizure. It was suggested a little while ago by the Senator from Utah that it was stated yesterday on the floor that in some way the Norris-LaGuardia Act had changed the powers of the President. I heard no such statement made. But this is the situation: We have been told repeatedly that, although the Thomas bill says nothing about an injunction and gives no remedy by injunction in its express terms, the Attorney General has assured us that the inherent power of the President to deal with emergencies, affecting the health, safety, and welfare of the entire Nation, is exceedingly great. From this it is argued that the President of the United States has power to seek an injunction in order to protect the Nation in a case of national emergency. The power to seek an injunction on the part of the President, even though it be conceded to exist, for the sake of the argument, does not confer power on any court to grant an injunction. What is the situation in regard to this question? Suppose the President causes a petition for injunction to be filed under some vague, undetermined power, the very existence of which is in doubt. Does the court, under the Thomas bill, have jurisdiction to issue the injunction, even if the President has authority to seek to protect the national interest?

The Thomas bill expressly retains, except as to section 10 of the National Labor Relations Act, the Norris-LaGuardia Act, in full force and effect. It was pointed out yesterday on the floor of the Senate that the Norris-LaGuardia Act by its very terms would prohibit the issuance of an injunction, and expressly does so, in the case of a strike. Thus it is that, although it is necessary that a court must have jurisdiction in order to restrain and prevent a strike, the Thomas bill itself specifically takes away from the court any jurisdiction that it might otherwise have in order to issue such an order.

So, we have on the one hand the Thomas bill, with nothing in its expressed terms except the power of the President to call upon the employees to return for work, a power which has been disregarded in the past, if it existed, and which would be disregarded if such individuals as Mr. Lewis should continue their attitude as it has been in the past. On the other hand, we have the fact that even though such power existed on the part of the President, it does not exist on the part of the court to grant the injunction unless jurisdiction is in the court. So, Mr. President, I submit that the Taft amendment provides the only practicable and definite means of relief.

The VICE PRESIDENT. The time of the Senator from Missouri has expired. All of the time of the Senator from Ohio has expired.

Mr. TAFT. I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from Utah has 11 minutes, if he desires to use the time.

Mr. THOMAS of Utah. Mr. President, it is not necessary to use it now. I yield 5 minutes to the Senator from Illinois.

Mr. TAFT. Mr. President, I understood the Senator yielded his time altogether, because I yielded my time with the distinct understanding that——

Mr. THOMAS of Utah. The Senator from Utah did say that, but, in the meantime, Senators asked for some time and I granted it to them. I think they are entitled to it under the rules.

The VICE PRESIDENT. The Senator from Ohio has used his time.

Mr. TAFT. I understood the Senator from Utah had used his time finally and irrevocably.

The VICE PRESIDENT. Until the vote is taken the Senator from Utah has the time.

The Senator from Illinois is recognized for 5 minutes.

Mr. DOUGLAS. Mr. President, I rise to support the Ives amendment. As Members of the Senate know, in company with Senators on both sides of the aisle, I have been trying to get an approach which would be fair to all sides. I think nearly all of us object strenuously to the method of injunctions. We believe that when we give either a private party or the Government the power to compel workmen to go back to work for a private employer for his private profit on terms which the workers originally regarded as unjust, we have a method which is fundamentally unfair to American labor, which will arouse labor's resentment, and which will make any ultimate solution of the problem more difficult. It is primarily against this injunction feature in national emergencies that I believe we have been fighting. The Senate has turned down the proposal advanced by the Senator from Vermont [Mr. AIKEN] and myself, namely, the method of seizure. I do not regard the Ives proposal as ideal. But it is probably true that there is no ideal solution to the question, and I want to say that in comparison with the injunction method, contained in the Taft amendment the Ives proposal is very much preferable. The method of giving to the Government the power to send men back to work for a private employer will inevitably be regarded as placing the Government on the side of the employers and against labor and will make the ultimate solution of the problem much more difficult. The Ives proposal is better than that, and therefore, speaking purely for myself, I shall support it.

Mr. THOMAS of Utah. Mr. President, I yield 4 minutes to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, this is a bit of a "news flash" to the Senator from Minnesota. I did not realize that there was to be 4 minutes' time yielded to me.

I wish to join with the distinguished junior Senator from Illinois in support of the amendment offered by the able junior Senator from New York.

I should like to reiterate the observation made by the Senator from Illinois in regard to the peculiar situation which confronts the Senate. I imagine one would call it paradoxical. On the one hand, there has been an overwhelming defeat of the injunction by a vote of 54 to 37. A few days ago, when the distinguished Senator from Vermont and the junior Senator from Illinois presented their amendment providing for seizure, it was likewise overwhelmingly defeated. So we find ourselves in a political no-man's land in which we have the distinguished Senator from Ohio proposing after we have defeated the proposal for injunction and the proposal for seizure, therefore the remedy is to take everything the Senate does not like and put it into one bill, seizure and injunction, and call it the Taft proposal, and vote for it. The Senator from Ohio proclaims that such an amendment will save the national welfare. That may be logical to some persons, but for the life of me, Mr. President, I cannot understand how it adds up.

Consider the proposals, which have been repudiated, in connection with extended debate on the floor of the Senate. Take the injunction, which has been exposed and deposed. It has been soundly defeated. Take the seizure amendment which the distinguished Senator from Ohio says is unfair, ineffective, will not work, and is unjust. So what shall we do? It is a peculiar thing. We say the injunction is unfair to workers, and seizure is unfair to business, so the thing to do is to take something which is unfair to the workers and something which is unfair to business and put them together, and in this way protect the public welfare. I do not know who the pub-

lic is, if the people who are in business and the people who are working for business do not represent the public.

So, Mr. President, let us come back to constitutional procedures. I do not think the distinguished Senator from New York has a panacea. Of course he has not. There is no panacea for a work stoppage in a free society.

The distinguished junior Senator from New York has projected the Thomas bill to its conclusion, and he has said that after a national emergency has been declared, after we have used the full processes of mediation and conciliation, if there is a work stoppage which really threatens the national welfare—not one which someone says looks like it may be serious—there is no better place to which the problem could be brought than to the floor of the Senate of the United States. If the people are suffering because of a national emergency, who could better determine what the remedy ought to be? If a national emergency is really what it is supposed to be, one of great national concern, it will have many peculiar circumstances surrounding it. Each national emergency should be treated separately and distinctly. I say there is no one patent remedy which this Congress can apply at this particular moment that can deal with every national emergency. All fair-minded persons know the injunction has not done it; and I think we have had some sad experiences in connection with seizures. I am not a Socialist. I do not believe in the nationalization of American industry, not even for 60 days. I am not one who believes in tyranny of government. I do not believe that we have the right to force men to work against their will by an Executive order, to force them down into the mines or into the factories for private employers who are seeking private gain. There may be those who like tyranny of government or who may like nationalization of industry, but the junior Senator from Minnesota believes in free enterprise and representative government.

The VICE PRESIDENT. The Senator from Utah has 3 minutes remaining.

Mr. THOMAS of Utah. Mr. President, I yield that time to the senior Senator from Florida.

The VICE PRESIDENT. The senior Senator from Florida is recognized for 3 minutes.

Mr. PEPPER. Mr. President, it seems to me clear that my colleagues are right in distinguishing the Ives amendment from the Taft amendment at this time. The able Senator from Ohio [Mr. TAFT] has admitted that we have not yet found the solution of this difficult problem, that we cannot with assurance lay down a procedure which can be depended upon to work effectively in all cases. I am sure he would have to agree that it is a great power, if not a dangerous one, which his amendment would confer upon the President solely to determine what is a national emergency.

Under the amendment offered by the able Senator from New York the power of the President is only to report the matter to the Congress of the United States. In other words, we deal with the problem in the most practical way, taking all the circumstances into consideration. If we do not know the answer to this difficult problem, would it not be better that the matter be submitted to the Congress and that Congress and the President might be free to act in the public interest according to the circumstances existing at the particular time and the nature of the emergency demanded? It seems to me that this is an amendment upon which all of us should be able to agree. We reserve the power of the President to appoint a board, which is to make findings of fact and recommendations, and the President is always able to say to recalcitrant employers or employees, "If you are not prepared to accept the recommendations of this board or maintain the status quo until the board reports, I have no other alternative than to lay the matter before the representatives of the people in order that they may protect the public interest."

If the power to protect the public interest is buttressed by the power of the Congress, I believe we shall provide the most equitable method of protecting the public interest.

I hope the Ives amendment will be adopted.

The VICE PRESIDENT. The Senator's time has expired. All time for debate has expired. The Senate will now vote on the amendment offered by the Senator from New York [Mr. IVES] to the amendment of the Senator from Ohio [Mr. TAFT] on behalf of himself and the Senator from New Jersey [Mr. SMITH] and the Senator from Missouri [Mr. DONNELL].

Mr. IVES and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the senior Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the Delegation of the United States of America, to the Second World Health Organization Assembly meeting at Rome, Italy. If present and voting, the Senator from Louisiana would vote "nay."

I announce further that the Senator from New York [Mr. WAGNER] is necessarily absent, and if present and voting, would vote "yea."

Mr. SALTONSTALL. The senior and junior Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] are absent on official business and have a general pair on this vote.

The Senator from Montana [Mr. ECTON] is absent on official business.

The result was announced—yeas 40, nays 51, as follows:

YEAS—40

| | | |
|---|---|---|
| Aiken | Johnston, S. C. | Murray |
| Douglas | Kefauver | Myers |
| Downey | Kilgore | Neely |
| Frear | Langer | O'Conor |
| Gillette | Long | O'Mahoney |
| Graham | Lucas | Pepper |
| Green | McCarthy | Sparkman |
| Hayden | McFarland | Taylor |
| Hendrickson | McGrath | Thomas, Okla. |
| Hill | McKellar | Thomas, Utah |
| Humphrey | McMahon | Thye |
| Hunt | Magnuson | Withers |
| Ives | Miller | |
| Johnson, Colo. | Morse | |

NAYS—51

| | | |
|---|---|---|
| Anderson | George | Mundt |
| Baldwin | Gurney | Reed |
| Brewster | Hickenlooper | Robertson |
| Bricker | Hoey | Russell |
| Butler | Holland | Saltonstall |
| Byrd | Jenner | Schoeppel |
| Cain | Johnson, Tex. | Smith, Maine |
| Capehart | Kem | Smith, N. J. |
| Chapman | Kerr | Stennis |
| Chavez | Knowland | Taft |
| Connally | Lodge | Tydings |
| Cordon | McCarran | Vandenberg |
| Donnell | McClellan | Watkins |
| Eastland | Malone | Wherry |
| Ferguson | Martin | Wiley |
| Flanders | Maybank | Williams |
| Fulbright | Millikin | Young |

NOT VOTING—5

| | | |
|---|---|---|
| Bridges | Ellender | Wagner |
| Ecton | Tobey | |

So Mr. IVES' amendment to the amendment of Mr. TAFT on behalf of himself and Mr. SMITH of New Jersey and Mr. DONNELL was rejected.

The VICE PRESIDENT. The question now recurs on the amendment of the Senator from Ohio [Mr. TAFT] by way of a substitute for title III of the bill.

Mr. TAFT and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. MALONE (when his name was called). On this vote I have a pair with the Senator from Louisiana [Mr. ELLENDER] who is absent by leave of the Senate on official business. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay."

The roll call was concluded.

Mr. MYERS. I announce that the senior Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the Delegation of the United States of America to the Second World Health Organization Assembly meeting at Rome, Italy.

I announce further that the Senator from New York [Mr. WAGNER] is necessarily absent, and if present and voting, would vote "nay."

Mr. SALTONSTALL. The senior and junior Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] are absent on official business and have a general pair on this vote.

The Senator from Montana [Mr. ECTON] is absent on official business.

The result was announced—yeas 50, nays 40, as follows:

YEAS—50

| | | |
|---|---|---|
| Aiken | Gurney | Reed |
| Baldwin | Hendrickson | Robertson |
| Brewster | Hickenlooper | Russell |
| Bricker | Hoey | Saltonstall |
| Butler | Holland | Schoeppel |
| Byrd | Jenner | Smith, Maine |
| Cain | Johnson, Tex. | Smith, N. J. |
| Chapman | Kem | Stennis |
| Connally | Knowland | Taft |
| Cordon | Lodge | Tydings |
| Donnell | McCarthy | Vandenberg |
| Eastland | McClellan | Watkins |
| Ferguson | Martin | Wherry |
| Flanders | Maybank | Wiley |
| Frear | Millikin | Williams |
| Fulbright | Mundt | Young |
| George | O'Conor | |

NAYS—40

| | | |
|---|---|---|
| Anderson | Downey | Hayden |
| Capehart | Gillette | Hill |
| Chavez | Graham | Humphrey |
| Douglas | Green | Hunt |

| | | |
|---|---|---|
| Ives | McFarland | O'Mahoney |
| Johnson, Colo. | McGrath | Pepper |
| Johnston, S. C. | McKellar | Sparkman |
| Kefauver | McMahon | Taylor |
| Kerr | Magnuson | Thomas, Okla. |
| Kilgore | Miller | Thomas, Utah |
| Langer | Morse | Thye |
| Long | Murray | Withers |
| Lucas | Myers | |
| McCarran | Neely | |

NOT VOTING—6

| | | |
|---|---|---|
| Bridges | Ellender | Tobey |
| Ecton | Malone | Wagner |

So the amendment offered by Mr. TAFT, for himself, Mr. SMITH of New Jersey, and Mr. DONNELL, as a substitute for title III of the bill, was agreed to.

Mr. TAFT. Mr. President, I move that the Senate reconsider the vote by which the amendment was adopted.

Mr. WHERRY. I move that the motion of the Senator from Ohio be laid on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska to lay on the table the motion of the Senator from Ohio.

The motion was agreed to.

The VICE PRESIDENT. The Chair would like to state that title III of the bill is disposed of, and no further amendment to that title is in order.

Mr. TAFT. Mr. President, on behalf of the Senator from New Jersey [Mr. SMITH], the Senator from Missouri [Mr. DONNELL], and myself, I offer a substitute for the remainder of the bill, titles I, II, and IV.

The VICE PRESIDENT. Is the Senator willing to have the substitute printed in the RECORD without reading?

Mr. TAFT. Yes, Mr. President. It has been on the desk for a considerable period of time.

The VICE PRESIDENT. Without objection, the substitute will be printed at this point in the RECORD.

The substitute amendment is as follows:

Strike out all of title I of the amendment of Mr. THOMAS of Utah, dated May 31, 1949, after line 9, on page 1, all of title II and title IV, and insert in lieu thereof the following:

"SEC. 102. The National Labor Relations Act of 1935 (49 Stat. 449) is hereby reenacted with amendments to read as follows:

"'FINDINGS AND POLICIES

"'SECTION 1. The denial by some employers of the right of employees to organize and the refusal by some employers to accept the procedure of collective bargaining lead to strikes and other forms of industrial strife or unrest, which have the intent or the necessary effect of burdening or obstructing commerce by (a) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (b) occurring in the current of commerce; (c) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods from or into the channels of commerce, or the prices of such materials or goods in commerce; or (d) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing from or into the channels of commerce.

"'The inequality of bargaining power between employees who do not possess full freedom of association or actual liberty of contract, and employers who are organized in the corporate or other forms of ownership association substantially burdens and affects the flow of commerce, and tends to aggravate recurrent business depressions, by depressing wage rates and the purchasing power of wage earners in industry and by preventing the stabilization of competitive wage rates and working conditions within and between industries.

"'Experience has proved that protection by law of the right of employees to organize and bargain collectively safeguards commerce from injury, impairment, or interruption, and promotes the flow of commerce by removing certain recognized sources of industrial strife and unrest, by encouraging practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours, or other working conditions, and by restoring equality of bargaining power between employers and employees.

"'Experience has further demonstrated that certain practices by some labor organizations, their officers, and members have the intent or the necessary effect of burdening or obstructing commerce by preventing the free flow of goods in such commerce through strikes and other forms of industrial unrest or through concerted activities which impair the interest of the public in the free flow of such commerce. The elimination of such practices is a necessary condition to the assurance of the rights herein guaranteed.

"'It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.

"'DEFINITIONS

"'SEC. 2. When used in this act—

"'(1) The term "persons" includes one or more individuals, labor organizations, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers.

"'(2) The term "employer" includes any person acting as an agent of an employer, directly or indirectly, but shall not include the United States or any wholly owned Government corporation or any State or political subdivision thereof, or any person subject to the Railway Labor Act, as amended from time to time, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.

"'(3) The term "employee" shall include any employee, and shall not be limited to the employees of a particular employer, unless the act explicitly states otherwise, and shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, and who has not obtained any other regular and substantially equivalent employment, but shall not include any individual employed as an agricultural laborer, or in the domestic service of any family or person at his home, or any individual employed by his parent or spouse, or any individual having the status of an independent contractor, or any idividual employed as a supervisor, or any individual employed by an employer subject to the Railway Labor Act, as amended from time to time, or by any other person who is not an employer as herein defined.

"'(4) The term "representatives" includes any individual or labor organization.

"'(5) The term "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

"'(6) The term "commerce" means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory, or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia, or any Territory, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign country.

"'(7) The term "affecting commerce" means in commerce, or burdening or obstructing commerce or the free flow of commerce, or having led or tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce.

"'(8) The term "unfair labor practice" means any unfair labor practice listed in section 8.

"'(9) The term "labor dispute" includes any controversy concerning terms, tenure, or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether the disputants stand in the proximate relation of employer and employee.

"'(10) The term "National Labor Relations Board" means the National Labor Relations Board provided for in section 3 of this act.

"'(11) The term "supervisor" means any individual having authority, in the interest of the employer to hire, transfer, suspend, lay off, recall, promote, discharge, reward, or discipline other employees, or to adjust their grievances, or effectively to recommend such action, if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

"'(12) The term "professional employee" means—

"'(a) any employee engaged in work (i) predominantly intellectual and varied in character as opposed to routine mental, manual, mechanical, or physical work; (ii) involving the consistent exercise of discretion and judgment in its performance; (iii) of such a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; (iv) requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes; or

"'(b) any employee, who (i) has completed the courses of specialized intellectual instruction and study described in clause (iv) of paragraph (a), and (ii) is performing related work under the supervision of a professional person to qualify himself to become a professional employee as defined in paragraph (a).

"'(13) In determining whether any person is acting as an "agent" of another person so as to make such other person responsible for his acts, the common law rules of agency shall be applicable: *Provided*, That no labor organization shall be held responsible for the acts of any member thereof solely on the ground of such membership.

"'SEC. 3. (a) The National Labor Relations Board (hereinafter called the "Board") is hereby continued as an agency of the United States, except that the Board shall consist of seven instead of five members, appointed by the President by and with the advice and

consent of the Senate. The terms of office of the members of the Board in office on the date of enactment of the National Labor Relations Act of 1949 shall expire as provided by law at the time of their appointment. Of the two additional members so provided for, one shall be appointed for a term expiring August 26, 1954, and the other for a term expiring August 26, 1955. Their successors, and the successors of the other members shall be appointed for terms of seven years each, excepting that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. Not more than four members shall be members of the same political party. The President shall designate one member to serve as Chairman of the Board. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.

"'(b) The Board is authorized to delegate to any group of three or more members any or all of the powers which it may itself exercise. A vacancy in the Board shall not impair the right of the remaining members to exercise all of the powers of the Board, and four members of the Board shall, at all times, constitute a quorum of the Board, except that two members shall constitute a quorum of any group designated pursuant to the first sentence hereof. The Board shall have an official seal which shall be judicially noticed.

"'(c) The Board shall at the close of each fiscal year make a report in writing to Congress and to the President stating in detail the cases it has heard, the decisions it has rendered, the names, salaries, and duties of all employees and officers in the employ or under the supervision of the Board, and an account of all moneys it has disbursed.

"'SEC. 4. (a) Each member of the Board shall receive a salary of $12,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. The Board shall appoint an executive secretary, and such attorneys, examiners, and regional directors, and such other employees as it may from time to time find necessary for the proper performance of its duties. The Board may not employ any attorneys for the purpose of reviewing transcripts of hearings or preparing drafts of opinions except that any attorney employed for assignment as a legal assistant to any Board member may for such Board member review such transcripts and prepare such drafts. No trial examiner's report shall be reviewed, either before or after its publication, by any person other than a member of the Board or his legal assistant, and no trial examiner shall advise or consult with the Board with respect to exceptions taken to his findings, rulings, or recommendations. Any arbitrators appointed by the Board under section 10 (k) may be appointed in the manner authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at per diem rates to be determined by the Board but not exceeding $100, and shall be entitled to traveling expenses as authorized by section 5 of such act (5 U. S. C. 73b-2) for persons so employed. The Board may establish or utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may, at the direction of the Board, appear for and represent the Board in any case in court. Nothing in this act shall be construed to authorize the Board to appoint individuals for the purpose of conciliation or mediation, for economic analysis.

"'(b) All of the expenses of the Board, including all necessary traveling and subsistence expenses outside the District of Columbia incurred by the members or employees of the Board under its orders, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the Board or by any individual it designates for that purpose.

"'SEC. 5. The principal office of the Board shall be in the District of Columbia, but it may meet and exercise any or all of its powers at any other place. The Board may, by one or more of its members or by such agents or agencies as it may designate, prosecute any inquiry necessary to its functions in any part of the United States. A member who participates in such an inquiry shall not be disqualified from subsequently participating in a decision of the Board in the same case.

"'SEC. 6. (a) The Board shall have authority from time to time to make, amend, and rescind in the manner prescribed by the Administrative Procedure Act such rules and regulations as may be necessary to carry out the provisions of this act. Except as herein otherwise expressly provided the Board shall be subject to the provisions of the Administrative Procedure Act.

"'(b) The Board may, by agreement with the appropriate agency of any State or Territory, decline to assert jurisdiction over and authorize such State or Territorial agency to assume and assert jurisdiction over labor disputes or unfair labor practices or questions or controversies concerning representation, which affect commerce, in any industry (other than mining, manufacturing, communications, and transportation except where predominately local in character).

"'RIGHTS OF EMPLOYEES

"'SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection.

"'UNFAIR LABOR PRACTICES

"'SEC. 8. (a) It shall be an unfair labor practice for an employer—

"'(1) to interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7;

"'(2) to dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it: *Provided,* That subject to rules and regulations made and published by the Board pursuant to section 6, an employer shall not be prohibited from permitting employees to confer with him during working hours without loss of time or pay;

"'(3) by discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization: *Provided,* That nothing in this act, or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization (not established, maintained, or assisted by any action defined in section 8 (a) of this act as an unfair labor practice) to require as a condition of employment membership therein on or after the thirtieth day following the beginning of such employment or the effective date of such agreement, whichever is the later, (i) if such labor organization is the representative of the employees as provided in section 9 (a) in the appropriate collective-bargaining unit covered by such agreement when made and has complied with all the requirements imposed by sections 9 (f), (g), (h), and (ii) unless, following an election held as provided in section 9 (e) within one year preceding the effective date of such agreement, the Board shall have certified that at least a majority of the employees eligible to vote in such election have voted to rescind the authority of such labor organization to make such an agreement: *Provided further,* That no employer shall justify any discrimination against an employee for nonmembership in a labor organization if he has reasonable grounds for believing that (A) such membership was not available to the employee on the same terms and conditions generally applicable to other members, or (B) such membership was denied or terminated for reasons other than (1) the employee's failure to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership, or (2) the employee's participation in or encouragement of other employees to engage in a strike or concerted activity in violation of the collective-bargaining agreement between such labor organization and the employer, or (3) the employee's membership or affiliation with the Communist Party or his support thereof, or his membership in, affiliation with, or support of any organization that believes in, or teaches, the overthrow of the United States Government by force or any illegal or unconstitutional methods: *Provided further,* That nothing in this act, or in any other statute of the United States, shall preclude an employer from notifying a labor organization (not established, maintained or assisted by any action defined in section 8 (a) of this act as an unfair labor practice) of opportunities for employment with such employer, or giving such labor organization a reasonable opportunity to refer qualified applicants for such employment;

"'(4) to discharge or otherwise discriminate against an employee because he has filed charges or statements or given testimony under this act;

"'(5) to refuse to bargain collectively with the representatives of his employees, subject to the provisions of section 9 (a).

"'(b) It shall be an unfair labor practice for a labor organization or its agents—

"'(1) to coerce (A) employees in the exercise of the rights guaranteed in section 7 or in the right to work: *Provided,* That this paragraph shall not impair the right of a labor organization (1) to prescribe its own rules with respect to the acquisition or retention of membership therein, or (2) to enter into an agreement with an employer requiring membership in a labor organization as a condition of employment as authorized in section 8 (a) (3); or (B) an employer in the selection of his representatives for the purposes of collective bargaining or the adjustment of grievances;

"'(2) to cause or attempt to cause an employer to discriminate against an employee in violation of subsection (a) (3) or to discriminate against an employee with respect to whom membership in such organization has been denied or terminated on some ground other than (i) his failure to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership; or (ii) his participation in or encouragement of other employees to engage in a strike or concerted activity in violation of the collective bargaining agreement between such labor organization and the employer; or (iii) his membership or affiliation with the Communist Party, or his support thereof, or his membership in, affiliation with, or support of any organization that believes in or teaches the overthrow of the United States Government by force or any illegal or unconstitutional methods;

"'(3) to refuse to bargain collectively with an employer, provided it is the representative of his employees subject to the provisions of section 9 (a);

"'(4) to engage in, or to induce or encourage the employees of any employer to engage in, a strike or a concerted refusal in the course of their employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities or to perform any services, where an object thereof is, (A) forcing

or requiring any employer or self-employed person to join any labor or employer organization or any employer or other person to cease using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease doing business with any other person: *Provided*, That nothing in (A) of this section shall be construed to make it an unfair labor practice for a labor organization to induce or encourage employees to engage in a concerted refusal to perform work which because of a current labor dispute between another employer and his employees is, for the duration of such dispute, no longer being performed by the employees of such other employer; (B) forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provisions of section 9; (C) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of his employees if another labor organization has been certified as the representative of such employees under the provisions of section 9; (D) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work: *Provided further*, That nothing contained in this subsection (b) shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this act;

"'(5) to require of employees covered by an agreement authorized under subsection (a) (3) the payment, as a condition precedent to becoming a member of such organization, of a fee in an amount which the Board finds excessive or discriminatory under all the circumstances. In making such a finding, the Board shall consider, among other relevant factors, the practices and customs of labor organizations in the particular industry, and the wages currently paid to the employees affected.

"'(c) The Board shall not base any finding of unfair labor practice or set aside any election upon any statement of views or arguments, either written or oral, if such statement contains under all the circumstances no threat, express or implied, of reprisal or force, or offer, express or implied, of benefit.

"'(d) For the purposes of this section, to bargain collectively is the performance of the mutual obligation of the employer and the representative of the employees to meet at reasonable times and confer in good faith with respect to wages, hours, and other terms and conditions of employment, or the negotiation of an agreement, or any question arising thereunder, and the execution of a written contract incorporating any agreement reached if requested by either party, but such obligation does not compel either party to agree to a proposal or require the making of a concession: *Provided*, That where there is in effect a collective-bargaining contract covering employees in an industry affecting commerce, the duty to bargain collectively shall also mean that no party to such contract shall terminate or modify such contract, unless the party desiring such termination or modification—

"'(1) serves a written notice upon the other party to the contract of the proposed termination or modification 60 days prior to the expiration date thereof, or in the event such contract contains no expiration date or such contract contains reopening provisions for purposes of modification, 60 days prior to the time it is proposed to make such termination or modification or reopening;

"'(2) offers to meet and confer with the other party for the purpose of negotiating a new contract or a contract containing the proposed modifications;

"'(3) notifies the Federal Mediation and Conciliation Service within 30 days after such notice of the existence of a dispute, and simultaneously therewith notifies any State or Territorial agency established to mediate and conciliate disputes within the State or Territory where the dispute occurred, provided no agreement has been reached by that time; and

"'(4) continues in full force and effect, without resorting to strike or lock-out, all the terms and conditions of the existing contract for a period of 60 days after such notice is given;

The duties imposed upon employers, employees, and labor organizations by paragraphs (2), (3), and (4) shall become inapplicable upon an intervening certification of the Board, under which the labor organization or individual, which is a party to the contract, has been superseded as or ceased to be the representative of the employees subject to the provisions of section 9 (a), and the duties so imposed shall not be construed as requiring either party to discuss or agree to any modification of the terms and conditions contained in a contract for a fixed period, if such modification is to become effective before such terms and conditions can be reopened under the provisions of the contract.

"'REPRESENTATIVES AND ELECTIONS

"'SEC. 9. (a) Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment: *Provided*, That any individual employee or a group of employees shall have the right at any time to present grievances to their employer and to have such grievances adjusted, without the intervention of the bargaining representative, as long as the adjustment is not inconsistent with the terms of a collective-bargaining contract or agreement then in effect: *Provided further*, That the bargaining representative has been given opportunity to be present at such adjustment.

"'(b) The Board shall decide in each case whether, in order to assure to employees the fullest freedom in exercising the rights guaranteed by this act, the unit appropriate for the purposes of collective bargaining shall be the employer unit, craft unit, plant unit, or subdivision thereof: *Provided*, That the Board shall not (1) decide that any unit is appropriate for such purposes if such unit includes both professional employees and employees who are not professional employees unless a majority of such professional employees vote for inclusion in such unit; or (2) decide that any craft unit is inappropriate for such purposes on the ground that a different unit has been established by a prior Board determination, unless a majority of the employees in the proposed craft unit vote against separate representation.

"'(c) (1) Whenever a petition shall have been filed, in accordance with such regulations as may be prescribed by the Board—

"'(A) by an employee or group of employees or any individual or labor organization acting in their behalf alleging that a substantial number of employees (i) wish to be represented for collective bargaining and that their employer declines to recognize their representative as the representative defined in section 9 (a), or (ii) assert that the individual or labor organization, which has been certified or is being currently recognized by their employer as the bargaining representative, is no longer a representative as defined in section 9 (a); or

"'(B) by an employer, alleging that one or more individuals or labor organizations have presented to him a claim to be recognized as the representative defined in section 9 (a);

the Board shall investigate such petition and if it has reasonable cause to believe that a question of representation affecting commerce exists shall provide for an appropriate hearing upon due notice. If the Board finds upon the record of such hearing that such a question of representation exists, it shall direct an election by secret ballot and shall certify the results thereof.

"'(2) In determining whether or not a question of representation affecting commerce exists, the same regulations and rules of decision shall apply irrespective of the identity of the persons filing the petition or the kind of relief sought and in no case shall the Board deny a labor organization a place on the ballot by reason of an order with respect to such labor organization or its predecessor not issued in conformity with section 10 (c).

"'(3) No election shall be directed in any bargaining unit or any subdivision within which, in the preceding 12-month period, a valid election shall have been held. In any election where none of the choices on the ballot receives a majority, a run-off shall be conducted, the ballot providing for a selection between the two choices receiving the largest and second largest number of valid votes cast in the election.

"'(4) Nothing in this section shall be construed to prohibit the Board from conducting elections prior to hearing where the Board finds no substantial objection to such proceeding is being made or the waiving of hearings by stipulation for the purpose of a consent election in conformity with the regulations and rules of decision of the Board.

"'(5) In determining whether a unit is appropriate for the purposes specified in subsection (b) the extent to which the employees have organized shall not be controlling.

"'(d) Whenever an order of the Board made pursuant to section 10 (c) is based in whole or in part upon facts certified following an investigation pursuant to subsection (c) of this section and there is a petition for the enforcement or review of such order, such certification and the record of such investigation shall be included in the transcript of the entire record required to be filed under section 10 (e) or 10 (f), and thereupon the decree of the court enforcing, modifying, or setting aside in whole or in part the order of the Board shall be made and entered upon the pleadings, testimony, and proceedings set forth in such transcript.

"'(e) (1) Upon the filing with the Board, by 30 percent or more of the employees in a bargaining unit covered by an agreement between their employer and a labor organization made pursuant to section 8 (a) (3), of a petition alleging they desire that such authority be rescinded, the Board may take a secret ballot of the employees in such unit and certify the results thereof to such labor organization and to the employer.

"'(2) No election shall be conducted pursuant to this subsection in any bargaining unit or any subdivision within which, in the preceding 12-month period, a valid election shall have been held.

"'(f) No investigation shall be made by the Board of any question affecting commerce concerning the representation of employees, raised by a labor organization under subsection (c) of this section, and no complaint shall be issued pursuant to a charge made by a labor organization under subsection (b)

of section 10, unless such labor organization and any national or international labor organization of which such labor organization is an affiliate or constituent unit (A) shall have prior thereto filed with the Secretary of Labor copies of its constitution and bylaws and a report, in such form as the Secretary may prescribe, showing—

"'(1) the name of such labor organization and the address of its principal place of business;

"'(2) the names, titles, and compensation and allowances of its three principal officers and of any of its other officers or agents whose aggregate compensation and allowances for the preceding year exceeded $5,000, and the amount of the compensation and allowances paid to each such officer or agent during such year;

"'(3) the manner in which the officers and agents referred in clause (2) were elected, appointed, or otherwise selected;

"'(4) the initiation fee or fees which new members are required to pay on becoming members of such labor organizations;

"'(5) the regular dues or fees which members are required to pay in order to remain members in good standing of such labor organization;

and (B) can show that prior thereto it has—

"'(1) filed with the Secretary of Labor, in such form as the Secretary may prescribe, a report showing all of (a) its receipts of any kind and the sources of such receipts, (b) its total assets and liabilities as of the end of its last fiscal year (c) the disbursements made by it during such fiscal year, including the purposes for which made; and

"'(2) furnished to all of the members of such labor organization copies of the financial report required by paragraph (1) hereof to be filed with the Secretary of Labor.

"'(g) It shall be the obligation of all labor organizations to file annually with the Secretary of Labor, in such form as the Secretary of Labor may prescribe, reports bringing up to date the information required to be supplied in the initial filing by subsection (e) (A) of this section, and to file with the Secretary of Labor and furnish to its members annually financial reports in the form and manner prescribed in subsection (c) (B). No labor organization shall be eligible for certification under this section as the representative of any employees, and no complaint shall issue under section 10 with respect to a charge filed by a labor organization unless it can show that it and any national or international labor organization of which it is an affiliate or constituent unit has complied with its obligation under this subsection.

"'(h) (1) No petition made by a labor organization under section 9 (c), and no charge made by a labor organization under section 10 (b) shall be entertained unless there is on file with the Board an affidavit executed contemporaneously or with the the preceding 12-month period by each officer of such labor organization and the officers of any national or international labor organization of which it is an affiliate or constituent unit, that he is not a member of the Communist Party or affiliated with such party, and that he does not believe in, and is not a member of or supports any organization that believes in or teaches the overthrow of the United States Government by force or by any illegal or unconstitutional methods or seeking by force or violence to deny other persons their rights, under the Constitution of the United States. The provisions of section 35A of the Criminal Code shall be applicable in respect to such affidavits. For the purposes of this subsection "officer" means members of all policy-forming and governing bodies of the labor organization as well as those designated as such by the constitution of the labor organization.

"'(2) No petition made by an employer under section 9 (c) and no charge made by an employer under section 10 (b) shall be entertained unless there is on file with the Board an affidavit executed contemporaneously or within the preceding 12-month period by such employer, its officers if it is a corporation and each of such employer's agents having responsibility for the employer's labor relations that he is not a member of the Communist Party or affiliated with such party, and that he does not believe in, and is not a member of or supports any organization that believes in or teaches, the overthrow of the United States Government by force or by any illegal or unconstitutional methods, or seeking by force or violence to deny other persons their rights under the Constitution of the United States. The provisions of section 35A of the Criminal Code shall be applicable in respect to such affidavits.

"'PREVENTION OF UNFAIR LABOR PRACTICES

"'SEC. 10. (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in sec. 8) affecting commerce. This power shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise.

"'(b) Whenever it is charged that any person has engaged in or is engaging in any such unfair labor practice, the Board, or any agent or agency designated by the Board for such purposes, shall have power to issue and cause to be served upon such person a complaint stating the charges in that respect, and containing a notice of hearing before the Board or a member thereof, or before a designated agent or agency, at a place therein fixed, not less than 5 days after the serving of said complaint: *Provided,* That no complaint shall issue based upon any unfair labor practice occurring more than 1 year prior to the filing of the charge with the Board and the service of a copy thereof upon the person against whom such charge is made, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the armed forces, in which event the 1-year period shall be computed from the day of his discharge. Any such complaint may be amended by the member, agent, or agency conducting the hearing or the Board in its discretion at any time prior to the issuance of an order based thereon. The person so complained of shall have the right to file an answer to the original or amended complaint and to appear in person or otherwise and give testimony at the place and time fixed in the complaint. In the discretion of the member, agent, or agency conducting the hearing or the Board, any other person may be allowed to intervene in the said proceeding and to present testimony. Any such proceeding shall, so far as practicable, be conducted in accordance with the rules of evidence applicable in the district courts of the United States under the rules of civil procedure for the district courts of the United States, adopted by the Supreme Court of the United States pursuant to the act of June 19, 1934 (U. S. C., title 28, sec. 723–B, 723–C).

"'(c) The testimony taken by such member, agent or agency or the Board shall be reduced to writing and filed with the Board. Thereafter, in its discretion, the Board upon notice may take further testimony or hear argument. If upon all the testimony taken the Board shall be of the opinion that any person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue and cause to be served on such person an order requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action including reinstatement of employees with or without back pay, as will effectuate the policies of this act: *Provided,* That where an order directs reinstatement of an employee, back pay may be required of the employer or labor organization, as the case may be, responsible for the discrimination suffered by him: *And provided further,* That in determining whether a complaint shall issue alleging a violation of section 8 (a) (1) or section 8 (a) (2), and in deciding such cases, the same regulations and rules of decision shall apply irrespective of whether or not the labor organization affected is affiliated with a labor organization national or international in scope. Such order may further require such person to make reports from time to time showing the extent to which it has complied with the order. If upon all the testimony taken the Board shall be of the opinion that no person named in the complaint has engaged in or is engaging in such unfair labor practice, then the Board shall state its findings of fact and shall issue an order dismissing the said complaint.

"'(d) Until a transcript of the record in a case shall have been filed in a court, as hereinafter provided, the Board may at any time, upon reasonable notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any finding or order made or issued by it.

"'(e) The Board shall have power to petition any United States court of appeals, or if all the courts of appeals to which application may be made are in vacation, any United States district court within any circuit or district, respectively, wherein the unfair labor practice in question occurred or wherein such person resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall certify and file in the court a transcript of the entire record in the proceedings, including the pleadings and testimony upon which such order was entered and the findings and order of the Board. Upon such filing, the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper, and to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Board. No objection that has not been urged before the Board, its member, agent, or agency, shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Board with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Board, its member, agent, or agency, the court may order such additional evidence to be taken before the Board, its members, agent, or agency, and to be made a part of the transcript. The Board may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which findings with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive, and shall file its recommendations, if any, for the modification or setting aside of its original order. The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate United States court of appeals if application was made to the district court as hereinabove provided, and by the Supreme Court of the

United States upon writ of certiorari or certification as provided in title 28, United States Code, section 1254.

"'(f) Any person aggrieved by a final order of the Board granting or denying in whole or in part of the relief sought may obtain a review of such order in any United State court of appeals in the circuit wherein the unfair labor practice in question was alleged to have been engaged in or wherein such person resides or transacts business, by filing in such court a written petition praying that the order of the Board be modified or set aside. A copy of such petition shall be forthwith served upon the Board, and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding, certified by the Board, including the pleading and testimony upon which the order complained of was entered, and the findings and order of the Board. Upon such filing, the court shall proceed in the same manner as in the case of an application by the Board under subsection (e), and shall have the same exclusive jurisdiction to grant to the Board such temporary relief or restraining order as it deems just and proper, and in like manner to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Board; the findings of the Board with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall in like manner be conclusive.

"'(g) The commencement of proceedings under subsection (e) or (f) of this section shall not, unless specifically ordered by the court, operate as a stay of the Board's order.

"'(h) When granting appropriate temporary relief or a restraining order, or making and entering a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part an order of the Board, as provided in this section, the jurisdiction of courts sitting in equity shall not be limited by the act entitled "An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932, (U. S. C., Supp. VII, title 29, secs. 101–115).

"'(i) Petitions filed under this act shall be heard expeditiously and if possible within 10 days after they have been docketed.

"'(j) The Board shall have power, upon issuance of a complaint as provided in subsection (b) charging that any person has engaged in or is engaging in an unfair labor practice, to petition any United States district court and the United States court of any Territory or possession, within any district wherein the unfair labor practice in question is alleged to have occurred or wherein such person resides or transacts business, for appropriate temporary relief or restraining order pending the final adjudication of the Board with respect to such matter. Upon the filing of any such petition the courts shall cause notice thereof to be served junctive relief or temporary restraining order as it deems just and proper, notwithstanding any other provision of law: *Provided further,* That no temporary restraining order shall be issued without notice unless a petition alleges that substantial and irreparable injury to the charging party will be unavoidable and such temporary restraining order shall be effective for no longer than 5 days and will become void at the expiration of such period. Upon filing of any such petition the courts shall cause notice thereof to be served upon any person involved in the charge and such person, including the charging party, shall be given an opportunity to appear by counsel and present any relevant testimony: *Provided further,* That for the purposes of this subsection district courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal office, or (2) in any district in which its duly authorized officers or agents are engaged in promoting or protecting the interests of employee members. The service of legal process upon such officer or agent shall constitute service upon the labor organization and make such organization a party to the suit.

"'(k) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of paragraph (4) (D) of section 8 (b), the Board is empowered and directed to hear and determine, or appoint an arbitrator to hear and determine, the dispute, and issue an award, first affording the labor organizations involved in the dispute a reasonable opportunity to settle their controversy between or among themselves. In determining the dispute, the Board or the arbitrator, as the case may be, may consider any prior Board certification under which any such labor organization claims the right to represent employees who are or may be hired or assigned to perform the work tasks in dispute, any union charters or interunion agreements purporting to define areas of jurisdiction between or among the contending labor organizations, the decisions of any agency established by unions to consider such disputes, the past work history of the organizations involved in the dispute, and the policies of this act. If an arbitrator is appointed to hear and determine a dispute, he shall proceed in accordance with such rules and regulations as the Board may prescribe; and his award determining the dispute shall have the same effect as an award of the Board. In any proceeding under this section, the employer whose assignment or prospective assignment of a particular work task is in controversy shall have an opportunity to be heard in any hearing conducted by the Board, or an arbitrator, as the case may be. If at any stage of the proceeding it shall appear to the Board that the dispute is in fact one concerning representation, it shall treat the case as one instituted under section 9 (c) of this act and proceed accordingly.

"'INVESTIGATORY POWERS

"'SEC. 11. For the purpose of all hearings and investigations, which, in the opinion of the Board, are necessary and proper for the exercise of the powers vested in it by section 9 and section 10—

"'(1) The Board, or its duly authorized agents or agencies, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any evidence of any person being investigated or proceeded against that relates to any matter under investigation or in question. Any member of the Board shall have power to issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation or in question, before the Board, its member, agent, or agency conducting the hearings or investigation. Any member of the Board, or any agent or agency designated by the Board for such purposes, may administer oaths and affirmations, examine witnesses, and receive evidence. Such attendance of witnesses, and the production of such evidence may be required from any place in the United States or any Territory or possession thereof at any designated place of hearing.

"'(2) In case of contumacy or refusal to obey a subpena issued to any person, any United States district court or the United States courts of any Territory or possession, within the jurisdiction of which the inquiry is carried on or within the jurisdicton of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Board shall have jurisdiction to issue to such person an order requiring such person to appear before the Board, its member, agent, or agency, there to produce evidence if so ordered, or there to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

"'(3) No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to the subpena of the Board, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"'(4) Complaints, orders, and other process and papers of the Board, its member, agent, or agency, may be served either personally or by registered mail or by telegraph or by leaving a copy thereof at the principal office or place of business of the person required to be served. The verified return by the individual so serving the same setting forth the manner of such service shall be proof of the same, and the return post office receipt or telegraph receipt therefor when registered and mailed or telegraphed as aforesaid shall be proof of service of the same. Witnesses summoned before the Board, its member, agent, or agency, shall be paid the same fees and mileage that are paid witnesses in the courts of the United States and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

"'(5) All process of any court to which application may be made under this act may be served in the judicial district wherein the defendant or other person required to be served resides or may be found.

"'(6) The several departments and agencies of the Government, when directed by the President, shall furnish the Board, upon its request, all records, papers, and information in their possession relating to any matter before the Board.

"'SEC. 12. Any person who shall willfully resist, prevent, impede, or interfere with any member of the Board or any of its agents or agencies in the performance of duties pursuant to this act, shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 1 year, or both.

"'LIMITATIONS

"'SEC. 13. Nothing in this act, except as specifically provided for herein, shall be construed so as either to interfere with or impede or diminish in any way the right to strike, or to affect the limitations or qualifications on that right.

"'SEC. 14. (a) Nothing herein shall prohibit any individual employed as a supervisor from becoming or remaining a member of a labor organization, but no employer subject to this act shall be compelled to deem individuals defined herein as supervisors as employees for the purpose of any law, either national or local, relating to collective bargaining.

"'(b) Nothing in this act shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

"'SEC. 15. Wherever the application of the provisions of section 272 of chapter 10 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto (U. S. C., title 11, sec. 672), conflicts

with the application of the provisions of this act, this act shall prevail: *Provided*, That in any situation where the provisions of this act cannot be validly enforced the provisions of such other acts shall remain in full force and effect.

"'SUITS BY AND AGAINST LABOR ORGANIZATIONS

"'SEC. 16. (a) Suits for violation of contracts between an employer and a labor organization representing employees in an industry affecting commerce as defined in this act, or between any such labor organizations, may be brought in any district court of the United States having jurisdiction of the parties, without respect to the amount in controversy or without regard to the citizenship of the parties.

"'(b) Any labor organization which represents employees in an industry affecting commerce as defined in this act and any employer whose activities affect commerce as defined in this act shall be bound by the acts of its agents. Any such labor organization may sue or be sued as an entity and in behalf of the employees whom it represents in the courts of the United States. Any money judgment against a labor organization in a district court of the United States shall be enforceable only against the organization as an entity and against its assets, and shall not be enforceable against any individual member or his assets.

"'(c) For the purposes of actions and proceedings by or against labor organizations in the district courts of the United States, district courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal office, or (2) in any district in which its duly authorized officers or agents are engaged in representing or acting for employee members.

"'(d) The service of summons, subpena, or other legal process of any court of the United States upon an officer or agent of a labor organization, in his capacity as such, shall constitute service upon the labor organization.

"'SEC. 17. Whoever shall be injured in his business or property by reason of any act or acts which are made an unfair labor practice under section 8 (b) (4) may sue therefor in any district court of the United States subject to the limitations and provisions of section 16 hereof without respect to the amount in controversy, or in any other court having jurisdiction of the parties, and shall recover the damages by him sustained and the cost of the suit.

"'RESTRICTIONS ON PAYMENTS TO EMPLOYEE REPRESENTATIVES

"'SEC. 18. (a) It shall be unlawful for any employer to pay or deliver, or to agree to pay or deliver, any money or other thing of value to any representative of any of his employees who are employed in an industry affecting commerce.

"'(b) It shall be unlawful for any representative of any employees who are employed in an industry affecting commerce to receive or accept, or to agree to receive or accept, from the employer of such employees any money or other thing of value.

"'(c) The provisions of this section shall not be applicable (1) with respect to any money or other thing of value payable by an employer to any representative who is an employee or former employee of such employer, as compensation for, or by reason of his services as an employee of such employer; (2) with respect to the payment or delivery of any money or other thing of value in satisfaction of a judgment of any court or a decision or award of an arbitrator or impartial chairman or in compromise, adjustment, settlement, or release of any claim, complaint, grievance, or dispute in the absence of fraud or duress; (3) with respect to the sale or purchase of an article or commodity at the prevailing market price in the regular course of business; (4) with respect to money deducted from the wages of employees in payment of periodic dues or initiation fees (but not including fines, assessments, penalties, or other payments) in a labor organization: *Provided*, That the employer has received from each employee, on whose account such deductions are made, a written assignment which shall be revocable in writing after the expiration of 1 year or upon the termination date of the applicable collective agreement, whichever occurs sooner; or (5) with respect to money or other thing of value paid to a trust fund established by such representative, if the Secretary of Labor shall have made a thorough examination of all the provisions of the agreement establishing such fund (including the holding of a hearing if requested by any person demonstrating an interest) and certified that such fund meets the following requirements: That it be for the sole and exclusive purpose of providing benefits for employees of such employer (or for such employees jointly with employees of other employers making similar payments): *Provided*, That (A) such payments are held in trust for the purpose of paying, either from principal or income or both, benefits with respect to such employees on account of death, injury, illness, unemployment, retirement, medical, surgical, or hospital care (which may include medical, surgical, or hospital care for families and dependents of such employees), or for any one or more of such benefits, or for providing any one or more of such benefits through contracts with insurers; (B) the detailed basis on which such payments are to be made is specified in a written agreement with the employer; (C) unless waived by the employer, employers and employees are equally represented in the administration of such fund together with such impartial umpire to settle a dispute in the administration of the fund as may be agreed upon, or in the event no such umpire has been agreed upon within a reasonable time after a dispute has arisen the district court of the United States for the district in which the trust fund has its principal office is empowered to use such impartial umpire upon petition of any trustee; (D) there shall be an annual audit of the trust fund, a statement of the results of which shall be available for inspection by interested persons at the principal office of the trust fund and at such other places as may be designated by agreement between the employers and the representative; and (E) such employer payments as are intended to be used for the purpose of providing pensions or annuities through benefit payments made to such persons directly from the trust estate are made to a separate trust which provides that the funds held therein cannot be used for any purpose other than paying such pensions or annuities.

"'(d) Any person who willfully violates any of the provisions of this section shall, upon conviction thereof, be guilty of a misdemeanor and be subject to a fine of not more than $10,000 or to imprisonment for not more than 1 year, or both.

"'(e) The district courts of the United States and the United States courts of the Territories and possessions shall have jurisdiction, for cause shown, to restrain violations of this section, without regard to the provisions of sections 6 and 20 of such act of October 15, 1914, as amended (U. S. C., title 15, sec. 17, and title 29, sec. 52), and the provisions of the act entitled "An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932 (U. S. C., title 29, secs. 101-115).

"'(f) This section shall not apply to any contract in force on the date of enactment of the National Labor Relations Act of 1949 until the expiration of such contract, or until July 1, 1950, whichever first occurs.

"'(g) Compliance with the restrictions contained in subsection (c) (5) (B) upon contributions to trust funds, otherwise lawful, shall not be applicable to contributions to such trust funds established by collective agreement prior to January 1, 1946, nor shall subsection (c) (5) (A) be construed as prohibiting contributions to such trust funds if prior to January 1, 1947, such funds contained provisions for pooled vacation benefits.

"'BAR TO CERTAIN PROCEEDINGS

"'SEC. 103. Notwithstanding the provisions of the act of February 25, 1871 (16 Stat. 432), neither the Board nor any court of the United States shall have jurisdiction to entertain, process, make, impose, or enforce any petition, complaint, order, liability, or punishment under the Labor-Management Relations Act, 1947, with respect to any act or ommission occurring prior to the date of enactment of the National Labor Relations Act of 1949, unless such act or omission could have been the subject of a proceeding under the National Labor Relations Act of 1949. No complaint shall hereafter be issued by the National Labor Relations Board based upon any unfair labor practice occurring prior to August 22, 1947, unless charges with respect thereto were pending before the Board on January 1, 1949.

"'EFFECTIVE DATE OF CERTAIN CHANGES

"'SEC. 104. No provisions of this title shall affect any certification of representatives or any determination as to the appropriate collective-bargaining unit, which was made under section 9 of the National Labor Relations Act prior to the effective date of this title until 1 year after the date of such certification or if, in respect of any such certification, a collective-bargaining contract was entered into prior to the effective date of this title, until the end of the contract period or until 1 year after such date, whichever first occurs.

"'SEC. 105. The amendments made by this title shall take effect 30 days after the date of the enactment of this act, except that the authority of the President to appoint additional members conferred upon him by section 3 of the National Labor Relations Act as amended by this title may be exercised forthwith.

"'TITLE II—CONCILIATION OF LABOR DISPUTES IN INDUSTRIES AFFECTING COMMERCE

"'SEC. 201. That it is the policy of the United States that—

"'(a) sound and stable industrial peace and the advancement of the general welfare, health, and safety of the Nation and of the best interests of employers and employees can most satisfactorily be secured by the settlement of issues between employers and employees thrcugh the processes of conference and collective bargaining between employers and the representatives of their employees;

"'(b) the settlement of issues between employers and employees through collective bargaining may be advanced by making available full and adequate governmental facilities for conciliation, mediation, and voluntary arbitration to aid and encourage employers and the reprseentatives of their employees to reach and maintain agreements concerning rates of pay, hours, and working conditions, and to make all reasonable efforts to settle their differences by mutual agreement reached through conferences and collective bargaining or by such methods as may be provided for in any applicable agreement for the settlement of disputes; and

"'(c) certain controversies which arise between parties to collective-bargaining agreements may be avoided or minimized by making available full and adequate governmental facilities for furnishing assistance to employers and the representatives of their employees in formulating for inclusion within

such agreements provision for adequate notice of any proposed changes in the terms of such agreements, for the final adjustment of grievances or questions regarding the application or interpretation of such agreements, and other provisions designed to prevent the subsequent arising of such controversies.

"'FEDERAL MEDIATION AND CONCILIATION SERVICE

"'SEC. 202. (a) The Federal Mediation and Conciliation Service (herein referred to as the "Service") is hereby continued as an independent agency of the United States. The Service shall remain under the direction of a Federal Mediation and Conciliation Director (hereinafter referred to as the "Director"). The Director in office on the date of enactment of the National Labor Relations Act of 1949 shall continue in office without reappointment, but his successor shall be appointed by the President by and with the advice and consent of the Senate. The Director and the Service shall not be subject in any way to the jurisdiction or authority of the Secretary of Labor or any official or division of the Department of Labor. The Director shall receive compensation at the rate of $12,000 per annum. The Director shall not engage in any other business, vocation, or employment.

"'(b) The Director is authorized, subject to the civil-service laws, to appoint such clerical and other personnel as may be necessary for the execution of the functions of the Service, and shall fix their compensation in accordance with the Classification Act of 1923, as amended, and may, without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, appoint and fix the compensation of such conciliators and mediators as may be necessary to carry out the functions of the Service. The Director is authorized to make such expenditures for supplies, facilities, and services as he deems necessary. Such expenditures shall be allowed and paid upon presentation of itemized vouchers therefor approved by the Director or by any employee designated by him for that purpose.

"'(c) The principal office of the Service shall be in the District of Columbia, but the Director may establish regional offices convenient to localities in which labor controversies are likely to arise. The Director may by order, subject to revocation at any time, delegate any authority and discretion conferred upon him by this act to any regional director, or other officer or employee of the Service. The Director may establish suitable procedures for cooperation with State and local mediation agencies. The Director shall make an annual report in writing to Congress at the end of the fiscal year.

"'FUNCTIONS OF THE SERVICE

"'SEC. 203. (a) The Service shall assist labor and management in settling disputes through the processes of free collective bargaining. The Director shall have authority to proffer the facilities of the Service in any labor dispute in any industry affecting commerce either upon his own motion or upon the request of one or more of the parties to the dispute whenever in his judgment, the facilities of the Service will assist the parties in settling the dispute.

"'(b) Upon request of the parties to the dispute, the Service shall cooperate in formulating an agreement for the arbitration of the dispute, in selecting an arbitrator or arbitrators, and in making such other arrangements and in taking such other action as may be necessary.

"'(c) The Service shall furnish to employers, employees, and other public and private agencies, information concerning the practicability and desirability of establishing suitable agencies and methods to aid in the settlement of labor disputes by mediation, conciliation, arbitration, and other peaceful means, and to promote and encourage the uses and procedures of sound collective bargaining. The Director is authorized to establish suitable procedures for cooperation with State and local mediation agencies and to enter into agreements with such State and local mediation agencies. The Director shall avoid attempting to mediate disputes which have only a minor effect on interstate commerce if State or other conciliation services are available to the parties.

"'(d) Through conferences and such other methods as it deems appropriate, the Service shall seek to improve relations between employers and the representatives of their employees for the purpose of avoiding labor disputes and preventing such disputes as might occur from developing into stoppages of operations which might effect commerce or develop consequences injurious to the general welfare.

"'CONDUCT OF CONCILIATION OFFICERS

"'SEC. 204. The Director and the Service shall be impartial. They shall respect the confidence of the parties to any dispute. Commissioners of Conciliation shall not engage in arbitration while serving as Commissioners and they shall not participate in cases in which they have a pecuniary or personal interest.

"'DUTIES OF EMPLOYERS AND EMPLOYEES

"'SEC. 205. In order to prevent or minimize labor disputes affecting the free flow of commerce or threatening consequences injurious to the general welfare, employers and employees, and their representatives, should—

"'(a) exert every reasonable effort to make and maintain collective-bargaining agreements for definite periods of time, concerning (1) rates of pay, hours, and terms of conditions of work; (2) adequate notice of desire to terminate or change such agreements; (3) abstention from strikes, lock-outs, or other acts of economic coercion in violation of such agreements; and (4) procedures for the peaceful settlement of disputes involving the interpretation or application of such agreements;

"'(b) participate fully and promptly in such meetings as may be undertaken by the Service for the purpose of aiding in a settlement of any dispute to which they are parties.

"'INTERPRETATION OF EXISTING AGREEMENTS

"'SEC. 206. It is the public policy of the United States that any collective-bargaining agreement in an industry affecting commerce should provide procedures by which either party to such agreement may refer disputes growing out of the interpretation or application of the agreement to final and binding arbitration. The Service is authorized and directed to assist employers and labor organizations in—

"'(a) developing such procedures;

"'(b) applying such procedures to individual cases, including assistance in framing the issues in dispute and the terms and conditions under which the arbitration proceeding shall be conducted, including methods for the selection of the arbitrator or arbitrators; and

"'(c) selecting an arbitrator or arbitrators, including making available to the parties a roster of names from which the parties may choose one or more arbitrators and, if the parties so desire, designating one or more arbitrators: *Provided*, That nothing in section 205 or 206 hereof shall make the failure or refusal of either party to agree to an arbitration clause in their contract, a violation of any duty or obligation imposed by any provision of this act.

"'LABOR-MANAGEMENT ADVISORY COMMITTEES

"'SEC. 207. (a) The Director shall appoint such labor-management advisory committees as he deems necessary or appropriate in the administration of this title. The membership of each such committee shall consist of equal numbers of labor and management representatives, and one or more public members. The Director shall designate a public member as chairman. Members of such advisory committees shall serve without compensation, but shall receive transportation, and per diem in lieu of subsistence at a rate of $25 a day, as authorized by section 5 of the act of August 2, 1946 (5 U. S. C. 73b-2), for persons so serving. Such committees shall have authority to adopt, amend, or rescind such rules and regulations as may be necessary to the performance of their functions.

"'(b) Such advisory committees shall advise the Director on questions of policy and administration affecting the work of the service and shall perform such other functions to help in achieving the purposes of this title as the Director may request.

"'COMPILATION OF COLLECTIVE-BARGAINING AGREEMENTS, AND SO FORTH

"'SEC. 206. (a) For the guidance and information of interested representatives of employers, employees, and the general public, the Bureau of Labor Statistics of the Department of Labor shall maintain a file of copies of all available collective-bargaining agreements and other available agreements and actions thereunder settling or adjusting labor disputes. Such file shall be open to inspection under appropriate conditions prescribed by the Secretary of Labor, except that no specific information submitted in confidence shall be disclosed.

"'(b) The Bureau of Labor Statistics in the Department of Labor is authorized to furnish upon request of the Service, or employers, employees, or their representatives, all available data and factual information which may aid in the settlement of any labor dispute, except that no specific information submitted in confidence shall be disclosed.

"'EXEMPTION OF RAILWAY LABOR ACT

"'SEC. 207. The provisions of this title shall not be applicable with respect to any matter which is subject to the provisions of the Railway Labor Act, as amended from time to time.

"'TITLE IV—MISCELLANEOUS PROVISIONS

"'RESTRICTION ON POLITICAL CONTRIBUTIONS

"'SEC. 401. Section 313 of the Federal Corrupt Practices Act, 1925 (U. S. C, 1940 edition, title 2, sec. 251; Supp. V, title 50, App. sec. 1509), as amended, is amended to read as follows:

"'"SEC. 313. It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization to make a contribution in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this section. Every corporation or labor organization which makes any contribution in violation of this section shall be fined not more than $5,000; and every officer or director of any corporation, or officer of any labor organization, who consents to any contribution by the corporation or labor organization, as the case may be, in violation of this section shall be fined not more than $1,000 or imprisoned for not more than one year, or both. For the purposes of this section 'labor organization' means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the

purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment or conditions of work."

"'STRIKES BY GOVERNMENT EMPLOYEES

"'SEC. 402. It shall be unlawful for any individual employed by the United States or any agency thereof including wholly owned Government corporations to participate in any strike against the United States or any agency thereof. Any individual employed by the United States or by any such agency who participates in such a strike shall be discharged immediately from his employment, and shall forfeit his civil-service status, if any, and shall not be eligible for reemployment for three years by the United States or any such agency.

"'DEFINITIONS

"'SEC. 403. When used in this act—

"'(1) The term "industry affecting commerce" means any industry or activity in commerce or in which a labor dispute would burden or obstruct commerce or tend to burden or obstruct commerce or the free flow of commerce.

"'(2) The term "strike" includes any strike or other concerted stoppage of work by employees (including a stoppage by reason of the expiration of a collective-bargaining agreement) and any concerted slow-down or other concerted interruption of operations by employees.

"'(3) The terms "commerce," "labor disputes," "employer," "employee," "labor organization," "representative," "person," and "supervisor" shall have the same meaning as when used in the National Labor Relations Act of 1949.

"'SAVING PROVISION

"'SEC. 405. Nothing in this act shall be construed to require an individual employee to render labor or service without his consent, nor shall anything in this act be construed to make the quitting of his labor by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service, without his consent; nor shall the quitting of labor by an employee or employees in good faith because of abnormally dangerous conditions for work at the place of employment of such employee or employees be deemed a strike under this act.

"'SEPARABILITY

"'SEC. 406. If any provision of this act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.'"

## ERECTION IN THE DISTRICT OF COLUMBIA OF A STATUE OF SIMON BOLIVAR

Mr. HAYDEN. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside, so that I may report a House joint resolution.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

Mr. HAYDEN. By direction of the Committee on Rules and Administration I report favorably House Joint Resolution 240 authorizing the erection in the District of Columbia of a statue of Simon Bolivar. The erection of the statue involves no expense to the United States. I ask unanimous consent for the present consideration of the joint resolution.

The VICE PRESIDENT. The Senator from Arizona asks unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House Joint Resolution 240. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, may I inquire of the distinguished Senator from Arizona if the acceptance of this gift involves any appropriation?

Mr. HAYDEN. This is a gift from the Government of Venezuela, without expense to the United States. It is approved by the Fine Arts Commission. The statue is to be located near the Pan American Union Building, on a triangle of land.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

Mr. MAGNUSON. Mr. President, reserving the right to object, I should like to ask the Senator from Arizona a question. I understand that there has been pending before the Committee on Rules and Administration a bill to provide for the erection of a statue of Leif Ericson, the discoverer of America. That measure has been pending before the committee for many weeks. I was wondering why the bill providing for a statue of Simon Bolivar was reported ahead of the bill providing for the statue of the discoverer of America.

Mr. HAYDEN. The statue of Simon Bolivar will not cost anything. The Senator introduced a bill calling for an appropriation of $25,000 to erect a statue to Leif Ericson. We understand that it would actually cost $60,000. So the committee is hesitant.

The VICE PRESIDENT. Is there objection to the present consideration of House Joint Resolution 240?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

## REPAIRS TO SENATE ROOF AND REMODELING OF SENATE CHAMBER

Mr. LODGE. Mr. President, in a few days we shall be leaving this Chamber. The reason for our doing so is that the roof over our heads is no longer safe and must be repaired. This is a good reason. Moreover, we should have here in the Senate every advantage of modern science insofar as light, sound, and ventilation are concerned.

But the repairing of the roof and installation of modern conveniences are not the only work which will be done while we are absent from this Chamber. In addition to repairing the roof, the whole interior decoration of this historic old Hall is going to be completely changed from top to bottom and to such an extent that there will be nothing left of its present appearance.

The wonderfully quaint stained-glass panels which are now in the ceiling will all go, in spite of the fact that they are very vivid reminders of the days when this Chamber was first built. The interior decoration of the Chamber will be completely eliminated. In its place there will be a decorative scheme which, I agree, is inoffensive, which I have seen downstairs, and which, I agree, more nearly resembles the interior of a bank than—as some people have irreverently observed—a cocktail lounge. I know that it has been approved by the Fine Arts Commission. For all I know, it is very much in harmony with the old part of the Capitol.

The thought occurs to me, however, that the question of whether or not we should redecorate the Senate Chamber is not one for the Fine Arts Commission to decide. It is none of its business. The question is not whether we happen to think that another design is more beautiful or more attractive than the decorative scheme which has been in this Chamber since 1859, and which was designed by Thomas U. Walter, an architect of the finest talent and taste at that time. If Senators wish to read an interesting speech, they should read the speech of Daniel Webster when, under President Millard Fillmore, the then new Chamber was dedicated. They will see the great price that was set upon the decoration of this Chamber.

So the question is not whether we happen to believe that one thing is prettier than another. We face the question of why we should eliminate this decorative scheme simply because the taste in interior decoration which was attractive to people in 1859 is no longer attractive to some people in 1949. There seems to be a desire amounting almost to a mania to eliminate all traces of by-gone architectural style and artistic effects so that the whole of Washington will have a dreary, bone-yard classical uniformity. The Smithsonian Institution, for example, whose brownstone towers now rise on the south side of the Mall, and which won the prize as the most beautiful building in America at the time it was built is, so I am told, considered by many so-called authorities to be an eyesore because it is not of white marble and is not ornamented with classical columns along the front. It is almost as though we were ashamed of our past and wanted to obliterate any signs of it. The fact is that our country has grown by degrees and that this growth is reflected in its buildings. It is an interesting thing for young people—and old people, too, for that matter—to see some relics of the past, because nothing gives them a more vivid impression of the fact that we have actually had a past—and a glorious one at that.

It may be, as some people say, that the decorative style of this Chamber is early pre-Civil War Pullman and there may be those who do not like the combination of parlor-car green, mahogany brown, and putty-colored walls which are the prevailing colors in this Chamber. It is, however, the design which they liked at the time. Not only that—it is the design which constituted the surroundings for some of the greatest and most historic events in our history. It was here that the gigantic figures of the pre-Civil War drama spoke their lines. It was here that Charles Sumner was murderously beaten on the head, almost causing his death. It was here that Ben Wade of Ohio kept the famous squirrel gun in his desk when he used to challenge people to duels. It was here that the great drama was unrolled which symbolized the fight for the Union without which we could not be one country today, without which there would be no United States of

America for the American people to believe in and no United States of America to whom the rest of the world could look for help and strength. These colors and this interior decoration may not suit the palates of some of our more fastidious contemporaries, but they were the surroundings in which immense and vital chapters of our history were written. Maybe the style is crude; maybe they were a little crude; maybe I am a little crude. But they were men and they made manly decisions; and this was their forum and this interior-decorating scheme was their background.

I understand that the total cost of the project is $2,300,000. I asked the Architect of the Capitol to furnish me with a break-down to show how much would go for the necessary repairing of the roof and the installation of conveniences and how much would go for interior decoration. He has not yet furnished me with that figure.

Mr. President, a few weeks ago the Senate set a splendid example to the country when it refused to give itself a brand new additional Senate Office Building. I think it can well go a step further and can save a substantial sum of money by refusing to put into effect the proposed new decorative scheme for the Senate Chamber, and thus confine itself to the utilitarian task of fixing the the roof of this Chamber so it will not fall on our heads. For my part, I shall be happy and privileged to sit amid these surroundings, with the present colors and tablature, where so many great men have sat before us, and where so much that is vital and essential in American history has taken place. I do not think further changes should be made in this Chamber; I hope the decorations here are not changed. Let us have the roof fixed, but have nothing else done to this Chamber.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 4963) to provide for the appointment of additional circuit and district judges, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CELLER, Mr. BYRNE of New York, Mr. LANE, Mr. JENNINGS, and Mr. KEATING were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 235) to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

## TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

## REPORT OF BOARD OF DIRECTORS, PANAMA RAILROAD COMPANY

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, was referred to the Committee on Interstate and Foreign Commerce:

*To the Congress of the United States:*

I transmit herewith, for the information of the Congress, the Ninety-ninth Annual Report of the Board of Directors of the Panama Railroad Company for the fiscal year ended June 30, 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 28, 1949.*

## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred, as indicated:

### SUPPLEMENTAL ESTIMATES, LEGISLATIVE BRANCH, SENATE (S. DOC. NO. 91)

A communication from the President of the United States, transmitting supplemental estimates of appropriation, amounting to $154,608, for the legislative branch, Senate, fiscal year 1949 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

### ADMISSION OF CERTAIN PERSONS TO ST. ELIZABETHS HOSPITAL

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to amend the act approved July 18, 1940 (54 Stat. 766, 24 U. S. C., 1946 ed., sec. 196b), entitled "An act relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States," by enlarging the classes of persons admissible into St. Elizabeths Hospital and in other respects (with an accompanying paper); to the Committee on Labor and Public Welfare.

### ORDINANCES ENACTED BY PUBLIC SERVICE COMMISSION OF PUERTO RICO

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, copies of ordinances enacted by the Public Service Commission of Puerto Rico (with accompanying papers); to the Committee on Interior and Insular Affairs.

### FINANCIAL CONTROL ACT OF 1949 FOR POST OFFICE DEPARTMENT

A letter from the Postmaster General, transmitting a draft of proposed legislation entitled "The Financial Control Act of 1949 for the Post Office Department" (with an accompanying paper); to the Committee on Post Office and Civil Service.

### APPOINTMENT OF POSTMASTERS

A letter from the Postmaster General, transmitting a draft of proposed legislation relating to the appointment of postmasters, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

### REPORTS OF FOREIGN-TRADE ZONES BOARDS

A letter from the Secretary of Commerce, transmitting, pursuant to law, the annual report of the Foreign-Trade Zones Board, fiscal year ended June 30, 1948; the annual report of the city of New York covering operations of Foreign-Trade Zone No. 1, for the calendar year 1947, and the report of the Board of Commissioners of the Port of New Orleans, covering operations of Foreign-Trade Zone No. 2, since it was opened, beginning May 1, 1947 (with accompanying papers); to the Committee on Finance.

### REPORT OF WEATHER BUREAU RELATING TO THUNDERSTORMS

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, an interim report by the Chief of the Weather Bureau on the study of causes and characteristics of thunderstorms and other atmospheric disturbances (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

### REPORT ON PUBLIC BUILDING CONSTRUCTION PROJECTS OUTSIDE THE DISTRICT OF COLUMBIA

A letter from the Federal Works Administrator and the Postmaster General, transmitting, pursuant to law, a report on public building construction projects outside of the District of Columbia (with an accompanying report); to the Committee on Public Works.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Alabama; to the Committee on the Judiciary:

"House Joint Resolution 73

"Whereas the chairman of the Judiciary Committee of the United States House of Representatives has ordered a civil rights subcommittee of the Judiciary Committee to undertake an investigation of the recent acts of violence by hooded men in Alabama; and

"Whereas the Legislature of Alabama is presently in session and is considering and is in the process of enacting legislation designed to aid in the apprehension of persons committing such acts of violence and to prevent any further such acts; and

"Whereas there are adequate and able law enforcement agencies and authorities presently investigating the violence, and

"Whereas the public authorities and people of Alabama are determined to stamp out this violence and bring the guilty to justice through their own efforts; and

"Whereas there have been recent instances of racial friction and resulting violence in localities such as St. Louis, Mo., and Youngstown, Ohio, which are just as regrettable and are equally to be condemned as the violence occurring in Alabama, and which have not been made the subject of congressional investigation, and

"Whereas the Legislature and people of Alabama resent and deplore the wholly unnecessary, unwanted, and unjustifiable interference by a congressional committee in the internal affairs of and the administration of justice of this State: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Alabama (the senate concurring):*

"1. The House of Representatives of the United States is hereby memorialized to order its Judiciary Committee and civil rights subcommittee to discontinue any investigation of or plans to investigate the recent acts of violence by hooded men in Alabama.

"2. The Clerk of the House of Representatives is directed to transmit a copy of this resolution to the Speaker of the House of Representatives, the chairman of the Judiciary Committee of the United States House of Representatives, the chairman of the civil rights subcommittee of the Judiciary Committee, the President of the United States, the Vice President of the United States, and the Members of the United States Senate and the House of Representatives from Alabama.

"Adopted by the House of Representatives of Alabama and the Senate of Alabama, June 24, 1949."

A resolution adopted by the Scottsville (Ky.) Rotary Club, relating to the construction of a burley tobacco market at Scottsville; to the Committee on Agriculture and Forestry.

A resolution adopted by the Sisterhood of the Congregation Tephereth Israel, New Britain, Conn., protesting against the enactment of legislation providing a change in the present calendar; to the Committee on Foreign Relations.

A resolution adopted by the Connecticut Association of Insurance Agents, Hartford, Conn., protesting against the enactment of legislation which would socialize industry; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the Pittsylvania County Post, No. 132, The American Legion, Chatham, Va., favoring the enactment of legislation extending the period of time during which readjustment allowances for World War II veterans may be paid until July 25, 1945; to the Committee on Labor and Public Welfare.

A letter in the nature of a memorial from the Northern Virginia Dental Society, of Arlington, Va., signed by G. W. Bogikes, president, and J. M. Kline, secretary-treasurer, remonstrating against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the Missoula (Mont.) Dental Assistants Association, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the Kentucky Junior Chamber of Commerce, relating to the operation of the Ohio River Compact, and pollution-abatement programs; to the Committee on Public Works.

## REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. McMAHON, from the Committee on Foreign Relations:

S. 1250. A bill to amend the Institute of Inter-American Affairs Act, approved August 5, 1947; with amendments (Rept. No. 594).

By Mr. PEPPER, from the Committee on Foreign Relations:

H. R. 2785. A bill to provide for further contributions to the International Children's Emergency Fund; with an amendment (Rept. No. 595).

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DOWNEY:

S. 2152. A bill to confer jurisdiction on the State of California over the lands and residents of the Agua Caliente Indian Reservation in said State, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. O'MAHONEY (by request):

S. 2153. A bill relating to the rights of the several States in lands beneath inland navigable waters and to the recognition of equities in submerged coastal lands adjacent to the shores of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Colorado:

S. 2154. A bill for the relief of Yoshiyuki Maeshiro; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 2155. A bill to authorize the cancellation or settlement of claims of the District of Columbia against the etates of recipients of old-age assistance; to the Committee on the District of Columbia.

S. 2156. A bill for the relief of Sister Edeltrudis Clara Weskamp; and

S. 2157. A bill for the relief of Mrs. Claudia Weitlanner; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 2158. A bill to amend section 122 of the Internal Revenue Code providing for carryback in case of reorganization of corporations; to the Committee on Finance.

By Mr. McMAHON:

S. 2159. A bill for the relief of Gilbert Clotar; to the Committee on the Judiciary.



## HOUSE BILL REFERRED

The bill (H. R. 4705) to transfer the office of the probation officer of the United States District Court for the District of Columbia, the office of the Register of Wills for the District of Columbia, and the Commission on Mental Health, from the government of the District of Columbia to the Administrative Office of the United States Courts, for budgetary and administrative purposes, was read twice by its title, and referred to the Committee on the District of Columbia.

## AMENDMENT OF DISPLACED PERSONS ACT OF 1948, RELATING TO DISTRIBUTION OF VISAS

Mr. FERGUSON. Mr. President, on behalf of the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH], the Senator from New York [Mr. IVES], the Senator from Oregon [Mr. MORSE], and myself, I submit an amendment intended to be proposed to the bill (S. 99) to amend section 3 (a) of the Displaced Persons Act of 1948, relating to the distribution of visas thereunder among the various groups of displaced persons.

The amendment is intended to supersede another amendment to the act, submitted during the present session, by the same sponsors, as Senate bill 99. That bill provides that visas issued pursuant to the Displaced Persons Act shall be made available to each group or element among the displaced persons according to the proportion that each group or element bears to the total number of displaced persons.

The present amendment accomplishes the same purpose by stating that—

> The selection of eligible displaced persons shall be made without discrimination in favor of or against a race, religion, or national origin of such eligible displaced persons, and the Commission shall insure that equitable opportunity for resettlement under the terms of this act, as amended, shall be afforded to eligible displaced persons of all races, religions, and national origins.

The "groups and elements" provision of Senate bill 99 had its origin in a defense against the 40 percent annexed-area and 30 percent agricultural provisions of the act as it was passed in the last Congress. The provision was submitted as an amendment to the act when it was under consideration last year, but was defeated, and was immediately resubmitted with the opening of the present Congress.

Its intention was to meet the charges of discrimination against persons from outside the annexed areas. Its principle was sound, as it tied admissions to a formula of proportions, which is eminently fair. However, it has been observed that the provision establishes categories of race and religion which are contrary to the spirit of displaced persons legislation. Further, it has been observed that the formula creates a considerable administrative burden in prorating the processing of cases on a mathematical basis.

Accordingly, the sponsors have agreed to revise their proposal and to submit another, identical with that contained in House bill 4567, which would guard against favoritism or discrimination, on a workable and reasonable basis, and would accomplish the objectives of the groups and elements formula without its administrative difficulties.

The amendment reflects a determination upon the part of the sponsors to obtain a workable Displaced Persons Act to conform with the obligations which the United States ostensibly assumed under the act of 1948. If the act of 1948 purported to assume definite responsibilities but encumbered that assumption with unworkable provisions, the encumbrances should be removed.

It is the sole desire of the sponsors of the amendment that the act should be perfected; hence the present amendment, which they consider an improvement upon their earlier proposal.

The fact that we confine ourselves at this point to a perfection of our own proposal does not indicate that there may not be other perfecting provisions to which we would like to give consideration. It is submitted only as an earnest of our own position and of our sincere desire for improvement of the basic act.

As a matter of fact, there exists a perfect vehicle for the consideration of all the numerous proposals for perfecting the basic act. It is House bill 4567, which has passed the House and is now before the Senate Judiciary Committee. Its provisions give attention to all the deficiencies alleged to exist in the Displaced Persons Act of 1948.

We renew and reiterate our request that hearings be immediately scheduled on the various proposals for correction of the act of 1948. Those proposals have been described as liberalizing the act. To be sure, they would liberalize it by freeing its administration from all the unworkable and discriminatory encumbrances which were attached. But a better description of the proposals is, that they would perfect the machinery for carrying into effect the purposes which the act of 1948 represented.

The Senate should insist upon an opportunity to carry out its intended purposes with regard to this great human problem.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the Senator.

Mr. SALTONSTALL. I should like to say to the Senator from Michigan that I am glad he has offered the amendment. I am gratified he joined my name with his, because, as I understand, the purpose of the amendment, it is simply to make the present act more effective, and to try to make it possible for us to do our part in admitting displaced persons into this country.

Mr. FERGUSON. That is correct. I merely want to say that Senators who have cosponsored this particular amendment have worked very closely with the committee and with the Senator from Michigan in an endeavor to get an act which will carry out the real intent of Congress.

The VICE PRESIDENT. The amendment will be received, referred to the Committee on the Judiciary, and printed.

AMERICAN PRICING METHODS—ADDRESS BY SENATOR O'MAHONEY

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an address on the subject American Pricing Methods, delivered by Senator O'MAHONEY on June 22, 1949, before the Chicago Association of Commerce and Industry, at the La Salle Hotel, Chicago, Ill., which appears in the Appendix.]

RADFORD MOBLEY—ARTICLE BY PAUL R. LEACH

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "Radford Mobley," written by Paul R. Leach and published in the Miami (Fla.) Herald of June 18, 1949, which appears in the Appendix.]

WARTIME AND POSTWAR ACHIEVEMENTS OF THE ELECTRIC UTILITY INDUSTRY—ADDRESS BY WALKER L. CISLER

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an address entitled "Wartime and Postwar Achievements of the Electric Utility Industry," delivered by Mr. Walker L. Cisler, executive vice president, the Detroit Edison Co., before the seventeenth annual convention of the Edison Electric Institute, Atlantic City, N. J., June 1, 1949, which appears in the Appendix.]

TRIAL OF JAPANESE WAR CRIMINALS—ARTICLE FROM THE NEW YORK TIMES

[Mr. MCCARTHY asked and obtained leave to have printed in the RECORD an article from the New York Times of June 28, 1949, regarding the trial of Japanese war criminals, and comments by Justice William O. Douglas, which appears in the Appendix.]

MAJ. GEN. WILTON B. PERSONS

Mr. LODGE. Mr. President, in a few days Maj. Gen. Wilton B. Persons will retire from active duty in the Regular Army. General Persons is the officer who, for many years, immediately before and during World War II was the Chief of Congressional Liaison for the War Department. When the Department of Defense was created, he was raised to the position of Director of Legislative Liaison for the Office of the Secretary of Defense.

The historian of the future, if he is at all perspicacious and delves just a little bit below the surface, will give General Persons a high place insofar as the great legislative enactments concerning World War II are concerned. Speaking as one who has been closely associated with this work before, during, and after the war, I can say that without his able efforts many of the most vital measures would never have been enacted and many very dangerous and harmful things which were averted would have happened.

One of the potential weaknesses in our system of government is, first, that the Government is big, secondly, that it is a government of checks and balances, and thirdly, that its personnel is constantly changing. The result of these three factors is to creat huge chasms which divide the legislative and the executive branch of the Government. Yet, if the public interest is to be served, they should work together efficiently. There must therefore be men who are interpreters between the executive and the legislative branch—who act as a bridge across the chasm. General Persons was one of such men. He was a professional soldier with a real knowledge of Congress and a capacity to understand political questions. He handled his office in a way which might well be a model for other departments of the Government who are trying to establish efficient working relations with Congress.

General Persons has had the complete confidence of Secretary Stimson, General Marshall, General Eisenhower, General Bradley, Secretary Forrestal and Secretary Johnson. But it is not for these reasons that he was successful. He is first of all a man of quick and penetrating mind who could grasp the real inwardness of a complicated question. Having grasped it, he could act constructively. He was a man with a real passion for anonymity—to use a much abused phrase. He not only did not wish to exploit or advertise himself; he had a positive desire to keep in the background. He treated men honorably and was so treated by them. He was always a man of his word.

He was a man of courage in a position which on many occasions required a very large amount of moral courage. A gentleman in the highest sense of the term, he carries with him into private life the best wishes of his many friends on Capitol Hill. I ask unanimous consent that there be printed at the close of these remarks a biographical sketch of General Persons and two newspaper articles which relate to his work.

There being no objection, the biographical sketch and articles were ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SKETCH OF MAJ. GEN. WILTON BURTON PERSONS, O7088

Wilton B. Persons was born in Montgomery, Ala., on January 19, 1896. Attended Starke University School (military preparatory) 4 years, and graduated from Sidney Lanier High School, Montgomery, Ala. (1913). He was graduated in 1916 from Alabama Polytechnic Institute with the degree of bachelor of science in electrical engineering. Cadet captain color company, ROTC, and was commissioned a second lieutenant in the Coast Artillery Reserve on August 5, 1917. He served on active duty until October 26, 1917, when he was commissioned a second lieutenant, Coast Artillery Corps, in the Regular Army.

PROMOTIONS

He was promoted to first lieutenant on the same date, October 26, 1917; to captain (temporary) on July 27, 1918; to captain (permanent) on July 1, 1920; to major on August 1, 1935; to lieutenant colonel on August 18, 1940; to colonel (temporary) on December 24, 1941; to brigadier general (temporary) on June 24, 1942; to major general (temporary) on November 9, 1944. He was appointed brigadier general of the line, Regular Army, May 23, 1947. Appointed major general, Regular Army, January 24, 1948.

SERVICE

From May until August 1917 he was assigned as an officer candidate to the Seventh Provisional Training Regiment at Fort McPherson, Ga. He was next assigned to the Coast Defenses of Baltimore, Md., at Fort Howard, Md. In May 1918 he went to France with the Fifty-eighth Coast Artillery and served as a battery commander on the western front. He returned to the United States in June 1919 after a period of service in the Army of Occupation.

He then joined the Thirty-first Artillery Brigade at Fort Winfield Scott, Calif., and in December 1919 was transferred to the Eighth Field Signal Battalion at Camp Dodge, Iowa. In 1920 he went to Camp Lewis, Wash., where he was assigned to the Fourth Signal Company. In July 1921 he was assigned as acting officer in charge and later officer in charge of the Alaskan Military Submarine Cable System, and he served on that assignment until June 1924. In March 1923 he was transferred from the Coast Artillery Corps to the Signal Corps.

In June 1924 he went to Springfield, Ohio, to supervise development and manufacture of new apparatus for the Alaskan Cable; and in September 1924 he went to the University of Minnesota serving as a professor of military science and tactics for 5 years. In September 1929 he entered the Harvard University Graduate School of Business Administration, and was graduated in June 1931, with the degree of master of business administration (magna cum laude).

He then was assigned to the Office of the Chief Signal Officer in Washington, D. C., in charge of purchasing and contracting, and in August 1933 was transferred to the Office of the Assistant Secretary of War, where he supervised procurement for the Army, and served as liaison officer with the Military Affairs Committee (House of Representatives) until August 1937. He entered the Command and General Staff School, Fort Leavenworth, Kans., and upon graduation there in September 1938 went to Maxwell Field, Ala., to attend the Air Corps Tactical School.

In June 1939 he was graduated at Maxwell Field, and was rated Aircraft Observer; he then went to Fort Hamilton, N. Y., as Signal Officer of the First Division. In July 1939 he returned to Washington, D. C., for duty in the Office of the Chief of Staff, as aide to the Secretary of War, handling all War Department liaison with Congress.

In December 1941 he became Chief of the Liaison Branch, Office of the Chief of Staff, and in March 1942 was named Chief of the Legislative and Liaison Division, Office of the Chief of Staff, which position he held until July 1948. In this capacity he served as a member of the War Department General Staff as personal representative for Gen. George C. Marshall in conducting War Department relations with the Congress, including processing of all legislation necessary to the conduct of the war. Later he held the same position under Generals Eisenhower and Bradley. During this period he made several aerial inspection trips to Europe and the Middle East for the Chief of Staff of the Army including the amphibious landing in southern France in 1944, and the joint congressional inspection of German atrocity camps in April 1945 under the leadership of Vice President Barkley.

In July 1948 was named Director, Office of Legislative Liaison, Secretary of Defense, where as personal representative of Mr. Forrestal, he had responsibility for direction, control, and presentation to the Congress of an integrated legislative program for the National Military Establishment.

DECORATIONS AND AWARDS

Distinguished Service Medal.
Legion of Merit.
Grand Officer of the Cross of the Sun (Brazil).
The Order of Abdon Calderon from the Government of Ecuador.
Medal of War (Brazilian).
World War I Victory Medal.
Army of Occupation World War I.
American Defense Medal.
European Theater World War II.
North American Theater.
World War II Victory Medal.

In addition to the above-listed schools, the Department of the Army has granted him constructive credits for the following:
Basic Signal Corps School.
Advanced Signal Corps School.
National War College.

[From the New York World-Telegram of July 29, 1948]

GENERAL PERSONS GETS JOB TO SETTLE ROWS IN ARMED SERVICES—SAYS HE WILL TRY TO KEEP DISPUTES WITHIN PENTAGON

(By Jim G. Lucas)

WASHINGTON, July 29.—A soft-spoken Alabaman has drawn one of the toughest jobs in Washington—to see that the Army, Navy, and Air Force quit fighting every time they go before Congress.

Maj. Gen. Wilton B. (Jerry) Persons didn't ask for it. But for the last several months he's been telling Defense Secretary James V. Forrestal such a job had to be set up. Last week Mr. Forrestal made the job, and gave it to General Persons.

Mr. Forrestal announced he was naming General Persons to represent the National Defense Establishment in all legislative matters starting with the special session of Congress. That means the general moves up from his job as chief of the legislative and liaison division of the Army special staff, which he has held since 1942. From now on he'll worry about the Navy and Air Force as well. He'll be succeeded in the Army by his deputy, Maj. Gen. Clark L. Ruffner.

JOB WILL TAKE TIME

"I know I can make it work if they'll give me time," General Persons says. "But if they expect me to start showing results tomorrow or hand them a smooth-running railroad next week they're going to be disappointed."

That means, he says, there'll be no national defense legislative presentation during the special session. He expects to do nothing during this one. By next January, when a new Congress convenes, he expects to have an organization in running order.

During the last regular session, the Army, Navy, and Air Force frequently were at odds. The situation became most troublesome during the fight over the 70-group air force when airmen said one thing in formal statements, contradicted it on cross-examination. It flared again in the Air Force's fight to prevent the Navy's building a 65,000-ton super carrier.

TO KEEP DISPUTES IN PENTAGON

"The armed services lost prestige," General Persons said. "We can't expect Congress to listen to us unless we get together. I hope to act as mediator, and if we have any dirty linen, we'll wash it at the Pentagon, not on Capitol Hill."

General Persons has his own ideas about unification. He directed the fight for it through two sessions of Congress, and is something of a missionary. He believes it can, and must, work.

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IN THE RIGHT DIRECTION

Defense Secretary James V. Forrestal has acted to reduce serious friction within the Military Establishment by giving Maj. Gen. Wilton B. Persons the job of settling disputes among the Army, Navy, and Air Force—before their recommendations for legislation are presented to Congress.

By this means Mr. Forrestal apparently hopes to put an end to the rival Army, Navy, and Air Force lobbies on Capitol Hill.

The Persons selection is a good one and will fill a real need—if the heads of the three services give the General their wholehearted support.

Our whole defense program has been confused and delayed by interservice controversies, particularly between the Navy and the Air Force. No more of this should be tolerated.

As General Persons well said, only when those responsible for national security, "quit thinking as Army, Navy, and Air Force men, and start thinking as representatives of the Department of National Defense, can we expect unification to work."

And unification must work if adequate preparations are to be made to protect the Nation from foreign attack. It should not be necessary to resort to further legislative remedies to bring about this unity.

General Persons must be backed to the hilt if he is to succeed in his difficult assignment. If there are diehards in any of the services who do not understand that they are members of a team, they should be replaced by men who do.

## OLD-AGE SECURITY—STATEMENT BY SENATOR WILEY

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared on the subject of improved old-age security. I ask unanimous consent that the text of this statement be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENTS BY SENATOR WILEY ON OLD-AGE PENSIONS

Mr. President, on previous occasions in the Senate, I have called attention to the critical problem of old-age security which exists in our Nation. This is one of the most important challenges facing the Eighty-first Congress—to enact long overdue revisions in our obsolete social security set-up.

On the floor of the Senate and in committee, I have discussed this subject in numerous addresses, too. This is, however, not a subject for talk; words are cheap; it is action that counts. Along with many other Senators, I have introduced numerous bills. For example:

1. To establish a Joint Social Security Committee in order to prepare a comprehensive revision of the social security laws of the Nation instead of a haphazard, piecemeal, or hit-or-miss approach.

2. Legislation to allow old folks and widows to earn more money on the outside, on their own initiative, without losing their modest pensions.

HOW CAN PEOPLE LIVE ON $40 A MONTH OR LESS?

Right now, there are a little under 50,000 folks in the State of Wisconsin receiving old-age assistance. The average amount they receive is around $41 a month. How anyone can live on $41 a month during these inflationary times is a question which I, for one, cannot answer.

There are around 10,000,000 people in the Nation aged 65 or over. Very few of these elderly folks are self-supporting. Only around two and one-half million are receiving old-age assistance. The average for the Nation is around $42.90. In some States, old folks receive around $4 or $5 a week. The number of folks living on personal annuities is comparatively small.

It is shocking to point out that conditions such as $4 a week pensions exist in this, the richest country of the world, a country which is right now considering actual appropriations of over $5,000,000,000 for foreign aid.

OLD AGE IS A NIGHTMARE OF FEAR

The haunting anxiety and fear which old folks in the Nation feel these days is a far cry from the security which they undoubtedly expected to have in their later years. "Grow old along with me, the best is yet to be." These are the words of a poet, but they are not a true description of the grave problems affecting American old folks in 1949.

Many of these folks had thriftily saved their money during their younger years. They had tried to build up a nest egg. They had paid in their insurance policies. They had paid off the mortgages on their homes in some instances. Now, however, they find themselves almost alone, unwanted, unremembered, uncared for by a Nation in which they worked, to whose defense they gave their sons and daughters in our armed forces. They find themselves with the illness and infirmities of age, and with few of its blessings.

HOUSE COMMITTEE DELAYS

For many weeks, now, the House Ways and Means Committee has been considering legislation to change our social-security laws. I know it is not an easy job. There are literally hundreds of proposed changes. I, for one, agree with many proposed changes but cannot agree with others which I feel may not be financially sound. Naturally, there are strong differences of opinion among our colleagues on the best way to go about this job. The legislators on the Ways and Means Committee and on the Senate Finance Committee are in the best possible position to pass on specific proposals; whereas those of us not on the committee must await the experts' recommendations.

Whatever our different approaches, it is obvious however, that there must be an answer and it must be promptly given. It would be most deplorable if this first session of the Eighty-first Congress were to expire without some final action having been taken at least on pension increases. In the Eightieth Congress, we did enact very small increases, but they were obviously insufficient.

TAKING CARE OF FOLKS AT HOME

Let us remember that the old folks of the Nation are patiently watching the Congress, hoping, praying that we will not forget them. Let us recall the words of St. Paul as we explore new ways and means of lavishing money abroad: "If any provide not for his own and especially for those of his own house, he hath denied the faith and is worse than the infidel."

REASONS CHANGES ARE ESSENTIAL

Old age insecurity is a problem that must be answered; (a) basically, because of our humanitarian obligations, our Christian responsibilities to our own people; (b) because these folks need purchasing power if they are to buy the goods made by our businesses and workers; (c) because the disillusionment of our elderly people is an unhealthy condition, threatening their faith in our free way of life.

I should like to have printed in the CONGRESSIONAL RECORD at this point messages from the grass roots of Wisconsin which speak far more eloquently than I possibly could on the need of our elderly folks.

From Sheboygan:

"I am 73 years old. I can't get a job anywhere for I have heart trouble. I have a home and have been a taxpayer for 42 years and have payed to the social-security fund ever since it became a law, an average of about $2.50 per month and I am drawing $35.54 a month in these high-cost-of-living prices. You may wonder how we live. We don't starve for we are cashing our bonds and they are almost gone and then I don't know what we will do. As I say, so far we don't starve but we go hungry to bed many, many times This Government is spending billions on our enemies but forget their own people."

From Redgranite:

"The forgotten man—there are countless numbers. Just struggling along. After losing their savings or part of them in banks that failed, paying real-estate taxes for the support of the public schools in the community, etc., and never been a burden on our country. This kind of a citizen should have some consideration. The Federal old-age and survivors pension, which is based on 1937 prices, and with present prices so high is inadequate. Prices have practically doubled since 1937. My old-age and survivors monthly check is $22.59. What can an American citizen buy for that small sum and try to keep up a home? We paid for this old-age insurance deducted from our pay

checks. We need at least a raise of $10 all over per month."

From Milwaukee:

"I have always been an industrious and sober workman—my wages averaging about $122 a month. With this wage I have helped my two sons to go to college, supported my father for 16 years and my mother for 26 years, in addition to assisting my wife's father when he was old. For the past 5 years I have been incapacitated from working all the time because of heart trouble, thereby lowering my pension. My children have families—little children—that take all they earn to provide for, and are therefore unable to assist us. There are many poor pensioners like myself who have suffered in silence, but this ever-mounting cost of living is proving a tragedy to us, enveloping us in the darkness of hopeless despair."

From Milwaukee:

"I wish to call your attention to our old-age folks who are receiving $45 per month maximum. I read a lot of help in food and clothing is being sent to the European countries, it seems our generosity is unlimited. Yet here, where charity should begin at home, we seem to be overlooked as were our Indians. The cost of living has drove the pensioners to the poor farms, for they cannot live on the $45 per month. We feel we are a very much neglected generation, we would rather die than ask for alms, as we still want to keep our God-given dignity."

From Oshkosh:

"The present debate in Congress reveals the facts that our present Government has billions for Great Britain but only pennies for their old-aged people, who through their work and loyalty helped to bring up our country to its present strength and greatness. More consideration to their old Americans should be paid, as they cannot exist in their declining years with $30 a month, with the present sky-high prices in living cost."

From Sheboygan:

"I am very, very thankful now for my social-security survivors'-insurance benefits, but it isn't enough to keep up my home, support my two dependent children and myself. I am willing to work part time to supplement my income; however, under the present set-up, if I earn more than $14.99, I must forfeit my social-security allotment, which, in turn, means I must take full-time employment.

"My son is only 7 years old, too young to be left alone, and I am not strong enough to take full-time employment, plus the full responsibility of my home and children.

"An increase in survivors' benefits would indeed be a blessing, although I would be grateful if I were allowed to earn $40 per month without losing the benefits I now receive."

From Kenosha:

"I was terribly disappointed in the action that the Senate took in the Eightieth Congress in only raising the old-age pension $5 per month. This is only about sixteen cents and a fraction per day. That is less than a quart of milk and less than a loaf of bread. This reminds me of the words of our Lord when He said, "I was hungry, and ye did not feed Me; I was naked, and ye did not clothe Me; verily, verily, I say unto you, What ye do to the least of my brethren ye do unto Me." I am deeply concerned whether or not we will be called upon to answer all these questions on judgment day. I pray God to forgive us. Many old people are just living on the crumbs that fall from their master's table. Is there anything, ALEX, that you boys down there could do to improve on this situation? Let's not delay any longer. Let's do something now."

From Eau Claire:

"What is going to become of the aged? I have been a widow going on 10 years, have lived carefully, and my money is about gone with no income excepting a widow's social security, and it seems to me the Government should do something. They in Washington think they cannot live on their salary and have had a raise. What on earth do they think an old person can get on a small pension? I do not know just what it is, but believe not over $50. Rent and food are high. If anything can be done to relieve the worry of mind, I am for it. I am 76 years old."

From Watertown:

"I am 63 and have no work because no one wants you. The cost of living and taxation is so high how can a man live without an income? I was told a company in Beaver Dam, Wis., is laying off about 85 men who were 65 or over. I talked to a friend from Milwaukee who went around looking for work, and the first thing they ask is, "How old are you?" And they all say they do not hire anyone who is over 50 years of age.

"It does not seem right that foreign countries can get all the money they want, and some never pay it back but get still more. President's Truman's salary is increased $25,000 and $50,000 to spend as he sees fit, and is not taxed.

"Now, don't you gentlemen think it is time that the citizens of the United States were given some thought and that the old-age pension should be received at the age of 60 years and a living amount of pay?"

From Milwaukee:

"I am 65 years old, sick with heart trouble. The doctor tells me not to work, but the old-age social security is by far not enough to live on. I have to keep on working until I fall over. My wife is 61, also sickly. I am asking you to vote for the social-security increase."

From Cambria:

"I am past 75 and get $15 a month. Can you live on $15 a month? When I go to work under social security and earn $14.99 that $15 per month is taken away from me. Do something about social security."

From Milwaukee:

"I am interested in legislation on social security, specifically—when are they going to lower the retiring age for women from 65 to 60?. I have an aged mother, she is 84 years old, and she is all I have in the world, my only living relative. I should be staying at home with her, but instead I have to work in an office every day, in order to make ends meet. I cannot possibly offord to retire at this time, for my only income is what I earn each week.

"We own our own little bungalow, and have a small amount of money invested, not anywhere near enough to live on, and as I shall be 60 in another year, it would be simply heaven for me if they would lower that retiring age and up the benefits a bit, so's that we would have a small steady income each month. I have paid into the social security fund regularly since its inception January 1, 1937."

## SALE OF PUBLIC LANDS IN ALASKA

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 2859) to authorize the sale of public lands in Alaska, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. O'MAHONEY. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. O'MAHONEY, Mr. MCFARLAND, Mr. KERR, Mr. MILLIKIN, and Mr. CORDON conferees on the part of the Senate.

## NATIONAL LABOR RELATIONS ACT OF 1949

The Senate resumed the consideration of the bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the substitute offered by the Senator from Ohio for titles I, II, and IV. Those in favor will vote "aye." [No response.]

Those opposed will vote "no." [No response.]

The substitute not having been voted on, therefore it is a tie, and the substitute is rejected. [Laughter.]

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Holland | Mundt |
| Anderson | Humphrey | Murray |
| Baldwin | Hunt | Myers |
| Brewster | Ives | Neely |
| Bricker | Jenner | O'Conor |
| Butler | Johnson, Colo. | O'Mahoney |
| Byrd | Johnson, Tex. | Pepper |
| Cain | Johnston, S. C. | Reed |
| Capehart | Kefauver | Robertson |
| Chapman | Kem | Russell |
| Chavez | Kerr | Saltonstall |
| Connally | Kilgore | Schoeppel |
| Cordon | Knowland | Smith, Maine |
| Donnell | Langer | Smith, N. J. |
| Douglas | Lodge | Sparkman |
| Downey | Long | Stennis |
| Eastland | Lucas | Taft |
| Ferguson | McCarran | Taylor |
| Flanders | McCarthy | Thomas, Okla. |
| Frear | McClellan | Thomas, Utah |
| Fulbright | McFarland | Thye |
| George | McGrath | Tydings |
| Gillette | McKellar | Vandenberg |
| Graham | McMahon | Watkins |
| Green | Magnuson | Wherry |
| Gurney | Malone | Wiley |
| Hayden | Martin | Williams |
| Hendrickson | Maybank | Withers |
| Hickenlooper | Miller | Young |
| Hill | Millikin | |
| Hoey | Morse | |

The VICE PRESIDENT. A quorum is present.

A moment ago the Chair rather facetiously announced that the substitute offered by the Senator from Ohio had been defeated, because the vote was nothing to nothing, no Senator having voted on it. The Chair does not wish to make that observation. So the substitute is still before the Senate.

## REDUCTION OF GOVERNMENTAL EXPENDITURES FOR THE FISCAL YEAR 1950

Mr. MCCLELLAN. Mr. President, a few days ago the Committee on Expenditures in the Executive Departments reported Senate Joint Resolution 108, which now is on the calendar. We were very hopeful that the joint resolution might be called up and considered at an early date, but it was indicated then that because of the crowded calendar it would not be possible to bring up the joint resolution for some time.

In order that there might be some expression from the Members of this body as to the strength of the support of the joint resolution, a petition was circulated among the membership, addressed to the majority leader and also to the minority leader, requesting that they so arrange the schedule of business for the Senate that the joint resolution might

be brought up at the earliest practicable date.

The petition has been signed by 61 Senators, 24 Democrats and 37 Republicans, representing 40 of the 48 States, States that have about 94 percent of the population of the Nation. In respect to 21 States, both Senators have signed the petition.

The petition has been delivered to the majority leader, the Senator from Illinois [Mr. LUCAS], and the minority leader the Senator from Nebraska [Mr. WHERRY]. It is hoped that the petition will be presented to the respective policy committees of this body, and that early action will be taken on it. At this time I ask unanimous consent that a copy of the petition, together with the names of the signers thereof, be printed in the RECORD at this point, as a part of my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the petition, together with the names of the signers thereof, was ordered to be printed in the RECORD, as follows:

To the Honorable SCOTT W. LUCAS, majority leader of the Senate, and to the Honorable KENNETH S. WHERRY, minority leader of the Senate:

The undersigned Senators respectfully request that the majority leader of the Senate, Senator LUCAS, and the minority leader of the Senate, Senator WHERRY, so arrange the schedule of the business of the Senate that Senate Joint Resolution 108, entitled "Joint resolution to reduce expenditures in Government for the fiscal year 1950, consistent with the public interest," shall be made at the earliest practicable date the unfinished business of the Senate, so that said resolution may receive full consideration of the Senate and be brought to a vote on final passage.

Democrats: JOHN L. MCCLELLAN, MILLARD E. TYDINGS, VIRGIL H. CHAPMAN, BURNET R. MAYBANK, JAMES O. EASTLAND, KENNETH MCKELLAR, A. WILLIS ROBERTSON, WALTER F. GEORGE, HARRY F. BYRD, G. M. GILLETTE, CLYDE R. HOEY, E. C. JOHNSON, SHERIDAN DOWNEY, SPESSARD L. HOLLAND, J. ALLEN FREAR, JR., PAUL H. DOUGLAS, G. L. WITHERS, TOM CONNALLY, PAT MCCARRAN, J. W. FULBRIGHT, JOHN C. STENNIS, OLIN D. JOHNSTON, ELMER THOMAS, JOHN SPARKMAN.

Republicans: STYLES BRIDGES, KENNETH S. WHERRY, CLYDE M. REED, CHAN GURNEY, EDWARD J. THYE, JOHN W. BRICKER, ANDREW F. SCHOEPPEL, ROBERT C. HENDRICKSON, JOHN J. WILLIAMS, OWEN BREWSTER, WILLIAM F. KNOWLAND, ZALES N. ECTON, ROBERT A. TAFT, ALEXANDER WILEY, CHARLES W. TOBEY, JOE MCCARTHY, RAYMOND E. BALDWIN, JAMES P. KEM, HOMER FERGUSON, EDWARD MARTIN, EUGENE D. MILLIKIN, W. E. JENNER, RALPH E. FLANDERS, MARGARET CHASE SMITH, BOURKE B. HICKENLOOPER, KARL E. MUNDT, GEORGE W. MALONE, IRVING M. IVES, HOMER E. CAPEHART, LEVERETT SALTONSTALL, HUGH BUTLER, FORREST C. DONNELL, MILTON R. YOUNG, H. ALEXANDER SMITH, HARRY P. CAIN, H. C. LODGE, JR., ARTHUR V. WATKINS.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MCCLELLAN. I am very glad to yield to the able Senator from Michigan.

Mr. VANDENBERG. I do not have a copy of the joint resolution before me. Does the Senator have a copy?

Mr. MCCLELLAN. I do not have a copy of the resolution.

Mr. VANDENBERG. I think it would facilitate matters greatly if I could inquire of the Senator what some of the language in the joint resolution means.

Mr. MCCLELLAN. I may say to the able Senator from Michigan, I was not at this time preparing to move to bring up the resolution for consideration. I shall be glad to endeavor to answer the qeustion, but I simply want to make it clear that I was not undertaking to have the unfinished business laid aside at the moment. The purpose of the petition primarily was to indicate to the leadership of the respective sides of this body that the resolution has that strength of support which certainly should recommend to the leadership that it is of such importance, or the signers think it is of such importance at least, that an opportunity should be afforded to vote on it just as soon as it can be scheduled to come up as the unfinished business of the Senate.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. MCCLELLAN. I am glad to yield.

Mr. VANDENBERG. I may say to the Senator, I find that, even among those who have joined him in his resolution and in his petition, there seems to be some considerable difference of opinion as to the correct interpretation to be given to the language at the top of page 2 of the joint resolution. I call the Senator's attention to the language, at the point where the directive is given to the President, that the reduction he is to make "will in the aggregate equal not less than 5 percent nor more than 10 percent of the total amounts estimated for expenditure in the budget for the fiscal year 1950 by all agencies." I pause there. That is the language which I understand was in the previous resolutions which were introduced upon this subject. The language is perfectly clear. The President is to apply his reductions to the estimates in the budget. The joint resolution which the Senator reports in behalf of himself and his colleagues then adds the following language:

As adjusted to conform with the total amounts estimated for expenditure under appropriations and funds actually made available prior to the expiration of such session.

It is at that point that I want to submit my question to the Senator, because as I read the language I came to a conclusion which I understand is totally different from that contemplated by the able Senator himself.

I should like to make a brief explanation of my question. It seems to me that if such a theory of action is to be applied—and I think in some aspects it is a rather dubious theory, inasmuch as Congress is asking the President to do something which it, itself, has been unable to do—but if the President is asked to apply a cut of from 5 to 10 percent to appropriations which have already been cut 5 or 10 percent in the Appropriations Committee and by the action of Congress, it is perfectly clear that if he uses his authority under such circumstances those particular appropriations will have suffered a double penalty. As I understand now—and this is the question I am asking the Senator—the interpretation of this language is, that the President's reduction of from 5 to 10 percent will be applied in the first instance to the budget estimates, and that if, subsequent to the budget estimates, Congress itself has made substantial reductions in certain appropriations, when the President applies his percentages he must take into account the reductions which Congress has made in those particular appropriations.

Mr. MCCLELLAN. Let me say this: The President can take into account any reduction made in any appropriation and apply no cut to that particular appropriation at all. He is not required to make a cut on every item nor is he required to make a cut on every agency.

Mr. VANDENBERG. I understand that. But let me ask the Senator for his interpretation of the language in lines 4 to 7.

Mr. MCCLELLAN. The reason this language appears in the joint resolution is that we want to make the cuts apply to expenditures. My understanding of the language is that it is actually the reduction of expenditures we seek, not a reduction of the budget estimates. But we make it apply to from 5 to 10 percent of the budget estimates, as adjusted by the appropriations. In other words, if we appropriate $1,000,000,000 less than the budget, then the 5 percent would apply to the total appropriations for this year, as adjusted—that is, as the final appropriations are made. But this language also permits cuts to be made in appropriations of previous years which are still carried over. For instance, if such appropriation had not been fully obligated, the President could make cuts in them because those are expenditures this year. It is the actual expenditures we are trying to reduce, and the reduction must be applied ultimately to the expenditures in order to balance the budget.

Mr. VANDENBERG. I do not think I have made my question clear to the Senator. Suppose we personify it in merely round numbers. Let us say that the budget recommended $4,200,000,000 for ECA. Let us say that when Congress has finally acted upon the ECA budget it has cut it by 10 percent and has reduced it in round numbers to $3,800,000,000. Let us deal with those two figures. The budget estimate was $4,200,000,000. The appropriations are $3,800,000,000.

Mr. MCCLELLAN. That is the adjustment. That is where the word "adjustment" comes in. That is what it was adjusted to by the Congress.

Mr. VANDENBERG. Does the 5 to 10 percent apply to the $4,200,000,000 or to the $3,800,000,000?

Mr. MCCLELLAN. The 5 to 10 percent does not apply to either. It applies to the total expenditures. The President does not have to cut one dime from the ECA.

Mr. VANDENBERG. Let me rephrase my question. When we reach the sum total to which the percentage applies, does the Senator use the $4,200,000,000 or the $3,800,000,000?

Mr. McCLELLAN. We use the $3,800,000,000. That is the adjusted figure.

Mr. VANDENBERG. The adjusted figure represents a 10-percent cut which Congress has already made in ECA, and the Senator puts ECA, which has been cut 10 percent, whereas no other appropriation has been cut 10 percent, so far as the President's power is concerned, on an exact level with every other appropriation which has not been cut at all.

Mr. McCLELLAN. That is correct, and that applies to every appropriation. After the adjustments have been made by the Congress—they may be adjusted upward in some instances, though I do not know that I can cite any specific instances—Congress may appropriate $10,000,000 more than is estimated. That is why an adjustment is used, so it will not apply to the budget estimate, which may have been changed so far as expenditures are concerned by the adjustment which Congress makes in the amount.

Mr. VANDENBERG. I understand that; but the Senator's explanation now drives me squarely back to my original fear, and that is the fear of double jeopardy.

Mr. McCLELLAN. I would say to the Senator that, frankly, I think Congress should make whatever cuts are to be made in the ECA. I think that is one appropriation which we can reduce. ECA is not like other governmental agencies. We are pouring out that much money and it is being spent for a specific purpose. We are not appropriating for two or three items particularly mentioned, but the amount is to be spent for an over-all objective, whereas with any other agency the appropriations are pretty well earmarked down to the last dollar. For that reason I think Congress can take the responsibility in making cuts in ECA. That is my own opinion. I think Congress could and should take that responsibility. But under this language, according to my interpretation of it, the President could further cut ECA or any other appropriation. There is no instance excluded from his power to cut, within the limitation.

Mr. VANDENBERG. That was my original interpretation. I particularly emphasize the statement which the Senator himself has made, that it will be very difficult for the President to apply this authority through the ordinary operations of the Government, because they are too well set in cement, and therefore, under the Senator's own statement, the probability is that when the President comes to exercise this authority he will have to exercise it upon appropriations such as those for ECA which do not have any traditional limitations. Therefore, it seems to me that what the able Senator is proposing is an inevitable delegation of the Presidential power to reduce appropriations such as ECA which have already taken the maximum cut the Congress believes should be made. Yet, the Senator is going to propose, by proxy, to order an additional cut which the Senate Appropriations Committee itself has not been able to justify.

Mr. McCLELLAN. As I have said to the able Senator, it is difficult for the Congress to go into these administrative agencies and find out this item or that item which can be eliminated. But I asked the representatives of the Bureau of the Budget the direct question whether they could go into those agencies and make cuts, and they said they could. This is the only reason, as I see it, for the Congress to delegate this power to the President. Of course, what moves us to do it is the financial situation of the country, the fiscal problem which we are facing of returning to deficit spending. But the President and the Bureau of the Budget, staffed by 530 persons who work at the job the year around, are better prepared than is the Congress to make cuts in an effort to balance the budget, where they will do the least harm, where they will least disrupt proper governmental functions and services. That is why I say I think Congress can and should take the primary responsibility—I am speaking only for myself—with reference to a cut in ECA appropriations. But I would say to the able Senator that in the course of the next fiscal year I cannot know and the Senator cannot know what will develop with reference to our finances, and it may become necessary for further cuts to be made in ECA. With the President of the United States supporting the ECA and insisting that he needs all the money which may be provided to carry out the program, I am very sure the matter will be in sympathetic hands and the cut will not be applied there unless it is a matter of last resort.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I am glad to yield.

Mr. VANDENBERG. I am asking no special consideration for ECA. I have made it quite plain that I think it is the duty of the Senate Appropriations Committee to make every legitimate and justifiable reduction it can make without wrecking the objective of the enterprise, but I do not want ECA to be prejudiced in advance when its appropriations pass in review before the President, when he is about to exercise this power. I submit that in fairness to all concerned, all appropriations should be on a parity so far as the action of the President is concerned in the first instance. They are on a parity if we apply our percentages to the budget estimate, but when they are applied to the budget estimates as readjusted by Congress, we have then penalized those institutions and activities which have already taken a substantial cut from Congress.

Mr. McCLELLAN. Let me say to the Senator that there is a delegation of discretion to the President in this proposed legislation to make the cuts where he thinks they will do the least harm. We all know that. As to the Senator's apprehension that we might cut ECA in the Congress as far as we thought it should be cut and then impose upon the President the duty of cutting it further, perhaps, if we make a substantial cut in ECA, there can be a provision written into the law that it would not apply to ECA funds. We have not yet reached that point, and I cannot foretell, nor can anyone else, what will happen. So we must deal with the subject on an over-all basis.

Mr. VANDENBERG. I think the Senator sees my point.

Mr. McCLELLAN. I do. I have stated the situation according to my understanding of it. I wanted to be fair.

Mr. VANDENBERG. The Senator has been fair and frank in his explanation of the situation to which my theory of double jeopardy applies. I should like to have some device of this sort adopted, but I want it to be applied on a basis of equality, and it seems to me that if we are to apply it on a basis of equality we have to apply it at some point where equality exists. It exists in the budget estimates which the President sends to the Congress, because they are the starting point for everything. I, therefore, do not understand why the Senator does not apply his percentages to the budget estimates.

Mr. McCLELLAN. If we apply them only to the budget estimates, we do not include the appropriations which have been made, under which $6,000,000,000 will be paid out this year which was actually appropriated last year. Those appropriations would not be reached. That is one reason for the proposal. After all, we are not trying to reduce the budget; we are trying to reduce the money the Federal Government is going to pay out in fiscal 1951.

Mr. VANDENBERG. I understand that; but under the formula proposed by the Senator, as I read it, the ultimate reduction in appropriations can be very unfair, and can completely ignore all the economies which have been voted by Congress itself. It is at that point that I raise my protest.

Mr. McCLELLAN. The Senator is speaking with reference particularly to ECA?

Mr. VANDENBERG. That is correct, using that as a prime example. It seems to me that the economies which Congress orders in the ECA should be a credit against the 5 to 10 percent reduction which the President is subsequently directed to make.

McCLELLAN. If a substantial reduction is made in ECA, if Congress itself cuts it down below the figures for which we are asking, or to a point comparable to these figures, I see no reason why, when the bill is before the Senate, a provision could not be written into it wholly protecting that. No one is contending that the joint resolution is perfect, and I may say further to the Senator that even if the action I have suggested has not been taken when the joint resolution comes up, certainly an amendment would be in order, and the matters the Senator is discussing could be taken care of if they presented themselves in a way which appealed to the judgment and wisdom of the Senate.

I wish to say to the able Senator that he is familiar with the circumstances about which the issue arose. Three resolutions were offered, all seeking the same objective, namely, balancing the budget. We do not say in this resolution that the budget should be balanced. There is no mandatory directive to the President to balance the budget, but to go

somewhere between 5 and 10 percent of the budget, as adjusted by the actual appropriations made, toward balancing the budget. If there should be a further decline in national income, and we are not able to reduce the appropriation bills very much, we are going to have probably a $5,000,000,000 deficit next year. This joint resolution would not under any circumstances wipe out a $5,000,000,000 deficit. So we did not want to place in the resolution a directive that the President should balance the budget, and make it that positive, because the President might find himself in a situation where it would be either impossible to do that or not wise to do it.

Mr. VANDENBERG. The able Senator will not misunderstand my attitude in this matter. I am opposed to new taxes or deficit spending in this fiscal year.

Mr. McCLELLAN. I understand that.

Mr. VANDENBERG. Therefore I am one of those who think we must strive for maximum economy. This method suggested may be an unavoidable recourse in order to accomplish that objective. I merely want to make sure that the language of the directive to the President does not mathematically drive the President into ignoring all the economies which Congress itself may have voted into an appropriation like that for ECA, and fail utterly to take account of what undoubtedly will be a substantial reduction in ECA by Congress itself.

Mr. McCLELLAN. Of course, that could be taken care of under the terms of the joint resolution as it is now. The President can in his discretion take into account whatever reductions Congress effects as to anything. He is not forced to make a cut in the appropriation for any particular agency.

Mr. VANDENBERG. Unless he is compelled by the ultimate sheer arithmetic itself.

Mr. McCLELLAN. Five percent of, let us say, around $40,000,000,000, would be $2,000,000,000. He is not compelled to balance the budget. He can comply with the resolution by making a 5-percent cut, which would mean a reduction of $2,000,000,000.

Mr. VANDENBERG. He would be compelled, however——

Mr. McCLELLAN. To do that much.

Mr. VANDENBERG. To find the $2,000,000,000, not out of the $42,000,000,000, but out of about $27,000,000,000 which is the only field available to him.

Mr. McCLELLAN. We know that.

Mr. VANDENBERG. Therefore the arbitrary directive to him, insofar as the ultimate mathematical application is concerned, is not a 5-percent directive but an 8- and 9-percent directive.

Mr. McCLELLAN. It is as to those funds. But in the contemplation of the resolution we take as the basis the budget as adjusted by appropriations. If there were some way by language to eliminate, we will say, every absolute, fixed and untouchable expenditure, and reduce the totals to $27,000,000,000, as the Senator suggests, we would have to apply another percentage than the 5 percent in order to bring about a reduction of even $2,000,000,000.

Mr. VANDENBERG. What would the Senator say to an amendment which directed the President to count as a credit, against the 5 to 10 percent reduction which he must make, any reduction below the budget figures which Congress itself has made in regular appropriation bills in either House?

Mr. McCLELLAN. Does the Senator mean to make it apply as a credit to the particular appropriation?

Mr. VANDENBERG. Yes, and a credit against the total.

Mr. McCLELLAN. Of course, the Senator from Arkansas can not speak for others, but if the Senator from Michigan will prepare such an amendment and offer it, I shall immediately call the committee together to consider it. I can not tell the Senator what the committee would do, but I believe that would be the proper procedure.

Mr. VANDENBERG. What I am trying to get from the Senator is some expression of sympathy for the viewpoint which I am undertaking to express.

Mr. McCLELLAN. I expressed it in the very beginning. In the first place I said, although I may be wrong about it, that I see no serious difficulty in Congress itself reducing the ECA to whatever figure it thinks it should be reduced to, taking into account the over-all objective of trying to hold expenditures down. I think it is much easier for Congress to apply a direct cut to ECA appropriations than to many of the other appropriation bills. My first expression was that I thought Congress ought to do that. Then I said I could see the way by which it would be possible to force credit for that reduction by simply using appropriate language in the bill itself, if this joint resolution in the meantime shall be passed. Or, if the joint resolution shall not be passed, then it would be possible to place appropriate language in the joint resolution to take care of the matter.

Mr. VANDENBERG. May I have the consolation of thinking that the able Senator believes that might be a fair thing to do?

Mr. McCLELLAN. Yes.

Mr. VANDENBERG. I thank the Senator.

Mr. McCLELLAN. I would say that, and I mean it very sincerely. I am not seeking to find some way by which the President can tear up something, or destroy any particular function or service that is provided for by appropriations.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. WHERRY. I desire to ask the Senator a question, but I should like to submit an observation on which I may base it, I wish to keep faith with the mechanics of our procedure in the Senate.

I have listened with deep interest to the colloquy which has taken place between the senior Senator fom Michigan and the senior Senator from Arkansas. I fear I totally misinformed the Senator from Michigan of my interpretation of the three lines in question. It was my feeling that the figures would be adjusted if cuts were made in appropriations on the Senate floor below the budget estimates, by credit being extended. It was not my idea that the Senate perhaps might cut an appropriation 15 percent, and the House might cut an appropriation 15 percent, and then a further cut be made. That was not my idea.

Mr. McCLELLAN. I may say to the Senator why I had no serious apprehension about that matter. I do not know, but I am of the opinion that the President is just as anxious that the ECA functions be carried on as is the able Senator from Michigan. I know the President would not be compelled to make cuts for any particular agency. He could use his discretion to the end that the agency could be administered properly and effectively.

Mr. WHERRY. Let me call to the attention of the distinguished Senator from Arkansas that the point raised by the Senator from Michigan is that, regardless of the attitude of the President on any one appropriation, especially the one mentioned, dealing with ECA, the arithmetic of the plan might foreclose him from carrying out his wishes. For that reason the Senator is attempting, at least I suppose he is, to see that the mathematical working of the proposal does not result in what I mentioned just a moment ago, a cut being made in the Senate and a cut being made in the House, and then another cut being made in an appropriation which might possibly greatly handicap one of the functions of Government. I ask the distinguished Senator from Arkansas if it is not a fact that it was not the intention of the membership of the committee to permit cuts to be made unfairly on any appropriation.

Mr. McCLELLAN. The Senator knows very well it was not the intent of the committee to do so. I may say to the able Senator from Michigan and the able Senator from Nebraska that if the resolution needs amending, in equity and in justice, I have confidence—I cannot speak for the whole committee—that the committee would be more than willing to consider any suggested language and would take any action on it.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I am glad to yield.

Mr. WHERRY. Would there be any objection to striking the language after the word "agencies" on page 2, in lines 4 and 5, as follows: "as adjusted to conform with the total amounts estimated for expenditure in appropriations."

If that language were deleted from the joint resolution I cannot see that any difficulty would arise. I can see the need for retention of the remainder of line 6 and of line 7, as we have a perfect right to bring under this cut appropriations which are to be spent in the present fiscal year. I think that langauge should remain in the resolution. But I cannot see why it would hurt the joint resolution at all to delete the language I suggested. If that language were out of the measure it would make the provision clear.

Mr. McCLELLAN. If that language is deleted the $6,000,000,000 that is actually

going to be spent, that is, taken out of the Treasury during the next fiscal year, which was appropriated for prior to this year, will be excluded from any cuts whatever.

Mr. WHERRY. That certainly would be true if the remainder of line 6 were deleted. If the Senator believes that deletion of the language I read would have the effect he has stated, I would not disagree with him. But I want the RECORD to show that so far as I am concerned I should be glad to entertain an amendment to clear up the situation which the distinguished senior Senator from Michigan has brought to the attention of those who are interested in the joint resolution. If, somehow, a credit could be made to an appropriation that has been cut below the Budget estimate, in order to prevent any unfair cut in appropriations for any other agencies, I most certainly would be interested in such an amendment.

Mr. McCLELLAN. I do not think it would be very difficult to draft language to apply to all agencies with respect to which Congress makes cuts below the budget recommendations that such agencies be credited with the cuts so made. That was a matter not called to the attention of the committee. It was not contained in any of the three measures we considered. So far as I am personally concerned, I should like very well to work with the Senators interested in this aspect of the matter, and undertake to draft language which I can take before my committee and have the committee consider it, and probably report it as a committee amendment to the joint resolution.

Mr. VANDENBERG. Mr. President, I want to thank both the able Senator from Arkansas and my able friend from Nebraska for sympathizing with the objective to which I have been addressing my remarks, and I think that we have probably found a common denominator.

Mr. REED. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from Kansas.

Mr. REED. The language of Senate Joint Resolution 108 is the language of the committee of which the Senator from Arkansas is chairman. I happen to have been fairly active, however, in the proceedings which led up to this situation. Along with the Senator from Maryland [Mr. TYDINGS] I joined in introducing the first joint resolution on this subject. Then the Senator from Nebraska with two other Senators, joined in introducing the second one. Then I individually introduced the third one. I went before the Senator's committee to make a brief discussion of the measure. Then the Senator from Arkansas and I undertook to find out how much support we had in the Senate.

I think the Senator from Arkansas will agree that what we have done has all been more or less experimental. We have not tried to foreclose anybody on anything. One day in a conversation with the Senator from Michigan, I told him that I thought it might be well that the Senator from Arkansas, the Senator from Nebraska, the Senator from Michigan, and any other Senator interested, have informal discussions to see if we could resolve any of the differences which now appear to exist. I have discussed the matter informally with the Senator from Arkansas. It was not my thought that we would undertake even if the votes were available, to pass Senate Joint Resolution 108 until all appropriation bills have cleared the Congress. Does the Senator from Arkansas agree with what I have said?

Mr. McCLELLAN. I do not know that we necessarily have to wait until all appropriation bills have cleared the Congress. I may say to the able Senator from Kansas that I wanted to make certain that the joint resolution would not die on the calendar just because one or two Senators may object to its consideration. I wanted to obtain assurance, if possible, that the Senate would have an opportunity to vote on the joint resolution. I am not particular about the time of voting on it. I think we might well wait until we get further along with the appropriation bills.

Mr. REED. I agree with the Senator from Arkansas to the very last syllable of what he has said.

I may say to my friend the Senator from Michigan that he also has in me a friend who is not unsympathetic with ECA. There has never been any intention and no discussion and no desire anywhere, so far as the Senators actively connected with this movement are concerned, to do any injury to the ECA. I think probably the best way to handle the program would be to take the budget estimates as a base. There we have a fixed base. Then, in the absence of any extraordinary circumstances, give any and every agency credit against further cuts.

Mr. McCLELLAN. Does the Senator mean to take the budget estimate as the base for credits wherever cuts are made?

Mr. REED. Yes.

Mr. McCLELLAN. I think that would be well. I see no objection to it. But if we are going to restrict expenditures we must make the ultimate cut apply to expenditures. I mean, we must determine that we are going to reduce the expenditures by, let us say $2,000,000,000 or $2,500,000,000, or some such figure.

Mr. REED. I am as desirous as is the Senator from Arkansas to reduce governmental expenditures so far as we can fairly and reasonably do so. And not even in the case of the ECA, I may say to the Senator from Michigan, do I want to go any further than we fairly and reasonably can go.

Mr. McCLELLAN. The junior Senator from Michigan [Mr. FERGUSON] has been on his feet for some time, and I now yield to him for a question.

Mr. FERGUSON. I should see whether we can get an interpretation of this resolution which will be satisfactory, and whether we can arrive at what we are actually trying to do.

Is it not true that what we are trying to do is to compel the President to cut 5 percent from the budget estimates plus the carry-overs from previous years? Is not that the intent?

Mr. McCLELLAN. The intention is to reduce expenditures which will be made justed if cuts were made in appropriapriations made this year and the carry-over appropriations. We are trying to cut expenditures.

Mr. FERGUSON. That is what I am talking about. The President's estimates are estimates of expenditures.

Mr. McCLELLAN. But some appropriations made this year will not be expended during the next fiscal year. They will take the same status as the present carry-overs. All of them may be obligated, or they may be obligated only in part. The expenditure of the money appropriated this year may not be made until the fiscal year 1951, and some of it in 1952.

Mr. FERGUSON. Ultimately what we are trying to do, when we say "equal not less than 5 percent" is to say to the President, "You shall cut the amount of the present estimated budget of expenditures."

Mr. McCLELLAN. At least 5 percent, subject to the adjustments which Congress may make. If the Congress appropriated more than the budget, he would have to cut that total 5 percent; and if it reduced the budget, he would make the adjustment downward, and make the 5 percent apply to that amount.

Mr. FERGUSON. When we get through we say to the President, "Cut the budget estimates of expenditures 5 percent."

Mr. McCLELLAN. As they have been adjusted by the Congress.

Mr. FERGUSON. Is there any language in the resolution which takes away from the President the discretion to say what particular appropriations he shall cut? I am interested, as I think we all are, in ECA. But do we find any language which requires the President to cut any more from any particular item than from any other, or which makes one item sacred? That is within his discretion, is it not?

Mr. McCLELLAN. It is absolutely within his discretion. He can eliminate an item entirely, or he can retain it and reduce it. The only restriction in that regard is that he cannot cut any agency more than 20 percent.

Mr. FERGUSON. Under section 4 of the resolution he is limited to 20 percent.

Mr. McCLELLAN. If we indulge the assumption that the President might want to reduce the ECA expenditures, he could not reduce them more than 20 percent.

Mr. FERGUSON. Could we not arrive at the same result by eliminating, in line 4 on page 2, the words "as adjusted to conform with the total amounts estimated for expenditure under appropriations," so that it would read——

Mr. McCLELLAN. I see what the Senator means, but I think we had better get some pretty good counsel before we eliminate that language, because if we are not careful we shall eliminate appropriations in previous years which will be expended during the next fiscal year.

Mr. FERGUSON. I would retain that feature by the language "and funds actually made available prior to the expiration of such session." That would include the carry-over, would it not?

Mr. McCLELLAN. It might; but what are we to do with the word "adjusted"? To what are we to apply the cut?

Mr. FERGUSON. We are going to apply it to the amount of the estimates for expenditures. We do not have to pay any attention to what Congress has done with a figure, whether it increases it or decreases it, as compared with the budget estimate. All we have to do is to be sure that the President reduces the budget estimate by not less than 5 percent nor more than 10 percent.

Mr. McCLELLAN. What the Senator is suggesting is to strike out "as adjusted to conform with the total amounts estimated for expenditure under appropriations."

Mr. FERGUSON. That is correct.

Mr. McCLELLAN. I do not know whether that would reach as far as we think it should. Let me say to Senators who are interested in this proposal that if we are to attempt to rewrite that provision we had better try to do it in committee, and not here on the floor of the Senate this afternoon. I am expressing some opinions which are my own, after consultation with representatives of the Bureau of the Budget, as to how the Bureau of the Budget would interpret this language, and what the effect of it would be. If the Bureau of the Budget is actually to make the cuts, I think we had better check with the Bureau of the Budget and get its interpretation of the language before we change it, and also its interpretation of whatever new language we propose to adopt, before we adopt it.

Mr. FERGUSON. I think something should be done rather soon with respect to the language, so that we may arrive at the proper language, for this reason: The able Senator who has introduced this joint resolution and I are members of the Committee on Appropriations. We certainly do not want anything in this resolution, while it is pending, which would influence the action of the Appropriations Committee in deciding whether or not to cut a particular bill in conformity with this language. That is what I am getting at. I would rather debate it this afternoon, in order that we might arrive at the proper language.

Mr. McCLELLAN. My opinion at the moment is that we should consult about it before reaching a final decision. I think we can leave the language in the resolution just as it is, and then write a provision that where cuts have been made by the Congress under budget estimates, those cuts shall be applied as a credit toward reductions in the particular agency. When we do that, we answer the problem submitted by the able senior Senator from Michigan [Mr. VANDENBERG], and we answer it as to every other agency of Government.

Mr. FERGUSON. Does not the Senator feel that we ought to add a further provision that the President might take such action into consideration, but not compelling him to take it into consideration? Otherwise we would make our amount sacred and he could not cut it.

Mr. McCLELLAN. If we give credit wherever the cuts are made, I think that is pretty fair to all the agencies.

Mr. FERGUSON. Does the Senator propose to take away any of the discretion which the President now has?

Mr. McCLELLAN. He would still have all the discretion he now has, except that if $100,000,000 has been appropriated for operation of the Rural Electrification Administration, for example, or some other agency of Government, and that is $10,000,000 below what the Bureau of the Budget recommended, that reduction would be applied as a credit to that agency. That would be 10 percent. He could not possibly cut more than another 10 percent. That would reduce his area of operation.

Mr. FERGUSON. But that language would not take away his discretion to cut up to an amount equal to 20 percent under section 4?

Mr. McCLELLAN. Not under this resolution. He could still go that far. We cannot accomplish our object by means of this vehicle, or any other I know of that we might employ, without leaving considerable discretion in the President. If we are not willing to do that, we might as well forget about any economy measure.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. KNOWLAND. I should like to ask the able chairman of the committee, one of the authors of this joint resolution, whether he has given consideration, after refining the language in line with the discussion here today, to the matter of preparing his resolution in alternative form, so that prior to the passage of the last appropriation bill it might be offered as an amendment to that bill.

I am a little fearful that, with the congested legislative calendar, if we wait until the final appropriation bill has been passed, and we get into the closing days of the session, and the Congress passes this resolution, it may be subject to a pocket veto unless it is passed sufficiently ahead of the final adjournment sine die of the session. I wonder if the Senator has given consideration to the possibility of having an alternative proposal, so that it might be attached to an appropriation bill if that should be deemed wise.

Mr. McCLELLAN. I have not reached any definite conclusion in that connection. It is often suggested that if we cannot do a thing one way we can do it another.

I am not trying to crowd out anything else. I know that we have a congested calendar, and I know that the leadership has a problem as to what legislation should be brought up and disposed of next. Let me say in all frankness and sincerity that all I wanted to do was to obtain some assurance that the joint resolution might be brought up, with a view to a clear-cut discussion of it and a vote on it one way or the other.

Many of us are doing a great deal of talking about how much we want to economize in Government, for the benefit of our folks back home. If we obtain consideration for the joint resolution, on a clear-cut issue, we can go on record for it or against it, and there will be no misunderstanding whatever as to whether we are for economy or whether we are merely talking economy.

Mr. KNOWLAND. Mr. President, will the Senator yield for one more question?

Mr. McCLELLAN. I yield further to the Senator from California.

Mr. KNOWLAND. I should like to say to the Senator from Arkansas that I quite agree with his statement, but I think that taking steps to assure that reductions in expenditures will be made, even over a possible veto, is more important than merely getting a record vote in the Senate on the joint resolution, because attempts already have been made to secure reductions in the appropriation bills as they have come before us. However, inasmuch as Senators have failed in their effort to do that, the only hope of actually accomplishing some economy at this session will be through the vehicle of the Senator from Arkansas has suggested.

If we are interested in the end result, rather than in merely having a record on the end result, then I think we must have this matter before the Senate at a sufficiently early date so that if later the joint resolution is vetoed by the President, there will be an opportunity for us to pass it over a veto in any event, whereas if we wait until 5 days before adjournment sine die, we shall have had a record vote, all right, but we shall not have accomplished the end result we seek.

Mr. McCLELLAN. Oh, yes. The Senator from California has asked whether I have given consideration to those matters. Of course I have. But at this stage or, I trust, at any stage in the consideration of this measure I certainly do not want to speak or act in a way which could be interpreted as a threat toward the leadership that, "If you do not do this, we will do something else."

I have introduced this measure and have worked on it. It was not the original idea. The original idea of having a vehicle like this, in order possibly to get some results, came to the committee, and the committee felt that it should do what it could to have some action taken in the situation, and the commitee has reported the joint resolution to the Senate.

So far as the responsibility of the leadership of the Senate to arrange the Senate's schedule is concerned, I know there are many problems and many measures awaiting action; but I wish to give the leadership the opportunity to present the joint resolution, and I hope the leadership will speedily bring the joint resolution before the Senate for consideration at an early date, so as to let us have a chance to vote on this measure, standing on its own merits.

Of course, if we cannot have direct action taken on the joint resolution in time to make certain that we can conclude the job one way or the other, certainly there still remains the opportunity to consider what else should be done, and yet not act too hastily.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. FERGUSON. Do not we in the Senate face the complication that, because of the rule, if an attempt is made to put the language of the joint resolution into an appropriation bill, as an amendment to it, regardless of whether it be the last appropriation bill or any other appropriation bill, we shall face the proposition that it is legislation on an appropriation bill, and therefore must obtain a two-thirds vote, whereas standing as an independent measure, a majority vote would suffice?

Mr. McCLELLAN. That is true. But at the same time I say to the Senator from Michigan that is one reason why some of us circulated this petition. I do not mean to say that any Senator who has signed the petition is absolutely bound to vote for the joint resolution, when and if it comes before the Senate. But certainly the petition indicates that at least two-thirds of the Members of the Senate—because three Senators who are cosponsors of the joint resolution have not yet put their names to the petition, but when their names are added to the 61 names already on the petition, that will make 64, which is a constitutional two-thirds majority of the Senate—want an opportunity to consider this issue and to vote on it. With that manifestation of interest and strength, at the moment it seems to me that if we cannot get the joint resolution passed otherwise, then we shall be warranted, if we conclude to do so, in submitting it as legislation on an appropriation bill, and with reasonable assurance that the two-thirds vote required to suspend the rule and adopt such an amendment to an appropriation bill will be available.

Mr. FERGUSON. Mr. President, will the Senator further yield?

Mr. McCLELLAN. I yield.

Mr. FERGUSON. The Senator from Arkansas then sees no reason why, if the leadership has not taken up Joint Resolution 108 by the time the last appropriations bill is before us, it could not be proposed as an amendment to the last appropriation bill, as substantive legislation, even though it would thus require a two-thirds vote?

Mr. McCLELLAN. Of course, that could be done. However, as I have said, out of great deference to the leadership, I hope they will bring it up.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. SALTONSTALL. Is the Senator from Arkansas clearly of the opinion that this measure is to be presented as an amendment to the last appropriation bill, and cannot be drafted in such a way as of itself to bring about a general reduction in appropriations?

Mr. McCLELLAN. I am not clear about that at the moment. However, assuming that it should be held by the Chair to be legislation on an appropriation bill, I still say that in view of the large number of Senators who have signed the petition, and others whom we know support it or support the joint resolution, there is a rather clear indication that, if necessary, it can be adopted as an amendment to an appropriation bill.

Mr. SALTONSTALL. I simply did not wish the RECORD to stand with the flat statement that it would be necessary to have the joint resolution considered as an amendment to an appropriation bill.

Mr. McCLELLAN. I simply used that as an illustration.

Mr. REED. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. REED. I wish to suggest to the Senator from Arkansas that we take the next step by inviting those like the Senator from Nebraska and the Senator from Michigan, who had some suggestions as to a possible change in the language, to submit them to the Senator from Arkansas this week.

Mr. McCLELLAN. I say to the Senator from Kansas, and to all other Senators who are interested, that any amendments which are offered or filed to the joint resolution will immediately be considered by the Committee on Expenditures in the Executive Departments.

Mr. REED. That is what I wish to have understood, so that we can get the language in such shape that those who are interested will be satisfied.

Mr. McCLELLAN. I further say that the chairman of the committee—and I think I speak for all members of the committee—will welcome all the assistance we can get from any Senator who is interested in the ultimate objective of achieving some economy.

## EXTENSION OF AUTHORITY RESPECTING TIN UNDER SECOND DECONTROL ACT

Mr. MAYBANK. Mr. President, if agreeable to the majority leader, I desire at this time to call up a bill which is on the calendar. It is Order 549, House bill 5044.

Mr. LUCAS. I have no objection.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 5044) to continue for a temporary period certain powers, authority, and discretion in respect to tin and tin products conferred upon the President by the Second Decontrol Act of 1947, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SALTONSTALL. Reserving the right to object, do I correctly understand from the Senator that there is a unanimous report on the bill from the Committee on Banking and Currency?

Mr. MAYBANK. That is correct.

Mr. SALTONSTALL. And am I correct in further understanding that the bill extends the present powers under the Second Decontrol Act, relating to tin?

Mr. MAYBANK. It relates to tin only, as to which the authority expires on the 30th of June.

Mr. SALTONSTALL. Is it an extension for 1 year?

Mr. MAYBANK. That is correct.

Mr. SALTONSTALL. So far as the Senator knows, is there objection from any source?

Mr. MAYBANK. No, there is no objection on the part of anyone that I know of.

Mr. LONG. Mr. President, reserving the right to object, will the Senator state what bill this is?

Mr. MAYBANK. It is Calendar 549, the bill (H. R. 5044) to continue for a temporary period certain powers, authority, and discretion in respect to tin and tin products conferred upon the President by the Second Decontrol Act of 1947, and for other purposes.

Mr. AIKEN. Mr. President, not that I want to object, but I should like merely to ask the Senator from South Carolina, Under what authority of law does the Government restrict the exportation of pork products?

Mr. MAYBANK. It does so, if I remember correctly, under export controls authorized by a bill passed in February. Export controls at that time were under the Secretary of Commerce. The Senate and the House removed the controls from the Secretary of Commerce and turned them over to the Secretary of Agriculture. I have some knowledge, I believe, of what the Senator has in mind.

Mr. AIKEN. I am sure the Senator has.

Mr. MAYBANK. The Secretary of Commerce, Mr. Sawyer, told me he had approved every request Secretary Brannan, of the Department of Agriculture, had made of him, and that the only request he had had in connection with pork products related to about 70,000,000 pounds.

Mr. AIKEN. I understand the Secretary of Commerce acted very largely upon recommendations of the Secretary of Agriculture.

Mr. MAYBANK. I may say to the Senator from Vermont that the Secretary of Agriculture is given control over agricultural products. The law was changed in February of this year.

Mr. AIKEN. I was wondering why we should continue a law which permits any Department of the Government to prohibit or restrict the exportation of a product which we are told is likely to be in very large supply, even to the extent of becoming a very burdensome surplus.

Mr. MAYBANK. The last I heard of it was in the ECA hearings in which Mr. Hoffman testified. I think the Senator from North Dakota [Mr. YOUNG] brought it to his attention. In the hearings before the Appropriations Committee I found that the Secretary of Agriculture had only requested some 70,000,000 pounds—I do not remember the exact figure—and the request had been granted. As to whether there have been any more requests, I do not know, but if there have been any more it appears to me, as the Senator from Vermont says, there is certainly no need to control pork exports.

Mr. AIKEN. Does the Senator know whether the Secretary of Agriculture has cut down on the requests before sending his recommendations to the Secretary of Commerce for the granting of licenses?

Mr. MAYBANK. My information did not come through the Department of Agriculture. My knowledge of the situation came through cross questioning by the Senator from North Dakota [Mr. YOUNG] in the Appropriations Committee regarding ECA appropriations. I

cannot answer the Senator's question definitely.

Mr. AIKEN. Can the Senator say how long the authority to restrict pork products will continue under the present law?

Mr. MAYBANK. I imagine the Secretary will be able to restrict them for the 2-year period to which Congress extended the time, or to June 1951. I say very frankly that the Secretary should be asked for his reasons, if he continues the restriction, because I do not know any reason for it. The information merely came out at the ECA hearings. Secretary Sawyer called me on the telephone to say that he had granted export licenses on hog products in any amount requested by the Secretary of Agriculture.

Mr. AIKEN. It certainly seems that our Government should grant licenses for the full amount of foreign requests so long as we are told there are such tremendous surpluses in this country.

Mr. MAYBANK. I agree with the Senator. I just happened to hear the testimony in the hearings before the Senate Committee on Appropriations.

Mr. AIKEN. I understand that. I was trying to get information as to how long any department of the Government would be permitted to restrict any product which is in heavy surplus.

Mr. MAYBANK. Secretary Sawyer told me he had issued licenses and orders for every pound requested.

Mr. AIKEN. I understand that is true. I had personally been blaming the Department of Commerce for restricting the export of lard last fall and last winter. At a hearing one day Mr. Pritchard, of the Oils and Fats Division of the Department of Agriculture, testified and stated that the Department of Agriculture advised the Department of Commerce and that its advice was usually taken.

Mr. MAYBANK. The Secretary of Commerce, under whose jurisdiction the administration of the legislation comes, stated that licenses were issued for every pound requested.

Mr. AIKEN. It is a fact that lard was restricted at a time when there were tremendous accumulations of it in this country. I think the price broke to around 11 cents a pound. I do not want the same thing to happen to other pork products as happened to lard. Once we permit the price to collapse it will bring down the prices of other commodities with it, and it would be very difficult indeed to get them back to a higher level.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. THYE. Does the bill have any reference to import controls on oils?

Mr. MAYBANK. No; I think the distinguished Senator from Illinois [Mr. DOUGLAS] will request that the bill relating to that subject be brought up. It is the last bill on the calendar. Hearings were held on Saturday and have been completed.

Mr. SALTONSTALL. Mr. President, reserving the right to object, let me say that since I asked the Senator from South Carolina whether there was objection I have been told authoritatively that the junior Senator from Pennsylvania [Mr. MARTIN] wishes to be present when this matter is considered and has some suggestion to make concerning it. Therefore, he would like it to go over until tomorrow.

Mr. MAYBANK. There was no request made by the Senator from Pennsylvania to be heard by the committee. The bill was reported unanimously and has been on the calendar for 2 weeks.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. Certainly.

Mr. SALTONSTALL. Will the Senator withhold his request for a moment until the Senator from Pennsylvania can reach the Senate? He can then make his statement himself.

Mr. MAYBANK. When I said there was no opposition, I meant there was no opposition before the committee. The Senator from Pennsylvania [Mr. MARTIN] did not ask to be heard.

Mr. SALTONSTALL. Mr. President, will the Senator yield further?

Mr. MAYBANK. I yield.

Mr. SALTONSTALL. I have asked the Senator from Pennsylvania to come to the Senate Chamber immediately.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MAYBANK. Certainly.

Mr. LUCAS. Mr. President, there is a deadline in connection with this bill, as the Senator well knows, and it is necessary to move to lay aside the unfinished business in order to have it considered. I was hoping to have the bill considered, because there is a unanimous report on it and the bill has been on the calendar for some time. No Senator has ever made any objection to it, so far as is known by the Senator from Illinois.

Mr. SALTONSTALL. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. SALTONSTALL. If the Senator from South Carolina will withhold his request for approximately 5 minutes——

Mr. MAYBANK. I shall be glad to do so, if the majority leader will so arrange it that I shall not lose the floor. I do not know who will get the floor and possibly speak for an hour.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. THYE. If the Senator will yield for 5 minutes I shall ask unanimous consent to have an article inserted in the Appendix, and in the meantime a telephone call can be made, and in that manner I can help the Senator to hold the floor.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the Senator from Minnesota may present his request.

### PROPOSED UNANIMOUS CONSENT AGREEMENT

Mr. LUCAS. Before that is done, I should like to make an announcement for the benefit of Senators who are present and for the benefit of those who may read the RECORD in the morning. I have conferred with the chairman of the Committee on Labor and Education, the Senator from Utah [Mr. THOMAS], and other members of the committee on the Democratic side, as well as with the Senator from Ohio [Mr. TAFT], the ranking Republican member of the committee, and the Senator from Oregon [Mr. MORSE], with respect to obtaining a unanimous-consent agreement to vote on the Taft substitute which is now the pending question before the Senate, on Thursday, at 2 o'clock. So far I have found no objection on the part of individual Senators whom I have approached and with whom I have discussed the question. What I want to do at this time is merely to make the suggestion, with the view, tomorrow, after a quorum call is had, toward presenting the unanimous-consent request. I am merely feeling my way, so to speak, in the hope that we can dispose of the labor bill before we finish on Thursday.

I see the Senator from New York [Mr. IVES] shaking his head.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. IVES. I should like to state that I have in the neighborhood of a dozen amendments which I intend to offer, either to the Thomas bill or to the Taft amendment, or perhaps to both. I am sure we cannot dispose of them in the period of time suggested by the Senator from Illinois.

Mr. LUCAS. There are a good many amendments, and perhaps we cannot dispose of them in that length of time. Some other Senators with whom I conferred had amendments under consideration, but in the present situation they are not disposed to offer them. Of course, if the Senator from New York offers his 12 amendments, it will take some time to dispose of them.

Mr. PEPPER. Mr. President, I was going to make some observations about the unanimous-consent request, but I take it the request was not submitted.

Mr. LUCAS. No; I have not submitted it.

Mr. PEPPER. Personally I was going to express the hope that a vote might be had on Friday, that it might be possible for us to conclude the consideration of the bill on Friday.

Mr. LUCAS. My only reason for suggesting Thursday was because of the previous announcement I had made to many Senators that we were working to the end that we would stop transacting business on Thursday evening and not return until the day following the Fourth of July, which will be Tuesday. That was why I suggested a vote on Thursday at 2 o'clock. This appeared to be agreeable to a number of Senators who are vitally interested in the bill. It was agreeable to the Senator from Utah [Mr. THOMAS], the chairman of the committee, to the Senator from Ohio [Mr. TAFT], and to the Senator from Oregon [Mr. MORSE].

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. LUCAS. I yield.

Mr. PEPPER. Has the able majority leader come to any contrary conclusion? Does he still expect that the Senate will adjourn on Friday?

Mr. LUCAS. If we do not dispose of the bill on Thursday, we will stop transacting business Thursday evening and return Tuesday and proceed to finish the consideration of the labor bill in the old

Supreme Court room; but I was rather hopeful that we might finish with the bill on Thursday. I thought that, in view of the vote this afternoon on the emergency feature, we might take up the substitute offered by the Senator from Ohio and get it out of the way. That is about all I have to say on that question. I hope that the Senator from New York may confer with other Senators between now and tomorrow, and perhaps we can shorten his amendments so that we may get action on the bill Thursday.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from New York.

Mr. IVES. The Senator from New York does not wish to delay the activities or operations of the Senate, but the Senator from New York would like to point out that we have been 3 weeks considering the labor question, and have covered only one aspect, one title, of the bill. The residue and remainder of the bill is substantially larger in its extent than that which has already been covered, and it seems to me there is a good deal of controversial material and substance in that part of the bill which has not been covered, which the Senator from New York feels also should be given some consideration.

Mr. LUCAS. I appreciate that, and I certainly agree with the Senator from New York that it should be considered, but I hope we will not take three more weeks on it.

Mr. IVES. It would not take three more weeks for that purpose. I hope the Senator from Illinois will not misconstrue my position. The Senator from New York feels that adequate opportunity should be given to all Senators for the consideration of the various questions which still remain before the Senate.

Mr. LUCAS. I have no disposition to press the matter if there is any Senator opposing. After discussing the matter with members of the Committee on Labor and Public Welfare on both sides of the aisle, they seemed rather agreeable to the sort of proceeding I have suggested, and I thought perhaps the rest of the Senators might fall in line.

Mr. MORSE. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Oregon.

Mr. MORSE. I fully understand the viewpoint of the Senator from New York, because I think it will be found, when the Senator offers his amendments, that as to the particular sections of the bill to which they are addressed many of them are very meritorious amendments.

Mr. LUCAS. I do not doubt that at all, and I shall probably be with the Senator from New York in most of his amendments.

Mr. IVES. The Senator from New York appreciates that.

Mr. MORSE. I wish to say to the Senator from New York that had the Senate this afternoon not adopted what I consider to be such an unfortunate antilabor provision, I would have been interested in cooperating with the Senator from New York in trying to perfect the bill, but my own personal view is that the bill as it now stands is so antilabor that in my judgment the sooner we get rid of it, and take the whole issue to the polls in 1950, where it belongs, the better.

Mr. IVES. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. IVES. The Senator from New York would like to make a statement.

Mr. MAYBANK. Mr. President, I believe I have the floor.

Mr. IVES. The Senator from New York apologizes to the Senator from South Carolina.

Mr. LUCAS. I apologize to the Senator from South Carolina also, because I have been yielding to the Senator from New York.

Mr. IVES. The Senator from New York felt that there was a point which the Senate should consider. The new labor statute on which the Senate is working is not going to be perfect, any more than the Taft-Hartley law was perfect in some respects. If any Senator is under the delusion we are going to enact a perfect statute at this time, he had better think that over twice. I recognize it is going to contain provisions with which I do not agree. I do not like what happened this afternoon. But that does not make me turn against the entire effort to make changes in a statute which demonstrably has not proved to be perfect. In the effort to make these changes I should like to do what I can to make some constructive contribution.

Mr. MORSE. Mr. President, if the Senator will yield for one more comment, I wish to say to the Senator from New York that, under most circumstances, I think the observation he has just made would have some merit in it, but it would have to be based on a premise that we have a piece of legislation which can be made workable. In my judgment, the action taken by the Senate this afternoon is bound to give us a bill so unworkable and so antilabor in its purpose that I think any attempt now to perfect any other section of the bill would really be a waste of time. Therefore I think we ought to let the bill stand as it is and let the voters at the polls determine whether or not the Republicans who voted for it are entitled to support in 1950. I consider the majority of the Republicans in the Senate primarily responsible for the action which was taken this afternoon.

Mr. IVES. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. For a question.

Mr. IVES. For a statement?

Mr. MAYBANK. I yield.

Mr. IVES. The Senator from New York thanks the very generous Senator from South Carolina.

The Senator from New York would merely like to point out that all that has been disposed of so far is one title, title III. Title III does not necessarily in any way, shape, or manner determine the substance of the rest of the bill. There are other things which need to be changed, other provisions in the Taft-Hartley Act which need to be decidedly changed, and I do not know why, because title III may not be the way some of us want it to be, we should not go to work now and try to correct the labor-relations statute which is now on the books by writing a new statute with the imperfections of the present statute eliminated so far as it is possible to do so.

### EXTENSION OF AUTHORITY RESPECTING TIN UNDER SECOND DECONTROL ACT

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from South Carolina yield; and if so, to whom?

Mr. MAYBANK. Mr. President, I see that the Senator from Pennsylvania [Mr. MARTIN] has arrived in the Chamber from his office, and I should like to get through with the bill I sought to have passed. Then I shall be glad to yield.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BUTLER. Mr. President, does the request relate to House bill 5044?

Mr. MAYBANK. Yes.

Mr. BUTLER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MAYBANK. Mr. President, I desire to state to Senators that the Decontrol Act will expire shortly, and I do not know when we will get an opportunity to get the bill up again. Many connected with the military, and with the Department of Commerce, and others, tell me that the situation is serious. Business firms have written asking that the law with respect to tin be continued. The armed services are now trying to stock-pile materials. Yesterday witnesses testifying before the committee regarding stock-piling of the armed services pleaded with us to assist in having the law extended because of the scarcity of tin. Unless there is some control over tin for military purposes, and for general purposes, I do not know what will happen. No one has appeared before the committee against the bill. There have been one or two letters.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. LUCAS. I move that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the bill (H. R. 5044) to continue for a temporary period certain powers, authority, and discretion in respect to tin and tin products conferred upon the President by the Second Decontrol Act of 1947, and for other purposes.

Mr. TAFT. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Is such a motion in order?

Mr. LUCAS. I make a motion to take up the bill.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Would not that motion, if adopted, have the effect of setting aside the labor bill altogether?

The PRESIDING OFFICER. If the motion should be agreed to, the effect of it would be to displace the labor bill as the pending business before the Senate.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Do I understand that if the motion I made temporarily to lay aside the unfinished business and take up for consideration H. R. 5044 should be adopted, it would have the effect of killing the labor bill for the time being?

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that a motion to lay aside the pending business is not in order. The proper procedure would be to ask unanimous consent, but a motion made to bring up another bill, if agreed to, would have the effect of displacing the unfinished business.

Mr. LUCAS. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. If a motion to bring up another bill should be agreed to would it have the effect of displacing the labor bill, and would it then be necessary to move at a later time again to take up the labor bill?

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. LUCAS. Mr. President, we have some dead lines it is necessary to meet.

The PRESIDING OFFICER. The Chair states that the bill can be taken up by unanimous consent.

Mr. LUCAS. I understand the bill can be taken up by unanimous consent, but the Senate might as well understand now that we cannot secure unanimous consent in view of the objection made by the Senator from Nebraska [Mr. BUTLER].

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. I respectfully suggest to the Senator from Illinois that I believe if the Senate should take a recess now this matter can be cleared up over the evening.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. The Senator from Massachusetts understands, does he not, that the measure now attempted to be brought up is a House bill?

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. I make the suggestion because I believe we can work out an agreement on this matter. I have no definite authority for stating that it can be worked out, however.

Mr. MAYBANK. I simply called the attention of the Senator to the fact that the bill is a House bill, and it is proposed to substitute it for the Senate bill in order to avoid the necessity for having a conference with the House.

Mr. LUCAS. Mr. President, I should be glad to follow the suggestion made by the able Senator from Massachusetts in order to ascertain whether or not something can be worked out.

Mr. BUTLER. Mr. President, I may say that the Senator from Massachusetts has properly stated the suggestion he made to me. However, I do not want it understood that I will not object tomorrow. I may, and I may not.

Mr. LUCAS. I understand. If the Senator objects tomorrow, it will be necessary to proceed to consider H. R. 5044 regardless of what may happen to the labor bill, because H. R. 5044 is a very important measure. It has been on the calendar for 2 weeks. It was reported unanimously by the Committee on Banking and Currency. Certainly I am not going to permit one objection to hold up a bill of this nature. I am satisfied that the bill will be passed by an overwhelming majority if we get it before the Senate. I hope that my friend, the Senator from Nebraska, will reconsider his objection by tomorrow, and let us pass the bill without displacing the labor bill. But if it becomes necessary, that is what we will do. However, as the Senator from Oregon [Mr. MORSE] said a moment ago, perhaps it does not make much difference what happens now respecting the labor bill in view of the antilabor provisions adopted this afternoon.

## PURCHASE OF AUTOMOBILES OR OTHER CONVEYANCES BY CERTAIN DISABLED VETERANS

Mr. PEPPER. Mr. President, I ask unanimous consent to report favorably, without amendment, from the Committee on Labor and Public Welfare, the bill (S. 2115) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes, and I submit a report (No. 596) thereon.

The PRESIDING OFFICER. Without objection, the report will be received.

Mr. PEPPER. Mr. President, I should like to submit to the Senate a unanimous-consent request, after I state the nature of the bill, that it be considered immediately by the Senate. Delaying my request until I can make an explanation, I will say that this is a bill to provide up to $1,600 by the Federal Government to certain classes of veterans for the purchase of automobiles. The law enacted by the Congress in 1944 provided that if a veteran had lost one or both of his feet up to the ankle, or the use of one or both feet, the Government would allow him up to $1,600 for the purchase of an automobile.

Last year the Senate Committee on Labor and Public Welfare reported, and the Senate passed, under the able leadership of the then chairman of the Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare, the Senator from Oregon [Mr. MORSE], an extension of this law to cover the case of the loss of use of or the loss of one or both hands and the loss of sight by the veteran.

All the members of the committee, and in addition thereto the Senator from Washington [Mr. MAGNUSON], recently introduced a bill similar to the one which was reported from the committee last year, and which the Senate passed, but the House did not pass. The new bill made only one amendment to the bill reported and passed by the Senate last year. That amendment is designed to provide that the automobile provided should not be subjected to the levy of creditors, because a case was discovered where creditors levied upon an automobile that was intended to be of personal use to the veteran by the provision of his Government.

Mr. President, the committee has held hearings upon this matter. It has been considered in the subcommittee and in the full committee. In view of the fact that the law expires on the 30th of June and that Representative ROGERS, the able gentlewoman from Massachusetts, member of the Veterans' Committee of the House, appeared before our committee at the hearing and stated that she thought the House would this time pass the bill if the Senate sent it over there. I thought I might with propriety submit it to the Senate for consideration at the present time. So I ask unanimous consent that the Senate proceed to the consideration of the bill.

The PRESIDING OFFICER. The bill will be reported by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2115) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill.

Mr. TAFT. Reserving the right, Mr. President, to object, I wish to say I do not see any reason why the bill should not go on the calendar and be placed in the book of bills, so Senators can read it. I agree with the objective of the bill, although I offered an amendment in the committee, but I cannot see the reason for the passing of bills which have not been placed on the calendar so as to give Senators an opportunity to read them.

Mr. PEPPER. The only reason I submitted such a request was the fact that the committee had reported a similar bill last year, and the Senate passed the bill. Except for a minor amendment that bill was in language identical with the present bill. The law expires on the 30th of June.

Mr. TAFT. Mr. President, the fact that the law expires on the 30th of June makes no difference. The bill increases the number of veterans entitled to automobiles. Certainly there is no deadline date that I can see. It seems to me that it should go through the regular procedure and go on the calendar and be called up after the bill is in the books and available to Members of the Senate.

Mr. PEPPER. I would certainly prefer that Senators have an opportunity to examine it, but I thought that in view of the fact that the committee had reported it for the second time, and the Senate had previously passed the bill, we might expedite its consideration.

Mr. TAFT. That was a different Senate. There are many Senators who were not Members of the Senate at that time, and who have not seen the bill. They do not know what is being done. I believe that in the interest of orderly procedure bills coming from committees should go to the calendar and be placed

in the books where Senators can examine them. I object.

The PRESIDING OFFICER. Objection is heard.

### THE BRITAIN-ARGENTINA TRADE AGREEMENT

Mr. THYE. Mr. President, in reading the Washington Star last evening I read of the compact between Great Britain and Argentina. I also read of the amount of meat, cereals, and so forth which Great Britain would obtain from Argentina.

In the same day's mail I received a clipping from the Minneapolis Star-Tribune of Sunday, June 26, 1949. In that newspaper there was an editorial written by Mr. John Cowles, president of the Minneapolis Star-Tribune. In reading that editorial by Mr. John Cowles, president of that great northwestern newspaper, I read the items of actual assistance which the United States had given Great Britain, not only in the form of lend-lease, but other assistance as well. Since the close of the war Great Britain has received from the United States, in American loans, $3,750,000,000. The International Monetary Fund has advanced $300,000,000 to Great Britain. Under the Marshall plan Great Britain has received, during the past 12 months, $1,263,000,000 from the United States. The anticipated amount for the coming year will be another $1,000,000,000.

In view of this tremendous financial assistance which the United States has given Great Britain in the past year and the anticipated amount for the coming year, plus what she had received in former years, since the close of the war, in my judgment England showed an absolute lack of consideration for all the United States had done in assisting her to meet her crisis in postwar years, and ingratitude to the United States.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the article which was published in the Washington Star of last evening, and also the editorial which appeared in the Minneapolis Star-Tribune of June 26.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Washington Star of June 27, 1949]

BRITAIN AND ARGENTINA SIGN TRADE AGREEMENT OVER UNITED STATES OBJECTIONS—AMERICAN BUSINESSMEN SEE LOSS OF IMPORTANT SOUTH AMERICAN MARKET

BUENOS AIRES, June 27.—Britain and Argentina signed a 5-year trade agreement today, thus ignoring United States objections to the pact.

The signing was done in the presence of President Juan D. Peron, his wife, and a group of high officials in the White Salon of Government House.

Sir John Balfour, Britain's Ambassador to Argentina, and four ministers who form the Argentine National Economic Council, signed the Spanish and English copies. The ceremony, broadcast over the Argentine network, required 2 minutes.

#### UNITED STATES TRADE LOSS FEARED

American businessmen believe the two-way pact will cut off one of their important South American markets. The United States claims the pact violates the spirit of free competitive international trade. American officials fear it might keep United States oil and farm machinery off the Argentine market.

Under the agreement Britain will supply the bulk of Argentina's imports. These would range from much needed oil and coal to automobiles and whisky. In return Britain would get from Argentina an estimated 300,000 tons of meat plus cereals and other items.

Three-way United States-British-Argentine trade has been practically impossible since 1947, when the British blocked pound convertibility. Blocking the pound meant Argentina could not exchange pounds she earned by selling to Britain for dollars to purchase from the United States.

Britain has maintained that the pact with Argentina is vital to British recovery. Washington dispatches have described the issue as the most serious yet in American relations with any European country under the Marshall plan, but top United States officials said there was no question of cutting off Marshall plan aid to Britain.

The treaty was drafted during 4 months of negotiations. The United States' objections were raised near the end of the talks, but apparently had no effect on the negotiators.

Experts in both Buenos Aires and London have said they consider bilateral trade undesirable but regard the present treaty as necessary because both Argentina and Britain are short of dollars with which to buy from the United States.

Sir John revealed for the first time that the treaty provides for the formation of a mixed commission to settle any differences which may arise during the 5-year term.

#### MIXED COMMISSION PROVIDED

The British diplomat also emphasized that the treaty was not exclusive and that both Britain and Argentina are free to buy from the United States when dollars are available.

President Peron also avoided direct mention of the United States by name but his reference to outside interference was unmistakable. He said:

"We are not against anything or anybody. But political factors, injected by outside criticism, did not contribute to the happiness of the peoples involved. It is not possible to hide evil intentions and evil designs behind criticism."

The Argentine president said the treaty was negotiated openly in an atmosphere of understanding and tolerance.

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[From the Minneapolis Tribune of June 26, 1949]

WHERE WILL NEXT CENTURY CARRY UNITED STATES?—WELFARE STATE WILL LEAD TO COMPULSION, END OF FREEDOM

(EDITOR'S NOTE.—The following is from a speech by John Cowles, president of the Minneapolis Star Tribune, at a banquet celebrating the one-hundredth birthday of the Des Moines Register and Tribune, June 21, 1949.)

Whether the next 100 years will be marked by as great advances for America as the past century is the subject I should like to discuss tonight. The easy, Pollyanna attitude is to say, "Yes, of course." I believe the question deserves fuller consideration.

The concept of the freedom of the individual, of the importance and human dignity of the self-reliant individual, was the basic philosophy upon which America grew great.

For a number of years we have been increasingly lessening our emphasis on, perhaps losing our faith in, both individualism and freedom. Freedom is the most important thing in the world. If we lose it we will lose everything.

If I were asked what is the greatest single menace confronting us today, I would not say Russia. I would say soft socialism, the idea of the welfare state, the steady increase in the Federal Government's power over the lives and purses of our citizens.

Although I do not minimize the danger to the world of Russia, I think we are more likely to lose our freedom as a result of our own internal domestic actions than as a result of foreign aggression.

I was interested to learn recently that General Eisenhower feels the same way. As president of Columbia University, Eisenhower, in a letter declaring his opposition to Federal aid for education, made this statement:

"I firmly believe that the army of persons who urge greater and greater centralization of authority and greater and greater dependence upon the Federal Treasury are really more dangerous to our form of government than any external threat that can possibly be arrayed against us."

In my opinion, if President Truman's current program were adopted by Congress, the United States would be converted from a republic to a socialist state within a few years. Socialism is the great illusion of this generation and the belief that socialism could give us a freer and more abundant life is fantastically false.

President Truman is, I believe, a well intentioned man, a man of good will. I think that he simply does not understand the implications and the consequences of the proposed policies which underlings bring to him for his approval. He recognizes that they have political appeal and so he endorses them.

Socialism means, of course, a planned economy and a centralization of power, and they in turn mean socialism. The United States has grown strong and great by following precisely the opposite philosophy. No large nation anywhere has yet demonstrated that a planned economy can be successfully operated without compulsory labor, destruction of representative government, and the suppression of civil liberties.

There is less difference between socialism and communism than many people assume. While the Government of Great Britain is anti-Communist, it is philosophically Marxist, and will tend to become, I believe, increasingly a totalitarian state. There is no evidence from the British experiment to date to indicate that socialism will prove successful there, but the areas of personal freedom are already diminishing. Yet many people in the United States want us to adopt the British pattern along many different lines without waiting to see whether the socialist experiment fails or succeeds in Britain.

One of the great tragedies of this decade is the fact that, because of the Russian Communist menace, it has been necessary for the United States to give billions of dollars to the Socialist governments of western Europe to help support them as a bulwark against the western spread of communism.

No one should assume that I am unsympathetic either with the British as a people or with the necessity of the Marshall plan and European aid. I had the privilege of being in England at one of the darkest times in the war, during the blitz, after France had fallen and before Russia or the United States had declared war on Germany. No one who was in England during that period and saw the magnificent spirit and courage of her people can ever have any feeling other than that of deepest admiration for them. But in England today, it seems evident to me that two cancers are spreading through the whole body.

First is the lack of incentive for production, with progressively increasing regimentation and growing bureaucratic controls that themselves retard production.

Second is the apparently growing acceptance of the view that individual liberty and freedom of choice are secondary and must unquestioningly give way in acquiescence to what the people in control say is in the interest of the state.

Anyone who thinks that things are going well in England is profundly mistaken. On the contrary, the experiment in England is demonstrating that socialism is not a workable system without compulsion. Despite the fact that the United States has given England billions of dollars since the end of the war, her financial position is becoming steadily worse.

Wholly apart from lend-lease, which continued long after the conclusion of the fighting, we have given England an American loan of $3,750,000,000, the internaional monetary fund has given her $300,000,000, and Canada has given her a large loan.

Under the Marshall plan, England in the last 12 months has received about $1,263,000,000. The population of the United Kingdom is about 50,000,000. Assuming 4 to a family, that means there are 12,500,000 families in the United Kingdom. So our ECA aid alone during the past year has amounted to $100 a family.

Despite the fact that England is scheduled to receive about $1,000,000,000 under the Marshall plan this coming year, I fear that she is headed within relatively few months into another major crisis.

Now that throughout the world we have shifted from a sellers' to a buyers' market, English exports are beginning to show serious declines.

Most financial experts believe that, despite Stafford Cripps' recent statement to the contrary, before many months England will be forced to devalue the pound. Clearly that will be a wise development, but even an intelligent optimist can't believe that devaluation alone will conceivably solve England's financial plight.

The workers in England, probably because they fear unemployment, are resisting new techniques and the introduction of modern machinery which would increase production. Many of the unions are demanding more pay. Strikes and slow-downs are showing up in nationalized industry. The workers are demanding higher wages but lower prices, lower taxes, and shorter hours.

If Britain devalues the pound, that will tend to raise the cost of the food and raw materials that the British have to import from abroad, and the British will have fewer dollars as their exports decline.

Last year, for example, British automobile makers sold 19,000 cars in the United States. Now they are only selling a trickle here. Security prices in England have been declining, and there are many indications that, unless the United States wants greatly to increase its gifts to England, Britain is headed for an extremely tough time, with a standard of living substantially lower than that which exists in the United Kingdom today.

Before the United States goes farther down the road that England has taken, it would seem to me only the part of prudence to await the consequences of present British Socialist policies and then determine whether we want to imitate them.

Here in the United States the administration is now urging that we adopt the so-called Brannan plan which is similar in principle to the food subsidies paid in England. The British Government lets people buy food at much less than its cost, and the national treasury pays the difference out of taxes. Under the Brannan plan, farm products would be sold to city people at lower prices and the Federal Treasury would pay increased subsidies to farmers so that farm income remained high.

Now no one whose business depends upon the prosperity of the agricultural States, as do our newspapers, could desire anything other than high farm income and high farm purchasing power. But before our Nation adopts a policy of selling food cheap to consumers with the Federal Government directly subsidizing the farmers, both the consumers and the farmers should scrutinize the plan with the greatest care and consider its ultimate implications and consequences.

Consumers would be indirectly paying the subsidy through higher income taxes. Moreover, if the farmers expect permanently to receive guaranteed income, they should recognize the certainty that it will mean complete production controls and the utter surrender on their part of any freedom of choice, or freedom to take individual risks in the hope of extra rewards.

In the past year, average prices paid to farmers for their crops have declined more than have retail food prices. That is largely because marketing and processing and transportation costs take nearly half of every dollar that consumers spend for food. Will the next step be the proposal that the Government should also subsidize the food manufacturers and processors and the railroads so that food can be sold to the consumer at still lower prices?

Let's consider another example. Clearly, it is in the national interest to have high employment in the automobile industry, and it would be a fine thing if every American family had not only one but two cars. Let us assume that not enough people will voluntarily pay $1,500 or $2,000 for a car to keep all of the automobile factories going full tilt indefinitely, so that some of them are forced to reduce production and lay off some of their workers. Should the Federal Government then say that the price of automobiles should be reduced to $800 or $1,000 apiece—with the Federal Treasury paying the difference to the automobile manufacturers?

And where is the Federal Government to get the additional billions it will need for all of the new spending programs that are being urged?

No matter how theoretically desirable certain social-welfare legislation may be, we simply must consider the extent to which the national economy can stand additional taxes.

Moreover, we are too prone to accept, uncritically, the view that all the proposed social welfare legislation is theoretically desirable.

Every enlightened American wants to improve the quality of our schools and colleges. Better public education is one of the most basic needs of the Nation. The teachers generally deserve much higher pay. Yet, even if the Federal Treasury had the money, which it does not, do we want Federal aid for education, which is almost certain to result in Federal control?

Every enlightened American wants to see the quality of our housing improved. There are many things that States or cities can and should do that will make building costs lower and will stimulate more individuals on their own initiative to build more homes, for themselves, or for sale, or for rent.

But even if the Federal Treasury had the money, which it does not, why should we assume that the Federal Government now has an obligation to provide decent homes for every American family?

Even if we do believe that these proposals and dozens of other social welfare projects like them are theoretically desirable, and even if we do believe that they are a proper function of the Federal Government, we must still make the preservation of the financial stability of the United States, upon which not only our freedom but the peace of the world rests, our first concern.

If the United States should go into a financial crisis through excessive Government spending, which it might, we would completely lose our place as the bulwark of resistance against the spread of communism throughout the world. That would mean that all the billions that we have spent for the Marshall plan would have proved an utter and complete waste of our substance.

I, for one am convinced that if Congress were to raise the tax rates with the idea of collecting the $4,000,000,000 in additional income taxes which President Truman is urging, those higher tax rates would produce less revenue for the Government than it is now taking in. In addition, in all probability, it would plunge the United States into a major depression. Fortunately, Congress is apparently going to ignore Mr. Truman's recommendation as to a tax increase.

While deficit financing—spending more than is collected in taxes—may be necessary or even desirable in a critical period, such as during a war or depression, the budget ought to be at least in balance during periods of relative prosperity. If the people get the idea that the Government can spend limitless amounts, and that it is unnecessary to balance the budget even in comparatively good times, we will head down a road that can only lead to national disaster.

I had the privilege of serving as a member of the Hoover Commission task force on the national defense set-up. From my experience on that committee, I am convinced that at least $1,000,000,000 and perhaps $2,000,000,000 could be saved with no loss and perhaps with a gain to our national defense. I have read other Hoover Commission reports, and I am satisfied that without harm $2,000,000,000 to $3,000,000,000 additional could be saved in other branches of the Federal Government. Until those savings are made and until the burden of foreign aid is substantially reduced, the United States simply cannot take on additional governmental spending without endangering our whole national economy.

From what I have said, you may conclude that I am extremely pessimistic about the future. To the contrary, I am optimistic provided the American people make wise decisions in the next few years. I believe that it is possible for us to live in peace and freedom and at the same time to increase our productivity to a point where we can at least double the average standard of living in the United States in the next 20 or 30 years, and perhaps much sooner. But we can only do this if we keep the incentive system based on individual initiative, and do not embrace the idea of the welfare state.

The American free enterprise system, the incentive system, the profit and loss system—call it what you will—cannot continue to perform its economic function and raise the country's standard of living if tax rates are excessive. The present trend toward Government control is already in some areas beginning to strangle individual initiative. Any increased tax burden would largely destroy the incentive to start new or expand existing business ventures, and our whole standard of living would progressively decline under the weight of Government bureaucracy, much of it wasteful and nonproductive.

Dr. Robert A. Millikan of the California Institute of Technology, who is certainly one of the most distinguished scholars and greatest scientists of our age, not only a Nobel prize winner but the recipient of many other national and international awards, issued a statement a couple of weeks ago opposing Federal aid to education in which he said that local self-government is not only a priceless American heritage, but probably the key to the continued maintenance of our freedom.

Here are a few sentences from Dr. Millikan's statement:

"It (local self-government) is the great safeguard against the malignant disease politely called patronage, better called political corruption, which is the chief device through which the party in power in Washington can, and to no small extent already does, seek to indoctrinate the public in the interests of the maintenance of its own power.

"Local cancers in humans or in the States can be eliminated before they have spread throughout the whole body, but when the

whole system has become infected the patient dies, whether that patient be a man or a great Federal Republic.

"Listen to the exact words of the historian and political philosopher Montesquieu (1747) whose writings were carefully studied and were also very influential with our founding fathers: 'If a republic is small, it is destroyed by a foreign power; if it is large, it destroys itself by an inner vice.'"

Those who are attracted by the alluring promises of the welfare state assume that a planned economy would mean a higher standard of living. I am convinced that the exact opposite would be the result, and that in addition to a lower standard of living for almost everyone, what is far more important is that we lose our freedom as well.

## NATIONAL LABOR RELATIONS ACT OF 1949

The Senate resumed the consideration of the bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes.

Mr. AIKEN. Mr. President, there seems to be a good deal of pessimism floating around the Senate Chamber at this time regarding the ability of this Congress to write any more constructive labor legislation than we now have upon the statute books. There seems to be a tendency on the part of many Senators toward a desire to recommit the labor bill and forget about it for the remainder of the session.

I hope that the pessimism which has been exhibited is unwarranted. I am not happy over the results of this afternoon's votes in the Senate, because I do not like the Taft amendment to the labor bill; but I do not agree with those who say that it has destroyed all possibility of writing any good labor legislation at this session. I do not agree that it is worse than what we now have upon the statute books. After we had failed three times to amend it so as to make it better, as Members of the Senate we were then faced with the choice of either voting for the amendment to the labor bill which was offered by the Senator from Ohio [Mr. TAFT], the Senator from New Jersey [Mr. SMITH], and the Senator from Missouri [Mr. DONNELL], or else assuming, as the Thomas bill assumes, that the President has inherent powers to deal with strikes affecting the national security and welfare.

I suppose that labor will be disappointed with the outcome of this afternoon's voting. It appears that labor fears that if the President has the power to enjoin as well as to seize, he will use the power of injunction against labor. I do not know whether or not labor's fears are justified; but after all, we must remember that practically every labor leader in the country supported the President in the last campaign. Apparently labor leaders do not fear the power of the President to seize, but they fear that he will use the power of injunction against them. How much more should they fear the inherent powers implied in the Thomas bill to use not only the power of seizure and the power of injunction, but any other power within the grasp of the President to use—and I assume that means the use of the bayonet if necessary.

In my opinion we should have had little difficulty in making up our minds as to whether to choose the amendment which was chosen or to accept the inherent powers which are implied in the Thomas bill. As I say, I do not like the outcome of today's voting. I think the amendment offered by the Senator from Illinois [Mr. DOUGLAS] and myself was by far the best manner of spelling out the course which the President should follow in the event of strikes affecting the national security and national welfare. However, I believe that we should continue to try to enact a bill which will be better than the law which is now on the books. I do not think we can justify backing down in that respect, even though we do not get a good bill. If it is better than what we now have, we should go forward and try to enact such legislation.

I agree that the situation does not look too encouraging, because after legislation has been passed by this House it must go to the other House. However, I do not think we are warranted in giving up and saying that it cannot be done, and that we had better let it go and use it in the next political campaign, and the next, and the next. The trouble with labor legislation today is that it has been in too many political campaigns. I fear that there are those who, thinking in terms of labor legislation, are unable to distinguish between the legislation itself and the votes which might be affected by whatever action the Congress might take.

So I hope we shall continue to try to improve this legislation to the very best of our ability. If we do not get what we want—and I am sure that no one is going to get exactly what he wants—we should nevertheless go ahead and do the very best we can.

Mr. MORSE. Mr. President, I did not intend to speak further today, but I cannot let today's RECORD close without answering the Senator from Vermont [Mr. AIKEN], because I disagree with so many premises which he has just enunciated that I want the RECORD perfectly clear as to where I stand on this issue of labor legislation.

I agree with one thing which the Senator from Vermont said, and that is that the bill ought not to be recommitted. I think we should go through as rapidly as we can with the disposition of the bill, so far as the Senate is concerned, and let the House take such action as it sees fit. The bill will then go to the President. On the basis of the action already taken by the Senate, I think there is only one course of action which the President could possibly take consistent with his attitude on the Taft-Hartley bill, and that is to veto the bill and send it back to the Senate, where once again men may stand up and be counted as to whether they will sustain or override the veto.

So far as I am concerned, on the basis of the action already taken by the Senate, I would vote to sustain a veto.

Mr. President, it seems to me that on the basis of the argument of the Senator from Vermont, we are right back to where we were in the closing days of the debate in 1947 on the Taft-Hartley bill. In my judgment the same fallacy is creeping into the argument again, namely, that, after all, we cannot have a perfect bill, and therefore we had better take the best we can get. That calls for an evaluation as to whether what we are offered is worth having on the statute books.

I wish to say that what has been adopted this afternoon in the form of labor legislation is so antilabor in its effect that, so far as I am concerned, I cannot support a bill which places in the hands of the Government the injunctive process as it is set forth in the Taft amendment which was adopted this afternoon. The Taft amendment places the Government on the employer's side of the table, and it beats labor over the head with the injunctive process. I wish to say that I think the issue was clearly drawn this afternoon between those who believe labor should have a fair deal in America and those who believe Congress should pass antilabor legislation.

Regardless of whether the Senator from Vermont likes it or not, the fact is that this afternoon the Senate made labor legislation a political issue in 1950. I am perfectly willing that the American voters pass judgment on whether we have followed a course of action, this afternoon, which conforms to the public will in the United States.

Mr. President, let me say something else in regard to the action taken this afternoon. I think the roll call taken this afternoon makes perfectly clear to American labor and to the independent voters in this country the issue of whether they want to go back to the labor conflict which existed back in the 1890's. Of course, Mr. President, I am a little surprised that we would find creeping into public discussions these days the same antilabor prejudice that permeated public opinion at the time of the Pullman strike. Let us not forget that at the time of the Pullman strike, an attempt was made to make the issue Eugene Debs. If we read the literature of those days, we find that the discussion was that the Socialists under Debs were seeking to take over the country.

As I said earlier today, we now have a great newspaper in the city of Washington taking the position that so far as the injunction is concerned in respect to the Hawaiian strike, the issue is new union leadership. Hence the Washington Post wants an injunction issued by the Federal Government to break the Hawaiian strike. Mr. President, that position corresponds exactly with the position taken on Eugene Debs, back at the time of the Pullman strike. An injunction was issued, the strike was broken, and Debs was made a martyr. He was given an influence in the American labor movement that his philosophy did not deserve. However, millions of Americans came to recognize that the injunction used against him was not fair or right.

As one who has no toleration for the Socialist philosophy and has no toleration for the leftist philosophy of Harry Bridges, I wish to raise my voice, however, in protest against this false issue that has crept into the discussions re-

garding labor legislation. When the Senate this afternoon voted for the use of the injunction—which is what it did—in regard to labor disputes, it made perfectly clear to free workers in the United States just where a majority of the Republicans stand on the labor issue. I wish to say that the Senator from Vermont cannot rationalize out of the position the Senate has taken this afternoon. I wish to say there were other choices beside the choice the Senator from Ohio gave him. We should have voted down the Taft proposal; and then, with the Taft proposal defeated, we should have decided what course of action we wished to follow in regard to emergency disputes. I wish to say that any attempt to rationalize a vote for the Taft amendment overlooks the fact that there would have been plenty of opportunity, after the defeat of the Taft amendment, to adopt another course of action.

The Senator from Vermont reverts to the Douglas-Aiken proposal. He is welcome to support that unsound proposal if he wishes to; but I wish to say that, for the reasons I have already stated in the RECORD, the Douglas-Aiken proposal did not meet the issue in regard to the handling of emergency disputes on the basis of their merits. I repeat, Mr. President, that in the case of emergency disputes there must be a decision on the merits in controversies as to wages, hours, and conditions of employment. The Douglas-Aiken amendment was one-sided and grossly unfair to employers.

The last point I wish to make is that in my judgment the Taft forces in the Senate have the necessary votes to pass the Taft substitute. I think that is perfectly clear. I think the die has been cast, the issue has been drawn, and the alinement of the forces and their respective strengths have been made perfectly clear.

That is why I say to the Senator from New York [Mr. IVES] that although I think there are meritorious features in some of his amendments and although there is no question that when he brings them to a vote, he will find me voting with him on some of them, yet I think the Senator from New York might as well face the fact that he will not get very many, if any, of his amendments adopted, because I think we decided the issue of labor legislation this afternoon when we adopted the Taft amendment.

Therefore, so far as I am concerned, I am perfectly willing to say that I think any chance of getting a fair piece of labor legislation out of this Congress now has become most remote.

The Senator from Vermont [Mr. AIKEN], if I judge him correctly, expresses regret that the issue has become a political issue. But, Mr. President, no Senator's regret is going to change that political reality. The roll call which was taken this afternoon, I wish to say, is the roll call about which we shall hear much during the 1950 and 1952 campaigns. I greatly regret that my party made the great mistake it made in 1947 when it voted for the Taft-Hartley bill. In doing so at that time, many of the Republicans who voted for it advanced the same rationalization we have heard again this afternoon, namely, it was the best legislation that could be obtained. I wish to say in rebuttal of that fallacious thinking that a time does come when it is necessary to decide whether a proposed piece of legislation has in it a principle so bad from the standpoint of good government that it is not possible to vote for it on the basis of any argument of expediency, any argument that it is the best that can be obtained. I refuse to sacrifice sound principle for political expediency.

That is why I made a statement on the floor of the Senate the other day against political expediency after certain labor leaders had come to me, at my private office, and had asked me to vote for the Douglas-Aiken amendment, not because they wanted it, but because they were afraid they would get something worse. At that time I said to them, "You should make up your minds whether you are going to stand for what you think is right or whether you are going to stand for a sacrifice of principle through a substitution of political expediency. The proposal you have made to me here in my office, today, makes it necessary for me to go on the floor of the Senate and repudiate the very principle you have asked me, in private, to adopt when I cast my vote." Mr. President, I did make that statement on the floor of the Senate, and the RECORD speaks for itself. I am proud of my vote against the Douglas-Aiken amendment. It is not a fair and just solution to the problem and labor knows it.

I shall be no party to voting for a piece of labor legislation which has in it the antilabor features adopted by the Senate this afternoon. If other sections of the bill are perfected through the offering of good amendments I will vote for such amendments to other sections of the bill. But when we come to the final vote, I will vote against the bill, because I will be no party to voting for a bill which has within it the uncalled for antilabor club that was voted into the bill this afternoon by a majority of the Members of the Senate in the form of the Taft amendment. Their votes on the roll call will have to speak for themselves.

So far as I am concerned, I wish to say that I would rather not return to the Senate, after the election in 1950, than to have voted this afternoon for a proposal which, in my judgment, during the next few years will stir up in America a class conflict that will play directly into the hands of the Communist and other radical forces in America. The leftists will seize upon the action the Senate took this afternoon as an opportunity for them to spread their vicious propaganda. They will point out that the Senate again placed the Government on the employer's side of the table.

Mr. President, in my judgment the amendment the Senate adopted this afternoon adds fuel to the fires of class warfare in America. The amendment is so bad in basic principle that no rationalization in the name of expediency will ever cause me to vote for a final bill containing the Taft amendment adopted by the Senate this afternoon.

## EXTENSION OF IMPORT CONTROLS ON FATS AND OILS

Mr. DOUGLAS. Mr. President, I ask unanimous consent to call up House bill 5240, which is No. 591 on the calendar.

The PRESIDING OFFICER (Mr. LONG in the chair). The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 5240) to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils—including butter—and rice and rice products.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. DOUGLAS. Mr. President, the facts in the case are approximately these: During the war, in order to stimulate the production of flaxseed, a high price was fixed for it, which last year was approximately $6 a bushel. This brought forth a large output. During the past year, it has been impossible for the Government to dispose of all the flaxseed and linseed oil which it has bought to maintain the price. It now has on hand approximately 20,000,000 bushels of flaxseed and the equivalent in linseed oil of 17,000,000 more bushels. The Government has reduced the price of flaxseed from $6 a bushel to $3.99. The price at which it acquired linseed oil would be the equivalent of 27½ cents a pound. The Department of Agriculture now claims that the Argentine is ready to lay down linseed oil in New York at 10 cents a pound, and that if this is done the Government will then be compelled to buy an additional amount of flaxseed to maintain the price of $3.99; so that in effect there will be a stream of imports, and a larger and larger fraction therefore of the domestic crop which the Department of Agriculture will have to purchase in order to maintain the price, which is fixed under another act. It therefore asks for the continuation of import controls for another year.

Before I close I should like to make this comment: I think the Department of Agriculture has been most negligent in the delay which occurred in submitting this matter to the Senate. The Secretary of Agriculture did not inform the House of Representatives until the 20th of June, a week ago today, that a request would be made for the extension of import controls. It was not until the 23d that the bill was introduced by the Senator from Iowa [Mr. GILLETTE]. We held hearings immediately, on June 25, last Saturday, but it was impossible to notify all interested groups. The meeting of the subcommittee was held yesterday, and, notwithstanding the fact that there was one dissenting vote, it was decided to report the bill. We obtained the approval of the other members of the committee, with the exception of the one dissenting member. We are acting therefore with expedition. But I think the Department of Agriculture deserves to be censured for the delay which occurred. We have been placed in the embarrassing position of

being compelled to legislate upon inadequate notice. We are asking that the Department in the future give us a quarterly report on the fats and oils situation, so that we shall not be left next year facing a similar question at the last minute. Reluctantly therefore I ask for an extension of this legislation for 1 year.

Mr. SALTONSTALL. Mr. President, reserving the right to object, I would say to my colleague from Illinois that I must object, because I have been informed, as acting minority leader, that there may be some discussion on this subject. Furthermore, since no notice has been given, it would seem to be appropriate to ask for a quorum call. I hope the Senator will not insist upon the present consideration of the bill.

Mr. DOUGLAS. No; the objection is quite a proper one, and I think we should go into it in more detail. I merely wanted to act with expedition on our side, to compensate in some degree for the failure of the Department to give us adequate notice.

The PRESIDING OFFICER. Objection is heard.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

### ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H. R. 3198. An act to amend the act of June 18, 1929; and

H. J. Res. 235. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

### EXECUTIVE SESSION

Mr. HOLLAND. Mr. President. I move that the Senate proceed to the consideration of executive business, for the consideration only of the routine appointments on the calendar in the United States Public Health Service, which are listed in considerable number, and the appointments of United States marshals.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LONG in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

### EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Mrs. Perle Mesta, of Rhode Island, to be Envoy Extraordinary and Minister Plenipotentiary to Luxemburg.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

### UNITED STATES PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations in the United States Public Health Service.

Mr. HOLLAND. I ask that the nominations in the United States Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the United States Public Health Service are confirmed en bloc.

### UNITED STATES MARSHALS

The Chief Clerk read the nomination of Benjamin J. McKinney to be United States marshal for the district of Arizona.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Clifton C. Carter to be United States marshal for the southern district of Texas.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HOLLAND. I ask that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

### RECESS

Mr. HOLLAND. As in legislative session, unless there is further business to be transacted, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 46 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 29, 1949, at 12 o'clock meridian.

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## NOMINATIONS

Executive nominations received June 28 (legislative day of June 2), 1949:

### DEPARTMENT OF THE NAVY

Rear Adm. Herbert G. Hopwood, United States Navy, to be Director of Budget and Reports in the Department of the Navy, with the rank of rear admiral, for a term of 3 years.

### IN THE AIR FORCE

The following-named distinguished aviation cadets, who are scheduled to complete their aviation-cadet training on July 1, 1949, for appointment in the United States Air Force in the grade of second lieutenant, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

Robert E. Ainslie
James H. Amos
Charles F. Anderson
Thomas J. Carpenter
Don L. Casselman
Thomas W. Chambers
Edmund G. Chartier
Talmage W. Cobb
Arthur B. Crawford
Raymond C. Dodson
Joseph J. Drach
William B. Driver
Harold P. Dye
James D. Edgington
Theodore E. Erich
Thomas J. Fiden
Richard W. Hagauer
William R. Hale
David G. Harston
Edward Hilding
Charles R. Knoche
Walter B. Lull
Robert W. Marden
Donald L. Nangle
Robert F. O'Brien
Joe J. Rhiley
Harold P. Saabye
Elijah W. Shacklette, Jr.
Eugene A. Sorensen
George A. Sylvester
Richard L. Watson

The following-named distinguished military students of the Reserve Officers' Training Corps for appointment in the United States Air Force in the grade of second lieutenant, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

John F. Brady
John C. Gall
Irwin P. Graham

### IN THE NAVY

Robert J. Anderson (Naval ROTC) to be an ensign in the Navy from the 3d day of June 1949.

Varne M. Kimmick (Naval ROTC) to be an ensign in the Civil Engineer Corps of the Navy from the 3d day of June 1949.

The following-named (civilian college graduates) to be ensigns in the Navy from the 3d day of June 1949:

Robert N. Johnson
Edwin B. Nelson

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Medical Corps of the Navy:

John P. Allan
Frank F. Allen
Marvin S. Allen
Paul M. Arnesen
Frank H. Austin, Jr.
Robert R. Austin
David C. Beer
Merrill A. Bender
Walter J. Berger, Jr.
Leonard B. Berman
Ernest A. Blakey
Ellsworth R. Browneller
William H. Brownlee, Jr.
Louis F. Burkley III
Charles R. Campbell
John McR. Christensen
Robert H. Clarke
Thomas B. Delaney
John J. Dempsey
Harry H. Dinsmore
John J. Downey
Robert F. Dykhuizen
Joseph H. Early, Jr.
Carl L. Ebnother
George F. Elsasser, Jr.
Thomas S. Ely
Warren C. Evans
William A. Fisher
John J. Flahive
James J. Foster
Anthony R. Gennaro
Guido R. Gianfranceschi
Edwin S. Gomsi
Anthony J. Guida
Rudolph H. Hand
Paul Hart
Jerome L. Heard
Charles M. Hendricks, Jr.
Larry J. Hines
Philip R. James
Samuel W. Johnson, Jr.
James M. Jones, Jr.
James S. Ketcham
George B. Kimbrough
Chester LeR. Klein
Everett R. Lerwick
Francis J. Lineham, Jr.
Wolfram G. Locher
Lindsey F. Lovett
Cunningham R. MacCordy
Ernest G. McKay
John R. McLaren
Deane E. McLeod
Vernon J. Merkle
George D. Mogil
Arthur R. Moler
Donald R. Mundie
Robert R. Nardone
Robert F. Neal
Delmer J. Pascoe
Joseph W. Peabody, Jr.
Donald J. Perry
James L. Pollock, Jr.
Jarvis H. Post
Harvey O. Randel
William R. Raulston
Agile H. Redmon, Jr.
Don C. Rudeen
Richard B. Sarver
Lewis Schachne
John R. Shanahan
Thomas W. D. Smith
William A. Snyder
Henry A. Sparks
James A. Sylvester
Edward A. Thompson
Charles V. Treat
William C. Trier
Chester M. Trossman
Charles M. VanDuyne
Paul H. Visscher
Charles C. Wannamaker
Raymond H. Watten
Martin G. Webb, Jr.

Elmer A. Weden, Jr. Francis W. Westneat
Maurice B. Wehr Stanley E. Willis II
Charles W. Werner

The following-named officers to the grades indicated in the Medical Corps of the Navy:

CAPTAIN

Raymond J. Mansfield

LIEUTENANT

Emmett P. Bryant

LIEUTENANTS (JUNIOR GRADE)

Edward J. Carry
Philip O. Geib

The following-named officers to the grades indicated in the Dental Corps of the Navy:

LIEUTENANT COMMANDERS

Byrnes E. Missman
Stephen A. Grady

LIEUTENANTS

Frank L. Davis Joseph S. Hurka
Eymard LeR. Doyle Arthur H. Pearson
Walter G. Hillis George A. Pfaffmann

The following-named officers to the grade indicated in the Medical Service Corps of the Navy:

LIEUTENANTS

Kenneth E. Bechtloff
Stanley W. Handford

The following-named officers to the grade indicated in the Nurse Corps of the Navy:

LIEUTENANTS (JUNIOR GRADE)

Muriel R. Cavey
Rose M. Martinsek

The following-named officers to the grade of lieutenant commander in the line of the Navy, limited duty only, in lieu of lieutenant in the line of the Navy, limited duty only, as previously nominated and confirmed:

Garland Casey Mathis S. Johnson
Harold J. Gilpin Carl H. Wehr

The following-named officers to the grade of lieutenant in the line of the Navy, limited duty only, in lieu of lieutenant (junior grade) in the line of the Navy, limited duty only, as previously nominated and confirmed:

Fred W. Berry John R. Hatcher
Leo R. Brown Francis E. Law
John J. Butlak William J. Miller
Lloyd O. Butts Carl W. Minniear
William J. Egan Claude E. Riley
Frank D. Gallagher Milton M. Routzahn

The following-named officers to the grade of lieutenant (junior grade) in the line of the Navy, limited duty only, in lieu of ensign in the line of the Navy, limited duly only, as previously nominated and confirmed:

Kenneth Brown Donald B. McOmie
James V. Carney Donald M. Murdoch
Theodore F. Drag Marler W. Owen
John P. Dutton Plynn J. Pulliam
Norman Huffnagle Herbert E. Reynolds
Willard M. Iverson Edmund L. Wells
Gordon E. Kaufman Hall B. Wessinger

Charles F. Pape to be an ensign in the line of the Navy, limited duty only, in lieu of lieutenant (junior grade) in the line of the Navy, limited duty only, as previously nominated and confirmed.

James A. Gardiner to be a lieutenant commander in the Supply Corps of the Navy, limited duty only, in lieu of lieutenant in the Supply Corps of the Navy, limited duty only, as previously nominated and confirmed.

The following-named officers to the grade of lieutenant (junior grade) in the Supply Corps of the Navy, limited duty only, in lieu of ensign in the Supply Corps of the Navy, limited duty only, as previously nominated and confirmed:

Byron F. McElhannon James F. Simpson
Richard B. Page Byron Uskievich
Albert K. Pavelka

Claude D. Masters to be a lieutenant commander in the Civil Engineer Corps of the Navy, limited duty only, in lieu of lieutenant in the Civil Engineer Corps of the Navy, limited duty only, as previously nominated and confirmed.

Jack J. Jones to be a lieutenant in the Civil Engineer Corps of the Navy, limited duty only, in lieu of lieutenant (junior grade) in the Civil Engineer Corps of the Navy, limited duty only, as previously nominated and confirmed.

Charles M. Gassett to be a lieutenant (junior grade) in the Civil Engineer Corps of the Navy, limited duty only, in lieu of ensign in the Civil Engineer Corps of the Navy, limited duty only, as previously nominated and confirmed.

The following-named officers for permanent appointment in the Supply Corps of the Navy in grades hereinafter stated:

LIEUTENANTS (JUNIOR GRADE)

Bower, Charles J., Jr.
Mize, Harlie L.

ENSIGN

Altieri, Mickelangelo

The following-named officer for permanent appointment in the Civil Engineer Corps of the Navy in the grade hereinafter stated:

ENSIGN

Benton, Joseph H.

## CONFIRMATIONS

Executive nominations confirmed by the Senate June 28 (legislative day of June 2), 1949:

UNITED STATES PUBLIC HEALTH SERVICE

APPOINTMENTS AND PROMOTIONS IN THE REGULAR CORPS OF THE PUBLIC HEALTH SERVICE

*To be surgeon (equivalent to the Army rank of major), effective date of acceptance*

Paul A. Lindquist

*To be senior assistant dietitians (equivalent to the Army rank of captain), effective date of acceptance*

Frances M. Croker Arlene M. Luthi
Marion E. Nichols Annette L. Buza
Clara B. Tavis

*Junior assistant dietitians (equivalent to the Army rank of second lieutenant), effective date of acceptance*

Gwendolyn E. Dupree Letitia W. Warnock
Lillian Krikorian Rhoda E. Fallin Marshall
Patricia M. Waring
Katherine A. Seubert Joan Wentworth

*To be nurse officers (equivalent to the Army rank of major)*

L. Dorothy Carroll Ruth L. Johnson
Clarice M. Russell Zella Bryant
Margaret J. Nichols Esther A. Garrison
Lillian A. Gardiner M. Constance Long
Martha B. Naylor Elsie T. Berdan
Evelyn E. Johnson Louise O. Waagen
Frances E. Taylor Ella Mae Hott
Prudence J. Kowalske Catherine L. Mahoney
Grace I. Larsen Daphine D. Doster
Fern M. Dunn Josephine I. O'Connor
Agnes B. Bowe L. Margaret McLaughlin
Margaret F. Knapp
Esther M. Finley Edna A. Clark
Mabelle J. Markee Frances S. Buck
Emily M. Smith Anna M. Matter
Genevieve R. Soller Margaret Denham
Amy E. Viglione Genevieve S. Jones
Alice E. Herzig Elisabeth H. Boeker
Ellwynne M. Vreeland Ruth I. Gillan
Rosalie C. Giacomo Vera P. Hansel
Madeline Pershing Lola M. Hansen
Mabel E. Emge

*To be senior surgeon (equivalent to the Army rank of lieutenant colonel), effective date of acceptance*

Thomas H. Smith

*To be senior nurse officers (equivalent to the Army rank of lieutenant colonel)*

Lucile Petry Marie E. Wallace
Mary D. Forbes Florence H. Callahan
Alice R. Fisher Lily C. Hagerman
Pearl McIver Hazel A. Shortal
Marion Ferguson Margaret K. Schafer
Rosalie I. Peterson F. Ruth Kahl
Mary E. Corcoran

*To be senior assistant nurse officers (equivalent to the Army rank of captain), effective date of acceptance*

G. Alice Boore Florence E. McKerrow
Catherine Bastress Jeanne C. Brooks
Ella L. Muir Florence E. Gareau
Genevieve E. Gaynor Tracy E. Forney
Anne Poore Ann F. Matthews
F. Jean Williams Mary E. Linkel
Jeannette E. Potter Harriette L. Paddleford
Mildred V. Riebel Anna V. Marcinko
Mary L. Casey Rosalie V. Flannery
E. Loretta Anderson Ayrol P. Decker
Mary S. Romer

*To be assistant nurse officers (equivalent to the Army rank of first lieutenant), effective date of acceptance*

Doris I. Dodds Virginia B. Schroeder
Olga E. Lassik Virginia B. Millard

*To be junior assistant nurse officer (equivalent to the Army rank of second lieutenant), effective date of acceptance*

Amelia J. McFadden

*To be senior assistant nurse officer (equivalent to the Army rank of captain)*

Margaret M. Cahalan
Mildred K. McDermott

*To be assistant nurse officers (equivalent to the Army rank of first lieutenant)*

Anna B. Barnes
Ardyth M. Buchanan

UNITED STATES MARSHALS

Benjamin J. McKinney to be United States marshal for the district of Arizona.

Clifton C. Carter to be United States marshal for the southern district of Texas.

# HOUSE OF REPRESENTATIVES

## TUESDAY, JUNE 28, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we draw to Thee, not unto One who is an avenging God, but One who is as a high priest touched with a feeling of our infirmities. As we meet the challenges of this hour, enlarge our natures, and yet subject their tendencies; preserve our hearts, and yet destroy their selfishness; control our wills, and yet sustain their courage. Animated by Thy wonderful providence, may we approach our labors with conscientious zeal and with hearts full of sympathy for the needs of our land. O free us from every fear save that of doing wrong; and, walking in Thy strength, help us this and every day to live more nearly as we pray. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 23, 1949:

H. R. 4583. An act relating to telephone and telegraph service and clerk hire for Members of the House of Representatives.

On June 25, 1949:

H. R. 263. An act to authorize the Secretary of the Navy to grant to the county of Orange, Calif., a perpetual easement for the maintenance and operation of a public highway, and to grant to the Irvine Co., a corporation, a perpetual easement for the maintenance, operation, and use of a water-pipe line, in the vicinity of the naval air base, Santa Ana, Orange County, Calif.;

H. R. 717. An act for the relief of Groover O'Connell;

H. R. 2353. An act for the relief of Joel W. Atkinson;

H. R. 3324. An act for the relief of the estate of the late Anastacio Acosta, and the estate of Domingo Acosta Arizmendi; and

H. R. 4516. An act to amend section 312 of the Officer Personnel Act of 1947, as amended, so as to provide for the retention of certain officers of the Medical and Dental Corps of the Navy.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 240. Joint resolution authorizing the erection in the District of Columbia of a statue of Simon Bolivar.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4963. An act to provide for the appointment of additional circuit and district judges, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCARRAN, Mr. MILLER, and Mr. FERGUSON to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 2859) entitled "An act to authorize the sale of public lands in Alaska," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. MCFARLAND, Mr. KERR, Mr. MILLIKIN, and Mr. CORDON to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. MASON asked and was given permission to extend his remarks in the RECORD and include a letter from the Resident Commissioner of Puerto Rico, an explanation and a justification of their tax relief on new industry.

Mr. LOVRE asked and was given permission to extend his remarks in the RECORD and include resolutions adopted by the American Legion at their annual meeting at Yankton, S. Dak.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD on the subject of housing.

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include an address delivered by the Honorable Frank P. Matthews, Secretary of the Navy.

GUARANTY TO ALL EXCEPT THE TAXPAYER

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There is no objection.

Mr. RICH. Mr. Speaker, "Truman asks Congress to provide guaranties for investors abroad," were the headlines that greeted us in Saturday morning papers, and "President submits program for helping backward regions, seeks $45,000,000; President Truman yesterday sent Congress his long-awaited request for American help to develop the backward or underdeveloped areas of the world." This plan proposes either to bring foreigners to this country to study American industry methods, or send American technicians abroad to instruct foreign countries in the know-how and gives broad authority for the Export-Import Bank to guarantee American private investments in foreign countries.

Now did anyone ever hear of the Government guaranteeing American business in this country against losing money? No doubt a law of this kind in effect when Mr. Truman was in the haberdashery business would have prevented him from going into bankruptcy—the Government would have bailed him out.

Is it not about time we begin to give some thought to the American taxpayers who are already complaining loudly about the heavy burdens that have been and are continually being placed on them? Is it not about time that Mr. Truman recognizes that we cannot finance everybody and every country all over the world? Is it not about time that we get down to common sense and brass tacks, and think of the responsibilities we have to the American people? No wonder business is going into a slump, and unemployment rolls are growing longer all over the country. No one knows what demands the Government taxing authorities are going to make next. Soon we will break down American business and enterprise; already we have broken down the initiative of the American people as greater and greater encroachment by the administration reduces opportunities for private enterprise.

The President continues to demand $150,000,000 for aid to Korea; he wants $1,230,000,000 for the North Atlantic Pact agreement and to arm the countries who join this pact. He wants over $5,000,000,000 for ECA; he wants Federal housing, which will cost $19,000,000,000 over a 10-year period; he wants socialized medicine; he wants Federal aid to education; he wants the St. Lawrence seaway; he wants farm prices à la Brannan; and he wants civil-rights legislation, and so forth.

In the name of all that is sane and sound, why does he not let the American people breathe easy for a while; stop these demands for new socialistic projects; cut down the cost of Government as it now exists and save the American taxpayer? Otherwise, John Q. Public will soon be broken down, and then the whole thing will collapse, just as Great Britain and her socialistic government is about to collapse now, notwithstanding the fact we are giving her over $1,000,000,000 a year. Some say the Secretary of State and the Secretary of the Treasury want us to guarantee our gold to back the English pound. Who does not have it in his heart to help another man when he can do so? But when it is going to mean ruin to your own country to continue to help a foreign country, then I say it is time to attend to our own business. We have about reached the saturation point. Let us cease to experiment with theories and return to the fundamentals of sound business practice which have withstood the test of years.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to revise and extend the remarks he expects to make in Committee of the Whole today and include certain excerpts.

Mr. McGREGOR asked and was given permission to revise and extend the remarks he expects to make in Committee of the Whole and include extraneous matter.

Mr. MACK of Washington asked and was given permission to extend his remarks in the RECORD and include an editorial.

HOUSING PROGRAM

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial from the Atlanta Journal on the subject of housing.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Speaker, I am introducing into the RECORD with leave to extend my own remarks, an editorial which appeared in the Atlanta Journal for June 21, 1949, entitled "Is Government's Housing Program Socialistic?"

The editor expresses my thoughts on the subject so accurately that I am glad to adopt his views as my own:

IS GOVERNMENT'S HOUSING PROGRAM SOCIALISTIC?

There is an excellent chance that President Truman will get a public-housing bill through Congress within the next month if the administration is willing to compromise. Already the Senate has passed a measure providing for 810,000 low-cost rental units. The House is to begin consideration Wednesday of a draft that would yield 1,050,000 units over a 7-year period. When the smoke of debate and controversy has cleared away, something pretty close to the Senate version is expected to emerge for Mr. Truman's signature.

The President's broadside against what he termed "the real-estate lobby" last week

brought a prompt reply from T. H. Maenner, of Omaha, president of the National Association of Real Estate Boards. One of Mr. Maenner's major points was that the housing program will cost nearly $20,000,000,000 instead of about half that sum, as the administration estimates. The real estate spokesman said his estimate had been figured out by a reputable firm of certified public accountants in Washington. He did not deny Mr. Truman's assertion that the average rent for new apartments constructed by private builders with FHA-insured mortgages is $87.50 a month. But he quoted census report figures to show that half of all the rental housing in the United States rents for $29.33 a month, or less. This cannot be shrugged off as slum housing, he added, because a 1947 census survey showed that 93 percent of all urban housing needed "only minor repairs."

In addition to attacking the details of the administration program, Mr. Maenner repeated the philosophical arguments that have traditionally bolstered opposition to any kind of a Government housing plan. He spoke of socialized housing and political housing, accused bureaucratic officials of trying to perpetuate their jobs, and so on. His letter was ably drawn and no doubt sincere, but it did not address itself to the basic question at issue. That, as we see it, is whether or not Government should step in to accomplish what is urgently needed when private industry cannot or will not accomplish it.

The fact is that the war left the United States with a shortage of residential buildings. Relative inactivity by private builders during depression years had been followed by wartime's forced inactivity. The result is the condition that exists today; 2,500,000 married couples living with other families, and about 6,000,000 of the Nation's homes classified as substandard. This is a problem that, as both Democrats and Republicans recognized in their political platforms, cannot be dealt with by generalities about socialism.

The Government would, in our opinion, have no business whatsoever in the low-cost rental housing field if the private builders were able to do the job. We should have been delighted to see them band together and offer an alternative plan based on the realities. Instead, they insist on attempting to tell the American people that the housing shortage is a phantasy hatched by Washington dreamers.

If it is socialistic to think that a workingman should be able to afford to rent a decent home for his family, or perhaps buy one, then the majority of the American people have been Socialists for a long time.

EXTENSION OF REMARKS

Mr. DOLLINGER asked and was given permission to extend his remarks in the RECORD and include an address.

PANAMA CANAL RAILROAD—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

*To the Congress of the United States:*

I transmit herewith for the information of the Congress the Ninety-ninth Annual Report of the Board of Directors of the Panama Railroad Company for the fiscal year ended June 30, 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 28, 1949.*

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from the front page of the Washington Times-Herald of this morning, and a telegram sent by the indignant citizens of the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CALL OF THE HOUSE

Mr. SPENCE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 115]

| | | |
|---|---|---|
| Boykin | Hinshaw | St. George |
| Bulwinkle | Kee | Scott, Hugh D., Jr. |
| Byrne, N. Y. | Kilday | Shafer |
| Carroll | McMillen, Ill. | Simpson, Pa. |
| Chatham | Macy | Staggers |
| Clevenger | Morrison | Taber |
| Davies, N. Y. | Peterson | Thomas, N. J. |
| Davis, Tenn. | Pfeifer, Joseph L. | Vorys |
| Dingell | Plumley | |
| Gilmer | Poulson | |
| Gwinn | Powell | |
| Hall, Edwin Arthur | Rivers | |

The SPEAKER. On this roll call 396 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MARITIME COMMISSION

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk House Joint Resolution 235, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 2, line 4, after "charter", insert "(except one in respect of a passenger vessel)."

Page 2, line 11, strike out "coastwise services" and insert "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska."

Page 2, line 12, strike out "coastwise services" and insert "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska."

Page 2, line 15, after "charter", insert "(except one in respect of a passenger vessel)."

Page 2, line 21, strike out "coastwise services" and insert "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska."

Page 2, line 22, strike out "coastwise services" and insert "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska."

Page 3, line 3, after "vessel", insert "(except a passenger vessel)."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. SHORT. Mr. Speaker, reserving the right to object, how much money was added in the other body?

Mr. BLAND. I cannot see that there is any money added. There will be money saved. If we do not get this resolution through, we will lose a great deal.

Mr. WEICHEL. Mr. Speaker, reserving the right to object, and I am not going to object, I do so for the purpose of yielding to the gentleman from California [Mr. ALLEN].

Mr. ALLEN of California. Mr. Speaker, I reserve the right to object, and I do not intend to object, in order that I may comment on some of the amendments made in the other body and try to avoid any ambiguity as to the intended meaning.

When House Joint Resolution 235 was passed by the House, it provided that charters for operations in the coastwise service would be upon commitments of 4 months rather than 6 months. Amendments were made in the Senate in each instance in which the words "coastwise services" were used. The Senate substituted the words "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska." It is stated in the Senate report that these amendments are technical in nature and simply to clarify the intent of the resolution. Both the report which accompanied the resolution in the House and that of the Senate committee referred to the identical 57 vessels used in the identical trades mentioned in each of the reports.

In normal commercial practice it has been customary for vessels operating primarily in the coastwise, intercoastal, and Alaska services to handle cargo or passengers or both for Canadian, Puerto Rican, Cuban, and other ports, and it is my understanding that both the House and Senate language was intended to subject such vessels to the 4-month provision mentioned in the resolution even though cargo or passengers for such ports is so handled. It is in accordance with this assumption that I join in recommending that the House concur in the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CIRCUIT AND DISTRICT JUDGES

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4963) to provide for the appointment of additional circuit and district judges, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New

York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CELLER, BYRNE of New York, LANE, JENNINGS, and KEATING.

HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4009) with Mr. BOGGS of Louisiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before rising on yesterday the Committee agreed that title I of the bill should be considered as read.

Mr. SPENCE. Mr. Chairman, I offer an amendment, which is on the Clerk's desk.

Mr. CASE of South Dakota. Mr. Chairman, a point of order. I make a point of order in connection with the language which will be affected by the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The CHAIRMAN. The gentleman will state the point of order.

Mr. SHORT. May we have the amendment read first?

Mr. CASE of South Dakota. Well, Mr. Chairman, I do not want to lose any rights.

The CHAIRMAN. The gentleman from South Dakota will proceed to state his point of order.

Mr. CASE of South Dakota. Mr. Chairman, the point of order I make is that subparagraphs (e) and (f) of section 102 in title I constitute the appropriation of funds from the Federal Treasury, and that the Committee on Banking and Currency is without jurisdiction to report a bill carrying appropriations under clause 4, rule 21, which says that no bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations.

This is no casual point of order made as a tactical maneuver in consideration of the bill. I make this point of order because this proposes to expand and develop a device or mechanism for getting funds out of the Federal Treasury in an unprecedented degree.

The Constitution has said that no money shall be drawn from the Treasury but in consequence of appropriations made by law. It must follow that the mechanism which gets the money out of the Treasury is an appropriation.

I invite the attention of the Chairman to the fact that subparagraph (e) states:

To obtain funds for loans under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $25,000,000, which limit on such outstanding amount shall be increased by $225,000,000 on July 1, 1950, and by further amounts of $250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively—

Within the total authorization of $1,000,000,000.

Further that subparagraph (f) provides that—

The Secretary of the Treasury is authorized and directed—

And I call particular attention to the use of the words "and directed"—

to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended—

And so forth. The way in which this particular language extends this device of giving the Secretary authority to subscribe for notes by some authority is this: It includes the words "and directed."

In other words, the Secretary of the Treasury has no alternative when the Administrator presents to him some of these securities for purchase but to purchase them. The Secretary of the Treasury is not limited to purchasing them by proceeds from the sale of bonds or securities. He is directed to purchase these notes and obligations issued by the Administrator. That means he might use funds obtained from taxes, that he might use funds obtained through the assignment of miscellaneous receipts to the Treasury, that he might use funds obtained through the proceeds of bonds.

This proposal will give to the Committee on Banking and Currency, if it should be permitted, authority which the Committee on Appropriations does not have, for in the reporting of an appropriation bill for a fiscal year, any appropriation beyond the fiscal year would be held out of order. Here this committee is reporting a bill which proposes to make mandatory extractions from the Treasury during a period of 4 years.

In considering this matter I have looked up other uses of this device of having the Secretary subscribe to issues of securities, but in no instance have I been able to find where we have directed a Secretary to do so. We have authorized him, but we have never directed him. I have in my hand here supplement 1 of the 1946 edition of the United States Code which in title XV, paragraph 606, sets forth the provision in the Reconstruction Finance Corporation Act of June 30, 1947. In that act the Reconstruction Finance Corporation was authorized to issue to the Secretary of the Treasury its notes, debentures, bonds, and so forth; but when it comes to what the Secretary of the Treasury may do it states:

The Secretary of the Treasury is authorized to purchase any obligations—

But it does not say that he is directed to do so; in other words, the Secretary has some discretion on RFC securities; it is not mandatory that money be extracted from the Treasury.

I also have here title 42 of the Code which gives the Housing Act of 1937, as amended, and I invite the Chair's attention to that particularly because we are dealing here with a proposed extension of the housing program. In subparagraph (c) of paragraph 1420, title XLII, United States Code, the following language is carried:

The Authority is authorized to issue obligations in the form of notes, bonds, or otherwise which it may sell to obtain funds for the purposes of this act.

It then states that the obligations shall be unconditionally guaranteed but provides for congressional review through specific appropriations in these words:

In the event that the Authority shall be unable to make any such payment upon demand when due, payment shall be made by the Secretary of the Treasury on money authorized to be appropriated for such purpose out of any money in the Treasury not otherwise appropriated.

It does not direct the Secretary of the Treasury to procure them. Now, going further, in subparagraph (d) the language of the Housing Act, as amended, reads:

The Secretary of the Treasury is likewise authorized to purchase any such obligations.

But it does not contain the words that are included here in subparagraph (f) where the pending bill states:

The Secretary of the Treasury is authorized and directed to purchase any such notes.

Mr. Chairman, this is not, as I said earlier, a casual point of order; we are here dealing with the fundamental power of the Congress to control appropriations. No such device has ever before, so far as I can find out, been presented to the Congress for getting money in the guise of a legislative bill without its having been considered by the Committee on Appropriations. It is a mandatory extraction of funds from the Public Treasury, and, consequently, constitutes an appropriation and is beyond the authority or the jurisdiction of the Committee on Banking and Currency to report in this bill.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard on the point of order?

Mr. SPENCE. I do, if the Chair please.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. SPENCE. Mr. Chairman, the raising of funds by public debt transaction has been frequently authorized by the Congress: The Export-Import Bank raises funds by that method; the Bretton Woods Agreement, in my recollection, is carried out by that method; the British loan was financed by that method, and the Federal Deposit Insurance Corporation was also financed by that method. It does not seem to me that this is a seasonable objection. This has been the policy of the Congress for years.

Mr. Chairman, this is not raising money to be appropriated for the purposes that ordinary appropriation bills carry. All of this money is to be used as loans.

The gentleman says that in other acts the Secretary of the Treasury is "authorized" but not "directed." I contend that the meaning of "authorized" and

"directed" in this act is absolutely the same.

Do you think when you authorize the Secretary of the Treasury to raise funds to carry out a great public purpose it is in his discretion whether he shall raise those funds and that that shall depend on the discretion of the Secretary of the Treasury? I say "authorized" in this sense means "directed." It could not mean anything else, otherwise you would be delegating to an officer of the Government entire discretion as to whether or not great national acts should be carried out and the purposes of Congress should be subserved.

Mr. CASE of South Dakota. Mr. Chairman, in most of the acts which the gentleman has suggested, points of order were waived, and I refer to Bretton Woods and some of the other bills. But as to the particular point here in issue, the question whether the words "and directed" have any meaning, if they do not have any meaning why are they there? The present housing act merely authorizes the Secretary of the Treasury to purchase. It does not say "and directed." The very inclusion of the words "and directed" is evidence of the fact they have a special meaning. They create a mandatory extraction of funds from the Public Treasury.

Mr. SPENCE. Mr. Chairman, I still contend unless you would make our acts a nullity "authorized" and "directed" have exactly the same meaning when applied to a public official charged with carrying out a great national act. I do not think there can be any reasonable construction that would hold otherwise.

Mr. McCORMACK. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman from Massachusetts on the point of order.

Mr. McCORMACK. Mr. Chairman, I agree with my friend who has raised the point of order that this is not a casual one, but, on the contrary, is a very sincere one. It presents a new question from a legislative angle to be passed upon in the direct question raised by the point of order.

The gentleman from South Dakota has referred to the Constitution. The Constitution says:

> No money shall be drawn from the Treasury but in consequence of appropriations made by law.

The word "appropriations" is used.

The rule referred to, clause 4, rule 21, says:

> No bill or resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations.

You will note the word "appropriations" is used. Now, let us see what "appropriations" means.

I have before me Funk & Wagnalls Standard Dictionary and "appropriations" is defined as follows:

> To set apart for a particular use. To take for one's own use.

The provisions of this bill are not taking for one's own use, because this is a loan designed purely for loan purposes. It is not a definite appropriation. It is giving authority to utilize for loan purposes and the money comes back into the Treasury of the United States with interest.

Again, the word "appropriations" is defined:

> Something, as money, appropriated—

I call particular attention to those words "something, as money, appropriated"—

> or set apart, as by a legislature, for a special use.

I repeat "something, as money."

The provision in paragraph (f) that my friend has raised a point of order against relates entirely to loans. As we read section 102 of title I it starts out with loans. Throughout the bill, a number of times, there is reference to loans.

Paragraph (e) says:

> To obtain funds for loans under this title.

It is a loan.

The meat of the two paragraphs, as I see it, is this:

Paragraph (f), line 23, page 8, says:

> The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations.

It seems to me that that is the meat. Certainly, the language there does not amount to an appropriation. It is entirely for loan purposes.

I think it is reasonable to submit to the Chairman that in order for the House to carry out its will that the rules should be construed from a liberal angle, a broad angle, rather than from a narrow angle. Certainly, the word "appropriations" is used in the Constitution. And, I think it is the rule of the House that must govern, and that is what the Chair has to pass upon, because the Congress could determine by proper legislation what the word "appropriation" means as contained in the Constitution itself. So, it is a rule that I respectfully submit the Chairman has got to construe in relation to the provisions of the bill to which the point of order has been addressed, and that specifically says, as I have referred to before, "that no appropriations," and so forth, which refers to appropriations entirely. There is nothing said about loans. Now, if the House intended that it should apply to provisions of this kind, instead of saying, "No bill or joint resolution carrying appropriations shall be reported" the House might have said, "No bill or joint resolution carrying appropriations or having directly or indirectly the effect." There is a difference between cause and effect. Certainly, it applies to this case. The House, in its wisdom, in adopting this rule, confined it to appropriations made to an agency of Government for use by that agency in carrying out what the Congress considered to be essentially the function of the Government during the coming fiscal year or during the period for which the appropriation has been made.

I respectfully submit that it must call for an appropriation out of the general funds of the Treasury in order to violate the rules of the House. This permits the use of money raised by the sale of bonds under the Second Liberty Bond Act for loans to these public agencies, such loans to be repaid with interest.

I respectfully submit, complimenting my friend for having raised the point of order—and certainly, it is not a dilatory one, nor a casual one, one that demands respect—that the point of order does not lie against the language contained in the pending bill.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman has discussed the point—the difference between the word "authorized" and "directed." Does not the gentleman realize that he is "authorized" to appear on the floor and "authorized" to make statements? The gentleman is not "directed" to. Now, following further, the Committee on Appropriations of this House is "authorized" to do certain things, but the gentleman must realize that the Committee on Appropriations is not "directed" to do certain things. There is a real difference, a constitutional difference between the words "authorized" and "directed." The gentleman is "authorized" to walk down the the street and "authorized" to do many things. But the gentleman would fight for his right not to be "directed" to do what he is "authorized" to do. The gentleman's argument is farfetched. This is a serious situation.

Mr. McCORMACK. There is nothing the gentleman has said that I can disagree with except that everything the gentleman has said has no application to the matter pending now. The basic question here is whether or not this is an appropriation within the meaning of the rules or money that is going to be utilized for loan purposes and recovered back into the General Treasury. So the gentleman's observations, as I see it, respecting the gentleman as I do, have no application at all to the basic and pertinent question presented to the Chair by the point of order raised by the gentleman from South Dakota.

Mr. CHURCH. There is the real difference between being "authorized" for the next 40 years to do certain things, and being "directed" to do them. It is an entirely different thing when you "direct" the Treasury to do certain things for the next 40 years. There is a real application here.

Mr. McCORMACK. I still think the gentleman is not addressing himself to the pertinent and fundamental point raised by the point of order. The Secretary is "authorized and directed" to make loans. That is what this relates to, the loans.

Mr. PHILLIPS of California. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from California on the point of order.

Mr. PHILLIPS of California. The question has to do with the meaning of

"authorized and directed." Within the past 6 weeks I have had a bill before one of the major committees of this House. The county counsel of my home county raised the question of whether the wording should be "authorized" or "authorized and directed" in four different places in the bill. It was taken up with the attorneys for the Interior Department. The attorneys recognized the distinction between "authorized" and "authorized and directed," and agreed upon the inclusion in certain instances and not in others. There is a recognized distinction, Mr. Chairman.

The CHAIRMAN (Mr. BOGGS of Louisiana). The Chair is prepare to rule.

The Chair agrees with the gentleman from South Dakota that the point which has been raised is not a casual point of order. As a matter of fact, as far as the Chair has been able to ascertain, this is the first time a point of order has been raised on this issue as violative of clause 4 of rule XXI.

As the Chair sees the point of order, the issue involved turns on the meaning of the word "appropriation." "Appropriation," in its usual and customary interpretation, means taking money out of the Treasury by appropriate legislative language for the support of the general functions of Government. The language before us does not do that. This language authorizes the Secretary of the Treasury to use proceeds of public-debt issues for the purpose of making loans. Under the language, the Treasury of the United States makes advances which will be repaid in full with interest over a period of years without cost to the taxpayers.

Therefore, the Chair rules that this language does not constitute an appropriation, and overrules the point of order.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Would the Chair hold then that that language restricts the Secretary of the Treasury to using the proceeds of the securities issued under the second Liberty Bond Act and prevents him from using the proceeds from miscellaneous receipts or tax revenues?

The CHAIRMAN. The Chair does not have authority to draw that distinction. The Chair is passing on the particular point which has been raised.

Mr. CASE of South Dakota. However, Mr. Chairman, it would seem implicit in the ruling of the Chair and I thought perhaps it could be decided as a part of the parliamentary history. It might help some courts later on.

The CHAIRMAN. The Chair can make a distinction between the general funds of the Treasury and money raised for a specific purpose by the issuance of securities. That is the point involved here.

The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 8, line 5 strike out the words "not to exceed in any fiscal year an additional" and insert the words "additional amounts aggregating not more than."

Mr. FARRINGTON. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. FARRINGTON. Mr. Chairman, I would not intrude on your valuable time at this point in your deliberations if I did not feel it was my duty to call to your attention a situation which, in the opinion of the people of Hawaii, whom I represent, is little short of desperate.

I returned last night from Honolulu. I spent Thursday, Friday, Saturday, and Sunday of last week in Honolulu in order to inform myself fully on the results of the strike of longshoremen that is now in its fifty-ninth day. I saw most of the officials concerned with dealing with this problem and conferred with many representative citizens as well as the principals in the dispute that brought about the strike.

The interruption of shipping that has resulted from this strike has brought to Hawaii all of the effects of a general strike.

We are faced with complete strangulation.

Not only is the entire economic life of the Territory of Hawaii undergoing a process of paralysis, but the citizens of the Territory, more than than one-half million Americans, are possessed with mixed feelings of fear, anxiety, and despair that in many instances have brought individuals and some groups almost to the point of panic. The fact that no serious incident has developed as a result of this feeling is only the result of the unusual patience and discipline that normally marks the attitude of these people toward their Government.

The Governor of the Territory has established an Emergency Food Committee. While the arrangements made by this committee for the shipment of essential food and medical supplies will prevent actual starvation and suffering, the fact remains that it is so inadequate that it can only serve the purposes of the immediate present.

The committee arranged for the immediate shipment on naval vessels of 6,000 weight tons of cattle and poultry feeds and 9,000 tons of essential human foods.

This only met an immediate emergency involving a heavy drop in the supply of dairy products and the threatened destruction of poultry, as well as the supply of foodstuffs urgently needed by the people of the islands.

The committee has arranged for the operation of a so-called relief ship that will make 1 trip every 3 weeks, bringing with it slightly less than 11,000 tons of essential feeds and foodstuffs. The committee feels that at least 2 additional ships are needed just to sustain an adequate program of relief alone.

The normal needs of the Territory are met by the arrival of at least three ships a week.

And this arrangement does not contemplate the movement of any of the products of the Territory to the States and specifically provides that on its return to the States the so-called relief ship shall carry molasses as ballast.

This means imports can be sustained at only about one-ninth of normal and that there will be no exports whatsoever.

It should be self-apparent that the Territory cannot possibly continue to live under this arrangement.

It shows the dependence of Hawaii on surface ocean shipping is so complete that interruptions in this service, no matter what their origin or cause, are intolerable.

These interruptions in shipping service are worse than anything that can happen in the States as a result of stoppage of railroad service, as we are completely without any alternative.

These interruptions must be stopped.

Certainly there are other means to meet the issues, the disputes, that arise and will continue to arise between management and labor in this segment of our industry without resort to the paralyzing action that comes of a strike such as the present one.

The strike has aggravated unemployment in Hawaii where it is a point of very grave concern. Unemployment increased from May 1 to June 23 by 5,050, bringing the total number in the Territory to 21,050.

The CHAIRMAN. The time of the gentleman from Hawaii has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

Mr. FARRINGTON. The number of unemployed of the total labor forces of the Territory is now 11.2 percent, in contrast with the national average of 3.5 percent.

Unemployment compensation claims increased in May to an all time high and it is estimated that the volume for June will be 40 percent greater.

Unemployment compensation claims and servicemen's readjustment allowances totaled half a million dollars as compared with a total of less than three million for the entire year of 1948.

On the contrary, the price of living has risen and many essential items are in short supply.

Some business firms are reducing their personnel. Others are reducing working hours and still others are reducing wages.

The returns on a poll conducted by the Chamber of Commerce of Honolulu of 1,650 business firms showed approximately 20 percent of the firms had reduced the number of hours worked per week and a similar percentage had reduced wages between 5 and 50 percent.

There has been a sharp decline in business. The small merchants in particular are paying a heavy penalty and some of them are threatened with the entire loss of their business.

The shortage of warehouse space has compelled one of the largest sugar plan-

tations to discontinue the harvesting and grinding of cane. Similar situations face the others.

The production of canned pineapple is threatened by the shortage of tin plate.

The tourist trade is off 35 percent.

The loss of business has run into the millions of dollars. Some place this figure at $12,000,000 but probably it will be infinitely greater than this when the ultimate cost has been counted.

The resulting situation is intolerable. The penalty that is being paid by a whole people for this dispute is beyond anything they should be expected to bear.

From the very outset I have contended that the Federal Government was morally obligated to take aggressive steps to assert its authority to bring about a solution of this problem. The Federal Government retains complete control over both the executive and judicial branches of the Territory and limits our representation in Congress and for this reason alone, if for no other, the people of Hawaii feel that action should be taken to protect them. The refusal of the Government on the one hand to cope aggressively with the problem, and the other, to deny us the authority and the means to do it ourselves is just not fair.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. FARRINGTON. I yield.

Mr. SHORT. It has been my rare privilege to be the recipient of the generous hospitality of the Delegate from Hawaii. I know the grave situation that prevails out in those islands. I wonder why the President under existing law, the Taft-Hartley law, does not take some action, because he can do it.

Mr. FARRINGTON. Mr. Chairman, I am not here to suggest what action should be taken. I have already offered two bills to deal with this problem, and I am presenting a third today.

Three investigations have been requested.

One committee was appointed for this purpose and decided against proceeding any farther.

And still no effective means has been found to deal with this problem.

I believe that it is the duty of Congress to undertake immediately an inquiry into this problem in order to determine whether adequate steps have been taken by the executive branch of the Government to cope with it and, if new legislation is needed for the purpose to take the steps necessary to bring about its consideration and enactment immediately.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. FARRINGTON. I yield.

Mr. KEEFE. It is a fact, is it not, that we have spent over $1,000,000,000 to fly over the Russian blockade, to carry supplies into Berlin to the people who were our former enemies; yet here is a situation in Hawaii where our own people are effectively blockaded from contact with the mainland, and devastating destruction to the economy of Hawaii has taken place, but our own country seems unable to deal with the situation to provide even the bare necessities to maintain the business and life of Hawaii. It is indeed a great tragedy with which the Congress ought to deal.

Mr. FARRINGTON. I appreciate the gentleman's interest.

The CHAIRMAN. The time of the Delegate from Hawaii has expired.

Mr. SPENCE. Mr. Chairman, we have important business to transact, and I shall insist that there be no extensions of time beyond the 5-minute period from now on. I did not object to the gentleman's proceeding for extra time, because he had a problem to present to the House. I want to expedite the consideration of this bill; I want to do everything I can to subserve that end.

Mr. KARSTEN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KARSTEN. Mr. Chairman, the district I have the honor to represent lies in the heart of one of this Nation's great metropolitan centers. The St. Louis metropolitan area had a population of nearly a million and a half when the 1940 census was taken. The city itself, at that time, had a population of well over 800,000. Without taking into account the remarkable growth it has experienced in the last decade, St. Louis ranked as the eighth largest city in the Nation.

This great city and its environs has much to gain from enactment of the legislation we now have before us. Like every other city, large or small, St. Louis faces a desperate housing situation. With more than a quarter million occupied dwelling units, it still has about 33,000 dwellings served by outside privies. Like every other city, St. Louis is struggling under the back-breaking burden imposed by its obsolete and deteriorating blighted areas. Its low-income families, like those in every community, cannot find adequate housing within their means.

St. Louis does not turn first to others for solutions to its problems. Like many another city, St. Louis has sought to find solutions to its problems at home. Under the leadership of its many forward-looking citizens, it has sought ways to wipe out its slum areas and to house its low-income families.

Despite its vigorous efforts, my city has learned the same bitter lesson that every city in similar circumstances has learned. It has found that its slum clearance and low-rent housing problem is too great to be met by the resources available to it. It has found that it must have the kind of assistance proposed in H. R. 4009.

This bill holds major hopes for the future of St. Louis. It will make it possible for St. Louis to clear out the slum areas which are now gnawing at its heart. It will make it possible for the city to transform these areas from liabilities into assets for the future growth and health of the municipality. It will make these lands available for new industrial uses, new commercial centers, new residential developments, and for public uses. We will have a golden opportunity to utilize these wasted lands for the purposes for which they are best suited and for the purposes which will best serve all the citizens of St. Louis.

More than that, H. R. 4009 will make it possible for the city's own housing authority to go ahead with the construction of vitally needed low-rent housing projects which will house the men, women, and children who today live in the darkness of the slums. This need is great. The city now has about 1,300 units of public low-rent housing in two fine locally owned and operated projects. A few years ago, the city estimated that it would need at least 12,000 additional units for a 3-year program. There has been no abatement in the need since them. On the contrary, the need has grown more acute. If the city were to state its full needs, the total would surely be several times the number of units contemplated for a small 3-year program.

St. Louis has waited long and patiently for this legislation to rescue it from a strangle hold it could not break itself. I take pride in joining with the many distinguished Members of the House who are putting their strength into a measure which will brighten the future for all Americans.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, in the debate on the point of order it developed, if nothing else was accomplished, that the Congress of the United States, when it once adopts this program, will never in the next 40 years have anything to say in respect to whether it should be curtailed or the use to which the money shall be put.

It seems to me that, regardless of all the other objections to this bill, this presents a very fundamental and basic objection to the legislation. It should be stressed that when we pass the bill that Congress will have nothing to do for the next 40 years in respect to about $3,000,000,000 of the money made available under this bill and will have no alternative to the raising of the other $16,000,000,000 which are contractual obligations. The Federal Government may be sued on these contracts for the consideration of the contracts which are the guaranties that the Federal Government will not only make the grants and the loans but will provide annual contributions totaling under existing language upward of $16,000,000,000.

Have it definitely in mind, Mr. Chairman, that when you vote for this bill you will vote to tie up $19,000,000,000 of the taxpayers' money without any opportunity whatsoever to retract if you find a mistake has been made. I do not think the American people sent us down here to legislate in that way. The American people, in my opinion, would like to feel that their Congressmen can stop any program at any time if it develops the program is not sound or that there is a basic fundamental danger to the American way of life in respect to the commitments made under the program. You legislate against any such future action in this bill by turning over to the Administrator of the Housing and Home Finance Agency the power to raise on its

own initiative $19,000,000,000 of the taxpayers' money. Think of it. The most we have ever given to a President in time of war to play with was a relatively inconsequential $1,800,000,000 in the stabilization fund. In this bill we turn over to one individual, without any check on his actions by the Congress, upward of $19,000,000,000.

Now, Mr. Chairman, I think we should stop, look, and listen and determine what we are doing in this bill. That, to me, is fundamental; it is basic. It is contrary to representative democracy to delegate the raising of $19,000,000,000, or any major part of $19,000,000,000, to any agency or to any single individual as is contemplated in this law.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Indiana.

Mr. HALLECK. In view of what the gentleman has said, I wonder if he would not agree that it would be much more honest and much more in keeping with the constitutional, traditional principles of our Government that if we do want to go ahead with low-rent public housing that we appropriate year by year for the construction of the units in order that the Congress can control the operation of the program and the extent to which it might go.

Mr. WOLCOTT. It seems to me that is the only way to do this in keeping with our constitutional obligations.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 10, line 18, strike out "not to exceed in any fiscal year an additional" and insert "additional amounts aggregating not more than."

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, there is another very basic fundamental objection to this bill, which establishes a precedent for the first time in respect to the association between the State governments and the Federal Government. In no other legislation do we bypass State governments and deal directly with subdivisions of the State. We have always respected State sovereignty in every act which has been passed by this Congress.

Assume under this bill that a State legislature lays out a program, and under its sovereignty the State would have authority to do so; under its police powers a State would have authority to set up a program. Now, then, the program might have certain limitations. It might have certain standards for the guidance of the municipalities in the removing of their substandard houses and providing for low-rent dwellings. Notwithstanding the State program, set up by a sovereign State, any municipality, any county, any other political entity, including a school district, would have power, because we make grants to entities for the purpose of providing facilities. If there happens to be a fire district within a city which is constituted as a legal entity under the State, that fire district could negotiate, as well as any other political subdivision of the State, directly with the Federal Government, contrary to and in clear defiance of any program which a sovereign State has set up for the guidance of their cities and municipalities in respect to any part of this program.

For the first time that I recall we here defy the provisions of the Constitution which guarantee and assure the perpetuation of the sovereignty of the States of this Union.

These questions are fundamental and basic. Up to only a few years ago this Congress debated hour upon hour, day upon day, year upon year, the inroads by the Federal Government on the sovereignty of the several States, yet in this bill, in addition to the other objections, for the first time we take the first major step in the destruction of the rights of the States to exercise the sovereignty which is preserved to them under the Constitution of the United States.

Mr. Chairman, I think we should again stop, look, and listen to determine if we are doing the right thing, whether our actions here today are in keeping with the American system, the dual system of a Federal Government and a recognized system of State governments who have given us all the authority which we have, and no more, to deal with these subjects.

Mr. Chairman, I hope that that matter will be given serious consideration, and that we do not establish the precedent in this bill of bypassing the sovereign States in the setting up of any program, even whether or not it is contrary to the provisions of any State program.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, those who make technical objections to the bill are opposed to the bill and the objectives we seek to attain. It is not a theory that confronts us, it is a condition. How can we meet that condition? The only way I know that that condition can be met is by the methods which are prescribed in the bill that is now presented to the House.

Have we invaded the States. I think not. Forty-two of the States have passed enabling acts to receive the benefits of public housing. They were anxious to come under the bill we passed in 1937 as soon as it was passed. We do not force the will of the Congress on the States, it is optional. If they do not want to receive the benefits of this act they do not have to do so.

The gentleman from Michigan said the States delegated the power to the Federal Government and that now the Federal Government is invading the States. The States did not delegate such power. The people delegated the power and we are endeavoring to help the people. Violent protest has been made with reference to the public debt transaction by which we raise the funds to carry out this project. I know of no other way that we can carry it out. The Federal Constitution says that no State shall make any law impairing the obligation of contracts and certainly the Federal Government should not repudiate its contracts. The full faith and credit of the Government is pledged to carry this out and the only way we can pledge that faith and credit and the only way we can see to it that the ends are achieved which we seek to achieve, is by the public debt transaction where the power to carry it out, and the assurance that our agreements will be carried out always exist.

We hear a great deal of talk about $16,000,000,000 being spent over a period of 40 years. Experience has shown that the expenditures will not be anything like $16,000,000,000. I have no doubt that $10,000,000,000 or $11,000,000,000 will be the limit of expenditures under this bill. Is it not worth it to the people of America to clear the slums and to give low-rent housing to people who otherwise would not be able to afford a home? I think it is. We did not hear any protests when the loans were made by the Reconstruction Finance Corporation to the banks, insurance companies, and railroads. We did not hear any fears expressed that that might result in socialism. Suppose those great organizations were not able to repay the money which was loaned to them by the Federal Government? Suppose that the Federal Government would have had to take them over in order to secure the funds which were advanced to them? Suppose the railroads of America had been socialized, and suppose the transportation of America was federally controlled. That would result in the control of the mines and factories and mills of America. Suppose they had taken over the banks and insurance companies—that would have controlled the credit and the money of our people. Baron Rothschild said, "Let me control the money of a nation and I care not who makes its laws."

Suppose the Federal Government would have had to take these great institutions over? That would have been a real threat of socialism. Socialism comes down from the top and does not creep up from the bottom. You did not hear any protest at that time about the threat of socialism, nor did you hear any of the great corporations say, "We cannot take this loan, because it might bring about socialism."

No; I am for private enterprise and I wanted to see them bailed out. But there in that instance was a greater threat of socialism than to help poor fellows get homes. We helped the people save their homes by the activities of the Home Owners Loan Corporation, and many of our citizens today have homes by reason of that Corporation. Do the gentlemen who denounce this bill consider that socialism? All this hullabaloo about socialism and about the change of government because we try to give people who otherwise could not obtain them homes to make them happy and contended and to make the Nation stronger does not seem to me to have any force.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, of course the Members understand that the Committee on

Banking and Currency did not write this bill. As a matter of fact, few of us even understand the bill. I do not pretend to understand all of it. It was written by the same crowd that wrote the United States Housing Act of 1937. You can see the hand of Leon Keyserling, vice chairman of the President's Economic Council, all through the bill. In my opinion, he holds to an ideology indistinguishable from that promulgated by the most ardent advocates of socialism.

I want to point out something which has not been mentioned here before, namely, that this bill shrewdly provides for making it possible to finance a part or all of the cost of these projects with Government printing-press money. If the securities issued to finance the cost of the low-rent projects, whether by local housing authorities or the Treasury, are sold to banks, the transaction involves what amounts to the issuance of Government printing-press money.

This bill specifically amends the National Banking Act so that national banks can participate in this process of printing money. Government printing-press money is the basis upon which New Dealism rests. Government printing-press money is of the very essence of socialism or communism. Government printing-press money was deliberately issued by the Bolsheviks to overthrow the old Russian regime and to institute the Communist state.

I wish the chairman of the Committee on Banking and Currency would give me his attention. I challenge him to deny that this bill makes it possible to finance a part or all of the cost of these projects with printing-press money.

Mr. SPENCE. What is printing-press money?

Mr. SMITH of Ohio. What is printing-press money?

Mr. SPENCE. Do you mean money that is printed without anything behind it? Is that what you mean? I hope the faith and credit of the Government of the United States is behind every dollar that is printed. I do not know what printing-press money is.

Mr. SMITH of Ohio. The chairman does not and cannot deny my charge.

If you buy a Government bond and pay for it out of your savings, no printing-press money has been created. But when the Government issues a bond and sells it to a bank, then printing-press money is created because that bank does not pay anything for the bond. It simply writes up on its books a deposit equal to the amount of the bond, and the Government checks against it.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. JENSEN. Was it not this kind of program which brought about the condition in all the countries of this world when it required a bushel basket full of bills to purchase a loaf of bread? Is that not the program which brought about the condition whereby the currency was so depreciated in value?

The CHAIRMAN. The time of the gentleman from Ohio [Mr. SMITH] has expired.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, only fools rush in where angels fear to tread. I am reluctant to speak because I know in advance the utter futility of anything that I might say concerning the pending legislation.

Long years ago Santayana walked into our classroom at Harvard and said:

O world, thou choosest not the better part!
It is not wisdom to be only wise,
And on the inward vision close the eyes,
But it is wisdom to believe the heart.
Columbus found a world, and had no chart,
Save one that faith deciphered in the skies;
To trust the soul's invincible surmise
Was all his science and his only art.
Our knowledge is a torch of smoky pine
That lights the pathway but one step ahead
Across a void of mystery and dread.
Bid, then, the tender light of faith to shine
By which alone the mortal heart is led
Unto the thinking of the thought divine.

What connection has that poem with this legislation? It has every connection: Columbus did not trust only his knowledge or wisdom, but the faith in his soul.

I think of the pioneer ancestry of ours that carved an empire out of a wilderness, those who landed in New England at Plymouth Rock and earlier at Jamestown in Virginia. They made their way westward, sir, without any Government doles or hand-outs; they lived in wigwams; they lived in adobe huts; they lived in undergrounds, sod houses; they thanked their God that they were free men. In freedom there is strength.

Benjamin Franklin, one of the wisest philosophers of all time, never uttered a greater truth than when he said:

He who surrenders his liberty for temporary security deserves neither and will soon lose both.

We have been surrendering our security and our freedom for Government doles and hand-outs, expecting Uncle Sam, a Santa Claus in Washington, to take care of us whether we put forth any effort to take care of ourselves or not.

Francisco Pizarro, who lived in the latter part of the fifteenth and the early part of the sixteenth centuries, coming from Spain to far-off Panama, took a sword, and with only 13 followers, 1 more than the 12 disciples of our Lord, he drew a line in the sand and he said:

Friends and comrades: On that side are toil, hunger, nakedness, the drenching storm, desertion, and death; on this side ease and pleasure. There lies Peru with its riches, here Panama with its poverty. Choose each man what best becomes a brave Castilian. For my part, I go to the south.

And he went to the south. He did not depend upon gimme, gimme, gimme. This nauseating, complicating, paralyzing, and destructive force of a paternalistic patronizing bureaucracy in Washington is indefensible.

Let every man build his own house. Do not envy another.

You are going to tax the people down in my district, every family in the Seventh Congressional District of Missouri, $134 a year for the next 40 years. What for? To build units costing from $12,000 to $16,000 in Brooklyn. I am not willing for my people to be taxed even to build them in St. Louis. God knows my people who still live in log cabins, cover their houses with bullhides and use their tails for lightning rods, are asking nothing; they want to be let alone. Not $1 of all this sum will be spent on the 313,000 people of my district; not a single dollar will be spent. Oh, yes, you are moral uplifters, you are great philanthropists; but remember the Son of Man and the Son of God, the greatest teacher, said:

If any man will come after Me, let him deny himself and take up his cross and follow Me.
The foxes have holes and the birds of the air have nests; but the Son of Man hath not where to lay His head.

Do not expect to be carried through life on a rubber-tired buggy or in a new modern Buick; hoe your own row; leave us alone; keep America solvent and free, and defeat this dastardly thing.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on title I and all amendments thereto close at 2:30.

Mr. HALLECK. Mr. Chairman, the gentleman from Michigan [Mr. WOLCOTT], has temporarily stepped out. There are a number of amendments. This is a very important section. So, Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on title I and all amendments thereto close at 2:30.

Mr. COLE of Kansas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLE of Kansas. Mr. Chairman, does the gentleman ask that all debate on section 1 or title I close at 2:30?

Mr. SPENCE. Title I.

The CHAIRMAN. On title I.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, how many amendments are pending?

The CHAIRMAN. The Chair would like to announce that there are seven or eight committee amendments which have not yet been disposed of. In addition to that, the gentleman from Kentucky [Mr. SPENCE] has two amendments, the gentleman from California [Mr. PHILLIPS] has an amendment pending, the gentleman from Massachusetts [Mr. HERTER] has an amendment pending, the gentleman from New York [Mr. POWELL] has an amendment pending, the gentleman from Florida [Mr. SMATHERS] has an amendment pending, the gentleman from Florida [Mr. BENNETT] has an amendment pending, and the gentleman from New York [Mr. MCGRATH] has an amendment pending.

Mr. WOLCOTT. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, I understand the gentleman from Kansas [Mr. COLE], has two amendments which he desires to offer. If debate is closed at 2:30, which is only 37 minutes from now, it means that the time will be distributed among all of these Members who have amendments?

The CHAIRMAN. The Chair is unable to guarantee what may happen in

the distribution of time. The Chair will do his best to see that each Member who has an amendment is duly recognized.

Mr. WOLCOTT. Mr. Chairman, can the Chair inform us in number how many amendments are now pending?

The CHAIRMAN. There are six committee amendments. The Chair understands that the gentleman from Kansas [Mr. COLE] has two amendments. So there are six committee amendments and eight other amendments.

Mr. SMATHERS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMATHERS. Mr. Chairman, if this motion is agreed to, does it mean those of us who have not had an opportunity to speak on this bill and who desire to offer an amendment will be limited to perhaps 1 minute?

The CHAIRMAN. That is within the discretion of the Chair. Will the gentleman from Kentucky restate his motion?

Mr. SPENCE. Mr. Chairman, I move that all debate on title I and all amendments thereto close at 2:30.

The CHAIRMAN. The question is on the motion.

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 75, noes 115.

So the motion was rejected.

Mr. GAVIN. Mr. Chairman, I move to strike out the necessary number of words and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. SPENCE. I object, Mr. Chairman.

Mr. GAVIN. Mr. Chairman, I have been following this debate with a great deal of interest and I must say, have listened very carefully.

My very good friend the gentleman from Michigan, JESSE WOLCOTT, tells us this program is a distinct trend toward socialism. My very good friend the gentleman from Massachusetts, the distinguished majority leader, calls it "dynamic democracy."

In any event, to keep the record straight so when I sit down somebody will not say, "How do you think he is going to vote?" let it be understood that I intend to vote against the bill.

I am in favor of a housing program but not one that will permit the Government to spend in the form of nonrepayable subsidies the staggering sum of $16,562,500,000. Or approximately $400,000,000 a year for a 40-year period.

Now the President comes out and states we must have a housing program. So, come what may, we are going to have a housing program, and that is that. And you will take it and like it. You might not like it, but you will take it.

Back in 1946, under Government control and supervision, I understand about 460,000 houses were built. In 1947, under private industry, approximately 840,000 units were built. Assured there would be no Government competition in 1948, private industry constructed 960,000 houses. And now the reports indicate that because of the threat to the building industry again by Government going into the housing business, housing units constructed in 1949 will be under the 1947 figure.

I feel that if the Government would get out of the housing business and let private industry proceed, that private industry could catch up with the housing shortage in several years. But the proponents of this bill say that private industry has not met the demand. Certainly they have not met the demand, and they will not meet the demand as long as restrictions and regulations strangulate the free flow of business. They will not invest their money until there is some assurance there will be no governmental interference.

Certainly these "give-away" programs are popular. They are sure-fire vote-getters. But if you can tell me that it is fair and equitable to have two men working side by side, both earning the same pay, one is frugal and saving and is able to pay for his own home, and under this proposed housing bill the frugal and industrious worker not only will pay for his own house but will be forced to pay, in taxes, for the house of his fellow worker who may not have been as frugal and industrious as he might have been.

This is a radical departure from anything ever before undertaken by Congress in the public-housing field. The heart and core of this legislation is subsidized Federal housing.

The money the Federal Government will dole out under this housing program has to be repaid. It will have to be repaid in taxes from the earnings of all our people, and if not in direct levies, then the people pay it indirectly in their cost of living, no matter what wage bracket they may be in. There is no such thing as free money.

Acceptance of the administration's housing program means a definite change in the American way of life. Certainly if one group or segment of our people are entitled to low-cost housing, then all people in certain brackets should be entitled to low-cost housing.

So it can be readily seen that once this program is established and the Federal Government contracts to build a certain number of houses, under the demand of public pressure the program will be increased and it may run into many billions of dollars before you are through.

Everybody seems to think they are getting something for nothing. That is a snare and a delusion.

I thought we were pretty well cleaned up with this type of program and that we were getting down to sound, clear thinking. Back in the early days of the New Deal we had political and economic planners; then we had the NRA and the WPA and the PWA. And we had planned economy and planned scarcity. You all recall the days when we converted young hogs into fertilizer, distributed the fertilizer to the farmer to increase the yield and then plowed it under.

We had youth movements, flagpole sitters, ballet dancers, and goldfish swallowers.

The waste throughout this entire emergency program was colossal and practically none of the projects were of such a nature that they might bring a reasonable return from which taxes later could be realized to apply against the mounting debt of the country. For the most part they were simply vast, lumpish political projects designed to put men on the public pay roll. And as referred to yesterday, it became known as boondoggling. Maybe some of them were good projects, but on the whole it was known as boondoggling, and it was a good name for them.

Then the war came on and all the conceivers of new ideas were still with us and we then had the OPA and restrictions, regulations, and regimentations that nearly strangulated the whole economic life of the Nation.

It gave bureaucracy a new lease on life and the New Dealers went to work with a vengeance. However, even that came to an end and the country still survived. The boys back in those days were like the Fair Deal crowd today. They were subsidy-minded—which has a great public appeal in some areas.

Nobody seems to bring to the attention of the House that we have a $252,000,000,000 debt hanging over this country. Yet in the face of this situation, which should call for economy, balancing the budget, and getting our house in order to maintain the solvency of this country, and in the face of a critical world situation, we are figuring on spending $16,000,000,000 more in subsidies.

Over the past several years we spent billions of dollars in subsidies. And I wonder if the people who are always crying for the veterans ever figure the billions we spent for subsidies several years ago that should have been paid as we went along, but didn't pay when our income was greater than it had ever been before. We had all kinds of subsidy programs. The people were getting high wages, had good incomes, yet we put subsidies on an already overburdened debt to pay for later. And who is going to pay? The boys who were over there fighting, had to come back and take off their coats and go to work to pay the taxes to pay for the money spent in subsidies that we should have paid for as we went along.

How long this Nation can continue to feed and finance not alone ourselves, but the world, is problematical.

Back in 1933 governmental expenditures totaled $5,143,000,000. In 1934 they were $7,100,000,000. And in 1939 the Government spent $9,027,000,000. And this year we have a budget of approximately $41,850,000,000 and Pennsylvania's share of that budget is $3,251,440,000. This means $309 for every man, woman, and child in Pennsylvania.

The reason the country is in the jitters today is because the folks back home don't know what Congress is going to do. Therefore, they cannot figure out what they can do, and the result is that the country is at a standstill because of the uncertainty of congressional action.

High taxes are a millstone around the necks of all our citizens. They stifle initiative. They are a drag upon production. They are a major factor in the cost of living because they enter into the cost of everything. And instead of reducing

taxes we are concocting formulas to increase taxes.

Every Member of this House knows how the people back home feel about taxes and they can be reduced if these programs are held in abeyance. If taxes were reduced the Federal Government would function more efficiently by eliminating waste and extravagance. Rather than create new formulas for spending, let us clarify those we already have on the books.

The history of the past few years is one of constantly increasing taxation and spending and through this the constant destruction of savings and continuous discouragement of private venture—the one sure way of providing jobs under our American system.

Therefore, I feel, under the circumstances, that this program should be deferred and I will vote against it.

Mr. BOLLING. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, critics of proposed Federal aid to the housing of low-income families and the clearance of slums, in H. R. 4009 seem willing to ignore the fact that for the past 16 or 17 years the Federal Government has been very deeply involved in the housing field. They contend that the Government's effort to assist those that private enterprise is unable to serve is a scheme to undermine private enterprise itself. It might be well to remind ourselves, in line with the specific policy set forth in this bill, that main reliance in meeting our housing needs rests with private enterprise, the extent to which the Government has already gone to aid and underwrite the private housing industry in doing that job. It far exceeds anything contemplated for low-income families in this legislation.

What the Government has done in a little more than 15 years to assist private enterprise may surprise you.

It has engaged directly in programs of financial support and assistance to private housing that involved financial commitments totaling more than $23,000,000,000. And that sum does not cover a much larger area of private operations which indirectly have been aided by these Government private-aid programs. Indeed, if you cover all the private operations and assets that benefit from Federal housing programs, your total will exceed $40,000,000,000 over a period of 17 years or less. And most of these programs are continuing and increasing and year after year are adding to the potentialities and the profitable operations of the private industry.

In support of these figures a breakdown of the major Federal housing programs will be illuminating. This breakdown, which I submit for the RECORD, includes the following major items of aid to private assistance.

Of direct benefit are these:

The amount of mortgage insurance written on private housing by the Federal Housing Administration since it was established in 1935, $15,672,000,000.

The amount of GI home loans actually guaranteed by the Veterans' Administration under the GI bill of rights, $3,840,000,000.

The Government's investment in housing through the refinancing of distressed home mortgages during the depression under the Home Owners Loan Corporation program, $3,495,000,000.

Add to those major items a number of others of lesser amount and you find that the Federal Government's underwriting and refinancing operations in housing total more than $23,000,000,000.

You can go on from there, for the amounts actually insured or guaranteed have made possible a larger amount of housing finance and home mortgage business as a result of these guarantees. In addition, a large volume of housing investment funds enjoy protection against loss from Federal insurance guarantees.

Major items that have been indirectly benefited and made possible through Federal programs are these:

Valuation of GI home loans over and above the portion listed above as guaranteed by the Government, $4,178,000,000.

Estimated total valuation on FHA-insured home loans over and above the portion listed above as representing FHA insurance, $3,000,000,000.

Investments in home savings and loans institutions insured against loss by the Federal Savings and Loan Insurance Corporation, $8,259,000,000.

Advances to member institutions made under the Federal Home Loan Bank System for home financing, $2,714,000,000.

All told, private housing has benefited directly or indirectly through Federal Government housing finance programs to a total amount of more than $40,000,000,000 in a little more than a decade and a half. That seems to be an ignored and overlooked chapter to those who see in this program to assist low-income families to the extent of eight or nine billion dollars over 30 to 40 years, an effort of the Government to impair or destroy private enterprise in housing.

Mr. ELLSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not intended taking any time in this debate for it has seemed to me during these last few weeks that the facts regarding world conditions and our own financial situation were so self-evident as to need no elaboration. In this dark hour the remaining free peoples of the world have only one hope—only one powerful force with which they can aline themselves to fight off dictatorship and servitude. An economically sound United States of America is that hope and that powerful force. There is no other. Unless the financial affairs of this Republic are so managed that we continue to be strong—not just for a while, but forever—the end of our economic strength and power spells the end of personal and political freedom in the world. If we fail, an era of servitude and darkness will ensue, which could last a hundred years.

Until recently I thought these things needed no explanation. But as I sit in this House day after day and see no slightest indication on the part of the majority in Congress, or on the part of the President, to cease or at least slow up our march toward national bankruptcy I am appalled.

I know that what I say here today will have little effect, if any, but I must speak out for to fail to do so would be to fail in my responsibility to the people who have sent me here to represent them.

We are considering a tremendous piece of legislation. It may pass. If so it obligates the Government to spend billions upon billions of dollars. I will not argue the point as to whether the sum be ten billions or twenty billions. Whatever the exact sum, it means taxes, taxes, taxes, for 40 years or more.

Will the passage of this bill do good? I assume so—but the total number of people to be benefited is pitifully small compared to the number in our low-income population group. An authority will select the lucky ones. I wonder how the unselected, the unlucky, millions will feel about their Government and how they will feel about the fortunate thousands. I expect the normal and human reaction of the unlucky people, who need better housing but who are not selected, will be to attempt to get in good with the selecting authority so that they will not be left off the list next time. Servitude is just around the corner.

But my remarks are directed to the broader problem. By the passage of this public-housing bill, by the miserable failure of this Congress to date to reduce the fantastically high cost of government, by the passing of other welfare-State spending legislation demanded by the President, we are lighting a fuze which may touch off a financial explosion that will blast free governments and personal freedom off the face of the earth.

Lincoln said:

> If destruction be our lot we must ourselves be its author and finisher. As a Nation of freemen, we must live through all time, or die by suicide.

Not only are we looking down the barrel of a suicide gun today, but in destroying ourselves we also murder freedom for the world.

The help we have given the unfortunate people of western Europe is more than just material aid—although we are doing a great deal of that. Only two great powers remain in the world—our United States and the Russian Government. Not only do we compete in power but, more important, we represent the cause of freedom whereas they represent the cause of communism, dictatorship, and servitude.

The people of Europe are caught between two great forces but they choose to aline with us. They do this first because they believe in our philosophy of government and, secondly—but very important—they believe in our ability combined with their own to protect and defend the way of freedom. If we fail ourselves, we fail them and all that we and they have fought for. They must then turn toward communism.

It is not too late for this Government to come to its senses. But I have a strong belief that if we pass this bill today or tomorrow we shall be lighting the fuze for the destruction of freedom

in the world as the result of an economic explosion here.

Mr. PATMAN. Mr. Chairman, since the pending amendment is a perfecting amendment, I ask for a vote at this time.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 17, line 12, after the comma, insert "as amended."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 19, line 6, strike out all after the word "of" down to and including 276 (c) and insert "title 18 U. S. C., section 874, and of title 40 U. S. C., section 276c."

The CHAIRMAN. The question is on the committee amendment.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, in this title we should have two things in mind. One is that the bill repeals the provisions of the 1937 act, as amended, by striking out of that act certain provisions in section 10 (a) of the act, which provided that a comparable number of slum units should be demolished. That language made the United States Housing Act of 1937 a slum-clearance act. You will note that on page 66 of the committee report, under the Ramseyer rule, the language which provides for the demolition of slums is bracketed, which means of course that it is stricken from the act. In other words, that language is repealed.

On page 13 of the bill (H. R. 4009) we find that they do not even have to give consideration to the clearance of any slums, especially if the local governing body determines that the demolition thereof would reasonably be expected to create undue housing hardship in the locality. That is true up to July 1, 1951. Inasmuch, of course, as this is a long-range so-called social reform program predicated upon the housing shortage, it is reasonable to presume that no consideration whatsoever will be given to the demolition of any slum units or substandard units, at least until July 1, 1951. In addition to that, I call attention to the fact that nowhere in this bill is there any provision for the clearance of slums. Let me reiterate that. Anyone who calls this a slum-clearance bill may be misleading himself and his constituents; the record of the committee is full of testimony indicating that many good, patriotic organizations have been fooled into the belief that this is a slum-clearance bill.

Mr. Chairman, another point: If you will refer to page 18 of the bill you will find that there is specific provision for the blanketing into this program of the so-called surplus Federal real property, property owned by the Federal Government which is referred to in this section, what we have commonly called the Lanham permanent housing which was built during the war. In the Lanham Act there was a provision which expressly provided that those projects should be sold or disposed of. This House passed a bill last year providing for the disposition of the Lanham permanents with very high veterans' preference assuring that they would be sold only to veterans and veterans' cooperatives. There is no such language in this bill. One of the reasons why Dillon Myers, who at one time was a public-housing administrator, was relieved of his position, was because he was encouraging the housing authorities, and municipalities, to reserve their Lanham projects—and there are 331,381 units in the Lanham permanents—for this purpose, so that they could be blanketed into this program.

Bear in mind that there is no slum clearance in this act, and if we adopt this provision we blanket those Lanham permanents into this program.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PATMAN. Mr. Chairman, I ask for a vote on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 21, line 2, strike out "platted urban or suburban."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 21, lines 7 and 8, strike out the words "unplatted urban or suburban."

The committee amendment was agreed to.

Mr. SMATHERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMATHERS: Page 13, after line 16, insert the following paragraph:

"(d) No land for any project to be assisted under this title shall be acquired by the local public agency, except after public hearing following notice of the date, time, place, and purpose of such hearing published not less than 10, nor more than 20, days prior to the date of such hearing."

Mr. SMATHERS. Mr. Chairman, I appreciate the opportunity to be able to talk for just a moment on this bill. I have not heretofore had that opportunity. I also appreciate the fact that the members of the Banking and Currency Committee have spent much time on this bill and are fairly familiar with it and are anxious to get on. At the same time I would like to call their attention, with all due deference and politeness, to the fact that many of us on other committees are now just getting around to finding out what this bill is all about.

I have previously stated that I expect to support this bill, H. R. 4009. It is desirable legislation; it is necessary legislation. We want to provide slum clearance, we want to provide some public housing, but it is the intention of every one of us not to do injury to anybody. None of us wants to place a burden on private business or on private builders; therefore this bill, H. R. 4009, should be amended in some respects and I believe with some advantage.

Mr. Chairman, the amendment which the Clerk has just read is a most inoffensive-sounding one; at the same time it is very important. I cannot claim for it any pride of authorship, because this amendment is already in the housing bill as passed by the other body. It merely provides that before any city commission can undertake a gigantic slum-clearance project there must be some public hearing held on that project before land is condemned and work started. There is nothing under the law today which requires any city commission to give notice of such hearing.

Most city governments are made up of a very few people. As a matter of fact, in my city there are five members of the city commission. In order to get a slum-clearance project under way all we would have to have is three members of that city commission, they would constitute a majority. Those three men could pass a resolution for a slum clearance which could be adopted without prior notice. They are able to decide and embark upon a giant slum-clearance project without hearings, they may decide where it is going, whose land will be condemned under the right of eminent domain and what type of slum-clearance project it will be. Certainly in ordinary considerations the city commission does what we think is proper; however, those of us in politics do know that under certain conditions three members of a city commission might be motivated by some political idea and they could in some unhealthy fashion decide to place a great slum clearance project on land that was not fitted therefor.

Mr. Chairman, the amendment I have offered should be adopted in order to give everyone who has an interest, and certainly those whose land is going to be taken under this act and who do not now under any construction of the law have a right to come in and be heard, should have an opportunity to appear in opposition. The most democratic and sacred right we have in this country is the right of the people who might be in opposition to have a chance to be heard. I therefore recommend to the Committee on Banking and Currency that it exercise its wisdom and give protection to the property owners in any city which the other body has already seen fit to give them.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. SMATHERS. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. Is it not a likelihood that if hearings are advertised there will be a bidding up of the property in question?

Mr. SMATHERS. I do not believe so. I believe for the people to have the right to say where they want the slum projects to be, what kind of project it is to be that is more important than whether or not the cost of this thing might go up.

Mr. BUCHANAN. Is it not a fact also that before a project is erected it must

be approved by the local governing authority, which would be the city council in most instances?

Mr. SMATHERS. That is right.

Mr. BUCHANAN. The gentleman stated that a mere majority of three of the urban authorities in his city would have the final say, and it must meet with the approval of the city council?

Mr. SMATHERS. In a five-man city commission such as we have, three members of that commission, elected at the same time, maybe from the same organization, and upon an issue entirely foreign to a slum-clearance program, the same crowd of people, they would have the right to pick out vast areas, vast acreage, and say, "A slum-clearance project is going up here on this parcel" and nobody would have a right to offer any objection to it.

I hope the committee will accept the amendment.

Mr. MULTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, no one doubts the good faith of the gentleman from Florida [Mr. SMATHERS] in offering this amendment, but I am sure that he has overlooked the fact that the entire scheme of this bill is to keep the Federal Government out of these local projects. There is nothing in the bill up to this point which permits the Federal Government to tell any locality, State, or municipality how it will proceed to clear its slums or to build its public housing. Here, for the first time, you come in with an amendment which is going to have the Federal Government come in and say how the State or the locality shall proceed to condemn their property or remove their slums or build their public housing. If you do it here you might just as well start with a full scheme of regulations so that the Federal Government will control and operate all of these local functions. You do not want that. All this bill is intended to do is to lay down a general policy of Federal aid to localities to do these things in accordance with local laws and local determinations. In my own State we have a very complete system of condemnation for slum clearance and otherwise. Here you are going to say that in my State, where we require 30 days' notice, that you must give not less than 10 nor more than 20 days' notice. Each locality should have its own regulations in accordance with its own local law, and we should not attempt to tell them how to do it or what their procedure should be.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. Would this not be an infringement on local governments to make their own determinations in this regard? I believe the gentleman stated that it would be an infringement of the State's rights or local option features of the local authority.

Mr. MULTER. Very definitely.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Florida.

Mr. SMATHERS. Will the gentleman not admit that in condemnation proceedings the issue is not whether or not the Federal Government or the State or the city has the right to take the land, but that the only issue is the price of the land? Would the gentleman not further agree that there is no provision in this bill which guarantees to any State or locality, in matters of disagreement, the right to be heard, and that therefore it is possible for a mere majority of any city council to pick out a great area and put slum-clearance projects on it without anybody having the right to say anything about it?

Mr. MULTER. I cannot agree with the gentleman from Florida. Each locality must be permitted to proceed in accordance with its local laws and make its determination there. If you have any fault to find with the local authorities, then change your law.

Mr. SMATHERS. Will the gentleman not agree that at the time most city commissions were elected, it was never dreamed that they would have the authority to spend these billions of dollars to erect some giant slum-clearance project? They now have, by virtue of the Federal aid we are giving them, much more power, and many more rights.

Mr. MULTER. The gentleman from Florida is definitely wrong. Any State or locality that did not contemplate this program, cannot participate in it until they change their local laws. This is permissive legislation. We merely make the means available to the locality, providing they will change their laws so that they can participate in this program.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that since this language is in the Senate bill that it would be wise not to adopt this amendment and let it go to conference? Then, after fair consideration, if the conferees consider it in the public interest to adopt it, we can adopt it in conference.

Mr. MULTER. I think that would be a very happy way to dispose of the matter.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. GAMBLE. In what earthly way does this affect the Federal Government? This is a local thing, it is a local situation, it is a local operation. It has nothing to do in any way, shape, or manner with the Federal Government, as I see it.

Mr. MULTER. If the gentleman's point is that we should not have any such limitations in the Federal law as proposed by this amendment, I certainly agree with him.

Mr. GAMBLE. This puts a limitation on the local governments as to how they should operate, and I do not see that it affects the Federal Government in any way.

Mr. MULTER. No. This amendment would have this Congress legislate and tell the localities, the local legislatures, the State legislatures, the municipal legislatures, what they should do and how they should proceed. You are saying that they should proceed on notice of not less than 10 or more than 20 days. In the gentleman's State and my State they require 30 days' notice.

Mr. GAMBLE. I think they should. I think there ought to be some rights.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on title I and all amendments thereto close at 3 o'clock.

Mr. WOLCOTT. Reserving the right to object, Mr. Chairman, may I ask how many amendments are pending on the Clerk's desk?

The CHAIRMAN. The Chair is advised that there are nine amendments to title I now pending on the Clerk's desk.

Mr. WOLCOTT. I think under the circumstances I will be forced to object. About a half-hour ago there were 15 amendments pending.

Mr. SPENCE. Mr. Chairman, I move that all debate on title I and all amendments thereto close at 3:15.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 114, noes 122.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported there were—ayes 145, noes 142.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SMATHERS].

Mr. SIKES. Mr. Chairman, I offer a substitute amendment.

Mr. HERTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HERTER. Some of the Members on this side have been waiting for 2 hours to offer amendments. Will the Chair kindly advise what the Chair will do in the division of the remaining time?

The CHAIRMAN. The Chair will state that as of this time only one amendment has been offered. The other amendments which were considered by the Committee up to this time have all been committee amendments. The Chair has recognized until this time only one Member to offer an amendment, the gentleman from Florida [Mr. SMATHERS]. The gentleman from Florida [Mr. SIKES], rises to offer a substitute for the amendment offered by the gentleman from Florida [Mr. SMATHERS]. The Chair will also state that under the terms of the motion just agreed to, debate on title I and all amendments thereto has been limited to 3:15.

At the time the motion was made the following Members were standing seeking recognition: Mr. SIKES, Mr. COLE of Kansas, Mr. FELLOWS, Mr. HERTER, Mr. PHILLIPS of California, Mr. KRUSE, Mr. HALLECK, Mr. REES, Mr. TOWE, Mr. WOLCOTT, Mr. O'HARA of Illinois, Mr. BIEMILLER, Mr. POWELL, Mr. MULTER, Mr. NICHOLSON, Mr. KEATING, Mr. BUCHANAN, Mr. KUNKEL, Mr. PRIEST, and Mr. SPENCE.

Mr. MARTIN of Massachusetts. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN of Massachusetts. The Chairman has read 21 names; 30 minutes has been allotted for further debate on this title. This means that any Republican can get but a minute and a half to present an amendment to the bill. Is that right?

The CHAIRMAN. The gentleman is approximately correct.

Mr. MARTIN of Massachusetts. I want the RECORD to carry that fact clearly.

Mr. SPENCE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SPENCE. How many Members are seeking recognition?

The CHAIRMAN. Twenty-one.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that each of the 21 have 2½ minutes to present his amendment and that the committee have 2½ minutes to oppose.

Mr. HALLECK. Mr. Chairman, reserving the right to object, I do so only to ask the Chairman to take my name off the list. When the first section of the next title is read, I will have something to say about the bill.

Mr. KLEIN. Mr. Chairman, reserving the right to object, I did not hear my name called; I was not on my feet at the time but I do want to oppose one of the amendments. May I claim the time relinquished by the gentleman from Indiana?

The CHAIRMAN. The gentleman, unfortunately, was not on his feet at the time the limitation of debate was voted. The Chair can recognize only Members standing seeking time when the agreement was entered into.

Mr. SPENCE. Mr. Chairman, I modify my request and ask unanimous consent that notwithstanding the motion just agreed to, that debate on title I and all amendments thereto conclude at 3:40.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, that would be approximately 50 minutes; is that right?

Mr. SPENCE. Yes.

Mr. WOLCOTT. I wonder if the gentleman would amend his request to make it 50 minutes instead of 45?

Mr. SPENCE. No; I prefer to stand by the 45 minutes.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that all debate on title I and all amendments thereto conclude at 3:40. Is there objection?

There was no objection.

Mr. SCUDDER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SCUDDER. My name was not called. I was standing. I have an amendment at the desk. I should like to have an opportunity to speak on the amendment.

The CHAIRMAN. The gentleman's name will be added.

The Clerk will report the amendment offered by the gentleman from Florida.

The Clerk read as follows:

Amendment offered by Mr. SIKES as a substitute for the amendment offered by Mr. SMATHERS: On page 13, after line 16, add a new subsection as follows:

"(d) The proposed low-rent housing projects have been approved by a majority of the qualified voters participating in a referendum conducted by the local governing body seeking assistance under title I of this act."

The CHAIRMAN. The gentleman from Florida is recognized.

Mr. SIKES. Mr. Chairman, I have no quarrel with the amendment offered by my distinguished friend the gentleman from Florida [Mr. SMATHERS]; I support all that he has said about the necessity for having local participation in the selection of sites for public housing projects. But I seek to go further; I do not feel that hearings will give the conclusive answer that we should have. Hearings are a step in the right direction, but they may or may not be completely informative. Before the kind of money authorized by this bill is spent here and yonder I think there should be a definite knowledge of the need for public housing in the respective communities. I submit that the people who live in the communities are the people who know whether or not there is a need. When they have voted on the question the record is there in black and white in a conclusive manner which cannot possibly be obtained through hearings.

I realize that under the provisions of the bill a referendum could be called by the local governing body, but I do not think permissive authority is enough. A referendum should be mandatory in all cases where public housing is proposed so that the people may state positively whether or not they see a need for housing under the provisions of this bill.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Florida [Mr. SIKES] to the Smathers amendment.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 79, noes 92.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. SIKES.

The Committee again divided; and the tellers reported that there were—ayes 119, noes 117.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SMATHERS] as amended by the Sikes substitute

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 80, noes 85.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. SMATHERS.

The Committee again divided; and the tellers reported that there were—ayes 132, noes 132.

The CHAIRMAN voted "no."

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER: On page 9, line 12, strike out subsection (g).

Mr. FELLOWS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. FELLOWS. Mr. Chairman, I ask unanimous consent that my time be given to the gentleman from Massachusetts [Mr. HERTER].

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HERTER. Mr. Chairman, I am very grateful to the gentleman from Maine.

Mr. Chairman, the amendment I am offering is a very simple one, but it is a far-reaching amendment. It prevents the housing authorities from issuing tax-exempt securities. As far as I know in this entire debate there has been no reference whatever to the fact that this bill allows local housing authorities to issue tax-exempt securities in the amount of over $7,000,000,000. That would mean a loss in revenue to the Federal Government of many hundreds of millions of dollars over a period of 40 years. The Federal Government itself cannot issue tax-exempt securities. It is forbidden from doing so by our public-debt act. Yet in this bill we are permitting certain entities of government that have no taxing power of their own, which are entirely artificial entities for a given purpose, to issue tax-exempt securities and in the issuance of such securities they circumvent the clear intent of Congress with regard to Federal tax exemption.

Mr. Chairman, we pretend that these securities that are issued by local housing authorities can stand on their own feet, as tax-exempt. They cannot. This bill provides for the payment of every cent of the principal and the interest on these bonds by the Federal Government. In other words, they are identical with Federal Government bonds, except for the fact that another entity issues them, because the Federal Government is guaranteeing them as to principal and interest, through the annual contributions that are made. In the bill those annual contributions have to be specifically pledged for that purpose.

Not only that, but on page 75 of the bill we allow national banks to invest in these securities, something which they would naturally like very much to do, because I can think of no nicer way of ducking Federal taxes than by the purchase of these particular securities.

Today there are only two large purchasers of tax-exempt securities. One is the rich man who is trying to evade his Federal taxes, and the other is the bank or similarly situated corporation that buys tax-exempts because it finds it can make a larger yield on these than it can by paying its taxes on taxable bonds.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. WHITE of Idaho. If national banks are permitted to buy these securities, will they become eligible for rediscount and the issuance of currency against them?

Mr. HERTER. Yes; I believe they do. It will probably be argued that it will cost the Government under this bill something like $35,000,000 a year, or more, if tax-exempts are not issued, in order to meet the principal and interest on these obligations.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HERTER. Yes; I yield.

Mr. SPENCE. The power to tax is the power to destroy. Chief Justice Marshall said that in the case of McCulloch against Maryland.

Mr. HERTER. I am sorry. I did not yield to the gentleman to make a speech. If the gentleman has a question to ask, I will be glad to yield.

Mr. SPENCE. I just wanted to submit to the gentleman that the States can utterly destroy this program if they are permitted to tax it.

Mr. HERTER. This has absolutely nothing to do with State taxation. This deals only with Federal taxes.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. HERTER] has expired.

Mr. KUNKEL. Mr. Chairman, I ask unanimous consent that the time allotted to me may be transferred to the gentleman from Massachusetts.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEATING. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. KEATING]?

There was no objection.

Mr. HERTER. Mr. Chairman, I was about to say, the argument might be used that it will cost the Federal Government more money to make up the principal and interest on these bonds if they are not tax exempt. In fact, in the hearings, at the time the $400,000,000 a year was the figure agreed on for a million units, it was figured that it would cost the Federal Government $45,000,000 a year more to service these bonds through the capital grants each year, if they were not tax exempt. That argument is entirely fallacious. It will certainly cost more, but I want to read to you a little simple arithmetic with regard to this matter.

The Bureau of the Budget and the President of the United States both said categorically that the capital contributions to be made under this bill are only to take care of the servicing of these notes, and are not a subsidy over and above that point. That just cannot be true. The reason for it is very simple. The total in notes for the low-rent housing that must be issued under this bill would amount to about six and one-half billion dollars to build 810 housing units, assuming the amendment to be offered will be carried. The amount that the Federal Government puts in against that, on the reduced basis which the committee will offer, is about $12,300,000,000. The cost of servicing these bonds is less than $1,500,000,000, even if they were at 2½ percent; so there is a surplus of $4,500,000,000 going out of the window somewhere in excess authorizations under this bill. There is accordingly plenty of money under the authorizations to take care of taxable bonds.

The United States Treasury has objected consistently to the issuance of tax-exempt bonds. Today we have exactly one issue of Federal tax-exempt bonds outstanding; that is the Panama bond that matures in 1960. It is selling on a basis of 1.1 percent at this moment, indicating that many people are buying it, buying it in order to escape Federal taxation. Consequently, we are by this provision—and I am sure the Committee on Ways and Means will agree with me—proposing to increase tax exemption in this country by 50 percent and give that tax evasion possibility to the rich and those who require it the least and take out of general circulation where it is needed most the venture capital that seeks refuge in this type of obligation.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. KUNKEL. If we adopt this tax-exemption feature in this particular instance we are absolutely sure to continue doing it in other cases and then we shall completely defeat the whole purpose of the public-debt act in trying to eliminate tax-exempt bonds; and that act was passed some years ago by the Congress.

Mr. HERTER. There is no question about it. These bonds are to all intents and purposes Federal bonds, and this is merely a dodge to get around the public-debt act which Secretaries of the Treasury, Republicans and Democrats, have insisted was necessary to maintain the normal tax structure, and we put that provision in the bill for the benefit of a small group of people. It seems to me that we should defeat this provision in the bill and then we ought to strike out the provision in section 5 (e) of the act of 1937.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. BUCHANAN] is recognized.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Massachusetts in offering this amendment offers it to title I concerning the slum-clearance section. If you will turn to the House Report 590 in this bill on page 64 and I refer you to section 5 (e) of the United States Housing Act of 1937. The authority, including, but not limited to its franchise, capital, reserve, surplus, loans, income, assets, and property of any kind, shall be exempt from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local-taxing authority. Obligations, including interest thereon, issued by public-housing agencies in connection with low-rent housing or slum-clearance projects, and the income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

Mr. WHITE of Idaho. What page is the gentleman reading from?

Mr. BUCHANAN. It is on page 64 of the report.

Mr. HERTER. Mr. Chairman, will the gentleman yield for a short observation?

Mr. BUCHANAN. I yield.

Mr. HERTER. The gentleman knows very well that the tax situation at the time the 1937 legislation was written was entirely different from the situation in 1949 when the Federal income tax offers an incentive to escape through these tax-exempt securities which was not offered in 1937.

Mr. BUCHANAN. I believe the gentleman is aware of the fact and will agree that the local housing authority bonds are of essentially the same character as almost any municipal or State bonds and have been exempt from Federal taxation.

This amendment if adopted would do nothing but increase the cost of financing the slum-clearance bonds over a period of years. I might say that the total amount is approximately $1,000,000,000, and not the $7,000,000,000 the gentleman referred to; so if you want to increase the cost of clearing the slums, then vote this amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER].

The question was taken; and on a division (demanded by Mr. HALLECK and Mr. HERTER) there were—ayes 106, noes 129.

So the amendment was rejected.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE:

On page 18, in line 21, strike out the words "wages or fees" and insert in lieu thereof the word "salaries"; and on page 19, line 1, preceding the word "technicians", insert the word "and", and after the word "technicians" strike out the comma and the words "laborers, and mechanics."

On page 19, in line 2, after the word "involved", insert the following: "and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved."

On page 19, in line 3, strike out the word "may" and insert the word "shall."

Mr. IRVING. Mr. Chairman, I rise in support of the amendment offered by the distinguished chairman of the Banking and Currency Committee.

It is my firm conviction that the Department of Labor should be vested with the function of determining minimum wages for construction mechanics and laborers employed on slum clearance and low-cost housing work under the housing bill of 1949. This conviction is based upon the fact that the Labor Department has the know-how to do the job through the experience gained in administering the minimum-wage law applicable to Federal construction work which is known as the Davis-Bacon Act. My knowledge on this point is not theoretical but is based upon knowledge of the work of the Department in this field

gained during my business career. I can think of no function of Government which more truly belongs in the Labor Department than the determination of minimum wages for mechanics and laborers. This is true regardless of whether the Federal Government is interested in the construction work directly, such as the construction of post offices, by means of grant-in-aid programs such as those under the Hospital Survey and Construction Act, and the Federal Airport Act, by guaranteeing loans for housing construction under the Federal Housing Administration program or as is proposed under the Housing Act of 1949, by a loan and subsidy program.

Mr. Chairman, the Congress has seen fit to vest the determination of minimum-wage rates for Federal construction work, for Federal grant-in-aid programs and for Federal Housing Administration housing in the Labor Department. I ask the question, Why should such a well-established policy be changed in enacting the Housing Act of 1949? No question is raised with regard to the determination of wage rates by the Labor Department for housing construction under the Federal Housing Administration program. Over 1,500 such cases have been processed by the Labor Department during the past year. The Federal Housing Administration program is administered by the Administrator of the Housing and Home Finance Agency and that same man is charged with the responsibility of administering the slum clearance and low-cost housing program under the Housing Act of 1949. So you have this result, Mr. Chairman. Wage rates for Federal Housing Administration work are and will continue to be determined by the Labor Department. However, when it comes to slum clearance and low-cost housing pursuant to the bill which we are considering, the Administrator would make his own wage-rate determinations. This, of course, would require the setting up of a new staff of employees to perform exactly the same type of work now done by experienced personnel in the Labor Department. Can you think of a greater duplication of effort? Not only that, but think of the cost involved. Therefore, Mr. Chairman, I sincerely urge that the amendment be adopted because the Labor Department is thoroughly experienced in making wage determinations, has done so for many years, and no reason exists why a new section should be set up in the Housing Agency to perform exactly the same type of work at great cost to the Government. In addition, it is my understanding that the amendment meets with the approval of the President because it is in line with his views on concentrating labor functions in the Labor Department.

Mr. SPENCE. Mr. Chairman, this amendment merely provides that the wages of laborers and mechanics on these projects shall be fixed by the Secretary of Labor. That is, the rates of pay shall be found and fixed by the Secretary of Labor.

This is in accordance with the Davis-Bacon Act, and all other Federal legislation. It is certainly the function of the Department of Labor, that has custody of the statistics, to fix the wages of the laborers and mechanics on these projects. The Administration feels this is a proper amendment, since it would conform to existing legislation.

Mr. Chairman, I ask that the amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of Kansas: Page 9, line 16, after the word "States", insert a new paragraph as follows:

"(h) No loan or grant shall be made pursuant to this title, subsections (a), (b), or (d), unless the Secretary of the Treasury certifies to the Federal Works Agency Administrator that the receipts of the Federal Government for the fiscal year in which such expenditure is proposed to be made will exceed all other expenditures of the Federal Government in such fiscal year by an amount equal to or exceeding such proposed expenditure."

Mr. TOWE. Mr. Chairman, I ask unanimous consent that the time allotted to me be transferred to the gentleman from Kansas [Mr. COLE].

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. COLE of Kansas. Mr. Chairman, when I was yet a young chap I wanted a football, but my father did not have the money to buy me a football. One day a rich uncle came to our house and I interrupted a theological discussion between my uncle and my father, and piteously asked for a football. Well, the result was that I got the football free because my rich uncle gave it to me.

Mr. Chairman, many of us in Congress believe we have a rich Uncle Sam who will provide things for us free. By this bill the Congress attempts to tell the people of America that perhaps this program will not cost them anything. Under the provisions of this bill the Committee on Appropriations is circumvented and the Administrator promoting the program has the right to borrow from the Secretary of the Treasury. The Secretary of the Treasury, in turn, need not require the laying of an additional tax burden upon the people; he might borrow from the people. In other words, it might not require an additional tax levy at this time in order to continue this program. The additional taxes will be merely postponed.

But, Mr. Chairman, in connection with the amendment which I have presented is that as long as this country is operating at a deficit, that this program shall not be put into effect. So, if you want the program and if you want to pay for it, all you need to do is to vote an additional tax increase in order that you may have it. In other words, if you want it, let us pay for it. Let us be honest about what we are doing; let us not saddle upon the future generations additional debt burdens which will be more and more and more difficult for them to bear and to pay, and finally at long last bankrupt this country.

Mr. Chairman, today this country owes a $250,000,000,000 debt. Upon that we are going to add the cost of this program, and of other programs. Mr. Chairman, the President of the United States, in his social-welfare program alone, has proposed a program which will eventually cost $1,250,000,000,000 in the next 50 years. All of that, Mr. Chairman, will be saddled in the future upon your children and grandchildren.

So, today I have offered an amendment that we cannot proceed with this program, this so-called low-rent housing and slum-clearance program, unless we are receiving as much money as we are paying out. It is a very simple amendment, and I hope that you will give it consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The question was taken; and on a division (demanded by Mr. COLE of Kansas) there were—ayes 106, noes 133.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, with interest I listened yesterday to the remarks of my friend and colleague, the distinguished gentleman from Kansas [Mr. COLE].

Serving with the gentleman on the committee, I have been charmed by his warm personality, but as a friend have wondered whether it was a service or a disservice that his faction of his party had done him in conferring upon him the distinction of leadership in the fight of his faction of his party against this bill to clean up the slums and provide good housing.

In the committee, as upon the floor of the House, and in the newspapers and on national radio hook-ups, the gentleman from Kansas has carried the brunt of the fight for his faction of his party. Whether the result of the elections of 1948, in which housing was a major issue, determined the change in faces and in names, or whether those who had been to the forefront against public housing in the Eightieth Congress did not wish for party reasons to clash too prominently with the members of their party which championed the housing bill in the Senate—Senator TAFT, Senator TOBEY, and others—I, of course, do not know.

But, whatever the reason, the distinguished gentlemen whose names were mentioned oftener in the campaign of 1948, in connection with the failure of the Eightieth Congress to act in the presence of an unprecedented housing shortage, have in this debate participated in less measure and have left much of the job to the distinguished gentleman from Kansas.

Therefore, what my friend and colleague from Kansas says must be accepted as a statement of the highest authority.

Every argument against this bill having been thoroughly and conclusively answered, the gentleman from Kansas

came into this well with what was left. He devoted his entire argument to placing the blame for the slums upon the unfortunate men, women, and children who live in those slums. He came with a picture of some painted-up, dolled-up houses in the slums and told us that everything in the slums could be just as nice and pretty if the women in the slums were better housekeepers and the men and children in the slums were tidier.

I listened with amazement as the gentleman from Kansas spoke. Here, indeed, was an acknowledgment from the high command of the faction of the Republican Party opposing this bill that there was no valid argument to be offered in opposition. Forced to the last wall, the gentleman from Kansas fired his final shot—at those unfortunate men, women, and children who live in the slums. They were to blame; they deserved nothing.

Might I suggest to the gentleman from Kansas that to paint a house does cost money for paint? Might I suggest that even a bar of soap costs money, and if my fingernails have no dirt under them it does not mean that my neighbor, living in the slums, has less desire to be well groomed, but just does not have the money to buy soap? Might I suggest that my neighbor's wife, living in the slums, might, indeed, be the best housekeeper in all the world if she had the pennies to buy the necessary household items and a lighter burden of cares and worries and work?

Mr. Chairman, I think this body will not accept the concept of the gentleman from Kansas. Most of us, I think, will join with Senator PAUL DOUGLAS in his conclusion in the current issue of Collier's:

> The 15,000,000 or more Americans who live in the blighted areas are not inferior to the rest of us. They are only less fortunate.

I wonder if the gentleman from Kansas was speaking yesterday for the soul of a great State which in the yesterdays contributed as much, if not more, to the expanse of human understanding and contentment than any other State in the Union. I wonder if when the gentleman from Kansas was speaking yesterday, blaming the slums upon the unfortunate men and women and children who live in the slums, there came to his mind for one fleeting moment the thought of a great son of Kansas who wrote a book which, it is said, enjoyed a larger circulation than any book ever printed in the English language except the Bible—In His Steps, a story of what Christ would do if he were here with us today, sharing in the solution of our daily problems.

I want to think, and I do think and shall continue thinking, that the man from Kansas who wrote In His Steps, spoke the soul of Kansas and of us all.

There are slums because man has not always measured up to the command to love his neighbor as himself. There are slums because of many things to which we all contribute. And the men, women, and children who live in the slums demand our attention—unless we elect, in a sense of our superiority over the teachings of the Christ we profess, not to follow in His steps.

I am glad the gentleman from Kansas [Mr. COLE], speaking with the authority of leadership, has clarified the issue.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

> Amendment offered by Mr. PHILLIPS of California:
>
> On page 7, beginning line 19, strike out through line 11 on page 9 and insert in lieu thereof, the following:
>
> "(e) to provide funds for loans under this bill, there is hereby authorized to be appropriated to the Administrator not to exceed $25,000,000 for the fiscal year ending June 30, 1950, and additional sums not to exceed $225,000,000 for the fiscal year ending June 30, 1951, and not to exceed $250,000,000 for each of the fiscal years ending June 30, 1952, 1953, and 1954."
>
> On page 9, line 12, strike out the letter "(g)" and insert "(f)."
>
> On page 43, line 6, amend section 205 A, by adding at the end thereof a new sentence as follows: "No contract for contributions under this act shall hereafter be entered into by the Authority except following specific appropriation by the Congress of funds for the first year's annual contribution called for by such contract."

Mr. PHILLIPS of California. Mr. Chairman, the third section of this amendment is the important section and since it comes at page 43, I ask unanimous consent that the three sections may be considered together at the present time and voted upon together. The first two sections are only the corrective language which would follow if the final section were adopted.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS of California. The final section says that before these contracts are entered into, they shall be brought before the appropriate committee of Congress for approval. In other words, if we are to enter into long-term contracts for loans, or for the housing program, then, at least at the start, they should be brought to the Congress for approval and not completely bypass the constitutional provisions already discussed in the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS].

The question was taken; and on a division (demanded by Mr. PHILLIPS of California) there were—ayes 119, noes 131.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. POWELL].

Mr. POWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. POWELL: On page 12, line 19, after "time", insert a new subsection:
>
> "to give preference in the selection of tenants for the dwelling units built in the project area to families displaced therefrom because of clearance and redevelopment activity, who desire to live in such dwelling units and who will be able to pay rents or prices charged other families for comparable dwelling units built as part of the same redevelopment."

Mr. SPENCE. Mr. Chairman, I reserve a point of order against the amendment.

Mr. POWELL. Mr. Chairman, this is a very simple amendment. It simply says that when you clear a slum, the people whom you put out will have the first chance to go back when the housing development has been completed. I think it is elemental and call for its passage.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. MARTIN of Massachusetts. I think the gentleman has made a very fine statement, and I agree with him.

Mr. POWELL. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I withdraw the point of order and ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. POWELL].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 199, noes 41.

So the amendment was agreed to.

The CHAIRMAN. Under the motion previously agreed to, all time for debate has expired. Members who desire to offer amendments may offer them at this time, without debate.

Mr. COLE of Kansas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLE of Kansas. Mr. Chairman, I have at the desk an amendment exactly in the same words as the amendment offered by the gentleman from New York [Mr. POWELL]. I ask that that amendment be withdrawn at this time.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

Mr. SCUDDER. Mr. Chairman, I offer an amendment which is at the desk.

The CHAIRMAN. The Clerk will report the amendment.

Mr. SCUDDER. May I speak on the amendment, Mr. Chairman?

The CHAIRMAN. No. Time for debate has expired, but the Clerk will report the amendment.

The Chair is informed that the amendment which the gentleman has at the Clerk's desk is to the next title, and therefore is not in order at this time.

Mr. BENNETT of Florida. Mr. Chairman, I have an amendment very similar to the amendment offered by the gentleman from Florida [Mr. SMATHERS] except that it deletes any time provision. In other words, it provides for a general public hearing but it does not require it to be mandatory, and the decision binding. Would that amendment be in order at this time?

The CHAIRMAN. The gentleman may offer his amendment.

Mr. BENNETT of Florida. I offer the amendment, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Florida: On page 18, after line 16, insert "No land for any project to be assisted under this title shall be acquired by the local agency except after public hearing and following notice of the date, time, place, and purpose of such hearing."

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 128, noes 128.

Mr. SIKES and Mr. WOLCOTT demanded tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. BENNETT of Florida and Mr. PATMAN.

The Committee again divided; and the tellers reported that there were—ayes 167, noes 164.

So the amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE:

On page 24, following line 17, add a new title II reading as follows:

"TITLE II—AMENDMENTS TO NATIONAL HOUSING ACT

"SEC. 201. The National Housing Act, as amended, is hereby amended—

"(1) by striking out of the first sentence of section 2 (a) 'July 1, 1949' and inserting in lieu thereof 'September 1, 1949';

"(2) by striking out of the proviso in section 203 (a) '$4,000,000,000' and inserting in lieu thereof '$5,300,000,000' and by striking out of such proviso '$5,000,000,000' and inserting in lieu thereof '$5,500,000,000'; and

"(3) by striking out of the second proviso in section 603 (a) 'June 30, 1949' in each place where it appears therein and inserting in lieu thereof 'August 31, 1940.'"

And renumber title II, title III, title IV, and title V as title III, title IV, title V, and title VI, respectively; and renumber the sections in said titles accordingly.

Mr. SPENCE. Mr. Chairman, this amendment extends title I——

Mr. WOLCOTT. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Do I understand that this is an amendment to title I?

Mr. SPENCE. Title I of the National Housing Act.

Mr. WOLCOTT. The gentleman said it was an amendment to title I.

Mr. SPENCE. It extends title I of the National Housing Act for 60 days after its expiration. It extends section 608, title VI, for 60 days.

Mr. WOLCOTT. Mr. Chairman, a further parliamentary inquiry. Is it an amendment to title I of H. R. 4009?

Mr. SPENCE. No.

The CHAIRMAN. It is an amendment preceding title II.

Mr. WOLCOTT. Then the amendment is open to debate.

The CHAIRMAN. The gentleman is correct.

Mr. SPENCE. This is an amendment to stimulate private enterprise. There has been a general demand for the extension of title I and section 608 of title VI of the National Housing Act. There has also been a general demand for an increase in the authorization of insurance in title II. This amendment extends for 60 days title I and section 608 of title VI of the National Housing Act in order that the committee may study the necessity for the further continuance of these two titles with a view to bringing in a bill for that purpose.

This demand has been made generally by the builders and the people interested in construction in the United States, and I know it meets with general approval. It means a stimulation of private enterprise.

Title I of the National Housing Act provides for insurance of remodeling, repairs, and improvements, and the construction of the smaller homes, and the insurance of these homes up to $4,500, which would be a $5,000 home.

Title VI is the rental housing provision, under which all of the rental housing under FHA is now being built.

Title II is permanent legislation, but the authorized insurance has about been exhausted. Unless there is increased authorization the functions under title II will cease, I am told, in the near future. Therefore, we have provided for an increase in the insurance authorization in title II of $500,000,000, in order that it may continue to function to stimulate private enterprise in the future as it has in the past.

As I said, title I and title VI expire on June 30, and will cease at that date if this amendment or similar legislation is not passed.

Mr. Chairman, I ask for a vote on the amendment.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to ask my esteemed chairman, the gentleman from Kentucky, whether the other body has not already acted on the substance of his amendment in Senate Joint Resolution 109.

Mr. SPENCE. I think it has, and that would be an assurance that they will agree to this bill.

Mr. WOLCOTT. I do not know whether or not they will agree to the bill.

Mr. SPENCE. It is at least an assurance that the Senate is in favor of the provisions of the amendment.

Mr. WOLCOTT. I do not believe there would be any objection to the provisions of Senate Joint Resolution 109, which does what the gentleman offers to do in this amendment. I suggested yesterday to somebody, I have forgotten now who it was, that as far as I knew there was no objection to these amendments. There was no objection to the present consideration of Senate Joint Resolution 109. I feel very keenly the fact that the leadership should give consideration to taking up Senate Joint Resolution 109 because this authority expires on the 30th of this month. In all probability, the bill H. R. 4009 cannot clear this House and conference, even if it passes this House, and get back here in time to keep title I and title VI in effect. So I would suggest to the leadership that there would not be any objection if when we rise tonight they ask unanimous consent to take up Senate Joint Resolution 109.

I am sure there would be no objection to the consideration of it and in that way we send the matter directly to the President with assurance that there would be no postponement in the activities of the FHA with respect to titles I and IV. I do not see any particular objection to the amendment. There is no objection to the passage of Senate Joint Resolution 109.

I think we should have in mind that this law expires the day after tomorrow and there is no probability that we can get the bill, H. R. 4009, to the President before that time.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SPENCE. Placing it in this bill does not detract from Senate Joint Resolution 109. I do not see any objection to using both barrels of the gun. I am sure that this legislation will pass and that will end the matter.

Mr. WOLCOTT. I do not see any chance of it missing if Senate Joint Resolution 109 is taken up.

Mr. KEATING. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Has the gentleman from Michigan concluded?

Mr. WOLCOTT. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from New York will state his parliamentary inquiry.

Mr. KEATING. Mr. Chairman, I intended to offer an amendment as a last title to the bill which would extend titles I, II, and VI for a 1-year period and make financial provisions for that purpose. May I inquire of the Chair whether it would be in order to offer that amendment later or whether it must be offered now as a substitute for the pending amendment?

The CHAIRMAN. The Chair is unable to respond to the parliamentary inquiry, because the Chair has no idea of what the gentleman's amendment contains.

Mr. KEATING. Then, Mr. Chairman, for the sake of safety I shall offer my amendment now as a substitute for the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: Page 24, line 18, add a new title II reading as follows:

"TITLE II—AMENDMENTS TO EXISTING AIDS TO PRIVATELY FINANCED HOUSING

"SEC. 601. This title is designed to supplement and amend existing systems of mortgage insurance under the National Housing Act, as amended, and other existing Federal aids to privately financed housing, in order to bring such housing within the financial means of more of the people, including larger families. To this end the amendments provide incentives to produce more such housing at the lowest achievable capital costs by making available for such housing more liberalized financing which will reduce the monthly costs of housing.

"TITLE I AMENDMENTS

"SEC. 602. Title I of the National Housing Act, as amended, is amended as follows:

"(a) Section 2 is amended—

"(1) By striking out of the first sentence of subsection (a) thereof '1949', and inserting in lieu thereof '1950';

"(2) By striking out the last sentence of subsection (a), and inserting in lieu thereof

the following: 'The aggregate amount of principal obligations of all loans, advances of credit and obligations purchased with respect to which insurance may be heretofore or hereafter granted under this section and outstanding at any one time shall not exceed $1,200,000,000.

"TITLE II AMENDMENTS

"SEC. 603. Title II of the National Housing Act, as amended, is amended as follows:

"(a) Section 203 (a) is amended by striking out the proviso '$4,000,000,000', and inserting in lieu thereof '$5,500,000,000', and by striking out '$5,000,000,000', and inserting in lieu thereof '$7,000,000,000'.

"(b) Section 203 (b) (2) (D) is amended—

"(1) by striking out '$6,000' where it appears and inserting in lieu thereof '$7,600';

"(2) by inserting the following new proviso after the first proviso thereof: *'And provided further,* That with respect to single-family residences, which include more than two bedrooms, the principal obligation of the mortgage, as aforesaid, may be increased by an amount not to exceed $1,000 for a third bedroom and a like amount for a fourth bedroom.'

"(c) Section 203 (b) (3) is amended by striking out in the proviso the words 'twenty-five years' and inserting in lieu thereof 'thirty years,' and by striking out the words 'thirty years' and inserting in lieu thereof 'thirty-five years,' and by striking out the period at the end thereof and inserting a colon and the following additional proviso: *'And provided further,* That the maturity of the mortgage shall not exceed the estimated period of the useful life of the property.'

"(d) Section 203 is amended by adding the following new subsection at the end thereof:

"'(g) No mortgage (i) covering a dwelling which is approved for mortgage insurance prior to the beginning of construction, or (ii) having as the mortgagor the initial occupant of the dwelling, shall be eligible for insurance under this section unless the principal contractor shall provide a warranty (and be liable for any breach of such warranty of which the contractor is notified within a period of one year following the completion of the dwelling), for the benefit of the mortgagor and of subsequent owners of the dwelling, at such time and in such form as shall be prescribed by the Administrator, against structural and other defects in construction, faulty materials, or workmanship, and any violation or breach of, or noncompliance with, any specifications, covenants, or conditions set forth in any of the construction contracts, or any technical standards of construction and design prescribed or approved by the Administrator: *Provided,* That the provisions of this section shall not be applicable to mortgages the application for insurance of which has been made prior to the date of enactment of this subsection.'

"(e) Section 207 (c) (2) is amended—

"(1) by striking out '90 per centum' and inserting in lieu thereof '95 per centum' and by striking out '95 per centum' and inserting in lieu thereof '100 per centum.'

"(2) by deleting from the second sentence thereof the words 'forty years' and inserting in lieu thereof the words 'forty-five years,' and by adding at the end of that sentence the following proviso: *'Provided, however,* That the maturity of the mortgage shall not exceed the estimated period of the useful life of the property.'

"(f) The following new section is added at the end of title II:

"'SEC. 213. With respect to mortgages insured under section 203 (b) (2) (D) which involve a mortgage with a principal obligation of not to exceed $8,000 (except that with respect to any single family residence which includes more than two bedrooms, the principal obligation of the mortgage may be increased by an amount not to exceed $1,000 for a third bedroom and a like amount for a fourth bedroom) on a property purchased for occupancy by a veteran of World War II and his immediate family, no premium charge shall be made to any such veteran hereafter for the insurance of such mortgages under this title, but in the case of such mortgages, the premium that would otherwise be chargeable shall be paid into the insurance fund by the Administrator out of funds which are hereby authorized to be appropriated out of the Treasury in such amounts as may be necessary for such purposes.'

"TITLE VI. AMENDMENTS

"SEC. 604. Title VI of the National Housing Act, as amended, is hereby amended as follows:

"(a) Section 603 (a) is amended—

"(1) By striking out of the first proviso '$5,750,000,000', and inserting in lieu thereof '$6,150,000,000', and by striking out '$6,150,000,000', and inserting in lieu thereof '$6,650,000,000'.

"(2) by striking out of the second proviso 'June 30, 1949' in each place where it appears therein, and inserting in lieu thereof June 30, 1950."

"(b) Section 608 (3) is amended by adding the following proviso at the end of the second sentence thereof: *'Provided,* That the period of amortization shall not exceed the period of the estimated useful life of the property, but in no event more than 45 years'.

"(c) Section 609 is amended—

"(1) by adding the following sentence at the end of subsection (a) thereof: 'To achieve these objectives of modern mass production, the Administrator shall exercise his powers under the National Housing Act, as amended, in a manner which will assure uniformity and standardization in the requirements for mortgage insurance (except for variations required by climatic or other differences of geographical areas); and enable the necessary accumulation of a balanced inventory for mass production.'

"(2) by adding the following proviso at the end of subsection (c) thereof: *Provided,* That in order to assure the continued availability of the proceeds of the loan until its scheduled maturity of 1 year, the Administrator may consent, at the time the loan is made, to the later assignment of additional purchase contracts in substitution for other purchase contracts or for the proceeds of the sales of houses delivered thereunder."

"(d) Section 611 (b) (3) is amended—

"(1) by striking out '80 per centum' from subparagraph (A) thereof and inserting in lieu thereof '90 per centum'; and

"(2) by striking out of subparagraph (B) thereof '$6,000 or 80 per centum of the valuation, whichever is less, with respect to each single-family dwelling', and inserting in lieu thereof '$8,000 or 90 per centum of the valuation, whichever is less, with respect to a single-family dwelling which includes two or less bedrooms, plus an amount not to exceed $1,000 for a third bedroom and a like amount for a fourth bedroom.'

"(3) by adding at the end of said section 611 the following new subsection:

"'(e) In order to facilitate the marketing of mortgages insured under this section and to accomplish the purpose hereof to improve financing operations on large-scale construction or erection operations, the mortgage insured hereunder shall cover, during the construction period, all the dwellings and properties involved: *Provided,* That upon the completing of such construction, the mortgage covering such properties may be replaced by individual mortgages covering each individual dwelling and property involved; such individual mortgages may be insured under this section with the mortgagor being either the builder who constructed the dwellings or the owner and occupant of the property at the time.'

"SERVICEMEN'S READJUSTMENT ACT AMENDMENT

"SEC. 604. Section 500 of the Servicemen's Readjustment Act of 1944 as amended, is hereby amended by adding at the end of subparagraph (b) the following proviso: *'And provided further,* That in the case of real-estate loans on housing the loan shall be payable during a period which will not exceed the estimated period of the useful life of the property (but in no event to exceed 30 years), and no loans on new housing construction started after the date of enactment of this amendment shall be guaranteed hereunder, unless the mortgagee certifies that the housing with respect to which the mortgage was made meets the construction standards prescribed for insurance of mortgages on the same class of housing under the National Housing Act, as amended."

SEC. 605. (a) Paragraph (E) of the proviso of section 301 (a) (1) of the National Housing Act, as amended, is amended by adding the following proviso at the end thereof: *"Provided, however,* That in order to avoid further increases in interest rates on new construction of housing and to provide for necessary strengthening of the secondary market on mortgages on such housing, this second limitation on the percentage of mortgages which can be purchased by the Association from any one mortgagee shall not be applicable with respect to such mortgages on new construction as are insured under the National Housing Act, as amended, or guaranteed as insured under the Servicemen's Readjustment Act of 1944, as amended, after the date of the enactment hereof."

(b) Section 301 (a) of the National Housing Act, as amended, is amended by adding the following subparagraphs at the end thereof:

"'(3) to utilize its powers to purchase insured or guaranteed mortgages, as aforesaid, with special emphasis on providing a market for mortgages with longer maturities and lower interest rates in order to encourage necessary reductions in the monthly costs of housing.

"'(4) to make real-estate loans which are accepted for insurance under the provisions of the second proviso of paragraph (2) of section 207 (c) of this act.'"

The CHAIRMAN. The gentleman from New York is recognized in support of his amendment.

Mr. KEATING. Mr. Chairman——

Mr. WILLIAM L. PFEIFFER. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. WILLIAM L. PFEIFFER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WILLIAM L. PFEIFFER. Mr. Chairman, on January 27, 1949, I, together with nine of my Republican colleagues in the House of Representatives introduced a housing bill. We did so because we believed that the general welfare of our Nation and the health and living standards of our people required housing production and related community development sufficient to remedy the serious housing shortage; the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization, as soon as feasible, of the goal of a decent home and a suitable living environment

for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth and wealth of our Nation. By introducing this bill, we were consistent with the pledge of the Republican Party platform of 1948 which said:

> We recommend Federal aid to the States for local slum clearance and low-rental housing programs only where there is a need that cannot be met either by private enterprise or by the States and localities.

Our bill carried out this Republican Party platform pledge.

An attempt was made on the floor of the House yesterday to substitute our bill for the Administration's housing bill, H. R. 4009, but the substitute was defeated.

I believe that many of the features of our bill will be put into H. R. 4009 before we are called upon to vote on it.

I am firm in the belief that while private enterprise has done an excellent job in the past several years, the Federal Government must do its full share to alleviate the still acute housing shortage. By eradicating slums, we will curb juvenile delinquency, and better the health standards of the people who were forced to live in those areas by economic necessity.

In this belief, I am not alone, as the following list of organizations believe public housing is necessary: American Legion, Veterans of Foreign Wars, American Federation of Labor, Congress of Industrial Organizations, League of Women Voters, Congregational Christian Churches of the U. S. A., Council for Christian Social Progress of the Northern Baptist Convention, Women's Division of the Methodist Church, United Council of Church Women, Division of Social Education and Action, Presbyterian Church, National Council of Negro Women, National Board of the Young Women's Christian Association, National Conference of Catholic Charities, National Council of Jewish Women, National Association of Parents and Teachers, National Urban League, National Association of Rural Housing, National Farmers Union, International Association of Machinists, National Lutheran Council, American Veterans Committee, Jewish War Veterans, Amvets, United States Conference of Mayors, American Municipal Association, American Association of Social Workers, American Council on Education, American Home Economics Association, National Women's Trade Union League, National Association of Municipal Law Officers, National Federation of Settlements, American Council on Human Rights, Family Service Association of America.

In addition to the above names, I have received telegrams from Mayor Dowd, of Buffalo; Mayor Duffy, of Tonawanda; Mayor Rengueberg, of Lockport; and Mayor Rosinski, of North Tonawanda, urging that I support this public housing measure. To date, I have not heard from the mayor of Niagara Falls, although I have wired him on several occasions for his opinion.

Recently my attention has been drawn to several advertisements which appeared in local newspapers calling the housing bill political, un-American, bureaucratic, and socialistic. They were paid for by the Committee Opposed to Public Housing, and upon investigation I found that the Committee Opposed to Public Housing consisted of a very small group of real-estate men and men engaged in the building industry.

Those who know me know that I would never vote for any measure that is un-American, bureaucratic, or socialistic.

I would like to point out that this bill passed the United States Senate on April 21, with 57 affirmative votes and only 13 votes were cast in the negative. Among the 57 Senators who voted for the bill were such distinguished men as SALTONSTALL, TAFT, VANDENBERG, IVES, and BREWSTER. A total of 24 Republican Senators in all voted for it. This cannot be considered as political with such bipartisan support.

The cost of this legislation has been greatly exaggerated, as the Bureau of the Budget has estimated that the actual complete cost would not exceed $10,000,000,000 over a 40-year period. Compare that with a 4-year foreign-aid program which costs the taxpayers of our Nation $17,000,000,000, almost twice the cost of our public housing program, which will be used to build critically needed homes for Americans.

I would like to point out also that the Government does not build public housing. Every public housing project is built by responsible private building companies who competitively bid for each contract assuring the lowest cost. Every dollar spent for public housing goes directly into private industry. Ten billion dollars' worth of orders for brick, cement, steel, lumber, plumbing and electrical goods, glass, and paint will flow into private industry. Hundreds of thousands of private jobs will be saved at a time when unemployment is approaching the danger point, and public housing can only be built in an area where the local authorities certify to its need.

I have felt that the people of my district who are overwhelmingly in favor of this program are entitled to the facts.

I intend to vote for this measure.

Mr. KEATING. Mr. Chairman, I assure the committee that it will not take as long to explain this amendment as it took the Clerk to read it. In summary, it is an amendment intended to furnish incentives and give what I feel is proper recognition to the efforts of our private building industry to meet the housing shortage in this country. I believe provisions of this general nature should be a part of any housing measure.

It had been my intention to offer this amendment at the end of the bill as a new title, but in view of the uncertainty of the parliamentary situation I feel now it should be submitted as a substitute for the proposal of the committee.

The committee has suggested an extension for 60 days of titles I, II, and VI of the National Housing Act, and for a provision of $500,000,000 under title II to carry the mortgage insurance features for that 60-day period.

In substance, this substitute extends the act for 1 year instead of 60 days and makes the appropriate and necessary financial provisions to accompany such extension, as near as we can work them out with the help that I had from experts who should know the subject. In this respect, it provides an additional $200,000,000 to be available under title I, an additional $1,500,000,000 to be made available under title II, and an additional $400,000,000 to be made available under title VI. None of these, of course, involve any appropriation of funds.

It also liberalizes and enlarges the provisions of titles II and VI to do many of the things which private builders have emphasized are needed in order to enable them to make their contribution to an over-all housing program effective. For instance, the principal amount of mortgages which are eligible to qualify for mortgage insurance is increased. There is this new provision about a thousand dollars extra for additional third and fourth bedrooms.

The maturity of the mortgages eligible for insurance is extended for 5 years. There is a guaranty of construction by the contractor as a condition of eligibility. The period of amortization of the loans under title VI is extended from a discretionary period, which is now said to average 33 years, to 45 years, with the proviso that in no event shall the mortgage run beyond the estimated useful life of the property.

Then it has a very important provision in regard to the Servicemen's Readjustment Act which many of you have encountered, I feel sure. Under existing law, the Government is precluded from taking an assignment of these veterans' mortgages from any one mortgagee beyond one-half of those issued to any one bank or lending institution. This amendment removes that restriction, so that there is provided an additional secondary market for these loans under title VI.

The adoption of this substitute would go a long way toward reopening the market for these loans and would be a definite spur to the private building industry of this country.

One objection that may be made and has been made to extending the secondary market is that it might be abused. There is nothing in this that says the secondary market shall be so enlarged that the Government will take 100 percent of the loans. That would be unwise. Presumably responsible administrators never would do that. But the existing restriction of 50 percent is eliminated by this amendment.

Time does not permit further elaboration of the provisions of this amendment. The most important aspects were covered in my remarks yesterday in support of the Bolton substitute. While the concession made by the chairman of the Banking and Currency Committee is substantial and I am gratified that he and the members of his committee have become convinced of the necessity for a 60-day extension of the National Housing Act, his suggested amendment is only an inadequate stopgap. The opportunity is here presented through my substitute to incorporate in this housing legislation constructive provisions which have wide acceptance among those who recognize the seriousness of the housing problem, but are also solicitous about the encouragement of private enterprise

to meet the need to the very limit of its resources and capabilities.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman on behalf of the committee has offered as an amendment the pertinent points that are contained in Senate Joint Resolution 109 which passed that body quite recently. Believing that the offering of that amendment, if adopted and made a part of H. R. 4009, will have the effect of killing the possibility of the passage of Senate Joint Resolution 109 in June, I oppose his amendment. His action indicates the determination of the leadership not to pass Senate Joint Resolution 109 but to adopt this method of securing the passage of H. R. 4009 with that provision in it. I simply want to state I shall object to the passage of Senate Joint Resolution 109 by unanimous consent. The leadership may, if it sees fit, secure a rule on Senate Joint Resolution 109 or take a chance on its passage in the bill now before us. I like very much to have legislation presented properly so that the issue is clearly before us. The issue here is housing. It is not the extension of the provisions of law presently existing, as provided in Senate Joint Resolution 109.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Illinois.

Mr. CHURCH. I want to call the gentleman's attention to the fact that Thursday will be June 30 and Friday will be July 1. Now, it is understood that we are not going to have legislation on Friday, July 1. The chairman of the committee should be warned now he has time enough yet today to bring in Senate Joint Resolution 109, otherwise the benefit to thousands of veterans wanting loans will expire. This amendment cannot give life to Senate Joint Resolution 109. Does the gentleman from Kentucky [Mr. SPENCE] believe that those who have been lending money under existing law, but which law expires June 30, will take the chance of lending after June 30, unless the old law is reenacted, or its dates extended before the old law expires?

Mr. SIMPSON of Pennsylvania. It is perfectly obvious, I will say to the gentleman, that H. R. 4009 cannot and will not become law by July 1. The administration, by choosing this method of pretending to be for Senate Joint Resolution 109, is not being fair to the building public, to private industry, who do need those benefits. I urge the defeat of the amendment, and the passage of Senate Joint Resolution 109.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, the substitute to the amendment amends almost the entire existing National Housing Act. It is involved. I doubt if any Member here, by the reading of that substitute, knows just what is in it. The FHA has been a very useful instrumentality. It has given stimulation to private enterprise. It has worked well. It has been well drawn and carefully considered. Certainly, the House is not going to adopt a far-reaching amendment such as this without consideration, an amendment that fundamentally may change the operations of the FHA, and without an opportunity to study its provisions. The gentleman complains about the amendment which I have introduced. That amendment is simple. Every Member here knows what is in that amendment. But, I challenge them to tell us just what is in the amendment offered by the gentleman from New York, or how far there has been any real consideration for the adoption of that amendment or whether the people that have the duty of discharging the functions of this organization have ever been consulted. There have been no hearings. Certainly, the House does not intend to adopt a substitute so far reaching, and of such great effect, without any consideration at all.

Mr. Chairman, I ask that the substitute be voted down.

Mr. CHURCH. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I take this time to ask the chairman of the committee, Mr. SPENCE, this question: Referring to the amendment that the gentleman has just offered, does not that law expire June 30, which is Thursday of this week?

Mr. SPENCE. That has been said and reiterated and reiterated. It does expire on June 30.

Mr. CHURCH. If you place the extensions of those titles in this bill, and the bill is not signed before June 30, then would not the gentleman's amendment fail as the law sought to be extended will have already expired? In other words, does the gentleman believe you can extend an expired law?

Mr. SPENCE. Several times the expiration period has been passed before legislation has been adopted. It is effective from the date of the expiration. The Bible says, "Sufficient unto the day is the evil thereof." Do not worry about June 30. We will have some legislation.

Mr. CHURCH. We are dealing with law here now, not the Bible.

Mr. JAVITS. Mr. Chairman, I rise in support of the substitute amendment.

Mr. Chairman, we are here to see that not any one party or any one group arrogates to itself the mantle of responsibility for passing this legislation. We are here as legislators to see that we get a housing bill that is comprehensive and adequate to the need. I think it is very clear to all of us that if we pass this bill we will not be meeting the needs fully. We will still be leaving open a great area of activity which is filled by private enterprise in housing.

It has been our aim on this side of the aisle, as shown by the amendment proposed by my colleague from New York to the committee's amendment, to make this a comprehensive housing bill and to do at one time what so many of the Members who have spoken in favor of this bill tried to do for so many years in the well-known Taft-Ellender-Wagner bill. We do not believe that the cause of housing for the American people is being adequately served by acting in a partial way. We respectfully submit that it is acting in a partial way by the 60-day amendments—I characterize them in that fashion—which have been offered by the committee with respect to the FHA mortgage titles. We believe it is acting in a comprehensive way by the substitute amendment offered by my colleague from New York.

We do not agree that absence of consideration of the substitute by the legislative committee is a proper objection. Our bills have been before the committee for 6 months now. I testified to the bill containing this title myself before the committee. The fact that the committee has given it no consideration, is not the fault of the House or of the Committee of the Whole, and the legislative committee must take its chances that the House may see fit now to legislate, even though the committee has not seen fit to consider the matter comprehensively.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Connecticut.

Mr. LODGE. May I point out to the gentleman that the chairman of the Committee on Banking and Currency has raised no substantive objection to the amendment offered by the gentleman from New York [Mr. KEATING]. His objection is based solely on the fact that there has not been adequate consideration of it. I should like to find out how we can possibly have bipartisanship on this issue if no Republican bill can ever receive consideration by the Committee on Banking and Currency.

Mr. JAVITS. I would express the hope that Members on both sides of the aisle, and I emphasize that, will look at this amendment objectively and will vote on it objectively in the interest of housing, bearing in mind that votes from both sides of the aisle will be needed to pass this bill finally.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. MULTER. I am sure the gentleman knows, as does the gentleman from Connecticut [Mr. LODGE], that there have been bills similar to this proposed substitute introduced by Members on both sides of the aisle. They have all been assured by the chairman of the committee, as we were all assured on the floor of the House, that all those bills will be called up for hearing by our committee and they will all be considered, as they should be considered, regardless of where they emanate from. In due time they will be presented to this House for further action. This issue should not be complicated with an attempt to make permanent temporary provisions of the National Housing Act. It is enough to take the suggestion of our chairman, I believe, that we extend for 60 days these provisions, and in that 60-day period we can consider making the legislation permanent.

Mr. JAVITS. As far as this issue is concerned, we are not trying to make it partisan at all. On the contrary, we have assured all people who are interested in housing that we are supporting housing as such. We ask for the support of this amendment solely on that basis.

I might say to the gentleman I and many other Members of the House have a deep affection for the chairman of the committee. I have learned to know him well. He has been wonderful to all of us. But the text of his assurance is too uncertain, and we do not feel that the assurances that we were given as to committee hearings, give any assurance that there will be passage of this particular title, as we have proposed it in this session of Congress when it is so urgently needed.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we are arguing at cross purposes, which is unnecessary. Certainly there is no evidence of partisan consideration in the deliberations on this bill. Members honestly take positions in accordance with their views. I would hesitate to give way to any argument along the line that among those who favor this legislation on either side there is any sort of partisanship.

The gentleman from Kentucky, chairman of the committee, has stated that the question of the extension of titles I and VI and further legislation with reference to title II of the Federal Housing Act will be considered by his committee. We all know that the Committee on Banking and Currency is a very busy committee. I commend the Members, all of them, for the zealousness with which they performed their duties. But certainly there is no committee of the House busier than the Committee on Banking and Currency. We are all human, and as human beings there is just so much that can be done. The gentleman from New York [Mr. KEATING] has offered a substitute amendment. We all respect him. I cannot argue against the substitute because I do not know just how comprehensive it is and how broad a field it covers.

But it seems to me, in the light of the statement made by the chairman of the Committee on Banking and Currency, knowing that his word is his bond, all Members of the House can accept his statement that the committee will address itself immediately to the consideration of titles I and VI and such further consideration as may be necessary for title II.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HALLECK. It does seem to me it is quite obvious that the over-all bill which we are now considering and which will have to go to conference cannot be finally passed and sent to the White House, if it is to be sent, before the expiration date. Why would it not be in the interest of orderly procedure that when we get back into the House this afternoon unanimous consent be asked for the immediate consideration of Senate Joint Resolution 109, thus making sure that the extension is voted on and accomplished before the expiration date?

Mr. McCORMACK. I think the inference of the gentleman is correct with reference to the date of June 30. But certainly there is no immediate necessity for the extension legislation. There have been times when a law was about to expire and the intention was announced to continue it and there was no disturbance in the continuance of the agency. I recognize there is logic behind the gentleman's suggestion, and also recognize there is logic behind the suggestion that this is a comprehensive housing bill and includes not only public housing and low-cost or slum-clearance housing, but the amendment offered includes private enterprise. I am sure my friend from Indiana is too astute and too practical not to recognize that if we pass one part, which relates to the stimulation of private enterprise, and which private business wants, then somewhere along the line, particularly in conference, when you have to take bills from the Speaker's desk by unanimous consent, and go through other parliamentary maneuvers, there might be a serious danger to the bill reported out of committee, and now pending.

So there is no harm done in the method employed by the committee and by the chairman of the committee who is following the instructions of the Democratic caucus, not of a partisan nature, but to strengthen the bill.

There is no danger going to happen to a continuance of activities. From the angle of those who support the bill, the amendment offered by the gentleman from Kentucky is a stimulating and constructive influence. The fact that those who oppose the bill suggest the other method should prompt those of us who support the bill to view it not from the angle of the high motives probably intended by those who offer the suggestion, but from the human angle of just a little justifiable suspicion.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes, I yield.

Mr. HALLECK. I just wanted to see if the gentleman from Massachusetts would not join with me in assuring everyone that in the event the amendment offered by the gentleman from Kentucky [Mr. SPENCE] is adopted and included in this legislation, if some of us finally vote against the legislation it shall be understood that we are not opposed to the extensions contained in the Senate joint resolution.

Mr. McCORMACK. No. Of course, the gentleman from Indiana can always rely upon the fact that the Democratic leadership and the Democratic Party does what it ought to do.

May I ask my friend from Indiana, once a majority leader always a majority leader, and I thoroughly respect my friend, not only as a legislator but personally—may I ask my friend, assuming that we were to adopt his suggestion and separately pass title I and title VI, as provided in the Senate resolution, would the gentleman then vote for the bill that is now pending?

Mr. HALLECK. No.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

The question is on the substitute amendment offered by the gentleman from New York [Mr. KEATING] to the Spence amendment.

The question was taken; and on a division (demanded by Mr. KEATING) there were—ayes 96, noes 140.

So the substitute amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The amendment was agreed to.

Mr. FULTON. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. FULTON: After title I, insert a new title:

"TITLE II

"There shall be no discrimination against any person because of race, color, religion, or national origin in the rental or occupancy of any housing constructed under the provisions of this act."

Mr. FULTON. Mr. Chairman, this is an amendment against discrimination, and this is a serious amendment at this time. We should have everybody on record and see just where he stands. This is not just a slim hope that there shall be no discrimination. We people in Pennsylvania, whom I am proud to represent here, have adopted this very provision in our own 1949 housing act. The wording is taken from section 4 (b) of the housing act of Pennsylvania, act No. 493 of the session of 1949 entitled "An act providing and regulating State assistance for housing including slum clearance and redevelopment, and making an appropriation of $15,000,000."

The administration of Pennsylvania which sponsored this measure happens to be Republican, and our good Governor who signed it, happens to be a Republican, Gov. James H. Duff. We people in Pennsylvania on the Republican ticket said we were for slum clearance and housing, and that we were against discrimination of all kinds. We proved it by putting through the bill with the cooperation of the Pennsylvania Democrats—and pretty good Democrats they are, too. The bill in Pennsylvania was put through on a bipartisan basis, and included a provision that there should be no discrimination in the rental or occupancy of any of the units.

This situation is a little different than it was when an antidiscrimination amendment was previously offered in this body, or the other body, because the Members will remember that I have filed an FEPC bill and I sincerely want it and the present housing bill to go through.

It is also a great deal different because it has shown you that the Pennsylvania Republicans live up to their campaign promises; and, may I add, are able to deliver on antidiscrimination and slum clearance and housing.

The question now arises: Is the Democratic Party nationally able to deliver? Mr. Chairman, let us see if the Democratic Party can deliver.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. CHURCH. I intend to vote for the gentleman's amendment. If we are going to spend $20,000,000,000 on a socialistic-housing program we might just as well have no discrimination. Is that the gentleman's belief? Does he agree with me?

Mr. FULTON. We should have no discrimination. The sooner we come up with a good solid vote that lines people up behind such a program, the better. I am proud of the Republican Party and of the Democratic Party in Pennsylvania for uniting to put this measure through.

Mr. KLEIN. Mr. Chairman, will the gentleman vote for this bill if this amendment does not carry?

Mr. FULTON. Yes; I will vote for the bill regardless of whether the amendment carries. But I think a lot less of people who stand up and say or intimate that if this amendment goes through that the Democratic Party cannot bear the burden of pushing it. And I cannot understand why some prominent Democrats and so-called liberals say to vote against it.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. FULTON. Mr. Chairman, I decline to yield at this time.

I cannot understand why the Democratic organization asks you to vote against one of the principles the party stands for. Here is your chance to get both the principles—housing, with no discrimination. If we in Pennsylvania, a Republican State, can get slum clearance and public housing plus a ban on discrimination, I do not see why the great Democratic Party nationally cannot do the same.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. WHITE of Idaho. Is the gentleman familiar with the conditions here in Washington, D. C.?

Mr. FULTON. Yes; I have been through the slums here in Washington, D. C., and they are tragic. I went on a recent special trip that was scheduled on housing, to Philadelphia, and they had tragic slum conditions there. And I also went to New York and saw the terrible slum conditions there.

Mr. WHITE of Idaho. Is the gentleman familiar with the 2-mile-square area from the railroad tracks on one side to Sixteenth Street on the other, from the downtown business district up to Florida Avenue on the north, that great 2-mile-square area right in the heart of Washington that is inhabited almost exclusively by colored people? Does not the gentleman think that the colored race has a little bit the advantage by taking over these fine houses where the colored people have driven the whites out from the central part of Washington and taken a class of apartments and residences they never could have built themselves.

Mr. FULTON. I want to see the colored people of this country made grade A and class I citizens. We should not envy them their good housing conditions, but encourage every citizen of every race to have good housing.

Mr. WHITE of Idaho. Does not the gentleman think that is being done in Washington?

Mr. FULTON. I am very proud of the progress of the colored people of the United States, including those of Washington.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from North Carolina.

Mr. DEANE. I wonder if the gentleman would not agree this is a move to really defeat the housing legislation now before us, and is not the gentleman's amendment the Bricker amendment which was voted down in the Senate?

Mr. FULTON. It is not the amendment that was voted down in the other body, and is intended to make this bill a real American housing act. My amendment is the exact provision taken from the present Pennsylvania housing statute sponsored by the Republican Party and passed in the 1949 session of the legislature and signed by the Republican Governor, James H. Duff. I am surprised to hear a Democrat make such an intimation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 127, noes 142.

Mr. HINSHAW. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. FULTON.

The Committee again divided; and the tellers reported that there were—ayes 130, noes 168.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 24, line 18, add to the new title II the following title III, as follows:

"TITLE III—PRIVATELY OWNED HOUSING FOR FAMILIES OF LOWER INCOME

"PURPOSE

"SEC. 302. This title is not designed to supplant or alter any of the existing systems of mortgage insurance under the National Housing Act, as amended, but is to supplement such systems by a program of direct Federal loans at lower interest rates to meet the housing needs of lower-income families whose needs are now neglected. In providing liberalized credit to reduce the monthly cost of housing for such families, this title contemplates that the housing produced with this liberalized credit shall limit admissions to families whose incomes are below the level where they can afford to obtain housing currently made available under the FHA mortgage system or other existing aids to housing undertaken by private enterprise. The more liberal credit aids hereunder shall be combined with all proper incentives to cost reduction through the adoption of appropriate new materials, techniques, and methods and through increased efficiency in production and management and the elimination of unnecessary restrictive practices by all concerned in the complex building industry.

"HOUSING LOAN ADMINISTRATION

"SEC. 303. There is hereby established in the Housing and Home Finance Agency, under the Administrator thereof, a constituent unit to be known as the Housing Loan Administration with a Housing Loan Commissioner (hereafter referred to as the Commissioner) at the head thereof with the same salary as other Commissioners in the Housing and Home Finance Agency. The Housing Loan Commissioner shall carry out the functions, powers, and duties prescribed by this title. The powers and authorities conferred upon other Commissioners by section 502 of the Housing Act of 1948 are hereby granted to the Commissioner hereunder with respect to his functions under this title.

"LOANS TO COOPERATIVES AND NONPROFIT AND LIMITED-DIVIDEND CORPORATIONS

"SEC. 304. (a) For the purpose of assisting the development or acquisition of housing projects for families of lower income, the Commissioner may make loans to—

"(1) mutual-ownership or cooperative housing corporations undertaking projects which will be restricted in occupancy to members of such corporation;

"(2) nonprofit corporations; or

"(3) limited-dividend corporations or other housing corporations and redevelopment companies restricted by Federal or State laws, regulations, or contract, so as to conform to the requirements of this title and the regulations of the Commissioner issued hereunder as to rents, charges, capital structure, rate of return, and methods of operation.

"(b) Such loans shall not exceed the development or acquisition cost of such projects and shall bear interest at a rate not less than the going Federal rate of interest at the time the loan is made plus one-half of 1 percent. Such loans shall be secured in such manner as may be deemed advisable by the Commissioner and shall be repaid within a period representing the estimated period of the useful life of the property involved, but in no event to exceed 60 years.

"SEC. 305. The Commissioner shall issue such regulations and retain such rights as will assure that the housing developed or acquired with the aid of loans hereunder, will serve the low-income families as contemplated by this title and otherwise accomplish the purposes hereof. Every contract for a loan under this title shall provide that with respect to the housing to be developed or acquired with the aid of said loan—

"(a) The borrower shall fix maximum income limits for the acceptance of families for occupancy of such housing and that such maximum-income limits and all revisions thereof shall be subject to the prior approval of the Commissioner;

"(b) The families accepted for occupancy of such housing shall be limited to those whose net income at the time of acceptance does not exceed five times the annual rental or housing cost (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwelling to be occupied by such families, except that in the case of families with two or more minor dependents, such ratio shall not exceed 6 to 1. In determining the net income of families, the Administrator may also authorize the exclusion of all or any part of the income of minor members of the family other than the head of the family and his spouse. For the purposes of this subsection, a minor shall mean a person less than 21 years of age;

"(c) In the case of any such housing on which construction is hereinafter initiated, the housing is to be developed in such a manner (1) that such projects will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration, and (2) that the average construction cost of the dwelling

units (excluding land, demolition, and nondwelling facilities) in any such project is not greater than the average construction cost of dwelling units currently produced, in the locality or metropolitan area concerned, under the legal building requirements applicable to the proposed site, and under labor standards not lower than those prescribed in this act.

"LOAN FUNDS

"SEC. 306. The Commissioner may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury, in an amount not to exceed $500,000,000 which limit on such outstanding amount shall be increased by an additional $500,000,000 on July 1 in each year of the years 1950, 1951, 1952, 1953, and 1954, respectively. The Commissioner may increase or decrease the rate of making loans, depending upon a finding by the President after receiving the advice of the Council of Economic Advisers, that conditions in the building industry justify such increase or decrease, but such additional loan funds shall not exceed $250,000,000 in any 1 year: *Provided*, That the total notes and obligations outstanding at any one time shall not exceed $3,000,000,000 without further authorization of Congress. The notes and other obligations issued by the Commissioner shall be secured by the obligations of borrowers and shall be repaid from the payment of principal and interest on the obligations of the borrowers. The notes and other obligations issued by the Commissioner shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury.

"Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Commissioner issued hereunder and for such purpose is authorized to use a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

"SEC. 307. Any contract for loans pursuant to this title shall contain a provision requiring that the principal contractor involved at the site in the construction or erection of housing shall file a certificate or certificates (at such times in the course of construction or otherwise as the Commissioner may prescribe) certifying that the laborers and mechanics employed at the site in the construction or erection of the housing involved have been paid not less than the wages prevailing in the locality for the corresponding classes of laborers and mechanics employed on construction or erection of a similar character as determined or adopted by the Commissioner prior to the beginning of construction or erection of the housing involved.

"GENERAL PROVISIONS

"SEC. 308. (a) In the performance of, and with respect to the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions by any other law, shall—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

"(2) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That the financial transactions of the Commissioner in the making of loans and vouchers approved by the Commissioner in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

"(3) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

"(b) Funds made available to the Commissioner pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title, other than loans authorized pursuant to section 503, and all funds available for carrying out the functions of the Commissioner under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Commissioner in connection with the performance of such functions.

"(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions of any other law, may—

"(1) sue and be sued;

"(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale or project or part thereof in connection with which he has made a loan pursuant to this title. In the event of any such acquisition, the Commissioner may, notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

"(3) with respect to any real property acquired and held by the Commissioner under this title which had been subject to taxes immediately prior to its acquisition, the Commissioner shall make payments in lieu of taxes to the State or political subdivisions involved in an amount which shall approximate the taxes which would be payable upon such property in private ownership;

"(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(5) obtain insurance against loss in connection with property and other assets held;

"(6) subject to specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pusuant to this title; and

"(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions as he may deem necessary to assure that the purposes of this title will be achieved.

"(d) The Commission shall make available to eligible borrowers technical and other assistance which they may require in the initiation, development, and administration of their project.

"(e) Section 3709 of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed $1,000.

"VETERANS' PREFERENCE

"SEC. 309. Every contract made pursuant to this title for loans to nonprofit or limited-dividend corporations and redevelopment companies for housing for lower-income families shall require that such corporation in selecting tenants shall give preference, as among applicants eligible for occupancy of the dwelling and at the rent involved, to families of veterans and servicemen (including families of deceased veterans and servicemen), where application for admission to such housing is made not later than 5 years after the date of the approval of this act, and that, as among applicants entitled to the preference provided in this subsection, first preference shall be given to families of disabled veterans whose disability is service-connected: *Provided*, That this shall not preclude a cooperative, otherwise eligible for a loan hereunder, from building and administering housing for its own veteran or nonveteran members. For the purposes of this section, the term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term "serviceman" shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947.

"DEFINITIONS

"SEC. 310. When used in this title—

"(a) The term 'development' means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with the housing and nondwelling facilities involved. The term 'development cost' shall comprise the costs incurred by the borrower in such undertakings and their necessary financing (including the payment of carrying charges up to date when the project is completed and ready for occupancy), and in otherwise carrying out the development and initial occupancy of such project. Construction activity may include or be confined to the reconstruction, remodeling, or repair of existing buildings.

"(b) The term 'going Federal rate of interest' means, at the time a loan contract is made, the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) then specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more.

"(c) The term 'families of lower income' shall mean families whose net annual income at the time of acceptance for occupancy of housing assisted under this title does not exceed the limits prescribed pursuant to the requirement of section 305 hereof."

Mr. McCORMACK (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the RECORD at this point.

Mr. JAVITS. Reserving the right to object, Mr. Chairman, my only purpose

in causing the provision to be read is that I do not want to deal with it tonight. I understand the Committee is about to rise, and if we can agree that it will be dealt with tonight, I do not want the amendment read tonight.

Mr. McCORMACK. We have an agreement that title II will be considered as read, and then we will rise and go over until tomorrow.

Mr. JAVITS. If the gentleman will make that consent request, I will be satisfied, if this amendment, as well as title II, is considered tomorrow.

Mr. CANFIELD. Reserving the right to object, Mr. Chairman, does this amendment embrace the proposition sponsored in separate bills by 22 Democratic Members of the House and 20 Members on this side of the aisle?

Mr. JAVITS. It does; by 10 Members on this side of the aisle, however.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I do not want the gentleman from New York to proceed under a misapprehension. The gentleman clearly stated that there was a condition that if the Committee rose and considered his amendment tomorrow he would be satisfied. I cannot permit my consent request to be agreed to unless the gentleman from New York is in complete agreement, because he did put a proviso on it. I did not agree to that proviso, that we would rise and let his amendment be pending tomorrow. Therefore, Mr. Chairman, I ask unanimous consent that the granting of my previous request be vacated so that the gentleman will be in status quo.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, I think there are enough Members present in the Committee of the Whole this afternoon who are sufficiently interested in getting housing for the American people that at this time, 5 minutes after 5, they will demonstrate to the American people that at 5 minutes after 5 we are still bright, alive, working, and ready to stay here to do a job for them, and that we do not proceed on the axiom that any amendment which is proposed after 5 will have little consideration.

I hope that the House will give this amendment, which is an important amendment, a housing measure seriously put forth by 32 Members, 10 Republicans and 22 Democrats, serious consideration.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I cannot yield at the moment, but will yield as soon as I finish my statement. I know the question that the gentleman is going to ask me, and I will answer it.

This amendment seeks to introduce into this bill now before the House the principal title which was in the substitute amendment proposed by the gentlewoman from Ohio. I believe an important consideration in the defeat of that substitute in the way it was defeated, I am sorry to say, by a vote dividing strictly along partisan lines, was the fact that for some reason or other it was not desired that the public-housing and slum-clearance provisions also contained in that substitute should be adopted at the same time, but that rather they should be an outgrowth of the administration bill. So I have offered this amendment at this time, as a completely separate title, so as not to interfere at all with the claiming of credit for public housing or slum clearance. I have introduced as a completely separate title this one-unit issue: Shall we or shall we not write a comprehensive housing bill at this time which will take into consideration the needs not alone of the 20 percent of the American people who are in the low-income groups, but of 40 percent of the American people who need housing; the 20 percent in the low-income groups and the 20 percent in the middle-income groups earning on an average $3,500. That is a unit question and I must say that it is significant that a very substantial number of Members who have been very prominently identified with housing, on the other side of the aisle, have introduced this very same proposal in separate bills.

What is it all about? We did not have very much discussion in connection with the Bolton substitute amendment. Although the committee says that they did not consider it, and I assume that the committee did not, I repeat I testified to this specific bill under this specific title before the committee sometime early in the spring, that is, before the Committee on Banking and Currency. I think the least we can do in fairness to the views of some 32 Members of the House, is to consider what it contains. This title proposes that Federal credit shall be utilized, Federal credit being available at the going Federal rate of interest plus one-half of 1 percent, or now at about 3-percent interest rate, for the purpose of making very long-term loans of as much as 60 years, in view of the type of construction involved, in order to finance the construction essentially of multi-unit housing by cooperatives, veterans' organizations, limited-dividend companies, or redevelopment companies or by other nonprofit corporations. It is the one way that many men of good will who have tried to think this subject through very carefully, it is the one way that they have been able to devise in order to bring the cost of construction down so that rentals might be brought within reach of the family which is not eligible for public housing which, as I said many times before, has no interest in, or desire for public housing. In view of construction costs today, plus the carrying charges, even of FHA mortgages which run in the area of 4½ percent or 5 percent interest for terms of around 25 and 35 years, those conditions just make it impossible for lower middle-income families to enjoy the benefits of new housing construction.

This strikes most heavily at the veteran. There has been an enormous amount of sentiment on the floor of the House for the veterans' homestead bill. It has been proposed by a good many Members and it has been very seriously considered. This title I now propose expresses in different words, but comes through with the same effect and has the impact of that bill. This title provides $500,000,000 a year for 6 years for these direct long-term loans at very low interest rates. Under this program it is anticipated that the rental of a four-room apartment can be brought down from the present $90 and more for new construction to $55 to $65 per month.

It is very significant that whenever the Government undertakes a program of aiding housing in this fashion, notably through the HOLC, the Home Owners' Loan Corporation, and the FHA, the Government not only has not lost money but made money.

I hope the Committee of the Whole will consider this problem objectively and will enact this title in order to give us at long last a comprehensive housing bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman form New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 48, noes 136.

So the amendment was rejected.

The Clerk read as follows:

TITLE III—LOW-RENT PUBLIC HOUSING

LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES

SEC. 201. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"(a) the Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and plannings in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

"(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe,

and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this act;

"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than 5 years after March 1, 1949;

"(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this act) give preference to families having the most urgent housing need, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) or continued occupancy in such housing, such families shall be required to move from the project."

VETERANS' PREFERENCES

SEC. 202. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project, or which were so displaced within 3 years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families where an application for admission is made not later than 5 years after March 1, 1949, first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of other veterans and servicemen (including families of deceased veterans or servicemen);

"Second, to families of other veterans and servicemen (including families of deceased veterans or servicemen) where an application for admission is made not later than 5 years after March 1, 1949; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected."

(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947."

COST LIMITS

SEC. 203. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) No contract for any loan, annual contribution, or capital grant made pursuant to this act shall be entered into by the Authority with respect to any low-rent housing project completed after Janunary 1, 1948, having a cost for construction and equipment of more than $1,750 per room (excluding land, demolition, and nondwelling facilities); except that in the case of Alaska any such contract may be entered into with respect to a project having a cost for construction and equipment of not to exceed $2,500 per room (excluding land, demolition, and nondwelling facilities): *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than $750 per room the limitations that would otherwise be applicable to such project hereunder. The Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner that such projects will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every contract for financial assistance entered into with respect to any low-rent housing project initiated after March 1, 1949, shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."

PRIVATE FINANCING

SEC. 204. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:

"(f) Payments under annual contributions contracts shall be pledged as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate.";

(b) The following is added after section 21:

"PRIVATE FINANCING

"SEC. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

"(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—

"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary, to achieve the purposes of this act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

"(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

"(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this act) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding 12 months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided*, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the provisions of this act; and in no case shall such annual contributions be in excess of the maximum sum specified in the contract in-

volved, nor for longer than the remainder of the maximum period fixed by the contract.";

(c) In the fourth sentence of section 9 the words "going Federal rate at the time the loan is made," are deleted; in the first proviso of subsection 10 (b) the words "going Federal rate of interest at the time such contract is made" are deleted; and in lieu thereof in each case there are substituted the words "applicable going Federal rate"; and subsection 2 (10) is amended to read as follows:

"(10) The term 'going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this Act, the going Federal rate shall be deemed to be not less than 2½ percent.";

(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: "*Provided*, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this act, loans shall not be made for a period exceeding 40 years from the date of the bonds evidencing the loan: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding 40 years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.";

(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: "*Provided*, That, in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding 40 years from the date the first annual contribution for the project is paid: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 percent of development or acquisition cost.";

(f) The first sentence of subsection 10 (c) is amended to read as follows: "Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.";

(g) Section 14 is amended by inserting the following after the first sentence: "When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.";

(h) Section 20 is amended to read as follows:

"SEC. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed $1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.";

(i) Subsection 2 (5) is amended to read as follows:

"(5) The term 'development' means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term 'development cost' shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings."; and

(j) The following additional subsection is added to section 15:

"(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project."

ANNUAL CONTRIBUTIONS

SEC. 205. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By inserting the following after the first sentence of subsection (e) of section 10: "With respect to projects assisted pursuant to this act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than $85,000,000 per annum, which limit shall be increased by further amounts of $80,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by $75,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than $400,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional amount of $80,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 percent of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of 3 years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed 150,000 dwelling units after July 1, 1949, which limit shall be increased by further amounts of 150,000 dwelling units on July 1 in each of the years 1950 through and including 1955, respectively: *Provided*, That (subject to the authorization of not to exceed 1,050,000 dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional 100,000 dwelling units, or may be decreased at any time or times by not to exceed in any fiscal year 100,000 dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the development of more than 1,050,000 dwelling units without further authorization from the Congress."; and

(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

"(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 percent of the annual shelter rents charged in such project; *Provided*, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption that no annual contributions by the authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 percent of the annual contributions paid by the authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal

years in respect to which annual contributions were payable during the 2-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 percent of the shelter rents charged in such projects for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contributions are payable on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amount specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947."

SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

SEC. 206. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: "The dwellings in low-rent housing as defined in this act shall be available solely for families whose net annual income at the time of admission, less an exemption of $100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) $100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

TECHNICAL AMENDMENTS

SEC. 207. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By deleting from section 1 the words "rural or urban communities" and by substituting therefor the words "urban and rural nonfarm areas";

(b) (1) By adding at the end of subsection 2 (11) the following new sentence: "The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency."; and

(2) By adding the following new subsection to section 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.";

(c) By adding to section 6 the following new subsection:

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said act made by the Housing Act of 1949 or by any other law thereafter enacted.";

(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word *"Provided"* to a period;

(e) By amending the second sentence of subsection 13 (a) to read as follows: "The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this act governing their administration and disposition.";

(f) By amending subsection 16 (2) by inserting after the words "contain a provision requiring that" the words "not less than";

(g) By amending subsection 21 (d) to read as follows:

"(d) Not more than 10 per centum of the total annual amount of $428,000,000 provided in this act for annual contributions, nor more than 10 per centum of the amounts provided for in this act for grants, shall be expended within any one State."; and

(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

Mr. SPENCE (interrupting the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read and open to amendment and subject to points of order at any place.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

Mr. COLE of Kansas. Mr. Chairman, was there a vote taken on the Spence amendment?

The CHAIRMAN. There was, and the amendment was adopted.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOGGS of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4009, had come to no resolution thereon.

WHY WORRY?

Mr. HOFFMAN of Michigan. Mr. Speaker, my colleagues on various occasions have heard me confess that at times I was somewhat confused by some of the plans and theories urged upon us by well-meaning constituents or by others with a hobby, but we are not alone in being troubled. Recently there came a letter from which I quote as follows: .

I received a letter last week that startled me * * * this friend has a son in the Texas Agricultural College—she's very proud of him because he's won cups and such for the college—then she writes about her son's conversation with one of his professors. He tells me that a friend of his among the professors, who got a Nobel prize, tells him that these X-ray foot machines used to fit shoes scientifically will sterilize any child that has them used on it a number of times—the ray is so powerful going through the shoe and all that it travels up and does the damage. Also he says that within 2 years we will not have this bleached flour as the Government has notified the mills they will be given a time to convert over to another process as the present method causes much physical harm—and he says (meaning her son) that this is authentic although not widely known. Also he says one reducing method widely used is taking capsules (the taker not knowing what he is taking) and the capsules contain eggs of the tapeworm. When they hatch and get to work the person gets emaciated in a short time, and then the tape worms are difficult to get rid of—if the patient ever has a doctor who finds out what the real trouble is. Can you beat that?

Tapeworms—well, some of the women had heard of this reducing method. I had not and so was really shocked that there are people who will destroy others to make a dollar. I wonder what the name of this manufactured "remedy" is. Do you know anything about this?

I'd heard of the nice white flour sent to Japan after the war and how sick the Japanese got eating bread made from it. Of course, we Americans have become immunized against aluminum and the white flour we buy and other health destroyers, but it goes hard with people whose bodies have not built up a resistance against these "foods" we eat. I suppose the reason for us now getting good flour is that by all means we must raise healthy sons and daughters for military purposes. I can't figure out any other reason for Government officials getting so alarmed over the health of the common people. I suppose I am an old cat to have this thought, but that's the thought that came to my mind when I read we shall have better bread.

But to sterilize our children with X-ray—I'd heard of this before. This machine is used on children right here. I heard that four such contacts with the machine will sterilize some children. What runs through my mind is this—if (I shall find out if these machines are so dangerous and I am writing some letters of inquiry)—so if such a foot machine sterilizes the sex organs, just what does it also do to our children's stomachs, livers, intestines, gall bladders, kidneys, hearts, lungs, nervous systems, etc.

The writer of this letter, like me, a Congressman, is worried over dangers real and dangers unreal, but threatened or imagined. However, she comes up with a solution to the whole situation, for she concludes her letter by writing:

If we ruin our youngsters who trust us, then, by gosh, we won't have to worry over any tax money—nor will they have to face that problem either—and have, maybe just the "death" part of "Death and taxes we always have with us."

Personally, I am not too greatly worried over these anticipated dangers, for I think that, even though we get the flour, the tapeworms, and the X-ray foot machine, we, our children, and our children's children who still have, if I may use the expression, guts enough to work our way out of any depression which New Deal fallacious policy, waste, and extravagance, yes, and for good measure I might throw in the efforts of the Communists—may get us into.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## TO SIMPLIFY PROCUREMENT, UTILIZATION, AND DISPOSAL OF GOVERNMENT PROPERTY AND REORGANIZATION OF CERTAIN AGENCIES OF THE GOVERNMENT

Mr. DAWSON, from the Committee on Expenditures in the Executive Departments, submitted the following conference report and statement on the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, for printing in the RECORD:

CONFERENCE REPORT (H. REPT. No. 935)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SHORT TITLE

"That this Act may be cited as the 'Federal Property and Administrative Services Act of 1949'.

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"Sec. 2. Declaration of policy.
"Sec. 3. Definitions.

*"Title I—Organization*

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"Sec. 102. Transfer of affairs of Bureau of Federal Supply.
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"Sec. 104. Records management: Transfer of the National Archives.
"Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.
"Sec. 106. Redistribution of functions.
"Sec. 107. Transfer of funds.
"Sec. 108. Status of transferred employees.
"Sec. 109. General supply fund.

*"Title II—Property management*

"Sec. 201. Procurement, warehousing, and related activities.
"Sec. 202. Property utilization.
"Sec. 203. Disposal of surplus property.
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*"Title IV—Foreign excess property*

"Sec. 401. Disposal of foreign excess property.
"Sec. 402. Methods and terms of disposal.
"Sec. 403. Proceeds; foreign currencies.
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"Sec. 501. Applicability of existing procedures.
"Sec. 502. Repeal and saving provisions.
"Sec. 503. Authorization for appropriations.
"Sec. 504. Separability.
"Sec. 505. Effective date.

"DECLARATION OF POLICY

"SEC. 2. It is the intent of the Congress in enacting this legislation to provide for the Government an economical and efficient system for (a) the procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification, transportation and traffic management, management of public utility services, repairing and converting, establishment of inventory levels, establishment of forms and procedures, and representation before Federal and State regulatory bodies; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management.

"DEFINITIONS

"SEC. 3. As used in this Act—

"(a) The term 'executive agency' means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

"(b) The term 'Federal agency' means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate and the House of Representatives).

"(c) The term 'Administrator' means the Administrator of General Services provided for in title I hereof.

"(d) The term 'property' means any interest in property of any kind except (1) the public domain and lands reserved or dedicated for national forest or national park purposes; and (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

"(e) The term 'excess property' means any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head thereof.

"(f) The term 'foreign excess property' means any excess property located outside the continental United States, Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

"(g) The term 'surplus property' means any excess property not required for the needs and the discharge of the responsibilities of all Federal agencies, as determined by the Administrator.

"(h) The term 'care and handling' includes completing, repairing, converting, rehabilitating, operating, preserving, protecting, insuring, packing, storing, handling, conserving, and transporting excess and surplus property, and, in the case of property which is dangerous to public health or safety, destroying or rendering innocuous such property.

"(i) The term 'person' includes any corporation, partnership, firm, association, trust, estate, or other entity.

"(j) The term 'nonpersonal services' means such contractual services, other than personal and professional services, as the Administrator shall designate.

"(k) The term 'contractor inventory' means (1) any property acquired by and in the possession of a contractor or subcontractor under a contractor pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete full performance under the entire contract; and (2) any property which the Government is obligated to take over under any type of contract as a result either of any changes in the specifications or plans thereunder or of the termination of such contract (or subcontract thereunder), prior to completion of the work, for the convenience or at the option of the Government.

"TITLE I—ORGANIZATION

"GENERAL SERVICES ADMINISTRATION

"SEC. 101. (a) There is hereby established an agency in the executive branch of the Government which shall be known as the General Services Administration.

"(b) There shall be at the head of the General Services Administration an Administrator of General Services who shall be appointed by the President by and with the advice and consent of the Senate, and perform his functions subject to the direction and control of the President.

"(c) There shall be in the General Services Administration a Deputy Administrator of General Services who shall be appointed by the Administrator of General Services. The Deputy Administrator shall perform such functions as the Administrator shall designate and shall be Acting Administrator of General Services during the absence or disability of the Administrator and, unless the President shall designate another officer of the Government, in the event of a vacancy in the office of Administrator.

"(d) Pending the first appointment of the Administrator under the provisions of this section, his functions shall be performed temporarily by such officer of the Government in office upon or immediately prior to the taking of effect of the provisions of this Act as the President shall designate, and such officer while so serving shall receive the salary fixed for the Administrator.

"(e) Pending the effective date of other provisions of law fixing the rates of compensation of the Administrator, the Deputy Administrator and of the heads and assistant heads of the principal organizational units of the General Services Administration, and taking into consideration provisions of law governing the compensation of officers having comparable responsibilities and duties, the President shall fix for each of them a rate of compensation which he shall deem to be commensurate with the responsibilities and duties of the respective offices involved.

"TRANSFER OF AFFAIRS OF BUREAU OF FEDERAL SUPPLY

"SEC. 102. (a) The functions of (1) the Bureau of Federal Supply in the Department of the Treasury, (2) the Director of the Bureau of Federal Supply, (3) the personnel of such Bureau, and (4) the Secretary of the Treasury, relating to the Bureau of Federal Supply, are hereby transferred to the Administrator. The records, property, personnel, obligations, and commitments of the Bureau of Federal Supply, together with such additional records, property, and personnel of the Department of the Treasury as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred by this section or vested in the Administrator by titles II, III, and V, of this Act, are hereby transferred to the General Services Administration. The Bureau of Federal Supply and the office of Director of the Bureau of Federal Supply are hereby abolished.

"(b) The functions of the Director of Contract Settlement and of the Office of Contract Settlement, transferred to the Secretary of the Treasury by Reorganization Plan Numbered 1 of 1947, are transferred to the Administrator and shall be performed by him or, subject to his direction and control, by such officers and agencies of the General Services Administration as he may designate. The Contract Settlement Act Advisory Board created by section 5 of the Contract Settlement

Act of 1944 (58 Stat. 649) and the Appeal Board established under section 13 (d) of that Act are transferred from the Department of the Treasury to the General Services Administration, but the functions of these Boards shall be performed by them, respectively, under conditions and limitations prescribed by law. There shall also be transferred to the General Services Administration such records, property, personnel, obligations, commitments, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of the Treasury Department as the Director of the Bureau of the Budget shall determine to relate primarily to the functions transferred by the provisions of this subsection.

"(c) Any other provision of this section notwithstanding, there may be retained in the Department of the Treasury any function referred to in subsection (a) of this section which the Director of the Bureau of the Budget shall, within ten days after the effective date of this Act, determine to be essential to the orderly administration of the affairs of the agencies of such Department, other than the Bureau of Federal Supply, together with such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, of said Department, as said Director shall determine.

"TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

"SEC. 103. (a) All functions of the Federal Works Agency and of all agencies thereof, together with all functions of the Federal Works Administrator, of the Commissioner of Public Buildings, and of the Commissioner of Public Roads, are hereby transferred to the Administrator of General Services. There are hereby transferred to the General Services Administration the Public Roads Administration, which shall hereafter be known as the Bureau of Public Roads, and all records, property, personnel, obligations, and commitments of the Federal Works Agency, including those of all agencies of the Federal Works Agency.

"(b) There are hereby abolished the Federal Works Agency, the Public Buildings Administration, the office of Federal Works Administrator, the office of Commissioner of Public Buildings, and the office of Assistant Federal Works Administrator.

"RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL ARCHIVES

"SEC. 104. (a) The National Archives Establishment and its functions, records, property, personnel, obligations, and commitments are hereby transferred to the General Services Administration. There are transferred to the Administrator (1) the functions of the Archivist of the United States, except that the Archivist shall continue to be a member or chairman, as the case may be, of the bodies referred to in subsection (b) of this section, and (2) the functions of the Director of the Division of the Federal Register of the National Archives Establishment. The Archivist of the United States shall hereafter be appointed by the Administrator.

"(b) There are also transferred to the General Services Administration the following bodies, together with their respective functions and such funds as are derived from Federal sources: (1) The National Archives Council and the National Historical Publications Commission, established by the Act of June 19, 1934 (48 Stat. 1122), (2) the National Archives Trust Fund Board, established by the Act of July 9, 1941 (55 Stat. 581), (3) the Board of Trustees of the Franklin D. Roosevelt Library, established by the Joint Resolution of July 18, 1939 (53 Stat. 1062), and (4) the Administrative Committee established by section 6 of the Act of July 26, 1935 (49 Stat. 501), which shall hereafter be known as the Administrative Committee of the Federal Register. The authority of the Administrator under section 106 hereof shall not extend to the bodies or functions affected by this subsection.

"(c) The Administrator is authorized (1) to make surveys of Government records and records management and disposal practices and obtain reports thereon from Federal agencies; (2) to promote, in cooperation with the executive agencies, improved records management practices and controls in such agencies, including the central storage or disposition of records not needed by such agencies for their current use; and (3) to report to the Congress and the Director of the Bureau of the Budget from time to time the results of such activities.

"TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR ASSETS ADMINISTRATION

"SEC. 105. The functions, records, property, personnel, obligations, and commitments of the War Assets Administration are hereby transferred to the General Services Administration. The functions of the War Assets Administrator are hereby transferred to the Administrator of General Services. The War Assets Administration, the office of the War Assets Administrator, and the office of Associate War Assets Administrator are hereby abolished. Personnel now holding appointments granted under the second sentence of section 5 (b) of the Surplus Property Act of 1944, as amended, may be continued in such positions or may be appointed to similar positions for such time as the Administrator may determine.

"REDISTRIBUTION OF FUNCTIONS

"SEC. 106. The Administrator is hereby authorized, in his discretion, in order to provide for the effective accomplishment of the functions transferred to or vested in him by this Act, and from time to time, to regroup, transfer, and distribute any such functions within the General Services Administration. The Administrator is hereby authorized to transfer the funds necessary to accomplish said functions and report such transfer of funds to the Director of the Bureau of the Budget.

"TRANSFER OF FUNDS

"SEC. 107. (a) All unexpended balances of appropriations, allocations, or other funds available or to be made available, for the use of the Bureau of Federal Supply, the War Assets Administration, the Federal Works Agency, and the National Archives Establishment, and so much of the other unexpended balances of appropriations, allocations, or other funds of the Department of the Treasury, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred to or vested in the Administrator by the provisions of this Act, shall be transferred to the General Services Administration for use in connection with the functions to which such balances relate, respectively.

"(b) When other functions are transferred to the General Services Administration from any Federal agency, under section 201 (a) (2) or (3), or otherwise under this Act, there shall be transferred such records, property, personnel, appropriations, allocations, and other funds of such agency to the General Services Administration as the Director of the Bureau of the Budget shall determine to relate primarily to the functions so transferred.

"STATUS OF TRANSFERRED EMPLOYEES

"SEC. 108. Subject to other provisions of this title relating to personnel, employees transferred by the provisions of this title shall be deemed to be employees of the General Services Administration and their reappointment shall not be required by reason of the enactment of this Act.

"GENERAL SUPPLY FUND

"SEC. 109. (a) There is hereby authorized to be set aside in the Treasury a special fund which shall be known as the General Supply Fund. Such fund shall be composed of the assets of the general supply fund (including any surplus therein) created by section 3 of the Act of February 27, 1929 (45 Stat. 1342; 41 U. S. C. 7c), and transferred to the Administrator by section 102 of this Act, and such sums as may be appropriated thereto, and the fund shall assume all of the liabilities, obligations, and commitments of the general supply fund created by such Act of February 27, 1929. The capital of the General Supply Fund shall be in an amount not greater than $75,000,000. The General Supply Fund shall be available for use by or under the direction and control of the Administrator (1) for procuring personal property (including the purchase from or through the Public Printer of standard forms and blankbook work for field warehouse issue) and nonpersonal services for the use of Federal agencies in the proper discharge of their responsibilities, and (2) for paying all elements of cost of the procurement, handling, and distribution thereof, except that on and after July 1, 1950, those elements of cost which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs shall not be paid from the fund.

"(b) Payment by requisitioning agencies shall be at prices fixed by the Administrator. Until July 1, 1950, such prices shall be fixed in accordance with law and regulations applicable on the date of enactment of this Act to prices fixed by the Director of the Bureau of Federal Supply. On and after such date, such prices shall be fixed at levels so as to recover so far as practicable all costs except those which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs. Requisitioning agencies shall pay by advance of funds in all cases where it is determined by the Administrator that there is insufficient capital otherwise available in the General Supply Fund. Advances of funds also may be made by agreement between the requisitioning agencies and the Administrator. Where an advance of funds is not made, requisitioning agencies shall promptly reimburse the General Services Administration on vouchers prepared by the requisitioning agency on the basis of itemized invoices submitted by the Administrator and receiving reports evidencing the delivery to the requisitioning agency of such supplies or services: *Provided*, That in any case where payment shall not have been made by the requisitioning agency within forty-five days after the date of billing by the Administrator, reimbursement may be obtained by the Administrator by the issuance of transfer and counterwarrants supported by itemized invoices.

"(c) The General Supply Fund shall be credited with all reimbursements, advances of funds, and refunds or recoveries relating to supplies or services procured through the fund, including the net proceeds of disposal of surplus supplies procured through the fund and receipts from carriers and others for loss of, or damage to, supplies procured through the fund; and the same are hereby reappropriated for the purposes of the fund.

"(d) A special deposit account may be established as a part of the General Supply Fund with the Treasurer of the United States for use by the chief disbursing officer or any regional disbursing officer, Department of the Treasury, which may be credited with (1) funds advanced from the General Supply Fund account on the books of the Division of Bookkeeping and Warrants and (2) other funds properly for credit to the General Supply Fund without being covered into the Treasury of the United States; and such special deposit account may be charged with payments properly chargeable to the General Supply Fund.

"(e) The Comptroller General of the United States shall make an annual audit of the General Supply Fund as of June 30, and there shall be covered into the United States Treasury as miscellaneous receipts any surplus found therein, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund, and the Comptroller General shall report to the Congress annually the results of the audit, together with such recommendations as he may have regarding the status and operations of the fund.

"(f) Subject to the requirements of subsections (a) to (e), inclusive, of this section, the General Supply Fund also may be used for the procurement of supplies and nonpersonal services authorized to be acquired by mixed-ownership Government corporations, or by the municipal government of the District of Columbia, or by a requisitioning non-Federal agency when the function of a Federal agency authorized to procure for it is transferred to the General Services Administration: *Provided,* That the prices charged by the Administrator in such cases shall be fixed at levels which he estimates will be sufficient to recover, in addition to the direct costs of the procurement, handling, and distribution of such supplies and services the indirect and overhead costs that the Administrator determines are allocable thereto.

"TITLE II—PROPERTY MANAGEMENT

"PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

"SEC. 201. (a) The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned—

"(1) Prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, and repairing and converting; and

"(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

"(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1): *Provided,* That contracts for public utility services may be made for periods not exceeding ten years; and

"(4) with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies;

*"Provided,* That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the National Military Establishment from action taken or which may be taken by the Administrator under clauses (1), (2), (3), and (4) above whenever he determines such exemption to be in the best interests of national security.

"(b) The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, or the Senate, or the House of Representatives, upon its request.

"(c) In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for the property acquired: *Provided,* That any transaction carried out under the authority of this subsection shall be evidenced in writing.

"PROPERTY UTILIZATION

"SEC. 202. (a) In order to minimize expenditures for property, the Administrator shall prescribe policies and methods to promote the maximum utilization of excess property by executive agencies, and he shall provide for the transfer of excess property among Federal agencies.

"(b) Each executive agency shall (1) maintain adequate inventory controls and accountability systems for the property under its control, (2) continuously survey property under its control to determine which is excess property, and promptly report such property to the Administrator, (3) perform the care and handling of such excess property, and (4) transfer or dispose of such property as promptly as possible in accordance with authority delegated and regulations prescribed by the Administrator.

"(c) Each executive agency shall, as far as practicable, (1) make reassignments of property among activities within the agency when such property is determined to be no longer required for the purposes of the appropriation from which it was purchased, (2) transfer excess property under its control to other Federal agencies, and (3) obtain excess property from other Federal agencies.

"(d) Under existing provisions of law and procedures defined by the Secretary of Defense, and without regard to the requirements of this section except subsection (f), excess property of one of the departments of the National Military Establishment may be transferred to another department thereof.

"(e) Transfers of excess property between Federal agencies (except transfers for redistribution to other Federal agencies or for disposal as surplus property) shall be at the fair value thereof, as determined by, or pursuant to regulations of, the Administrator unless such transfer is otherwise authorized by any law approved subsequent to June 21, 1944, to be without reimbursement or transfer of funds.

"(f) The Director of the Bureau of the Budget shall prescribe regulations providing for the reporting to said Director by executive agencies of such reassignments or transfers of property between activities financed by different appropriations as he shall deem appropriate, and the reassignments and transfers so reported shall be reported to the Congress in the annual budget or otherwise as said Director may determine.

"(g) Whenever the Administrator determines that the temporary assignment or reassignment of any space in excess real property to any Federal agency for office, storage, or related facilities would be more advantageous than the permanent transfer of such property, he may make such assignment or reassignment for such period of time as he shall determine and obtain, in the absence of appropriation available to him therefor, appropriate reimbursement from the using agency for the expense of maintaining such space.

"(h) The Administrator may authorize the abandonment, destruction, or donation to public bodies of property which has no commercial value or of which the estimated cost of continued care and handling would exceed the estimated proceeds from its sale.

"DISPOSAL OF SURPLUS PROPERTY

"SEC. 203. (a) Except as otherwise provided in this section, the Administrator shall have supervision and direction over the disposition of surplus property. Such property shall be disposed of to such extent, at such time, in such areas, by such agencies, at such terms and conditions, and in such manner, as may be prescribed in or pursuant to this act.

"(b) The care and handling of surplus property, pending its disposition, and the disposal of surplus property, may be performed by the General Services Administration or, when so determined by the Administrator, by the executive agency in possession thereof or by any other executive agency consenting thereto.

"(c) Any executive agency designated or authorized by the Administrator to dispose of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Administrator deems proper, and it may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this title.

"(d) A deed, bill of sale, lease, or other instrument executed by or on behalf of any executive agency purporting to transfer title or any other interest in surplus property under this title shall be conclusive evidence of compliance with the provisions of this title insofar as concerns title or other interest of any bona fide grantee or transferee for value and without notice of lack of such compliance.

"(e) Unless the Administrator shall determine that disposal by advertising will in a given case better protect the public interest, surplus property disposals may be made without regard to any provision of existing law for advertising until 12 o'clock noon, eastern standard time, December 31, 1950.

"(f) Subject to regulations of the Administrator, any executive agency may authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventory.

"(g) The Administrator, in formulating policies with respect to the disposal of surplus agricultural commodities, surplus foods processed from agricultural commodities, and surplus cotton or woolen goods, shall consult with the Secretary of Agriculture. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

"(h) Whenever the Secretary of Agriculture determines such action to be required to assist him in carrying out his responsibilities with respect to price support or stabilization, the Administrator shall transfer without charge to the Department of Agriculture any surplus agricultural commodities, foods, or cotton or woolen goods to be disposed of. Receipts resulting from disposal by the Department of Agriculture under this subsection shall be deposited pursuant to any authority available to the Secretary of Agriculture, except that net proceeds of any sale of surplus property so transferred shall be credited pursuant to section 204 (b), when applicable. Surplus farm commodities so transferred shall not be sold, other than for export, in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation.

"(i) The United States Maritime Commission shall dispose of surplus vessels of one thousand five hundred gross tons or more which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

"(j) (1) Under such regulations as he may prescribe, the Administrator is authorized in

his discretion to donate for educational purposes in the States, Territories, and possessions without cost (except for costs of care and handling) such equipment, materials, books, or other supplies under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraph 2 or paragraph 3 of this subsection to be usable and necessary for educational purposes.

"(2) Determination whether such surplus property (except surplus property donated in conformity with paragraph 3 of this subsection) is usable and necessary for educational purposes shall be made by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to tax-supported school systems, schools, colleges, and universities, and to other nonprofit schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, or to State departments of education for distribution to such tax-supported and nonprofit school systems, schools, colleges, and universities; except that in any State where another agency is designated by State law for such purpose such transfer shall be made to said agency for such distribution within the State.

"(3) In the case of surplus property under the control of the National Military Establishment, the Secretary of Defense shall determine whether such property is usable and necessary for educational activities that are of special interest to the armed services, such as maritime academies or military, naval, Air Force, or Coast Guard preparatory schools. If such Secretary shall determine that such property is usable and necessary for such purposes, he shall allocate it for transfer by the Administrator to such educational activities. If he shall determine that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph 2 of this subsection.

"(k) (1) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Federal Security Administrator for disposal such surplus real property, including buildings, fixtures, and equipment situated thereon, as is recommended by the Federal Security Administrator as being needed for school, classroom, or other educational use, or for use in the protection of public health, including research.

"(A) Subject to the disapproval of the Administrator within thirty days after notice to him by the Federal Security Administrator of a proposed transfer of property for school, classroom, or other educational use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property, including buildings, fixtures, and equipment situated thereon, for educational purposes to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

"(B) Subject to the disapproval of the Administrator within thirty days after notice to him by the Federal Security Administrator of a proposed transfer of property for public-health use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property for public-health purposes, including research, to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the International Revenue Code.

"(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Federal Security Administrator shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

"(D) 'States' as used in this subsection includes the District of Columbia and the Territories and possessions of the United States.

"(2) Subject to the disapproval of the Administrator within thirty days after notice to him of any action to be taken under this subsection—

"(A) The Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and tax-supported and other nonprofit educational institutions for school, classroom, or other educational use;

"(B) the Federal Security Administrator, through such officer or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions and instrumentalities thereof, tax-supported medical institutions, and to hospitals and other similar institutions not operated for profit, for use in the protection of public health (including research);

"(C) the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public; or

"(D) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces,

"is authorized and directed—

"(i) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

"(ii) to reform, correct, or amend any such instrument by the execution of a corrective, reformative, or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

"(iii) to (I) grant relases from any of the terms, conditions, reservations, and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, and that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: *Provided*, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States.

"(l) The Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, to determine when title thereto vested in the United States, and to utilize, transfer or otherwise dispose of such property. Former owners of such property upon proper claim filed within three years from the date of vesting of title in the United States shall be paid the proceeds realized from the disposition of such property or, if the property is used or transferred, the fair value therefor as of the time title was vested in the United States as determined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator.

"PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

"SEC. 204. (a) All proceeds under this title from any transfer of excess property to a Federal agency for its use, or from any sale, lease, or other disposition of surplus property, shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), (d), and (e) of this section.

"(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated therefrom but by law reimbursable from assessment, tax, or other revenue or receipts, then the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the Federal agency which determined such property to be excess: *Provided*, That the proceeds shall be credited to miscellaneous receipts in any case when the agency which determined the property to be excess shall deem it uneconomical or impractical to ascertain the amount of net proceeds. As used in this subsection, the term 'net proceeds of the disposition or transfer' means the proceeds of the disposition of transfer minus all expenses incurred for care and handling and disposition or transfer.

"(c) Any Federal agency disposing of surplus property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

"(d) Where any contract entered into by an executive agency or any subcontract under such contract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

"(e) Any executive agency entitled to receive cash under any contract covering the lease, sale, or other disposition of surplus property may in its discretion accept, in lieu of cash, any property determined by the Munitions Board to be strategic or critical material at the prevailing market price thereof at the time the cash payment or payments became or become due.

"(f) Where credit has been extended in connection with any disposition of surplus property under this title or by War Assets Administration (or its predecessor agencies) under the Surplus Property Act of 1944, or where such disposition has been by lease or permit, the Administrator shall administer and manage such credit, lease, or permit, and any security therefor, and may enforce, adjust, and settle any right of the Government with respect thereto in such manner and upon such terms as he deems in the best interest of the Government.

"POLICIES, REGULATIONS, AND DELEGATIONS

"SEC. 205. (a) The President may prescribe such policies and directives, not inconsistent with the provisions of this Act, as he shall deem necessary to effectuate the provi-

sions of this Act, which policies and directives shall govern the Administrator and executive agencies in carrying out their respective functions hereunder.

"(b) The Comptroller General after considering the needs and requirements of the executive agencies shall prescribe principles and standards of accounting for property, cooperate with the Administrator and with the executive agencies in the development of property accounting systems, and approve such systems when deemed to be adequate and in conformity with prescribed principles and standards. From time to time the General Accounting Office shall examine such property accounting systems as are established by the executive agencies to determine the extent of compliance with prescribed principles and standards and approved systems, and the Comptroller General shall report to the Congress any failure to comply with such principles and standards or to adequately account for property.

"(c) The Administrator shall prescribe such regulations as he deems necessary to effectuate his functions under this Act, and the head of each executive agency shall cause to be issued such orders and directives as such head deems necessary to carry out such regulations.

"(d) The Administrator is authorized to delegate and to authorize successive redelegation of any authority transferred to or vested in him by this Act (except for the authority to issue regulations on matters of policy having application to executive agencies, the authority contained in section 106, and except as otherwise provided in this Act) to any official in the General Services Administration or to the head of any other Federal agency.

"(e) With respect to any function transferred to or vested in the General Services Administration or the Administrator by this Act, the Administrator may (1) direct the undertaking of its performance by the General Services Administration or by any constituent organization therein which he may designate or establish; or (2) designate and authorize any executive agency to perform such function for itself; or (3) designate and authorize any other executive agency to perform such function; or (4) provide for such performance by any combination of the foregoing methods. Any designation or assignment of functions or delegation of authority to another executive agency under this section shall be made only with the consent of the executive agency concerned or upon direction of the President.

"(f) When any executive agency (including the General Services Administration and constituent organizations thereof) is authorized and directed by the Administrator to carry out any function under this Act, the Administrator may, with the approval of the Director of the Bureau of the Budget, provide for the transfer of appropriate personnel, records, property, and allocated funds of the General Services Administration, or of such other executive agency as has theretofore carried out such function, to the executive agency so authorized and directed.

"(g) The Administrator may establish advisory committees to advise with him with respect to any function transferred to or vested in the Administrator by this Act. The members thereof shall serve without compensation but shall be entitled to transportation and not to exceed $25 per diem in lieu of subsistence, as authorized by section 5 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for persons so serving.

"(h) The Administrator shall advise and consult with interested Federal agencies with a view to obtaining their advice and assistance in carrying out the purposes of this title.

"SURVEYS, STANDARDIZATION AND CATALOGING

"SEC. 206. (a) As he may deem necessary for the effectuation of his functions under this title, and after adequate advance notice to the executive agencies affected, and with due regard to the requirements of the National Military Establishment as determined by the Secretary of Defense, the Administrator is authorized (1) to make surveys of Government property and property management practices and obtain reports thereon from executive agencies; (2) to cooperate with executive agencies in the establishment of reasonable inventory levels for property stocked by them and from time to time report any excessive stocking to the Congress and to the Director of the Bureau of the Budget; (3) to establish and maintain such uniform Federal supply catalog system as may be appropriate to identify and classify personal property under the control of Federal agencies: *Provided*, That the Administrator and the Secretary of Defense shall coordinate the cataloging activities of the General Services Administration and the National Military Establishment so as to avoid unnecessary duplication; and (4) to prescribe standardized forms and procedures, except such as the Comptroller General is authorized by law to prescribe, and standard purchase specifications.

"(b) Each Federal agency shall utilize such uniform Federal supply catalog system and standard purchase specifications, except as the Administrator, taking into consideration efficiency, economy, and other interests of the Government, shall otherwise provide.

"(c) The General Accounting Office shall audit all types of property accounts and transactions at such times and in such manner as determined by the Comptroller General. Such audit shall be conducted as far as practicable at the place or places where the property or records of the executive agencies are kept and shall include but not necessarily be limited to an evaluation of the effectiveness of internal controls and audits, and a general audit of the discharge of accountability for Government-owned or controlled property based upon generally accepted principles of auditing.

"APPLICABILITY OF ANTITRUST LAWS

"SEC. 207. Whenever any executive agency shall begin negotiations for the disposition to private interests of a plant or plants, or other property, which cost the Government $1,000,000 or more, or of patents, processes, techniques, or inventions, irrespective of cost, the executive agency shall promptly notify the Attorney General of the proposed disposal and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed sixty days after receiving such notification, the Attorney General shall advise the Administrator and the interested executive agency whether, insofar as he can determine, the proposed disposition would tend to create or maintain a situation inconsistent with the antitrust laws. Upon the request of the Attorney General, the Administrator or interested executive agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition or proposed disposition of surplus property violates the antitrust laws. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; and sections 73 and 74 of the Act of August 27, 1894 (28 Stat. 570), as amended.

"EMPLOYMENT OF PERSONNEL

"SEC. 208. (a) The Administrator is authorized, subject to the civil-service and classification laws, to appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of titles I, II, III, and V of this Act.

"(b) To such extent as he finds necessary to carry out the provisions of titles I, II, III, and V of this Act, the Administrator is hereby authorized to procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil-service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended (41 U. S. C. 5).

"(c) Notwithstanding the provisions of section 1222 of the Revised Statutes (10 U. S. C. 576) or of any other provision of law, the Administrator in carrying out the functions imposed upon him by this Act is authorized to utilize in his agency the services of officials, officers, and other personnel in other executive agencies, including personnel of the armed services, with the consent of the head of the agency concerned.

"CIVIL REMEDIES AND PENALTIES

"SEC. 209. (a) Where any property is transferred or disposed of in accordance with this Act and any regulations prescribed hereunder, no officer or employee of the Government shall (1) be liable with respect to such transfer or disposition except for his own fraud, or (2) be accountable for the collection of any purchase price for such property which is determined to be uncollectible by the Federal agency responsible therefor.

"(b) Every person who shall use or engage in, or cause to be used or engaged in, or enter into an agreement, combination, or conspiracy to use or engage in or to cause to be used or engaged in, any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Federal agency in connection with the procurement, transfer, or disposition of property hereunder—

"(1) shall pay to the United States the sum of $2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the cost of suit; or

"(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by the United States or any Federal agency to such person or by such person to the United States or any Federal agency, as the case may be; or

"(3) shall, if the United States shall so elect, restore to the United States the money or property thus secured and obtained and the United States shall retain as liquidated damages any property, money, or other consideration given to the United States or any Federal agency for such money or property, as the case may be.

"(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories and possessions of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

"(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

"REPORTS TO CONGRESS

"SEC. 210. The Administrator shall submit a report to the Congress, in January of each year and at such other times as he may deem it desirable, regarding the administration of his functions under this Act, together with such recommendations for amendments to this Act as he may deem appropriate as the result of the administration of such functions, at which time he shall also cite the laws becoming obsolete by reason of passage or operation of the provisions of this Act.

"TITLE III—PROCUREMENT PROCEDURE

"DECLARATION OF PURPOSE

"SEC. 301. The purpose of this title is to facilitate the procurement of supplies and services.

"APPLICATION AND PROCUREMENT METHODS

"SEC. 302. (a) The provisions of this title shall be applicable to purchases and contracts for supplies or services made—

"(1) by the General Services Administration for the use of such agency or otherwise; and

"(2) by any other executive agency (except any agency named in section 2 (a) of the Armed Services Procurement Act of 1947), to the extent of and in conformity with authority delegated by the Administrator pursuant to the provisions of this subsection. The Administrator may delegate to the head of any other such agency authority to make purchases and contracts for supplies or services pursuant to the provisions of this title (A) for the use of two or more executive agencies or (B) in other cases upon a determination by the Administrator that by reason of circumstances set forth in such determination such delegation is advantageous to the Government in terms of economy, efficiency, or national security. Notice of every such delegation of authority so made shall be furnished to the General Accounting Office.

"(b) It is the declared policy of the Congress that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small-business concerns. Whenever it is proposed to make a contract or purchase in excess of $10,000 by negotiation and without advertising, pursuant to the authority of paragraph (7) or (8) of section 302 (c) of this title, suitable advance publicity, as determined by the agency head with due regard to the type of supplies involved and other relevant considerations, shall be given for a period of at least fifteen days, wherever practicable, as determined by the agency head.

"(c) All purchases and contracts for supplies and services shall be made by advertising, as provided in section 303, except that such purchases and contracts may be negotiated by the agency head without advertising if—

"(1) determined to be necessary in the public interest during the period of a national emergency declared by the President or by the Congress;

"(2) the public exigency will not admit of the delay incident to advertising;

"(3) the aggregate amount involved does not exceed $1,000: *Provided,* That no agency other than the General Services Administration shall make any purchase of, or contract for, supplies or services in excess of $500 under this paragraph except in the exercise of authority conferred by the Administrator to procure and furnish supplies and services for the use of two or more executive agencies;

"(4) for personal or professional services;

"(5) for any service to be rendered by any university, college, or other educational institution;

"(6) the supplies or services are to be procured and used outside the limits of the United States and its possessions;

"(7) for medicines or medical supplies;

"(8) for supplies purchased for authorized resale;

"(9) for supplies or services for which it is impracticable to secure competition;

"(10) the agency head determines that the purchase or contract is for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test: *Provided,* That beginning six months after the effective date of this title and at the end of each six-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this paragraph (10) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder;

"(11) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

"(12) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular localities in order to assure standardization of equipment and interchangeability of parts and that such standardization and interchangeability is necessary in the public interest;

"(13) for supplies or services as to which the agency head determines that bid prices after advertising therefor are not reasonable (either as to all or as to some part of the requirements or have not been independently arrived at in open competition: *Provided,* That no negotiated purchase or contract may be entered into under this paragraph after the rejection of all or some of the bids received unless (A) notification of the intention to negotiate and reasonable opportunity to negotiate shall have been given by the agency head to each responsible bidder and (B) the negotiated price is the lowest negotiated price offered by any responsible supplier; or

"(14) otherwise authorized by law.

"(d) If in the opinion of the agency head bids received after advertising evidence any violation of the antitrust laws he shall refer such bids to the Attorney General for appropriate action.

"(e) This section shall not be construed to (A) authorize the erection, repair, or furnishing of any public building or public improvement, but such authorization shall be required in the same manner as heretofore, or (B) permit any contract for the construction or repair of buildings, roads, sidewalks, sewers, mains, or similar items to be negotiated without advertising as required by section 303, unless such contract is to be performed outside the continental United States or unless negotiation of such contract is authorized by the provisions of paragraph (1), (2), (3), (9), (10), (11), or (13) of subsection (c) of this section.

"ADVERTISING REQUIREMENTS

"SEC. 303. Whenever advertising is required—

"(a) The advertisement for bids shall be made a sufficient time previous to the purchase or contract, and specifications and invitations for bids shall permit such full and free competition as is consistent with the procurement of types of supplies and services necessary to meet the requirements of the agency concerned.

"(b) All bids shall be publicly opened at the time and place stated in the advertisement. Award shall be made with reasonable promptness by written notice to that responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered: *Provided,* That all bids may be rejected when the agency head determines that it is in the public interest so to do.

"REQUIREMENTS OF NEGOTIATED CONTRACTS

"SEC. 304. (a) Except as provided in subsection (b) of this section, contracts negotiated pursuant to section 302 (c) may be of any type which in the opinion of the agency head will promote the best interests of the Government. Every contract negotiated pursuant to section 302 (c) shall contain a suitable warranty, as determined by the agency head, by the contractor that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business, for the breach or violation of which warranty the Government shall have the right to annul such contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

"(b) The cost-plus-a-percentage-of-cost system of contracting shall not be used, and in the case of a cost-plus-a-fixed-fee contract the fee shall not exceed 10 per centum of the estimated cost of the contract, exclusive of the fee, as determined by the agency head at the time of entering into such contract (except that a fee not in excess of 15 per centum of such estimated cost is authorized in any such contract for experimental, developmental, or research work and that a fee inclusive of the contractor's costs and not in excess of 6 per centum of the estimated cost, exclusive of fees, as determined by the agency head at the time of entering into the contract of the project to which such fee is applicable is authorized in contracts for architectural or engineering services relating to any public works or utility project). Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract shall be used unless the agency head determines that such method of contracting is likely to be less costly than other methods or that it is impractical to secure supplies or services of the kind or quality required without the use of a cost or cost-plus-a-fixed-fee contract or an incentive-type contract. All cost and cost-plus-a-fixed-fee contracts shall provide for advance notification by the contractor to the procuring agency of any subcontract thereunder on a cost-plus-a-fixed-fee basis and of any fixed-price subcontract or purchase order which exceeds in dollar amount either $25,000 or 5 per centum of the total estimated cost of the prime contract; and a procuring agency, through any authorized representative thereof, shall have the right to inspect the plans and to audit the books and records of any prime contractor or subcontractor engaged in the performance of a cost or cost-plus-a-fixed-fee contract.

"ADVANCE PAYMENTS

"SEC. 305. (a) The agency head may make advance payments under negotiated contracts heretofore or hereafter executed in any amount not exceeding the contract price upon such terms as the parties shall agree: *Provided,* That advance payments shall be made only upon adequate security and if the agency head determines that provision for such advance payments is in the public in-

terest or in the interest of the national defense and is necessary and appropriate in order to procure required supplies or services under the contract.

"(b) The terms governing advance payments may include as security provision for, and upon inclusion of such provision there shall thereby be created, a lien in favor of the Government, paramount to all other liens, upon the supplies contracted for, upon the credit balance in any special account in which such payments may be deposited and upon such of the material and other property acquired for performance of the contract as the parties shall agree.

"WAIVER OF LIQUIDATED DAMAGES

"SEC. 306. Whenever any contract made on behalf of the Government by the agency head or by officers authorized by him so to do includes a provision for liquidated damages for delay, the Comptroller General on the recommendation of the agency head is authorized and empowered to remit the whole or any part of such damages as in his discretion may be just and equitable.

"ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

"SEC. 307. (a) The determinations and decisions provided in this title to be made by the Administrator or other agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in subsection (b) of this section, the agency head is authorized to delegate his powers provided by this title, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer or officers or officials of the agency.

"(b) The power of the agency head to make the determinations or decisions specified in paragraphs (11) and (12) of section 302 (c) and in section 305 (a) shall not be delegable, and the power to make the determinations or decisions specified in paragraph (10) of section 302 (c) shall be delegable only to a chief officer responsible for procurement and only with respect to contracts which will not require the expenditure of more than $25,000. The power of the Administrator to make the delegations and determinations specified in section 302 (a) shall be delegable only to the Deputy Administrator or to the chief official of any principal organizational unit of the General Services Administration.

"(c) Each determination or decision required by paragraphs (10), (11), (12), or (13) of section 302 (c), by section 304 or by section 305 (a) shall be based upon written findings made by the official making such determination, which findings shall be final and shall be available within the agency for a period of at least six years following the date of the determination. A copy of the findings shall be submitted to the General Accounting Office with the contract.

"(d) In any case where any purchase or contract is negotiated pursuant to the provisions of section 302 (c), except in a case covered by paragraphs (2), (3), (4), (5), or (6) thereof, the data with respect to the negotiation shall be preserved in the files of the agency for a period of six years following final payment on such contract.

"STATUTES CONTINUED IN EFFECT

"SEC. 308. No purchase or contract shall be exempt from the Act of June 30, 1936 (49 Stat. 2036, as amended; 41 U. S. C. 35 to 45), or from the Act of March 3, 1931 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a–6), solely by reason of having been entered into pursuant to section 302 (c) hereof without advertising, and the provisions of said Acts and of the Act of June 19, 1912 (37 Stat. 137, as amended; 40 U. S. C. 324 and 325a), if otherwise applicable, shall apply to such purchases and contracts.

"DEFINITIONS

"SEC. 309. As used in this title—

"(a) The term 'agency head' shall mean the head or any assistant head of any executive agency, and may at the option of the Administrator include the chief official of any principal organizational unit of the General Services Administration.

"(b) The term 'supplies' shall mean all property except land, and shall include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, and vessels of every character, type and description (except in the categories of naval vessels named in section 3 (d)), aircraft, parts, accessories, equipment, machine tools and alteration or installation thereof.

"STATUTES NOT APPLICABLE

"SEC. 310. The following provisions of law shall not apply to the procurement of supplies or services (1) by the General Services Administration, or (2) within the scope of authority delegated by the Administrator to any other executive agency:

"Revised Statutes, section 3709, as amended (41 U. S. C. 5);

"Revised Statutes, section 3735 (41 U. S. C. 13);

"Sections 1 and 2 of the Act of October 10, 1940 (54 Stat. 1109, as amended; 41 U. S. C. 6 and 6a).

"TITLE IV—FOREIGN EXCESS PROPERTY

"DISPOSAL OF FOREIGN EXCESS PROPERTY

"SEC. 401. Each executive agency having foreign excess property shall be responsible for the disposal thereof: *Provided*, That (a) the head of each such executive agency shall, with respect to the disposition of such property, conform to the foreign policy of the United States; (b) the Secretary of State shall have the authority to use foreign currencies and credits acquired by the United States under section 402 (b) of this Act in order to effectuate the purposes of section 32 (b) (2) of the Surplus Property Act of 1944, as amended, and the Foreign Service Buildings Act of May 7, 1926, as amended (including Public Law 547, Seventy-ninth Congress (60 Stat. 663)), and for the purpose of paying any other governmental expenses payable in local currencies, and the authority to amend, modify, and renew agreements in effect on the effective date of this Act; (c) any foreign currencies or credits acquired by the Department of State pursuant to such agreements shall be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury and, if and when reduced to United States currency, shall be covered into the Treasury as miscellaneous receipts; and (d) the Department of State shall, except to such extent as the President shall otherwise determine, continue to perform other functions with respect to agreements for the disposal of foreign excess property in effect on the effective date of this Act.

"METHODS AND TERMS OF DISPOSAL

"SEC. 402. Foreign excess property may be disposed of (a) by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the head of the executive agency concerned deems proper; but in no event shall any property be sold without a condition forbidding its importation into the United States, unless the Secretary of Agriculture (in the case of any agricultural commodity, food, or cotton or woolen goods) or the Secretary of Commerce (in the case of any other property) determines that the importation of such property would relieve domestic shortages or otherwise be beneficial to the economy of this country, or (b) for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Such property may be disposed of without advertising when the head of the executive agency concerned finds so doing to be most practicable and to be advantageous to the Government. The head of each executive agency responsible for the disposal of foreign excess property may execute such documents for the transfer of title or other interest in property and take such other action as he deems necessary or proper to dispose of such property; and may authorize the abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale.

"PROCEEDS, FOREIGN CURRENCIES

"SEC. 403. Proceeds from the sale, lease, or other disposition of foreign excess property, (a) shall, if in the form of foreign currencies or credits, be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury, and (b) shall, if in United States currency, or when any proceeds in foreign currencies or credits shall be reduced to United States currency, be covered into the Treasury as miscellaneous receipts: *Provided*, That the provisions of section 204 (b) (which by their terms apply to property disposed of under title II) shall be applicable to proceeds of foreign excess property disposed of for United States currency under this title IV: *And provided further*, That any executive agency disposing of foreign excess property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

"MISCELLANEOUS PROVISIONS

"SEC. 404. (a) The President may prescribe such policies, not inconsistent with the provisions of this title, as he shall deem necessary to effectuate the provisions of this title, which provisions shall guide each executive agency in carrying out its functions hereunder.

"(b) Any authority conferred upon any executive agency or the head thereof by the provisions of this title may be delegated, and successive redelegation thereof may be authorized, by such head to any official in such agency or to the head of any other executive agency.

"(c) The head of each executive agency responsible for the disposal of foreign excess property hereunder may, as may be necessary to carry out his functions under this title, (1) subject to the civil-service and classification laws, appoint and fix the compensation of personnel, and (2) without regard to the civil-service and classification laws, appoint and fix the compensation of personnel outside the continental limits of the United States.

"(d) The head of each executive agency responsible for the disposal of foreign excess property under this title shall submit a report to Congress in January of each year or at such other time or times as he may deem desirable relative to its activities under this title, together with any appropriate recommendations.

"(e) There shall be transferred from the Department of State to each other executive agency affected by this title such records,

property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate to functions of such agency under this title which have heretofore been administered by the Department of State.

"TITLE V—GENERAL PROVISIONS

"APPLICABILITY OF EXISTING PROCEDURES

"SEC. 501. All policies, procedures, and directives prescribed—

"(a) by either the Director, Bureau of Federal Supply or the Secretary of the Treasury and relating to any function transferred to or vested in the Administrator, by the provisions of this Act;

"(b) by any officer of the Government under the authority of the Surplus Property Act of 1944, as amended, or under other authority with respect to surplus property or foreign excess property;

"(c) by or under authority of the Federal Works Administrator or the head of any constituent agency of the Federal Works Agency; and

"(d) by the Archivist of the United States or any other officer or body whose functions are transferred by title I of this Act,

in effect upon the effective date of this Act and not inconsistent herewith, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this Act or under other appropriate authority.

REPEAL AND HOUSING PROVISIONS

"SEC. 502. (a) There are hereby repealed—

"(1) the Surplus Property Act of 1944, as amended (except sections 13 (d), 13 (g), 13 (h), 28, and 32 (b) (2)), and sections 501 and 502 of Reorganization Plan Numbered 1 of 1947: *Provided*, That, with respect to the disposal under this Act of any surplus real estate, all priorities and preferences provided for in said Act, as amended, shall continue in effect until 12 o'clock noon (eastern standard time), December 31, 1949;

"(2) that portion of the Act entitled 'An Act making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes', approved June 30, 1948 (Public Law 862, Eightieth Congress), as amended, appearing under the caption 'Surplus property disposal';

"(3) the Act entitled 'An Act to authorize the Secretary of War to dispose of material no longer needed by the Army', approved February 28, 1936 (49 Stat. 1147; 10 U. S. C. 1258);

"(4) the Act entitled 'An Act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy', approved May 23, 1930, as amended (46 Stat. 378; 34 U. S. C. 546c);

"(5) section 5 of the Act of July 11, 1919 (41 Stat. 67; 40 U. S. C. 311);

"(6) the first and second provisos contained in the fifth paragraph under the heading 'Division of Supply' in section 1 of the Act of December 20, 1928 (45 Stat. 1030; 40 U. S. C. 311a);

"(7) the Act entitled 'An Act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes', approved July 2, 1948 (Public Law 889, Eightieth Congress);

"(8) section 203 of the Act of June 26, 1943 (57 Stat. 195, as amended; 5 U. S. C. 118d–1);

"(9) the Act of April 15, 1937 (50 Stat. 64; 5 U. S. C. 118d);

"(10) the second proviso contained in the paragraph of the Act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed 'Contingent expenses, Department of Agriculture';

"(11) the second proviso contained in the twentieth paragraph of section 1 of the Act of March 2, 1917 (39 Stat. 973; 5 U. S. C. 494);

"(12) the twenty-sixth paragraph under the heading 'National Parks' of the Act of January 24, 1923 (42 Stat. 1215; 16 U. S. C. 9);

"(13) the fifth paragraph under the heading 'Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States' of the Act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546);

"(14) the proviso contained in the second paragraph under the heading 'Library, Department of Agriculture' of the Act of March 4, 1915 (38 Stat. 1107; 5 U. S. C. 548);

"(15) the second proviso contained in the second paragraph under the heading 'Clothing and camp and garrison equipage' of section 1 of the Act of August 29, 1916 (39 Stat. 635; 10 U. S. C. 1271);

"(16) the Act of May 11, 1939 (53 Stat. 739; 10 U. S. C. 1271a);

"(17) the fifth paragraph under the heading 'Office of the Chief Signal Officer' of the Act of May 12, 1917 (40 Stat. 43, as amended; 10 U. S. C. 1272);

"(18) the third proviso contained in the second paragraph under the heading 'Office of the Chief Signal Officer' of the Act of March 4, 1915 (38 Stat. 1064; 10 U. S. C. 1273);

"(19) the fourteenth paragraph under the heading 'Smithsonian Institution' of section 1 of the Act of March 3, 1915 (38 Stat. 839; 20 U. S. C. 66);

"(20) the second paragraph under the heading 'Government hospital for the insane' of section 1 of the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C. 173);

"(21) the second paragraph under the heading 'Saint Elizabeths Hospital' of section 1 of the Act of June 12, 1917 (40 Stat. 153; 24 U. S. C. 174);

"(22) the provisio contained in the second paragraph under the heading 'Bureau of Supplies and Accounts' of the Act of August 22, 1912 (37 Stat. 346; 34 U. S. C. 531a);

"(23) the second proviso of the first paragraph under the heading 'Bureau of Yards and Docks' of the Act of August 29, 1916 (34 U. S. C. 532);

"(24) the proviso contained in the second paragraph under the heading 'Maintenance, Quartermaster's Department, Marine Corps' of the Act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723);

"(25) the twentieth paragraph under the heading 'Bureau of Mines' of section 1 of the Act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118);

"(26) the first sentence of section 5 of the Act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26);

"(27) the third paragraph under the heading 'Interstate Commerce Commission' of section 1 of the Act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58);

"(28) the Act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b);

"(29) section 4 of the Act of June 17, 1910 (36 Stat. 531; 41 U. S. C. 7);

"(30) the Act of February 27, 1929 (45 Stat. 1341; 41 U. S. C. 7a, 7b, 7c, and 7d); and

"(31) section 1 of the Act of May 14, 1935 (49 Stat. 234; 41 U. S. C. 7c–1)."

"(b) The provisions of the first, third, and fifth paragraphs of section 1 of Executive Order Numbered 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms.

"(c) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this Act shall not be applicable to any Government corporation or agency which is subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841).

"(d) Nothing in this Act shall impair or affect any authority of—

"(1) the President under the Philippine Property Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);

"(2) any executive agency with respect to any phase (including, but not limited to, procurement, storage, transportation, processing, and disposal) of any program conducted for purposes of resale, price supports, grants to farmers, stabilization, transfer to foreign governments, or foreign aid, relief, or rehabilitation: *Provided*, That the agency carrying out such program shall, to the maximum extent practicable, consistent with the fulfillment of the purposes of the program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

"(3) any executive agency named in the Armed Services Procurement Act of 1947, and the head thereof, with respect to the administration of said Act;

"(4) the National Military Establishment with respect to property required for or located in occupied territories;

"(5) the Secretary of Defense with respect to the administration of the National Industrial Reserve Act of 1948;

"(6) the Secretary of Defense, the Munitions Board, and the Secretaries of the Army, Navy, and Air Force with respect to the administration of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596), and provided that any imported materials which the authorized procuring agency shall certify to the Commissioner of Customs to be strategic and critical materials procured under said Act may be entered, or withdrawn from warehouse, free of duty;

"(7) the Secretary of State under the Foreign Service Buildings Act of May 7, 1926, as amended;

"(8) the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force with respect to the administration of section 1 (b) of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940 (54 Stat. 712);

"(9) the Secretary of Agriculture or the Department of Agriculture under (A) the National School Lunch Act (60 Stat. 230); (B) the Farmers Home Administration Act of 1946 (60 Stat. 1062); (C) the Act of August 31, 1947, Public Law 298, Eightieth Congress, with respect to the disposal of labor supply centers, and labor homes, labor camps, or facilities; (D) section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, with respect to the exportation and domestic consumption of agricultural products; or (E) section 201 of the Agricultural Adjustment Act of 1938 (52 Stat. 36) or section 203 (j) of the Agricultural Marketing Act of 1946 (60 Stat. 1082);

"(10) the Secretary of Agriculture, Farm Credit Administration, or any farm credit board under section 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706), with respect to the acquisition or disposal of property;

"(11) the Housing and Home Finance Agency, or any officer or constituent agency therein, with respect to the disposal of residential property, or of other property (real or personal) held as part of or acquired for or in connection with residential property, or in connection with the insurance of mortgages, loans, or savings and loan accounts under the National Housing Act;

"(12) the Tennessee Valley Authority with respect to nonpersonal services, with respect to the matters referred to in section 201 (a) (4), and with respect to any property acquired or to be acquired for or in connection with any program of processing, manufacture, production, or force account construc-

tion: *Provided,* That the Tennessee Valley Authority shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purpose of its program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

"(13) the Atomic Energy Commission;

"(14) the Administrator of Civil Aeronautics or the Chief of the Weather Bureau with respect to the disposal of airport property and airway property for use as such property. For the purpose of this paragraph the terms 'airport property' and 'airway property' shall have the respective meanings ascribed to them in the International Aviation Facilities Act (62 Stat. 450);

"(15) the Postmaster General or the Postal Establishment with respect to the means and methods of distribution and transportation of the mails, and contracts, negotiations, and proceedings before Federal and State regulatory and rate-making bodies, relating to the transportation of the mails;

"(16) the United States Maritime Commission with respect to the construction, reconstruction, and reconditioning (including outfitting and equipping incident to the foregoing), the acquisition, procurement, operation, maintenance, preservation, sale, lease, or charter of any merchant vessel or of any shipyard, ship site, terminal, pier, dock, warehouse, or other installation necessary or appropriate for the carrying out of any program of such Commission authorized by law, or nonadministrative activities incidental thereto: *Provided,* That the United States Maritime Commission shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purposes of such programs and the effective and efficient conduct of such activities, coordinate its operations with the requirements of this Act, and the policies and regulations prescribed pursuant thereto;

"(17) Central Intelligence Agency;

"(18) except as provided in subsections (a) and (b) hereof, any other law relating to the procurement, utilization, or disposal of property: *Provided,* That, subject to, and within the scope of authority conferred on the Administrator by other provisions of this Act, he is authorized to prescribe regulations to govern any procurement, utilization, or disposal of property under any such law, whenever but only to the extent he deems such action necessary to effectuate the provisions of title II; nor

"(19) for such period of time as the President may specify, any other authority of any executive agency which the President determines within one year after the effective date of this Act should, in the public interest, stand unimpaired by this Act.

"(e) Section 3709, Revised Statutes, as amended (41 U. S. C. 5), is amended by striking out '$100' wherever it appears therein and inserting in lieu thereof '$500'.

"AUTHORIZATIONS FOR APPROPRIATIONS AND TRANSFER AUTHORITY

"SEC. 503. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

"(b) When authorized by the Director of the Bureau of the Budget, any Federal agency may use, for the disposition of property under this Act, and for its care and handling pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for purposes similar to those provided for in sections 201, 202, 203, and 205 of this Act.

"SEPARABILITY

"SEC. 504. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

"EFFECTIVE DATE

"SEC. 505. This Act shall become effective on July 1, 1949, except that the provisions of section 502 (a) (2) (repealing prior law relating to the disposition of the affairs of the War Assets Administration) shall become effective on June 30, 1949."

And the Senate agree to same.

WILLIAM L. DAWSON,
CHET HOLIFIELD,
M. G. BURNSIDE,
R. WALTER RIEHLMAN,
RALPH HARVEY,
*Managers on the Part of the House.*

JOHN L. MCCLELLAN,
JAMES O. EASTLAND,
CLYDE R. HOEY,
JOE MCCARTHY,
IRVING M. IVES,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical and necessary conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

DESIGNATION OF NAME

The conference substitute provides that the new agency shall be known as the "General Services Administration," as provided in the House bill, rather than as the "General Services Agency," as provided in the Senate amendment. It is desired that the term "Administration" come to be applied only to independent agencies, that do not have Cabinet status, as in the case of the departments, and that are not primarily regulatory bodies as is the case with commissions. This change is effected in harmony with the recognition of the long over-due realinement of elements within the generic governmental term "agency." It is the beginning of proper, and more fittingly descriptive nomenclature, in governmental fields.

APPLICABILITY TO SENATE AND HOUSE

Under the House bill the Senate and House of Representatives were included in the definition of "Federal agency" in section 3 (b). The Senate amendment contained provision excluding the Senate and the House of Representatives from the definition and specifying both Houses of Congress, among the bodies for which the Administrator is to provide procurement and related services, only upon request, as set out under section 201 (b). The substitute adopts the Senate language. Thus the autonomy of the Congress is preserved, except insofar as it shall, upon its request, desire to be included in the procurement and related services.

DESIGNATION OF TEMPORARY ADMINISTRATOR

The House bill provides (sec. 101 (d)) that pending the first appointment of an Administrator of General Services, the President may designate the Federal Works Administrator in office immediately prior to the effective date of the act to serve temporarily as Administrator and receive the compensation of the General Services Administrator. The Senate amendment provides that the functions of the Administrator shall be performed temporarily by such officer of the Government in office upon, or immediately prior to the effective date of the act as the President shall designate. The substitute adopts the Senate language with the addition of the House provision for compensation, so that in case the incumbent of an abolished office is designated, he will be entitled to receive compensation during the period of his temporary service.

COMPENSATION OF ADMINISTRATOR AND OTHER OFFICERS

Under the House bill (sec. 109) the President is authorized to fix the compensation of the Administrator, the Deputy Administrator, and other named officers, pending the effective date of other provisions of law fixing such compensation, and with regard to existing provisions of law governing such compensation at a rate commensurate with the responsibilities and duties of the respective offices.

The Senate amendment (sec. 101 (e)) authorizes the President to fix the compensation of the Administrator, Deputy Administrator, and heads and assistant heads of the principal organizational units of the General Services Administration at such rates, not in excess of $15,000 per annum, as he shall deem to be commensurate with responsibilities and duties of the offices. The substitute (sec. 101 (e)) contains compromise language providing that pending the effective date of other provisions of law fixing the compensation of the Administrator, Deputy Administrator, and heads and assistant heads of the principal organizational units, and taking into consideration provisions of law providing the compensation of offices having comparable responsibilities and duties, the President shall fix rates of compensation for each of them which he deems commensurate with the responsibilities and duties of the several offices. Thus the broader application of the Senate provision (to heads and assistant heads of constituent units) is adopted, but the House recognition of the pendency of other salary legislation is retained and a new element requiring consideration of salaries paid to comparable officers is introduced in lieu of the House reference to provisions of existing law governing compensation of the officers named. It should be noted that under other provisions of the substitute discussed in the following paragraph certain of the offices named in the original House provision are abolished.

DISPOSITION OF THE BUREAU OF FEDERAL SUPPLY

The House bill (sec. 102 (a)) transfers the Bureau of Federal Supply, and its functions, records, property, personnel obligations and commitments from the Department of the Treasury to the General Services Administration, also providing for a Commissioner of Federal Supply to be the head of the Bureau of Federal Supply. The Senate amendment transfers the functions, records, personnel, etc., of the Bureau of Federal Supply to the General Services Administrator and abolishes that Bureau and the office of the Director. The substitute follows the Senate amendment in that it provides for the abolition of the Bureau and the office of the Director, but the language has been revised so that functions are transferred to the Administrator, and records, property, personnel obligations and commitments are transferred to the Administration. This framework is in accordance with the recommendations of the Commission on Organization of the Executive Branch of the Government.

FEDERAL WORKS

The House bill would have transferred to the General Services Administration the Public Buildings and Roads Administrations

and all other functions of the Federal Works Agency, and merely abolished the Federal Works Agency and the Offices of the Administrator and Assistant Administrator thereof. The Senate amendment would have transferred Public Roads and abolished not only the Federal Works Agency but also the Public Buildings Administration, and the office of the Commissioner thereof. The conference substitute follows the Senate amendment substantially, though in slightly different language, and, also, transfers the functions of the Commissioner of Public Roads to the Administrator of General Services. The substitute thus conforms to the strong recommendations of the Commission on Government Organization for an integrated organization with all statutory authority and responsibility vested in the head of the organization. For the same reasons the conference substitute has omitted the prior language preserving the Bureau of Community Facilities. Further, the substitute changes the name of Public Roads Administration to Bureau of Public Roads as another step toward standard governmental nomenclature.

ARCHIVES

The House text would have exempted from transfer to the Administrator the functions of the Archivist of the United States, under the act of July 7, 1943, respecting the destruction of certain historical records. The Senate amendment struck out this exemption. The House conferees accepted the Senate version because it conforms to the recommendations of the Commission on Organization that all authority and responsibility be lodged in the head of the agency. For the same reasons, the conferees adopted the House language which transfers to the General Services Administration, the custody of certain Federal funds now held by several bodies connected with the National Archives Establishment, and likewise also transferred to the General Services Administration under both the Senate and House texts.

RECORDS MANAGEMENT

The Senate amendment added as section 104 (c) a new provision authorizing the Administrator (1) to survey and obtain reports on Government records management, (2) to promote improved records-management practices in the Government, including central storage and disposal, and (3) to report to the Congress on such activities. The conference substitute adopts the Senate provision as being a good start towards the improvement of Government records management as recommended by the Commission on Organization of the Executive Branch of the Government.

In connection with internal regrouping and redistribution of functions by the Administrator, the Senate amendment required the approval of the Director of the Bureau of the Budget to the necessary accompanying transfers of funds. It was felt that the authority in this field should not be divided. The conferees, therefore, agreed upon the House text, which authorizes the Administrator to make such transfers of funds and merely requires him to appropriately report such transfers to the Budget Director.

GENERAL SUPPLY FUND

The Senate amendment with respect to the General Supply Fund (sec. 109) establishes a new General Supply Fund and transfers to the Administrator the assets of the present General Supply Fund. The new fund is made available for the procurement of personal property and nonpersonal services for executive agencies. Beginning July 1, 1950, only direct costs of procurement, handling, and distribution are to be paid from the fund and prices fixed by the Administrator are not to include indirect or overhead costs. Until July 1, 1950, prices are to be fixed as now authorized. Provision is made for advance payment by requisitioning agencies; otherwise, payment is to be made on vouchers in the usual manner, with the transfer and counter warrant method authorized when payment has not been made within 45 days after billing. The fund is a reimbursable fund, and the establishment of a special deposit account for use by disbursing officers is authorized. Upon the annual audit of the fund by the Comptroller General, any surplus found therein (all assets, liabilities, and prior losses considered) above the authorized capital goes to miscellaneous receipts. The Comptroller General is to report the results of each annual audit to the Congress, with any recommendations as to the status and operation of the fund. The fund may be used for the procurement of supplies and nonpersonal services requested by mixed-ownership Government corporations, the District of Columbia and certain non-Federal agencies, but in such cases, the prices charged are to include the estimated indirect as well as direct costs.

The Senate amendment provided that the fund should not be greater than $100,000,000. With one change to reduce this figure to $75,000,000, the Senate amendment was accepted in lieu of section 210 (e) of the House bill, which merely amended the present authority by providing that prices charged for supplies or nonpersonal services furnished through the General Supply Fund should be fixed in amounts estimated to represent two items of cost, i. e., purchase price and transportation. It is felt that the Senate amendment reconstituting the existing fund makes possible the simplification of certain procedures and is more desirable.

TRANSPORTATION AND TRAFFIC MANAGEMENT

The Senate conferees receded from the Senate amendment which deleted references to transportation and traffic management in section 201 (a) and which in section 502 (b) provided for the continuance of transportation and traffic management functions under Executive Order 6166. The provision of section 201 (a) of the House bill with respect to transportation and traffic management are in accordance with the Recommendations of the Commission on Organization of the Executive Branch of the Government and provide clear authority on this subject.

PUBLIC UTILITY CONTRACTS FOR MORE THAN 1 YEAR

The Senate amendment to section 201 (a) (3) provides that contracts for public-utility services may be made by the Administrator for periods not exceeding 10 years. The purpose of the amendment is to permit the Government to take advantage of discounts which may be obtained only under contracts for periods of longer than 1 year, particularly under contracts for electric-power requirements. The House conferees are thus in agreement with the Senate amendment.

In section 201 (c) the Senate conferees receded from the language of this subsection as contained in Senate amendment and accepted the House language. This eliminates the proviso in the Senate bill that items of personal property to be exchanged under this subsection must be subject to exchange as a general practice in trade channels.

Subsection 204 (e) is intended to permit any executive agency to accept on a projected basis strategic or critical material, as determined by the Munitions Board, in lieu of cash, in payment of amounts due the Government for rent, interest, or principal installments under leases or sales of surplus property.

The price to be allowed in computing the value of the strategic or critical material, shall be the prevailing market price thereof at the time the cash payment or payments become or became due.

The House conferees accepted the provisions of subsection 204 (f) in the Senate amendment. This subsection makes it clear that the Administrator is authorized to administer and manage any credit, lease, or permit, and security therefor, taken in connection with the disposition of surplus property, and it authorizes him to enforce, or suitably adjust, or settle the rights of the Government thereto as he considers in the best interest of the Government.

SUPPLY CATALOG PROGRAM

The conferees agreed on adoption of the House language in section 206 (a) (3) whereby provision is set up to establish and maintain such uniform Federal supply catalog system as may be appropriate to identify and classify personal property under the control of Federal agencies, provided, that the Administrator and the Secretary of Defense shall coordinate the cataloging activities of the General Services Administration and the National Military Establishment so as to avoid unnecessary duplication. The House language thus properly coordinates the military and civilian approach to the speedy completion of the present much needed cataloging program. The theme is cooperation.

In section 206 (b) the Senate receded from its amendment limiting the utilization of such uniform Federal supply catalog system and standard specification to executive agencies, in favor of House language applying to it "Federal" agency. The conferees pressed for this foregoing utilization, except as the Administrator, taking into consideration efficiency, economy, and other interests of the Government, shall otherwise provide. Thus the use of the cataloging system is made mandatory by the Federal agencies, and not merely within the discretion of the head of any such agency or agencies.

REPORTS TO CONGRESS

The House bill language in section 210 directed the Administrator to submit a report to Congress, in January of each year and at such other times as he deems it desirable, regarding the administration of his functions under this act, together with such recommendations for amendments to this act as he may deem appropriate as the result of the administration of such functions. At that same time he is directed to cite laws becoming obsolete by reason of passage or operation of the provisions of this act. This latter point is pertinent since the Administrator will be immediately cognizant of such obsolete laws falling within his purview.

The Senate amendment set out in section 502 (f) that the Administrator shall report to the Congress, in January of each year, and at such other times as he may deem it desirable, the laws becoming obsolete by reason of the passage or operation of title II and III of this act.

It was consensus of the conferees that the language and location of the House section 210 was more proper, less restrictive in scope, and would better afford the Congress accurate information for future legislation.

Further, the House bill exempted from the act the special merchant marine programs of the Maritime Commission (but not its general administrative activities). The Senate amendment did not contain this exemption. The House version was agreed to by the conferees as being in conformity with other exemptions of special programs, provided for in both the House bill and the Senate amendment.

In section 502 (a) (1) the House conferees accepted the Senate amendment to this subsection which amendment saves section 13 (d) of the Surplus Property Act of 1944, as amended, from the repealer clause until December 31, 1949. It is the intention of the conferees to save section 13 (d) of the Surplus Property Act of 1944, as amended.

WILLIAM L. DAWSON,
CHET HOLIFIELD,
M. G. BURNSIDE,
R. WALTER RIEHLMAN,
RALPH HARVEY,
*Managers on the Part of the House.*

Mr. DAWSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DAWSON]?

There was no objection.

Mr. DAWSON. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement as above set out.

Mr. DAWSON. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. I rise simply to ask some questions. As I understand the purport of this statement and of the conference report, the bill in its final form is very much the same as the measure originally enacted by the House; and, if anything, the conference report has bettered the House measure a bit, and that it carries out at least as far as it goes the recommendations of the so-called Hoover Commission; is that correct?

Mr. DAWSON. The gentleman states perfectly our idea about the bill as it now stands. The conferees reached an agreement easily and the major provisions of the House bill were accepted.

We are deeply indebted to the gentleman from New York [Mr. RIEHLMAN], and the gentleman from Indiana [Mr. HARVEY] who sat in on the conference and added so much to reaching an agreement on the bill.

Mr. BROWN of Ohio. It was generally agreed that the House measure was the most substantial measure.

Mr. DAWSON. Blushingly, we admit that the House measure was the best.

Mr. BROWN of Ohio. I wish to congratulate the House committee and the conferees on the part of the House.

Mr. DAWSON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT OVER AND PLACE OF MEETING OF THE HOUSE OF REPRESENTATIVES ON AND AFTER JULY 5, 1949, UNTIL FURTHER NOTICE

Mr. McCORMACK. Mr. Speaker, I offer a privileged resolution (H. Res. 271) and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That when this House adjourns on Friday, July 1, 1949, it will adjourn to meet in the caucus room in the New House Office Building on Tuesday, July 5, 1949, and it shall continue to meet there until otherwise ordered.

*Resolved*, That all rules relating to the Hall of the House shall be applicable to the caucus room.

*Resolved*, That the Clerk communicate these resolutions to the President of the United States and to the Senate of the United States.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. SIKES asked and was given permission to address the House for 15 minutes on Thursday next, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

Mr. JAVITS asked and was given permission to address the House for 30 minutes on Wednesday, July 6, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. SMITH of Virginia asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter addressed to him and a copy of his reply.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include an article by Westbrook Pegler, Victor Riesel, an article from the Pittsburgh Press, the Indianapolis Times, the Indianapolis Star, and a letter from Asa J. Smith.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. DONOHUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include extraneous matter.

Mr. BLATNIK asked and was given permission to extend his remarks in the Appendix of the RECORD and include a news item.

Mr. BOLTON of Maryland asked and was given permission to extend his remarks in the RECORD.

Mr. HAVENNER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Alameda Times-Star.

Mr. WIER asked and was given permission to extend his remarks in the RECORD and include an article from a Minneapolis paper in reference to the Minneapolis school system.

Mr. LINEHAN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. McCARTHY asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. BUCHANAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an exchange of letters between the mayor of Baltimore and Representative BOLTON of Maryland.

Mr. FLOOD asked and was given permission to extend his remarks in the RECORD in three instances and include a speech by the judge advocate of the Marine Corps on June 18, 1949, an Anthracite Institute bulletin, and an editorial from the Wilkes-Barre Times-Leader of May 20, 1949.

Mr. POULSON and Mr. HOFFMAN of Michigan asked and were given permission to extend their remarks in the RECORD.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. HILL asked and was given permission to extend his remarks in the RECORD and include three petitions.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include an address by Ambassador Romulo, notwithstanding that it exceeded two pages of the RECORD and, according to the Public Printer, cost $200 to print.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. KEARNS (at the request of Mr. GRAHAM), indefinitely, on account of critical illness in the immediate family.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3198. An act to amend the act of June 18, 1929; and

H. J. Res. 235. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

ADJOURNMENT

Mr. RABAUT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 29, 1949, at 11 o'clock a. m.

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EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

724. A letter from the Comptroller General of the United States, transmitting a report on the audit of Home Owners' Loan Corporation for the fiscal year ended June 30, 1948 (H. Doc. No. 244); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

725. A letter from the Comptroller General of the United States, transmitting a report on the audit of Veterans Canteen Service for the period August 7, 1946, to June 30, 1947 (H. Doc. No. 245); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

726. A letter from the Adminstrator, Federal Works Agency, transmitting a report by the Federal Works Agency, Public Buildings Administration, relating to public building construction projects outside the District of Columbia (H. Doc. No. 246); to the Committee on Public Works and ordered to be printed.

727. A letter from the Secretary of Agriculture, transmitting the report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of April 1949; to the Committee on Agriculture.

728. A letter from the Secretary of Defense, transmitting a letter by the Acting Secretary of the Navy recommending the enactment of a proposed draft of legislation entitled "A bill to authorize the Departments

of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes"; to the Committee on Armed Services.

729. A letter from the Under Secretary of the Interior, transmitting one certified copy each of certain ordinances enacted by the Public Service Commission of Puerto Rico; to the Committee on Public Lands.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 2869. A bill to authorize an appropriation in aid of a system of drainage and sanitation for the city of Polson, Mont.; with an amendment (Rept. No. 932). Referred to the Committee of the Whole House on the State of the Union.

Mr. REGAN: Committee on Public Lands. H. R. 3285. A bill authorizing the replacement and reconstruction by the Bureau of Reclamation of certain bridges across the Franklin canal of the Rio Grande project of the Bureau of Reclamation, within the city of El Paso, Tex., and authorizing appropriation for that purpose; with an amendment (Rept. No. 933). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 5034. A bill to authorize the taxation of Indian land holdings in the town of Lodge Grass, Mont., to assist in financing a municipal water supply and sewerage system; with an amendment (Rept. No. 934). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee of conference. H. R. 4754. A bill to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes (Rept. No. 935). Ordered to be printed.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DENTON: Committee on the Judiciary. S. 40. An act for the relief of William D. Norris; without amendment (Rept. No. 921). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 660. A bill for the relief of Julia Busch; without amendment (Rept. No. 922). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 734. A bill for the relief of Curtis R. Enos; without amendment (Rept. No. 923). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 1105. A bill for the relief of Hazel L. Giles; without amendment (Rept. No. 924). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 1864. A bill for the relief of the legal guardian of Mitsuo Higa, a minor; with an amendment (Rept. No. 925). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2091. A bill for the relief of Jack McCollum; without amendment (Rept. No. 926). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2239. A bill for the relief of the estate of W. M. West; with an amendment (Rept. No. 927). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 23. Concurrent resolution favoring the suspension of deportation of certain aliens; with an amendment (Rept. No. 928). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 24. Concurrent resolution favoring the suspension of deportation of certain aliens; without amendment (Rept. No. 929). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 25. Concurrent resolution favoring the suspension of deportation of certain aliens; without amendment (Rept. No. 930). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 27. Concurrent resolution favoring the suspension of deportation of certain aliens; without amendment (Rept. No. 931). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GRANGER:

H. R. 5362. A bill to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land; to the Committee on Public Lands.

By Mr. FARRINGTON:

H. R. 5363. A bill relating to strikes or lockouts imperiling the health, safety, or welfare of the Territories or possessions of the United States; to the Committee on Education and Labor.

By Mr. JOHNSON:

H. R. 5364. A bill to authorize and direct the Secretary of the Army to accept the Croix de Guerre from the Government of France on behalf of the Seventh Armored Division; to the Committee on Armed Services.

By Mr. LARCADE:

H. R. 5365. A bill to provide for the transfer of the vessel *Black Mallard* to the State of Louisiana for the use and benefit of the department of wildlife and fisheries of such State; to the Committee on Public Lands.

By Mr. MEYER:

H. R. 5366. A bill to extend indefinitely the period in which title I of the Agricultural Act of 1948 shall be applicable; to the Committee on Agriculture.

By Mr. TAURIELLO:

H. R. 5367. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. VINSON:

H. R. 5368. A bill to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes; to the Committee on Armed Services.

By Mr. KEARNEY:

H. R. 5369. A bill to amend the act entitled "An act to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department," as amended; to the Committee on Armed Services.

By Mr. POTTER:

H. R. 5370. A bill to make more adequate provision for the return to remunerative employment of disabled persons, to amend the Vocational Rehabilitation Act, as amended (U. S. C., 1946 ed., title 29, ch. 4), to amend the Randolph-Sheppard Act (U. S. C., 1946 ed., title 20, ch. 6A), to authorize grants-in-aid to the States for special programs for the blind and other severely disabled persons; to the Committee on Education and Labor.

By Mr. O'TOOLE:

H. R. 5371. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. CASE of South Dakota:

H. R. 5372. A bill to authorize the negotiation, approval, and ratification of separate settlement contracts with the Sioux Indians of Cheyenne River Reservation in South Dakota and of Standing Rock Reservation in South Dakota and North Dakota for Indian lands and rights acquired by the United States for the Oahe Dam and Reservoir, Missouri River development, and for other related purposes; to the Committee on Public Lands.

By Mr. POULSON:

H. J. Res. 282. Joint resolution to appoint a board of engineers to examine and report upon the proposed central Arizona project; to the Committee on Public Lands.

By Mr. CANNON:

H. J. Res. 283. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes; to the Committee on Appropriations.

By Mr. FOGARTY:

H. Res. 270. Resolution declaring it to be the sense of this House of Representatives that the Republic of Ireland should embrace the entire territory of Ireland; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COUDERT:

H. R. 5373. A bill for the relief of Michael Arlen, Atalanta Arlen, Michael John Arlen, and Venetia Arlen; to the Committee on the Judiciary.

By Mr. GOODWIN:

H. R. 5374. A bill for the relief of Mrs. Angiolina Bertorelli Zanelli; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 5375. A bill for the relief of Mrs. Hilda De Silva; to the Committee on the Judiciary.

By Mr. JOSEPH L. PFEIFER:

H. R. 5376. A bill for the relief of Luigi Cagliani; to the Committee on the Judiciary.

H. R. 5377. A bill for the relief of Jose Del Rio; to the Committee on the Judiciary.

By Mr. O'TOOLE (by request):

H. R. 5378. A bill for the relief of Luigi Tufano; to the Committee on the Judiciary.

By Mr. EVINS:

H. R. 5379. A bill to provide for the erection of a memorial at the grave of Elizabeth Daniel, the widow of Joseph (Job) Daniel, a Revolutionary War soldier; to the Committee on House Administration.

By Mr. GARY:

H. R. 5380. A bill for the relief of Thomas J. Smith; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. R. 5381. A bill for the relief of Billy Ray Ridenour and L. L. Ridenour; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1190. By Mrs. NORTON: Petition of Star of the Sea Council, No. 371, Knights of Columbus, Bayonne, N. J., opposing the enactment of the Barden bill, H. R. 4643; to the Committee on Education and Labor.

1191. By the SPEAKER: Petition of Mrs. Theta A. Cook and others, Venice, Calif., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1192. Also, petition of Mrs. Mary A. Erdman and others, Paso Robles, Calif., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1193. Also, petition of William Robbins and others, Quincy, Ill., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1194. Also, petition of Mrs. Elizabeth Starks and others, Chambersburg, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1195. Also, petition of Jack Yost and others, Turtle Creek, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1196. Also, petition of Mrs. Clara E. Gentry and others, Marysville, Wash., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1197. Also, petition of Charles V. West and others, Tacoma, Wash., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1198. Also, petition of Charles R. Kemp and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

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# SENATE

## WEDNESDAY, JUNE 29, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, this sacred altar at which we bow, in the midst of another day's demands, is the witness of our weakness and the contrite confession that in Thee alone is the answer to our needs. Our hearts grow faint in the dust of our foolish pride. The cries of the crowd about us but bring us to confusion without and perplexity within. Weary of our fruitless quests and futile arguments, we turn to Thee in the humility of prayer. Grant us vision and wisdom that by our decisions here we may have a part in making earth's crooked ways straight when at last social and industrial relations will lose their hard antagonisms and become the hallowed cooperation of comrades in human service. We ask it in that name that is above every name. Amen.

### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 28, 1949, was dispensed with.

### MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 28, 1949, the President had approved and signed the act (S. 55) to authorize completion of construction and development of the Eden project, Wyoming.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 834) to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes.

The message also announced that the House had agreed to the following resolution:

House Resolution 271

*Resolved*, That when this House adjourns on Friday, July 1, 1949, it will adjourn to meet in the caucus room in the New House Office Building on Tuesday, July 5, 1949, and it shall continue to meet there until otherwise ordered.

*Resolved*, That all rules relating to the Hall of the House shall be applicable to the caucus room.

*Resolved*, That the Clerk communicate these resolutions to the President of the United States and to the Senate of the United States.

### RESIGNATION OF SENATOR WAGNER, OF NEW YORK

The VICE PRESIDENT. The Chair lays before the Senate a communication from the senior Senator from New York [Mr. WAGNER] which the clerk will read.

The legislative clerk read as follows:

UNITED STATES SENATE,
*Washington, D. C., June 28, 1949.*

Hon. THOMAS J. CURRAN,
*Department of State,*
*Capitol, Albany 1, N. Y.*

DEAR MR. SECRETARY: I regret that I find it necessary to tender my resignation as United States Senator from the State of New York, effective as of this date.

ROBERT F. WAGNER.

The VICE PRESIDENT. The letter will lie on the table.

Mr. IVES obtained the floor.

Mr. LUCAS. Mr. President, does the Senator from New York desire to address the Senate?

Mr. IVES. I wish to make a short statement regarding the resignation of my colleague, if the opportunity is afforded me.

Mr. LUCAS. Does the Senator wish to do that now, or wait for a quorum?

Mr. IVES. I would just as soon wait until a quorum is present.

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Chapman | Flanders |
| Anderson | Chavez | Frear |
| Baldwin | Connally | Fulbright |
| Brewster | Cordon | George |
| Bricker | Donnell | Gillette |
| Bridges | Douglas | Graham |
| Butler | Downey | Green |
| Byrd | Eastland | Gurney |
| Cain | Ferguson | Hayden |
| Hendrickson | McCarthy | Smith, Maine |
| Hill | McClellan | Sparkman |
| Hoey | McFarland | Stennis |
| Holland | McGrath | Taft |
| Humphrey | McKellar | Thomas, Okla. |
| Hunt | Martin | Thomas, Utah |
| Ives | Maybank | Thye |
| Jenner | Miller | Tobey |
| Johnson, Colo. | Mundt | Tydings |
| Johnson, Tex. | Murray | Vandenberg |
| Johnston, S. C. | Neely | Watkins |
| Kefauver | O'Conor | Wherry |
| Kem | O'Mahoney | Wiley |
| Kerr | Pepper | Williams |
| Kilgore | Reed | Withers |
| Langer | Robertson | Young |
| Lodge | Saltonstall | |
| Lucas | Schoeppel | |

Mr. LUCAS. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly meeting at Rome, Italy.

The Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], the Senator from Pennsylvania [Mr. MYERS], the Senator from Georgia [Mr. RUSSELL], and the Senator from Idaho [Mr. TAYLOR] are detained on official business in meetings of committees of the Senate.

The Senator from Connecticut [Mr. MCMAHON] is absent on official business, presiding at a meeting of the Joint Committee on Atomic Energy in connection with an investigation of the affairs of the Atomic Energy Commission.

Mr. SALTONSTALL. I announce that the Senator from Montana [Mr. ECTON] is absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], and the Senator from California [Mr. KNOWLAND] are in attendance at a meeting of the Joint Committee on Atomic Energy.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Nevada [Mr. MALONE] are detained on official business.

By order of the Senate, the following announcement is made:

The members of the Joint Committee on Atomic Energy are in attendance at a meeting of the said committee in connection with an investigation of the affairs of the Atomic Energy Commission.

The VICE PRESIDENT. A quorum is present.

Mr. IVES. Mr. President, I noted with a great deal of regret the communication the Senate has received indicating the resignation of my very distinguished colleague from New York, Senator ROBERT F. WAGNER. I rise at this time to speak very briefly in tribute to the record of a very great American, the former senior Senator from New York. I have not always agreed with my colleague in all his ideas, but on some matters he and I have seen eye to eye—in his desire to help improve the lot of the ordinary man, the rank and file of people, to make this a better country in which to live. In those things always in principle I have agreed with him, and to a considerable extent I have found little fault with the methods he may have desired to employ.

All of us who are Members of the Senate are acquainted with his distinguished public record in Washington, as a servant of the people of the Nation. But I desire to point out that his record is equally distinguished in the State of New York. As a former member of the Assembly of New York, as a former member of the New York State Senate, of which he served as the floor leader of his party for 8 years, as a former member of the Supreme Court of the State of New York, and of the appellate division of that court, from which he resigned to run for the United States Senate in 1926, he has had an unusual record of achievement in his own State. Even as we in the Senate have lost, in his resignation, a distinguished fellow Senator who has served faithfully and well and with great effectiveness in this body, so have the people of the State of New York—and I say this as a Republican, speaking of a Democrat—lost a distinguished servant in the cause of their State and in the cause of their country.

Before closing, Mr. President, I desire to read, in order that it may be placed in the RECORD where all may see it, the statement of Senator WAGNER which was issued yesterday at the time of his resignation. I read it:

STATEMENT OF SENATOR ROBERT F. WAGNER ON HIS RESIGNATION FROM THE UNITED STATES SENATE

My turn has come to step down. For some time past it has been my personal wish to relinquish my seat in the United States Senate. Kind friends have tried to persuade me that I would, after a short rest, be able to resume such constant attention to official duties as I have in the past been accustomed to give.

The leaders of my party have pressed upon me their wish that I should embrace that hope and continue in office. I cherish the kindness of my friends and value highly the opinion of party leaders.

But in the last analysis, I must square my conduct with my own conscience. That inner voice tells me that I should no longer rely on a hope so long deferred. I resign from the Senate with deep regret. During the 23 years that I served in that body I made fast friendships which will warm my heart as long as I live.

I shall miss them. While I served in Washington, I had the priceless privilege of taking part in a continuing battle for human rights. It is a source of satisfaction that there are more victories than defeats. Legislation was enacted to give labor a place of equality at the collective-bargaining table and to insure its rights.

Other laws gave to the people greater security in employment and some measure of protection against the economic tragedies of old age. All this was done in the pioneer spirit of mutual help. My regret, of course, is that I cannot remain in the front line. The battle for human rights is never ending.

Those who believe in the liberal tradition in American life must remain alert to protect past gains. The future demands advances in many areas, particularly in those of conservation of our natural resources, defense against unemployment, adequate housing, and national health.

I must bow to the judgment of an all-wise providence. I do so all the more readily because, as I look back upon the 45 years of uninterrupted public service, my heart is filled with gratitude to the people of New York who have so consistently shown me their trust and affection and to my party which has opened for me so many doors to service. I have had my fair share of shining hours when the country approved my labors and when I saw the reforms for which I struggled, so firmly established that many took them for granted.

As I retire from the arena which has been home to me these many years, I have no misgivings about the future. I see a generation grown up which is well equipped with the learning, intelligence, courage, and faith in our country to meet the challenge of the new day more successfully than my own generation. I have faith that this new generation will exercise power for the common good. So long as it reassures freedom and the love of God and country the prospect is bright.

With that, Mr. President, and with the request to have inserted in the RECORD at this point as a part of my remarks a biography of Senator WAGNER which I think should be included in the RECORD, I close by paying tribute once more to this very dear friend, this great American, this great servant both of his State and of his Nation.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

BIOGRAPHY OF SENATOR ROBERT F. WAGNER

ROBERT F. WAGNER, Democrat, was born in Nastatten, Germany, June 8, 1877, and came to this country at the age of 8. He was educated in the public schools of New York City, and sold newspapers after school hours to help support himself. He received the degree of B. S. from the College of the City of New York in 1898 and the LL. B. degree from the New York Law School in 1900. In the latter year, he was admitted to the bar and has engaged continuously in the general practice of law, except for the 8 years during which he served upon the supreme court of the State.

He was elected to the assembly in 1905, and was elevated to the State senate in 1908, where he served until 1918, the last 8 years as Democratic floor leader. He was Acting Lieutenant Governor of the State in 1914, following the impeachment of Governor Sulzer, and in 1915 was elected delegate to the State constitutional convention. In 1918 he was elected justice of the supreme court, and in 1924 was designated to the appellate division of the first department. He resigned his judicial office to undertake a successful campaign for election to the United States Senate in 1926. In 1932 and 1938 he was reelected by great majorities.

Senator WAGNER'S career has been devoted largely to the problems of social security, unemployment, and other issues presented by modern industrial society. As a lawyer he won some of the most important cases giving recognition to the rights of labor, including a case which virtually outlawed the "yellow dog" contract in New York State. As a State legislator he was chairman of the committee formed to investigate factory conditions in New York, following the Triangle fire in 1911. Largely due to his efforts, a code of labor laws was enacted which raised New York from near the bottom to the very top of the list of States dealing with the problems of working people. He also sponsored bills in regard to workmen's compensation laws, the wages and hours of women and children in industry, and widows' pensions. His liberal viewpoint made itself felt in a wide variety of other legislative matters, such as conservation and woman suffrage.

On the State supreme court bench, Senator WAGNER was distinguished for his sound judgment and breadth of vision. He upheld the constitutionality of the home-rule amendment for New York City and of the wartime emergency rent laws (later affirmed by the Supreme Court of the United States). He sustained the right of employees to engage in collective bargaining. He was the first to sustain the right of labor organizations to sue in the courts for injunctive relief.

In the United States Senate, Senator WAGNER has become the foremost authority in the field of industrial relations, and has been responsible for far-reaching legislation to stabilize industry, improve working conditions, and minimize unemployment. Bills which he introduced in his first few years as United States Senator that have become law include: Provisions for the adequate collection of labor statistics; the creation of a Federal employment stabilization board to plan public construction 6 years ahead; and the establishment of a Federal employment agency system which provides for the transfer of labor from places of surplus to places of need. With the coming of depression, Senator WAGNER participated actively in the creation of the Reconstruction Finance Corporation, and he was chiefly responsible for the Emergency Relief and Construction Act of 1932, which provided over $2,000,000,000 for various kinds of aid to the unemployed. In 1933 he sponsored the National Industrial Recovery Act, and was a cosponsor of the laws setting up the Civilian Conservation Corps and extending $500,000,000 additional relief to the unemployed.

In the past decade, Senator WAGNER has redoubled his efforts in behalf of legislation for the national welfare. He sponsored the National Labor Relations Act, which safeguards the fundamental right of workers to organize and bargain collectively through representatives of their own choosing. He was the sponsor and champion of the Social Security Act, by which 66,000,000 men and women have earned rights toward old-age and survivors insurance and 35,000,000 workers are protected by employment insurance. He obtained the enactment of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, and recently introduced a bill which would liberalize the existing provisions of both of these acts and would add provisions for survivors benefits, sickness benefits, and maternity benefits.

In 1943, he introduced a comprehensive bill to expand and liberalize the benefits of the present Social Security Act. This bill would extend social security to millions of additional workers and would provide increased old-age and survivors insurance benefits, insurance against the costs of medical care and hospitalization, insurance against wage loss for the worker who becomes temporarily ill or disabled, a more effective Nation-wide system of public employment offices, a uniform national unemployment insurance system and an improved system of Federal grants-in-aid to the States for assistance to needy persons.

Senator WAGNER'S efforts to assure adequate housing for the American people are well known. He sponsored the United States Housing Act of 1937, which initiated a long-term slum-clearance and low-rent housing program, and the National Housing Act of 1938 which greatly enlarged and extended the powers of the Federal Housing Administration. He was one of the chief sponsors of the Home Loan Act which created the Home Owners' Loan Corporation and afforded protection to millions of distressed home owners. He sponsored legislation providing for a housing census, in connection with the census of 1940. In 1943, Senator WAGNER introduced legislation to assist cities and towns in postwar planning for adequate housing and land redevelopment. More recently, he introduced legislation calling for adequate research in the housing field.

From the beginning of the war emergency, Senator WAGNER has favored every important defense and war measure. He supported the lend-lease bill and its extensions, the lifting of the arms embargo and Selective Service Act, and adequate appropriations

for the expansion and strengthening of our armed forces. Senator WAGNER sponsored the amendments to the Trading With the Enemy Act authorizing the United States Treasury to "freeze" funds and accounts in the United States; and the law expanding the powers of the Export-Import Bank in promoting Latin-American trade and hemisphere solidarity. He sponsored legislation leading to the enactment of the Stabilization Act of 1942, which strengthened the hands of the President in stabilizing the cost of living and preventing a ruinous inflation.

Senator WAGNER was among the first to recognize the need for comprehensive planning to cope with the problems of the postwar period. As far back as 1941, he proposed the creation of a postwar advisory board and the advance planning of public works. These ideas have now been incorporated in legislation adopted by Congress. Recently he introduced and guided through the Senate a bill to increase the capitalization of the Smaller War Plants Corporation as a means of assisting smaller business enterprises to expand their activities in the postwar period. His current proposals for the expansion of our social-security system and for a vast program of urban redevelopment and slum clearance are generally regarded as the keystone of any sound postwar program.

For many years, Senator WAGNER has been actively fighting for legislation to protect the rights of minority groups, including a Federal antilynching bill, the abolition of the poll tax, and the establishment of a permanent Fair Employment Practice Committee. In 1944, he sponsored a resolution urging the United States to use its good offices in behalf of free entry of Jews into Palestine and full opportunity for full colonization of the Jewish homeland.

Senator WAGNER has played an active part in the passage of adequate legislation for the protection of veterans. He sponsored the law creating the United States Employment Service, under which a Veterans Placement Service was established, with offices throughout the country, to assist veterans in obtaining employment. Many of the provisions of the GI Bill of Rights stem from measures previously introduced by Senator WAGNER, including the unemployment compensation and employment service features. He successfully led the fight to retain in the GI bill a provision for 52 weeks of unemployment benefits for returning servicemen and women. To round out the program of assistance to veterans, Senator Wagner recently introduced a bill to protect the old-age and survivors insurance rights of servicemen by providing credits under the Social Security Act for the period of military service.

Senator WAGNER was one of the sponsors of the full employment bill of 1946 and was chairman of the committee which held hearings and reported the bill. In November 1945, together with Senator ELLENDER and Senator TAFT, he introduced the general housing bill which passed the Senate but died in the House. It has been reintroduced this year in slightly revised form and has been reported favorably to the Senate by the Banking and Currency Committee.

Senator WAGNER has been one of the leading proponents of a national health insurance and public health program and together with other sponsors again introduced that legislation. He has also reintroduced a revised antilynching bill.

From the Seventy-fifth Congress through the Seventy-ninth Congress, Senator WAGNER served as chairman of the Senate Committee on Banking and Currency, and was a member of the following committees: Foreign Relations, Interstate Commerce, Public Lands and Surveys.

From August 1933 to July 1934, Senator WAGNER was Chairman of the National Labor Board. In 1937 he was elected delegate-at-large to the New York State Constitutional Convention and was thereafter designated minority leader at the convention. Senator WAGNER was one of the four congressional delegates to the International Monetary Conference recently held at Bretton Woods, N. H.

Senator WAGNER is now serving as the ranking majority member of the Banking and Currency Committee.

Senator WAGNER'S residence is in New York City.

Mr. THOMAS of Utah. Mr. President, I would not feel right in keeping my seat and not associating myself in my humble way with the wonderful tribute which the Senator from New York has paid to our colleague, Senator WAGNER.

Senator WAGNER was a seatmate of mine for years in the Senate. While I was chairman of the Committee on Education and Labor Senator WAGNER had before that committee two of his great bills, the United States Housing Authority bill and the National Labor Relations bill. I was not chairman when the National Labor Relations Act was passed, but I was a member of the committee. Those two great bills of Senator WAGNER'S were introduced by a man who did not serve on that committee, but he had many friends on it.

While I was chairman of the Military Affairs Committee, Senator WAGNER was also a member of that committee; and in the Foreign Relations Committee for years he and I sat side by side in the deliberations of that committee.

Mr. President, I honored Senator WAGNER before I came to the Senate. He was one of the first Senators to greet me. When I told him who I was, he said, in his gratifying witty way, "I know you. I once saw your picture in a newspaper." I knew exactly what he meant.

Mr. President, the things which Senator WAGNER sponsored in the Senate are things which will never die, and the people of the United States who have been benefited by legislation introduced and promoted by him are so many and so widespread that his name will never die.

I do not want to say more than that as a colleague I honored him. As a seat mate, he was always companionable and always interested in what I was doing, as I was interested in what he was doing. As a great statesman, his measure will be written in our history, so I need not mention that. But I should like to bear testimony of his worth as an honest man and an earnest man. I appreciate this opportunity to say these few words about a fine friend.

Mr. TOBEY. Mr. President, I, too, wish to join with the distinguished Senator from New York [Mr. IVES] in paying my meed of tribute to BOB WAGNER, who has just resigned from the Senate after a long and wonderful career of activity.

It was my privilege to sit beside him in the Committee on Banking and Currency during his chairmanship. In those years together, in a very trying time in our Nation's history, I came to have not only respect but affection for BOB WAGNER which I shall cherish as long as life lasts.

As I watched the man and knew his interest in the common people of the country, I thought of what Lincoln said—that his chief aim in life was to have a sympathetic interest in those who have to carry the heavy end of the load. I think BOB WAGNER in his life here carried out the spirit of the immortal Lincoln.

I am sorry that he is leaving us by severing these ties, but as long as life lasts I shall hold him in great respect and affection. When the time comes in the life of BOB WAGNER, as it will in yours, Mr. President, and mine, and that of our colleagues; when the evening of life draws near and the shadows fall and our work is done, BOB WAGNER will be able to say, as I hope you and I will, "I have fought a good fight. I have kept the faith, and I have not been idle while I prayed 'Thy kingdom come; Thy will be done.' "

The VICE PRESIDENT. The Chair asks the indulgence of the Senate for just a moment because of the peculiar circumstances which affect this day.

In 1927, on the 4th of March, five new Senators entered this body. Four of them were from the House of Representatives and one from the bench. The Senator from Arizona [Mr. HAYDEN], the Senator from Maryland [Mr. TYDINGS], the Senator from Oklahoma [Mr. THOMAS], and I came over from the other body. Senator WAGNER came from the bench in New York.

During the 22 years until my own resignation in January, that quintet remained unbroken. During all those 22 years, Senator WAGNER and I became warm personal friends and associates. I served with him on the Committee on Banking and Currency during that whole time, and on the Committee on Foreign Relations during a large portion of it, as well as on other committees.

In all those relationships not only did there develop a warm personal affection and admiration, but a profound respect for his sincerity, his honesty, his courage, and his absolute devotion to the public service. He was among many millions of those who, born beyond the shores of the United States, came here as a lad and contributed in unusually great measure to the record of our legislative, political, and social life.

It is for all these reasons that I look upon his resignation with deep regret and profound sorrow, and I hope that he may yet find the recovery in health which he has sought, and which he so richly deserves.

I would not want this moment to pass without paying my tribute of profound affection, respect, and regard for this great public servant, and I wish to express my own personal regret at the necessity for his retirement from this body.

Mr. LUCAS. Mr. President, the statement just read by the distinguished junior Senator from New York [Mr. IVES] definitely sets forth the faith that BOB WAGNER had in the people whom he served in so many battles.

As a result of his resignation, the voice of BOB WAGNER will no longer be heard in this Chamber, speaking for the rights of humanity. In the statement accompanying his resignation he tells us that he has no misgivings about the future.

Mr. President, that optimism was one of the outstanding traits on the part of BOB WAGNER, who has served so long in the legislative halls of the Nation. His courage and his confidence in those who believe in the liberal tradition are as strong as ever. He is sure that we will meet the challenges of the present and the future, as we have met the challenges of the past.

The name of BOB WAGNER is linked to many of the major measures which have brought great blessings to the American people. He fought for the Social Security Act, for a national-housing program, for emergency relief and unemployment insurance, for adequate appropriations for national defense, for economic stabilization and full employment; and he was the one who took the lead in assuring labor a place of equality at the collective-bargaining table.

In the long line of illustrous men who have represented the conscience of America here in the Senate, ROBERT WAGNER stands high. He is one of those who have added luster to the shining traditions we cherish and admire. His name will be taken from the roll of the Senate, but it will remain in the minds of all of us who have shared in the struggles for progressive legislation.

I am grateful that I have had the opportunity of knowing BOB WAGNER during his days of battle and achievement. I am grateful that I have had the benefit of his wise counsel, the encouragement of his kindness and generosity, the stimulation of his far-reaching mind. I deeply regret that illness causes his resigning from the United States Senate. I salute him, and I hope he will have many joyous years ahead of him.

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram which was sent to Senator WAGNER this morning by the members of the Banking and Currency Committee. That action was taken at the first meeting of the committee since Senator WAGNER resigned. It was the unanimous wish of the committee to pay their full and deep respects to him. So I ask that the telegram be printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SENATE COMMITTEE ON
BANKING AND CURRENCY,
*June 29, 1949.*

HON. ROBERT F. WAGNER,
*New York, N. Y.:*

All members of Committee on Banking and Currency learned with deep regret that ill health has compelled you to resign as a Member of the Senate. All who have worked under your able chairmanship or who have read of your achievements will always remember the interminable hours, the indefatigable energy, the boundless devotion at the expense of your health and beyond the call of duty which have characterized your fruitful years as chairman of this committee and as one of the outstanding Senators of this era in the field of social legislation and in other fields. The Senate and the Nation have benefited from your leadership. Your constant watchfulness over the interests of the little people of America have earned you their lasting gratitude. Every member of this committee wishes you prompt recovery in order that you may truly enjoy in large measure the happiness which you have brought to millions. As chairman I shall continue to operate the committee in accordance with the high standard and fine tradition which you maintained throughout your chairmanship.

BURNET R. MAYBANK.

## NATIONAL LABOR RELATIONS ACT OF 1949

The Senate resumed the consideration of the bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes.

Mr. LUCAS. Mr. President, I should like to discuss the unfinished business for a moment, with a view to obtaining unanimous consent as to the future course to be pursued.

The Senate will recall that on yesterday we had rather an extensive colloquy on the floor with respect to a unanimous-consent agreement on the substitute offered by the able Senator from Ohio to titles I, II, and IV of the Thomas substitute. On yesterday I discussed with the chairman of the Committee on Labor and Public Welfare and with practically all the Members on both sides of the aisle such a unanimous-consent agreement. At that time it seemed that perhaps we could obtain such an agreement today. In yesterday's debate, I laid the foundation for this request.

The only objection at the time came from the distinguished junior Senator from New York [Mr. IVES]. Although he did not seriously object to it at the time, he did say he had several amendments which he deemed it advisable to offer to the Taft substitute.

Mr. President, I have not discussed this matter since that time with the Senator from New York, but perhaps the statement I shall make now will help the Senator from New York in the dilemma in which he now finds himself. Obviously if we are successful in defeating the Taft substitute, we shall then move right along with the debate and no doubt a number of perfecting amendments will be offered to the Thomas substitute. I do not say I shall vote for such amendments, but I do say there are a number of perfecting amendments which will be offered if we can defeat the Taft substitute to titles I, II, and IV.

If we cannot defeat the Taft substitute, then it seems to me that will be practically the end of the consideration of labor legislation for the moment, so far as the Senate is concerned.

Obviously, I cannot tell what the vote will be. My hope is that we can defeat the Taft substitute. That was my hope yesterday on the Taft amendment to title III. We failed yesterday. I hope we are more successful when the vote comes on the Taft substitute to titles I, II, and IV. But if we should not be successful, it seems to me that we should be able to get a vote on the bill itself immediately following the vote on the Taft substitute.

Mr. IVES rose.

Mr. LUCAS. I yield now to the Senator from New York

Mr. IVES. I should like to inquire of the able Senator from Illinois at what hour he is asking that the vote be taken.

Mr. LUCAS. I shall put the unanimous-consent request in a moment.

Mr. IVES. I shall have a statement to make when the request is made.

Mr. LUCAS. I was going to ask that the vote be had at 2 o'clock tomorrow afternoon. However, let me say that in the event the Taft substitute is adopted, in view of what happened yesterday, I have no way of knowing what the President of the United States will do with that kind of a bill. But should the seizure and injunction provisions remain in the bill—as they are at the present time—and should the Taft substitute dealing with the closed shop, the rights of the States, with suability of unions, with a virtual ban on all secondary boycotts, with the labor injunction, and with other important matters be adopted, I have no hesitancy in predicting that the President of the United States will veto that kind of a bill. I have not talked with the President about it, but I am making that statement upon my own responsibility.

With that thought in mind, it seems to me we should move along as fast as we can and take final action upon the labor bill.

I yield now to the Senator from New York.

Mr. IVES. I am still waiting for the Senator from Illinois to make his request.

Mr. LUCAS. Very well; I shall do so, if that is all the Senator from New York wants.

Mr. IVES. That is all I want.

Mr. LUCAS. Mr. President, I ask unanimous consent that on the calendar day of Thursday, June 30, 1949, at not later than the hour of 2 o'clock p. m., the Senate proceed to vote without further debate on the amendment in the nature of a substitute proposed by the Senator from Ohio [Mr. TAFT], for himself and other Senators, to titles I, II, and IV of the substitute proposed by the Senator from Utah [Mr. THOMAS] to Senate bill 249, the National Labor Relations Act of 1949, or on any amendments proposed thereto; and that the time for debate on the amendment, starting at 12 o'clock tomorrow, be controlled equally by the Senator from Ohio [Mr. TAFT] and the Senator from Utah [Mr. THOMAS].

The VICE PRESIDENT. Is there objection to the request?

Mr. IVES. Mr. President, reserving the right to object, yesterday when the distinguished majority leader, the Senator from Illinois [Mr. LUCAS], indicated that he might attempt to obtain a unanimous-consent agreement to vote on the pending Taft substitute at 2 o'clock on Thursday, I indicated that I might object, in view of the fact that I intended to present perfecting amendments to the Taft substitute.

Since that statement was made by the majority leader, I have considered the situation carefully and have reached a decision in the light of the following facts: First, the Senate Committee on Labor and Public Welfare, in reporting the Thomas Bill, afforded no opportunity in executive session for any Senator to offer amendments; second, after being reported to the calendar on March 8, 1949, the Thomas bill was not brought up for debate until June 6, 1949, an interval of 3 months; third, as everyone knows,

we have spent three full weeks in debate on it, and yesterday we finally reached a vote on title III, which to my mind constitutes only about 10 percent of the substance of the entire bill or of the two Taft substitutes; fourth, from the record votes of yesterday it is quite evident that those who supported the Taft substitute for title III are likely to support the pending over-all Taft substitute, and that any perfecting amendments which I might offer would be doomed to probable defeat.

I believe that, if the request of the majority leader is agreed to, which would bring this debate to a close tomorrow, there is only one course of action I can follow. Under such a condition, therefore, I shall move no perfecting amendments either to the Thomas bill or to the pending Taft substitute. Instead I expect to vote against the Taft substitute and, if a vote is had on the Thomas bill as replaced by it, to vote also against it. Neither can I vote for the Thomas bill in its present form.

I find many of the provisions in the pending substitute amendment offered by the distinguished Senator from Ohio to be meritorious, but its retention of several important and controversial parts of the Taft-Hartley Act, with which I am not in accord, would seem to leave me no alternative other than to vote against it. Therefore, Mr. President, I offer no objection to the request of the able Senator from Illinois.

Mr. WHERRY. Mr. President, reserving the right to object, I inquire of the distinguished Senator from Illinois, the majority leader, whether the unanimous-consent request is interpreted to mean that any amendments which are offered may be debated up until 2 o'clock, but that amendments are in order after 2 o'clock, though not subject to debate. Is that correct?

Mr. LUCAS. I do not quite understand the Senator's inquiry.

The VICE PRESIDENT. The Chair can settle that.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Would amendments be in order after 2 o'clock, but not subject to debate?

The VICE PRESIDENT. Amendments would be in order after 2 o'clock, but not subject to debate.

Mr. WHERRY. I thought that statement should be made.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. If I may finish with another question——

Mr. TAFT. Certainly.

Mr. WHERRY. I was not through with the statement. I have another question I should like to ask. However, if the Senator wants to speak on the point just raised, I shall be glad to defer to him.

Mr. TAFT. Mr. President, the only question I raise is, When are the amendments to my amendment to be presented? Can all of them be presented today?

Mr. LUCAS. I think if any amendments are to be presented, they should be presented today.

Mr. WHERRY. Mr. President, that is the reason for my inquiry of the Chair. I think Senators should know that if they want to offer amendments and to speak on them, the amendments should be offered today, because, after 2 o'clock, even though an amendment be offered, it would not, under the proposed agreement, be subject to debate. Is not that correct?

The VICE PRESIDENT. That is correct.

Mr. TAFT. Mr. President, let me suggest another modification, in the interest, it seems to me, of orderly procedure. I suggest that when we begin to vote on the amendments at 2 o'clock, if any Senator desires to speak not to exceed 15 minutes on his amendment, he may do so, and that I may have 15 minutes to reply before the vote is taken on the amendment. It seems to me that the procedure by which amendments are voted on, bang, bang, bang, without warning, without any opportunity to consider the particular amendment, is a rather arbitrary procedure and a difficult one.

Mr. LUCAS. The Senator from Illinois will settle for 5 minutes.

Mr. TAFT. How about 10?

Mr. LUCAS. Very well. I will accept that modification, at the suggestion of the Senator from Ohio, limiting debate on amendments to the Taft amendment to 10 minutes. From what I have heard, I do not believe that any amendments are going to be offered, but if they are offered, the modification suggested is certainly acceptable to me.

Mr. TAFT. Mr. President, we ourselves may desire to offer amendments of different sorts in connection with questions which may be raised and which we have not had the time to consider, and we may wish to explain why those amendments are acceptable. My proposal is only that, if the proponent of an amendment desires to speak 10 minutes before the vote, he may do so, in which case the opponent of the amendment could have 10 minutes for reply.

Mr. LUCAS. I accept that modification.

The VICE PRESIDENT. Will the Senator from Ohio let the Chair ask him a question? This situation may arise: Suppose an amendment or a perfecting amendment is offered to the original text of the Thomas bill, would the 10-minute debate apply to that offer?

Mr. TAFT. I understand not. I was speaking only of amendments to the Taft substitute. The unanimous-consent agreement is that we may vote on the substitute and all amendments thereto, as I understand.

Mr. LUCAS. The Senator is correct.

The VICE PRESIDENT. If the amendment is adopted, and even before the vote on the substitute, perfecting amendments may be offered to the original text. That is what the Chair had in mind in the inquiry.

Mr. TAFT. My understanding is that the unanimous-consent agreement would shut off consideration of such amendments, which might raise many new questions.

The VICE PRESIDENT. The Chair understands then that the modified request for 10 minutes on each side applies only to amendments to the Taft substitute.

Mr. WHERRY. That is correct.

Mr. LUCAS. The Vice President is correct. Any amendment that might be offered to the Thomas substitute would be considered thereafter.

Mr. WHERRY. Mr. President, will the majority leader yield for another question?

Mr. LUCAS. I yield.

Mr. WHERRY. It is the intention of the distinguished majority leader, is it not, should the Taft substitute be adopted, to continue right on with the pending labor bill until a final vote may be had on it? Is that correct? I understood that was the statement.

Mr. LUCAS. Whether the Taft substitute carries, or whether it does not, we shall continue right along until we finish the labor bill. I hope to finish it Thursday afternoon, if the Taft substitute carries. If it does not carry, there may be a number of amendments to be offered, and, in that event, no doubt we will not be able to finish the bill until we come back after the Fourth of July.

Mr. WHERRY. Inasmuch as there is to be a short vacation, I thought the Senate should know that the intention is to finish action on the bill Thursday afternoon, if possible.

Mr. LUCAS. That is correct.

Mr. AIKEN. Mr. President, the majority leader has expressed the opinion that in view of the fact that provision for seizure and injunction was written into the bill yesterday afternoon, if the pending Taft substitute carries, it is very unlikely that the completed bill would be signed by the President. Does the majority leader have any opinion as to whether it would be possible still to enact legislation that would be signed by the President, in the event that the complete Taft substitute is defeated?

Mr. LUCAS. I should say it would make it much more palatable, if the substitute were defeated. That is my own opinion, and I think perhaps that opinion is shared by other Senators. I do not care to risk an opinion as to what the President might do under such a state of facts.

Mr. AIKEN. I asked the question because it appeared to me that the action of yesterday in simply putting the authorization for seizure and injunction in writing should not warrant a veto, in view of the fact that the original Thomas bill assumes that the President has that power anyway. It would be my hope that it would be possible to complete the bill in such form that it would be better than the law which is now on the books, and would be nearly enough acceptable to the President so that it could become a law.

Mr. LUCAS. I thank the Senator.

The VICE PRESIDENT. The Chair would like to say that debate on the merits of the bill at this time is not in

order. The question is, Is there objection to the request of the Senator from Illinois?

Mr. McCLELLAN. Mr. President, reserving the right to object, I should like to ask the majority leader whether he will modify his request further to require that all amendments offered either to the original bill or to the pending Taft substitute shall be germane to the bill and to the substitute. I think the request should be modified to the extent I have suggested.

Mr. LUCAS. I think the Senator from Arkansas is unduly alarmed about extraneous matters.

Mr. McCLELLAN. I am not unduly alarmed. I do not want to permit anything like that to occur, I will say to the Senator.

Mr. LUCAS. I do not think I have any objection to such a modification.

Mr. McCLELLAN. If the request is so modified, Mr. President, I have no objection.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, reserving the right to object, the only part of the request which causes me concern is that part which led to the colloquy between the majority leader and the minority leader with reference to consideration of the Thomas bill in the event the Taft amendment is either adopted or rejected tomorrow afternoon. I had understood the earlier statement of the majority leader to be that he understood numerous amendments would be offered in the event the Taft amendment should be rejected. I am, of course, interested in an amendment which I sent forward some days ago and which has been printed and is lying on the table, having to do with the rights of the States which have in their constitutions adopted anti-closed-shop provisions. I think several Senators will want to be heard on that particular amendment. So I should like the majority leader, if he will, to clarify exactly what he has in mind with reference to proceeding to an early vote upon the Thomas bill in the event of the defeat of the Taft amendment.

Mr. LUCAS. I do not believe I can clarify it any more than I have. We shall continue with the labor bill, irrespective of what happens to the Taft substitute, if a unanimous-consent agreement is entered into. In other words, if the Taft substitute is defeated, I presume a number of amendments, including the one which the Senator from Florida has in mind, will be offered. If the Taft substitute be adopted, there may be a vote on the bill itself. There is nothing left to do except to debate the bill as amended by the Senator from Ohio, and then to take a vote. That is the true situation, as I see it. It does not seem to me there is anything else we can do.

Mr. HOLLAND. Am I to understand that there is no intention on the part of the majority leader to limit or restrict debate in any way on amendments offered in the event the Taft amendment shall be rejected?

Mr. LUCAS. No. The unanimous-consent agreement has nothing to do with that proposition.

Mr. HOLLAND. I have no objection.

The VICE PRESIDENT. Is there objection to the unanimous-consent request propounded by the Senator from Illinois [Mr. LUCAS]? The Chair hears none, and it is so ordered.

Mr. LUCAS. Mr. President, I ask unanimous consent that the clerk be permitted to read a letter which I have just received from William Green, president of the American Federation of Labor, on this question.

The VICE PRESIDENT. Without objection, it is so ordered.

The legislative clerk read as follows:

AMERICAN FEDERATION OF LABOR,
*Washington, D. C., June 29, 1949.*

The Honorable SCOTT W. LUCAS,
*Majority Leader, United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR: I understand that you are to make a unanimous-consent request, after the Senate convenes today, that the Senate proceed to vote immediately upon the Taft substitute for sections 1, 2, and 4 of the Thomas bill, S. 249.

It is respectfully requested that you advise the Senate that at a meeting of representatives of A. F. of L. State federations of labor, city central labor unions, national and international unions, the national legislative council, the national legislative committee and labor's league for political education, held this morning, a motion was unanimously adopted to heartily support your contemplated proposal.

We feel that amendments designed to make the Taft bill more palatable would be useless and a waste of time, as the action yesterday in the Senate, in regard to section 3 of the bill, makes it absolutely unacceptable.

We hope that our request will be granted, and that the Senate will proceed immediately to vote today on both the Taft substitute and the Thomas bill as amended, without further amendments being presented. We trust that both will be defeated.

Very truly yours,

WILLIAM GREEN,
*President, American Federation of Labor.*

## CONFIRMATION OF NOMINATIONS OF 31 FLYING CADETS

Mr. TYDINGS. Mr. President, as in executive session, I ask unanimous consent that the nominations of 31 distinguished flying cadets, who have just passed the test and are about to be inducted into the Air Force and commissioned as second lieutenants, may be confirmed and the President notified.

The VICE PRESIDENT. Without objection, as in executive session, the nominations are confirmed, and the President will be notified.

## TRANSACTION OF ROUTINE BUSINESS

Mr. TAFT. Mr. President, I desire to speak on the pending amendment. I have no desire to interfere with routine business, if the Senator from Illinois wishes to make a unanimous-consent request.

The VICE PRESIDENT. Unless there is objection, before any Senator is recognized to speak on the pending business, the Chair will recognize Senators who wish to present routine matters. Is there objection? The Chair hears none.

## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, TREASURY DEPARTMENT (S. Doc. No. 93)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, amounting to $40,000, for the Treasury Department, fiscal year 1949 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, THE JUDICIARY, SUPREME COURT OF THE UNITED STATES (S. Doc. No. 94)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, amounting to $5,000, for the Judiciary, Supreme Court of the United States, fiscal year 1949 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION PERTAINING TO APPROPRIATION FOR FEDERAL SECURITY AGENCY (S. Doc. No. 92)

A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an appropriation for the Federal Security Agency, for the fiscal year 1950 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

FUNDS FOR COLLECTING, EDITING, AND PUBLISHING CERTAIN PAPERS RELATING TO UNITED STATES TERRITORIES

A letter from the Secretary of State, transmitting a draft of proposed legislation to increase the annual authorization for the appropriation of funds for collecting, editing, and publishing of official papers relating to the Territories of the United States (with accompanying papers); to the Committee on Rules and Administration.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

## INVESTIGATION OF INTERSTATE TRAFFIC IN SUBVERSIVE TEXTBOOKS AND TEACHING MATERIALS—PETITION

Mr. WILLIAMS. Mr. President, I present for appropriate reference a petition of the Delaware Society, Sons of the American Revolution, Wilmington, Del., calling for an investigation of the interstate traffic in subversive textbooks and teaching materials, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the petition was referred to the Committee on Interstate and Foreign Commerce and ordered to be printed in the RECORD, as follows:

Petition for redress of grievances

*To the Senate and House of Representatives of the Congress of the United States:*

We hereby petition for an independent and impartial investigation of the interstate traf-

fic in subversive textbooks and teaching materials as requested in the petitions now on file presented by the National Society and the California Society of the Sons of the American Revolution, and we do hereby join and make ourselves a party to those proceedings.

We request the Congress to grant us all relief possible in this matter by determining the facts and giving them to the people with appropriate recommendations.

Dated this 24th day of June 1949, in the city of Wilmington, State of Delaware.

DELAWARE SOCIETY OF THE SONS OF THE AMERICAN REVOLUTION,
By THEODORE MARTIN, *President.*
CARLTON A. BRIDGHAM, *Secretary.*

MISSOURI-SOURIS PROJECTS — RESOLUTION OF MISSOURI-SOURIS PROJECTS ASSOCIATION, WOLF POINT, MONT.

Mr. LANGER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Missouri-Souris Projects Association at Wolf Point, Mont., relating to the Missouri-Souris projects.

There being no objection, the resolution was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

Members of the Missouri-Souris Projects Association at Wolf Point, Mont., on June 16, 1949. Present the board of directors and more than 200 members.

The following resolution was offered before the entire membership:

*"To the Subcommittee on Interior Appropriations of the Senate of the United States and to Senators James E. Murray, Zales N. Ecton, Congressman Wesley A. D'Ewart, Members of Congress from the State of Montana, and to Senators Milton R. Young, William Langer, and Congressmen William Lemke and Usher L. Burdick of North Dakota, Fred J. Fredrickson, North Dakota Resources Board, E. W. Rising, Montana Legislative Coordinator:*

"We, directors and members of the Missouri-Souris Projects Association, wish to extend our special appreciation for the considerate hearing granted our committee, consisting of Gov. Fred G. Aandahl, Al R. Weinhandl, Otto Christianson, John Simard, and Einar Madsen, before your committee, as well as the assistance given us by the delegation in Congress from the States of Montana and North Dakota in the presentation of the very serious situation confronting northeastern Montana and North Dakota. Realizing the stress of work pending in Congress, we are still hopeful that the importance of appropriating funds for a commencement of project construction of the Missouri-Souris projects will not be delayed beyond the present session of Congress. Evidences of drought have been and are only too prevalent at this date.

"Be it further moved that the resolutions be forwarded to the Subcommittee on Appropriations for the Interior Department and individual Members of Congress of the two States named. Unanimously adopted."

HALVOR L. HALVORSON,
*Chairman.*

USE OF BURLINGTON PROJECT BY DISABLED VETERANS—RESOLUTION OF DEPARTMENT OF NORTH DAKOTA DISABLED AMERICAN VETERANS ORGANIZATION

Mr. LANGER. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a letter from E. O. Podell, State Adjutant, Department of North Dakota Disabled American Veterans, Minot, N. Dak., embodying a resolution adopted by the State executive committee of that organization, relating to the use of the Burlington project by disabled veterans.

There being no objection, the letter was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

DEPARTMENT OF NORTH DAKOTA,
DISABLED AMERICAN VETERANS,
*June 24, 1949.*

Hon. WILLIAM LANGER,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR LANGER: The writer has been instructed to make known to you a motion which was duly proposed, seconded, and unanimously passed at an official meeting of the State executive committee of the Department of North Dakota Disabled American Veterans organization, held on June 12, 1949.

The motion is as follows:

"I move that all Members of Congress of North Dakota be requested to give their assistance and cooperation to see that the Governor and the industrial commission of North Dakota complies with the congressional directive that the Burlington project be devoted to the exclusive use of the disabled veterans at the earliest possible date, and that copies of this motion be sent to your Governor, members of the industrial commission and all Members of the Congress of North Dakota."

Motion by R. A. Buttz, commander, district No. 4, Minot, N. Dak.

Seconded by C. C. Foster, immediate past State commander, Minot.

Yours very truly,

E. O. PODELL,
*State Adjutant.*

PLEDGE OF ALLEGIANCE TO THE FLAG STAMP—RESOLUTION OF PENNSYLVANIA STATE AERIE, FRATERNAL ORDER OF EAGLES

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a resolution unanimously adopted by the Pennsylvania State Aerie, Fraternal Order of Eagles, at its thirty-eighth annual convention in Pittsburgh, Pa., on June 17, 18, 19, 1949, relating to pledge of allegiance to the flag stamp.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Congress of the United States approved a resolution in 1945 officially adopting the pledge of allegiance to the flag of the United States of America, thereby vesting said pledge of allegiance with the same patriotic fervor that attends our national anthem; and

Whereas Hon. H. P. EBERHARTER on April 25, 1949, sponsored House bill H. R. 4320 whereby Congress authorized the issuance of a new stamp having thereon an imprint of the Capitol of the United States, the flag of the United States, and the official pledge of allegiance to the flag; and

Whereas the authority of the Postmaster General of the United States to select commemorative issues of stamps is limited to 12 from more than 70 requests submitted for consideration; and

Whereas the selection of the official pledge of allegiance stamp would be in the interest of Americanism: Now, therefore, be it

*Resolved by the Pennsylvania State Aerie, Fraternal Order of Eagles, in its thirty-eighth annual convention assembled at Pittsburgh, June 17, 18, and 19, 1949,* That the Postmaster General of the United States be requested to select the official pledge of allegiance to the flag stamp as a commemorative issue and further, if said stamp is selected that it be first placed on sale in the post office at Pittsburgh, Allegheny County, Pa., and further that copies of this resolution be sent to Hon. Jesse M. Donaldson, Postmaster General of the United States, Hon. Joseph J. Lawler, Assistant Postmaster General of the United States, Senator Francis J. Myers, Senator Edward Martin, and Congressmen Harry J. Davenport, Robert J. Corbett, James G. Fulton, Herman P. Eberharter, and Frank Buchanan.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. ANDERSON, from the Committee on Agriculture and Forestry:

S. 1962. A bill to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; with an amendment (Rept. No. 597).

STANDING COMMITTEE ON SMALL BUSINESS—REPORT OF A COMMITTEE

Mr. WHERRY. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Resolution 58, the so-called Holland-Wherry resolution, to amend the Senate rules by creating a standing Committee on Small Business, and I submit a report (No. 598) thereon.

The VICE PRESIDENT. The report will be received and the resolution will be placed on the calendar.

REDUCTION OF FEDERAL EXPENDITURES

Mr. WHERRY. Mr. President, while I have the floor, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a copy of a letter which I have sent to the Senator from Arkansas [Mr. MCCLELLAN], chairman of the Committee on Expenditures in the Executive Departments, in answer to a request made of the majority leader and of me to arrange for a day when Senate Joint Resolution 108, to reduce expenditures in Government for the fiscal year 1950 consistent with the public interest, may be considered by the Senate. Inasmuch as the request of the Senator from Arkansas to me was printed in the RECORD, at his request, I now ask that my reply be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
*June 29, 1949.*

Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.*

DEAR SENATOR MCCLELLAN: This is to acknowledge receipt of your letter of June 27, last, with petition attached.

This petition signed by 61 Members of the Senate and urging adoption of Senate Joint Resolution 108 is a wholesome sign in an atmosphere of extravagant spending of the taxpayers' money. It is my belief that passage of Senate Joint Resolution 108, with its authorization to the President to reduce Government expenditures in fiscal 1950 by not less than 5 percent nor more than 10 percent, would accomplish more to arrest the current downward trend in national income than any other action the Congress could

take. Notice by Congress that it is directing its efforts toward a balanced budget, as passage of Senate Joint Resolution 108 would give, would, in my opinion, do much to strengthen confidence among the people.

Having had a part in the preparation and sponsorship of Senate Joint Resolution 108, you may be assured I shall cooperate in every feasible way to facilitate Senate consideration of the joint resolution.

Cordially yours,

KENNETH S. WHERRY.

## REPORTS OF PERSONNEL AND FUNDS BY COMMITTEES

Pursuant to Senate Resolution 123, Eighteenth Congress, first session, the following reports were received by the Secretary of the Senate:

JUNE 30, 1949.

### REPORT OF COMMITTEE ON ARMED SERVICES

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eighteenth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 3, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| J. Nelson Tribby, chief clerk [1] | $10,330.00 | $4,304.17 |
| Justice M. Chambers, staff adviser | 10,330.00 | 5,165.00 |
| Mark H. Galusha, staff adviser | 10,330.00 | 5,165.00 |
| Verne D. Mudge, staff adviser | 10,330.00 | 5,165.00 |
| Herbert S. Atkinson, assistant chief clerk | 6,770.54 | 3,385.27 |
| Georgia P. Earle, clerical assistant | 3,956.56 | 1,978.28 |
| Irene P. Gray, clerical assistant | 3,956.56 | 1,978.28 |
| Roberta Van Beck, clerical assistant | 3,956.56 | 1,978.28 |
| John G. Adams, chief clerk [2] | 10,330.00 | 860.83 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $10,000.00 |
| Amount expended | 8,290.20 |
| Balance unexpended | 1,709.80 |

[1] Effective Feb. 1, 1949.
[2] Terminated Jan. 31, 1949.

M. E. TYDINGS,
*Chairman.*

JUNE 30, 1949.

### REPORT OF COMMITTEE ON THE DISTRICT OF COLUMBIA

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eighteenth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| A. L. Wheeler, chief clerk | $10,330.00 | $4,045.90 |
| J. George Stewart, professional staff | 10,330.00 | 4,950.81 |
| James R. Kirkland, counsel-assistant chief clerk | 9,301.11 | 4,650.54 |
| Thos. S. Henderson, professional staff | 7,879.08 | 3,939.54 |
| Edna L. Ward, assistant clerk | 4,949.73 | 2,226.54 |
| Ruth Wallace, assistant clerk | 4,618.68 | 2,061.03 |
| Anna H. Monat, assistant clerk | 4,204.86 | 735.84 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $10,000.00 |
| Amount expended | 1,278.22 |
| Balance unexpended | 8,721.78 |

J. HOWARD MCGRATH,
*Chairman.*

## EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Utah:

S. 2160. A bill to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. HUNT (for himself, Mr. WITHERS, and Mr. LODGE):

S. 2161. A bill authorizing the President to impound certain appropriated moneys; to the Committee on Expenditures in the Executive Departments.

By Mr. LONG:

S. 2162. A bill to amend the Social Security Act so as to provide for aid to disabled needy individuals; to the Committee on Finance.

S. 2163. A bill to authorize the transfer of the vessel *Black Mallard* from the Fish and Wildlife Service of the Department of the Interior to the Department of Wild Life and Fisheries of the State of Louisiana; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER:

S. 2164. A bill to authorize the Secretary of the Interior, through the Bureau of Reclamation, to construct, operate, and maintain certain works in the Columbia River Basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MCCARTHY:

S. 2165. A bill for the relief of Victor Tenaglia; to the Committee on the Judiciary.

S. 2166. A bill to make farm loan bonds issued under authority of the Federal Farm Loan Act obligations of the United States; to the Committee on Agriculture and Forestry.

By Mr. DOUGLAS (for himself and Mr. BALDWIN):

S. 2167. A bill to provide for the lease of the Belasco Theater to the American National Theater and Academy for the presentation of theatrical and musical productions, and for other purposes; to the Committee on Public Works.

By Mr. HUMPHREY:

S. 2168. A bill for the relief of Henry J. Lim (with an accompanying paper); and

S. 2169. A bill for the relief of Howard L. Christie (with an accompanying paper); to the Committee on the Judiciary.

By Mr. MCCLELLAN:

S. 2170. A bill for the relief of W. P. Bartel; to the Committee on Expenditures in the Executive Departments.

By Mr. GURNEY:

S. 2171. A bill authorizing an appropriation for the removal and reestablishment of Indians of the Yankton Indian Reservation, S. Dak., to be removed from the taking area of the Fort Randall Dam and Reservoir, Missouri River Development, and for related purposes; to the Committee on Interior and Insular Affairs.

## TEMPORARY PAY OF EMPLOYEES OF FORMER SENATOR WAGNER

Mr. IVES submitted the following resolution (S. Res. 129), which was referred to the Committee on Rules and Administration:

*Resolved*, That the administrative and clerical assistants appointed by Senator ROBERT F. WAGNER for service in his office and carried on the Senate pay roll at the time of his resignation from the Senate, shall be continued on such pay roll at their respective salaries for a period not to exceed 60 days, payments therefor to be made from the contingent fund of the Senate.

## EXTENSION OF CIVIL SERVICE RETIREMENT BENEFITS TO CERTAIN EMPLOYEES—AMENDMENT

Mr. MCCARTHY submitted an amendment intended to be proposed by him to the bill (S. 988) to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55, which was ordered to lie on the table and to be printed.

## COTTON MARKETING QUOTA—AMENDMENT

Mr. JOHNSON of Colorado (for himself and Mr. MILLIKIN) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1962) to amend the cotton-marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended, which was ordered to lie on the table and to be printed.

## UNIFORM CODE OF MILITARY JUSTICE—AMENDMENTS

Mr. TOBEY submitted sundry amendments intended to be proposed by him to the bill (H. R. 4080) to unify, consolidate, revise, and codify the Articles of War, the Articles for the Government of the Navy, and the Disciplinary Laws of the Coast Guard, and to enact and establish a Uniform Code of Military Justice, which were ordered to lie on the table and to be printed.

## NATIONAL LABOR RELATIONS ACT OF 1949—AMENDMENTS

Mr. BUTLER submitted an amendment intended to be proposed by him to the amendment proposed by Mr. TAFT (for himself, Mr. SMITH of New Jersey, and Mr. DONNELL) to the bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. BYRD. Mr. President, I submit an amendment intended to be proposed by me to the amendment proposed by Mr. TAFT (for himself, Mr. SMITH of New Jersey, and Mr. DONNELL) to the bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes, and I ask unanimous consent that an explanatory statement of the amendment by me be printed in the RECORD).

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the statement presented by the Senator from Virginia will be printed in the RECORD.

The statement presented by Mr. BYRD is as follows:

STATEMENT BY SENATOR BYRD

The amendment which I have offered is a substitute for the so-called free-speech clause which appears as part of the pending amendment offered by the Senator from Ohio, Mr. TAFT. If it is adopted, it would amend the corresponding provisions of the Taft-Hartley Act in two respects and meet two outstanding criticisms which have been made with respect to the present subsection.

Under existing law it is provided that the expression of any views or arguments, which are noncoercive in character, shall not constitute an unfair labor practice. My amendment retains this salutary principle. But the present law goes further in also providing that expressions of views or arguments shall not be evidence of an unfair labor practice. A number of union officials have argued that this introduces an exclusionary rule of evidence which is unique in our system of jurisprudence because even though speech might be harmless in itself, it might throw light upon a man's motive. For example, it has been argued that if an employer privately told an employee that he was violently opposed to labor unions and if that employee were fired the next day after he had joined the labor union, the effect of the present law would be to prevent the Board from considering the employer's conversation in attempting to ascertain the motive for the discharge. My amendment would give the Board complete latitude so far as considering such relevant evidence is concerned, if it is adopted would delete from existing law the words "or be evidence of." My amendment would also alter existing law so as to guarantee both to employers and labor organizations complete freedom of speech in organizing campaigns. In the General Shoe case a majority of the National Labor Relations Board held that the free-speech subsection of the Taft-Hartley Act applied only to complaint cases and not to representation proceedings. Consequently, in that case the Board set aside an election because an employer had made certain arguments against unionism to his employees, although the Board conceded that the argument in question was free of any threat of reprisal or promise of benefit. This decision was widely criticized in industrial-relations circles as doing violence to the principle of free speech for both sides in labor disputes. Consequently, my amendment like the amendment proposed by the Senator from Ohio would prevent the Board from setting aside any elections as long as the arguments made on either side contained neither threats nor promises of benefit. While my amendment therefore does not differ in any substantial respect from the corresponding language of the text in the pending substitute, I believe it is superior from the standpoint of draftsmanship since it follows the language of existing law except to eliminate the rule of evidence which I think is the subject of legitimate criticism.

In my opinion the language of the proposed substitute is unsatisfactory in that it uses such vague phrases as "under all the circumstances" and "express or implied." These words do not appear in the Taft-Hartley Act and are susceptible of misinterpretation. In any event such language would provoke a considerable volume of unnecessary litigation until it is authoritatively construed. I submit to the Senate that in amending existing law the best technique is to retain language which has received a construction generally regarded as correct by all parties and to eliminate merely the language which has created difficulty.

ADDRESS BY SENATOR WHERRY AT SEVENTY-FIFTH ANNIVERSARY CELEBRATION OF CREIGHTON, NEBR.

[Mr. WHERRY asked and obtained leave to have printed in the RECORD the address delivered by him at the seventy-fifth anniversary celebration of the town of Creighton, Nebr., on June 23, 1949, which appears in the Appendix.]

THE CIVIL-RIGHTS PROGRAM—STATEMENT BY SENATOR ROBERTSON

[Mr. EASTLAND asked and obtained leave to have printed in the RECORD a statement regarding the civil-rights program made by Senator ROBERTSON before the Committee on the Judiciary on June 29, 1949, which appears in the Appendix.]

REPORT BY SENATOR KILGORE ON THE DEVELOPMENT OF SYNTHETIC-FUELS INDUSTRY

[Mr. KILGORE asked and obtained leave to have printed in the RECORD a report prepared by him on the subject of the development of synthetic fuels in the United States, which appears in the Appendix.]

THE REAL DANGER: FEAR OF IDEAS—ARTICLE BY HENRY STEELE COMMAGER

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "The Real Danger: Fear of Ideas," by Henry Steele Commager, from the New York Times magazine of June 26, 1949, which appears in the Appendix.]

COMMENCEMENT ADDRESS BY BERNARD M. BARUCH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address delivered by Hon. Bernard M. Baruch at the commencement exercises commemorating the twenty-fifth anniversary of the formation of the Industrial College of the Armed Forces, in Washington, D. C., June 28, 1949, which appears in the Appendix.]

MEMORIAL DAY ADDRESS BY LT. COMDR. WILLIAM G. EARLES, UNITED STATES NAVY

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD a Memorial Day address delivered at the City Hall Plaza, Portland, Maine, by Lt. Comdr. William G. Earles, U. S. Navy, which appears in the Appendix.]

PINCHOT NATIONAL FOREST—EDITORIAL FROM THE SCRANTON TIMES

[Mr. MYERS asked and and obtained leave to have printed in the RECORD an editorial entitled "Pinchot National Forest," from the Scranton Times of June 23, 1949, which appears in the Appendix.]

CONDITIONS IN HAWAII—EDITORIAL FROM THE HONOLULU ADVERTISER

[Mr. MCCARTHY asked and obtained leave to have printed in the RECORD an editorial regarding conditions in Hawaii, from the Honolulu Advertiser of June 20, 1949, which appears in the Appendix.]

THE STRIKE SITUATION IN HAWAII—EDITORIAL COMMENT

[Mr. BUTLER asked and obtained leave to have printed in the RECORD two editorials relating to the strike in Hawaii, one from the Los Angeles Times of June 26, and one from the New York Times of June 25, 1949, which appear in the Appendix.]

NEBRASKA'S GAIN IN FACTORY JOBS—ARTICLE FROM OMAHA WORLD-HERALD

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an article entitled "Nebraska's Gain in Factory Jobs Leading Nation," published in the Omaha World-Herald of June 26, 1949, which appears in the Appendix.]

THE NETHERLANDS EDUCATION SYSTEM—ARTICLE BY E. F. SCHROEDER

[Mr. LODGE asked and obtained leave to have printed in the RECORD an article entitled "The Dutch Show the Way," written by E. F. Schroeder and published in the magazine America under date of April 23, 1949, which appears in the Appendix.]

STATEMENT BY INTERNATIONAL CHIROPRACTIC ASSOCIATION ON NATIONAL HEALTH BILLS

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD a statement by the International Chiropractic Association with reference to the position of that organization on national health bills, which appears in the Appendix.]

GOETHE BICENTENNIAL CONVOCATION AND MUSIC FESTIVAL, 1949

[Mr. LANGER asked and obtained leave to have printed in the RECORD a pamphlet entitled "Goethe Bicentennial Convocation and Music Festival, 1949," to be held at Aspen, Colo., June 27 to July 16, 1949, which appears in the Appendix.]

INVESTIGATION OF AMERICANS INVOLVED IN GERMAN CARTELS

[Mr. LANGER asked and obtained leave to have printed in the RECORD a statement by the People's Lobby, Inc., of Washington, D. C., dated June 29, 1949, and entitled "Congress Leaders Asked To Investigate Americans Involved in German Cartels," which appears in the Appendix.]

TIME TO BEGIN—EDITORIAL FROM WALL STREET JOURNAL

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an editorial entitled "Time To Begin," published in the Wall Street Journal for Wednesday, June 22, 1949, concerning the Hoover Commission's recommendations for the reorganization of the Federal Government, which appears in the Appendix.]

SHERIFFS AND MOBS—EDITORIAL FROM WASHINGTON POST

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an editorial from the Washington Post of June 29, 1949, entitled "Sheriffs and Mobs," which appears in the Appendix.]

THAT WORD "INJUNCTION"—EDITORIAL FROM JOHNSTOWN (PA.) TRIBUNE

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial published in the Johnstown Tribune of June 13, 1949, entitled "That Word 'Injunction,'" which appears in the Appendix.]

AMERICAN RELATIONS WITH SOVIET UNION

Mr. WILEY. Mr. President, I send to the desk a statement regarding American relations with the Soviet Union, which I ask be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

THE MYSTERY OF SOVIET RUSSIA

The greatest question mark in the world today concerns the attitude of the leaders of the Soviet Union in relation to the problem of world peace. It is the hope of mankind that the some dozen men in the Politburo will not take any steps which will plunge

their homeland into a disastrous war. We do not believe that war with Russia would accomplish any good; we do not believe that war with Russia is necessary or even inevitable.

We do believe, however, that we must be alert and vigilant against aggression and that we must indicate in unmistakable terms to the Russians that we are fully prepared against any emergency. At the same time, we must sincerely extend a hand of friendship to the Russian people, against whom we have no quarrel, toward whom we feel no bitterness, and whom we only pity because of the dictatorship in which they are enslaved.

News reports from Russia are at best fragmentary. They scarcely reveal what is truly going on behind the iron curtain. Nevertheless, from reports that we do receive from Russia and her satellite countries, all is not well.

It is our prayer that the leaders of Russia will not try the old technique of creating foreign trouble in order to take the minds of the people off domestic trouble. It is our prayer that the sons and daughters of Russia will be spared participation in another war, just as the sons and daughters of other peoples should also be allowed to live in peace.

I append for printing in the RECORD the text of two newspaper editorials which appeared within the same week in two Wisconsin papers on various phases of life behind the iron curtain. One of them, entitled "Purge in Russia," was published in the June 14 issue of the newspaper the La Crosse (Wis.) Tribune. The other, entitled "Where the Arts Die," was published in the June 17 issue of the Superior (Wis.) Evening Telegram.

(The editorials are as follows:)

[From the La Crosse (Wis.) Tribune]

"PURGE IN RUSSIA

"In spite of the efforts of the Soviet Government to keep the world in the dark on what goes on in Russia, there is evidence available indicating a political purge is taking place in the Soviet Union.

"At least 300,000 members of the Communist Party have been expelled, including several who were high in the councils of the party. Many have just dropped out of sight, presumably liquidated or sent into exile. This is particularly true of those in charge of the Communist youth league.

"The Russian people are becoming restless under the Communist yoke. Voice of America broadcasts are having an effect upon the people's morale. To offset this Moscow is increasing its propaganda, distributing millions of circulars and pamphlets in which conditions in the United States are pictured as approaching revolution.

"Soviet citizens who claim to have visited America report in a magazine article that wretched poverty is the rule here, and many are forced to eat from garbage cans. This is merely a mild sample of the lies deliberately designed to misinform the Russian people.

"Full significance of the present purge cannot be understood at this time. But there is proof that a wholesale shake-up is taking place, proof that all is not going well for the Soviet regime.

"Forced labor camps and prisons are increasing. The day of another Russian revolution cannot be delayed indefinitely."

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[From the Superior (Wis.) Telegram]

"WHERE THE ARTS DIE

"'Art for art's sake' is a slogan which does not go in Communist states. Zoltan Sztankay, a former Hungarian diplomat who resigned from the service when the Communists took his country over and now lives in the United States, reports that the platform of the Hungarian Workers' Party, a Communist organization, does not forget art and literature. Each must praise the Red regime or contribute in some way to the advancement of Communist ideals. Artists who do not comply are likely to run afoul of the police. Mere beauty of thought or form is not enough, in fact, is suspect. Writing which is too complicated for the least educated of its readers may mean severe punishment for the unfortunate author.

"The ban is less strict in Hungary than in Russia or other eastern European states where the Russian grip is firm, but it exists nonetheless and is a constant peril to literary talent.

"In literature, as in music and science, even astronomy, there is a state-enforced rigidity of doctrine and baldness of form. It can hardly lead elsewhere than to complete drying up of inspiration and the ultimate death of all intellectual life."

## INCREASE IN COMPENSATION OF CERTAIN DISTRICT OF COLUMBIA EMPLOYEES

Mr. McGRATH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate consider Order No. 548, House bill 3088, which has a deadline and which must be passed and signed by the President before midnight of June 30. There is no controversy regarding it, and it will take approximately 1 minute.

Mr. WHERRY. Reserving the right to object, was this bill on the calendar the last time the calendar was called?

Mr. McGRATH. It was not reached the last time.

Mr. WHERRY. It has not been called up for consideration on the Senate floor heretofore. Is that correct?

Mr. McGRATH. That is correct.

Mr. WHERRY. Was it reported unanimously by the committee?

Mr. McGRATH. It was.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Rhode Island?

There being no objection, the Senate proceeded to consider the bill (H. R. 3088) to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments, on page 3, line 23, to insert:

Except that such additional compensation shall be paid a retired employee for services rendered between the first day of the first pay period which began after June 30, 1948, and the date of his retirement.

And on page 4, beginning in line 9, to strike out:

Except that such additional compensation shall be paid a retired employee for services rendered between the first day of the first pay period which began after June 30, 1948, and the date of his retirement.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

## PROCUREMENT, UTILIZATION, AND DISPOSAL OF GOVERNMENT PROPERTY, ETC.—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a conference report to accompany House bill 4754 to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The conference report will be read.

(For conference report, see pp. 8561 et seq. of the House proceedings of Tuesday, June 28, 1949.)

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

Mr. JOHNSON of Colorado. Reserving the right to object, I desire to discuss very briefly one point in the conference report.

Mr. McCLELLAN. I shall yield to the Senator if he cares to make a statement.

Mr. JOHNSON of Colorado. Does the Senator from Arkansas care to make a statement?

Mr. McCLELLAN. No. The bill includes transfers of general service agencies or administrations, among which are included the transfer of the Bureau of Federal Supplies. The functions of the Bureau are transferred. There is also transferred the War Assets Administration. The law expires tomorrow, and it is necessary that the bill be passed and signed by the President. There are also included a number of other functions and services. I know the one in which the able Senator from Colorado is particularly interested. The Senate agreed to the amendment as the committee had requested. We took it to conference, and the conferees of the House would not accept it. I want to say to the able Senator from Colorado and to other members of the committee that upon a study of the provision in the bill in which the Senator is interested I do not believe it will materially affect any of the substantial rights of other agencies. I think it will be of aid to them. I think it is in the interest of economy and that considerable economy will result in the field of transportation if the provisions of the bill go into effect and are properly administered.

Mr. JOHNSON of Colorado. Mr. President, the members of the Committee on Interstate and Foreign Commerce realize the difficulties under which the Senate conferees were laboring when they met with the House conferees on the provisions of H. R. 4754, to which our committee objected. We did not object because we were opposed to what was being done. We objected because H. R. 4754 did not go far enough. We desire to have further hearings in our committee to develop the need for the establishment of a Federal Traffic Bureau.

On February 25 of this year I introduced Senate bill 1095, which had for its purpose the establishment of a Federal Traffic Bureau, and I ask unanimous consent to insert in the RECORD at this point a copy of that bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill (S. 1095) to establish a Federal Traffic Bureau, and for other purposes, was ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.*, That this act may be cited as the "Federal Traffic Bureau Act."

DEFINITIONS

SEC. 2. As used in this act unless the context otherwise requires—

(1) the term "United States" means the United States Government or any officer, department, or agency thereof (including a corporation all or substantially all of whose capital stock is owned or held by or for the United States);

(2) the term "carrier" means any transportation agency subject to regulation under any part of the Interstate Commerce Act, as amended, or under the Civil Aeronautics Act of 1938, as amended, the Merchant Marine Act of 1936, as amended, the Shipping Act of 1916, as amended, the Intercoastal Shipping Act of 1933, as amended;

(3) the term "administrative tribunal" means the Interstate Commerce Commission, the Civil Aeronautics Board, the Maritime Commission, and any other administrative agency now or hereafter constituted with power to regulate the rates, charges, practices, rules, or regulations of carriers;

(4) the term "Government traffic" or "Government shipment" means one or more shipments of property by any mode of transportation to, from, by, or for the account of, the United States;

(5) the term "tariff" means any tariff, schedule or classification, and any revision, or amendment thereof, or supplement thereto filed by any carrier, with any administrative tribunal, naming or affecting rates, ratings, charges, classifications, rules, regulations, or practices for the transportation of property;

(6) the term "Bureau" means the Federal Traffic Bureau established under section 3; and

(7) the term "Director" means the Director of the Federal Traffic Bureau.

SEC. 3. There is hereby established an agency of the United States to be designated as the Federal Traffic Bureau to which Bureau there are hereby transferred all of the powers, duties, and responsibilities of all departments and agencies of the Government (including corporations all or substantially all of whose capital stock is owned or held by or for the United States), with respect to the following matters, which are hereby vested exclusively in said Bureau—

(1) the negotiation and making of all contracts for the transportation of Government traffic;

(2) the routing, diversion, or reconsignment of Government shipments;

(3) the representation of the United States in all proceedings before administrative tribunals relating to matters within the jurisdiction of the Bureau;

(4) the checking, auditing, revision, and verification of bills for transportation charges for Government shipments; and

(5) the filing and prosecution of claims, actions, suits, or proceedings for recovery of overcharges or unreasonable charges for transportation of Government shipments, or for loss of, damage to, or delay in Government shipments.

SEC. 4. (a) The Bureau shall be administered by a Director to be appointed by the President, by and with the advice and consent of the Senate, who shall serve during good behavior and shall receive an annual salary of $12,000. The Director shall be a citizen of the United States and, during his term of office, shall have no pecuniary interest in or own any stock or bonds of any carrier or any person, firm, or corporation owning or controlling any carrier.

(b) The Director shall, without regard to the civil-service laws, appoint and prescribe the duties of a general counsel, such assistant directors as may be necessary, a secretary for the Director, a secretary for such general counsel, and assistant directors, and a secretary for each of such. Subject to the provisions of the civil-service laws, the Director shall appoint, and shall prescribe the duties of such other officers and employees as he shall deem necessary in exercising and performing his powers and duties. The compensation of all officers and employees appointed by the Director shall be fixed in accordance with the Classification Act of 1923, as amended.

(c) The Director may, from time to time, without regard to the provisions of the civil-service laws, engage for temporary service such duly qualified experts, consulting engineers or agencies, or other qualified persons, as are necessary in the exercise or performance of the powers and duties vested in him, and shall fix their compensation without regard to the Classification Act of 1923, as amended.

(d) Within 60 days after the appointment and qualification of the Director, every officer, department, and agency of the Government (including a corporation all or substantially all of whose capital stock is owned or held by or for the United States), heretofore exercising or performing any of the powers, duties, and responsibilities herein transferred to the Bureau, shall list upon forms to be prescribed by the Director, all officers and employees in such department, agency, or corporation, and all property, including office equipment and official records, employed in the exercise and performance of the aforesaid powers and duties, and thereafter there shall be transferred from such reporting department, agency, or corporation to the Bureau such of the officers, employees, property, including office equipment and official records, as shall be found by the President and specified by executive order to be necessary for the efficient and prompt performance of the powers and duties of the Bureau as herein vested.

SEC. 5. The Bureau is authorized and directed continuously to investigate and ascertain the facilities, equipment, instrumentalities, routes, and services of all carriers with respect to the availability for utilization thereof for the transportation of Government shipments, and by general or special instructions or routing guides, shall supervise and direct the selection of the carrier or carriers and the route or routes for the transportation of all Government shipments, by all consignors thereof, subject to the following considerations to control in the order named:

(1) The quality of the transportation service required for the particular type or class of Government shipment involved.

(2) The over-all cost of the transportation to the Government, including incidental and accessorial expenses as well as transportation charges paid the carrier.

(3) The fair, impartial, and equitable distribution among all modes of transportation and all carriers in accordance with their respective carrier capacities.

SEC. 6. It shall be the duty of the Bureau continuously to investigate the justness and reasonableness of all present and proposed tariffs insofar as they shall relate to or concern, directly or indirectly, any actual or potential Government traffic and to negotiate and contract with any such carrier: (1) For any change in any tariff; (2) for the establishment, for such period of time as may be agreed upon, of other just and reasonable tariffs for the transportation of Government traffic; and (3) as to the form, terms, and conditions of, and rules and regulations relating to, bills of lading and other billing papers or transportation documents covering or pertaining to the transportation of Government traffic.

SEC. 7. The Bureau, as the sole representative of the United States, shall be empowered to institute, or to intervene or participate in, any formal or informal proceeding relating to any matter within the jurisdiction of the Bureau before any administrative tribunal, and to make such representations and introduce such evidence therein as the Bureau shall deem to be proper and necessary, and to file any petition or complaint with any such administrative tribunal as the Bureau shall deem proper or necessary in the interest of the United States.

SEC. 8. The Bureau shall receive, audit, check, and verify all bills against the United States for the transportation of Government shipments and shall certify the correctness of such charges in writing upon the face thereof and such certification shall be final and binding upon all executive and administrative officers of the United States except as the same thereafter may be amended, corrected, or set aside by the Director, by any court, or by any competent administrative or other governmental tribunal.

SEC. 9. The Director may, from time to time, in his discretion, establish regional, local, departmental, or agency branch offices, and may delegate and assign to such offices such powers, duties, and responsibilities as he shall determine; but in every such case, the officers and employees of such branch offices shall be subject to and report to the Director, insofar as their duties relate to the exercise of such powers, duties, and responsibilities.

SEC. 10. (a) The Director is authorized and empowered to sue, for and in behalf of the United States, in any court or before any competent tribunal, for the recovery of any unlawful, unjust, or unreasonable charge theretofore paid by the United States for the transportation of Government shipments, and for damages resulting from loss, injury, or delay thereto, or for the enforcement or for the breach of any contract relating to such charge or such transportation.

(b) Any carrier is authorized to sue the Director, as the representative of the United States, in any district court of the United States in which district such carrier maintains a principal office or in which the Bureau maintains a principal or branch office for all unpaid charges for the transportation of Government shipments, or to enforce, or for the breach of, any contract made pursuant to this Act with said Bureau.

(c) It shall be the duty of any district attorney of the United States, under the direction of the Attorney General of the United States, upon application of the Director, to institute or defend any action, suit, or proceeding described in this section, except proceedings before an administrative tribunal.

(d) All actions and suits against the Director under the provisions of subsection (b) shall be begun within 2 years from the date the cause of action accrued, or within 2 years from the date of enactment of this act, whichever date is the later.

SEC. 11. On or before the 3d day of January of each calendar year the Director shall transmit to the Congress a report containing information with respect to all activities of the Bureau during the preceding calendar year and such information and data as may be considered of value in the determination of questions connected with the transportation of Government shipments together with such recommendations as to additional legislation relating thereto as the Director may deem necessary.

Mr. JOHNSON of Colorado. Mr. President, the provisions of the bill we

are considering at this time do not go far enough. For instance, they eliminate the transportation of the military, and they eliminate from the consideration of the proposed traffic bureau the transportation occasioned by the adoption of the Marshall plan.

We are dealing with a very important subject. One-tenth of all the costs of transportation in the United States is paid by the Federal Government. The Federal Government is the biggest shipper, and it pays one-tenth of all the cost of transportation of property by all the different carriers in the United States. It is in the interest of economy, as the Hoover report pointed out, that we have a centralized agency to handle this transportation. So, while the bill which is being considered, H. R. 4754, does move in the right direction, our committee is not entirely satisfied with all its terms and provisions. Therefore, we wish to announce now that we are going ahead with hearings on our bill in order to develop all the facts pertaining to this question. We do not think the hearings have been sufficient to bring out all the facts in connection with this kind of legislation, and we are going ahead with hearings on the bill which is now in our committee, and are going to keep a watchful eye on the effectiveness of the traffic bureau which is being set up under H. R. 4754.

Mr. President, I merely desire to let the Senate know that our committee is not dropping the matter; that we consider this a very important subject; that we want to work out something very constructive; that we agree with H. R. 4754 insofar as it goes; and that we are going to watch very carefully, and see what developments are made under its terms.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

ORDER FOR RECESS OR ADJOURNMENT FROM FRIDAY TO TUESDAY AND FOR MEETING IN OLD SUPREME COURT ROOM ON JULY 5

Mr. LUCAS. Mr. President, out of order, I send to the desk a resolution and ask that it be read.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 130) was read as follows:

*Resolved*, That when the Senate recesses or adjourns on Friday, July 1, 1949, it be until Tuesday, July 5, 1949; and that on said day, and until otherwise ordered, it meet in the old Supreme Court room in the Capitol.

*Resolved*, That all rules relating to the Senate Chamber shall be applicable to the old Supreme Court room.

*Resolved*, That the Secretary communicate these resolutions to the President of the United States and to the House of Representatives.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. WHERRY. Mr. President, I do not intend to object to the resolution, but I wish to ask a question in regard to that part of it which provides for a recess beginning on Friday. Does the majority leader wish to make any statement about what his plans are for Thursday?

Mr. LUCAS. I can only repeat what I have said before, perhaps not with so much emphasis as I shall use at the moment.

After the Senate concludes tomorrow afternoon with the consideration of the Taft substitute, or any part of the Thomas bill, we will take a recess until the following day, and on Friday no business will be transacted, as there will probably be just enough Senators present to take a recess until the following Tuesday. On Tuesday the Senate will meet in the old Supreme Court room, as is provided in the resolution just read.

Regardless of what happens to the labor bill, whether we defeat the Taft substitute or fail to defeat it, the recess will be taken the following day, and there will be no real session on Friday or Saturday.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

PAYMENT OF CLAIMS CHARGEABLE TO LAPSED APPROPRIATIONS

Mr. HOEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order of Business No. 566 on the Calendar, House bill 3549, to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund.

Mr. President, my reason for making the reques at this time is that if the bill is to be passed, it should be passed today, because it will take effect on the 1st of July.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, does the bill come from the committee unanimously?

Mr. HOEY. Yes. The subcommittee considered the bill, and in the subcommittee one member voted "present," but when it came before the full committee, there was no objection, and it was voted out unanimously.

I may say also that the bill is recommended by the General Accounting Office, the Comptroller General, it is approved by the Treasury Department, and likewise approved by the Bureau of the Budget.

Mr. WHERRY. The bill was not on the calendar at the last call of the calendar, and has not been discussed on the floor of the Senate and considered, has it?

Mr. HOEY. No.

Mr. WHERRY. Are there any amendments to the bill?

Mr. HOEY. Only one or two clarifying amendments.

Mr. WHERRY. The amendments do not embrace substantive matter, do they?

Mr. HOEY. No, not at all. The bill has already passed the House.

Mr. HENDRICKSON. Mr. President, I wonder if the distinguished Senator would tell us why we have to take this bill up except on a call of the calendar.

Mr. HOEY. It relates to lapsed appropriations, and unless it is taken up and passed before July 1, it will not be effective at all.

Mr. HENDRICKSON. I have no objection.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 3549) to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund, which had been reported from the Committee on Expenditures in the Executive Departments, with amendments, on page 2, line 6, after the word "account", to strike out "on the books of the General Accounting Office"; and in line 10, after the word "to", to strike out "the balances of the respective lapsed appropriations so transferred" and insert "the respective balances of any lapsed appropriations."

The amendments were agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

NATIONAL LABOR RELATIONS ACT OF 1949

The Senate resumed the consideration of the bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes.

Mr. TAFT. Mr. President, I desire to speak on the substitute which is now before the Senate. Very roughly, the differences between the substitute and the Thomas bill are set forth in a pamphlet entitled "Essential Principles of the Taft-Hartley Law and Amendments Proposed by the Republican Minority," a copy of which, I believe, has been placed on the desk of every Senator. The pamphlet shows in substance the differences between the Taft-Smith of New Jersey-Donnell substitute and the Thomas bill, with the exception that the Thomas bill now has had adopted to it four or five provisions which are included in the list of important features proposed to be retained, namely, the duty of unions to bargain collectively, the guaranty of the right of free speech, the requirement of the filing of financial statements, the filing of non-Communist affidavits, and the prohibition of jurisdictional strikes. Otherwise the essential differences are shown in the pamphlet.

The difference of approach is a fundamental thing, however. The Thomas bill would repeal the Taft-Hartley law, and then would pick out one or two things its sponsors think are fairly good and put them in their bill. They recognize the necessity of dealing with national emergency strikes. They recognize the necessity of forbidding strikes for 60 days. But they have provided no remedy to enforce that prohibition which is contained in the Thomas bill.

The Senator from New Jersey [Mr. SMITH], the Senator from Missouri [Mr. DONNELL], and I have proposed amendments to the Taft-Hartley law. Since that law has been on the books for 2

years, and many features of it have met with acceptance and no criticism whatever; since it is now the existing law of the United States under which labor-management relations are governed, we feel that the proper approach to a law of that kind should certainly be that which we take in connection with all other matters. We take the existing law and try to determine in what respect it should be amended; in what respect it is properly subject to criticism. That is the approach of this particular substitute. We took the Taft-Hartley law and we listened to all the labor protests against it. We sat for some 3 weeks listening to those protests, and where they seemed to be reasonable we proceeded to draft the amendments to the law so as to meet those particular proposals. Some very substantial changes in the law are made by the substitute which we propose. The list of the proposed changes is also contained in the pamphlet, numbering some 28. One of them—the twenty-eighth—has already been dealt with. The other provisions are of importance.

Mr. President, I am considerably intrigued with the position now taken by the majority leader, by Mr. William Green, of the American Federation of Labor, and attributed to the President of the United States by the majority leader. That position seems to be that because the Senate yesterday, by a substantial vote, inserted in the bill penalties to enforce the 60-day provision after the end of a contract then a strike affecting the national safety and health is threatened, chose to provide enforcement features and to retain the injunctive provision of the Taft-Hartley law, which has been used by the President himself half a dozen times already during the past 2 years, and to add to that the right of seizure, which is rather a weapon against the employer than it is against the employee—because the Senate chose to do that they are going to reject any law; they are going to reject any improvements to the Taft-Hartley law which may be offered.

They apparently welcome the retention of every provision which they have criticised, and propose to keep them in force for the next 2 years apparently in order that they may make an issue of that law 2 years from now in the election. Of course, they cannot make an issue of it, because when they complain against that law we can point out that we have met every complaint they have made and have listened to every criticism and proposal for a change. Now their position is: "No, we will not accept any changes, we will not accept any improvements." Simply because the Senate yesterday chose to insert a certain enforcement provision to protect—not the employer, but to protect the people of the United States—they will not take any improvements in the law, they will not take any of the modifications which they themselves have suggested.

Mr. President, I think that is a most extraordinary position, particularly when they supported the Thomas bill, which says that for 60 days after the end of a contract, if the national safety and health is threatened, a strike is forbidden. It says the men shall work for 60 days; that the employer shall operate his plant for 60 days. The President himself says, "Under those circumstances I have the power of injunction. I have it under the Constitution." The Attorney General of the United States tells him he has the power of injunction. And now, because the Senate has chosen to define that power, to make it, if anything, less extensive, less objectionable to labor, the position taken by the majority leader and by the president of the American Federation of Labor is: "All right, we do not want any improvements in the Taft-Hartley law. We want everything or we want nothing."

Mr. President, that illustrates very well the attitude the labor union leaders—not the labor union members, but the labor union leaders—have taken on all matters dealing with labor-management relations. From the very beginning of the consideration of the Taft-Hartley Act their position has been, "We will not consider any changes in the existing law."

Two years ago Mr. Lewis, in testifying before a committee, was asked this question:

> In other words, you think this committee should simply leave labor legislation alone as it is?

Mr. Lewis said:

> Definitely.

Mr. Green testified that he did not want any responsibility whatever placed on labor. He testified this year that labor should not be forced to bargain collectively, should not be liable on its contracts, should not be liable for the damages it causes. Labor, according to him, must be entirely free from any legal restraint, and rather than have it subject to any legal restraint he does not want any legislation at all.

I think the letter presented by Mr. Green and read today by the majority leader is probably the most presumptuous statement that any individual has ever made to the Senate of the United States. Let me read what he wrote to the majority leader of the United States Senate:

> I understand that you are to make a unanimous-consent request, after the Senate convenes today, that the Senate proceed to vote immediately upon the Taft substitute for sections 1, 2, and 4 of the Thomas bill, S. 249.
>
> It is respectfully requested that you advise the Senate—

He is sending his order to us, to the United States Senate—

> that you advise the Senate that at a meeting of representatives of A. F. of L. State federations of labor, city central labor unions, national and international unions, the national legislative council, the national legislative committee, and Labor's League for Political Education, held this morning, a motion was unanimously adopted to heartily support your contemplated proposal.
>
> We feel that amendments designed to make the Taft bill more palatable—

I suppose he means more palatable to him—

> would be useless and a waste of time, as the action yesterday in the Senate, in regard to section 3 of the bill makes it absolutely unacceptable.

Unacceptable to whom? I suppose unacceptable to Mr. Green. Mr. Green is undertaking to veto the Senate bill before it passes.

> We hope—

He says—

> that our request will be granted, and that the Senate will proceed immediately to vote today on both the Taft substitute and the Thomas bill as amended, without further amendments being presented. We trust that both will be defeated.

In other words, his orders to those who want to follow the American Federation of Labor's directions are, vote against the Taft substitute, and if it is defeated, then vote against the Thomas bill—and today.

Why vote against the Thomas bill? Because we have dared to include an injunctive provision to enforce the 60-day prohibition of a strike which is contained in the Thomas bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Vermont.

Mr. AIKEN. Do I correctly understand the Senator from Ohio to say that he regards his amendment, which was approved by the Senate yesterday, as a limitation on the use of the injunction by the President?

Mr. TAFT. Frankly, I do not believe that the President has the power which he asserts. But the President himself claims that he has the power of injunction under the Constitution, and he has a letter from the Attorney General, which has been presented here, supporting that view. If he has the power at all, it is a far more unlimited and extensive power than that granted yesterday. Since the President claims he has that power, and since the Attorney General says he has it, the chances are that if an emergency should arise he would find some judge somewhere who would agree with his position and that of the Attorney General, and present his case to that judge. What the Supreme Court might ultimately do, I do not know. But for the purpose of the particular emergency, I think the betting would be in favor of his getting an injunction under the theory which he now asserts and claims. Simply because we reduce the injunction power which he claims, Mr. Green says, "The bill is dead. I veto the bill. I will take no improvements. I do not care what you want to do in behalf of labor. I do not care how you want to meet our objections. We would rather have nothing so long as that provision is in the bill."

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LUCAS. Does the Senator object to President Green concurring with what we practically agreed upon here yesterday? The President of the American Federation of Labor makes it very plain that he is agreeing with what was proposed yesterday afternoon before we recessed. The reason we could not get a

final agreement at that time was probably the statement made by the distinguished Senator from New York [Mr. IVES]. I certainly do not see how the Senator can criticize the President of the American Federation of Labor for agreeing with the Senate in what we all agreed upon yesterday. I am sure that if the Senator from Ohio received a letter from the president of some powerful organization agreeing with his position in this matter, he would not take exception to it.

Mr. TAFT. I think perhaps the Senator does not understand. I have no objection to Mr. Green telling us how we ought to proceed and when we ought to get unanimous consent. That is all right. That is not what I am criticizing. What I am criticizing is his statement that he wants to defeat the Thomas bill, regardless of what is in it, so long as it contains the injunctive provision which was put in the bill yesterday by the Senate. That is what I am criticizing Mr. Green for. I am delighted to have the majority leader follow Mr. Green's suggestion, or have Mr. Green follow the majority leader's suggestion with regard to unanimous-consent requests and procedure. I did not raise that question when I read the letter.

Mr. LUCAS. The Senator definitely left the impression that the majority leader and others on this side of the aisle who sought the unanimous-consent requests were following the leadership of William Green.

Mr. TAFT. Not at all. If that was the implication, I withdraw it. So far as I know, the Senator from Illinois made the first suggestion as to a unanimous-consent request, and it is perfectly agreeable to me. I am not taking the position of criticizing that procedure. I was criticizing Mr. Green's attempt to veto the bill before it is passed. I slightly criticized the majority leader for taking the position that since the injunctive provision is in the bill it ought to be defeated. I ventured to differ with the majority leader on the President's attitude. The majority leader says that the President will veto the bill if that provision is in it. I venture to say that such a reason for vetoing the bill is so tenuous, so ridiculous on its face, that the President will not do what the majority leader thinks he will do.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. LUCAS. That is a perfectly good disagreement between the Senator from Ohio and myself as to how the President feels about it. I may be wrong, and the Senator from Ohio may be right. However, I believe I have a little better information on that subject than has the Senator from Ohio.

Mr. TAFT. The Senator from Illinois stated expressly that he had no information, so I do not see how he could have better information than has the Senator from Ohio.

Mr. LUCAS. The Senator is correct. I have no direct information from the White House on this question. I have not talked with the President about it at all; but I believe that I am in a little closer relationship with the President than is the Senator from Ohio, although I know that the relationship between the Senator from Ohio and President Truman is very cordial.

Before I take my seat I want it distinctly understood by all, including the Senator from Ohio, that so long as I am majority leader in the Senate no labor leader, no leader of industry, and no farm leader is going to lay down any program for the Senator from Illinois. I am very happy whenever I find a labor leader agreeing with the position I take, or a farm leader who agrees with the position I take, or any other leader who agrees with me. If the National Association of Manufacturers should agree with me, it would please me very much. However, I doubt that they ever will. Nevertheless, I wished to make that point clear, and I am very glad that the Senator from Ohio has said that there was in his statement no such implication as I have indicated. I also want to clarify another statement by the Senator from Ohio, referring to a possible veto by the President. As I recall I distinctly said that if we passed both of the Taft substitutes it was my studied judgment the President would veto the bill. It would be more or less of a reenactment of the present Taft-Hartley law.

Mr. TAFT. My emphasis was on this sentence in Mr. Green's letter:

> We feel that amendments designed to make the Taft bill more palatable would be useless and a waste of time, as the action yesterday in the Senate, in regard to section 3 of the bill, makes it absolutely unacceptable.

That is the position which I am criticizing, a position which I think is completely unreasonable, and one which I feel certain the President of the United States, who thinks he has the right of injunction anyway, will not adopt.

Mr. President, I wish to call attention to some of the criticisms of the Taft-Hartley law which we have attempted to meet in the Taft-Smith-Donnell substitute. There have been very important criticisms of that law before the committee. I was anxious that any imperfections which had developed should be corrected. Under the terms of the law we created a joint committee to see how the law worked, and to make recommendations for changes.

I believe that the amendments which we have suggested are important. Perhaps the most important one is the elimination of the independent general counsel. The difficulty which arose with the independent general counsel was that he took a different view of the jurisdiction of the Board than did the Board itself. He would bring a case which he thought was covered by the act. After a year's litigation the Board would rule that it was not covered by the act. In the last analysis the Board determined the result, but in the meantime there was confusion. There was a difference of opinion. There was difficulty in the separation of powers.

Under the Administrative Procedures Act, which was passed since the passage of the original National Labor Relations Act, the judicial and prosecuting functions are largely separated, although not entirely so. The procedure goes back to the Board. However, we felt that on the whole that separation accomplished the purposes we were trying to accomplish in not having the same people bring the prosecution, try the case, and then judge those who they themselves had indicted. That was one of the strong protests made by the labor unions, and we felt that it was sufficiently justified to go back to the Administrative Procedures Act and rely upon that for a fair treatment by the Board.

The Taft-Hartley Act made it an unfair labor practice for unions to restrain or coerce employees in violation of their right not to join a union. That was a rather indefinite, vague provision. It was uncertain how far it went, and we decided that it ought to be clearly defined and cut down to the point where the unfair labor practice exists only when a union interferes with a man's right to work. In other words, it is an unfair labor practice for a union to engage in such mass picketing in front of a plant that the men who work there cannot get in to do their work. There were numerous cases in the past 2 years in which that had occurred. The owners of plants and the clerical forces were barred from the plants themselves by the mass picketing of unions. Certainly that should be an unfair labor practice, and we retained that important provision, but we eliminated the rather vague term "restraint" and cut down the unfair labor practice practically to that particular interference.

While the prohibition of the closed shop is retained, it is provided that an employer may notify a labor organization of any vacancy and may give it a reasonable opportunity to refer qualified applicants for such employment. In other words, an employer may make an agreement with a union that when a vacancy occurs, he will notify the union, and will agree to wait a reasonable time—I think 72 hours is perhaps customary in some industries—until the union gets a chance to submit a name. The employer cannot agree that he will take that man, nor can he agree that he will turn down a nonunion man, necessarily; but he can use that agency. In some instances the union is the best employment agency in the field. On the other hand, that arrangement is not, I think, a preferential shop, as has been stated. The employer still is under obligation not to discriminate between union and nonunion men in giving employment, but he can take advantage of the union as an employment agency.

Those with whom I have discussed the so-called hiring hall have felt that when originally started, it was a reasonable provision. As a rule, the employer called for a man, and the union sent him some man. If that man was unacceptable, the employer sent him back and usually asked for someone else. If the union sent him another man, and he was acceptable, that settled the matter. If he was not acceptable, the employer was free to get someone, himself. So long as that was the condition, there was no tremendous objection to the hiring hall.

But gradually the hiring hall has tightened up, until the unions operating them have taken the position with regard to

the employer, "You take this man, or you do not get anyone." The situation developed to the point described by the Governor of Alaska, who testified that in the Alaskan trade, men who were fired from ships because of insubordination or because of drunkenness were back on the ships within 2 or 3 weeks, with the result that there was complete destruction of discipline on the ships; and he himself told me that the Alaskan trade was so demoralized that people could hardly live in Alaska, because of the utter unreliability of the shipping trade between the United States and Alaska, due entirely, so far as I can discover, to the hiring hall provision which forced the employer to take the man sent to him, no matter what that man's character might be.

So, in the substitute we provide, for a return to the early form, which still maintains the prohibition of the closed shop, but permits the employer to use the union as his most important employment agency.

On the question of the union shop, I may say that I think the union shop authorized in this measure has been very generally acceptable. It is a form of union security which I believe is effective. It is stronger than the maintenance of membership decreed by the War Labor Board during the war. Under this provision the union is able to protect itself.

The unions have complained, however, that under the law, where a union shop prevails, they cannot force the employer to discharge a Communist after they have found the man is a Communist and have fired him from the union. In this measure we have made that requirement. We say he can fire a man because he is a Communist, and the union can make the employer fire him.

When we passed the law we felt that if the union fired a man from the union because of being a Communist—which it could do under the Taft-Hartley law—the employer would not keep him. But the unions say there are some cases in which employers do keep such men. We find in that connection that there is some communism among employers, as well as among unions. Therefore, this provision would permit that situation to be controlled. To that extent we have changed the union-shop provisions.

We eliminate the necessity for a vote by the men for a union shop. Personally, I was never very strong for that, and the facts showed that in 99 percent of the elections the men voted for it, and usually voted for it by a large vote. We are perfectly willing to authorize the union shop, if the labor union leaders want to ask for it.

Mr. President, I shall not deal with all the changes proposed, some of which are of minor importance.

One of the great objections made by the unions was that when a strike was in progress and the men were gradually replaced by permanent employees, men who lived in the district and intended to stay there, and who worked for the same wages which had been offered the men who were striking, in such a case, when the strikers were no longer entitled to get their jobs backs, by reason of the fact that they had been replaced by bona fide permanent employees, the striking employees could no longer vote. The unions claim that in that case it was possible for an employer gradually to replace the strikers, and then call for a vote, and then rule out the strikers in the voting.

Of course, before the Taft-Hartley Act was passed, the Supreme Court had ruled that a man who had been replaced by such a permanent employee was no longer entitled to get his job back. Under those circumstances, it seemed to us that he should not be able to vote. However, I can see how in an extreme case, where there was hardship, and no difficulty in getting replacements, that might be used as a weapon gradually to break down a union and destroy it. We dealt with the Redwood case, in California, where all the strikers had been replaced by veterans, so that all the strikers had gone to work somewhere else. Yet 2 years after the strike was started, the strike was still going on, and the plant was still being picketed, and its products were declared to be "hot" goods. There seemed to be no way to end it, although all the workers had been replaced, and the strikers were working somewhere else, and the new employees were permanent employees, living there with their families. We felt that such an indefinite continuation of a kind of dead strike is not an important matter, and now we would permit the strikers to vote. We probably go back, I suppose, to the rule established by the Board before the Taft-Hartley law, namely, that both the strikers and the permanent employees may vote. Presumably that is what will happen under our amendment.

Of course we have applied the non-Communist oath to employers, as I have already indicated.

We repeal section 10 (l). There were in the Taft-Hartley law two provisions for temporary injunctions against unfair labor practices, where the damage was irreparable and where, if the usual procedure of the Board was followed, for perhaps a year, the damage would be done and nothing could be done about it. One of those provisions, section 10 (j), operated against both employers and employees. I think Mr. Denham used it twice against employers and twice against employees. We have retained that provision. In cases of extreme hardship, the general counsel can seek a temporary injunction against either labor or the employer, pending the trial of the case before the National Labor Relations Board. But we eliminated section 10 (l), which was, I believe, drafted by the distinguished Senator from New York [Mr. IVES] and the distinguished Senator from Oregon [Mr. MORSE], and enforces with especial strength the prohibition against secondary boycotts. It directed the Board to give priority to applications for temporary injunctions in those cases, and to seek them if they thought the case was a justifiable one.

Under that provision, some 39 injunctions, as I recall, were sought, and all of them were against labor. It was a one-sided proposition. The situation seemed to be that where the cases were severe, where there was real damage, action could be taken under section 10 (j). Therefore, we eliminated the mandatory requirement of section 10 (l) relating to injunctions affecting secondary boycotts.

We propose various amendments in the provision governing welfare funds. I may say one of the things which is not in the Thomas bill is the regulation of the welfare funds of unions. Such funds, under the Taft-Hartley law, were subjected to a rather mild control. The regulations could be drawn in almost any form, but if they were definite enough, the act approved them. It required that the funds be audited and be subject to some control by the Department of Labor. We have changed that provision somewhat so as to make it operate more easily, and we have provided that if the Secretary of Labor definitely approves the form of the welfare fund as being in accordance with the general provisions of the law, then that shall be legal and there shall be no danger of any criminal penalty such as there has been under the Taft-Hartley law.

I may say, Mr. President, my own opinion of welfare funds is that there should be a general law governing all welfare funds and pension funds, pension funds for the higher-up employees as well as for the lower employees. Because they are trust funds, people can abuse the trust. The funds can disappear, and they often have disappeared, in various fields of life, not only with respect to labor unions but in plenty of other fields. I believe there ought to be a Federal regulation, particularly where it is an industry fund. An industry fund is supported by what amounts to a tax on every member of the industry, and, just as the Railroad Retirement Fund is regulated by law, so I believe there should be general laws regulating welfare funds. But until we can get that protection it seems to me we certainly should retain the protection given to the welfare funds under the Taft-Hartley law, and we do so, with the necessary current corrections.

I have covered most of the changes which have been made by the amendment. I believe they meet all of the most serious objections raised by the labor unions except their general objection to being subjected in any way to legal liability or responsibility. The essence of the difference between the opponents of the Taft-Hartley law and its advocates is the question of whether or not unions shall be legally responsible for their acts. It has long been the position of labor union leaders that they should not be. The distinguished Senator from Florida [Mr. PEPPER] speaks of labor unions as something separate and apart; they are, he says, a group of individual men conducting their own affairs and should in no way be liable to any restraint of any kind or legally liable; they are entirely different from a group of stockholders who are associated together in a corporation. I do not know why they are different. I see no reason why labor unions should not be subject to exactly the same general legal liabilities as other organizations of equal power or equal size. And yet Mr. William Green and Mr. Murray and Mr. Lewis have all taken the position that

they do not want to be subject to any liability, and, if they cannot be completely free, then they do not want any law, they do not want us even to repeal the Taft-Hartley law.

Of course, as a matter of fact, the unions have become extremely powerful. There are 16,000,000 people associated in the various unions. Some of the unions have grown to such an extent that they have a complete monopoly of all the labor in a particular industry, and so they have a gigantic power. I see no logical reason why they should not be subject to the same general restraints and the same general rules as corporations.

Certainly the United States is based on the theory of freedom, justice, and equality. There cannot be freedom unless there is justice and unless there is equality. There cannot be freedom unless there is a fair administration of the law that applies to every individual. A large part of our legislation is devoted to seeing that there are no special privileges, and that people have equality in the treatment which they receive from other people in the ordinary walks of life. Our whole support of the civil-rights program is based on our belief that certain people are deprived of the ordinary elements of freedom and that they are entitled to enjoy the same kind of freedom to which other people are entitled.

Where there developed a tremendous threat because of the growth of large corporations, we passed the Sherman law, and, regardless of what may be said of the condition today, I think it can be said that the Sherman Act has operated to prevent special privilege and special power on the part of corporations of America, as no laws of any of the States have successfully operated. Perhaps it has not gone so far as it should, but at least it has broken up the corporate power into a large number of units in most cases, and we have imposed upon corporations all the restraints which we think should be imposed to prevent the excessive growth of exclusive power and privilege.

We now come to the question of unions. Unions have acquired a different kind of special privilege. It is not as if business had not been subjected to the same kind of regulation. I have before me a list of laws regulating or affecting business and agricultural activities. The list contains many pages. I ask that it be inserted in the RECORD at this point in my remarks. There are 120 laws regulating business and agriculture.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LAWS REGULATING OR AFFECTING BUSINESS AND AGRICULTURAL ACTIVITIES

Sherman Act (15 U. S. C. 1–7): Makes illegal monopolies and combinations in restraint of trade.

Miller-Tydings Act (15 U. S. C. 1): Authorizes contracts or agreements prescribing minimum resale prices on trade-marked commodities, etc., and State fair-trade acts.

Clayton Act (15 U. S. C. 12–27): Prohibits price discriminations.

Federal Trade Commission Act (15 U. S. C. 41–58): Establishes Federal Trade Commission; makes unfair methods of competition unlawful.

Robinson-Patman Act (15 U. S. C. 13–13b, 21a): Makes unlawful price or service differentials.

Promotion of export trade (15 U. S. C. 61–65): Regulates export trade; unfair methods of competition in export trade, etc.

Wool Products Labelling Act (15 U. S. C. 68–68j): Prohibits the misbranding of wool products.

Prevention of Unfair Methods of Competition in Imports (15 U. S. C. 71–77): Prohibits the importation of articles at prices less than actual market value to injure or destroy an industry in the United States.

Securities Act of 1933 (15 U. S. C. 77a–77aa): Regulates the sale of securities through the mail or in interstate commerce.

Securities Exchange Act of 1934 (15 U. S. C. 78a–78hh): Licensing of stock exchanges and registration of securities with SEC required, etc.

Public Utility Holding Company Act, 1935 (15 U. S. C. 79–79 2–6): Provides for the regulation of public utility holding companies.

Investment Company Act of 1940 (15 U. S. C. 80a–1—80b–21): Provides for the registration and regulation of investment companies and investment advisers.

Bureau of Foreign and Domestic Commerce (15 U. S. C. 171–195): Bureau of Foreign and Domestic Commerce of the Department of Commerce authorized to obtain statistics from business firms on commerce, transportation, merchandise and manufacturing.

Weights and Measures Acts: (15 U. S. C. 201–265): Establishes standard weights, measures and time and provides penalties for violations thereof.

Federal Caustic Poisons Act (15 U. S. C. 401–411): Regulates the interstate shipment, importation and labelling of caustic poisons.

Discrimination Against Cooperative Associations (15 U. S. C. 431–433): Boards of trade are prohibited from excluding from membership duly authorized representatives of cooperative associations.

Interstate Transportation of Petroleum Products (15 U. S. C. 715–715m): Regulates the interstate shipment of contraband oil.

Natural Gas Act (15 U. S. C. 717–717w): Regulates the business of transporting and selling natural and artificial gas.

Trade Mark Act (15 U. S. C. 1051–1127): Provides for the registration of trade-marks and the enforcement of rights pertaining thereto in the Federal courts.

Federal Power Act (16 U. S. C. 791–825): Creates the Federal Power Commission to license and regulate the use of water-power facilities, and electric utility companies engaged in interstate commerce.

Whaling Treaty Act (16 U. S. C. 901–913): Regulates whaling industry.

Sockeye Salmon Fishing Act of 1947 (16 U. S. C. 776): Regulates manner of salmon fishing in Fraser River System.

United States Tariff Commission Act (19 U. S. C. 1330–1341): Studies and recommends changes in tariff; commission investigates and judges unfair methods of competition and unfair acts in importation of articles.

Customs Collection (19 U. S. C. 1481–1528): Provides for ascertainment, collection and recovery of duties.

Misbranding of Dairy or Food Products (21 U. S. C. 16–17): Bans false labeling or branding of such products. Grading and packing of apples (21 U. S. C. 20–23); Defines grades and manner in which apples may be packed.

Oleomargarine Controls (21 U. S. C. 25): Oleo is subject to laws of State into which shipped.

Importation of Tea (21 U. S. C. 41–50): Board of tea experts established to recommend rules and standards for importation of tea.

Interstate Shipment of Filled Milk (21 U. S. C. 61–64): Regulates compounding and shipment of filled milk products.

Examination of Animals, Meat, and Meat Products Used in Interstate or Foreign Commerce (21 U. S. C. 71–96): Secretary of Agriculture shall provide for inspection of meats slaughtered and sold in interstate commerce; and for milk sold in foreign commerce.

Import or Export of Animals (21 U. S. C. 101–133): Regulations covering the import or export of animals.

Import of Milk and Cream (21 U. S. C. 141–149): Importation of milk may be prohibited, or regulated.

Preparation or Import of Animal Viruses, Serums or Toxins (21 U. S. C. 151–158): Establishes controls over manufacture, sale, or import of such products.

Federal Food, Drug and Cosmetic Act (21 U. S. C. 301–392): Laws and regulations pertaining to the adulteration or misbranding of any food, drug, device or cosmetic.

Tax Laws of the United States (title 26 of U. S. C.): Levies taxes on incomes, and certain transactions in business and otherwise.

Intoxicating Liquors (27 U. S. C. 203–207) Provides for permits to engage in business and restricts sales and business practices.

Intoxicating Liquors (27 U. S. C. 208): Restricts ownership in more than one firm.

Norris-LaGuardia Act (29 U. S. C. 101–115): Limits availability of injunctions in labor disputes.

Labor-Management Relations Act of 1947 (29 U. S. C. 141–197): Regulates labor relations between employers and unions.

Portal-to-Portal Act (29 U. S. C. 251–262): Regulates defenses against suits for overtime pay under Fair Labor Standards Act.

Fair Labor Standards Act (29 U. S. C. 201–219): Establishes minimum wages, maximum hours, and conditions of employment.

Investigation of Coal Mines (30 U. S. C. 4f–4n): Bureau of Mines shall investigate coal mining safety standards and conditions.

Longshoremen's and Harbor Workers' Compensation Act (33 U. S. C. 901–950): Imposes duty upon employers to pay accident and death benefits to employees working upon navigable waters, including drydocks.

Patents (35 U. S. C. 31–114): Imposes conditions, rules and regulations for obtaining patents and protecting patent rights.

Contracts for Public Buildings (40 U. S. C. 269–270 (e)): Rules and regulations involving contracts for construction or repair of any public building or work.

Extortion (T. 40 276 b–c): Makes unlawful any kick-back from employees engaged in public building contract work.

Eight-Hour Laws (T. 40 321–326): Imposing 8-hour day for employees engaged in public contracts work.

Termination of War Contracts Act (41 U. S. C. 101–125): Establishes law, rules, and regulations pertaining to termination and settlement of war contracts by Secretary of the Treasury.

Restrictions on Fees or Kick-backs (41 U. S. C. 51–54): Violation of law for subcontractor to pay any fee or gratuity to prime or higher tier subcontractor to obtain award of subcontract.

Defense contractors (41 U. S. C. 49–50): Defense contractors may not deny employment to anyone not producing a birth certificate if they produce in lieu thereof an honorable discharge certificate from armed forces.

Walsh-Healey Public Contracts Act (41 U. S. C. 35–45): Specifies hours, wages, and condition of work applying to employers contracting with Government for manufacture or furnishing of materials, etc.

Use of American Goods for Use in Public Contracts (41 U. S. C. 10 b–c): Requires that contractors in connection with public buildings and works must use American-made goods; penalty is blacklisting.

Social Security Taxes (42 U. S. C. 301–1110): Levies pay-roll taxes on employers to

assist in financing old-age and survivors insurance; unemployment insurance.

Safety Appliance Acts (45 U. S. C. 1–22): Establishes safety standards for railroads.

Boiler Inspection Acts (45 U. S. C. 23–34): Prohibits use of unsafe boilers on railroads and provides for inspection.

Employers' Liability Acts (45 U. S. C. 51–60): Liability of common carriers by railroad, in interstate or foreign commerce, for injuries to employees from negligence.

Hours of Service Acts (45 U. S. C. 61–66): Provides limitations on the hours of service of railroad employees.

Care of animals in transit (45 U. S. C. 71–76): Establishes standards for railroads in the care of animals in transit.

Railway Labor Act (45 U. S. C. 151–188): Provides for mediation, conciliation, and arbitration in controversies between carriers and employees.

Railroad Retirement Act (45 U. S. C. 228a–228s, 261–273): Provides system of annuities to retired or disabled railroad employees.

Railroad Unemployment Insurance Act (45 U. S. C. 351–367): Provides for unemployment compensation benefits to railroad employees.

Registry and recording of vessels (46 U. S. C. 11–82): Regulates the registry, recording, inspection, survey, and measurement of vessels.

Load lines for American vessels (46 U. S. C. 85–88i): Establishes load lines and limitations for American vessels in foreign commerce and coastwise trade.

Clearance and Entry of Vessels Acts (46 U. S. C. 91–113): Regulates the granting of clearances and entries to vessels, duties of masters, and manifests.

Regulation of vessels carrying steerage passengers (46 U. S. C. 151–163): Establishes regulations for the accommodation, berths, food, medical attention, safety, and health of passengers.

Carriage of explosives by vessels (46 U. S. C. 170–171): Regulates the carriage of explosives or other dangerous articles on vessels.

Limitation of Liability Acts (46 U. S. C. 181–194): Establishes limitations on liability of vessel owners or masters for losses.

Regulation of log books, officers and crews, domestic and intercoastal shipping (46 U. S. C. 201–203; 221–248; 251–336; 843–848): These code provisions set out statutes regulating conduct by owners and masters of vessels as to log books, officers and crew, and domestic and intercoastal shipping generally.

Steam vessel regulations (46 U. S. C. 361–417; 451–498): Establish standards for the inspection of and transportation of passengers and merchandise by steam vessels.

Ship Mortgage Act (46 U. S. C. 911–984): Provides for the recording of sales, conveyances, and mortgages of vessels of the United States, the foreclosure of mortgages, and maritime liens.

Merchant Marine Acts, 1920, 1928, and 1936 (46 U. S. C. 861–891y; 1111–1279): Provides for the construction, acquisition, and operation of the United States Merchant Marine; regulates merchant marine shipping, private charter operations and operating-differential subsidies.

Carriage of Goods By Sea Act (46 U. S. C. 1300–1315): Establishes the rights and duties of carriers and the responsibilities and liabilities of carriers and ships.

Communication Act of 1934 (47 U. S. C. 151–609): Regulates interstate and foreign communications by wire or radio.

Interstate Commerce Act (Part I) (49:1–27): Provides regulation of transportation by rail and pipe lines.

Interstate Commerce Act (Part II) (49: 301–327): Regulates transportation by motor carriers.

Interstate Commerce Act (Part III) (49: 901–923): Regulates transportation by water carriers.

Interstate Commerce Act (Part V) (49: 1001–1022): Regulates transportation with regard to "freight forwarders."

Civil Aeronautics Act of 1938 (49: U. S. C. 401–682): Regulates interstate commerce and transportation by air.

Allocations of Short Materials (50 U. S. C. App. 645): Authorizes the President to allocate supplies of certain materials.

Export Controls (50 U. S. C. App. 701): Authorizes the President to restrict exportation of certain articles.

Voluntary Agreements Act (50 U. S. C. App. 1911–1919): Authorizes the making of voluntary agreements for allocation, priority, and inventory control of scarce commodities.

Securities of Railroad Carriers Act (P. L. 478, 80th Cong., 2d sess.): Provides a more simple, less expensive, and expeditious method for modification of the financial structures of railroad corporations.

Selective Service Act of 1948 (P. L. 759, 80th Cong., 2d sess.): Authorizes peacetime selective service, with reemployment rights for selectees.

National Industrial Reserve Act of 1948 (P. L. 883, 80th Cong., 2d sess.): Establishes authority for the maintenance and control of a pool of Government-built essential and strategic plants, tools, and industrial equipment for national-defense purposes.

Federal Corrupt Practices Act of 1925, as amended (2 U. S. C. 241–256): Prohibits corporate contributions or expenditures in connection with Federal elections, etc.

Regulation of Lobbying Act of 1946 (2 U. S. C. 261–270): Requires the registration of "lobbyists" with Secretary of Senate and Clerk of House, with the filing of quarterly expense accounts.

Commodity Exchange Act (7 U. S. C. 1–17a): Regulation of dealings in agricultural commodity futures.

United States Cotton Standards Act (7 U. S. C. 51–65): Establishes cotton standards, and licenses samplers, classifiers, etc.

United States Grain Standards Act (7 U. S. C. 71–87): Establishes grain standards; licenses persons engaged in handling, grading, and transporting grain, etc.

Naval Stores Act (7 U. S. C. 91–99): Establishes official naval stores standards and regulates interstate sales of such commodities.

The Insecticide Act of 1947 (7 U. S. C. 121–135k): Regulates the manufacture, branding, and sale of insecticides.

Regulation of Nursery Stock and Other Plants and Plant Products (7 U. S. C. 151–167): Regulates the importation, marketing, interstate shipment, inspection, and certification of domestic plants.

Development of Guayule Rubber (7 U. S. C. 171–176): Authorizes program for development of guayule rubber through private or governmental facilities.

Packers and Stockyards Act, 1921 (7 U. S. C. 181–231): Provides comprehensive regulation of packers and stockyards through licensing, rate schedules, inspection, and prevention of unfair, discriminatory or deceptive trade practices.

Agriculture Warehouse Act (7 U. S. C. 241–273): Provides for the licensing, inspection, and regulation of agricultural products warehouses.

Cotton Ginning Investigation (7 U. S. C. 424): Secretary of Agriculture authorized to investigate the ginning of cotton.

Cotton Statistics and Estimates (7 U. S. C. 471–476): All cotton warehouses, ginneries, mills, or storage depots required to furnish Secretary of Agriculture statistics on cotton on hand, etc.

Perishable Agricultural Commodities Act (7 U. S. C. 499a–499r): Provides for licensing of commission merchants of perishable agricultural commodities, and makes unlawful deceptive or unfair practices.

Tobacco Statistics Act (7 U. S. C. 501–508): All dealers, manufacturers, growers' cooperative associations, warehousemen, brokers or holders required to furnish statistics to Secretary of Agriculture on tobacco holdings.

Tobacco Inspection Act (7 U. S. C. 511–511q): Regulates tobacco auction markets.

Export Standards for Apples and Pears (7 U. S. C. 581–589): Prohibits the export of apples or pears except under certificate by Secretary of Agriculture that such fruits conform to standards established by the Secretary.

Agriculture Adjustment Act, 1937 (7 U. S. C. 601–659).

Agricultural Adjustment Act, 1938 (7 U. S. C. 1281–1407): Authorizes the establishment of orderly marketing conditions for agriculture to provide parity prices for farmers; licenses processors; provides for parity payments, marketing quotas and crop insurance, etc.

Bankhead-Jones Farm Tenant Act (7. U. S. C. 1000–1031): Secretary of Agriculture authorized to make loans for acquisition and rehabilitation of farms; and to acquire submarginal land not suitable for cultivation.

Sugar Act of 1937 (7 U. S. C. 1101–1183): Regulates production quotas in sugar-producing areas; provides payments to producers conditioned on certain child labor and wage provisions.

Federal Crop Insurance Act (7 U. S. C. 1501–1519): Creates the Federal Crop Insurance Corporation empowered to issue insurance against crop losses under specified conditions.

Federal Seed Act (7 U. S. C. 1551–1610): Prohibits interstate transportation of seeds except under detailed specifications and regulations.

Admission of Contract Laborers (8 U. S. C. 139–143): Makes unlawful the prepayment of transportation or to assist in the importation or migration of contract laborers.

United States Arbitration Act (9 U. S. C. 1–14): Written contracts in maritime or interstate commerce transactions providing for arbitration shall be valid, irrevocable, and enforceable in the courts.

Seizure of Transportation Systems (10 U. S. C. 1361): Authorizes the President, "in time of war" to take possession of any system of transportation.

Chandler Bankruptcy Act, 1938 (11 U. S. C. 1–1200): Establishes Federal bankruptcy control and regulation.

Mr. TAFT. So, Mr. President, we are not in this case doing anything different with labor from what we have done with business and with agriculture and with all others who gradually acquire special privileges over and above the ordinary equal rights of the people of the United States. The reason for this amendment was that not only had labor become extremely powerful but also the unions had gotten themselves exempted from the operation of most other laws. They undoubtedly were at a disadvantage in the beginning. Laws had to be passed, like the Wagner Act and the Norris-LaGuardia Act, to protect them against excessive power on the part of their employers. But those laws were passed in such form and were so administered and judged by the courts and by the Board that gradually they built the unions into a position where they were not subject to any liability under any law, either to their members or to the public or to their employers. They were practically free to do as they chose, and inevitably when arbitrary power is granted to men, arbitrary men are often found to exercise that power.

Mr. President, perhaps the best discussion of the liability of labor unions is contained in the book on the subject of the immunity of labor unions, by Louis

D. Brandeis, former Justice of the Supreme Court, one of the most liberal Justices we have had, a man who had every sympathy with labor unions. In the first place, he says what I have said, that they were not, even in the days before the passage of special laws, subject to legal liability. He said:

> But while the rules of legal liability apply fully to the unions, though unincorporated, it is, as a practical matter, more difficult for the plaintiff to conduct the litigation, and it is particularly difficult to reach the funds of the union with which to satisfy any judgment that may be recovered. There has consequently arisen, not a legal, but a practical immunity of the unions, as such, for most wrongs committed.

Mr. Justice Brandeis continues:

> This practical immunity of the unions from legal liability is deemed by many labor leaders a great advantage.

That is just the position that Mr. Green and Mr. Murray and Mr. Lewis are taking.

Mr. Justice Brandeis continues:

> To me it appears to be just the reverse. It tends to make officers and members reckless and lawless, and thereby to alienate public sympathy and bring failure upon their efforts. It creates on the part of the employers, also, a bitter antagonism, not so much on account of lawless acts as from a deep-rooted sense of injustice, arising from the feeling that while the employer is subject to law, the union holds a position of legal irresponsibility.

Mr. Justice Brandeis continues:

> This practical immunity of the labor unions from suit or legal liability is probably largely responsible for the existence of the greatest grievances which labor unions consider they have suffered at the hands of the courts; that is, the so-called "government by injunction." It has come about in this way: An act believed to be illegal is committed during a strike. If that act is a crime, a man may be arrested, but in no case can he be convicted of a crime except on proof beyond a reasonable doubt and a verdict of the jury, and on every jury there is apt to be someone favorable to the defendant. Many acts, however, may be illegal which are not criminal, and for these the only remedy at law is a civil action for damages; but as the defendant is usually financially irresponsible, such action would afford no remedy.
>
> The courts, therefore, finding acts committed or threatened, for which the guilty parties cannot be punished as for a crime, and cannot be made to pay damages by way of compensation, have been induced to apply freely, perhaps too freely, the writ of injunction.

Mr. Justice Brandeis said, further:

> Again, it has been urged that the unions might be willing to submit themselves readily to suit if the rules of law, as now administered by the courts, were not unjust to labor. I am inclined to think that there have been rendered in this country many decisions which do unduly restrict the activities of the unions. But the way to correct the evil of an unjust decision is not to evade the law, but to amend it. The unions should take the position squarely that they are amenable to law, prepared to take the consequences when they transgress, and thus show that they are in full sympathy with the spirit of our people, whose political system rests upon the proposition that this is a government of law, and not of men.

Mr. President, in general the opponents of the Taft-Hartley law have admitted that if unions should be required to bargain collectively there should be some little responsibility. But the Taft-Hartley law goes further and makes unions liable on their contracts, makes them liable for damages which they cause to third parties through irresponsible acts brought about by conditions for which the third parties are in no way to blame. It makes them liable for the acts of their agents, acting within the scope of their authority, just as other persons are liable, and from which they would be entirely relieved by the provisions of the Thomas bill. It makes them responsible for fair treatment of their own union members.

I do not think the Taft-Hartley law in any way injured any union that I know of, with the possible exception of the ITU. That union simply struck against the law. It was fighting the law, just as the National Association of Manufacturers fought the original Wagner Act. It has cost them money to do so. Two other unions in the newspaper field have fully accepted the provisions of the Taft-Hartley law and have found it entirely satisfactory. The only damage done to the ITU has been because they have refused to accept the law and have undertaken the expensive job of trying to defeat the Government of the United States.

So, Mr. President, we submit that in the amendment which we have prepared we have met all the serious reasonable objections. I think we have gone to the limit in considering the objections raised by the labor unions to the actual operation of the Taft-Hartley law, and we have only stood firm in maintaining those principles which require that unions be legally responsible, that they be subject to the same rules as are other persons, and that labor-management relations, insofar as the Government interferes with them at all, shall be conducted on an equally just and fair basis.

What we are doing is an affirmative act. It is an affirmative policy to cure an abuse. It is an affirmative policy equivalent to that which was undertaken by the United States when it regulated corporations under the Sherman antitrust law, which is an act which is based on the establishment and maintenance in the United States of equality, justice, and liberty, and the prevention of any man, any organization, or any group rising to a point at which they can defy the Government of the United States and insist upon their own special rights and privileges beyond the interests of 145,000,000 persons who make up the greatest Nation in the world, and, I hope, the most just Nation in the history of the world.

Mr. THOMAS of Utah. Mr. President, I shall not carry on the discussion in the fashion of a debate, as has been done in the past 3 weeks, but I think, out of justice to our side, if I may put it that way, I should state the situation as I see it.

The vote yesterday was conclusive. It was a vote of practically all the Members of the Senate. Eighteen Members of the Democratic Party voted with the Republicans, and all but seven of the Republican Members of the Senate voted one way. That meant, of course, that there was a division, so marked and so conclusive, that if we continued to vote upon the major Taft amendment, the vote would remain practically the same.

I agree with the Senator from Ohio that his amendment is a great improvement over the Taft-Hartley law as it stands. I accept his own thesis that it is an improvement in 28 different particulars. Some of those particulars are very major, and some are very minor, but, at any rate, there is the honest and straightforward admission that the law should be changed. For that I honor the Senator from Ohio and his associates in recognizing the fact that in at least 28 different particulars the law has not worked out as the Senator from Ohio would like to see it work out, judging from the amendment he has offered.

With the major provisions of the Taft-Hartley Act remaining on the statute books, with title III in our bill changed to fit the Taft substitute for title III and with a general substitute for the bill accepted, it would mean, of course, we would have the Taft-Hartley Act, under a new title, which I do not think is quite a fair act with which to go to the country. It would surely be unfair for anyone to say, "Well, we lived up to our campaign pledges and repealed the Taft-Hartley Act." So there is some justification on the part of those who are sponsoring the Thomas bill when we say we want the people of the country to know exactly what has happened, and we should not in any way attempt to make it appear that we did something we did not do. Therefore, if the Taft substitute should be accepted, of course, the only consistent action would be to tell the people of the country that the bill in its form then was, of course, unacceptable. With the change in title 3 there may have been some chance to bring about other reforms, but a vote of 50 to 40, with not a sign of a single break, is so conclusive that it would seem not right for us to proceed further with the debate.

Mr. President, to indicate how much of the Taft-Hartley Act would remain on the statute books if the pending amendment of the Senator from Ohio were agreed to, I should like to enumerate 60 changes, from the way in which the law would have read had the Thomas bill become an act, exclusive of those relating to national emergency disputes, which the act made in our Federal labor law, and which the Senator's amendment would continue.

First, there is the definition of the term "person," so that the word "person" in the law would include labor unions. Everyone knows that, whether it is right or whether it is wrong for labor unions to incorporate, they have from the very first resisted having imposed upon them the penalty, as they deem it, of being held to be corporations. We all know that a corporation is a person under most of the legal definitions,

and we bring about by a change of definitions a new characteristic for a labor organization which is offensive to them, and I think in the long run offensive to the whole country, because if labor unions are corporations, they are not what most of the union members have always held them to be, and most of the people have assumed they were.

Mr. DONNELL. Mr. President——

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Utah yield to the Senator from Missouri?

Mr. THOMAS of Utah. I yield.

Mr. DONNELL. The Senator has referred to the fact that in the definition of the word "person" in the Thomas bill the words "labor organizations" are not included as they are in the Taft substitute.

Mr. THOMAS of Utah. That is correct.

Mr. DONNELL. Let me ask the Senator a question about a matter which has puzzled me somewhat. By section 10 (a) of the Thomas bill the Board, that is, the National Labor Relations Board, is empowered "to prevent any person from engaging in any unfair labor practice—listed in section 8—affecting commerce."

Section 8 lists various unfair labor practices, both of an employer and of a labor organization. As I read it, inasmuch as the only empowerment which the Board is given to prevent union members from engaging in an unfair labor practice does not, if the word "person" does not include labor organizations, give it any power to prevent an unfair labor practice by a labor organization, there is virtually no effect to the provision that certain things shall be unfair labor practices on the part of a labor organization.

Is it not true that by eliminating the words "labor organization" from the definition of the word "person" there is no authority on the part of the National Labor Relations Board to prevent a labor organization from engaging in an unfair labor practice, although section 8 creates various unfair labor practices on the part of labor organizations? Am I not correct in that?

Mr. THOMAS of Utah. The Senator may be correct in that statement, but, at the same time, there is quite a difference between the word "person" used in that context and what is included in the definition.

Mr. DONNELL. In section 2 it is stated, under "Definitions":

> When used in this act—

That is, I understand, the entire Thomas Act—

> the term "person" includes one or more individuals, partnerships, associations.

There is not included in the definition the words "labor organizations." Then we come to section 8, and the latter section creates certain acts as unfair labor practices. Then we come to section 10 (a), and the Board is given power to prevent any person from engaging in an unfair labor practice listed in section 8.

The point I make is that inasmuch as by section 8 it is clearly contemplated, as I see it, that certain acts shall be unfair labor practices if committed by labor unions, nevertheless when we get over to section 10 (a), which gives the Board power to prevent a person from engaging in any unfair labor practice as listed in section 8, the Board is without power to proceed against a labor organization at all, because the definition of "person" does not include labor organizations. Am I not correct in that?

Mr. THOMAS of Utah. I do not think the Senator is correct.

Mr. DONNELL. Why does the Senator think I am not correct?

Mr. THOMAS of Utah. For the simple reason that the National Labor Relations Board has been functioning, has been acting, and labor unions have been haled before it, and judgments have been rendered both in their favor and against them, but in the whole time labor unions themselves have not been considered as corporations.

Then there comes a definition which in and of itself makes them corporations. That, I think, is the evil in the provision, because for over 10 years no labor union itself was haled before the Board or went before the Board of its own volition.

Mr. DONNELL. I am afraid I have not made my point clear. Section 10 (a), as I read it, is the section which gives to the National Labor Relations Board power "to prevent any person from engaging in any unfair labor practice (listed in section 8) affecting commerce." Yet, by the very terms of the definition, the term "person" does not include labor organizations. Therefore, in the very section which gives the Board power to prevent a person from engaging in an unfair labor practice, there is no power vested in the Board to prevent such a practice by a labor organization, because under the definition which the Senator was so clearly outlining a few minutes ago, the term "person" does not include labor organizations. It follows, does it not, that since the Board is empowered to prevent any person from engaging in an unfair labor practice, if labor organizations are not included within the term "person" there is no power vested by the Thomas amendment in the National Labor Relations Board to prevent a labor organization from engaging in an unfair labor practice listed in section 8?

Mr. THOMAS of Utah. If I may answer the question by using a term which, not being a lawyer and not being before a court, I should not use, perhaps, I think the Senator from Missouri is making an extremely strained case out of this. These are the facts: The National Labor Relations Board has been functioning for over a decade. Unions have been before them. They have gone before them in accordance with the rules of the Board, and in accordance with the law of the land. But up to date, whether a union is ruled against or whether the ruling is in favor of it, nothing has happened which makes a union into a corporation.

Mr. DONNELL. Mr. President, if the Senator will yield further, under the Wagner Act there was nothing whatsoever that was an unfair labor practice on the part of a labor organization. But now here comes the Thomas bill, undertaking to make certain acts by a labor organization unfair labor practices. That is done by section 8 of the bill. Yet when we get over to section 10, which gives the Board the power to prevent a person from engaging in an unfair labor practice, as listed in section 8, I can very well see the labor-union representative in any case, under section 10 (a), if it shall be passed by the Congress, rising up and saying to the court or to the Board, if necessary, "You cannot do anything to the labor organization, because the term 'person' was distinctly defined in such a way as not to include a labor organization. The chairman of the Committee on Labor and Public Welfare made a special point on the floor of the Senate that the word 'person' does not include a labor organization." Is not that correct?

Mr. THOMAS of Utah. In the Thomas bill the term "labor organization" is defined——

Mr. DONNELL. The term "labor organization" is defined on page 5 of the Thomas bill as meaning—

> Any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

But, Mr. President, that does not answer my point. My point is that the only power under the Thomas bill the National Labor Relations Board has to prevent the engaging in any unfair labor practice is to prevent "any person" from engaging in such unfair labor practice. And the Senator from Utah just a few moments ago argued in favor of his own bill on the ground that the word "person" does not include a labor organization. Therefore I ask the Senator if I am not correct in saying that under section 10 (a) since the word "person" does not include "labor organization," the Board is not, under the terms of the Thomas bill, granted authority to prevent a labor organization from engaging in an unfair labor practice? Am I not absolutely correct in that statement?

Mr. THOMAS of Utah. I do not think so. I have to leave the answer there. I realize that the Senator's argument leads along a certain chain of thought. My theories in regard to the practice lead me along another chain of thought. My answer is definitely "No."

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Utah. I yield.

Mr. FERGUSON. I wish to ask whether it is the intent of the able Senator by his substitute bill to change the law from what it was under the Wagner Act when it was in existence, by allowing the Board to hold labor unions guilty of unfair labor practices, and if so, what are the sections in Senate bill 249, the Thomas substitute, which do so?

Mr. THOMAS of Utah. The answer is "Yes." And——

Mr. FERGUSON. The answer is that the Senator does intend to change the Wagner law?

Mr. THOMAS of Utah. To that extent, yes.

Mr. FERGUSON. To that extent. Now will the Senator indicate the section which does that? As I understand, the Senator from Missouri has clearly pointed out that the Thomas substitute does not accomplish that.

Mr. DONNELL. Mr. President, I spoke for a moment with another Senator and did not get the point the Senator from Michigan was just making.

Mr. FERGUSON. Mr. President, will the Senator from Utah yield so I may make it clear to the Senator from Missouri?

Mr. THOMAS of Utah. I yield.

Mr. FERGUSON. I asked the Senator from Utah whether Senate bill 249, the Thomas substitute, intended to change the Wagner law as it was when it was in existence. The Wagner law did not permit the Board to find a labor union guilty of unfair labor practices.

Mr. DONNELL. That is correct.

Mr. FERGUSON. I then asked whether the Senator from Utah by Senate bill 249, the Thomas substitute, intended to change that law to permit the holding of a labor union guilty of unfair labor practices. The Senator from Utah, as I understand, said "Yes," he did intend to change it. Now I ask him to point out the section of his substitute which does so, because I have just heard the able Senator from Missouri point out the sections which clearly show to the Senator from Michigan that the Thomas substitute does not do so.

Mr. DONNELL. Mr. President, will the Senator from Utah yield to me so I may answer that question?

Mr. THOMAS of Utah. I should love to have the Senator from Missouri answer it, but let me answer the second part of the question asked by the Senator from Michigan, so my answer will be in the RECORD. The Senator will find the provision permitting that on page 11, beginning with subparagraph (b), as follows:

(b) It shall be an unfair labor practice for a labor organization——

Mr. FERGUSON. Mr. President, will the Senator again read that provision for the RECORD?

Mr. THOMAS of Utah. It appears at the bottom of page 11, line 23, as follows:

(b) It shall be an unfair labor practice for a labor organization——

Mr. FERGUSON. And then it continues to page 13, ending with line 5, does it not?

Mr. THOMAS of Utah. That is correct.

Mr. FERGUSON. Very well. The Senator from Missouri then raises the question that under the definition of "person" labor unions are not included.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield.

Mr. DONNELL. They are not only not included, but the Senator from Utah in making an argument here in favor of his bill has pointed out the advantages he sees in not including labor organizations under the definition of "person."

Mr. THOMAS of Utah. No——

Mr. DONNELL. If the Senator will bear with me just a moment, it was clearly intended in Senate bill 249, the Thomas amendments, which are now treated as a bill, to make certain acts unfair labor practices if committed by a labor organization. To that extent there was an attempt to change the Wagner Act, and I think the Senate bill 249 amendments do change the Wagner Act by terming certain things as unfair labor practices by labor organizations. But when we get over to section 10 (a), which is the section which gives to the National Labor Relations Board the power to prevent the engaging in an unfair labor practice, inasmuch as the word "person" does not include a labor organization, section 10 (a) is absolutely nugatory so far as giving the Board any power to prevent a labor organization from engaging in an unfair labor practice. In other words, as I see it, the Wagner Act did not contain any unfair labor practices by labor organizations.

Mr. FERGUSON. That is correct.

Mr. DONNELL. Therefore it was perfectly consistent with that act not to have the word "person" include labor organizations.

But now we have the Thomas bill, which creates certain practices as unfair labor practices by a labor organization, and yet when it gets around to the point of giving somebody authority to prevent those practices by a labor organization, the bill distinctly fails to do so. It leaves the labor organization absolutely not subject to any ruling by the National Labor Relations Board declaring the organization to be guilty of unfair labor practices, because the term used in section 10 (a), which is the enforcement provision, is "any person," and by referring to the definition in section 2, the definition to which the Senator from Utah has referred, we find that the word "person" does not include a labor organization.

So on the one hand we have the bill creating, or purporting to create, and I think it does create, certain acts as unfair labor practices by labor organizations; but there is no power whatsoever under the Thomas bill for the National Labor Relations Board to prevent a labor organization from engaging in any such unfair labor practices.

Mr. FERGUSON. Assuming that the Senator from Missouri has the floor for the moment, let me ask him another question? Then is it not true that there are created certain unfair labor practices so far as the union is concerned, but there is not conferred upon any board or anyone whatever, the right to find the labor organization guilty of an unfair labor practice?

Mr. DONNELL. That is correct in this sense certainly, that although certain practices are made by the Thomas bill unfair labor practices if performed by a labor organization, there is no authority given to the National Labor Relations Board or anybody else, as I see it, to prevent a labor organization from engaging in such unfair labor practices. So it is a perfectly useless provision that is in the Thomas bill which defines what are unfair labor practices by labor organizations, because there is no power vested by the bill in the National Labor Relations Board to prevent a labor organization from engaging in such practices.

Mr. FERGUSON. In other words, so far as any ultimate effect is concerned, the Wagner Act is not changed insofar as it relates to any action.

Mr. DONNELL. That is true so far as concerns the prevention of an unfair labor practice. Certain things are defined as being unfair labor practices, but no one is given the power to prevent such acts being committed by a labor organization.

Mr. FERGUSON. Is there any other board or agency which has the power, other than the board which the Senator is discussing?

Mr. DONNELL. None that I know of.

Mr. FERGUSON. Does the Senator from Utah know of any other board which could find certain acts to be unfair labor practices?

Mr. THOMAS of Utah. I know of none.

Mr. FERGUSON. Then does the Senator from Utah agree with the Senator from Missouri?

Mr. THOMAS of Utah. I definitely do not agree. I follow his logic; but if anyone will read the bill, he will discover that it is all right. In the definition in the Thomas bill—

The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers.

It does not mention labor organizations specifically.

When we come to that part of the bill which has to do with unfair labor practices on the part of labor organizations, it does not say unfair labor practices on the part of persons. It says:

It shall be an unfair labor practice for a labor organization—

And then certain things are specified. The point the Senator is making is that the penalty provision is written in such a way that a labor union would be exempt unless it were included as a person. In the interpretation of the English language, I think a judge or a board could very well include whatever entity appeared, without inflicting on the board or the judge a definition which holds a labor organization to be a corporation. That is the only point that is being made.

I do not believe that the author of the Taft amendment wishes in any sense to do what he has done. I do not believe he wants to make persons of labor organizations and associations, and thereby make them corporations. In all our discussion we have always saved ourselves and saved one another from ever assuming that a labor organization was a corporation.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Utah. Is there any need, Mr. President, to yield for a question? I have pointed out the fact that

in the enforcement provision only the word "person" appears, which means all the people who come before the Board. But that is not the same definition as it would be if we listed a labor organization as a person. That we have avoided, and we have avoided it purposely. All the argument in the world would never make the Senator from Utah assume that he wanted to bring about a situation in which a labor union becomes a corporation, because he is against it. That is why the bill is written as it is.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield.

Mr. DONNELL. The Senator surely cannot understand that I am advocating, by including the words "labor organization" under the definition of "person," making a labor organization a corporation. I have no such purpose in mind. However, after certain acts are designated as unfair labor practices when engaged in by a labor organization—I refer now to lines 23 and 24 on page 11 of the Thomas bill—when we get to section 10 (a), 10 (b), 10 (c), and so forth, which are the enforcement provisions to prevent a person from engaging in an unfair labor practice, in my opinion no labor organization could be convicted of any unfair labor practice under the procedure outlined in section 10 (a), because, as the Senator from Utah has so clearly and definitely stated, he has purposely left out of the definition of the word "person" the term "labor organization."

I invite attention to the fact that in section 2 the term "person" is not defined in the way there indicated for the purpose of certain specific sections of the bill, and only those sections. The language is:

> When used in this act the term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers.

But when we get over to section 10 (a), the only entity which the Board is empowered to prevent from engaging in an unfair labor practice is a person. The Senator from Utah has said that he positively will not consent to including in the definition of the word "person" the entity known as a labor organization.

Mr. THOMAS of Utah. No.

Mr. DONNELL. I thought that was what the Senator said.

Mr. THOMAS of Utah. I wish the Senator from Missouri would remember distinctly that the Senator from Utah is talking about the Taft amendment, which makes labor unions persons under the definition of "persons."

Mr. DONNELL. I thought the Senator was talking about the Thomas bill, in which he said the term "person" does not include a labor organization. I pointed out that in the Thomas bill the only entity which the Board is empowered to prevent from engaging in an unfair labor practice is a person; and the word "person," according to the Senator's own positive, repeated statement, does not include the term "labor organization," and he will not consent that it shall. Am I correct?

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. FERGUSON. Would it not be possible to cure the defect by inserting after the word "person" in line 5 on page 16, the words "or labor organization"? Would not that cure the defect and make it clear, without having the word "person" include the term "labor organization"? Such an amendment would have to be written into the various enforcement provisions.

Mr. DONNELL. Mr. President, if the Senator will yield, it seems to me that inasmuch as the Thomas bill empowers the Board to prevent a person from engaging in any unfair labor practice, and repeats the word "person" time and time again in the other provisions of section 10, the logical way to make a labor organization subject to the power of the Board to prevent such organization from engaging in an unfair labor practice would be to include after the word "person" the words "or labor organization," just as the Taft substitute does.

Mr. FERGUSON. Could it not also be done by inserting the words "or labor organization" after the word "person" so as not to include labor organizations in the word "person"?

Mr. DONNELL. Yes; I think it could be done in that way.

Mr. THOMAS of Utah. I have no objection to that, but I think it is utterly useless, for the simple reason that everyone admits that a labor organization is an association. There is no doubt about that. It will be noted that in the definition in the Thomas bill the term "person" includes—

> One or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers.

That surely includes——

Mr. DONNELL. But not labor organizations.

Responding to the question of the Senator from Michigan as to whether the result of including labor organizations could be attained by inserting in section 10 (a) the words "or labor organizations," I think it could, with this simplification, that throughout section 10, which covers several pages and repeats the word "person," it would be necessary to insert in each case the words "or labor organization" after the word "person."

Mr. FERGUSON. That is correct. That is what the Senator from Michigan had in mind. Then the term "labor organization" would not be included in the definition of "person" and we would not have to change the other section.

Mr. DONNELL. That is correct.

Mr. THOMAS of Utah. I thank the Senator from Missouri and the Senator from Michigan. I have no objection whatever to accepting their suggestion, if we ever get around to amending the Thomas bill, and they will offer that suggestion as an amendment to my bill. But the point the Senator knows so well—the touchy point, I think—is not so plain in the Taft amendment, perhaps, as we have made it in the Thomas bill, Mr. President.

Mr. DONNELL. Mr. President, I do not agree with the Senator from Utah, but I shall not infringe upon his time.

Mr. THOMAS of Utah. Mr. President, there are many things we smile about, and on which we do not agree. Sometimes we remain just as happy in disagreement.

But I was as careful as a Senator could be, although I am not a lawyer, and, above all, I am not a technical lawyer. I find myself utterly and completely lost when all five of the great Republican lawyers come at me at once, and then when the Senator from Michigan [Mr. FERGUSON], who undoubtedly is the greatest—what is the term, Mr. President—the greatest question asker, shall I say?

Mr. DONNELL. Does the Senator mean prosecutor or cross-examiner?

Mr. THOMAS of Utah. Cross-examiner, or whatever term is generally used.

Mr. President, I hate to use words to show how weak and nonunderstanding and everything else I am when in the presence of these great lawyers. I honor them and like them and enjoy them. But being so weak when it comes to writing the law, I would leave it, of course, to great experts, as they are.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Utah yield to the Senator from Missouri?

Mr. THOMAS of Utah. I yield.

Mr. DONNELL. This question is not intended in any sense personally or as cross-examination or anything of the sort. I simply wish to ask whether the amendments designated as the Thomas amendments were written by the Senator from Utah himself or by someone else.

Mr. THOMAS of Utah. Oh, no. As everyone knows—and it is stated in my opening statement in the hearings, and it is quite plain—the President sent to the Congress a message in which he said the Taft-Hartley law should be repealed, and then he went on to say that other things should be done. Because the President referred to the other things, I knew that I should not guess about what the President meant by "other things." Therefore, I called the Secretary of Labor and two of the heads of the National Labor Relations Board and Mr. Ching, the head of the Conciliation Service, and the President's adviser in the White House.

Mr. DONNELL. That is Mr. Clark Clifford; is that correct?

Mr. THOMAS of Utah. Yes, Mr. Clark Clifford. I imposed upon them the task of telling what the President meant. That is how this came to be the President's bill. Now that it has been defeated, I am perfectly happy to have it called the Truman bill. Yesterday morning, I still thought it was all right to call it the Thomas bill. But I have advised the members of the committee and other Members of the Senate who wanted to join in sponsoring the bill, "It is inadvisable to put your name on the bill. You had better let the name of THOMAS

take the rap." For their sake, I am glad that was done.

But now that the bill is gone, it can be called the Truman bill, if that is desired, because I put it right up to the representatives of the Truman administration who handle labor matters, and asked them to put it into shape, and they did.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. THOMAS of Utah. I yield.

Mr. DONNELL. I ask whether the Thomas bill, the one we are now considering, entitled "Amendments intended to be proposed by Mr. THOMAS of Utah to the bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes," and bearing the notation "5-31-49—B" was prepared, in collaboration with the Senator from Utah, by the gentleman the Senator has named and with their counsel; and I also ask whether in the conference from which the bill grew, the President's personal counsel, Mr. Clark Clifford, an eminent attorney at law, participated.

The point I make is that the Senator from Utah has referred to the fact that he himself is not a lawyer. Of course, I may say that he takes care of himself quite well on the floor of the Senate. However, he says he is not a lawyer. Therefore, inasmuch as this bill was drawn up, at least, by one or more lawyers, and in the bill they used the word "person," but left out the term "labor organization," from the group of definitions, and then inserted a definition of who it is that the Board is empowered to prevent from engaging in an unfair labor practice, and in that connection used the term "person," which does not include a labor organization, my point is that it would seem strange if that was a mere oversight on the part of the eminent counsel and the gentleman to whom the Senator from Utah has referred.

Mr. THOMAS of Utah. Mr. President, I shall see that they are properly rebuked, because they did work under my direction. [Laughter].

Mr. President, this seems to be a good place to make two corrections which I think should be made in my amendments, following the others which have been pointed out. One is on page 9, in line 10, where the word "therefore" should be the word "therefor." I ask unanimous consent that that change be made in the bill.

The PRESIDING OFFICER. Without objection, that correction will be made.

Mr. THOMAS of Utah. Also, Mr. President, on page 25, in line 23, "Sec. 105" should read "Sec. 103."

That is merely a clerical error.

The PRESIDING OFFICER. Without objection, the clerical error will be corrected.

Mr. THOMAS of Utah. Mr. President, let there be no mistake about our feelings in regard to the Taft amendment. If we repeal the Taft-Hartley law, but adopt the Taft amendment, we shall only be, if I may use the term, "shadow-boxing," for the Taft amendment contains by far the bulk of the Taft-Hartley law. The Taft amendment would make in the Taft-Hartley law 28 changes which the Senator from Ohio has suggested. Some of those changes are large, and some are small; but they do not affect the spirit of the Taft-Hartley law or to a great extent its wording, except in the case of the change in the provision regarding the general counsel, now Mr. Denham; and that is a great change.

Not only does the Taft amendment contain nearly three-fourths of the provisions of the Taft-Hartley Act, but also virtually all the more important provisions of the Act which hamper workers in the exercise of basic rights, which interfere with the free processes of collective bargaining, and which undermine and weaken the labor unions. Mr. President, if these provisions were allowed to achieve their full force and effect—as undoubtedly would be the case if ever we were faced with a real threat of business depression—they would completely stifle the trade union movement in the United States. These provisions, which are in the Taft-Hartley Act, and are continued in the Taft amendment, have no place in our Federal labor relations law.

Mr. President, I ask unanimous consent that a statement regarding some 60-odd changes which the Taft-Hartley Act has made in our labor law, and which the Taft amendment would continue, may be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, to indicate just how much of the Taft-Hartley Act would remain on the statute books if the pending amendment of the Senator from Ohio is adopted, I would like to enumerate 60 changes, exclusive of those relating to national emergency disputes, that the act made in our Federal labor law and that the Senator's amendment would continue:

1. Defining the term "persons" to include labor organizations.

2. Defining the term "employer" in such a way as to relieve employers of liability for the acts of persons acting in their behalf unless such persons are acting as their "agents."

3. Defining the term "employer" in such a way as to exclude Government corporations from the coverage of the amended National Labor Relations Act.

4. Defining the term "employee" in such a way as to exclude "independent contractors" from the coverage of the amended National Labor Relations Act.

5. Defining the term "employee" in such a way as to exclude "supervisors" from the coverage of the amended National Labor Relations Act.

6. Defining the term "employee" in such a way as to exclude from the coverage of the amended National Labor Relations Act any individual employed by employers subject to the Railway Labor Act.

7. Defining the term "employee" in such a way as to exclude any individual employed by "any other person who are not an employer as herein defined" from the coverage of the amended National Labor Relations Act.

8. Defining the term "agent" in such a way as to amend section 6 of the Norris-LaGuardia Act by providing that in determining whether any person is acting as an agent "the question of whether the specific acts performed were actually authorized or subsequently ratified shall not be controlling."

9. Enlarging the membership of the National Labor Relations Board. (Here it may be noted, Mr. President, that the Taft amendment would increase the size of the Board once again from five to seven and would specify that no more than four members are to be affiliated with any one political party.)

10. Authorization to the Board to hear and decide cases through the medium of panels consisting of less than the full membership of the Board in appropriate cases.

11. Abolition of the review section.

12. Prohibiting trial examiners from advising or consulting with the Board with respect to any cases in which they have participated.

13. Prohibiting the review of trial examiner's reports by persons other than Board members or assistants thereto.

14. Prohibiting the Board to employ economic analysts.

15. Making closed-shop agreements unenforceable. (Here again I may note, Mr. President, that the Taft amendment would relax this prohibition slightly so that an employer could, if he wanted to, advise the union in his plant of job opportunities and could get the union to supply his need for employees.)

16. Limiting the effectiveness of union-shop agreements by making it an unfair labor practice for a union to require the discharge of individuals not members of the union, except in certain narrowly defined circumstances.

17. Making it an unfair labor practice for a union to "coerce" employees. (Here, Mr. President, I should like to raise the question as to just how the changes in this provision of the Taft-Hartley Act which the Senator from Ohio has proposed balance up. On the one hand union "restraint" would apparently be permitted since the Senator from Ohio would drop this term from the act. At the same time, unions would be prohibited from "coercing" employees "in the exercise of their right to work.")

18. Making it an unfair labor practice for unions to "coerce" employers in their selection of bargaining representatives.

19. Making it an unfair labor practice for a union to refuse to bargain collectively with an employer. (This would be retained, but on a sounder basis, by amendments already voted into the Thomas bill.)

20. Making it an unfair labor practice for a union to engage in any secondary boycott. (The amendment of the Senator from Ohio would relax this provision slightly to allow one type of secondary boycott, namely, the refusal of union men to work on struck goods.)

21. Making it an unfair labor practice for a union to engage in peaceful picketing in furtherance of a secondary boycott.

22. Making it an unfair labor practice for a union to engage in a strike or boycott in furtherance of a jurisdictional dispute.

23. Making it an unfair labor practice for a union to charge excessive dues or initiation fees.

24. Assuring so-called free-speech protection for employers' antiunion statements. (The amendment of the Senator from Ohio would relax this provision slightly in one respect but at the same time would extend it to cover not only unfair labor practice cases but also representation cases as well. It is to be noted that a "free speech" provision has alrady been voted into the Thomas bill.)

25. Defining in detail the steps necessary to be followed in collective bargaining.

26. Requiring parties to give a 60-day notice of proposals to terminate or modify a collective-bargaining agreement.

27. Permitting individual bargaining with respect to grievances.

28. Permitting the severance of units of professional employees.

29. Permitting the severance of craft units.

30. Permitting employee petitions for decertification of a union certified as bargaining representative.

31. Permitting employers to petition for designation of collective bargaining representatives.

32. Providing that the Board shall apply the same rules of decision with respect to independent and unaffiliated unions as they apply with respect to affiliated unions.

33. Limiting the number of representation elections which may be held in a plant to not more than one in any one year.

34. Changing the rule on run-off elections.

35. Permitting the waiver of hearings in representation cases and consent elections. (Here minor modifications are made by the amendment proposed by the Senator from Ohio.)

36. Providing that in determining the appropriate bargaining unit "extent of organization" shall not be controlling.

37. Providing for elections to determine whether employees wish to discontinue a union's authority to bargain for the union shop.

38. Limiting the number of union-shop elections in any plant to not more than one per year.

39. Requiring that unions file organization and financial data. (The amendment of the Senator from Ohio would simplify the filing requirements somewhat by omitting the necessity for unions to file detailed statements as to their internal procedures. An amendment already voted into the Thomas bill makes the filing requirements a mutual obligation of both unions and employers.)

40. Requiring unions to file non-Communist affidavits. (The Senator from Ohio would modify this requirement by providing that employers as well as unions must file such affidavits and by providing that the affidavit shall contain the additional stipulation that the person filing it "is not a member of or supports any organization that believes in or teaches, the * * * seeking by force or violence to deny other persons their rights, under the Constitution of the United States." The amendment would also include a definition of the term "officer" for purposes of the filing requirements as applied to unions as meaning "members of all policy-forming and governing bodies of the labor organization as well as those designated as such by the constitution of the labor organization." An amendment voted into the Thomas bill makes it a mutual obligation of unions and employers that involve the Board's remedial procedures that their officers shall sign oaths that they do not belong to the Communist Party or to any Fascist or totalitarian organization.)

41. Authorizing the Board to seek jurisdiction to State labor relations agencies in cases where the provisions of the State law are not inconsistent with the Federal act. (In his amendment, the Senator from Ohio would liberalize this provision.)

42. Providing for a 6-month statute of limitations in unfair labor practice cases. (The Senator from Ohio apparently concedes that the 6-month period is too short for he would extend the statute of limitations in his amendment to 1 year.)

43. Requiring that the rules of evidence to be applied by the Board shall be the same as those applied in the district courts of the United States.

44. Requiring unions to pay back-pay.

45. Requiring that findings of fact made by the Board shall be supported "by substantial evidence on the record considered as a whole."

46. Injunction actions by the Board in unfair labor practice cases as well as Board cease and desist orders.

47. Providing a procedure for the decision of jurisdictional disputes. (This provision has happily been modified by the Senator from Ohio so that it is exactly the same as the provision of the Thomas bill.)

48. Limiting the guaranty of the right to strike.

49. Providing that State laws more restrictive with respect to union security shall prevail over the Federal law even in fields within the scope of the Federal commerce power.

50. Providing protection for preexisting union-security agreements for the duration of such agreements.

51. Creating an independent Federal Mediation and Conciliation Service.

52. Transferring the functions of the United States Conciliation Service and the Secretary of Labor with respect to mediation and conciliation to the Federal Mediation and Conciliation Director.

53. Directing the Conciliation Service to refrain from attempting to intervene in local disputes.

54. Directing the Conciliation Service to avoid intervening in grievance disputes arising out of the application of existing collective-bargaining agreements except as a last resort and in exceptional cases. (Again I pause, Mr. President, to say that this seems to be another area in which the Senator from Ohio has seen the error of his ways with respect to the Taft-Hartley Act. In his amendment he has happily taken over the provisions of the Taft bill with respect to disputes arising over the interpretation or application of existing collective-bargaining agreements.)

55. Permitting suits in the Federal courts by and against unions for breach of contract without regard to the amount in controversy or diversity of citizenship—the usual requirements for actions in the Federal courts.

56. Providing that unions shall be bound by the acts of agents and that in court actions in determining whether any person is acting as an agent "the question whether the specific acts performed are actually authorized or subsequently ratified shall not be controlling."

57. Limiting the check-off of union dues. (The amendment of the Senator from Ohio would relax the Taft-Hartley restrictions in one respect but extend the application of the restrictions to fines, assessments, and penalties as well as membership dues.)

58. Limiting the scope and administration of health and welfare funds. (Here, again, Mr. President, the Senator from Ohio would modify the restrictions in the Taft-Hartley Act somewhat. It is worth noting too, Mr. President, that whereas in the report filed by the minority of the Labor and Public Welfare Committee, consisting of the Senator from Ohio, the Senator from New Jersey, and the Senator from Missouri, the provision in the Taft-Hartley Act which makes payments made under health and welfare funds agreements not in compliance with the Taft-Hartley law criminal offenses would have been deleted from the amendment, the amendment which the Senator from Ohio has actually proposed would continue this penalty.)

59. Permitting any person injured in his business or property by a union secondary boycott or jurisdictional strike may bring an action for damages in the district courts of the United States without respect to the amount in controversy, or in any other court having jurisdiction of the parties.

60. Prohibiting political contributions by labor organizations as well as corporations.

61. Prohibiting strikes by Government employees.

Let there be no mistake about it, Mr. President, if we repeal the Taft-Hartley Act but adopt the Taft amendment we are only shadow boxing, for the Taft amendment contains by far the bulk of the Taft-Hartley Act. Not only does it contain nearly three-fourths of the provisions but also virtually all of the more important provisions of the act which hamper workers in the exercise of basic rights, which interfere with the free processes of collective bargaining and which undermine and weaken the labor unions of this country. Yes, Mr. President, these provisions would, if they were to be allowed to achieve their full force and effect—as undoubtedly would be the case, Mr. President, if ever we were faced with a real threat of business depression—these provisions, I repeat, would completely stifle the trade-union movement in the United States. These provisions which are in the Taft-Hartley Act and which are continued in the Taft amendment have no place in our Federal labor relations law.

## DISPLACED PERSONS—RESOLUTION BY UNITED ACTION COMMITTEE FOR EXPELLEES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a resolution adopted by the United Action Committee for Expellees. The resolution was sent to me by Charles F. Gerhard, of 1612 Market Street, Philadelphia, who is chairman of the United Action Committee for Expellees.

I may say that the resolution adopted by this organization in Pennsylvania is of great importance because it goes very fully into the subject. I shall read a portion of the resolution:

Whereas 12 surviving millions of displaced persons called expellees are now in Germany and Austria, who are excluded from the care of the International Refugee Organization because of their German ethnic origin.

Mr. President, in that connection I may say that the International Refugee Organization takes care of all displaced children in the world except German children.

I particularly call that to the attention of the Senate, because there was a speech made by the late President Roosevelt on the 23d day of October 1943, in which he stated that our Government was not fighting the women and children of Germany and Austria, but was, he said, fighting Hitlerism. I call the attention of the Senate further to the fact that approximately 5,000,000 of those people who were opposed to Hitler came in from five other countries, when Stalin's forces went into Rumania and into the other countries. After the war was over, many of those people, at the time nearly 16,000,000 or 17,000,000, who for many years had lived in Germany, or whose ancestors had lived in Germany, came into Germany. Most of them came into the American and British zones. Millions of them never got that far. But so far as can be ascertained, nearly 5,000,000 of them did. The resolution deals with the remainder of these people.

During the Eightieth Congress we succeeded after much debate upon the floor of the Senate in getting written into the Displaced Persons Act section 12, which provided that the German and Austrian quotas should again be opened. They had been closed during the war so far as Germany and Austria were concerned. Under this new bill, those quotas were opened, and they amounted to about 25,000 a year. Section 12 further provided that one-half of the 25,000, or 12,500, should consist of expellees from other countries.

Mr. President, that is very important to some 33,000,000 people in this country who are of Teutonic origin. They had

friends and relatives in the displaced persons camps and in the expellee camps. The people I refer to were residing in Wisconsin, Minnesota, Missouri, North and South Dakota, Montana, Iowa, and other States. They wanted to send for their fathers or mothers or sisters or brothers, or in some instances, for some of their good friends. They found they were unable to do so. Finally, toward the end of the Eightieth Congress, we obtained passage of the Displaced Persons Act. When we drew that bill we had the help of the legislative counsel. We wanted to be sure that the wording of the bill was so carefully drawn that the State Department, which would have charge of the administration of the act, could not fail to bring in these 12,500 expellees. Yet, Mr. President, month after month went by and not a single one of them was brought in. Finally we got in touch with the State Department. We were told they were unable to find a person of German ethnic origin. We took the definition word for word from the constitution of the International Refugee Organization. I charge now, as I charged then, that the refusal on the part of the State Department to bring in these people was deliberate.

Later on, when I took the matter up further with the State Department, they claimed they did not have any money available. That, of course, is nonsense, when we consider the fact that the present Congress and the Eightieth Congress appropriated millions upon millions of dollars for the State Department more than they had had previously in all their history.

The situation today is that all through the Northwestern States, including the States I have enumerated, to which I may add California and a great many other States, including New Jersey and New York, some of the citizens of the United States who desire to bring relatives into the United States have been hamstrung. They have not been able to bring them in, although their applications were signed in some instances nearly a year ago. That is the reason for this organization in Pennsylvania, called the United Action Committee for Expellees, having a meeting and sending to Washington this resolution. The resolution continues:

Whereas these people were for that reason again excluded from consideration as displaced persons by the Displaced Persons Act of 1948 although they have fled or were deported from their homelands because of their religious beliefs, cultural traditions, or national origin; and

Whereas discrimination on account of race, creed, or nationality is inconsistent with the great and noble traditions of these United States—

Mr. President, with 33,000,000 people of Teutonic origin in America, some of them the outstanding generals and admirals of our country in World War I and World War II, think of the International Refugee Organization being based on a constitution that says little German children can starve to death as far as that organization is concerned. I call attention to men like Stassen, Eisenhower, Wendell Willkie, and men of that type, who came from those very areas. To say that children living in countries that have produced men of that kind can starve to death so far as the International Refugee Organization is concerned is unthinkable. Is it any wonder that some of us voted against the approval by the Senate of the International Refugee Constitution in an endeavor to get an amendment which would have carried out the wishes of the late President Roosevelt, and which would have permitted those children to be fed and clothed the same as were the children of other nationalities? The resolution continues:

Therefore be it

*Resolved*, That this joint conference does request our Congress to amend Public Law 774 to include those of our relatives and friends who were deported or fled from the countries of their birth because of their religious beliefs, their racial or their national origin.

Mr. President, I do not believe the Senate has the slightest conception of what took place immediately after the surrender of Berlin. Do you realize, Mr. President, that for months 33,000,000 citizens of Teutonic origin in this country could not write letters to their relatives there? It was not until 12,000 people in Michigan signed a petition, which was presented to the Senate by the distinguished senior Senator from Michigan [Mr. VANDENBERG], and until I called attention to a petition signed by hundreds and hundreds of people in the State of North Dakota, which petitions finally went to the Committee on Post Office and Civil Service, and after a hearing, that we finally got the mails open, months and months after they should have been opened, so that citizens of this country could write to their relatives over there. And that is not all. More months went by before they could even send money to them. We can imagine how a citizen of this country would feel when his father, mother, sister, or brother was starving to death, when he wanted to send money and food and was unable to do so, month after month. Finally they said 11-pound packages could be sent. Packages weighing 11 pounds were sent over for a while. Later the weight of packages was increased to 22 pounds, and many American citizens sent 22-pound packages, paying, of course, full postage.

The Secretary of War, Mr. Patterson, said the greatest good that was done in the English, British, and French zones was done by the packages coming from the citizens of America. The Secretary left nothing undone in his encouragement to keeping open the mails and for the Army, if possible, to see to it that money which was sent over went to the persons for whom it was intended.

Last October citizens of America sent over 41,000,000 pounds of food and clothing. The gifts went to orphans and other persons whom the citizens sending the gifts did not know. The person most active, the one who gave the best testimony before the committee at the time the question arose, was a British woman, who, after World War I, was in charge of sending bundles to Great Britain. She said it was silly on the part of anyone to object to having CARE packages and other packages sent to Germany and Austria.

The resolution provides, further:

Be it further

*Resolved*, That as a means to this end, section 12 of the act, which gives these people a token recognition be broadened to admit not less than 54,000 of them on the same basis as other DP's, without unfair and irregular reductions of the German and Austrian quotas, and that the visas so available be effectively allocated, in the spirit of the following amendment to correct the discrimination of subsection (b), section 2, of Public Law 774.

I may say, Mr. President, that the distinguished chairman of the Judiciary Committee, the senior Senator from Nevada [Mr. MCCARRAN], appointed a subcommittee on the displaced-persons matter. The subcommittee has met and has been doing a good job. It is trying to get a law through which will be as satisfactory as is possible for a law of that character to be.

The PRESIDING OFFICER. Does the Senator desire the resolution to be printed in the RECORD?

Mr. LANGER. I thought I had already received that permission.

The PRESIDING OFFICER. The Chair understood the Senator to ask that it go into the Appendix, but, in view of the excellent remarks which the Senator has been making, I wondered if he wished it printed in the body of the RECORD.

Mr. LANGER. To be absolutely certain, Mr. President, I ask unanimous consent that the resolution may be printed in the body of the RECORD.

There being no objection, the resolution was received, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolution re expellee legislation

Whereas 12 surviving millions of displaced persons called expellees are now in Germany and Austria, who are excluded from the care of the IRO (International Refugee Organization) because of their German ethnic origin; and

Whereas these people were for that reason again excluded from consideration as displaced persons by the Displaced Persons Act of 1948 although they have fled or were deported from their homelands because of their religious beliefs, cultural traditions or national origin; and

Whereas discrimination on account of race, creed, or nationality is inconsistent with the great and noble traditions of these United States: Therefore be it

*Resolved*, That this joint conference does request our Congress to amend Public Law 774 to include those of our relatives and friends who were deported or fled from the countries of their birth because of their religious beliefs, their racial or their national origin; and be it further

*Resolved*, That as a means to this end, section 12 of the act, which gives these people a token recognition be broadened to admit not less than 54,000 of them on the same basis as other DP's, without unfair and irregular reductions of the German and Austrian quotas, and that the visas so available be effectively allocated, in the spirit of the following amendment to correct the discrimination of subsection (b), section 2, of Public Law 774.

Provided that "displaced person" shall also mean any person who otherwise complies with the requirements of annex I of the constitution of the IRO who solely because

of his ethnic origin has been excluded from the concern of the IRO by subsection (a), section 4, part II, of annex I of the constitution of the IRO.

CALL OF THE ROLL

Mr. THOMAS of Utah. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hoey | Mundt |
| Anderson | Holland | Murray |
| Baldwin | Humphrey | Myers |
| Brewster | Hunt | Neely |
| Bricker | Ives | O'Conor |
| Bridges | Jenner | O'Mahoney |
| Butler | Johnson, Colo. | Pepper |
| Byrd | Johnson, Tex. | Reed |
| Cain | Johnston, S. C. | Robertson |
| Capehart | Kefauver | Russell |
| Chapman | Kem | Saltonstall |
| Chavez | Kerr | Schoeppel |
| Connally | Kilgore | Smith, Maine |
| Cordon | Knowland | Sparkman |
| Donnell | Langer | Stennis |
| Douglas | Lodge | Taft |
| Downey | Long | Taylor |
| Eastland | Lucas | Thomas, Okla. |
| Ferguson | McCarran | Thomas, Utah |
| Flanders | McCarthy | Thye |
| Frear | McClellan | Tobey |
| Fulbright | McFarland | Tydings |
| George | McGrath | Vandenberg |
| Gillette | McKellar | Watkins |
| Graham | McMahon | Wherry |
| Green | Magnuson | Wiley |
| Gurney | Malone | Williams |
| Hayden | Martin | Withers |
| Hendrickson | Maybank | Young |
| Hickenlooper | Miller | |
| Hill | Millikin | |

The PRESIDING OFFICER. A quorum is present.

FEDERAL DEFICITS

Mr. BYRD. Mr. President, when the books are closed tomorrow, June 30, I confidently predict that the Federal deficit for fiscal year 1949 now ending will be $1,500,000,000 on an expenditure basis. I confess I am a piker in predicting deficits, as on May 6 I predicted a deficit of $800,000,000. This shows how fast our fiscal situation can change in a declining economy.

When the budget was submitted in January, the President estimated a deficit of $600,000,000. It will be nearly three times as much as he estimated. Later unofficial estimates revised the deficit up to $800,000,000, and actually, as I said, the deficit will be $1,500,000,000.

This continual upward revision in the deficit estimates is due mainly to a decline in tax revenue derived in recent weeks from withholding taxes on personal income—the direct result of the present business recession.

There can be no doubt that this frightening tax loss in such a short period of time is a forerunner of what may be expected in the new fiscal year beginning Friday, July 1, 1949, and the situation will be worse in the fiscal year beginning July 1, 1950.

The Joint Committee on Internal Revenue Taxation has already revised its estimate of the tax revenue which may be counted upon for the new fiscal year beginning Friday. Under this revision the joint committee forecasts a drop of $2,100,000,000 in receipts during the coming year as compared with the President's budget estimates in January.

In the current fiscal year which ends tomorrow night we must be certain to bear in mind that the current business recession is reflected only slightly in Federal tax revenue collected to date. It will be felt more in the fiscal year beginning Friday. But the full impact will not be felt until the fiscal year beginning July 1, 1950.

In the past 18 years, we have been in the black only 2 years. In the fiscal year beginning July 1, 1949, the deficit has been estimated to be between $3,000,000,000 and $4,000,000,000. It may actually be considerably more than this. In the fiscal year beginning July 1, 1950, when the full impact of the business recession is reflected in the tax income to the Government, the deficit may be $6,000,000,000 to $8,000,000,000, and it is possible it may be even more.

With the personal income—the combined individual income of all citizens—as the principal factor in revenue estimates, we are faced with the fact that under our present tax structure revenue declines at the rate of $1 to each $4 reduction in personal income.

The estimated average of the aggregate annual personal income declined in the first 5 months of this calendar year by about $7,500,000,000, and the trend is still down.

If the recession should reduce individual personal income by 10 percent under the basis for the President's January tax estimate the loss in Federal tax revenue would be in excess of $5,000,000,000. If the recession in business should reduce individual personal income 20 percent the loss would be in excess of $10,000,000,000 in Federal tax revenue—and even then our business would be at a greater level of prosperity that it was in 1940, the year before the war. Should this occur, the tax revenue would be only $30,000,000,000 as compared with the $40,000,000,000 figure at present.

The present expenditure rate against $30,000,000,000 in tax revenue would result in a deficit that would shatter public confidence.

Once more we are on a deficit basis which has brought our national debt to the incomprehensible total of a quarter of a trillion dollars. Let me repeat, that tomorrow night we will conclude a fiscal year in which we are adding a billion and a half to the debt. Friday morning we will begin a fiscal year in which we may increase the debt by three to five billion dollars unless there is drastic retrenchment by Congress or increased taxation. And if such steps are not taken to reduce expenditures we face the prospect of a fiscal year beginning a year hence on July 1, 1950—when the impact of the current business recession will be reflected in the Federal revenue, not only in personal income taxes but also in corporate taxes.

Without drastic retrenchment or increased taxes I should not hesitate to estimate that the deficit in fiscal year 1950 will be from six to eight billion dollars.

I ask unanimous consent at this point to insert in the RECORD the 18-year record of deficits. In the past 18 years we have had Federal deficits in 16 years, and there have been only 2 years when our budget has been balanced, with small surpluses.

The PRESIDING OFFICER (Mr. LONG in the chair). Without objection it is so ordered.

The list is as follows:

| | *Deficit* |
|---|---|
| 1932 | $2,900,000,000 |
| 1933 | 2,200,000,000 |
| 1934 | 3,200,000,000 |
| 1935 | 3,400,000,000 |
| 1936 | 4,900,000,000 |
| 1937 | 3,200,000,000 |
| 1938 | 1,400,000,000 |
| 1939 | 3,600,000,000 |
| 1940 | 3,700,000,000 |
| 1941 | 6,100,000,000 |
| 1942 | 21,500,000,000 |
| 1943 | 57,500,000,000 |
| 1944 | 51,400,000,000 |
| 1945 | 53,900,000,000 |
| 1946 | 20,600,000,000 |

Mr. BYRD. Mr. President, the surplus in 1947 was $754,000,000. In 1948 it was $8,400,000,000. But let me say that that surplus was not due to any retrenchment on the part of the Congress or any reductions in appropriations. It was due to abnormal inflation that followed the last World War.

In this connection it should be pointed out parenthetically that all figures I have mentioned for the fiscal years 1948 and 1949 disregard the bookkeeping effects of the so-called "foreign economic cooperation trust fund." I regard that as a juggling of the budget figures, and when I give these figures I exclude that transfer to keep the calculations on an annual expenditure and revenue basis. Never before, so far as I know, has an effort been made to put certain appropriations in a trust fund for the purpose of changing the year, from a bookkeeping standpoint, to which the expenditure would be charged.

Although it may be contended the estimated personal income is still above its level at this time last year, the fact remains that it is not now producing tax revenue sufficient to meet the expenditure program.

Therefore, it is very evident that we are facing a real financial crisis. Congress must soon make the fateful decision:

First, whether to retrench drastically.

Second, whether to impose staggering new taxes.

Third, whether to embrace deficit spending again.

To me, the third course would be the road to certain ruin, for, if we again deliberately embark on deficit spending during peace and prosperity, it is doubtful whether we will ever balance the budget thereafter.

The disastrous results of imposing huge new taxes upon a declining business economy should be, I think, recognized by all. Such an attempt may result in diminishing returns.

Congress could increase the tax rates, but it is possible, if not probable, that the impact upon our business economy in a period of receding prosperity would actually reduce the revenue to the Government. If this should occur I believe it would mean disaster for I have always thought that when additional taxes result in diminishing returns, it would

mark the beginning of national insolvency.

The only course remaining open is to reduce expenditures to the point of a balanced budget under existing taxes. In fact, a reduction in tax rates would have a wholesome influence if it could be done without deficit spending.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. GEORGE. I am very glad that the Senator stressed a reduction in expenditures. It is quite possible, of course, that before we can again right the ship we shall have to have both a reduction in expenditures and certain increases in taxes, if such increases can be made without actually increasing the deficit which the Senator from Virginia pointed out. It is not a propitious time now, I think—and this is a question which I wish to address to the Senator—to speak of increasing tax rates during this session of the Congress. In that respect I fully agree with the Senator, and I wish to emphasize that I think the greatest service the President of the United States could render the American people today and tomorrow would be a clear, definite, positive statement that at this time it would be inadvisable to undertake to increase the tax rates.

Mr. BYRD. I entirely agree with what the Senator from Georgia has said.

### THE UNEMPLOYMENT SITUATION IN CONNECTICUT

Mr. BALDWIN. Mr. President, first I wish to commend the distinguished senior Senator from Virginia [Mr. BYRD] for his untiring efforts in trying to bring to the attention of the Senate and of the people of the country at large the trying, difficult, uncertain fiscal situation which faces the Nation. I believe that not many people are aware of the fact that the fiscal situation—the threat of a deficit and the threat of higher taxes—is one of the biggest factors in the unemployment situation.

More than a year ago the distinguished senior Senator from Virginia made a speech on the floor of the Senate which the junior Senator from Connecticut remembers very well, in which he forecast with almost unerring accuracy exactly what is taking place now. He pointed out at that time the dangerous situation we were confronting. About a month ago the distinguished senior Senator from Virginia made another speech. It was a matter of sincere regret to many of us who were greatly interested in that speech that very few Senators were present late one Friday afternoon when he obtained the floor and delivered that memorable address. Today he has made another great contribution in this field.

At this point I should like to call attention to a situation in Connecticut as regards unemployment, a situation which I think is in large part caused by the uncertain fiscal policies of the Government—the uncertainty as to whether or not we are to have a deficit, and how big it is to be this year, knowing that if there is one this year there will be an even greater one next year, with more taxes on top of it.

In the State of Connecticut, as of June, the employment and unemployment figures do not give the whole story as to the present manufacturing and production levels. Of the 402,500 persons working in factories in Connecticut one year ago, 70,000 are no longer employed, but of those still working, 71,000 put in less than full-time hours. Seventeen thousand are working less than 32 hours a week, and 2,000 less than 24 hours.

In the midweek of June 1948, Connecticut factory workers put in 13,900,000 hours. In June, 1949, this figure dropped to 10,500,000 hours, a decline of 25 percent in 1 year. The downward trend in Connecticut employment continued in June with reductions still continuing in manufacturing firms. However, it is perhaps somewhat encouraging to note that lay-offs were not so heavy in June as they have been up until now, indicating that there may be some stability in the situation. However, employers back home do not feel that way.

In April, employment totaled 721,010. In May it dropped to 708,000. The first returns for June indicate a further decline.

Nonmanufacturing employment has shown an increase each month since March, but these gains have been obscured by the sharp drops in the number of factory workers.

Unemployment in Connecticut has reached the highest level in more than a decade, 96,400 in mid-June, a new 11-year peak. In the middle of May, job seekers totaled 85,200, and in April, 79,200. The number currently out of work is more than three times the 30,000 unemployed 1 year ago in June 1948.

So in one of the great industrial States of the Union—and there are other industrial States very much like it—we are seeing a very serious decline in employment, and it behooves us in the Congress to take some action to combat that situation. I cannot be too vehement in expressing deep concern regarding unemployment in Connecticut and the relation which the fiscal policy of the Government has to that situation.

### THE SITUATION IN CHINA AND THE FAR EAST

Mr. KNOWLAND. Mr. President, I wish to discuss briefly today the situation in China and the Far East. The news ticker carries a United Press dispatch saying:

> The United States today refused to recognize the legality of Nationalist China's blockade of Communist-held ports and territorial waters.
>
> Its position was set forth in a note saying that this Government "cannot admit the legality of any action on the part of the Chinese Government" unless an effective blockade is declared and maintained.
>
> The note was made public by Secretary of State Dean Acheson. He told a news conference the United States attitude is that the Chinese Government cannot escape responsibility for any action taken against foreign vessels which try to run the blockade—unless an effective blockade is maintained.
>
> The United States note said that this Government, in taking its position, has been guided by numerous precedents in international law and has noted that the ports referred to are not under the actual control of the Chinese Government.

I may say parenthetically that obviously the Chinese closure of the ports in the Communist area was to help them, insofar as possible, to combat the civil war now going on in that country; and obviously they would not be closing their own ports in the non-Communist areas of China.

Continuing with the dispatch:

> Acheson said he understood Britain had taken a more extreme position against the Chinese measures.
>
> The United States note, he said, merely reserves rights of American citizens, and does not mean that the United States is trying to conduct trade in the closed ports, or that the Government would attempt to run the blockade.

I interpolate at that point to say that I commend the State Department at least for that position, which apparently it is temporarily taking. It is in contrast to the dispatch which I read from Hong Kong yesterday, which appeared in the New York Times, to the effect that apparently the British Government had instructed that its war vessels give assistance in running the blockade. I hope the Hong Kong dispatch was not correct, but there are numerous indications that it may well have been correct.

Continuing with the dispatch:

> On other subjects related to China, Acheson said that if the State Department publishes a white paper on its relations with China, the long-secret report by Lt. Gen. Albert C. Wedemeyer probably will be included. He said a great deal of work is being done to compile the report on United States-Chinese relations, but he could not set a date for its appearance.

Again I interpolate to say that the publication of the Wedemeyer Report is long past due. We had some discussion on the floor of the Senate last week, which was joined in by the Senator from Maine [Mr. BREWSTER], who had opened the discussion, and the Senator from Michigan [Mr. VANDENBERG], a member of the Foreign Relations Committee, in which I think it was very clearly outlined to the Senate that the same type of relationship in regard to the formulation of policy had not existed in regard to our Far Eastern and China policy as had taken place in regard to the United Nations, the Rio Pact, the Atlantic Charter, and the ECA. I think that is most regrettable, because perhaps the very difficult situation in which we find ourselves in China today would have been far different had full consultations taken place before decisions were made, and not merely as an informative basis after the decisions had already been made.

Mr. President, I wish to say that recently I had brought to my attention certain documents which make it a little easier to analyze some of the statements in regard to China policy which the State Department has given out in the past. I regret to say that there is a very strong impression abroad that China has been subject to all sorts of rumor and that certain bits of information have been passed out to do her a great deal of damage. The excuse is made that the Wedemeyer Report was not made public because it might do some damage to the National Government of China; but at the same time that excuse is given to

some of our correspondents who have inquired of the State Department, very little is left undone to undermine the position of the National Government of China, which is the only legal government of China today.

The situation was very clearly brought out in the official release of the State Department, when it listed a substantial sum of money as showing that the United States had been most generous toward China, and giving the very clear implication that most of that aid had gotten into the hands of the Communists. Mr. President, that is not a fact. As I pointed out on a previous occasion, the State Department forgot to mention that of the $728,000,000, in one lump-sum amount, over $600,000,000 was a charge which this Government made to the Chinese Government for transporting their troops to Manchuria and to north China in order to accept the surrender of the Japanese forces. Obviously, none of those transport charges could have fallen into the hands of the Communists. Yet the impression was left with the Congress and with the American people that all that amount represented aid of a type of matériel which could fall into other hands.

I wish to point out that 4 years after VJ-day, the number of weapons furnished China should be no military secret; but not knowing the numbers of the weapons actually supplied is one of the best devices used by the State Department to allegedly furnish Congress with information—in such case, inaccurate and misleading information—in regard to military aid to China.

The lengthy State Department statement to Congress of February 20, 1949, to which I have already referred, shows China charged with lend-lease aid in the total amount of $190,188,218 for "tanks and motor vehicles," of which $94,202,088 in pre-VJ-day, and $95,986,129 is post-VJ-day. Assuming for the moment that those figures are correct, they would be equally correct whether 2 or 2,000 tanks were furnished. If a Member of Congress happens to assume that important numbers of tanks were supplied, that is his fault, I suppose, according to the theory of the State Department.

Prior to the bitter and victorious 1944 fighting in Burma, which reopened the Burma Road, Chinese troops in India were reportedly given 160 obsolescent light tanks. The price list value of those tanks was $32,000 each, or a total of $5,132,000, which is less than 3 percent of the total money value which the Department of State told Congress was spent for tanks and motor vehicles for China. Those are all the tanks the Chinese armored force ever had. About 100 were left after the Burma fighting, and later were shifted to China. Some are still in service with the Nationalist Government troops, which is an excellent performance when it is remembered that the United States Army figures the average life of a tank in active service as less than 1 year. Congress would have no just complaint if the State Department had given it a forthright statement or table of weapons showing 160 light tanks charged to China before VJ-day and none charged after VJ-day. But such a table would ruin the State Department and Communist myth of vast numbers of weapons having been given to the Chinese Nationalists to lose promptly to the Communists.

Mr. President, I say that when reports of that nature are given out, it borders on sharp practice by a department of the Federal Government in dealing with the Congress and the people of the United States.

Let us examine now the question regarding 10,000 tons of ammunition for China. Since the fall of 1945, the one type of ammunition vitally needed for such United States weapons as the Chinese Army were supplied with under lend-lease has been caliber .30 ammunition for ground-type rifles and machine guns. That was embargoed during the crucial period of 1946–47. At the very time when we had levied the embargo on ammunition to the Government of China, the Russian occupation forces in Manchuria and northern China were turning over to the Communist forces of China the supplies of the Japanese Army which had been captured there, which have been estimated by competent military personnel to be the equivalent of enough to supply a million men for 10 years. So while we were putting an embargo upon the legal Government of China, the Communist forces were being supplied with sufficient material to equip 1,000,000 men for 10 years.

The official records of this transaction show that exactly 52,500 rounds of the caliber .30 ammunition for ground use, weighing exactly 2.46 tons were included. There is a vast contrast between those figures and the letter written by Assistant Secretary of State Ernest Gross to the Honorable JOHN KEE, chairman of the House Committee on Foreign Affairs, in which letter the statement is made:

> Approximately 10,000 tons of small arms and artillery ammunition purchased by the Chinese Government from the Office of Foreign Liquidation Commissioner at a fraction of the procurement cost was shipped to China during June, July, and August, 1948.

As I say, the crucial small arms ammunition which was so badly needed amounted to exactly 52,500 rounds, or 2.46 tons.

The following percentages show the relative unimportance of the above all-important type of ammunition which was shipped to China in the summer of 1948, which was a crucial period in the Chinese civil war:

(a) By weight, it was one-fortieth of 1 percent of the Hawaiian shipments.

(b) By number, it was one forty-eighth of 1 percent of that reported to General Marshall as an emergency need, while he was in China, but which never was supplied.

(c) By number, it was one one-hundredth of 1 percent of what the Chinese attempted to purchase commercially in the United States in the summer of 1946, but which proved impossible of purchase, as export licenses would not be issued.

(d) By number, it was about one one-hundred-and-fiftieth of 1 percent of what the United States would have furnished had it carried out its obligations under the 39-division program.

Other features of Mr. Gross' letter have been separately analyzed, and will be discussed in the future, as the occasion arises.

Mr. President, at this time I wish to say that there have been indications contrary to the statements made by Mr. Acheson at his press conference today. In his final paragraph Mr. Acheson indicated that there was no present intention to recognize the Communist government of China because, if I remember correctly, he said no such government has been organized or has requested recognition.

I do not think it is in strict conformity with the facts when he says that the matter has not been under consideration in the State Department. I have information which I believe to be accurate, and I state on my own responsibility as a Senator of the United States, that discussions have been going on in the State Department for a considerable period of time relative to the question of the future recognition of the Communists as the government of China and I have reason to believe that communications have passed between the Government of the United States and the Government of Great Britain on this subject. I do not state that any definite conclusions have yet been reached. It is obvious that until the Communists organize themselves as a government and ask for recognition, recognition now would be premature. I am not interested in the question as to whether recognition is contemplated today or tomorrow, but both the junior Senator from California and the 20 other Senators who signed the letter to the President of the United States on this subject are interested to know whether there is serious consideration being given by the Government of the United States to the eventual recognition of the Communist regime in China. It is a very important question.

In the New York Herald Tribune of this morning Mr. Mark Sullivan has an interesting article, which I ask to have printed at this point in my remarks, which points out the repercussions which have ensued since the recognition by the United States Government of the Russian Government in 1933, and what has been the outgrowth of that action. He points out that the ultimate fall of China into Communist hands would be the greatest advance which communism has made since they originally took over the control of the Government of Russia.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUSSIA'S FAILURE TO KEEP PLEDGES OF 1933 IS FOUND COSTLY TO UNITED STATES—MARK SULLIVAN POINTS TO EXPENSE OF RED TRIALS, SAYS CHINA MARKS NEW PHASE OF PROBLEM

(By Mark Sullivan)

The House Committee on Un-American Activities last week issued a report dealing with pro-Communist activities in this country by groups who are natives of Russia and its satellite countries. To limit this the committee recommended strict enforcement of the treaty made between the United States and Russia in 1933. Strict enforcement of that treaty now would be 16 years belated. The treaty was the beginning of relations with Russia which now compose a tragic era.

Preceding 1933, the United States for 16 years had continuously denied recognition of the Communist government of Russia.

Recognition was denied by four Presidents—Wilson, Harding, Coolidge, and Hoover. Then President Roosevelt, within a few months after he took office, extended recognition.

RUSSIA'S SPECIFIC PROMISES

This was done in a formal treaty in which the Russian Government made specific promises. The main was "to refrain and restrain all persons * * * under its direct or indirect control * * * from any acts, overt or covert, liable in any way whatsoever to injure the tranquillity, prosperity, order, or security of the * * * United States * * * or any agitation or propaganda having as an aim * * * the bringing about by force of a change in the political or social order of * * * the United States."

To rivet the official promises of the treaty, Roosevelt procured a letter from the Russian representative who had conducted the negotiations, Maxim Litvinov. Litvinov declared:

"It will be the fixed policy of the Government of the Union of Soviet Socialist Republics to respect scrupulously the indisputable right of the United States to order its own life within its own jurisdiction within its own way, and to refrain from any interference in any manner in the internal affairs of the United States." To that Roosevelt replied that he was glad to have this expressed assurance of the fixed policy of Russia.

The treaty was immensely valuable to Russian communism. Previously, its agents could not enter the United States legally. Those who did so came furtively. Further advantage came from the now permitted setting up of a Russian embassy in Washington, consulates in some cities. The greatest advantage lay in the prestige of recognition. By implication, our people, and the world, got assurance that Russian communism must not be so great a threat as had been supposed, else our Government would not have recognized it and set up diplomatic relations with it. To opportunity for infiltration and propaganda here, Russian communism got the further advantage that our people were disarmed of suspicion and defense.

The 16 years since our recognition of Russia is an epoch, not an ended epoch, on the contrary one spreading out into new developments. In the present stage it is the country's major concern, domestically and in its relation to the world.

Last week the three court trials that commanded the country's most intent attention had to do with communism. All the trials had gone on for weeks or months. One was a trial of 11 heads of the American Communist party on charges of conspiracy to teach and advocate overthrow of the Government. One trial arose out of a charge that an employee of the Department of Justice had attempted to transmit Government documents to a Russian. One trial arose out of possession of confidential State Department documents by an admitted spy of the Russian communism.

TRIALS COSTLY TO UNITED STATES

If these three trials happened to be simultaneous and conspicuous last week, they were but an indicative fraction of the expense to which we are forced to concern ourselves about penetration of Russian communism into our domestic institutions. And in our relation to the world, defense against Russian communism consumes more than half the expenditures of our Government.

Of the present widening out of the era that began in 1933, there was a landmark in Washington last week. Twenty-one Senators signed a strongly-worded statement against any recognition by our Government of the Communist Government in China. Dominance in China is the longest step toward world dominance that Russian communism has yet achieved. By it the United States, as a Nation and as the spearhead of world resistance to the Communist drive, is confronted with a new phase, the scope of which cannot yet be comprehended.

Mr. KNOWLAND. Mr. President, 2 days ago, the Washington Post, which is an outstanding newspaper and very alert in the field of international affairs, made some comment relative to the letter which was written to the President of the United States by the 21 Senators. As I recall the editorial, it was critical of the letter. The editorial stated that, after all, recognition did not necessarily mean the approval of the Government to which we had sent an ambassador. Of course, I agree that that is a correct statement of fact. But when it is said that from time immemorial we have recognized governments with which we did not agree, I want to point out that, while that is correct, yet in the days when one Government of Mexico was succeeding another, or one government in some country of Europe or in Africa was succeeding another, whether by legal means or by revolution, the situation was far different from what it is today, when there is an international conspiracy of communism which has as its avowed purpose the overturning of all the non-Communist governments in the world. Consequently I do not feel that any historic policy which was based on a different set of circumstances need necessarily apply when it comes to recognition of a Communist government, and particularly when the legal government is being overthrown by forces allied with the international conspiracy of communism.

Mr. President, there is a great deal of concern I believe in this country, and I think, on the Pacific coast. I happen to represent in part the State of California that looks out over the Pacific Ocean. We were familiar with the fact that in the days before Pearl Harbor the State Department of the United States approved the shipping of scrap iron and oil to Japan. Many of us who were not in public life at that time raised objections to the shipment of oil and scrap iron to Japan, first, because we felt it was morally indefensible to do so, for those articles were obviously going to be used against our historic friends in China; and, secondly, as we pointed out, because they were very likely ultimately to be used against the United States of America itself. I do not have to reiterate here today the fact that some of that oil and some of that same scrap iron came back at us on the morning of December 7, 1941, at Pearl Harbor.

I cite that to indicate that the State Department itself is not necessarily infallible. Like all human agencies it is subject to mistakes, but most human agencies will recognize when they have made a mistake. The difficulty with the State Department apparently is that it never wants to recognize when it has made a mistake. It has followed a bankrupt policy in the Far East. It has followed a policy which has completely reversed an historic, traditional policy of the United States of America, which was to maintain the open door in China, to maintain a free and independent and a sovereign China, a friendly China. All those things, the whole policy which followed down from the days of John Hay, will be lost if all of China passes behind the iron curtain.

The able Senator from Michigan [Mr. VANDENBERG], for whom I have the highest respect and regard, and who is one of the great men among those who have served in the Senate of the United States, with all its historic background and traditions, has pointed out that the same bipartisan policy which was followed in the course of our relations with some of the European countries was not followed in the case of the Far East. He also, in his very fine and generous way, said that when all that had been said, it was more difficult to say what the policy should be rather than to be merely critical of it. I think that is a fair observation. I think that each one of us, as a Senator of the United States, must keep that in mind. We cannot deal with wishful thinking. We must deal with the facts, the realities as they exist. A proper policy now is more difficult than it would have been if instituted a year ago or 2 years ago or 3 years ago. But I submit, Mr. President, that it is no policy at all merely to wait until the dust settles, as the State Department representatives have sometimes expressed their policy.

Now, what can be done? I desire to call attention to an article which appeared in Time magazine, the issue of June 27, on page 25, under the heading "Ma versus Marx," which goes into the situation of Gen. Ma Pu-fang in the so-called western province of China, the so-called Moslem province, where there is a substantial group of Chinese who are bitterly opposed to communism, where they have had leadership that has attempted to solve some of the economic problems of the province, where they have required universal education for the children, where there is loyalty to the governor of the province. General Chennault testified before the Armed Services Committee that with very little help in the way of small arms and ammunition, perhaps mortars and some mountain artillery, with no need for heavy equipment of tanks and planes or large caliber guns, General Ma and the group in that area in China could probably hold out for a number of years.

I ask unanimous consent to have the article from Time magazine printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MA VERSUS MARX

While Red armies swept unchecked toward Canton news came of a jolt to Communist hopes in China's far northwest. Last month 120,000 Reds under Gen. Peng Teh-huai had chased an old Nationalist adversary, moody Gen. Hu Tsung-nan, from the stronghold of Sian. The way to rich Szechuan Province and its famed capital Chungking seemed open. Instead, Communist Peng's men, thrusting on from Sian, rushed into a trap; it was the Chinese Red army's first defeat since the start of their all-out offensive.

The trap was sprung by hard-riding horsemen of Ma Pu-fang, the Moslem boss of China's northwest. First, retreating Hu Tsung-nan made a stand some 75 miles from

Sian. Then, swooping from the mountains in the Communist rear, Ma's cavalry, about 20,000 strong, and led by Ma's 29-year-old son, Maj. Gen. Ma Chi-yuan, took the Reds by surprise, cut them up, forced them into ragged retreat. Last week Ma's cavalry were still carrying on the fight against four Communist armies in the vicinity of Sian. For a while, at least, both the Northwest and Szechuan would be valiantly defended.

THE NEW BOSS

The tidings of his son's victory reached Ma Pu-fang as he was settling down in his big stone headquarters outside the walls of Lanchow, gateway to the Northwest. The dying Nationalist government had appointed him supreme commander of an area about 13 times as big as Texas, mostly wasteland, underdeveloped and underpeopled (about 14,000,000—one-third Han Chinese, one-third Moslem Chinese, and the remainder Tibetans, Turkis, Mongolians, Kazaks). Ma's elevation put the Northwest on its own. His land was a poor holding in comparison with the lost coastal regions and lush river valleys, but, until conquered, it would be a thorn in the flesh of Communist China.

Ma began his rule in characteristic style. From Sining, capital of his own Chinghai Province, where he has been lord and governor since 1936, he sent a column of his Moslem cavalry to Lanchow. They pitched their white tents and grazed their horses on the city's airfield, took over the guard of public buildings. Ma was making sure that Nationalist troops in Lanchow would not revolt against him. Then, unannounced, he followed in a green Buick escorted by a truckful of bodyguards.

THE OLD PILLAR

Black-bearded, burly Ma Pu-fang, now 46, has been a pillar of anti-Communist strength in the Northwest ever since his troops hurled back the Communists of the Long March in 1934–35. A highhanded but benevolent despot, he has also given his spare, dry, upland Chinghai Province (population, 1,500,000) some of China's best roads, extensive irrigation works, and a spectacular reforestation program. Over 13 years he supervised the planting of millions of willow, poplar, and acacia seedlings to shade the roads, check river-bank erosion, supply fuel. "Even when I was a little boy," he once explained, "I liked to plant trees. In Chinghai trees mean greenery and water, life and abundance. I sought to persuade my kin and friends to plant trees. I had no power then and made little headway. But as governor I acquired the power to persuade * * *."

Ma's "persuasion" took the form of drafting his people for tree planting. Once a year every village was given a quota of seedlings and told where to plant them. No man might destroy young trees; Ma's penalty for illegal cutting was "one head for one tree." Ma made education compulsory for all children through the age of 16. He gave the students books, uniforms, board, and one silver dollar monthly in pocket money. To improve the public health he ordered all citizens to kill and turn in to the authorities 5 to 15 flies daily. He kept inflation out of Chinghai; today one silver dollar, worth about one United States dollar, will buy 200 eggs or 5 live sheep.

ARMS AND THE MEN

Ma's army, about 250,000 strong, has drawn heavily on Chinghai manpower. The military draft age is 16 to 45, but strictly enforced regulations provide that at least one able-bodied man must be left behind with each household. Training is intensive, stresses local loyalty. Ma's biggest military problem is adequate arms for his men.

With what they have had Ma's men have consistently beaten the Communists. Just a year ago young Ma Chi-yuan, the cavalryman, mauled three Red columns trying to sweep around Sian. An only son, young Ma is the apple of his father's stern eye. Reared under severe Moslem discipline, he likes to plaster his headquarters with such Chinese proverbs as "Genius never neglects labor." He also likes United States movies and swing, dislikes the Russians because, among other things, they intend to make war on the Americans. He has two wives. When Chinese newsmen asked him which he preferred he said he loved "both." Not content, the newsmen asked what room he visited first when he returned home. Like a Solomon, young Ma replied: "I always go to my mother first. Usually my two wives are there."

With the help of his soldier son, the elder Ma thinks he can more than take the measure of the Communists: "Without aid from the Nationalist government or the United States, I can hold this area indefinitely and even take back Sian. With aid I could mount an offensive that would take back Peiping."

Ma and son were not likely to get outside supplies. They might overextend themselves even if they tried to recapture Sian. But they stood a fighting chance to hold the Northwest for some time to come. When and if the Communists struck them in a major assault, Ma and son might still hold out by withdrawing to the wild mountains of Chinghai.

Mr. KNOWLAND. I submit that it would be to the advantage not only of the United States of America but of the entire Western World to have available some non-Communist areas left on the continent of Asia, in what has been termed China, rather than to have the entire country overrun. General Chennault when he appeared before the committee, stated that there were other areas in China which, by the nature of their terrain furnished much better opportunities for resistance than the northern open plains. I submit that this matter is worthy of consideration by the Government of the United States, because again I wish to say it simply does not make sense for us to follow a partial policy in Europe which is costly in dollars and costly in risk, while we are trying to preserve 200,000,000 Europeans from going behind the iron curtain. I support a firm policy, because I think it is in our vital national interest that western Europe not pass behind the iron curtain. I shall support the Atlantic Pact, because it is vital to the defense of the Nation and to the ultimate peace of the world; but it simply does not make sense for us carefully to guard our front door on the Atlantic while we leave wide open our back door on the Pacific and are unconcerned about 450,000,000 Chinese going behind the iron curtain in that area of the world.

While it may be repetitious, I think it is important for the Senate and for the Nation to recognize what has been testified to by competent military observers, that if China ultimately goes Communist it will probably be impossible to keep French Indochina, Siam, and Burma from going Communist. If they go Communist, there is doubt whether India can be prevented from going the same way, ultimately. If the entire continent of Asia goes behind the iron curtain or becomes subject to the domination of international communism, our highest military authorities on the Islands of Japan believe it will be impossible to preserve Japan ultimately from going behind the iron curtain and coming into the Communist orbit, unless we are willing permanently to underwrite the economy of Japan and are willing permanently to underwrite the defense of Japan by the United States Army, Navy, and Air Force.

So, Mr. President, we have a right to ask the Foreign Relations Committee and the State Department to take due notice of the fact that if they are going to ask us to support what I believe to be an intelligent and sound policy in Europe, they must be prepared to come before the Senate of the United States with an intelligent and sound policy in the Far East.

FISCAL SITUATION OF THE UNITED STATES

Mr. MARTIN. Mr. President, I think we are all very greatly impressed with what the distinguished senior Senator from Virginia [Mr. BYRD] stated a while ago. I did not have any realization that the deficit amounted to a billion and a half dollars. That means that every man, woman, and child in America should be deeply concerned relative to our fiscal situation. With an income of considerably more than $200,000,000,000 the country should be operating within its income. We are now paying the largest taxes in the history of the Nation during peacetime. It reaches almost to the amount of the tax bill during wartime. There is only one thing that I can see to do, particularly when we hear the references made by the distinguished Senator from Georgia, the chairman of the Finance Committee [Mr. GEORGE], that there cannot be any increased taxes by raising the levies. There is only one thing to do, and that is to cut down expenditures. I had hoped that Congress would have the courage to keep expenditures for the next fiscal year within the limits of the tax receipts; but if we do not have that courage, I cannot see that there is anything for us to do except to give a directive to the President of the United States.

I am also alarmed over unemployment in Pennsylvania. The distinguished junior Senator from Connecticut [Mr. BALDWIN] has referred to the unemployment situation in his State. In the State of Pennsylvania unemployment has reached a figure of almost 400,000, but, in addition, there are many part-time employees, putting the skilled craftsmen's budget out of balance. We must be concerned about this fiscal policy at the grass roots. The people of the United States can have their Congress and their President cut down the expenditures by Government if they demand it.

So, Mr. President, with this little reference, I am appealing to the people back home to become concerned regarding the solvency of the United States. America cannot do in the world the things we are contemplating unless we remain sound from a fiscal standpoint.

1934 TRADE AGREEMENTS ACT (FREE TRADE) VERSUS FLEXIBLE IMPORT FEE

Mr. MALONE. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point an article appearing in the Washington Star of June 28, 1949, which quotes a statement by

the senior Senator from Georgia [Mr. GEORGE], from which I shall read a few sentences, as follows:

But Senator GEORGE, Democrat, of Georgia—

The chairman of the committee—

said the treaty has created a serious situation. He said it will complicate his job of getting the Senate to approve an extension of the reciprocal trade-agreements program asked by President Truman (1934 Trade Agreements Act).

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of June 28, 1949]

BRITISH-ARGENTINE PACT HITS RECIPROCAL TRADE POLICY, SENATORS SAY

Senators today described the British-Argentine trade pact signed yesterday as a heavy blow to this country's reciprocal trade policy.

Publicly and privately, they accused Britain of following a policy which tends to choke off the free world trade sought by the United States.

The pact, binding Britain and Argentina to do most of their trading with each other over the next 5 years, was signed in Buenos Aires.

SERIOUS SITUATION SEEN

The State Department, which had vigorously objected to such a deal, made the best of it yesterday and issued a toned-down statement expressing gratification that substantially more flexibility had been written into the agreement.

But Senator GEORGE, Democrat, of Georgia, said the treaty has created a serious situation. He said it will complicate his job of getting the Senate to approve an extension of the reciprocal trade agreements asked by President Truman.

As chairman of the Senate Finance Committee, Senator GEORGE will lead the fight to extend the President's powers to negotiate trade agreements which lower tariff barriers.

Senator MILLIKIN of Colorado, ranking Republican member of the Finance Committee, said the pact "will have a tremendous impact on our reciprocal trade system."

UNITED STATES SEEN FROZEN OUT

Under the agreement, Britain will furnish Argentina most of her imports in return for meat and cereals. American critics say the pact will virtually freeze the United States out of the Argentine market.

But even more serious, some Senators say, is the fact that the treaty sets a pattern which may wreck American efforts to break down trade barriers.

"The pact tends to restrict rather than expand freer world trade," Senator MILLIKIN said. "And it indicates we are working at cross purposes with the second greatest trade country in the world (Britain)."

Mr. MALONE. Mr. President, I want to point out that the 1934 Trade Agreements Act does not include the words "reciprocal trade." That is simply a trick phrase on the part of the Administration to sell free trade to the American people; and I am afraid they have temporarily sold it. The agreements are not reciprocal and do not operate in that way. The 1934 Trade Agreements Act is the basis upon which the State Department has adopted a selective free trade policy. It has lowered tariffs from approximately 45 percent of the value to less than 13 percent over a period of 15 years. The floor under wages has been lowered. Therefore, after the pressure of wartime holding prices up, is over, there is no restriction on imports from foreign soil, and, therefore, the workingmen and women of this country have their choice of lowering their standard of living or becoming unemployed. It is a well known fact that while the unemployment situation is being covered up by unemployment insurance and other means, there are more than 5,000,000 unemployed persons at the present time, and there are probably more than 10,000,000 partially unemployed persons.

I wish to call attention to the fact that the trade agreements which the State Department has been making over the last 14 years cannot on any basis of fact be of benefit to the United States, simply because we have no basis for making an effective trade treaty. We cannot make an effective trade treaty with a nation which manipulates its currency for trade advantage, and they all do, because after a trade treaty is made they simply devalue their currency, which lowers their costs, lowers their living standards, and then come under any trade treaty which may have been made prior to that date.

They also have the bilateral system of trade treaties, when we have the multilateral system. I point out to the President of the Senate that the article which I have just submitted, including a statement by the Senator from Georgia [Mr. GEORGE], called attention to the fact that his work is made more difficult by the fact that the Argentine-Britain trade treaty was a bilateral pact and provided that the oil and the various other products produced in Britain and elsewhere by her, using ECA money, by the way, are being traded to the Argentine for meats and other products there. That is a bilateral treaty. We do not benefit in any way from that treaty. The conditions under which such a treaty can be made by any foreign nation is included in our arrangements with them. So they cannot be blamed for the treaty; it is our fault for submitting to the conditions.

As a matter of fact, the making of such treaties has been going on ever since the war closed, and even during the war some of them were made, but 88 trade treaties have been made with Russia and the countries behind the iron curtain by the 16 nations making up the ECA countries, all sending produce and processed goods to Russia, all the way from locomotives to ball bearings, all kinds of high-grade steel. By the way, some jet engines were sent in 1947, which was acknowledged on this floor during the ECA debate.

It is impossible for the United States to win in the case of any such treaties, and we cannot prevent them. This has been established.

I point out that I debated this matter here before, beginning on March 30, and tied the three-phase free-trade program of the administration together. First, we make up the trade balance deficits of each nation in Europe in cash each year. Our chief export is cash.

Second, the 1934 Trade Agreements Act, upon which the State Department has adopted a selective free-trade policy, on the theory that the more they divide the markets of this Nation with the nations of the world the less their trade deficits will be.

Third, the International Trade Organization Act, which was supposed to be presented to the Senate as a treaty, requiring a two-thirds' vote for approval, has been changed and it has been presented to both the Senate and the House in the form of an agreement, and it will be before the Senate for a vote.

It might seem that tying these three together in one program is only my idea. I wish to read into the RECORD what Willard H. Thorpe, Assistant Secretary of State, said in his testimony before the House Ways and Means Committee on January 24 of this year. He stated:

1. The European recovery program (Marshall plan or ECA) extends immediate assistance on a short-term basis to put the European countries back on their feet.

That is where our chief export is cash.

2. The trade-agreements program is an integral part of our over-all program for economic recovery.

That is, the 1934 trade-agreements program, upon which the State Department has adopted a selective free-trade policy.

3. The International Trade Organization, upon which Congress will soon be asked to take favorable action, provides a long-term mechanism—each part of this program is important; each contributes to an effective and consistent whole.

Mr. President, what is the International Trade Organization? It is simply 58 nations with 58 votes. We have the same vote as Siam. To this organization we will transfer all right and authority to fix tariffs and import fees, and they will meet once each year to further divide our markets.

Mr. President, I refer to an article by Mr. Ray Moulden in the Journal of Commerce of New York of June 29, in which he says, in part:

ECA OFFICIALS BEGIN TO WONDER IF AID PLAN IN LONG RUN WILL NOT PROVE HARMFUL TO UNITED STATES

(By Ray Moulden)

WASHINGTON.—There is a great deal of soul-searching these days among the really able men concerned with the administration of the Marshall plan as to whether the billions of dollars being poured out to assist Europe will create conditions that do more harm than good—particularly to the United States.

This is known to be a primary source of worry to ECA Administrator Paul Hoffman, and there is evident reason for that concern, because one of the results is already out in the open.

That is the Anglo-Argentine trade agreement, which shuts off the United States as supplier of oil to Argentina and of meat to Britain for the next 5 years simply because—partially as result of the Marshall plan—neither has prospect of earning enough dollars from the United States to buy either item from us.

Walter Lippmann speaks for many administration thinkers when he says that the ECA as now conceived and operating (based on the idea of closing the dollar gap by 1952) will not restore world trade or bring about a prosperous economy of free nations. Instead, it forces such things as the British-Argentine agreement; the Yugoslavian-British pact of similar intent, economic isolationism, bilateralism and cutthroat competition between currency areas.

Another part of this dispatch quotes Mr. Walter Lippmann, who speaks for many administration thinkers:

Mr. Lippmann suggests no new solution; neither do others, except to say that ultimately we have to buy as well as sell abroad. One way of making it easier to buy British, for instance, is to devalue the pound sterling. And that we are trying to accomplish.

But already Congressmen are hearing more and more from constituents who fear competition from foreign sellers and want amendments to the Trade Agreements Act or rewritten agreements incorporating higher protective tariffs, and that clamor will increase if business continues to decline.

But Mr. Lippmann suggests no new slogan, neither do others, except to say that ultimately we may have to buy as well as sell abroad.

Mr. President, I wish to make a definite suggestion at this point which I have made before; in the flexible import fee bill which I introduced in the Senate last year and introduced again this year, and which I shall offer as a substitute for the 1934 Trade Agreements Act when it comes before the Senate, there is a definite method of fixing and establishing a market for the goods of every nation in the world on a definite basis. They can bring in their goods on a basis of our costs, which will keep our employment and our economy intact. I shall debate it at length when the 1934 Trade Agreements Act comes before the Senate. The flexible import fee would simply turn the Tariff Commission into a foreign trade authority, with full responsibility to fix import fees representing the differential of production cost between here and where our foreign competition is located, the peril point would become the tariff, giving each nation credit for any raise in living standards through a corresponding lowering of our import fee, and when they were living on our standard free trade would be the question of the result.

Mr. President, the problem of Sweden is increasing in importance. I shall read in part from a dispatch from the Wall Street Journal of today dated Stockholm, Sweden:

The Swedes are having an excruciating time making up their minds to devalue their money—the krona—in terms of the American dollar. Yet they agree it must be done.

At the present rate of exchange, most Swedish products are too high priced to sell in the United States, and without dollar earnings Sweden can't continue buying oil, machinery, chemicals, and other things it needs.

Officially the krona is now worth a shade less than 28 cents. In the black market here it goes for about three-fourths that much—around 20 cents. The big woodpulp exporters, with an anxious eye on the American market, are among those who would like to make this official. The figure most frequently mentioned in talk of revaluation, however, is a fraction under 24 cents.

The factors that cause Sweden to move slowly on devaluation are similar to those of other European countries which face the same problems.

Officials here fret about the relation of the krona to other European currencies. Swedish money, after all, is not overvalued in comparison with most of these, and such basic Swedish products as iron ore, steel, and electrical equipment are still selling briskly in Europe.

Mr. President, I interpolate here to say that all foreign money is overvalued. Everyone knows that the pound is worth only from $2.25 to $2.40; yet it has been held up, with our financial aid, to $4.03. In entering into the various trade pacts we have done so on the basis of the artificial value of the pound being $4.03. When the British get around to revaluing their currency, which they will do within 3 months after we extend the 1934 Trade Agreements Act, if the Senate sees fit to extend it, they will revalue their currency at a point 20 to 25 percent lower, making the pound worth not more than $3.25, and probably around $3, they will then bring their products into this country under the trade agreements previously made, without any competition whatever. That is, of course, Sweden's problem, because if they devalue their own currency, which they must do to increase their exports, and the British do not devalue theirs, then it hurts their European market.

I continue to read:

So the Government (Sweden) is toying with the idea of devaluing the krona only in terms of the dollar, holding it firm in relation to the British pound, the Polish zloty, the Belgian franc, and the rest of the European currencies.

In other words, they would devalue their money in terms of the dollar so that they could ship their goods into our markets under any trade agreements they had previously made, but hold it firm in connection with the moneys of other countries in Europe in order to protect themselves in the European market. It simply shows to what ridiculous lengths the present system will lead the nations of the world—every nation for itself—manipulating its currency for trade advantage until it all falls of its own weight.

I read again:

But the British, particularly, have indicated they would resent this. The move would set up "disorderly cross currents" in foreign exchange; that is, it would show up more vividly the overvaluation of the pound and make it more difficult for the British to maintain this artificial valuation. The Swedes must listen to the British, their leading trade partners.

So the strategy the Swedish Government has adopted is to promote a general devaluation of most European moneys in relation to the dollar. Its diplomats are arguing for this, quietly and informally, in all the capital cities and especially in Marshall-plan meeting rooms in Paris.

I simply want to point out that when the currency has been devalued by all the European countries, that every trade agreement made from 1934 to the present date will be outmoded and will be ineffective. The various countries will come in with their products, under any trade agreement they have previously made, without any restrictions at all. This illustrates perfectly the fallacy and futility of such trade agreements from our standpoint. We are bound by the agreement, but by the simple expedient of lowering their currency value they can bring unlimited quantities of their products into this country—thus moving more United States jobs to foreign soil.

Mr. President, I have in my hand a clipping from the New York Times of today, June 29. It is an article by James Reston, who is an internationally known special writer for the New York Times. The dispatch is dated at Washington and reads in part:

Secretary of the Treasury John W. Snyder will go to London soon for a series of conversations with Chancelor of the Exchequer Sir Stafford Cripps on Britain's dwindling dollar reserves.

It is understood that Secretary Snyder will review British financial and commercial policy with Sir Stafford in view of the critical situation that has arisen in London since the "readjustment" of prices here and the decline in Britain's exports to the dollar area.

Mr. Snyder will be accompanied by Assistant Secretary of the Treasury William McChesney Martin. These officials are expected to discuss the world economic situation not only with the Chancellor of the Exchequer but with the Finance Ministers of other members of the British commonwealth who are scheduled to meet in London next week.

The survival of the European Marshall Plan Council was regarded in Paris Tuesday night as imperiled by the British financial crisis and the Anglo-United States disputes—

Dispute, Mr. President—

over competitive trade. The problems will be discussed again Wednesday.

I wish simply to point out that with all of the help, starting back in UNRRA days, lend-lease, underwriting the British Commonwealth to the tune of 3¾ billion dollars, and since that date pledging $17,000,000 to Europe, with England getting about one-quarter to one-third of all the money—that these financial crises arrive regularly, and never to our benefit. In other words, I found on my visit to Europe in 1947 and my visit to Asia in 1948, that almost every country in the world is living over its head, expecting the United States to bail them out before the crash comes. In other words, unless the dollars are forthcoming, which the current president or kind or chancellor or whoever he may be who has run for office on a promise to do things for the country, which he cannot do, through the production in his own country, unless we make up the difference through what is called the dollar shortage, then the crises comes. So far we have picked up the check—without any supervision or safeguards whatever.

Mr. President, I want to point out that I have just completed a trip across the country. I had an opportunity to observe conditions in several States of our own United States. I say there are more than 5,000,000 unemployed today, and there are more than 10,000,000 partially unemployed. I say that it is my earnest opinion that we cannot collect from the taxpayers the amount of money the Congress is about to appropriate this year, forty-three billion or forty-four billion dollars. It is my opinion that that amount of money cannot be collected from the taxpayers of this country this year or next year or the year after. Unless we reverse the trend of free trade we will never collect that much in the United States again. As the senior Senator from Georgia said, that if we increase the taxes we might even get less money, because the law

of diminishing returns, with which we are all familiar, might take over.

Mr. President, we hear a great deal of talk about austerity living. We have heard it now for 3 or 4 years following World War II, in connection with England and now other countries are echoing the word. Sweden is now complaining of austerity living.

As I said a moment ago, I had an opportunity to visit with some of our countrymen on my recent trip through the United States and I have been in very close touch with our working people since I came to the Senate. There is a complete and rigid austerity program in America today, with about 60 percent of our people having a tough time keeping their children in school and paying their taxes. When we speak of austerity, we must not forget that we have it right here in the United States, but since our people are slow to complain we do not fully realize how tough the going is. But we have allowed such foreign nation talk to affect our actions here on the floor of the United States Senate to such an extent that we believe them each time when they say that another large appropriation will cure everything—without realizing that any money we give them must first be squeezed from our American taxpayers. However, it is just about to catch up with Uncle Sam at this time and it is not clear just where we can secure any financial help. We in America have no one to complain to.

I want to read a short excerpt from a dispatch just received, as follows:

It is no secret that British exporters are at present selling many articles to hard-currency countries at prices that are below those they get in soft-currency areas. They do so under Government pressure or because they are offered special incentives.

Mr. Harold Wilson, president of (the British) Board of Trade made it perfectly clear how Britain is to remain competitive in the Western Hemisphere. "We shall give every help and where necessary even favoritism tc (their own) exporters to Canada and the United States of America in their productive difficulties."

Mr. President, what does that mean? It simply means, as I said a while ago, that certain governments enter into the businesses of their country in order to undersell the market in other countries, including our own. In other words, they sell under their costs, as is done in a gas war here in the United States, to run their competitors out of the market. Then what happens? After they have frozen out the local competitors, and our people are unemployed, and we have become completely dependent on the foreign nation for the product, then the price of the product goes up again. It is a very simple method and works very well unless the country affected has gumption enough to stop it. The flexible import fee bill which I will offer as a substitute for the 1934 Trade Agreements Act will stop it.

Mr. President, I want to quote briefly from a dispatch published in the Journal of Commerce of New York, dated today, by Thomas O. Waage. He says in part:

Each successive "crisis" in sterling brings devaluation one step nearer but basic economic factors currently do not indicate that revaluation would now result in a clear net gain for Britain.

This is a little propaganda.

This is the consensus expressed yesterday by a number of close students of the British economic situation.

Mr. Waage continues:

The official British stand stresses the point that while devaluation temporarily would reduce prices of British goods in many export markets, it would not solve their problem. A lower sterling quotation would result in higher sterling prices for many imported commodities and hence add to production costs offsetting the fillip to exports that devaluation might bring initially.

Mr. President, I wish to point out the fallacy of that argument: When Britain devalues the pound, the raw materials she buys which go into her exports represent a very small part of the total cost of her exports. Labor is by far the greatest cost entering into products for export. Therefore when Britain devalues the pound 20 or 25 percent, at least 15 or 20 percent, or three-fourths of the devaluation representing labor, is in competition with our own workingmen.

The article continues:

The American and specifically Economic Cooperation Administration pressure to devalue the pound naturally exercises a powerful influence.

In other words, we have Mr. Hoffman putting on the pressure to devalue the pound, to undersell our own products in our own country and transfer American jobs to foreign soil, to the 16 Marshall-plan nations.

Several European countries favor early devaluation of the pound. Sweden, for example, would like to have the crown cheapened vis-à-vis the dollar. In the event Britain lowers the value of the pound, the kronor reportedly would be reduced commensurately to retain the present relationship with sterling.

The Netherlands also reportedly would find her Benelux Union problems eased if Britain were to revalue and the guilder devalued at the same time.

Sterling area opinion, one observer noted yesterday, may prove an influential force in bringing about sterling devaluation. Attention is called to the meeting of the Dominion finance ministers scheduled for July 8, at which time the whole question could be thrashed out.

The United Kingdom, it is explained, normally has an import surplus in her trade with the world.

British officials have taken the stand that any stimulus to exports from devaluation might well be temporary, or at least very limited because Britain would have to pay more in pounds for her imports.

Reading further in the dispatch:

Another point to be considered, however, is that many nations in the sterling area have large export surpluses in their trade. Prices of their major export products in many instances already have declined materially or a drop is threatened.

The entire plan is ultimately for all European nations to devalue their currencies almost immediately following congressional action on the proposal for the 3-year extension of the 1934 Trade Agreements Act, in order to nullify all trade agreements which we have made with them under the act up to this date—so they can export their products freely to this country.

A lower value for sterling which would be followed or accompanied by devaluation of many or possibly all sterling-area currencies might be strongly backed by governments of some sterling-area countries, because the latter would expect this to improve the marketability of many of their export commodities.

In closing, I call attention to the fact that Mr. Hoffman, the Administrator of the ECA, has urged that the 16 European Marshall-plan countries, ECA countries, or whatever designation one chooses to use, would increase their exports to the United States by 65 percent. I call attention to the effect of such an action on the employment in this country—it is simply moving more American jobs to foreign soil. When they devalue their currencies and increase their exports to the United States by 65 percent, then American workmen have a choice of lowering materially their wage-living standard or joining the unemployed. There is no other answer to it. It is simply lowering the floor under wages. The subject will be fully debated on this floor when the 1934 Trade Agreements Act comes before the Senate for an extension of 3 years. If it is extended, if we are not able to reverse the trend by the adoption of the flexible import fee system as a substitute, then the depression, which is now called a "recession," and which the President's economists insist will be over soon, will develop into one of the greatest depressions this Nation has ever known.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. DONNELL. I ask the Senator whether or not in his judgment the various foreign nations are looking after their own interests, even though those interests may on occasion conflict with those of our own Nation.

Mr. MALONE. There is no doubt whatever about that. I think the Senator will recall the initial debate on the Marshall plan, in March 1947, when all this material came out. At that moment Great Britain had made a trade treaty with Russia, which is available for review in the 1947 RECORD, to ship Russia almost every kind of fabricated material, including tool steel, highly tempered steel, ball bearings, and even 1,100 locomotives, all of which is war material. At that time, both Mr. Wilson, president of the Board of Trade, and Mr. Bevin, both of England, said that they wanted to be neutral. They wanted to be the "bridgehead" between the Communist Government of Russia and the capitalist Government of the United States. In other words, they indicated that they wanted to furnish goods and materials to both sides in the event of another world war.

When we get into the next war they would furnish war materials to both sides.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. MALONE. I yield.

Mr. DONNELL. The Senator is familiar, of course, with the fact that

among the signers of the proposed North Atlantic Treaty is the United Kingdom.

Mr. MALONE. I am fully familiar with that fact.

Mr. DONNELL. I invite the Senator's attention to the article with which I know he is closely familiar, namely, article 2, included in which is this language, referring to the signatories to the treaty:

They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

The Senator recalls that portion of the proposed instrument, does he not?

Mr. MALONE. Yes; I am fully familiar with it.

Mr. DONNELL. I ask the Senator if he recalls that this document was actually signed by the representatives of the various countries, including the representative of the United Kingdom, in Washington on the 4th day of April of this year. The Senator recalls that incident, does he not?

Mr. MALONE. Yes; I recall it very vividly.

Mr. DONNELL. I ask the Senator whether or not he has observed in the press within the past few hours the account of the treaty entered into between Great Britain and Argentina?

Mr. MALONE. I will say to the Senator from Missouri that I have just submitted for the RECORD—and it will appear in the RECORD as a part of my remarks—a dispatch from the Washington Star of yesterday, outlining what the Senior Senator from Georgia [Mr. GEORGE] said in that connection. He stated that if this sort of thing continued it might inconvenience him in arguing for a further extension of the 1934 Trade Agreements Act. Of course it will continue. Other countries throughout the world have such treaties under consideration. An example is the treaty between Czechoslovakia and England, and the 88 trade treaties made with Russia and her satellites by the 16 ECA nations, to which I have previously referred, where we are arming Russia for a third world war through shipping the necessary raw materials and funds to these countries—where they are processed and manufactured and sent on into these areas—it is simply a manufacturing in transit rate.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. MALONE. I yield.

Mr. DONNELL. I hold in my hand a copy of a portion of the Evening Star of Washington of Tuesday, June 28. Possibly this is the same article the Senator was offering for the RECORD. The article is entitled "British-Argentine Pact Hits Reciprocal Trade Policy, Senators Say." It is an Associated Press dispatch.

Mr. MALONE. Yes. I will say to the distinguished Senator from Missouri that that is included at the beginning of my brief remarks.

Mr. DONNELL. I invite especial attention to the opening sentence, which reads:

Senators today describe the British-Argentine trade pact signed yesterday as a heavy blow to this country's reciprocal trade policy.

Mr. MALONE. Yes. The senior Senator from Georgia [Mr. GEORGE] said that.

Mr. DONNELL. I ask the Senator if he has any further comment to make than he has already made with respect to the signature by the various signatories on April 4 to the proposed Atlantic Treaty, in which they agree that—

They will seek to eliminate conflict in their international and economic policies and will encourage economic collaboration between any and all of them.

That document was signed by the United Kingdom, among others. Is there any comment which the Senator thinks appropriate at this time in addition to what he has already said with respect to the British-Argentina trade pact signed day before yesterday by one of the signatories to the North Atlantic Treaty?

Mr. MALONE. I will say to the distinguished Senator from Missouri that it not only conflicts with the trade agreements and arrangements now being made with other nations, but they are openly advocating, as I quoted from a dispatch received today, the continuation of such a policy, even indicating that they will go in as a government and help their own business firms to undersell the markets elsewhere, including our own markets—thus displacing more American jobs.

Let me quote briefly from the nonaggression pact made by Britain with Russia during World War II. It is a 20-year pact. It is still in force, and the only way they can get out of it is at the expiration of the 20-year period, and then it requires 12 months' notice. I quote briefly from article 7 of the nonaggression pact between England and Russia, where it says:

Each high contracting party undertakes not to conclude any alliance and not to take any part in any coalition directed against the other high contracting party.

In the case of Britain, that would mean Russia. The North Atlantic Pact, from which the distinguished Senator from Missouri has quoted, is in direct conflict with their nonaggression pact with Russia. In other words, they have signed a pact with each of us, with Russia and the United States. They are not likely to lose, because in case of any trouble, they have signed with both. France has the same kind of compact with Russia, and is also in direct violation with the Atlantic Pact.

Again referring to the pact between England and Russia, wherein it says that the high contracting parties agree to render one another all possible economic assistance after the war.

I am referring to the 20-year pact, from which they can only be released by giving 12 months' notice after the expiration of the 20-year period, and no effort has yet been made to cancel this obligation to Russia.

Mr. DONNELL. The Senator from Nevada is speaking of the pact between France and Russia; is he not?

Mr. MALONE. Yes, the pact between France and Russia, is practically the same in its wording, as the pact between England and Russia. Molotov signed both pacts, for Russia. In Article 5 of the pact between France and Russia, the agreement says that the high contracting parties undertake not to conclude any alliance and not to take part in any coalition directed against either of the high contracting parties.

Article 5 of the French-Russian pact corresponds almost exactly with article 7 of the British-Russian pact.

Then in article 6 of the French-Russian pact we find the statement that the high contracting parties agree to render each other every possible economic assistance after the war with a view to facilitating and accelerating the reconstruction of both countries.

I call the attention to the distinguished Senator from Missouri to the fact that that is exactly the kind of agreement that they now have signed with us under the North Atlantic Pact. Is not that true?

Mr. DONNELL. I would say that certainly the North Atlantic Pact is one in which it is distinctly agreed that the parties "will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them;" and the signers of the North Atlantic Pact include both France and the United Kingdom, but of course do not include Russia.

Mr. MALONE. But they have previously agreed to do the same thing with Russia.

Mr. DONNELL. I appreciate the point made by the Senator from Nevada.

Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Nevada yield to the Senator from Missouri?

Mr. MALONE. I am glad to yield.

Mr. DONNELL. I wish to refer to the dispatch by the Associated Press, appearing in the Washington Star for yesterday. After referring to a statement by certain Senators that the British-Argentine trade pact is "a heavy blow to this country's political trade policy," the dispatch says:

Publicly and privately, they—

The Senators referred to—

accused Britain of following a policy which tends to choke off the free world trade sought by the United States.

I ask the Senator this question: Assuming the correctness of that observation by the Senators referred to, as recited in the dispatch by the Associated Press, does the Senator from Nevada consider the British-Argentine trade pact in harmony or not in harmony with the contract in the proposed North Atlantic Pact by which the signatories say that—

They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Does the Senator consider the British-Argentine pact, as described in the article in the Star, if the Senators there referred to are correctly quoted, as in harmony or as not in harmony with the proposed North Atlantic Pact which the Senate is asked to ratify soon?

Mr. MALONE. Not only do I consider the British-Argentine Trade Pact contrary to the provisions of the North Atlantic Pact, but I also consider it contrary to and contradictory to all the conditions agreed to as a prelude to the trade agreements made under the 1934 Trade Agreements Act. I consider their actions in this matter and their bilateral treaties to be absolutely contradictory to everything which has been explained to us as the objectives of such pacts and trade treaties by the State Department and by the President of the United States.

Therefore, I say to the Senator from Missouri that to my mind it is unbelievable that the Senate of the United States would consider for a moment extending the 1934 Trade Agreements Act, which is nothing more or less than a platform on which the State Department has erected a selective free trade policy.

Not only that, but now, after a year's trial of the Marshall plan or ECA aid, under which we were—according to the President and the State Department—to develop foreign markets for our workingmen and industries, we now have coming along the great "bold new program" to guarantee our own businessmen and industrialists against confiscation and socialization of their investments in foreign countries all over the world. Under this program not only will the markets which were described so vividly by the supporters of the first Marshall Plan be supplied by them, but through the "free trade" program instigated by the State Department under the 1934 Trade Agreements Act, the products of their foreign factories, constructed by the investments which will be guaranteed by the American taxpayers, products manfactured with low cost European and Asiatic labor, will be shipped directly into the United States, with the result that more and more American jobs will be transferred to foreign soil. It is just as simple as that—use American taxpayers money to transfer American jobs to foreign soil—this is the greatest hoax ever perpetrated upon the workingmen of this Nation. It is incredible.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. DONNELL. Doubtless the Senator recalls that the Secretary of State in his testimony before the Foreign Relations Committee strongly advocated our adherence to the North Atlantic Pact. Does the Senator recall that?

Mr. MALONE. I do recall it.

Mr. DONNELL. In view of that, I ask the Senator whether he notes with some apprehension and concern the fact that in the Associated Press dispatch appearing in the Washington Star it is stated that—

The pact—

That is, the British-Argentine Pact—

binding Britain and Argentina to do most of their trading with each other over the next 5 years was signed in Buenos Aires.

"SERIOUS SITUATION" SEEN

The State Department—

And I call the Senator's attention to the fact that the reference is to the United States State Department, the one which has urged the ratification of the North Atlantic Pact—

which had vigorously objected to such a deal, made the best of it yesterday and issued a toned-down statement expressing gratification that "substantially more flexibility" had been written into the agreement.

In view of the statement by the State Department, on the one hand, advocating that the Senate ratify the North Atlantic Pact, in which the signatories, including the United Kingdom, agree to "seek to eliminate conflict in their international economic policies" and to "encourage economic collaboration between any or all of them," and the present vigorous objection by the same State Department to a pact which, pending the ratification of the North Atlantic Pact, has been entered into between Great Britain and Argentina, does the Senator have any apprehension in his own mind with respect to the North Atlantic Treaty?

Mr. MALONE. Mr. President, I may say to the Senator from Missouri, I not only have apprehension; I think it will sink the United States markets without a trace, and American jobs will be transferred to foreign soil through the three phrase "free trade" program of the State Department. In other words, beginning in March 1947, at the time of the initial debate on the Marshall plan, England had made one of the first trade treaties with Russia in direct violation of her understanding with us. It was made in direct violation of all understandings we were supposed to have had under the 1934 Trade Agreements Act, and under pending cooperative treaties. Britain made the trade treaty with Russia before the initial Marshall plan was passed. I put the trade treaty in the CONGRESSIONAL RECORD at that time, during the course of the debate, and the items to be sent to Russia included "1,100 narrowgage 750-millimeter locomotives; 2,400 flat trucks, 750-millimeter."

We call the latter item "freight cars" in this country.

Mr. DONNELL. Mr. President, if the Senator will pardon me, he is quoting from what?

Mr. MALONE. From the trade treaty made between Great Britain and Russia before we enacted the initial legislation connected with the Marshall plan.

Mr. DONNELL. That treaty is still in effect, is it?

Mr. MALONE. That treaty is still in effect. It was the first of the 88 trade treaties that I quoted on the floor of the Senate, when the action on the second installment of this year's ECA was taken, showing that 16 OEEC countries of eastern Europe had entered into 88 trade treaties with Russia and with countries behind the iron curtain. I submitted four of them for the record. The Public Printer begged off and did not publish the entire 44 trade treaties submitted to him, but did publish 4 of them; 41 of the trade treaties were "restricted" and 3 were highly confidential.

I say again at this point to the Senator from Missouri that any bilateral treaty made is in violation of the spirit of the 1934 Trade Agreements Act, or of the North Atlantic Pact, and should be public property. They should be published by the Public Printer and made available, not only to the Senate of the United States but to every human being in the United States—the whole 150,000,000 of us.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. MALONE. I am happy to yield.

Mr. DONNELL. Is not the importance of such publication, or at least the making available to the public of these treaties, emphasized by the fact that article 8 of the North Atlantic treaty reads:

Each party declares that none of the international engagements now in force between it and any other of the parties or any third state is in conflict with the provisions of this treaty, and undertakes not to enter into any international engagement in conflict with this treaty.

Does not the very existence of that provision of the proposed North Atlantic treaty make it all the more important that they should be fully open for the public and the Senate to know what is in these other international engagements, in force at this time, between signatories to the North Atlantic treaty and other nations?

Mr. MALONE. Mr. President, I may say to the distinguished Senator from Missouri that that is a double clincher, that every action between the 16 Marshall-plan countries that are dependent upon us for the balancing of their budgets—that is what we are doing—making up their trade balances or deficits each year in cash, should be a public record. It is just like sending a boy to school and allowing him $100 a month, and he spends $150. The father merely picks up the check. We all have a dollar shortage if we spend more than we earn or produce. Both England and France have signed nonaggression pacts with Russia, containing practically the same kind of provisions and pledges which they have made with us in the North Atlantic Pact. They have made trade treaties. All of them have made trade treaties with Russia and the countries behind the iron curtain, in direct violation of the spirit of the contracts and agreements they have made with us. So I say to the distinguished Senator from Missouri, I just do not see how any Senator on this floor can consider extending the 1934 Trade Agreements Act in the face of such continual violations—and knowing the effect of the three-phase "free trade" program adopted by the State Department under the act.

Senators know that when tariffs or import fees are lowered to the point where they are below the differential of cost of production between this country and where the foreign competition is located, that the result on the standard of living can only be to substantially lower it. The working men of America then have a choice of lowering their wage-standard of living to make up for it, or they can become unemployed; there is no other alternative and no other choice. The copper miners of America today are unemployed, unless they want to cut their wages about $10 a day, to about $4 a day, in which case they could keep on

working but they could not keep their children in school, and they could not pay their taxes; they could not buy radios and they could not buy enough food. But if they want to work for $4 a day, they can keep the mines open. If they do not want to work for $4 or $5 a day, they can have mass unemployment. It is just as simple as that.

Every action of these countries, every move they make, is exactly contrary to the agreements they make with us.

Mr. DONNELL. Mr. President, will the Senator yield for a final question?

Mr. MALONE. I am very glad to yield.

Mr. DONNELL. The Senator referred to having something inserted in the RECORD. I hand him an article from the Evening Star, and ask if that is the one the Senator placed in the RECORD. If so, I shall not do so. If it is not the same one, I should like to have it printed in the RECORD in full.

Mr. MALONE. Yes; it is the same article.

Mr. DONNELL. I thank the Senator.

## EXTENSION OF AUTHORITY RESPECTING TIN UNDER SECOND DECONTROL ACT

Mr. MAYBANK. Mr. President, I ask unanimous consent for the present consideration of House bill 5044, Order 549 on the calendar, which was discussed yesterday.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 5044) to continue for a temporary period certain powers, authority, and discretion in respect to tin and tin products conferred upon the President by the Second Decontrol Act of 1947, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SALTONSTALL. Mr. President, reserving the right to object, I ask the Senator from South Carolina whether the differences with the Senator from Nebraska and the Senator from Pennsylvania have now been straightened out?

Mr. MAYBANK. I may say to the Senator from Massachusetts that the Senator from Nebraska and myself had a short conference. I also had a short conference with the Senator from Pennsylvania. So far as I know, I believe it is all right.

Mr. SALTONSTALL. I have no objection.

Mr. BUTLER. Mr. President, I objected to the consideration of this bill yesterday, because of some complaint I have had from industries located in the State of Nebraska. The largest single broom-manufacturing plant in the country happens to be located in Nebraska. There are about 1,300 or 1,400 broom-manufacturing plants in the Nation. They use a rather nominal amount of wire in the manufacture of brooms. It is very necessary for them to have what may be called tinned wire if the brooms are to be kept in storage for any length of time, otherwise the wire will rust, and it destroys the merchandise or injures it to a certain extent. During the war we all had to put up with rules, regulations, allocations, and things of that kind, and I think the Nation is perfectly willing to continue any of those rules which may be necessary, even though we are through the shooting part of the war. Personally I do not think the allocation of tin should be continued at all. Even though the entire broom industry in the United States uses only 30 tons of tin, they have had difficulty getting it, despite the fact that there has been a surplus of tin available in the world now for 2 years, and there is an increasing amount of tin production over the requirements predicted for the years ahead.

I visited today those in charge of the administration of the law, and they tell me they are quite confident that their program calls for a gradual tapering off of controls, and that even before the law will expire, if extended another year, they think they will be giving up all rights of allocation and will be dropping the program.

With that understanding, I have deemed it wise for the manufacturers in the broom industry to try to cooperate with the Government agency for another season. Therefore I am withdrawing the objection which I filed yesterday.

I should like to insert in the RECORD at this point a statement on the subject which appears today in the Wall Street Journal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRICE ON TIN—UNITED STATES MAY AGREE TO LET IT STAY HIGH DESPITE RISING WORLD OUTPUT—WOULD HELP BOLIVIA, BRITAIN, EAST INDIES; UNITED STATES TAXPAYER WOULD FOOT THE BILL—26,000,000,000 TIN CANS YEARLY

WASHINGTON.—The American housewife is going to continue subsidizing Bolivia, the Dutch East Indies, and the British Empire when she buys a can of tomatoes. Or a can of soup. Or a can of beans.

The prospect is tied to tin. The United States, which is the world's biggest tin user, mines none itself. But it is considering joining a new world agreement that may keep tin's price not far from the present $1.03 a pound—despite soaring world output and sagging demand. The prewar 1939 price averaged around 50 cents.

Top global producers of tin are Britain's Malaya, the East Indies, and Bolivia. United States State Department officials willing to see tin's price stay high base their attitude on the thought that the British need the help. It's also considered good neighborly toward Bolivia.

### THE BILL PAYERS

The United States consumers who use annually about 64,000 long tons of new tin (excluding that recovered from scrap) will foot the bill. Half of this tin goes into some 26,000,000,000 cans yearly. Some 17,000 tons yearly goes into solder. Much goes into bearings.

Private industry has no control over the metal's price. All tin is bought by the Government through its Reconstruction Finance Corporation. It is distributed by the Commerce Department.

If left to private supply-and-demand buying, say metal men, tin's price would likely tumble—like other nonferrous metals. Big output and declining demand this year has cut the price of lead from 21½ cents a pound to 12 cents. It has cut copper from 23½ cents to 16 cents, and zinc from 17½ cents to 9 cents.

### OUTPUT RISING FAST

World tin output is rising fast. Last year it was around 152,000 long tons. It is expected to jump to 170,000 tons this year—with world-wide demand for only 138,000 tons. The 1950 output is expected to reach 190,000 tons, and 1951 production is estimated at 205,000 tons. Commercial consumption in 1951 is expected to be around 162,000 tons—or 43,000 tons less than supply. These are estimates of the international tin study group, a body representing 14 tin producing and consuming countries, including the United States.

The pattern of present world tin prices is set by the British, the biggest producers. What the United States pays for tin in Bolivia, for example, follows the pace set by what Britain pays her producers in Malaya.

The United States gets tin from all the big producers. Last year she imported 34,000 tons from Malaya, 20,000 tons from Bolivia, over 13,000 tons from the Dutch East Indies—as well as thousands of tons more from minor producers.

The current British-Malayan contract is expiring the end of this month, and a new one is being negotiated. What the new price will be hinges partly on how stiff-backed United States authorities are in demanding reductions.

### A LOT TO PAY

Officials here agree $1.03 is a lot to pay for a pound of metal, especially when indications point to a probable surplus. But they do not think any sizable reduction will come this year.

Some authorities estimate the cost might drop a maximum of 10 percent to around 93 cents a pound. Others guess the price will be closer to $1 a pound. A few are betting on no change at all.

Up to now officials have shown little inclination to slash at the British tin price monopoly by "free market" means—that is by holding off United States purchases until the price drops. They are not using strong indirect pressure, either, such as a threat to withhold Marshall plan aid unless prices are cut. Rather, the United States is taking part in drafting a new international tin plan to control world output and, indirectly, prices.

This scheme is now being worked out under the auspices of the international tin study group. The study group, after meeting in London last week, assigned experts to draft a control agreement and report it, if possible, by next September 30.

The new arrangement would supersede the producers' "cartel" that largely controlled prices (by controlling production) before the war. It would differ from the "cartel" in that tin consumers as well as producers would have some voice in the controls.

### RFC ONLY BUYER

The Federal Government has controlled tin since early in the war, when the Reconstruction Finance Corporation became the sole buyer of the metal for use in this country. The RFC buys not only all the tin consumed by American industry, but also that turned over to the Munitions Board for stock piling. In the last 12 months, RFC has paid out some $180,000,000 for tin.

The Government handles distribution of tin through its allocation powers, under which the Commerce Department parcels out all United States tin supplies to the country's users. This is intended to assure fair distribution and keep stock pilers from bidding against industry for available stocks. Congress is now considering a bill to extend the Government's tin allocation powers another year to June 30, 1950.

State Department reluctance to press for lower tin prices is linked to foreign aid. While direct ECA financing of tin has been less than $2,000,000 to date, the diplomats contend that the dollars paid for tin indirectly help support the economy of the producing countries. Of the Marshall-plan nations, Great Britain gets the most benefit from high tin prices.

POLITICAL REPERCUSSIONS FEARED

State Department aides also point to the good-neighbor country of Bolivia, whose economy is closely geared to the tin industry. They contend that Bolivia's high production costs can't take much of a tin price cut without serious political results. For an example, they point out that recent disturbances at the Patino mines were partly caused by labor demands for higher wages.

Some stock pilers are also fearful of pressing too hard for a price slash.

These officials contend that a drop in prices would lead to a slump in output. They reason: World tin production has nearly doubled since the end of the war because the high price is a strong incentive to producers. Cut this price sharply and there will be less tin for the stock pile.

One Government buyer argues: "If we stopped our purchases tomorrow the price of tin might fall to 75 cents. But in a short time there wouldn't be any left for us to buy.

SURFACE PRODUCTION

He explains that much of the Malayan production is alluvial, or on the surface, rather than in deep mines. This allows producers to suspend operations when they don't think prices are high enough, without incurring heavy expenses in keeping up equipment.

The producing countries themselves, of course, are quick to argue that tin prices should be kept at least at the $1.03 level, perhaps raised a bit. A Bolivian diplomat says that in addition to labor demands for higher pay, producers in his country aren't yet benefiting from price drops of mining equipment purchased in the United States. Producers are still paying for American machinery contracted for prior to the recent price declines in this country, he says.

A British expert contends Far Eastern producers are being pinched by rising labor and equipment costs, as well as the threat of Communist advances in that part of the world. The price incentive is needed to keep output from sagging there, he asserts.

Nevertheless, many Washington authorities think the United States should hold out for at least a 10-percent cut in tin's price. They're faced with declining use of the metal in this country. Latest official figures show American industry used about 12.5 percent less tin in the first 1949 quarter than in the preceding quarter.

Mr. MARTIN. Mr. President, I objected to the consideration of the bill because it affects a number of small industries in Pennsylvania; but I want to cooperate with the Department in every possible way. For that reason I am withdrawing my objection. I should like, however, to impress upon the Senate and upon the Department involved that controls of this kind are making it very difficult to secure materials for the operation of plants. That is another reason for unemployment. Large concerns in the United States are able to come to the Department and procure the things they desire. The smaller industries are unable to do so.

With that statement, Mr. President, I withdraw my objection.

Mr. MAYBANK. Mr. President, I should like to say to the distinguished Senator from Pennsylvania and the distinguished Senator from Nebraska that I am in thorough accord with their ideas regarding the control of any product. I want to assure them of the cooperation of the Banking and Currency Committee in connection with any legislation considered by the Small Business Subcommittee. I appreciate the action of the Senators. My principal interest is because of the situation which exists in Bolivia and which perhaps may become even worse than it is at this time.

Mr. MARTIN. Mr. President, I express my very sincere appreciation of the attitude of the chairman of the Banking and Currency Committee. He has already been very helpful in the matter.

Mr. BRICKER. Mr. President, reserving the right to object, I should like to ask a question of the chairman of the Banking and Currency Committee because I am not fully informed, other than the information I have gained from the testimony on the subject last year, my knowledge of the Government plant in Texas, and the actual sources of supply. Will it be necessary to continue for at least a year the tin program?

Mr. MAYBANK. With the understanding that the program is to be liquidated, according to Mr. Sawyer, as rapidly as possible.

Mr. BRICKER. Even within a year's time?

Mr. MAYBANK. That is correct.

Mr. BRICKER. During the past year, with reference to the matter of increasing allocations for some of the industries in my State, the RFC has been very cooperative. I have read the article which the Senator from Nebraska put into the RECORD a moment ago, which indicates that there may be an effort to maintain high prices, that the prices will be held to approximately $1.03 a pound, and that there is a subsidy to the foreign producers of tin. I think our supply is secured mainly from Bolivia at the present time. That is an indication that the taxpayer and the user of tin will be compelled to pay a higher price because of this arrangement.

I should like to have an explanation, if the Senator has read the article or if he has read an analysis of the testimony in relation to the facts set forth i the article. If not, I should like to ask that the matter go over until tomorrow until he may have time to analyze the facts and give us his opinion.

Mr. MAYBANK. I have asked unanimous consent for the immediate consideration of the bill. I hope the Senator will not insist on waiting until tomorrow.

Mr. BRICKER. Has the Senator seen the article?

Mr. MAYBANK. I have not. There is an investigation going on in connection with the stock piling of materials by the Army and the Navy. It has been ascertained that every advantage will be taken of any price slump.

Mr. BRICKER. There is at this time an oversupply of tin in the world. Production has been increased to the point, according to the article, at which there is a surplus supply in the world, and the amount available to this country is being held down. The Government is concurring in that program in an effort to hold the price up around $1.03.

Mr. MAYBANK. I do not think the Government would try to hold up the price. I think there is a reasonable supply of tin today. The Army and Navy are making a thorough investigation and are endeavoring to get prices down. I might say that some of the articles which are being stock-piled have gone down in price from 10 to 20 percent in many instances. I do not think it is the intention of the Government to hold up the price. I myself would want no part in such a program.

Mr. BRICKER. I wondered if the testimony went into that question.

Mr. MAYBANK. As I remember, the testimony was based upon Secretary Sawyer's letter and the absolute necessity of controlling tin so that the Army and the Navy might stock pile it. The testimony before the Appropriations Committee goes more thoroughly into the matter in connection with the second deficiency bill.

I think the Senator will recall that there was testimony in regard to all stock piling of materials which are rather critical.

Mr. BRICKER. Is it the opinion of the chairman of the committee that the bill will not result in holding up the price, but that the Government, the Department of Commerce particularly, through the RFC, or the RFC acting independently, will attempt to bring the price down to a world-market basis?

Mr. MAYBANK. That is my wish, and I know it is the wish of Secretary Sawyer. I am certain that question will be asked before money is appropriated.

Mr. BRICKER. With that assurance from the chairman of the committee, I shall not object to the immediate consideration of the bill.

Mr. BUTLER. Mr. President, I should like to invite the attention of the chairman of the Banking and Currency Committee to one or two items appearing in the article which has been inserted in the RECORD. The article begins with the following statement:

The American housewife is going to continue subsidizing Bolivia, the Dutch East Indies, and the British Empire when she buys a can of tomatoes. Or a can of soup. Or a can of beans.

It is an interesting article all the way through.

Here is another paragraph:

If left to private supply and demand buying, say metal men, tin's price would likely tumble—like other nonferrous metals. Big output and declining demand this year has cut the price of lead from 21½ cents a pound to 12 cents. It has cut copper from 23½ cents to 16 cents, and zinc from 17½ to 9 cents.

Of course the producers of those articles are not enjoying the game very much, but consumers in the United States, especially the consumers of copper and copper products, are getting some benefit from it.

Mr. MAYBANK. I am in thorough accord with the Senator from Nebraska. I asked question after question in executive sessions of the committee in regard to stock piling critical materials, and in open session on the first and second deficiency bills, to make certain of making a saving to the taxpayers.

Mr. BUTLER. If we are ever going to reach a point at which we can begin to reduce the number of Government employees, we must take advantage of opportunities such as this. I do not

know how many persons are employed in connection with this one item.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. BRICKER. Is it the Senator's judgment that under the program, as outlined by the Department of Commerce, looking toward liquidation, there will be an available surplus of tin in the world market at an early date?

Mr. MAYBANK. Provided the Bolivian situation clears up.

Mr. BRICKER. Is it the opinion of the Senator that there will be no trouble about allocations in the bottling industry, and other businesses?

Mr. MAYBANK. I believe that Secretary of Commerce Sawyer will cooperate in every way possible to help small business. He has told me he would. I did not ask him about the particular question the Senator from Ohio raised, but about the other allocations. As the Senator knows, the Secretary has been reasonable in doing away with allocations.

Mr. BRICKER. That is true, and the RFC has been reasonably satisfactory and fair in the allocations heretofore made, so far as I am concerned.

Mr. LUCAS. Mr. President, the Senator from Ohio raised a very important question just now. In a letter addressed to the Senator from South Carolina, which was called to my attention just now, the Secretary of Commerce, among other things, says this:

> If these powers are granted, it would be my intention to use them only while serious stoppages of production affected our national security and the stock-pile objectives. Controls would be removed as soon after such interruption had ended as this could be done without undue interference with the operations of the industry.

Mr. BRICKER. I thank the Senator from Illinois.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 5044) to continue for a temporary period certain powers, authority, and discretion in respect to tin and tin products conferred upon the President by the Second Decontrol Act of 1947, and for other purposes.

Mr. LUCAS. Mr. President, before the vote is taken on the bill I wish to take this opportunity of thanking Senators on the other side of the aisle who have raised these very important questions, for agreeing not to interpose any objection, and letting the bill go through. I assure them that, so far as I am concerned, I am as anxious as any one else can be to see the controls removed as fast as possible, and I will cooperate with the Senators on the other side in discussing this matter at any time with the Secretary of Commerce, if it comes to the point where they believe something should be done.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

## EXTENSION OF IMPORT CONTROLS ON FATS AND OILS

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 591, House bill 5240, to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils—including butter, and rice and rice products.

The PRESIDING OFFICER. Is there objection?

Mr. SALTONSTALL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hoey | Maybank |
| Baldwin | Holland | Millikin |
| Brewster | Ives | Mundt |
| Bricker | Jenner | Neely |
| Butler | Johnson, Tex. | Pepper |
| Cain | Johnston, S. C. | Reed |
| Capehart | Kefauver | Robertson |
| Chapman | Kerr | Saltonstall |
| Chavez | Kilgore | Schoeppel |
| Donnell | Lodge | Smith, Maine |
| Douglas | Long | Stennis |
| Ferguson | Lucas | Taft |
| Flanders | McCarran | Thomas, Utah |
| Frear | McCarthy | Thye |
| George | McClellan | Watkins |
| Gillette | McFarland | Wherry |
| Green | McKellar | Wiley |
| Gurney | McMahon | Williams |
| Hayden | Magnuson | Young |
| Hendrickson | Malone | |
| Hickenlooper | Martin | |

The PRESIDING OFFICER (Mr. HOLLAND in the chair). A quorum is present.

## TEMPORARY PAY OF EMPLOYEES OF FORMER SENATOR WAGNER

Mr. HAYDEN. Mr. President, I ask unanimous consent to report favorably from the Committee on Rules and Administration Senate Resolution 129 submitted today by the Senator from New York [Mr. IVES] relative to temporary pay for the administrative and clerical assistants appointed by Senator WAGNER.

The PRESIDING OFFICER. Without objection, the report will be received.

Mr. HAYDEN. Mr. President, I now ask unanimous consent for the present consideration of the resolution, and I ask that the resolution be read for the information of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. IVES. Mr. President, reserving the right to object, I withhold my objection until after the resolution is read, so Senators will know what the resolution provides.

The PRESIDING OFFICER. Prior to submission of the unanimous consent for present consideration of the resolution, it will be read for the information of the Senate.

The legislative clerk read the resolution (S. Res. 129), as follows:

*Resolved*, That the administrative and clerical assistants appointed by Senator ROBERT F. WAGNER for service in his office and carried on the Senate pay roll at the time of his resignation from the Senate, shall be continued on such pay roll at their respective salaries for a period not to exceed 60 days, payments therefor to be made from the contingent fund of the Senate.

Mr. IVES. Mr. President, reserving the right to object, I wish to say I have been very glad to offer the resolution, because I think it is the only fair thing to do. I understand it is customary to adopt resolutions of this kind in the case of death, and I daresay there are probably precedents for such resolutions in cases of resignations in the past. I think the resolution should be adopted. The only thing I should like to make sure of is that the new Senator who will come from the State of New York will not be inconvenienced by the particular action proposed to be taken at this time.

Mr. HAYDEN. Not at all This is carrying out the precedents.

Mr. IVES. Very well. Since that is understood, it is all right with me.

Mr. KNOWLAND. Mr. President, reserving the right to object, I wish to say I am fully familiar with the fact that in cases of death of a Senator such action has been customary. I should like the Senator from Arizona to cite an instance in which there has been an allowance made for payment to the office force of a Senator who has resigned.

Mr. HAYDEN. I should say that precedents with respect to death of Senators would furnish precedents for such action as is now proposed, because the circumstances are identical. There is a group of clerical assistants who must clean out the office, dispose of papers, and so on. They cannot be expected to do so without being paid. With the sudden change in their status, they are off the pay roll at this moment.

Mr. KNOWLAND. Of course, there has not been a sudden change. The resignation has been under discussion for a considerable period of time. I hate at this time to object, but I should like the Senator to cite, if it is possible to do so, any cases in the history of the Senate of the United States—and there have been a number of resignations in the Senate—where this procedure has been followed, because what we do here is going to open up a precedent in case of any resignation in the future, and I think we are at least entitled to full information on that score.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. LUCAS. I am informed by reliable authority that we have done it in the past 3 years; once with respect to Senator Austin, when he resigned, and also when Senator Burton resigned to go on the Supreme Court bench.

Mr. KNOWLAND. If the Senator will give me his assurance that such action has been taken previously, I will withhold any objection. Such precedents would amply justify the proposed action.

Mr. HAYDEN. I do not remember the facts with respect to former Senator Burton. I do have a distinct recollection that we did take such action with respect to Senator Austin.

Mr. LUCAS. I have just been informed by reliable authority that that is true. I have not myself checked the information.

Mr. KNOWLAND. I wonder if the Senator can verify that. I shall not hold up action on the matter at this hour, but

can the Senator get the information to which he refers so there can be placed in the RECORD the resolution under which that was done?

Mr. LUCAS. I shall try to have that information furnished for the RECORD.

The PRESIDING OFFICER. If the Senate will permit, the Chair wishes to say that he is advised by the Parliamentarian that identical action was taken, by Senate Resolution 302, at the time of the resignation of Senator Austin of Vermont.

Is there objection to the immediate consideration of the resolution?

Mr. DONNELL. Mr. President, reserving the right to object, may I inquire if either the Senator from Arizona or the Senator from Illinois could enlighten me as to what will be the status of the office force as it shall continue? To illustrate, some inquiry may come in from New York to that office. For whom does the person who responds speak or write, or how is it determined who shall make the response? In other words, what is the real status of those employees?

Mr. IVES. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. IVES. The Senator from New York would like to point out that from some slight experience, since having been in the Senate, I believe a large share of that mail will very likely land in the office of the present Senator from New York.

Mr. HAYDEN. That may be true, but undoubtedly the administrative assistant of Senator WAGNER would reply saying, "Your letter has been received," and telling what disposition was made of it, and sign her name to it. That is all there would be to it.

Mr. DONNELL. There would be no actual official status whatsoever?

Mr. HAYDEN. No.

Mr. LUCAS. There could not be. The only thing the executive assistant could do would be to follow the suggestion of the Senator from Arizona and make reply, advising the constituent who wrote the letter of the fact that Senator WAGNER had resigned upon such and such a date, and was no longer connected with the Federal Government in any capacity.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. BRICKER. Mr. President, reserving the right to object, I will say to the distinguished Senator from California [Mr. KNOWLAND] that in the case of the resignation of Senator Burton, according to the information I have in my office—and I have the same secretary whom he employed—the employees of his office were given 30 days' salary after his resignation.

Mr. GEORGE. Mr. President, I rise to inquire whether in the case of a resignation we have ever paid salaries for 60 days, which is what the resolution calls for. In case of another appointment, it is clear that there would be an obvious duplication of salaries for that length of time. I should like to have the information. In the absence of the information, I shall ask that the resolution go over until tomorrow, so that I may find out whether we have ever paid salaries for 60 days in the case of any resignation.

The PRESIDING OFFICER. The Chair will state for the information of the Senate that the brief description of the resolution stated in the list of resolutions on the desk does not give that information. It will require a few minutes to develop the information.

Mr. GEORGE. I ask that the resolution go over.

The PRESIDING OFFICER. The resolution will go over.

## AUTHORITY TO SIGN BILLS

Mr. LUCAS. Mr. President, I ask unanimous consent that during the recess following today's session the Vice President be authorized to sign bills found to be truly enrolled.

The PRESIDING OFFICER. Without objection, it is so ordered.

## EXTENSION OF IMPORT CONTROLS ON FATS AND OILS

The PRESIDING OFFICER. There is pending a unanimous-consent request by the Senator from Illinois [Mr. DOUGLAS] for the present consideration of House bill 5240, which will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5240) to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products.

Mr. SALTONSTALL. Mr. President, reserving the right to object to the unanimous-consent request for consideration of the bill relative to fats and oils, sitting for the moment in the seat of the minority leader, I suggested the absence of a quorum, because I understood that the report of the committee was not unanimous. I note the presence in the Chamber of the Senator who, I believe was in the minority in the committee. Personally I do not object to the consideration of the bill, unless there is objection on this side of the aisle.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 5240?

Mr. BRICKER. Mr. President, I object.

Mr. DOUGLAS. Mr. President, the reason for this bill is approximately as follows:

During the war, in order to free ourselves from the high prices which the Argentine Republic was going to charge us for flaxseed and for linseed oil, and also to stimulate war production, a high guaranteed price was fixed on the production of American linseed, at approximately $6 a bushel. This resulted in a large production of flaxseed, particularly in the Northwestern States—so great a production that at the prices which the Government supported the private domestic market was unable to absorb the full quantities produced.

In order to absorb the product and maintain the price, the Commodity Credit Corporation has been purchasing flaxseed and also linseed oil. I understand that it now has in stock approximately 20,000,000 bushels of flaxseed and 345,000,000 pounds of linseed oil, which is the rough equivalent of 17,000,000 more bushels of flaxseed. So it has in storage the equivalent of 37,000,000 bushels of flaxseed, whether in flaxseed or linseed oil. It has reduced the price for this year's crop from $6 to $3.99.

The import controls upon flaxseed expire at midnight tomorrow night. The Department of Agriculture states that producers in the Argentine would be able to lay down linseed oil in New York at 10 cents a pound, in comparison with the cost to the Government of 27½ cents a pound, and that, therefore, were the Argentine price to become the world price and were we forced to dispose of our storage of flaxseed and linseed oil, the Commodity Credit Corporation would face a maximum loss of more than $120,000,000.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MAYBANK. The farmers in Minnesota, the Dakotas, and elsewhere planted flax during the war and changed their acreage to flax because the Government asked them to do so.

Mr. DOUGLAS. That is correct.

Mr. MAYBANK. The farmers would also be great sufferers.

Mr. DOUGLAS. That is correct.

Mr. THYE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. THYE. The only reason why the high price support was agreed to a year ago by the Department of Agriculture in connection with flax production was to get an increase in flax production because of the great shortage of flaxseed and linseed oil in the United States and the extremely high price which the processor was compelled to charge for the oil. Other available oils in the world were held at extremely high prices, and consequently this country could not supply the linseed oil necessary for paints. So the $6-a-bushel support price was announced at a time when we were crying for increased production.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MAYBANK. Does not the Senator from Minnesota feel that this is almost a Government obligation, because of what was told the people of Minnesota and other States in the Northwest with regard to planting flax and the Commodity Credit Corporation taking it over?

Mr. THYE. That is absolutely true. The Government is under a moral obligation to protect those who purchased flaxseed last fall at $6 a bushel, and who now have it as a part of their inventory. Moreover, the Commodity Credit Corporation has on hand a huge supply which it was compelled to purchase at $6 a bushel in order to keep faith with its obligation to see that the producers would get $6 a bushel for flaxseed.

In the event the Congress does not carry through and give some protection, we are not only going to break some who have high inventories of linseed oil at extremely high prices, but we are likewise going to break some who have in their inventories related oils, such as soybean oil. Furthermore, the Commodity

Credit Corporation has the equivalent of 37,000,000 bushels of flaxseed, or the amount of 345,000,000 pounds of linseed oil on hand. If the Commodity Credit Corporation is thrown into competition with imported oil, it will suffer a loss of between $120,000,000 and $150,000,000 on the supply which it has in storage, and our own processors of linseed oil, who have this high-priced oil on hand awaiting orders from paint processors, are going to be broken. If the Congress fails to extend these oil controls for at least another year, we shall not only break faith but we shall jeopardize every creamery in the United States, because this matter affects butterfat prices as well as the prices of flaxseed and soybean oil.

Again I say, I heartily support the junior Senator from Illinois [Mr. DOUGLAS] in his plea that the Congress extend the fat and oil controls for another year.

Mr. STENNIS. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield for a question.

Mr. STENNIS. I should like to ask the Senator from Illinois whether the act to which he refers is broad enough to cover tung oil?

Mr. DOUGLAS. We have telephoned the Department of Agriculture on that point. They say it includes tung oil, but no import licenses are at the moment required for its importation.

Mr. STENNIS. But tung oil is included?

Mr. DOUGLAS. That is correct.

Mr. President, I should like to say that if the import controls are not extended, what we may likely face will be a large importation of flaxseed and linseed oil from the Argentine, which will be sold on the domestic market, and by itself will cause a price break. However, the Government has guaranteed a price of $3.99 a bushel for flaxseed. Therefore, in order to maintain that price, the Government will be compelled to go into the domestic market and buy increased quantities of domestic flaxseed. So, in effect, the more flaxseed and linseed oil that come into the United States from the Argentine, the greater will be the volume of purchases the Commodity Credit Corporation will have to make in order to maintain the price, and therefore the greater will be the loss which the Federal Government will sustain. In other words, we shall almost be pegging the world price of flaxseed and linseed oil—in the case of flaxseed, at $3.99 a bushel.

This measure is a means of temporarily shutting off imports, in the hope that in the next year the United States Government will be able to work off the surplus stocks it now has. Of course there is no guaranty that it will be able to do so, but at least this measure will give the Government time in which to try.

Mr. CAPEHART. Mr. President, if my information is correct, if this act is not extended, the possible cost to the Federal Government will be between $150,000,000 and $200,000,000, because it is anticipated that Argentina will ship to the United States linseed oil at 10 cents a pound. Of course, this is but another example of how the so-called planned economy has failed to work. In this case, oils will be shipped to the United States from foreign countries, thus reducing the price in the United States by no one knows how much. However, it is anticipated that it will cost the Federal Government between $150,000,000 and $200,000,000, if this measure is not extended for possibly another year. I repeat that this is another case showing how a planned economy fails to work.



LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, I think I should make a further announcement: If on tomorrow the Senate concludes action on the unfinished business, the national labor bill, a motion will be made to take up the North Atlantic Pact, and it will be made the unfinished business.

Of course, as I have said before, on Friday we shall take a recess until the following Tuesday.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. DONNELL. Do I correctly understand that debate on the North Atlantic Pact will not begin tomorrow?

Mr. LUCAS. No; we shall merely take it up then, and then on Friday take a recess until Tuesday, to proceed with it at that time.

I may say that some very important appropriation bills will be coming along, and probably we shall have to obtain unanimous consent temporarily to lay aside the North Atlantic Pact, in order to consider those appropriation bills next week.

Mr. DONNELL. I thank the Senator.

NATIONAL LABOR RELATIONS ACT OF 1949

The Senate resumed the consideration of the bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes.

Mr. BALDWIN. Mr. President, last January, when we were discussing the hearings in connection with amendments to the Taft-Hartley law, the distinguished junior Senator from Oregon [Mr. MORSE] had this to say:

Mr. MORSE. Mr. President, I wish to say to the Senator from Florida that in my judgment the arguments he made against the Taft-Hartley law at the time when the fight against the bill was occurring on the floor of the Senate, were sound. I joined with him then in those arguments. I join with him now in those arguments. But I say to the Senator from Florida that the way to get good legislation is not to follow the procedural course which the Senator from Florida is primarily responsible for in this matter. I say that because the Senator's procedure is going to result in a fight here on the floor of the Senate, resulting in an attempt to write a piece of labor legislation on the floor of the Senate. We cannot write good labor legislation here on the floor of the Senate, Mr. President. So I do not propose to let the Senator from Florida "get by," so far as American labor is concerned, with any representation that the committee procedure for which he, up to this hour, is chiefly responsible insofar as the handling of labor legislation in the Eighty-first Congress is concerned, meets the best interest of American labor. I say to American labor here and now that the weeks immediately ahead will demonstrate that the course of action for which the Senator from Florida is responsible constitutes a great disservice to American labor. I hope we can persuade the Democrats in committee meetings to change the timetable they have adopted so that we can have fair hearings on this issue of labor legislation. Whether I am right or wrong depends on whether or not we are going to consider the problems, issue by issue, which must be taken up in order to have a fair piece of labor legislation passed by this Congress. Mr. President, we cannot possibly have fair consideration of the issues I wish to raise here this afternoon by any such timetable as that which the Senator from Florida has been able to get the Committee on Labor and Public Welfare to adopt.

At that time we were discussing how long a time would be devoted to the hearings on the proposed amendments to the Taft-Hartley Act. I remember that afterward, when the committee made its report, the Senator from Oregon made substantially the same statement, namely, to the effect that we were going to have to write labor legislation right here on the floor of the Senate. Mr. President, he was a better prophet than even he thought he was at that particular time.

It is a matter of keen regret to the junior Senator from Connecticut that we have to vote on the proposed Taft substitute tomorrow at 2 o'clock. It seems to me that the proposed Taft substitute represents the very sincere and earnest efforts of the minority members of the Committee on Labor and Public Welfare. The Senate will recall that at the time of the earlier proceedings, a part of which I have read from the RECORD, we had under discussion the question of how much time would be devoted to the hearings. The position of the majority party in the Senate at that time was, that since there had been a mandate in the election of 1948, very little if any time should be given to hearings in the matter of amendments to the Taft-Hartley Act, that it should be repealed in toto, and that no time should be spent on hearings. After considerable discussion and argument, the timetable was advanced and there were extended hearings.

Thereafter, as I recall, after the close of the hearings, the committee adjourned for a week, and then met, for what at least the minority members supposed was going to be an opportunity to consider amendments offered by the minority, or offered by any member of the committee. What happened, Mr. President? I think it is well to recall it at this time, because it is responsible for the dilemma in which we now find ourselves. What happened was that the committee met, and the majority of the committee voted to report, without any consideration in executive session whatever, the Thomas-Lesinski bill, or Thomas bill. After extended hearings, at which there was a great deal of testimony taken, and after earnest efforts on the part of the minority members of the Committee on Labor and Public Welfare to secure an opportunity to suggest amendments, the Thomas bill was

reported exactly as it had been introduced, as the junior Senator from Connecticut remembers. It was at that particular time that again the junior Senator from Oregon pointed out the fact that what we were going to have to do was to write labor legislation on the floor of the Senate or else repeal the Taft-Hartley Act outright.

There were some things in the Taft-Hartley Act which experience proved worked beneficially and well. There were other things in the Taft-Hartley Act which did not work so well. Those who drew the act foresaw that possibility, and provided a study committee to examine the operation of the act, to submit reports, and to recommend proposed changes.

Apparently the work of that committee, apparently the work of the minority, has gone practically for naught. As a result of the decision here today, by unanimous consent, that we are to vote tomorrow at 2 o'clock on the question of whether or not we adopt in a single package the proposed Taft substitute, the matter has already been decided.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BALDWIN. I am glad to yield.

Mr. TAFT. I think the statement that the work of the minority went for naught is not true. As soon as the action was taken by the majority, I called a meeting of all the minority members who had voted against the action of the committee. We spent weeks in working on a bill, with the assistance and advice of the counsel who had been the counsel for the joint committee, and who is now one of the experts on the committee itself. We went through all the evidence, we went through all the objections. We proposed, as the Senator knows, some 28 amendments to the Taft-Hartley law. So the pending amendment is, in effect, a report of a committee which considered the bill far more carefully than the majority of the committee considered the Thomas bill. I think it is wrong for us to say that the work of the minority went for naught, because what has now been offered is a carefully considered bill which deals with practically all the substantial objections made in the committee, on the evidence, and it is in effect a report of the minority of three of the Republican members. The other two sat in, joined in some things but not in all, and therefore these amendments or this substitute has had exactly the consideration which any bill gets from a committee of the Senate. I am sure those who had considered it for many months last year and many months this year heard the evidence and had the best advice.

Mr. BALDWIN. Mr. President, I may say I probably did not make myself clear. What I meant to say, and the thought I meant to convey, was that so far as the bill reported by the committee was concerned, the efforts of the minority really went for naught, because not a single one of its suggestions was included in that bill. That bill was introduced into the Senate, was referred to the committee, extended hearings were held, and it was then reported to the Senate as though no hearings had been held, and as though no executive consideration was ever given to the bill.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Missouri?

Mr. BALDWIN. May I add one thing before I yield?

Mr. DONNELL. Certainly.

Mr. BALDWIN. I may say, Mr. President, that we are in precisely the situation the junior Senator from Oregon at the time predicted we would be in, of trying to write on the floor of the Senate a very comprehensive labor bill. It is a matter of keen regret to the junior Senator from Connecticut that we are going to have to vote on the Taft substitute tomorrow, because there are several amendments which the junior Senator from Connecticut would like to have had presented and would like to have had discussed at great length. The junior Senator from New York had a number of amendments that he intended to propose, and a number of other amendments have already been put into the Thomas-Lesinski bill, to which the Republican ranking member of the committee has agreed. However, there are some of the provisions in his substitute which would change the amendments which have already been agreed upon. So, Mr. President, it seems to the junior Senator from Connecticut that we find ourselves in considerable confusion, at least the junior Senator from Connecticut finds himself in some confusion, as to just where we are, and he believes that the forecast of the junior Senator from Oregon was correct. We have tried to write on the floor of the Senate a labor bill, to good effect and good purpose it seems to me, insofar as we have gone. I now yield to the Senator from Missouri.

Mr. DONNELL. If the Senator will permit, I should like to note at this time the fact, supplementing what the Senator from Ohio has stated, that on May 4 there was ordered to be printed a copy of the minority views, joined in by three of the minority, to which is appended a statement by a fourth member of the minority. The minority views, so expressed, embrace more than 90 pages of printed matter. Therefore, I think it is true, as the Senator from Ohio has said, that not only has the amendment been prepared, but somewhat extensive minority views were the outcome of the work of the members of the minority, following the treatment of the subject by the committee itself.

I should like to have the RECORD show that the report to which I refer is report 99, part 2, Eighty-first Congress.

Mr. BALDWIN. I agree heartily with what the distinguished Senator from Missouri has said, and I make the point again that it is too bad that the committee as a whole in executive session could not have had the advantage of this very extensive work.

Mr. DONNELL. I thoroughly agree with the Senator.

Mr. BALDWIN. It seems to me we have departed from what should be the normal, proper procedure in the drafting of a bill.

Mr. TAFT. Mr. President, will the Senator yield to me for the purpose of making a parliamentary inquiry on the subject of amendments?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Ohio?

Mr. BALDWIN. I yield.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. May amendments to the substitute be offered tomorrow, prior to 2 o'clock?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that if Senators who have control of the time yield time to Senators who wish to offer amendments to the Taft substitute, they will be in order.

Mr. TAFT. Then, Mr. President, I should like to make the statement that I shall yield such time to any Senator who is not able to prepare his amendment this evening and who desires to offer it before 2 o'clock tomorrow.

I wish to assure the Senator from Connecticut that no amendment is being shut out. I sympathize with the Senator's statement that the time for debate was limited. That was only because I hoped that we would get 10 minutes after 2 o'clock. I am sorry that the time is so short, but that was the unanimous-consent request made. Of course, the Senator could have objected, as I might have. But so far as the offering of amendments is concerned, any amendments which the Senator wishes to offer may be offered tomorrow before 2 o'clock. Some of them may be entirely acceptable to the authors of the substitute.

Mr. BALDWIN. I thank the Senator from Ohio for making the parliamentary inquiry, which is substantially the point I had intended to make myself; so that I have the answer to my question, without having propounded the question myself.

I should like at this time to offer two amendments to the Taft substitute, one in behalf of myself, the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Vermont [Mr. FLANDERS]; the other simply in behalf of myself. I may say for the benefit of the RECORD that the first amendment which I am offering is the one that strikes out on page 41 subsection (b) of section 14, lines 16 to 20, inclusive.

The effect of that, Mr. President, would be to strike out the provision of the Taft substitute which gives precedence to State laws affecting labor-management relationships where they are at variance with the provisions of this particular bill. My purpose is simply this: If we are to have labor-management legislation which affects the United States as a whole, then it should affect it equally and fairly. It does not seem to me that one State should be in a position to make the claim that in its particular area it is more difficult to organize labor unions, that the labor provisions there are more stringent, and consequently, wages may be lower. That sort of an argument is sometimes used to induce industry to move from one part of the country to another.

Therefore I make that simple explanation of the amendment.

The other amendment would strike out on page 18 subsection (c), line 18, the words "or set aside any election."

The purpose of the amendment is to keep the Aiken-Douglas amendment in reference to free speech as it has already been approved by the Senate. The substitute offered by the Senator from Ohio changes that particular provision in the respect which I have explained. It is the purpose of this particular amendment to leave the provision as it has already been adopted by the Senate. I may say that in offering the amendment, I do not wish to be critical of any particular State.

The PRESIDING OFFICER. Does the Senator wish to offer one of these amendments and simply send forward the other to be printed or lie upon the table?

Mr. BALDWIN. I should like to have both of them printed so that they may be considered tomorrow.

The PRESIDING OFFICER. Which one of the two amendments does the Senator wish to offer at this time?

Mr. BALDWIN. The one in which I am joined by the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Vermont [Mr. FLANDERS].

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 41 it is proposed to strike out subsection (b) of section 14, lines 16 to 20, inclusive.

The PRESIDING OFFICER. Does the Senator wish to have the other amendment printed and lie on the table?

Mr. BALDWIN. I do, Mr. President.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. BALDWIN. In offering the amendment I do not want to appear critical of any State. As a matter of policy I have tried in all my public life to give as much power and authority to the State and the State government as it was possible to give. I mean by that, that I consistently stood for that policy. However, it seemed to me that when we are dealing with labor-management relationships as they concern goods and products which pass in interstate commerce, the whole United States must be given power. A labor organization should have the same opportunity to organize and conduct its business in one part of the country as it has in another part of the country. Employers in one part of the country should be able to carry on their business, insofar as it affects labor-management relationships, and as it concerns goods flowing in interstate commerce, the same as in any other part of the country.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. SALTONSTALL. I should like to state that I joined with the Senator from Connecticut in this amendment for the reasons he has so ably stated.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield to the Senator from Florida.

Mr. PEPPER. I am sorry, but I did not understand what the amendment of the able Senator from Connecticut is. Would the Senator be kind enough to repeat the purpose of it?

Mr. BALDWIN. The first amendment strikes out of the Taft substitute the provision giving precedence to State laws relating to labor-management relationships.

Mr. PEPPER. In other words, if the Senator will yield further, am I correct in surmising that the amendment offered by the Senator from Connecticut would restore the provision of the Thomas-Lesinski bill on that subject, if it should be adopted?

Mr. BALDWIN. Yes.

Mr. PEPPER. Then I wish to say that I should like to commend the Senator for his position, and I shall strongly support it.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. LUCAS. Is the Senator certain that that is what his amendment would do?

Mr. BALDWIN. That is my off-hand opinion. I am not thoroughly familiar with the bill to which the Senator from Florida referred.

Mr. LUCAS. Will the Senator explain how his amendment affects the closed shop?

Mr. BALDWIN. It does not affect it at all.

Mr. LUCAS. How does it affect the open shop in States which have the open shop?

Mr. BALDWIN. This particular amendment has the effect of requiring that, insofar as their effectiveness is concerned, the provisions of the National Labor Relations Act shall be uniform throughout the United States; that is, no State can pass a law which will take precedence over a national law in labor-management relationships as applied to goods flowing in interstate commerce.

Mr. LUCAS. Let us assume that a State has the open shop at the present time. The Senator's amendment would not affect that situation at all?

Mr. BALDWIN. No, it would not.

Mr. LUCAS. I think that is what the Senator from Florida had in mind.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. BALDWIN. I yield.

Mr. PEPPER. I had not had an opportunity to read the amendment and that is why I inquired what its effect would be. I am afraid, unless I am incorrectly informed, that other provisions in the Taft substitute might counteract it.

Mr. BALDWIN. I am not a member of the committee, and such study as I have made of the subject I have had to make in connection with work I have had to do on my own committee. But, as I understand, there are in the substitute pending before the Senate two provisions which affect the effectiveness of labor-management relationships. One is the provision on page 41 of the substitute offered by the Senator from Ohio, which provides:

> Nothing in this act shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. PEPPER. It seems to me, unless I am in error, that the Taft substitute is a little inconsistent and contradictory. It would deny a State, by constitutional amendment or statutory provision, the right to have the closed shop, but would forbid a State from having a closed shop by the prohibition against the closed shop in the Taft substitute. So it would seem to me that the Taft substitute is a sort of "heads I win, tails you lose" proposition for labor. If a State is more liberal than is Congress, then the Taft substitute would prevail, but if the State is more severe upon labor than is the Congress, the Taft substitute makes the State law the prevailing policy. It seems to me it is weighted against labor. If we are to give the State the prerogative to have an open shop, we should also give it the prerogative to have a closed shop if it so desires.

Mr. BALDWIN. It seems to me the amendment I have offered does not make it possible for States to pass more stringent labor legislation and have it take precedence over national law.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. LUCAS. I should like to ask the Senator if it is not a fact that the amendment, insofar as the closed shop is concerned, is not effective at all? I do not see much merit in the amendment offered; but if the Senator's amendment really does what he says he wants to do, which is to put the closed shop in the same situation as it is in the Thomas bill, that is something else. I think that overnight the Senator should examine the amendment very carefully, because I seriously doubt if at the present time the amendment does anything with respect to the closed shop as we now find it in the Taft substitute, and so far as I am concerned, that is the important matter.

Mr. THYE. Mr. President, will the Senator from Connecticut yield?

Mr. BALDWIN. I yield to the Senator from Minnesota.

Mr. THYE. The purpose of the Senator's amendment is to make sure that State laws are not inconsistent with the Federal statute.

Mr. BALDWIN. That is primarily the purpose of the amendment. I will ask the Senator to address his question to the chairman of the committee, the Senator from Utah [Mr. THOMAS].

Mr. THYE. The Senator from Connecticut in his amendment is endeavoring to provide that State laws cannot be inconsistent with the Federal statute, if his amendment shall be agreed to.

Mr. BALDWIN. Insofar as closed shops are concerned.

Mr. THOMAS of Utah. In answer to the question of the Senator from Minnesota, I may say that if the desire is to include the question of union organization, the closed shop, or the open shop, the Senator from Connecticut will have

to make his amendment broader than he has made it. I think what the Senator has provided would take care of uniform treatment before the National Labor Relations Board of cases which are there. They would be treated on the Federal level instead of the State level. But the Senator must make his amendment broader if he expects to make the Federal law controlling over any State law in regard to union organization, the open shop, for example. For instance, in the State of Arizona there is a constitutional provision which guarantees the open shop. The Senator will have to make his amendment sufficiently broad so that in so many words it will provide, "Notwithstanding the law in any State, this shall be the law."

Mr. BUTLER. Mr. President, will the Senator from Connecticut yield?

Mr. BALDWIN. I yield.

Mr. BUTLER. In the State of Nebraska we have a constitutional provision prohibiting the closed shop. What effect would the adoption of the Senator's amendment have on that situation?

Mr. BALDWIN. I hope that the adoption of my amendment would make the laws with reference to the closed shop, as they are involved in interstate commerce, uniform throughout the United States.

Mr. BUTLER. I think there has been a Supreme Court decision upholding the Nebraska law.

Mr. LUCAS. Mr. President, before I make a motion for a recess, I wish to say to the Senator from Connecticut that I sincerely hope he will examine his amendment overnight carefully with a view to attempting to accomplish exactly what we hope to accomplish through the Thomas bill. I assure him that if he will do that, there will be a good deal of support for that kind of an amendment, because I do not believe there should be an open invitation by certain States to industries in other States which are not affected by a law of this kind to come to a State where labor is, we will say, cheap, or the open shop prevails, and give them a tremendous advantage by enabling them to say to industries in Connecticut, for example, "Come to my State and open up an industry here," or "Come to Illinois and open up an industry here." I think from that angle, as well as from the standpoint in which labor is vitally interested, namely, having the law uniform throughout the Nation, the Senator can get much support for his amendment if it does what I think it should do, and what I think the Senator from Connecticut is really seeking to do.

Mr. BALDWIN. I am glad to have the statement and advice of the Senator from Illinois, and I should like to know, as a parliamentary inquiry, whether or not it would be possible for me to perfect the amendment tomorrow.

The PRESIDING OFFICER. Prior to any action by the Senate on this particular amendment to the Taft substitute the Senator may at his will modify his amendment.

Mr. BALDWIN. I thank the Presiding Officer.

## RECESS

Mr. LUCAS. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 7 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 30, 1949, at 12 o'clock meridian.

## NOMINATIONS

Executive nominations received by the Senate June 29 (legislative day of June 2), 1949:

### APPOINTMENTS IN THE REGULAR ARMY

The following-named persons for appointment in the Regular Army of the United States in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), and Public Law 36, Eightieth Congress:

*To be majors*

Thomas Horwitz, MC, [redacted].
Andres I. Karstens, MC, [redacted].
Richard D. Martin, MC, [redacted].
Frank J. Vita, MC, [redacted]

*To be captains*

William F. Andrew, MC, [redacted].
Robert P. Brock, MC, [redacted]
Coursen B. Conklin, Jr., MC [redacted].
Jay T. Estep, DC, [redacted]
John P. Griffith, Jr., MC, [redacted].
Jack H. Hall, MC, [redacted].
William C. Hollifield, MC, [redacted].
Wilbur L. Kenoyer, MC, [redacted].
Fred Schneider, DC, [redacted].
John A. Sheedy, MC, [redacted].
Alfred G. Siege, MC, [redacted]
Julius C. Sozanski, MC, [redacted].
Travis J. Towson, Jr., MC, [redacted].
William R. Willis, MC, [redacted].

*To be first lieutenants*

William S. Allerton, MC.
William F. Barry, Jr., MC, [redacted].
John F. Benson, MC.
Charles B. Bingham, DC, [redacted].
Richard C. Bodie, MC, [redacted].
Eugene F. Bolliger, MC.
Thaddeus W. Cap, MC, [redacted].
Morton B. Carlton, MC, [redacted].
Robert A. Chase, MC.
James W. Clark, DC, [redacted].
Robert N. Class, MC, [redacted].
Glen E. Cooley, MC.
Clem C. Crossland, Jr., MC [redacted].
Estill N. Deitz, MC, [redacted].
Joseph W. Dennis, MC.
Gordon C. Dieterich, MC.
Toby Freedman, MC.
Evan R. Goltra, MC.
Clarence E. Goodman, Jr., JAGC, [redacted].
Russell E. Graf, MC, [redacted].
Oscar Green, MC.
Howard E. Hall, MC.
John P. Heard, MC.
Charles G. Hermann, MC.
Eugene A. Hildreth, Jr., MC.
Samuel R. Hill, Jr., MC.
Woods A. Howard, MC.
Herbert J. Jacobs, MC, [redacted].
Sidney B. Kern, MC.
William B. Kingsley, MC.
Kenneth A. Kooi, MC.
George M. Lane, MC,
Samuel Lee, MC, [redacted].
David H. Lewis, MC.
Jack B. Lowery, MC, [redacted].
Edward A. Lundberg, MC.
William K. McClelland, MC.
John M. McCoy, MC.
William F. Mac Gillivray, MC.
John W. Mason, MC.
Thomas F. Morrow, MC, [redacted].
Jack P. Myers, MC.
Robert P. Natelson, MC.
Loren E. Nelson, MC.
Charles T. Pinney, MC.
Forrest W. Pitts, MC.
Raymond R. Ross, MC.
Aloysius I. Rowan, Jr., MC, [redacted].
Myron E. Rubnitz, MC.
Howard P. Sawyer, Jr., MC.
John J. Schwab, MC.
Robert D. Story, MC.
Daniel M. Taylor, MC.
Harold N. Taylor, MC.
Roy S. Temeles, MC.
Charles W. Thacker, MC.
Kenneth E. Trimmer, MC.
Richard E. Troy, MC.
Richard C. Turrell, MC.
Edward F. Vastola, MC.
Calvin J. Wegner, MC.
Mortimer L. Williams, MC.
Donald N. Vivian, MC, [redacted].
Norman B. Yourish, MC.

*To be second lieutenants*

John C. Rennie, MSC.
Gloria E. Saffield, ANC, [redacted].
Margaret M. Shea, ANC, [redacted].

The following-named persons, subject to completion of internship, for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Wilmer C. Betts.
Richard K. Blaisdell, [redacted].
Richard S. Buker, Jr., [redacted].
Joseph V. Conroy, Jr., [redacted].
Richard H. Cote, [redacted].
Arthur N. Dadirrian, [redacted].
Crowell T. Daniel, Jr., [redacted].
Theodore P. Froehlke, [redacted].
Robert D. Gamble, [redacted].
Clifford P. Goplerud, [redacted].
John N. Gordon, [redacted].
Moses M. Hartman, [redacted].
Ervin A. Kjenaas, [redacted].
George H. Klumpner.
Leonard D. McLin, [redacted].
John A. Moncrief, [redacted].
Charles R. Montz, [redacted]
Charles H. Moore, [redacted].
Vol K. Philips, [redacted].
Francis T. Rafferty.
Roberto C. Rodriguez, [redacted].
Jasper L. Van Avery, Jr., [redacted]
Louis J. West, [redacted].

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

John E. Bell.
Phillip L. Mallory.
John L. Payne, Jr.
James M. Van Hook.
Fred W. Wilmot, [redacted].

## CONFIRMATIONS

Executive nominations confirmed by the Senate June 29 (legislative day of June 2), 1949:

### UNITED STATES AIR FORCE

### APPOINTMENTS IN THE UNITED STATES AIR FORCE

The following-named distinguished aviation cadets, who are scheduled to complete their aviation cadet training on July 1, 1949, for appointment in the United States Air Force in the grade of second lieutenant, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of

section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

| | |
|---|---|
| Robert E. Ainslie | Richard W. Hagauer |
| James H. Amos | William R. Hale |
| Charles F. Anderson | David R. Harston |
| Thomas J. Carpenter | Edward Hilliding |
| Don L. Casselman | Charles R. Knoche |
| Thomas W. Chambers | Walter B. Lull |
| Edmund G. Chartier | Robert W. Marden |
| Talmage W. Cobb | Donald L. Nangle |
| Arthur B. Crawford | Robert F. O'Brien |
| Raymond C. Dodson | Joe J. Rhiley |
| Joseph J. Drach | Harold P. Saabye |
| William B. Driver | Elijah W. Shacklette, Jr. |
| Harold P. Dye | |
| James D. Edgington | Eugene A. Sorensen |
| Theodore E. Erich | George A. Sylvester |
| Thomas J. Fiden | Richard L. Watson |

The following-named distinguished military students of the Reserve Officers' Training Corps for appointment in the United States Air Force in the grade of second lieutenant, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

John F. Brady
John C. Gall
Irwin P. Graham

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# HOUSE OF REPRESENTATIVES

## WEDNESDAY, JUNE 29, 1949

The House met at 11 o'clock a. m.

Dr. Alfred J. Thomas, pastor, First Evangelical United Brethren Church, Lock Haven, Pa., offered the following prayer:

Father of us all, we commend ourselves to Thee for Thy guidance and care. May Thy presence be manifest in leading our Congressmen in their honest deliberations this day. We are so prone to call the pleasant good and the unpleasant bad.

Teach us that the good is ever achieved at a cost. Grant us the courage to weigh sincerely the opinions of those who differ from us and to remember that we may advance by the winds that would oppose us.

Teach us to be reverent, teach us to be humble; both individually and as a nation we are what we are by Thy Grace.

Be merciful unto us and bless us and cause Thy face to shine upon us. In the blessed name of Jesus Christ our Lord, we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

### EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in three instances and include in each extraneous matter.

Mr. WITHROW asked and was given permission to extend his remarks in the RECORD and include two resolutions.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Buffalo Courier-Express.

Mr. DAVIES of New York asked and was given permission to extend his remarks in the RECORD.

Mr. GORSKI of New York asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Washington Star.

Mr. CLEMENTE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. CLEMENTE. Mr. Speaker, on yesterday I was given permission to extend my remarks in the RECORD and include an article. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $187.50, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Tulsa Tribune of Saturday, June 25, entitled "A Slogan Tells the Story."

Mr. McCULLOCH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Columbus (Ohio) Dispatch.

### CALL OF THE HOUSE

Mr. SPENCE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MANSFIELD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 116]

| | | |
|---|---|---|
| Anderson, Calif. | Kearns | Plumley |
| Bland | Kee | Roosevelt |
| Boykin | Kilday | Sabath |
| Bulwinkle | LeCompte | St. George |
| Byrne, N. Y. | McMillen, Ill. | Scott, Hugh D., Jr. |
| Canfield | Macy | Shafer |
| Celler | Mason | Short |
| Chatham | Merrow | Smith, Ohio |
| Chiperfield | Morrison | Staggers |
| Clevenger | Murdock | Taber |
| Cox | Murray, Wis. | Thomas, N. J. |
| Gilmer | Norton | Vorys |
| Hays, Ark. | Peterson | White, Idaho |
| Hobbs | Pfeifer, Joseph L. | Woodhouse |
| Jennings | | |

The SPEAKER. On this roll call, 386 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

### AMENDMENT OF CONTRACT SETTLEMENT ACT OF 1944

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 834) to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 6, line 11, strike out "other." " and insert "other."

Page 6, after line 11, insert:

"(9) Not more than 10 percent of the amount which may be paid by the United States in settlement of any claim filed under the provisions of this subsection shall be paid or delivered to, or received by, any agent or attorney on account of services rendered in connection with such claim, and the payment, delivery, or receipt of any greater amount shall be unlawful, any contract to the contrary notwithstanding; and any person who violates the provisions of this paragraph shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

### HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4009, with Mr. BOGGS of Louisiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before rising on yesterday, the Committee agreed that title III of the bill should be considered as read and be open to amendment and subject to points of order.

The Clerk will report the committee amendments.

The Clerk read as follows:

Page 28, line 5, strike out "need" and insert in lieu thereof "needs."

Page 28, line 24, strike out "initiated after March 1, 1949,".

Page 29, line 6, after the word "project", insert "initiated after the date of enactment of the Housing Act of 1949."

Page 29, strike out all of line 16 and strike out through "servicemen)" on line 17, and insert in lieu thereof "families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen."

Page 29, lines 23 and 24, strike out "(including families of deceased veterans or servicemen)" where such appears therein.

Page 30, line 4, insert a comma immediately following "connected" and the following: "and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected."

Page 30, line 22, after "(5)" strike out the remainder of said line and strike out all of lines 23, 24, and 25, and strike out all of lines 1 through 6, inclusive, on page 31 and insert in lieu thereof "Every contract made pursuant to this act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities) shall not exceed $1,750 per room ($2,500 per room in the case of Alaska)."

Page 31, line 21, strike out "The Authority shall make loans,", strike out all of lines 22, 23 and strike out through the word "projects" on line 24 and insert in lieu thereof "Every contract made pursuant to this act for loans (other than preliminary loans), annual contributions, or capital grants with respect to any low-rent housing project initiated after March 1, 1949, shall provide that such project shall be undertaken in such a manner that it."

Page 32, line 6, following the comma strike out "every contract for", strike out all of line 7, and strike out through "March 1, 1949," on line 8, and insert in lieu thereof "every such contract."

Page 32, line 24, insert a comma following the word "shall" and the following "if the Authority so requires."

Page 35, line 5, immediately following the word "Act" and before the close parenthesis insert "and notwithstanding any other provisions of law."

Page 35, line 17, strike out "provisions of this act" and insert in lieu thereof "first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c)."

Page 41, lines 17 and 18, strike out "not to exceed in any fiscal year an additional amount of" where such appears therein and insert in lieu thereof "additional amounts aggregating not more than."

Page 42, line 17, strike out "not to exceed in any fiscal year an additional" and insert in lieu thereof "additional amounts aggregating not more than"; and on line 20 strike out "not to exceed in any fiscal year" and insert in lieu thereof "amounts aggregating not more than."

Page 43, line 4, strike out "development" and insert in lieu thereof "commencement of construction."

Page 43, line 24, before the comma following the word "exemption", insert "and the authorization of payments in lieu of taxes."

Page 44, line 10, strike out "contributions were payable" and insert in lieu thereof "contribution dates occurred"; and on lines 22 and 23 strike out "contributions are payable" where such appears therein and insert in lieu thereof "contribution dates occur."

Page 45, line 21, strike out "famillities" and insert in lieu thereof "families."

The committee amendments were agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 48, immediately following line 11, insert the following new section 208:

"TRANSFER AND OPERATION OF LABOR CAMPS

"SEC. 208. (a) Section 2 (d) of the Farmers' Home Administration Act of 1946, as amended; section 43 (f) of the Bankhead-Jones Farm Tenant Act, as amended; and Public Law 298, approved July 31, 1947, are repealed effective as of the date of the transfer of the property and funds authorized hereunder.

"(b) The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(1) By adding the following new subsection (f) to section 12:

"'(f) There is hereby transferred to the Authority, effective not later than 60 days after the effective date of the Housing Act of 1949, all right, title, and interest, including contractual rights and reversionary interests, held by the Federal Government in and with respect to all labor supply centers, labor homes, labor camps, and facilities held in connection therewith and heretofore administered by the Secretary of Agriculture, for use by the Authority as low-rent housing projects in rural nonfarm areas for families and persons of low income. Such projects when so transferred shall (notwithstanding any other provision of law) be low-rent housing projects subject to the provisions of this act, except as otherwise provided in this subsection. Any or all of the accommodations in any of such projects, other than standard family dwellings as determined by the Administrator (where preference shall also be given migratory farm workers and their families), may be reserved for rental to migratory agricultural workers and their families and the rents of the accommodations so reserved shall not be higher than such workers can afford. The provisions of the second and third sentences of subsection 2 (1) of this act shall not be applicable to the occupants of accommodations other than standard family dwellings. The Authority is authorized to enter into contracts for disposal of said projects by any of the methods provided in this act, including disposal of any such project to a public-housing agency for a consideration consisting of the payment by the public-housing agency to the Authority during a term of not less than 20 years of all income therefrom after deduction of the amounts necessary for (i) reasonable and proper costs of management, operation, maintenance, and improvement of such project, (ii) payments in lieu of taxes not in excess of 10 percent of shelter rents, (iii) establishment and maintenance of reasonable and proper reserves, and (iv) the payment of currently maturing installments of principal and interest on any indebtedness incurred in connection with such project by the public-housing agency with the approval of the Authority. Pending sale of lease of said projects to public-housing agencies, the Authority may continue present leases and permits, or may enter into new leases with public bodies or nonprofit organizations for the operation of such projects. Pending sale of such projects, the Authority may make any necessary improvements thereto and may pay any deficits incurred in their improvement and administration out of any of the funds available to it under this act. Appropriations to reimburse the Authority for any amounts expended pursuant to this subsection, in excess of the funds transferred with such projects, are hereby authorized.'

"(2) By inserting in subsection 12 (b) following the word 'Federal' the words 'low-rent housing';

"(3) By inserting in the first sentence of subsection 12 (c) following the word 'Federal' the words 'low-rent housing';

"(4) By deleting in subsection 12 (d) the word 'project' in the three places where it occurs and substituting the word 'projects'; and

"(5) By deleting from subsection 12 (e) the word 'any' where it first occurs and substituting therefor the word 'the', and by deleting the word 'project' in the two places where it occurs in subsection 12 (e) and substituting the word 'projects.'

"(c) All unexpended balances of funds available for the maintenance, operation, and liquidation of the properties transferred hereunder and for administrative expenses in connection therewith shall be transferred, upon the transfer of such properties, to the Public Housing Administration to be available, until expended, in accordance with the provisions of the United States Housing Act of 1937, as amended."

Mr. COLE of Kansas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to call to the attention of the committee the fact that section 208 is a provision in H. R. 4009 which was not heretofore in the original low-cost housing bills presented to this House, as I understand it, nor is it in the bill which passed the Senate. Apparently there has been considerable controversy over whether or not this provision should be in the bill.

There were two or three witnesses appeared before our committee when they had the hearing, yet it is my judgment that not a full and complete hearing was had. I take this time merely to call this to the attention of the House.

There are other Members, I understand, who want to be heard upon this matter, and I therefore yield to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I would like to say that our Committee on Agriculture has been working on farm labor camps for the past 3 or 4 years. We thought we had it lined up in such a way that we would have no difficulties. The truth of the matter is that this House itself took such action not long ago by giving the Department of Agriculture one more year in which to dispose of these farm-labor camps. There is one of these labor camps in my district. It is going to be sold in the next year or so to a farmers' and processors' group to carry on this labor camp so that the farmers and laborers will benefit from its operation.

It seems to me it would be ridiculous at this time to include it in a housing bill when the farmers need these labor camps. You take it completely out of the hands of the farmers and turn it over to the Housing Administration here in Washington, and we are fearful that the farm-labor camps will become nothing more nor less than an institution to provide houses for folks who have no intention whatever of working on the farm. We need these labor camps. I hope everyone interested in the farmers, especially in communities where we have migrant labor, I say frankly that we should strike this section out of the bill.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. COLE] has expired.

Mr. GRANT of Alabama. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment certainly has no place in this bill. The Committee on Agriculture for over 10 years has handled this legislation. It was not in the bill when it was introduced. It was not in the Senate bill. There were practically no hearings held by the Committee on Banking and Currency.

Furthermore, this House has expressed its will no less than three times in the past. Only about 30 days ago the President of the United States signed a bill taking care of this situation. Only 60 days ago that legislation was passed by this House. The only thing that I have been able to find in the way of a hearing before the Committee on Banking and Currency was that something should be done before June 30. It now has been done and is the law of the land. I feel that the chairman of the Committee on

Banking and Currency should withdraw this amendment, because only a few weeks ago the House passed on it.

Mr. Chairman, I yield back the balance of my time.

Mr. McKINNON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, section 208 was put into this bill not because the farmers need this housing but because the people who work for the farmers need this housing. I have discussed this matter with Members from both sides of the aisle and it is pretty much agreed that all of us want to preserve this housing for the migratory farm worker. We have 21 of these camps in California that house some 350,000 of our migratory farm population. Under the Bramblett Act these camps would be transferred to any organization that satisfactorily bids for them to the Department of Agriculture. We have no guaranty that these camps will be continued to be used by the migratory workers, for after next year the Bramblett Act expires. If at that time there are no takers for these camps, then they may be sold to anyone who wants to buy them at 15 cents or less on the construction dollar and they will be lost for the purpose for which they were built. We feel that these camps should be continued for the migratory workers. Under this bill, they will be continued that way. Any community that has a migratory camp can form a local housing agency subject to recognition by the Board of Supervisors or by the city council. This local agency can lease and administer this migratory camp for the benefit of the migratory workers. Otherwise, under the Bramblett Act, when that act expires, any unrelated organization can come in and acquire this housing and use it for their own purposes.

Mr. BRAMBLETT. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. BRAMBLETT. If I understood the gentleman correctly he said they could be sold to anyone. The present extension of the law provides that it must be sold for agricultural purposes and to a nonprofit association of agricultural people; so the point the gentleman made would not come up until a year from the first of July when they would be opened up again if they are not sold.

Mr. McKINNON. That is correct up to this point: Our past experience shows that during the past year this bill has been in force we have had only nine offers to acquire 9 of the 21 camps, although I do not believe any offer has been sufficiently good to be accepted. Only 9 of the 21 camps have been bid for. Obviously, the farmers have the greatest amount of interest in obtaining migratory camps for employment purposes, but I believe these camps should be continued and administered by some agency for the benefit of migratory workers rather than to throw their status into a state of future uncertainty as has been indicated by the past year's operation.

Mr. BRAMBLETT. The House and the Senate both passed the bill unanimously, and the President signed it, extending the time a year and a half. That certainly will give time to see if people are interested in housing migratory agricultural workers from the standpoint of the welfare of agriculture.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. WHITE of California. I wish to ask the gentleman if, as a matter of fact, this amendment that he has brought forward is not the result of the effort that has been undertaken under the year's extension of the Bramblett Act?

Mr. McKINNON. The point is well taken, I may say to the gentleman from California [Mr. WHITE].

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. HARDY. Are we to infer from the gentleman's remarks that he contemplates that the matter of providing housing for migratory workers should become a permanent part of the Public Housing Authority?

Mr. McKINNON. I might say that thus far there is pretty much of an agreement as far as need is concerned by the delegation from California, and the delegations from other States affected by the migratory-worker problem.

Mr. HARDY. But here we are considering a basic and elemental factor and I just wanted to get the gentleman's reaction.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield to me to answer the gentleman on that matter?

Mr. McKINNON. I yield.

Mr. WHITE of California. I would say if that were undertaken from scratch, "No" would be the answer, but these buildings are here and they are providing a part of the answer to the Grapes of Wrath problem. I do not think they should be sold to these special groups of big farmers for 5 cents on the dollar. They have been offered to them for 15 cents and they will not take them. Now they want them for 5 cents on the dollar.

Mr. McKINNON. Very true.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HILL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I had not intended to inject myself into this housing legislation, because we are not as interested as those in the heavy industrial areas, but may I say with all due deference to the gentleman from California he is 100 percent mistaken, that is all. He could be more, but I could not imagine it.

We are not trying to do anything except to preserve these camps for the farmers and the workers themselves. The Department of Agriculture up to this time has not put on enough steam to sell these projects and that should not be offered in opposition to what we are trying to do here.

Let me show you how mistaken the gentleman is. We have a camp not over 50 miles from my home in my district and we have been trying to sell that camp for some time. We are now at the point of making a contract for the sale of the camp. The amount of money has been determined upon and the contract may be carried out. That entire farm labor camp will become the property of an association of farmers and of processor groups in that area. They will own and operate it. There are a great many reasons I could mention why these camps have not been sold. One, I am convinced in my own mind, is because the Department of Agriculture had held them at too high a price. Under this program you will just take them back again and make them a permanent proposition which the Federal Government will have to operate from Washington. That is the thing we do not want. These camps should be operated in California by Californians for the benefit of farmers and laborers in California. Certainly you do not want to do what is attempted in this section of this bill.

Mr. WELCH of California. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from California.

Mr. WELCH of California. Is it not a fact that if the section is left as it is in the bill the operation of the labor camps will become an integral part of the low-cost housing program and will be operated under the supervision of the United States Government, whether they are in California or in any other part of the country, and will benefit the farmers? Under the care of the Federal Government it is bound to result in benefit to the farmers. The Government should be given the opportunity of putting the camps in repair and making them fit for human habitation.

Mr. HILL. We have done that.

Mr. WELCH of California. It has not been properly done.

Mr. HILL. The gentleman does not think the people of California or Colorado are not able to operate these camps in their local communities, does he?

Mr. Chairman, I think we should vote this section out of the bill.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida to the committee amendment: Page 49, line 6, after "projects", strike out "in rural nonfarm areas for families and persons of low income" and insert "in rural areas for agricultural workers and their families."

Mr. HILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HILL. I made a motion to strike out this section. Now, we are still on my motion, are we not?

The CHAIRMAN. No.

Mr. HILL. Well, I was recognized for that purpose.

The CHAIRMAN. The gentleman from Colorado did not submit an amendment. He may later on, if he desires to.

Mr. HILL. A further parliamentary inquiry. Did not the gentleman from Alabama [Mr. GRANT] offer an amendment?

The CHAIRMAN. Does the gentleman from Florida yield to the gentleman from Colorado for a parliamentary inquiry?

Mr. ROGERS of Florida. Will it come out of my time?

The CHAIRMAN. Yes; it comes out of the gentleman's time.

Mr. COOLEY. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. If I understand the situation, the gentleman from Florida is attempting to amend the bill now under consideration rather than offer an amendment to the amendment offered by the gentleman from Alabama [Mr. GRANT].

The CHAIRMAN. No. The gentleman from Florida is offering an amendment to the committee amendment. The gentleman from Alabama [Mr. GRANT], has no amendment pending.

Mr. ROGERS of Florida. Mr. Chairman, let me preface my remarks by saying that I do not think that section 208 should be in this bill. Section 208 is particularly an agricultural section and should stay in the Agricultural Department. Now, we have been operating under this law since 1937 or longer, and with reference to the establishment of these migratory camps, these labor camps, that is a matter that the Department of Agriculture should have jurisdiction over. Yet, we get it in this bill.

Further, let me say that this bill is more or less of an urban proposition, and we all recognize that. Why should the Committee on Banking and Currency take from the jurisdiction of the Agriculture Committee these agricultural workers and place them under the Public Housing Authority? It should not be done. I hope you will adopt my amendment. It does perfect it in a certain way in that it gives preference to agricultural workers and their families in these migratory camps, that is all my amendment does, and I do not believe the Committee on Banking and Currency will have any objection to it.

On page 49, line 6, in the committee amendment, this language is used, "in rural nonfarm areas for families and persons of low income." My amendment would strike out that language and insert this language, "in rural areas for agricultural workers and their families." In other words, it only means that in these camps that have been established for agricultural workers, that the laborers, the agricultural workers, the farm workers, shall have the right to be housed in those labor camps rather than give them to the low-income groups and others that might come in, and we do not know what the Housing Authority might do.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from California.

Mr. McDONOUGH. Will the gentleman refer to page 49 and read on line 20? After the period it says, "the Authority is authorized to enter into contracts for disposal of said projects by any of the methods provided in this act, including disposal of any such project to a public housing agency for a consideration." Does not that nullify the intention you have in your original amendment? The gentleman says that it should be for farm workers, but further down in the same section it gives authority to the Housing Authority to dispose of them.

You do not want that to happen.

Mr. ROGERS of Florida. No; we do not want that to happen.

Mr. McDONOUGH. Then should you not amend that section as well?

Mr. ROGERS of Florida. Just so the farm workers are taken care of, that is all I am interested in. They go all over this country. Without proper housing of these migratory laborers, we will not have them.

Mr. McDONOUGH. The point I am making is that if the gentleman's amendment is adopted the purpose of the gentleman's amendment is nullified by the fact that the language beginning in line 20 after the period and the remainder of that paragraph nullifies the intention of his amendment.

Mr. ROGERS of Florida. Only if they decide to dispose of it, but if they decide to hold it, it would not. They would be obliged to take care of these agricultural migratory laborers who go all over this country.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Kentucky.

Mr. SPENCE. I cannot speak for the committee, but as far as I am personally concerned, I can see no objection to the gentleman's amendment.

Mr. ROGERS of Florida. I appreciate that statement from the chairman of the committee.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Pennsylvania.

Mr. RICH. I think the gentleman has a good amendment. It ought to be adopted.

Mr. ROGERS of Florida. I thank the gentleman.

Mr. Chairman, inasmuch as a bill has already been passed extending the disposition of these camps for a period of 1 year, and the bill has already been signed, and these are retained by the Department of Agriculture for 1 year, there is no need to link these up with this bill. I hope my amendment will be adopted, but even after that I hope you will take out this section 208 because it has no business in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the committee amendment, and ask unanimous consent to proceed for five additional minutes.

Mr. SPENCE. Reserving the right to object, Mr. Chairman, I shall not object to this request, but we want to proceed to a conclusion in the consideration of this bill and in the future I shall object to any requests for an extension of time.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KUNKEL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KUNKEL. What is the status of the committee amendment at this time?

The CHAIRMAN. The committee amendment is pending.

Mr. COOLEY. Mr. Chairman, while I do not want to appear picayunish about the jurisdiction of the House Committee on Agriculture, I do feel that the adoption of the amendment under consideration would in effect circumvent our committee and in a degree impair the prestige of the committee and in a manner reflect upon it. No longer ago than May 2 the House passed a bill which was reported by our committee, dealing with this subject. That bill passed the Senate on May 23 and on May 31 was signed by the President. Our committee carefully and diligently considered the problems now presented by the pending amendment and the Congress and the President accepted and approved the action of the Committee on Agriculture. Certainly this is not a matter which could properly be considered and determined by the Committee on Banking and Currency. We are now about to place ourselves and the Congress and the President in the ridiculous position of repudiating the action taken; yes, repudiating it in toto, and we are asked to embark upon a program which is in direct opposition to the rather frequently expressed views of Congress concerning these migratory labor camps. If this amendment is adopted everything which has been done heretofore in connection with these camps will be repudiated and we will again embrace a program which brought the Farm Security Administration into disrepute.

The migratory labor problem is not a national problem, it is definitely localized. It may be a national disgrace but fortunately it is not a problem which is of very great concern to many of the States of the Union. Certainly something should be done to discourage, rather than to encourage, people to tramp from place to place, and drag their children and their household belongings in jalopys from field to field, from county to county, and from State to State.

I appreciate the fact that the situation was once more horrible, but it has never been more deplorable than it is today. I realize that thousands of children were once forced to sleep and to live on ditch banks and out in the open along irrigation canals, and to be woefully neglected while their parents were working in the fields, engaged in harvesting crops. I realize that the situation has been improved and that these camps have provided a great degree of comfort, but I can see no earthly reason why the States involved should not be charged with the responsibility of operating and maintaining the camps which have been built with Federal funds. If the people

of Texas, Arizona, and California, and perhaps two or three other States, in which this deplorable situation exists, are not interested enough in the problems involved to take over these camps and maintain and operate them, what right do they have to call upon the Federal Government to do so? Are we willing to accept migratory labor as an American institution? Are we willing to permanently charge the Federal Government with the responsibility of maintaining and supporting and operating this sort of an institution? I repeat, we should discourage, rather than encourage, the growth of the migratory-labor movement.

In 1944 this House, by appropriate resolution, authorized the chairman of the House Committe on Agriculture to appoint a special committee to investigate the Farm Security Administration, and all its activities. I introduced this resolution, and I was appointed chairman of that special committee. The special committee visited these camps in all parts of the country. We observed how they were being operated and we saw what was happening. The special committee filed a unanimous report and recommended among other things that these camps be liquidated as expeditiously as possible. This House accepted and approved that report insofar as labor camps were concerned, and approved legislation directing that they be liquidated and disposed of. In view of the fact that we were then making every effort to increase production and to fill the breadbasket of democracy, and in view of the fact that the war was still raging, our committee and the Congress decided to extend the time within which the camps should be liquidated, and disposed of. From year to year this extension has been granted. The last extension was in the month of May in this year of our Lord, 1949.

Are we going on record here now to restore the Rex Guy Tugwell-Beanie Baldwin FSA, or are we going to stand up here and have some respect and some regard for the members of the Committee on Agriculture who want to deal with this problem fairly and equitably?

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman, briefly.

Mr. SPENCE. I am sure the Committee on Banking and Currency has no disposition to invade the jurisdiction of the Committee on Agriculture. Sometimes in the multiplicity of questions which come before us we cross over the line. We have done that, perhaps, here. But there was no purpose to humiliate the committee or to take away any of the authority of the great Committee on Agriculture. I want the gentleman to know that. Sometimes other committees invade the jurisdiction of our committee, but we do not hold that against them.

Mr. COOLEY. I certainly attribute no bad motive to the chairman of the Committee on Banking and Currency or to any other member of his committee.

Mr. SPENCE. I realize that.

Mr. COOLEY. But this is just a zealous effort on the part of some Members of the House who want to perpetuate this institution known as the migratory labor camp. If you could take the time to read the report, which we filed in 1944, I am sure you would not want to be a party to any such proposition as is being presented to you now. Are we going on record to authorize the extension which will involve an unlimited amount of money to build these camps and to let these people go from one part of the country to another in the prosecution of agricultural pursuits, or are we going to get the Government out of this business?

We have in mind a method of remedying the situation and letting the Federal Government out. That is, to let the States take them over. I am ready to stand up today and vote to give every one of them away rather than to vote to perpetuate the participation of the Federal Government.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ROGERS of Florida. You have already provided that this proposition of the labor camp has been taken care of for one additional year.

Mr. COOLEY. That is right.

Mr. ROGERS of Florida. Under this bill it would put them under the Housing Act within 60 days' time, is that not true?

Mr. COOLEY. That is right—for Lord knows how long—and for how much money, we would never know. I have a great pride in the Farmers Home Administration. That organization came into being when we liquidated three other agencies making direct loans to farmers. I do not want to see that organization wrecked. I do not want to see it saddled permanently with the operation of these camps, because I know it will bring it into disrepute quicker than anything else we could do for it. The agency is now serving the needs of low-income farmers and tenant farmers of this Nation, and I want to see it continue as a going concern.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. STEFAN. Is there an amendment to strike out section 208?

Mr. COOLEY. Section 208 is a committee amendment itself. I am speaking in opposition to the amendment. I hope the amendment will be defeated and that the Congress will be able to liquidate these camps and get out of the business.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HILL. I would like to ask the gentleman this question. Is it not a fact that if we defeat the amendment that is now pending, the Department of Agriculture will dispose of these camps to the local communities, and they can handle them themselves and accomplish the very thing that all of us desire to accomplish by this legislation?

Mr. COOLEY. Exactly. That is what we want to do. Let the States and the local communities operate them.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HOEVEN. Is it not a fact that the Government agencies themselves recommend the liquidation of these camps? The only reason they have not been liquidated up to this time is that they said it took time to do this, and for that reason the Committee on Agriculture has simply extended this for a year. We have been most insistent in liquidating them at the earliest opportunity. I do not think there is anyone who will contend that these camps should be continued, except some of the people interested in two or three States.

Mr. COOLEY. That is right. I have had people from California call me within the last week asking that this amendment be defeated and that the liquidation of these camps proceed.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. The gentleman from Iowa [Mr. HOEVEN] and the gentleman from North Carolina [Mr. COOLEY] mentioned that there were two or three States interested, and the gentleman named the State of Texas. May I suggest that it is my belief that the people of the State of Texas would like to have this matter turned back to the local authorities, and not turn these labor camps over to some kind of rural slum proposition. We want to continue them locally as a local proposition.

Mr. COOLEY. I thank the gentleman.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HOPE. I understand the Committee on Banking and Currency held no hearings on this matter and has never given any consideration to this particular problem. Does the gentleman know anything about that?

Mr. COOLEY. No; except that I have been told the hearings were very short. They did not go into the matter. Certainly the new members on the committee did not take the time to read the report of the special committee which made the investigation.

Mr. HOPE. Now this is a matter on which the Committee on Agriculture has conducted exhaustive investigations and prolonged hearings for many years, in an effort to work out a sound solution of a most difficult problem.

Mr. COOLEY. The gentleman is entirely correct. In making that investigation our committee visited these camps and communities and discussed the situation with local people. I can tell you now that our former beloved colleague, Mr. Zimmerman, of Missouri, asked one of the managers of one of these camps this question. He said:

"I want to ask you, Is this camp needed now here, or has it ever been needed?"

And the answer was, "It is not needed now, and it has never been needed."

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. SPENCE. Mr. Chairman, I wonder if we can agree on time to conclude the debate on this amendment and all amendments thereto.

I ask unanimous consent that debate on this amendment and all amendments thereto conclude within 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE].

Mr. NICHOLSON. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair noted the following Members seeking recognition at the time the limitation agreement was entered into: Messrs. PHILLIPS of California, WERBEL, SCUDDER, BRAMBLETT, HOLIFIELD, CASE of South Dakota, GATHINGS, KEEFE, JOHNSON, POAGE, MURRAY of Wisconsin, ABBITT, MULTER, and Mrs. DOUGLAS.

Mr. HILL. Mr. Chairman, I was seeking recognition.

The CHAIRMAN. The gentleman's name will be added to the list.

The Chair would like to inquire of the Members seeking recognition on this amendment which of them have amendments to offer to the committee amendment?

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

Mr. SCUDDER. Mr. Chairman, I have an amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS] to offer his amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California to the committee amendment: Page 51, line 15, after the word "amended", strike out the period, insert a comma, and the following: "*Provided*, That when existing projects are owned or operated by nonprofit associations of farmers this ownership or operation shall not be disturbed by the terms of this section."

The CHAIRMAN. The gentleman from California is recognized.

Mr. PHILLIPS of California. Mr. Chairman, how much time have I?

The CHAIRMAN. About a minute and a quarter.

Mr. PHILLIPS of California. Mr. Chairman, it is obvious that this matter was not considered in detail by the Committee on Banking and Currency.

It affects housing which has been built and maintained in the rural areas and is now used for the housing of farm labor. It takes that farm housing and makes it general housing. It requires the creation of a new housing authority. It would perpetuate a situation the Congress is trying to correct.

My amendment would require that where, in California, Texas, Colorado, or Arizona, or elsewhere, nonprofit organizations of farmers who are already operating these housing projects and maintaining them, that they should not be disturbed.

I am opposed to the entire amendment; I hope it will be taken out of the bill by a no vote, because I believe it is perfectly obvious from the discussion already had on the floor in which the chairman of the Committee on Agriculture this year, and the chairman of the same committee last year, have both taken part, that it is not a subject to be brought before the House today in connection with a housing bill without a great deal of discussion. I am sure the House does not want to agree to it. The section should not be in this bill. I was of the opinion that a point of order would lie against it, but I understand the point of order was overruled.

The CHAIRMAN. The time of the gentleman from California has expired.

The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 76, noes 61.

Mrs. DOUGLAS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BUCHANAN and Mr. PHILLIPS of California.

The Committee again divided; and the tellers reported that there were—ayes 155, noes 115.

So the amendment to the committee amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentlewoman from California [Mrs. DOUGLAS].

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent that the time allotted to me be yielded to the gentlewoman from California [Mrs. DOUGLAS].

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MULTER. Mr. Chairman, I ask unanimous consent that my time be yielded to the gentlewoman from California [Mrs. DOUGLAS].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mrs. DOUGLAS. Mr. Chairman, I beg the close attention of the Members of the House. There are between two and one-half and three million migrant farm workers in this country. In California alone there are approximately 350,000 migrants. Migrant farm labor is not protected by social legislation that protects other workers. They are not covered by the social-security law; they are not covered by unemployment compensation; they are not covered by the wage-hour law. The children of migratory workers, for the most part, are not able to go to school. They do not have roots in any community. When they are sick, they cannot go to the county hospital. They do not qualify. Illness is a constant danger. The United States Public Health Service has found that migratory workers and their families suffer from disabling illnesses at a far higher rate than the rest of the population. Is it any wonder?

And yet we need these men and women to harvest the crops.

The amendment we are discussing affects the lives of these migrant workers. The amendment transfers migratory labor camps from the Department of Agriculture to the Public Housing Administration for use as low-rent housing projects for the migratory farm workers who make up a part of the rural nonfarm population. The amendment if enacted into law will repeal Public Law 293 and provisions of the Farmers Home Administration Act which require the Department of Agriculture to liquidate the Federal Government's migratory labor camp program. If this amendment is not passed, the Department of Agriculture will be compelled to sell any migratory labor camps remaining in its hands on June 30, 1949, at public auction to the highest bidder, with no assurance that they will be used to house migratory farm workers in the future.

The bill before us is a housing bill—a housing bill that seeks to clear out the slums of America and provide decent homes for those who are in the greatest need. The men, women and children I am talking about live on the ditch banks, in squatters' camps. Water is a luxury to them. They are not living in slums; they have no homes.

These families deserve above all others the consideration of this Congress.

The crops of this country—the food we eat—the clothes we wear—are drenched with the blood and tears of the men, women and children who harvest our crops. They can bring no pressure to bear on this Congress. They have no votes. They have no one to speak for them.

Bill after bill is passed in Congress to aid the farmers and rightfully so. Are we to do nothing for migratory farm workers? Is this justice?

These camps were first established in 1935. Reports of the Industrial Relations Department of the State of California showed that "conditions similar to those of 1935 exist today in Kern County, where a tremendous influx of migratory labor is arriving to work in the potato fields. Many of the growers make no provision whatever for housing their crews who, therefore, are camping in back yards, on roadsides, and on ditch banks with meager type of sanitary conveniences."

Disease is again breaking out in the valley—dysentery and diphtheria. Hundreds of migrant families are again being moved from one county to another by health officers. Is the Congress to ignore all this?

This amendment has the support of the administration. It has the support of the Department of Agriculture and the Department of Labor. In California the entire Democratic Party, the Grange, the Veterans of Foreign Wars, organized labor, Protestant church groups such as the Homes Missions Council, the National Catholic Rural Life Conference, all support a migrant farm-camp program.

The only people opposing the farm-camp program are a few Associated Farmers. If we followed their philosophy we would not long have a strong, dynamic democracy in this country.

This amendment does not provide for the building of new camps. This amendment, if adopted, will save 43 camps that still remain under the Department of

Agriculture as homes for migrant workers.

The argument of those who oppose the committee amendment is that they want the camps operated locally. That is exactly what this amendment provides. But that is not what the opponents of this amendment really want. They want to take these people who literally live on the ditch banks, and press them down lower and lower. They are not people to them. They are a commodity to be exploited.

We appropriate billions to stop communism all over the face of the earth and yet there are those who counsel us to turn our backs on conditions that breed unrest and strife here at home.

Wake up!

Mr. HOLIFIELD. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentleman from California.

Mr. HOLIFIELD. Is it not true that if this amendment is not adopted the big factory farms in California can buy on the block at very small cost these camps, and then only allow those workers to live in them that they will work on their farms at whatever prices they wish to pay?

Mrs. DOUGLAS. Of course. And that is exactly why some would like to see this amendment defeated.

Today in California the same conditions are developing as we had in 1935. Again, labor contractors are urging migrant farm labor to come to certain areas. They come into a county but find there is no place to be housed, and that there is no work. Labor is cheap when there is a surplus of labor. I repeat, this amendment does not build new camps, it saves the 43 camps that still remain, not only in California, but in 7 other States. It puts them under the local housing authorities. It gives to the migrants the same protection we give to other low-income groups in this country. I appeal to the good common sense of the Members of this House to support this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WERDEL].

Mr. KEEFE. Mr. Chairman, I ask unanimous consent that my time be transferred to the gentleman from California [Mr. WERDEL].

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. WERDEL. Mr. Chairman, I happen to represent the southern part of the San Joaquin Valley, including Kern County. I speak now not for the Associated Farmers but for the farmers of that county who want to run their own business and do not want it run backhand from some other parts of the country, of either the Nation or the State.

Several of these camps involved here are in my district. None of them is in the district of the gentleman who presented the committee amendment. So I want you to understand that I speak from realities and experience.

First, let us admit that these camps did good during the war. They took care of the transient workers that needed care. But when they did that good they went into rural communities and centralized numbers of people in school districts, and created problems that the tax base would not stand. During the war you passed bills such as the Lanham Act and others that took care of those temporary war costs, but now, these people are living in one area, one school district, and working 20 miles away in another school district, under employment that has a different tax base than that which educates their children.

So you see it has created a local problem. If we are to handle the matter intelligently we should get these improvements back on the tax rolls. That was the plan, as I understand, the intention of the Eightieth Congress.

When the war was over, it is true that these projects could have been sold under the hammer under Public Law 731, but the Bramblett Act was passed to permit the Department to enter into commitments with nonprofit local agencies to operate these camps or to sell them. I have the minutes here of 30 men—not associated farmers, who met last January expressing among themselves as members of these boards that they had made their offers to the Department, but they had not been considered. They want to buy them. They want to operate them. They know it is a local problem and know it must be handled as such. Now the Bramblett Act has been extended 1 year; so it is untrue to say that on the 30th of this month these structures will be sold under the hammer.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, we all recall the grand old Duke of York who had 10,000 men and marched them up a very steep hill and then marched them down again. The Congress appointed a special committee, headed by my distinguished friend and chairman, the gentleman from North Carolina, Hon. HAROLD D. COOLEY, who investigated this very matter. I was not a member of that committee, but I think that committee did as fine a piece of work as has ever been done by any investigating committee of the Congress. They brought in a report and recommended that the Federal Government get out of the operation of these camps. For four long years we have repeatedly extended the time for terminating the Federal operation. We have not done the thing that the gentlewoman from California suggested was going to be done or the thing which she fears we intend to do, to turn these camps over to the Associated Farmers of California, or any other private interest simply to make money out of them. We have specifically required that before anyone could purchase these camps and could get control of them, they must enter into a commitment that that camp would continue to be operated so as to provide housing for farm labor.

Mr. GATHINGS. Mr. Chairman, I ask unanimous consent that the time allotted to me be given to the gentleman from Texas.

Mr. BRAMBLETT. Mr. Chairman, I ask unanimous consent that my time be given to the gentleman from Texas.

Mr. HILL. Mr. Chairman, I ask unanimous consent that my time be given to the gentleman from Texas.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. POAGE. Mr. Chairman, I appreciate the additional time. I believe this is a matter which is so clear that most of the members of the committee will understand it and understand it quickly. The problem is: Are we going to perpetuate a program which was established as a social reform and maintained as a war institution?

Mrs. DOUGLAS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I gladly yield for a question.

Mrs. DOUGLAS. The camps were built under the authority of the Emergency Relief Administration of 1935. Smallpox had broken out in the Imperial Valley in 1937, it spread up to the great San Joaquin Valley. The Government had to step in. Conditions were critical. In the years 1937 to 1940 the Government built houses for the migratory workers—the men, women, and children who harvest our crops.

Mr. POAGE. The gentlewoman is making a speech. I thought she wanted to ask me a question.

Mr. Chairman, the camps were established as a part of the old Farm Security Administration under one Beanie Baldwin and Dr. Will Alexander. Now, if you want to know who established these camps, those are the gentlemen who established them. They established them in the promotion of a social philosophy and not for the promotion of hygiene, or the suppression of smallpox. California was the only State that suffered from that disease but the camps were built on a national basis. These camps were established for the purpose of creating a type of governmental philosophy that was held by the gentlemen who at that time headed that organization. The people of the United States, through their representatives, and I think through their direct statements, made it rather plain that they did not intend to support that type of philosophy. Surely they did this in the recent election, in which the candidate of one of the founders of these camps received less than 2 percent of the vote of the people of the United States. These camps were founded to promote that philosophy. The people repudiated that philosophy. The Congress repudiated it after due and thorough investigation. The Congress said, "We want to spend our money only to maintain farm labor camps as long as they are needed to promote the war effort." But the war is over. The additional production of farm products is no longer needed. On the contrary, we are faced with the question of what we are going to do with the ever-increasing production of our farms.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Not at this time.

It does not make sense. The things we needed during the war to increase production are not the things we need today when we are faced with agricultural surpluses. The things advocated by those who want to impose upon us the social philosophy of Mr. Baldwin, are not the things that free people need to maintain democracy. What we need is to place these camps in the hands of the local communities, make them responsible, and operate them for the housing of agricultural labor, and not for the housing of people from the towns who do not intend to do any farm work. Under the committee amendment we would but revive the old farm security communities of Mr. Baldwin. We would but move city slums to the rural areas. Let us avoid such an unfortunate development. Let us defeat the proposed committee amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, it is evident that this matter has received consideration by the Committee on Agriculture. It is also evident that it has not received the consideration of the Committee on Banking and Currency in the same degree. By the statements of Members on both sides of the aisle, it seems to me it should be left to the Committee on Agriculture.

I hope the amendment will be voted down. If I have any time remaining, Mr. Chairman, I yield it to the gentleman from California [Mr. SCUDDER].

The CHAIRMAN. The gentleman has one-half minute remaining.

The Chair recognizes the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Chairman, I will necessarily be brief. But I would like to point out this fact: That we have a law that provides for the orderly disposition of these farm labor camps. Only recently the Congress has extended that law 1 year, which means that the Secretary of Agriculture has 1 year in which to dispose of these camps to public, semipublic, and farm organizations, that those camps may be run for the purpose for which they were created, farm labor. I hope that will be understood. It is not a question of trying to do away with these camps, cutting them out and allowing those people to be washed down the gutter, as might be indicated. But this matter has been thoroughly studied. I trust the law that was passed in 1947 will be allowed to take its usual course and hope that it will be the pleasure of this Committee to vote down this committee amendment which gives these camps to the Federal Public Housing Authority with permission to operate them as public houses with the bill to be paid by the taxpayer.

I am opposed to this entire bill, believing it unnecessary, not needed, and too costly.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON. Mr. Chairman, we have had a lot of heat on this problem, but I do not know why we need to get all "het" up about it. All we want to do is give the small farmers, and not the large farmers, a chance to buy these camps and run them themselves so their migrant laborers may have proper housing. I am talking about the little farmers that raise cherries, peaches, prunes, plums, grapes, and all of those perishable crops. They can handle the problem much better than some of these professional people who run these urban housing projects, and by farmer operation give much better results to the laborers and farmers.

The curious thing is that the Associated Farmers are the ones who in many instances have adequate housing facilities. I am anxious to get decent places to live in for these people from other parts of the country, who come to California to pick our perishable crops. The man who analyzes the statistics on that problem told me that thousands of Okies and Arkies who formerly were migrants are now landowners in California. So, conditions are not quite as tough as some people would make you believe, although I want them improved and think the Bramblett bill will result in better housing facilities as well as administration.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I yield back my time.

The CHAIRMAN. The gentleman from California [Mr. SCUDDER] is recognized.

Mr. SCUDDER. Mr. Chairman, it is an anticlimax to follow the gentleman from Texas [Mr. POAGE] who has made a fine explanation of this entire proposition, but I do know something about these units; two of them are in my district. Let me state, for the benefit of the membership, that when the farmers in California took them over these housing units were very badly run down. The farmers have rehabilitated them at their own expense and out of them have made decent places for people to live. They have run them profitably and fairly.

I trust that this type of amendment will be left out of this bill.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MCKINNON].

Mr. MCKINNON. Mr. Chairman, the real issue is whether this housing shall be preserved and continued in its present use. If you will take the trouble to read the bill you will find it disposes of these various housing projects to local agencies to use for migratory workers. The real trouble, as you know and I know, is that the little farmer is not going to be able to step in and buy these camps; it is going to be the big operators who buy them; and what we are striving to do with section 208 is to be sure that the administration of these camps goes to local agencies and does not fall into the hands of an employer to be used as a condition of employment.

I have here a letter from the Secretary of Agriculture, Charles Brannan, in which he endorses this transfer and thinks the amendment is a sound one and should be carried. I shall place the letter in the RECORD.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE] to close the debate.

Mr. SPENCE. Mr. Chairman, I yield back my time.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. HOLIFIELD) there were—ayes 35, noes 133.

Mrs. DOUGLAS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported that there were—ayes 99, noes 158.

So the committee amendment was rejected.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: On page 48, line 1, strike out the words "by inserting after" and strike out all of lines 2 and 3, and insert the following: "to read as follows:

"'(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this act shall contain a provision requiring that not less than the salaries or wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development, and to all maintenance laborers and mechanics employed in the administration of the low-rent housing or slum-clearance project involved; and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Authority shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.'"

Mr. SPENCE. Mr. Chairman, this amendment is merely supplementary to the amendment that was adopted yesterday providing that the Department of Labor should fix the wages of laborers and mechanics in slum-clearance projects, and this now applies the same rule to the low-rent public housing projects. I am sure there is no objection to it, inasmuch as a similar amendment was adopted yesterday.

Mr. IRVING. Mr. Chairman, I again rise in support of the amendment offered by the distinguished chairman of the Banking and Currency Committee. In effect it is the same as the amendment which I supported yesterday and was then adopted by this body. It deals with establishing of the prevailing wages in each community for laborers, mechanics, and other types of workers on construction projects under this housing bill. The establishment of these wages will be accomplished by the Bacon-Davis Division of the Department of Labor under the terms of the Bacon-Davis Act. In making reference to the previous adoption of a similar amendment, I specifically refer to section 109, page 18, line 21, and page 19, lines 1, 2, and 3. Now

of course, it follows that to make this legislation consistent it is necessary and advisable to adopt the amendment now being offered as properly related to page 48 of H. R. 4009. The adoption of these two amendments means a great deal to the construction industry as well as the workers employed in it. It will tend to eliminate confusion and the manner in which the rates are established will be fair and reasonable. It will mean good and just wages for those employed, thereby benefiting each community through the maintaining of decent living standards as well as the continuance of adequate purchasing power of the workers. It must be realized that this is absolutely necessary to our national economy at this time. I am sure that everyone will agree that it will also be helpful because it will supply better and more efficient workers for the housing construction, reducing the costs with much over-all saving in the long run. It will make available more experienced and better qualified workers who can produce a more satisfactory quality of workmanship. This, in turn, will give longer life and more permanence to any structures or buildings with less maintenance costs and repair work thereafter. I hope that this second amendment will be adopted or agreed to. I feel that such sensible action and realistic approach by the Members of this House must be favorably looked upon and appreciated by all.

Mr. SPENCE. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE:

Page 41, line 12, strike out "$80,000,000" and insert in lieu thereof "$55,000,000"; line 13, strike out "$75,000,000" and insert in lieu thereof "$58,000,000"; line 15, strike out "$400,000,000" and insert in lieu thereof "$308,000,000"; line 19, strike out "$80,000,000" and insert in lieu thereof "$55,000,000."

Page 42, lines 9 and 11, strike out "one hundred and fifty thousand" where such appears in each place therein and insert in lieu thereof "one hundred and thirty-five thousand"; line 13, strike out "1955" and insert in lieu "1954"; lines 14 and 15, strike out "one million and fifty thousand" and insert in lieu thereof "eight hundred and ten thousand"; line 18, strike out "one hundred thousand" and insert in lieu thereof "sixty-five thousand"; line 21, strike out "one hundred thousand" and insert in lieu thereof "eighty-five thousand."

Page 43, lines 4 and 5, strike out "one million and fifty thousand" where such appears therein and insert in lieu thereof "eight hundred and ten thousand."

Page 48, line 6, strike out "$428,000,000" and insert in lieu thereof "$336,000,000."

Mr. SPENCE. Mr. Chairman, before the pressure became strong, and acting under their free and uninfluenced will, the Senate passed the housing bill by a vote of 57 to 13. That housing bill is before this House. I have made the provisions of this bill conform to the Senate bill.

This amendment reduces the units from 1,050,000 to 810,000. It reduces the authorized yearly subsidies and contributions from $400,000,000 as a maximum to $308,000,000 and makes it a 6-year program instead of 7. This makes the bill conform exactly to the Senate bill. If this amendment is adopted, there will be little to consider in conference.

There has been complaint about the authorized amount to be expended to carry out the slum clearance and the subsidized low-rent housing. If the program does not have merit, we ought to contribute nothing. If the program has merit, and the people seem to think it has and the overwhelming vote of the Senate indicated that the Senate thought it has, then I think those who claim that the expenditures under the introduced bill are greater than we can bear should heartily approve of this amendment.

This amendment will carry out the program and do it with somewhat less expenditure than originally provided, and in addition will conform to a bill that has already been passed.

The amendment also reduces the acceleration provision of the bill introduced in the House, which is 100,000 units, to 65,000 units per year.

These provisions will be ample to justify or fail to justify the theory upon which we are now embarking. I do not think this is a socialistic program. I know of nothing that did more for the American people than the Home Owners' Loan Corporation. It gave certain citizens advantages, because of the predicament in which they found themselves, over the other citizens of America, yet everybody had to pay their proportion for that. As you look through the length and breadth of this land you see hundreds of thousands of people who have homes today because of the help that was given them during the depression, when the Government really took over their mortgages and extended their time and gave them an opportunity to earn enough to purchase their homes.

This is somewhat the same character of problem. It is true the people will not be home owners, but they will be renters. They will have the same rights within the house they will rent as if they owned it. It will put a roof over their heads, it will give them a home for themselves and their families, it will give them an added dignity, and it will give them an added assurance and added hope.

I do not think there will be any doubt of the ultimate vote on this bill.

You who do not like it certainly can vote for some reduction. Further reduction, I think, would mean sabotaging the program. But this amendment is introduced in order to conform to a bill which has been overwhelmingly passed by the other body and a bill which we know, if the amendment is adopted, we can go to conference on, and bring back a conference report which will meet with the approval of the House.

Mr. COLE of Kansas. Mr. Chairman, I offer an amendment to the amendment offered by the distinguished gentleman from Kentucky [Mr. SPENCE].

The Clerk read as follows:

Amendment to the amendment offered by Mr. SPENCE, offered by Mr. COLE of Kansas: On page 41, line 10 after the word "than" strike out "$85,000,000" and insert "$34,000,000"; and in line 12, strike out "$80,000,000" and insert "$32,000,000"; and in line 13, strike out "$75,000,000" and insert "$30,000,000"; and in line 15, strike out "$400,000,000" and insert "$160,000,000"; and in line 19, strike out "$80,000,000" and insert "$32,000,000."

Mr. COLE of Kansas. Mr. Chairman, I read from the text of a letter from the President on housing addressed to our Speaker, which letter is dated June 17, in which the President said:

I have been shocked in recent days at the extraordinary propaganda campaign that has been unleashed against this bill by the real-estate lobby. I do not recall ever having witnessed a more deliberate campaign of misrepresentation and distortion against legislation of such crucial importance to the public welfare.

He further said:

The real-estate lobby claims that H. R. 4009 will cost the Federal Government $20,000,000,000.

Then he continues:

This is an exaggeration of approximately 100 percent. The actual cost of the bill will be about $10,000,000,000 spread over a period of 30 years.

Mr. Chairman, the amendment I have offered is in line with the President's suggestion concerning the cost. The amendment offered by the gentleman from Kentucky is the figure proportionately based upon the reduction of units which was in the original bill H. R. 4009. But I have taken the President's suggestion. He said the original authorization was 100 percent too much. So I say let us authorize only the amount of money that we need. Of course, it is human to make mistakes and if the President and the administration have asked for double the amount of money that they need, now let us authorize only the exact amount of money needed.

My amendment provides for exactly the amount of money they need, according to the President.

In that connection, Mr. Chairman, I want to call your attention to where we are going. If he authorize the building of 100 public housing projects, the picture is exactly the same as if we authorize 810,000, because in this country today there are 3,700,000 families with an income of $1,000 or less a year. That is one-tenth of the population of the United States. The lowest 20 percent of the families in the United States number 7,455,800. Their income is approximately $1,600 a year or less.

So, Mr. Chairman, we are beginning a program here today for a few people in the lower-income bracket. If we do that, Mr. Chairman, we will eventually be faced with the possibility, not only the possibility, but the definite probability, that low-rent subsidized housing will be demanded for the lower 20 percent of the families which will be 7,455,000, at a cost of over $111,000,000,000.

If the President believes in what he says here, and I know that he does, and if the administration is honest in what they are asking for here today, and I assume they are, then there is no reason whatsoever why this amendment of mine should not be adopted. If it is not

adopted the administration and the committee are saying to the people, "We are asking for double the amount of the authorization which the President of the United States says is not necessary."

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. MULTER. If we adopt your amendment will you vote for this bill?

Mr. COLE of Kansas. No.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. JOHNSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON. Mr. Chairman, the underlying fallacy of this act is that if people have houses, better than their income would justify, they would be happier. Running through all the argument for the bill is the idea that giving more physical comforts will make for more happiness, will reduce delinquency, and will bring more satisfaction.

I challenge this reasoning. Experience teaches us that merely having more money or more comforts does not necessarily make for more contentment or more happiness. Of course, I admit that when people live in totally inadequate quarters and in abject squalor, which is no fault of theirs, giving them better living conditions will make them happier. But the fallacy that we make so often—and it has been made here many times in this debate—is to judge the effect on the people whose standards are different than ours. Because, to us, some of the conditions under which people live would mean misery, it by no means indicates that the people are really miserable. I can best illustrate this by my own personal experience, which I am sure can be duplicated by many others who are Members of the House. We never had a bathroom, in the modern sense, till after I got through high school. As small boys we were bathed in a wooden stave tub, two of us with the same water and the other two with a change of water. Our mother kept us clean and we were happy. Yet, many people now would think that was deplorable, that we were living in terrible slum conditions. The same is true of the sanitary facilities—all of which were outdoors. But we were happy; we had a chance to go to school; we had a chance to work to make money to clothe us and also attend school; we then later worked in box factories, sash and door factories, and sawmills, making enough money to go through high school and later to college. Why were we happy? Because we had opportunity to go ahead. We did not need to depend upon anyone else. We never dreamt of others or the public taking care of our needs. We found a way to meet them. If necessary we lived on less and we always looked to ourselves to make things better. We would feel ashamed to take help, except in extreme cases, which never occurred.

As I look back on these days, we and our neighbors, I can truthfully say, were happy and cheerful. We did not envy anyone, nor did we hate people who had more than we had. Our mother and father taught us that.

Look back over life and I think every one of us will realize that the things that gave us happiness and pleasure were not merely having more physical comforts and money. It was that we had an even chance to forge ahead, to do the things we wanted to do and to handle them ourselves. At times we had help in the way of loans for our college education. But it was all paid back with interest and only amounted to slight amounts.

Many commentators, and some by their arguments on this bill, have given the impression that if we can simply make a bigger and better house for someone, even if the public has to pay part of the bill as a subsidy, presto, more happiness will follow. It simply does not work that way, judged by my own experience.

Some have made the argument that all this subsidizing will reduce delinquency and will make for a stronger family life. I doubt that. What is the great problem of today, on which the whole future and stability of this country may depend? It is the gradual disintegration of the American family by easy divorces. A divorce, in my book, is the greatest American tragedy. Partly it is caused by our crazy laws. Is this evil largely prevalent in family with very low income? We all know it is not. The well-to-do, the rich, the prominent are the greatest sinners in this regard. A person's marriage should be the apex of his life. It should be the moment of greatest hope and happiness. Why? Because from that time on you are tied to a partner for life. You bind yourself for better or for worse to live with the one you love. When that goes on the rocks, all else becomes tinsel. But think particularly of the children who should have the example of a happy, united, and harmonious home. When the divorce comes, that weakens the ideas of those young loved ones, who in the future will be the fathers and the mothers of this Nation. When their marriage comes, they are already weakened by example. When little trivial things arise they will probably remember that papa and mamma did not get along, and got a divorce, so why should not they. Is that among these families that you are all weeping such bitter tears over? Not at all. Those people struggling on small incomes are the ones that stick together and make the grade; at least their children do. Scarcely anyone in this country is fighting this problem aggressively except the Catholic Church and the Seventh-Day Adventists. The Catholic Church simply will not recognize a divorce. Our crazy laws then come along and help the transgressors get the divorce that they really should not have. The divorce is the great cancer weakening American families, the great stabilizer of our social system.

Give the people too much and you weaken them. They get used to looking toward the Government to take care of them. When I was a boy—the son of a lumberjack—when we got in trouble we said to ourselves: "How can we handle this?" We did not say, "Where is the mayor, where is the relief officer, or where can I find a Congressman?" We relied on ourselves. I know there are exceptions where society must take a hand; but, my friends, they are the exception. Give the people a chance and they will work themselves out of their difficulty, and you will at the same time develop sturdy, independent, self-reliant, and self-supporting Americans. You cannot do that by a "give-me system" that treats people as paupers, wards of the state, and emphasizes their inferiority.

Slums: Yes, we should help clean them up. If you would give me a chance to vote for that part of the bill I would be glad to do so. The people in the slums—especially those in the large cities—are trapped. We must find some way to help them. The cities could, but perhaps they will not. At any rate I saw slums in New York 30 years ago and I presume they are still there. Perhaps our National Government should go to their relief if New York will not. But do not pauperize all those people by subsidizing the people, regardless of their particular situation. It will kill their desire to get ahead on their own efforts. You will kill off that great thing that has built America, the chance to make good by your own work and initiative.

Loans: Yes, they are fine. We have the finest program of this kind in the United States in California. It is the program of the California Veterans' Welfare Board. Conceived in the early twenties it has loaned hundreds of millions to veterans. Every cent will be paid back by the borrowers—the veterans, including the cost of administration. They built their own homes, because a grateful State provided them with low interest terms, easy long-term payments, and excellent advice on the buy that each made, either of a house already built or one that the veteran himself had built. There you have something that stimulates the desire of the veterans to be independent; to stand on his own feet; to take care of himself if he is given the opportunity. I am surprised that those 22 Democrats who put in bills providing for loans at cheap interest rates did not vote for Mrs. BOLTON'S bill, which contains a loan provision.

I have been for public power; roads, flood control, and so forth. But those are entirely different than subsidies. They are the harnessing of great natural resources, open to all who are able to use them. They do not specially benefit any one individual; they are for everyone qualified to use them. They are not things in which the Government comes out and practically tells you that in free America, you are in such bad shape that the Government must chaperone you, give you money, and provide for you, so you may live decently.

I recently took a census of the Members of Congress to determine how many of its members had one or more parents who migrated to America. Sixteen and seventy-five hundredths percent have a parent or parents who came to America to start life over. One out of every six members of Congress, 89 in all, came from such homes; where they had a

chance to hear about the opportunity America offers as distinguished from the opportunities in the old country. Most of these migrants—as my father did—came in steerage. Some of them never got beyond the stage of being a workman with his hands. But their sons had a chance—not through subsidies—but through opportunity to work and learn and save and acquire property. And here they are in Congress a symbol of what America can do to those who want to work. We never got nor did we want any subsidies. I will mention one, whom I do not think many of you can identify, who to my mind typifies this group and who is a symbol of what America offers. His father came over in steerage from Europe. Then he worked as a laborer. He had six or seven children, one of whom sits on this floor and everyone of you that know him respect him highly. Here is what that family turned out—without subsidies and without financial aid from the Government—a priest, an Army officer; a high county official; a Congressman; a great lawyer, holding an important Government job; and the others have been successful in the civilian economy. They were not money crazy; they did not want anyone else to build their houses for them. All they wanted was a chance and every one of them got it and made good. All of them are happy and all but one have and are raising happy contented families. All of them but one are married and now living with their first love—the mother of their children. These are the kinds that built and are building America and conquering the new frontiers of America. They want more homes for our people; better educational advantages; sturdier and more moral children; citizens who will respect our Government and thank God for it and men and women who will have religion and practice it in their daily life. They don't want anything for nothing and never did. They are the kind that made America great. They want America to continue as the land of opportunity that develops sturdy and strong citizens who are intelligent and balanced enough to realize what America means for every person in it, who is willing to work. Yes, and they want to help those who are unfortunate, not because of their own indolence, but by circumstances under their control. But that help should only be enough to get those unfortunates to a place where they can help themselves.

I hope I can vote on the bill later on that will give liberal, low-interest loans to veterans who want to build homes. That is real help that will build sturdy citizens and not citizens who will be pauperized by Government subsidies and interference in the private lives of individuals, which helps may act as road blocks to the development of sturdy self-reliant citizens, such as made this country what it is.

Mr. O'BRIEN of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, H. R. 4009 in its provisions for slum clearance residences and public housing aims to help the lower-income families who are renters. It happens that about half the families in the Nation rent their homes and the other half own their homes. There can be many reasons why a family rents rather than purchases, and probably the most common reasons are that they have not established their income sufficiently to afford a down payment on the purchase of a home.

For the last several years new construction has gone into providing homes for sale rather than for rent. In spite of the fact that 1948 was the best year in a long time for home construction, and more than 950,000 dwellings were built, only 17 percent of them were for rental occupancy, although renters constitute about 50 percent of the dwelling occupants. During this time builders had the added incentive of having new construction freed from rent control. This bill provides the machinery whereby private capital, through the purchasing of housing bonds, can be drawn into the field of rental construction for the lower-income families, and thus make further rent-control legislation no longer necessary. Without legislation such as this, it is clear that private capital will not go into the field of construction for the needed rental units. This need, too, exists on a national scale among the various cities and States, and more than 450 local housing commissions throughout the Nation. It is therefore important that the Cole amendment be defeated and that the amendment, which slashes almost 25 percent from the program by reducing 240,000 dwelling units from the plan, should also be voted down.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. O'BRIEN] has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we should have in mind in voting on this amendment this very salient situation. I cannot understand why they have agreed upon this magic figure of 810,000. Neither have I ever been able to understand how they arrived at the figure 1,050,000, unless it was purely arbitrary.

According to the statements made, and according to the statements made elsewhere in behalf of this bill, the million units would take care of only about one-seventh of the families which come within the category of those allegedly benefited by this act. Of course, it is very obvious that a reduction from 1,050,000 to 810,000 is to try to appease somebody who thinks that the program is too large now.

But let me reiterate what I said the other day, that there are 7,455,800 families who, because of their income being $1,600 and under—and, parenthetically, I might say there are 10,000,000 families which have an income of under $2,100—but using this other figure and being conservative about it, it seems to me you are going to attract this program to the American people, and if you are sincere in the argument that you use for it, you should multiply the 1,050,000 by 7, instead of cutting it, because it would take 7 times that 1,050,000 to do the job. Seven times the $16,000,000 I called attention to the other day is a matter of $114,000,000.

The testimony of the so-called progressives before the committee was to the effect that if we once established this as a matter of policy they would see to it that there was political pressure enough brought to bear upon the communities in the years to come to expand the program sufficiently to take care of all of the people within this category. So, by legislating as a matter of policy today, it does not make any difference whether you provide for 50,000, 100,000 or 50,000,000 units; after you have once established as a matter of policy that there is the obligation on the Federal Government to go into this field, then either you or your successor who will campaign on this admission is going to see to it that this program is expanded sufficiently to take of everyone. Let me reiterate also that there is not anything in this program which will affect any areas outside of possibly 10 metropolitan areas. I say that because only 10 percent of this program can be utilized in any particular State, and it is not hard to count 10 States which have large metropolitan areas. They are the only ones which are going to participate in this program. Those of you who live outside of these metropolitan areas must vote for an expansion of this program 7, 8, perhaps 10 times before your localities will be able to participate in the program.

I understand also that this $16,000,000,000 which has been talked about is only two-thirds of the program; that in reality it is a $24,000,000,000 program; $8,000,000,000 must be raised locally.

The CHAIRMAN. The time of the man from Michigan has expired.

Mr. SPENCE. Mr. Chairman, I wonder if we cannot agree on time to conclude debate on the pending amendment and all amendments thereto; I ask unanimous consent that all debate on the pending amendment and all amendments thereto close at 1:50.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Debate on the pending amendment and all amendments thereto will close at 1:50. During this time the Chair will recognize the following Members: Messrs. MULTER, SABATH, MONRONEY, NICHOLSON, BUCHANAN, O'BRIEN of Michigan, REES, ANGELL, JAVITS, and SPENCE.

The gentleman from New York [Mr. MULTER] is recognized.

Mr. MULTER. Mr. Chairman, the amendment offered by the gentleman from Kansas [Mr. COLE] is just another one of the many crippling amendments that we have been offered since we started consideration of the bill. The arguments that are being made against this bill are getting into the sphere of absurdity and silliness.

The gentleman from Kansas purports to quote the President as saying that the authorization asked for in the bill is 100 percent too much. The President did not say that. He said that the opponents of this bill were exaggerating the estimated cost at 100 percent more than it would actually cost. The President did not suggest that the bill sets a cost

that was 100 percent more than is needed.

The effort here to cut in half the appropriation or the allocation of funds for this program is another attempt to make it impossible to fulfill the program. There is no magic in these figures, I may say to the gentleman from Michigan. Obviously, what we have done is to come forward with a compromise figure. The other body set forth 810,000 units in its measure. By adopting the amendment urged by the chairman of the committee now we will be putting in the bill the same figure, 810,000 units.

To those who say we do not know where we are going with this legislation, and that it solves none of our problems, let me point this out to you. If you take the same attitude with reference to the Public Health Service, since we are only spending $110,000,000 a year for public health we ought to forget about public health and save the money because we are not solving the public health problems of the country with so little money. The same may be said with reference to the educational problems of the country. Why not just forget about education. Federal aid of $300,000,000 will not educate our children.

The same situation exists here. If you do not want to do anything about the housing situation, stop offering crippling amendments and let us vote the bill down, if that is the way you feel. I am sure the majority of the Members of the House feel otherwise about this housing bill.

EXPERIENCE PROVES THAT THE CONSTRUCTION OF PUBLIC HOUSING DOES NOT HINDER OR IMPEDE PRIVATE RESIDENTIAL CONSTRUCTION

It has repeatedly been charged by the opponents of this bill that the construction of public housing will impede the work of private builders—indeed, that it will so discourage them that they will greatly curtail, if not indeed stop, the production of needed private homes.

No proof has ever been advanced for this contention for the simple reason that there is no such proof.

The fact is that all the experience in cities where low-rent housing was built under the original program proves exactly the opposite. The construction of public housing has had no influence whatsoever in stopping or even decreasing the amount of private housing that was being built during the same period. Indeed, in the cities where public housing was built, private enterprise showed a tendency to increase rather than to decrease its rate of activity in relation to the rate of Nation-wide building activity.

This is well illustrated in the case of San Francisco. In 1937, private builders started 1,946 new dwellings, and in 1938 started 2,724 dwellings. In the next year, 1,359 units of public housing were put under construction. In this same year, the number of units started by private enterprise increased to a total of 3,133. Nor did the construction of the public-housing units started in 1939 impede the activities of private enterprise in the following year, for in 1940 private builders started the construction of 4,430 units.

If the construction of public housing could possibly discourage private enterprise, it should have discouraged it in San Francisco in the years 1939 and 1940. Yet, as these figures show, the total of private construction in these 2 years was 62 percent higher than it had been in the two preceding years. In these same 2 years, private home building in all cities in the country increased by only 36 percent. It is thus evident that San Francisco, far from lagging behind because of the construction of public housing, actually forged ahead in private construction in the very 2 years in which public housing was also being built.

This experience is typical in city after city—even where the public-housing program was relatively large. In Omaha, Nebr., for example, private enterprise which started the construction of 713 dwellings in the years 1937 and 1938 increased its starts to a total of 1,147 in the years 1939 and 1940. Yet in these same years, 1939 and 1940, the local-housing authority of Omaha started work on a relative large program of 794 units of public housing. Did this impede private enterprise? No. The record is clear because in these 2 years private enterprise in Omaha increased its activity by 61 percent, as against a Nation-wide increase of 36 percent.

To make abundantly sure that this experience is typical, a number of cities have been selected in which the public-housing program was relatively very large in relation to the size of the city and in relation to the amount of private construction. The public-housing units in all these cities were started in the years 1939–40. What was the record of the private builders in these 2 years when public housing was being developed, in relation to their record in the two preceding years? In Atlanta, Ga., private enterprise increased its activity by 60 percent; in Birmingham, Ala., private enterprise increased its production by 127 percent; in Charlotte, N. C., by 66 percent; in Huntington, W. Va., by 51 percent; in San Antonio, Tex., by 54 percent; and in Springfield, Ill., by 91 percent. These increases in private construction during the very period when public housing was being developed in these cities compares with a Nation-wide increase averaging only 36 percent. These cities are places where the public-housing programs were relatively large. Here, if anywhere, the alleged discouragement of private enterprise by public housing should have been apparent. These facts reveal that there is not a scintilla of evidence pointing to any such discouragement of private enterprise.

These figures prove what, of course, is apparent to any reasonable person who takes the trouble to understand the purposes of the public housing program. The families which public housing serves have such meager incomes that they can be provided with decent housing only with the aid of some public assistance. Private builders never have catered to these families, nor have they any intention of doing so. The figures which I have presented merely demonstrate once more that the market for public housing is utterly separate and distinct from that of private building. The extension of the public housing program can therefore have no conceivable effect in retarding or discouraging the needed production of homes by private builders, and the opposition of the realtors' lobby to public housing is shown up as nothing more nor less than that of a "dog in the manger."

This Nation needs a large additional supply of decent housing to take care of the families now living in the slums. The existing supply of private housing which meets decent standards is being used to its utmost capacity, and private enterprise admittedly cannot build new housing for families of very low incomes. There is no other way of getting decent homes for families now living in the slums except through the public housing program. We should provide for the extension of this program by adopting H. R. 4009. And we should do it now—for every day's delay prolongs by just so much the date when families now living in the slums may commence to move into decent housing fit for American citizens.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, at the first opportunity offered I expect to present an amendment that will strike out title II of the bill. I see no reason why we cannot support this amendment and put the bill more in line with what we may think reasonable if a bill is passed at all. Furthermore it is more in line with the President's estimate of the cost of the legislation.

There is nothing wrong with the amendment of the gentleman from Kansas in limiting the amount to $10,000,000,000 instead of $20,000,000,000.

This is not a bill that will take care of everybody who may qualify. It will only take care of a very small percentage of the people of this country anyway. It will be one of these cases where many are called but few chosen. There will be a chosen few who will come under this title of the bill the way it is written. As someone has suggested, they will be from the metropolitan areas, not from your small area in Nebraska, sir, or from my State or from any other agricultural State, but only from certain metropolitan areas.

Mr. Chairman, I still insist that we ought to know whether this bill is going to cost $20,000,000,000 or $18,000,000,000 or $10,000,000,000. When we have a difference here of about $10,000,000,000 we ought to know something about it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman from New York sought by a rather lame apology to defeat the Cole amendment. The issue is that the President when he wrote the letter to the Speaker of the House either knew what he was talking about or did not know what he was talking about because he specifically said as of the bill, that I take it was the bill then pending, that the total cost to the Government is estimated at $9,000,000,000 to $10,000,000,000.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

A FORWARD STEP FOR ADEQUATE HOUSING

Mr. SABATH. Mr. Chairman, I am inclined to believe that if the gentlemen from Kansas [Mr. COLE and Mr. REES], the gentleman from Michigan [Mr. WOLCOTT], and others who preceded me were familiar with the groups who have been in the past and are now opposed to rent control as well as this bill, that if they knew their background, that if they would realize that these groups are behind the real-estate lobby—the most astute and subtle lobbyists ever to infest this Capitol—who are furnishing the sinews of war to destroy this legislation, of which they should have knowledge, I am inclined to the belief that they would not lend themselves to that group of avaricious and unscrupulous men to whose benefit the defeat of this legislation would inure. They are the men who now control many hotel and apartment buildings that they obtained, as I will explain later, under questionable conditions and at extremely low prices. They are the self-same groups who threatened to refuse to rent their apartments if the Rent Control Act was not repealed and who forced their tenants to pay increased rentals ranging from 150 percent to 300 percent. It is their effort now to stop or retard any housing construction in order to continue to exact high rentals for apartments in the buildings they own.

And now, Mr. Chairman, I shall explain the reasons for these remarks.

During the heydays of 1927, 1928, and 1929, the investment bankers and mortgage houses unloaded $22,000,000,000 worth of so-called real-estate gold bonds on the American people. When the crash came, these investment bankers who unloaded the bonds, were the only ones who had the names and addresses of the unfortunate bondholders. They started in with their agents to obtain, in many cases fraudulently, powers of attorneys from the bondholders and organized so-called protective bondholders' committees. They came into possession of thousands of apartment buildings and hotels in the United States to the detriment of over 2,000,000 American citizens who in good faith invested their hard-earned savings in these real-estate bonds.

During the years they held possession and control, very few of these committees paid the bondholders a cent of interest. It was my committee which brought to light their shameful betrayal of the trust reposed in them by the bondholders whom they robbed instead of protecting. They used the money they collected to pay high salaries and enormous fees to themselves, their lawyers, receivers, trustees, and depositaries. They used false reports that discouraged the unfortunate bondholders who sold their bonds at a few cents on the dollar to these double-dealing slickers.

When the House authorized a select committee in 1935 to investigate this deplorable situation, I was appointed chairman. Shortly after the committee started to investigate the manipulations of the so-called protective bondholders' committees who acquired these bonds at the outrageously low prices of 2, 3, 4, 5, and 10 cents on the dollar, they started to dispose of many of the properties to those associated with them at extremely unwarranted and ridiculously low prices. They are the same people who obtained these properties in conjunction with other manipulators who were behind the opposition to the Rent Control Act and who, today, are supporting the movement to hold back construction and create home shortages in order to continue to exact high rentals whenever possible.

These avaricious groups not only acquired almost all the largest apartments and hotels, as well as many of the smaller ones in old communities, and deliberately failed to keep them in repair, and ultimately succeeded in having the localities where they were situated designated as blighted areas with the sole object of precluding owners in these sections from obtaining HOLC loans for repairs and improvements. Those sections today are now blighted areas or slums and, due to the great shortage of rental homes the people are obliged to continue to live in and pay unconscionable rents for these dilapidated and almost unlivable quarters. Consequently, these buildings regardless of the unsanitary, crowded, and unhealthy conditions there, have remained continuously occupied all these years to the great advantage of greedy groups who today are and have been materially helping and financing the most wicked lobby in the Nation's history to defeat this bill. And these gentlemen have succeeded in influencing many Members to give them aid and comfort in their scheme to retard construction of homes and rental units and to clear slums and remove blighted areas by opposing this legislation.

Mr. Chairman, in years gone by when the opposition had no facts or arguments against pending legislation, they would usually charge that it was unconstitutional. Of late, they use the lame argument that legislation is socialistic. It is strange that the same gentlemen who now charge that a bill is socialistic, advocated and voted for more millions for socialistic Great Britain and Nazi Germany, to build homes and for other purposes. But they oppose this bill to relieve the millions of homeless veterans and citizens in their own country who vainly seek to obtain livable quarters.

Mr. Chairman, the bill before us makes a basic legislative proposal which presents a clear statement of a national housing policy, the objectives to be attained and the establishment of a permanent over-all Federal housing policy. The program originally called for 1,050,000 housing units to be constructed in 7 years. The Committee on Banking and Currency agreed to reduce the number of units to 810,000 as provided in the Senate bill.

The bill permits Federal aid to localities to help them make an effective start toward clearance of their slum and blighted areas.

It would authorize Federal financial assistance to extend and perfect urban and rural non-farm housing for those imperatively in need of housing or those inadequately housed. Provided also, are other special loans and grants for improvements to farm housing and buildings with a moratorium on payments under loans outstanding upon proper showing to the Secretary of Agriculture. These loan funds total $250,000,000 in varying amounts from July 1, 1949, through July 1, 1952, with additional grants and contributions totaling over $18,000,000.

TECHNICAL RESEARCH

The bill further calls for all-inclusive technical research and study seeking to obtain progressive reductions in housing costs.

Veterans are granted preferential rights to housing built under this act. The history of this and other housing legislation is well known to those of us who have been actively interested in relieving the deplorable conditions which, if not cured or alleviated, will sentence to a life of squalor and makeshift shelter, millions of our people including young children, the future citizens of the richest country in the world, to be brought up under conditions incubating disease, crime, delinquency, and wretchedness.

Nor do we forget the old and the aged who through misfortune or conditions beyond their control, after having lived honorable lives of usefulness and honor, are forced to inhabit urban slums or hastily set up temporary shacks.

And what about the sad plight of the veterans who upon their return home from distinguished service on world fronts, are consigned to trailer camps or living with relatives in close, unsanitary, and cramped quarters?

Public action now becomes imperative and must be taken immediately under this bill if these terrible housing conditions are to be corrected. Private enterprise has failed to provide decent housing for low-income families. At least private enterprise, except in rare cases, has not undertaken the job thus far, in view of the financial considerations of which they complain.

The cities are handicapped because of many reasons but most important of all, because of costs involved and the limitation in their taxing power which might give them access to the financial means necessary to absorb the entire expense of clearing slums. They have tried but without success in most cases. Consider as an example my city, the city of Chicago, which, though it has attained a measure of success, has been struggling with this problem since before the war. In 1947 the city council of Chicago referred to the people a bond issue totaling $30,000,000, $15,000,000 for slum clearance and $15,000,000 for rehousing. The people of Chicago voted overwhelmingly for this bond issue.

The State of Illinois also made a substantial contribution as did the Cook County Board of Commissioners. These governmental agencies in Illinois and more particularly in the metropolitan area of Chicago already have a heavy burden of financial support for providing additional low-rent housing. But thus far the results are far from conclusive. Slums exist and with them the high costs

of police and fire protection, disease, crime, juvenile delinquency, public health, and public welfare services.

Poor housing can be breeding places for communism. Communism thrives under conditions which prevail in slums. When people are preyed upon, miserable, depressed, and unhappy because of the indecent conditions under which they ar obliged to live, they are apt to turn to any program which they hope will raise their standard of living.

In my district the problem stubbornly persists in spite of all efforts of the city, county, and State officials to do the job of clearing the blighted areas therein which are a disgrace to our American civilization. And I mean to use all the power and influence of my office to serve these deserving Americans who have suffered and continue to suffer because of these disgraceful housing conditions. At this point let me interject that in the low-cost-housing projects of my city, men and women of all races, creeds, and colors occupy units in the same housing projects and live in peace and quiet, thereby giving an honest answer to the argument made by the opponents of this bill, among them Mr. COLE the gentleman from Kansas, that there is racial discrimination in this bill. Yes there is discrimination but not the kind Mr. COLE complains about. My city and district are no different in their urgent need of financial assistance for housing than any other in the country.

In spite of the poverty and deterioration of these blighted areas, the cost of the land is high. Then too the assembling of the land in these close-in areas takes time and is also costly. The landowners fight these acquisitions vigorously. Titles are often clouded and court action is made necessary, slowing the acquisition procedure. Resort must be had to eminent domain to acquire and assemble these tracts. The city of Chicago is in the throes of these difficulties, what with its attempts at securing a standardized building code and regulations and methods for its uniform administration.

Chicago's City Council has endorsed Mayor Martin H. Kennelly's housing program. This housing program of Chicago calls for liberal Federal assistance in carrying out the program. I congratulate Mayor Kennelly for his success in obtaining approval of this bill by the city council.

The United States Conference of Mayors recorded its support of H. R. 4009. The Conference of Governors of 42 States has advocated the basic provisions of this bill. Hence, the conclusion is inescapable that the Federal Government must aid the cities and the States, as is provided in this act, to acquire through purchase or condemnation, a slum or blighted area chosen with the accepted local plan or development. I am confident that all these areas after redevelopment will not be subject to, or likely to return again, into the same slum or blighted condition.

FAMILIES DISPLACED TO BE REHOUSED

In this connection, I touch upon another objection interposed by those fighting this beneficial measure. These opponents claim that when we tear down bad housing, we dislodge the tenants, who, then, have no place in which to live. However, they overlook section 202 of H. R. 4009 which provides that preference to families displaced by slum clearance shall be given to enable the rehousing of such families and permit the redevelopment projects authorized.

We are well aware that this bill does not contain all phases of the housing question which require attention. To cite a few, namely, to provide housing for middle and lower middle-income families unable to meet present-day prices for dwellings and improvements in the existing programs of the FHA, modifications and liberalizations of existing provisions for insurance of private mortgage investments in sales, rental and cooperative housing, as well as liberalizing secondary markets for GI loans, and study for Federal aid for needed housing construction at colleges and universities. These problems will be given attention as quickly as the other aspects are resolved.

FURTHER CHARGES BY SELFISH AND PROFIT SEEKING OPPOSITION

The charge of socialization or nationalization cannot stand. Critics of the bill charge that the Federal Government will exercise dictatorial power over local communities and will socialize and take over the housing industry. First of all, the communities are not forced to participate in any of these projects. Action by them is purely voluntary and at the option of the local governmental agency. In the event the local agency accepts the project upon its own initiative, the local authorities take over the program and they, not the Government, plan and carry it out. The Federal Government furnishes the financial assistance, technical aid and advice, and sees to it, that the intent and statutory requirements of the act are strictly followed. This is not unreasonable and the same procedure is followed in similar projects sponsored by the Federal Government.

PRIVATE ENTERPRISE AIDED, NOT OBSTRUCTED, BY H. R. 4009

The fear that private enterprise is interfered with has no basis. The contrary can be shown. Under this bill, private housing enterprise is to be encouraged to serve as much of the need as is possible and capable and governmental aid is to be enlisted in that support. Further, it is planned that private capital is to be afforded the greatest opportunity to participate in the redevelopment of slums or blighted areas. There is a differential of at least 20 percent between the upper rental income limits for admission to public housing and the lowest rents at which private housing is providing a sufficient amount of good housing in that section either new or old, for rent or sale. In this way competition is obviated between public housing and the housing industry under this bill.

HOUSING RESEARCH AND STUDIES TO AID PRIVATE ENTERPRISE

As a further aid to private enterprise, an important section, title III, has been added, a Federal research and study plan for development of new and improved techniques and methods in housing construction. The home builder who seeks to build more and better homes at lower prices to maintain his business will accomplish better his task if he has in his possession and makes use of the research into basic cost factors. Likewise with this research information, the lending banks or investment houses may better and more wisely make selection of investments for their clients. Producers and distributors of building material and equipment will be benefited by this information and the local State and Federal governments will be in a better position to judge what action they should take, with regard to the solution of their housing problems. So it can be seen that there is nothing in this bill which hinders or impairs the present position of private enterprise in housing with the Housing and Home Finance Administrator bound to undertake a vigorous and realistic approach and program into all of the accepted and known obstacles to the attainment of a successful housing program.

Under prior legislation, Congress was empowered to reexamine the entire need for public housing, check up on the results attained, and then proceed to make further plans. This the House bill 4009 envisages and accomplishes. After such reexamination of these findings, the bill proposes a minimum program based upon the present acute and dire housing problem.

As a matter of fact, there is a large intermediate group which will be considered later. This is the income group between the low-income group herein provided for and those who have an annual income above $4,500. This group also sorely needs relief, and I hope that Congress will provide this relief expeditiously.

Mr. Chairman, every economist and well-informed citizen not controlled by big monied and real estate combination recognizes the need for this legislation. I have before me hundreds of letters, petitions, and telegrams from the American Legion, Veterans of Foreign Wars, and other veterans' organizations, as well as the A. F. of L., CIO, League of Women Voters, housing associations, and civic and social organizations. Every stratum of life is well represented, urging and pleading for favorable action on the housing bill. Some of these ask that their pleas be inserted in the RECORD as part of my remarks. This I regret I cannot do.

As I have pointed out several times on the floor of the House the opponents of this legislation have made outrageous statements as to the cost of this legislation. These are wilfully, deliberately, and recklessly overstated. The facts are, as I stated on the floor on June 8, that not more than $225,000,000 annually will be needed to adequately furnish the needs of this legislation. With the reduction to 810,000 units the cost will not exceed $187,500,000 yearly or a total of seven or eight billion for the total 40-year period. The opponents wilfully and deliberately misstated—yes, doubled the amount of the cost to the Government. In addition, I want to bring home the following facts, namely, that during the

last 10 years the Congress appropriated for agriculture alone the sum of $1,500,000,000 annually. The cost of this bill is approximately one-ninth that amount, or 12 percent as much as the appropriations for agriculture. In addition, Congress appropriated during the same period almost a billion for reclamation projects in the West and Southwest. Consequently, I feel that the gentlemen representing the agricultural sections and other sections of the country will realize and recognize that they too owe some consideration to legislation that will benefit, to some extent, the urban centers. All farmers have their own homes, but those city workers who make it possible for the farmers to increase their production by the use of their labors in the factories which produce efficient machinery are also entitled to receive fair treatment in return.

Mr. Chairman, I have observed in the last few weeks that the Republicans and their Dixiecrat cooperators have raised and will continue during the consideration of this bill the hue and cry of economy in opposition to this measure, which economy is ignored, however, when it comes to legislation benefitting their own sections. I agree that our Government must practice economy and I believe that public housing for the poor is a good place to begin. What greater economies can be effected than when we eradicate the social cancer of the slums?

This bill, to my mind, at least, will arrest a recession because it will create a demand for materials and utilities of all kinds that go into the construction of these homes and will be an incentive for and will bring revenues to the Government. For this reason all uncontrolled and unbiased persons favor this bill in order to take up the slack. To my mind, the politically and artificially created cry that the opposition is making certainly is misleading, because corporations have made more profits during the first quarter of 1949 than they made in the banner years of '47 and '48. In this connection, I inserted in the CONGRESSIONAL RECORD on June 21 a statement of corporate assets which proves clearly the steady and profitable expansion of many corporations which have gained tremendous profits during the first quarter of 1949. It appears to me that certain Wall Street and industrial interests aided by the Republicans appear anxious to bring about a recession, and are using as an argument the present record of unemployment as they did in 1947 and on every occasion when relief or labor legislation is pending. But the record is otherwise, and clearly shows that more workers have been employed in the last 3 months than have been laid off. The record for May 1949 shows that 300,000 were laid off and over 400,000 employed. Again, if their contention is true that a recession is on its way, do they not realize that the housing program will stimulate and reverse employment lay-offs? They ignore the true facts. Then, too, we are pretty well buttressed against a serious economic mishap. Banks are overflowing with money for sound investment purposes. Many people have money for purchasing goods, but are holding out for lower prices. The people have faith in our Government.

The present situation is much unlike that which held forth in 1929 when after the stock crash big business and the Republican administration whistled in the dark with reassurances such as Herbert Hoover's, then widely publicized as a sage, and voiced the statesmanlike statement, "Prosperity is just around the corner." Yes, it was around the corner, but it failed to return until a Democratic administration took hold and restored our economy. Mr. Hoover went out of office much repudiated and scorned by the Nation. His name became anathema to the American people and was and is today symbolic of suffering and distress.

Let us learn from the lessons of the past and profit by the mistakes of the past, thereby providing against a recession becoming something more serious. H. R. 4009 will provide a safe, sound, and needed stimulant to the social and industrial life of the Nation.

Many of you charge and cry out communism, communism, communism, socialism, socialism, socialism, but these charges and cries are merely made to mask a form of fascism which is as dangerous and deadly as communism and socialism. This is what the opponents of this legislation, in view of the arguments they advance, appear to favor.

EACH STATE WILL GET ITS PRO RATA SHARE

It has been charged that 10 States will get all the funds in the entire program under this bill. The argument is also made that 10 percent of the appropriations may go to any one State and that 10 States could use it all. The United States Housing Act, which would be amended by H. R. 4009, limits 10 percent of the funds to any one State. It does not follow; in fact, it is ridiculous to assume that because there is an absolute limitation of 10 percent to any one State that it necessarily follows that 10 States would get it all.

Under the present low-rent housing program, there are projects in 37 States. There are 42 States with enabling legislation permitting local housing authorities to undertake low-rent housing projects. Four additional States passed enabling acts since funds under the original act were exhausted. As under the first program, the units in any additional program will be equitably distributed among the States and the communities on the basis of need. The same policy has been followed in the United States Bureau of Highways and similar programs.

During my 43 years' service in Congress, I voted for all the farm legislation and all legislation helpful to the South. I am satisfied that the entire country has prospered during the last 18 years because of the progressive and liberal legislation enacted, designated as New Deal legislation. Although there is some temporary recession now, as many financial writers who are stimulated and encouraged by Republicans now state, we are still in the same stable economic condition as we were in 1947, and they are emulating their destructive and scare propaganda of 1947.

I know business conditions are favorable today and if we continue to legislate in the interest of the people and carry out the pledges we have made to them, those of us who will vote for this legislation will remain here for many more years.

I have been an active Democrat for 63 years, elected consecutively to Congress 22 times—my last election by a majority of 96,000. I have been a ward committeeman and district leader in Chicago for almost 50 years, and for 12 years I served as chairman of the Democratic Cook County Central Committee. Before I became chairman of that committee, the county of Cook had been Republican for 16 years. The Democrats had lacked unity during this period. In 1910 I brought about harmony within the ranks of the Democratic Party by uniting the various factions in the party. The result was a Democratic victory. I aided in building up an organization which placed Illinois in the Democratic column. During all these years I have been a liberal and progressive Democrat. This stand, as I have stated before, has made possible my reelection 22 consecutive times.

In years gone by I frequently met the opposition of reactionary Democrats serving special interests. These vested and special interests, together with large manipulators and financiers, have been, and are at all times, opposed to me and against the program of the Democratic Party, they having contributed millions of dollars to Republican treasure chests in opposition to all Democratic candidates for President, Congress, State, and local offices.

LOBBYISTS SHOULD BE CURBED

I shall not encumber the RECORD with the many hundreds of telegrams, letters, and resolutions that I have received from every section of the country on behalf of this bill. These communications, most of them from the unorganized segment of our population—the man in the street, the mother and wife in the home—gave their answer honestly, clearly, and forcefully to the organized lobbies now floating around Washington, unrestrained and arrogant in their activities.

I regret that my resolution which would investigate and keep lobbyists within proper bounds and force them to observe the proprieties of fair and equitable treatment of any subject of legislation has not been adopted.

Most of the falsehoods, half-truths, and untruths of the selfish, avaricious groups, set out for them by the corruptive million-dollar real-estate lobby, have and are being magnified whenever possible in order to mislead the membership and the country as to the real cost and real effect of this legislation.

It must be observed, however, that most of these attacks against the bill charging socialism and puffing up the actual cost, comes from individuals and Members who voted for the millions and millions of dollars that were appropriated to aid the socialistic British and Nazi Germans in their efforts to build adequate housing facilities for their people and other unfriendly nations.

What they are doing is permitting themselves to be used by the real-estate racketeers in an organized effort to assail and oppose the bill now before us.

Another excuse that they utilize, is that we should let private industry build these much needed homes for the waiting 2,000,000 ex-servicemen and the three or four million other homeless Americans. As a matter of fact, private industry was given every conceivable opportunity to relieve the housing shortage. The Congress, upon their persistent appeals, has repealed all the restrictions on building and given them a free hand upon their promise they would supply adequate housing for the low-income and middle-income groups commensurate with their pocketbooks; but instead of this, they built homes and apartments outside of the reach of the average pocketbook. Homes were built ranging from $12,000 to $25,000 or more, because the profit element in the higher priced homes is much greater. The few homes that were built under $10,000 were unfit to live in because of the cheap quality of construction and materials. We must take this matter out of the hands of private industry for they have proven themselves highly uncooperative. H. R. 4009 is the answer to the problem, at least in part.

The dishonest and false representations set forth in the propaganda of the lobbyists against this housing bill have been so contemptuous that a further strengthening of the present curbs on the outrageous and shameful activities of the hundreds of lobbyists who infest the Capital should be encouraged. They are using every conceivable and unfair method to influence Members against the bill. Their unscrupulous conduct, I am sure will give further impetus to, and expedite the passage of, the resolution now pending in the Senate pertaining to the investigation of lobbyists.

In view of these facts, I feel that this legislation which, as I have previously pointed out, is demanded by millions of underhoused Americans and pleaded for by the governors of 42 States, the mayors' conference, all veterans' organizations, civic, religious, and other groups, should be passed.

I shall vote for H. R. 4009 not only because it strikes a strong and resounding blow at a cancerous condition in our American society, but also because it provides for the general welfare of the people of the United States of America.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, in the President's letter to the Speaker he wrote this language:

> The facts are that the amount of money provided in H. R. 4009 to build 1,050,000 dwelling units will permit an average cost at the most of $8,465.

I do not know whether everyone is familiar with, or understands exactly how that figure of $8,465 was arrived at. It is this: In the pending legislation the amount of annual contributions which can be made by the Federal Government is limited to 4½ percent of the cost of the project. So, by dividing 4½ into $400,000,000, and then multiplying it by 100 you find the maximum cost which can be covered by $400,000,000 of annual contributions at 4½ percent. The figure you obtain is $8,888,888,888.89. Then if you take 4½ percent of that figure, you check back and find it comes out to $400,000,000 annually in contributions. Now, the figure $8,465 is arrived at by dividing 1,050,000, the number of units allegedly to be built, into the capitalized cost of $8,888,888,888.89.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from Pennsylvania.

Mr. GRAHAM. Where does the question of production cost enter into this?

Mr. KUNKEL. Well, that is the peculiar part of it. The question of production costs never enters into it at any time at any spot. It is purely a mathematical calculation. All you need is a pencil, a sheet of paper, and an ivory tower. The $8,465 figure has no relation whatever to production costs. In order to learn about costs, why you would have to talk to the bricklayers and the construction workers and the people who are going to sell the materials and those who are to build the project. The bill itself indicates these costs would be around $1,750 to $2,500 per room, because it sets these limits on the cost per room. Only a tiny, few-room house could be built in New York, Detroit, or Chicago for $8,465. If standards and durability are not to be sacrificed, and if the houses are to be four, five, or six rooms—to house larger families—then you certainly would not be able to construct 1,050,000 units within the $400,000,000 annual limitation and pay the projects on the basis of 4½ percent of the cost.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

Mr. SPENCE. Mr. Chairman, I yield my time to the gentleman from Oklahoma.

Mr. MONRONEY. Mr. Chairman, I have not spoken on this bill because there are so many Members whose States the bill so vitally affects. Excepting for the farm-housing sections, this bill cannot affect Oklahoma because we do not have an enabling act to permit us to share in the public-housing features. However, I am for the bill. I know the Congress has felt the responsibility to vote funds that would help Oklahoma and other like agricultural States in soil conservation to prevent the erosion of our farms.

I think the prevention of human erosion that is going on in the slums is a matter that should concern some of us from agricultural States. Congress has voted many, many millions of dollars for the eradication of the hoof-and-mouth disease and for the prevention of the boll weevil, which affects the cotton of Oklahoma, yet there is disease and suffering going on in the slums of the big cities.

I think the Congress must recognize this as a national problem, the same as it recognizes other destructive elements and conditions. Time has proven the inability of private developers or the cities alone to cope with it or to solve it.

We must try to do something to eliminate the blight that has affected so many lives in the big cities. The economic waste of the slums runs into hundreds of millions of dollars each year in crime, disease, and their destructive effect on the lives of those who because of low incomes must be forced to live in them.

I am for this bill not because I like to provide subsidies for low-rent housing but because, in more than 11 years in this Congress, I have hoped for some program that might come out of all of the thinking of the people that have studied this problem, so that we could find through private enterprise some way to get decent, livable, sanitary housing for the millions that must live in these big city slums. We have not found it.

Each time we have had a slum-clearance bill come up we have had a lot of ideas, but the minute you defeat public housing these ideas seem to disappear and fade away.

I have worked on many plans. I am a good deal like the distinguished ranking minority member of the committee. I have changed my vote. I voted against slum clearance and public housing for many years in this House, but as I have gone by these wretched, disreputable, crime-breeding, disease-ridden sections of our big cities and seen spotted in a place or two a slum-clearance project where light and sunshine can come in and playgrounds are there, so the people can live decently in this housing, I have regretted my vote, and have questioned it many times. As hard, and as destructive as slum life is for adults, its affect on the children is ten times greater. Slums will not produce the type of Americans we need to keep this country great.

I think we are faced not with a theory but with a condition. We want to do something to try now to help these people whose hopeless living conditions never can be improved unless the Federal Government tries to do something about it.

The amendment offered by the gentleman from Kansas does not do anything to help the bill. If you are against the bill, then do not vote for his amendment; vote against the bill. The gentleman seeks to cut down the figure the President estimates the bill will cost. Under the mathematics the bill will cost a total of $12,320,000,000 for the full 40 years if the full contribution is required, but there are many variable factors in this.

The principal variable factor is, over 40 years what will be the wage standards of the people who live in these apartments? That is the thing the money goes for—to try to bring the rental down to meet the need of the lowest income class. If their wages rise, then the cost to the Government is greatly decreased, since higher rents will be charged and the Government contribution greatly reduced.

If you adopt the amendment offered by the gentleman from Kansas, then you are building these public-housing units to house the better income class that can probably well afford to pay for their own housing.

Only by having the authority and the authorization of law to bring the rent

down to the class of people you are building for will you be able to make public housing serve the lower income class.

The bill provides that no rentals shall be within 20 percent of comparable private housing, so this safeguards unfair Government competition with private industry. This bill, under the best estimates that can be made by people who have studied it and know the target of rent that we are trying to hit, estimate that it will cost $238,000,000 a year in total when the whole program is over for perhaps 32 years.

It is estimated that financing can be arranged for—and again you have a variable factor, depending on the cost of interest, and the total length of time that it takes to amortize this, that the total cost will be far under the maximum authorized total—and, in fact, far below the amount the gentleman from Kansas mentions in his amendment.

Mr. Chairman, I ask that this amendment be defeated because, if you are against the bill, then vote against the bill, but do not do anything to defeat the very purpose of making this housing serve the lowest-income people of our cities.

Mr. ANGELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Chairman, public housing and slum clearance as provided in H. R. 4009 which we are now considering, is a major problem facing our Nation. There is little disagreement that housing constitutes one of the Nation's most serious economic and social problems today. In fact it has been under consideration not only by the Congress but by many organizations and governmental agencies, national and local, for many years.

The principal provisions of the bill area:

First. The Federal Government would contribute up to $400,000,000 annually for 40 years to permit the construction, through local housing authorities, of 1,050,000 publicly owned dwelling units. House leaders already have agreed to cut this back to 810,000 in conformity with the Senate-passed bill which would reduce the annual payments to $308,000,000. Tenants in publicly owned housing would pay rents in accord with their incomes. Federal contributions would be used to meet the difference between rental income and the amount necessary to pay off the cost of building and operation.

Second. A 5-year slum-clearance program with one-third of the cost to be met by the Federal Government, the balance by local communities. The bill authorizes $1,000,000,000 in Federal loans and $500,000,000 in grants for this purpose.

Third. A $262,500,000 farm-housing program would provide housing loans for farmers who could not get credit elsewhere, and grants are provided in some cases for housing on farms that are not self-sustaining.

It should be kept in mind that all public housing constructed under the provisions of this bill will be owned and controlled by local agencies by whom they are constructed, through the services of local builders, and the Federal Government will have no title to them or control over them.

The committee reports that although the seriousness of the Nation's housing situation has been highlighted since the end of the war by urgent housing problems of returning veterans, the basic problem itself is not a new one. It has been building up over several decades. It results from the fact that over the years we have never been able to produce enough housing at prices which a large proportion of the American people can afford. Consequently, housing has never been replaced as rapidly as it should, and many families have been obliged to live in wholly inadequate and unsuitable accommodations.

Unfortunately, the effects of poor housing leave their heaviest imprint upon the millions of children who are being obliged to spend their formative years either in dreary, unhealthful slums, or in overcrowded dwellings in which normal family life cannot be achieved. The maintenance of our way of life and our aspirations as a people and a democracy depend to a large extent upon these children whose attitudes and minds are being formed for the future in the homes of today.

In attempting to get some measure of the magnitude of our present and prospective housing requirements the committee had available to it the comprehensive studies and investigation of the Joint Committee on Housing. This data and other material made available to the committee leads to the conclusion that the Nation must be prepared to build or rehabilitate at least 1,300,000 nonfarm dwelling units and between 200,000 and 300,000 farm units a year each year from now until 1960, if substantial progress is to be made in bettering our housing conditions. As the Administrator of the Housing and Home Finance Agency stated in his testimony before the committee:

> We cannot ignore the fact that there remains today, and will undoubtedly remain for years to come, a considerable percentage of our families whose incomes are so low that they must continue to live in slums or other inadequate housing unless we take action to prevent it. The breadwinners of most of these families are usually gainfully employed, and with proper budgeting their incomes are usually sufficient to supply all the basic needs of their families except adequate shelter. Adequate shelter is not available to these families because rents or prices charged for such shelter would represent an unduly and prohibitively high proportion of their limited income. The problem, both in its extent and nature, is not the sort which can be solved in the foreseeable future by private enterprise even with further possible financial aids.

While it is a local problem in my congressional district as in many congressional districts throughout the Nation, it is also a grave national problem. In its consideration, I, like you, must keep in mind not only the needs and welfare of my own particular district, but the overall long-range problem for the Nation in making possible that low-income citizens may have the opportunity to secure adequate housing for rental or purchase within the means available to them.

Considering the problem from the local level of the Third Congressional District of Oregon, which I represent, I may say that my district is composed of one single county, Multnomah, within which lies the city of Portland. It is the only large metropolitan city in the State of Oregon, comprising approximately a third of the population of the State, with the population within the Portland corporate limits and surrounding environs totaling between 400,000 and 500,000 people. It is the one district in Oregon where the housing problem has been of major importance throughout the war period and in postwar days. By reason of shipbuilding and other war activities, large numbers of war workers centered in the Portland area and many of them have remained with us. The State of Oregon has had the largest percentage increase in population since the war of any State in the Union, practically 50 percent, a major portion of which is in the Portland area. One housing district alone, Vanport, on the edge of Portland in my district, housed between 30,000 and 40,000 people during the war period and it was completely destroyed by the disastrous Columbia River flood of 1948, where some 19,000 persons were flooded from their homes, which were completely destroyed and have not been replaced. Portland is a city of home builders and home owners and we are proud of the record we have achieved in that respect down through the years. Our building contractors have done an excellent job and many thousands of homes have been constructed since the war and the shortage of the better type homes has been overcome and I am advised there are many first-class apartments in these new buildings not subject to rent control available. These rent from $85 to $125 per month, and up, according to the number of rooms and facilities furnished. However, there is still a shortage in the low-cost, low-rent units which are covered by the provision of this bill.

Mr. Chairman, the mayor of Portland, the Honorable Dorothy McCullough Lee, recommends passage of H. R. 4009. I may say in passing, Mayor Lee was recently elected by an overwhelming majority of the voters of Portland. She is an outstanding citizen, has served the State long and faithfully, both in the State legislature and the City Council of Portland, before she was elevated to the office of mayor. She was recently given the achievement award of the Women's National Press Club for outstanding achievement in government. The award was presented by President Truman here in Washington on May 14. Mayor Lee is a member of my political faith, a Republican, to which I call attention for the reason that this legislation is nonpolitical in every respect. I do not overlook the fact that the Republican platform adopted in 1948, on which I ran

for office and was elected by a substantial majority of the voters of my district, contained an endorsement of low-rental housing and slum clearance in the following language:

Housing can best be supplied and financed by private industry, but the Government can and should encourage the building of better homes at less cost. We recommend Federal aid to the States for local slum-clearance and low-rental housing programs only where there is a need that cannot be met either by private industry or by the States and localities.

This bill follows out this plank of the Republican platform and I feel that I am duty bound to give it full consideration and to enact legislation in the Eighty-first Congress to carry out our pledge.

Mayor Lee, in giving her support to this bill, said:

In recommending early passage of the Housing Act of 1949, H. R. 4009, we have in mind the extended hearing, exhaustive investigation, and full debate in and out of Congress which have been devoted to the basic principles and provisions of this measure during the past 4 years. We are fully aware, too, of the bipartisan support which has characterized the proposed general housing bill, presented since 1945. The need for declaration of a national housing policy and objective, with means for attaining them, is one of the major problems before the Eighty-first Congress. Limited improvements made through passage of the Housing Act of 1948 did nothing to provide aid in the principal problem areas of housing—low-rent public housing, slum clearance, and redevelopment of blighted areas, housing research, and farm housing.

H. R. 4009 constitutes the first step toward meeting these pressing needs and points the way toward fulfillments of one of the basic tenets of democratic government—that it should do for the people those things which they cannot do for themselves.

The housing needs of Oregon and Portland differ only in degree from those in other parts of the Nation. In August 1947, when Oregon's population increase stood at 33.3 percent over 1940, the immediate housing need was estimated at 108,996 new dwelling units, merely to obtain the same ratio of dwellings to families that existed in 1940. The Columbia River flood in May and June 1948 wiped out 6,353 dwelling units, 5,304 being temporary Federal units in Vanport (19,500 people in that one project alone, as of the time of the flood), occupancy of which was 55 percent veterans.

Prior to the war only about 2,000 dwelling units were constructed in any one year in Portland. In 1948, permits were issued for 3,075 dwelling units. Private industry has tended to limit its building activities to the higher price levels, where adequate profit can be made. It has not been able to operate profitably in the lower- and middle-income field, where the greater part of the need exists. It is our conviction that this greater need can be met only through further governmental aids, as proposed in H. R. 4009.

The city of Portland is now arranging for a survey of the housing problem in the city and outlying adjacent housing areas at a cost of some $50,000, shared equally by the city and the State of Oregon.

The Portland Housing and Planning Association on June 22 advised me by telegraph that that organization with more than 30 years' work in the field of housing, approved this legislation and urged support of H. R. 4009 as an essential step toward improving the local intolerable housing situation in Portland.

However, the Portland Chamber of Commerce, through its legislative committee and board of directors, considered H. R. 4009 and disapproved the measure, saying:

The legislative committee of this chamber, and today the board, have considered H. R. 4009, the Federal housing bill.

We wanted to pass on to you the opinion that H. R. 4009 would place the Federal Government too deeply in competition with private enterprise in the housing field. There were discussed instances of high cost private home construction and parallel and related instances of very excessive cost of Government construction of housing projects which are well known to you and have been the subject of discussion before Congress in past years.

The bill is regarded here as one which extends the principles of socialism deeply into our present economic government setup. It is argued here that private industry has been making very substantial strides in meeting the housing needs and it can and will continue to do so unless forced into inactivity by a Federal housing bill pitting Federal funds against those of private builders.

Our board wishes you to have these views as a matter of information and as an expression from one organization which arrives at its conclusion in opposition to H. R. 4009 only after extended consideration of the contents of the bill.

Real estate and building organizations, as well as apartment house owner groups, also disapprove the measure, feeling that it is a socialistic program bringing the Federal Government into competition with private industry and preventing private enterprise from meeting and solving the housing problem.

I share the concern of all of my fellow citizens, not only in Oregon but in the Nation at large, who deplore any trend toward socialism or statism in our national government. My paternal forebears came to this country in the 1600's with Roger Williams and my father migrated to Oregon by ox team almost a hundred years ago and our roots are deeply planted in the wholesome doctrine of individual initiative and the American way of life.

However, I am not unmindful of the fact that if it had not been for Federal aid to the transcontinental railroad lines connecting the west coast with the east coast in the pioneer days of our country, the far West would have been held back in its development for many years. Likewise the heavy expenditures of Federal funds for the development of the Columbia River and other waterways of the West, the reclamation of the immense arid areas, and the development of hydroelectric power might well be classed as socialistic tendencies. We may recall that we have been spending approximately $1,500,000,000 a year in subsidies and other aid to agriculture. My party has for years supported a high protective tariff which taxes the many for the aid of a few. Many other activities of the Government which require Federal grants, aid, or control for their success might be classed as socialistic along with this plan to give some aid and relief to a very large segment of our population in the low-income groups, many of whom are veterans of the last World War. State-supported schools are socialistic, but necessary. Certainly the aid given by the Federal Government to our low-income groups under this bill is not as socialistic as our public schools, public roads, and river navigation development where the beneficiaries make no contribution to the Federal Government to help meet the costs. This bill as it will be amended as proposed by the committee was passed by the Senate by a vote of 57 to 13. Such outstanding Republicans as Senators TAFT, VANDENBERG, WILEY, DONNELL, BREWSTER, MCCARTHY, CAPEHART, SALTONSTALL, LODGE, MALONE, MARTIN, and Mrs. SMITH voted for the measure. In fact, public housing legislation has passed the Senate three times. I cannot believe that the charge of socialism can be successfully maintained in the face of such a voting record in the Senate. I feel that this argument is not insurmountable in the consideration of this legislation. In fact, the safeguards and restrictions set forth in the bill will, in my judgment, successfully prevent embarking on a socialistic program by the enactment of the legislation.

The following major national organizations are supporting H. R. 4009:

American Association of Social Workers.
American Association of University Women.
American Council on Education.
American Council on Human Rights.
American Federation of Labor.
American Home Economics Association.
American Legion.
American Municipal Association.
AMVETS.
American Veterans Committee.
Congress of Industrial Organizations.
Council for Social Action of the Congregational Christian Churches of United States of America.
Council for Christian Social Progress, Northern Baptist Convention.
Department of Christian Social Relations, Women's Division, Methodist Church.
Department of Christian Social Relations, United Council of Church Women.
Division of Social Education and Action of the Presbyterian Church.
Family Service Association of America.
Federal Council of the Churches of Christ in America.
Jewish War Veterans.
League of Women Voters.
National Association for the Advancement of Colored People.
National Association of Consumers.
National Association of Housing Officials.
National Association of Jewish Center Workers.
National Association of Rural Housing.
National Conference of Catholic Charities.
National Council of Catholic Women.
National Council of Housing Association.
National Council of Jewish Women.
National Council of Negro Women.
National Farmers Union.
National Federation of Settlements.
National Institute of Municipal Law Officers.
National Lutheran Council.

National Housing Conference—formerly National Public Housing Conference.

National Women's Trade Union League.

National Association of Parents and Teachers.

United States Conference of Mayors.

Veterans of Foreign Wars.

National Urban League.

National Board of the Young Women's Christian Association.

Considering the merits of H. R. 4009 the declaration of the national housing policy and the objectives of the legislation are set forth in the bill. The Congress declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective shall be, first, private enterprise shall be encouraged to serve as large a part of the total need as it can—I call special attention to this provision; second, governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total; third, appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; fourth, governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; fifth, governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill.

Much criticism of the bill has been made on the question of over-all cost. I am discussing this feature of the bill on the theory that the amendments which the Chairman advised the committee would propose will be adopted, in which event the cost will be materially reduced and the number of units decreased from 1,050,000 to 810,000.

Under H. R. 4009, loan funds of $1,950,000,000 are authorized for the various programs. These loans are fully repayable, together with interest at the cost of the money to the Federal Government. They, therefore, in no sense represent costs to the taxpayer, an the inclusion of them in estimates of cost by opponents of the program is manifestly misleading. The actual cost of the program to the taxpayer is represented by capital grants made in lump sums and annual contributions payable over a period of years.

Capital grants: Under title I, grants for slum clearance amount over a 5-year period to $500,000,000. Under title IV grants for farm housing over a 4-year period amount to $12,500,000. A total of all grants amounts to $512,500,000.

Annual contributions: Under title II annual contributions for low-rent housing would reach a total maximum of $308,000,000 at the end of 5 years. These annual contributions may be paid over a 40-year period. Under title IV, annual contributions for farm housing would reach a total maximum of $5,000,000 at the end of 4 years. These annual contributions may be paid over a 10-year period.

Annual contributions serve to make up the difference between the gross rent that low-income families can afford to pay and the cost of operating public-housing projects, including interest and amortization. The amount required to meet annual contributions is, therefore, subject to many variants. Economies in operation and increases in family incomes are reflected in lower annual contributions. The annual costs to be met by the Federal Government will not be onerous.

The Director of the Budget recently advised the chairman of the House Committee on Rules that on the basis of expected interest rates the contributions would run for 29 to 33 years. He pointed out also that under the present low-rent-housing program in recent years only 25 to 30 percent of the maximum amount contracted for has been required. This is unusually low, due to war and postwar increases in incomes and rent-paying ability of tenants. In an average year under the new program contributions actually paid will probably not exceed 75 to 80 percent of the $308,000,000 authorized annually.

It must be kept in mind that the benefits of this bill in the public-housing portion go to the low-income groups exclusively, many of whom are veterans. The committee hearings disclose that the average public-housing family is not only in the lowest third-income bracket but in the bottom third of that lowest third. The average income of all these families is about $35 a week. Every dollar spent for public housing goes directly into private industry, for labor, brick, cement, steel, lumber, plumbing, electrical goods, glass, paint, and the contractors' profits, will flow into private industry. Hundreds of thousands of private-industry jobs will be saved at a time when unemployment is approaching the danger point. The majority of World War II veterans cannot afford to buy or rent decent homes. The American Legion is supporting this bill. About 2,000,000 veterans' families are now living doubled up. The public-housing program gives preference to these veterans subject only to the priority given low-income families whose homes are being torn down in a community's slum-clearance program.

Every public-housing project is built by responsible private builders who competitively bid for each contract assuring the lowest cost. Built for long life, free of exorbitant maintenance, and operating costs, and providing a decent standard of living, public-housing construction costs are, naturally, higher than the cost of jerry-built speculative dwellings. The new law requires that a no-man's land of at least 20 percent be established between the highest rents charged in a public-housing development and the lowest rents being charged in the community for decent housing available through private enterprise. The committee reports that of the nearly 1,000,000 dwellings built last year, not a single one was sold or rented at a price within the means of the American families who will live in public housing. Heretofore the public-housing program was opposed on the ground that the shortage of building materials and building labor was so critical that even private-housing construction was in difficulties. Today private-housing construction is off as much as 50 percent in many areas. All building materials are now in plentiful supply, and there is plenty of construction labor available. In fact we have a serious unemployment problem which is growing worse day by day.

Public housing works on a three-way pay plan: the tenant pays as much as he can, the city pays a reasonable share, and the Federal Government contributes the difference. Public housing pays to the city up to 10 percent of its tenant rentals for municipal services rendered, policing, fire protection, utilities service.

I repeat, it should also be kept in mind that this program will be administered entirely by local officials and will be under local control and that if any State does not care to avail itself of the program it is free to reject it. The governors of the States are the elected guardians of States' rights. The only way a public housing program can even be started anywhere in the United States is with each State's legislative permission. If the State's government does not want public housing, there is no Federal public housing program in that State. Forty-two States have adopted laws providing for Federal aid to public housing within their boundaries. There are 265 cities in 39 States already operating public-housing projects made possible by the United States Housing Act of 1937. More than 70 percent of these projects are located in cities of under 50,000 population; 100 projects

are in cities of less than 25,000 population. In more than 600 communities scattered over some 42 States, local authorities have set up programs for slum clearance and public housing and are now awaiting the starting signal from the Congress. Actual experience proves that public housing is helping American cities, big and small, across the entire Nation.

It has been contended that only 10 of our major cities will be benefited by this program. However, 42 States will have the opportunity at once to avail themselves of the program as they have passed enabling legislation therefor. Hundreds of cities throughout the United States in the smaller categories have availed themselves or are planning to avail themselves of public-housing programs. Furthermore, the 10 cities referred to where the largest cities in our Nation are situated contribute 65.57 percent of the total taxes collected by the United States and should be given some consideration in providing housing for their distressed low-income groups. Mayor Bowron, of Los Angeles, has stated that a recent sampling of 16,000 veterans' applications on file with the local housing authority showed that 59.4 percent of the veterans had annual incomes of less than $1,900. It is patent that their present incomes will not allow them to either buy or rent acceptable standard housing from private landlords or realtors. Unless the building industry is suddenly revolutionized by use of nonconventional materials, or in some other fashion as yet unthought of, this situation will continue to exist until private enterprise is able to reach all levels of home seekers.

Mr. Chairman, one of the most salutary provisions of the bill is that for slum clearance. Even the opponents of the bill attest that there exists throughout the Nation slum areas that are a disgrace to this great Republic and which are contributing heavily to child delinquency, crime, and spreading of disease. Frightful conditions exist here in the Nation's Capital within almost a stone's throw of the Capitol Building itself. In the slum areas here in Washington and elsewhere often several families live in a single apartment sharing the same kitchen and a common bathroom. Millions of Americans must now live in America's disgraceful slums, frequently an entire neighborhood using a common outdoor toilet and common water supply. This is good breeding ground for communism.

As pointed out by the committee, the public housing program in the various localities is directly administered by local housing authorities which develop, own, and operate the low-rent projects. Local authorities are created pursuant to State law, and their members are usually appointed by the mayors of the respective localities. The basic responsibility for the provision of low-rent housing is thus reserved to the various localities. The role of the Federal Government is appropriately restricted to the provision of financial assistance to the local authorities, the furnishing of technical aid and advice, and assuring compliance with statutory requirements.

Two types of Federal financial assistance are provided under the United States Housing Act—loans and annual contributions. Loans may be made to assist local authorities in the capital financing of their projects, but under the proposed financing provisions of this bill it is expected that local authorities will be able to meet the great bulk of their capital requirements by the sale of bonds to private investors. The Federal loaning power will be used primarily in connection with the temporary financing of projects during the construction period.

The annual contributions paid by the Federal Government, together with the contributions made by local governments, serve to make up the difference between the rents which families of low income can afford to pay and the annual operating costs and debt service of the projects. The Federal contributions are limited to maximum amounts fixed in relation to the costs of the projects, but the amounts paid each year are restricted to the amounts actually needed in such year. On the basis of past experience, it is expected that, over a period of years, not more than two-thirds or three-quarters of the maximum amount will be required.

Another housing provision of the bill is for rural nonfarm areas. The housing needs of low-income families who live in rural nonfarm areas are as serious as those of low-income families in urban areas. Two provisions have, therefore, been written into the bill with specific reference to this problem. First, the committee has provided for a specific 3-year reservation of 10 percent of the authorizations for annual contributions contracts for rural nonfarm housing. Under this proviso, the committee expects the Public Housing Administration to undertake a program of assistance to local housing authorities in the provision of low-rent housing in rural nonfarm areas. Second, the bill provides for the transfer of farm-labor camps administered by the Secretary of Agriculture to the Public Housing Administration for use as low-rent housing, and authorizes the reservation of all or a part of the accommodations in such camps, for migratory agricultural workers and their families. The bill requires that the rents for such accommodations as are reserved for migrating agricultural workers shall be amounts which they can afford to pay, and permits funds of the agency to be used to make up any deficits, and authorizes appropriations to reimburse agency funds for expenditures for such purposes.

It should not be overlooked also that there is a research program set up in the bill which is of much merit. As pointed out by the committee, research, which has made our Nation's competence in scientific development and industrial skills a subject of world-wide respect, should be more fully used on a larger scale to obtain more and better housing for all American families. In the judgment of the committee, this will require the authorization of a comprehensive Federal research program to the end that the already extensive facilities of our educational institutions, industry, foundations, private laboratories, and of Government may be better coordinated and focused on the achievement of the housing objectives stated elsewhere in this bill. It is this kind of a Federal research program that is contemplated by the committee in title III of the bill.

The need for such a program has been emphasized repeatedly over the long period during which this legislation has been under consideration and was a major recommendation of the Joint Committee on Housing. It has been supported during the hearings by witnesses broadly representative of the American people. Among these witnesses were several industry spokesmen who recognized the value of Government research to supplement the results of industry's own activities.

Perhaps the most persuasive argument for the type of research program authorized by the bill is the simple fact that all who have an interest in and responsibility for housing, need and will benefit from the results of such research. The homebuilder who faces the task of constructing more and better homes at lower prices to maintain his market will make better headway if he is in a position to apply the results of research into basic cost factors. Labor employed in home construction will be helped toward the goal of more stable employment at good wages. Better information resulting from research will help the lending institutions in the wise selection of investments for trustee funds, and it will help the producers and distributors of building materials and equipment who have been severely handicapped by the traditional boom-and-bust behavior of construction activity in the past. Governments—local, State, and Federal—need more sound factual information on which to evaluate the actions they should take in carrying out their respective responsibilities in housing.

The bill also covers farm housing. There are many farm homes that are in disrepair, without modern conveniences and owned or occupied by low-income families who are without means or the ability to provide decent homes for their families. Our information is that in 1947, 19 percent of our farm housing was in need of major repairs as compared with 8 percent of nonfarm housing. Only 1 out of 5 farm dwelling units had both private bath and flush toilets compared to 73 percent of nonfarm housing. Two-thirds of the farm dwellings lacked running water. Only 3 out of 5 had electric lights. Certainly an improvement of farm housing standards as reported by the committee is essential to a sound and secure rural economy and to attract to the land persons of the type of character and health to make the farm program successful. This provision of the bill certainly is meritorious.

Time does not permit a full discussion of the provisions contained in titles I and II in connection with slum clearance and low-rent housing under which agencies may borrow moneys from private investors on short-term notes. There are other provisions with reference to financing of low-cost housing which are meritorious and worthy of our support.

I realize this humanitarian program to provide shelter for low-income groups will cost a substantial sum of money. However it is an essential program for the welfare of our own citizens. I subscribe to the view we should balance the Federal budget and live within our income. By cutting out waste and useless expenditures in governmental operations we can easily save many times the cost of this program.

Mr. Chairman, in view of the reasons that I have here set forth and others that time does not permit me to recount, it is my purpose to vote for the passage of H. R. 4009 as amended in accordance with the announcement of the committee chairman.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I hope the committee will approve the amendment proposed by the chairman of the legislative committee in charge and I hope that the Committee of the Whole will not approve the proposed amendment to materially reduce the number of low-rent public-housing units and for this reason:

I think the amendment is offered in order to implement the arguments which have been made by those against the bill and to demonstrate as best they can the validity of their opposition. But what the House is interested in right now is whether Members are for or against the bill.

I would like to take this time, however, to answer one very important argument and that is that 810,000 housing units will not provide all the low-cost housing units needed in the United States, therefore we should pass no bill. Certainly we should pass this bill; for if we just extended that argument, we should be building 16,000,000 homes for everybody in the country who will need a new home in the next 10 years. In my town of New York there are 400,000 housing units which were built were 1900. Many of them are in good shape and people can live in them for a while yet. What we are trying to do here is to take care of the marginal difference between inadequate building and adequate building. Building which will approach in magnitude our need is considered to be about a million and a half units a year. Private enterprise is supplying about 900,000 new units annually. We are trying here to get a balanced program to take care of that marginal difference.

Insofar as low-rent housing is concerned, the chairman of the legislative committee has adopted the figures contained in the bill of the 10 Republicans and has adopted the figure in the bill which was passed by the other body. That is a balanced and reasonable approach to this problem, very tidily within our means and I believe that those who support the bill must support at the very least that figure of 810,000 low-rent public-housing units.

Mr. LARCADE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LARCADE. Mr. Chairman, I am not opposed to giving every assistance possible and reasonable to our great cities in the United States, and I know that slum clearance is one of the problems of the larger cities in the country, and I am in full accord with authorizing a program and appropriations for such undertakings, as well as such other reasonable programs which are necessary for the welfare and progress of our cities and every other portion of our great country; however, while it is true that the legislation under consideration does make provisions for slum clearance in our cities, there are so many other provisions which are a part of this bill, and which I cannot in justice to my conscience support it is my intention to vote against the bill under consideration.

Mr. Chairman, my office has been flooded with literature and communications protesting the enactment of this bill, and one editorial from the Houston Chronicle of date June 15, 1949, reflects in a large measure the summation of the opposition from many of my constituents in my district, and from this editorial I would like to quote and read the following:

Public housing is not the answer to any public problem in this country. It started as a means of priming the pump of national economy in the early 1930's. When that played out as an excuse, it became a great crusade to rid the cities of slums.

Even the stanchest supporters of public housing do not claim that the slums have been eliminated in any place where slum-clearance projects have been established.

The temporary housing shortage, due to the lag in construction of housing during the war and inflated costs of building since the war, have given a false idea of the desirability of public housing. For several years veterans housing, scarce housing, and high-priced housing have been confused in the public mind with Government plans for slum-clearance housing.

The impression has become widespread that Americans, particularly in cities, are the worst-housed people on earth. That is the rankest kind of nonsense. We are the best housed of all living peoples. And only a minute part of our population lives in public housing.

There certainly are slums in our cities. Right here in Houston are hundreds of families living in virtual sties, a disgraceful and menacing civic disease that has not been helped by the slum-clearance treatment.

Within the last dozen years the Federal Government has built San Felipe courts and Irvinton courts for whites and Cuney Homes and Kelly courts for Negroes. In the four projects are facilities for 1,318 white and 897 Negro families.

The Government built these housing projects; it owns, operates, and manages them. It pays no real-estate taxes. It charges less rent than needed to pay building and operating costs. The loss comes out of the pocket of the taxpayer through Federal income taxes and higher real-estate taxes.

Since the public housing projects are tax exempt, the rest of Houston's taxpayers must pay the high cost of schools, fire and police protection, and other municipal services not only for themselves but for the favored housing tenants as well. Don't forget, the taxpayers paid for these housing units and continue to pay part of the rent of the tenants.

The worst of it is that they have not helped the neediest families. Public housing officials testified openly at recent hearings before Congress that they do not intend to make more than a small fraction of their units available to welfare families and those on relief. Public housing, they said, is for families with steady incomes.

Families with steady incomes are not likely to be found living in what is commonly accepted as slums unless they prefer to live there. The housing projects have filled up with middle-income families as well able to pay for their shelter as the average taxpayer who is being forced to help support these Government favorites.

In the 15 years or more that the Federal Government has been engaged in building and operating public housing, it has not constructed as many units as private enterprise is building this year of 1949. Then how can it be seriously considered as an answer to the housing needs?

Experience has shown that it takes the Government at least 2 or 3 years before any newly authorized housing would be available for occupancy. There must be surveys and conferences and every little decision has to be approved by city, county, State, and Federal bureaus.

A public-housing program siphons labor and material from one type of housing to another. It causes materials to be held in warehouses instead of turning them loose on the market where private industry would use them to quickly build houses.

Whether or not public housing actually primed the pump of national economy in the 1930's is beside the point of the present discussion. It has not cleared slums. It has not helped the housing situation but has hindered the construction of shelter by private industry.

It serves no useful purpose perceptible to anyone except possibly someone who believes in the Government ownership and control of homes, and the few favored occupants of the housing projects.

Mr. Chairman, I have also taken the time to read all of the editorials from other papers from other portions of the country, as well as discussions by columnists and commentators and I think that one of the best articles I have read which gives, in my opinion, the opinion of a large majority of the citizens of our country, is contained in an article published in the Washington Star written by Gould Lincoln, and I would like to quote and read part of this article which pertains to public housing and other programs under consideration:

An ominous ground swell among the common, everyday run of Americans against continued heavy spending by the Federal Government, particularly for new paternalistic and socialistic projects, appears to be rolling up. If it is so, it may still be in time to do some good before Congress closes. And should the administration's lack of interest in economy—evidenced by its continued proposal of new and costly programs—meet such a ground swell head-on, there may be something new in the political field. The campaign for the Senate and the House is coming up.

Notwithstanding the millions of people who are drawing money from the Federal Treasury, either directly or through subsidies of one kind or another, there are still more millions who are not. And the whole mass of the people are feeling the increasing pinch of Federal taxes and the ever-growing State and local taxes.

STRAW IN THE WIND

A straw in the wind is an unusual kind of poll, conducted by the Detroit News in the heart of a great industrial center, where the CIO claims tremendous strength. The newspaper published on two successive days ballots containing questionnaires on a proposal to cut Federal appropriations for the next fiscal year by 10 percent, and on Federal aid to education, public housing, the Brannan farm plan, the appropriations for aid to western Europe to rearm, the ECA appropriations, and the President's national health insurance program (socialized medicine to many).

Instead of urging the people of Detroit to send their answers to the Detroit News, the newspaper asked them to cut out the ballots and to send them to Michigan's two United States Senators, and to the Members of the House from the Detroit area. The results, as tabulated by these Members of Congress, were remarkable. The opposition to spending was overwhelming—and to the new projects also. Only in the matter of continued ECA aid and of aid in arming the North Atlantic Pact countries was there anything like a close division—and that was not too close.

The vote, in the poll, stood about 6 to 1 against Federal housing, 3 to 1 against Federal aid to education, 12 to 1 against national health insurance, and 16 to 1 against the Brannan farm bill. The poll stood 5,293 to 3,982 against spending to arm the western European nations, and 5,553 to 3,832 against large ECA appropriations. The Federal housing bill was defeated in the poll by 8,265 to 1,265; the Federal aid to education measure, 6,959 to 2,293; the Brannan farm bill, 8,870 to 528. On the other hand, the proposal to cut appropriations by 10 percent was voted up by 8,941 to 559, and the Hoover Commission plan to reorganize the executive branch of the Government was supported 9,251 to 245.

LETTERS ARE CRITICAL

Members of the Michigan delegation who received the ballots say they appeared to come from the ordinary run-of-the-mine citizens. One of the Senators received 200 letters along with the ballots and they, too, were mostly critical of the spending programs—half of them coming from persons of small means and half from business people.

Mr. Chairman, I think that the gentleman from Massachusetts [Mr. MARTIN], hit the nail on the head when he made a statement in regard to H. R. 4009 when he said:

To help a few people we cannot imperil the Nation—

And that $19,000,000,000 cost of the bill—

is a heavy obligation to assume in the face of a possible financial collapse. Less than 6 percent of our people would be in the class available to benefit by the legislation, and less than 7 percent of those available could be selected. * * * In other words, out of every 1,000 people you know, only 4 could qualify. * * * The other 996 persons will get nothing but increased tax bills.

Mr. Chairman, it is my further opinion that there are ample laws on our statute books which can be taken advantage of by our people in providing public housing, and if, for any reason there are not sufficient authorizations for that purpose, I am perfectly willing to vote for additional authorizations and appropriations to make the necessary provisions for that purpose to continue these programs in the American way.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, I rise in support of the amendment offered by the chairman of the legislative committee in charge of this legislation.

What, in actual essence, it does is to cut the program from 7 years, or 1,050,000 units, to a 6-year program, or 135,000 units per year, with an escalator clause, of course, which permits a minimum of 50,000 in any one year up to a maximum of 200,000. Then we get down into the figures here as to the real crux of the issue, as far as the total cost is concerned, and the total contributions and just wherein facts are facts, and wherein half-truths and fallacies are half-truths and fallacies. It has been stated here time and time again every effort to actually distort the real facts.

I believe we have a very good basis of performance under the existing program at present, under Public Laws 412 and 671. I should like to list a table showing our present experience under the United States Housing Act of 1937:

*Locally owned low-cost housing under United States Housing Act (Public Laws 412 and 671) as of Dec. 12, 1948*

| | |
|---|---|
| 1. Maximum annual contributions under contract | $24,649,455 |
| Less deferred units (still under contract) | 2,778,171 |
| Balance, active units | 21,871,284 |
| Fiscal 1950 appropriation for annual contribution | $5,000,000 |
| Percent of 1950 appropriation of maximum for active units | 22.8 |
| 2. Development costs | $782,851,589 |
| Less deferred units (still under contract) | 85,760,434 |
| Balance, active units | 697,091,155 |
| 3. Number of units | 173,195 |
| Less deferred units (still under contract) | 20,906 |
| Balance, active units | 152,289 |
| 1. (a) Maximum annual contribution under contract per unit | $142 |
| Deferred units (still under contract) | 133 |
| Active units | 143.50 |
| 2. (a) Development costs per unit | $4,520 |
| Deferred units (still under contract) | 4,100 |
| Active units | 4,575 |

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BUCHANAN] has expired.

The Chair recognizes the gentleman from Michigan [Mr. O'BRIEN].

Mr. O'BRIEN of Michigan. Mr. Chairman, after judicially hearing the testimony that was presented to the Committee on Banking and Currency of the House, all Members who voted to report this bill favorably voted for the figure of 1,050,000 units to be constructed over a period of 7 years. The need for that was very clearly established. There were figures from the Census Bureau, which have never been contradicted. More than 15,000,000 non-farm-housing units will need to be constructed by the year 1960 or this country is going to be in a dire predicament for dwelling houses and this bill meets a small portion of that need.

The main campaign against this bill as reported by the Banking and Currency Committee, has been based on exaggerated statements. Gentlemen have continued, in defiance of presentation of facts and in defiance of opportunity to ascertain personally and individually for themselves what the annual rent subsidies are likely to be, to repeat and reiterate exaggerated statements. These annual rent subsidies can go up or down. They can go up when the current income of residents is down. They will go down when the incomes of occupants of these dwelling are up. In some years there will be no subsidies at all, because they can carry their own way from the income of tenants. To contend that at all times and in all places during the life of this bill the maximum will prevail, is revolting to any man's intelligence. That is the contention which has been made in opposition to the bill, and, partially yielding to that contention, an amendment has been offered to strike 240,000 needed dwelling units from this program. I contend the amendment to the amendment should be defeated, and the amendment should also be defeated, and the bill as reported from the Committee on Banking and Currency, based on the testimony which that committee judicially considered, should be sustained.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Kansas [Mr. COLE] to the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The question was taken; and on a division (demanded by Mr. COLE of Kansas) there were—ayes 54, noes 90.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The amendment was agreed to.

Mr. REES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

The amendment offered by Mr. REES: On page 24, strike out all of the remainder of page 24 down to and including line 15 on page 51.

Mr. REES. Mr. Chairman, my amendment strikes out title II of the original bill. It is the title that prescribes for so-called low-rent housing. Most of the discussion during the past several days has been with respect to the need of slum clearance in a number of the large cities of this country. I am in accord with the view of many other Members of this House that slum conditions in many of our areas are a disgrace and a blight upon our country, and so I want it understood that I am in favor of the provisions of this bill that afford an opportunity to the cities and communities to clear up the slums with Federal assistance.

Mr. Chairman, I call your attention to the fact that only 10 percent of the

money expended under this bill will go for slum clearance. The remainder will go for so-called low-rent housing. In other words, the committee brings a bill to the floor of the House insisting that the greatest need of all in this country is slum clearance, and then submits legislation to spend somewhere between sixteen and twenty billion dollars, and only 10 percent of it to take care of the slums of America.

Mr. Chairman, here is a chance to be realistic. If you really mean what you say, then use the funds provided in title I of this bill, match it with those of cities and communities who are willing to clean up the undesirable situation that exists in many of our cities.

Here is your opportunity to help the poor people of this country, the people who live in crowded dwellings, the people who do not have a chance to help themselves, to find better places in which to live. Here is your real chance, your opportunity to do something for humanity that is sorely neglected and ought to be done.

Let me say again I am in accord with those who feel that we need more and better homes for the people of this country. It is my view that a much more practical and better way to solve the problem is to continue a liberal constructive program of approving loans for new homes. Let people buy these homes and pay for them over a period of years. Continue the 90-percent loans on moderate-priced dwellings at low interest rates. Give the families of this country the opportunity of paying for their own homes rather than expect them to live in these so-called low-rent dwellings for the remainder of their lives without a chance of buying their own homes.

Mr. Chairman, much has been said with respect to veterans' housing. I am in favor of a liberal program whereby the veterans may be given a chance to buy moderate-priced homes, but let us not put them in Government houses under a rental program. Give these veterans an opportunity to buy homes of their own on just as liberal terms as may be done, but do not make tenants of them for the rest of their lives.

Mr. Chairman, I call your attention to the fact that if this bill is enacted into law practically all of the funds expended thereunder will go to a few of the metropolitan areas of this Nation, and not much of it will be spent in other parts of these United States. Incidentally you will slow down home building in other areas.

Mr. Chairman, the so-called low-rent housing program takes care of a comparatively few people. Those who qualify are required to have a certain income. Otherwise they are not entitled to live in these homes. According to figures submitted by the committee, not more than 10 percent of the people whose salaries are between $1,500 and $2,500 per year will have a chance for these homes. So you will have a situation whereby you are dividing the people of this country into separate classes, one group being subsidized in the payment of their rentals and another group with similar incomes who are paying for their own homes or paying rent to private owners.

Mr. Chairman, let me call your attention to one thing more and that is that this program does not build more homes for more people. We have just so many builders in this country. The same people who will build the Government houses are now building private homes. The same materials that go into these Government built units would otherwise go into units for home owners, or at least prospects for home owners. The money that goes into the Government built houses will be spent in congested areas. The money under private building will go to all parts of the country.

Mr. Chairman, we are in the midst of a huge building program now. Large funds are being provided in the way of loans to assist with this program. We had a record program in 1948. More than one million houses were built. I am informed a million more will be built in 1949. Under this legislation you are going to reduce the present building program and permit the Government to carry on, which will be more expensive and far less satisfactory.

This program is far reaching. It will commit the people of this country to an expenditure of $20,000,000,000 over the years. As a matter of fact, it is likely to cost even more than $20,000,000,000 because more and more cities will be asking for Government assistance as the years go by.

Mr. Chairman, after you have embarked on the policy outlined in this bill, no one can predict the end of it. It is not for the best interests of your country and mine. It has been said that the program compares with appropriation of funds for road building and things of that kind. The difference lies in the fact that the roads are built for the general public, for everyone who wants to use them, but low rent housing will be for a selected few. Even at the outset not more than 10 percent will be permitted to use it and it will be for people who must be able to pay the rents specified by the Government, otherwise they will be evicted. Those who come under title II must be people with steady incomes and sufficient funds to pay these rents, or out they go. Would it not be better to help them become home owners and not renters for the rest of their days?

I would not be misunderstood. I am certainly in favor of better and more comfortable homes in this country, on the farm and in the city, but I do not believe the policy outlined in this legislation will reach that objective. This is not the time to embark on a program of this kind.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. SPENCE. Mr. Chairman, I wonder if we can agree on time to close debate on this title?

Mr. HALLECK. Mr. Chairman, I would much prefer if the gentleman would not press that at this time. I want to speak on this amendment. It is one of the most important, if not the most important, parts of the controversy. As a matter of fact, I had hoped that the chairman of the Committee on Banking and Currency might indulge me an extra 5 minutes in order to present what I have to say in reference to this measure as it applies to this title and the pending amendment.

Mr. SPENCE. Does the gentleman object to setting time to concluding debate on the title?

Mr. HALLECK. Debate has just opened on this amendment. I would suggest, if it is all right with the gentleman, that we proceed for a little while, then I shall certainly not object.

Mr. SPENCE. How long would the gentleman suggest that we proceed?

Mr. HALLECK. This is probably one of the most important amendments that will be offered. It has to do with the highly controversial part of this measure. I would say that we go on here for 20 or 30 minutes, then arrive at some fair limitation of time.

Mr. SPENCE. In 20 minutes I shall make the motion.

Mr. MARTIN of Massachusetts. I want to assure the gentleman that we are going to cooperate with him to the fullest extent in getting the bill passed tonight. But I do think for the moment it would be better to run along with the debate.

Mr. SPENCE. I accede to the gentleman's suggestion.

Mr. HALLECK. Mr. Chairman, I rise in support of the pending amendment and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Chairman, I thank the gentleman from Kentucky [Mr. SPENCE] for his courtesy. I have not spoken on this measure and I do not believe I can say all that I would like to say at this point in 5 minutes. I do not know whether I can say it in 10, but I shall try.

It has been said the consideration of this bill should be nonpartisan. I believe it has been nonpartisan thus far. It has been recognized that Members have spoken on both sides of this matter as a matter of honest and deep conviction.

I am supporting the pending amendment for many reasons. This amendment would strike out title II, which is the so-called public housing section. It is the section that it is variously estimated would cost somewhere from 10 to 20 billion dollars during the next 30 or 40 years.

I am not going to talk about all the reasons why I think the title should be stricken, but I am going to talk about a few of them which seem to me to be of overwhelming importance.

Mr. Chairman, in view of the economic situation in the country, a situation that every one of us must recognize, in view of the fiscal and budgetary condition of the Federal Government, in view of the insistent demand from people all across the land that we avoid deficit spending and bring about economy in Government spending, this is no time to initiate this far-reaching program by which the taxpayers of the country and future Congresses will be bound for 30 or 40 years. The only way I know to economize is to begin economizing.

I regret to say that too many of us too many times just cannot ever seem to find a place to begin. Certainly this is a bad time to commit the Federal Government to these great recurring annual costs.

Another reason I oppose title II is that it is another dangerous plunge in the direction of our headlong rush to overcentralization of control, authority, responsibility, and taxing and spending in Washington.

Thirdly, I oppose title II because I think I can demonstrate that it points definitely in the direction of the eventual socialization of housing in the United States.

Now, this is not a new problem. We had this very same thing back 10 years ago in 1939. Then, as now, the measure that was before us had passed the other body, but when it came on under the rule, the then overwhelmingly Democratic House of Representatives by a vote of 191 to 169 turned that measure back and refused to even consider it. Why, I went back and read the debate on that rule, and I found there the very same arguments that are being asserted here today against this title, and so correctly asserted. Of course, agitation for this sort of legislation rather subsided after that time. Then we came into the housing shortage that confronted us during and after the war, and it is again being called up.

Now, so far as the housing shortage is concerned, let us not forget the fact that in 1947 and 1948 we built more housing units in this country than had ever been built before, and we are licking the housing shortage now. We are doing that in the traditional American fashion.

Another thing to be understood is that everyone wants better housing and better conditions for the people of America. That is the American spirit and it is entirely proper. But, the real question is: How are you going to obtain it?

Let us go back to these things that I talked about originally. Should we undertake this expenditure now? We all know we are in for a big deficit this year, and we are in for a greater deficit next year. The chairman of the committee has stated that the power to tax is the power to destroy. Yes, my colleagues, the power to tax the American people in ever-increasing amounts is the power to destroy the very fundamentals of our system of competitive enterprise and free Government.

I have referred to the economic slump in which we find ourselves. I have referred to the demand of the people across the country for economy. You may have noticed that 60 some Members in the other body have joined in an economy group. It is all right to join an economy group, but as I said before, the time has come to get down to the accomplishment of economy.

Polls have been coming in here on this matter of public housing. The newspapers out in my State have run those polls, and when the people out there saw the price tags attached—and they just started a few days ago—let me tell you what happened. One hundred and fifty-three ballots came into my office against public housing, and seven were for it. Does that not mean anything to you?

I resent the implication that some sinister force has dictated the action of those people I am privileged to represent. They have signed their names. Many of them I know. They are God-fearing, honest American citizens, who are genuinely disturbed about the reckless expenditure of money that we do not have. They have no ax to grind.

Why, one of the worst features of this whole spending business growing up in the country is that too many people would try to make it appear that the money coming out of Washington is free money; that it does not cost anybody anything. That is the most cruel deception that could ever be practiced on the American people. There is no wealth to be taxed except as it is found in one of the 48 States. But as I say, it seems if you get it from Washington, that is all right.

The second reason I object to this is the matter of overcentralization of control and taxing and spending in Washington. I think it is axiomatic that the closer you get the spending of the taxpayers' money to the collection of it, as when it is done locally in the States, then the greater the resistance to waste and extravagance. Is that not a desirable thing? To me it is.

Let me say to you also another thing, you people who still believe that the States ought to be something besides geographical boundaries, who believe in the fundamental concepts of our dual system of government as created in the Constitution: You keep on bringing all these things to Washington and one day the citizen will lose his interest in local self-government and government in his State, and when he loses that interest we in this country will have lost our capacity for self-government.

The third thing I mentioned was the matter of socialization. I trust you will bear with me when I say that I do not like to characterize in these glowing generalities anybody or anything, but I am entitled to my own convictions about it and my own philosophy and my own view, and this time I happen to think my view is sound.

I remember right after I came to Congress a right important man made a speech in which he said that one day all housing in this country would be furnished at the taxpayers' expense, and all medical attention would be furnished at the taxpayers' expense. Now let me ask those of you who say there is nothing socialistic about this bill, if all housing or substantially all housing were provided at the taxpayers' expense, would not that be socialized housing? No one can deny it, even as it would be socialized medicine if the Government were furnishing all the medical attention to the people of the country.

To my mind, there is a vast difference between an enlightened, civilized society helping people pay their rent or pay anything else when their incomes will not stretch far enough to take care of them, and putting the Government into the business of building houses and being the landlord, and renting the houses to the people at rents less than the properties would bring if they were on the market.

It has been said here, and I think with complete truth and veracity, that this is but the beginning. Once the policy is adopted, what are you going to say when the pressures go on to provide this same sort of housing at the taxpayers' expense, in part, at least, to other millions of people who stand in exactly the same position as do the people who will occupy these first units that are built? And what will you say to others who demand the same treatment by their Government. Where will be the resistance to say no? Where will the end be, the end to which we will finally come when we must say whether this Nation shall continue to be a nation of homeowners, yes, or renters, renting their own properties, where they want them and the kind they want, as against a nation of people who are tenants of the Government of the United States?

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I always like to listen to my distinguished friend from Indiana because he has a lot of fire and a lot of personality, but I have always expressed the hope that someday I would see him exercise that capacity and personality and fire in something constructive, supporting constructive legislation which concerns the welfare of human beings, that considers the human values of our country as well as the dollar value. Human beings are the backbone of our country. I do not believe in destroying anything to bring about improvement. But I do not think the Congress of the United States should subordinate human values to property values or dollar values. I am hopeful some day that my distinguished friend will be found on my side fighting the cause of human values when circumstances justify and require it.

My friend says that we should not pass this for three reasons. First, on the ground of economy. Last year it was on the ground that it was the socialization of housing, in other words, socialism, that it should not pass.

The plea of economy was not advanced last year. The Republican leadership, and I say this as a matter of history, controlled the situation then, so that they would not permit a bill to be brought up in the last Congress allowing the Members to pass upon the question of public housing, or low-cost or slum-clearance projects. Members on both sides urged that such action be taken. A bill had passed in the other body. Yet we were denied even the right of a motion to recommit. Legislative processes never intended under the rules were resorted to to take away from the minority even its time-honored and traditional right to a motion to recommit. Not even a closed rule was reported out, and under a closed rule they could not take away the right of the minority to make a motion to recommit. A motion to recommit is to enable the minority to establish its record before the people of the country. Resort was had to suspension of the rules. You do not find the Democratic leadership resorting to suspension of the rules on far-reaching legislation.

Every bill of a far-reaching effect and of a general nature will be brought up under the general rules of the House, or under a closed rule, if necessary, and if the circumstances justify, preserving the minority right to a motion to recommit.

This year it is the plea of economy. Last year it was socialism. Each and every individual Member was denied the right of offering an amendment and the Democratic Party was denied the time-honored right to make a motion to recommit.

Now, we have another charge that this is another dangerous step toward overcentralization of control in Washington. This bill does nothing of the kind. Nothing can be done unless it starts locally. The Federal Government cannot start anything under this bill unless the local housing authority initiates it, and files their application. The Federal Government cannot go into Boston and establish a housing project, whether it is a slum-clearance project or a public-housing project if the Boston Housing Authority does not want it. They have no authority to do so, and they cannot do it in any other city or town.

It starts locally. Everything starts locally. The bonds are sold to private interests. The work is done by private contractors submitting bids. Naturally, if the Federal Government is putting money into this, after these projects are initiated locally and approved, the Government should have the right of supervision to see that the Federal money is spent in the right way and that there is no corruption or wrong things done.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts may be permitted to continue for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McCORMACK. So, Mr. Chairman, everything is done locally. The Federal Government's activity amounts to supervision to see that the money of the taxpayers is spent in accordance with the law. If we did not do that, we would be recreant in our duty. Everything is initiated locally. We even lease these projects to local authorities and they pay rental to the Federal Government. After a number of years, when they have paid it off, the local housing authority, the local government, the city of Boston, for example, will own it. We are doing it now in 265 or 268 projects throughout the country. They are paying them off. When it is paid off it is owned locally—not by the Federal Government. The Federal Government is used as a bank to try to bring about social and economic advancement. It is all done locally and administered locally, and ultimately the local city or town, through its proper agency, will own the project, whether it is slum clearance or whether it is public housing.

On the question of socialism, I addressed myself to that the other day. I do not want to get into it again. It is our Government performing its secondary function of government. Many people honestly confuse socialism with the Government responding to its secondary function of government. I will agree that if the Government stepped in and took over a collective community, that would be a step in that direction. But this is just the opposite. This tends toward ownership locally. This is being administered locally. It is all done on the local level. It is consistent with our dual form of government. The whole bill is drafted consistent with the theory of State rights, and the Federal Government coming in in its proper place, to try to help the city, State, or local government in its problem.

What about subsidies to the farmers? If a subsidy to meet the social and economic problems of a nation is socialism, the subsidy paid to farmers is socialism. The gentleman from Indiana [Mr. HALLECK] voted for that. But I deny that it is socialism. I said the other day that if we confined our legislation only to the industrial phase of the Nation, we would destroy agriculture. We have to give agriculture proper consideration to live. The legislation that we passed has been in an effort to enable agriculture to guard itself against inevitable results. We protect industry with a tariff. The farmers, with an exportable surplus, are compelled to sell on a world market. You and I know that from experience. So, if my friend is sincere, he would vote against that, on the ground that it is just as much socialistic. But I deny that it is socialism. I repeat, it is a dynamic democracy, meeting the problem, trying to meet it to the satisfaction of the national interest.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. SMITH of Ohio. Would the gentleman point out, in either the old low-rent housing law or the one under consideration, where it provides that these projects will be owned by the local community or the municipalities, after the projects have been paid for?

Mr. McCORMACK. Well, I was speaking for Boston. The city of Boston has an agreement, through the Boston Housing Authority, to pay a certain amount each year. Some of that is on account of the principal. When it is all paid off, then the Boston Housing Authority owns the projects, for the city of Boston.

Mr. SMITH of Ohio. Do you have such an agreement in writing?

Mr. McCORMACK. That is my understanding.

Mr. SMITH of Ohio. I think you are mistaken. If you will read the bill——

Mr. McCORMACK. I am talking about the 268 projects in existence now, as a result of the 1937 act. It is initiated locally, administered locally, and there is no overcontrol as far as Washington is concerned.

Mr. SMITH of Ohio. I think the gentleman is mistaken.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

Mr. McDONOUGH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment and wish to call the attention of the House to the figures as they resulted from an election in California on November 2 last on a proposition similar to the bill that we have before us. I doubt if there is a State in the Union that needs public housing any more than the State of California. We are increasing our population to the extent of some 26,000 a month from all parts of the Nation. It was at a free election at the same time that there was a Presidential election and at the same time that President Truman carried the State by 12,000 votes. At that time the people from all parts of the great State of California voted "no" to the total of 2,372,646 and "yes" to the total of 1,042,089. In other words, there was a 2-to-1 vote cast against public housing, and in every one of the 58 counties the vote showed the same proportion of 2 to 1. I know that the vote in my congressional district was "no" 2 to 1, and I believe the figures will show that the vote was 2 to 1 "no" in practically every congressional district in the State. The only section of the State that showed any figures in favor of it were two assembly districts in the northern part of the State of California.

What did that proposition offer to the people? It was a constitutional amendment; it was fully publicized; everyone had an opportunity to know what it was all about. It set up an authority that would give the privilege of calling on the treasury of the State of California to the extent of $25,000,000 annually. It gave the State housing authority authority to issue bonds to the extent of $100,000,000 to build low-cost housing; yet the people said "No" to the extent of 2 to 1.

Coming back to the bill under consideration, H. R. 4009, in my opinion it is just as discriminatory as the Barden bill which has not yet arrived on the floor of the House. But as we know from mail we have received about it from all parts of the Nation, it is perhaps the most discriminatory piece of legislation we have had yet before us. What does the Barden bill do? It states in effect that for every school child between the ages of 5 and 17 in any State the Government will pay to the extent of $5 per capita, and then it states that that money cannot be spent in any State on any school child that is not in a tax-supported school.

What does this bill H. R. 4009 state? It states that all of the taxpayers of the Nation must put up $308,000,000 a year to take care of housing for 810,000 people, when we know by the census that there are many many more than 810,000 people who need low-cost housing. If it is the responsibility of the Federal Government to supply them with low-cost housing the bill is discriminatory because you cannot take care of the number who need to be taken care of, and you are only opening the door of opportunity to a few and denying many. You expand this kind of philosophy into a further extension of the use of Federal funds for the purpose of providing subsidized housing for those who cannot or will not supply it for themselves.

It has been argued here that this bill is no more socialistic than, say, the public-school system, the road system, and the sewer system. That may be true; as a matter of fact, we all contribute to the sewer system, and the public-school system, and the fire department, and other similar things; but we all have the right to use them. In this instance while we all contribute, yet only a privileged few have the right of use.

You have heard the argument that these 810,000 so-called low-rent housing units will provide a turn-over over a period of years. I venture to say that favoritism will be granted to those who are in and that the attitude on the part of those who are in will be that they will not want to increase their earnings to the point where they might have to get out because it would be a poor thing for them to do when they know they are under the patronage of the Federal Government and receiving subsidized rent, in Government housing.

I repeat that this bill (H. R. 4009) is just as discriminatory as the Barden bill for aid to education which all of us have heard plenty about from all parts of the Nation. People are opposed to the Barden bill because it requires payment of $5 per capita for all school children in any State and thus provides a penalty for spending any of that money on any private-school children in any State. This is rank and unfair discrimination.

This bill does the same thing in a different manner but with the same effect. House bill 4009 requires all taxpayers to provide $308,000,000 per year for 40 years in order to provide low-rent housing for only 810,000 taxpayers, thus discriminating against all other taxpayers who may need low-rent housing just as badly as the 810,000 who may get it.

But under the terms of H. R. 4009 everyone pays and only 810,000 families in the Nation benefit. Here everyone is penalized for the benefit of a few. That is special privilege of the highest order, and the very people who are supporting H. R. 4009 have been crying to high heaven against special privilege for years.

The gentleman from New York [Mr. ROOSEVELT] said last week that this bill would mitigate against communism. Question: Will making a man and his family beholden to and a recipient of shelter from the Government do this? Will telling a man that he can live in Government-owned housing as long as he does not earn more than so much money and that the moment he exceeds that amount of money he will be thrown out and evicted tend to mitigate against communism?

Of course not. Making a man subordinate to the state is the first order in a Communist state as it is in the Fascist state. Now let us see what Hitler and Mussolini did about public housing in order to make their subjects beholden to the state.

With regard to providing public housing for low-income groups, it is pointed out that this was one of the basic items in the program of the Fascist-dominated countries. As indicated in Fascism in Action, a publication prepared by the Library of Congress, these Fascist governments, upon advent to power, found some provisions for public housing already in effect, as well as a housing shortage which threatened to undermine the state's program for larger families and an increasing birth rate. In general, the Hitler government concentrated its plans for building in the direction of low-cost housing for workmen and employees. The housing program under Mussolini followed the same general pattern.

It has been said that there is no politics in providing low-cost public housing. Well, let us see what one of the top-flight experts has to say about that.

In his book, The Challenge of Housing, Langdon W. Post, former chairman of the New York City Housing Authority and nationally known proponent of public housing, said:

> In a housing program there is land to be bought, houses to be built, and tenants to be selected. Each step holds great possibilities for the politician and the businessman. The real-estate operator has land to sell. The banks have bad mortgages which they are anxious to have rescued. The architect has plans for sale. There are building contracts to be awarded. The inhabitants of the slums are tumbling over themselves to get into the developments, which means that there will not only be the usual jobs for those in control to give out, but apartments as well.
>
> This last plum is a new brand of political fruit which has enormous possibilities for exploitation. Imagine the golden opportunities latent in a $500,000,000 housing program in New York City. Commissions, profits, fees, jobs, and finally, apartments for at least 200,000 voters. It is a bonanza beyond the wildest dreams of the most optimistic politician.

And now a word about supplying food as well as housing to some of the people of the Nation at the expense of all. H. R. 4009 provides for a grant of $500 as an outright gift to an estimated 50,000 farmers plus a loan to build farmhouses and other buildings, and the Secretary of Agriculture can, on his own motion, declare an unlimited moratorium on the principal and interest on the loan. Now we are giving support prices to farmers as a guaranty against loss on certain crops which in many cases exceed the cost of food for the farmer's family.

Are we not by this action providing food and shelter to a segment of the people at the expense of all? And when, may I ask, will we not be called upon to provide the other essential, clothing? Thus making the three essentials of living, food, clothing, and shelter, available to some favored few at the expense of all.

I urge the adoption of the amendment submitted by the gentleman from Kansas.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on title III and all amendments thereto conclude at 3 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. HALLECK. Mr. Chairman, reserving the right to object, the pending amendment is to strike all of title III. It would seem to me in view of that circumstance, and not knowing how many other amendments there might be if the title is not stricken out, it would be well to limit the time on the striking out of the title, then proceed with the other amendments to the title if there are to be such.

Mr. SPENCE. I will agree to that.

Mr. Chairman, I ask unanimous consent that all debate on the pending amendment to strike out the title and all amendments thereto conclude at 3 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I assume from what the gentleman from Kentucky said just previously that perhaps he unfortunately misstated the unanimous consent request. Do I understand that the unanimous consent request is that all debate on the pending amendment, which would strike out title III, close at 3?

Mr. SPENCE. Yes, and all amendments to the pending amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WILLIAMS. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close at 3 o'clock.

Mr. KEEFE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. I understand the amendment which is now pending is one that was offered by the gentleman from Kansas [Mr. REES] to strike out title II, is that right?

The CHAIRMAN. The gentleman is correct.

Mr. GOSSETT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GOSSETT. Mr. Chairman, if the motion is agreed to, then would the remaining time be divided equally among all gentlemen standing?

The CHAIRMAN. All gentlemen who want to speak on the pending amendment.

Mr. GOSSETT. We would have about 1 minute each?

The CHAIRMAN. The Chair is unable to determine that at this time.

The question is on the motion offered by the gentleman from Kentucky [Mr. SPENCE].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 131, noes 45.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Chairman, I rise in support of the amendment. The gigantic public housing feature of this bill is, in my judgment, a two-edged sword, one edge of which cuts the heart out of the American economy, and the other the heart out of American character.

The distinguished majority leader addressed himself to human values, the human equation. That, too, gives me

greatest concern because all other values are relative. You do no one a favor if you fill his stomach and empty his backbone in the same operation. When we build gigantic public housing projects and subsidize the tenants who live in them, we tend to destroy thrift, initiative, ambition, and many other worthwhile attributes of character and citizenship. Think what would have happened to you as a boy if you had been told when you became a man if through circumstances or otherwise you were unable to build a home, that the Government would furnish it to you. I submit that this public housing feature of this bill pushes us many miles farther down the road into national socialism. The chips are down on this, gentlemen. You will have to choose whether or not you want American democracy or choose to embrace some sort of statism. This is simply the first installment on this matter of subsidizing low-income families in the matter of housing. If you subsidize John Doe this year and not Richard Roe the next year, you will make Bolsheviks out of both of them. The time has come when we must call a halt on unrestrained public expenditures, or else we will be called upon in the next session of Congress to raise taxes, and ultimately to devalue the dollar, perhaps to repudiate debts. If carried to its logical conclusion the public housing provisions of this bill mean economic and social chaos.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HERTER].

Mr. JUDD. Mr. Chairman, I ask unanimous consent that my time be allotted to the gentleman from Massachusetts [Mr. HERTER].

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GAMBLE. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. NICHOLSON. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the request of the gentleman from Masachusetts?

There was no objection.

Mr. HERTER. Mr. Chairman, I regret exceedingly that my distinguished colleague, the majority leader, does not appear to be on the floor at the present time. He began talking about public housing in the city of Boston, and I wish he had continued talking about it, because I think there are certain phases of it that would be of great interest to the Members of this House. It is true that we have considerable public housing already in the city of Boston. Furthermore, we have available to us in city funds and State funds some $58,000,000 still unexpended for public housing, all of which could be transferred to the Federal Government. The last project that we constructed, 1,044 units, cost $15,322,000 or $14,863 per unit to construct. That, when taken over by the Federal Government, is going to take a subsidy of colossal proportions to hold rents down to what you might call low income families, and the rest of the country will have to pay for it, if as is possible on page 76 of this bill, that project is taken over under the bill we now have under consideration.

But that, Mr. Chairman, is not my principal objection to this title. My principal objection to this title is that the Federal Government is building all of these projects, and let us not fool ourselves. We are building them, and we are not willing to face the cost of building them directly. We are meeting the cost by an indirect method of financing that to my mind is completely dishonest. What we are doing is wishing on our children and our grandchildren—and I do not believe there will be a Member of this House alive at the time we finish paying for what this bill calls for—something that is an outright gift to the cities and towns, for which not one nickel will ever be repaid. If we are going to go into the business of making gifts, let us make them honestly and put this thing on a capital-grant basis, and make an outright present of it to each city and town for low-cost housing. Let us not fool ourselves by tying up the Congress of the United States for the next 45 years with promises to pay that are absolutely irrevocable. What we do here today in this particular phase of the bill can never be undone, because the credit of the United States is pledged. One man, one individual, can sit down and pledge the credit of the United States to the extent of $12,000,000,000 for the next 45 years, without any recourse on our part whatsoever. That to my mind is the worst part of this title III. That to my mind is a completely improper way to finance gifts. No matter how desirable the housing may be, that is an entirely improper way of doing it.

Let us not kid ourselves about these subsidies. These subsidies go way beyond the mere construction cost of these buildings. The Bureau of the Budget said, "No; they do not go beyond the construction costs," but they go way beyond the construction costs.

Over and over again it has been said here on the floor of the House that the amount of the subsidy that will be paid on the projects will be flexible, that year after year we will change it in accordance with the ability of the people to pay rents. The bill itself states that contracts have to be made in uniform amounts for a uniform number of years, and insofar as the pledge made for the public financing is concerned, that cannot be touched in any way whatsoever. This means that after we have given these buildings away—and we pay for them entirely—there is a surplus in this annual grant, and a very considerable surplus, and that will then be handed out as the Administrator wishes to hand it out to each one of these projects not only to pay for the carrying costs of the building, but to pay for janitor service, for light and heat, and so on. Is that the kind of thing we want to do, or do we want to do what the President has said and what the Bureau of the Budget has said?

There is a complete conflict in what has been told here as to what kind of a subsidy program we are engaging in. As I have said before, Mr. Chairman, to me, irrevocably committing the Congress, without ever going to the Committee on Appropriations in any way, shape, or form for a period of 45 years, through contracts entered into by a single individual, is not proper finance. It is a terrible precedent to set here. We unfortunately began it in the 1937 act, and we began it in very small amounts. We should never have carried it into this program. This program is 12 times as great as the program that was contemplated in 1937, and that was considered a colossal start then. What will the next one be, when we begin wishing the payment of the costs of these operations onto our great-grandchildren in larger and larger amounts that do not look too big in 1 year but which, when they accumulate over a long period of years, make a commitment that we are all going to rue.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Chairman, a little while ago the gentleman from Indiana [Mr. HALLECK] made reference to some recent newspaper polls on the question of public housing. I should think even the gentleman from Indiana would by now be very suspicious of the kind of newspaper polls to which he referred. Certainly the results of November 1948 should have forever discredited that type of poll.

What I want to refer to is the kind of poll I think the Congress should be paying attention to, and that is the election which took place in November 1948. Certainly the issue of public housing was clearly fought out in that campaign. Certainly the people of this country said quite plainly that they recognized that in the field of low-cost housing private industry had failed utterly to meet the needs of the people and that it has become absolutely essential for local housing authorities with financing help from the Federal Government to solve this problem. My own city is a case in point. For years the people of Milwaukee had prided themselves on being a debt free city. In April 1948, for the first time in 20 years, they voted to issue bonds to start their own local public housing projects. The public housing authority, acting upon that mandate given them in April 1948, has started three projects with local funds.

It is also worth noting that every candidate in the 1948 Milwaukee mayoralty election—15 in all—spoke for public housing. The two who made the runoff were the most vocal. The winning candidate, Mayor Frank Zeidler, testified for this bill.

A further mandate for public housing given in November 1948 when the city went overwhelmingly Democratic, both successful congressional candidates stressing this issue. The Milwaukee Public Housing Authority has already prepared plans for additional housing projects, anticipating the passage of this bill. We in Milwaukee are ready to go. The Nation is ready to go. It is high time the Congress acted.

Remember the Eightieth Congress rejected this bill. The people rejected the Eightieth Congress. They want public housing.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I think it is self-evident from all the reports we have been receiving that the Government cannot build as cheaply as private enterprise. From the New Haven (Conn.) Register of last Sunday, we learn that the most recent public housing development there is costing people with incomes of about $3,600 a year from $65 to $80 a month. Now, the mean of rent on privately constructed comparable accommodations is something like $40 a month.

I also want to call attention to the fact that we are catching up with housing in the United States and that in 1946, when the Government had control of every ounce of building materials which was going into housing or which was being allocated for that purpose, we produced only something like four hundred and fifty-and-some-odd thousand units. In 1946, after the control had been taken off, private enterprise built 854,000 units and in 1948 according to the Bureau of the Census they constructed 1,018,000 units.

Much has been said about the doubling-up situation at the present time. The Bureau of the Census says, and the last report is dated 1947, that in 1940 there were 3.06 people in each housing unit and in 1947 there were 2.87 people in each unit, which shows there is not nearly as much doubling up and that there was much more floor space available in 1947 then there was in 1940.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. GWINN].

Mr. GWINN. Mr. Chairman, I think if we could agree on one thing, that would settle this debate and we could come to a vote quickly. Can we not agree on what socialism is? The majority leader simply raises the point and says, "I declare this is not socialism"; but he does not define it.

The honorable chairman of the committee, the gentleman from Kentucky [Mr. SPENCE] turns red in the face when you say socialism, he despises it so. Then it follows, does it not, that we would all reject this proposition if we could agree that it is socialism that we are adopting.

You do not get a completely socialized housing program all of a sudden, by taking over the management of the economy of housing. Socialism is nothing but management of the economy by the central power of government. Our Government has been managing the economy of housing by credits, direct loans, and insurance, up to about 70 percent of all housing during the last 16 years. The housing bill we are now considering is a logical continuation of the same socialism. We have had a logical consequence of socialism itself. That management and control has created the need—even many of the slums that are proposed to be cleared. It owns or holds the mortgages or imposes the burdensome taxes that destroy liberty and makes freedom of enterprise in housing impossible. Liberty or the free enterprise has not failed, but the socialism that has already taken its place. Confidence in liberty and the rights of property as the proven source of better housing should be restored and the amendment striking out title 2 adopted.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, I am sure we have heard today the conflicting philosophy of those who have very sincere and deep feelings on this legislation. We are living today in an urban civilization, one in which conditions in our great metropolitan areas, conditions of blight, poorly housed families, people with large families, people who are living doubled up, in trailer camps, and many who are unable to pay economic rent at the prices at which private enterprise is able to offer these properties and make them available.

It has been said that this bill will not meet the entire needs of our people in their plight. There has not been a Member on this side of the aisle, on the committee, who has said that this bill is the sole answer to the question of slum clearance or of homes for those who are living in almost uninhabitable dwellings. This is merely a start to try to direct our efforts toward making it possible for a larger percentage of our people to have a decent place in which to live.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. CRAWFORD. Mr. Chairman, I am in favor of striking title II from this bill. I do not believe in the philosophy which it sets forth. It is a politician's dream. It is a delusion and a snare to the people of this country, the means of financing it will be strictly political taxes, assessed for political purposes.

I agree absolutely and categorically in what the gentlemen from Texas said a while ago about this whole scheme. I would rather my own son, who is now 16 years of age, died in his youth, than to have to grow up in a country where he does not have the liberty and freedom such as this country has given to our boys and girls through the years.

I have no sympathy whatsoever for a Government if it comes out and robs its people of the chance of making their own way through their own initiative.

What this Congress should do is to preserve the country and its institutions so as to give our people opportunities, instead of trying to buy them off with political promises. It is difficult for me to have respect for politicians who make such promises to the voters of this country. I wish title II could be stricken out and forever erased from the history of this country.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The gentleman from Georgia [Mr. WHEELER] is recognized.

Mr. WHEELER. Mr. Chairman, I rise to ask one question of the Committee on Banking and Currency, and if they can justify what has happened in one city in my district then I shall vote against striking title II from this bill. If they cannot justify what has happened in Brunswick, Ga., then I shall support the striking out of title II.

In 1942 and 1943 there was built in Brunswick, Ga., a public-housing project of approximately 2,100 units, built of jumbo brick tied together with concrete, with concrete floors and asbestos roofing. Within the past year some person in one of the bureaus down here determined that all of those units were temporary, and within the past year under his finding, two-thirds of those units have been demolished. Now the Public Housing Authority of the city of Brunswick is asking for approximately $6,000,000 under the provisions of the pending legislation to be sent back to Brunswick for public-housing units. I should like to have that inconsistency satisfactorily explained.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

The gentleman from Oregon [Mr. ELLSWORTH] is recognized.

Mr. ELLSWORTH. Mr. Chairman, I wish to point out to the committee that there are two completely separate and distinct philosophies expressed in this bill before us today; one is contained in title I of the bill, namely, the slum clearance provisions; and the other is contained in title II, regarding which an amendment is now pending to strike it from the bill. Title I of the bill is a slum clearance title: title II, in my opinion, and I think it is a justifiable and supportable opinion, is a slum promotion title. Let me explain why I say that.

When title II becomes law and two-hundred-and-some-odd-thousand units are built this next year there will be picked out in the dozen or more large cities of this country where these units will be built, certain families to go into these units. When they are placed in these units they are thereby branded and grouped together as low-income, or poor families. That is a principle to which we have always objected in this country, singling out and labeling anyone because he is not as fortunate as his fellows, perhaps does not make as much money, or is not able to live quite as well. Title II is really a slum promotion title and should be stricken from the bill.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, in support of this amendment we have heard rehashed all of the arguments that have been made against the bill, those based upon fact as well as those based upon misstatement of fact and distortion of fact. I am not going to undertake now to try to answer them. All of those arguments, in my opinion, have been thoroughly demolished by the debate thus far.

The sponsor of this amendment to strike out the public-housing title of this bill has come forward with a new argument against the bill. He told you that if you strike the public-housing provision you can still have the slum-clearance title and that with that you will get slum clearance. We sat here yesterday and watched almost every Member on

the Republican side vote in favor of the Powell amendment to the slum-clearance title which provides that slums may not be cleared except that you make provision for the housing of the people living in those areas. Now you want to take away the provisions of the bill under which we intend to create the housing to house those people. At the same time you try to tell us that if you delete this title but keep the other title you can have slum clearance. Where are you going to put the people from the slums unless you build houses under this title to take care of them?

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Chairman, I shall vote to strike out section 2 of this bill because I consider it unwise, unsound, unnecessary, and unjustified. It would have the effect of setting the stage for more and more and more subsidized nationalized housing in the future which I consider to be an improper thing and a dangerous departure from the methods we have followed in the past. It means a greater burden on our taxpayers, more bureaucracy, and more deficit financing at a time when we should be trying to balance the budget and pay off some of what we owe.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, the distinguished gentleman from New York in his remarks said that when socialism was mentioned my face turned red. My face neither turns red from rage nor white from fear when socialism is mentioned in connection with this bill. I think it is a fake issue, it has no merit and should not be brought into the discussion or the consideration of the House here at all. If I thought this measure was socialistic and was drifting our Nation toward socialism I would be opposed to it. I would be much embarrassed and humiliated if I thought in order to help the American people we had to resort to socialism.

A gentleman has just read some quotations from Thomas Jefferson. Knowing something of the history of Thomas Jefferson, knowing his interest in the plain people, knowing his desire that they should have a voice always in their Government, I am sure if Thomas Jefferson were here today there would be no more earnest advocate of this legislation than he. We have already considered this amendment. Some time ago the gentleman from Kansas [Mr. COLE], offered an amendment that would have gutted this title. You voted it down. Then you subsequently voted for the amendment I introduced for 810,000 units.

You are just running around in circles, considering an amendment the purpose of which has already been considered by the House.

Mr. NELSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. NELSON. Mr. Chairman, I rise in support of the amendment. Unless the amendment is adopted I am going to vote against this bill. I shall do it with the sincerest conviction that I am voting in the interest of the working men and women of my district. I have never seen or talked with the so-called real-estate lobby that has been name-called in demagogic fashion here to becloud the truth that men can be sincere and still differ in the means of achieving a humanitarian result. I realize, I think, the essential need for new housing in America.

I have no fear of the word "socialism" if that is what the American people want. I have a most urgent fear that socialism will be foisted upon the American people by the philosophy of despair and politically expedient liberalism too prevalent in Government circles today. Socialism means government ownership and operation of the major sources of production. It has as its inevitable counterpart government ownership and assignment of living space.

What is the American alternative? Our entire system has been built upon the right to private ownership of property. Presumably America should offer to every citizen equal opportunity to own a home. The desire that lies deep in the heart of every American man and woman is to build and own his own home and raise his family in surroundings of his own creation. Your answer to this desire is politically allocated living space in Government-owned buildings. If this bill were a temporary measure designed to meet an emergency, it might well be justified. I should vote for it. But it is not merely a temporary program. It is one that extends for 40 years and will cumulatively freeze more and more thousands of Americans as tenants of the Government and deprive them of an essential American right because of the increasing burden of taxes necessary to support the Government program. It changes the whole basis of our society from private to public ownership of housing. I do not for one moment believe that any veteran fought for the privilege of living out his days in Government-allocated living space.

In our philosophy of despair we abandon one of the greatest bulwarks of the American system. An America that can out think the world in technical and scientific developments cannot solve its own economic problems on the basis of our own truths based on the desires of every free workingman for his own home. We borrow in helplessness from a completely alien philosophy bred of the despair and exhaustion of European governments that long since would have toppled had they not been bolstered with American dollars.

I have no sympathy with those who maintain that slums can be cleared by private enterprise in conjunction with local self-government. It never has been done; it never will be. I believe this is a field which the Federal Government must enter and as soon as possible. Let us appropriate money to do that job. This bill has no direct relation to slum clearance. Prior Federal housing laws have provided that for every Government housing unit built an approximate number of slum units must be cleared. This bill has no such provision. It is easily conceivable that billions in Government housing could be built and not a single slum cleared.

Let us clear the slums and after we have done that, let us solve housing in an American way. Let us provide credit terms that will enable the low-income groups, whether as individuals or cooperatives, to own their own homes, whether in single- or multiple-dwelling units. Let us find means to reduce the cost of building materials instead of increasing them as this bill would immediately do. Let us provide cheap, nonspeculative land. Lastly and very importantly, let us increase their take-home pay by cutting out inefficient and nonessential Government expenditures and then repealing the heavy wartime excise taxes that fall largely on this group and increasing the income-tax exemptions in the lower brackets to a minimum living standard.

This bill has no provisions that approach this solution to the problem. On the contrary, it ties up billions of dollars over the next years, dollars that will be added to our already staggering national debt, dollars that will be beyond the control of Congress to cut off regardless of any national or international emergency that might arise, dollars that will undoubtedly prevent any reduction in taxes.

Our job is to furnish the opportunity to own a home to every American. After that we should place a premium on enterprise, not despair. This bill is almost of only academic interest to my State. Little of the money will be used there. If a working man in my district were granted as a loan the estimated cost of one unit of this Federal housing, he could build himself a fine home and pay for it easily over the period of your proposed program. I am sure he would prefer it. There is no provision in the bill that would allow such a sane approach in my own or a comparable district. Instead the working men of my district are to be taxed to build homes and pay a good part of the rent for a favored few in large metropolitan areas. By the very amount of tax they will increasingly have to pay they will be prevented from bettering their own condition and building their own homes.

It is my sincere conviction that it is time we realized that you can not lick socialism and communism by joining it. Our job is to adapt unchanging American truths to the needs of a changing times. Our job is to keep those truths dynamic so that the opportunities they guarantee shall be denied to no man. We have as a foundation the strongest political and economic system in history. Shall we tear it down and start over? Or shall we go on building with equal rights of ownership and opportunity guaranteed to all?

THE TRUTH ABOUT HOUSING

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, I believe it is my duty to vote for legislation which will assist in solving the over-all problems of building homes for our citizens.

I expect to vote for legislation which will help to overcome major problems in these three major fields of need for adequate housing:

First, I will vote for extension of FHA home loan provisions to increase the supply of homes for people who are able to make sufficient monthly payments on a long amortization basis. This FHA extension will enable private enterprise to build these homes at a fair builders profit. This part of the program is possible only because the Federal Government guarantees and stabilizes the secondary market. The FHA program is clearly the use of Federal credit for the benefit of:

(A) The home purchaser by making him able to purchase a home; and

(B) The home builder by helping him to expand a profitable business.

Second, I will vote for reactivation of the GI home building program which also utilizes Federal credit on slightly more advantageous terms, in order that the veteran may purchase a home. These houses are built by private enterprise at a fair builders profit. Again, this is possible only because the Federal Government guarantees and stabilizes the secondary mortgage market for the benefit of:

(A) The veteran, desperate for a home; and

(B) The builder eager for a larger profitable construction business.

Third, I will vote for slum clearance and public housing to meet the critical need for homes for those whose incomes are too low to permit their participation in the two programs already mentioned. These people have incomes too low to make the down-payments and the monthly payments necessary to purchase the homes their families need. They are American citizens, and their wives and children need decent homes just as much as those in more favorable economic circumstances. In time of war, their children are under the same obligation as other sons and daughters to fight and possibly die so that the rest of us may continue to live under democratic government. In my opinion, for the good of the Nation, these people must be taken out of the slums and the disease-ridden shacks, and given a chance to rear their children in a healthy environment. I believe that the strengthening of the moral fiber of this group will do more to prevent the spread of communism than any other one social advance.

It is in this area that I believe the Federal Government is obligated to extend credit over a longer term and at lower interest rates to local housing authorities to meet the urgent need. Two factors should be remembered:

(A) The local housing authority must first be authorized by State and local legislative action. Local participation in this program is purely voluntary and the locality retains control of the projects and eventually owns them.

(B) The local housing authority must rent these houses to people whose income is too low to participate in the FHA and GI home-building programs.

Again, this facet of the over-all home-building program can be possible only through the extension of Federal credit, and the program will benefit:

(A) The low-income families who will be given the opportunity to live in decent American homes; and

(B) The home builder who will profit through being allowed to build these projects at a profit through the contracts let by local housing authorities.

This is not a radical program; it is a conservative program. It conserves the priceless human resources of our Nation. Forty-six of our forty-eight Governors and the mayors of our largest cities have endorsed it. Many of the most conservative Republican Members of the Senate, including Senators TAFT, VANDENBERG, BREWSTER, and CAPEHART, voted for this program, along with the liberal Members of the Senate. The 57 Members of the Senate who voted in favor of this program on April 21, 1949, are as follows: ANDERSON, BALDWIN, BREWSTER, BRIDGES, CAPEHART, CHAPMAN, DONNELL, DOUGLAS, ELLENDER, FERGUSON, FLANDERS, FREAR, FULBRIGHT, HAYDEN, HENDRICKSON, HICKENLOOPER, HILL, HOEY, HOLLAND, HUMPHREY, IVES, JENNER, JOHNSON of Colorado, JOHNSON of Texas, JOHNSTON of South Carolina, KEFAUVER, KERR, KILGORE, LANGER, LODGE, LONG, MCCARTHY, MCFARLAND, MCMAHON, MAGNUSON, MALONE, MARTIN, MAYBANK, MORSE, MYERS, NEELY, O'MAHONEY, PEPPER, RUSSELL, SALTONSTALL, SCHOEPPEL, SPARKMAN, STENNIS, TAFT, TAYLOR, THOMAS of Oklahoma, THOMAS of Utah, THYE, TOBEY, VANDENBERG, WITHERS, YOUNG; and the following Members who were not present were announced to be in support of the program: LUCAS, SMITH of Maine, WILEY, CHAVEZ, DOWNEY, EASTLAND, GILLETTE, GRAHAM, GREEN, MCGRATH, HUNT, MCCARRAN, MCKELLAR, MILLER, MURRAY, WAGNER, AIKEN, SMITH of New Jersey.

The mayor of our own city of Los Angeles, Mayor Bowron, also a Republican, sent me a telegram requesting that I vote for the slum clearance, public housing feature of the housing program. I read that telegram to the Members of the House of Representatives on last Thursday, June 23.

To those of my friends in the Nineteenth Congressional District of California who have heard only the propaganda of the real-estate lobby, I would like to ask just two questions:

First. As the head of a family including children, and assuming that you were in the extreme low-income bracket, would you rather live in one of the public housing units of Maravilla, Ramona Village, and Aliso Village, or in the slums found on a certain section of Utah Street and in the Simons brickyard shacks?

Second. Which environment would give your wife and children the better opportunity for health, happiness, and development of those qualities which make them good citizens?

Personally I would prefer that Federal credit be extended to this low-income group on special low interest rate, long-term loans, so that they could build individual homes. However, I realize that such a program cannot be passed by this Congress. Therefore, I am supporting the present bill, H. R. 4009, in the hope that it will provide a temporary solution for the low-income families' plight, by giving them a chance to live in decent environments. This will give them a breathing spell until their incomes increase to the point where they will be able to avail themselves of the FHA or GI loan programs, and purchase their own homes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The question was taken; and on a division (demanded by Mr. REES) there were—ayes 135, noes 136.

Mr. REES. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. REES and Mr. PATMAN.

The Committee again divided; and the tellers reported that there were—ayes 168, noes 165.

So the amendment was agreed to.

THIS TRAGIC PROCEDURE

Mr. KLEIN. Mr. Chairman, I am shocked, dismayed, and angered by the tragic procedure which has just transpired in the Committee of the Whole.

By this action the whole heart of the National Housing Act has been torn from the bill, and nothing has been left but the lifeless corpse of legislation to which this Congress is dedicated.

I am confident that when the Committee rises and we pass on the matter in the House the vital contents of title II, the low-rent public housing provisions of the bill, will be restored; but the country has been treated to a spectacle of irresponsibility and betrayal of democratic processes.

In the orderly consideration of important legislation, it is vital that the will of Congress be clearly demonstrated, so that even he who runs may read our intent. An essential part of that process is reading for amendment under the 5-minute rule, when each section, each line, each word is reviewed; opinions are put forward; ideas are clarified; and frequently weak spots are discovered and remedied.

COUNTRY IS ROBBED

By action in committee today the country has been robbed of a proper examination of the language of title II and of the explanations of congressional intent on which future administrators will depend for guidance. The public is deprived of the democratic processes of open debate to which it is entitled in the future. Courts may be hampered in arriving at exact justice by lack of full debate on these sections.

I want to repeat what I have said before: That many a political future is being decided here today.

The people of the United States want this legislation.

November 1950 is 16 months away; but many a congressional election will have been decided before this bill is passed.

AMENDMENTS TO TITLE II

Aside from my shock and disappointment at the action of the Committee,

I myself had three liberalizing amendments to offer to this title. In my belief, each of these amendments was worthy of serious consideration, and I was hopeful of their adoption.

Under the rules of the House, even if we are successful in restoring the title, no amendments can be offered.

Therefore, Mr. Chairman, I am taking this time to present the language of my proposed amendments and to discuss briefly their purpose and the reasons I believe they are needed.

DISABILITY EXEMPTION

The first amendment I wished to offer would have been in the form of a new subsection (e) to section 201, and would have read as follows:

Page 28, line 16, strike out the period and quotation marks and insert in lieu thereof a semicolon and the word "and," and after line 16 insert the following: "(e) where the public housing agency fixes the rent to be paid by a tenant family in relation to the income of such family, it shall exclude from such income for such purpose any amount received from the United States Government for disability in connection with military or naval service."

The purpose of the amendment was to instruct the local housing agencies not to include disability or death payments of veterans or veterans survivors in computing the monthly rental. This, I submit, is a small payment on the debt we can never pay to the men disabled or killed in the defense of our homes, our country, and our freedom.

I should like to call to the attention of the voracious real-estate lobby which dictated today's slaughter of low-rent housing that had it not been for the sacrifices made by millions of men in our armed services this lobby might not now be free to carry on its campaign of misrepresentation.

EXCLUSION OF DEPENDENTS AND SECONDARY WAGE EARNERS

The next amendment would have followed immediately after (e) as subsection (f), and is designed to carry out more fully the declaration of policy contained in line 21, page 24: "In recognition that there should be local determination"—

I do not believe, Mr. Chairman, that we can sit here, remote from the actual administration of the projects to be developed under the authority of this legislation, and lay down hard and fast rules for eligibility and rentals.

We are forced, by the practical considerations of local administration, to give the greatest possible leeway to the local officials.

It is our duty to lay down the general principles and to define in broad terms the groups of people whom we wish this act to benefit.

This amendment would permit the local housing authority to allow certain exemptions for dependent members of the family, or of incomes earned by dependent members of the family.

I can refer to such dependents as secondary wage earners.

My amendment would authorize either a flat exemption from the rental computation of $100 a year, or of all or any part of the income of a secondary wage earner.

The flat exemption of $100 a year for each dependent would give special relief in hardship cases and would give the wife or dependent spouse the same status in computation of rent as is provided in the income-tax laws. I can cite case after case in my own congressional district where an invalid wife, or an incapacitated relative, or some other dependent in a big family consumes the family income but can make no contribution, not even in services, to the maintenance of the family.

The alternative formula of exempting all or any part of the income earned by a dependent is the same proposal in another form, and is also intended to give the local authorities discretion to give special relief in case of special hardship.

The local administrators can act on a full knowledge of the facts. Knowing and doing their best to carry out the purposes of the legislation and the will of Congress, they can decide each case on its own merits, if such an amendment is adopted.

ELIGIBILITY STANDARDS FOR ADMITTANCE AND TENANCY

Mr. Chairman, the third amendment I wished to propose would have given greater discretion to local officials in fixing eligibility for admittance and continued tenancy in the section making special provisions for large families with small incomes. This was the text of the amendment:

Page 45, strike out line 15 and all that follows down through line 4 on page 46 and insert in lieu thereof the following: "Available solely for families whose net annual income, less any exemption allowed under the next sentence, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, and other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the purpose of determining eligibility for admission to, or continued occupancy of, low-rent housing, a public-housing agency may allow, from the net income of any family, an exemption for each member of the family (other than the head of the family) of either (A) $100, or (B) all or any part of the annual income of such member."

This amendment would have rewritten section 206 in such a way as to give greater discretion to the local housing agency to determine the eligibility of tenants to admittance and to continued tenancy in the low-rent projects built and operated under this act.

It makes the standards of eligibility the same in both cases, and permits the local agency to allow an exemption of either $100 for each dependent member of a family or, as an alternative, all or any part of the annual earnings of any dependent member of the family.

This means that in big families with a number of nonproductive dependents, such as an invalid wife or an aged and incapacitated relative, or of small children, an amount of $100 for each dependent would be deducted from the annual family income, just to determine eligibility for tenancy.

If, on the other hand, the wife or one or more of the dependents were able to add to the family income, and if the agency thought this formula would be fairer to the family and to the public, all or any part of the income of the secondary wage earners could be deducted from the annual family income.

I want to point out, Mr. Chairman, that this language is permissive. The local agency would have the discretion to decide on the merits of each case.

In my opinion, this language would make it possible to carry out the purposes of the act and our own intentions more realistically than the present language of the bill. It would be fairer to the rent payers and to the taxpayers. We simply cannot foresee all contingencies in advance, and I think we ought to leave it up to the local agencies, within the broad definitions of the language of this amendment.

ACTIVITIES OF LOBBY

I cannot refrain from repeating my strong support of H. R. 4009 as reported by the Committee on Banking and Currency after months—I can almost say years—of careful consideration.

While I regard the amendments I wanted to propose as definite improvements within the democratic objectives of the bill, I would have voted for the bill without my amendments.

I think this is a proper place to remark that in the last few days I have received a great sheaf of telegrams and letters opposing the bill in the most fantastic, unreal, and bigoted terms, some of them so vehement as to be incoherent and meaningless.

Yet careful examination discloses not one single communication giving a residence address in my own district.

From my own constituents I have received substantial support for the bill; in opposition, a total blank.

Mr. McGRATH. Mr. Chairman, the Committee of the Whole has just adopted the amendment offered by the Republican gentleman with the aid of a few Democrats so that title 2, low-rent public housing, is stricken from the bill. This makes it impossible to consider the amendment that I now have at the desk. I am confident that later in the day the House of Representatives will reject the amendment that has just been adopted. However, according to parliamentary procedure, it is impossible for me to offer the following amendment:

Page 28, title II, section 201, section 15, subsection (8) (d) to be amended to read as follows:

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing projects involved; and if it is found, upon such reexaminations that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project if there are decent, safe, and sanitary dwellings available to them within their means and appropriate to their use.

"In determining net income for the purpose of considering eligibility for admission, continued occupancy and the fixation of rent, the public housing agency shall exclude:

"1. Not less than 40 percent of the income of any member of the family other than the head of the family.

"2. Income derived from veterans disability pensions, veterans subsistence payments and war widows pensions."

Add subsection (9) to read as follows:

"(9) The provisions of subsection (8) (a) shall apply to all tenant families residing in low-rent housing projects whether such projects were initiated prior or subsequent to March 1, 1949."

I had intended to make the following statement in support of the proposed amendment:

This committee has presented a splendid model type of legislation but like all good measures it lends itself to amendments to have it near perfection.

The proposed amendment delays the removal of tenants who have now passed the maximum income limits set for the project. It delays evictions until there are safe and sanitary apartments available. Secondly, it takes the income of the head of the family and excludes not more than 40 percent of the income of the other wage earners. Also excluded in the computation of the family income are all veteran pensions and war-widow pensions. Finally, it makes these regulations applicable to all projects whether initiated prior or subsequent to March 1, 1949.

Why are these amendments necessary? The very basis of the legislation is a recognition of the principle of the general welfare and security of the Nation and the health and well-being of its citizens. The declaration of policy is a reiteration that the family is the basic unit of our civilization and that further the well-being of that family unit is an important cog in our social order. At the present time in the city of New York there are well over 4,000 families who because of increased income or because of doubling up, the income exceeds the amount of allowable family income. If the bill is passed in its present form, these 4,000 families will be faced with putting out the other members of their family or in some instances having to seek quarters elsewhere; and seeking quarters is a difficult task, if well not impossible. Once a family is evicted, once part of it goes here and another part there, that family unit seldom is reunited.

What is gained at this time in saying to a family because the sons or daughters have grown older and have gone out to become useful members of society, "You must now break up your home." Are families who have taken in their married children because there was no place for them to go to be faced with the decision of ordering their children out or break up both family groups?

There is nothing to be gained by making these people vacate. You will note that there is no protection given to families who fraudulently and dishonestly withhold information at the time they are given possession; nor is any protection given here to a family unit whose income has greatly increased because in those cases they would have financial ability to pay high rent.

The amendment further protects veterans and war widows who are receiving pensions from having these sums included in calculating the amounts of maximum income. It may be argued in the bill that certain protections are given to veterans, but I respectfully submit that that is only in the selection of the tenant and does not protect the veteran after he secures the housing.

If it is the intention of the committee that the protection is to flow through to the veteran after he is in possession, then I can see no objection in the language of the proposed amendment. It simply makes it more definite and certain.

I offer these amendments in the spirit of the fullest cooperation with the committee and only in the hope that with these slight improvements we can pass today a good and sound housing bill.

However, events now make it impossible to offer the amendment. Four thousand people will be faced with eviction. I am satisfied that the bill itself will be adopted at the close of the day and that 810,000 units will then be available in a short time to the people of this country.

Mr. CASE of New Jersey. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of New Jersey. Mr. Chairman, this amendment having been adopted, it is now impossible to offer an amendment to that title, is that correct?

The CHAIRMAN. The gentleman is correct.

The Clerk will read.

The Clerk read as follows:

TITLE III—HOUSING RESEARCH

SEC. 301. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

"SEC. 301. The Housing and Home Finance Administrator shall—

"(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made to the Administrator for technical research and studies authorized by this subsection for work to continue not more than 4 years from the date of any such contract. Notwithstanding the provisions of section 5 of the act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321b, the results of such research and studies in such form as may be most useful to industry and to the general public.

"(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

"(c) Encourage localities to make studies of their own housing need and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans.

"SEC. 302. In carrying out research and studies under this title, the Administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the Administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

"SEC. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title."

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment: Page 53, line 12, strike out "321b" and insert in lieu thereof "321n."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 54, line 6, insert, after the period, the following: "To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 55, line 9, insert the following language:

"SEC. 304. The Administrator shall appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency."

The committee amendment was agreed to.

Mr. HARDY. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 53, at the end of line 14, insert the following: "Notwithstanding any other provisions of law except provisions enacted expressly in limitation hereof, the Administrator is authorized to consolidate, with the functions and activities performed under this subsection, any functions or activities now being performed or which, otherwise, would be performed by any constituent agency of the Housing and Home Finance Agency with respect to housing market data, and with respect to any other function or activity which the Administrator is authorized to perform by this subsection, if he determines that such consolidation is practicable and will promote more effective administration. The Administrator shall utilize the authority under this subsection with respect to housing market data to secure such information and data as may be required in connection with the functions of the constituent agencies within the Housing and Home Finance Agency and his supervision and coordination of the functions of said agencies, and in connection with determinations and approvals under section 15 (7) (b) (ii) and section 15 (8) (a) of the United States Housing Act of 1937, as amended: *Provided*, That this sentence shall not be construed as a limitation upon the authority conferred upon the Administrator by this subsection."

Mr. HARDY. Mr. Chairman, the title to which this amendment applies sets up a program of research in housing under the Administrator of the Housing and Home Finance Agency. One of the major purposes of such a research program is to discover the factors which are now preventing private enterprise from producing more housing. Out of this activity ways should be discovered to produce better housing at lower costs. Included in this title is authority for research relating to "housing market data, housing needs, demand, and supply."

The constituent agencies of the Housing and Home Finance Agency have to assemble similar data in order to carry out their specific functions. Heretofore, and under the bill as written, each agency, through its own personnel and independent of the others, gathers this data for its own use. Also, similar information is required by the Administrator in carrying out his functions with the disposal of war housing. Thus, under the bill as written we would most likely have four different groups of personnel collecting from the communities throughout the Nation essentially the same information.

Unless we adopt this amendment there will inevitably be serious overlapping of functions and duplication of personnel, for all of these constituent agencies must have this type of information in order to perform their duties prescribed by Congress. This amendment authorizes the Administrator to consolidate these functions and activities of the constituent agencies when he has determined that such consolidation is practicable and will promote more effective administration.

Under title III the Administrator would have the responsibility for collecting data similar to that required by the constituent agencies and common sense dictates that this function be consolidated in his office through the use of one group of proficient personnel. Thus, the same information would be readily available for the execution of the respective programs of the constituent groups.

Among the major benefits which would be derived from this amendment are the following: First, discontinuance of the duplication of work by the three constituent agencies; second, obvious savings in personnel, since much of the data required by these agencies are basically the same; third, a central point of contact for the gathering of basic housing and market data by the Federal Government; fourth, the assurance of a greater degree of consistency in such data by reconciliation of varying interpretations, thus minimizing debates, arguments, and time-consuming conferences; fifth, there will be established a responsible center for the accumulation of housing data which will be valuable to Congress in making future decisions; sixth, the Administrator will be better able to carry out his responsibilities, especially those relating to the stimulation of private enterprise and to his accountability to the Congress; and, seventh, local community officials would be called upon to furnish information to only one group instead of four.

Besides lowering the over-all cost of this research function, my amendment will undoubtedly tend to greater efficiency and the making of quicker and sounder decisions. I am convinced that this amendment will be a real contribution to the ultimate development of a better housing agency and will afford the Congress more adequate controls in the administration of this program should H. R. 4009 be enacted.

The subcommittee on Government operations of the Committee on Expenditures is currently making studies concerning certain activities of the Housing and Home Finance Agency. The need to accomplish the purposes sought by this amendment were brought into focus by certain existing conditions which have come to the subcommittee's attention. I urge the adoption of the amendment before you for the reasons which I have already stated. It is the plan of my subcommittee to continue its studies of the operations of our housing program, and wherever corrections are needed, either in administrative procedures or in legislation, we shall seek their accomplishment through such appropriate action as may appear to be requisite.

Mr. Chairman, I hope the Committee will accept the amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I have considered the amendment of the distinguished gentleman from Virginia. I think it is a meritorious amendment and I hope it will be adopted.

Mr. HARDY. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. HARDY].

The amendment was agreed to.

Mr. TEAGUE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TEAGUE. Mr. Chairman, I have a new title at the desk and I would like to know if it is proper to offer that at this time.

The CHAIRMAN. The amendment is in order at this time.

Mr. TEAGUE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE: Insert on page 55 at the end of title III a new title to read as follows:

"TITLE IV

"VETERANS' PREFERENCES

"SEC. 202. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By adding the following new subsection to section 10:

"'(g) Every contract made pursuant to this act for annual contributions for any low-rent housing project shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"'First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within 3 years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families, first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

"'Second, to families of other veterans and servicemen such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected.'

"(b) By adding the following new subsection to section 2:

"'(14) The term "veteran" shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term "serviceman" shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947, April 6, 1917, and prior to November 11, 1918.'"

Mr. SPENCE. Mr. Chairman, I reserve a point of order against the amendment.

Mr. TEAGUE. Mr. Chairman, this new title replaces in the bill the veterans' preference, which is on pages 28 and 29, with some changes. The first change is that the date for veterans' preference is January 1, 1947. This date is arrived at because there are some housing projects which are being built today in Chicago and Detroit which should be covered by veterans' preference.

The second change is March 1, 1949. The limitation for veterans' preference is taken from the bill, which gives veterans a continuing preference.

Mr. Chairman, many of these projects will not be built within 5 years. Many of our veterans are still in colleges, many are still in the service. The average age of World War II veterans is 25 years. Certainly, they will not have had time to have found their spot in this country within 5 years. I hope that this new title will be adopted.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I desire to withdraw my point of order. I see no objection to the gentleman's amendment.

Mr. TEAGUE. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. TEAGUE].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE IV—FARM HOUSING

FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

SEC. 401. (a) The Secretary of Agriculture (hereinafter referred to as the Secretary) is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

(b) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of $400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local pubic agency, and his determination shall be conclusive.

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 402. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 401 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed 33 years from the making of the loan with interest at a rate not to exceed 4 percentum per annum on the unpaid balance of principal.

(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 403. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed 10 years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed 10 years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 402. In addition, the Secretary may agree with the borrower to make annual contributions during the said 10-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 per centum of the principal payments accruing during any installment year up to and including the tenth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

SEC. 404. In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 402 and 403 and that repairs or improvements should be made to a farm dwelling occupied by him, or his tenants, lessees, share croppers, or laborers, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under the provisions of this section in the form of a loan or grant or combination thereof in excess of $1,000 for any one farm or dwelling or building owned by such individual, or in excess of $2,000 in the aggregate to any one such individual, and the grant portion with respect to any one farm or dwelling or building shall not exceed $500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary. In the case of such loan or grant with respect to a farm not occupied by the owner of the land, the Secretary may, as a condition precedent to the grant, require that the landowner enter into such stipulations and agreements with the Secretary and the occupants of the farm as will make it possible for the occupant to obtain the full benefits of the grant.

MORATORIUM ON PAYMENTS UNDER LOANS

SEC. 405. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

TECHNICAL SERVICES AND RESEARCH

SEC. 406. (a) In connection with financial assistance authorized in sections 401 to 404,

inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 401 to 404, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies, including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm-housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

SEC. 407. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

LOCAL COMMITTEES TO ASSIST SECRETARY

SEC. 408. (a) For the purpose of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of $5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

GENERAL POWERS OF SECRETARY

SEC. 409. (a) The Secretary for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

ADMINISTRATIVE PROVISIONS

SEC. 410. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than $300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 402 to 405, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payment of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the orginal borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the act approved December 20, 1944, entitled "An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (58 Stat. 836), as such act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

LOAN FUNDS

SEC. 411. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title not in excess of $25,000,000 on and after July 1, 1949, an additional $50,000,000 on and after July 1, 1950, an additional $75,000,000 on and after July 1, 1951, and an additional $100,000,000 on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the

Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

CONTRIBUTIONS

SEC. 412. In connection with loans made pursuant to section 403, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed $500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional contributions aggregating not more than $1,000,000, $1,500,000 and $2,000,000 per annum, respectively.

SEC. 413. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 411 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 403, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional $1,000,000 for grants pursuant to section 404 on and after July 1, 1949, which amount shall be increased by further amounts of $2,500,000, $4,000,000, and $5,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

Mr. SPENCE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that title IV be considered as read and printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Alabama:

Amend section 404 by inserting "(a)" after the section number line in line 19, page 60, by striking from line 23, page 60, the words "or his tenants, lessees, sharecroppers, or laborers," and by striking from line 12, page 61, the words "or in excess of $2,000 in the aggregate to any one such individual"; and by adding the following new paragraph (b) after line 2, page 62:

"(b) The Secretary may make loans under this section and section 403 in accordance with provisions of the Bankhead-Jones Farm Tenant Act, as now or hereafter amended, to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available for assistance under this section for such purposes."

And amend section 413, line 25, page 71, by striking therefrom the words "for grants."

Mr. JONES of Alabama. Mr. Chairman, the purpose of this amendment is to strengthen the provisions with particular reference to sections 403 and 404.

First, let me explain that under the provisions of section 403 there is provisions for the building of homes and other buildings in connection with farm operations, but they do not make any provision for any land acquisition to a potentially inadequate farm, and so amends the Bankhead-Jones Act in order that it will make the purchase of the additional land that will support the loan made under the provisions of this title. It means that the borrower will be placed in a position by additional land to raise his income sufficiently to retire the debt.

The amendment goes to section 404 and makes the provision that it will only apply to owner-occupants. The provision now contained in the bill says that it may apply to lessees, tenants, and sharecroppers. In view of the small amount of money that is made available for those types of farmers under this section whereby it will not make them steadfast and bound to the land, and we provide grants and loans to the maximum amount of $1,000. The bill now provides that we can make loans and grants to any individual in an amount not to exceed $2,000. In order to make this available to more farmers, we have reduced the maximum amount to $1,000, and provided it shall be applicable only to owner-occupants. We feel that the provisions of this bill will be strengthened. I have had the advice and counsel in preparing this amendment of the distinguished chairman of the Committee on Agriculture. He is in agreement with these provisions, as well as the Committee on Banking and Currency, that drafted and reported out the bill.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from California.

Mr. DOYLE. On what basis does the gentleman offer this amendment? On the theory that we should buy more land in order that the farmer shall make more profit?

Mr. JONES of Alabama. To secure the investment the Government is making in that loan and to place him in a position to pay off the loan that is made under sections 403 and 404.

Mr. DOYLE. Is not that socialism?

Mr. JONES of Alabama. When you go into the proposition of socialism, it all depends on whose ox is being gored.

Mr. DOYLE. In other words, it is not socialism to buy land for a farmer, but it is socialism to offer a person a chance to live in a decent house for which he pays.

Mr. JONES of Alabama. I do not agree with the gentleman at all. I am not talking about socialism. I do not think there is any aspect of the rural housing provision that pertains to socialism. We tried to provide those low-income groups on the farms of America an opportunity to buy houses.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Kentucky.

Mr. SPENCE. I understand the gentleman is supporting the housing bill in its entirety, and now asks for some help for the agricultural people. I am heartily in accord with his amendment, because I believe it is a meritorious amendment and will carry out the purpose of this section. I hope the Committee adopts the amendment.

Mr. JONES of Alabama. I thank the gentleman very much. I hope the Committee will adopt the amendment.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I am delighted to yield to the gentleman from California.

Mr. HOLIFIELD. I just want to say I am sure that all of my friends from the city districts will be glad to go into the merits of the gentleman's amendment and support it, notwithstanding the fact that just recently many of the gentlemen from the South on the Democratic side, helped to scuttle the bill for the city interests. But we will stay with you, because it is right.

Mr. JONES of Alabama. I thank the gentleman.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would rather be free than housed.

Mr. COX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are a people of short memories, and I fear that on the pending bill we are doing considerable shallow baiting. Some weeks ago we were told that the matter of greatest importance was the strengthening of our military position in order that we might resist Russia in her encirclement of the world and the enslavement of all mankind.

In order to make that resistance possible and certain we spent billions of dollars. It was money we had to spend. We will be called upon to spend many more billions in this same undertaking and we will spend it. The Atlantic Pact we are compelled to approve. Then, if it is going to be of any value, the countries involved must be armed. In order to fulfill those engagements we have to keep our economy sound. That, I fear, we are not doing, for here at a time when public revenues are falling and public spending is increasing we are imposing strains upon the national economy which it cannot bear. Continued deficit financing is dangerous. I hear gentlemen say, with regard to this bill, that they think it is unsound, but because their constituents want it, they are going to give it their support. I would remind them that nearly 1,950 years ago a similar procedure was followed with regard to the case brought against the Holiest Man of Galilee. He had inflamed the wrath of the multitude because He had proclaimed that in the spiritual realm He was King of the Jews.

The judge before whom He was arraigned could find no fault with Him and to exculpate himself of all guilt he publicly washed his hands. But the Holy Man was delivered up to the rabble and after they nailed Him to the cross, the world realized that they had executed the Son of God.

Now, you gentlemen who assume this attitude, take your 30 pieces of silver in the expectation of getting housing projects in your district, and in that manner satisfy your constituents.

But mark you, my friends, it is something that you will be returning to buy a bloody field in which to inter the remains of this proud and free Republic now being so badly mistreated if not betrayed.

Mr. Chairman, the membership of this House is made up, in large part, of young men, young men of great promise; young men who will become national figures if

their constituents keep them here and they hold true to their ideals. I would like to say to you, my young friends, that the day you permit your judgment to be overthrown by political expediency, that day you put the death seal upon all possibility of your ever becoming more than a dissembling politician.

I regret that you are being put to this test, but it is something that you cannot avoid. In the years that have gone by I have seen it come to others. Some survived, but many in the grip of ambition for political advancement I saw crumble like seared leaves. It is my prayer that on this bill you may square your vote with your sense of what is right.

Mr. Chairman, I sympathize with my colleagues who have housing projects in their districts. I know something of the pressure that is being put upon them. Pressure is being put upon me. Imagine what will happen if this bill becomes law and these projects multiply in your district and in the other congressional districts of this country. If that takes place, no freeman will again walk beneath the dome of this Capitol as a Member of the Congress of these United States.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. COX] has expired.

Mr. FELLOWS. Mr. Chairman, I move to strike out the required number of words.

Mr. Chairman, I had not thought I would talk about this bill at all. First, I want to say I am against it. I voted to strike title II.

I do not know very much law, although I practiced in the country for a great many years, but I have interviewed many people in regard to the constitutional authority for this public housing bill. You may say that this is an indirect affair; that a State agency is going to do such and such a thing. But I have always understood that you cannot do indirectly what you cannot do directly. I do not know. You do not know. The Chairman of this Committee does not know what the constitutional authority for it is. But there is no use to discuss that now. There are a few things I would like to refer to.

In the first place, this bill is unfair and inequitable, if we assume that title II goes back into the bill.

In the second place, it has been said that all arguments against it have been blasted. That is not true. There is one that I will now mention. It came from the mouth of the distinguished chairman of this committee Mr. SPENCE when he opposed the Herter amendment, which was designed to take away the exemption, and to tax these bonds. The distinguished chairman of our committee said, "The power to tax is the power to destroy." Those were the words of Chief Justice Marshall. Of course, he was talking about that amendment. He forgot, however, that that applies with more force to the bill itself, which he sponsors.

I do not know who is an authority or what man I would go to to get the last word, but England's Mr. Bevin said that we are traveling on the road that Britain has taken. And Hon. James Byrnes, the former Secretary of State of this country, and United States Senator, said the other day in Virginia that we are going to become economic slaves if this welfare Truman program is not halted. Of course, he may not be an authority. He was before he said it. Do you believe that, that if we follow down this road we are to become economic slaves? He said so. Bevin said so. Every thinking person in this land is fearful of it.

This country is founded on the principle of equality of opportunity. There are millions of people today not satisfied with that. They desire what I am going to call equality of progress; and I will illustrate it. When I was 10 years old my friends had some hens. I wanted some hens. My father bought me 10. They had to be housed; he built a house for them. They had to live; he bought food for them. Then father fed them. They laid eggs. Father took them into the house and paid me for them; then I went in and ate every one of them. That is what I call equality of progress. Put the Government in father's shoes, and you have got the welfare state.

I have been told a few things in my life, and one of them was this, Mr. Chairman, experience has taught its lesson; this is it: Give sparingly of power and put but little faith in anything except God and your own abilities. Every year on February 22 we set aside a day to read Washington's Farewell Address; then we lock it up and forget it until the next February 22 comes around. Washington warned us to resist with care the spirit of innovation upon the principles of the Constitution however specious the pretext, and pointed out the danger that assaults would be aimed at undermining what could not be directly overthrown.

And I say to you, until the human heart has been divorced from the love of power and the inclination to abuse it we must as carefully guard from government control our institutions and system as our forefathers guarded their individual rights when writing the Constitution. Intent to regulate and control will be denied by the feeble, but, given the power, the disposition will become apparent, and regulation and control will be practiced. It is one of those natural laws which lawmakers cannot repeal.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. MORRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize, the same as you do, that we are facing a great issue, and I can appreciate the sincerity of those who oppose this bill; I can understand and appreciate the weight of their arguments, also. Mr. Chairman, I wish to call attention to just a few things that I believe are significant; I would like to have you think with me—and your thinking no doubt will be as good as and maybe a lot better than mine—along this line. Just think with me about a few salient features to which I shall direct your attention.

In the first place, the thing that makes a democracy great, the thing that makes a civilization great, is the home and the sanctity of the home. Our Federal Government has turned its attention toward helping in many directions; it has helped in regard to highways, in regard to schools, and in regard to social security; it has helped in many respects that we have not called communism nor socialism. Why should we call it such when the Federal Government helps people obtain a home, even if just a rented home? That is not socialism; that is not communism; that is making democracy work. It seems to me that we will really make democracy work in this great country of ours by such methods. You know and I know that extreme radicalism cannot take hold among our people when they are well fed and well housed. By far the best weapon we can use to defeat all kinds of radicalism is to make democracy work, and democracy cannot work very well when any appreciable percentage of our people have to live in squalor, filth, degradation, and shame; it just is not possible.

Some say, "Let private industry do it; let the local governments do it." Mr. Chairman, we have had slum conditions and squalor conditions existing in this great country of ours for a hundred years or more. And we have not made many, if any, inroads on them. I say to you that unless we pass this bill, or some kind of similar legislation, in my judgment, we will have slums for another 100 years. Slums will not be eradicated by private industry, as it has demonstrated the fact that it is just about able to keep up in building homes with the increase of our population. If we were a small nation, it might be different; but we are such a large nation, and our population increase is so great, that private industry is just about able to keep up with those in the middle-income brackets and in the higher-income brackets in the building of homes for those people. The people in the very humble situations in life will never have decent homes, in my judgment, unless we initiate some kind of a program like this. It just will not happen.

Mr. Chairman, I love this country as much as any human being who ever breathed. I do not claim to love it more than you good people do, but I love the old Red, White, and Blue as much I'm certain. I love the Constitution. I love the democratic way of life. I would give my life any minute if necessary to preserve it.

I have not been much of a globe trotter in my life. I was over in France fighting in the trenches in World War I. I have been around America a little bit, although I imagine I have not traveled as much as most of you have. I am not much of a traveler. I spend most of my time working. I usually work from 7 o'clock in the morning until 10 or 11 at night. That is my daily routine. I do not travel much but I have been around over the country a little bit. As much as I love this great country of mine, as much as I would be willing to do for this country of mine, I am ashamed of one thing about it. You can scarcely go into any hamlet, into any town and especially you cannot go into any city in this great country of ours, this beloved Nation of ours, without being ashamed of yourself when you cross the railroad tracks.

With all of the mines that we have in this country, with the far-flung forests we have in this country, with the cement, with the nails, with the building material things generally we have in this great country of ours, to permit such squalor conditions to exist I say is unfair to ourselves and unfair to the individuals who have to live under such conditions.

Mr. SPENCE. Mr. Chairman, I wonder if we cannot agree on time to conclude debate on the bill?

Mr. WHITTINGTON. Mr. Chairman, we have an amendment pending. I understand the gentleman is going to offer an amendment to clarify that. May we vote on that? Then I have one amendment I desire to offer and I would like to have 5 minutes on it.

Mr. SPENCE. I wonder if we cannot conclude debate on the bill at 4:30?

Mr. WHITTINGTON. May I ask the gentleman to withhold that for a minute? I have an amendment to offer.

Mr. SPENCE. The gentleman will have his time, if I move to close debate at 4:30.

Mr. WHITTINGTON. No; I would not do that.

Mr. SPENCE. I will make it 4:30. That will be plenty of time.

Mr. WHITTINGTON. All right.

The CHAIRMAN. Will the gentleman state his request?

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto conclude at 4:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Messrs. RICH and HAND objected.

Mr. HAYS of Arkansas. Mr. Chairman, I offer three clarifying amendments and ask unanimous consent that they be considered in connection with the Jones amendment, since they are related to it. I believe the Chairman of the committee, the gentleman from Kentucky [Mr. SPENCE] is ready to accept these amendments.

The CHAIRMAN. Are they amendments to the Jones amendment?

Mr. HAYS of Arkansas. No; they are related to it, though, and grow out of the same problem.

The CHAIRMAN. Does the gentleman ask unanimous consent that these amendments be considered ahead of the Jones amendment?

Mr. HAYS of Arkansas. No; I am asking that they be considered with the Jones amendment, Mr. Chairman, if the gentleman from Alabama will accept them.

The CHAIRMAN. Does the gentleman ask unanimous consent that they be made part of the Jones amendment?

Mr. HAYS of Arkansas. That is right, Mr. Chairman, I do.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. HAYS of Arkansas:

Pages 58 and 59, strike out the word "ten" and insert in lieu thereof the word "five" wherever it appears in section 403.

Page 59, line 6, after the word "practices", insert "or production."

Page 61, line 21, strike out the sentence beginning on line 21 extending through line 2 on page 62.

Mr. HAYS of Arkansas. Mr. Chairman, I have tried in these amendments to supplement and clarify the amendment offered by the gentleman from Alabama [Mr. JONES]. I am thoroughly in agreement with his amendment. I am grateful to the gentleman from Georgia [Mr. PACE], and the gentleman from North Carolina [Mr. COOLEY], and the gentleman from Wisconsin [Mr. MURRAY] for the consideration they have given to this question and for their help in preparing these amendments. Now, the Congress some time ago provided that if a farmer in the low-income group was not rehabilitated within 5 years, no further loans should be made. This brings the bill in line with that policy. In other words, these contributions or grants would not be continued for more than 5 years. The other is a clarifying amendment in that we add the words "or production" which makes it clear that the transition from cotton, for example, to more appropriate types of farming, shall be recognized and considered in relation to plans for improved housing; giving the farmer an adequate set-up in his farming operations.

I hope the amendments will be agreed to.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. Did I understand the gentleman to say that it was a $500 contribution made to those farmers who do not live on adequate farms?

Mr. HAYS of Arkansas. That provision is not affected, but I would like to say to the gentleman, since he has been interested in this title, that we retain grants only for owner occupants. Now, there is a sound reason for that, as the gentleman will agree.

Mr. COLE of Kansas. Yes: I agree.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from North Carolina.

Mr. COOLEY. If I understand these amendments correctly, if they are adopted loans can then be made only to individuals owning the property which will be improved.

Mr. HAYS of Arkansas. That is correct.

Mr. JONES of Alabama. Mr. Chairman, if the gentleman will yield, the gentleman is correct in that it only applies to property owners.

Mr. COOLEY. I would like for that to be cleared up because of the fact that I have heard it suggested that under the provision as it is now the minimum could be borrowed by a tenant to build a house on property which was not owned by him. Now, that will not be possible.

Mr. JONES of Alabama. It never was possible, even under the provisions of section 404.

Mr. COOLEY. Certainly this clarifies the situation.

Mr. JONES of Alabama. The amendment I have offered certainly clarifies that because it will only be applicable to owner occupants.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Kentucky.

Mr. SPENCE. I have no authority to commit the committee to the amendment. I see no objection to the amendment. I think it is a very meritorious amendment. I hope they will both be considered and voted upon.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. JONES] as modified by the amendments offered by the gentleman from Arkansas [Mr. HAYS].

The amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 55, strike out title IV, "Farm Housing," beginning in line 15 of page 55 and running down to and including line 5 on page 72.

Mr. SPENCE. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. WHITTINGTON. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close at 4:35.

Mr. WOLCOTT. At the present time I am constrained to object, Mr. Chairman, and I do object.

Mr. Chairman, let me suggest a happy compromise on this situation. We all want to get through with this bill tonight, and we want to have assurance that we do get through with it. In view of the fact that all the provisions of the bill have not been read, the gentleman of course cannot offer a motion to cut off debate on the entire bill. Therefore, I suggest that the gentleman ask unanimous consent that the remainder of the bill be considered as read, and that debate on the bill be limited to 55 minutes. I think that would be perfectly all right.

Mr. SPENCE. I will put it another way:

Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open to amendment at any point, and that the debate be concluded at 5 o'clock.

Mr. WOLCOTT. I object to that.

Mr. SPENCE. Then, Mr. Chairman, I move that all debate on the bill and all amendments thereto conclude at 5 minutes past 5, the remainder of the bill to be considered as read and be open to amendment at any point.

Mr. HAND. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HAND. The motion is not in order. The gentleman from Kentucky does not have the floor.

Mr. RAYBURN. The gentleman from Mississippi [Mr. WHITTINGTON] yielded to the gentleman from Kentucky.

The CHAIRMAN. The gentleman from Mississippi yielded and the gentleman from Kentucky is not out of order.

Mr. KEEFE. Mr. Chairman, I make a point of order against the motion because the bill has not yet been read in its entirety.

The CHAIRMAN. The Chair must sustain the point of order because the remainder of the bill has not been read.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The remainder of the bill is as follows:

TITLE V—MISCELLANEOUS PROVISIONS

ADVISORY COMMITTEES

SEC. 51. The Housing and Home Finance Administrator may appoint such advisory committee or committees as he may deem necessary in carrying out his functions, powers, and duties, under this or any other act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18, United States Code.

AMENDMENTS OF NATIONAL BANKING ACT

SEC. 502. (a) The last sentence of paragraph 7 of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words "obligations of national mortgage associations", a comma and the following: "or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public-housing agency and the Public Housing Administration in which the public-housing agency agrees to borrow from the Public Housing Administration and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations."

(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

"(11) Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public-housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than 18 months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which moneys under the terms of said agreement are required to be used for that purpose."

NATIONAL HOUSING COUNCIL

SEC. 503. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

SEC. 504. (a) The second proviso in the paragraph under the heading "Federal Public Housing Authority" in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

(b) The second proviso in the paragraph under the heading "Public Housing Administration" in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

(c) The first proviso in the paragraph under the subheading "Public Housing Administration" in title II of the Government Corporations Appropriation Act, 1949, is hereby repealed.

DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

SEC. 505. The Housing and Home Finance Administrator shall appoint a Deputy Housing and Home Finance Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Deputy Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

SEC. 506. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the State or the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948 is hereby repealed.

CENSUS OF HOUSING

SEC. 507. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the number, characteristics (including utilities and equipment), and geographical distribtuion of dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

(b) All of the provisions, including penalties, of the act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

ACT CONTROLLING

SEC. 508. Insofar as the provisions of any other law are inconsistent with the provisions of this act, the provisions of this act shall be controlling.

SEPARABILITY

SEC. 509. Except as may be otherwise expressly provided in this act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

Mr. SPENCE. Mr. Chairman, I now renew my motion.

The motion was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I have made this motion to strike out title V, formerly title IV, with respect to farm housing because it has no place in this or any other bill. The provisions for farm housing are unnecessary, unsound, impractical and wholly unworkable. They are discriminatory to the last degree. They cover, as the report states, the cases of self-sustaining farmers, farmers not self-sustaining, and they cover those who can never hope to be self-sustaining. It is a sop to farmers and we might as well admit it. The title is put in this bill in order to gain

votes for the bill, and the sooner it is taken out, the better.

Mr. Chairman, I am in sympathy with all efforts to aid farmers to obtain and to own a farm. We have passed progressive legislation and we have in my judgment generally adequate farm-loan legislation. We have provisions for loans and any farmer who owns a farm who is entitled to credit can get credit from the Federal land bank. A tenant farmer who wants to become an owner under the Jones-Bankhead Act can obtain a loan, and purchase a farm. He can also obtain private loans if he is entitled to credit.

I have supported farm legislation. Our farm legislation is in danger. There are proposals that go entirely too far. This is among the first of them, and it should be stricken down.

While I supported farm legislation I have supported legislation for the home owner and for the city dwellers. I have supported it by billions of credit to enable city dwellers to obtain loans to repair their homes and to pay off the mortgages on their homes as well as to build homes. I have supported it by the billions in order to enable people living in the towns to get secured loans to borrow up to 70 percent and 80 percent and 90 percent, and whether the citizen lives in the country or in the town, I want the Federal Government to go the limit to enable a man to acquire his farm or to acquire his home, but I do not favor subsidized housing whereby my constituent across the street gets the Government to pay one-half of his rent, while the man on the other side of the street has to pay twice the rent for cheaper housing. It is discriminatory, and I therefore voted to strike title II for public housing from the bill. The title for farm housing is equally discriminatory, because it makes provision for grants; it makes provision for cancellation of loans. It provides for discretion as to grants and loans. Whatever you say about the provisions that have been made for farmers and about the provisions made for home owners, there is generally no discrimination. Every man, whether he raises a hundred bushels of wheat or a thousand bushels of wheat, gets the same price. Every tenant in this country, every landowner gets the same price for his product, under our price supports. As long as we have a high protective tariff, I am not to be frightened by the term "subsidy," because, after all, a subsidy for the farmer is nothing more than a tariff in reverse. I want to provide for our farms and our homes. Wherever there are loans I want them to be sound, and available alike to all.

According to the Comptroller General of the United States, Hon. Lindsay Warren, as I recall, there are some 30 odd Government agencies that are making loans to the city dwellers and farmers of our country. I have supported all sound legislation. But when housing discriminates against one citizen in favor of another, there will be complaints, and dissatisfaction.

We need to repair our houses in the cities. We have not been able to get materials or labor since the war, but we have made progress. The farmers of the United States today are prosperous. The workers in the United States today enjoy the highest standard of living in all human history. In my judgment, having stricken out title II, we should strike title V for farm housing. But whether it is stricken or not, this section with respect to farm housing ought to have been considered by the Committee on Agriculture. You heard the distinguished chairman of this committee, the gentleman from Kentucky [Mr. SPENCE] accept not one amendment but two or three amendments, because he said, as I understood him, they were offered by friends of the bill and he accepted them, in his own language, and concluded in an effort to secure votes.

It is time to think clearly. It is time to reason. We ought not adopt every proposal under the guise that it is aid to the cities or aid to the countryside. We should support only sound housing and farm legislation.

I trust that my amendment to strike the title on farm housing will be adopted.

I extend to say that I favor Federal aid for slum clearance, and while I believe that the slum-clearance provisions of the pending bill can be clarified and should be amended to reduce the contribution by the Federal Government, nevertheless I would support a constructive bill for slum clearance. I also believe that slum clearance should be prevented by better health and police regulations by the cities, for good buildings, if neglected, will sooner or later become slums. The best way to promote slum clearance is to prevent slum clearance, and the solution of the problem is largely within the power of the municipalities. It is true that mayors advocate Federal legislation for slum clearance. Unfortunately, however, they do not at the same time suggest that taxes be levied for paying for appropriations for Federal slum clearance.

As I have stated, I oppose the so-called low-rent public housing. The title might better be "high-cost public housing at low rentals." I believe that housing can be better provided by private enterprise; that it can be more cheaply constructed by private enterprise, and therefore constructed for cheaper rents. Private housing will support schools and support other municipal activities. All will pay the same rental and there will be no discrimination. I cannot support legislation that will provide for paying one-half the rents of one-sixth of the rental population of the United States. I cannot support legislation that will enable one citizen to rent a Federal housing unit at $40 a month with one-half to be paid by the Federal Government and the other one-half by the citizen, where across the street in the same neighborhood a cheaper unit is rented for the same $40 a month to another citizen.

I repeat that I have supported legislation to enable home owners to redeem their homes and to improve them. I have supported legislation for insuring loans to individuals to build homes. I have supported the FHA legislation. I have supported billions and billions of Federal credit to enable a citizen to acquire or to keep his home. I want to encourage individual home ownership in the city just as I want to encourage home ownership of farms in the country. I believe that slums will be prevented by loans to citizens that will enable them to construct, generally, individual units rather than by providing for large units with many families in each unit and thus promoting congestion of population.

Generally the farmers of the United States are in better financial condition than they have been since the War Between the States. I believe that pending provision for farm housing is unfair, unsound, and discriminatory. It is inserted to secure votes for farming areas. We are asked to reduce public expenditures and to eliminate unnecessary bureaus. The Farm Credit Administration, including the Federal Land Bank System and including the Farm Home Administration, is amply qualified to make loans to all deserving farmers. We provide for production loans. If any of the laws are inadequate they should be considered and they should be amended. There should not be a new bureau with a new administration at an additional expense to the taxpayer. Moreover, the pending title contemplates grants, contemplates promoting farms that are marginal, and would provide for discriminations by cancelling loans, by making a grant to one farmer and not making it to another. Patriotic Americans believe in equal treatment. I repeat that under existing laws, when the farmers are more prosperous than ever before, generally they can obtain all needed loans, and they are not begging for grants, for the administration of grants involves the discretion of a bureau in Washington that will further regiment farming.

While I have supported farm legislation, and while I have supported legislation to aid city dwellers, I believe that the pending bill goes too far in public housing and goes entirely too far in farm housing. I voted to eliminate public housing and I now move to strike out the farm housing. I believe that home ownership on the farm and in the city will be promoted by encouraging private enterprise to provide for low rentals and by encouraging farmers to own their own lands.

I want to strengthen and not weaken Federal legislation for farmers. I want all to be treated alike. There should be no discrimination. Farmers are not beggars. They do not want grants. They want a reasonable price for their products. They will improve their farms if they can secure a reasonable return for their crops.

I want to encourage the clearing of slums by clearing and by preventing them. I want to aid Americans to acquire and build their own homes in the city. Home ownership in the municipality and home ownership in the countryside will promote the American way of life. I oppose the pending bill for public housing and for farm housing because the proposals are unsound, unnecessary, and discriminatory, at a time when the people of the United States, in the country and in the city, are making more improvements in housing than ever before in history.

I conclude by saying that the pending provision for farm housing is a sop to secure farm votes and that I can best describe the title for farm housing by saying that it is molasses to catch flies.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTINGTON] has expired.

The question is on the amendment offered by the gentleman from Mississippi.

Mr. COOLEY. Mr. Chairman, I desire recognition in opposition to the amendment.

The CHAIRMAN. The Chair regrets to inform the gentleman that he was not standing at the time the motion was agreed to.

Mr. COOLEY. That was to limit debate, but I did not understand that the time would be restricted only to those who happened to be standing.

The CHAIRMAN. That is the usual procedure.

Mr. SPENCE. How much time was reserved to the committee?

The CHAIRMAN. The motion as offered by the gentleman did not reserve any time for the committee.

Mr. MARTIN of Massachusetts. Could I get my name on that list?

The CHAIRMAN. The name of the gentleman from Massachusetts is on the list.

Mr. COOLEY. Well, Mr. Chairman, do I understand that the chairman of the Committee on Banking and Currency cannot be recognized simply because he happened not to be standing?

The CHAIRMAN. The Chair will divide the time as best he can. The usual procedure is to divide the time among those who were standing at the time the agreement was made.

Mr. COOLEY. Certainly Members were not notified that the time would be restricted to those who were standing.

The CHAIRMAN. All Members heard the motion, and that is the usual procedure.

Mr. SPENCE. Mr. Chairman, I was standing at the time the motion was made.

The CHAIRMAN. The name of the gentleman from Kentucky will be added to the list.

Mr. COLE of Kansas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLE of Kansas. Will the chairman read the names of those who were standing, so that we may know?

Mr. COOLEY. Mr. Chairman, will the Chairman read the names of those gentlemen who were standing at the time the limitation of debate was agreed upon, in order that we may be informed?

The CHAIRMAN. The Chair will be very glad to do so. The Chair has listed the names of the following gentlemen: Messrs. HAYS of Ohio, CASE of New Jersey, MARCANTONIO, LANHAM, HALLECK, WOLCOTT, FORD, SIMPSON of Illinois, MULTER, NICHOLSON, SABATH, MILLER of Nebraska, HAND, TOWE, DONDERO, KEEFE, MANSFIELD, MARTIN of Massachusetts, SHAFER, GAVIN, and SPENCE.

Mr. JENSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. I have an amendment at the desk; the Chairman did not read my name.

The CHAIRMAN. Was the gentleman standing?

Mr. JENSEN. I do not think I was.

The CHAIRMAN. The gentleman is out of order.

Mr. JENSEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. The Chair did not say that those who wanted to speak should rise; and I make the point of order that that is unparliamentary. I trust the Chair will add my name as he did that of the chairman of the committee.

The CHAIRMAN. The Chair will attempt to give the gentleman an opportunity to speak on his amendment.

Mr. SASSCER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SASSCER. I was standing with the gentleman from Kentucky.

The CHAIRMAN. If the gentleman was standing his name will be added.

Mr. RABAUT. Mr. Chairman, the same is true in my case.

The CHAIRMAN. If the gentleman was standing, his name will be added.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent to assign my time to the gentleman from North Carolina [Mr. COOLEY].

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. COOLEY. Mr. Chairman, I merely wish to say in regard to this section that members of the Committee on Agriculture have conferred with members of the Committee on Banking and Currency and have agreed upon certain amendments, the amendments which were adopted a short while ago. By their adoption I believe the bill has been substantially improved.

With regard to the speech made by the gentleman from Mississippi, and I appreciate the fact that he feels that this legislation should have been considered by the Committee on Agriculture, and I concur in his views in that regard, the fact is, regardless of why this provision was inserted in this bill, we know that from this section will come the only relief and the only aid and assistance which is provided for the rural sections of America.

I think it is to be regretted that title II was dropped from the bill. I am for title II and on the roll call I will vote in favor of it; but I think it is to be regretted that we would seek on the floor here to strike out the only provision of the bill which could mean anything to a rural district. If you strike this provision out of the bill there will, of course, be very few, and certainly no persuasive, reasons why a man representing a rural district should support the measure. I want to support the bill, but I want to support it with this provision in it.

Let me remind you that all of the slums of America are not to be found in the cities, by any means. I have had a public housing authority in my district; I have a colored project and a white project in this city of Raleigh, and they have been operated properly and satisfactorily in every respect as far as my information goes, and they have relieved the slum conditions in that city at least in some degree.

I hope this amendment will be defeated and that this title will be retained in the bill. After all, unfortunately, we have slums all over America—in the cities and in the country and there is a desperate need for better housing and relief should be afforded where the need is the greatest. With the amendments which have now been accepted, this section of the bill will bring some relief to the rural areas of America and it is difficult for me to understand how the gentleman from Mississippi can oppose this particular part of the bill. Certainly, the need in his State is great—perhaps greater than in any other State in the Union but the need is great everywhere in America.

I do not believe that the money which will be spent in the proper prosecution of this program will disastrously or adversely affect private enterprise, banks, insurance companies, and building and loan associations nor will it affect adversely or disastrously the owners of privately owned properties. When the head of a family is able to earn enough money to become a home owner, he will have to vacate the building which will be constructed by the money therein provided. Certainly those who are now living in slums are not eligible for assistance at the hands of banks, insurance companies and building and loan associations and it is difficult for me to understand why there is so much opposition to this measure on the part of the businessmen who are operating these enterprises.

When we get into the House, I hope that the amendment to strike out section II will be defeated. In the meantime, I hope that the pending amendment will be defeated and finally that this bill will be enacted.

The CHAIRMAN. The question is on the amendment.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Mr. Chairman, as I understand, there is no other amendment pending and I imagine Members desire to express themselves on this one.

The CHAIRMAN. The Chair, in order to clarify the situation, would like to inquire of the Members whose names were read a moment ago, which of them intend to offer amendments.

Mr. MARCANTONIO. Mr. Chairman, I have an amendment.

Mr. CASE of New Jersey. Mr. Chairman, I shall offer an amendment.

Mr. DONDERO. Mr. Chairman, I ask unanimous consent that the time allotted to me be transferred to the gentleman from Iowa [Mr. JENSEN].

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HAND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HAND. Mr. Chairman, I have an amendment at the Clerk's desk which is in the nature of a substitute for that of the gentleman from Mississippi. It strikes out of section 402 one-third of the amount that the gentleman is seeking to strike. Is it in order to offer that amendment at this particular time?

The CHAIRMAN. The proposed amendment would be a perfecting one rather than a substitute. Does the gentleman offer it as a perfecting amendment?

Mr. HAND. I will be glad to do so.

The Clerk read as follows:

Amendment offered by Mr. HAND: On page 60, line 17, strike out all of section 404 down to line 3 on page 62.

Mr. HAND. Mr. Chairman, I necessarily will have to be very brief, but I do not think it will take very long to discuss this amendment. I have a good deal of sympathy for the amendment offered by the gentleman from Mississippi, but I would not be prepared to go quite as far as he does with his amendment.

If you will refer to the first two sections of the farm housing provisions, you will find one establishes loans for housing and buildings on adequate farms, and the other for loans for housing and buildings on potentially adequate farms. We have certainly gone too far when we add one more section, 404, which provides for loans for farms that are not adequate and probably never will be, and provide not only loans but add grants. Five hundred dollars can be a completely free gift under the "outhouse" amendment, if I may say so, for the improvement of toilets, the purchase of screens, and such odds and ends of minor repairs. That is going just a little bit too far, in my opinion, and makes the bill very unpalatable to those like myself who are prepared to support a public housing bill. That is not a public housing measure. That is a piece of political pap, and I think that it, at least, should be stricken from this bill. As a matter of fact, it is not designed to aid tenants but is designed to aid landlords and give them Government money to make repairs for tenants which ought to be made by the landlords themselves out of their own pockets.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield to the gentleman from Indiana.

Mr. HALLECK. I think the gentleman's amendment should be adopted.

Mr. HAND. I thank the gentleman.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. I agree with the gentleman, and I come from a so-called farm State. I thoroughly agree with the gentleman's amendment.

Mr. HAND. I thank the gentleman, and I think I can speak with very good grace because my own district is semi-agricultural in nature.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that we have Government agencies trying to get these people out of areas which cannot be made adequate and now we are setting up an agency to keep them on?

Mr. HAND. The gentleman is quite correct, and I thank him.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from New Jersey [Mr. HAND].

The question was taken; and on a division (demanded by Mr. HAND) there were—ayes 105, noes 121.

So the perfecting amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 126, noes 144.

Mr. WHITTINGTON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WHITTINGTON and Mr. BUCHANAN.

The Committee again divided; and the tellers reported that there were—ayes 146, noes 162.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

(By unanimous consent, the time allotted to Mr. MARTIN of Massachusetts, Mr. KEEFE, Mr. NICHOLSON, and Mr. MULTER was granted to Mr. MARCANTONIO.)

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARCANTONIO: On page 75, after the period on line 8, add a new section:

"SEC. 503. Prohibition against discrimination: No person possessing all other qualifications which are or may be prescribed by law shall be disqualified for admission, rental, or tenancy through discrimination by segregation or otherwise, in any housing developed under this act, by reason of the race, color, creed, or national origin of the person otherwise qualified; and any officer or other person charged with any duty in the admission, rental, or tenancy of projects provided for under this act who shall exclude or discriminate against any citizen for the cause aforesaid shall, on conviction thereof, be deemed guilty of a misdemeanor and be fined not more than $5,000.

"Every contract or commitment entered into by the Government or any agency or instrumentality thereof as authorized herein with regard to any housing provided for in this act shall contain a provision prohibiting discrimination by reason of race, color, creed, or national origin, and shall carry a warning of the penalty of this act for violation thereof."

Mr. MARCANTONIO. Mr. Chairman, this amendment is offered at a time when the struggle of the Negro people for full equality has reached a crisis. To those who say that there is no discrimination or segregation in public housing or in any other housing financed by the Government, I refer them to the memorandum submitted to the President by Mr. Thurgood Marshall, of the NAACP, which is found on page 223 of the hearings. It tells the sordid and tragic story of the denial of housing to American citizens because of their color and because of their national origin.

Mr. Chairman, I have a pretty good idea of the arguments that have been circulated against my amendment. Yesterday we witnessed the spectacle of people who have been preaching civil rights voting against them and the artificial excuse that was offered is that this kind of amendment will sink the bill. Personally I do not believe that. The same argument was made in the Senate and on the final roll call 57 voted for the housing bill and 13 against. So that if this amendment had been adopted, there would have been ample votes to pass the housing legislation with an antidiscrimination provision. It is my considered judgment that if this amendment is adopted, for those that you will lose you will make up by virtue of the amendment. This amendment strengthens the bill. You cannot honestly argue against civil rights, an issue so fundamental, from an opportunistic standpoint, for here we do not only deny civil rights to the Negro people and other racial minorities, but we punish them more, we deny them housing. The experience with public housing and FHA housing bears that out.

In my own city of New York we have an FHA project, Levittown project, where Negroes are absolutely barred and nothing is being done about it by our Federal, State and city governments.

Further, to those who want to use the opportunistic argument, let me tell them that you have no right to use housing against civil rights. Housing and civil rights are an integral part of each other. Housing is advanced in the interest of the general welfare and in the interest of strengthening democracy. When you separate civil rights from housing you weaken that general welfare. You weaken the democracy that you pretend to strengthen. Remember, here you launch a 40-year program whereby you deny equal opportunity to housing to 14,000,000 American citizens and to other racial minorities. This attempt to separate civil rights from housing is dishonest political opportunism.

Another opportunistic argument that is advanced is, "Well, we will not do it now. We will do it later on." "We will do it on FHA or on some other bill." I have heard that argument too often. I heard it in connection with my amendment to the 70-group air force and in connection with the $16,000,000,000 Military Establishment bill, and to every other effort I have made to have civil-rights legislation passed by this House. It is the same argument every time an effort is made for civil rights. But you did not give that argument to the Negro people last election. You told them the Eighty-first Congress would enact civil rights. What has happened here? Whenever we have an opportunity to enact civil rights we are given some pretext or another, so that the Eighty-first Congress, as far as civil rights is con-

cerned, has become the Mañana Club—tomorrow but not today. You go back and tell the Negro people and other minorities who are seeking equality, "Not now but tomorrow."

Every Member must vote on this proposition according to the best dictates of his conscience and in keeping with the promises that he or she made to his or her constituents. Vote along those lines and you have no other alternative but to support this amendment.

I say that we must have both civil rights and housing; they are indivisible in the defense of democracy. Housing with discrimination negates the stated objective of this bill. Such a fight for both can be won if the leadership wants to make the fight, just as the fight was made in the final hours on the Wood bill. We were told that we could not win, but we did win, because we did fight, even though the fighting began when it was almost too late. Stand up now and we can get housing in accordance with the best traditions of American democracy. This depends on your will to fight for it. The responsibility rests on the majority. The responsibility rests on every single Member. Do we want housing with Jim Crow? I say "No." I say that the issue cannot be evaded. It exists in the very marrow of the bone of this bill. I say the American people want housing with the full guaranty of equality.

The CHAIRMAN. The time of the gentleman from New York [Mr. MARCANTONIO] has expired.

Mr. BUCHANAN. Mr. Chairman, the issue raised by this amendment is very clear. The issue is whether we shall have an effective national-housing program offering decent shelter for underprivileged low-income families of every race, creed, or color, or whether we shall sacrifice the opportunity for such a program for an empty prohibition against racial segregation in low-rent public housing.

The facts of this issue also are very clear. The facts are that the present low-rent public housing program, small as it is, represents the only effective step which has been taken in the history of this Nation to provide decent livable homes for underprivileged low-income Negro families. Today, approximately 65,000 Negro families are living in the low-rent public housing projects assisted under the United States Housing Act of 1937. This represents approximately 35 percent of the accommodations provided in those projects. In the South, some 49 percent of the public-housing units are occupied by low-income Negro families. The record shows conclusively that low-income Negro families have shared equitably in the benefits of the present low-rent housing program, on the basis of need and in proportion to the relatively lower incomes and worse housing conditions which are the lot of too many Negroes in this country.

Mr. Chairman, the new low-rent public housing which would be assisted under the pending bill would enlarge the supply of decent shelter for underprivileged low-income families by more than four times. That housing would be made available on the basis of need, just as under the existing program. Hundreds of cities and towns throughout the country are ready and anxious to participate in this program in order to relieve their slum-ridden families of intolerable living conditions. Some 357 communities filed preliminary applications for 375,000 units of low-rent housing more than 3 years ago, even though there was no available authorization for additional public housing at that time.

Among these were 116 communities in the South and a high percentage of their proposed projects were for occupancy by low-income Negro families. But let me ask the members of this committee one question: Would these southern communities continue to seek for these projects if this amendment is adopted and if a requirement for racial nonsegregation were imposed on every project assisted under this program?

The keystone of the public housing program under H. R. 4009 is local autonomy. No projects may be undertaken in any community except upon the initiative of its local city council or other governing body. Do the members of the committee believe that southern communities would participate if racial nonsegregation were made the requirement for every project? Do they believe that the representatives of those southern communities in this body, most of whom now support this legislation, would continue to do so if this amendment were adopted?

I want to make my own position very clear. I am personally opposed to racial segregation in housing. I know that many of my colleagues from the North and West share my views on that matter. I believe that we must progress steadily toward racial equality not only in housing but in all other aspects of our national life, and not only in the North and West but also in the South. But I am also confident that my colleagues share my belief that we won't aid our progress by depriving low-income Negro families in every section of the country of their best hope for decent homes.

Mr. Chairman, we should look closely at some of the angles in this amendment. Without impugning anyone's motives or sincerity, I must point out that this amendment is the favorite secret weapon of the real estate lobby to kill this bill. That issue was well aired in the other body when a similar amendment was voted down after extensive debate, and I remind the members of this committee that we voted down a comparable proposition yesterday by a teller vote of 168 to 130.

What is at stake here is whether we shall have an effective public housing program, which will be of broad benefit to underprivileged families, white and Negro alike, or whether we shall have some empty verbiage but no houses. I challenge the Members on the other side of the aisle who will support this amendment to make clear whether they do so in support of an effective housing program, or in an effort to kill the housing bill and at the same time gain a supposed political advantage by giving lip-service to nonsegregation.

Personally I am for a housing program that will benefit underprivileged families of every race, creed or color, in every section of the country. I trust the Committee will reject this amendment.

Mr. POWELL. Mr. Chairman, I rise in support of this amendment. I wish to warn this body that the Negro people will no longer stand for empty civil rights platforms.

The present FHA is a disgrace. It is manned by a leadership approved by our civil rights President which refuses in its own words to take a stand on civil rights in housing.

Take the Levittown development in New York. Built by Federal funds, it is for Caucasians only. The FHA told members of the Banking and Currency Committee that they had stopped this practice. Mr. Charles Abrams, of New York City, whom I respect, told a freshman Manhattan Congressman that FHA had changed. This is a lie. FHA has not changed. They are supporting Jim Crow in New York.

I refer you to the following clippings and statement:

[From the Pittsburgh (Pa.) Courier of June 11, 1949]

WHITE LEVITTOWN CLAUSE REMOVED

Removal of a Caucasians only clause from the rental leases of Levittown, a Nassau County housing project, was reported last week by the committee to end discrimination in Levittown.

Confirmation of the successful fight to secure elimination of the ban was later attributed to William Levitt, a representative of the firm which built the Long Island project, who is quoted as having asserted that there remained no reason to continue the anti-Negro stipulation.

It was reported, however, that the committee will carry forward its plans to forward a delegation to Washington for the purpose of urging the Federal Housing Administration to take a stand on the issue of granting aid to realtors who insert racially discriminatory clauses in rental contracts.

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[From the New York Age of June 25, 1949]

NO CHANGE IN LEVITTOWN POLICY SEEN AS INCIDENTS FLARE UP

HEMPSTEAD, LONG ISLAND.—It was revealed in word and deed here last week that the Levittown housing project is lily-white and that it plans to remain that way—removal of a clause in the leases and deeds to homes in the project notwithstanding.

Several Negro veterans who believed that owner William Levitt of the project was sincere when he removed the restrictive clause from the leases found out differently when they tried to arrange housing. Mrs. Myrtle Archer, who tried to purchase a home for her son, a veteran of more than 2 years in the south Pacific with the Navy, was asked to leave the real estate offices because "We do not sell to Negroes."

Three veterans, Leroy Seely, Wilmar Manley, and Arthur Lucine, were denied interviews and informed that members of their race are not welcome to Levittown.

Herbert Hill of the NAACP and Lee Feltman of the American-Jewish Congress were forcibly barred from the builder's office when they attempted to protest the discrimination.

On the other hand, white veterans applying for homes were served refreshments at Levitt's expense and the first couple waiting in line were treated to tickets to "South Pacific."

[From the New York Amsterdam News of June 11, 1949]

NO ROOM FOR NEGROES IN LEVITTOWN PROPECT

WASHINGTON, D. C.—A committee of 10 delegates, protesting Jim Crow at Levittown on Long Island, heard Franklin Richards, Federal Housing Authority Commissioner, say that FHA aid would continue to be given Levittown.

After hearing the stories of Levitt's refusal to sell homes to Negro veterans, Richards said the FHA has no authority to tell Levitt how he can run his business. Although Richards sympathized with the committee to end discrimination in Levittown, and he said nothing could be done.

Four Negroes were turned down flatly last Monday when they sought to purchase homes in Levittown, a low-cost real-estate development on Long Island.

William J. Levitt, developer of the project, contends that his company reserves the right to refuse to sell their property to Negroes. This statement was given out Monday at his office, following a spirited demonstration against his lily-white policy. Levitt refused to see or to talk directly to reporters. Veterans are given preference to buy homes in the development.

Levitt's attorney, Ira Goldman, who assisted in booting out the four Negroes who tried to buy homes was in to reporters "depending on what you want to talk to me about."

The four Negroes who appeared early Monday morning to join the line which formed on the village green in response to an intensive sales campaign over the radio were told they could not purchase homes in Levittown. One woman. Mrs. Myrtle Archer, mother of a vet, was asked by Goldman, "Are you a Negro?" When she said she was, Goldman said, "Then I am afraid you'll have to leave. We do not sell to Negroes."

Mrs. Archer's son, Donald, served in the Navy. She was accompanied by Arthur Frankel, also a veteran, who lives in Levittown and is a member of the Committee to End Discrimination in Levittown.

The other three, Leroy Seely, Wilmer Manley, and Arthur Lucine, were not even permitted to enter the sales office. Goldman called Nassau County police to keep order when Frankel halted the sales to make a speech to the lined up vets about bringing democracy to Levittown.

Inquiries in Levittown revealed that in a case similar to that of the Metropolitan Life Insurance Co.'s Stuyvesant Town, a sample poll taken of the residents showed that 61 percent of them favored having Negroes buy houses. Also like Stuyvesant Town, the project is subsidized by public funds, the Federal Housing Authority guaranteeing the loans.

It was also discovered that Levitt & Sons, the builders of more than 8,000 low-cost homes, have another smaller project, near Manhasset where the policy is for gentiles only.

Although no action has been taken against the group in Levittown, which has been protesting against discrimination, instances were reported where some of the tenants who pay rent instead of buying their houses, were denied leases and subjected to the strictest regulations in an effort to force them to leave.

A committee, made up of representatives of B'nai B'rith, the NAACP, the American Veterans Committee, and the American Labor Party, went to Washington Tuesday to protest the discrimination to the FHA.

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[From the Chicago Defender of June 18, 1949]

END OF BAN ON NEW HOUSING PROVES FALSE—DELEGATION ACTS

NEW YORK.—Believing that William J. Levitt really meant what he said when he publicly announced removal of the "Caucasians only" clause from his Long Island building development, Mrs. Myrtle Archer walked into the sales office last week only to be called aside by Levitt's lawyer.

"I have to ask you one question," he said. "Are you a Negro?"

"Yes, I am," was the reply.

"I'm afraid you'll have to leave. We will not sell to Negroes."

"Is it just because of my color?"

"Let's not go into that. It will be painful for both of us. We can shelter whoever we want. We will not shelter Negroes."

NOT ALLOWED TO ENTER

Three Negro veterans waiting in line outside the office were not allowed to enter.

When Herbert Hill of the NAACP and Lee Feltman of the American Jewish Congress attempted to protest discrimination shown they were forcibly barred from the office.

On the following day a score of people representing organizations in Levittown community went to Washington and demanded Commissioner Richards of Federal Housing Committee to issue a definite ruling on restrictive covenants. They asked him to withdraw FHA support from Levitt's project until he ended discrimination against Negro veterans.

Mrs. Feldon, white resident of Levittown and member of Committee Against Racial Discrimination, headed the delegation to Washington. She told a Defender reporter that the group received a favorable reply but not a decisive commitment on the definite ruling issue.

Mrs. Feldon added that although the "FHA has no feeling one way or the other about racial discrimination," the delegation left Commissioner Richards' office with high hopes.

The Defender reporter attempted to talk with Mr. Levitt over the phone but was told by his secretary that he was not receiving any calls.

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STATEMENT

Franklin Richards, FHA Commissioner, told Lem Graves, Washington correspondent of the Pittsburgh Courier, last February that the FHA had no authority to prevent racial discrimination in leasing or selling homes in the Levittown development after the developers built their houses. FHA did deny an application from Levitt Brothers for loan insurance which included a racially restrictive covenant. However, when the covenant was stricken from the loan application, FHA approved the guaranty and the developers then proceeded to reject applications of Negroes.

Mr. TOWE. Mr. Chairman, I rise in support of the amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TOWE. Mr. Chairman, one of the stated purposes of this bill is the realization, as soon as possible, of the goal to a decent home and suitable living environment for every American family. • I include in the definition that I would apply to the words "American family" those of Negro origin.

This entire legislation is a social measure. It can hardly be called anything else. I say to you it is extremely unfair and inequitable to say to the 14,000,000 Negroes of this country, or as many of them as pay taxes, "You shall contribute to the cost of public housing but you will not be guaranteed equal or partial participation in the program. Those who profess to be disturbed about segregation of Negroes and discrimination against them especially in social-advancement programs should support the pending amendment.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. TOWE] has expired.

The question is on the amendment offered by the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, on that I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. PATMAN and Mr. MARCANTONIO to act as tellers.

The Committee divided; and the tellers reported that there were—ayes 122, noes 173.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. CASE].

Mr. CASE of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of New Jersey:

On page 84, after line 4, insert the following new section:

"510. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsection to section 15:

"'(7) The authority shall not make any contract for loans (other than preliminary loans) or for annual contributions with respect to any low-rent housing project initiated after March 1, 1949, unless the mayor or other chief executive officer of the locality involved has certified that all State and local codes and regulations relating to land use and to standards of health, sanitation, and safety for dwelling accommodations are being effectively enforced to the maximum practicable extent throughout the community.'"

Renumber sections 510 and 511 as 511 and 512, respectively.

Mr. CASE of New Jersey. Mr. Chairman, the purpose of my amendment is very simple. We are all concerned that the whole problem be solved. One very important and necessary aspect of the problem of poor housing is to get the best possible enforcement of existing health and other regulations by the localities concerned. My amendment would require the mayor or chief executive officer of any locality, before a housing project is initiated there, to certify that, to the maximum extent practicable, local codes and regulations relating to health and other matters are being effectively enforced.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. CASE].

The question was taken; and on a division (demanded by Mr. CASE of New Jersey) there were—ayes 43, noes 112.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. MCMILLAN].

Mr. MCMILLAN of South Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCMILLAN of South Carolina: On page 84, at the end of line 4, insert the following new sentence: "The Administrator shall not enter into any contract of financial assistance under title I of this act with respect to any project of the

District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body."

Mr. McMILLAN of South Carolina. Mr. Chairman, the purpose of this amendment is to assure that no funds available under the slum-clearance provision of this act shall be used for projects under the Redevelopment Act of 1945 for the District of Columbia. We at that time passed a bill here requesting $20,000,000 for slum clearance in the District. We have not received an appropriation to carry out the provisions of this act up to the present time.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield to the gentleman from Kentucky.

Mr. SPENCE. There is no objection to the amendment offered by the distinguished gentleman, and I think the committee will accept it. It is a meritorious amendment.

Mr. McMILLAN of South Carolina. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. McMILLAN].

The amendment was agreed to.

Mr. DAVENPORT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DAVENPORT. Mr. Chairman, I should like to call to the attention of the House today the work of one of our colleagues, the esteemed Congressman from the Thirty-second District of Pennsylvania, HERMAN P. EBERHARTER. In breaking a legislative bottleneck heretofore beyond the general control of the House of Representatives his efforts have made possible the discussion today of housing legislation. For it was Congressman EBERHARTER who spearheaded a drive to change the rules of the House Rules Committee which often prevented the House as a whole from considering legislation in question.

I should like to quote from an editorial in the Pittsburgh Post-Gazette of June 18, 1949, regarding the effect of my esteemed colleague's work in changing the rules:

HOUSING BOTTLENECK BROKEN

A decision by the House Rules Committee to bring the administration's housing bill to the floor is the first important demonstration of how last winter's amendment to the House rules breaks a legislative bottleneck.

Until the rules were changed, the House Rules Committee could, and frequently did, prevent the House as a whole from considering legislation which had popular support. Housing legislation, for instance, had been bottled up by the Rules Committee in two successive Congresses.

The rules change permits the chairman of any committee to request a vote to call any bill onto the floor after it has been within the committee's jurisdiction for a prescribed period. Knowing that was to be done, the Rules Committee reluctantly reported the housing bill out, so that it can set the limits on debate and, in general, try to control the situation on the floor.

Thus the committee's decision does not mean that the bill has won greater support within the committee. On the contrary, some of those who voted to report it out are as violently opposed as ever to public housing and will fight it on the floor.

We are glad that the entire House will, at long last, have an opportunity to express itself on public housing. We believe that its answer, like that of the Senate, will be favorable.

HOUSING

Mr. Chairman, it is gratifying to me that the Eighty-first Congress is at last buckling down to the tasks assigned to it by the voters of this country last fall.

H. R. 4009, or the Housing Act of 1949, while not a perfect bill, will do much to end the poor living conditions under which millions of Americans exist at present. In total, its many complicated provisions on slum clearance, title I; low-rent public housing, title II; housing research, title III; and farm housing, title IV will act as a lever to lower our national rates of broken homes, juvenile delinquency, and crime. H. R. 4009 will also act as a lever to happier family life.

According to recent figures of the Census Bureau, 22 percent of all families, or 7,000,000 families, have incomes of less than $2,000 a year. The money these families can spare for rent is so low that the only places they can move into are the overcrowded slums of our cities and rural areas.

The average monthly rent these people can pay is one-fifth of their monthly earnings or about $27. On this basis, is it any wonder that the slums in which they are forced to live are allowed to deteriorate still further by landlords whose profits are based upon nonpayment of taxes and no repair work?

There is no way to handle the problem of these 7,000,000 American families except to replace the slums with decent housing and to subsidize the rentals of their new homes. The slums as a breeding place for crime and unhappiness must be torn down and the land put to better use by our cities and towns.

To replace slums and subsidize rentals is not a new departure for American Government. In fact, we have as a government always been concerned with our lower-income groups. This is one of the costs of our economic system. Those who are more fortunate have a duty to help the less fortunate. Since colonial times, this has been a guiding principle of America. Slum clearance and public housing is just a further continuation of this doctrine. There is nothing new or radical in it.

I believe it wise that the Federal Government steps in at this time to take the lead in restoring family life to more pleasant surroundings. Statistics are available to prove that our States and our cities are unable to stand the financial strain incumbent in slum clearance. If the Federal Government will not take the initiative, the job will never be done. There is no other alternative.

As for opposition of private constructors, I should like to point out that several building and real-estate associations have at last conceded that no competition exists between private construction and public housing. The Real Estate Board of New York, for example, has come out in favor of public housing. That board is on record as stating that private construction cannot meet the housing needs of our lowest income groups. Who today can build an adequate dwelling for a family unable to pay more than $27 a month?

According to H. R. 4009, a gap of 20 percent must be left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing decent, safe, and sanitary housing. This means that if old-style private housing is available at $30, then the top rent the recipient family in a public-housing project could afford to pay would be 20 percent less, or $24. Figuring rent as one-fifth of monthly income, in this example, the recipient could not earn over $120 a month or $1,446 a year.

Under this 20-percent-gap formula, there will be room for local variations in rental charges and earnings of public-housing tenants. This is much better than a fixed dollar ceiling on the incomes of families eligible for admission to low-cost public housing. My major concern is that this gap may be too wide and thus deprive worthy families of the opportunity to take advantage of this housing program. But this can be changed later, if necessary.

The important job before us is to pass H. R. 4009 and continue our fight to end poverty and squalor in the midst of plenty.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: After line 24, page 84, add a new section:

"General provisions: SEC. 512. No part of any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this act shall be used directly or indirectly to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided,* That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further,* That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or

fund contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

Mr. PATMAN. Mr. Chairman, I make the point of order against the amendment that it is not germane to this bill.

The CHAIRMAN. The Chair will hear the gentleman from Iowa on the point of order.

Mr. JENSEN. Mr. Chairman, a similar provision has been placed in every appropriation bill which this House has passed during this session of Congress. It is purely and simply a safeguarding provision that no person shall be employed and receive compensation from the funds herein appropriated who believes in the overthrow of our Government by force or violence. It is regular procedure, and certainly is germane to this bill. It is a limitation which is in effect in both appropriation and authorization bills.

Mr. PATMAN. Mr. Chairman, this is not an appropriation bill. In an appropriation bill it probably would be in order.

Mr. JENSEN. This bill has the effect of an appropriation bill.

The CHAIRMAN. The Chair is prepared to rule.

The legislation before the committee authorizes loans and other funds to be used, consequently the Chair overrules the point of order.

Mr. JENSEN. Mr. Chairman, I do not think it is necessary to speak any further on this amendment because of the fact that every Member of this House has voted in favor of these appropriation bills which has this amendment in it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. JENSEN) there were—ayes 124, noes 141.

Mr. JENSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. JENSEN and Mr. PATMAN.

The Committee again divided; and the tellers reported that there were—ayes 166, noes 163.

So the amendment was agreed to.

The CHAIRMAN. All debate is concluded. The Chair will recognize Members to extend their remarks and will recognize Members who desire to offer amendments, without debate.

Mr. SASSCER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SASSCER: On page 78, line 12, after the word "sites", insert "within the District of Columbia."

Mr. SPENCE. Mr. Chairman, the committee has no objection to that amendment.

Mr. CASE of South Dakota. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. The point of order is that the committee amendment which the Sasscer amendment attempts to amend has never been offered or considered.

The CHAIRMAN. The point of order is well taken. The gentleman from Maryland will have to withhold his amendment until the committee amendment has been reached.

Are there any further amendments? If not, the Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment: Page 72, line 8, strike out "51" and insert "501."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 73, line 19, strike out "moneys" and insert "monies."

Page 73, line 20, strike out "moneys" and insert "monies."

Page 73, line 23, strike out "moneys" and insert "monies."

Page 75, lines 2, 3, and 6, strike out the word "moneys" and insert the word "monies."

The committee amendments were agreed to.

The Clerk read as follows:

Page 77, line 3, strike out "the State or."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment:

The Clerk read as follows:

Page 78, line 9, insert the following language:

"NATIONAL CAPITAL HOUSING AUTHORITY

"SEC. 508. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites for low-rent public housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

"DISTRICT OF COLUMBIA PARTICIPATION

"SEC. 509. To make available to the District of Columbia, and to authorize the appropriate agencies operating therein to accept, the benefits provided by titles I and II of this act, the District of Columbia Redevelopment Act of 1945 is hereby amended by renumbering sections 20, 21, and 22 thereof as sections 21, 22, and 23, respectively, and by adding after section 19 a new section to read as follows:

"'SEC. 20. (a) As an alternative method of financing its authorized operations and functions under the provisions of this act (in addition to that provided in section 16 of this act), the agency is hereby authorized and empowered to accept financial assistance from the Housing and Home Finance Administrator (hereafter in this section referred to as the Administrator), in the form of advances of funds, loans, and capital grants pursuant to title I of the Housing Act of 1949, to assist the Agency in acquiring real property for redevelopment of project areas and carrying out any functions authorized under this act for which advances of funds, loans, or capital grants may be made to a local public agency under title I of the Housing Act of 1949, and the Agency, subject to the approval of the District Commissioners and subject to such terms, covenants, and conditions as may be prescribed by the Administrator pursuant to title I of the Housing Act of 1949, may enter into such contracts and agreements as may be necessary, convenient, or desirable for such purposes.

"'(b) Subject to the approval of the District Commissioners, the Agency is authorized to accept from the Administrator advances of funds for surveys and plans in preparation of a project or projects authorized by this act which may be assisted under title I of the Housing Act of 1949, and the Agency is authorized to transfer to the Planning Commission so much of the funds so advanced as the District Commissioners shall determine to be necessary for the Planning Commission to carry out its functions under this act with respect to the project or projects to be assisted under title I of the Housing Act of 1949.

"'(c) The District Commissioners are authorized to include in their annual estimates of appropriations items for administrative expenses which, in addition to loan or other funds available therefor, are necessary for the Agency in carrying out its functions under this section.

"'(d) Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949, the Administrator is authorized to allow and credit to the Agency such local grants-in-aid as are approvable pursuant to said section 110 (d) with respect to any project or projects undertaken by the Agency under a contract or contracts entered into under this section and assisted under title I of the Housing Act of 1949. In the event such local grants-in-aid as are so allowed by the Administrator are not sufficient to meet the requirements for local grants-in-aid pursuant to title I of the Housing Act of 1949, the District Commissioners are hereby authorized to enter into agreements with the Agency, upon which agreements the Administrator may rely, to make cash payments of such deficiencies from funds of the District of Columbia. The District Commissioners shall include items for such cash payments in their annual estimates of appropriations, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such cash payments. Any amounts due the Administrator pursuant to any such agreements shall be paid promptly from funds appropriated for such purpose.

"'(e) All receipts of the agency in connection with any project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, whether in the form of advances of funds, loans, or capital grants made by the Administrator to the Agency, or in the form of proceeds, rentals, or revenues derived by the Agency from any such project or projects, shall be deposited in the Treasury of the United States to the credit of a special fund or funds, and all moneys in such special fund or funds are hereby made available for carrying out the purposes of this act with respect to such project or projects, including the payment of any advances of funds or loans, together with interest thereon, made by the Administrator or by private sources to the agency. Expenditures from such fund shall be audited, disbursed, and accounted for as are other funds of the District of Columbia.

"'(f) With respect to any project or projects undertaken by the Agency which are financed in accordance with this section with assistance under title I of the Housing Act of 1949—

"'(1) sections 3 (f), 3 (k), and 7 (g), and the last sentence of section 6 (b) (2) of this act shall not be applicable to those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"'(2) the site and use plan for the redevelopment of the area, included in the redevelopment plan of the project area pursuant to section 6 (b) (2) of this act, shall include the approximate extent and location of any land within the area which is proposed

to be used for public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"'(3) notwithstanding any other provisions of this act, the Agency, pursuant to section 7 (a) of this act, shall have power to transfer to and shall at a practicable time or times transfer by deeds to the National Capital Housing Authority those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended, and, in accordance with the requirements of section 107 of the Housing Act of 1949, the National Capital Housing Authority shall pay for the same out of any of its funds available for such acquisition.

"'(g) It is the purpose and intent of this section to authorize the District Commissioners and the appropriate agencies operating within the District of Columbia to do any and all things necessary to secure financial aid under title I of the Housing Act of 1949. The District of Columbia Redevelopment Land Agency is hereby declared to be a local public agency for all of the purposes of title I of the Housing Act of 1949. As such a local public agency for all of the purposes of title I of the Housing Act of 1949, the Agency is also authorized to borrow money from the Administrator or from private sources as contemplated by title I of the Housing Act of 1949, to issue its obligations evidencing such loans, and to pledge as security for the payment of such loans, and the interest thereon, the property, income, revenues, and other assets acquired in connection with the project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, but such obligations or such pledge shall not constitute a debt or obligation of either the United States or of the District of Columbia.

"'(h) Nothing contained in this section or in any other section of this act shall relieve the administrator of his responsibilities and duties under section 105 (c) or any other section of the Housing Act of 1949.'"

Mr. CASE of South Dakota (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the balance of the committee amendment be considered as read and printed in the RECORD at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CASE of South Dakota. Mr. Chairman, I desire to reserve a point of order in order to make a brief statement. This committee amendment which deals with District of Columbia participation might be subject to a point of order on at least two grounds—one, that it amends the District of Columbia Redevelopment Act of 1945, which would be within the jurisdiction of the Committee on the District of Columbia.

It might also be subject to a point of order on the ground that on page 81, subparagraph (e), it creates a revolving fund, which many times has been held to be an appropriation, and consequently not in order on a legislative bill.

However, if we are to have slum clearance at Federal expense anywhere in the country, we should have it in the Nation's Capital. Congress is the only body which can legislate for the District of Columbia. I am in favor of slum clearance here even if I do not favor the method of financing or the bypassing of the Congress and the Appropriations Committee. I do not wish to exclude the District from any possible benefits it may get if the program is set up for the balance of the country. A point of order in this instance cannot be directed only at the one paragraph but would kill the whole amendment, which I do not desire to do, if the bill as a whole is to pass.

So, after talking with the chairman of the committee, the gentleman from Kentucky [Mr. SPENCE], I am not disposed to make the point of order at this time because he tells me this particular section is not in the bill that has been adopted by the other body, and it will naturally have to go to conference where further consideration can be given to the matter. But in not making the point of order, I think the House should be aware of the situation that prompted the McMillan amendment, and which I think does not meet that situation.

During the consideration of the appropriation bill for the independent offices of the Government, when the National Capital Park and Planning Commission item was under consideration, attention was drawn to a certain development in the area known as the Marshall Heights development, where it was proposed under the existing National Capital Housing Authority to destroy a neat community and build a new housing project. Definitely Marshall Heights is not a slum area. So private citizens in the area objected and the Appropriations Committee refused to make certain necessary appropriations. The McMillan amendment which has been heretofore adopted provides that any proposition which has heretofore been proposed to the Appropriations Committee of either the House or the Senate and refused may not get money under this act. But hereafter these projects will not come to the Appropriations Committee. They will go to the Administrator.

I call this particularly to the attention of the members of the committee who may be on the conference and, in keeping with my talk with the chairman, ask them to explore the application of the McMillan amendment and see if it really covers the situation as it was intended. I fear that it will only cover projects which have been heretofore submitted to the Committee on Appropriations and that hereafter projects in the District of Columbia would not be submitted to the Appropriations Committees but to the Administrator of this act, and that money could be obtained to start objectionable projects without the matter ever coming before the Congress for review.

So, by stating the problem and bringing it to the attention of the conferees, and with the assurance which the gentleman from Kentucky has given me on that angle, that this will be explored in conference, I refrain from making the point of order at this time.

Mr. SASSCER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SASSCER: Page 78, line 12, after the word "sites", insert "within the District of Columbia."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland.

The amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 84, line 6: Strike out "508" and insert "510."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 84, line 10, strike out "509" and insert "511."

The committee amendment was agreed to.

Mr. McGREGOR. Mr. Chairman, I move to strike out the last word and ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Chairman, I have listened for a number of days to the debate both pro and con on H. R. 4009 known as the Federal housing bill. I am going to vote against it for a number of reasons, some of which are:

First. This bill will commit the Government to the spending of approximately $20,000,000,000 of taxpayers' money and, in addition, takes from the tax duplicate of local communities the area on which these projects are located and it will benefit less than 4 percent of the families of the country. This bill means that the people of the State of Ohio would have to pay increased taxes to the amount of approximately $1,044,000,000 which would amount to approximately $546 for every family in the Seventeenth District.

Second. All of us know that the cost of the construction of these houses, which will be under Federal control will be exorbitant. The bill specifically states that the cost can reach $2,500 a room which means that a five-room house would cost $12,500 not including land and other facilities. Certainly this cannot be considered, as some of the proponents claim, low-cost housing.

Third. I think individual and private capital can build the houses that are necessary. In 1948, private industry and individuals built nearly 1,000,000 housing units. The rental on the houses to be constructed by the Government would be $46.88 per month and these houses definitely would be under the control of the Federal Government which certainly means a further step down the road to socialism.

Fourth. It is the right of all of us to be given the opportunity to build our own homes, yet, if the Federal Government goes into the business of constructing houses, those who want to repair their existing homes or build new ones will find that the materials are not available

and we will continue to have a shortage of building materials.

Fifth. We have a deficit of $252,000,000,000 and our taxes represent 33 percent of our income. Everyone readily admits that socialism prevails when taxes have passed the 35-percent mark of people's income and certainly we do not want to come any nearer a complete collapse into socialism.

I call attention to the statement expressed by James F. Byrnes, former administration spokesman in the Senate, ex-Justice of the Supreme Court, and Secretary of State by appointment of President Truman, when he recently said:

> Where we shall wind up, no one can tell. But if some of the new programs seriously proposed should be adopted there is danger that the individual, whether farmer, worker, manufacturer, lawyer, or doctor, soon will be an economic slave pulling an oar in the galley of the State.

Mr. Chairman, it is time to call a halt on these expenditures and the policy of taking control from our local people. The defeat of this bill can be the first step toward our return to good sound government.

Mr. KEATING. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Chairman, we are now approaching a vote on this extensively debated measure.

Many sincere people have advanced various arguments against any slum clearance and public-housing bill, with which I should like to deal briefly.

One is the cost to the Federal Government of this program. This is, of course, an important factor, one which we must carefully weigh, and which deserves our most thoughtful study.

One in a position of responsibility is bound to look carefully and critically at any proposal involving a substantial expenditure of Government funds.

Extreme figures have been furnished by the ardent proponents and opponents of housing legislation. Having in mind the proposed reduction in housing units to 810,000, and recognizing, of course, that the best estimate is only an informed guess, I accept for the purpose of my analysis, a figure of $10,000,000,000 as the total cost of the program spread over a period of 40 years. This amounts to an average of $250,000,000 a year. This is a sizable figure. Yet it is only a little over one-half of 1 percent of the total Federal budget. It is substantially less than the annual pay increase we have recently voted to the members of the Armed Services. It is but one-thirteenth of the amount we have appropriated this year for large-scale spending for public works. It is one-twentieth of our present rate of expenditure for aid to foreign nations. We have provided 60 times this amount for our military budget. It is only 8 percent of the amount which it is estimated can be saved by our Government through the speedy adoption of the Hoover Commission recommendations to eliminate waste and inefficiency. It represents less than $2 apiece for our people to pay. Substantial as the amount is, if the program will result in the achievement of a reasonable proportion of the benefits which its proponents claim for it in providing better homes for our lowest-income groups and in eliminating our vast slum areas, the breeders of crime, delinquency, disease, and social maladjustment, it is well worth its cost. It is a sound investment in the welfare of our people.

There is an offset to this cost also, which is sometimes forgotten. Slum areas, which this legislation would help to clear, yield much less than their proper share of local taxes and absorb municipal services for fire, police protection, and the like way beyond their proper proportion. Those slums, wherever they exist, are today subsidized. Apart, therefore, from the social gains resulting from their elimination, there is a definite financial objective in spending public moneys, if necessary, to get rid of them.

Another immediate financial advantage is that in the period which lies before us, it is now apparent that we face increasing unemployment. A housing construction program would provide jobs in the area of greatest usefulness to the public—certainly much to be preferred over the building of public works of questionable need, which is now being so widely advocated by many who conceive such work to be the answer to the unemployment problem.

Now a word about the so freely bandied charge that any housing legislation is a departure from basic American principles and the beginning of a march down the road to socialism.

In my opinion, just the opposite is true. One of the arguments most frequently heard against our traditional free enterprise competitive system, voiced by those who would uproot it, is that its failure is evidenced by the existence of extensive slum areas and its failure to provide decent shelter for substantial groups of our citizenry. Unless we face this challenge realistically and meet it boldly, we face the danger of being plunged into complete Government control of housing and the building industry. One of the most effective blows we can strike against the advocates of a socialized state is the passage of sound housing legislation to assist in meeting at least the minimum needs of our people.

The roster of those favoring a program of slum clearance and public housing, whether individuals or organizations, does not read like the roll call of a Socialist convention. It is farfetched and unrealistic to dub the senior Senator from Ohio, Mr. TAFT—the father of similar legislation in the other body—a Socialist. The American Municipal Association, National Association of Municipal Law Officers, United States Conference of Mayors, American Legion, the Veterans of Foreign Wars, the AMVETS, the American Veterans' Committee, the Catholic War Veterans, Jewish War Veterans, the National Association of Parents and Teachers, the League of Women Voters, the American Federation of Labor, Congress of Industrial Organizations, International Association of Machinists, and nearly every other labor organization, many Chambers of Commerce, the National Board of the YWCA, many Protestant bodies, the National Conference of Catholic Charities, the National Council of Jewish Women, and many other organizations with an estimated membership in excess of 60,000,000 Americans of every class, creed, and race and of both political parties, have endorsed housing legislation. The characterization of all these organizations supporting a housing program as exponents of socialism requires no answer. Arrayed on the other side are bodies representing not over 100,000 people who, no doubt sincerely, but I feel sure incorrectly, argue that their interests will be injured.

It has never been regarded as socialistic in this country to aid those who by reason of misfortune or low income are forced to live in squalor or unhealthful environment. On the contrary, it has always been felt our highly integrated society cannot neglect such problems without risk to its own health and stability.

It must be remembered that the construction of the housing units contemplated in this legislation would be financed through bonds sold by private banking houses to private investors. They would be designed by private architects and built by private contractors of materials produced by private industry. After completion they would be owned and operated by local municipal bodies.

At one time or another our Government, for the general welfare, has subsidized railroads, shipping, and the air lines to permit their survival or expansion. It has entered into huge programs for highway and public-building construction. For years it has steadily subsidized the postal service. It has poured out billions of dollars to help the farmers. As revealed by the Hoover Commission, it has subsidized the press through low postal rates. It has stepped in to protect American business against foreign competition. It has assisted war veterans with educational grants and pensions. It operates the post offices throughout the land. It has provided a system of social security. It has regulated the way securities may be marketed. It has curbed the excesses of big business for the protection of small business and consumers. It has built huge public power projects. It has provided large sums for medical research. On the Federal level, it has touched the lives of our citizens in these and countless other ways. At the State level, it has provided public education for the Nation's children. It has aided religious worship through tax exemption. At all levels, its field of activity has been enlarged.

If the bogeyman of socialism is a threat, he is already with us. It is a question of controlling and directing him, lest he overwhelm us. The factor most likely at this moment to assure a definite change of our political complexion for the worse is failure to assure that the average man has a livable home in which to rear his children. Against the long record of subsidy I have described, I am unconvinced of the dan-

gerous implications of a bill that attempts, through private enterprise and public subsidy, to achieve the wholesome and democratic aim that the American family shall have a decent home.

Finally, it is contended that any public-housing program will adversely affect the market for private housing. All the evidence in the hearings indicates quite the contrary. Public housing creates a demand for better private housing.

Furthermore, at the height of its activity it is contemplated that not more than 10 percent of the units constructed shall be public-housing units. Even at the end of the entire program, if it should run its course completely, it is estimated that not more than 3 percent of the total in the country would be public-housing units.

Public housing will not deter investment in rental housing. Slum dwellers and those eligible for public housing are not now and never have been in the market for apartments or houses to rent at $75 a month and up. Such building construction and real-estate activity as can be engaged in with profit will continue to be, as it should, the proper field of private enterprise and initiative.

Both political parties in their platforms last fall endorsed a properly balanced program of slum clearance and low-cost housing. The very proper qualification was contained in the Republican platform that a Federal program should be presented "only where there is a need that cannot be met either by private enterprise or by the States and localities." Clearly that need has not been met. At no time did I express disagreement with this principle embodied in our platform. Therefore, without criticism of those whose interpretation of their responsibility may differ from mine, I feel a compelling obligation to support the measure before us.

Mr. FORD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, we have heard comments by the gentleman from California showing how that State turned down public housing last November. Others believe the results in the Presidential election were a mandate for public housing. Few Members of the House are fortunate in having the specific issue of public housing decided by a free and secret ballot in their respective districts. This issue was specifically decided in the city of Grand Rapids in an election held in October 1947 and the results are as follows: For a public-housing authority, 7,989; against, 12,583. In other words, 61.16 percent of the voters in the city of Grand Rapids were against setting up a local public-housing authority. This is a strong bit of evidence indicating the public sentiment in that community.

Despite this vote, I have supported the Coudert amendment or substitute, which was a true slum-clearance bill and I favored the Rees amendment, which sought to eliminate the low-rent public housing feature in H. R. 4009. Furthermore, I intend to vote to recommit providing the motion to recommit directs the Committee on Banking and Currency to report back forthwith a bill aimed at eliminating our metropolitan slum areas. Although the aforementioned vote in the city of Grand Rapids indicates a disapproval of low-rent public housing, I feel the citizens of the Fifth District of Michigan do favor true slum clearance. Personally, I strongly favor Federal aid for slum clearance and if the Congress could keep a tighter rein on the expenditures for low-rent public housing, I would be sympathetic to that program also.

Mr. SCUDDER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCUDDER. Mr. Chairman, in my opinion, one of the greatest mistakes this Congress could make would be to put the Government into the housing and rental business. It is the same step France took after the First World War when she socialized housing to such an extent that investment of private funds in building construction practically stopped.

This socialized housing bill is politically tinged. Let me quote from the testimoney of John W. Edelman, representing the CIO, before the legislative committee at the hearings on this bill. This is what Mr. Edelman said and I quote,

> Once this program is well under way, it will develop sufficient political momentum in the future to increase and extend this authorization to whatever extent may be necessary.

The vote-pulling power in public housing projects was borne out last year in California. Although the State over all voted 2 to 1 against public housing, the voters of the First Congressional District, which I represent, defeated this measure by a vote of 31,202 for, and 100,194 against, thus defeating this measure by better than 3 to 1. In this same election those people who live in the public-housing projects voted 2 to 1 for this kind of subsidy.

This is just the camel's foot into the tent, for although 810,000 units are authorized, the bill states that no State may have more than 10 percent, which would mean that our State would be permitted a maximum of 81,000 units. But here is the catch. Those units will be erected over a period of 7 years, or approximately 11,571 units per year.

Now last year, according to the Bureau of Labor Statistics, the State of California erected one-fifth of the total housing in the United States, approximately 158,486 units in 1 year, and we still have a housing shortage. This figure does not include farm and ranch construction of permanent buildings. Los Angeles, San Francisco, San Diego, or any of the large industrial towns could swallow this entire year's allotment of so-called public housing without any other community benefiting from it. And this socialized housing would cost $114 a year for the next 40 years for every man, woman and child in the First Congressional District without any benefit to them. Thus when we get down to details, this socialized housing bill will not solve the problem.

I feel that the slum-clearance program contained in this bill will not in any way benefit the First Congressional District which is predominantly agriculture and with many small cities. With very few exceptions these small cities are inhabited by people who take pride in keeping up their homes regardless of how meager their means might be.

Slums, in my opinion, are largely made by the people who live in them. Many large cities throughout the United States have taken pride in cleaning up the areas which, by neglect, have been allowed to run down. I have always been interested in the fine job that has been done by the city of Baltimore, Md. Since 1941 the municipal government with the fine cooperation of the police department, the health department, etc., have worked together and have remodeled and modernized over 10,000 dwelling units.

If other cities would take a little pride and assume the responsibility which is theirs, the slums would soon disappear from their cities. However, I realize in some instances, some areas of our large cities could be more economically developed and possibly the taxpayers of my district would be willing, from a charitable viewpoint, to assist in the clearing of some of these slums that have been permitted to develop.

The low rentals for these housing projects is the bait put out to make it attractive to certain classes. I wish to state that the people of the First Congressional District of California and the Nation would be compelled to pay the difference between the rental of these so-called low-income groups and the real cost of carrying the investment. This cost would come out of every taxpayer, no matter where he himself lived. Before and during the war, thousands of such buildings were constructed and rented by the Federal Government. In practically every Federal housing district, the record shows that families earning from $3,000 to $15,000 a year were allowed to move into these buildings, and that they are still occupying them, 4 years after the war.

There has been a rule accepted by all that a tenant can afford to pay from 20 to 25 percent of his income for shelter. If the sponsors of this law are sincere and desire to help the low-income people of our country, they can, without further governmental cost, make available many units now being occupied by five-, ten-, and twenty-thousand-dollar-a-year families.

In all good faith, I introduced the following amendment: After tenant and before the colon on line 15, page 27, insert, and (iii) "Agreed to pay for the premises to be occupied an amount for the rental thereof fixed by the Public Housing Agency or an amount therefor equal to 20 percent of the total combined gross income of the members of the family during the period of occupancy, whichever is the greater."

A question was put to the Housing and Home Finance Agency, asking how many

families presently residing in public housing projects are over the existing maximum income limits. Their report showed over 41,000, or 26 percent, had incomes which would preclude them from living in such projects. Title two was stricken from the bill and I was precluded from submitting my amendment.

Frankly, I do not believe that this bill will increase the number of units that is necessary to build in this country. If this bill goes through, housing will cost more money and, in my judgment, we will get less units of housing. You cannot get housing by legislation. Houses are built by carpenters, painters, bricklayers, and other workmen. Federal housing units are built in large cities of concrete, brick, and cement. The smaller home units are built mainly of wood and lumber. We have a surplus of lumber in our country and thousands of men in the timber and lumber business are out of employment. We must expand the building of smaller individual units not only to take care of this surplus of lumber, but also to help those men who are losing their jobs.

I feel confident that this housing program would be a great menace to building and development. Particularly, I believe it will impede construction of rental units. No one will desire to build for rental when faced with the possibility of Government competition. I believe that if the Government would stay out of the housing business, within a short time the housing needs of the people would be met.

Public housing has been a gold mine for politicians and there will be additional hordes of political bureaucrats hired by the taxpayers' money to administer this program. Public housing has always made itself felt in the housing field, as I pointed out in the voting record in California. Where it exists today, it is used politically. I feel the people in my district should not be compelled to pay the rentals for people residing in the large metropolitan areas.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Chairman, on June 17 the President addressed a letter to the Speaker saying, in part:

> The facts are that the amount of money provided in H. R. 4009 to build 1,050,000 dwelling units will permit an average cost, at the most, of $8,465.

I had intended to offer an amendment to title II as follows:

> Page 32, after line 5, insert the following: "The average cost per family dwelling unit for construction and equipment of all low-rent housing projects initiated after March 1, 1949, with respect to which such contracts are made shall not exceed $8,465."

The adoption of the Rees amendment striking out all of title II made impossible the offering of my amendment.

While the Rees amendment was subsequently defeated on a roll-call vote, I want the RECORD to show that I hope the President knew what he was talking about when he fixed the average cost of housing units to be built. They should be built as economically as possible. And they should not be more elaborate, or expensive, than the homes of people who will be paying the taxes to pay for these projects.

Mr. DEANE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DEANE. Mr. Chairman, under the low-rent public housing title of H. R. 4009, there are no specific requirements as to the type of housing to be built by local housing authorities. The requirements of this title run rather to standards assuring that maximum economy will be observed in both construction and operating costs, having in mind the need for durable structures suitable for long-term intensive use. These standards are set forth in lines 7 through 25 on page 31 of the committee bill and in lines 1 through 14 on page 32 which require, first, that construction costs not exceed $1,750 per room, with authority to the PHA Commissioner to authorize an additional limitation up to $750 per room in the highest cost areas where necessary for sound construction; second, that the projects assisted under the title shall not be of extravagant design or materials and economy will be promoted both in construction and administration; and, third, that the PHA shall approve each main construction contract, after taking into account the level of construction costs prevailing in the locality where the project is to be located.

It is clear from this language that low-rent projects could consist of multifamily structures, row houses, two-family houses or single-family houses, provided only that the projects will meet the standards as to economy in construction and operation specified above. In actual practice, the decision as to the type of structures to be built will be made by the local housing authorities, subject to PHA approval, and will be based on actual local conditions, such as the type of local housing needs to be served, prevailing land costs, and similar factors affecting both the construction and the operating costs of the projects.

Under the existing public-housing program, all of the 515 rural farm dwellings actually built, as well as the approximately 7,500 rural dwellings contracted for, have involved single-family detached structures. Correspondingly, it is anticipated that, under the new program authorized in H. R. 4009, most of the rural nonfarm low-rent public housing will consist of single-family detached dwellings. Since the bill requires that at least 10 percent of the annual-contributions authorization be reserved for projects developed in rural nonfarm areas, a minimum of 100,000 units out of a total authorized program of 810,000 units will probably be located in rural areas.

In the smaller towns and cities, it is also possible that single-family detached dwellings may be feasible. In the larger cities, where land costs are high and where multifamily or row-house structures usually offer considerable economies in both construction and operating costs, the use of single-family detached structures in low-rent projects would offer greater problems. However, even in those cases, there is nothing in H. R. 4009 which specifically prohibits the development of projects consisting in whole or in part of single-family detached structures, provided they could be built within the applicable construction-cost ceilings and could meet the general standard as to the promotion of economy in construction and operation.

Mr. O'SULLIVAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Chairman, one of the major reasons for the opposition coming from real estate men and many others from my congressional district, who are fighting public housing bill, H. R. 4009, is that "all Federal taxpayers regardless of the size of their income will be contributing to the support of comparatively few occupants of Federal housing," and that it is very unjust and improper to tax all of the people of the Republic in order to clear up slums and construct houses, and housing units, at locations far removed from the domiciles of so many of those who will be required to pay the taxes occasioned by this public housing bill. In other words the selfish theory is advanced that no one should be required by law to pay taxes for anything which is not of direct interest or concern to him, and should not champion any cause which will not enure directly or eventually to his own personal gain or benefit.

Indeed this is a new and novel selfish theory to be now advanced in our fair land, but let us not brush it aside with a platitude, accompanied by a wave of the hand but let us take a little time to examine more closely into this strange and startling theory.

In the first place this bill, if passed, actually will be a real benefit to every person in the United States. As regards the ultimate money value of public housing to all of the people, I say without fear of contradiction that, if adopted, it will save the taxpayers millions of dollars by removing the chief spawning ground of communism, and other un-American isms. It will, among other things, lessen adult crime, juvenile crime, and delinquency, the incubating places of many foul diseases of men, women, and children, and the nesting places of many types of immorality and lawlessness.

As regards the ultimate moral and spiritual values, which the people of our Government will reap, I need only to say that the trading of slum homes for decent homes is the greatest builder of real good imaginable. If people, after having endeavored to work and sustain themselves, at perhaps meager pay, are required to go to partake of rest in a tenement slum, or a hutch not fit for a beast to live in, it certainly must have a damnable effect upon them and every

phase of their thinking. It lowers them mentally, spiritually, and morally, I think. On the contrary to return from a menial task to a livable home, in my opinion, would have just the opposite effect upon these lowly and struggling individuals.

But let us just assume that it is correct that if this housing bill is passed many taxpayers of our country will be required to contribute a portion of their tax dollar to something which is not of apparent direct interest or concern to them.

I see nothing wrong whatsoever about such a legislative course. The fact that individual taxpayers do not get any directly traceable value out of a portion of the tax dollar they are required to pay, is no reason why this housing bill should be defeated. Certainly a good American citizen could not afford to make the selfish claim that he should not contribute any money or do anything for any cause unless he secured some value for his money.

When one becomes a member of organized society the first requisite, I believe, is that he must not only be willing but he should be required to make some sacrifices for the public good, and that pertains not only to rights of property but also applies to liberty and even life, when the over-all good of his Government requires it.

If the afore-mentioned major argument of those opposing housing was to be accepted as a rule which the citizen should follow in all of his relations to his Government, then no one should have ever joined the armed forces for the protection of the Republic in any of our past wars, or in any future wars, because he would then be giving his services for the benefit of others.

The United States would have had no Washington, or any of the other heroes of the past, and the world would have never heard of the terms "hero" and "heroism."

I am afraid that such a philosophy as I have herein attempted to debunk is untenable and entirely too selfish to be convincing to people whose lives and consciences have not been warped by prosperity and selfishness. After all, the real philosophy of our type of government and of every other Christian government is—service to all and not service to me—the public good and not my good.

Mr. JONAS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. JONAS. Mr. Chairman, I have a letter from a constituent who has been actively engaged in the real-estate business for more than a quarter of a century. He writes to me as follows:

> You may be surprised to hear that a real estate man is in favor of H. R. 4009, but I am and one of my reasons is that private enterprise talks a good game of providing housing for the lower-income group but fails in its performance. All buildings under H. R. 4009 will be designed by private architects, private contractors, material dealers and other private enterprises will be used to build all structures built under the act. We need additional shelter. Our old buildings are rapidly deteriorating. Our cities are now so slum-burdened that property in good condition cannot carry the additional tax burden that slum areas throw onto other districts. Our economy also needs the stimulus now that construction will furnish.

Due to the tremendous losses in real estate and building loans in the 1930 crash, private capital ever since has been reluctant about investing money in large building projects. For about 15 years there has been very little if any building of substantial apartment-house projects except those which were constructed under the jurisdiction and authority of the Government of the United States and financed through Federal funds. Because of the laws dealing with rent control, the tendency has been recently, to finance large projects under control of private enterprise through means known as the cooperative method. Under this plan very little space is made available for housing except to those who have a substantial income.

It is true that there has been considerable activity in connection with building private homes and this activity has especially manifested itself in areas adjacent to big cities or in suburban territories. The difficulty encountered with this kind of construction is that the prices of most of the homes are pegged at a figure far beyond the means of the average man and woman working for a living. On the other hand, construction of large apartment buildings has been at a standstill for years and activities in connection therewith have only recently been revived and which activities in some instances are reflected by the buildings erected with money furnished by insurance companies in the nature of a private loan. A number of projects of this character have been completed in the eastern section of our country but they are notably absent in large cities in the Middle West.

In the past whenever the Government of the United States has decided to finance building projects its activity has largely centered around those projects which were erected to bring about slum clearance. I maintain that we still have a very grave housing shortage although statistics are being presented and figures quoted from time to time that this condition is not grave and that the shortage, if any, will not prevail for any great length of time. I have in mind a shortage relating to homes that can be bought or apartments that can be rented at prices compatible with the incomes of thousands of families who may be described best as the great middle class.

My congressional district in the State of Illinois is one of the largest residential districts in Chicago, yet within that area hundreds of families are obliged to live in broken-down trailers, or hastily thrown together shacks, constructed of knock-down material salvaged from former military barracks. This sordid and deplorable situation prevails within a stone's throw from where people live in modern and comfortable homes. I charge that for years the authorities clothed with the responsibilities of finding a way out of the confusion that lead to a housing shortage and lack of proper housing facilities have been reporting, investigating, experimenting, interviewing, speaking, and proposing but in the final analysis nothing worth while has been accomplished. City councils in our larger metropolitan centers have wrangled and argued about the nature and character of revising their city codes or the areas to be allotted to slum clearance, have ordered investigations and statistical reports and appointed fact-finding committees and have resorted to about everything except that it has not produced any additional housing.

It is also charged in some instances that the high cost of material and high wages and curtailed hours have been instrumental in preventing private enterprise from doing a good job and making progress in the building of medium-priced homes and apartments. They have used the argument in particular that rent control has created a situation in the face of which private enterprise will not invest its capital in large building projects and that the construction of medium-priced buildings will lag and no change can be looked for as long as the rent-control laws restrict the income of the private investor. There is some merit to that argument, but the surest way to answer the argument is that we do have rent control and we will probably continue to have rent control unless sufficient space is made available to our citizens for dwelling purposes.

It is also reported, and true to some extent, that building codes in our larger cities are in some instances so antiquated and outmoded that they do not permit the erection of modern and up-to-date buildings except at costs that are prohibitive and therefore private capital will not undertake expensive building ventures.

Then again, State housing projects have usually been subject to a referendum which has caused a delay and after receiving approval from the voters not much impetus was added to their efforts. In most instances State housing commissions have accomplished very little. We know that they are subject to political pressure and victims of long and tedious arguments as to where to build and for whose benefit building on a large scale is to be carried on.

In summarizing the causes underlying the present shortage of housing the facts clearly point to the authorities who have had the opportunity and chance to do something about it. Undoubtedly selfish interests have been instrumental in bringing about these complications for which the public has been made to suffer. The home is the backbone and lifeblood of a well-organized society. If the opportunity or desire to own and occupy a home is denied to our fellow citizens then we begin to pave the road that ultimately leads to moral bankruptcy. Presently, thousands of families living in makeshift places have no play yard for their children or any decent place to be occupied for recreation and rest. In the temporary quarters of which there are many, including trailers and shacks, no yard space is available at all. The quarters

themselves are cramped and of a makeshift character without the proper facilities from a standpoint of sanitation, and there is poor ventilation and little privacy.

It is basically wrong to subject law-abiding citizens to such indignities. It is evident to me that all approaches to this very important question of supplying housing has failed either in total or in part. I see no other recourse except that of resorting to Federal aid from the Government. I can surmise the receipt of protests from some sectors of the country and from certain segments of society, especially those who find public housing in conflict with their own personal interest. Undoubtedly, they will shout socialism and deplore Government interference with private enterprise. To some extent, I can sympathize with protests of this nature because I am opposed to legislation that is unqualifiedly socialistic in character and objective. However, to my mind, housing aid warrants liberalization in which we can indulge without being accused of resorting to downright socialism. There is a certain flexibility to be applied to the laws of necessity which cannot be disregarded when the general welfare of the people is involved. In such case, the project is impressed with a public trust. This is true especially when the masses, after seeking redress from every available source, find their needs and wants not answered or fulfilled but allowed to ride along on a wave of procrastination. I contend that a situation of this kind leads to discontent, breeds leanings toward communism, and lends itself to gradual distintegration of standards by which we judge and govern society. Finally, if this were the first venture that the Government has been called upon to underwrite I would hesitate to give my support to it because I believe that what can be safely left to private enterprise should forever be free from governmental meddling and interference. Have we not set a pattern for aid and support from the Government in scores of other projects that have been approved by Congress and preceded the present request for Federal aid to housing? I cannot mention them all here and now, but the public is no stranger to TVA, farm subsidies, aid to foreign countries, promoting of a merchant marine, the development of large irrigation projects, and many others of a similar nature. In the instant case the question with me is what is the greatest good for the greatest number. Again, Is this legislation a matter of dire necessity?

I am of the belief that housing legislation such as we have before us for consideration serves a most useful purpose and is vitally needed in order to do away with a situation that is perpetrating a decided hardship upon many families who suffer and are innocent victims of a situation from which they now seek relief. They look to us for help, regardless of race, creed, color, or partisan affiliations. I am in sympathy with their pleas and shall unhesitantly support the bill to give the people of the United States adequate living quarters and sufficient homes wherein they can find the necessary comforts of life for themselves and their families.

Mr. DONOHUE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DONOHUE. Mr. Chairman, it is a pleasure for me to speak in favor of and urge immediate enactment of this housing bill.

Since becoming a Member of Congress, I have constantly advocated Congressional recognition of and relief for the housing shortage admittedly existing in this country. I have personally introduced several bills, one of which was bottled up in the Rules Committee of the Eightieth Congress, that I sincerely felt would materially contribute toward correction of the deplorable housing situation. I am therefore very happy to, at long last, have the opportunity of voting in favor of this measure as a constructive step toward providing decent housing for the American people.

The persistence of the acute housing shortage and the disgraceful slum conditions under which millions of American families are forced to live have made it clear that comprehensive Federal assistance is essential if real progress is to be made toward achieving a Christian home environment for our citizenry as a whole. Doubling up of families and overcrowding are still wide-spread. The prices and rents of decent housing, new or old, even now are beyond the financial reach of a substantial portion of our population. The Bureau of Census recently published figures to show that about 20 percent of the Nation's families receive incomes less than $2,000; they are the ones who will be primarily affected by the public housing parts of this bill. We must remember also it is authoritatively estimated that the incomes of 40 percent of our families are between $2,000 and $4,000. As a result, more than 5,000,000 low-income families are crowded into city slums or other substandard housing. Virtually no progress has been made in the clearance and redevelopment of slums. Bad housing is very widely prevalent on American farms.

The purpose of the proposal we are discussing is to provide the foundation for the comprehensive action needed to overcome these problems. It would do so in four ways: First, through authorization of Federal financial assistance to communities for a long-delayed, but vitally needed start on the clearance of slums and blighted areas for redevelopment; second, through continuation and expansion of Federal financial assistance to communities for low-rent public housing for families of low income; third, through authorization of a comprehensive program of Federal research in housing aimed at relieving the many technical, social, and economic problems which beset the whole field of housing; and, fourth, through the authorization of Federal financial assistance for the provision of decent housing for farm families and particularly for farm families of low income. The bill also would establish, for the first time, a broad national housing objective aimed at achieving as soon as feasible the goal of a decent home and a suitable living environment for every American family, and would define the policies to be followed in attaining that objective.

On the generally accepted basis of paying one-fifth of income for housing, the average rent which the families in our lowest income group—under $2,500—can afford to pay would be approximately $27 per month, including heat and all other utilities.

With new housing construction concentrated in price brackets above $7,000 and rental brackets above $70 a month, it is clear that new private housing is far beyond the financial reach of these families.

With respect to the supply of used private housing available to these families, experience has shown that generally only that portion of the housing supply which has deteriorated to substandard condition has declined sufficiently in economic rental value to be within the rent-paying ability of low income families. The very existence of the slums and their predominant occupancy by low-income families is proof of that experience. It is further borne out by the fact that the average rent being charged for substandard dwellings in urban areas is $28.50 per month.

The basic provisions of this proposal are the product of exhaustive congressional investigation and consideration during the past 4 years. They are in accord with the recommendations of the Joint Committee on Housing in its final report, on March 15, 1948, after an intensive study of housing conditions involving extended hearings in 33 cities and the receipt of more than 6,000 printed pages of reliable testimony. In the light of the authentic information available, I do not believe there is anyone who will challenge the fact of the need to provide housing for the people of this country.

As far as I am able to observe, the current sincere opposition to this bill comes from those who very seriously fear it might give the Federal Government dictatorial powers over local communities and would threaten to socialize the housing industry. I admire the sincerity and honesty of these opponents, but I earnestly feel an examination of the true meaning and intent of this legislation will prove their fears are unfounded.

Participation by communities in either the slum-clearance program or the low-rent public-housing program would be entirely at the option and initiative of local governments. Projects would be locally planned and locally executed. The role of the Federal Government would be restricted to the provision of financial assistance, the furnishing of technical aid and advice, and the administration of statutory requirements to insure that the standards of the law are faithfully observed. There is no dictatorship possible under these conditions.

With respect to socialization, the philosophy of the policy declaration in this measure rests squarely on the traditional principle that the Federal Government can and should supplement the resources of State and local governments, and of private enterprise, in order to meet urgent national problems which affect the welfare of the people as a whole.

No one will deny that the present housing crisis in America constitutes such a problem.

This same principle underlies the existing Federal programs for social security, soil conservation, aids to hospital construction, road building, air-line industry development, and a host of similar matters. Public housing is just about as socialistic as public schools or the 24 Republican Senators who, after many days spent hearing both sides of the argument, joined in an overwhelming 57 to 13 vote in favor of this housing program. In other words, those who append the term "socialistic" to this proposal are saying that two-thirds of the Republican side of the Senate are Socialists, which is certainly a preposterous charge.

Let us for a moment look at the religious organizations who would be labeled "socialistic" for their support of this program. Among others, there are the Congregational Christian Churches of the United States of America; the Women's Division of the Methodist Church; the United Council of Church Women; the Christian Social Progress Council of the Northern Baptist Convention; the National Conference of Catholic Charities; the National Lutheran Council, and the Division of Social Education and Action of the Presbyterian Church. This smoke screen of "socialism" is thus dispersed by its own inherent absurdity.

Mr. Chairman, I had not intended to go into prolonged details on a subject that has been so extensively debated on this floor, but I submit it is not superfluous to discuss the housing situation in the terms in which it is regarded by our people—terms of their need for homes in which to live as American should, in which children can get a fair start in life, and which will prove the inspiration which all of us must have to make life worth living.

I call your attention to the needs of nearly 3,000,000 families who do not have any homes at all, but are living with their in-laws and other families and of the 500,000 living in trailers, rooming houses, temporary housing, and other makeshift accommodations. I call your attention to the needs of more than 5,000,000 families in cities and surrounding areas, whose homes fall below decent living standards. May I direct emphasis also toward the families on the farm whose homes are shacks which should be replaced, or, at minimum, need major repairs in order to make them livable. I am not going to recount the vast number of farm homes which do not have the sanitary facilities which have become so essential for safe living in our cities. These are the reasons why we should begin a comprehensive housing program for this country.

Mr. Chairman, we have been genuinely concerned with the difficulties of peoples all over the world, and have appropriated billions of dollars to help them rehabilitate themselves, but we have done little or nothing to demonstrate our concern for our transcendent domestic problem. I submit that the time has come to prove to our own citizens that this is a legislative body primarily existing for the benefit and welfare of the American people.

Just about a year ago, when we were discussing this same subject, I expressed the earnest hope that the early days of the Eighty-first Congress will see proper action taken to encourage the production of homes and rental units for the people of the United States, at prices they can afford.

May I repeat I am very glad the hour has finally come for me to cast my vote in favor of initiating a program to provide decent housing for the American people who need it most and I urge you, my colleagues, to adopt this measure without further delay.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose: and the Speaker having resumed the chair, Mr. BOGGS of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, pursuant to House Resolution 357, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. Is a separate vote demanded on any amendment?

Mr. SPENCE. Mr. Speaker, I demand a separate vote on the Rees amendment to strike out the public housing section, title III.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. JACKSON of California. Mr. Speaker, I demand a separate vote on the so-called Jensen amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them engross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. REES: On page 24, line 18, strike out all of the remainder of 24 down to and including line 15 on page 51.

The SPEAKER. The question is on the amendment.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 204, nays 209, answered "present" 1, not voting 18, as follows:

[Roll No. 117]

YEAS—204

| | | |
|---|---|---|
| Abbitt | Andrews | Bishop |
| Abernethy | Arends | Blackney |
| Allen, Calif. | Auchincloss | Boggs, Del. |
| Allen, Ill. | Barden | Bolton, Md. |
| Allen, La. | Barrett, Wyo. | Bonner |
| Andersen, H. Carl | Bates, Mass. | Bramblett |
| Anderson, Calif. | Beall | Brehm |
| Andresen, August H. | Bennett, Fla. | Brooks |
| | Bennett, Mich. | Brown, Ohio |
| | Bentsen | Bryson |
| Burleson | Hill | Pickett |
| Burton | Hinshaw | Poage |
| Byrnes, Wis. | Hobbs | Potter |
| Case, S. Dak. | Hoeven | Poulson |
| Chiperfield | Hoffman, Ill. | Rankin |
| Church | Hoffman, Mich. | Reed, Ill. |
| Clevenger | Hope | Reed, N. Y. |
| Cole, Kans. | Horan | Rees |
| Cole, N. Y. | Jackson, Calif. | Regan |
| Colmer | James | Rich |
| Corbett | Jenison | Richards |
| Cotton | Jenkins | Rivers |
| Coudert | Jennings | Rogers, Fla. |
| Cox | Jensen | Rogers, Mass. |
| Crawford | Johnson | Sadlak |
| Cunningham | Jonas | Sanborn |
| Curtis | Jones, N. C. | Scott, Hugh D., Jr. |
| Dague | Judd | Scrivner |
| Davis, Ga. | Kearney | Scudder |
| Davis, Wis. | Keefe | Shafer |
| D'Ewart | Kilburn | Short |
| Dolliver | Kruse | Sikes |
| Dondero | Kunkel | Simpson, Ill. |
| Doughton | Larcade | Simpson, Pa. |
| Durham | Latham | Smathers |
| Eaton | LeCompte | Smith, Kans. |
| Ellsworth | LeFevre | Smith, Ohio |
| Elston | Lemke | Smith, Va. |
| Fallon | Lichtenwalter | Smith, Wis. |
| Fellows | Lovre | Stanley |
| Fenton | Lucas | Stefan |
| Fisher | McConnell | Stockman |
| Ford | McCulloch | Tackett |
| Gamble | McDonough | Talle |
| Gary | McGregor | Teague |
| Gathings | McMillan, S. C. | Thomas, Tex. |
| Gavin | Mack, Wash. | Towe |
| Gillette | Macy | Van Zandt |
| Golden | Mahon | Velde |
| Goodwin | Martin, Iowa | Vorys |
| Gossett | Martin, Mass. | Vursell |
| Graham | Mason | Wadsworth |
| Grant | Merrow | Weichel |
| Gross | Meyer | Werdel |
| Gwinn | Michener | Wheeler |
| Hagen | Miller, Md. | Whitten |
| Hale | Miller, Nebr. | Whittington |
| Hall, Edwin Arthur | Murray, Tenn. | Wickersham |
| Hall, Leonard W. | Murray, Wis. | Wigglesworth |
| Halleck | Nelson | Williams |
| Harden | Nicholson | Willis |
| Hare | Nixon | Wilson, Ind. |
| Harris | Norblad | Wilson, Tex. |
| Harrison | Norrell | Winstead |
| Harvey | O'Hara, Minn. | Wolcott |
| Hébert | O'Konski | Wood |
| Herlong | Passman | Woodruff |
| Herter | Patten | Worley |
| | Patterson | |
| | Phillips, Calif. | |

NAYS—209

| | | |
|---|---|---|
| Addonizio | Cooper | Havenner |
| Albert | Crook | Hays, Ark. |
| Angell | Crosser | Hays, Ohio |
| Aspinall | Davenport | Hedrick |
| Bailey | Davies, N. Y. | Heffernan |
| Baring | Davis, Tenn. | Helier |
| Barrett, Pa. | Dawson | Heselton |
| Bates, Ky. | Deane | Holifield |
| Battle | DeGraffenried | Holmes |
| Beckworth | Delaney | Howell |
| Biemiller | Denton | Huber |
| Bland | Dingell | Hull |
| Blatnik | Dollinger | Irving |
| Boggs, La. | Donohue | Jackson, Wash. |
| Bolling | Douglas | Jacobs |
| Bolton, Ohio | Doyle | Javits |
| Bosone | Eberharter | Jones, Ala. |
| Breen | Elliott | Jones, Mo. |
| Brown, Ga. | Engel, Mich. | Karst |
| Buchanan | Engle, Calif. | Karsten |
| Buckley, Ill. | Evins | Kean |
| Buckley, N. Y. | Feighan | Keating |
| Burdick | Fernandez | Kelley |
| Burke | Flood | Kennedy |
| Burnside | Fogarty | Keogh |
| Byrne, N. Y. | Forand | Kerr |
| Camp | Frazier | King |
| Canfield | Fugate | Kirwan |
| Cannon | Fulton | Klein |
| Carlyle | Furcolo | Lane |
| Carnahan | Garmatz | Lanham |
| Carroll | Gordon | Lesinski |
| Case, N. J. | Gore | Lind |
| Cavalcante | Gorski, Ill. | Linehan |
| Celler | Gorski, N. Y. | Lodge |
| Chelf | Granahan | Lyle |
| Chesney | Granger | Lynch |
| Christopher | Green | McCarthy |
| Chudoff | Gregory | McCormack |
| Clemente | Hand | McGrath |
| Combs | Hardy | McGuire |
| Cooley | Hart | McKinnon |

| | | |
|---|---|---|
| McSweeney | Patman | Spence |
| Mack, Ill. | Perkins | Steed |
| Madden | Pfeiffer, | Stigler |
| Magee | William L. | Sullivan |
| Mansfield | Philbin | Sutton |
| Marcantonio | Phillips, Tenn. | Tauriello |
| Marsalis | Polk | Taylor |
| Marshall | Powell | Thompson |
| Miles | Preston | Thornberry |
| Miller, Calif. | Price | Tollefson |
| Mills | Priest | Trimble |
| Mitchell | Quinn | Underwood |
| Monroney | Rabaut | Vinson |
| Morgan | Rains | Wagner |
| Morris | Ramsay | Walsh |
| Moulder | Redden | Walter |
| Multer | Rhodes | Welch, Calif. |
| Murdock | Ribicoff | Welch, Mo. |
| Murphy | Riehlman | White, Calif. |
| Noland | Rodino | White, Idaho |
| Norton | Roosevelt | Wier |
| O'Brien, Ill. | Sabath | Wilson, Okla. |
| O'Brien, Mich. | Sadowski | Withrow |
| O'Hara, Ill. | Sasscer | Wolverton |
| O'Neill | Scott, Hardie | Woodhouse |
| O'Sullivan | Secrest | Yates |
| O'Toole | Sheppard | Young |
| Pace | Sims | Zablocki |

ANSWERED "PRESENT"—1

Morton

NOT VOTING—18

| | | |
|---|---|---|
| Boykin | McMillen, Ill. | St. George |
| Bulwinkle | Morrison | Staggers |
| Chatham | Peterson | Taber |
| Gilmer | Pfeifer, | Thomas, N. J. |
| Kearns | Joseph L. | Whitaker |
| Kee | Plumley | |
| Kilday | Rooney | |

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. McMillen of Illinois for, with Mr. Rooney against.

Mr. Plumley for, with Mr. Joseph L. Pfeifer against.

Mr. Taber for, with Mr. Gilmer against.

Mr. Kilday for, with Mr. Staggers against.

Mr. Thomas of New Jersey for, with Mr. Morton against.

General pairs until further notice:

Mr. Morrison with Mr. Kearns.

Mr. Whitaker with Mrs. St. George.

Mr. MORTON. Mr. Speaker, I have a live pair with the gentleman from New Jersey, Mr. THOMAS. Had he been present he would have voted "aye." I voted "nay." I therefore withdraw my vote and ask that I be recorded as voting "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the next amendment upon which a separate vote is demanded.

The Clerk read as follows:

Page 84, after line 24, add a new section:

General provisions: SEC. 512. No part of any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this act, shall be used directly or indirectly to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That such administrative or supervisory employees of the Department as may be designated for the purpose by the Secretary are hereby authorized to administer the oaths to persons making affidavits required by this section, and they shall charge no fee for so doing: *Provided further*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

The SPEAKER. The question is on the amendment.

Mr. JACKSON of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 283, nays 129, not voting 20, as follows:

[Roll No. 118]

YEAS—283

| | | |
|---|---|---|
| Abbitt | Colmer | Gwinn |
| Abernethy | Combs | Hagen |
| Albert | Cooper | Hale |
| Allen, Calif. | Corbett | Hall, |
| Allen, Ill. | Cotton | Edwin Arthur |
| Allen, La. | Coudert | Hall, |
| Andersen, | Cox | Leonard W. |
| H. Carl | Crawford | Halleck |
| Anderson, Calif. | Cunningham | Hand |
| Andresen, | Curtis | Harden |
| August H. | Dague | Hardy |
| Andrews | Davis, Ga. | Hare |
| Angell | Davis, Tenn. | Harris |
| Arends | Davis, Wis. | Harrison |
| Auchincloss | DeGraffenried | Hart |
| Barden | D'Ewart | Harvey |
| Barrett, Wyo. | Dolliver | Hays, Ark. |
| Bates, Mass. | Dondero | Hébert |
| Battle | Donohue | Hedrick |
| Beall | Doughton | Herlong |
| Beckworth | Doyle | Herter |
| Bennett, Fla. | Durham | Heselton |
| Bennett, Mich. | Eaton | Hill |
| Bentsen | Elliott | Hinshaw |
| Bishop | Ellsworth | Hobbs |
| Blackney | Elston | Hoeven |
| Boggs, Del. | Engel, Mich. | Hoffman, Ill. |
| Boggs, La. | Engle, Calif. | Hoffman, Mich. |
| Bolton, Md. | Evins | Holmes |
| Bolton, Ohio | Fallon | Hope |
| Bonner | Fellows | Horan |
| Bramblett | Fenton | Hull |
| Brehm | Fernandez | Irving |
| Brooks | Fisher | Jackson, Calif. |
| Brown, Ga. | Ford | James |
| Brown, Ohio | Frazier | Javits |
| Bryson | Fugate | Jenison |
| Burleson | Fulton | Jenkins |
| Byrnes, Wis. | Gamble | Jennings |
| Camp | Gary | Jensen |
| Canfield | Gathings | Johnson |
| Cannon | Gavin | Jonas |
| Carlyle | Gillette | Jones, Ala. |
| Case, N. J. | Golden | Jones, Mo. |
| Case, S. Dak. | Goodwin | Jones, N. C. |
| Chelf | Gore | Judd |
| Chiperfield | Gossett | Kean |
| Church | Graham | Kearney |
| Clevenger | Grant | Keating |
| Cole, Kans. | Gregory | Keefe |
| Cole, N. Y. | Gross | Kennedy |
| Kerr | Patten | Smith, Wis. |
| Kilburn | Patterson | Stanley |
| Kruse | Pfeiffer, | Steed |
| Kunkel | William L. | Stefan |
| Lanham | Philbin | Stigler |
| Larcade | Phillips, Calif. | Stockman |
| Latham | Phillips, Tenn. | Sutton |
| LeCompte | Pickett | Tackett |
| LeFevre | Poage | Talle |
| Lemke | Potter | Taylor |
| Lichtenwalter | Poulson | Thomas, Tex. |
| Lodge | Preston | Thompson |
| Lovre | Priest | Thornberry |
| Lucas | Rains | Tollefson |
| Lyle | Rankin | Towe |
| McConnell | Redden | Trimble |
| McCulloch | Reed, Ill. | Underwood |
| McDonough | Reed, N. Y. | Van Zandt |
| McGregor | Rees | Velde |
| McMillan, S. C. | Regan | Vinson |
| Mack, Wash. | Ribicoff | Vorys |
| Macy | Rich | Vursell |
| Mahon | Richards | Wadsworth |
| Martin, Iowa | Riehlman | Wagner |
| Martin, Mass. | Rivers | Walter |
| Mason | Rogers, Fla. | Weichel |
| Merrow | Rogers, Mass. | Welch, Calif. |
| Meyer | Sadlak | Werdel |
| Michener | Sanborn | Wheeler |
| Miller, Md. | Sasscer | Whitten |
| Miller, Nebr. | Scott, Hardie | Whittington |
| Mills | Scott, | Wickersham |
| Monroney | Hugh D., Jr. | Wigglesworth |
| Morton | Scrivner | Williams |
| Moulder | Scudder | Willis |
| Murray, Tenn. | Secrest | Wilson, Ind. |
| Murray, Wis. | Shafer | Wilson, Okla. |
| Nelson | Sheppard | Wilson, Tex. |
| Nicholson | Short | Winstead |
| Nixon | Sikes | Wolcott |
| Norblad | Simpson, Ill. | Wolverton |
| Norrell | Simpson, Pa. | Wood |
| O'Hara, Minn. | Smathers | Woodruff |
| O'Konski | Smith, Kans. | Worley |
| Pace | Smith, Ohio | |
| Passman | Smith, Va. | |

NAYS—129

| | | |
|---|---|---|
| Addonizio | Fogarty | Miles |
| Aspinall | Forand | Miller, Calif. |
| Bailey | Garmatz | Mitchell |
| Baring | Gordon | Morgan |
| Barrett, Pa. | Gorski, Ill. | Morris |
| Bates, Ky. | Gorski, N. Y. | Multer |
| Biemiller | Granahan | Murdock |
| Bland | Granger | Murphy |
| Blatnik | Green | Noland |
| Bolling | Havenner | Norton |
| Bosone | Hays, Ohio | O'Konski |
| Breen | Heffernan | O'Brien, Mich. |
| Buchanan | Heller | O'Hara, Ill. |
| Buckley, Ill. | Holifield | O'Neill |
| Buckley, N. Y. | Howell | O'Sullivan |
| Burdick | Huber | O'Toole |
| Burke | Jackson, Wash. | Patman |
| Burnside | Jacobs | Perkins |
| Burton | Karst | Polk |
| Byrne, N. Y. | Karsten | Powell |
| Carnahan | Kelley | Price |
| Carroll | Keogh | Quinn |
| Cavalcante | King | Rabaut |
| Celler | Kirwan | Ramsay |
| Chesney | Klein | Rhodes |
| Christopher | Lane | Rodino |
| Chudoff | Lesinski | Roosevelt |
| Clemente | Lind | Sabath |
| Cooley | Linehan | Sadowski |
| Crook | Lynch | Sims |
| Crosser | McCarthy | Spence |
| Davenport | McCormack | Sullivan |
| Davies, N. Y. | McGrath | Tauriello |
| Dawson | McGuire | Walsh |
| Deane | McKinnon | Welch, Mo. |
| Delaney | McSweeney | White, Calif. |
| Denton | Mack, Ill. | White, Idaho |
| Dingell | Madden | Wier |
| Dollinger | Magee | Withrow |
| Douglas | Mansfield | Woodhouse |
| Eberharter | Marcantonio | Yates |
| Feighan | Marsalis | Young |
| Flood | Marshall | Zablocki |

NOT VOTING—20

| | | |
|---|---|---|
| Boykin | Kilday | Rooney |
| Bulwinkle | McMillen, Ill. | St. George |
| Chatham | Morrison | Staggers |
| Furcolo | Peterson | Taber |
| Gilmer | Pfeifer, | Teague |
| Kearns | Joseph L. | Thomas, N. J. |
| Kee | Plumley | Whitaker |

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Kilday for, with Mr. Rooney against.
Mr. Thomas of New Jersey for, with Mr. Joseph L. Pfeifer against.

Additional general pairs:

Mr. Morrison with Mr. McMillen of Illinois.
Mr. Staggers with Mr. Plumley.
Mr. Whitaker with Mrs. St. George.
Mr. Gilmer with Mr. Taber.
Mr. Peterson with Mr. Kearns.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. WOLCOTT. Mr. Speaker, I offer a motion to recommit, which is on the Clerk's desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WOLCOTT. I am opposed to the bill, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. WOLCOTT moves to recommit the bill (H. R. 4009) to the Committee on Banking and Currency with instructions to report the same to the House forthwith with the following amendments: Strike out all after the enacting clause and insert in lieu thereof the following: That this act may be cited as the "Housing Act of 1949."

"TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

"LOCAL RESPONSIBILITIES

"SEC. 101. In extending financial assistance under this title, the Administrator shall—

"(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations; and

"(b) encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

"LOANS

"SEC. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the redevelopment of project areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, forty years from the date such loans are made, as may be deemed advisable by the Administrator.

"(b) In connection with any project on land which is open or predominantly open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of land in the project area. Such temporary loans shall be in such amounts not exceeding the expenditures to be made for such purpose, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding 10 years from the date such loans are made), as may be deemed advisable by the Administrator.

"(c) Loans made pursuant to subsection (a) or (b) hereof may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and, in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

"(d) The Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such advances of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.

"(e) To provide funds for loans under this title, there is hereby authorized to be appropriated (1) for the fiscal year ending June 30, 1950, not to exceed $25,000,000, (2) for the fiscal year ending June 30, 1951, not to exceed $225,000,000, and (3) for each of the three following fiscal years, not to exceed $250,000,000.

"CAPITAL GRANTS

"SEC. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans: *Provided*, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open unplatted urban or suburban land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

"(b) The Administrator, on and after July 1, 1949, may, with the approval of the President and to the extent appropriated funds are available for such purpose, contract to make capital grants, with respect to projects assisted under this title, aggregating not to exceed $100,000,000, which limit shall be increased by further amounts of $100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively.

"REQUIREMENTS FOR LOCAL GRANTS-IN-AID

"SEC. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 108 (f) of land in such projects).

"LOCAL DETERMINATIONS

"SEC. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

"(a) The redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (ii) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (iii) the redevelopment plan conforms to a general plan for the development of the locality as a whole;

"(b) When land acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin the building of their improvements on such land within a reasonable time; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title;

"(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment.

"(d) The redevelopment plan for the project area include the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement, of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of new dwellings contemplated by such plan.

"(e) No land for any project to be assisted under this title shall be acquired by the local

public agency except after public hearing following notice of the date, time, place, and purpose of such hearing published not less than 10 nor more than 20 days prior to the date of such hearing.

"GENERAL PROVISIONS

"SEC. 106. (a) The Administrator shall make an annual report to the President with respect to his functions under this title, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

"(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for capital grants pursuant to section 103 hereof), and all funds available for carrying out the functions of the Administrator under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

"(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

"(1) sue and be sued;

"(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided,* That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

"(3) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

"(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(5) obtain insurance against loss in connection with property and other assets held;

"(6) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

"(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

"(d) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed $1,000.

"(e) Not more than 10 percent of the funds provided for in this title, either in the form of loans or grants, shall be expended in any one State.

"PROTECTION OF LABOR STANDARDS

"SEC. 107. In order to protect labor standards—

"(a) Any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the wages or fees prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, technicians, laborers, and mechanics employed in the development of the project involved; and the Administrator may require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract;

"(b) The provisions of title 18, United States Code, section 874, and of title 40, United States Code, section 276c, shall apply to any project financed in whole or in part with funds made available pursuant to this title;

"(c) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

"DEFINITIONS

"SEC. 108. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"(a) 'Redevelopment area' means an area which is appropriate for development or redevelopment and within which a project area is located.

"(b) 'Redevelopment plan' means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: *Provided,* That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

"(c) 'Project' may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area which is predominantly residential in character or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open land necessary for sound community growth which is to be developed for predominantly residential uses (in which event the project thereon, as provided in the proviso of section 103 (a) hereof, shall not be eligible for any capital grant); (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term 'project' shall not include the construction of any of the buildings contemplated by the redevelopment plan, and the term 'redevelopment' and derivatives thereof shall mean develop as well as redevelop. For any of the purposes of section 107 hereof, the term 'project' shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 108 (d) hereof.

"(d) 'Local grants-in-aid' shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided,* That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct and substantial benefit both to the project and to other areas, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for such project, there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.

"(e) 'Gross project cost' shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

"(f) 'Net project cost' shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds

of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

"(g) 'Going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

"(h) 'Local public agency' means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. 'State' includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

"(i) 'Administrator' means the Housing and Home Finance Administrator.

"TITLE II—WAR HOUSING DISPOSAL

"DEFINITIONS

"SEC. 201. For the purposes of this title—

"(1) The term 'Administrator' means the Federal Works Administrator.

"(2) The term 'Lanham War Housing Act' means the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended.

"(3) The term 'war housing' means any interest, owned by the United States and under the control of the National Housing Agency, in (A) housing (other than temporary housing) acquired or constructed under the Lanham War Housing Act, under the Second Supplemental National Defense Appropriation Act, 1941 (Public, No. 781, 76th Cong.), as amended, under the Urgent Deficiency Appropriation Act, 1941 (Public Law 9, 77th Cong.), or under the Second Deficiency Appropriation Act, 1944 (Public Law 375, 78th Cong.), and (B) such other property as is determined by the Administrator to be essential to the use of such housing.

"(4) The term 'veteran' means (A) any person in the active military or naval service of the United States during the present war, or (B) any person who served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under conditions other than dishonorable after active service of 90 days or more or by reason of an injury or disability incurred in service in line of duty.

"(5) The term 'dwelling' means a war housing building designed for residential use of one or more families.

"(6) The term 'dwelling unit' means a dwelling, or that part of a dwelling, which is designed for residential use of one family.

"TRANSFER OF WAR HOUSING TO FEDERAL WORKS ADMINISTRATION

"SEC. 202. (a) The functions of the Housing and Home Finance Administrator and of the Housing and Home Finance Agency with respect to war housing are hereby transferred to the Administrator.

"(b) There are hereby transferred to the Administrator, to be used or held in connection with the exercise of the functions transferred by this section, (1) the records and property used or held on the date of the enactment of this title in connection with such functions, and (2) so much of the unexpended balances of appropriations, allocations, or other funds available for use by the Housing and Home Finance Administrator or the Housing and Home Finance Agency in the exercise of such functions as the Director of the Budget shall determine.

"SALE OF WAR HOUSING

"SEC. 203. (a) All war housing (except mortgages, liens, or other interests as security) transferred to the Administrator by section 202 shall, subject to the provisions of this title, be sold for cash as expeditiously as possible and not later than December 31, 1950. Wherever practicable each dwelling in a war-housing project shall be offered for sale separately from other dwellings in such project. Any mortgage, lien, or other interest as security transferred to the Administrator by section 202 or acquired by him under this title pursuant to a contract entered into prior to February 26, 1947, may, subject to the provisions of this section, be sold for cash.

"(b) (1) Except as provided in paragraph (2) of this subsection, the price to be paid for war housing sold under this title shall be a price not less than the reasonable value thereof at the time of the offer for sale as determined by appraisal made by an appraiser or appraisers designated by the Federal Housing Commissioner.

"(2) The price to be paid for any mortgage, lien, or other interest as security sold under this section shall be a price not less than the unpaid principal (plus accrued interest thereon) of the obligation with respect to which the mortgage, lien, or other interest as security is held.

"(c) Except as provided in subsections (a) and (b), the sale of war housing under this title shall be with or without warranty and upon such other terms and conditions as the Administrator deems proper.

"TRANSFER OF WAR HOUSING TO THE DEPARTMENTS OF THE NATIONAL MILITARY ESTABLISHMENT

"SEC. 204. Nothwithstanding the provisions of this title or any other provision of law, the Administrator may, in his discretion, upon the request of the Secretary of Defense, transfer to the jurisdiction of any Department of the National Military Establishment any war housing situated within the proximate vicinity of any permanent Army, Navy, or Air Force establishment, if a request for such transfer was on file April 15, 1947.

"WAR HOUSING MORTGAGE INSURANCE

"SEC. 205. Title VI of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following:

"'SEC. 612. (a) The Administrator is authorized, upon application by the mortgagee, to insure under section 603 or 608 of this title any mortgage executed in connection with the sale by the Federal Works Administrator of any housing (including property determined by the Federal Works Administrator to be essential to the use of such housing) transferred to the Federal Works Administrator by the War Housing Disposal Act of 1947 without regard to—

"'(1) any limit as to the time when any mortgage may be insured under this title;

"'(2) any limits as to the aggregate amount of principal obligations of all mortgages insured under this title, but the aggregate amount of principal obligations of all mortgages insured pursuant to this section shall not exceed $750,000,000;

"'(3) any requirement that the obligation be approved for mortgage insurance prior to the beginning of construction or that the construction be new construction;

if such mortgage is otherwise eligible for insurance under such section and is eligible for insurance under subsection (b) of this section.

"'(b) To be eligible for insurance pursuant to this section a mortgage shall—

"'(1) have a maturity satisfactory to the Administrator but not to exceed twenty-five years from the date of the insurance of the mortgage.

"'(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Adminstrator shall approve) in an amount not to exceed 90 percent of the reasonable value of the mortgaged property as determined by appraisal made by an appraiser or appraisers designated by the Administrator.'

"PREFERENCES

"SEC. 206. (a) Preference in the purchase of any dwelling designated for occupancy by less than five families shall be granted to veterans and their families and to occupants over other prospective purchasers of such dwelling in the following order:

"(1) A veteran and his family who occupy a dwelling unit in the dwelling to be sold.

"(2) A veteran and his family who do not occupy a dwelling unit in the dwelling to be sold but who intend to occupy a dwelling unit in the dwelling to be purchased; but if the dwelling is designed for occupancy by two, three, or four families, equal preference shall be granted to a private corporation, association, or cooperative society which is the legal agent of veterans and their families who intend to occupy the dwelling purchased by such corporation, association, or society.

"(3) A nonveteran who occupies a dwelling unit in the dwelling to be sold.

"(b) In the case of any war housing project where it is not practicable to offer each dwelling for sale separately from other dwellings in the project and in the case of any dwelling designed for occupancy by more than four families, preference in the purchase thereof shall be granted first to any private corporation, association, or cooperative society which is the legal agent of veterans who intend to occupy the war housing purchased by such corporation, association, or society, and second to any city, village, town, county, or other political subdivision, or public agency or corporation (including a housing authority), in whose area of jurisdiction or operation any such dwelling is located.

"(c) The Administrator shall give such notice in such manner as he deems reasonable to enable prospective purchasers who have a preference under this section in the purchase of war housing to exercise such preference. Any prospective purchaser having a preference under subsection (a) in the purchase of any dwelling may apply for the purchase of such dwelling (1) if the preference is under paragraph (1), within 30 days after the date of the notice of the offer for sale, (2) if the preference is under paragraph (2), within 60 days after the date of the notice of the offer for sale, and (3) if the preference is under paragraph (3), within 90 days after the date of the notice of the offer for sale. Any corporation, association, or society having a preference under subsection (b) in the purchase of any war housing may apply for the purchase of such housing within 180 days after the date of the notice of the offer for sale.

"SALES WITHOUT PREFERENCE

"SEC. 207. If any dwelling or war housing project is not sold to a purchaser who is granted a preference under section 205 and who applied within the time prescribed in subsection (c) of such section, such dwelling or war housing project shall be sold as provided in this title without regard to any preferences granted under section 205 and without regard to any restrictions contained in any other law as to whom war housing may be sold.

"TITLE OF PURCHASER

"SEC. 208. A deed or other instrument executed by or on behalf of the Administrator purporting to transfer title or any other

interest in property under this title shall be conclusive evidence of compliance with the provisions of this title insofar as title or other interest of any bona fide purchasers for value is concerned.

"VALIDITY OF CONTRACTS

"SEC. 209. Nothing in this title shall be deemed to impair or modify any contract entered into prior to February 26, 1947, for the sale of property, or any term or provision of any such contract, without the consent of the purchaser or his assignee, if the contract or the term or provision thereof is otherwise valid.

"DISPOSITION OF PROCEEDS

"SEC. 210. Moneys derived by the Administrator from the disposition of war housing under this title shall be covered into the Treasury as miscellaneous receipts.

"TITLE III—VETERANS' HOMESTEAD ASSOCIATIONS

"SEC. 301. The Servicemen's Readjustment Act of 1944, as amended, is hereby amended by inserting immediately after section 510 thereof the following new sections:

"'VETERANS' HOMESTEAD ASSOCIATIONS

"'SEC. 511. (a) In enacting this section to alleviate the existing housing shortage, it is the intent of the Congress to provide means of ownership and financing, within the framework of our private enterprise system and without vast expenditures of public moneys, whereby veterans themselves, associated together within their own communities, can build, buy, or rent homes upon terms which veterans can afford; and to provide the public facilities essential to such homes without the imposition of additional financial burdens upon veterans who may be owners thereof or tenants therein.

"'DEFINITIONS

"'(b) As used in this section, except where the context otherwise requires, the term—

"'(1) "Association" means a veterans' homestead association chartered pursuant to this act.

"'(2) "Housing" means permanent type of housing; does not include transient housing such as tourist cabins, motor courts, or apartment hotels; but may include multifamily dwellings or single-family dwellings, whether located on contiguous or scattered sites.

"'(3) "Improve" as applied to real property shall include (a) grading, landscaping, and any other site development; and (b) construction, repair, remodeling, or demolition (whether for salvage or reuse) of buildings and other structures thereon.

"'(4) "Real property" means lands, whether or not improved, and any buildings or other structures thereon, including fixtures and personalty attached thereto.

"'(5) "Public facilities" includes public highways and parks, roads, streets, curbs, gutters, and sidewalks, bus stations and bus stops, water storage, purification and distribution works, sewage, garbage and refuse collection, treatment and disposal facilities (including trunk and lateral sewers), fire stations, fire equipment and fire plugs, streetlighting facilities, schools, community centers, and recreational facilities.

"'(6) "Veteran" means any person described under the provisions of subsection 500 (a) of this title.

"'ORGANIZATION OF VETERANS' HOMESTEAD ASSOCIATIONS

"'(c) The Administrator is hereby authorized, subject to the provisions of this section and under such rules and regulations as he may prescribe, to provide for the organization, incorporation, examination, operation, and regulations of associations to be known as "veterans' homestead associations," and to issue charters therefor in such form as he may prescribe, and to consent to the amendment of any such charter: *Provided*, That a certified copy of all such charters shall be filed in each county where such association operates.

"'QUALIFICATION FOR MEMBERSHIP

"'(d) Five or more veterans of ability, good character, and responsibility as determined by the Administrator, may apply for a charter hereunder. Each association shall determine its own rules of eligibility for membership therein subject only to the conditions that (1) membership shall be limited to veterans; (2) no veteran shall become or remain a member unless and until his accumulated payments to the association, in accordance with subsection (j) shall equal or exceed $100; and (3) no veteran shall become a member of an association until he has executed and filed with the Veterans' Administration an affidavit to the effect that he is not a Communist and does not belong to any subversive organization.

"'PRIMARY PURPOSE OF ASSOCIATIONS

"'(e) Each organization shall be organized and shall operate on a nonprofit basis. It shall have as its primary purposes, (1) to acquire and improve real property to provide housing to be sold to veterans for occupancy by themselves, personally, together with their families or dependents; (2) to acquire and improve and to operate and maintain real property to provide multiunit housing, including such commercial and community facilities as may be reasonably necessary or desirable to facilitate the use thereof for residential purposes, to be rented to veterans for occupancy by themselves, personally, together with their families or dependents; and (3) to acquire and improve, and to operate and maintain real property to provide multiunit housing, including such commercial and community facilities as may be reasonably necessary or desirable to facilitate the use thereof for residential purposes, to be owned or held by the members of the association on a mutual or cooperative basis, to be occupied by themselves, personally, together with their families or dependents. To this end, and pursuant to rules and regulations issued by the Administrator, each association shall provide maximum opportunity and priority for the purchase or rental of such housing, first to members of such associations, and second, to nonmember veterans.

"'NUMBER OF ASSOCIATIONS

"'(f) The Administrator may, in his discretion, charter one or more associations in any locality; and he may, in his discretion, refuse to charter any proposed association upon his finding that the veterans in the locality in which it is proposed that such association would operate are or will be adequately served by an association or associations then already chartered for operation in such locality.

"'POWER OF VETERANS HOMESTEAD ASSOCIATIONS

"'(g) Under rules and regulations issued by the Administrator, each association shall have the following powers:

"'(1) Subject to the provisions and limitations of this section, to purchase, or otherwise acquire, any real property or leasehold or other interest therein, whether improved or unimproved, to subdivide, construct improvements on, repair, modernize, renovate, maintain, and operate any such property, and to purchase, or otherwise acquire, any personal property necessary or desirable for any of the foregoing.

"'(2) Subject to the provisions and limitations of this section, to hold, sell, or contract for the sale of, lease, rent, mortgage, or otherwise deal with, encumber, hypothecate, or dispose of any acquired property; all on such terms and conditions as may be deemed proper and consistent with other provisions of this act: *Provided, however*, That so long as any association is obligated to the Administrator on account of advances or loans made under subsection (m) hereof no association may pledge, mortgage, or otherwise create a lien upon or encumber any real property to which it holds title without the consent of the Administrator: *And provided further*, That each unit sold to or held in cooperative or mutual ownership by an eligible veteran shall be reported to the Administrator, who shall charge against such veteran's guaranty benefit the maximum amount so chargeable if a loan for the full purchase price or cost of such unit had been guaranteed or insured under this title, and shall pay an amount equivalent to 4 percent of the amount so charged to the association to be credited upon the obligation of such veterans to the association, unless such charge and such payment are required to be made otherwise to finance the purchase of such unit.

"'(3) To purchase, construct, improve, or otherwise provide, to receive grants for, and to maintain and operate public facilities (which shall include for this purpose gas and electric distribution lines and facilities) reasonably necessary or desirable for the housing provided by or of the association, where such public facilities are then not otherwise available for such housing: *Provided*, That no association shall operate any mercantile establishment or other commercial enterprise, or operate any amusement enterprise.

"'(4) To borrow money as may be required within the purposes and limitations of this section, and to execute notes or other obligations therefor.

"'(5) To build up and maintain reasonable reserves: *Provided, however*, That such reserves shall not exceed in the aggregate 5 percent of the total obligations of such associations outstanding from time to time.

"'(6) To make, adopt, repeal, and amend bylaws; to employ and to pay reasonable salaries to, the employees of the associations for services performed. Employees need not be veterans.

"'(7) To exercise such other powers, not inconsistent with this title, as are appropriate for the conduct of the business of the association.

"'(8) To require that all officers and employees of the association who handle funds of the association be bonded by an approved surety company in an adequate amount.

"'ANNUAL AND OTHER REPORTS OF ASSOCIATIONS

"'(h) Every association shall file, with the Administrator, not later than 45 days after the close of its fiscal year, an annual financial statement and shall also furnish to him such other financial statements, at such other times as he may require. All such reports shall be in such form and in such detail as may be prescribed by the Administrator. The Administrator shall make, annually and at such other times as he deems necessary, an examination of the financial books, records, and affairs of each association, in the manner customary for supervision of fiduciary institutions.

"'PAYMENTS BY ASSOCIATION MEMBERS

"'(i) Members of an association shall not be required to pay dues. Each association shall provide in its bylaws for the payment by each prospective member of the sum of $100 to be credited on the books of the association to the credit of such persons. The sums so paid shall not bear interest. Each such sum shall be entered on the books of the association as a credit to the member making such payment for possible application either (1) as payment on a home purchased by such member from the association; or (2) as security for rent on a home rented from the association by such member. Each association shall provide further in its bylaws that a member may voluntarily withdraw from such association at any time and may receive back an amount equal to the

amount of his payment to the association (unless such payments shall have been applied as payment on a home purchased by such member from the association or is held by the association as security for the payment of rent), but only after 1 year following the date of the initial payment and then only upon 60 days' notice to the association.

"'LIMITATION ON COST AND AMOUNT OF HOUSING

"'(k) No association shall purchase or improve, or contract for the purchase or improvement of, or otherwise acquire, any real property, unless, in the opinion of the Administrator, (1) the estimated final cost of the proposed housing (exclusive of related real property designed for commercial operation), as determined by the amounts of firm contracts for the acquisition of real property, the improvement thereof, the construction of buildings and the acquisition of related personal property, plus an amount equal to 5 percent of such contracts plus an allocable share of the estimated indirect or overhead costs and expenses of the association, fairly attributable to such housing, will not exceed a sum equal to the product of the number of family units in such housing multiplied by $10,000; (2) such housing will afford living accommodations for sale or rent to veterans at prospective prices or terms favorable in comparison with any like or similar living accommodations currently available in the locality; (3) the total number of units thereby provided will not be in excess of either the number of members of such association or the number of veterans in the community who may reasonably be considered, in the opinion of the Administrator, prospective purchasers of or tenants of such units.

"'SALE OR RENTAL OF HOUSING OR REAL PROPERTY

"'(k) (1) Subject to such exceptions as the Administrator may approve, all real property of an association shall be sold or leased for such prices or at such rents, as the case may me, as shall reasonably represent the actual cost thereof to the association, including (i) all costs of acquisition, construction, or improvement; (ii) interest on and amortization of obligations of the association fairly attributable to such housing; (iii) direct costs of operation and maintenance of such housing; and (iv) an allocable share of the overhead or indirect costs and expenses of the association fairly attributable to such housing, plus a reasonable contribution to the reserves to be built up and maintained under subsection (h) hereof, nor shall any sale by an association of a commercial unit, or of a dwelling unit other than the sale of a cooperative interest in a multiunit structure, be financed by an association.

"'(2) Any deed or other instrument made by an association for the sale of its housing shall provide that such property shall not be conveyed or otherwise disposed of by the purchaser voluntarily within 3 years from the date of acquisition of such housing by such purchaser unless it shall first have been offered for sale back to the association at the original price paid to such association by such purchaser, less any depreciation which shall have occurred by that time and plus the fair value of any improvements which such purchaser shall have made to such property: *Provided*, That no association may use the property as security for additional loans after deed has been delivered to a veteran, even though the association retains an interest in the property.

"'(3) As a condition to every sale of housing by an association to a veteran, such veteran shall furnish to such association an affidavit stating that he has not theretofore purchased any housing from any association which has not been offered for sale back to the association and he does not own any housing acquired from any association chartered under this title.

"'(4) As a condition of every sale by an association to a veteran, such association shall furnish to such veteran an affidavit stating that no other veteran has purchased the property and if the property has been repurchased from a veteran by the association, the association will guarantee the title as free and clear of encumbrances, except those to be assumed by the new purchaser.

"'(5) Every lease made by an association shall contain a prohibition against subleasing without the consent of the association.

"'LOANS BY ADMINISTRATOR TO ASSOCIATIONS

"'(l) The Administrator is authorized in his discretion to make either short-term or long-term loans to any association, upon either a secured or unsecured basis, for any of the purposes authorized by this section for which funds may be required by such association, including initial working capital and development expenses preliminary to the commencement of actual construction of housing. Advances made on a short-term basis may be refunded on a long-term basis, or may be repaid upon such terms and conditions as the Administrator may prescribe.

"'(1) The interest rate charged to an association on any such borrowings shall not exceed such rate as may be fixed by the Administrator with the approval of the Secretary of the Treasury: *Provided*, That an association may obtain funds for its purposes by borrowings from private lending sources on such terms with respect to rates of interest, maturity, and other matters as it may agree upon.

"'(2) Any loans so made by the Administrator, except as to advances made for interim or temporary purposes, shall be repaid—

"'(i) within a period of 40 years, if the proceeds of such loans are employed by the association to acquire or improve, and to operate and maintain, multiunit structures to be rented;

"'(ii) within a period of 32 years, if the proceeds of such loan are employed by the association to construct or to purchase, and to operate and maintain, multiunit structures sold or held on a mutual or cooperative basis;

"'*Provided*, That cash receipts incoming to an association by reason of the sale of any other housing shall be transferred or paid to the Administrator for credit upon the obligations of the association to the Administrator. Each association to which any such loan may be made shall make, issue, and deliver to the Administrator, its note in the principal amount of such loan. Each such note shall be a nonnegotiable, unconditional obligation of the association, issued against its general credit, and payable from its general assets.

"'TAX EXEMPTIONS

"'(m) Notwithstanding any provisions of the Internal Revenue Code or any other law to the contrary, the net earnings of any association shall be exempted from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or other local taxing authority.

"'(n) Subject to the provisions of subsection (m) hereof, no State, county, municipal, or other local taxing authority shall impose any tax upon any such association or its charter and franchise, capital, reserves, property, surplus, loans, or income, greater than that imposed by such taxing authority on other similar local nonprofit associations.

"'FUNDS OF ASSOCIATION

"'(o) The funds of an association may, as provided by its bylaws and in accordance with rules and procedures issued by the Administrator, be deposited in any bank or banks. No association shall invest its funds in any securities except obligations of the United States of America, or obligations unconditionally guaranteed by the United States as to the payment of both principal and interest, or obligations of a State, and, in any event no such investment shall be made except with the approval of the Administrator or pursuant to rules and regulations issued by him.

"'DISTRIBUTION OF EARNINGS

"'(p) At the end of any fiscal year any net earnings remaining to an association, after fully providing for the payment of all debts and obligations of such association, then due, and after providing for the reserves then currently required, shall be set aside in a special account to be used (i) for the reduction by the association of its notes or other obligations then outstanding, or (ii) with the express approval of the Administrator, for any other lawful purpose of the association.

"'DISSOLUTION OF ASSOCIATIONS

"'(q) (1) If the members or directors of any association shall knowingly violate, or knowingly permit any of the officers, agents, or servants of such association to violate any of the provisions of this section or of the rules or regulations issued thereunder, the charter, and all the rights, privileges, and franchises of such association shall be forfeited. Such violation shall, however, be determined and adjudged by a proper district court of the United States in a suit brought for the purposes by the Administrator, in his own name, before such association shall be declared dissolved.

"'(2) Any association may, at any time, apply to the Administrator for its voluntary dissolution, and if, in his judgment, adequate provision shall have been made for the payment in full of all debts and obligations of such association, he shall promptly effect such dissolution.

"'(3) Upon any dissolution, whether voluntary or involuntary, the net assets of an association, remaining after payment in full of all its debts and obligations, shall be liquidated under the supervision of the Administrator and the proceeds thereof shall be covered into the United States Treasury as miscellaneous receipts.

"'(r) In any event upon the maturity of all obligations owing to the United States for the financing of properties held for rent under this section, such properties shall be transferred and conveyed to the Administrator of Veterans' Affairs who shall dispose of them for the benefit of the United States and, after payment from the proceeds thereof of any other obligations of the association which it may be proper to so pay, shall cover the remaining proceeds into the Treasury of the United States as miscellaneous receipts.

"'(s) The power of the Administrator to issue rules and regulations for the effective implementation and administration of this section, pursuant to the provisions hereof, and not in conflict herewith, shall include, but not by way of limitation, the power—

"'(1) to provide such supervision of associations as he may deem necessary for the proper administration of this section;

"' (2) to provide for the reorganization, consolidation, merger, or liquidation of any association or associations;

"'(3) to appoint a conservator or a receiver to take charge of the affairs of any such association, and to require an equitable readjustment of the assets, liabilities, and surplus of the same; and to release any such association from such control and permit its further operation: *Provided*, That in any case where the Administrator appoints a conservator or a receiver for any association, such conservator or receiver shall act primarily for the protection of the creditors of such association;

"'(4) to delegate and authorize successive redelegation of any authority conferred upon him by or pursuant to this section, to any official or employee of the Veterans' Administration. The Administrator shall not act through, or delegate any such authority to, any other agency or any official or employee thereof.

"'CRIMINAL PROVISIONS

"'(x) (1) Whoever, being connected in any capacity with an association (i) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to it; or (ii) with intent to defraud an association, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Veterans' Administration or of an association, makes any false entry in any book, report, or statement of or to the Veterans' Administration or an association, or, without being duly authorized, draws any order or issues, puts forth, or assigns any bond, note, or other obligation, or draft, mortgage, judgment, or decree thereof, shall be guilty of a felony and punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

"'(2) Any veteran who willfully and knowingly makes any false statement in the affidavit required by section 511 (1) (3) to be furnished by him to an association in connection with his purchase of housing from such association shall be guilty of a felony and punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

"'MATURITY OF GUARANTEED OR INSURED LOANS

"'(u) Notwithstanding the 25-year limitation set forth in 500 (b) of this title, any loan made to a veteran for the purpose of purchasing a home from an association may have a maximum maturity not in excess of 32 years.

"'TIME LIMITATION

"'(v) The authority of the Administrator to issue charters to associations and to make loans to associations hereunder shall expire July 25, 1957.

"'ADVISORY COUNCIL

"'(w) There is hereby authorized to be established an advisory council to aid and advise the Administrator in the execution of his duties in relation to veterans' homestead associations. The council shall consist of the Administrator of Veterans' Affairs, who shall be Chairman; the Secretary of Agriculture; the Administrator of the Housing and Home Finance Agency; the Administrator of the Federal Works Agency; and six representatives of the public to be appointed by the Administrator of Veterans' Affairs, who shall be recognized leaders in the fields of finance, real estate, business administration, construction, labor, and housing. The members of the council shall not receive any compensation for their services on the council, but the Administrator of Veterans' Affairs is authorized to provide that the members receive a reasonable per diem allowance for each day of actual service, and in addition thereto be reimbursed for their necessary traveling expenses while on the business of the council.

"'GRANTS FOR PUBLIC FACILITIES ESSENTIAL TO VETERANS' HOUSING

"'SEC. 512. (a) The Federal Works Administrator is hereby authorized to make grants to States, political subdivisions thereof, other public bodies, and to associations for the construction, repair, improvement, or extension of public facilities wherever the Administration of Veterans' Affairs shall find that such public facilities are necessary for or will facilitate the more effective use within the community of housing provided and to be provided for veterans under section 511 hereof.

"'AMOUNT OF GRANT

"'(b) The amount of any grant made hereunder shall not exceed 50 percent of the cost, as determined by the Federal Works Administrator, of the public facilities provided therewith.

"'GENERAL CONDITIONS OF GRANT

"'(c) No grant shall be made hereunder unless—

"'(1) the public facilities for which such grant is made shall be determined by the Federal Works Administrator to conform to any applicable over-all State, local, or regional development plan approved by competent State, local, or regional authority; and

"'(2) the public body or association to which such grant is made shall give assurance, satisfactory to the Federal Works Administrator, that (i) it will adequately maintain the public facilities for which such grant is made; (ii) the assessments or other charges which would otherwise be imposed for the provision of such public facilities will be reduced by an amount equal to the grant; and (iii) in the case of a public body, it will make available, for the housing for which such public facilities are provided, all other public facilities it then provides for other housing generally, and upon like terms and conditions.

"'SPECIAL CONDITIONS OF GRANTS TO ASSOCIATIONS

"'(d) No grant shall be made hereunder to any associations unless (in addition to the conditions specified in subsection 512 (c) here)—

"'(1) the Federal Works Administrator shall determine that the type of public facilities for which such grant is made are, under applicable local law or practice, customarily provided in the first instance by real estate developers or builders; and

"'(2) such association shall agree to transfer such public facilities after completion, without compensation, to an appropriate local public body, if and whenever any such local public body may be willing to dedicate such public facilities to public use and to maintain them under the conditions specified in in subsection 512 (c) hereof.

"'DELEGATION OF AUTHORITY

"'(e) The Federal Works Administrator may delegate and authorize successive redelegation of any authority conferred upon him by or pursuant to this chapter to any official or employee of the Federal Works Agency.

"'PROVISION OF FUNDS

"'SEC. 513. In order to carry out the provisions of this title there is hereby authorized to be appropriated the sum of $50,000,000 for the purposes of section 512 and the sum of $250,000,000 for the purposes of section 511.'

"TITLE IV—FARM HOUSING

"FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

"SEC. 401. (a) The Secretary of Agriculture (hereinafter referred to as the Secretary) is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

"(b) For the purpose of this title the term 'farm' shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of $400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal State, or local public agency, and his determination shall be conclusive.

"(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

"LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

"SEC. 402. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 401 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed 33 years from the making of the loan with interest at a rate not to exceed 4 percent per annum on the unpaid balance of principal.

"(b) The instruments under which the loan is made and the security given shall—

"(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

"(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

"(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

"(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

"LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

"SEC. 403. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed 10 years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices which, in the opinion

of the Secretary, will increase the applicant's income from said farm within a period of not to exceed 10 years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 402.

"OTHER SPECIAL LOANS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

"SEC. 404. In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 402 and 403 and that repairs or improvements should be made to a farm dwelling occupied by him in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a loan to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No loan shall be made to any one individual under the provisions of this section in excess of $1,000 for any one farm or dwelling or building owned by such individual, or in excess of $2,000 in the aggregate to any one such individual. Such loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. In the case of such loan with respect to a farm not occupied by the owner of the land, the Secretary may, as a condition precedent to the loan, require that the landowner enter into such stipulations and agreements with the Secretary and the occupants of the farm as will make it possible for the occupant to obtain the full benefits of the loan.

"TECHNICAL SERVICES AND RESEARCH

"SEC. 405. (a) In connection with financial assistance authorized in sections 401 to 404, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 401 to 404, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services, such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies, including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

"(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

"PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

"SEC. 406. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a 'veteran' shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. 'Deceased servicemen' shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

"LOCAL COMMITTEES TO ASSIST SECRETARY

"SEC. 407. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of $5 per day while engaged in the performance of duties under this title, and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

"(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

"GENERAL POWERS OF SECRETARY

"SEC. 408. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

"(b) The Secretary may require any recipient of a loan to agree that the availability of improvements constructed or repaired with the proceeds of the loan under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

"ADMINISTRATIVE PROVISIONS

"SEC. 409. In carrying out the provisions of this title, the Secretary shall have the power to—

"(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than $300;

"(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

"(c) compromise claims and obligations arising out of sections 402 to 404, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

"(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

"(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

"(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the district, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

"(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

"(f) utilize with respect to the indebtedness arising from loans and payments made

under this title, all the powers and authorities given to him under the act approved December 20, 1944, entitled 'An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes' (58 Stat. 836), as such act now provides or may hereafter be amended;

"(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

"LOANS

"SEC. 410. There is hereby authorized to be appropriated to the Secretary to make loans under this title $25,000,000 on and after July 1, 1949, an additional $50,000,000 on and after July 1, 1950, an additional $75,000,000 on and after July 1, 1951, and an additional $100,000,000 on and after July 1, 1952.

"TITLE V—HOUSING RESEARCH

"SEC. 501. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

"'SEC. 301. The Secretary of Commerce shall—

"'(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardize dimensions and methods for the assembly of homebuilding materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Secretary for technical research and studies authorized by this subsection for work to continue not more than 4 years from the date of any such contract. Notwithstanding the provisions of section 5 of the act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Secretary for technical research and studies authorized by this or any other act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Secretary shall determine. The Secretary shall disseminate the results of such research and studies in such form as may be most useful to industry and to the general public.

"'(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

"'(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans. To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys.

"'SEC. 302. In carrying out research and studies under this title, the Secretary shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Secretary is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the Secretary may exercise any of the powers vested in the Housing and Home Finance Administrator by section 502 (c) of the Housing Act of 1948.

"'SEC. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.'

"TITLE VI—AMENDMENTS TO NATIONAL HOUSING ACT

"SEC. 601. The National Housing Act, as amended, is hereby amended—

"(1) by striking out of the first sentence of section 2 (a) 'July 1, 1949' and inserting in lieu thereof 'September 1, 1949';

"(2) by striking out of the proviso in section 203 (a) '$4,000,000,000' and inserting in lieu thereof '$5,300,000,000' and by striking out of such proviso '$5,000,000,000' and inserting in lieu thereof '$5,500,000,000'; and

"(3) by striking out of the second proviso in section 603 (a) 'June 30, 1949' in each place where it appears therein and inserting in lieu thereof 'August 31, 1949.'"

Amend the title so as to read: "A bill to provide for the expenditure of Federal funds to assist slum-clearance projects initiated by local agencies, to assist veterans in building homes, to enable the Secretary of Agriculture to provide financial assistance for farm housing, for housing research, and for other purposes."

Mr. HALLECK. Mr. Speaker, the motion to recommit is rather lengthy. It is 72 pages. I have discussed the matter with some of the Members on the other side, and in view of that I ask unanimous consent that in lieu of the reading of the motion to recommit, the gentleman from Michigan [Mr. WOLCOTT], may be permitted to address the House for 4 minutes to explain the provisions of the motion.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. SPENCE. Reserving the right to object, Mr. Speaker, this is merely an explanation, without any argument?

Mr. HALLECK. That is correct.

Mr. SPENCE. And it will be limited to 4 minutes?

Mr. HALLECK. That is correct.

Mr. SPENCE. I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, if I make any argument or engage in any oratory, I hope the Chair will check me.

The SPEAKER. The Chair will watch the gentleman closely.

Mr. WOLCOTT. Mr. Speaker, the motion to recommit contains six titles.

Title I is slum clearance. In substance it provides $1,000,000,000 of loans and $500,000,000 in grants spread over a 5-year period. The principal difference between the provisions of the motion to recommit and the bill which we have been considering is that the plan must be submitted to the Congress and appropriations made through the usual channels before the program is completed, and it also provides for a demolition or for the repair and putting into sanitary and safe condition of a comparable number of units in slum areas as contained in the program.

Title II is the bill which we passed last year, known as the bill to dispose of the Lanham permanents. There are in the neighborhood of 331,381 of these Lanham permanents. I think we are all familiar with them. Title II is the provision which we passed last year in the House, but which did not pass the Senate, for the disposition of the Lanham permanents with very high veteran priority.

Title III is known as the veterans' homestead law, with which we are all familiar. It was reported out of the Committee on Veterans' Affairs last year, but did not pass the Senate. It provides for direct loans to veterans, and so forth, and sets up a fund of about $300,000,000.

Title IV is the farm title. This is quite similar to the farm title of the bill H. R. 4009, which is now pending before us, except instead of raising the money by authorizing the Secretary of Agriculture to bypass the Congress and issue notes, bonds, and debentures likewise, as in title I—the slum-clearance title—the program must be presented to the Congress and appropriations will be made in the usual way for the program.

Title V is housing research, but instead of the research being conducted by the Administrator of the Housing and Home Finance Agency, it provides that the research be done by the Department of Commerce, believing that it had better be there than in those interested solely in this program.

Title VI includes an extension of Title I and title VI FHA financing which we adopted here as a committee amendment offered by the gentleman from Kentucky [Mr. SPENCE] on yesterday. It is identical with Senate Joint Resolution 109, which has passed the Senate, and is identical with the amendment which we adopted here yesterday continuing Title I and title VI of the FHA for 60 days.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. SPENCE. The gentleman offers a motion to recommit in lieu of the present bill?

Mr. WOLCOTT. The motion to recommit strikes out all after the enacting clause and is a substitute for the committee bill.

Mr. SPENCE. It is a new bill.

Mr. WOLCOTT. It is.

Mr. SPENCE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. WOLCOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 170, nays 241, answered "present" 2, not voting 19, as follows:

[Roll No. 119]

YEAS—170

| | | |
|---|---|---|
| Abernethy | Goodwin | Miller, Nebr. |
| Allen, Calif. | Gossett | Murray, Tenn. |
| Allen, Ill. | Graham | Murray, Wis. |
| Andersen, H. Carl | Gross | Nelson |
| | Gwinn | Nicholson |
| Anderson, Calif. | Hagen | Nixon |
| Andresen, August H. | Hale | Norblad |
| | Hall, Edwin Arthur | Norrell |
| Andrews | | O'Hara, Minn. |
| Angell | Hall, Leonard W. | Patterson |
| Arends | | Phillips, Calif. |
| Auchincloss | Halleck | Pickett |
| Barrett, Wyo. | Harden | Potter |
| Bates, Mass. | Hare | Poulson |
| Beall | Harrison | Rankin |
| Bennett, Mich. | Harvey | Reed, Ill. |
| Bishop | Herlong | Reed, N. Y. |
| Blackney | Herter | Rees |
| Boggs, Del. | Hill | Rich |
| Bolton, Md. | Hinshaw | Rogers, Mass. |
| Bramblett | Hobbs | Sadlak |
| Brehm | Hoeven | Sanborn |
| Brown, Ohio | Hoffman, Mich. | Scott, Hugh D., Jr. |
| Bryson | Hope | |
| Burleson | Horan | Scrivner |
| Byrnes, Wis. | Jackson, Calif. | Scudder |
| Case, S. Dak. | James | Shafer |
| Chelf | Jenison | Short |
| Chiperfield | Jenkins | Simpson, Ill. |
| Church | Jennings | Simpson, Pa. |
| Clevenger | Jensen | Smith, Kans. |
| Cole, Kans. | Johnson | Smith, Va. |
| Cole, N. Y. | Judd | Smith, Wis. |
| Colmer | Kearney | Stanley |
| Corbett | Keefe | Stefan |
| Cotton | Kilburn | Tackett |
| Coudert | Kruse | Talle |
| Cox | Kunkel | Thomas, Tex. |
| Cunningham | Larcade | Towe |
| Curtis | Latham | Van Zandt |
| Dague | LeCompte | Velde |
| Davis, Ga. | LeFevre | Vorys |
| Davis, Wis. | Lemke | Vursell |
| D'Ewart | Lichtenwalter | Wadsworth |
| Dolliver | Lovre | Weichel |
| Dondero | Lucas | Werdel |
| Eaton | McConnell | Whitten |
| Elston | McCulloch | Whittington |
| Fallon | McDonough | Wickersham |
| Fellows | McGregor | Wigglesworth |
| Fenton | McMillan, S. C. | Williams |
| Fisher | Mack, Wash. | Wilson, Ind. |
| Ford | Macy | Wilson, Tex. |
| Gamble | Martin, Iowa | Winstead |
| Gary | Martin, Mass. | Wolcott |
| Gathings | Mason | Wood |
| Gavin | Merrow | Woodruff |
| Gillette | Meyer | |
| Golden | Miller, Md. | |

NAYS—241

| | | |
|---|---|---|
| Addonizio | Bates, Ky. | Boggs, La. |
| Albert | Battle | Bolling |
| Allen, La. | Beckworth | Bolton, Ohio |
| Aspinall | Bennett, Fla. | Bonner |
| Bailey | Bentsen | Bosone |
| Barden | Biemiller | Breen |
| Baring | Bland | Brooks |
| Barrett, Pa. | Blatnik | Brown, Ga. |
| Buchanan | Hays, Ohio | O'Toole |
| Buckley, Ill. | Hébert | Pace |
| Buckley, N. Y. | Hedrick | Passman |
| Burdick | Heffernan | Patman |
| Burke | Heller | Patten |
| Burnside | Heselton | Perkins |
| Burton | Hoffman, Ill. | Pfeiffer, William L. |
| Byrne, N. Y. | Holifield | |
| Camp | Holmes | Philbin |
| Canfield | Howell | Phillips, Tenn. |
| Cannon | Huber | Poage |
| Carlyle | Hull | Polk |
| Carnahan | Irving | Powell |
| Carroll | Jackson, Wash. | Preston |
| Case, N. J. | Jacobs | Price |
| Cavalcante | Javits | Priest |
| Celler | Jonas | Quinn |
| Chesney | Jones, Ala. | Rabaut |
| Christopher | Jones, Mo. | Rains |
| Chudoff | Jones, N. C. | Ramsay |
| Clemente | Karst | Redden |
| Combs | Karsten | Regan |
| Cooley | Kean | Rhodes |
| Cooper | Keating | Ribicoff |
| Crawford | Kelley | Richards |
| Crook | Kennedy | Riehlman |
| Crosser | Keogh | Rivers |
| Davenport | Kerr | Rodino |
| Davies, N. Y. | King | Rogers, Fla. |
| Davis, Tenn. | Kirwan | Roosevelt |
| Dawson | Klein | Sabath |
| Deane | Lane | Sadowski |
| DeGraffenried | Lanham | Sasscer |
| Delaney | Lesinski | Scott, Hardie |
| Denton | Lind | Secrest |
| Dingell | Linehan | Sheppard |
| Dollinger | Lodge | Sikes |
| Donohue | Lyle | Sims |
| Doughton | Lynch | Smathers |
| Douglas | McCarthy | Smith, Ohio |
| Doyle | McCormack | Spence |
| Durham | McGrath | Steed |
| Eberharter | McGuire | Stigler |
| Elliott | McKinnon | Stockman |
| Ellsworth | McSweeney | Sullivan |
| Engel, Mich. | Mack, Ill. | Sutton |
| Engle, Calif. | Madden | Tauriello |
| Evins | Magee | Taylor |
| Feighan | Mahon | Thompson |
| Fernandez | Mansfield | Thornberry |
| Flood | Marcantonio | Tollefson |
| Fogarty | Marsalis | Trimble |
| Forand | Marshall | Underwood |
| Frazier | Michener | Vinson |
| Fugate | Miles | Wagner |
| Fulton | Miller, Calif. | Walsh |
| Furcolo | Mills | Walter |
| Garmatz | Mitchell | Welch, Calif. |
| Gordon | Monroney | Welch, Mo. |
| Gore | Morgan | Wheeler |
| Gorski, Ill. | Morris | White, Calif. |
| Gorski, N. Y. | Moulder | White, Idaho |
| Granahan | Multer | Wier |
| Granger | Murdock | Willis |
| Grant | Murphy | Wilson, Okla. |
| Green | Noland | Withrow |
| Gregory | Norton | Wolverton |
| Hand | O'Brien, Ill. | Woodhouse |
| Hardy | O'Brien, Mich. | Worley |
| Harris | O'Hara, Ill. | Yates |
| Hart | O'Konski | Young |
| Havenner | O'Neill | Zablocki |
| Hays, Ark. | O'Sullivan | |

ANSWERED "PRESENT"—2

Abbitt Morton

NOT VOTING—19

| | | |
|---|---|---|
| Boykin | McMillen, Ill. | St. George |
| Bulwinkle | Morrison | Staggers |
| Chatham | Peterson | Taber |
| Gilmer | Pfeifer, Joseph L. | Teague |
| Kearns | | Thomas, N. J. |
| Kee | Plumley | Whitaker |
| Kilday | Rooney | |

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Kilday for, with Mr. Rooney against.

Mr. McMillen of Illinois for, with Mrs. St. George against.

Mr. Plumley for, with Mr. Gilmer against.

Mr. Taber for, with Mr. Staggers against.

Mr. Thomas of New Jersey for, with Mr. Morton against.

Additional general pair:

Mr. Morrison with Mr. Kearns.

Mr. LARCADE changed his vote from "nay" to "yea."

Mr. WOLVERTON changed his vote from "yea" to "nay."

Mr. MORTON. Mr. Speaker, I voted "nay." I have a live pair with the gentleman from New Jersey, Mr. THOMAS. Were he present he would have voted "yea." I therefore withdraw my vote and request that I be recorded as "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the passage of the bill.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 227, nays 186, answered "present" 1, not voting 18, as follows:

[Roll No. 120]

YEAS—227

| | | |
|---|---|---|
| Addonizio | Forand | Marshall |
| Albert | Ford | Miles |
| Allen, La. | Frazier | Miller, Calif. |
| Angell | Fugate | Mills |
| Aspinall | Fulton | Mitchell |
| Bailey | Furcolo | Monroney |
| Baring | Garmatz | Morgan |
| Barrett, Pa. | Gordon | Morris |
| Bates, Ky. | Gore | Morton |
| Battle | Gorski, Ill. | Moulder |
| Beckworth | Gorski, N. Y. | Multer |
| Bennett, Fla. | Granahan | Murdock |
| Bentsen | Granger | Murphy |
| Biemiller | Grant | Noland |
| Bland | Green | Norton |
| Blatnik | Gregory | O'Brien, Ill. |
| Boggs, La. | Hand | O'Brien, Mich. |
| Bolling | Hardy | O'Hara, Ill. |
| Bolton, Ohio | Hart | O'Konski |
| Bonner | Havenner | O'Neill |
| Bosone | Hays, Ark. | O'Sullivan |
| Breen | Hays, Ohio | O'Toole |
| Brooks | Hébert | Pace |
| Brown, Ga. | Hedrick | Patman |
| Buchanan | Heffernan | Perkins |
| Buckley, Ill. | Heller | Pfeiffer, William L. |
| Buckley, N. Y. | Heselton | |
| Burdick | Hoffman, Ill. | Philbin |
| Burke | Holifield | Phillips, Tenn. |
| Burnside | Holmes | Polk |
| Byrne, N. Y. | Howell | Powell |
| Camp | Huber | Preston |
| Canfield | Hull | Price |
| Carlyle | Irving | Priest |
| Carnahan | Jackson, Wash. | Quinn |
| Carroll | Jacobs | Rabaut |
| Case, N. J. | Javits | Rains |
| Cavalcante | Jonas | Ramsay |
| Celler | Jones, Ala. | Redden |
| Chesney | Jones, Mo. | Rhodes |
| Christopher | Judd | Ribicoff |
| Chudoff | Karst | Richards |
| Clemente | Karsten | Riehlman |
| Combs | Kean | Rivers |
| Cooley | Keating | Rodino |
| Cooper | Kelley | Rogers, Fla. |
| Corbett | Kennedy | Roosevelt |
| Coudert | Keogh | Sabath |
| Crook | Kerr | Sadlak |
| Crosser | King | Sadowski |
| Davenport | Kirwan | Sasscer |
| Davies, N. Y. | Klein | Scott, Hardie |
| Davis, Tenn. | Lane | Secrest |
| Dawson | Lanham | Sheppard |
| Deane | Lesinski | Sims |
| DeGraffenried | Lind | Smathers |
| Delaney | Linehan | Spence |
| Denton | Lodge | Steed |
| Dingell | Lyle | Stigler |
| Dollinger | Lynch | Sullivan |
| Donohue | McCarthy | Sutton |
| Douglas | McCormack | Tauriello |
| Doyle | McGrath | Taylor |
| Eberharter | McGuire | Thompson |
| Elliott | McKinnon | Thornberry |
| Engel, Mich. | McSweeney | Tollefson |
| Engle, Calif. | Mack, Ill. | Trimble |
| Evins | Madden | Underwood |
| Feighan | Magee | Van Zandt |
| Fernandez | Mansfield | Vinson |
| Flood | Marcantonio | Wagner |
| Fogarty | Marsalis | Walsh |

| | | |
|---|---|---|
| Walter | Wier | Woodhouse |
| Welch, Calif. | Wilson, Okla. | Yates |
| Welch, Mo. | Withrow | Young |
| White, Calif. | Wolverton | Zablocki |

NAYS—186

| | | |
|---|---|---|
| Abbitt | Graham | Nicholson |
| Abernethy | Gross | Nixon |
| Allen, Calif. | Gwinn | Norblad |
| Allen, Ill. | Hagen | Norrell |
| Andersen, H. Carl | Hale | O'Hara, Minn. |
| Anderson, Calif. | Hall, Edwin Arthur | Patten |
| Andresen, August H. | Hall, Leonard W. | Patterson |
| Andrews | Halleck | Phillips, Calif. |
| Arends | Harden | Pickett |
| Auchincloss | Hare | Poage |
| Barden | Harris | Potter |
| Barrett, Wyo. | Harrison | Poulson |
| Bates, Mass. | Harvey | Rankin |
| Beall | Herlong | Reed, Ill. |
| Bennett, Mich. | Herter | Reed, N. Y. |
| Bishop | Hill | Rees |
| Blackney | Hinshaw | Regan |
| Boggs, Del. | Hobbs | Rich |
| Bolton, Md. | Hoeven | Rogers, Mass. |
| Bramblett | Hoffman, Mich. | Sanborn |
| Brehm | Hope | Scott, Hugh D., Jr. |
| Brown, Ohio | Horan | Scrivner |
| Bryson | Jackson, Calif. | Scudder |
| Burleson | James | Shafer |
| Burton | Jenison | Short |
| Byrnes, Wis. | Jenkins | Sikes |
| Case, S. Dak. | Jennings | Simpson, Ill. |
| Chelf | Jensen | Simpson, Pa. |
| Chiperfield | Johnson | Smith, Kans. |
| Church | Jones, N. C. | Smith, Ohio |
| Clevenger | Kearney | Smith, Va. |
| Cole, Kans. | Keefe | Smith, Wis. |
| Cole, N. Y. | Kilburn | Stanley |
| Colmer | Kruse | Stefan |
| Cotton | Kunkel | Stockman |
| Cox | Larcade | Tackett |
| Crawford | Latham | Talle |
| Cunningham | LeCompte | Teague |
| Curtis | LeFevre | Thomas, Tex. |
| Dague | Lemke | Towe |
| Davis, Ga. | Lichtenwalter | Velde |
| Davis, Wis. | Lovre | Vorys |
| D'Ewart | Lucas | Vursell |
| Dolliver | McConnell | Wadsworth |
| Dondero | McCulloch | Weichel |
| Doughton | McDonough | Werdel |
| Durham | McGregor | Wheeler |
| Eaton | McMillan, S. C. | White, Idaho |
| Ellsworth | Mack, Wash. | Whitten |
| Elston | Macy | Whittington |
| Fallon | Mahon | Wickersham |
| Fellows | Martin, Iowa | Wigglesworth |
| Fenton | Martin, Mass. | Williams |
| Fisher | Mason | Willis |
| Gamble | Merrow | Wilson, Ind. |
| Gary | Meyer | Wilson, Tex. |
| Gathings | Michener | Winstead |
| Gavin | Miller, Md. | Wolcott |
| Gillette | Miller, Nebr. | Wood |
| Golden | Murray, Tenn. | Woodruff |
| Goodwin | Murray, Wis. | Worley |
| Gossett | Nelson | |

ANSWERED "PRESENT"—1

Cannon

NOT VOTING—18

| | | |
|---|---|---|
| Boykin | McMillen, Ill. | St. George |
| Bulwinkle | Morrison | Staggers |
| Chatham | Peterson | Taber |
| Gilmer | Pfeifer, Joseph L. | Thomas, N. J. |
| Kearns | Plumley | Whitaker |
| Kee | Rooney | |
| Kilday | | |

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rooney for, with Mr. Kilday against.

Mr. Cannon for, with Mr. Taber against.

Mrs. St. George for, with Mr. McMillen of Illinois against.

Mr. Joseph L. Pfeifer for, with Mr. Plumley against.

Mr. Morrison for, with Mr. Thomas of New Jersey against.

Additional general pair until further notice:

Mr. Gilmer with Mr. Kearns.

Mr. CANNON. Mr. Speaker, I have a live pair with the gentleman from New York, Mr. TABER. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CORRECTIONS OF TITLES AND SECTION NUMBERS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Clerk be directed to correct the titles and section numbers in conformity with the action of the House.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the Senate bill as follows:

*Be it enacted, etc.*, That this act may be cited as the "Housing Act of 1949."

DECLARATION OF NATIONAL HOUSING POLICY

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) Private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated, residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Housing and Home Finance Agency and its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this act and in such manner as will facilitate sustained progress in attaining the national-housing objective hereby established, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

LOCAL RESPONSIBILITIES

SEC. 101. In extending financial assistance under this title, the Administrator shall—

(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations; and

(b) encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

LOANS

SEC. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the redevelopment of project areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale

and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, 40 years from the date of the bonds evidencing such loans), as may be deemed advisable by the Administrator.

(b) In connection with any project on land which is open or predominantly open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of land in the project area. Such temporary loans shall be in such amounts not exceeding the expenditures to be made for such purpose, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding 10 years from the date of the obligations evidencing such loans), as may be deemed advisable by the Administrator.

(c) Loans made pursuant to subsection (a) or (b) hereof may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and, in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

(d) The Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such advances of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.

(e) To obtain funds for loans under this title, the Administrator, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $25,000,000, which limit on such outstanding amount shall be increased by $?25,000,000 on July 1, 1950, and by further amounts of $250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed $1,000,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than $250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

(f) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(g) Obligations, including interest thereon, issued by local public agencies for projects assisted pursuant to this title, and income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

CAPITAL GRANTS

SEC. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans: *Provided*, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open unplatted urban or suburban land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

(b) The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, aggregating not to exceed $100,000,000, which limit shall be increased by further amounts of $100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed $500,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than $100,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest. The faith of the United States is solemnly pledged to the payment of all capital grants contracted for under this title, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

REQUIREMENTS FOR LOCAL GRANTS-IN-AID

SEC. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 110 (f) of land in such projects).

LOCAL DETERMINATIONS

SEC. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

(a) The redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (ii) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (iii) the redevelopment plan conforms to a general plan for the development of the locality as a whole;

(b) When land acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin the building of their improvements on such land within a reasonable time; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title:

(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment: *Provided*, That in view of the existing acute housing shortage, each such contract entered into prior to July 1, 1951, shall further provide that there shall be no demolition of residential structures in connection with the project assisted under the contract prior to July 1, 1951, if the local governing body determines that the demolition thereof would reasonably be expected to create undue housing hardship in the locality.

(d) No land for any project to be assisted under this title shall be acquired by the local public agency except after public hearing following notice of the date, time, place, and purpose of such hearing published not less than 10 nor more than 20 days prior to the date of such hearing.

GENERAL PROVISIONS

SEC. 106. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, shall—

(1) appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency;

(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of advances of funds, loans, or capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

(4) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for capital grants pursuant to section 103 hereof), and all funds available for carrying out the functions of the Administrator under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

(1) sue and be sued;

(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(3) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(5) obtain insurance against loss in connection with property and other assets held;

(6) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

(d) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed $1,000.

(e) Not more than 10 percent of the funds provided for in this title, either in the form of loans or grants, shall be expended in any one State.

PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan shall be made therefor by the public-housing agency undertaking the housing project, and such amount shall be included as part of the development cost of the low-rent housing project.

SURPLUS FEDERAL REAL PROPERTY

SEC. 108. The President may at any time in his discretion, transfer, or cause to be transferred, to the Administrator any right, title, or interest held by the Federal Government or any department or agency thereof in any land (including buildings thereon) which is surplus to the needs of the Government and which a local public agency certifies will be within the area of a project being planned by it. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its fair market value, and the proceeds from such sale shall be covered into the Treasury as miscellaneous receipts.

PROTECTION OF LABOR STANDARDS

SEC. 109. In order to protect labor standards—

(a) Any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the wages or fees prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, technicians, laborers, and mechanics employed in the development of the project involved; and the Administrator may require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract;

(b) The provisions of title 18, U. S. C., section 874, and of title 40, U. S. C., section 276c, shall apply to any project financed in whole or in part with funds made available pusuant to this title;

(c) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total manhours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

DEFINITIONS

SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

(a) "Redevelopment area" means an area which is appropriate for development or redevelopment and within which a project area is located.

(b) "Redevelopment plan" means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: *Provided*, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

(c) "Project" may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) platted urban or suburban land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open unplatted urban or suburban land necessary for sound community growth which is to be developed for predominantly residential uses (in which even the project thereon, as provided in the proviso of section 103 (a) hereof, shall not be eligible for any capital grant); (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term "project" shall not include the construction of any of the buildings contemplated by the redevelopment plan, and the term "redevelopment" and derivatives thereof shall mean develop as well as redevelop. For any of the purposes of section 109 hereof, the term "project" shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 110 (d) hereof.

(d) "Local grants-in-aid" shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided*,

That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct and substantial benefit both to the project and to other areas, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for such project, there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.

(e) "Gross project cost" shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

(f) "Net project cost" shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

(g) "Going Federal rate" means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

(h) "Local public agency" means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. "State" includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

(i) "Administrator" means the Housing and Home Finance Administrator.

TITLE II—LOW-RENT PUBLIC HOUSING

LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES

SEC. 201. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"(a) the Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

"(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this act:

"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than 5 years after March 1, 1949;

"(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this act) give preference to families having the most urgent housing needs, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project."

VETERANS' PREFERENCES

SEC. 202. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this act for annual contributions for any low-rent housing project shall require that the public-housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project, or which were so displaced within 3 years prior to making application to such public-housing agency for admission to any low-rent housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service connected, and, second, preference shall be given to families of other veterans and servicemen (including families of deceased veterans or servicemen);

"Second, to families of other veterans and servicemen (including families of deceased veterans or servicemen) and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service connected."

(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and at any time on or after April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947."

COST LIMITS

SEC. 203. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) No contract for any loan, annual contribution, or capital grant made pursuant to this act shall be entered into by the Authority with respect to any low-rent housing project completed after January 1, 1948, having a cost for construction and equipment of more than $1,750 per room (excluding land, demolition, and nondwelling facilities); except that in the case of Alaska any such contract may be entered into with respect to a project having a cost for construction and equipment of not to exceed $2,500 per room (excluding land, demolition, and nondwelling facilities): *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than $750 per room the limitations that would otherwise be applicable to such project hereunder. The Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner that such projects will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every contract for financial assistance entered into with respect to any

low-rent housing project initiated after March 1, 1949, shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."

PRIVATE FINANCING

SEC. 204. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:

"(f) Payments under annual contributions contracts shall be pledged as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate.";

(b) The following is added after section 21:

"PRIVATE FINANCING

"SEC. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

"(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—

"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

"(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

"(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this act and notwithstanding any other provisions of law) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding 12 months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided,* That such annual contributions shall not be in excess of the maximum sum determined pursuant to the first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c); and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract.";

(c) In the fourth sentence of section 9 the words "going Federal rate at the time the loan is made," are deleted, in the first proviso of subsection 10 (b) the words "going Federal rate of interest at the time such contract is made" are deleted, and in lieu thereof in each case there are substituted the words "applicable going Federal rate"; and subsection 2 (10) is amended to read as follows:

"(10) The term 'going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided,* That for the purposes of this act, the going Federal rate shall be deemed to be not less than 2½ percent.";

(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: *"Provided,* That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this act, loans shall not be made for a period exceeding 40 years from the date of the bonds evidencing the loan: *And provided further,* That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding 40 years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.";

(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: *"Provided,* That, in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding 40 years from the date the first annual contribution for the project is paid: *And provided further,* That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 percent of development or acquisition cost.";

(f) The first sentence of subsection 10 (c) is amended to read as follows: "Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.";

(g) Section 14 is amended by inserting the following after the first sentence: "When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided,* That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.";

(h) Section 20 is amended to read as follows:

"SEC. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed $1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.";

(i) Subsection 2 (5) is amended to read as follows:

"(5) The term 'development' means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term 'development cost' shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings."; and

(j) The following additional subsection is added to section 15:

"(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may

cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project."

ANNUAL CONTRIBUTIONS

SEC. 205. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By inserting the following after the first sentence of subsection (e) of section 10: "With respect to projects assisted pursuant to this act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than $85,000,000 per annum, which limit shall be increased by further amounts of $55,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by $58,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than $308,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than $55,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 percent of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of 3 years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed 135,000 dwelling units after July 1, 1949, which limit shall be increased by further amounts of 135,000 dwelling units on July 1 in each of the years 1950 through and including 1954, respectively: *Provided*, That (subject to the authorization of not to exceed 810,000 dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than 65,000 dwelling units, or may be decreased at any time or times by amounts aggregating not more than 85,000 dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the commencement of construction of more than 810,000 dwelling units without further authorization from the Congress."; and

(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

"(h) Every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 percent of the annual shelter rents charged in such project: *Provided*, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption and the authorization of payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 percent of the annual contributions paid by the Authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the Authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contribution dates occurred during the 2-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 percent of the shelter rents charged in such projects for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contribution dates occur on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amounts specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947."

SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

SEC. 206. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: "The dwellings in low-rent housing as defined in this act shall be available solely for families whose net annual income at the time of admission, less an exemption of $100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) $100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

TECHNICAL AMENDMENTS

SEC. 207. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By deleting from section 1 the words "rural or urban communities" and by substituting therefor the words "urban and rural nonfarm areas";

(b) (1) By adding at the end of subsection 2 (11) the following new sentence: "The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency."; and

(2) By adding the following new subsection to section 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.";

(c) By adding to section 6 the following new subsection:

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said act made by the Housing Act of 1949 or by any other law thereafter enacted.";

(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word *"Provided"* to a period;

(e) By amending the second sentence of subsection 13 (a) to read as follows: "The Authority may bid for and purchase at any foreclosure by any party or at any other sale or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this act governing their administration and disposition.";

(f) By amending subsection 16 (2) by inserting after the words "contain a provision requiring that" the words "not less than";

(g) By amending subsection 21 (d) to read as follows:

"(d) Not more than 10 percent of the total annual amount of $336,000,000 provided in this act for annual contributions, nor more than 10 percent of the amounts provided for in this act for grants, shall be expended within any one State."; and

(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

TITLE III—HOUSING RESEARCH

SEC. 301. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

"SEC. 301. The Housing and Home Finance Administrator shall—

"(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of homebuilding materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and

methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Administrator for technical research and studies authorized by this subsection for work to continue not more than 4 years from the date of any such contract. Notwithstanding the provisions of section 5 of the act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than 5 fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321n, the results of such research and studies in such forms as may be most useful to industry and to the general public.

"(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

"(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans.

"SEC. 302. In carrying out research and studies under this title, the Administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the Administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

"SEC. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

"SEC. 304. The Administrator shall appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency."

## TITLE IV—FARM HOUSING

### FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

SEC. 401. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

(b) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of $400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or share cropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

### LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 402. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 401 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed 33 years from the making of the loan with interest at a rate not to exceed 4 percent per annum on the unpaid balance of principal.

(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

### LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 403. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed 10 years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed 10 years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 402. In addition, the Secretary may agree with the borrower to make annual contribution during the said 10-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 percent of the principal payments accruing during any installment year up to and including the tenth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

### OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

SEC. 404. In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 402 and 403 and that repairs or improvements should be made to a farm dwelling

occupied by him, or his tenants, lessees, sharecroppers, or laborers, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or impovements. No assistance shall be extended to any one individual under the provisions of this section in the form of a loan or grant or combination thereof in excess of $1,000 for any one farm or dwelling or building owned by such individual, or in excess of $2,000 in the aggregate to any one such individual, and the grant portion with respect to any one farm or dwelling or building shall not exceed $500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary. In the case of such loan or grant with respect to a farm not occupied by the owner of the land, the Secretary may, as a condition precedent to the grant, require that the landowner enter into such stipulations and agreements with the Secretary and the occupants of the farm as will make it possible for the occupant to obtain the full benefits of the grant.

MORATORIUM ON PAYMENTS UNDER LOANS

SEC. 405. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstancies, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

TECHNICAL SERVICES AND RESEARCH

SEC. 406. (a) In connection with financial assistance authorized in sections 401 to 404, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 401 to 404, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such Executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

SEC. 407. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

LOCAL COMMITTEES TO ASSIST SECRETARY

SEC. 408. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of $5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

GENERAL POWERS OF SECRETARY

SEC. 409. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

ADMINISTRATIVE PROVISIONS

SEC. 410. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than $300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 402 to 405, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure

a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the act approved December 20, 1944, entitled "An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (58 Stat. 836), as such act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

LOAN FUNDS

SEC. 411. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title not in excess of $25,000,000 on and after July 1, 1949, an additional $50,000,000 on and after July 1, 1950, an additional $75,000,000 on and after July 1, 1951, and an additional $100,000,000, on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and demoninations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

CONTRIBUTIONS

SEC. 412. In connection with loans made pursuant to section 403, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed $500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional contributions aggregating not more than $1,000,000, $1,500,000, and $2,000,000 per annum, respectively.

SEC. 413. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 411 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 403, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional $2,000,000 for grants pursuant to section 404 on and after July 1, 1949, which amount shall be increased by further amounts of $5,000,000, $8,000,000, and $10,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

TITLE V—MISCELLANEOUS PROVISIONS

ADVISORY COMMITTEES

SEC. 501. The Housing and Home Finance Administrator may appoint such advisory committee or committees as he may deem necessary in carrying out his functions, powers, and duties, under this or any other act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18 United States Code.

AMENDMENTS OF NATIONAL BANKING ACT

SEC. 502. (a) The last sentence of paragraph 7 of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words "obligations of national mortgage associations", a comma and the following: "or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the convenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations."

(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

"(11) Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than eighteen months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which moneys under the terms of said agreement are required to be used for that purpose."

NATIONAL HOUSING COUNCIL

SEC. 503. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

SEC. 504. (a) The second proviso in the paragraph under the heading "Federal Public Housing Authority" in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

(b) The second proviso in the paragraph under the heading "Public Housing Administration" in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

(c) The first proviso in the paragraph under the subheading "Public Housing Administration" in title II of the Government Corporations Appropriation Act, 1949, is hereby repealed.

DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

SEC. 505. The Housing and Home Finance Administrator shall appoint a Deputy Housing and Home Finance Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Deputy Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

SEC. 506. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the public housing agency operating the project in the State makes appli-

cation to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided,* That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948 is hereby repealed.

CENSUS OF HOUSING

SEC. 507. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the number, characteristics (including utilities and equipment), and geographical distribution of dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

(b) All of the provisions, including penalties, of the act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

NATIONAL CAPITAL HOUSING AUTHORITY

SEC. 508. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites for low-rent public housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

ACT CONTROLLING

SEC. 508. Insofar as the provisions of any other law are inconsistent with the provisions of this act, the provisions of this act shall be controlling.

SEPARABILITY

SEC. 509. Except as may be otherwise expressly provided in this act, all powers and authorities conferred by this act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

Mr. SPENCE. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Strike out all after the enacting clause and insert the provisions of the bill H. R. 4009, as amended.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings whereby the bill H. R. 4009 was passed were vacated and that bill laid upon the table.

GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 3088. An act to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes; and

H. R. 3549. An act to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund.

The message also announced that the Senate had adopted the following resolution (S. Res. 130):

*Resolved,* That when the Senate recesses or adjourns on Friday, July 1, 1949, it be until Tuesday, July 5, 1949; and that on said day, and until otherwise ordered, it meet in the old Supreme Court room in the Capitol.

*Resolved,* That all rules relating to the Senate Chamber shall be applicable to the old Supreme Court room.

*Resolved,* That the Secretary communicate these resolutions to the President of the United States and to the House of Representatives.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5044. An act to continue for a temporary period certain powers, authority, and discretion in respect to tin and tin products conferred upon the President by the Second Decontrol Act of 1947, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4754) entitled "An act to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes."

TREASURY AND POST OFFICE DEPARTMENT APPROPRIATIONS AND FUNDS FOR EXPORT-IMPORT BANK AND RECONSTRUCTION FINANCE CORPORATION, 1950

Mr. GARY submitted the following conference report and statement on the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 948)

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 3083) "making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation, for the fiscal year ending June 30, 1950, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 5 and 7 and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$226,300,000"; and the Senate agree to the same.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
CLARENCE CANNON,
*Managers on the Part of the House.*

BURNET R. MAYBANK,
CARL HAYDEN,
H. M. KILGORE,
JOHN L. MCCLELLAN,
OLIN D. JOHNSTON,
GUY CORDON,
CLYDE M. REED,
STYLES BRIDGES,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, submit the following report in explanation of the conference report as to each of such amendments, namely:

Amendment No. 5, relating to salaries and expenses of the Bureau of Internal Revenue: Deletes the limitation on personal services as proposed by the Senate.

Amendment No. 6, appropriates $226,300,000 for salaries and expenses of the Bureau of Internal Revenue.

It is the direction of the conference committee that the Bureau of Internal Revenue shall increase its field enforcement groups by not more than 4,250 employees at the end of the fiscal year 1950.

Amendment No. 7: Provides a limitation on personal services for the Bureau of Internal Revenue in the District of Columbia of not to exceed $17,509,000, as proposed by the Senate.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
CLARENCE CANNON,
*Managers on the Part of the House.*

Mr. GARY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation, for the fiscal year ending June 30, 1950, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on agreeing to the conference report.

Mr. GARY. Mr. Speaker, this report covers three amendments which are still in disagreement between the House and the Senate.

If you will recall, the House and the Senate recently adopted a conference report agreeing to all amendments except these three. The main question at issue in these amendments was the number of additional employees that would be placed on the rolls of the Bureau of Internal Revenue for the fiscal year 1950. The budget requested 7,000 employees for the next fiscal year. The House allowed 1,500. The Senate approved the entire 7,000. In this report we have split the difference between the Senate and the House, and the conferees recommend 4,250.

The total appropriations allowed in the House bill for this purpose was $220,500,000. The Senate bill increased this amount to $232,768,000. The conference report allows $226,300,000, which is $5,800,000 above the House bill and $6,468,000 below the Senate bill.

The grand total of appropriations in the Treasury-Post Office bill, as now agreed upon, is $3,090,528,903.93, of which $2,054,210,500 is for the Post Office Department and $1,036,318,403.93 is for the Treasury Department's operations.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield to me?

Mr. GARY. I shall be very glad to yield to the distinguished gentleman from New Jersey, the ranking minority member of the committee.

Mr. CANFIELD. Mr. Speaker, I did not sign the conference report nor did my colleague the gentleman from New York [Mr. COUDERT].

It is interesting to note the almost feverish efforts in both bodies to get Members signed up to support a resolution requiring the President to cut all appropriation bills 5 percent or more in order to avoid deficit financing or new tax bills. I believe 61 in the other body are already on record.

We are asking the President to do a job we should have done and it is going to be a troublesome precedent although at the moment there seems to be no other way out.

Here now, in this agreement, we permit the hiring of thousands of additional Federal workers, most of them to go on the rolls in 1950.

I know that my distinguished and able chairman, Mr. GARY, is sincerely interested in real economy and he fought the Senate conferees. He was accorded little help from his side.

While the Bureau of Internal Revenue can profitably use some additional men after reorienting itself and making improvements at headquarters and in the field, the case for the number herein granted has not been established.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. PHILLIPS of California. As one member of the Committee on Appropriations, which felt when this bill went over that 1,500 people was adequate, I would like something more than just the statement that "We split the difference with the Senate." I would like some justification for the fact that we are adding half of the 5,500—2,250— people on nothing but just a split with the Senate, because I believe the gentleman from New Jersey is absolutely right.

A few moments ago I was asked to sign a resolution asking the President to do our work for us, to cut all the appropriations 5 percent; and I refused, Mr. Speaker, to sign that resolution. Here we come in a few moments later, however, and say we will put on 4,250 men for no reason other than that we just split with the Senate. I would like an explanation.

Mr. CANFIELD. Let me say to the gentleman from California and in all fairness to the chairman of the subcommittee, the gentleman from Virginia [Mr. GARY] that they took a vote in the other body, and the vote was 75 to nothing for 7,000 additional employees.

Mr. PHILLIPS of California. I guess that is the explanation.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. CASE of South Dakota. I wish to commend the gentleman from New Jersey for not signing this report, and also for calling attention to the fact that this device of passing the buck to the President to make reductions is bad practice and should be resorted to only as a last resort.

The Congress has long prided itself upon the fact that it had the control of the purse, and the House of Representatives has long prided itself on the fact that appropriations originated in the House of Representatives.

If another body of Congress refuses, when these bills go before it, to do the job of economizing that it should do and raises the bills the House has cut and then asks the executive branch of the Government to take over the job of reducing or curtailing appropriations, the public should be made to know to what extent Members of the House, at least, have tried to do their duty. We should continue to fight for the reductions we have made and accept the executive procedure only as a matter of last resort.

I hope that the members of the Appropriations Subcommittees of the House will follow the injunction given us not so long ago that we fight until snow comes if necessary to maintain the position of the House in effecting reductions in these bills.

Mr. GARY. Mr. Speaker, may I say that about 2 years ago we cut the appropriations of the Bureau of Internal Revenue something over 5,000 employees. At that time I opposed the cut. We recognized the mistake last year and we restored approximately 2,000 of those employees; to be exact, I think it was 1,950.

This year the Bureau asked for 7,000 additional employees. Frankly, I thought the figure was too high. I thought, moreover, that even though the Bureau needed 7,000 additional employees that they would not be able to recruit and train 7,000 good men within a 12 months' period. There was, however, a difference of opinion on the question on the floor of the House, and the Members will recall that when we brought back our conference report there were several Members of the House who urged additional employees over and above the number that the House had allowed. When the conference report was considered in the Senate that body was absolutely unanimous in insisting upon the number of 7,000, which it had previously approved. Under those conditions we went into another conference. We have been in conference for about 2 weeks. Finally, after a great deal of discussion and consideration we were able to agree upon 4,250. But let me say that these 4,250 employees will not all be put on at one time; they will be put on at different times during the year so that greater selectivity may be used in their selection and so that they can be better trained. As a matter of fact, if we consider appropriations, the appropriation figures as presented now are $5,800,000 above the House bill and $6,468,000 below the Senate bill. So we did get better than a 50–50 cut on the actual appropriations for next year. But as to the number of employees on the roll at the end of the year we did actually split the difference.

Although I felt that probably a lesser number would have been sufficient, frankly, I think it is a good compromise and I recommend the conference report.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

### TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1950

Mr. CANNON. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 284.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the joint resolution be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the joint resolution, as follows:

*Resolved, etc.*, That (a) there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such amounts as may be necessary to permit departments, agencies, corporations, or other organizational units in any branch of the Government for which appropriations, funds, or other authority (including limitations, restrictions, or permissive provisions) would be made available for use or application in the fiscal year 1950 by any appropriation act (such act not being law on July 1, 1949), to carry out their projects or activities until the approval of the applicable appropriation act, to the extent and in the manner which would be provided for in appropriations, funds, or other authority granted by such act: *Provided*, That in any case where the amount to be made available or the authority to be granted under

any such act as passed by the House of Representatives is different from the amount to be made available or the authority to be granted under such act as passed by the Senate, the pertinent project or activity shall be carried out under whichever amount is lesser or whichever authority is more restrictive: *Provided further*, That in any case where an item is included in an appropriation act which has been passed by only one House, or where an item is included in only one version of an act passed by both Houses, for a project or activity for which funds were provided by Congress for the fiscal year 1949, such project or activity shall be carried on under the appropriation, funds, or authority granted by the one House, but in no event at a rate higher than that provided for the fiscal year 1949.

(b) There are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such amounts as may be necessary to permit departments, agencies, corporations, or other organizational units in any branch of the Government to carry out projects or activities for which funds were provided by Congress for the fiscal year 1949, and for which a budget estimate for the fiscal year 1950 was transmitted to the Congress prior to July 1, 1949, but for which no provision is contained in any bill pending in Congress on July 1, 1949, at the rate provided for under any corresponding appropriation for the fiscal year 1949 or the Budget estimate for 1950, whichever is smaller; except that in the case of activities (other than those of the Treasury Department) transferred to the General Services Administration by H. R. 4754 (81st Cong.) when enacted into law, there are hereby appropriated such amounts as may be necessary to carry out such activities to the extent and in the manner which would be provided for in Budget estimates transmitted to the Congress for the fiscal year 1950.

(c) Appropriations and funds made available, and authority granted, pursuant to this joint resolution shall be determined under the terms hereof by reference to the status of the pertinent appropriation acts and Budget estimates on July 1, 1949, and shall continue to be available in the amount and in the manner so determined until (1) enactment into law of the applicable appropriation act, or (2) the date both Houses shall have acted and failed to make an appropriation, or (3), July 31, 1949, whichever first occurs.

(d) Expenditures from appropriations or funds made available pursuant to this joint resolution shall be charged to any applicable appropriation or fund when the bill in which it is contained is enacted into law.

Mr. CANNON. Mr. Speaker, the fiscal year ends tomorrow night at midnight and unless a resolution is passed a great many pay rolls and 2,800,000 checks for veterans benefits will be held up until some indeterminate time in the future. So we bring in a continuing resolution, House Joint Resolution 284, which is couched in the usual phraseology.

Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I do not like this resolution and I am sorry it has to be brought in, but it seems to be inevitable under the circumstances. It is made inevitable by the fact that although the Eighty-first Congress has been in session for over 6 months now only seven of the appropriation bills have been sent to the President, seven more remaining to be acted upon.

In view of the fact that the fiscal year ends tomorrow night there is no other alternative than to adopt the pending resolution.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Under the resolution as reported, does it carry the amendment limiting it to July 31?

Mr. WIGGLESWORTH. Yes. An amendment was adopted in committee which limits the duration of the resolution until, first, enactment into law of the applicable appropriation act; or, second, the date both Houses shall have acted and failed to make an appropriation; or, third, July 31, 1949, whichever first occurs.

Mr. CANNON. Mr. Speaker, on the contrary, no amendment was adopted in the committee. The resolution is as considered by the committee.

Mr. WIGGLESWORTH. The resolution was revised and reintroduced.

Mr. CASE of South Dakota. Will the gentleman from Missouri advise us about the resolution before the House? Does it carry the date July 31, 1949?

Mr. CANNON. Certainly.

It is in the form in which it was introduced and reported out by the committee.

It might be added that on this date in the corresponding session of the Eightieth Congress 11 of the general appropriation bills had not been enacted and two of them had not even passed the House.

Mr. CASE of South Dakota. Does it carry the date July 31, 1949?

Mr. CANNON. It is in precisely the form in which it was introduced and considered in the committee.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from California.

Mr. PHILLIPS of California. We are considering House Joint Resolution 284?

Mr. CANNON. That is right. Consent was given for the consideration of the joint resolution and the Clerk read the title from the desk.

Mr. CHURCH. Mr. Speaker, this House Joint Resolution 284 is the "new look" and a "new bad look" in disgrace of the Eighty-first Congress so far as appropriation bills are concerned.

The report, to accompany House Joint Resolution 284, in part, says:

> Inasmuch as several appropriation bills are still pending legislative consideration, it is deemed necessary to recommend the enactment of the accompanying joint resolution in order that pay rolls and certain other Government obligations may be met promptly.

Mr. Speaker, instead of "several appropriation bills" the report should have stated something like this, "While exactly three-fourths of the number of appropriation bills are still pending legislative consideration, bills for practically all of the money measures in amount are still pending."

Mr. Speaker, only three appropriation bills have so far become law, and tomorrow, June 30, is the end of the fiscal year.

The three bills approved are:

The first and second deficiency, 1949, and legislative, 1950.

Among bills pending are:

Labor and Federal Security, 1950; Agriculture, 1950; and District of Columbia, 1950, through conference.

Treasury and Post Office, 1950; Civil Function, 1950; and State, Justice, and Commerce, 1950, still in conference.

Armed services, Independent Offices, and Interior have all three not even reached the conference status.

Mr. Speaker, there is the Eighty-first Congress calendarwise, economywise, and otherwise—a terrible comparison with the record of the last session.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASING COMPENSATION OF CERTAIN EMPLOYEES OF THE DISTRICT OF COLUMBIA

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3038), to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 24, after "enactment" insert: ", except that such additional compensation shall be paid a retired employee for services rendered between the first day of the first pay period which began after June 30, 1948, and the date of his retirement."

Page 4, line 9, strike out all after "act" down to and including "retirement" in line 12.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD immediately following those of the gentleman from Massachusetts [Mr. WIGGLESWORTH] on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD and include an article.

PROGRAM FOR REMAINDER OF THE WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I would like to inquire of the majority leader what the program for the remainder of the week will be.

Mr. McCORMACK. I will be very glad to inform the gentleman. The rural telephone bill will go over, and I intend to assign it for Thursday of next week. The Puerto Rican farm-loan bill will not be called up tomorrow, and that will go over until sometime later.

The two bills I have scheduled for tomorrow are H. R. 3191, compensation to United States employees, and H. R. 2619, which extends annual and sick leave benefits.

Mr. MARTIN of Massachusetts. What will be the program for Friday?

Mr. McCORMACK. Absolutely nothing for Friday, and that is so even if we do not dispose of these two bills I have scheduled for tomorrow. As I stated heretofore, we will finish the legislative business Thursday. We will meet on Friday only to adjourn until the following Tuesday. On Tuesday we will have legislation of a noncontroversial nature, and if there is to be a roll call, we have agreed that it will be put over until Wednesday morning.

Mr. MARTIN of Massachusetts. I thank the gentleman.

### EXTENSION OF REMARKS

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $187.50, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. BARDEN asked and was given permission to extend his remarks in the RECORD and include the wording of a bill passed by the subcommittee on education and an editorial appearing in the Durham Sun.

Mr. CROOK asked and was given permission to extend his remarks in the RECORD on the subject of Essence of Democracy and include a statement.

Mr. KENNEDY asked and was given permission to extend his remarks in the RECORD and include a joint statement.

Mr. CARNAHAN asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. BUCKLEY of New York asked and was given permission to extend his remarks in the RECORD.

Mr. GRANT asked and was given permission to extend his remarks in the RECORD and include two newspaper articles.

Mr. KLEIN (at the request of Mr. POWELL) was given permission to extend his remarks in the RECORD and include two items.

Mr. MARCANTONIO (at the request of Mr. POWELL) was given permission to extend his remarks in the RECORD.

Mr. BYRNE of New York asked and was given permission to extend his remarks in the RECORD and include an address by Paul E. Fitzpatrick.

### WORLD FEDERATION

Mr. HAYS of Arkansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the gentleman from Arkansas?

There was no objection.

Mr. HAYS of Arkansas. Mr. Speaker, I have been asked by a number of Members on this side of the aisle to add their names to the list of sponsors of the resolution which the gentleman from Minnesota [Mr. JUDD] and I have introduced.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Minnesota.

Mr. JUDD. I am glad to advise the gentleman that two additional Members from our side, the gentleman from Massachusetts [Mr. BATES] and the gentleman from Pennsylvania [Mr. CORBETT], have added their names.

Mr. HAYS of Arkansas. The additional sponsors are Messrs. DOYLE, FALLON, GORDON, HEFFERNAN, PETERSON, TACKETT, and HARRIS.

### EXTENSION OF REMARKS

Mr. MOULDER asked and was given permission to extend his remarks in the RECORD on the subject of Government reorganization.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and include an editorial and an article.

Mr. LEMKE (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. FULTON (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include a letter and a statement.

Mr. PHILLIPS of California asked and was given permission to extend his remarks in the RECORD and include a short letter.

### AUTOMOBILES FOR AMPUTEES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 30 seconds.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am very glad the resolution making appropriations available for the next month has been passed, because the amputees have been anxiously waiting for it, and the hospitals outside can now apply for the automobiles for amputees. When the third deficiency bill passes the Senate the amputees will have an entire year to apply for those automobiles.

### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ROONEY (at the request of Mr. HEFFERNAN), for an indefinite period, on account of death in family.

### ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4754. An act to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes; and

H. J. Res. 240. Joint resolution authorizing the erection in the District of Columbia of a statue of Simon Bolivar.

### BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill and joint resolution of the House of the following titles:

H. R. 3198. An act to amend the act of June 18, 1929; and

H. J. Res. 235. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

### ADJOURNMENT

Mr. MORRIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 37 minutes p. m.) the House adjourned until tomorrow, Thursday, June 30, 1949, at 12 o'clock noon.

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### EXECUTIVE COMMUNICATIONS, ETC.

730. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950 in the amount of $25,000,000 to continue for 2 months the present program of assistance to the Republic of Korea (H. Doc. No. 247), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

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### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 936. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 937. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. MARSHALL: Committee on Public Lands. H. R. 3282. A bill to repeal certain acts of Congress, known as Indian liquor laws, in certain parts of Minnesota; with an amendment (Rept. No. 938). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Public Lands. H. R. 4548. A bill to provide for the utilization as a national cemetery of surplus Army Department owned military real property at Fort Logan, Colo.; without amendment (Rept. No. 939). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON: Committee on Appropriations. House Joint Resolution 284. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes; without amendment (Rept. No. 940). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. S. 1076. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718b), as amended; with an amendment

(Rept. No. 946). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 1746. A bill to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes; with an amendment (Rept. No. 947). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARY: Committee of conference. H. R. 3083. A bill making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes (Rept. No. 948). Ordered to be printed.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H. R. 242. A bill to provide for the conferring of the degree of bachelor of science upon graduates of the United States Merchant Marine Academy; without amendment (Rept. No. 949). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H. R. 2572. A bill to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1946; without amendment (Rept. No. 950). Referred to the Committee of the Whole House on the State of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. S. 230. An act for the relief of Mrs. Sonia Kaye Johnston; without amendment (Rept. No. 941). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 980. An act for the relief of Toshie Okutomi; without amendment (Rept. No. 942). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1979. A bill for the relief of Soo Hoo Yet Tuck; with an amendment (Rept. No. 943). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 3768. A bill for the relief of Mrs. Justa G. Vda. de Guido, Belen de Guido, Mulia de Guido, and Oscar de Guido; with an amendment (Rept. No. 944). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 3816. A bill for the relief of Alexis Leger; without amendment, Rept. No. 945). Referred to the Committee of the Whole House.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H. R. 4829. A bill to authorize the President to appoint Paul A. Smith as representative of the United States to the Council of the International Civil Aviation Organization without affecting his status and perquisites as a commissioned officer of the Coast and Geodetic Survey; without amendment (Rept. No. 951). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENTSEN:

H. R. 5382. A bill to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities; to the Committee on Agriculture.

By Mr. CHUDOFF:

H. R. 5383. A bill to provide that no institution hereafter established shall be deemed qualified to furnish education or training to veterans until it has been in operation for 1 year; to the Committee on Veterans' Affairs.

By Mr. McDONOUGH:

H. R. 5384. A bill to provide for the holding of referendums among the citizens of the States to determine their wishes with respect to the establishment of valley authorities which would include their States; to the Committee on Public Works.

My Mr. MANSFIELD:

H. R. 5385. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. GAVIN:

H. R. 5386. A bill to impose upon lubricating oils sold in the United States by the manufacturer or producer a tax at the rate of 4½ cents a gallon, to be paid by the manufacturer or producer, and for other purposes; to the Committee on Ways and Means.

By Mr. WINSTEAD:

H. R. 5387. A bill to prohibit the Government from furnishing stamped envelopes containing any lithographing, engraving, or printing; to the Committee on Post Office and Civil Service.

By Mr. PATTERSON:

H. R. 5388. A bill to amend the National Service Life Insurance Act of 1940, as amended; to the Committee on Veterans' Affairs.

By Mr. YOUNG:

H. R. 5389. A bill to provide for the temporary free importation of articles for exhibition at fairs, shows, etc.; to the Committee on Ways and Means.

By Mrs. BOSONE:

H. R. 5390. A bill to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land; to the Committee on Public Lands.

By Mr. O'NEILL:

H. R. 5391. A bill to provide for a post-office building at Dickson City, Pa.; to the Committee on Public Works.

By Mr. PACE:

H. R. 5392. A bill to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. FULTON:

H. R. 5393. A bill to provide for research relating to child life and development; to disseminate information as to the practical application of such research by parents, professional persons, and others; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 5394. A bill to provide nonquota immigration status for certain adopted children of American citizens; to the Committee on the Judiciary.

H. R. 5395. A bill to encourage the prevention of stream pollution by allowing amounts paid for plants for the treatment of industrial waste as a deduction in computing net income; to the Committee on Ways and Means.

H. R. 5396. A bill to terminate the war tax rates on certain miscellaneous excise taxes, and for other purposes; to the Committee on Ways and Means.

H. R. 5397. A bill granting exemptions from income tax in the case of retirement pensions and annuities of Government employees; to the Committee on Ways and Means.

By Mr. REED of New York:

H. R. 5398. A bill to amend section 811 (c) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. CANNON:

H. J. Res. 284. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes; to the Committee on Appropriations.

By Mrs. NORTON:

H. J. Res. 285. Joint resolution to authorize the Reconstruction Finance Corporation to loan $2,000,000 to the National Capital Sesquicentennial Commission; to the Committee on Banking and Currency.

By Mr. MARTIN of Massachusetts:

H. J. Res. 286. Joint resolution to reduce expenditures in Government for the fiscal year 1950 consistent with the public interest; to the Committee on Expendtures in the Executive Departments.

By Mr. CHUDOFF:

H. Res. 272. Resolution creating a select committee to investigate and study private trade schools and private business schools and colleges at which veterans are enrolled under the Servicemen's Readjustment Act of 1944; to the Committee on Rules.

By Mr. GRANGER:

H. Res. 273. Resolution creating a select committee to investigate the tobacco and cigarette problem; to the Committee on Rules.

## MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alabama, memorializing the Congress of the United States to order its Judiciary Committee and Civil Rights Subcommittee to discontinue any investigation of or plans to investigate the recent acts of violence by hooded men in Alabama; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of California, relative to completion of the Four States Highway; to the Committee on Armed Services.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHUDOFF:

H. R. 5399. A bill for the relief of Elaine Dovico; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 5400. A bill for the relief of Camillo James Albano; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 5401. A bill for the relief of Lili Lender; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 5402. A bill for the relief of Paul L. Barrett; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1199. By Mr. NORBLAD: Petitions signed by M. E. Woodcock, of Corvallis, Oreg., and 190 other citizens of the State of Oregon, protesting against enactment of legislation which will authorize our Government or any bureau thereof to dispense, control, or finance medical care to the citizens of the United States; to the Committee on Interstate and Foreign Commerce.

1200. Also, petitions signed by G. W. Nelson, of Salem, Oreg., and 134 other citizens of the State of Oregon, protesting against enactment of legislation which will authorize our Government or any bureau thereof to dispense, control, or finance medical care to the citizens of the United States; to the Committee on Interstate and Foreign Commerce.

1201. Also, petitions signed by 1,426 citizens of the States of Oregon and Idaho, protesting against enactment of legislation which will authorize our Government or any bureau thereof to dispense, control, or

finance medical care to the citizens of the United States; to the Committee on Interstate and Foreign Commerce.

1202. By the SPEAKER: Petition requesting that the Eighty-first Congress remain in session until a long-range farm program embodying the principles of the Brannan bill be enacted into law and that the Hope-Aiken law be repealed; to the Committee on Agriculture.

1203. Also, petition of District of Columbia Federation of Women's Clubs, Washington, D. C., relative to the longshoremen's strike in Hawaii, and asking that, if existing law proves inadequate in this crisis, Congress pass suitable legislation to remedy this situation; to the Committee on Education and Labor.

1204. Also, petition of H. A. Butts and others, San Jose, Calif., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1205. Also, petition of E. E. Proud and others, La Habra, Calif., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1206. Also, petition of Fannie L. Judy and others, San Diego, Calif., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1207. Also, petition of David Nordenmah and others, Chicago, Ill., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1208. Also, petition of E. B. Gruver and others, Milton, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1209. Also, petition of W. A. Schaeffer and others, Pittsburgh, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1210. By Mr. LECOMPTE: Petition of Charles K. Cain, druggist, and other citizens of Deep River, Iowa, urging the repeal of the 20-percent excise tax on all toilet goods; to the Committee on Ways and Means.

1211. By Mr. SMITH of Wisconsin: Petition of residents in Monticello, Wis., requesting that financial relief be given growers of Angora rabbit wool and that favorable action be taken on the bill H. R. 4549 at this session; to the Committee on Agriculture.

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# SENATE

## THURSDAY, JUNE 30, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, as another morning climbs to noon, ascending the hill of the Lord, may we breathe the purer air above the dusty plains of the trivial and the temporary, here finding an altar of pardon and peace. May the memory of Thy past mercies mingle like sweet incense with a strengthening assurance of Thy present nearness which no malignancy nor cruel violence of man's devising can snatch from those whose minds are stayed on Thee. We pause now for Thy benediction before turning to waiting tasks, grateful for a great heritage worth living and dying for and for a deathless cause that no weapon that has been formed can defeat. In Thy might lift up our hearts and make us strong. Amen.

### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 29, 1949, was dispensed with.

### MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 29, 1949, the President had approved and signed the following acts:

S. 257. An act to amend the Interstate Commerce Act, as amended, so as to provide limitations on the time within which actions may be brought for the recovery of undercharges and overcharges by or against common carriers by motor vehicles, common carriers by water, and freight forwarders;

S. 1089. An act to amend section 8c of the Agricultural Adjustment Act, relating to marketing agreements and orders, to authorize the Secretary of Agriculture to issue orders under such section with respect to filberts and almonds; and

S. 1794. An act to repeal certain obsolete provisions of law relating to the naval service.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 3088. An act to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes; and

H. R. 3549. An act to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 5, 6, and 7 to the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation, for the fiscal year ending June 30, 1950, and for other purposes.

The message also announced that the House had passed a joint resolution (H. J. Res. 284) making temporary appropriations for the fiscal year 1950, and for other purposes, in which it requested the concurrence of the Senate.

### ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 834. An act to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes;

H. R. 3088. An act to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes;

H. R. 3549. An act to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund; and

H. R. 5044. An act to continue for a temporary period certain powers, authority, and discretion in respect to tin and tin products conferred upon the President by the Second Decontrol Act of 1947, and for other purposes.

### ENROLLED BILL AND JOINT RESOLUTION SIGNED DURING RECESS

Under authority of the order of the Senate of the 29th instant,

The VICE PRESIDENT announced that on June 29, 1949, he signed the following enrolled bill and joint resolution, which had previously been signed by the Speaker of the House of Representatives:

H. R. 4754. An act to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes; and

H. J. Res. 240. Joint resolution authorizing the erection in the District of Columbia of a statue of Simon Bolivar.

### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hoey | Millikin |
| Anderson | Holland | Morse |
| Baldwin | Humphrey | Mundt |
| Brewster | Hunt | Murray |
| Bricker | Ives | Myers |
| Butler | Jenner | Neely |
| Byrd | Johnson, Colo. | O'Conor |
| Cain | Johnson, Tex. | Pepper |
| Capehart | Johnston, S. C. | Reed |
| Chapman | Kefauver | Robertson |
| Chavez | Kem | Russell |
| Connally | Kerr | Saltonstall |
| Donnell | Kilgore | Schoeppel |
| Douglas | Knowland | Smith, Maine |
| Downey | Langer | Stennis |
| Eastland | Lodge | Taft |
| Ecton | Long | Thomas, Okla. |
| Ferguson | Lucas | Thomas, Utah |
| Flanders | McCarran | Thye |
| Frear | McClellan | Tobey |
| George | McFarland | Tydings |
| Gillette | McGrath | Vandenberg |
| Graham | McKellar | Watkins |
| Green | McMahon | Wherry |
| Gurney | Magnuson | Wiley |
| Hayden | Malone | Williams |
| Hendrickson | Martin | Withers |
| Hickenlooper | Maybank | Young |

Mr. MYERS. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America, to the Second World

Health Organization Assembly meeting at Rome, Italy.

The Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. HILL], the Senators from Idaho [Mr. MILLER and Mr. TAYLOR], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Alabama [Mr. SPARKMAN] are detained on official business in meetings of committees of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Wisconsin [Mr. MCCARTHY] and the Senator from New Jersey [Mr. SMITH] are detained on official business.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Oregon [Mr. CORDON] are detained at a meeting of the Committee on Appropriations.

The VICE PRESIDENT. A quorum is present.

NATIONAL LABOR RELATIONS ACT OF 1949

The Senate resumed the consideration of the bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Connecticut [Mr. BALDWIN] to the amendment of the Senator from Ohio [Mr. TAFT] in the nature of a substitute for titles I, II, and IV of the so-called Thomas substitute for Senate bill 249.

From now until 2 o'clock the time is divided equally between the Senator from Ohio and the Senator from Utah.

As many as favor the amendment of the Senator from Connecticut will say "aye."

Mr. BALDWIN. Mr. President——

Mr. TAFT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. Mr. President, in view of the fact that the substitute proposed for the Thomas bill, is to be voted on at 2 o'clock, does not the unanimous-consent agreement with respect thereto prevent a vote being taken at the present moment on the amendment of the Senator from Connecticut, which is an amendment to the substitute?

The VICE PRESIDENT. If either Senator in charge of the time until 2 o'clock wants to yield time to the Senator from Connecticut or to any other Senator he can do so. The order entered into is that the Senate shall vote not later than 2 o'clock on the so-called Taft substitute. It would not be in order to vote on the amendment of the Senator from Connecticut unless either the Senator from Utah or the Senator from Ohio yields time for the vote.

Mr. TAFT. My understanding of the unanimous-consent agreement is that the Senate cannot vote before 2 o'clock on the substitute or any amendment thereto.

The VICE PRESIDENT. The unanimous-consent order, as the Senator will see by consulting the slip on which it is printed, which probably is on his desk, provides that the Senate shall vote not later than 2 o'clock; but the Senator from Connecticut cannot discuss his own amendment unless either the Senator from Ohio or the Senator from Utah yield time to him.

Mr. TAFT. Mr. President, I would be perfectly willing to have the Senator from Connecticut begin the debate on his amendment, if he wishes to do so. I shall be glad to yield him 10 minutes for that purpose. Since it is the first to be voted on it will not be covered by the 10-minute period referred to in the unanimous-consent agreement.

The VICE PRESIDENT. Does the Senator from Ohio yield 10 minutes to the Senator from Connecticut?

Mr. TAFT. I yield 10 minutes to the Senator from Connecticut.

Mr. LODGE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Does the Senator from Ohio yield for that purpose? The Senator from Ohio controls the time.

Mr. TAFT. Yes; I yield for that purpose.

Mr. LODGE. I should like to ask whether, after the amendment of the Senator from Connecticut has been disposed of, there will then be an opportunity to discuss the Taft proposal?

The VICE PRESIDENT. The Senator from Massachusetts can have time yielded to him by either the Senator from Ohio or the Senator from Utah in order to discuss the substitute.

Mr. TAFT. I yield 10 minutes to the Senator from Connecticut. I will then yield 10 minutes to myself to reply to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, yesterday the junior Senator from Connecticut submitted an amendment, for himself, the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Vermont [Mr. FLANDERS]. The Senator from Connecticut desires to offer a modification of that amendment at this time on behalf of himself, the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Vermont [Mr. FLANDERS], and asks that the clerk state it.

The VICE PRESIDENT. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 12, line 25, of the so-called Taft substitute, after the words "United States" and before the comma, it is proposed to insert "or in the law of any State."

On page 41, beginning on line 16, it is proposed to strike out section (b) down to and including line 20.

Mr. BALDWIN. Mr. President, the purpose of this amendment is to make the law with reference to union shops uniform throughout the entire United States. On page 12 of the so-called Taft amendment begins the description of what constitutes a union shop. At the bottom of page 12 there is this language, in line 24:

*Provided*, That nothing in this act, or in any other statute of the United States, shall preclude an employer—

Then it goes on to describe what constitutes a union shop. This amendment would add, after the words "United States" the words "or in the law of any State."

The amendment further would strike out, on page 41, the following language:

(b) Nothing in this act shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

It seems to the junior Senator from Connecticut that if we are to have legislation concerning the so-called union shop, such legislation should be uniform throughout the United States. Some States have adopted more stringent regulations against the closed shop and against the union shop than obtain in some other States. Since this act naturally pertains only to goods that pass in interstate commerce, and since it can only pertain to that subject, under the Federal law, the purpose of this amendment is to make the provision concerning the union shop uniform throughout the United States. That is its sole purpose.

In the Thomas bill there is a provision which outlaws State restrictions against the closed shop. I will say quite frankly that this amendment does not go quite so far as the provision in the Thomas bill goes, but it does have the effect of preserving the benefits to labor which it can get from a union shop. It preserves those benefits throughout the country and makes them uniform. It seems to me that if we are to adopt any regulations or provisions with reference to union shops—and the so-called Taft amendment goes into considerable detail concerning them—such regulations should apply equally throughout the United States. I urge the approval of this amendment to the so-called Taft amendment.

Mr. SALTONSTALL. Mr. President——

The VICE PRESIDENT. The Senator from Connecticut has used only 5 minutes of his time.

Mr. TAFT. Mr. President, does the Senator from Massachusetts wish to speak on the amendment?

Mr. SALTONSTALL. I do.

Mr. TAFT. I yield 2 minutes to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I have joined with the junior Senator from Connecticut [Mr. BALDWIN] in offering this amendment because I felt that it was fair.

At the present time in interstate commerce we prohibit tariff barriers between the States. We do that in order to permit free intercourse in trade. If the National Government establishes certain standards of employment for interstate trade, it seems to me that those standards should apply to all States equally. I am a sincere believer in States' rights. I believe that everything possible should be left to the jurisdiction of the State; but in this instance the National Government has taken jurisdiction over certain establishments in interstate trade. Therefore I believe that the regulations should be uniform for all the States, regardless of where they may be situated in the continental United States. For that reason I joined in offering this

amendment to the Taft-Smith-Donnell substitute.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. TAFT. Mr. President, I rise to speak briefly in opposition to the pending amendment. The amendment would strike out the following language in the Taft amendment:

(b) Nothing in this act shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

A number of States have enacted laws imposing a somewhat more stringent restriction on closed shops, union shops, and maintenance of membership. In addition, various States have adopted constitutional amendments.

If we could say that interstate commerce is one thing, there might be some reason for outlawing those State laws. The Thomas bill proposes absolutely to nullify all such State laws and constitutions. The Thomas bill says:

But nothing in this act or in any statute of the United States or in any State law shall preclude an employer engaged in commerce from requiring as a condition of employment membership therein.

In other words, the Thomas bill expressly outlaws State laws which prohibit closed shops. Our proposal in effect validates them. Under the Wagner Act, in which nothing was said on the subject, the Supreme Court of the United States has held that State laws are effective, in spite of the fact that Congress has dealt with the subject.

The truth is that in the whole field of interstate commerce, far back toward the production end, the courts have gone very far in saying that the Federal Government can take charge of that subject, almost back to the work of the farmer himself, back to the original producer. That question is in constant dispute, both in connection with the Taft-Hartley law and the wage-hour law. I believe very strongly that it is a field in which both the Federal Government and the States should be allowed to operate. If the Federal Government actually takes charge, probably the Federal law will govern. But where it does not do so, under our proposal we permit the Board to cede jurisdiction in minor cases to the State Board, where the State has a labor law, even though the State labor law is somewhat different.

If the Federal Government is to take complete charge, we shall find every little strike of every kind thrown into the lap of the Federal Government. So we have left a large part of this field to the States, and the Supreme Court has recognized the propriety of doing so, in spite of the fact that the Wagner Act took jurisdiction of the general field of labor-management relations in all factories. Nevertheless, the Supreme Court said that a State law dealing with that subject, in the absence of any specific Federal interference, was perfectly valid in setting up its own prohibition of a closed shop.

So it seems to me that we should not try to impose an absolutely uniform rule and nullify the action taken by so many States. Therefore I think the pending amendment should be defeated.

I yield 10 minutes to the Senator from Florida [Mr. HOLLAND] on the same subject.

Mr. HOLLAND. Mr. President, I desire to speak in opposition to the amendment offered by the Senator from Connecticut and other Senators, which, if adopted, would not merely return to the provisions of the Wagner Act in this particular field, but would go far beyond those provisions.

Under the Wagner Act the States were permitted to do what in their sovereign judgment was necessary to deal with the question of the closed shop. Under that permissive authority given by the silence of the Wagner Act, 17 or 18 States have adopted either constitutional provisions or statutory provisions which in effect ban the closed shop. One of those States is my State of Florida; and it has done so in the following words which I quote from section 12 of the State constitution:

The right of persons to work shall not be denied or abridged on account of membership or nonmembership in any labor union, or labor organization: *Provided*, That this clause shall not be construed to deny or abridge the right of employees, by and through a labor organization or a labor union, to bargain collectively with their employer.

There was never a fairer provision than that, which specifically protects the right of those in labor unions to bargain collectively, and protects employees against discrimination because of union membership or nonmembership. It cuts completely evenly between those who are in union organizations and those who are not.

Not only has my State taken such action but so have 17 others. In one of the decisions the number is mentioned as 17 States in all, whereas, according to the list handed me this morning, taken from the hearings, there are 18 States in all in that category. I do not pretend to know which figure is correct.

I do know that what is proposed by the Senator from Connecticut and his colleagues is to take away from the States—17 or 18 of them—what they have done under the expression of their sovereign will and the will of their people in this field. Furthermore, it would destroy the salutary effect of the approving decisions of the United States Supreme Court in three cases which it has decided, as to the States of North Carolina, Nebraska, and Arizona.

It is likewise proposed to take away the affirmative action taken under the Taft-Hartley Act in 1947 when affirmatively the Congress said that such actions by the several sovereign States should be recognized, and for that purpose should become a part of the Federal law.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. HOLLAND. I am sorry that because of the limitation of time I cannot yield.

So, Mr. President, let no one think that by any manner of means it is here sought simply to return to the provisions of the Wagner Act, because that is not the case.

Although my time is limited, I must take time to refer to what happened in Arizona, where an amendment was adopted by the people of the State when voting in 1946, banning the closed shop, and later, in 1948, in the election when President Truman was a candidate, the question came up again in a referendum directed at a law which would enforce the provisions of the constitutional amendment. I am glad to say that in that election, in which President Truman carried the State by a large margin, the State by a large margin reaffirmed its decision and continued its ban on the closed shop and approved the law under which the anti-closed-shop amendment was to be enforced and did so notwithstanding the fact that there were injunctive provisions in that law.

One of the most bitter attacks—as set forth by the campaign advertisements shown in the committee report—was made against the continuation of that policy; but despite that attack, the people of Arizona reaffirmed it by a heavy vote.

Mr. President, it seems to me that we of the States who have taken that position are being asked to abjectly give up the action of our sovereign States and to take a position that our States know nothing and that the people of our States know nothing about this important matter in their particular field. I call attention to the fact that neither the same industries nor the same situations prevail in all the States of the Union, and certainly the people of each sovereign State have a stake themselves, and have determined that stake to their own satisfaction, in the matter of whether or not in their wisdom it is proper to ban the closed shop. I call attention to the fact that in passing upon these matters, the Supreme Court of the United States has in its own language upheld the fairness of this approach of the States, and I shall quote briefly from the opinion in the cases of North Carolina and Nebraska, as follows:

Under this constitutional doctrine the due process clause is no longer to be so broadly construed that the Congress and State legislatures are put in a strait-jacket when they attempt to suppress business and industrial conditions which they regard as offensive to the public welfare.

Appellants now ask us to return, at least in part, to the due process philosophy that has been deliberately discarded. Claiming that the Federal Constitution itself affords protection for union members against discrimination, they nevertheless assert that the same Constitution forbids a State from providing the same protection for nonunion members. Just as we have held that the due-process clause erects no obstacle to block legislative protection of union members, we now hold that legislative protection can be afforded to nonunion members.

Mr. President, in that unanimous decision of all nine members of the Supreme Court there is set forth a very sound American doctrine and philosophy. There could not be set forth a more sound American philosophy—that it is fair to use a two-edged sword by which both union and nonunion members are given the same protection against identical discrimination, and the Court has held that this is exactly what has been done under the statute in North Carolina

and under the constitutional provision in Nebraska.

I am now told by the counsel for the committee that 18 States, rather than 17, have acted in this matter. I am glad to have that definite statement placed in the RECORD.

Mr. President, 18 sovereign States have acted in this matter and have determined that in the wisdom and judgment of their people, under the peculiar conditions applying in industry and in labor in those States, it is sound to give equal protection as against discrimination, both to the union members in the State and to the nonunion workers. I call attention to the fact that we are not talking just about interstate or intrastate conditions, but we are talking about conditions of employment within the jurisdiction of a particular State, under which people live, under which they move and have their being, under which they have all their daily relationships. Mr. President, it seems to me it is sound democracy to say and to hold and to continue to hold, as our Supreme Court already has, that the States do have a stake here, and, having acted under that stake, should be protected, because it is not solely a question of in what commerce the goods manufactured should go; but it is a question, submitted to the wisdom and judgment of the people of the several States, as to whether or not, under conditions that obtain there and in the industries they have and under the very conditions they have seen and observed, it is wise to give equal two-edged protection against discrimination both to those who are within unions and to those who for reasons sufficient unto themselves have stayed out of membership in unions.

Mr. President, I sincerely hope that the 18 States who have taken this action will continue to have that protection. I call to the attention of the Senate that there are other States who may wish to take such action.

But again I call particularly to the attention of the Senate that here an attempt is being made to take from us the benefits of the action which has been taken under the will of the 18 States, to take from us the benefit of the approving opinion of the Supreme Court of the United States, which, with unusual unanimity, has approved the soundness and legality of that action; and likewise an attempt is being made to take from us the benefit of the affirmative action of the Congress in 1947, when, looking at the same field, Congress held that it was sound to allow latitude to the States in this particular matter.

Mr. President, I close by reminding the Senate that not only are the things I have already mentioned true, but also it has been sound Federal law in the field of railway employment, ever since the passage of the Railway Labor Act, to require the open shop in that field. However, here it is sought to go far away from the philosophy which has been sound Federal philosophy ever since the year of the enactment of the Railway Labor Act, 1926. Mr. President, I strongly hope that the Senate will reject the amendment offered by the Senator from Connecticut.

Mr. TAFT. Mr. President, I should like to inquire how much time I have used.

The VICE PRESIDENT. The Senator from Ohio has 31 minutes remaining.

Mr. TAFT. Have we used 20 minutes?

The VICE PRESIDENT. That is correct.

Mr. TAFT. I should like to reserve the rest of the time. Have we 50 minutes altogether?

The VICE PRESIDENT. The Senator has 31 minutes remaining, having used 20 minutes.

Mr. TAFT. Then I should like to have the Senator from Utah proceed with his time.

The VICE PRESIDENT. The Senator from Utah is recognized.

Mr. THOMAS of Utah. Mr. President, I yield 12 minutes to the Senator from California [Mr. DOWNEY].

The VICE PRESIDENT. The Senator from California is recognized for 12 minutes.

Mr. DOWNEY. First, Mr. President, I should like to ask unanimous consent that the brief remarks I am about to make may be extended in the RECORD.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, I did not quite understand the request.

Mr. DOWNEY. I request that the remarks that I am about to make may be extended in the RECORD.

Mr. WHERRY. Does the Senator mean in the body of the RECORD?

Mr. DOWNEY. Yes.

Mr. WHERRY. Is the Senator going to make orally all the remarks he wants to have in the RECORD?

Mr. DOWNEY. No; I wish to extend my remarks by an insertion in the RECORD.

Mr. WHERRY. Mr. President, I should like to accommodate the distinguished Senator from California. There is no one whom I would rather accommodate. But I have requested the same thing many, many times, and there has always been objection.

Mr. TAFT. Mr. President, I think I would have to object, because the time has already been divided, and the remaining time is rather short.

Mr. DOWNEY. Mr. President, in order that I may make my position clear I have prepared a statement.

Mr. TAFT. A statement on this subject?

Mr. DOWNEY. Yes.

Mr. TAFT. Then I have no objection.

Mr. WHERRY. Mr. President, I have no objection to having it printed as a statement; but if I correctly understood the distinguished Senator from California, he wanted to have the remarks appear in the body of the RECORD as if they had been delivered orally.

Mr. DOWNEY. No.

Mr. WHERRY. Then there is no objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from California that a statement which he has prepared may be printed in the RECORD as a part of his remarks? The Chair hears none. Without objection, it is so ordered.

(The statement appears at the conclusion of Mr. DOWNEY's remarks.)

Mr. DOWNEY. Mr. President, after 10 years——

Mr. TAFT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. Is the Senator from California speaking on the time of the Senator from Utah?

The VICE PRESIDENT. The Senator from California has been yielded time by the Senator from Utah, and it is now running. [Laughter.]

Mr. DOWNEY. Mr. President, in view of the fact that my remarks are going to be very brief, I do not worry about that, and I am certain that there is no great anxiety on the part of my colleagues in the Senate. As I was about to say, after 10, more or less, happy years spent in the Senate, I have come to believe in the futility of most debate upon the floor of the Senate, and I certainly have no hope that anything I may say will in any way affect the coming vote upon the Taft substitute; a vote which apparently will be for the adoption of the amendment. But, Mr. President, for my own record I want to make clear that it seems to me the Taft substitute still contains the core of the Taft-Hartley Act. I know there are certain minor modifications which may be considered a gesture toward union labor's viewpoint. I know there are some changes in the proposed law. But, so far as I am concerned, the substitute amendment which will soon be voted on is essentially the Taft-Hartley Act.

Mr. President, I was opposed to the Taft-Hartley Act because I do not consider it a fair charter for trade-unionism. In my opinion, neither from the standpoint of the employer nor from the standpoint of the employee is it aptly designed to bring about conditions permitting fair and just negotiations between the employees and the employers. I do not yet, so far as I am concerned, consider the question finally settled. I do not believe it will be finally settled until we have worked out a more satisfactory solution, one which will better protect the union workers of the United States. When I speak of the welfare of the unions, I want to say I include in the statement the welfare of all wage earners, indeed, of the entire Nation.

In the chaotic and dynamic decades that lie ahead, beyond any doubt, Mr. President, this Nation will be subjected to turmoil and crises. Revolution may rear its ugly head, dictatorships may be possible, and in my opinion, the strongest protection we in the United States can have against undemocratic and tyrannical movements lies in a strong and righteously protected trade-unionism.

Unless the defense of our liberties and free economy is spearheaded by the great working groups of America, properly protected and acting under reasonable laws, I do not believe we can hope to maintain our present democratic liberties, to which we are all devoted.

So I say, Mr. President, in my opinion, anticipating the favorable vote which is going to come on the Taft amendment, I

think, after we have voted, we shall have adjourned this great controversy to a larger arena, and we will be preparing for that arena from now until the next election. I hope that through intelligent publicity, tolerance, and fair argument the American people may be brought even more thoroughly to understand the principles of trade-unionism, the importance of having labor negotiations properly protected, and the necessity at the next election of again expressing themselves in opposition to such a measure as the pending amendment.

STATEMENT BY SENATOR DOWNEY

The closed shop has been rendered illegal by the Taft-Hartley Act. The Congress of the United States made the grievous mistake of depriving union men of the right to contract with their employer on this vital subject. The Congress used the excuse, in making the closed shop illegal, that some abuses had been committed under it. The mere fact that abuses were committed, on occasion, does not justify outlawing the entire institution.

There are many institutions which are not inherently wrong merely because there may be a few abuses. Experience has shown, and the history of collective bargaining has demonstrated, that peaceful labor relations prevail where the closed shop has prevailed. The closed shop, in which the employer and the union share in the responsibility of hiring, has had a stabilizing effect upon the labor-management relationship.

In 1947, before passage of the Taft-Hartley Act, 30 percent of the approximately 12,000,000 union members under agreements were covered by closed-shop provisions. The industries in which these agreements were most general were those with the longest history of organized labor relations: the building construction, garment, printing, maritime, glass workers, and similar trades. It is precisely in these industries that labor relations were on the most mature and friendly basis.

In 1947 Mr. John O'Keefe, the secretary of the Chicago Newspaper Publishers Association, testified as follows before a subcommittee of the House Labor Committee:

"Congressman KERSTEN. Up until now, and for a great many years past, you had a closed-shop agreement, didn't you?

"Mr. O'KEEFE. Yes; we did.

"Mr. KERSTEN. How did that feature work out in your previous contracts so far as your closed-shop provision of the contract was concerned?

"Mr. O'KEEFE. We never even discussed it. It had been there for years and it has remained there.

"Mr. KERSTEN. Did you have any real difficulty with it so far as your union, the ITU, is concerned?

"Mr. O'KEEFE. We did not. As a matter of fact most of the Chicago publishers, or all of the Chicago publishers, I would say, would prefer to continue a closed shop if it were legal.

"Mr. KERSTEN. The reason for that is that this particular union has been a long-term institution that has a certain amount of tradition behind it, a considerable amount, and it is a responsible union, and under those conditions a closed shop has worked out so far as the Chicago publishers are concerned. Is that right?

"Mr. O'KEEFE. Yes; it has."

My learned colleagues have already called to the attention of the Senate the testimony of Mr. Paul Geary of the Electrical Contractors Association, the editorial position in favor of the closed shop taken by the Chicago Tribune, the analyses of the Reverend Father Toner in support of the closed shop, and the views of other authorities and commentators.

In testifying before the subcommittee of the House Labor Committee in March of this year, Mr. James Monroe of Collingsville, Ill., the publisher of the Collingsville Herald, said:

"Unions never have been strong except where the closed shop is the rule. And, however strong they become, they never have been able to win in a battle to the death with stubborn management, because hunger, their hunger, always is on the side of the employer, and the odds are 10 to 1 that he can outstarve them.

"Much is made of the right of nonunion men to work—and you have heard that phrase a lot of times, that every man has a right to work whether he has a card or not—which is quickly distorted into the proposition that they have a right to work alongside union men. This is based on a premise which I do not accept. While I agree that every man has a right to work at whatever he can find to do, I do not agree that it is the duty of any other man to employ him, or that he has any right to demand employment, much less to coerce the conditions of his employment as against the interests of others who may be employed; particularly would I resist the idea that a nonunion man has the right to force himself into the better conditions which I think it may be assumed the union has provided without any effort of his. Employment is essentially a matter of agreement."

The American labor movement would never have been so strong, so independent and so much a part of the country if it had not adopted in its earliest days the firm principle that union men do not work with scabs. This simple rule has made it possible for unions to organize. It has made it possible for unions to protect themselves.

In order to insure union solidarity, all well organized unions have demanded closed-shop contracts. Where such contracts exist, exclusion of nonunion workers ceases to be a matter of argument. To union members, the closed shop is the one sure way of protecting their gains, insuring against defections by the weak-hearted at the first sign of adversity, preventing undermining by the employer and agents of the employer and thereby preserving stable industrial relations where attention can be concentrated on the principal issue: the establishing of working conditions fair to both sides.

The closed shop is not new. It has existed in America for more than 130 years. Until disrupted by the Taft-Hartley Act, it was accepted in all industries which have long and satisfactory bargaining relationships.

The closed shop is also accepted by employees. This is shown by the experience of the last 2 years under the Taft-Hartley Act. All but 2 percent of the elections held to determine whether employees approved union security went in its favor. Of the employees voting, opponents numbered only 5.1 percent.

Nevertheless, opponents of the closed shop insist that it must be prohibited in order to restore the "right to work." The 5 percent must be protected against their brothers who have so firmly supported the traditions of the American labor movement.

Of course this demand does not come from the workers themselves. It does not even come from the 5 percent. It comes from those who have always been supporters of the employer viewpoint—the same groups who have lost all interest in the right to work when employees are discharged either because of an economic decline or because they decided to join unions. It comes from those who today insist that the millions of supervisors in American industries have no right to work as union members and that plant guards have no right to work as members of unions representing other employees. It comes from those who would place extensive curbs on the right of all employees to stop working when they find their working conditions unsatisfactory.

The phrase "the right to work" should be clearly understood. It is not complete as it stands. Written out in full it would read, "The right to work at low wages" or "at nonunion standards" or "as a strikebreaker." This must be so, for if the employee is to be paid at union rates there is no reason why he should not accept the burdens of union membership along with its benefits. It is universally recognized that no worker has the right to a "free ride."

But the right to work at low standards is not a right at all. American labor, through bitter sacrifices over the years, has lifted the American standard of living far above that of any other nation. It has also established the closed shop in order to protect the gains made by its sacrifices. Nothing can come of protection of the illusory right to work except the lowering of standards for all workers.

The right to work is nonexistent on another count. No employee can get work unless an employer can be induced to give him a job. The right to work means nothing if an employer says "No." When employees enjoy the right to work in the sense of the proposed amendments, what really happens is that the employers have the unlimited right to decide whom they will employ—to play favorites and to hire those who will work for the lowest wage. The employee on the other hand has no rights at all. He cannot demand employment. When he cannot get work it makes no difference whether or not he is a union member. Is this a right which employees can be expected to support enthusiastically?

The closed-shop contract limits the life and death power of the employer over the livelihood of workers, but only to a very small extent. The workers do not get the right to work. They get only the right to demand that employers shall not hire at low wages. The employees thus protect themselves against undermining of their standards.

True, the closed-shop contract curbs the employer's choice and transfers part, a small part, of the power to hire to unions. It does no more, however, than to prevent the employer from using his hiring power to destroy living standards and create industrial turmoil. Unions have had no hesitation in admitting nonunion employees to membership, except where economic conditions make limitations essential to the members' welfare. The closed-shop contract is designed for the sole purpose of insuring equal sharing of the burdens along with the benefits of union membership and preventing the break-down of union standards.

In some cases the closed shop has necessarily been used to prevent the creation of a greater supply of trained workers than the market can use. Some such restriction is essential to protection of union standards. Even with the closed shop, a dangerous threat is created by the existence of a large pool of unemployed workers who are reluctant to desert their trade because they have received long training in a skill.

In periods of economic depression this question becomes of particular importance. During the early 1930's, as many as 50 percent of the workers at a particular trade or calling were unemployed. Under such circumstances the competition for the available jobs became a matter of life and death. Strong pressures were placed on employers to hire relatives, or friends, or acquaintances without previous experience, or with little knowledge of, the trade. Often employers were willing to succumb to such pressures, with the consequence that workers with many years of experience, with families dependent upon them, and with high skills, were displaced. But where the closed-shop agreement was in effect, such discriminatory treatment was avoided. The union, through its own machinery, established seniority rosters

by which those with the most skill and experience were given a preference in hiring.

The closed shop insures fairness in the hiring of employees and prevents the discriminatory allocation of job openings at the personal whim or caprice of the employer. But the Taft-Hartley Act, and the proposed Taft amendments, are designed precisely to safeguard, by Federal law, the exercise of such whim or caprice by the employer. In time of depression, this can mean only that the employer shall be free to hire whomever he wills, for reasons of personal favoritism, or through bribery, or because the prospective employee is willing to cut the economic throat of his fellow employees, or for any other reason whatsoever. This is not a union-security provision. The Taft-Hartley Act provides a Government-dictated open shop. Even collective bargaining on the issue is outlawed.

Under the closed shop, or preferential hiring, or similar arrangements, the power over hire is shared; the union's interests are protected by joint arrangements concerning the manner of hire, and the employer's interests are protected by the freedom to choose among union members and the invariable right to discharge for incompetence or other agreed reasons within a stated period. It is a truism to point out that this places economic power in the hands of the union. Unions are organized in order that economic power shall not rest solely in the hands of corporate or other employers.

As one outstanding example, since 1852 the International Typographical Union, and before that as early as 1815 the local societies which made up the ITU, have operated on a closed-shop basis. During that period the industry has grown handsomely, profits have been good, no person has been denied access to the trade who showed the requisite qualifications, and wages and hours have been fair. No one would suppose that access to the trade would have been fairer or more orderly if the employers in the industry had retained sole power over hire; on the contrary, their interest in hiring any applicant willing to accept lower than union standards would have glutted the market, caused a lowering of craft standards, produced unemployment and resulted in chaos in the industry. Employers, as a group, are more likely to exercise a whimsical or discriminatory power in hiring than are unions, whose rules are dependent on the democratic voice of the members.

The number of jobs available in an industry has no relation to the closed shop or any other form of union security; it is determined by the economic facts of the trade. The only question is whether this power over hire is to be shared, or exercised solely by the employer.

But under Taft-Hartley, the employer has sometimes the duty, sometimes the right, but always the practical power to hire anti-unionists, or wage-cutting nonunionists, or disrupters—and unions are probably helpless even to withdraw their members in protest. Under that act, the employer is free to discriminate against applicants for employment on the ground of race, color, creed, national origin, or for purely whimsical reasons. But the nonunion man is protected, and nonunionism thereby becomes the cherished object of Federal protection.

These objections to the Taft-Hartley Act are not cured by the proposed Taft amendments which would permit employers to notify unions of "opportunities for employment," and allow unions "a reasonable opportunity to refer qualified applicants." It would, as the minority report makes clear, still be unlawful under such provisions for an employer and a union to agree that only union men should be hired. In the absence of such an agreement, the employer remains free to hire whom he wishes; unions are denied the right to share in this power of selection; and are probably denied as well the right of effective protest through the strike or other means. These provisions do not protect minority groups, or the public; indeed, they do not even accomplish the malodorous Taft-Hartley objective of giving a preferred status under Federal law to nonunion men. The only beneficiary is the employer; the victims are trade-union members whose dearly bought security in their jobs is thereby removed at a stroke.

The Thomas bill authorizes "employers engaged in commerce, or whose activities affect commerce" to make agreements with labor organizations providing for the closed shop or other form of union security, and for the check-off of union dues. It would supersede State laws which prohibit or restrict the right of unions and interstate employers to enter into such agreements. This latter provision corrects the evils of section 14 (b) of the Taft-Hartley law which surrenders to State laws which are more restrictive (but not to State laws which are less restrictive) than the Taft-Hartley provisions on union security.

The Wagner Act was silent as to restrictive State laws. However, very recently the United States Supreme Court held that section 8 (3) of the Wagner Act did not preclude the enforcement, against interstate employers, of State laws regulating union security since Congress had not manifested an "unambiguous purpose" that State laws be supplanted. In light of these decisions it is essential for Congress to express an "unambiguous purpose" that restrictive State laws be superseded since they conflict with the national policy on union security and the check-off.

Certain quarters have charged that a provision superseding restrictive State laws is an invasion of State rights. However, those who resort to the State-rights doctrine in discussing the regulation of interstate commerce display a profound misconception of Federal-State relations as conceived by the Constitution.

No principle is better established in constitutional law than the doctrine that Congress has supreme power to regulate commerce among the States. Whenever States regulate interstate commerce, they do so only by the grace and sufferance of the Federal Government. Congress may at any time assert its constitutional prerogative to preempt the field of interstate commerce, and render ineffectual even State laws not contrary to national policy. Patently, Congress may do likewise when a State law directly conflicts with national policy.

And conflict there would be indeed if restrictive State laws—already in effect in 16 States—were permitted to exist side by side with a Federal law authorizing union security and the check-off. The Thomas bill protects union security and check-off agreements, arrived at in the process of free collective bargaining, because such agreements reduce strikes and avoid interruption to interstate commerce. Yet, without a provision definitely establishing the paramount effect of Federal laws, exactly opposite effects on interstate commerce would obtain in the States which outlaw or restrict union-security agreements. Employers in these States, by the fortuitous circumstance of their location, would be prohibited from bargaining on union security, while employers in other States would be free to do so. Employers who operate in many States are now required to adopt varying collective-bargaining policies on union security for the different States, even though they have a uniform bargaining policy as to other matters. Not only does such a situation thwart national policy; it encourages States to lure industry to locate within their boundaries by adopting antilabor legislation.

When Congress enacted the antitrust laws to curb monopolies in trade or commerce, it did not at the same time provide that State laws permitting monopolies might continue to exist. To have done so would have defeated the very purposes of the Federal policy. Likewise, the wages-and-hours law does not permit conflicting laws to operate as to employers engaged in interstate commerce.

It was precisely to avoid such discriminatory and disruptive effects upon interstate commerce, flowing from a multiplicity of varying State laws, that the commerce clause of the Constitution was conceived. Stability of our economy requires a national uniformity in collective bargaining and not a patchwork geared to local laws. Such uniformity is possible as to union security and the check-off only if restrictive State laws are banned as to employers in interstate commerce.

We have the duty to protect and encourage collective bargaining. In the performance of that duty we must restore the right of union men to bargain for the closed shop and other forms of union security. Our duty to regulate interstate commerce compels us to assert definitely and without qualification that the various State laws which conflict with the Federal law on labor relations must yield to the supremacy of the Federal Government.

We deal here with a momentous issue. I have addressed my remarks to the closed-shop agreement, which has worked fairly and well over our entire history. But the debate does not end there. Suppose that union men, in the exercise of their rights and not pursuant to a closed-shop agreement, simply refuse to work with nonunion men. Will the proponents of the Taft amendments say that such action is illegal? If it is illegal for men to quit or strike under such circumstances, then you have effectively chained them to their jobs, by law, and the involuntary servitude prohibited by the Constitution is written into the statute. If the employees may quit or strike in protest, employers will in practice have to hire only union men. But if that is to be the result, why outlaw the frank and aboveboard statement of the closed-shop agreement?

It is shocking that under the Taft-Hartley Act law-abiding employers and unions have made all manner of tacit and bootleg closed-shop agreements. The practical impossibility of removing the deep-seated aversion which union men have to working with nonunionists is known to intelligent employers. They will not risk the destruction of their businesses to realize the unrealistic ambition of the act.

There is only one genuinely American way to handle this problem. It is to recognize the right to the closed-shop agreement, voluntarily arrived at between employers and unions, through the process of free collective bargaining. To say that a union shall not be allowed to ask for the closed shop is not different, in principle, from saying that every employer must grant the closed shop. Needless to say that I oppose both. I stand for freedom from governmental interference in these relations and a restoration of that free collective bargaining which marked our experience under the Wagner Act.

The VICE PRESIDENT. The Senator from California consumed 7 minutes.

Mr. THOMAS of Utah. Mr. President, I yield 8 minutes to the Senator from Massachusetts [Mr. LODGE].

The VICE PRESIDENT. The Senator from Massachusetts is recognized for 8 minutes.

Mr. LODGE. Mr. President, I intend to vote against the Taft amendment for a number of reasons, but primarily because it enables States with stringent antilabor laws to induce industry to move from the Northern States, and therefore it appears to me to be a direct threat

to everyone in Massachusetts whose livelihood depends on Massachusetts industry.

The amendment contains 22 separate features, 5 of which have already been taken care of in separate amendments, which, with my support, have already been adopted. These five features are: that unions as well as employers must bargain collectively; that the right of free speech is guaranteed to the employer; that the non-Communist affidavit requirement has been extended to employers; and that unions must make financial reports to the Secretary of Labor and to their members. There is in addition a provision regarding national-paralysis strikes, which, of course, was dealt with separately in the Taft-Donnell-Smith amendment, adopted on Tuesday, and for which I voted, although I thought it far from an ideal solution.

This leaves 17 points for consideration, some of which enlist my agreement. For example, I agree with the provision forbidding strikes by Government employees; I favor the proposition of putting welfare funds under the supervision of the Secretary of Labor; and I believe that unions as well as employers must be responsible on their contracts. But it is the unfortunate vice of these omnibus legislative proposals that there are often a mixture of matters with which one agrees and matters with which one differs. In this case there are features of the omnibus substitute which cause me, as a Senator from Massachusetts, to conclude that the draw-backs far outweigh the advantages.

In reaching this conclusion, I do not dwell, for example, on the provision regarding expenditures for political campaigns, which I believe has no relationship whatever to interstate commerce, and which belongs in the Corrupt Practices Act instead of in a labor bill; nor do I dwell on the fact that the independent mediation service, which as a strictly voluntary agency has no power of making binding legal decisions, is much more logically placed in the Department of Labor, and that placing it there, from the standpoint of economical housekeeping, would be much more in harmony with the spirit of the Hoover Commission recommendations. There are other matters of which I also disapprove.

But the most decisive factor in my mind is the provision of the amendment which, in addition to prohibiting certain kinds of compulsory unionism, asserts the power of the States to regulate compulsory unionism within their boundaries. Although I shall vote for the amendment which the Senator from Connecticut and my colleague have offered, it does not cure the evil at all. The question that I am referring to is no simple question of States' rights. Indeed, as it stands, it is a one-way street, which, in the Southern States particularly, operates against the development of healthy labor organization and specifically gives Federal protection to all State laws which go against union security without giving corresponding Federal protection to State laws which might favor unionism.

I have heard it said here this morning that there are 17 or 18 States that have prohibitions against the closed shop. Mr. President, no one has pointed out—and, therefore, I think I should point it out—that in the State of Massachusetts the closed shop was specifically sanctioned by State law, enacted by a Republican legislature and a Democratic governor, in 1938, and that an attempt to ban the closed shop was put on the referendum at the election in November 1948 and was overwhelmingly rejected. That is part of this picture, too, and it is no wonder, when we see the way the so-called States' rights provision is set up, that sincere men believe that this provision effectively destroys any future for unionism in Southern States, many of which are openly attempting to induce industry to leave the Northern States so that they can operate without unions. This appears to me to be a direct threat to everyone in Massachusetts whose livelihood depends on Massachusetts industry.

Mr. President, call the roll of industries which, according to reliable reports, have either moved South from New England since the end of World War II, or which have curtailed northern operations and expanded in the South. There is the Blackinton Mills, of North Adams, Mass., which moved to Conestee, S. C. There is the worsted department of M. T. Stevens Co. in Peacedale, R. I., which moved to Rockingham, N. C.; the Fitchburg Duck Mills, of Fitchburg, Mass., which moved to Greenville, S. C.; the Linen Thread Co., of Millbury, Mass., which moved to Blue Mountain, Ala.; the Ace Woolen Co., of Manchester, Conn., which moved to Texas; the Pepperell Manufacturing Co. finishing plant, of Lewiston, Maine, which moved to Opelika, Ala.; the Premier Worsted Co., of Bridgeton, R. I., which moved to Raleigh, N. C.

Here are the names of companies which have curtailed northern operations and which have expanded in the South: The American Thread Co., Inc.; the Berkshire Fine Spinning Associates, Inc.; the Maverick Mills; and the Naumkeag Steam Cotton Co., which have all purchased real estate in the South; and the Aspinook Corp.; the Bachmann-Uxbridge Worsted Corp.; the Berkshire Woolen Co.; the Clark Thread Co.; the Pepperell Manufacturing Co.; the Premier Worsted Co.; the J. P. Stevens & Co., Inc.; the Textron, Inc.; Cranston Print Works Co.; Deering, Milliken & Co., Inc.; Guerin Mills, Inc.; Pacific Mills; and Plymouth Cordage Co., Federal Fiber Division.

This is not only a very serious threat to the economic life of Massachusetts; it is very bad policy for the United States. In 1938, when the wage-and-hour law was pending in Congress, I took the position that the maintenance of substandard labor conditions in the South was not only injurious to Massachusetts from a competitive standpoint but was also bad for the people of the South, and therefore bad for America as a whole. It is this aspect of the pending amendment which especially impels me to vote against it, in the belief that the Thomas bill as we have amended it will give every possible protection to the Massachusetts public.

Insofar as the other provisions of this amendment are concerned, they perpetuate a degree of Federal supervision of unions which, in the nature of our political system, cannot fail, if continued, to lead to further governmental incursions into the affairs of management. It is accurately stated that at the beginning of 1948 there were 113 manufacturing companies with assets of more than $100,000,000 which owned 50 percent of the Nation's manufacturing property, plants, and equipment. This is a concentrated target for those who wish to socialize America.

There is perhaps no field of human activity in which the enactment of laws will accomplish less that is constructive than in this particular field of industrial relations. Without a spirit of accommodation, of discussion, of compromise, of give and take, of live and let live, we can never solve these industrial problems. We must remember that this country, with its great variety of peoples, was born of compromise. It has—with one tragic exception at the time of the Civil War—lived by compromise. It probably can only endure by compromise.

Mr. THOMAS of Utah. Mr. President, I yield 4 minutes to the Senator from Oregon.

The VICE PRESIDENT. The Senator from Oregon is recognized for 4 minutes.

Mr. MORSE. Mr. President, I am very happy to find myself in complete support of the position taken by the distinguished Senator from Massachusetts [Mr. LODGE]. In 1947 I warned the Senate that one of the most unfair and unjust provisions of the Taft-Hartley law was the provision which violated that which I think is fundamental in jurisprudence, namely, the uniformity of application of Federal law in this country. The proposal of the Senator from Ohio and of the Senator from Florida [Mr. HOLLAND] constitutes a proposition which cannot be reconciled with the principle of uniformity of application of Federal law to all parties in America.

I want to say, Mr. President, that the citation of Supreme Court decisions by the Senator from Florida completely misses the point, because the Supreme Court in those cases—and this is the heart of it—was very clear that it is within the prerogative and the right of the Congress of the United States to pass such legislation as the Senator from Connecticut [Mr. BALDWIN] is proposing in his amendment. The Court merely held that in the absence of Federal legislation on the subject, the States were free to legislate on the question of union security.

In 1947 I warned that this proposal in the Taft-Hartley law would discriminate against employers in high labor standard States. Let us not mince any words about it. Here is the economic fact with which we are confronted on this point. This proposal, Mr. President, plays into the hands of those Southern and a few Midwestern States which do not have fair-labor legislation. The result is that employers are finding it necessary to transfer plants from the East and the Middle West into the South to take advantage of the low wages and the low

labor standards which prevail under such laws as exist in those States.

We are dealing with the concept of interstate commerce, and what the Congress of the United States is, in effect, doing is saying that it will delegate to the States the Federal prerogative over the regulation of interstate commerce by providing that when a State passes a law more drastic and unfavorable to labor than is the Taft-Hartley law, then that State law will supersede the Taft-Hartley law.

I want to say to a group in my State at this moment, Mr. President—the lumbermen who have been telegraphing me and asking me to support the Holland amendment—that, as I have told them in my telegrams, I shall not support the Holland amendment, because supporting it will discriminate against the lumber industry in my State and it will be only a short time before they will rue the day that they thought they wanted the Holland amendment adopted, because in Oregon they will never get through, if they ever try, the type of labor legislation which is in effect in the 18 States to which the Senator from Florida [Mr. HOLLAND] has alluded. In the best economic interest of the lumber industry in my State I shall not vote today for a provision in the Taft substitute that will make it possible for the cheap labor standards of southern lumber mills to get an advantage over the high labor standards of Oregon mills.

I close by saying that the issue is this simple: Does the Senate of the United States want to delegate to individual States its prerogative to regulate and control interstate commerce? If it does, it will discriminate against every employer in a high labor standard State. I say the Taft proposal is unfair and unjust to American employers who have to operate in those States which maintain decent labor laws.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. THOMAS of Utah. Mr. President, I yield 6 minutes to the Senator from Florida [Mr. PEPPER].

The VICE PRESIDENT. The Senator from Florida is recognized for 6 minutes.

Mr. PEPPER. Mr. President, it is obvious that the Senator from Ohio [Mr. TAFT] is again writing the labor law of this Congress. It is also obvious that the Senator from Ohio, like the ancient Bourbons, has learned nothing from the Taft-Hartley Act failure. It is also clear that the Senator from Ohio has again branded upon his party the words "We are unfriendly to American labor." The RECORD will show an overwhelming majority of the Democratic Party has stood behind its President, its platform, and democratic principles in an effort to redeem its pledge to the American working men and women to rid them of the oppressive tyranny of the Taft-Hartley law. On the other hand the RECORD will show that an overwhelming majority of the party of the Senator from Ohio, the Republican Party, has arrayed itself stalwartly and unswervingly against such principles and policy. I am glad the issue has been made clear. I am glad, Mr. President, that we can take this controversy from the Congress to the country, and that the American people, in their own way and wisdom, shall decide, as the final arbiters, where their interest and their sympathy lies.

Mr. President, it is obvious that the Taft-Hartley law, by premeditated design, has had the effect of strangling the labor union movement of America. Only last night I heard from the leader of the largest labor organization in the textile industry the report that before the Taft-Hartley law went into effect his union lost 46 percent of the elections held and 64 percent of the employees involved in the effort to organize the southern textile workers. But after the Taft-Hartley law his union lost 54 percent of their elections and 87 percent of the workers affected by the elections.

By imposing one stringency after another, Mr. President, the Taft-Hartley law has made the organization of workers more difficult. It has subjected them to vexatious litigation and directly and by its influence, to the strangulation of the injunction process.

Mr. President, by breaking the worker's shield, by taking away his union sword, it has choked the effort of the worker to demand and to protect a decent wage, and to improve the conditions of his own labor. The bill which the Senator from Ohio now proposes to give us—and evidently has the support to foist upon us—is nothing but another bobtailed edition of the Taft-Hartley law of the Eightieth Congress.

Mr. President, those who had hoped that on this vital issue they might see a change in sentiment, in the Republican Party and some Democrats, that they might see a recognition of Taft-Hartley failure, are doomed to dissolutionment and disappointment, apparently, if the votes of the past can be taken as the prologue of the future, as it now appears clear we may expect the adoption of the Taft substitute.

Mr. President, the Taft substitute is antilabor. The Taft substitute preserves Government by injunction. It denies workers the right to aid one another in a common interest and effort. It subjects unions to vexatious litigation and to lawsuits which can drain their treasuries of the hard earned fees of the workers. It denies workers the privilege of a fair picket line. It forbids free collective bargaining to the employer and his employees if they choose the closed shop. It is prejudiced against labor by allowing more stringent State laws to prevail if they are antilabor but making the Federal law if it is more restrictive upon labor, the prevailing authority. It makes more difficult check-off and maintenance practices and union security. It hampers the welfare funds. It still, by innuendo, castigates the American worker as unpatriotic, and encourages the restriction of union organization by the preservation of the power of the employer to intimidate his workers under the false slogan of free speech.

So the American people now will determine whether they will endure an unfriendly national labor policy, or whether they will repudiate the new Taft law as they did the old. I have no doubt about the outcome.

The PRESIDING OFFICER (Mr. LONG in the chair). The time of the Senator from Florida has expired.

Mr. THOMAS of Utah. Mr. President, I yield 5 minutes to the Senator from Kentucky [Mr. WITHERS].

Mr. WITHERS. Mr. President, in the 5 minutes allotted me by the chairman of the committee, I wish to direct my remarks against the Taft substitute. I remind Senators that it has been asked frequently from the other side what we would do about the fifth amendment to the Constitution, which provides that no person shall be deprived of life, liberty, or property without due process of law, and that private property cannot be taken for public use without just compensation.

Mr. President, I think we all agree that the work of the laborer is property. If at the time a worker seeks to strike he is not obtaining a living wage, he is required, under the Taft substitute, to work 60 more days, under an injunction, regardless of whether or not he is obtaining a living wage, and the difference between his salary and a living wage is the compensation of which he is being deprived without due process of law, according to my idea.

On the converse, if management reaches the point where its commodities have depreciated in market value to such a point that it cannot pay the prevailing wage, and is called upon, because of that circumstance, to reduce the wages of its workers, then comes in the Senate's injunction and says, "But you must work 60 more days," and those 60 days may mark the difference between the continuation of business and the cessation of business entirely. So, on either horn of the dilemma we find no provision made for just compensation. We find the taking of private property without due process of law, because due process of law in that case implies and expresses that due compensation must be had.

All the faith and credit that have been attributed to the workability of the injunction have failed despite the fact it partly worked the four or five times it was invoked. Whether or not the injunction was successful in the coal strike, I should like to call the attention of this entire body to the fact that Mr. John L. Lewis obtained the greatest victory, in the settlement of the dispute between him and management, that he ever obtained in all his life. Those who have attached so much weight to the injunction, and what it did, must give him the credit of obtaining his greatest victory.

Mr. TAFT. Mr. President, will the Senator from Kentucky yield?

Mr. WITHERS. I yield.

Mr. TAFT. Does not that prove that the injunction and seizure are not a weapon against labor, rather in favor of labor?

Mr. WITHERS. On the converse, it proved in that instance that it was a weapon against management and the public who pay the bills. I presupposed the question.

Mr. MORSE. Mr. President, will the Senator from Kentucky yield?

Mr. WITHERS. I yield.

Mr. MORSE. In the Lewis case, was it not the agreement that was entered into between Lewis and the Senator from New Hampshire [Mr. BRIDGES] and the operators that settled the case, instead of the injunction? Is it not true that Lewis continued the strike, in spite of the injunction, for 12 days, until the operators entered into an agreement?

Mr. WITHERS. The Senator is correct in that. So where is all the virtue that has been attached to this coercive remedy, this remedy that takes not all of one's liberty, as the generous Senator from Ohio has stated, but takes only part of the liberty, saying, "All we want is for you to sacrifice some of your liberties," and we answer, "You would let the public suffer."

Are we to protect the public as a whole, or may we protect all segments of the public? If we see that any portion of the public is deprived of liberty, it is not our duty to wait until the whole public is concerned. I say that under the American principle the whole public is concerned when any portion of the public is being imposed upon and its liberties taken away from it.

I say that if we take away the liberties of the public for only a part of the time, or of only a segment of the public, we must realize that the whole public is concerned.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. THOMAS of Utah. Mr. President, I yield 10 minutes to the junior Senator from West Virginia [Mr. NEELY].

Mr. NEELY. Mr. President, a few days ago, I demonstrated to the Senate the fact that the distinguished Senator from Ohio [Mr. TAFT] had, by catching suckers on Capitol Hill with his unbaited Taft-Hartley hook, reached heights of angling fame greater than any other man ever attained since the day the Saviour by the sea of Galilee made Simon Peter and Andrew his brother and Zebedee's sons, James and John, fishers of men. But the Senator is insatiate. Like Oliver Twist, he not only asks for more but seeks to increase his catch by means of a new disguise, which is adequately described and the consequences of the utilization of which are sufficiently indicated by the following picturesque language of Alice in Wonderland:

> How doth the little crocodile
> Improve his shining tail
> And pour the waters of the Nile
> On every golden scale!
>
> How cheerfully he seems to grin,
> How neatly spread his claws,
> And welcome little fishes in
> With gentle smiling jaws!

With unspeakable regret, we observe that the poor fish are, with pell-mell impetuosity, entering the abyss which should, but unfortunately does not, bear the inscription which Dante saw above the door to the inferno, "Abandon hope all ye who enter here."

With due acknowledgment to the able Senator from Illinois [Mr. DOUGLAS] and to an unnamed song writer of the gay nineties for some lines the Senator recently used in a New York speech, I supplement my quotation from little Alice with the following:

"At the finish of the ride, the Republicratic and the Dixiecratic Senators will be inside the smile on the crocodile."

How 20,000,000 working men and women will mourn this swallowing up of the authors and perpetuators of their Taft-Hartley law oppression no pen will ever write, no tongue will ever tell!

Today the Senator from Ohio, with his rare ability to play many diversified roles, is reenacting the last tragedy of blind Samson's life. The renowned strong man, by pulling down a building, slew 3,000 of his Philistine enemies who were rejoicing in his captivity. But, Samson, in killing his foes, also killed himself.

The Senator is about to pull down on his own head a structure that will at once politically exterminate him and all the Dixiecrats and all the Republicrats who vote with him, and even the Republican Party itself if it continues to follow him in his headlong endeavor to harass the Nation's toilers with either the original Taft-Hartley law—the abomination of desolation spoken of by the prophet Daniel—or with the modified version of that monstrosity known as the pending Taft amendment.

But for the Republican Taft-Hartley rattlesnake law there would, at this hour, be no Democratic President in the White House; there would not be even the present paper Democratic majority in the Senate; there would not be a real Democratic majority in the House of Representatives.

Manifestly, the Republican minority in the Senate, under the imperious leadership of the Senator from Ohio, is determined to perpetuate the agonizing Taft-Hartley curse for another 2 years. This it can do solely because the Dixiecrats and the Republicrats are about to pay their debt to the Republican side of the aisle for having, earlier in the present session of the Congress, supplied the necessary votes to defeat the establishment of majority rule in this great legislative body.

Mr. President, still another role that the Senator from Ohio is playing is that of political physician to both sides of the Senate Chamber. But mark the prediction: He and all those who take his medicine will, immediately after their constituents have had a chance to decide the question of senatorial reelection, sleep in a lonely political graveyard which prudent men will avoid by day and hooting owls will shun by night. At the entrance of that graveyard will be a simple slab of stone, uncut and unadorned, on which both the semblance and the substance of this epitaph will appear:

> Here lies the body of Dr. Sill
> Among his patients on the hill;
> They'll never need another pill
> And never pay his doctor bill.

[Laughter.]

Mr. President, for two long years labor has been crucified by the merciless Taft-Hartley law; and, before the end of the day, the Taft-Hartleyites will add unforgivable insult to unforgettable injury by thrusting a spear into labor's side. For the next 2 years labor will continue to be ground between the upper millstone of Taft-Hartley oppression and the nether millstone of Taft-Hartley destruction of the rights of those who live by toil. But labor alone has in its hands the complete cure for all the Taft-Hartley ills that it has suffered in the past, or will suffer in the days to come. If labor will persistently and industriously continue to increase its political activity and fully live up to the possibilities of its use of the ballot on election day next year, every American laboring man and woman can, on and after the beginning of the Eighty-second Congress on the third day of January, 1951, once more zestfully join in the glad refrain:

> My country, 'tis of thee,
> Sweet land of liberty,
> Of thee I sing.

It is my fervent hope that during the next 2 years of Taft-Hartley tribulation, labor will, with its world-renowned patriotism, patience, and fortitude, be comforted by the recollection that after the wilderness came the promised land; that after the darkest hour of the night comes the splendor of the morning, the glory of the sunrise, and the grandeur of a newborn day; that after the crucifixion of the sinless Saviour, paradise opened wide its portals to all the children of men.

Let all true Democrats who both preach and practice the redemption of their party's platform pledges instead of habitually repudiating them; let all Democrats who, with Thomas Jefferson and Andrew Jackson and Franklin Roosevelt, consider the rights of men superior to the rights of money; let all Democrats who believe that even-handed justice for every working man and woman in the Nation is as indispensable to the safety of the Republic and the prosperity of its people as blood and breath are indispensable to human life—let all these, with augmented zeal and increased determination, diligently address themselves to the vital task of electing a Congress in 1950 that will write on every luminous page of the Democratic platform, "I know that my Redeemer liveth."

Let every progressive Republican in the land devote himself to the great work of replacing the Taft-Hartleyites of the Congress with men and women to whom the sublime governmental principles of Abraham Lincoln are more sacred than the heartless philosophy of the National Association of Manufacturers, the propaganda of the subsidized press, or the temptations of lobbyists who constantly swarm over the country as the locusts swarmed over the land of Egypt in the days of old.

Let all patriots of all parties, of all colors, and of all creeds march to the ballot box in 1950 to the tune of Onward Christian Soldiers, and—

> Vote in the valiant man and free,
> The larger heart, the kindlier hand!
> Vote out the darkness of the land,
> Vote in the Christ that is to be!

And in the dark and weary intervening months between now and the next election day, let all who are of serious

mind, good will, and noble purpose derive both consolation and inspiration from the lofty assurance—

Ye that have faith to look with fearless eyes
Beyond the tragedy of a world at strife,
And know that out of death and night shall rise
The dawn of ampler life.

Rejoice, whatever anguish rend the heart,
That God has given you a priceless dower,
To live in these great times and have your part
In Freedom's crowning hour.

That you may tell your sons who see the light
High in the heavens—their heritage to take—
"I saw the powers of Darkness put to flight,
"I saw the morning break."

Mr. THOMAS of Utah. Mr. President, I yield 5 minutes to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, I am sure that all of us have been deeply moved by the very challenging and courageous remarks of the distinguished Senator from West Virginia [Mr. NEELY]. I realize that at this time in the debate there is very little new material which can be presented nor is it my intention, nor is it my purpose to try to bring out again the series of arguments which have already been well documented in the RECORD. I do wish to make one or two general observations because I believe that at this moment it is vital that we understand quite clearly the nature of the proposition which is before the Senate.

I have been very much intrigued by the comments, Mr. President, of the distinguished Senator from Ohio. He has pointed out in this very fine pamphlet "The Essential Principles of the Taft-Hartley Law, and Amendments Proposed by the Republican Minority," that 29 changes—29 changes, Mr. President—have been offered in the basic law of the act of 1947 known as the Taft-Hartley Act. And on the basis of those 29 changes, there has been somehow or other a general point of view given to the American people that this is a fair type of labor law. The 29 changes which have been advanced or which have been made are supposed to indicate to the American people that the distinguished Senator from Ohio and his colleagues have modified their point of view.

I am reminded of an old legend which I used in my formal remarks in the early days of the debate. It is a legend which centers somewhere or other in central Europe. The story is a very simple one about the mother and the father who were discussing the case of their little boy. They lived alongside the woods, and the little boy liked to walk through the woods. The little boy loved the animals of the woods. One time, as the little boy was going to go walking into the woods, the father caught hold of him and said to him, "John, the wolf may change his hide, the wolf may change his hair, but the wolf never changes his mind."

Mr. President, there has been a little hair changing in the Taft-Hartley Act. There has been a little bleaching of the fur with cheap peroxide. There have been a few little eyebrows lifted here and there, and I suppose a little grooming of the hide. But the fact remains, as the distinguished Senator from Utah [Mr. THOMAS], chairman of the Labor and Public Welfare Committee, so well pointed out yesterday, that the body of the Taft-Hartley Act is still in the Taft amendment, upon which we shall vote today. No matter how it may be dressed up, no matter how many coats of varnish may be applied to it, no matter how many soft words may be used, let us not forget for a single minute that the injunction is still there. Let us not forget for a single minute that the stability provision is still there. Let us not forget that the prohibition against secondary boycotts is still there. Let us not forget that the basic features of the Taft-Hartley Act still remain.

There are those in this body who believe that the vote will confirm the Taft amendment. Mr. President, I am no sunshine patriot. I am not going to wither away at the first blast of the wintry storm from the right-hand side of the aisle. I personally think that Senators are going to realize that though we took a defeat the other day in connection with title III, the basic part of the law is yet to be voted upon, the part of the law which affects the average man or woman in a trade-union.

I call upon my colleagues who are fundamentally concerned with good, sound labor-management relationships to stand by the Thomas bill and vote down the Taft amendment. I ask them to recognize that there is still hope. This is only one side of the congressional process. The House of Representatives will have its opportunity. The portion of the Thomas bill upon which we are to vote is the heart of it, which affects the great rank and file of American workers. The national-emergency provision upon which we voted is a symbol of great distress. We lost that fight by one vote. I remind distinguished Senators who voted against the Lucas amendment that this is a different day from 2 years ago. There has been a fight on the floor of the Senate this time. It has not been easy going. As the distinguished Senator from West Virginia [Mr. NEELY] pointed out, perhaps another election will make the fight a little more interesting.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a detailed analysis of the similarities between the Taft amendments and the Taft-Hartley law, which will substantiate the remarks made yesterday by the distinguished chairman, the Senator from Utah [Mr. THOMAS]. I ask that this be done not because it will be read before the end of this debate, but because I want it as a part of the formal record of the deliberations and discussions in the Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE TAFT-HARTLEY ACT AND THE TAFT AMENDMENTS

Mr. President, this is a significant occasion. The eyes of the American electorate are upon us. We vote today on an issue which directly affects a majority of the American people. Peaceful labor-management relations are close to the hearts of our citizens.

We vote today, Mr. President, on an issue which affects not only the American people, but the cause of democracy all over the world. The people all over the world, Mr. President, look upon us today and ask whether we are willing to put into practice the democratic principles we profess to pledge. They ask whether it is true indeed that this great cradle of liberalism will remove from its statute books a blight on its record.

The cause of democracy suffered defeat on Tuesday with the enactment of the substitute title III, introduced and sponsored by the Senator from Ohio. Again today we have an opportunity to stand up and be counted on a similar vital and crucial issue.

Our distinguished chairman, the Senator from Utah, yesterday pointed out to this body that the Taft amendment on which we vote today has in it more than 60 of the very same provisions which were included in the Taft-Hartley law, repudiated by the American electorate last November. The Senator from Ohio emphasizes that his present amendment removes 28 provisions from his recommendations of 2 years ago. But, Mr. President, the speech made yesterday by the Senator from Utah demonstrated beyond any doubt not only that the basic philosophy of the new Taft amendment is exactly the same as the basic philosophy of the Taft-Hartley law, but that more than 60 of the exact same provisions of the Taft-Hartley law remain in the new Taft proposals.

Let there be no doubt about it. The American people will not be fooled. The American working men and women will not be fooled. The American labor movement will not be fooled. The American electorate will not be fooled. As much as the Senator from Ohio would like to remove his name from the Taft-Hartley law, forget that sorry incident and escape from the stigma which is now attached to his name in the minds of millions of American men and women, we know, and I repeat for all to hear, that the Taft amendments which we are asked to vote upon today are as obnoxious, as unfortunate, as injurious to the common welfare as the Taft-Hartley law of 2 years ago. The Taft amendment, Mr. President, if adopted, will be a blow to the cause of democracy here and abroad. It will be a blow to the cause of freedom here and abroad. It will demonstrate to the American people, as the junior Senator from Oregon pointed out, that those who champion it continue to possess the philosophy of the Taft-Hartley law. I am confident that the American electorate in 1950 will demonstrate its final and unequivocal repudiation of that illiberal philosophy.

Mr. President, I ask for permission at the conclusion of my remarks, to place as a statement in the RECORD a detailed discussion of the similarities between the Taft amendments and the Taft-Hartley law. They demonstrate and substantiate the remarks made yesterday by our distinguished chairman, Mr. THOMAS.

AN ANALYSIS OF THE TAFT AMENDMENTS

*Exclusion of employees*

Our national labor policy is supposedly based upon the principle that stable labor-management relations are best achieved through free collective bargaining; that workers can best protect and improve their wages and working conditions through the use of free collective bargaining. Yet the Taft-Hartley Act denies several large groups of employees this protection and the Taft substitute proposes to continue to do so. Supervisors, persons having the status of independent contractors, and employees of Federal Reserve banks and nonprofit hospitals were denied these fundamental rights by the Taft-Hartley Act. The Taft amendments make the minor concession of returning the

employees of Federal Reserve banks and nonprofit hospitals to the protection of the act but leave the other large groups of employees still excluded. This is unfair and illogical. Supervisors and persons with the status of independent contractors should once more receive the protection of our national labor law.

Supervisors

For years prior to the Taft-Hartley Act supervisors had been included in bargaining units in various industries. No one can deny that foremen and supervisors are employees when they are acting to protect their own interests, their wages and working conditions, against the company which hires and compensates them. The Supreme Court of the United States recognized this basic fact when it upheld, under the original Wagner Act, the decision of the National Labor Relations Board in the *Packard Motor Company* case. This decision held that foremen were entitled to the protection of that act for purposes of forming unions and bargaining collectively.

By excluding supervisors from the definition of employee the Taft-Hartley Act effectively removes them from any benefits of the act. The guarantee of section 14 of that act, a provision also retained by the Taft amendment, is thus in actuality but an empty generality. This section provides that nothing in the act prohibits any individual employed as a supervisor from becoming or remaining a member of a labor organization. How can such a provision have any true meaning for supervisors when the National Labor Relations Board is not only without jurisdiction to conduct a representation election for supervisors or to direct employers to bargain with them, but also is unable to protect them if they are discharged for joining a union or to protect them against any other unfair labor practice of an employer? Supervisors are thus thrown back upon the use of economic force, strikes and picketing, to achieve any form of collective bargaining recognition. At the same time the employer can engage in discriminatory discharges, espionage, and blacklisting without fear of Government interference. This means that supervisors are in reality denied any bargaining rights. In the *Packard Motor Co.* case the Supreme Court of the United States described the fallacy of denying supervisors such rights as founded in the misconception that because the employer has the right to wholehearted loyalty in the performance of the contract of employment the employee does not have the right to protect his independent and adverse interest in the terms of the contract itself and the conditions of work. The long history of successful unionization of such employees in the building, printing, and railroad industries demonstrates, Mr. President, how fallacious is this theory that supervisors should not be granted the legal right to organize and bargain collectively.

Independent Contractors

But there is an even larger, yet equally important group to whom the Taft-Hartley Act and the Taft amendment would deny the protection of the right to organize and bargain collectively. These are the individuals who have the status of independent contractors. Who are some of those individuals? Well, it partly depends upon how clever a lawyer a company has. There are lawyers who have figured out ways to put into the independent contractor class one of the most exploited groups in our country—namely, the home workers. What chance does a union have to protect or improve its wages and working conditions if an employer can let out his work to homeworkers having the status of independent contractors who don't have the right to organize and who are completely at the mercy of the employer, particularly in times of considerable unemployment in the industry? This provision in the Taft-Hartley Act provides an enormous loophole which is growing bigger as more lawyers find fairly foolproof ways to turn the employer-employee relationship into that of a relationship between contractor and subcontractor. This trick is being used to exempt other groups—people who sell or deliver newspapers, for example, a group which ordinarily includes a large proportion of boys but which in times of depression attracts many older people. It is a group which is kept wide open for exploitation. This trick is also being used to deprive people of the benefits of the wage-hour law; and it must be stopped.

The realities of present day industrial life are being completely ignored by this provision. It denies the protection of the act to workers who, for purposes of such social legislation, are more nearly employees than independent businessmen. Employers are encouraged to avoid compliance with this type of legislation by exacting contracts from their labor force under which the employer gives up the right to direct the performance of routine duties and the workers lose the benefits of a statute intended for their protection. The Supreme Court of the United States recognized this in the Heart Publications case. The court ignored technical legal classifications for purposes of such a statute and thus held the relationship within the protection of the act.

To deprive these working men and women of the advantages of trade unionism, to return them to face individually and, therefore, helplessly, the problem of protecting and improving their wages and other working standards, is detrimental to the way of life of which this country is so proud. It hurts them, and it hurts trade unionism. As Clarence Darrow once said:

"It would leave the laborer stripped and naked to commence his long and painful journey back to serfdom once again; and when he starts out upon this road, the great mass of men whose independence has been won along with the workman's struggle, the great middle class, must go back with him."

Agency

Now I would like to turn, Mr. President, to another area of the Taft-Hartley Act which is retained in substance by the Taft amendment. This is where the liability of employers and unions for the acts of their agents is established. The Taft-Hartley Act greatly expanded the area in which unions can be held responsible for the acts of their so-called agents. It provided that in determining whether any person is acting as an agent of another so as to make the latter responsible for his acts, the question of whether the specific acts were authorized or subsequently ratified shall not be controlling. The Taft amendment purports to change this provision by deleting the language dealing with authorization or ratification, and substituting a provision which says that in determining whether any person is acting as an agent of another person so as to make such person responsible for his acts the common law rules of agency shall apply. The amendment also adds a provision that no union shall be held responsible for the acts of any member solely on the ground of such membership.

This Taft amendment is in reality, however, nothing more than the Taft-Hartley Act provision on agency, for that act had been interpreted as imposing upon the Board the old common-law rules of agency liability in determining the liability of unions for acts of its so-called agents. This means that all the evils of the agency provision of the Taft-Hartley Act will still be in existence under the proposed Taft amendment. As has been pointed out time and time again, Mr. President, this provision contains one of the most dangerous concepts included in the act. It ignores the fact that spies and provocateurs can be placed in the ranks of unions to stir up trouble. Unions cannot and should not be held responsible for the acts of such people. But in the early 1900's the Federal courts did just that, and it is that condition to which the Taft-Hartley Act returned the unions.

Section 6 of the Norris-LaGuardia Act was designed to remedy this completely unjust situation. That section requires actual authorization or ratification of acts in order to impute liability to the union. But this policy is completely nullified by the agency rule established in the Taft-Hartley Act and carried forward in the proposed Taft amendment. Adoption of such an agency rule for purposes of the entire act means that union responsibility for unauthorized and unratified acts can be determined not only for purposes of unfair labor practice cases but also for purposes of injunction and contempt action, suits for breach of contract, and suits for damages.

While thus reestablishing a discredited doctrine for the purpose of curbing union activity, the Taft-Hartley Act and the proposed Taft amendment, by applying the same definition of agency to employers, limits, rather than extends, employer responsibility for the acts of its agents. This is especially so when we discover that the Taft amendment also retains that provision of the Taft-Hartley Act which struck out of the definition of "employer" used in the original Wagner Act the phrase which included within the term employer "any person acting in the interest of an employer" and inserted in lieu thereof the phrase "any person acting as an agent of an employer directly or indirectly." The apparent purpose of this amendment was to change the rule adopted by the Supreme Court of the United States that an employer is responsible for the acts of his superintendents and foremen, even though he might not be so liable under strict common-law rules of agency. Now, under the Taft-Hartley Act and the Taft substitute, employers can be held liable only by applying common-law rules of agency. This means, in effect, and in this particular provision, that supervisors and foremen are not part of management, are not the agents of management. This, of course, is completely inconsistent with that provision of the Taft-Hartley Act and the Taft substitute, which would exclude supervisors from the protection of the act on the basis of their being part of management. It is also inconsistent with the realities of the situation, because the workers certainly must proceed on the assumption that their foremen and supervisors are agents of management and that they have great power over them. To adequately protect employees in the exercise of their right to form and join unions and bargain collectively, employers must be held responsible for the acts of such foremen and supervisors. Thus, by what the Senator from Ohio called a minor amendment to the Wagner Act, there was wiped out a whole body of law dealing with the liability of unions and employers.

*Board operations*

Multiplicity of Elections

There is still another major area, Mr. President, in which the Taft amendments retain a substantial part of certain Taft-Hartley features. This is in the provision for various types of elections. The Wagner Act provided for only two kinds of elections: (1) Where a labor organization asked to be certified as the bargaining agent for certain employees, and (2) where an employer petitioned for the determination of conflicting claims to recognition by two or more unions. The Taft-Hartley Act provides for elections in at least nine different situations. The Taft amendments retain five of these. Among the elections which are dropped are those providing for union-shop-authorization elections, a vote on the employers' last

offer in national-emergency disputes, and separate elections for plant guards. The Taft amendments still retain the provisions of the Taft-Hartley Act for—

1. A vote by professional employees on whether they wish to be included within a bargaining unit which represents nonprofessional employees.

2. An election upon petition by employees for decertification of a union.

3. An election upon petition by an employer when he alleges that a union is claiming recognition as collective-bargaining agent of his employees.

4. A vote upon petition by employees in a bargaining unit covered by a union-shop agreement as to whether such union-shop authority shall be rescinded.

5. An election upon petition by a union or other employee representation for certification as statutory bargaining agent.

I trust a majority of my colleagues will agree with me that the Taft substitute still permits too many types of elections which can be used by an antilabor employer to harass a bona fide union.

Board Administrative Procedure

Mr. President, although the Taft amendments drop some of the administrative monstrosities and special administrative procedures which were imposed upon the National Labor Relations Board by the Taft-Hartley Act, the amendments do retain a number of these special administrative provisions. These include prohibiting the Board from establishing a review division, certain provisions applying to the use of trial examiners, prohibition of the employment of economic analysts, the provisions requiring the Board to follow the rules of evidence applicable to the district courts, and the provision requiring the Board's record on review to be supported by substantial evidence. The rules under which all Federal administrative agencies are to operate were incorporated by Congress in the Administrative Procedure Act, adopted in 1946. That act established the rules of fair play under which such administrative agencies are to operate and specified the rules of evidence such agencies are to follow. There is, therefore, no justification for imposing different rules upon a particular agency, such as the National Labor Relations Board. The Taft amendments perpetuate this discrimination against the Board.

*Union security*

Now let us consider the important question of union security. The Taft-Hartley Act, Mr. President, places obstacle after obstacle in the way of the attainment by unions of that security which is so essential to responsible unionism. It entirely prohibits an agreement between an employer and a union for a closed shop. It further provides that before a union can obtain a union shop it must be authorized to do so by a majority of the employees eligible to vote. Where a union shop is authorized and agreed to by the employer, the Taft-Hartley Act continues to harass the union by interfering with its internal affairs by means of provisions which prevent the union from requiring the discharge of a worker except for failure to pay dues. The law so narrowly limits the relationship between the union and the employee that even with a union shop there is little union security.

The Taft amendments make a few slight concessions with respect to union security. The prohibition of the closed shop is retained. Under the amendments, however, an employer can notify the union of job openings and the union can refer qualified applicants for employment. The discredited union shop authorization election would be eliminated and unions would be permitted to require the discharge of employees for two other reasons—engaging in wildcat strikes and affiliation with the Communist Party. Still retained, however, are the provisions for deauthorization elections and those making State anti-closed-shop or anti-union-security laws paramount to the Federal law. Still retained, also, is a limitation on the power of unions to discharge employees. Why is it assumed that unions are the ones whose power to discharge should be regulated? What about the power of the employer to discharge?

One of the predictions made by opponents of the Taft-Hartley Act at the time of its passage was that the outlawing of the closed shop would disrupt long established and voluntarily maintained union security agreements which have been mutually beneficial to management and labor for many years. This prediction has been borne out in several important industries, particularly the printing industry. The closed shop has been the practice in this industry for almost 100 years. The International Typographical Union had acquired a wide reputation for responsibility. The majority report of the Joint Committee on Labor Management Relations stated: "The International Typographical Union has long enjoyed public confidence by its record of winning gains for its members while maintaining peaceful relations with employers." While I am not in the habit of quoting the Chicago Tribune, I feel compelled to refer, as did my colleague, the junior senator from Illinois, to an editorial which appeared in that paper on November 22, 1947, and which pointed to the peaceful relations which had existed between the newspaper and the typographical union prior to the Taft-Hartley Act. This editorial, in pertinent part, reads as follows:

"In 1852, the Chicago Tribune entered into contractual relationships with the Chicago Typographical Union, No. 16, which has continued until this day, without interruption of so much as an hour. * * *

"We regret that this record, as a matter of great pride to us as well as the union, has now been interrupted. * * *

"When the law was under discussion in Congress, as our readers will recall, we advised against outlawing the closed shop. We did so, among other reasons, because we know that the closed shop worked well in our plant and had worked well for a half century or more.

"Congress did not take our advice. * * *

"The Tribune hopes that the present difficulties will be resolved speedily."

The experience of this union under the Taft-Hartley Act is undoubtedly the outstanding example of the accuracy of the prediction as to the disruptive effects of the Taft-Hartley closed shop prohibition. The Typographical Union has had filed against it 18 charges, 9 complaints, 1 injunction suit, 1 contempt action, and 2 damage suits; has been forced to participate in 8 strikes; and has been compelled to spend more than $11,000,000 to resist the attacks upon its security.

The impact of the Taft-Hartley Act and the Taft amendment on union security is further aggravated by those provisions which permit stricter State laws on union security to prevail over the Federal statute. These provisions result in subjecting employers and unions in interstate industries to conflicting rules regarding these matters in the various States where they operate. These provisions create a multiplicity of standards applicable to these employers and unions which certainly do not promote stability in labor relations. If we are to have a labor policy which is national in scope, rather than 48 different labor policies, it behooves us to supplant any State laws which seek to regulate or prohibit union security agreements in interstate industries in a manner inconsistent with whatever policy we may establish. Either Congress establishes a uniform Federal policy in this admittedly Federal field or we should leave the entire matter of labor legislation to the States.

The prohibition of the closed shop and other restrictions on union security have been defended as a protection of the rights of individual employees. Of course, a good deal of this solicitude for the individual worker comes from the same persons who opposed the Fair Labor Standards Act and who are now resisting any effort to increase the minimum wage above 40 cents an hour although raising this minimum wage would assist those same individual workers.

I doubt that American workers are fooled by the claims of proponents of the Taft-Hartley Act that it seeks to protect their individual right to work. My predecessor in this body, former Senator Ball, was one of the leading champions of the right to work principle. On May 12, 1947, in the course of debate on behalf of provisions of the Taft-Hartley Act designed to eliminate union security, he stated:

"Mr. President, I think that that is the real Magna Carta for the American working men and women. I object to the whole basis of compulsory membership but I think the bill is largely going to eliminate compulsory membership unless the union leadership is so good that a majority of all the employees want it and will get out and vote for it in a secret election. Obviously the union leaders—and I heard one of them the other night make his major argument against this provision—are quite sure that a majority of the employees are not going to want it, and I agree with them. So this provision, in my opinion, is far more the Magna Carta of American working men and women than is the present so-called Wagner Act."

The statistics of the National Labor Relations Board, Mr. President, demonstrate that Senator Ball was never more wrong than when he made the above statement. These statistics show that in the secret elections referred to by Senator Ball, unions won 98.2 percent of the elections and 84 percent of the eligible voters voted in favor of the union shop permitted by the act. This would seem to indicate that practically all employees want the compulsory union membership to which he had such violent objection.

Coercion by Unions

Mr. President, the Taft amendment would drop the Taft-Hartley Act provision inserted in section 7 which guaranteed to individual employees the right to refrain from joining a union. This guarantee was implemented by the provision in section 8 (b) of the act which prohibits unions from restraining and coercing employees in the exercise of the rights guaranteed by section 7. But what the Taft amendment takes out from one section it reinserts in another section. Thus, section 8 (b) (1) would be changed to prohibit a union from coercing individual employees in the exercise of their right to work.

Such provisions were inserted into the act with the excuse that they protect the rights of individual employees. Proponents of such provisions have always argued that if employees are to be protected against coercion by employers, they must also be protected against coercion by unions. They argue that since employers must be prohibited from activities which might influence their employees one way or another in deciding whether or not to form or join a union, unions should also be prohibited from such activities. The mere statement of the proposition demonstrates its falsity. As the Senate Committee on Education and Labor stated 13 years ago, in 1935, when reporting on the original Wagner Act, and I quote: "To say that employees and labor organizations should be no more active than employers in the organization of employees is untenable; this would defeat the very objects of the bill."

These words are as true today as when they were spoken. Insertion into an act of provisions guaranteeing the right to refrain

from joining unions and prohibiting unions from coercing employees in the exercise of such rights, is at cross purposes with a statute designed to facilitate the formations of unions and to promote free collective bargaining. The two are completely inconsistent. Long ago the Congress determined, and the Taft-Hartley Act reaffirmed, that collective bargaining is necessary to stabilize labor-management relations and to fix fair standards of working conditions. Employees and unions must necessarily take positive action to achieve such collective bargaining. But employers must be prohibited from any activities which might possibly interfere with their employees' decisions concerning unions. The Taft amendment, by prohibiting unions from coercing individual employees in the exercise of their right to work, is as inconsistent as the Taft-Hartley Act. For all practical purposes the effect on legitimate union activities is the same. If the proponents of this provision intend no more than to prohibit acts of force, violence, or intimidation, as they have usually stated, the processes of local police courts are more appropriate and immediate than remote Federal surveillance and the inherent delays of Board proceedings.

*Interference with collective bargaining*

Still other provisions of the Taft-Hartley Act which would be retained by the Senator from Ohio interfere with free collective-bargaining relationships. Thus, the act dictates to private parties what they can and cannot put into collective-bargaining agreements on such matters as the check-off, and health and welfare plans.

Check-off

The Taft-Hartley Act prohibits the check-off of union membership dues unless each individual employee files with the employer written authorization to him to do so. The Taft amendment makes this provision even more restrictive by expressly providing that the employer may not check-off union fines, assessments, penalties, or other payments. Membership dues and initiation fees could be checked off but only on written authorization of the employee revocable from year to year.

There is no valid excuse for so restricting what was before the Taft-Hartley Act treated by employers and unions as an appropriate subject of voluntary agreement. The check-off has long been used by management and the Government to collect various obligations from workers such as group insurance, company store bills, taxes, and similar items. When the Taft-Hartley Act was being considered, not a single employer testified that the automatic check-off of union dues created a condition requiring Federal action. The requirement of individual authorization for deduction of union membership payments ignores the fact that when employees form a union they do so in order to have it speak for them in dealing with their employer. They authorize this union to represent them. A union could not carry on its essential functions if each individual employee were required to authorize individually each and every action of a union.

Health and Welfare Plans

In the field of health and welfare plans the Taft amendment continues the interference of the Taft-Hartley Act with another appropriate subject of collective bargaining. The Taft-Hartley Act provides criminal penalties if an employer pays money to employee representatives in connection with a trust fund established under a collective bargaining agreement, for the benefit of employees and their families unless the fund is for the purpose and is to be administered in the manner prescribed in the act.

For all practical purposes, the Taft amendment continues these restrictions on health and welfare funds. It makes only two changes: (1) an employer would be permitted to waive the Taft-Hartley requirement for joint representation in the administration of any such fund; and (2) the Secretary of Labor would be required to examine the agreement establishing the fund and to certify that it meets the detailed requirements of the act.

There is no more reason today for imposing such restrictions upon the parties in bargaining out the terms of health and welfare plans than there was when the Taft-Hartley Act was first enacted. As the opponents of that act pointed out, honest appraisal of the record of the administration of health and welfare plans negotiated by unions and employers prior to the act demonstrated that there were no abuses in this field which warranted the Government in thus interfering with the processes of collective bargaining. No evidence has ever been presented that either union administration or the form of the plans was bad. All evidence indicated that union health and welfare plans had been administered competently and honestly. There can be no possible justification for the Government imposing such a restriction on private bargaining rights on the theory that abuses might occur in the future.

It is indefensible, too, for the Government to discourage bargaining in a field in which the parties can contribute so significantly to the welfare not only of employees but of the country as a whole. Welfare plans constitute an important supplement to the Government's admittedly inadequate old-age security programs. Instead of making it difficult for employers and unions to incorporate such plans in their collective-bargaining agreements, it would appear obvious that the Government should do everything possible to encourage them in this endeavor. Removal of restrictions placed around bargaining for such plans is an important first step which the Government should take in the direction of encouraging the development of such plans by private parties. I am sure that my employer friends would be the first to insist that the Government should not prescribe what should go into private contracts. Let us then determine the honesty of their convictions by omitting from our labor relations law any dictation by the Government of the terms of collective-bargaining contracts.

Mutuality of Bargaining

Mr. President, one of the accomplishments which the able Senator from Ohio claims for the Taft-Hartley Act, and for which he would continue to claim credit if his substitute amendment is adopted, is the provision requiring unions as well as employers to bargain collectively. I think we can all agree with the distinguished Senator, Mr. President, that is a good thing that both employers and union should bargain collectively. We ought to bear in mind, however, just what it is we are agreeing to when we say that.

It seems to me perfectly clear, Mr. President, that the Senator from Ohio means one thing when he talks about the obligation of unions to bargain collectively, while we, Mr. President, mean something quite different. I do not propose to undertake to explain the purpose of the amendment offered by my distinguished colleague on the Committee on Labor and Public Welfare, the able Senator from Alabama, in the sponsorship of which I have joined with him and with six other Senators on both sides of the aisle on a bipartisan basis. That will, I am sure, be done by the Senator from Alabama when we discuss the specific terms of his amendment. What I want to talk about is the kind of provision on collective bargaining supported by the Senator from Ohio. It is the kind of provision, I think, Mr. President, we don't want in our Federal labor relations law.

The Taft-Hartley Act contains not only a provision requiring unions to bargain collectively with employers but also a detailed definition of what constitutes collective bargaining for purposes of the act. Particular attention should be paid, Mr. President, to this definition. It consists mainly of a number of procedural requirements including, (1) 60-day written notice to the other party of proposed termination or modification of agreements, (2) an offer to confer for the purpose of negotiating a new contract, (3) 30-day notification to the Federal Mediation and Conciliation Service, and (4) meetings and conferences between the parties. The act imposes on any employee who engages in a strike within the 60-day period the penalty of loss of his status as an employee for the purposes of sections 8, 9, 10 unless and until he is reemployed by the employer. Apparently the Senator from Ohio has recognized the unfairness of this penalty for he has dropped it out of his substitute amendment .

Now there are two things to be noted about these requirements, Mr. President. The first is that they lay down rigid procedures which parties must observe on pain of running afoul of stiff penalties provided in the act. It is my belief, Mr. President, that it is a mistake to put collective bargaining in a straitjacket by laying down hard and fast rules as to the steps the parties must take or the steps the parties should not take.

The second thing we ought to bear in mind, Mr. President, is that labor unions have been formed primarily to secure, through collective bargaining the improvement and protection of working standards for employees. If we are interested in the welfare of the great mass of our people, we should not—we must not—handicap by arbitrary rules the efforts of unions to carry out this purpose.

Mr. President, I believe the attention of the Senate should be called to a section of the report filed by members of the Joint Committee on Labor-Management Relations pursuant to Senate Concurrent Resolution 10, of which I was one of the signers, in which the short-sightedness of these provisions to which I have referred and their harmful effects are made clear. We said there, and I quote:

"We share the concern of the Ball committee over the confusion created by the legalistic and complicated provisions of section 8 (d). We further find that it operates unfairly against union members. * * *

"We find highly significant the trend noted by the Ball committee, toward short-term contracts and toward contracts having no termination date, 'the stated reason being the questionable nature of the right to strike during a contract term' (p. 3). This experience typifies the confusion and insecurity engendered by the act, and its adverse effect upon collective bargaining.

* * * * *

"As a result of the inequality of treatment under this section, taken together with section 8 (b) (2) under which wildcat strikers cannot be disciplined by the union, and section 301, which provides that unions may be sued for breach of contract, unions have been reluctant to negotiate no-strike clauses in their contracts. Such clauses, if they are voluntarily agreed to by the parties, are conducive to good labor relations. Immediately after passage of the act, the office of the general counsel of the American Federation of Labor recommended, in a bulletin to all locals, that unions refrain from agreeing to no-strike clauses in agreements. The general counsel said:

"'We give this advice reluctantly, but the restriction placed upon labor organizations under the new law leaves us no alternative.' (American Federation of Labor, bulletin No. 1, explaining the Taft-Hartley Act, p. 5.)

"In testimony before the Senate Labor Committee, Nathan P. Feinsinger, professor

of law at the University of Wisconsin, and widely known mediator, testified that 'the no-strike clause has lost its moral effect and has become a trading point.' (Senate hearings on S. 249, p. 2571.)

"We note that the peculiarly discriminatory disqualification of workers who go on strike in violation of this provision has been abandoned by certain sponsors of the act, and that it has been omitted from the amendments to S. 249 offered by the authors of the minority report thereon (minority views, p. 27).

"We believe, however, that even with this concession the existing provision is overcomplex, and that the 60-day notice period is unduly long."

*Secondary boycotts*

Turning now to one of the most important aspects of the problem before us, I should like to emphasize, Mr. President, that the Taft-Hartley Act sweepingly prohibits all forms of secondary boycotts without attempting to distinguish between those which are justifiable and those which are not. In addition to this indiscriminate prohibition, the act further provides for triple penalties against those unions which engage in such forms of union activity. What are these three penalties? (1) The union is subject to a broad cease and desist order; (2) the union is subject to a court injunction pending the board's final adjudication of the cases, and application to the courts for a temporary restraining order or injunction is mandatory on the board; and (3) the union is subject to damage suits by any person suffering injury in his person or property. The Taft amendment retains all of the Taft-Hartley Act's prohibitions on secondary boycotts with two exceptions: (1) a secondary boycott is permitted against work transferred from a struck plant, and (2) the provision for the mandatory injunction is eliminated, but injunctions at the discretion of the board are continued.

Mr. President, as of February 1, 1949, injunctions had been sought in 33 cases involving the secondary-boycott provisions of the Taft-Hartley Act. This is but a small percentage, however, of the number of cases in which secondary-boycott charges have been made and in which the possibility of the issuance of an injunction has hung over legitimate union activity.

One of the few secondary-boycott cases which has finally been decided by the Board illustrates the evils of the secondary-boycott provisions of the Taft-Hartley Act. I refer to the Wadsworth Building Co. case. In this case a building contractor used the products of a manufacturer of prefabricated houses who refused to deal with the carpenters' union. The carpenters picketed the contractor and placed his name on an unfair list. In addition, as a result of the activities of the union one union carpenter left the employment of the contractor.

A year before the Board took action on this case the activities complained of had been enjoined. The decision of the Board, and the injunction which was issued in anticipation of it, state in effect that an employer who cooperates with another to undermine conditions of employment established by collective bargaining is immune from peaceful economic pressure of a union. The action of the Board and the court in this case means that even a so-called product boycott is outlawed by the act. For what was here involved was a refusal by workers to handle a product which had been fabricated under unfair conditions. The decision of the Board announced that the right of peaceful picketing in furtherance of a secondary boycott is not protected by the right of free speech contained in the Taft-Hartley Act. Under this decision, a request in writing by a union urging others not to patronize an unfair employer is not permitted as a form of free speech. The decision holds that an effort to induce a single employee to leave an establishment is illegal as a form of concerted activities. Finally, this decision involves the application of the Federal legislative power to a local construction project.

The secondary-boycott provisions of the Taft-Hartley Act, Mr. President, have given rise to the unique situation of the Board applying a test to determine its jurisdiction in secondary boycott cases which differs from that applied in other types of cases. In a recent case the Board declined jurisdiction over a plastering contractor who had been charged with an unfair labor practice on the ground that his activities were essentially local and had only a remote and unsubstantial effect on interstate commerce. The Chairman of the Board stated, however, that if the same case had involved a secondary boycott the Board could not have exercised similar discretion to decline jurisdiction. As stated by another member of the Board, who disagreed with the Chairman: "If the employer commits an unfair labor practice the employees are left without redress; whereas, if the union violates section 8 (b) (4) (A), the employer is afforded plenary relief." While the Chairman said he reached the conclusion he did reluctantly, he had no choice under the provisions of the Taft-Hartley Act. The modifications of the secondary-boycott provisions proposed by the Taft amendments do not, Mr. President, cure this situation at all.

The secondary boycott provisions of the Taft-Hartley Act, Mr. President, have been used to restrain unions from activities which have long been recognized as justifiable in order to preserve their own existence and the gains made by collective bargaining. Activities such as enlisting the aid of other unions in disputes with employers; efforts to induce employers to cease doing business with other employers who pay wages lower than those established in collective-bargaining agreements; and even the rendering of assistance to fellow members of an affiliated union.

It is recognized, Mr. President, that there are certain secondary boycotts which are unjustifiable because they prevent or interfere with free collective bargaining. Employers and the public should be protected against these types of activities. The Thomas bill, accordingly, makes it an unfair labor practice for a union to cause or attempt to cause employees to engage in a secondary boycott or a strike:

(1) To compel an employer to bargain with one union:

(a) If another has been certified by the Board, or

(b) If the employer is required by an order of the Board to bargain with another union, or

(c) If the employer has a contract with another union and a question of representation cannot appropriately be raised under the act; or

(2) To compel an employer to assign particular work tasks contrary to an award issued by the Board under that section of the bill relating to the determination of jurisdictional disputes.

You will note, Mr. President, that the Thomas bill avoids the use of the blanket prohibition of all types of secondary boycott such as is contained in the Taft-Hartley Act and which would be retained under the Taft amendments. The Thomas bill properly defines the types and purposes of those strikes and boycotts that are to be prohibited.

Jurisdictional Disputes

A union activity, Mr. President, which is recognized by all to present a real problem is the jurisdictional dispute. The Taft-Hartley Act, however, in prohibiting this type of activity is not limited to disputes between unions, but enlarges the traditional concept of jurisdictional disputes by including the assignment of work tasks to particular trades, crafts or classes. The Taft-Hartley Act thus makes it virtually impossible for a union to protect itself from employer attempts to undermine it by assigning work tasks to unorganized employees. The Taft-Hartley Act further empowers the Board to hear and determine disputes giving rise to jurisdictional strikes or boycotts. The testimony of the Chairman of the Board, however, indicates that there has been little use of this procedure because of the delays involved. He stated also that there is some doubt among the Board's lawyers as to its legality because of the failure of the act to provide any standards for the determination of such disputes.

The committee bill, Mr. President, achieves the objective recommended by the President in this state of the Union message in that it provides machinery for the final and peaceful settlement of jurisdictional disputes and prohibits strikes and boycotts in furtherance of such disputes. The bill, however, limits its coverage in this respect to genuine jurisdictional disputes; namely, those over work tasks between two or more unions. The Board is given jurisdiction over a jurisdictional dispute when it results in or threatens to result in a strike or boycott and when it affects commerce. The Board must afford the unions a reasonable opportunity to settle the dispute themselves. If the dispute is not so settled, the Board may either hear and determine the dispute itself and issue an award, or it may appoint an arbitrator to do so. Certain statutory guides which the Board or arbitrator must follow in making the award are set out in the bill.

The procedure set out in the Thomas bill has been described by the Chairman of the Board as offering advantages not only to employers and unions, but also to the public and the Government. These advantages may best be described in Mr. Herzog's own words, as stated before our committee (pt. 1, p. 123):

"The most important single feature is probably the procedure for settling jurisdictional disputes. That procedure offers the following advantages to employers, unions, the public, and the Government:

"(1) The proceeding can be instituted at a stage when the strike or boycott is merely threatened, but has not yet materialized. (See the proposed sec. 9 (d).) Strife may thus be prevented at an early and critical period. (2) Any party interested in the dispute may resort to the Board for settlement. This opens up an avenue of peaceful solution not only for the aggrieved labor organization but for the employer, who may well be the innocent victim of an interunion feud. (3) The parties are afforded a reasonable time to resolve the dispute themselves, even after the proceeding has been instituted. At this point, voluntary settlement, rather than Government-imposed determination, would probably be the choice of many disputants. The Board would, of course, welcome such solution, just as it welcomes consent agreements in its other proceedings. (4) The mere availability of the procedure may often be sufficient to achieve industrial peace in this field without the intervention of Government.

"Three other aspects of the settlement procedure are of particular interest to the Board, in that each would tend to lighten the Board's burden in this new and difficult field of governmental operation:

"I might add that these are features which are not present, as we read them, in the present statute.

"First, the Board would have discretion to determine whether or not the dispute should be arbitrated. This would seem to be particularly valuable if it should develop, at any stage of the proceeding, that the dispute is truly a representation controversy. Upon such discovery, the Board would discontinue the arbitration proceeding and treat the case as if it had been instituted by a petition for certification under section 9

(c)—that is, determine a bargaining unit and proceed to an election if appropriate.

"That is the last sentence of section 9 (d) of the Thomas bill appearing on page 9, lines 3 through 7, if the committee cares to look at it.

"Second, unlike the LMRA, this section provides standards to guide the Board or the arbitrator in making a determination. While the same criteria that serve as the starting point in arbitration proceedings by parent federations are made available as standards, other specific guides may also be followed if necessary. Those standards are also set forth in section 9 (d), as I read it, and they run from page 8, line 10 through line 20, of the substituted Thomas bill (S. 249).

"Third, * * * we note that this bill does permit the Board to designate arbitrators, skilled in the field of jurisdictional disputes, rather than attempt to handle these matters directly itself."

The senior Senator from Ohio has seen fit to include these procedures in his amendment. His amendment, however, continues the Taft-Hartley injustice of enlarging the description of jurisdictional disputes to include the assignment of work tasks to particular trades, crafts, or classes.

### Injunctions

No subject, Mr. President, is more important in this discussion than the problem of the labor injunction. It was thought, of course, that the Norris-LaGuardia Act of 1942 had effectively laid to rest the use of injunctions in labor disputes. After years of judicial oppression, labor heaved a sigh of relief because this act created what one spokesman (the late AFL counsel, Joseph Padway) described as a "protective shield against invasion of rights that always belonged to labor." In 1947, however, the direction of our labor policy was reversed by the Taft-Hartley Act and the use of Federal injunctions in labor disputes was resurrected and made an even more oppressive weapon by requiring the Government to act as the agent of employers in seeking preliminary injunctions against unions.

The injunction provision in the Taft-Hartley Act which is most one-sided and destructive to legitimate union objectives is that which requires the Board to proceed against the union in every case involving secondary boycotts and jurisdictional disputes. I am glad to say that the senior Senator from Ohio early during the committee hearings on S. 249, recognized the unfairness of this mandatory provision and conceded that it should be eliminated from the new labor bill. The Taft amendment accordingly has eliminated this requirement. The present provision, although removed from the field of controversy, demonstrates the punitive character of the Taft-Hartley Act, so much of which would be retained by the Taft amendment.

The Taft amendment, however, would retain the use of injunctions, at the discretion of the Board and notwithstanding the provision of the Norris-LaGuardia Act, in the case of any unfair labor practice. Such injunctions would be available against employers as well as unions. If the experience under the similar provision of the Taft-Hartley Act is a criterion, however, we may expect that such injunctions will be sought more frequently in the case of union unfair practices. Under the provision of the Taft-Hartley Act giving the Board discretion in seeking injunctions only two cases were brought against employers as compared to six against unions.

The fact that these injunctions may be sought in the case of employer unfair practices as well as union unfair practices is pointed to by proponents of the Taft amendment as evidence of an intention to treat employers and unions alike. I am not impressed by this fact, however, since the use of injunctions in labor disputes is inherently one-sided. They are much more effective against unions than employers since the effectiveness of the economic weapons of unions, more so than those of employers, depends upon their use at strategic moments. I am opposed to the Board, or any Board agent, having the power to tip the scales in favor of employers by exercising the discretion to seek an injunction as authorized by the Taft amendment.

Preliminary injunctions, Mr. President, under the Taft amendment, are issued after a summary proceeding which is in no sense a determination of the merits of the case. When you realize that the seeking of an injunction in a labor dispute is not the traditional one of maintaining the status quo, but is used to upset the existing situation by stopping the picketing, striking, or boycotting and returning the parties to the working relationship which provoked the labor dispute you will agree that this summary nature of injunction proceedings is particularly objectionable. In theory injunctions are for the purpose of affording temporary relief pending the adjudication of the case by the Board. In reality, in most cases they effectively and finally determine the outcome of the dispute. The lapse of time between the issuance of an injunction and a final adjudication by the Board of the merits of the case does irreparable damage to a union. If, after a complete hearing of all the facts in the case, the Board determines that no unfair practice has been committed by the union, there is no possible way to undo the damage done to the union by the court's restraint of the picketing, strike, or boycott.

The seeking of the injunction provided by the Taft amendment, as I stated before, is not mandatory but it is left to the discretion of the Board. What has been our experience with the so-called permissive injunction provided by the Taft-Hartley Act? Under that act, Mr. President, authority to seek such injunctions is delegated to the general counsel. Soon after the act became law the general counsel announced that he considered this authority to be a very sacred trust to be used sparingly and only "where either a large segment of the public welfare is in danger or where life and property are seriously and in reality threatened or where there is a principle involved that will result in substantial and widespread irreparable damage or injury of more than a merely private nature." These are very high-sounding words, Mr. President, but let us consider some of the pressing issues which led the general counsel to use this sacred trust. One case involved the retail meat departments of 11 A & P stores out of the 5,000 stores which comprise the national chain. The sacred trust was resorted to in the ITU case on the ground that "there would be paralysis in the newspaper industry," although newspapers printed by substitute methods had continued to reach readers in the Chicago area despite a strike that had been in progress for over a year. In another case there were involved the operators of an independent motor carrier doing a small volume of interstate work, and in a companion case there had been a temporary cessation of deliveries to the shipping dock of one store of the large Montgomery Ward chain. Did any of these cases involve danger to "a large segment of the public welfare," or "substantial and widespread irreparable damage or injury of more than a merely private nature"? I say, Mr. President, that the injunction is too powerful a weapon to be used in the indiscriminate fashion in which it was used in the above cases, and I am opposed to placing this discretionary power in any administrative agency in this field even if it should be regarded as a sacred trust. We have therefore eliminated these provisions in the Thomas bill.

### Damage Suits

You will recall, Mr. President, while I was discussing the Taft-Hartley Act's indiscriminate prohibition of secondary boycotts, I pointed out that one of the penalties was that of subjecting unions to suits in Federal courts for damages sustained by any person because of such union activities. The act also provides that unions may sue and be sued in Federal courts for damages for breach of contract. In both instances these suits may be brought without regard to the amount in controversy or to the citizenship of the parties.

Doubts have been expressed by some of the lawyers who appeared before the committee as to the constitutionality of making a breach of a labor agreement subject to suit in Federal courts regardless of the amount involved or the diversity of citizenship of the parties involved. Not being a lawyer, I will not attempt to discuss this phase. There are, moreover, sufficient other reasons to object to these provisions. As Mr. William H. Davis said with respect to them in his testimony before the committee, and I quote:

"I do not know whether it is unconstitutional or not. I think it is wholly unnecessary and I am against it. I think it is unconstitutional. I am sure it is un-American, and it is unnecessary, and altogether, in my opinion, in a vengeful spirit."

Everybody seems to agree that the purpose of labor relations legislation should be the encouragement of collective bargaining. All agree on the desirability and necessity of promoting industrial peace. It seems to me, Mr. President, that these objectives require a close and friendly relationship between labor and management and a willingness on the part of both to make concessions in order to reach a meeting of the minds. I can think of nothing which would tend more to discourage this relationship than for the parties to become antagonists in a court. I can think of no provision which has less place in a labor relations statute than one which facilitates and encourages labor and management to look to the courts to settle their grievances.

Sound labor relations are basically sound human relations between employers and employees. Agreements between them are fundamentally based on good faith. This has been well stated by an authority in this field, Archibald Cox, of Harvard Law School, and I should like to quote him. He said:

"It would be unfortunate if there should develop any strong tendency to look to the Federal courts to settle questions concerning the interpretation and application of collective-bargaining agreements. A collective agreement is most workable when it is treated as a constitutional instrument or basic statute charging an administrative authority with the day-to-day application of general aims. The determination of disputes arising during this process is more a matter of creating new law than of construing the provisions of a tightly drawn document. Few judges are equipped for this task by experience or insight; in addition, they would be hampered by the restrictions and delays of legal doctrine and court procedure. Wider voluntary use of arbitration offers a more promising method of settling such disputes." (Cox, Some Aspects of the Labor-Management Relations Act, 1947; 51 Harv. L. Rev. 1,274, 305.)

The committee bill, Mr. President, contains no similar provision. It proceeds on the basis suggested by Mr. Cox, namely, to encourage the parties to resort to peaceful negotiations and arbitration to settle disputes. The Taft amendments, on the other hand, retain these punitive provisions but would place them in title I as a part of the National Labor Relations Act, a particularly incongruous place for them in view of the policy expressed in its first section of that law of encouraging the practice and procedure of collective bargaining.

*Conciliation Service*

The conciliation or mediation services of the Government, Mr. President, raise another point of issue under the Taft-Hartley Act. Until 1947 these services were in the Department of Labor. They had been there for 30 to 40 years. So far as I have been able to ascertain from sifting the recent testimony before the Senate Committee on Labor and Public Welfare, this service had functioned effectively in the Department of Labor during this entire period.

As all of us know, however, the Conciliation Service was nevertheless wiped out by the Taft-Hartley Act and re-created as an independent agency of the Government. This was done then, presumably, because some employers and some of my distinguished colleagues considered the Conciliation Service a partial agency of Government—partial toward labor because the Service was in the Department of Labor, and responsible to a Cabinet officer, the Secretary of Labor. Yet to my knowledge there was no reliable evidence—no concrete facts, no history of abuse or mismanagement—to support this legislative action.

Now, after 2 years of independent operation of the Mediation Service, the Commission on Organization of the Executive Branch of the Government, the so-called Hoover Commission, has, after prolonged and detailed study, established with the greatest good sense a fundamental principle that independent agencies of the Government should be sheltered within major executive departments, reporting to the President through the appropriate Cabinet officer.

In spite of this sound recommendation, some distinguished Members of the Senate continue to advocate the independence of conciliation services. Among these distinguished Senators is the able Senator from Oregon [Mr. MORSE]. During debate the other day, he said independence was required because some employers still felt that these services would be partial if performed through the Department of Labor. He emphasized, however, his conviction that none of the officials of the Department of Labor is partial, and, if I interpret his remarks correctly, that they are, on the contrary, impartial public servants of highest competence. At the same time he has called for proof that the present independent service has been anything but impartial in any of its operations.

It appears to me that the able Senator from Oregon has overlooked the real point in issue here. This point is that the United States Conciliation Service was abolished as an arm of the Department of Labor without any proof whatever of partiality. It was given an independent status in complete disregard for established principles of Government administration. It seems to me that the issue is not one of partiality at any stage but solely an issue of sound administration.

The Thomas bill would reestablish the Conciliation Service in the Department of Labor squarely upon the grounds of governmental efficiency, because no matter where the Conciliation Service functions it must be impartial to be successful. We make no more contention of partiality on the part of the present independent agency than does the Senator from Oregon with respect to the Department of Labor. We are, however, directly and seriously concerned on the merits with the question of enabling the executive branch of our Government to function in the best possible manner in the public interest. It is an obvious principle of organization, Mr. President, that functions must be grouped under responsible leaders who in turn are directly responsible to the Chief Executive. If we scatter and divide these functions and create many leaders, we will, and in many cases already have, placed impossible burdens of direction, coordination, and guidance upon the President.

Within a Federal Department, just as within the executive branch as a whole, it is essential that the principles of good administration be observed. Returning the Conciliation Service to the Department of Labor will enable it to function more effectively because it will be once again closely working with other Federal labor bureaus.

Let me illustrate: Last fall we had a maritime strike in which one of the chief obstacles to peaceful settlement was a question of so-called clock overtime under the Fair Labor Standards Act, administered in the Department of Labor. The Director of Mediation and Conciliation asked the Secretary of Labor to arrange for such assurances to the parties as would effectively settle this issue. These assurances were given and as a result the strike was settled. The Secretary of Labor is not responsible to the Director of Mediation and Conciliation and the Director is not responsible to the Secretary. Here was an important wage issue in the labor field in which two independent agencies of the Government were involved, and yet neither could command the cooperation of the other. A smaller man than the present Secretary of Labor might well have said to the Director: "It is your responsibility, not mine, to settle these labor disputes under the present law. That is your problem, not mine. I'm sorry, but you'll have to take this matter to the President." If such a course of action were pursued, and it might well have been, the President himself would have been forced to enter and settle the dispute.

Our objective, Mr. President, however, is to prevent such situations from arising in our Government to the embarrassment of officials and to the detriment of the public interest. It is our sincere desire to improve the services of Government through proper organization. The Conciliation Service needs, and utilized while it was in the Department of Labor, the various services and facilities which the Department of Labor possesses in the field of Government labor functions. These include, to cite some examples, information and assistance on labor laws, statistical research, employment, and apprenticeship problems, and the employment of women. These services become immediately available for the prevention or settlement of disputes when the Conciliation Service is in the Department of Labor. Where the dispute is to be settled by an independent agency, however, all of these services are available at sufferance.

There has been a lot of talk, Mr. President, about what employers think concerning the impartiality of the Department of Labor. This is presented as a crux of the argument by the able Senator from Oregon. He has expressed the opinion that there is something special about conciliation which requires primary consideration to be given not to the true facts of the situation but to the misconception of some groups. I submit, Mr. President, with all due respect for the Senator from Oregon, that misconceptions provide an unsound basis for legislation. I am sure, and I believe that the facts will bear me out, that some employers think that the Wage and Hour Division and the Bureau of Labor Statistics should not be in the Department of Labor, because these employers regard the Department of Labor as a partial agency. It may be that some of the Senators equally believe that because these agencies serve or affect employers, every step should be taken to allay the fears of these employers by creating additional independent agencies. I do not, and I am confident that a majority of the Senators do not, share this view. It was, however, this very philosophy, this extreme and untoward deference to the thoughts of employers, which caused the Eightieth Congress to strip the Department of Labor of its functions and its funds.

I know that the Senator from Oregon is sincere when he says on this floor that he is a friend of the Department of Labor and wishes to see its functions rebuilt. He says, however, that this should not be done through reestablishing the Conciliation Service in the Department of Labor. There are other Senators, perhaps, who, when the issue arises, may take a similar stand with respect to other functions sought to be more effectively discharged through the Department of Labor. If we take counsel of such reservations, Mr. President, solely upon the basis of what employers may think, I very much fear that the public interest alone will suffer.

For these sound reasons, Mr. President, I am convinced as to the merits for the need of carrying out the specific provisions of the Democratic platform by restoring the Conciliation Service to the Department of Labor.

National Emergencies

The provisions of the Taft-Hartley Act, dealing with disputes which imperil the national health and safety, are concerned, Mr. President, with the most difficult problem we have to cope with in the field of labor relations legislation. How are we to protect our people from real calamities seriously endangering their health and safety and at the same time defend this basic democratic freedom of workers, unions, and employers? This is the question we have to face up to, Mr. President, in this field.

The American people were led to believe that the procedures provided in the Taft-Hartley Act for handling such disputes would protect them when their health or safety was endangered. The facts do not bear this out. In four of the six cases in which their procedures were used—atomic energy, longshore (east coast), longshore (west coast), and maritime (east coast)—they failed to ward off strikes and it was only as a result of collective bargaining, aided by Government conciliation, rather than compulsion, that settlements were reached.

At the same time, the democratic freedom of workers and unions have been jeopardized by the injunctions they have had issued against them. I know these injunctions were temporary, Mr. President. The important thing is, however, that they resulted in Government compulsion against the workers and against the union. We must find something better than Taft-Hartley injunction to use in case of real national emergency.

It is clear that the Taft amendment dealing with so-called national emergency disputes retains substantially all of the bad features of the Taft-Hartley Act. What changes in that act does it make? The basic framework is retained, but emergency boards appointed by the President to investigate the facts in such disputes would be allowed to make recommendations, the 80-day waiting period enforced by injunction would be reduced to 60 days, the provision for employee vote on the employers' last offer would be eliminated and court-ordered seizure would be added to the injunction as a sanction to enforce the 60-day waiting period. Now these are important concessions, Mr. President. The Senator from Ohio is proposing substantial changes in his act. Nevertheless, the basic framework remains the same—complicated procedure, emphasis on Government compulsion to force settlements rather than agreements reached through collective bargaining, and the coercive power of the Government directed mainly against unions.

It has been demonstrated conclusively, Mr. President, that such procedures cannot achieve their objective. The use of injunctions to secure cooling-off periods merely inflame a dispute instead of promoting its settlement. The union and the employees feel that the powers of the Government are being used to break their strike and that the

Government is siding with the employer. Experience also demonstrates that an injunction merely tends to delay, rather than facilitate, settlement of the dispute. As the Conciliation Service reported, the parties who are subjected to an injunction lose their sense of urgency and tend to relax their efforts to reach a settlement. They wait for the next deadline date, the discharge of the injunction, to spur them to renewed efforts. In most instances the efforts of the service to encourage the parties to bargain during an injunction period with a view to an early settlement, fell on deaf ears. Injunctions do not and cannot in themselves settle labor disputes. What they do is compel workers to continue working for private employees without imposing any comparable obligation upon the employer. Such a procedure involves a one-sided compulsion which certainly cannot be considered as contributing to the improvement of the relationship between the parties to the dispute.

Political Contributions

The Taft amendment retains in substance still another feature of the Taft-Hartley Act. This is the provision which prohibits poltical contributions by unions and corporations. The only change which the Taft amendment makes is to eliminate the word "expenditure" from this section. Such a provision has no place in a labor-relations statute. The subject matter of the provision deals with questions of public policy which are outside of the proper scope of labor-management legislation. If any such provision is appropriate, it should be incorporated in a general statute applied to all forms of organizations. The provision as it stands in the Taft-Hartley Act, and as it would be retained under the Taft amendment, would apply only to labor unions and corporations. Proponents of the prohibition state that the rights of minority members in unions should be protected against possible diversion of their dues to the support of political candidates they do not favor. Assuming this to be true, the same protection should be afforded members of other types of organization, such as trade associations, farmers, veterans' groups, and other associations. There is no justification for discriminating against unions on such a matter, and such a provision has no place in a labor-management-relations act.

The Implications of the Taft-Hartley Law

My discussion of the specific proposals made by Senator TAFT makes it clear that the program he now suggests will give us no more assurance of a successful labor-management-relations policy than the one he gave us 2 years ago. To sum up my charges against the Taft-Hartley law, let me remind you that I have established the following facts:

1. The Wagner Act was successful; it was operating satisfactorily. The Taft-Hartley law was designed to meet a danger that did not exist.

2. The Taft-Hartley law, conceived in error, did not produce the good pattern of industrial relations which its authors claimed for it. It did not create industrial peace; it did not put labor and management on an equal footing; it did not even prevent pro-Communists from receiving collective-bargaining recognition, as witness the fact that an open Communist can disavow his party affiliation one day and file affidavits permitting him to come before the National Labor Relations Board the next day.

3. Unsuccessful though it was in establishing a favorable industrial-relations atmosphere, the Taft-Hartley law did succeed in creating industrial-relations chaos. Relationships satisfactory for many years were destroyed; in other cases such satisfactory relationships had to be continued by under-the-table agreements between labor and management, in which there was tacit avoidance or open flouting of the law.

4. For the first time in our peacetime history the Government has been embroiled in the substance of collective bargaining. As I have indicated, the place of the Government in the collective-bargaining process is to create a favorable atmosphere and to protect the rights of the parties rather than to tell those parties what they may agree to and what they may not agree to.

The failure is obvious. The question before us is what is to be done. The administration bill fundamentally restores the Wagner Act. It is hoped that the atmosphere of free collective bargaining can once more be established without having suffered any permanent damage due to the irresponsible experiment of the past 2 years. Labor relations under the Wagner Act were better handled by far than they are at present, or than they would be under the amendments proposed by the Senator from Ohio. To those people who fear that unions will hurt our economy, as they have never done before, I reply by quoting from a book which is the basic economic text of the prophet of free enterprise, Adam Smith. In book I, chapter 8, of The Wealth of Nations, Smith, writing in the year our independence was established, stated:

"We rarely hear * * * of the combinations of masters, though frequently of those of workmen. But whoever imagines, upon this account, that masters rarely combine, is as ignorant of the world as of the subject. Masters are always and everywhere in a sort of tacit but constant and uniform combination, not to raise the wages of labor. * * * To violate this combination is everywhere a most unpopular action and a sort of reproach to a master among his neighbors and equals. * * * Masters, too, sometimes enter into particular combinations to sink the wages of labor. * * *

"Such combinations, however, are frequently resisted by a contrary defensive combination of the workmen, who sometimes, too, without any provocation of this kind, combine of their own accord to raise the price of their labor. Their usual pretenses are sometimes the high price of provisions; sometimes the great profit which their masters make by their work. But whether their combinations be offensive or defensive, they are always abundantly heard of. In order to bring the point to a speedy decision, they have always recourse to the loudest clamor, and sometimes to the most shocking violence and outrage. They are desperate, and act * * * [to] * * * frighten their masters into an immediate compliance with their demands.

"The masters upon these occasions are just as clamorous upon the other side and never cease to call aloud for the assistance of the civil magistrate, and the rigorous execution of those laws which have been enacted with so much severity against combinations of * * * laborers and journeymen."

One of the great authorities I have cited before, Dr. William M. Leiserson, after citing the paragraphs I have read, warned us against changing the Wagner Act. He said:

"Like Adam Smith, however, we must not be misled by the clamor of those who have been masters. The picture is not as dark as they paint it. No employer has gone to jail for violating the Labor Relations Act, but workers are still going to jail for their 'unfair labor practices,' for disorderly conduct in connection with strikes, for mass picketing, as well as for the violence they resort to in desperate efforts to bring their disputes to a speedy decision."

What is necessary in order to build a sound labor-relations policy, in addition to reinstating the spirit of the Wagner Act, is fairly simple: We must give the working people in the United States the opportunity to achieve the standard of living which they deserve in view of our productive capacity. The Taft-Hartley law was passed because there were many strikes in 1946 after price control was repealed. The chart I displayed the other day, prepared by the Department of Labor's Bureau of Labor Statistics, shows how real earnings of the American worker went down beginning with the middle of 1946. Is it any wonder that a wave of strikes resulted? Surely a labor-relations policy would be better directed toward raising those real wages back to their earlier levels, rather than artificially clamping down on the rights of the people who struck in retaliation against the economic blows they suffered in 1946. Surely it would be better to raise the minimum wage to 75 cents an hour so as to give some measure of security to the underprivileged, without whose economic freedom none of us is secure. The question of obtaining a satisfactory labor-relations policy, therefore, is broader than the question of labor relations itself. Our first step is to restore the freedom to bargain collectively. Our second step is to insure that our economic system will serve the people in their freedom.

Mr. THOMAS of Utah. Mr. President, how much time have we left?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that the Senator from Utah has 7 minutes left.

Mr. THOMAS of Utah. Mr. President, in the debate of yesterday I think we sufficiently covered all points in regard to the Taft amendment. We covered them to such an extent that I can say quite truthfully that if the Taft amendment prevails we shall not have a new law at all, despite the fact that there are 28 changes, because the Taft amendment would retain the entire spirit and theory of the Taft-Hartley Act.

Therefore, Mr. President, it will be in order and it will be proper for us appropriately to name the act. The bill which is before us is called the Labor Relations Act of 1949. That name should not remain if the Taft amendment prevails. It should be called what the Taft-Hartley Act was called, with a change in the year. It should be called the Labor-Management Relations Act of 1949. Probably a better name for it would be the Taft Act of 1949. Amendments to the title will be in order and will probably be offered at the appropriate time if the Taft amendment is adopted.

Mr. President, in justice to everyone and to the RECORD, it should be pointed out that the first of the Baldwin amendments is an amendment reaching in the right direction; but, as we said yesterday, I doubt very much whether, if it should become a part of the law, it would do what the provision in what is called the Thomas bill would do in regard to the supremacy of Federal law in interstate cases. Each Senator will vote as he sees fit. Of course, I shall vote for the Baldwin amendment. It tends away from what the Taft amendment tries to do. It tends toward what we think is the proper theory in regard to Federal control in this field. But Senators must vote their convictions upon that amendment.

Now for a closing statement. Let me say in all seriousness that the Taft-Hartley Act has done such great injury to the labor movement that if it had happened that we had had hard times or a depression in the past 2 years the

act could have been used, and would have been used, to destroy the labor movement in the United States. I say that in all seriousness. If the Taft amendment prevails and becomes the law in place of the Taft-Hartley Act, which is now the law of the land, and if we come upon hard times, if we move into a period of unemployment, if we move into a type of living in which employment becomes hard, then, of course, a movement will be made toward destroying the wage scale, and the best way to destroy a wage scale is to destroy a union.

When I say that, I am citing history. Already in the United States, wherever there has been an economic tendency toward a depression and toward unemployment, wherever there has been a surplus of labor, crafty employers who have not properly thought through the economic question have already used the force, which Government gives them by being on their side, to bring about a destruction of unions and to bring about a condition in which laboring persons lose their pay so far as present standards are concerned. That will continue, as surely as hard times come, and as surely as unemployment reaches any considerable proportions.

There is still one chance to save the bill. I trust that the Taft amendment will be voted down. If it is voted down, despite the fact that we suffer discouragement and despite the fact that the bill as it stands today, with the changed title, is, as I said yesterday a bad bill, if we can defeat the Taft amendment we can in conference make a halfway decent law.

The PRESIDING OFFICER. The Senator from Utah has one additional minute if he cares to use it.

Mr. IVES. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield to the Senator from New York.

Mr. IVES. The Senator from New York thanks the Senator from Ohio very much.

The PRESIDING OFFICER. How much time does the Senator from Ohio yield?

Mr. TAFT. I yield for a question. Then I shall yield myself 1 or 2 minutes.

Mr. IVES. The Senator from New York has an important question. A question has arisen as to whether the secondary boycott provisions of the Taft-Hartley Act or of the substitute which is before us, and which has been offered by the distinguished Senator from Ohio, were intended to apply to economic pressures exerted by a labor union against nonunion employers in the ladies' garment industry who operate under a jobber-contractor system of production.

Let me put a typical case. A jobber is engaged in the manufacture of dresses. He buys piece goods. He employs designers to design the garments and perhaps cutters to cut the goods. But the dresses are not sewn and finished in his own shop. Instead the jobber sends out the cut goods or sometimes the uncut goods, to contractors whose workers sew and complete the dresses according to the jobber's specifications. Then the contractor sends the finished dresses back to the jobber who sells them to the trade.

This is a typical example of jobber-contractor production. Governmental investigations have established, and the collective agreements in the industry have long recognized, that under this system the jobber is in economic reality the virtual employer of the workers in the contractors' shops; that he must be responsible for their wages and labor standards, and indeed that the contractor is nothing more than the jobber's outside agent to obtain his required production.

Of the 300,000 workers employed in the ladies' garment industry in the New York area alone, more than 80 percent of them are employed in contractors' shops.

Now, let us suppose the jobber is a nonunion jobber or that he employs nonunion contractors. Suppose, too, that the International Ladies' Garment Workers' Union, the union which functions in this industry, attempts to organize the jobber's workers or the contractor's workers or both groups of workers simultaneously. In this organizational drive the union may attempt to persuade the jobber's workers not to design or to cut goods to be manufactured in the shops of the nonunion contractors, or the union may try to persuade the contractor's workers not to manufacture dresses for a nonunion jobber.

It has been suggested that this might fall within the ban of the literal language of section 8 (b) (4) and section 303 of the Taft-Hartley Act or of section 8 (b) (4) and sections 16 and 17 of the Taft substitute. I am sure this was never the intention of the sponsors of the act or of the Congress. The jobber and his contractors are obviously engaged in a unified and integrated production effort, and they do not stand as neutrals with respect to one another in any labor dispute against the other. Rather, they are allies because they are engaged in a common enterprise. It seems plain to me that they are not to be deemed separate employers, but, rather, a single unified employer of all workers engaged in every phase of the manufacture of the garments, no matter on whose premises the workers are located. Economic pressure exerted against either jobber or contractor cannot be construed as secondary action against either, but must be deemed primary against both. The secondary boycott provisions of the act and of the Taft substitute therefore have not the slightest application.

Does the Senator from Ohio agree that it was never the intention of Congress to have the secondary boycott provisions of the act apply to this situation?

Mr. TAFT. Mr. President, the secondary boycott ban is merely intended to prevent a union from injuring a third person who is involved in any way in the dispute or strike, and therefore should not suffer economic damage simply because of the action of a labor union. It is not intended to apply to a case where the third party is, in effect, in cahoots with or acting as a part of the primary employer.

On the basis of the facts stated by the Senator from New York, I do not believe the law was intended to apply to the case he cites, where the secondary employer is so closely allied to the primary employer as to amount to an alter ego situation or an employer relationship. It should not apply, and I think Judge Rifkind practically decided that in the so-called Project Engineering Co. case.

I may say that one of the changes we are making in the law is to remove the ban on the secondary boycott in a case where there is a strike in one plant and then the work is transferred to another plant, because we feel that in that case the men who are striking should be able to picket the second plant in order that the men there may not work on the work on which the men in the first plant were refusing to work.

The spirit of the act is not intended to protect a man who in the last case I mentioned is cooperating with a primary employer and taking his work and doing the work which he is unable to do because of the strike.

So not only do I think the law of the case is as I have indicated, and does not prohibit the particular action referred to in the facts cited by the Senator in his question, which I have seen and have had the privilege of reading, but the spirit of the act is entirely contrary to applying it in that kind of a case.

Mr. IVES. I thank the able Senator from Ohio.

Mr. TAFT. Mr. President, I yield 10 minutes to the distinguished Senator from Missouri [Mr. DONNELL].

The PRESIDING OFFICER (Mr. LONG in the chair). The Senator from Missouri [Mr. DONNELL] is recognized for 10 minutes.

Mr. DONNELL. Mr. President, the able Senator from Utah [Mr. THOMAS] stated a few moments ago, in substance, that the Taft amendment retains the major provisions of the Taft-Hartley law. In that statement I concur. I believe the fundamental principles set forth in the Taft-Hartley law, the principles of fairness and equality which characterize that act, should be maintained; and in my opinion the Taft amendment upon which we are about to vote does maintain and retain them.

At the time when the Taft-Hartley Act was passed, it was realized that only experience could demonstrate whether changes should be made in it. For that reason there was created a labor-management committee, one of the primary duties of which was to examine the experience under the Taft-Hartley law and to give to Congress the net results of its advice and judgment as to whether changes should be made.

Mr. President, it seems to me to be a very striking commentary upon the frankness and honesty and integrity of the distinguished Senator from Ohio that, instead of coming before the Senate and claiming that the Taft-Hartley law had no imperfections, he frankly presented to the Senate and ultimately to every Member of the Senate the statement he made on May 4, in which he pointed out some 28 changes which have been made in the proposed amendment, as distinguished from the original Taft-Hartley law. Then he pointed out also the 22 important features which are retained and which, to my mind, are the fundamental features of the Taft-Hartley Act.

So, Mr. President, today, as one of those who voted for the Taft-Hartley Act, I am glad to have the privilege of voting for the Taft amendment to the existing Taft-Hartley law.

We have been told here today of the tremendous injury to labor which may be anticipated from the operation of the Taft amendment. Let me say that results under the Taft-Hartley law, the fundamental principles of which are retained in the Taft amendment, as I read the facts, do not bear out the doleful prediction which has been made by our friends on the other side of the aisle.

Let me quote from the report dated December 31, 1948, by the Joint Committee on Labor-Management Relations of the Congress of the United States, and printed by the Government Printing Office in the form of the document I now hold in my hand. It refers to the experience under the Taft-Hartley law. Let me read from it:

> Increase in union membership since passage of the act has been constant. A few unions have lost a substantial block of their membership to other unions when the issue of the failure of their leadership to file non-Communist affidavits has been raised against them. Many of the larger unions, such as the United Automobile, Aircraft, and Agricultural Implement Workers of America, CIO, International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, AFL, and the International Association of Machinists, Inc., reported substantial gains by 1948. The teamsters, for example, announced a record total of 1,060,000 members as of January 1948. The United Auto Workers, CIO, which experienced real losses due to shut-down of wartime industries, again approached its wartime peak of about 1,000,000. The largest of the independent or unaffiliated unions, the machinists, climbed to a new peak of 625,000. Few unions, according to all available reports, experienced more than temporary membership losses from 1945 to 1948.

Mr. President, we have been told here today in substance by the distinguished senior Senator from Florida [Mr. PEPPER] that the Taft amendment permits the suability of unions, and it is intimated that a grave disservice is being done to unions by the fact that they are made responsible, just as management is responsible, under the contracts which are made by the labor unions and by management.

Aside from the question of fairness—and to my mind it is perfectly fair that both sides to a contract, not merely one side, should be subject to suit to enforce the terms of the contract—but aside from that, it is short-sighted policy to say that a labor union benefits from exemption from liability under its contract. What is it that brings about successful collective bargaining? Why is it that the employer is willing on the one hand, and the employee, on the other, to enter into collective bargaining? Should it not be true that the primary reason is that they think they can enter into a bargain which, when made, can be enforced against both parties? If from a contract of that kind we pare off virtually all liability on the part of the labor union, we discourage the employer from his willingness to enter into collective bargaining.

So, Mr. President, the very fact that labor unions would, under the provisions of the Thomas bill, not be subject to the suability provision, to my mind is a great disservice to the unions, in that it discourages collective bargaining instead of encouraging it.

Louis Brandeis, when a comparatively young man, as has been pointed out previously upon the floor of the Senate, in 1902 or 1903, I think it was, had this to say:

> This practical immunity of the unions from legal liability is deemed by many labor leaders a great advantage. To me it appears to be just the reverse. It tends to make officers and members reckless and lawless, and thereby to alienate public sympathy and bring failure upon their efforts. It creates on the part of the employers, also, a bitter antagonism, not so much on account of lawless acts as from a deep-rooted sense of injustice, arising from the feeling that while the employer is subject to law, the union holds a position of legal irresponsibility.

Instead of the provision of the Taft amendment, which makes a union subject to liability to suit, being a disservice to a union, it is a positive advantage.

I may say another thing. It has been pointed out upon the floor of the Senate, I think, that the Thomas amendment eliminates one of the very striking provisions of the Taft-Hartley law, one of the fundamental provisions which is retained in the Taft amendment, and that is the provision which makes it illegal for Government employees to strike.

Why should there not be a prohibition against strikes by Government employees, carrying on the activities of the Government? The Taft-Hartley law, having put into effect, by the votes of Democrats and Republicans alike, a prohibition against Government employees striking, now, if the Thomas bill repeals that provision, is there not a clearly implied approval of the right of Government employees to strike? I do not say that necessarily they would be able to maintain that right, but I say that it is important to maintain in the law a clear, definite prohibition of strikes by employees of the Government.

The Thomas bill fails to contain any provision whatever prohibiting mass picketing or coercive picketing. The Taft amendment which we are to vote upon within a very few minutes contains and retains the provisions of the Taft-Hartley law prohibiting coercive and mass picketing. Who is there to say that our country should be allowed to be overrun by mass and coercive picketing? Why is it that the Thomas bill eliminates the prohibition against it?

The Taft-Hartley law prohibits coercion of employers in the selection of their foremen. The Taft amendment retains that provision. Why should any labor union have the right to coerce an employer in the selection of his foremen?

The Taft-Hartley law places the Mediation and Conciliation Service in an independent entity, free from employers on the one hand, free from employees on the other. The Thomas bill restores the Mediation Service, placing it back in the hands of the Labor Department, the very statutory duty of which is the protection of the interests of labor.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. DONNELL. Mr. President, I earnestly urge the Senate to do, as I believe it will—adopt the Taft amendment to the Thomas bill, this afternoon.

Mr. TAFT. Mr. President, I yield 5 minutes to the Senator from New Jersey [Mr. SMITH].

The PRESIDING OFFICER. The Senator from New Jersey [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of New Jersey. Mr. President, I regret exceedingly that my recent illness prevented my participation in the debate within the past few weeks. As I have been one of the participants in the amendments which have been before the Senate, I considered I had a responsibility to say a word in behalf of the Taft amendment. I hope to do so in these few minutes.

Last week, through the courtesy of my colleague, I placed in the RECORD a statement of what I conceived to be the issues in the debate. At that time I expressed my great regret that it had not been possible for the committee, before the bill ever came to the floor, to get together and discuss this very difficult and admittedly controversial issue in a spirit of statesmanship, not of partisanship. It was a matter of deep regret to me that the administration bill was reported to the floor without the minority being given a chance even to offer amendments. I realized then that when it came to the floor it would be necessary for the kind of procedure we have had here, which frankly I do not think is the best sort of procedure in considering a question of this kind.

As I see it, there are two outstanding issues in the debate. One has been made the subject of discussion. It was disposed of two days ago. I refer to the protection of the public, of the American people as a whole, in the event of the occurrence of some sort of labor dispute which tends to threaten the safety or the welfare of the people. The Senate settled that by determining that the President should have certain power. It was not compulsory. We determined that he might have the power, in his discretion, to use certain remedies to protect the people, for a limited period of time, within which it was to be hoped that mediation might take care of the issue. Personally, I cannot see why there has been such a hue and cry about how terrible that provision is. It seems to me it is the only way we can deal with the important issue of protecting the people against a private dispute.

The other question which is involved—and I think it is involved in the amendments coming up now, and to me at least it is the primary issue—is the protection of the workers of America from exploitation, either by big business or, if I may say so, by big labor. I am interested in the workers of America, and I say that I have always supported collective bargaining in those areas in which the worker should be able to express himself through representatives of his own choosing.

But, by the same token, we are faced with the issue over the union shop or of the closed shop, and things of that character, as to which, if we give larger power to labor to organize and to insist upon a monopoly of the labor market, there must be some sort of regulation to protect the ordinary worker in the procedures of his union. If we are going to retain the closed shop, which has been advocated by some, and which of course is provided in the Thomas bill, then I insist we should write into the bill a provision to protect the worker from the monopoly of his union, to see that he is not exploited by the union.

I am for the American worker's being free from exploitation by either side; so I insist that the Taft-Smith-Donnell amendment, which is coming up presently, is most sincerely and conscientiously designed to deal with the defects in the Taft-Hartley law, and to bring to bear every possible measure we could in order to protect the worker. I urge my colleagues to support the Taft-Smith-Donnell amendment, because I feel that we sincerely and conscientiously tried to find our mistakes, to admit our mistakes, and to correct them through these changes.

To say that it is a slave-labor law, that it takes away the rights of labor, to my mind, is simply misleading the public. Anyone who wants to deal with the matter should simply ascertain what is in the Taft-Donnell-Smith amendment and try to find out wherein he differs from our conclusions. The only issue is the closed shop. I do not think we are prepared to pass upon it unless we are prepared to make regulations for the protection of individuals who need protection from either big business or big labor. It is a matter of policy. I think those of us who are offering the amendment are entitled to have the whole issue examined and that the amendment should be supported.

Mr. TAFT. Mr. President, I yield 1 minute to the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the remarks which I have prepared on this subject.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

Mr. President, to those in the galleries, it might be easy to observe that every Member of Congress feels he is an expert on labor legislation, regardless of his practical knowledge about the subject.

Possibly we should pass a law compelling labor leaders and union members to take a course in problems confronting businesses, as well as a law compelling a businessman to take a course in problems confronting the average wage earner.

I am inclined at times to come to the conclusion that we would be better off without any Federal labor legislation whatsoever.

We are inclined in labor-relations debate, as in most every other thing in Congress, to use the exception to prove the rule. For example, labor, to prove its position, picks out a few isolated cases of bad employers and forgets about the tens of thousands of good employers; and management, to prove its position, picks out a few isolated cases of bad labor leaders and labor incidents and forgets about the tens of thousands of good labor leaders and labor relations.

We must be realistic about this matter, because we have had unions in the United States for over 100 years, protected by Federal statutes; and without them, regardless of what any one individual does or what a group of individuals do, we will continue to have them.

Politics should not enter into labor relations.

The Norris-LaGuardia Act was passed by a Republican administration in 1932, when Herbert Hoover was President of the United States. Both LaGuardia and Norris were Republicans.

If the labor unions would fire all their economists, quit trying to run the businesses, and confine their efforts to labor relations, the Nation as a whole would be better off.

To hear some people talk, one would think labor unions were something new in this Nation. To listen to some labor leaders and politicians, one would come to the conclusion that all employers were opposed to unions; and to listen to some employers, one would come to the conclusion that all labor unions were bad.

Unions have participated in some undesirable practices during the past 20 years, the worst of which have been the so-called sit-down strikes, uncontrolled destruction of property, mass picketing, jurisdictional strikes, and some secondary boycotts.

Local officials throughout the Nation have consistently and repeatedly failed in too many instances to maintain law and order to protect both property and human rights.

I voted for the Taft-Hartley bill because I felt it was to the best interests of all our people—including the unions themselves. I repeatedly stated, and my only comment on the Taft-Hartley bill since it became a law was, that if any features of it proved to be unfair to either labor or management, I would vote to change it and that is my position today.

Mr. TAFT, one of the coauthors of the bill, himself, has suggested 28 changes, and those opposed to the Taft-Hartley bill have supported already in this Senate, some four to five changes.

Therefore, if the coauthor of the bill feels justified in changing his mind with respect to 28 features, I feel justified—and think every other Senator should feel justified—in supporting any change or changes which he feels is to the best interests of labor and management.

I have come to the conclusion—just as the Chicago Tribune so ably stated in the editorial which I hold in my hand—the matter of a closed shop should be left entirely to the discretion of the employer and employee.

If both management and labor desire a closed shop—that should be their privilege. If they desire a union shop—that should be their privilege, and if both, employer and employee, desire an open shop, meaning no union of any kind that, likewise, should be their privilege.

It takes three ingredients to make a business institution:

1. Capital.
2. Labor.
3. Management.

I defy anyone to run a successful business without all three.

The Government should never be anything more than the umpire.

I know some people will disagree with this position—and others will applaud the position, but I honestly believe that a closed shop works to the decided advantage of those businesses engaged in the kind of business which requires skilled help, such as carpenters, printers, bricklayers, tool and die makers, and many others in our so-called craft unions.

I am equally opposed to the closed shop in those businesses where the union has what is commonly known as a "plant-wide" union—a better description of them might be a union where all employees of a plant, including the janitors on up, belong to the same union.

As an employer in such a business, I would be inalterably opposed to a closed shop, but as a contractor using skilled carpenters, bricklayers, etc., I would prefer a closed shop.

The closed shop is not practiced in the coal industry by the United Mine Workers, neither is the closed shop used among the railroad industry by the railroad unions.

The CIO has only one closed shop division among their thousands of union contracts, namely, in the maritime field.

The closed shop is practiced primarily among the craft unions and has been so practiced for over 100 years.

The first typographical union was founded in 1809.

No responsible union official has the right to ask for a closed shop where he has what is commonly called a "plant-wide" union for the practical reason that he should not and must not take on the responsibility of seeing who the employer should or should not hire.

By virtue of the same thing it works a tremendous hardship on the contractor, and those dealing with the craft unions, to be forced to go out and hire or find on quick notice skilled, experienced craftsmen.

The worker is just as much of our private-enterprise system as is capital and management, and he should be just as much interested in maintaining this private-enterprise system as is capital.

Labor leaders have a responsibility—just as capital and management—and they should stop this constant attack upon the private-enterprise system.

Each performs its own duties and has its own responsibilities—and one is just as important as the other in our kind of society.

If labor and management don't quit fighting—quit taking undue advantage of the other, the end result will be chaotic and the downfall of our great country.

The only substitute for our private-enterprise system is that the Government will own and operate all businesses, and we will all work for the Government. Once we all work for the Government we will find that the worst private industry boss is better than the best governmental boss.

Mr. TAFT. Mr. President, the Senate has before it the question of whether it will pass the Taft-Donnell-Smith amendment or whether it will pass the Thomas bill.

In the substitute presented by the minority, which is now before the Senate and which was prepared after the most careful consideration, we did what any legislative body should do: We took the existing law and asked for protests. We knew of the labor protests, but we asked representatives of labor to come before the committee and say what was wrong with the law. Many of them came forward and stated what they thought was wrong with it. Employers felt there were some things wrong with it, but apparently they did not feel strongly enough to come before the committee and present their views.

We have adopted many provisions designed to meet the protests which are important to labor. They cover practically the entire field of really vigorous and reasoned protests. Of course, we do not cover the vague field of name calling, such as "slave labor bill" and similar propaganda, which has never been based on reason.

If we do not adopt the amendment, Mr. President, we will be throwing away the basic principle of American legislation. We will be saying that we should be influenced by propaganda. If anyone has sufficient force and enough money to build up propaganda based simply on name calling and sneering, then the argument is that Congress should respond to that position.

The position taken by Mr. Green in sending to the Senate a message demanding the defeat of the amendments illustrates labor's position—it must have everything, or it will not take anything. That is the effect of the Green proposal. He says:

> We feel that amendments designed to make the Taft bill more palatable would be useless and a waste of time. The action yesterday in the Senate in regard to section 3 of the bill makes it absolutely unacceptable.

Because we chose to keep one important provision of the Taft-Hartley law, Mr. Green says, "I do not want any of the amendments we have been demanding and which we think are necessary for labor."

The amendments which we have suggested are important ones. The most vigorous protest was directed against the operation of the independent general counsel. While there was some doubt on my part, we agreed that provision should be eliminated and that we should return to the administrative procedure of the National Labor Relations Board. It is a great improvement over the original procedure, although it does not completely separate the prosecuting and judicial functions.

We undertook to increase the Board to seven members because of the claim that they were not able to handle the complaints made by labor. There are four times as many complaints handled by the National Labor Relations Board from labor against employers as there are from employers against labor. The idea that the act is an employer's act is a complete fallacy. The Wagner Act, as amended by the Taft-Hartley Act, has operated primarily to the advantage of labor.

With respect to the responsibility of unions for the misconduct of employees, the provision was said to be too vague. I thought it was vague so we eliminated that provision. We eliminated the provision which required a vote to authorize union shops, so that the unions could themselves go ahead and negotiate for union shops.

We modified the secondary boycott provision, as I described a few minutes ago, in order that it should apply only to cases in which innocent third parties, who were in no way involved, were injured by the arbitrary action of labor unions.

We apply the Communist oath to employers as it is applied to employees. I think if it had been carefully considered the committee would have done that orginally. It was a one-sided provision.

The most violent opposition of the labor unions was directed to the so-called mandatory injunction. While I think it was very effective in stopping secondary boycotts, it did operate in a one-sided way when it went into operation. So we have eliminated it.

I could mention one or two more important matters in which we have met the demands of labor. But the position of labor now is that they want the act repealed; they do not want to improve it; they want the issue in the next election. I cannot think of any position more at variance with sound principles of American constitutional government and American legislative practice.

What the amendment does is to propose a remedy for the specific things against which complaints have been made. Some Senators say they do not like it and that there are one or two provisions which they think should be changed. We happened to disagree with them. They may be right or they may be wrong. We wanted to correct those matters in which we thought we had made mistakes. We tried to amend those things. It certainly is an illogical position for anyone to say, "I am for the Taft-Hartley law; I voted for it, but because you are not changing this and that, although you are making 10 other important changes, I shall not vote for the amendment."

Mr. President, the Senate will vote, first, as I understand, on the amendment to nullify State laws which outlaw the closed shop. We go somewhat further, perhaps, than does the Federal law. In the first place, the importance of the closed shop is certainly very considerably exaggerated. I think it has been used as an arbitrary weapon, and I think it is perhaps the chief cause of labor abuses, such as "featherbedding" and limited production, which usually stem back to a closed-shop situation. The closed shop is not approved by many authorities. The railroad mediation law, which has been referred to as a model, prohibits the closed shop in the railroad industry. There has never been a closed shop in the railroad industry. It has been specifically prohibited by law. That law has not injured any railroad union in the United States.

Mr. Leiserson has been quoted by the distinguished Senator from Minnesota [Mr. HUMPHREY] and other Senators as an authority on labor relations and as being opposed to the closed shop. He thinks it should be prohibited, and he so testified before the committee. He is in favor of everyone being compelled to pay the cost of getting an agreement and administering it; that is, to pay the dues in connection with it. He says to let the man who belongs to the machinists' union, if the UAW wants an election, to continue to belong to it and say he does not need to join the UAW. Mr. Leiserson's position is very definite in opposition to the closed shop. Naturally he does not object to the prohibition of the closed shop.

In the case of American Federation of Labor against the American Sash Co., Mr. Justice Frankfurter cites Mr. Justice Brandeis in holding that the State laws were valid. During the administration of the Wagner Act the Supreme Court of the United States said State laws were valid. I think they should remain valid, no matter what other action we may take. Mr. Justice Frankfurter quotes Mr. Justice Brandeis as follows:

> The objection, legally, economically, and socially, against the closed shop was so broad, so antagonistic to the American spirit, that the insistence upon it has been a serious obstacle to the unions.

Those words have been cited with approval by Mr. Justice Frankfurter, who certainly presents a liberal and pro-labor point of view. He says it has worked out satisfactorily. It seems to me that we should permit a State which wishes to go further, which wishes to affirm the position of Mr. Justice Brandeis and Mr. Justice Frankfurter, to do so. I think we should affirm their position and defeat the amendment proposed by the distinguished Senator from Connecticut.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BALDWIN], as modified, to the amendment of the Senator from Ohio [Mr. TAFT] in the nature of a substitute for titles I, II, and IV of the so-called Thomas substitute for Senate bill 249.

Mr. BALDWIN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BALDWIN. Mr. President, may the amendment be stated?

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 12, line 25, after the name "United States" and before the comma, it is proposed to insert "or in the law of any State," and on page 41, beginning with line 16, to strike out subsection (b) down to and including line 20, as follows:

> (b) Nothing in this act shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

The VICE PRESIDENT. The yeas and nays having been ordered, the Secretary will call the roll.

The roll was called.

Mr. MYERS. Mr. President, the senior Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly, meeting at Rome, Italy. If present and voting, the Senator from Louisiana would vote "nay."

The result was announced—yeas 41, nays 53, as follows:

YEAS—41

| | | |
|---|---|---|
| Aiken | Johnston, S. C. | Myers |
| Anderson | Kefauver | Neely |
| Baldwin | Kerr | O'Mahoney |
| Douglas | Kilgore | Pepper |
| Downey | Langer | Saltonstall |
| Flanders | Lodge | Smith, Maine |
| Graham | Long | Sparkman |
| Green | Lucas | Taylor |
| Hendrickson | McGrath | Thomas, Okla. |
| Hill | McMahon | Thomas, Utah |
| Humphrey | Magnuson | Thye |
| Hunt | Miller | Tobey |
| Ives | Morse | Withers |
| Johnson, Colo. | Murray | |

NAYS—53

| | | |
|---|---|---|
| Brewster | Gillette | Millikin |
| Bricker | Gurney | Mundt |
| Bridges | Hayden | O'Conor |
| Butler | Hickenlooper | Reed |
| Byrd | Hoey | Robertson |
| Cain | Holland | Russell |
| Capehart | Jenner | Schoeppel |
| Chapman | Johnson, Tex. | Smith, N. J. |
| Chavez | Kem | Stennis |
| Connally | Knowland | Taft |
| Cordon | McCarran | Tydings |
| Donnell | McCarthy | Vandenberg |
| Eastland | McClellan | Watkins |
| Ecton | McFarland | Wherry |
| Ferguson | McKellar | Wiley |
| Frear | Malone | Williams |
| Fulbright | Martin | Young |
| George | Maybank | |

NOT VOTING—1

Ellender

So Mr. BALDWIN's amendment, as modified, was rejected.

Mr. BALDWIN. Mr. President, I desire to call up an amendment which I submitted yesterday, the so-called free speech amendment, lettered "DD," and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 18, line 18, of the Taft substitute for the bill it is proposed to strike out the words "or set aside any election."

The VICE PRESIDENT. The Senator from Connecticut is recognized for not to exceed 10 minutes.

Mr. BALDWIN. Mr. President, the Senate has already adopted, practically unanimously, as I recall, a free speech amendment, and the amendment which has already been adopted to the Thomas bill by the Senate is one which was approved by the distinguished Senator from Ohio. In the amendments offered by the Senator from Ohio, however, there is a variance in this particular provision from the amendment which has already been adopted. I think I can best utilize the limited time I have to discuss the amendment by reading what the distinguished Senator from Vermont [Mr. AIKEN] had to say when this matter was before the Senate previously, and before the adoption of the amendment as it now has been adopted by the Senate.

There is no reference—

Said the Senator from Vermont—

made to free speech in the bill of the Senator from Utah.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. By unanimous consent the Senator from Connecticut may yield for a parliamentary inquiry.

Mr. LUCAS. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. BALDWIN. I yield.

Mr. LUCAS. I was under the impression, Mr. President, that all amendments which were offered previous to 2 o'clock today would be voted on at 2 o'clock or immediately thereafter.

The VICE PRESIDENT. The Senate accepted a modification of the unanimous-consent agreement, that an amendment might be offered and that the proponent, if he so desired, might have 10 minutes, and the opponent might have 10 minutes.

Mr. LUCAS. I thought that modification applied only to amendments which were offered after 2 o'clock, and not before.

The VICE PRESIDENT. The present amendment was not offered until after 2 o'clock. The Senator from Connecticut has just offered the amendment. It was read previously for the information of the Senate, but was not actually offered then.

Mr. LUCAS. I thank the Chair and I thank the Senator from Connecticut for yielding to me.

Mr. BALDWIN. I continue to read from the statement of the Senator from Vermont [Mr. AIKEN] made on June 15:

Under the Taft-Hartley Act it has been found that the free-speech provision goes too far. The amendment which I have offered is an effort to correct the situation and provide in the law that both employers and unions shall have the right of free speech.

This amendment is almost like the one submitted by the Senator from Ohio [Mr. TAFT].

I might interpolate there to say that the amendment offered by the Senator from Ohio, to which the Senator from Vermont referred, appears, as I recall, on page 18 of the so-called Taft substitute.

This amendment refers to unfair labor practices only—

That is the one I have offered—

whereas the amendment of the Senator from Ohio would extend the rule to elections as well. It seems to the sponsors of this amendment that the choosing of a bargaining agent is something over which the unions themselves should have full jurisdiction and that that is not the proper place to permit the employer to enter the picture and argue for or against any particular union or bargaining agent.

It is believed that this amendment would give the employer free speech in full degree so long as such speech does not contain any threats, implied threats, or promises or reward. With this amendment it would seem that both unions and employers would be on equal terms, and be treated fairly.

Mr. President, that summarizes the situation completely. The amendment which I have now offered would parallel the one which has already been adopted, and would preserve that amendment which has already been adopted by the Senate against the possibility that the substitute offered by the Senator from Ohio, in which he has a provision incorporating this same matter might make a change in it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. TAFT. I have consulted with the other authors of the substitute measure, and we are willing to accept the amendment offered by the Senator from Connecticut. I do not know whether, under the parliamentary procedure we can accept it, but if not, I suggest that the Senator move the adoption of his amendment.

The VICE PRESIDENT. The Senate will have to vote on it.

The question is on the amendment offered by the Senator from Connecticut lettered "DD" to the so-called Taft substitute to the Thomas bill.

The amendment to the amendment was agreed to.

Mr. MORSE. Mr. President, I wish to call up my amendment to the Taft substitute. It is the amendment which deals with an independent Mediation and Conciliation Service. My amendment proposes to strike out from the Taft substitute from line 3, on page 49, through line 7, on page 57, both inclusive. I understand the Senator from Ohio is willing to accept my amendment. I want to make it very clear——

The VICE PRESIDENT. The Senator from Oregon has offered an amendment to the so-called Taft substitute. Does the Senator from Oregon ask to have the amendment read in full, or does he ask that it be printed in the RECORD?

Mr. MORSE. No; I ask that it be printed in the RECORD, but I wish to have stated that part of the amendment which indicates the portion of the Taft substitute I propose to strike out.

The VICE PRESIDENT. The clerk will state the portion indicated by the Senator from Oregon.

The LEGISLATIVE CLERK. It is proposed by Mr. MORSE to strike out of the Taft substitute, from line 3 on page 49 through line 7 on page 57, inclusive, and to insert in lieu thereof a new title II.

The VICE PRESIDENT. Without objection, the amendment will be printed in the RECORD at this point.

The amendment is as follows:

Strike out from line 3, page 49, through line 7, page 57, inclusive, of the so-called Taft amendment, and insert in lieu thereof the following:

"TITLE II—MEDIATION, CONCILIATION, AND ARBITRATION

"THE FEDERAL MEDIATION AND CONCILIATION SERVICE

"SEC. 201. In the interest of encouraging a responsible system of self-government in plants, factories, mines, and other places of employment consistent with the principles and practices of democracy, of achieving high levels of production and employment and of fostering high standards of living, it is declared to be the policy of the United States—

"(a) that the primary responsibility for settling labor disputes, for industrial peace and for the development of sound labor-management relations rests on employers, their employees, and their representatives and that this responsibility can be discharged most effectively through the procedure of conferences and good-faith collective bargaining;

"(b) that excepting when the conduct of employers, their employees, or their representatives is contrary to law or when the safety and health of the people are immediately and directly endangered the role of government in the settlement of labor disputes, the promotion of industrial peace, and the development of sound labor-management relations should be limited to providing facilities calculated and designed to assist employers, their employees, and their representatives in the discharge of their responsibility to bargain collectively and in good faith;

"(c) that the role of government as above described in the settlement of labor disputes without strikes or lock-outs can best be performed by making Government facilities and services available for the effective conciliation and mediation of labor disputes and the establishment, when the circumstances warrant, of boards and panels to inquire into and report on the facts in such disputes (with or without recommendations) and for

the voluntary arbitration of grievances and other disputes seriously affecting the public welfare; and

"(d) that the role of government as above described in the promotion of industrial peace and the development of sound labor-management relations can best be performed by making Government facilities and services available to foster and make known the best practices and usages of collective bargaining, to improve human relations between employers, employees, and their representatives and to lend assistance in the formulation and general acceptance of such contract provisions and procedures as are best designed, on the basis of experience, to achieve and effectuate the goals declared in this section of this title.

"SEC. 202. (a) The Federal Mediation and Conciliation Service (hereinafter called the "Service") is hereby continued as an independent agency in the executive branch. The Service shall be under the direction of a Federal Mediation and Conciliation Director (hereinafter referred to as the "Director"). The Director in office on the date of enactment of this act shall continue in office without reappointment, but his successor shall be appointed by the President, by and with the advice and consent of the Senate. The Director and the Service shall not be subject in any way to the jurisdiction or authority of the Secretary of Labor or any official or division of the Department of Labor. The Director shall receive compensation at the rate of $12,000 per year, and shall not engage in any other business, vocation, or employment.

"(b) The Director is authorized, subject to the civil-service laws, to appoint such clerical and other personnel as may be necessary for the execution of the functions of the Service, and shall fix their compensation in accordance with the Classification Act of 1923, as amended, and may, without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, appoint and fix the compensation of conciliators and mediators, arbitrators and members of fact-finding and other boards and panels established by him to assist in the settlement of labor disputes, and to effectuate the policy of the United States as set forth in section 201: *Provided*, That such arbitrators and members of such boards and panels shall be compensated, as determined by the Director, at a rate not in excess of $100 per day, and shall be allowed transportation and other necessary expenses, and $25 per diem in lieu of subsistence, whether or not in travel status. The Director is authorized to make such expenditures for supplies, facilities, and services as he deems necessary. Such expenditures shall be allowed and paid upon presentation of itemized vouchers therefor, approved by the Director or by any employee on the staff of the Service designated by him for that purpose.

"(c) The principal office of the Service shall be in the District of Columbia, but the Director may establish regional offices convenient to localities in which the facilities afforded by the Service may need to be made available. The Director may by order, subject to revocation at any time, delegate any authority or discretion conferred upon him by this act to any other officer or employee of the Service. The Director shall make an annual report, in writing, to Congress, not later than January 1 of each year, of the business of the Service and its experience during the fiscal year terminating on the June 30 immediately preceding such date.

"(d) Notwithstanding the repeal of the Labor-Management Relations Act, 1947, by section 101 of this act, all mediation and conciliation functions of the Secretary of Labor conferred on him by section 8 of the act entitled "An act to create a Department of Labor," approved March 4, 1913 (U. S. C., title 29, sec. 51), and transferred to the Federal Mediation and Conciliation Service by section 202 (a) of the Labor-Management Relations Act, 1947, shall continue to be so transferred to that Service.

"FUNCTIONS OF THE SERVICE

"SEC. 203. (a) The duty of the Service is to offer and make available to labor organizations and to employers the facilities referred to in section 201, and shall assist them in settling disputes through the processes of free collective bargaining. The Director shall have authority to proffer the mediation, conciliation, and other facilities of the Service in any labor dispute which, in his judgment, affects commerce either upon his own motion or upon the request of one or more of the parties to the dispute whenever he is of the opinion that the facilities of the Service may assist the parties in settling the dispute.

"(b) The Director is authorized to establish suitable procedures for cooperation with State and other mediation agencies, and to enter into agreements with such State and other mediation agencies relating to the mediation of labor disputes, which, in his judgment, threaten to or have an effect on commerce which is minor in extent.

"(c) If the Service is not able to bring the parties to a dispute to agreement on terms of settlement within a reasonable period of time, it shall seek to induce them to agree to such other and special procedures for the settlement of the dispute, without resort to strikes or lock-outs, including, but not limited to, voluntary arbitration or cooperation with and participation in hearings of such special boards and panels as may be established by the Director, or otherwise, and acceptance of the findings and recommendations of such boards and panels.

"(d) It shall be the responsibility of the Service, through conferences and such other methods as it deems appropriate, to strive to improve relations between employers and the representatives of their employees, and encourage and advance the practices and usages of free collective bargaining for the purpose of avoiding labor disputes and preventing such disputes as might occur from developing into stoppages of operations which might affect commerce or develop consequences injurious to the general public welfare.

"CONDUCT OF OFFICERS OF SERVICE

"SEC. 204. The Director and the Service shall be impartial. Information and facts coming to the knowledge of the Director or the staff of the Service in the course of the performance of their official duties shall be regarded as confidential and not to be divulged, excepting when the public interest and welfare so require, as determined by the Director, under regulations issued by him. Commissioners of the Service shall not engage in arbitration while serving as commissioners and they shall not participate in cases in which they have a pecuniary or personal interest.

"DUTIES OF EMPLOYERS AND EMPLOYEES

"SEC. 205. In order to prevent or minimize labor disputes affecting commerce, employers and employees, and their representatives should—

"(a) exert every reasonable effort to make and maintain collective-bargaining agreements for definite periods of time concerning (1) rates of pay, hours, and terms, and conditions of work; (2) adequate notice of desire to terminate or change such agreements; (3) abstention from strikes or lock-outs in violation of such agreements; (4) suitable grievance machinery; (5) voluntary procedures for the arbitration of grievances as defined in such agreements; and (6) such other procedures as may be necessary or desirable to promote industrial peace and sound labor-management relations;

"(b) participate fully and promptly in such meetings as may be called by the Service for the purpose of aiding in a settlement of any dispute to which they are parties.

"GRIEVANCE MACHINERY AND ARBITRATION

"SEC. 206. It is the pubic policy that disputes arising between employers and employees and their representatives should be settled by peaceful procedures voluntarily agreed to by them without resort to strike or lock-out. Accordingly, the Service shall assist them (1) in developing, for inclusion in collective-bargaining agreements, suitable procedures for the negotiation or arbitration of grievances (as defined in such agreements) which may arise during the term thereof; (2) in formulating stipulations and agreements for the submission of existing disputes and grievances to arbitration; (3) in accordance with the provisions of such stipulations and agreements, in selecting an arbitrator or arbitrators by submitting to the parties a limited roster of names from which they may select the arbitrator or arbitrators of their choice, or, if they cannot so agree, by designating an arbitrator or arbitrators; and (4) in making available such other facilities, consistent with the policies expressed in section 201, as may be necessary to encourage and advance the use of grievance machinery and voluntary arbitration by employers, employees, and their representatives as an alternative to strikes and lock-outs: *Provided*, That nothing in sections 205 or 206 hereof shall make the failure or refusal of either party to agree to an arbitration clause in their contract, a violation of any duty or obligation imposed by any provision of this act.

"LABOR-MANAGEMENT ADVISORY COMMITTEES

"SEC. 207. (a) The President shall appoint such labor-management advisory committees as he deems necessary or appropriate for the administration of this title. The membership of each such committee shall consist of equal numbers of labor and management representatives. Members of such advisory committees shall serve without compensation, but shall receive transportation and per diem in lieu of subsistence at a rate of $25 per day, as authorized by section 5 of the act of August 2, 1946 (5 U. S. C. 73b–2), for persons so serving.

"(b) It shall be the function of such advisory committees, at the request of the Director, to advise in the avoidance of industrial disputes, and the manner in which the facilities of the Service shall be administered in order to achieve the purposes of this title.

"COMPILATION OF COLLECTIVE-BARGAINING AGREEMENTS

"SEC. 208. (a) For the guidance and information of interested representatives of employers, employees, and the general public, the Bureau of Labor Statistics of the Department of Labor shall maintain a file of copies of all available collective-bargaining agreements and other available agreements and actions thereunder settling or adjusting labor disputes. Such file shall be open to inspection under appropriate conditions prescribed by the Secretary of Labor, except that no specific information submitted in confidence shall be disclosed.

"(b) The Bureau of Labor Statistics in the Department of Labor is authorized to furnish upon request of the Service, or employers, employees, or their representatives, all available data and factual information which may aid in the settlement of any labor dispute, except that no specific information submitted in confidence shall be disclosed.

"EXEMPTION OF RAILWAY LABOR ACT

"SEC. 209. The provisions of this title shall not be applicable with respect to any

matter which is subject to the provisions of the Railway Labor Act, as amended from time to time."

Mr. MORSE. Mr. President, I shall not take more than a minute. All the amendment does is to continue an independent Mediation and Conciliation Service. The language of my amendment as worked out in the detail is, I believe, preferable to the present wording of the Taft substitute.

I wish to make it perfectly clear, however, that with the adoption of my amendment as a part of the Taft substitute I shall still vote against the Taft substitute.

The VICE PRESIDENT. Under the unanimous-consent agreement the proponent of an amendment may speak not to exceed 10 minutes; but if he speaks for even as short a time as 1 minute, the opponent of the amendment may have 10 minutes.

Mr. TAFT. Mr. President, I shall not take 10 minutes. Title II of the Thomas bill proposes to place the independent Mediation and Conciliation Service, which is now under Mr. Ching and which was set up 2 years ago, and which has been uniformly successful, under the Secretary of Labor. The committee held long hearings on that subject. The proposal which the minority made was to retain the independent Mediation and Conciliation Service under Mr. Ching, because we felt that that provided an assurance of impartiality as between labor and management. The Service has been regarded as an impartial one. It has been more successful than the old Conciliation Service. The testimony, I think, was almost overwhelmingly in favor of retaining that independent Mediation Service so that both labor and management could be assured of absolute impartiality.

With that position the distinguished Senator from Oregon agrees. It is one of the things upon which the other Republican members of the committee and the Senator from Oregon agree.

The amendment of the Senator from Oregon would do the same thing we do, in somewhat different terms. We have carefully studied his amendment. In substance it is the same as our proposal, but we think it is somewhat more carefully worked out. He has had the advice of the Concilation Service itself in removing a few of the smaller difficulties from the existing law. Therefore the authors of the substitute are glad to approve title II in the form proposed by the distinguished Senator from Oregon, in lieu of the provision which we have written. I do not believe that anyone except an expert could tell the difference between them.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE] to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and other Senators, as amended.

Mr. THOMAS of Utah. Mr. President, I understand that we are entitled to a word on this amendment.

The VICE PRESIDENT. The Senator from Utah is entitled to 10 minutes if he is opposed to the amendment.

Mr. THOMAS of Utah. I do not need 10 minutes.

The amendment is of such nature that it is difficult for those who are supporting the Thomas bill to distinguish its real merit. If the amendment of the Senator from Oregon is adopted the Conciliation Service will remain independent, as it is today. If the Taft amendment is adopted the Conciliation Service will remain independent. If the provisions of the Thomas bill should prevail, then, of course, the Conciliation Service would go back where it was before the Taft-Hartley law became the law of the land. Therefore, in voting Senators should vote their conviction as to whether or not it should go back.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE] to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and other Senators, as amended.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the amendment offered by the Senator from Ohio, for himself and other Senators, in the nature of a substitute for all of the so-called Thomas substitute except title III. The Taft substitute is still open to amendment.

Mr. BUTLER. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Nebraska will be stated.

The LEGISLATIVE CLERK. On page 5, line 19, of the Taft amendment, it is proposed to insert the following new subsection to section 403:

The term "national health or safety" as used in sections 301 and 304 of this act shall be deemed to include the health or safety of a Territory or possession of the United States.

Mr. BUTLER. Mr. President, I think the amendment speaks for itself. I am sure that if there are any advantages to the measure as suggested——

The VICE PRESIDENT. The Chair suggests to the Senator from Nebraska, on the advice of the Parliamentarian, that his amendment comes in the wrong place to make sense.

Mr. BUTLER. The intent of the amendment is perfectly plain. I am willing that the Parliamentarian or others should put it in the place where they think it belongs.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. I should like to know what section the Senator seeks to amend.

The VICE PRESIDENT. Section 403, the Chair is informed.

Mr. LUCAS. What title?

Mr. TAFT. It should be page 59, instead of page 5.

Mr. BUTLER. It is an amendment to section 403, on page 5, line 19.

Mr. LUCAS. Does the Senator from Nebraska seek to amend title III?

Mr. BUTLER. No.

The VICE PRESIDENT. The Parliamentarian advises the Chair that it ought to be page 59, instead of page 5.

Mr. BUTLER. Page 59, after line 18.

The VICE PRESIDENT. The Senator from Nebraska offers an amendment on page 59, after line 18.

Mr. BUTLER. The amendment would add the words which were read by the clerk.

The VICE PRESIDENT. The Senator from Nebraska is recognized.

Mr. BUTLER. Mr. President, under my amendment the provisions of the act would be made applicable to the territorial possessions of the United States as well as to the mainland or any other area. We are all more or less familiar with the situation which exists in Hawaii today. It may be that some would interpret the act, without this provision, to be applicable to offshore areas. So I see no objection to spelling it out and making it plain that the provisions of the act are applicable to any territory or possession of the United States.

I have talked with the Delegate from Hawaii, who represents the Territory of Hawaii in the House, and he is in thorough accord with the proposal which I have made. I have not had a conversation with the author of the bill. I do not know exactly what his attitude is. I have spoken with others who are greatly interested in legislation affecting our territorial possessions, and without exception they are in favor of the proposal.

Mr. LUCAS. Mr. President——

The VICE PRESIDENT. Under the rule a proponent of an amendment is entitled to not to exceeed 10 minutes, and any Senator who opposes an amendment is entitled to not to exceed 10 minutes. The Chair can recognize only Senators who are opposed to the amendment.

Mr. LUCAS. Mr. President, I rise in opposition to this amendment.

As I understand the amendment, its purpose and effect would be to call into operation the national emergency provisions of the first Taft substitute in the case of a labor dispute solely affecting Puerto Rico, the Virgin Islands, Alaska, or Hawaii. The intention appears to be to make the emergency provisions applicable to the current labor dispute in Hawaii between the International Longshoremen's and Warehousemen's Union and the so-called Big Five of Hawaii. Both the President and the Federal Mediation and Conciliation Service have regarded the present emergency provisions of the Taft-Hartley Act as not applicable to the labor dispute in Hawaii, even though the dispute may paralyze trade or commerce within that Territory. Under the Taft-Hartley Act the Hawaiian dispute is not regarded as imperiling the national health or safety.

That is the important point with respect to this amendment. While the Senator from Nebraska seeks to amend title IV, in reality he is amending title III, dealing with national emergencies. In the opinion of the Senator from Illinois, a strike in Hawaii, Puerto Rico, or any of the other possessions does not affect the national health, safety, and welfare of the United States. Therefore, I am opposed to this amendment.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield

Mr. TAFT. I have the feeling that the Hawaiian situation has gone beyond the point where the maintenance of the status quo, as provided by the national emergency section, is really applicable. However, it occurs to me that in future problems the provisions of the law should be applicable. I wonder if the Senator would oppose the amendment if we said "on and after January 1, 1950," or something of that kind. I thoroughly agree with the Senator from Illinois that the national emergency provision ought not to be applied to the present situation in Hawaii. I think it would be misleading to the Hawaiian people to give them the impression that that provision would be applicable when a strike has gone as far as this one has. I wonder if the Senator from Illinois would withdraw his opposition if we said "on and after January 1, 1950."

Mr. LUCAS. Will the Senator explain to me the advantage of saying "on and after January 1, 1950"?

Mr. TAFT. I believe that if we had thought of it we probably would have made the provisions of the original Taft-Hartley Act apply to an area such as Hawaii, which can be reached only by water. No State is in that position. No State can be cut off from food. The borders of the States are such that it can always be brought in. But with respect to our offshore possessions, the entire life of the people in certain sections can be strangled. In principle I believe the amendment is right, but I do not want to give anyone the impression that I believe that at this stage in the Hawaiian strike this amendment would accomplish the purposes which might appear to be promised.

Mr. LUCAS. I agree in part with the Senator from Ohio. I do not want it understood that the amendment of the Senator from Nebraska refers to a matter which constitutes a national emergency. It seems to me that there ought to be a real national emergency affecting the United States before any of the provisions of the Taft-Hartley law are applied. If the Taft substitute should become the law of the land, I do not believe that a strike in Hawaii would create a condition in this country which would constitute a national emergency in which the health and safety of the people of this country would be affected. That is why I oppose the amendment.

If we are going to add this amendment to the provisions of title IV and really make one of these strikes in a Territory or possession a national emergency, then there is not a strike that will take place anywhere in this country that will not be considered by some in the same category and be considered as a national emergency.

Mr. BUTLER. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I yield for a question.

Mr. BUTLER. I should like to ask this question: If the exact condition prevailing today in Hawaii, with its population of 540,000 people, who now are completely in distress, were to prevail today in some city on the mainland, for instance, in the city of Chicago, would not the Senator think that would be a national emergency?

Mr. LUCAS. I would not attempt to answer that question, because I am not sufficiently familiar with the situation in Hawaii to be able to compare it with any hypothetical situation which might exist in the continental United States. I simply do not know about that.

I am in sympathy with what the Senator is trying to do. However, my point is that I do not wish this provision to be added to title III, the national emergency provisions of this act, because I am satisfied that if we do that, we then shall have a law under which certain sections of the country will be calling upon the President of the United States for the appointment of a board to investigate every conceivable kind of strike, in an attempt to have it designated a national emergency. I do not doubt that the situation in Hawaii is extremely serious. But I say that if we were to add this amendment to the national emergency provisions, we would open the gates to such action as I have mentioned, and I do not think that should be done.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. IVES. I should like to ask the Senator whether he thinks the conditions existing today in Hawaii should be met, insofar as legislation is concerned, by special legislation applicable solely to that situation.

Mr. LUCAS. I think the Senator is absolutely correct. I do not believe this is the way to meet the need existing now in Hawaii, but I agree with the Senator that situations of this character can only be considered as a separate matter. If it is as important as the Senator from Nebraska thinks it is, then it seems to me that special legislation should be introduced by him.

Mr. IVES. I take it, then, that the Senator from Illinois would support such legislation, if he thinks it so important.

Mr. LUCAS. Probably I would, depending, of course, upon the nature of the legislation. I am simply trying to keep it out of the national emergency provisions of the present bill.

The VICE PRESIDENT. The question is——

Mr. BUTLER. Mr. President——

The VICE PRESIDENT. A Senator can speak only once in favor of or in opposition to the amendment.

The question is on agreeing to the amendment of the Senator from Nebraska to the Taft substitute, as amended. [Putting the question.]

In the opinion of the Chair, the "noes" have it.

Mr. WHERRY. I call for a division, Mr. President.

On a division, the amendment to the amendment was rejected.

The VICE PRESIDENT. The question now is on agreeing to the substitute offered by the Senator from Ohio, as amended, to titles I, II, and IV of the so-called Thomas substitute, as amended.

Mr. TAFT. Mr. President, I offer a number of purely typographical corrections, perfecting certain details.

The VICE PRESIDENT. They will be stated.

The Chief Clerk read, as follows:

On page 15, line 6, before the word "right", insert "exercise of the."

On page 27, beginning with the word "section" in line 25, strike out over through the word "Code", in line 1 on page 28, and insert in lieu thereof "section 1001 of title 18 of the United States Code."

On page 28, line 20, strike out "section 35A of the Criminal Code" and insert in lieu thereof "section 1001 of title 18 of the United States Code."

On page 30, lines 11 and 12, strike out "(U. S. C., title 28, secs. 723-B, 723-C)" and insert in lieu thereof "or pursuant to section 2072 of title 28 of the United States Code."

On page 35, line 8, strike out "Supp. VII."

On page 35, beginning with the word "courts" in line 23, strike out down through the word "relief", in line 24, and insert in lieu thereof "court shall have jurisdiction to grant such injunctive relief."

On page 47, lines 22 and 23, strike out "the act of February 25, 1871 (16 Stat. 432)" and insert in lieu thereof "section 109 of title I of the United States Code."

On page 56, line 12, strike out "SEC. 206" and insert in lieu thereof "SEC. 208."

On page 57, line 4, strike out "SEC. 207" and insert in lieu thereof "SEC. 209."

On page 57, strike out lines 10 to 13, inclusive, and insert in lieu thereof the following:

"SEC. 401. Section 610 of title 18 of the United States Code is amended to read as follows:".

On page 57, line 14, strike out "SEC. 313" and insert in lieu thereof "SEC. 610."

The VICE PRESIDENT. Without objection, the amendments offered by the Senator from Ohio to his substitute will be voted upon en bloc.

The question is on agreeing to the amendments.

The amendments were agreed to.

The VICE PRESIDENT. The question now recurs on the substitute offered by the Senator from Ohio, as amended.

Mr. MORSE and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. MALONE (when his name was called). On this vote I have a pair with the Senator from Louisiana [Mr. ELLENDER], who is absent by leave of the Senate on official business. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. MYERS. I announce that the senior Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America, to the Second World Health Organization Assembly, meeting at Rome, Italy. The pair of the Senator from Louisiana with the Senator from Nevada [Mr. MALONE] has previously been announced.

The result was announced—yeas 49, nays 44, as follows:

YEAS—49

| | | |
|---|---|---|
| Baldwin | Cain | Eastland |
| Brewster | Capehart | Ferguson |
| Bricker | Chapman | Flanders |
| Bridges | Connally | Fulbright |
| Butler | Cordon | George |
| Byrd | Donnell | Gurney |

| | | |
|---|---|---|
| Hendrickson | Maybank | Taft |
| Hickenlooper | Millikin | Thye |
| Hoey | Mundt | Tydings |
| Holland | O'Conor | Vandenberg |
| Jenner | Reed | Watkins |
| Johnson, Tex. | Robertson | Wherry |
| Kem | Russell | Wiley |
| Knowland | Saltonstall | Williams |
| McCarthy | Schoeppel | Young |
| McClellan | Smith, N. J. | |
| Martin | Stennis | |

NAYS—44

| | | |
|---|---|---|
| Aiken | Johnson, Colo. | Miller |
| Anderson | Johnston, S. C. | Morse |
| Chavez | Kefauver | Murray |
| Douglas | Kerr | Myers |
| Downey | Kilgore | Neely |
| Ecton | Langer | O'Mahoney |
| Frear | Lodge | Pepper |
| Gillette | Long | Smith, Maine |
| Graham | Lucas | Sparkman |
| Green | McCarran | Taylor |
| Hayden | McFarland | Thomas, Okla. |
| Hill | McGrath | Thomas, Utah |
| Humphrey | McKellar | Tobey |
| Hunt | McMahon | Withers |
| Ives | Magnuson | |

NOT VOTING—2

Ellender Malone

So the amendment offered by Mr. TAFT, for himself, Mr. SMITH of New Jersey, and Mr. DONNELL, as amended, to the so-called Thomas substitute, as amended, was agreed to.

Mr. THOMAS of Utah obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield so that I may make a motion to reconsider?

Mr. THOMAS of Utah. I yield for a motion.

Mr. WHERRY. Mr. President, I move that the Senate reconsider the vote just taken on this amendment.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Nebraska to reconsider the vote by which the Taft substitute, as amended, was agreed to.

Mr. TAFT. I move to lay the motion on the table.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Ohio to lay the motion of the Senator from Nebraska on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The Chair would like to state that the only part of the Thomas bill left consists of the first nine lines [laughter], which repeals the Taft-Hartley Act. No amendment is in order to any other part of the bill except those nine lines, except that a substitute for the whole bill, as now amended, is in order, if any Senator wishes to offer it.

Mr. THOMAS of Utah. Mr. President, I thank the Chair for stating the parliamentary situation. The bill has now been changed, as the Chair said, excepting the first two lines. The real name of the Taft-Hartley Act has always been, as stated in the law, the Labor-Management Relations Act of 1947. It has been called the Taft-Hartley Act. The pending bill, if it becomes a law, should be called the Taft Act of 1949. But that would be a misnomer. Therefore, Mr. President, I move that the so-called Thomas substitute be amended by striking out lines 1 and 2 thereof and inserting in lieu thereof that this act may be cited as the Labor-Management Relations Act of 1949.

The VICE PRESIDENT. The Senator offers an amendment, which the clerk will state.

The LEGISLATIVE CLERK. On page 1 of the so-called Thomas substitute, it is proposed to strike out lines 1 and 2, and insert "That this act may be cited as the 'Labor-Management Relations Act of 1949'."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. THOMAS].

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I present——

The VICE PRESIDENT. We have not finished action on the pending bill. If there are no further amendments or substitutes to be offered, the question is on the engrossment and a third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. LANGER and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. MALONE (when his name was called). On this vote I have a pair with the Senator from Louisiana [Mr. ELLENDER], who is absent by leave of the Senate on official business. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. MYERS. I announce that the senior Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly, meeting at Rome, Italy. The pair of the Senator from Louisiana with the Senator from Nevada [Mr. MALONE] has previously been announced.

The result was announced—yeas 51, nays 42, as follows:

YEAS—51

| | | |
|---|---|---|
| Baldwin | George | Reed |
| Brewster | Gurney | Robertson |
| Bricker | Hendrickson | Russell |
| Bridges | Hickenlooper | Saltonstall |
| Butler | Hoey | Schoeppel |
| Byrd | Holland | Smith, Maine |
| Cain | Jenner | Smith, N. J. |
| Capehart | Johnson, Tex. | Stennis |
| Chapman | Kem | Taft |
| Connally | Knowland | Thye |
| Cordon | McCarthy | Tydings |
| Donnell | McClellan | Vandenberg |
| Eastland | Martin | Watkins |
| Ferguson | Maybank | Wherry |
| Flanders | Millikin | Wiley |
| Frear | Mundt | Williams |
| Fulbright | O'Conor | Young |

NAYS—42

| | | |
|---|---|---|
| Aiken | Graham | Johnson, Colo. |
| Anderson | Green | Johnston, S. C. |
| Chavez | Hayden | Kefauver |
| Douglas | Hill | Kerr |
| Downey | Humphrey | Kilgore |
| Ecton | Hunt | Langer |
| Gillette | Ives | Lodge |
| Long | Magnuson | Pepper |
| Lucas | Miller | Sparkman |
| McCarran | Morse | Taylor |
| McFarland | Murray | Thomas, Okla. |
| McGrath | Myers | Thomas, Utah |
| McKellar | Neely | Tobey |
| McMahon | O'Mahoney | Withers |

NOT VOTING—2

Ellender Malone

So the bill (S. 249) was passed.

Mr. WHERRY. Mr. President, I move that the Senate reconsider the vote just taken on the passage of the bill.

Mr. TAFT. Mr. President, I move to lay on the table the motion of the Senator from Nebraska.

The motion to lay on the table was agreed to.

## TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted.

## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

### REPORT ON CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE, UNITED STATES AND MEXICO

A letter from the Secretary of Agriculture, transmitting, pursuant to law, a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the month of April 1949 (with accompanying papers); to the Committee on Agriculture and Forestry.

### AMENDMENT OF PUBLIC HEALTH SERVICE ACT, RELATING TO VENEREAL DISEASE RAPID TREATMENT CENTERS

A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of proposed legislation to amend the Public Health Service Act with respect to venereal disease rapid treatment centers, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

### AUDIT REPORT OF HOME OWNERS' LOAN CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Home Owners' Loan Corporation, for the fiscal year ended June 30, 1948 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

### AUDIT REPORT OF VETERANS CANTEEN SERVICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Veterans Canteen Service, for the period August 7, 1946, to June 30, 1947 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

### AUDIT REPORT OF INLAND WATERWAYS CORPORATION AND SUBSIDIARY CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Inland Waterways Corporation and subsidiary corporation, for the fiscal year ended June 30, 1947 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

### AUDIT REPORT ON GOVERNMENT SERVICES, INC.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on Government Services, Inc., for the year ended December 31, 1947 (with accompanying papers); to the Committee on Expenditures in the Executive Departments.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

"Assembly Joint Resolution 41

"Joint resolution relative to completion of the Four States Highway

"Whereas the Four States Highway linking the United States of America with its neighbors to the north and south, Canada and Mexico, has been in the process of construction for many years; and

"Whereas this important link between three great nations of North America, stretches thousands of miles through forests, mountains, deserts, and plains, thereby opening for travel large scenic areas; and

"Whereas this great highway, when completed, will encourage increased travel among these three nations, thereby promoting greater understanding and friendship among the peoples of the North American Continent; and

"Whereas this highway is also necessary for the defense of the Western Hemisphere and will facilitate a concerted defense of this hemisphere by the three nations in the event of an attack by an aggressor nation; and

"Whereas one of the few uncompleted stretches of the proposed highway is located in Imperial County of this State between the cities of Niland and Blythe through the Chocolate Mountains area; and

"Whereas it has come to the attention of the legislature that a possible obstacle to the completion of this vital link is that the United States Navy may seek to use this area in the Chocolate Mountains region, through which the link will pass, as a bombing range and may therefore demand the abandonment of this stretch of the highway; and

"Whereas there exists in the same general region many other areas that could be used for a bombing range, and which would not interfere with the completion of this link in this great highway: Now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of California (jointly)*, That the Legislature of the State of California respectively memorializes the President, the Secretary of Defense, and the Congress of the United States to complete the construction of the Niland to Blythe link of the Four States Highway; and to locate any bombing range for the use of the United States Navy in an area where such range would not prevent the completion of this highway; and be it further

"*Resolved*, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of Defense, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A telegram in the nature of a petition signed by sundry citizens of the United States relating to a reduction of appropriations for military purposes; to the Committee on Appropriations.

A letter in the nature of a petition from the Landlords of America, Atlanta, Ga., signed by William E. Dunn, president, relating to rent controls; to the Committee on Banking and Currency.

A resolution adopted by the Ladies' Auxiliary of Sinai Congregation, Hillside, N. J., protesting against the enactment of legislation providing a change in the present calendar; to the Committee on Foreign Relations.

A resolution adopted by the Municipal Officials Association of South Jersey, Haddonfield, N. J., favoring the enactment of legislation providing a permanent commission on intergovernmental relations; to the Committee on Foreign Relations.

A resolution adopted by the Jewish Community Council, Alexandria, Va., relating to an investigation of the extent to which the denazification program has been defeated; to the Committee on Foreign Relations.

A letter in the nature of a petition from the Pacific War Memorial, Inc., of New York, N. Y., relating to the designation of May 9 of each year as VE-day and September 2 of each year as VJ-day (with an accompanying paper); to the Committee on the Judiciary.

Petitions of sundry veterans, enrolled at the Heart of America Training School, Kansas City, Mo., praying for the enactment of legislation to provide for State supervision of benefits under the GI bill of rights; to the Committee on Labor and Public Welfare.

A resolution adopted by the District of Columbia Federation of Women's Clubs, Washington, D. C., relating to the strike of stevedores in Hawaii; to the Committee on Labor and Public Welfare.

Resolutions adopted by the New Hampshire Dental Society, Manchester, N. H., and the Tennessee State Dental Association, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the City Council of the City of Cambridge, Mass., favoring the enactment of House bill 4009, the so-called bipartisan national housing bill; ordered to lie on the table.

## DEVELOPMENT OF NATURAL RESOURCES OF RIVER BASINS OF NEW ENGLAND STATES—RESOLUTION OF CITY COUNCIL OF WOONSOCKET, R. I.

Mr. GREEN. Mr. President, I present for appropriate reference a resolution adopted by the City Council of Woonsocket, R. I., favoring the enactment of Senate bill 1899, providing for the conservation and development of the natural resources of the river basins in the New England States, introduced by me on May 20, 1949, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Resolution endorsing United States Senate bill 1899, introduced May 20, 1949, by Senator THEODORE FRANCIS GREEN

Whereas New England and the State of Rhode Island have not had the advantage of over-all development planning, such as that given to other sections and States; and

Whereas a bill has been introduced by Senator THEODORE FRANCIS GREEN of Rhode Island in the United States Senate entitled—

"A bill to aid in the use, conservation, and development of the natural resources of the river basins in the New England States and to establish the New England River Basin Survey Commission

"*Be it enacted, etc.*, That the purpose of this act is (a) to provide for an integrated and cooperative investigation, study, and survey by a commission created pursuant to this act and composed of representatives of certain departments and agencies of the United States, and of certain States enumerated herein, in connection with, and in promotion of, the conservation, utilization, and development of the land and water resources of the river basins of the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut in order to formulate a comprehensive and coordinated plan for—

"(1) flood control and prevention;

"(2) pollution abatement and the protection of public health;

"(3) domestic and municipal water supplies;

"(4) improvement and safeguarding of navigation;

"(5) hydroelectric power and industrial development and utilization;

"(6) soil conservation and utilization;

"(7) forest conservation and utilization;

"(8) preservation, protection, and enhancement of fish and wildlife resources;

"(9) development of recreation; and

"(10) other beneficial and useful purposes not herein enumerated": Now, then, be it

*Resolved*, That we, the members of the City Council of Woonsocket, in order to promote the general welfare and greater prosperity of our city and its people by the fullest possible use of all our natural resources, hereby endorse said bill S. 1899 with such amendments as may more effectively accomplish the intent of said bill, and be it further

*Resolved*, That the city clerk of the city of Woonsocket be and hereby is directed to forward a copy of this resolution to each of our Senators and Representatives in Congress and to the clerk of the Senate Committee on Public Works.

ALEXANDER J. MARCHUT.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURRAY, from the Committee on Labor and Public Welfare:

H. R. 3151. A bill to amend the Federal Food, Drug, and Cosmetic Act of June 25, 1938, as amended, by providing for the certification of batches of drugs composed wholly or partly of any kind of aureomycin, chloramphenicol, and bacitracin, or any derivative thereof; without amendment (Rept. No. 600);

H. J. Res. 228. Joint resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week; without amendment (Rept. No. 601); and

S. Con. Res. 17. Concurrent resolution providing for expansion and intensification of public health research on the family aspects of chronic illnesses; without amendment (Rept. No. 599).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. J. Res. 2. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President; with an amendment (Rept. No. 602).

By Mr. MAYBANK, from the Committee on Banking and Currency:

S. 2085. A bill to amend the Employment Act of 1946 with respect to the Joint Committee on the Economic Report; with amendments (Rept. No. 603).

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN:

S. 2172. A bill to make reclaimed lubricating oils subject to the excise tax on lubricating oils; to the Committee on Finance.

S. 2173. A bill for the relief of Giuseppe and Edward Moschetti; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 2174. A bill to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property

or interests therein, and for other purposes; to the Committee on Armed Services.

By Mr. DOUGLAS:

S. 2175. A bill for the relief of Eivind Hognestad; and

S. 2176. A bill for the relief of Dr. Bei Tse Chao and his wife, May Chao; to the Committee on the Judiciary.

(Mr. DOUGLAS (for himself, Mr. GRAHAM, Mr. MCCARTHY, and Mr. FLANDERS) introduced Senate bill 2177, to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces, which was referred to the Committee on Armed Services, and appears under a separate heading.)

By Mr. CAIN:

S. 2178. A bill authorizing the construction of a flood-control project along the lower Columbia River, as recommended by the Board of Engineers for Rivers and Harbors under date of February 21, 1949; to the Committee on Public Works.

By Mr. KNOWLAND:

S. 2179. A bill for the relief of Stephen A. Patkay and his wife, Madeleine; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 2180. A bill authorizing certain works for the improvement of navigation, the control of floods, and the conservation and utilization of the waters of the Columbia River and its tributaries, and for other purposes; to the Committee on Public Works.

Mr. PEPPER. Mr. President, on behalf of the Senator from California [Mr. DOWNEY], the Senator from Oklahoma [Mr. THOMAS], the Senator from North Dakota [Mr. LANGER], the Senator from Idaho [Mr. TAYLOR], and myself, I introduce for appropriate reference a bill which is popularly known as the Townsend bill.

The VICE PRESIDENT. The bill will be received and appropriately referred.

By Mr. PEPPER (for himself, Mr. DOWNEY, Mr. THOMAS of Oklahoma, Mr. TAYLOR, and Mr. LANGER):

S. 2181. A bill to provide every adult citizen in the United States with equal basic Federal insurance, permitting retirement with benefits at age 60, and also covering total disability, from whatever cause, for certain citizens under 60; to give protection to widows with children; to provide an ever-expanding market for goods and services through the payment and distribution of such benefits in ratio to the Nation's steadily increasing ability to produce, with the cost of such benefits to be carried by every citizen in proportion to the income privileges he enjoys; to the Committee on Finance.

By Mr. KILGORE:

S. J. Res. 113. Joint resolution to provide for collecting and publishing the writings of Abraham Lincoln and Woodrow Wilson; to the Committee on Rules and Administration.

## CONTINUATION OF UNITED STATES MARINE CORPS

Mr. DOUGLAS. Mr. President, on behalf of the Senator from North Carolina [Mr. GRAHAM], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Vermont [Mr. FLANDERS], and myself, I introduce for appropriate reference a bill to guarantee the continuation of the United States Marine Corps as a fighting element in our armed forces, and I ask unanimous consent that the bill, together with an explanatory statement by me be printed in the RECORD.

The VICE PRESIDENT. The bill will be appropriately referred, and, without objection, the statement presented by the Senator from Illinois will be printed in the RECORD.

The bill (S. 2177) to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces, introduced by Mr. DOUGLAS (for himself, Mr. GRAHAM, Mr. MCCARTHY, and Mr. FLANDERS), was read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That there shall be in the Department of the Navy an Assistant Secretary of the Navy for the Marine Corps who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive the same compensation as the other Assistant Secretaries of the Navy. The Assistant Secretary of the Navy for the Marine Corps shall, under the direction of the Secretary of the Navy, be charged with the supervision of the United States Marine Corps and the coordination of its activities with other governmental agencies, and, in addition, such other duties as may be assigned to him by the Secretary of the Navy.

SEC. 2. The first sentence of section 206 (c) of the National Security Act of 1947 is hereby amended to read as follows: "The United States Marine Corps, within the Department of the Navy, shall include land combat and service forces and such aviation as may be organic therein, and the personnel strength of the Regular Marine Corps shall be maintained at not less than 6 percent of the combined personnel strengths of the Regular Army, the Regular Navy, and the Regular Air Force."

The statement presented by Mr. DOUGLAS is as follows:

### STATEMENT BY SENATOR DOUGLAS

The bill provides that the strength of the Marine Corps shall be fixed at 6 percent of the combined strength of the Army, Navy, and Air Force services and that there shall be an Assistant Secretary of the Navy in charge of Marine Corps activities.

An identical bill is being introduced today in the House of Representatives by Congressman MIKE MANSFIELD, of Montana, and is being sponsored by 56 Congressmen. Both bills carry out the suggestion made by Admiral William F. Halsey on June 10 that the continuance of the Marine Corps be assured by fixing its strength at 6 percent of the combined personnel of the other branches of the armed forces.

I do not believe that any extended argument on behalf of this bill is needed. The Marine Corps has made its record in combat, and has established a noble and living tradition of skill in battle and a complete readiness to die for our country. We believe that this tradition should be continued and that under no condition should service jealousies be allowed to put it to death or reduce it to purely guard duties. There is still abundant work for the Marine Corps to do. It does not ask for elaborate equipment or soft service. It only asks for the chance to be assigned on the most dangerous of missions and to do its duty with fidelity. We have every confidence in the pledged word of the present Secretary of Defense that the Marine Corps will not be abolished. But new Secretaries will take office in the future and of them we cannot be certain. We know that there are powerful forces which would like to do away with the Marine Corps or reduce it to purely guard duties. We are confident the American public does not want this to occur.

## HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 284) making temporary appropriations for the fiscal year 1950, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

## AMENDMENT OF INTERNAL REVENUE CODE—AMENDMENTS

Mr. WILLIAMS submitted four amendments intended to be proposed by him to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, which were ordered to lie on the table and to be printed.

## RETIREMENT OF MAJ. GEN. WILTON B. PERSONS—TRIBUTE BY SENATOR BRIDGES

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a statement by him in tribute to Maj. Gen. Wilton B. Persons on his retirement from the Regular Army June 30, 1949, which appears in the Appendix.]

## THE LONGSHOREMEN'S STRIKE IN HAWAII—EDITORIAL COMMENT

[Mr. BUTLER asked and obtained leave to have printed in the RECORD two editorials, one entitled "American Call to Arms," from the Honolulu Advertiser of June 25, 1949, and the other entitled "Hawaii Blockaded," published in the Long Beach (Calif.) Independent of June 27, 1949, which appear in the Appendix.]

## THE LABOR BILL—TELEGRAM FROM JAMES C. PETRILLO TO SENATOR DOUGLAS

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD a telegram from James C. Petrillo, president, American Federation of Musicians, sent to him under date of June 20, 1949, which appears in the Appendix.]

## REFORM IN PROCEDURE BEFORE CONGRESSIONAL COMMITTEES—NOTICE OF HEARING

Mr. MYERS. Mr. President, I announce for the information of the Members of the Senate that on July 14, 1949, at 10 o'clock a. m. a subcommittee of the Committee on Rules and Administration will begin open hearings on Senate Concurrent Resolution 2, submitted by the senior Senator from Illinois [Mr. LUCAS], which pertains to a reform in procedure before congressional committees. Time will be reserved for testimony of any Senator who desires to appear. As chairman of the subcommittee, I suggest that any Senator who desires to testify communicate with the clerk of the Committee on Rules and Administration.

## LEAVES OF ABSENCE

Mr. GEORGE was granted leave to be absent from the Senate Tuesday and Wednesday of next week.

Mr. GURNEY was granted leave to be absent from the Senate on Tuesday, July 5.

## REMOVAL OF EXCISE TAXES—STATEMENT BY SENATOR WILEY

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared on the subject of excise tax repeal. I ask unanimous consent that it be printed in the body of the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

"When is Congress going to take the nuisance tax off our backs?" This is a question which has been submitted to me in hundreds of letters which I have received from Wisconsin and other States of the Union. As I have previously reported to my colleagues on May 3 and other occasions, the people of our Nation insist that the ridiculous and burdensome system of excise taxes be completely revamped.

Our people are sick and tired of paying through the nose these nuisance taxes every time they buy the simple necessities of life. Our women are tired of paying so-called luxury taxes on baby lotions, hair shampoos, face creams, lipsticks, face powder, and hundreds of other items that women utilize.

A druggist in Centuria, Wis., wrote to me: "I am for your tax-repeal bill 100 percent. I wish every Senator would be for this bill. Mothers will not buy baby lotions on account of the tax, and baby lotions are essential for every baby. I never heard of a baby being a luxury."

MANY ITEMS COVERED BY MY BILLS

In addition to attempting to wipe out the above nuisance taxes, I have introduced legislation to repeal the wartime rate of 20 percent on jewelry, 25 percent on long-distance phone calls, 25 percent on telegrams, 15 percent on local telephone service, 15 percent on transportation of persons, 20 percent on electric bulbs, 20 percent on furs, 20 percent on dues or membership fees. In addition, my bills, including my amendment to H. R. 2033, would wipe out the wartime rates on leather goods, camera equipment, gasoline and lubricating oils, musical instruments, cooking appliances, sporting goods, insurance policies, safe-deposit boxes, religious entertainment, autos, radios, refrigerators, air conditioners, tires, tubes, agricultural and other fairs, etc.

Let me summarize the case, as I see it for tax repeal:

CUT UNITED STATES EXPENSES

1. Everyone recognizes that Uncle Sam is having tough budgetary problems. We are faced with a $44,000,000,000 budget, and, obviously, considered revenue is needed in order to cover expenses. At the same time, we feel that so long as we keep providing the administration with huge amounts of revenue through these taxes it will continue to urge not less expense but even higher Federal appropriations. The same administration which screams in phoney horror against excise-tax repeal wants to saddle a $5,000,000,000 or $10,000,000,000 socialized medicine cost on the Nation. We say, therefore, "cut away some of the administration's income and perhaps that will serve to put pressure on the administration to cut Federal expenditures."

ATTACK EXCISES ON ALL-OUT BASIS

2. We feel that we must attack the excise-tax problem on a broad front. We cannot simply pass an excise-tax bill to repeal, let us say, a single excise tax on a single item, like cosmetics or repeal a few taxes as the Senate Finance Committee has recommended. One excise tax is almost as big a nuisance as another. Why should we discriminate between them? Why should we repeal the burden on one businessman and not repeal the burden on another? I, for one, cannot say which particular tax hurts most, which tax is the greatest burden to folks in the low-income brackets, so I say, "let's wipe the slate clean and then reevaluate the whole situation."

EXCISE TAXES ARE CRAZY PATCHWORK

3. The excise-tax structure as it now exists is a crazy patchwork. One item is taxed at 15 percent, another item at 20 percent, and still another item at 25 percent. Who can justify the complete arbitrariness of this tax set-up?

HIGH TAXES CAUSE RECESSION

4. High taxes are helping to contribute to the present recession in which our Nation finds itself. Retailers find that they are unable to move their stocks because our people simply won't buy items whose cost is heavily increased by excise taxes amounting to one-fifth or one-sixth of the total cost. Whole industries are on the financial rocks because of these excise burdens.

Not only our businessmen are suffering, but workers are being thrown out of jobs. An A. F. of L. union secretary in West Bend, Wis., wrote to me:

"I want to personally thank you for your efforts toward the repeal of the tax on personal leather goods. You are on the right track, for our jobs in the leather factory that I am an employee of will benefit greatly by that bill."

He then went on to point to the critical unemployment problem that the leather-goods industry is facing.

FIGHTING FOR ECONOMY

5. We are financial realists. As I have pointed out, those of us who are fighting for excise-tax repeal recognize that we simply cannot wipe out all taxes in view of the heavy cost of Government these days. At the same time, we are seeking Federal economy by, for example:

A. Fighting for enactment of the Hoover Commission recommendations (and by that I don't mean watered-down recommendations arbitrarily selected, but the real meat of the Hoover reports).

B. Fighting for Senate Joint Resolution 108 (of which I am cosponsor), which is designed to cut from two to four billion dollars from the Federal budget.

On previous occasions I have quoted from letters which I have received from department-store managers, photographers, druggists, gift-shop owners, jewelers, and literally dozens of other occupations and professions whose members are hamstrung by these excise taxes.

GRASS ROOTS OF WISCONSIN ENDORSE WILEY BILL

I should like at this point to quote some additional excerpts from letters recently received. I feel that these communications straight from the hearts of the people of Wisconsin and of America express better than I can the importance of speedy action. These people are not asking for anything special. They are willing to pay their way. They are patriotic. They want to help their Government meet its financial problems. At the same time, they recognize that excise taxes are at such a terribly high level now that actually to reduce them or to repeal them entirely would be to increase tax revenue to Uncle Sam. The reason for that is obvious. If there is a greater amount of purchases of goods, more taxes will come in.

HOUSE OF REPRESENTATIVES MUST ACT

I hope the people of the United States will continue to write to their Congressmen and Senators urging action on this front. Since revenue legislation is involved, action must be started over in the House of Representatives rather than in the United States Senate, because of course under our United States Constitution, the Senate cannot take initial action in this field. There is enough time for the Congress to keep faith with the American people and fulfill its promise to remove wartime taxes. Let Congress take these nuisance taxes from the backs of the overburdened taxpayer.

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EXCERPTS FROM WISCONSIN LETTERS

A small-business man in Milwaukee endorses Wiley bill:

"Please accept my thanks for the wonderful work and interest you have taken in our behalf—introducing bill S. 1029. * * * I can truthfully say, Senator, that if this bill S. 1029 is not passed, it will either break or make crooks out of most businessmen."

A manufacturer in Wisconsin Rapids sends his congratulations:

"Thank you for mailing me the printed copy covering your remarks on the nuisance tax. I have read the contents of this paper sent me and want to congratulate you and say 'well done.' * * * It is nothing short of criminal to tax the people of this country whose incomes are in the lower brackets, when others who can better afford it go scot free. There are many items that do not have an excise tax, and yet the poor woman who buys the cheapest kind of a cooking stove is forced to pay 10 percent excise tax. * * * Keep up the good work, Senator, because we need you. The tax burden in this country is becoming unbearable."

A musicians' union secretary in Kenosha emphasizes importance of tax relief:

"The 20 percent entertainment tax is also doing a good job of exterminating amusement places and thereby creating unemployment for musicians, waiters, etc. Many clubs throughout the country have been forced to close because of this tax. * * * Please rest assured that we are behind you 100 percent in trying to eliminate this tax. I know that the American Federation of Musicians will be extremely grateful to you and we take our hat off to you for rendering a great service to the American public."

A past president of Wisconsin Beauty Parlor Association writes:

"I wish to express my personal gratitude to you for your interests on this measure. In our beauty profession we have been paying excise tax on the items that we actually use to do business with. In other words our tools in the beauty profession—our solutions, creams, etc. * * * So your kind help in aiding to repeal the excise tax would certainly give us beauticians a fairer chance to make a just living. * * * I'm sure that all the beauticians are in accord with me in this, my personal expression to you."

A rubber-mill executive in La Crosse endorses Wiley economy and tax-cut efforts:

"I received in this morning's mail a copy of your remarks entitled 'Give the Ax to Nuisance Tax.' I have also followed with a great deal of pleasure, your general policy of cutting taxes wherever you see it possible; also your position on Hoover Commission recommendations and I wish to compliment you on the fine work you are trying to do. * * * I am inclined to believe that you are going to find a tremendous support to your activities from numerous individuals as there is no question that many of these wartime measures are very expensive, aggravating, and unnecessary and it is about time some clear-thinking men have the courage to stop some of this waste in Government."

## TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1950

Mr. McKELLAR. Mr. President, from the Committee on Appropriations I report favorably House Joint Resolution 284, making temporary appropriations for the fiscal year 1950, and for other purposes, already passed by the House of Representatives and approved by the Senate Committee on Appropriations.

Mr. President, all the appropriation bills have not yet been passed, and this joint resolution is proposed merely for the purpose of providing for payment of officers and employees of the Government during July. It is unanimously reported by the committee, and I ask

unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

Mr. LODGE. Mr. President, I inquire if this joint resolution be open to amendment?

The VICE PRESIDENT. It will be. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 284), making temporary appropriations for the fiscal year 1950, and for other purposes.

Mr. McKELLAR. Mr. President, this joint resolution is merely for the purpose of providing for the payment of officers and clerks of the Government during the month of July. It is what is known as a continuing resolution, providing for appropriations until all the appropriation bills have been passed. We hope to get the appropriation bills all passed during the month of July. That will be quite a job, but we hope to accomplish it, and I think we can. Under these circumstances I think no Senator will object to the passage of the continuing resolution.

Mr. LODGE. Mr. President, I certainly do not object to the passage of this joint resolution; on the contrary, I favor it, and I fully appreciate its necessity. It is so necessary that I believe it is a piece of legislation which is sure to pass. That is one of the reasons which impels me to offer an amendment to it, because I think the only way in which I can ever get this amendment before the Senate is to offer it to a piece of legislation which is sure to pass. So I move to amend the joint resolution by adding at the proper place the following provision:

No part of any funds appropriated for improvements affecting the Senate wing of the Capitol shall be used to make any alterations in the appearance of the Senate Chamber, whether by changing any desks, chairs, rostrum, couches, or other furnishings, wall decorations, color of the rug, or otherwise, except to the extent that repairs to the roof or improvements in lighting or accoustics, require such alterations.

Mr. President, I believe there are many Members of the Senate who do not realize that after we leave this Chamber and move into the old Supreme Court room this whole place is to be done over, and when we return to it we will not recognize it any longer. It is not merely a question of fixing the roof, it is not merely a question of improving the acoustics and installing indirect lighting. That is all right. All these pilasters and all this painting work will be taken away, and the Senate will be made to look like the inside of a bank. There is to be a different kind of floor. The whole appearance of this Chamber, in which so much that is wonderful in American history has taken place, is to be changed. Senators can go downstairs to the office of the Architect of the Capitol and there see very classy drawings and paintings which illustrate what I have said.

In talking with Senators I find that very few of them realize that the changes I have indicated are what is to be done. Most Senators think we are to move out of this Chamber in order to have the roof repaired and that would be all right. They think we are to leave these quarters in order that the ventilation and acoustics may be improved, and that better lighting may be installed, and that is all right. Most Senators with whom I have talked do not realize that there is a scheme on foot completely to change the whole appearance of the Senate Chamber. I think that is unnecessary, I think it is presumptuous, and I think it is in bad taste. I think the whole idea that the Fine Arts Commission can tell us what we ought to do in a matter involving the history and tradition of the Senate is away out of line.

Mr. President, so far as I know, this change in the decoration of the Senate has never been approved by any committee. I am so advised. The only way I know of to stop it is to offer an amendment to an appropriation bill. The funds for this purpose have been appropriated. It is for these reasons that I offer the amendment.

I ask that the amendment be stated once more so that the Senate may know what it is I propose.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert at the proper place the following:

No part of any funds appropriated for improvements affecting the Senate wing of the Capitol shall be used to make any alterations in the appearance of the Senate Chamber, whether by changing any desks, chairs, rostrum, couches, or other furnishings, wall decorations, color of the rug, or otherwise, except to the extent that repairs to the roof or improvements in lighting or acoustics require such alterations.

Mr. McKELLAR. Mr. President, I regret very much that the Senator from Massachusetts has offered this amendment. The measure before the Senate is an emergency joint resolution, similar to one passed practically every 2 years. The House has already passed this joint resolution, and the employees of the Government will know that they will receive their money, if the joint resolution shall be enacted. If it has to go back to the House, we do not know whether it will be passed there or not, and it will have to go back to the House if the amendment shall be agreed to. I hope it will not be agreed to. I thought at first that it was subject to a point of order, but I am not sure about that. I make the point of order, so that we can get a ruling on it.

The VICE PRESIDENT. The Senator from Tennessee makes the point of order that the amendment is not in order on the measure now before the Senate. The Chair thinks it is not in order under the rule of the Senate that amendments to appropriation bills must be germane. The Chair thinks it is not in order, but the Chair thinks that under the rule he will have to submit the question to the Senate without debate. It is not subject to debate.

Mr. LODGE. Mr. President, a parliamentary inquiry. What is not subject to debate?

The VICE PRESIDENT. The point of order.

Mr. LODGE. Under what rule does the Chair say that a ruling of the Chair is not subject to debate?

The VICE PRESIDENT. Rule 16, paragraph 4, which provides——

Mr. LODGE. Mr. President, I appeal from the ruling of the Chair.

The VICE PRESIDENT. Under that rule and paragraph, an amendment to a general appropriation bill is not in order if it is not germane. The question of germaneness is submitted to the Senate.

Mr. LODGE. No——

The VICE PRESIDENT. The question is whether the Senate concurs in the ruling of the Chair, which is not subject to debate.

Mr. LODGE. The question of appeal is debatable.

The VICE PRESIDENT. Certainly the question of appeal is debatable.

Mr. LODGE. I appeal. I regret very much——

The VICE PRESIDENT. The Chair is unable to understand how an appeal from the obvious meaning of the rule is in order. The Chair will ask the Secretary——

Mr. LODGE. We have come to a sorry pass in the Senate when we cannot appeal from the decision of the Chair.

The VICE PRESIDENT. The Chair asks the Secretary to read the rule.

The CHIEF CLERK. Rule 16, paragraph 4:

And all questions of relevancy of amendments under this rule, when raised, shall be submitted to the Senate and be decided without debate; and any such amendment or restriction to a general appropriation bill may be laid on the table without prejudice to the bill.

Mr. LODGE. Mr. President, the President did not submit it to the Senate.

The VICE PRESIDENT. The Chair is about to submit it to the Senate, if the Senator from Massachusetts will give him an opportunity.

Mr. LODGE. I thought the Senator from Massachusetts had the floor.

The VICE PRESIDENT. The point of order is not subject to debate.

Mr. McKELLAR. The Senator from Tennessee had the floor and yielded to the Senator from Massachusetts to present his amendment.

The VICE PRESIDENT. The Senator from Tennessee had the floor, and the Senator from Tennessee made the point of order. The point of order on the question of germaneness is not subject to debate. The Chair submits to the Senate the question: Is this amendment under the rule germane? [Putting the question.] In the opinion of the Chair, the noes have it.

Mr. LODGE. Mr. President, I ask for a division.

The VICE PRESIDENT. Those who favor the germaneness of the amendment will rise and remain standing until counted. Those who oppose will likewise rise and remain standing until counted.

The decision of the Senate is that the amendment is not germane.

Mr. LODGE. I suggest the absence of a quorum.

The VICE PRESIDENT. The Chair has announced the result. The suggestion of the absence of a quorum is always in order, but it will have no effect upon the vote.

Mr. LODGE. I suggest the absence of a quorum anyway.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

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| Aiken | Hoey | Mundt |
| Anderson | Holland | Murray |
| Baldwin | Humphrey | Myers |
| Brewster | Hunt | Neely |
| Bricker | Ives | O'Conor |
| Bridges | Jenner | O'Mahoney |
| Butler | Johnson, Colo. | Pepper |
| Byrd | Johnson, Tex. | Reed |
| Cain | Johnston, S. C. | Robertson |
| Capehart | Kefauver | Russell |
| Chapman | Kem | Saltonstall |
| Chavez | Kerr | Schoeppel |
| Connally | Kilgore | Smith, Maine |
| Cordon | Knowland | Smith, N. J. |
| Donnell | Langer | Sparkman |
| Douglas | Lodge | Stennis |
| Downey | Long | Taft |
| Eastland | Lucas | Taylor |
| Ecton | McCarran | Thomas, Okla. |
| Ferguson | McCarthy | Thomas, Utah |
| Flanders | McClellan | Thye |
| Frear | McFarland | Tobey |
| Fulbright | McGrath | Tydings |
| George | McKellar | Vandenberg |
| Gillette | McMahon | Watkins |
| Graham | Magnuson | Wherry |
| Green | Malone | Wiley |
| Gurney | Martin | Williams |
| Hayden | Maybank | Withers |
| Hendrickson | Miller | Young |
| Hickenlooper | Millikin | |
| Hill | Morse | |

The VICE PRESIDENT. A quorum is present. The question is on the passage of the joint resolution.

Mr. LODGE. Mr. President, as I understand, the joint resolution is open to unlimited debate, and I intend to have a few words to say about it. It seems to me that the attitude which has been taken about this amendment of mine is not very courteous. I think the proposal I make is entitled to consideration on its merits, and that it is never a good way to meet a question by invoking technicalities and points of order and saying an amendment is not germane, and thus trying to get rid of it. We never get anywhere in the Senate of the United States by trying to choke a Senator off. Whenever an attempt is made to choke a Senator off on the floor it results in that Senator talking much longer than he would have talked in the first place.

It would have been a very simple thing for the Senator from Tennessee to have accepted this amendment. It would not take any time in conference at all. The Members of the House certainly are not going to object to some decision we make here about the interior decoration of this Chamber. It is inconceivable that it would cause any delay at all. I do not want to cause any delay in the passage of the joint resolution. I realize that its provisions are good, and that we must pass it.

Here is a chance to save some money, Mr. President; $2,300,000 has been appropriated to do over this Chamber. If we do only the things that are necessary for lighting and acoustics and ventilation, we can save all the rest of the money which is going into marble, cut stone, and plaster moldings, and I do not know what.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. LODGE. I yield to the Senator from Connecticut.

Mr. BALDWIN. I understand that under the plans which are contemplated it is proposed to dispose of the glass panels in the ceiling of the Senate Chamber. Does the Senator know what is going to be done with them?

Mr. LODGE. There will be taken out all those interesting glass panels, which have been in the ceiling of the Senate Chamber since 1859, and which I imagine are absolutely irreplaceable. They are very quaint. They reflect the great days of the past. They are to be taken out, and in their place inverted bowls to give indirect lighting are to be installed.

Mr. BALDWIN. Is this going to be the Yale Bowl or the Harvard Stadium?

Mr. LODGE. I do not know what kind of a bowl it will be.

Mr. BALDWIN. Does the Senator know what is to be done with the glass inserts?

Mr. LODGE. I do not know what is to be done with them. I do not think any provision has been made for them. The Senator can go downstairs to the office of the Architect of the Capitol and see a number of gaudy paintings showing what is proposed to be done.

Mr. BALDWIN. Has the Senator been in the office of the distinguished Vice President and seen there the small pieces of glass window lights which came from the British House of Parliament, and which are so very highly treasured? One of them has been delivered to us, and we treasure it here. Has the Senator seen the piece of glass which was knocked out by the air raids?

Mr. LODGE. I have seen it, and I am proud enough of this building and this Chamber to express the hope that at least an equal amount of sentiment will attach to these stained-glass panels. But when I talk with the men who are responsible for this work I get the impression that they feel that everything that was done in 1859 was bad and must be thrown away. Unless this discussion had taken place today, they would probably have thrown away all the glass panels, because they think they are ugly.

Mr. BALDWIN. Does the Senator remember that on the ledge as we go out of the Senate Chamber there are some snuff boxes which have been there since 1859? I do not ask the Senator if he uses snuff, but apparently some of our predecessors did. Does the Senator know what disposition is to be made of those snuff boxes?

Mr. LODGE. I do not know what is going to happen to the snuff boxes. I do not know what is going to happen to the little bottles on our desks which contain sand.

I do not see why there should be any change whatever. If we can get this Chamber on a practical basis from the standpoint of acoustics, lighting, and ventilation, I think we shall have done all we need to do. We have an opportunity to save some money. I do not know exactly how much. The Architect of the Capitol does not seem able to furnish me the figures. A week ago I asked for a break-down of the figures. The sum total is $2,300,000. Obviously, if the entire decorative scheme is not to be done over, we can save a substantial part of that sum. If this proposal is not germane to an appropriation bill, I should like to know to what it is germane. I realize that that is not a parliamentary question, and that neither the Presiding Officer nor the chairman of the Appropriations Committee has to answer it, and I am very sure that they will not answer it. I pause. I get no answer.

The VICE PRESIDENT. If the Senator from Massachusetts wants the Chair to answer it, the Chair will answer it.

Mr. LODGE. I should like very much to have the Chair answer it.

The VICE PRESIDENT. Under the rule of the Senate, an amendment to a general appropriation bill must be germane, or at least the question of germaneness must be submitted to the Senate when a point of order is made. The chairman of the Committee on Appropriations is under general instructions from that committee to make a point of order against amendments which are either legislative proposals in appropriation bills or which are not germane. The Senator from Tennessee [Mr. MCKELLAR] made the point of order. The Chair submitted the question to the Senate, and the Senate decided that the amendment was not germane.

Mr. LODGE. The Senate decided it without having heard a single word of debate on the subject.

The VICE PRESIDENT. The rule provides that the question shall be decided without debate.

Mr. LODGE. The Senator from Massachusetts was choked off completely.

The VICE PRESIDENT. The Chair would like to have the Senator from Massachusetts, for whom the Chair has the greatest respect and affection, understand that it was not the Chair who choked off the Senator. It was the rule adopted by the Senate.

Mr. LODGE. I did not say that the able Vice President choked the Senator from Massachusetts off. I merely say that he was choked off. The result was that no discussion was possible as to whether this amendment was germane or not. I think it is germane, for this reason: We have appropriated the funds to redecorate the Chamber. What I am trying to do is to stop the use of appropriated funds for this purpose. The whole question concerns appropriations. If we do not make this an amendment to an appropriation bill, there is no other way to get at it that is as germane as that. That is what I wanted to say when I was choked off.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. LODGE. I yield.

Mr. LONG. In order that Senators may make plans for the week-end, can the Senator tell us whether or not he is planning to filibuster on this question?

Mr. LODGE. The Senator from Louisiana is a pretty good expert on filibustering, and he ought to be able to answer that question better than I can. He comes from an area where filibustering is made a career. I will say to the Senator

from Louisiana that I come from a section of the country where filibustering is detested. A large part of my efforts since I have been a Member of the Senate has been directed toward discouraging filibusters, and amending the rules of the Senate so as to stop filibustering, to which proposal the Senator from Louisiana was opposed. My effort has been directed in every way to get the Senate to function as a modern legislative body.

In my view a modern legislative body is a body which can deal with the problems of the hour, and not a body which paints itself all over and tries to look modern with the kind of interior decoration which is proposed. That is not modernism. A modern legislative body, a modern Senate, is a Senate which can meet the issues and cope with the problems of the hour—with such questions as civil rights, which the Senator from Louisiana does not want to meet, and against which the Senator from Louisiana filibusters.

The Senator from Louisiana does not have to worry about my filibustering. I have never made a speech more than 20 minutes long, and I shall not do so now. The Senator can catch his train. He does not need to worry.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. HUNT. In view of the fact that there are occasions in the Senate when certain Members speak at great length, it would be most helpful to them, I am sure, if we had a sound system in the Senate. Does the Senator from Massachusetts have any opinion on that subject?

Mr. LODGE. I think it would be a fine thing, if I correctly understand the Senator from Wyoming, if we had better acoustics in this Chamber. If that means putting in new construction, I am for putting in new construction. All I say is that we should retain the present interior decorative style, save some money, and save some traditions. These things have some value. If a little piece of window from the British House of Parliament is framed in the Vice President's office, it seems to me that the least we can do is to preserve the appearance of this Chamber.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. BALDWIN. First I wish to thank the Senator for his efforts in trying to preserve appearance of the Senate Chamber. I ask the Senator whether or not the proposed plans for changing the Chamber have ever been referred to or considered by any committee of the Senate itself. I wonder if there is any committee of the Senate which has the matter under consideration, and which has conferred and advised with the Fine Arts Commission.

Mr. LODGE. My understanding is that this happened during the war, when neither the Senator from Connecticut nor the Senator from Massachusetts was a Member of the Senate. I do not think it was referred to any committee during this Congress, or during the Eightieth Congress.

I have talked with a great many Senators about this subject. None of them have the foggiest idea of what is contemplated. So I get the impression that the subject has not been very carefully studied by Members of this body. If any Senator has seen the plans and has all the details, and knows all about the marble work and fretwork, I do not know it. I understand there is to be an inscription over the Vice President's rostrum. Senators had better go downstairs and look at it. If any Senator knows all about the details, I wish he would tell me about them. I cannot find any Member of the Senate who really favors this change, or who really understands it.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. HAYDEN. I have previously made inquiry of the Architect of the Capitol as to what was expected to be done between now and next January. My understanding is that nothing below the gallery level in this Chamber is to be changed at this time. Some sort of paper is to be placed on the wall behind the galleries to improve the acoustics. I do not know the details. I understand that later there are to be changes in the seats in the galleries; but so far as the Chamber itself is concerned, below the gallery level, nothing is to be done during the recess of the Senate, between the time we leave the Chamber and the time when we return in January.

Mr. LODGE. As the Senator knows, contracts are to be made for all the marble work, the cast plaster, and other work, so that we shall be committed to the entire redecorating scheme unless we do something about it.

I ask the Senator from Arizona, who has had a great deal of experience in the conduct of Government, whether it is not true that in the case of funds which have been appropriated for a certain purpose, the most germane way to deal with the question is by an amendment to an appropriation bill, because it is a question of appropriations which is involved.

Mr. HAYDEN. I cannot agree with the Senator. I think the ruling of the Chair was correct in this instance, because there is nothing in the pending joint resolution relating to that subject. If there are no funds in this measure for that purpose, such an amendment would not be germane.

Mr. LODGE. Of course, there are funds in the joint resolution for all the purposes of Government, and that includes this project. Let us be candid about it. There is no use in telling me to introduce a bill. I have been here long enough to know that that would be what the late Al Smith would have called "hocus bolonus." The bill would be referred to a committee and would remain there.

There is no use in telling me to offer my amendment to some bill on the calendar. It would be thrown out on a point of order, and it would never get through the House.

The only place I can bring this question up is in connection with an appropriation measure. If the appropriation bill relating to the legislative establishment has already gone through, I cannot bring it up at all. The fact is that this is just as good an appropriation measure as any to try to attach the amendment to.

Mr. HAYDEN. But unfortunately the subject matter is not germane to this resolution.

Mr. LODGE. I submit that the subject matter is germane, because the resolution relates to the salaries of employees for all branches of the Government. It touches the entire Government. My amendment deals directly with appropriations, and the only measure in which we can deal with the matter of appropriations is an appropriation bill or joint resolution.

That is the argument of germaneness which I wished to make to the Senate before the Senate voted on the question of germaneness. But through some legerdemain, I was not allowed to explain the question until we had voted.

Of course, I know there are some persons who like to have votes taken and then have the debate occur, but I think it a little better to have the debate first and then vote. That is what I should like to have done in this case.

I ask Senators who are far more experienced in these matters than I am whether there will ever be a better opportunity to do this than in connection with this joint resolution.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. McKELLAR. In this joint resolution there is no appropriation for the renovation of the Senate in any way, shape, manner, or form. So the amendment to which the Senator refers has no place in the joint resolution.

The Senator from Massachusetts has said that he did not have a chance to debate this matter. But he was here in the Senate when the authorization for the work on this Chamber was proposed.

Mr. LODGE. Oh, no. That was done in the Seventy-ninth Congress. I was not a Member of the Seventy-ninth Congress. I was a Member of the Eightieth Congress, which I think was one of the best Congresses the Nation has ever had in that it responded to the administration's desires in regard to the Marshall plan, in that it responded to the administration's desires as regards selective service, in that it showed a greater sense of responsibility, so far as national defense and foreign affairs are concerned than has ever before been demonstrated by any other Congress and in that it cooperated completely with the administration in all those matters.

But this matter was not handled by that Congress, so far as I can determine from the information which I have obtained from the Architect of the Capitol.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. McKELLAR. I now read from Public Law 785 of the Eightieth Congress, the Congress about which the Senator from Massachusetts has just been very

complimentary, and, of course, I join him in those compliments. I was a Member of that Congress, and I have no criticism of that Congress of any kind, nature, or description. I wish to read what was done. The bill was approved on June 25, 1948, almost exactly a year ago. As I recall, my handsome and distinguished friend, the Senator from Massachusetts, was a Member of the Congress last June.

Mr. LODGE. Mr. President, the Senator from Tennessee has not yet told me the bill to which he is referring.

Mr. McKELLAR. I shall give it to the Senator. Here it is, under the heading "Architect of the Capitol, Capitol Buildings and Grounds":

Capitol buildings: For an additional amount, fiscal year 1949, for the Capitol buildings, including the objects specified under this head in the Legislative Branch Appropriation Act, 1949, $35,000.

Capitol Building: For an additional amount to enable the Architect of the Capitol to carry forward the improvements affecting the Senate wing—

Of course, I believe this is the Senate wing, I have always understood it was.

Mr. BALDWIN. Mr. President——

Mr. McKELLAR. I ask the Senator to wait a moment, please; the Senator from Massachusetts has yielded to me.

Mr. LODGE. I have yielded to the Senator from Tennessee. When he concludes, I shall be glad to yield to the Senator from Connecticut.

Mr. McKELLAR. I read further:

Senate wing of the Capitol authorized by the Second Deficiency Appropriation Act of June 27, 1940 (54 Stat. 629), as amended by the acts of June 8, 1942 (56 Stat. 342), and July 17, 1945 (59 Stat. 472), $600,000.

Mr. LODGE. Mr. President, will the Senator state whether that is an appropriation bill?

Mr. McKELLAR. It is an appropriation bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes.

Mr. LODGE. Does the Senator from Tennessee know whether the amount he has just stated has been expended?

Mr. McKELLAR. I do not know how much has been expended.

I read further:

The Architect of the Capitol is authorized to enter into contracts, including cost-plus-a-fixed-fee contracts as approved by the Special Committee on Reconstruction of Senate Roof and Skylights and Remodeling of Senate Chamber, and to make such other expenditures as may be necessary for the improvements affecting the Senate wing of the Capitol authorized by such acts, in such amounts as may be approved by the Senate committee appointed under section 1 of the act of July 17, 1945.

I remember that the Senator from Massachusetts was here at that time.

Mr. LODGE. No; I was not here in 1945.

Mr. McKELLAR. But, the Senator from Massachusetts was here when this bill was passed, and that is when the Senate took up the matter which the Senator now wishes to have taken up.

Mr. LODGE. Mr. President, I should like to comment on what the Senator from Tennessee has just said.

The bill from which the Senator from Tennessee has read is, of course, an appropriation bill. I think I am correct when I say—as I have been informed by the Architect of the Capitol—that the authorization bill for this work was enacted in the Seventy-ninth Congress.

Of course, the appropriation of funds in pursuance of existing authorizations goes along in the normal course. My point is that I think we have caught this thing in time. Perhaps we should have caught it sooner. Perhaps I should have caught this appropriation last year. Of course, I am not a member of the Appropriations Committee, and it is rather hard to sift all the appropriations as they come up. Perhaps some of the members of the committee should have caught it, but they did not.

Now I think we have caught this thing in time, and it seems to me this is the place and this is the way to deal with it. If this is not the place to deal with it, I wish someone would tell me what the place is.

Mr. McKELLAR. I shall be happy to tell the Senator.

Mr. LODGE. Will the Senator from Tennessee tell me whether I can offer this amendment in such a way that the Senator from Tennessee will think it is germane?

Mr. McKELLAR. To be perfectly frank with the Senator from Massachusetts, I think he is too late.

Just a few days ago—on June 22, I believe—the bill making appropriations for the legislative branch for the fiscal year ending June 30, 1950, and for other purposes, was passed. Here is the item in that bill to which the Senator's amendment would have been appropriate:

Capitol Building: To enable the Architect of the Capitol to continue to carry forward the improvements affecting the Senate wing of the Capitol authorized by the Second Deficiency Appropriation Act of June 27, 1940 (54 Stat. 629), as amended by the acts of June 8, 1942 (56 Stat. 342), July 17, 1945 (59 Stat. 472), and the Second Deficiency Appropriation Act, 1948, $1,374,500.

If the Senator from Massachusetts had offered his amendment at the time when that measure was before us, a week ago, he would have had no trouble about it.

But coming at this time, his amendment is wholly outside the purpose of the joint resolution now before the Senate.

Mr. CHAVEZ. Mr. President——

Mr. LODGE. Mr. President, I should like to respond to the Senator from Tennessee, and then I shall be glad to yield to the Senator from New Mexico.

The Senator from Tennessee has made precisely the reply that I thought he would make. It is the reply regularly made here, to the effect that, "You are too late, brother. It is too bad you were not here 10 days ago."

Mr. President, that reply is very much like the reply of a Senator to a request for a job: "It is just too bad that I did not hear from you sooner. If I had, I could have given you a job, but now the job has been filled, and it is too late."

That is what I call the "old Army game." It may fool some persons, but it does not fool me.

Certainly we are not too late, so far as this matter is concerned. All the money has not yet been spent. The work has not yet been done. The marble work, the fret-work, the plaster-lace work, and all the other work that is proposed has not yet been done. So, insofar as the essence of that question is concerned, we are not too late. The way to deal with it is on an appropriation bill. Now that I am told the bill appropriating money for the legislative branch has passed, obviously the only way we can do it is on an appropriation bill appropriating money for something else. If the Senate wants to decide that that is germane, it has the right to decide that it is germane. There is nobody that can tell them they are wrong.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from New Mexico.

Mr. CHAVEZ. With the indulgence of the Senator from Massachusetts, I may say that if anybody has played the soldier's game on the Senator from Massachusetts, it was done on his side of the aisle.

Mr. LODGE. I was not here, I may say to the Senator. I was not even in the Senate when this job was done.

Mr. CHAVEZ. Possibly the Senator was not here, but the Senator from West Virginia [Mr. REVERCOMB], who headed the committee, was here. The Senator from Illinois [Mr. BROOKS], who headed the Rules Committee, was here.

Mr. LODGE. I am talking about the legislative authorization in the Seventy-ninth Congress. I was not here at all then.

Mr. CHAVEZ. I do not care how it was authorized. The Senator from New Hampshire, who belonged to the committee, was also here. The contract was given under that authorization last October, long before the present session started. So if there is any soldiering around here at all, it was done on the Senator's side of the aisle.

Mr. LODGE. Oh, well.

Mr. CHAVEZ. It was done under authority of law.

Mr. LODGE. I am not saying that this is a Democratic blunder or that it is a Republican blunder. I was not going to bring partisan politics into it at all, and, in fact, I am not going to. Insofar as the mistake has been made, let us admit we have all made it. It is our mistake. It is not the Senator's mistake or my mistake; it is our mistake. We have found out about it now, happily in time to correct it, and I hope we will.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. LODGE. I yield to the Senator from Arizona.

Mr. HAYDEN. I have obtained additional information in the form of a statement prepared by the Architect of the Capitol, from which it appears that the contract was let to the Consolidated Engineering Co., of Baltimore, in October 1948, and that the work was to be done in two stages. The first stage relates to the gallery and above; and, as I stated before, the second stage, the work to be done in the Senate Chamber proper, would follow another adjournment of the

Senate. But the entire job has been contracted.

Mr. LODGE. Yes; but we can stop the second part.

Mr. HAYDEN. Yes. This is what is proposed to be done between now and January:

The walls of the gallery will be provided with a marble wainscot approximately 4 feet high.

Mr. LODGE. A marble wainscot?

Mr. HAYDEN. "Approximately 4 feet high."

Mr. LODGE. Mr. President, I want Senators to listen to this point. There goes the marble wainscot.

Mr. HAYDEN. It continues:

The wall above the wainscot will be faced with an acoustical product, covered with fabric. The door trims and niches will be of light marble and new wood doors will be provided.

Mr. LODGE. Does the Senator mean to say that these nice old door frames, with the scroll work on them, are going to go?

Mr. HAYDEN. Exactly.

Mr. LODGE. I think that is a great pity.

Mr. HAYDEN. It continues:

A decorative frieze will be introduced at the junction of the walls and ceiling.

Mr. LODGE. Does the Senator mean to say that the cornice which was designed by Mr. Thomas U. Walter, or of which he was the architect, in 1859, that beautiful, classical cornice, is to go?

Mr. HAYDEN. Under the contract it is to go.

Mr. LODGE. I am very sorry to hear that.

Mr. HAYDEN. I read further:

The treatment of the ceiling contemplates a relatively flat portion extending outward from the walls in which will be incorporated a series of decorative coffers——

Mr. LODGE. A series of what?

Mr. HAYDEN. Coffers.

Mr. LODGE. Coffers?

Mr. HAYDEN. Yes.

Mr. LODGE. Why does anyone want to put coffers up there?

Mr. HAYDEN. I am not an architect. I am merely reading what the Architect of the Capitol has to say.

Mr. LODGE. It is our Chamber, it is our Senate.

Mr. HAYDEN. The sentence continues:

and a higher central portion curved in section and provided with a cove. This central portion will be constructed of stainless steel——

Mr. LODGE. Stainless steel?

Mr. HAYDEN. Yes. The sentence continues:

perforated with small holes for the introduction of air conditioning, and painted. The rest of the ceiling will be of plaster.

Mr. LODGE. Are we to have plumbing of stainless steel, and ornaments—an artistic sort of thing?

Mr. HAYDEN. I am merely reading to the Senate what I find in the memorandum. It continues:

Back of the perforated portion an acoustical treatment will be introduced as necessary.

In the center of the ceiling will be introduced an ornamental rosette——

Mr. LODGE. A what? An ornamental rosette?

Mr. HAYDEN. Yes. The sentence continues—

the field of which will be of carved shatterproof glass illuminated from above so as to furnish a visible source of direct light. This light source will be provided mainly for the sake of appearance of the Chamber. The actual lighting of the floor will be accomplished by reflected light from the ceiling, the source of which will be light outlets arranged around the perimeter of the cove.

Lighting for the gallery will be provided by light panels in the ceiling close to the walls.

Air conditioning for the galleries will be introduced through semicircular outlets around the wall at the back of the gallery. The air conditioning for the floor will be introduced through the perforations in the stainless-steel ceiling already mentioned.

Mr. LODGE. "Stainless-steel ceiling?"

Mr. HAYDEN. I continue:

The rooms occupied by the press will be provided with improved lighting, air conditioning, and acoustical treatment during the first construction stage.

That is all that is to be done between now and January.

Mr. LODGE. I think it is more than enough—more than enough, Mr. President. I think the picture of the Senate Chamber with the stainless-steel ceiling is very disconcerting. But I shall not comment on that. Senators may judge for themselves whether they like a stainless-steel ceiling, and a marble wainscot, and all that sort of thing around the doors. I shall not comment on that.

But the able Senator from Arizona has made it perfectly clear. It is perfectly possible to divide this thing in two and at least to prevent the whole redecorative scheme from going into effect. We could perfectly well do that and be consistent with the mechanical needs of the situation.

Mr. HAYDEN. The Architect informs me it is provided in the contract that the work is to be done in two stages. The contract was let in October 1948, on written instructions from the then committee in charge of the renovation of the Senate Chamber.

Mr. LODGE. Mr. President, I should like to submit an amendment. It is similar in purpose to the one I offered, but it is different in wording, so that it is not an amendment which we have already passed upon. But it does the same thing. Now that we have had a chance, now that I have had this opportunity, which was denied me beforehand, to tell the Senate why I think it is germane, I will submit this amendment to the Senate. If any Senator knows any better place for me to offer the amendment, I wish he would stand up and tell me, because I want to offer this at the right place and at the best place. So far as I can make out, this is as good a place as any, and probably better than most other places. But I am going to offer this amendment, and then the Senator from Tennessee can make a point of order, and then the Chair can rule in favor of the Senator from Tennessee, and I can appeal from the ruling of the Chair, and then we can decide, here, whether we think it is germane or not.

So, Mr. President, I move to amend this joint resolution, in the proper place, as follows:

SEC. . No part of whatever funds may be appropriated for improvements affecting the Senate wing of the Capitol shall be used to make any alteration in the appearance of the Senate Chamber (whether by changes in desks, chairs, rostrum, couches or other furnishings, wall decorations, the color of the rug, or otherwise) except to the extent that repairs to the roof, or improvements in lighting or acoustics, require such alteration.

I offer that amendment and ask for its adoption.

Mr. McKELLAR. Mr. President, I make the point of order that the amendment is not in order, because it is not based on an appropriation in the bill.

The VICE PRESIDENT. In order for an amendment to be in order on a pending appropriation bill, it must apply to appropriations in the bill. It cannot apply to appropriations previously made in other bills. Therefore, the amendment is out of order as legislation on an appropriation bill. The point of order is sustained.

Mr. LODGE. I appeal from the decision of the Chair.

The VICE PRESIDENT. The Senator from Massachusetts appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand as the judgment of the Senate? (Putting the question.) The "ayes" seem to have it.

Mr. LODGE. I ask for a division.

On a division, the decision of the Chair was sustained.

The VICE PRESIDENT. The question is on the third reading of the joint resolution.

The joint resolution (H. J. Res. 284) was ordered to a third reading, read the third time, and passed.

## THE FEDERAL BUREAU OF INVESTIGATION

Mr. WILEY. Mr. President, I shall delay the Senate but a very few minutes.

Mr. MAYBANK and Mr. McKELLAR addressed the Chair.

Mr. WILEY. I desire to make a statement while I have the floor. I may not be able to get it again. I have tried before.

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. The Senator from Wisconsin has been recognized. The Chair cannot divine the Senator's purpose.

Mr. WILEY. Mr. President, recently, while attending a dinner in Milwaukee, I heard the Attorney General of the United States pay a compliment to one of the great branches of our Government—the FBI. It pleased me very much to hear these fine words about a great agency in which I personally have had a great deal of confidence. The Attorney General said, in substance, that if a crisis should arise, he felt the FBI had the situation "in hand."

I wonder if most of us appreciate just what that means—having the situation in hand. All we have to do is think back a few years as to what happened immediately after Pearl Harbor. All of us said, "Thank God for Mr. Hoover and the

FBI." They then and there had the situation in hand.

This country did not suffer any of the sabotage, or any of the other incidents that follow where a country has been penetrated by the enemy.

So it is good, Mr. President, to know that the FBI has the situation "in hand." They are on the job. They know what is going on. And if the situation elsewhere should get out of hand, it is well to know we are in good hands at home.

Why do I speak of this matter today? Well, I will tell the Senate why. Recently some folks, including some of the press, have taken a crack at Mr. Hoover. Mr. President, I was very much pleased to see that again the FBI had the situation in hand. Mr. Hoover did not go into a lot of explaining, a lot of talking. He knew that under America's great freedoms—freedom of the press and freedom of speech—sometimes those freedoms became license when exercised by some folks. But he also knew that he did not have to explain, because he had nothing to explain. He knew, too, that his friends did not need it and his enemies would not believe him anyway.

It is a good thing, Mr. President, that we have public officials who "have the situation in hand" instead of passing the buck, or "letting George do it."

It might be well if each and every one of us, as Senators, asked ourselves whether we have the situation well in hand; whether we are personally adequate, and whether we are officially adequate. Through the years, J. Edgar Hoover has carried the message to Garcia, and repeatedly I have heard the saying: "That is one department of government wherein politics does not enter, where there is no waste or inefficiency, and where a 'man's a man for a that'—even though he is a Republican."

### FOURTH OF JULY CELEBRATION AT PIGGOTT, ARK.

Mr. McCLELLAN. Mr. President, I should like to make a brief announcement.

On next Monday the traditional annual celebration of the Fourth of July will be held at Piggott, Ark. Piggott has been long known for its annual celebration of this date. But this year the celebration takes on special significance because the people of Piggott, and Clay County, with their friends from far and wide, will honor one of their beloved sons, Leslie Biffle, the Secretary of the Senate, our own esteemed friend.

Mr. President, the idea of a day for a celebration in Piggott, Ark., combined with the traditional Fourth of July occasion, originated in the minds of some of Mr. Biffle's friends and neighbors in Piggott. But friends from other sections of the State and from Washington, D. C., and other persons immediately joined in the movement and are lending it their enthusiastic support. So, Mr. President, on July 4, 1949, there will be at Piggott not only an occasion for celebrating Independence Day, but an occasion for paying tribute to one of Arkansas' distinguished sons, a native of that community, and also one whom every Member of this body esteems and admires as a public servant whose sterling qualities and services to his country have been recognized throughout the Nation.

On that occasion, Mr. President, there will be placed in the Federal Building at Piggott a bust of Mr. Biffle, by the noted sculptor, Felix de Weldon, together with a scroll in honor of Mr. Biffle, bearing the names of some of his many friends from Washington and other sections of the Nation.

On behalf of the committee on arrangements I am authorized to and take pleasure in extending an invitation to each Member of the Senate, and particularly the Members of the Senate from adjoining and neighboring States, to join us on that occasion and participate in the tribute to our able, distinguished, and beloved Secretary of the Senate.

### SALE OF LIMESTONE THROUGH PRODUCTION AND MARKETING ADMINISTRATION

Mr. WILLIAMS. Mr. President, as a result of a statement which I made on the floor of the Senate on March 2 of this year, regarding the sale of limestone through the Production and Marketing Administration to the farmers in the Delmarva area at an excessive margin of profit, the Department of Agriculture has conducted an investigation which disclosed the following facts:

This limestone material was being purchased by Charles W. Diliberto, limestone dealer of Norristown, Pa., from the Bridgeport, Pa., plant of the Bethlehem Steel Corp. at $1 per ton, f. o. b. plant, which material was designated as common sand.

The average freight rate in 1946 on this product to lower Delaware was $1.58 per ton.

In 1946 this material was sold to the Government, basis $7.55 per ton spread on the farms in Delaware, with the farmer paying $3.05, and the Government the remaining $4.50.

This material did carry an analysis to comply with the minimum requirements of the Delaware laws. It contained an average of approximately 10 percent moisture.

Invoices for this material submitted by Charles W. Diliberto to the Government were not accompanied by certified weight slips (the Delaware law requires that certified weight slips must accompany all bulk deliveries to the farmer). The invoices were accompanied by receipts signed by farmers to whom delivery was made.

It should be pointed out here that complaints have been registered by numerous farmers questioning the accuracy of the weights billed. In at least one instance where the weight was questioned by a farmer upon delivery, inaccuracies were found. Loads involved were numbered 11958, 11856, 11802, and 11959. One of these loads, carrying a weight slip showing a net weight of 24,000 pounds, was reweighed on the Delaware police station scales and showed a net weight of only 12,230 pounds. This particular error was subsequently corrected by Mr. Diliberto, but since most farmers had no way of reweighing the trucks, and merely signed delivery receipts in good faith, there is no way of checking the extent to which inaccuracies might have prevailed.

Mr. Diliberto failed to deliver 480 tons of limestone ordered by farmers in Sussex County, Del., under the 1946 program, for which he received Government payments totaling $2,160.

Mr. Diliberto also received payments totaling $3,028.50 for limestone purportedly delivered within the calendar year 1946, but actually not delivered until the early months of 1947.

Clarence M. Ocheltree, chairman of the Delaware State PMA Committee, received payments from Mr. Diliberto totaling $1,260.17 during the period October 1946 to December 1948. The investigation report indicates that these payments represented commissions on sales of Mr. Diliberto's limestone in Delaware. Mr. Ocheltree claimed that they represented payments on a tractor which he allegedly sold to Mr. Diliberto. Mr. Diliberto refused to offer any explanation.

R. W. Lingo, former community committeeman in Sussex County, Del., received payments from Mr. Diliberto totaling $1,032.72, admittedly representing commissions on limestone orders solicited by Mr. Lingo from Sussex County farmers.

In addition to the above-named officials, it was found that four others—two girls working in one of the county offices, and two committeemen—accepted minor gifts as Christmas presents from Mr. Diliberto. While acceptance of these gifts by employees of the Government from a contractor is a violation of the regulations punishable by suspension of the employees, it is only fair to say that the evidence indicates that these gifts were accepted merely as unsolicited Christmas presents. Also there is no evidence that the actions of these four employees were in any way influenced by the acceptance of such gifts.

The resignations of both Mr. Ocheltree and Mr. Lingo have been accepted by the Department, and the investigation report has been referred to the Solicitor of the Department of Agriculture for recommendations.

The investigation disclosed no other instances of irregular conduct on the part of Government personnel.

The junior Senator from Delaware [Mr. FREAR], Representative J. CALEB BOGGS, and I, comprising the entire Delaware congressional delegation, have reviewed this report, and feel that the steps taken by the Department of Agriculture have corrected the unsatisfactory conditions which existed prior to the disclosure, and should also prevent their repetition. We appreciate very much the splendid cooperation which we received from both the local committeemen and the farmers in securing the necessary information to clear up this situation. We also feel that this investigation which has been conducted by the Department of Agriculture, resulting in the full exposure of the irregularities and the placing of the responsibility, should restore the confidence of the farmers in the many officials of this agency who have been doing their best to properly administer the soil-conservation program.

TREASURY AND POST OFFICE APPROPRIATIONS, ETC.—CONFERENCE REPORT

Mr. MAYBANK. Mr. President, I submit a conference report on House bill 3083, making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation, which I ask to have the clerk read.

The VICE PRESIDENT. The conference report will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 5 and 7, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$226,300,000"; and the Senate agree to the same.

BURNET R. MAYBANK,
CARL HAYDEN,
H. M. KILGORE,
JOHN L. MCCLELLAN,
OLIN D. JOHNSTON,
GUY CORDON,
CLYDE M. REED,
STYLES BRIDGES,
*Managers on the Part of the Senate.*

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
CLARENCE CANNON,
*Managers on the Part of the House.*

Mr. MAYBANK. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. WHERRY. Mr. President, will not the Senator from South Carolina state what the conferees did?

Mr. MAYBANK. Mr. President, in substance, when we first met we made an agreement on the Post Office Department and the RFC appropriations, and those for the other agencies within the Treasury and Post Office Departments, except the Internal Revenue Bureau. We finally made a settlement as of the end of the year, in accordance with the Senate's amendment, so that the Bureau could get able, conscientious collectors to the number of 4,250, as against the 7,000 provided for by the Senate, which was over the budget estimate, and as against the 1,500 approved by the House. So, as of June 1950 there will be 4,250 additional collectors to collect taxes owing but which have not been paid into the Federal Treasury.

Mr. WHERRY. Mr. President, I appreciate very much the observations made, because I know how anxious the Senate was to increase the number for the purposes set forth on the floor of the Senate. Does the Senator now feel that the number arrived at in the compromise will be ample?

Mr. MAYBANK. I should have liked to see 7,000 provided for, but we were in conference for many weeks, and I believe this is the best investment Congress has ever made—an appropriation which will enable the Treasury to get from those who are tax delinquent and have not paid their taxes what they owe, rather than have Congress levy new taxes.

The PRESIDING OFFICER (Mr. MCGRATH in the chair). The question is on agreeing to the conference report.

The conference report was agreed to.

AUTHORIZATION FOR JOINT COMMITTEE ON FOREIGN ECONOMIC COOPERATION TO MAKE CERTAIN EXPENDITURES

Mr. HAYDEN. Mr. President, by direction of the Committee on Rules and Administration, and at the request of the Committee on Appropriations, I report an original resolution which I send to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 131) was read, as follows:

*Resolved,* That the Joint Committee on Foreign Economic Cooperation is authorized, during the month of July 1949 to expend from the contingent fund of the Senate, an amount equal to the unobligated balance of the appropriation for the said committee for the fiscal year ending June 30, 1949.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution?

Mr. WHERRY. Mr. President, will not the Senator from Arizona explain what the resolution provides?

Mr. HAYDEN. There was provision in the European Recovery Act last year for a joint committee of the Senate and the House, the expenses of which were to be paid from the contingent funds of the House and the Senate. We could not, therefore, include the appropriation in the joint resolution just passed. The resolution I send forward provides that there shall be paid out of the contingent fund of the Senate for the month of July the salaries of those serving the committee.

Mr. WHERRY. I am wholly in sympathy with the resolution, and voted to report it from the Committee on Rules and Administration, but I thought an explanation should be made.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

TEMPORARY PAY OF EMPLOYEES OF FORMER SENATOR WAGNER

Mr. HAYDEN. Mr. President, I call up Calendar No. 597, Senate Resolution 129, coming over from the previous day.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 129) was read, as follows:

*Resolved,* That the administrative and clerical assistants appointed by Senator Robert F. Wagner for service in his office and carried on the Senate pay roll at the time of his resignation from the Senate, shall be continued on such pay roll at their respective salaries for a period not to exceed 60 days, payments therefor to be made from the contingent fund of the Senate.

Mr. HAYDEN. Mr. President, question was raised yesterday by the Senator from Georgia [Mr. GEORGE] and the Senator from California [Mr. KNOWLAND] as to this resolution.

Mr. WHERRY. Mr. President, will not the Senator give an explanation as to whether the Senators who objected have been satisfied, and what the objection was?

Mr. HAYDEN. They have been satisfied.

Mr. WHERRY. What is the explanation?

Mr. HAYDEN. There are only seven employees affected, and if all of them remain on the pay roll for the entire 60 days, which of course they would not do if they could get work elsewhere, the cost to the United States would be $3,500. I obtained that information from the financial clerk of the Senate. I also obtained information for him to the effect that during the past few years, since the Reorganization Act went into effect, Senator Wagner never did fill his clerical force, which resulted in a saving of $24,278 in base pay. So it seems to me this is a fair arrangement, and one which should be made.

Mr. WHERRY. Mr. President, I think that one of the objections raised yesterday was that the period covered in the resolution was 60 days, instead of 30 days, as is usual. From the observations made to him, is it the Senator's feeling that since the amount is small, it comes within the amounts which have been expended prior to this time for periods of 30 days?

Mr. HAYDEN. Probably it would not extend 60 days. The rule provides that if a Senator dies his employees shall not remain on the roll more than 60 days.

Mr. BRIDGES. Mr. President, I wish to ascertain whether we are establishing a precedent. We have a general rule that when a Senator is deceased his staff may remain on the Senate pay roll for a period up to 60 days. Now we are asked to take action in the case of a Senator who has resigned. There will be other Senators resigning from this body. I desire to know whether we are making this a general rule, or what is being done. Why should we follow the other rule in the case of Senator Wagner? We may be getting on dangerous ground.

Mr. HAYDEN. The last instance was the case of Senator Austin, who prior to his resignation submitted a resolution, which was referred to the Committee on Rules and Administration and unanimously reported by that committee. The resolution provided that Senator Austin's office employees should be paid their salaries for as much as 60 days. The terms of that resolution were

the same as the terms of the pending resolution.

Mr. BRIDGES. I was not aware of the fact that we had done that before with respect to a Senator who resigned.

Mr. HAYDEN. That question was raised yesterday by other Senators, and on inquiry made by them they were satisfied on that point.

Mr. BRIDGES. If we have done it before, our action now would not be establishing a new precedent. I trust there will be no discrimination against the office force of any Senator who in the future may resign. With that understanding I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 129) was considered and agreed to.

EXTENSION OF IMPORT CONTROLS ON FATS AND OILS

Mr. MAYBANK. Mr. President, I desire to call attention to Calendar No. 591, House bill 5240, to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils—including butter—and rice and rice products.

Request was made for consideration of the bill last evening, but on objection it went over. It will cost the Commodity Credit Corporation and the taxpayers of the United States $125,000,000 if the bill is not passed. It is a bill which deals with certain oil products, primarily raised in the great midwestern section of the country.

I move that the Senate proceed to the consideration of the bill at this time.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5240) to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. WHERRY. Mr. President, reserving the right to object, does it require unanimous consent for consideration of the bill?

Mr. MAYBANK. I did not ask unanimous consent. I moved to have the bill taken up.

The PRESIDING OFFICER. The Chair begs the pardon of the Senator from South Carolina. The Chair thought he asked unanimous consent for present consideration.

Mr. MAYBANK. No. Unanimous consent was requested yesterday.

Mr. WHERRY. Mr. President, I was told by the distinguished majority leader a few moments ago that request might be made to bring up the bill, but I also was told on the floor earlier that after the labor bill had been disposed of, it was proposed to make the Atlantic Pact the unfinished business. Two or three Senators are interested in the bill referred to by the Senator from South Carolina. They are not on the floor of the Senate now.

Mr. MAYBANK. There will be quite some debate on the bill. I wish to say that the law expires tonight at midnight. I have never made any statement respecting it other than that I intended to call up the bill for consideration before the expiration time. The bill was reported from the Committee on Banking and Currency by the distinguished Senator from Illinois [Mr. DOUGLAS]. It was debated for a considerable time yesterday afternoon. The distinguished Senator from Ohio [Mr. BRICKER] objected to unanimous consent being granted for consideration of the bill yesterday. A number of Senators from the Midwest seem to be particularly interested in the bill. The Senators from the two Dakotas, from Minnesota, and from other States are interested in it.

Mr. WHERRY. The Senator is not asking unanimous consent for present consideration of the bill?

Mr. MAYBANK. I am not.

Mr. WHERRY. The Senator has moved to take up the bill?

Mr. MAYBANK. That is correct.

Mr. WHERRY. There is so much interest in the bill that I believe we should have a quorum before taking it up.

Mr. MAYBANK. I thoroughly agree with the Senator.

Mr. WHERRY. If the Senator wishes to make an explanation, I hope he will do so, and give us time to see if we can get a sufficient number of members on the floor to make a quorum.

Mr. MAYBANK. I may suggest that there is not much explanation to be made of the bill. The bill was explained yesterday. I understand both Senators from Minnesota, the Senator from Vermont [Mr. AIKEN] and some other Senators desire to discuss it. If they desire a quorum call before they discuss it, I shall suggest the absence of a quorum.

Mr. WHERRY. Mr. President, if only a short explanation is necessary, I believe we should have a quorum present. I suggest the absence of a quorum.

Mr. MAYBANK. Will the Senator withhold the suggestion for a moment?

Mr. WHERRY. Yes.

Mr. MAYBANK. I ask that I may yield to my colleague, the junior Senator from South Carolina, with the understanding that I do not lose the floor thereby, so he may ask to have a bill considered.

The PRESIDING OFFICER. It is suggested that action be taken on the pending motion made by the senior Senator from South Carolina for the present consideration of House bill 5240.

Mr. BRICKER. Mr. President, I object. I wish to say that I shall vote against such a motion.

The PRESIDING OFFICER. The question is on the motion of the senior Senator from South Carolina [Mr. MAYBANK].

Mr. WHERRY. I suggest the absence of a quorum.

Mr. MAYBANK. Will the Senator again withhold his suggestion?

Mr. WHERRY. Yes.

Mr. MAYBANK. My colleague from South Carolina desires to make a unanimous-consent request.

CORRECTION OF CERTAIN INEQUITIES IN PAY

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the senior Senator from South Carolina may not lose the floor while I ask to report a bill and request its immediate consideration. I believe it will require only 2 minutes.

Mr. WHERRY. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from South Carolina?

Mr. BRIDGES. Mr. President, before I waive my objection I should like to know what we are getting into. What sort of a bill is it?

The PRESIDING OFFICER. The junior Senator from South Carolina has asked unanimous consent to report a bill and ask for its present consideration, and that his colleague may not lose the floor by his doing so.

Mr. WHERRY. Mr. President, the unanimous consent request is that the junior Senator may be permitted to report a bill and ask for its present consideration, and that the right of the senior Senator from South Carolina may not be prejudiced thereby. Senators will have the right to object if unanimous consent is asked by the junior Senator from South Carolina for present consideration in the event they do not want to have the bill taken up?

The PRESIDING OFFICER. The Senator is correct. The present unanimous consent request is merely that the Senator be allowed to report the bill and ask unanimous consent for its present consideration. Is there objection to the request that the Senator may report the bill? The Chair hears none.

Mr. JOHNSTON of South Carolina. Mr. President, from the Committee on Post Office and Civil Service I report favorably, without amendment, House bill 5100, to correct inequities in the pay of certain officers and employees of the Federal Government and of the government of the District of Columbia, and I submit a report (No. 604) thereon.

The bill was passed by the House and unanimously reported today by the Committee on Post Office and Civil Service. Today is the last day of the fiscal year. It was brought out that a technical point might be raised with respect to this bill if it were not passed today.

Last year there was considerable discussion, on the floor, of the subject dealt with in the bill, and it was agreed that if revenues were produced for the District in sufficient amount, the District of Columbia employees would receive an increase of $330 in their salaries, as the salaries of classified Federal workers throughout the United States were increased. A bill providing revenues for the District of Columbia has been passed by the Senate and the House and signed by the President. The Congress has already authorized payment to the unclassified workers. The bill provides for pay-

ment to the classified workers within the District. That is all there is to the bill.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. WHERRY. Mr. President, reserving the right to object, as I understand, the authorization was passed in the last Congress.

Mr. JOHNSTON of South Carolina. Yes. It was said that when sufficient revenue to provide the needed amount was produced in the District of Columbia the increased payment would be made to the District workers.

Mr. WHERRY. Since the District of Columbia sales tax and other sources of revenue have gone into effect the amounts necessary are available, and the time has arrived when the payments can be made. Is that correct?

Mr. JOHNSTON of South Carolina. That is true.

Mr. WHERRY. Did all the members of the Committee on Post Office and Civil Service join in reporting the bill? Was there any opposition?

Mr. JOHNSTON of South Carolina. Every member who was present agreed to it.

Mr. WHERRY. The Senator says "Every member who was present." Was there a good attendance at the meeting?

Mr. JOHNSTON of South Carolina. As I remember, eight members were present. I have talked with several members who were not present, and all of them with whom I have talked have agreed.

Mr. THYE. Mr. President, I am a member of the committee. I was present at the time the bill was under consideration. More than a majority of the members of the committee were present, and there was a goodly representation from both sides of the aisle. This is a good piece of legislation, and should be passed.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 5100) was considered, ordered to a third reading, read the third time, and passed.

CALL OF THE ROLL

Mr. MAYBANK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hendrickson | McKellar |
| Baldwin | Hickenlooper | McMahon |
| Bricker | Hill | Maybank |
| Bridges | Hoey | Morse |
| Butler | Holland | Mundt |
| Byrd | Humphrey | Murray |
| Cain | Ives | Myers |
| Chapman | Jenner | O'Mahoney |
| Chavez | Johnson, Colo. | Pepper |
| Connally | Johnson, Tex. | Robertson |
| Donnell | Johnston, S. C. | Schoeppel |
| Douglas | Kefauver | Sparkman |
| Ecton | Kem | Stennis |
| Ferguson | Kilgore | Thomas, Okla. |
| Fulbright | Knowland | Thomas, Utah |
| George | Long | Thye |
| Gillette | Lucas | Tydings |
| Graham | McCarran | Wherry |
| Green | McCarthy | Wiley |
| Gurney | McFarland | Williams |
| Hayden | McGrath | Young |

The PRESIDING OFFICER. A quorum is present.

EXTENSION OF IMPORT CONTROLS ON FATS AND OILS

Mr. MAYBANK. Mr. President, I ask that my motion be put.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina to proceed to the consideration of a bill the title of which will be stated.

The LEGISLATIVE CLERK. A bill (H. R. 5240) to continue for a temporary period certain power, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter, and rice and rice products).

Mr. BRICKER. Mr. President, I do not care to delay a vote on this measure. I merely wish to speak long enough to let the issues be known, to state the facts for the RECORD, and to state my position on this matter.

In the first place, no hearing was held on this bill, except a short hearing held on Friday of last week. Just a week before the termination date of the bill now in effect, the Department sent its representatives before the Banking and Currency Committee, and they asked for a continuance of the controls. I say they did so without an adequate hearing or an understanding of the facts on the part of the members of the committee.

This is an effort to prevent the importation of linseed oil and fats and oils, but primarily linseed oil, and also rice and rice products. The philosophy back of the prevention of the importation of linseed oil and fats and oils is that we have an oversupply. The philosophy back of the prevention of the importation of rice and rice products is that we have an undersupply. In one case the rule is supposed to work in one way, and in the other case it is supposed to work in the other way.

I am opposed as a matter of principle to putting an embargo on the importation of products into this country. There is a better, safer, and sounder way to handle the matter. If we are to submit to this kind of pressure from the departments, it means that whenever a surplus is purchased by the Government, whether at a reasonable price or at a high price, the Congress will be called upon to bail out the department which has spent the taxpayers' money, but the consumers will get no benefit whatsoever from the surplus products thus purchased and held by the Government, through the Commodity Credit Corporation.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Indiana.

Mr. JENNER. I should like to ask the distinguished Senator from Ohio how this theory of government could be reconciled with the administration's theory of reciprocal trade agreements with no peril point.

Mr. BRICKER. No reconciliation is possible. Likewise, I wish to say to our good friends from the South who believe in free trade and to those on the administration side who have adopted that as their philosophy—as has been explained here time and time again by the Senator from Nevada [Mr. MALONE]—that I cannot comprehend how they could possibly support a measure of this kind, which does not mean free trade or any trade at all, but simply says that the administration shall have the power to shut off imports in these fields because, in one case, we have too much oil and, in the other case, we do not have enough rice.

Mr. President, it does not make sense or add up to any sort of policy of trade—free, protected, or otherwise. This, in my judgment, is the most contradictory proposal that has come before the Congress thus far.

What are the facts? A few years ago the Department found there was a shortage of linseed oil. As a result, they analyzed the situation, and found the shortage of flax to be more critical than it really was. The support price was increased to $6, rather than $3.99 or $4, which is the price at the present time, and which in my judgment should have been the ceiling price at all times. So the farmers of the country responded magnificently, as they always do, to a price inducement of that kind. The acreage increased tremendously and likewise the crop. The Commodity Credit Corporation had to expend millions of the taxpayers' dollars—yes, hundreds of millions—in order to buy the surplus crop at $6. The Corporation acquired too much flaxseed and linseed oil, with the result that the next year they cut down the support price to $4, or $3.99. But the farmers, seeing that flax is an easy crop to grow, that it is an easy crop to harvest and to handle, continued their acreage, with the result that the Government today has on hand in storage about three-quarters of an annual crop, a supply which ought to be available to the American consumer and ought to be of some benefit to the American producer of commodities which require linseed oil. But the price is to be held up in order to bail out the Commodity Credit Corporation because of the overprice which they paid, as a result of which they brought about an overproduction, so that now they have on their hands a surplus, which they must sell. This is a measure to protect a Government agency which has followed an uneconomic and unsound principle of support control.

Mr. JENNER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Indiana?

Mr. BRICKER. I yield.

Mr. JENNER. In view of the statement the Senator has just made, may I ask, is not this theory of the Government directly contrary to the theory of the Brannan plan of making commodities available to the consumer at cheap prices?

Mr. BRICKER. It does not conform to any plan, much less the Brannan plan. As I said a moment ago, I do not see how one who believes in free trade can support it. I do not see how one who believes in a protective tariff can support it. I do not see how one who believes in the Brannan plan can support it. It is

an anomaly so far as agricultural economics is concerned in this country.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from South Carolina.

Mr. MAYBANK. I have only this to say to my good friend on the committee. Of course, some of the things he has said are absolutely correct. But we are only asking for an extension for 1 year, because the Commodity Credit Corporation had to purchase certain quantities of flaxseed, in view of the conditions which the Senator has explained. We were in a war at the time, and we needed it. The Argentine wanted 35 cents a pound for it.

Mr. BRICKER. The war was all over when the support price of $6 was established in this country. It was done in an effort to prevent the farmers of Argentina and the Government of Argentina——

Mr. MAYBANK and Mr. THYE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield; and if so, to whom?

Mr. BRICKER. I yield first to the Senator from South Carolina.

Mr. MAYBANK. The support price was put into effect during the war, as an inducement to American farmers to produce flaxseed, which we were unable to get in sufficient quantity at that time. Although I am not an expert on flaxseed, which is raised in the Middle West, that is the information that was sent to the committee by the Secretary of Agriculture.

Mr. BRICKER. But the volume that is now owned by the Commodity Credit Corporation and in Government storage was purchased I think in either 1946 or 1947, at the high support price of $6. Last year the support price was reduced to $3.99.

Mr. THYE. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Minnesota.

Mr. THYE. I am very reluctant to interrupt the discussion of the able junior Senator from Ohio. I should rather be agreeing with him than disagreeing. I know of his ability and I know of his sincerity, and for that reason I am reluctant to interrupt him, but I must call attention, if the Senator will yield sufficiently long for me to make an explanation——

Mr. BRICKER. If the Senator will permit me, I should rather continue. I only have another minute or two, and then I shall yield the floor to the Senator from Minnesota. I have to catch a plane in just a little while.

Mr. THYE. I shall not interrupt.

Mr. BRICKER. I apologize to the Senator.

Mr. THYE. I shall not interrupt. I hope the Senator catches his plane and that he enjoys the Fourth of July celebration. I find it necessary to remain here. I wish I could catch a plane, too.

Mr. BRICKER. If I do not catch the plane, I will not enjoy it.

The PRESIDING OFFICER. The Senator from Ohio declines to yield.

Mr. BRICKER. Mr. President, that about concludes my statement, except to say that this bill, if passed, will put the consumer price about 200 percent above what an unpegged price would be. The American consumer will have to pay for the mistakes which were made by the Government in the fixing of an unsound support price.

First of all, this is a dangerous and an unsound precedent to set, because just so soon as any commodity in this country comes into surplus supply, immediately special interests that are involved in production will be coming before the Congress of the United States saying to us, "Stop imports, because we have got more than we need in this country." If we are going to enter into that kind of program of state control of production, trade, and commerce, not only internationally but domestically, let us do so with our eyes open. That is one reason I wanted this bill to go over until next week, so we could have a thorough analysis, both in respect to the commodities mentioned in the bill and in respect to whatever other products are in oversupply, the producers of which are likely to come to the Congress and ask for state control or state trading so far as production is concerned in the United States.

As I say, it is an inconsistent, incongruous application of an unsound principle so far as the trade of the United States or international trade relationships are concerned. It does not conform to the free-trade philosophy. It does not conform to any philosophy of a protective tariff. It does not conform to the Brannan bill or any other practice the Government has heretofore followed. I shall not ask for the yeas and nays on this question, but I want to be recorded as opposing this kind of legislation for the protection of special interests in the United States.

Mr. YOUNG. Mr. President I dislike to disagree with my good friend from Ohio, but I do not believe he is fully conversant with the facts in this instance. During the war, and all through 1946 and 1947, the Argentine Government was holding us up for as much as $8 a bushel for flax. Ordinarily, in peacetime, unfortunately, our tariff on flax was so low that two-thirds of our United States requirements had to be imported from the Argentine. As a result, our production was far below our needs. In order to alleviate a desperate shortage in the United States, the Department of Agriculture raised support levels on flax to $6 a bushel, and under that program the farmers increased production of flax to an extent we thought was impossible. My State of North Dakota is the greatest flax-producing State in the Nation. We came through with a crop of approximately one-third or more greater in yield, for the number of acres seeded, than we ever had before. This was largely because of very favorable weather conditions, new varieties of flax, and new methods of growing flax. I disagree with the Senator from Ohio when he says flax is an easy crop to raise. Flax is the most hazardous crop that anyone can raise. It is more subject to grasshopper destruction; it is more subject to disease and every other hazard than any other crop I know of. In fact, the price of flax must be double the price of wheat, if we are to successfully raise the flax from year to year. The fact that we were very lucky in getting large yields of flax last year does not mean we are going to continue that for years to come. I believe the average flax production in our State in normal times—and ours is the principal flax-producing State—was not over 5 or 6 bushels an acre. Last year our average yield was probably 12 bushels an acre—an unusual thing. I believe the bill is necessary in order to protect our investment and the flax growers of this Nation.

Mr. THYE. Mr. President, once more let me say that I should like to agree with the Senator from Ohio [Mr. BRICKER] in his objection to favorable action on the bill, but I do not believe anyone could justly criticize the Commodity Credit Corporation for the quantity of flaxseed and linseed oil it has acquired in the support price program. The Commodity Credit Corporation has approximately 37,000,000 bushels of flaxseed which it was compelled to purchase a year ago and in the previous year in the general support-price program. It may be asked, Why did it place the support price at $6 a bushel? Why not at a lower figure? The fact of the matter is that it is an aftermath of war, a situation following a war period. We were confronted with a terrific shortage of linseed oil and other oils during the war. The Corporation paid a high support price on soybeans as well as on flaxseed, and after having placed the support price at this high level, and the crop came to market, the processors were purchasing flaxseed, but not sufficiently to maintain the $6 price per bushel for the flax. For that reason, the Commodity Credit Corporation had to step in in order to maintain the price of flax at the stipulated support price, in the manner to which it had committed itself at an earlier time or at the planting season of the year.

I believe the Congress is absolutely justified in continuing the supports for 1 more year. Unless that be done, Congress will be instrumental in causing the Commodity Credit Corporation to lose possibly $160,000,000 which it presently has invested in flaxseed and linseed oil.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. MUNDT. Since this is the result of the program, will not the taxpayers have to make up the difference, and by passing this bill the consumers of the product will take care of it in the normal channels of trade?

Mr. THYE. That is absolutely true. If this legislation is passed it will enable us to work ourselves out of a situation in which we have more oil at the present time than would normally move. In the event controls were removed, we would immediately have imports of oils and fats which would absolutely demoralize the market, not only in linseed oil but also in soybean oil, which would have a re-

flex effect upon cottonseed oil and other oils.

Mr. MUNDT. And the taxpayers would have to make up for the amount invested by the Commodity Credit Corporation.

Mr. THYE. That is true. We might jeopardize the entire agricultural program in the next 4 or 5 months in the event controls should be removed and there should be an influx of oils and fats.

Mr. CAIN. Mr. President, the junior Senator from Washington is one of the members of the Banking and Currency Committee, and, in reference to the question now before the Senate, he voted to extend controls for a year, but only for one reason. The reason was that he wanted to protect the investment of the Commodity Credit Corporation which lost, as we were told, more than $100,000,000. But the junior Senator from Washington, in common with other members of the Banking and Currency Committee, shares the indignation as expressed a few minutes ago by the junior Senator from Ohio [Mr. BRICKER] over the way in which the measure was presented to the Banking and Currency Committee of the Senate and over the way in which legislation in the past has apparently not operated to the satisfaction of a number of Members of the Senate.

The Senator from Ohio pointed out that there were no adequate hearings held on the extension proposal and that no record was written, and, by inference, he suggested that we have one more reason to believe that the Commodity Credit Corporation will not be in a comfortable position a year from now, as is the fact today.

In connection with that observation, Mr. President, I wonder if the chairman of the Banking and Currency Committee [Mr. MAYBANK] will permit me to ask him a question?

Mr. MAYBANK. I shall be glad to have the Senator ask me a question.

Mr. CAIN. I wonder if there is any wisdom in the suggestion that we might extend these controls for a limited period, say, 30 or 45 days, to make certain at the outset that the investment of the Commodity Credit Corporation would not be held in jeopardy, and, secondly, and most important, to give us an opportunity to anticipate the control requirements of the future, and to determine the programs, if any, which the Commodity Credit Corporation have in hand to reduce their surpluses and to make it possible for us to do away with the controls approximately a year from now.

Mr. MAYBANK. Mr. President, of course I feel just as the Senator from Washington does, and just as the chairman of the subcommittee, the distinguished Senator from Illinois [Mr. DOUGLAS] does, that it would perhaps be best to extend the controls for 6 months, and then do away with them as quickly as possible. But the question arises that they will expire tonight if we do not extend them and we cannot have a conference with the House and pass a law between now and midnight which would take the place of the extension now proposed. I might say to the Senator that I shall join with him and with the Senator from Illinois, because I believe the Senator from Illinois feels as I do, in having a careful check made through the staff of the Committee on Banking and Currency, and in asking the Commodity Credit Corporation to liquidate what I believe are obligations to the farmers of the Midwest as quickly as possible. That would be my answer, because I do not believe in controls, and I do not want the Senator to think that I do.

Mr. CAIN. Mr. President, I express my appreciation for the information the Senator has just given. I wonder if the chairman of the committee would care to state to the Senate why the Commodity Credit Corporation was so extremely, and from our point of view, unnecessarily tardy in presenting this important matter before the Committee on Banking and Currency.

Mr. MAYBANK. The distinguished Senator from Illinois said in no uncertain terms that he regarded the delay of the Commodity Credit Corporation, and the delay of the Department of Agriculture in reporting to the Senate, as very regrettable. As I told the Senator from Vermont yesterday when he raised the question of the controls or so-called allocations of pork and pork products, I asked the Department of Agriculture this morning to send me a full report, and advised them I had been extremely disappointed. They have sent a report, which will apear in the RECORD tomorrow morning, since I presented it today, asking that controls be completely removed. The substance of the letters and the correspondence regarding this matter was that the controls would be removed as soon as possible, and that no additional "hold-up," if I may use that term, or delay, would be encountered.

I cannot speak for the Secretary of Agriculture, I cannot speak for the Department of Agriculture, but I thoroughly agree with everything the Senator from Illinois said here yesterday and day before yesterday to the effect that this delay—this tardiness, as the Senator from Washington expresses it—was uncalled for and unnecessary.

I may add that the staff of the Committee on Banking and Currency, of which committee the distinguished Senator from Washington is a member, will use every effort to expedite doing away with controls as soon as possible, and at the same time save money for the American taxpayers, who have this investment in the Commodity Credit Corporation flax seed oil situation in the Midwest and Northwest.

Mr. CAIN. I thank the Senator from South Carolina. I am hopeful that the Senator from Illinois will answer a question.

Mr. DOUGLAS. Certainly.

Mr. CAIN. If we have on hand, through the Commodity Credit Corporation, as I understand, approximately three-fourths of an annual crop, what assurance did the Commodity Credit Corporation give to the Senator from Illinois, if I may inquire, as to how they intended to dispose of that surplus, and would it in fact be largely disposed of by the expiration date fixed in the bill?

Mr. DOUGLAS. Mr. President, the Department of Agriculture could give no definite assurance that this surplus stock would be worked off. They had hoped they would be able to dispose of some of the existing stock to ECA and some to the Army, but they were not able to get as large purchases made as they had hoped, and I would say that, so far as the future is concerned, they hope, but they cannot guarantee.

Mr. CAIN. How long a period of extension did the Department of Agriculture or the Commodity Credit Corporation ask for when the matter was presented to the conference?

Mr. DOUGLAS. They originally asked for a year and a half, but that was reduced by the House to 1 year.

If I may follow up a question which the Senator from Washington asked earlier in his colloquy with the distinguished Senator from South Carolina, namely, what harm would be done if we merely renewed the 30-day provision, the Senator from South Carolina made a very important point, that altering the terms of the extension made by the House would require the bill to go to conference, and probably, therefore, would result in the act expiring, and large quantities of linseed oil being shipped in, beginning tomorrow.

Mr. CAIN. The junior Senator from Washington is conscious of that fact, and is anxious to have this legislation promptly disposed of. I think those of us on the committee, at least, are in agreement that we would like to make such action unnecessary in the future, if it is humanly possible to do so.

Mr. DOUGLAS. In the hearings I tried to make it as clear to the Department of Agriculture as I could that I felt they had been very negligent in not bringing this matter up before the 20th of June. They furnished us with incomplete information, and I think they have a great deal to answer for in the way they have conducted the whole matter. Nevertheless, as Grover Cleveland said, it is a condition and not a theory which confronts us, and we have the problem as to what we should do.

My feeling is that if we allow the controls to lapse there will in all probably be large shipments of linseed oil and flaxseed from the Argentine, with the result that we will be compelled to purchase a larger and larger fraction of the domestic supply, so that our stocks will increase, and our ultimate loss will be greater, and in effect we will be supporting the world price of flaxseed at our present ratio of $3.99 a bushel. Therefore, in spite of the way in which the Department of Agriculture has conducted the matter, it seems to me better that we renew the controls for a year.

Mr. CAIN. I thank the Senator.

Mr. PEPPER. Mr. President, if I may have the attention of the Senator from South Carolina or the Senator from Illinois, whoever is handling the bill on the floor, I should like to ask whether it is possible under the bill to give any protection to the tung-oil industry. I have in mind the question whether the bill would allow the exercising of controls over imports of tung oil which come into this

country from China. I make the inquiry because, as other Senators will attest—and I see the Senator from Mississippi on the floor, and I know other southern Senators are vitally interested—bankruptcy threatens the tung-oil industry of the South.

Mr. MAYBANK. The bill will be of assistance.

Mr. PEPPER. It will give authority to the President, or the proper agency of the Government, to examine into the volume of tung oil that is coming into this country, its adverse effect upon the domestic industry, and that the Government might administratively, under the bill, if it becomes law, give some protection to the tung-oil industry.

Mr. MAYBANK. The Senator is correct.

Mr. PEPPER. I am certainly indebted to the Senator and all those who have made that possible, and I am glad that the record of this debate can show that tung oil can have protection under the bill.

Mr. HUMPHREY. Mr. President, I wish to take the liberty of associating myself with the remarks of the senior Senator from Minnesota [Mr. THYE] and the junior Senator from North Dakota [Mr. YOUNG].

I want to make this observation in reference to H. R. 5240: That back in the fall of the past year, 1948, the Commodity Credit Corporation purchased large amounts of flax, and purchased it at the support price of approximately $6 a bushel. I think it should also be noted that that crop was planted at a time when there was a great shortage of linseed oil and of flax products.

Flax is a risk crop, one which is always in jeopardy, and the farmers of our section of the country were called upon, as was pointed out, to plant this risk crop in behalf of the national defense. Surely they are worthy of having the time properly to adjust their marketing and their planting operations.

Furthermore, when the Commodity Credit Corporation underwrote the price at approximately $6 a bushel, a large number of private processors were compelled to go into the market and pay that price. They have heavy inventories, and anything which at this time would prejudice those inventories precipitously would have a very serious effect upon the industry. It is for those reasons, along with the fact that I do not believe that the Commodity Credit Corporation ought to suffer undue losses, that I join with other Senators in supporting H. R. 5240 and ask for its favorable consideration and passage.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina [Mr. MAYBANK] to proceed to consideration of House bill 5240.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 5240) to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment, the question is on the third reading and passage of the bill.

The bill (H. R. 5240) was ordered to a third reading, read the third time, and passed.

## THE ECONOMY-MINDED SENATE—EDITORIAL FROM THE NEW YORK TIMES

Mr. McMAHON. Mr. President, I have before me an editorial which was printed in the New York Times this morning, entitled "The Economy-Minded Senate." It begins as follows:

Sixty-two Members of the Senate are now lined up in support of action at the earliest practicable date on a resolution to direct the President to cut 5 to 10 percent from the budget which they themselves have voted, or are in process of voting. If there was ever a clear case of passing the buck in Washington, this is it. The Senate added nearly a half-billion dollars to the first five regular appropriaton bills to come to it from the House of Representatives. Yet 62 Members of the Senate are strong for economy—provided somebody else achieves it.

Then the editorial proceeds further to develop the subject.

Mr. President, I was one of the Senators who supported each effort which has been made in this session to reduce appropriations. I am also, however, conscious of my oath to support the Constitution of the United States. The Constitution clearly lays down standards for the executive, legislative, and judicial branches of the Government. Never, so long as I am a Member of the Senate, will I cast a vote to abdicate the rights of the Senate of the United States, or, moreover, to avoid its duties.

A little more than a year ago there was introduced in the Senate by the Senator from California [Mr. KNOWLAND] a measure in which he proposed an impingement—at least, I deemed it such—on the rights of the Executive in connection with a matter having to do with calling for the FBI files for the inspection of the Senate. I led the fight against it, and I led the fight to sustain the President's veto. That was the only veto by President Truman which was sustained in the Eightieth Congress.

Mr. President, if the Senate should adopt this resolution it will have performed what I regard as a shameful act. When it comes up for consideration I intend to have my say about it, and I shall speak more at length and shall review the history of the action.

I ask unanimous consent that the remainder of the editorial from which I have read be printed in the RECORD following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE ECONOMY-MINDED SENATE

Sixty-two Members of the Senate are now lined up in support of action at the earliest practicable date on a resolution to direct the President to cut 5 to 10 percent from the budget which they themselves have voted, or are in process of voting. If there was ever a clear case of passing the buck in Washington, this is it. The Senate added nearly a half billion dollars to the first five regular appropriation bills to come to it from the House of Representatives. Yet 62 Members of the Senate are strong for economy—provided somebody else achieves it. When Senator DOUGLAS, of Illinois, proposed to cut 40 percent from that old stand-by, the rivers and harbors bill—which carries many meritorious appropriations but also large chunks of political pork—he was able to muster only 14 votes in support of his motion. But more than 4 times 14 Members of the Senate are now ready to dump on the President's desk a problem which they themselves lack courage or ability to handle.

This approach to the problem is not only an abdication of the Senate's own responsibilities; it is also likely, if adopted, to fall far short of its goal of effecting a saving of $4,000,000,000 in the new fiscal year which begins tomorrow. This is because a large part of the budget is beyond the reach of the directive to the President which the Senate is now considering. The budget carries $5,500,000,000 for interest on the national debt, an item which cannot be reduced; it carries $2,500,000,000 for grants to the States, all authorized by existing law; it carries $2,100,000,000 for veterans, a sum incapable of being cut substantially until Congress itself revises its own laws regarding the benefits now being paid in non-service-connected causes; it carries $14,200,000,000 for national defense and $6,700,000,000 to meet our present international obligations, and while some economies are possible this would be a poor time to cut expenditures drastically at either of these points. There remains about $10,000,000,000 of proposed expenditures for all other purposes of Government. A directed cut of 10 percent limited to this section of the budget would fall far short of the $4,000,000,000 economy now hopefully in view.

These figures lead us back to the starting point, which is that the only sure way to cut the budget is to face the issue squarely, in committee and on the floors of Congress.

## WHAT IS RIGHT WITH AMERICA

Mr. MUNDT. Mr. President, for the past several months, as time and opportunity have permitted, I have been addressing different groups of distinguished Americans to the effect that if our American success formula of political independence and the private competitive enterprise system is to win the contest against world socialism, collectivism, and communism, it is imperative that at the grass-roots level private citizens begin energetically to claim and defend the basic elements upon which our great success has been founded.

As one specific recommendation indicating what citizens in their local communities can do to help our American way of life to endure and expand, I have proposed that in each public school there be included a capsule course in clear and constructive terms which could honestly, accurately, and appropriately, be called a course in what is right with America. We all agree America is not utopia. There are and always will be many things to be corrected and improved. However, Mr. President, it is also true that ordinary human beings in the United States are given greater opportunities, higher standards of living, more freedom, and better security than they have received in any other area of the world or in any era of history. It is my position that in every school we should recognize this fact and provide at least one course of instruction which will teach children to understand, to appreciate, and to support the basic formula of political and economic activity which has made the

unprecedented and unparalleled record possible.

I ask unanimous consent to have printed in the RECORD in connection with my remarks an editorial from the Star-Courier, a daily newspaper published in the typical American community of Kewanee, Ill.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT'S RIGHT WITH UNITED STATES

In a recent address before the national conference of small-business men in Washington, South Dakota's Senator KARL MUNDT announced that he was initiating a one-man crusade to sell Americans on the superiority of the American way of life.

His efforts will be directed at inducing chambers of commerce, luncheon clubs, women's clubs, and other organizations to establish what he called "American enterprise committees" among the standing and working committees of their organizations.

The Dakota man, serving his first term in the Senate after an extended period of service in the lower House, outlined what e conceived to be the opportunities and responsibilities of these American enterprise committees.

"Creeping collectivism at home must be resisted," he asserted, "at the local level by private citizens uniting in their community-by-community efforts fully as much as it is necessary to repel these freedom-denying movements by national and international action.

"If every community in America will rid itself of the insidious dangers of collectivism and educate its youth and adult citizens to understand and appreciate the values and virtues of our American enterprise system, we can so strengthen ourselves domestically that our international influence will be correspondingly increased.

"Local committees should crusade unceasingly to portray and improve the functions of the basic formula which has made America great, namely, political independence and private enterprise. Once these two factors of our American success formula are fully accepted and appreciated by every citizen, it will be comparatively easy to repel foreign ideologies which attack their operation or decrease their effectiveness."

In suggesting things to do for these local-level American enterprise committees, Senator MUNDT said:

"Almost all chambers of commerce have committees to increase membership, to beautify the city, to establish closing hours, to improve the streets, et cetera; strangely enough, however, almost none of them have a single committee devoting its time and talents to the most important and immediate problem confronting all of them—the protection and preservation of our American formula of political independence and private enterprise.

"By holding essay contests in the schools; by setting aside 1 week each year for local community-wide programs depicting the basic values of our way of life; by making sure that at least one course in every high school is devoted to portraying What's right with America; by setting aside one Sunday each year to sermons in support of how a free society and a free church are inevitable and exclusive partners; and dozens of other ways throughout the year our local organizations can move constructively to protect a way of life which is fast disappearing from this earth. This is a program which costs nothing but initiative; it is one in which every community can engage."

## REPORT ON HIGHWAY NEEDS OF THE NATIONAL DEFENSE—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 249)

The PRESIDING OFFICER (Mr. MCGRATH in the chair) laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Public Works.

(For President's message, see today's proceedings of the House of Representatives on p. 8752.)

## MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 3083. An act making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes; and

H. J. Res. 284. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes.

## THE NATIONAL HOUSING PROGRAM

The PRESIDING OFFICER (Mr. MCGRATH in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, which was to strike out all after the enacting clause and insert:

That this act may be cited as the "Housing Act of 1949."

DECLARATION OF NATIONAL HOUSING POLICY

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) Private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Housing and Home Finance Agency and its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this act and in such manner as will facilitate sustained progress in attaining the national housing objective hereby established, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

LOCAL RESPONSIBILITIES

SEC. 101. In extending financial assistance under this title, the Administrator shall—

(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations; and

(b) encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permit such agencies to contribute effectively toward the

solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

LOANS

SEC. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the redevelopment of project areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, 40 years from the date of the bonds evidencing such loans), as may be deemed advisable by the Administrator.

(b) In connection with any project on land which is open or predominantly open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of land in the project area. Such temporary loans shall be in such amounts not exceeding the expenditures to be made for such purpose, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding 10 years from the date of the obligations evidencing such loans), as may be deemed advisable by the Administrator.

(c) Loans made pursuant to subsection (a) or (b) hereof may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

(d) The Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such advances of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects, involved.

(e) To obtain funds for loans under this title, the Administrator, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $25,000,000, which limit on such outstanding amount shall be increased by $225,000,000 on July 1, 1950, and by further amounts of $250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed $1,000,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than $250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

(f) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(g) Obligations, including interest thereon, issued by local public agencies for projects assisted pursuant to this title, and income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

CAPITAL GRANTS

SEC. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans: *Provided*, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open unplatted urban or suburban land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

(b) The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, aggregating not to exceed $100,000,000, which limit shall be increased by further amounts of $100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed $500,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than $100,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest. The faith of the United States is solemnly pledged to the payment of all capital grants contracted for under this title, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

REQUIREMENTS FOR LOCAL GRANTS-IN-AID

SEC. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 110 (f) of land in such projects).

LOCAL DETERMINATIONS

SEC. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

(a) The redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (ii) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (iii) the redevelopment plan conforms to a general plan for the development of the locality as a whole;

(b) When land acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin the building of their improvements on such land within a reasonable time; to give preference in the selection of tenants for dwelling units built in the project area to families displaced therefrom because of clearance and redevelopment activity, who desire to live in such units, and who will be able to pay rents or prices charged other families for comparable dwelling units built as part of the same development; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title;

(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment: *Provided*, That in view of the existing acute housing shortage, each such contract entered into prior to July 1, 1951, shall further provide that there shall be no demolition of residential structures in connection with the project assisted under the contract prior to July 1, 1951, if the local governing body determines that the demolition thereof would reasonably be expected to create undue housing hardship in the locality. No land for any project to be assisted under this title shall be acquired by the local public agency except after public hearing following notice

of the date, time, place, and purpose of such hearing.

GENERAL PROVISIONS

SEC. 106. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, shall—

(1) appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency;

(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided,* That such financial transactions of the Administrator as the making of advances of funds, loans, or capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

(4) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for capital grants pursuant to section 103 hereof), and all funds available for carrying out the functions of the Administrator under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

(1) sue and be sued;

(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such aquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided,* That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants of such property;

(3) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation.

(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(5) obtain insurance against loss in connection with property and other assets held;

(6) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

(d) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed $1,000.

(e) Not more than 10 percent of the funds provided for in this title, either in the form of loans or grants, shall be expended in any one State.

PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan shall be made therefor by the public housing agency undertaking the housing project, and such amount shall be included as part of the development cost of the low-rent housing project.

SURPLUS FEDERAL REAL PROPERTY

SEC. 108. The President may at any time in his discretion, transfer, or cause to be transferred, to the Administrator any right, title, or interest held by the Federal Government or any department or agency thereof in any land (including buildings thereon) which is surplus to the needs of the Government and which a local public agency certifies will be within the area of a project being planned by it. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its fair market value, and the proceeds from such sale shall be covered into the Treasury as miscellaneous receipts.

PROTECTION OF LABOR STANDARDS

SEC. 109. In order to protect labor standards—

(a) Any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development of the project involved and shall also contain a provision that not less than the wages prevailing in the locality, as determined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Administrator shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract;

(b) The provisions of title 18, United States Code, section 874, and of title 40, United States Code, section 276c, shall apply to any project financed in whole or in part with funds made available pursuant to this title;

(c) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

DEFINITIONS

SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

(a) "Redevelopment area" means an area which is appropriate for development or redevelopment and within which a project area is located.

(b) "Redevelopment plan" means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: *Provided,* That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

(c) "Project" may include (1) acquisition of (i) a slum area or a deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open land necessary for sound community growth which is to be developed for predominantly residential uses (in which event the project thereon, as provided in the proviso of section 103 (a) hereof, shall not be eligible for any capital grant); (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term "project" shall not include the construction of any of the buildings contemplated by the redevelopment plan, and the term "redevelopment" and derivatives thereof shall mean develop as well as redevelop. For any of the purposes of section 109 hereof, the term "project" shall not include any donations or provisions made as local grants-in-aid and eligible as such

pursuant to clauses (2) and (3) of section 110 (d) hereof.

(d) "Local grants-in-aid" shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, or land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided*, That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct and substantial benefit both to the project and to other areas, the Administrator shall provide that, for the purposes of computing the amount of the local grants-in-aid for such project there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.

(e) "Gross project cost" shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

(f) "Net project cost" shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

(g) "Going Federal rate" means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

(h) "Local public agency" means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. "State" includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

(i) "Administrator" means the Housing and Home Finance Administrator.

TITLE II—AMENDMENTS TO NATIONAL HOUSING ACT

SEC. 201. The National Housing Act, as amended, is hereby amended—

(1) by striking out of the first sentence of section 2 (a) "July 1, 1949" and inserting in lieu thereof "September 1, 1949";

(2) by striking out of the proviso in section 203 (a) "$4,000,000,000" and inserting in lieu thereof "$5,300,000,000" and by striking out of such proviso "$5,000,000,000" and inserting in lieu thereof "$5,500,000,000"; and

(3) by striking out of the second proviso in section 603 (a) "June 30, 1949" in each place where it appears therein and inserting in lieu thereof "August 31, 1949".

TITLE III—LOW-RENT PUBLIC HOUSING

LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES

SEC. 301. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"(a) the Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

"(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this act;

"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than 5 years after March 1, 1949;

"(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this act) give preference to families having the most urgent housing need, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project."

VETERANS' PREFERENCES

SEC. 302. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall require that the public-housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project, or which were so displaced within 3 years prior to making application to such public-housing agency for admission to any low-rent housing; and as among such families where an application for admission is made not later than 5 years after March 1, 1949, first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of other veterans and servicemen (including families of deceased veterans or servicemen);

"Second, to families of other veterans and servicemen (including families of deceased veterans or servicemen) where an application for admission is made not later than 5 years after March 1, 1949; and as among such families first preference shall be given to families of disabled veterans whose disability has

been determined by the Veterans' Administration to be service-connected."

(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947."

COST LIMITS

SEC. 303. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) No contract for any loan, annual contribution, or capital grant made pursuant to this act shall be entered into by the Authority with respect to any low-rent housing project completed after January 1, 1948, having a cost for construction and equipment of more than $1,750 per room (excluding land, demolition, and nondwelling facilities); except that in the case of Alaska any such contract may be entered into with respect to a project having a cost for construction and equipment of not to exceed $2,500 per room (excluding land, demolition, and nondwelling facilities): *Provided,* That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than $750 per room the limitations that would otherwise be applicable to such project hereunder. The Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner that such projects will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every contract for financial assistance entered into with respect to any low-rent housing project initiated after March 1, 1949, shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."

PRIVATE FINANCING

SEC. 304. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:

"(f) Payments under annual contributions contracts shall be pledged as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate.";

(b) The following is added after section 21:

"PRIVATE FINANCING

"SEC. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

"(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—

"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

"(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) After the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

"(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this act, shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this act) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding 12 months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided,* That such annual contributions shall not be in excess of the maximum sum determined pursuant to the provisions of this act; and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract.";

(c) In the fourth sentence of section 9 the words "going Federal rate at the time the loan is made," are deleted; in the first proviso of subsection 10 (b) the words "going Federal rate of interest at the time such contract is made" are deleted; and in lieu thereof in each case there are substituted the words "applicable going Federal rate"; and subsection 2 (10) is amended to read as follows:

"(10) The term 'going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided,* That for the purposes of this act, the going Federal rate shall be deemed to be not less than 2½ percent.";

(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: *"Provided,* That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this act, loans shall not be made for a period exceeding 40 years from the date of the bonds evidencing the loan: *And provided further,* That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding 40 years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.";

(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: *"Provided,* That in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding 40 years from the date the first annual contribution for the project is paid: *And provided further,* That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 percent of development or acquisition cost.";

(f) The first sentence of subsection 10 (c) is amended to read as follows: "Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.";

(g) Section 14 is amended by inserting the following after the first sentence: "When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided,* That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.";

(h) Section 20 is amended to read as follows:

"SEC. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of

the Treasury in an amount not to exceed $1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.";

(i) Subsection 2 (5) is amended to read as follows:

"(5) The term 'development' means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term 'development cost' shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings."; and

(j) The following additional subsection is added to section 15:

"(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project."

ANNUAL CONTRIBUTIONS

SEC. 305. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By inserting the following after the first sentence of subsection (e) of section 10: "With respect to projects assisted pursuant to this act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than $85,000,000 per annum, which limit shall be increased by further amounts of $80,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by $75,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than $400,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional amount of $80,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 percent of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of 3 years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed 150,000 dwelling units after July 1, 1949, which limit shall be increased by further amounts of 150,000 dwelling units on July 1 in each of the years 1950 through and including 1955, respectively: *Provided*, That (subject to the authorization of not to exceed 1,050,000 dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional 100,000 dwelling units, or may be decreased at any time or times by not to exceed in any fiscal year 100,000 dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the development of more than 1,050,000 dwelling units without further authorization from the Congress."; and

(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

"(h) Every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 percent of the annual shelter rents charged in such project: *Provided*, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 percent of the annual contributions paid by the Authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the Authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contributions were payable during the 2-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 percent of the shelter rents charged in such project for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect of such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contributions are payable on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amount specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947."

SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

SEC. 306. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: "The dwellings in low-rent housing as defined in this act shall be available solely for families whose net annual income at the time of admission, less an exemption of $100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) $100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

TECHNICAL AMENDMENTS

SEC. 307. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By deleting from section 1 the words "rural or urban communities" and by substituting therefor the words "urban and rural nonfarm areas";

(b) (1) By adding at the end of subsection 2 (11) the following new sentence: "The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency."; and

(2) By adding the following new subsection to section 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.";

(c) By adding to section 6 the following new subsection:

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said act made by the Housing Act of 1949 or by any other law thereafter enacted.";

(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word *"Provided"* to a period;

(e) By amending the second sentence of subsection 13 (a) to read as follows: "The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to sec. 22 or otherwise) acquire or take possession of any project which

it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this act governing their administration and disposition.";

(f) By amending subsection 16 (2) by inserting after the words "contain a provision requiring that" the words "not less than";

(g) By amending subsection 21 (d) to read as follows:

"(d) Not more than 10 percent of the total annual amount of $428,000,000 provided in this act for annual contributions, nor more than 10 percent of the amounts provided for in this act for grants, shall be expended within any one State"; and

(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

TITLE IV—HOUSING RESEARCH

SEC. 401. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

"SEC. 301. The Housing and Home Finance Administrator shall—

"(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Administrator for technical research and studies authorized by this subsection for work to continue not more than 4 years from the date of any such contract. Notwithstanding the provisions of section 5 of the act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321n, the results of such research and studies in such form as may be most useful to industry and to the general public. Notwithstanding any other provisions of law except provisions enacted expressly in limitation hereof, the Administrator is authorized to consolidate, with the functions and activities performed under this subsection, any functions or activities now being performed or which, otherwise, would be performed by any constituent agency of the Housing and Home Finance Agency with respect to housing market data, and with respect to any other function or activity which the Administrator is authorized to perform by this subsection, if he determines that such consolidation is practicable and will promote more effective administration. The Administrator shall utilize the authority under this subsection with respect to housing market data to secure such information and data as may be required in connection with the functions of the constituent agencies within the Housing and Home Finance Agency and his supervision and coordination of the functions of said agencies, and in connection with determinations and approvals under section 15 (7) (b) (ii) and section 15 (8) (a) of the United States Housing Act of 1937, as amended: *Provided*, That this sentence shall not be construed as a limitation upon the authority conferred upon the Administrator by this subsection.

"(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

"(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans. To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys.

"SEC. 302. In carrying out research and studies under this title, the Administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the Administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

"SEC. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

"SEC. 304. The Administrator shall appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constitutent agencies of the Housing and Home Finance Agency."

TITLE V—VETERANS' PREFERENCES

SEC. 501. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this act for annual contributions for any low-rent housing project shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within 3 years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

"Second, to families of other veterans and servicemen and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected."

(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947, April 6, 1917, and prior to November 11, 1918."

TITLE VI—FARM HOUSING

FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

SEC. 601. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

(b) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of $400 in 1944, as determine by the Secretary. The

Secretary shall promply determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 602. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 601 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed 33 years from the making of the loan with interest at a rate not to exceed 4 percent per annum on the unpaid balance of principal.

(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 603. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed 5 years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed 5 years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 602. In addition, the Secretary may agree with the borrower to make annual contributions during the said 5-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 percent of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

SEC. 604. (a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 602 and 603 and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or impovements. No assistance shall be extended to any one individual under the provisions of this section in the form of a loan or grant or combination thereof in excess of $1,000 for any one farm or dwelling or building owned by such individual, and the grant portion with respect to any one farm or dwelling or building shall not exceed $500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary.

(b) The Secretary may make loans under this section and section 603 in accordance with provisions of the Bankhead-Jones Farm Tenant Act, as now or hereafter amended, to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available for assistance under this section for such purposes.

MORATORIUM ON PAYMENTS UNDER LOANS

SEC. 605. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

TECHNICAL SERVICES AND RESEARCH

SEC. 606. (a) In connection with financial assistance authorized in sections 601 to 604, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 601 to 604, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwelling and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeing such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

SEC. 607. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who

shall have been discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

LOCAL COMMITTEES TO ASSIST SECRETARY

SEC. 608. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of $5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

GENERAL POWERS OF SECRETARY

SEC. 609. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

ADMINISTRATIVE PROVISIONS

SEC. 610. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than $300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 602 to 605, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to loans, to the best of their abilities;

(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the act approved December 20, 1944, entitled "An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (58 Stat. 836), as such act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

LOAN FUNDS

SEC. 611. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title not in excess of $25,000,000 on and after July 1, 1949, an additional $50,000,000 on and after July 1, 1950, an additional $75,000,000 on and after July 1, 1951, and an additional $100,000,000 on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

CONTRIBUTIONS

SEC. 612. In connection with loans made pursuant to section 603, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed $500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional contributions aggregating not more than $1,000,000, $1,500,000, and $2,000,000 per annum, respectively.

SEC. 613. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 611 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 603, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional $1,000,000 pursuant to section 604 on and after July 1, 1949, which amount shall be increased by further amounts of $2,500,000, $4,000,000, and $5,000,000 on July 1, of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

TITLE VII—MISCELLANEOUS PROVISIONS

ADVISORY COMMITTEES

SEC. 701. The Housing and Home Finance Administrator may appoint such advisory committee or committees as he may deem necessary in carrying out his functions, powers, and duties, under this or any other act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18 United States Code.

AMENDMENTS OF NATIONAL BANKING ACT

SEC. 702. (a) The last sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words "obligations of national mortgage associations," a comma and the following: "or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home

Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations."

(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

"(11) Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than 18 months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which monies under the terms of said agreement are required to be used for that purpose."

NATIONAL HOUSING COUNCIL

SEC. 703. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

SEC. 704. (a) The second proviso in the paragraph under the heading "Federal Public Housing Authority" in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

(b) The second proviso in the paragraph under the heading "Public Housing Administration" in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

(c) The first proviso in the paragraph under the subheading "Public Housing Administration" in title II of the Government Corporations Appropriation Act, 1949, is hereby repealed.

DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

SEC. 705. The Housing and Home Finance Administrator shall appoint a Deputy Housing and Home Finance Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Deputy Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

SEC. 706. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948 is hereby repealed.

CENSUS OF HOUSING

SEC. 707. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the number, characteristics (including utilities and equipment), and geographical distribution of dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

(b) All of the provisions, including penalties, of the act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

NATIONAL CAPITAL HOUSING AUTHORITY

SEC. 708. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites within the District of Columbia for low-rent public-housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

DISTRICT OF COLUMBIA PARTICIPATION

SEC. 709. To make available to the District of Columbia, and to authorize the appropriate agencies operating therein to accept, the benefits provided by titles I and II of this act, the District of Columbia Redevelopment Act of 1945 is hereby amended by renumbering sections 20, 21, and 22 thereof as sections 21, 22, and 23, respectively, and by adding after section 19 a new section to read as follows:

"SEC. 20. (a) As an alternative method of financing its authorized operations and functions under the provisions of this act (in addition to that provided in section 16 of this act), the Agency is hereby authorized and empowered to accept financial assistance from the Housing and Home Finance Administrator (hereafter in this section referred to as the Administrator), in the form of advances of funds, loans, and capital grants pursuant to title I of the Housing Act of 1949, to assist the Agency in acquiring real property for redevelopment of project areas and carrying out any functions authorized under this act for which advances of funds, loans, or capital grants may be made to a local public agency under title I of the Housing Act of 1949, and the Agency, subject to the approval of the District Commissioners and subject to such terms, covenants, and conditions as may be prescribed by the Administrator pursuant to title I of the Housing Act of 1949, may enter into such contracts and agreements as may be necessary, convenient, or desirable for such purposes.

"(b) Subject to the approval of the District Commissioners, the Agency is authorized to accept from the Administrator advances of funds for surveys and plans in preparation of a project or projects authorized by this act which may be assisted under title I of the Housing Act of 1949, and the Agency is authorized to transfer to the Planning Commission so much of the funds so advanced as the District Commissioners shall determine to be necessary for the Planning Commission to carry out its functions under this act with respect to the project or projects to be assisted under title I of the Housing Act of 1949.

"(c) The District Commissioners are authorized to include in their annual estimates of appropriations items for administrative expenses which, in addition to loan or other funds available therefor, are necessary for the Agency in carrying out its functions under this section.

"(d) Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949, the Administrator is authorized to allow and credit to the Agency such local grants-in-aid as are approvable pursuant to said section 110 (d) with respect to any project or projects undertaken by the Agency under a contract or contracts entered into under this section and assisted under title I of the Housing Act of 1949. In the event such local grants-in-aid as are so allowed by the Administrator are not sufficient to meet the requirements for local grants-in-aid pursuant to title I of the Housing Act of 1949, the District Commissioners are hereby authorized to enter into agreements with the Agency, upon which agreements the Administrator may rely, to make cash payments of such deficiences from funds of the District

of Columbia. The District Commissioners shall include items for such cash payments in their annual estimates of appropriations and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such cash payments. Any amounts due the Administrator pursuant to any such agreements shall be paid promptly from funds appropriated for such purpose.

"(e) All receipts of the Agency in connection with any project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, whether in the form of advances of funds, loans, or capital grants made by the Administrator to the Agency, or in the form of proceeds, rentals, or revenues derived by the Agency from any such project or projects, shall be deposited in the Treasury of the United States to the credit of a special fund or funds, and all moneys in such special fund or funds are hereby made available for carrying out the purposes of this act with respect to such project or projects, including the payment of any advances of funds or loans, together with interest thereon, made by the Administrator or by private sources to the Agency. Expenditures from such fund shall be audited, disbursed, and accounted for as are other funds of the District of Columbia.

"(f) With respect to any project or projects undertaken by the Agency which are financed in accordance with this section with assistance under title I of the Housing Act of 1949—

"(1) sections 3 (f), 3 (k), and 7 (g), and the last sentence of section 6 (b) (2) of this act shall not be applicable to those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(2) the site and use plan for the redevelopment of the area, included in the redevelopment plan of the project area pursuant to section 6 (b) (2) of this act, shall include the approximate extent and location of any land within the area which is proposed to be used for public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(3) notwithstanding any other provisions of this act, the agency, pursuant to section 7 (a) of this act, shall have power to transfer to and shall at a practicable time or times transfer by deeds to the National Capital Housing Authority those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended, and, in accordance with the requirements of section 107 of the Housing Act of 1949, the National Capital Housing Authority shall pay for the same out of any of its funds available for such acquisition.

"(g) It is the purpose and intent of this section to authorize the District Commissioners and the appropriate agencies operating within the District of Columbia to do any and all things necessary to secure financial aid under title I, of the Housing Act of 1949. The District of Columbia Redevelopment Land Agency is hereby declared to be a local public agency for all of the purposes of title I of the Housing Act of 1949. As such a local public agency for all of the purposes of title I of the Housing Act of 1949, the agency is also authorized to borrow money from the administrator or from private sources as contemplated by title I of the Housing Act of 1949, to issue its obligations evidencing such loans, and to pledge as security for the payment of such loans, and the interest thereon, the property, income, revenues, and other assets acquired in connection with the project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, but such obligations or such pledge shall not constitute a debt or obligation of either the United States or of the District of Columbia.

"(h) Nothing contained in this section or in any other section of this act shall relieve the Administrator of his responsibilities and duties under section 105 (c) or any other section of the Housing act of 1949. The Administrator shall not enter into any contract of financial assistance under title I of this act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body."

ACT CONTROLLING

SEC. 710. Insofar as the provisions of any other law are inconsistent with the provisions of this act, the provisions of this act shall be controlling.

SEPARABILITY

SEC. 711. Except as may be otherwise expressly provided in this act, all powers and authorities conferred by this act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

GENERAL PROVISIONS

SEC. 712. No part of any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this act, shall be used directly or indirectly to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Mr. MAYBANK. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAYBANK, Mr. SPARKMAN, Mr. DOUGLAS, Mr. FLANDERS, and Mr. CAIN conferees on the part of the Senate.

## FURTHER CONTRIBUTIONS TO THE INTERNATIONAL CHILDREN'S EMERGENCY FUND

Mr. PEPPER. Mr. President, I wish to submit a unanimous-consent request with respect to consideration of a measure which has been reported from the Senate Committee on Foreign Relations, but before submitting the request I should like to state what the bill is. The bill is H. R. 2785, Calendar No. 593, to provide for further contributions to the International Children's Emergency Fund. It was reported unanimously by the Committee on Foreign Relations. The distinguished chairman of the committee is now on the floor. All the bill does is to extend authority for our participation in the International Children's Emergency Fund for one additional year, with the express proviso that our participation in the fund shall end at the expiration of the next fiscal year; and, in addition to that, carrying over for the next year $17,000,000 of previously appropriated funds for matching by other countries should they comply with the conditions which are required.

The bill is short. It was unanimously reported by the committee. The Senator from Iowa [Mr. HICKENLOOPER] is also very much interested in it. The law expires today. There is only a minor adjustment necessary to be made between the Senate and the House. I felt that the bill should be disposed of today, and I am sure it will not be controversial.

Mr. President, in order to get the matter before the Senate, I submit a unanimous-consent request for the present consideration of House bill 2785.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 2785) to provide for further contributions to the International Children's Emergency Fund.

Mr. WHERRY. Mr. President, reserving the right to object, did I correctly understand the distinguished Senator to say that the bill had been reported by the Senate Foreign Relations Committee?

Mr. PEPPER. It was reported unanimously by the Senate Foreign Relations Committee with a slight amendment.

Mr. WHERRY. That is what I was going to ask about. There is an amendment to the bill?

Mr. PEPPER. An amendment was made to the bill by the Committee on Foreign Relations of the Senate.

Mr. WHERRY. What is the amendment?

Mr. PEPPER. The amendment is the addition of a new section, as follows:

SEC. 2. Funds appropriated by the second paragraph of title I of the Foreign Aid Appropriation Act, 1949, shall remain available through June 30, 1950.

All that does is to allow the countries involved one more year in which to match appropriations already made.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. GEORGE. May I be permitted to state for the information of the Senate that the amount actually unexpended, the unexpended balance, is in the neighborhood of $12,000,000?

Mr. WHERRY. The bill provides for no increased appropriation?

Mr. GEORGE. Yes; there is an additional appropriation of $25,000,000 authorized. Of course, that appropriation might be made. That would make a total, in event of the additional appropriation, of $37,000,000.

Mr. WHERRY. So that what is being done here is not only appropriating the unexpended balance, but adding to it an authorization of $25,000,000?

Mr. GEORGE. No; extending the authorization. The original authorization was for $100,000,000, but only $75,000,000 was actually expended.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HICKENLOOPER. I merely want to corroborate what the Senator from Florida has said. It is my understanding that the bill merely extends the time one more year during which the unexpended balance of the present appropriation, which is between $12,000,000 and $16,000,000, depending on how it is calculated, may be matched by other countries in accordance with the formula in the bill, and that that unexpended balance may continue during the next year to be used as it was originally intended to be used.

Mr. GEORGE. To be continued through June 30, 1950.

Mr. HICKENLOOPER. Yes. I believe the cause to be a very worthy one.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 2785) to provide for further contributions to the International Children's Emergency Fund, which had been reported from the Committee on Foreign Relations, with an amendment.

The PRESIDING OFFICER. The clerk will state the committee amendment.

The LEGISLATIVE CLERK. On page 2, after line 3, it is proposed to insert the following new section:

SEC. 2. Funds appropriated by the second paragraph of title I of the Foreign Aid Appropriation Act, 1949, shall remain available through June 30, 1950.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 2785) was read the third time and passed.

### AUTHORITY TO SIGN BILLS

Mr. MYERS. Mr. President, I ask unanimous consent that the President of the Senate be authorized to sign duly enrolled bills following the recess of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

### EXECUTIVE SESSION

Mr. MYERS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

### EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. MCGRATH in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Jefferson Caffery, of Louisiana, a foreign service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Egypt, which was referred to the Committee on Foreign Relations.

### EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Harlan T. Chapman, of Elyria, Ohio, to be Assistant Register of the Treasury; and

Harry M. Durning, of New York, N. Y., to be collector of customs for customs collection district No. 10, with headquarters at New York, N. Y.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will call the Executive Calendar.

### THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, proceeded to consider the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949, which was read the second time, as follows:

TEXT OF NORTH ATLANTIC TREATY

The Parties to this Treaty reaffirmed their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.

They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law.

They seek to promote stability and well-being in the North Atlantic area.

They are resolved to unite their efforts for collective defense and for the preservation of peace and security.

They therefore agree to this North Atlantic Treaty:

ARTICLE 1

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

ARTICLE 2

The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

ARTICLE 3

In order more effectively to achieve the objective of this Treaty, the Parties separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

ARTICLE 4

The Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened.

ARTICLE 5

The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE 6

For the purpose of Article 5 an armed attack on one or more of the Parties is deemed to include an armed attack on the territory of any of the Parties in Europe or North American, on the Algerian departments of France, on the occupation forces of any Party in Europe, on the islands under the jurisdiction of any Party in the North Atlantic area north of the Tropic of Cancer or on the vessels or aircraft in this area of any of the Parties.

ARTICLE 7

This Treaty does not affect, and shall not be interpreted as affecting, in any way the rights and obligations under the Charter of the Parties which are members of the United Nations, or the primary responsibility of the Security Council for the maintenance of international peace and security.

ARTICLE 8

Each Party declares that none of the international engagements now in force between it and any other of the Parties or any third state is in conflict with the provisions of this Treaty, and undertakes not to enter into any international engagement in conflict with this Treaty.

ARTICLE 9

The Parties hereby establish a council, on which each of them shall be represented, to consider matters concerning the implementation of this Treaty. The council shall be so organized as to be able to meet promptly at any time. The council shall set up such subsidiary bodies as may be necessary; in

particular it shall establish immediately a defense committee which shall recommend measures for the implementation of Articles 3 and 5.

ARTICLE 10

The Parties may, by unanimous agreement, invite any other European state in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area to accede to this Treaty. Any state so invited may become a party to the Treaty by depositing its instrument of accession with the Government of the United States of America. The Government of the United States of America will inform each of the Parties of the deposit of each such instrument of accession.

ARTICLE 11

This Treaty shall be ratified and its provisions carried out by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the United States of America, which will notify all the other signatories of each deposit. The Treaty shall enter into force between the states which have ratified it as soon as the ratifications of the majority of the signatories, including the ratifications of Belgium, Canada, France, Luxembourg, the Netherlands, the United Kingdom and the United States, have been deposited and shall come into effect with respect to other states on the date of the deposit of their ratifications.

ARTICLE 12

After the Treaty has been in force for ten years, or at any time thereafter, the Parties shall, if any of them so requests, consult together for the purpose of reviewing the Treaty having regard for the factors, then affecting peace and security in the North Atlantic area, including the development of universal as well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security.

ARTICLE 13

After the Treaty has been in force for twenty years, any Party may cease to be a party one year after its notice of denunciation has been given to the Government of the United States of America, which will inform the Governments of the other Parties of the deposit of each notice of denunciation.

ARTICLE 14

This Treaty, of which the English and French texts are equally authentic, shall be deposited in the archives of the Government of the United States of America. Duly certified copies thereof will be transmitted by that Government to the Governments of the other signatories.

In witness whereof, the undersigned plenipotentiaries have signed this Treaty.

Done at Washington, the fourth day of April, 1949.

For the Kingdom of Belgium:
P. H. SPAAK
SILVERCRUYS
For Canada:
LESTER B. PEARSON
H. H. WRONG
For the Kingdom of Denmark:
GUSTAV RASMUSSEN
HENRIK KAUFFMANN
For France:
SCHUMAN
H. BONNET
For Iceland:
BJARNI BENEDIKTSSON
THOR THORS
For Italy:
SFORZA
ALBERTO TARCHIANI
For the Grand Duchy of Luxembourg:
JOS BECH
HUGUES LE GALLAIS
For the Kingdom of the Netherlands:
STIKKER
E. N. VAN KLEFFENS
For the Kingdom of Norway:
HALVARD M. LANGE
WILHELM MUNTHE MORGENSTIERNE
For Portugal:
JOSÉ CAEIRO DA MATTA
PEDRO THEOTONIO PEREIRA
For the United Kingdom of Great Britain and Northern Ireland:
ERNEST BEVIN
OLIVER FRANKS
For the United States of America:
DEAN ACHESON

I certify that the foregoing is a true copy of the North Atlantic Treaty signed at Washington on April 4, 1949, in the English and French languages, the signed original of which is deposited in the archives of the Government of the United States of America.

In testimony whereof, I, Dean Acheson, Secretary of State of the United States of America, have hereunto caused the seal of the Department of State to be affixed and my name subscribed by the Authentication Officer of the said Department, at the city of Washington in the District of Columbia, this fourth day of April, 1949.

DEAN ACHESON,
*Secretary of State.*
[SEAL] By M. P. CHAUVIN,
*Authentication Officer.*
*Department of State.*

The PRESIDING OFFICER. The treaty is open to amendment.

Mr. WHERRY. Mr. President, as I understand, the intention is to make the North Atlantic Treaty the unfinished business, and it is not contemplated that it will be discussed this evening.

Mr. MYERS. That is true.

Mr. DONNELL. Mr. President, is it contemplated that it will be discussed tomorrow?

Mr. MYERS. No. There will be no discussion until Tuesday.

Mr. WHERRY. Mr. President, in view of the fact that the Senator from Missouri raised that question, may I inquire of the present occupant of the chair whether or not the resolution which was adopted yesterday or the day before relative to the recess and reconvening on next Tuesday provides that when the Senate convenes tomorrow, which is Friday, it shall convene only for the purpose of meeting and recessing until the following Tuesday, and that no business is to be transacted tomorrow when the Senate reconvenes, except to recess until Tuesday?

The PRESIDING OFFICER. The Chair is advised that that is not included in the order. It is a question whether the Senate wishes to meet tomorrow to consider business.

Mr. MYERS. Mr. President, the Senate will meet tomorrow. No business will be transacted, unless Senators desire to make insertions in the RECORD, and there is no objection to the requests.

Mr. WHERRY. May we have the full assurance of the acting majority leader that there is an agreement that tomorrow when the Senate convenes no business is to be transacted? I do not object to speeches or insertions in the RECORD, but I think Senators should understand now that tomorrow there will be no votes and that no business will be transacted other than to meet and recess until the following Tuesday.

Mr. MYERS. I will say to the Senator from Nebraska that that is the understanding. No business will be transacted, and no votes will be taken.

The PRESIDING OFFICER. Is it the desire of the acting majority leader that the nominations on the Executive Calendar be considered at this time?

Mr. MYERS. Mr. President, I ask that the nominations on the Executive Calendar be passed over.

The PRESIDING OFFICER. Without objection, the nominations on the Executive Calendar will be passed over.

RECESS

Mr. MYERS. I move that the Senate take a recess, in executive session, until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 24 minutes p. m.) the Senate took a recess until tomorrow, Friday, July 1, 1949, at 12 o'clock meridian.

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NOMINATION

Executive nomination received by the Senate June 30 (legislative day of June 2), 1949:

DIPLOMATIC AND FOREIGN SERVICE

Jefferson Caffery, of Louisiana, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Egypt.

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# HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 30, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our most gracious Father, we praise Thee for all the sacred influences of life, for home with its benedictions, for the counsel and fellowship of those who are wise and faithful. We would not walk alone, but would find strength in others, in those unforgotten spirits which weave a charm about our souls.

In the constant rush of life, keep us ever seeking the guidance of prayer and meditation, thus avoiding a life empty of spiritual power.

We beseech Thee that with firm steps and certain hearts we may move resolutely forward, eager to write a new chapter in the scroll of human freedom. Heavenly Father, bend low, open Thy listening ear. We beseech Thee to abide with our honored Speaker, the leaders, the Members of Congress, and all others who associate with them. Keep them day by day under the wings of Thy love and mercy in good health and good cheer. In the name of Him who gave Himself as a ransom for the world. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the

President approved and signed bills and joint resolutions of the House of the following titles:

On June 28, 1949:

H. R. 716. An act for the relief of Mark H. Potter;

H. R. 735. An act for the relief of Phil H. Hubbard;

H. R. 1096. An act for the relief of Mr. and Mrs. James Linzay;

H. R. 1123. An act for the relief of Mrs. Florence Mayfield;

H. R. 1125. An act for the relief of Ellis C. Wagner and Barbara P. Wagner;

H. R. 1771. An act relating to loans by Federal agencies for the construction of certain public works;

H. R. 1858. An act for the relief of the legal guardian of John Waipa Wilson;

H. R. 1981. An act for the relief of V. O. McMillan and the legal guardian of Carolyn McMillan;

H. R. 2078. An act for the relief of Winston A. Brownie;

H. R. 3311. An act for the relief of Carmen Morales, Aida Morales, and Lydia Cortes;

H. R. 3444. An act to provide for the collection and publication of cotton statistics;

H. R. 3603. An act for the relief of Michael Palazotta;

H. R. 3967. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1950;

H. R. 3992. An act for the relief of J. L. Hitt;

H. R. 4392. An act to provide for the payment of compensation to the Swiss Government for losses and damages inflicted on Swiss territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor; and

H. J. Res. 276. Joint resolution granting certain extensions of time for tax purposes.

On June 29, 1949:

H. R. 593. An act for the relief of Hampton Institute;

H. R. 650. An act for the relief of George A. Kirchberger;

H. R. 1837. An act to amend the Nationality Act of 1940;

H. R. 3082. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 3333. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 3997. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 4332. An act to amend the National Bank Act and the Bretton Woods Agreements Act, and for other purposes;

H. R. 4471. An act to regulate the hours of duty and the pay of civilian keepers of lighthouses and civilians employed on lightships and other vessels of the Coast Guard; and

H. J. Res. 235. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 49–17.

## EXTENSION OF REMARKS

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD in three instances and include editorials from Florida papers.

Mr. ELLIOTT asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. KARSTEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a recent address by the Vice President of the United States.

Mr. MULTER (at the request of Mr. KARSTEN) was given permission to extend his remarks in the Appendix of the RECORD.

Mr. RAINS (at the request of Mr. MANSFIELD) was given permission to extend his remarks in the RECORD.

## SPECIAL ORDER GRANTED

Mr. SMATHERS. Mr. Speaker, I ask unanimous consent that, after the legislative business of the day and following any special orders heretofore entered, I may address the House today for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida [Mr. SMATHERS]?

There was no objection.

## SPECIAL ORDER TRANSFERRED

Mr. SIKES. Mr. Speaker, I ask unanimous consent that the special order granted for me today may be vacated and that on tomorrow, at the conclusion of the legislative business and any other special orders, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida [Mr. SIKES]?

There was no objection.

## LOANS BY RFC

Mr. TAURIELLO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TAURIELLO. Mr. Speaker, I hold in my hand a copy of the Buffalo Evening News of June 28. A story is related in this paper by the Associated Press emanating from Washington. I call this to the attention of the Members of the House, especially to those Members, the gentlemen from Indiana [Mr. HALLECK] and Georgia [Mr. COX], who were so vociferous in placing the tag of "socialism" on the housing bill which we enacted yesterday.

This story relates that Mr. Gunderson, Director of the RFC, told the subcommittee on Banking and Currency of the Senate that they were going to make another loan of $3,000,000 to a private corporation to which the RFC had already loaned $32,000,000, a corporation that is already losing money in its daily operations. If the housing bill was socialism, then I say this is socialism to the *n*th degree. When the Federal Government can throw money down a rat hole with private corporations, then I say that this agency should be investigated and should be stopped from loaning any more money to a corporation that is admittedly losing money.

The point I want to make, Mr. Speaker, is that when the Government is asked to pass laws for the general welfare of the country, certain Members are quick to scream socialism, but when the Government subsidizes private corporations and so forth, these same gentlemen are conspicuous by their silence. In this instance, the RFC admits they are loaning, yes, giving away the taxpayers' money to bolster up a private corporation, and a losing proposition on top of it.

This in my opinion, Mr. Speaker, is rank waste of public funds. I encourage the Government's coming to the aid of business, but when the Government loans money to a company that has no hope of succeeding, then it is time to call a halt.

[From the Buffalo (N. Y.) Evening News of June 29, 1949]

### LUSTRON EXPECTED TO ASK RFC FOR ANOTHER $3,000,000

WASHINGTON, June 28.—The Reconstruction Finance Corporation expects to be asked for—and to grant—another $3,000,000 loan soon to Lustron Corp., one of the RFC's five directors said.

Director Harvey Gunderson told a Senate banking subcommittee this would raise to $35,500,000 the total loaned to the maker of all-steel prefabricated houses by the Government financial agency since June 30, 1947, and that the RFC may put up more later.

Mr. Gunderson said Lustron is still a money-losing proposition and requires about $1,000,000 a month more capital from the RFC to keep going at this point.

Congress has, in passing housing laws, expressed an interest in seeing what happens to a prefab housing venture and apparently wants the RFC to "push it to the limit," he declared.

"We can't yet say whether it will be a success or a failure, and we should pursue until we are certain."

Senator J. WILLIAM FULBRIGHT, Democrat of Arkansas, several times suggested that the RFC should feel free to drop it before reaching the bitter end, but he said he was just speaking for himself.

Mr. Gunderson outlined the past, present, and the future prospects of Lustron, which employs more than 3,000 persons at its plant in Columbus, Ohio, along these lines:

Nearly all money invested in it was put up by the RFC; $15,500,000 on June 30, 1947; another $10,000,000 in July 1948, and $7,000,000 last February 14—the latter about gone now.

With operations requiring about $1,000,000 a month, Mr. Gunderson expects Lustron soon to be asking more money—about $3,000,000.

The concern's output has reached 15 houses a day this month, and will increase to 20 a day next month. At least 30 to 50 houses must be produced each day for the plant to break even.

The SPEAKER. The time of the gentleman from New York has expired.

## INDEPENDENT MERCHANTS OPPOSE S. 1008

Mr. BURTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend

my remarks and include copies of three letters.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BURTON. Mr. Speaker, I have received letters from the proprietors of three small, independent companies presenting their objections to S. 1008, the bill on delivered prices, which is now before the Committee on Rules. These merchants urge the defeat of this bill on the grounds that by its passage the antitrust laws would be substantially weakened and collusive pricing practices revived. The letters are given below:

POWERS-TAYLOR DRUG CO.,
*Richmond, Va., June 23, 1949.*

The Honorable CLARENCE G. BURTON,
*House Office Building,*
*Washington, D. C.*

DEAR SIR: We understand that there is a bill pending in Congress identified as S. 1008 which, if passed, would considerably weaken the Robinson-Patman Act.

We would like to ask that you consider this bill very carefully and we hope that you will vote against this bill, and use your influence to defeat same.

The Robinson-Patman Act in our opinion should not be weakened in any way as it is the best protection that any independent retail or wholesale merchant has against chain stores or other powerful groups.

Hoping you will give this your consideration, we are,

Yours truly,
POWERS-TAYLOR DRUG CO.,
J. W. RUSSELL, *President.*

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HUMPHRIES & WEBBER, INC.,
*Roanoke, Va., June 24, 1949.*

Hon. CLARENCE G. BURTON,
*Member of Congress,*
*Washington, D. C.*

DEAR CONGRESSMAN BURTON: There is pending in Congress a bill, S. 1008, which would wreck the Robinson-Patman Act, which has proven to be a stabilizing agent for small business. If this bill, S. 1008, is enacted, it will disrupt small business and give the big interests a powerful lever to wreck many enterprises of small people who are the very backbone of our economy.

We hope that you will give this your careful consideration.

Very truly yours,
HUMPHRIES & WEBBER, INC.,
JOSEPH H. WEBBER, *President.*

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FINCASTLE PHARMACY,
*Fincastle, Va., June 23, 1949.*

Hon. CLARENCE G. BURTON,
*House of Representatives,*
*Washington, D. C.*

DEAR SIR: Please give bill S. 1008 your careful attention, and, if possible, vote against and use your influence to defeat its passage.

This is a big-business and chain-store bill which would defeat the usefulness of the Robinson-Patman Act and thereby legalize price discrimination.

Yours very truly,
E. E. MAYHEW.

## DEPARTMENT OF DEFENSE

Mr. CAVALCANTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CAVALCANTE. Mr. Speaker, as a disabled war veteran of this Nation, I have called upon my conscience for the remarks that I am about to spread on the RECORD.

Mr. Speaker, our Department of Defense is charged with a grave public responsibility. Its duty in peace is to build our national defense and maintain it in a posture that if war is cast upon us we may repel invasion and carry the battle to the borders of the attacker. To effectively discharge this responsibility, the Department is particularly entitled to the candid support of this Congress, whether we be Democrat or Republican; Catholic, Jew, or Protestant; black or white. A gun, shell or bomb in the hands of an enemy soldier is no respecter of race, color or religion, and much less of politics. Truly Mr. Speaker, this responsibility challenges the best that is in Democrat and Republican alike. It is the imperative responsibility of both.

Many unfounded partisan charges have been leveled at this Department, its Secretary and employees by unscrupulous persons, in these past 2 months. These persons deserve the censure of all good citizens.

Mr. Speaker, I appeal to the candor of this Congress to trust the firm judgment of the President to protect our Department of Defense, its patriotic Secretary and employees, whether Democrat or Republican, against the bane of partisanship and the flare of brass-band demagogue and tin-horn politician.

## PERMISSION TO ADDRESS THE HOUSE

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks and include with those remarks certain extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

[Mr. MANSFIELD addressed the House. His remarks appear in the Appendix.]

## EXTENSION OF REMARKS

Mr. JACKSON of California asked and was given permission to extend his remarks in the RECORD and include an article from the London Express.

Mr. SHAFER asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and in one to include an editorial.

## THE UNITED STATES MARINE CORPS

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON of California. Mr. Speaker, since 1776 the United States Marine Corps has fought the battles of our country from the Halls of Montezuma to the shores of Tripoli. The members of the corps have typified soldierly virtues during the long and illustrious history of the marines—a history written at Bunker Hill, Trenton, on Lake Erie, Chapultepec, Vera Cruz, San Juan Hill, Manila Bay, Guadalcanal, Tarawa, Iwo Jima, and a hundred other blood-drenched battlefields. There has never been a mutiny. Marines have always fallen with their faces toward the enemy, and in the slogan of the corps, Semper Fidelis, there is summed up the marines' philosophy of honorable and valiant service.

The United States needs its marines. It needs the esprit de corps of this great body of fighting men. Establishment of the corps for the first time upon a firm and statutory basis can meet with no objections on the grounds of either economy or the public interest. We who are sponsoring this legislation ask only that the marines be given a status commensurate with the valiant service they have rendered. We urge the Committee on Armed Services to give a hearing to the bill and to insure the continued existence of the United States Marine Corps to the service of this country.

## OVERTIME IN BUSINESS

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SHAFER. Mr. Speaker, the word is going around among employers that the Wage and Hour Administrator is about to take another long step toward promoting inflation, wrecking small industry, and exercising in an arbitrary manner the vast powers given to him by the New Deal Congresses of days long gone.

I refer to the published statements to the effect that the Wage and Hour Administrator is about to change the exemption for overtime payment for administrative and executive employees of business. His idea apparently is not to put into effect a gradual increase of 10 or 15 percent of the basic minimum, but we are told that the overtime exemption now existing at $25 a week for executives will be raised to $50, and the $50 existing for administrative employees will be raised to $75.

Now, Mr. Speaker, the large, heavily capitalized, and prosperous industries in every field will feel this arbitrary action along with the smaller, less prosperous, and less wealthy businesses of the country. But the larger businesses will be better able to stand the increase and take it in stride. The smaller businesses, on the other hand, will be pushed, by this act, over the precipice. Many of them will find this action to be the straw that breaks the camel's back—in this instance, their own backs.

It is perfectly obvious that the regulation, when put into effect, will be detrimental to thousands upon thousands of small employers. Their costs will be raised at the very time of declining sales when many of them are fighting desperately every day to lower costs.

It would seem to me that if we in Congress allow the Wage and Hour Administrator freedom to take such drastic measures, we should at least provide that any increases in executive or administrative employee standards should be tied into the percentage wage increases that

are laid down in industry as a pattern for each particular year. A 50- to 100-percent increase at this time makes no sense at all.

I recently received a letter of protest about these forthcoming regulations from one of the most alert, intelligent, and fair-minded employers in my district. He pointed out that there are 20 employees in his plant who would come under the heading of administrative or executive personnel, but that he could not possibly pay these increases.

"These employees will have to be put on an overtime basis, which will further increase the cost of our production at a time when we are definitely reducing prices in the face of everything in order to keep the plants alive," he asserted.

We can see by such regulations as these why the New Deal and the Fair Deal, although always talking against higher prices, have forced inflation upon the American people—a disastrous inflation that stymies production, lowers incentive of entrepreneurs to strive, and works subtly to destroy the precious freedoms for which our forefathers fought and died.

GOVERNMENT FINANCES

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, a winner never quits, and a quitter never wins. Today is the last day of this Government year, financially. When the final report comes, you will find that we are over a billion dollars in the red—another Fair Deal administration failure.

On yesterday we put through a bill requiring $19,312,500,000 of the American taxpayers' money, and much other legislation has been proposed: Federal aid to education, socialized medicine, the St. Lawrence seaway, aid to Korea, $150,000,000, and guaranteeing businessmen who undertake enterprises in foreign countries to the extent of $45,000,000 to keep them from going into bankruptcy when 200 of our business concerns in America are going into bankruptcy—yet no help for them.

Where are you going to get the money?

The Atlantic Pact will soon be up for $1,130,000,000 to arm the countries in Europe. They say for peace. I say rats. When you arm it means war, not peace. Let the Congress soon get some common sense. Stop spending, stop talking about arming everybody for war and at the same time saying you are for peace. It does not make sense to me. Talk peace and work for peace, and we can and will have it.

EXTENSION OF REMARKS

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD and include a radio address by Mr. Taylor from Tokyo on General MacArthur.

Mr. KUNKEL (at the request of Mr. BISHOP) was given permission to extend his remarks in the RECORD.

Mr. DAGUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Washington Star.

THE BRANNAN FARM PROGRAM

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I have introduced legislation to extend indefinitely the period in which title I of the Agricultural Act of 1948 applied. It is my opinion, Mr. Speaker, that the farmers of our Nation want to restore and continue the full 90 percent parity floor price on farm products, in exactly the same manner as it has been operated in past years since the adoption of the Steagall amendment. I am doing this because, in these troubled and uncertain times, we cannot afford to gamble with an untried and untested formula such as has been proposed by Mr. Brannan. The men in the Agriculture Department are making a political football out of the farmers production. They offer a new and untried approach to the farm program. I am convinced that it would not be satisfactory either to the farmer or to the Government.

The people in the Agriculture Department have not reached a decision among themselves as to a better and more workable program than the one now in operation. This Congress cannot afford to permit farm prices to sag below farm parity or permit our farm program to become a political football. I am convinced that unless we have prosperous farmers we cannot have prosperity for anyone in the United States. I am further convinced that adoption of the 90 percent parity will not leave the farmer holding an empty sack and dependent upon appropriations from Congress.

There is something mysterious about the Brannan farm program. It tries to do the miraculous in that it would reduce the price the housewife pays for food, and at the same time guarantees high prices to the farmer for his products. The Government, and that is you, would pay the difference.

I notice that Mr. Brannan is unable, or unwilling to estimate the cost of the program. It will be expensive. I have noticed, however, that he has estimated the cost to the farmer in the terms of liberty and that comes high. As I read his suggested farm plan, it means complete Government control of all farm products and marketing. How else could it operate? The whole program is one of control. There is nothing petty about what he intends to do. He would have rigid market quotas on hogs, cattle, poultry, grain, vegetables, and about everything else one could think of that is raised on the farm. He would set up legalized quotas. Mr. Brannan would then tell the farmer exactly how much, if anything, he would be permitted to sell. If the farmer disobeyed, he would be subject to a stiff penalty tax. If the farmer accepts Mr. Brannan's plan, he is surrendering to Government dictation, disguised as security, and may well lose both his security and his freedom. The plan should have very close scrutiny by the American farmer.

Mr. Speaker, the bill I propose simply extends the present parity payment schedules, and is a program understood by the farmers. To make it workable, the Brannan plan would require huge appropriations from Congress. I am sure the farmers in my district do not want to be dependent upon annual appropriations from Congress. They do not like the controls which must come under either the Aiken or the Brannan farm programs. I trust the Agriculture Committee and the Congress will give favorable consideration to the extension of the 90-percent parity farm-price program.

REDUCTION OF EXCISE TAXES

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I have today on my own responsibility filed with the Clerk a motion to discharge the Ways and Means Committee from the consideration of H. R. 2100, a bill which I introduced on February 2, 1949, to reduce excise taxes to the prewar basis.

I have hoped and have patiently waited for action on the part of the Ways and Means Committee. It is now obvious no action can be expected from the committee this year. There is only one thing left to do, and that is to use the discharge method.

This legislation is needed to cushion the shock of the recession. It will stimulate business and provide employment to many thousands. It will not materially reduce revenues and it could increase them by the boost it will give business generally.

Above all, the bill is just. It is wrong to keep a wartime sales tax on the poorer people in a period of recession. It is discriminatory taxation to single out a few industries and destroy them.

If you are really in earnest about putting people to work and giving some relief to low-income groups, you will pass this bill now.

I invite Republicans and Democrats alike, who are behind this fight, to sign the petition and get legislation to the floor.

UNEMPLOYMENT

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I am concerned over the growing unemployment in the country. In my home city of Binghamton the largest industry in that town has let out about 1,000 workers since January 1. That company is the Ansco Film Corp.,

a subsidiary of General Aniline, being run by the United States Government and the present administration. I think the time has come for all of us to begin to gird our loins to see what we can do to lick this bugbear of unemployment, because if we do not get it it is going to get us.

Every man and woman in the country who wants to work ought to be able to have a job, they ought to be able to keep it, and the Congress should take steps to see that something is done so that the people may enjoy the same full employment that they were able to enjoy previously. Peacetime employment is as essential as wartime employment.

EXTENSION OF REMARKS

Mr. LECOMPTE asked and was given permission to extend his remarks in the RECORD and include an article entitled "The Brannan Program" notwithstanding that it exceeded two pages of the RECORD and, according to the Public Printer, cost $187.50 to print.

SPECIAL ORDER GRANTED

Mr. VURSELL asked and was given permission to address the House for 20 minutes on Tuesday next at the conclusion of the legislative program of the day and following any special orders heretofore entered.

COMMITTEE ON PUBLIC LANDS

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

REPORT ON H. R. 5310

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands may have until midnight tonight to file a report on H. R. 5310.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

EXTENSION OF REMARKS

Mr. SANBORN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD in two instances, and include official reports of the results of the strike of longshoremen in Hawaii.

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD in two instances and include in one a letter.

Mr. GWINN asked and was given permission to extend his remarks in the RECORD.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. ABBITT asked and was given permission to extend his remarks in the RECORD and include an address by his colleague the gentleman from North Carolina [Mr. COOLEY].

Mr. WIER asked and was given permission to extend his remarks in the RECORD and include a resolution.

EXCISE-TAX REPEAL

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I listened with a great deal of surprise to our distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN], when he advocated the repeal of what he calls war excise taxes. Now, I think I am safe in saying that the Democratic Party has always held the position that excise taxes are in effect sales taxes. It was the Eightieth Republican Congress that made permanent these excise taxes that were levied for wartime purposes. The main reason that we are operating at a deficit today is because the Eightieth Republican Congress passed an income-tax-reduction bill—a law that does not bring in enough revenue to operate the Government on a surplus basis. We are not able to reduce the public debt one cent, and these are the days, certainly, when the public debt should be reduced. Does the Republican leader in the House advocate operating Government services on a deficit basis?

EXCISE TAX REPEAL

Mr. GRANGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. GRANGER. Mr. Speaker, I find myself in agreement with former members of the Marine Corps who sing the marine hymn, From the Halls of Montezuma to the Shores of Tripoli. I concur in what these gentleman say in relation to that corps.

I also agree to a great extent in what the gentleman from Massachusetts [Mr. MARTIN] said about these excise taxes. Regardless of who wants to take the credit or the blame for it, I think their repeal is long overdue. I do not agree, however, with the gentleman from Nebraska [Mr. MILLER], who, I think, knows a great deal more about other things than he does about the farm bill. I want to say that the Committee on Agriculture has reported out a farm bill that contains in major aspects the principle advocated by the Secretary of Agriculture. I think it is a good bill, and one that the farmers of America will appreciate. It will be an improvement on present farm legislation. In this bill everybody is going to get a break. The farmer is going to be protected, the consumer will get a break, and it will, in the long run, cost the Government less money.

TAX REDUCTION

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I listened with interest to the remarks of the gentleman from Pennsylvania [Mr. EBERHARTER] with reference to the tax-reduction bill passed by the Eightieth Congress. I also heard a lot of talk in the last campaign about how that was a bad tax bill.

After we got back this year, in the Eighty-first Congress, it was said by the Chief Executive that we needed more taxes. What I should like to inquire about is simply this: If that was such a bad tax bill, and if you people over there do not like that tax bill, then why do you not bring in a measure to repeal it?

I know why you are not going to repeal it. You are not going to repeal it because it was a good tax bill. You are not going to repeal it because 71 percent of the tax relief provided by that bill went to people making $5,000 a year or less. That is the reason no responsible Democrat has to this day, after we have been in session for 6 months, offered anything in the way of a resolution or bill to repeal the tax bill passed over a Presidential veto by the Eightieth Congress by an overwhelming vote.

FARM PROGRAM

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, I should like to compliment the gentleman from Nebraska [Mr. MILLER] on following along with many of us who have introduced bills designed to keep the present 90-percent price-support program for agriculture indefinitely. It is our hope to prevent coming into law the so-called Aiken Act. The farmer is entitled to at least 90-percent price support on the basic commodities.

I wish to weigh very carefully the provisions of the Pace bill, reported out June 27. For the first time it is seriously proposed that a farmer must look to the Treasury for a portion of what we call a parity price. This is the beginning of the theory underlying the Brannan plan. I, as a farmer, regret ever seeing the day come to agriculture when we must be subsidized out of the Treasury instead of receiving our fair parity price for our commodities out of the markets. In actuality, of course, this will be a subsidy to the consumer, to pay part of his food bill, but the farmer will be stigmatized by the press as being the recipient of this gratuity from the Treasury. Let us instead reenact the present 90-percent support law with minor modifications as deemed necessary.

FARM PROGRAM

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, as a farmer who knows a little bit about farm prices, I should like to disagree with some of the statements two gentlemen have just made about the Brannan plan. I do not care to get into a discussion of relative degrees of lowness to which anybody might stoop, but when the gentleman says that he would not stoop low enough to accept a payment under the Brannan plan, and then demands that we have a 90 percent parity, I must feel constrained to say that his remarks fail to square-up with the situation. Any parity plan is a subsidy which is operated indirectly by the Government taking products off the market in order to create an artificial scarcity and to maintain high prices. Thereby, inevitably it takes food out of the mouths of people who do not have the necessary income to pay these high prices. In many instances, this food is allowed to deteriorate or sometimes has to be destroyed because it can no longer be preserved. The Brannan plan, as I understand it, simply advocates using this same money, if it is necessary, to make direct payments to the farmer and to allow prices to find a common level so that the low-income groups can participate in the purchasing of farm products. It seems to me that this is the first successful, down-to-earth, common-sense approach to the farm problem that has been offered within my memory. I think that probably the only objection the two gentlemen who preceded me could possibly have to this program is that my party is sponsoring it instead of the party of which they are members. As a farmer, I hope that I can always keep in mind the interests of the farmers, of not only my district, but of the entire United States, without losing sight of the fact that without the consumer, who is able to afford to buy farm products, the American farmer would be in dire straits.

EXCISE TAXES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the fact remains that what the gentleman from Pennsylvania [Mr. EBERHARTER] said is correct, and it has not been denied by my friend from Indiana. It was the last Congress that made the war excise taxes permanent. President Truman recommended their extension for 1 year. The Republican Congress, after they passed the tax bill, made them permanent, and then promised that before the last Congress was over they would consider these taxes and they would be repealed. The fact is that the tax bill of 2 years ago reduced the income of the Government over $4,000,000,000. It was the most radical vote that any Member could make, in my opinion, because it was a vote against the financial integrity of our country.

If it were not for that tax bill we now would have over a $3,000,000,000 surplus, and we would be able to make a substantial payment on the national debt, which is a matter of vital importance. The indisputable fact remains that the statement of the gentleman from Pennsylvania [Mr. EBERHARTER] is correct. If my friend, the gentleman from Massachusetts [Mr. MARTIN] introduces a bill to repeal the war excise taxes and at the same time imposes new taxes to raise the money in the light of the present situation brought about by the Eightieth Republican Congress, it would be a consistent position to take. The gentleman, however, wants to repeal taxes and then not take the responsibility of imposing additional taxes to recover the lost revenue.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

EDUCATIONAL BENEFITS UNDER GI BILL OF RIGHTS

Mrs. BOLTON of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON of Ohio. Mr. Speaker, I had a very delightful letter from a GI which I was asked to share with all of you and take this method to do so.

STRONGSVILLE, OHIO, *June 21, 1949.*

DEAR MRS. BOLTON: This is a letter of thanks to you and all the other legislators who were instrumental in making the GI bill of rights possible. I have just finished 5 years of work by receiving my M. A. from Western Reserve University at Cleveland, Ohio, and I wanted to say thanks to someone.

This has been the fulfillment of a lifelong dream and would never have been realized without the GI bill. I imagine you get many letters such as this from veterans who have completed their education but for the ones that have not thanked you, please allow me because I'm sure they all would if they thought about it.

I feel more than repaid for the 3 years I spent in the service, because I was in the service to protect my own family and others and I felt repaid when peace was declared, but this education that I have received has been a marvelous bonus that could only happen in a country such as we live in.

Thanking all who were responsible for the GI bill of rights and its educational benefits, I remain,

Gratefully yours,

EUGENE P. MORTON.

EXTENSION OF REMARKS

Mr. MACK of Washington asked and was given permission to extend his remarks in the RECORD and include an editorial.

EXCISE TAXES

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, the part that interested me in this discussion this morning is that industry has now been served notice that excise taxes are permanent. I am very sorry to learn that from the majority leader and from the distinguished member of the Committee on Ways and Means who spoke a while ago. I had hoped that these taxes would not be permanent. I am not so much interested in what the Eightieth Congress did or what the Eighty-first Congress has done or not done on this issue, but I am interested in having a large volume of business in this country so that we can earn incomes that can be taxed to maintain the revenues of this Government.

Transportation taxes should be repealed, regardless of what was done last year, this year, or what will be done next year. Taxes on telephone calls and telegrams should be repealed, regardless of what was done last year or this year. I am sorry that this notice has been served on American industry.

The SPEAKER. The time of the gentleman from Michigan has expired.

A WARNING TO REACTIONARY REPUBLICANS

Mr. O'SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Speaker, the time has come again to remind the reactionary Republicans of the same matter that I pointed out on June 21 last, that New York's Governor, Thomas E. Dewey, in a speech made at the Roosevelt Hotel in New York City, to the Republican women, stated that the Republican Party should cease being a party of opposition and further stated that—

If anybody thinks that we—

The Republicans—

can win elections by merely opposing every bit of social progress that has been made in the last 20 years, I say he is crazy.

Governor Dewey was right and I am sure learned this from bitter personal experience.

Some time ago Gov. Val Peterson, the Republican Governor of Nebraska, also spoke brave and chiding words in New York City before the Women's National Republican Club and challenged the Republican Party's efforts, and pointed out the error of its politically fruitless ways. He said in part:

Our party cannot be an agency of obstructionism, blind opposition, and narrow personalities.

Later in Indianapolis, Ind., Governor Peterson said:

Let's [we Republicans] quit trying to be all things to all men. Let's [we Republicans] stand upon principle and face consequences manfully.

Let's [we Republicans] fight intelligently; let's [we Republicans] know what we are fighting for, know the importance of the fight and not butt our heads against the wall for the sake of the battle—

Or should it be for the sake of the butt.

I highly recommend all of this language to my Republican colleagues today and hope that they will help their liberal leadership to peck its way out of the reactionary shell in which it is now encased and acquire a new political roost.

PERMISSION TO ADDRESS THE HOUSE

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. I have requested this time to ask a question of the gentleman from Nebraska [Mr. O'SULLIVAN] inasmuch as he would not yield to me a moment ago.

My question is this: Just when did Governor Dewey qualify as an expert on how to win elections?

Mr. O'SULLIVAN. He qualified in New York City by being elected Governor every time he ran. He was your candidate twice.

EXTENSION OF REMARKS

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

SPECIAL ORDER GRANTED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that, after the legislative business today, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

TAX RELIEF

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the Eightieth Congress tax bill was a great mistake. We realize that now. I cannot understand why a great party like the Republican Party, that has always talked about sound money and against deficit financing, would cause to be placed upon the statute books a law that throws us right back into deficit financing. If my understanding is correct, deficit financing was started under the Republicans, under Mr. Hoover. Now they should not want to go back to it. So I wonder if they are getting off of their old slogan, "Sound money, sound government," and against deficit financing. Of course, you cannot undo the harm now because you cannot unscramble the eggs. The harm has already been done.

I am sorry that the Republican Party has gone in that direction and caused the present deficit.

The SPEAKER. The time of the gentleman from Texas has expired.

BUSINESS EARNINGS

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, I rise at this time to point out the fact that, despite all reports to the contrary, American business is doing rather well.

I hold in my hand a clipping from the Kansas City Star of June 27, as hard-boiled a Republican paper as is printed anywhere west of the Mississippi River. That paper says in this article that dividend payments of reporting United States corporations was $1,240,000,000 in the first 4 months of 1946 and they have steadily raised until in the first 4 months of 1949 they are $1,920,000,000. They have been rising steadily since 1941, from $1,090,000,000 to $1,920,000,000 in 1949.

The best returns for business in the United States in the first 3 months of this year that there has ever been in a like period in any year since 1941. So I think business is doing very well and I am glad of it. Here are the dividend figures in billions of dollars—1941, 1.09; 1946, 1.24; 1947, 1.51; 1948, 1.81; 1949, 1.92—in the period January 1 to April 30 in each year.

The SPEAKER. The time of the gentleman from Missouri has expired.

RACE RIOTS IN THE DISTRICT OF COLUMBIA

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the Communists have finally succeeded in bringing on a race riot in the District of Columbia, and those communistic propagandists on the floor of this House are largely responsible for it.

This proposition of wiping out segregation in the public schools of the District of Columbia, and in the playgrounds and swimming pools, has created a race riot that has lasted for 2 days in Anacostia, and resulted in the closing of their swimming pool indefinitely.

Yesterday it took 50 policemen to keep the peace around that swimming pool, and even then they failed.

Who is responsible for all this trouble? It is these communistic agitators. They have infiltrated into this country and many of them have slipped into Government positions. They should be ousted and deported at once. They are running around trying to stir up race trouble between the whites and the blacks, who are getting along better in America, and especially in the South, where we have complete segregation, than they are anywhere else in the world.

The SPEAKER. The time of the gentleman from Mississippi has expired.

INCREASING RATES OF COMPENSATION OF HEADS AND ASSISTANT HEADS OF EXECUTIVE DEPARTMENTS

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 274) providing for consideration of the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, which was referred to the House Calendar and ordered printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House and such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include extraneous matter.

Mr. WHITE of California asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

EXCISE TAXES

Mr. REES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Speaker, I am astonished that the leadership of this House indicates that excise taxes are all permanent taxes that will be continued for some time to come. I had hoped that we would receive a little encouragement by getting rid of at least a part of these excise taxes as quickly as may be done. We have got to cut expenses, of course, in order to cut taxes; this we all know. But it is unfortunate to be informed by the leadership that these taxes are to be permanent and to be continued. As I say, I had hoped we would be given some encouragement that we would get rid of excise war taxes instead of continuing them on.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. REES. I am glad to yield to the distinguished majority leader of the House. I am always glad to yield.

Mr. McCORMACK. Was it not the last Congress that made them permanent?

Mr. REES. Oh, no; the last Congress did not make any taxes permanent. As a matter of fact, it gave some consideration to repealing a part of the war taxes that were supposed to be temporary. This Congress ought to relieve the country of at least a part of unnecessary burdensome war-excise taxes.

The SPEAKER. The time of the gentleman from Kansas has expired.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—HIGHWAY NEEDS FOR THE NATIONAL DEFENSE (H. DOC. NO. 249)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and together with the accompanying papers, referred to the Committee on Public Works and ordered printed with illustrations:

*To the Congress of the United States:*

I transmit herewith a letter from the Administrator of the Federal Works Agency, enclosing a report on Highway Needs of the National Defense.

The report was prepared at the request of the Congress by the Commissioner of Public Roads in cooperation with the several State highway departments. In compliance with the request, the Secretary of Defense and the National Security Resources Board were invited to cooperate and have responded with suggestion of the indicated or potential needs for improved highways for the national defense. An expression of the views of the National Military Establishment, which has the concurrence of each of the military departments and agencies, is appended.

The larger part of the report presents information in detail concerning the condition of the highways of the country and their fitness to meet defense and civil needs, with particular reference to the national system of interstate highways. There is indication also of certain measures intended to permit the taking of prompt highway improvement action in the event of a national emergency.

This report is a useful document. I recommend it to the consideration of the Congress in connection with such further provision as may be made for the continuance of Federal aid for highway construction.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 30, 1949.*

CLAIMS CHARGEABLE AGAINST LAPSED APPROPRIATIONS; UNEXPENDED BALANCES

Mr. DAWSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3549) to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 2, lines 6 and 7, strike out "on the books of the General Accounting Office."

Page 2, lines 10 and 11, strike out "the balances of the respective lapsed appropriations so transferred" and insert "the respective balances of any lapsed appropriations."

Mr. HALLECK. Mr. Speaker, reserving the right to object, I wonder if the chairman of our committee discussed the matter with the ranking minority member.

Mr. DAWSON. I did, and with all members of the committee, also with the majority and minority leaders.

Mr. HALLECK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The amendments were concurred in.

A motion to reconsider was laid on the table.

AMENDMENT OF FEDERAL EMPLOYEES' COMPENSATION ACT

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 265 providing for the consideration of the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes, and ask for its immediate consideration.

The Clerk read as follows:

*Resolved,* That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and at this time I yield myself 3 minutes.

Mr. Speaker, this resolution makes in order consideration of the bill H. R. 3191, which is a bill to provide just compensation for employees of the United States who have suffered injury while in the performance of their duties.

The Federal Employees' Compensation Act has been in existence for nearly 33 years. During that time the scale of compensation and benefits for disability and death have been modified on only one occasion, in 1927. Twenty-two years have elapsed without revision of the act. In order to place the scale of benefits in line with the present upswing in wages the major purpose of the bill is to make benefits more realistic in terms of the present wage rate so as to enable a disabled Federal employee and his family to maintain themselves when the employee's wages and his wage-earning capacity has been destroyed or impaired through accident or disease directly attributable to his employment.

The bill has been unanimously reported and the Committee on Rules has provided for 2 hours' general debate.

Mr. ALLEN of Illinois. Mr. Speaker, the gentleman from New York has correctly advised the House in reference to this resolution. There are no requests for time on this side.

Mr. DELANEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, there retires today after 32 years' distinguished service an Army officer who is held in high esteem on Capitol Hill. This officer, Maj. Gen. Wilton B. Persons, has been closely associated with the House of Representatives during the war and postwar years and I believe that those of us who have come to know and consequently to like and to have confidence in Jerry Persons—and I daresay we number most if not all the Members of the House—will want to join me in wishing him good luck and Godspeed.

General Persons is the officer who served as chief of congressional liaison for the Army before and during World War II. More recently, when the National Military Establishment was created, General Persons was elevated to the position of Director of Legislative Liaison in the Office of the Secretary of Defense.

General Persons during his tenure in these positions rendered invaluable assistance to the Congress, the Military Establishment, and to the country. His keen appreciation of legislative matters, together with his great tact, energy, judgment, and personal integrity, have been important factors in the growth of closer mutual understanding of the problems of the Congress and the Military Establishment.

General Persons has had the confidence of Secretaries Stimson, Patterson, Royall, Forrestal, and Johnson. Perhaps the most significant testimonial to General Persons' work has come from General Marshall during World War II when he denied all requests from overseas commanders for General Persons' services despite General Persons' great desire for combat duty. In turning down one such request Marshall has written, "There are few men in the Army whom I consider irreplaceable and Persons is one of them."

Since the war, General Persons has continued his outstanding service amidst the tremendous and difficult problems that have confronted the Military Establishment. As one Member of Congress, I am reluctant to see this fine soldier, patriot, and American leave the Military Establishment. He richly merits the Nation's gratitude.

Mr. DELANEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, the gentleman from New York [Mr. DELANEY], who has called up this resolution, has ably explained the rule and the justification and need for this legislation. I have

made a careful study of the bill and the effect of its various provisions, and at this point shall briefly give a résumé of the sections of the four titles of the bill.

Title I:

Section 101 permits compensation payment for first 3 days if disability is longer than 21 days.

Employee permitted to use annual or sick leave with approval of department head.

Section 102, loss or loss of use of two major members of body or blindness regarded as prima facie.

Permanent total disability is only overcome upon substantial rehabilitation of the employee or proof of substantial earning after injury.

Section 103 permits administrator to accept unsworn report of earnings.

Forfeiture of compensation if injured employee knowingly misstates his earnings.

Section 104 provides schedule for permanent partial disability where there is total or partial or loss of use of limb or part thereof, an eye, or hearing.

Compensation payable to all kinds of injuries causing permanent disability, including those cases in which disability is total.

Upon death for causes other than injury unpaid scheduled award is payable to specified beneficiaries ordinarily entitled to death benefits.

Section 105 provides increase of 8⅓ percent of monthly pay for totally disabled and 8⅓ percent increase of the difference between such pay at time of injury and reduced earning capacity.

Limits circumstances under which wife, child, or parent is considered a dependent.

Increases present maximum of $50 to $75 a month.

Disabled individual undergoing vocational rehabilitation.

Provides a minimum compensation of $112.50 per month—present law providing $58.33—for total disability.

Net effect of changes and additions is to increase by 8⅓ percent of the loss of earnings the basic compensation of 66⅔ percent, in view of the greater need of employee with a dependent or dependents than a single employee.

Section 106 increases death claim for compensation from 66⅔ percent to 75 percent.

Readjustment of percentage of payments to widow or dependent widower.

Administrator in his judgment may make payment direct to minor.

Section 107 increases burial expenses from $200 to $400.

Section 108 enlarges definition of employee.

Section 109 increases substances allowances for those beneficiaries where disability or death occurred prior to the act.

Title II. Technical amendments:

Section 201 authorizes Administrator to direct any permanently disabled employee to undergo vocational rehabilitation.

Section 203 defines elements of pay to be considered in making determination of employees' method of computing pay.

Section 204 determines wage-earning capacity in partial-disability cases.

Section 205, Federal Security Administrator charged with administration of act.

Section 206, compensation paid under mistake of law or fact to be recovered or award canceled.

Title III:

Section 301, time limitation applying to notice of injury or death outside United States during war.

Title IV: Provision for liberalization of the minimum and maximum compensation for emergency relief workers.

THE BIRTH OF WORKMEN'S COMPENSATION

Mr. Speaker, the principle involved in compensating employees injured in Government and civilian employment has been close to my heart for many years because I introduced the first workmen's compensation bill to provide for injured employees in 1908—41 years ago.

I submitted the original draft of my bill to the House Committee on Interstate and Foreign Commerce for their views. I was happy to learn later that the gentlemen on this committee were so impressed that they in turn submitted my draft to President Theodore Roosevelt. The President, having studied this proposed bill, urged that it should be introduced by a Republican instead of by a Democrat. When I was informed of this, I immediately asked for the return of the bill so that I might introduce it myself, because after all, I had spent many, many months of study and preparation on the subject and theory of workmen's compensation and I did not want it to be taken from me; I felt that I was justly entitled to the credit therefor.

A few days after I had introduced my bill embodying therein the principles of compensation that I had tried to perfect, I received information that it would meet with President Roosevelt's favor—for he should be given credit for favoring all progressive and humane legislation.

Soon after, I received a letter from the President asking me to come to the White House to see him. Being a new Member, I realized the reason for his request. However, after further studying my bill, I concluded that several of its provisions must be amended and I, consequently, delayed my visit to the President until I could perfect the bill further.

During the interim, three outstanding friends of mine called on me asking me to take them to the White House to enable them to meet the President on reception day. It was the custom of those days that on each Wednesday from 12 to 1 o'clock, the President would have a reception whereby Members and Senators could visit him and bring along their friends. Of course, the demands upon the President were not as great then as they are today. I explained to my friends that I had never visited the White House before; however, I would have my secretary, who was familiar with these Presidential receptions, take them to the White House. They insisted that I take them along, and I could not resist their demands.

On a Wednesday about noon, my friends and I went to the White House. There was a long receiving line when we entered. I gave my name and that of my friends to the President's secretary, who in turn relayed same to the President when our turn in line was reached. Apparently the President did not catch my name at that time. As I was walking away from the President, I noticed that his secretary was whispering something to him, and as I surmised, he pointed out the fact that I was the man he had asked to see. Whereupon President Theodore Roosevelt turned around and in a loud voice said: "Judge SABATH, have you not received my letter asking you to come and see me?" I nearly fell to the floor with surprise, but my friends were jubilant. I acknowledged receiving the letter he sent me and stated further that I would see him as soon as I had completed the amendments that I was working on to perfect my bill. Within a few seconds, he again turned to me and said: "Judge SABATH, please don't go away—remain, for I want to talk to you about your great bill and I want to congratulate you not only on your bill but on the statement that you inserted in the CONGRESSIONAL RECORD explaining the principles of workmen's compensation. You did not say that your statement was a speech for you embodied it in the Appendix as an extension of remarks." And then he added, in the presence of many Members and other guests who were still in the receiving line: "The Congressmen here don't do that. They prefer inserting remarks into the body of the RECORD in order to make the people back home think that they have made a speech. For that I commend you."

By that time I was the center of attraction and it gave me a great deal of publicity. As a matter of fact, it did not hurt my feelings one bit.

Mr. Speaker, I could not resist the temptation today of recalling this incident, for some 39 years later my bill is being liberalized and broadened so as to provide increased compensation for injured Government employees. I hope that I will be forgiven for explaining the real story about the beginning of workmen's compensation in our country.

I assure you, Mr. Speaker, it was not an easy task to bring about the adoption of that humane principle. Though my original bill was not passed, a committee was appointed to investigate the theory and principle of compensation as I originally advocated, and 2 years later a bill was reported which unfortunately was highly inadequate as compared to the contents of my bill. Yes—to such an extent that I could not vote for it, declaring then and there that I was seeking to bring about a real injured workmen's compensation and not a railroad relief bill.

In those days I devoted much more time to that legislation than I could today, and expended almost a year's salary to familiarize the country, the Members of both bodies, the State officials, labor and social organizations, with the benefits to be accrued from this type of legislation. As a matter of fact, my efforts also extended to the universities and, in fact, to all those individuals and groups whom I thought might be helpful in aiding this legislation.

It is for these reasons, Mr. Speaker, that today, in consideration of the increased costs of living, compensation for injured and disabled Government employees is well in order.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield, as I always do, to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. The gentleman has been a leader all of his life in progressive legislation. He has always stood for everything that is noble and uplifting. I am proud to make this observation. I consider the gentleman from Illinois [Mr. SABATH] to be one of God's noblemen, a man who is an inspiration to all of us. He well deserved the respect and honor of the late President as he does of President Truman. In addition, he has the respect of everyone who knows him or knows of him. Because of his noble integrity and his fine nobility of mind and character, he is honored by everyone who either knows him or knows of him.

Mr. SABATH. Mr. Speaker, naturally I greatly appreciate that statement by my friend the majority leader. I do not know that I actually deserve all that he has said about me, but I will say that I have endeavored to be a servant of the people that need aid and assistance, and I hope I shall continue as long as I live to try to be of assistance to those who are worthy and who need assistance.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. KELLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3191, with Mr. DEANE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KELLEY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this bill was reported out unanimously from the Committee on Education and Labor. Both the minority and majority members of the committee recognized the need for this legislation in order to amend the Federal Employees' Compensation Act of 1916. Nothing has been done to improve the Federal Employees' Compensation Act since 1927.

Therefore, we all recognized that such improvement was long overdue.

The question has been raised as to the cost involved. The cost of Federal employees compensation today, under the present act, is about $13,000,000 a year. Under the improved rates of compensation, as provided in this bill, another $7,000,000 a year is added. A retroactive feature has been provided to take care of those employees who have been permanently injured as in the case of the loss of an arm or leg. The retroactive provision goes back to January 1, 1940. That provision adds another $8,000,000 to the cost. The total cost would be $28,000,000. The $8,000,000 which is added as a result of the retroactive provision will be eliminated at the end of 6 years so that the actual cost under the new act will be $20,000,000 a year after 6 years.

Mr. Chairman, there is nothing more that I can add, except to say that during the war many serious accidents occurred where employees in ordnance plants and powder plants were permanently injured and many of them lost arms and legs and eyes. It became necessary to recognize that situation and help them and help their families, since the minimum rate under the present act is $58.33 a month, but under the new act it will be $112.50 a month, minimum benefit for disability, and we all know that under present living conditions, even that is not too high.

The members of the committee also felt that it was necessary to change the rates in order to bring the compensation in line with the compensation granted in various States of the Union. I can say that as the bill now stands the compensation rates are perhaps the average throughout the United States, better than in some States, and not as good as in others. But at least the law will give help to those who need it.

Mr. McCONNELL. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, as has been said by the gentleman from Pennsylvania [Mr. KELLEY], this bill was reported out unanimously by the Committee on Education and Labor. I am sure that all of us are proud of that fact. We may have a good deal of controversy on some other matters, but this bill was reported out of committee without a single dissenting vote.

Mr. Chairman, I would like to call attention to several things in connection with this particular bill. It has been 22 years since any change has been made in the compensation being paid under the Federal Employees' Compensation Act. With the increased cost of living, it was felt by all that it was correct and just that changes be made in the Compensation Act. So, accordingly, the committee went over the provisions of the original bill and various amendments were adopted.

While I realize there is no opposition to the bill, I would like to take a few moments to go into a little more detailed discussion.

Mr. Chairman, this bill would make numerous amendments to the Federal Employees' Compensation Act. Most of the proposed amendments are of a technical nature—either to provide easier and less expensive administration of the act—or to make the language of one section of the act to conform with the changed language of another section. Generally speaking, the major purpose of this bill is to give more liberal disability benefits to Government workers who are injured in the line of duty. It has been 22 years since the disability compensation for Federal workers was adjusted, and the provisions of the present act have become obsolete in the light of changed economic conditions. I think that all of the members of the Education and Labor Committee agree that Government employees are entitled to greater protection from the economic hazards of physical disability. Since there is general agreement on the need for this legislation, I will confine myself to an explanation of the general purposes of the bill.

The Federal Employees' Compensation Act provides certain financial benefits to Government employees who are disabled in their work—and to the families of employees who are killed. In each case, the act sets a maximum and a minimum on disability and death benefits. The maximum benefits are limited by a fixed dollar amount and also by a percentage of the employees' salary before his injury or death. This bill eliminates the fixed dollar limitation in most cases, and also increases the percentage limit. It also increases the minimum payments guaranteed to disabled employees, and to the widows and children of employees who are killed.

First, let us take the case of a disabled employee. The present act guarantees him $58.33 a month for total disability. This bill would guarantee him $112.50. Besides increasing his minimum guaranty, the bill also raises the maximum amount a disabled employee may receive. The present law limits disability compensation to 66⅔ percent of the employee's salary. In addition to this percentage limit, the present law imposes a dollar maximum of $116 a month on disability payments no matter what amount the employee would be entitled to as a percentage of his salary. This bill eliminates the dollar limitation, and compensation is based entirely on the employee's salary. Under the bill a totally disabled employee is given 75 percent of his salary if he has a wife or children to support. If without dependents, he receives two-thirds of his salary, as he does under present law.

A widow of an employee killed in Government service now receives 35 percent of his salary as compensation under present law. In addition she receives 10 percent of his salary for each child. If she has no children, she would receive 45 percent of her husband's salary under this bill. If she has children she would receive 40 percent for herself, and 15 percent for each child. The present law also imposes both a dollar and a percentage maximum limit on payments to the family of a worker killed in Government service. No matter how many children the widow has, her compensation cannot exceed two-thirds of his salary, and no matter how great his salary, her compensation cannot exceed $1,400 a year.

The maximums and minimums I have mentioned apply only to employees who are totally disabled, or to the families of

employees who are killed. Employees who are partially disabled would receive the same under the bill as they do under the present law—that is two-thirds of the amount by which their earning power has been reduced because of the disability. The partial-disability section of the bill has been amended to make it easier to administer.

Under the present law, an employee who loses a hand, arm, eye, or other member, receives nothing unless the injury disables him. Even if he is disabled, the loss of a member is considered only a partial disability—and his compensation is based on the loss of his earning power. This bill sets up a new standard to compute the compensation for an employee who loses a member, or the use of a member. The bill first provides a schedule of payments for a fixed period after the loss of the member. For example, an employee who loses an arm will receive compensation for 312 weeks in the same amount as if here totally disabled. The schedule in the bill provides a different period of time during which total disability is presumed because of loss of different members, or the use of members. After this period, the employee may still be eligible for partial-disability benefits based on the loss of his earning power.

Only those Government workers who fit within the definition of "employees" are eligible for disability benefits under the present act. This bill would extend coverage to all those who render personal service to the Government in a civilian capacity, including elected and appointed officials.

Burial benefits are raised to $400 instead of the $200 provided now. Helpless employees are allowed $75 a month for an attendant instead of $50 now permitted.

Employees may use their accumulated sick leave—and that way have full pay—before taking their smaller benefits under employees' compensation. The present law requires disabled employees to get permission from the head of their agency before taking sick leave after a disabling injury. At present, employees cannot be paid for the first 3 days of disability—this bill permits payment for the first 3 days if the disability continues for more than 21 days.

I favor the enactment of this bill to relieve some of the financial hardships which accompany physical disability of Federal employees. As the committee points out in its report:

> There is no dispute that great hardships are being imposed upon disabled Federal employees or their dependent families and that many of them are left with the only alternative of relying upon charity or the help of their friends to afford them the barest kind of existence. The great Government of the United States, as a matter of common justice to its employees, should remedy this situation and should restore to the employees that measure of security which is necessary to maintain them during disablement, and their dependent families after death due to employment injuries.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. GRANGER. Would the provisions of this bill cover an employee of the Soil Conservation Agency or the Bureau of Land Management, an employee who is employed in the field driving a tractor, or something of that sort?

Mr. McCONNELL. I believe it does. That is my understanding.

Mr. GRANGER. I have in mind a case where a young man had both legs cut off. He has had unemployment compensation but it has run out and he cannot get any more. I am wondering if, under the provisions of this bill, he could get additional compensation.

Mr. McCONNELL. It is my understanding that he would be given consideration if this bill is passed.

Mr. GRANGER. Would that be true of the CCC, where a boy had lost the sight of both eyes? Would he be an employee, under the terms of this bill? Many accidents occurred with boys who were working in that service. Would they be considered as Federal employees?

Mr. KELLEY. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. KELLEY. No; because that was prior to the effective date of this act. For instance, you mean they lost an arm or a leg?

Mr. GRANGER. Lost both eyes.

Mr. KELLEY. He would not come under it, because that expired in January 1940. This goes back as far as January 1, 1940.

Mr. McCONNELL. It is retroactive, for the loss of a major member.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. WADSWORTH. Am I correct in my understanding that this bill applies to Members of Congress?

Mr. McCONNELL. It does at the present time. I understand an amendment will be submitted to change that particular section.

Mr. WADSWORTH. Is there any present law of a similar character applying to Members of Congress?

Mr. McCONNELL. I am not aware of a similar law applying to Members of Congress.

Mr. WADSWORTH. May I ask the gentleman from Pennsylvania [Mr. McCONNELL] concerning the funeral expenses provided in this bill at $400. Am I correct in my statement that the funeral allowance for a deceased veteran is only $150?

Mr. McCONNELL. I believe the gentleman is correct. This bill increases the funeral benefits from $200 to $400 for employees covered under the act.

Mr. WADSWORTH. Does the gentleman believe it should be doubled, made almost three times as large as the burial allowance for a veteran?

Mr. BURKE. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. BURKE. The funeral allowance in this bill is in line with the Longshoreman Compensation Act funeral allowance of $400. That is how the committee arrived at that figure of $400. As far as veteran's funeral allowance is concerned, what the gentleman says is true. Of course, this is not the Veterans' Affairs Committee. This legislation is not for the purpose of veteran disabilities or veteran payments. This is for Federal employees. This committee, of course, has no jurisdiction over veteran payments.

Mr. WADSWORTH. It strikes me the discrepancy will be rather conspicuous and that we are setting a precedent here which will shortly be followed. The funeral allowance under any law will rise to that proposed in this bill.

Mr. McCONNELL. It is also important to note that veterans' funeral allowances are different from the allowances under this bill. The allowance here provided applies only to employees who are killed or who die as a result of injuries arising out of employment with the Federal Government.

Mr. WADSWORTH. That is true, of course; I understand that to be the case, but it strikes me that it is pretty extravagant.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. McSWEENEY. I wish to address my request to the gentleman from Ohio [Mr. BURKE].

Is there any difference between a veteran who dies as a noncompensated veteran and one who is compensated in the matter of the $150?

Mr. BURKE. I do not know the answer to that question.

Mr. McSWEENEY. I know the gentleman had a very interesting answer for me the other day, and I thought it was on that basis. I thought there was a difference between the case of a compensated veteran and one who had never been connected with veterans' insurance.

Mr. BURKE. Does the gentleman mean that the compensable comes under this bill?

Mr. McSWEENEY. Under the veterans' bill. Does the gentleman happen to know about that?

Mr. BURKE. I do not know about that, but if a veteran dies while in the employ of the United States Government he receives this death benefit.

Mr. McSWEENEY. Would he also receive the death benefit under his veterans' compensation?

Mr. BURKE. I imagine so, but I do not know for sure.

Mr. McCONNELL. Mr. Chairman, I do not wish to prolong this debate unduly, but before I conclude I think it is proper that we pay tribute to our colleague on this side, the gentleman from New York [Mr. KEATING], who last year introduced a somewhat similar bill. That bill was reported unanimously by the Committee on Education and Labor of the House. In the early part of this session he also introduced a bill very similar to the original bill introduced by the chairman of the committee, the gentleman from Michigan [Mr. LESINSKI]. From those bills were evolved the present piece of legislation now under consideration.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I gladly yield to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I appreciate very much the remarks of the distinguished ranking minority member

of the Committee on Education and labor, the gentleman from Pennsylvania [Mr. MCCONNELL]. He and the other members of the committee are to be commended for the constructive and nonpartisan approach which they have accorded the consideration of this important and long-awaited legislation.

As the gentleman has indicated, more than 2 years ago, on April 28, 1947, I introduced in the Eightieth Congress H. R. 3239, designed to make more realistic, in the light of existing living costs and wage rates the compensation paid to a Federal employee injured in line of duty or to his widow and family in the event of injury resulting in death, and also to make provision, in line with the progressive State laws, for a scheduled number of weeks' compensation in the case of loss of a member of the body.

This bill received unanimous favorable action of the House Committee on Education and Labor in the last Congress, but was not considered by the House itself, due to the legislative log jam.

On the opening day of this session I introduced H. R. 76, which was followed 1 week thereafter by the introduction of an identical bill by the chairman of the committee, the gentleman from Michigan [Mr. LESINSKI]. Then later, on March 3, 1949, he offered the bill now before us, which has been recommended for passage by the Director of the Bureau of Employees' Compensation.

Although I have been a loud protester against the size of the Federal pay roll and believe it can and should be substantially reduced, I am no less firm in my conviction that we have a duty and responsibility to extend to those who continue as employees of the Government, every protection which would be afforded them in industry or private employment.

In 1916 Congress adopted a Federal workmen's compensation law. In 1927 it was amended in some respects. But for 22 years since that time there has been no change in the rate of compensation to be paid to those who receive injuries arising out of, and in the course of, their employment. In the meantime, living costs have soared, as have salaries and wages, to the point where they are scarcely comparable with those of the twenties. Yet if a Government worker is laid up through injury today, he receives two-thirds of his pay, with a top limit of $116.66 a month. What amounted to two-thirds of pay in 1927 is more like two-fifths of pay.

This bill raises the maximum from $116.66 to $225, and the minimum from $58.33 to $112.50 a month.

The bill also increases the benefits to widows and children from 35 to 50 percent in the case of widows, and from 25 to 35 percent in the case of dependent children.

Furthermore, a serious deficiency in the compensation law is rectified by the bill before us. The inadequacy of existing law was forcibly brought to my attention by a case involving one of my constituents, which caused my original interest in this subject and the introduction of legislation in the Eightieth Congress. A young man had tried to enlist in the Navy during the war but was turned down because of a stomach condition. He then became director of a proving ground in a civilian capacity, and did outstanding service in the field of explosives in the development of the now famous proximity fuse.

In an explosion in late 1944 his hand was so badly injured that it had to be amputated. If he had been wearing a uniform at the time he would have become the beneficiary, and quite properly so, of many benefits from a grateful Nation. I was quite amazed to find, on checking into it, that under the Federal workmen's compensation law, no provision is made to compensate civilian employees who receive such permanent injuries resulting in the loss of an arm, leg, hand, foot, eye, or loss of hearing.

Parenthetically, may I say that this constituent has, with rather unusual conscientiousness, declined my offer to introduce a private bill for his benefit.

The legislation before us corrects this situation, which I consider a deficiency in our obligation as a Nation to those who faithfully serve us daily as our employees. This bill provides a specified number of weeks' compensation in case of the loss, or loss of use, of an arm, leg, hand, foot, eye, finger or toe, or loss of hearing, to the extent of two-thirds of his monthly pay subject to the same maximum limitations, as follows:

| Member lost: | *Number of weeks' compensation* |
|---|---|
| Arm | 312 |
| Leg | 288 |
| Hand | 244 |
| Foot | 205 |
| Eye | 160 |
| Thumb | 75 |
| First finger | 46 |
| Great toe | 38 |
| Second finger | 30 |
| Third finger | 25 |
| Toe, other than great toe | 16 |
| Fourth finger | 15 |
| Loss of hearing, both ears | 200 |
| Loss of hearing, 1 ear | 52 |

There are further provisions covering loss of vision, serious disfigurement of the face, head, or neck, which would act as a handicap in securing or maintaining employment, and many other details which are explained in the committee's report.

In general, I favor the enactment of this legislation in the form in which it has been presented to us and approve of the respects in which it differs from the measure of which I was the author. There is one exception to this general statement, which is found on page 19, where it is sought to bring Members of Congress within the benefits of this legislation. I believe it is neither necessary nor appropriate for us to take this step and am opposed to the extension of the provisions of this law to Members of Congress. It is intended to benefit employees, not officials, or high-salaried officers in the legislative or executive branches. I have understood that an amendment will be offered to strike out this provision, which I hope will be adopted.

This legislation fulfills a long-standing need. It warrants overwhelming support.

Mr. MCCONNELL. Mr. Chairman, I have no further requests for time on this side.

Mr. KELLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. BURKE].

Mr. BURKE. Mr. Chairman, I do not intend to take a great deal of time because anything I may say about this bill would be pretty much repetition of what has been said already. At the risk of being a bit repetitious, however, of the chairman of the subcommittee and the ranking minority member of the committee, I would like to point out that this is the first attempt at modernization of the workmen's compensation as set up for Federal employees since 1927. It is really the first major amendment to the Federal Employees Workmen's Compensation Act since enactment of the original law back in 1916.

The changes that are suggested in this bill are indicated as being very necessary to bring our workmen's compensation set-up in line with various State laws that have kept pace with modern times.

May I point out also that this bill sets up a schedule of compensation for the loss of members of the body on a permanent partial-payment system similar to the States of New York and Ohio. That is responsible for the additional cost of the bill. It is well to note that although estimates have been given of some $8,000,000 in additional cost, and for the retroactive feature of the bill another seven or eight million dollars over a period of 6 years, at the same time the bill eliminates tort claims and special acts of Congress that have come up from time to time for the compensation of employees for the loss of members they may have suffered, which system in itself gives rise to some discrimination because one Congress may award a certain amount to an individual for the loss of an arm, let us say, and another Congress would award a different amount, either more or less, for the loss of the same kind of member.

We feel that setting up this schedule will do much to straighten out and to put on an equitable basis payments for the loss of members of the body.

The death benefits have been increased, as has been pointed out. The funeral allowances have been increased also. I will not go into any of the other provisions of the bill which have been adequately covered by two members of the committee who have spoken before.

This bill, I would like to reiterate, has received the unanimous recommendation of the Committee on Education and Labor, and prior to that by the subcommittee charged with the responsibility of considering the bill and holding hearings on it.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. BURKE. I yield to the gentleman from Utah.

Mr. GRANGER. Is there any reason why the retroactive feature of it was fixed as 1940?

Mr. BURKE. Yes.

Mr. GRANGER. What was the reason?

Mr. BURKE. That was the nearest date that we could reach to the beginning

of the national defense program and the tremendous increase in Federal employment because of war activities and national defense activities.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. BURKE. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. Was not another reason that the real cost of living began to be noticeable at about that date—1940?

Mr. BURKE. Yes.

Mr. GRANGER. Would the setting of this date back in 1935 increase the amount of this bill very materially?

Mr. BURKE. Oh, yes; it would increase it. As to how much, would be a guess on my part, probably an additonal four or five million dollars a year, and cover the same 6-year period as the other retroactive increase would cover.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. BURKE. I yield to the gentleman from Ohio.

Mr. McSWEENEY. I want to say that I feel, as a new Member, that the gentleman has inspired confidence in us, especially on labor matters, and I am very proud to hear the sentiments expressed by the gentleman from Ohio on this question. I was also interested in what the gentleman from New York said. I am interested in the broad differential between the bare expenses of soldiers and the men that come under this bill. Was that discussed in the gentleman's committee?

Mr. BURKE. No; that was not discussed, and probably for this reason, that no one thought of it in the first place. In the second place, in setting our figure, we arrived at the figure by virtue of a like amount that was set in a similar bill in a similar act of the Congress, that covers the payment of workmen's compensation to employees in the longshore industry. Of course, that is on a private individual basis, through private employers. But, the schedules and the payments, of course, are dictated by law, and the amount that we arrived at, the $400 funeral allowance, was identical with the $400 funeral allowance in that longshore bill.

Mr. McSWEENEY. Were any of the State industrial commission laws taken into consideration?

Mr. BURKE. Yes. We considered the laws of New York, Ohio, and so on.

Mr. McSWEENEY. How do they compare? Does the gentleman remember?

Mr. BURKE. Does the gentleman mean in the matter of funeral allowance?

Mr. McSWEENEY. Yes.

Mr. BURKE. Some are about this figure, some are a little lower, and some are way below.

Mr. McSWEENEY. I merely have the experience as director of welfare of Ohio that our allowance for indigent patients was something like $90, and at that time we could give them quite a good funeral.

Mr. BURKE. That was for indigents?

Mr. McSWEENEY. Yes.

Mr. BURKE. That was not workmen's compensation. I think the lowest workmen's compensation rate in Ohio was $125. That was in the original workmen's compensation act there. Since that time, in practically every session of the legislature, there have been some changes in their Workmen's Compensation Act, and, as you know, it is usually an agreed bill that comes before the legislature, and as the years went on that was increased. I believe the session that I was a member of the legislature—and I was coauthor of the act—we raised it at that time to $240, and it has been raised since then at least three times that I know of, so that it is now in the neighborhood of $350 to $400.

Mr. McSWEENEY. I thank the gentleman.

Mr. BURKE. I do not know what the exact figure is, because the present legislature in Ohio has further increased it, but to what extent I have not been informed.

Mr. KELLEY. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That this act may be cited as the "Federal Employees' Compensation Act Amendments of 1949."

TITLE I—SUBSTANTIVE AMENDMENTS

WAITING PERIOD MODIFIED

SEC. 101. (a) Section 2 of the act approved September 7, 1916 (ch. 458, 39 Stat. 742) (hereafter in this act referred to as the "Federal Employees' Compensation Act"), as amended (5 U. S. C., 1946 edition, sec. 752), is hereby amended to read as follows:

"SEC. 2. That with respect to the first 3 days of temporary disability the employee shall not be entitled to compensation except as provided in section 9, unless such disability exceeds 21 days in duration or is followed by permanent disability."

(b) Section 8 of such act (5 U. S. C., 1946 edition, section 758), is amended to read as follows:

"SEC. 8. If at the time the disability begins the employee has annual or sick leave to his credit he may use such leave until it is exhausted, in which case his compensation for disability shall not begin, and the time periods specified in section 2 shall not begin to run, until the annual or sick leave has ceased."

BASIC BENEFIT FOR TOTAL DISABILITY

SEC. 102. Section 3 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 753), is hereby amended to read as follows:

"SEC. 3. (a) Except as otherwise provided in this act, if the disability is total the United States shall pay to the disabled employee during such disability a monthly monetary compensation equal to 66⅔ percent of his monthly pay, which shall be known as his basic compensation for total disability.

"(b) Loss, or loss of use, of both hands, or both arms, or both feet, or both legs, or both eyes or the sight thereof, or of any two thereof shall, prima facie, constitute permanent total disability."

BASIC BENEFIT FOR PARTIAL DISABILITY

SEC. 103. (a) Section 4 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 754), is further amended to read as follows:

"SEC. 4. (a) (1) Except as otherwise provided in this act, if the disability is partial the United States shall pay to the disabled employee during such disability a monthly monetary compensation equal to 66⅔ per centum of the difference between his monthly pay and his monthly wage-earning capacity after the beginning of such partial disability, which shall be known as his basic compensation for partial disability.

"(2) The Administrator may require a partially disabled employee to make an affidavit or other report, in such manner and at such times as the Administrator may specify as to his earnings, whether from employment or self-employment. In such affidavit or other report the employee shall include, when required, the value of housing, board, lodging, and other advantages which are part of his remuneration for employment or are earnings in self-employment and which can be estimated in money. If such dividual, when required, fails to make such affidavit or other report, or if in such affidavit or report the employee knowingly omits or understates any part of such earnings or remuneration, he shall forfeit his right to compensation with respect to any period for which such report was required to be made, and such compensation, if already paid, shall be recovered by deducting the amount thereof from the compensation payable to him or otherwise recovered in accordance with section 38, unless such recovery is waived pursuant to such section.

"(b) If a partially disabled employee refuses to seek suitable work or refuses or neglects to work after suitable work is offered to, procured by, or secured for him, he shall not be entitled to any compensation."

(b) Section 39 of such act (5 U. S. C., 1946 edition, sec. 789), is amended by inserting, after "affidavit" the words "or report."

SCHEDULED DISABILITIES

SEC. 104. Section 5 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 755), is amended to read as follows:

"SEC. 5. (a) In any case of permanent disability which involves solely the loss, or loss of use, of a member or function of the body, or disfigurement, as provided in the following schedule, basic compensation for such disability shall, in addition to compensation for any temporary total or temporary partial disability, be payable to the disabled employee for the period specified in such schedule at the rate of 66⅔ per cent of his monthly pay and shall, except as otherwise provided in subsection (b), be in lieu of compensation for such permanent disability under the preceding sections of this act:

"(1) Arm lost, 312 weeks' compensation.
"(2) Leg lost, 288 weeks' compensation.
"(3) Hand lost, 244 weeks' compensation.
"(4) Foot lost, 205 weeks' compensation.
"(5) Eye lost, 160 weeks' compensation.
"(6) Thumb lost, 75 weeks' compensation.
"(7) First finger lost, 46 weeks' compensation.
"(8) Great toe lost, 38 weeks' compensation.
"(9) Second finger lost, 30 weeks' compensation.
"(10) Third finger lost, 25 weeks' compensation.
"(11) Toe other than great toe lost, 16 weeks' compensation.
"(12) Fourth finger lost, 15 weeks' compensation.
"(13) Loss of hearing: (A) Complete loss of hearing of one ear, 52 weeks' compensation; (B) complete loss of hearing of both ears, 200 weeks' compensation.
"(14) Binocular vision or percentage of vision: Compensation for loss of binocular vision or for 80 percent or more of the vision of an eye shall be the same as for the loss of the eye.
"(15) Phalanges: Compensation for loss of more than one phalanx of a digit shall be the same as for loss of the entire digit. Compensation for loss of the first phalanx shall be one-half of the compensation for loss of the entire digit.
"(16) Amputated arm or leg: If, in the case of an arm or a leg, the member is amputated above the wrist or ankle, compensation shall be the same as for the loss of the arm or leg, respectively.

"(17) Two or more digits: Compensation for loss, or loss of use, of two or more digits, or one or more phalanges of each of two or more digits, of a hand or foot, shall be proportioned to the loss of use of the hand or foot occasioned thereby.

"(18) Total loss of use: Compensation for permanent total loss of use of a member shall be the same as for loss of the member.

"(19) Partial loss or partial loss of use: Compensation for permanent partial loss or loss of use of a member may be for proportionate loss or loss of use of the member. The degree of loss of vision or hearing under this schedule shall be determined without regard to correction.

"(20) In any case in which there shall be a loss or loss of use, of more than one member or parts of more than one member as enumerated herein, the award of compensation shall be for the loss, or loss of use, of each such member or part thereof, which awards shall run consecutively, except that where the injury affects only two or more digits of the same hand or foot, subparagraph (17) of this schedule shall apply, and that where partial bilateral loss of hearing is involved, compensation shall be computed upon the loss as affecting both ears.

"(21) Disfigurement: Proper and equitable compensation not to exceed $3,500 shall, in addition to any other compensation payable under this schedule, be awarded for serious disfigurement of the face, head, or neck, if of a character likely to handicap a person in securing or maintaining employment.

"(b) Notwithstanding the provisions of subsection (a) of this section and the provisions of sections 3 and 4, if the injury causes the total and permanent loss, or loss of use, of an arm, hand, leg, foot, or eye (including loss of binocular vision), or total and permanent loss of hearing of both ears, whether or not the disability also involves other impairments of the body, the individual's basic compensation for such disability, in addition to compensation for periods of temporary total or temporary partial disability, shall be 66⅔ percent of his monthly pay for the period specified for such loss, or loss of use, in the schedule to subsection (a) of this section (including paragraphs (16) and (20) thereof), and with respect to any subsequent period shall be as provided in section 3 if the disability is total or as provided in subsection (a) of section 4 if the disability is partial.

"(c) The period of compensation payable under the schedule to subsection (a) of this section on account of any injury shall be reduced by the period of compensation paid or payable under such schedule on account of a prior injury if compensation in both cases is for disability of the same member or function, or different parts of the same member or function, or for disfigurement, and the Administrator finds that compensation payable on account of the subsequent disability in whole or in part would duplicate the compensation payable on account of the preexisting disability. In such cases, for the purposes of disabilities specified in subsection (b), compensation for disability continuing after the schedule period shall commence upon expiration of such period as reduced under this subsection.

"(d) (1) If an individual who has sustained disability compensable under subsection (a) (including any disability compensable under the schedule to subsection (a) by virtue of subsection (b)), and who has filed a valid claim in his lifetime, dies, from causes other than the injury, before the expiration of the compensable period specified in such schedule, the compensation specified in such schedule and unpaid at the individual's death, whether or not accrued or due at his death, shall be paid, under an award made before or after such death, for the period specified in such schedule, to and for the benefit of the persons then in being within the classes and in the proportions and upon the conditions specified in this subsection and in the order named:

"(A) to the widow (as defined in section 10 (H) or wholly dependent widower (as specified in section 10 (B)), if there is no child (as so defined) under the age of 18 or incapable of self-support; or

"(B) if there are both such a widow or widower and such a child or children, one-half to such widow or widower and the other half to such child or children; or

"(C) if there is no such widow or widower but such a child or children, then to such child or children; or

"(D) if there is no survivor in the above classes, then to the parent or parents wholly or partly dependent for support upon the decedent, or to other wholly or partly dependent relatives listed in section 10 (F), or to both, in such proportions as may be provided by regulation; or

"(E) if there is no survivor in any of the above classes, and no burial allowance is payable under section 11, then such amount, not exceeding the amount which would be expendable under section 11 if such section were applicable, shall be paid to reimburse any person or persons, equitably entitled thereto, to the extent and in the proportions that they shall have paid the expenses of burial of such disabled individual, but no compensated insurer or other person obligated by law or contract to pay such expenses, and no State or political subdivision or entity, shall be deemed so equitably entitled.

"(2) Except for the amount of such compensation payable with respect to any period preceding the disabled individual's death, the payments to be made under paragraph (1) shall be at the basic rate of compensation for permanent partial disability specified in subsection (b) (a) of this section, even if at the time of such death the decedent was entitled to the augmented rate specified in section 6 (a).

"(3) (A) The right of any surviving beneficiary listed in paragraph (1) to any payment pursuant to this subsection, except a beneficiary under clause (E) thereof, shall be conditioned upon his being alive to receive such payment and no such beneficiary shall have a vested right to any such payment.

"(B) The entitlement of any beneficiary to payments under clauses (A) to (D) of paragraph (1) shall cease upon the happening of any event which would terminate the right of such beneficiary to compensation for death under section 10. Upon the cessation of the entitlement of any beneficiary under such clauses (A) to (D), the compensation remaining unpaid under paragraph (1) which would have been payable to him had such entitlement continued shall be payable to the surviving beneficiary or beneficiaries, if any, within the same class or, if there are none, then to the beneficiary or beneficiaries next entitled to priority under such paragraph."

ELIMINATION OF MAXIMUM AND INCREASE OF MINIMUM BENEFIT AMOUNT—DEPENDENTS' BENEFITS, AND SO FORTH

SEC. 105. (a) Section 6 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 756), is further amended to read as follows:

"SEC. 6. (a) (1) While the disabled employee has one or more dependents, his basic compensation for disability payable under section 3 or section 5 (a) (including compensation payable under the schedule to section 5 (a) by virtue of section 5 (b)) shall be augmented at the rate of 8⅓ percent of his monthly pay, and his basic compensation for disability payable under section 4 (a) shall be augmented at the rate of 8⅓ percent of the difference between his monthly pay and his monthly wage-earning capacity.

"(2) As used in this subsection, the term 'dependent' shall mean any of the following:

"(A) A wife, if (i) she is a member of the same household as the employee or is receiving regular contributions from him toward her support, or (ii) he has been ordered by any court to contribute to her support.

"(B) A husband, if wholly dependent by reason of his own physical or mental disability upon the employee for support.

"(C) An unmarried child (as defined in section 10 (H)), while such child (i) is under 18 years of age or, if over 18, is incapable of self-support by reason of mental or physical disability, and (ii) is living with the employee or receiving regular contributions toward his support from the employee.

"(D) A parent (as defined in section 10 (H)), while wholly dependent upon and supported by the employee.

"(b) (1) In addition to the monthly compensation otherwise specified in this act, the Administrator may pay an injured employee, who has been awarded compensation for permanent total disability from injury, an additional sum of not more than $75 a month, as the Administrator may deem necessary, when the Administrator shall find that the service of an attendant is necessary constantly to be used by reason of the employee's being totally blind, or having lost both hands or both feet or the use thereof, or being paralyzed and unable to walk, or by reason of other total disability actually rendering him so helpless as to require constant attendance.

"(2) The Administrator may pay to any disabled individual who is undergoing vocational rehabilitation pursuant to the Administrator's direction under section 9 (b) additional compensation necessary for his maintenance, but not to exceed $50 per month.

"(c) Except as otherwise authorized under section 42, the monthly rate of compensation for total disability, including any augmented compensation payable by reason of subsection (a) but not including any sum payable by reason of subsection (b), shall not be less than $112.50 per month, unless the employee's monthly pay is less in which case his monthly rate of compensation shall be equal to his full monthly pay.

"(d) (1) In the case of any person who at the time of the injury was a minor or employed in a learner's capacity and who, prior to the injury, was not physically or mentally handicapped, the Administrator shall, on any review under section 37 after the time when the wage-earning capacity of such person would probably, but for the injury, have increased, prospectively recompute the monetary compensation payable for disability on the basis of an assumed monthly pay corresponding to such probable increased wage-earning capacity. The Administrator may, on any review under section 37 after a disabled employee has attained the age of 70 years and the wage-earning capacity of the disabled employee would probably, aside from and independently of the effects of the injury, have decreased on account of old age, prospectively recompute the monetary compensation payable for disability on the basis of an assumed monthly pay corresponding to such probable decreased wage-earning capacity.

"(2) If a disabled individual, without good cause, fails to apply for and undergo vocational rehabilitation when so directed pursuant to section 9 (b), and the Administrator, upon review under section 37, finds that in the absence of such failure the individual's wage-earning capacity would probably have substantially increased, the Administrator may prospectively reduce the individual's monetary compensation in accordance with what would probably have been his wage-earning capacity in the absence of such

failure, until the individual in good faith complies with the Administrator's direction."

INCREASE IN DEATH BENEFITS, AND SO FORTH

SEC. 106. (a) Section 10 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 760), is further amended by striking out "66⅔" wherever it occurs and inserting in lieu thereof "75"; by striking out "35" in clauses (A) and (B) and inserting in lieu thereof "45"; by striking out in clause (C) the words "the compensation payable under clause (A) or clause (B)" and inserting in lieu thereof "40 percent"; by striking out "10" in clauses (C) and (D) and inserting in lieu thereof "15"; and by striking out "25" in clause (D) and inserting in lieu thereof "35."

(b) Clause (K) of such section, as amended, is further amended to read as follows:

"(K) In computing compensation under this section the monthly pay shall be considered not to be less than $150, but the total monthly compensation shall not exceed the monthly pay computed as provided in section 12."

(c) Clause (B) of such section, as so amended, is further amended to read as follows:

"(B) To the widower, if there is no child, 45 percent if wholly dependent for support, by reason of his physical or mental disability, upon the deceased employee at the time of her death. This compensation shall be paid until his death or marriage or until he becomes capable of self-support."

(d) Such section, as so amended, is further amended by striking out the second sentence of clause (C), the last sentence of clause (D), and the last sentence of clause (G).

(e) Clause (L) of such section, as so amended, is amended to read as follows:

"(L) If any person entitled to compensation under this section or section 5 or 6, whose compensation by the terms of this or of such other section ceases or is to be reduced upon his marriage or upon the marriage of his dependent, accepts any payments or compensation after such marriage, he shall be punished by a fine of not more than $2,000 or by imprisonment for not more than 1 year, or by both such fine and imprisonment."

LIBERALIZATION OF BURIAL PAYMENTS

SEC. 107. Section 11 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 761), is further amended to read as follows:

"SEC. 11. If death results from the injury the United States shall pay, to the personal representative of the deceased employee or otherwise, funeral and burial expenses not to exceed $400, in the discretion of the Administrator. In the case of an employee whose home is within the United States, if his death results from the injury while he is away from his home or official station or is outside of the United States, or if his death results from other causes while he is away from his home or official station for the purpose of receiving medical or other services, appliances, or supplies under section 9 or examination under section 21, and if so desired by his relatives, the body shall, in the discretion of the Administrator, be embalmed and transported in a hermetically sealed casket to the home or last place of residence of the employee at the expense of the employees' compensation fund. If, in such cases, request for return of the body is not made by the decedent's relatives, the Administrator may provide for the disposition of the remains and incur, and cause payment from the employees' compensation fund of, such necessary transportation, funeral, and burial expenses as under the circumstances shall be reasonable."

EXTENSION OF COVERAGE, AND SO FORTH

SEC. 108. (a) Section 40 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 790), is further amended, by designating the paragraphs thereof, following the introductory phrase, as paragraphs "(a)", "(b)", "(c)", "(d)", "(e)", "(f)", "(g)", and "(h)", respectively.

(b) Paragraph (b) of such section, as so designated, defining the term "employee", is further amended to read as follows:

"(b) The term 'employee' includes (1) all civil officers and employees of all branches of the Government of the United States (including Members of Congress and officers and employees of instrumentalities of the United States wholly owned by the United States); (2) commissioned officers of the Regular Corps of the Public Health Service; (3) officers in the Reserve of the Public Health Service on active duty; (4) persons rendering personal services of a kind similar to those of civilian officers or employees of the United States or to any department, independent establishment, or agency thereof (including instrumentalities of the United States wholly owned by it), without compensation or for nominal compensation, in any case in which acceptance or use of such services is authorized by an act of Congress or in which provision is made by law for payment of the travel or other expenses of such person; and (5) persons, other than independent contractors and their employees, employed on the Menominee Indian Reservation in the State of Wisconsin, subsequent to September 7, 1916, in operations conducted pursuant to the act entitled 'An act to authorize the cutting of timber, the manufacture and sale of lumber, and the preservation of the forests on the Menominee Indian Reservation in the State of Wisconsin', approved March 28, 1908, as amended, or any other act relating to tribal timber and logging operations on the Menominee Reservation."

(c) Paragraph (c) of such section, as so designated defining the term "commission", is further amended by inserting "former" after the words "to the" and by striking out the words "provided for in section 28."

(d) Paragraph (f) of such section, as so designated, defining the term "monthly pay", is further amended by inserting, immediately before the period, the following: "except when otherwise determined under section 6 (d) with respect to any period."

(e) Such section is further amended by adding thereto a new paragraph "(i)" reading as follows:

"(i) The term 'Administrator' means the Federal Security Administrator."

INCREASE OF COMPUTATION BASE WHERE INJURY OCCURRED BEFORE JULY 1, 1946

SEC. 109. Notwithstanding any other provision of this act or of the Federal Employees' Compensation Act, the monthly pay upon the basis of which compensation for disability or death is computed under the Federal Employees' Compensation Act, is amended, shall, effective on the first day of the first calendar month following enactment of this act, be increased by 40 percent if the injury (or injury causing death) occurred before January 1, 1941, or by 10 percent if the injury (or injury causing death) occurred on or after such date but before July 1, 1946, except that such increase shall in neither event exceed $50. This section shall apply to any case of death caused by such an injury, regardless of whether such death occurs or occurred before or after the enactment of this act.

TITLE II—TECHNICAL AMENDMENTS

EXCLUSIVENESS OF REMEDY

SEC. 201. Section 7 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 757), is further amended by inserting the designation "(a)" immediately before the first sentence thereof and by adding to such section a new subsection reading as follows:

"(b) The remedy afforded to any person under this act with respect to his own injury or the death of another individual shall, unless otherwise specifically provided by law, be the exclusive remedy against, and be in place of any other legal liability of, the United States or any of its instrumentalities wholly owned by it, on account of such injury or death, where such liability is determinable by direct judicial proceedings at law in admiralty, or by proceedings under any other workmen's compensation law or under any Federal tort liability statute."

SEC. 202. Section 9 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 759), is amended by inserting before the first sentence thereof the designation "(a)" and by adding at the end of such section a new subsection reading as follows:

"(b) The Administrator may direct any permanently disabled individual whose disability is compensable under this act to undergo vocational rehabilitation and shall make provision for furnishing vocational rehabilitation services in such cases. In providing for such services, the Administrator shall, insofar as practicable, utilize the services or facilities of State agencies (or corresponding agencies in Territories or possessions) cooperating with him in carrying out the purposes of the Vocational Rehabilitation Act, as amended, except to the extent that the Administrator provides for furnishing such services under subsection (a) of this section. The cost of providing such services to individuals undergoing vocational rehabilitation pursuant to such direction shall be paid from the employees' compensation fund, except that in reimbursing any State agency (or corresponding agency of a Territory or a possession) under any arrangement pursuant to this subsection there shall be excluded any cost to such agency reimbursable in full under section 3 (a) (4) of the Vocational Rehabilitation Act, as amended."

COMPUTATION OF PAY

SEC. 203. Section 12 of the Federal Employees' Compensation Act (5 U. S. C., 1946 edition, sec. 762) is amended to read as follows:

"SEC. 12. (a) In computing monetary compensation for disability or death upon the basis of monthly pay, such pay shall be determined in accordance with the provisions of this section.

"(b) The value of subsistence and quarters, and of any other form of remuneration in kind for services if its value can be estimated in money, shall be included as part of the pay. Overtime pay, or additional pay or allowance authorized outside the United States because of differential in cost of living or other special circumstance, or bonus or premium pay for extraordinary service (including amounts paid as bonus for particularly hazardous service in time of war) shall not be taken into account. The term 'overtime pay,' as used in this subsection, means pay for hours of service in excess of those of a statutory or other basic workweek, or other basic unit of work time, as observed by the establishment in which the employee is employed.

"(c) (1) The monthly pay at the time of injury shall be deemed to be one-twelfth of the employee's average annual earnings at that time, except when compensation is paid upon a weekly basis, the weekly equivalent of such monthly pay shall be deemed to be one fifty-second of such average annual earnings: *Provided*, That, for so much of the period of total disability as does not exceed 90 calendar days from the date of the beginning of compensable disability, the compensation may, in the discretion of the Administrator, be computed on the basis of the employee's actual daily wage at the time of injury and in that event he may be paid compensation for such days as he would have worked but for the injury.

"(2) Average annual earnings shall be determined as follows:

"(A) If the employee worked in the employment in which he was working at the time of his injury during substantially the whole of the year immediately preceding such injury, his average annual earnings shall consist of the product obtained by multiplying his daily wage for the particular employment, or the average thereof if the daily wage has fluctuated, by 300 if he was employed on the basis of a 6-day workweek, 280 if employed on the basis of a 5½-day week, and 260 if employed on the basis of a 5-day week, except that if the employment was in a position for which an annual rate of compensation was fixed, such average annual earnings shall consist of such annual rate of compensation.

"(B) If the injured employee did not work in such employment during substantially the whole of such year, but the position was such as would have afforded employment for substantially a whole year, then the average annual earnings of such employee shall be equal to the average annual earnings of an employee of the same class working substantially the whole of such immediately preceding year in the same or similar employment by the United States in the same or neighboring place, as determined in accordance with clause (A).

"(C) If either of the foregoing methods of determining the average annual earnings of an injured employee cannot reasonably and fairly be applied, such average annual earnings shall be such sum as, having regard to the previous earnings of the injured employee in Federal employment, and of other employees of the United States in the same or most similar class working in the same or most similar employment in the same or neighboring locality, or to other previous employment of such employee, or to any other relevant factors, shall reasonably represent the annual earning capacity of the injured employee in the employment in which he was working at the time of the injury: *Provided*, That his average annual earnings shall consist of not less than 150 times the average daily wage which he shall have earned in such employment during the days when so employed within the period of 1 year immediately preceding his injury.

"(D) Such rules shall, so far as practicable, be also applied in the case of an employee serving without pay or at nominal pay: *Provided*, That (i) the average annual earnings shall in no event exceed the basic rate of annual compensation specified under the Classification Act of 1923, as amended, for positions in grade CAF–15 or P–8 at the bottom of such grade, and (ii) if his average annual earnings cannot reasonably and fairly be determined in the manner otherwise provided in this section, such average annual earnings shall be determined at the reasonable value of the service rendered but not in excess of $3,600 per annum.

"(d) As used in this section the term 'year' means a period of 12 calendar months, or the equivalent thereof as specified in regulations issued by the Administrator."

COMPUTATION OF WAGE-EARNING CAPACITY

SEC. 204. Section 13 of the Federal Employees' Compensation Act (5 U. S. C., 1946 edition, sec. 763), is amended to read as follows:

"SEC. 13. (a) In the determination of an employee's wage-earning capacity after the beginning of partial disability, the rules specified in section 12 (b) shall apply.

"(b) The wage-earning capacity of an injured employee, in determining compensation for partial disability other than permanent partial disability compensable under section 5 (a), shall be determined by his actual earnings if such actual earnings fairly and reasonably represent his wage-earning capacity: *Provided, however*, That if the employee has no actual earnings, or his actual earnings do not fairly and reasonably represent his wage-earning capacity, such wage-earning capacity as shall appear reasonable under the circumstances of the case shall be determined, having due regard to the nature of his injury, the degree of physical impairment, his usual employment, and any other factors or circumstances in the case which may affect his capacity to earn wages in his disabled condition."

ADMINISTRATOR SUBSTITUTED FOR COMMISSION

SEC. 205. (a) Section 28 of the Federal Employees' Compensation Act, as amended, is amended to read as follows:

"SEC. 28. This act shall be administered by the Administrator."

(b) Section 28a of such act is repealed, but such repeal shall not be construed to revive any independent bureau or other agency abolished by such section.

(c) (1) The word "commission" (or other designation of the commission), and the word "it" or "its" whenever they refer to the commission, in any part of such act, are struck out wherever necessary in order to give effect to subsection (a) of this section, and the words "Administrator" and "he" or "his," respectively, are inserted in lieu thereof.

(2) In addition, the phrase ", or any commissioner by authority of the commission," in section 29 of such act is struck out.

OVERPAYMENTS

SEC. 206. Section 38 of the Federal Employees' Compensation Act (5 U. S. C., 1946 ed., sec. 788), is amended to read as follows:

"SEC. 38. (a) Subject to the provisions of sections 36 and 37, whenever by reason of an error of fact or law an overpayment has been made to an individual under this act, proper adjustments shall be made, under regulations prescribed by the Administrator, by decreasing subsequent payments to which such individual is entitled. If such individual dies before such adjustment has been completed, adjustments shall be made by decreasing subsequent benefits, if any, payable under this act with respect to such individual's death.

"(b) There shall be no adjustment or recovery by the United States in any case where incorrect payment has been made to an individual who is without fault and where adjustment or recovery would defeat the purpose of this act or would be against equity and good conscience.

"(c) No certifying or disbursing officer shall be held liable for any amount certified or paid by him to any person where the adjustment or recovery of such amount is waived under subsection (b), or where adjustment under subsection (a) is not completed prior to the death of all persons against whose benefits deductions are authorized."

SHORT TITLE

SEC. 207. The Federal Employees' Compensation Act, as amended, is further amended by adding thereto at the end thereof a new section as follows:

"SEC. 43. This act may be cited as the 'Federal Employees' Compensation Act.'"

## TITLE III—TRANSITIONAL PROVISIONS AND EFFECTIVE DATE

EXTENSION OF TIME LIMITATIONS

SEC. 301. (a) Where an individual with respect to whose disability or death compensation is claimed under the Federal Employees' Compensation Act, as amended, was injured or died outside the United States on or after December 7, 1941, and before August 11, 1946, the time limitations of such act with respect to the giving of notice of injury and the filing of a claim for compensation shall not begin to run until the date of enactment of this act.

(b) As used in this subsection, the term "United States" includes only the States, Alaska, Hawaii, Puerto Rico, the Virgin Islands, and the Canal Zone.

COMPROMISE SETTLEMENTS—PRIVATE ACTS

SEC. 302. The provisions of this act shall not be construed to authorize the payment of any compensation under the Federal Employees' Compensation Act in any case where, pursuant to private relief legislation, a beneficiary of such legislation has accepted payment of a grant in satisfaction of the liability of the United States (or its corporation, agency, or other instrumentality) in such case, or where such liability has been compromised and settled, or other satisfaction received, as the result of any action sounding in tort or under maritime law, or where a lump sum has been received under section 14 of the Federal Employees' Compensation Act and the lump-sum award is not modified or set aside for other reasons.

EFFECTIVE OPERATION

SEC. 303. (a) Except as otherwise provided by this section or in this act, unless I and II of this act shall take effect on the date of enactment of this act and be applicable to any injury or death occurring before or after such date.

(b) The amendments made by section 101 of this act to sections 2 and 8 of the Federal Employees' Compensation Act shall not apply to any period of disability commencing before the enactment of this act.

(c) The amendments made by sections 102, 103, 105, and 106 of this act to sections 8, 4 (a), 6, 10, and 39 of the Federal Employees' Compensation Act shall be applicable to cases of injury or death occurring before enactment of this act only with respect to any period beginning on or after the first day of the first calendar month following the enactment of this act.

(d) (1) The amendments made by section 104 of this act to section 5 of the Federal Employees' Compensation Act, establishing special provisions for permanent disability involving the loss, or loss of use, of a member or function of the body, or disfigurement, shall apply retroactively to any case in which the injury occurred within 1 year prior to the enactment of this act: *Provided*, That where the injury occurred before such enactment, except in cases specified in subsection (b) of section 5 of such act, as so amended, the injured employee shall not be entitled to compensation under the schedule unless within 1 year after such date of enactment he elects to receive compensation under the schedule if so entitled: *And provided*, That in the event of such election, all amounts theretofore paid on the basis of loss of wage-earning capacity as compensation for permanent partial disability involving a loss, or loss of use, of a member or function, or disfigurement, as specified in the schedule shall be credited against any compensation awarded by reason of such amendment.

(2) No payment upon death pursuant to section 5 (d) of the Federal Employees' Compensation Act, as amended by this act, shall be made unless death occurs after such enactment. In the event of such death, the election required by paragraph (1) of this subsection shall be deemed to have been made.

(e) Section 107 of this act, amending section 11 of the Federal Employees' Compensation Act, shall apply only to deaths occurring after the enactment of this act.

(f) (1) The amendments made by section 108 of this act to the definition of the term "employee" contained in section 40 of the Federal Employees' Compensation Act shall, as to any case of injury or death occurring before the date of enactment of this act, apply only to injuries or deaths occurring on or after December 7, 1941, and compensation (including medical or other benefits) in any such case shall not be paid for any period earlier than the first day of the first month following enactment of this act and, in cases of disability caused by such an injury, shall be limited to compensation for

permanent partial or permanent total disability.

(2) The time limitations of the Federal Employees' Compensation Act with respect to the giving of notice of injury and the filing of a claim for compensation, in any case brought within the purview of section 40 of such act by this act, shall not begin to run until the date of enactment of this act.

(g) The amendment made by section 201 of this act to section 7 of the Federal Employees' Compensation Act, making the remedy and liability under such act exclusive, shall not apply to any case of injury or death occurring prior to the enactment of this act in which liability other than that arising under such act, or any extension thereof, was finally determined prior to the enactment of this act.

(h) The amendments made by sections 203 and 204 of this act to sections 12 and 13 of the Federal Employees' Compensation Act, pertaining to the determination of the employee's pay or his wage-earning capacity, may, in the interest of justice and in the discretion of the Administrator, be applied in any case, irrespective of the date of injury or death, so as to cause payments of compensation, with respect to any period not earlier than the first day of the first month after enactment of this act, to be consistent with such amendments.

TIME LIMITATIONS NOT EXTENDED

SEC. 304. Except as otherwise expressly provided, the enactment of this act shall not suspend or defer the running, of the time limitations of the Federal Employees' Compensation Act with respect to the giving of notice of injury and filing of a claim for compensation.

TITLE IV

LIBERALIZATION OF MAXIMUM COMPENSATION FOR EMERGENCY RELIEF WORKERS

SEC. 401. (a) Clauses (a), (b), and (c) of the second proviso to section 1 of the act approved February 15, 1934 (ch. 13, 48 Stat. 351), are hereby amended to read as follows:

"(a) that the aggregate monetary compensation in any individual case, except compensation for death or for permanent total disability, shall not exceed the sum of $4,000 and that the monthly monetary compensation shall not in any event exceed $100, both exclusive of medical costs;

"(b) that, in lieu of the minimum limit on monthly compensation for disability established by section 6 and the minimum limit on the monthly pay on which death compensation is to be computed as provided by section 10 (K) of such act, the monthly pay on the basis of which compensation for disability or death is computed shall be deemed to be not less than $75 and compensation shall be payable on the basis of such pay regardless of the actual pay at the time of injury or death, except that the Federal Security Administrator may from time to time, by regulation, fix a lower minimum monthly pay as a basis for computing such compensation as to any class of individuals, specified in the fourth paragraph of section 42 of such act, as amended, who sustained injury or were killed outside the continental United States;

"(c) that the Federal Security Administrator may from time to time, subject to the above limitations, establish a special schedule of compensation for disability and for death (including a special schedule of compensation for the loss, or loss of use, of members or functions of the body), and compensation under such schedule shall be in lieu of all other compensation in such cases;".

(b) The first proviso to section 8 of the Emergency Relief Appropriation Act of 1937 (ch. 401, 50 Stat. 352, 356), and the first proviso to section 16 of the Emergency Relief Appropriation Act of 1938 (ch. 554, 52 Stat. 809, 814), are repealed.

(c) This section shall apply to any case heretofore or hereafter coming within the purview of such act of February 15, 1934, but no compensation shall, with respect to any case of injury or death occurring before the date of enactment of this act, accrue or be increased by reason of the enactment of this section for any period prior to the first day of the first month following the date of enactment of this act.

(d) The special schedule of compensation heretofore established pursuant to clause (a) of the second proviso to section 1 of such act of February 15, 1934, shall remain in effect until superseded by a new schedule established pursuant to the amendments made by this section.

MEMBERS OF WOMEN'S ARMY AUXILIARY CORPS

SEC. 402. Effective as of July 25, 1947, paragraph a of section 2 of the act approved July 25, 1947 (ch. 327, 61 Stat. 449, 451), is amended by striking out the semicolon at the end of the provision repealing the act of July 1, 1943 (57 Stat. 371), and the act of May 14, 1942 (56 Stat. 278), as amended, and inserting in lieu thereof a colon and the following proviso: *"Provided,* That section 11 of such act of May 14, 1942, shall remain in effect to the extent specified in section 5 of such act of July 1, 1943;".

Mr. KELLEY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that it be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 4, line 2, strike out "when required."

Page 11, line 13, strike out "partial" and "(b)" and, in lieu of the latter, insert "(a) of this section."

Page 12, line 13, strike out "(a)."

Page 13, line 22, strike out "for permanent total disability from injury."

Page 14, line 1, substitute "totally" for "total."

Page 14, line 4, strike out the word "total"; insert after the word "disability" the words "resulting from the injury."

Page 17, line 9, following the word "accepts", insert "after such marriage."

Page 17, line 10, following the word "compensation", strike out the words "after such marriage," and insert "to which he is not entitled."

Page 19, line 9, strike out "or."

Page 20, line 20, strike out "is", and substitute therefor "as."

Page 21, line 14, strike out the words "unless otherwise specifically provided by law."

Page 21, line 16, strike out the comma after the word "States."

Page 21, line 17, strike out the words "wholly owned by it."

Page 21, line 19, strike out the words "at law" and insert in lieu thereof the words "in a civil action."

Page 21, line 20, after the word "proceedings" insert a comma and the following words: "whether administrative or judicial."

Page 26, line 8, after the word "earnings", insert "of such employee."

Page 27, line 6, strike out "(a)."

Page 27, line 22, after the word "Administrator" insert "The Administrator is authorized to delegate to any officer or employee of the Federal Security Agency any of the powers conferred upon him by this act."

Page 28, line 1, strike out the word "Section", and insert in lieu thereof "The first and third sentences of section."

Page 28, line 2, strike out the word "is" and insert instead the word "are."

Page 29, line 21, insert the following new section:

"FEES—PUNISHMENT FOR CONTEMPT

"SEC. 208. Section 23 of such act, as amended, is further amended to read as follows:

"'SEC. 23. (a) Fees for examinations made on the part of the United States under sections 21 and 22 by physicians who are not officers or employees of the United States and not under contract to the United States to render medical services to its employees shall be fixed by the Administrator. Such fees, and any sum payable to the employee under section 21, when authorized or approved by the Administrator, shall be paid from the employees' compensation fund.

"'(b) A claimant may be represented before the Administrator in any proceeding under this act by any person duly authorized by such claimant. No claim for legal services or for any other services rendered in respect of a case, claim, or award for compensation under this act, to or on account of any person, shall be valid unless approved by the Administrator. Any person who receives any fee or other consideration, or any gratuity on account of services so rendered, unless such fee, consideration, or gratuity, is so approved, or who solicits employment for himself or another in respect of any case, claim, or award for compensation under (or to be brought under) this act shall be guilty of a misdemeanor and upon conviction thereof shall, for each offense, be punished by a fine of not more than $1,000 or by imprisonment not to exceed 1 year, or by both such fine and imprisonment.

"'(c) If any person in proceedings before the Administrator or his duly authorized representative disobeys or resists any lawful order or process, or misbehaves during a hearing or so near the place thereof as to obstruct the same, the Administrator or his duly authorized representative shall certify the facts to the district court having jurisdiction in the place in which he is sitting (or to the District Court of the United States for the District of Columbia if he is sitting in such district) which shall thereupon in a summary manner hear the evidence as to the acts complained of, and, if the evidence so warrants, punish such person in the same manner and to the same extent as for a contempt committed before the court, or commit such person upon the same conditions as if the doing of the forbidden act had occurred with reference to the process of or in the presence of the court.'"

Page 33, line 4, strike out the words "or disfigurement," and insert after the word "shall" the phrase "(A) in cases within the purview of section 5 (b) or in cases of disfigurement."

Page 33, line 16, strike out the words "in which the injury" and insert in lieu thereof the words "where the injury occurred on or after January 1, 1940, and (B) in other cases, apply retroactively to injuries which."

Page 34, line 1, strike out the words "and provided" and insert in lieu thereof "Provided further."

Page 34, line 4, strike out the word "partial."

Page 34, line 8, at the end of subsection (d) (1) insert the following new sentence: *"And provided further,* That any award made under the provisions of this subsection shall be payable prospectively in the same manner as though the injury occurred after the enactment of this act."

Page 36, line 12, insert a new section 305 as follows:

"ACCIDENT PREVENTION AND ANNUAL REPORTS

"SEC. 305. Section 33 of the Federal Employees' Compensation Act, as amended, is further amended by designating the first two paragraphs thereof, respectively, subsections '(a)' and '(b)' and by adding a new subsection designated as '(c)', as follows:

"'(c) In order to reduce the number of accidents and injuries among Government officers and employees, encourage safe practices, eliminate work hazards and health risks, and reduce compensable injuries, the heads of the various departments and agencies are authorized and directed to develop, support, and foster organized safety promotion, and the President may also establish by Executive order a safety council composed of representatives of Government departments and agencies to serve as an advisory body to the Administrator in furtherance of the safety program carried out by the Administrator pursuant to this section, and the President may undertake such other measures as he may deem proper to prevent injuries and accidents to persons covered by this act.'"

Page 37, line 8, after the word "of", insert "minimum and."

The committee amendments were agreed to.

Mr. KELLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLEY: On page 19, line 2, strike out the following language: "(including Members of Congress and officers and employees of instrumentalities of the United States, wholly owned by the United States)", and insert in lieu thereof the following: "(including officers and employees of instrumentalities of the United States, wholly owned by the United States, but not including Members of Congress)."

The amendment was agreed to.

Mr. GRANGER. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. GRANGER. Mr. Chairman, I congratulate the committee for their labors in bringing out this very worthy piece of legislation. It is my intention to support it. I want to call the attention of the House to a condition which exists in the Western States and in all States that we call the mining States of this country. It so happened a year or two ago the Congress, unwisely, in my opinion, repealed the tariff on copper or suspended it. It was the intention as I understand at that time, that it would be reimposed after the crisis was over. However, that has not been done and it has resulted in a great injury to the mining industry of the West. That is not all that is wrong with the mining industry. The gentleman from California [Mr. ENGLE] had a bill before his Committee on Public Lands, which had for its purpose the stabilization of the mining industry. That bill is now before the Committee on Rules and as yet the Committee on Rules has not seen fit to grant a rule on it. We are in a serious condition in the mining States and if something is not done and done soon, a great many men are going to be unemployed who usually work in the mines.

Not only that, but the mines are going to be shut down and many of these properties upon which we depend for our strategic materials are going to stay closed down. Many people do not realize, perhaps, that when you shut a mine down, it fills up with water. That ruins the whole inner workings of the mine. That is what is happening at the present time. If this legislation is held in committee and not given an opportunity to be discussed, somebody must take the responsibility of closing the mines of the West.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. MURDOCK. The gentleman has used the future tense in speaking of unemployment. He should use the present tense of the verb. There is now unemployment. Some of the largest copper mines in the State of Arizona have closed down. Others have reduced their working force and their working hours. I am heartily in agreement with what the gentleman is telling the Congress.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. MILLER of Nebraska. I know what the gentleman says is true relative to the copper industry. I am wondering if the gentleman and his party would be in favor of having a little protection by way of tariff regulation on other things besides copper coming into this country. What would be the reaction of the gentleman giving other industries of this country just a little protection under tariff regulation?

Mr. GRANGER. I think the gentleman knows pretty well my attitude in that regard, but we are dealing with a practical and serious proposition now. I am speaking to the leadership on this side of the House, who have the responsibility for this legislation. It has been heard by a legislative committee and reported out, I think, with the unanimous vote of that committee. It is being held up under the guise that it does not conform with the present program. Of course that may be true, but we are demanding that we have a hearing, and when it comes time for the President to act on it he can act as he sees fit. But I think it is absolutely essential that something is done and done immediately, if we expect to save the small mine operators, and build up a stock pile of strategic materials that will be essential at any time we need them in the future.

I am asking the chairman of the Rules Committee to call up that bill and report it to the House so that we may have action upon it.

The CHAIRMAN. The time of the gentleman from Utah [Mr. GRANGER] has expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word. I have asked for this time in order to inquire of the majority leader if he can tell us the program for next week.

Mr. McCORMACK. I will be glad to tell the gentleman.

Of course, Monday is Independence Day, and there will be no session.

On Tuesday, H. R. 4406, the Yugoslav claims bill. Of course, we have an agreement, and I hope the Members will enable us to carry out that agreement, that if there is any roll call it will go over until Wednesday.

On Wednesday we have the Consent Calendar and the Private Calendar.

S. 1008, the basing-point bill. Permission has already been granted to take up the Consent Calendar and the Private Calendar on Wednesday. If there are any suspensions, and I know of none now, I will advise the House on Tuesday and take it up with the leadership on the Republican side.

Thursday and Friday, H. R. 2960, the rural telephone bill; H. R. 1689, salary increase for Government heads; H. R. 3699, the Puerto Rican farm-loan bill.

Conference reports may be brought up at any time.

I want to call the attention of Members of the House that the House meets in the Ways and Means Committee room starting on Tuesday, July 5.

Mr. HERTER. Will the gentleman yield?

Mr. HALLECK. I yield.

Mr. HERTER. Can the gentleman advise us when the overtime bill will be taken up?

Mr. McCORMACK. Next week is a very busy week, and I could not get it on the program.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. DONDERO. I understood the gentleman to say that we are to meet in the caucus room of the Old House Office Building?

Mr. McCORMACK. No. The caucus room in the New House Office Building, which of course is the Ways and Means Committee room.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. VORYS. I do not know who gave the gentleman the assurance that there might not be a roll call on the Yugoslav claims bill. There is considerable opposition to that.

Mr. McCORMACK. I did not say there was any such agreement. I said if there was a roll call I hoped it could go over until Wednesday.

Mr. VORYS. That is not a noncontroversial bill.

Mr. McCORMACK. I understood that; the gentleman and I have had some talks on this; and I am sure the gentleman has no objection to any roll call going over until Wednesday.

Mr. HALLECK. I take it then that, if we should get to the point of a vote and a roll call were imminent, that the majority leader would ask unanimous consent that the vote go over to the following day.

Mr. McCORMACK. Exactly.

Mr. HALLECK. And if consent could not be obtained, then he would simply move that the House adjourn.

Mr. McCORMACK. Exactly; I should be glad to.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CHURCH. Does the gentleman intend later today to take up Senate Joint Resolution 109, the bill that gives loans to veterans? The time expires tonight. The Senate resolution can be passed and become effective if it is considered today.

Mr. McCORMACK. On a matter of that kind, naturally I would consult the chairman of the committee having jurisdiction over it, just as any congressional

leadership on either side would consult either the chairman of the committee in control of the bill or the ranking minority member in his absence. I want to advise the gentleman frankly that that has been done. When I have knowledge I will not withhold it. It is the present intention to permit the amendments in the housing bill adopted yesterday covering S. 109 to go to conference.

Mr. CHURCH. Mr. Chairman, will the gentleman yield further?

Mr. McCORMACK. Certainly.

Mr. CHURCH. If Senate Joint Resolution 109 is brought up today and passed there can be no opposition to it, and then there will be no question of the legality of those loans. The leadership should pass it.

Mr. McCORMACK. There will be no difficulty in connection with the continuance of the activities of the agencies. My friend need not feel disturbed on that. The fact that my friend is so concerned over the legislation naturally creates an honest and justifiable suspicion in the minds of those who are proponents of the housing legislation, and that in no way impugns the very noble motives I am quite sure the gentleman has in trying to pressure us into action now.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. WHITE of California. Mr. Chairman, I move to strike out the last word and ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WHITE of California. Mr. Chairman, I take this time to make a brief explanation of a very important bill which I am dropping into the hopper at this time.

This bill provides for the consolidation of the civil functions of the Army engineers and the United States Bureau of Reclamation.

This is the most important reorganization procedure of all those recommended under the entire reorganization plan. As most of you will recall, the majority leader mentioned on the floor of the House a few days ago the fact that those who supported the Army engineers were holding up the entire reorganization bill. The conference committee fight on that bill was over the concessions that were desired on the part of those who supported the Army engineers. The bill I am today introducing will bring about a consolidation which is the most important part of the entire Hoover Commission report. Many of you have received letters and telegrams from your constituents urging you to support the findings of the Hoover Commission. I am anxious to see just how sincere a lot of people are on this reorganization proposition. Here is the test, right here in this bill, and I hope all the Members of the House will support it.

Mr. WADSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH. On page 17, line 21, strike out "$400" and insert "$250."

Mr. WADSWORTH. Mr. Chairman, of course, everyone in the Chamber who listened to the Clerk read the amendment understands what it does. I am in complete accord with every provision of this bill except that covering the funeral allowance. I fear we are establishing a precedent here that will plague us.

Under existing law for a veteran who dies, and he may die as the result of a service-connected injury after he has been discharged, there is a funeral allowance of $150. I do not believe we ought to make such a spread between the veteran at one end of the line, the $150, and the civilian employee of the Government, $400. Inevitably, Mr. Chairman, a drive will take place to raise the $150 to $400, and there are 18,000,000 potential beneficiaries. We are dealing in enormous figures. We are committing the Government by the establishment of a precedent of this sort to a tremendous expenditure just as sure as we are sitting in this Chamber. I cannot understand how it is that the committee which otherwise has done an excellent job failed, as the members of the committee have confessed that they failed, to give any consideration or even to inquire what the veteran's funeral allowance is. I do not mean to say unkind things, but practical minded men on this floor know that the undertaker will get the whole $400.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from New York.

Mr. KEARNEY. I was going to advance the thought the distinguished gentleman from New York has just stated, that where the veteran's funeral allowance is $150, and where the attempt is made to increase this from $200 to $400, there is not any question in my mind, as I have seen these cases come on from time to time, that the undertaker does get it all.

Mr. WADSWORTH. The undertaker gets it all. Do not labor under the delusion that the family is going to get the $400.

Mr. STEFAN. Mr. Chairman, will the gentleman yield.

Mr. WADSWORTH. I yield to the gentleman from Nebraska.

Mr. STEFAN. What is the figure in the gentleman's amendment?

Mr. WADSWORTH. I have suggested a compromise of $250, which is high enough.

Mr. STEFAN. Would the gentleman accept an amendment making it the same as the veteran gets?

Mr. WADSWORTH. I would not object to that, but under existing law, as I understand it, the civil employee's funeral allowance is $200. That is in the law as it stands today. I have suggested an increase of $50 but not up to $400.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. I can appreciate the reason for the gentleman's offering this amendment, I can understand his concern with the difference between what is mentioned here, $400, and the $150 for veterans; however, there is one other thought. We believe that the $200 should certainly be increased in line with the entire thought of this bill. There has been no change in the Employees' Compensation Act for 22 years.

Mr. WADSWORTH. That is right.

Mr. McCONNELL. There have been great changes in the purchasing value of the dollar. Much of the purpose of this bill is to correct the amounts allowed by the act and adjust them to changes in economic conditions; therefore if it is $200 in an act which is 22 years old, you may say, and it has been 22 years since changes were made, it is my opinion it would be logical to assume there should be an increase in the amount of funeral benefits, which should be in line with the change in the value of the dollar and I would say that would be more than $50 as suggested by the gentleman's amendment.

Mr. WADSWORTH. I might subscribe to the argument presented by the gentleman from Pennsylvania were I not convinced that the family will never see the $400. The undertakers will get it all. What you are doing is giving the undertakers more money.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KELLEY. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, the gentleman from New York stresses the point that the family of a deceased veteran receives $150 for funeral expenses. This $400 is a piece of legislation that is for an entirely different purpose. It is for the death of a Federal civilian employee whose death is brought about by reason of his employment. It is very likely that in most cases it will be an accidental death or by reason of an accident that would contribute to his death. In the case of a veteran, regardless of how death ensues, funeral expenses of $150 are paid. Also, if the veteran's family receives $150 from the Veterans' Administration, the chances are that he is employed and he is covered by workmen's compensation by some employer, or by reason of the laws of the State in which he lives. So therefore, I cannot see the connection between the $150 paid for the death of a veteran and the Federal civilian employee who is killed or dies as the result of his employment.

The gentleman from New York also says that this would establish a precedent. Well, he need not worry about that, because the precedent has already been established in the Longshoremen's Act that gives $400 in the case of death which results from his employment.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BURKE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I also would like to speak in opposition to the amendment offered by the gentleman from New York [Mr. WADSWORTH] for this reason: What he says about the greater amount of this benefit going to the undertaker is true. That is what it is for. It is an allowance for funeral expenses. The family is to receive compensation under the schedule set out in the bill in the event

of the death of the individual worker. I cannot understand the talk about 18,000,000 potential payments. According to the statistics that were presented to the committee, I believe there were in the neighborhood of an average of 200 or 250 deaths a year that resulted in the course of and arising out of the employment of the individual.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. BURKE. I yield to the gentleman from New York.

Mr. WADSWORTH. When I mentioned the 18,000,000 potential claims, I was referring to the veterans; inasmuch as one group of people have this $400, they will immediately begin to say, "We should have as much as $18,000,000."

Mr. BURKE. Oh, I see. The committee, in arriving at this $400 figure, took, first of all, into consideration the fact that $200 is the amount set out in the present act, and then looked at similar legislation adopted by the Congress—and I do not know which Congress adopted the Longshoremen's Workmen's Compensation Act—and noted that the amount set aside for funeral expenses was $400. So it is the same type of legislation covering the same general purposes, and the committee felt that the $400 was a justified amount. If it was justified in one act, it is justified in the other, and certainly the increased cost of that piece of service, in that type of funeral-expense service that is given, is justified by the increase that the committee sets forth in this bill. Therefore, I believe that all arguments point in the direction of the adoption of the bill itself, and I would like to reiterate or reemphasize my opposition to the amendment offered by the gentleman from New York.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. JACOBS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not presently aware of what the allowance for the burial of a veteran is, but I am under the impression that there is a fixed allowance to bury a veteran regardless of what occasioned his death.

I do not propose to dwell on whether or not the allowance for the burial of a veteran is adequate or inadequate, because it is not germane to this bill. The question before the House today is, What is an adequate sum to bury a person? One who has lost his life in an accident arising out of his employment with the Government is entitled to be buried at the Government's expense.

I dare say that most of the men on this floor today have paid funeral bills at some time in their life. If you have, you know that $400 is not an excessive amount to pay for a decent funeral. I am not prepared to and will not advocate the waste of any of the Government's money, but I do not believe the United States Government has gotten so poor that it cannot afford to pay for a decent burial for those who are killed in the course of their employment by the Government.

The question of what the allowance is to the veteran is not germane to the subject that is being discussed here at all, because the question is, What does it cost for a decent burial today? I do not think $400 is excessive. We must meet the question of the veterans' allowance when, as, and if it comes up. I say to you that if it is not adequate and the Government owes an increase in the allowance for the veteran's funeral, I for one will vote for it. If I think it is adequate under all the circumstances, I will vote against it. But there is not a man here today that does not know that it takes at least $400 to give a person a decent burial, and there is not a man here who does not know that the people of the United States are willing and able to furnish a decent burial to anyone who dies in its service.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH].

The question was taken; and on a division (demanded by Mr. JENKINS) there were—ayes 22, noes 28.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. MCCORMACK, having assumed the chair, Mr. DEANE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes, pursuant to House Resolution 265, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

### COMMITTEE ON THE JUDICIARY

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight to file reports on certain bills which were approved today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

### THE HOUSING BILL

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, during the remarks of the distinguished majority leader [Mr. MCCORMACK] on the housing bill yesterday, the gentleman from Ohio [Mr. SMITH] disputed the statement of the majority leader that the low-rent public housing projects which will be assisted under the housing bill will be entirely locally owned. The gentleman from Ohio [Mr. SMITH] insisted that the majority leader was mistaken in making that statement.

Mr. Speaker, it was the gentleman from Ohio [Mr. SMITH] who was completely mistaken on this point. Under H. R. 4009, as well as under the existing public housing program, projects are owned by the local housing authorities which initiate and operate them from the outset. The Federal Government functions exclusively as banker and guarantor of the annual contributions for the project and could acquire ownership only if the local authority should default on its obligation or its contractual commitments. Furthermore, after the bonds financing the project have been fully amortized, the local housing authority would continue to own them free and clear of any debt and the Federal Government's liability and supervisory relationship would cease. Under H. R. 4009, it is expected that this amortization period will be completed within 29 to 33 years.

Mr. Speaker, during the debate yesterday the gentleman from Massachusetts [Mr. HERTER] also attempted to reply to the remarks of the majority leader by claiming that the aggregate annual contributions for public housing to be paid under H. R. 4009 will greatly exceed the construction costs of the projects and that the only honest way to develop such projects would be through 100 percent direct capital grants by the Federal Government to cover the full development cost of the projects. In making these claims, the gentleman from Massachusetts [Mr. HERTER] was confused both in his arithmetic and in his understanding of the housing legislation. On the basis of 810,000 housing units of public housing, the maximum development cost which would be permitted by the housing bill would be $6,844,000,000. If the Federal Government were to make 100 percent capital grants up to this amount, this $6,844,000,000 would clearly be an addition to the Federal debt and would result in a corresponding increase in the annual interest charges payable on that debt. Somehow the gentleman from Massachusetts [Mr. HERTER] completely overlooked the cost of money to the Federal Government. On the other hand, reasonable estimates of the probable annual contributions which would be required for 810,000 public-housing units range between $6,900,000,000 and $7,850,000,000 over a period of 29 to 33 years. When those aggregate figures are discounted at 2½ percent, which represents the cost of long-term money to the Federal Government, the present value of the actual contributions which will be

paid on that housing ranges between $4,850,000,000 and $5,300,000,000, or substantially less than the development cost of the projects.

YUGOSLAV CLAIM BILL

Mr. VORYS. Mr. Speaker, I ask unanimous consent for permission to file minority views on the bill H. R. 4406, the Yugoslav claim bill. I had previously obtained such permission, thinking that it had been granted in such form as to be continuing, but am renewing my request in the event of any doubt.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. GAMBLE asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. RANKIN asked and was given permission to revise and extend the remarks he made today and include certain newspaper articles.

Mr. O'HARA of Illinois asked and was given permission to revise and extend his remarks in the RECORD.

EXTENDING BENEFITS TO PART-TIME EMPLOYEES

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 259, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2619) to extend the benefits of the annual and sick leave laws to part-time employees on regular tours of duty and to validate payments heretofore made for leave on account of service of such employees. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, I reserve one-half hour for my own use and yield half an hour to the gentleman from New York [Mr. WADSWORTH].

Mr. Speaker, as the Clerk has read, this bill makes available to people who are, what we call, part-time employees, some of the benefits that have been accruing to people who are regular employees of the Government. As this will probably be your and my last official act in this old Chamber as we now know it, I would like to have you give consideration to a bill which I feel does justice to a great portion of the employees in the Federal Government.

May I digress long enough to say that I hope that with the remodeling and changing of this room it will not lose many of its fine traditional aspects, and that I can still look up and see the seal of the State of Ohio, as Members from other States may look up and see the seals of their respective States.

So, this being the last official act in this Chamber as we now know it, we have reported this bill to you to do justice to our employees. We have a number of part-time employees, many women, as you know, who come in very early in the morning and clean our offices and do the char-work to make our working quarters livable and clean and a place where we can receive our constituents with pride.

These part-time Government employees are compensated properly, but they have no sick leave and they have no annual leave. I feel that you and I as the Representatives of our people have upon us the obligation of spending the taxpayers' money wisely and carefully. We want to do it as justly as possible. At the same time, we cannot save money to our Government by neglecting duties, any more than a man can increase his family savings by neglecting his children. If you do without milk or without dental care and other things for your children, naturally the savings of your family would increase, but that family has neglected some of its real obligations. So we here in Government want to save money, but we cannot do it by neglecting the obligations that naturally devolve upon us as Representatives of the people. I am sure no taxpayer at home wishes to have inequities exist among the people who give their services to the Federal Government.

So now we have this bill, 2619, which will make it possible for these people, who work at least a minimum of 5 days on a part-time basis, to receive compensation for injury, and also to have sick leave and also what we call annual leave. Those benefits have always accrued to the other employees of our Government. This bill merely does justice to many of the people who, I might say, work at the disadvantageous hours of the day, the time of the day when it upsets their regular program. I see charwomen coming from our offices when I go to work in the morning, realizing that they have been there 3 or 4 hours doing their tasks.

We are merely providing this extra security for them. Some of the critics of the bill may say that these people on a short-hour daily basis can go out and earn money in other fields. I do not think we can legislate against that. That will probably happen in any field of public endeavor, but that should not in any way prejudice you in your attitude toward this legislation.

Mr. Speaker, I reserve the balance of my time, and I now yield to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, I agree completely with the observations made by the gentleman from Ohio [Mr. McSWEENEY].

There are no requests for time on this side of the aisle, so far as I know.

Mr. McSWEENEY. Mr. Speaker, I yield 10 minutes to the gentleman from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SMATHERS. Mr. Speaker, I want to thank the gentleman from Ohio [Mr. McSWEENEY] for allotting me this time. I would not have asked for it, but on yesterday we had a very controversial and very heatedly argued housing bill, H. R. 4009, under consideration and by reason of the parlimentary situation I did not get an opportunity to speak on certain amendments which I proposed to introduce. As I stated in the debate, day before yesterday, it was my intention to vote all the way for that bill. I wanted and expected to vote for public housing.

We have in south Florida a Public Housing Authority which has proven to be very helpful. It has been properly administered. However, in title II of the bill H. R. 4009, it appeared to me there were many provisions which should not be in the bill. The motives and purposes behind the housing bill are most commendable. What the administration wants to do certainly should receive the plaudits of every one of us, but there are provisions now in title II which I felt would not result in a desirable type of legislation. Therefore, when the parliamentary situation was such that title II was stricken from the bill, many of us who had perfecting amendments and amendments that were desirable, were suddenly in the position of not being able to offer them. The result was that even the committee amendment to limit the number of public housing units to 810,000, was lost. Yesterday the House voted for the construction of 1,050,000 units.

I would like to call to the attention of the members of the Banking and Currency Committee, particularly those who will be conferees, that under the rules of the House they will be allowed to strike out certain of the provisions of H. R. 4009, if they deem it desirable.

The first thing I would like to call to their attention is on page 31 of this bill. The provision has to do with the per-room cost. The bill now reads:

Every contract made pursuant to this act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities), shall not exceed $1,750 per room.

It then goes on to provide that if the Administrator finds it desirable he can raise the cost per room $750, which may make a total cost per room of $2,500, excluding the land. I say that figure is entirely too high. I hope that the committee, and the gentleman from Pennsylvania, who is sitting here, a member of that committee, will seek to strike out that particular amount of $2,500 per room, excluding land. We know from past experience that whenever we attempt to set a maximum price figure it becomes the minimum figure. We know

what our experience was during the war when prices were fixed by OPA. The maximum figure became the lowest figure, in fact the only figure on cars, food, and clothing. Certainly under the FHA this has been true. The maximum insurance figure is always the minimum. I hope therefore that the conferees will make an effort to strike this figure of $2,500 per room cost because obviously it is entirely too high.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMATHERS. Yes; I shall be pleased to yield to the gentleman from Indiana.

Mr. HALLECK. At the time the bill was under consideration yesterday I had proposed to offer an amendment which would have been in line with the letter of the President to the Speaker regarding the average cost per dwelling unit. The President said that his interpretation of the bill was that the average cost per dwelling unit would be $8,465. As the parliamentary situation worked out, however, I was not permitted to offer that amendment. But I am glad to join with the gentleman in expressing the hope that either as the result of the conference or as a result of administrative action two things may happen: No. 1, that these units be built as economically as possible; and, No. 2, that they should not be more luxurious, or elaborate, or expensive than are the homes in which other people are living who are paying the taxes.

Mr. SMATHERS. I thank the gentleman for his contribution and subscribe to what he has said. The motives and the purposes of this bill are most laudable. The figures given us by the Federal Housing Authority, gathered from New York, Chicago, California, and Florida, show that the cost per room under the 608 provision, which, incidentally, is luxury-type construction, does not equal in any instance $2,500 per room, including the land. I say, therefore, that the figure in the bill of $2,500, excluding land, is obviously too high. If that figure remains, all contractors will be leaving the private building industry and going into the public housing business. All labor, lumber, nails, cement will be channeled out of private building into public housing. It will be a serious blow to the private building industry, which is now trying to construct low-cost housing, with the encouragement and assistance of the Federal Government, for people of low incomes.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. SMATHERS. I gladly yield to the gentleman from Ohio.

Mr. McSWEENEY. I had an amendment to offer to title II yesterday, and my amendment was that we take into consideration the census which would be completed in 1950 or 1951 and predicate our findings upon that very complete survey. In fact, it will be the most complete survey that America ever made of her situation and the situation of all her people, including housing. I think that would have helped in deciding the cost of operation under the bill.

Mr. SMATHERS. I thank the gentleman for his comment and agree with him. Another reason that this bill in its present form should be amended is because it is discriminatory. On January 27, 1949, the distinguished chairman of the Committee on Banking and Currency introduced a bill designed to help private builders. It was known as H. R. 1938. Turn to page 5 of that bill and we see that this provision made for the FHA to insure mortgages on new dwellings for families of low income was not to exceed $8,100 per family unit; in other words, $8,100 per family unit figured at 4½ rooms per unit, which is the customary way of figuring it, means a maximum per room cost of $1,800, but I remind you this room cost of $1,800 includes the cost of land, whereas the $2,500 per room cost, authorized in 4009—does not include the land.

In other words, what we are doing in private dwellings where people pay their own rent is to say to them that the Government will lend you less than $1,800 per room, whereas to those who live in public housing the Government says you can have a much more commodious room at a cost of $2,500; yet people who are in the $2,500 rooms are having a portion of their rents paid by the Federal Government, which gets the money from those who live in privately owned housing. That provision could well be stricken.

It is also discriminatory against veterans because when we look over here on page 9 of H. R. 1938 we see that there is a provision for veterans' cooperatives where the Federal Government is going to help and encourage veterans to build housing units for themselves. Yet what does it do under this act? It sets a per-room cost limitation of $2,000—including the land as the maximum allowable for the vetereans, while in the public housing bill it allows $2,500 maximum room cost, excluding land. If that is fair to the veteran who pays his own rent, then I do not know what the word fair means. I am confident it was not the intent of the committee, certainly not the administration, to allow a $2,500 per room cost for people who are not able to pay their rent, as worthy and as meritorious as they may be, while at same time restricting veterans and other low-income people, who are paying their rent, and who are helping and assisting in the payment of the rent of people in the public housing, to much less commodious, less comfortable, less well-constructed rooms by limiting them to at least $500 less than they are allowing for the public-housing rooms. I am confident that the gentleman from Pennsylvania and the gentleman from Texas, both members of the Banking and Currency Committee, will remember these discrepancies and will take them into consideration when they go to conference with the Senate.

It has been said many, many times that we do not want to have the Federal Government interfere in any way with the operation of the local housing agency. Yet on page 26 of H. R. 4009 we see this language:

> The Public Housing Agency shall fix the maximum income limits for the admission and for the continued occupancy of families in such housing at such maximum income limits, and all provisions thereof shall be subject to prior approval of the authorities.

Certainly that is all right. But I want to call your attention to this further provision, in the light of the assertions of local control that were made yesterday. The members of the Committee on Banking and Currency repeatedly said that "We do not want to have Federal control of the local situation." But in the bill you have the following provision:

> And that the Authority in Washington may require the Public Housing Agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this act.

I could well argue that that is no attempt to decentralize. Certainly that language does not give to the local public housing agency the right to set their own rents and determine what should be done. That language does the opposite of providing local control. It specifically calls for Federal control.

The SPEAKER. The time of the gentleman from Florida has expired.

Mr. McSWEENEY. Mr. Speaker, I yield the gentleman one additional minute to answer a question from the gentleman from Florida.

Mr. BENNETT of Florida. Mr. Speaker, will the gentleman yield?

Mr. SMATHERS. I gladly yield to my able and hard-working colleague from Florida.

Mr. BENNETT of Florida. As the gentleman from Florida knows, I also had an amendment to provide that the money which is paid out every year be specifically put under the preliminary scrutiny of the Committee on Appropriations and that it shall go through the Congress every year in a more practical manner than in the present bill. I do not know whether the gentleman has an opinion on that matter or not; but I would like to know whether he feels that perhaps the conference committee should deal with that matter or whether it should be established by separate legislation that, as to the future, as of January 1, 1950, and following, we should require this control.

Mr. SMATHERS. I feel confident that the members of the Committee on Banking and Currency realize that many of us yesterday who had what we felt were worth-while amendments, by reason of the development of the parliamentary situation were unable to present them. I am confident that they will give us consideration when we talk to them and try to do what they think is right. I certainly agree with my colleague from Florida.

The SPEAKER. The time of the gentleman from Florida has again expired.

Mr. McSWEENEY. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. POULSON].

### RECORD DROUGHT IN CALIFORNIA

Mr. POULSON. Mr. Speaker, a new all-time dry record of five consecutive subnormal rainfall years was chalked up June 30 in southern California when the 1948–49 season ended.

Franklin Thomas, outstanding water authority and chairman of the State's Colorado River Board, said this is the first time in 180 years of California rainfall statistics that drought conditions have extended over a 5-year period.

The previous record was the 4-year series of 1928, 1929, 1930, and 1931.

According to Thomas, the unprecedented continuous drought condition that has hit the southern portion of the State extends back to March 4, 1944. During the ensuing 64-month period, only 8 months have measured up to the normal rainfall expectancy, he said.

Citing official rainfall figures for Los Angeles, Thomas said the city received only 8 inches during the past year, bringing the accumulated deficiency for the 5 years to 28 inches. Based on the long-term annual average of 15.22 inches, the deficit represents 23 months of average precipitation.

"In other words, we have lost forever about 2 years of badly needed rain," he said.

Indicating the broad extent of the rainfall deficiency, Thomas said a recent survey by Los Angeles County officials showed underground water levels had dropped as much as 16 feet since last year in the Central Coastal Plain, near Pico. Other sections showing loss of water storage were San Gabriel Valley, the West Coastal Plain, Glendora Basin, Claremont Basin, Pomona Basin, and Antelope Valley.

"The only thing saving us from water rationing in many cities today is the Colorado River supply made available by the Metropolitan Water District's 457-mile aqueduct system," Thomas said.

Population of the 28 cities now in the district was given as 3,526,000.

Thomas is dean of students at California Institute of Technology and represents the city of Pasadena on the water district board of directors.

He added that the southern California water supply problem should be "the strongest kind of warning to the men and women who live here to get busy and help protect their share of Colorado River water."

"The Colorado is the only source that can meet our fast growing water requirements and protect us from the effects of recurring drought cycles," Thomas declared.

Thomas referred to bills pending in Congress to build a $738,000,000 irrigation project to take Colorado River water into the central part of Arizona for farm use.

He said that the water to grow crops in Arizona would be taken from the supply needed for the cities, homes, and industries of southern California.

The official California solution to the prolonged water war with Arizona is to have the Supreme Court decide how much Colorado River water should go to each State. Legislation to effect this settlement is before Congress now and should be passed promptly.

Mr. McSWEENEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed on.

Mr. MURRAY of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2619) to extend the benefits of the annual and sick-leave laws to part-time employees on regular tours of duty and to validate payments heretofore made for leave on account of services of such employees.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2619, with Mr. DEANE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MURRAY of Tennessee. Mr. Chairman, the purpose of H. R. 2619 is to extend annual and sick leave benefits to part-time Federal employees on regular tours of duty covering not less than 5 days in any administrative workweek, and to validate payments previously made to certain part-time employees in the Library of Congress for accrued annual leave upon their separation from the Federal service.

At the present time under the annual and sick leave acts of March 14, 1936, part-time Federal employees who have regular tours of duty covering not less than 5 days in any administrative workweek, except such employees in the postal service, are not entitled to sick and annual leave benefits. Full-time employees under such leave acts are granted 26 days annual leave and 15 days sick leave annually.

A full-time employee is one who works at least 5 days a week and 8 hours each day. This bill will also extend the benefits of the annual and sick leave acts on a pro rata basis to all part-time Federal employees for whom there has been established a regular tour of duty covering not less than 5 days in any administrative workweek. We have many regular Federal employees who work at least 5 days every week but who work less than 8 hours a day. The Comptroller General has held that employees, although they work 5 days every week throughout the year, and though they are regular Federal employees, are not entitled to sick and annual leave if they work less than 8 hours each day, or a 40-hour week. We have about 10,000 employees in our Government who are regular Federal employees, who work 5 days a week, but who work less than 8 hours a day. Among these 10,000 employees who would be covered by this legislation are janitors, charwomen, and cleaners who hold positions throughout the Federal service. There are also approximately 3,800 such part-time employees in the Department of Medicine and Surgery of the Veterans' Administration who are hospital attendants, laboratory workers, X-ray and general technicians, and other subprofessional part-time employees. There are approximately 2,000 attendants and part-time employees of the Veterans' Administration who would be affected by this bill.

I might say that postal employees who work less than 8 hours a day already receive their proportionate sick and annual leave. Also, legislative employees who work less than 8 hours per day 5 days a week receive their proportionate annual and sick leave. The charwomen who work here in the Capitol and the Senate and House Office Buildings and who are legislative employees get their proportionate sick and annual leave. They work only 3 hours per day, and they get 26 3-hour days of annual leave a year, which would be 78 hours annual leave.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from Kentucky.

Mr. GOLDEN. The gentleman who spoke a few moments ago said that the charwomen who take care of the offices for the Congressmen should be allowed this pay, but is it not true they are already allowed this vacation and sick leave?

Mr. MURRAY of Tennessee. The gentleman from Kentucky is correct. All legislative employees, even though they work less than 8 hours per day, are entitled to their proportionate sick and annual leave. Under our present sick and annual leave law, every employee who is on a 40-hour week, that is, who works at least 5 days a week 8 hours per day, is entitled to 26 days annual leave and 15 days sick leave. If the part-time employee, a regular employee, works 5 days a week, but works only 7 hours each day, under the ruling of the Comptroller General such employee is not entitled to any sick leave or to any annual leave. If an employee works 3 or 4 hours a day, such as cleaners, janitors, and charwomen, 5 days or 6 days a week throughout the year, then such employee is not entitled to annual or sick leave.

Under this bill, if the employee works 4 hours a day for 5 days a week per year he would be entitled to one-half the annual and sick leave which employees are entitled to who work 8 hours. In other words, the part-time employees would not get the full 26 days annual leave and 15 days of sick leave but would get only their proportionate part. If they work only 3 hours a day 5 days a week, then they would get three-eighths of 26 days annual leave and three-eighths of 15 days sick leave. If an employee worked 2 hours a day 5 days a week, then that employee would get one-fourth of the 26 days annual leave and one-fourth of the 15 days sick leave.

This legislation does not apply to employees who do not work regularly every day. The employees who are covered by this legislation must be full-fledged employees of our Government and must work at least 5 days per week. If an employee works only 4 days a week he is not covered by this bill. It requires a regular tour of duty of 5 days per week.

It certainly seems to me, since we give regular employees who work 8 hours per day 5 days per week the full privileges of both annual and sick leave, that we should give these part-time employees

who are regular employees working 5 days a week and who work less than 8 hours a day their proportionate part of sick and annual leave.

This legislation is recommended unanimously by the Committee on Post Office and Civil Service, the General Accounting Office, the Library of Congress, the Bureau of the Budget, and the Civil Service Commission, and I trust the membership will take favorable action with respect to the bill.

Through a misinterpretation of the Annual and Sick Leave Acts, charwomen who are part-time employees in the Library of Congress were granted pro rata sick- and annual-leave benefits for several years. However, on May 21, 1948, the General Accounting Office raised the question as to the payments made by the Library of Congress to such part-time employees for accrued annual leave upon their separation and directed the Library of Congress to the decisions of the Comptroller General which held that only full-time employees were entitled to such benefits under the Annual and Sick Leave Acts. This bill, under section 2, would validate such payments which have been made to former part-time employees of the Library of Congress who accrued annual leave, which amounts to about $6,000. As I already said, postal employees who work part time, but less than 8 hours a day, get their sick and annual leave; legislative employees who work less than 8 hours a day get their sick and annual leave; and why in the name of justice, is it not equitable and fair that these people, employees in the executive departments of our Government, who work regularly 5 days a week, but less than 8 hours a day, should receive their proportionate sick and annual leave? This certainly is just and meritorious legislation.

Mr. GOLDEN. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I wish to endorse everything that our able chairman of our splendid committee has said. We had ample hearings on this bill. It was reported out unanimously by the subcommittee and by the full committee. I know of no reason why Federal employees, who are required to report to their post of duty 5 days a week, even though they do not put in eight full hours a day, should not be given pro rata vacations and sick leave.

It appears to me that this legislation will bring in line these part-time employees and that it is just and should be passed.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. GOLDEN. I yield.

M. SADLAK. I join in the fine statement that the gentleman from Kentucky just made, and in the fine explanation made by our genial chairman of the committee. I recall the hearings before the subcommittee and the full committee and as they have stated, the bill was reported unanimously. I hope it will pass.

Mr. GOLDEN. Mr. Chairman, I have no further requests for time.

Mr. MURRAY of Tennessee. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.,* That part-time officers and employees for whom there has been established a regular tour of duty covering not less than 5 days in any administrative workweek shall, unless otherwise excepted, be entitled to the benefits pro rata of the annual and sick leave acts of March 14, 1936 (49 Stat. 1161 and 1162, respectively), and such acts are hereby amended accordingly.

SEC. 2. Any person who prior to the enactment of this act received any amount the payment of which is authorized for the first time by this act is hereby relieved of all liability to refund to the United States any such amount.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DEANE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2619) to extend the benefits of the annual- and sick-leave laws to part-time employees on regular tours of duty and to validate payments heretofore made for leave on account of services of such employees, pursuant to House Resolution 259, he reported the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

## REPORTS FROM WAYS AND MEANS COMMITTEE

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on House Joint Resolution 287 and H. R. 5332.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 20 minutes.

## BASING-POINT SYSTEM BEFORE HOUSE SOON WOULD REPEAL LARGE PART OF ROBINSON-PATMAN ACT AND PERMIT CEMENT AND STEEL INDUSTRIES TO FIX PRICES WITHOUT RESTRAINT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain statements and excerpts and other extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, this morning the Rules Committee approved an application for a rule to consider the bill S. 1008. That is known as the basing-point bill.

I heard the announcement of the majority leader the gentleman from Massachusetts [Mr. MCCORMACK], in which he said that the bill would probably be taken up next Wednesday, with 3 hours' general debate. I want to ask the Members to seriously consider that bill. I think it is against the interests of this country. I am not impugning the motives or intentions of anyone who votes the other way. I am sure they are just as honest in their views as I am in my views, but I am merely expressing my own feelings about the bill.

I hope the Members who are interested will read my extension of remarks in the Appendix of the RECORD today.

That bill will legalize the basing-point system. It will legalize the old Pittsburgh-plus that has been outlawed in this country for a long time. It will reinstate the old Pittsburgh-plus. It will mean price fixing, because the Supreme Court said the basing-point system is a handy instrument for monopoly and price fixing and price discrimination. It is not the American system, the way I view the American system. It is contrary to the free-enterprise system. It is the cartel system for monopolies and trusts, and absolute price fixing.

I cannot conceive of a Congress passing a law which gives these huge concerns the power to continue to do in the future what has just been outlawed by the United States Supreme Court.

For 25 years the cement companies in this country have fixed identical prices, down to the sixth decimal point. The Supreme Court held that was unlawful, and stated why. This bill, if passed, would legalize that. I do not think it should happen.

The steel industry has been doing the same thing. Now, after their system has been outlawed, they run to Congress to try to get it legalized. So I trust that every Member of this House will study this question carefully before casting a vote in favor of it on next Wednesday, if it is taken up then.

I expect to insert in the CONGRESSIONAL RECORD at this point a lot of information concerning this basing-point system, and I hope you will give it consideration.

## REPORT ON RULES ON HEARINGS ON S. 1008, JUNE 29, 1949—TESTIMONY BY REPRESENTATIVE OF 34,000 SMALL INDEPENDENT RETAIL PHARMACISTS AND DRUGGISTS HEARD IN OPPOSITION TO S. 1008

On the second day of hearings on small-business objections to S. 1008, the bill to amend the Federal Trade Commission Act and the Clayton Act as amended by the Robinson-Patman Act, the committee heard the testimony of Mr. George H. Frates, Washington representative of the National Association of Retail Druggists, an organization comprised of over 34,000 small independent retail pharmacists, practicing their profession in every State of the Union and in the District of Columbia.

## PASSAGE OF ROBINSON-PATMAN ACT REPRESENTED OUTSTANDING VICTORY FOR SMALL INDEPENDENT RETAIL DRUGGISTS OVER CHAIN STORES AND OTHER LARGE BUYING GROUPS—ACT CLARIFIES SITUATION NOT COVERED BY OTHER ANTITRUST LAWS

Mr. Frates opened his testimony by stating that the objections of the members of his organization to the bill, S. 1008, were based on the fact that its pro-

visions would violate and weaken the Robinson-Patman Act. He stated that the passage of the Robinson-Patman Act in June of 1936 was regarded as an "outstanding victory for the small independent retail druggists of the Nation" over chain stores and other large buying groups. He explained that the Robinson-Patman Act was a most necessary and important component of the antitrust laws because it "clarifies a situation not noticeable in other antitrust laws and sets forth specifically the terms and conditions upon which price differentials, quantity discounts, and rebates of one kind or another are legitimate."

POWERFUL OPPONENTS OF ROBINSON-PATMAN ACT FOUGHT ITS PASSAGE—MONOPOLY STILL OPPOSES ACT

He asserted that powerful opponents of the Robinson-Patman Act used every possible deceptive method and argument to delay and stifle the passage of the act. He said that big business sought "to hoodwink the public by control of many of the large daily newspapers of the country through advertising manipulation; by insinuating propagandists in the women's clubs; by decrees to chain-store employees; by pamphlet, publication, circular." He also said that time and experience has shown that monopoly still opposes the act, but that the only kind of a business which is handicapped by its effectuation is a business which "finds it impossible to operate on a fair and honest basis."

FREIGHT ABSORPTION CAN BE USED AS SUBTERFUGE OF WORST KIND IN PRICE DISCRIMINATION AGAINST SMALL BUSINESS—BURDEN OF PROOF SHOULD REMAIN ON RESPONDENT IN PRICE DISCRIMINATION LITIGATIONS

Mr. Frates stated that "freight absorption, calculated to stifle competition, is a subterfuge of the worst kind unless it can justify the discrimination—in price—on a cost basis." He said that under the Robinson-Patman Act the burden of proof in price-discrimination cases is upon the respondent. He said that there would be a shift in this burden of proof to the plaintiff by the passage of S. 1008.

He described the practice in use by large buying groups before the passage of the Robinson-Patman Act by which an agent for chain stores or large buying groups conferred with a manufacturer and obtained a list of prices. The district or local branch store managers were then required to buy only at the listed prices. He warned that "if the list prices include the cost of delivery to the branch store, a discrimination at once appears between those delivered prices to the branches of the chain, and prices to other buyers from the manufacturer who sold f. o. b. factory."

ROAD TO MONOPOLY STREWN WITH WRECKS OF INDEPENDENT BUSINESS—ROBINSON-PATMAN ACT HAS PROTECTED BUSINESS AND CONSUMER FROM THREATS OF MONOPOLY FOR MANY YEARS

Mr. Frates asserted that since the passage of the Robinson-Patman Act equal opportunity has been given to all those who are usefully employed in the service of distribution. Efficient protection has been afforded the public since the passage of the act, which gave small business a fighting chance against big business. He emphasized the fact that the road to monopoly is strewn with wrecks of independent business. For those reasons he stated that Congress should consider most carefully whether the hurried action on S. 1008 is in the public interest. He stated that no opportunity has been given to the opponents of S. 1008 to present their views.

PRESERVATION OF SMALL INDEPENDENT UNITS OF ENTIRE DISTRIBUTION SYSTEM OF NATION DEMANDS ANTITRUST LAWS BE STRENGTHENED—PASSAGE OF S. 1008 WOULD DEPRIVE SMALL RETAILER OF NECESSARY PROTECTION

Mr. Frates warned that monopoly thrives when big business is able to get price and other concessions not available to all retailers. He said that big business is able to subdue competition by working on one sector of an industry at a time. He stressed that fact that unless the entire distributional system of the Nation is to be revolutionized and the little independent units that now comprise the greater part of it eliminated, we must get back on a sound, fair, economic basis. He said that the Robinson-Patman Act should be strengthened, not weakened, as it would be by the passage of S. 1008.

INDEPENDENT DRUGGISTS ARE INNOCENT BYSTANDERS ON WHOM THERE HAS BEEN DUMPED AN AVALANCHE OF STEEL AND CEMENT IN BASING-POINT FIGHT

Mr. Frates stated that S. 1008 arose as the result of a squabble belonging to the cement and steel giants, but that the result of that squabble has been a bill which would substantially weaken the Robinson-Patman Act, which is the strongest protective legislation for the small retailer. He described the position of the independent druggists in the basing-point fight as that of innocent bystanders on whom there has been dumped an avalanche of steel and cement. He said that S. 1008 is clearly a bill to appease big business because they were slapped down in the basing-point decisions of the Supreme Court.

PROTESTS AGAINST PASSAGE OF S. 1008 RECEIVED FROM INDIVIDUAL DRUGGISTS IN EVERY STATE IN THE UNION

He emphasized the fact that many letters had been received by the organization from individual druggists in every State protesting the passage of S. 1008 on the grounds that it would weaken the Robinson-Patman Act, which they consider their greatest protection against monopolistic pricing practices. He read the addresses from a sample number of these letters at the conclusion of the hearing.

REPORT ON HEARINGS ON S. 1008, JUNE 28, 1949—THREE WITNESSES REPRESENT LEADING INDEPENDENT WHOLESALERS AND RETAILERS IN EVERY CONGRESSIONAL DISTRICT IN AMERICA

Three witnesses from the United States Wholesale Grocers' Association, Mr. Harold O. Smith, Jr., Mr. R. H. Rowe, and Mr. W. A. Quinlan, testified in the first day of hearings on small-business objections to S. 1008—called the O'Mahoney amendment—which would amend the Federal Trade Commission Act and the Clayton Act as amended by the Robinson-Patman Act. Mr. Quinlan stated that he was also general counsel for the Associated Retail Bakers of America and the National Candy Wholesalers Association, Inc., and that his testimony would reflect the views of those groups as well as those of the United States Wholesale Grocers' Association.

Mr. Harold O. Smith, Jr., vice president of the group, opened the testimony with an introductory statement explaining that the wholesale grocers of the United States are represented in every congressional district in considerable numbers. He stated that the average wholesale grocer is a very civic-minded individual and also reflects the viewpoints of the many retail grocers whom he serves. He felt that the scope of the testimony to be offered by representatives of the group was extensive in bringing out the viewpoint of many independent merchants concerning S. 1008.

R. H. ROWE, A LEADER IN FIGHT FOR PASSAGE OF ROBINSON-PATMAN ACT, STATES S. 1008 WILL JEOPARDIZE ROBINSON-PATMAN ACT, SMALL BUSINESS' GREATEST PROTECTION AGAINST MONOPOLY

Mr. R. H. Rowe, vice president and secretary of the United States Wholesale Grocers' Association, the second witness, stated that his group is opposed to S. 1008 because "its language jeopardizes the effectiveness of the Robinson-Patman Act in its provisions against price discriminations in favor of chain stores and other large buyers." Mr. Rowe was one of a group of independent merchants who led the fight against the giant buying organizations in the years prior to 1935 when price and other discriminations granted by food and grocery manufacturers to big mass-buying organizations amounted to a "national trade scandal." Mr. Rowe outlined the background of the circumstances which brought about the need for the Robinson-Patman Act. He said that the Great Atlantic & Pacific Tea Co. alone received annual concessions from its manufacturer suppliers amounting to $8,000,000. Large buying concerns received huge discriminatory discounts and allowances while "the small buyer was left holding an empty bag."

Mr. Rowe, in describing the effect of the passage of the Robinson-Patman Act, said it "stopped this flood of concessions to the big buyer as against the average buyer and in doing so it also affords protection to manufacturers against the coercive discount and concession demands of big-buying organizations."

S. 1008 WITH AMBIGUOUS CHANGES IN ROBINSON-PATMAN ACT UPSETS APPLE CART AND INVITES RETURN OF DISCRIMINATION TIDE AND SUBMERGENCE OF SMALL BUSINESS

Mr. Rowe asserted that the Robinson-Patman Act permits price differentials only as related to saving in cost to the seller and freedom from injury to competition. He said:

> We believe S. 1008 with its ambiguous changes in the law upsets the apple cart and invites the return of the discrimination tide and the submergence of small business.

He said that some persons had voiced the opinions that the removal of the Robinson-Patman Act would bring about hard instead of soft competition, but he continued "this could mean the death of the small trader." It was his opinion

that this striving to obtain hard competition was nothing more than an attempt to soften the antitrust laws.

ROWE TERMS HASTE IN PASSAGE S. 1008 IRONICAL

Mr. Rowe said it was his opinion that it is ironical that "with all the furor and concern in the present Congress over the rapid encroachment of monopolies and investigations planned to ascertain their extent a substitute bill on delivered pricing should pop up in the Senate and be quickly passed and then hurried through the House Judiciary Committee without benefit of open public hearing."

S. 1008 WOULD LEAVE SMALL-BUSINESS MAN WITH NO PROTECTION AGAINST MONOPOLY AND MONOPOLISTIC PRACTICES

Mr. Rowe said that S. 1008 would jeopardize the law that affords the greatest protection the small-business man has against monopoly and the aggressions and oppressions of monopolistic practices. Mr. Rowe concluded his testimony with the opinion that the prime cause of the present proposals to change the antitrust laws was first attempted evasion by big business and, when that does not work, effort to change the laws the evasion.

WILLIAM A. QUINLAN CALLS S. 1008 "BULL IN CHINA SHOP" BECAUSE IT UPSETS YEARS OF COURT DECISIONS ON ROBINSON-PATMAN ACT

Mr. William A. Quinlan, general counsel for the United States Wholesale Grocers' Association, was the third witness. He asserted that the Robinson-Patman Act has become a living and effective document by court interpretations and studies made of every word and phrase for more than a decade. He warned that S. 1008 would throw away charts and compasses of the businessman and his lawyer and perhaps remove the protection which small business has had against predatory competition of chain stores and others. He stated that for those reasons he considered S. 1008 to resemble a bull in a china shop.

S. 1008 ORIGINALLY BROUGHT UP BY BASING-POINT PROPONENTS BUT ACTUAL PROVISIONS REPEAL HEART OF ROBINSON-PATMAN ACT

He stated that the original demand for new legislation came from industries using uniform industry-wide basing-point pricing systems, because of the decisions in the Cement and Rigid Steel Conduit cases. However, S. 1008, in its attempt to solve the alleged delivered price problem, has in his opinion, drastically modified the Robinson-Patman Act, which applies to all business operations whether in industries concerned with basing-point pricing or not. The groups represented by Mr. Quinlan are in effect innocent bystanders in this conflict because, although they are not concerned with the basing-point fight, the law which affords them their greatest protection against big business and price discriminations will be seriously weakened by the passage of S. 1008.

QUINLAN STATES GROUP GIVEN NO OPPORTUNITY TO TESTIFY ON S. 1008

Mr. Quinlan stated, in a reply to a question from a member of the committee, that his group was not given an opportunity to appear at any public hearing on this bill either in the Senate or before the House Judiciary. The United States Wholesale Grocers' Association submitted an unsolicited written statement to the Judiciary Committee, but a statement by the chairman of that committee 5 days later, to the effect that no testimony has been received in opposition to S. 1008 led Mr. Quinlan to believe that the statement of his group had not reached the chairman.

QUINLAN GIVES SPECIFIC CRITICISMS OF S. 1008 SECTION BY SECTION

Mr. Quinlan outlined the specific language in S. 1008 which would bring about the drastic changes in the Robinson-Patman Act and destroy its effectiveness in protecting the independent merchant against monopolistic pricing practices of giant buying organizations.

Among the points brought out in criticism of the actual wording of S.1008 were the following:

First. The burden of proof in litigation under the Robinson-Patman Act is so changed that it will be extremely difficult to prove the necessary factor of bad faith or collusion. He stated that the elimination of the Kefauver amendment also increases t e difficulty of proving infractions of the act.

Second. The provision authorizing identical prices for different delivery points may be used to justify identical prices to a few chosen customers in different parts of the country.

Third. "Absorption of freight" as used in S. 1008 is an illusory phrase since the shipper can raise his base price to offset any absorption of freight charges.

Fourth. The provision authorizing a seller to charge a differential which he customarily maintains may freeze existing predatory price practices.

QUINLAN GIVES RECOMMENDATION OF WHOLESALE GROCERS CONCERNING S. 1008

Mr. Quinlan stated the position of his group in these words:

To make our position perfectly clear, we believe that the bill S. 1008 should be denied a rule, and that if and when it is called up without a rule it should be voted down by the House or recommitted to the Committee on the Judiciary.

WALTER B. WOODEN, ONE OF NATION'S MOST EXPERIENCED AND EXPERT ATTORNEYS ON DELIVERED-PRICING SYSTEMS TESTIFIES IN OPPOSITION TO S. 1008 BEFORE HOUSE SELECT COMMITTEE ON SMALL BUSINESS, JUNE 30, 1949

Mr. Speaker, I would like to insert into the CONGRESSIONAL RECORD the testimony of Mr. Walter B. Wooden, whom I consider to be one of the Nation's foremost, if not the foremost expert, on delivered pricing, the operation of basing-point systems, and court cases, which have led up to S. 1008, the proposed bill to amend the Federal Trade Commission Act and the Clayton Act, as amended by the Robinson-Patman Act:

WALTER WOODEN QUALIFIED AS WITNESS BY 40 YEARS' EXPERIENCE

Although I make this statement in my individual capacity as a citizen, it so happens that I am senior Associate General Counsel of the Federal Trade Commission and have been intimately associated with all the cases in court which have led up to the proposed legislation. I have been in charge of the Commission's appellate work for several years past. I had charge of the trial, briefing and argument of the Cement Institute case before the Commission. I briefed and argued it before the United States Circuit Court of Appeals and participated in the briefing and argument of it before the Supreme Court. I briefed and argued the Rigid Steel Conduit case before the United States Circuit Court of Appeals, and was on the brief in the Supreme Court. I briefed and argued the so-called Glucose cases in the United States Circuit Court of Appeals and argued one of them, the Staley case, before the Supreme Court. I handled before the courts all the other Commission cases involving delivered-price system, including the Pittsburgh Plus case, the Salt Producers case, the Maltsters case, the Milk Can case, the Wire Rope case, and the Crepe Paper and Book Paper cases. I have specialized in the investigation and analysis of price-fixing methods for some 40 years and of formulas for fixing of identical delivered prices during the larger part of that time. Some portions of the Commission's reports to the Senate and to the President on the operation of the Steel Code during and after NRA were drafted by me. I prepared and submitted a lengthy statement to the TNEC concerning the basing-point system in the steel industry and was delegated to examine certain officials of United States Steel concerning their use of the system.

Nevertheless, this statement is an expression of my individual, personal views for which no one else has any responsibility. They carry no authority other than that of their intrinsic weight and involve no attempt to express or interpret the present views of the Federal Trade Commission.

Interpolating in my prepared statement at this point I shall quote from an address made by me in January 1947 before the New York State Bar Association in a symposium on the Robinson-Patman Act. That was more than a year before the decision of the Cement Institute and Rigid Steel Conduit cases. Discussing some of the questions which are involved in the legislation now under consideration I said:

"As I see it, we have developing here under our very eyes what is essentially a dynamic conflict between what very powerful business interests regard as good business economics and what the statutes which define our public policy and the courts which apply them regard as discriminatory, unfair or collusive, depending on the facts of a particular case. Only the resolution of that conflict can bring our law and our practical economics into harmony."

SHALL ECONOMY CONFORM TO LAW OR LAW CONFORM TO ECONOMICS OF MONOPOLISTIC CAPITALISM? FORCES OF MONOPLY HAVE CARRIED BALL TO 5-YARD LINE IN STRUGGLE

"The fateful question is whether ultimate harmony between our law and our economy will be attained by making our economy conform to our law as it now stands or by permitting our law to be conformed to the economics of monopolistic capitalism, whether by judicial and administrative action or by legislative enactment."

That fateful question is now far along in the process of rapid answer through a proposed legislative enactment. It is the thesis of my statement that the proposed legislation would bring about the necessary harmony between our law and the economics of monopolistic capitalism by conforming our law to such economics. Only a naive and lively imagination would suppose that the alternative is true and that the proposal is to make such economics conform to the law as our highest courts have declared it. Metaphorically speaking, the forces of monopoly have carred the ball to our 5-yard line in a brilliant display of strength, skill, and split second timing, with all the elements of surprise strategy, forward passing, kicking, blocking, running, faking and sheer smashing power.

As I understand it, the function of this committe is to protect and promote the economic and legal interests of small business. The very existence of the committee is a recognition that unless the interests of small business are pprotected, there can be no solution to the problem of monopoly short of a governmentally regulated or socialized economy. So the committee's function necessarily coincides with the economic and legal philosophy represented by the antitrust laws. Basic among these laws is the Sherman Act of 1890. The stake which small business has in supporting the philosophy of that act and of the statutes which supplement it was expressed by Judge Learned Hand, speaking for the court of last resort in the Aluminum case in 1945. Stating that Congress had not seen fit to distinguish between good and bad trusts but had forbidden all, Judge Hand said:

"Moreover, in so doing it was not necessarily actuated by economic motives alone. It is possible, because of its indirect social or moral effect, to prefer a system of small producers, each dependent for his success upon his own skill and character, to one in which the great mass of those engaged must accept the direction of a few. These considerations, which we have suggested only as possible purposes of the act, we think the decisions prove to have been in fact its purposes." (*United States* v. *Aluminum Co. of America* (148 Fed. 2d 416, 427).)

To a similar effect spoke Justice Douglas, of the Supreme Court, in his dissenting opinion of some 2 weeks ago in the Standard Oil case. He said:

"Price control is allowed to escape the influences of the competitive market and to gravitate into the hands of the few. But beyond all that there is the effect on the community when independents are swallowed up by the trusts and entrepreneurs become employees of absentee owners. Then there is a serious loss in citizenship. Local leadership is diluted. He who was a leader in the village becomes dependent on outsiders for his action and policy. Clerks responsible to a superior in a distant place take the place of resident proprietors beholden to no one. These are the prices which the Nation pays for the almost ceaseless growth in bigness on the part of industry." (*Standard Oil Co. of California, et al.* v. *United States*, Case No. 279, October term 1948, decided June 13, 1949.)

The marked similarity in the views of Justice Douglas and Judge Hand will be noted. As a matter of fact, all courts, administrative agencies, and legislative bodies have given at least lip service to the philosophy of the antitrust laws expressed by these two outstanding judges and students of the social and economic problems that underlie the law.

Coming closer, however, to the practical problem that has grown out of recent court decisions and to which pending legislation relates, Justice Douglas said in the Standard Oil case:

"The increased concentration of industrial power in the hands of a few has changed habits of thought. A new age has been introduced. It is more and more an age of "monopoly competition." Monopoly competition is a regime of friendly alliances, of quick and easy accommodation of prices even without the benefit of trade associations, of what Brandeis said was euphemistically called cooperation. While this is not true in all fields, it has become alarmingly apparent in many (supra)."

S. 1008 WILL LEGALIZE PRICING METHODS CONDEMNED BY OUR HIGHES" COURTS

In my judgment, the pending legislation would greatly facilitate that "quick and easy accommodation of prices even without the benefit of trade associations to which Justice Douglas referred. It is beyond dispute that the bill which has passed the Senate is intended to legalize methods of pricing which our highest courts have condemned as in violation of existing law. They are methods of "quick and easy accommodation of prices" which "monopoly competition" has been perfecting over the years in defiance of law and is now demanding be given the sanction of law. The bill would legalize what the Supreme Court in a unanimous opinion by Chief Justice Stone in the *Staley Case* (324 U. S. 746, 751), where there was no issue of collusion and conspiracy, said was "a pricing system which, if followed, would produce exact identity in prices [of glucose] of the several producers when sold in any city of the United States." Obviously, that is a form of the "quick and easy accommodation of prices" to which Justice Douglas referred.

IF S. 1008 PASSES, IDLE TO RETAIN SHERMAN ANTITRUST LAW, WHICH DENOUNCES PRICE-FIXING CONSPIRACIES

In the face of that quick and easy accommodation of prices which the bill would legalize through the sanction of basing-point and zone-delivered price systems and their systematic freight absorptions it is idle to reaffirm or attempt to retain the law denouncing price-fixing conspiracies. Many of these systems are historically the product of such conspiracies which have been more or less furtively carried on despite the law. One of the Commission's notable findings of fact in the Cement Institute case with regard to the basing-point method of pricing and the freight absorption inherent in it was as follows:

"Excluding errors made in the application of this pricing formula, it is plain that it will inevitably result in identical delivered prices for cement at any given location by all sellers using it. It is equally plain that this formula, once put into operation, is self-perpetuating in the sense that renewed understandings or agreements are not needed to maintain identical delivered prices over an indefinite period of time." (F. T. C. Decisions, vol. 37, p. 87, 150.)

S. 1008 WOULD LEGALIZE SELF-PERPETUATING PRICE FIXING FORMULA

If the Commission was correct in that finding then the pending bill would legalize a self-perpetuating formula which does not need renewed understandings or agreements to maintain identical delivered prices "over an indefinite period of time." If identical delivered prices are bad when arrived at through collusion are they any better when arrived at through a formula which does not need the renewal of collusive arrangements previously existing?

BASIC QUESTION TO BE ANSWERED BY CONGRESS: DO WE WANT PRICE COMPETITION OR IDENTICAL DELIVERED PRICES?

In the last analysis the question is whether we want price competition which gives effect to the differences in cost of productions and cost of delivery or identical delivered prices which cancel out those differences in cost through freight absorption. We should not be naive enough to believe that the business interests supporting this bill are concerned about any kind or degree of freight absorption which fails to produce that result. They have persistently and insistently defended that result as the perfection of price competition and not its negation even when convicted of conspiracy.

FEDERAL TRADE COMMISSION PURPOSE OF STOPPING RESTRAINTS OF TRADE IN THEIR INCIPIENCY CANCELED BY S. 1008

The first section of the bill is frankly conceded by its author to be intended to cancel the law of count II of the Rigid Steel Conduit case and there is little doubt that it does so. The result is that there would be no way of challenging a basing point system except by establishing collusion in its operation. That would relegate us to the 50-year-old test of the Sherman Act and destroy the philosophy of 35 years standing that the Commission was created to arrest restraints of trade in their incipiency. It would cancel not only the law of the Conduit case but that of the Beech-nut case which has been a landmark for more than 25 years. Anyone who hopes otherwise must depend upon his ability to make the general and unadjudicated language of a proviso cancel out or override what is given by the specific language of the main enactment. Unless the concept of incipient restraint of trade can be applied to the basing point method of pricing, a method which the Supreme Court said was "a handy instrument for the elimination of any kind of price competition," the concept is an empty one and the Commission loses the thing which differentiates it from the Department of Justice as a remedial agency.

S. 1008 REMOVES CHIEF LEGAL SUPPORTS OF PITTSBURGH PLUS CASE

A most important aspect of this matter is that when we cancel the law of the conduit case and of the Beechnut case we remove the chief legal supports of the Pittsburgh Plus case. There is no charge or finding of conspiracy in the Pittsburgh Plus case. If count II of the conduit case is not good law I cannot see that count I of the Pittsburgh Plus case is good law. A lawyer can hardly accept the idea that a practice which is unlawful for United States Steel Corp. may be lawful for its competitors. In industries composed of a few powerful competitors the Commission will find increasing difficulty in establishing conspiracy by extraneous evidence and will be effectively stymied by its inability to challenge the basing-point practice as an incipient restraint of trade. However, there is perhaps a form of ironic logic in the fact that as concentration of economic power grows apace it may be no longer fitting that we try to arrest restraints of trade in their incipiency. But to concede the futility of such effort just when the courts have crowned it with success makes it an obvious concession to expediency.

It being conceded that the purpose of the first section of the bill is to cancel the law of count II of the conduit case no one can well argue that the proviso relating to monopolistic and oppressive practice has any substance so far as the basing-point practice is concerned. No court has yet held or been given an opportunity to hold, except in the conduit case, that the basing-point practice as such is monopolistic or oppressive, or that it has a dangerous tendency unduly to hinder competition. The bill would block that quite hopeful and fundamental approach to the problem. It will take years to adjudicate the meaning of monopolistic and oppressive practice. During that time monopoly and oppression through frustration of price competition resulting from use of basing-point systems without extraneous evidence of conspiracy will be rampant. In this connection it is important to note that the House Judiciary Committee interpreted the words monopolistic or oppressive practice in the language of Assistant Attorney General Bergson that they were intended to cover a case of freight absorption for the purpose of driving a competitor out of business—a monopolistic practice, in other words, the brass knuckles sort of situation. Under such circumstances the courts will be urged and with considerable legal force, to limit the meaning of monopolistic or oppressive practice to that sort of situation and to exclude the monopolistic or oppressive effect of the practice on purchasers and consumers.

S. 1008 OFFERS SOLUTION TO UNITED STATES STEEL DIFFICULTY WITH LAW

I am sure United States Steel would be very happy over such a solution of its difficulty with the law as it now stands. No

lawyer would relish the job of upholding the Pittsburgh plus order under this bill or of modifying the order so as to preserve any of its potency. This is the case in which for 25 years the Commission has taken proper pride. With this bill as law the Commission in effect would have to say its pride has been misplaced for 25 years.

TO DISTINGUISH BETWEEN LEGITIMATE AND ILLEGITIMATE USE OF BASING-POINT SYSTEM LIKE DISTINGUISHING BETWEEN LEGITIMACY OF USE OF SLOT MACHINES FOR CROOKED GAMBLING

If this bill passes, a dangerous tendency unduly to hinder competition will no longer be a test of what is an unfair method of competition in this vital area of trade practice. As a matter of law the tendency could not be dangerous nor the hindrance to competition undue in the absence of conspiracy. Those who think that conspiracy can always be established where the dangerous tendency and undue hindrance exist are in my judgment living in a world of unrealistic fancy. The Commission's present difficulty of getting compliance with orders even when conspiracy has been established is but a forerunner of the greater difficulty that will hereafter exist in establishing it in the first place. There will always be a number of cases that approximate the facts alleged in count II of the Conduit case and yet without additional evidence of conspiracy. Under the bill, the Commission would either have to let such cases alone regardless of the dangerous tendency unduly to hinder competition which the courts have attributed to the basing-point practice as such, or it would have to establish conspiracy from those unaided facts. According to the critics of count II that should be a simple matter because count II sets forth a conspiratorial situation, a phrase that to my mind is conveniently vague and unlawyerlike. But unless the Commission does let such cases alone it will be resisted and attacked with little less force than it has been attacked as a result of its victories in the Cement and Conduit cases. If the industry-wide use of what the Supreme Court found to be a "handy instrument for the elimination of any kind of price competition" is not an incipient restraint of trade, the words have no meaning for me. To try to distinguish between the legitimate and illegitimate use of the basing-point system with its systematic freight absorption is like trying to distinguish between the legitimate and illegitimate use of a slot machine which is such a handy instrument for crooked gambling.

ENTIRE QUESTION OF LEGAL STATUS OF "COMMON COURSE OF ACTION" MUST BE RELITIGATED WITH PASSAGE OF S. 1008

Referring to the proposed legalization of freight absorption under the first section of the bill provided there is no combination, conspiracy, or collusive agreement, it should be noted that in its efforts to make effective its orders against such combinations, conspiracies, and agreements, the Commission has required parties in such cases to cease and desist from continuing or pursuing a planned course of action. That requirement was sustained by the United States Circuit Court of Appeals for the Seventh Circuit in the *Salt Producers Association Case* (134 F. 2d 354), and by the United States Circuit Court of Appeals for the Fourth Circuit in the *Wire Rope Case* (139 F. 2d 622). The requirement was also sustained by the Supreme Court in the Cement Institute case. The phrase was objected to as being novel and adding nothing to the words "combination, conspiracy, or agreement." The Supreme Court, however, said:

"It seems quite clear to us what the phrase means. It is merely an emphatic statement that the Commission is prohibiting concerted action—planned concerted action. The Commission chose a phrase perhaps more readily understood by businessmen than the accompanying legal words of like import" (333 U. S. 683, 728).

Since a planned common course of action with regard to freight absorption is not among the exceptions of the proviso, the probable effect of the bill would be to nullify these court decisions on this important point of remedial procedure. If this is correct, a very important judicially developed adjunct to the remedial laws of conspiracy cannot be used to inhibit a planned common course of action that was perfected before the order against conspiracy was entered. In any event, the whole question of the legal status of a planned common course of action would have to be relitigated just after it has been settled by the Supreme Court.

PASSAGE OF S. 1008 WILL END ANTITRUST LAWS BACK TO 1925

In my judgment, enactment of the first section of the bill would return us to the law as it was when the Supreme Court decided the Old Cement case in 1925 (268 U. S. 588). The Court then decided that conspiracy was not to be inferred from the mere use of the basing-point system with its inherent practice of systematic freight absorption and its resulting identity of delivered prices among competing concerns. The court rationalized the system and its characteristic results as being a normal method of meeting competition. The bill accepts and would return us to that rationalization, notwithstanding all that the courts and the rest of us have learned about the basing-point system in the last 25 years.

PROVISIONS OF ROBINSON-PATMAN ACT AGAINST PRICE DISCRIMINATIONS DESTROYED BY LANGUAGE IN S. 1008

Section 2 of the bill would amend the Clayton Act to give the price discriminations which are inherent in delivered price systems and freight absorptions a special and preferred status. Under 2 (a) of the bill the independent use of zone delivered prices cannot be challenged as a price discrimination no matter how it injures competition, unless there are zone differentials which happen to cause such injury. This is an effort to give a statutory status to the ill-considered dictum of the Supreme Court in the Staley case regarding the absence of discrimination in a uniform zone delivered price. But it flies in the face of the Supreme Court's statement (not dictum) in the same case that it is a discriminatory system if buyers adjacent to the seller's plant are not given the lower prices which their proximity entitles them to expect. Moreover, it precludes any challenge to zone delivered prices as discriminatory on the theory that mill net is the real price which was the theory adopted by the Supreme Court in the Staley and Corn Products cases. Not content with defining price in terms of commercial law in section 4A, section 2A makes zone delivered prices nondiscriminatory regardless of the commercial law of price. Commercial law might make mill net the real price but discriminations in mill net would still be legalized under 2A. It is well to remember that the commercial law of price did not figure at all in the Glucose cases but the Supreme Court did not hesitate to find and measure the discrimination in terms of mill net, which was just what the Commission had done. No one has yet suggested how it could have done otherwise. Moreover, it may be noted that section 2A of the bill assumes that there can be an injury to competition resulting from differences in delivered prices in a zone system but that there can be no such injury from identity of delivered prices. The effect of that is to discard the definition of price contained in section 4A and to make delivered price the price in a zone system regardless of the commercial law applicable to the transaction. Since the word "price" does not appear in section 2A, the definition of section 4A has no application to section 2A.

S. 1008 CANCELS LAW OF GLUCOSE CASES AND STOPS EXTENSION OF PRINCIPLE THAT DISCRIMINATION SHOULD BE MEASURED IN TERMS OF MILL NET PRICES

A further effect coupled with section 2B is not only to cancel the law of the Glucose cases but to preclude any extension of the principle adopted by the Supreme Court in those cases that discrimination is to be measured in terms of mill net prices. It also precludes any application of the present statutory principle of making due allowance for differences in cost of delivery. Those who dislike discrimination in the form of phantom freight and find it acceptable in the form of freight absorption should realize that a zone-delivered price system necessarily contains them both and the larger the zone the greater the amount of each. Section 2A legalizes both regardless of any provable injury to competition if the seller acts independently. The present statute requires such proof of injury in every case whether the seller is acting independently or not.

S. 1008 LEGALIZES ZONE SYSTEM OF PRICING WITH ITS BURDENSOME PHANTOM FREIGHT

A basing-point system can conceivably eliminate phantom freight and depend wholly on freight absorption but a zone system must have both. A basing-point system involves some substantial adherence to the principle of due allowance for differences in cost of delivery; the zone system disregards it entirely. Once established and in operation there is no system which so neatly facilitates concurrent action to eliminate price competition without extraneous evidence of conspiracy as the zone system. The bill would put a premium on zone systems over basing-point systems.

ELIMINATION OF KEFAUVER AMENDMENT LEGALIZES FREIGHT ABSORPTION EVEN THOUGH EFFECT LESSENS COMPETITION

Section 2B of the bill as it passed the Senate has been changed by the House Committee on the Judiciary so as to eliminate the parenthetical clause, "except where the effect of such absorption of freight will be to substantially lessen competition." The obvious effect of this change is to legalize freight absorption even where its effect might be to substantially lessen competition. The result would be to nullify the law as decided by the Supreme Court in the so-called Glucose cases. Moreover, in the absence of conspiracy the result would be to preclude any decision that the systematic absorption of freight such as existed in the Cement Institute case would substantially lessen competition even though it were the mathematical counterpart of identical delivered prices from competing sellers.

COLLUSIVE PRICE DIFFERENTIALS ESTABLISHED BY AGREEMENT YEARS AGO MAY BE PERPETUATED

I do not see the necessity for a statutory declaration under section 2B of the bill of the right to maintain a customary differential above or below the price of a competitor when the bill would also permit the withdrawal of the differential where necessary to meet the equally low price of a competitor. I do not believe the potentialities of this provision have been adequately explored. What is the status of a customary differential that may have originated years ago through agreement among competitors?

Let us understand that freight absorption is only a euphonious term for a certain kind of price discrimination which the Supreme Court held in the Glucose cases and in the Cement case was unlawfully discriminatory whenever it injured or prevented competition. Only when there is reasonable probability of such a result does the present statute make it unlawful and that probability must be established in every case by evidence that is substantial and convincing in the judgment of our highest courts. The proponents of the pending bill are taking no

chances that freight absorption can be challenged as unlawfully discriminatory even where competitive injury can be established. Section 2B of the bill as reported to the House emphasizes that fact because it strikes out the parenthetical exception as to lessening of competition and makes the flat and all-inclusive declaration that no freight absorption to meet the equally low price of a competitor in good faith shall be an unlawful price discrimination.

FAR-REACHING CHANGES IN ENFORCEMENT OF ANTITRUST LAWS WILL RESULT—BURDEN OF PROOF CHANGED UNDER ROBINSON-PATMAN ACT—TREBLE-DAMAGE CLAIMS BY VICTIMS OF MONOPOLISTIC PRICING MADE IMPOSSIBLE

Section 3 of the bill would seem to do away with the whole procedure of the present statute as to what constitutes a prima facie case and the entry of an order to cease and desist in such a case. The meaning of the present statute with regard to that procedure has recently been litigated. The meaning has been clarified by the recent decision of the Supreme Court in the Morton Salt case (162 F. 2d 949) and by the decision of the United States Circuit Court of Appeals for the Seventh Circuit in the Standard Oil case (173 F. 2d 210). By amending the present statute as the bill proposes in this respect, we would have to start all over again to find out just what constitutes a prima facie case of discrimination and when the burden of proof shifts to the party charged with discrimination. It is a conservative conclusion that this part of the bill alone would enhance materially the difficulty of enforcing the entire Robinson-Patman Act.

The provision in section 3 of the bill making good faith to meet an equally low price of a competitor a complete and absolute defense would set aside what the courts have said Congress meant by the present statute in the Standard Oil case. The objective test of injury is the only practicable and realistic way of determining good faith. Otherwise we might just as well substitute the words "with a pure heart" or "in good conscience" for that is how we would be interpreting good faith. We would be interpreting it as we would have to interpret the criminal provisions of section 3 of the Robinson-Patman Act (the Borah amendment). Needless to say such an interpretation would kill the statute for all practical purposes, as Congress recognized when it amended the Clayton Act in 1936. The law of torts knows no such defense as subjective good faith. What such an interpretation would do to the right of private damages conferred by section 4 of the Clayton Act can only be imagined.

OLD STANDARD TACTICS OF GEOGRAPHICAL DISCRIMINATION SANCTIONED

Under section 4C it appears that the maximum amount of freight absorption which the bill would legalize is the total cost of transportation from point of shipment to place of delivery. That is more than is necessary for the successful operation of a basing-point system. Ordinarily the system operates by the systematic absorption of only part of the transportation cost, figured in terms of rail freight. I am aware of no usage in industry of the term "freight absorption" that is not associated with the matching of competitors' delivered prices and with the precise amount of freight absorption in predetermined forms and amounts that is needed to accomplish that result. I have no doubt that industries accustomed to such freight absorption would interpret the bill as legalizing that practice. But in permitting freight absorption to the full extent of the freight involved the way is opened for some price leader whose leadership is not followed to "independently" absorb freight to such an extent as to substantially undercut the recalcitrant follower and force him back into price observance. If I am correct in this analysis not only the systematic freight absorption of the basing-point system but the old Standard Oil tactics of geographical discrimination through unsystematic freight absorption would find sanction in a Federal statute were the bill to be passed.

Section 4C defines freight absorption to include situations where the actual freight is less than the average cost of transportation to the seller. This applies to zone systems only but as already observed, this is surplusage as to them since zone systems are legalized under section 2A even though they include phantom freight.

BILL WOULD CREATE MORE CONFUSION AND HAMPER ENFORCEMENT OF ANTITRUST LAWS

So far as the bill is supposed to clarify the law I think it is a fair conclusion that it will create more confusion than it will resolve. But strangely enough both its clarifying and confusing features work in the direction of hampering enforcement of the antitrust laws. In my judgment the issue of clarification is a sham. The real issue is the manner and direction in which so-called clarification is to proceed. It is whether the Congress should intervene to abandon the normal method of clarifying the law through the case-by-case scrutiny of the Commission and of the highest Federal courts, the gradual process of judicial inclusion and exclusion. Enactment of the bill would be a vote of no confidence in that process. It would be special legislation in every sense of the word.

ECONOMISTS SAY BILL WOULD MAKE BIG BUSINESS BIGGER AND SMALL BUSINESS SMALLER

I presume that this committee is especially interested in the relation between this form of price discrimination which industry has christened freight absorption and the interests of small business or local enterprise. The terms of the Clayton Act as amended are ample evidence that Congress has long since recognized price discrimination as a threat to the existence of small business and a powerful force in building up monopoly and maintaining it against the pressure of newer and smaller competitors. Let us consider why and how the freight absorption type of price discrimination has that effect. First, what do the economists say?

Dr. Corwin Edwards, Chief Economist of the Federal Trade Commission, in an article published in the Georgetown Law Journal of January 1949, stated:

"A second broad characteristic of an industry-wide basing-point system is that it tends to facilitate the growth of large enterprises and to limit the growth of small enterprises, so that discrepancies in size within the industry are maintained and may even be enhanced" (p. 139).

He explained this by saying:

"Small concerns located away from the base quote prices in their home markets which are computed as the sum of the base price plus the full freight from the base to these markets, and, therefore, any enterprise at the base can invade these outlying markets without financial sacrifice. The entire market area lies open to the basing-point mill. By contrast, the home market of the basing-point mill is not fully open to anyone except another concern also located at the same base, for the outlying producers who sell toward the base find that in such sales their delivered prices go down while their freight costs rise, so that their net receipts are reduced by roughly double the amount of the freight outlay" (p. 140).

In further explanation, he said:

"The sacrifices imposed upon him by such a system are loss of his initiative and independence in making prices, abandonment of any effort to give a nearby customer a price incentive to deal with him rather than with a distant producer, and impairment of his opportunity to enlarge his business by reaching out to markets nearer the basing point. A concern which is willing to remain permanently small and docile is well suited to the use of such a pricing system, but a small concern which desires to grow is likely to find the system a serious handicap" (p. 142).

Dr. Edwards characterized the price structures of basing-point industries as "skewed in a direction adverse to the ambitions of small enterprises (p. 142) and said the system weights the scales in favor of the large enterprise as against the small, more decisively than do other types of geographic price structure * * *" (p. 146). Referring to possible changes in pricing methods "in consequence of the decisions in the recent cases, the long-run effect of the changes is likely to be a reduction in the strategic advantage to concentrations of economic power and a gain in the opportunity for small-business enterprises to pursue their own price policies, develop their own markets, and grow bigger" (p. 148).

The logical implication of Dd. Edwards' statements as thus quoted is that legislation which would legalize the pricing methods condemned by the recent decisions would have the long-run effect of enhancing the strategic advantages of concentrated economic power and of reducing the opportunity for small-business enterprises to compete in price, to develop their local markets, and to grow as they would grow if not stunted or strangled by distant, giant competitors through the systematic price discrimination that is called freight absorption.

S. 1008 WOULD RESTRICT DEVELOPMENT OF NEW INDUSTRIAL AREAS

Approaching the problem from the angle of regional development, Mr. William Summers Johnson, principal economic analyst in the Federal Trade Commission, reached conclusions similar to those of Dr. Edwards in an article published in the same issue of the Georgetown Law Journal. After a painstaking and brilliant economic analysis he said: "There have been demonstrated several mechanical ways in which the geographic price discriminations inherent in the basing-point system operate to restrict localization of industry in the newer industrial regions" (p. 164).

He further concluded that the small producer could not become a base mill without the hazard of engaging in "an unequal contest of matching income losses" resulting from the base mill's absorption of freight, that the small producer is restrained from lowering prices in his local territory when the large producer can match them through freight absorption, and that under specified circumstances the large producer could put his small distant competitor out of business by merely absorbing enough freight to meet the small producer's delivered prices (p. 165).

Supplementing these views of able economists within the Commission, the committee will no doubt want to refer again to the testimony given it last November by Dr. Frank A. Fetter, since deceased. Dr. Fetter was for over 25 years the most expert, effective, and distinguished economic critic of the pricing methods which the proposed bill would legalize. On the specific question of the effect of freight absorption on small business, Dr. Fetter assumed the existence of a small but growing business in an area where it had a substantial freight advantage over large competitors at a distance. He then testified:

"Suppose that when this favorable situation for the small business has been arrived at, suddenly freight absorption is permitted. What would happen? Before this mill has got further than the first reduction of delivered prices in that neighborhood, those prices would be matched or undercut, and the new enterprise would be bankrupted. It is obvious to any practical-minded person that a new industry can sell its product only at a somewhat lower price than that of its older competitors. Good will and advertising value have been accumulated by

the older firms. They have larger lines of products, quite apart from full line forcing, which is sometimes done. The smaller enterprise can make its way only by selling a little below the former delivered price in that area; not below the base prices of the older mills but below their delivered cost. Consequently, when you allow freight absorption, even to bring about identical delivered cost, and not less, the local small business is put at a great disadvantage. The older rivals can put it out of business, if they want to, by the use of selling effort. And the basing-point practice involves expensive selling effort. It is even boasted, as proof of competition, that 20 salesmen visit a single town in order to sell cement of homogeneous quality. That is, they claim it is homogeneous. No price advantage is given to any buyer, or can be given under the basing-point system by any one of the sellers." (Hearings before Subcommittee of Select Committee on Small Business, House of Representatives, on the Matter of Problems of Small Business Resulting From Monopolistic and Unfair Trade Practices, September, October, and November 1948, p. 889.)

LETTER FROM SMALL-BUSINESS MAN STATES FREIGHT ABSORPTION MAKES COMPETITION IMPOSSIBLE AGAINST LARGE GROUPS

Now let us see what some small-business men engaged in the production of goods have to say about freight absorption.

In a letter dated December 9, 1948, to President Truman with copies sent to Senators CAPEHART, JOHNSON, the Senators from Texas, the chairman of this committee and others, the Archer Products Co. of Fort Worth, Tex., expressed itself on the subject. The company disagreed with the claim that the law as interpreted by the Supreme Court threatened industry with chaotic conditions and created hardships for small-business men. The company defended the decision as advantageous to the consumer through lower prices, to the small-business man, and as promoting the interest of labor and the decentralization of industry. I should like to offer the entire letter for the record but will discuss only the portions which relate to the effect of freight absorption on the small-business man. The Archer Products Co. writes as a producer of canned meats, canned beans, and canned dog food. It said:

"The small-business man would immediately receive the protection necessary to make plans in his business without fear of eventually being subject to monopolistic practice of big business because no large manufacturer could, as has been done throughout the history of American industry, reduce the price on merchandise on one area such as the Southwest to a below-cost figure of 5 percent and increase the price in five other areas 1 percent and use this weapon to break or force little business to sell out. It would force big business to use the same basing price for all markets and consequently render it impossible for him to divide and conquer little business competitors throughout the country. If this fear is not existent ask any little business man who has attempted to expand his operations what answers he receives from the banks and other financial organizations in his locality and you will find that his financiers have advised him, (1) Do not grow large enough so as to incur the unpleasantness of national competitors. (2) The man with the most money in this type of business usually wins. (3) If your competitors did not include the largest manufacturers in America we would be happy to go along with you but the bigger your business grows the more vulnerable you become. Last but not least the question most prominent with banks and other sources of finance, What are you going to do when your large competitors start after you? You can readily see how f. o. b. pricing would immediately force big business to either decentralize or be noncompetitive in various markets.

* * * * *

"The Quartermaster Corps is purchasing at present canned meat for our armed services and ERP. Our plant is located in Fort Worth, Tex., with a capacity of 6,000 cases of canned meat daily. We were not able to bid on any of these contracts because sources of finance would not assist us in enlarging our plant which was taken up by domestic business consequently the bulk of contracts for canned meat items, which we manufacture, were awarded to concerns in the Middle West and East. In one contract alone involving several hundred thousand pounds was awarded to an eastern concern who is purchasing the boned meat in Fort Worth, Tex., which is being shipped from Fort Worth to this point at a freight cost of $3 per 100 pounds and a boxing and freezing charge of 1½ cents. On 1,000,000 pound contract it is costing our Government $45,000 more to secure this item than it would if the same merchandise was manufactured f. o. b. Fort Worth."

Disclaiming any intention to speak for any product other than canned meats and canned foods, and referring to the effect of the decision on such products, the Archer Co. said:

"But I am certain the food industry would be benefited greatly if for no other reason than most food items such as some canned meat items, pork and beans, and other items similar run from 30 percent added water to 75 percent added water. Consequently the consumer buying pork and beans manufactured in the East and sold in the West is paying a freight rate of $1.35 per 100 pounds for 75 percent water. In other words the western consumer is paying 57½ cents for eastern water. It just as easily could be added in the western area."

S. 1008 WOULD GIVE SANCTION TO UNECONOMICAL PRACTICE OF CROSS-HAULING FREIGHT

If the Archer Co. is correct, the effect of legalizing freight absorption is to legalize a practice which requires the consumer to pay freight on water in canned foods from the North and East when local enterprises in the South and West could be developed and save that freight by using local water. Under a fully developed basing-point system and systematic freight absorption on canned goods, northern and eastern water would be shipped into the South and West while southern and western water would be shipped into the North and East. Of course such unnecessary cross hauling is what takes place in any systematic practice of freight absorption. In the Cement Institute case the Commission found that under the basing-point system there was much cross hauling and that consequently the system "tends toward maintaining a price level sufficiently high to permit individual corporate respondents to sell cement outside the territory naturally tributary to their respective mills." (F. T. C. Decisions, vol. 37, 87, p. 253.)

In respect to the cross-freighting of steel products, Charles M. Schwab, in an address before the American Iron and Steel Institute in 1928, is reported to have said:

"One of the principal instances of such waste [of distribution] is the cross hauling of steel products.

"It is manifestly uneconomic for a steel manufacturer in Chicago to ship 100,000 tons of steel to Pittsburgh at a time when a Pittsburgh manufacturer is shipping a like quantity of like material from Pittsburgh to Chicago. The sales in each case must be made at prices prevailing in the districts where the steel is sold, and consequently the sales price nets less to the manufacturer in each case than they would have netted if the Chicago manufacturer had supplied the Chicago market and the Pittsburgh manufacturer the Pittsburgh market."

It is one thing to tolerate such an uneconomic practice as Mr. Schwab described and quite another thing to give it the sanction of a Federal statute, as is now proposed.

In a press release dated November 7, 1948, the Senate Trade Policies Committee (the Capehart committee) quoted from a letter written it by an unnamed midwestern manufacturer of vegetable oils, as follows:

"We have long felt that the practice of many of the larger companies in quoting delivered prices, and absorbing the freight was a serious threat to our business, as they have been making deliveries of competitive products from remote parts of the country to customers in our area at prices we have been unable to meet."

The same release quoted an unnamed but "old and active canners' association with large operations in the Middle Atlantic States" as saying: "It only stands to reason that if freight to some distant point is absorbed, that it must necessarily be paid by some customer close by." He said that the present law is "entirely adequate" and that "members can satisfactorily operate their business under the ruling as laid down by the Supreme Court."

FREIGHT ABSORPTION CAUSES "DUMPING" BY EASTERN MILLS

Now, consider a letter from the Western Gear Works of Seattle to its local chamber of commerce under date of September 4, 1948. It said, in part:

"Where the labor content in a product is high and where the market is local, it is obvious that manufacturers in a local area will be benefited if outside competition who have the advantage of lower labor rates and/or lower raw material costs are not permitted to absorb freight. In the past there has been considerable dumping into the Pacific Northwest and also in the Pacific Coast States by eastern manufacturers. With freight rates as they are, it is difficult for west-coast manufacturers to ship east. These and other factors should be weighed."

In testifying before the Capehart committee on December 8, 1948, Dr. Vernon A. Mund, economist of the University of Washington at Seattle stated:

"To the extent that fabricators buy basic commodities at eastern base prices plus rail freight, cost prices in the Pacific Northwest are high. As a result, local fabricators are unable to ship their products eastward to any appreciable extent in competition with others situated near an eastern basing point. * * * Many businessmen in the Pacific Northwest state that the practice of freight absorption by which distant eastern mills dump into this area by absorbing some of the freight has definitely served to retard the development of local industry, such as steel making, because local demand is readily supplied by the eastern mills." (Statement by Vernon A. Mund, Seattle, Wash., the Impact of the Pricing Policies of the FTC before the Trade Policies Committee, Senate Interstate and Foreign Commerce Committee, December 8, 1948.)

STEEL FOR WESTERN AREAS BECOMES GREATER PROBLEM UNDER S. 1008

The conditions referred to by Dr. Mund in the Pacific coast steel industry found expression by purchasers of steel for fabrication in hearings before the Senate Subcommittee on Surplus Property of which Senator O'MAHONEY was chairman. A statement on behalf of the steel committee of the Western States Council was presented and testimony given by John M. Costello, general manager of the Los Angeles Chamber of Commerce's Washington office. The Western States Council is a federation of the prin-

cipal chambers of commerce in the 11 States of California, Oregon, Washington, Idaho, Montana, Wyoming, Colorado, Washington, Nevada, Arizona, and New Mexico. Mr. Costello testified in November 1945, just 6 months after the Supreme Court in the glucose cases had held the freight absorption and phantom freight of a basing-point system unlawfully discriminatory. He cited those decisions in support of his objections to the discrimination against the Western States under the steel basing-point system. He complained because the price of steel charged by Pacific coast producers was composed of the eastern basing-point prices plus the cost of transportation from Atlanta or Gulf ports, this representing a charge for phantom freight of $10 to $15 per ton. Mr. Costello stated:

"The steel buyers of the West strenuously object to paying for steel produced on the west coast the same identical price that they are required to pay for steel produced at Chicago, Pittsburgh, Cleveland, Buffalo, or Sparrows Point, plus transportation to the western markets. They are determined that the whole pricing policy shall be revised as it applies to steel produced in the West." (Hearings before the Subcommittee on Surplus Property of the Committee on Military Affairs, pursuant to S. Res. 129 and S. Res. 33, p. 144.)

Mr. Costello testified that this discrimination against Pacific coast steel fabricators prevented them from competing with eastern fabricators in the same way that middle-western fabricators had been handicapped under the Pittsburgh-plus system. He said that the situation was not only quite similar but that "it tends to withhold the development industrially of a particular area" (p. 149). The Los Angeles Chamber of Commerce had been complaining to the same effect as far back as 1934 (report of the Federal Trade Commission to the President, November 1934, p. 19). Whether there has been any amelioration of the situation since Mr. Costello testified in 1945 I do not know.

However, K. T. Norris, who was chairman of the steel committee of the Western States Council and president of the Norris Stamping & Manufacturing Co., of Los Angeles, was quoted as stating in the August 1948 issue of Western Metals with reference to the steel industry change to f. o. b. mill pricing as a result of the court decisions, as follows:

"I think the long-range results of the f. o. b. mill-pricing system will be beneficial to the industrial West, because I am sure that such a system will accelerate decentralization of steel-producing facilities, with each industrial center tending to produce substantially its required tonnage."

To a similar effect and in the same connection was the statement of Joseph E. Padgett, vice president of the Solar Aircraft Co. He said: "In the long run, I am of the opinion that it will benefit the west coast because it will be another force actively at work to induce the establishment of sufficient steel-making and steel-rolling capacity out on the west coast to take care of the requirements here, and when that happens we will be much better off than we have been when we were dependent on distant materials."

SUBSTITUTION OF SYSTEMATIC FREIGHT ABSORPTION FOR PHANTOM FREIGHT WOULD LEGALIZE A SUBTERFUGE

But suppose it be said that however objectionable and indefensible discrimination in the form of phantom freight may be, discrimination through freight absorption is a horse of another color and this bill legalizes only freight absorption. The attempted distinction is fatuous and one of terminology. The competitive impact of discrimination is mathematical and not ideological. The Federal Trade Commission recognized this in a letter of May 17 to the chairman of this committee when it said:

"Freight absorption is frequently thought of as a reduction of the amount which a seller would ordinarily receive by all or part of the transportation charge incurred in making the sale. Under many basing-point systems there are producers who have no mill price, and who charge delivered prices that include imaginary transportation charges from other mills, now generally known as phantom freight. If these non-base mills establish mill prices as high as the former delivered prices at their mills, they can keep the same delivered prices by eliminating the imaginary freight charge. If they set mill prices still higher, what was formerly phantom freight would then be absorbed freight, though the delivered price has not changed. By setting a mill price high enough, every sale involving any transportation cost can be made to absorb freight. A price discrimination has the same effect, whether it is described as an additional charge to those who pay higher prices or as a reduced charge to those who pay lower prices."

A very clear and forceful demolition of the attempted distinction between freight absorption and phantom freight is the following from a recent book on the basing-point system by Dr. Fritz Machlup, of Johns Hopkins University:

"DISCRIMINATION BY ADDITION OR SUBTRACTION

"In the light of the foregoing discussion, what about the proposals that the charging of fictitious freight be prohibited but the absorbing of actual freight be permitted? Should one wonder about the naivete of the proponents? Or admire them for keeping straight faces and appearing serious while they try a good joke? Or should one take offense at the impudence with which somebody tries to pull our leg? Whether any particular price charged to a customer is increased by a fictitious charge or reduced by a generous allowance depends on the base price from which one chooses to start. If a delivered price of $60 seems to contain a fictitious charge of $10 as long as the base price is stated as $50, the seller needs only to increase his base price to $60 in order to avoid making fictitious charges. It is absolutely irrelevant whether price discrimination is practiced by making additional price charges to nonfavored buyers or by making special allowances to favored buyers" (pp. 150, 151).

The Supreme Court in the Staley case definitely rejected the argument that a seller could establish such a high factory price as always to admit of reductions in order to meet the prices of competitors and held that this would be a practical continuation of the former discriminatory basing-point system which included both phantom freight and freight absorption (324 U. S. 746, 757). The substitution of systematic freight absorption for phantom freight under this bill would legalize what the Supreme Court said in effect was a subterfuge. And that was in a case not founded on conspiracy but one where the injury to competition was among the purchasers discriminated against.

DELIVERED PRICES CALCULATED ONLY ON FREIGHT BY RAIL WORK HARDSHIPS IN MANY DIFFERENT WAYS

The kind of freight absorption which basing-point industries are interested in is that which results in matched delivered prices by sellers having different costs of delivery. Only by calculating their delivery costs in common terms can that result be reached. This accounts for the fact that delivered prices in such industries are usually calculated in terms of rail freight. When once so calculated, it is optional whether actual delivery be made by cheaper modes of transportation. But that would not reduce the cost to the buyer by a single penny. It would simply give the seller a larger mill net price by the amount of the saving in delivery cost. However, the United States Court of Appeals in the Cement Institute case held that to be a form of phantom freight which it would not attempt to justify as it did freight absorption.

This method of calculating delivered prices by figuring the freight only in terms of rail rates has had some interesting and important effects upon purchasers advantageously located for delivery by water or by highway. The removal of those effects in the steel industry after the industry went on the f. o. b. mill system following the Cement Institute decision has been the subject of public comment. Thus, Business Week for September 25, 1948, said river traffic was booming, in part because of the "push for freight savings resulting from elimination of basing-point price systems." The Iron Age of August 4, 1948, reported that "steel buyers are turning in droves from rail to other forms of transportation wherever they can," that pressure for truck shipments was heavy, and that water transport was also being used. Detroit buyers were said to be finding that they could get steel delivered from Chicago by water for about the same price as from a Detroit mill.

But let us go back to NEA-code days and by contrast see how buyers who wanted delivery by water or by truck were treated under the basing-point system despite their protests. The evidence is set forth at length in the report of the Federal Trade Commission to the Senate in March 1934 and to the President in November 1934. A number of written protests were made to the Steel Code Authority which was the board of directors of the American Iron & Steel Institute. These protests against the all-rail basis of calculating delivered prices came from local chambers of commerce in river towns and cities, from business concerns located at river points and from concerns engaged in water transportation. Some of these protests were submitted through Members of Congress. The Commission published the names of the protestants and the substance of their protests in its March 1934 report to the Senate (pp. 27–32). But the all-rail basis of calculating delivered price was continued.

In its report to the President in November 1934 the Commission said:

"The industry holds tenaciously to the principle of the all-rail basis of calculation. Numerous protests from substantial business interests submitted through their Senators and Representatives to NRA and by it to the American Iron & Steel Institute, were unavailing in obtaining modification of this principle in the amended code. Many of these protests were published in the Commission's report to the Senate.

"On June 20, 1934, Mr. R. W. Shannon, assistant deputy administrator of the iron and steel code section, NRA, wrote the institute including what he said was 'a partial list of protests against the present status of inland waterway transportation under the steel code.' The list of protestants included 72 names, of which 28 were industrial concerns, 8 were water-transportation agencies, 4 were associations devoted to improvement of rivers and canals, 4 were local chambers of commerce, 12 were United States Senators, and 14 were Members of the House of Representatives. Mr. Shannon's letter is reproduced in appendix F" (p. 23).

By a vote of 10 to 1 it was decided by the institute members that no change would be made in the all-rail formula and so the protests were unavailing. It is difficult to believe that the protests of 15 years ago have no present application or counterpart to a

pricing practice that continued after the Cement Institute decision.

Likewise the Commission's reports referred to give the names of numerous protestants and the substance of their written protests against the calculation of delivered prices which imposed a premium charge for delivery by truck of 35 percent of the all-rail freight. These protestants included business concerns as well as trucking associations. That premium charge was made even though the buyer furnished his own trucks. It has been continued in later years and presumably until the industry went to f. o. b. mill after the Cement and Conduit cases were decided. Here again the protests of 15 years ago are relevant to the recent past.

The proposed legalization of freight absorption would sanction the continuation or restoration of the all-rail basis of calculating delivered prices and of absorbing freight in terms of rail rates. Unless it does do so basing-point industries would not be getting through S. 1008 a method of freight absorption which they have considered vital to their objective of equalizing their delivered prices to such an extent that purchasers found no price advantage in dealing with one as against another.

In its report to the President of November 1934, the Commission stated:

"We respectfully submit that unless our institutions are to be fundamentally changed, industry and the administration must face the problem of a return to price competition rather than the perpetuation and legalization of price combinations.

"We believe that the road toward true recovery is not in the direction of the multiple basing-point system or other price-fixing methods but is in that of the restoration of industry to a condition of sound and fair competition, and that unfair methods of competition shall be vigorously proceeded against" (p. 40).

S. 1008 CONFLICTS WITH TNEC RECOMMENDATIONS ON BASING-POINT PRICING SYSTEMS

To the extent that the bill legalizes systematic freight absorption it legalizes the mathematical essentials of the basing-point system. It therefore runs directly counter to the unanimous recommendation of TNEC of which Senator O'MAHONEY was chairman, for a legislative outlawing of the system independently of conspiracy. That recommendation was made in 1941 after the most intensive and comprehensive study of monopoly and monopolistic practice ever undertaken. The conflict between TNEC's recommendation and what is now proposed is so startling that I want to read into the record just what TNEC said. I quote from its final report as follows:

"Extensive hearings on basing-point systems showed that they are used in many industries as an effective device for eliminating price competition.

"During the last 20 years basing-point systems and variations of such systems, known technically as 'zone pricing systems' and 'freight equalization systems,' have spread widely in American industry. Many of the products of important industries are priced by basing point or analogous systems, such as iron and steel, pig iron, cement, lime, lumber and lumber products, brick, asphalt shingles and roofing, window glass, white lead, metal lath, building tile, floor tile, gypsum plaster, bolts, nuts and rivets, cast-iron soil pipe, range boilers, valves and fittings, sewer pipe, power cable, paper, salt, sugar, corn derivatives, industrial alcohol, linseed oil, fertilizer, and others.

"The elimination of such systems under existing law would involve a costly process of prosecuting separately and individually many industries and place a heavy burden upon antitrust enforcement appropriations.

"We therefore recommend that the Congress enact legislation declaring such pricing systems to be illegal.

"Because such systems have resulted in uneconomic and often wasteful location of plant equipment, it is recognized by this committee that the abolition of basing-point systems should provide for a brief period of time for industries to divest themselves of this monopolistic practice.

"The committee is not impressed with the argument that a legislative outlawing of basing-point systems will cause disturbances in the rearrangement of business through a restoration of competitive conditions in industries now employing basing-point systems. Such disturbances may be costly to those who have been practicing monopoly. But the long-run gain to the public interest by a restoration of competition in many important industries is clearly more advantageous." (Final Report and Recommendations of TNEC, March 31, 1941, p. 33.)

When the courts, limited as they are to acting on substantial evidence in separate cases, have come to agree with the TNEC that the basing-point system in the decided cases is a price-fixing device, it would seem strange, indeed, if Congress should suddenly pass from a complete ignoring of TNEC's recommendation to such a complete sanction of its opposite number as this bill represents.

TNEC also characterized zone pricing systems and freight equalization systems as "variations" of the basing-point system. The United States Circuit Court of Appeals for the Seventh Circuit reached the same conclusion as to the status of a zone delivered price system in the Crepe Paper Association case, stating that "the zoning system here employed is an enormous exaggeration of the basing-point system, having 19 States as the focal basing point" (156 F. 2d 899).

The cement industry, of course, is one that is deeply interested in the legalization of the basing-point system and of the systematic freight absorption which is the mathematical counterpart of the identical delivered prices so characteristic of the cement and other basing-point industries. During the period of the National Industrial Recovery Act when the antitrust laws were temporarily replaced by so-called codes of fair competition, a Mr. John Treanor, one of the Cement Institute trustees and a recognized industry leader, wrote to a fellow trustee as follows:

"Do you think any of the arguments for the basing-point system, which we have thus far advanced, will arouse anything but derision in and out of the Government? I have read them all recently. Some of them are very clever and ingenious. They amount to this however: That we price this way in order to discourage monopolistic practices and to preserve free competition, etc. This is sheer bunk and hypocrisy. The truth is of course, and there can be no serious, respectable discussion of our case unless this is acknowledged—that ours is an industry above all others that cannot stand free competition, that must systematically restrain competition or be ruined." (Com. Ex. 7–B; Federal Trade Commission Decisions, vol. 37, p. 248.)

No longer do the arguments for the basing-point system arouse derision in the Government, for they are at the point of receiving the solemn sanction of a Federal statute. Even such a sanction, however, cannot exclude the underlying arguments for the system from the reach and thrust of Mr. Treanor's colorful characterization as being sheer bunk and hypocrisy.

PROPOSED BILL FORMIDABLE ATTEMPT TO EMASCULATE ANTITRUST LAWS

The proposed legislation is not the first but it is perhaps the most formidable attempt to emasculate the antitrust laws through congressional intervention. And as usual the confusion resulting from court decisions is assigned as the reason (cf. address of William J. Donovan before the committee of the American Bar Association in 1936). The confusion alleged to exist in the interpretation of these two supplementary antitrust laws is simply the counterpart of the confusion alleged to exist in judicial construction of the Sherman Act itself. The courts have been interpreting it for over 50 years but business lawyers still complain they don't know what it means. If they could be given the certainty and clarity they demand it ought to be equally feasible to define legislatively such phrases as reasonable care, due diligence, or due process. But there is reason to expect that enactment of this bill would be followed by demands for still further softening up of the antitrust laws. In an article by H. E. Luedicke in the Journal of Commerce of June 23, 1949, just 1 week ago, it was stated:

"The necessary reform of our antitrust laws and pricing policies will not be completed when Congress passes the O'Mahoney freight-absorption bill probably within the next few weeks.

"Important as it is to have the wings of the Federal Trade Commission clipped at this particular time when the return of competitive markets cries for the extensive use of freight absorption, this is only part of the reform job that has to be done by Congress—and should be done as soon as possible."

The article's reference to the relation between the return of competitive markets and freight absorption is more signficant than it may appear to the casual reader. It poses the question whether we are to have the lower price levels which are to be expected from genuine price competition or whether we are to have again what the economists called sticky prices, a stickiness which they found to characterize the basing-point industries in the great depression of the early thirties. The effect of the basing-point system in pegging present prices at inflated noncompetitive levels is indicated by the testimony of W. A. Irvin, president of United States Steel, before a Senate committee in 1936 (p. 596, hearings on S. 4055, 74th Cong.). He testified that ending of the system would produce a downward movement of prices. Perhaps that is the only way to get effective disinflation unless we discard price competition as a dangerous and destructive method of curing inflation and substitute a governmentally managed economy.

This so-called freight absorption to meet the equally low delivered price of a competitor is a method of matching delivered prices. It thereby eliminates price competition and produces a stickiness of price which is maintained in the face of falling demand by means of increasing disemployment and restricted output. Such stickiness and such means of producing it are incompatible with the competitive system of free enterprise. Unchecked they mean its decline and downfall.

MONOPOLY CAN BE WEAKENED BY RESTORATION OF VIGOROUS PRICE COMPETITION

If the diagnosis which the Commission and the courts have made of the monopolistic nature of the basing-point practice is sound it means that many commodity price structures and profit margins and even the capital structures of basing-point industries reflect that monopolistic virus. It follows that the practice has played its part in building up the unprecedented corporate profits and enormous undistributed corporate earnings of the last few years. As I see it these profits and undistributed and unreinvested earnings have resulted in no small degree from the absence of effective price competition and the absence of such competition has resulted in no small degree from the matching of delivered prices through systematic freight absorption. The functioning of a free competitive economy depends upon a continuous circulation of the products of industry and of the money to buy them. Monopoly and monopolistic practice tend to interfere with that circulation by creating excessive prices and profits which in the aggregate tend to form a huge blood cot in the circulatory sys-

tem of the economic body. When that clot grows to sufficient size it threatens us all with economic collapse and catastrophe. The present state of the economy is ominous of oncoming crisis. The only hope of dissolving that clot insofar as monopoly has created it is the restoration of vigorous price competition. And yet we are told by the proponents of this bill that what we need just now when price competition promises to return under the compulsion of existing law is a legalization of practices which make for a stickiness in price that is equivalent to creating blood clots in the circulatory system of our economy. The decision is one of the most momentous Congress has ever been called on to make. At least it should not be made with the unseemly haste which has attended the course of this bill.

PRACTICAL EFFECT OF S. 1008 WILL BE TO DESTROY ANTITRUST LAWS

My final judgment is that despite all its high-sounding provisos and exceptions, the practical effect of the bill if enacted, even with the Kefauver amendment and even with the blessing of sincere foes of monopoly, would be to emasculate the present laws because they interfere with the most subtle and successful devices, tools, and formulas for automatic price fixing, or as Justice Douglas put it, "the easy and quick accommodation of prices," that the best legal and economic apologists for monopoly and monopolistic practice have yet been able to devise.

Mr. DEANE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DEANE. The State of North Carolina within recent weeks approved, by a State-wide vote, a $200,000,000 bond issue. Of course, that conceives the building of a great many highways and roads in the State of North Carolina. In what way would the passage of this bill affect that road program, as far as cost is concerned?

Mr. PATMAN. I am glad the gentleman asked that question. I predict it will cost 25 to 50 percent more for cement. Cement is one of the major factors in the construction of highways. The cement companies will charge whatever they prefer to charge. Naturally, they will charge plenty.

Here is a bill that gives the Steel Trust and the Cement Trust and the Sugar Trust and all these other trusts using the basing point and having identical prices for 25 years, with no competition—the consumer does not have a chance—this gives them the right to continue that and make it legal, and no one can say their price is too high.

Ordinarily, in transportation systems and systems of that nature, there is some regulatory body that can say, "Your price is too high," an make them put it down. But in this you are turning them loose. They can fix their own prices. The sky is the limit. It is up to them. The consumers have to pay. No regulatory body on earth will have the right to come in say, "Your prices are too high."

In the next few years it is anticipated we will spend from three to five billion dollars a year on highway construction in this country. If we spend as much as the Washington Post indicated the other day, over the next 10 years, the cement alone each year will be 92,000,000 barrels for that road-construction program. That cement can cost $2.50 a barrel, $3.50, or $4 a barrel, whatever the Cement Trust decides to charge, if you pass this bill. It will retard the road-construction program to the extent that you will not be able to build as many miles of roads. The farmers are greatly harmed by a bill like this because the steel companies—you know they are in a trust and have been for 25 years—they will charge so much for steel that the farmers will have to pay an outrageous price for farm machinery. It is obsolutely wrong; it is not right. I hope that the Members of this Congress will stop and think before voting for a bill that will legalize a monopoly of this kind.

AUTHORITY TO THE CLERK TO RECEIVE MESSAGES AND TO THE SPEAKER TO SIGN ENROLLED BILLS

Mr. DEANE. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until tomorrow the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 834. An act to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes;

H. R. 3088. An act to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes; and

H. R. 5044. An act to continue for a temporary period certain powers, authority, and discretion in respect to tin and tin products conferred upon the President by the Second Decontrol Act of 1947, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 4754. An act to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

ADJOURNMENT

Mr. DEANE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 41 minutes p. m.) the House adjourned until tomorrow, Friday, July 1, 1949, at 12 o'clock noon.

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EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

731. A letter from the Comptroller General of the United States, transmitting a report on the audit of Inland Waterways Corporation and subsidiary, Warrior River Terminal Co., for the fiscal year ended June 30, 1947 (H. Doc. No. 248); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

732. A letter from the Comptroller General of the United States, transmitting a report on the audit of Government Services, Inc., for the year ended December 31, 1947; to the Committee on Expenditures in the Executive Departments.

733. A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of a bill entitled "A bill to amend the Public Health Service Act with respect to venereal-disease rapid-treatment centers, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

734. A letter from the Secretary of State, transmitting a draft of proposed legislation entitled "A bill to increase the annual authorization for the appropriation of funds for collecting, editing, and publishing of official papers relating to the Territories of the United States"; to the Committee on House Administration.

735. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal, and lists or schedules, or parts of lists or schedules, covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

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REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. House Resolution 274. Resolution for consideration of H. R. 1689, a bill to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies; without amendment (Rept. No. 952). Referred to the House Calendar.

Mr. MORRIS: Committee on Public Lands. H. R. 5310. A bill to confer jurisdiction on the State of California over the lands and residents of the Agua Caliente Indian Reservation in said State, and for other purposes; with an amendment (Rept. No. 956). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOGGS of Louisiana: Committee on Ways and Means. H. R. 5332. A bill to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones; without amendment (Rept. No. 957). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOGGS of Louisiana: Committee on Ways and Means. House Joint Resolution 287. Joint resolution extending section 1302 (a) of the Social Security Act, as amended, until June 30, 1950; without amendment (Rept. No. 958). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of Illinois: Committee on the Judiciary. S. 70. An act to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States; with an amendment (Rept. 959). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. S. 1042. An act relating to the payment of fees, expenses, and costs of jurors; with an amendment (Rept. No. 960). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 4875. A bill to amend title 28 of the

United States Code relating to travel expense allowances for Government employee witnesses; with an amendment (Rept. No. 961). Referred to the Committee of the Whole House on the State of the Union.

Mr. VORYS: Committee on Foreign Affairs. Part II, minority views on H. R. 4406. A bill to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments (Rept. No. 770). Referred to the Committee of the Whole House on the State of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 3718. A bill for the relief of George Seeman Jensen; without amendment (Rept. No. 953). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 4306. A bill for the relief of Zora B. Vulich; with an amendment (Rept. No. 954). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 4854. A bill for the relief of Mrs. Miriam G. Wornum; with an amendment (Rept. No. 955). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MANSFIELD:

H. R. 5403. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. JACKSON of California:

H. R. 5404. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. DAGUE:

H. R. 5405. A bill to create, and assign duties to, the office of the Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. DAVIS of Georgia:

H. R. 5406. A bill to create, and assign duties to, the office of the Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. SMATHERS:

H. R. 5407. A bill to create, and assign duties to, the office of the Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. GRANGER:

H. R. 5408. A bill to create, and assign duties to, the office of the Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. CASE of South Dakota:

H. R. 5409. A bill to create, and assign duties to, the office of the Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. PATTERSON:

H. R. 5410. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. THOMPSON:

H. R. 5411. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. O'SULLIVAN:

H. R. 5412. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. JACKSON of Washington:

H. R. 5413. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. GORDON:

H. R. 5414. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. DAVENPORT:

H. R. 5415. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. MORGAN:

H. R. 5416. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. PATTEN:

H. R. 5417. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. BARING:

H. R. 5418. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. KING:

H. R. 5419. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. FORAND:

H. R. 5420. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. SIKES:

H. R. 5421. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. HERLONG:

H. R. 5422. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. GORSKI of Illinois:

H. R. 5423. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. MILLER of California:

H. R. 5424. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. HOWELL:

H. R. 5425. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. RICHARDS:

H. R. 5426. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services

By Mr. BURDICK:

H. R. 5427. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. DONOHUE:

H. R. 5428. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. CARROLL:

H. R. 5429. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. KELLEY:

H. R. 5430. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. O'NEILL:

H. R. 5431. A bill to create, and assign duties to, the office of Assistant Secretary of the

Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. KLEIN:

H. R. 5432. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United State. Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. MITCHELL:

H. R. 5433. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. DEANE:

H. R. 5434. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. KARSTEN:

H. R. 5435. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. BOLLING:

H. R. 5436. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. KIRWAN:

H. R. 5437. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. KEARNEY:

H. R. 5438. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. ROGERS of Florida:

H. R. 5439. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. BYRNES of Wisconsin:

H. R. 5440. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. LANE:

H. R. 5441. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. HART:

H. R. 5442. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. FOGARTY:

H. R. 5443. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. YATES:

H. R. 5444. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. LOVRE:

H. R. 5445. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. JUDD:

H. R. 5446. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. ALLEN of California:

H. R. 5447. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. BRAMBLETT.

H. R. 5448. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. COTTON:

H. R. 5449. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. McDONOUGH:

H. R. 5450. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. POULSON:

H. R. 5451. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. FLOOD:

H. R. 5452. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. WERDEL:

H. R. 5453. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. NIXON:

H. R. 5454. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. SMITH of Wisconsin:

H. R. 5455. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. CHIPERFIELD:

H. R. 5456. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. HAYS of Arkansas:

H. R. 5457. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. ELLIOTT:

H. R. 5458. A bill to authorize the Federal National Mortgage Association to purchase more GI loans and to make direct housing loans to veterans in certain cases; to the Committee on Banking and Currency.

By Mr. FARRINGTON:

H. R. 5459. A bill to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue bonds for the purpose of defraying the city and county's share of the cost of public improvements constructed pursuant to improvement-district proceedings; to the Committee on Public Lands.

By Mr. HULL:

H. R. 5460. A bill to amend section 7 (c) of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. JENKINS:

H. R. 5461. A bill to extend the benefits of the act of May 29, 1944, entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," to certain additional civilian officers and employees; to the Committee on Merchant Marine and Fisheries.

By Mr. KELLEY:

H. R. 5462. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MILLER of California:

H. R. 5463. A bill to amend the Civil Service Retirement Act of May 29, 1930, to provide increased benefits for certain Federal employees who have served less than 20 years in law-enforcement work; to the Committee on Post Office and Civil Service.

By Mr. MILLER of Nebraska:

H. R. 5464. A bill to extend indefinitely the period in which title I of the Agricultural Act of 1948 shall be applicable; to the Committee on Agriculture.

By Mr. MURRAY of Tennessee:

H. R. 5465. A bill to amend section 4 (e) of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. BURLESON:

H. R. 5466. A bill to provide for the conveyance of a certain housing project in Big Spring, Tex., to Abilene Christian College, Abilene, Tex.; to the Committee on Banking and Currency.

By Mr. FOGARTY:

H. R. 5467. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and

for other purposes; to the Committee on Veterans' Affairs.

By Mr. HINSHAW:

H. R. 5468. A bill to amend the Civil Aeronautics Act of 1938, as amended, with respect to local enforcement of safety regulation of civil aviation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITE of California:

H. R. 5469. A bill to carry out the recommendations of the Commission on Organization of the Executive Branch of the Government relating to flood control, river and harbor improvement, irrigation, and the production of power; to the Committee on Expenditures in the Executive Departments.

By Mr. BOGGS of Louisiana:

H. J. Res. 287. Joint resolution extending section 1302 (a) of the Social Security Act, as amended, until June 30, 1950; to the Committee on Ways and Means.

By Mr. DEANE:

H. Res. 275. Resolution for the relief of Arletta B. Roberts; to the Committee on House Administration.

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PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FARRINGTON:

H. R. 5470. A bill for the relief of Joseph A. Haddad; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 5471. A bill for the relief of Irving Maness; to the Committee on the Judiciary.

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PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1212. By Mr. GRAHAM: Petition of 25 residents of Butler County, Pa., urging the discontinuance or reduction of wartime excise taxes; to the Committee on Ways and Means.

1213. By Mr. WHITE of California: Memorial of the Assembly and Senate of the State of California, urging Congress to take steps to release unneeded Army, Navy, Air Force, and Marine Corps warehouse space in California for cotton storage; to the Committee on Armed Services.

1214. Also, memorial of the Assembly and Senate of the State of California, urging Congress to extend boundary of the Sacramento River flood-control project; to the Committee on Public Works.

1215. By the SPEAKER: Petition of New Hampshire Dental Society, Manchester, N. H., requesting that Congress do not enact any legislation containing the principle of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

1216. Also, petition of Pacific War Memorial, New York, N. Y., asking that May 9 of each year be designated as VE-day and September 2 of each year be designated as VJ-day; to the Committee on the Judiciary.

1217. Also, petition of Texas Society of Certified Public Accountants, College Station, Tex., relative to the bill H. R. 2983 and strongly endorsing establishment of the Tax Settlement Board as proposed therein; to the Committee on Ways and Means.

1218. Also, petition of Mr. and Mrs. Willis Banks and others, Wichita, Kans., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1219. Also, petition of Helen Schmidt and others, Kewanee, Ill., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1220. Also, petition of O. W. Gollings and others, Oak Park, Ill., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1221. Also, petition of J. H. Basehore and others, Middletown, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1222. Also, petition of Mrs. Anna Finchey and others, Payette, Idaho, requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1223. Also, petition of Mrs. Mary Brindle and others, Cambridge Springs, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

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# SENATE

## FRIDAY, JULY 1, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O merciful God, whose law is truth and whose statutes stand forever, we beseech Thee to grant unto us, who in the morning seek Thy face, fervently to desire, wisely to apprehend, and obediently to fulfill all that is pleasing unto Thee. Grant unto us all that, laying aside any partisan divisions, we may be given tallness of stature to see above the walls of our prideful opinions the good of the largest number. And in these perplexing times that try our souls and test our character, may Thy strength sustain us, may Thy grace preserve us, may Thy wisdom instruct us, may Thy might protect us and Thy hand direct us this day and evermore. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. O'MAHONEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 30, 1949, was dispensed with.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 30, 1949, the President had approved and signed the act (S. 1433) amending Public Law 125, Eightieth Congress, approved June 28, 1947, as amended.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2619. An act to extend the benefits of the annual- and sick-leave laws to part-time employees on regular tours of duty and to validate payments heretofore made for leave on account of services of such employees; and

H. R. 3191. An act to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 5100. An act to correct inequities in the pay of certain officers and employees of the Federal Government and of the government of the District of Columbia; and

H. R. 5240. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Jess Larson, of Oklahoma, to be Administrator of General Services, which was referred to the Committee on Expenditures in the Executive Departments.

THE NORTH ATLANTIC TREATY

The VICE PRESIDENT. The question before the Senate, as in Committee of the Whole, is the North Atlantic Pact, which is open to amendment.

TRANSACTION OF LEGISLATIVE BUSINESS

By unanimous consent, as in legislative session, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PROMOTION OF FOREIGN POLICY

A letter from the Secretary of State, transmitting a draft of proposed legislation to promote the foreign policy of the United States and to authorize participation in a cooperative endeavor for assisting in the development of economically underdeveloped areas of the world (with an accompanying paper); to the Committee on Foreign Relations.

AMENDMENT OF EXPORT-IMPORT BANK ACT OF 1945

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington the power to guarantee United States investments abroad (with an accompanying paper); to the Committee on Banking and Currency.

REPORT ON OPERATION OF TRADE AGREEMENTS PROGRAM

A letter from the Acting Chairman, United States Tariff Commission, transmitting, pursuant to law, the annual report of the Commission on the operation of the Trade Agreements Act (with an accompanying report); to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KERR, from the Committee on Interior and Insular Affairs:

H. J. Res. 33. Joint resolution providing for the ratification by Congress of a contract for the purchase of certain Indian lands by the United States from the Three Affiliated Tribes of Fort Berthold Reservation, N. Dak., and for other related purposes; with amendments (Rept. No. 605).

By Mr. MURRAY:

From the Committee on Interior and Insular Affairs:

H. R. 165. A bill to authorize the American River Basin development, California, for irrigation and reclamation, and for other purposes; with amendments (Rept. No. 606).

From the Committee on Agriculture and Forestry:

H. R. 3680. A bill to authorize the Secretary of Agriculture to quitclaim 5.1 acres of land in Washington County, Miss., to the Mississippi State College; without amendment (Rept. No. 607); and

H. R. 3982. A bill to authorize the Secretary of Agriculture to sell certain lands to the Sisters of St. Joseph in Arizona, Inc., of Tucson, Ariz., to consolidate the desert laboratory experimental area of the southwestern forest and range experiment station, and for other purposes; without amendment (Rept. No. 608).

By Mr. THYE, from the Committee on Agriculture and Forestry:

S. J. Res. 24. Joint resolution to provide for a suitable and adequate system of timber access roads to and in the forests of the United States; with amendments (Rept. No. 609).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

S. 2182. A bill for the relief of the Barbour & Short Co.; to the Committee on the Judiciary.

By Mr. STENNIS:

S. 2183. A bill for the relief of Nicholas J. Chicouras; to the Committee on the Judiciary.

By Mr. STENNIS (for himself and Mr. EASTLAND):

S. 2184. A bill to provide for a preliminary examination and survey of the Hatchie and Tuscumbia Rivers in Mississippi and Tennessee, for the purpose of determining action necessary to control floods and provide proper drainage in the areas through which such rivers flow; to the Committee on Public Works.

By Mr. TYDINGS:

S. 2185. A bill for the relief of W. C. Jackson; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2186. A bill to rescind rule 12 (b) of the Federal Rules of Civil Procedure, and for other purposes; and

S. 2187. A bill to require the designation by the senior circuit judge of another judge to sit in the place of any judge against whom an affidavit of personal bias and prejudice has been filed; to the Committee on the Judiciary.

PRINTING OF REVIEW OF REPORTS ON BAKER BAY, COLUMBIA RIVER, WASH. (S. DOC. NO. 95).

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated February 28, 1949, from the Chief of Engineers, United States Army, together with accompanying papers and an illustration, on a review of reports on Baker Bay, Columbia River, Wash., pursuant to a resolution of the Committee on Commerce, United States Senate, adopted November 28, 1945, and I ask unanimous consent that it may be referred to the Committee on Public Works and printed as a Senate document, with an illustration.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF INTERNAL REVENUE CODE—AMENDMENTS

Mr. BUTLER submitted two amendments intended to be proposed by him to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, which were ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred, as indicated:

H. R. 2619. An act to extend the benefits of the annual and sick-leave laws to part-time employees on regular tours of duty and to validate payments heretofore made for leave on account of services of such employees; to the Committee on Post Office and Civil Service.

H. R. 3191. An act to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes; to the Committee on Labor and Public Welfare.

CONTRIBUTION OF THE LEGAL PROFESSION—ADDRESS BY THE VICE PRESIDENT

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an address delivered by the Vice President on May 25, 1949, at the Sixth Conference of the Inter-American Bar Association, in Detroit, Mich., which appears in the Appendix.]

JULY 4, 1949—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address on the subject July 4, 1949, broadcast by him from radio station KSL of Salt Lake City, Utah, which appears in the Appendix.]

TRIBUTE TO THE GREEK PEOPLE—ADDRESS BY SENATOR LANGER

[Mr. LANGER asked and obtained leave to have printed in the RECORD an address delivered by him at the Statler Hotel, Washington, D. C., on Monday, June 25, 1949, before the Pan-Laconian Federation, which appears in the Appendix.]

EUROPE FEARS UNITED STATES WILL CUT IMPORTS—ARTICLE BY MICHAEL L. HOFFMAN

[Mr. GEORGE asked and obtained leave to have printed in the RECORD an article entitled "Europe Fears United States Will Cut Imports," written by Michael L. Hoffman, and published in the New York Times of June 28, 1949, which appears in the Appendix.]

THE FIFTH FREEDOM—ADDRESS BY RICHARD B. SCANDRETT, JR.

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a commencement address by Richard B. Scandrett, Jr., at the commencement exercises of Kiskiminetas Springs School, at Saltsburg, Pa., June 5, 1949, which appears in the Appendix.]

LOANS TO GERMANY AND DILLON, READ & CO.—ARTICLE FROM PREVENT WORLD WAR III

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article entitled "Loans to Germany and Dillon, Read & Co.," from a publication entitled "Prevent World War III," May–August number, which appears in the Appendix.]

UNEMPLOYMENT—ANALYSIS BY THE PUBLIC AFFAIRS INSTITUTE

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a study of unemployment by the Public Affairs Institute, which appears in the Appendix.]

"STANDPATISM" ASSAILED AT YOUNG GOP MEETING—ARTICLE FROM THE SALT LAKE TRIBUNE

[Mr. MALONE asked and obtained leave to have printed in the RECORD an article entitled "'Standpatism' Assailed at Young GOP Meet," published in the Salt Lake Tribune for June 24, 1949, which appears in the Appendix.]

THE ADMINISTRATION'S FOREIGN-TRADE PROGRAM—AN ARTICLE FROM THE DESERET NEWS

[Mr. MALONE asked and obtained leave to have printed in the RECORD an article entitled "United States Foreign Policy Flayed, GOP Stand Urged," published in the Deseret News, of Salt Lake City, Utah, for June 24, 1949, which appears in the Appendix.]

REVAMPING THE NATION'S FOREIGN-TRADE POLICIES—ARTICLE FROM THE SALT LAKE TELEGRAM

[Mr. MALONE asked and obtained leave to have printed in the RECORD an article entitled "Fight Trade Policy, Young GOP Urged," published in the Salt Lake Telegram for June 24, 1949, which appears in the Appendix.]

AUTHORIZATION TO RECEIVE MESSAGES AND TO SIGN BILLS AND JOINT RESOLUTIONS

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that, during the recess following today's session, the Secretary of the Senate be authorized to receive messages from the House of Representatives and that the President of the Senate be authorized to sign bills and joint resolutions which have been examined and found duly enrolled.

The VICE PRESIDENT. Without objection, it is so ordered.

LEAVES OF ABSENCE

Mr. HOLLAND asked and obtained leave to be absent from the sessions of the Senate next Tuesday and Wednesday.

Mr. YOUNG asked and obtained leave to be absent from the Senate next Tuesday.

DISPLACED PERSONS LEGISLATION

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared on the subject of displaced-persons legislation, supplementing my previous comments in the RECORD of June 17. I ask unanimous consent that the new statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SPEED IS NECESSARY IN ACTING ON DISPLACED PERSONS LEGISLATION

I should like to renew my urgent plea for action in this first session of the Eighty-first Congress on legislation to revise the present displaced-persons law. Like all of my colleagues, I have received many fine communications from the people of my own and other States who recognize America's humanitarian obligations and who want us to fulfill them. These communications express far better than I can the longing in the hearts of the American people.

By constructive action we will be blazing a path for other nations to follow. Moreover, we will be demonstrating American unity and our ability to write a more equitable law which can receive the unanimous approval of the Protestant, Catholic, and Jewish faiths, as well as all the national groups involved. Throughout the land, literally tens of thousands of Americans have been working night and day in church groups, in cultural groups, in citizens' committees in order to facilitate the admission of worthy folks from abroad. What a wonderful thrill folks will receive if the Congress takes final action on H. R. 4567 or S. 311.

I am hoping that the Senate Judiciary Committee will promptly report to the full Senate, so that we in turn can take final action. Each passing day means heartache and heartbreak to many folks. I know that my colleagues want to explore all angles of this subject. At the same time, we recognize the need for speed.

I ask unanimous consent that there be printed at this point in the CONGRESSIONAL RECORD some of the representative letters which I have received from organizations in my own and other States urging speedy action.

NEW YORK CITY, *June 19, 1949.*

The Honorable ALEXANDER WILEY,
*Senate Office Building,*
*Washington, D. C.*

MY DEAR SENATOR WILEY: I rejoice to see by today's Times that you are urging liberalized displaced-persons bills. More power to you. This would raise Europe's faith in America and America's faith in her Congress.

Respectfully,

ELIZABETH M. COOPER.

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THE LEAGUE OF WOMEN VOTERS OF APPLETON,
*Appleton, Wis., May 25, 1949.*

Senator ALEXANDER WILEY,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR WILEY: Your excellent stand on displaced-persons legislation, expressed in your "Principles in Humanitarian Revision of DP Law" of February 23, deserves our warm commendation. As you may know, the League of Women Voters has taken a definite stand on this legislation since its inception in the spring of 1947, and has constantly urged passage of laws embodying just such humanitarian principles as you propose.

We note with dismay that there has still been no action on the McGrath-Neely bill, S. 311, and that DP legislation seems to be pigeonholed in the Senate Immigration Subcommittee.

May we respectfully urge you to do whatever you can to promote passage of a good DP bill during this session of the Congress? We hope that your proposed amendments will be embodied in the new bill and that, furthermore, the present provision for mortgaging of future quotas will be removed. We are also specially interested in having the present bill amended so that 400,000 DP's may enter the United States over a period of 4 years.

Very respectfully,

Mrs. HERBERT SPIEGELBERG,
*Chairman on National Legislation for League of Women Voters.*

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CHICAGO, ILL., *June 11, 1949.*

Hon. ALEXANDER WILEY,
*Senate Office Building,*
*Washington, D. C.:*

The House of Representatives has now passed and sent to the Senate H. R. 4567, which corrects the deficiencies of the Displaced Persons Act of 1948, and includes members of the valiant Polish armed forces. Millions of Americans, eager to assume their fair share of this humane problem, are now anxiously awaiting your favorable consideration of the bill. We urge you to act immediately and to recommend passage of H. R. 4567 by the Senate before summer recess. Any delay in this vital matter would aggravate the plight of eligible displaced persons and challenge the good will of America. Your support in this action will be deeply appreciated.

For the Polish American Congress:

CHARLES ROZMAREK,
*President.*

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KNIGHTS OF COLUMBUS,
NEW YORK STATE COUNCIL,
*Utica, N. Y., June 9, 1949.*

The Honorable ALEXANDER WILEY,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR WILEY: I am appreciative of your gracious letter of June 7 in which you assure us of your support of displaced-persons legislation, recently passed the House, and which you will support in the Senate. It was gracious of you to enclose a copy of your remarks in connection with the bill, and I am hopeful that you will meet with complete success.

Sincerely yours,

WILLIAM E. BURKE,
*State Deputy.*

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LEAGUE OF WOMEN VOTERS OF WISCONSIN,
*Madison, Wis., May 21, 1949.*

The Honorable ALEXANDER WILEY,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR WILEY: At its convention in Waukesha on May 10 to 11 the League of Women Voters of Wisconsin, believing the Displaced Persons Act of 1948 to have been discriminatory and almost unworkable, endorsed the McGrath-Neely bill, S. 311. We approve the features of this bill that (1) advance the cut-off date for eligible DP's, (2) increase the number to be admitted, (3) eliminate nationality preferences, (4) broaden the occupational preference base, (5) remove the objectionable mortgaging of future immigration quotas, and (6) eliminate the difficult administrative requirements as to housing and job guaranties. We strongly urge your support of S. 311.

We regret some of the compromises made by the House Judiciary Committee in reporting out the Celler bill, now H. R. 4567. But since this bill is far better than the present law, we ask your support of it as second choice to S. 311, with the hope that it may be liberalized by amendment.

We also urge prompt action on this legislation and full financial support for the Displaced Persons Commission so that the job of resettlement can be accomplished with all possible speed. In Wisconsin we have many guarantors, especially in the rural areas, anxiously awaiting the arrival of the DP workers they have sponsored.

Yours very truly,

DARET BARBER NORRIS
(Mrs. William A. Norris),
*President.*

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UNITED STEEL WORKERS OF AMERICA,
*Milwaukee, Wis., May 30, 1949.*

Hon. ALEXANDER WILEY,
*Member of Senate, United States Senate, Washington, D. C.*

Honorable WILEY: At our last union meeting we, of local 1569, USA-CIO, had a lengthy discussion on this proposed bill, H. R. 4567, which will be voted on by the House of Representatives within the next 2 weeks.

We feel that the bill as modified by the House Judiciary Committee meets with great favor with our entire union.

Therefore, we would greatly appreciate it if this bill would be given your undivided attention.

Yours very truly,

STANLEY G. BEDNAREK,
*Recording Secretary, Local 1569, USA-CIO.*

## POWER DEVELOPMENT IN THE PACIFIC NORTHWEST

Mr. CAIN. Mr. President, for the reason that all Senators have an interest in the growth and development of the Pacific Northwest, the junior Senator from Washington wishes to discuss a relatively small but highly important Northwest problem.

During the early part of April the President of the United States recommended that legislation be enacted to create a Columbia River Administration. In his view a CVA would better organize and develop the many resources to be found throughout the Pacific Northwest. By way of compliment and awareness the President had this to say about the region:

> The Pacific Northwest has been developing very rapidly in recent years; the population has jumped 37 percent since 1940. The tonnage of agricultural production (not including livestock and livestock products) has risen about 25 percent in Washington, Oregon, and Idaho between 1940 and 1947. Total income payments have increased 200 percent since before the war in those three States, as compared to 150 percent for the country as a whole. The per capita income is among the highest in the Nation. These are signs of the progressive energy of the people of the region, and of the growth that can occur there.

As evidence of the great interest the Congress has in the Pacific Northwest, billions of dollars are being appropriated annually to encourage its growth. If I am not mistaken, more than a billion dollars were appropriated by the Congress in 1949 for the benefit of Washington State alone.

Anyone who gives any thought to the prevailing situation throughout the Pacific Northwest knows that it suffers from a lack of adequate power. All of us know that the potential of the Pacific Northwest will never be reasonably realized until there is enough power to satisfy the extremely excessive demand which now prevails. Last year the Congress appropriated something more than $100,000,000 for power generation and use in one way or another for my State of Washington. The Congress has been exceedingly considerate of the requirements of the Pacific Northwest.

In view of the willingness of the Congress to appropriate vast amounts of money for the Pacific Northwest, and in the face of a prevailing shortage throughout the area, every Member of the Congress must be hopeful that pri-

vate and public, State and local agencies within the Northwest are doing everything they can to help themselves. Members of the Congress have a right to assume that the Pacific Northwest does not expect the Federal Government to assume all of the burden.

It is my intention now to give evidence of one instance in which agencies of the Federal Government are seemingly preventing a local Northwest agency from minimizing the existing power shortage. I have reason to hope that the Senate will be concerned with these observations. I am going to reflect on the case of a Northwest municipality which has thus far been stopped, because of Federal interference, from investing more than seventy million of its own dollars to generate more than 300,000 kilowatts of additional power which are so much in demand today.

I have two purposes in mind in presenting this statement. One is to urge the economic importance to the Nation of meeting Federal obligations to sustain the economic soundness of one of our most strategically valuable regions—the Pacific Northwest.

The second purpose is to challenge the power of Federal bureaucracy to impose restrictions upon the ability of the Pacific Northwest to solve many of its own problems in its own way, in the traditional American way of free enterprise, exercised through their own private and public capabilities.

No one understands better than I, as a Member of the Senate, why individual persons and delegations of people come here to Washington to ask help of the Federal administration and of the Congress.

When local communities and the States, singly or in groups, find themselves confronted with problems too big, too expensive, or too extensive to be solved at the local or State level, they come to us. They always have and they always will. I suggest that we could keep ourselves very busy in that field alone if we in Congress did nothing else.

Over the last two decades so many conditions have arisen which appear to exceed local and State capability that perhaps we are becoming confused as to where Federal involvement should begin and where it should terminate.

Yet time and again in hearings before committees of the Congress where public works are concerned, our first questions here at the Capitol are these: What have you done? What are you doing? What are you able and willing to do in the future to help yourselves?

Most certainly we do not have to go looking for projects or for opportunities upon which to expend Federal funds. Nor should we be constantly engaged in a search for new Federal responsibility not contemplated in the framework of the Constitution.

Our obligation is to ascertain if a situation presented to us fairly involves Federal responsibilities in the national welfare and if Federal funds may be allocated to accomplish a federally important purpose. When that is determined, we of the Congress must determine the extent of appropriations, apply the limits of scope and time, and leave it to the executive arm of Federal Government to carry out our purpose within the fixed limits.

Only by such a rule can Federal expenditures be held within reasonable bounds; and only by encouragement of local enterprise, interest, and participation can the Nation be kept strong and virile.

If the Congress, or the administration, independently or in collusion, usurp the initiative from the local people most vitally concerned—anywhere—then by so much have we contributed to the disintegration of what we now understand these United States to be.

Let me now lay before the Senate my specific case in point.

Tacoma, in my own State of Washington, is a seaport and industrial center on Puget Sound. I served it for some years as a citizen and subsequently over several years of this decade as its mayor. Its population of some 140,000 is representative of all the industry and trade pertaining to a thriving modern manufacturing and transportation center.

Its industries are well diversified and of such character and capacity as to be of great importance in the national economy and in foreign trade. In its vicinity are varied important Federal facilities including Fort Lewis, Army base and training center for which the original 66,000-acre site was a gift of Tacoma and Pierce County citizens at great expense to themselves back in the beginning of World War I; McChord Field, Air Force base adjoining Tacoma and Fort Lewis; several large Navy installations of importance to defense; the penal establishment of McNeil Island; the American Lake hospital of the Veterans' Administration; the United States Indian Service hospital, and many others. It is clear that over many years the Tacoma community and the Federal Government have enjoyed friendly reciprocal and complimentary relationships.

Largely due to the initiative of the people of Tacoma, dating back to 1893, there has been an amazingly increasing electrification of their community life. Virtually all of the city's industries are based upon low-cost hydroelectric energy. The domestic household use of electric power is highest in America.

A long time ago, in 1893, the citizens of that typical American community voted to buy the private water and electric service utility then in operation. Tacoma was thus a pioneer in public ownership of these essential community services. Since 1912 they have owned and operated their own hydroelectric generating plants which have been greatly expanded in capacity and plant investment over the years to keep pace with industrial growth and the increasing demand for electric energy by those industries. Except for the aluminum-reduction plant which is supplied directly by the Federal Bonneville system, and the copper-refining plant supplied by a private power company, all of Tacoma's industries and the various Federal facilities I have mentioned, receive power supplied by the city of Tacoma's municipally owned power system.

The Tacoma system's requirements last year exceeded a billion kilowatt-hours—a record distribution not equaled even at the peak of war production. At the end of World War II Tacoma was just completing a $23,000,000 addition to its hydro facilities on the nearby Nisqually River, bringing its rated hydroelectric generation to 204,000 kilowatts, well supported by water stored behind impounding dams on two streams reasonably close to the city.

However, before the Nisqually development was in full operation it was clear that the reserve power thus created was fast vanishing in the postwar industrial expansion, in new housing and in domestic demands.

The city of Tacoma has prided itself over many years on the sound fiscal policy of its municipal plant, upon maintenance of an extremely low rate structure, and upon the integrity of its utility bonds. Accordingly, there is a plant development history of serious scrutiny of every new plant project to determine its economic feasibility as a sound business venture.

The new Nisqually plant virtually exhausted the further feasible and economic power capabilities of that stream rising in glaciers of Mount Rainier; only a small additional capacity could be expected of the Skokomish River, rising in the Olympic range to the west where the city has its other hydro installations.

Analysis of the city's power load growth indicated the wisdom of another major development on some other stream, like the Nisqually and the Skokomish, close to Tacoma. Future requirements, based on a history of more than 10 percent annual incremental load increase, indicated the feasibility of plans looking to double the city's existing hydro capacity.

The only nearby stream offering such a potential was the Cowlitz River, rising, like the Nisqually, in glaciers of Mount Rainier, but flowing eventually southward into the Columbia River instead of into Puget Sound as do the Nisqually and the Skokomish.

At the same time the studies of the Cowlitz were begun in 1946, that stream had a power development history in State records extending over 23 years. In 1923, Burwell Bantz, city engineer of Chehalis, filed the original application for a power dam at Mayfield site, one of those now held by the city of Tacoma. That same year, the city of Chehalis sold its rights to a private industry, the Backus-Brooks Co., of Minneapolis.

Conflicting applications were filed with the State over the next 3 years which would interfere with full development at Mayfield, until the State supervisor of hydraulics determined, after hearings, that power development of the river at this point was in the best interest of the State, and that the Backus-Brooks were entitled to recognition as the priority rights.

So the matter rested for another 4 year until 1930 when the Washington State Department of Fisheries and Game

filed formal protests against all construction on the Cowlitz River, including the Backus-Brooks project. About that time people were more interested in fighting the depression than in power promotional developments and the situation remained dormant as to the Cowlitz until November of 1932 when Backus-Brooks filed a report proposing two dams instead of one; lowering the proposed height of the Mayfield Dam and constructing a dam exceeding 300 feet in height a few miles upstream at Youngs Canyon, the two dams constituting a single economic power development.

Formal application for the upper dam site was filed by Backus-Brooks on January 3, 1933, and the State granted a temporary permit a week later—temporary because vital geological and engineering studies were yet necessary to finally establish economic feasibility. In the same week the State issued the permit for the Mayfield Dam. It must be concluded, in view of the protest of the department of fisheries and game, that the State authority had made full determination of relative rights and uses and acted, 10 years after the first power rights were applied for, on the conclusion that the Cowlitz River be developed at Mayfield and above for power use.

Let me point out at this time that the lower, or Mayfield Dam site, is 52 miles upstream from the confluence of the Cowlitz with the Columbia River. Numerous lower tributaries of the Cowlitz are valuable to migratory fish culture and encouragement and are within the range of all of the commercially important fish. Only an insignificant percentage of salmonoid species spawn as high upstream as the city of Tacoma dam site.

Soon after the establishment of its power rights on the Cowlitz in 1933, Backus-Brooks Co. agents sought to interest the city of Tacoma in the Cowlitz franchises the company having postponed indefinitely its plans for private development for industrial purposes. But at that time the city of Tacoma system was emerging from another expansion of plant and was under new bond obligations and still had resources on the Nisqually as yet undeveloped. It was then pointed out forcefully that Cowlitz was a natural power development for the city.

Economic feasibility of attempting Cowlitz development did not become apparent however until immediately after World War II when it became clear that the Northwest region would not experience a power surplus as had been expected in the wake of the war and in face of the Federal Government's vast Columbia River program.

The Cowlitz sites and all Backus-Brooks rights and studies were offered the city at an attractively low price, so in March 1946 the Tacoma City Council approved the purchase and it was consummated. Although dormant for 13 years, the Mayfield right had been in full force and effect and in good standing throughout with all annual license fees paid to proper controlling authority. At the suggestion of the State supervisor of hydraulics, however, the city of Tacoma did file a new application upon the upper dam as the original temporary permit had not been maintained. The city was granted a new temporary permit, carrying with it acknowledgment of all priority of the old permit, and contingent only upon completion of geological and engineering studies before authorization of the State's construction permit.

The city itself wished to be assured of the project's sound physical and financial feasibility before committing itself to construction.

The Northwest power pool in which the Tacoma system had been a participating and power contributing member throughout the war now became conscious of a regional power shortage immediately imminent because of a lag in the Federal Government's Columbia program, tremendous increases in the regional domestic and industrial power requirements, and the threat of a drought year which would reduce output of all hydro plants in the Northwest area.

All public and private utilities recognized the seriousness of the situation. The city of Tacoma's plans for Cowlitz development were accordingly put into high gear, engineering crews were organized, and competent consulting engineers and geologists were put into the field to complete preliminaries. Experts also were engaged in New York to make the fullest studies of financial feasibility of a potential additional investment probably exceeding by double the existing Tacoma municipal investment of more than $50,000,000 in power generating and distributing plant.

Every step of this approach to the Cowlitz development was widely publicized in the press and met no public resistance, and no local, county, State or Federal objection. The power industry of the Northwest welcomed the project as a ready means of meeting the impending power shortage in view of Tacoma's long-established policy of making its surpluses available to other interconnected utilities.

Bonneville Power Administration encouraged the project for quite another reason. The Columbia River, within existing controls, experiences seasonal fluctuations of stream flow ranging from extreme low water during midwinter when ice impounds the headwaters of main and tributary streams, to extreme high water at its major power dams in late spring floods. In both periods there may be weeks at a time when Federal generators are capable of producing only a fraction of their rated capacity. Until the Columbia River system is more stoutly controlled, these conditions will persist.

On the other hand, the Cowlitz River, although flowing into the Columbia, has entirely different characteristics which would materially offset adverse power conditions on the Columbia. By its proposed original installation of 345,000 kilowatts, even more by a 460,000 kilowatt installation, which could be justified on reciprocal trades with Bonneville, Tacoma's Cowlitz plant would go far to meet the immediate power crisis in the area, in addition to meeting the city's local requirements for possibly another decade. The engineers calculated that the two Cowlitz dams and power houses could be completed with transmission lines by late 1951 and be in position to supply critically needed power well in advance of any corresponding Federal development on the Columbia. By "well in advance" I mean a matter of at least three to five or more critical years of demand in excess of supply.

One year after Tacoma acquired its rights on the Cowlitz, the War Department, through its Corps of Engineers, held a hearing at the small town of Toledo—on the Cowlitz below Mayfield dam site. The purpose of the hearing was to consider the Cowlitz Basin development. The city of Tacoma presented a written statement at that hearing. Fisheries interests were represented; both the State of Washington Game and Fisheries Departments were present.

City of Tacoma's statement asserted the city's vested rights for power development at the two dam sites and concluded:

> It is the position of the city that the power development on the Cowlitz, which may be possible at the sites now under consideration, represents a means of safeguarding the employment of its people regardless of the progress of the development of the Columbia River by the Federal Government. For this reason it is essential that studies be carried forward at the present time, looking toward later development of the sites, as the city's needs for power may require.

That hearing was held March 21, 1947,

In June 1947 the Columbia Basin Interagency Committee held a 2-day hearing at Walla Walla for principal consideration of a proposed 10-year moratorium on construction of dams on the Columbia. The Interior Department then made no mention of a fish sanctuary plan for the lower Columbia and its tributaries, although the announcement of the hearing stated that consideration was to be given a plan to offset losses to the fishing industries of Washington and Oregon which might result from dam obstructions built and to be built on the main stem of the Columbia.

At that hearing the city of Tacoma again presented a written statement of purpose based upon the rapid growth of its power demands. To quote:

> We previously had gone on record at a War Department hearing on the Cowlitz Basin development that we propose to carry on investigations of these sites. If they are found feasible and conditions warrant we propose to proceed eventually with construction of power developments. In view of the permit for construction at Mayfield, the city proposes to proceed with that construction if found feasible and if warranted by power requirements, and to carry on that design and construction with the full cooperation of the State and Federal authorities having a legal interest in the development of the fish resources and recreational possibility of the stream. Under no circumstances, however, could the city consent to postponement for 10 years of the developments which may be possible on the Cowlitz.

In January of 1947 the Pacific Northwest Utilities Conference was held at Tacoma and formed there the committee of that name which is representative of all the major power utilities, public and private, in the States of Oregon and Washington. It is composed of the chief executives of those utilities which serve the major power load centers of the

Northwest. Many Senators have met them personally in Washington during various hearings since the conference committee was organized. They are sincere in their purpose of trying to insure adequate supplies of hydroelectric energy to spin the industries and maintain the highly electrified economy of the Northwest people.

As utility operators, they realize the tremendous responsibility which they bear to their respective communities and areas and to the Nation at large because of its dependence upon Northwest manufacturing and agricultural production and the extraction of raw materials required by other industries throughout the country.

Mr. President, the January 1947 meeting was, to my knowledge, the first time public and private utility men have gotten together amicably to deal with a common problem. However, they set about there to ascertain what power requirements they might reasonably expect in the immediate future, what generating capacity they could depend upon, and what annual shortages might be expected in supply. Their technical committee determined a need of 1,200,000 kilowatts of hydro-generating capacity, over and above all new generation then authorized by Federal, private, and municipal bodies by 1953. At subsequent meetings the same careful studies revealed a deficiency of almost 2,000,000 kilowatts of capacity by 1946. Whatever we do, in other words, Mr. President, even by utilizing all the means available to us in the Pacific Northwest, we are not going to meet our power requirements for some years to come. That is a deficiency for the entire Pacific Northwest, but it applies principally to the heavy-load centers of Washington and Oregon, in areas where the Federal Government has assumed major responsibility of supply from the multiple-purpose projects of the Columbia River. All Federal projects then contemplated for development in the early future were taken into consideration in making the survey.

Since then this committee has been continuously urging Congress to speed up appropriations for power projects while the individual utilities were undertaking to fulfill their share of responsibility within their capabilities. When I refer to individual utilities in the Pacific Northwest, Mr. President, I refer now, as I began to be authorized to do in 1947, through the meeting just referred to, to both private and public utilities. If there is a fight in the Pacific Northwest these days in terms of power, it is not a fight between public and private utility power interests in the Pacific Northwest; it is more a possible and growing contest regarding who is to develop and provide the power needs of the Pacific Northwest. Is it to be the Federal Government with reference to the entirety of the problem, or is the Federal Government, in addition to its great construction work, going to be sympathetic toward and encourage a utilization of local capabilities by utility companies, both private and public?

Tacoma, like its sister city to the north, Seattle, was prepared to invest many millions of its own funds and incur heavy obligations in utility bonds to serve its people with the energy essential to maintaining its industrial pay rolls. Both the city of Tacoma and the city of Seattle were willing to pay out of their own assets what their citizens required. Both these cities had the essentials of a sound private enterprise business project: The continually growing demand for the product, an expanding population, applications from new industries and for the expansion of old ones; they had the financial capability; and they had, to all intents and purposes, valid water rights and dam sites on a stream dedicated by nature to power-development use.

Yet, beginning about a year ago, bugs began developing, instead of harmony. State hydraulic department notices were issued and hearings held, and in July it appeared that the necessary final permits would be forthcoming. Instead, the city of Tacoma began to encounter a series of delays and stalling tactics, half promises, and misleading information, that continued until the State legislature came into regular session in January of this year. On the surface, over a number of weeks preceding the meeting of the legislature, it appeared that opposition to the Cowlitz power development by city of Tacoma was under the direct sponsorship of the organized sportsmen who feared their steelhead trout fishing would be damaged, and of the commercial salmon and smelt fisheries interests, who sought to convince the public by extensive, State-wide propaganda that power dams 52 miles upstream on the Cowlitz would ruin the salmon industry of the entire Northwest. It has been suggested to me that legislators were even threatened and intimidated in a well-organized, well-financed campaign.

Hearings purportedly set up in good faith by the State departments and legislative committees were packed by sports and commercial fishermen, even from the neighboring State of Oregon; and Tacoma was, in effect, laughed out of court. Evidence of a regional power shortage was brushed aside as being Tacoma power propaganda; and although considerable weight of organized labor and business was thrown into the melee, the fish people were not to be denied.

They demanded, and from the Washington State Legislature received, a State law that blocks power-dam construction on any stream in the State tributary to the Columbia River below the McNary Federal Dam, and incorporates the entire region in a fish refuge.

It may be said that that is the State's business, that the State should settle it, and that if Tacoma has a quarrel, it is with the State administration and the State lawmakers. However, Mr. President, I present this matter to the Senate today for the reason that we cannot by any means be sure that our quarrel has its real foundation within the State of Washington.

Let us see what was going on at the Federal end of the line.

Last September the genial Secretary of the Interior, Mr. Krug, paid an official and nonpolitical visit to Tacoma. He there met with the Northwest Utilities Conference Committee and with the press, and he addressed the Tacoma Rotary Club. In his talks, formal and informal, he emphasized that the city of Tacoma should by all means move ahead as rapidly as possible with its Cowlitz development; that the city of Seattle and the private utilities should do all they possibly could to increase the non-Federal hydroelectric resources of the area, because, as he pointed out, there was no telling how fast the Federal Columbia program would be carried forward by Congress, either by authorizations or appropriations. He realized, he assured everyone, that the Federal program would not move fast enough to insure an adequate power supply to sustain the rapid march of Northwest industrial progress; that it might be many years before Federal capability would reach the point where it could be depended upon to carry the new load growth.

In those public utterances in Tacoma I think Mr. Krug was being a very reasonable and very intelligent man. He was saying, in substance and effect, that the Pacific Northwest area is moving forward so rapidly that it will take the very best efforts and all the resources of publicly and privately owned local utilities and the Federal Government if there is to be any chance whatsoever of meeting the requirements of that progress.

Here in Washington the National Security Resources Board was eyeing the Northwest apprehensively, in view of the critical international situation. When World War II broke upon us the Northwest had a big surplus of energy to supply for war production—even enough to meet the very heavy demands of the light-metals industry and of the extensive airplane and shipbuilding industries which then were driven to peak operation.

But in 1948 no further surplus existed. The aluminum and magnesium plants were still operating on a permanent basis. The atomic energy plant had been established on the Columbia at Hanford, and had become a large power consumer. If the United States were to be forced into another acute defense situation, the power shortage in the Northwest would be a serious matter, not just to the Northwest, but to the entire Nation.

So Mr. Arthur M. Hill, of the National Security Resources Board, recommended Tacoma's Cowlitz project in the following statement addressed to the Tacoma City Council:

> As you know, recent staff studies by the National Security Resources Board indicate that the Pacific Northwest is confronted with the possibility of a serious power shortage at least through the year 1951. Because of the impact of this possible shortage on the national security, the Board has been exploring the possibility of expediting and enlarging the power program for that area. We have felt that every effort should be made by the Federal Government and by all of the local public agencies and private companies to expedite power expansion in the Pacific Northwest.
>
> Accordingly, should the officials of the city of Tacoma decide that the Cowlitz power

development is a technically sound and economically feasible project, the earliest possible completion of this project would clearly be in the interests of national security.

Neither Secretary Krug nor Mr. Hill mentioned anything, anywhere, at any time, about a fish refuge plan. In fact, when Mr. Krug was urged at a press conference on the day of his appearance in Tacoma to take a position on the question barring dams on the Cowlitz to save the salmon, he readily assured the newspapermen that United States Fish and Wildlife Service had demonstrated in upper Columbia River waters that artificial propagation methods they had developed would overcome fisheries damage incident to power dams.

Then, soon after that, in October, there appeared the Army Corps of Engineers' review report on Columbia River development, the so-called comprehensive plan of the "308" report. In this report, as a matter of law, are incorporated the statements and comment of other interested Federal agencies, including, in appendix P, the lower Columbia fish-sanctuary plan submitted by the United States Fish and Wildlife Service of the Department of the Interior. Here we find the whole plan of the fish people for blocking, not for a time but forever, any further construction of dams on Columbia tributaries below McNary, or, as parts of the "308" report propose, below the Yakima River entering the Columbia in central Washington. Were I to assume that resistance by the United States Fish and Wildlife Service will continue to be effective, I can only believe, as a rational man, that we shall not, for decades, satisfy the power demands of the Pacific Northwest.

From this time on, October of last year, the fine hand of Federal interference in local and State development plans became increasingly apparent. State fisheries officials appearing on December 15 at a Cowlitz Dam hearing before the State department of conservation and development at Olympia brought with them Mr. Alphonse Kemmerich, fishery management coordinator for the Columbia River Basin of the Fish and Wildlife Service, United States Department of the Interior. Mr. Kemmerich there testified for the fisheries interest and against the city of Tacoma. On cross-examination, however, he admitted that his statement opposing Tacoma's power plans for the Cowlitz had not been cleared by the Columbia Basin Interagency Committee, it had not been approved by the Bonneville Power Administration; it had been neither seen, read, approved, nor thought about by the Bureau of Reclamation, nor had it been approved by the Secretary of the Interior. We have the transcript of Mr. Kemmerich's testimony at that hearing. It is interesting as showing the attitude of the bureau people. But let me quote very briefly one passage of words near the end of his remarks. Director Frank Stewart asked if Mr. Kemmerich would consider amending his statement in case the Bonneville Power Administration would recommend that the Cowlitz dams be built. The witness replied:

No; definitely not. The Fish and Wildlife Service has a definite responsibility under law, similar to what Bonneville Power Administration has under its enabling legislation; and we do not have to bow to any other agency of the Federal Government.

Mr. President, for the reason that I should like to think this RECORD will speak rather plainly and accurately for itself, I ask unanimous consent to have inserted in my remarks at this point several pages of testimony given by Mr. Kemmerich at the meeting to which I have referred.

The PRESIDING OFFICER. Is there objection?

There being no objection, the excerpts from the testimony of Mr. Kemmerich were ordered to be printed in the RECORD, as follows:

Director STEWART. Now, Mr. Kemmerich, this statement that you have prepared and submitted tonight, was that statement cleared by the Columbia Basin Interagency Committee?

The WITNESS. No, sir.

Director STEWART. Was that—had that statement been submitted or approved by the Bonneville Power Administration?

The WITNESS. No, sir.

Director STEWART. By the Bureau of Reclamation?

The WITNESS. No, sir.

Director STEWART. By either of the Assistants or Under Secretary or the Secretary of Interior?

The WITNESS. No, sir.

Director STEWART. Do you anticipate that any other division of the Department of Interior might submit information to this department requesting that this dam be built by Tacoma?

The WITNESS. I can foresee the possibility that the Bonneville Power Administration may not see eye to eye with the Fish and Wildlife Service in this matter.

Director STEWART. Have you discussed this matter with any representative of Bonneville?

The WITNESS. I have not.

Director STEWART. Have you discussed this matter previously with any representative of Tacoma City Light?

The WITNESS. Last spring, and I don't recall the date, Mr. Ward came to my office and we had an informal discussion of the problems that might be—with which we would be confronted, that is, I say "we" meaning the fishery agencies, not necessarily the Fish and Wildlife Service—in the event that the city of Tacoma received the so-called green light for the construction of one or both dams; and that is the only time that I or, to my knowledge, the city of Tacoma has made any contact with the Fish and Wildlife Service regarding this problem or proposal.

Director STEWART. Is it your general understanding that those interested agencies of the Federal Government have now more or less decided to develop the upper reaches for power and to leave the lower reaches alone for——

The WITNESS. That is right.

Director STEWART. That is the—the meat of your discussion here today.

The WITNESS. Yes. I might amplify or clarify the statement I made with regard to the Bonneville Power Administration as perhaps not seeing eye-to-eye with the Fish and Wildlife Service in this particular instance.

We have within the Interior Department a committee known as the North—Pacific Northwest Field Committee. It is composed of the regional heads of each of the eight agencies comprising the Interior Department. That committee has urged and recommended to the Secretary, and the Secretary in turn asked the Federal Interagency River Basin Committee to consider a request by the Fish and Wildlife Service and the fishery agencies of Washington and Oregon, for a 10-year moratorium on the construction of dams in the Columbia Basin, particularly those in the lower regions of the river system—by those—by that area I mean the McNary—at that time it was not as yet, there were not—no funds appropriated for its construction, it was merely in the authorization stage—for the four authorized dams in the lower section of the Snake River, and for the dams proposed in the lower reaches of the Columbia, such as the Dalles, John Day, and Priest Rapids.

As a result of that request by the Secretary of the Interior, the River Basin Interagency Committee sitting in Washington, D. C., referred the matter to the Columbia Basin Interagency Committee, and they on June 25 and 26, 1947, held public hearings at Walla Walla, regarding the request of the Secretary of the Interior for a 10-year moratorium on the construction of main-river dams, to enable the fishery agencies through Federal—federally appropriated funds, to get the lower river program going before the runs of salmon were killed off through construction of these up-river dams.

The committee considered the matter for about 4 months. They deliberated very carefully on it. On October 1947, they recommended to the parent organization, which had instructed them to consider the matter, the recommendations which are quoted in this document which Mr. Royal read to you this afternoon. That is the summary and substance of the Interior Department's efforts to stave off the construction of main-river dams until this lower river program could get into effect.

We were denied our request for a moratorium, but in lieu of the moratorium, as I think the statement is eminently clear, it doesn't imply anything that cannot be very clearly read there, that they wholeheartedly supported the recommendations of the Fish and Wildlife Service, who in this case was acting as an instrument of the Interior Department, for the retention of all of these lower river tributaries as fish refuges, and for funds from the Congress, and they did urge the Congress to make adequate appropriations to get this lower river program going so that when the main-stem dams were constructed that we would by that time have transplanted, reestablished, and built up, nucleus of runs in the lower river tributaries that could be developed from that point on.

It is obvious, however, that if one of the key streams in this so-called lower river development program, such as the Cowlitz River, were taken from us, you might wind up with an empty sack. You've got $20,000,000, but no place to put it, and no possibility of any significant returns.

Director STEWART. Now Mr. Kemmerick, you state that your statement and your conclusions have not been discussed with the division of the Department of Interior responsible for wholesaling power in this area.

The WITNESS. That is right, however——

Director STEWART. Would you consider amending or changing your statement in case Bonneville Power Authority would recommend that this dam be built?

The WITNESS. No. Definitely not. The Fish and Wildlife Service has a definite responsibility under law, similar to what Bonneville Power Administration has under its enabling legislation; and we do not have to bow to any other agency of the Federal Government, since we are operating under definite authority of law.

Director STEWART. I was interested in your position, since you both——

The WITNESS. Yes.

Director STEWART. Come under the same department.

The WITNESS. That's right. However, I do want to make it clear, that the Bonneville Power Administration subscribed to and was a member agency of the Interior Department, that recommended the whole-hearted support of this lower river development program, and they knew when they made that

recommendation that the Cowlitz River was one of the streams included as a fish refuge.

Director STEWART. Bonneville is a part of the Columbia Basin Interagency Committee.

The WITNESS. That's right.

Director STEWART. Thank you very much.

Mr. MURRAY rose.

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Montana?

Mr. CAIN. May I suggest to the Senator from Montana that I shall continue only a few more minutes?

As a result of the hearing at Olympia, the State conservation department reached a finding that a power shortage existed, that the Cowlitz project was feasible, that the city of Tacoma held valid rights dating from 1933, that the permits requested should be issued to the city of Tacoma, but that the whole issue should now be referred to the legislature and that permits so granted would not be delivered to Tacoma until after the legislature had disposed of the question.

Since the new fish sanctuary law was passed and was signed by the governor, it is obvious that the permits required now are properly "dammed."

Of course, the city tried as best it could to win its case in the legislature. The sanctuary bill promulgated by Federal agencies was one of the first measures introduced in the legislature. It was all set to go. It was referred immediately to the fisheries committees. A hearing was set for January 24. Realizing now the influence of the United States Fish and Wildlife Service and the undercutting effect of its chapters and verses in the Army's "308" report, the city sent a telegram to Mr. C. Girard Davidson, Assistant Secretary of the Interior, which I will read:

JANUARY 15, 1949.

Mr. C. G. DAVIDSON,
*Assistant Secretary, Department of the Interior, Washington, D. C.:*

Statements of Fish and Wildlife Service in 308 review report and personal appearance of Kemmerich at hearing in Olympia December 15, 16, is interpreted by public to indicate that the Department of the Interior, the Department of the Army, and the Federal Government are opposed to the construction by Tacoma of the proposed development on the Cowlitz River.

As you know, Tacoma's rights are based on permits issued in 1933 and still in good standing. December 28, 1948, we submitted to the Federal Power Commission our application for license for the project, including two dams, one at the Mayfield site and one at Mossyrock. We assume your department will be required to pass on this application. Opponents of development have introduced bill in State legislature based on Fish and Wildlife Service statements and statements contained in 308 review report and public statement and hearing on new legislation will be held by House and Senate Committees January 24. We need clarification of Department's position and request advice as to whether Fish and Wildlife statements represent Department's views.

We would appreciate positive statement from you. If their position does not represent attitude of the Department, then believe Fish and Wildlife Service should be restrained from further complete disregard of the city's vested right on the river. Certainly no further interference with local matters should be permitted by the Fish and Wildlife Service and used as basis for misunderstanding of Government attitude regarding Tacoma development.

J. FRANK WARD,
*Superintendent, Light Division.*

The telegram calls attention to the lower Columbia fish-refuge plan revealed in the 308 report and the personal appearance of Federal Fish Manager Kemmerich at the December 15 hearing. Tacoma requested clarification of the Department's position—a very reasonable request—and asked to know if these statements represented the Department's views, urging, if they did not represent the Interior viewpoint, that the Fish and Wildlife Service be restrained from further disregard of the city's established rights on the Cowlitz.

The telegraphic reply from Mr. Davidson on January 19, said:

The Department of Interior has taken no position for or against developments on the Cowlitz. Situation now being investigated by Department so that we will be in a position to comment on your application as soon as Federal Power Commission requests.

Late in December the city had perfected its preliminary plan of Cowlitz development and had filed its application for a Federal permit with the FPC.

As a result of the city's appearance before the Columbia Interagency Committee meeting on January 12, this year, asking clarification of the position of the Federal agencies toward Cowlitz, Col. Theron D. Weaver, then division engineer at Portland, provided the city with an exhaustive list of excerpts from the 308 report pertaining to the Cowlitz and to the lower Columbia fish-refuge plan.

These excerpts show a very rigid adherence to the fish plan and a very loose regard for any rights the city may have acquired in prior years. While the Corps of Engineers recognized numerous multiple-purpose dam sites within the fish refuge area as aids to flood control, power development, and irrigation, they adopted the fisheries position that all these must defer to the fish interest.

The report retains a loophole, however, for eventual Federal development of the power sites now owned but not controlled by the city of Tacoma.

When the Board of Army Engineers held a hearing upon the 308 Report at Seattle last February 1, the city of Tacoma appeared with a statement reasserting its rights and interests in the Cowlitz and challenging those elements of the report which blanketed the Cowlitz into the Fish and Wildlife plan for a fish sanctuary without regard to the city's rights. The city showed that the 308 report's main text and appendix P had the effect of stopping the city from taking care of its own power needs in its own bailiwick or back yard, and of making the city progressively more dependent in the future upon the Federal development of the Columbia River.

STATEMENT BY CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION, J. FRANK WARD, SUPERINTENDENT, AT SEATTLE, WASH., FEBRUARY 1, 1949—HEARING ON OCTOBER 1, 1948, REVIEW REPORT ON COLUMBIA RIVER AND TRIBUTARIES, CORPS OF ENGINEERS, DEPARTMENT OF THE ARMY

As one of the pioneers of the public utility business of the Northwest, and as the oldest municipally owned power system, Tacoma has an interest in any development which will affect power supply in this Northwest region.

When Tacoma entered the business in 1893 it established a precedent for public development of public resources which has been a pattern for many other municipal developments in the area, and was one of the two municipal operations in the State of Washington that formed a base for Federal development of power supply. While Congress over a period of 45 years has consistently followed a policy of favoring publicly owned power agencies, Tacoma's history preceded that policy by a full 10 years.

The cities of Tacoma and Seattle also have a long history of interconnected operation. Both have made extensive additions to their power sources during war years. Both have enjoyed interchange contracts with the Federal system to make the greatest possible use of energy, generating capacity, and reservoirs.

These two cities alone were favorable to authorization of Foster Creek development in 1945 at a time when all utilities in the area said there would be no need for additional generation. Long before the Federal development of the Columbia River took place, Tacoma pioneered the field of electrochemical industry in the Northwest. Rates established for the Bonneville Power Administration were based on power costs of Seattle and Tacoma.

The Puget Sound area is the greatest power-consuming area of the Northwest exclusive of the aluminum loads served from the Federal system. More people, more industries, and more homes in this area offer a market for power than any other community. Because of its size and its commercial and transportation relations with the rest of the Columbia Basin, it stands to gain most or lose most by the rapid development of Columbia Basin resources or neglect of that source of natural wealth.

Because of these things and the dependence which a community can have on power supply, Tacoma can well speak of the need for Columbia Basin development. Tacoma's transmission facilities were used to serve the base of naval operations at Bremerton, and Fort Lewis has been supplied by the city of Tacoma for many years.

In spite of these things there was some opposition of the Federal Government to Tacoma's most recent development on the Nisqually River. This opposition was based on the failure to understand the manner in which western streams of the mountains can supplement the source of power flow of the Columbia River. There are other factors of importance which require a parallel or synchronized development of local power projects with those of the Federal Government. The Federal Government's development on the Columbia to date furnished during the war years the power base on which has been built the increase in population and the industrial development that has resulted in every privately and publicly owned utility facility of the Northwest being fully loaded.

In turn, the increasing demands of these systems have served to absorb all the surplus of energy available from the Federal system to the extent that neither the Federal system nor any other, excepting the systems of Seattle and Tacoma, at present has an adequate reserve of generating facilities on its own system. The development of the Columbia River forestalled many private developments and delayed municipal developments of Tacoma and Seattle until war demands made it possible for the two cities to carry forward additional stages on development of their facilities.

During the last year the fact that Tacoma had greater facilities than it needed during the summer months, and by reason of its

reservoir storage, the favor was returned in considerable measure during the period of flood when the output of the Bonneville plant was reduced and a power shortage threatened the area because other plants as well were incapable of producing under flood conditions.

At the present time we see a Federal program which might have been thoroughly adequate to meet present power demands if its progress had not been halted by lack of appropriations, and by opposition from interests concerned with protection of fish in the lower Columbia River. As a result the whole Northwest suffers and is uncertain of its future, and must turn industry away pending the time when a consistent program of Columbia Basin development, such as outlined in the War Department's 308 Report, can be assured by Congress.

The city of Tacoma favors the rapid development by the Government of phase-B projects, described in the 308 Review Report, and recognizes the ultimate requirements of the area and of the Nation for power supply are dependent on such development. Since the Review Report contains no statement as to the priority of the projects nor the time of their construction, it is impossible for anyone to say that the report offers a solution to Northwest power problems. The two factors of time and order must become real, and must be coupled with assurance of construction by appropriation or other means of financing.

Pending such action by Congress—subsequent to the submission of the report—as will give this assurance, the people of the Northwest will be dependent on their own means of meeting power needs. Sufficient indication has been given in statements of the various district offices of the War Department to indicate that unlimited appropriations still would not make it possible for the Federal Government to meet the needs of the Northwest between the present time and 1958.

Realizing this situation, the Tacoma Department of Public Utilities has made definite plans to construct facilities which would not only meet its needs but would make a valuable contribution toward filling the gap until Federal projects—when, as and if approved, subsequent to the filing of this report, can come into production.

Based on the spirit of cooperation that has existed through the past years between the Corps of Engineers and the city of Tacoma, we find it impossible to believe that the Corps of Engineers could intentionally oppose or prevent the city from doing its utmost to meet its own power needs. Yet we find in this report, statements which have that effect.

We are well aware of requirement of the flood control act which places an obligation on the Corps of Engineers to secure comment from every interested Federal agency in submitting a report of this kind, and the responsibility which the Department has to include those recommendations without adverse comment or modification. Consequently, we feel the recommendation of the Fish and Wildlife Service, contained in appendix B must be construed to be the statement of the Fish and Wildlife Service alone and not the opinion of the War Department. We find, however, that the general public do not so interpret the statement included in this report, and the city of Tacoma consequently must raise objection to the inference that this report gives, indicating support by the Army to the lower Columbia program of the Fish and Wildlife Service, to the detriment of Tacoma.

Tacoma has rights on the Cowlitz River which date back to 1933; these rights consist, in part, of a permit for construction of a dam and reservoir at Mayfield with the requirement that construction be begun by 1952. The city also holds temporary permit for investigation of a second site at Mossyrock, considered by its original applicants to be an integral part of the Cowlitz River development, and this permit also, in point of priority, dates back to 1933. In spite of the existence of these permits which constitute a vested right of the city of Tacoma on the Cowlitz River, we find a report by the Fish and Wildlife Service which totally disregards the existing vested rights and recommends that the Cowlitz be closed to all hydroelectric construction so as to permit the stream to be used as a fish refuge. It would not be so bad if the recommendation made indicated that the city's rights had been weighed and the value of salmon rehabilitation had been determined by competent parties to be of greater importance, but such has not been the case.

In the same appendix which maintains that the Cowlitz River must be maintained as a fish refuge, the same agency states that the fish problem on the Willamette River can be adequately dealt with, although the Willamette River has 3 dams under construction, with 14 more to be authorized, as compared with the 2 proposed on the Cowlitz River.

All of this in the face of the fact that the State supervisor of hydraulics of the State of Washington, charged with the responsibility of determining the maximum beneficial use of the stream, has determined by findings of fact and issuance of permit that power development is the greatest possible beneficial use of water. Elsewhere in the 308 Review Report we find qualified statements with regard to developments which the War Department might itself consider on the Cowlitz River at some future date. This review report mentions 11 possible developments on the Cowlitz River. The report contains the statement that any development in the lower Columbia area must be made to conform with the proposals of the Fish and Wildlife Service, but we hold this to be an improper statement in view of the fact that the vested rights of the city of Tacoma predate the proposed salmon-refuge scheme by some 15 years. As the report now stands, with the nominal approval of the War Department, the Federal agencies whose opinions are contained in the report have shown either complete ignorance or a complete disregard of Tacoma's vested rights on this river.

As we have said before, we do not believe that this construction of the review report should be allowed to stand as indicative of the relations that are to exist between the Federal Government and a subdivision of local government, which has the responsibility to provide power for its people. Consequently, we request that reference to construction of a fish refuge on the lower Columbia which would prevent Tacoma's construction be qualified, and that the matter of deciding what is best for Tacoma and the State of Washington be left in the hands of Tacoma's people and the State.

We have been particularly interested in the analysis of possible Cowlitz River development which the War Department has made on its own account as shown in this report. The city has done very extensive drilling at the two sites for which we consider development but the information which the War Department has gathered with regard to the Cowlitz River, and their lay-out of possible types of construction, has served as a guide in some respects, and in others as a confirmation of our own judgment that these two sites are thoroughly practical. We have gone much farther than to investigate sites. Preliminary plans have been drawn and estimates have been made, and while these differ in some respect from the War Department's lay-outs, they check each other.

The city of Tacoma has thoroughly investigated the possibility of financing construction. While the city does not anticipate costs as high as those indicated in the report, ample provision has been made for present-day wages and equipment costs, and the city has found the projects to be feasible of financing on a revenue bond basis.

The money value of power at present rates in the city of Tacoma would exceed $9,000,000 in a minimum water year. Statements are on hand from every utility in the Northwest urging the city to proceed with its construction, and expressing an interest in securing from the city any surplus available over and above its own needs when, as and if the project is constructed.

We have not had all of the Review Report available for inspection, so we do not know to what extent the contribution of the Cowlitz River toward meeting the power-supply problems of the area has been dealt with. Our own studies indicate the feasibility of installed 345,000 kilowatts at these two sites, and the probable desirability of installed 460,000 kilowatts. With the construction of the larger amount of capacity in those years when winter stream flow is available, it would be possible for power supply from the Cowlitz River to be combined with summer power supply of the Columbia River so as to use as much as 900,000,000 kilowatt-hour of summer energy from the Columbia in the supporting of high load factor load. The mere fact of interconnection of the Cowlitz River and the combined Seattle and Tacoma systems with the Federal Government would increase the prime power capability by 117,000 kilowatts in 1951–52, and the contribution toward peaking capacity by virtue of this interconnection would come close to 200,000 kilowatts.

At a time when the estimates of the Bonneville Power Administration show a peaking deficiency which would continue over minimum water conditions until 1952–53, and an energy deficiency existing from the present time until 1956 with minimum water conditions, the bringing into production of the Cowlitz development with its energy and peaking capabilities, its contribution to the welfare of the region, cannot be overlooked, and it far outweighs any value which can be placed on fish in the Cowlitz River.

There is still a further point to be raised with regard to the need for construction of other facilities other than those which are contemplated for a long-range plan of development of the Columbia River. This reason is the need for a power supply to insure national security. Region VII of the Pacific Northwest has been pointed out by the National Security Resources Board as being the most critical area of the Nation with regard to power supply from the standpoint of national security.

Further than this, a report of the Board indicates that the one plant most promising as far as relief from this shortage is concerned is the city of Tacoma's development on the Cowlitz River. In fact, a letter from Mr. Arthur M. Hill to the city council suggests:

"As you know, recent staff studies by the National Security Resources Board indicate that the Pacific Northwest is confronted with the possibility of a serious power shortage at least through the year 1951. Because of the impact of this possible shortage on the national security, the Board has been exploring the possibility of expediting and enlarging the power program for that area. We have felt that every effort should be made by the Federal Government and by all of the local public agencies and private companies to expedite power expansion in the Pacific Northwest.

"Accordingly, should the officials of the city of Tacoma decide that the Cowlitz power development is a technically sound and economically feasible project, the earliest possible completion of this project would clearly be in the interests of national security."

The amount of this shortage has been indicated in a report of December 1948 to be 13.8

percent under adverse hydro conditions in 1950 and 12.9 percent under adverse conditions in 1951 with regard to peak. In 1951–52 the amount of peaking shortage is 722,000 kilowatts and the increase energy shortage is 636,000 average kilowatts.

The estimates of loss submitted by the State departments of game and fisheries indicate that the maximum loss which would be likely to occur as it affects the Columbia River output of salmon would be 2 percent or less of the total The city has offered at all times to cooperate with the State departments to the end that the maximum protection of fish might be obtained and losses reduced.

The contribution to the power supply of the region, the small effect on fish, the speed with which these projects could be built, are all cited as reasons for requesting that the War Department in its 308 review report avoid any inference that construction on the Cowlitz River should be delayed in the interests of a fish refuge, especially when the comments now contained in the report indicate an actual disregard by a Federal agency, the Fish and Wildlife Service, of the vested rights granted by the State of Washington in 1933 and now held by the city of Tacoma.

The city has pushed its studies of these sites with all possible speed and has filed both a letter of intent with the Federal Power Commission and later an application for license under Federal Power Commission requirements. This application was filed on December 28 and in due course must be referred to agencies of the Federal Government. It is requested that the War Department, having made studies which indicate the feasibility and desirability of construction at the Mayfield and Mossyrock sites on the Cowlitz for multipurpose project, hasten construction of these projects by approval of the city's application, and indirectly aid the city by modifying its present review report so as to remove any hindrance which may be thought to exist by the public, by reason of statements that the city should delay to exercise its prerogatives to construct until some future date when such construction does not interfere with special interests of the fishing industry.

Mr. President, it is to the question of the future power development of the Pacific Northwest and to the parties who are going to be responsible for generating that power, that the Congress I think, before the question is finally resolved, must return again and again. If the Federal Government is not to provide all of the power required by the Pacific Northwest will it permit the States and municipalities and private agencies to produce what they can?

That it required an act of the State legislature to put the sanctuary plan into effect is beside the point; the inspiration and influence and weight of Federal authority, through a branch of the Federal executive office, was being applied effectively to override local enterprise.

In this particular case we have several loose ends which need to be tied together. Please remember that Mr. Krug in his Tacoma speech last September, urged local agencies by all means to proceed with their local power projects; and remember that his assistant secretary, Mr. Davidson, by telegram on January 19, insisted the Interior Department had taken no position as to Cowlitz dams and would not take one until the matter had been referred to the Federal Power Commission.

Let us see what meanwhile has been going on in Oregon. We need to show the pattern of Federal interference.

I think it is important to show it, if it is there, in order that we can get rid of it, because, if it exists and we can minimize that interference, we shall have cooperation from three rather than from one source, the Federal Government on the one hand, and private and public local agencies on the other hand.

At approximately the same time the Washington Legislature was considering the fish sanctuary plan of Federal Fish and Wildlife Service, similar legislation was proposed in the Oregon Legislature across the Columbia. A legislative hearing was held and our Mr. Kemmerich, the fish coordinator, again was a star witness. Private power people proposed construction of a 75,000-kilowatt dam and powerhouse on the Deschutes River at Pelton damsite in Oregon. The Deschutes River, like the Cowlitz, flows into the Columbia below McNary Dam.

The Oregon Legislature was not so easily stampeded into the fish refuge plan as in Washington. It sidetracked the bill but referred the Pelton project to the State hydroelectric commission. This commission held a hearing upon the Pelton project in April. Mr. Roy F. Bessey, chairman of the Pacific Northwest field committee of the Department of the Interior, was a witness opposing the construction.

It developed that the Interior Department had a policy, officially expressed, not by Mr. Assistant Secretary Davidson but by Mr. Assistant Secretary William E. Warne, who sent a teletyped statement introduced into the hearing record by Mr. Bessey. Mr. Warne's statement declared:

WASHINGTON, *D. C., April 21, 1949.*

To Mr. ROY F. BESSEY:

Following is letter which is going to Stricklin tonight air mail special:

"Mr. Roy F. Bessey, chairman of the Pacific Northwest field committee of the Department of the Interior, in his letter of April 14, 1947, stated in general the position of the Department of the Interior with respect to the Pelton hydroelectric power project on the Deschutes River. In his letter, Mr. Bessey indicated that a further statement of the Department with respect to this project would be provided for the hearing which is to take place on April 25.

"The position of the Department of the Interior in opposing this project is based on consideration of the broader problem of relationship between hydroelectric development and fishery resources in the lower portions of the Columbia River and its tributaries. As you know, the matter of the effect of the Columbia River and Snake River Dams on the fisheries resources of the Columbia River was the subject of extended consideration by Federal, State, and other interests over the past few years. Out of these considerations has developed the lower river fisheries program. This program is the product of deliberations between agencies of the Department of the Interior in the Northwest, the Columbia Basin interagency committee, in which Federal, State, and other agencies participate, the Federal Interagency River Basin Committee and the Department of the Interior. As a result of these discussions the Department of the Interior has accepted the conclusions and recommendations of the Federal Interagency River Basin Committee, which were in part that rescheduling of the dams now authorized by the Congress would not be in the best interest of the public, but that strong support should be given to all feasible measures for improving fish conservation and development, and that the lower river fisheries program as proposed by the Fish and Wildlife Service for the States of Oregon and Washington should be initiated immediately.

"This Department has consistently supported this program in its representations before the Bureau of the Budget and the Congress, in its support of the plan it has stated its understanding that the States of Oregon and Washington and all Federal agencies concerned were unanimously in favor of the program.

"The policy of this Department continues to be that of encouraging to the fullest extent feasible the maximum conservation of fisheries resources and the maximum development of hydroelectric power and other resources in the Columbia River Basin. This contemplates comprehensive development of the Columbia River upon the basis of full correlation of the lower river fisheries program with the postponement of dams on the main stem below the McNary Dam which will materially interfere with the fisheries and installation of fish protective facilities in upstream dams where practicable. Such policy at the present time does not contemplate the construction of any water development projects on tributaries to the lower Columbia River below the McNary Dam that would measurably decrease the present and potential usefulness of these tributaries for fisheries purposes. It likewise contemplates cooperation with the States of Washington and Oregon in the development of these tributary rivers by the removal of obstructions to fish migrations, the development of and provision of facilities for improved accessibility to spawning areas and the artificial production of anadromous fish for the stocking of these streams.

"This policy is reiterated at the present time with the awareness that excellent power sites do exist on some of these tributaries. However, our evaluation of the over-all benefits which will accrue to the region from balanced resource development indicates the position we have taken above. Economic appraisal is a continuous one, however, and although we envision no modification of this position in the foreseeable future, we shall be continuously aware of changes which may at some indefinite time lead to different conclusions. At the same time the Fish and Wildlife Service will be continuously engaged in carrying out its part of the program and in making additional studies to determine the resource potential of the lower river fisheries and the impact of the specific project proposals on this resource.

"Accordingly, the Department of the Interior opposes the application of the Northwest Power Supply Co. for a preliminary permit to appropriate Deschutes River water for the Pelton project. In reaching this decision the Department has considered the advantages which would accrue to the Warm Spring Indians as a result of the project, but has concluded that such benefits would be derived at the expense of all fishery interests in the lower Columbia River, including the larger group of Indians dependent on the present and prospective fishery resources of the lower Columbia.

"It is expected that representatives of the Fish and Wildlife Service will be available at the hearing to present specific testimony concerning the effect of the proposed project on fishery resources. There will be available, in addition, the chairman of the Pacific Northwest Field Committee and representatives of the Bonneville Power Administration and the Bureau of Reclamation.

"Sincerely yours,

"WILLIAM E. WARNE,

*"Assistant Secretary of the Interior."*

Now let us bring this phase of the case up to date. The Portland Oregonian of June 8 reports a visit of Assistant Secretary of the Interior C. Girard Davidson,

the same gentleman who on January 19 insisted the Department had no policy regarding the Cowlitz River.

To quote the Oregonian:

The United States Department of the Interior will ask the Federal Power Commission to refuse permission for the Pelton hydroelectric power dam on the Deschutes River, Assistant Secretary C. Girard Davidson predicted in Portland Tuesday night. Speaking at a round-table discussion of the Columbia Valley Administration issue at the Press Club of Oregon, Davidson said the proposed private power development would be harmful to fish runs and incompatible with the Federal fisheries program for maintaining the $20,000,000 salmon-fishing industry on the lower Columbia River.

Amplifying his remarks in an interview, Davidson made clear the Department's attitude that the issue of public vs. private power is not a factor in its opinion about the Deschutes Dam.

"We did the same thing when the city of Tacoma wanted a dam on the Cowlitz River for its public-owned electric utility," he pointed out. "We've got to stick with the lower Columbia fisheries program, which means no more power dams below McNary Dam site. If we follow this program I am convinced we can maintain practically the same fish run in the Columbia as at present."

I remind my colleagues in the Senate that I have given two instances in which the Federal Government, through the Department of the Interior, has prohibited the construction and generating of power on two rivers, in one case a publicly owned utility, in the other case a privately owned utility. Perhaps we are beginning to draw the conclusion that for one reason or another local interests may be prohibited in their efforts and determination to spend their own money and to provide their own power, with the net result that if we get the power we need, we shall get it less rapidly; and when we do get it, it will all come from the Federal Government through appropriations which are to be made available by the Congress of the United States. I do not know that my assumptions are necessarily correct, but I think they are deserving of close scrutiny and question by every Member of a Congress which is likely to be asked to foot all the bills for all the projects in the Pacific Northwest if some reasonable way cannot be found to permit those who have financial capacity to invest their own money and assume their own obligations for at least a part of their own problem.

The Appendix of the CONGRESSIONAL RECORD of this year contains at page A2503 an extension of the remarks of the Honorable JOHN SANBORN, of Idaho, in the House, submitting the letter of Lewis A. Pick, major general, Chief of Engineers, transmitting to the Secretary of the Army the comprehensive plan of development of the Columbia Basin.

General Pick at considerable length outlines the details and merits of the Columbia Basin plan, but nowhere acknowledges either that city of Tacoma has any rights on the Cowlitz, or that it has at any of the several Corps of Engineers and interagency hearings asserted any claim to rights. The city is brushed aside as too unimportant for comment, and its claims to prior consideration are merged with the general assumption of "unanimous consent of local and State interests" in the comprehensive plan.

Up to this point the record is clear, then, that all due consideration has been extended to the various Federal departments, to the fish industry, to the Indians, and to the birds and butterflies people, but none for the Puget Sound lunch-bucket boys who have to work for a living, and who depend upon electric power to safeguard their jobs.

It is good to have an opportunity to talk in support of the hope of local municipalities throughout the Northwest who wish to generate more power out of their own assets in order that they may provide more jobs for more men and women who work hard for a living. Too little consideration is shown for the enterprise of a community that is prepared to provide its own power requirements, and to help others meet their requirements, without trotting to Congress for fat grants-in-aid for their project.

In speaking for a city which I hold in very high regard, I am extremely pleased to say that they have $70,000,000, or they will bond themselves for $70,000,000, to construct a power dam, and the only request the junior Senator from Washington, in representing them, will have to make will be for what they are not able to do for themselves.

On this side of the continent, some 3,000 miles from Tacoma, the Interior Department has shown its hand in another matter that could, in time, adversely affect the city of Tacoma. The Federal Power Commission held a hearing on May 12 in regard to project No. 2009, the application of the Virginia Electric & Power Co. for permission to construct a hydroelectric dam project on the Roanoke Rapids site in North Carolina. That is a long way from the State of Washington, but I use it for this reason. The Secretary of the Interior authorized intervention there to block the project in North Carolina, not in the Pacific Northwest, but in North Carolina, for the following two reasons:

(1) That since the Congress has approved the plan of the Army engineers for development of the Roanoke River Basin, which includes the Roanoke Rapids site, this approval constitutes a determination by Congress that the sites studied and recommended for development by the Army engineers should be developed by the United States itself, and thus the Commission lacks jurisdiction to entertain the application; and (2) that the applicant's plan for development, differing as it does from the proposal of the Army engineers, would not be best adapted to conserve and utilize the water-power resources of the Roanoke River Basin in the public interest.

Should this Congress approve the comprehensive 308 report on the Columbia Basin, it is obvious then the Secretary of the Interior could insist our action had approved nine potential projects on the Cowlitz River, and that such approval had preempted construction of those projects for the Federal Government. On such grounds he could oppose construction of any project by a local agency, and disregard any prior rights of such an agency.

I for one, am not yet prepared to accept that and related actions of the Department of the Interior as the established Federal policy. I do not think this Nation has an established Federal policy. I should like to think that at sometime in the not too distant future the Congress itself could set aside sufficient time in which to develop and agree upon a Federal power policy which would be acceptable to the local and Federal interests of this land.

I would think that in view of expanding Federal obligations and commitments in other directions, the Congress—and the administration, for that matter—would welcome with open arms the proposal of a local agency to do something for its area with its own local resources so long as it did not propose to violate a Federal law or perform an act opposed to the national welfare. I see nothing of this kind in the Tacoma case, which the Senate has so kindly permitted me to present this afternoon.

I fail to find a record of any of these dams, Federal or local, causing any damage to the Pacific Northwest fisheries, whether as an industry or in the wildlife-sportsman sense. I find no factual showing that keeping the city of Tacoma off the Cowlitz River, or the Northwest Power Supply Co. off the Deschutes River, will contribute one iota to the present or future economy of the Northwest, or will accomplish any increase in the fisheries resource that would not be accomplished by practical methods already known and practiced by the fisheries authorities of the two States concerned, and by the Federal Fish and Wildlife Service, with cooperation of the power, reclamation, navigation, and flood-control agencies working in the area.

In its recent statement to the Senate subcommittee, there was this conclusion:

The city of Tacoma contends that the prejudicial and preemptive action of the Department of the Interior and the War Department have been and will continue to be damaging to the power supply, and hence to the entire economy of the city of Tacoma in particular, and the entire Pacific Northwest in general, for so long as the Federal program falls short of meeting the area's requirements.

I think it is perfectly safe and reasonable for all of us to say, and most of us to agree, that if the Federal Government, through all its agencies, is not able by means of Federal funds to develop the Pacific Northwest country as rapidly as its people and this Nation deserve that it be developed, there must be a new approach taken through which there will be a constructive and positive encouragement to local agencies to utilize completely every facility at their command. In these few minutes I have given the Senate two instances in which more than 400,000 kilowatts of power, badly needed, will not be provided because the Federal Government has denied construction authority, while at the same time the Federal Government is in no position to make up the power deficiency. But if the prohibition against local interests continues I know what will happen. The city of Tacoma and a private utility in Oregon, and others elsewhere, I suppose, will throw up their hands and quit, and then they will memorialize Congress, as

their only way out, to give them more and more and more appropriations. For whatever my opinion may be worth I want to say that our Federal Government will never be able to appropriate money fast enough or in sufficient quantity if it does not encourage the spending of every penny which is available on State and local levels.

Mr. O'MAHONEY. Mr. President.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Washington yield to the Senator from Wyoming?

Mr. CAIN. I am most pleased to yield.

Mr. O'MAHONEY. I have listened with a great deal of attention to what the Senator has been saying. He is dealing with one of the great problems before the Congress and the people of the United States, namely, the inundation of local power and individual authority by central power. He is discussing the effect of that inundation proceeding from central Government power. I suggest to the Senator that there will be no possibility of stopping the expansion of central Government power, as he has so well pointed out at this moment, because of the rising demand from local interests for greater central power, unless we take positive steps at a very early date to stake out the area in which local power and individual authority may operate without interference by national economic power, private power, so-called.

The whole cause of the expansion of big Government is to be found in the fact that we have done nothing to protect little business and local business from being submerged by the expansion of national business.

Mr. CAIN. Mr. President, in a very real way may I state to the distinguished Senator from Wyoming that I agree with his premise. I have merely thought it proper this afternoon to give a demonstration of where there was, from my point of view, an unreasonable encroachment and interference by the Federal Government. However, to a substantial degree I agree with the Senator that there has been no national policy which would make a clear-cut demarcation of whose responsibility belonged to whom. And until each component part of the political entity, city, State, and Nation, fully lives up to its responsibilities no other agency should or has a right to expect help from the other. Each component part, however, has a clear right to expect that it will not be interfered with within the area of its own responsibility.

Mr. O'MAHONEY. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Does the Senator from Washington yield to the Senator from Wyoming?

Mr. CAIN. I am glad to yield.

Mr. O'MAHONEY. The Senator will forgive me if I take the opportunity, which he has presented, to call to his attention and to the attention of those who are present, and to the attention of those who may read the RECORD, that so long ago as March 1941, the Temporary National Economic Committee filed with the Congress a formal report in which there was outlined an extensive program for the preservation of little and local authority in the economic field. It has been neglected. It was neglected primarily, I think, because we were moving into World War II. And now we are in the twilight zone between the end of World War II and the possible achievement of peace, or maybe the initiation of another war, and again we are neglecting these fundamentals.

There is now pending before the Committee on the Judiciary a measure in which the senior Senator from North Dakota [Mr. LANGER], as a member of that committee, is extremely interested, a measure which was recommended by the TNEC 8 years ago, to give the Federal Trade Commission the power to prevent monopolistic mergers of private businesses which by merger create the very conditions which compel the Federal Government to become larger. Until we act along that line the Senator will raise his voice without effect, and I shall raise my voice without effect. We shall not be able to preserve economic democracy unless we realize that it is threatened by the concentration of economic power, and unless we make up our minds to attack that problem.

Mr. CAIN. May I inquire of the able Senator from Wyoming if out of his experience he knows a period in all American history when there was greater reason to study and reconsider and take action upon the very subject the Senator has just addressed himself to, namely, preserving for and giving strength to local component parts of governments in our economic society everywhere?

Mr. O'MAHONEY. I will say to the Senator from Washington that this is the time to do it. It is altogether appropriate to remark here today, when the Senate is holding the last session that will ever be held in this Chamber as it now is, to point out that unless we give attention to these problems when the Senate meets in the old Senate Chamber, later occupied by the Supreme Court, until the new Senate Chamber is completed, it will only be continuing to give away the legislative power of Congress to the Executive. At this very moment Congress is continuing to abdicate its powers.

Just a few days ago we passed a bill which has become the law, by which Congress handed over to the Executive the congressional power of fixing and determining the power and the authority of the executive branch of Government. There is now pending before this body—it is on the calendar—a bill which, if it should be enacted, would hand over to the Executive the complete power to cut the appropriations which only the Congress is supposed to make in the first instance. We have boasted that the control of the purse strings is the strongest arm of freedom in a democratic state; and yet a majority of the Members of this body, I am told—I have not seen the petition—have signed their names to an appeal in which they formally declare in effect, if not in words, that they are surrendering the purse strings to the Executive.

Mr. CAIN. Mr. President, by his observation, my friend, the Senator from Wyoming, has made my day worth while. I had not thought of some of the positions assumed by the Senator from Wyoming; but I was deriving a considerable degree of satisfaction in speaking affirmatively in favor of a local unit of government—and I speak just as favorably for a private concern—in their willingness to assume their own responsibility right up to the full. I think in a general way the Senator from Wyoming has subscribed to that encouragement which I would freely give not only to those whom I represent but to those who may live elsewhere anywhere in this country.

Mr. President, I wish to make a short concluding statement. A lack of power to turn industrial wheels can be as damaging to the business economy as lack of money; in fact, one may well induce the other so that in a section that should be bursting with prosperity—and I wonder how many in the Senate are actually conscious of this fact—we find all utilities, public and private, of every character and description, in the Pacific Northwest, agreed today to a quarantine on new accounts requiring industrial loads of 500 kilowatts or more demand. We have in fact at the boundaries of the States of Washington and Oregon a tariff wall which is impenetrable to those who seek to cross it for a demand for power in excess of 500 kilowatts.

RESOLUTION OF PACIFIC NORTHWEST UTILITIES CONFERENCE COMMITTEE

Whereas it appears that periodically over the next several years there will be a deficiency of electric power in the areas served by the electric utilities in the Pacific Northwest necessitating curtailment of loads and other conservation measures; and

Whereas the public interest will best be served by making provision for existing loads through the curtailment of new or additional uses of electric power; and

Whereas the use of electricity as a principal or sole means of space heating in commercial or industrial establishments and dwelling houses is relatively new, and numerous other fuels can readily be utilized for the same purpose; and

Whereas industrial electric power loads of 500 kilowatts or more demand are recognized in the electric industry as being so substantial that special consideration is generally given to availability of electric power before such loads are connected: Now, therefore, be it

*Resolved*, That the Pacific Northwest Utilities Conference Committee recommends that until the expiration of the present emergency with respect to the deficiency of electric power there be a curtailment of new or additional uses of electric power, particularly that there be no connections made for new or additional electric space-heating installations and that there be no connections of industrial loads of 500 kilowatts or more demand.

Adopted at Tacoma, Wash., April 14, 1949.

Mr. President, my mind again returns to what would have been the happy prospect in front of all of us in that Puget Sound area if the ability of the city of Tacoma to provide 340,000 additional kilowatts of power by 1951 had been agreed to by certain agencies of the Federal Government. But because the Federal Government did not agree to the right of a local community to advance

its own cause, the tariff barriers will continue for a longer period than we like to think of in Tacoma, and throughout the Northwest generally.

In the Pacific Northwest today we are finding business failures where there ought to be none, and a growing tide of unemployment when it should not exist. Admittedly the problems which confront us all in the States comprising the Pacific Northwest are not easy to solve. This has been but one man's declaration, that every agency concerned within the area of its jurisdiction ought to be encouraged, particularly by the Federal Government, to do all it can for itself before seeking assistance from Uncle Sam.

Mr. President, during the course of these remarks I have made several references to letters, meetings, and comments of those in Federal authority. I ask unanimous consent for permission to insert them in the RECORD at the proper places, only as a means of keeping the record straight and as accurate as possible.

The PRESIDING OFFICER. Without objection, it is so ordered.

## DEVELOPMENT OF THE MISSOURI RIVER BASIN

Mr. MURRAY. Mr. President, the filing of the report of the Hoover Commission on Organization of the Executive Branch of the Government has developed wide-spread public interest in the programs of flood control, reclamation, and hydroelectric development now going forward in several of the great river systems of the Nation. These programs of river valley development, involving billions of dollars in governmental expenditures, are being carried out by several competing and conflicting Government agencies, without due regard to the overall purposes to be accomplished, and are resulting in extravagant plans and projects and wasteful expenditure of public funds.

I have been calling attention to this situation for the past several years, and in 1947 I filed a resolution calling for a thorough investigation of the operations going on in the Missouri River Basin under the Pick-Sloan plan. Since the filing of my resolution, the Hoover Commission on Organization of the Executive Branch of the Government has made a complete study of the operations of the Federal agencies in this field, and has severely condemned the policies and programs of those agencies.

Mr. President, the development of our river basins under sound and carefully prepared plans is one of the great needs of the Nation. It is a need that must not be long denied. But today I am particularly interested in discussing the program for the development of the Missouri River Basin, now being carried forward by the Army engineers and the Bureau of Reclamation under the so-called Pick-Sloan plan. The Hoover Commission report is a complete indictment of the Pick-Sloan plan, conclusively showing that under the present piecemeal, uncoordinated, and conflicting activities of these agencies in the Missouri Basin we are witnessing a reckless and extravagant waste of public funds.

Nevertheless, a movement is on foot to defeat the recommendations of the Hoover Commission. Huge sums of money are being spent in lobbying and propaganda activities to block a sound, region-wide program of development in the Missouri. Of course, we all know quite clearly where this opposition comes from. We have been familiar with the powerful influences at work in the region for many years. The electric power utilities are seeking to block any program which fails to give them a monopoly of the power developed in and Government project. Of course, they cover up their designs under an elaborate system of propaganda put forth by high-sounding front organizations described as "development associations," "reclamation associations," and other like combinations of propagandists. These groups have great power and influence, and will, unless exposed, defeat the best interests and welfare of the people in the Missouri Valley.

Mr. President, in America, along with other great advances in the arts and sciences, we have developed the art of propaganda to its highest state of perfection. Although propaganda is an ancient device, used in remote periods of history to confuse and befuddle the minds of people, nowhere has the art become more highly developed than it has down in the Missouri Valley section of the United States. There it is being used most effectively to delay and block any development program which is not a surrender to the power monopoly.

Now, Mr. President, it is conceded by everyone in the Missouri Valley that there is an absolute need for a program to control the recurring floods and destruction of topsoil, gradually bringing ruin to that richest valley in the Nation. All previous plans of the Army engineers to this end have failed; and the hurriedly improvised Pick-Sloan plan, which they have been clinging to as a last resort, is now also an admitted failure. In reality, it was not a carefully devised plan but a mere prospectus designed to defeat the threat of a Missouri Valley Authority. It has been condemned by the Hoover Commission and by all competent engineers as a complete and costly failure. We must now without delay provide a sound and intelligent program in its place.

The Tennessee Valley was confronted with a like situation some years ago, and a solution was found in what has become known as the Tennessee Valley Authority. Fifteen years ago the Tennessee Valley was threatened with ruin by the damaging floods and soil erosion occurring there. Population was dwindling, business and industry disappearing. A large part of the area was destined to become a semiwilderness. Finally a program was developed to meet the conditions in the Tennessee Valley. That program has become a complete success. It reversed all the conditions I have described and has attracted attention all over the world. The TVA is today recognized is one of the greatest accomplishments of modern democratic government.

So, Mr. President, the proposal has been made to set up a Missouri Valley Authority, patterned after the Tennessee Valley Authority, to carry out a program embracing flood control, reclamation, soil conservation, hydroelectric power, and incidental development of the resources of the Missouri Valley region. The program proposes not only to stop the floods and the ravages occurring to the rich topsoil of the area, but it proposes to build multipurpose dams for flood control and reclamation and, at the same time, utilize the raging waters of the river to create a vast pool of low-cost hydroelectric power. Such a program would make it possible to attract capital to the region, develop its rich mineral and other resources, stop the trend of a losing population, and bring about a balanced economy and prosperity in all the States in the Valley.

But here comes the rub: The great private power utility interests, exercising a monopoly of power distribution in the area, fear that the development of low-cost public power under such a program would adversely affect their interests. The private utilities fear that while such a program might greatly benefit the people of the area, it would interfere with their monopoly and result in serious competition, and thus lower their power rates and profits. They argue that it is an attack on private enterprise. In truth, however, it would develop the whole area, expand private enterprise, and increase population to such a degree that the private utility interests would be substantially benefited along with the rest of the population, as was demonstrated in the Tennessee Valley under the administration of the Tennessee Valley Authority.

These private utility interests, however, are utterly and irrevocably opposed to the development of low-cost electric power unless they are given a monopoly over it. They want the Government to deliver the power, so developed, to the private utilities at the bus bars, and at wholesale rates so that they may make enormous profits in the distribution of the power to the people. This, of course, would not result in the development which the Missouri Valley so sorely needs. It would merely expand the monopoly control of the private utilities, increase their profits, and retard the industrial development of the area. The Missouri Valley Authority, therefore, is a sound and proven program for the development of this backward area. It also provides an opportunity for new homes and new jobs for our rapidly expanding national population, and is a means of meeting any threat of unemployment which may result from present economic trends. It is a democratic program which will expand free enterprise rather than retard it.

But, Mr. President, this is where the fine art of propaganda comes into play. The private power interests have organized propaganda groups designed to delude innocent and gullible people into thinking that the Missouri Valley Authority program is a wild socialistic contraption, originating in Moscow and designed to weaken free enterprise and de-

stroy our American way of life. Well supplied with funds, these organizations have been carrying on a program of misrepresentation and confusion, dealing in half-truths and false, misleading conclusions.

On March 15, 1949, the St. Louis Globe-Democrat, of St. Louis, Mo., carried an editorial entitled "The Basic Issue." Thousands of reprints of this editorial have been furnished by the St. Louis Globe-Democrat to the Mississippi Valley Association, and that organization is distributing the reprinted editorial broadcast throughout the region. The editorial, which represents the logic and the interpretations of the power interests, seeks to confuse the people of the area in regard to the meaning and the purpose and intent of the Missouri Valley Authority. The editorial totally ignores the need for a program to meet the problems of the Missouri Valley region. It merely seeks to prejudice and confuse the public on the results which can be achieved under the Missouri Valley Authority program.

Now, Mr. President, let us see who are behind this opposition to a full and complete development of the Missouri River Valley and its resources, and just who are behind these propaganda institutions. I have made some inquiry in this direction, and I have just received an article taken from the February 10, 1949, issue of the Unionist and Public Forum, of Sioux City, Iowa. This article gives us some very pertinent information. On the front page of the paper is a story headed "Local gas and electric company charters plane to anti-MVA meeting." There is a three-column picture with a story showing the group posing beside an airplane, with the following legend underneath:

Twenty-two guests of local utility are shown before boarding a chartered plane to attend the annual convention of the Mississippi Valley Association.

Mr. President, I ask that this entire article, and also an editorial from the Chamberlain (S. Dak.) Register, dated April 28, 1949, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article and editorial were ordered to be printed in the RECORD.

(See exhibit A.)

Mr. MURRAY. Mr. President, these articles reveal the hand behind the Mississippi Valley Association and its propaganda. They demonstrate clearly that the real opposition to the Missouri Valley Authority is the Sioux City Gas & Electric Co. and other utility interests, controlled in New York, who oppose this program which will mean low-cost public power and development of the resources of the area for the benefit of the people.

The able editor of the Unionist and Public Forum, in his editorial printed in the same paper on the same date, with the above-mentioned news article, said:

MVA is the key to the future progress of the Missouri River Valley. It is the most important single factor in the economic prosperity of the Midwest. Leaders in the Midwest have understood this for years. The yardstick of their understanding is the phenomenal success of the TVA, which has helped the people of the Tennessee Valley to rise from the lowest living level in the United States to the top. Industry has moved in because of cheap water power, and the businessmen of the valley are today the chief supporters of the TVA. * * * Electricity is the lifeblood of a prosperous economy. It is as important as steel and food. The importance of electricity, however, depends on the cost. MVA is the key, because it will make available hydroelectric power at a very low cost.

Mr. President, I ask unanimous consent to have the remainder of the editorial printed in the RECORD at this point.

There being no objection, the remainder of the editorial was ordered to be printed in the RECORD, as follows:

Leaders in the Midwest understand the importance of MVA as a source of cheap power. Six or seven years ago, when Senator MURRAY, of Montana, introduced an MVA bill, these leaders organized a 10-State committee to support the project. But opposition developed immediately under the influence of the private monopoly utilities, and the political tide was with them. The opposition organized a Missouri River committee, with strong Republican backing, which started shouting "socialism." The Republican Congress first succeeded in delaying the Murray bill and then introduced a substitute known as the Pick-Sloan plan. Candidate Tom Dewey was committed to sell electricity produced at Federal dams to the private companies, which would have meant continued high-priced power.

The tide ran out on November 2. Since then a new MVA bill has been intoduced by three liberal Senators: MURRAY, of Montana; GILLETTE, of Iowa; and HUMPHREY, of Minnesota, and there is a good chance of passing it. The battle hasn't been won yet. Millions will be spent to stop the sale of electricity directly to the people at a fair rate.

There are other important aspects to an MVA. It should mean better flood control, irrigation, and fertilizer, recreation on the reservoirs * * * which we will discuss later. In the meantime the people of this area should organize support for a realistic MVA—and the people of Sioux City must figure out a way to use this electricity without paying a penalty to a private middleman. There is a billion kilowatt-hours of electricity at our back door—the key to our future.

Mr. MURRAY. Mr. President, it is devoutly to be hoped that the American people will not permit this outrageous campaign of propaganda to prevent the enactment of a successful program of river-valley development in the Missouri Basin.

EXHIBIT A

[From the Unionist and Public Forum, Sioux City, Iowa, February 10, 1949]

IT'S GOOD BUSINESS IF ONLY IT WORKS

(By Edward E. Roelofs)

It is important news to local people when a group of prominent Sioux City businessmen, accompanied by the mayor, attend a meeting at which the future of the Missouri River development is discussed. It is also important to know what kind of a meeting they attended * * * are they working for Sioux City and its people, or are they working against the best interests of the people and their future in Sioux City?

Last Sunday a group of 22 people took a chartered plane to Mississippi Valley Association meeting in St. Louis, Mo. You can see who the people were in the accompanying picture (missing from the picture is Mayor Conley, who left for St. Louis Friday). The plane was chartered by the Sioux City Gas & Electric Co. We were informed that arrangements for the trip were made by Herman Kock, public relations man for the utility, and by Mr. Murphey of the chamber of commerce.

According to the local daily "the Mississippi Valley Association favors the Pick-Sloan plan as opposed to agencies such as the Tennessee Valley Authority." In other words this association opposes an MVA.

So here we have a situation of a substantial group of local businessmen attending an anti-MVA meeting as guests of the Sioux City Gas & Electric Co. At this meeting a pretty thorough job of indoctrination was dished out to the guests—against MVA. For example, Monday, president of the Mississippi Valley Association, said at the meeting:

"Your association continued throughout the year its fight to resist the spread of the regional authority-control system to the Missouri Valley and to other river basins."

Congressman WHITTINGTON, of Mississippi, in a main address, according to the St. Louis Post-Dispatch on Monday: "listed numerous reasons for his opposition to establishment of valley authorities, such as those proposed for the Columbia Basin and the Missouri Valley. He said the sovereignty of the States in the matter of water rights would be destroyed by such regional agencies."

The Unionist and Public Forum favors an MVA. Labor has repeatedly gone on record in favor of an MVA. But there is opposition, well financed and well organized.

Naturally the Sioux City Gas & Electric Co. is opposed to anything which challenges their profitable monopoly. They don't mind Federal dams if the water power is turned over them for resale to the public. Naturally they try to indoctrinate their friends. But a smart business man should see through that game. There is a potential billion killowatt-hour dam being built at Pickstown, S. Dak., right now that will make power available to us at a very low cost—if we get the power cheap, Sioux City will prosper and grow.

We would like to know whether Mayor Conley is opposed to an MVA.

We suggest that the people who attended the St. Louis meeting subscribe to the Unionist and Public Forum so they can read the case for MVA. As businessmen they certainly know that businessmen in the TVA area have learned that it was the best thing that ever happened to them.

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[From the Chamberlain (S. Dak.) Register of April 28, 1949]

SINGEING EFFECTS OF MVA BOOSTERS

It is quite evident that the MVA boosters' backfiring against the onslaught of the Pick-Sloan group of river backers is proving effective. In fact so much so that Republican-Dixiecrat GURNEY and Ledo Road Pick found it necessary to come from Washington to see what could be done about it. And in a talk at a meeting in Yankton Pick stated that the residents of the Missouri Valley must be constantly on the alert against forces of disunity and confusion which would delay or disrupt the basin development. Adding, we must guard against local and sectional rivalries.

Then John B. Quinn, some sort of civil-service employee in a river bureaucracy at Lincoln, Nebr., who is also director of the Missouri Valley Association, is flooding the mails with a lot of abusive epithets in a tirade on F. C. Radke and Senator MURRAY. Accusing them of opposing the Pick plans with a conglomeration of selfish interests. That the Hoover fact-finding committee did not spend time enough on the Pick plans to intelligently offer any criticism. Inferring also that the Pick plans of natural resources

development meant so much to Nebraska that nothing should be done to disrupt them. Neglecting to explain that South Dakota was due to suffer millions of dollars worth of the richest farm lands, as well as being taken off the tax list to accommodate Iowa and Nebraska power interests.

Rather amusing to note how an insignificant individual like Quinn, pits his knowledge against a great Senator, who is voted an overwhelming vote of confidence by a great commonwealth like Montana. And too, attempting to reflect upon the intelligence of ex-President Hoover, renowned the world over as a great engineer. Amusing to the extent of being almost pathetic. The poor fellow should make a few speaking dates in this great Missouri Valley to become intelligently informed as regards to the true status of the sentiments he seeks to belittle.

## RURAL ELECTRIFICATION

Mr. LANGER. Mr. President, this morning I received from a farmer in North Dakota a letter saying that he is unable to secure rural electrification. I have prepared a reply to him, and also to all the farmers of North Dakota, reading as follows:

*To the Farmers of North Dakota:*

If you wish light and power on your farm and have been unable to get them, write and let me know, as I have been assured by the Rural Electrification Administration that you will get them not later than December 31, 1950.

With kindest regards, I am,

Very sincerely yours,

WILLIAM LANGER,
*United States Senator.*

## GREATER EMPLOYMENT OPPORTUNITIES FOR THE PHYSICALLY HANDICAPPED

Mr. McCARTHY. Mr. President, for several months now the President's Committee on Employment of the Handicapped has been working closely with many civilian groups, agencies, and associations to increase public interest in and approval of greater employment opportunities for disabled veterans and other handicapped workers.

I am happy to report that the State of Wisconsin has been among the most cooperative in this great work. The Fraternal Order of Eagles, in cooperation with other groups in Milwaukee, has sponsored two Institutes on Employment of the Handicapped. Marquette University has established a small prize for essays on the employment of the handicapped. The University of Wisconsin, in cooperation with the Wisconsin State Employment Service and the Governor's Committee for National Employ the Physically Handicapped Week, has inaugurated a series of labor-management Institutes on employment of the handicapped, a project recommended highly by the President's committee which urges such institutes.

Last month in Sheboygan an institute was held, and among the speakers was a man who is a recognized authority in the field of selective placement, K. Vernon Banta, of the United States Employment Service. Handicapped, himself, by the loss of an arm in a Minnesota farm accident many years ago, Mr. Banta has been contacting universities across the country on this institute program.

His remarks are particularly important to businessmen, and I should like my colleagues in the Senate to have an opportunity to better understand the "Physical Demands Technique for Employing the Physically Handicapped," the title of Mr. Banta's fine talk before the Sheboygan Institute on Employment of the Handicapped, May 8, 1949. Therefore, I ask unanimous consent that his speech may be printed at this point in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

### THE PHYSICAL DEMANDS TECHNIQUE FOR EMPLOYING THE PHYSICALLY IMPAIRED

The objective of this institute program, as I visualize it, is to improve the public understanding of the place of the handicapped in the labor force. It is not my intention nor that of my colleagues on the program to attempt to "sell a bill of goods" to those present on the employment of physically impaired workers. It is only by achieving a better understanding of the employment potentialities of disabled persons and extending the knowledge of effective techniques in matching the physical and other qualifications of disabled persons with the requirements of jobs that this better public understanding may be accomplished.

In order that we shall have a common understanding of what we mean by handicapped, impaired, or disabled workers, I would like to present my definition of these terms. First, I might say that efforts have been made by workers in this field over a long period of time to arrive at a better term to indicate that groups of workers who may be identified by their physical condition. Webster's Dictionary defines a handicap in substance as an "advantage given to an individual with a physical difference in order to put that individual in fair competition with his unimpaired fellows." This connotation is thoroughly rejected by workers in the field of service to the handicapped since no advantage is desired and only an equal opportunity is sought. Therefore, it would appear to me that it is quite immaterial what term is used, as long as we can use the term with a common meaning. Handicapped, therefore, as we will use it in this discussion, will mean an individual possessing a physical impairment or characteristic which may limit his physical capacities in some specific aspects but does not limit him under conditions which are equal to his remaining physical abilities.

In order to further clarify the thinking of this group, I would like to give my classification of the handicapped in terms of their potentialities for employment. The first classification is the home-bound or institutionalized, who because of the very nature and severity of their disabilities are most severely restricted in their activities. The second classification will include those who have disabilities of such nature or severity which so impairs their choice of an occupation or their performance in the selected occupations as to necessitate work only under sheltered conditions. The second category will include those who, because of their disability or a combination of factors are unable to compete in the labor market and are, therefore, limited in their productive capacity. The third group are those who are competitively employable. By this term, I mean those who are capable of engaging in some occupation or field of work in direct competition with those who are not impaired. This category includes these workers who are capable of performing on a productive basis equal to that expected of all workers, whether disabled or not. The third category of workers will be the principal subject of discussion at this institute, since it will be those workers who will be seeking employment in the open labor market and calling upon employers seeking consideration in hiring.

The first question which arises in the minds of a personnel man is, "What is the first step that I should take in laying my plans for a program of employment of handicapped workers?" I would answer that question by stating rather emphatically that the first step in any program is to secure a plant personnel policy which accepts the principle of employment of disabled persons on jobs which are suitable and safe for them and in which their productive capacities meet the standards of the plant. The policy should be arrived at through a thorough analysis of the real factors which surround the employment of disabled workers. Emotional considerations should be ruled out in arriving at this policy—either for or against it. The policy should be based upon sound business practice. Once this policy has been adopted and has been accepted by plant management, the way is open for the development of a plan for putting it into effect.

The second step in any plant program is to make an appropriate survey of plant jobs as a basis for placement of the workers. A plant job survey for the disabled will require an analysis of the physical activities and work conditions inherent in each of these jobs, since it is these factors in the job which are important in the placement of disabled persons. The Employment Service has developed a form for physical demands analysis in which 54 activities and working conditions are listed. It might be appropriate at this point to say that the 54 activities and working conditions included in the job analysis may be too many or too few, depending upon the conditions existing in the plant studied. Should the plant occupations have a wide diversity of activities, this list might be expanded. However, if there is a predominance of the bench type of jobs, more emphasis might be placed on those activities which relate to the use of upper extremities and to the senses.

I should like to take some of the activities characteristic of most occupations and to define and illustrate their application to the placement of persons with disabilities. "Lifting" is a physical activity which relates to raising an object from a lower to a higher elevation primarily by the use of a hand or both hands. The height and weight lifted together with the frequency of the lifting operation are of primary importance in determining the physical capacity requirements of the worker.

"Carrying" involves lifting and transporting an object or objects. The weight carried, the frequency of the carrying operation, and the terrain under which the carrying operation is performed are the factors which constitute primary considerations in determining the physical capacity of the worker. Similarly, "walking" and "standing" and so forth, are related to the physical capacities of the worker filling the job. Under working conditions factors such as "sudden temperature changes," "moving objects," and "toxic conditions," share an important relation in the choice of the worker for the job. A worker with a history of tuberculosis would be usually improperly placed if placed in working conditions which involved moving in and out of a cold room in a warehouse. A worker with a history of epilepsy and the possibility of sudden seizures without warning should not be placed around moving objects where the possibility of injury is apparent. Similarly, many workers with certain types of disabilities should not be placed where there is a concentration of inorganic dust. The physical demands analysis covers the conditions imposed by the job which need to be considered in their appropriate setting when placing workers with physical disabilities. The mere presence of a physical activity or working condition is not in itself a signal for rejection of the worker, but an indication that the factor needs to be con-

sidered in relation to the impaired individual's disability.

The third step in the selective placement plan provides for an appraisal of the qualifications of the handicapped worker. The capacities of disabled persons will vary among individuals with identical anatomical losses or impairments and similarly, the capacities of individuals with different disability classifications will vary in relation to the specific nature of such disabilities. The fact of individual differences among handicapped individuals as a group and among handicapped as individuals is a truism to be always remembered when dealing with handicapped persons. Adjustments or lack of adjustments to the disability and development of compensatory abilities will alter the handicapped individual's fitness for a job and require individual consideration for proper placement. There are three principles which should be always considered in the placement of disabled persons. I would enumerate them as follows:

1. The abilities of the handicapped individual must be equal to the requirements of the job under consideration. Productivity must be equal to that expected of other employees. The physical capacities of the disabled person must be equal to the specific demands of the job.

2. There must be no undue hazard to follow workmen or to the handicapped person as the result of his employment.

3. The duties and work conditions must not aggravate the disability of the handicapped worker.

In discussing a plant program for the placement of handicapped workers, the question is frequently asked, "Who should participate in the placement of handicapped workers in the plant?" Of course, the only reasonable answer to the question is that all plant personnel who take part in the placement of all workers should participate. It is particularly important, however, in the case of the handicapped worker, that foremen and crew leaders, in fact, all in a supervisory capacity, should understand and participate in the placement function. The safety department, of course, has an interest in the placement of workers where the safety factor is indicated.

Handicapped workers should be safe workers, and above all, should learn good safety practice. The medical department, where such departments exist, have a major interest and responsibility in insuring that the disabled individual is placed on a job suited to the worker's abilities and in which the physical factors are adequately considered. It is natural that the personnel department in which the placement function is centered will have a primary interest and responsibility in the suitable employment of disabled persons. It is here the professional advice of the medical department and the interest of safety and supervision are synthesized in the maintenance of production schedules and safety records.

Another question which is frequently raised is, "Should job duties or machine controls be changed to provide jobs for physically handicapped workers?" It is my opinion that the fundamental principle should be a minimum of changes or shifts of either duties or machine controls. Such changes may interrupt harmonious plant routine and involve expensive machine alterations. It is obvious that these possibilities should be eliminated insofar as practical. In those instances where workers have been injured in the plant or in nonoccupational accidents some special consideration may be indicated by plant policy.

In summary, I would like to repeat some of the basic principles which I believe should be adopted in formulating a plant program for the employment of disabled workers:

1. Adopt a policy and be sure that policy is understood by all levels of management and supervision.

2. Study the jobs in relation to their actual physical requirements.

3. Make provision for an appraisal of the physical capacities of disabled persons in job requirements terminology.

4. Be sure that the training and other preparation of the handicapped worker for the job is adequate.

5. Assistance in job analysis may be secured from the local office of the Employment Service if such assistance is desired.

6. Assistance in making an appraisal of physical capacities of disabled workers may be secured from the State Rehabilitation Agency if desired.

7. Follow the policy and plan which has been adopted.

8. Let there be no appeal to emotion or sentiment in the development or application of the plan for disabled workers.

It is good business to hire disabled persons and it will continue to be good business when the principles of sound business practice are adhered to.

In closing, I would like to pay tribute to the State of Wisconsin, particularly the university's industrial relations center, the Wisconsin State Employment Service, and the State Vocational Rehabilitation Agencies for their active interest in promoting a better public understanding of the employment potentialities of handicapped persons. The University of Wisconsin and the Employment Service in particular, merit great commendation for the fine work which they have done in making this institute program possible. The Governors Committee on Employment of the Handicapped has been particularly helpful, I am told, in making this program possible. Your handicapped population in Wisconsin will benefit in the months and years to come from the time that you, as employers and you in cooperating agencies, have devoted to attending and participating in this institute program.

K. VERNON BANTA,
*Consultant on Selective Placement, Institute on Placement of the Physically Handicapped.*
SHEBOYGAN, WIS., *May 3, 1949.*

## THE TAFT-HARTLEY ACT AND THE REPUBLICAN PARTY

Mr. LANGER. Mr. President, I cannot let this opportunity pass without complimenting those Members of the Republican Party in the Senate who yesterday voted for the repeal of the Taft-Hartley law. There was a time when farmers and laborers were for the Republican Party. Those were the days when Senator George Norris and Congressman LaGuardia succeeded in their efforts to have the Congress pass the Norris-LaGuardia Act to protect farmers and laborers from the vicious injunction. In those days the Republican Party stood for the farmer and for labor and for the common man in this country.

All I can say today is that I look with deepest regret to the fact that a majority of my party in the Senate yesterday, as they have for some years past, threw aside everything that Norris and LaGuardia stood for, when upon the floors of the Congress they did such magnificent service to humanity and to the Republican Party.

Mr. President, after we passed the Norris-LaGuardia Act, the Republican Party elected one Republican President after another. In very truth and fact, we then were the Grand Old Party of this country.

By yesterday's action, Mr. President, the majority of the Republican Party in the Senate in my judgment again not only repudiated LaGuardia and Norris, but also repudiated and insulted the rank and file of the people of the United States of America.

Mr. President, never was an issue more clearly drawn than in the election which occurred last November. The Democratic Party said—and now I quote from its platform:

> We advocate the repeal of the Taft-Hartley Act.

Democrat after Democrat ran upon that platform or upon the coattails of it.

The Republican Party knew what the issue was. The Republican Party campaigned against it, and took a licking. The American people said, "We want the Taft-Hartley Act repealed." They said that by an overwhelming vote.

Mr. President, I was upon this floor when the Taft-Hartley bill was first proposed. It was a bill to wreck not only labor but the farmers of the United States. A Senator who got up on this floor and proposed to wreck the farmer was overwhelmingly defeated by the people of his own State last November by a majority of over 300,000 votes.

How many Senators remember that when Judge Wilkerson, of Chicago, issued his infamous injunction against labor at the same time over in Kentucky a Federal judge issued an injunction against farmers. In Kentucky the farmers were raising tobacco. As the present Vice President, who was the leader of the Democratic Party, at that time in the minority, so clearly stated, they had had a big tobacco crop in 1911. They had a larger tobacco crop in 1912. Tobacco was piled up. They had even a larger crop in 1913. So the farmers said, "What is the use of raising tobacco? Instead of producing a great deal of tobacco, we will not plant it; we will summer-fallow our land." Thereupon the big tobacco trust went into court and had the farmers arrested for conspiracy.

In my State, 3 years ago, 200 farmers met at Rugby, N. Dak. They said, "We are dissatisfied with the price we are getting for grain; let us hold it for a higher price." Yet, if the amendment proposed at that time, when the Taft-Hartley law was passed, had been adopted, the amendment that we barely succeeded in defeating on this floor, it would have meant that everyone of those 200 farmers would have been guilty of conspiracy to violate the antitrust laws of the United States.

I remember when I came to the Senate 9 years ago the newspapers had full-page advertisements in which it was said: "The farmers are robbing the consumers. Look at the prices they are getting for butter and eggs." Such full-page advertisements appeared in nearly every newspaper in the city of Washington. We had to stand upon the floor of the Senate to make a fight, to show that the farmers were not getting such prices, but that there was a middleman who was getting more than the farmer was getting.

A little later on the big interests switched from their attacks on the farmer. Later full-page advertisements were carried in the newspapers denouncing labor.

I remember well what happened when the war broke out. Who went on strike? It was not the railroad man, who did twice as much work as he ever did before, the laboring man who handled twice as much freight as he ever handled before. It was the big captains of industry, who said: "We will not produce what the country needs unless we are guaranteed a profit." How can those men now talk about favoritism, when they said: "We want to be guaranteed a profit; we want our tax laws fixed up by the Congress so that we can be sure after the war is over that we can reconvert"? Week after week, month after month went by before they got the guaranty.

How well I remember, a little later, when the coal miners were not getting enough to eat because of the low wages, John L. Lewis said, "We want to work 6 days a week. We want to work 8 hours a day. We want to earn enough so that we will get more than $150 a month. We want to earn enough so that we will have more than 2,000 calories per day per person." When he said that, those great captains of industry came out and insinuated, if they did not actually say, that John L. Lewis was a traitor to the United States of America.

So, Mr. President, as a man who is at the head of the farmer-labor branch of the Republican Party, I cannot resist believing that the farmer and the laborer must be taken care of in this country. I cannot resist saying it is my firm belief that, first, the big interests want to wipe out the laboring man, they want to keep him in subjection by means of the injunction. That actually means slave labor despite all the eloquent denials, for through the injunction they can make a man work whether he wants to or not. Secondly, they want to enslave the laboring man and then the farmer. Why do I say that, Mr. President? How well do I remember what happened after World War I. During the war the price of farm machinery went up and up and up; the price of wheat and other products went up. But when the war was over and wheat dropped from nearly $3 a bushel down to 20 cents a bushel—I got 19 cents a bushel for some of my crop—the price of farm machinery stayed up where it was. Now that the price of grain products has gone down 33 percent, has the price of farm machinery correspondingly dropped? Can any Senator upon this floor name any piece of farm machinery the price of which has gone down? No. Farm machinery is still high. If the farmer wants it—and he was unable to get it for a while, and he now needs it—he will have to pay for it through the nose.

We have had the Sherman antitrust law, which is supposed to regulate the price of farm machinery. That law, which was supposed to wipe out monopolies and prevent the creation of monopolies, has been on the statute books since 1891. That is 58 years ago. Since that time, regardless of whether we had a Democratic Attorney General or a Republican Attorney General, not a single person has ever been sent to jail under that law. It is only since Tom Clark, the present Attorney General, began to make arrests for violations of the antitrust laws that we have had any enforcement at all of the criminal provisions of the Sherman Antitrust Act.

Mr. President, very briefly I want to congratulate the other six Republicans who yesterday voted to sustain those things for which LaGuardia and Norris fought—George Norris, one of the greatest men that America ever produced; George Norris, coming from the State of Nebraska, where they have the finest tax measure; coming from the State of Nebraska, where every stream that is a potential source of power is owned by the people of the State; George Norris, who got Dr. Steinmetz to come from the General Electric Co. into Nebraska in order to make a survey of every stream within the State which might create power, so that the State might have that power, created by Almighty God for the benefit of all the people of Nebraska; George Norris, whose record in the Senate is a tribute to what one man can accomplish if he sets his mind to it; George Norris, the symbol of everything that is fine, everything that should, in my opinion, be followed by the youth of the Nation; George Norris, the ornament of the Republican Party; George Norris, the author of the anti-injunction statute; George Norris, who stumped the entire country, going from State to State, in order that the people might be awakened to the fact that their liberties were at stake when the injunction was used against the laboring men or against the farmers.

So I simply say, Mr. President, I salute the other six Republicans who voted with me against the reenactment of the Taft-Hartley law.

## THE UNEMPLOYMENT SITUATION

Mr. O'MAHONEY. Mr. President, before the Senate takes a recess, I think it would be of interest to have placed in the RECORD a release which came today from the Department of Commerce with respect to unemployment. The release shows that the total civilian employment in the United States in June was 1,000,000 above the level of May. In other words, there has been an increase of 1,000,000 persons employed as between the months of May and June. The total civilian employment, as shown by this release of the Department of Commerce, was, in June, 59,619,000. We all remember that it was only a short time ago when everyone agreed that if it were at all possible to have 60,000,000 persons employed in the United States there would be no possibility of anything resembling even a recession. Here is a release from the Department of Commerce, through the Bureau of the Census, showing that we are less than 400,000 now below that goal which was so hopefully stated a short time ago. I think the entire text of the release should be placed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

About 1,250,000 young persons joined the labor force between May and June as a result of the closing of schools for the summer. This constituted a major cause of the increase in the estimated employment and unemployment for June, according to the latest Census Bureau figures released today by Secretary of Commerce Charles Sawyer.

Total civilian employment at 59,619,000 in June was 1,000,000 above the May level. Of this rise in employment approximately 720,000 was in farm work and approximately 200,000 in nonfarm work.

Unemployment estimated at 3,778,000 followed the usual seasonal pattern between May and June, with young persons of high school and college age accounting for nearly all of the change. The increase in unemployment was 489,000 and for the same period last year the increase was 423,000. The number of unemployed adult workers remained about the same as in May. There was some further increase between May and June in the number of long-term unemployed. In June about 750,000 jobless persons had been looking for work for 4 months or longer; the number in this group has been increasing since the beginning of the year.

The decline in nonagricultural employment which started in December 1948 was halted in June. Nonagricultural employment was estimated at 49,924,000 in June, or slightly above the May level (49,720,000). Male nonagricultural employment rose by 400,000 over the past month, as construction work expanded and as summer jobs in other fields opened up for young persons. However, this change was, in part, counterbalanced by a seasonal reduction in the number of women employed at nonfarm jobs (school teachers possibly accounting for a good part of the decline). Average hours worked in nonagricultural industries in the survey week showed little change between May and June, although there was a slight decline in the number working full time (35 hours or more).

As compared with a year ago, total employment was about 1,500,000 lower than in June 1948 and unemployment was 1,500,000 higher. Agricultural employment continued slightly above last year's level, but nonagricultural employment was down by 2,000,000 from June 1948. Approximately half of this reduction in nonfarm employment over the year occurred among young persons of high school and college age; there is some evidence that fewer students had found summer jobs by June of this year than at the same time in 1948.

These estimates are derived from the Census Bureau's Current Population Survey. Additional details will be published by the Census Bureau on July 8 in its regular monthly report.

*Summary of estimates, May and June 1949 and June 1948 (persons 14 years of age and over)*

| Type of employment and sex | June 5–11, 1949 | May 8–14, 1949 | June 6–12, 1948 |
|---|---|---|---|
| Total noninstitutional population | 109,547,000 | 109,458,000 | 108,346,000 |
| Total labor force including armed forces | 64,866,000 | 63,452,000 | 64,740,000 |
| Civilian labor force | 63,398,000 | 61,983,000 | 63,479,000 |
| Employed | 59,619,000 | 58,694,000 | 61,296,000 |
| In agriculture | 9,696,000 | 8,974,000 | 9,396,000 |
| In nonagricultural industries | 49,924,000 | 49,720,000 | 51,899,000 |
| Unemployed | 3,778,000 | 3,289,000 | 2,184,000 |
| Not in labor force | 44,683,000 | 46,006,000 | 43,605,000 |

Mr. O'MAHONEY. I noted in the press this morning an Associated Press dispatch from Boston, dated June 30, reading as follows:

MASSACHUSETTS WOOLEN INDUSTRY JOBS UP BY 10 PERCENT

BOSTON, June 30.—An employment upturn of nearly 11 percent in Massachusetts' woolen and worsted industry was reported today by the State Department of Labor and Industries.

The department said employment increased in mid-May by 10.8 percent over mid-April and for the first time this year reversed a downward trend that had continued since January.

Total wages paid also increased in May over April, aggregating 10.1 percent.

The survey showed the employment decline in the industry reached a low point in April when more than 13,000 workers had lost their jobs they held in January.

There are also some other interesting statistics which have recently become available from the Bureau of Public Roads. I learn that in 1948 new highway improvements were put in place throughout the United States to the amount and value of $1,500,000,000. This was an increase of 22 percent over 1947. There is in prospect, according to the Bureau, another increase for 1949.

It is estimated that the total value of highway improvements to be in place this year will be not less than $1,750,000,000. In other words, Mr. President, there are coming from various quarters indications that the decline in prices has now reached a level bringing in new demands which will, in turn, have the effect of halting the unemployment trends which appeared earlier in the year. At least, it is to be hoped so.

RECESS TO TUESDAY

Mr. O'MAHONEY. Mr. President, pursuant to Senate Resolution 130, which was adopted yesterday, I now move that the Senate take a recess until Tuesday next at 12 o'clock noon, when it will meet not in this Chamber, but in the old Senate Chamber, which, in the resolution, was called the old Supreme Court chamber.

The motion was agreed to; and (at 1 o'clock and 58 minutes p. m.) the Senate took a recess until Tuesday, July 5, 1949, at 12 o'clock meridian.

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NOMINATION

Executive nomination received by the Senate July 1 (legislative day of June 2), 1949:

ADMINISTRATOR OF GENERAL SERVICES

Jess Larson, of Oklahoma, to be Administrator of General Services.

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# HOUSE OF REPRESENTATIVES

## FRIDAY, JULY 1, 1949

The House met at 12 o'clock noon.

Rev. Father Francis D. Rabaut, S. J., of Chicago, Ill., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

Our Father, who art in heaven, hallowed be Thy name, Thy kingdom come, Thy will be done on earth as it is in heaven. Give us this day our daily bread and forgive us our trespasses as we forgive those who trespass against us, and lead us not into temptation, but deliver us from evil. Amen.

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2785. An act to provide for further contributions to the International Children's Emergency Fund.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 249. An act to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1070) entitled "An act to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAYBANK, Mr. SPARKMAN, Mr. DOUGLAS, Mr. FLANDERS, and Mr. CAIN to be the conferees on the part of the Senate.

COMMUNICATIONS FROM THE CLERK OF THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

JUNE 30, 1949.

The honorable the SPEAKER,
*House of Representatives.*

SIR: Pursuant to the authority heretofore granted, the Clerk received today from the Secretary of the Senate the following message:

That the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3083) entitled "An act making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes"; and

That the Senate had passed without amendment the joint resolution (H. J. Res. 284) entitled "Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes."

Very truly yours,

RALPH R. ROBERTS,
*Clerk of the House of Representatives.*

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

JULY 1, 1949.

The honorable the SPEAKER,
*House of Representatives.*

SIR: Pursuant to the authority heretofore granted, the Clerk received today from the Secretary of the Senate the following message:

That the Senate had passed without amendment the bill (H. R. 5240) entitled "An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products."

Very truly yours,

RALPH R. ROBERTS,
*Clerk of the House of Representatives.*

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

JULY 1, 1949.

The honorable the SPEAKER,
*House of Representatives.*

SIR: Pursuant to the authority heretofore granted, the Clerk received last night from the Secretary of the Senate the following message:

That the Senate had passed without amendment the bill (H. R. 5100) entitled "An act to correct inequities in the pay of certain officers and employees of the Federal Government and of the government of the District of Columbia."

Very truly yours,

RALPH R. ROBERTS,
*Clerk of the House of Representatives.*

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had on June 30, 1949, examined and found truly enrolled bills and a joint resolution of the House of the following titles:

H. R. 3083. An act making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 3549. An act to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund; and

H. J. Res. 284. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes.

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on yesterday, June 30, 1949, he did on that date sign the following enrolled bills and joint resolution of the House:

H. R. 3083. An act making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and for the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 3549. An act to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund; and

H. J. Res. 284. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes.

SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House for 15 minutes today at the conclusion of any special orders heretofore entered.

COMMITTEE ON THE JUDICIARY

Mr. HOBBS. Mr. Speaker, on yesterday the House granted unanimous consent for the Committee on the Judiciary to have until midnight last night to file

certain reports on bills reported by that committee yesterday. One was omitted and did not get in. I now ask unanimous consent that the committee be given until midnight tonight to file a report on H. R. 5287, a bill that was reported yesterday by that committee.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the bill (S. 1070) to establish a national housing objective and a policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, and ask for the appointment of conferees.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, MONRONEY, WOLCOTT, GAMBLE, and SMITH of Ohio.

EXTENDING SECTION 1302 (a) OF THE SOCIAL SECURITY ACT, AS AMENDED

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 287) extending section 1302 (a) of the Social Security Act as amended until June 30, 1950.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I am not going to object, do I understand that this matter has been cleared with the Republican Members of the Committee on Ways and Means?

Mr. BOGGS of Louisiana. It has.

Mr. HALLECK. Mr. Speaker, I withdraw my reservation of objection.

Mr. BOGGS of Louisiana. Mr. Speaker, this resolution extends the unemployment compensation provisions for merchant seamen who are employed on Government-owned vessels. This legislation was enacted some years ago. At that time it was anticipated that there would be no further need for the extension of these benefits, but subsequently the Congress extended the authority of the Maritime Commission to operate these vessels, so that if this authority is not extended, it means that a small group of seamen will be discriminated against in the payment of unemployment compensation benefits. Other seamen are now covered.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There being no objection, the Clerk read the joint resolution, as follows:

*Resolved, etc.*, That section 1302 (a) of the Social Security Act is amended by striking out "1949" and inserting in lieu thereof "1950."

SEC. 2. Section 1302 (c) of the Social Security Act is hereby amended to read as follows:

"(c) The term 'Federal maritime service' means service performed prior to July 1, 1949, which is determined to be employment pursuant to section 209 (o)."

SEC. 3. Section 1302 (d) of the Social Security Act is hereby amended to read as follows:

"(d) The term 'Federal maritime wages' means remuneration determined pursuant to section 209 (o) to be remuneration for service referred to in section 209 (o) (1) which was performed prior to July 1, 1949."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SIGNING OF ENROLLED BILLS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Tuesday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. RODINO (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD and include a statement with reference to hospital construction.

Mr. KLEIN (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD in two instances.

Mr. LUCAS asked and was given permission to extend his remarks in the RECORD and include an article published in the Atlantic Monthly.

Mr. EVINS asked and was given permission to extend his remarks in the RECORD and include a resolution.

REMODELING OF HOUSE CHAMBER

Mr. HUBER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HUBER. Mr. Speaker, it is with a great deal of sadness that I bid farewell to this historic House Chamber today. Very soon the builders will move in, and the House as we have known it will be gutted and changed. It is also saddening for me to realize that many illustrious Members, long since departed and gone to their graves, have appeared and left their mark in this Chamber and knew it as we know it today. I have talked to outstanding engineers and architects who tell me that there is no reason why this temporary reinforced structure above could not be removed and the Chamber retain its basic architecture if the roof above were strengthened. I still hope that those in charge of this renovation will see the light before it is too late and preserve, at least, the historic architectural features in this Chamber.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, like the gentleman from Ohio [Mr. HUBER], I, too, feel a tinge of sadness on this last session in this historic Chamber as we see and know it today. I have been in contact with the office of the Architect of the Capitol and am advised that a suggestion has been made that these historic State seals which adorn the ceiling of this Chamber should be preserved by returning them to the States and there preserved in their respective State capitols. The seals will not be entirely omitted from the new ceiling. They will be placed around the edge of this ceiling as we now know it, either in plain relief or painted similar to the seals we now look upon, so that the State seals will not be absent from this Chamber when we return next January.

I feel the same as my good friend the gentleman from Ohio [Mr. HUBER], that many times, when we come into this House of Commons of the American people, we do not see the men and women who now occupy these seats but the stalwart figures of those who have written their names large on the pages of American history and have wrought and labored so well for the Republic we love so well.

I trust that as much as possible of the historic setting we look upon today will be preserved by the architects when they move into this Chamber to remodel it when we leave today.

EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include an article which appeared in the Washington Post.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include a short resolution.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD in two instances and include a magazine article and a newspaper article.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a letter from one of his constituents to the President of the United States.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in three instances and in each to include extraneous matter.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a magazine article on the Genocide Convention. I am advised by the Public Printer that this is in excess of the amount usually allowed, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

REMODELING OF HOUSE CHAMBER

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, as a member of the building commission headed by the capable gentleman from Arkansas [Mr. TRIMBLE] that is in charge of remodeling this beautiful Chamber, and as a former chairman of that committee—which authority has been established by a law passed by Congress—may I say to my distinguished colleagues that each and every member of this commission has the same principles at heart as the two gentlemen who just spoke relative to the changes? We have had many, many meetings and we are open to suggestions, as we have been for the last several years. I assure you nothing will be done to mar the architectural design of this Chamber unless it is absolutely necessary. However, this body, by their actions, want better lighting, a safe place in which to meet, want to be able to hear and be heard. This cannot be done without some structural changes.

With regard to the seals, moving them was considered, but through the cooperation of the Architect of the Capitol, Mr. Lynn, and prominent engineers and the splendid advice of our excellent Speaker, the seals will remain. They will not be in the same position they are in at this time, however. May I reiterate, each and every member of this building commission welcomes your criticism, as well as your suggestions. We recognize the significance and historical value of this Chamber, and we will do everything within our power to retain them. We hope and ask for your cooperation.

The SPEAKER. The time of the gentleman from Ohio has expired.

ARCHBISHOP JOSEF BERAN

Mr. DAVENPORT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DAVENPORT. Mr. Speaker, news dispatches from Prague this week bring us another tragic story of communism's determination to dominate the world. In Czechoslovakia, where the Russians have succeeded in masking the government as national rather than Moscow controlled, we find communism now clamping its rigid controls on the church. By an edict drafted no doubt in Moscow and parroted by the controlled Czechoslovakian minions of the Communists, the brave voice of the Roman Catholic archbishop, Josef Beran, is silenced.

This, of course, is nothing new so far as Communist tactics are concerned. The Reds conquer, or infiltrate a nation, in the name of "liberation," and soon that nation passes under the iron curtain. Not even the spiritual leaders are permitted to speak their mind.

This development in Europe serves to emphasize at this time the world tragedy which the United States is permitting to unfold in China and the Far East. Even at this moment, diplomatic recognition of the Communist forces which have overrun northern and central China, is being discussed in some quarters abroad. Such action is no doubt under consideration as a question which must be decided in the not too-distant future by our own Government. As one whose sister has served her church in China, and seen the spiritual havoc wrought by Communist conquest, I rise at this time to warn against recognition of Communist forces in China as an established government.

Were the United States to accord diplomatic recognition to the Communists who have taken over northern and central China by sword and fire, we would not only tragically let down an ally who fought our real war in the Pacific for 10 years before Pearl Harbor; we would also give tacit sanction to a movement intent on Communist domination of the vast continent of Asia. Such a catastrophe would, in turn, deal a serious blow to the cause of world religion—a high cause which in this troubled time needs more than ever before the support of spiritual leadership throughout the entire world.

Not only must we stand by the policy of nonrecognition to aggressors who conquer by force. We must at this late hour give vigorous affirmative moral and material support to forces fighting communism wherever they are active.

Unless a program of aid to the anti-Communist forces in China is speedily adopted by the American Government, the iron curtain will surely go down over Asia. Its shadow already hangs over south China and reaches into the peripheral lands to the south. While we have poured billions of dollars into Europe for containment of communism, we have supinely permitted the Red hosts to sweep virtually unchecked over the East. We have vigorously maintained the Truman doctrine of Communist containment in Europe, but in the Orient we have steadily practiced the policies of Henry Wallace. To continue longer such a policy is more than unrealistic. It is, as well, a world tragedy for world democracy and religion.

There is no longer any real doubt that the Chinese Communist forces overrunning the east are Moscow controlled and directed. The Chinese Communist leader Mao Tse Tung was trained in Moscow, by the Communist Party. In his headquarters at Yenan he displayed not only the Russian hammer and sickle of communism by his desk; on the wall of his office hung three pictures—portraits of Marx, Lenin, and Stalin. Vapors of the Russian-created myth that China was in the grip of a warlike agrarian reform have been wholly dispelled. The Moscow radio in its foreign broadcasts has openly boasted of Communist victories in China.

China's wounds at the hands of communism are already deep, and festering. But it is not yet too late to heal them. Without vigorous American action, it soon will be too late. In that case, our frontiers against the Red menace in the East will have been shoved far to the south; a vast country with rich resources, tremendous manpower, and important bases facing America across the Pacific Ocean, will pass completely into Communist hands. We have delayed too long. Let us not continue this procrastination, for if we do, the cost in American resources, if not in American blood, will be great indeed, before we can regain for freedom the great area in the Orient now passing into slavery.

There are, we know too well, false claims that the Chinese have no spirit of resistance; that their leadership is split; that corruption in high places will negate any aid we can extend.

Ample evidence is at hand to demonstrate a spirit of resistance in China. Hard-pressed troops, greatly outnumbered and equipped with too few, worn-out weapons, and only fragmentary supplies of ammunition, opposed the well-supplied Communists who conquered Shanghai. A little band of 70 tanks, which ingenious Chinese originally assembled from scrapped United States tanks, which had been cut in two after the war, accounted for heavy casualties among the invaders before Shanghai was abandoned.

A million troops now march to the anti-Communist forces' call in south China. They are ensconced in territory more adaptable to defense than the northern areas. Given only a little material aid, plus moral support, these men stand ready to hold off further Russian onslaughts. If such aid is not forthcoming, and the frontier against communism is moved southward in Asia, how long will it be before that frontier is, in reality, forced back to the western seaboard of these United States? Not long, our best strategists tell us, realistically.

About the much-talked-of split in Chinese leadership: There have in the past been political differences between Chinese leaders. In a Chinese Government fighting for its life, one leader may have advocated this course; another a different program of defense. Such differences were not unique with the Chinese. But now, with China at bay and the Russian dominated Communists pressing to the south—with the Chinese in territory already overrun by the Communists rising in rebellion against tightening bands of communistic autocracy, a new unity is emerging. That unity will be made effective against communism in a ratio equal to American encouragement and material aid.

We can still save south China from communism. And it will take no great outpouring of American funds comparable to the aid which we are extending in Europe. Gen. Claire Chennault, who protected Chinese cities from Japanese bombs with 250 volunteer pilots and $8,000,000 of American money in World War II, has estimated that an aid program of about $200,000,000 will begin the task of retarding communism in the East. The United States Military Establishment has on hand ample equipment for air, ground, and ammunition support of the Chinese anti-Communist forces, which cannot be used in the equally necessary military aid-to-Europe program. This material should be shipped immediately to China, and utilized under strict American supervision, to begin the work of halting the Communist tide in Asia.

No denials have sounded to American strategists' warnings that if China goes Communist the East goes Red: French Indochina, Siam, Pakistan, India, Japan, the Philippines. Where will it end? The one overriding doctrine of communism is world conquest. The Reds fix no limits on their aims. They want the world. The time to stop them is now, for the cost and effort of stopping them goes up with every new Communist conquest.

The over-all stakes in the Orient are far too great for puny considerations of individual corruption to affect this dark picture in a vast, important area of the world. There is corruption in high places in most governments of the world. We have, for example, our political bosses even in America. But only Communist propaganda would suggest withholding national aid because of such isolated instances of dishonesty. The overriding issue in the East today is the question of communism versus democracy; not the sins of a few individual malefactors.

It is time to act on the over-all issue. Let lesser considerations wait until freedom is first assured. That is the big thing. And if we hope to save freedom in the East, we must not delay.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, revise and extend my remarks and include certain tables and statistics which I have prepared.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

COMMITTEE ON WAYS AND MEANS

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that any member of the Committee on Ways and Means may be permitted to file a report on the bill H. R. 5327 at any time up until midnight tonight.

Mr. HALLECK. Mr. Speaker, reserving the right to object, will the gentleman from Pennsylvania explain the matter.

Mr. EBERHARTER. Mr. Speaker, this is a measure extending for 1 year the provisions of a measure which has been in existence for 4 years with respect to the tariff on scrap.

Mr. HALLECK. Has the gentleman conferred with any of the majority members of the Committee on Ways and Means?

Mr. EBERHARTER. Yes, I discussed the bill in committee this morning. I feel confident that the bill will be reported unanimously this afternoon. The law expired on yesterday. I assure the gentleman from Indiana that unless the bill is reported out unanimously by the committee, no report will be filed today.

Mr. HALLECK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE SEAL OF THE STATE OF OKLAHOMA

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORRIS. Mr. Speaker, one of the things I noticed when I came to this historic Chamber was the fact that the seal of the great State of Oklahoma is immediately above the Speaker's desk. I hope that when the change is made and this historic Chamber goes under a remodeling process, and has a new look to it, that that seal will remain just where it is. I believe it should remain there above the Speaker's desk.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

MAKING AVAILABLE CERTAIN GOVERNMENT-OWNED FACILITIES FOR INTERNATIONAL BROADCASTING

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 2282, an act to make certain Government-owned facilities available for international broadcasting in the furtherance of authorized programs of the Department of State, and for other purposes, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, lines 9 and 10, strike out "(or the War Assets Administration, if such property has been declared surplus)."

Page 2, line 15, strike out "are" and insert "is."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. RICHARDS]?

Mr. HALLECK. Reserving the right to object, I understand this is just to agree to certain amendments to a measure already passed by the House?

Mr. RICHARDS. That is correct.

Mr. HALLECK. And the gentleman has cleared it with the Republican members on the Foreign Affairs Committee?

Mr. RICHARDS. I have, with the ranking minority member and other members of the committee.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 15 minutes.

ARMY CHEMICAL CORPS

Mr. SIKES. Mr. Speaker, some of the world's most valuable work in medical research is being done by a little known branch of the United States Army—the Army Chemical Corps. It is this branch of the service which is charged with gas warfare and bacteriological warfare, at mention of which most civilians shudder and pass on to gentler topics.

But this is the branch of the service which did the preliminary work leading to the now successful techniques used in the cure of blue babies. This is the branch of the service which has pointed the way to possible control of epilepsy. This is the branch of the service which produced some of today's most valuable insecticides and rodenticides.

These things the Chemical Corps considers a part of its peacetime job. Some of its people, military and civilian, are internationally known scientists and medical men. They are doing a job for the Government despite the fact that most of them could command higher salaries and possibly greater renown elsewhere.

But let us go back to gas warfare and bacteriological warfare. In addition to developmental work, the Corps also is working feverishly to perfect defenses against these dread weapons. It is taking the common-sense view that future war may involve the use of one or both, with or without our consent, and that we must be prepared accordingly.

There is no point in minimizing the horror of these weapons. Either can produce widespread death in a matter of minutes unless effective countermeasures are at hand. But it is time we realized that war in any form is not a pretty thing. A man, or a child for that matter, is just as dead from a shrapnel burst which tears open his stomach or an atomic blast which burns off his skin as from chemical agents.

Perhaps this would be well to consider: The Chemical Corps which has produced both deadly weapons and great cures may with proper incentive produce a painless war. This is not necessarily pure fancy. The Chemical Corps today may not be far from the production of a gas which temporarily destroys the will to fight but does no lasting harm. That would make short shrift of any aggressor and render his defenses impotent. Such a weapon, properly guarded, could be much more valuable than the atomic bomb, for it would be free from the destructiveness of the atomic bomb.

As a part of the price of war, we have accepted the responsibility of helping to rehabilitate the lives and property of other contestants. We have found this a very costly practice, not much less costly in fact than war.

Would it not be advantageous to be able to fight wars without this constantly increasing cost, without the ever greater destruction of life and property? Even assuming that we could escape invasion, or bombing, or gas, or bacteriological warfare, which is no longer a safe assumption, we in this Nation spent 300,000 lives, $500,000,000,000, and a great part of our natural resources in World War II. And the rest of the world thinks we got off lightly.

This is not a vain hope which I advance. Ask the Chemical Corps. They think such a job can be done. It is worth trying.

Now, just to show that I am not talking at random, I want to tell you something

about the organization and work of the Chemical Corps.

SOME NONMILITARY APPLICATIONS OF CHEMICAL WARFARE RESEARCH

The Chemical Corps, formerly called the Chemical Warfare Service, is one of the Army's seven technical services. Its three main responsibilities to the National Military Establishment are:

First. To develop and procure chemical and other toxicological agents and weapons.

Second. To evolve and teach new techniques and tactics of offensive and defensive toxicological warfare, including defense against atomic weapons.

Third. To invent and perfect methods, techniques, and equipment for detecting and resisting all known toxic agents.

In addition the Chief of the Chemical Corps serves as adviser to the Secretary of Defense and the Secretary of the Army in all matters pertaining to toxicological warfare.

The largest single peacetime operation of the Chemical Corps is, of course, that of research and development. Efforts toward maintaining America's supremacy in waging and resisting warfare involving fire, smoke, and toxic agents necessitate a never-ending program of basic and advanced scientific research.

Such a research program, conducted by the Nation's foremost scientists in arsenals, colleges, and commercial laboratories from coast to coast, inevitably produces as a byproduct a wealth of nonmilitary discoveries of immense value to industry, agriculture, and medicine.

One important byproduct of chemical warfare research is the development of improved agents for combating insect and rodent pests which are not only of military importance, but destructive economically and a menace to the health of any community. It is perhaps not generally realized that some of the most potent of the newer insecticides and rodenticides were found incidentally in the course of a search for more effective military weapons. Outstanding examples are the insecticides hexaethyltetraphosphate—HETP, tetraethyl pyrophosphate—TEPP, and parathion, as well as the rodenticide 1080.

In order to assure to the Nation these potential benefits, the Medical Division of the Chemical Corps routinely examines new compounds produced during synthesis of candidate chemical warfare agents for their possible usefulness as insecticides and rodenticides. A staff of entomologists and toxicologists carries on this work. At the same time, these specialists are actively engaged in finding out how such compounds produce their toxic effects. In this way we learn what vital processes of the pests are susceptible to chemical attack, and what types of chemical structure are most effective in damaging the functions necessary to life.

Such information, fed back to the synthetic chemists through scientific publications, enables him to proceed more swiftly and with greater economy toward his goal of production of better agents for the control of pests and disease-bearing vermin. Knowledge of how compounds act on the body to poison it is also essential for the development of antidotes and methods of treatment for cases of accidental poisoning during their manufacture or use and to the doctor who must apply them.

Thus, the work of Chemical Corps personnel in the fields of insect and rodent control, which arises naturally from the close chemical relationship between compounds which are toxic to various different forms of animal life, provides the community with lasting benefits which reach far beyond the primary objective of military preparedness. Conversely, since many of the vital processes are fundamentally similar in all living organisms, the basic information obtained from studies with insects and rats enables the Chemical Corps to get ahead more rapidly with its principal missions. The entomological group working with the Medical Division has found that insects provide particularly delicate tools for solving some of the problems connected with chemical-warfare research.

When proper precautions are not observed by the individuals who handle insecticides, they may be subjected to the poisonous effects of these toxic materials. Insecticides that contain TEPP and other related substances can produce in man pinpoint vision, weakened heart action, difficulty in breathing, diarrhea, and temporary brain injury as evidenced by convulsions. Such abnormal changes may be partially corrected by the use of the drug atropine. Recently at Army Chemical Center at Edgewood, Md., scientists have found that a new drug, tridione—used in treating epilepsy—controls the convulsions produced by such drugs as this group of insecticides. This treatment is in the experimental stage. If successful, tridione will be an important auxiliary in controlling convulsions which otherwise might be fatal to individuals poisoned by this group of insecticides.

Some other contributions of chemical-warfare research to clinical medicine are described in the following paper by Col. John R. Wood, a medical officer, conducting research at the Army Chemical Center:

CONTRIBUTIONS OF CHEMICAL WARFARE RESEARCH TO CLINICAL MEDICINE

(By John R. Wood, colonel, Medical Corps)

It is a privilege to have this opportunity to give you a brief account of some of the developments from chemical warfare research which are proving useful to our national health and welfare.

Research and development in chemical warfare were conducted on a substantial scale during the war. In addition to the heavy program of the United States Army Chemical Corps, a large number of projects were undertaken in this country by two OSRD Agencies: the National Defense Research Committee and the Committee on Medical Research. On a smaller scale, experimental work in this field was also carried on by the Navy, the Public Health Service, the Food and Drug Administration, and other agencies. When you add to that the extensive research programs conducted in England and the Dominions of the British Commonwealth, it totals up to a very considerable scientific effort.

It is not my purpose today to review the accomplishments of this vast program, as they apply directly to chemical warfare. It is rather to discuss some of the byproducts of the program. It is inevitable in any large scale research program, conducted by some of our most able scientists, that there will be byproducts of public importance. In the chemical-warfare program, this is fortunately the case in the field of clinical medicine.

Before briefly reviewing these developments, I should like to make it clear that the researches leading to these discoveries, and their applications to the practice of medicine, are the work of many hands in many places, both in this country and abroad. While the Chemical Corps played a part, and sometimes a substantial part, in all of these developments, none of them is wholly the work of any one agency. Time will not permit the crediting of contributions individually to the many investigators, but this is, or will be, duly recorded in the scientific literature.

Early in the war, the Oxford University group in England, under R. A. Peters, began an intensive search for an antidote for the toxic actions of lewisite. You may recall that lewisite is one of the arsenical blister gases, chlorovinyl-dichloro-arsine, $Cl.CH:CH.As.Cl_2$. Like other active trivalent arsenicals, it combines rapidly and firmly with proteins.

As far back as the early 1900's Hefftner and Ehrlich had postulated that trivalent arsenicals are toxic by reason of their attack on the sulfhydryl (SH) groups in vital body proteins. In the 1920's, some proof of this concept was produced by United States Public Health Service workers under Voegtlin, and by two English groups associated with Hopkins and Peters. Voegtlin's group demonstrated on detoxifying effect on arsenic of natural body constituents containing active sulfhydryl groups, such as the amino acid, cysteine, and the tripeptide, glutathione. The English groups demonstrated that arsenic would cause the disappearance of free sulfhydryl in muscle and skin.

Peters' research is a beautiful example of fundamental research paying off in a big way. Time will not permit presentation of all of the interesting details. Very briefly, he proved that trivalent arsenic knocks out enzyme systems containing SH groups, which are vital to body oxidation reactions. He showed that the arsenic-sulfur bond thus formed is dissociable to some extent. He therefore reasoned that if he could discover a relatively nontoxic, synthetic mercaptan, which would form a tighter bond with arsenic than that between arsenic and the SH groups of body proteins, two things might be possible. First, the synthetic mercaptan might compete successfully with body proteins for uncombined arsenic, and second, that it might be able to gradually reverse the combination between arsenic and body proteins. If the latter could be accomplished before the essential body proteins were destroyed, it might be possible to free the SH groups and restore the body proteins to normal. You must admit that the latter was a very optimistic hope.

Peters' group therefore began a detailed biochemical study of available sulfhydryl compounds, both in the test tube and in the living animal. Finding that none met their criteria, they synthesized a series of monothiols and dithiols. It was soon apparent that the dithiols were more effective in competing for arsenic. This led to their discovery of 2,3-dimercapto-propanol, which was given the code name, BAL, for British antilewisite. This compound not only strongly and successfully competes for free arsenic in the body, but, used early, it can actually "unscramble the eggs," by peeling arsenic off of the vital SH groups, and re-

store the essential body proteins to normal. This has been demonstrated in a number of ways. Peters in England, and Sulzberger, Baer, Calvery, and others in this country have reversed lewisite burns of the skin with BAL, just short of blistering, and restored the skin to normal. Eagle has shown that spermatazoa and trypanosomes, which had become nonmotile and apparently dead due to arsenic poisoning, regained their normal appearance and motility after treatment with BAL. BAL was highly effective in preventing or treating systemic arsenic poisoning in experimental animals, caused by lewisite. BAL therefore ranks as one of the few really specific remedies known to medicine.

The success attained in treating lewisite arsenical poisoning with BAL suggested that it might succeed in antidoting other forms of arsenic poisoning. The most immediately available cases were seven individuals from Army Chemical Center, Md., who had arsenical dermatitis due to the chemical warfare agent, DM. This distressing, itching, skin irritation had persisted in six of these cases, despite all attempts at treatment, for 18 to 50 days. The cases were transferred to Dr. Longcope at Johns Hopkins Hospital and treated with BAL. The response was dramatic. All seven cases were promptly cured in an average of 5 days.

With this spectacular beginning, BAL was placed at the disposal of first 40, later about 200, rapid-treatment centers which were treating syphilis with arsenical drugs. Under the auspices of the United States Public Health Service, BAL was tried in these centers for a variety of the serious arsenical reactions, which occasionally follow the use of the arsenical drugs. The most alarming and highly fatal reaction is that due to poisoning of the brain, commonly called arsenical encephalitis. Fifty-five cases of this type treated with BAL have already been reported. Fifteen of these cases were classed as mild, meaning that they were disoriented, had hallucinations, and were either in a semistupor, or were hyperexcitable. All of these responded promptly to BAL injections and recovered in 2 or 3 days.

Forty cases were severe, meaning that they were in convulsions, or deeply unconscious, and apparently progressing toward a fatal termination. Of these, 31 were treated with BAL within 6 hours of their initial seizure. Twenty-four of these recovered completely in 2 to 7 days, and seven died, a mortality of 23 percent. Of the seven who died, one received wholly inadequate amounts of BAL, and another died 15 days later of causes probably not associated with toxic encephalitis. In the other five fatal cases, BAL failed to do a good enough job to save them.

The remaining nine severe cases were treated late—none earlier than 9 hours, and averaging 72 hours after symptoms began. BAL is less effective under these circumstances, and five of these patients died, a mortality of 55 percent. However, the over-all fatality rate of 22 percent for this series, nearly three-fourths of which were extremely grave cases, is low by comparison with the expected death rate under any other form of treatment.

Another very grave reaction occasionally seen in these rapid-treatment cases is agranulocytosis, a condition in which all of the granular white blood cells are destroyed and the bone marrow injured. There were 11 of these cases treated with BAL. Ten of them recovered rapidly and only one died, which is a very favorable record for these serious cases.

One of the most frequent and distressing reactions seen in these cases is exfoliative dermatitis, in which large areas of the skin inflame, crack open, ooze serum, and develop postules. The itching and discomfort are intense and the patient is toxic and often gravely ill. The severe cases which survive usually require from 2 to 3 months for the skin to heal. One hundred and thirty-three such cases have been treated with BAL according to reports from groups in this country and England. About 80 percent of these cases responded promptly to BAL, with marked relief from the distressing symptoms in about 3 days. They show 75 to 90 percent healing of the skin in 2 weeks. This probably represents the maximum benefit due to the neutralization of arsenic in the lesions by BAL. Thereafter, the final bit of healing is by repair of the damaged tissue and the elimination of infection, which is a slower process and not influenced by BAL. However, the over-all time of final healing is shortened to slightly under 40 days, compared to 60 to 90 days when treated by other methods.

Sharp rise of temperature is another type of reaction seen in these cases. Of 44 such cases treated with BAL, 36 recovered in 1 to 3 days, and the other 8 within 8 days. Since this is a self-limiting condition, it is more difficult to assess the value of BAL in these cases.

BAL is definitely of less value for the jaundice and liver injury seen in these cases. It was of probable benefit in only 5 of the 14 cases reported. It was of no value in three cases of aplastic anemia due to arsenical drugs.

There have been four reported cases in which large fatal doses of arsenical drugs were injected into patients by error, and treated with BAL in attempt to save their lives. The first of these cases was grossly undertreated and died. The other three dramatically recovered, without the development of serious symptoms.

Experimental work by the Chemical Corps and the University of Chicago Toxicity Laboratory has shown that BAL, or certain of its analogues, is very effective for the treatment of poisoning by other toxic metals, such as mercury, zinc, and cadmium. Similar work by the Food and Drug Administration has shown BAL to be an effective antidote for poisoning by antimony, bismuth, chromium, nickel, and mercury.

Based upon our experimental data on the favorable effects of BAL on mercury poisoning, Dr. Longcope made arrangements with the hospitals and police department of Baltimore to send all bichloride of mercury poisoning cases to the Johns Hopkins Hospital, where he could treat them with BAL. Forty-three cases have now been so treated with only two deaths—an astoundingly low mortality.

To be fair to BAL, I should say a few words about the cases that died. The first was a 67-year-old woman, who had already lost one kidney and had heart disease. She took 1 gram of bichloride and then slashed both wrists and practically bled to death. She was not admitted to the hospital until 13 hours after taking poison. She was unconscious, in profound shock, and no pulse could be felt. Besides, she was the first case treated and received very inadequate amounts of BAL. The other fatality was a 55-year-old woman in nearly as bad shape, who had taken twice as much bichloride, 6 hours before admission to hospital.

The best comparison of cases can be made by disregarding all of those who took less than 1 gram of bichloride (since practically all of these recover anyway) and all of those whose treatment was begun more than 4 hours after taking the poison (since by that time the poison has been absorbed and much of the damage is irreparable). This would then consider cases who swallowed 1 to 20 grams of bichloride of mercury and were treated at Johns Hopkins Hospital within 4 hours. There were 86 such cases treated by the best known methods before BAL was available. Twenty-seven, or approximately one-third, of these cases died. In the BAL-treated series there were 24 such cases, and none of them died, which is a remarkable difference.

But this is not the whole story. You are not doubt aware that mercury poisoning is a lingering and extremely distressing illness, often requiring weeks to months for recovery of the survivors. In striking contrast, the BAL treated cases improve in a few hours, and all cases treated within 4 hours were completely well in 2½ to 7 days. Cases treated late recover more slowly, because of damage to the kidneys, which has already occurred. The longest case in this series was treated 19 hours after swallowing three bichloride tablets, but even she was completely well in 3 weeks.

Recently BAL has been applied to the treatment of gold poisoning. This sometimes occurs during the treatment of arthritis with gold pharmaceuticals. Toxic reactions to gold are quite serious and may result in severe exfoliative dermatitis, agranulocytosis, or encephalitis, remarkably like those seen in arsenic poisoning. Thus far, 12 cases treated with BAL have been reported from three clinics. Ten of these were exfoliative dermatitis. Nine recovered rapidly, but one failed to respond and died. One was a severe encephalitis case, who had also internal hemorrhages, and had lost all of his blood platelets. The patient dramatically improved under BAL treatment, with prompt regaining of consciousness and cessation of bleeding; he went on to rapid recovery. The other case was an agranulocytosis, whose granular white blood cell count dropped to practically zero and he became gravely ill. His recovery was rapid under BAL, and in just 12 days his blood count was normal and remained so.

Experimental work to date has shown that BAL is of no value for poisoning by lead, thallium, or selenium. In spite of this, I think that you will agree that BAL offers new hope, probably of a different order of magnitude, for the treatment of many of the common metal poisonings. BAL in oil is now commercially available from Hynson, Westcott & Dunning, Inc., Baltimore.

Some have considered it surprising that any of the war gases should prove useful as drugs. When it is remembered, however, that the term "highly toxic chemical" is practically synonymous with "highly active drug," there is less wonder that intensive studies of such compounds should reveal some of value to the physician. The nitrogen mustards are typical examples. Mechanism studies soon revealed that these compounds, when injected by vein, had a highly destructive effect on white blood cells, the lymph glands, and bone marrow. This suggested their use in the leukemias, in which there is an overproduction of white blood cells, and in Hodgkin's disease and lymphosarcoma, in which there are tumor growths of the lymph glands. These are all fatal forms of cancer. From a cautious beginning the trial of the nitrogen mustards in cancer has now spread to at least 126 clinics, and hundreds of cases are now under treatment. More than 20,000 doses of HN–2 hydrochloride have been sent to these clinics and more than 500 case reports have been collected by the National Research Council Committee on Growth. The nitrogen mustards for this work were prepared by the Chemical Corps. The treatment sets are made up by Merck & Co., Inc., and are distributed for clinical study by the National Research Council Committee on Growth.

Clinical trials have been expanded to include a variety of types of cancer. The committee on growth is now compiling and summarizing data from the case reports, which will be published in due course. The first of these summaries has been released in mimeograph form (15). It gives the results in 30 cases of various types of cancer of the lungs. Seventy percent of these cases obtained a definite favorable response, with remissions lasting 3 weeks to 6 months, but none were cured. All 21 cases had decreased

or abolished cough and sputum, relief from shortness of breath and disappearance of bleeding from the lung. Most cases gained in strength, weight and appetite and in many the lung tumor greatly diminished in size. However, 30 percent of the cases obtained no significant benefit from treatment with HN–2.

Approximately 160 cases of cancer of all types, treated with nitrogen mustards, have now been reported in the medical literature. It is clear from the reports thus far that the nitrogen mustards probably do not cure any form of cancer, but they do prolong life in many instances, and bring about remarkable remissions in some cases. They are most effective in Hodgkin's disease and in certain forms of cancer of the lungs, where they appear to induce good remissions in about 70 percent of the cases. The response of lymphosarcoma is spotty, and the remissions are short-lived. They accomplish about as much in the leukemias as X-ray, but they are of less value than X-ray in most other forms of cancer.

It is too early yet to draw many firm conclusions about the value of these agents in controlling cancer, but certain tentative conclusions appear to be justified. If the cancer is operable, surgery is still the treatment of choice. If the disease is not operable, but is localized, intensive X-ray or radium therapy is the method of choice. If the disease is widespread, or if it responds poorly to X-ray, the nitrogen mustards should be tried, either alone, or in combination with X-ray.

HN–2 merits consideration as the treatment of choice in three types of cases. First, in cases of Hodgkin's disease, when the cancer process is scattered widely over the body. In these cases sufficient X-ray to induce a remission cannot be given. X-ray to so extensive an area would endanger the life of the patient. Second, for cancer of the lung, when the main internal vein in the chest (the vena cava) is partially obstructed by pressure of the tumor. X-ray in these cases causes the tumor to swell and further compress the vena cava, resulting in dangerous edema. Nitrogen mustard does not cause the tumor to swell and avoids this risk. Third, the so-called X-ray-fast cases, which no longer respond to X-ray or other forms of cancer therapy. HN–2 will induce a remission in at least some of these cases, and a few such cases have been reported as again becoming susceptible to X-ray, after HN–2 treatment.

The only nitrogen mustards released for clinical trial so far are the hydrochloride salts of HN–1, HN–2, and HN–3. These are respectively the hydrochlorides of ethyl-bis (beta-chloroethyl)amine, methyl-bis(beta-chloroethyl)amine, and tris(beta-chloroethyl)amine. HN–1 has too weak a cytotoxic effect and has been discarded. HN–3 is too toxic and causes clots to form in the vein at the site of injection. HN–2 is clearly the best of the three as a treatment agent. However, all three of these were selected and developed on the basis of their value as chemical warfare agents, and not because they were the best therapeutic drugs. Nearly 100 additional nitrogen mustards have now been prepared. They are being intensively studied as possible cancer drugs in a coordinated program. The work is being done at Edgewood by the Chemical Corps and Johns Hopkins University Medical School, in New York by the Memorial Hospital and Sloan-Kettering Institute, in Chicago by the University of Chicago Toxicity Laboratory, and in Birmingham by the Southern Research Institute. Much of the work is supported by grants from the American Cancer Society.

Thus far, 3 new nitrogen mustards have appeared to be excellent in animal studies. These are all diamines, with 4 beta-chloroethyl groups, 2 on each nitrogen. One is the 1:2-ethane diamine; another is the 1:3 propane diamine; and the third is the 2-chloro-1:3 propane diamine. The ethane compound has not yet reached clinical trial, but the two propane compounds have had a brief trial in cancer patients at Memorial Hospital. The 2-chloro-propane compound caused alarming but transitory toxic psychoses in 4 of 30 cases treated, so this drug was discontinued in favor of the unchlorinated propane compound. In general, the results were almost identical with those obtained with HN–2, except that the remissions induced in 16 of 25 leukemia cases of various types appear to be possibly better than has been accomplished with HN–2. Oddly, this propane diamine compound causes much less nausea and vomiting than HN–2, but does cause temporary dizziness, which has not been noted to occur with HN–2.

Eight other nitrogen mustards appear thus far to be equally as effective as HN–2 in animal tests, but only the bromine analogue of HN–2 has been tested clinically. This caused too much nausea and vomiting, and clotting in the vein at the site of injection. It has been discarded as a clinical drug.

Only about 30 of the nitrogen mustards have been completely studied, to the point of clinical trial, or discarding them. Many others yet remain to be tested. The search is continuing for compounds which have a higher specificity for cancer cells and a lower general toxicity. Only time can tell whether any will be found.

Another of the new chemical warfare agents, which has found its place in clinical medicine, is di-isopropyl fluorophosphate, now abbreviated to "DFP" in the scientific literature. Studies of the mechanism of action of this compound at Edgewood and elsewhere revealed that it would destroy the enzyme, cholinesterase. This was a unique property, not possessed by any other known drug, since other drugs merely suppress the enzyme for a few hours.

For the benefit of those who may not be familiar with the function of cholinesterase in the body, I should say a few words about it. It occurs in many tissues of the body, but it is highly concentrated in the nervous system, particularly in nerve ganglia and at the terminal ends of the nerves. In the passage of a nerve impulse, say from brain to muscle, the impulse must pass across certain gaps, or connections in the nerve path, called synapses. The passage of the impulse is made possible at these points by the liberation of tiny quantities of acetylcholine at the nerve endings. However, the acetylcholine must be quickly gotten rid of, or the nerve will continue to fire impulses past the synapse. This would cause the muscle to be overstimulated and go out of control. The rapid destruction of these tiny charges of acetylcholine is a function of the cholinesterase concentrated at these points. This enzyme splits acetylcholine to choline and acetic acid with extreme rapidity. Thus, only the main impulse passes, and the multiple subthreshold impulses are stopped.

If all cholinesterase is knocked out, a variety of severe and distressing symptoms occur, followed by convulsions and death. If, however, only a fraction of the esterase is destroyed, then the effects which follow will depend upon the degree of depletion of the enzyme in the various parts of the nervous system. Thus, by controlling the dose of a drug like DFP, it is possible to reduce the cholinesterase more strongly in the most sensitive parts of the nervous system, without significant effects on the more resistant parts.

Studies of DFP indicated that the autonomic nerves which control certain involuntary smooth muscles were affected by the smallest doses of DFP. If the drug is injected, the muscles of the intestine and urinary bladder are very sensitive. If locally applied, either as a vapor or solution, two other sets of involuntary muscles are extremely sensitive. These are the muscles which control the size of the pupil of the eye, and the muscles which control the diameter of the smaller air passages in the lungs. In each of these systems, DFP causes a strong contraction of the muscles concerned. It is possible to counteract these effects by the use of atropine.

If atropine is used to control the effects of DFP on these sensitive structures, it is possible to give larger doses, until the more resistant parts of the nervous system begin to be affected. It was hoped in this way to be able to give enough DFP to affect the nerve endings in the muscles, or its too rapid destruction by too much cholinesterase at these points.

Considerable experience with a drug called prostigmin, which suppresses cholinesterase for several hours, had shown that this type of treatment is the only satisfactory one to induce a return of strength to the weak muscles. However, prostigmin has two disadvantages. Its effects last such a short time that a severe myasthenic must take many doses per 24 hours. Prostigmine is also quite expensive, and the severe myasthenic must budget one to several dollars per day just for the purchase of the drug. DFP, on the other hand, has a very prolonged effect and is quite cheap.

It was therefore with some enthusiasm that our staff at Edgewood and a group under Comroe at the University of Pennsylvania jointly undertook the clinical trial of DFP, first in normal men, and then in myasthenic patients. Arrangements were also made with the Johns Hopkins Hospital to have Dr. A. N. Harvey and Dr. David Grob undertake similar studies, plus some very ingenious mechanism of action studies of DFP in human patients, proposed by Harvey.

Trials in the normal subjects soon revealed that the dose of DFP which could be tolerated by man was very small, because of its high toxicity for the brain and other sensitive regions of the nervous system. Myasthenics similarly could tolerate only small doses. Seventeen myasthenics were carefully chosen for treatment, to represent all degrees of severity and distributions of the disease among the various muscle groups of the body. Of these, 13 had appreciable gains in strength from DFP treatment. Two more were greatly improved, but it could not be certain whether the improvement was due to DFP, or to natural remissions which occur in this disease. Only two were not benefited at all.

In spite of this statistically favorable record, DFP must be considered essentially a failure in myasthenia gravis. None of the patients gained as much in strength from DFP as from prostigmine and only one patient preferred DFP. Annoying side actions occur in many cases in spite of atropine, such as sensations of drifting, frequent dreams, and occasional wild nightmares.

It would not be right to leave you with the impression that DFP is entirely useless for myasthenia gravis. All investigators have shown that, in all but the severe cases, small doses of DFP enable the patient to materially reduce his requirement for the expensive prostigmine. Its prolonged action enables the bad cases to arise in the morning, whereas without it they are prostrate in bed, until a morning dose of prostigmine can take effect. It also lessens the chance of the rapid and sometimes dangerous let-downs that some of the patients suffer on prostigmine alone. A much fairer appraisal is that DFP alone will adequately control only a very limited number of mild to moderate cases, but in combination with prostigmine it may be a useful adjunct in the treatment of myasthenia gravis.

Our next clinical application of DFP met with much greater success. There is a serious eye disease, called glaucoma, in which the pressure develops in the eyeball. This

leads to marked impairment of vision, and unless the pressure is relieved will cause blindness in a high percentage of cases. The only nonsurgical treatment is the use of drugs which cause constriction of the pupil, thus affording better absorption of the excess fluids from the interior of the eyeball. Certain drugs, such as esserine and prostigmine, will do this, but their action is of short duration, and they must be applied at frequent intervals. You will recall that the local application of very small amounts of DFP in the eye causes the pupil to constrict to pin-point size. Its action is also very prolonged, the pupillary constriction usually lasting one to several days in the normal eye.

Accordingly, arrangements were made to have a clinical study of DFP in normal eyes and glaucoma at the University of Pennsylvania by Leopold and Comroe. The results in glaucoma have been very favorable. It has not failed once to control the disease in any case which could be controlled by any other drug, or combination of drugs. But more important, it succeeded in controlling glaucoma in 36 of 78 eyes when all other drugs had failed. In addition, the effects of DFP were so prolonged that its administration was required only one-fifth as often as other drugs, averaging less than six doses per week. It offers an economic advantage, too. The one-tenth of 1 percent solution of DFP costs very little. The other drugs are relatively expensive. This ophthalmic solution may be obtained for clinical trial from Merck & Co., Inc., Rahway, N. J.

You will recall that small injected doses of DFP cause contraction of the intestine and urinary bladder. Dr. Harvey's group at the Johns Hopkins Hospital has made clinical studies of DFP for the treatment of conditions in which these organs are involved.

It was applied first for the relief of urinary retention and distention of the bladder, which often occurs after general anesthesia and in invalids during prolonged confinement to bed. It has now been applied to some 60 such cases with excellent results. It fails only when the nerve supply to the bladder has been blocked or destroyed. The dose required (1 to 2 milligrams in sterile peanut oil given intramuscularly) is too small to cause undesirable side effects.

I should like to conclude this discussion by revealing to you the results of the latest clinical application of DFP by Dr. Harvey's group at Johns Hopkins. This may well prove to be one of the most significant contributions of chemical-warfare research to clinical medicine. One of the most troublesome and frequent conditions following abdominal surgery is paralytic ileus, in which the motility of the intestine is lost and the bowel distends with gas. The condition also occurs in severe illness, such as pneumonia, peritonitis, and diseases of the spinal cord. In moderate cases the patient is miserable, with nausea, vomiting, and abdominal pain. Severe cases are alarming; the patient becomes toxic—even shock and death may result. Available means of treatment have heretofore been quite disturbing to these ill patients and rather unsatisfactory in the severe cases.

DFP has now been applied to 64 cases of paralytic ileus. All of these were difficult cases which had not been relieved by the usual measures, that is, passage of the rectal flatus tube and injections of prostigmine and pitressin. Forty-six of them were severe cases.

DFP acts first to sensitize the nonmotile, distended gut and gives it tone. This occurred in a uniform manner in all 64 cases within 1 to 2 hours after an intramuscular injection of just 2 milligrams of DFP in peanut oil. If the case is a moderate one, rhythmic contractions of the intestine may start spontaneously, shortly after the gut becomes sensitized. The contractions are usually more gentle than the forceful contractions which often follow the administration of other drugs, and painful cramping was rarely encountered. Due to the prolonged action of DFP, the rhythmic movements of the intestine continue for 2 to 5 hours, bringing striking relief of the distressing condition. Ordinarily, one or two more doses of just 1 milligram each of DFP, spaced 12 hours apart, is sufficient to give complete relief to these cases.

In the severe cases, the DFP-sensitized intestine usually will not begin rhythmic contractions spontaneously. If not, small doses of prostigmine (0.5 to 1 mg.) or pitressin (10 to 20 units), or both, are given about 3 to 7 hours after the DFP. You will recall that all of these cases had failed to respond to these drugs before DFP was given. Now the story is different. All cases sensitized with DFP responded promptly and dramatically to these drugs, but instead of the usual short, rather violent, cramping action, the contractions of the intestine were more gentle, effective, and continued for 2 to 5 hours. Subsequently, 2 additional doses of 1 milligram each of DFP are given at 12 hourly intervals, followed in 3 to 7 hours by prostigmine or pitressin. Thereafter, only 1 milligram of DFP is given per day, if necessary, to prevent or treat recurrence of the distension, to a total of not more than 10 milligrams. DFP has not failed once in 64 straight cases.

When a potential new war gas, such as DFP, can be directed to the relief of so much human misery, it is a source of satisfaction to be associated with chemical-warfare research.

The SPEAKER. Under the previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 15 minutes.

### THE BASING-POINT SYSTEM AS PRACTICED BY CEMENT AND STEEL INDUSTRIES UN-AMERICAN

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein certain statements, excerpts, and other matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the Committee on Rules on yesterday reported a rule for the consideration of S. 1008, which is known as the O'Mahoney substitute for the moratorium bills that were proposed by the distinguished gentleman from Pennsylvania [Mr. WALTER] and the distinguished Senator from Pennsylvania [Mr. MYERS]. This bill, to my mind, will be detrimental to the public interest; it should be defeated. There are many reasons why it should be defeated; I shall not attempt to outline them here now, but I do desire to insert in the RECORD, permission having already been granted for that purpose, the testimony of Mr. Edgar S. Idol, before the House Small Business Committee on the basing-point system this morning.

### TRUCKS AND WATERWAYS DISCRIMINATED AGAINST IN FAVOR OF RAILROADS

The trucking associations complain—and they have a right to complain—about the basing-point system, because the cement companies will not permit cement to be delivered at the mill. There is one case up here in New York where they needed cement 29 miles away; the contractor wanted to send his trucks to the cement mill and get the cement, but the cement company would not permit it because they must charge railroad freight rates. That is discrimination against not only the trucking associations, and the truckers, but it is discrimination against the waterways. It compels the use of the railroads only. That is your basing-point system. It compels you to pay freight rates that the cement company has not paid. It is an imaginary, it is a phantom freight. It is a bad system. It is un-American. It is a cartel system. It is price fixing which encourages monopolies and trusts.

### FARMERS AGAINST RESTORING PITTSBURGH-PLUS

In addition to that, I want to place in the RECORD a statement from a representative of the National Farmers Union in which you will find that Mr. McDonald, who was the witness, testified about this Supreme Court decision in the Pittsburgh-plus case in 1924. He shows where the farmers in the Middle West, or certain sections thereof, were compelled to spend a million dollars annually in imaginary, in phantom freight that did not exist at all, absolutely ruining the farmers by these imaginary and phantom freight rates. If this bill passes it will restore the old Pittsburgh-plus system which was outlawed in 1924. So I ask you to consider very carefully his testimony.

### SMALL COLORADO MANUFACTURING INJURED BY BASING POINT

I also have a letter from a small manufacturer out in Denver, Colo., who manufactures specialties of different kinds, including coat hangers and things like that. Although they get their raw material 118 miles away from their plant, right there in Colorado, they are compelled to pay a freight rate from Chicago, approximately 1,000 miles away. That is not the American system, that is not free enterprise. It is monopoly; it is the trust controlling the situation. I shall insert in the RECORD copy of letter from the secretary and treasurer of that association and a copy of her testimony before another committee in the Senate which discloses that small business cannot exist under a basing-point system in competition with the monopolies and trusts that will be enthroned under that kind of a system.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I am very delighted that the gentleman from Texas has taken such an interest and has made a study of this problem. As the gentleman knows, I am from the city of Pittsburgh, Pa.

This question is one of tremendous importance to my congressional district. I confess it seems to me that there is a matter of principle involved, a matter of the economy of the country as a whole involved. If I wanted to take a selfish viewpoint I could say I oppose the position of the gentleman, but I am not yet prepared to say that. I am only prepared to say at this time I am highly delighted that the gentleman is furnishing for the benefit of the Members of the House and the country at large a résumé of his study of the problem. I am very glad of the opportunity to hear the remarks of the gentleman from Texas because I know he has the respect and

the regard of every Member and that his conclusions are worthy of the deepest consideration.

Mr. PATMAN. I thank the gentleman from Pennsylvania very kindly.

I may say, too, it is generally thought that the State of Pennsylvania will be helped by the basing-point system because most of the cement is produced in Pennsylvania and most of the steel is produced in that State. But I want to say right here and now it will not help the people of Pennsylvania. It has been contended in full-page ads: "Come to Pittsburgh. Bring your plants here where you can buy your raw material cheaper and not have to pay out freight, if any, to manufacturers of materials fabricated from steel going to Pittsburgh."

That does not make sense. They would have to pay a higher freight rate on the finished article, whatever it is, out to the market. It is better for the fabricator to remain at Denver, Colo., or Little Rock, Ark., or wherever he is, and pay a freight rate on the raw material from Pittsburgh. He can afford to do it because it is cheaper on the raw material than it is on the finished product, and at Little Rock, for instance, whatever he is making on the finished product, he has an advantage over the same type of fabricator in Pittsburgh, Pa., who gets his steel there and then attempts to send it to Little Rock and pay the higher freight rate on the finished product and sell in competition with the Little Rock man.

The basing-point policy is absolutely contrary to everything that the American people ever stood for, and if this bill is adopted and the Pittsburgh-plus system is restored, and the basing-point system is restored, it is the longest step in the direction of legalizing monopolies and trusts in this country that the Congress has ever attempted.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield further?

Mr. PATMAN. I yield.

Mr. EBERHARTER. I would like it understood that the so-called Pittsburgh-plus system and the so-called basing-point system is not any proposition that has been fathered or encouraged by the Government of the United States or by the Congress.

Mr. PATMAN. It has been outlawed by the Supreme Court.

Mr. EBERHARTER. But previous to that it was simply a system developed by the business interests of this country, and I would not like the general public to believe that it ever had the approval or disapproval of the Congress of the United States or any of its executive agencies. It was simply a matter of business practice.

Mr. PATMAN. That is right, built up by monopolies and trusts, and that is the reason that the Cement Trust will not permit cement to be transported by trucks or by waterways. They must have one method of transportation that they all know and understand, where the freight rates are rigidly fixed, and that is railroad freight rates. Then they can have identical prices throughout the country down to the sixth decimal point, like they have had in the past. It is also true that the United States Steel Corp. owns the biggest cement plant in the world. Railroads are big users of steel. The Supreme Court outlawed identical prices; they said they were wrong; they were against the public interest. Now this bill will absolutely legalize identical prices. The word "identical" is used in the bill itself. It says it will not be unlawful to have identical prices at different points. For competitors, mind you, it is absolutely wrong. It is un-American, and I cannot conceive of this Congress passing any such bill as that.

The statements and letter above referred to are as follows:

STATEMENT OF ANGUS MCDONALD, ASSISTANT LEGISLATIVE SECRETARY, NATIONAL FARMERS UNION, ON S. 1008, AN ACT TO DEFINE THE APPLICATION OF THE FEDERAL TRADE COMMISSION ACT AND THE CLAYTON ACT TO CERTAIN PRICING PRACTICES, TO THE SELECT COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES, JULY 1, 1949

Mr. Chairman and members of the committee, as a representative of the National Farmers Union I am here to state the position of my organization in regard to S. 1008 which amends the Clayton Act in regard to price discrimination and freight absorption. In our view, this amendment cuts the heart out of our antitrust laws, repeals section 2 of the Clayton Act, which contains the revisions of the Robinson-Patman Antidiscrimination Act, and legalizes the old Pittsburgh-plus practices which, it was proved in 1924, cost American farmers hundreds of millions of dollars.

Before I proceed to a consideration of the several discrimination cases and our analysis of S. 1008, I would like to explain why our organization, as well as American farmers in general, has been traditionally opposed to basing-point price systems and to any kind of price discrimination which gave to the seller a varying mill net return. Agriculture is the most highly competitive group in our economy and, therefore, farmers have no means of engaging in price discrimination or setting up pricing systems with varying mill net returns except under very exceptional and temporary circumstances.

A farmer cannot set up a price system under which he charges one customer more than another for the simple reason that as soon as he started discriminating, farmers in competition would undersell him as soon as the discrimination became known. Therefore, the farmer in his business has no interest in seeking to exact from the general public charges for phantom freight or charges which would result from any other monopolistic practice.

The farmer, however, does have an interest in seeking to prevent price systems and monopolistic practices which extract from him charges which are in excess of those existing in a free competitive system. In the past, farmers have been cheated out of billions of dollars because they had to pay excessive prices resulting from Pittsburgh-plus and other basing-point price systems. The record is clear that the farmer has nothing to gain and much to lose by the existence of so-called uniform pricing systems. Let me quote briefly from a decision of the United States Supreme Court, 1924. This opinion outlawed the Pittsburgh-plus prices because it was proved that farmers and others paid many million dollars because of the operation of this monopolistic price system:

"Deere & Co., farm implement manufacturers, pay $488,400 annually as imaginary freight, while the farmers who purchase their implements must pay over double this amount, or over $1,000,000 annually, as extra prices for Deere & Co.'s implements, because of this imaginary freight item. In other words, for every dollar which the farm-implement companies pay as Pittsburgh-plus, the farmers must pay more than double every such dollar, because to the actual Pittsburgh-plus paid by the farm-implement manufacturer must be added the various percentages of overhead, selling expenses, and profits which are borne in the ordinary course of business. The figures are undisputed in the record. As the president of the American Farm Bureau Federation, representing more than a million and a quarter farmers, testified, the double Pittsburgh-plus imaginary freight thus paid by the farmers in only 11 Middle Western States amounted to around $30,000,000 annually. The farmers in the other States would use even more steel than those in the 11 States figured in the calculations. The Emerson-Brantingham Co., a farm implement manufacturing company pays around $100,000 annually as Pittsburgh-plus imaginary freight, which means that its customers must pay around $200,000 annually more than they would have to pay if the Chicago district mills eliminated Pittsburgh-plus as hereinabove mentioned. The Litchfield Manufacturing Co., a farm implement manufacturing company, pays $68,000 annually as imaginary freight, and its customers pay twice that amount. Pittsburgh-plus resulted in an addition to the list prices of J. I. Case Threshing Machine Co., an agricultural implement manufacturing company, in 1920, of $509,033, which amount the farmers would have saved if Pittsburgh-plus had not been charged. A Minneapolis manufacturer pays $84,000 annually as Pittsburgh-plus, and so on" (U. S. Supreme Court, 1924).

Successive cases have indicated that such excessive charges are the inevitable result of such monopolistic system. There have, of course, been many variations in the methods devised by greedy groups and unscrupulous attorneys when they sought to evade our antitrust laws. But there is one characteristic common to all of these methods, and that is that they all employed price discriminations. That is, they did not sell to all customers at the same price but picked out a favorite few so that the rest would go out of business. This was the tactic employed in the recent Standard Oil case. The Standard Oil Co. selected out of 357 customers 4 big concerns who acted both as wholesalers and retailers. At the time of the action these four big concerns were systematically putting out of business the other 353.

Now we are told by experts who have made a lifetime study of such practices that this legislation S. 1008 legalizes such practices and not only undoes the work of the United States court of appeals in the seventh circuit—that is, the recent Standard Oil case—but actually makes legal Pittsburgh-plus, multiple-basing-point price system, price discrimination of every kind, including that involving freight absorption, unless some element of conspiracy can be proved.

Now I would like to discuss S. 1008 in detail. Section 1 says nothing about protecting competition, and it ties the hands of the Federal Trade Commission in looking into monopolistic situations where uniform delivered prices or freight absorption is involved. Section 2 goes even further. It provides that "sellers may absorb freight to meet the low price of a competitor in good faith" no matter if this so-called meeting of competition is such as in the Standard Oil case, which could have resulted in the complete destruction of competition. The way this particular section was amended makes me suspect that the authors were actually working to design a bill which would injure competition. This is indicated by the deletion of the phrase "except where effect of such absorptions will be to substantially lessen competition." If the authors of this legislation did not want to injure competition, why did they delete this phrase? But this

section goes even further. The authors of the bill are anxious that the sky should be the limit in raising or lowering prices to bring about the destruction of competition. Significantly, this phrase is added: "This may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains."

Section 3 of S. 1008 is even more far-reaching than section 2. It not only legalizes discriminations which result from freight absorption, phantom freight, etc., but it legalizes price discriminations where no element of transportation costs are involved. Again in this section the authors of the bill struck out any language which would safeguard competition. The opening paragraph, particularly the words "Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price the effect of which upon competition may be that prohibited by the preceding subsection" is nonsensical. It doesn't make sense because the words "except where the effect of such absorption of freight will be to substantially lessen competition" were stricken from the bill. In this section, also, the authors seem to feel that they might have overlooked some discrimination or other that wasn't legalized so they added, and I quote, the words in italics in the bill: "and this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains."

In the fourth section there is also an attempt to weaken the Robinson-Patman Act by substituting reasonable probability for the words "substantial and probative evidence."

In conclusion, I would like to refer briefly to the arguments which the proponents of this legislation have put forward. They contend that sellers meeting competition in good faith is made a complete defense that this will result in lower prices to consumers and in so-called hard competition. They also say that if sellers are not allowed to cut prices and discriminate against various buyers that the result would be soft competition.

This is a curious argument. It seems that what we have always considered as fair competition, that is, that a seller always sells to everybody at the same price, is now considered soft and that what we had considered as unfair competition, that is, practices which operated by means of discriminations to destroy competition by the sellers' customers is now considered hard. This argument, of course, is not new. It has always been used when sellers were engaging in monopolistic practices with adverse effects on competition. This was pointed out recently in the Standard Oil case referred to above. I quote from the opinion of the circuit court:

"Now as to the contention that the discriminatory prices here complained of were made in good faith to meet a lower price of a competitor. While the Commission made no finding on this point, it assumed its existence but held contrary to the petitioner's contention, that this was not a defense.

"Prior to June 19, 1936, when the Robinson-Patman Act went into effect, the Clayton Act, section 2, provided:

" 'That it shall be unlawful for any person engaged in commerce, * * * either directly or indirectly to discriminate in price between different purchasers of commodities * * * where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce: *Provided*, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition.'

"Thus it will be seen that a discrimination in price made in good faith to meet competition was a defense under section 2 of the Clayton Act, as was a showing that the discrimination was made because of cost savings, or proof of the other defenses given by the act. But since large buyers could always get such price meeting by suppliers to justify a discrimination in price in their favor, the purpose of the act to avoid such discrimination was easily evaded."

The evidence thus seems overwhelming that this legislation should not be passed by the Congress. It should not be passed because as stated above, it legalizes price discrimination of any kind, and will allow the reimposition of the old Pittsburgh-plus system and repeals our basic antitrust laws. We, therefore, urge that every Member of Congress use his utmost efforts to bring about the defeat of this legislation.

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STATEMENT OF EDGAR S. IDOL BEFORE THE HOUSE SMALL BUSINESS COMMITTEE ON BASING-POINT LEGISLATION

Mr. Chairman, I appear before your committee as general counsel of American Trucking Associations, Inc., a federation of State associations which include in their membership all types of motor carriers, both private and for hire.

Our industry is made up almost entirely of smaller businesses. Of 24,000 carriers regulated by the Interstate Commerce Commission, only 2,500 have gross revenues of as much as $100,000 annually. Only a handful have as many as 500 employees.

While we have made no study of basing-point pricing and its effect on our industry as an over-all proposition, complaints by our members have focused attention on the anti-truck policy followed by cement manufacturers for the purpose of maintaining uniform delivered prices. The history of the subject is set forth in detail in paragraph 11 of Findings of Fact issued by the Federal Trade Commission in Docket No. 3617, dated July 17, 1943. Pertinent excerpts from the findings are as follows:

"The trucking of cement began about 1920. * * * It was general practice to sell cement f. o. b. trucks at the mill at the delivered price applicable to the buyer's destination, less the rail freight to that point. Purchasers quickly realized various advantages from trucking. Respondents also recognized the advantages of trucking to the purchaser, but * * * around 1929 and 1930, * * * began taking active steps to eliminate, discourage, and control the trucking of cement. * * * Numerous respondents stated their reasons for making changes in their trucking policies:

"We could not control deliveries and the many trucking prices disrupted our entire marketing and price structure."

"Uncertainty of price at destination when delivery was made to buyers' trucks at mill."

Summarizing the evidence, the FTC said: "The effect of trucking on prices and distribution was the motivating cause of respondent's action with respect to trucking cement." The FTC reported the effectiveness of action taken to control trucking of cement as follows: Of 116 mills, 85 reported no trucking permitted; 8 reported trucking permitted at a price penalty; 5 reported trucking permitted at full rail destination prices; 1 reported trucking permitted on the basis of destination price at the mill at times, at other times base price plus a 25-cent penalty; 4 reported trucking permitted but limited to certain points; 6 reported trucking permitted at destination prices less freight; only 7 reported permitting trucking on the basis of the mill price without any restriction.

The order of the Federal Trade Commission in the famed Cement case, subsequently upheld by the Supreme Court, will, when fully enforced, make truck service available to those purchasers who desire it. The order specifically provides that the cement mills must not refuse or decline to allow purchasers "to provide transportation by any means, at any cost, or to any place they may desire."

NEW YORK, PENNSYLVANIA, AND NEW JERSEY CASES EXAMPLES

Enforcement of the order is not yet entirely effective. In a case recently called to our attention a contractor wanted to use motor-carrier service for hauling cement from the plant of the Universal Atlas Cement Co., at Hudson, N. Y., to a road project only 29 miles from the mill. The mill refused to make deliveries direct to the trucks, and insisted that the cement be moved by rail some 20 or 30 miles to a siding from which it still had to be hauled by truck to the location of the job. Inquiries from carriers in Pennsylvania and New Jersey have reached us which indicate that mills in those territories are still following the policy of refusing to make truck deliveries.

However, we have reports from other territories indicating that, since the Cement case decision, other mills have changed their practice and are now routing traffic by either truck or rail, in accordance with the purchaser's desires.

Under present laws we believe that the FTC will be able to eventually enforce compliance with its orders. If the proposed legislation is adopted, it is uncertain whether purchasers will ever be able to secure direct, efficient, and economical truck service from cement mills to their plants.

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WIRE SPECIALTIES AND MANUFACTURING CORP.,
*Denver, Colo., June 28, 1949.*

Hon. WRIGHT PATMAN,
*House of Representatives,*
*Washington, D. C.*

DEAR MR. PATMAN: Thank you very much for your telegram of June 24 inviting me to testify before the House Small Business Committee regarding the basing-point system. However, it is necessary for me to decline your kind invitation.

Right now we are in the middle of a brutal price war whereby our competition is selling hangers at cost and below cost. The situation has existed since March 1 of this year, and while we are holding our own by trying to take on other products to keep us from going into the red, I feel it is best I remain here.

Enclosed is my statement made before the Capehart committee last November. In all sincerity, we oppose basing-point systems that allow to charge "ghost" freight or a charge for something that doesn't exist on steel items when we are close to a source of supply, not only finished products but raw materials.

If the steel mill we buy from did not make an item that we needed and we had to buy it from another manufacturer some distance away we wouldn't mind paying a legitimate charge for freight, but to pay freight for a thousand miles when the merchandise only travels approximately 118 miles is something we could never understand. It handicapped us very much.

If you care, Mr. PATMAN, to include my statement in the hearings, you are welcome to do so. I wish I could come to Washington in person, but we have spent so much time and money trying to show our lawmakers the evils of the old basing-point system with its "ghost" freight that we are unable to spend more.

Help us all you can, Mr. PATMAN. And thanks again for your kindnesses while I was in Washington last year.

Sincerely yours,

ANN M. OLSON,
*Secretary-Treasurer.*

HANDICAPS OF THE STEEL BASING-POINT SYSTEM

I am Ann Olson, of Denver, Colo., secretary-treasurer of Wire Specialties & Manufacturing Corp. We fabricate products of wire and strip and buy from a steel mill at Pueblo.

We want to live and let live. We are not trying to work against big business, any of our suppliers, or customers. We are all forced by established practices to price as our competitors do. It is the old basing-point-ghost-freight system we are opposed to. In my comparisons I am going to use Chicago only, because under the old basing-point system our raw materials were based on the price f. o. b. Chicago.

In this country of ours small businesses are probably in the majority in numbers and dollar volume of business. Small business, as you know, is vital to all and should be considered. Hundreds of other small businesses in our region have similar problems.

Under the old basing-point system with its ghost freight, we had a serious handicap whereby we paid as much as 25 percent more for our raw materials than did our competitors in Chicago because of this ghost freight, but we had to sell our finished products at the same price as Chicago.

If the old basing-point system with its ghost freight is reinstated, we again will be handicapped, or we will be forced to move into the large industrial centers where we can buy our raw products now produced in Colorado at the same prices our competitors pay.

This system made the manufacturer in our territory pay a price for steel equal to his competitors' price in Chicago, plus the freight from Chicago, even though the steel only traveled 118 miles and not approximately 1,000 miles.

This ghost freight allowed a Chicago firm to buy steel in Pueblo, Colo., ship the steel to Chicago, fabricate it, ship it back close to Denver as a finished product cheaper than a Denver manufacturer could buy the steel from Pueblo. Of course, this greatly discouraged fabrication of steel products in our region.

It is almost impossible for a manufacturer in our region (operating under this "ghost" freight handicap) to compete for his own market much less compete in the territory halfway to Chicago. It is utterly impossible for a manufacturer in our region to compete with a Chicago manufacturer and sell in Chicago; while a Chicago manufacturer can compete very nicely in Denver, due again, and only, to the basing-point system with "ghost" freight.

For example, our company in Denver spent approximately $150,000 last year for raw materials, "ghost" freight to Denver, and freight on its finished products to our customers. All products were distributed west of the Mississippi River and most of our products were distributed in the Rocky Mountain region. Had we been located in Chicago, shipping exactly the same amount of our products to the same customers, bought the same steel from Pueblo, Colo., we would have saved around $35,000 per year. In spite of all the talk about decentralizing business, this one economic factor (ghost freight) absolutely prohibits it.

The figures I shall mention to you in comparative costs under the old basing-point-ghost freight system (our handicap) will seem unbelievable, yet, they are actual. During the basing-point-ghost freight system in the spring of 1948 the following costs of steel and freight were in effect.

Referring to column No. 1 below—if a carload of steel were shipped from the mill at Pueblo, Colo., or mill near Chicago, then fabricated, then the finished products shipped to the following cities, the cost of raw material, plus freight on the finished products, no other costs included, in Chicago manufacturer's cost per 100 pounds is shown in column No. 1.

Referring to column No. 2, if the same carload of steel were shipped to Denver from mill near Chicago or Pueblo, Colo., the Denver manufacturer's cost of steel, plus "ghost" freight, plus freight on finished products, no other costs included, the Denver manufacturer's cost per 100 pounds is shown in column No. 2.

| Shipments to— | Column No. 1, Chicago manufacturer's cost per 100 pounds | Column No. 2, Denver manufacturer's cost per 100 pounds |
|---|---|---|
| Chicago | $3.83 | $6.10 |
| Omaha | 4.53 | 5.75 |
| Kansas City | 4.60 | 5.76 |
| Wichita | 4.75 | 5.68 |
| Amarillo | 5.06 | 5.80 |
| Salt Lake City | 5.52 | 5.82 |
| Denver | 4.89 | 4.84 |

You can see the Denver manufacturer can only compete in Denver while Chicago can sell cheaper in most every other city in the United States.

Chicago's cost is only 5 cents per 100 pounds higher shipping into Denver; while Denver's cost is $2.27 per 100 pounds higher shipping to Chicago.

Denver cannot even ship to nearby towns in Colorado and be competitive with Chicago, even though the raw materials and finished products were shipped some 2,000 miles less distance.

We have made a diligent study of various pricing systems as they apply to our business. We are convinced that the old basing-point system, with ghost freight, will not allow us to operate in our present location.

We think that the f. o. b. mill pricing plus freight absorption or equalization is a much better system, making for freer competition, less monopoly, will keep business on a more competitive basis, and allow the small manufacturer to buy his raw materials at a price more equal to his competitor's wherever he may be located, be he large or small.

A utopian pricing system in our opinion might be—a pricing system that allows all manufacturers, distributors, and consumers in the United States to pay approximately the same price for most of their purchases. At least there must be some better system for all concerned than the old basing-point-ghost-freight system. Aren't we smart enough to progress in pricing systems as we are in other things?

We realize the difficulty your committee must have to get sufficient, correct, unbiased data from all the people in the United States and then make a just decision for all of us. But please don't handicap small business and our section of the country too much for you will kill the goose that lays the golden egg, and prevent us—small businesses and our section of the country—from buying the products of big business. Each section of the United States must prosper or they cannot trade with other sections and make our Nation as strong as we need be.

BIFFLE DAY

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Speaker, on next July 4, the traditional annual celebration of the Fourth of July will be held at Piggott, Ark. Piggott is long known for its annual celebration of this date. This year the celebration takes on special significance because the people of Piggott and Clay County with their friends from far and wide are going to honor one of their best-loved sons, Leslie Biffle, Secretary of the United States Senate, and a genuine friend of everyone in Washington from Arkansas.

The idea of Biffle Day celebration in Arkansas combined with the traditional Fourth of July day at Piggott, was truly a case of spontaneous combustion—the idea having apparently originated in the minds of numerous friends of Biffle's in Piggott and other sections of the State spontaneously.

When a few of his close friends, still residents of Piggott, mentioned the idea to other friends of Biffle's in Washington and other sections of the country, they immediately had to put on hydraulic four-wheel brakes because everyone concerned had ideas for making the celebration one of the greatest things held in this country, and out of all proportion to the original idea of the home folks' celebration honoring a home-town boy.

The event could not possibly, however, be held to a purely home-town expression of appreciation of the outstanding public service of their hero, and they were compelled to let other friends of Biffle's in on the party, as well as being compelled to adopt some of their outstanding suggestions; one being the idea of having the noted sculptor, Felix de Weldon, make a bust of Biffle to be permanently placed in the Federal Building at Piggott, together with a scroll in his honor and bearing names of a few of his close friends from points outside of his home town.

It is no exaggeration to state that in a study of popularity and Nation-wide friendship of any public official that has ever served in our Capital City, the record reveals that undoubtedly Les Biffle has more friends in all walks of life than most any other public official in the history of our country—men and women in high and important public and social circles throughout America.

It is indeed difficult, if not impossible to find anyone who has had the privilege of becoming acquainted with Biffle who is not completely devoted to him. If there is one man in public office, regardless of party affiliations, who has the friendship and devotion of the leaders of both parties, it is Les Biffle.

It is interesting to note that the records reveal that he is the only man elected unanimously by the Senate to the important office of Secretary of the Senate, and although he is an ardent and lifelong Democrat, the CONGRESSIONAL RECORD shows that when he was nominated for the present office, the warmest and most enthusiastic comments made in his behalf came from leaders of the Republican Party.

In conclusion, I am certain that you will agree with me in the statement that Les Biffle is undoubtedly one of the best-loved men of our Nation.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. GATHINGS. I yield to the distinguished majority leader.

Mr. McCORMACK. I infer from my friend's remarks that Les Biffle was born in Piggott, Ark.?

Mr. GATHINGS. Yes. The traditional Fourth of July celebration at Piggott will carry new significance this time in that it will be Les Biffle Day.

Mr. McCORMACK. The gentleman referred to him as a "home-town boy" of Piggott. The people there are to be congratulated on honoring him. He has made a name for himself and is recognized everywhere throughout the United States. Les Biffle is one of the outstanding men of this era. He is not only a great American but he wields tremendous influence, and has for years, and let us hope he will for many years to come, on governmental affairs, particularly on the Federal level, and I assume on the State level. He is also a great Democrat. Coming from Massachusetts, I am proud to join in the commendatory remarks made by my friend from Arkansas and to emphasize as strongly as I possibly can that Les Biffle is not only respected and admired but beloved by everyone who knows him, without regard to party affiliation. Particularly, speaking as one Democrat to another, may I say that I am proud of him as a Democrat.

Mr. GATHINGS. I thank the gentleman very much. I am proud, indeed, that I represent the district that produced Les Biffle.

### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CLEVENGER (at the request of Mr. JENKINS), indefinitely, on account of illness.

### EXTENSION OF REMARKS

Mr. WHITE of California asked and was given permission to extend his remarks in the RECORD and include a copy of a telegram from Mr. L. L. Miller, a prominent farmer of his district and a member of the advisory council, Rivers and Harbors Congress.

### SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 249. An act to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes; to the Committee on Education and Labor.

### ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5100. An act to correct inequities in the pay of certain officers and employees of the Federal Government and of the government of the District of Columbia; and

H. R. 5240. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products.

### BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 5100. An act to correct inequities in the pay of certain officers and employees of the Federal Government and of the government of the District of Columbia; and

H. R. 5240. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products.

### ADJOURNMENT

Mr. CHRISTOPHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER. Pursuant to House Resolution 271, the House stands adjourned to meet on Tuesday, July 5, 1949, at 12 o'clock noon, in the caucus room in the New House Office Building.

Thereupon (at 12 o'clock and 46 minutes p. m.), pursuant to House Resolution 271, the House adjourned until Tuesday, July 5, 1949, at 12 o'clock noon.

### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

736. A letter from the Under Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex."; to the Committee on Public Lands.

737. A letter from the Acting Chairman, United States Tariff Commission, transmitting the Second Annual Report on the Operation of the Trade Agreements Program; to the Committee on Ways and Means.

### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KEE: Committee on Foreign Affairs. H. R. 5330. A bill to promote world peace and the general welfare, national interest, and foreign policy of the United States by providing aid to the Republic of Korea; with an amendment (Rept. No. 962). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 5208. A bill to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes; with an amendment (Rept. No. 963). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON: Committee on Armed Services. H. R. 524. A bill to provide for the release of all the right, title, and interest of the United States in a certain portion of a tract of land conditionally granted by it to the county of Los Angeles; without amendment (Rept. No. 964). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAVENNER: Committee on Armed Services. H. R. 5289. A bill authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco; without amendment (Rept. No. 965). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H. R. 5328. A bill authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco; without amendment (Rept. No. 966). Referred to the Committee of the Whole House on the State of the Union.

Mr. DENTON: Committee on the Judiciary. H. R. 5287. A bill to amend title 28, United States Code, section 90, to create a Swainsboro division in the southern district of Georgia with terms of court to be held at Swainsboro; without amendment (Rept. No. 967). Referred to the Committee of the Whole House on the State of the Union.

### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WHITTINGTON:

H. R. 5472. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. D'EWART:

H. R. 5473. A bill to provide for the rehabilitation of the Gros Ventre and Assiniboine Tribes of Indians on Fort Belknap Reservation, Mont., and for other purposes; to the Committee on Public Lands.

By Mr. EBERHARTER:

H. R. 5474. A bill to amend certain provisions of the Internal Revenue Code to permit the use of additional means, including stamp machines, for payment of tax on distilled spirits, modify loss allowances for distilled spirits, and for other purposes; to the Committee on Ways and Means.

By Mr. HORAN:

H. R. 5475. A bill to authorize the construction, operation, and maintenance of the Chief Joseph project on the Columbia River at Foster Creek, in the State of Washington, for irrigation, generation of electric power, and for other purposes; to the Committee on Public Works.

By Mr. JUDD:

H. R. 5476. A bill to transfer funds from the Economic Cooperation Administration to the Department of State for the relief of Chinese students; to the Committee on Appropriations.

By Mr. McCARTHY:

H. R. 5477. A bill to reduce the postage rate for certain books; to the Committee on Post Office and Civil Service.

By Mr. RAMSAY:

H. R. 5478. A bill to provide for the compensation of personal services on Sunday; to the Committee on Post Office and Civil Service.

By Mr. RANKIN (by request):

H. R. 5479. A bill to provide reimbursement of emergency medical expenses incurred by certain veterans; to the Committee on Veterans' Affairs.

H. R. 5480. A bill to provide Government protection for widows and children of certain veterans who died while serving in the armed forces during World War I or World War II; to the Committee on Veterans' Affairs.

By Mr. SABATH:

H. R. 5481. A bill to provide for the lease of the Belasco Theater to the American National Theater and Academy for the presentation of theatrical and musical productions, and for other purposes; to the Committee on Public Works.

By Mr. SANBORN:

H. R. 5482. A bill approving plans for the development of the Columbia River Basin, and for other purposes; to the Committee on Public Works.

H. R. 5483. A bill to extend indefinitely the period in which title I of the Agriculture Act of 1948 shall be applicable; to the Committee on Agriculture.

By Mr. SIKES:

H. R. 5484. A bill to modify the Gulf intracoastal waterway between Big Lagoon and Pensacola, Fla.; to the Committee on Public Works.

By Mr. DAVIS of Georgia:

H. R. 5485. A bill to make more adequate provision for the return to remunerative employment of disabled persons, to amend the Vocational Rehabilitation Act, as amended

(U. S. C., 1946 ed., title 29, ch. 4), to amend the Randolph-Sheppard Act (U. S. C., 1946 ed., title 20, ch. 6A), to authorize grants-in-aid to the States for special programs for the blind and other severely disabled persons, and for other purposes; to the Committee on Education and Labor.

By Mrs. NORTON:

H. Res. 276. Resolution providing for the consideration of H. R. 3199, a bill making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers, and for other purposes; to the Committee on Rules.

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# SENATE

## TUESDAY, JULY 5, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met, in executive session, in the former Supreme Court chamber in the Capitol at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father, God, with grateful hearts stirred anew as a Nation of freemen has been celebrating the birthday of the state, we bow with reverence within the walls of this historic chamber saturated with national memories. We are vividly conscious this hallowed moment of invisible galleries filled with a cloud of witnesses from the heroic and creative past. These mellowed walls are vocal this hour. They speak to us of towering public servants, of legislators and judges, of momentous debates and decisions, of laws made and interpreted. These great figures of the yesterdays have entrusted to our hands the flaming torch of freedom once held by theirs. They admonish us that eternal vigilance is the price of liberty.

Give us courage, give us vision, give us wisdom for the facing of these crucial days. May our America be the channel of Thy grace, helping to heal the open sores of this torn and tortured world. In the Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 1, 1949, was dispensed with.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had insisted upon its amendment to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. MONRONEY, Mr. WOLCOTT, Mr. GAMBLE, and Mr. SMITH of Ohio were appointed managers on the part of the House at the conference.

The message also announced that the House agreed to the amendments of the Senate to the bill (H. R. 2282) to make certain Government-owned facilities available for international broadcasting in the furtherance of authorized programs of the Department of State, and for other purposes.

The message further announced that the House had passed a joint resolution (H. J. Res. 287) extending section 1302 (a) of the Social Security Act, as amended, until June 30, 1950, in which it requested the concurrence of the Senate.

### ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2282) to make certain Government-owned facilities available for international broadcasting in the furtherance of authorized programs of the Department of State, and for other purposes, and it was signed by the Vice President.

### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hunt | Myers |
| Anderson | Ives | Neely |
| Bricker | Johnson, Colo. | O'Conor |
| Butler | Johnston, S. C. | O'Mahoney |
| Byrd | Kefauver | Pepper |
| Cain | Kem | Reed |
| Chapman | Kerr | Robertson |
| Chavez | Kilgore | Russell |
| Connally | Knowland | Schoeppel |
| Cordon | Langer | Smith, N. J. |
| Donnell | Long | Sparkman |
| Douglas | Lucas | Stennis |
| Downey | McCarran | Taft |
| Ecton | McCarthy | Thomas, Okla. |
| Ferguson | McClellan | Thomas, Utah |
| Flanders | McFarland | Thye |
| Frear | McGrath | Tobey |
| Fulbright | McKellar | Tydings |
| Gillette | McMahon | Vandenberg |
| Graham | Malone | Watkins |
| Green | Miller | Wherry |
| Hayden | Millikin | Wiley |
| Hendrickson | Morse | Williams |
| Hickenlooper | Mundt | Withers |
| Hoey | Murray | |

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Texas [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly meeting at Rome, Italy.

The Senator from Georgia [Mr. GEORGE] and the Senator from Florida [Mr. HOLLAND] are absent by leave of the Senate.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the senior Senator from Massachusetts [Mr. SALTONSTALL], and the junior Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES], the senior Senator from Indiana [Mr. CAPEHART], the junior Senator from Indiana [Mr. JENNER], and the Senator from Maine [Mrs. SMITH] are absent on official business.

The Senator from South Dakota [Mr. GURNEY] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Connecticut [Mr. BALDWIN] and the Senator from Pennsylvania [Mr. MARTIN] are detained on official business.

The VICE PRESIDENT. A quorum is present.

### ARRANGEMENTS IN TEMPORARY SENATE CHAMBER

The VICE PRESIDENT. Before proceeding further, the Chair would like to have the Secretary read a statement on behalf of the Sergeant at Arms concerning the arrangements in the chamber the Senate is now occupying.

The Chief Clerk read as follows:

Because of limited space, the individual desks of all Senators could not be placed in this chamber. However, chairs are available for every Senator. Senators of the majority party are assigned chairs on the left of the chamber and those of the minority party are assigned chairs on the right. Except for the majority and minority leaders, no Senator has been assigned a desk or a particular chair, so Senators may sit wherever they choose on a "first come, first served" basis.

Senators will notice that two desks have been placed on each side of the chamber. These are to be used by Senators handling legislation and by those who desire to speak from prepared manuscripts.

The VICE PRESIDENT. The Chair would like to say that it is obvious that the acoustics of this chamber are very excellent. From the standpoint of the Chair they are, because the Chair can hear even a whisper coming from any point in the chamber. Therefore the Chair suggests that conversation be kept to a minimum in order that order may be preserved.

May the Chair also say that he is happy to see so many Senators back after the holiday, on the first day's session in this historic chamber. The Chair hopes the Members of the Senate will not think him guilty of flattery when he says that he does not believe a finer-looking body of legislators has ever met here than that which is before him at this moment. [Applause.]

### PHOTOGRAPHS OF SENATE SITTING IN OLD SUPREME COURT CHAMBER

Mr. LUCAS. Mr. President, I should like to make a brief announcement along the line of the statement prepared by the Sergeant at Arms. I sincerely hope the administrative assistants and all others who have business here with Senators will conduct their business with them expeditiously as possible, because we have little or no space for our secretaries or

those who have business with Senators in this chamber.

I should like also to make a unanimous-consent request. Four photographers would like very much to take pictures of the Senate at this time. It is my understanding that they will pool the pictures and distribute them throughout the country. As everyone knows, we have a very strict precedent in the Senate Chamber against any kind of photography. However, I am informed that photographs were taken when the Senate convened in this chamber in 1940. In view of the fact I thought perhaps there would be no objection upon the part of the Senators if we permitted the photographers to repeat the performance. I now ask unanimous consent that permission be granted to the photographers to make various pictures of the Senate while in session at this time.

Mr. WHERRY. Mr. President, reserving the right to object, I should like to say for the benefit of Senators that when the suggestion was first made by the able majority leader I objected. I felt that in keeping with the precedents of the Senate Chamber photographs should not be permitted, and that there might be further requests for pictures in the Senate Chamber proper when we return there. However, as the distinguished majority leader has said, in 1940 similar pictures were made in this chamber. This is not the Senate Chamber. Such pictures may give the people of the country some idea of the quarters in which this good-looking representation referred to by the distinguished Vice President is housed. We thank the Vice President for his reference.

Inasmuch as the taking of the pictures can be expedited and it can be completed in 4 or 5 minutes, I said I would withdraw the objection and leave it to the majority leader and the distinguished Vice President. I feel sure that whatever decision they reach will be agreeable so far as our side of the aisle is concerned.

The VICE PRESIDENT. The Chair would like to have it distinctly understood that this is not to be regarded as a precedent. The Chair is being continually importuned to give his consent to the taking of pictures in the Senate Chamber. He has uniformly declined to allow it, because it seems to have been the desire of the Senate from time immemorial that that practice not be inaugurated. However, in view of the peculiar circumstances which exist, the situation is a little different in this instance.

Is it the understanding of the Senator from Illinois that the pictures are to be made at once, that the process is not to be repeated, and that it is not to be regarded as a precedent?

Mr. LUCAS. The Vice President is absolutely correct. I may say that, as I understand it, the pictures will be made while the debate is in progress.

The VICE PRESIDENT. Is there objection? The Chair hears none.

### TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate be permitted to introduce bills and resolutions, present petitions and memorials, and submit matters for printing in the RECORD, without debate, as in legislative session.

The VICE PRESIDENT. Without objection, it is so ordered.

### REPORT OF NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 250)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Banking and Currency.

(For President's message, see today's proceedings of the House of Representatives on p. 8835.)

### REVISED SUPPLEMENTAL ESTIMATE, PAYMENT OF CLAIMS FOR DAMAGES, ETC. (S. DOC. NO. 96)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a revised supplemental estimate of appropriation involving an increase of $3,110,112.76 in the amount necessary for payment of claims for damages, audited claims, and judgments which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

### REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry:

S. 2086. A bill transferring management of certain public lands from the Agriculture Department to the Fort Sill Indian School in Oklahoma for agriculture uses; without amendment (Rept. No. 610).

By Mr. THYE (for Mr. HOLLAND), from the Committee on Agriculture and Forestry:

H. R. 2296. A bill to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes; with amendments (Rept. No. 611).

### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

S. 2188. A bill to amend the act of May 29, 1884, as amended, to permit the interstate movement, for immediate slaughter, of domestic animals which have reacted to tests for brucellosis or paratuberculosis; and for other purposes; and

S. 2189. A bill to authorize the Federal Security Administrator to coordinate the arrangements for the employment of agricultural workers admitted for temporary agricultural employment from foreign countries in the Western Hemisphere, to assure that the migration of such workers will be limited to the minimum numbers required to meet domestic labor shortages, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. McGRATH:

S. 2190. A bill to amend section 2 (c) of the Clayton Act; to the Committee on the Judiciary.

By Mr. McCARTHY:

S. 2191. A bill to provide assistance for local school agencies in providing educational opportunities for children on Federal reservations or in defense areas, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. TYDINGS:

S. 2192. A bill to authorize the adjustment of the lineal positions of certain officers of the naval service, and for other purposes; to the Committee on Armed Services.

### GRANTING OF CERTAIN EXTENSIONS OF TIME FOR TAX PURPOSES—AMENDMENTS

Mr. McCARRAN submitted four amendments intended to be proposed by him to the bill (H. R. 3905) to grant certain extensions of time for tax purposes and to facilitate administration; which were referred to the Committee on Finance, and order to be printed.

### HOUSING BILL REFERRED

The bill (H. R. 3368) to amend sections 356 and 365 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, to increase the maximum sum allowable by the court out of the assets of a decedent's estate as a preferred charge for his or her funeral expenses from $600 to $1,000, was read twice by its title, and referred to the Committee on the District of Columbia.

### FOURTH OF JULY ADDRESS BY SENATOR LANGER

[Mr. LANGER asked and obtained leave to have printed in the RECORD an address delivered by him at Chicago, Ill., on July 4, 1949, which appears in the Appendix.]

### OUR AMERICAN DESTINY—1949—ADDRESS BY SENATOR MUNDT

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an address entitled "Our American Destiny—1949," delivered by him before the Annual Congress of the Daughters of the American Revolution, at Washington, D. C., on April 18, 1949, which appears in the Appendix.]

### RUSSIAN IMPERIALISM IN CHINA—ARTICLE BY SENATOR McCARRAN

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an article entitled "Russian Imperialism in China," written by Senator McCARRAN and published in the June issue of the National Republic, which appears in the Appendix.]

### FOURTH OF JULY ADDRESS BY SECRETARY OF DEFENSE

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an address delivered by Hon. Louis Johnson, Secretary of Defense, at the West Virginia State American Legion Convention, at Wheeling, W. Va., on July 4, 1949, which appears in the Appendix.]

### WHAT SOCIALISM IS DOING TO BRITISH FREEDOM—ADDRESS BY CECIL PALMER

[Mr. TAFT asked and obtained leave to have printed in the RECORD an address entitled "What Socialism Is Doing to British Freedom," delivered by Cecil Palmer, of London, England, before the Economic Club of Detroit, at Detroit, Mich., on May 11, 1949, which appears in the Appendix.]

### MEMORANDUM FROM AMERICAN CIVIL LIBERTIES UNION ON RIGHT OF BROADCASTERS TO EDITORIALIZE

[Mr. LANGER asked and obtained leave to have printed in the RECORD a memorandum from the American Civil Liberties Union dealing with the policy of the Federal Communications Commission with relation to editorializing by radio stations, which appears in the Appendix.]

### DR. DOUGLAS SOUTHALL FREEMAN—EDITORIAL FROM WASHINGTON POST

[Mr. BYRD asked and obtained leave to have printed in the RECORD an editorial entitled "Virginian Prodigy," published in the Washington Post of July 1, 1949, which appears in the Appendix.]

### THE INTERNATIONAL REFUGEE ORGANIZATION

Mr. O'CONOR. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the statement which I have prepared relating to the International Refugee Organization.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE INTERNATIONAL REFUGEE ORGANIZATION

STATEMENT BY SENATOR O'CONOR

Mr. President, the International Refugee Organization has just observed the second anniversary of its establishment with the United States as a member. As of this date of anniversary, a distinguished American, a native of our own State of Maryland, Mr. William Hallem Tuck, is retiring after directing the IRO for the past 2 years.

Recently, the Committee on Expenditures in the Executive Departments issued a report on the operations of the IRO, prepared by a subcommittee of which I am privileged to be chairman. This report—Senate Report No. 476—noted, among other things, that membership and participation in this Organization has cost this Government over $140,000,000 during the past 2 years; that we are already committed to contribute an additional sum in excess of $70,000,000 during the fiscal year ending June 30, 1950, when the program is supposed to terminate.

In addition, it disclosed a number of developments which have had the effect of impeding the expeditious liquidation of the Organization's responsibilities and obligations. However, the subcommittee concluded that blame for the delay in effecting the resettlement of displaced persons and refugees could not properly be placed upon the IRO alone, since the accomplishment of its mission has been and still is seriously hampered by failure of the nations of the world to assume their full responsibilities for the solution of the displaced persons problem, as evidenced by the fact that these nations have failed to accept an adequate number of persons for permanent immigration and by the further fact that only 18 of the 59 members of the United Nations have joined the Organization and made contributions.

Since this report was issued, I have had an opportunity to visit the IRO headquarters in Geneva and to inspect some of its operations and saw at close range the conditions under which the refugees are living in camp. Mr. Tuck showed me every courtesy and consideration. In my conversations with him and with other members of the secretariat of the IRO, I am pleased to report that I encountered a frank recognition of many of the difficulties noted in the Senate report and a sincere desire to improve them.

The IRO, under the leadership of Mr. Tuck, has certainly been performing one of the most difficult international undertakings in history. It has performed a praiseworthy task in connection with its health, care and maintenance program which has resulted in easing the misery of hundreds of thousands of unfortunate persons. It has also performed notably in preparing these persons for new ways of life in their countries of resettlement.

Mr. President, it is in connection with its resettlement program that the greatest amount remains to be done. This program has bogged down primarily because of the unwillingness on the part of the governments of the world—and our own is included—to assume their proportionate share of responsibility. The success of the IRO's resettlement program depends entirely upon the active cooperation of these governments in accepting displaced persons for permanent resettlement.

While a great number of persons has been resettled by IRO, the fact remains, however, that more than 400,000 displaced persons remain in the camps of Europe and about 200,000 are awaiting resettlement, living outside of these camps, as best they can. The IRO was never meant to be the solution to this problem and neither the IRO nor any other international organization can provide the solution. Its success or failure in accomplishing its mission depends entirely upon the cooperation which it receives from the governments of the world.

It is thus clear, Mr. President, that the responsibility rests squarely upon the nations of the world, our own included. When these nations are willing to assume this responsibility, to the fullest extent possible, by joining the IRO as contributing members and by eliminating certain restrictions with respect to their immigration laws, this problem can be solved.

### INTERGOVERNMENTAL WEB—ARTICLE BY SENATOR ALEXANDER WILEY

Mr. WILEY. Mr. President, I send to the desk a copy of the July 1949 issue of the magazine, Governmental News, a national publication for public officials.

This is issue No. 1 of volume 1 of this fine periodical of which Mr. George F. Breitbach & Sons, of Milwaukee, are publishers. In the first quarterly issue I have been happy to prepare an article entitled "Intergovernmental Web."

The main theme of this article is the legislation of which I am proud to be a cosponsor, originally introduced as S. 810, and now identified as S. 1946, to establish a national commission on intergovernmental relations.

I ask unanimous consent that the text of this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INTERGOVERNMENTAL WEB—NURTURE GRASS ROOTS OF GOVERNMENT FOR STRONGER DEMOCRACY—OVERCENTRALIZATION THREATENS AMERICA

(By the Honorable ALEXANDER WILEY, United States Senator from Wisconsin)

"What are we going to do about the fact that the Federal Government is more and more horning into affairs of States, counties, cities, townships, and school districts?"

"What are we going to do about the Federal Government increasing its taxation of items normally taxable by States, counties, and localities?"

"What are we going to do about the problem of centralization of more and more authority, more and more power, more and more functions in Uncle Sam in Washington?"

"What are we going to do about the problem of the increasing Federal tax-exempt property which is removing from the tax rolls more and more property which might otherwise be tapped for local revenue purposes?"

These are questions of deep interest to officials and employees at all levels of American government. All of us who believe in the American way of life—who believe in our constitutional Republic of separation of powers—of reservation of powers to the States—want to see continuing vitality for States, counties, cities, and school districts. We don't want to see their vitality drained away by Uncle Sam.

PURPOSE OF BILL S. 810

By way of action, rather than mere words, several Senators and I have cosponsored Senate bill 810. This bill would set up a temporary Commission on Intergovernmental Relations. This Commission would be along the lines of ex-President Hoover's Commission on Reorganization of the Executive Branch of the Government. That Commission has already contributed a wealth of information and advice on ways and means of cutting extravagance, waste, and inefficiency, securing greater coordination of Government agencies, streamlining the executive branch.

We believe that a similar workmanlike job could be done in the field of intergovernmental relations—in the field, for example, of analysis of our whole grant-in-aid system, in the field of analysis of tax exempt property and so on.

The Commission would comprise 14 members, 5 of whom would be selected by the President of the United States (2 officers of the executive branch and 3 private citizens); 2 by the President of the Senate (Members of the Senate); 2 by the Speaker of the House of Representatives (Members of the House).

Two additional appointees of the President would be State officials from a panel of at least four which would be submitted by the Council of State Governments. Two more would be appointed by the President and would be municipal officials from a panel of at least four submitted jointly by the American Municipal Association and by the United States conference of mayors. A final appointee would be a county official to be selected by the President from a panel of at least two submitted by the National Association of County Officials.

The Commission would be nonpartisan, factual, and responsive to the Congress and the President.

INTERRELATED PROBLEMS

For years, those of us concerned about Federal centralization have been pleading for such a thorough analysis of the problems of intergovernmental relations. The complexity of Government at all levels of authority has grown to such tremendous extent that a current analysis could not help but shed light on mutual problems, interrelated problems and on those problems that are relatively unique to each particular level.

What do you think of this legislation? If you believe it is sound, or, for that matter, unsound, write to me or to cosponsors, Senators HENDRICKSON, of New Jersey; BRICKER, of Ohio; WILLIAMS, of Delaware; SMITH, of New Jersey; SCHOEPPEL, of Kansas; IVES, of New York; or O'CONOR, of Maryland. Better still, write to the Committee on Expenditures in the Executive Departments of the Senate or to the similar committee over in the House of Representatives, which is considering a bill introduced over there by Congressman BOGGS of Delaware.

JUNGLE OF RELATIONS

Whatever you think about this particular bill, I am sure that you will agree that some action is necessary to straighten out the present "jumble, the jungle, and the jangle," the confusion and mess of intergovernmental contracts.

Overcentralization of authority is one of the most critical issues in America. Industrial overcentralization is dangerous; political overcentralization is a threat; economic overcentralization, congestion of population—these are all interrelated problems.

One of the most challenging phases is military overcentralization. In the event of a future war, the congestion of governmental authority in Washington, particularly as regards the Military Establishment, would menace national security. A single atomic

bomb hitting Washington could, in a flash of blinding light, blow up the central nervous system of American defense.

CUT BACK FEDERAL GOVERNMENT

But even if there were no military threat to our country there is still too much government centralization in Washington. The Capital with its 250,000 Federal workers has become a jam-packed, bloated metropolis which could well afford to lose a considerable fraction of its Federal workers to smaller communities throughout the country. This, however, is not merely a matter of moving workers to other locations; it is a matter of sloughing off functions so that the Federal Government need not handle them at all, but might rather turn them back to States and localities for action.

UNENDING CIRCLE

But how can we cut back the 2,000,000-man pay roll of the Federal Government if:

(a) Uncle Sam continues to take over more tax areas—like the gasoline tax, the amusement tax, etc., which the States and localities need to meet their own revenue, and (b) consequently, lacking their own tax revenue, States and localities continue to run to Uncle Sam for more aid for schools, hospitals, highways, and a thousand other important purposes?

We are in a vicious circle. The more taxes Uncle Sam takes away from the States, the more the States run to Uncle Sam for money, the more Uncle Sam builds up his personnel force, the more Uncle Sam imposes additional taxes and so on ad infinitum.

TAX-EXEMPT PROPERTY BILL

Already, in the House of Representatives, there has been introduced by Congressman ENGLE of California, bill H. R. 1356, which provides payments to municipalities in lieu of taxes on federally owned real property. This legislation points up the problem faced by countless communities. (In Madison, Wis., capital of my State, for example, 30 percent of all property is tax exempt. How can the city possibly meet its expanding obligations if almost one-third of its property cannot be taxed?)

It is my own feeling, however, that before H. R. 1356 can or should be acted upon, S. 810 should be passed by the Congress. In other words, tax-exempt property is but one phase of the over-all Federal-State-local problem.

H. R. 1356 would set up a commission on Federal reimbursement to States and local government. Would not, however a commission on intergovernmental relations (such as is proposed in Senate bill 810) do a superior over-all job particularly if it has a task force (to use Hoover Commission terminology) analyze the reimbursement problem? I think so. What do you think?

MY EXCISE TAX BILL

There is no single panacea for our problem; no single cure-all. It will take much patient study, much cooperation, much give-and-take at all levels of government.

I personally have introduced legislation to cut Federal excise taxes; in many cases, to eliminate such taxes completely and leave them to the States and localities if they decide State and local excise taxes are necessary. But even my bill (S. 1029 and amendment to H. R. 2023) is only a piecemeal approach to an immense complicated problem. We need an over-all approach.

Now, my friends, what do you think about the proposal stated in this report? Are we on the beam when we recommend decentralization and a complete survey of intergovernmental relations, or are we in error? Write to your Senators or Congressmen and give them the benfit of your expert views.

The vitality of the Nation must be maintained at the grass roots of the Nation if American liberty is to endure.

THE NORTH ATLANTIC TREATY

The Senate as in Committee of the Whole resumed the reconsideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

The VICE PRESIDENT. The treaty is before the Senate, as in Committee of the Whole, and is open to amendment.

Mr. CONNALLY. Mr. President, as we meet in this historic chamber, around which cluster so many memories of the heroic past, in our deliberations on the great treaty which is before the Senate at the moment I desire to invoke the shades of the great men who have served and struggled here.

We are approaching one of those momentous hours in our Nation's history when we must make a decision that will have a tremendous impact upon world events for generations. I refer to the ratification of the North Atlantic Treaty.

The Committee on Foreign Relations has just completed a systematic and painstaking study of the treaty, and now I present it for the consideration and, I hope, the overwhelming approval of the Senate. We have reached the unanimous conclusion that it is a vital forward step in the maintenance of world peace. We urge its ratification at an early date.

The treaty is a defensive pact. In it the 12 signatory nations, Belgium, Canada, Denmark, France, Iceland, Italy, Luxemburg, the Netherlands, Norway, Portugal, the United Kingdom, and the United States, undertake to exercise their inherent right of collective or individual self-defense against an armed attack, in accordance with the provisions of the United Nations Charter. The treaty makes clear the determination of the peoples of the North Atlantic area to do their utmost to maintain peace with justice and to take such action as they may deem necessary in the event the peace is broken.

In a word, the Atlantic Pact is an agreement among free nations who earnestly desire peace and who plan through united action to safeguard their common heritage of freedom by exercising their inherent right of self-defense against armed attack.

Tragic events since the outbreak of World War I have taught us that we cannot achieve peace by acting alone. The world has shrunk far too much for that. Distance has been annihilated, and seas which were once moats are now ocean highways that no longer protect us from attack.

Even more important is the simple fact that if we really want peace we will have to work for it. We have learned that lesson the hard way. Today all our major foreign policies reflect the overwhelming desire of our people that the power and influence of the United States should be thrown into the scales on the side of peace and freedom.

To this end we have exerted every effort to make the United Nations function effectively. We have thrown our energy and our resources solidly behind the European recovery program. The Atlantic Pact is still another indication of our determination to work constructively for world peace.

Given these factors, and given the present feeling of insecurity in the world, there is no practical alternative for the Atlantic Pact. The only alternative and, I repeat, it is not a practical or acceptable one, is uncertainty, indecision, and lack of unity on the part of the free nations of the world. That would be an open invitation to aggression and to national disaster.

In the course of my discussion I do not intend to examine in detail the various articles of the treaty. That is done in the committee report which is on the desk of every Senator. I desire to direct the attention of the Senate, however, to these basic questions: First, how was the treaty formulated? Second, what does the treaty do? Third, what does the treaty not do? Fourth, why do we need the treaty? And, fifth, what are the benefits of the treaty to the United States?

HOW THE TREATY WAS NEGOTIATED

The treaty which is now before the Senate was not hastily put together. It is not the result of a momentary impulse. It was carefully considered and negotiated over a long period of time.

Moreover, the treaty is the product of extremely close executive-legislative cooperation. Last year, it will be recalled, a number of Senators, properly concerned over the inability of the United Nations to function effectively, introduced resolutions which were designed to strengthen that organization. The Foreign Relations Committee, in consultation with the Department of State, decided that those legitimate aspirations could best be channeled into constructive action through Senate Resolution 239.

That resolution was adopted by the Senate last June by the overwhelming vote of 64 to 4. It expressed the view of the Senate that the President should do what he could to strengthen the United Nations in a variety of ways, including the development of regional and other collective arrangements for individual and collective self-defense under the Charter. The resolution also provided for the following:

(3) Association of the United States, by constitutional process—

I wish to emphasize the words "by constitutional process"—

with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security.

I wish to stress that also.

(4) Contributing to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting its national security.

That is a pronouncement of the Senate, not now, but last year. We charted the way. We outlined the course for the treaty which now is before us.

On the basis of this advice from the Senate, the Secretary of State entered into conversations with six of the signatory States about the security of the North Atlantic area. The actual negotiation of the treaty began in October, and it was signed on April 4, 1949.

I want to emphasize that the pact was not brought to us in final form on a take-it-or-leave-it basis. During the negotiations, Secretary Acheson met with the Foreign Relations Committee on two occasions to discuss, article by article, the terms of the treaty. Consultations were also held from time to time with ranking members of the committee about specific language changes. The committee thus played an important and effective role in formulating the terms of the treaty.

I want to linger on this point, Mr. President, for it is highly significant. Secretary Acheson and former Under Secretary of State Robert A. Lovett were, of course, the chief architects for the United States in building the treaty structure. But I think it is safe to say that the Foreign Relations Committee and the Senate furnished some of the stone and mixed some of the mortar to complete its symmetry and strength.

Surely no member of the Senate can criticize the President or the Secretary of State for this kind of executive-legislative teamwork. First we give them our advice as to the course they should pursue. They then negotiate the treaty, consulting with us from time to time. Now they are asking for consent to ratify the treaty, which is, in effect, our joint handiwork.

This is precisely the way the advice and consent clause of the Constitution ought to work. If this kind of partnership were made permanent with respect to important matters in the field of foreign relations, the hand of the executive branch would be greatly strengthened and our course would be a surer and a steadier one.

Mr. President, I desire to pay tribute to the members of the Foreign Relations Committee for the fine spirit which they have displayed throughout our consideration of the treaty. Their objectivity and their nonpartisan attitude have been an inspiration to me. Their loyalty to the high ideals of world peace and security should be an inspiration to all the peoples of the North Atlantic area.

I sincerely hope we shall encounter that same nonpartisan objectivity and that same loyalty to high ideals as we proceed with the debate here on the Senate floor.

In the course of our deliberations the committee heard 97 witnesses—which almost sets a record for the number of witnesses to appear before us on any particular bill or treaty. We take pride in the fact that we heard everyone who asked to appear. We concluded from the hearings that the great majority of the American people strongly support the treaty and the principles upon which it is based.

WHAT DOES THE TREATY DO?

The treaty seeks peace and security by establishing a collective defense arrangement for the North Atlantic area. It operates within the framework of the United Nations Charter and is based upon the inherent right of individual or collective self-defense recognized by article 51 of the Charter.

Perhaps we can best understand the objectives of the treaty by summarizing at the outset the new obligations undertaken by the United States.

First. To maintain and develop, separately and jointly and by means of continuous and effective self-help and mutual aid, the individual and collective capacity of the parties to resist armed attack;

Second. To consult whenever, in the opinion of any of the parties, the territorial integrity, political independence, or security of any of them is threatened;

Third. To consider an armed attack upon any of the parties in the North Atlantic area an attack against them all; and

Fourth. In the event of such an attack, to take forthwith, individually and in concert with the other parties, such action as the United States deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area

"Including the use of armed force" simply means that it is among the things which may be employed—not that it has to be employed, but that it is available if necessary to be employed.

Article 5 is the heart of the treaty. If the treaty fails to maintain peace and security, if the deterrent effects of articles 3, 4, and 5 fail, if an armed attack against any of us in Europe or North America does occur, then article 5 comes into operation.

In article 5 the parties have agreed to meet an armed attack by the exercise of the inherent right of individual and collective self-defense recognized by article 51 of the Charter. Let me emphasize that this is an inherent right possessed by every state. It is not conferred upon them by the Charter. The Charter simply recognizes the inherent right of all states to defend themselves collectively or individually.

Article 51 of the Charter provides:

> Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations.

In other words, the Charter recognizes that right, and does not invade the jurisdiction of the states with respect thereto.

I repeat, article 51 of the Charter provides:

> Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations.

The use of the word "impair" recognizes the existence of that right. This means that every member of the United Nations agrees to the right of the members of the North Atlantic Pact to provide for collective self-defense if an armed attack occurs. Each and every member of the United Nations is obligated to respect that right. Article 51 is also assurance that the treaty does not conflict with the Charter, since it specifically provides that nothing in the Charter shall impair the right of self-defense. Since the treaty is an exercise of this right, the Charter makes clear that it does not interfere with the United Nations. There can be no cause of complaint from any member of the United Nations at the course outlined in the treaty.

Article 5 is based upon the fundamental proposition that an armed attack against any one of us is to be considered an attack against all. The parties thus publicly underline a basic truth which recent history has so vividly demonstrated; an attack in the North Atlantic area places all of us in such grave jeopardy that it immediately becomes a matter of collective concern and calls for collective action. It is up to the signatories to determine whether an attack has occurred. Internal disorders and revolutions will not ordinarily be considered armed attacks—and, Mr. President, mark this—unless they are aided and abetted by an outside power to such an extent that the parties decide that an armed attack has in fact taken place.

Nor will attacks of a minor character bring into full play the obligations contained in article 5. We did not go to war in 1937 when the Japanese sank our gunboat, the *Panay*, on the Yangtze River. We did not go to war in 1946 when American planes were shot down over Yugoslavia. Those incidents were settled through normal channels of diplomacy.

Article 5 obviously contemplates aggressions of a more formidable character. I doubt very much if any state which is attacked would call upon the United States for assistance unless the attack is of such magnitude and importance that its independence and integrity are threatened.

Once this original determination is made that an armed attack has occurred, then each party must forthwith take such action as it deems necessary in order to restore and maintain the security of the North Atlantic area. How far each state will go and what action it will take to fulfill its obligations will be determined by each state in the light of existing circumstances. It is possible that a diplomatic protest may suffice. On the other hand, in the face of an all-out attack, it might be necessary to bring into full play the whole weight of the partnership and the ultimate decision of war. We shall not be neutral in the face of aggression.

Finally, all measures undertaken under article 5 to repel an armed attack and to restore and maintain the security of the North Atlantic area must be reported immediately to the Security Council. If and when the Security Council takes the necessary measures to restore peace, the measures under the treaty shall be terminated.

I want to emphasize that the serious commitment contained in article 5 is by no means world-wide in scope. It is strictly limited by the terms of article 6 to the North Atlantic area. This does not include the overseas territories of any of the signatory states. We would not consider an attack upon these territories as an attack upon us. The only outlying territories covered are Alaska, the Aleutian Islands, the islands of the Canadian Arctic, and the islands in the North Atlantic area generally.

Already we see that the treaty is not typical of the ad hoc alliances, used so extensively in modern European history, to meet a particular crisis or to wage a particular war; nor is it typical of the treaties which were designed to achieve a

delicate balancing of power. Alliances and coalitions have usually been directed against or have sought protection from a definite opponent. The North Atlantic Treaty is directed against any armed attack within a specified area.

Together we are seeking to increase the measure of our own security by self-help and mutual aid pledged in article 3. We are determined to knit our separate and otherwise isolated strengths into a single protective cloak capable of resisting any aggressive attack. We have a common heritage to defend and a single purpose to serve. It is natural that we should unite to strengthen our hands to ward off annihilation through disunity. The Canadian Prime Minister put it well in the debate in Parliament, when he said:

> The pact is based on the belief that we have in our collective manpower, in our collective natural resources, in our collective industrial potential and industrial know-how that which would make us a very formidable enemy for any possible aggressor to attack.

It is to be noted that the man who said that, the Premier of Canada, was recently overwhelmingly approved by the Canadian people at the polls.

I would not wish to underestimate the efforts required of all of us to build a suitable defense capacity, nor the difficulty of maintaining the priority of economic recovery in the face of these intolerable burdens put upon peaceful nations. But I am certain that article 3 will enable all of us to consider defense measures on a very practical basis, to comprehend rational arrangements that will in the long run help to reduce the burdens of armaments. In this connection, one should note the North Atlantic Council and Defense Committee set up by article 9 on which all members are equally represented, the small states and the great states alike. This machinery for collective consultation and collective recommendations on our common responsibilities should prove highly helpful on such matters.

What obligations does the United States assume under article 3? What is the relationship between the treaty and military-assistance program? The military-assistance program has not yet been submitted to the Congress, but it is in the discussions and in the thoughts of Senators, no doubt. If a Senator votes for the treaty does that mean he is obligated to vote for the military-assistance program? These pointed questions have been raised by Members of the Senate and they deserve a candid reply.

The United States—like all the other signatories—has assumed an important obligation under article 3. We have committed ourselves to the principle of self-help and mutual aid. We have agreed to work together in building up the capacities of all the signatories to defend themselves against attack. But we have not committed ourselves to any particular type of military-assistance program. There were no secret agreements at the negotiation of this pact. There were no undercover commitments. Everything that is committed is written into the face of the treaty.

It is true that the treaty and the military-assistance program are closely related. But they are not Siamese twins; they are not inseparable. Each program should be passed upon separately by the Congress; each should be accepted or rejected on its own merits.

My own view is that we should proceed forthwith to ratify the treaty and implement it by approving the military-assistance program during the present session of the Congress. Time is highly important in this great enterprise, and we must let our partners know, as soon as we can, that not only words but deeds are a part of our policy.

It is entirely possible, however, that even a strong supporter of the treaty might find good and legitimate reasons for opposing the military-assistance program. That is a matter for each Senator to decide as he searches his own conscience and exercises his own honest judgment.

Many partnerships in history brought the weaker ally or allies into complete bondage to a greater power. The North Atlantic Treaty does not do this. Never in peacetime have signatories to a treaty attempted so extensively and with such evidence of good faith in each other's intents and interests to strengthen one another through mutual aid. This becomes especially noteworthy in that not even the weakest nation in the pact has come under servitude to its stronger partners or has lost its parity, its independence, or its sovereignty.

Right at this point let me draw attention to article 2 which makes perfectly clear that the treaty is not exclusively military in its implications. The signatories have recognized, and have demonstrated their conviction, that economic collaboration and well-being help to lessen international tensions among themselves and with the rest of the world, and help to destroy the seeds of war. This is an exceptionally important element in the treaty: the existence as well as the cultivation of the prerequisites for peaceful change.

Like articles 2 and 3, article 4 underlines the preventive character of the treaty. I think that article 4 goes a long way to emphasize that the period of dividing and conquering has come to an end. The consultation provided for in that article addresses itself to the threatening of the territorial integrity, the political independence, or the security of any of the parties. Consultation is not an unnecessary luxury; it is a logical requirement to gain the objectives of the treaty. For one thing, article 4, without in any way undermining the consultative features of the United Nations, rightly faces up to the brutal fact that peaceful peoples have become more and more conscious of a sinister kind of danger—indirect aggression. Let us not forget that no bombs were dropped by the Soviet Union on Bulgaria, Hungary, or Czechoslovakia.

One sometimes hears complaints about treaties because they seek to guarantee some hopeless kind of status quo or some particular territorial arrangement. The North Atlantic Treaty seeks to protect the following status quo: The United Nations; a common heritage of civilization; freedom; the principles of democracy; individual liberty; the rule of law; peace, and security. I fail to find anything evil or hopeless or objectionable about that kind of status quo. It is vibrant, flexible, honorable, giving room for the progress of men and nations. It can only offend the most blatantly aggressive and those dedicated to world domination.

There is no easy formula for peace. Democracy and peace must always be dynamic. Nor is there any reason to assume that because the members of the North Atlantic community are dedicated to peace, they are thereby doomed to be outpaced by a kind of supercharged, totalitarian fanaticism.

I draw the attention of the Senate now to articles 12 and 13 which provide for the indefinite duration of the treaty and for its review after 10 years. Review and amendment may of course take place earlier by unanimous consent. A party may cease to be a member after 20 years. These time periods seem reasonable, since it is impossible to bring security and stability to the North Atlantic area under a treaty of short duration.

Will the partnership endure that long? Obviously, the treaty is not yet in force and has not been tested by time. But I think there can be no doubt that the partnership will last, resolutely, until the menace of aggression has disappeared and until the United Nations is able to give adequate assurance of world security. This particular document does not need to last any longer than that. I am confident that the signatories would be only too willing to permit it to lapse when that happy time arrives.

### WHAT THE TREATY DOES NOT DO

I should like Senators to give attention to what the treaty does not do. Let us consider that point. To make the record perfectly clear, it is just as important to understand what it does not do as what it actually does.

As I sat through the hearings and listened to 97 different witnesses it seemed to me the five main criticisms emerged. Some argued that the treaty involves a commitment for the United States to go to war without congressional approval; that it runs counter to our obligations under the United Nations Charter; that it is an old-fashioned military alliance; that it is directed against the Soviet Union; and that it places our stamp of approval on the colonial policies of Great Britain, France, Holland, and the other signatory states.

Mr. President, the committee examined these criticisms very precisely and very thoroughly. Our considered answer to each one of them is a categorical "No."

The treaty does not involve any commitment to go to war nor does it change the relative authority of the President and the Congress with respect to the use of the armed forces.

That will, no doubt, be discussed in detail during the progress of the debate, both for and against the treaty.

I am fully aware of the fact that this latter problem might well stir up endless days of debate on the Senate floor. It is true that the President as Commander in Chief of the Army and Navy has always possessed considerable authority to use the armed forces without

congressional approval; but the line of authority between the President and Congress has never been clearly drawn, except it is clear, I think, that a state of war, which is something more than the use of armies, must be declared by the Congress of the United States.

Moreover, it is neither necessary nor desirable for us to attempt to draw that line during this debate. It would be foolhardy for us to assume that we could do in a few days' time what our forefathers have been unable to do in a century and a half of our national existence. It is sufficient for our purposes to underline the basic principle that nothing in the treaty either increases or decreases the constitutional powers of either the President or the Congress with respect to the use of the armed forces.

While the treaty was being drafted rumors circulated about Washington that article 5 carried with it a commitment which would bind the United States automatically to go to war in the event of an armed attack. I challenge anyone to find such a commitment. The words of article 11—that the provisions of the treaty will be carried out by the parties "in accordance with their respective constitutional processes"—are unequivocally clear on this point. That nails it down absolutely. Not only must we ratify the treaty by constitutional processes, but it will be carried out under the provisions of the Constitution of the United States. The full authority of the Congress to declare war, with all the discretion that power implies, remains unimpaired.

We have a further important safeguard in the phrase "such action as it deems necessary" found in article 5. These words mean that, in event of an armed attack, the United States will be free to decide for itself what measures it will take to restore the peace and security of the North Atlantic area. We will have full opportunity to exercise our judgment in each case that arises.

This is not the view of the United States Government alone; it is the understanding of all the signatories. The British white paper on the Atlantic Pact contains the following reference to article 5:

> It leaves the action to be taken to the judgment of each individual country, thereby fully safeguarding the constitutional right of Parliament in all democratic countries to decide the issue of peace and war. * * *

Some of our people may not understand that clause, but the British understood it, as was indicated in their white paper. But let us not avoid cold reality by searching for escape clauses. We would be doing a great disservice to our country and to the cause of world peace if we were to minimize the importance of the obligation we are assuming under the treaty.

It might be well to repeat at this point the far-reaching nature of those obligations. If an armed attack should occur in the North Atlantic area the action we would take would depend, of course, upon the location, nature, and scale of the attack. In the face of an all-out attack we might decide that war would be necessary to restore the peace and security of the North Atlantic area.

On the other hand there are many effective measures short of the use of armed force which might suffice, depending upon the circumstances. Whatever we do will have to be done in accordance with our established constitutional procedures.

The security of the North Atlantic area and its freedom from armed aggression, are necessary to the safety and security of the United States. If the areas at our very doors are to be invaded by armies with guns in their hands and by airplanes with bombs and all of the weapons of war, there can be no security in the United States or among its people. War and aggression must be kept beyond the boundaries of the North Atlantic area. We cannot tolerate the grabbing off of weak or defenseless nations closer and closer to the United States. Aggressors and conquerors must keep their distance. They must not extend their mailed hands into this territory.

Totalitarian and communistic powers have publicly announced their policy to be a conquest of the entire globe and its subjection to their economic and political theory. Will free nations and free men blind their eyes to this hostile threat? Will they close their ears to this brutal demand that they be doomed to slavery? With this bold and savage announcement, it is fundamental that free nations of Europe and North America should be determined to preserve the institutions of their free governments as against the ambitions and conquest by these sinister and ruthless forces.

The processes by which strong military imperialistic countries have in recent years picked off country by country are distinct and clear in the minds of the people of the United States. Hitler by arms seized Austria and incorporated it into the Reich. Sudetenland was annexed. When war with all of its blood and terror burst upon the world, Poland was subdued, Czechoslovakia fell to the arms of Hitler, France was overrun, the Netherlands, Denmark, Norway, and other defenseless and weakened nations were conquered and placed under the iron heel of Hitler. Their institutions were overthrown, their liberty was destroyed, their territory was violated, and cruel and galling tyranny was inflicted upon them. Such a riot of arms and blood must not occur again. The united strength of peaceful and peace-loving peoples can prevent the violation of their rights and the dismemberment of their nations, if their strength is united and made effective against aggressors and despots.

This area is dedicated to peace and to security. It must not become the lair of the armies of greedy nations anxious for conquest. It must not become the nest of totalitarian powers who seek to subvert, not alone the peace and security, but the traditions of this magnificent territory. These things all shine through the treaty and give it life and vitality and vigor.

Liberty is without price. It is purchased in blood. Its preservation is the highest duty of a government. The Atlantic Pact is an effort to coordinate and consolidate that duty upon the group as a whole rather than to leave each individual country the hopeless task of defending itself. If the world is to be under the constant threat of attack or of absorption, no nation is any longer free from the shadow of armed might. Are the nations of the world to live in an atmosphere of fear and terror and anxiety for the safety of their children and the safety of their children's children?

Whenever freedom is destroyed, freedom is weakened in every country. Whenever security is increased, the safety of every country is increased.

The treaty does not run counter to any of our obligations under the United Nations. Quite the contrary, it has been conceived within the framework of that organization and in its preamble the contracting parties solemnly reaffirm their dedication to the high purposes and principles of the Charter. It is soundly and solidly based on article 51 of the Charter which specifically recognizes the inherent right of states to defend themselves, either individually or collectively, against armed attack.

I am well aware of the argument, Mr. President, that article 51 does not envisage the establishment of any collective self-defense arrangements in advance of an armed attack. What would the exponents of this theory have us do—wait until western Europe is overrun and call a conference to determine the countermeasures that should be taken? Obviously, both individual and collective self-defense measures must be prepared in advance if they are to be effective. The logic of the case is more than compelling; it is overwhelming.

If any further evidence is necessary to prove the point, let me remind my colleagues of article 1 of the treaty in which the signatories reaffirm their solemn obligations under the Charter to settle their disputes by peaceful means. Let me remind them of article 5 which makes clear that collective action will not be taken unless the Security Council has been unable to prevent an armed attack; that all measures taken as a result of an attack shall immediately be reported to the Council; and that any such action must cease whenever the Council is able to restore peace and security.

Finally, let me remind the Senate of article 7. This article sweeps away any possible doubt by underlining once more the overriding authority of the Charter and assuring us all that the provisions of the Charter will govern, wherever they are applicable, all activities undertaken under the treaty.

Nor should the consultations provided for in article 4 impair in any way the effectiveness of United Nations machinery. In practice such consultation should rarely take place.

> It is the opinion of the committee—

Read the committee report—

> that consultation under article 4 should not be sought unless the United Nations for some reason is prevented from dealing with the situation giving rise to consultation. The committee wishes to emphasize this view since it has consistently supported the United Nations as the cornerstone of American foreign relations, and would be loath to see any action taken not entirely in harmony with this policy.

The treaty thus scrupulously avoids any conflict with the United Nations. It will not duplicate in any way the machinery or the procedures established under the Charter. It will not compete with the United Nations but will serve as a valuable complement to its activities.

Mr. President, I stand second to none in my desire to preserve the vitality and the integrity of the United Nations. I firmly believe the treaty is entirely consistent with the Charter and will greatly assist in maintaining peace and security—which is the primary purpose of the United Nations.

The treaty is not directed against the Soviet Union nor its satellite states. What a splendid thing it would be if the millions of people behind the iron curtain had the same opportunity as the people of the free world to read the committee report on the Atlantic Pact. They would see that the pact is not aimed at them or any other group of states; it is aimed only against aggression and war.

They would find, many of them to their surprise no doubt, that the 12 signatories to the treaty are willing and anxious to cooperate in every way to keep the peace. But they would find, also, that these 12 states are equally determined, if their efforts to keep the peace are frustrated, to stand resolutely together to safeguard their freedom and their civilization against aggression.

Mr. President, no person in the United States need fear our laws against burglary unless he is a burglar or is getting ready to commit burglary. By the same token no state need fear this treaty unless it is planning an aggressive act or has aggressive designs in its heart. As Secretary Acheson reminded us during the hearings, "the guilty flee when no man pursueth."

Certainly no one has any grounds whatsoever for accusing the United States of any aggressive intent. Our rapid and extensive demobilization following World War II and our persistent efforts to bring about world peace make that perfectly clear.

If the Soviet Union really believes the pact is aimed at her, then I suggest that she demonstrate her peaceful intentions and embrace a policy of full cooperation with the North Atlantic countries within the framework of the United Nations. Such a course would return rich dividends to the Soviet people and to the rest of the world, both in terms of increased security and general well-being.

The treaty is not an old-fashioned military alliance comparable to those which characterized European power politics in bygone centuries.

Mr. President, I do not want to quibble over terms. I am well aware of the fact that many types of alliances have existed in the past, some of them purely defensive in nature. But it would be highly unfortunate if the treaty were to be tagged with a misleading label, thus casting doubt upon the motives of the signatories, when, in fact, it differs from the traditional military alliances of the past both in letter and in spirit.

Both George Washington and Thomas Jefferson were fully aware of the unsavory aspects of the old-fashioned military alliances. They knew that some of them, often secret in character, were designed to further the personal ambitions of individual monarchs. They knew full well that many of them were aimed at national aggrandizement and were aggressive in spirit, if not in letter. They knew, too, that such alliances might well engulf our country in the maelstrom of power politics.

That is why Washington advised the United States in his Farewell Address not to "entangle our peace and prosperity in the toils of European ambitions, rival interests, humor, or caprice." And that is why Jefferson in his first inaugural warned us against entangling alliances.

The Napoleonic wars were raging in Europe. The Continent was enmeshed in alliances which had for their purposes not peace but war.

But the kind of alliances Washington and Jefferson had in mind were vastly different from the Atlantic Pact. They were individual partnerships for power rather than a general partnership for peace.

Let us look for a moment at the other side of the balance sheet. The Atlantic Pact is not aggressive; it is purely defensive in character. It is not the design of a few monarchs, but has the popular support of the nearly 300,000,000 people of the North Atlantic area. It does not contain any commitment to go to war. It is not aimed at aggrandizement and is surrounded by all the solemn obligations against aggression which the United Nations Charter imposes upon its members. It comes into operation only when a nation has committed a criminal act by launching an attack against a party to the treaty. It does not carry with it any secret additional protocols.

It may be stated authoritatively, without any equivocation whatever—and the Secretary of State and his assistants and all connected with the treaty give us the most solemn assurances to that effect—that no commitments, no promises, no secret agreements were made; and, Mr. President, if they had been made they would have no effect, because the Congress stands here on guard. There is no obligation of any kind except what is written in the treaty itself.

Upon reflection it is unthinkable that 12 nations, who have traditionally supported democratic principles, could ever conspire together to negotiate any of the notorious secret deals which were often associated with traditional bilateral alliances.

Mr. DONNELL. Mr. President, will the Senator from Texas yield, or does he prefer not to yield at this time?

Mr. CONNALLY. I would prefer to wait until I am through, and then I shall be glad to answer any questions.

Mr. DONNELL. I should like to ask a question. Would the Senator object if I were to ask the question at this time? The question is whether the Senator included Portugal among the democratic nations to which he has referred?

Mr. CONNALLY. When I finish my main address I shall be glad to talk about that. I am sure the Senator from Missouri is asking for information only.

Mr. DONNELL. Mr. President, I am asking for information as to whether the Senator includes Portugal in that list?

Mr. CONNALLY. Very well; we will talk about that later.

It is unthinkable that 12 nations, who have traditionally supported democratic principles, could ever conspire together to negotiate any of the notorious secret deals which were often associated with traditional bilateral alliances. There is always a reassuring safety in numbers in such an enterprise and the very size of the membership of the Atlantic Pact is in itself an adequate guaranty that the pact means exactly what it says.

I repeat what I said during the hearings. If the Atlantic Pact is an alliance, then it is an alliance only against war itself.

Finally, the treaty does not constitute, in any fashion, any endorsement on the part of the United States of the colonial policies of any of the signatory states.

Mr. President, I think I can dispose of this point in short order. I agree 100 percent with those who argue that this treaty should not be either the front door, the side door, or the back door through which the United States might be drawn into family quarrels between the signatory parties and their overseas territories in Africa, the Far East, or other parts of the world.

In my view these two matters are wholly unrelated. Let us not forget that this treaty is limited in scope. Its main purpose is to maintain the peace and security of the north Atlantic area. We do not propose to stretch its terms to cover the entire globe.

When we ratify this treaty, therefore, we do not by that act, indicate either our approval or our disapproval of the colonial policy of the other signatory powers. When such questions arise—and I have no doubt they will—we shall have to formulate our policy in the light of the situation existing at the time and the merits of the particular case.

WHY DO WE NEED THE TREATY?

The answer to the question, Why do we need the treaty? can be found in the history of our times. I recall vividly the San Francisco Conference where the victorious powers with unbounded faith and hope signed the Charter of the United Nations. We signed that document with the hope that it gave us at least the foundations upon which to build a future of peace, freedom, and human happiness.

No international document was ever endowed by the people of the world with greater promise of security and prosperity. In the very first article the signatories pledged themselves to maintain international peace and security, and to that end "to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of aggression or other breaches of the peace. * * *"

The significance of this commitment cannot be overestimated, because it was taken after a decade and a half of aggressions by Hitler, Mussolini, Hirohito, and other Fascist dictators. Fresh in everybody's mind were the cynical conquests of Manchuria, Ethiopia, Austria, Czechoslovakia, Poland, and the Baltic

Republics. The world to its sorrow had learned the aggressor's technique of dividing and conquering those upon whom his aggression was to be visited. Potential allies had been enticed apart, and fifth columns had been used to soften the victim from within. Fear and terror had been unhesitatingly resorted to whenever they promised desired results. To end all this the United Nations had fought a bitter, bloody war.

Yet here we stand, 4 years away from San Francisco, with undiminished belief in the Charter, in the correctness of its work and spirit, and in the fundamental need for a universal United Nations. But no sincere and realistic person can blind himself to the fact that peace is still remote and the security we long for is yet to be attained. The long catalog of 30 Soviet vetoes and the frustrated efforts to write a peace treaty with Germany bear eloquent witness of how effectively the peace and security machinery of the world has been hampered.

We have become painfully aware that the technique of "divide and conquer" is not a thing of the past but a part of the insecure present. It has been given fresh life and application during the past 4 years in country after country. The catalog of its victims is even more imposing than that compiled by aggressor nations before World War II.

There was once a Republic of Estonia. Where now is Estonia? Its soil remains, but its democracy has been ruthlessly destroyed. It has been transformed into a police state.

There was once a Lithuania. Where is that nation today? The basic freedoms of its people have been brutally usurped. It has been absorbed into a vast communistic system.

There was once a Latvia. Where now is the fair land we knew as Latvia? Its boundaries have disappeared. It has been incorporated into the totalitarian network of eastern Europe.

There was once a democratic Czechoslovakia. Over the centuries its people have stood for freedom and self-government. All the world knows what has happened in that unhappy land. Democracy has been routed. Tyranny has been enthroned. Free government has been banished.

The same tragedy has taken place in differing degree in other countries. Where is the freedom of the so-called liberated peoples of Rumania, Bulgaria, Hungary, Poland, Yugoslavia, and Albania? Overshadowed by the might of their eastern neighbor, and alone, one by one, they have been subjugated by aggression from within and from without.

Let us be perfectly frank. Such a situation, which breeds fear and suspicion and distrust, is a constant threat to world peace. It is a threat to the security of peaceful peoples who desire to lead their own lives and to direct their own future, free from the destructive impact of infiltration, and free from the menacing arms of a hostile power.

The security of the North Atlantic area is necessary to the security of the United States. I emphasize that statement. Iceland, Greenland, and Canada are our front door. That door must be guarded and defended.

It is now perfectly obvious that there is only one way to peace and security for the remaining free states of the world, and that is through cooperation. Only through determined and cooperative action can we maintain our independence and freedom. To the end that we may preserve these hard-won and treasured heritages we have voluntarily and mutually entered into the North Atlantic Treaty.

Mr. President, I am completely convinced that if the Kaiser had known in 1914 that his ruthless attack upon Belgium and France would have led Great Britain and the United States to hurl their armed might against him, he never would have crossed the Belgian frontier.

I am completely convinced, too, that if Hitler had known in 1939 that the United States and the other United Nations would have stood together against his marching millions, he never would have launched World War II.

The unwillingness on the part of the free nations of the world to make clear in advance their determination effectively to oppose aggression was in large measure responsible for the two great wars of our time.

All during the 1930's the League of Nations was plagued with this same doubt and uncertainty. Manchuria, Ethiopia, Austria, Czechoslovakia—all were victories for the aggressor because League members failed to stand united in defense of the Covenant.

Last year this committee in its report on Senate Resolution 239 commented as follows:

> The committee is convinced that the horrors of another world war can be avoided with certainty only by preventing war from starting. The experience of World War I and World War II suggest that the best deterrent to aggression is the certainty that immediate and effective countermeasures will be taken against those who violate the peace.

President Truman has this same lesson in mind when he delivered his inaugural address last January. "If we can make it sufficiently clear, in advance," he said, "that any armed attack affecting our national security would be met with overwhelming force, the armed attack might never occur."

The main objective of the North Atlantic Treaty is to erase any possible doubt and uncertainty that may be lurking in the minds of potential aggressors. We must provide unmistakable proof this time that the free nations will stand together to resist armed attack from any quarter. History must not be allowed to repeat itself. War is not inevitable.

It is confidently believed that the ratification of the treaty will exert a tremendous deterrent in preventing armed attack. The knowledge of any nation with criminal designs to absorb or conquer a small or weak nation that an armed attack by it upon such nation would meet with united resistance of the signatories to the pact would discourage that nation and probably prevent its criminal enterprise.

The deterring effect of a warning in advance is clearly illustrated by the Monroe Doctrine. I digress to observe that in this Chamber the Senate of that time, 1823, had presented to it and had read the stirring lines of the Monroe Doctrine. In 1823, when President Monroe made his famous proclamation, he did so in order to arrest the scheming of Spain and the Holy Alliance. The Holy Alliance, composed of the sovereigns of Russia, Prussia, and Austria in 1823 plotted the destruction of the republics in South and Central America and the reinstatement of monarchies in those lands. Their designs upon Spain's former colonies in the New World were forestalled by Monroe's firm declaration that the United States would "consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety." In the face of those stirring words, the Holy Alliance abandoned its designs, and the Western Hemisphere was saved.

While the United States was involved in the War Between the States in 1861, imperialists in France conceived an enterprise against the integrity and sovereignty of Mexico. The United States registered its opposition. French forces invaded Mexico and captured the capitol on June 7, 1863. The French proclaimed Mexico a monarchy and installed Maximilian as emperor with the support of French troops.

The United States had to content itself with sending diplomatic notes since she could neither drive out the French nor help Juarez to do so. Upon the termination of the War Between the States, the attitude of the United States toward the French in Mexico became firm and determined. Secretary of State Seward, whose portrait looks down upon us in this Chamber, warned France against any permanent occupation of Mexico.

The War Between the States having come to an end, the United States was free to dislodge the French from Mexico. In 1867, Napoleon III withdrew his troops from Mexico, and abandoned Maximilian to the fury of Juarez.

The mere announcement of the Monroe Doctrine deterred the Holy Alliance in its plans of conquest. The announcement that the United States would maintain the Monroe Doctrine in Mexico ousted the French from Mexico and dethroned the usurper Maximilian. Not a gun was fired, not a cannon was discharged, not an act of the military was necessary to invoke the principles and precepts of the Monroe Doctrine.

Through more than a century of dynamic application the Monroe Doctrine kept aggression from the doorstep of the New World and preserved the territorial integrity of that entire area. Not a gun was fired in maintaining that Doctrine—not even when it was applied in bringing to an end the ill-starred empire of Maximilian in Mexico. For almost a century and a quarter, it grew in strength and power and played an important role in assuring peace and security in the New World. No clearer proof exists that security lies in letting the aggressor know in advance that resistance awaits his criminal act.

WHAT ARE THE BENEFITS TO THE UNITED STATES?

Every citizen of this country, and especially every elected representative of the people, must ask himself this fundamental question: How does the treaty benefit my country? There is nothing mean, narrow, or ignoble in using this yardstick—a yardstick that all the signatory powers also use—because in this treaty, the advantages gained by the other members are also our benefits, and our gains coincide with their own. I will go even further: The benefits of this pact will be reaped by peace-loving nations everywhere.

The principal benefit to the United States is the great promise this treaty holds for an enduring world peace. Certainly the United States, as much as any other country, has a tremendously high stake in the kind of peace and security which give opportunity for the full application of our vast energies for the promotion of greater well-being, strong democratic institutions and principles, and the maintenance of our way of life.

Perhaps we do not yet have the same haunting sense of insecurity that hampers many other nations. But we, too, can make use of the added confidence flowing from this treaty, so that this citadel of freemen may continue to give encouragement to the dynamic, constructive values and energies inherent in mankind throughout the world.

By now, every student of elementary history knows that in strengthening the security of the North Atlantic area, the treaty greatly increases the national security of the United States. Our frontier is no longer Texas. That word "frontier", so rich with glorious memories of our national history, has been altered by the realities of modern times. We now have a frontier of collective security and defense in Europe.

It is obvious that the United States gains much by declaring now, in this written pact, the course of action we would follow even if the treaty did not exist. Without a treaty, we were drawn into two world wars to preserve the security of the North Atlantic community. Can anyone doubt that we would become involved in a third world conflict if it should ever come?

After the United States is involved in war, it cooperates with and coordinates its activities with its allies. A joint enterprise to win the war and defend its cause in union with its associates is launched with all of its power and might. If it is wise and desirable to cooperate with our partners after we shall have been involved in a war, why should it be wrong or unwise to cooperate with them prior to the outbreak of war for the purpose of preventing war?

From now on, no one will misread our motives or underestimate our determination to stand in defense of our freedom. By letting the world know exactly where we stand, we erect a fundamental policy that outlasts the daily fluctuations of diplomacy, and the twists and turns of psychological warfare which the Soviet Union has chosen to wage against us. This public preview of our intentions has a steadying effect upon the course of human events both at home, where our people want no more Normandy beachheads, and abroad, where men must work and live in the sinister shadow of aggression.

The treaty, in thus encouraging a feeling of confidence and security, will provide an atmosphere in which the European recovery program can move forward with new vitality. We know that encouraging progress has already been made. We know, too, that a momentum of confidence has been building up in Europe as a direct result of our assistance.

But that is not enough. The greatest obstacle that stands in the way of complete recovery is the pervading and paralyzing sense of insecurity. The treaty is a powerful antidote to this poison. It will go far in dispelling the fear that has plagued Europe since the war.

With this protection afforded by the Atlantic Pact, western Europe can breathe easier again. It can plan its future with renewed hope. New business enterprises, increased trade, and planning for long-range recovery should be the direct results.

The treaty is thus a logical and necessary complement to the recovery program. Through it we shall protect our past and future investments in that famous calculated risk which already has paid remarkable dividends. We might even look forward to the time when we can anticipate rather substantial savings in our ECA expenditures, once the full impact of the treaty has been felt in Europe.

The Economic Cooperation Administration was the most gigantic and generous act of its kind ever undertaken by any government. It has had a marvelous success toward rehabilitating the economies of western Europe which were shattered and mutilated by the tragedy of war.

However, it deals with material things, with food and clothing, with production and transportation and business activities. All these things are absolutely essential to the well-being of the broken economies of these lands.

Of even more importance, however, is the rehabilitation of the morale of the peoples of western Europe, of the revival of their sense of hope and the quickening of their desire and ability to preserve their freedoms and their forms of government and the willingness to resist the invasion of their territory or assaults upon their institutions. The North Atlantic Treaty is designed to give encouragement and a tougher and more enduring quality to the morale of the people of these lands. Its purpose is to rehabilitate their courage and strength and their determination to preserve their traditional attachment to the institutions of liberty and to the basic principles and civilizations of their peoples. These are the mighty forces which the pact is intended to invigorate and revive.

In this great area, liberty and parliamentary government have flourished as in no other area on the globe. These noble objectives must be preserved. They must continue to inspire the civilization and guide the destiny of the free world.

At this point let me digress for a few moments to speak of the German problem. Germany lies at the heart of world peace. Clearly no viable settlement can be devised for Europe unless this question is approached in a constructive and statesmanlike fashion.

As one of the occupying powers we must insist, of course, that the new German state should never be permitted to develop in such a way as to menace the peace of the world again. On the other hand, we must use our influence to provide for the German people a hopeful future as an integral part of free Europe. Unless this is done we face the dismal prospect of driving them into the waiting arms of communism.

Thus far a constructive integration of Germany into western Europe has been made extremely difficult because of the fear that Germany would become too strong for the comfort of our European allies. The increased unity and security which the pact will assure our North Atlantic partners will do much to alleviate this fear and to pave the way for fuller participation of Germany in western European affairs. There is indeed already encouraging evidence that this will happen.

This leads me to mention yet another great advantage to this country: I refer to the pledge of self-help and mutual aid to maintain and develop the individual and collective capacities of the member states to resist armed attack. We must never forget that in this collective enterprise their strength is our strength. Their weakness is our weakness. It would be inimical to our own national interest and to the cause of world peace if the free countries of Europe were to become so weak and defenseless as to invite disaster, one by one. That would indeed be the road to war.

We all know that the neighborhood bully is not likely to pick a fight with the boy across the street if he knows there are both the strength and the will to resist. By the same token potential aggressors can best be deterred by the united efforts of determined allies, who, by working together each in his most effective way, achieve maximum defense benefits with minimum costs.

I hasten to assure the Senate that this is no one-way street. We shall all profit from the principle that each participant must do its utmost to help itself and its fair share to help the others. I am convinced that in time our own defense capacity will be increased markedly by the determined efforts of our partners.

There is one final benefit which, in all candor, should not be overlooked. If our efforts for peace fail and war is thrust upon us we shall not stand alone. Our strategic positions will be greatly improved and we shall have a much better opportunity to make effective use of our armed strength. Eleven friendly nations, with a vigorous population and vast industrial production, pledge to stand with us and to resist the attack from whatever quarter it may come. This means for all parties a greater confidence that any international criminal, who violates the charter and uses armed

force against us, can be successfully resisted and ultimately defeated.

I said at the outset that we are making a momentous decision in the development of the foreign relations of the United States. But certainly there is nothing very novel in saying we shall defend ourselves in case of attack. That has always been our policy. What is more, the North Atlantic treaty is the logical outgrowth of the policies which we have evolved during the last few years. It follows naturally upon the commitments of mutual aid and collective self-defense undertaken by the Declaration of Chapultepec, the United Nations Charter, and the Rio Pact, which put into treaty form the Monroe Doctrine.

The Monroe Doctrine was the foundation upon which the Act of Chapultepec was erected by representatives of the American States at a conference in the city of Mexico. Later, on September 2, 1947, there was signed, in Rio de Janeiro, the International Treaty of Mutual Assistance, which transformed the Act of Chapultepec into a regional collective defense arrangement and placed it on a permanent treaty basis within the framework of the United Nations. In that treaty, it was agreed that an armed attack upon any party to the treaty would be regarded as an attack upon all the signatories.

President Monroe warned the aggressor that an attack upon any state in the New World would be considered an attack against us and would meet with our determined resistance. Let me repeat, for over a century this doctrine has remained a source of great security to us and to our southern neighbors. It kept Spain from embarking upon a reconquest of her lost South American colonies and prevented Russia from extending her domain to California. It drove the Emperor Maximilian from the throne of Mexico, and it turned the German Navy from Venezuela's door. The treaty which the Committee on Foreign Relations now presents for favorable Senate action is but the logical extension of the principle of the Monroe Doctrine to the North Atlantic area.

Finally, we do not lightly disregard the past, nor shirk the present, nor prophesy the future. But in ratifying this treaty, the Senate of the United States heeds the voice and successful statesmanship of our glorious past. The Senate realistically and courageously applies to the present the force of our matured responsibility and world leadership. By this action, the Senate does not prophesy the future; it guarantees there is one for free nations.

Recent developments, including the results of the Paris meeting of the Council of Foreign Ministers, convince me that our present foreign policy is based on sound principles. The Soviet Union understands firmness; they understand what we mean when we say with conviction that we are going to stand on what is right and what is just.

A wide chasm of differences still yawns between the east and the west. Any weakness or vacillation on our part will be thoroughly exploited by the Soviet Union and will broaden the chasm, rather than narrow it. We are on the right road. We shall move firmly and resolutely toward our goal.

In some totalitarian quarters the charge is made that the United States seeks to employ the North Atlantic Treaty as an instrument of imperialist policy. The United States is assailed as the symbol of imperialism with the purpose of subordinating the signatories to the treaty to its will and to control their affairs and policy. A more false charge was never advanced in modern history.

The course of the United States in the field of foreign policy is well-known in every country in the world. They are aware of our power and resources; of our industrial preeminence; of our naval and military command of the oceans and the air. They know that these superb resources have not been employed to establish an empire. They respect our world influence and leadership in the cause of peace and international cooperation. They remember our part in establishing the United Nations and advancing its objectives of preventing war and the settlement of international disputes by peaceful means rather than by the sword. They know that ambition for dominion is not the motive of our policy.

The Spanish-American War thrust the destiny of Cuba and the Philippines into our keeping. The United States guaranteed the freedom and independence of Cuba and aided her in the establishment of and maintenance of her government, and through the years has manifested her friendship and support. The United States generously aided the Philippines in improving their educational and economic systems and granted them freedom and independence. We pulled down the Stars and Stripes and lifted high the banner of the Philippines. In World War II, the United States fought in defense of the Philippines and aided their reconstruction from the ravages of war.

After our victory in World War I, we claimed no added territory, we demanded no reparations nor indemnity nor tribute. In World War II we poured out our treasure and the blood of our gallant sons on the seas and on the land and in the skies to defend liberty and to crush tyranny and military mastery of the world.

Though World War II has not yet been terminated by treaties of peace, the United States, in a noble endeavor to guarantee a peaceful world and to banish war, has not followed the course of selfish gain. The United States has extended aid and assistance to many nations through the Marshall plan and othe. measures. The North Atlantic Treaty is in harmony with that high purpose.

We stand before the bar of history. We shall face its judgment without fear. We strive to strengthen liberty and security to the free nations of the world. We await the verdict of the years with supreme confidence. Our motives and our conduct will be vindicated and will receive the plaudits of grateful nations and of their people.

We do not covet empire. We do not covet control of any other nation. We abhor tyranny, whether by arms or by devious and secret pressure, with the threat of grim force behind them. We do covet peace. We do covet security. We do covet freedom. We do covet the right of free nations and freemen to live without the fear of conquest or subjugation.

Under the Atlantic Pact no sword leaps from its scabbard; no plane drops its bombs; no soldier marches with a gun in his hand, until an armed attack, in violation of international law, is made upon a peaceful member of the pact.

As Senators drive around Washington, they may observe at the entrance to certain streets and areaways a sign erected by the police, reading "Do not enter."

The North Atlantic Treaty is a flaming sign to any aggressor, to any nation that contemplates armed attack upon a peaceful and law-abiding nation—"Do not enter" the North Atlantic area. The North Atlantic area must be a sanctuary against armed attack, against the violation of the security of peaceful nations.

The great English historian Buckle once said of the American Declaration of Independence:

> In 1776 the Americans laid before Europe that noble declaration which ought to be hung up in the nursery of every king and blazoned on the porch of every royal palace.

The free nations of the North Atlantic area lay before the nations of the world a noble declaration that no armed aggressor, no swaggering conqueror, no military despot shall invade the North Atlantic area. That challenge shall be hung up in the nursery of every aggressor and blazoned on the porch of every totalitarian master. The North Atlantic area is dedicated to peace. "Do not enter."

Mr. VANDENBERG. Mr. President, if it meets with the approval of the Senate majority leader, the senior Senator from Michigan would prefer to speak tomorrow, although he is very anxious to facilitate the proceedings. However, if the majority leader so requests, I shall proceed at this time.

Mr. LUCAS. Mr. President, I realize the position in which the Senator from Michigan finds himself. I desire very much to afford him any opportunity he may desire in connection with the statement he will make, because I know it is important not only to this Nation, but to the world.

There are nominations on the Executive Calendar which we might consider. It is my understanding that there will be objections to some of the nominations. It will probably require some little time to discuss them. I feel that they are important enough to be considered as soon as is possible. I had hoped, however, that some Senator in opposition might have something to say in reply to the excellent speech of the Senator from Texas.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Texas.

Mr. CONNALLY. I suggest that the wishes of the Senator from Michigan be observed.

Mr. LUCAS. I appreciate the suggestion of the Senator from Texas, and of course I intend to do so. But if any Senator desires to speak with reference to the North Atlantic Pact or to propound

any inquiries to the Senator from Texas, it should be done at this time. The Senator from Missouri [Mr. DONNELL] indicated a moment ago that he might have some inquiries to make.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. DONNELL. In response to the Senator from Illinois, I do not desire to enter into any extended discussion. The Senator from Texas made reference to 12 signatories and their democratic tendencies, or words to that effect. My only question was whether he meant to include Portugal within that list. That is the question I desire to ask at this time. I understood the Senator from Texas to state at the conclusion of his remarks that he would respond to the inquiry which I made. I cannot from memory quote his precise remarks with exactitude, but he made some reference to the 12 signatories to the pact.

Mr. CONNALLY. That is correct.

Mr. DONNELL. The Senator referred in some way to them in connection with a remark which he made about democracies. I wanted him to tell us, if he would, whether or not he considered that one of those signatories, namely, the Government of Portugal, was a democracy. I think the question of importance both because of the statement of the Senator and because the preamble to the North Atlantic Treaty contains the sentence:

They—

That is to say, the signatories—

are determined to safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of democracy, individual liberty, and the rule of law.

So my question is as to whether or not the Senator from Texas places Portugal in the category of a democracy?

Mr. CONNALLY. I will say to the Senator from Missouri that he did not quite understand what I said in my remarks. The Senator from Missouri refers to the language of the preamble. I said:

The Committee on Foreign Relations has just completed a systematic and painstaking study of the treaty, and now I present it for the consideration and, I hope, the overwhelming approval of the Senate. * * * We urge its ratification at an early date.

The treaty is a defensive pact. In it the 12 signatory nations—

Then I name them all, and Portugal is among the number—

undertake to exercise their inherent right of collective or individual self-defense against an armed attack, in accordance with the provisions of the United Nations Charter.

Mr. DONNELL. Pardon me. The statement to which I referred occurred later than that in the Senator's remarks.

Mr. CONNALLY. I do not know the particular language to which the Senator refers.

Mr. DONNELL. Without reference to the particular language, will the Senator from Texas tell us whether he considers that the present Government of Portugal, the one whose representative signed the Pact on April 4, is, according to the preamble of the North Atlantic Treaty founded on the principles of democracy?

Mr. CONNALLY. Probably I cannot satisfy the Senator on that point or on any other point he may raise; but Portugal evidently has quite the kind of government she wants. It is in existence. Portugal has had no serious difficulties with any of her neighbors. Portugal has not interfered in any international affairs, so far as I know. The people of Portugal are peaceful. They want law and order. That is what the North Atlantic Treaty is intended to secure. If we can have Portugal as a party to the treaty helping us to do that, Portugal may ultimately tend more nearly to approach the democratic ideal the Senator from Missouri has in mind.

Mr. DONNELL. I thank the Senator for his observation.

## EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. GILLETTE in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

## THE NORTH ATLANTIC TREATY—RESERVATION

Mr. WATKINS submitted a reservation intended to be proposed by him to the North Atlantic Treaty signed at Washington on April 4, 1949, which was ordered to lie on the table and to be printed.

Mr. LUCAS. Mr. President, before taking up the nominations on the Executive Calendar, I suggest the absence of a quorum.

Mr. KNOWLAND. Mr. President, will the Senator withhold his request for a moment?

Mr. LUCAS. Certainly.

## ECONOMIC AID TO THE REPUBLIC OF KOREA

Mr. KNOWLAND. Mr. President, I desire to call to the attention of the Senate a publication submitted by the Department of State and the Economic Cooperation Administration with reference to economic aid to the Republic of Korea, concerning which legislation is now pending before the House of Representatives. I wish to invite particular attention to page 1 of that document which, as I understand, has been placed in the hands of each Member of the Senate, and to read the following quotations:

The Republic of Korea, with its 20,000,000 people, constitutes the only remaining foothold of democracy in the northern part of continental Asia. The area which it controls is, roughly, the southern half of the Korean peninsula, the northern half with approximately 10,000,000 population being under Communist rule.

Further on, in the third paragraph, the document goes on to say:

So long as democratic ideals survive and grow among this energetic population, and so long as their democratically chosen government demonstrates its stability and independence, there will exist in the minds of the people of vast adjacent areas a continuing challenge to the Communist ideology which has been imposed upon them.

Further on I find the following statement:

The survival of democracy in Korea is of crucial importance also to the maintenance and further development of democracy in Japan.

I might say, parenthetically, Mr. President, that if the words "China (the non-Communist areas of China)" were substituted in each place in which the Department of State has mentioned Korea, I believe it would also be very much in point.

The document goes on to say:

The attainment of this goal requires, for a period, continuing understanding, moral support, and economic help from the United States.

On page 2 the importance of aid by the United States to the Republic of Korea is pointed out for the reasons stated.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a very interesting interview which appears in today's issue of the Washington Daily News, by Clyde Farnsworth, of the Scripps-Howard staff, under the date line of Taipeh, Formosa, July 5. It is an interview with the generalissimo with reference to the situation in China and the importance of preserving a non-Communist area of China not only for the future peace and security of the rest of the world, but for the future peace and security of the United States.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

### CHIANG APPEALS FOR UNITED STATES AID

(By Clyde Farnsworth)

TAIPEH, FORMOSA, July 5.—Chiang Kai-shek broke his long silence today to declare his continued revolutionary leadership of the Chinese people, to appeal to the United States for support against communism, and to accuse the Soviet Union as a treaty breaker bent upon world domination.

The 62-year-old Generalissimo, who retired from the presidency of China last January but who has retained and strengthened his leadership of the Kuomintang Party, received another American reporter and myself in a joint interview which may portend his imminent return to active leadership.

It is reliably reported, though not confirmed by the Generalissimo, that he will go to Canton this week for a session of the Kuomintang's policy council, of which he is director general.

Chiang seemed in the best of health and spirits. He chatted with us in polite brevity and reserved nearly all his statements for publication to written answers which had been prepared to questions submitted in advance.

#### YES

Chiang's answers included his firmest language for publication thus far on the relation of the Soviet Union to Chinese communism. With the simple quote "yes" he answered the following questions:

Do you feel that if the Communist forces aren't now checked in China the Communist movement will spread throughout Asia?

Do you believe this spreading Communist movement is part of a plan of the Soviet Union to dominate the entire Far East in a campaign eventually to dominate the entire world?

The Generalissimo also had been asked to what extent the Chinese Communists serve the aims and interests of the Soviet Union and what he considered those to be in China, Asia, and the world at large. He replied:

"I would advise all persons interested in this question to read a document called The

Thesis of the Revolutionary Movement in Colonies and Semi-Colonies adopted at the sixth world congress of the Communist international December 12, 1928.

BLUEPRINT REALIZED

"This is a blueprint of Communist revolutionary activities in all Asia, now being realized step by step," Chiang continued. "Lenin stated that the road to the conquest of Europe lies through Asia. This policy of the founder of international communism is now being pursued by his faithful followers," he added.

Question. "Is there any chance in your opinion that Chinese communism can or will develop along separatist nationalist lines, irresponsive to the main currents of the international Communist drive toward world revolution? Is Mao Tzetung a puppet or a free agent? Can he be another Tito?"

Answer. "By the very pronouncement of the Chinese Communist leaders, as well as by the history of their party, there is nothing to indicate whatsoever that the Communist Party in China may break with the center of international communism, the Cominform, as Marshal Tito of Yugoslavia apparently did.

"The Communist Party in China has on many occasions placed on record its full support of the Cominform against Marshal Tito. By resolution of the whole party it approved the expulsion of Yugoslavia by the Cominform. The latest proof is to be found in published articles by Liu Shao-chi, chief of the organization department, and often called the second in command of the Communist Party in China. These articles denounced Tito as a 'traitor' who joined the capitalist camp. Further, in all those articles, Liu Shao-chi called on the proletariat in all countries to unite and join forces with the Soviet Union and eastern Europe 'to inflict defeat on the plans of the American imperialists.'

NO BREAK WITH MOSCOW

"Any suggestion that the Chinese Communists might break with Moscow is insidious propaganda, designed to confuse. Many years ago, Communists used to say that the Communists in China weren't real Communists at all but merely agrarian reformers. They succeeded in confusing and misleading many people to their own advantage.

"This talk of Chinese Communists possibly taking a Tito turn is just one more of their propaganda tricks designed to mislead and will prove as false and unfounded as their previous efforts to confuse.

"If Communists are permitted to dominate China, her relations with the outside world would be the sams as those of other countries now behind the iron curtain. They couldn't possibly be any different."

NOT TOO LATE

Question. "There has been recently a great growth of concern abroad over the trend of events in China but with it also has grown a fatalistic conviction among many that the situation in China already is beyond repair and that Communist conquest of China and perhaps all Asia must run its course. Is it already too late for the United States to help? Will it ever be too late?"

Answer. "The area and population under Japanese occupation after 1 year of the war of resistance in 1938. That war, as you know, went on for seven more years until victory was won.

"The erroneous impression that the present situation is beyond repair has been created by Communist propaganda in disseminating defeatism. It is my conviction that all struggles for human freedom and national independence as against the tyranny of foreign domination must succeed. I do not believe that efforts—either our own efforts or efforts of friendly countries—to save the situation in China will be too late.

"However, if timely help is not given in China's anti-Communist fight, the price to be paid by democratic countries in the future will be beyond comprehension. If communism is not checked in China it will spread over the whole of Asia. Should that occur, another world war would be inevitable.

"In view of this and of the responsibility of democratic countries toward all peace-loving peoples, I must point out that further loss of time in checking communism in China is dangerous."

REIGN OF TERROR

Question. "Have the Communists won, or can they ever win, mass support of the Chinese people in the areas of their military control? Do you believe that the nationalist government commands popular support there or in areas still beyond Communist conquest? If the Communists do not have popular support, what are the chief causes of the government's set-back?"

Answer. "A reign of terror is holding people in submission in Communist-held areas. Instead of popular support, hatred of people for the Communists is increasing. The Communists themselves have openly admitted that peasant uprisings have occurred and recurred in all areas under their control.

"People under Communist rule are all hoping for early restoration of the authority of the national government. It is a matter of record that large numbers of teachers, students, peasants, and others have fled into government areas despite the difficulties and dangers attending such flights. With the exception of a small number of political opportunists, no one cares to live under the Communist regime.

"As regards the causes for the set-back of the government, other than military, there are two: First, nonfulfillment by the U. S. S. R. of her obligations under the Chinese-Russian Treaty of 1945, which was based upon the Yalta agreement. In spite of this sacrifice on our part, Russia hasn't observed her treaty obligations. This hasn't only prevented restoration of Manchuria to China but has also enabled the Chinese Communists to develop a tremendous military force there.

"The second cause is economic. After the sufferings and tribulations sustained by the Chinese people in 8 years of war against aggression, the country has been further impoverished by the rebellion of the Communists.

"As a result all the Chinese people, such as teachers, public servants, and soldiers have been compelled to live many years below the subsistence line. Many political ills have arisen out of this deteriorating economic situation.

HOW CAN CHINA WIN?

Question. "How can China win this new war of resistance? What help does she require? Can the national government survive without foreign help? Do you expect a third world war?"

Answer. "The first step, it seems to me, is for the United States to reactivate its policy of giving moral support to the Chinese Government in its fight against communism.

"This fight against communism in China isn't only a fight for Chinese freedom from the present Communist menace. It is a fight for the peace and security of the free world, which doubtless is the very principle pursued by the United States in other parts of the world.

"The present Communst menace to China is a legacy of the last world war. I take it that the United States with which we fought together and bled together in that war will not be indifferent to what is going on in China.

"Nor by her assumption of world leadership in the fight against communism will the United States exclude China from the scope of her aid. Otherwise the future of the fight by the democratic countries against communism will be gloomy indeed and a calamity for mankind will be irretrievable."

NO NEGOTIATED PEACE

Question. "Is there even the slightest possibility now of a negotiated peace with the Communists?"

Answer. "From our experience with dealing with Communists for 25 years we have learned that it is impossible for any one to reach a settlement with Communists. On this question there is no difference of opinion among members of the Kuomintang or of the government. I shall do my utmost to strengthen the solidarity of the Kuomintang in the fight against communism."

CHIANG'S ROLE

Question. "How do you construe your own present or future role in this struggle for China? Under what condition, if any, would you return to active leadership of the nation?"

Answer. "Since my succession to the revolutionary leadership of Dr. Sun Yat-sen, upon his death, I have dedicated my life to the cause of the freedom and independence of the Chinese people. In that role I shall continue to carry out this important trust. With world communism threatening to conquer China and destroy her independence and historic civilization, I consider it my duty to do everything I can in rallying all forces to fight against it.

"Regardless of whether I hold any political office, I cannot give up my revolutionary leadership. That is to say, as long as independence of the nation and freedom of the people are not achieved, I cannot shirk my responsibility of carrying on the struggle."

Chiang received us in the mountainside guest house of the Formosa provincial government at Tsaoshan, about 10 miles from Taipeh. He asked us to convey his earnest best wishes to President Truman, and as one of the correspondents was from Tokio, he asked that his felicitations also be passed on to Gen. Douglas MacArthur.

Mr. FERGUSON. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from Michigan.

Mr. FERGUSON. Does the Senator from California believe that if all China goes under the communistic rule and the northern part of Korea stays under the communistic rule, it will be possible for the southern part of Korea to remain a republic, or to practice the principles of democracy as we understand them?

Mr. KNOWLAND. I not only believe that it will not be possible for the southern half of Korea, which is the Korean Government recognized by the United States and by the other western powers, set up under the general auspices of the United Nations, to retain its freedom, but very likely it will not be possible for any other nation, not even excepting India, permanently to maintain itself outside of the Communist orbit if all of China goes behind the iron curtain.

Furthermore, it is the belief of the junior Senator from California that, because of the normal economic ties of the islands of Japan and the other island nations in the far Pacific, if all the continent of Asia goes behind the iron curtain it will be very difficult for these island nations to maintain themselves. So far as Japan is concerned, her normal ties of commerce and trade are with the continent of Asia, and unless the Government of the United States is prepared to underwrite permanently its economic and military support, Japan will probably ultimately be forced into the Communist orbit.

Mr. FERGUSON. Is not the last answer in line with what General MacArthur has indicated in his request for further troops, even at the present time, to maintain the situation in Japan?

Mr. KNOWLAND. I think it is not only indicative of what has been expressed by the Supreme Commander in Japan, but what has been indicated by other competent military officials who have had access to information as to conditions in the Far East.

Mr. PEPPER. Mr. President, will the Senator from California yield, in order that we might understand a little better what the Senator has in mind by our underwriting the military forces in China?

Mr. KNOWLAND. I yield to the Senator from Florida.

Mr. PEPPER. In what he states about financial and military support to China, what does the Senator have in mind the United States Government should do in this matter specifically? Does the Senator contemplate the use of American armed forces in resisting the Communist forces in China?

Mr. KNOWLAND. If I may answer the second question first, the Senator from California does not contemplate the use of American armed forces in China any more than we have used American armed forces in Greece, where a similar situation of civil war has prevailed. But we did feel that it was of sufficient importance to the western world, and to the advance of the United States under the so-called Truman doctrine, not only to render financial and military support to Greece, but also to send a mission there to see that the equipment was adequately used.

If that situation is important in a country which contains, we will say, roughly 15,000,000 people, as there are in Greece, then it seems to me it is of equal importance, if not a great deal more important, to be sure that the entire nation of 450,000,000 people in China does not go into the Communist orbit. Even with all the advances which have already been made by the Communists in China, there is still outside the iron curtain at the moment a nation of more than 200,000,000 people, in an area which, from the point of view of terrain, is easier to defend than were the northern plains.

The testimony of General Chennault before the Committee on Armed Services indicated that it was his judgment that if those who were non-Communists in the western provinces were furnished with a relatively small amount of small arms, and perhaps mortars and light mountain artillery, they could give a good account of themselves, and could keep their particular areas of China from being overrun, perhaps for a number of years, and by that time we certainly will have a better idea as to whether the so-called cold war is to level off or is to be something else.

Mr. PEPPER. Mr. President, if I understand the Senator from California correctly, he does not comtemplate the use of the armed forces of the United States in China in behalf of the Nationalist Government, but he contemplates a mission comparable to the military mission which this country has in Greece today.

Mr. KNOWLAND. That is correct.

Mr. PEPPER. Did we not at one time have a military mission in China supporting the Nationalist Government, and did that prove adequate to resist the Communist approach? And, if I may ask another question along with that, did the Nationalist armies take the advice of the American military mission?

Mr. KNOWLAND. The subject is one which would entail a great deal more discussion than we have time for this afternoon, but we have had a number of military missions in China. During part of the war we had General Stilwell there, as the Senator knows, and he did not get along so well with the Government of China. Later we had General Wedemeyer, who commanded the respect of the Chinese Government and did get along well, and made a considerable amount of progress with them. But, as the Senator knows, he is now back in this country as Assistant Chief of Staff of the Army.

Later we had a mission, headed by General Barr, which was not comparable to the mission we have sent to Greece, because they were under definite wraps not to give certain types of advice to the Chinese Government. Nor did they have the facilities for seeing through to the end result the use to which the equipment was placed.

I have talked with some of those who have to do with the ECA, and some who have observed the use to which the ECA funds were put, and it is the general observation of those who have been in China that they were well supervised. If we could have that type of supervision in the field of the military equipment which is given, I feel certain that the Chinese Government would welcome the same type of military mission, with the same type of supervision we are now exercising in Greece.

Mr. PEPPER. Mr. President, the Senator has indicated, then, that he has in mind only a military mission, to perform functions comparable to those performed by the military mission of the United States in Greece, and that he does not contemplate the use of military personnel. Secondly, the able Senator has indicated, I believe, that he contemplates our furnishing equipment to the nationalist forces.

I wish to ask the able Senator if he has the information which was disclosed to the Committee on Foreign Relations—I shall not go into the details of it—by our diplomats and military representatives in China, as to the rate of the surrender to the Communist forces of the equipment which we sent to the nationalist armies, indicating that the rate of surrender far exceeded, over a given period, the volume of our shipments to them.

Mr. KNOWLAND. Mr. President, I was privileged, as a result of the kindness of the chairman of the Committee on Foreign Relations, to read the testimony, and I shall not go into it because it was given in executive session, but I do say that I dispute a good many of the statements which were presented to the committee, the inference being given that approximately 90 percent of the American aid which has been furnished to China since VJ-day has fallen into Communist hands. I say that statement cannot be supported by the record, in fact, it is not correct, and can be demonstrated as not being correct on the basis of the State Department's own figures.

Mr. PEPPER. I desired to ascertain what the Senator had in mind, and I thank him for the information he has given.

### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hunt | Myers |
| Anderson | Ives | Neely |
| Bricker | Johnson, Colo. | O'Conor |
| Butler | Johnston, S. C. | O'Mahoney |
| Byrd | Kefauver | Pepper |
| Cain | Kem | Reed |
| Chapman | Kerr | Robertson |
| Chavez | Kilgore | Russell |
| Connally | Knowland | Saltonstall |
| Cordon | Langer | Schoeppel |
| Donnell | Long | Smith, N. J. |
| Douglas | Lucas | Sparkman |
| Downey | McCarran | Stennis |
| Ecton | McCarthy | Taft |
| Ferguson | McClellan | Thomas, Okla. |
| Flanders | McFarland | Thomas, Utah |
| Frear | McGrath | Thye |
| Fulbright | McKellar | Tobey |
| Gillette | McMahon | Tydings |
| Graham | Malone | Vandenberg |
| Green | Miller | Watkins |
| Hayden | Millikin | Wherry |
| Hendrickson | Morse | Wiley |
| Hickenlooper | Mundt | Williams |
| Hoey | Murray | Withers |

The PRESIDING OFFICER (Mr. GILLETTE in the chair). A quorum is present.

### CONSIDERATION OF EXECUTIVE NOMINATIONS

Mr. LUCAS. Mr. President, the Senate is in executive session, considering the North Atlantic Treaty. There are some nominations on the Executive Calendar which have been passed over. It is rather important than those nominations be considered at the earliest possible time. I should like to ask about the nomination of W. Walton Butterworth, of Louisiana, to be Assistant Secretary of State. His nomination has been favorably reported. Can we not consider that nomination?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. There are two or three Senators interested in that nomination, one of whom is not present this afternoon. If it is agreeable to the distinguished majority leader, I should like to have the nomination passed over at least until another executive session is held. By that time, if there is any further objection, I shall communicate with the majority leader, and then, at his pleasure, the nomination can be considered and debated at length. I ask the majority leader if he will consent to passing over the nomination until one particular Senator, at least, can be present and take part in the debate.

Mr. LUCAS. May I inquire if the same request would apply to the nomination

of Ellis O. Briggs to be Ambassador to Czechoslovakia, and the nomination of Nathaniel P. Davis to be Envoy Extraordinary and Minister Plenipotentiary to Hungary?

Mr. WHERRY. That is true so far as today is concerned. I am sure that there is no objection to the consideration of the nomination of Mrs. Perle Mesta to be Minister to Luxemburg.

Mr. LUCAS. Let me say to the able minority leader and other Members of the Senate that the next time the Executive Calendar is called it will be necessary for us to consider the three nominations which we are now passing over. I shall be glad to accommodate the Senator from Nebraska by passing over the nominations of Mr. Butterworth, Mr. Briggs, and Mr. Davis at this time, and taking up for consideration the nomination of Mrs. Perle Mesta, of Rhode Island, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Luxemburg.

Mr. WHERRY. I thank the able majority leader.

NOMINATION OF MRS. PERLE MESTA TO BE MINISTER TO LUXEMBURG

Mr. LUCAS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the nomination of Mrs. Perle Mesta, of Rhode Island, to be Minister to Luxemburg.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The Chair hears no objection.

The nomination will be stated.

The Chief Clerk read the nomination of Mrs. Perle Mesta to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Luxemburg.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. DONNELL. Mr. President, may I ask the distinguished majority leader whether or not there would be objection to this course of procedure: I should like to ask the chairman of the Committee on Foreign Relations, or some spokesman for that committee, a few questions in regard to Mrs. Mesta, and then I should like to address the Senate in regard to the nomination. May we have unanimous consent that, in advance of any remarks, I may have the benefit of asking a few questions of some representative of the Committee on Foreign Relations who is informed with respect to this nomination?

Mr. THOMAS of Utah. Mr. President, the Senator from Texas [Mr. CONNALLY] asked me to represent him while he is at lunch. I shall do my best to answer the questions of the Senator from Missouri, but I am not quite so well informed as is the Senator from Texas.

Mr. LUCAS. Mr. President, in view of the fact that the Senator from Texas is not present, it seems to me that probably the best course to pursue is for the Senator from Missouri to proceed with the remarks which he desires to make. Then when the Senator from Texas returns to the Chamber, he will be in a position to answer the Senator's questions. I will see that the Senator from Texas is notified, so that he can be present at the earliest possible moment.

Mr. DONNELL. That is entirely agreeable to me.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DONNELL. Mr. President, I think perhaps it would be a little more logical, from my standpoint, to have the benefit of the answers to my questions before I speak, because my remarks, at least in part, would be based upon answers which might develop from the questions. However, I shall endeavor to follow the suggestion of the Senator from Illinois.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. THOMAS of Utah. I believe that members of the subcommittee which handled the nomination are present. I think probably they could answer the Senator's questions.

Mr. DONNELL. To which Senator should I address my questions?

Mr. LUCAS. Mr. President, if the Senator will yield, I may say that the junior Senator from Rhode Island [Mr. MCGRATH] and the senior Senator from Rhode Island [Mr. GREEN] are both present. No doubt both are familiar with the situation. I am sure they can answer any questions the Senator from Missouri desires to ask.

Mr. DONNELL. Yes; that will be very fine.

If the senior Senator from Rhode Island will be kind enough to address himself to this matter I should like to ask him a few questions.

In the first place, before asking him the questions, I may say that the nomination of Mrs. Perle Mesta to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Luxemburg was presented to the Senate by the representative of the President on June 21. Action upon her nomination was taken by the Foreign Relations Committee, according to a transcript of the proceedings which I hold in my hand, 1 week later, on June 28. In due time the nomination was reported to the Senate, and is now before us for consideration.

I should like to ask the Senator from Rhode Island what study or examination was made by the Foreign Relations Committee with respect to the qualifications of Mrs. Mesta to be a diplomatic representative of the United States?

Mr. GREEN. It is not usual to have any special examination made when the person is fairly well known. The nomination is made after such an examination by the State Department and the President. He offers the nomination; and unless there is some objection, we usually believe, and act on the belief, that the President has the right to choose his own representatives in the Foreign Service.

If there were any objections from any source, of course such objections would be investigated. But in this case there were none.

Mr. DONNELL. Am I correct in my understanding, then, that the Foreign Relations Committee made no study or examination with respect to the qualifications of Mrs. Mesta to be Envoy Extraordinary and Minister Plenipotentiary of the United States to Luxemburg?

Mr. GREEN. We made no special investigation or discussion of the matter. She is well known, and her nomination is well known.

Mr. DONNELL. Did the committee make any investigation whatsoever, so far as the Senator from Rhode Island knows?

Mr. GREEN. We made no special investigation. I do not know how the Senator would define the term.

Mr. DONNELL. The Senator from Rhode Island has used the phrase "no special investigation." I should like to know whether any investigation at all was made.

Mr. GREEN. I simply used the word "special" in order to cover any differences of opinion as to the meaning of the word "investigation." According to my information, there was none.

Mr. DONNELL. I thank the Senator. Was any study undertaken, by either the subcommittee or the full committee, regarding her qualifications?

Mr. GREEN. Not that I know of.

Mr. DONNELL. Who constituted the subcommittee upon her nomination?

Mr. GREEN. I do not know that there was one.

Mr. DONNELL. I understood the Senator from Utah to say a moment ago that there was a subcommittee and that the members of the subcommittee could answer these questions. Or did I incorrectly understand the Senator from Utah?

Mr. THOMAS of Utah. Mr. President, I used the word "subcommittee." I understood there was a sponsor of Mrs. Mesta before the Foreign Relations Committee. When I used that word, I used it very loosely. The Senator knows that the clerk of the committee refers nominations to various Senators, and certain Senators become sponsors of the nominee. Senators either approve or disapprove. If they approve, they become sponsors. It was in that sense that I used that term.

Mr. DONNELL. Is the senior Senator from Rhode Island the sponsor to whom the Senator from Utah referred?

Mr. THOMAS of Utah. I understood that the Senators from Rhode Island were sponsors, in the sense that I used that term. I do not know anything about whether they recommended Mrs. Mesta to the President. Of course, that is the President's own affair.

But everyone who has presided over a Senate committee knows that whenever a name comes up for confirmation the State from which the nominee comes is always listed, and the clerk of the committee almost always, as a matter of form, refers the nomination to the two Senators from that State.

Mr. DONNELL. I should like to ask the Senator, who has served with distinction as the chairman of more than one committee, and is now chairman of the Committee on Labor and Public Welfare, whether it is the practice, at least in

the Committee on Labor and Public Welfare, in connection with appointments of real consequence—such as, for instance, the recent appointment of the Commissioner of Education—to have the appointee before the committee, for examination by the committee. Is not that the practice?

Mr. THOMAS of Utah. That is true; but in foreign relations there is quite a difference, as the Senator knows. An ambassador is the representative of the President abroad, as well as a representative of this country. It is true that Senate confirmation is required. In that way we carry out the spirit of our democracy. That is all.

But the President is very free in appointing ambassadors and ministers, freer, probably, than in the case of any other nominations.

Mr. DONNELL. I should like to quote this sentence from Mr. J. Rives Childs' recent work on American Foreign Service:

A minister is accredited to the chief of state, but does not represent the person of the President.

Does the Senator disagree with that observation?

Mr. THOMAS of Utah. I certainly do disagree; and if I were writing that textbook I would say he does represent the chief of state, regardless of whether it is a democracy, an autocracy, or what not, because the President can call him home without asking anyone about it. So it seems to me that if such a person can be hired and fired, he is pretty much a representative of the person who hires and fires him.

Mr. DONNELL. Mr. President, with respect to Mr. Childs, from whose book I have just quoted, I may say that today he is the Ambassador of the United States to Saudi Arabia, having been elevated to that post only a few weeks ago by the President, with confirmation by the Senate, I believe.

At the time when this work was written, he then was serving as United States Minister to Saudi Arabia and our Minister to Yemen. He is described by Joseph C. Grew, former United States Ambassador to Japan and former Assistant Secretary of State, as—

a distinguished officer of the Foreign Service. I have known Mr. Childs for many years and have respected and admired his work.

That is the book from which I was quoting a moment ago.

Mr. President, now I wish to ask the Senator whether Mrs. Mesta was called before the Foreign Relations Committee for examination?

Mr. GREEN. No; she was not.

Mr. DONNELL. I ask the Senator whether this short memorandum of minutes of the meeting of the Senate Foreign Relations Committee is a correct transcript of what transpired on Tuesday, June 28, 1949, namely, 1 week after the nomination of Mrs. Mesta:

NOMINATIONS

TUESDAY, JUNE 28, 1949

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, D. C.*

The committee met, pursuant to notice, at 10 o'clock a. m., in the committee hearing room, United States Capitol, Senator TOM CONNALLY (chairman of the committee) presiding.

Present: Senators CONNALLY (chairman), GEORGE, THOMAS of Utah, PEPPER, GREEN, FULBRIGHT, VANDENBERG, and LODGE.

The CHAIRMAN. At Senator GREEN's insistence, we will take up the nomination of Mrs. Perle Mesta.

It is your motion to confirm her?

Senator GREEN. I make that motion; yes.

The CHAIRMAN. All in favor of the nomination of Mrs. Mesta will say "Aye." Opposed, "No." She is confirmed.

Senator GREEN. As Envoy Extraordinary and Minister Plenipotentiary to Luxemburg.

Senator LODGE. Have we ever had an Envoy Extraordinary and Minister Plenipotentiary to Luxemburg?

The CHAIRMAN. I do not think so. Usually the Ambassador to Belgium handles that.

Let the clerk note particularly that we had a quorum present.

Whereupon the hearing was adjourned.

Is that a correct transcript, according to the Senator's best recollection?

Mr. GREEN. I do not know whether it is a correct transcript, because I did not see the original record. But it is in accord with the facts.

Mr. DONNELL. It is in accord with the facts?

Mr. GREEN. Yes.

Mr. DONNELL. Mrs. Mesta is from the Senator's home State; is she not?

Mr. GREEN. That is correct.

Mr. DONNELL. She lives at Newport?

Mr. GREEN. That is correct.

Mr. DONNELL. Is the Senator able to tell us what schools Mrs. Mesta attended and in what subjects she specialized while at those schools?

Mr. GREEN. No. I did not know Mrs. Mesta at that time.

Mr. DONNELL. Does the Senator know what schools she attended?

Mr. GREEN. I answered the Senator no; I did not.

Mr. DONNELL. Does the Senator know whether any member of the Senate Foreign Relations Committee knew, when this evidence was taken on June 28?

Mr. GREEN. I do not know what other members knew.

Mr. DONNELL. I want to be perfectly fair by stating that Dr. Wilcox, of the Foreign Relations Committee, at my request gave me a memorandum. I ask the Senator from Rhode Island whether he ever saw a memorandum entitled "Mrs. Perle Mesta."

Mr. GREEN. I do not know that I ever saw it, because I cannot see it now.

Mr. DONNELL. I will show it to the Senator. [Handing a memorandum to Mr. GREEN.] I want this back.

Mr. NEELY. Mr. President, will the the Senator from Missouri yield for a question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from West Virginia?

Mr. DONNELL. I yield.

Mr. NEELY. Mr. President, under what rule is the Senator from Missouri conducting his inquisition and calling upon Members to testify as witnesses relative to the presidential appointment now before the Senate?

The PRESIDING OFFICER. There is no rule of the Senate that permits it, except by unanimous consent.

Mr. DONNELL. That request, Mr. President, was made by myself and was granted, as I understood.

The PRESIDING OFFICER. The Chair did not so understand.

Mr. DONNELL. I now make the request.

The PRESIDING OFFICER. The Chair will be glad to put the request.

Mr. DONNELL. I ask unanimous consent further to continue the investigation of this matter as I am now proceeding.

The PRESIDING OFFICER. Is there objection to the request?

Mr. NEELY. I object to the Senator's instituting police court methods of procedure in the Senate.

The PRESIDING OFFICER. Objection is heard. The Senator from Missouri has the floor.

Mr. GREEN. Does the Senator from Missouri wish me to read the memorandum?

Mr. DONNELL. There has been an objection made by a Senator on the Democratic side. I am glad to have the Senator read it.

Mr. NEELY. Mr. President, I am quite willing to have the responsibility for the objection charged either to the Democratic side of the aisle or to me. The Senate shall not become a police court with my consent. I demand the regular order.

The PRESIDING OFFICER. The Senator from Missouri has the floor. Objection is heard to the colloquy. The Senator from Missouri may yield for a question.

Mr. DONNELL. Mr. President, regarding the memorandum, I will state to the Senate, at my request, on the inquiry as to whether there was a memorandum of this kind, it being true in at least one or more committees of which I have been a member that we usually have a memorandum of this kind before us, Dr. Wilcox, of the staff of the Foreign Relations Committee, was kind enough to furnish me with the memorandum. I read it:

MRS. PERLE MESTA

Born, New York, N. Y., 1891; educated in private schools in Galveston, Tex.; graduate of Sherwood School of Music, Chicago; member of the Business and Professional Women's Party; member of the National Women's Party; member of the board for the Home for Incurables, Washington, D. C.; delegate from the States of Arizona and Rhode Island to the national conventions, 1944 and 1948; owned and operated ranch in Arizona; former member of the board of the Mesta Machine Tools Co., Pittsburgh; outstanding work in social and philanthropic endeavors; legal resident of Rhode Island.

That was furnished to me, as I have stated, by Dr. Wilcox. Mr. President, inasmuch as objection has been heard to the inquest by myself, I shall proceed. But I should like to inquire if there is any objection to my asking the distinguished junior Senator from Rhode Island a question or two in regard to the political services rendered, if any, by Mrs. Mesta.

The PRESIDING OFFICER. The Senator from Missouri asks unanimous consent that he may interrogate the junior Senator from Rhode Island with

reference to some matter. Is there objection? The Chair hears none.

Mr. DONNELL. May I ask the Senator from Rhode Island whether or not it is a fact that in 1946 Mrs. Mesta contributed funds toward aiding President Truman to purge Roger C. Slaughter in the congressional campaign in Missouri? Does the Senator know whether or not that is a fact?

Mr. McGRATH. I was not the Chairman of the Democratic National Committee at that time, so I do not know anything about that matter.

Mr. DONNELL. I ask the Senator whether or not he knows anything as to the correctness of this statement in Time magazine of March 14, 1949:

> Perle is go-getting and able in her own way. She is a money raiser extraordinary. At Harry Truman's request, she hustled her check book out to Kansas City in 1946, saved the day for his campaign to purge his hometown Congressman, Roger Slaughter.

Does the Senator know of that?

Mr. McGRATH. Not of my own knowledge. But if there were a contribution which came to the Democratic National Committee it would be found recorded in the records of that committee as filed with the House of Representatives.

Mr. DONNELL. I thank the Senator. May I ask the Senator, if there is no objection, a further question or two with respect to Mrs. Mesta's contributions to the party?

Mr. McGRATH. I may say that her contributions to the party have been extraordinary and magnificent, and undoubtedly——

Mr. DONNELL. Could the Senator tell us what, in dollars and cents, the contributions of Mrs. Mesta were?

Mr. McGRATH. No. I do not keep personal track of them.

Mr. DONNELL. Does the Senator have a recollection as to approximately the amount of the contributions?

Mr. McGRATH. I have not the slightest idea.

Mr. DONNELL. Does the Senator know whether it ran into the thousands of dollars?

Mr. McGRATH. I would not know that. But I am sure it would probably be in excess of $1,000.

Mr. DONNELL. I might ask also whether the Senator knows if this statement in Time magazine of March 14, 1949, is true:

> As cochairman of last year's Jefferson-Jackson Day dinners, she raised $250,000, kept at it doughtily during the campaign. Declared Louis Johnson, chairman of the Democratic finance committee: "When our crowd got discouraged, Perle Mesta would—

May I give the exact language?—

> raise hell. She called us men of little faith. She was a tonic for us"—"our little pepper-upper."

Does the Senator know whether or not the remarks represent the facts, as he knows them?

Mr. McGRATH. I think the Senator from Missouri is as good a judge as I am of the truth and veracity of Time magazine. He can judge that for himself. I can say Mrs. Mesta did magnificent work in connection with the affairs of the Democratic Party, particularly the Jefferson-Jackson Day dinners which were held in 1948, and she did so again this year. She was an aid, an encouragement to all of us on both those occasions. I may say that in the Washington dinner where she worked most diligently in 1949, our party raised by that dinner in the neighborhood of $300,000, and she is entitled to a great deal of the credit for the total result.

Mr. DONNELL. May I ask the Senator, could he tell from whom the information could be obtained as to the total amount of her contribution to the Democratic National Committee?

Mr. McGRATH. It can be obtained from the reports filed with the House of Representatives quarterly by the Democratic National Committee, which I can assure the Senator are correct.

Mr. DONNELL. I thank the Senator. May I ask the Senator also, inasmuch as Mrs. Mesta is from Rhode Island, whether he has had occasion to examine into her qualifications to serve in the position or office of Envoy Extraordinary and Minister Plenipotentiary to Luxemburg?

Mr. McGRATH. I made no particular examination of Mrs. Mesta's qualifications. I would not be required to, because I know her so well. I have had such experience with her in the fields of political action, that my sense of values would immediately tell me without further investigation that she was eminently qualified to represent our Nation in the country to which she is being accredited. Mrs. Mesta has been a legal resident of Rhode Island for only a few years, and I have only known her since she came there. I have had no occasion to look into her formal education.

Mr. DONNELL. Could the Senator tell us what experience she has had which in his judgment would qualify her to act as United States minister to a foreign country?

Mr. McGRATH. She is a woman of rather vast business experience. She has managed a rather sizable fortune which came to her through the untimely death of her husband. She has managed it probably as well as anybody in the United States could manage such a business enterprise, and I think her reputation is generally known in that regard. She is a woman of good judgment. She is a woman of fine tact and diplomacy, and to my way of appraising her, I believe she has the qualifications which are necessary for this position.

Mr. DONNELL. I thank the Senator.

Mr. President, I am concerned with this question as to whether Mrs. Mesta possesses the qualifications essential to performance of the duties of Envoy Extraordinary and Minister Plenipotentiary to Luxemburg. I am not unmindful of the fact that Luxemburg is a small country, and I shall have something more to say about that in a few moments. But, nevertheless, the office to which this lady has been appointed is one of the outstanding offices, namely, the representative of the United States of America in a foreign country, and at a time when representation of this Nation may reasonably be expected to require the knowledge and qualifications which would be normally necessary, to say the least, if not more than normally, in the performance of the duties of such an office.

I have referred, earlier this afternoon, to the book which I hold in my hand. It is not an old book. Its date of copyright is in 1948. The introduction by former Ambassador Joseph C. Grew is dated March 19, 1947, and the book and its author speak for themselves. As I have indicated, the author of it, Mr. Childs, who, at the time of the writing of the book, was serving as American Minister to Saudi Arabia and was our representative to Yemen, is, so Mr. Grew says, a distinguished officer of the Foreign Service. He has passed through the grades of the service. I now quote from Mr. Grew:

> The Honorable James Rives Childs, who is serving today as the American Minister to Saudi Arabia and our representative to Yemen, is a distinguished officer of the Foreign Service. I have known Mr. Childs for many years and have respected and admired his work.
>
> He has passed through the grades of the service, having filled the positions of consul, second secretary, first secretary, counselor of legation, and consul general, and has served not only abroad but also in the Department of State. Among the posts to which he has been assigned are Jerusalem, Bucharest, Cairo, Teheran, and Tangier, his wide experience thus having given him a broad understanding of our service and its many ramifications.

Among other things, Mr. Grew says:

> As long as able men such as Mr. Childs form the backbone of the Foreign Service, we shall be skillfully represented throughout the world, and I hope and believe that the service will continue to attract some of the best of America's young men.

Mr. President, I have quoted from this observation by Mr. Grew in connection with Mr. Childs because of a remark which Mr. Childs himself makes in this book, and which to my mind, is of great importance in our passing today upon the question whether the nomination of Mrs. Mesta should be confirmed.

At pages 64 and 65 of the book he has this to say:

> All American Foreign Service officers are diplomats; all of them perform the four basic phases of diplomacy—representation, negotiation, reporting, and protection of American interests abroad. However, the work of Ambassadors and Ministers is not only more important—

I call attention to the word "Ministers," because that is the post for which Mrs. Mesta has been nominated. I read further—

> it is more evenly divided among the four phases. A vice-consul has relatively little representation to perform—unless he is in charge of a post. He may have little to do in the way of negotiation. His duties may lie almost exclusively in protecting American interests. An Ambassador or Minister will be occupied constantly with all four functions.

Those four functions, as I have read, are the functions of representation, negotiation, reporting, and protection of American interests abroad.

Mr. President, what is the importance of representation? I have referred to Time magazine. I think there is no harm

in saying at this point that Time magazine, from which I have quoted, with respect to Mrs. Mesta, refers to her as "the Capital's No. 1 hostess."

I have no doubt of the graciousness of Mrs. Mesta, the fine hospitality she has extended to many persons, and the credit which should be given to her for services of this type. But, Mr. President, what we are inquiring into this afternoon is not the question as to qualities of a social nature exclusively. I think that also enters into it to some extent. I think a man or woman who is to represent the United States should have something of the graciousness and the social qualities which doubtless Mrs. Mesta does possess. It has been my privilege on more than one occasion to come into contact with one of the other two distinguished ladies who have represented this country. I am referring to the daughter of William Jennings Bryan, Mrs. Ruth Bryan Owen Rohde, who served with distinction in the diplomatic service, having qualities which I think qualified her. She served in the Congress of the United States before she served in a diplomatic position, and she possesses this graciousness to which reference has been made. I do not in any sense mean to detract from Mrs. Mesta by referring to the gracious qualities of a hostess or the cordiality and hospitality which she has extended in many cases. But Mr. Childs, a man of the experience and ability which he possesses, calls attention to the very important functions of a minister. He referred, as I have indicated, first to the matter of representation. I think it is one in which the qualities which Mrs. Mesta has demonstrated by acting as hostess are important. Mr. Childs points out that the contacts of a minister begin with representation. By representation he means what is indicated in the Government service.

It will be remembered that he stated an ambassador or a minister would be occupied constantly with all four functions, and that, in practice, there is not a great deal of difference between a minister and an ambassador. He says an ambassador is called upon to represent the United States at all ceremonial functions. I have no doubt that Mrs. Mesta possesses many of the qualities essential to representation. But Mr. Childs, after proceeding along the line of discussing representation, points out:

> Through representation, the diplomat makes his first connections with his colleagues in other missions and with the government officials of the country of his assignment. But his connections with them cannot stop there. Nor can he limit his contacts to the persons who ceremony put in his way. To perform the functions of representation is to be introduced to a country—not to know it.

At page 69 he says:

> So important did negotiations loom in the early days of diplomacy, that a foreign representative was known more commonly by the term "negotiator" than by that of diplomat. The functions of the diplomat have since been extended, but negotiation has not lessened in importance.

I shall point out in a few minutes something about what negotiation is and what an official publication of the United States Government has to say with reference to it. I should like to read a little further from Mr. Childs' book on the question of the function of a minister along the line of negotiation. He says:

> Cooperation between nations has always been based upon agreements. The increasing complexity and the wide extension of these relations in modern times has indeed vastly increased the work of negotiation of the foreign-service officer. Such work includes the drafting of a wide variety of bilateral and multilateral arrangements embodied in treaties, conventions, protocols, and other documents of a political, economic, and social nature. Their subject matter ranges from the creation of an international security organization, through territorial changes, establishment of rules to govern international civil aviation—

I pause at that point to say that it was my privilege to fly across Luxemburg some time ago. Negotiation along the line of aviation is a very practical and important feature of what may well be the duties of a minister.

I return to Mr. Childs' comments:

> Their subject matter ranges from the creation of an international security organization, through territorial changes, establishment of rules to govern international civil aviation, shipping and telecommunications, and the adjustment of international commercial relationships, to such particular matters as immigration, double taxation, waterway rights, tourist travel, and exchange control. Almost—

I call particular attention to this sentence:

> Almost the entire gamut of human activities is covered.

Continuing, he says:

> While modern communications may have tended in some degree to limit the wide independence formerly enjoyed by the diplomatic negotiator, no mechanical substitute has yet been found for the interplay of human qualities which may make or mar the successful conclusion of an international contract. Whatever guidance the telephone or cable instruction may give, the conduct of negotiations still calls for training—

Training, Mr. President—

> knowledge, precision, discernment, prudence, calm, patience, good temper, tact, and industry—the basic virtues of the diplomat.

So, Mr. President, we have some illustrations from the lips of a man who knows what he is talking about, from long experience, regarding what are the first functions of a foreign minister, namely, the function of representation, secondly, the function of negotiation.

Then he passes on to the importance of the function of reporting; that is to say, of being able to report back to his own government what has transpired, reporting what he sees, what he hears, and what has been said. Mr. Childs says:

> The preservation and furtherance of American interests demand a clear and farsighted understanding of American objectives, and the ability to report accurately and to appraise correctly the position and interests of the foreign country participating in the agreement. The most precisely drafted instructions of the Department of State will suffice little in advancing a negotiation if the Foreign Service officer is lacking in the personal attributes necessary to the successful diplomat.

Mr. President, I could read with profit, at least to myself, much more of this book. I shall not read more of it in detail, though there are one or two things which I might mention.

Some of the Members of the Senate have had occasion to come in contact with the very busy office of a very large country over at Paris, France, the office of our Ambassador Caffery, whom many of my colleagues undoubtedly know. Mr. Childs points out in his book the program of a typical day in the life of that ambassador. He states:

> It will be observed from the foregoing that a typical day in the life of Ambassador Caffery included all four phases of diplomacy; representation, negotiation, reporting, and the protection of American interests.

Someone may say, what does the protection of American interests mean? Mr. Childs had previously indicated the program that Mr. Caffery had followed, and he continues:

> Mr. Frank L. Warrin, International Business Machines, calling to review the French economic and political situation for guidance in planning the future activities of his American company in France.

Mr. Childs says that the information which Mr. Caffery "gave to the representative of the International Business Machines Corp. comes within the last-named category."

These are the functions which Mr. Childs, in a modern, up-to-date book, and from a wealth of personal experience, indicates are the functions of a minister.

I wish to mention briefly also something another gentleman has said. I refer to Prof. Charles Cheney Hyde, professor at law, at least when he wrote the book, at Northwestern University. His book is entitled "International Law, Chiefly as Interpreted and Applied by the United States." In the book he has a chapter upon the rights and duties of ministers. Let me quote briefly what he says are the functions of a minister. He says, at page 764:

> In the fulfillment of his mission an envoy finds that his duties generally possess a threefold aspect.

He had just finished a paragraph which I think I should in fairness to Mrs. Mesta call to the attention of the Senate. He said:

> The function of a minister is to promote good relations between his own state and that to which he is accredited. His usefulness ceases, therefore, if for any reason he becomes persona non grata to the government of the latter, or in case enmity between the two countries banishes the desire for friendship and terminates diplomatic relations.

Then, Mr. President, after this generalization, which is undoubtedly true, and to which I think we will all agree, he points out:

> In the fulfillment of his mission an envoy finds that his duties generally possess a threefold aspect. They concern, primarily, what pertains directly to his own country as a whole, such as the negotiation of treaties or the fostering of its political interests. They relate, secondly, to the welfare of private individuals, commonly and chiefly that of his own countrymen, who are within the state of his sojourn. They have to do, thirdly, with the special and technical requirements peculiar to his diplomatic office.

He proceeds in the next subdivision of his work to discuss this matter of the negotiation of treaties. He says:

To negotiate treaties is oftentimes the duty of a minister. However complete his instructions and however closely he may be in communication with his government, he should possess exact knowledge not only of the nature of and reasons for what he demands but also of the probable effect of compliance upon the other contracting party. With its existing conventional arrangements dealing with the same matter, he should have familiarity; and likewise, with whatsoever arguments it may have opposed to similar demands made by other states. Technical skill in the drafting of public agreements, clear understanding of the sense in which particular terms are employed, and a readiness to avoid the use of expressions likely to result in divergent constructions, are vital to the success of a minister who is burdened with the conclusion of a treaty.

I might read a little more here. He says:

In case proposed legislation appears to disregard the terms of an agreement already concluded with his country, it becomes the duty of the minister to ascertain the fact, and, pursuant to instructions, to lodge formal protest with the state to which he is accredited.

It is the constant duty of a minister to watch political and economic or other movements in the state of his official sojourn and to observe intelligently whatsoever significance they possess in relation to his own. Such conduct is not to be deemed necessarily adverse to the welfare of the country to which he is accredited. The stability of amicable relations between states depends in large degree upon the completeness with which their problems and aspirations are mutually understood and respected. Should, however, a minister employ improper means to gain a knowledge of local policies, his conduct, if known, would serve to impair his usefulness, and possibly lead to a demand for his recall.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DONNELL. I yield to the Senator from Louisiana.

Mr. LONG. I thoroughly agree with the logic of what the Senator is saying, but let me ask him one question. Can he point to any example of an upstanding American woman who has ever failed a public trust ever assigned to her?

Mr. DONNELL. I know of only two instances in which women have been accorded an honor of the type conferred on Mrs. Mesta, and I know they have rendered fine service. I refer to Mrs. Harriman and Mrs. Ruth Bryan Owen Rohde. But that does not mean at all that every woman, merely because she is a woman, is qualified to go into the diplomatic service of this country. I have all respect for womanhood—I believe it is proper to recognize womanhood—and I have no objection to a woman who is qualified by experience and by education and training to be chosen to any place within the gift of America or of any of its officials. But I do say that the mere fact that the person is a woman is no guaranty that she is qualified to carry on matters which require, obviously, a very particular type of training and study in order to make the person of utmost usefulness.

Mr. LONG. Would not the Senator agree that Mrs. Mesta has already proved herself to be a very outstanding woman?

Mr. DONNELL. I do not wish to make any statement here which might appear in any sense impolite or unjust, but I am going to answer the question frankly. So far as I can observe, no proof whatsoever has been brought before the Senate to show that Mrs. Mesta is qualified to perform the duties of the particular office to which she is chosen. It has been stated that she was educated in private schools in Galveston, Tex., without any indication whatsoever as to what they were, and how old she was when she was there. I may say, parenthetically, that from some of the evidence at hand I think she must have been quite young. In that evidence I see no indication what those schools were, or what she studied there, or what her major interests were. In the fact that she was a graduate of the Sherwood School of Music in Chicago, however deserving an institution that may be, I see nothing which would necessarily indicate that a person who had taken the course there was qualified to be a diplomat of the United States.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. DONNELL. I yield.

Mr. LONG. Does the Senator agree with the statement appearing in Time magazine—I ask the question since he has quoted the article as an authority—that Mrs. Mesta is the outstanding hostess in Washington, D. C.?

Mr. DONNELL. Mr. President, I have no knowledge other than hearsay of that. But I have no doubt that she is a very fine hostess. The article in Time magzine goes into some further detail along that line which is very interesting and informative.

Mr. LONG. Does not the Senator believe the knowledge and ability she has acquired from her activities as an outstanding hostess would prove of value to her in her position as a diplomatic representative of our country?

Mr. DONNELL. A person who is an outstanding hostess certainly possesses some admirable qualities. I have no doubt of that. Mrs. Mesta may possess many admirable qualities. I think, however, I have seen hosts and hostesses who would not be qualified to act as ministers of our country to foreign countries.

Mr. LONG. Would the Senator mention some of the outstanding women hostesses who would not be qualified to assume an important diplomatic post?

Mr. DONNELL. I would not undertake to give a list of persons who would not be qualified for such a post. I think the Senator from Louisiana could do as well as I along that line. I shall not undertake to list the persons, hosts, hostesses or otherwise, who are not qualified for diplomatic posts. I take it we are not here this afternoon to confirm somebody simply because it is not proved that she is not qualified. I think the Senate of the United States is called upon here this afternoon to act upon the nomination of this lady on the basis of whether or not she is qualified; not upon whether she is not qualified. I do not know of any proof which is now before the Senate to show that the lady possesses the necessary qualifications.

I refer to an official publication of the United States. I have already quoted from Mr. Childs and I have quoted from Prof. Charles Cheney Hyde. I now address myself to the booklet issued by the Secretary of State, that is to say, by the Department of State, prepared in the office of the Director General of the Foreign Service. It is dated January 1, 1947. I have later publications from that bureau, but I do not find anything therein with respect to this particular point. I call attention, however, that in this particular volume is given a series of statements of the functions of the Foreign Service.

I want to make it perfectly clear, Mr. President, that I have no doubt there are many functions, perhaps some of those I am going to read, perhaps many of them, which are confined more to the consular duties than to the ambassadorial or ministerial duties. Nevertheless, in view of what I have read from the two authorities from whom I have quoted with respect to the functions of negotiations, the functions of reporting, the functions of protection of American interests abroad, and the functions of representation of the United States, I deem it important to read from this publication issued by the State Department some of the important duties which must be performed by a minister representing our country abroad. I read from pages 4 and 5. On page 4 appears the following:

The Foreign Service of the United States in January 1947, numbered approximately 11,000 people, including ambassadors, ministers—

That is what Mrs. Mesta would be, a minister—

Foreign Service officers, Foreign Service reserve officers, Foreign Service staff officers and employees, alien clerks and employees, and consular agents. The Foreign Service represents the United States abroad—

That is along the line of Mr. Childs' reference to representation. Of course I take it, in fairness to what he was speaking of, the term "representation" related to ceremonial functions, but he spoke also of the protection of American interests abroad, as the Chair will recall. This official publication states:

The Foreign Service represents the United States abroad, interprets for its information and guidance events, situations, and opinions in the country to which the personnel is assigned, and endeavors to promote good will and common understanding.

The officers and employees of the Foreign Service protect the interests of the United States—

That is almost verbatim the language of Mr. Childs, his language being "protection of American interests abroad."

The officers and employees of the Foreign Service protect the interests of the United States in accordance with treaties and international law, and advise, protect, and assist American citizens resident, traveling, or having interests abroad. They seek to prevent or to correct practices which might discriminate against the United States or its citizens.

They negotiate treaties—

I call attention to the fact that obviously the writer of this official publication is referring here to ministers, because we have found out in Mr. Hyde's

book that the negotiation of treaties is among the important functions.

They negotiate treaties, conventions, and protocols regarding international intercourse, tariffs, shipping, commerce, and the preservation of the peace in conformity and in accordance with the instructions of the Secretary of State and the President. They observe, analyze, and report on political, social, and economic conditions and trends of significance in the country in which they are assigned. Some major subjects of these reports are legislative programs, public opinion, market conditions, trade statistics, finance, production, labor, agriculture, forestry, fishing, mining, natural resources, shipping, freights, charters, legislation, tariffs, and laws.

One of the important functions of the Foreign Service is the promotion and protection of the foreign trade of the United States. Trade inquiries, trade disputes, and market conditions are the subject of numerous communications. Miscellaneous inquiries on a wide variety of subjects are answered.

Then another half page is devoted to other Foreign Service functions, with which I shall not burden the Senate.

I desire to make it perfectly clear that undoubtedly, in my judgment, some of the various functions I have read are of a consular nature, but obviously, from the very wording of what I have previously read, numerous of these important functions, such as negotiations of treaties, and the preservation and protection of American interests abroad, are the functions of a minister, namely, the position to which Mrs. Mesta has been appointed.

Mr. President, what are her qualifications? So far as I know her only qualifications are those I have read. No, I think I should add—and I shall not read it in detail, unless the Senate desires it—that Time magazine points out something of her travels during her marriage to Mr. Mesta. I believe the writer in Time magazine says she was in Europe 22 times. I think that is a distinct asset in her favor. The writer tells about her experience in connection with the ranch in Arizona which she bought, but disposed of because she thought it was too lonely in that region. Also about her owning a home in Rhode Island. I think that was disposed of, as I recall. But, Mr. President, her various activities, such as her services upon charitable boards, regardless of how commendable they are, regardless of how praiseworthy they may be, do not, without further explanation, without further demonstration or certainly far more investigation than the Senate Foreign Relations Committee, with all due respect to that body, gave to it, demonstrate the qualification of Mrs. Mesta to act in this important capacity.

Mr. President, it would appear to me to be perfectly clear that the only consideration at least officially, which was given by the Foreign Relations Committee to Mrs. Mesta's nomination was the following:

The CHAIRMAN. At Senator GREEN'S insistence we will take up the nomination of Mrs. Perle Mesta. Is it your motion to confirm her?

Senator GREEN. I make that motion; yes.

The CHAIRMAN. All in favor of the nomination of Mrs. Mesta will say "Aye." Opposed, "No." She is confirmed, Senator GREEN, as Envoy Extraordinary and Minister Plenipotentiary to Luxemburg.

Then follows the inquiry by the Senator from Massachusetts [Mr. LODGE], as follows:

Have we ever had an Envoy Extraordinary and Minister Plenipotentiary to Luxemburg?

To which the chairman answered:

I do not think so. Usually the Ambassador to Belgium handled that.

Then follows the observation by the chairman of the Committee on Foreign Relations:

Let the clerk note particularly that we had a quorum present.

I would say that that does not to my mind demonstrate the possession of sufficient qualifications to justify the confirmation of the nomination of this lady.

Mr. Presdent, the Senate will doubtless recall that the senior Senator from Maine [Mr. BREWSTER] on June 24 spoke with respect to Mrs. Mesta. His observations are to be found at page 8291. He gave his opinion with respect to her. The senior Senator from North Dakota [Mr. LANGER] likewise made some observations. The Senator from North Dakota said:

Mr. LANGER. I am delighted at the attitude taken by the distinguished Senator from Maine. I might say that Mrs. Mesta comes from the western section of the country. She lived for a long time in the State of Oklahoma. She is a very democratic woman. Not only that, but I think she is perhaps as well acquainted with people who have come to the United States from foreign countries, and have been the guests of our Government, as perhaps any woman in the United States. I am delighted at the attitude of the Senator, and I hope Mrs. Mesta's nomination will be confirmed by the unanimous vote of the Senate, as I believe it should be.

I am not unmindful of these comments made by the two distinguished and highly regarded Members of this body. Yet, Mr. President, I for one am not yet convinced that it has been demonstrated to this body—which has some responsibility in the matter—that she possesses the appropriate qualifications.

The Congress of the United States has given considerable study within the past few years to the subject of Foreign Service. Have we forgotten—I take it we have not—the fact that in 1946 we passed the Foreign Service Act of 1946, an act to improve, strengthen, and expand the Foreign Service of the United States, and to consolidate and revise the laws relating to its administration? We are all familiar at least with the general purposes of that legislation. I invite attention at this time to the following statement in the official bulletin from which I read a few moments ago, The Foreign Service of the United States, dated January 1, 1947. At page 6 this sentence appears:

In accordance with international practice the United States accredits diplomatic representatives to countries with which it maintains friendly relations. These representatives bear the title of Ambassador or Minister. In diplomatic language the Ambassador or Minister is termed to be on a mission, and is therefore referred to as chief of mission. Ambassadors and Ministers are appointed by the President by and with the advice and consent of the Senate, some being career members of the Foreign Service and others appointed from private life. In January 1947—

This was only a few months after the passage of the act of 1946—

about 60 percent of the Ambassadors and Ministers were appointed from the career Foreign Service.

Mr. President, I have made some investigation as to what is the present situation in our diplomatic service, and I find that as of today, July 5, 1949, we have 13 Ministers—to Austria, Bulgaria, Finland, Hungary, Iceland, Ireland, Lebanon, Nepal, New Zealand, Rumania, Switzerland, Syria, and Yemen. I find that of the 13 Ministers—and that is all we have at this time—all but one man, George A. Garrett, who is Minister to Ireland, and Robert M. Scotten, who is the Minister to New Zealand, are Foreign Service officers of the class of career minister. Mr. Scotten, one of the two men to whom I have referred, had been a career minister, and had retired as such on August 31, 1947. After a period of a few months he was appointed Minister to New Zealand on December 22, 1947. He served in the Foreign Service since 1916, except for the 4 months' period to which I have referred. Therefore, of the 13 Ministers we now have, to be joined by this fourteenth one, whoever he may be—only one of them had not been a career officer. Obviously the service of such men as Mr. Scotten and of others whose names are doubtless known to Members of the Senate would indicate something of their capacity.

Mr. President, I have referred to the question of qualifications. I have referred to the fact that the percentage of Ministers today who are career officers indicates the desirability and importance of their being well qualified. I have referred to the fact that the Congress itself, by the passage of the Foreign Service Act of 1946, indicated its own opinion to that effect.

Let me say something about Luxemburg. Someone may say, "Luxemburg is only a small place, no larger than some of the counties in the United States." That is true; and yet Luxemburg has had a most distinguished history. It occupies an important position in Europe. It is one of the Benelux countries, as we know. The Benelux countries are Belgium, the Netherlands, and Luxemburg. The "lux" in the word "Benelux" is derived from Luxemburg. It is one of the signatories to the United Nations Charter. It is one of the 12 signatories to the Atlantic Charter, which we have been debating.

I have upon my desk this afternoon a bulletin issued from Luxemburg for February and April. It covers the period from February to April 1949. Members of the Senate will find it exceedingly interesting to read more of it than I shall this afternoon trespass upon the time of the Senate to read. Let me read merely a sentence or two, indicating the importance of Luxemburg in western Europe, as recognized by Great Britain. Great Britain has just had the privilege of designating a minister to Luxemburg, which

she did only a few months ago. We are about to designate a minister to Luxemburg. Previously Belgium had been the conduit through which our international diplomatic relations were handled with respect to Luxemburg. Our relations to and business with Luxemburg were in a sort of side-pocket of the Belgian Ministry. This is what the Luxemburg bulletin itself says:

Luxemburg's increasing importance in western Europe was reflected in the appointment in January of the first British Minister Plenipotentiary and Envoy Extraordinary to the Grand Duchy.

That title is precisely the title—except for the reversal of the order of the words—of the office to which Mrs. Mesta has been appointed.

Continuing, the bulletin says:

The new Minister is Mr. G. C. Allchin; he entered the consular service in 1919—

I call attention to the fact that he is not a newcomer. He has been in the consular service for 30 years—

he entered the consular service in 1919 and became head of the Foreign Office Consular Department in 1943. Mr. Allchin is 53 and served with distinction in the First World War when he won the Military Cross. In 1947 he was promoted to be a Foreign Service officer.

So great Britain, close at hand to Luxemburg, knowing something first-hand about that country—perhaps something more than many of us may know—has realized the importance and the propriety of designating as its first Minister Plenipotentiary and Envoy Extraordinary to the Grand Duchy of Luxemburg a man who has been in the Foreign Service for 30 years, having become head of the Foreign Service Consular Department in 1943.

Mr. President, I desire to take only a very few minutes further of the time of the Senate. I wish to call attention to what I consider to be an extremely important situation. Perhaps before mentioning that I should say a word or two further about Luxemburg. It has been the pleasure of some of us to know some of the representatives from Luxemburg. I want it distinctly understood, and I wish to make it perfectly clear, that nothing I have said today is in any sense derived from any representative of Luxemburg. So far as I know, no one connected with the diplomatic or any other service in Luxemburg, or any of its officers, had even the slightest intimation that I was about to make this presentation here today. The distinguished Minister, M. Gallais, and his wife have been most hospitable to my wife and myself in Washington. I know them and have a very high regard for them. But I wish to make it clear that they have nothing to do with what I am saying here today. This comes solely from myself.

It is true that Luxemburg is a small place. Yet Luxemburg is an important place. I shall not go into all the ramifications of its history. I shall not take time to develop what I might develop with respect to some of its industries. The iron and steel industry is the greatest industry of that particular community. I noted this morning in the World Almanac for this year a comment upon the very large iron and steel industry of that country. It is strategically placed. It has interests in treaties such as the Aviation Treaty and the Intercommunications Treaty. As I have indicated, it is a member of various organizations such as Benelux and the United Nations, and it is one of the signers of the Atlantic Treaty.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. GREEN. As I understand the Senator's argument on this particular point, it is that it is important to send there someone who understands the business of Luxemburg. Otherwise there would be no occasion to refer to it. The Senator has emphasized the fact that the iron and steel business is the largest business there. I will ask the Senator to refer to the memorandum which he first mentioned and see what Mrs. Mesta's associations in business have been. As a matter of fact, when her husband died, he was the head of the great Mesta Machine Tool Co. of Pittsburgh. Mrs. Mesta undertook to manage it, and made a success of it. If there is any business about which she knows thoroughly, it is that very business. Does not the Senator regard that as a qualification for this particular appointment, in view of the emphasis he has placed upon the fact that the iron and steel business is the largest business of the country to which we are sending this Minister?

Mr. DONNELL. Mr. President, I am very glad the Senator has mentioned that; and I think her participation in that business, whatever it was, undoubtedly is an asset in her favor. How much of a participation she had in it I do not know. The Senator has indicated that she managed it.

Mr. GREEN. When her husband died, she undertook the management of it. If the Senator from Missouri will read the memorandum which he presented earlier, he will see that she is there registered as a director of it.

Mr. DONNELL. Yes. All the memorandum says on this subject is "former member of the board of the Mesta Machine Tool Co., Pittsburgh."

Mr. GREEN. That is correct.

Mr. DONNELL. I do not know whether she was the manager of it. She may have been; I do not know.

Mr. GREEN. The fact that she was a director of it is rather unusual for a woman, is it not?

Mr. DONNELL. I do not know. If a woman inherits the ownership of a company, I see nothing particularly unusual in her being placed on the board. She may have managed it; I do not know. However, not a word to that effect is stated in the memorandum.

Mr. GREEN. But she has made a great success of it.

Mr. DONNELL. She may have; I do not know whether she has done so or not.

Mr. GREEN. That is the trouble with the Senator's argument. He admits some things and asks questions about others.

Mr. DONNELL. Mr. President, I submit that the Senate is entitled to have some information of an affirmative nature regarding appointees. I have found that no investigation was made by the Foreign Relations Committee, and thus far I have not developed on the floor of the Senate anything which to my mind justifies our voting for the lady who has been nominated.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. GREEN. I think that point was answered by me, when I drew attention to the fact that there was plenty of opportunity for inquiry after the President submitted the nomination. If the Senator from Missouri was in the Senate at that time, he must have heard it; or, if not, he must have read it in the CONGRESSIONAL RECORD.

The committee to which the nomination was referred waited a considerable time. There was plenty of opportunity for anyone who opposed the nomination to appear and ask questions. If questions had been asked, customarily the committee would appoint a subcommittee to investigate the matter and report the facts relative to it. But there was no suggestion from any source that there was any objection.

It is most unusual to try to conduct an investigation of such a matter on the floor of the Senate, as the Senator from Missouri has been doing today, and then to argue that the questions he asks now have not been answered, when they have not been asked before.

Mr. DONNELL. Mr. President, I desire to close with these observations:

To my mind, it is important that the appointments to offices of this kind should not be made on either a political basis or a basis of friendship or a basis of the ability to extend hospitality. I do not think any one of those should be controlling.

The article in Time magazine is here, and any Senator who wishes to read it can do so. I do not wish to read all of it to the Senate. However, I should like to read a sentence or two from it. In the article Mrs. Mesta is spoken of rather familiarly, by the use of her first name, and then it is said that she—

admits that the duties of unofficial hostess to the President are heavy. "I have to know exactly what's on his mind and what he thinks of people all the time," she explains.

This purports to be quoted:

"I know, too. I don't have to call him and ask."

And so forth. I shall not go into that matter further.

But all the facts shown here do not, to my mind, demonstrate affirmatively that the nomination should be confirmed. I think we are entitled to have that demonstrated affirmatively by a committee which reports on the matter and recommends that we confirm this lady. Certainly I think we are entitled to have some basis of determining that the committee's recommendation is or is not well founded.

Mr. President, by the act of 1906, reform in the diplomatic service was sought; and today in the case of all 13 of

the ministers we have, there is only one who is not a career officer.

So I think it is unfortunate that at this time we take a step backward by having in a position of such importance as this one a person who is not affirmatively demonstrated to be the possessor of the appropriate qualifications.

Mr. Childs, in the book from which I have quoted, discusses at the outset the evolution of the Foreign Service. He says:

The first 40 years of the Republic are, somewhat sentimentally, called the Golden Age of American diplomacy.

I take it that those are the years from 1779 to 1819.

Then he says:

The next 90 years—

Until approximately 1909—

might, with equal propriety, be called the Dark Age.

Then he proceeds to elaborate somewhat on that. Then he says:

Representation abroad, being outside the focus of public attention, fell prey to the spoils system even more easily than did domestic offices. "In a nutshell," wrote Theodore Roosevelt, "the spoils or patronage theory, is that public office is primarily designed for partisan plunder. The diplomatic and consular posts abroad became, in effect, part of the sublegal machinery of election. They were awarded in repayment for campaign contributions and the delivery of blocks of votes. Under such circumstances, overseas representatives of integrity and ability—such as Consul Nathaniel Hawthorne, at Liverpool—were the rare exceptions.

The diplomatic posts—

I call attention to this, which I think is the concluding sentence from the quotation from Mr. Childs' book—

were usually given to generous contributors and powerful politicians who wanted to enhance their prestige and satisfy the social ambitions of their wives.

Mr. President, I do not think we should follow any plan which even remotely reverts to that condition.

I call attention to the Executive order of President Theodore Roosevelt of June 1906, which provided that appointments to the lower grades could be made only after examination. Promotion thereafter was to be made only on the basis of ability and efficiency in the executive service.

Mr. Childs says, in quoting the Executive order by President Theodore Roosevelt:

The spoils system of making appointments to and removal from office is so wholly and unmixedly evil; is so emphatically un-American and undemocratic, and is so potent a force for degradation in our public life, that it is difficult to believe that any intelligent man of ordinary decency who has looked into the subject can be its advocate.

As a matter of fact, the arguments in favor of the "merit system" and against the "spoils system" are not only convincing, but they are absolutely unanswerable.

Mr. President, I respectfully submit that in my opinion in this case there is no evidence before the Senate which justifies an affirmative vote for the confirmation of the nomination of Mrs. Mesta.

Mr. TOBEY. Mr. President, I shall vote for confirmation of the distinguished nominee, Mrs. Mesta, if you please, as Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Luxemburg.

I look upon this as a gem of an appointment, for is not the lady a "Perle" in reality?

I point out that she is nominated to be Minister Plenipotentiary. To the Latin scholars of old the word "pleni" comes from "plenus," which means "full." Mrs. Mesta's life has been full of acts of hospitality and generosity, and she has been hostess at many banquets from which Senators have come very full of the good products of the fields and vineyards and of mirth and merriment.

Now there is some criticism of the nomination because the nominee has not come before the Foreign Relations Committee. She has not come before the committee, but the Senators have come before Perle Mesta, many and many a time, in these great feasts of the intellect and the palate, and many Senators have had ample opportunity to learn first hand of her qualities of mind and heart and her understanding of men and issues. And so I hope her nomination will be confirmed. I know there are in Luxemburg many men and women looking forward to the great day when she will arrive, to add her generosity, her largess, and her hospitality, and to radiate the good influence she has radiated here in Washington. If there were 50,000,000 Frenchmen who could become the beneficiaries of her largess and hospitality, I think I can hear the cry that would well up from the hearts of everyone there, who cry out in unison "C'est magnifique!"

Mr. MURRAY. Mr. President, I am surprised that the distinguished Senator from Missouri, with his usual candor and fairness, has failed to point out the splendid commendation of Mrs. Mesta the Senator from Maine [Mr. BREWSTER] made here a few days ago.

Mr. DONNELL. Mr. President, I referred to that. I have it upon my desk. I referred to it.

Mr. MURRAY. The Senator referred to it, but he did not state what the Senator from Maine had said in favor of this appointment. It seems to me that what the Senator from Maine said is important for us to consider in connection with this matter at this time, and I should like to call attention to his remarks. He pointed out in his remarks in the Senate:

That is the case of the recent nomination of Mrs. Mesta to represent this country in the Duchy of Luxemburg. Some question has been raised regarding her qualifications for that position. As a life-long advocate of the rights of women to participation in political affairs, it has been profoundly gratifying to me and, I know, to many on this side of the Chamber, to see the extent to which women are moving into the affairs of government and receiving some measure of recognition, however belated, to which they are entitled by the contribution which they can so obviously make. We have been delighted this year to welcome into our own ranks, on this side of the Chamber, a woman, a representative not merely of the State of Maine, but one who has also gained the confidence of the country in her short service in the Congress as a representative of American womanhood; and it is a matter of profound gratification that on the other side of the aisle, in the administration, more and more women are coming to be recognized as capable of serving in more and more responsible positions.

It is for this reason, speaking not only because of my association with my colleague, but as one who for a great many years has advocated this further recognition, that I think the designation of Mrs. Mesta is one which may be very happily received. This is not a result of her social activities in Washington, which have been very generously referred to, but in my own experience I have had contacts with her in many of her charitable and church activities over a considerable period, so I think I speak with certain knowledge.

I spoke here some time ago regarding the nomination of Louis Johnson, who, it was alleged, was nominated primarily because he had raised Democratic campaign funds. I said I did not think that was any disqualification. I do not believe the fact that a man or a woman takes a keen interest in the activities of political parties and in the raising of political funds disqualifies him or her from participating in the Government. I wish to say about Mrs. Mesta what I said regarding Louis Johnson. As vice chairman of the campaign fund-raising committee I understand she did yeoman work, for which she was well qualified. I do not think that disqualifies her for other recognition.

* * * * * *

I think it would be well for the society gossip columns of Washington to pause for a moment in the discussion of her talents as a hostess and point out perhaps some of the other activities of her distinguished career which I think are well worthy of attention. I would say that one qualification which should commend her as a Minister to Europe is that she is, I think, one of the few people in this country, men or women, who, having received a substantial fortune some 25 years ago, retains that fortune today. I think any woman or man who has demonstrated capacity to survive all the depressions of the past, and to be ready to go forward if we are to have a depression in the future, must have something besides the capacity to act as a gracious host or hostess. On that one consideration alone, I do not think America is likely to lose its shirt as a result of Mrs. Mesta representing us in Europe, and that I cannot say of all the diplomats we have sent abroad. I am glad we are sending that kind of a person abroad to represent us, someone who in her own right has demonstrated competence to care for the responsibility entrusted to her.

Moreover, Mrs. Mesta has also been conspicuous both in her charitable and church activities, demonstrating qualities which indicate that she will be neither a dipsomaniac nor senile, and that is more than we can say of many of those whom we have in the past entrusted with the responsibility of representing us abroad.

I fear that even in the present we could not boast of having an entirely clean slate. I shall not particularize, but I think it is appropriate to ask the defenders of masculine splendor and glory to contemplate a few of the representatives we have abroad wearing pants before they say too much about Mrs. Mesta and her capacity worthily to represent this country in the Duchy of Luxemburg at this time.

It seems to me, Mr. President, that that commendation by the distinguished Senator from Maine, who is chairman of the National Republican Senatorial Committee, should be very carefully considered at this time. It seems to me the Senator from Missouri is working in opposition to the chairman of the National

Republican Senatorial Committee. The Senator from Maine I think has covered the situation very clearly. He points out that this woman is really highly qualified for the position. I do not think that anything the Senator from Missouri has said has any contrary effect on me, and I am sure it has not, on any of the other Senators who have been listening to the debate today.

The Duchy of Luxemburg, as has been pointed out, is a small country. It has a population only about half that of the State of Montana. I do not understand that it is an industrial country. It has mines and farms. I am not trying disparage the Duchy of Luxemburg; I am not trying to belittle it; but I do say this woman is highly qualified to represent our country in that state in Europe. I suggest that her nomination be confirmed.

Mr. CONNALLY. Mr. President, the Senator from Missouri made a number of references to the Committee on Foreign Relations, and its assumed, I suppose, negligence and indifference to this nomination. I wish to say to the Senator from Missouri that this nomination was investigated first, I assume, before it even went to the President, by the Department of State. Mrs. Mesta is quite a prominent figure. She is not unknown. I am sure she is not unknown to the Senator from Missouri. Then, the President himself, before sending the nomination to the Senate, investigated. From his knowledge, he already had rather comprehensive information about Mrs. Mesta. The biographical sketch which the Senator from Missouri presented showed that she had had experience in business. After the death of her husband, she was prominent in the affairs of the business in which he was largely interested, and whose resources apparently have been preserved even unto this time. Smooth slickers have not been able to induce her to give up her stocks and bonds because of roseate promises with respect to what lies over the hill in a greener land. She has still retained them.

Mr. President, the Committee on Foreign Relations is a responsible committee. A number of distinguished Republicans are members of the committee. They are able. They are attentive to the affairs of the committee. They are regular in their attendance. They render the country very eminent service. No member of the Republican minority raised any objection to the confirmation. The Senator from Missouri was perfectly at liberty to consult those members before the nomination came up. With his ordinary zeal, he should have been able to find their offices. He should have been able to know where they sit in the Senate. He should have been able to get their telephone numbers from the book. If he had complaints against Mrs. Mesta, why did he not make them known to members of the committee, rather than wait until this late hour, to break forth in a great tirade against the lady, at the same time bragging about how he thinks women ought to have recognition in government.

The Senator from Missouri further complains that 14 out of 15 ministers in Europe, I believe he said, were career men. Career men are all right in their places, but I may say to the Senator that I do not favor having the whole Foreign Service of the United States dominated by career men. Career men enter the service as clerks, and keep stepping up and up, making a lifetime of it. Mr. President, they get into ruts. They often fall into the habit of treating matters in a purely routine manner. If one visits abroad, especially in peace time, and goes into the Embassies and the Consulates, he will observe that, wherever he goes, it is the same old story. There is a routine. The career man says, "I have to go. We have tea at 4 o'clock. I am sorry, but I must go to tea." They nearly all wear the same kind of clothes. They do the purely routine things over and over again. Their minds have little grooves in them, so that they repeatedly do the same things in the same way. I rather favor bringing some fresh air from the outside, some new strength, some strong men from industry, strong men who have distinguished themselves at the bar, businessmen, men from the school room, from colleges and universities, rather than simply placing the entire Foreign Service in charge of a few professionals who are in it for the profession's sake. They are in the service because they have a living there. They have been having a living, and they want to keep on living. I should like to see in the Foreign Service a few men who are there because they desire to render high service, because they want to contribute something to the peace of the world and to the welfare of the world, men with an enlarged view, men like Myron Taylor——

Mr. MURRAY. And like Andrew Mellon?

Mr. CONNALLY. Andrew Mellon was an ambassador for a short time only. John W. Davis is another able man. There have been great numbers of them in the past. I should rather have in our Foreign Service a few men of that kind than simply to call the roll of the many men who have been in the service ever since they could break out of college and go to the Foreign Service School here at Georgetown, subject themselves to an investigation, pass an examination, and get a commission. From then on they are on the pay roll for the rest of their lives. They have nothing to do except to read little bulletins from the Foreign Service School and to keep up on protocol, so that they will know when to say, "Do not go ahead. This man comes ahead of you. Do not do that."

That is the kind of person the Senator from Missouri would have dominating and controlling our Foreign Service.

Luxemburg is an important country. I had the pleasure of being there on one occasion. I do not like to differ with the Senator from Montana, but the country is somewhat industrialized. It has a steel and iron industry——

Mr. MURRAY. It is very small, however, and it is owned by the steel cartel of Germany.

Mr. CONNALLY. It is there. I do not care who owns it. It is in Luxemburg, and we have to deal with it through Luxemburg. Luxemburg is in the heart of Europe. How it has ever survived I do not understand, unless it has some clever diplomats and some smart rulers.

Let me say another thing to the Senator from Missouri. Luxemburg is what is called a Grand Duchy. Its ruler is a Grand Duchess, a female—a woman, if you please. Would it be so much out of harmony with the concept of women in government if we should send a minister to the Grand Duchess who was also a woman?

The Senator from Missouri wants a man with striped breeches, and a silk hat, perhaps. But, Mr. President, the record, so far as I know it, is that Mrs. Mesta is a woman of high character, and possesses a great deal of business experience, grace, and ability to get along with people. It is said that she entertains. That is what career men do, so she has at least that qualification. She will have contacts with diplomats of other nations. and with the Grand Duchess. It is no discredit to her that she meets people without offending them, that she can get along with them, and that she can extend hospitality.

So, Mr. President, that is all there is to the issue. The Senate Committee on Foreign Relations, by a unanimous vote of all Senators present—and there was a quorum—recommended confirmation. There was no objection by any Senator, Democrat or Republican, to the nomination of Mrs. Mesta. The Senator from Missouri was not present, or, if he was, he was under the table and we did not know he was there. He sent no message or note; he sent no telephone call; he asked no Republican or Democrat to oppose the nomination. Under those circumstances, it seems to me that the lady's nomination should be confirmed.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of Mrs. Mesta as Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Luxemburg? [Putting the question.]

The nomination was confirmed.

The VICE PRESIDENT. The President will be immediately notified of the confirmation.

There are additional nominations on the Executive Calendar, which will be stated.

DEPARTMENT OF THE TREASURY

The legislative clerk read the nomination of Harlan T. Chapman, of Ohio, to be Assistant Register of the Treasury.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of Harry M. Durning, of New York, to be collector of customs in customs collection district No. 10, with headquarters at New York, N. Y.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

That concludes the call of the Executive Calendar; and, without objection, the President will be notified of all nominations confirmed this day.

NOMINATION OF JESS LARSON TO BE ADMINISTRATOR OF GENERAL SERVICES

Mr. McCLELLAN. Mr. President, from the Committee on Expenditures in the Executive Departments I report favorably the nomination of Jess Larson to be Administrator of General Services, and I ask unanimous consent for its consideration and confirmation. The nomination was ordered reported by the committee unanimously, and, if there be no objection, I should like to have the nomination confirmed.

Mr. WHERRY. Reserving the right to object, let me say that no one knows Jess Larson any better than I do. Is there any particular reason why the nomination should not be referred to the calendar, and be acted upon tomorrow?

Mr. McCLELLAN. There is no definite reason why it cannot be; but since there is no objection, I cannot see why, while we are in executive session, we should not confirm the nomination today.

Mr. WHERRY. I shall not object if the Senator from Arkansas insists upon presenting the matter today, but I respectfully suggest that all nominations should run the regular course and should be presented for the consideration of the Senate after they have been on the calendar for 1 day. But if the Senator insists, I shall not object.

Mr. McCLELLAN. Mr. President, I do not like to insist. I shall regard the statement of the Senator from Nebraska as an objection and shall let the matter take its regular course.

The VICE PRESIDENT. The nomination will be placed on the calendar.

ORDER OF BUSINESS

Mr. LUCAS. Mr. President, I understand that tomorrow the distinguished Senator from Michigan [Mr. VANDENBERG] will address the Senate with reference to the North Atlantic Treaty. I do not know how long it will take or how long the Senate will be engaged in debate after the Senator finishes his address. But if we should finish at approximately 2 o'clock or 2:30 o'clock, and if there are no appropriation bills to be considered, we can proceed to the call of the calendar, beginning with Order No. 514. The calendar was last called on June 21, and a number of Senators have requested that I bring up the consideration of the calendar as soon as possible.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CONNALLY. Mr. President, I hope the Senate can proceed with the debate rapidly. The Senator from Michigan will address the Senate tomorrow for probably an hour and a half or 2 hours. By 2 o'clock the opponents of the treaty should begin to debate it. If they have anything to say against it, they should advance it. I think it is of the highest importance that when we begin we should go through to a conclusion. If we follow any other course we shall create the impression in other nations that we are indifferent about the matter. So I hope the Senator will postpone the call of the calendar at least for a day and give other Senators, who are in opposition to the treaty, an opportunity to show their hands.

Mr. LUCAS. Mr. President, I wholeheartedly agree with the Senator from Texas. I had hoped that some one or more of the Senators in opposition to the treaty might speak today and that the afternoon might have been concluded without the consideration of other business. However, in the event that no Senator desires to speak, tomorrow following the address of the able Senator from Michigan I should dislike very much to take a recess at 2:30 o'clock in the afternoon.

Mr. CONNALLY. Mr. President, will the Senator yield further?

Mr. LUCAS. I yield.

Mr. CONNALLY. We can avoid that. All we have to do is to call the roll, and if Senators are not ready to speak, we can take a vote on the treaty. Give them a chance to be heard, but if they do not want to be heard, we can have a vote.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I agree with the Senator from Texas that we should expedite the debate on the North Atlantic Treaty. That is the unfinished business before the Senate. On the other hand, it is a tremendously important matter. I am satisfied that the distinguished chairman of the Foreign Relations Committee does not mean that by tomorrow we should start to vote on the ratification of the treaty if some Senators are not ready to continue to debate the issue. I agree that we should expedite the treaty; but I feel that, after the distinguished Senator from Michigan has concluded his address, it would be in order, if the opponents are not ready to debate the issue, to carry it over until at least the next day in order to give them time not only to read the RECORD, but to digest what has been said by the distinguished chairman of the committee and the distinguished ranking minority member of the committee. It is a big subject, and it certainly should be given the attention it deserves, and the roll should not be called because we have not anything else to do for the remainder of the afternoon.

Mr. CONNALLY. Mr. President, will the Senator from Illinois yield further?

Mr. LUCAS. I yield.

Mr. CONNALLY. The Senator from Nebraska refers to Senators having time to prepare. The treaty has been before the Committee on Foreign Relations for a long time, we had extensive hearings, and the hearings have all been printed. The committee made a full report, which has been published and placed on the desk of every Senator. We have been diligent in pushing the matter. We certainly should not be expected to wait indefinitely while a Senator is getting ready to debate the treaty.

Mr. WHERRY. Mr. President, will the Senator from Illinois yield so that I may respond to the Senator from Texas?

Mr. LUCAS. I yield.

Mr. WHERRY. It is true that the Committee on Foreign Relations has had the treaty before it for months, but the Senate has had it under consideration 1 day, and tomorrow will be the second day. It is not unreasonable for the minority leader to suggest that Senators have at least 1 day to prepare themselves to start debate in opposition. I am not an opponent, I am open minded. I want to be informed on the treaty, I want to hear the discussion not only of the opponents, but of the proponents.

I should like to ask the majority leader a question. In the event the distinguished majority leader finds it necessary to fill out the afternoon with a call of the calendar after the Senator from Michigan shall have concluded, is it the intention to start with Calendar No. 514?

Mr. LUCAS. It is my sincere hope that some Senator will be prepared to discuss the treaty, because that is the pending business, and I am in complete agreement with the Senator from Texas that we should do everything we can to expedite the debate on this extremely important measure. Those who oppose the treaty should try to be ready to debate the issue when the Senator from Michigan concludes. I was only attempting to make provision for a contingency which might arise in the event no Senators were ready to debate the treaty. If Senators are not prepared to discuss the treaty we will call the calendar starting with Order of Business No. 514.

Mr. WHERRY. The unanimous-consent request is that if the calendar is called, it will be called beginning at Order of Business 514?

The VICE PRESIDENT. No unanimous-consent request has been presented. The Senator from Illinois has been merely advising the Senate.

Mr. LUCAS. I shall make the request tomorrow. There are Senators who wish to discuss a couple of other bills on the calendar, and they can do that tomorrow. I doubt that objection will be made in the event a request is made to return to them if the consideration of the bills does not take too long. They are bills which have been objected to, but I understand the Senators who objected are withdrawing their objections. I have no objection to going back on the calendar to consider them, if they do not lead to too much debate, because the more measures we can remove from the calendar, the better progress we shall make.

Mr. WHERRY. I wish to join with the distinguished majority leader, and with the chairman of the Committee on Foreign Relations, in asserting that I, too, think we should expedite the pact as much as possible. I merely desired to indicate that I did not think any Senator should be cut off from debate, because we have had the pact before us for only 1 day. There will be no disposition on my part in any way whatsoever to delay the debate on the pact, or to have any other proposal made the temporary business of the Senate, setting the pact aside. But if those who are getting ready to debate the pact are not ready by tomorrow afternoon, I do not think there should be a roll call and they should be cut off from further debate.

Mr. CONNALLY. Mr. President, I did not mean to charge that there was a deliberate effort to postpone by Senators stating they were not ready, but there is always a disposition to put off until tomorrow what we do not want to do today. Sometimes one who is getting ready to

debate a subject will say, "I will wait until tomorrow. I may think of something in the meantime, I may have a dream, or see someone who will give me a point."

Mr. WHERRY. The Senator knows that is not my feeling.

Mr. CONNALLY. No; but now that we have put our hands to the plow, we should go through with the debate without unnecessary delay. I plead with Senators to follow that course.

RECESS

Mr. LUCAS. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 4 minutes p. m.) the Senate, in executive session, took a recess until tomorrow, Wednesday, July 6, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 5 (legislative day of June 2), 1949:

IN THE MARINE CORPS

The below-named officer for appointment to the temporary grade of brigadier general in the Marine Corps:

John Halla

The following-named officer for appointment to the permanent grade of major for limited duty in the Marine Corps:

Dorn E. Arnold

The following-named officers for appointment to the permanent grade of captain for limited duty in the Marine Corps:

Harvey W. Gagner

Albert N. Bailey

The following-named officers for appointment to the permanent grade of first lieutenant for limited duty in the Marine Corps:

Conrad J. Morgan

Robert J. Greenway

"J" "B" Powell

The following-named officer for appointment to the permanent grade of second lieutenant for limited duty in the Marine Corps:

Richard O. Ely

The following-named enlisted man for appointment to the permanent grade of second lieutenant for limited duty in the Marine Corps:

Herbert E. McNabb

CONFIRMATIONS

Executive nominations confirmed by the Senate July 5 (legislative day of June 2), 1949:

DIPLOMATIC AND FOREIGN SERVICE

Mrs. Perle Mesta to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Luxemburg.

DEPARTMENT OF THE TREASURY

Harlan T. Chapman to be the Assistant Register of the Treasury.

COLLECTOR OF CUSTOMS

Harry M. Durning to be collector of customs for customs collection district No. 10, with headquarters at New York, N. Y.

# HOUSE OF REPRESENTATIVES

## TUESDAY, JULY 5, 1949

The House met at 12 o'clock noon in the Ways and Means Committee room in the New House Office Building.

Rev. Robert Boggs, S. J., New Orleans, La., offered the following prayer:

Oh, God our Father, who watches over and guides the nations who seek Thy aid, grant help to us who begin our one hundred and seventy-fourth year of independence, that we may have that same trust in You that enlightened the founders of our Nation. May Your strong right hand guide this governing body, that they may decree what is good, legislate what is helpful for all, and execute according to Thy demands. Amen.

The Journal of the proceedings of Friday, July 1, 1949, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On June 30, 1949:

H. R. 1136. An act for the relief of June C. Dollar;

H. R. 2989. An act to incorporate the Virgin Islands Corporation, and for other purposes;

H. R. 3083. An act making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 3088. An act to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes;

H. R. 4754. An act to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes;

H. R. 5044. An act to continue for a temporary period certain powers, authority, and discretion in respect to tin and tin products conferred upon the President by the Second Decontrol Act of 1947, and for other purposes; and

H. J. Res. 284. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes.

On July 1, 1949:

H. R. 5240. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products.

On July 2, 1949:

H. R. 750. An act for the relief of Lee F. Bertuccioli;

H. R. 2709. An act for the relief of Sadae Aoki; and

H. R. 3458. An act for the relief of Celeste Iris Maeda.

EXTENSION OF REMARKS

Mr. McGREGOR asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper editorial.

HON. PAUL BROWN

Mr. CAMP. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CAMP. Mr. Speaker, I wish to announce an anniversary today which I think will be of interest to every Member.

Sixteen years ago today Hon. PAUL BROWN was elected to this body as a Representative from the Tenth District of Georgia.

Since that day the gentleman from Georgia has not missed a single roll call, nor has he even been absent from a meeting of his committee. I think that is a record probably unequaled in the history of the House. The only day that he has not spent in the House when it was in session during the 16 years of his service here was the day of the funeral of his only son, Lt. Robert T. Brown, who gave his life in the Navy during the late war. The House is familiar with the character of the service PAUL BROWN has rendered.

There is no more conscientious, no more able Representative in this body, and I know you will rejoice with us Georgians on the anniversary of PAUL BROWN'S service, and wish for him many more years of service here.

Mr. PATMAN. Mr. Speaker, 16 years is a long time to serve in any capacity in our country. It is a long time to serve in Congress and it certainly is a long time to serve in Congress and never have missed one single roll call. That is the record of our distinguished and able friend the Honorable PAUL BROWN.

The past 12 years I have served with PAUL BROWN on the Banking and Currency Committee, and all during the time he has been a member of that committee he has never missed a roll call of the committee. This is a very unusual record for a Member of Congress.

PAUL BROWN is one of the most conscientious men I have ever known. I do not know of anyone who goes to more trouble to find out exactly how to vote on a measure which will affect his people than he does. I suspect if his record were examined and compared with records of other Members of Congress, I doubt that anyone would have a record during the time that he has served here that is equal to this distinguished gentleman. Our Congress has been stronger during the time he has served and our Banking and Currency Committee has been stronger during the time he has served on that committee by reason of his service.

I express the hope that he will continue to render such fine and able service for many, many years to come. His constituents are very fortunate in having PAUL BROWN as their Congressman.

SPECIAL ORDER GRANTED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today following the special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. WHEELER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the RECORD in three instances, and in one instance to include an address by Robert M. Hutchins, chancelor of the University of Chicago.

Mr. PASSMAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Atlanta Journal.

Mr. WALTER asked and was given permission to extend his own remarks in the RECORD.

Mr. DAVIS of Tennessee asked and was given permission to extend his remarks in the RECORD in three instances and in each to include extraneous matter.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

Mr. LUCAS asked and was given permission to extend his remarks in the RECORD and include an article from the Atlantic Monthly, June issue, on the tidelands and oil, by Robert E. Hardwicke, of Fort Worth, Tex., notwithstanding the fact that it exceeds the limit fixed by the Joint Committee on Printing and is estimated by the Public Printer to cost $168.75.

Mr. REED of Illinois asked and was given permission to extend his remarks in the RECORD and include an address by President Franklin Snyder, of Northwestern University.

Mr. ANGELL asked and was given permission to extend his remarks in the Appendix of the RECORD in six instances, in each to include extraneous matter.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article by Joseph D. Henderson, of New Orleans, entitled "Minding Your Own Business."

PERMISSION TO ADDRESS THE HOUSE

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. ARENDS addressed the House. His remarks appear in the Appendix.]

BALANCING THE BUDGET

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, we have moved into new quarters today, and I am hopeful that we are moving into a new atmosphere and a new desire on the part of the Members of Congress that we should balance the budget. We just saw the Eighty-first Congress run us in the red $1,811,000,000, June 30 just passed. It is a travesty to sound, sensible operation of our Government. The Eightieth Congress balanced the budget each year. It had billions to its credit. This deficit financing of the Eighty-first Congress cannot go on. We must economize in the operation of our affairs. This squandering administration cannot go on. There is no one more responsible than you Members of this House. It is your responsibility and your duty if we are going to keep a solvent Government, to cut down on spending, that will result in economy and and less taxes.

Let me read to you a statement by General Wood made to me in the form of a letter at my request after I heard him make the statement personally:

> The Army, Navy, and Marine Corps, during the last war were most extravagant and I believe that the Congress could now cut their appropriations three billion without interfering with the efficiency of any branch of the armed services.

That comes from General Wood, head of Sears, Roebuck & Co., of Chicago. If we can save this great sum in our armed forces we can save at least eight billion in operating our Government if I had my way.

One other move that could be made to save our country now would be to move out of Washington to our homes, as when Congress is in session it costs us too much, as all you do is spend, spend, and spend, give away, and appropriate.

EXTENSION OF REMARKS

Mr. LECOMPTE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a short editorial from the Prairie City (Iowa) News.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. MADDEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from Mrs. Wilma Young, of Hobart, Ind.

Mr. HILL asked and was given permission to extend his remarks in the Appendix of the RECORD and include a petition.

Mr. HOPE asked and was given permission to extend his remarks in the RECORD and include an address by Walter C. Berger.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. VELDE asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. BURDICK asked and was given permission to extend his remarks in the RECORD and include a notification in reference to grasshoppers in Wyoming, Montana, and the western Dakotas.

Mr. JENSEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a few facts about the record of the Republican Eightieth Congress.

Mr. POLK asked and was given permission to extend his remarks in the RECORD and include a resolution in reference to the Greenfield, Ohio, Sesquicentennial.

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include a statement on the Hungry Horse project.

TRASH FISH WATER FOR OLEO

Mr. DAVIS of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. DAVIS of Wisconsin. Mr. Speaker, on pages 85 and 86 of the January 1949 issue of United States Wild Life Service's publication, the Progressive Fish Culturist, there appears a reprint of an article from the July–August 1948 Utah Fish and Game Bulletin, entitled "New Industry in Utah Utilizes Trash Fish."

This article sets forth the information that the Utah Processing Co. has constructed a plant on the shores of Deer Creek Reservoir near Charleston, Utah, and has begun to process trash fish, such as carp, chubs, and suckers. The machinery of the plant consists of rotary steam cookers, presses, dryers, and grinders. The processed fish is used for feeding fish and poultry. Oils obtained are used for cosmetics, paints, and tempering of steel.

There is another interesting byproduct, and I quote directly from the referenced article:

> The water that is pressed from the fish is also of value. It is highly impregnated with vitamins, and is used in the manufacture of oleomargarine.

Mr. Speaker, I am sure that many of my colleagues, especially those from the Middle West, will be interested in this information. If this administration and this Congress persist in crippling our dairy industry, perhaps our farmers can go into the business of processing trash fish to supply the vitamins for oleo. Then, too, perhaps they can go into business making butter flavoring to be used in overcoming the trash fish taste of the product containing the trash fish water.

EXPANSION AND IMPROVEMENT OF RURAL TELEPHONE SERVICE

Mr. MAGEE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MAGEE. Mr. Speaker, on Thursday we will consider the so-called Poage bill which authorizes the REA to make loans for the expansion and improvement of rural telephone service. Over 55 percent of farm families in the United States are without this service. Fifty years ago, on the farm I now own, was a telephone. Now there is none. The situation is tragic and deplorable and is steadily growing worse.

I am distressed to learn that there is a move on among some of my Democratic colleagues to scuttle this bill. They would do this because the author has opposed many administration measures.

James A. Farley once said: "You never get anywhere in politics trying to get even."

Let us not legislate through hate and malice. Let us not cast votes on ill-will and spite. Let us not make decisions based on rancor, reciprocity, or ruthless, relentless retaliation. If you thrust the dagger of despair into the hopes and aspirations of millions of farm folks; if you are willing to toss your oath of office into the whirlpool of hate and vengeance; if you are willing to crucify

the many to cure the one, you are unworthy of the trust that has been imposed in you. Certainly no man can do justice to himself by doing an injustice to others.

HON. PAUL BROWN

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I desire to add my tribute to that paid the distinguished gentleman from Georgia, the Honorable PAUL BROWN. As a new member of the Committee on Banking and Currency of the House I have spent these last 6 months in the warm sunshine of the personality of the Honorable PAUL BROWN. I wish to say for all the new members of that committee that to us the Honorable PAUL BROWN has been a strength and an inspiration. His record of never having missed a roll call in the many years of his congressional service deserves the attention of the Nation. It should be heartening to men and women everywhere in our land to know of such fidelity to duty in the Congress of the people's representatives. The Honorable James Hamilton Lewis, of beloved memory among the men and women of Illinois, was born in the district now represented by the Honorable PAUL BROWN and was the close friend of the distinguished gentleman from Georgia whose congressional birthday we observe today. This is additional reason why Illinois joins with Georgia in the acclaim of a great son of Georgia and the establishment by him of an all-time congressional record for perfect attendance at the roll calls.

TEMPORARY HOUSE CHAMBERS

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, I know the question has arisen in the minds of many as to how all this happened. Well, the answer is William M. "Fish Bait" Miller, our capable, affable Doorkeeper with his able corps of helpers, Mr. Ridgell, superintendent of the building; Mr. John Page; Mr. James Gibson; Mr. Paul Hageman; Miss Thomas, chief telephone operator, all have stayed on the job and did the work, foregoing the holiday.

EXTENSION OF REMARKS

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. MARSALIS asked and was given permission to extend his remarks in the RECORD and include an editorial.

REPORT OF THE NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 250)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs, and ordered to be printed, with illustrations.

*To the Congress of the United States:*

Attached is a report of the National Advisory Council on International Monetary and Financial Problems covering its operations from October 1, 1948, to March 31, 1949, and describing in accordance with section 4 (b) (5) of the Bretton Woods Agreements Act, the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development for the above period.

Previous reports of the National Advisory Council were transmitted to the Congress on March 1, 1946, March 8, 1946, January 13, 1947, June 26, 1947, January 19, 1948, May 17, 1948, August 3, 1948, and March 14, 1949, respectively. In addition to the first special report on the operations and policies of the International Monetary Fund and the International Bank for Reconstruction and Development, submitted on May 17, 1948, previous reports on the participation of the United States in the International Monetary Fund and the International Bank were included in the reports of January 13, 1947, June 26, 1947, January 19, 1948, August 3, 1948, and March 14, 1949, respectively.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 5, 1949.*

CLAIMS OF FOREIGN GOVERNMENTS

Mr. SABATH. Mr. Speaker, I call up House Resolution 258 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That, notwithstanding any rule to the contrary, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4406) to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments, and all points of order against the bill or any of the provisions contained therein are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, House Resolution 258 makes in order the consideration of the International Claims Settlement Act of 1949. For almost 2 years our State Department and the representatives of the Yugoslavia Government have been negotiating in an attempt to bring about an adjustment of the United States claims and also the various claims of our citizens against Yugoslavia. Final adjustment has now been brought about.

The Treasury Department is unfreezing Yugoslavia assets in the United States. Included among the assets unfrozen is gold amounting to almost $47,000,000, which is being held at the Federal Reserve Bank of New York in the name of the Government of Yugoslavia. During and since the war, several claims have been made against the Yugoslavia Government by both the United States and approximately 1,500 of our citizens. The arrangements that have been made pursuant to this bill provide that our Government should retain $17,000,000 of the $47,000,000 now held by the Federal Reserve Bank of Nev' York so as to take care of any and all claims on behalf of our citizens against Yugoslavia.

In view of the fact that there are such a large number of claims pending against Yugoslavia, and since a great deal of time must, by necessity, be consumed in adjusting them, this bill provides for a commission to handle these claims. It will be called the International Claims Commission of the United States. This, of course, is nothing new, because in all such matters, as a rule, the State Department never has been and is not now in a position to handle such a voluminous amount of claims. As I said before, there are over 1,000 claims. It is for this reason that a commission is being created.

I believe the settlement and adjustment provided for under this bill is fair and just and protects our Nation as well as our citizens, so that if they have any bona fide claims against Yugoslavia, they will be compensated accordingly. If there are any doubtful claims, they can be taken up with the Yugoslavia Government.

I do not believe there is any opposition to this bill because it has received a great deal of attention and consideration from the Committee on Foreign Affairs and the State Department. I believe they have brought about a fair adjustment and settlement, as I said before.

In view of that fact, I will not detain you further this morning. At the same time, I wish to state that this bill has no cost to the Government, for the cost of the Commission will be borne by Yugoslavia and will be deducted from the claims and adjustments allowed.

Since there appears to be no minority member of the Committee on Rules present on the floor at this moment, I yield the 30 minutes that belongs to the minority at all times, to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, the gentleman from Illinois stated that there is no opposition to this measure. I am quite sure there is opposition to it on this side. However, as far as I know, there is no opposition to the rule. There have been no requests for time, so I would suggest to the gentleman from Illinois that he proceed to the adoption of the rule.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution. The previous question was ordered.

The resolution was agreed to.

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House for the consideration of the bill (H. R. 4406) to provide for the settlement of certain claims of

the Government of the United States on its own behalf and on behalf of American nationals against foreign governments.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4406, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KEE. Mr. Chairman, I yield 19 minutes to the gentleman from Connecticut [Mr. RIBICOFF].

Mr. RIBICOFF. Mr. Chairman, the simple purpose of the bill H. R. 4406 is to provide the procedure and the agency by which money collected and held by this Government in settlement of claims of American nationals against foreign governments can be distributed to the individuals and companies which rightfully deserve to share in it.

NO NOVELTY IN THIS BILL

First of all, this fact should be made clear. This bill does not add in any way to the power already vested in the Secretary of State by law. An act of February 27, 1896, provides as follows:

All moneys received by the Secretary of State from foreign governments and other sources, in trust for citizens of the United States or others, shall be deposited and covered into the Treasury.

The Secretary of State shall determine the amounts due claimants, respectively, from each of such trust funds, and certify the same to the Secretary of the Treasury, who shall, upon the presentation of the certificates of the Secretary of State, pay the amounts so found to be due.

Each of the trust funds covered into the Treasury as aforesaid is hereby appropriated for the payment to the ascertained beneficiaries thereof of the certificates provided for in this section.

Mr. COX. Mr. Chairman, if the gentleman will permit me to say this, if the Members will listen to him, they will get a very clear statement of this whole problem. The gentleman understands what he is talking about. He made a very excellent impression before the Committee on Rules when he appeared before that body on the application for the rule.

Mr. RIBICOFF. I thank the gentleman from Georgia [Mr. Cox] for his kind remarks and I deeply appreciate what he has said.

In other words, the Secretary of State can do by law now what this bill would permit him to do. But the Secretary cannot do that job alone. The task of justly distributing awards from funds of great magnitude among hundreds of claimants whose individual cases rise from circumstances of great complexity and divergence requires an establishment adequate to the task. It can best be done by an agency specially created for the purpose—an agency which can be discontinued when the task is done. That is far better than attempting to do it by adding to the permanent strength of the Department the many dozens of employees needed for this task. It is also necessary to give the agency power to get evidence at the scene of the deprivations. Finally, it is necessary to make explicit procedural standards for the adjudications.

This bill simply makes it clear how the adjudications will be conducted—how the power will be exercised. The power is already in the Department of State. The bill involves no novelty of power or principle.

It is well to emphasize that point.

The idea that departmental lawyers had a hand in the preparation of this bill has been raised in criticism of it. These lawyers were legal representatives of the Secretary of State who, as has been noted, already has legal authority to distribute such indemnities among the claimants as awards. It is their proper function to assist in setting up the mechanism whereby the authority can be most properly carried out.

True, as the minority report points out, this bill was not drawn up by, nor subjected to inspection by, committees of the American Bar Association. In this it shares a characteristic of almost all the legislation we enact here. The bill involves a problem which, in our constitutional structure, pertains to the Executive power and the legislative power. These respectively are vested in the President and in the Congress—and not in the American Bar Association or any committee thereof. Agents of the President and a committee of the Congress worked together in perfecting this legislation. Public hearings were held. Interested parties were given full opportunity to be heard and their views fully considered and in large measure reflected in this bill.

The procedure and agency to be set up under this bill may handle the distribution of money received as indemnities from several governments. We know, however, that enactment of the bill will make possible the distribution of such money received in a settlement with Yugoslavia. The sum involved in the Yugoslav claims is $17,000,000.

THE MAIN ARGUMENTS FOR THE BILL

Before examining this bill in detail, I want to state briefly the main arguments in its favor.

The first argument is that the substance of the bill is all in our favor. It involves no liability against the United States or its citizens. It involves only the distribution of assets received or to be received in settlements with other governments.

The second point is that this legislation is necessary in order to enable the United States Government to pass along the benefits to the American nationals entitled to share in them. The money collected from Yugoslavia is already in the Treasury. The Government has authority but no mechanism for parceling it out. This legislation must be enacted so that the money can be distributed to its rightful owners.

The third argument is a negative one—there is no reason for not passing this bill. The rights of Americans against Yugoslavia arising within the scope of this bill have already been foreclosed by the claims agreement between this Government and the Yugoslav Government. No additional benefits can be gained by delay. In fact, delay can result only in postponing the date of recompense.

The fourth point is that the procedure established under this bill follows the formulas of experience. We know from antecedent claims settlements that the proper kind of agency and the right kind of standards for the satisfaction of individual claims are the ones provided in this legislation.

The final main argument is again a negative one. This legislation involves no burden upon the budget. The expense of operations under this law will be covered by deductions from awards made in pursuance of this bill.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. RICH. If that is the case, why set up this new board? If we are interested in seeing that these people receive their full claims, why not let the Court of Claims determine the amount? We would be able to do that without a new board, it seems to me.

Mr. RIBICOFF. May I reply to the gentleman, if he will study the legislation setting up the Court of Claims he will find that in the main it involves claims arising against the United States by citizens and nationals of our own country. These, however, are not claims against the United States Government. These are claims against the Government of Yugoslavia. Therefore, there is nothing within the purview of the Court of Claims procedure which would allow utilization of that Court for the settlement of these claims.

Furthermore, the work of the Court of Claims is heavy and these claims involve approximately 1,500. In order to properly settle them it will be necessary to send people to Yugoslavia in order to determine the values. Consequently, it becomes important to set up this agency.

I would like to point this out further to the gentleman, that in this particular instance, however, the Yugoslavia Government has taken away property of American nationals. This settlement was made as a part of the executive function of the Government. In other words, international treaties are properly the function of the President of the United States, acting through the Secretary of State. Therefore, this is operating within the function of the executive branch of the Government, and you will find that the 3 percent deduction is more than enough to discharge the entire cost.

Mr. RICH. Will this Board be discharged as soon as these claims are settled?

Mr. RIBICOFF. Yes. As soon as these claims are settled, or any other claims made with any foreign government, the function of this entire legislation terminates, and then the Board no longer sits, and there will be no charge to the United States.

Mr. RICH. This board only settles these claims with the Yugoslav Government? This is not a permanent board?

Mr. RIBICOFF. No. As to the Yugoslav claims, there is a provision that requires settlement of all of these claims within 4 years. However, in all fairness

to the gentleman, I want to point out that at the present time the United States Government is engaged with the Government of Czechoslovakia and the Government of Poland to settle claims of American nationals against those governments. If those settlements are made, the procedure that is followed in this bill will also be utilized to distribute the funds to American nationals through the same board and through the same procedure.

Mr. RICH. You would have only one board for all of them?

Mr. RIBICOFF. Only one board for all of them. That is correct.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. BECKWORTH. How much is the total amount of money that will ultimately be taken from the United States Government—money which comes to the United States Government by virtue of it being sent here from countries like Czechoslovakia, Poland, and Yugoslavia, how much will ultimately be given to claimants, if that which you have described takes place?

Mr. RIBICOFF. The prospective total of Czechoslovakia is approximately $40,000,000. That of Poland is approximately $30,000,000, and Yugoslavia is $17,000,000. We have to have that 17 million in the Treasury of the United States.

Mr. BECKWORTH. You talk about these not being claims against the United States Government. This money is in the United States Treasury, is it not?

Mr. RIBICOFF. No. I want to correct the gentleman.

Mr. BECKWORTH. Who has title to the money now?

Mr. RIBICOFF. The United States holds this money as trustee, under the settlement of July 18, 1948, between the executive branch of our Government, acting by the Secretary of State, Mr. Marshall, and the Government of Yugoslavia. The $17,000,000 was paid to the United States Treasury in trust for the claimants of the United States. It does not belong to the United States.

Mr. BECKWORTH. Do you mean the United States Government does not have title to the money?

Mr. RIBICOFF. No; it does not have title. It cannot utilize that money for the general purposes of the Nation.

Mr. BECKWORTH. But the United States Government does have title to the money now?

Mr. RIBICOFF. If you understand "title", there is trustee title and there is equitable title. The United States does not have equitable title to this money.

Mr. BECKWORTH. Does Yugoslavia have title to it?

Mr. RIBICOFF. No. It is held in trust for nationals of the United States.

Mr. BECKWORTH. So it is United States money today, actually, because it is not Yugoslavia money?

Mr. RIBICOFF. No. I am sorry I cannot agree with the gentleman. If you as an individual were holding money in trust for someone else, although you have legal title to it, you could not utilize that money for your own purposes but could only expend it for the purposes of the trust for which it was created.

Mr. BECKWORTH. My point, however, is that it certainly is not held by the Yugoslav Government, is it?

Mr. RIBICOFF. It certainly is not; and I am glad of that.

Mr. BECKWORTH. Therefore it is held by somebody else.

Mr. RIBICOFF. It is held by the United States, in trust.

Mr. BECKWORTH. That is the point, and that somebody else is our country.

Mr. RIBICOFF. That is right.

Mr. BECKWORTH. That is my point.

Mr. RIBICOFF. For the benefit of our nationals.

Mr. KEE. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. KEE. The gentleman from Texas may be interested in knowing that at any rate on settlement any of the $17,000,000 left reverts to Yugoslavia.

Mr. RIBICOFF. That is correct; that is, if settlement should total $15,000,000, then the $2,000,000 left would revert to the Government of Yugoslavia; that is correct.

I now want to take a candid look at the fact that the payment by Yugoslavia was $17,000,000. Now that I have stated briefly the principal arguments, I wish to go ahead with the background and with a review of the content of the legislation.

The claims involved in this legislation are to be distinguished at the outset from the claims involved in the settlements with former enemy countries. Claims in the latter category are dealt with in legislation passed during the Eightieth Congress. They are not at issue here.

The claims relevant to this legislation are the claims made by the United States against various governments in the situation growing out of postwar programs of collectivization of property. Our claims lie principally against Yugoslavia, Poland, and Czechoslovakia. There are potential claims of like character against certain governments in this hemisphere. The negotiations of settlements with such governments, however, is a more remote prospect. Settlements with Poland and with Czechoslovakia may be achieved in the not too distant future.

Incidentally, note should be taken at this point of a criticism of this bill made in the minority views. It declares:

> Congress certainly should not encourage and approve in advance other similar future settlements by setting up a new agency to take care of them.

The answer to that criticism is a simple one. Congress will not approve such future settlements in advance. It will not approve them after the fact. It will not be called upon to approve them at any time. Nor does this bill approve the settlement with Yugoslavia. The simple constitutional point about the matter is that this agreement is the product of an exercise of executive power. It is clearly within the executive power under our Constitution—for it is the executive and not the Congress which has primary power in the conduct of foreign relations. Congress cannot bind the President on the substance of future claims agreements with other countries. It cannot foreclose itself. In this field of public authority the Congress simply does not operate. Such agreements are beyond the constitutional reach of Congress. It could, of course, refuse to set up adequate machinery for making awards to claimants after such claims settlements are entered into. This would have no effect on the obligation of any other country. It would have no effect on the scope of the President's authority in this field. It would serve only to deprive certain Americans of their just remedies.

THE SETTLEMENT WITH YUGOSLAVIA

Let us not stray, however, into speculation about future claims agreements. The settlement with Yugoslavia has already been achieved. An agreement with Yugoslavia was signed in this city on July 19, 1948. It settles fully American claims for property nationalized or otherwise taken over in Yugoslavia. It also settles two claims of the United States Government against Yugoslavia in relation to the wartime seizure of an American jeep and the destruction of an American Air Force transport plane by Yugoslav fire during flight from Austria Italy on August 19, 1946.

The claims on behalf of American nationals against Yugoslavia grow out of policies and actions of the postwar Communist government of that country. These are principally an agrarian reform law of August 1945; a law of December 6, 1946, nationalizing basic industries; a law of May 20, 1948, nationalizing small-business enterprises; and a law of June 23, 1948, nationalizing virtually all remaining property in Yugoslavia.

The United States reserved American rights by diplomatic interposition concurrently with the above Yugoslav enactments. We have heard a great deal about the necessity of a policy of firmness toward the countries behind the iron curtain. This Government followed a firm policy. The $17,000,000 paid by Yugoslavia to the United States to cover property deprivations suffered by American nationals is a dividend of that firm policy.

The United States Government approached the question of settlement with Yugoslavia on a broad basis. The American claims were weighed not as an isolated issue, but as a part of the whole range of financial relationships between the two Governments.

It is obvious that the American who is deprived of property by action on the part of a foreign government must be protected diplomatically by the United States Government. Otherwise the American whose position and interest are prejudiced by the acquisitive action of a foreign government would have recourse to the local courts as his only opportunity for justice. This would amount to no relief at all in an iron-curtain country. Even in the unlikely event that the local courts would entertain such a complaint, any money received as an award would be in local currency and of no use to an American recipient.

Interposition by this Government was necessary. The next question was the

question of means to be followed. To have resorted to the traditional process of a claims convention and to the argument of cases before a mixed claims tribunal would have been inadequate in the instant situation. Settlement would likely have been delayed for many years, if settlement were indeed possible at all. Nor could such a tribunal have exerted pressure to collect on the judgments rendered. The realistic course is the one followed by the United States in reaching the settlement with Yugoslavia. This Government insisted on the consideration of the issues on a basis broad enough to enable it to press its claims by economic and financial action on related issues. In this instance pressure was generated by the retention of Yugoslav Government assets frozen in the United States. These assets amounted to $46,800,000 in gold. They were held at the Federal Reserve bank in New York. Concurrently with Yugoslavia's agreement to settle the claims of American nationals by payment to the United States of $17,000,000, the United States unfroze these gold assets.

ADEQUACY OF THE SETTLEMENT

Let us take a candid look at the fact that the payment by Yugoslavia was $17,000,000 as against claims totaling on their face value $40,000,000. Every lawyer is familiar with the general discrepancy between amounts claimed and amounts found sufficient in final awards. In realistic terms of experience, the sum of $17,000,000 appears ample. It represents 42.5 percent of the original claims. The proportion of claims allowed to claims made in adjudications between the United States and other governments in the period 1803–1934 was 9.88 percent. The settlement of United States claims growing out of the nationalization of petroleum properties in Mexico was for $24,000,000 as against $400,000,000 in the original claims. The percentage of claims allowed as against claims made in the United States Court of Claims is approximately 3 percent. These comparative examples emphasize the degree of satisfaction obtained in the settlement with Yugoslavia. The size of the sum handed over by Yugoslavia leaves no ground for criticism of our Government. To the contrary, our Government should be commended and encouraged in following a realistic and forthright course which succeeded in protecting the interests of American nationals.

To criticize this settlement because it does not represent 100 cents on the dollar of the asserted value of the claims is to overlook the historical discrepancy between asserted value and the actual value of claims.

But, one may argue, we had some $47,000,000 in Yugoslav assets. Why then did we not hold onto the money long enough to drive a harder bargain? Why had we not insisted upon 100-percent settlement of the asserted value of the claims? Why did we not include other categories of claimants, such as those of aliens resident in this country or those of Yugoslav nationals who have taken out their first papers?

We must look at the facts to get the answers. The Yugoslav gold assets concerned in this settlement were not assets seized from an enemy country and frozen under the rights of a belligerent against the foe. This gold was brought to this country in an allied submarine at the time of the invasion of Yugoslavia. It was brought here for safekeeping lest it fall into the hands of the German invaders. We permitted its entry as a gesture of help to a friendly country—one with which we were eventually to become allied for a time.

The fact that subsequently a successor government in that country has taken on a political complexion not entirely to our liking does not alter the fact that it was Yugoslavia's money.

The executive action in blocking these assets was in keeping with United States law. The power was exercised in pursuance with the Executive's authority under the Trading With the Enemy Act as amended December 18, 1941. It is true that Yugoslavia's Government bitterly resented this action and at one time sought to have it reviewed by the Economic and Social Council of the United Nations, which ruled in a resolution of March 9, 1948, that the Yugoslav protest was beyond its jurisdiction. Nevertheless, the action of the United States executive in freezing this gold for a time was in keeping with United States law and led to a settlement which upheld both the right of Yugoslavia to its gold and the right of American claimants to redress of their grievances against Yugoslavia.

THE TYPES OF CLAIMS CONCERNED

Let us look for a moment on the limitations upon the types of claims to be considered under the procedure envisaged by this bill. These are specified in article 2 of the claims agreement with Yugoslavia:

> The claims of nationals of the United States to which reference is made in article 1 of this agreement include those respecting property, and rights and interests in and with respect to property, which at the time of nationalization or other taking were—
>
> (A) Directly owned by an individual who at such time was a national of the United States;
>
> (B) Directly owned by a juridical person organized under the laws of the United States, or a constituent state or other political entity thereof, 20 percent or more of any class of the outstanding securities of which were at such time owned by individual nationals of the United States, directly, or indirectly through interests in one or more juridical persons of whatever nationality, or otherwise; or
>
> (C) Indirectly owned by an individual within category (A) above, or by a juridical person within category (B) above, through interests, direct, or indirect in one or more juridical persons not within category (B) above, or otherwise.

Article 3 of the claims agreement goes on to say specifically that the claims to be serviced under this procedure shall not "include claims of individual nationals of the United States who did not possess such nationality at the time of the nationalization or other taking, which claims shall be subject to compensation by the Government of Yugoslavia, either by direct negotiations between that Government and the respective claimants or under compensation procedures prescribed by Yugoslav law."

Some Members of Congress have been importuned by individuals having claims against Yugoslavia which lie beyond the scope of this agreement and therefore beyond the scope of the instant bill. In some cases these claims are foreclosed because of the circumstances of the alleged deprivation. In other cases they are foreclosed because the claimant was not in fact an American national at the time of the alleged deprivation. It is not necessary—in fact, it is not relevant—for us to consider the merits of these various types of claims which lie beyond the scope of the agreement with Yugoslavia. The agreement pertains only to the categories covered by its terms. The United States holds in trust $17,000,000 put forward by Yugoslavia in satisfaction of these claims. Any residue of this $17,000,000 left after the satisfaction of all claims covered by the agreement is to be returned to Yugoslavia. There is no legitimate basis whatsoever upon which the United States can widen the scope of the settlement envisaged by the claims agreement and by this bill.

What we should keep in mind is that the United States did get a full measure of redress for those for whom it could rightfully put up a case in international law. Our Government acted properly in upholding the legal rights of Americans to relief for losses caused by the Yugoslav expropriations. But to have exercised a presumed advantage on behalf of individuals for whose claims we have no right in international law to contend would have involved us in the same carelessness for law that we condemn in others.

STRATEGIC IMPORTANCE OF THE SETTLEMENT

There is another circumstance of vastly broader significance involved in the fact that we settled with Yugoslavia in mid-July of 1948.

We of the Committee on Foreign Affairs did not inquire into the background circumstances of this settlement. We considered this a matter to be judged on its immediate merits as an action to uphold the rights of American nationals. The implications of the settlement in the balance of international affairs, we believed, were relevant but not material. The fact is we did not have to inquire. We knew, not because of any secret information imparted to us by the State Department behind closed doors, but because of the fact that we read the newspapers. There is no mystery about the events surrounding this agreement.

In the last days of June a year ago the Soviet forces struck at the Western Allies' position in central Europe by the blockade of Berlin. That the intent was to undermine the Western Allies' hold in Berlin, force them into a compromise on western Germany, give Russia a voice in control of the Ruhr and an opportunity to wreck European recovery, and thus pave the way for Russian conquest in all Europe, is now manifest.

The Russian scheme was foiled by two developments.

The first was the air lift—a tremendous accomplishment of the United

States and British air forces, whose resource and courage lay beyond the Russian calculation.

The second was the defection of Yugoslavia from the Cominform—an episode that developed within a few days after the commencement of the blockade. That defection left the left flank of the Soviet position in central Europe exposed. Its effect in putting a restraint on the exercise of Russian power was tremendous—as great in its way as was the air lift itself.

At the outset of Tito's defiance of the Cominform there was one paramount question in the mind of every knowing observer. The narrowness of the margin of Yugoslav economy, still suffering badly from the shock and devastation of the war, was the critical factor. The other countries of the Cominform immediately interdicted supplies that Yugoslavia needed—oil, for example, machinery for Yugoslavia's depleted industry and wrecked mines, and the like. Could Yugoslavia make the grade in the first few months of defiance of the Cominform, or would economic pressure force it back fully into the Russian orbit?

Yugoslavia did make the grade. We have no reason to admire that country's regime. But we have profound strategic reasons for rejoicing that Yugoslavia was not forced to its knees in the defiance of the Cominform.

I think we need not press further the matter of the strategic importance of this settlement in midsummer 1948. Those who think we might have made something more of this settlement by compelling a few more millions out of Yugoslavia have simply lost their sense of proportion about the stakes of international life.

ADVANTAGES OF EN BLOC SETTLEMENT

Let us take account of one more criticism regarding this settlement with Yugoslavia. Invidious comparisons have been made between the method followed in this settlement and the method set forth in the Economic Cooperation Act for securing United States investments against ruthless expropriation in nationalization programs which the participating countries may try to undertake. The minority views filed by my able colleague, the gentleman from Ohio [Mr. VORYS], makes this criticism but cites the President's proposal in connection with point four for comparison with the method of settlement used in the case of Yugoslavia.

The Economic Cooperation Act requires countries receiving assistance to pledge that they will arbitrate the matter of valuation and payment in relation to any American interests. The same formula is proposed in relation to point four. It has been argued that the United States should have attempted to apply the same pattern in the settlement with Yugoslavia.

This criticism is based upon a misunderstanding. After all, the Economic Cooperation Act requires—and the point four plan would require—only a pledge to litigate. There is no occasion to decry the importance of the accomplishment in getting all of the countries receiving our assistance to pledge that they will take such cases to judicial settlement in event negotiation fails to give dispossessed American interests their proper redress. One may point out, however, that the settlement with Yugoslavia is far superior, viewed from the standpoint of American interests. Yugoslavia in effect confesses judgment in this settlement. The remedy is far more advantageous than a pledge to litigate. Why choose a second-best remedy when the best remedy is at hand? Why criticize the settlement merely because it lacks the characteristics of another method not quite as good?

Suppose we sought a judicial remedy in our difference with Yugoslavia. Suppose we had resorted to the International Court or to a mixed claims tribunal. Suppose we had won judgments in the various American claims cases. We would have progressed only to the base point of the present settlement. There would still have been the problem of collecting the awards—of financing the payments.

Let us keep in mind also that a fraction only of these claims grow out of investments in dollars or other hard currencies. The proportion is not precisely known, but the Department of State estimates it as about 20 percent. The rest represents investments in dinars or other soft currencies. Insofar as the American claims would have won in an international judicial process, it is hardly to be expected that those representing soft-currency investments would have been redeemed in hard currency. The most that might have come from an international tribunal would have been awards in the currency of the original investment.

One can only express astonishment at the criticism, voiced in the minority views, that the type of settlement accomplished with Yugoslavia "is almost an invitation to other nations to nationalize United States property and settle up on a cheap, wholesale basis." One can only disagree entirely with its premise that it would be more favorable to American interests to obtain from other governments the promise to litigate than it would be to get them to settle without litigation.

In every sense the settlement is an admirable one, viewed from the standpoint of the American claimant. Attorneys representing various groups of Americans claiming against Yugoslavia appeared before the committee. None of them criticized the scope of size of the settlement. Some of them praised the Department of State in outright terms for its achievement on behalf of American rights. I have heard of only one critic of this settlement among the Americans who have claims at stake—and that critic happens to be one whose claims is shadowy at best. His criticism amounts to this: He is disappointed because the agreement does not go far enough to include those whose claims are based upon shadows as well as those whose claims are based upon substance.

THE AGENCY PROPOSED IN THE BILL

It is believed that the number of American claimants to share in the benefits derived from this agreement will be about 1,500. Besides the United States Government they include several American corporations and a substantial number of naturalized American citizens of former Yugoslav nationality. The claims represent a wide range of types of ownership. Many of the claimants are in immediate need of compensation for deprivations of property. The bill therefore provides for immediate payment of awards of $1,000 or less in principal amount and of $1,000 on awards of larger amount. In addition, payments of 25 percent of the unpaid principal of awards of more than $1,000 are permitted. Beyond this, awards will be made only when all cases have been adjudicated. Interest, insofar as allowed, will be paid on a pro rata basis after all principal awards have been paid.

Let us now review briefly the nature of the agency which will hear the claimants and make the awards.

The agency will be an International Claims Commission within the Department of State. It will not be an independent establishment. It is to be noted that this is in keeping with the views of the Commission on Organization of the Executive Branch of the Government—the Hoover Commission—in its Report on General Management, in which it generally criticized the independent status of numerous agencies now existing. It is also consistent with the Commission's final report, which makes various recommendations to reduce further the number of agencies reporting to the President.

It is important to emphasize this, because the point is made in a minority report on this bill that the creation of the claims commission was not recommended by the Hoover Commission. The statement is precisely correct. The matter of Yugoslav or other international claims was not before the Hoover Commission. The main point is that the creation of this claims commission, envisaged by this bill, is consistent with the framework and principles recommended by the Hoover Commission.

In keeping with the International Claims Commission's status as part of the Department of State, its three members are made subject to appointment by the Secretary of State rather than subject to Presidential appointment with senatorial confirmation. This is in contrast to the War Claims Commission provided for in the War Claims Act of 1948, and with the American-Mexican Claims Commission established under the Settlement of Mexican Claims Act of 1942. Justification for the difference may be found in the desirability of establishing the agency as a part of a regular executive department with responsibility to specific authority. The need of insuring independent adjudication, however, is recognized in the provision that the Secretary of State may remove a member only for neglect or malfeasance and upon notice and hearing.

In recognition of the technical character of the Commission's duties, the bill requires that the Commissioners must be members of the bar. It also provides that the Commissioners will receive $15,000 per year with the view of attracting talent of a high order and thus insuring proper performance.

The Commission will have a staff of attorneys, clerks, economic analysts, and investigators. It will also have small field staffs to gather evidence and proof in Yugoslavia or in any other country with whose government the United States may reach a similar agreement to settle claims. Such staffs will be necessary to insure proper adjudication in many cases where documentary or other proof would not be otherwise obtainable.

The hiring of such personnel and other costs involved in the activities of the Commission should not be a factor in the financial position of this Government. Appropriations authorized under this bill should be amply covered by money gathered into the Treasury in pursuance of the provision in the bill for a deduction of 3 percent from each award. The bill also provides, with respect to the money in hand for settlement of claims against Yugoslavia, that to the extent the 3 percent deductions do not cover all costs, additional deductions may be made from the residual funds left after all awards have been made. The balance, if any, will then be returned to Yugoslavia as required by the agreement. To insure speedy settlement, the committee has written in a provision requiring the Commission to complete within 4 years the cases arising under the agreement with Yugoslavia.

The bill does not set a terminal date for the Commission since the time necessary to complete its work is unpredictable. A terminal date is to be determined in the discretion of the Secretary of State and in the light of circumstances. The basic authority of the act, however, will not be affected by termination of the Commission. This is to insure that the mechanism may be reestablished in the event that similar claims settlements in the future make it necessary to resume such adjudications.

This bill does not add to the permanent executive establishment. It sets up an agency to do a particular job. When the job is done, the agency will expire.

The provisions of the Administrative Procedure Act will generally govern the operations of the Commission. This is not only specified in the bill but is so by the terms of the Administrative Procedure Act itself. Internal procedure will be along judicial lines and each claim will be adjudicated on an adversary basis. Awards will be made on the basis of a record.

THE FINALITY OF AWARDS

The Members' attention should be called to two provisions of the bill regarding the finality of awards.

The first occurs in section 4 (b). It says that each decision of the Commission "shall constitute a full and final disposition of the case in which the decision is rendered."

The second occurs in section 4 (h). It says:

> The action of the Commission in allowing or denying any claim under this act shall be final and conclusive on all questions of law and fact and not subject to review by the Secretary of State or any other official, department, agency, or establishment of the United States or by any court by mandamus or otherwise.

Those provisions mean precisely what they say. The actions of the Commission insofar as they refer to the merits of claims will be final. They will not be subject to review by the courts of our judicial system.

In deliberations of the committee much thought was given to the question of the relationship of judicial review to the decisions envisaged. The committee had the benefit of the advice of Members of the House who are not members of the Committee on Foreign Affairs. There was a valid difference of opinion on this matter.

But the issue is cleared up once we take into consideration the point that the actions under review in this procedure are not actions of the United States Government. They are actions of the Yugoslav Government. They are being subjected to review by an executive agency of the United States. This is appropriate in that this whole procedure stems from the general power of the Executive in the field of foreign relations. That such power extends to the settlement of claims is a constitutional fact which has not been successfully challenged in the courts. The Executive has negotiated an agreement whereunder Yugoslavia has conceded redress. It remains only to apportion the benefits among the claimants. Congress is being called upon to establish the agency, since none is available within the executive establishment. The agency should be required to give due notice and hearing. The bill provides that. It extends every reasonable guaranty that the rights of the claimants shall not be ignored and that every interested party will have his day in court. But the further requirement that the courts should be empowered to intervene in the field of the Commission's discretion is not germane to this settlement. The actions under review will be inherently the actions of another government, made susceptible of review by an agency of our Government through the agreement of Yugoslavia or other governments which may make subsequent agreements. They are not actions arising out of the laws of the United States, and therefore do not come within the purview of the constitutional requirements regarding the authority of the courts.

In any event, we are confronted here by a situation, and not a theory of constitutional procedure. The problem is to get the proceeds of this settlement to the Americans who have been deprived. It would serve no interest to allow the work of this Commission to be entangled by judicial interposition. That was the sentiment of the claimants whose legal representatives appeared before the committee in hearings. They did not wish to see this procedure involved in the law's delays. They were mindful that final settlement in all but the minor cases must be deferred until all cases have been settled. To postpone the realization of their hopes will be in the interest of no one. It would serve only a theory—in this case a groundless one—regarding the role of the judiciary.

NOT A TASK FOR THE COURT OF CLAIMS

A companion point in criticism of this bill is based on the contention that it should give to the United States Court of Claims the task of settling the claims concerned in this legislation. This proposition is put forth in the minority views filed by my friend, the gentleman from Ohio [Mr. VORYS]. The idea has a certain plausibility on its face: Settlement of claims is the business of the Court of Claims; it has had long experience and has an accomplished staff to work on these matters; maybe it could do the job more economically than the special commission envisaged by this bill.

The plausibility of the idea vanishes as soon as we look below the surface. We need only look to the jurisdiction of the Court of Claims as defined in section 145 of the Judicial Code. It defines the jurisdiction of the Court of Claims as including:

> First. All claims (except pensions) founded upon the Constitution of the United States or any law of Congress, upon any regulation of an executive department, upon any contract, express or implied, with the Government of the United States, or for damages, liquidated or unliquidated, in cases not sounding in tort, in respect of which claims the party would be entitled to redress against the United States either in a court of law, equity, or admiralty if the United States were suable—

And then continuing after an immaterial proviso, we get to the second element in the jurisdiction of the Court of Claims:

> Second. All set-offs, counterclaims, claims for damages, liquidated or unliquidated, or other demands whatsoever on the part of the Government of the United States against any claimant in said court—

And then again, omitting an irrelevant proviso, we get to the third element in its jurisdiction:

> Third. The claim of any paymaster, quartermaster, commissary of subsistence, or other disbursing officer of the United States, or of his administrators or executors, for relief from responsibility on account of loss by capture or otherwise, while in the line of his duty, of Government funds, vouchers, records, or papers in his charge, and for which such officer was and is responsible.

Now, what possible practical relationship is there between that type of jurisdiction and the jurisdiction of this proposed Claims Commission? Is there anything one needs to say on the subject further than that the Claims Commission proposed in this bill will hear cases of claims against Yugoslavia arising out of takings of property by the government thereof, whereas the jurisdiction of the United States Court of Claims has jurisdiction over certain claims against the United States?

There is one more point about this irrelevant idea of putting this job in the Court of Claims. The task of settling the claims against foreign governments will be extensive. It will require the labor of many people. It will require investigation on the scene in Yugoslavia in many cases. To place this obligation on the Court of Claims could only complicate its work by a huge addition to its

functions—an addition quite unrelated to the rest of its job. The responsibility could be met only by adding to its personnel in due proportion to enable them to deal with the new tasks. There is no saving involved in such a course—only a confusion of the jurisdiction of a Court of Claims that already has its job to do.

We must not forget the character of the funds out of which the individual awards are to be made. It is not a fund owned by this Government. There is no public title to it. The idea of an individual claim against it being germane to the jurisdiction of the Court of Claims is dissipated as soon as we get this thought clear in our heads. The United States in effect holds these funds in escrow. Another way is to say that it is, for the period pending the payment of all awards, trustee for all claimants, including itself, and for Yugoslavia as well, for the residual funds will go back to Yugoslavia. The funds are not a prize over the sharing of which sundry American claimants will contest with each other or against the United States. Residual title to the fund belongs to Yugoslavia. It will get the balance, if there is a balance, after all awards are paid. Essentially, the individual claims will still lie against Yugoslavia. This is different from a mixed claims settlement, in this respect only in that Yugoslavia has posted the money in advance and has authorized the United States by its own devices to determine the liability in individual cases.

We should avoid the temptation to try to think up imaginary better ways of doing this job. The way proposed in this bill will result in no charge, on balance, against the Treasury. It will not add to the permanent establishment of the executive. It will not impose on existing agencies a job which they are not prepared to undertake and which goes beyond their resources. It is consistent with our constitutional principles. It is geared to bring about quick redress on the basis of considered judgments by an expert and detached tribunal.

And let us not attempt to attack this bill on the basis of assumptions—pure assumptions—about what might have been done in the Yugoslav settlement if someone else had done the job and done it a different way. Within the limits of the situation it was an excellent settlement indeed. The agreement is a final and binding agreement. We cannot change its terms here. We can, however, by passing this bill now hasten the day when the money will pass into the hands of the Americans who deserve it as recompense for wrongs done.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. KEE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Texas.

Mr. BECKWORTH. The gentleman, as I understood him, stated that this would go to American nationals. On page 65 of the hearings there is a statement by Mr. Isadore G. Alk, of Washington, D. C. He says he appears on behalf of the American stockholders of a Swiss corporation whose property in Yugoslavia has been nationalized and otherwise taken by the Government of Yugoslavia.

Will any of this go to people who are not nationals of this Government but who happen to be in that Swiss corporation?

Mr. RIBICOFF. It will on this basis, sir: If 20 percent of the stock of the corporation is controlled by Americans, then that corporation is considered American.

Mr. BECKWORTH. So it would be possible for 80 percent of that corporation's money to go to somebody other than an American; is that true?

Mr. RIBICOFF. Under those circumstances, yes; however, I would like to point out to the gentleman this fact: If an American citizen has a 5-percent interest in a Swiss or French corporation, the American citizen may make claim for his 5 percent interest under this legislation. So, even though he may be a minority interest in a foreign corporation his rights are protected under this bill.

Mr. BECKWORTH. With reference to American nationals, is it not a fact that a good many of these American nationals have been citizens of other countries up to say 1940, or 1942 or 1943 and then have gotten American citizenship and are claiming now as American nationals they qualify for this?

Mr. RIBICOFF. They may only qualify for this return, sir, if they were an American national at the time of the taking; in other words, if their property was taken on Juanary 1, 1942, and they were not a citizen of the United States at that time, and even though they became a citizen subsequent to 1942, they could not qualify. So at the time their property was taken they can only make a claim against this fund if they were an American citizen.

Mr. BECKWORTH. The gentleman mentioned the claims of the United States Government and mentioned that the United States Government had certain claims. Is that not for a jeep and two airplanes? In other words, does the United States Government have any other claims?

Mr. RIBICOFF. It does not.

Mr. BECKWORTH. So the only interest the United States Government has is a jeep and two airplanes, is that right?

Mr. RIBICOFF. Yes; but one airplane. At the time of the settlement the United States also settled up with Yugoslavia concerning claims it had arising out of the matter and part of that claim was that the United States would expend its sum in Yugoslavia money, dinars, to defray the expenses of the embassy and for embassy purposes.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Minnesota.

Mr. BLATNIK. Referring to the requirement that the commissioners be members of the bar. The statement is made of the technical character of the duties of this commission. Would the technical character be primarily a legalistic procedure or judicial procedure? Would it not also involve a knowledge of values? If we have a plant over there would not the production engineer be a little more competent to determine the value of a plant built after the first war, for instance? Would not his production knowledge be of more use and of more value than a legalistic knowledge?

Mr. RIBICOFF. May I say to the gentleman from Minnesota that this Commission will have on its staff experts. These claims will be handled on an adversary basis where the claimant will come in with experts. Their claims experts will come in and testify as to their contention of the value of the property. But the Commission need not take the assertions of value by interested claimants. This act provides that they will have a staff of experts of their own who will be able to appraise and ascertain the values of these properties also in order to make sure that the amounts will be proper in settlement. There is provision also allowing the Commission to send its agents over to Yugoslavia to ascertain the real values. Therefore, the conclusions will be made the same way that a judge would handle conclusions after listening to evidence pro and con on any given proposition, and that will then determine the value. But, the Commission will determine it ultimately.

Mr. BLATNIK. Is the requirement that membership be limited to members of the bar carried in other claims commissions? Is that a uniform policy that we have been following, or is it something new in this particular instance?

Mr. RIBICOFF. I think the provisions arising out of the Mexican Claims Commission so provide. Here you have a number of questions involving citizenship, involving international law, involving various claims, I respectfully submit that the training of a member of the bar is such that he is better able to handle the large amount of technical problems and data in order to see that justice is best done to these various claimants.

Mr. BLATNIK. I cannot quite share the gentleman's opinion, although he has set forth some good arguments. Does he not think that in the staff in which they will have technical and fiscal experts on international law, possibly also legal advisers and counselors, that other experts should be required on the staff? I think it is wholly unnecessary to have the requirements that membership be limited to members of the bar.

Mr. RIBICOFF. In reply to the inquiry of the gentleman from Minnesota I would like to state that, of course, we know in our experience that many men are capable, because of their training and common sense, to make judgments and hand down decisions, even though they may not have legal training. However, I think experience shows that as a general proposition a member of the bar or a member who has had training in the law is better suited to handle the large amount of technical questions which may confront him much better than the average layman, even though you may get an individual layman who may be able to answer those questions much better. In the final analysis, I think you will find that the man with legal training would be in a better position to decide questions of that nature, and I

think that is why you find in almost every State that the judges in the higher courts are required to be members of the bar.

Mr. BLATNIK. Will not the gentleman agree that the major task in this issue will be to properly assess the value or the amount of the claims and try to ascertain as closely as possible what they feel is the just and true value of the amount of their claims?

Mr. RIBICOFF. I agree, but I believe that training of a member of the bar makes him better suited to handle those technical questions.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Why is the bill necessary? The $17,000,000 has already been accumulated. Why can it not be distributed to the claimants without any new machinery?

Mr. RIBICOFF. The reason for that, I will say to the gentleman from South Dakota, is this, that we have approximately 1,500 individuals making claims. The $17,000,000 may not be sufficient to go around. Some of these claims are valid and some are invalid. Now you are setting up the machinery to handle these claims of an American citizen to see that the citizen of this Nation receives justice. Under the circumstances you would have to set up an agency for employees under the Secretary of State under present law, which would be in the same category. Because of the technical questions involved, because of this settlement between Yugoslavia and the prospective settlement between Czechoslovakia and Poland, the situation is such that it is only through an agency such as this that it can be accomplished, and we have precedent for that with the Mexican Claims and also the War Claims Commission. It would take a separate commission that would be on hand to properly handle and assay the various claims and to distribute the $17,000,000.

Mr. CASE of South Dakota. May one claimant attack the validity of some of the other claimants? That is obvious if there are claims in excess of the amount available, and the amount of claims allowed to B may affect how much money will be left for A. Can A attack the validity of the claims allowed to A, B, C, or D?

Mr. RIBICOFF. Since these claims are being handled on an adversary basis, a claimant who believes that the amount claimed by another claimant is unjust would have the right to file a brief or make representations or give evidence to this Commission concerning that.

Mr. EATON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Chairman, I imagine this bill would go through rapidly. It has been given some study. I doubt seriously the Members of the House, however, understand the full implications of what could take place under this bill.

It is my understanding that a total of as much as $200,000,000 worth of claims could finally be adjudicated by this Commission. I got these figures from the committee report, on page 4, which reads as follows:

> The settlement with Yugoslavia is the first of its kind in the postwar situation. Others may be expected. Negotiations are now in progress for a settlement with Czechoslovakia of claims totaling about $80,000,000 growing out of the nationalization and other taking of American property interests. Negotiations are expected to be opened with Poland concerning similar claims totaling $175,000,000. The agreement with Yugoslavia therefore is of particular interest as a possible pattern for other settlements.

One hundred and seventy-five million dollars, $80,000,000, $17,000,000. Yes, this Commission will have considerable responsibility, and, I venture to say, considerable authority over quite a sum of money which likely is to come into the hands of the United States Government irrespective of the description of title which may be made.

We talk about claims of the United States Government against Yugoslavian property—a jeep is brought up—I wonder if that is an old jeep or a new jeep. Then they bring up two airplanes, and say these are all the claims the Government of the United States apparently has.

I wonder who are the other claimants. It is my understanding that the Socony-Vacuum Oil Co. has claims probably between $7,000,000 and $11,000,000. I was interested to get a description of another one of the claimants, who claims about $4,000,000. It is a group of Czech citizens, who were citizens of Czechoslovakia until 1943. They then became naturalized American citizens, between 1943 and 1946. They now come in here and doubtless will claim this money, on what theory? On the theory that they owned, I believe, five-sevenths of a foreign corporation that was taken over by the Yugoslavs. That is an example of the kind of claims which doubtless will be considered by this Commission. As to its merit, of course, no one is able at this time to determine.

I was interested in the statement by an attorney named Radin who appeared before the committee. He was given leave to insert an additional statement, and this is what he said:

> The agreement with Yugoslavia, which forms the basis for H. R. 4406, was brought about for the protection of property of American citizens and their Government.
>
> This bill should, therefore, enable American citizens only and their Government to benefit by it.
>
> The bill should not make it possible for non-American citizens to benefit by its terms with the help of an American corporate veil.
>
> What may be hiding behind the provision in the agreement with Yugoslavia to the effect that American corporations are to enjoy equal rights thereunder with other American claimants if 20 percent of their stock is owned by American citizens?
>
> In other words, if 80 percent of such stock is owned by non-American citizens, it is proposed that such a large majority of non-American citizens should be able to benefit by an agreement entered into for the expressed purpose of benefiting or protecting American citizens and their Government.
>
> The injustice of such a situation is glaring when we know that such non-American citizens would benefit at the expense of American citizens and their Government.
>
> The situation becomes even worse if we are to pierce through the corporate veil and see who are the individuals hiding back of it.
>
> Such would be beneficiaries under the proposed law I have found in many countries in the course of my practice of private international law. They are in reality citizens of no country—

He is talking about the ones which in his opinion will benefit under this law—and they do not owe allegiance to any nation.

This man, if I am not mistaken, was born in Yugoslavia and married a Yugoslavian lady; he is trying to get back around $200,000 himself. But he is discussing this bill as I am reading:

> They and their children never fight for any country. They rent apartments in top hotels in many countries and give as their residence one which suits best a given purpose at a given time. Although Europeans, I saw them travel with the aid of diplomatic passports issued by Haiti or with Chinese travel documents.
>
> In order to manipulate and evade laws of different countries where they operate, with the aid of local dummies they organize corporations under different laws in different countries—and the little state of Lichtenstein is popular for such purpose—although in the case before us American corporations were obviously chosen.

This is a man who is in favor of the proposed legislation speaking:

> I submit that such international sharks should not be enabled to benefit by this American law—notwithstanding the provision in the agreement with Yugoslavia about the 20 percent of shares of stock only which must be owned by American citizens.
>
> Surely, such a provision could not have been inserted in the agreement at the request of Yugoslavia for obviously that provision is against Yugoslavia's interests. Consequently, if this law is so worded to make it impossible for non-American citizens to benefit from the $17,000,000 now on deposit in the United States Treasury, Yugoslavia—the only other party to the agreement—is obviously not going to complain.

As I said a few moments ago, when one of the Members was talking, there is an attorney who is representing a group of American citizens who own stock in a Swiss company taken over by a Yugoslav. Friends of the committee, I wonder how far we ultimately shall go. There would be as much wisdom, as I see it, in undertaking to protect American citizens who own property in a Netherlands corporation, but might lose it in the Middle East area. I do not know where our arm of protection is going to finally extend. I do not see how we can always be responsible for a corporation going into Europe or going into Asia or any other section of this world and, as it were, losing its shirt, and then coming here and using the strength of the American Nation to protect it, irrespective of the risk involved in the venture. I might say, I favor our Government doing for its citizens all possible within the bounds of sense and reason.

But what is more important to me at this time is that we have a group of American citizens who, for more than a year, many of them soldiers, have been trying to get what they call their just claims satisfied. That Commission has been provided for, for over a year, or just about a year. Until this very date the Commission has not yet been named.

While our American soldiers, those who were on the Bataan march, wait and wait, while many other citizens of our own country who lost all they had in the Philippine Islands wait and wait, we come here and pass, for the benefit of people, many of whom have been citizens but a very short time, a bill like this. I am assuming it will pass. I doubt the wisdom of hastening the passage of legislation like this. I doubt, while this whole question of claims is being studied, and it has not been studied very much, because the War Claims Commission which was authorized has never been named, that we should pass a piece of legislation like this.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BECKWORTH] has expired.

Mr. KEE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. RIBICOFF. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. RIBICOFF. Granting your premise, even if it were correct, you must understand, that there is nothing in this legislation that would allow or forbid the statement you have just made.

Mr. BECKWORTH. The gentleman said "allow or forbid." Let us emphasize the word "forbid."

Mr. RIBICOFF. The agreement was an executive agreement between our Government and Yugoslavia. That agreement was decided by the executive branch of the Government, with which the legislative branch has no right to interfere. It sets up the procedure as to how these claims will be paid. It is provided that if 20 percent of the corporation is owned by citizens of the United States, then the entire corporation receives its recompense.

Mr. BECKWORTH. Which means that 80 percent of the money could go to noncitizens of a given corporation under this legislation. I understand that.

Mr. RIBICOFF. But we cannot change it by this legislation.

Mr. BECKWORTH. That is the understanding I have and that is the statement I made.

Mr. RIBICOFF. If we did not pass this legislation it would mean that our American nationals, to the extent of $17,000,000, would not be paid. I do want to make this clear, that the United States owes as much responsibility to a naturalized citizen as it does to a native-born citizen. Once a person is a naturalized citizen of the United States, then the full cloak of American protection is cast around his shoulders.

Mr. BECKWORTH. No one can dispute that fact. On the other hand, likely, under the terms of this legislation, many of these people who have become naturalized citizens since 1941, 1942, or 1943 will receive adjudication of their claims much quicker than many of our Bataan marchers, because the provisions of H. R. 4044 provide that before any money is given to many of our citizens a study will have to be made of several months' duration, and that study has not even begun yet.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, two short months ago, in commenting on the arrests and imprisonments of Archbishop Stepinac, of Yugoslavia, and Cardinal Mindszenty, of Hungary, I pointed out that these infamous actions were but the first steps in an insidious Communist program by which freedom, liberty, religion, human dignity, and the inalienable rights of man gradually would be squeezed out of eastern Europe.

Recent news of an ominous nature from that benighted area of the world confirms my prediction.

In the past few days, authenticated stories of governmental action against Archbishop Beran, of Czechoslovakia, and Ministers of Protestant faiths, and the Roman Catholic Uniate Bishops in Rumania, clearly discloses that the extermination of religion is the primary objective of the Red puppets who now misgovern those unhappy lands.

The militant Catholic archbishop of Prague is now following the same tortuous road which Cardinal Mindszenty was compelled to walk under the coercive lash of the godless and terroristic minions of Moscow.

His alleged offenses against the state are the same hollow and trumped-up charges which the Stalinists have consistently used to suppress the courageous voices of those champions of liberty who have dared, at the risk of life, to oppose them in every country behind the iron curtain.

Archbishop Beran has denounced the tyranny and the tyrannical methods of a despotic police state.

He has assailed the puppet government of his beloved nation for interference with freedom of worship.

He has condemned the throttling of freedom of speech and suppression of freedom of the press.

He has steadfastly opposed nationalization and confiscation of parochial and private schools and concomitant program of forcing all education into a rigid state-controlled pattern of Marxist doctrine.

He has resisted the ban on legitimate church societies and has bravely denounced the spurious organizations sponsored by the government to mislead and confuse his people.

The sanctity of his episcopal residence has been invaded, he has been isolated by police barrier from his clergy and his flock, his official stationery has been used for issuance of false announcements over his forged signature, and his communication with his fellow bishops and the Vatican has been ruthlessly severed.

The performance of his pastoral duties, his priestly functions and his spiritual responsibilities are prevented by the tactics of communistis hoodlums who do not hesitate to carry their campaign of terror within the sacred confines of cathedrals and churches.

For his resistance to the degrading ideology and outrageous practice of Red-Fascism, the Archbishop of Prague is branded as a so-called enemy of his country.

That those whom he so valiantly resists are the true enemies of once free Czechoslovakia is the conviction, not only of the liberty-loving Czechs and Slovaks, but of free men everywhere.

Secretary of State Acheson has pungently expressed the sentiment and horrified reaction of all Americans in declaring that the Communist regime in Czechoslovakia is waging a campaign against religious freedom which violates "the decencies of civilization."

In Rumania, authoritative information indicates that even more hideous and loathsome tactics are being employed by its Red-dominated government.

The Uniate Catholic Bishops in that unfortunate country have been subjected to mass arrest and torture in the campaign to compel them to abjure their faith and to bring them completely under state dominion.

Nor are the religionists of other faiths exempt from the program of religious extirpation in eastern Europe.

Protestant leaders in Czechoslovakia are also under government pressure, and it is heartening to note that the minority of that faith wholeheartedly support the stand of Archibishop Beran in his resistance to state subjugation. They know full well that they are next on the list, and that their own freedom of religion will be lost if the Catholic majority is forced to succumb.

Reliable Jewish sources of information, including Dr. Israel Tarbak, president of the Rabbinical Council of America, report that systematic attempts are now in progress to exterminate the social, cultural, and religious life of the remnants of the Jewish people in Hungary, Rumania, and Poland. Soviet anti-Semitism pursues the same evil course as that practiced by the Nazis.

Thus do we perceive that all religions and all faiths are under relentless attack by the common enemy of God.

The inherently religious peoples of all of eastern Europe are now subjected to a hideous martyrdom by which the Marxist disciples of atheistic materialism seek to test and prove their Satanic theory that religion is the opiate of the people.

What the cohorts of the Kremlin cannot comprehend is that this supposed drug of religion proves instead to be a unifying element which stimulates and sustains opposition to their nefarious and godless program.

The Red Fascists are following the identical pattern of their ideological predecessors. From the pagan Roman emperors to Adolf Hitler, the program and the methods have been the same.

Always the attack has been first upon religious leaders, with attempts to discredit them in the eyes of their flocks. Then follows imprisonment, mock trials and conviction of absurd charges. It is significant that there is no difference between the procedure in the court of Pontius Pilate and the procedure in the Court of People Commissar.

With spiritual leadership thus silenced, the churches and the synagogues are closed and the spiritual comfort of religion is denied to the people. Thus begins the degrading process of denuding

man of his individual dignity and reducing him to the status of a slave to the state.

The present persecution of all forms of religious faith in Soviet-dominated countries is a magnificent tribute to the one quality of man which the Communist will never understand—his spiritual integrity. It is also an implicit recognition that the church is the greatest and most effective barrier to the degradation of totalitarian rule.

From the Baltic to the Balkans—Estonia, Latvia, Lithuania, Poland, Rumania, Yugoslavia, Albania, and Czechoslovakia—the Soviet program of destruction of human dignity and religious freedom grinds on with inexorable grimness.

It enjoys an apparent success for the moment.

It will never know true victory, however, as long as the well-springs of religious faith are eternally renewed in the hearts of men.

In Archbishop Beran, the world is witnessing another man—another churchman—another ambassador of God on earth, who, if necessary, prefers death than to be another Judas, "Time passes." Hitler thought he was supreme and that he was building his type of vicious government to last for years, that was his boast.

History repeats itself. It will only be a matter of time when persecutors of saintly men and women of all creeds, many of them martyrs already, will pay the price that Hitler paid, or will receive the punitive justice their inhuman international crimes deserve.

As we read of the persecutors of Cardinal Mindszenty, of Archbishop Stepinac, of Archibishop Beran, and of sterling characters of all religious convictions, undergoing or facing martyrdom, we feel, in fact, we live through the meaning of the centuries old clarion call, around which freed men of all nations rallied, "Where law ceases, tyranny starts," or in the words of Patrick Henry, "Give me liberty or give me death."

Mr. EATON. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, let us not get the idea that this is an unimportant bill because it was programed for consideration on a day when it was known that only a handful would be present. I think it was a great mistake to program a bill of such vast importance, such a thoroughly bad bill, on such a day when the full membership cannot have an opportunity to hear the debate.

Mr. Chairman, this bill involves claims totaling $295,000,000 of American citizens, according to the majority report, and may involve claims amounting to billions of dollars, claims of American citizens all over the world whose property has been seized and nationalized. If the plan of this bill is followed those American citizens who claim they are out of pocket $295,000,000, or $1,000,000,000, will never get a day in court in any other country or in this country.

This is called an International Claims Settlement bill and deals with claims of Americans against foreign countries; it might better be called an International Claims Surrender bill.

Here is what happened. There were American citizens who had claims against Yugoslavia arising out of nationalization, seizure of their property, totaling between $40,000,000 and $42,000,000. The United States Government had its hands on $47,000,000 worth of Yugoslav gold; so the settlement consisted of turning back to the Yugoslavs all but $17,000,000 of their gold. Only $17,000,000 was held to pay these claims amounting to more than $40,000,000. The majority report says that the number of claimants is believed to amount to about 1,500, but that "no final estimate of the number of claims against Yugoslavia is available." Somebody in the State Department, however, estimated that even though an unknown number of claimants had claims over $40,000,000 against Yugoslavia, $17,000,000 would be plenty to pay them off; so they made a final settlement with Yugoslavia.

Look at section 4 of this Yugoslav agreement that we are asked substantially to ratify and implement today; first, look at section 4 (a):

> Nothing contained herein shall constitute or be construed to constitute a waiver or release by the government of Yugoslavia of any claims any Yugoslav national may have against any national of the United States.

They do not give up their claims against us, but as a result of this agreement we give up all of our claims arising out of nationalization.

Then look at section 4 (b) of this agreement that we are asked to implement and thereby approve today. By section 4 (b) any American citizen who gets anything out of this has got to guarantee Yugoslavia against claims arising out of that settlement. Listen to this:

> Claimants against the Government of Yugoslavia * * * receiving payment out of the funds (the $17,000,000) shall be deemed to have undertaken to hold the government of Yugoslavia and the respective successor enterprises established by such government, harmless against and to have assumed all debts, and obligations, including guarantee of the enterprises, of which such claims were formerly the owners, but nationals of countries, other than Yugoslavia.

That is what we are supposed to implement. How do we implement it? All we would need to do would be simply to pass a resolution—I do not know whether even that would be necessary, because there has been no study made of it—turning this over to the Court of Claims of the United States by way of interpleader to divide up this $17,000,000; but we do not do that.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. BECKWORTH. What would be wrong in turning this over to the War Claims Commission that was authorized by the Congress a year ago?

Mr. VORYS. That might be a good idea; that commission is already created. But the Court of Claims has been assigned additional judges; they have five. They can appoint Commissioners. They now have eleven. It seems to me that since the 1,500 or more claims against Yugoslavia are claims of American citizens that the Court of Claims could very well handle it. These are claims to the little pot of $17,000,000 that our great Government, defending the interests of Americans, decided to hold, so that the whole fuss will be between American citizens as to a fund in the hands of our own Government. It would be quite appropriately a matter to be handled through the Court of Claims. Instead of that we are going to create a new commission. It has a very fancy title, International Claims Commission of the United States, but it is nothing but a vest-pocket agency of the Department of State. The commissioners, drawing $15,000 a year apiece, with all of the help, attorneys, investigators, executive director and other employees and officials, are appointed by the Secretary of State, with no Senate confirmation. They are hired and fired by the Secretary of State. The Secretary of State can close down the Commission at any time.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield for a very brief question?

Mr. VORYS. I yield to the gentleman from Texas.

Mr. BECKWORTH. In reading page 5 of the report it is stated:

> The number is believed to be about 1,500. Included, in addition to the United States Government itself—

Which covers a jeep and two airplanes—

> are American corporations whose claims, while small in number, bulk largest in value.

Does the gentleman have any figures as to the percentage of this money that will go to corporations in which Americans might have some interest, either foreign or domestic corporations?

Mr. VORYS. I have not the slightest idea and if the figures were ever given to us I do not remember them.

Mr. BECKWORTH. According to the report, apparently that is the bulk of the claims.

Mr. VORYS. That is right.

Mr. Chairman, a few years ago, we passed the Logan-Walter bill, the Administrative Procedure Act. The counsel for the State Department who presented this to the committee said that the pending bill was under that act. When we pointed out that this bill provides for fixing its own rules and regulations and provides also that the actions can never be reviewed by any agency or by any court, by mandamus or otherwise, and that the Logan-Walter bill specifically excluded those acts which have special exclusion of court review, they finally had to admit that the Logan-Walter Act did not apply. A committee amendment is offered to make it apply, but not for court review. The committee turned that down. They want to leave that in the vest pockets of those three $15,000 commissioners and their attorneys and officers who may be appointed. The commissioners can delegate the whole works to an office boy under this bill if it wants to. Note section 3 (c):

> The Commission * * * may delegate functions to any member, officer, or employee of the Commission.

There are going to be new forms of evidence also. Look at page 5 of the bill. We are not only going to have evidence, we are going to have written legal contentions; we are also going to have the results of any independent investigation of cases which the Commission may deem is advisable to make. The result may be that an American citizen goes before this administrative tribunal and says: "I have a claim for a million dollars. There is the evidence. Here are the deeds, here are the various documents." The Commission says, "No; we turn you down because we had an investigator make an independent investigation and he wrote us a letter that your claim is no good, so we will turn you down."

In such case he has an appeal, but who do you think he appeals to? Why, the same three commissioners who just turned him down and that decision is final and forever. That is not justice.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Michigan.

Mr. DONDERO. Does the gentleman mean to say that the doors of the courts of this country are closed by this bill to its own citizens?

Mr. VORYS. The authority of the courts is closed by this bill and if you file a claim you have got to agree to that in advance, because we have this fantastic section 6 (e).

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. JUDD. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. VORYS. Mr. Chairman, answering the gentleman, look at section 6 (e):

> Any person who makes application for any such payment, shall be held to have consented to all the provisions of the act.

So they not only cut off any right to go to the courts of the Republic but you have got to agree in advance that you are cut off before you can even be considered for a thin dime. That is not only to take care of these $40,000,000 of Yugoslavia claims from American citizens but, according to the majority report, $175,000,000 against Poland, and $80,000,000 against Czechoslovakia. This is to be the wave of the future.

This is the pattern for the brilliant postwar period; we are to have a Commission set up in the State Department that settles American claims for nationalization at, say, 42 cents on the dollar, and surrenders the right of America to pursue the claims of our nationals while we leave other nations with the right to continue their claims against us and our nationals. That is to be the pattern all over the world. It is an invitation to the world to go ahead and nationalize, take over our stuff, and then all they have got to do is to make a wholesale en bloc settlement. That is French for "wholesale"; an en bloc settlement. You will find that in this bill in section 4a all they have to do is to make a settlement for, say, 30 or 40 or 50 cents on the dollar with the State Department and they are through with those American citizens forever. They do not get a hearing in foreign courts. They are never going to get a hearing at home, and that is the picture of the future that we are approving for $295,000,000, possibly billions of dollars in American claims.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from New York.

Mr. KEATING. Were the views of the American Bar Association or any similar organization other than the State Department itself solicited and obtained before the gentleman's committee?

Mr. VORYS. No; they were not. This is strictly an inside job by departmental lawyers. I tried to have the appropriate committees of the American Bar Association who cooperated so constructively and with such statesmanship in the Administration Procedure Act, and other acts, consulted and to have our committee obtain the benefit of their views. We have not got them yet. My request was turned down. The bill went to the floor with the strong recommendation of the State Department attorneys who drafted this job which you will see throughout protects the Comptroller General and protects the Treasury, protects the State Department, protects the Commission, but never gives the American citizen a chance for his white alley in a court of his peers.

Mr. DONDERO. Mr. Chairman, if the gentleman will yield further, can the gentleman cite to the House any precedent for this action?

Mr. VORYS. No; I cannot. We have had various claims commissions. It is claimed that this is patterned after the Mexican Claims Commission, which I think is nothing to boast about. But you will not find in all history a pattern for this series of events, a deal where we make a percentage settlement with a country when we have got the gold to pay the claims in full, and then create a new agency in a department that shall have exclusive jurisdiction for all time.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from South Carolina.

Mr. RICHARDS. In any claims commission established by the Congress of the United States, has there ever been an appeal from its jurisdiction to any court in this land?

Mr. VORYS. Why, I think so.

Mr. RICHARDS. Has there ever been?

Mr. VORYS. I think so; yes.

Mr. RICHARDS. When?

Mr. VORYS. I am answering the gentleman as accurately as I can. I do not know of any claims commission that did not give an appeal to the courts.

Mr. RICHARDS. Is there any court in our land that has any jurisdiction whatsoever in the matter of claims against a foreign government?

Mr. VORYS. Not unless it is given by statute, no, but I am not sure about that. I think that the United States Court of Claims has jurisdicion, but I would not want to rely upon that, because it was a hurried examination of that statute that brought me to that conclusion.

Mr. RICHARDS. One other question. The gentleman remembers, I am sure, that the American Bar Association did not ask to appear pro or con on this bill.

Mr. VORYS. No; they were not consulted. The American Bar Association does not have snoopers down here that I know of to report on what bills are coming up in which they might be of service. They rely, I would imagine, upon Members of Congress who are members of the bar and members of committees, and in this instance I took it upon myself to call it to the attention of some of the members of the appropriate committees.

On a matter like this, as in the case of the Administrative Procedure Act, where we are attempting to set up a system for hearing and determining the rights of American citizens, those who are familiar with that, who have made a patriotic, comprehensive study of it, such as the Bar Association, do not have to come here hat in hand, snooping around, begging to be heard. If we have any common sense, we will take advantage of their views to find out what they think rather than rely entirely on departmental lawyers who have drafted something that simply satisfies them.

Mr. RIBICOFF. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Connecticut.

Mr. RIBICOFF. I would refer my distinguished colleague to the case of *Z. & F. Assets Realization Corp.*, v. *Cordell Hull, Secretary of State* (311 U. S. 470) where Chief Justice Hughes, of the United States Supreme Court, pointed out that the determination of all claims of this sort is the function of the executive department and not the function of the court.

Mr. VORYS. I have been told that the State Department has under an 1896 statute the right simply to pass this money out to claimants if they want to. However, they are very properly scared to go about it in that cavalier way. The Executive does have the right, and nobody can get at him except by impeachment in case he tries it, to go over and settle an American claim and then say, "This is all we are going to do for you, Mr. American citizen," and then hand the citizen whatever was obtained in settlement and say, "Take it and like it." Congress, however, can prevent such high-handed action.

This, however, is to be a pattern for the postwar period. We are trying to do two things. One is to protect our citizens. The other is to encourage American private investment all over the world, the so-called fourth point of the President, and with that general principle I am in complete accord. To encourage investment, however, we must protect our investors. The hope of the future is that Americans will make investments all over the world and help recovery and progress all over the world. But if they are going to make investments, our Government has to protect them in those investments. We started under the ECA Act. Section 115 (b) 10 provides that when any ECA country expropriates property of Americans they have to turn the question of

compensation over to an impartial tribunal. Here in this bill, which is to be the pattern for the future, we head the other way, and we say, not only to Yugoslavia but to all the countries, "Go ahead and nationalize. We will make a little settlement with you, then we will divide it up over here. And, yes, it is going to be an Executive function. The courts, the people, are not going to have anything to do with it." If you think that is going to encourage investment by American citizens all over the world, you are very badly mistaken.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does the gentleman mean to tell me that he wants to say to American investors in all parts of the world that if they will go there we will guarantee that they do not sustain loss in any business enterprise they establish?

Mr. VORYS. No. What I said was that I want to guarantee to such an investor that his Government will back him up in at least asserting a claim for him and attempting to see that he gets justice in that country if his property is expropriated. Does not the gentleman agree with that?

Mr. RICH. I think there is some merit to that; yes.

Mr. VORYS. That is what is involved here.

Mr. RICH. As to the proposal made by the President that we give $45,000,000 to guarantee anybody who goes bankrupt who does business abroad, if I thought for a minute that the gentleman or anybody else meant a thing like that, then I would think it is about time we cleaned somebody out of the House of Representatives and out of the White House.

Mr. VORYS. I am not talking about that provision.

Mr. RICH. Well, I am glad you are not.

Mr. KEATING. Was there any explanation given by the State Department in the hearings as to why they gave up $40,000,000 in gold which they had in hand and kept only $17,000,000 to meet claims greatly in excess of that amount?

Mr. VORYS. No; no explanation was given. But by inquiring around and looking up old newspaper files I surmise that this was a little power politics which they were playing, trying to court Tito away from the Soviets. I am fully in accord with that policy, but I do not think he ought to be bought off with money which belongs to one group of American citizens.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, I am astounded, to say the least, at the position taken by my good friend the gentleman from Ohio who is admittedly a very able lawyer.

First the gentleman takes the position that a claims commission under the Secretary of State should not be set up to handle this Yugoslav fund of $17,000,000, which, by fortunate circumstance we have in our hands. He knows that if it is not paid out to American claimants, it goes back to Yugoslavia. That money does not belong to the United States. That money, under international law, belongs to the Yugoslavian Government, the Tito Government. By sweat and the hard work of the State Department we have made a bargain with the Yugoslav Government. Why were we able to make it—simply because we held here, frozen, in the United States $47,000,000 belonging to the Yugoslav Government. That is the only reason we were ever able to make that settlement. It is the best settlement of this nature ever made by this Government with a foreign government. That settlement is just about 42 percent of the total amount claimed and the average of all past claims settlements has been about 9.8 percent. So, just because some of us do not like this Commission, it is proposed that we let some of our citizens suffer, let American citizens and American corporations that had investments and property in Yugoslavia, until they were taken over by that Government, lose their investments and property.

If we do not pay this money out, to whom does it go? To Yugoslavia, and not a dime will be added to the coffers of the United States. Suppose we do turn it back to Yugoslavia. It is claimed that we still have some rights under international law. What are they? We have the right to go into the Yugoslav courts and present our claims before a Yugoslav tribunal—a Communist tribunal.

What chance would a citizen of the United States have in a Yugoslav court? And even if he were given a fair chance to prove his claim there, which is improbable, and secured a judgment, what would the determination of that court be worth? It would be paid off in dinars—I think that is what the basic unit of the currency of Yugoslavia is called. What is the convertibility value of dinars in the dollar market? None—nothing.

In either case it would seem that the claimant would get nothing.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. KEATING. Unless a claimant were precluded as he is by this legislation, would he not be able to go not only into a Yugoslav court, but into the court of any nation where assets of Yugoslavia could be attached?

Mr. RICHARDS. Even if that could be done the situation would not be very much more encouraging, because most currencies are soft currencies and not worth much on the dollar market. That is why all over the world today the United States is spending dollars to stabilize currencies.

But let us confine our remarks and our thinking to this bill. If we do not accept this responsibility and pay this money out to the claimants we will be doing our own citizens an injustice—and remember that not one single claimant appeared before the Committee on Foreign Affairs in opposition to this method of settlement—they are waiting breathlessly for the passage of this bill because under it they are going to get something that they did not believe 5 years ago they would ever get. Here we make the best settlement in the field of foreign claims that was ever made by the State Department, and the gentleman comes in here and says it is an outrage; that we should do what in effect would amount to turning this money back to Yugoslavia. Under international law, the United States Government is only trustee of this fund, and we do not have one iota of legal title to it.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. McCORMACK. In regard to the pertinent inquiry made by the gentleman from New York [Mr. KEATING] suppose an attachment were made on Yugoslavia property in the United States, the ones who got the attachment in first would get the money, and the other claimants would not get any kind of consideration, because they were not lucky enough to get their attachments in first.

Mr. KEATING. If the gentleman will yield to me to answer that; of course, it is always true that the one who proceeds to enforce his claim is the one who gets paid.

Mr. RICHARDS. Now I want to proceed with my argument a moment.

Mr. RIBICOFF. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. Yes; I yield to the gentleman from Connecticut.

Mr. RIBICOFF. Is it not true that no court will take jurisdiction when you sue a sovereign state? In this case, since the Government of Yugoslavia is the one which expropriated American funds, under those circumstances you would have to sue the Yugoslav Government and you could not come in and sue a sovereign state under any other jurisdiction. No court will take jurisdiction.

Mr. RICHARDS. The gentleman is correct. In the past we have had the Mixed Claims Commission. It would have been possible, under international law, for the establishment of a Mixed Claims Commission. You would have had representatives on that Commission from Yugoslavia and representatives from the United States, but the judgment of that Commission would only apply against the Yugoslavia Government, and the judgment would, if paid, be paid only in Yugoslavia currency. The difference in this case is that we have good old American dollars in hand, and the only reason we have those dollars in hand is because that money was over here and we froze it and made a trade with the Yugoslavia Government.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. VORYS. The gentleman twice has stated that I was advocating turning that money back to Yugoslavia. I assure the gentleman that I did not intend to make any such statement. I urged that it be distributed through the Court of Claims, and stated that the State Department had authority to do it.

Mr. RICHARDS. That was one premise of the gentleman, but he did say if we were going to accept this $17,000,000

out of $47,000,000, in full settlement of claims against Yugoslavia, the distribution should be made by the Court of Claims of the United States. Now, that is a novel proposal. It is elementary that the Court of Claims of the United States has no jurisdiction over claims of a citizen of the United States against the Government of Yugoslavia. It only has jurisdiction over claims made by citizens of the United States against their own Government, and counterclaims made by the United States against that citizen. That is all. The United States Court of Claims, nor any other court in the United States, has jurisdiction over this matter. No court of the United States has even appellate jurisdiction over claims settlements with a foreign government. Foreign settlements in protection of the rights of citizens or nationals of the United States are made by the executive department of this Government, and in this case they have made a good trade, the best one ever made by the United States with any foreign government. I only hope that we can make the same kind of trade with Poland and Czechoslovakia. I am afraid that in those cases we are going to run up a difficulty that we did not have here; that is, finding dollars of those governments here that we can freeze.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. BECKWORTH. In the event we do not make successful trades with Czechoslovakia and Poland, and that we have American corporations and people of our country who have been treated exactly as they have been treated in this instance, would the gentleman favor the United States Government doing for those who have been mistreated in Czechoslovakia and Poland, something that might approximate what we are doing for these people?

Mr. RICHARDS. I am in favor of doing everything we consistently can for our citizens in any agreement that we have made or may have to make with any foreign government.

Mr. BECKWORTH. Which may cost millions of dollars.

Mr. RICHARDS. However that may be, such agreements are in the field of the executive department of the Government. If the executive branch does not make a good trade then it is a weakness of our form of government. I believe, however, that the authors of our Constitution were wise in placing authority and discretion in the field of claims settlements, such as we have here, in the hands of the executive branch.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. EATON. Mr. Chairman, I have no further requests for time on this side.

Mr. KEE. Mr. Chairman, there are no further requests for time on this side.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.,* That this act may be cited as the "International Claims Settlement Act of 1949."

Mr. JUDD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JUDD. Mr. Chairman, on behalf of the gentleman from Connecticut [Mr. LODGE], who could not be here today, I desire to submit amendments to several sections of the bill, but the amendments are all part of one comprehensive amendment.

The purpose of the amendment is to change this bill from the International Claims Settlement Act of 1949 to the Yugoslav Claims Settlement Act of 1949; that is to make the bill apply to the settlement of claims against one country, Yugoslavia, and not to all such settlements which may be entered into hereafter. May I inquire whether it would be in order to submit it now, as the first portion changes language on page 1, line 3, and then submit the other changes as they are reached in the bill, or should I wait until the reading of the bill has been completed and then return to the different sections?

The CHAIRMAN. The gentleman could ask unanimous consent to have the amendment considered at this point, notwithstanding the fact that it was applicable to other sections.

Mr. JUDD. Or could I ask consent to have it all considered after the bill is read by returning to the various sections?

The CHAIRMAN. The gentleman could do that by unanimous consent.

Mr. JUDD. Mr. Chairman, I ask unanimous consent that this amendment, although applying to various sections of the bill, may be considered at this time.

Mr. KEE. I suggest that the gentleman have his amendment read for information that we may see whether or not it is subject to a point of order.

The CHAIRMAN. Any point of order which might ultimately lie against the amendment could be made at this time, if the amendment is reported.

The gentleman from Minnesota asks unanimous consent to offer his amendment at this time, notwithstanding the fact that it applies to various sections of the bill. Is there objection?

Mr. KEE. Mr. Chairman, I object.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the bill be considered as read and that it be printed in the RECORD at this point.

The CHAIRMAN. And that the bill be open to amendment at any point?

Mr. McCORMACK. Yes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that the bill be considered as read, be printed in the RECORD at this point, and be open to amendment at any point.

Is there objection?

There was no objection.

(The balance of the bill reads as follows:)

SEC. 2. For the purposes of this act—

(a) The term "person" shall include an individual, partnership, corporation, or the Government of the United States.

(b) The term "United States" when used in a geographical sense shall include the United States, its Territories and insular possessions, and the Canal Zone.

(c) The term "nationals of the United States" includes (1) persons who are citizens of the United States, and (2) persons who, though not citizens of the United States, owe permanent allegiance to the United States. It does not include aliens.

(d) The term "Yugoslav Claims Agreement of 1948" means the agreement between the Governments of the United States of America and of the Federal People's Republic of Yugoslavia regarding pecuniary claims of the United States and its nationals, signed July 19, 1948.

SEC. 3. (a) There is hereby established in the Department of State a commission to be known as the International Claims Commission of the United States (hereinafter referred to as the "Commission") and to be composed of three persons, who have been admitted to the bar of the highest court of any State, Territory, or the District of Columbia, to be appointed by the Secretary of State. One of such members shall be designated by the Secretary of State as the Chairman of the Commission and each shall receive compensation at the rate of $15,000 per annum. Two members of the Commission shall constitute a quorum for the transaction of business. Any vacancy that may occur in the membership of the Commission shall be filled in the same manner as in the case of an original appointment: *Provided,* That in the event of the death, resignation, absence, or disability of a member, the Secretary of State may designate an acting member from among persons in the judicial or in the executive branch of the Government (including employees of the Commission), who possess the qualifications prescribed by this subsection, to temporarily perform without additional compensation the duties of the member until a successor is appointed or the absence or disability of the member shall cease.

(b) The principal office of the Commission shall be in the District of Columbia. The Secretary of State, in accordance with the provisions of the civil-service laws and the Classification Act of 1923, as amended, upon the recommendation of the Commission, may appoint and fix the compensation of an executive director, and of officers, attorneys, investigators, and other employees.

(c) The Commission may prescribe such rules and regulations as may be necessary to enable it to carry out its functions, and may delegate functions to any member, officer, or employee of the Commission. The Secretary of State may fix a termination date for the authority of the Commission, and the terms of office of its members under this act. Any member of the Commission may be removed by the Secretary of State, upon notice and hearing, for neglect of duty, or malfeasance in office, but for no other cause. Not later than 6 months after its organization, and every 6 months thereafter, the Commission shall make a report, through the Secretary of State, to the Congress concerning its operations under this act. The Commission shall, upon completion of its work, certify in duplicate to the Secretary of State and to the Secretary of the Treasury the following: (1) A list of all claims disallowed; (2) a list of all claims allowed, in whole or in part, together with the amount of each claim and the amount awarded thereon; and (3) a copy of the decision rendered in each case.

SEC. 4. (a) The Commission shall have jurisdiction to receive, examine, adjudicate, and render final decisions with respect to claims of the Government of the United States and of nationals of the United States included within the terms of the Yugoslav Claims Agreement of 1948, or included within the terms of any claims agreement hereafter concluded between the Government of the United States and a foreign government (exclusive of governments against which the United States declared the existence of a

state of war during World War II) similarly providing for the settlement and discharge of claims of the Government of the United States and of nationals of the United States against a foreign government, arising out of the nationalization or other taking of property, by the agreement of the Government of the United States to accept from that government a sum in en bloc settlement thereof. In the decision of claims under this act, the Commission shall apply the following in the following order: (1) The provisions of the applicable claims agreement as provided in this subsection; and (2) the applicable principles of international law, justice, and equity.

(b) The Commission shall give public notice of the time when, and the limit of time within which, claims may be filed, which notice shall be published in the Federal Register. In addition, the Commission is authorized and directed to mail a similar notice to the last-known address of each person appearing in the records of the Department of State as having indicated an intention of filing a claim with respect to a matter concerning which the Commission has jurisdiction under this act. All decisions shall be upon such evidence and written legal contentions as may be presented within such period as may be prescribed therefor by the Commission, and upon the results of any independent investigation of cases which the Commission may deem it advisable to make. Each decision by the Commission pursuant to this act shall be by majority vote, and shall state the reason for such decision, and shall constitute a full and final disposition of the case in which the decision is rendered.

(c) Any member of the Commission, or any employee of the Commission, designated in writing by the Chairman of the Commission, may administer oaths and examine witnesses. Any member of the Commission may require by subpena the attendance and testimony of witnesses, and the production of all necessary books, papers, documents, records, correspondence, and other evidence, from any place in the United States at any designated place of inquiry or of hearing. The Commission is authorized to contract for the reporting of inquiries or of hearings. Witnesses summoned before the Commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. In case of disobedience to a subpena, the aid of any district court of the United States, as constituted by chapter 5 of title 28, United States Code (28 U. S. C. 81 and the following), and the United States court of any territory or other place subject to the jurisdiction of the United States may be invoked in requiring the attendance and testimony of witnesses and the production of such books, papers, documents, records, correspondence, and other evidence. Any such court within the jurisdiction of which the inquiry or hearing is carried on may, in case of contumacy or refusal to obey a subpena issued to any person, issue an order requiring such person to appear or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(d) The Commission may order testimony to be taken by deposition in any inquiry or hearing pending before it at any stage of such proceeding or hearing. Such depositions may be taken, under such regulations as the Commission may prescribe, before any person designated by the Commission and having power to administer oaths. Any person may be compelled to appear and depose, and to produce books, papers, documents, records, correspondence, and other evidence in the same way as witnesses may be compelled to appear and testify and produce documentary evidence before the Commission, as hereinabove provided. If a witness whose testimony may be desired to be taken by deposition be in a foreign country, the deposition may be taken, provided the laws of the foreign country so permit, by a consular officer, or by an officer or employee of the Commission, or other persons commissioned by the Commission, or under letters rogatory issued by the Commission. Witnesses whose depositions are taken as authorized in this subsection, and the persons taking the same, shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

(e) In addition to the penalties provided in title 18, United States Code, section 1001, any person guilty of any act, as provided therein, with respect to any matter under this act, shall forfeit all rights under this act, and, if payment shall have been made or granted, the Commission shall take such action as may be necessary to recover the same.

(f) In connection with any claim decided by the Commission pursuant to this act in which an award is made, the Commission may, upon the written request of the claimant or any attorney heretofore or hereafter employed by such claimant, determine and apportion the just and reasonable attorney's fees for services rendered with respect to such claim, but the total amount of the fees so determined in any case shall not exceed 10 percent of the total amount paid pursuant to the award, unless in special circumstances the Commission shall find a larger fee is just and reasonable. Written evidence that the claimant and any such attorney have agreed to the amount of the attorney's fees shall be conclusive upon the Commission: *Provided, however,* That the total amount of the fees so agreed upon does not exceed 10 percent of the total amount paid pursuant to the award. Any fee so determined shall be entered as a part of such award, and payment thereof shall be made by the Secretary of the Treasury by deducting the amount thereof from the total amount paid pursuant to the award. Any agreement to the contrary shall be unlawful and void. The Commission is authorized and directed to mail to each claimant in proceedings before the Commission notice of the provisions of this subsection. Whoever, in the United States or elsewhere, pays or offers to pay, or promises to pay, or receives on account of services rendered or to be rendered in connection with any such claim, compensation which, when added to any amount previously paid on account of such services, will exceed the amount of fees so determined by the Commission, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than 12 months, or both, and if any such payment shall have been made or granted, the Commission shall take such action as may be necessary to recover the same, and, in addition thereto, any such person shall forfeit all rights under this act.

(g) The Attorney General shall assign such officers and employees of the Department of Justice as may be necessary to represent the United States as to any claims of the Government of the United States with respect to which the Commission has jurisdiction under this act. Any and all payments required to be made by the Secretary of the Treasury under this act pursuant to any award made by the Commission to the Government of the United States shall be covered into the Treasury to the credit of miscellaneous receipts.

(h) The Commission shall notify all claimants of the approval or denial of their claims, stating the reasons and grounds therefor, and, if approved, shall notify such claimants of the amount for which such claims are approved. Any claimant whose claim is denied, or is approved for less than the full amount of such claim, shall be entitled, under such regulations as the Commission may prescribe, to a hearing before the Commission, or its duly authorized representatives, with respect to such claim. Upon such hearing, the Commission may affirm, modify, or revise its former action with respect to such claims, including a denial or reduction in the amount theretofore allowed with respect to such claim. The action of the Commission in allowing or denying any claim under this act shall be final and conclusive on all questions of law and fact and not subject to review by the Secretary of State or any other official, department, agency, or establishment of the United States or by any court by mandamus or otherwise.

SEC. 5. The Commission shall, as soon as possible, and in the order of the making of such awards, certify to the Secretary of the Treasury and to the Secretary of State copies of the awards made in favor of the Government of the United States or of nationals of the United States under this act. The Commission shall certify to the Secretary of State, upon his request, copies of the formal submissions of claims filed pursuant to subsection (b) of section 4 of this act.

SEC. 6. (a) Subject to the limitations hereinafter provided, the Secretary of the Treasury is authorized and directed to pay, as prescribed by section 7 of this act, an amount not exceeding the principal of each award, plus accrued interest on such awards as bear interest, certified pursuant to section 5 of this act, in accordance with the award. Such payments, and applications for such payments, shall be made in accordance with such regulations as the Secretary of the Treasury may prescribe.

(b) There shall be deducted from the amount of each payment made pursuant to subsection (c) of section 7, as reimbursement for the expenses incurred by the United States, an amount equal to 3 percent of such payment. All amounts so deducted shall be covered into the Treasury to the credit of miscellaneous receipts.

(c) Payments made pursuant to this act shall be made only to the person or persons on behalf of whom the award is made except that—

(1) if such person is deceased or is under a legal disability, payment shall be made to his legal representative: *Provided,* That if the amount to be disbursed at any one time is not over $1,000 and there is no qualified executor or administrator, payment may be made to the person or persons found by the Comptroller General of the United States to be entitled thereto, without the necessity of compliance with the requirements of law with respect to the administration of estates;

(2) if an award is made to the estate of a deceased person, and if there has been no administration of such person's estate, or if the administration of such person's estate has been terminated, payment may be made to the person or persons found by the Comptroller General of the United States to be entitled thereto;

(3) in the case of a partnership or corporation, the existence of which has been terminated and on behalf of which an award is made, payment shall be made, except as provided in paragraphs (4) and (5), to the person or persons found by the Comptroller General of the United States to be entitled thereto;

(4) if a receiver or trustee for any such partnership or corporation has been duly appointed by a court of competent jurisdiction in the United States and has not been discharged prior to the date of payment, payment shall be made to such receiver or trustee in accordance with the order of the court;

(5) if a receiver or trustee for any such partnership or corporation, duly appointed by a court of competent jurisdiction in the United States, makes an assignment of the claim, or any part thereof, with respect to

which an award is made, or makes an assignment of such award, or any part thereof, payment shall be made to the assignee, as his interest may appear; and

(6) in the case of any assignment of an award, or any part thereof, which is made in writing and duly acknowledged and filed, after such award is certified to the Secretary of the Treasury, payment may, in the discretion of the Comptroller General of the United States, be made to the assignee, as his interest may appear.

(d) Whenever the Secretary of the Treasury, or the Comptroller General of the United States, as the case may be, shall find that any person is entitled to any such payment, such finding shall be an absolute bar to recovery by any other person against the United States, its officers, agents, or employees with respect to such payment.

(e) Any person who makes application for any such payment shall be held to have consented to all the provisions of this act.

(f) Nothing in this act shall be construed as the assumption of any liability by the United States for the payment or satisfaction, in whole or in part, of any claim on behalf of any national of the United States against any foreign government. Without limitation of the foregoing, failure to give or to receive written notice of the opportunity to file a claim, as provided in subsection (b) of section 4 of this act, shall not give rise to any cause of action against the United States, or with respect to any of the special funds provided for in section 7 of this act, or against any of the members, or officers of employees, of the Commission.

SEC. 7. (a) There are hereby created in the Treasury of the United States (1) a special fund to be known as the Yugoslav Claims Fund; and (2) such other special funds as may, in the discretion of the Secretary of the Treasury, be required, each to be a claims fund to be known by the name of the foreign government which has entered into a settlement agreement with the Government of the United States as described in subsection (a) of section 4 of this act. There shall be covered into the Treasury to the credit of the proper special fund all funds hereinafter specified. All payments authorized under section 6 of this act shall be disbursed from the proper fund, as the case may be, and all amounts covered into the Treasury to the credit of the aforesaid funds are hereby permanently appropriated for the making of the payments authorized by section 6 of this act.

(b) The Secretary of the Treasury is authorized and directed to cover into—

(1) the Yugoslav Claims Fund the sum of $17,000,000, being the amount paid by the Government of the Federal People's Republic of Yugoslavia pursuant to the Yugoslav Claims Agreement of 1948;

(2) a special fund created for that purpose pursuant to subsection (a) of this section any amounts hereafter paid in United States dollars by a foreign government which has entered into a claims settlement agreement with the Government of the United States as described in subsection (a) of section 4 of this act.

(c) The Secretary of the Treasury is authorized and directed out of the sums covered into any of the funds pursuant to subsection (b) of this section, and after making the deduction provided for in section 6 (b) of this act—

(1) to make payments in full of the principal of awards of $1,000 or less, certified pursuant to section 5 of this act;

(2) to make payments of $1,000 on the principal of each award of more than $1,000 in principal amount, certified pursuant to section 5 of this act;

(3) to make additional payment of not to exceed 25 percent of the unpaid principal of awards in the principal amount of more than $1,000;

(4) after completing the payments prescribed by paragraphs (2) and (3) of this subsection, to make payments, from time to time in ratable proportions, on account of the unpaid principal of all awards in the principal amount of more than $1,000, according to the proportions which the unpaid principal of such awards bear to the total amount in the funds available for distribution at the time such payments are made; and

(5) after payment has been made of the principal amounts of all such awards, to make pro rata payments on account of accrued interest on such awards as bear interest.

(d) The Secretary of the Treasury, upon the concurrence of the Secretary of State, is authorized and directed, out of the sum covered into the Yugoslav Claims Fund pursuant to subsection (b) of this section, after completing the payments of such funds pursuant to subsection (c) of this section, to make payment of the balance of any sum remaining in such fund to the Government of the Federal People's Republic of Yugoslavia to the extent required under article 1 (c) of the Yugoslav Claims Agreement of 1948. The Secretary of State shall certify to the Secretary of the Treasury the total cost of adjudication, not borne by the claimants, attributable to the Yugoslav Claims Agreement of 1948. Such certification shall be final and conclusive and shall not be subject to review by any other official, or department, agency, or establishment of the United States.

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to enable the Commission to carry out its functions under this act.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 10, line 18, insert the following language:

"(i) The Commission may in its discretion enter an award with respect to one or more items deemed to have been clearly established in an individual claim while deferring consideration and action on other items of the same claim.

"(j) The Commission shall comply with the provisions of the Administrative Procedures Act of 1946."

Page 11, line 9, insert the following:

"SEC. 6. The Commission shall complete its affairs in connection with settlement of United States-Yugoslav claims arising under the Yugoslav Claims Agreement of 1948 not later than 4 years following the effective date of this act: *Provided*, That nothing in this provision shall be construed to limit the life of the Commission, or its authority to act on future agreements which may be effected under the provisions of this legislation."

Page 11, line 17, strike out "6" and insert "7."

Page 12, line 12, strike out "amount to be disbursed at any one time is not over $1,000" and insert in lieu thereof "total award is not over $500."

Page 12, strike out lines 20 to 25, inclusive.

Page 13, line 1, strike out "(3)" and insert "(2)."

Page 13, line 7, strike out "(4)" and insert "(3)."

Page 13, line 13, strike out "(5)" and insert "(4)."

Page 13, line 20, strike out "(6)" and insert "(5)."

Page 13, line 24, strike out "Comptroller General of the United States" and insert "Secretary of the Treasury."

Page 14, line 6, strike out "such finding" and insert "after such payment shall have been received by such person, it."

Page 14, line 17, after the word "government", strike out the balance of the line and all of lines 18 to 23, inclusive.

Page 14, line 24, strike out "7" and insert "8."

Page 17, line 18, strike out "8" and insert "9."

The committee amendments were agreed to.

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD:

Page 1, line 3, strike out "International" and insert in lieu thereof "Yugoslav."

Page 2, beginning in line 14, strike out "International" and insert in lieu thereof "Yugoslav."

Page 4, beginning in line 18, strike out "and a foreign government (exclusive of governments against which the United States declared the existence of a state of war during World War II)" and insert in lieu thereof "and the Government of the Federal People's Republic of Yugoslavia."

Page 4, line 23, strike out "a" and insert in lieu thereof "such."

Page 15, line 1, after "Fund", insert "of 1948."

Page 15, beginning in line 3, strike out "to be known" and all that follows through the period in line 6 and insert in lieu thereof "to be designated by the date of the applicable settlement agreement."

Page 15, line 16, after "Fund", insert "of 1948."

Page 15, beginning in line 22, strike out "a foreign government" and all that follows through page 16, line 2, and insert in lieu thereof "the Government of the Federal People's Republic of Yugoslavia pursuant to any claims settlement agreement which it may hereafter enter into with the United States."

Page 17, line 5, after "Fund", insert "of 1948."

Mr. JUDD. Mr. Chairman, I am submitting this amendment at the request of the gentleman from Connecticut [Mr. LODGE] who unfortunately was prevented from being here today but who has taken the trouble to work this out with great care and in great detail. I do not think the amendment needs a long explanation or argument. That part of it which amends the title makes clear exactly what it does. It changes H. R. 4406 from "A bill to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments," to a bill to provide for the settlement of such claims against the Government of Yugoslavia.

Mr. Chairman, the bill, as presently drafted, is altogether too sweeping. The pattern which it establishes may prove wise and work well in the future, but no one can predict that today with any certainty. We should not jump off the cliff in the dark. It is both unnecessary and unwise. Let us rather set up a Yugoslav Claims Commission to deal with this specific settlement which has already been entered into by our Government with the Government of Yugoslavia. We have this $17,000,000 on hand. Try the system out and see how it works.

I think even that is going plenty far because, as the gentleman from Ohio [Mr. VORYS] has so well said already, it protects everybody exept the American citizen who has invested abroad. May I

for a moment call your attention to the fact that the President expects to send up in the next few days, if he has not already sent up over the weekend, concrete proposals for so-called point 4, aid to undeveloped areas. It is recognized frankly that in the case of point 4, just as with ECA in Europe, the long-term job of getting permanent recovery so that the countries can stand on their own feet will not succeed unless by the time our direct governmental aid ends there has been developed sufficient stability in the recipient countries so that Americans will invest their private capital and machinery and know-how in those countries. I am deeply interested in the success of that program. It seems to me that after putting in so many billions of dollars, we must consider most carefully before we do anything that might jeopardize the program by making American private enterprisers hesitant about investing their money abroad.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Michigan.

Mr. DONDERO. There are two questions that are troubling me. First, is there any precedent for the procedure set up in this bill?

Mr. JUDD. Well, I am afraid the gentleman will have to ask that question of somebody else. During the discussion on this bill by the lawyers in the committee I admit that, not being a lawyer, I sometimes did not know for sure just what all the technicalities meant, although I think I discerned the principles that were involved.

Mr. DONDERO. Suppose this bill is not passed, can the Court of Claims of this country take jurisdiction of this matter?

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Ohio.

Mr. VORYS. In order for the Court of Claims to have jurisdiction, the State Department or the Government would have to file what is called a bill in the nature of interpleader, where a party has a fund that belongs to a group of people and says to the court "Will you please divide this up?" That action would have to be taken by our Government to bring about Court of Claims jurisdiction. I think it already has that jurisdiction. Also, under an old law, the State Department, I am told, has the power to divide this money up itself. But, what should be really done is to have this bill defeated and then come up with a bill making sure that this thing would go properly to the Court of Claims. As the gentleman knows, we often pass such bills.

Mr. JUDD. Mr. Chairman, I agree with the gentleman that the bill should be defeated, or else recommitted for further study by all those interested and qualified. It has been said that the claimants did not come before our committee. Well, I do not think many of them knew that the bill was before us. It had little or no publicity. Few indeed, even in the Congress had an appreciation of the magnitude of its implications. It has been said that the American Bar Association was not knocking at our doors to be heard. Well, if they had, they would probably have been accused of being greedy lobbyists trying to coerce the Congress to do something favorable to lawyers.

This bill sets up a pattern which, once established, would be very difficult to change. We are entering into a vastly enlarged field in our foreign relations. The United States is compelled by the logic of history to take the position in world leadership and trade that the British Empire has filled for the last 200 years. This is the first postwar case dealing with properties of American nationals which have been expropriated or nationalized or seized or destroyed abroad. But before we know how it will work out in settling American claims on Yugoslavia, this bill establishes the same pattern and mechanism for anything that may be seized or nationalized in England, France, the Argentine, Mexico, Philippine Islands, or any place else where an American has invested his money to build power plants or automobile factories or railways or other enterprises. I think, as a minimum, this amendment proposed by the gentleman from Connecticut should be adopted. Let us see how it works for Yugoslav claims before we blanket in the whole world.

Mr. RIBICOFF. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I see nothing to be gained by the adoption of this amendment. We are seeking, by orderly procedure, to settle claims of United States citizens against foreign nations who have taken the property of American citizens. At the present time the authority rests in the State Department. We seek by this bill to set up an orderly procedure in order to dispose of these claims.

What will be accomplished if this amendment is adopted? You set up a Claims Commission to handle Yugoslav claims, then another commission to handle Czechoslovakian claims, then another commission to handle Polish claims. So instead of having one single commission you have innumerable commissions to cause confusion. Certainly the experience gained by this Commission could be used to good advantage to settle the claims of American citizens against all other foreign countries.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Minnesota.

Mr. JUDD. There are no other claims at the present moment to be settled, are there, except this one?

Mr. RIBICOFF. No; but at the present time there are negotiations on Czechoslovakia and Poland.

Mr. JUDD. Yes.

Mr. RIBICOFF. It is hoped for the sake of American citizens that we will be able to arrive at a settlement. Certainly American dollars to pay to these people are much better than Yugoslav dinars or Polish zlotys or Czechoslovakian currency.

Mr. JUDD. What objection can the gentleman have to authorizing the Claims Commission at this time to determine only the Yugoslav claims, the only ones for which there are funds? Then, if we get a settlement with Poland, it will be easy to pass a resolution to give jurisdiction over that fund to the same Commission, if our experience has indicated that is wise. This bill in its present form is so sweeping and so final that it seems to me we should not give a commission such broad powers without any experience.

Mr. RIBICOFF. The gentleman from Minnesota spoke about no one having an opportunity to come and be heard. All I know is that after this bill was introduced under my name, I learned that there were many individuals who were interested in this legislation. There was ample opportunity for anyone to be heard.

I think there is something very, very important about this Yugoslav claims proposition that I should again bring to the attention of the committee. It is in answer to the inquiry of the gentleman from New York to the gentleman from Ohio, that was not answered. It arose out of the question why $17,000,000, when we had $47,000,000 of gold belonging to Yugoslavia.

I think the Committee should understand that this was money that was brought to the United States in the spring of 1941. The United States was not at war. Yugoslavia was about to be invaded by the armies of Germany and Italy. The $47,000,000 worth of gold was brought to the United States for safekeeping. We were honor bound to keep that gold safely, and we had no right to that money. This gold was kept in the United States, and Yugoslavia drew on this gold during the period when it was at war to meet the commitments of its government, most of which was spent in the United States.

I also want to point out something very, very important, because the success of United States foreign policy was at stake. You will recall that in June of 1948 Russia sought to strike at our position in central Europe by blockading the city of Berlin. You will note something very interesting. This agreement was entered into on July 18, 1948, about 1 month later. One of the things that defeated the Russian purpose at that time was the fact that at that period Yugoslavia defected from the influence of the Cominform and, under the circumstances, it became very, very essential that Yugoslavia should be allowed to exist, because for the first time the Russian left flank was exposed.

What happened? The Cominform immediately cut the Government of Yugoslavia off from all produce, all oil, all material, and sought to bring Yugoslavia to its knees. The Government of Yugoslavia had to sustain itself, and it was necessary for the benefit of the United States that the Government of Yugoslavia be allowed to sustain itself and be independent of the Cominform. No matter what we thought of the Yugoslavian Government, therefore, it was essential that Yugoslavia should exist independent of Russia. To do so it had to have gold with which to go into the free markets of the world in order to buy

its oil and its produce and be independent of the Russian Government. Therefore, it was very important that this settlement be made at that time so that the Yugoslav gold we held would be made available to her.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Iowa.

Mr. GROSS. I thought we had a Marshall plan to take care of countries that were friendly to us.

Mr. RIBICOFF. Yugoslavia was not a beneficiary of the Marshall plan.

Mr. GROSS. I say, I thought we had a Marshall plan to take care of countries that were friendly to us.

Mr. RIBICOFF. Would the gentleman prefer to utilize American money when we could give back a country's own money to spend? I certainly would not advocate it, although I am a great believer in the Marshall plan.

We should have this Commission set up to handle all claims that are made and all settlements reached. We want it done expeditiously. We want it done so that American citizens whose property has been nationalized can come before an American tribunal instead of a foreign tribunal and get their money in dollars instead of in a foreign currency. I hope the amendment does not prevail.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems that we have before us a bill which the Committee on Foreign Affairs and its members do not too well understand. So I am not going to come up here posing as an expert on this. I am just listening to the arguments here as a practical businessman. I agree with the gentleman from Minnesota and with the gentleman from Ohio that we should not jump full length ahead on this proposition and make this apply worldwide to all claims involving all countries. That just is not good business sense anywhere on any kind of a deal. If you have a chance to feel your way along and not get your neck out too far, that is the safer course to take.

The argument so far has further convinced me that the State Department, as usual, is very considerably running the affairs of the United States as it has been for the last 10 or 15 years. I do not know of any war that the United States has ever gotten into except the wars which we were maneuvered into by our diplomats of the State Department— as harsh as that statement may seem. The State Department comes to the Congress from time to time and says "I want this billion dollars" or "I want that billion dollars" or "I want $5,000,000,000" or "I want $10,000,000,000" or "I want $17,000,000,000", and the good taxpayers of this country pay out the money as a result of an act of Congress.

We buy the deals for the State Department. I do not know of any group who, if you give them enough money, cannot buy their way substantially through the world, at least for a short period of time, whether it is a gang of bank robbers or the officials of the State Department. Why are we so generous with the State Department? I am just speaking as a taxpayer. Why are we so generous with the State Department? Why does the Congress of the United States adopt practically every money-raising scheme that can be thought of or which is brought to the Congress by the Committee on Foreign Affairs of the House speaking for the State Department? We generally adopt them under the slogan, Well, this is for national defense. Suppose you did not have these billions of dollars to put up, then what would you do? Suppose that you were busted like every other country in the world, what would you do? You would get along without the billions just like they do. You would get along just like any poor man gets along when he does not have all the money in the world at his command. Why do we not adopt this amendment offered by the gentleman from Minnesota in behalf of the gentleman from Massachusetts, and feel our way through this thing, through this seething mass of international chicanery and intrigue of claims that lie ahead of the taxpayers of the United States?

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. VORYS. Does not the gentleman think that if we are going to start out to buy influence over the world it would be a little more just to do it at the general expense of the American taxpayer rather than to pick out certain people who have property in a particular country and buy that influence at the expense of that particular group?

Mr. CRAWFORD. Yes, sir; it should be handled as you suggest. That would be the way you would do it if you were handing it on a business basis.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. JUDD. My good friend and colleague on the committee the gentleman from Connecticut [Mr. RIBICOFF] said that this bill is to be a pilot plant, but unless this amendment is adopted, it is not a pilot plant—it is the whole works.

Mr. CRAWFORD. It certainly is not a pilot plant, but should be. If you have a pilot plant to determine whether or not you want to produce a new product that has been dreamed up, you do not shoot the whole works through the pilot plant, but you take the pilot plant and put a little of this, that, and the other thing in it, and finally work out your formula and get it down to a running basis and determine whether or not you can economically produce that product. Then, if it does not turn out well, your pilot plant has told you the story before you have gone to the expense of building a thirty, forty, or one hundred million dollar plant and busted the whole country involved in that particular picture. Why do we not go ahead on this on a single country basis? Is it because of the unimaginable influence which the State Department has over this Congress and has had for years? It is clearly beyond me to comprehend why the Congress of the United State continually bows to the State Department on every question that they raise. There are people back in the country who are tired of carrying these bills and buying the way through for the State Department people. If they are not tired of it now they will be before these bills are paid, and you can be sure of that.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

Mr. RICHARDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the proponents of this amendment overlook the fact that under the Constitution of the United States the State Department could settle these claims right now, without any authority from this Congress. They have that power. The State Department just does not think it can do justice to everybody with the machinery they have down there.

Seventeen million dollars is a lot of money, and it means a lot to many citizens of the United States who have filed claims. These claims have been filed for a long time, and not one single one of these claimants has appeared before this committee in opposition to this bill. So far as I know, they are all for it. Many of these claimants are destitute. Many of them are without a shirt on their back, because everything has been taken from them. They have been waiting for a year since this agreement was made with Yugoslavia. This agreement was made a year ago. We have had that $17,000,000 ever since that time, in trust for our own people. Do not forget that, whether you pass this bill or not, the State Department could go ahead tomorrow and distribute this money, but they cannot do it in justice to everybody.

Here we ask that special machinery be set up to settle the Yugoslavia claims, and claims that might arise in other settlements of the United States with foreign governments. It is now proposed that we confine the bill to the settlement with Yugoslavia, which would necessitate the passage of additional legislation when there is a settlement with other powers—that Congress set up a number of separate outfits.

The Hoover Commission recommended cutting down these commissions. When it did support the idea of commissions, it recommended that those commissions be put under the constitutional departments of the Government, just what is being proposed here. It is proposed that this new commission be put under the Secretary of State, as it should be, just as the Hoover Commission recommended, in substance.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. VORYS. The gentleman does not mean to say that the Hoover Commission recommended the appointment of this particular commission?

Mr. RICHARDS. Oh, no, no. The principle, however, is the same. Probably they did not have this proposed commission in view, but the principle proposed is in line with the recommendation of the Hoover Commission.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. DONDERO. If this bill were not enacted would the State Department have the right to adjudicate these claims, or would it refer them to the Court of Claims of the United States?

Mr. RICHARDS. I would say in answer to the distinguished gentleman from Michigan that the State Department would have the right to adjudicate these claims if it could, but with the force they have down there it might be years before they could do the job. All they are asking here is that some competent people be provided to adjudicate these claims on an equitable basis.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. McCORMACK. I think the gentleman from Michigan was very much interested. Could the State Department refer them to the Court of Claims? I think the gentleman has answered that before, but will the gentleman express his opinion on that.

Mr. RICHARDS. Did the gentleman from Michigan ask if the State Department could refer it to the Court of Claims?

Mr. DONDERO. If they saw fit not to act on the claims, could they refer them to the Court of Claims?

Mr. RICHARDS. I do not think so. I think it would be unconstitutional. How the State Department could refer a matter of this kind to a branch of the judiciary of this country which would not normally have jurisdiction, I cannot see. I do not think it could be done. I do not believe a good constitutional lawyer would take the position that it could be done.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. KEATING. The gentleman would concede that it could be done by this Congress, however, which created the Court of Claims.

Mr. RICHARDS. No; I do not think the Court of Claims could ever obtain jurisdiction over funds belonging to a foreign power.

The gentleman from Ohio has proposed some sort of interpleader arrangement. To interplead there must be some issue before the court. The gentleman from Ohio is proposing to interplead in a court that has no jurisdiction and where no issue has been raised.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. JUDD), there were—ayes 23, noes 46.

So the amendment was rejected.

Mr. BECKWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BECKWORTH: On page 2, after line 12, insert the following:

"(e) The term 'Commission' means the War Claims Commission established by the War Claims Act of 1948."

Mr. BECKWORTH. Mr. Chairman, the discussion in regard to this legislation has been revealing. I am very much pleased that it has brought about the interest which has been manifested here.

As I pointed out originally, this is no small affair as a bill; the Commission, should it be created, stands a chance to consider finally claims well over $200,000,000 in amount. This is a great amount of money, as we all know. Much has been said about American citizens benefiting from this legislation, but it is seldom added that a great many others who are not American citizens will also benefit. Something was said about people appearing here in behalf of this bill. One reason why they did not come in a great many instances is because they are corporations, and they cannot come except by lawyers who represent them. One representative of a Swiss corporation did appear who said he was representing American citizens who owned stock in the Swiss corporation that was taken over by the Yugoslavs. Yes; I imagine those American citizens who own that kind of stock finally will be able to benefit considerably by this legislation.

The purpose of the amendment I have offered is to do that which we all want to do. Both parties are pledged not to create more commissions or boards. How often have you heard that at home? How often have you heard that on the floor of the House? At the last session of Congress we set up a War Claims Commission composed of three members who will be appointed very soon. The Commission has for its purpose the studying of all kinds of war claims and to adjudicate finally those claims. What would be the objection to requiring these American stockholders who own stock in a Swiss corporation taken over by Yugoslavia to wait the same length of time that the boys who marched on Bataan must wait? What would be wrong in causing a group of citizens who own a number of corporations in Yugoslavia and who have become American citizens only since 1943, but who will present claims by virtue of owning five-sevenths of the stock of a foreign corporation taken over by the Yugoslav Government—What would be wrong in having those former Czech citizens who became citizens between 1943 and 1946 wait the same length of time that these boys who were on Bataan will have to wait; they are yet.

The report says that the big bulk of this is owned by corporations. Why would it be so unholy for these corporations to wait, one of which is the Socony-Vacuum Corp., which has a claim of from $7,000,000 to $11,000,000? Another is the American Yugoslavia Electric Co., which has a claim of a little over three and a half million dollars. What is wrong with having those corporations, that own the bulk of this, wait like the boys on Bataan, like those boys from all through west Texas and New Mexico are waiting for the settlement of their claims? I see nothing wrong with that.

If the amendment I have offered is adopted, along with another one, there will be just one Commission. There will not be two, three, or four Commissions. One will be considering what? The overall question of claims. There are many ramifications to these claims. I think, with the light which has been shed by the consideration of this bill, with the devious and various types of circumstances, the Commission will be more fair and just in its efforts to bring about proper adjudication of the Yugoslavia claims, if the Commission should show an over-all picture of the entire field of claims.

It is very true that the ones who will do the waiting in the main are large corporations that have run the risk in many sections of the world of losing money. They have taken huge risks for what I fancy may have been at times huge profits. They in turn will get the opportunity, the same opportunity, and nothing more, if this amendment is adopted, that our own American citizens, our soldiers and civilians who have suffered so greatly presently have.

Mr. RICHARDS. Mr. Chairman, I make the point of order that the amendment the gentleman has offered is out of order, not being germane to the bill under consideration.

The CHAIRMAN. The gentleman's point of order comes too late. He should have raised the point of order before debate on the amendment commenced.

Mr. RIBICOFF. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. BECKWORTH].

Mr. Chairman, there will not be one boy who has a claim such as the gentleman seeks to protect whose claim will be adjudicated 1 minute sooner by turning the Yugoslavian claims over to the so-called War Claims Commission. The War Claims Commission was set up to handle claims of American citizens and American nationals against enemy countries, with whom we were formerly at war. This bill takes care of another category of claims where an American national has a claim against a government with whom we were not at war.

What is to be gained because one group of citizens unfortunately is being delayed in getting their claims settled? What is to be gained at all by making another group of citizens wait?

The gentleman speaks about large corporations being made to wait in order to collect their money. In the final analysis, these corporations, although small in number, represent about 50 percent of the claims in amount. The other claimants are American citizens badly in need of their money.

May I point out to the committee and to the gentleman from Texas that payments will be made on the following basis: Anyone who has a claim less than $1,000 gets his money first. He is probably a small individual badly in need of funds. The other claimants receive the first $1,000 on their claims. The remaining claims are paid 25 percent of the amount allowed and the balance will be divided proportionately when all the claims are settled. Under those circumstances the corporations at the most would receive only 25 percent of their claims immediately, plus $1,000.

If we could get the claims to which the gentleman from Texas refers paid sooner, I would certainly be for it. But his amendment would not accomplish this at all. It would merely delay payments

to another class of claimants. But, certainly because one group of claimants is moving slowly through the settlement mill, so to speak, is no reason why we should punish another group of claimants.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from South Carolina.

Mr. RICHARDS. Is it not a fact that the War Claims Commission cannot finally act on the claims before it until the peace treaties are consummated?

Mr. RIBICOFF. That is absolutely correct.

Mr. RICHARDS. In this case where you are not dealing with former enemy countries, so-called, you do not have to wait on peace treaties or anything else, and it would be disastrous to mix these two types of claims.

Mr. RIBICOFF. The gentleman is correct. I want to point out further that, if anything, it will delay the claims of the people who have them against the enemy countries under the War Claims Commission by causing confusion and broadening their work.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Texas.

Mr. BECKWORTH. There is nothing in the amendment that would prevent the Commission—the Commission which is already established by the Congress—from proceeding to do under the terms of this bill exactly what the gentleman proposes it would do. The only difference is this, you would have one Commission performing the over-all claims job rather than two.

Mr. RIBICOFF. But the gentleman would be defeating his own argument, because what would happen, once they got started on these 1,500 Yugoslav claims, that might stretch over a period of approximately 4 years, and if a settlement were then reached on the war claims against former enemy countries you would have actual delay in seeing that the American boys would get paid on their rightful claims.

Mr. BECKWORTH. Then why not set up this commission to do the job that is contemplated if we make agreements with all these other countries? You are going to have a waiting period with each of the other countries by the same argument that the gentleman has put up.

Mr. RIBICOFF. Because the functions come in under different categories.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman think that with the creation of three nice juicy jobs and a staff that the program would be settled in 3 or 4 years? Does the gentleman think by any stretch of the imagination that they are going to let loose?

Mr. RIBICOFF. As far as juicy jobs are concerned, I would like to say that the expenses of this Commission come out of claims themselves and not one dime will come out of the Treasury of the United States.

Mr. GROSS. That does not touch the fact that they are going to be pretty nice jobs.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. BECKWORTH].

The amendment was rejected.

Mr. KEATING. Mr. Chairman, I offer an amendment.

The Clerk reads as follows:

Amendment offered by Mr. KEATING: On page 10, line 12, after the period, strike out the rest of line 12 and all of lines 13 to 17, inclusive.

Mr. KEATING. Mr. Chairman, the language which this amendment seeks to strike out is as follows:

The action of the Commission in allowing or denying any claim under this act shall be final and conclusive on all questions of law and fact and not subject to review by the Secretary of State or any other official, department, agency, or establishment of the United States or by any court by mandamus or otherwise.

By the committee amendment which has already been adopted, which is found on the same page, page 10, subsection (j), the procedure under this bill is made subject to the provisions of the Administrative Procedure Act.

I venture to guess that if the present distinguished occupant of the chair were not precluded from doing so, he would be rising at this moment to offer the very amendment I am now offering. He was the coauthor of the Administrative Procedure Act. Many of us have been diligent at all times in protecting the Administrative Procedure Act. It is a legislative enactment which the American Bar Association and other bar associations throughout the country have felt is necessary for the protection of litigants who have controversies with our Government.

The language which I am here seeking to strike out, and I trust that the members of the Committee on Foreign Affairs will give attention to this because it would be my hope that they would be willing to accept this amendment, was written in before the committee decided to make the procedure outlined in this bill subject to the Administrative Procedure Act. Having done so, to leave in the language involved in this amendment is inconsistent, because this language states that under no circumstances can the action of the Commission be reviewed in court, whereas under the Administrative Procedure Act under certain circumstances, well protected and carefully defined, the action of such a commission is subject to court review.

Personally, I am unconvinced that this legislation is sound. I think I will have to oppose it among other reasons, because it seems to me that all of these controversies should be referred to the Court of Claims. This we could do by a very simple resolution conferring jurisdiction upon the Court of Claims to hear these claims. I see no necessity for setting up this large organization in the form of another commission to hear these claims. The Court of Claims is the creature of this Congress and can and will have such jurisdiction, as we confer upon it. We can very easily give it the jurisdiction if it does not now have it, to decide these claims.

However, if we are going to set up this commission and are going to have the commission make these decisions, that is the very type of determination which it was intended should be covered by the Administrative Procedure Act. Where it is provided by that act that court review will lie, it should be permitted here. That is the purpose of offering this amendment. I hope it may have support from all of those who feel that we should protect the handiwork of the authors of the Logan-Walter bill.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Michigan.

Mr. DONDERO. It is claimed here, however, that the Court of Claims has jurisdiction only of claims of citizens against the United States. Would the Court of Claims have jurisdiction in a case of this kind, where the claims are against a foreign government?

Mr. KEATING. My view is that probably it would require action by this Congress to grant such jurisdiction, but the Court of Claims was erected by Congress and has and will have just such jurisdiction in any matter as Congress sees fit to confer upon it. We could easily confer jurisdiction on it in this instance.

Mr. RIBICOFF. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in answer to the gentleman from New York, I believe he will recall that the distinguished chairman is the author of the Administrative Procedure Act and that that act specifically excludes claims against foreign governments. In a United States Supreme Court case which I cited earlier, Justice Black, in talking about a similar controversy, stated:

The controversy here bears all the earmarks of that type of controversies which our Constitution has confided exclusively to the executive or political departments of Government, and concerning which this Court has many times repeated, that the action of the political branches of the Government, in a matter that belongs to them, is conclusive.

Thus the Supreme Court of the United States expressed itself as to whether or not the United States Courts have jurisdiction of such claims.

May I point out to the gentleman from New York the difference in this particular bill.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from New York.

Mr. KEATING. This committee and the Committee on Foreign Affairs before it have already said in section (j) that the Commission shall comply with the provisions of the Administrative Procedure Act and to include the sentence I am seeking to strike out, would be inconsistent with what we have already done.

Mr. RIBICOFF. No, it is not. What we did in writing this act was to make

sure that the procedure followed by this Commission would be procedure that had been approved and which we thought was good procedure under the Administrative Procedure Act. We did not see how we could ge court review in violation of constitutional provisions.

Mr. Chairman, the difference between this and the Administrative Procedure Act is that there the Congress set up a procedure where we were protecting American citizens in rights guaranteed them by the Constitution. In the settlement of these claims there was no constitutional guaranty to those citizens whose property was expropriated by foreign governments. They relied upon the good faith of the United States to throw around them the cloak of its protection. The settlement of these claims is strictly within the executive branch of our Government and the President of the United States acting through the Secretary of State complied with that particular function.

Now, what else is there to do? You are taking an American citizen and giving him a tribunal of three Americans to settle his claim. As against that you would have the only alternative of leaving him to a Yugoslav court where he would get kangaroo justice, so to speak, from three commissars sitting in judgment on his claim, who would hand down judgment which, if, as, and when he could collect, would be collected in dinars. instead of United States dollars.

Strange as it may seem, there was not one claimant who came before our committee and had any objection. There was not one claimant who said he wanted a review by the courts. Every person who testified before our committee was satisfied with the method of settlement and satisfied with the procedure.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Ohio.

Mr. VORYS. The gentleman in his bill sets up a thing which approximates in some ways judicial procedure. Can the gentleman give this committee one single solitary reason why he wants to deny claimants the right to go to court which this amendment would give him?

Can the gentleman cite one reason?

Mr. RIBICOFF. Yes. The reason, as the gentleman may know, as we discussed it very thoroughly in committee, is that we are setting up here an expeditious handling of claims. We know that if you take these claims and get them involved in continuous court controversy, it will be many, many years before these claims are settled. You have a constitutional prohibition against courts interfering with settlements, and also you would have all these claims interminably tied up in court where one claimant with one appeal could tie up the settlement of 1,500 claims. We believe that three United States Commissioners would administer justice. In the final analysis, the main issue here is the amount involved, and the gentleman from Ohio well knows that any finding of fact based upon contradictory evidence would be conclusive upon a court anyway, and all that could be gained would be someone striking against the Commission and holding up $17,000,000 worth of claims.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Iowa.

Mr. JENSEN. Do I understand that this Commission has full authority to decide all these claims? In other words, are they a court of last resort?

Mr. RIBICOFF. They are, sir.

Mr. JENSEN. So whatever they decide, the claimants have no recourse to any other court of the land?

Mr. RIBICOFF. That is correct, sir.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. VORYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if the Committee will look at the majority report, you will see they make a lot of the fact that they are attempting to approximate judicial procedure in dividing up this $17,000,000 that belongs to the United States, among United States claimants. So there is not any question coming up except whether United States nationals have a right to this fund that belongs to the United States. That is the type of question which many of the claimants may not want to submit to the final decision of these three bureaucrats appointed by the Secretary of State.

For 10 long years, since I have been a Member of this House, we have heard a great deal of defense of the administrative agencies and commissions, that they should be given the right to make final decisions, so as to secure rapidity and flexibility. But we wiped that all out with the Logan-Walter law. We said, under the Act of Administrative Procedure, that these various boards and bureaus are going to be subject to review by the courts of the land. A man is not going to have to take the last word of some administrative bureaucrat. He is not going to have to know the right people in the Department. He is not going to be of the right political party or hire the right lawyer. He is going to have a chance to go into court if he disagrees, and an independent judiciary is going to decide what his rights are. But now, in this strange, anomalous thing that is brought here we are going to go back on the Logan-Walter law and say, "Oh, no, no. All other boards, bureaus, and agencies around here must have some kind of court review, but not the State Department." The fact that such review is possible has had a very beneficial effect on those agencies that exercise quasi-judicial functions. But when it comes to American nationals making a claim against their own Government for money which their Government has collected on their behalf from another country, you say, "Oh, no. Your appeal is to the 'guys' who made the decision." These three bureaucrats. "If you do not like it, you can lump it."

Now, this amendment is simply to strike out that language in this bill and therefore leave it under the appellate procedure which the Congress, after years of debate and discussion and after consultation with all of these agencies, set up under the Administrative Procedure Act, providing for efficient and just court review for an American citizen. I hope the amendment is adopted.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. VORYS] has expired.

Mr. RICHARDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Ohio reiterates and reiterates that somebody wants to deny the right of review in the distribution of $17,000,000 that he says belongs to the United States. As a matter of fact, that $17,000,000—and I cannot emphasize it too much—does not belong to the United States. The $17,000,000, it must be said again and again, belongs to the Yugoslavian Government. It is in the hands of the United States as trustee for its own citizens, only because the Yugoslavian Government agreed to it.

Now, let us get that basic fact. This is Yugoslavia's money. We are holding this money as trustee. The State Department has the right and the obligation to distribute it equitably among claimants and then return any residue to Yugoslavia. How could there be judicial review of discretion that rests solely in the executive branch. It is admitted that if title to this money rested in the United States some court of the land might be brought into the picture.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. DONDERO. One criticism leveled at the judiciary system of our country is the law's delay. How did the committee come to fix 4 years as the time within which to hear these claims?

Mr. RICHARDS. We felt that that was the maximum time that would be needed. It was based partly on our previous experience in instances such as the Mexican Claims Commission where the time originally was fixed at 2 years, I think, and then had to be extended by another act of Congress. We believe that these claims can be adjudicated in 4 years. But if we include the principal of judicial review it will probably take 400 years. There would be many cases of Jaundice against Jaundice about which Dickens wrote in his Bleak House.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to ask the gentleman from Ohio [Mr. VORYS] just where is this $17,000,000 about which we are talking? I believe the Members would like to know exactly where it is.

Mr. VORYS. I will tell the gentleman where it is. According to this legislation, it has been paid by the Federal People's Government of Yugoslavia pursuant to the Yugoslav Claims Agreement of 1948, and it is now in the United States Treasury. A new fund is created and the Secretary of the Treasury is authorized and directed to cover into this new fund this $17,000,000 that he has received according to the Yugoslav agreement. It is to be found in the appendix on page 10 of the report. The Government of Yugoslavia agreed to pay and the Government of the United States agreed to accept the sum of $17,000,000 45 days after the agreement was signed. Yugoslavia, unless we have been misled and

unless the purported bills state something that is not true, the Yugoslav Government has paid out of this gold that we released to her the $17,000,000. So according to the agreement title to it now is in the United States Government, and it is subject to the claims of the American nationals according to the Yugoslav agreement.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield, for I, like many other Members, would like to have the understandable facts.

Mr. RICHARDS. The statement of the gentleman from Ohio is correct; those funds are in the United States Treasury. But it must be remembered that they are in a separate fund in the United States Treasury, and cannot be used for any other purposes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield at that point?

Mr. JENSEN. I yield.

Mr. DONDERO. Who will contend for this money? If this commission is set up who can come before it and say that the claim of John Smith is not correct, that it is more than he should have? Will the Yugoslav Government have anything to say about this $17,000,000?

Mr. VORYS. Yes; they have a right to file briefs and arguments any time they please. It is true that this bill does not give you, if you are a citizen, the chance to argue about say this gentleman's claim if you think his is too big. That right is given to the Yugoslav Government.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Michigan.

Mr. MICHENER. Am I correct that this $17,000,000 is in the Treasury of the United States, to be held by the United States to satisfy certain claims; that none of these claims can be paid until the amount due each claimant has been determined upon, and in the final analysis the only thing this commission has to do is to allocate this $17,000,000 pro rata among those who have claims that are sustained by the Commission?

Mr. RIBICOFF. May I answer the gentleman?

Mr. JENSEN. Certainly.

Mr. RIBICOFF. That is not exactly correct. The entire $17,000,000 is in the United States Government in a special account set up under this act.

Mr. MICHENER. I understand that.

Mr. RIBICOFF. The claimants will come in, 1,500 of them, and each will make their claim against this fund. If the claim is allowed any claimant whose total amount of claim is $1,000 or less is entitled to receive up to $1,000 immediately. Any claimant whose claim is in excess of $1,000 may receive the first $1,000 immediately. After that, 25 percent of the amount of the award will be paid over to him. The balance of the claims will be paid only on a pro rata basis after all the claims are settled.

Mr. MICHENER. In other words, the claimants of $1,000 or less will be paid when adjudicated?

Mr. RIBICOFF. When adjudicated, correct.

Mr. MICHENER. None of the remainder of the claims, which amount to more than $1,000, can be paid until all have been determined?

Mr. RIBICOFF. Twenty-five percent of any claim may be paid in excess of $1,000 before final determination.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. JENSEN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Chairman, is there any limitation whatever provided in this bill for administrative costs which may be charged against the claimants?

Mr. RIBICOFF. The bill provides that 3 percent of all claims shall be used for administrative costs, and I may say that 3 percent of $17,000,000 is a sizable sum. The balance left over goes to the Government of Yugoslavia, or, if 3 percent is not necessary, that much is left to the claimants.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Michigan.

Mr. DONDERO. Then do I understand that if the $17,000,000 is not sufficient to pay the claims in full of the 1,500 claimants there is an additional amount?

Mr. RIBICOFF. If it is not, they will get a pro rata.

Mr. DONDERO. I assumed the $17,000,000 was agreed upon by the two Governments as a fund sufficient to pay these claims in full.

Mr. RIBICOFF. As an estimated fund to pay them in full.

Mr. JENSEN. Does the gentleman contend that the Treasury of the United States will not suffer any expense whatever if the gentleman's bill is made the law of the land?

Mr. RIBICOFF. We do make that contention.

Mr. VORYS. Section 9 authorizes appropriations out of the Treasury of the United States in addition to the 3 percent.

Mr. RIBICOFF. To be refunded out of the 3 percent.

Mr. JENSEN. Facts are, however, that under the provisions of the bill, as the gentleman from Ohio, Congressman VORYS, states, our United States taxpayers' money can be used in addition to the 3 percent which the claimants pay.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEATING].

The question was taken; and on a division (demanded by Mr. KEATING) there were—ayes 25, noes 62.

So the amendment was rejected.

Mr. BLATNIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLATNIK: Page 2, line 17, after the word "persons", strike out the balance of line 17, all of line 18, down through the word "Columbia" on line 19.

Mr. BLATNIK. Mr. Chairman, I think the purpose of this amendment is obvious and self-explanatory. It will not require any lengthy discussion or debate. It merely removes the limitation requiring that commissioners must be members of the bar. Now, if the Secretary of State wishes to appoint a member of the bar on the Commission he is still perfectly free to do so under this amendment. The Secretary of State designates the Chairman of the Commission and he may select, if he wishes, an attorney. So, I think that the amendment will give us latitude there which we do not have now as this measure is written. Without the proposed amendment, the passage of this bill means a field day for the attorneys.

On page 6 of the committee report you have this very general statement: "The technical character of the Commission's duties is recognized in a requirement" that only members of the bar be eligible to the position of commissioner. It says "technical character." It does not say legal or judicial. I think the main task of the Commission would be to ascertain as accurately as possible the true value of the claims or the reparations pending before it, and this does not necessarily require legal training.

On page 7 of the committee report it is stated: "The Commission is to be staffed with attorneys, clerks, economic analysts, and investigators."

In short, the Commission will have the right and the power to hire or to employ experts in the field of international law or refer cases to the State Department and to the Justice Department when legal help is necessary. In view of these facts, I urge that this amendment be adopted.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is the kind of amendment I do not like to oppose because I am sure the gentleman who offers it offers it in good faith. Frankly, I do not think it would be wise to approve the amendment.

The bill is being attacked by two extremes. We have some gentlemen here who want to go to the final degree in providing for judicial review in order that a court may finally pass upon, maybe after many years, what was the proper finding in a particular claim. The amendments in that direction have been defeated. Now comes the able gentleman from Minnesota and attacks from the other extreme, objecting to the naming of members of the legal profession, only, to the Commission. One extreme wants judges and lawyers all over the place, the other wants no lawyers around at all.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Minnesota.

Mr. BLATNIK. That was not quite my intent. What you are doing is forbidding anyone else to have the right to sit on this Commission, regardless of his qualifications, unless he is a member of the bar. I think that is discrimination, plain and simple. Obviously in many instances a man who is a production engineer in industry would be far more competent to pass judgment on the value of a plant than an attorney, so why not give the right to others than attorneys to be

eligible to be considered for these appointments?

Mr. RICHARDS. I would say to the gentleman in that connection that this Commission no doubt will have the advice and help of people on the technical level. They will have to, there is no question about that. But if the gentleman's argument that it is not fair to confine membership on the Commission to members of the bar holds, then it is not fair to follow the custom of appointing only lawyers to the Judiciary Committee of the House. Most of the work to be done by the proposed Commission can doubtless best be done if its members are versed in the law. I admit that there are some laymen who know more about the law than some lawyers, but 9 times out of 10 a lawyer will do a better job of this kind than a layman.

We believe that this quasi-judicial body should have people on it who know something about the law.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. BLATNIK].

The question was taken; and on a division (demanded by Mr. BLATNIK) there were—ayes 14, noes 48.

So the amendment was rejected.

Mr. HARVEY. Mr. Chairman, I move to strike out the last word.

Mr. KEE. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. HARVEY. I yield to the gentleman from West Virginia.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 20 minutes.

Mr. VORYS. Reserving the right to object, Mr. Chairman, I understand that 15 minutes of the debate will go on tomorrow, and that I may have 5 minutes of that time?

Mr. KEE. Yes.

Mr. BECKWORTH. Mr. Chairman, reserving the right to object, I wonder if the gentleman would include five additional minutes so that I may have a little more time to speak?

Mr. HARVEY. Mr. Chairman, I decline to yield further.

Mr. Chairman, this is a question which I would like to direct to the committee. Is there any cut-off time to the life of this commission; should it be established?

Mr. VORYS. The Secretary of State could cut it off the day after tomorrow. If he does not want to cut it off; it would go on and on, like the brook, forever.

Mr. HARVEY. It would go on until the 3 percent of this $17,000,000 or the $510,000 is consumed; is that correct?

Mr. RIBICOFF. The Commission's work, when all claims are disposed of, will then terminate.

Mr. HARVEY. Does the gentleman presume that all the claims will be disposed of before the $510,000 is consumed?

Mr. SHORT. Mr. Chairman, if the gentleman will yield, not only will it continue until the $17,000,000 is disposed of, but this sets up a precedent whereby other nations might be invited to nationalize United States property and it would go on, like the brook, forever.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Ohio.

Mr. VORYS. The majority report mentions $225,000,000 which it is hoped will be processed under this 3 percent of claims.

Mr. HARVEY. The gentleman does not presume that the $225,000,000 will be processed out of the 3 percent of $17,000,000, does he?

Mr. VORYS. Oh, no; the 3 percent will be levied on whatever is collected out of the $225,000,000. Of course, this applies to all countries in the world except ex-enemy countries who want to nationalize United States property. So that it might go on and on and on.

Mr. HARVEY. The contention of the gentleman from Ohio then is that this is simply opening the gate and inviting them all to come in.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. KEE. Mr. Chairman, I move that debate on the bill and all amendments thereto close in 20 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from West Virginia [Mr. KEE].

The motion was agreed to.

Mr. KEE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore [Mr. COOPER], having assumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4406) to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments, had come to no resolution thereon.

## CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## EXTENSION OF REMARKS

Mr. WALTER asked and was given permission to extend his remarks in the RECORD and include a speech he delivered on Thursday at the annual dinner meeting of the Pennsylvania Bar Association.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances, in each to include extraneous material.

Mr. SHORT asked and was given permission to extend his remarks in the RECORD in two instances.

## BASING-POINT LEGISLATION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report on the so-called basing-point bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. PATMAN. Mr. Speaker, reserving the right to object, I hope the gentleman will not insist that that bill be taken up tomorrow.

Mr. McCORMACK. I have scheduled it for tomorrow.

Mr. PATMAN. I thought it was scheduled along with several other bills and I was hoping that it could probably be taken up later in the week.

Mr. McCORMACK. I will be frank with the gentleman. I had scheduled several bills for Wednesday, Thursday, and Friday, and the basing-point bill was the first one. I cannot displace it now.

Mr. PATMAN. Of course, I do not propose to object to the gentleman's request.

Mr. McCORMACK. If the gentleman from Texas had informed me, I would have been glad to have scheduled it to meet with his satisfaction, but unfortunately I did not know, and I am in that predicament.

Mr. PATMAN. I would not ask the gentleman to break his word, of course, but I was hoping the telephone bill would come up ahead of it.

Mr. McCORMACK. No. A specific request was made not to schedule the telephone bill before Thursday.

Mr. PATMAN. Do we have the Private Calendar tomorrow?

Mr. McCORMACK. We have the Consent Calendar and the Private Calendar.

Mr. PATMAN. And there are 4 hours of debate on this bill, 1 hour on the rule, and 3 hours on the bill. Would the gentleman expect to take a vote on the bill tomorrow?

Mr. McCORMACK. Well, I am not expressing any opinion about that. That is a different proposition.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices. That after general debate which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. VURSELL] is recognized for 20 minutes.

## OIL PRODUCTION, DISTRIBUTION, AND MARKETING

Mr. VURSELL. Mr. Speaker, today I want to speak in defense of, and for the protection of, the oil industry so essential as a power factor in driving the economy of our country forward, and almost our first line of defense. The exploration, production, distribution, and marketing of oil is one of the primary factors on which the economy and defense of this Nation is based.

Mr. Speaker, for this reason, and because of the production of oil in southern Illinois with its numerous fields that have contributed greatly to the economy of my State, I have given considerable study to this problem which leads me to the conclusion, I regret to say, that the policies of our Government for a number of years show a decided tendency to depress and discourage the continued exploration and development of petroleum products. Had it not been for the unfortunate World War, it is my opinion that such policies would have proved to be of great detriment to this most essential American industry. Unfortunately, the administration has not changed such a policy and shows no intention of a change for the future.

I think the time has come that a restudy should be made of our domestic production and that safeguards against heavy importation of foreign oils should be set up by the Government.

I have been getting many letters from oil producers and I have discussed their problems with them on recent trips home. They are alarmed at the conditions which they face today. Foreign oil is pushing them out of their own market. Small refineries are shutting down or restricting their operations. Producers are changing their plans for future drilling. Daily they read of cuts in the price of crude oil, of reductions in the amount of crude oil which can be sold. And almost every day they read that the executive branch of the Federal Government is urging a greater and greater dependence on foreign oil, under some foggy theory of stimulating world trade or saving our oil until an emergency is upon us.

The long, carefully calculated program of a forceful element in the administration to debase the petroleum industry of the United States to a minor position is bearing fruit.

Evidence is visible for all to see, that the tide of foreign oil coming into this country is inflicting grave injury on the industry upon which we have relied in peace and war.

Mr. Speaker, hearings conducted in Dallas, Tex., late in May brought a host of witnesses to tell of the present and future dangers. A representative of labor told of growing unemployment in the oil fields—7,000 workers laid off. Producers testified concerning the restriction of markets for the oil they produce, which has its effect on the producers who lease the oil-bearing land, the farmers who own it, and the schools and other public institutions which derive much of their revenue from taxes on oil.

The measure of the encroachment of foreign oil on the markets which naturally belong to the oil from our own wells is found in the decrease in production over the past 5 months. As the year 1948 closed, the daily yield from the fields in the United States was about 5,700,000 barrels per day. The daily average in June this year was a little over 4,900,000 barrels. The decrease was more than 750,000 barrels. It is a loss of 13 percent.

The drop in production was not due to loss in ability to produce. It was a forced restriction. The market for petroleum products would not absorb the heavy imports that were offered for sale.

Foreign oil operators are pushing into our markets about 600,000 barrels daily. The prospect is that the amount will keep on increasing. Not a great while ago an officer of one of the companies that is part of the foreign development and importing program predicted that a million barrels a day would be brought into the markets of the United States. Mr. Speaker, why do they not develop markets in other parts of the world? Why must they always think of dumping it into the United States whenever they have a surplus? Because it takes time and some expense to build up trade in countries that have not been using much petroleum. It is a pioneering job. It is easier to take advantage of a market that was created by the efforts of the American people.

In this program the importers have had the full encouragement of this administration and the one that preceded it. For 10 years the State Department and other departments of the executive branch have been making the oil industry of the United States subordinate to the foreign interests. In so doing they have, of course, been exclusively on the side of the Standard Oil and the other big companies of the United States which have concessions abroad.

Mr. Speaker, it was the Small Business Committee of the Senate in the Eightieth Congress that finally forced a delay of about a year in the shipments of steel pipe to construct a pipe line across Arabia. This in the face of the almost unanimous endorsement of the project by big and little bureaucrats who came before the committee. There was some authority to that Congress, and it was used.

### FOREIGN DEVELOPMENT

But the pipe is rolling again to Arabia, to enable the cutting of costs on getting the oil to the United States and other markets, and to make possible a bigger capacity for tanker loadings in the Mediterranean.

The Department of Commerce has removed the quota limit on exports of steel pipe and casing for oil development and transportation. The sky is the limit, subject to the discretion of the Department. Here we go again, crowding the development of foreign oil sources. The folly of putting so many eggs in that Middle East basket, looking at it from a national defense standpoint, as we must look at everything these days, is conceded by everybody, including our own military experts who have written off that area as a source of supply in the event of war with Russia. All the oil fields, refineries, and pipe lines could be seized in 2 or 3 hours and probably with little fighting. The owners would not have time to blow up the plants and junk the wells. The Russians would take them intact and begin supplying their own petroleum needs. The deficit in supply which they are now supposed to be suffering would be made up in a hurry.

Either this administration should stop emphasizing the importance of Middle East oil or it should consider putting enough military forces in there to protect the properties. Does anyone want to guess what size force it would take? Think of just one item: Guarding a pipe line 1,200 miles long, most of it across deserts.

### REDUCTION OF IMPORT DUTIES

Mr. Speaker, the Middle East is only part of the threat to the petroleum industry of the United States. Ten years ago the administration began to whittle on the policy Congress had established in 1932 when excise taxes were placed on imported crude petroleum and products. By so doing Congress declared itself to be in favor of encouraging the discovery and development of oil fields in the United States. The administration, acting through the State Department, wrote a trade agreement with Venezuela in 1939 and cut the duty on crude oil and fuel oil in half. In agreements with other countries reductions were made in the duties on all the rest of the petroleum schedule.

All excise taxes on petroleum have been cut 50 percent from the 1932 rates.

At this moment the rate on crude and fuel oil brought into this country is one-fourth of a cent per gallon. It is 1¼ cents per gallon on gasoline. There is no restriction on the amount that can be imported. This flood of oil imports is produced at costs which cannot be matched by producers in the United States. The wages paid in our oil industry are the highest in the world. Our domestic producers and refiners pay high Federal income taxes and high State taxes. Producers in our States operate their wells under conservation practices in order to recover the greatest possible amount of oil over a period of years. That means limitation of the daily flow from an individual well. A few of the large-flow wells in foreign countries completely eclipse the yield from the thousands of wells in my State.

### CREEPING OIL PARALYSIS

No remedy has been proposed by the administration to end the creeping paralysis which our domestic industry is now experiencing. Instead, there have been declarations to the effect that the small duty now in effect on imports should be removed.

A sound remedy has been proposed in Congress. Here in the House, the administration's Trade Agreements Act has been passed over the protest of many of us just as it was proposed. It is another blank check for the administration to fill in as it wishes. There were some moderate safeguards in the act as passed by the Eightieth Congress, but these have been wiped out.

### SENATE PROPOSAL WOULD HELP

The bill is in the Senate awaiting action. The senior Senator from Oklahoma

has introduced an amendment which would limit imports of oil to 5 percent of domestic national demand. In the remote event the need of imports should be greater than the 5-percent limitation proposed, the provision would be suspended.

Let us awake here to the need of action by Congress to encourage our own petroleum industry to continue and expand its efforts. It is time that we take positive action to see that the domestic economy is not sacrificed on the altar of the dream world to which some visionaries in Government are devoting their energies to establish. They have loudly asserted that the petroleum resources of the United States are wholly inadequate. The falsity of that theory was demonstrated in 1948 in most striking fashion. The proved reserves of petroleum were increased by 4,000,000,000 barrels. Hundreds of new fields were found and older ones were extended by drilling. In my own State, after producing 67,000,000 barrels during the year, there was an addition to the known reserves—oil still underground and ready to be produced—of 44,000,000 barrels. The proved underground reserves of oil in Illinois totaled 417,000,000 barrels at the first of this year.

Mr. Speaker, the possibilities of finding still more fields in Illinois, and in practically every other of the 24 States which now have oil production, are regarded as very great. There is no lack of confidence among the men who explore for and develop the fields as to their ability to keep on adding to the Nation's petroleum assets. There is a very great lack of confidence in the future economic conditions under which they have to work.

Oil fields are not found just any time they may be needed. It takes continuous geological and drilling effort. The throttle of the industry cannot be closed and opened again whenever the administration might think it appropriate—when an emergency is upon us and the foreign sources of supply have been closed by enemy action in the air or underseas. Wells are drilled by independents with money realized through the sale of oil. They are not drilled with the proceeds of oil purchased in foreign countries and dumped into our markets.

The power to end the menace of foreign oil to our domestic industry is in the hands of Congress. Delay can be fatal. The foreign markets for our petroleum are disappearing fast. The process of surrendering our domestic markets is well under way. Must we wait until ruin overtakes our great oil industry so vital to the Nation?

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I am glad to yield.

Mr. BECKWORTH. I wish to commend the gentleman for bringing this to the attention of the House and to state that in the district that I represent at this time there is considerable discussion on the part of some companies about reducing their employees by 20 percent. Many of our people believe it is occasioned by the amount of oil which is being imported into this country. I certainly do think it is a timely thing for the Congress to interest itself in.

Mr. VURSELL. I thank the gentleman. I am sure that condition prevails throughout the oil fields of the entire Nation.

Mr. GOSSETT. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. GOSSETT. I am tremendously interested in what the gentleman is saying, and I am going to listen to all of his facts as I know he has carefully marshaled them. He is a distinguished and able Representative from the State of Illinois, and I know he has always been a friend of the independent oilman, the small producer. I am not sure, however, that he knows the situation in Texas. We have reduced production in Texas by 700,000 barrels a day since last January. That is about the number of barrels that have been imported daily. The independent oil people of Texas are in great distress and they are alarmed by this competition of apparently great imports of oil, primarily from the Middle East.

Mr. VURSELL. I brought this matter to the attention of the House because of its urgent interest, and I should like to yield further to the gentleman from Texas [Mr. GOSSETT] who is an authority on oil. I notice that he wants to interrupt me at this time.

Mr. GOSSETT. I want to congratulate the gentleman on a very fine factual statement concerning the disaster in the domestic industry occasioned by foreign imports. It might be interesting to observe here that out of 100 wells in the Middle East more oil is now being produced than out of 26,000 wells in the so-called East Texas Oil Field. I am impressed by the gentleman's observation that we must make for a healthy, adequate domestic industry in case of national disaster, if war should overtake us. We are proud of the tremendous job done by the petroleum industry in the last war. That was possible because the independents and others interested in the oil industry of this country had gone out and explored and developed tremendous oil resources, but that exploration and development cannot go on in the face of unlimited foreign competition. We must have in this country a sufficient, adequate domestic industry to take care of our needs in time of national emergency. If we permit foreign imports to dry wild-catting and to restrict the discovery of new fields and restrain production domestically, then we are being foolish and short-sighted.

Mr. VURSELL. I thank the gentleman. I think he is absolutely right. Then the labor situation comes into the picture. Out in southern Illinois they are finding a hard time now, in a relatively low-producing field, of being able to get the cooperation of pipe lines in order to take their oil. That is slowing down drilling. Hundreds and probably thousands of people in southern Illinois who follow the oil business are now out of work. That goes on all over the Nation. No one knows how much rich resources of oil we have in this country. It is absolutely folly to get excited about the fact that we may have exhausted our findings of oil. If we keep a condition where research can continue and exploration can go forward we will develop vastly more reserves than we have at the present time.

In the event of war, the Arabian pipe lines will more likely be serving our enemy. We would then realize too late our great mistake in not protecting and developing our own oil resources.

## FEDERAL HOUSING ADMINSTRATION

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include two letters.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SADOWSKI. Mr. Speaker, last week the Congress of the United States passed a very important housing bill. We all realize the necessity for housing generally. I have received 2 letters recently, one from the Detroit Mortgage Bankers Association and the other from the Michigan Mortgage Corp., stating that the appropriations for the Federal Housing Administration are insufficient, so that the FHA cannot process the applications for mortgages, and that it has bogged down completely. This pertains to private housing. This is the housing that everybody is interested in. This is FHA housing. Certainly it is in the interest of every Member of Congress to see to it that enough money be appropriated to the FHA so that they may have sufficient personnel to process these applications.

Mr. Speaker, these letters are as follows:

DETROIT MORTGAGE BANKERS ASSOCIATION,
*Detroit, Mich., June 29, 1949.*

HON. GEORGE G. SADOWSKI,
*House of Representatives,*
*Washington, D. C.*

DEAR SIR: The board of governors of the Detroit Mortgage Bankers Association urges you to reconsider the appropriation to the Federal Housing Administration, and to increase the amount so that the FHA can have sufficient personnel to keep abreast of its huge volume of business.

This is building weather but the crews of many builders are idle because the builders' applications for mortgage commitments are not being approved. This is due largely to a lack of personnel for processing these applications. This will automatically cut down the number of homes which can be built in areas such as Detroit, where homes are so desperately needed.

If Detroit is to get relief from the housing shortage, the first logical step is to get rid of the bottleneck at FHA where mortgage applications are stymied for lack of personnel to get them moving and approved. Your consideration of this situation, and your action in its remedy, will be greatly appreciated by this association.

Sincerely,

JOEL K. RILEY, *Secretary.*

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MICHIGAN MORTGAGE CORP.,
*Detroit, June 13, 1949.*

HON. GEORGE G. SADOWSKI,
*Member of Congress, House of Representatives, Washington, D. C.*

DEAR GEORGE: The Detroit office of the Federal Housing Administration is in dire need of help. Their situation is almost an unbearable one for many reasons, which I will itemize.

I know of your great interest in housing and of the active part you have taken in the FHA since its inception, and I am certain that you will use your high office to try and rectify the untenable situation now existing.

The Detroit office of the FHA has done one of the most outstanding jobs in processing applications in the country. They are the second largest office in the country from a volume standpoint. The FHA's contribution to the building industry in Detroit has been an outstanding one and instrumental in making Detroit the city of homes. Unfortunately this same agency that has done so much is today one of the greatest bottlenecks that the local building industry has experienced in a long time.

The local FHA office, because of congressional restrictions, is considerably understaffed, underpaid, and has a very meager budget to function with which has resulted in an almost complete break-down of the FHA service. Now at the height of the building season, because of lack of funds and manpower, it takes the FHA 4 to 5 weeks to process an application for an operative builder commitment. It takes from 2½ to 3 weeks to issue a commitment on an existing property, and this is minimum processing value.

At the height of the building season Detroit builders are standing idly by losing the best time for construction, losing part of their crews because of lack of work, the result of which is less houses which are urgently needed and an increase in costs because of the wasted time and effort.

The FHA are not to be blamed for this situation. They are today receiving on an average of 800 applications per week for processing. Their normal number of applications is 400 per week. They have no funds to give to their field representatives for the purchase of gasoline for their automobiles and have even forb'dden their inside staff to make outgoing telephone calls because of their limited budget.

The Detroit FHA office has some of the finest and most outstanding men in valuation, architectural, and other departments, but in the last few months they have been constantly harassed both by mortgagees and builders, and there is little that they can do because of the lack of manpower. Now, with the summer vacations, this office that has a backlog of several thousand cases will become in worse shape as their personnel start taking their vacations. Unfortunately, a few of the employees have been sent home ill because of the terrible pressure being put on them by persistent callers inquiring about the status of their particular applications.

Since the advent of the Veterans' Administration and the GI loans, more work and detail was given the FHA which they were, from a standpoint of experience and trained personnel able to handle; unfortunately, Congress didn't recognize that these additional assignments needed more personnel and a larger budget for operation.

The Federal Housing Administration is one of the few Government agencies that is self-sustaining and contributed a great deal to a better standard of living for the average working American. It has earned an enviable reputation. It needs help, Mr. Congressman, and I sincerely ask your cooperation to help provide this agency with the necessary funds which will enable them to function in the efficient and competent manner that they know how.

Respectfully yours,

MICHIGAN MORTGAGE CORP.,
BENJAMIN LEVINSON, *President*.

Mr. Speaker, I also wish to include a resolution unanimously adopted by the Detroit Common Council:

RESOLUTION BY COUNCILMAN EDWARDS

Whereas it is reported that curtailment of funds has resulted in a reduction in staff of the local office of the FHA; and

Whereas this has resulted in a serious break-down in the processing of FHA mortgage commitments, causing great delay and inconvenience to the people desiring to construct dwellings under this Authority; and

Whereas the present time is the season for expeditious and proper construction of dwellings: Therefore be it

*Resolved*, That the Members of Congress from Michigan and the FHA authorities in Washington be, and they are hereby, requested and urged to take the necessary steps immediately to remedy this situation and free the market for mortgage commitments.

Adopted as follows:

Yeas: Councilmen Connor, Edgecomb, Garlick, Kronk, Miriani, Oakman, Smith, and the president—8.

Nays: None.

EXTENSION OF REMARKS

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD on three occasions and include some excerpts.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in three instances.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 10 minutes.

(Mr. PATMAN asked and as given permission to revise and extend his remarks and include certain statements and excerpts.)

THE BASING-POINT BILL TO COME UP JULY 6, 1949, TOMORROW

Mr. PATMAN. Mr. Speaker, a rule was filed a few minutes ago providing for the consideration of the bill S. 1008. The majority leader tells me that the bill is scheduled to come up tomorrow after the Private Calendar is called. There will be 1 hour of debate on the rule, as usual, and 3 hours on the bill, the remarks in general debate to be confined to the bill.

DANGEROUS BILL

I am very much opposed to the bill S. 1008, and I believe I have good reason for it. I urge my friends and colleagues to give that bill very careful consideration. It is possible for many of our good friends to get into a lot of trouble if they do not know exactly what that bill will do. It is a dangerous bill.

I know we sometimes vote on the floor of this House for measures we do not know too much about after a committee has given it full consideration. But in this case I warn you. Here is one good reason why you should vote against the bill. I take pride in telling the people of the district I have the honor to represent that we have such a wonderful committee system here in the House of Representatives. I tell them that we have committees composed usually of 25 or 26 or 27 members. I tell them they take a bill up and read it very carefully and know exactly what every word and every phrase and every sentence and every paragraph in that bill means. They consider punctuation. Even a comma sometimes means so much. I assure them that these bills are very carefully written and very carefully considered. I tell them witnesses are heard and that testimony about everything which is material concerning that bill is heard.

But in this case the committee in the other body did not consider this bill. This bill involves monopolies, trusts, and the cartel system and price-fixing at its very worst, by monopolies without restraint and without regulation involving commodities that go into the building of public roads, highways, schools, homes, and everything else that we have in the country involving construction. It is price-fixing at its worst.

Well, why should you favor this bill? The committee in the other body had no hearings on it at all. A moratorium bill introduced by Senator FRANCIS MYERS, of Pennsylvania, came up on the floor of the other body. This bill was substituted entirely for that moratorium bill. Imagine a bill of this nature which just destroys the law that was passed in 1936 as an amendment to the Clayton Act known as the equal opportunity in business bill which helps the small merchant in your home town meet the competition of the national corporate chains. This bill destroys that protection of these local merchants. Yet they had no hearings in committee on it at all. It legalizes the basing-point system which has been denounced and condemned by the Federal Trade Commission and in every court and in every report which the Department of Justice has ever made. According to the TNEC, which spent over a million dollars investigating, they condemn the basing-point system that can only be construed as un-American. It is a part of the cartel system. We are asked here to legalize something that is a cartel system—right here in America. We are asked to legalize price-fixing for the basic industries. Yet there were no hearings held on it in the other body at all. In the House of Representatives it went to the Committee on the Judiciary. I appealed to the chairman of that committee to hear witnesses. I gave him the names of witnesses who should be heard. I gave him the names of two attorneys who fought through the Pittsburgh-plus case from 1921 to 1924. I told the chairman of that committee that these witnesses would tell him that this bill would restore the Pittsburgh-plus system in the United States, which was condemned in 1924. This bill would absolutely legalize it and put it upon the statute books of the land. But those witnesses were not heard. I asked that other witnesses be heard, that attorneys for the Federal Trade Commission, who fought through these cases for years, and who have gone to the Supreme Court a half dozen times and know all about these things and what these words and phrases and sentences mean should be heard. But they did not hear those witnesses. They did not hear any witnesses on the language of the bill.

For that reason alone a Member of the House would be on the safe side in voting against this bill because it has not had adequate consideration by a committee of the House.

Mr. DEANE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DEANE. Do I understand the gentleman to say that on or about this June 1 this measure was considered in the other body on a moratorium basis, and

that an amendment was offered to make it permanent legislation?

Mr. PATMAN. June 1 is right.

Mr. DEANE. They decided on the floor of the other body more or less casually to make it permanent?

Mr. PATMAN. That is right.

The Senator from Tennessee [Mr. KEFAUVER] offered an amendment which was good, providing that under certain conditions where it did not lessen competition, and so forth, it should go into effect. The bill is still bad even with the Kefauver amendment in it. But the Kefauver amendment was all right. The House committee struck out the Kefauver amendment; so on tomorrow, when the bill comes up, probably the first vote will be on whether or not the Kefauver amendment should be stricken out.

Of course I expect to oppose that and try to keep it in, as bad as the bill is, but with that amendment in it, at least that part of the bill will be much better.

Today we heard the testimony of Mr. Everette MacIntyre, who has been with the Federal Trade Commission for a long time as a trial attorney. I am going to put his testimony in the RECORD. I hope you read it and I hope you read here where the steel companies are pressuring their customers, telling them that if they do not do everything they can to validate the basing-point system and overturn the Supreme Court decision, they will not get any more steel from them. That is the effect of these letters that they are sendng to them. One was sent out by Mr. E. T. Weir. You know who he is. He is one of the biggest steel men in the country. Another letter was sent out by the Jones & Laughlin Co., in which they urged their customers to get in touch with their Congressman to try to get this Supreme Court decision overturned. They say it must be done.

I want you to read Mr. MacIntyre's testimony on this bill, and I think you will be convinced. He did not testify voluntarily. He is employed by the Commission, but he was subpenaed before the committee and of course he could not refuse to respect the subpena and to testify, which he did at the request of the committee after outlining to him the points we specially wanted him to cover.

CRAZY SYSTEM

This bill is a bad bill. For instance, Mr. MacIntyre gave one illustration in answer to a question. They make welded chain in St. Louis. It is used on ships, and trains, and even on a mule on the farm. Under the basing-point system it is cheaper for the Pennsylvania Railroad to buy that chain, ship it from St. Louis over their own railroad to Pittsburgh, Pa., where the base is, and then ship it back to St. Louis. They get a lower price that way. Imagine any kind of a crazy system that would cause anything like that to be done and cause a lower price; to ship it from St. Louis to Pittsburgh and then back to St. Louis and get a lower price. That is the basing-point system for you. It is un-American.

Imagine the people in Denver having to pay the freight rate on sugar that is made right there in Denver, from San Francisco to Denver, in addition to the price of the sugar. That is the basing point.

There are thousands of illustrations like that. It gives a few big concerns monopolistic control of the industry. That is all it does. The Supreme Court has said time and time again, "It is a handy instrument for monopolies and trusts."

So we are asked in this bill to overturn the Supreme Court of the United States in the Cement case, in the Rigid Steel Conduit case; we are asked to overturn the Supreme Court of the United States in the Morton Salt case, and how many other Supreme Court decisions I do not know. But we are asked to do all that in one simple little bill that is called a bill for clarification.

I hope that you take the time, in view of the fact that we are going to vote so much money for roads in the next 10 years, a large part of which will go to furnishing cement, to study this bill. Did you know that our program for housing has been retarded because of the cost of cement and the lack of cement in certain areas of this country. So do not vote to legalize these trusts. I hope you vote to kill the bill.

PART OF THE TESTIMONY OF EVERETTE MAC INTYRE BEFORE THE HOUSE SMALL BUSINESS COMMITTEE, JULY 5, 1949

My name is Everette MacIntyre. I am presently employed as the Chief of the Division of Antimonopoly Trials, Federal Trade Commission, Washington, D. C. That Division handles the trials of all Federal Trade Commission cases arising under the Clayton Antitrust Act, as amended by the Robinson-Patman Act, and all restraint-of-trade cases arising under section 5 of the Federal Trade Commission Act. I have served in that position since 1945. For several years prior to that I served as trial attorney on the staff of the Federal Trade Commission and handled restraint-of-trade cases including those having to do with the basing-point systems and zone-pricing systems. Among those cases were the now well-known Cement Institute case and the Rigid Steel Conduit case. The trial of the Cement case was handled by Mr. Walter B. Wooden, Lynn C. Paulson, and myself. I alone handled the trial of the Rigid Steel Conduit case and participated with Mr. Wooden in the presentation of that case in the United States Circuit Court of Appeals. Prior to my work as trial attorney for the Federal Trade Commission, I was engaged for substantial periods of time in investigations under United States Senate Resolutions which called for ascertainment of facts concerning use of basing-point systems by the cement and steel industries. Therefore, it is conservative to say that a substantial period of my service with the Federal Trade Commission, now approximating 20 years, has been devoted to studies and handling of basing-point problems.

You have called me to testify concerning my knowledge of basing-point systems and for my opinion concerning the problem presented to Congress by the proposals that it amend the antitrust laws with reference to basing-point systems.

Of course it should be understood that the testimony I give on those subjects in response to your subpena reflect my knowledge and views of the problem. It should not be taken as necessarily reflecting the views and opinions presently held by the Federal Trade Commission.

The problem with which Congress is faced insofar as it involves a question of freight absorption is one prompted by the recent decisions of the courts in the Cement and Rigid Steel Conduit cases. When the United States Supreme Court, in April 1948, decided the Cement Institute case and upheld the Government by a 6-to-1 decision, and the United States Circuit Court of Appeals for the Seventh Circuit decided the Rigid Steel Conduit case, during May 1948, and unanimously upheld the Government, a storm of indignation arose in industry circles, especially in those circles which were using basing-point systems described as "freight absorption." The storm of indignation thus aroused prompted Senator CAPEHART, of Indiana, to introduce Senate Resolution 241, "to investigate the impact upon consumers and business of recent Federal court decisions." The preamble of that resolution, and the hearings which were held under it, made it clear that the Federal court decisions referred to were those dealing with cases of the Cement Institute and the Rigid Steel Conduit Association. It is also clear that those in industries using basing-point systems were dissatisfied with those decisions. Many of them sought enlistment of aid of their customers and others in urging Congress to legalize the use of basing-point systems which they designated the practice of "freight absorption." For example, there appeared on page 8, section R, of the Washington Post, Sunday, September 5, 1948, an item entitled "Basing-Point Return, Goal of E. T. Weir." Under that headline the item included the following statements:

"One of the Nation's biggest steel masters today asked his customers to help the campaign to legalize the steel industry's traditional pricing methods.

"He is Ernest T. Weir, chairman of the board of National Steel Corp., who armed his salesmen with personal letters to customers. Weir urged steel buyers to induce Congress to pass legislation permitting a return to the basing-point method of selling.

"To Weir and the other steel leaders, it appeared that the only recourse was to seek new legislation which would restore the former policy.

"Declaring Congressmen can only learn the portent of the ruling from businessmen, Weir urged customers to discuss the issue with legislators. He asked trade associations to take constructive action and added: 'You can keep in continuous touch with them (Congress Members) at each step. * * * You can communicate with your trade associations to urge that they make legislative contact and public information on this subject a first order of business.' "

On July 21, 1948, the president of Jones & Laughlin Steel Corp. directed a letter to each of its thousands of customers in which it complained about the decisions in the Cement and Rigid Steel Conduit cases and, as did Mr. Weir and other leaders in the steel and cement industries, stated:

"We urge our customers and all others interested in the welfare of the country to give serious consideration to this matter. We believe that all will conclude, as we have, that prompt action by the Congress is essential if we are to continue to have the vigorous competition in this country which has been so fundamental to our national development."

As a part of that campaign contentions were advanced by a number of leaders in industry that basing-point systems as they were using them did not lessen competition but instead promoted competition. They also contended that the Federal Trade Commission in the Cement and Rigid Steel Conduit cases had held, and had succeeded in getting the Federal courts to hold, that basing-point systems which industry described as a practice of freight absorption were illegal per se. Now, let us turn to those cases in an effort to determine what they actually involve.

The Cement case involved the charge of the Federal Trade Commission that the Cement Institute and some 70 of its corporate members had engaged in a combination and

conspiracy to fix prices through the use of the basing-point system. The proof in that case and the Commission's findings based thereon sustained those charges. The Supreme Court of the United States, in a 6-to-1 decision, held that the charges had been sustained and that the fixing of prices by agreement through the use of the basing-point system was a violation of law. In connection with the showing in that case that prices had been fixed, the showing was conclusive that competition in price had been eliminated. That fact was demonstrated not only to the satisfaction of the Commission and the courts in the case; it was also made a matter of record during the course of the hearings before Senator CAPEHART's subcommittee under Senate Resolution 241. I quote from a portion of pages 36 and 37 of the record of those hearings of June 2, 1948:

"Senator CAPEHART. If the manufacturer pays the freight, then every customer is treated exactly alike, is he not? In other words, I am not talking about a conspiracy when they all have the same price. Here is an article that sells for a hundred dollars. That is the price. And if the manufacturer pays the freight, then everybody that buys that article is treated exactly alike. If the customer pays the freight, the fellow in Chicago, if the factory is in Chicago, may have a freight charge of a dollar, and the fellow in San Francisco might have a freight charge of $20.

"Mr. WOODEN. In the Cement case, I would explain there, for many years the industry had a rule against the shippers of cement paying the freight. What was done was to invoice the buyer at the delivered price arrived at through the basing-point system, and allow the buyer to deduct from the face of the invoice the actual railroad transportation charge.

"Senator CAPEHART. I am not questioning the Supreme Court decision. What we are trying to do, if it is a good thing we should, and I am of the personal opinion it is, is trying to find out what effect the recent court decision may have upon other industries.

"I am not thinking of cement because that has been settled by the Supreme Court.

"But what effect it will have upon other industries.

"Mr. WOODEN. It will not have any effect unless it can be established in a particular case that the effect of the practice is to destroy competition either among the sellers of the product or among the customers of an individual seller.

"Senator CAPEHART. Could you give us an example of how it might work?

"Mr. WOODEN. How it might destroy such competition?

"Senator CAPEHART. Yes.

"Mr. WOODEN. We had a perfect example in the Cement case.

"Senator CAPEHART. Let us forget the Cement case.

* * * * *

"Senator CAPEHART. Let me ask this question. Do you think if it was illegal for any manufacturer, wholesaler, or retailer to pay the transportation charges, that would be to the benefit of the consuming public?

"Mr. WOODEN. I go at it only through the channel of the effect on competition. If the effect on competition of a practice is to retard it, or hold it in abeyance, or frustrate it, then the removal of that thing would benefit the public."

Likewise, the Rigid Steel Conduit case was not directed against the basing-point system per se. Under count I of the complaint in that case the basing-point system was challenged only under the charge that it was maintained by agreement to fix prices and that it had effectively been used to eliminate price competition. Under count II of the case it was challenged only through the use by each of the manufacturers and sellers with knowledge that the others were doing it with the result that price competition between and among them was unreasonably restrained, and with the further result that such course of action on the part of the conduit sellers created in them a control over prices in the sale of rigid steel conduit in interstate commerce. Thus it is seen that even in count II of the Rigid Steel Conduit case, which was broader than any other charge made by the Federal Trade Commission against the basing-point system, no challenge was made against the system; namely, the practice of freight absorption, except when used to effectuate an elimination of price competition with resultant restraint of interstate trade. Not only was the complaint under count II of the Rigid Steel Conduit case thus limited but also were the contentions made to the courts with respect thereto. Of course in the brief upon which the Conduit case was presented to the circuit court of appeals, it was stated that the basing-point practice was an unfair method of competition per se even though not predicated upon combination and conspiracy. However, statements of that kind included in the argument portion of the brief were limited by the proposition advanced to the court on the last page, and in the concluding section of the brief, where it was stated:

"That on the facts of record herein the individual concurrent use of the basing-point system is an unfair method of competition in violation of section 5 of the Federal Trade Commission Act."

On the basis of the presentation thus made, counsel representing the Rigid Steel Conduit industry argued orally to the court that we who were representing the Commission were contending that the basing-point system was illegal per se. When we, in turn, appeared to orally argue that case in court, the court asked us whether we did contend that the basing-point system was illegal per se. We replied that we did not. Pages 86 and 87 of the record of those proceedings before the court involving that point are quoted below:

"Mr. MACINTYRE. In count II of the complaint in this case before you the corporate petitioners and these others who were respondents before the Commission were charged with violating section 5 of the Federal Trade Commission Act through their concurrent use of a formula method of making delivered-price quotations, with knowledge that each of the others was doing likewise, with the result that price competition between and among them was unreasonably restrained, and with the further result that such course of action created, in said conduit sellers, a monopolistic control over prices, in the sale of rigid steel conduit in interstate commerce.

"Judge MINTON. Is that a finding?

"Mr. MACINTYRE. Yes, a finding in paragraph 19 of the Commission's findings of fact.

"Judge MINTON. What you find is, in effect, that the basing-point theory is illegal per se?

"Mr. MACINTYRE. As a matter of fact.

"Judge MINTON. Is that what you find?

"Mr. MACINTYRE. Not as a matter of being illegal per se. That would be a conclusion of law.

"Judge MINTON. But what you found has that effect?

"Mr. MACINTYRE. As a matter of fact, the Commission found that the basing-point system used by the petitioners in this case unreasonably restrains price competition. The application of the law, as to whether it is illegal or not, is a conclusion of law, but the first part of that finding, that it restrains price competition, is a question for the jury, it is a question of fact as to whether competition has been restrained or has not been restrained, and it is true whether brought under the Federal Trade Commission Act or under some other act, it is still a question of fact.

"Judge SPARKS. Is it proper to ask you now, in what way has it been restrained?

"Mr. MACINTYRE. Through the elimination of price competition in the quotations made by these petitioners before you, and I shall demonstrate that through evidence, in a matter of just a few minutes, if I may."

On September 14, 1948, the record of that particular inquiry as made by the court and our answer thereto was made available to Mr. William Simon as counsel for the Trade Policy Subcommittee of the Interstate Commerce Committee, United States Senate. Mr. Simon pointedly asked me the same questions that were put to us by the court as to whether or not we as counsel for the Commission contended in the Conduit case that the basing-point system was illegal per se. I replied we did not. In that connection, as I have stated, I produced and gave to Mr. Simon a copy of the record of our oral argument before the court on that point. It shows precisely what our contentions were. As has been demonstrated, they were to the effect that we were not contending that the basing-point system was illegal per se. When Mr. Simon was shown that, he dropped the questioning of me on that point. Yet, when Mr. Simon appeared as a witness and testified before a subcommittee of the Committee on the Judiciary, United States Senate, on S. 1008, on April 1, 1949, he stated, and I quote:

"One pressing need for the moratorium legislation of S. 1008 is shown by the Rigid Steel Conduit case. In the Circuit Court of Appeals, the Federal Trade Commission contended that basing-point selling was illegal per se."

Notwithstanding what Mr. Simon and others have said that we contended to the court, we believe the record is sufficiently clear as I have quoted it to show that they are incorrect on that point. What did the court say on that point in the light of our contentions thus made? In the concluding sentence of the court's opinion, it stated:

"We cannot say that the Commission was wrong in concluding that the individual use of the basing-point method as here used does constitute an unfair method of competition."

It appears from that holding of the court that it acted to condemn the basing-point system in that case only because the facts of record showed that the basing-point system in the rigid steel conduit industry had been used to effectively eliminate price competition and unreasonably restrain interstate commerce.

Therefore, since the holding of the court in that case was thus limited, wouldn't it be proper to say with reference to the Rigid Steel Conduit case what Senator CAPEHART said with reference to the Cement case, "Let us forget it."

Since the Cement and Rigid Steel Conduit cases have only held the law to apply to practices which have been found on the facts of record to result in restraint of trade, what is the problem before Congress? It would appear to be one involving the question: Should Congress legalize practices shown by record evidence to have unreasonably restrained interstate commerce?

The question of whether there should be legislation by Congress expressly legalizing basing-point systems; namely, the practice of freight absorption, irrespective of trade-restraining effects and results, obviously presents a serious problem. Congress has long considered the antithesis of that question. For example, it has had before it for a number of years the question whether there should be legislation expressly condemning basing-point systems; namely, the practice of freight absorption, and making them illegal per se.

It was made the subject of investigations under Senate Resolution No. 448, Seventy-third Congress, and as reported upon in 1933 in Senate Document No. 71 and as prior thereto reported upon by the Federal Trade Commission in a report on the Basing Point Formula and Cement Prices, in 1932. Further investigations of that problem which were made at the direction of the Congress made under Senate Resolution No. 166, Seventy-third Congress, and as reported thereon in Senate Document No. 159 in 1934, and further by Public Resolution No. 113, Seventy-fifth Congress, and as reported thereon by the Temporary National Economic Committee in 1941. Each of those investigations consumed considerable time, effort, and expense. Each investigation produced a vast collection of factual information concerning the way in which basing-price systems and zone-pricing systems were being used and their effects. The reports on the investigations carry conclusions and recommendations. Without exception the conclusions have been that these systems involve unreasonable restraints on interstate commerce. Most of the recommendations have called for legislation providing for a removal of those restraints without long and costly trials, such as was involved in the Cement Institute case.

In the numerous investigations made the facts adduced clearly show that basing-point systems are practiced and maintained in many instances only through systematic freight absorption. Furthermore, the facts are beyond dispute on the point that the practice of freight absorption cannot exist except where there is cross hauling of commodities from the freight advantage territory of one mill into the freight-advantage territory of another mill.

What is the effect of this cross hauling through the practice of freight absorption under basing-point systems? It appears that the most reliable information producing an answer to that question is in the findings made in reports on long and costly investigations dealing with the subject. As I have stated, those investigations for the most part have been conducted at the direction of Congress under resolutions of the Senate and Public Resolution No. 113 of the Seventy-fifth Congress.

The finding on that point made by the Federal Trade Commission in its report entitled "The Basing-Point Formula and Cement Prices," 1932, is quoted as follows:

"The explanation of the uneconomic movement of commodities is commonly said to lie in the 'hunger for tonnage.' This explanation, however, ignores one significant circumstance attending the practice under the basing-point system, viz, the manufacturer does not seek to satisfy his hunger for tonnage through increase of sales by a lowering of delivered price to consumer so much as by an intensifying and widening of his market at the same consumer price, though this involves extra transportation cost and so a lower price yield to himself.

"The habitual practice of the cross hauling of a standardized commodity like cement appears to be due primarily to a rather rigid maintenance of mill prices at a relatively high level and only secondarily to 'tonnage hunger,' as often alleged. The high level of mill prices makes the cross haul possible without absolute loss in total sales, and the rigidity of prices tends to prevent the expansion of sales in maximum net territory by mill-price reduction. Under such conditions the mill seeks to satisfy hunger for large volume, intensified often by surplus capacity, by pushing out into less profitable territory in an effort to capture another mill's most profitable business. The result is a swapping of more for less profitable customers at a large net loss to the public in wasteful production and distribution costs.

"The basing-point formula of selling assists in maintaining this rigidity of price at the mill in that it prevents a mill in one market area from dumping its product into another market area at prices below the formula delivered prices of the latter without first reducing its own mill price."

The finding in Senate Document No. 71 in response to Senate Resolution 448, Seventy-third Congress, 1933, included the following:

"The multiple basing-point pricing system as developed by the cement industry has a tendency to lessen price competition. The system forms the basis for arriving at uniform delivered prices of cement and destroys the value of calling for sealed bids by the Government and other large purchasers."

The findings by the Temporary National Economic Committee in its Final Report on the Investigation of Concentration of Economic Power Under Public Resolution No. 113, Seventy-fifth Congress, Senate Document No. 35, as printed in 1941, carried the following statement:

"Extensive hearings on basing-point systems showed that they are used in many industries as an effective device for eliminating price competition.

"During the last 20 years basing-point systems and variations of such systems, known technically as zone pricing systems and freight equalization systems, have spread widely in American industry. Many of the products of important industries are priced by basing-point or analagous systems, such as iron and steel, pig iron, cement, lime, lumber and lumber products, brick, asphalt shingles and roofing, window glass, white lead, metal lath, building tile, floor tile, gypsum plaster, bolts, nuts and rivets, cast-iron soil pipe, range boilers, valves and fittings, sewer pipe, power cable, paper, salt, sugar, corn derivatives, industrial alcohol, linseed oil, fertilizer, and others.

"The elimination of such systems under existing law would involve a costly process of prosecuting separately and individually many industries, and place a heavy burden upon antitrust enforcement appropriations.

"We therefore recommend that the Congress enact legislation declaring such pricing systems to be illegal.

"Because such systems have resulted in uneconomic and often wasteful location of plant equipment, it is recognized by this committee that the abolition of basing-point systems should provide for a brief period of time for industries to divest themselves of this monopolistic practice.

"The committee is not impressed with the argument that a legislative outlawing of basing-point systems will cause disturbances in the rearrangement of business through a restoration of competitive conditions in industries now employing basing-point systems. Such disturbances may be costly to those who have been practicing monopoly. But the long-run gain to the public interest by a restoration of competition in many important industries is clearly more advantageous.

"[Approved without objection.]"

It is clear and again reiterated that the state of existing law as has been outlined to you is to the effect that basing-point systems including freight absorption and cross-hauling are not condemned and held to be illegal except when they involve substantial lessening of competition and restraints on interstate commerce. A seller using a basing-point system without agreement or not involving those trade-restraining effects cannot be reached under existing law even though he is engaging in crosshauling wasteful to the national economy. Congress, of course, is in a position to make a choice; that is, keep existing law which prohibits unreasonable restraints on interstate commerce, whether effectuated through basing-point systems or otherwise, or to act in passing legislation called for by leaders of the steel and cement industries making it clear that they may use basing-point systems; namely, the practice of freight absorption, even though they involve substantial restraints upon interstate commerce. The resolution of that problem can only be made by the Congress. We who are in the public service charged with the responsibility of enforcing the laws do not have the responsibility of determining what the laws should be.

You have also asked me to testify concerning the provisions of pending S. 1008 with reference to the problems of small business.

It is clear to me that section 1 of that bill would operate to legalize the continued use of basing-point systems, now designated by industry as the practice of "freight absorption," even though effects and results would include a substantial lessening of competition and restraint upon interstate commerce. That section attempts to limit that legalization so as not to include agreements to use the basing-point system, but those limitations do not mention the effect of substantially lessening competition or restraint on interstate commerce when agreement is absent.

Section 2 (A) of the bill provides for an amendment of section 2 (a) of the Clayton Antitrust Act as amended by the Robinson-Patman Act. The first part legalizes use of an unlimited zone system, irrespective of effects. In other words, if the evidence should show that such zone system substantially lessened competition, it could not be challenged under the law. The latter part of that subsection purports to make no change in the law but before its full meaning could be ascertained litigation would necessarily ensue.

Subsection (b) of section 2 of the bill as passed by the Senate, with the Kefauver amendments in parentheses, provided for a seller to "absorb freight" "except where the absorption of freight will be to substantially lessen competition." If the words "will be" were changed to read "may be" and the additional language appearing in section 2 of the Clayton Antitrust Act in the effects clause were added, then in my opinion that section of the bill would not change but would express an intention of Congress to provide in the law that freight absorption is not illegal per se. Without the Kefauver amendments, or any other language in lieu thereof providing against substantial lessening of competition, that section of the bill would materially change existing law. It would permit price discrimination by a seller up to the amount of the total freight charges involved in any shipment. The only thing he would need to do would be to set up bookkeeping to show that his price discriminations were charged against an item designated "absorption of freight." Once that is shown, then the price discriminations could not be reached even though the Government possessed an abundance of evidence showing that the discriminations substantially lessened competition, tended to the creation of a monopoly, or unreasonably restrained interstate commerce.

Section 3 of the bill provides for an amendment of subsection (b) of section 2 of the Clayton Antitrust Act as amended by the Robinson-Patman Act, so as to legalize any discrimination in price practiced by a seller when the seller shows that he was in good faith meeting the price of some other seller. The Kefauver amendment, however, was added to the bill before it passed the Senate in the lauguage appearing in parentheses, in the following words, "other than discrimination which will substantially lessen competition." The bill as pending in the House had stricken from it that language of the Kefauver amendment. In my opinion, without the Kefauver amendment the bill would permit any seller to engage in price discriminations through freight absorption or any other methods or means, even though the effect of the discriminations would be to substantially lessen competition, tend to

create a monopoly, or restrain interstate commerce.

Under the existing law of the Clayton Antitrust Act as amended by the Robinson-Patman Act, prima facie any discrimination in price is unlawful which restrains trade or tends toward monopoly, whether it threatens this result by injury to the business of the buyer's competitor or to the seller's, or in any other manner whatsoever. But the discrimination may be justified by proof that it comes within one or the other of the expressed exceptions. Meeting the competition of a competitor in good faith is not one of the expressed exceptions.

Section 2 (a) of the Robinson-Patman Act goes beyond making unlawful price cutting to injure a competing seller. This method is unfair within the meaning of section 5 of the Federal Trade Commission Act and under the Sherman law when used for monopolizing purposes. In this aspect the policy back of the Robinson-Patman Act is the policy of the Federal Trade Commission Act and the Sherman law, but insofar as the Robinson-Patman Act prevents price discrimination by a seller in such a way as to give the favored buyer a competitive advantage the policy is that of the policy back of the discrimination sections of the Interstate Commerce Act. That policy is simply to prevent a seller from giving a special price to favorite buyers and thus enable them to undersell their competitors. It is well known that the policy back of the Interstate Commerce Act discrimination sections was to prevent a railroad from giving special rates to favored shippers. Methods such as these were supposed to have been largely responsible for the growth of trusts, principally the Standard Oil Trust. The Interstate Commerce Act forbids discrimination even where it could not be proved that the tendency was toward monopoly. Under the Robinson-Patman Act this tendency must be proved, or that the effect of the discrimination may be to substantially lessen competition. But the purpose of the discrimination sections in both acts was in each case the same, though the remedy under the Robinson-Patman Act was made more drastic.

Therefore it is my opinion that section 3 of the bill in legalizing discriminations, irrespective of whether their effects would be substantially to lessen competition, is not consistent with the declared public policy as set forth in the Interstate Commerce Act and in the Clayton Antitrust Act as amended by the Robinson-Patman Act. I say that because it is clear that the Interstate Commerce Act and the Clayton Antitrust Act as amended by the Robinson-Patman Act do not permit the person charged with unjust discriminations in price which substantially lessen competition to set up as an absolute defense the fact that he was meeting the competition of some other party. Section 3 of the pending bill without the Kefauver amendment, in my opinion, would extend to a person charged with discriminations an absolute defense when he shows he was meeting the competition of another party even though the discrimination he practiced had the effect of substantially lessening competition. (See pp. 5 and 6 of the Report of the Committee on the Judiciary, House of Representatives, June 21, 1949, and p. 4 of the statement analyzing that section of the bill as made by Hon. Herbert A. Bergson, Assistant Attorney General, on June 8, 1949, before the Committee on the Judiciary, House of Representatives.)

Section 4 of the bill provides for definitions. In subsection (A) the word "price" is defined. However, the definition is no different from the meaning which has been given to the term "price" in cases adjudicated under the Clayton Antitrust Act as amended by the Robinson-Patman Act. That definition therefore would not change existing law.

In subsection (B) the term "delivered price" is defined to mean a price made by a seller for a commodity at a particular delivery point other than the seller's own place of business. That would change existing law and is not wholly consistent with the definition of "price" defined in subsection (A) of section 4 of the bill. That is true because the "delivered price" as defined in subsection (B) would not be the delivered price determined under commercial law but only as determined by a seller. In other words, it would become the delivered price because a seller decreed it to be a delivered price, even though under commercial law the facts of the case would show that price would not be a delivered price.

Subsection (C) of section 4 of the bill attempts to define the term "absorb freight." The only path that I am able to blaze through that maze of words leads me to the conclusion that the term "absorb freight" as used in the bill means what industry leaders have attached to the meaning of the term "freight absorption" for years; namely, the use of a basing-point system where all plants are basing points.

Subsection (D) of section 4 of the bill as passed by the Senate attempts to define the term "the effect may be." As thus defined it would have the effect of turning back the clocks more than a quarter of a century in destroying the standard which was established by the Supreme Court of the United States in the case of *Standard Fashion Co.* v. *Magrane-Houston Co.* (258 U. S. 346), where it was decided that the term "the effect may be," as used in section 3 of the Clayton Antitrust Act, meant probability of a substantial lessening of competition and tendency to create a monopoly. Frankly, the definition of the term "the effect may be" provided for in S. 236 would not weaken the Clayton Antitrust law as would section 4 (D) in the pending legislation as passed by the Senate. I say that because S. 236 as introduced by Senator JOHNSON would have preserved the standard provided for by the United States Supreme Court in the above-cited case as decided more than 25 years ago.

It is understood that the definition of that term has been altered in the House version of the bill. I am informed that the revision of that definition endeavors to restore the law defining the term "may be" as defined by the court in the *Standard Fashion Co.* v. *Magrane-Houston Co.* case.

On March 1, 1949, a majority of the members of the Federal Trade Commission, over the signature of the Secretary of the Commission, submitted to Senator EDWIN C. JOHNSON, at his request, their comments upon S. 1008 then pending before a committee in the Senate. In that letter it was stated "The Commission believes that enactment of this bill is neither necessary nor desirable." In that letter reasons were given why the Commission stated that conclusion with respect to the draft of the bill then pending in the Senate committee. They appear to me to have been based upon the belief of the Commission that the law was clear and that the legislation then proposed would add uncertainties to the law instead of providing for clarification. With that conclusion I personally am in complete agreement.

### BASING-POINT SYSTEM IN THE STATE OF CALIFORNIA—CEMENT TRUST EXPOSED IN HEARINGS BY STATE SENATE—FULL EXPOSÉ BROUGHT COMPETITION TO THE CEMENT INDUSTRY IN CALIFORNIA

Mr. Speaker, I offer for the RECORD a very interesting document which is a supplemental report by the Honorable Herbert C. Jones, of the special committee appointed to investigate concerning the existence of a reputed Cement Trust. This report was submitted to the State Senate of California on May 15, 1929, and is a full and interesting exposé of the reprehensible practices engaged in by cement companies in California. A vote for S. 1008, as amended, will be to recreate the conditions found among cement mills in the State of California. These conditions which the senate committee found to exist were the identity of bids inherent in the practice of the basing-point system, the complete absence of competition, the crushing of dealers and, in fact, all of the appurtenances characteristic of monopoly anywhere you find one.

The full report follows:

SUPPLEMENTAL REPORT BY HON. HERBERT C. JONES, OF THE SPECIAL COMMITTEE APPOINTED TO INVESTIGATE THE EXISTENCE OF A REPUTED CEMENT TRUST SUBMITTED TO THE SENATE OF THE STATE OF CALIFORNIA, MAY 15, 1929

Two reports have been filed by the special committee of the senate appointed to investigate the existence of a reputed Cement Trust in this State. Both of these reports dealt with matters incidental to or apart from the main purpose for which the committee was appointed. The first report, dated March 8, 1929, dealt with the refusal of certain witnesses to testify or produce records, and was the basis for subsequent proceedings before this senate for contempt. These proceedings in turn were reviewed by the Supreme Court of the State, which upheld the jurisdiction of the Senate but discharged the witnesses upon the ground that the commitment by the Senate was void because of the lack of certain averments therein. (Application of Battelle for Writ of Habeas Corpus (77 Cal. Dec. 603, May 14, 1929).)

The second report, dated May 14, 1929, recited that the decision of the supreme court was rendered too late to take further testimony before the adjournment of the legislature, and that it was therefore impossible for the committee to compel the companies to disclose their records, for the purpose of establishing the existence or nonexistence of an illegal combination in restraint of trade.

As I was unable to attend the meetings of the committee in the second period of the session when the contempt proceedings were considered, I did not feel it would be proper for me to sign either report, and hence did not join in the reports filed by the other four members of the committee.

#### PURPOSE OF INVESTIGATION

This third report, which I now present, seeks to deal with the main purpose for which the committee was appointed, namely, the practice of price fixing in the cement industry. It is based upon the hearings which took place in San Francisco on January 24 and 25, 1929, and in Los Angeles on February 4, 5, and 6, 1929, at which all of the members of the committee were present.

Notice of these hearings was sent to all the cement companies in the State of whom the committee had any knowledge, namely:

California Portland Cement Co., Riverside, Portland Cement Co., Southwestern Portland Cement Co., Monolith Portland Cement Co., Pacific Portland Cement Co., Henry Cowell Lime & Cement Co., Santa Cruz Portland Cement Co., Yosemite Portland Cement Co., Calaveras Cement Co., Old Mission Cement Co., Western Lime & Cement Co., Nicoll & Co. (agent for foreign cement), Wilbur-Ellis Co., (agent for foreign cement).

The procedure that was followed, both at the hearings in San Francisco and in Los Angeles, was first to hear the testimony of those officials who represent the State, the counties, the municipalities, the irrigation districts and other public bodies that purchase cement. Thereafter the testimony of the cement companies was taken.

The main purpose for the appointment of the committee was to ascertain whether

there exists uniformity of prices among cement producers, and whether this uniformity arises by reason of some agreement or understanding which would constitute an illegal combination or conspiracy.

UNIFORM BIDS TO STATE

The testimony of representatives of the State department of finance, the State purchasing department, and the highway commission shows that there has existed uniformity of price on bids to the State over a period of many years. For the year 1927 (the last on which bids for purchasing cement for State institutions had been taken by the State previous to the hearings) the prices were identical by all northern California companies on all northern California bids, and by all southern California companies on all southern California bids. The single exception (other than San Diego) was in the case of bids for the Santa Barbara State Teachers College, where northern and southern territories apparently overlapped.

The 1927 bids for State institutions are as follows:

| | Per barrel |
|---|---|
| Agnews: | |
| Henry Cowell Lime & Cement Co | $2.71 |
| Calaveras Cement Co | 2.71 |
| Pacific Portland Cement Co | 2.71 |
| Santa Cruz Portland Cement Co | 2.71 |
| Yosemite Portland Cement Co | 2.71 |
| Ukiah: | |
| Henry Cowell Lime & Cement Co | 3.35 |
| Calaveras Cement Co | 3.35 |
| Pacific Portland Cement Co | 3.35 |
| Santa Cruz Portland Cement Co | 3.35 |
| Yosemite Portland Cement Co | 3.35 |
| Imola (Napa): | |
| Henry Cowell Lime & Cement Co | 2.86 |
| Calaveras Cement Co | 2.86 |
| Pacific Portland Cement Co | 2.86 |
| Santa Cruz Portland Cement Co | 2.86 |
| Yosemite Portland Cement Co | 2.86 |
| Norwalk: | |
| California Portland Cement Co | 2.84 |
| Monolith Portland Cement Co | 2.84 |
| Southwestern Portland Cement Co | 2.84 |
| Riverside Portland Cement Co | 2.84 |
| Stockton: | |
| Henry Cowell Lime & Cement Co | 2.74 |
| Calaveras Cement Co | 2.74 |
| Pacific Portland Cement Co | 2.74 |
| Santa Cruz Portland Cement Co | 2.74 |
| Yosemite Portland Cement Co | 2.74 |
| Patton: | |
| California Portland Cement Co | 2.76 |
| Southwestern Portland Cement Co | 2.76 |
| Riverside Portland Cement Co | 2.76 |
| Eldridge: | |
| Henry Cowell Lime & Cement Co | 2.93 |
| Calaveras Cement Co | 2.93 |
| Pacific Portland Cement Co | 2.93 |
| Santa Cruz Portland Cement Co | 2.93 |
| Yosemite Portland Cement Co | 2.93 |
| Yountville: | |
| Henry Cowell Lime & Cement Co | 2.93 |
| California Cement Co | 2.93 |
| Pacific Portland Cement Co | 2.93 |
| Santa Cruz Portland Cement Co | 2.93 |
| Yosemite Portland Cement Co | 2.93 |
| San Quentin: | |
| Henry Cowell Lime & Cement Co | 2.90 |
| California Cement Co | 2.90 |
| Pacific Portland Cement Co | 2.90 |
| Santa Cruz Portland Cement Co | 2.90 |
| Yosemite Portland Cement Co | 2.90 |
| Folsom: | |
| Henry Cowell Lime & Cement Co | 3.16 |
| Calaveras Cement Co | 3.16 |
| Pacific Portland Cement Co | 3.16 |
| Santa Cruz Portland Cement Co | 3.16 |
| Yosemite Portland Cement Co | 3.16 |
| Ione: | |
| Henry Cowell Lime & Cement Co | 2.99 |
| Calaveras Cement Co | 2.99 |
| Pacific Portland Cement Co | 2.99 |
| Santa Cruz Portland Cement Co | 2.99 |
| Yosemite Portland Cement Co | 2.99 |
| Ventura: | |
| California Portland Cement Co | $3.14 |
| Monolith Portland Cement Co | 3.14 |
| Southwestern Portland Cement Co | 3.14 |
| Riverside Portland Cement Co | 3.14 |
| Whittier: | |
| California Portland Cement Co | 2.78 |
| Monolith Portland Cement Co | 2.78 |
| Southwestern Portland Cement Co | 2.78 |
| Riverside Portland Cement Co | 2.78 |
| Spadra: | |
| California Portland Cement Co | 2.78 |
| Monolith Portland Cement Co | 2.78 |
| Southwestern Portland Cement Co | 2.78 |
| Riverside Portland Cement Co | 2.78 |
| Arcata: | |
| Henry Cowell Lime & Cement Co | 3.28 |
| Calaveras Cement Co | 3.28 |
| Pacific Portland Cement Co | 3.28 |
| Santa Cruz Portland Cement Co | 3.28 |
| Yosemite Portland Cement Co | 3.28 |
| Chico: | |
| Henry Cowell Lime & Cement Co | 3.18 |
| Calaveras Cement Co | 3.18 |
| Pacific Portland Cement Co | 3.18 |
| Santa Cruz Portland Cement Co | 3.18 |
| Yosemite Portland Cement Co | 3.18 |
| Fresno: | |
| Henry Cowell Lime & Cement Co | 3.16 |
| Calaveras Cement Co | 3.16 |
| Pacific Portland Cement Co | 3.16 |
| Santa Cruz Portland Cement Co | 3.16 |
| Yosemite Portland Cement Co | 3.16 |
| San Francisco: | |
| Henry Cowell Lime & Cement Co | 2.61 |
| Calaveras Cement Co | 2.61 |
| Pacific Portland Cement Co | 2.61 |
| Santa Cruz Portland Cement Co | 2.61 |
| Yosemite Portland Cement Co | 2.61 |
| San Jose: | |
| Henry Cowell Lime & Cement Co | 2.69 |
| Calaveras Cement Co | 2.69 |
| Pacific Portland Cement Co | 2.69 |
| Santa Cruz Portland Cement Co | 2.69 |
| Yosemite Portland Cement Co | 2.69 |
| San Luis Obispo: | |
| Henry Cowell Lime & Cement Co | 3.12 |
| Calaveras Cement Co | 3.12 |
| Pacific Portland Cement Co | 3.12 |
| Santa Cruz Portland Cement Co | 3.12 |
| Yosemite Portland Cement Co | 3.12 |
| Los Angeles: | |
| California Portland Cement Co | 2.78 |
| Monolith Portland Cement Co | 2.78 |
| Southwestern Portland Cement Co | 2.78 |
| Riverside Portland Cement Co | 2.78 |
| San Diego: | |
| California Portland Cement Co | 2.93 |
| Pacific Portland Cement Co | 2.94 |
| Southwestern Portland Cement Co | 2.93 |
| Riverside Portland Cement Co | 2.93 |
| Santa Barbara: | |
| Henry Cowell Lime & Cement Co | 3.12 |
| Santa Cruz Portland Cement Co | 3.12 |
| Yosemite Portland Cement Co | 3.12 |
| California Portland Cement Co | 3.01 |
| Monolith Portland Cement Co | 3.01 |
| Southwestern Portland Cement Co | 3.01 |
| Riverside Portland Cement Co | 3.01 |
| Pacific Portland Cement Co | 3.02 |
| San Francisco Harbor: | |
| Calaveras Cement Co | 2.61 |
| Henry Cowell Lime & Cement Co | 2.61 |
| Pacific Portland Cement Co | 2.61 |
| Santa Cruz Portland Cement Co | 2.61 |
| Yosemite Portland Cement Co | 2.61 |

(Printed transcript, pp. 11-21.)

The uniformity of these bids is evident at a glance. Not only does this hold true for the year 1927 but a study of bids made in previous years to the State purchasing department for State institutions reveals a similar uniformity. (Printed transcript, pp. 32-37.)

This uniformity of prices was such that on April 3, 1925, the State purchasing agent addressed a letter to the chief of division of purchases, advising that all bids had been "rejected for the reason, first, that the price * * * for the 12 months' business is not any better than the price we can secure on small lots * * *.

"Second, that the prices indicate an understanding of the cement companies as to the prices to be charged for all cement." (Printed transcript, p. 40.)

SAN FRANCISCO'S EXPERIENCE

The bids to the city of San Francisco for a period of 15 years, with only one exception in one year, were identical from all bidders. The figures furnished to the city of San Francisco from the years 1913 to 1928 are as follows:

| | Price per barrel | |
|---|---|---|
| | Carlots | Less than carlots |
| 1913-14— | | |
| Santa Cruz Portland Cement Co | $2.30 | $2.55 |
| Western Lime & Cement Co | 2.30 | 2.55 |
| Pacific Portland Cement Co | 2.30 | 2.55 |
| Henry Cowell Lime & Cement Co | 2.30 | 2.55 |
| Standard Portland Cement Co | 2.30 | 2.55 |
| (Names abbreviated) | | |
| 1914-15— | | |
| Santa Cruz | 2.30 | 2.55 |
| Pacific | 2.30 | 2.55 |
| Cowell | 2.30 | 2.55 |
| Standard | 2.30 | 2.55 |
| 1915-16— | | |
| Santa Cruz | 2.30 | 2.55 |
| Western | 2.30 | 2.55 |
| Pacific | 2.30 | 2.55 |
| Cowell | 2.30 | 2.55 |
| Standard | 2.30 | 2.55 |
| 1916-17— | | |
| Santa Cruz | 2.30 | 2.55 |
| Western | 2.30 | 2.55 |
| Pacific | 2.30 | 2.55 |
| Cowell | 2.30 | 2.55 |
| Standard | 2.30 | 2.55 |
| 1917-18— | | |
| Santa Cruz | 2.30 | 2.55 |
| Western | 2.30 | 2.55 |
| Pacific | 2.30 | 2.55 |
| Standard | 2.30 | 2.55 |
| 1918-19— | | |
| Santa Cruz | 2.80 | ---------- |
| Western | 2.80 | ---------- |
| Pacific | 2.80 | ---------- |
| Cowell | 2.80 | ---------- |
| Standard | 2.80 | ---------- |
| 1919-20— | | |
| Santa Cruz | 3.03 | 3.35 |
| Western | 3.03 | 3.35 |
| Pacific | 3.03 | 3.35 |
| Cowell | 3.03 | 3.35 |
| Standard | 3.03 | 3.35 |
| 1920-21— | | |
| Santa Cruz | 3.63 | 4.00 |
| Western | 3.63 | 4.00 |
| Pacific | 3.63 | 4.00 |
| Cowell | 3.88 | 4.25 |
| Standard | 3.63 | 4.00 |
| 1921-22— | | |
| Standard | 3.69 | 4.20 |
| Santa Cruz | 3.69 | 4.20 |
| Western | 3.69 | 4.20 |
| Pacific | 3.69 | 4.20 |
| Cowell | 3.69 | 4.20 |
| Standard | 3.69 | 4.20 |
| 1922-23— | | |
| Standard | 3.03 | 3.55 |
| Santa Cruz | 3.03 | 3.55 |
| Western | 3.03 | 3.55 |
| Pacific | 3.03 | 3.55 |
| Cowell | 3.03 | 3.55 |
| Standard | 3.03 | 3.55 |
| 1923-24— | | |
| Standard | 3.03 | 3.55 |
| Santa Cruz | 3.03 | 3.55 |
| Western | 3.03 | 3.55 |
| Pacific | 3.03 | 3.55 |
| Cowell | 3.03 | 3.55 |
| Standard | 3.03 | 3.55 |
| Oct. 1, 1924, to Dec. 31, 1924— | | |
| Santa Cruz | 3.01 | ---------- |
| Cowell | 3.01 | ---------- |
| Old Mission | 3.01 | ---------- |
| Western | 3.01 | ---------- |
| Pacific | 3.01 | ---------- |
| Jan. 1 to Mar. 31, 1925— | | |
| Santa Cruz | 2.71 | ---------- |
| Cowell | 2.71 | ---------- |
| Old Mission | 2.71 | ---------- |
| Western | 2.71 | ---------- |
| Pacific | 2.71 | ---------- |
| Aug. 13, 1925— | | |
| Santa Cruz | 2.71 | ---------- |
| Cowell | 2.71 | ---------- |
| Old Mission | 2.71 | ---------- |

| | Price per barrel | |
|---|---|---|
| | Carlots | Less than carlots |
| 1925–26— | | |
| Santa Cruz | $2.71 | |
| Western | 2.71 | |
| Pacific | 2.71 | |
| Cowell | 2.71 | |
| Old Mission | 2.71 | |
| 1926–27— | | |
| Santa Cruz | 2.71 | $3.20 |
| Western | 2.71 | 3.20 |
| Pacific | 2.71 | 3.20 |
| Cowell | 2.71 | 3.20 |
| Old Mission | 2.71 | 3.20 |
| Golden Gate Atlas Materials | 2.71 | |
| James E. Lennon | 2.71 | |
| 1927–28— | | |
| Santa Cruz | 2.71 | 3.20 |
| Western | 2.71 | 3.20 |
| Pacific | 2.71 | 3.20 |
| Cowell | 2.71 | 3.20 |
| J. S. Guerin & Co | 2.71 | 3.20 |
| Calaveras Cement Co | 2.71 | 3.20 |
| Eclipse Lime & Cement Co | 2.71 | 3.20 |
| 1928–29— | | |
| Santa Cruz | 2.71 | 2.81 |
| Western | 2.71 | 2.81 |
| Pacific | 2.71 | 2.81 |
| Cowell | 2.71 | 2.81 |
| Yosemite | 2.71 | 2.81 |
| Guerin | 2.71 | 2.81 |
| Calaveras | 2.71 | 2.81 |
| Eclipse | 2.71 | 2.81 |

EXPERIENCE OF ALL PUBLIC AGENCIES

The experience of the city of Los Angeles and of irrigation districts, counties, other municipalities, and public bodies reveals much the same identity of bids. This is indicated, as one example, by the testimony of the Los Angeles city purchasing agent, who presented the bids received by the city on 25 jobs extending over a period from 1925 to 1929. These bids occupy 11 pages of the printed transcript, and show the same practical uniformity for all 25 projects. (Exhibit L. A. No. 1, transcript, pp. 396–406.)

From these bids to the State and its political subdivisions it appears that the companies made identical bids irrespective of whether they were close to the job and would have a low freight charge, or were remote from the job and would have a heavy freight charge. The purchaser was left without any choice so far as price was concerned. Therefore, the business was often awarded equally between all the companies sometimes it was rotated; and sometimes, as one witness facetiously remarked, it was placed by drawing lots.

HOW UNIFORMITY ASSURED

The testimony showed that to obtain this uniformity one of the companies acts as the bellwether. In northern California, this bellwether is the Davenport plant, and in southern California the Riverside plant.

These respective plants issue printed circulars, about once a month, giving the price at which cement will be delivered by them at various destinations. (Printed transcript, pp. 295, 694.) These destinations include every town of any consequence in California. These circulars are sent out to the other cement companies and to the trade. The prices listed are computed on the base price at the Davenport plant and the Riverside plant, respectively, plus transportation to the respective towns. The base price, or mill base as it is called, includes cost of production and profit—that is to say, the selling price at that particular mill. (Printed transcript, p. 294 ff.)

The testimony disclosed that whenever bills were called for by the State for cement, say at San Quentin, or at the Agnews State Hospital, or at the Chico State College, the Davenport company would put in its bid in accordance with its own printed list; and all other northern California companies who bid would put in the exact figures taken from the list published by the Davenport company. (Printed transcript, p. 150.)

The same procedure prevailed in southern California. All the companies there followed the figures contained in the list published by the Riverside company as its prices for delivery at its particular destination. The price list issued by the Riverside Co., on October 5, 1928, fixed its price at 258 points in southern California. (Exhibit L. A. No. 7; see reporter's transcript.)

RETAILERS COMPELLED TO CONFORM

In addition, the bellwether company issued a list to retailers, or dealers, which set out the price which the company felt proper for dealers to quote. The price list for dealers issued by the Riverside Co. on October 22, 1927, suggested the dealer's price at 4 cents a sack above the carload prices shown on the company's printed list. In other words, the company specified the profit that the retailer was to make. Lest any retailer have the temerity to underbid his competitor in the retail field by reducing his profit, or otherwise departing from strict uniformity of price, a warning was set forth in the circular, which warning he would have no difficulty in construing.

To give point to its suggestion the circular states:

"It is very important for this company, to its dealers, and to the public generally, to maintain permanent means of distributing our cement in an efficient and businesslike manner.

"This policy provides very liberal margins and terms for dealers, and unless southern California dealers handling Riverside and Bear brands of cement are able to resell at a minimum price 4 cents per sack above our carload list prices to consumers it would be unreasonable to consider them a safe and permanent means of distribution." (Exhibit L. A., No. 7, printed transcript, pp. 590–593.)

The cement companies testified that they were not bound by contract to follow the list price set by the bellwether, but that they had learned by bitter experience the consequences of cutting prices, and feared the retaliation of the other companies if they started a price war. Their testimony was that their self-interest dictated that they maintain uniform prices.

GARY DINNERS IMPROVED UPON

The method followed by the cement companies is an advance over the day of the Gary dinners, when a group of executives around a banquet table each vigorously protested that what he said was not to be binding, but that he felt that a certain price or a certain procedure would be followed by all parties who used good judgment. This method was abandoned in 1911 in anticipation of an inquiry by the Stanley House committee or possible adverse ruling by the courts (The Trust Problem in the United States (Eliot Jones), p. 225 ff.).

The method followed by the cement companies of California, as disclosed by the committee's investigation, is the same as that followed by the coal operators in the issuance by one company of a price list which the others implicitly follow (The Anthracite Coal Combination in the United States (Eliot Jones), pp. 170–173).

COLLAPSE OF ANTITRUST LAWS

Further, they claimed that there was nothing illegal in maintaining uniform prices; that there was nothing reprehensible in uniform prices, unless such price were unreasonable. In this they are merely taking advantage of the collapse of our State antitrust law, known as the Cartwright Act.

As first passed in the year 1907, this act outlawed all combinations for price fixing. Within 2 years, apparently yielding to a widespread business custom toward price fixing, that act was amended so as to outlaw price fixing only if such prices were unreasonable. (Statutes 1909: 594.) And finally it has been declared unconstitutional in this way:

The Supreme Court of the United States, in passing upon language identical with that of the amended Cartwright Act, which had been used in a Colorado statute, held the Colorado statute unconstitutional, saying that a merchant or a dealer could not be required to determine at his own hazard whether his profit was unreasonable; that the businessman did not have to face the possibility of going to jail because he was wrong in his judgment as to whether his price was reasonable or not; that the statute did not specify whether a profit of 5 percent or 10 percent or 25 percent or 50 percent constituted the limit of reasonableness, and that on account of the vagueness of the expression "unreasonable profit," one could not be held responsible for guessing as to whether he was or was not violating the law. *Cline* v. *Frank Dairy Co.* (274 U. S. 445).

The history of the Federal antitrust laws (Sherman and Clayton Acts) shows a similar break-down. Probably the net result of several decades of antitrust legislation by the Federal Government has been merely the goading of lawyers to invent bomb-proof supertrusts.

UNISON OF ACTION AN ESTABLISHED PROCEDURE

The fact that identity of bids has prevailed for so many years may be accepted as satisfactory evidence that it is an established procedure of the cement companies to maintain uniformity. Two questions now naturally arise:

1. Whether the practice is reprehensible.
2. What can be done about it.

With regard to the first question, obviously the vice of price fixing does not lie in the fact of uniformity, but depends upon whether the consumer is compelled to pay an unfair, unreasonable, and exorbitant profit. The refusal of the cement companies to produce their books or income-tax returns, or to testify in regard to their earnings, precludes the committee from reporting on the question of whether the companies are earning unreasonable profits. The companies had the opportunity to dispel the popular impression that they are making millions in exorbitant profits. Their refusal to testify leaves them open to the adverse inference that they cannot disprove this general belief.

DAY OF FREE COMPETITION PAST

Irrespective of whether or not it is reprehensible, price fixing exists and is increasing. Probably the most conspicuous example is the uniform price of gasoline. Distributors fix the price of milk; printers fix the price of printing.

The modern tendency is toward consolidations, mergers, and monopolies, whether in the field of production, distribution, or finance. This is the day of the branch bank, the chain store, the industrial monopoly. This development has come in spite of legislative fiat, in spite of decisions by our courts, in spite of flaying by the press. In fact, the Government itself is today furthering combinations. It looks with favor upon the consolidation of railroads. It is fostering associations of agricultural producers. Through the Federal Farm Board, it is fixing the price of wheat. The Federal Trade Commission permits the issuance and following of price lists such as practiced by the cement companies of California. (Printed transcript, pp. 805, 968.) The day of free competition is past.

As to the second question—namely, What is to be done about this price fixing by monopolies?—it is not the purpose of this report to attempt to solve this perplexing and far-reaching economic and social problem.

FIGHT LOST BY AMERICAN PEOPLE

The realization that we have entered on a new economic era cannot but be viewed with serious thought. We have to recognize that with the passing of free competition the American people have lost the fight which they have been conducting for at least two generations. We have to recognize that a system, a culture, almost a civilization—that which has brought America to its present pinnacle of achievement and which has been based upon individual initiative—is being swept into the discard.

The result of the committee's investigation merely confirms a widespread feeling that the Cartwright Act is today not even a pitiful protection to the consumer. While economists and prosecutors still differ as to the worth of antitrust laws, the view among students is rapidly prevailing that they fail wretchedly in their avowed purpose. We seem to be compelled to face frankly the economic facts and realize that we are in an era of consolidations, price fixing, and monopolies.

NEW PROTECTION REQUIRED

The new movement toward consolidation gives inconceivable power to the monopoly; the individual consumer stands helpless before it. The public must have protection. The two forms of protection that have been most frequently counted on or advocated in the past are antitrust laws and the regulating of monopolies as public utilities. Both of these avenues of relief we now find closed. Our State antitrust law fails utterly as a protection. The attempt by the State to make the cement companies public utilities is blocked by decisions of the United States Supreme Court holding that the distributors of such commodities as gasoline and meat (and presumably cement) cannot be regulated as utilities. *Wolff Packing Co.* v. *Court Indus. Rel. of Kan.* (265 U. S. 522, 67 L. Ed. 1103); *Williams* v. *Standard Oil Co. of La.* ((Nov. 23, 1928), 278 U. S. 235, 73 L. Ed. 287.)

With the protection of our antitrust law swept aside and with the door to regulation as utilities closed, some other and newer protection must be found. Whatever the solution, it will have to be obtained by looking forward, not backward. The wheels of economic progress do not travel the roads of yesterday.

Whether that protection shall be in the form of some yet untried and increased governmental regulation and control, it is not my purpose to recommend. It is my purpose however, to point out that with the establishment of monopoly, some form of protection must be given to the consumer against its vast, uncontrolled and autocratic power.

HERBERT C. JONES.

BASING-POINT DECISION BY THE SUPREME COURT—DECISION UPHELD ANTITRUST LAWS—THE CHARGE OF INVASION OF THE LEGISLATIVE FUNCTION OF CONGRESS WITHOUT FOUNDATION—SUPREME COURT DECISION IN CEMENT CASE SET FORTH IN FULL

Mr. Speaker, the Supreme Court decision in the Cement case, handed down April 26, 1948, was a momentous one in the historic annals of our country. It was a decision upholding our antitrust laws and one in which our highest tribunal explored every scintilla of evidence before it gave its decision. It was a decision in which the Court weighed every argument carefully before it delivered its opinion. It was a decision which met the issues head-on and squared the evidence and arguments with our antitrust laws—laws enacted by the Congress to protect our people from the viciousness of monopoly.

COMMERCE AND TRADE MUST BE FREE, THE COURT SAID

The Supreme Court, by a 6-to-1 decision in this case, held in effect that the trade and commerce of these United States should, and must, be free of hindrance and restraint; free of artificial controls set up by monopoly; free of tyrannical practices and systems which unduly burden our people and their normal business operations.

SUPREME COURT EXCORIATED BY BIG BUSINESS FOR UPHOLDING ANTITRUST LAWS

The charge has been made, by the proponents of S. 1008, that the Supreme Court has, by its recent decisions upholding our antitrust laws, assumed legislative functions delegated by the Constitution of the United States to the Congress. This charge is only one of the many absurd contentions by those who, by one means or another, hope the Congress will surrender its legislative functions to the enormous integrated monopolies of this country.

S. 1008, AS AMENDED, WILL SURRENDER CONGRESSIONAL FUNCTIONS TO MONOPOLY

Any reasonable person viewing the facts in an impartial manner can arrive at only one conclusion. That conclusion is a simple one—namely, that in order to protect and maintain our Government and our economy, our antitrust laws must be strengthened rather than weakened. S. 1008, as amended, must be defeated for its provisions are diametrically opposed to the principle of free enterprise and free trade among the several States. It is a grant of power to predatory interests which eventually will become stronger than the Government itself if granted a charter by law to completely eliminate competition and crush the small-business interests of our country. Every segment of our economy has a stake in this matter. The farmer, the small-business man, the housewife, the artisan, the home-town merchant, the young, the aged, and all the rest of the people of this country stand on the threshold of a great victory or an ignominious defeat. The victory will come with the House of Representatives voting down S. 1008, as amended—the bill which should be known as the antitrust subversion bill or the bill for the aid and support of the cement and steel monopolies. For the House to do otherwise than vote down this bill requires more imagination than I possess.

The opinion of the Court in the Cement case is as follows:

Mr. Justice Black delivered the opinion of the Court.

We granted certiorari to review the decree of the circuit court of appeals which, with one judge dissenting, vacated and set aside a cease and desist order issued by the Federal Trade Commission against the respondents. (157 F. 2d 533.) Those respondents are: The Cement Institute, an unincorporated trade association composed of 74 corporations [1] which manufacture, sell, and distribute cement; the 74 corporate members of the Institute; [2] and 21 individuals who are associated with the Institute. It took 3 years for a trial examiner to hear the evidence which consists of about 49,000 pages of oral testimony and 50,000 pages of exhibits. Even the findings and conclusions of the Commission cover 176 pages. The briefs with accompanying appendixes submitted by the parties contain more than 4,000 pages. The legal questions raised by the Commission and by the different respondents are many and varied. Some contentions are urged by all respondents and can be jointly considered. Others require separate treatment. In order to keep our opinion within reasonable limits, we must restrict our record references to the minimum consistent with an adequate consideration of the legal questions we discuss.

The proceedings were begun by a Commission complaint of two counts. The first charged that certain alleged conduct set out at length constituted an unfair method of competition in violation of section 5 of the Federal Trade Commission Act (38 Stat. 719, 15 U. S. C., sec. 45). The core of the charge was that the respondents had restrained and hindered competition in the sale and distribution of cement by means of a combination among themselves made effective through mutual understanding or agreement to employ a multiple basing-point system of pricing. It was alleged that this system resulted in the quotation of identical terms of sale and identical prices for cement by the respondents at any given point in the United States. This system had worked so successfully, it was further charged, that for many years prior to the filing of the complaint, all cement buyers throughout the Nation, with rare exceptions, had been unable to purchase cement for delivery in any given locality from any one of the respondents at a lower price or on more favorable terms than from any of the other respondents.

The second count of the complaint, resting chiefly on the same allegations of fact set out in count I, charged that the multiple-basing-point system of sales resulted in systematic price discriminations between the customers of each respondent. These discriminations were made, it was alleged, with the purpose of destroying competition in price between the various respondents in violation of section 2 of the Clayton Act (38 Stat. 730), as amended by the Robinson-Patman Act (49 Stat. 1526). That section, with certain conditions which need not here be set out, makes it "unlawful for any person engaged in commerce * * * either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality" (15 U. S. C., sec. 13).

Resting upon its findings, the Commission ordered that respondents cease and desist from "carrying out any planned common course of action, understanding, agreement, combination, or conspiracy" to do a number of things (37 F. T. C. 87, 258–262), all of which things, the Commission argues, had to be restrained in order effectively to restore individual freedom of action among the separate units in the cement industry. Certain contentions with reference to the order will later require a more detailed discussion of its terms. For the present it is sufficient to say that, if the order stands, its terms are broad enough to bar respondents from acting in concert to sell cement on a basing-point delivered-price plan which so eliminates competition that respondents' prices are always identical at any given point in the United States.

We shall not now detail the numerous contentions urged against the order's validity. A statement of these contentions can best await the separate consideration we give them.

Jurisdiction: At the very beginning we are met with a challenge to the Commission's jurisdiction to entertain the complaint and to act on it. This contention is pressed by

[1] The Commission dismissed the proceedings without prejudice against respondent Castalia Portland Cement Co., which went into bankruptcy.

[2] Respondent Valley Forge Cement Co. is associated with the Institute only by reason of its affiliation with a member company.

respondent Marquette Cement Manufacturing Co. and is relied upon by other respondents. Count I of the complaint is drawn under the provision in section 5 of the Federal Trade Commission Act which declares that "unfair methods of competition * * * are hereby declared unlawful." Marquette contends that the facts alleged in count I do not constitute "an unfair method of competition" within the meaning of section 5. Its argument runs this way: Count I in reality charges a combination to restrain trade. Such a combination constitutes an offense under section 1 of the Sherman Act which outlaws "every * * * combination * * * in restraint of trade" (26 Stat. 209, 15 U. S. C., sec. 1.) Section 4 of the Sherman Act provides that the Attorney General shall institute suits under the act on behalf of the United States, and that the Federal district courts shall have exclusive jurisdiction of such suits. Hence, continue respondents, the Commission, whose jurisdiction is limited to "unfair methods of competition," is without power to institute proceedings or to issue an order with regard to the combination in restraint of trade charged in count I. Marquette then argues that since the fact allegations of count I are the chief reliance for the charge in count II, this latter count also must be interpreted as charging a violation of the Sherman Act. Assuming, without deciding, that the conduct charged in each count constitutes a violation of the Sherman Act, we hold that the Commission does have jurisdiction to conclude that such conduct may also be an unfair method of competition and hence constitute a violation of section 5 of the Federal Trade Commission Act.

As early as 1920 this court considered it an unfair method of competition to engage in practices against public policy because of their dangerous tendency unduly to hinder competition or create monopoly. *Federal Trade Commission* v. *Gratz* (253 U. S. 421, 427). In 1922 the court in *Federal Trade Commission* v. *Beech-Nut Packing Co.* (257 U. S. 441), sustained a cease and desist order against a resale price maintenance plan because such a plan necessarily constitutes a scheme which restrains the natural flow of commerce and the freedom of competition in the channels of interstate trade which it has been the purpose of all the antitrust acts to maintain. Id. at 454. The court, in holding that the scheme before it constituted an unfair method of competition, noted that the conduct in question was practically identical with that previously declared unlawful *in Dr. Miles Medical Co.* v. *Park & Sons Co.* (220 U. S. 373), and *United States* v. *Schrader's Son, Inc.* (252 U. S. 85), the latter a suit brought under section 1 of the Sherman Act. Again in 1926 this Court sustained a Commission unfair-method-of-competition order against defendants who had engaged in a price-fixing combination, a plain violation of section 1 of the Sherman Act. *Federal Trade Commission* v. *Pacific States Paper Trade Association* (273 U. S. 52). In 1941 we reiterated that certain conduct of a combination found to conflict with the policy of the Sherman Act could be suppressed by the Commission as an unfair method of competition. *Fashion Originators' Guild* v. *Federal Trade Commission* (312 U. S. 457, 465). The Commission's order was sustained in the Fashion Originators' case not only because the prohibited conduct violated the Clayton Act but also because the Commission's findings brought the combination in its entirety well within the inhibition of the policies declared by the Sherman Act itself. In other cases this court has pointed out many reasons which support interpretation of the language "unfair methods of competition" in section 5 of the Federal Trade Commission Act as including violations of the Sherman Act.[3] Thus, it appears that soon after its creation the Commission began to interpret the prohibitions of section 5 as including those restraints of trade which also were outlawed by the Sherman Act,[4] and that this court has consistently approved that interpretation of the act.

Despite this long and consistent administrative and judicial construction of section 5, we are urged to hold that these prior interpretations were wrong and that the term "unfair methods of competition" should not be construed as embracing any conduct within the ambit of the Sherman Act. In support of this contention, Marquette chiefly relies upon its reading of the legislative history of the Commission Act. We have given careful consideration to this contention because of the earnestness with which it is pressed. Marquette points to particular statements of some of the act's sponsors which, taken out of their context, might lend faint support to its contention that Congress did not intend the Commission to concern itself with conduct then punishable under the Sherman Act. But on the whole the act's legislative history shows a strong congressional purpose not only to continue enforcement of the Sherman Act by the Department of Justice and the Federal district courts but also to supplement that enforcement through the administrative process of the new Trade Commission. Far from being regarded as a rival of the Justice Department and the district courts in dissolving combinations in restraint of trade, the new Commission was envisioned as an aid to them and was specifically authorized to assist them in the drafting of appropriate decrees in antitrust litigation.[5] All of the committee reports and the statements of those in charge of the Trade Commission Act reveal an abiding purpose to vest both the Commission and the courts with adequate powers to hit at every trade practice, then existing or thereafter contrived, which restrained competition or might lead to such restraint if not stopped in its incipient stages. These congressional purposes are revealed in the legislative history cited below, most of which is referred to in respondents' briefs.[6] We can conceive of no greater obstacle this Court could create to the fulfillment of these congressional purposes than to inject into every Trade Commission proceeding brought under section 5 and into every Sherman Act suit brought by the Justice Department a possible jurisdictional question.

We adhere to our former rulings. The Commission has jurisdiction to declare that conduct tending to restrain trade is an unfair method of competition even though the selfsame conduct may also violate the Sherman Act.

There is a related jurisdictional argument pressed by Marquette which may be disposed of at this time. While review of the Commission's order was pending in the Circuit Court of Appeals, the Attorney General filed a civil action in the Federal District Court for Denver, Colo., to restrain the Cement Institute, Marquette and 88 other cement companies, including all of the present respondents, from violating section 1 of the Sherman Act. Much of the evidence before the Commission in this proceeding might also be relevant in that case, which, we are informed, has not thus far been brought to trial. Marquette urges that the Commission proceeding should now be dismissed because it is contrary to the public interest to force respondents to defend both a Commission proceeding and a Sherman Act suit based largely on the same alleged misconduct.

We find nothing to justify a holding that the filing of a Sherman Act suit by the Attorney General requires the termination of these Federal Trade Commission proceedings. In the first place, although all conduct violative of the Sherman Act may likewise come within the unfair trade practice prohibitions of the Trade Commission Act, the converse is not necessarily true. It has long been recognized that there are many unfair methods of competition that do not assume the proportions of Sherman Act violations. *Federal Trade Commission* v. *R. F. Keppel & Bro.* (291 U. S. 304); *Federal Trade Commission* v. *Gratz* (253 U. S. 421, 427). Hence a conclusion that respondents' conduct constituted an unfair method of competition does not necessarily mean that their same activities would also be found to violate section 1 of the Sherman Act. In the second place, the fact that the same conduct may constitute a violation of both acts in nowise requires us to dismiss this Commission proceeding. Just as the Sherman Act itself permits the Attorney General to bring simultaneous civil and criminal suits against a defendant based on the same misconduct, so the Sherman Act and the Trade Commission Act provide the Government with cumulative remedies against activity detrimental to competition. Both the legislative history of the Trade Commission Act and its specific language indicate a congressional purpose, not to confine each of these proceedings within narrow, mutually exclusive limits, but rather to permit the simultaneous use of both types of proceedings. Marquette's objections to the Commission's jurisdiction are overruled.

Objections to Commission's jurisdiction by certain respondents on ground that they were not engaged in interstate commerce: One other challenge to the Commission's jurisdiction is specially raised by Northwestern Portland and Superior Portland. The Commission found that "Northwestern Portland

[3] *Federal Trade Comm'n* v. *R. F. Keppel & Bro.* (291 U. S. 304, 310); *Federal Trade Comm'n* v. *Raladam Co.* (283 U. S. 643, 649–650); see also *United States Alkali Assn.* v. *United States* (325 U. S. 196), and see *Eugene Dietzgen Co.* v. *Federal Trade Comm'n* (142 F. 2d 321, 326–327) and cases there cited among the numerous circuit courts of appeals cases on the same subject.

[4] "The Commission had issued up to October 1939 a total of 267 orders to cease and desist in cases involving cooperation, conspiracy or combination." Beer, Federal Trade Law and Practice, 94 (1942). Other writers have also commented on the recognition by the Commission and courts that unfair methods of competition include violations of the Sherman Act. Handler, Unfair Competition and the Federal Trade Commission (8 G. W. L. Rev. 399, 416–417, 419); Montague, The Commission's Jurisdiction Over Practices in Restraint of Trade: A Large-Scale Method of Mass Enforcement of the Antitrust Laws (8 G. W. L. Rev. 365); Miller, Unfair Competition (ch. xi (1941)); Henderson, The Federal Trade Commission: A Study in Administrative Law and Procedure (22–28 (1924)); Beer, Federal Trade Law and Practice (93 et seq. (1942)).

[5] Section 7 of the act empowered the Commission, upon the request of the district courts, to serve as a master in chancery in framing appropriate decrees in antitrust suits brought by the Attorney General. Section 6 (c) authorized the Commission to investigate compliance with antitrust decrees upon application of the Attorney General and to report its findings and recommendations to him (38 Stat. 722, 15 U. S. C. secs. 47, 46).

[6] 51 CONGRESSIONAL RECORD 11083, 11104, 11528–11533, 12146, 12622–12623, 12733–12734, 12787, 13311–13312, 14251, 14460, 14926, 14929; H. Rept. No. 533, 63d Cong., 2d sess., 1, 6 (1914); H. Rept. No. 1142, 63d Cong., 8d sess., 18–19 (1914); S. Rept. No. 597, 63d Cong., 2d sess. 12–13 (1914).

makes no sales or shipments outside the State of Washington," and that "Superior Portland, with few exceptions, makes sales and shipments outside the State of Washington only to Alaska." These two respondents contend that, since they did not engage in interstate commerce and since section 5 of the Trade Commission Act applies only to unfair methods of competition in interstate commerce, the Commission was without jurisdiction to enter an order against them under count I of the complaint. For this contention they chiefly rely on *Federal Trade Comm'n* v. *Bunte Bros.* (312 U. S. 349). They also argue that for the same reason the Commission lacked jurisdiction to enforce against them the price discrimination charge in count II of the complaint.

We cannot sustain this contention. The charge against these respondents was not that they, apart from the other respondents, had engaged in unfair methods of competition and price discriminations simply by making intrastate sales. Instead, the charge was, as supported by the Commission's findings, that these respondents in combination with others agreed to maintain a delivered price system in order to eliminate price competition in the sale of cement in interstate commerce. The combination, as found, includes the Institute and cement companies located in many different States. The Commission has further found that "in general, said corporate respondents have maintained, and now maintain, a constant course of trade and commerce in cement among and between the several States of the United States." The fact that one or two of the numerous participants in the combination happen to be selling only within the borders of a single State is not controlling in determining the scope of the Commission's jurisdiction. The important factor is that the concerted action of all of the parties to the combination is essential in order to make wholly effective the restraint of commerce among the States.[7] The Commission would be rendered hopeless to stop unfair methods of competition in the form of interstate combinations and conspiracies if its jurisdiction could be defeated on a mere showing that each conspirator had carefully confined his illegal activities within the borders of a single State. We hold that the Commission did have jurisdiction to make an order against Superior Portland and Northwestern Portland.

The multiple-basing-point delivered price system: Since the multiple-basing point delivered price system of fixing prices and terms of cement sales is the nub of this controversy, it will be helpful at this preliminary stage to point out in general what it is and how it works. A brief reference to the distinctive characteristics of "factory" or "mill prices" and "delivered prices" is of importance to an understanding of the basing-point delivered price system here involved.

Goods may be sold and delivered to customers at the seller's mill or warehouse door or may be sold free on board trucks or railroads or railroad cars immediately adjacent to the seller's mill or warehouse. In either event the actual cost of the goods to the purchaser is, broadly speaking, the seller's "mill price" plus the purchaser's cost of transportation. However, if the seller fixes a price at which he undertakes to deliver goods to the purchaser where they are to be used, the cost to the purchaser is the "delivered price." A seller who makes the "mill price" identical for all purchasers of like amount and quality simply delivers his goods at the same place (his mill) and for the same price (price at the mill). He thus receives for all f. o. b. mill sales an identical net amount of money for like goods from all customers. But a "delivered price" system creates complications which may result in a seller's receiving different net returns from the sale of like goods. The cost of transporting 500 miles is almost always more than the cost of transporting 100 miles. Consequently, if customers 100 and 500 miles away pay the same "delivered price," the seller's net return is less from the more distant customer. This difference in the producer's net return from sales to customers in different localities under a "delivered price" system is an important element in the charge under count I of the complaint and is the crux of count II.

The best known early example of a basing-point price system was called Pittsburgh plus. It related to the price of steel. The Pittsburgh price was the base price, Pittsburgh being therefore called a price-basing point. In order for the system to work, sales had to be made only at delivered prices. Under this system the delivered price of steel from anywhere in the United States to a point of delivery anywhere in the United States was in general the Pittsburgh price plus the railroad freight rate from Pittsburgh to the point of delivery.[8] Take Chicago, Ill., as an illustration of the operation and consequences of the system. A Chicago steel producer was not free to sell his steel at cost plus a reasonable profit. He must sell it at the Pittsburgh price plus the railroad freight rate from Pittsburgh to the point of delivery. Chicago steel customers were by this pricing plan thus arbitrarily required to pay for Chicago produced steel the Pittsburgh base price plus what it would have cost to ship the steel by rail from Pittsburgh to Chicago had it been shipped. The theoretical cost of this fictitious shipment became known as phantom freight. But had it been economically possible under this plan for a Chicago producer to ship his steel to Pittsburgh his delivered price would have been merely the Pittsburgh price, although he actually would have been required to pay the freight from Chicago to Pittsburgh. Thus, the delivered price under these latter circumstances required a Chicago (nonbasing point) producer to absorb freight costs. That is, such a seller's net return became smaller and smaller as his deliveries approached closer and closer to the basing point.

Several results obviously flow from use of a single basing-point system such as "Pittsburgh plus" originally was. One is that the "delivered price" of all producers in every locality where deliveries are made are always the same regardless of the producers' different freight costs. Another is that sales made by a nonbase mill for delivery at different localities result in net receipts to the seller which vary in amounts equivalent to the "phantom freight" included in or the "freight absorption" taken from the "delivered price."

As commonly employed by respondents, the basing-point system is not single but multiple. That is, instead of one basing point, like that in "Pittsburgh plus," a number of basing point localities are used. In the multiple basing-point system, just as in the single basing-point system, freight absorption or phantom freight is an element of the delivered price on all sales not governed by a basing point actually located at the seller's mill.[9] And all sellers quote identical delivered prices in any given locality regardless of their different costs of production and their different freight expenses. Thus, the multiple and single systems function in the same general manner and produce the same consequences—identity of prices and diversity of net returns.[10] Such differences as there are in matters here pertinent are therefore differences of degree only.

Alleged bias of the Commission: One year after the taking of testimony had been concluded, and while these proceedings were still pending before the Commission, the respondent Marquette asked the Commission to disqualify itself from passing upon the issues involved. Marquette charged that the Commission had previously prejudged the issues, was "prejudiced and biased against the Portland cement industry generally," and that the industry, and Marquette in particular, could not receive a fair hearing from the Commission. After hearing oral argument the Commission refused to disqualify itself. This contention, repeated here, was also urged and rejected in the circuit court of appeals 1 year before that court reviewed the merits of the Commission's order. *Marquette Cement Mfg. Co.* v. *Federal Trade Comm'n* (147 F. 2d 589).

Marquette introduced numerous exhibits intended to support its charges. In the main these exhibits were copies of the Commission's reports made to Congress or to the President, as required by section 6 of the Trade Commission Act (15 U. S. C., sec. 46). These reports, as well as the testimony given by members of the Commission before congressional committees, make it clear that long before the filing of this complaint the members of the Commission at that time, or at least some of them, were of the opinion that the operation of the multiple-basing-point system as they had studied it was the equivalent of a price-fixing restraint of trade in violation of the Sherman Act. We therefore decide this contention, as did the circuit court of appeals, on the assumption that such an opinion had been formed by

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[7] See *Ramsay Co.* v. *Bill Posters Assn.*, 260 U. S. 501, 511; *Stevens Co.* v. *Foster & Kleiser Co.*, 311 U. S. 255, 260–261; *United States* v. *Frankfort Distilleries*, 324 U. S. 293, 297–298.

[8] This was not true as to steel produced and shipped from Birmingham, Ala. Under the system Birmingham steel had to be sold at the Pittsburgh price plus an arbitrary addition of $5 per ton. There were also other minor variations from the system as here described. See *United States Steel Corp. et al.* (8 F. T. C. 1).

[9] A base mill selling cement for delivery at a point outside the area in which its base price governs, and inside the area where another base mill's lower delivered price governs, adopts the latter's lower delivered price. The first base mill thus absorbs freight and becomes as to such sale a nonbase mill.

[10] The Commission in its findings explained how the multiple basing point system affects a seller's net return on sales in different localities and how the delivered price is determined at any particular point. "Substantially all sales of cement by the corporate respondents are made on the basis of a delivered price; that is, at a price determined by the location at which actual delivery of the cement is made to the purchaser. In determining the delivered price which will be charged for cement at any given location, respondents use a multiple basing-point system. The formula used to make this system operative is that the delivered price at any location shall be the lowest combination of base price plus all-rail freight. Thus, if mill A has a base price of $1.50 per barrel, its delivered price at each location where it sells cement will be $1.50 per barrel plus the all-rail freight from its mill to the point of delivery, except that when a sale is made for delivery at a location at which the combination of the base price plus all-rail freight from another mill is a lower figure, mill A uses this lower combination so that its delivered price at such location will be the same as the delivered price of the other mill. At all locations where the base price of mill A plus freight is the lowest combination, mill A recovers $1.50 net at the mill, and at locations where the combination of base price plus freight of another mill is lower, mill A shrinks its mill net sufficiently to equal that price. Under these conditions it is obvious that the highest mill net which can be recovered by mill A is $1.50 per barrel, and on sales where it has been necessary to shrink its mill net in order to match the delivered price of another mill, its net recovery at the mill is less than $1.50" (37 F. T. C. at 147–148).

the entire membership of the Commission as a result of its prior official investigations. But we also agree with that court's holding that this belief did not disqualify the Commission.

In the first place, the fact that the Commission had entertained such views as the result of its prior ex parte investigations did not necessarily mean that the minds of its members were irrevocably closed on the subject of the respondents' basing-point practices. Here, in contrast to the Commission's investigations, members of the cement industry were legally authorized participants in the hearings. They produced evidence—volumes of it. They were free to point out to the Commission by testimony, by cross-examination of witnesses, and by arguments, conditions of the trade practices under attack which they thought kept these practices within the range of legally permissible business activities.

Moreover, Marquette's position, if sustained, would to a large extent defeat the congressional purposes which prompted passage of the Trade Commission Act. Had the entire membership of the Commission disqualified in the proceedings against these respondents, this complaint could not have been acted upon by the Commission or by any other Government agency. Congress has provided for no such contingency. It has not directed that the Commission disqualify itself under any circumstances, has not provided for substitute Commissioners should any of its members disqualify, and has not authorized any other Government agency to hold hearings, make findings, and issue cease-and-desist orders in proceedings against unfair trade practices.[11] Yet, if Marquette is right, the Commission, by making studies and filing reports in obedience to congressional command, completely immunized the practices investigated, even though they are unfair, from any cease-and-desist order by the Commission or any other governmental agency.

There is no warrant in the act for reaching a conclusion which would thus frustrate its purposes. If the Commission's opinions expressed in congressionally required reports would bar its members from acting in unfair trade proceedings, it would appear that opinions expressed in the first basing point unfair trade proceeding would similarly disqualify them from ever passing on another. See *Morgan* v. *United States* (313 U. S. 409, 421). Thus experience acquired from their work as commissioners would be a handicap instead of an advantage. Such was not the intendment of Congress. For Congress acted on a committee report stating: "It is manifestly desirable that the terms of the commissioners shall be long enough to give them an opportunity to acquire the expertness in dealing with these special questions concerning industry that comes from experience." (Report of Committee on Interstate Commerce, No. 597, June 13, 1914, 63d Cong., 2d sess. 10–11).

Marquette also seems to argue that it was a denial of due process for the Commission to act in these proceedings after having expressed the view that industry-wide use of the basing-point system was illegal. A number of cases are cited as giving support to this contention. *Tumey* v. *Ohio* (273 U. S. 510), is among them. But it provides no support for the contention. In that case Tumey had been convicted of a criminal offense, fined, and committed to jail by a judge who had a direct, personal, substantial, pecuniary interest in reaching his conclusion to convict. A criminal conviction by such a tribunal was held to violate procedural due process. But the Court there pointed out that most matters relating to judicial disqualification did not rise to a constitutional level. Id. at 523.

Neither the Tumey decision nor any other decision of this Court would require us to hold that it would be a violation of procedural due process for a judge to sit in a case after he had expressed an opinion as to whether certain types of conduct were prohibited by law. In fact, judges frequently try the same case more than once and decide identical issues each time, although these issues involve questions both of law and fact. Certainly, the Federal Trade Commission cannot possibly be under stronger constitutional compulsions in this respect than a court.[12]

The Commission properly refused to disqualify itself. We thus need not review the additional holding of the Circuit Court of Appeals that Marquette's objection on the ground of the alleged bias of the Commission was filed too late in the proceedings before that agency to warrant consideration.

Alleged errors in re introduction of evidence: The complaint before the Commission, filed July 2, 1937, alleged that respondents had maintained an illegal combination for "more than 8 years last past." In the Circuit Court of Appeals and in this Court the Government treated its case on the basis that the combination began in August 1929, when the respondent Cement Institute was organized. The Government introduced much evidence over respondents' objections, however, which showed the activities of the cement industry for many years prior to 1929, some of it as far back as 1902. It also introduced evidence as to respondents' activities from 1933 to May 27, 1935, much of which related to the preparation and administration of the NRA code for the cement industry pursuant to the National Industrial Recovery Act (48 Stat. 195), held invalid by this Court may 27, 1935, in *Schechter Poultry Corp* v. *United States* (295 U. S. 495). All of the testimony to which objection was made related to the initiation, development, and carrying on of the basing-point practices.

Respondents contend that the pre-1929 evidence, especially that prior to 1919, is patently inadmissible with reference to a 1929 combination, many of whose alleged members were nonexistent in 1919. They also urge that evidence of activities during the NRA period was improperly admitted because section 5 of title I of the NRA provided that any action taken in compliance with the code provisions of an industry should be "exempt from the provisions of the antitrust laws of the United States." And some of the NRA period testimony relating to basing-point practices did involve references to code provisions. The Government contends that evidence of both the pre-1929 and the NRA period activities of members of the cement industry tends to show a continuous course of concerted efforts on the part of the industry, or at least most of it, to utilize the basing-point system as a means to fix uniform terms and prices at which cement would be sold, and that the Commission had properly so regarded this evidence. The circuit court of appeals agreed with respondents that the Commission had erroneously considered both the NRA period evidence and the pre-1929 evidence in making its findings of the existence of a combination among repondents.

We conclude that both types of evidence were admissible for the purpose of showing the existence of a continuing combination among respondents to utilize the basing-point pricing system.[13]

The Commission did not make its findings of post-1929 combination, in whole or in part, on the premise that any of respondent's pre-1929 or NRA code activities were illegal. The consideration given these activities by the Commission was well within the established judicial rule of evidence that testimony of prior or subsequent transactions, which for some reason are barred from forming the basis for a suit, may nevertheless be introduced if it tends reasonably to show the purpose and character of the particular transactions under scrutiny. *Standard Oil Co.* v. *United States* (221 U. S. 1, 46–47); *United States* v. *Reading Co.*, (253 U. S. 26, 43–44). Here the trade practices of an entire industry were under consideration. Respondents, on the one hand, insisted that the multiple basing-point delivered-price system represented a natural evolution of business practices adopted by the different cement companies, not in concert, but separately in response to customers' needs and demands. That the separately adopted business practices produced uniform terms and conditions of sale in all localities was, so the respondents contended, nothing but an inevitable result of long-continued competition. On the other hand, the Government contended that, despite shifts in ownership of individual cement companies, what had taken place from 1902 to the date the complaint was filed showed continued concerted action on the part of all cement producers to develop and improve the basing-point system so that it would automotically eliminate competition. In the Government's view the institute when formed in 1929 simply took up the old practices for the old purpose and aided its member companies to carry it straight on through and beyond the NRA period. See *Fort Howard Paper Co.* v. *Federal Trade Commission* (156 F. 2d 899, 906).

Furthermore, administrative agencies like the Federal Trade Commission have never been restricted by the rigid rules of evidence. (*Interstate Commerce Commission* v. *Baird* (194 U. S. 25, 44)). And of course rules which bar certain types of evidence in criminal or quasicriminal cases are not controling in proceedings like this, where the effect of the Commission's order is not to punish or to fasten liability on respondents for past conduct but to ban specific practices for the future in accordance with the general mandate of Congress.

The foregoing likewise largely answers respondents' contention that there was error in the admission of a letter written by one Treanor in 1934 to the chairman of the NRA code authority for the cement industry. Treanor, who died prior to the filing of the complaint, was at the time president of one of the respondent companies and also an active trustee of the Institute. In the letter he stated among other things that the cement industry was one "above all others that cannot stand free competition, that must systematically restrain competition or be ruined." This statement was made as part of his criticism of the cement industry's publicity campaign in defense of the basing-point system. The relevance of this statement indicating this Institute official's informed judgment is obvious. That it might be only his conclusion does not render the statement inadmissible in this administrative proceeding.

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[11] Marquette, in support of its motion to disqualify the Commission, urged that the Department of Justice and the Commission had concurrent power or jurisdiction to enforce the prohibitions of the Sherman Act (147 F. 2d at 593).

[12] "Section 5 of the Federal Trade Commission Act does not provide private persons with an administrative remedy for private wrongs." The Commission is not a court. It can render no judgment, civil or criminal. *Federal Trade Comm'n* v. *Klesner* (280 U. S. 1, 25); and see *Humphrey's Executor* v. *United States* (295 U. S. 602, 628); *Louisville & N. R. Co.* v. *Garrett* (231 U. S. 298, 307).

[13] We need not here determine what protection was afforded respondents by the exemption from the antitrust laws conferred by the act later held unconstitutional. Nor need we decide whether this provision also exempted respondents from the unfair methods of competition provisions of the Trade Commission Act. The Government does not press either contention here.

All contentions in regard to the introduction of testimony have been considered. None of them justify refusal to enforce this order.

The Old Cement case: This court's opinion in *Cement Mfgs. Protective Assn.* v. *United States* (268 U. S. 588), known as the Old Cement case, is relied on by the respondents in almost every contention they present. We think it has little relevance, if any at all, to the issues in this case.

In that case the United States brought an action in the district court to enjoin an alleged combination to violate section 1 of the Sherman Act. The respondents were the Cement Manufacturers Protective Association, 4 of its officers, and 19 cement manufacturers. The district court held hearings, made findings of fact, and issued an injunction against those respondents. This court, with 3 justices dissenting, reversed upon a review of the evidence. It did so because the Government did not charge and the record did not show "any agreement or understanding between the defendants placing limitations on either prices or production," or any agreement to utilize the basing-point system as a means of fixing prices. The court said "But here the Government does not rely upon agreement or understanding, and this record wholly fails to establish, either directly or by inference, any concerted action other than that involved in the gathering and dissemination of pertinent information with respect to the sale and distribution of cement to which we have referred; and it fails to show any effect on price and production except such as would naturally flow from the dissemination of that information in the trade and its natural influence on individual action." Id. at 606. In the Old Cement case and in *Maple Flooring Assn.* v. *United States* (268 U. S. 563), decided the same day, the court's attention was focused on the rights of a trade association, despite the Sherman Act, openly to gather and disseminate statistics and information as to production costs, output, past prices, merchandise on hand, specific job contracts, freight rates, etc., so long as the Association did these things without attempts to foster agreements or concerted action with reference to prices, production, or terms of sale. Such associations were declared guiltless of violating the Sherman Act, because "in fact, no prohibited concert of action was found." (*Corn Products Co.* v. *Federal Trade Comm'n* (324 U. S. 726, 735).)

The court's holding in the Old Cement case would not have been inconsistent with a judgment sustaining the Commission's order here, even had the two cases been before this court the same day. The issues in the present commission proceedings are quite different from those in the Old Cement case, although many of the trade practices shown here were also shown there. In the first place, unlike the Old Cement case, the Commission does here specifically charge a combination to utilize the basing point system as a means to bring about uniform prices and terms of sale. And here the commission has focused attention on this issue, having introduced evidence on the issue which covers thousands of pages. Furthermore, unlike the trial court in the Old Cement case, the Commission has specifically found the existence of a combination among respondents to employ the basing point system for the purpose of selling at identical prices.

In the second place, individual conduct, or concerted conduct, which falls short of being a Sherman act violation may as a matter of law constitute an "unfair method of competition" prohibited by the Trade Commission Act. A major purpose of that act as we have frequently said was to enable the Commission to restrain practices as unfair which, although not yet having grown into Sherman Act dimensions would, most likely do so if left unrestrained. The commission and the courts were to determined what conduct, even though it might then be short of a Sherman act violation, was an "unfair method of competition." This general language was deliberately left to the Commission and the courts for definition because it was thought that "There is no limit to human inventiveness in this field"; that consequently, a definition that fitted practices known to lead toward an unlawful restraint of trade today would not fit tomorrow's new inventions in the field; and that for Congress to try to keep its precise definitions abreast of this course of conduct would be an endless task. (See *Federal Trade Commission* v. *R. F. Keppel & Bro.* (291 U. S. 304, 310–312)), and congressional committee reports there quoted.

These marked differences between what a court must decide in a Sherman Act proceeding and the duty of the Commission in determining whether conduct is to be classified as an unfair method of competition are enough in and of themselves to make the old cement decision wholly inapplicable to our problem in reviewing the findings in this case. That basic problem is whether the Commission made findings of concerted action, whether those findings are supported by evidence, and, if so, whether the findings are adequate as a matter of law to sustain the Commission's conclusion that the multiple-basing-point system as practiced constitutes an unfair method of competition because it either restrains free competition or is an incipient menace to it.

Findings and evidence: It is strongly urged that the Commission failed to find, as charged in both counts of the complaint, that the respondents had by combination, agreements, or understandings among themselves utilized the multiple-basing-point delivered-price system as a restraint to accomplish uniform prices and terms of sale. A subsidiary contention is that assuming the Commission did so find, there is no substantial evidence to support such a finding. We think that adequate findings of combination were made and that the findings have support in the evidence.

The Commission's findings of fact set out at great length and with painstaking detail numerous concerted activities carried on in order to make the multiple basing-point system work in such way that competition in quality, price, and terms of sale of cement would be nonexistent, and that uniform prices, job contracts, discounts, and terms of sale would be continuously maintained. The Commission found that many of these activities were carried on by the Cement Institute, the industry's unincorporated trade association, and that in other instances the activities were under the immediate control of groups of respondents. Among the collective methods used to accomplish these purposes, according to the findings, were boycotts, discharge of uncooperative employees, organized opposition to the erection of new cement plants, selling cement in a recalcitrant price cutter's sales territory at a price so low that the recalcitrant was forced to adhere to the established basing-point prices, discouraging the shipment of cement by truck or barge, and preparing and distributing freight rate books which provided respondents with similar figures to use as actual or "phantom" freight factors, thus guaranteeing that their delivered prices (base prices plus freight factors) would be identical on all sales whether made to individual purchasers under open bids or to governmental agencies under sealed bids. These are but a few of the many activities of respondents which the Commission found to have been done in combination to reduce or destroy price competition in cement. After having made these detailed findings of concerted action, the Commission followed them by a general finding that "the capacity, tendency, and effect of the combination maintained by the respondents herein in the manner aforesaid * * * is to * * * promote and maintain their multiple basing-point delivered-price system and obstruct and defeat any form of competition which threatens or tends to threaten the continued use and maintenance of said system and the uniformity of prices created and maintained by its use." [14] The Commission then concluded that "the aforesaid combination and acts and practices of respondents pursuant thereto and in connection therewith, as hereinabove found, under the conditions and circumstances set forth, constitute unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act." And the Commission's cease and desist order prohibited respondents "from entering into, continuing, cooperating in, or carrying out any planned common course of action, understanding, agreement, combination, or conspiracy between and among any two or more of said respondents * * *" to do certain things there enumerated.

Thus we have a complaint which charged collective action by respondents designed to maintain a sales technique that restrained competition, detailed findings of collective activities by groups of respondents to achieve that end, then a general finding that respondents maintained the combination, and finally an order prohibiting the continuance of the combination. It seems impossible to conceive that anyone reading these findings in their entirety could doubt that the Commission found that respondents collectively maintained a multiple basing point delivered

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[14] Paragraph 26 of the Findings is as follows:

"The Commission concludes from the evidence of record and therefore find that the capacity, tendency, and effect of the combination maintained by the respondents herein in the manner aforesaid and the acts and practices performed thereunder and in connection therewith by said respondents, as set out herein, has been and is to hinder, lessen, restrain, and suppress competition in the sale and distribution of cement in, among, and between the several States of the United States; to deprive purchasers of cement, both private and governmental, of the benefits of competition in price; to systematically maintain artificial and monopolistic methods and prices in the sale and distribution of cement, including common rate factors used and useful in the pricing of cement; to prevent purchasers from utilizing motor-trucks or water carriers for the transportation of cement and from obtaining benefits which might accrue from the use of such transportation agencies; to require that purchases of cement be made on a delivered-prices basis, and to prevent and defeat efforts of purchasers to avoid this requirement; frequently to deprive agencies of the Federal Government of the benefits of all or a part of the lower land-grant rates available to such purchasers; to require certain agencies of the Federal Government to purchase their requirements of cement through dealers at higher prices than are available in direct purchases from manufacturers; to establish and maintain an agreed classification of customers who may purchase cement from manufacturers thereof; to maintain uniform terms and conditions of sale; to hinder and obstruct the sale of imported cement through restraints upon those who deal in such cement; and otherwise to promote and maintain their multiple basing-point delivered-price system and obstruct and defeat any form of competition which threatens or tends to threaten the continued use and maintenance of said system and the uniformity of prices created and maintained by its use (37 F. T. C. at 257–258).

price system for the purpose of suppressing competition in cement sales. The findings are sufficient. The contention that they are not is without substance.

Disposition of this question brings us to the related contention that there was no substantial evidence to support the findings. We might well dispose of the contention as this court dismissed a like one with reference to evidence and findings in a civil suit brought under the Sherman Act in *Sugar Institute* v. *United States* (297 U. S. 553, 601): "After a hearing of extraordinary length, in which no pertinent fact was permitted to escape consideration, the trial court subjected the evidence to a thorough and acute analysis which has left but slight room for debate over matters of fact. Our examination of the record discloses no reason for overruling the court's findings in any matter essential to our decision." In this case, which involves the evidence and findings of the Federal Trade Commission, we likewise see no reason for upsetting the essential findings of the Commission. Neither do we find it necessary to refer to all the voluminous testimony in this record which tends to support the Commission's findings.

Although there is much more evidence to which reference could be made, we think that the following facts shown by evidence in the record, some of which are in dispute, are sufficient to warrant the Commission's finding of concerted action.

When the Commission rendered its decision, there were about 80 cement-manufacturing companies in the United States operating about 150 mills. Ten companies controlled more than half of the mills, and there were substantial corporate affiliations among many of the others. This concentration of productive capacity made concerted action far less difficult than it would otherwise have been. The belief is prevalent in the industry that because of the standardized nature of cement, among other reasons, price competition is wholly unsuited to it. That belief is historic. It has resulted in concerted activities to devise means and measures to do away with competition in the industry. Out of those activities came the multiple basing-point delivered-price system. Evidence shows it to be a handy instrument to bring about elimination of any kind of price competition. The use of the multiple basing-point delivered-price system by the cement producers has been coincident with a situation whereby for many years, with rare exceptions, cement has been offered for sale in every given locality at identical prices and terms by all producers. Thousands of secret sealed bids have been received by public agencies which corresponded in prices of cement down to a fractional part of a penny.[15]

Occasionally foreign cement has been imported, and cement dealers have sold it below the delivered price of the domestic product. Dealers who persisted in selling foreign cement were boycotted by the domestic producers. Officers of the institute took the lead in securing pledges by producers not to permit sales f. o. b. mill to purchasers who furnished their own trucks, a practice regarded as seriously disruptive of the entire delivered price structure of the industry.

During the depression in the 1930's, slow business prompted some producers to deviate from the prices fixed by the delivered-price system. Meetings were held by other producers; an effective plan was devised to punish the recalcitrants and bring them into line. The plan was simple but successful. Other producers made the recalcitrant's plant an involuntary base point. The base price was driven down with relatively insignificant losses to the producers who imposed the punitive basing point, but with heavy losses to the recalcitrant who had to make all its sales on this basis. In one instance, where a producer had made a low public bid, a punitive base point price was put on its plant and cement was reduced 10 cents per barrel; further reductions quickly followed until the base price at which this recalcitrant had to sell its cement dropped to 75 cents per barrel, scarcely one-half of its former base price of $1.45. Within 6 weeks after the base price hit 75 cents capitulation occurred and the recalcitrant joined a portland cement association. Cement in that locality then bounced back to $1.15, later to $1.35, and finally to $1.75.

The foregoing are but illustrations of the practices shown to have been utilized to maintain the basing-point price system. Respondents offered testimony that cement is a standardized product, that "cement is cement," that no differences existed in quality or usefulness, and that purchasers demanded delivered price quotations because of the high cost of transportation from mill to dealer. There was evidence, however, that the Institute and its members had, in the interest of eliminating competition, suppressed information as to the variations in quality that sometimes exist in different cements.[16] Respondents introduced the testimony of economists to the effect that competition alone could lead to the evolution of a multiple basing-point system of uniform delivered prices and terms of sale for an industry with a standardized product and with relatively high freight costs. These economists testified that for the above reasons no inferences of collusion, agreement, or understanding could be drawn from the admitted fact that cement prices of all United States producers had for many years almost invariably been the same in every given locality in the country. There was also considerable testimony by other economic experts that the multiple basing-point system of delivered prices as employed by respondents contravened accepted economic principles and could only have been maintained through collusion.

The Commission did not adopt the views of the economists produced by the respondents. It decided that even though competition might tend to drive the price of standardized products to a uniform level, such a tendency alone could not account for the almost perfect identity in prices, discounts, and cement containers which had prevailed for so long a time in the cement industry. The Commission held that the uniformity and absence of competition in the industry were the results of understandings or agreements entered into or carried out by concert of the institute and the other respondents. It may possibly be true, as respondents' economists testified, that cement producers will, without agreement express or implied and without understanding explicit or tacit, always and at all times (for such has been substantially the case here) charge for their cement precisely, to the fractional part of a penny, the price their competitors charge. Certainly it runs counter to what many people have believed, namely, that without agreement, prices will vary—that the desire to sell will sometimes be so strong that a seller will be willing to lower his prices and take his chances. We therefore hold that the Commission was not compelled to accept the views of respondents' economist-witnesses that active competition was bound to produce uniform cement prices. The Commission was authorized to find understanding, express or implied, from evidence that the industry's Institute actively worked, in cooperation with various of its members, to maintain the multiple basing point-delivered-price system; that this pricing system is calculated to produce, and has produced, uniform prices and terms of sale throughout the country; and that all of the respondents have sold their cement substantially in accord with the pattern required by the multiple basing-point system.[17]

Some of the respondents contend that particularly as to them crucial findings of participation by them in collective action to eliminate price competition and to bring about uniformity of cement prices are without testimonial support. On this ground they seek to have the proceedings dismissed as to them even though there may be adequate evidence to sustain the Commission's findings and order as to other respondents. The Commission rejected their contentions; the Circuit Court of Appeals did not consider them in its opinion. Those respondents whose individual contentions in this respect deserve special mention are central and southern California cement companies; Superior Portland Cement Co. and Northwestern Portland Cement Co., both of the State of Washington; Huron Portland Cement Co., which does business in the Great Lakes region; and Marquette Cement Manufacturing Co., with plants in Illinois and Missouri.

These companies support their separate contentions for particularized consideration by pointing out, among other things, that

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[15] The following is one among many of the Commission's findings as to the identity of sealed bids:

An abstract of the bids for 6,000 barrels of cement to the United States Engineer Office at Tucumcari, N. Mex., opened April 23, 1936, shows the following:

| *Name of bidder and price per barrel* | |
|---|---|
| Monarch | $3.286854 |
| Ash Grove | 3.286854 |
| Lehigh | 3.286854 |
| Southwestern | 3.286854 |
| U. S. Portland Cement Co. | 3.286854 |
| Oklahoma | 3.286854 |
| Consolidated | 3.286854 |
| Trinity | 3.286854 |
| Lone Star | 3.286854 |
| Universal | 3.286854 |
| Colorado | 3.286854 |

All bids subject to 10 cents per barrel discount for payment in 15 days. (Com. Ex. 175-A.) See 157 F. 2d at 576.

[16] See *Sugar Institute* v. *United States* (297 U. S. 553, 600): "The fact that, because sugar is a standardized commodity, there is a strong tendency to uniformity of price, makes it the more important that such opportunities as may exist for fair competition should not be impaired."

[17] It is enough to warrant a finding of a "combination" within the meaning of the Sherman Act, if there is evidence that persons, with knowledge that concerted action was contemplated and invited, give adherence to and then participate in a scheme. *Interstate Circuit* v. *United States* (306 U. S. 208, 226-227); *United States* v. *Masonite Corp.* (316 U. S. 265, 275); *United States* v. *Bausch & Lomb Co.* (321 U. S. 707, 722-723); *United States* v. *U. S. Gypsum Co.* (333 U. S. 364, 393-394. See *United States Maltsters Assn.* v. *Federal Trade Comm'n* (152 F. 2d 161, 164): "We are of the view that the Commission's findings that a price-fixing agreement existed must be accepted. Any other conclusion would do violence to common sense and the realities of the situation. The fact that petitioners utilized a system which enabled them to deliver malt at every point of destination at exactly the same price is a persuasive circumstance in itself. Especially is this so when it is considered that petitioners' plants are located in four different States and that the barley from which the malt is manufactured is procured from eight or nine different States." See also *Milk & Ice Cream Can Institute* v. *Federal Trade Comm'n* (152 F. 2d 478, 481); *Fort Howard Paper Co.* v. *Federal Trade Comm'n* (156 F. 2d 899, 907).

there was record evidence which showed differences between many of their sales methods and those practiced by other respondents. Each says that there was no direct evidence to connect it with all of the practices found to have been used by the institute and other respondents to achieve delivered price uniformity.

The record does show such differences as those suggested. It is correct to say, therefore, that the sales practices of these particular respondents, and perhaps of other respondents as well, were not at all times precisely like the sales practices of all or any of the others. For example, the Commission found that in 1929 all of the central California mills became basing points. There was evidence that the institute's rate books did not extend to the States in which some of the California companies did business. The Commission found that "In southern California the basing-point system of pricing is modified by an elaborate system of zone prices applicable in certain areas," that the California system does not require separate calculations to determine the delivered price at each destination, but that complete price lists were published by the companies showing delivered prices at substantially all delivery points. Northwestern and Superior assert that among other distinctive practices of theirs, they were willing to and did bid for Government contracts on a mill price rather than a delivered-price basis. Huron points out that it permitted the use of trucks to deliver cement, which practice, far from being consistent with the plan of others to maintain the basing-point delivered-price formulas, was frowned on by the institute and others as endangering the success of the plan. Marquette emphasizes that it did not follow all the practices used to carry out the anticompetition plan, and urges that although the Commission rightly found that it had upon occasion undercut its competitors, it erroneously found that its admitted abandonment of price cutting was due to the combined pressures of other respondents, including the institute.

What these particular respondents emphasize does serve to underscore certain findings which show that some respondents were more active and influential in the combination than were others,[18] and that same companies probably unwillingly abandoned competitive practices and entered into the combination. But none of the distinctions mentioned, or any other differences relied on by these particular respondents, justifies a holding that there was no substantial evidence to support the Commission's findings that they cooperated with all the others to achieve the ultimate objective of all—the elimination of price competition in the sale of cement. These respondents' special contentions only illustrate that the Commission was called upon the resolve factual issues as to each of them in the light of whatever relevant differences in their practices were shown by the evidence. For aside from the testimony indicating the differences in their individual sales practices, there was abundant evidence as to common practices of these respondents and the others on the basis of which the Commission was justified in finding cooperative conduct among all to achieve delivered-price uniformity.

The evidence commonly applicable to these and the other respondents showed that all were members of the institute and that the officers of some of these particular respondents were or had been officers of the institute. We have already sustained findings that the institute was organized to maintain the multiple-basing-point system as one of the customs and usages of the industry and that it participated in numerous activities intended to eliminate price competition through the collective efforts of the respondents. Evidence before the Commission also showed that the delivered prices of these respondents, like those of all the other respondents, were, with rare exceptions, identical with the delivered prices of all their competitors. Furthermore, there was evidence that all of these respondents, including those who sold cement on a zone basis in sections of southern California, employed the multiple-basing-point delivered-price system on a portion of their sales.

Our conclusion is that there was evidence to support the Commission's findings that all of the respondents, including the California companies, Northwestern Portland and Superior Portland, Huron and Marquette, cooperated in carrying out the objectives of the basing-point delivered-price system.

Unfair methods of competition: We sustain the Commission's holding that concerted maintenance of the basing-point delivered-price system is an unfair method of competition prohibited by the Federal Trade Commission Act. In so doing we give great weight to the Commission's conclusion, as this Court has done in other cases. (*Federal Trade Comm'n* v. *R. F. Keppel & Bro.* (291 U. S. 304, 314); *Federal Trade Comm'n* v. *Pacific States Paper Trade Assn.* (273 U. S. 52, 63).) In the Keppel case the Court called attention to the express intention of Congress to create an agency whose membership would at all times be experienced, so that its conclusions would be the result of an expertness coming from experience. We are persuaded that the Commission's long and close examination of the questions it here decided has provided it with precisely the experience that fits it for performance of its statutory duty. The kind of specialized knowledge Congress wanted its agency to have was an expertness that would fit it to stop at the threshold every unfair-trade practice—that kind of practice which, if left alone, destroys competition and establishes monopoly. (*Federal Trade Comm'n* v. *Raladam Co.* (283 U. S. 643, 647, 650). And see *Federal Trade Comm'n* v. *Raladam Co.* (316 U. S. 149, 152).)

We cannot say that the Commission is wrong in concluding that the delivered-price system as here used provides an effective instrument which, if left free for use of the respondents, would result in complete destruction of competition and the establishment of monopoly in the cement industry. That the basing-point price system may lend itself to industry-wide anticompetitive practices is illustrated in the following among other cases: *United States* v. *United States Gypsum Co.* (333 U. S. 364), *Sugar Institute* v. *United States* (297 U. S. 553). We uphold the Commission's conclusion that the basing-point delivered-price system employed by respondents is an unfair trade practice which the Trade Commission may suppress.[19]

The price-discrimination charge in count two: The Commission found that respondents' combination to use the multiple-basing-point delivered-price system had effected systematic price discrimination in violation of section 2 of the Clayton Act, as amended by the Robinson-Patman Act (49 Stat. 1526, 15 U. S. C., sec. 13). Section 2 (a) of that act declares it to "be unlawful for any person engaged in commerce * * * either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality * * * where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them. * * *" Section 2 (b) provides that proof of discrimination in price (selling the same kind of goods cheaper to one purchaser than to another) makes out a prima facie case of violation, but permits the seller to rebut "the prima facie case thus made by showing that his lower price * * * was made in good faith to meet an equally low price of a competitor."

The Commission held that the varying mill nets received by respondents on sales between customers in different localities constituted a "discrimination in price between different purchasers" within the prohibition of section 2 (a), and that the effect of this discrimination was the substantial lessening of competition between respondents. The circuit court of appeals reversed the Commission on this count. It agreed that respondents' prices were unlawful insofar as they involved the collection of phantom freight, but it held that prices involving only freight absorption came within the "good faith" proviso of section 2 (b).

The respondents contend that the differences in their net returns from sales in different localities which result from use of the multiple basing-point delivered price system are not price discriminations within the meaning of section 2 (a). If held that these net return differences are price discriminations prohibited by section 2 (a), they contend that the discriminations were justified under section 2 (b) because "made in good faith to meet an equally low price of a competitor." Practically all the arguments presented by respondents in support of their contentions were considered by this Court and rejected in 1945 in *Corn Products Co.* v. *Federal Trade Comm'n* (324 U. S. 726), and in the related case of *Federal Trade Comm'n* v. *Staley Co.* (324 U. S. 746). As stated in the Corn Products opinion at 730, certiorari was granted in those two cases because the "questions involved" were "of importance in the administration of the Clayton Act in view of the widespread use of basing-point price systems." For this reason the questions there raised were given thorough consideration. Consequently, we see no reason for again reviewing the questions that were there decided.

In the Corn Products case the Court, in holding illegal a single basing-point system, specifically reserved decision upon the legality under the Clayton Act of a multiple basing-point price system, but only in view of the "good faith" proviso of section 2 (b), and referred at that point to the companion Staley opinion (324 U. S. at 735). The latter case held that a seller could not justify the adoption of a competitor's basing-point price system under section 2 (b) as a good faith attempt to meet the latter's equally low price. Thus the combined effect of the two cases was to forbid the adoption for sales purposes of any basing-point price system. It is true that the Commission's complaint in the Corn Products and Staley cases simply charged the individual respondents with discrimination in price through use of a basing-point price system, and did not, as here, allege a conspiracy or combination to use that system. But the holdings in those two cases that section 2 forbids a basing-point price system are equally controlling here, where the use of such a system is found to have been the result of a combination. Respondents deny,

[18] For example, there was evidence which showed that Huron's officials participated in meetings held in connection with another respondent's practices deemed inimical to the policy of noncompetition. As a result of that meeting the offending company agreed that it would "play the game 100 percent"; that it would not countenance "chiseling"; that it would not knowingly invade territory of its competitors, or "tear down the price structure."

[19] While we hold that the Commission's findings of combination were supported by evidence, that does not mean that existence of a "combination" is an indispensable ingredient of an "unfair method of competition" under the Trade Commission Act. (See *Federal Trade Comm'n* v. *Beech-Nut Packing Co.* (257 U. S. 441, 455).)

however, that the Corn Products and Staley cases passed on the questions they here urge.

Corn Products Co. was engaged in the manufacture and sale of glucose. It had two plants, one in Chicago, one in Kansas City. Both plants sold "only at delivered prices, computed by adding to a base price at Chicago the published freight tariff from Chicago to the several points of delivery, even though deliveries are in fact made from their factory at Kansas City as well as from their Chicago factory" (324 U. S. 729). This price system we held resulted in Corn Products Co. receiving from different purchasers different net amounts corresponding to differences in the amounts of phantom freight collected or of actual freight charges absorbed. We further held that "price discriminations are necessarily involved where the price-basing point is distant from the point of production," because in such situations prices "usually include an item of unearned or phantom freight or require the absorption of freight with the consequent variations in the seller's net factory prices. Since such freight differentials bear no relation to the actual cost of delivery, they are systematic discriminations prohibited by § 2 (a), whenever they have the defined effect upon competition." *Federal Trade Comm'n* v. *Staley, supra,* at 750–751. This was a direct holding that a pricing system involving both phantom freight and freight absorption violates § 2 (a) if under that system prices are computed for products actually shipped from one locality on the fiction that they were shipped from another. This Court made the holding despite arguments, which are now repeated here, that in passing the Robinson-Patman Act, Congress manifested its purpose to sanction such pricing systems; that this Court had approved the system in *Maple Flooring Assn.* v. *United States* (268 U. S. 563), and in *Cement Mfrs. Assn.* v. *United States* (268 U. S. 588); and that there was no discrimination under this system between buyers at the same point of delivery.

Respondents attempt to distinguish their multiple basing point pricing system from those previously held unlawful by pointing out that in some situations their system involves neither phantom freight nor freight absorption; for example, sales by a base mill at its base price plus actual freight from the mill to the point of delivery involve neither phantom freight nor freight absorption. But the corn products pricing system which was condemned by this court related to a base mill, that at Chicago, as well as to a nonbase mill, at Kansas City. The court did not permit this fact to relieve the pricing system from application of section 2, or to require any modification of the Commission's order. So here, we could not require the Commission to attempt to distinguish between sales made by a base mill involving actual freight costs and all other sales made by both base and nonbase mills, when all mills adhere to a common pricing system.

Section 2 (b) permits a single company to sell one customer at a lower price than it sells to another if the price is "made in good faith to meet an equally low price of a competitor." But this does not mean that section 2 (b) permits a seller to use a sales system which constantly results in his getting more money for like goods from some customers than he does from others. We held to the contrary in the Staley case. There we said that the act "speaks only of the seller's 'lower' price and of that only to the extent that it is made 'in good faith to meet an equally low price of a competitor.' The act thus places emphasis on individual competitive situations, rather than upon a general system of competition." *Federal Trade Commission* v. *Staley, supra,* at 753. Each of the respondents, whether all its mills were basing points or not, sold some cement at prices determined by the basing-point formula and governed by other base mills. Thus, all respondents to this extent adopted a discriminatory pricing system condemned by section 2. As this in itself was evidence of the employment of the multiple basing-point system by the respondents as a practice rather than as a good faith effort to meet "individual competitive situations," we think the Federal Trade Commission correctly concluded that the use of this cement basing point system violated the act. Nor can we discern under these circumstances any distinction between the "good faith" proviso as applied to a situation involving only phantom freight and one involving only freight absorption. Neither comes within its terms.

We hold that the commission properly concluded that respondents' pricing system results in price discriminations. Its finding that the discriminations substantially lessened competition between respondents and that they were not made in good faith to meet a competitor's price are supported by evidence. Accordingly, the commission was justified in issuing a cease and desist order against a continuation of the unlawful discriminatory pricing system.

The order: There are several objections to the commission's cease and desist order. We consider the objections, having in mind that the language of its prohibitions should be clear and precise in order that they may be understood by those against whom they are directed. See *Illinois Commerce Commission* v. *Thomson* (318 U. S. 675, 685). But we also have in mind that the commission has a wide discretion generally in the choice of remedies to cope with trade problems entrusted to it by the commission act. (*Jacob Siegel Co.* v. *Federal Trade Commission* (327 U. S. 608, 611–613).)

There is a special reason, however, why courts should not lightly modify the Commission's orders made in efforts to safeguard a competitive economy. Congress when it passed the Trade Commission Act felt that courts needed the assistance of men trained to combat monopolistic practices in the framing of judicial decrees in antitrust litigation. Congress envisioned a commission trained in this type of work by experience in carrying out the functions imposed upon it.[20] To this end it provided in section 7 of the act (15 U. S. C. sec. 47), that courts might, if it should be concluded that the Government was entitled to a decree in an antitrust case refer that case to the commission, as a master in chancery, to ascertain and report an appropriate form of decree therein." The Court could then adopt or reject such a report.

In the present proceeding the Commission has exhibited the familiarity with the competitive problems before it which Congress originally anticipated the Commission would achieve from its experience. The order it has prepared is, we think, clear and comprehensive. At the same time the prohibitions in the order forbid no activities except those which if continued would directly aid in perpetuating the same old unlawful practices. Nor do we find merit to the charges of surplusage in the order's terms.

Most of the objections to the order appear to rest on the premise that its terms will bar an individual cement producer from selling cement at delivered prices such that its net return from one customer will be less than from another, even if the particular sale be made in good faith to meet the lower price of a competitor. The Commission disclaims that the order can possibly be so understood. Nor do we so understand it. As we read the order, all of its separate prohibiting paragraphs and subparagraphs, which need not here be set out, are modified and limited by a preamble. This preamble directs that all of the respondents "do forthwith cease and desist from entering into, continuing, cooperating in, or carrying out any planned common course of action, understanding, agreement, combination, or conspiracy between and among any two or more of said respondents, or between any one or more of said respondents and others not parties hereto, to do or perform any of the following things." Then follow the prohibitory sentences. It is thus apparent that the order by its terms is directed solely at concerted, not individual activity on the part of the respondents.

Respondents have objected to the phrase "planned common course of action" in the preamble. The objection is twofold; first, that it adds nothing to the words that immediately follow it; and second, that if it does add anything, the Commission should be required to state what this novel phrase means in this order and what it adds to the four words. It seems quite clear to us what the phrase means. It is merely an emphatic statement that the Commission is prohibiting concerted action—planned concerted action. The Commission chose a phrase perhaps more readily understood by businessmen than the accompanying legal words of like import.

Then there is objection to that phrase in the preamble which would prevent respondents, or any of them, from doing the prohibited things with "others not parties hereto." We see no merit in this objection. The Commission has found that the cement producers have from time to time secured the aid of others outside the industry who are not parties to this proceeding in carrying out their program for preserving the basing point pricing system as an instrument to suppress competition. Moreover, there will very likely be changes in the present ownership of cement mills, and the construction of new mills in the future may be reasonably anticipated. In view of these facts, the Commission was authorized to make its order broad enough effectively to restrain respondents from combining with others as well as among themselves.

One other specific objection to the order will be noted. Paragraph 1 prohibits respondents from "quoting or selling cement pursuant to or in accordance with any other plan or system which results in identical price quotations or prices for cement at points of quotation or sale or to particular purchasers by respondents using such plan or system, or which prevents purchasers from finding any advantage in price in dealing with one or more of the respondents against any of the other respondents." This paragraph like all the others in the order is limited by the preamble which refers to concerted conduct in accordance with agreement or planned common course of action. The paragraph is merely designed to forbid

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[20] In speaking of the authority granted the Commission to aid the courts in drafting antitrust decrees, the Senate Committee on Interstate Commerce said:

"These powers, partly administrative and partly quasi-judicial, are of great importance and will bring both to the Attorney General and to the court the aid of special expert experience and training in matters regarding which neither the Department of Justice nor the courts can be expected to be proficient.

"With the exception of the Knight case, the Supreme Court has never failed to condemn and to break up any organization formed in violation of the Sherman law which has been brought to its attention; but the decrees of the court, while declaring the law satisfactorily as to the dissolution of the combinations, have apparently failed in many instances in their accomplishment simply because the courts and the Department of Justice have lacked the expert knowledge and experience necessary to be applied to the dissolution of the combinations and the reassembling of the divided elements in harmony with the spirit of the law." (Senate Report No. 597, 63d Cong., 2d Sess. 12 (1914)).

respondents from acting in harmony to bring about national uniformity in whatever fashion they may seek by collective action to achieve that result. We think that no one would find ambiguity in this language who concluded in good faith to abandon the old practices. There is little difference in effect between paragraph 1 to which objection is here raised and paragraph 5 which was sustained as proper in *Federal Trade Comm'n v. Beech-Nut Pkg. Co.* (257 U. S. 441, 456 (1922)), one of the first Trade Commission cases to come before this Court. Paragraph 5 in the Beech-Nut case reads: "by utilizing any other equivalent cooperative means of accomplishing the maintenance of prices fixed by the company."

Many other arguments have been presented by respondents. All have been examined, but we find them without merit.

THE BASING-POINT SYSTEM AND THE STATE OF PENNSYLVANIA—CONCENTRATION OF STEEL AND CEMENT IN PENNSYLVANIA CREATES HUGE SURPLUS—BIG STEEL AND BIG CEMENT CONTROL BASING-POINT PLANTS THROUGHOUT THE COUNTRY—BASING-POINT SYSTEM CREATES DEFICIENCY AREAS—SMALL BUSINESS HANDICAPPED EVERYWHERE BY MONOPOLY—SMALL BUSINESS PROTECTION ELIMINATED BY S. 1008

Mr. Speaker, yesterday was the Fourth of July, and in this connection mention of Pennsylvania brings to mind the glorious beginnings of our country. Here in Pennsylvania were written the two immortal documents which are the heritage of all Americans. One can see young Thomas Jefferson laboring over the Declaration of Independence, with the kindly and wise Benjamin Franklin sitting by to offer a suggestion now and then. Here too in Philadelphia was written, debated, and adopted the Constitution of the United States. Here met the Continental Congress which included men singled out to represent the people from each of the Thirteen Colonies. Here George Washington presided over the Congress which adopted our Constitution in 1787. Here in Philadelphia stands Independence Hall, from which the Liberty Bell pealed its tidings which even today reverberate in the hearts and minds of patriotic Americans.

The soil of Pennsylvania early became a haven for the oppressed and the discouraged. William Penn and his band of devout Quakers in 1681 set about to carve a permanent home in the wilderness and to set into motion the progressive and freedom-loving spirit which has prevailed in Pennsylvania to this day. William Penn founded the first iron furnace in Pennsylvania in 1688. From the Delaware Water Gap to the confluence of the Allegheny and Monongahela, forming the great Ohio River, the settlers of Pennsylvania found the essentials for a great agricultural and industrial empire.

Rich in virgin soil and her hills and valleys underlain with fuels and metals, it was predestined that Pennsylvania would become a leader in both fields of endeavor. The great anthracite fields in the eastern section of the State and the bituminous-coal fields covering practically all of the western half of Pennsylvania, together with gas and oil in quantity and quality, provided fuel for the mills and factories manufacturing iron and steel from Pennsylvania's own iron ore. Fuel too for the processing of lead, copper, and other minerals which were early found within the State. Fine glass sands and fire clay for the manufacture of ceramics abounded in nearly every section of the State. For steel making, road building, and construction, Pennsylvania was well provided with limestone; and for building purposes marble, sandstone, traprock, and many other of the necessary ingredients were in abundance for the building of a strong and balanced economy.

FIRST STEEL PLANT USING BESSEMER PROCESS BUILT IN PENNSYLVANIA

The first Bessemer steel plant was built in Pennsylvania in 1867. Pennsylvania has had the greatest pig-iron production and steel production of any State, and for more than 100 years Pennsylvania stood at the head of all the States in the manufacture of glass. With the advent of the steam locomotive, Pennsylvania early forged to the front in the manufacture of locomotives, railroad cars, and steel rail to provide the iron highways over which the powerful and then more powerful trains shuffled back and forth over Pennsylvania's network of railroads. Prior to the railroad era, Pennsylvania was in the forefront in the building of canals, and from the days of the wooden ships to the great modern steel hulks of today, Pennsylvania has been a leader in the development and building of seagoing vessels. Her foundry and machine shops have grown from the horseshoeing and buggy-making stage to cover vast acres throughout the State in the manufacture of countless useful products.

Since the advent of the automobile age Pennsylvania has progressed with our other States in the building of primary and secondary highways. There is practically no part of the State that one cannot drive over good roads, either of concrete or of macadam construction. The first superhighway in the United States was recently completed between Harrisburg and Pittsburgh, with other links to follow. Pennsylvanians may well be proud of their accomplishments, and I, for one, honor them for their good works. That certain industries have chosen to concentrate their productive capacity in Pennsylvania is to be regretted. I know this imbalance was not by the wish or design of the folks in Pennsylvania, for it creates an unhappy and difficult situation to solve.

CONCENTRATION OF CEMENT INDUSTRY IN PENNSYLVANIA

The following editorial, in part, appeared in the magazine the Cement Age:

Considering the situation throughout the entire country production has not exceeded demand. The one drawback to an otherwise satisfactory condition is that which attracted attention a year ago, namely, the increasing demand for cement in localities far removed from the large mills. In other words, were it possible to transplant to other localities some of the mills that are now in rather congested districts, making a more even distribution with references to demand and carrying charges, it is safe to say that the present capacity of the country would soon fail to supply the demand, so rapidly does the consumption of cement increase. The overcrowding problem, therefore, concerns the individual manufacturer, for it cannot be said that the industry has declined or is even standing still. On the contrary, the future is most promising. There is abundant reason to believe that the use of cement will show tremendous increase for years to come and that the consumption 5 years hence will be astonishingly large compared with the amount used at the present time.

* * * * *

Most gratifying of all is the fact that back of engineering endorsement and progress is an insistent public demand for cement, a sentiment so pronounced in some localities as to develop antagonism between public officials and the taxpayers where the former have declined to use cement in public improvements. The demand for cement on the farm is growing constantly, and to publish a list of its so-called novel uses would require pages.

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And, last, but not by any means least, perhaps the most important matter of all has to do with costs. It is a popular fallacy that concrete means excessive cost over other materials.

That potent editorial was not written yesterday, last week, or even last year, but nearly 40 years ago.

The editorial appeared in the issue of the Cement Age for December 1910, on pages 308–311 inclusive. The cement industry in Pennsylvania, however, did not heed the timely warning in 1910 on the concentration of production, but instead elected to set about perfecting an artificial system of prices following the lead of the steel industry in this respect. This artificial control of the sale and distribution of cement came to be known as the basing-point system. Its effect was the control of prices, the elimination of competition, and the elimination of production in large areas of the United States outside of the Lehigh Valley areas. The basing-point system of pricing as perfected by the cement industry through the use of rate books compiled by the Cement Institute and through other media, produced a pattern of identical prices to each destination in the United States, and the complete elimination of competition in the cement industry. The Lehigh Valley today produces more cement than any given area in the United States. Mark well these words in the above editorial:

Were it possible to transplant to other localities some of the mills that are now in rather congested districts, making a more even distribution with reference to demand and carrying charges, it is safe to say that the present capacity of the country would soon fail to supply the demand, so rapidly does the consumption of cement increase.

The five cement manufacturing companies which are responsible for nearly half of the productive capacity of cement in the United States all have heavy production within Pennsylvania. Below is a list of these companies and the percent of production which they accounted for in 1945:

*Name of company and percent capacity*

| | *Percent* |
|---|---|
| Universal-Atlas Cement Co | 14.9 |
| Lehigh Portland Cement Co | 12.0 |
| Lone Star Cement Corp | 7.0 |
| Alpha Portland Cement Co | 5.0 |
| Penn-Dixie Cement Corp | 5.1 |

Source: Federal Trade Commission Merger Report, 1948.

In 1942, according to an investigation made by the Board of Investigation Research, established under the Transportation Act of 1940, these five companies

were the controlling factors in the basing points of Pennsylvania and in the majority of the other States. The control as parceled out among these companies included the States of Alabama, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Minnesota, Missouri, New York, Ohio, Tennessee, Texas, Virginia, and Washington. These controls were so patterned that States such as West Virginia, for instance, had no basing-point mills and as in the case of Virginia, North Carolina, and Maine, the mills controlling those States, or part of those States, were distant mills rather than ones located within their borders.

In a report on the merger movement late in 1948 the Federal Trade Commission at page 9 of this report states:

When the Commission's complaint was issued in 1937, there existed a relatively high degree of concentration in the industry with the five largest companies accounting for 39 percent of the Nation's cement-producing capacity, and the 10 largest, 55 percent. Principally as a result of the mergers which have taken place since the Commission entered its order, the degree of concentration has been increased significantly. By 1945 the 5 largest companies controlled about 44 percent and the 10 largest over 60 percent of the industry's capacity. Moreover, because of the regional character of cement marketing (which results from the importance of freight in the delivered cost) the increase in concentration has been considerably greater in a number of important regions.

BASING-POINT SYSTEM HAS RETARDED USE OF CEMENT BY CREATING HIGH PRICES AND RESTRICTING PRODUCTION

In 1910, of a total of 76,549,951 barrels of portland cement produced in 24 States in the United States, Pennsylvania produced 26,675,978 barrels.

In 1948, of a total of 200,983,000 barrels, approximately, Pennsylvania produced 38,286,000 barrels or almost 20 percent of the total number of barrels produced in the United States. For purposes of comparison I include at this point a table of production of portland cement in Pennsylvania for the years 1939 through 1948 and the total production in the United States. In addition, in the following table is shown the consumption of cement in the State of Pennsylvania for the same years:

| Year | Production of finished portland cement in the State of Pennsylvania | Total production in the United States | Consumption of portland cement in Pennsylvania |
|---|---|---|---|
| 1939 | 25,105,902 | 121,934,911 | 7,052,453 |
| 1940 | 26,853,002 | 129,830,687 | 10,008,425 |
| 1941 | 32,199,184 | 163,567,931 | 10,181,000 |
| 1942 | 34,114,074 | 182,114,486 | 10,157,308 |
| 1943 | 19,793,533 | 132,445,438 | 6,512,285 |
| 1944 | 12,338,720 | 89,883,262 | 4,798,187 |
| 1945 | 15,563,738 | 101,340,500 | 5,474,146 |
| 1946 | 29,202,494 | 162,296,274 | 9,702,251 |
| 1947 | 33,349,859 | 184,644,179 | 10,974,095 |
| 1948 [1] | 38,286,000 | 202,983,000 | 12,479,420 |

[1] Preliminary.

Source: U. S. Bureau of Mines Mineral Year Book, Department of Labor.

It can readily be seen from the foregoing table that Pennsylvania produces approximately 66⅔ percent more cement than she consumes. Thus, Pennsylvania is faced with the difficulty of disposing of her surplus in other States. The surplus must be disposed of in other States which have not productive capacity sufficient to supply the demand at low transportation charges or no capacity whatsoever. Cement is sold by the barrel, as you well know. A barrel of cement weighs 376 pounds and the generally accepted package is either in paper or cloth, 4 sacks to the barrel. Generally speaking, the cost of producing cement is relatively small. The method of cement production is simple and with local materials available, cement can be produced in quantities with a relatively small capital investment in comparison with many other factories or mills which produce heavy finished basic commodities.

There is no secret in the manufacture of cement. The secrecy which has been thrown about the industry is the method in which it utilizes the basing-point system of pricing. I have stated heretofore that there are few States in the United States which do not have the natural resources for the manufacture of cement. I have contended, based on the facts, that the production of cement has been arbitrarily restricted in a great number of our States. This is particularly true in the Middle West, the South, and in the States west of the Mississippi River. I can reach no other conclusion except that the monopolistic control exercised by the cement trust, through the basing-point system, has not only made cement cost too much, through the control of prices, but has also made cement excessive in price because of plant locations. If regional development in cement-producing facilities had not been restricted through the use of the basing-point system and had purchasers paid freight charges on the basis of the nearby mills instead of from some distant point, cement would, as it should, be a low-cost commodity. In addition, the utilization of cement would not have been retarded by high prices, principally through high-cost transportation based on all-rail freight rates.

BASING-POINT SYSTEM CREATED DEFICIENCY AREAS IN CEMENT

The figures in the table below are the estimated surplus or deficiency in local supply of portland cement in cement-producing States and do not take into account the 14 States which have no production whatever. It must be kept in mind that the demand for cement is ever on the increase. The year of 1942, prior to our full involvement in World War II, was the largest production year on record and the postwar period 1948 will show the greatest production year on record. The unbalanced production and distribution of this heavy commodity, however, makes cement much more expensive to the consumer, whether public or private, than it should be.

It also must be remembered that under the basing-point system there is a tremendous cross-hauling of cement as between States and regions. When cement companies quote identical prices to each and every destination, as they did under the basing-point system, the award or purchase was a matter of drawing the name of the lucky bidder from a hat, or a division of the business. This meant that producers located far away oftentimes secured the business. Cross-hauling has long been considered an uneconomic method of distribution. In times of emergency it places an undue burden upon our transportation facilities. In ordinary times and in emergencies a strictly all-rail method of distribution requires purchasers to pay on the basis of the highest transportation cost.

The surplus production of cement, theoretically of course, is shipped to nonproducing States and Alaska, a portion being distributed outside of the continental United States. But, under the cross-hauling which occurred in the distribution of cement, under the basing-point system, many surplus areas received cement from deficiency areas. Of course, the deficiency areas must supply the deficiency from some of the surplus-producing areas. Under the basing-point system this procedure cost the taxpayer a lot of money—too much for too little. The difficulty has been, prior to the Supreme Court decision, that the distribution in both surplus and deficiency areas was effectively controlled to the point of complete elimination of any sort, sign, or description of competition. This was because the basing-point system of pricing arbitrarily included the division of territory between basing-points and took no account of lower cost transportation or location of other mills adjacent to the territory controlled by a particular basing point.

A table showing the estimated surplus or deficiency in local supply of portland cement in cement-producing States for 1945, 1946, and 1947, in barrels, follows:

*Estimated surplus or deficiency in local supply of portland cement in cement-producing States, 1945–46–47, in barrels*

| State or division | Surplus or deficiency, 1945 | Surplus or deficiency, 1946 | Surplus or deficiency, 1947 |
|---|---|---|---|
| Alabama | +3,770,425 | +5,327,836 | +6,579,589 |
| California | +4,130,245 | +2,832,103 | +3,544,954 |
| Illinois | −1,192,695 | −2,091,349 | −2,176,226 |
| Iowa | +1,341,347 | +2,386,394 | +1,893,493 |
| Kansas | +1,527,217 | +3,940,253 | +3,483,265 |
| Michigan | +1,606,934 | +2,403,954 | +2,422,673 |
| Missouri | +1,102,585 | +2,002,152 | +3,137,736 |
| Ohio | +55,933 | −839,884 | −388,381 |
| Pennsylvania | +10,758,576 | +19,984,658 | +22,268,592 |
| Tennessee | +1,126,541 | +1,707,272 | +1,999,865 |
| Texas | +1,793,641 | +1,092,396 | +829,030 |
| Colorado, Montana, Utah, Wyoming, and Idaho | +301,274 | +122,113 | +46,390 |
| Oregon and Washington | +117,093 | −28,683 | +462,034 |
| Georgia, Kentucky, Virginia, Florida, and Louisiana | −3,282,226 | −7,931,094 | −9,366,030 |
| Indiana, Wisconsin, Minnesota, Nebraska, Oklahoma, South Dakota, and Arkansas | −2,404,239 | −3,390,718 | −3,301,092 |
| Maryland and West Virginia | −581,261 | −707,539 | −1,047,889 |
| New York and Maine | +416,956 | +460,326 | +969,889 |

Source: Bureau of Mines Minerals Yearbook for 1946–47.

PENNSYLVANIA HAS THREE TIMES THE PRODUCTION OF ANY OTHER STATE

At the present time Pennsylvania has almost three times the productive capacity for cement manufacturing than any

State in the Union and also approximately 2½ times the production of any other State. Thus, Pennsylvania, as is shown in the production and consumption table above, for the preliminary 1948 estimates, has approximately 27,000,000 barrels of cement to dispose of outside of the State. The concentration of productive capacity, particularly in the Lehigh Valley, is more of a white elephant than it is a blessing. There follows a list of cement plants and their locations within the State of Pennsylvania:

PENNSYLVANIA

Bath: Keystone Portland Cement Co., Philadelphia; Pennsylvania-Dixie Cement Corp., Nazareth.

Bessemer: The Bessemer Limestone & Cement Co., Youngstown, Ohio.

Brodhead: National Portland Cement Co., Philadelphia.

Cementon: The Whitehall Cement Manufacturing Co., Philadelphia.

Coplay: Coplay Cement Manufacturing Co., Coplay.

Egypt: Giant Portland Cement Co., Philadelphia.

Evansville: Allentown Portland Cement Co., Catasauqua.

Fogelsville: Lehigh Portland Cement Co., Allentown.

Martins Creek: Alpha Portland Cement Co., Easton.

Nazareth: Lone Star Cement Corp., Nazareth; Nazareth Cement Co., Nazareth; Pennsylvania-Dixie Cement Corp., Nazareth.

Neville Island: Green Bag Cement Co. of Pennsylvania (Pittsburgh Coke & Chemical Co.), Pittsburgh.

Northampton: Lawrence Portland Cement Co., New York, N. Y.; Universal Atlas Cement Co., New York, N. Y.

Ormrod: Lehigh Portland Cement Co., Allentown.

Sandts Eddy: Lehigh Portland Cement Co., Allentown.

Stockertown: Hercules Cement Corp., Philadelphia.

Universal: Universal Atlas Cement Co., New York, N. Y.

Wampum: Medusa Portland Cement Co., Cleveland, Ohio.

West Conshohocken: Valley Forge Cement Co., Catasauqua.

West Winfield: Pennsylvania-Dixie Cement Corp. (plant No. 9), Nazareth.

York: Medusa Portland Cement Co., Cleveland, Ohio.

NOTE.—Source of above table: Department of Interior, Bureau of Mines Mineral Year Books.

PHANTOM FREIGHT ON CEMENT IN PENNSYLVANIA—ARBITRARY DIVISION OF TERRITORY

Even though Pennsylvania has the greatest concentration of cement-producing facilities in the United States, nevertheless Federal, State, county, city, and municipal governments paid large amounts of excess or phantom freight in Pennsylvania. Dealers and consumers in Pennsylvania paid large amounts of phantom freight because of the arbitrary territorial division which the Cement Trust set up in Pennsylvania. These facts are contained in the Federal Trade Commission Docket No. 3167 in the Cement case. As shown in exhibit series 1185, Northampton, the United States Steel subsidiary, Universal-Atlas plant, in the Lehigh Valley controlled all of the eastern part of the State of Pennsylvania to a north and south line running approximately through Bellefonte and Mount Union, except for a small corner of the State just west of York, which was controlled by the Lehigh Co.'s plant at Union Bridge, Md. The exhibit also sets out the fact that Big Steel's Northampton base applied to all of New Jersey, all of Delaware, a large slice of New York State, through to Lake Ontario, and on up the St. Lawrence River nearly to Lake Champlain. In New York State this territory took in two non-base-point plants at Jamesville and Portland Point, N. Y. In addition, Northampton controlled the greater part of Connecticut, most of Rhode Island, and the cape area in Massachusetts, south of Boston. With the Hudson-Alsen basing-points in southern New York, Northampton had joint control in practically all of the coastal areas of Maine and the northern part of this State. Please note that Hudson-Alsen in New York and Northampton in Pennsylvania are controlled primarily and jointly by Universal-Atlas and Lehigh. As I pointed out in articles on New York and New England, Hudson-Alsen controlled most of eastern New York, a portion of Connecticut, all of Massachusetts, except that controlled by Northampton, all of Vermont, all of New Hampshire, and the central part of the State of Maine.

The western half of the State of Pennsylvania, that is, west of a north and south line through Bellefonte and Mount Union, was apparently controlled at that time by Universal, the plant home of the Universal-Atlas crowd, except for a small northwest corner assigned to the favored Medusa basing-point mills in the Cleveland area. Since, the Universal-Atlas Co., subsidiary of the giant monopolist of the steel industry—the United States Steel Corp.—owned plants at the Northampton basing point and the Universal basing point, it may well be said Big Steel controlled all cement and steel production in Pennsylvania. The Medusa Portland Cement Co., of Cleveland, Ohio, owned the plant which included the northwestern corner of Pennsylvania in its basing-point territory.

As examples of phantom freight per barrel of 376 pounds of cement, I include a table compiled from material available in the Federal Trade Commission Docket No. 3167 of the Cement case and as referred to on map I in the brief for respondent in the United States Circuit Court of Appeals for the Seventh Circuit. It is true some destinations do not include phantom freight. I selected several destinations at random from the hundreds listed in the Pennsylvania rate book, and the results speak for themselves.

The computations shown below are based on rates of 12 years ago which are now obsolete because of increases since that time. The record in the Cement case brings out the fact that the Cement Trust had one of these handy books for each State, or as the Supreme Court said, "Handy instruments to bring about elimination of any kind of price competition." These handy books were the media through which members of the Cement Trust calculated identical prices to the ten-thousandth of a mill to any destination of the 60,000 in the United States.

Please remember that the Cement Trust's handy books were based on all-rail freight in each instance and though cement may have often been shipped by water on a combination of rail and water the saving was to the seller and not to the purchasers. Naturally, because of the concentration of mills it is possible Pennsylvania pays less phantom freight than most other States.

A table for Pennsylvania, based on exhibit No. 1110–X, follows:

*Pennsylvania*

| Destination point | Applicable basing-point freight charge per barrel | Lowest mill freight charge per barrel | Phantom or excess freight per barrel |
|---|---|---|---|
| York | $0.49 | | $0.49 |
| Lancaster | .45 | $0.35 | .10 |
| Harrisburg | .45 | .35 | .10 |
| Carlisle | .51 | .35 | .16 |
| West Chester | .45 | .33 | .12 |
| Norristown | .39 | .15 | .24 |
| Media | .45 | .35 | .10 |
| Philadelphia | .43 | .15 | .28 |
| Pottstown | .39 | .35 | .04 |
| Doylestown | .37 | .35 | .02 |
| Washington | .30 | .30 | 0 |
| Villanova (Delaware) | .43 | .19 | .24 |
| Center Valley | .28 | .28 | 0 |
| Downington | .43 | .33 | .10 |
| Dunmore | .43 | .43 | 0 |
| Wilkes-Barre | .43 | .43 | 0 |
| Mahanoy City | .37 | .37 | 0 |
| Reading | .37 | .37 | 0 |
| Towanda | .53 | .39 | .14 |
| Lock Haven | .53 | .53 | 0 |
| Wynnewood | .43 | .17 | .26 |
| Huntingdon | .51 | .51 | 0 |
| Oil City | .43 | .43 | 0 |
| Easton | .30 | .30 | 0 |
| Altoona | .49 | .49 | 0 |
| Uniontown | .37 | .37 | 0 |
| Fredericktown | .35 | .35 | 0 |
| Beaver | .30 | .30 | 0 |
| Johnstown | .39 | .39 | 0 |
| Greensburg | .30 | .30 | 0 |
| Farrell | .37 | .37 | 0 |
| Pittsburgh | .26 | .26 | 0 |
| McKeesport | .26 | .26 | 0 |
| Emporium | .55 | .51 | .04 |
| Mill Hall | .55 | .53 | .02 |
| Lebanon | .45 | .37 | .08 |
| Middleburg | .51 | .49 | .02 |
| Lewisburg | .49 | .45 | .04 |
| Sunbury | .45 | .43 | .02 |
| Lewistown | .53 | .45 | .08 |
| Mount Union | .53 | .49 | .04 |
| New Bloomfield | .63 | .51 | .12 |
| Montrose | .51 | .45 | .06 |
| Wellsboro | .63 | .49 | .14 |
| Sayre | .55 | .37 | .18 |
| Susquehanna | .53 | .45 | .08 |
| Lake Lynn | .39 | .37 | .02 |
| Bedford | .53 | .49 | .04 |
| Spring Grove | .39 | .20 | .19 |
| Chester | .45 | .35 | .10 |
| Valley Forge | .39 | .20 | .19 |
| Conshohocken | .39 | .15 | .24 |
| Bridgeport | .39 | .15 | .24 |
| Bryn Mawr | .43 | .19 | .24 |

Source: Pennsylvania Rate Book No. 4, FTC Exhibit No. 1110-X Docket No. 3167, compiled and published by the Cement Institute, freight rate bureau, Bethlehem, Pa., as published in tariffs on file with the Interstate Commerce Commission and Public Service Commission of Pennsylvania.

In the tables which follow on pig-iron production and steel production, it will be noted that Pennsylvania's production, in relation to the total, is approximately 25 percent. It must also be remembered that a good portion of that production, as well as production in other States, particularly in Indiana and Alabama, is owned or controlled by the United States Steel Corp. According to the Directory of the Iron and Steel Works in the United States and Canada for the year 1948, as compiled by the American Iron and Steel Institute, the United States Steel Corp. controls, by ownership of the capital stock, the following principal companies:

American Bridge Co.; Bessemer & Lake Erie Railroad Co.; Birmingham Southern Railroad Co.; Bradley Transportation Co.; Carnegie

Natural Gas Co.; Duluth, Missabe & Iron Range Railway Co.; Elgin, Joliet & Eastern Railway Co.; H. C. Frick Coke Co.; Girrard Steel Strapping Co.; Gunnison Homes, Inc.; Isthmian Steamship Co.; Michigan Limestone & Chemical Co. (a cement producer); Oil Well Supply Co.; Oliver Iron Mining Co.; Pittsburgh & Conneaut Dock Co.; Pittsburgh Limestone Corp.; Pittsburgh Steamship Co.; Union Railroad Co.; Union Supply Co.; United States Coal & Coke Co.; United States Steel Corp. of Delaware; United States Steel Export Co.; United States Steel Products Co.; United States Steel Supply Co.; Universal-Atlas Cement Co.; Virginia Bridge Co.

Various iron-ore-mining, coal, limestone, railway, water transportation, land, natural-gas, and dock companies are also under Big Steel domination.

At January 1, 1948, the available rated annual capacity of the subsidiary companies in the following lines of production was:

| | Net tons |
|---|---|
| Coke | 23,608,300 |
| Blast furnaces (pig iron, ferro-alloys, etc.) | 24,860,500 |
| Steel ingots and castings | 31,226,200 |

BETHLEHEM STEEL CORP.

The corporation does not operate directly any iron or steel works; it controls through stock ownership the following subsidiary companies: American Well & Prospecting Co.; Bethlehem-Alameda Shipyard, Inc; Bethlehem Brazilian Corp.; Bethlehem Chile Iron Mines Co.; Bethlehem Collieries Corp.; Bethlehem-Cuba Iron Mines Co.; Bethlehem-Fairfield Shipyard, Inc.; Bethlehem-Hingham Shipyard, Inc.; Bethlehem Land Corp.; Bethlehem-Lebanon Forge Co.; Bethlehem Pacific Coast Steel Corp.; Bethlehem-Sparrows Point Shipyard, Inc.; Bethlehem Steel Co. (Pennsylvania); Bethlehem Steel Co. (Delaware); Bethlehem Steel Export Corp.; Bethlehem Supply Co.; Bethlehem Supply Co. of California; Bethlehem Transportation Corp.; Buena Vista Iron Co.; Buffalo Tank Corp.; Calmar Steamship Corp.; Compania de Minas de Fierro "Las Truchas," S. A.; Compania Minera Cagimaya, S. A.; Compania Minera Mensura, S. A.; Compania Minera Pinales, S. A.; Conemaugh & Black Lick Railroad Co.; Conemaugh & Franklin Water Co; Cornwall Railroad Co.; the Dundalk Co.; the Dundalk Sewerage Co.; Ellsworth Collieries Co.; Fore River Railroad Corp.; Fore River Shipbuilding Corp.; Gasparillo Dock Co.; Iron Mines Co. of Venezuela; Johnstown Water Co.; Juragua Iron Co.; Lebanon Consolidated Water Co.; the Lebanon County Light, Heat & Fuel Co.; the Manufacturers Water Co.; the Minds Coal Mining Corp.; Ore Steamship Corp.; Patapsco & Back Rivers Railroad Co.; Patapsco Scrap Corp.; Penn Iron Mining Co. of Wisconsin; Petroleum Equipment International; Philadelphia, Bethlehem & New England Railroad Co.; Saltlick Water Co.; Service Stores Corp. (Pennsylvania); Service Stores Corp. (Michigan) South Buffalo Railway Co.; Steamship Service Corp.; Steelton & Highspire Railroad Co.; the Sunday Lake Iron Co.

All the outstanding stocks of the corporations named in this list were at December 31, 1947, owned, directly or indirectly, by Bethlehem Steel Corp., except in some cases directors qualifying shares.

STEEL PRODUCTION IN LEADING PRODUCING STATES

The following tables—5 and 6—set forth the information on steel production for the United States and for the 12 leading producing States for the years 1938–40 and 1945–47:

*United States steel production ingots and steel for casting*

[In net tons]

| | 1938 | 1939 | 1940 | 1945 | 1946 | 1947 | Percent of 1947 total |
|---|---|---|---|---|---|---|---|
| Total United States | 31,751,990 | 52,798,714 | 66,982,686 | 79,701,648 | 66,602,724 | 84,894,071 | |
| Pennsylvania | 8,461,836 | 14,996,474 | 20,277,538 | 23,549,864 | 19,341,094 | 25,259,010 | 30 |
| Ohio | 7,401,414 | 11,685,228 | 13,790,035 | 16,454,208 | 13,634,884 | 17,268,903 | 20 |
| Indiana | 3,972,438 | 6,703,363 | 8,707,724 | 10,563,378 | 8,618,732 | 10,416,353 | 12 |
| Illinois | 2,451,552 | 4,115,233 | 5,384,119 | 6,587,650 | 5,482,213 | 7,108,178 | 8 |
| Delaware, Maryland, and Virginia | 2,043,579 | 3,116,039 | 3,857,782 | 4,222,784 | 3,578,078 | 4,454,951 | 5 |
| New York and New Jersey | 1,548,436 | 2,697,572 | 3,757,733 | 4,032,715 | 3,340,328 | 4,305,712 | 5 |
| Michigan, Minnesota, and Missouri | 1,729,437 | 2,998,036 | 3,501,932 | 3,771,887 | 3,550,319 | 4,226,582 | 5 |

Source: American Iron and Steel Institue.
NOTE.—Total for United States 1948: 88,533,729. State figures not available at this time for 1948.

*Iron and steel production—Production of pig iron*

| | 1938 | 1939 | 1940 | 1945 | 1946 | 1947 | Percent of 1947 total |
|---|---|---|---|---|---|---|---|
| Total United States | 18,582,322 | 31,075,914 | 46,203,967 | 53,224,213 | 44,842,025 | 58,327,231 | |
| Pennsylvania | 4,836,093 | 8,730,118 | 14,294,453 | 16,172,296 | 13,251,337 | 17,563,146 | 30 |
| Ohio | 4,210,514 | 7,216,278 | 10,094,448 | 11,258,960 | 9,628,101 | 12,316,561 | 21 |
| Indiana | 1,791,085 | 3,309,903 | 5,337,935 | 5,981,717 | 4,828,528 | 6,400,254 | 11 |
| Illinois | 1,656,591 | 2,650,541 | 4,047,376 | 5,045,609 | 4,357,310 | 5,600,154 | 10 |
| Alabama | 2,026,269 | 2,621,268 | 3,423,296 | 3,581,993 | 3,135,387 | 3,928,785 | 7 |
| New York | 1,338,907 | 2,046,447 | 3,009,567 | 3,294,724 | 2,771,006 | 3,663,581 | 6 |
| Maryland | 1,201,374 | 1,784,959 | 2,342,519 | 2,246,941 | 1,945,006 | 2,408,260 | 4 |
| Michigan | 556,230 | 963,946 | 1,349,775 | 1,454,131 | 1,345,575 | 1,378,829 | 2 |
| West Virginia | 472,738 | 750,016 | 921,812 | 1,272,248 | 1,003,467 | [1] 1,283,791 | 2 |
| Undistributed | 495,521 | 1,002,438 | 1,382,786 | 2,915,694 | 2,576,308 | 3,783,870 | 7 |

[1] Includes Tennessee.
Source: Department of Interior Minerals Yearbook (1948 not available).

CONCENTRATION OF PIG-IRON AND STEEL PRODUCTION IN PENNSYLVANIA

It is a commonly accepted fact that Pennsylvania is the top producer of steel and iron in the United States. It is also a commonly accepted fact that a great part of this productive capacity is controlled by the colossus of the steel industry, the United States Steel Corp., the same corporation which owns and controls a large slice of the cement industry. It is equally true, and accepted as such, that the junior member of the steel trust and basing-point partner, the Bethlehem Steel Corp., ranks second in production.

The United States Steel Corp. and its predecessors since 1901 have been the greatest producer as well as the leading perpetrator of the basing-point system of pricing. The Pittsburgh-plus was the system which forced consumers to pay all-rail freight from Pittsburgh no matter where the steel was purchased or where it was manufactured. In addition to the all-rail freight from Pittsburgh, consumers paid on the basis of the Pittsburgh base price established by big steel, despite the fact that much lower production costs were incurred by many mills outside of the Pittsburgh district. Therefore, neither pricewise nor freightwise were the consumers in the Middle West, the South, the Southwest, or the West allowed to reap the advantage of proximity to other steel plants or lower cost of production which many other steel plants had through their favorable location in relation to raw materials and other factors. Prior to the formation of the United States Steel Corp., the Carnegie Steel Co. fathered the Pittsburgh-plus system. The multiple-basing-point system, as used by the cement, steel, and other industries, was collusive in its origin and found to be collusive when finally brought to bay by the Supreme Court in its decision of the Cement case on April 26, 1948. The Pittsburgh-plus was, of course, outlawed by the courts long years ago.

There is not any reasonable doubt that the basing-point system enabled the Steel Trust to concentrate production in certain areas, particularly in the western Pennsylvania area, and through the punitive power of the system to police the industry. This policing power aided in collecting billions of dollars from steel consumers all over the country.

If considered judgment prevails, Members of Congress will not allow S. 1008, as amended, to pass. It seems to me to be a bill which by its very nature should be stricken from the calendar. It is a bill which harms every part of the country and allows a handful of monopolists to squeeze the lifeblood out of competition and make a mockery of free enterprise.

Every section of the country will again be the victims of controlled prices in steel and cement and all the other heavy industry goods which will undoubtedly turn to the basing-point system of pricing.

Not only does S. 1008 revive basing point and other artificially controlled pricing systems, it also destroys the laws which have protected the smaller units through gradual interpretations by the courts on the basis of actual cases. Only by having such judicial determination can any law be made effective and enforceable. Are we in the business of passing a new and weaker law every time Big Steel, Big Cement, or big anything else, is made to conform to the rules of the game? Must we change the rules of fair competition to rules of unfair competition, or do we throw out all antitrust rules and abdicate to the monopolists? The answer is self-evident. Our entire economy must be considered. We must and we shall defeat a bill—S. 1008—which will make the vast majority of our people subservient to a small group of powerful and ruthless men whose sole purpose is to gather under one tent every last vestige of business enterprise in these United States.

STATES WEST, SOUTH, NORTH, AND EAST HURT BY BASING-POINT SYSTEM OF PRICING

Out of the total pig-iron production for 1947, of 58,327,231, Pennsylvania produced 17,563,146 tons, or more than 30 percent of the total production. Out of a total steel production of 84,894,071 tons, Pennsylvania produced 25,259,010 tons, or approximately 30 percent of the total United States production.

It is interesting to note that in shipping West and Southwest, Pennsylvania's ships passed the great steel plants in Ohio, Indiana, and Illinois. If the shipments are to the South it runs into the Birmingham competitive area. Shipping east and northeast the markets are relatively free from competition. The same situation in steel obtains in Pennsylvania as it does in cement.

It seems logical that the Steel and Cement Trusts, which have chosen to concentrate their plants in Pennsylvania, were hoisted on their own petard by the Supreme Court decision. Skimming along for a great many years with the basing-point system of pricing well under control in both industries, the warnings of 40 years ago by the Cement Age were not heeded. The concentration of the steel industry may or may not have been subjected to any warning against such concentration, but with the country growing West and South there appears to be some logic for the proposition that many of these plants should have been located elsewhere. The question now is whether the other 47 States shall continue to pay for these apparent errors of judgment through the revival of the basing-point system by legislative edict.

SMALL BUSINESS HANDICAPPED EVERYWHERE BY MONOPOLY

From far off British Columbia comes a clipping from the Vancouver Sun which is expressive of the situation in which small business finds itself today.

THREAT SEEN TO SMALL BRITISH COLUMBIA BUSINESSES

FULFORD, June 11.—Suggestion that a committee of the British Columbia Legislature should be set up to study the problems of small business was made here Friday night. The proposal came from Alex MacDonald, CCF provincial candidate for Vancouver. "Caught between the millstones of a big-business government and the big monopolies, small business is threatened with extinction," he declared. He told his audience that the postwar expansion of the chain monopolies is beginning in earnest.

The Christian Science Monitor on April 19, 1949, in an introductory comment made the following statement:

The vigor of small business is of topmost importance in a nation that prides itself on the existence of free enterprise. Whether small enterprise can survive in the presence of industrial giants or merchandising chains has been warmly debated in the United States. Antitrust laws and the Federal Trade Commission Act have sought to protect small business against unfair competition. While these undoubtedly have had a significant effect on American business, their specific application is often difficult and complicated. The accompanying article discusses some of the current problems in this respect.

The late Frank Albert Fetter, professor emeritus of the University of Princeton, commented in an article on the basing-point system in the American Economic Review of December 1948, as follows:

THE SUPREME COURT'S VERDICT ON THE ARGUMENTS TO JUSTIFY THE BASING POINT PRACTICE

All the arguments in favor of the basing point practice outlined above (secs. III to XI) were urged forcibly and in detail upon the Supreme Court, and all of them were unqualifiedly rejected. Leaving no loophole open, Justice Black concluded the opinion of the Court with the broad statement; "Many other arguments have been presented by respondents. All have been examined, but we find them without merit." Under present laws and present public policy the basing point practice is declared by our highest Court to be a form and method of monopoly. It is definitely out, according to accepted antitrust law policy. Moreover, this is fully recognized, under advice of counsel, by the leading basing point industries, and they have announced their intention to persuade the next Congress to legalize the practice, despite the judgment of the Supreme Court. Indeed, they have already set in motion powerful forces to attain that end. It is clear, in the light of the recent decision as to the monopolistic nature of the practice, that this would be not simply a change in statute law, but a revolution in fundamental antitrust law policy and a long step toward the acceptance of a universal system of industrial monopoly.

HELP FOR LITTLE MAN SAYS HATTON SUMNERS

In opening the debate on the Robinson-Patman Act, passed on June 19, 1936, the Honorable Hatton W. Sumners, then the distinguished chairman of the Judiciary Committee, spoke these solemn and telling words:

I do not believe that any student of economics in this country can be unconcerned as to what is happening. At one extreme we find ourselves drifting toward an economic feudalism and on the other extreme drifting toward an attitude of dependence upon the Government or somebody else. * * *

This bill proposes, and its purpose is definite, to try to give to the little man in business and industries a better opportunity to survive than he now has. No student of our system of government can fail to recognize that we have a definite choice. We cannot preserve a democracy in government unless we preserve a democracy in opportunity.

Mr. Speaker, the proposed legislation, in my humble opinion, is in the interest of private property * * * the number of * * * defenders of private property is continuing to be reduced, and those aggregations are getting bigger and bigger, and are attracting more and more attention. If this thing continues, I venture my life on the prophecy the time is not far distant when some men, some opportunists, will take advantage of the psychology of the situation and by a spirit of revolution will take over these big industries and aggregations of capital. If they have not the money to pay for them, they will use the printing press. Is it possible these great captains of business do not appreciate this peril or will ignore it?

We have been going along here dreaming that conditions which obtain in other sections of the world and in other ages of the world have by some mysterious sort of process been excluded from us. That is a foolish dream. It may prove a fatal dream.

CEMENT MONOPOLY

The report of the Federal Trade Commission on the merger movement of November 19, 1948, said in its conclusions, in part:

In industry after industry prices, production, employment, and, in fact, all forms of economic activity have come under the domination of the Big Four, the Big Six, or, in some cases, the leader.

And again the Commission warns in the report:

Monopoly constitutes the death of capitalism and the genesis of authoritarian government.

The Commission made that statement, in part, in 1939. In its present report the Commission "believes that the economic forces, on which it has been basing its warnings, require that a definite choice be made. Either this country is going down the road to collectivism or it must stand and fight for competition as the protector of all that is embodied in free enterprise. Crucial in that fight must be some effective means of preventing giant corporations from steadily increasing their power at the expense of small business."

Disclosing the effect and fear of small business on the basing-point question, the Iron Age of January 1, 1948, makes this significant statement:

Meanwhile the multiple basing-point system governs steel marketing and will for some time unless the pending case (Cement case) moves like a rocket. The insert in this issue lists the basing points of major steel products at this time. Every effort has been made to include all announced basing points for these products, but the Iron Age cannot assume responsibility for its complete accuracy. One reason is that naming of new basing points and withdrawing of others is a continuing process. In addition, some of the smaller producers questioned on this matter (basing-point matter) hesitated to commit themselves one way or another. Others declined to even answer letters on the subject.

If you had been a small steel producer dependent upon the grace of the steel monopoly for existence you, too, would have been afraid to commit yourself one way or the other on the basing-point question. It is impossible to state the viciousness of the system and its real effect on small steel producers because such producers are naturally fearful of their industrial lives. Too, the basing-point system retards the development of small steel plants so that their natural territories may be supplied. Instead, under the artificial basing-point system, millions and millions of tons of steel move at a high freight cost when it should be moving at a low freight cost. Truck and water transportation never figures in the price because the higher all-rail rates are always used to calculate the price of steel at any given destination.

MONOPOLISTS ARE AS LAWLESS AS GANGSTERS—CALIFORNIA SENATE REPORT DESCRIBES BITTER EXPERIENCE OF RETAILERS AND DEALERS IN CEMENT

The charge that with abolition of the basing-point system of pricing local monopolies would spring up should be disposed of by thinking men with a polite yawn. Local monopolies cannot exist under the rules of free competition. The minute prices get too high in a local situation the checks and balances of outside competition come into play. Under free prices natural trade advantages tend to benefit the consumer. Under artificial prices natural trade advantages are diminished if not wiped out, and the consumer is forced to pay all the traffic will bear, in good times and bad.

This country, until the formation of the steel and cement cartels, carried on its trade and commerce between States on a highly competitive basis. However, the "big dogs" in other industries soon learned how to wax fat by controlled cartel prices. So, the consumer has rapidly lost his purchasing power because of price controls set up by the vested interests. The smaller units reluctantly conformed to the price pattern in order to stay in business. The art of merger and evasion of the antitrust laws became the order of the day. Corporation lawyers learned how to extra million-dollar fees by showing their clients how to give the antitrust laws the run-around.

As soon as one law is passed these big interests immediately set about finding a way to circumvent it. I charge, without hesitation, that the monopolies of this country have as little regard for antitrust laws as gangsters do for criminal laws.

No, the charge of local monopoly of any product, if the country is freed of artificial pricing systems, is without foundation. Free competitive forces when brought into play will restore to the consumer his purchasing power locally and nationally, which, under the basing-point and other such systems, has been completely lost.

In a supplmental report the Honorable Herbert C. Jones, chairman of a special committee established by the State of California Legislature, in May 1929, related the oppressiveness of monopoly control in a paragraph which told of the bitter experience of cement companies who desired to bring some competition into the industry. This significant paragraph follows:

RETAILERS COMPELLED TO CONFORM

In addition, the bellwether company issued a list to retailers, or dealers, which set out the price which the company felt proper for dealers to quote. The price list for dealers issued by the Riverside Co. on October 22, 1927, suggested the dealer's price at 4 cents a sack above the carload prices shown on the company's printed list. In other words, the company specified the profit that the retailer was to make. Lest any retailer have the temerity to underbid his competitor in the retail field by reducing his profit, or otherwise departing from strict uniformity of price, a warning was set forth in the circular which warning he would have no difficulty in construing.

To give point to its suggestions the circular states:

"It is very important for this company, to its dealers and to the public generally, to maintain permanent means of distributing our cement in an efficient and businesslike manner.

"This policy provides very liberal margins and terms for dealers, and unless southern California dealers handling Riverside and Bear brands of cement are able to resell at a minimum price 4 cents per sack above our carload list prices to consumers it would be unreasonable to consider them a safe and permanent means of distribution." (Exhibit L. A. No. 7, printed transcript, pp. 590–593.)

"The cement companies testified that they were not bound by contract to follow the list price set by the bellwether, but that they had learned by bitter experience the consequences of cutting prices, and fear the retaliation of the other companies if they started a price war. Their testimony was that their self-interest dictated that they maintain uniform prices."

BASING-POINT SYSTEM HARMFUL TO SMALL BUSINESS SAYS THE AUTHOR OF THE NEW BOOK, THE BASING-POINT SYSTEM

In a recent book entitled "The Basing Point System" the author, Fritz Machluf, made this observation:

It is understandable that advocates of the basing-point system are anxious to represent the system as a boon to small business, and to picture its abolition as a danger to small business and a benefit to big business. These tactics were followed in the Wheeler bill hearings of 1936 even more consistently than now. After the representatives of small steel companies had assured the Senate committee that without the protection of the basing-point system they might be eliminated. The president of the United States Steel Corp. contended that the abolition of the system would damage only the smaller competitors, but "so far as the steel corporation is concerned, it would not be harmful" and in the long run would be of benefit to the steel corporation.

And again Mr. Machluf comments in this respect:

The theory that the basing-point system benefits only the small competitors is in remarkable contradiction with many statements various industry witnesses have made before commissions and courts; it is also inconsistent with the logic of the policies actually pursued by large concerns for many years. But if the theory were true, and not merely a twist of politics, it would be curious implications. Since the large concerns have for many years followed the basing-point practice of pricing—a system beneficial to their competitors but not to themselves—they either must have been forced into that practice against their will or they must have followed it for philanthropic reasons.

Mr. Machluf's cryptic and satiric statements rather forcibly point up the well-known fact that the basing-point system of pricing is calculated to make big business bigger and small business smaller, and to eliminate every vestige of competition in industries using the system. The cross hauling and the dumping, under the system, is a constant threat to small plants located outside of the concentrated areas who would like to serve their natural territories. As I stated above, one of the ironic statements, which has been bruited about among the proponents of the basing-point system is that without the system small plants could create a local monopoly. Mr. Machluf effectually makes this statement sound ridiculous on the face of it. Anybody who has even primer knowledge of trade and industry in our country knows that without some combination and agreement the minute a small plant gets out of line pricewise in its natural territory somebody else is coming in and take the business away from him.

BASING-POINT DECISIONS DO NOT FORCE F. O. B. PRICING AS PROPONENTS OF S. 1008 CONTEND

Soon after the cement decision on April 26, 1948, by the Supreme Court, Corwin D. Edwards, Director, Bureau of Industrial Economics, Federal Trade Commission, made a speech on pricing practices as affected by the basing-point decisions, at a meeting of the New England Counsel, held September 18, 1948. During the course of his remarks Dr. Edwards stated:

We are told by various commentators that the court decisions mean that all businessmen must sell their products f. o. b. mill, that no businessman may sell his goods at a delivered price which is uniform in all localities, that no businessman may reduce his price in a particular locality to meet the price of a competitor or that he may do so only sporadically but not consistently, and that if the delivered prices quoted by a number of different competitors ever happen to be identical, however accidentally, these concerns are guilty of collusive price fixing.

If the law had placed business in any such rigid straitjacket as this, the situation would indeed be alarming. But the hypothetical cases which have aroused alarm are mere ghosties, and ghoulies, and six-legged beasties and things that go bump in the night. Let us consider them in order.

The Commission has no authority to require businessmen to sell f. o. b. mill or to impose upon them any other specific pricing practice. It can order them to cease and desist from practices which violate the law, and to a limited extent it may require that practices not inherently unlawful be abandoned if they have been so intimately associated with the breach of the law that without the additional prohibition the unlawful condition will persist. It is the essence of the law and of competitive policy, however, that businessmen shall remain free to make whatever choice they like among the various types of lawful activity open to them. The only way in which businessmen could be forced to sell f. o. b. mill by the Commission would be through a series of cases in which every alternative method of selling was found to be unlawful. Any such program would entail the outlawry not only of single and multiple basing-point systems and systems of freight equalization, but also of zone price systems, uniform delivered price systems, systems in which prices are determined at one or more central markets as in the case of wheat in Chicago and various less regular and less systematic methods of geographic pricing. Apart from basing point and freight equalization systems such as have been already discussed the Commission has attacked only zone-pricing systems and these only where they were being used as a significant part of a price-fixing conspiracy.

The contention that uniform delivered pricing is forbidden by law rests upon inferences which some commentators draw from the language of some of the cases that have already been discussed and from the language of other cases outside the basing-point field, such as the Morton Salt case and the Standard Oil case. It is inferred that since the Commission has emphasized the varying mill net realization of sellers as a measure of discrimination under the basing-point system, the Commission will, by analogy, find unlawful discrimination in any other pricing method under which mill realizations differ. There is no support for such a view in the cases which the Commission has thus far undertaken. The Commission has not attacked Nation-wide uniform delivered pricing in any case that I know of. It has attacked zone pricing in several cases where the zones were established and maintained by conspiracy. In two of these cases, involving the National Lead Co. and the Chain Institute, there are proceedings now in progress under complaints which include the charge that the collusive maintenance of uniform delivered prices within each zone, with consequent diversity of mill net realizations in sales to different localities within each zone, amounts to a conspiracy to discriminate in violation of the Robinson-Patman Act.

If the Commission should ever undertake an attack upon the use of a uniform delivered price by a single seller not engaged in a price-fixing conspiracy, it would have to face formidable obstacles. In the Staley case, the Supreme Court declared:

"But it does not follow that respondents may never absorb freight when their factory price plus actual freight is higher than their

competitors' price or that sellers, by so doing, may not maintain a uniform delivered price at all points of delivery, for in that event, there is no discrimination in price."

Dr. Edwards spoke, as you can see, very forcibly on the subject of pricing f. o. b. mill and in other situations. From the language which he used there can be no doubt that at that time Dr. Edwards felt there was no need for legislation of any type to clarify, explain, or otherwise subtract or add to the decisions of the courts. I am not in the confidence of the maker of this speech, therefore I do not know what his position may be today. Perhaps he has changed his mind on the effectiveness of our antitrust laws and of the Court decision, but, so far as I know there has been no public intimation of that fact, if it is a fact.

PENNSYLVANIA AND PENNSYLVANIANS ARE NOT TO BLAME FOR THE MISUSE OF HER GIFTS BY THE STEEL AND CEMENT TRUSTS

As I said in the beginning of this article, thoughts of Pennsylvania bring to mind our honored and glorious beginning as a free Nation and a liberty-loving people. Pennsylvania and Pennsylvanians have played a magnificent part in the building up of our country. I have a feeling that Pennsylvanians do not want the Cement and Steel Trusts to dominate Pennsylvania's industrial life any more than any other State would want such an unhappy situation to exist. Nor do I question the motives of the sponsors of the moratorium bills, nor of S. 1008 as now amended. I feel that these gentlemen, including the distinguished Senator from Wyoming [Mr. O'MAHONEY], are motivated by a sincere desire to take what they believe to be remedial action. Nevertheless, this remedial action which Congress is asked to approve strikes at the heart and soul of our antitrust laws, effectively destroying the Robinson-Patman Act and leaving the law open for the restoration of the Pittsburgh-plus system and multiple basing-point systems. Not only is this belief adhered to by me, but by small business organizations which include the United States Wholesale Grocers' Association, the National Association of Retail Druggists, the National Congress of Petroleum Retailers, the National Federation of Independent Business, the National Food Brokers Association, and many others who, through their attorneys and their executives, have stated to the House Small Business Committee that passage of S. 1008, as amended, will allow price discriminatory practices to reign supreme. This bill now being pressed for passage has also been analytically dissected by prominent attorneys who declare that the cement decision, the Pittsburgh-plus decision and the recent Standard Oil decision will be upset by passage of S. 1008. These gentlemen further declare that many other decisions which have been landmarks for 25 years will be upset by the Capehart-O'Mahoney bill.

BIG STEEL AND BIG CEMENT HAD TOES STEPPED ON BY CEMENT AND RIGID STEEL CONDUIT DECISIONS

The present situation has come about with its destructive consequences simply because the toes of Big Steel and Big Cement have been stepped on. Practically the same decision as was rendered in the Cement case was rendered by the Supreme Court in the Staley case in 1945, but during the ensuing years no attempt was made to enact new legislation. But once the most powerful trusts in our country were touched a lobby empowered to expend stupendous sums of money was set into motion to round up support for a bill which would nullify the Supreme Court decision in the Cement case. This lobby went into the States, into the cities, into the towns, and into the villages, preying upon the credulity of small manufacturers, small steel plants, and others by threats and other means to support a a bill which would upset our antitrust laws and nullify the work of 50 years.

Small businesses in Pennsylvania were no doubt subjected to these methods. At first it was a steel and cement lobby to restore the basing-point system and then encouraged and emboldened the big oil interests and others, have apparently joined in the fray. Thus, today we are confronted with a situation designed to rip apart all controls placed upon the predatory interests by Congress in order to assure small business and free enterprice an opportunity to live. If S. 1008 is not beaten in the House of Representatives it is my earnest belief that the monopoly and merger movements will receive an impetus which, in a short space of time, will bring all business in the country under the domination of a very few powerful and destructive monopolies.

FARMERS AND SMALL BUSINESS PERILED BY PASSAGE OF S. 1008

The farmers have a stake in the defeat of S. 1008. The National Farmers Union testified before the House Small Business Committee on the effects of this measure, pointing out the dangers to agriculture. The farmers and the small business institutions of our country are the foundation of our economy and as was pointed out that the farmers are forced to pay fixed prices for everything they buy while selling at market prices for everything they sell. If this bill passes, it will only be a short while until every farmer in this country is working for the monopolies. In fact, if we weaken our antitrust laws instead of strengthening them we are all going to be working for the monopolists. They may become more powerful than Government itself.

SHALL THE MONOPOLISTS BE SUPPORTED BY THE OTHER 47 STATES?

The mountain of productive capacity in steel and cement, which has been built up by the Steel and Cement Trusts in Pennsylvania, without doubt is a detriment to her normal advancement. This country cannot afford to have all of its productive eggs in one basket in steel and in cement. While producing more than 30 percent of the steel used in the United States, Pennsylvania consumes only approximately one-fourth of the steel and one-third of the cement which she produces. The States immediately west of Pennsylvania also have a combined capacity of considerable extent in these commodities. However, these States can live without the basing-point system and thrive without the basing-point system or any other artificial-price system because of their natural advantages in the receipt of raw materials via the Great Lakes, and because of their local materials and natural resources which are fully equal to any State. It is also true that the development of our productive capacity in steel and cement would be enhanced in other parts of the country were it not for the fact that the artificial basing-point system has tended greatly to reduce the opportunities of other parts of our country to develop their own natural resources.

We all admire Pennsylvania for her good works. We honor her for her great and glorious part in the founding and developing of our country. We pay tribute to her great citizenship, past and present, and for Pennsylvania's contribution to the public interest we are grateful.

The fact that certain monopolies have built up a concentration of productive capacity which, for 50 years or more, taxed the consumers in other States without representation through the Pittsburgh-plus and the multiple basing-point system, is neither the design nor the fault of Pennsylvania or its citizens. However, the fact remains that industry in Pennsylvania conceived and perfected the basing-point system of pricing. It was done by the steel mills in the Pittsburgh area and by the cement mills in the Lehigh Valley area. These facts have been recorded again and again by students of the basing-point system of pricing, and I do not think can successfully be contradicted. The question arises as to whether or not there is a valid reason for the whole country to pay tribute to the monopolists of steel and cement wherever they may be located or in what State they may elect for their operations. The fact is, of course, that these monopolists have gone into other States and built plants which became basing-point plants, and by addition and merger have gradually gained the control of a great deal of our production, particularly in steel and cement in other parts of our country.

WHAT SHALL WE DO ABOUT MONOPOLIES?

However, the gist of the whole question is:

First. Shall we stand for artificial prices and price discrimination simply because of the desires of a few big outfits in steel, cement, oil, salt, and in a few other industries?

Second. Shall we come meekly to these monopolists because they have an excess of production which they must dispose of somewhere?

Third. Shall we continue to be unable to avail ourselves of nearby sources of supply on low transportation rates and at free prices?

Fourth. Shall we abandon the development of the natural resources of every State because some special group or groups can furnish the necessities of life at a higher and yet higher price?

Fifth. Shall we stand aside and allow our antitrust laws to be riddled, thereby preventing the aims, ambitions, and desires of a vast majority of our citizens to develop and prosper on the basis of the natural resources of their own parts of the country?

Sixth. Shall we supinely relegate free enterprise and initiative to the prison of

forgetfulness and dwell in the shadowy dungeon of oppressiveness and despair?

For my part I do not feel that we want any of these unhappy situations. For my part I believe we want our whole country to develop. It cannot do so if we are ever confronted with greater and greater monopolies. We cannot develop our natural resources and increase our potential standards of living if our time and energy is spent in digging up the wherewithal to line the pockets of the despoilers of the free-enterprise system.

I repeat that I do not contend with any of those who sponsored S. 1008, as amended, that they are motivated by other than the sincerest of aims and purposes. On the other hand, I do not give ground on the proposition that the development of our country and its natural resources for the benefit of all regions is not a sound proposition.

NO EVIDENCE YET ADDUCED IN FAVOR OF ARTIFICIAL PRICING SYSTEMS—CHAIN STORES WANT ROBINSON-PATMAN ACT DESTROYED

No evidence in my opinion has yet been produced which will justify artificial pricing systems, of which the basing-point system is one. The Robinson-Patman Act, designed for the protection of small business, has been tested in the courts and not found wanting. I know that the Great Atlantic & Pacific Tea Co., and other big chains do not want the Robinson-Patman Act. I know there are a great many who do not want any antitrust laws at all, and these include the Cement and Steel Trusts.

There is no compromise. The friends of small business and of free enterprise must kill the bill S. 1008, as amended—so graphically described by the representative of the United States Wholesale Grocers' Association as the Capehart-Johnson-Myers-O'Mahoney bill. There is no amendment which can be conceived that will satisfy big business and at the same time protect small business. There is no compromise worthy of name that can be effected which will preserve our antitrust laws intact. This bill, as I said before and as I now repeat, must be acceptable to big business, or big business will have none of it. We are therefore within an area of relatively simple dimensions. We are in the area of no compromise. Those of us who sincerely have the protection of free enterprise in our hearts and minds will not accept a compromise. As the import of S. 1008 becomes more apparent to the friends of free enterprise and small business they will defeat this bill once and for all.

NO PUBLIC HEARINGS ON S. 1008, AS AMENDED

As a final word I want to point out again that there have been no hearings worthy of name on S. 1008 as now amended. It was substituted for the Myers-Walter moratorium bill on the floor of the Senate and passed within 24 hours. It came to the Judiciary Committee of the House, which held perfunctory hearings in executive session. Only two witnesses were heard and even the testimony of these witnesses is not available because the transcript of the hearing—so-called—has not been printed. Later, I was permitted in executive session to voice my opposition to the bill. This was the extent of the hearings on S. 1008 as now amended. Probably less hearings than we would have on the most unimportant matter to come before Congress.

OPPONENTS OF S. 1008, AS AMENDED, GIVEN CHANCE TO BE HEARD BY HOUSE SMALL BUSINESS COMMITTEE

The House Small Business Committee started hearings Tuesday, June 28, in order that small business and other opponents of the measure could be heard. Then with a great burst of energy the proponents of S. 1008, as amended, rushed the bill to the Rules Committee, and it was reported out promptly. This all happened just as the House Small Business Committee hearings were getting started, so that the chances are it will not be possible to report fully to the Members the results of these hearings before action was taken on the bill.

It is hoped that the Members of the House will realize what is happening. Here is a bill that should have weeks or perhaps months of consideration because of its weakening effect upon our antitrust laws which is being rushed through for consideration, thereby effectively blocking the hearings before the House Small Business Committee which would have at least thrown light on what the bill means, since the Judiciary Committee of the House did not take such steps.

I truly hope that most of my colleagues will join with me, and others who are laboring so hard to protect small business and free enterprise, in defeating this bill, S. 1008, as amended. I hope there are Members from the great State of Pennsylvania who will, as a matter of high public interest and principle, vote for the defeat of this bill.

BASING-POINT AND SIMILAR SYSTEMS PERPETUATE RESTRICTIVE PRACTICES—NEW ENGLAND'S STEEL POSSIBILITIES HAVE BEEN RESTRICTED—A "STEEL AGE FOR NEW ENGLAND" A DEFINITE POSSIBILITY—FEDERAL RESERVE BANK STUDY CONFIRMS ADVERSE EFFECT OF BASING-POINT SYSTEM

Mr. Speaker, in deliberating upon the merits of S. 1008 there are, I believe, several facts of life which should be brought out and faced quite squarely. A first fact is that any proposed change in the law, and any proposed change in a way of doing business which threatens to change the balance of advantage away from special interests and in favor of the general public interest, raises quite a disproportionate expression of opinion from those who imagine themselves to be injured. Indeed, any proposal which would curtail some special advantage may produce quite a clamor from those already in the business affected, without, on the other hand, eliciting any comment at all from those who might wish to enter the business and whose opportunities for doing so would be improved by the proposal. This is because investment already made is more articulate and urgent than is opportunity for investment which might be made; it is because those with jobs claim certain rights and privileges over those who would have similar jobs. It is for this and other reasons growing out of our experiences in the short period the basing-point system has been out of use, that I think we have not yet had sufficient time to hear all of the arguments we should hear before hastening to pass legislation which directly or indirectly, may legalize the basing-point system, or any similar system with identical delivered prices.

PERPETUATING RESTRICTIVE PRACTICES

It is manifest that the laws governing business conduct should not be so transient as to deprive business investment of the protection of a stable and friendly climate, for transitory laws would tend to discourage investment altogether. On the other hand, I have never believed that these laws should be so balanced in favor of existing businesses as to exclude new entrants, or that they should be so balanced in favor of businesses in one region or section of the country as to foreclose opportunity to the people of another region or section. Nor do I believe that either the laws or the business practices they encourage should be so rigid and inflexible as to be ill-adapted to the essentially dynamic and progressive character of the competitive, free-enterprise system. Advances in technology, discovery of new sources of power and raw materials, growth and development of new markets are all events which require flexibility. Consequently, I believe we must face up to the fact that business practices which tend to discourage the use of new technology and new sources of materials are, like practices which tend to prevent the spread of an industry into a new region in the country, restrictive of the growth of both industry and markets in the country as a whole. Another way of saying it is that such practices restrict both the growth of investment and the growth of productive employment. Unless we have a continuous growth of investment and employment opportunities, it is quite obvious that we shall drift more and more into a dependence upon Federal financing to sustain the free-enterprise system. And it is equally obvious that unless we succeed in finding and maintaining laws which define the ground rules for business conduct wherein competition does the regulating, we shall come more and more to depend upon the agency of government to provide a body of synthetic regulations.

RESTRICTING NEW ENGLAND'S STEEL POSSIBILITIES

New England does not seek restrictive ways of providing special benefits to her industries; on the contrary, we believe that, given an opportunity to exploit freely our natural advantages and our ingenuity, we shall be able to correct our industrial ills and provide productive employment for our growing labor force. Industrial ills we do have. During the past several decades our industry has not expanded as it should have, and too many of our population have had to migrate to other regions in order to find employment. We have been, in the past at least, too much dependent upon a specialization in textiles, and we need today an increase in several basic industries. We need to increase our electric power output, and we need a steel industry. While the basing-point or any similar system is not directly related to the question of increased power capacity, it does have a direct bearing on the question whether New England shall have

steel plants to feed and develop our growing steel-fabricating industries.

Several new factors have entered the picture during the last few years which materially increase the prospects of our developing such an industry. These factors have been widely publicized in various studies and publications. The Boston Herald, for example, listed them on August 25, of last year, in a front page editorial titled "Steel Age for New England." This editorial begins by stating that "a group of unrelated events offer New England an opportunity for prosperity such as we have not enjoyed since the days of the clipper ships." The events are then treated in the following order:

A STEEL AGE FOR NEW ENGLAND

First. The decision of the Supreme Court sustaining the Government's power to prohibit the basing-point system.

Second. New technological developments in steel production. In this connection two new developments are mentioned:

(1) The new oxygenation process whereby the output of a given plant can be greatly increased; and (2) the continuous steel casting process which, as I understand it, now makes new small plants, requiring relatively small investments, quite feasible.

Third. The recent discovery of important new sources of iron ore in Labrador and Quebec, which are, as the editorial puts it, "almost at New England's back door."

Fourth. The decision to reduce the Labrador-Quebec ores by electricity to sponge iron before shipment to the United States. Shipment in this form will save on transport costs, and make particularly feasible the operation of small, nonintegrated steel mills such as would be most suited to the needs of New England.

Fifth. The prospective production of iron as a byproduct of a new titanium smelter at Quebec which promises a source of some basic iron in the period before the iron ore deposits are developed.

After some discussion of each of these developments, this editorial concludes as follows:

All these factors do not assure a big steel industry to New England. They make such an industry a natural for us, but it will not come by itself against the inertia of the country's present industrial set-up. There is already on foot a powerful move to have Congress restore the basing-point system, which, if successful, would tend to freeze the present steel concentration of the country. We need to combat that.

This present iron famine should be exploited to bring home to the steel companies the urgency of our requirements and the growing demands of our hard-goods manufacture, now New England's most rapidly growing industry. We need to bring out that this is the center of an enormous market.

This can be, as we have said, the greatest thing for New England since the clipper ships—if we do not muff the opportunity.

FEDERAL RESERVE BANK STUDY

The factors mentioned in this editorial and their importance to the prospect of great industrial growth in New England represent no mere editorial dreaming. On the contrary, these are essentially the same conclusions reached by the Federal Reserve Bank of Boston and the New England Council after a careful study and appraisal of all of the factors which, according to the best business and professional economic judgment, have a proper bearing on the question. The staff of this bank made last year, at the request of the New England Council, an exhaustive study to ascertain the effects of the basing point decision on the New England economy. This study concluded, among other things, that a mere tripling of the now scant steel capacity in New England would mean an increase of about 50,000 jobs, counting both the new jobs in steel making and those which would be created in fabricating industries dependent upon steel. And, as the report to the New England Council put the matter:

In taking advantage of the opportunity New England would be taking nothing from others that is rightfully theirs. Moreover, thanks again to a happy combination of circumstances, New England has several tidewater locations which meet both the requirements for steel facilities and the strategic military requirements set forth by the National Security Resources Board.

FREE ENTERPRISE A NEW ENGLAND TRADITION

At first blush, expressions such as are contained in the editorial I have cited may appear to be partisan statements concerned simply with the self-interests of New England; but some reflection will indicate that the concern is with an enlightened self-interest and, indeed, embodies two principles upon which the success of the free-enterprise system rests. These are, first, a continuous alertness to new opportunities where profitable enterprise may be started or expanded, and, second, a zealous guarding against the creation of artificial barriers which would prohibit or restrict new business entrants and new investment opportunity. These principles are cherished New England traditions. The venturousness of New England capital and the boldness of New England enterprise have been second to none anywhere in the world. And similarly, New England resistance to artificial prohibitions and restrictions to the free pursuit of commercial venture has been stout and of long-standing. Our forebears—who started the machine technology in this country—resisted the English laws prohibiting manufacturing in the Colonies, and they were not a little moved by these prohibitions to take up arms and win our independence. And after our independence was won, New England enterprises continued to resist, in less direct but fully effective ways, the monopolistic restrictions of that day which were designed to deny Yankees the use of the industrial technology then available in Europe. Indeed, Samuel Slater's first factory was a triumph of Yankee resistance to restrictions devised to keep textile manufacturing out of the New World and which contempory monopolists had persuaded their Parliament to legalize.

ELIMINATION OF BASING-POINT SYSTEM SHOULD BE GIVEN ADEQUATE TRIAL

It is in deference, therefore, to these principles of free enterprise and free economic opportunity that I believe freedom from the restrictive tendencies of the basing-point system, or similar system, should be continued—at least for a period adequate to a practical test of the effects of such continuance upon already established businesses. It may be several years before the other economic factors will make possible a steel industry in New England, but in the meantime the opportunity for such a development should be left open. The opportunity should be left open in New England, and it should be left open in all other regions. What this opportunity may mean in terms of growth of the free-enterprise system has been summed up in the report of the Boston Federal Reserve Bank, prepared by Dr. Alfred C. Neal, from which I should like to quote, as follows:

For the last few months I have been engaged in some economic detective work, piecing together facts from a collection gathered over a good many years and combining them with what we have found out about the New England economy and about the effects of the basing-point system. I think that we have succeeded in putting together most of the pieces in a massive jigsaw puzzle. When the pieces are fitted together they make a picture showing opportunities for New England unheard of for the last century at least. * * * This picture shows far more than the basing-point system and its effects and far more than New England.

New England has an opportunity—and there may not be another like it for half a century or more—to accomplish far more than to advance its own prosperity, far more than to make more jobs for its people and more business for its utilities and its railroads. It has an opportunity to do far more than to revive its ports and its shipping and to make new opportunities for the investment of its capital. It has a golden chance to do all of these things, but in addition it has an opportunity to strengthen greatly the bonds of mutually advantageous commerce with our Canadian friends, and to expand its foreign trade into the distant places that Yankee captains reached by sailing ships over a century ago. It has an opportunity to advance the cause of free enterprise and of free people that will give another jolt to those prophets of the doom of capitalism and our way of life.

BASING POINT BLOCKS NEW ENGLAND STEEL INDUSTRY

That the basing-point system would tend to prohibit a steel industry in New England there can be no doubt. The reason is that any local mills which might locate in these States would very probably have to operate as nonbase mills. In this case the location of mills in New England would be of little benefit either to the customers of steel or to the steel mills themselves. Differences between the high prices which local fabricating plants would have to pay and the low prices which their distant competitors would pay, would be as great as they are now, and as great as they have been under the basing-point system; that is, prices to steel customers in New England would be computed as the base price at Pittsburgh, Baltimore, or Buffalo, whichever is the nearer, plus freight costs from these points. On the other hand, the high prices which would be charged these customers would be of little benefit to the steel mills which

might locate in this region. Such mills would have their local markets shared fully by a number of distant steel centers, with the result that they could attain volume production only by shipping to customers near or beyond the distant steel centers. Such shipments would be unprofitable, of course, since the new mills would not only have to accept the relatively low prices prevailing at these centers, but would have to absorb the freight charges for the distant shipments as well. Such would be the plight of steel mills in New England if for no other reason than that mills of a size suitable to our local needs would obviously be too small to engage in a contest of local price cutting with the large producers in this industry. Such new mills as might locate in the region would have either to abide by the rules of the basing-point system or lay themselves open to easy punishment—and perhaps destruction—with any independent attempt they might make to reduce prices in their local markets. We have had experiences with the technique of local price cutting—or as it is sometimes called, the dumping into one region by producers of another region—and we know how destructive this practice can be. We had experience with the German use of this technique prior to World War I, and we know that it was one of the important techniques by which German industry was brought to a position of commercial dominance—albeit at the expense of other regions of the world, including our own.

ELIMINATION OF BASING-POINT SYSTEM HAS HAD NO ADEQUATE TRIAL

I mentioned above that we have not, in my belief, yet had sufficient experience with the industries which abandoned the basing-point system last year, to be able to judge whether or not it is desirable to reinstitute the system, or a similar system. I should now like to mention some of my reasons for thinking so.

First, in connection with the study conducted in New England last year, quite a high proportion of business firms answered carefully prepared questionnaires which showed that they would, or had, benefited from abandonment of the basing-point system. Quite a few steel-using firms reported that their delivered costs of steel had been reduced as a result of the abandonment of this system in the steel industry. Moreover, subsequent study and interviews revealed that even the proportion who had reported net benefits as a result of the abandonment of the system seriously understated the case. It appeared that, among other reasons, those who would be benefited and those whose status would not be changed were not particularly inclined to return the questionnaire, while those who thought they would be injured had been strongly inclined to return the questionnaires. Yet, compared to the substantial numbers who reported that they would be benefited, there appears to be serious underrepresentation in the testimony taken by the Capehart subcommittee and in other public records, of the views of those who would prefer to have the system remain illegal. This underrepresentation has come about for several reasons.



First, customers who have benefited by abandonment of the system in steel and cement, the two principal basing-point industries, have been reluctant to speak out. There have been general shortages in these industries, and customers dependent upon steel and cement have had great difficulty in obtaining ample supplies. It is quite natural, therefore, that these customers would be guilty of some overzealousness in their precautions against offending their suppliers.

Second, the benefits which might have been revealed have been obscured by the fact that immediately after the system was abandoned in these industries, base prices were raised. Many customers who are relatively better off without the system have, therefore, only the knowledge that they are paying higher delivered costs for their supplies than they did before the system was dropped. It should be clear, however, that the raising of base prices was not a result of dropping the basing-point system or the court decisions which went against the system. The fact is that under the conditions of shortages which prevailed the base prices could have been raised under any system of pricing. Prices were raised several times before the basing-point system was dropped, and they were raised several times after the system was dropped. Yet it must be recognized that even greater price raises could have been made than were made. A substantial gray market in steel prevailed both before and after the basing-point system was declared illegal. This is conclusive evidence that the steel producers were not charging the very highest price the market would bear; and it is also conclusive evidence that prices could have been raised with ease under either system of pricing.

A third reason why the benefits of dropping the basing-point system have been understated lies in the very complex nature of the economic factors involved in this question. A successful appraisal of the economic effects of this system requires careful study and analysis; and an adequate picture cannot be had by the necessarily hasty surveys upon which some of the conclusions urged upon us have been reached. The study made for the New England council investigated some of these hasty surveys, and the report submitted to the council has this to say of their adequacy:

> The Capehart committee has sent to trade associations a list of questions in which it is interested. These questions constitute in themselves sufficient criticism of most of the "quickie" surveys which are currently being made. It will be impossible on the basis of most of the "quickie" surveys to supply the answers to the questions asked by the Capehart committee. Because of this fact I think that businessmen, who are bothered by too many questionnaires anyway, have a legitimate reason for complaint that their own associations have wasted their time by asking them questions which will not supply adequately the information needed by the congressional investigation of this subject.

A more adequate trial period is needed. And this is, I believe, a trial period which the basing-point industries can well afford. Their profits are in no immediate jeopardy. According to a compilation appearing in the Wall Street Journal of May 10, earnings of the top 27 steel companies in the first quarter of this year were 66 percent greater than in the similar period of last year. The United States Steel Corp. reported for this quarter its greatest earnings since the third quarter of 1929. Moreover, Mr. Irvin S. Olds, chairman of the board, stated that he foresees no reduction in prices or cutbacks in production—Wall Street Journal May 5, 1949.

Similarly, Mr. Eugene V. Grace, chairman of the board of Bethlehem Steel, stated on April 28, that he saw no prospects of any immediate reduction in steel prices, and that he was "satisfied" that second quarter operations will be at capacity production—Wall Street Journal, April 29, 1949.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2282. An act to make certain Government-owned facilities available for international broadcasting in the furtherance of authorized programs of the Department of State, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on June 30, 1949, present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 834. An act to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes;

H. R. 3083. An act making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 3088. An act to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes;

H. R. 3549. An act to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund;

H. R. 5044. An act to continue for a temporary period certain powers, authority, and discretion in respect to tin and tin products conferred upon the President by the Second Decontrol Act of 1947, and for other purposes;

H. J. Res. 240. Joint resolution authorizing the erection in the District of Columbia of a statue of Simon Bolivar; and

H. J. Res. 284. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes.

ADJOURNMENT

Mr. MILES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 34 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 6, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

738. A letter from the Secretary of the Navy, transmitting a report of proposed transfer of boats to the Junior Midshipmen of America, Inc., New London, Conn.; to the Committee on Armed Services.

739. A letter from the Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LYLE: Committee on Rules. House Resolution 277. Resolution for the consideration of S. 1008, an act to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, without amendment (Rept. No. 968). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EBERHARTER:

H. R. 5486. A bill to amend certain provisions of the Internal Revenue Code to permit the use of additional means, including stamp machines, for payment of tax on distilled spirits, modify loss for the transfer and redistillation of spirits, allowances for distilled spirits, and for other purposes; to the Committee on Ways and Means.

By Mr. HOBBS:

H. R. 5487. A bill to provide for the review of orders of the Federal Communications Commission under the Communications Act of 1934, as amended, and of certain orders of the Secretary of Agriculture made under the Packers and Stockyards Act, 1921, as amended, and the Perishable Agricultural Commodities Act, 1930, as amended, and of orders of the United States Maritime Commission under the Shipping Act, 1916, as amended, and the Intercoastal Shipping Act, 1933, as amended; to the Committee on the Judiciary.

H. R. 5488. A bill to provide for the review of certain orders of the Interstate Commerce Commission and giving the United States courts of appeals jurisdiction on review to enjoin, set aside, or suspend such orders; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 5489. A bill to ratify and confirm act 251 of the session laws of Hawaii, 1949; to the Committee on Public Lands.

H. R. 5490. A bill to enable the Legislature of the Territory of Hawaii to authorize the county of Kauai, Territory of Hawaii, to issue public-improvement bonds; to the Committee on Public Lands.

By Mr. JOHNSON:

H. R. 5491. A bill to authorize the Secretary of the Army to make an allowance toward the expense of placing headstones or markers on certain graves; to the Committee on Armed Services.

By Mr. MULTER:

H. R. 5492. A bill to increase the salaries of Federal judges and the compensation of Members of Congress, and heads and assistant heads of executive departments and independent agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. COLE of Kansas:

H. R. 5493. A bill to amend paragraph 1772 of the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. MANSFIELD:

H. R. 5494. A bill to authorize the Secretary of State to provide for the relief of Chinese students; to the Committee on Foreign Affairs.

By Mr. JUDD:

H. R. 5495. A bill to authorize the Secretary of State to provide for the relief of Chinese students; to the Committee on Foreign Affairs.

By Mr. BURKE:

H. J. Res. 288. Joint resolution making provision with respect to the display of the flag on election days; to the Committee on the Judiciary.

By Mr. ANGELL:

H. Con. Res. 98. Concurrent resolution relating to refunds of excess premiums on national service life-insurance policies; to the Committee on Veterans' Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California memorializing the President and the Congress of the United States relative to the oriental fruit-fly; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to Federal control of forest-cutting practices; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. H. CARL ANDERSEN:

H. R. 5496. A bill for the relief of Astrid Annie Antonia Lydborn; to the Committee on the Judiciary.

By Mr. BARTLETT:

H. R. 5497. A bill to restore certain land in Alaska to the public domain and to authorize its sale to George Gilbertson and Arthur Anderson, of Fairbanks, Alaska; to the Committee on Public Lands.

By Mr. GORE:

H. R. 5498. A bill for the relief of Felix Dinges Stanton; to the Committee on the Judiciary.

By Mr. GOSSETT:

H. R. 5499. A bill for the relief of John S. Erwin; to the Committee on the Judiciary.

By Mr. HESELTON:

H. R. 5500. A bill for the relief of Leonard Appleton; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 5501. A bill for the relief of George H. Wadsworth and Pearl Wadsworth; to the Committee on the Judiciary.

By Mr. VELDE:

H. R. 5502. A bill for the relief of Marino Demarini; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1224. By Mr. HOPE: Petition of Kansas Society of the Sons of the American Revolution by Mr. Nathan B. Thompson, president, and Mr. Ambrose W. Deatrick, secretary, for redress of grievances; to the Committee on Rules.

1225. By Mr. NORBLAD: Petition signed by Ivan C. Beers, of Woodburn, Oreg., and 185 other citizens of the State of Oregon, protesting against enactment of legislation which will authorize our Government or any bureau thereof to dispense, control, or finance medical care to the citizens of the United States; to the Committee on Interstate and Foreign Commerce.

1226. Also, petition signed by Harry A. Brown, of Salem, Oreg., and 128 other citizens of the State of Oregon, protesting against enactment of legislation which will authorize our Government or any bureau thereof to dispense, control, or finance medical care to the citizens of the United States; to the Committee on Interstate and Foreign Commerce.

1227. Also, petition signed by Joseph W. Hutchison, of Salem, Oreg., and 129 other citizens of the State of Oregon, protesting against enactment of legislation which will authorize our Government or any bureau thereof to dispense, control, or finance medical care to the citizens of the United States; to the Committee on Interstate and Foreign Commerce.

1228. Also, petition signed by Dr. Victor E. Johnson, of Willamina, Oreg., and 165 other citizens of the State of Oregon, protesting against enactment of legislation which will authorize our Government or any bureau thereof to dispense, control, or finance medical care to the citizens of the United States; to the Committee on Interstate and Foreign Commerce.

1229. Also, petition signed by Ogden Cameron, of McMinnville, Oreg., and 195 other citizens of the State of Oregon, protesting against enactment of legislation which will authorize our Government or any bureau thereof to dispense, control, or finance medical care to the citizens of the United States; to the Committee on Interstate and Foreign Commerce.

1230. Also, petition signed by F. A. Hammer, of Newberg, Oreg., and 182 other citizens of the State of Oregon, protesting against enactment of legislation which will authorize our Government or any bureau thereof to dispense, control, or finance medical care to the citizens of the United States; to the Committee on Interstate and Foreign Commerce.

1231. Also, petitions signed by Joe R. Teeters of Corvallis, Oreg., and 114 other citizens of the State of Oregon, protesting against enactment of legislation which will authorize our Government or any bureau thereof to dispense, control, or finance medical care to the citizens of the United States; to the Committee on Interstate and Foreign Commerce.

1232. Also, petitions signed by Edith Plank of Toledo, Oreg., and 204 other citizens of the State of Oregon, protesting against enactment of legislation which will authorize our Government or any bureau thereof to dispense, control, or finance medical care to the citizens of the United States; to the Committee on Interstate and Foreign Commerce.

1233. By the SPEAKER: Petition of Oliver Lee Decatur, Atlanta, Ga., petitioning consideration of his resolution with reference to his petition of grievance, and asking for an investigation of the United States district court judge connected with his case; to the Committee on the Judiciary.

1234. Also, petition of New Jersey Chapter, No. 4, Knights of Columbus, Sayreville, N. J., petitioning consideration of their resolution with reference to requesting to be placed on record as condemning the so-called public education assistance bill of 1949, generally referred to as the Barden bill; to the Committee on Education and Labor.

1235. Also, petition of Chicago Typographical Union, No. 16, Chicago, Ill., petitioning consideration of their resolution with reference to requesting repeal of the Taft-Hartley Act, and enactment of the Thomas-Lesinski

labor bill; to the Committee on Education and Labor.

1236. Also, petition of Lawrence Ryan and sundry other citizens of Van Nuys, Calif., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1237. Also, petition of Clarissa Young and sundry other citizens of Chambersburg, Pa., requesting the passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1238. Also, petition of John B. Olson and sundry other citizens of Bristol, S. Dak., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1239. Also, petition of Belia A. Milne and sundry other citizens of Bellingham, Wash., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1240. Also, petition of L. K. Goodwin and sundry other citizens of Hoquiam, Wash., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1241. Also, petition of Merton H. Bartlett and sundry other citizens of West Palm Beach, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1242. Also, petition of Mrs. Agnes G. Shankle, General Welfare Federation of America, Washington, D. C., petitioning consideration of their resolution with reference to presenting four petitions, containing a total of 62 signatures for L. W. Lewis, president of Liberty Pension Club, General Welfare Federation of America, endorsing House bill 2620, calling for an old-age pension; to the Committee on Ways and Means.

1243. Also, petition of Ralph O. Cox, and sundry other citizens of Marion, Ind., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1244. Also, petition of Mrs. W. J. Dale and sundry other citizens of Erie, Pa., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1245. Also, petition of Tomo Glumac and sundry other citizens of Pittsburgh, Pa., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1246. Also, petition of Lillian M. Shane and sundry other citizens of Tarentum, Pa., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1247. Also, petition of Mrs. Hughy Holt and sundry other citizens of Abilene, Kans., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1248. Also, petition of Barbara B. Grimm and sundry other citizens of Beloit, Kans., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1249. Also, petition of Mrs. Ruth Delventhal and sundry other citizens of Wichita, Kans., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1250. Also, petition of George T. Pickett and sundry other citizens of Newllane, La., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1251. Also, petition of L. U. Todd and sundry other citizens of Winona, Minn., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1252. Also, petition of Mrs. M. E. Hood and sundry other citizens of Townsend Club No. 9, San Antonio, Tex., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1253. Also, petition of Jens Stensgaard and sundry other citizens of Seattle, Wash., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1254. Also, petition of Mr. and Mrs. W. W. Goodrow and sundry other citizens of Sedro Woolley, Wash., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1255. Also, petition of Nick Anderson and sundry other citizens of Tacoma, Wash., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1256. Also, petition of Mrs. Mervia Henry and sundry other citizens of Orlando, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1257. Also, petition of Mrs. A. J. Priest and sundry other citizens of Tampa, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1258. Also, petition of H. C. Curtis and sundry other citizens, requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

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# SENATE

## WEDNESDAY, JULY 6, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of our fathers, to whose kingdom of truth and love and justice the future belongs, it is Thy might which hath made and preserved us a Nation. Our fathers trusted in Thee and were not confounded. In Thee we trust. In these desperate and dangerous days, when evil forces without pity or conscience seek to degrade the human mind and spirit and threaten all the things we hold nearest our hearts, strengthen our will, that democracy's swift sword of moral might may stay aggressors and bring hope to men everywhere whose ruling passion is to be free. May we clearly see and faithfully follow the things that belong to our peace and to the peace of the world. Amen.

### THE JOURNAL

The VICE PRESIDENT. Does the Senator from Illinois desire to have the reading of the Journal dispensed with?

Mr. LUCAS. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, July 5, may be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

One good thing about this Chamber is that the Chair can sit here and talk with individual Senators as he would at home. The Chair likes it.

Mr. WHERRY. Would the Vice President mind talking with me for a moment? [Laughter.]

Mr. TOBEY. I suggest that the Vice President speak louder.

The VICE PRESIDENT. The Chair would like to ask whether Senators have any difficulty in hearing him?

SEVERAL SENATORS. "No."

OTHER SENATORS. "Yes."

The VICE PRESIDENT. Well, it seems to the Chair that from the place he occupies he can hear a pin drop in the Senate Chamber.

Mr. VANDENBERG. When was that, may I ask?

The VICE PRESIDENT. The Chair heard one drop yesterday. [Laughter.]

### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

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| Aiken | Hill | Murray |
| Anderson | Hoey | Neely |
| Baldwin | Hunt | O'Conor |
| Brewster | Ives | O'Mahoney |
| Butler | Johnston, S. C. | Pepper |
| Byrd | Kefauver | Robertson |
| Cain | Kem | Russell |
| Capehart | Kerr | Saltonstall |
| Chapman | Kilgore | Schoeppel |
| Chavez | Knowland | Smith, Maine |
| Connally | Langer | Smith, N. J. |
| Cordon | Lodge | Sparkman |
| Donnell | Long | Stennis |
| Douglas | Lucas | Taft |
| Downey | McCarran | Taylor |
| Ecton | McCarthy | Thomas, Utah |
| Ferguson | McClellan | Thye |
| Flanders | McFarland | Tobey |
| Frear | McGrath | Tydings |
| Fulbright | McKellar | Vandenberg |
| Gillette | Magnuson | Watkins |
| Graham | Martin | Wherry |
| Green | Maybank | Wiley |
| Gurney | Miller | Williams |
| Hayden | Millikin | Withers |
| Hendrickson | Mundt | Young |

Mr. LUCAS. I announce that the Senator from Colorado [Mr. JOHNSON], the Senator from Pennsylvania, [Mr. MYERS], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business in meetings of committees of the Senate.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Texas [Mr. JOHNSON] are absent on public business.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America, to the Second World Health Organization Assembly, meeting at Rome, Italy.

The Senator from Georgia [Mr. GEORGE] and the Senator from Florida [Mr. HOLLAND] are absent by leave of the Senate.

The Senator from Connecticut [Mr. MCMAHON] is absent on official business, presiding at a meeting of the Joint Committee on Atomic Energy in connection with an investigation of the affairs of the Atomic Energy Commission.

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are absent on official business.

The Senator from Iowa [Mr. HICKENLOOPER] is in attendance at a meeting of the Joint Committee on Atomic Energy.

The Senator from Ohio [Mr. BRICKER], the Senator from Nevada [Mr. MALONE], the Senator from Oregon [Mr. MORSE], and the Senator from Kansas [Mr. REED] are detained on official business.

By order of the Senate, the following announcement is made:

The members of the Joint Committee on Atomic Energy are in attendance at a meeting of the joint committee in connection with an investigation of the affairs of the Atomic Energy Commission.

The VICE PRESIDENT. A quorum is present.

MOTION PICTURES OF THE SENATE

Mr. LUCAS. Mr. President, yesterday I obtained the unanimous consent of the Senate that four photographers be permitted to take pictures of the Senate in action. Later two motion-picture cameramen made a request that they also be permitted to take pictures, which request I granted to them yesterday. I now find that two more motion-picture cameramen desire to take pictures of the Senate in action today. This request, I assure the Senate, will be the last. They have agreed that no more pictures will be taken. Therefore, I ask unanimous consent that the two motion-picture cameramen be permitted to take pictures of the Senate while it is in action, without disturbing the proceedings of the Senate.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, may I suggest to the distinguished majority leader that I feel there will be less confusion if they take the pictures before the speeches on the North Atlantic Treaty are commenced? I think it would be very timely for them to take the pictures while insertions are being made in the RECORD. I believe the taking of pictures would detract somewhat from the attention which should be paid to the speakers on this important subject. I simply offer that as a suggestion.

Mr. LUCAS. They will proceed to take pictures immediately after the unanimous-consent request has been agreed to by the Senate. One will be posted in the gallery and another one in the rear of the Senate Chamber.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. TOBEY. Mr. President, my remarks are directed toward the Vice President. I call his attention to the fact that when the unanimous-consent request was made by the majority leader that motion-picture cameramen be permitted to photograph the Senate in action, the Vice President propounded the question: "Is there objection?" It seemed to me, Mr. President, that that question was entirely surplusage, for as we have scanned the history of the Senate down through the years have we ever found one instance when a Senator refused to have his picture taken, or objected to it being taken?

The VICE PRESIDENT. The query was prompted by the belief that the Senate is growing more modest every day.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions, submit petitions and memorials, and incorporate other routine matters into the RECORD, as though we were in the morning hour, and without debate

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. WHERRY. Mr. President, may I ask the distinguished majority leader if the program for today will include the calling of unobjected-to bills on the Legislative Calendar? Some Senators are very anxious that it be called today. From the observations made by the majority leader yesterday I thought the calendar might be called late this afternoon.

Mr. LUCAS. My reply to the able Senator from Nebraska is "Yes"; there is a possibility that the calendar will be called. It is my understanding that after the Senator from Michigan [Mr. VANDENBERG] concludes his address, the Senator from Utah [Mr. THOMAS] desires to have some time upon the North Atlantic Treaty. After the two addresses shall have been concluded we will then be guided in our actions accordingly.

Mr. WHERRY. I thank the distinguished majority leader.

ADMONITION AS TO CONVERSATION

Mr. LUCAS. Mr. President, there is one more suggestion the majority leader desires to make. We are obviously operating in cramped quarters, and the newspapermen are having a little difficulty at times in hearing what is going on in the Senate Chamber. That is especially true if Senators in front of them are conversing. They made that modest complaint to me yesterday, and I thought that in view of the fact that they are operating under somewhat of a handicap, I would try to accommodate them by asking Senators sitting directly in front of the newspapermen to be as quiet as possible in conversation.

The VICE PRESIDENT. As the Chair suggested yesterday, from this vantage point a whisper is audible. It may be that this dome muffles voices up here, but from here any sort of noise is easily audible. The Chair repeats his request that Senators refrain from conversation, and that if they are compelled to converse, to do so in a whisper. It may be necessary to revive the art of whispering in order to comply with that suggestion; but no one who does not sit up here can appreciate how perfectly audible everything in this Chamber is.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred, as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation as well as a list of the persons involved, together with a complete and detailed statement of the facts and pertinent provisions of law as to each alien and the reason for ordering suspension of deportation (with accompanying papers); to the Committee on the Judiciary.

PROPOSED TRANSFER BY NAVY DEPARTMENT OF NAVAL MOTORBOATS TO JUNIOR MIDSHIPMEN OF AMERICA, INC., NEW LONDON, CONN.

A letter from the Secretary of the Navy, reporting, pursuant to law, that the Junior Midshipmen of America, Inc., of New London, Conn., a nonprofit organization, had requested the Navy Department to transfer three motorboats to be used in training boys in seamanship, navigation, boat handling and related subjects; to the Committee on Armed Services.

USE OF CERTAIN SURPLUS PROPERTY BY INDIANS

A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation to make available for Indian use certain surplus property at the Wingate Ordnance Depot, New Mexico (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

Three joint resolutions of the Legislature of the State of California; to the Committee on Agriculture and Forestry:

"Senate Joint Resolution 31

"Joint resolution relative to Federal control of forest-cutting practices

"Whereas the State of California, realizing the importance of sound management of its pivately owned forest resources to the economic well-being of the State, is discharging its responsibilities in relation thereto by protecting such forests from damage by fire, insects, and disease by control methods and by an educational program for the public in using care with fire; and

"Whereas said State is leading the way to improved forest management through its Forest Practice Act in cooperation with the forest industry, and administered by the State Division of Forestry, thereby assuring continuous production of forest resources; and

"Whereas legislation has been introduced into the Eighty-first Congress, namely, S. 1820, which, if enacted into law, would place forest practices control of California's commercial timberland under the dominance of Washington agencies; and

"Whereas the California State Board of Forestry has declared it to be the policy of the board of forestry to favor only such State regulation of forest-cutting practices on private timberlands in California as are deemed advisable and necessary reasonably to assure continuous production of California's forest resources and has opposed Federal influence or control of such forest practices; Now, therefore, be it

*"Resolved by the Senate and Assembly of the State of California (jointly)*, That the Legislature of the State of California opposes the enactment of S. 1820 which would place forest-cutting practices under Federal control; and be it further

*"Resolved*, That the secretary of the senate is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Secretary of Agriculture, and to each Senator and Representative from California in the Congress of the United States."

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"Senate Joint Resolution 33

"Joint resolution relative to memorializing the President and the Congress of the United States in relation to the oriental fruitfly

"Whereas the oriental fruitfly (Dacus dorsalis) was introduced into the Hawaiian

Islands during the war and has since spread throughout those islands to such an extent that many branches of the agricultural industry therein have been virtually destroyed; and

"Whereas the oriental fruitfly is extremely vigorous and hardy and is not susceptible to any effective measure of control or eradication, and if such pest obtains a foothold on the mainland of the United States it would spread over a large territory and cause losses to the agricultural industry which would be calamitous; and

"Whereas it is likely that this pest, if it finds a foothold in the mainland will first be found in small numbers in the vicinity of ocean ports and airports, although the possibilities of its entry overland should not be discounted; and

"Whereas it is fundamentally important that unceasing vigilance be maintained to detect the presence of this pest when it first appears and to destroy it before it has a chance to spread; and

"Whereas the destruction of the pest will necessarily involve the destruction of the fruits or other plants upon which it is found and it is only to be expected that some of the owners of such fruit or plants would hesitate to cooperate in the matter if they knew that their property would be destroyed without compensation; and

"Whereas if provision were made whereby the owners of fruit and other plants which might be found to be hosts of oriental fruitfly could be compensated for the value of the property destroyed such owners would be encouraged to report the existence of the pest to the proper officers and otherwise to cooperate more freely in the necessary preventive measures: Now, therefore, be it

*"Resolved by the Senate and the Assembly of the State of California (jointly)*, That the Legislature of the State of California hereby respectfully memorializes and urges the President and the Congress of the United States to take such steps as may be necessary to assure that the oriental fruitfly (Dacus dorsalis) shall not be permitted to be introduced upon the mainland of the United States, and to include in such preventive measures provision for the reimbursement of the owners of fruit and other plants which are destroyed to prevent the entry and spread of such pest for the loss suffered by such owners; and be it further

*"Resolved*, That the secretary of the senate is directed to transmit copies of this resolution to the President and the Vice President of the United States, the Speaker of the House of Representatives and to each Senator and Member of the House of Representatives from California in the Congress of the United States."

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"Senate Joint Resolution 34

"Joint resolution relative to memorializing the Congress of the United States in relation to providing facilities for the prevention of the spread of oriental fruitfly from the Hawaiian Islands to the mainland

"Whereas a subcommittee of the joint legislative committee on agricultural and livestock problems of the California legislature recently made a trip to the Hawaiian Islands to investigate the oriental fruitfly situation; and

"Whereas the members of said subcommittee have reported that the employees of the Federal Government whose work involves the prevention of the spread of oriental fruitfly are doing an excellent job in view of the magnitude of their task and their limited facilities; and

"Whereas said members also report the astonishing fact that there are available only two automobiles for the staff of 46 men engaged in making field inspections and inspections of docks, piers, and airports; and

"Whereas if the oriental fruitfly spreads to the mainland the result will be disastrous not only to the agriculture of California but of the United States as a whole; and

"Whereas the prevention of the spread of this pest to the mainland depends largely upon the little group of Federal employees in the Hawaiians whose efforts alone can prevent these insects from being transported to the United States by ship or airplane; and

"Whereas the fact that ships and airplanes may be inspected upon arrival is of no great consequence because the flies could leave the ship or airplane before it lands and therefore the first and most effective line of defense is in the islands; and

"Whereas the employees upon whom the burden of protecting this country from invasion by an insect pest which might cause more damage than an invading army are being hamstrung in their efforts by not being afforded facilities for doing their work and are practically immobilized so far as effective operations are concerned; and

"Whereas the cost of supplying adequate transportation and other facilities for preventing the oriental fruitfly from coming to the United States from the Hawaiian Islands would be negligible when compared with the potential damage that could result if this pest should get a foothold in the mainland: Now, therefore, be it

*"Resolved by the Senate and the assembly of the State of California (jointly)*, That the Congress of the United States is hereby memorialized and requested to take such steps as may be necessary to provide adequate facilities for the prevention of the spread of the oriental fruitfly from the Hawaiian Islands to the United States, and be it further

*"Resolved*, That the secretary of the senate is directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives and to each Senator and Representative from California in the Congress of the United States."

A petition from Albert Bofman, and sundry other citizens of Chicago, Ill., and vicinity, requesting careful examination of the military appropriation bill for 1950 before any drastic reduction is made; to the Committee on Appropriations.

A letter in the nature of a petition from the Pleasant Plains Grange, Jerome, Idaho, signed by Mrs. Esther Block, secretary, relating to more adequate appropriations for schools and roads; to the Committee on Appropriations.

A resolution adopted by the Sisterhood of Judea Center, Brooklyn, N. Y., protesting against the enactment of legislation providing any change in the present calendar; to the Committee on Foreign Relations.

A resolution adopted by the National Council, Junior Order United American Mechanics of the United States of North America, Inc., assembled in Baltimore, Md., protesting against the participation by the United States in a world government; to the Committee on Foreign Relations.

A resolution adopted by Cooper's International Union of North America, Local No. 48, of Campbellsville, Ky., protesting against any change in the present regulations relating to labeling and advertising of distilled spirits; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the Blessed Martin de Porres Interracial Group of Philadelphia, Pa., relating to certain displaced persons; to the Committee on the Judiciary.

A resolution adopted by the Cinema Educational Guild, of Hollywood, Calif., relating to certain activities of Charles Chaplin; to the Committee on the Judiciary.

A resolution adopted by the American Association of Medical Milk Commissions, Inc., and the Certified Milk Producers' Association of America, Inc., of New York, N. Y., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by New Jersey Chapter, No. 4, Knights of Columbus, protesting against the enactment of the so-called Barden bill, providing public education assistance; to the Committee on Labor and Public Welfare.

A resolution adopted by the National Council, Junior Order United American Mechanics of the United States of North America, Inc., assembled in Baltimore, Md., protesting against the enactment of legislation providing Federal aid to education; to the Committee on Labor and Public Welfare.

A petition signed by Evert A. Stout, and sundry other veterans enrolled in the Huff College, Kansas City, Mo., praying for enactment of Senate bill 1150, establishing a procedure by which the Administrator may assure veterans full educational and training opportunities commensurate with the tuition charged by educational and training institutions, and for other purposes; to the Committee on Labor and Public Welfare.

A resolution adopted by the Board of Commissioners of the city of Newark, N. J., relating to Federal aid for hospital construction; to the Committee on Labor and Public Welfare.

## REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. McGRATH, from the Committee on the District of Columbia:

S. 1128. A bill to amend the act entitled "An act to regulate the practice of podiatry in the District of Columbia; without amendment (Rept. No. 612);

S. 1931. A bill to amend the act of June 6, 1924, as amended, relating to the National Capital Park and Planning Commission; with an amendment (Rept. No. 613); and

H. R. 2799. A bill to amend the act entitled "An act regulating the retent on contracts with the District of Columbia," approved March 31, 1906; without amendment (Rept. No. 614).

## REPORTS OF PERSONNEL AND FUNDS BY COMMITTEES

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following reports were received by the Secretary of the Senate:

JUNE 30, 1949.

REPORT OF COMMITTEE ON PUBLIC WORKS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 3 to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Frank Burnett, chief clerk | $10,330.00 | $4,304.65 |
| E. W. Bassett, professional staff | 10,330.00 | 5,165.00 |
| Theo W. Sneed, professional staff | 9,854.04 | 4,821.69 |
| Ronald Moist, professional staff | 10,330.00 | 3,443.72 |
| William A. Stevens, professional staff | 10,330.00 | 860.93 |
| Eloise Porter, clerical staff | 6,025.56 | 2,978.30 |
| Priscilla E. Cordova, clerical staff | 6,025.56 | 2,476.17 |
| Frances A. Stovall, clerical staff | 4,949.73 | 2,474.86 |
| Margaret Adair, clerical staff | 4,949.73 | 1,649.88 |
| Margaret Miller, clerical staff | 4,204.80 | 700.80 |
| Mary Batalo, clerical staff | 3,625.51 | 604.24 |
| Dorothy Kramer, clerical staff | 3,791.04 | 631.84 |
| Arthur Burgess, clerical staff | 5,611.84 | 1,870.60 |
| Oren L. Jones, clerical staff | 10,330.00 | 1,291.24 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $10,000.00 |
| Amount expended | 1,494.77 |
| Balance unexpended | 8,505.23 |

DENNIS CHAVEZ,
*Chairman.*

JULY 6, 1949.

REPORT OF COMMITTEE ON POST OFFICE AND CIVIL SERVICE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1 to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Betsch, Lorena, clerical assistant, to Jan. 15 | $4,287.62 | $178.65 |
| Bobo, Virginia, assistant chief clerk, from Jan. 16 | 4,618.68 | 2,116.89 |
| Brawley, H. W., assistant staff director, from Feb. 1 | 10,330.00 | 4,047.08 |
| Burnett, Frank, staff member, Jan. 1-31 | 8,590.09 | 715.84 |
| Chrissos, Costas D., clerical assistant | 4,204.86 | 2,488.64 |
| Fox, Thomas F., clerical assistant, to Feb. 15 | 5,611.84 | 711.81 |
| Gayden, Mrs. Doris, clerical assistant, to Jan. 15 | 3,377.22 | 140.71 |
| Homan, Colette, clerical assistant, to Mar. 15 | 4,287.62 | 1,006.68 |
| House, Linda C., clerical assistant, from Mar. 16 | 3,791.04 | 1,105.72 |
| Latimer, J. Austin, staff director and chief clerk, from Jan. 16 | 10,330.00 | 4,734.56 |
| Lynott, Dorothy, clerical assistant, to Mar. 1 | 4,287.62 | 714.60 |
| Morgan, Ethel, clerical assistant, from Mar. 1 | 3,956.56 | 1,318.84 |
| Phenix, John D., statistician, to Feb. 28 | 10,330.00 | 1,721.66 |
| Riley, George D., staff member, to Feb. 28 | 10,330.00 | 1,721.66 |
| Shawn, E. Luise, clerical assistant, from Feb. 16 | 3,956.56 | 1,483.69 |
| Ulsrud, Jennie, staff member, from Jan. 17 | 10,330.00 | 4,705.87 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $10,000.00 |
| Amount expended | 3,566.89 |
| Balance unexpended | 6,433.11 |

OLIN D. JOHNSTON,
*Chairman.*

JULY 6, 1949.

REPORT OF SUBCOMMITTEE ON POST OFFICE AND CIVIL SERVICE

(Subcommittee operating under S. Res. 78, agreed to April 11, 1949)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period of March 1 to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Homan, Colette, clerical assistant | $4,204.86 | $1,226.40 |
| Lynott, Dorothy, clerical assistant | 3,956.56 | 1,318.84 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $5,000.00 |
| Amount expended for salary only | 2,545.24 |
| Balance unexpended | 2,454.76 |

OLIN D. JOHNSTON,
*Chairman.*

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PEPPER:

S. 2193. A bill to require distinctive containers for certain poisonous drugs; to the Committee on Labor and Public Welfare.

By Mr. CORDON (for himself and Mr. MORSE):

S. 2194. A bill to authorize the construction of a dam and dike to prevent the flow of tidal waters into the Kentuck Slough, Coos County, Oreg.; to the Committee on Public Works.

By Mr. MILLER:

S. 2195. A bill to authorize the Palisades Dam and Reservoir project, to authorize the North Side pumping division and related works, to provide for the disposition of reserved space in American Falls Reservoir, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON:

S. 2196. A bill to legalize maritime hiring halls; to the Committee on Labor and Public Welfare.

By Mr. MAYBANK:

S. 2197. A bill to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington the power to guarantee United States investments abroad; to the Committee on Banking and Currency.

By Mr. CONNALLY:

S. 2198. A bill to extend the time for commencing the construction of a toll bridge across the Rio Grande at or near Rio Grande City, Tex., to July 31, 1950; to the Committee on Foreign Relations.

By Mr. KNOWLAND:

S. 2199. A bill for the relief of Mrs. Amalia Sanders and her son, Filip Salomon Sanders; to the Committee on the Judiciary.

S. 2200. A bill to repeal section 2 of the act of February 20, 1931 (Public Law 695, 71st Cong., 46 Stat. 1192); to the Committee on Public Works.

By Mr. JOHNSON of Colorado (by request):

S. 2201. A bill amending section 2 of the act of March 3, 1901 (31 Stat. 1449), to provide basic authority for the performance of certain functions and activities of the National Bureau of Standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

## INVESTIGATION OF PROBLEMS INVOLVED IN FEDERAL FINANCING OF PRESIDENTIAL ELECTION CAMPAIGNS

Mr. LODGE. Mr. President, I submit for appropriate reference a resolution which requires the Committee on Rules and Administration of the Senate to study, formulate, and report to the Senate legislation providing for the public financing of presidential campaigns to the exclusion of all other methods of financing, and I ask unanimous consent that an explanatory statement by me, together with three newspaper articles may be printed in the RECORD.

The VICE PRESIDENT. The resolution will be received and appropriately referred, and, without objection, the statement and newspaper articles will be printed in the RECORD.

The resolution (S. Res. 132) was referred to the Committee on Rules and Administration, as follows:

*Resolved*, That the Senate Committee on Rules and Administration is authorized and directed to make a full and complete study and investigation for the purpose of obtaining such information with respect to the problems involved in financing with governmental funds presidential election campaigns in the United States as may be necessary to enable the committee to formulate and report to the Senate at the earliest practicable date a bill providing for such method of financing presidential election campaigns.

The explanatory statement presented by Mr. LODGE is as follows:

STATEMENT BY SENATOR LODGE

There is probably not a man in public life today who does not realize that our system of financing presidential campaigns by means of contributions from individuals and officers of corporations has led in the past—and continues to lead today—to most unfortunate, unhealthy, and sometimes pernicious results. This is because many of those who make these contributions do so in the expectation that there will be value received in return for their generosity. This may take differing forms, one of which is an appointment to some executive post in the Government.

As long as we permit such contributions we will always hear talk of an office market in government, regardless of which party is in power, for the problem is definitely not a partisan one. Lately there have been many such rumors.

Senators may have read the report that one ambassadorship will shortly be sold, as one newspaper columnist has put it, "for cash on the barrelhead."

We have heard that another highly placed official owes at least to some degree his present office to the fact that he rendered valuable and substantial financial services in time of dire need. This is unfair to the official, assuming that he has other qualifications. In case money-raising is his only aptitude, the result is unfair to the country.

It is commonly said that another distinguished public servant was frowned on in high places because he did not participate in the financing of the last presidential campaign.

It is also reported that one of our Ambassadors has exposed himself to complaints in high official quarters because he did not contribute.

We are frequently told that big contributors, working through the national committees of the major parties, exert influence on policy, not because of their qualities of wise statesmanship, but because of the money they can raise.

The newspapers constantly hint that the Air Force's procurement policies stem directly from the fact that various persons occupying strategic positions in private life have made contributions to presidential campaigns.

Mr. President, I do not know how true any of these reports may be. But I do know that it is a bad system which can give rise to such reports—and which always will give rise to such reports regardless of what party is in power.

All this talk of an "office market," and of putting high executive and diplomatic positions on the auction block—all this breeding of suspicion and cynicism would disappear, I believe, overnight if the primary cause of the evil were obliterated at its roots.

If no private individual or officer of a corporation were permitted by statute to contribute one cent to a presidential campaign, there would be a far cleaner atmosphere surrounding political appointments, and this would encourage public-spirited men holding public office.

If there are no bidders, there can be no auction.

For that reason, I believe it to be of the highest importance that the Senate have before it legislation which would prohibit private contributions to presidential campaigns. This resolution, therefore, directs the Rules and Administration Committee to give its consideration to means whereby presidential campaigns can be financed out of the public Treasury. Obviously, there are many details which would have to be

carefully studied and worked out. I believe that the Rules Committee has the competence to find an effective means whereby this end could be accomplished.

While the same principle could doubtless be applied to other offices, the fact is that the presidential office, because of the many important appointments which it makes, is in a class by itself and it is in connection with inadequate appointments to important offices which the President may be constrained to make that the present system can do its greatest harm.

The principle of such a procedure is sound from both the negative and positive side. On the negative side, there would be abolished for once and for all any inclination for successful presidential candidates or those close to them to trade appointments for cash contributions. On the positive side, we would have the public at large supporting to an equal degree the expenses necessarily incident to a presidential campaign, such as advertising, travel, secretarial help, etc. Some say it would cost six or seven million dollars. This is not too high a price to pay if it left the President completely free to make all his big appointments on merit.

In the broadest and highest sense of the term, a campaign is an attempt to educate the public. Candidates for the office of Chief Executive certainly should have the means to carry their views directly to the people. And if major candidates are all put on an equal basis with an equal expense account, we would have introduced an element of positive justice into political campaigns which is completely lacking today.

One question which is bound to be asked is whether it is contemplated that the public finance all presidential candidates; in other words, would the taxpayer be called upon to share in meeting the expenses of minor or splinter parties? I think not. Certainly some provision could be made to limit the public financing to the political parties who polled the highest and second highest number of popular votes in the next preceding presidential election.

It should be our everlasting objective to purify as far as we are able the political climate of our country. If by intelligent legislation we can remove the unhealthy atmosphere which surrounds our system of rewarding cash contributions with political appointments or favors, we are that much nearer the goal. This is a principle which we constantly recognize, as for example, in our continuous efforts to perfect the merit system in the civil service. The step which I propose here simply carries this principle into a broader field.

The newspaper articles presented by Mr. LODGE are as follows:

[From the Washington Evening Star of May 25, 1949]

TWO REFORMS POSSIBLE AS SEQUEL TO TRAGIC DEATH OF FORRESTAL—BAN ON CAMPAIGN GIFTS IN NEW CIVIL-SERVICE PLAN URGED BY WRITER

(By David Lawrence)

Two reforms ought to emerge as a sequel to the tragic death of James Forrestal, public servant:

1. The enactment of law forbidding individuals or organizations of any kind, including corporations, to make contributions to the campaign funds expended to elect a President or Vice President of the United States. Congress should appropriate at least $3,000,000 every 4 years to each of the major parties, and a proportionate sum to the minor parties, so that each political party could state its case to the people.

2. The enactment of a new civil-service plan to supplement the existing system, so that men with experience and proven ability in the policy-making departments of the Government may be used in an advisory capacity or rotated from one position to another once they have finished their terms of office. Walter Lippmann has revealed significant conversations on this point which he had with the late Secretary Forrestal.

These two proposals are suggested because they had a part in the circumstances which led to the loss of one of the finest public servants the American Government had ever had.

VICTIM OF INTRIGUE

This correspondent has written about the disappointment Mr. Forrestal felt that he should have been the victim of political intrigue and attacked by persons inside the Truman administration after the November election because he did not contribute financially to the Truman campaign and because he looked on the post of Secretary of Defense as nonpolitical.

There has come to light another piece of evidence as to the controlling part that campaign contributions play in the selection of persons to high positions in the Government. Thus, the text of a letter written by Lewis Douglas, Ambassador to Great Britain, to Louis Johnson, now Secretary of Defense, who was soliciting money for the Truman campaign last summer, has just been published by Drew Pearson. That letter reads in part as follows:

"I came to London not because I wanted to come, for the title of Ambassador holds for me no allurements whatsoever—it never has. It was understood that I would be completely nonpolitical * * * for this reason, even if I had the funds, it would be a mistake for me to make a contribution to the national committee."

The story is that Ambassador Douglas later was considered for the Secretaryship of State by the President, but that Louis Johnson blocked the idea by bringing the abovementioned letter to the attention of Mr. Truman.

With the United States holding such an important responsibility in world affairs today, pressure upon ambassadors and ministers for campaign money is not conducive to nonpolitical service. Nor should the Secretaryship of Defense go to a political partisan. It ought to be a career job.

Mr. Truman himself outlined the need of his campaign for approximately $800,000 one day last summer in a private conference with Mr. Johnson, and the latter agreed to raise this sum of money. Whether the post of Secretary of Defense was definitely promised then or hinted at, or whether the President merely said that Mr. Johnson could later have anything he wanted if the election brought a victory, is immaterial at this time.

COINCIDENCES EXPLAINABLE

The fact remains that Louis Johnson became Secretary of Defense and resigned his position as director and special Washington counsel for the Consolidated Vultee Aircraft Co. It develops that this company is now to receive hundreds of millions of dollars in contracts just placed by the Government for the building of B–36's. It develops also that campaign contributions were made in a private capacity—which is a legal right—by Floyd Odlum of New York, chairman of the board of the Consolidated Vultee Co. The official records in Congress reveal that several other contributions were made through Mr. Odlum to help pay campaign deficits after the election.

These coincidences are fully explainable. After all an individual may make a campaign contribution and ask his friends to do likewise, because he believes in a political cause. And at the same time he can be serving as head of an efficiently operated company, like Consolidated Vultee, which specializes in a certain type of plane and which is capable of fulfilling Government contracts for hundreds of millions of dollars. Likewise, Louis Johnson's prejudices in favor of the B–36's can be a matter of honest conviction. His belief in long-range bombers is not of recent origin. He expounded it against opposition when he was Assistant Secretary of War before the outbreak of World War II.

The point will be raised, however, whether the President of the United States should have to accept contributions from individuals connected with companies holding Government contracts or from anybody else. It is in the public interest that candidates for President of the United States should have a chance to lay their case before the people. Congress should appropriate the money needed for campaign expenses. There never should be any more private contributions to the campaign fund for the election of a President and Vice President or for the election of Senators and Representative in Congress.

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[From the New York Times of May 26, 1949]

THE BITTER YIELD OF POLITICS AND POWER

(By Arthur Krock)

WASHINGTON, May 25.—Two congressional investigations are now in view that can have unfortunate effects on national security, though not necessarily so. That will depend on the caliber of the Senate and House committees which will inquire into the administrative record of the Atomic Energy Commission and the procurement policy of the Air Force. And it will depend only less so on the degree to which official witnesses accept the fact that they are answerable to Congress as well as to the Executive.

The method by which political campaigns are financed in this country stimulated the call for the Air Force procurement investigation. The attitude of Chairman Lilienthal of the AEC toward the spirit of the statute he was given to administer foreshadowed the inquiry which very wisely and properly he now has demanded.

The facts which led to the House resolution by Representative Van Zandt today for the Air Force procurement review are briefly these:

Until late in President Truman's campaign for election the Democratic National Committee was desperately hard up. Certain contributors were loath to support what they considered a lost cause, and the usual Democratic sources in the South went dry. At this point Louis Johnson, former Assistant Secretary of War, happened to drop into a meeting where the financial situation was being discussed. Promptly he was drafted to attempt to remedy it. After a talk with the President, in which it is understood he told Mr. Truman about all his business connections—including a directorate of the Consolidated-Vultee, which manufactures the B–36 bomber—he agreed to serve.

Mr. Johnson's service was very effective. He raised at least one and one-half million dollars, paid in before and after the election, and among the large contributors was his business associate, the chairman of Consolidated-Vultee, Floyd Odlum. Not long after the election, when the President and Secretary Forrestal made it clear to the Air Force that its budget would be cut, the Air Force decided that the best interests of national defense required that its big bomber program should be limited to the B–36. This led to the cancellation of large contracts for other types of large bombers which the Air Force contends are more expensive and less satisfactory. The decision was endorsed last January by the Joint Chiefs of Staff, unanimously, and, as the law requires, by the late Secretary Forrestal and the President, as in the national interest.

A recasting of procurement plans which dealt other aircraft manufacturers so hard a blow naturally aroused resentment. This was transmitted to Members of Congress, with some impressive military arguments against it. But inevitably, because of campaign contributions from Mr. Odlum and certain others, and Secretary Johnson's prior

association with Consolidated-Vultee, the protests also aroused suspicion founded in political association. Though Mr. Johnson was not in office until almost April, his subsequent order to stop work on the Navy's supercarrier, which was issued in the train of these events lent strong, new support to the plan, now taking form, to investigate the whole matter.

It is this aspect of the affair that could produce very unfortunate consequences, both in the conduct of the inquiry and in the impression the public may receive. How could it have been avoided? Only by some reform in the method of financing political campaigns that would exclude Government contractors from contributing, and by legislation barring the appointment to office of anyone who ever had an interest in business which had, has, or will have contractual relations with the appointee. A President, of course, could follow the latter rule without any legislation. But Mr. Truman, though Secretary Johnson fully informed him that he was a director and special counsel of Consolidated-Vultee, elected not to do so in this instance.

There is no intention here to suggest that the Air Force procurement program was influenced by any political or personal considerations or that any attempt was made to that purpose. The point is that, in the circumstances, a congressional inquiry with that possibility in mind was inevitable.

Mr. Lilienthal was unlucky in that the revelations about the missing U–235 in the Argonne Laboratory of the AEC, and the admission to AEC fellowships, without security clearance, of one or several Communists, came from outside the Commission and at a time when Congress was examining his proposed budget. But sooner or later the secrecy and exclusion of the military which Congress reluctantly wrote into the AEC statute, and Mr. Lilienthal's full use of these immunities, would have released the criticism against him that now is mounting in Congress. He is prone to lecture legislators on liberalism and to leave an implication that science, even when employed in the atomic program, should not be answerable to Government. Senators like Mr. VANDENBERG and Mr. HICKENLOOPER, who fought for his confirmation when it was bitterly opposed, have become increasingly dissatisfied with his administration of the AEC statute. They feel that his devotion to his political philosophy has too often submerged the requirements of sound management.

Mr. Lilienthal is known among them as the chief opponent of security clearance for the AEC fellows, including statements that he would never agree to what he has since agreed. They find in this a symbol of headstrong courses which, they think, are perilous. Hence when, with no help from the Commission, the recent revelations came, the AEC inquiry was assured.

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[From the Boston Herald of June 4, 1949]

SERIOUS CHARGES

The public will expect the Armed Services Committee of the House of Representatives to look long and carefully at the whole smelly business of military aircraft procurement. The unanimous vote of the committee to make an investigation of the situation assures nonpartisanship in approaching the large task ahead.

Without going into all the details, enough has been said publicly to make things look pretty bad for Secretary Louis Johnson and, perhaps, even President Truman. It is, of course, all inference, and Mr. Johnson should have the opportunity to present fully all of the facts as he knows them.

Here are some of the details which hold the alarming implications. Secretary Johnson was a director of the Consolidated Vultee Corp., which makes the controversial B–36, huge bomber which some Air Force enthusiasts say is all we need to conduct offensive war. On leaving this corporation to become head of the defense establishment, Mr. Johnson was in a position to influence the contract making of the armed services. It is yet to be proven that he did. But the fact remains that subsequently contracts to Consolidated were greatly increased at the expense of other plane manufacturers whose contracts were canceled. Representative JAMES E. VAN ZANDT, of Pennsylvania, says it will cost $100,000,000 just to cancel those other contracts.

The committee must look thoroughly into that whole contract business. But there are other questions to be answered. Was there any connection between Mr. Johnson's bomber enthusiasm and cancellation of the Navy's plans for a super aircraft carrier? Who provided that $1,000,000 or so which Mr. Johnson is reputed to have raised last year for Mr. Truman's election campaign? And, what about the propriety of politicking by such major Cabinet officers as the Secretary of National Defense? President Truman is reported to have resented the refusal of the late Secretary Forrestal to have any part in the election campaign. What does Congress regard as proper in this respect?

In many ways this investigation is much more important than the current trial of Chairman Lilienthal, of the Atomic Energy Commission or the "who perjured most?" Hiss-Chambers trial now going on in New York. The American public has the right to know whether all is on the square at the Pentagon. And enough suggestive statements have been made to entitle Mr. Johnson to a fair hearing. Let's get the facts.

## EXTENSION OF UNEMPLOYMENT ALLOWANCE BENEFITS OF SERVICEMEN'S READJUSTMENT ACT—AMENDMENT

Mr. FREAR submitted an amendment intended to be proposed by him to the bill (S. 1741) to extend the unemployment allowance benefits of the Servicemen's Readjustment Act of 1944 for a period of 2 years, which was referred to the Committee on Labor and Public Welfare, and ordered to be printed.

## PURCHASE OF AUTOMOBILES BY CERTAIN DISABLED VETERANS—ADDITIONAL COSPONSORS OF BILL

Mr. PEPPER. Mr. President, I ask unanimous consent that the names of the Senator from Massachusetts [Mr. LODGE] and the Senator from Connecticut [Mr. BALDWIN] be added as additional cosponsors on the bill (S. 2115) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes.

The VICE PRESIDENT. Without objection, it is so ordered.

## CHANGE OF REFERENCE

On motion by Mr. JOHNSON of Colorado the Committee on Interstate and Foreign Commerce was discharged from the further consideration of the bill (S. 1097) for the relief of Phyllis Hertzog, and it was referred to the Committee on Post Office and Civil Service.

## THE KAISER-PERMANENTE MEDICAL CARE PLAN—STATEMENT BY SENATOR MURRAY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a statement prepared by him on the Kaiser-Permanente medical care plan, which appears in the Appendix.]

## ADDRESS BY FORMER SENATOR MEAD, OF NEW YORK, AT OSWEGO STATE TEACHERS COLLEGE, OSWEGO, N. Y.

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an address delivered by former Senator James M. Mead, of New York, at the alumni-day program of Oswego State Teachers College, Oswego, N. Y., on June 11, 1949, which appears in the Appendix.]

## ADDRESS BY ASSISTANT SECRETARY OF THE INTERIOR AT ST. CROIX NATIONAL MONUMENT

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an address entitled "A Talisman of International Accord," delivered by Assistant Secretary of the Interior C. Girard Davidson, at the St. Croix National Monument, St. Croix Island, Maine, on July 2, 1949, which appears in the Appendix.]

## RECORD OF THE PRESENT CONGRESS—EDITORIAL FROM NEW YORK TIMES

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an editorial entitled "Six Months of Congress," published in the New York Times of July 6, 1949, which appears in the Appendix.]

## BREAK-DOWN OF YALTA AGREEMENTS—ARTICLE BY EDWARD R. STETTINIUS, JR.

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "After Yalta: Why the F. D. R.-Stalin Pacts Broke Down," written by Edward R. Stettinius, Jr., and published in Look magazine for July 5, 1949, which appears in the Appendix.]

## WHAT'S GOOD ABOUT THE NATIONAL DEBT?—ARTICLE BY ROBERT K. PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "What's Good About the National Debt?" written by Robert K. Pepper, which appears in the Appendix.]

## LIBRARY DEMONSTRATION—EDITORIAL FROM WASHINGTON STAR

[Mr. HILL asked and obtained leave to have printed in the RECORD an editorial entitled "Library Demonstration," published in the Washington Star of July 5, 1949, which appears in the Appendix.]

## COMMUNIST PENETRATION OF THE HAWAIIAN ISLANDS—EDITORIALS FROM OMAHA WORLD-HERALD

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "BUTLER Has Something," published in the Omaha World-Herald of June 30, 1949; also an editorial entitled "Hawaii Beckons," published in the Omaha World-Herald of July 3, 1949, which appear in the Appendix.]

## THE ECONOMIC POLICY OF GREAT BRITAIN—EDITORIAL FROM WALL STREET JOURNAL

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an editorial entitled "An Economic Yalta," published in the Wall Street Journal of July 6, 1949, which appears in the Appendix.]

## THE MARITIME CONTRACTS—EDITORIAL FROM NEW YORK TIMES

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an editorial entitled "The Maritime Contracts," published in the New York Times of June 23, 1949, which appears in the Appendix.]

ONE HUNDRED AND FIFTIETH ANNIVERSARY CELEBRATION OF FOUNDING OF FORT ADAMS, R. I.—ADDRESS BY SENATOR GREEN

[Mr. McGRATH asked and obtained leave to have printed in the RECORD an address delivered by Senator GREEN on the occasion of the one hundred and fiftieth anniversary celebration of the founding of Fort Adams, Newport, R. I., July 4, 1949, which appears in the Appendix].

HELL BENT FOR DEMOCRACY'S DESTRUCTION—SPEECH BY C. A. STODDARD

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a speech entitled "Hell Bent for Democracy's Destruction," delivered by C. A. Stoddard, editor of the Craig Empire-Courier, Craig, Colo., which appears in the Appendix.]

LEAVE OF ABSENCE

Mr. SCHOEPPEL asked and obtained consent to be absent from the Senate from tomorrow through Monday next.

THE NORTH ATLANTIC TREATY

The Senate as in Committee of the Whole resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. VANDENBERG. Mr. President, before I proceed to the matter in hand I should like to make a suggestion and submit a request.

In accommodating ourselves to these quarters I thought perhaps an experiment might be useful. Personally I find it very difficult to contemplate speaking to this jury with my back to it constantly throughout the address. Much as I should regret ever to turn my back on the Vice President, nevertheless, under the circumstances, since the votes are down here instead of up there, I venture to suggest that I should like consent to speak from the well of the Senate, so that I may face my auditors.

The VICE PRESIDENT. Is there objection to the request? The Chair will say that while he dislikes to have the Senator from Michigan turn his back on the Chair, in connection with the ratification of a treaty there is no such thing as a tie vote. Therefore the Chair would not be influenced by any speech, because he cannot vote anyway. However, the Chair will enjoy the speech of the Senator from Michigan just the same, and will profit by it.

Is there objection to the request of the Senator from Michigan? The Chair hears none.

Mr. VANDENBERG. Mr. President, I present to the Senate my urgent reasons for supporting the pending North Atlantic Treaty. I believe it is the best available implement to discourage armed aggression and thus to stop another war before it starts.

I recognize there are conscientious differences of opinion on this subject in Congress and the country. Eliminating some self-serving opposition which is clearly inspired by alien influence, I have the greatest respect for the earnest questions that have been raised, in and out of Congress, by loyal citizens whom I do not for an instant confuse with these other opponents to whom I have referred. They perform a public service by putting this treaty to the test. In such circumstance, the treaty must justify itself. I know it can.

Therefore, Mr. President, I shall strive for utmost frankness in my analysis of these issues. The treaty's final authority depends upon the extent of our intellectual conviction that this philosophy of collective action is wise and sound and right. With the indulgence of my colleagues, I shall seek to explore the total subject, pro and con.

For the sake of continuity, I ask to present my preliminary statement without interruption. Thereafter I shall submit to questions. Indeed, I shall welcome them for the same reason that I have welcomed the exhaustive hearings of the Senate Foreign Relations Committee. With open minds we must search the truth. There is no monopoly of truth on either side. But in the unanimous opinion of the Senate Foreign Relations Committee, preponderant reason and logic recommend that the treaty shall be ratified. I dare to hope that the Senate's action similarly shall be by such an eloquent margin that the treaty shall be given maximum impetus and clothed with maximum moral authority in behalf of peace.

No one can say he knows the answer to the peace conundrum which plagues this world. As one witness before our committee rightly said: "We live in unsatisfactory times and must make unsatisfactory choices." Peace is in flux. We are denied the luxury of perfecting our own righteous designs because, while one nation can make war, it takes two or more to plan and keep the peace. I do not know that I am right. But at least I know, as a result of our committee hearings, that my convictions seem to be supported by a great majority of the organized citizenship of the country as expressed by spokesmen for most of our groups in every field of life.

My view is that this treaty is the most sensible, powerful, practicable, and economical step the United States can now take in the realistic interest of its own security; in the effective discouragement of aggressive conquest which would touch off world war three; in the stabilization of western Germany; and, as declared by its own preamble, in peacefully safeguarding the freedoms and the civilization founded on the principles of democracy, individual liberty, and the rule of law. These things, Mr. President, I shall undertake to prove.

Only those without eyes to see and ears to hear can deny that these precious values—far dearer than life itself—are in jeopardy in today's tortured world. It is the overriding fact of life. Sooner or later every other problem is overshadowed by it. It is a condition, not a theory. It must be met as such. That is what this pending treaty undertakes to do.

This jeopardy does not stem from us. On the contrary, the greatest tribute ever paid to the good faith of any government is the shining fact that, though we are the sole custodians of atomic bombs, no nation anywhere on earth this afternoon, including the Soviet group which so violently libels our motives, has the slightest fear that the United States of America will misuse its present lethal monopoly. They all know they are safe unless and until they strike first. So patent is this fact that I am at a loss to understand how some of our own citizens—God save the mark—can join the war-mongering charges that are made against us by those who nourish futile dreams of our destruction.

The jeopardy to which I have referred does not stem from us. It does not stem from those overwhelming majorities of peace-living states which constantly make common cause with us on the roll calls in the General Assembly of the United Nations. It does not stem from the North Atlantic community where western civilization was cradled and where its survival is at stake. No, Mr. President, it stems from embattled, greedy communism abroad and at home; from open conspiracies which have frankly sought to wreck the brave self-help and mutual aid which would restore independent peoples to their heritage, with our American cooperation; from kindred saboteurs in the United Nations; from those who have repelled and thwarted our American designs and aspirations for a live-and-let-live world.

I repeat: The jeopardy does not stem from us. But it inevitably involves us. Indeed, we are its heart and core. It is aimed ultimately at us. We cannot run away from it. There it is, pact or no pact. Every vigilant American knows this is true. We are the final target, though other independent peoples are in nearer jeopardy. We may argue ourselves out of ratifying the pact. But we cannot thereby argue ourselves out of the jeopardy which the pact seeks to minimize.

Is it not elementary common sense, Mr. President, for those who share this jeopardy also to share vigilance against it? That is what this treaty does. It reduces the jeopardy by anticipating it. It reduces the jeopardy by sharing it. Indeed, it may well extinguish the jeopardy—and I believe it will—by the clear demonstration that this united self-defense against aggression will be invincible. Upon two previous occasions the Kaiser and the Fuehrer found this out the hard way. This treaty ought to make a renewal of the lesson, in blood and sweat and tears, unnecessary. Certainly it is worth the chance.

We must undertake to mitigate this jeopardy by every possible, pacific means. This treaty is not a substitute for other major efforts to push back the shadows of war and to integrate what I shall repeatedly describe as a "live and let live world." With firm patience these efforts must continue in the United Nations. With complete good faith they must continue at the council tables in Paris and elsewhere, regardless of discouragements. They must never surrender to the hopeless defeatism which presumes that war is inevitable. Rather, they must presume that peace is inevitable, sooner or later, if we persist in trailing it. But they must never fail to recognize that appeasement is surrender on the installment plan.

There is no hypothesis of honorable peace, Mr. President, into which the

North Atlantic Treaty does not fit. It stands in the way of nothing but armed aggression and nobody but armed aggressors. It cannot possibly handicap any successful peace efforts in other directions. It can only supplement and strengthen them—always and forever a reserve reliance, and nothing else—always and forever subordinate to the happy evolution of dependable progress in the United Nations, in the Councils of Foreign Ministers, and in the friendlier habits of presently dangerous neighbors.

It is anxiously said by some, Mr. President, that the treaty is a sharp departure from our historic American foreign policy of nonentanglement in the affairs of others. In a sense this may be true. In another sense it is not. We might remember that the philosophy of action upon which this treaty is based is one of the reasons for the formation of our own Federal Union as asserted in the Federalist papers, namely to make it possible "to apply the resources and power of the whole to the defense of any particular part." We might remember that our own Monroe Doctrine was the pioneer in the preventive doctrine of warning aggressors to keep off the grass. We might remember that it worked. We might remember World War I and World War II. We might remember our membership in the United Nations where we pledge ourselves to collective security no less emphatically than we do in the pending pact.

We might also remember, Mr. President, that times have changed. Once upon a time the oceans were moats around our bastions. Once upon a time it was a miracle to travel round the world in 90 days. Now it is done in as many hours. We might compare old-fashioned muskets with new-fashioned bombs. Once upon a time we were a comfortably isolated land. Now we are unavoidably the leader and the reliance of freemen throughout this free world. We cannot escape from our prestige nor from its hazard.

I shall have more to say about these phases a little later. At the moment I simply identify the fundamental challenge. Theodore Roosevelt saw it coming half a century ago. I can do no better than to bring his prescient admonition down to date. Said he:

> My countrymen, I believe in you with all my heart. I am proud it has been granted me to be a citizen in a Nation of such glorious opportunities. We have no choice, we people of the United States, as to whether we shall play a great part in the world. That has been determined for us by fate, by the march of events. We have to play that part. All that we can decide is whether we shall play it well or ill.

I submit to my countrymen that these words were written for the ages. Never did they more accurately define reality, never did they more vividly point the goal, than they do this afternoon. Much as we might crave the easier way of lesser responsibility, we are denied the privilege. We cannot turn back the clock. We cannot sail by the old and easier charts. That has been determined for us by the march of events. We have no choice as to whether we shall play a great part in the world. We have to play that part. We have to play it in sheer defense of our own self-interest. All that we can decide is whether we shall play it well or ill.

We played it well in the military climax of World War I. We played it well in the defeat of our enemies in World War II. We played it ill at Yalta. We played it not so well at Potsdam. We played it ill in China. We played it well at Chapultepec, at San Francisco's Golden Gate, and at Rio. We played it well in Berlin. Our intrepid eagles wrote incalculable American prestige for us across those treacherous skies. We have played it so well in the cooperative rejuvenation of western Europe that the momentum of confidence and peace is in formidable stride.

This is no time to halt this trend. This is the hour of hours to continue to "play it well." In my deepest conviction that is exactly what the pending North Atlantic Pact will do.

Now, Mr. President, before we examine the treaty itself, let us see how and why it is here. At the end of two world wars, neither of which we entered voluntarily, we found ourselves unavoidably burdened with obligations to help administer the victory and the pursuit of peace. Our unliquidated obligations still persist, and so do their unliquidated tasks.

We also found ourselves in the heart and center of a foreshortened world. This was, and is, as plain as that two and two makes four. The flight of a guided missile, the chain reaction of an atomic bomb, the range of an air pirate, these are hazards which reduce international boundaries to the impotence of pencil marks on tissue paper. There is no longer such a thing as isolated security.

Like the practical people that we are, we faced these hard facts of life. We did it not in the glow of global evangelism but on the cold, hard basis of intelligent self-interest. We sought to make ourselves safe in a world of peace and justice. Long before the shooting stopped, we made preliminary soundings at Dumbarton Oaks to find a working basis upon which to seek cooperation for international peace and security. This led eventually to San Francisco and the United Nations Charter. It was not an ideal Charter, thanks to limitations inherited from Yalta, and to clashing ideologies which began to display their incompatibilities before the ink on the charter was even dry. But it was a hopeful charter, frankly requiring a common will and a mutual faith among the Great Powers, one of which promptly began its long, reckless and relentless destruction of this unity. It was a charter to which the American people overwhelmingly subscribed, as reflected in the Senate's ratification on July 28, 1945, by a vote of 89 to 2. I hasten to add, Mr. President, that it is still a hopeful charter despite all Soviet "road blocks." It has done provably much for peace. I hesitate to think where the world would be today if its council table had not been available to talk things out, no matter how inconclusively, rather than to shoot them out.

Mr. President, in the process of forging the United Nations at the Golden Gate it speedily became evident that the regional arrangements, initially proposed, textually offered special latitudes of security to our European allies which were denied to others of us and particularly to pan-America. The former were permitted their own summary enforcement action "in regional arrangements directed against renewal of aggressive policy" on the part of any of the Axis states. But the Americas, in their regional arrangements, were entirely at the mercy of the Security Council—with its veto—in the event of trouble under the Act of Chapultepec, which proposed, once for all, to establish the essence of the Monroe Doctrine as a mutual partnership.

To make a long story short, Latin-America rebelled—and so did we. If the omission had not been rectified there would have been no Charter. It was rectified, finally, after infinite travail, by agreement upon article 51 of the Charter. Nothing in the Charter is of greater immediate importance and nothing in the Charter is of equal potential importance.

It recognizes the inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security. Note well that language. The right of individual or collective self-defense is specifically acknowledged, in the event of armed attack, as an inherent and paramount right which goes with sovereignty and which continues unless and until the United Nations Security Council "has taken the measures necessary to maintain international peace and security."

The Security Council may be paralyzed by a veto, as it has been in the past by 30 Soviet vetoes; but under article 51 no veto can paralyze individual or collective self-defense against armed attack. It follows, as day follows night, that regional or other collective arrangements can be made by congenial nations—strictly within the framework of the Charter—to organize "collective self-defense" against an unhappy and unwanted day of crisis.

That, Mr. President, is precisely what we did, among other things, for the Western Hemisphere when we wrote the Inter-American Treaty of Reciprocal Assistance at Rio de Janeiro on September 2, 1947, which the Senate of the United States ratified on December 8, 1947, by a vote of 72 to 1. We thus established well-nigh invincible security for our New World.

Again, Mr. President, that is what we were talking about in a larger sphere when, on June 11, 1948, the Senate, by a vote of 64 to 4, advised the President that he should pursue "association of the United States, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affects its national security" and contribution "to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting its national security." If we did not have

at the time we passed that resolution something like the pending pact in mind, what did we have in mind?

All this now comes to climax, Mr. President, in the pending North Atlantic Treaty. It is a series of logical progressions. We wrote "collective self-defense" into the United Nations Charter at San Francisco. We applied it to pan-America at Rio. We advised the President, in Senate Resolution 239 of the Eightieth Congress, to explore these peace potentials in a wider area. He took our advice. The pending treaty to protect the North Atlantic community is the result.

The result, in my opinion, is the greatest discouragement to war which we have yet devised. In my opinion, it makes the United Nations Charter work despite the Charter's crippling handicaps. In my opinion, it points the way to make the Charter work for keeps regardless of continuing subversion by a Communist minority. It has no aim but peace. No nation on this earth need lose so much as one night's sleep over its purposes or its ultimate impact unless that nation plans voluntarily to identify itself as an international criminal by armed aggression against its peace-loving neighbors. But if such there be, here is the warrant for its doom.

I have referred to Senate Resolution 239 passed just 1 year ago by a vote of 64 to 4. I have said that it asked for this North Atlantic Pact. That is my opinion in respect to the sequence. But I hasten to repeat what I said 1 year ago. Every Senator is free to judge the sequence for himself. In good faith I said then to my colleagues that they could vote for Senate Resolution 239 without any commitment, moral or otherwise, to any particular implementation which might subsequently be submitted to their judgments. In good faith I repeat it now. I shall never ask any Senator to vote for the North Atlantic Pact because he voted for Senate Resolution 239. But I shall urge all Senators prayerfully to consider whether this sort of sequence is not the objective we then envisioned. Without regard to sequence, I shall urge that this is "tops" in practical pacifism for western civilization in general and for our own United States of America in particular.

The treaty is here for another reason. We have not finished World War II until the German problem is settled. There can be neither peace nor economic stability in western Europe until the German problem is liquidated. There can be no release for us from our own burdensome occupational responsibilities in western Germany until free and self-sufficient government is reestablished in these areas. This means, on the one hand, that the Germans must have a reasonable and hopeful opportunity to build a sound and healthy economy for themselves and to resume their place in the family of nations. But it requires, on the other hand, that this recovery shall not restore the aggressive military potential which, twice in our lives, has plunged the world in war.

This time there must be no mistakes upon this score. Germany's immediate neighbors cannot be blamed for special solicitude in this respect. They cannot be blamed for insisting that German recovery must be subordinate to these protections. To meet this elementary need, we offered our Allies, including the Soviets, a 40-year treaty of support in the event of Axis resurgence. The Soviets spurned the proposal. I assume it is still open to them. In lieu thereof, we have now signed this pending 20-year pact with our western allies. For them and us it accomplishes, among other things, the same result. It would apply just as promptly and effectively to a German aggressor as it does to a Communist aggressor. But by the same token it also is a powerful and well-nigh indispensable aid to maximum German recovery—and therefore to European recovery—because it permits greater recovery latitudes than Germany's twice-ravished neighbors would otherwise tolerate.

Let me summarize the pact in a few simple sentences.

This is a peace agreement between 12 independent nations and 300,000,000 people who assert their purpose to safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of democracy, individual liberty, and the rule of law. They reaffirm their faith in the purposes and principles of the United Nations and their desire to live in peace with all peoples and all governments.

These 12 nations, I repeat for the record, are Belgium, Canada, Denmark, France, Iceland, Italy, Luxemburg, Netherlands, Norway, Portugal, United Kingdom, and the United States. What is their contract?

First. They covenant to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered.

Second. They agree to cooperate toward better international understandings to eliminate conflict and to encourage collaboration.

Third. They agree, separately and jointly, by means of continuous and effective self-help and mutual aid, to maintain and develop their individual and collective potentials to resist armed attack.

Fourth. They agree to consult together whenever the territorial integrity, political independence, or security of any one of them is threatened.

Fifth. They agree that an armed attack against one or more of them in Europe or North America shall be considered an armed attack against them all; and consequently they agree that, if such an armed attack occurs, each of them will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as each deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area. Such measures shall cease when the Security Council of the United Nations takes competent jurisdiction.

Sixth. They agree to establish an advisory council, upon which each of them shall be represented, to consider implementation of the treaty. The council has no power of action. Its power is solely to recommend.

Seventh. They provide that the treaty shall be ratified and its provisions carried out by the parties in accordance with their respective constitutional processes. I emphasize the fact that this qualifying phrase refers not only to the process of ratification but to the process of implementation.

The treaty is subject to revision in 10 years and to denouncement in 20 years. Its geographical jurisdiction is confined to Europe, North America, the French metropolitan areas of Algeria, and islands north of the Tropic of Cancer.

It is thus short, plain, and simple. It involves some debatable implications to which I shall give subsequent frank attention. But the controlling theme is as concise and straightforward as my summary indicates. It is purely a self-defensive compact which serves advance notice upon any aggressor that 300,000,000 people in the North Atlantic community propose neither to appease nor surrender to aggression against the "rich heritage of the Western World," as one analyst has put it; that "brilliant civilization based on Greek humanism, Roman legal thinking, Christian ethics, and the great common experience of the Renaissance, all binding us together in a peace-loving community of free thought and free endeavor" which we mean to uphold and, if it should be necessary, to defend.

There is not one aggressive syllable in the entire contract. There is nothing but peace in the aspirations which give it being and in the self-help and mutual aid which give it life. It is not built to stop a war after it starts—although its potentialities in this regard are infinite. It is built to stop wars before they start. With greatest respect for the counter views of sincere Americans who argue otherwise—but with complete contempt for the hostile, self-serving, self-confessing hysteria against it by communism everywhere—I shall urge the Senate that this is the logical evolution of one of our greatest American idioms, "United we stand, divided we fall."

I want to come back, Mr. President, to the charge that this North Atlantic Pact is a repetition of the old military alliances as menacingly known to history, and that it thus flies in the face of all our own precious national tradition. I submit one exhibit bearing upon both, and answering both.

Perhaps the most significant of all the old, orthodox military alliances was the Holy Alliance of 1815. Perhaps the most significant of all our own American doctrines was the Monroe Doctrine of 1823, which was first announced to the world within these very hallowed walls where we now meet. The Holy Alliance and the Monroe Doctrine were just 8 years apart. The latter was substantially stimulated by the threats to America inherent in the former. I think by a very brief analysis of the two I can indicate conclusively why there is not a scintilla of justification for confusing the thing we are here asked to do with this thing of ancient menace.

Let me read one telltale, controlling sentence from the Holy Alliance: "The three contracting monarchs will remain united by the bonds of a true and indissoluble fraternity, and, considering each

other as fellow countrymen, they will on all occasions and in all places lend each other aid and assistance."

It was a contract for weal or woe—on all occasions and in all places—regardless of provocations—regardless of right or wrong—to stand and fight together for the survival of these monarchies. It was a self-serving alliance against the world. It was both defensive and aggressive. It was a contract not only for survival but for domination.

Can you find any remote semblance of a parallel in the North Atlantic Treaty which is dedicated solely to peace; which applies solely to mutual resistance against an aggressor's armed attack; which is devoid of a single imperialistic obligation; and which is instantly null and void when the conscience of the world is prepared to function through the Security Council of the United Nations? This is not a military alliance in any historical and orthodox meaning of that phrase.

Then let me read, on the other hand, two sentences from the Monroe Doctrine:

We owe it to candor—

And that is the important phrase, first heard, first given to the world, right where we now sit—

We owe it to candor—

And when that phrase was used it was simply the forerunner of what we now mean when we so often indicate that in conducting the public foreign policy of the United States the Government should say what it means and mean what it says.

We owe it to candor and to the amicable relations existing between the United States and those powers (referring to contemplated American colonization by European powers) to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and security. * * * With the governments who have declared their independence and maintained it, and whose independence we have, on great consideration and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny * * * in any other light than as the manifestation of an unfriendly disposition toward the United States.

Just what were we thus doing on our own responsibility back in those swaddling days of the Republic, Mr. President? In net effect were we not doing exactly what we propose, on a multilateral basis, to do today? Were we not frankly warning potential aggressors in advance that if they aggressed they would have to cope with us? Were we not choosing the lesser of calculated risks? Were we not expecting that the warning of the consequences of an aggression would save us from the unavoidable necessity of stopping the aggression if it occurred? In familiar idiom, I repeat, were we not saying—"keep off the grass"?

An even better idiom was offered to the Senate yesterday in the able address by my distinguished friend, the Senator from Texas [Mr. CONNALLY], when he phrased it as an analogy with the traffic warning, Do Not Enter. The traffic warning, Do Not Enter, stands upon 10,000 corners of this land. There is not a policeman standing by the sign anywhere, but the sign usually is effective. There has to be a reasonable constabulary in the background. But the sign carries its own power.

Mr. President, that warning worked—to the glory of the Republic and to the everlasting promotion of righteous peace. With only incidental lapse, it protected the New World through practically a century of peace. It spoke with candor. It said what it meant. It meant what it said. It prevented trouble by frankly pointing out the price of trouble. No aggressor was willing to pay the price. It did not rely on armed forces in being deployed throughout the far-flung area which it sought to immunize against aggression. It relied upon something infinitely more powerful and more impressive. It relied upon the assurance to any potential aggressor that he would face odds calculated to cost him any chance of victory. It did not precipitate war. It precipitated and maintained independent peace.

Mr. President, the North Atlantic Pact may be a literal departure from orthodox American diplomacy although George Washington's justly revered Farewell Address visualized temporary alliances for extraordinary emergencies—and I do not know how any emergency could be more extraordinary than our dire need to stop total atomic war before it starts again, and I think a treaty which is subject to review in 10 years is relatively temporary compared with the decades of inexpressible grief which the failure of peace would grind into our broken lives. But I deny that the treaty is a departure from a philosophy of preventive action against aggression which was bravely and wisely and successfully launched by our own prescient forebears 126 years ago in Washington, D. C. I deny that it has any kinship with military alliances as they were known in the old and ominous sense. I assert, on the basis of our own American experience with candor under the Monroe Doctrine that it is more calculated to encourage peace and to prevent the insane events which would make peace impossible, pact or no pact, than any other recourse which we could presently embrance.

I know, Mr. President, there are many friends of this great peace adventure who are inclined to put their overriding emphasis upon the subsequent physical implementation of the pact. There are those who count it disingenuous to take any other view.

I do not agree. Frankly, I should have much less interest in this treaty if I thought its repressive influence for peace is measured by or dependent on any such implementation. It is not the military forces in being which measure the impact of this "knock-out" admonition. In my view its invincible power for peace is the awesome fact that any aggressor upon the North Atlantic community knows in advance that from the very moment he launches his conquest he will forthwith face whatever cumulative opposition these united allies in their own wisdom deem necessary to beat him to his knees and to restore peace and security.

It is not the military forces in being which measure the impact of this "knock-out" admonition, important though they are. It is the potential which counts, and any armed aggressor knows that he forthwith faces this potential from the moment he attacks. It is this total concept which, in my view, would give even a reincarnated Hitler pause.

Let me not be misunderstood. I accept the philosophy of article 3 for myself. I simply insist upon the proper context. We are not launching a vast arms race. Quite the contrary—we largely depend upon potentials.

Article 3 is elementary common sense in that the parties to this treaty propose, separately and jointly, by means of continuous self-help and mutual aid, to develop their individual and collective potentials to resist armed attack. It is common sense to put these common interests in gear in the exercise of common vigilance. The better they are integrated the less the need for their expansion and the less likelihood of their subsequent use.

What is proposed under article 3 for the next year? I do not know except by general information, that we may be asked for something like $1,000,000,000 of arms aid to supplement six or seven billions which our associated nations have already provided in their own budgets. The immediate objective, I understand, is substantially to make existing forces more efficient—to standardize rather than to expand.

By no stretch of the imagination can such a prospectus be deemed aggressive. Nor can it be deemed competitive. Nor can it be deemed a plan to turn western Europe into an armed camp. Nor can it be deemed to contemplate new American manpower overseas. Nor, Mr. President, can it be deemed—and this is the vital thing to me—to measure the final authority which this agreement shall exercise to dissuade aggressors from their crimes. The supreme authority for peace is in the potentials of the treaty itself. It is in article V and not in article III.

I want to repeat again, however, that I understand that article III has its very definite and unavoidable importance. It builds no illusory Maginot lines. But it steps up the defense facilities in being. It contributes to security and to the sense of security. It certainly discourages armed aggression by proxy, which is to say by internal treason. It betokens the fact that the treaty "means business" in its mutual purpose to prevent aggression. But I reserve to myself, as will every Senator, the right to pass independent judgment on the nature and extent of this supplementary legislation.

Just what is our obligation at this point? I take it no one would pretend that the ratification of the pact does not make some sort of alteration in the situation as it exists without the pact. Its articles are not meaningless. But the timing and the nature and extent of implementing legislation, in this or any other year, are, in my opinion, wide open to the free decision of all Senators as to what they believe the objectives of the

pact and the national security require. The Secretary of State's statement is:

> The pact does not dictate the conclusion of honest judgment * * * it does preclude repudiation of the principle or of the obligation of making that honest judgment * * * there is an obligation to help, but the extent, the manner, and the timing is up to the honest judgment of the parties.

I shall feel free to argue with my colleagues on the merits of any such issues when they arise. But I shall never argue that their vote for the pact precludes free and honest judgment and independent in any such subsequent event.

Much the same sort of question arises under article 5. Senators will observe that I am now seeking to survey the moot points that have arisen. Since this article says that "an armed attack upon one shall be considered an armed attack upon all," does this automatically commit us to war? It commits us, according to the text to take forthwith, individually and in concert with the other parties, "such action as we deem necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area." A commitment to take notice and to do something about it is automatic. A commitment to war is not. Indeed, the textual phrase "including the use of armed force" obviously indicates that there are many other alternatives, just as there are in the United Nations Charter.

Everything depends upon the nature of the event. A minor aggression might be stopped by a vigorous warning. An instant appeal to the Security Council of the United Nations might succeed and suffice. If the Security Council defaults, the so-called pacific sanctions described in the Charter might be applied by the partners under the pact. In other words, what might be called an "aggressive incident," or perhaps a "provoked incident" as some fear, as distinguished from an all-out, clearly deliberate act of conquest, could be met with a multitude and variety of devices far short of war. This is important because these so-called "incidents" have often historically led to war. At such a moment, the pact's potentials should exercise incalculable influence for peace.

But suppose the event is obviously of major and deliberate magnitude and clearly discloses a criminal aggressor deliberately on the march—as Hitler entered Poland or as the Kaiser entered Belgium. Let us say that it is clearly the dread thing which threatens the life and freedom of one of our associated nations, if not ourselves directly. If it is, it threatens the life and freedom of every other associated nation, including our own. If it is, it threatens total war or total surrender, pact or no pact. If it is, our commitment is clear as crystal. It is to take whatever action we deem necessary to maintain the security of the North Atlantic area, which vividly includes the security of the United States. If the only action adequate is war, then it means war. If it does mean war, I venture to assert that, pact or no pact, it would mean war for us anyway in this foreshortened world. If it does mean war, I venture to say that we would be infinitely better off for having instant and competent Allies. But if it does mean war, only Congress itself, under the specific terms of the pact, can declare it.

But then comes the next question. Who would decide for us what we would deem to be necessary under such bitter circumstances? The Constitution says that only Congress can declare war. The Constitution also makes the President the Commander in Chief of our armed forces. As such, he can use—and many times has used—the armed forces to defend American life and property and security, without a declaration of war. Since treaties are the supreme law of the land, would it not be his duty, under the extreme circumstances last indicated, to act instantly in defense of that pledge? I think the answer is "Yes." But he has a wide area of discretion, always short of war, in which to act, and he can only act within his constitutional authority, which is neither increased nor diminished by this pact. Whatever it has been, there it still is. He could, for example, immediately alert our armed defense and summon Congress to its own swift constitutional decision. His immediate action, like his power and his responsibility, would depend upon the nature and circumstances of the event. So long as his action "forthwith" honorably recognized the basic obligation, he certainly would not be under compulsion to take any impetuous decision which might handicap or damage the sustained strategy ultimately necessary to the pledged objective, namely, the restoration of over-all security for the North Atlantic area.

The committee report answers an even more specific question on this score. Would he, the President, or the Congress, be obligated to react to an attack on Paris or Copenhagen in the same precise manner as to an attack on New York? The answer is "No." An armed attack upon our homeland involves an imminent physical need and an imminent constitutional obligation for instant and maximum physical response which does not, and cannot, by the very nature of the case, exist elsewhere, or under other circumstances. Turn the example around. In the event of an armed attack upon Alaska, would we, or could we, expect France or Denmark to react in the same manner as to an attack upon Paris or Copenhagen? Certainly not; obviously not. It would be impossible.

But that does not dilute the "forthwith" pledge of "all for one and one for all" if an international assassin strikes. The pledge dependably means that whoever is attacked will have dependable allies who will do their dependable part, by constitutional process, as swiftly as possible to defeat the aggressors by whatever means each deems necessary.

I hope, Mr. President, that in this phase of the discussion we shall not become so engrossed in procedural hypotheses—although I do not for an instant minimize their importance—that we forget the overriding thesis to which this treaty is addressed. I repeat it again. Our thesis is that this treaty is the surest way to prevent the necessity of having to confront any of these disturbing contingencies because it is the surest way to stop aggression and war before they start in the North Atlantic area. Every precedent and all logic support this thesis. Let us not make the fatal error of deserting the treaty because of our preoccupation with contingencies which we are far more likely to confront without the treaty than with it. The prevention of the next war is more important even than the winning of it because not even the winner will be able to afford his victory.

This leads me to one more observation in this connection. The prevention of war is humankind's supreme objective. The way must be found. Like the United Nations to which it is subordinate, the North Atlantic Pact strives toward this goal. Yet, until the goal is reached, the pact must reluctantly but realistically face the existence of arms and armaments in the hands of potential foes. Peace will never escape this final hazard until universal disarmament, under absolutely dependable and automatic guaranties against bad faith, has spiked all guns for keeps. This is the supreme Christian aspiration. I proudly remind the Senate that Senate Resolution 239, which was the clear forerunner of this pact, asked not only for the pact, but also, and with equal emphasis, for maximum American efforts "to obtain agreements" among United Nations members, "upon universal regulation and reduction of armaments under adequate and dependable guaranty against violation."

The same Senate which asked, in Senate Resolution 239, for collective self-defense under article 51 of the Charter—as envisioned in the pending treaty—also asked, and in the same breath, for universal disarmament. Let that stand, Mr. President, as an incontestable answer to those malignant critics who cry out that the North Atlantic Pact is born of warmongers harboring evil, armed designs upon their fellow men.

I could wish, Mr. President, that if and when this pact is ratified, the President of the United States might address the world upon this score. I could wish that he might remind the world of all six of the objectives of Senate Resolution 239 from which this pact springs; and that he might call the peoples of the earth to a new crusade in behalf of these peace truths in the so-called Vandenberg resolution. I could wish that he might underscore our good-faith dedication, and plead for good-faith recruits.

It is peace which dominates our souls. Peace and righteousness—the only kind of peace that is worth the price we are prepared to pay for it.

I could also wish, sir, that the President of the United States might thus recite Senate Resolution 239 for another reason. The same Senate which thus asked for a "collective arrangement" to implement article 51, pursuant to the terms of the pending treaty, also asked, and in the same breath, for new strengths in the United Nations Charter. Let that stand as the equally incontestable answer to those melancholy critics who insist that the North Atlantic Pact is born of a purpose to defile, if not to scuttle, the United Nations.

I am conscious that this anxiety honestly possesses many earnest friends of the United Nations. I prayerfully say

to them that I am certain they are wrong. The pact is written strictly within the framework of the Charter. It implements the Charter pursuant to the Charter's own authority and direction. It categorically asserts in article VII that "this treaty does not affect in any way the obligations under the Charter of the parties which are members of the United Nations." It categorically asserts that the treaty does not affect "the primary responsibility of the Security Council for the maintenance of international peace and security."

Nor does it. I say again that this pact goes into final active operation only when the Charter itself is not operating. The pact ceases to operate whenever the Security Council has taken the measures necessary to maintain international peace and security. In net result, the pact never operates if the Security Council always operates. If there is a lapse, the Charter clearly and explicitly tells its member nations to do precisely what the pact defines.

The inherent right of collective defense—those are Charter words—clearly includes the inherent right of collective preparation for defense. But there is neither preparation nor ultimate action against anything, Mr. President, unless an armed aggressor rapes the Charter, and then only until the Charter's principles and purposes are redeemed. How can such defense of the Charter possibly be construed as hostile to the Charter? How can it hurt the Charter to make the Charter work?

We are members of the Charter. If the Charter had not been nullified in vital ways by the Communist group, we would already be doing everything, against armed aggression, which we would do under the regional pact. Our obligation under the pact is nothing new. It exists in the whole spirit of the Charter. How can it be possible that we undermine the Charter when we keep its obligation alive—when we keep its spirit alive—by acts of new and effective allegiance?

No, Mr. President; I venture to say that the United Nations and its principles and purposes have no sturdier, no more militant friends than those who here join forces to sustain righteous peace through the North Atlantic Treaty as a supplement to the Charter, not a substitute, pending the happier days when we can expand the sufficiency of the United Nations as our total peace reliance in a saner world.

Mr. President, I shall now briefly, but I hope firmly, deal with other interpretative issues that have arisen in the course of the committee's hearings and the public discussion of the pact. These hearings and this discussion have been useful. We dare leave no twilight zones of fuzzy understanding in respect to what we here do—not only for our own sakes, but also lest there be those among our friends abroad who might one day accuse us of keeping the word of promise to the ear and breaking it to the hope. Regardless of whether we find ourselves in final agreement, I commend the vigilant and critical scrutiny which the distinguished Senator from Missouri [Mr. DONNELL] and the distinguished Senator from Utah [Mr. WATKINS] have focused upon the pact throughout its consideration. I also commend to all Senators the careful and comprehensive report of the Senate Foreign Relations Committee which speaks with recognized authority and with controlling probity in respect to implications and interpretations.

The question arises whether articles IV and V of the pact cover armed aggression against colonial or dependent or otherwise related areas of the signatories outside the area of the North Atlantic community as geographically defined in article VI. My own understanding is clear and unequivocal. The answer is "No." There can be no other logical answer. The doubts seem to have arisen because article IV, relating solely to consultations, is unlimited in the circumference of these consultations. But there is not a word of obligation in it except to talk things over.

The obligations are spelled out in articles III and V. It is significant, in this connection, that when article IX establishes a council to implement the treaty, it directs the council's attention specifically to articles III and V. It omits article IV in this connection. This is as it should be. It is by significant design. Our pledge of action under the United Nations Charter is general. That pledge is 4 years old. Nothing we do here can change it. But our pledge of action under the North Atlantic Pact is limited and specific. It applies only to armed aggression in the area clearly defined in article VI which is the North Atlantic community, set up by metes and bounds.

A corollary question asks how nonmembers of the United Nations, namely, Italy and Portugal, can be included in a United Nations arrangement and in collective security under article 51 of the Charter. The first answer is that article 51 is not the source of the right of individual and collective self-defense. It does not establish this right; it merely recognizes its sovereign existence in all states whether in or out of the United Nations. The second answer is that the Charter of the United Nations clearly calls for collaboration with nonmember states whenever mutual interest requires. Indeed, article II, paragraph VI, specifically asserts that "the organization shall insure that states not members of the United Nations act in accordance with these principles so far as may be necessary for the maintenance of international peace and security." This doctrine is basic. It came to San Francisco from Dumbarton Oaks. It is perfectly clear that this article deals with aggression against any state whether a member of the United Nations or not.

Other provisions of the Charter similarly recognize the need to permit nonmember states to participate to some extent in the United Nations system for maintaining peace and security. If this were not so, I doubt whether Israel would now be an independent nation and now a member of the United Nations. If this were not so, certainly Switzerland would not now be a member of the World Court. The Charter does not prohibit member states from entering into mutual defense treaties with nonmember states. On the contrary, it contemplates just such arrangements by requiring that they be consistent with the Charter.

Italy and Portugal have sought membership in the United Nations and have been prohibited by veto. Italy is historically indispensable to the individual and collective self-defense of France. Portugal is obviously indispensable to the defense of the North Atlantic community. Portugal may lack our sense of democracy, but it lacks no devotion to our sense of peace as proven through the years. Both adhere to the principles and purposes of the United Nations Charter through adherence to this pact.

Two other questions arise in this connection. I respond to both.

First. How can we rearm Italy under article III of the pact when our peace treaty with Italy puts a sharp limitation upon Italy's armaments? The answer is that we have no purpose to rearm Italy in excess of treaty limitations. Through self-help and mutual aid we shall increase the efficiency of this brave, young Italian Republic to resist armed aggression within treaty limitations.

Second. Can other nonmember European states be admitted to the North Atlantic community hereafter? Under article X, the answer is "Yes," but only by unanimous consent of the existing signatories. Who gives this consent for the United States? The Secretary of State has quoted the President, categorically and unequivocally, that he will do so only with the advice and consent of the Senate. The Secretary of State has further asserted that this pledge is binding upon the present President's successors. In my opinion any Presidential successor who might do otherwise would be impeached. This is fundamental. The character of this pact and the nature and extent of our obligations under it are governed by the character and the nature and the extent of its membership. When we ratify this pact we accept its existing membership and none other. When we ratify this pact that is all we shall have ratified. To enlarge the membership is basically to alter the pact. This must require the consent of the Senate just as definitely in the second instance as in the first. The record is clear and unmistakable.

Still another question really answers itself at this point. What happens if one of the existing signatories itself fundamentally changes character within the textual life of the pact? What happens, for example, if one of them succumbs to communism? Are we still bound by these pledges? The answer is that we are not. Any adverse change in basic character would represent a new signatory to all intents and purposes. We are making no commitments to any such new signatories.

But how do we expel them? We do not. Under such circumstance the pact simply ceases to be operative in respect to them. They expel themselves in reality by erasing their own eligibility under the terms of the pact. Cooperation would be impossible from their point of view or from ours. These facts would mutually serve to terminate the actual relationship.

Are we bound to support a member state against internal attack which seeks to overthrow the government? We are not bound, directly or indirectly, to take sides in civil wars. We are pledged only against armed aggression by one state against another. If civil war should include external armed aggression, identified by us as such, we would be obligated to take such steps against the external armed aggression as we would deem necessary to restore and maintain the security of the North Atlantic area. But this treaty is not a contract for the perpetuation of the internal status quo and cannot be used as such any more than can its parent, the United Nations Charter, which under article II, paragraph VII, is prohibited from intervening in matters which are essentially within domestic jurisdiction.

Many questions have been asked about the general engagements in article II, the "further development of peaceful and friendly international relations" and particularly the quest for the elimination of conflict in international relations and the encouragement of economic collaboration. This is simply a restatement of the general philosophy of self-help and mutual aid which underlies every international enterprise upon which we have embarked. It simply reemphasizes our constant theme that needless economic conflict is a barrier to progressive stabilities. I should say it is particularly addressed to the need for larger western European unities.

Under it, do we accept any tariff commitments? We do not. Does it obligate us in any way, for example, in respect to the pending ITO, the International Trade Organization? It does not. Does it leave us free to consult our own economic necessities as we believe them to be? It does. It is a general expression of economic good will, along with its other emphasis upon mutually promoting free institutions and conditions of stability and well-being. It is a broad assertion, like the preamble, of an ideology. It is an abstract objective in keeping with the spirit of cooperation in the North Atlantic community. It is not by any stretch of the imagination a mandate.

This leads to yet another frequent query. By this pact do we tacitly exclude from our concern those nations which we do not include in the community? We do not. Our engagements to all member states in the United Nations remain specifically unimpaired. No jot or tittle is subtracted. Specific proofs of this truth abound. For example, the Rio pact remains impregnably intact, and always will. That includes more member states than does this treaty. Again, we are concurrently demonstrating that our direct concern with Greece and Turkey and with western Germany and with Korea and with kindred trouble spots is just as acute today as it was before the Senate ever thought of its resolution 239, which started this pact upon its way. The resolution sought, among other things, the strengthening of the United Nations as a vital whole. Under its directive we are today seeking these United Nations strength just as vigorously in the General Assembly and in the Security Council as we are seeking new strength for it through regional facilities to help it meet its responsibility for peace and security in the world.

We are not, by this pact, dedicating ourselves to a priority bloc. We are not subdividing our allegiance to the whole United Nations, any more than we did at Rio. We are preparing, through congenial cooperation, to meet our existing obligations against armed aggression, basic obligations imposed upon us by the Charter, in that community where our responsibilities to the Charter are calculated to be most intimate and most direct. Surely we thus serve and strengthen the whole institution and every peace-loving state within it.

With confident approval I quote Ambassador Warren Austin, our former honored colleague, who has been and still is our principal representative in the United Nations. Said he, in our hearings:

> If the North Atlantic Treaty is operated according to the letter and the spirit of the Charter and the treaty, it can lift the cause of peace above any level yet attained.

He strongly recommends that we vote "Yes." I venture to suggest that his devoted loyalty to the United Nations is ample reliance in resolving any doubts that any of us may have in respect to the impact of this treaty upon the institution to which he gives his life and love.

One final point, Mr. President. It is a legitimate source of widespread anxiety that we shall not overstrain our own resources in any of these commitments lest we ourselves collapse, pursuant to Soviet prayers, and take the peace hopes of the world down with us. Unquestionably we confront fiscal limitations which we dare not ignore. We must be provident. Yet, even in the matter of prudence, it is the fact of life that "without vision the people perish."

The surest way—the only largely effective way—for us to cut our budgets in the years to come is to find a dependable formula for peace. Exactly one-half of our budget for the next fiscal year is required for national security through defense and foreign aid. This percentage is continuously geared to the progress we can make toward peace. It inevitably and unavoidably reflects the degree of menace we confront. One dare not even think what it would be in the event of another war. We truly spend to save—taxes as well as lives and liberties—when we invest in peace. This is not an easy equation to evaluate in the midst of these uncertain economic days. But let realists remember, when they strike their balance, that short-sighted economy can be as costly and as deadly as rash extravagance under some circumstances.

Now Mr. President, I summarize; and I leave my colleagues to their fateful judgments. This is my estimate of the total situation we here face.

When the Senate, by a vote of 64 to 4 on June 11, 1948, adopted Senate Resolution 239, I believe it proposed the wisest and the safest peace procedures available to us and to western civilization.

It advised the President of the United States to strive toward strengthening the sinews of the United Nations in behalf of the collective peace and fellowship to which we rededicated our hearts and hopes. In particular, we advised him to seek regional and collective arrangements and to associate with them, in behalf of individual and collective self-defense through self-help and mutual aid against armed aggression.

The country well-nigh universally approved the Senate's action at that time. The percentage of dissent on the outside was apparently as small as it was on the inside.

The President has acted upon the Senate's all but unanimous advice. He has sent us precisely that for which we asked—and in the tailoring of which we have had a constant hand. Indeed, I would not know what it was I was asking for on that historic day last June if this pact is not it. Furthermore, the need has not lessened with the intervening months, nor have the signs that this increased and final unity in the North Atlantic community will strongly maintain the peace momentum, in this area, which has been making such vivid strides against its obvious adversaries.

I earnestly submit that this is no time to let this peace momentum lag or lapse. Let us maintain this sanctuary of realistic hope. This is no time to let the relatively little risks, if such there be, blind us to the larger risks which we here mitigate and which can involve the very survival of free society. Let us not get so close to the trees that we lose sight of the forest. While we must frankly assess the liabilities, lest we dream ourselves and others into delusions, let us just as frankly assess the supreme and potent and, I believe, dominant advantages which destiny here invites us to embrace for the sake of our own national security in our own precious land.

This pact is a fraternity of peace. It involves us in no obligation not already implicit in our signature to the United Nations Charter. It simply makes the obligation plain and dependable for us and others. It binds potential and indispensable allies to us as well as us to them. It spells it out. This candor can be as powerful as an atomic bomb. This is its terrific authority for peace. It spells out, beyond any shadow of any doubt, the conclusive warning that 300,000,000 people, united in competent self-defense, will never allow an armed aggressor to divide and conquer them pursuant to the pattern of the rapes of yesterday. It spells out the conclusive warning that independent freedom is not an orphan in this western world, and that no armed aggression will have a chance to win.

Thus we crystallize the most practical deterrent and discouragement to war which the wit of man has yet devised.

We have done our best—for peace. But we recognize our frailty. The wit of man alone is not enough. I quote the final sentence from the findings of the Senate Committee on Foreign Relations:

> In tendering this unanimous report on the North Atlantic Treaty, we do so in furtherance of our Nation's most precious heritage—shared in common with the other signatories—continuing faith in our dependence

upon Almighty God and His guidance in the affairs of men and nations.

[Applause, Senators rising.]

Mr. LUCAS. Mr. President, I should like to ask the distinguished Senator from Michigan one or two questions, if I may.

The PRESIDING OFFICER (Mr. WITHERS in the chair). Does the Senator from Michigan yield to the Senator from Illinois?

Mr. VANDENBERG. Certainly.

Mr. LUCAS. First, I wish to compliment the able Senator from Michigan upon the magnificent address he just delivered on the question pending before the Senate, and while I am wholeheartedly with him, I wish to develop one or two thoughts.

The Senator said that in his opinion the pact is the greatest discouragement of war which has ever yet been devised by man. I think that is the sum and substance of what the Senator said.

Mr. VANDENBERG. It is the opinion of the Senator from Michigan, at any rate.

Mr. LUCAS. I wish to reverse that, in a way, and ask the able Senator what his opinion is as to what would happen in the event the Senate refused to ratify the pact.

Mr. VANDENBERG. Mr. President, I should like to be as frank in answering that question as I have been in answering some of the other questions which have been raised heretofore, but I hesitate to do so, because I do not know what would happen if this pact were not ratified, but I believe failure of ratification would end the momentum of peace in a cold war in which we are now winning.

Mr. LUCAS. That is a very frank and candid answer, and I appreciate what the Senator says. My only reason for asking the question is what the Senator has said, namely, that in his opinion the ratification of the pact by the United States Senate would be the greatest discouragement to war. It naturally follows, in my opinion, that in the event the Senate should fail to ratify the treaty, the effect would be just the opposite, it would be an open invitation to an aggressor to go to war.

Mr. VANDENBERG. Mr. President, my only reason for hesitating to answer the Senator is that I very much prefer to rest my case on affirmative exhibits rather than upon negative exhibits.

Mr. THOMAS of Utah obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Utah. Certainly.

Mr. WHERRY. On second thought, I will not ask the question. I feel that the Senator from Utah should proceed.

Mr. THOMAS of Utah. Mr. President, I sense the fact that the minority leader realizes the intense embarrassment which the Senator from Utah faces in attempting to speak on the pending question after the two outstanding addresses which have been made in advocacy of and in defense of the North Atlantic Pact. It is with the most intense humility that I take the floor at this time because I honor all that has been said and I respect every word that has been uttered by the two previous speakers in defense of the pact.

It is because I believe so sincerely in the bigness and the greatness, in comparison with what has happened in the past, of what is represented by this treaty that I felt it would not be out of place to associate myself with, in the humble way in which I shall do so, and to follow the two very great expositions of this subject to which the Senate has listened, and which will equal the famous addresses delivered long ago in this very Chamber which, as school boys, we read and admired. The two addresses were delivered for a cause which is probably greater than any cause anyone has ever been asked to defend before in the history of this country.

I would not in any sense belittle anything that has been said. When I reflect upon the closing paragraph taken from the committee's outstanding report, I sense the responsibility of anyone who speaks upon this subject at this time.

Mr. President, no matter how great these speeches have been, no matter how vividly they show the condition of the world, no matter how plainly they have pointed out the position in which the United States finds itself, unless we do something to implement those two speeches they will stand as naught. It is because of that fact that I wish to speak about two attitudes, and two very unheard of and remarkable things which have taken place in the culmination of this North Atlantic Pact.

First of all, I wish to refer to the constitutional development of the United States, which, to me, is by all odds the most important subject we can ever discuss. Secondly, I desire to discuss the development of international law, which to the whole world is the most important subject anyone can discuss if we are ever to have a substitute for war, and get away from the old ideas which have controlled men in their thinking and in their actions during the past centuries.

Mr. President, the Constitution of the United States has been the subject of much discussion, but despite great words used by Chief Justice Marshall that the Constitution was to endure for the ages, or despite the words of just as great a man that the Constitution of the United States is what the lawyers say it is, I do not agree, for I do not think the Constitution of the United States can be defined or ever will be defined. That is because it is in reality nothing more than a guide and a companion of the American people in accomplishing their social and political ends. Therefore, it will ever remain without definition.

Mr. President, the democracy which the Constitution of the United States sustains and supports is merely a system of government resting upon the intangible thing, which in and of itself cannot be explained, mentioned by the Senator from Michigan, the power to live and let live. When it comes to international law it has no sanction at all excepting the sanction which rests in the conscience of the people of the world. So the Constitution and the treaty aim at the same end.

We have accomplished a remarkable constitutional development in the reporting of the Atlantic Pact, and I wish to point out how remarkable it is. For more than 100 years the tendency of our Government was to get away from what I consider the meaning of the words "advice and consent" as used in the Constitution. We have gotten to the place where, in our pronouncement in the Senate when we ratify a treaty, following probably the British custom, we think of advice and consent as a single action, not as separated. There was a time in the history of the United States and in our foreign relations when certain leaders took the stand that the Senate and the Congress had nothing to do with advice in foreign relations, that it was not a part of our business, and that negotiation remained with the Executive. The suggestion was that it was for him to determine when to act; it was for him to find out why action should be taken, and it was for him to find out how to proceed. In adopting such a theory we failed, both constitutionally and in our international relations, to accomplish and carry out the aims and the thoughts in the mind and heart of the American people.

So, Mr. President, by this simple little statement I want to point out that every time the Congress of the United States has taken the lead in laying out the policy in connection with the things which have been mentioned here today, we have done well, but when the Congress of the United States has not taken the lead we have not done so well. That is my argument in justification for renewing our adherence to the principle of advice and consent, which is so completely stated in the committee report, and which is related so clearly and so fully by the Senator from Michigan in his remarks, that probably never again will any attempt be made to make simply one idea of the two words.

Mr. President, George Washington was a great general, and had been used to command. Therefore when he met with the Senate of the United States he found himself to be out of patience with its Members, because they asked him questions. The fact that General Washington lost patience with the Senate was no reason why our policy should be changed. It furnished no reason why the decision should be reached that only the Executive has to do with our foreign relations. Washington's way did not last very long.

We have today heard it announced that the Monroe Doctrine is probably the greatest international pronouncement ever made by our country, and that probably no other pronouncement has brought about more good. I grant that. But, Mr. President, the Monroe Doctrine was not something stricken off all at once by President Monroe. It was not something with which only he had to do. Other people had a part in bringing it about. Almost all the people of the world were speaking of the principles involved in that doctrine. When President Monroe made his pronouncement he followed a resolution adopted by the Congress of the United States.

The words of that resolution were not uttered just before President Monroe issued his pronouncement, but were uttered when there existed a similar situation, when warnings to the nations of the world went out in exactly the same way as did the warning uttered by President Monroe. Incidentally, the first warning had exactly the same effect as the second.

The Senator from Michigan spoke of the candor underlying our various regional understandings, and the candor with which we speak to the world. Such candor was used by the Congress of the United States in its expression long before President Monroe proclaimed his doctrine. The resolution to which I refer was passed by Congress on January 15, 1811, to carry out the recommendation of President Madison made in a secret message to Congress on January 3, 1911. President Madison's message dealt with the Floridas, and the congressional resolution—

> Taking into view the peculiar situation in Spain, and of her American provinces, and the influence which the destiny of the territory adjoining the southern borders of the United States may have upon their security—

Meaning the security of the United States—

> tranquillity and commerce:
> *Resolved*, That the United States could not—

And here, Mr. President, is the warning, and does it not sound like the Monroe Doctrine?—

> without serious inquietude, see any part of the said territory pass into the hands of any foreign country.

Mr. President, that is the heart and the soul of the Monroe Doctrine. It was a warning uttered by the Congress of the United States. Monroe followed the philosophy of the Congress of the United States in his action. We all know the results.

Was Congress itself talking? Did Congress have any ideas about these things? I wish to quote briefly from a speech delivered by a great Member of Congress 3 years before Monroe made his pronouncement.

In advocating the recognition of the independence of the revolted Spanish colonies, Henry Clay made the following statement in the House of Representatives on May 10, 1820:

> We should become the center of a system which would constitute the rallying point of human wisdom against all the despotism of the Old World.

What are we doing now, Mr. President? What did the Senator from Texas say yesterday we were doing? What did the Senator from Michigan say today we were doing? Are we not thinking of an ideology today quite as much as we are thinking of a national entity? Are we not trying to conserve and keep our American constitutional way of life, as we call it, our type of thinking, quite as much as we are trying to preserve our own borders and our own skins?

Mr. President, I believe the prayer—and it is a prayer—offered in the report of the committee, which was used as the closing words in the speech delivered by the Senator from Michigan, shows that we are thinking of two things, and that we have always been thinking of two things: The preservation of our liberty and the preservation of our lives. They are two quite different things, but are closely related.

I do not have to repeat the wording of the Monroe Doctrine, after what I have said respecting the statement of Congress after President Madison had reported to Congress the situation then existing, and the threat that was facing the Nation. We leave the wording of the Monroe Doctrine as it is. I do, however, want to point out a number of things respecting the advice and consent idea. First of all I wish to call attention to the fact that during World War II there was appointed by the chairman of the Senate Committee on Foreign Relations, the Senator from Texas [Mr. CONNALLY], a subcommittee, which met in the State Department. Another subcommittee was appointed to handle any sort of legislation which might be proposed. During a meeting of the second subcommittee a suggestion was made that it was time to start thinking about the peace after the war, and the organization of the world after the war. A motion was made that we start thinking on that subject and making preparations. Answer was made by one Senator which well illustrates the point I am trying to make. His answer was, "We are not ready to move into this field because Secretary Hull has not yet said anything about it." We took a vote on the motion. Eight Senators were present. Seven voted to do nothing. Only one voted to go ahead. Time went on. The "2H–2B" resolution was submitted. Before that some of us had urged that the time to hold allies together was when they were in war; that the time to form a world organization was while we were thinking about attaining the peace; that time was very, very precious, and so we should try to take affirmative action. So again the Congress of the United States spoke. That which brought forth Dumbarton Oaks, and that which brought forth the United Nations, was the same sort of a resolution, the Connally resolution, which told us what we should do in war, and how we should proceed to seek peace. Congress again was advising—not directly, as now, but nevertheless advising the President of the United States.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. CONNALLY. Let me ask the Senator if it is not true that when the Committee on Foreign Relations was consulting with the Secretary of State, and through him with the President, before Dumbarton Oaks, and before the San Francisco meeting, the Senator from Texas, being at the time chairman of the committee, insisted on appointing four Democrats and four Republicans, with equal voting power and equal influence in the subcommittee, with a view to presenting a solid American front, and not dealing with partisanship or anything of that kind.

Mr. THOMAS of Utah. That is true. That is just the point I wish to make. We obtained solidarity in committee. It remained. It is with us today. We have a unanimous report from the committee today, as we have had unanimous reports in the past.

Mr. President, I need not repeat that the philosophy of the resolution, which preceded the North Atlantic Pact was made a part of the North Atlantic Pact. Always the responsibility of that resolution will rest upon Congress. But the point I am making with respect to advice and consent is this: The President of the United States accepted that resolution so wholeheartedly, as the Senator from Michigan has said, that never again will we return to the strained and simple theory that "advice and consent" means only one thing. It means two things. Advice is something which is in order at all time, as Congress is the policy-making body of our country.

Now, Mr. President, I wish to turn to the other phase, what we have tried to do in regard to bringing about world organization. I mean world organization literally. It was the dream of the fathers. It is the dream of all of us, and always will be a dream so long as America lives, because America was found to bring many States together for the purpose of preserving peace. We want substitutes for war.

I should like to point out that in international law we have not yet been able to attain the concept, in law, of the community of nations to such an extent that the community can lay down a law and have it respected. We have come close to it at various times. We have come close to it now; but never in the history of international law and international agreement have we come so close to establishing a community of states as we have in the plan of the North Atlantic Pact. If we succeed we shall have attained, in law, for a part of the world, that which is the dream of the whole world. When I say that, I am not forgetting the history of international law. Never has a scheme under international law been of universal application until recently. Never was it conceived that all the nations of the world had a right to embrace the idea of a sisterhood of nations, which we and Europe worked out after the peace of Westphalia and after the end of the Holy Roman Empire and the beginning of the theory of sovereign states. We followed that theory, and maintained it in the United Nations Charter. No one is attempting to do away with the independent sovereignty of the various nations. No one has attempted to strike down the right of the individual states to act.

As was stated by the Senator from Michigan a few minutes ago, when we are called upon to act under the Atlantic Pact, we act in accordance with custom. We are bound morally. Other nations respect us. They know that we will act. We ourselves know that we will act. However, the manner, the "how," is left to us.

It has taken a long time, and required a long struggle to reach the place where we stand today. It has been a struggle

the like of which the world will never have again. There have always been pockets in the world. There has always been an east and a west. There has always been something closely akin to the ancient China, behind a great wall. The wall of China was not only a physical fact. It was a foreign policy. Before the wall was built they had already gone through the attempt to unite 55 or 56 states into a league. It failed. If we read about its failure, we may think we are listening to Clemenceau, Poincare, or some of the other statesmen of Europe during the time of Versailles, because they were going through exactly the same experiences at that time.

So the independent sovereign state is with us. The United Nations is a group of States, each independent, each carrying on in its own way, and each doing what it should do in theory and in fact, so far as our world is concerned.

An attempt was made at San Francisco to create a law of the community, to bring about a condition under which law would govern the states of the world. But that attempt was not fulfilled. The veto was introduced. Whenever we have a veto power on the part of any single state, we do not have a law controlling all the states. Because of the veto, the theory of a community of states simply went out the window, and we retained the concept of free and independent states.

On a regional basis, perhaps we can create a community of states. I do not say that we are to have a United States of Europe, or a United States of the North Atlantic. I am not dreaming in that respect. I am not thinking of absolutes, but I am thinking of history. In thinking of history, I realize that when once men accepted the concept which is written into the North Atlantic Pact, it resulted in the greatest nation the world ever knew. After the attack upon Massachusetts, Thomas Jefferson laid down the theory that an attack on one was an attack on all, and brought about American unity. The struggle for that theory during the history of the United States is one of the most interesting struggles, especially in the development of our relations with Latin America. It culminated in the Rio Pact, where that concept was written into the law.

Incidentally, in 1940 the Congress of the United States passed a resolution interpreting what had been done in international relations. In that resolution occurs an expression similar to that contained in the North Atlantic Pact—not that an attack on one is an attack on all, but that an attack on any signatory to an agreement is an attack on all the signatories to the agreement. The principle is the same.

Inscribed on the walls of the Thomas Jefferson Memorial are two remarkable statements by Jefferson. One was made in 1775; the other was made in 1823. One of them relates to the bringing together of the States into a union that could fight as a union. The other relates to the attempt to unite the Western Hemisphere in the unity which came as a result of the Monroe Doctrine. In one, Thomas Jefferson says that an attack on one is an attack on all. In the second he says, "Let us make this a hemisphere of freedom"—the two ideals I have pointed out, one ideological and the other political, physical, or whatever we may wish to call it.

Mr. President, the idea is in the world. It remains for us to see that it works properly. At the present time it is just a regional idea; it is not universal. Probably it will never become universal. The need in the world for regional development of course is beyond question. The need for universal development is yet to be seen; we have not yet developed to that extent.

There are one or two things which I wish to point out in regard to the growth and development of this regional idea. It is important in the light of what has been termed the "cold war." It is important in connection with what we ourselves have thought about regional development.

Where do we get the notion of regional understanding? We get it from Woodrow Wilson, who wrote the idea into the covenant of the League of Nations, after coming back to the United States and consulting with the leaders in the Senate Foreign Relations Committee. Again we have advice and consent working correctly. It did not create a new international law, because that part of the Covenant of the League of Nations could not be taken as law, for it was not binding. But it created a definition which was sufficient to enable us to do two very important things at the present time. It was enough to justify us—if we needed justification for it—in subscribing to the regional idea. However, of course, we do not need justification for it, because we have it in the Rio Pact. Furthermore, it was sufficient to assure the world that so far as the world is concerned—the world which accepted the Covenant of the League of Nations—the members who did accept it understood the regional idea.

Let me point out the importance of this matter at the present time. Russia came into the League; Russia accepted the responsibility of League membership. Russia became one of the greatest advocates of the theories of the League in regard to peace. Russia, who today in her propaganda, at least, is condemning this regional understanding as being warmongering and being out of harmony with the law of the world, the international law, herself became a party to the idea of regionalism when she accepted the Covenant of the League of Nations and Woodrow Wilson's definition of the Monroe Doctrine as a regional understanding.

Mr. President, that is a very big idea. It is a great idea today, and it is one which we ought to make the most of, and one which we can make the most of. Regional understandings do not have their origin with the United Nations, but are based upon a doctrine which the whole world has learned to respect. Britain had respect for it. France, Spain, and Germany respected it; and it—the Monroe Doctrine—was known as a regional understanding. Russia respected it at one time, as the Senator from Texas told us yesterday. All of us know how close to California the Russian sphere of influence once extended, but Russia had respect for the Monroe Doctrine.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield.

Mr. CONNALLY. The Monroe Doctrine was respected by Great Britain even as late as the 1890's, in the Cleveland administration; and we stopped the German fleet right at the coast of Venezuela when it was attempted to be used to overawe the Venezuelans at that time. Furthermore, despite all the ambitions of France and Maximilian in regard to Mexico, when the United States finally spoke in 1867 and told France plainly that we would not tolerate the continued presence of Maximilian or French troops in Mexico, the French troops were withdrawn. Again I remind the Senate that not a gun was fired, not a sword was drawn, not a bomb was dropped in enforcing the Monroe Doctrine at that time. But the mere declaration of it by the United States and our determination to maintain it carried such prestige and force that it was universally respected.

Mr. THOMAS of Utah. Mr. President, I thank the Senator from Texas for his contribution. He has said exactly what I have been trying to say, namely, that once we get an understanding in the world, it does command respect, and other nations accept it.

The Senator from Texas has reminded me of another great illustration of how the nations accepted the idea. The Monroe Doctrine theory was so completely accepted that Mr. Ishii, in talking to Mr. Lansing during the First World War, suggested that propinquity gives special privilege, as the Monroe Doctrine does; and we fell for it, and the Lansing-Ishii agreement was the result. That agreement was brought about in a peaceful way, but was renounced by us later on, and properly so, because it was not entered into in the way in which it should have been. But anyone, whether he be Russian or of any other nationality, who tries to tell the world today that the North Atlantic Pact, because it is a regional understanding, is an alliance of one part of the world against the rest of the world is forgetting how these various understandings or regional arrangements have worked in the past.

Mr. President, I repeat that we have not created at all what the world is aiming at, namely, a community of nations which can reflect the law of all the nations, just as a community reflects the law for the individual. But regardless of what anyone may say, we are tending toward that end. The growth has been a natural one, beginning with the first idea that an attack upon one is an attack upon all. Although an independent state is the supreme ideal, nevertheless anyone who suggests any kind of world organization does so somewhat on the basis of federalism of some kind. So the notion of community responsibility is growing, and if, with this community of 12 nations, with this geographical community of the North Atlantic area, we can create a community of peace in which law will be supreme over the individual actions of the states, we shall have

done much, we shall have gone forward very far.

Mr. President, there is one great address the world has pretty nearly forgotten, an address which resulted in what we now call our Good Neighbor Policy, which of course is the notion underlying the Pact of Rio and all the other international agreements which have grown out of the Monroe Doctrine. I cannot understand why that speech has been forgotten. A publication giving the history of the Monroe Doctrine, issued by our own State Department, omits this great speech. Why, I do not know. But in 1913, just as we were getting ready for the completion of the Panama Canal, President Wilson went to Mobile, where he pointed out what the Canal meant to our relations with Latin America. He did so in several ways. First, he talked about the Canal and what it did to the avenues of trade, which had always followed the parallels, and not gone north and south, and he showed that at last Latin American countries through the Panama Canal could be put into the east-and-west trade, whether they were on the eastern side of the continent or on the western side. It was Wilson who pointed out that although by the Canal we cut the continent in two, we united the nations of both continents.

President Wilson talked about Pan-Americanism. We had not in our vocabulary come to the place of talking about the Americas as we do now. I wish the Senator from North Carolina [Mr. GRAHAM] were here. He and I served on a commission to make a survey of a great university, to see whether it might not become a Pan-American university, as it was to be called. In making our report, in keeping with the growth and development of the ideas which Wilson advanced in 1913, we called it the University for the Americas. We are now thinking in terms of the Americas, from a defense standpoint, from a cultural standpoint, from the standpoint of government and interest, and of all the other things that enter into it.

At the end of his address, President Wilson brought in all that we need today in thinking about the North Atlantic Pact. There was a political aspect, to be sure; there was a geographical standpoint; there was a commercial standpoint; all those things were mentioned, as any great President would mention them; but President Wilson ended, as the Senator from Michigan ended, with a spiritual plea.

Regardless of anything we may do or say about the North Atlantic Pact, if we study the history of the United States and the development of the idea that an attack upon one is an attack upon all, which has made us a Nation, we shall never find it possible to get away from the spiritual ideal and away from the ideological position in which we find ourselves in the world. We are in a position of leadership in regard to economics that no one in the United States half a generation ago would have conceived to be possible. Which one of the founding fathers, in all his dreams, felt that the time would ever come when the whole world would be dependent upon the United States?

Is the world dependent upon the United States today? I ask you, Mr. President, is it? The other day on the floor of the Senate, I said that if there was anyone in the world who wanted to bring about the downfall of the United States, such a man was committing treason in his mind not only against the United States but against the whole world. There is not a nook or corner of the earth that is not at the present time dependent for its welfare upon the leadership of the United States commercially, from a monetary standpoint, and from practically all other standpoints. Where is anyone to turn for monetary stability, which is so essential to the life of all the world, if not to the United States? We all knew that it was coming, and it has now come. Some of us tried to explain to the people that this condition was coming. What happened? Few people understand money, and that explains what happened.

One little story will illustrate the point. Switzerland became fearful of American dollars. She was going to have too many of them. She was simply scared to death about American dollars. But we practically leased Switzerland as a place of rest for our soldier boys. We let them go there, both officers and men. But, because of the fear of the American dollar, we respected the wishes of Switzerland and we allowed our soldier boys $20 a week while in Switzerland, which is all they had. Let us learn the lesson of money. Our soldier boys were not satisfied with $20 a week. They saw the pretty little wrist watches, the cuckoo clocks, and other things. A boy from Podunk or some other town would go into a Swiss store and say, "I have three sisters, a sweetheart, a mother, and a father. I want a wrist watch for all the girls and for my mother, and I want a cuckoo clock for dad. How am I going to get them?" The reply was, "Who are you?" He said, "I am the son of a green grocer at some place in Iowa." I am looking at the Senator from Iowa [Mr. HICKENLOOPER]. The merchant said, "We will charge it." That is what was done. Switzerland did not avoid the dollars. The boys are paying, boys who otherwise would not have paid. They came home with these things. Was Switzerland hurt? No. But the world will not learn the lesson of money from that story.

What if we had paid all that we lent to China in American silver certificates, let us say, or some kind of specie marked as a dollar? There would have been in China today a nucleus for the recovery which has always come throughout her entire history, because China invented a system of money that simply cannot be destroyed by fire, pestilence, or anything else. What did they do? They put their profits into little silver balls and then shoved the balls into the plaster of the house or hid them in the adobes. When fire came and destroyed everything, they looked through the ashes, and found their capital with which to start again. That is why economically it has never been possible for China to be broken. That is how she discovered the worth of private property. That is why she invented paper money, and did the other things she did. China understood that the basis of money at all times was trust. In some way or other, those boys in Switzerland understood it. In some way or other the Swiss merchant understood it. But nobody in the Treasury Department could be convinced, nobody in any other treasury. They have to consult the books to see what they say about money, before they can pass judgment.

I have been talking about getting back to the Constitution of the United States and to the principle of advice and consent. We do not have three forms of government in the United States; we have only one. Sometimes the President speaks for the country; sometimes the courts speak; sometimes the Congress speaks. But whenever in the history of our country it has been said, as Mr. Hughes said, "The Constitution is what the lawyers say it is," we have slipped back. Whenever it has been said that advice and consent represent simply one process, to be indulged in only when we vote on a treaty, we slip back. Whenever the Congress of the United States has decided that it is not in partnership with the other two branches of the Government, we have slipped back. That is the lesson we get from American history. That is why I am stressing this simple lesson here today.

But let me go back to Mr. Wilson's words. These are the words of his Mobile address. No one ever understood better what the Panama Canal had done for the world than did Mr. Wilson when he visualized it on that day. He said:

> I know what the response of the thought and heart of America will be to the program I have outlined because America was created to realize a program like that—

A program of leadership in the Western Hemisphere which ultimately may be a program of leadership of the world, so far as ideas and ideals are concerned.

Going back, for a moment, to Jefferson, he wrote, when the Monroe Doctrine was promulgated, and when it looked as if England were going to stand by us against the Triple Alliance:

> These two great nations holding cordially together have nothing to fear from the united world. They will be the models for regenerating the condition of man—the sources from which representative government is to flow over the whole earth.

We have been talking of the development of a community of law. He saw it and understood it.

I continue reading from the late President Wilson's remarks:

> This is not America because it is rich. This is not America because it has set up for a great population great opportunities of material prosperity. America is a name which sounds in the ears of men everywhere as a synonym with individual opportunity because a synonym of individual liberty. I would rather belong to a poor nation that was free than to a rich nation that had ceased to be in love with liberty. But we shall not be poor if we love liberty, because the nation that loves liberty truly sets every man free to do his best and be his best, and that means the release of all the splendid energies of a great people who think for themselves. A nation of employees cannot be free any more than a nation of employers can be.

I wonder if Mr. Wilson anticipated a dictatorship of the proletariat. I wonder

if he anticipated the force of free men against the force of a great nation controlled by a single will. I think he did, because no one has explained any better than did Wilson the difference between a democracy and a country controlled by a socialistic idea, as it was then called. The difference, of course, was the individual. He said that the energies of a great people are based upon the activities of the individual person doing his very best in his own individual way. So we have the answer to those persons in our community who think that communism is a good political idea, as well as a good social idea.

Mr. Wilson said, further:

In emphasizing the points which must unite us in sympathy and in spiritual interest with the Latin American peoples we are only emphasizing the points of our own life, and we should prove ourselves untrue to our own traditions if we proved ourselves untrue friends to them. Do not think, therefore, gentlemen, that the questions of the day are mere questions of policy and diplomacy. They are shot through with the principles of life. We dare not turn from the principle that morality and not expediency is the thing that must guide us and that we will never condone iniquity because it is most convenient to do so. It seems to me that this is a day of infinite hope, of confidence in a future greater than the past has been, for I am fain to believe that in spite of all the things that we wish to correct the nineteenth century that now lies behind us has brought us a long stage toward the time when, slowly ascending the tedious climb that leads to the final uplands, we shall get our ultimate view of the duties of mankind. We have breasted a considerable part of that climb and shall presently—it may be a generation or two—come out upon those great heights where there shines unobstructed the light of the justice of God.

Mr. President, I do not know of any report coming from a committee, representing the committee's ideas, which has ended as the report on the pending treaty ended. It was the theme of the closing remarks of the Senator from Michigan. It will be the theme of every Senator who speaks with reference to the treaty, because the hopes expressed are not material hopes. We are not forced into the treaty on a defensive basis. If we are, it will fail, because it might be used in a way in which it should not be used. But if we have faith in what our country means, if we have knowledge of the meaning of the theory that an attack on one is an attack on all, if we believe we can make this hemisphere not only one of freedom, but one which will contribute to freeing the whole world, and if we believe that ultimately the community of states can be brought together and we can write law for the government of the individual states, then we may see the philosophy of what has been done in reporting the North Atlantic Treaty.

Mr. President, I ask unanimous consent that the remarks which I prepared for this occasion be printed in the RECORD as a part of my address.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

THE NORTH ATLANTIC TREATY

Mr. President, one of the most important treaties to be brought before the Senate for their advice and consent is the North Atlantic Treaty or, as it is commonly called, the Atlantic Pact. After careful consideration and rather extensive conversations, this treaty was signed by representatives of 12 nations at a public ceremony in Washington, D. C., on April 4 of this year. Extensive hearings have been held by the Senate Foreign Relations Committee and it is now up to this body to determine whether the North Atlantic area shall be free from the onslaughts of future aggressors or shall be subjected again to the ravages of war.

The nations that have already affixed their signatures to this treaty are nations with which we have had a long history of peaceful relations and to which we are bound by a common heritage founded on the principles of democracy, individual liberty, and the rule of law. The civilization and the past history of these peoples are such that it does not strike me as being unusual that they should desire to take collective measures to guarantee the continuance of their way of life.

Since the text of this treaty was released to the public on March 18, we have heard many things concerning it. We have heard it praised and we have heard it condemned. It means many things to many people. But if by the ratification of this treaty we can make it into an effective instrument in the North Atlantic area it can almost mean all things to all people.

Perhaps one of the most common questions that arise in connection with the Atlantic Pact is the reason for the need of such a pact. I am sure that we are all fully acquainted with the tactics employed by the Soviet Union since the end of World War II. As Secretary of State Acheson has already stated, "The (United Nations) system is not working as effectively as we hoped because one of its members has attempted to prevent it from working. By obstructive tactics and the misuse of the veto, the Soviet Union has seriously interfered with the work of the Security Council in maintaining international peace and security." Surely the peace and the well-being of a large portion of the world should not be made to depend on the vagaries of a single nation.

There are those who claim that the Atlantic Pact is an instrument of aggression aimed at the Soviet Union. Such a notion is soon dispelled by a reading of article 1 which reads as follows: "The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations." Again quoting the Secretary of State, Mr. Acheson, in his broadcast on March 18, made the following remarks: "This country is not planning to make war against anyone. It is not seeking war. It abhors war. It does not hold war to be inevitable. Its policies are devised with the specific aim of bridging, by peaceful means, the tremendous differences which beset international society at the present time."

There are also those who claim that there is no justification for such a pact while the United Nations is functioning. They point to it as an attempt to bypass the United Nations and usurp its authority in an independent treaty. The regional nature of the pact might imply a divided world, but continuous reference to the United Nations leaves the pact in a universal realm based upon the concept of one world. Provisions for regional arrangements are clearly set forth in articles 52, 53, and 54, chapter VIII of the United Nations Charter. Article 52 reads in part that "Nothing in the present Charter precludes the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action, provided that such arrangements or agencies and their activities are consistent with the purposes and principles of the United Nations." In fact, paragraph 3 of this article states "The Security Council shall encourage the development of pacific settlement of local disputes through such regional arrangements or by such regional agencies either on the initiative of the states concerned or by reference from the Security Council."

No matter what the world is politically, even if nations divide up into economic blocs, the world still remains one economically. The ideal in accordance with American theory if not practice—a theory based upon the notion of American dollar democracy—leaves the ideal of the one world, economically speaking, the primary purpose of the pact. It recognizes, first, the vast community of interest among whom an aggressor shall not arise. The secondary aspects of the pact represent the theory that there may be aggression from without this community of interest and that the aggressor can be stopped and even put down if there is unity backed by force of the nations of the same community of interest.

The basic idea of force is one of the big problems in the development of international law and the substitution of law and good faith for war. Just as force is the key to keeping the wrongdoer from attacking his neighbor in our domestic affairs, so will force, in the final analysis, keep the wrongdoer among nations from overrunning his neighbors. In civilized society every member must live and act within the rules of that society. This is also true in international affairs. Whenever a community of nations is set up by an agreement, such as the Atlantic Pact, the will of that community is expressed by the rules they adopt. In a sense then, if the North Atlantic Treaty is ratified, 12 nations will have created a community and the provisions of the treaty will establish their rules of conduct. In case any nation or group of nations, from within or without, adopts aggressive tactics and attacks one of the members of this community, all the other members will unite to put the aggressor down. In this way, a wrong against one becomes a wrong against all. For purposes of defense and security the members of this community unite to throw the preponderance of their collective force against the wrongdoer.

The pact accepts the theory that government, in its final analysis, rests upon force. The force need not be expressed and the theory of the pact is that it will never be expressed. In our own constitutional development, we in America have learned that while all of our institutions are backed in theory by force, force is seldom called upon in our contests between our States or between a State and the rest of the Nation. Thus the peaceful process is substituted for force which has been proved a possibility in the federal experience of the United States. The hope for the pact is that that possibility will be proved in an international sphere. All that has been done is consistent with what has gone before because the theory of force cannot be removed from government without destroying government. Since the theory of force, therefore, cannot be removed from international control without destroying that control it is in the nonexercise of this theory that the world's hope, the real desire of nations, will be fulfilled.

Why were the early American States so interested in each one having military rights and privileges? Was it entirely against foreign aggressors they were thinking? No, even we of the United States were suspicious of one another and we did fight a war between States. But such a recurrence, possible still in theory, seems utterly absurd in fact. Why? Because we have learned how to live in such a

way that the preponderant will or the preponderant force of the United States is turned against an erring individual State. The will of a Supreme Court decision is not questioned. Neither do we resort to arms for its enforcement.

If nations learn to act this way in the conduct of their international affairs, they can create a community of nations as large as the number who agree to accept the obligations and responsibilities of the pact. Since it was publicly announced, there have been a number of suggestions that the pact be extended to include the Mediterranean and the Pacific areas or that similar pacts be arranged for these areas. It may be that if this treaty is ratified and it is successful in accomplishing the purposes for which it was brought into being, we can look forward to having its principles adopted throughout the rest of the world. The pact invites a continuous adhesion of other states and therefore the community of interest can become world-wide.

From the standpoint of history, we have a good illustration of how the basic principles of the pact operate in the experiences of the original Thirteen Colonies. When the Colonies began having trouble with England, our founding fathers realized that unity of the Thirteen Colonies in withstanding what they considered aggressive action against them was the only successful way with which such force could be met. When the people of Massachusetts were attacked, Jefferson wrote that an attack on one colony should be considered an attack on all. By that he meant that if England declared war on Massachusetts, his own State of Virginia should unite with the other in repelling the aggressor. That was collective defense, no more, no less. It was effective, too. We discovered our unity and decided that it was good for us in peace as well as in war.

In 1811, President Madison recommended that Congress give notice to the world that activities close to our borders would be considered as a probable threat to our security. Later President Monroe made the unilateral pronouncement in 1823, which we now call the Monroe Doctrine, that American welfare, and we might add American peace and security, was dependent upon the peace and security of our neighbors. And Jefferson again as he did so often, put the ideas in proper words, that all America seemed to understand, when he said, "Let us make this hemisphere one of liberty and freedom." Here we developed a community of interest—an interest which the rest of the world began to respect.

Growing out of the First World War came the League of Nations with its fundamental notion that the peace of the world should be preserved by all since peace was of concern to all. America lead in the promulgation of that idea. And it was America's leadership that brought the League of Nations into existence although later events prevented the United States from becoming a member. The maintenance of peace under the League was to be brought about by the throwing of the preponderance of the will of the world against an erring state.

The League of Nations was conceived as a coercive type of international organization. As a result, there were obligations on each of the members of the League to apply sanctions to erring nations if their conduct warranted such action. The coercive nature of the League gave rise to the famous Lodge Reservations to the Covenant which were largely responsible for the United States refusal to join the League. If the Lodge Reservations had been generally adopted, they would have stripped the League of its coercive nature and resulted in an international organization that in nature would have been similar to the Charter of the United Nations. There are no compulsory obligations under the United Nations to apply sanctions although there is an obligation for the members to consult. As a result of these consultations, in certain cases, sanctions may be applied.

When we come down to President Wilson's time we find him calling the community of interest a regional understanding, implying that the Monroe Doctrine was not just a one-nation pronouncement but that it had community significance and was recognized by the world as being definitely significant. From that time the nations of the Americas began to see that all had one interest—the unity of the Americas. Already the Pan American Union had been set up and was functioning and the Monroe Doctrine was fast becoming a multilateral understanding and all the states in all three Americas were beginning to see duties and responsibilities to each other.

In 1945 the Senate of the United States approved the ratification of the United Nations Charter by the overwhelming vote of 89–2. By that vote we formally and officially accepted the role of leadership in international affairs which destiny and a shrinking world had thrust upon us. By that vote we expressed our determination to cooperate wholeheartedly with the other nations of the world in the all-important task of outlawing war and in settling our disputes by peaceful means.

Early in 1945 the United States, together with other American Republics, joined in a number of agreements looking toward reciprocal assistance and the security of the Americas. These resulted in what is known as the Act of Chapultepec which opened the way for the Rio Pact signed in 1947. The importance of this act is the part it played in the transition of the Monroe Doctrine from a unilateral policy to a multilateral arrangement for the collective defense of the Western Hemisphere. This act embodied the notion that every attack of a state against the integrity or the inviolability of the territory, or against the sovereignty or political independence of an American state, shall be considered as an act of aggression against the other states which sign this act.

In 1947 the Rio Pact came into being. This was not only a regional undertaking, but it also had in it the collective-defensive idea and the words that an attack on one shall be considered an attack on all. This happened after the acceptance of the United Nations Charter which provided for the recognition of regional understandings for collective security. Now two great parts of the world—the Americas and the North Atlantic countries, twenty-odd nations in the first and 12 with possible growth in the second—have made within the United Nations these two great regional pacts.

On March 17, 1948, Great Britain, France, Belgium, Luxemburg, and the Netherlands joined in the Brussels Pact which provides in article IV if any of the high contracting parties should be the object of an armed attack in Europe, the other high contracting parties will, in accordance with the provisions of article 51 of the Charter of the United Nations, afford the party so attacked all the military and other aid and assistance in their power. Thus we see that the Atlantic Pact is a culmination of a series of efforts on the part of various nations to provide for collective security and to provide a substitute for war.

This body has already placed itself on record as favoring the achievement of international peace and security through the United Nations by voting overwhelmingly in favor of Senate Resolution 239 on June 11, 1948. Two of the objectives of this resolution are the progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles, and provisions of the Charter, and association of the United States, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security.

Now what have we done in international law? For years text writers have held that wars have been started by willful aggression. How to stop the aggressor then becomes the problem. The family of nations, each being independent within its borders, was recognized. International law was the law which controlled nations in their dealings with one another, but war was always recognized as being a possible way of settling differences. War was called the last reason or word of kings. War in theory had to be just to be recognized as proper, but the role of justice remained with the state that went to war.

As far as the pact goes, an aggressor in international law has now become defined and the theory that nations may unite to throw their preponderant force against an aggressor state is accepted as fundamental. The nations who have signed the pact believe in the possibility of an enforced peace, depending upon the use of strength in a united way against an erring state or an attacking aggressor. These theories mark definite strides in the onward march of nations in an attempt to stop war.

Then came attempts to find substitutes for war. First came the Court of Arbitration to settle differences so nations would not have to go to war. The First World War produced the theories of a league to enforce the peace. After the end of the war we had the League of Nations. With the League came the idea of collective security and the notion that states' boundaries should be protected. This was an attempt to put down an aggressor and the whole force of all the states was to come to the support of each other to put down a wrongdoer. After that came the Briand-Kellogg Pact, which declared that war should not be used to accomplish a national purpose. This, in theory, outlawed war, and with war being outlawed people thought that war would be no more. But aggressors arose and we had war in the Mediterranean, then Europe, and finally in the Pacific, and we were caught in the Second World War. Now we are thinking hard about how that war got started, the mistakes we made, the things we failed to do, and the terrible costliness of it all in death and destruction of wealth. And now we see that war doesn't pay. Look what has happened to both the victors and the vanquished of the two world wars. In one of our Foreign Relations Committee meetings someone said we simply cannot afford to lose a war. I asked can we afford to win another one, because victory brings responsibility, and peace actually has to be endured just as we had to endure the war. Peace will be costly, but it will be worth it.

Americans, because of their early heritage, will take the stand that regional pacts, such as the Rio de Janeiro Pact, the North Atlantic Pact, and agreements for universal action are not alliances. They definitely are not alliances in the old way in which the nations accepted the theory of the offensive and defensive alliance technique. War for the purpose of advancing a national interest has been outlawed by an almost universal treaty. War as an instrument of a national accomplishment remains outlawed, and with the condemnation of the aggressor as we have it in the Atlantic Pact, war as an instrument for the advancement of a national interest remains outlawed. Therefore, if we call the pact an alliance, it is an alliance only in the sense of the new concept of international law which bans war as a proper process to be used by a nation in obtaining its objectives.

The North Atlantic Pact represents an almost universal acceptance of the concept of popular sovereignty. How then could America stand in any other place than she stands today in not only supporting and

furthering, but actually leading, the culmination of that pact and the universal acceptance of the theory behind it. The spirit of the pact is that such a thing has happened under Hitler, Mussolini, and Tojo but that it shall not happen again. The North Atlantic Pact is in complete harmony with the theories of collective security and the action of all the nations of the world to that end.

The pact complements the United Nations. It would be a great implementation to the effort to maintain peace and a great protector of those activities which promote peace. It would help much in removing the causes of war. The Atlantic Pact and the United Nations together represent the greatest strength yet created in the world to substitute peaceful processes for settlements of controversies between nations for the archaic and barbaric notion of "fighting out controversies."

Only a thoughtless person can imagine that we can change the habits of mankind overnight. Ambitious men will strive to get control of government. The threat of the single-will dictatorship surrounds us, but in unity there is strength. If the sensible, peace-loving, democratic peoples of the world will unite, nothing can stop their progress. The experiences of two world wars, the experiences of our own history, and the experiences of those peoples who have brought about economic, political, and educational freedom for their own people show that in these institutions there is mighty strength. Individual man acting for the good of men is invincible. We want to develop that individual, which is the basis of freedom. There can be no freedom without men working with a social conscience. The North Atlantic Pact is one more instrument of democratic action in an attempt to substitute the will of the peoples for the will of an autocrat. That it will succeed, there is no doubt in my mind.

Mr. GILLETTE. Mr. President, before the Senator from Utah takes his seat, I wonder if he will yield to me for a question.

Mr. THOMAS of Utah. I shall be glad to yield.

Mr. GILLETTE. The able Senator from Utah, the eminent Senator from Texas, and the very much esteemed Senator from Michigan have all very cogently and forcefully called attention to the Monroe Doctrine as a parallel to the action which is contemplated in the North Atlantic Treaty, as a regional arrangement for defense which had been effective. I should like to ask the able Senator if there is not a very grave and a very great difference between the two, where the parallel disappears, in that the defensive arrangement of the Monroe Doctrine was perfected and completed before the world had been able to evolve a coalition of the free nations of the earth, and that any defensive regional arrangement such as is now contemplated must be developed in the light of the universal coalition of the enlightened nations of the world which is in existence and must conform to the framework of that organization and the Charter under which the coalition was perfected? Is there not a vast difference between the two? Does not the parallel cease when it is realized that there must be an impingement of this proposal on section 51 and that the whole purpose of the Charter must be taken into consideration?

Mr. THOMAS of Utah. That is all true, Mr. President, but I look at it in this way: My opening statement was that despite the remarks made in regard to the North Atlantic Pact, great as they are, they fall of their own weight if nothing happens. I am sure that no matter how we view the economy of the world, the ideologies in the world and the geographic situation of the world, its smallness, and all those matters, if we start with this beginning, making the pact the beginning of something new and fine, as we started in Madison's time, predating Monroe, as I pointed out, surely the strength and the force of the United States today give us more promise than was evident in 1811.

There is another aspect. The Monroe Doctrine was built around the theory that colonialism, as such, much come to an end in the world, that as we needed to be free, those in South America had a right to be free, and we would try to sustain them in their freedom.

It is true that most of the colonial nations are parties to the Atlantic Pact. The great nations which are responsible for all that has taken place in the treatment of the backward peoples in the world are parties to this pact. I say now, having in mind the growth and development of ideas in American history, that if the signers of the North Atlantic Pact have not reformed, in their minds and in their hearts, in regard to the exploitation of backward people, the North Atlantic Pact will fall of its own weight. It is their idea of progress, with the ideology they put into it, with the notion of freedom back of it, and with the theory of unity we have developed, that is going to make this pact a success, with the world as it is today.

## EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. McGRATH, from the Committee on the District of Coumbia:

James H. Flanagan, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years from July 1, 1949.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 113. An act for the relief of Helen Louise Oles;

S. 230. An act for the relief Mrs. Sonia Kaye Johnston;

S. 322. An act for the relief of Mrs. Gertrude H. Westaway, legal guardian of Bobby Niles Johnson, a minor;

S. 623. An act for the relief of George Krinopolis;

S. 980. An act for the relief of Toshie Okutomi;

S. 1138. An act for the relief of John W. Crumpacker, commander, United States Navy;

S. 1167. An act for the relief of the estate of Marion Miller;

S. 1168. An act to amend section 2680 of title 28, United States Code;

S. 1296. An act for the relief of Murphy & Wischmeyer;

S. 1359. An act to repeal the provisions of the Alaska Railroad Retirement Act of June 29, 1936, as amended, and sections 91 to 107 of the Canal Zone Code and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such provisions are applicable; and

S. 1688. An act to provide for certain adjustments on the promotion list of the Medical Service Corps of the Regular Army.

The message also announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 21. Concurrent resolution favoring the suspension of deportation of certain aliens;

S. Con. Res. 22. Concurrent resolution favoring the suspension of deportation of certain aliens;

S. Con. Res. 24. Concurrent resolution favoring the suspension of deportation of certain aliens;

S. Con. Res. 25. Concurrent resolution favoring the suspension of deportation of certain aliens;

S. Con. Res. 27. Concurrent resolution favoring the suspension of deportation of certain aliens; and

S. Con. Res. 40. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2785) to provide for further contributions to the International Children's Emergency Fund.

## RELIEF OF CITY OF RENO, NEV.—VETO MESSAGE (S. DOC. NO. 97)

The PRESIDING OFFICER (Mr. WITHERS in the chair). As in legislative session, the Chair lays before the Senate a letter from the Secretary of the Senate, which will be read.

The clerk read the letter, as follows:

UNITED STATES SENATE,
OFFICE OF THE SECRETARY,
*July 6, 1949.*

Hon. ALBEN W. BARKLEY,
*President of the Senate.*

DEAR MR. PRESIDENT: On yesterday, Tuesday, July 5, 1949, shortly after the Senate recessed for the day, there was received by me the attached sealed envelope, addressed to the President of the Senate of the United States, said to contain a message from the President of the United States returning without approval S. 41, an act for the relief of the city of Reno, Nev.

Respectfully,

LESLIE L. BIFFLE,
*Secretary of the Senate.*
By EMERY L. FRAZIER,
*Chief Clerk.*

The PRESIDING OFFICER. As in legislative session, the Chair lays before the Senate a message from the President of the United States, which will be read.

The clerk read the message, as follows:

*To the United States Senate:*

I return herewith, without my approval, S. 41 "An act for the relief of the city of Reno, Nev."

This bill would authorize the payment to the city of Reno of $1,620, representing the amount which would have been assessable for street improvements against property owned by the United States and used by the Forest Service in this city, if the property had been privately owned.

Under the doctrine of intergovernmental tax immunity, federally owned real property is exempt from State and local taxes, including special assessments,

unless the Federal Government has specifically authorized taxation. The Congress has authorized payments of taxes, or payments in lieu of taxes, in a few instances, such as real property held by Federal lending agencies, the Reconstruction Finance Corporation, and public housing projects. There has not been adopted, however, any comprehensive over-all program for payments on account of federally owned property.

The lack of such a program has resulted in numerous cases of hardship in particular communities. The problem presented in the case of Reno is not limited to any one locality. Federal buildings have been constructed in a great many cities and towns and in many more the Federal Government has acquired property for use in its programs. Following the doctrine of immunity of the sovereign to taxation, the Public Buildings Administration in administering its construction programs has not shared the cost of improvements either when constructed buildings or when benefiting, as in the instant case, from locally authorized repaving work. Federal responsibility has stopepd at the property line.

The desirability of adopting general legislation designed to provide a comprehensive program for payments on account of federally owned property has heretofore been indicated to the Congress. On May 26, 1943, there were presented to it the recommendations of the Federal Real Estate Board, which, after extensive study of this problem, proposed specific measures to meet the situation. In addition, general legislation is now pending dealing with the over-all aspects of this problem, including proposed provisions for payment of special assessments with respect to some Federal properties.

Were I to approve S. 41, the precedent established would give rise to innumerable petitions for similar special relief of many other communities affected by the location therein of Federal real estate. Any legislation providing relief should be of general application, should not be retroactive in its coverage, and should deal with the problem on a comprehensive basis.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 5, 1949.*

The PRESIDING OFFICER. The letter, together with the message from the President, and the bill, will be referred to the Committee on the Judiciary and printed.

CALL OF THE ROLL

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

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|---|---|---|
| Aiken | Connally | Green |
| Anderson | Cordon | Gurney |
| Baldwin | Donnell | Hayden |
| Brewster | Douglas | Hendrickson |
| Bricker | Downey | Hickenlooper |
| Bridges | Ecton | Hill |
| Butler | Ferguson | Hoey |
| Byrd | Flanders | Hunt |
| Cain | Frear | Ives |
| Capehart | Fulbright | Johnson, Colo. |
| Chapman | Gillette | Johnston, S. C. |
| Chavez | Graham | Kefauver |
| Kem | Maybank | Sparkman |
| Kerr | Miller | Stennis |
| Kilgore | Millikin | Taft |
| Knowland | Morse | Taylor |
| Langer | Mundt | Thomas, Okla. |
| Lodge | Murray | Thomas, Utah |
| Long | Myers | Thye |
| Lucas | Neely | Tobey |
| McCarran | O'Conor | Tydings |
| McCarthy | O'Mahoney | Vandenberg |
| McClellan | Pepper | Watkins |
| McFarland | Reed | Wherry |
| McGrath | Robertson | Wiley |
| McKellar | Russell | Williams |
| McMahon | Saltonstall | Withers |
| Magnuson | Schoeppel | Young |
| Malone | Smith, Maine | |
| Martin | Smith, N. J. | |

The PRESIDING OFFICER. A quorum is present.

ADMINISTRATOR OF GENERAL SERVICES—JESS LARSON

Mr. LUCAS obtained the floor.

Mr. McCLELLAN. Mr. President, will the Senator yield to me?

Mr. LUCAS. I yield.

Mr. McCLELLAN. I ask unanimous consent for the present consideration of the nomination of Jess Larson, of Oklahoma, to be Administrator of General Services. His nomination is Calendar No. 1911 on the Executive Calendar.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, I ask if I correctly understand the request to be that, as in executive session, the Senate consider the nomination of Jess Larson, of Oklahoma, to be Administrator of General Services?

Mr. McCLELLAN. I understood we were in executive session.

Mr. LUCAS. We are in executive session.

Mr. WHERRY. That is correct. The Senator asks for the consideration and confirmation of the nomination of Mr. Jess Larson, of Oklahoma, to be Administrator of General Services. I have no objection. Yesterday, when request was made for consideration of the nomination, I felt, in view of the fact that it had just been reported, that it should go to the calendar and lie over for a day. I have no objection at all to the present consideration of the nomination.

Mr. McCLELLAN. I thank the Senator from Nebraska.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination of Jess Larson, of Oklahoma, to be Administrator of General Services? The Chair hears none, and, without objection, the nomination is confirmed. Without objection, the President will be notified.

Mr. McCARTHY. Mr. President, I should like to take a moment or two to comment upon the action of the Senate in confirming the nomination of Mr. Jess Larson to be Administrator of General Services. I think the selection by the President of Mr. Larson to head the new agency which Congress has just created is one of the best selections the President ever made. The bill creating the new General Services agency is the first major Government reorganization legislation passed by this Congress. If Mr. Larson does the job which those of us on the committee feel he will do, I am sure that the result will be a saving of at least a half billion dollars a year. I compliment the President on making such an excellent selection.

Mr. LUCAS. I thank the Senator from Wisconsin for his remarks.

Mr. McCARTHY. In justice, I thought I should make them.

LEGISLATIVE SESSION

Mr. LUCAS. Mr. President, if there is any Senator present who desires to speak upon the North Atlantic Pact, either in favor or against, the Senator from Illinois is not disposed to move that the Senate go into legislative session, and proceed to the call of the calendar. I understand that the Senator from Missouri [Mr. DONNELL] and the Senator from Utah [Mr. WATKINS] would probably wish to address the Senate upon the North Atlantic Treaty tomorrow. In view of the fact that I made the announcement yesterday that the Senate would proceed to the call of the calendar today if certain Senators who are in opposition to the pact were not ready to speak, I shall now ask unanimous consent that the Senate temporarily lay aside the executive business now under consideration, and that the Senate proceed to the consideration of legislative business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

THE CALENDAR

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of measures on the calendar to which there is no objection, beginning with Order No. 514, which is the point reached in the last call of the calendar.

Mr. WHERRY. Mr. President, this requires unanimous consent, does it not?

Mr. LUCAS. I ask unanimous consent.

Mr. WHERRY. Mr. President, reserving the right to object, I wonder if the distinguished majority leader would include in the call Order No. 294 and Order No. 501, two bills which were previously objected to by the distinguished Senator from Delaware [Mr. WILLIAMS]. My understanding is that while he still opposes the bills, he has no objection to their consideration.

Mr. LUCAS. If that is agreeable to the chairman of the committee, the distinguished Senator from South Carolina [Mr. JOHNSTON], I have no objection to the inclusion of those two bills in the unanimous-consent request.

Mr. PEPPER. Mr. President, reserving the right to object, I notice that there are only five or six pages of the calendar preceding the point at which the Senator from Illinois proposes to begin today. Does he think it would take too much time to begin at the first of the calendar?

Mr. LUCAS. I do not care to make such a request, Mr. President.

Mr. PEPPER. Would the Senator be kind enough to include in the call Order No. 382, Senate bill 478, a bill which was previously objected to? It is a claim bill. If the Senator would be kind enough to do so, I would appreciate having that bill included in the call.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I yield.

Mr. WILLLIAMS. Is it not true that even though we begin with Order No. 514, we can go back to any bill by unanimous consent?

Mr. LUCAS. That is true. We can do anything by unanimous consent. We could drive an elephant in here if we obtained unanimous consent to do it. However, we would oppose that. We would want a donkey. [Laughter.]

I have no objection to including the bill referred to by the Senator from Florida [Mr. PEPPER]. With those modifications, I renew my unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. WILEY. Mr. President, may we have stated again the three calendar numbers which are sought to be included in the call of the calendar, so that we may know what we are doing?

Mr. LUCAS. They are calendar Nos. 501, 294, and 382.

Mr. WILLIAMS. Mr. President, I was wondering if we could include calendar No. 288.

Mr. LUCAS. Mr. President, if we continue we shall have a great many amendments to the unanimous-consent request. Will the Senator from Delaware withdraw his request?

Mr. WILLIAMS. Yes.

Mr. LUCAS. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

The clerk will state the first order of business.

## ACCOUNTING FOR RECEIPTS FROM SALE OF HISTORICAL MEDALS AND COINS

The bill (S. 1069) to amend section 3552 of the Revised Statutes relating to the covering into the Treasury of all moneys arising from charges and deductions was announced as first in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object, I should like to know whether this operation is conducted at a profit or a loss to the Government.

Mr. TAYLOR. Mr. President, I cannot say whether it is conducted at a profit or at a loss. The Treasury Department has approved the bill. An appropriation is made each year for the mint, for the production of medals and special memorial coins. As soon as the appropriation runs out, the Department must suspend operations in this field.

The idea of the bill is to allow the Department to use the receipts to continue operations until the end of the year. Then whatever is left would go back into the Treasury, and it would be necessary to obtain a new appropriation for the following year. The bill has the approval of the Treasury Department and the Bureau of the Budget. I cannot say whether this operation is conducted at a profit or at a loss.

Mr. HENDRICKSON. I thank the Senator. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That section 3552 of the Revised Statutes (U. S. C., title 31, sec. 369) is amended to read as follows:

"SEC. 3552. The money arising from all charges and deductions on and from gold and silver bullion and from all other sources, except the money derived from the manufacture and sale of medals and proof coins and as otherwise provided by and pursuant to this title, shall from time to time be covered into the Treasury, and no part of such deductions, or profit on silver or minor coinage, shall be expended in salaries and wages. The money arising from the manufacture and sale of medals and proof coins shall be reimbursed to the appropriation then current and chargeable for the cost of manufacture and sale of medals and proof coins. All expenditures of the mints and assay offices, not herein otherwise provided for, shall be paid from appropriations made by law on estimates furnished by the Secretary of the Treasury."

## SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 48) favoring the suspension of deportation of certain aliens was considered and agreed to, as follows:

*Resolved by the Senate (the House of Representatives concurring),* That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Abstender, Toni (nee Polinovski).

[redacted], Alexander, Emanuel or Hagigiorgio or Hagiorgio.

[redacted], Allen, Bessie Helen or Della Helen Allen (nee Rosenberg).

[redacted], Alvarez, Guadalupe de Melendrez.

[redacted], Andazola, Juan.

[redacted], Anderson, John Ingvald or Ingvald Johan Navdahl.

[redacted], Anderson, Roy Almanson Kenneth or Kenneth Almanson.

[redacted], Arkaledis, John or John Harry Arkaledis or Harry Arkaledis or John Estratios Arkaledis.

[redacted], Arnesen, Olaug Rodseth.

[redacted], Arnesen, Jacob or Jakob Arnesen.

[redacted], Atondo-Atunez, Ismael or Ismael Atondo.

[redacted], Ayala-Padilla, Reynaldo, alias Leopoldo Martinez.

[redacted], Balanikas, Kyparissos Apostolou or Vallas, Paris.

[redacted], Ball, Consolacion Legaspi.

[redacted], Beblavy, Betty or Elizabeth (nee Esslinger).

[redacted], Bekridakis, Dimitrios or Dimitris Georgios Bikrisakis or James George Bekridakis or James Bikridakis.

[redacted], Bieggar, Paula Davila De (nee Davila).

[redacted], Bilenchi, Henry.

[redacted], Bocko, Heather Mary or Heather Mary Gill.

[redacted], Bouloukos, Panagiotis Athanasios.

[redacted], Brazel, William Wilfred.

[redacted], Breceda, Jorge or Jorge Bustamante or Jorge Braseda-Bustamante.

[redacted], Brown, Benjamin Nelson.

[redacted], Brown, Margaret Jane or Margaret Jane McFarland or Margaret Jane McDougall or Margaret Jane Carson.

[redacted], Burdsall, William Henry or Henry Burdsall or William MacLaughlin or Hugh Cunningham.

[redacted], Burk, Willi Hans.

[redacted], Caceres, Eduardo.

[redacted], Caceras, Denise Guislain (nee Denise Guislain).

[redacted], Campbell, Olive (nee Olive Lancaster).

[redacted], Campbell, William Henry.

[redacted], Caiozzo, Giuseppe.

[redacted], Carnahan, Rose Bedrosian (nee Vartanian).

[redacted], Casper, William Gunther.

[redacted], Catalanotto, Giuseppa.

[redacted], Catalanoto, Francesca.

[redacted], Chao, Si-Tsan.

[redacted], Chaverri, Mariano Rafael.

[redacted], Checkanow, Jacob Meyer or Jankiel Majer Ciechanowiecki.

[redacted], Cowie, Peter Sutherland or Peter Sutherland.

[redacted], Crosbie, Keith Desmond.

[redacted], Cruz-Celestino, Santos De La.

[redacted], D'Angelo, Edgardo.

[redacted], D'Angelo, Ermenegildo.

[redacted], Dawson, Mary Cruthers (nee Grindley).

[redacted], Delgado, Angel Guillermo.

[redacted], Delgado, Maria Concepcion Vicenta Paulina.

[redacted], De Morgner, Hilda Elizabeth (nee De Leon Taracena).

[redacted], De Villanueva, Antonio Gloria.

[redacted], Dimotsis, George Michael or Georgios Michel Dimotsis.

[redacted], Dunn, Peter Martyn Bosco.

[redacted], Edwards, Vee-Tsung.

[redacted], Feinstein, Pinichas or Paul Fine or Artur Rommel.

[redacted], Fickett, Anne Marie.

[redacted], Fitzgerald, Edward John Michael or Edward John Fitzgerald.

[redacted], Fitzgerald, Thomas Patrick or Thomas Patrick Francis Fitzgerald or Thomas Fitzgerald.

[redacted], Funk, Margaret Harns (nee Thiessen).

[redacted], Gallant, George Henry.

[redacted], Galliani, Salvatore.

[redacted], Galliani, Clara Ivy (nee Bercovitz or Burke.)

[redacted], Garcia, Jesus.

[redacted], George, Sylvia (nee Bondea or Bandea).

[redacted], Georges, Panagiota or Pota Georges or Panageota Tzortzis or Sarantoulias.

[redacted], Gonzalez-Burruel, Roberto.

[redacted], Goolnick, Frances.

[redacted], Greenlow, Harvey Vincent.

[redacted], Gromek, Michal.

[redacted], Hsiao, Chinti or Sidney Chihti Hsiao.

[redacted], Inn, Ruby Chan (Mrs.) or Mui Sing Chan.

[redacted], John, Nicholas or Nicholas J. Marinos or Nicolaos Marions.

[redacted], Jose, Antonio or Antonio Goseeph Ferreira.

[redacted], Juhasz, Steve Istvan or Stephen Yuhasz.

[redacted], Kadekian, John.

[redacted], Kadekian, Souren.

[redacted], Kadekian, Mary (nee Vartabetian).

[redacted], Kairinen, Siiri Vilhelmina or Malin.

[redacted], Kiipus, Alide (nee Alide Bender).

[redacted], Klymkow, Anna or Anna Klemdow (nee Nakoneczna).

[redacted], Kourtesis, Andreas or Andrew Peter Kurtesis or Andreas Koyrtesis.

[redacted], Lairtoo, Arnott.

[redacted], Lavengood, Gloria Muriel (alias Gloria Muriel De Leon).

[redacted], Longo, Antonino or Anthony or Tony Longo.

[redacted], Lopenz, Elizabeth Marie (nee Trzetrzewinska or Trzet).

[redacted], Lucero, Pascual Raul or Pascual Lucero

[redacted], McGuire, Katherine or Katherine Morrisroe or Katherine Morris.

[redacted], Madrigal, Jesus Garcia or Jesus Madrigal Garcia.

[redacted], Maldonado-Arellano, Maria Isabell.
[redacted], Maldonado-Arellano, Miguel.
[redacted], Maldonado-Nieto, Miguel.
[redacted], Mallen, Estela Alvarado (nee Romero).
[redacted], Margado, Manuel Domingos.
[redacted], Marques, Rafael or Rafael Marques Lucas.
[redacted], Martinez, Macario or Nicolas Martinez.
[redacted], Massarri, Bernardino.
[redacted], Massarri, Maria (alias Mary Massari).
[redacted], Matson, Ann Torrens.
[redacted], Matson, Joan Marie.
[redacted], Matson, Wendy Susette.
[redacted], Matteo, Testino.
[redacted], May, Frederick Ernst or Fred Ernst May.
[redacted], Mayeda, George Isohachi or Isohachi Mayeda.
[redacted], Medina, Aurora Aguilar (nee Aguilar).
[redacted], Mei, Hua Chuen or Way Moy.
[redacted], Mendez, Regina Moreno or Regina Moreno or Regina Moreno De Mendez.
[redacted], Mendoza-Ortiz, Manuel or Manuel Mendoza.
[redacted], Mercado, Eduardo Patrick or Edward Patrick Mercado.
[redacted], Mercado, Ronald Vincent.
[redacted], Monsivaiz, Elias or Elias Monsivaiz-Vasquez or Elias Monsivais or Elias Moncibais or Elias Monsivias.
[redacted], Morgan, Gilta or Gertrude Morgan (alias Moreno, nee Schultz).
[redacted], Napolitano, Gennaro.
[redacted], Napolitano, Elisa.
[redacted], Nesbitt, Geoffrey Anthony Peter or Geoffrey Anthony Nesbitt.
[redacted], Nygard, Axel.
[redacted], Ojeda-Garcia, Jose.
[redacted], Olshin, Herman Boruch (alias Chaim Boruch Olszewski).
[redacted], Opffer, Betty or Betty A'Beckett Chomley.
[redacted], Ordona, Rodolfo Bonife or Rudolfo Bonife.
[redacted], Padilla, Teresa Huerta or Teresita Huerta or Terry.
[redacted], Parella, Giuseppe or Joe Dorio Parelle.
[redacted], Patroane, Mary Jane.
[redacted], Petro, Mina Christo.
[redacted], Psomiadou, Afroditi V. (nee Sidiropoulou).
[redacted], Purrone, Vincenzo or Jimmy Purrone.
[redacted], Raffler, Eva Scheid.
[redacted], Raiola, Ciro Jerry.
[redacted], Ranjel, Ana Baron.
[redacted], Richardson, George Donald (alias Donald George) Richardson or Donald Richardson or "Bill."
[redacted], Robinson, Michael Ellis.
[redacted], Rokos, Margaret Ermina or Margaret Singer (nee Margaret Ermina Ford).
[redacted], Rosowski, Wilhelm or William Rosner.
[redacted], Rottingen, Gerhard.
[redacted], Rubio, Regino.
[redacted], Rubio, Jose Luis.
[redacted], Rundo, Tripo Philip.
[redacted], Salazar, Marcos or Marcos Salazar-Vasquez.
[redacted], Salazar, Sofia.
[redacted], Salazar, Enriqueta.
[redacted], Santiago, Carmelita Eliza (nee Newton or Carmen Carmelita Newton).
[redacted], Scheer, Ryszard or Richard Scheer or Franciszek Saldak.
[redacted], Schoedel, Levina Mary (nee Huff).
[redacted], Simic, Jovo or John Simic.
[redacted], Sharaay, Ahmed Mohamed or Ahmen Mohamed.
[redacted], Siewigh, Regina Solveig.
[redacted], Steinberg, Stella known as Hiltson (nee Holper, formerly Walker).
[redacted], Stoffers, Walter or Walter Krause.
[redacted], Tagge, Karin Hannelore.
[redacted], Taormina, Rosalino or Russell Taormina.
[redacted], Tarpinian, Gulezar (nee Derderian).
[redacted], Teitel, Benjamin or Benny.
[redacted], Theophilis, Constantinos or Constantin Theophilos or Gus Philis.
[redacted], Torres, Manual Alvarez or Ynconito, Manuel Pego.
[redacted], Tzavaras, Nicolas or Nicholas Tzavaras.
[redacted], Vallez-Ventura, Jorge or Jorge Valles.
[redacted], Violante, Ilario or Larry Violante.
[redacted], Voreadis, Konstantinos Lazaros or Konstantinos L. Voreadis or Constantinos Voreades or Kostas Voreadis or Gus Voreadis.
[redacted], Wall, Kathleen Florence.
[redacted], Wang, Rosita Yrraga.
[redacted], Wetselaar, Paulus Theodorus.
[redacted], Wick, Kristoffer Elias.

ERNEST J. JENKINS

The bill (S. 377) for the relief of Ernest J. Jenkins was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I should like to know whether any other claims have been filed by members of the Civil Air Patrol?

Mr. McCARRAN. None have come before the Committee on the Judiciary, so far as I know.

Mr. HENDRICKSON. This, then, is the sole claim from that source?

Mr. McCARRAN. Yes.

Mr. HENDRICKSON. I thank the Senator.

Mr. TAFT. Mr. President, is not this a rather unusual sum for such a loss? Is not $21,600 an unusual sum to allow in such a case? Is not $10,000 the usual recompense?

Mr. McCARRAN. Let me read from the committee report:

All Members of Congress will recall the early days of the recent war when the submarines were taking such a terrific toll of shipping off our eastern coast. In order to combat this menace the civilian pilots of the United States were organized into what was known as the Civil Air Patrol. To the civilian members of this organization was given the terrific responsibility of patrolling our shores in order to search for submarines and alert the pitifully few military forces available so that they could seek out and destroy this menace where located.

The aircraft used by these civilians was privately owned and operated and in almost every case was never intended for the purpose to which it was put. Because of the extreme urgency of the situation, where possible, these private planes were equipped with bombs. Because of the extreme need for these pilots many of them were not permitted to volunteer for service in the armed forces, and they were granted mandatory draft deferments. They sacrificed all of their free time and many of them sacrificed the hours that they would have ordinarily devoted to their businesses in order to fly these patrols. The service performed by these men for their country in its most critical hour could easily be described in the words of Mr. Churchill: "Never in the field of human conflict was so much owed by so many to so few."

One of the pilots engaged in this activity was Ernest J. Jenkins, of Brunswick, Ga. On October 8, 1942, at 6:55 a. m., while taking off on a patrol with a plane loaded, by means of makeshift bomb racks, with bombs for possible use on his patrol, he crashed from an altitude of 300 feet.

Certain injuries followed. This bill was given special study by the committee because of the amount involved and because of the nature of the claim. For that reason, we thought the amount not excessive.

Mr. KILGORE. Mr. President, does the claim include the cost of the plane? As I understand, members of the Civil Air Patrol furnished their own planes, in addition to furnishing their own services.

Mr. McCARRAN. I do not believe that the cost of the plane is involved.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ernest J. Jenkins, of Brunswick, Ga., the sum of $21,600, in full satisfaction of his claim against the United States for compensation for loss of earnings and for expenses incurred as a result of personal injuries sustained in an airplane crash on October 8, 1942, while on active duty with the Civil Air Patrol, Sixth Task Force, at St. Simons Island, Ga.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JOHN SEWEN

The bill (S. 905) for the relief of John Sewen was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object, in view of the circumstances in this case I think we ought to have an explanation. The beneficiary of the bill was out of the country for more than 17 years. I should like to have an explanation of the bill.

Mr. McCARRAN. Mr. President, the purpose of the bill is to grant the status of permanent residence to John Sewen (also known as John Seven) upon the payment by him of the visa fee and head tax. The bill also provides for the appropriate quota deduction.

The beneficiary of this bill is single, a native and citizen of Luxemburg, and was born on October 21, 1886. He arrived at the port of New York on August 16, 1948, and was admitted as a temporary visitor for a period of 6 months. He is presently living with his brother, Nick Seven, at Grenora, N. Dak., helping with chores about the farm. Mr. Sewen first entered the United States as an immigrant in 1913 and settled at Grenora, N. Dak. He was naturalized as a citizen of the United States under the name of

John Seven on May 14, 1921, at Williston, N. Dak. He acquired 200 acres of pasture land at Grenora, N. Dak., by homesteading in 1921.

Mr. Sewen returned to Luxemburg in 1931 to attend and be with his mother who had a stroke and was helpless. He remained with his mother until her death in 1943, but he was unable to return to the United States at that time on account of World War II. He failed to take steps to return immediately after hostilities ceased. Mr. Sewen had been a permanent legal resident of the United States for 19 years prior to his departure in 1931.

There is little likelihood that he would become a public charge should he be permitted to remain permanently in this country. He is in good health, has never been arrested for any offenses under the State or Federal laws. Persons who know him consider him to be a man of good moral character.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws John Sewen (also known as John Seven), formerly of Williams County, North Dakota, who was admitted to the United States on a temporary visa, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon the payment by him of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the proper immigration quota.

VARTAN CHAMSARIAN

The bill (S. 976) for the relief of Vartan Chamsarian was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

*Be it enacted, etc.*, That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel the outstanding order and warrant of deportation, warrant of arrest, and bond, if any, issued in the case of Vartan Chamsarian, of Troy, New York. From and after the date of enactment of this Act, the said Vartan Chamsarian shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or such warrants and order have issued.

SEC. 2. In the administration of the immigration and naturalization laws, the said Vartan Chamsarian shall be considered as having been lawfully admitted for permanent residence as of the date of his last entry into the United States on payment of the required visa fee and head tax.

SEC. 3. Upon enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the non-preference category of the first available immigration quota for nationals of Turkey.

LEON NIKOLAIVICH VOLKOV

The bill (S. 1087) for the relief of Leon Nikolaivich Volkov was announced as next in order.

The PRESIDING OFFICER. There is on the calendar an identical bill, Calendar 551, House bill 2848.

Mr. McCARRAN. I ask unanimous consent that the House bill may be substituted for the Senate bill, and the House bill be considered at this time.

The PRESIDING OFFICER. Without objection, that will be done; and the question is on the third reading of House bill 2848.

The bill H. R. 2848, an act for the relief of Leon Nikolaivich Volkov, was ordered to a third reading, read the third time, and passed.

Mr. HENDRICKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HENDRICKSON. I did not understand that the question was put on the passage of the House bill. I wish to object to it. I think we should have a thorough explanation of the bill.

The PRESIDING OFFICER. The bill has already been passed.

Mr. WHERRY. Mr. President, I ask unanimous consent that the vote by which the bill was passed be reconsidered, so that the distinguished Senator from Nevada, who reported the bill, can give an explanation of it.

The PRESIDING OFFICER. Without objection, the vote by which the House bill was passed is reconsidered, and the bill is before the Senate.

Mr. McCARRAN. Mr. President, this bill was introduced by the Senator from Connecticut [Mr. McMAHON]. If he is present at this time, I should prefer to have him explain the bill. If he is not present, I shall explain it.

The purpose of the bill is to grant the status of permanent residence to Leon Nikolaivich Volkov and to provide that he shall not be regarded as having been at any time prior to the enactment of this act a person within the provisions of the immigration law relating to anarchistic aliens. The bill also provides for the appropriate quota deduction.

His activities are not injurious to American public interest. His articles give the American public first-hand information about the undesirability of dictatorship as practiced in Russia. He has also given useful information to the United States intelligence services.

Mr. HENDRICKSON. Mr. President, in view of the statement which has been made, I withdraw any objection.

The PRESIDING OFFICER. The question is on the passage of House bill 2848.

The bill was passed.

The PRESIDING OFFICER. Without objection, Senate bill 1087 is indefinitely postponed.

BILL PASSED OVER

The bill (S. 1915) for the relief of Viktor A. Kravchenko was announced as next in order.

Mr. LANGER. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

ELLIOTT HEWITT

The bill (H. R. 682) for the relief of the legal guardian of Elliott Hewitt was considered, ordered to a third reading, read the third time, and passed.

GENERAL ENGINEERING & DRY DOCK CORP.

The bill (H. R. 709) for the relief of the General Engineering & Dry Dock Corp. was considered, ordered to a third reading, read the third time, and passed.

HOY C. WONG

The bill (H. R. 1042) for the relief of Hoy C. Wong was considered, ordered to a third reading, read the third time, and passed.

MEXICAN FIBRE & TWINE CO., INC.

The bill (H. R. 1116) for the relief of Mexican Fibre & Twine Co., Inc., was considered, ordered to a third reading, read the third time, and passed.

JAMES FRED GIRDLEY AND PERCY BRIDGEWATER

The bill (H. R. 1131) for the relief of James Fred Girdley and Percy Bridgewater was considered, ordered to a third reading, read the third time, and passed.

FLORENCE BRYANT PETERS AND E. B. PETERS

The bill (H. R. 1173) for the relief of Florence Bryant Peters and E. B. Peters was considered, ordered to a third reading, read the third time, and passed.

ALVIN G. PATTON

The bill (H. R. 1297) for the relief of Alvin G. Patton was considered, ordered to a third reading, read the third time, and passed.

JAMES F. DELAHANTY

The bill (H. R. 1470) for the relief of the estate of James F. Delahanty, deceased, was considered, ordered to a third reading, read the third time, and passed.

MRS. THELMA LEE RYNAARD

The bill (H. R. 1496) for the relief of Mrs. Thelma Lee Rynaard was considered, ordered to a third reading, read the third time, and passed.

THOMAS M. BATES

The bill (H. R. 1676) for the relief of Thomas M. Bates was considered, ordered to a third reading, read the third time, and passed.

COL. WLODZIMIERZ ONACEWICZ

The bill (H. R. 2349) for the relief of Col. Wlodzimierz Onacewicz was considered, ordered to a third reading, read the third time, and passed.

MRS. REBECCA LEVY

The bill (H. R. 3077) for the relief of Mrs. Rebecca Levy was considered, ordered to a third reading, read the third time, and passed.

JACOB GROSS

The Senate proceeded to consider the bill (H. R. 3127) to authorize the admission into the United States of Jacob Gross, a minor, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That for the purposes of the immigration and naturalization laws Jacob Gross, a minor,

orphan grandchild of Rabbi Solomon Horovitz, of New York, N. Y., shall be deemed to be the child of said Rabbi Solomon Horovitz.

Mr. WHERRY. I should like to inquire what the substitute would do.

Mr. McCARRAN. The purpose of the bill, as amended, is to enable a 2-year-old child, who was orphaned because of the death of his parents in an airplane crash, to enjoy nonquota immigration status.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MYRTLE RUTH OSBORNE AND OTHERS

The bill (H. R. 3812) for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I should like to point out that last year the President vetoed a measure similar to this one. So I should like to know what proof has come in since that time to justify the bringing up of the bill at this time.

Mr. McCARRAN. I may say that this is a rather complicated bill, and the history of it is complicated. I invite the Senator to read the report.

I shall present a synopsis of the report, to the extent I am able in the time now available.

A similar bill, H. R. 2306, of the Eightieth Congress, was passed by the House and by the Senate. It was vetoed by the President.

In its favorable report on the present bill (Rept. No. 395, House of Representatives, 81st Cong.) the House Committee on the Judiciary says:

> Since the veto message was submitted, the President has been contacted and has stated that should the bill be repassed he would give further consideration and would be open-minded about it.
>
> Therefore, in view of this fact, your committee is of the opinion that he should be given another chance to approve this legislation, and it is the further opinion of your committee that this is a meritorious bill and should receive favorable consideration.

That is the language of the House, in sending the bill to the Senate.

A detailed statement of the facts in the case was included in the House report and is appended hereto and made a part of the report.

Let me say that the House report goes into the matter at length. The contention is that the President was in error when he vetoed the bill.

Mr. HENDRICKSON. Was additional evidence submitted to the House committee?

Mr. McCARRAN. That is my recollection. Without having time to take up the report at this time, it is my recollection that there was additional evidence. I do not say that the additional evidence was of a cogent nature, but it was sufficient to warrant the belief of the Committee on the Judiciary that the bill should be passed.

Mr. HENDRICKSON. I take it that the Senate committee was unanimous in its position in regard to the bill?

Mr. McCARRAN. Yes.

Mr. HENDRICKSON. I withdraw any objection, Mr. President.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

MRS. PEARL SHIZUKO OKADA PAPE

The Senate proceeded to consider the bill (S. 111) for the relief of Mrs. Pearl Shizuko Okada Pape, which had been reported from the Committee on the Judiciary with an amendment, on page 2, in line 6, after the date "1927", to strike out the period and insert a comma and the following: "upon the payment by her of the visa fee and head tax. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available", so as to make the bill read:

*Be it enacted, etc.*, That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel the outstanding order and warrant of deportation, warrant of arrest, and bond, if any, issued in the case of Mrs. Pearl Shizuko Okada Pape, of Washington, D. C. From and after the date of enactment of this act the said Mrs. Pearl Shizuko Okada Pape, who has resided in the United States since 1927, shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or such warrants and order have issued.

SEC. 2. Notwithstanding any provision of the immigration laws, the said Mrs. Pearl Shizuko Okada Pape shall be considered as having been lawfully admitted into the United States for permanent residence as of May 23, 1927, upon the payment by her of the visa fee and head tax. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EUGENIO MAISTERRENA BARRENECHE

The bill (S. 204) for the relief of Eugenio Maisterrena Barreneche was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I should like to call the attention of the Senate to the fact that in this case there were apparently deliberate falsehoods by the alien who seeks relief. I think there should be a very clear explanation of the facts.

Mr. McCARRAN. Mr. President, I do not know to what the Senator refers. The purpose of the bill is to record the lawful admission for permanent residence of Eugenio Maisterrena Barreneche, and to provide for the usual quota deduction. The pertinent facts in the case are set forth in a letter dated May 11, 1949, addressed to the chairman of the Senate Committee on the Judiciary, from Peyton Ford, the assistant to the Attorney General. The letter reads as follows:

MAY 11, 1949.

Hon. PAT MCCARRAN,
*Chairman, Committee on the Judiciary,*
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR: This is in response to your request for the views of the Department of Justice relative to the bill (S. 204) for the relief of Eugenio Maisterrena Barreneche.

This bill would direct the Attorney General to cancel deportation proceedings in the case of Eugenio Maisterrena Barreneche. It would also provide that for the purposes of the immigration and naturalization laws the alien shall be held and considered to have been lawfully admitted for permanent residence as of January 2, 1946, when he was admitted to the United States as a temporary visitor for a period of 6 months.

According to the immigration and naturalization files of this Department the beneficiary of this bill was born May 30, 1926, near Maya, Navarra, Spain, is a native and citizen of Spain, and a farmer by occupation. He arrived at the port of New York, N. Y., on January 1, 1946, and was temporarily admitted as a visitor for 6 months. Questioned by an officer of the Immigration and Naturalization Service on June 6, 1946, he stated that he had been granted an extension to remain in the United States until September 1947 but had lost the letter advising him of such extension. He further stated his reason for coming to the United States and for requesting an extension of his visit was that he desired to assist in the settlement of his uncle's estate. Investigation has disclosed that the estate was probated, and decree of distribution filed February 8, 1945, almost a year before the alien arrived here. He has been in the United States without permission since July 2, 1946.

After entering this country the alien was employed as a farm laborer in Kern County, Calif., and since June of 1948 has been working as a sheep herder and assistant camp tender for Greterio Rendiburu and Oscar Rudnick, partners in a sheep ranch, with offices at 2311 B Street, Bakersfield, Calif. The partners when interviewed stated the alien has been found to be a very satisfactory worker and that he is one of the best sheep herders they have been able to obtain in a long time. The partners and other persons who are well acquainted with the alien stated that in their opinion he is a person of good moral character, and well disposed to the welfare of the United States. His employers promise to give him steady employment if he is permitted to remain in this country.

The quota of his nationality is oversubscribed for several years and an immigration visa is not readily obtainable. He is, therefore, unable to depart voluntarily to a nearby country and apply for an immigration visa. The alien gained entry into the United States by claiming to be a visitor, but sought and obtained employment in violation of his visitor's status and has made no effort to depart. His case under all the circumstances would not seem to justify granting him a preference over the thousands of law-abiding aliens in foreign countries who are patiently awaiting their turn for quota numbers.

Accordingly, the Department is unable to recommend the enactment of this legislation.

Yours sincerely,

PEYTON FORD,
*The Assistant to the Attorney General.*

Let me say that this alien has been employed as a sheep herder in the western area of the United States. Those engaged in the sheep industry for years have been importing assistants by obtaining sheep herders from the Pyrenees Mountains, between Spain and France. There will be found on the calendar today a bill authorizing the entry of 250 sheep herders for the Western open-range region. There will also be found that hearings were held by the committee as to the justification for bringing sheep herders into the United States, and the necessity for it. Our young American population as a rule does not take to sheep herding in the open public domain. It is utterly impossible for us to get sheep herders in the open-domain States; so much so that our sheep population has gone down nearly 40 percent in the past 10 or 12 years. We are encouraging these people to come here, because they are reliable, industrious, frugal, and hard working. The record shows that this man, although he may have come into the country under peculiar circumstances, has been engaged in the industry to which he is adapted, as are many others of his kind entering the country.

Mr. HENDRICKSON. Mr. President, will the Senator tell us whether the Department of Justice opposes this bill?

Mr. McCARRAN. The Department of Justice did oppose it.

Mr. HENDRICKSON. The Department of Justice is opposed to it, is it not?

Mr. McCARRAN. I think very likely the Department is.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. HENDRICKSON. I yield to the Senator from Utah.

Mr. WATKINS. I wanted to ask the Senator from Nevada a question. Does the Senator think there would be the same difficulty in obtaining help for flock masters, now that the unemployment is increasing in the United States, particularly in the West?

Mr. McCARRAN. Yes, it would be just as hard to get them as it was during our greatest period of unemployment in the years 1933 and 1934. It was utterly impossible to get sheep herders to herd sheep on the open public domain. The Senator from Utah is entirely familiar with the conditions under which sheep culture goes forward on the open-public domain. We herd them in vans of from 3,000 to 5,000, depending on the locality and the surroundings. A sheep herder, taking a van of 2,500 or 3,000 sheep on the open public domain, leads a lonesome, hazardous life. He usually does not see another human being for anywhere from 5 to 10 days, and there are only a very few in the world who will take to that general vocation. The people who come from the Pyrenees Mountains are, if I may use a homely expression which perhaps is not applicable but at least worth while at this time, to the manner born. They are herdsmen. They were born as herdsmen. They grew up as herdsmen. They become adapted to that line and vocation in this country, and we shall have just as much of a shortage during unemployment as we have had in the past.

Mr. WATKINS. I may suggest to the Senator that before the last depression it was not too difficult to get sheep herders in the section of the West from which I come. I am wondering if we have done something to our people, by putting them on WPA and giving them grants or doles to the point where they will not engage in this particular line of work.

Mr. McCARRAN. I do not quite understand the wonderment of the Senator. All I can say is that my observation is that it was just as difficult during the lean years, when we had unemployment, to get herders to go into that line of business as it is today. It is because of the peculiar nature of the business. Very frankly, the young native will not take to this line of work. He does not take to it. He does not like it, and he will not do it. That has been our experience, and for that reason I may say our herds in the West have been cut down very materially.

Mr. HENDRICKSON. Mr. President, if the Senator will yield, on the basis of the admission that the man is a sheep herder I should be opposed to the bill. That is clearly discriminatory. If we are going to admit the people into this country merely because there seems to be a need in some specialized field, I think it is quite discriminatory against the admission of other people. On that basis I should oppose the bill, even though the Department of Justice had not opposed it. I object.

The PRESIDING OFFICER. On objection, the bill will be passed over.

### MARGITA KOFLER

The Senate proceeded to consider the bill (S. 317) for the relief of Margita Kofler, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 9, after the word "residence", to insert a comma and the words "upon the payment by her of the visa fee and head tax", so as to make the bill read:

*Be it enacted, etc.,* That the Department of Justice be, and is hereby, authorized and directed to record the lawful admission for permanent residence of Margita Kofler, who entered the United States at New York, September 21, 1946, and that she shall, for all purposes under the immigration and naturalization laws, be deemed to have been lawfully admitted as an immigrant for permanent residence, upon the payment by her of the visa fee and head tax. Upon the enactment of this act, the Secretary of State shall direct the proper quota-control officer to deduct one number from the Yugoslav quota for the first year said Yugoslav quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

### SADAKO TAKAGI

The Senate proceeded to consider the bill (H. R. 623) for the relief of Sadako Takagi, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Sadako Takagi, the Japanese fiancée of Lt. William M. Marutani, of Chicago, Ill., presently a tubercular patient at the Veterans' Administration Hospital in Waukesha, Wis., and a retired United States Army officer of World War II, and that Sadako Takagi may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided,* That the administrative authorities find that the said Sadako Takagi is coming to the United States with a bona fide intention of being married to said Lt. William M. Marutani, and that she is found otherwise admissible under the immigration laws. In the event that the marriage between the above-named parties does not occur within 3 months after the entry of said Sadako Takagi, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Sadako Takagi, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Sadako Takagi as of the date of her entry into the United States, upon the payment by her of the required fees and head tax.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

### GEORGE GABRIEL HERRMANN ET AL.

The Senate proceeded to consider the bill (S. 330) for the relief of George Gabriel Herrmann, Greta (Marketa) Herrmann (wife), and Alice Herrmann (daughter), which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 8, after the word "residence", to insert "upon the payment by them of the visa fees and head taxes", and on page 2, line 1, after the word "entry." insert the following:

Upon the enactment of this act, the Secretary of State is instructed to direct the proper quota-control officer to deduct two numbers from the Austrian quota for the first year that such quota numbers are available, and to deduct one number from the Czechoslovakian quota for the first year that such quota number is available.

So as to make the bill read:

*Be it enacted, etc.,* That in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record George Gabriel Herrmann, Greta (Marketa) Herrmann (wife), and Alice Herrmann (daughter), as having entered the United States on January 16, 1947, for permanent residence, upon the payment by them of the visa fees and head taxes. The said George Gabriel Herrmann, Greta (Marketa) Herrmann (wife), and Alice Herrmann (daughter), shall not be subject to deportation by reason of such entry. Upon the enactment of this act, the Secretary of State is instructed to direct the proper quota-control officer to deduct two numbers from the Austrian quota for the first year that such quota numbers are available, and to deduct one number from the Czechoslovakian quota for the first year that such quota number is available.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

On motion of Mr. HENDRICKSON, the title was amended to read: "for the relief of George Gabriel Herrman, Greta (Marketa) Herrman (wife), and Alice Herrmann (daughter), known also as George Gabriel Herman, Greta Herman, and Alice Herman."

Mr. McCARRAN. Mr. President, I should like to inquire if it is the intention of the Senator from New Jersey to change the name of the claimant?

Mr. HENDRICKSON. No. I wanted to have the name spelled correctly in the bill, the way in which the beneficiary spells his name.

Mr. McCARRAN. Does the Senator have authentic spelling of his name different from that which appears in the bill?

Mr. HENDRICKSON. I have his name as spelled by himself. I wanted to be sure that the name was correct and the proper person was involved.

The PRESIDING OFFICER. The bill will be corrected to conform to the spelling in the last amendment.

The clerk will call the next bill on the calendar.

### SALE OF LAND ON WINNEBAGO RESERVATION, NEBR.

The bill (S. 1330) to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is hereby authorized and directed to sell the trust allotment No. 322 of Paul Bighead, deceased Winnebago allottee, described as the northwest quarter of the southwest quarter, section 25, township 26 north, range 6 east, sixth principal meridian, Nebraska, containing 40 acres, conveyance to be made by the issuance of a patent in fee to the purchaser and to distribute the proceeds of such sale among the heirs of the said Paul Bighead in accordance with their respective interests: *Provided*, That the Secretary shall deduct from the amount payable under this act to any such heir a sum equal to the principal and accrued interest on any unpaid loan charged against such heir.

### PUEBLO AND NAVAJO LANDS HELD IN TRUST

The bill (S. 1323) to declare that the United States holds certain lands in trust for the Pueblo Indians and the Canoncito Navajo group in New Mexico, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. ANDERSON subsequently said: Mr. President, I ask unanimous consent that the Senate return to Order of Business 543, Senate bill 1323. I am quite sure there must be some misunderstanding about the bill.

Mr. HENDRICKSON. Mr. President, the distinguished Senator from New Mexico has convinced me that there should be no objection to this bill, and I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment, to strike out all after the enacting clause and insert:

That title to the lands and the improvements thereon, lying and situated within the State of New Mexico, which have been acquired by the United States under authority of title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), section 55 of title I of the act of August 24, 1935 (49 Stat. 750, 781), the Bankhead-Jones Farm Tenant Act (50 Stat. 522, 525) and subsequent emergency relief appropriation acts administrative jurisdiction over which has heretofore been transferred by the President from the Secretary of Agriculture to the Secretary of the Interior, to be administered through the Commissioner of Indian Affairs for the benefit of the Indians, by Executive Orders Nos. 7792, 7975, 8255, 8471, 8696, and 8472 and that title to the public domain lands and improvements thereon, lying and situated within the State of New Mexico, which were withdrawn in aid of proposed legislation by the Secretary of the Interior on December 23, 1938, and May 31, 1939, and now in use by Pueblo or Canoncita Navajo Indians, excepting those portions thereof used by the United States for administrative purposes, is hereby declared to be in the United States of America in trust for the respective tribes, bands, or groups of Indians occupying and using same as a part of their respective existing reservations, subject to valid existing rights. The remainder of the aforesaid land is hereby declared to be a part of the public domain of the United States and shall be transferred by the Secretary of the Interior to the Bureau of Land Management for administration under the provisions of the act of Congress of June 28, 1934, generally known as Taylor Grazing Act (48 Stat. 1269, as amended). The boundaries and descriptions of the areas to become Indian lands and those which are to be transferred to the Bureau of Land Management are set out in sections III and IV, respectively, of the memorandum of information which is attached to and a part of the report of the Secretary of the Interior to the Senate Committee on Interior and Insular Affairs on S. 1323, Eighty-first Congress, first session, and such boundaries and descriptions are hereby adopted as part of this act and shall be published in the Federal Register.

SEC. 2. For the purpose of consolidation of Indian lands the Secretary of the Interior is hereby authorized, under such regulations as he may prescribe, to exchange any lands or interests therein, including improvements and water rights with the consent of the Pueblo or Navajo tribal authorities for other lands, water rights, and improvements of similar value in the area set apart for the Pueblos and Canoncito Navajos or in the areas hereby declared to be public domain or within any public domain within New Mexico. Title to all lands acquired under the provisions of this act shall be taken in the name of the United States in trust for the respective Pueblo Indians and the Navajo Canoncito group.

SEC. 3. The lands for each Pueblo or Navajo group shall be administered the same as other trust or restricted Indian lands, subject to regulations prescribed by the Secretary of the Interior for the protection and conservation of the soil, proper utilization of the land, and other purposes.

SEC. 4. The funds now on deposit in the United Pueblos Agency in "special deposits" which have accrued from issuance of livestock-crossing permits and fees collected for grazing permits on the lands which have been under the jurisdiction of the Department of the Interior shall be expended or disbursed for the benefit of the Indians under such rules and regulations as the Secretary of the Interior may prescribe.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

### BILLS PASSED OVER

The bill (S. 1407) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations and for other purposes was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

### FIRST, SECOND, AND THIRD NATIONAL STEAMSHIP COS.

The bill (S. 784) for the relief of the First, Second, and Third National Steamship Cos. was announced as next in order.

Mr. JOHNSTON of South Carolina. Mr. President, I object.

The PRESIDING OFFICER. The bill will be passed over.

Mr. McCARRAN subsequently said: Mr. President, I ask unanimous consent to revert to Calendar 542, Senate bill 784. The Senator from Rhode Island [Mr. McGRATH] is now on the floor. The bill has been before the Congress for some time and a very careful study was made of it by the subcommittee of which the Senator from Rhode Island was chairman.

Mr. McGRATH. Mr. President, I shall be glad to explain the bill as well as I can.

The PRESIDING OFFICER. The consideration of the bill has already been objected to.

Mr. McCARRAN. It was objected to by the Senator from South Carolina [Mr. JOHNSTON].

Mr. JOHNSTON of South Carolina. Mr. President, I noticed the amount of money involved, and I certainly wanted to look into it before I agreed that $384,000 should be given away.

Mr. McGRATH. Mr. President, if the Senator will withhold his objection, I shall try to explain the bill.

Mr. JOHNSTON of South Carolina. I withhold my objection.

Mr. McGRATH. The amount is large; but, by the same token, the injustice which is being done to the claimant is correspondingly large. It is an injustice on the part of the Government which has continued over a long period of time. The claim has been before the Congress, I believe, on four different occasions, and on at least three of them both Houses have acted, but at another time there was action by one House. The claim has gone to the President on several occasions, but it has been vetoed each time because a mistaken concept of what was involved. It is a complicated matter. The finding on all occasions was that the money is improperly held by the Government from those who are the stockholders of the First, Second, and Third National Steamship Cos.

The subcommittee and the full Committee on the Judiciary, in the present Congress, went into the claim very thoroughly and were unanimously of the opinion that the money should be promptly refunded to the companies.

The claim goes back to the early 1920's, when the then Shipping Board established a fleet corporation for the operation of American merchant vessels. It entered into a contract with one Schundler for the operation of three vessels. In the fulfillment of the contract Schundler organized what was to be known as the First, Second, and Third National Steamship Cos., placing one of these vessels in each of the said companies. He was required to put up a cash bond for the faithful performance of the terms of his contract. Up to that time the Fleet Corporation had not been able to operate a single United States vessel under the American flag without a tremendous loss. Schundler was then regarded as one of the outstanding fleet operators, and he made a contract with the Government whereby, if he were given the ships and were permitted to operate wherever he cared to sail them, he would guarantee to operate them without loss to the Government. The Government was to bear certain of the costs, namely, the normal costs involved, and Schundler was to bear all the operating costs, including the cost of the crews, the operating expenses, and so forth. Under his management the ships made nine trips with cargoes.

There was an agreement entered into at the time he took over providing that the Fleet Corporation might, at some future time, permit him to purchase the vessels, or it might decide to take them back. He performed his contract in full. The Corporation decided, at the end of nine trips, that it wanted to take the vessels back, not because of any fault of Mr. Schundler or his companies.

Thereafter there was an audit of the books, and it was determined that he had operated the vessels not only without loss to the Government, but with some profit to his own companies. That profit was later reduced to rather an insignificant amount when he was forced to pay income taxes upon it. There was then a great deal of controversy concerning the final accounting that should be made. Several audits were made. Time was passing. There were various changes in the law with respect to who had charge of the Maritime Commission. Each of the changes necessarily delayed the settlement of the case. It finally reached a situation in which no agency of the Government seemed to have authority to turn over to Schundler the amount of the cash bond he had given for the faithful performance of his contract. There came a time when there was turned back to him $250,000 of the amount of the bond, the balance being held against a possible settlement of the issues in the courts. The case went through the courts, and it was determined that he had faithfully fulfilled the terms of his contract. The court's opinion said there was no breach of contract whatsoever, and indicated that he was entitled to receive his money, but because of some jurisdictional problem there was no authority to enter the order.

Congress again changed the law, taking the authority of the Maritime Commission out of one agency and placing it in the hands of another, leaving the new agency without authority to refund the amount due.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. WHERRY. Mr. President, will the Senator yield on my time?

Mr. McGRATH. I yield.

Mr. WHERRY. What court made that decision?

Mr. McGRATH. The Court of Claims.

Mr. WHERRY. On what basis was the finding made?

Mr. McGRATH. The matter was taken to court for an accounting.

Mr. WHERRY. Is it correct that there was no legal action?

Mr. McGRATH. There was no legal action by which judgment could be obtained.

The language of the reports of previous Congresses and of eminent Senators who have examined into the matter is exceedingly strong, that the case stands out as one of the great injustices done to an American by withholding a vast amount of money from him. As a matter of fact, the money represents practically his entire estate. It has been held by our Government since 1920. The man is not claiming any interest; he is claiming only the principal. The courts have determined that he faithfully performed his contract and that he is entitled to this refund.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCARRAN. Mr. President, let me say, in keeping with what the Senator from Rhode Island has stated, that this item has been kept in a separate account in the Treasury of the United States, and has never been covered into the Treasury because it was always considered, and must have always been considered, that this man was entitled to the return of his money, and that some day it would be returned.

Mr. McGRATH. That is correct.

Mr. GURNEY. Mr. President, my purpose in rising was in order to give a little more time to the Senator from Rhode Island, but I wish to make the statement that Mr. Schundler, who is from my State, came to me about 2 years ago with this problem. I made a study of it at that time, but because he had moved to New Jersey I contacted the Senator from New Jersey [Mr. SMITH], who went over it carefully and was the sponsor of the bill before the committee last year, when the committee acted favorably on the claim. It passed the Senate last year, I believe.

Mr. McGRATH. The Senator is correct.

Mr. GURNEY. I have since then not had time to bring myself up to date on the details, but I did read the report, and I am convinced that this money has been withheld too long, and that Congress should pass the bill and place the money back where it belongs.

Mr. JOHNSTON of South Carolina. Mr. President, I withdraw my objection.

Mr. HENDRICKSON. Mr. President, I am heartily in favor of the bill. The claimant is a resident of my own State, and I think there is great merit in the measure. But I wonder if the distinguished Senator from Nevada would object to the inclusion of an amendment, which is rather standard in bills of this kind, limiting the attorney's fee.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from New Jersey.

The LEGISLATIVE CLERK. On page 2, line 12, after the word "Corporation", is is proposed to strike out the period, insert a colon, and the following proviso: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to any agent or attorney on account of the services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. McCARRAN. Mr. President, I am very much in favor of the amendment. The reason why we did not insert the amendment in the committee was that this man had been acting as his own attorney for years.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The bill, as passed, is as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, jointly or severally to the First National Steamship Co., the Second National Steamship Co., and the Third National Steamship Co., corporations organized and existing under the laws of the State of New Jersey, as the balance of the refund to said companies and as reimbursement to said companies, the amount of $384,256.26, being the balance on account of certain sums deposited by or on behalf of those companies in the year 1920 with the United States Shipping Board and/or United States Shipping Board Emergency Fleet Corporation and on account of certain further sums expended by said companies for and on behalf of the United States Shipping Board and/or the United States Shipping Board Emergency Fleet Corporation in the year 1920 in connection with the vessels *Independence*, *Hoxie*, and *Scottsburg*, then owned by the United States Government and/or the United States Shipping Board and/or the United States Shipping Board Emergency Fleet Corporation: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to any agent or attorney on account of the services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

## BILLS PASSED OVER

The bill (H. R. 4584) to authorize the purchase of additional farming land for

Leavenworth Penitentiary was announced as next in order.

Mr. HENDRICKSON. Mr. President, I object, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 3946) to promote the national defense and to contribute to more effective aeronautical research by authorizing professional personnel of the National Advisory Committee for Aeronautics to attend accredited graduate schools for research and study was announced as next in order.

Mr. HENDRICKSON. Mr. President, I offer objection to this bill, by request.

The PRESIDING OFFICER. The bill will be passed over.

### INCREASE IN SALARIES OF JUDGES IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 3901) to increase the salaries of the judges of the Municipal Court of Appeals for the District of Columbia and the Municipal Court for the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and insert:

That the salary of the judges of the Municipal Court of Appeals for the District of Columbia authorized by the act approved April 1, 1942 (56 Stat. 191, 194, D. C. Code, title XI, secs. 753 and 771), is hereby increased so that the salary of the chief judge of the Municipal Court of Appeals for the District of Columbia shall be $14,500 per annum and the salary of each associate judge shall be $14,000 per annum; the salary of the chief judge of the Municipal Court for the District of Columbia shall be $13,500 per annum and the salary of each associate judge shall be $13,000 per annum.

SEC. 2. Section 2 of said act of April 1, 1942, is amended by striking out the words "The salary of the chief judge shall be $8,500 per annum and the salary of each associate judge shall be $8,000 per annum" and substituting in lieu thereof the following: "The salary of the chief judge shall be $13,500 per annum and the salary of each associate judge shall be $13,000 per annum."

SEC. 3. Section 6 of said act of April 1, 1942, is amended by striking out the words "The salary of the chief judge shall be $9,500 per annum and the salary of each associate judge shall be $9,000 per annum" and substituting in lieu thereof the following: "The salary of the chief judge shall be $14,500 per annum and the salary of each associate judge shall be $14,000 per annum."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

### COUNSEL FEES IN MARYLAND SENATORIAL CONTEST

The resolution (S. Res. 127) to pay counsel fees incurred in the Maryland senatorial contest in 1947 was considered and agreed to, as follows:

*Resolved*, That the Committee on Rules and Administration be authorized to expend from the contingent fund of the Senate $35,313.37 for the payment of counsel fees incurred in carrying out the duties imposed upon it by subsection (O) (1) (D) of rule XXV of the Standing Rules of the Senate to consider the question whether Mr. HERBERT R. O'CONOR was entitled to retain his seat in the Senate to which he was elected for the term beginning January 3, 1947.

### STOPPAGE OF PAYMENT ON CERTAIN NEGOTIABLE INSTRUMENTS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 2104) relating to orders to banks doing business in the District of Columbia to stop payment on negotiable instruments payable from deposits in or payable at such banks, which had been reported from the Committee on the District of Columbia with amendments.

The amendments were on page 2, line 1, after the word "payable", to insert a colon and the following proviso: "*Provided, however*, That any stop-payment order transmitted by telephone to an officer of the bank upon which the instrument has been drawn shall be accepted as an effective notice for a period of 24 hours, after which time it shall no longer be valid unless followed by a written order as otherwise provided herein."

On page 3, after line 14, to strike out:

SEC. 5. Any bank or trust company that pays a check or other instrument drawn by or against the account of a depositor, the payment of which has been ordered stopped, and the order is still in effect, as herein provided, shall be responsible to the person who so ordered the payment thereof stopped for the actual loss incurred by such person because of the payment by such bank or trust company of such check or other instrument.

And in lieu thereof to insert the following:

SEC. 5. Any bank or trust company that pays a check or other instrument drawn by or against the account of a depositor, the payment of which has been ordered stopped, and the order is still in effect, as herein provided, shall be responsible to the depositor for the amount thereof. When restored to such a depositor, the bank shall be subrogated to any benefits receivable, or amounts recoverable, by the depositor but shall pursue its remedy at its own expense.

Mr. HENDRICKSON. Mr. President, I should like to offer an amendment to the bill which I think will improve the language and clarify it. It is really a perfecting amendment.

The PRESIDING OFFICER. The question is first on agreeing to the amendments of the committee.

The amendments were agreed to.

The PRESIDING OFFICER. The clerk will now state the amendment offered by the Senator from New Jersey.

The LEGISLATIVE CLERK. It is proposed to amend, on page 1, line 10, after the word "relates", to insert "by stating the amount of the item upon which payment is to be stopped, the date thereof, and the name of the payee"; and on page 2, line 4, after the word "accepted", to insert "by the bank upon such identification that will insure the order has been transmitted by its depositor."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

### CUMULATIVE LEAVE FOR SCHOOL TEACHERS AND OTHERS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 4381) to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 2, after the word "exceed", to strike out "sixty" and insert "ninety"; and in line 21, after the word "exceed", to strike out "sixty" and insert "ninety."

Mr. CAIN. Mr. President, I should like to offer a perfecting amendment.

The PRESIDING OFFICER. The committee amendment will be first acted on. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Washington.

The LEGISLATIVE CLERK. It is proposed on page 1, line 6, after the word "or", to insert "other", and in line 7, after the word "pressing", to insert "personal."

Mr. MCGRATH. Mr. President, will not the Senator explain the amendment?

Mr. CAIN. Mr. President, it has been suggested that by the very nature and purpose of the bill it is implicit that the emergency which is the condition precedent to the leave is an emergency of a personal nature of the teacher involved. The present wording of the bill does not relate the present emergency to the teachers' entitlement to the leave. It is the opinion of the junior Senator from Washington that the amendment offered would merely clarify and provide greater protection for the rights of the teachers.

Mr. MCGRATH. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. CAIN. Mr. President, I wonder if the Senator from Rhode Island would permit me to ask him two questions. First, will the Senator explain why the Senate Committee on the District of Columbia amended the bill to provide that teachers may cumulate their leave with pay up to 90 days, when the sponsors of the bill, the District Board of Commissioners, recommended a maximum accumulation of leave for only 60 days?

Mr. MCGRATH. It was so as to have the teachers' bill conform with the general statute.

Mr. CAIN. The second question, which is in two parts, is as follows, and I ask this question because of the joint concern of many of us as to where moneys are to come from in the future to satisfy the budget requirements of the District of Columbia. Since it is understood that the annual cost of this legislation will be about $188,000 under the 60-day provision, how much will the 90-day provision of the amended bill increase the annual cost of the legislation?

Mr. MCGRATH. I am sorry, I cannot answer the Senator's question.

Mr. CAIN. What will be the total additional cost to take care of the 90 days of accumulated pay of the teachers?

Mr. MCGRATH. I cannot answer the Senator's question.

Mr. CAIN. I merely desired to draw the attention of interested Senators to the fact that under the 60-day provision recommended by the Board of District Commissioners the cost for retroactive benefits would approximate $380,000, and if I understood the Senator from Rhode Island correctly, he said that the committee increased the 60-day recommendation to 90 days only in order to have the 90 days for the District employees conform to the practice followed in Federal agencies.

Mr. McGRATH. That is my understanding.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 4381) was read the third time and passed.

APPOINTMENT OF CONTRACTING OFFICERS IN THE DISTRICT OF COLUMBIA

The bill (S. 1918) to authorize the Commissioners of the District of Columbia to appoint contracting officers to make contracts in amounts not exceeding $5,000, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. CAIN. Mr. President, reserving the right to object, I wonder if we may have an explanation as to why the figure as finally agreed to was reduced from $5,000 to $3,000.

Mr. FREAR. I can explain to the Senator why the reduction from $5,000 to $3,000 was made. There have been only a small number of such contracts issued during the past year. It was felt that if we reduced the amount to $3,000 it would at least take the majority of the contracts over the hump, so it would afford relief to the personnel, and that therefore it would not be necessary to hire additional personnel.

Mr. CAIN. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1918) to authorize the Commissioners of the District of Columbia to appoint contracting officers to make contracts in amounts not exceeding $5,000, which had been reported from the Committee on the District of Columbia with an amendment on page 1, line 8, after the word "thereof", to strike out "$5,000" and insert "$3,000", so as to make the bill read:

*Be it enacted, etc.*, That the first paragraph of section 2 of the act entitled "An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes," approved December 20, 1944 (58 Stat. 821, 822), is amended by striking out therefrom "$1,000" and inserting in lieu thereof "$3,000."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Commissioners of the District of Columbia to appoint contracting officers to make contracts in amounts not exceeding $3,000."

INCREASED PENSIONS FOR WIDOWS AND CHILDREN OF DECEASED MEMBERS AND RETIRED MEMBERS OF THE POLICE AND FIRE DEPARTMENTS OF THE DISTRICT

The bill (H. R. 2021) to provide increased pensions for widows and children of deceased members and retired members of the Police Department and the Fire Department of the District of Columbia, was announced as next in order.

Mr. CAIN. Mr. President, reserving the right to object, I wonder if the Senator from Rhode Island will explain the bill. The bill, as I understand it, would provide $125 a month for widows and $25 a month for each dependent child.

Mr. McGRATH. That is correct.

Mr. CAIN. Will the Senator tell us what the present benefits are?

Mr. McGRATH. Seventy-five dollars to the widow and $10 to each child.

Mr. CAIN. Would the Senator indicate how the benefits proposed under this bill compare with benefits paid to widows and children of deceased policemen and firemen of comparably large cities throughout the country?

Mr. McGRATH. The evidence before our committee was to the effect that the benefits in the District of Columbia were considerably lower than the benefits paid throughout the country. Payments are made out of the pension funds, to which contribution is made by the firemen and policemen.

Mr. CAIN. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 2021) to provide increased pensions for widows and children of deceased members and retired members of the Police Department and the Fire Department of the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments, on page 2, after line 17, to insert a new section 2, as follows:

SEC. 2. The fifth paragraph of section 12 of the act of September 1, 1916 (D. C. Code, 1940 ed., sec. 4–509), is amended to read as follows: "The Commissioners of the District of Columbia are authorized to pay from the said policemen and firemen's relief fund, District of Columbia, a sum not exceeding $500 in any one case to defray the funeral expenses of any deceased member of the Police Department or the Fire Department of said District dying while in the service thereof. In any case in which the death of any member of the Police Department or the Fire Department of the District results directly from an accident or an injury incurred in line of duty an additional sum of $1,000 shall be paid by the Commissioners from such relief fund to the estate of the deceased member."

On page 3, line 7, to change the section number from "2" to "3"; in line 23, to change the section number from "3" to "4"; and on page 4, line 4, to change the section number from "4" to "5."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time and passed.

CONVEYANCE OF CERTAIN LANDS TO THE CITY AND COUNTY OF SAN FRANCISCO—BILL PASSED OVER

The bill (S. 862) authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I think this is one of the bills respecting which we should be careful. I have prepared an amendment requiring the certification of the governor of the State as to the need of these lands before the grant becomes effective under the terms of the bill. I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The bill has not yet been taken up for consideration, but the amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, line 2, it is proposed to strike out the period and insert in lieu thereof a colon, and add the following: "*Provided*, That such grant shall not be effective until the Governor of the State of California shall certify in writing to the Secretary of Defense that such land is needed by the State of California for the purpose of a site for a National Guard armory and for training the National Guard or for other related military purposes and that such land is suitable for such purposes."

Mr. KNOWLAND. Mr. President, Senate bill 862 and Senate bill 863, Calendars Nos. 557 and 558, respectively, should be considered more or less together. They were unanimously reported by the Committee on Armed Services. Senate bill 863 provides that the Palace of Fine Arts, which was originally built as a part of the Panama-Pacific Exposition in 1915, and which was in 1925 ceded to the city of San Francisco by a Federal statute, and later reclaimed during the war period, should be turned over to the city and county of San Francisco for use as a National Guard armory in conformity with plans and arrangements which have been worked out with Gen. Mark Clark, commander of the Sixth Army in San Francisco. The State has agreed that the facilities of the State National Guard armory shall also be made available to the Reserve components of the United States armed forces. So that I think will be very beneficial to the National Defense Establishment as such.

The preceding bill, Senate bill 852, Calendar No. 557, relates to 42 acres of land in what formerly was Fort Funston, which originally consisted of about 242 acres. Two hundred and twenty acres already have been allotted and turned over to the Veterans' Administration for the building of the neuropsychiatric hospital for veterans. A portion of the 42 acres of land immediately adjoining that is to be used also for a National Guard armory. There were put into this bill a large number of reservations protecting the interests of the Federal Government and providing that if at any time the city and county of San Francisco cannot

comply with the long list of items which they must provide for, then the property would revert back to the Federal Government.

Mr. MORSE. Mr. President, reserving the right to object, I wish to ask the Senator from California a couple of questions about the two bills. It is my understanding that Senate Bill 862 contains not only a provision for an armory for California, but also contains a provision that certain acreage shall be turned over to the County of San Francisco for park purposes. Am I mistaken?

Mr. KNOWLAND. The Senator is correct.

Mr. MORSE. When this acreage is taken over for park purposes it is not in any way being used for any military purposes, is it?

Mr. KNOWLAND. It might be used for training purposes, but the actual building of the armory is on a smaller area; 7 acres, as I remember.

Mr. MORSE. The actual acreage which is to be used for park purposes will be for the benefit of the citizens of that community?

Mr. KNOWLAND. That is correct.

Mr. MORSE. Mr. President, I do not have any objection to Senate bill 863, Calendar No. 558, because in my judgment the land involved is limited entirely to military purposes, but I must necessarily object to the other bill.

Mr. KNOWLAND. Will the Senator withhold his objection for a moment?

Mr. MORSE. Will the Senator permit me to explain my objection, and then I shall withhold it.

Mr. KNOWLAND. Yes.

Mr. MORSE. I must necessarily object to the transfer of Federal property to a local government or any other organization for purely park purposes, on the same basis that I have consistently objected to such transfer of Federal property for park purposes in the past. I think in this instance the people of the United States are entitled to receive from the people of California at least 50 percent of the fair value of the property as appraised by the Government department which has jurisdiction and control over the property. With respect to whatever acreage goes for park purposes I think California should pay 50 percent of its fair market appraised value.

Mr. KNOWLAND. Will the Senator withhold his objection?

Mr. MORSE. I withhold it.

Mr. KNOWLAND. Mr. President, if the Senator from Oregon will secure a copy of Senate bill 862 he will find the following deed of conveyance set forth in the bill:

a. That the United States shall reserve to itself the right to use and occupy for so long as is necessary all those living quarters and appurtenances thereto now located within the area to be conveyed, together with the free and full right of ingress to and egress from said quarters.

b. That the city and county of San Francisco shall grant to the State of California the use, for a period of 99 years, of approximately 7 acres of the land herein provided for conveyance for the purpose of erection thereon by the State of California of National Guard facilities.

c. That there shall be reserved to the United States the existing water lines running through the property for so long as the use thereof may be required.

d. That there shall be reserved to the United States, for use by the Veterans' Administration, a 25-foot easement along the easterly portion of the property, the exact location of which to be determined by the city and county of San Francisco, the Department of the Army, and the Veterans' Administration.

e. That there shall be reserved to the United States such additional easements, of whatsoever nature, as may be determined necessary by the Secretary of the Army.

f. That there shall be reserved to the United States all interest in and to any oil, mineral, or fissionable material in said land.

g. For such other terms, conditions, restrictions, and reservations as the Secretary of the Army shall deem necessary to protect the interests of the United States.

SEC. 3. In the event of breach by the grantee of any of the terms, conditions, restrictions, and reservations contained in said deed, or if the property authorized for conveyance by section 1 of this act is used for any purpose other than mentioned in this act, then title to the property shall revert to the United States and, in addition, all improvements made by the city and county of San Francisco or the State of California shall vest in the United States without payment of compensation therefor.

I think those extenuating circumstances might have some influence on the Senator in withholding his objection.

Mr. MORSE. Mr. President, reserving the right to object, my reply is that all those reservations are very fine. I approve of them. However, they are similar to reservations which have been made in connection with other transfers of Federal land for park purposes. The only point I make is that I do not believe we can justify transferring to a State, municipal, or county government Federal property to be used primarily for park purposes without any cost to the taxpayers of the particular area. In my judgment, it is very easy to determine how much of the property which is to be transferred in this bill is actually to be used for park purposes, for the benefit primarily of the citizens of California. Whatever amount that is, I think 50 percent of the fair market value of such property, as appraised by the Federal Government agency which has jurisdiction over the property, should be paid for the property. In the interest of consistency on this point, I must insist that, as to that particular acreage, an amendment which I always offer in such cases be affixed to this bill.

Mr. KNOWLAND. Mr. President, will the Senator withhold his objection so that I may make one further statement?

Mr. MORSE. Certainly.

Mr. KNOWLAND. I understand that the Senator intends to object.

As a member of the War Investigating Committee 2 years ago, the Senator from California had the opportunity of seeing, in a great many areas of the world, including islands in both the Atlantic and Pacific, and in European and Asiatic countries, areas on which this Government had spent large sums of money on Federal establishments which were turned over to foreign governments without any quid pro quo. It seems to the junior Senator from California that the highest possible use to which some of the surplus property of this type could be put would be for the benefit of the men, women, and children of the area who, after all, as Federal taxpapers have once paid for it, particularly when the property is not to be commercially salable, but, under the terms of the grant, must be preserved for public use.

Mr. MORSE. Reserving the right to object, I certainly concede that there is great merit in the argument just made by the Senator from California. There is no doubt about the fact that we can point to instance after instance in which the Federal Government has, in my judgment, been guilty of giving away property belonging to all the people of the country without reasonable compensation therefor.

As an individual Senator I find myself in this position: Unless we are going to adopt the theory that two wrongs make a right, I shall continue to insist, to the extent I can within my power, so far as my rights in the Senate are concerned, upon requiring in such cases as this the amendment to which I have referred. In this instance, so far as the proposed armory property is concerned, the principal use is military. But the property covered in the bill which is to be used for park purposes should be paid for at least to an amount equal to 50 percent of its market value.

I want to say to my good friend from California that I am satisfied if he will accept my amendment as to the acreage to be used for park purposes, he will find that the payment will be exceedingly small, compared with what the people of California will get from the total amount of property involved in the bill. Therefore, if the Senator from California will accept my amendment, which provides that the part of the property to be used for park purposes shall be paid for to the amount of 50 percent of the fair-market value of such property as appraised by the Federal Government agency which has jurisdiction over the property, I shall not object. In the absence of the acceptance of such an amendment, I must object.

Mr. KNOWLAND. Mr. President, would the Senator object to the bill if it were limited to the 7 acres on which the armory itself is to be erected?

Mr. MORSE. I shall not object to the transfer of such property as is to be used for armory purposes, because I take the position that the National Guard is, after all, carrying out a very definite Federal function so far as our Military Establishment is concerned.

The PRESIDING OFFICER. The bill will be passed over.

## CONVEYANCE OF CERTAIN LANDS TO THE CITY OF SAN FRANCISCO

The Senate proceeded to consider the bill (S. 863) authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco, which had been reported from the Committee on Armed Services with an amendment, to strike out all after the enacting clause and insert:

That the Secretary of the Army is authorized and directed to convey by quitclaim deed to the city and county of San Francisco, subject to the conditions provided for in section 2 of this act, the following-described

land in the city and county of San Francisco, State of California, together with all improvements thereon, included within metes and bounds as follows:

Commencing at a point on the westerly line of Lyon Street, distant thereon five and seventeen one-hundredths feet southerly from the northerly line of Bay Street, if extended and produced westerly, and running thence northerly along the westerly line of Lyon Street one thousand one hundred and ninety-six and eighty one-hundredths feet; thence southwesterly on a curve to the left of six hundred and twelve feet radius, central angle one hundred and fifty-five degrees forty-seven minutes and fifty seconds, tangent to a line deflected one hundred and two degrees six minutes and five seconds to the left from the preceding course a distance of one thousand six hundred and sixty-four and thirteen one-hundredths feet to the westerly line of Lyon Street and the point of commencement, containing nine and ninety-three one-hundredths acres, more or less.

SEC. 2. The deed of conveyance authorized by the first section shall provide that the grantee—

(1) shall not hereafter amend or rescind Ordinance No. 7531 (new series) duly passed by the board of supervisors of such city and county (permitting the United States to construct, maintain, and operate in perpetuity a spur track railroad);

(2) shall convey to the United States perpetual rights of ingress and egress across the property as now enjoyed by the United States;

(3) shall permit the use of the main building situated on the property described in section 1 of this act by the State of California for National Guard purposes.

In the event that the grantee shall fail to conform to such conditions, the deed of conveyance shall cease to be of force and effect and all rights enjoyed by the United States prior to the enactment of this act shall again accrue to the United States.

Mr. HENDRICKSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is to the same effect as the amendment which I sent to the desk in connection with Calendar 557, Senate bill 862.

Mr. KNOWLAND. Mr. President, I shall not object, inasmuch as the Senator from New Jersey has apparently offered such an amendment in connection with other bills, and says that he will offer such an amendment to all similar bills.

The PRESIDING OFFICER. The amendment offered by the Senator from New Jersey will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out the period in line 5 on page 4 of the committee amendment, and insert in lieu thereof a colon, and the following:

*Provided*, That such permission shall not be effective until the Governor of the State of California shall certify in writing to the Secretary of Defense that such land is needed by the State of California for the purpose of a site for a National Guard Armory and for training the National Guard for other related military purposes, and that such land is suitable for such purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. HENDRICKSON] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMMANDER EDWARD WHITE RAWLINS

The Senate proceeded to consider the bill (S. 780) for the relief of Commander Edward White Rawlins, United States Navy, which had been reported from the Committee on Armed Services with an amendment, to strike out all after the enacting clause, and insert:

That the Secretary of the Navy is directed to appoint a board of commissioned Naval and Marine Corps officers within 6 months of the date of approval of this act to review the records of commissioned officers on the active or retired list of the Regular Navy and Marine Corps who failed of advancement at any time between June 30, 1942, and August 7, 1947, to determine if there was any error, administrative delay, oversight, or injustice that caused the officer concerned to fail of an advancement in grade or rank which would otherwise have been made. The board shall consider all matters of record and receive new matter introduced by affidavit, deposition or personal appearance of the officer concerned at his own request in order to determine whether or not any error, oversight, administrative delay, or injustice operated to the disadvantage of the officer concerned and caused a failure of advancement otherwise due.

SEC. 2. Upon the determination by the board that an error, oversight, administrative delay, or injustice occurred that substantially prejudiced the officer concerned, the board shall consider, determine, and recommend the grade or rank to which the officer so prejudiced shall be advanced and the date of commission which should be issued in order to restore such officer to the position on active duty or on the retired list which he would have occupied but for the error, oversight, administrative delay, or injustice: *Provided*, That no advancement to a grade or rank higher than that of captain in the Navy or colonel in the Marine Corps shall be recommended by the board.

SEC. 3. The Secretary of the Navy shall review the recommendations of the board and, in any case approved by him, shall promote such officer, subject to the approval of the President in each case, to such grade or rank as the board may recommend and issue a commission with the date of rank recommended by the board. The approval or disapproval of the President in each case shall finally and conclusively determine the rights of officers concerned: *Provided*, That no officer who is on the retired list on the date of approval of this act shall be placed on active duty by the operation of this act.

SEC. 4. The pay and allowances of any such officer advanced to a higher grade or rank in accordance with the provisions of this act shall commence on the date of the approval of his case by the President, and shall be the pay and allowances of an officer of similar length of service in the grade or rank to which advanced. Officers advanced in accordance with the provisions of this act, if in excess of the authorized number of the grade to which promoted, shall be carried as extra numbers in that grade.

SEC. 5. Officers on the active list advanced under the provisions of this act shall be promoted by the Secretary of the Navy only after establishing their fitness for promotion in accordance with sections 1493 and 1496 of the Revised Statutes.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Secretary of the Navy to review the records of commissioned naval officers who failed of advancement during the war, and for other purposes."

REPORTS CONCERNING PROCEEDS OF SALES OF CONDEMNED MATERIAL

The Senate proceeded to consider the bill (S. 1990) to amend section 429, Revised Statutes, as amended, and the Act of August 5, 1882, as amended, so as to eliminate the requirement of detailed annual reports to the Congress concerning the proceeds of all sales of condemned material, which had been reported from the Committee on Armed Services with an amendment, on page 1, after line 6, to strike out:

SEC. 2. The last sentence of section 2 of the Act of August 5, 1882 (22 Stat. 296), as amended (34 U. S. C. 544), is hereby further amended by deleting therefrom the words "in detail" where they appear therein.

And insert a new section 2, so as to make the bill read:

*Be it enacted, etc.*, That the last sentence of section 429, Revised Statutes, as amended (5 U. S. C. 466), is hereby further amended by deleting therefrom the words "or materials" and "and materials" where they appear therein.

SEC. 2. The sixth sentence of section 2 of the act of August 5, 1882 (22 Stat. 296), as amended (34 U. S. C. 544), is amended to read as follows: "It shall be the duty of the Secretary of the Navy annually to file with the Committees on Armed Services in the Congress information as to the proceeds of all sales of materials, stores and supplies, made under the provisions of this act, and the expenses attending such sales."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 429, Revised Statutes, as amended, and the act of August 5, 1882, as amended, so as to substitute for the requirement that detailed annual reports be made to the Congress concerning the proceeds of all sales of condemned naval material a requirement that information as to such proceeds be filed with the Committees on Armed Services in the Congress."

ELIMINATION OF PREMIUM PAYMENTS IN PURCHASE OF GOVERNMENT ROYALTY OIL

The bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (30 U. S. C. sec. 192), was announced as next in order.

Mr. LANGER. Mr. President, I object, by request, to the consideration of this bill.

The PRESIDING OFFICER. The bill will be passed over.

Mr. O'MAHONEY subsequently said: Mr. President, when Calendar 561, Senate bill 1647, was called, objection was made by the Senator from North Dakota [Mr. LANGER] on behalf of the Senator from Vermont [Mr. AIKEN]. I have consulted both those Senators since that time, and I understand that their objection has been withdrawn.

Mr. AIKEN. Mr. President, reserving the right to object, I am glad to have the

Senator from Wyoming make an explanation of the bill. The reason I objected was that I did not know what the bill was, because when I reached this Chamber, I found that instead of having the bill files transferred here, they had been transferred to our offices. For that reason, I asked to have action on the bill held up.

I am willing to listen to the explanation of the Senator from Wyoming, of course.

Mr. O'MAHONEY. I ask unanimous consent that the Senate recur to Calendar No. 561, Senate bill 1647.

Mr. AIKEN. May we have the explanation first?

Mr. O'MAHONEY. I ask that the Senate return to the bill, so that I may make the explanation.

Mr. AIKEN. Very well.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (30 U. S. C., sec. 192), which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 7, after the numerals "1946", to strike out "(30 U. S. C., sec. 192)" and insert "(60 Stat. 533)"; on page 2, line 2, after the word "the", to strike out "refiner" and insert "refinery"; and on page 2, after line 4, to insert:

SEC. 3. The provisions of this act shall apply to all existing contracts for the purchase of Government royalty oil entered into after the approval of said act of July 13, 1946, and prior to the approval of this act, irrespective of whether a determination of preference status was made in connection with the award of such contracts, but shall not apply to any such contract which subsequent to its award has been transferred, through the acquisition of stock interests or other transactions, to the ownership or control of a refinery ineligible for a preference under said act of July 13, 1946, and the regulations in force thereunder at the time of such transfer.

SEC. 4. The Secretary of the Interior, upon application by any refiner holding a contract within the purview of this act, and upon a showing of cause satisfactory to the Secretary may, in his discretion, terminate any such contract in whole or in part.

SEC. 5. No provision of this act shall be construed as affecting the right of the Secretary of the Interior to cancel for cause any contract for the purchase of Government royalty oil in accordance with the terms thereof.

So as to make the bill read:

*Be it enacted, etc.*, That in the interest of encouraging and assisting small-business enterprise in the oil-refining industry no premium payments now required to be made under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), to purchase Government royalty oil shall hereafter be paid.

SEC. 2. Any premium payments made under existing contracts between February 1, 1949, and the effective date of this act shall be credited to the account of the refinery making such payments and shall be applied in payment of Government royalty oil purchased under such contracts.

SEC. 3. The provisions of this act shall apply to all existing contracts for the purchase of Government royalty oil entered into after the approval of said act of July 13, 1946, and prior to the approval of this act, irrespective of whether a determination of preference status was made in connection with the award of such contracts, but shall not apply to any such contract which subsequent to its award has been transferred, through the acquisition of stock interests or other transactions, to the ownership or control of a refinery ineligible for a preference under said act of July 13, 1946, and the regulations in force thereunder at the time of such transfer.

SEC. 4. The Secretary of the Interior, upon application by any refiner holding a contract within the purview of this act, and upon a showing of cause satisfactory to the Secretary, may, in his discretion, terminate any such contract in whole or in part.

SEC. 5. No provision of this act shall be construed as affecting the right of the Secretary of the Interior to cancel for cause any contract for the purchase of Government royalty oil in accordance with the terms thereof.

Mr. O'MAHONEY. Mr. President, let me say that in 1946 a law was enacted to provide that small refiners not having their own sources of crude petroleum should have a preferred right to purchase Government royalty oil at the market price. That was the understanding of the Committee on Public Lands, which recommended the passage of the bill.

However, in the administration of that law the royalty oil was sold at a premium, and in some instances it was sold for a period of 2 or 3 years. The passage of time and the drop in the price of crude oil have made some of these contracts very burdensome to the small nonintegrated refiners for whose benefit the law was enacted.

This amendment merely provides that those premiums shall be canceled. It provides, however, that if any such contract, let on a premium bid, has been assigned to any refiner who does not qualify as a small refiner, the forgiveness of the premium shall not operate.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. AIKEN. I am interested in the Senator's use of the word "premium."

Mr. O'MAHONEY. That was a price above the market price.

Mr. AIKEN. But I understand that the royalty oils were put up for bids.

Mr. O'MAHONEY. That is correct.

Mr. AIKEN. I further understand that the small independent refiners and the cooperatives found themselves unable to get the royalty oil——

Mr. O'MAHONEY. Unless they bid up to the price the big fellows put on.

Mr. AIKEN. That is correct; and the big fellows would bid well above the market price, in order to keep the little fellows from getting the oil. Is that what the Senator from Wyoming means by his use of the word "premium"?

Mr. O'MAHONEY. That is what I mean by "premium."

Mr. AIKEN. In other words, more than the oil was worth on the market; is that the Senator's meaning?

Mr. O'MAHONEY. Well, it was a price that people were willing to pay at that time of great demand for crude oil.

Mr. AIKEN. To keep someone else from getting it?

Mr. O'MAHONEY. That is correct. In my judgment, it defeated the purpose of the original act.

Mr. AIKEN. Will this bill correct that situation, so that the small independents and the cooperatives really will have a chance to get the Government oil?

Mr. O'MAHONEY. Yes; the royalty oil, under the new procedure, under authority of the old act, will not be sold at a premium. This measure is for the relief of the small refiners who have made these very burdensome contracts.

Mr. AIKEN. Let me ask how the oil will be sold under the provisions of this measure.

Mr. O'MAHONEY. It will be sold under regulations issued by the Secretary of the Interior, which do not include premium prices.

Mr. AIKEN. Is the Senator from Wyoming very sure that the small independents and the farm cooperatives will have a chance to get some of this oil?

Mr. O'MAHONEY. Nothing in this bill has anything to do with future contracts, let me say. Future contracts will be let under the regulations which have been announced by the Secretary under the act of July 13, 1946.

This bill merely undertakes to relieve the small independent refiners from the payment of premiums which they were unable to pay. Enactment of the bill has been recommended by the Small Business Committee.

Mr. AIKEN. This bill will not have the effect, will it, of doing away with the premiums which the big companies were willing to pay, and still leaving the small fellows where they are now?

Mr. O'MAHONEY. The original act never called for a premium, and I think I have convinced the Secretary of the Interior that that is the fact, and that premium prices will not be called for in the future.

Mr. AIKEN. I expect and hope that the Senator from Wyoming will have better results than I was able to secure in convincing the Department of the Interior that the small people should have some royalty oil. That is what I hope.

If the Senator from Wyoming thinks this measure will not make the situation any worse and will not make the chances of the little fellow any worse, I shall have no objection to having the bill acted on at this time.

Mr. O'MAHONEY. The little fellows want this bill passed.

Mr. AIKEN. They are all little fellows when they want a bill passed, of course.

Mr. O'MAHONEY. They are named in the report, may I say to the Senator.

Mr. WHERRY. Mr. President, I should like to ask a question. Did the Senator from Wyoming say that the Small Business Committee wants this bill passed, or did he say that small-business men want the bill passed?

Mr. O'MAHONEY. I said the Small Business Committee, at the time, wanted such action taken. That occurred before the special committee ceased to have effect. This was partially a result of the findings of the Senate Small Business Committee of the Eightieth Congress.

Mr. WHERRY. That is correct.

Mr. O'MAHONEY. The Department of the Interior in October of 1948 discontinued the premium bid method of selling royalty oil, and adopted the lot drawing system.

Mr. WHERRY. I thank the Senator from Wyoming for that contribution. It is convincing evidence that we should have a Small Business Committee working every day in the Senate of the United States.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533)."

TRANSFER TO ATTORNEY GENERAL OF CERTAIN LAND AT CHILLICOTHE, OHIO

The bill (S. 1859) to transfer from the Administrator of Veterans' Affairs to the Attorney General of the United States for the use of the Bureau of Prisons, a certain tract of land located at Chillicothe, Ohio, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the following-described tract of land containing approximately three hundred seventy-nine and one-tenth acres, more or less, including improvements, if any, now under control of the Administrator of Veterans' Affairs, is hereby transferred to the possession, control, and jurisdiction of the Attorney General of the United States for the use of the Bureau of Prisons:

A plot of ground being at the western boundary of the United States Veterans' Administration Hospital holdings in Ross County, Ohio, and starting at U. S. Monument 168 thence south seventy-eight degrees two minutes forty-four seconds west for a distance of six hundred seventy-four and thirty one-hundredths feet to U. S. Monument 169, thence south eighty-two degrees two minutes thirty-two seconds west for a distance of two thousand three hundred twenty-eight and three one-hundredths feet to U. S. Monument 175, thence north forty-two degrees fifty-six minutes thirty-six seconds west for a distance of one thousand nine hundred eighty and sixty-five one hundredths feet to U. S. Monument 178, thence north thirty-four degrees six minutes forty-three seconds east for a distance of one thousand seventy-seven and thirty-five one-hundredths feet to U. S. Monument 180, thence north sixty-seven degrees ten minutes forty-two seconds west for a distance of six hundred and fourteen feet to U. S. Monument 182, thence north seventy-seven degrees fifty-seven minutes thirty-eight seconds east for a distance of one thousand three hundred twelve and seventy one-hundredths feet to U. S. Monument 184, thence north ten degrees nineteen minutes thirty-two seconds west for a distance of eight hundred fifty-nine and six one-hundredths feet to U. S. Monument 186, thence north eleven degrees forty-eight minutes twenty-seconds west for a distance of five hundred seventy and twenty-one one-hundredths feet to U. S. Monument 188, thence north eleven degrees twenty-one minutes fifty-eight seconds west for a distance of one thousand seven hundred seventy and eighty-seven one-hundredths feet to U. S. Monument 190, thence north sixty-eight degrees twenty-eight minutes fifty-two seconds east for a distance of two thousand four hundred fifty-one and eighty one-hundredths feet to U. S. Monument 193, thence on a bearing of north twelve degrees twelve minutes forty-seven seconds west in a southeasterly direction for approximately six thousand six hundred and thirteen feet to point of beginning, said tract now being occupied and used by the Federal Reformatory at Chillicothe, Ohio, and being a portion of the land described in a permit dated March 20, 1928, executed by Frank T. Hines, Director, United States Veterans' Bureau, in favor of the aforesaid Bureau of Prisons.

SEC. 2. The transfer provided for in this act shall be effected without reimbursement or transfer of funds.

BILL PASSED OVER

The bill (S. 1498) to amend the Natural Gas Act, approved June 21, 1938, as amended, was announced as next in order.

Mr. LANGER. Mr. President, I object, by request, to the consideration of this bill.

The PRESIDING OFFICER. The bill will be passed over.

TRANSFER OF CERTAIN VESSELS FROM RECONSTRUCTION FINANCE CORPORATION TO FISH AND WILDLIFE SERVICE

The bill (H. R. 4252) to transfer the trawlers *Alaska* and *Oregon* from the Reconstruction Finance Corporation to the Fish and Wildlife Service was considered, ordered to a third reading, read the third time, and passed.

PATENT IN FEE TO LEO FARWELL GLENN

The Senate proceeded to consider the bill (S. 520) to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 1, line 8, after the words "east half", to insert "east half west half west half east half"; and on page 2, line 2, after the word northwest", to strike out "quarter" and the comma, and insert "quarter", so as to make the bill read:

*Be it enacted, etc.*, That upon application in writing, the Secretary of the Interior is authorized and directed to issue to Leo Farwell Glenn, Crow allottee No. 3234, a patent in fee to the following-described lands in the State of Montana: West half west half, section 26; east half east half, east half west half east half, east half west half west half east half section 27; north half northeast quarter, north half south half northeast quarter, section 34, township 3 south, range 27 east; and the west half southeast quarter section 30, west half northeast quarter, northwest quarter southeast quarter, lots 6, 7, and 8, section 31, township 4 south, range 27 east, Montana principal meridian, containing eight hundred and eighty acres.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SWAN ISLAND ANIMAL QUARANTINE STATION

The bill (H. R. 3717) to repeal the act of July 24, 1946, relating to the Swan Island Animal Quarantine Station, was considered, ordered to a third reading, read the third time, and passed.

MRS. LORRAINE MALONE

The Senate proceeded to consider the bill (S. 507), for the relief of Mrs. Lorraine Malone, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 6, after the words "the sum of" to strike out "$3,500" and insert "$2,000", so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Lorraine Malone, of Gallup, McKinley County, N. Mex., the sum of $2,000, in full satisfaction of her claim against the United States for compensation for personal injuries sustained by her as a result of a collision, approximately 4 miles east of Safford, Graham County, Ariz., on November 13, 1944, between an automobile driven by her and a United States Army truck, which had been parked in the nighttime on the pavement of United States Highway No. 70: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McCARRAN. Mr. President, in the bill as printed there is a typographical error. It will be noted from the report of the committee that the committee recommended payment of $2,000. The bill calls for $3,500. It should read "$2,000." The committee amendment was not printed in the bill.

I understand that the Senator from New Mexico [Mr. CHAVEZ] wishes to offer an amendment to the committee amendment.

Mr. CHAVEZ. Mr. President, as the bill was reported by the committee it would provide for a payment of $2,000 to this good lady for her injuries. My amendment is to strike out "$2,000" and insert in lieu thereof "$5,000."

My amendment is based upon the merits of the case itself. I ask Senators to follow closely this explanation.

Mrs. Malone is a lady from the State of New Mexico. She was injured through the negligence of a soldier of the United States Army. On page 2 of the report of the committee headed by the Senator from Nevada [Mr. McCARRAN] we find the following language:

The War Department found the facts to be that the "sole proximate cause of the collision was the negligence of the Army driver" and that "the evidence does not establish that the claimant was guilty of negligence which caused or contributed to the collision."

The committee believe that Mrs. Malone is entitled to recover for her injuries, and the only question remaining is the amount that should properly be allowed to her.

Her injuries consisted of (in addition to shock) the following:

(a) Fractured dislocated right ankle, with a laceration over the lateral malleolus. Both the medial and lateral malleoli were fractured, necessitating the application of a plaster-of-paris cast. The report of the War Department indicates that over an extended period of time different casts were applied, and some 3 months after the accident she was permitted "to use one crutch and start

walking on level ground." According to the statement of Dr. Brayton, as late as January 1949—

This happened in 1944—

it is stated that a ganglion has occurred on the bottom of Mrs. Malone's foot, caused by her foot and leg having been placed in a plaster-of-paris cast, and that "this ganglion will cause pain and inconvenience in walking until removed."

(b) Dislocations of the second and third ribs, causing pain in the right shoulder and chest.

(c) Deep cut on forehead, "involving all of the layers of the scalp down to the periosten extending from the lateral margin of the left eyebrow, across the forehead an inch and a half above the right eyebrow, approximately 4 inches."

In addition to the seriousness of this injury (by reason of its location) and the extreme pain and suffering that necessarily accompanied it, she has been terribly disfigured. A scar of 4 inches in length immediately above her eyebrow lines crosses most of her forehead. There is in the files of the committee a picture of Mrs. Malone showing how prominent the scar appears.

The War Department paid a total of $236.10 on account of her medical and hospital expenses actually incurred.

Now the committee says that 10 percent more than she would be allowed for the injuries is to be paid to the doctor.

I read further from the report:

The War Department feels that $2,000 would constitute a fair and reasonable settlement for all of the damages sustained by her as a result of this accident for which she has not heretofore been compensated.

So the committee was considering whether the proper figure was $2,000 or $3,500. The bill which I originally introduced provided for compensation for this good lady in the amount of $3,500. Later on, when I received the reports from the War Department and the doctors and the neighbors of this lady, I told the Senator from Nevada that I would try to have the amount increased to $5,000.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. CHAVEZ. Mr. President, inasmuch as this is a most meritorious case, I ask unanimous consent that the rule may be suspended for a few minutes, so as to permit me to complete the statement and explanation I have been making.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, consent is granted.

Will the Senator state the additional time he wishes to have?

Mr. CHAVEZ. About 5 minutes.

The PRESIDING OFFICER. Without objection, that much additional time will be allowed the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I read further from the report:

Two thousand dollars, or three thousand five hundred dollars, or any other figure, is entirely arbitrary. There are no absolute standards which would justify any figure over any other. On February 28, 1949, the sponsor of the bill, Senator CHAVEZ, submitted an amendment he intended to propose, the effect of which would be to raise the amount to be paid to Mrs. Malone to $5,000.

The committee has concluded that $2,000 is the absolute minimum which should be paid.

That conclusion was arrived at by reason of the fact that the War Department, headed by Secretary of the Army Royall, on the basis of the information received, stated that that would be fair and reasonable compensation for a woman who has been disfigured for life.

I appeal to the Senate in all sincerity that when we are talking about appropriating millions and billions of dollars, we should give very earnest consideration to this good woman, from my State, who the War Department states was injured as a result of the negligence of the driver of a vehicle owned by the War Department.

So, Mr. President, I ask that the Senate do justice to this good woman and agree to the amendment providing that she be paid $5,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 507) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Lorraine Malone, of Gallup, McKinley County, N. Mex., the sum of $5,000, in full satisfaction of her claim against the United States for compensation for personal injuries sustained by her as a result of a collision, approximately four miles east of Safford, Graham County, Ariz., on November 13, 1944, between an automobile driven by her and a United States Army truck, which had been parked in the nighttime on the pavement of United States Highway No. 70: *Provided*, That no part of the amount appropriated in this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

### P. S. COOK CO.

The Senate proceeded to consider the bill (S. 563) for the relief of the P. S. Cook Co., which had been reported from the Committee on the Judiciary with amendments, on page 1, line 6, after the word "sum," to strike out "of" and insert "not exceeding"; in the same line, after the figures "$2,545.76", to strike out "in full satisfaction of the claim of such company against the United States for reimbursement for losses sustained" and insert "which the Public Housing Commissioner certifies, after such audit as he deems advisable, to be the amount of losses sustained by such company"; and on page 2, line 6, after the word "Administration", to insert "and such payment shall be in full satisfaction of all claims of such company against the United States for reimbursement for such losses", so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the P. S. Cook Co., of Lincoln, Nebr., the sum not exceeding $2,545.76, which the Public Housing Commissioner certifies, after such audit as he deems advisable, to be the amount of losses sustained by such company in performing its cost-plus-fixed-fee subcontracts for plumbing and heating on Federal Public Housing Authority projects Neb.–V–25136 (Blair, Nebr.), Ia.–V–13148 (Red Oak, Iowa), and Ia.–V–13112 (Shenandoah, Iowa), which losses were caused by increased labor costs, no adjustment for which was allowed by the Public Housing Administration, and such payment shall be in full satisfaction of all claims of such company against the United States for reimbursement for such losses: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary not withstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

### SPECIAL QUOTA IMMIGRATION VISAS FOR CERTAIN ALIEN SHEEP HERDERS—BILL PASSED OVER

The bill (S. 1165) to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheep herders was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object, I should like to ask several questions of the distinguished Senator from Nevada in regard to this bill.

Mr. McCARRAN. I shall be glad to answer if I can.

Mr. HENDRICKSON. Is it not true that the bill violates the principle of immigration and obligates the future quotas?

Mr. McCARRAN. It obligates future quotas, but in no wise violates the law, so far as I know.

Let me say to the Senator that this matter has been up before. We asked for a report from the Department of Justice on this bill, and we have the report. In it no objection is made.

I invite the Senator's attention to this matter with extreme consideration, because the Judiciary Committee held hearings on this bill in the most centrally located part of the West, and there we had sheep raisers from various sections of the country—from Utah, from Idaho, from Nevada, and we would have had them from other places had they not been engaged either in shearing or lambing at the time.

At the hearings they begged the committee to try to get this bill through, and said that if this bill or a similar bill was not enacted, the industry would be even more hard hit than it has been, because of the utter impossibility of getting herdsmen for the sheep that are grazed on the open public domain.

It must be remembered that this bill relates to the group of agricultural industrialists who use the open public domain and pay a fee for the use of it. They are charged each year so much per head a month during the grazing season for the use of the open public domain. There are no fences. There is nothing to hold the herds except the herders, and they must be men who are trained in that particular line of work. They must be industrious, they must be honest, they must be painstaking. Otherwise, hundreds of thousands of dollars would be lost in a very short time. It is easy to lose a bunch of sheep on the open public domain, and when that happens, there is a terrific loss, for various reasons. I hope the Senator from New Jersey will not object to this bill, because of the utter necessity for it in the sheep-raising industry. I hope it may have the Senator's approval.

Mr. HENDRICKSON. Mr. President, I have the greatest sympathy for the sheep industry, but it seems to me that this clearly is special legislation for the benefit of one industry alone. As I understand, there are in some of the displaced persons camps over 5,000 sheep herders. The Senator is asking that a certain number be selected to come into the United States under special legislation. That seems to me to violate the principles of sound policy.

Mr. McCARRAN. Let me say to the Senator, it is either a matter of doing this, or something of this nature, or destroying an industry that is now doing a great part toward sustaining this Government.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HENDRICKSON. Mr. President, we might have had legislation to permit silversmiths to enter the country. We need them very badly. I object, Mr. President.

The PRESIDING OFFICER. On objection, the bill will be passed over.

The clerk will state the next bill on the calendar.

The LEGISLATIVE CLERK. A bill (S. 1394)——

Mr. WATKINS. Mr. President, if I may be recognized, I want to make an observation to the Senator from Nevada. After he made his statement about the impossibility of getting the native people of the States of the West to do the sheep herding, I had no objection. I was not objecting to the bill, and I was in hopes the Senator from New Jersey would withdraw his objection. We have many bills relative to families who are brought into the United States from time to time. So far as I can see this bill is no different in principle from other bills of similar character. I see no reason why there should be an objection, if the industry needs these people. It needs them now. I may say they will not become citizens. They are only admitted for a special purpose at this time, a thing which I think has been done repeatedly.

The PRESIDING OFFICER. Does the Senator request the Senator from New Jersey to withhold his objection? Otherwise, the Senator would be out of order, unless he did so.

Mr. WATKINS. Mr. President, I am speaking on my own time. The next bill has been called.

Mr. McCARRAN. Mr. President, I appeal to the Senator from New Jersey. There is no more important bill on the calendar than this one. Today thousands of people throughout the western section of the country are appealing to us to take action to enable them to get help, in order to save their industries. This is a most important bill.

The PRESIDING OFFICER. Does the Senator from New Jersey withdraw his objection?

Mr. HENDRICKSON. I am extremely anxious to be courteous in this matter, but I feel that the bill ought to go over until the next calendar call, and until we can investigate the matter very thoroughly.

The PRESIDING OFFICER. On objection, the bill will be passed over.

### MONROE KELLY, REAR ADMIRAL, UNITED STATES NAVY, RETIRED

The bill (S. 1394) for the relief of Monroe Kelly, rear admiral, United States Navy, retired, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Monroe Kelly, rear admiral, United States Navy, retired, the sum of $289.03, which sum represents reimbursement for expenses incurred by him for the storage of his household effects at The Hague, The Netherlands, for the period June 7, 1940, to April 1, 1946, the said Monroe Kelly being on duty as United States Naval Attaché and Naval Attaché for Air at the American Legation, The Hague, The Netherlands, when the German forces invaded the Low Countries on May 10, 1940, was unable because of such invasion to accomplish the return of such household effects when ordered by the Navy Department to return to the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this proviso shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

### ESTATE OF WILLIAM WALTER SEE

The bill (S. 1924) for the relief of the estate of William Walter See, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal representative of the estate of William Walter See, deceased, late of Norwalk, Calif., the sum of $5,561.30. The payment of such sum shall be in full settlement of all claims against the United States on account of the death of the said William Walter See which occurred when a United States Navy airplane crashed into the barn in which he was working, on September 3, 1943, at Norwalk, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

### NEVADA COUNTY, CALIF.

The bill (H. R. 52) for the relief of Nevada County, Calif., was considered, ordered to a third reading, read the third time, and passed.

### VICTOR R. BROWNING & CO., INC.

The bill (H. R. 599) for the relief of Victor R. Browning & Co., Inc., was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. HENDRICKSON. Mr. President, reserving the right to object, in the light of the adverse ruling of the General Accounting Office in respect to this bill, I should like an explanation for the benefit of the Senate.

Mr. McCARRAN. Mr. President, the purpose of the proposed legislation is to pay the sum of $15,100 to Victor R. Browning & Co., Inc., in full settlement of all claims against the United States under contract No. NOY-3461, entered into by Victor R. Browning & Co., Inc., with the United States Government, Bureau of Yards and Docks of the Navy Department, contracting for and providing for the construction of crane equipment for delivery to the Navy Yard at Charleston, S. C. The claimant requested remission of liquidated damages, apparently on the basis of the fact that part of the delay involved was caused by the Navy and the other part by factors beyond the claimant's control. Thereafter, the Navy Department released the accrued liquidated damages under the authority of the First War Powers Act and Executive Order 9001. The Navy Department believed that the claimant was equitably entitled to relief but as later pointed out in an exception filed by the General Accounting Office, the above act and Executive order granted no authority to remit the damages as the contract was completed prior to the enactment of this legislation.

In view of the General Accounting Office's exception, the Navy has since regarded the $15,100 as having been erroneously paid to the Browning Co. and has applied other sums due the Browning Co. in satisfaction of this indebtedness.

The claimant was awarded other Governments contracts. One of them was No. NOY-13698, which, at the time of the Navy Department's report, was not completed. The Navy has withheld amounts due claimant on this contract No. NOY-3461.

Reports were requested from the Navy Department and the General Accounting Office. The Navy Department in its report which is appended and made a part of this report recommends that the bill pass. The report of the General Accounting Office is adverse.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. I withhold any objection, Mr. President.

There being no objection, the Senate proceeded to consider the bill (H. R. 599) for the relief of Victor R. Browning & Co., Inc., which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 8, to strike out "13698" and insert "3461"; and on page 2, line 3, after "South Carolina", to insert a comma and "which was withheld from payments otherwise due the Victor R. Browning & Co., Inc., under contract numbered NOY–13698."

The amendments were agreed to.

The PRESIDING OFFICER. Is the word "dated", in line 9, page 1, to be stricken?

Mr. McCARRAN. The date was unavailable when the bill was introduced. The word "dated" and the comma which follows it should be stricken.

I move that as an amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CLAIM OF MRS. OTEEN FOXWORTH

The bill (H. R. 703) conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of Mrs. Oteen Foxworth was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CENTRAL BANK, ASSIGNEE OF JOHN C. WILLIAMS

The bill (H. R. 1009) for the relief of the Central Bank, a California corporation, as assignee of John C. Williams, an individual operating under the fictitious name and trade style of Central Machine Works, of Oakland, Calif., was considered, ordered to a third reading, read the third time, and passed.

RAMON G. HUNTER AND ARTHUR NANCETT

The bill (H. R. 3017) for the relief of Ramon G. Hunter and Arthur Nancett was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF MANUEL GRAULAU VÉLEZ

The bill (H. R. 3313) for the relief of the estate of the late Manuel Graulau Vélez was considered, ordered to a third reading, read the third time, and passed.

IGNACIO COLÓN CRUZ

The bill (H. R. 3320) for the relief of Ignacio Colón Cruz was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF RAFAEL REBOLLO

The bill (H. R. 3323) for the relief of the estate of Rafael Rebollo was considered, ordered to a third reading, read the third time, and passed.

ERWIN F. EARL

The bill (H. R. 3720) for the relief of Erwin F. Earl was considered, ordered to a third reading, read the third time, and passed.

RAY G. SCHNEYER AND DOROTHY J. SCHNEYER

The bill (H. R. 4373) for the relief of Ray G. Schneyer and Dorothy J. Schneyer was considered, ordered to a third reading, read the third time, and passed.

LOUIS BROWN

The bill (H. R. 4559) for the relief of Louis Brown was considered, ordered to a third reading, read the third time and passed.

ROBERT A. ATLAS

The bill (H. R. 4807) for the relief of Robert A. Atlas was considered, ordered to a third reading, read the third time and passed.

GLORIA ESTHER DIAZ AND OTHERS

The bill (H. R. 3321) for the relief of Gloria Esther Diaz, Lydia Velez, and Gladys P. Prieto was considered, ordered to a third reading, read the third time and passed.

CLAIM OF JOHN E. PARKER

The bill (H. R. 596) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of John E. Parker, his heirs, administrators, or assigns, against the United States, was considered, ordered to a third reading, read the third time, and passed.

CARLTON C. GRANT AND OTHERS

The Senate proceeded to consider the bill (H. R. 578) for the relief of Carlton C. Grant and others, which had been reported from the Committee on the Judiciary, with amendments, on page 2, line 2, after the word "Thompson", to insert "Ollie Marine"; and in line 14, after "North Carolina", to insert "W. N. Marine, of Route 2, Wilmington, N. C."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PATENT IN FEE TO JOHN GRAYEAGLE

The bill (S. 1361) to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. Mr. President, may we have an explanation of the bill?

Mr. O'MAHONEY. Mr. President, in the absence of the Senator from Oklahoma, I may state that this is one of numerous bills which have been reported from time to time by the Committee on Interior and Insular Affairs, without division, permitting the Secretary of the Interior to convey to Indians lands which have been allotted to them by law.

Mr. WILLIAMS. May I ask the Senator from Wyoming on what ground the Department of the Interior objected to the bill?

Mr. O'MAHONEY. I am not sure that the Department objected.

Mr. WILLIAMS. It is my understanding that the Department objected to this bill.

Mr. O'MAHONEY. I do not have that report before me.

The PRESIDING OFFICER. Is the Senator from Delaware objecting?

Mr. WILLIAMS. I am reserving the right to object.

Mr. O'MAHONEY. The Bureau of the Budget has advised me that there was no objection to this report; but I find the Senator is correct in that there was an adverse report by the Secretary of the Interior. The Secretary refers to the fact that the grantee and his wife own, including the land described in the bill, approximately 2,690 acres of inherited land, some of which is in scattered tracts, and at the present time the grantee and his son are grazing 77 cattle on a part thereof and on leased lands. He says further:

> In line with the rehabilitation program * * *, they will need approximately 2,700 acres to graze 90 head of cattle. Continued encouragement is being given to the development of herds of this size, which offers the best possible results considering the available resources on the reservation and the needs of the Indians.

I can only say, Mr. President, that this bill, with several others dealing with Indian matters, was referred to the subcommittee of which the Senator from Oklahoma was chairman. I see the Senator is now in the Chamber——

Mr. WILLIAMS. Mr. President, in view of the explanation the Senator has made, I withdraw any objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill (S. 1361) to authorize and direct the Secretary of the Interior to issue to John Grayeagle, a patent in fee to certain land, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

> *Be it enacted, etc.*, That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to John Grayeagle, of Bullhead, S. Dak., a patent in fee to the following-described lands allotted to him in the State of South Dakota: The southeast quarter of section 23, township 21, range 25; the west half of section 23, township 21, range 25.

SUMMARY OF COMMUNIST CRISIS IN CHINA

Mr. McCARRAN. Mr. President, in view of the fact that I must leave the Chamber, I ask unanimous consent, out of order, that I may be permitted to insert in the RECORD, as a part of my remarks, a letter from Maj. Gen. Claire L. Chennault with reference to conditions in China and his summary of the present Communist crisis in China. I ask that the entire matter be printed in the RECORD as a part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

> HON. PAT MCCARRAN,
> *United States Senate,*
> *Washington, D. C.*
>
> DEAR SENATOR MCCARRAN: Because of the importance of the Communist conquest of

China to the welfare of the United States, I am taking the liberty of addressing a mimeographed copy of my notes on the China situation to you.

As you know, I have been in intimate observation of the China situation for more than 12 years. I believe that the information contained in these notes is correct and that the recommendations as to our course of action are both sound and economical. The report was prepared by me in my capacity as a private citizen of the United States and is presented to you solely because I believe the communization of China gravely threatens the peace and security of our own country.

Trusting you will find these notes useful, I am,

Yours most sincerely,

C. L. CHENNAULT,
*Major General, United States Army, Retired.*

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SUMMARY OF PRESENT COMMUNIST CRISIS IN ASIA

A. PRESENT SITUATION

*1. Red conquest of China far advanced*

Almost half of China's territory and two-thirds of its population have today been conquered by the Communists. In many areas not yet conquered the authority of the central government has almost completely evaporated; the morale of its troops is at a dangerously low ebb and the resistance which the Communists are encountering south of the Yangtze has so far been little better than token resistance. Unless effective resistance can be organized soon in the southern and western provinces, all China will eventually fall to the Communists—the process taking just so long as the Red troops need to march south and extend their supply lines.

*2. Communist China means Communist Asia*

When China is completely overrun by the Communists, the Communist conquest of all Asia will inevitably follow.

(a) As to French Indochina, the New York Times as early as March 25 of this year reported that the Communist guerrillas in Yunnan were already fighting in cooperation with the Communist-dominated Viet Minh under Moscow-trained Ho Chih Min. Supported by an all-Communist China, the Viet Minh will inevitably overwhelm the precarious capacity of the French to defend their position.

(b) In Thailand there is a strong native underground Communist movement which will become overwhelmingly powerful with a Red China and French Indochina to support it.

(c) In Burma the Communists already control wide areas. This country has a long common frontier with China. On May 8 the New York Times reported that the Burmese Government had doubled its frontier guards in an effort to prevent Chinese and Burmese Communists from joining forces. Doubling the Burmese frontier guards will not provide an effective barrier if Yunnan Province is conquered by the Communists. Whether the hard-pressed Burmese Government can take effective defensive measures in any case is doubtful.

(d) It is well known that the British are just holding their own in the Malay Peninsula and that large-scale troop operations have been going on there for some time.

There can be no question but that all of southeast Asia will rapidly go Communist once China has fallen. Already it is reported that the first confederation of Communists in China, French Indochina and Burma has been set up. When China falls, only in India and Pakistan can the non-Communist world hope to make any serious resistance, and of those two highly disturbed countries the best that can be said is that prospects are uncertain.

*3. A Communist Asia means the loss of the Pacific islands*

Almost as certain as the communization of the Asiatic mainland, is the communization of the dependent island chains, the Netherlands East Indies, the Philippines, and finally the Japanese Archipelago.

(a) With a Communist Asia at hand the Indonesian Republic will have no choice but to look to it for the means to realize its aspirations for independence.

(b) In the Philippines the recent murder of Mme. Quezon and her daughter less than 100 miles from Manila is testimony of the seriousness of the Communist-led Huk rebellion in Luzon.

(c) As to Japan, the dilemma will be simple. The cold fact of her complete economic dependence on the mainland of Asia will drive her into the Communist Asiatic system (as this same dependence drove her to set up the greater east Asia coprosperity sphere before the war), or else we must ourselves undertake to feed Japan and supply her with raw materials. To do this would mean our colonizing Japan in the most ruthless way. We are not ruthless enough by temperament nor are our means sufficient for such a task. Japan will therefore inevitably follow the rest of Asiatic countries into the new great Soviet-Asian empire. General MacArthur in his public statements makes it clear that he holds this view, i. e., that Japan must go Communist if Asia goes Communist.

*4. Inevitable chain reaction*

The loss of China sets off a chain reaction that may take months or even several years to accomplish. The point is that once China is lost, all of the Asiatic mainland and islands will inevitably go Communist.

B. THE COMMUNIST OBJECTIVES IN ASIA

*1. Chinese Communists are real Communists*

The Chinese Communist leaders are orthodox Communists, whatever may be the ideological dilution among the rank and file of the movement. The leaders are the men who count, the men who control the army, the police power, and all of the machinery of coercion. This is clear from their repeated public statements and from the testimony and reports of American correspondents who have recently come out of Communist China. A. T. Steele of the New York Herald Tribune and Andrew Roth of the Nation have both recently come out of Communist China and are both agreed on this point. The attached excerpt (attachment A) from Roth's article appearing in the April 30, 1949, issue of the left-wing Nation is particularly significant in its conclusion that "the Chinese party is unquestionably an orthodox Communist Party of the Leninist-Stalinist variety."

*2. The Chinese Communists will stay Communists for a long time*

In the long run—a long run to be measured in decades or centuries—the Communist dynasty in China may be diluted, subverted, or corrupted by power, as its imperial predecessors were undermined in the long run. But we can't afford to wait for centuries. We have to deal with an immediate problem, and we can't count on slow historical forces to solve it for us. Both Steele and Roth and other competent observers are agreed that any tendencies toward Titoism in the Chinese Communist movement will take many years to develop.

The Kuomintang Party, whatever its faults may be, is the only organized political party in all of Chinese history which has been consistently friendly to Americans. During the years of its control of the Government, American interests in China have increased and expanded greatly. In those areas where we allow the Communists to seize control from the Kuomingtang or other non-Communist groups it may be many generations before power can be returned to the hands of those friendly to Americans.

*3. Objectives of the Chinese Communists*

The Chinese Communist leaders have stated their objectives many times. They are plain for all to read. Henry Lieberman, in the New York Times for April 24, 1949, has summarized their immediate objectives as follows:

"(1) Complete defeat of the Kuomingtang and the unification of all China under their (the Communists') control.

"(2) Establishment of a Communist-dominated coalition government oriented toward the Soviet Union and lined up behind Russia in the cold war.

"(3) Reconstruction and industrialization of China."

In addition to these must be added:

"(4) Expansion of Communist control to all Asia."

This last objective has been elaborated by Jen Pi-Shih, member of the central committee of the Chinese Communist Party, as follows:

"The victory of the Chinese revolution will break the imperialist chain in the east, he continued. Influenced by the Chinese revolution, several hundreds of millions of people in southeast Asia are already waging a heroic struggle.

"He said that even if the imperialists provoke war, the peoples' democratic forces in the world are sure to vanquish the imperialist forces." (Reported by Christian Science Monitor, April 27, 1949.)

*4. Communism's ultimate objective—world revolution*

Transcending all immediate objectives, the ultimate objective of world communism, including Chinese communism, is world revolution. In the words of General Clay, who from close-hand experience knows more about communism in action than most people:

"The Communist Party and the Communist world movement has a fixed objective. That objective is world domination through revolution. It is a long-range objective. That objective will never change because if it did communism would die." (Reported in Washington Times-Herald, May 2, 1949.)

C. WHAT COMMUNIST ASIA MEANS TO THE UNITED STATES

*1. Our position would be desperate*

The communization of Asia would be a tragic disaster for the United States, a disaster far outweighing the temporary surcease in Europe which will come from the lifting of the Berlin blockade. In his Boston speech Winston Churchill called the Chinese Communist advances to that date "the worst disaster since our victory." If they are permitted to complete their conquest, our position will become desperate. A glance at the implications for the United States of a Communist Asia will show why this is so.

*2. Military effects*

Militarily we will confront an Asia which has been converted by this country's most implacable enemy into an arsenal and base of attack. Our key cities, industrial centers, and military installations on our west coast will lie open and helpless to surprise assault by long-range plane and submarine, with no protection but the ocean—and we learned at Pearl Harbor that an ocean is no protection at all. On the other hand, the key cities of the Communist world will be protected by thousands of miles of Communist-held Asia throughout which we will have no bases, no foothold for our troops or Air Force. In its military consequences alone a Communist Asia would upset so overwhelmingly in favor of the Communists the present precarious balance between the east and west, that in itself it would make war almost inevitable. We could no more accept a position in which our basic security was so threatened

than world communism could fail to press its great advantage.

*3. Economic effects*

Economically, Asia's markets and sources of strategic materials would be denied us. The Communists might permit a carefully controlled trade, but only such as would enable them to receive machinery, materials, and munitions of war which they need for their eventual and inevitable attack upon us—arms which they would some day throw back at us as the Japanese at Pearl Harbor threw back at us the scrap iron which we had so obligingly furnished them.

D. THE CHOICE BEFORE THE UNITED STATES

The United States still has for a short time a choice of action. At present we have three possible courses before us:

1. We can continue our present policy of inaction. This will guarantee the communization of China and of all Asia. This course we cannot afford.

2. We can attempt to appease the Communists. We have tried this before, and it has never worked. It did not work with Hitler. A policy of appeasement ignores the openly admitted, repeatedly demonstrated Communist drive for world domination.

3. Finally, we can attempt at this late hour to develop and implement a policy designed, not to drive the Communists out of the China they hold (it is far too late for that), but to contain the Communist advance and to hold them where they are. This we can do with the materials at hand and without overstraining our resources.

E. WHAT WE HAVE TO WORK WITH

*1. Non-Communist China—Our biggest asset*

On China's western and southern periphery there lies a vast area where effective resistance to the Communist advance can yet be organized and where that advance can be held and contained. Included in this area are some 150,000,000 people, for the most part hardy mountaineers with a tradition of warlike defense of their native provinces against all invaders. This area is shown in any map of China. Briefly, it begins with the Mohammedan Provinces of Ninghsia, Kansu, and Tsinghai in the extreme northwest. See attached New York Times article of May 2, 1949. The leaders of these Provinces have kept their country free of both Japanese and Communists and invaders and have been deservedly feared by both. In their long march in 1926 the Communists attempted to settle in Kansu but were driven out after pitched battles and forced in the end to take up their positions in barren Shensi. South of these northern Provinces is the rich, highly populated basin of Szechwan, an area irrigated by impassable mountains. Szechwan has never been taken by conquest since before Kublai Khan. Southwest of Szechwan is Yunnan, which occupies perhaps the most important strategic position in Asia, with its long frontiers bordering on both Burma and French Indochina. Yunnan is high mountain country. It can be defended easily and, if held, will seal off the Communist advance from southeast Asia. East of Yunnan is Kweichow, a high rugged Province which can be defended. Finally, further east along the southern coast of China are the Provinces of Kwangsi and Kwangtung, areas with a firm tradition of independence and resistance to invasion.

These Provinces can with a minimum of military supply and economic aid be turned into an efficient belt of resistance. Both the people and their leaders are prepared to resist the Communists and will in any case resist whether we help them or not. But what we can give in aid will make the difference between a hopeless and an effective resistance. It will provide the indispensable means, and, more important, the indispensable hope of success.

*2. Surplus arms available in Pacific*

We have available in the Philippines and on the Pacific islands stores of surplus and obsolescent war materials and equipment which alone would go far toward arming the resistance of non-Communist China.

*3. Financial aid*

Finally, we can afford—because we must afford—what it will cost in the taxes of our people to make this aid effective. I estimate that to arm properly the military resistance of this free China will cost about $350,000,000 a year. In addition, some economic aid will be necessary. On a minimum basis, however, the job can be done for less. I estimate that the total cost of our aid, including both military and economic assistance, can be kept as low as $200,000,000 a year provided that all aid is administered economically.

F. WHAT WE MUST DO

*1. Hold the Communists*

If we are to take steps now toward halting and containing communism in China, it must be on the basis of a positive, aggressive, and flexible policy designed to support and give effect to the latent resistance that already exists in the free areas of China's periphery.

*2. Strengthen economy of non-Communist China*

We must not only give the necessary military support, we must also give the economic support required to raise the standard of life in the areas of non-Communist China and to set them on the road to recovery and rehabilitation. Resistance will not be of any lasting effect unless these areas can be developed by such aid so that they will show by yardstick comparison that what the Chinese people everywhere want in terms of peace, better livelihood, and free institutions can be achieved better outside of than under communism. Our long-run hope must be based upon the proper development of these yardstick areas. In the short run, of course, no development is possible unless the military defense is secure.

Main highways enter this enormous area from the east; one extending from Sian to Lanchow in the north and one runs from Linchow, Kwangsi, through Kweiyang, capital of Kweichow, to Chungking on the north and to Kunming in the southwest. Neither of these highways has the capacity for sufficient tonnage to support an invading army large enough to conquer the defending provinces—if the defenders are armed adequately.

The islands of Formosa and Hainan should be included in this defense zone in order to contain communism on the continent and to protect our sea and air lanes of communications in the western Pacific as well as our approaches to Indochina and anti-Communist west China.

This great western zone, plus the two major islands, Formosa and Hainan, can be organized and held at minimum cost, as a cordon sanitaire to protect Indochina, Siam, Burma, and all the remainder of Asia and the islands of the Pacific from the wave of communism which is certain to engulf them if all of China is communized.

The Japanese spent several million dollars in development work on Hainan Island in order to obtain such badly needed items as iron ore, fish, timber, sugar, rice, and fruit. They obtained coal from the rich mines along the northeast coast of Tonkin. The products of the sanitary zone are now urgently required by the Japanese in order to rehabilitate their industry. Formosa can supply aluminum, coal, alcohol, sugar, vegetables, fruits, timber, rice, and coal. Hainan Island can supply iron ore, other ores, timber, fish, and fruits. West China can supply tin, wolfram, antimony, wool, bristles, hides, tung oil, eggs, feathers, and furs. Tonkin can supply coal, rice, and timber. In fact, Japanese industry might be almost wholly supplied with essential raw materials—except petroleum products—from this non-Communist sanitary zone.

In exchange for these raw materials and foods Japan can furnish manufactured goods, machinery, tools, and steel. The movement of this trade would occupy a considerable portion of the Japanese merchant marine and would provide work for many seamen and other workers. The establishment of this trade between Japan and non-Communist China under American supervision would contribute a great deal to the rehabilitation of both areas and would relieve Japan of the necessity for trading principally with Communist Asia.

Fortunately, the military aid required for holding this sanitary zone is not great. The items most needed are rifles, machine guns, bazookas, light mortars, and pack artillery with ammunition. Some motor transport and signal communications equipment will be required. A small air task force for reconnaissance and army would add a great deal to the effectiveness of the defense.

Economic aid should be coordinated with military aid to increase crop production, improve transport communications, and rehabilitate and expand light industries. Much has already been accomplished in this western area to establish family and community industrial enterprises. Relatively small irrigation projects will increase the productive farm area a great deal. Commercial fertilizers and improved seeds are needed.

*3. American supervision*

Finally, we must make sure this time that we do not repeat the errors of the past by giving aid without proper supervision. We must make sure that anything we give is accompanied by competent American personnel to see that our help is used for the purposes intended. The leaders of non-Communist China are too desperate to refuse us any such reasonable conditions and we have a right to ask for them. American supervision is a condition under which Marshall plan aid to Europe is granted and the Chinese will accept it as well.

G. SUMMARY

The communization of China will constitute a disaster to the United States of a magnitude without precedent in all of our history. We will be deprived of all the fruits of our victory in World War II and we will be confronted with the necessity for engaging in another great war in order to protect our freedom and the freedom of the people of the Pacific. Despite the gravity of the situation, China is being communized rapidly and all of China may be communized within a short time unless positive, constructive measures are taken quickly to prevent the further spread of communism.

1. After China is communized, the remainder of Asia and the islands to the south and east will be vulnerable to rapid communization. There are no natural barriers to the advance of communism from China to Indochina, Siam, Burma, and thence to Malaya, India, Indonesia, and the other islands of the western Pacific.

2. The communization of China immediately and of all Asia eventually are prejudicial to the best interests of the United States, both now and in the future.

3. The United States should take steps without further delay to assist the non-Communist Chinese to resist the advance of communism into Formosa, Hainan Island, and western China, including the Provinces of Ningsia, Kansu, Tsinghai, Sinkiang, Szechwan, Kweichow, Kwangsi, Kwantung, Yunnan, and Sikang.

These steps should include:

(a) Military aid under the direction and supervision of a military mission.

(b) Economic aid coordinated with the military aid to increase agricultural production, rehabilitate and expand local industry, rehabilitate and expand transport communications, and other measures to raise the standard of living of the people.

(c) Encouraging and exchange of products between Japan and non-Communist China.

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[From the Nation of April 30, 1949]

THE CHINESE REVOLUTION

(Excerpt from article by Andrew Roth)

Chinese Marxism has both molded the forces of nationalism and agrarian revolt and been molded by them. Its policies have been substantially modified by conditions in the Chinese countryside, but the Chinese party is unquestionably an orthodox Communist Party of the Leninist-Stalinist variety. Like other parties of this type, its motto is "Moscow can do no wrong." The haste with which Chinese Communist papers denounced Anna Louise Strong after Radio Moscow had accused her of being a spy was almost indecent. She had spent the past quarter century eulogizing the Chinese Communists, but they turned against her overnight.

The discipline enforced in the party is no mean accomplishment in a country in which family discipline is virtually the only kind discernible. Its 3,000,000 puritanical zealots may well become the hard core around which flabby China will be unified for the first time in a century. That the party is governed from the top is apparent from the number of questions which officials have to refer to their superiors and from their frequent ignorance of the reason for decisions. When the foreign correspondents were silenced last February, nobody knew for certain why the leadership had taken this step.

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[From the New York Times of May 2, 1949]

CHENNAULT HAILED BY CHINA MOSLEMS—TROOPS IN REVIEW AT NINGHSIA TOLD TO BE PREPARED TO FIGHT COMMUNISM

(By Walter Sullivan)

NINGHSIA, CHINA, April 5.—One thousand broadswords whirled in the sharp desert sunlight and 1,000 voices shouted, "Kill!" as the climax of a military demonstration today welcoming Maj. Gen. Claire L. Chennault to this Chinese Moslem stronghold.

[General Chennault, who has returned to the United States since this dispatch was written, has been invited to give Congress his views on American aid to the Chinese Nationalists.]

On a giant parade ground, comparable in size to Red Square in Moscow, 12,000 cavalrymen and infantrymen of Gen. Ma Hung-kui passed in review. They were part of the Moslem armies that guard the gateway to northwest China.

Afterward the troops massed in front of the Chinese Moslem general and his guest, former head of the American "Flying Tigers," to hear the oratory.

SEES FUTURE STRUGGLE

General Chennault is now president of the Civil Air Transport, an air line in China, of which he is also the principal owner. He told the troops of the growing world battle against communism.

"The time will come, perhaps in the not so distant future," he said, "when you will join again with the Americans, British, and French to resist these forces which would destroy your liberty."

"We love peace," he continued, "but while there is communism there is no peace." He included the Dutch and Italians among those who he hoped would fight together "against this threat to the world." He told the soldiers that they must maintain their high standard of training for their share of this same struggle.

General Ma is ruler of Ninghsia Province as well as of its troops. This city, his capital, seems as well disciplined as his troops.

In startling contrast to most Chinese cities, the streets and sidewalks are smooth and completely free of refuse. Houses by decree are uniformly faced with gray brick.

TWO REDS BURIED ALIVE

General Ma proudly claims that no Communist agents dare penetrate his camp. The last two caught, he says, were discovered after VJ-day and were buried alive.

General Ma's troops are regarded as among the best in China. Their equipment is superior for troops so far from the modern world.

Infantry battalions carried light machine guns and rapid-firing rifles as well as regular rifles. Companies of horse-drawn mountain guns and other small field pieces rolled by. There were about a dozen brass bands in the line of march, all playing slightly off key.

The two sons of General Ma, who hold the top military posts under their father, took prominent roles in the show. One of them, who commands the cavalry, galloped in competition with his junior officers, past a series of red balls balanced on poles, trying to shoot them off with their rifles.

The lavish welcome given Mr. Chennault and his Chinese wife is significant. His air line is probably the most important link between these armies and the outside world. Ninghsia's supply line skirts the Communists at several points and its future is uncertain.

BILL PASSED OVER

The bill (H. R. 3825) to amend the Federal Crop Insurance Act, was announced as next in order.

Mr. WILLIAMS. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. ANDERSON. Mr. President, I wonder if I could clear up the possible objection of the Senator. I have received objections with reference to language which I think was inadvertently omitted from the bill. There is an amendment——

Mr. WILLIAMS. I would withhold my objection if the Senator from New Mexico wishes to make an explanation. However, I think I should have to continue the objection, because I am objecting by request. If the Senator wishes to put his explanation into the RECORD, I shall be glad to have him do so.

Mr. ANDERSON. There was objection made that the words "while in the field" were not inserted in the bill, and it left the impression that the Federal Crops Insurance Corporation would have authority to insure all sorts of crops, after they had been harvested. That was a very substantial invasion of the ordinary field in which private insurance companies had been operating. It was called to my attention by a representative of the United States Chamber of Commerce and others, and I told them that I would discuss the subject with the distinguished Senator from North Carolina [Mr. HOEY] and perhaps we would agree to carry into the conference the words "while in the field." I think that would save the objection which has been lodged against the bill so far.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. Is it true that the bill proposes to write off a $73,000,000 deficit of the Corporation?

Mr. ANDERSON. If it does, I know nothing about it.

Mr. HOEY. That amount has already been written off. This bill does not do that.

Mr. WILLIAMS. Mr. President, I shall have to ask that the bill go over, because the Senator who asked me to object is not present.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT TO INSTITUTE OF INTER-AMERICAN AFFAIRS ACT

The Senate proceeded to consider the bill (S. 1250) to amend the Institute of Inter-American Affairs Act, approved August 5, 1947, which had been reported from the Committee on Foreign Relations, with amendments, on page 2, line 3, after the word "specific", to insert "contract", and in line 8, after the word "exceed", to strike out "$50,000,000" and insert "$25,000,000", so as to make the bill read:

*Be it enacted, etc.*, That, in order further to strengthen friendship and understanding among the peoples of the America Republics and to enhance their common welfare, the Institute of Inter-American Affairs Act (Public Law 369, 80th Cong., 1st sess., 22 U. S. C., sec. 281) is hereby amended in the following particulars.

SEC. 2. Section 14 of the Institute of Inter-American Affairs Act is revised to read as follows:

"SEC. 14. (a) The Institute shall have authority, in entering into contracts under section 3 (c) of this act, to make contracts, within the limits of funds appropriated or specific contract authorizations hereafter granted to it, for periods of not to exceed 5 years in any one case.

"(b) There are authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may from time to time be necessary to carry out this act, but not to exceed $25,000,000 for the period ending June 30, 1955: *Provided*, That the appropriations herein authorized shall be in addition to appropriations made pursuant to authorizations granted in Public Law 369, Eightieth Congress.

"(c) This act may be cited as the 'Institute of Inter-American Affairs Act'."

SEC. 3. Section 3 (a) of the Institute of Inter-American Affairs Act is revised to read as follows:

"(a) Shall have succession until June 30, 1955."

The amendments were agreed to.

Mr. HENDRICKSON. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Is the Senator objecting to the bill as amended?

Mr. HENDRICKSON. Reserving the right to object, I wonder if the distinguished Senator from Connecticut [Mr. MCMAHON] would submit to a question?

Mr. MCMAHON. Certainly.

Mr. HENDRICKSON. Is there any reason why the term of the commitment could not be cut down to 3 years at a cost of $15,000,000, rather than a term of 5 years at cost of $25,000,000?

Mr. MCMAHON. The Senator will note that we are cutting the amount from $50,000,000 to $25,000,000. The 5-year term is quite necessary, because the

nature of the program is such that the work must be done in advance if we are to receive the maximum advantage from the program contemplated by the bill. All the testimony indicated that if we did not give them 5 years within which to carry forward the work, we would seriously harm the program and would not receive the benefit which we think we will receive by this expenditure of money.

I may say to the Senator that the benefits which have come from the Institute of Inter-American Affairs have have been very great indeed during the past 2 years, particularly with relation to the peoples of South America and their agricultural production. This is the only program we are operating in cooperation with the South American Republics. It is a fine gesture of good will. For reasons with which the Senator is familiar, the program is of particular benefit to us in maintaining good relations and good will with the South American Republics.

Mr. HENDRICKSON. I take it the committee was unanimous in that view.

Mr. McMAHON. The committee was unanimous. It gave the subject very extended consideration and very serious attention. As the Senator can see, we did reduce the amount, because we felt that was the best we could do.

Mr. HENDRICKSON. I thank the Senator.

The PRESIDING OFFICER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## PURCHASE OF AUTOMOBILES BY DISABLED VETERANS

The bill (S. 2115) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes, was announced as next in order.

Mr. WILLIAMS. Mr. President, reserving the right to object, may we have an explanation of the bill? I should particularly like to know how much it will cost.

Mr. PEPPER. This bill was reported unanimously by the Committee on Labor and Public Welfare. The automobiles are not subject to a levy of credit against the veterans, because obviously they are intended for the personal use of the veterans. With that minor exception, this bill is the identical bill reported from the Committee on Labor and Public Welfare and passed by the Senate in the Eightieth Congress.

In two respects it is an extension of the present law which was passed in 1944. The 1944 act provided that the Government could pay up to $1,600 for the purchase of an automobile for a veteran who had lost the use of, or lost as far as the ankle, one or both feet. The present bill extends it to the loss of use of or the loss of one or both hands, and the loss of vision of veterans to a degree amounting to practical blindness.

Except for those two categories, it is exactly the same as the present law. I should say that the law expired on the 30th of June. The committee has held hearings on the matter, heard amputees, heard the testimony of veterans as to how they were inconvenienced in trying to ride in public vehicles because of the loss of one or both hands and by not having good vision so they could look after themselves. After considering the matter, it was felt by the committee that it should report to the Senate the same bill reported to the Eightieth Congress, and that the Senate should pass practically the same bill passed by the Eightieth Congress.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WATKINS. What is the estimated cost?

Mr. PEPPER. The estimated cost is approximately $16,000,000, to accommodate approximately 10,000 veterans.

Mr. WATKINS. When this amount is spent, will other veterans then come in, in addition to those provided for in the bill?

Mr. PEPPER. Of course, there are from time to time additional veterans who complain, by virtue of amputations in hospitals, of loss of the use of or loss of the members as described in the bill, but let the Senator recall that all of these are service-connected disabilities, and only those.

Mr. WATKINS. That is what I wanted to know.

Mr. PEPPER. There will be no inclusion into the class provided for of any veteran except one who sustains an amputation in a hospital as the result of a war injury.

Mr. WATKINS. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill.

There being no objection, the bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That, subject to the conditions hereinafter set forth, the Administrator of Veterans' Affairs is authorized and directed to provide or assist in providing an automobile or other conveyance, by paying on the purchase price of such automobile or other conveyance not to exceed $1,600, including equipment with such special attachments and devices as the Administrator may deem necessary, for each veteran of World War II who is entitled to compensation under the laws administered by the Veterans' Administration for any of the following:

(a) Loss or permanent loss of use of one or both feet;

(b) Loss or permanent loss of use of one or both hands;

(c) Permanent impairment of vision of both eyes of the following status: Central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200 if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than 20 degrees in the better eye.

SEC. 2. The benefits of section 1 shall be granted under the following conditions:

(a) That under such regulations as the Administrator may prescribe the furnishing of such automobile or other conveyance, or the assisting therein, shall be accomplished by the Administrator paying the total purchase price, if not in excess of $1,600, or the amount of $1,600, if the total purchase price is in excess of $1,600, to the seller from whom the veteran is purchasing under sales agreement between the seller and the veteran.

(b) The United States shall not be liable for the repair, maintenance, or replacement of any automobile or other conveyance provided under the provisions of the first section of this act and shall not be liable to any person by reason of any damage caused by the use of such automobile or other conveyance.

(c) No veteran shall be entitled to receive more than one automobile or other conveyance under the provisions of this act; and no veteran who has received or may receive an automobile or other conveyance under the provisions of the paragraph under the heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947, shall be entitled to receive an automobile or other conveyance under the provisions of this act.

(d) The benefits provided in this act shall not be available to any veteran who has not made application for such benefits to the Administrator within 3 years after the effective date of this act, or within 3 years after the date of the veteran's discharge from the armed forces if the veteran shall not be discharged until on or after said effective date.

(e) Any automobile or other conveyance furnished any veteran pursuant to this act shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever.

(f) After enactment of this act, any automobile or other conveyance heretofore furnished any veteran under the provisions of the paragraph heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947, as amended, shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever.

## COTTON MARKETING QUOTAS

The bill (S. 1962) to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, was announced as next in order.

Mr. WILLIAMS. Mr. President, by request, I ask that the bill go over.

Mr. MILLIKIN. Will not the Senator withhold his objection?

Mr. WILLIAMS. I withhold the objection.

Mr. MILLIKIN. I ask that my colleague make a statement about the bill.

Mr. JOHNSON of Colorado. Mr. President, I desire to call up an amendment we have to the bill pertaining to wheat acreage, but if the Senator is going to insist on the bill going over, I doubt if our amendment would cure his objection to it.

Mr. WILLIAMS. I am objecting to the bill by request. If the Senator will submit his amendment I will see if I can get the matter straightened out. I suggest that the bill go to the foot of the calendar.

The PRESIDING OFFICER. The bill will go over.

## CREATION OF STANDING COMMITTEE ON SMALL BUSINESS

The resolution (S. Res. 58) to amend the Senate rules by creating a standing committee on small business, was announced as next in order.

Mr. O'MAHONEY. Let the resolution go over.

Mr. PEPPER. Mr. President, will the Senator withhold his objection for a moment?

Mr. O'MAHONEY. I do.

Mr. PEPPER. Mr. President, I am not one of the authors of the resolution, but my colleague, the junior Senator from Florida [Mr. HOLLAND], is one of the authors of the resolution, and it was reported from the Committee on Rules and Administration by the minority leader, the Senator from Nebraska [Mr. WHERRY]. Neither my colleague nor the minority leader happens to be on the floor of the Senate at the present time, and Senators might wish to debate the resolution. It merely sets up a committee on small business as one of the standing committees of the Senate. Due to the fact that we have heretofore had a reluctance to create such a special committee, jurisdiction of the subject had been, tacitly, recognized as in the Committee on Banking and Currency. It was generally felt, however, when we discussed the matter, that small business was of such a broad nature, and there are so many ramifications, it would probably be desirable to set up a committee on small business among the regular committees. Many of us have an acute interest in the problems of small business.

Mr. O'MAHONEY. Mr. President, my objection was made because neither the minority leader nor the majority leader was present upon the floor. I know there has been a great deal of discussion about the creation of such a committee, and I felt it would be desirable to have the resolution go over until the two leaders were present.

Mr. PEPPER. Very well.

The PRESIDING OFFICER. The resolution will be passed over.

Mr. WHERRY subsequently said: Mr. President, I ask permission to return to Calendar No. 596, Senate Resolution 58, and that the action taken be reconsidered.

The PRESIDING OFFICER. Does the Senator want the order putting the resolution over to be set aside?

Mr. WHERRY. I should like to ask what the objection was to this very meritorious measure.

Mr. O'MAHONEY. I made the objection because of the absence of the majority leader and the minority leader, and both having appeared on the floor now——

Mr. WHERRY. The Senator has no objection?

Mr. O'MAHONEY. I ask that the resolution be proceeded with.

The PRESIDING OFFICER. Without objection, the order will be set aside, and the resolution will be considered, if there is no objection.

Mr. LUCAS. Mr. President, I shall have to object. I regret very much, but the Senator from Illinois will be compelled to object.

Mr. WHERRY. Mr. President, I am sorry the Democratic leader blocks this small-business bill. I shall not take up the time of the Senate, but I should like to have the report which accompanied the resolution printed in the RECORD. It is very constructive at this point as a part of my remarks.

There being no objection, the report (No. 598) was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration to whom was referred the resolution (S. Res. 58) to amend section (1) of rule XXV of the standing rules of the Senate by the establishment of a Committee on Small Business, having considered the same, report favorably thereon without amendment and recommend that the resolution do pass.

The resolution provides for the creation of a standing Committee on Small Business, composed of 13 Senators, to which shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the problems of American small business enterprises. It shall be the duty of such committee to study and survey by means of research all the problems of American small business enterprises, and to obtain all facts possible in relation thereto which would not only be of public interest, but which aid the Congress in enacting remedial legislation.

There has been opposition to the reestablishment of a special committee on small business based primarily on arguments—

1. That special committees are deemed by some Members of the Senate to be in violation of the spirit of the Reorganization Act;

2. That a special committee does not have legislative authority and cannot act directly on legislation for small business, once its studies and investigations on a subject have been made.

These two objections do not apply to the establishment of a standing Committee on Small Business.

The numerous problems of small business fall within the jurisdiction of practically every committee in the Senate. These problems include taxation and finance, interstate and foreign commerce, growth of concentration in industry, antitrust legislation, education and labor, Government and armed services procurement, and trade inspired by foreign economic programs and policies. These problems, generally diversified and oftentimes highly specialized, call for prompt investigation and remedial legislation. This can best be accomplished speedily and efficiently by a standing committee charged especially with the duty of providing assistance to small business enterprises.

Your committee envisions that the work of the Committee on Small Business will include, but not be limited to, the study and investigation of—

1. Supply and distribution of basic materials with particular reference to whether or not independent small business is obtaining its fair share of such materials under existing or future distribution methods and patterns;

2. Policies of Federal Government departments, agencies, and corporations with respect to inclusion of independent small business in their present programs and future planning with particular reference to the procurement activities of such departments, agencies, and corporations;

3. Prices charged for materials needed and utilized by independent small business to determine whether they are fair and equitable in relation to prices charged their larger competitors;

4. Pressures of vertically and horizontally integrated combinations to eliminate independent small business in the American industrial productive and distributive system;

5. Inability of both new and old independent small business to adequately finance itself from its own earnings due to tax structure and effect of such tax structure on the merger movement;

6. Participation of independent American small business in foreign-aid programs and adequacy of representation of independent American small business by diplomatic and consular officials abroad;

7. Development of programs to adequately insure independent small business a fair share of raw and finished materials and services on and from public-owned mineral resources, forest services, irrigation and reclamation projects;

8. Development of a sound program to safeguard the place of independent small business in the American economy.

Since the expiration of the former Special Committee on Small Business, there has been no one Senate committee to consider and recommend legislation regarding the economic problems of small business, although almost every one of the standing committees of the Senate is in one way or another concerned with problems vitally and directly affecting small-business enterprises. The number and importance of the problems peculiar to small business warrants the establishment of a standing committee which will give full time and attention to the solution of these problems and which has authority to recommend remedial legislation to the Senate.

Three million six hundred and fifty thousand small-business concerns in the United States are owned and operated, on the average, by 2½ persons each. This constitutes a total of 9,125,000 persons, or 92 percent of our entire economy. These concerns employ about 65 percent of all commercial and industrial wage earners and produce about 45 percent of our entire output. The former Special Committee on Small Business was in existence from October 1940 until January 31, 1949. Its expiration has resulted in the discontinuance of specialization on small-business problems in the Senate; a service which your committee believes is of great value to this large part of the Nation's economy.

Therefore, the Committee on Rules and Administration recommends the establishment of a Standing Committee on Small Business as provided for by Senate Resolution 58.

Mr. WHERRY. Mr. President, if we cannot have action on this resolution on the call of the calendar, I ask the distinguished majority leader if we cannot have the resolution taken up for consideration at some later date. There is much interest in the subject. The resolution provides for a permanent standing committee dealing with small business. If the resolution cannot be agreed to on the call of the calendar I believe it should be taken up for consideration at an early date.

Mr. LUCAS. I understand how the Senator from Nebraska feels about a measure of this kind. When it comes up for consideration there will be considerable discussion of it. The Senator from Montana [Mr. MURRAY] introduced a measure earlier in the session, which was referred to the Committee on Banking and Currency, and he will probably want to substitute his measure for this one, when it is considered. The Senator from South Carolina [Mr. MAYBANK] has already appointed a subcommittee of the Committee on Banking and Currency which is dealing with small business at the present time. No doubt he will want to be heard when the measure comes up for consideration. The Senator from South Carolina is not now present in the Senate Chamber.

I might say for the benefit of my distinguished friend, the Senator from Nebraska, that we had this matter up before our policy committee some time ago, and that committee was unanimously in opposition to the appointment of a standing committee for small business.

Mr. WHERRY. Will the distinguished majority leader say whether the policy committee took a position respecting the so-called Murray measure?

Mr. LUCAS. No. The committee, as I recall, took no position either on the Murray measure or upon the other measure which is being considered by the Senate Committee on Banking and Currency. But I anticipate that when the matter comes up for consideration there will be quite a little debate upon it. I will say to my friend from Nebraska that there is a possibility that we can take it up before Congress adjourns. I will not guarantee that. I might, however, be persuaded by the relentless logic of my friend from Nebraska to ask that it be brought up for consideration later on.

Mr. WHERRY. I thank the majority leader for even that much assurance. It has been demonstrated time and time again that what we need in the United States Senate is a small business committee as a permanent standing committee. I only hope the majority leader will give consideration to the measure, and at least permit it to be brought up for consideration, so arguments can be presented for and against it, and so the Senate can take definite action one way or the other before the present session of Congress is concluded.

Mr. LUCAS. I will say to the Senator from Nebraska that there is a tremendous amount of interest in this matter. The Committee on Banking and Currency is very much concerned about it. I know that the Senator from Montana [Mr. MURRAY] and the Senator from Florida [Mr. PEPPER] and other Senators are interested in having a sort of special committee, such as we had in the past, of which the distinguished Senator from Nebraska was chairman. They hope that such a committee can be set up. So I imagine there would probably be 2 or 3 days of debate on the resolution.

The PRESIDING OFFICER. On objection, Senate Resolution 58 is passed over.

### RESEARCH IN FAMILY ASPECTS OF CHRONIC ILLNESSES

The concurrent resolution (S. Con. Res. 17) providing for expansion and intensification of public-health research on the family aspects of chronic illnesses, was considered and agreed to, as follows:

*Resolved, etc.*, That it is the sense of the Congress that research on the familial aspects of chronic illness and investigation of practical methods of furnishing family health services should be expanded and intensified, and that the United States Public Health Service should extend its activities toward this end.

The preamble was agreed to.

### AUREOMYCIN, CHLORAMPHENICOL, AND BACITRACIN OR ANY DERIVATIVE

The bill (H. R. 3151) to amend the Federal Food, Drug, and Cosmetics Act of June 25, 1938, as amended by providing for the certification of batches of drugs of aureomycin, chloramphenicol, and bacitracin, or any derivative thereof, was considered, ordered to a third reading, read the third time, and passed.

### NATIONAL EMPLOY THE PHYSICALLY HANDICAPPED WEEK

The joint resolution (H. J. Res. 228) authorizing an appropriation for the President's Committee on National Employ the Physically Handicapped Week, was announced as next in order.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the joint resolution?

Mr. PEPPER. Mr. President, the Senator from Montana [Mr. MURRAY] reported the joint resolution from the Committee on Labor and Public Welfare, but he does not happen to be on the floor, and as I am a member of the committee, I shall be very glad to give any explanation I can of it.

A long while ago the President recommended the establishment of a committee to aid in obtaining employment for physically handicapped citizens of our country. The committee consists, I believe, of 275 individuals and 165 organizations. The committee, of course, needs some personnel to coordinate the activities of so large an organization, and in addition to these private members, the governors of States, the mayors of cities, and all kinds of public and private organizations are cooperating splendidly in a joint enterprise to try to devise means by which the physically handicapped, veterans and civilians, may find opportunities for gainful employment. The bill provides for only $75,000 a year, which the President recommended should be made available for personnel, and for some little printing and telephone calls, and the like, to aid this splendid private committee in finding gainful employment for these handihapped citizens.

Mr. HENDRICKSON. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed.

### JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (S. J. Res. 2) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President, was announced as next in order.

Mr. LANGER. By request, I ask that the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 2085) to amend the Employment Act of 1946, with respect to the Joint Committee on Economic Report, was announced as next in order.

Mr. LANGER. By request, I ask that this bill go over.

The PRESIDING OFFICER. The bill will be passed over.

### PURCHASE OF LAND FROM THE THREE AFFILIATED TRIBES OF FORT BERTHOLD RESERVATION, N. DAK.

The Senate proceeded to consider the joint resolution (H. J. Res. 33) providing for the ratification by Congress of a contract for the purchase of certain Indian lands by the United States from the Three Affiliated Tribes of Fort Berthold Reservation, N. Dak., and for other related purposes, which had been reported from the Committee on Interior and Insular Affairs with amendments.

The amendments were, on page 1, after line 2, to strike out:

That, subject to the additional terms and conditions hereinafter set forth in sections 2 to 11, inclusive, which are made a part of this ratification, the following contract by and between the United States of America and the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., entered into on May 20, 1948, pursuant to the provisions of the War Department Civil Appropriation Act, 1948 (Public Law 296, 80th Cong.), is hereby ratified by the Congress, to wit:

"CONTRACT BY AND BETWEEN THE UNITED STATES AND THE INDIANS OF THE FORT BERTHOLD RESERVATION AS PROVIDED FOR BY PUBLIC LAW 296, EIGHTIETH CONGRESS, FIRST SESSION

"This contract, made and entered into this 20th day of May, 1948, by and between the United States of America, hereinafter called the 'Government,' represented by the Chief of Engineers, United States Army, and the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., hereinafter called the 'tribes,' with the approval of a majority of the adult members of said tribes, witnesseth that:

"Whereas, an item in the War Department's Civil Appropriations Act, 1948 (Public Law 296, 80th Cong., approved July 31, 1947), appropriating funds for 'Flood Control, General,' provides:

" 'Garrison (North Dakota) Reservoir: For acquisition of the lands and rights therein within the taking line of Garrison Reservoir which lands lie within the area now established as the Fort Berthold Indian Reservation, N. Dak., including all elements of value above or below the surface thereof and including all improvements, severance damages and reestablishment and relocation costs the sum of $5,105,625, which said sum is included in the total allocated under this act for the said Garrison Reservoir and which shall be deposited in the Treasury of the United States to the credit of the Three Affiliated Tribes of Fort Berthold Reservation, to be subject to withdrawal and disbursement as herein provided. This amount is made available subject to the following conditions subsequent and in the event the said conditions are not complied with then this amount shall lapse and be thereby null and void. Said conditions subsequent are:

" 'That a contract between the United States and the said Three Affiliated Tribes shall be negotiated and approved by a majority of the adult members of said tribes and enacted into law by the Congress, providing for the conveyance of said lands and interests and the use and distribution of said fund and that disbursements from said fund shall be made forthwith in accordance with said approved contract and act of Congress.

" 'That said contract shall be submitted to the Congress on or before the 1st day of June 1948: *Provided, however*, That, notwithstanding said contract or the provisions of this act, the said Three Affiliated Tribes may bring suit in the Court of Claims as provided in section 24 of the act of August 13, 1946, on account of additional damages, if any,

alleged to have been sustained by said tribes by reason of the taking of the said lands and rights in the said Fort Berthold Indian Reservation on account of any treaty obligation of the Government or any intangible cost of reestablishment or relocation, for which the said tribes are not compensated by the said $5,105,625.'

"No, therefore, the parties hereto do mutually agree as follows:

"ARTICLE I

"The tribes, notwithstanding this contract, reserve to themselves all their rights and privileges to pursue further their claims against the government by filing suit in the Court of Claims in accordance with Public Law 296 or by petitioning Congress for additional relief legislation, or both.

"ARTICLE II

"The lands to be taken or acquired by the United States under this contract, to be hereinafter referred to as the "Taking Area", are described as follows:

*"Part A—Within reservation boundaries*

"Beginning at the Northwest corner of Section 6 Township 150 North, Range 93 West of the 5th P. M.; thence East to the West sixteenth line; thence South to the East and West quarter line; thence East to center of said section; thence South to South quarter corner; thence East to the."

And insert in lieu thereof the following:

That, upon acceptance of the provisions of this act by a majority of the adult members of the Three Affiliated Tribes of the Fort Berthold Reservation, all right, title, and interest of the said tribes in and to the lands constituting the Taking Area described in section 15 (including all elements of value above or below the surface) shall vest in the United States of America.

SEC. 2. The fund of $5,105,625 appropriated by the War Department Civil Appropriation Act, 1948 (Public Law 296, Eightieth Congress), shall not lapse into the Treasury as provided therein, but shall be available for disbursement under the direction of the Commissioner of Indian Affairs, Bureau of Indian Affairs, United States Department of the Interior (hereinafter called the "Commissioner") for the following purposes:

(a) Payment for tribal and allotted Indian lands and improvements, including heirship interests, and values above and below the surface, within the Taking Area;

(b) Costs of relocating and restablishing the members of the tribes who reside within the Taking Area; and

(c) Costs of relocating and reestablishing Indian cemeteries, tribal monuments, and shrines within the Taking Area.

Any unexpended balance remaining from the said fund of $5,105,625 after the completion of the purposes set forth in subsections (a), (b), and (c) shall remain in the Treasury to the credit of the tribes.

SEC. 3. To the extent that $5,105,625 is insufficient to accomplish the purposes set forth in subsections (a), (b), and (c) of section 2, other funds appropriated for the construction of the Garrison project shall be used to complete the accomplishment of such purposes.

SEC. 4. There is hereby established a board of appraisal which shall consist of one member designated by the Secretary of Agriculture, one member designated by the Secretary of the Interior, and one member designated by the Chief of Engineers. It shall be the duty of the board to prepare an appraisal schedule of the tribal and individual allotted lands and improvements, including heirship interests, located within the Taking Area. In the preparation thereof the board shall determine the fair value of the land and improvements, giving full and proper weight to the following elements of appraisal: Value of any tract of land, whether full interest or partial interest, including value of standing timber, mineral rights, and the uses to which the lands are reasonably adapted. Upon completion of the said schedule of appraisal it shall be submitted to the Chief of Engineers.

SEC. 5. Upon receipt of such schedule of appraisal by the Chief of Engineers, he shall transmit to the tribal council the schedule of appraisal in its entirety and such portions of the said schedule to individual Indians as relate to their respective interests. The tribal council and the interested individual Indians shall have 90 days from the date of receipt of such schedule of appraisal in which to present to the Commissioner their objections, if any, for consideration and action thereon.

SEC. 6. The right of the tribes and of the allottees and heirs of allottees to accept or reject the appraisal covering their respective property is reserved to them. Upon the rejection of the appraisal affecting the lands or the respective interests, the Department of the Army shall institute proceedings in the United States District Court for North Dakota for the purpose of having the just compensation for such property judicially determined. Any judgment entered against the United States in such proceeding shall be charged against the said fund of $5,105,625.

SEC. 7. In all proceedings instituted in accordance with section 6 of this act, individual members of the tribes may request the Commissioner of Indian Affairs to designate attorneys of the Bureau of Indian Affairs to represent them.

SEC. 8. The amount determined to be due the individual allottees and other individual Indians shall be deposited to the credit of such individual Indians in their individual Indian money accounts.

SEC. 9. The tribes and the members thereof may salvage, remove, reuse, sell, or otherwise dispose of all or any part of their improvements within the taking area without any deduction therefor in the appraisal schedule to be prepared by the Commissioner, subject to the condition that the district engineer, Garrison district, may not enter for the purpose of clearing the said improvements until at least October 1, 1952, and subject further to the condition that the district engineer shall serve notice of such purpose at least 3 months prior thereto.

SEC. 10. The tribes and the members thereof shall have the privilege of cutting timber and all forest products and removing sand and gravel, and may use, sell, or otherwise dispose of the same until at least October 1, 1950, without any deduction therefor in the appraisal schedule to be prepared by the Commissioner, subject to the condition that the said date may be adjusted to a later date by the Chief of Engineers on the request of the Commissioner, and subject to the further conditions that the district engineer, Garrison district, shall serve notice of clearing at least 3 months prior thereto.

SEC. 11. The tribes and the members thereof may remove, sell, or otherwise dispose of lignite until such date as the district engineer, Garrison district, fixed for the impoundment of waters.

SEC. 12. The district engineer, Garrison district, will give notice at least six months in advance of the date on or after which impoundment of waters may begin, and no damage for loss of life or property due to impoundment of waters on or after the date specified in said notice may be claimed. The date established by such notification will not be earlier than October 1, 1952.

SEC. 13. In addition to the $5,105,625 appropriated by the War Department Civil Appropriation Act, 1948 (Public Law 296, Eightieth Congress), the further sum of $4,000,000 shall, upon acceptance of the provisions of this act by the tribes, be placed to the credit of the tribes in the Treasury of the United States, which sum shall be in full satisfaction of (1) all claims, rights, and demands of said tribes arising out of this act and not compensated for out of the said $5,105,625, and the additional sums, if any, specified in section 3; (2) and of all other rights, claims, and demands of said tribes of any nature whatsoever existing on the date of enactment of this act, whether of tangible or intangible nature and whether or not cognizable in law or equity; (3) and of any and all claims, rights, or demands arising out of the treaty with the United States of September 17, 1851 (11 Stat. 749), or any other treaty (including any unratified treaty) or agreement prior to the approval and acceptance of this act.

SEC. 14. The fund of $5,105,625, appropriated by the War Department Civil Appropriation Act, 1948 (Public Law 296, Eightieth Congress), and the fund provided for by section 13 of this act shall bear interest at 4 percent per annum from the date of acceptance of this act until disbursed. No part of either of such funds shall be used for payment of the fees or expenses of any agent, attorney, or other representatives of any individual Indian tribe.

SEC. 15. The Taking Area is described as follows:

PART A—WITHIN RESERVATION BOUNDARIES

Beginning at the Northwest corner of Section 6, Township 150 North, Range 93 West of the 5th P. M.; thence East to the West sixteenth line; thence South to the East and West quarter line; thence East to center of said Section; thence South to South quarter corner; thence East to the.

On page 61, after line 2, to strike out:

"ARTICLE III

"Section 1. The fund of $5,105,625 shall be subject to disbursement under the direction of the Commissioner of Indian Affairs, Bureau of Indian Affairs, United States Department of the Interior, hereinafter called the 'Commissioner', for the following purposes:

"(a) Payment for tribal and allotted Indian lands and improvements, including heirship interests, and values above and below the surface, to be taken for the Garrison Project;

"(b) Costs of relocating and re-establishing the members of the tribes who reside within the Taking Area of the Garrison Project; and

"(c) Costs of relocating and re-establishing Indian cemeteries, tribal monuments, and shrines within the Taking Area of the Garrison Project.

"Section 2. The cost of relocating and re-establishing government owned buildings, facilities, roads and bridges will be paid from appropriations made or to be made for the construction of Garrison Reservoir, and funds for these purposes may, in the discretion of the Chief of Engineers, be transferred to the Commissioner for expenditure.

"Section 3. No portion of the said fund of $5,105,655 shall be expended by any agency of the government for any expense or cost incurred by it in carrying out the terms of this contract.

"Section 4. Any unexpended balance remaining from the said fund of $5,105,625 after the completion of the purposes set forth in subsections (a), (b), and (c) of Section 1 of this Article shall remain to the credit of the tribes.

"Section 5. Lands and improvements belonging to any church, mission, missionary society or to any person not a member of the tribes are excluded from this contract and no part of the fund dealt with in this Article shall be used to pay for the same.

"ARTICLE IV

"Section 1. The Commissioner shall have prepared an appraisal schedule on an individual tract basis of the tribal and allotted lands and improvements, including heirship interests, located within the Taking Area. In the preparation thereof, he shall determine

the fair market value of the land and improvements, giving full and proper weight to the following elements of appraisal: damage suffered by partial taking of any tract of land, value of standing timber, mineral rights, and the uses to which the lands are reasonably adapted. He shall also have the said schedule of appraisal submitted to the Chief of Engineers for approval.

"Section 2. Upon approval by the Chief of Engineers, the Commissioner shall transmit to the Council the schedule of appraisal in its entirety and such portions of the said schedule to individual Indians as relate to their respective interests. The Council and the interested individual Indians will have ninety days from the date of transmittal in which to present to the Commissioner their objections, if any, for consideration and action thereon.

"Section 3. The right of the tribes and of the allottees and heirs of allottees to accept or reject the appraisal covering their respective property is reserved to them. Upon the rejection of the appraisal affecting the lands or the respective interests, the Department of the Army shall institute proceedings in the United States District Court for North Dakota for the purpose of having the just compensation for such property judicially determined. Any judgment entered against the United States in such proceedings shall be charged against the said fund of $5,105,625.

"Section 4. In all proceedings instituted in accordance with Section 3 of this Article, individual members of the tribes may request the Commissioner of Indian Affairs to designate attorneys of the Bureau of Indian Affairs to represent them.

"ARTICLE V

"Section 1. The administrative responsibility for the removal, relocation, and re-establishment of the members of the tribes shall be vested in the Commissioner. The Commissioner shall prepare a plan of removal, together with the estimates of cost, and submit the same to the Chief of Engineers. Upon approval by the Chief of Engineers, the plan and estimates shall be transmitted to the Council and on approval by it the Commissioner shall carry out such plan. The plan shall include but shall not be restricted to the cost of transporting to their new locations members of the tribes, their household goods, farming equipment, livestock and other property, the cost of constructing fences and of developing domestic and livestock water supplies on the residual reservation as it may be extended, and the cost of dismantling, transporting, and reerecting salvageable buildings and improvements.

"Section 2. The Chief of Engineers shall promptly submit to the Commissioner a schedule showing the approximate time of clearing the right-of-way of the Garrison project within the taking area of the Fort Berthold Reservation. Thereafter the Chief of Engineers and the Commissioner shall at least annually review the schedule of removal to decide upon any changes proposed by either party. The Chief of Engineers shall, however, have final authority to determine any necessary changes required to be made in the schedule. The schedule shall provide for systematic and orderly clearing of the right-of-way by succession of segments.

"ARTICLE VI

"Section 1. The Commissioner shall prepare a plan, together with cost estimates, for the relocation and reestablishment of tribal monuments, shrines and other tribal facilities, and for the disinterment and reinterment of all bodies within the Taking Area, designated by the Council, allottees, heirs, and churches, and submit the same to the Chief of Engineers. Upon approval of the plan and cost estimates by the Chief of Engineers the Commissioner shall transmit the same to the Council and upon approval by it, the Commissioner shall carry out such plan.

"Section 2. New sites for the reestablishment of monuments, shrines, private burials, and cemeteries shall be acquired out of the proceeds from the taking of present sites within the Taking Area. Titles to the new sites shall be of like character as exist for the sites acquired by the United States within the Taking Area.

"Section 3. Responsibility for carrying out the plan provided for in Section 1 of this Article shall be undertaken, insofar as practicable, by the interested churches, heirs, allottees, Council, or keepers of a particular shrine. The removal plan shall provide for the employment of Indians and for tribal and religious ceremonies. The Commissioner, however, is authorized and directed to assume any responsibility not assumed by any other interested party or parties.

"ARTICLE VII

"The amount determined to be due the tribes for tribal lands and interests under the terms and conditions of this contract shall be held in trust by the United States for said tribes and may be used to acquire such other lands or other tribal property, or for such other purposes, as may be determined by the Council with the approval of the Commissioner. All lands thus acquired shall be held by the United States in trust for the benefit of the tribes as other tribal lands and shall be inalienable and nontaxable until otherwise provided by Congress, notwithstanding any other restrictions on the purchase of land under any other law.

"ARTICLE VIII

"Section 1. The amount determined to be due the individual allottees and other individual Indians shall be deposited to such individual Indians in their Individual Indian Money Accounts and shall be available for expenditures under the terms of this contract.

"Section 2. Under regulations of the Secretary of the Interior or his duly authorized representative, the Superintendent of the Fort Berthold Reservation may authorize the disbursement of funds deposited in the Individual Money Accounts of non-resident members of the tribe and of such other members who, in his opinion, do not require supervision over such funds. Expenditures may be made from the accounts of individual Indians whenever necessary and desirable for the purchase of new lands, homes, or other property for such Indians.

"Section 3. Title to new land acquired with the proceeds deposited to the credit of the allottees or heirs shall be taken in the name of the United States in trust for the individual Indians entitled thereto, and shall be nonalienable and nontaxable until otherwise provided by Congress.

"ARTICLE IX

"Section 1. Upon the approval of this contract by the Council and by a majority of the adult members of the tribes and its enactment into law, it is, and shall be held to be a relinquishment and conveyance to the Government of all lands, rights, and interests within the Taking Area by the tribes as to tribal lands and by the allottees and heirs as to allotted lands, and no further relinquishment or instrument of conveyance shall be required to extinguish the Indian's interest in and to such lands and rights and to vest the title in the United States.

"ARTICLE X

"Section 1. With two years from the date of this contract the Commissioner, with the approval of the Council, will transmit to the Chief of Engineers a plan for the grazing of livestock between the taking line and the actual water line of the Garrison Reservoir within the residual Fort Berthold Reservation. The said plan shall be based upon the fullest development of the residual reservation for livestock, and shall be accompanied by one or more maps upon which the areas required for grazing shall be delimited. Upon approval of the plan by the Chief of Engineers, the grazing areas delimited for the use of reservation livestock shall be permanently reserved to the tribes and the members thereof, and may not be reduced or changed thereafter except with the consent of the Commissioner and approval of the Council. The Council may promulgate Rules and Regulations for the utilization of the areas so reserved.

"Section 2. In the preparation of the grazing area plan, provided for in Section 1 of this Article, the Commissioner shall, upon the advice of the Chief of Engineers, eliminate any feature which would interfere with the operation of the Garrison Project, but no reservation of land below the taking line of Garrison Reservoir for park, recreational, or wildlife conservation within the Fort Berthold Reservation shall operate to interfere with the prior right of the tribes and the members thereof to the grazing areas delimited by the Commissioner and approved by the Chief of Engineers, notwithstanding the provisions of Section 4 of the Flood Control Act of December 22, 1944 (Public Law No. 534, 78th Congress) as amended or supplemented by Section 4 of the Flood Control Act of July 24, 1946 (Public Law No. 526, 79th Congress).

"Section 3. The Council will cooperate with the government and with the State of North Dakota in the conservation, development, and utilization of the wildlife resources within the Taking Area. The hunting and trapping rights of the tribes and the members thereof, as presently established, are expressly reserved to them, and the Council will have the right to issue licenses in accordance with tribal regulations. The tribes and the members thereof will be entitled to fish in Garrison Reservoir under such Rules and Regulations as the Chief of Engineers may establish, but they shall not be required to pay any license fee therefor.

"Section 4. The right is reserved to the tribes for use by its members, under such terms and conditions as shall be determined upon by the Council and in accordance with plans approved by the Chief of Engineers, to establish boat harbors, wharfs, and recreational areas within the Taking Area, provided that service and dock privileges shall not be made available to non-members of the tribes within the Taking Area of the Reservoir located within the exterior boundaries of the reservation except in accordance with regulations and schedules of rates approved by the tribes with the concurrence or approval of the Chief of Engineers.

"ARTICLE XI

"Section 1. The tribes and the members thereof may salvage, remove, reuse, sell, or otherwise dispose of all or any part of their improvements within the Taking Area without any deduction therefor in the appraisal schedule to be prepared by the Commissioner, subject to the condition that the District Engineer, Garrison District, may not enter for the purpose of clearing the said improvements until at least October 1, 1952, and subject further to the condition that the District Engineer shall serve notice of such purpose at least three months prior thereto.

"Section 2. The tribes and the members thereof shall have the privilege of cutting timber and all forest products and removing sand and gravel, and may use, sell, or otherwise dispose of the same until at least October 1, 1950 without any deduction therefor in the appraisal schedule to be prepared by the Commissioner, subject to the condition that the said date may be adjusted to a later date by the Chief of Engineers on the request of the Commissioner, and subject to the further condition that the District Engineer, Garrison District, shall

serve notice of clearing at least three months prior thereto.

"Section 3. The tribes and the members thereof may remove, sell, or otherwise dispose of lignite until such date as the District Engineer, Garrison District, fixes for the impoundment of waters.

"Section 4. The District Engineer, Garrison District, will give notice at least six months in advance of the date on or after which impoundment of waters may begin, and no damage for loss of life or property due to impoundment of waters on or after the date specified in said notice may be claimed. The date established by such notification will not be earlier than October 1, 1952.

"ARTICLE XII

If, in the future, sub-surface values are discovered within the Taking Area, which if known at this time would increase the value of said area, and said values are reduced to money, then the tribes shall be entitled to have paid to them a royalty of one-eighth of the money received for the oil and gas extracted after the ratification of this agreement. Said royalties to be deposited to the tribal funds, or paid to allottees or heirs as their interests now appear.

"ARTICLE XIII

"This agreement has been reached upon the understanding that it was the intention of Congress that the entire reasonable cost of accomplishing the purposes set forth in subparagraphs (a), (b), and (c) of Section 1, Article III, should be paid from appropriations made or to be made for the construction of Garrison Reservoir; and that if the $5,105,625 now available is insufficient to meet such reasonable costs as approved by the Chief of Engineers, such additional sum or sums as may be necessary therefor will be made available from appropriations for construction of Garrison Reservoir.

"ARTICLE XIV

"No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract or to any benefit that may arise therefrom but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

"ARTICLE XV

"This contract shall not become effective until it has been ratified by a majority of the adult members of the tribes, by the Council of the tribes, and on behalf of the United States by the enactment into law by the Congress.

"In witness whereof, the parties hereto have executed this contract as of the day and year first above written.

"Witnesses:

"The United States of America: By R. A. Wheeler, Lieutenant General, Chief of Engineers, United States Army; Rachel Morris; Joseph W. Kimbel; The Three Affiliated Tribes of Fort Berthold Indian Reservation: By George Gillette, James Hall, Sr., Mark Mahto, George Charging, Sr., Joseph Packineau, Levi Waters, Earl Bateman, Leo Young Wolf, Rufus Stevenson, JBS, James Baker, Allan G. Harper, J. B. Smith, Ralph H. Case, John G. Hunter, D'Arcy McNickle, Members of the Tribal Business Council.

"I, Mark Mahto, certify that I am the Secretary of the Tribal Business Council of the Three Affiliated Tribes named as a party to this contract, and that George Gillette, James Hall, Sr., Mark Mahto, George Charging, Joseph Packineau, Levi Waters, Earl Bateman, Leo Young Wolf, Rufus Stevenson, James Baker, who signed this contract on behalf of said tribes constitute the duly elected and qualified Tribal Business Council.

"In witness whereof, I have hereunto affixed my hand this 20th day of May, 1948.

"[SEAL] "MARK MAHTO, *Secretary.*

"We, Mark Mahto, Secretary of the Tribal Council of the Three Affiliated Tribes of the Fort Berthold Reservation, and Ben Reifel, Superintendent of the Fort Berthold Indian Agency, hereby jointly certify that 625 adult members of the said tribes have signified their approval of the foregoing contract consisting of 44 pages numbered 1 to 44 by affixing their signatures to papers bearing the legend 'We approve the contract with the United States relating to lands affected by Garrison Reservoir', which papers are on file in the office of the Fort Berthold Indian Agency. We further certify that the signatures on said papers represent a majority of the adult members of the said tribes, the total number of adult members as of this date being 960.

"MARK MAHTO, *Secretary.*

"BEN REIFEL, *Superintendent.*

"I concur: May 20, 1948.

"J. A. KRUG,

*"Secretary of the Interior."*

SEC. 2. That there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $3,000,000 for the establishment of a Land Readjustment Fund which shall be administered by the Secretary of the Interior or his duly authorized representative. The fund shall be operated for the benefit of the Indians of the Three Affiliated Tribes in consolidating their land holdings and in purchasing land for needy members thereof. The fund shall be operated for a period of 10 years from the date of the appropriation act therefor and at the termination of said period of 10 years any balance remaining therein shall revert to the Treasury, and all lands acquired by the fund which have not been deeded in trust to members of the Three Affiliated Tribes shall be held by the United States in trust for the Three Affiliated Tribes and shall be nontaxable and nonalienable until otherwise provided by Congress.

SEC. 3. That the sum authorized to be appropriated by section 2 of this joint resolution shall be used to bring about the consolidation of Indian allotted and tribal lands into economic use units. The Secretary of the Interior or his duly authorized representative is authorized to acquire by purchase or exchange any allotted, inherited, or unrestricted lands, interests in lands and improvements, located in the Fort Berthold Reservation. Lands so acquired by purchase or exchange for the Indians will be taken in the name of the United States in trust for the tribes or individual Indians, and lands so acquired by the tribes may be sold to or exchanged with members of the Three Affiliated Tribes. These lands shall have the same status as other tribal lands and be subject to existing laws relating to sales or exchanges, and shall remain nontaxable and nonalienable until otherwise provided by Congress. Proceeds derived by members of the Three Affiliated Tribes for lands taken for the Garrison project may be used to purchase lands acquired by the tribe with land readjustment funds. The tribal authorities may make assignments of land to needy members of the tribes in the manner provided by existing law.

SEC. 4. To compensate adequately the Three Affiliated Tribes and the individual members thereof for any and all claims which they may have for breaches of their treaty with the United States of September 17, 1851 (11 Stat. 749), by reason of the construction and operation of Garrison Dam and Reservoir project, North Dakota; for the disregard or abrogation of section 5 (e) of article VI of the constitution and bylaws of the said Three Affiliated Tribes of the Fort Berthold Reservation, adopted in accordance with section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984); for the disruption of the economic, social, religious, and community life of the said tribes; for reducing the said tribes to the condition of displaced persons; for the destruction of the basic industry of the said tribes; for the intangible costs of relocation and the reestablishment of a sound economic base for the future of said tribes and their adjustment to the new fields of endeavor to be created by the construction and operation of Garrison Dam and Reservoir, none of which is covered by or compensated for by the appropriation made by said act of July 31, 1947, and which is not covered by or compensated for in the contract hereinbefore set out, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $6,500,000, and when said sum shall have been appropriated it shall be credited to the Three Affiliated Tribes in the Treasury of the United States and draw interest at the rate of 4 percent per annum, and shall be available for expenditure by the Tribal Council of the said Three Affiliated Tribes of the Fort Berthold Reservation with the approval of the Secretary of the Interior or his duly authorized representative.

SEC. 5. When electric power is available from the Garrison Dam, there is hereby reserved and set aside a block of power of 20,000 kilowatts for sale and distribution by the Three Affiliated Tribes for use of such power on the residual Fort Berthold Reservation as it may be extended. This block of power shall be delivered at such point or points on the reservation and at such voltage as may be determined by the Secretary of the Interior. Payment shall be made for the power actually used at the lowest wholesale rate or rates, applicable to the same class of service, made available to other customers receiving electric power from the Garrison Dam power plant. The transmission and distribution system necessary for the delivery of such block of power to the customers of the said Three Affiliated Tribes shall be constructed from time to time as needed by the said tribes, with funds made available therefor by the United States without cost to the said tribes, and there is hereby authorized to be appropriated from time to time such sums as may be required for the construction of the said distribution system to make available to the customers of the said Three Affiliated Tribes the block of power herein reserved to them. The rates for the sale of the power by the Three Affiliated Tribes shall be subject to approval by the Secretary of the Interior. Until such time as the said Three Affiliated Tribes shall require all of the electrical power reserved to them, any amount in excess of that actually required by the said Three Affiliated Tribes shall be available to the Secretary of the Interior for sale or disposition off the Fort Berthold Reservation as extended.

SEC. 6. That, under the direction of the Secretary of the Interior, there shall be made complete investigations as to the feasibility of providing irrigation for any Indian individual tribe or tribal trust lands within the residual Fort Berthold Reservation as it may be extended, including any such lands acquired in the future. Any irrigation works and related facilities which, on the basis of such investigations, the Secretary of the Interior determines to be feasible are hereby authorized to be constructed, maintained, and operated under his direction. The facilities thus provided for the irrigation of Indian lands shall be not less favorable to the Indian lands than for non-Indian lands provided with such irrigation facilities, and the cost assessable against the land properly chargeable as an irrigation cost shall not be more than the cost of providing similar facilities to other lands receiving benefits from the Garrison Dam. The

repayment of the share of the cost to be borne by the Indian lands shall be subject to the terms and conditions of other laws applicable to Indian lands, including the act of July 1, 1932 (47 Stat. 564, 565).

SEC. 7. The fund of $5,105,625, appropriated by Public Law 296, Eightieth Congress, for compensation to the Three Affiliated Tribes shall bear interest at 4 percent per annum in the Treasury of the United States, from May 20, 1948, and the interest shall likewise be credited to the Three Affiliated Tribes. The said funds shall be and remain nontaxable.

SEC. 8. In no event shall any portion of the fund of $5,105,625 and any or all funds appropriated under the authority of this joint resolution become liable, payable, or subject to any debt or debts of the Three Affiliated Tribes and the members thereof contracted prior to the passage of this joint resolution, except debts to the United States or the Three Affiliated Tribes.

SEC. 9. The foregoing conditions and requirements, and the funds made available and those authorized to be appropriated in this joint resolution, when accepted by the Tribal Business Council of the Three Affiliated Tribes and appropriated, shall be in complete and final settlement of all the rights, interests, and claims whatsoever of the Three Affiliated Tribes and the members thereof against the United States by reason of the construction of the Garrison Dam and Reservoir project, North Dakota: *Provided*, That no funds authorized in this act shall be made available to the Three Affiliated Tribes or their members until the Secretary of the Interior has received an appropriate resolution adopted by the tribal council and approved by a majority of the adult members of said tribes as accepting payment authorized by this act as full, complete, and final settlement of all rights, interest, and claims whatsoever of the Three Affiliated Tribes and the members thereof against the United States by reason of the construction of Garrison Dam and Reservoir project, North Dakota.

SEC. 10. It is hereby recognized that the royalties provided for in article XII of the contract shall apply to all minerals, including oil and gas, as therein dealt with.

SEC. 11. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as are required to carry out the conditions, provisions, and requirements of this joint resolution.

SEC. 12. Lands or interests in lands acquired pursuant to article VII or article VIII of the contract set forth in section 1 of this joint resolution may be sold to or exchanged with the Three Affiliated Tribes or members thereof, or may be exchanged with other persons, in the manner now or hereafter authorized by law for the sale or exchange of lands owned by such Tribes or members thereof.

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

The title was amended so as to read: "Joint resolution to vest title to certain lands of the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., in the United States, and to provide compensation therefor."

### BILL PASSED OVER

The bill (H. R. 165) to authorize the American River Basin development, Calif., for irrigation and reclamation, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. By request, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

### QUITCLAIM OF PROPERTY TO MISSISSIPPI STATE COLLEGE

The Senate proceeded to consider the bill (H. R. 3680) to authorize the Secretary of Agriculture to quitclaim 5 1/10 acres of land in Washington County, Miss., to the Mississippi State College.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. STENNIS. Mr. President, the Senator from Montana [Mr. MURRAY] is not in the Chamber at the time, and, as I am familiar with the bill, I shall try to explain it.

I call the attention of the Senator to the report on the bill. In 1934 Mississippi State College deeded two small parcels of land, of which the parcel concerned in this bill was one, to the Secretary of Agriculture, for the purpose of erecting thereon an experimental gin, and have a place to house the personnel who would be connected with it. The gin was erected on a small piece of land, but the houses have never been constructed on the 5.1 acres. The idea of constructing the houses has been abandoned, and although the original deed contained a provision that the land should revert unless used for that purpose, nevertheless two pieces of land are included in the same deed, and it is thought this bill is necessary in order to make the title clear. There is a letter from the Secretary of Agriculture in the report. No money consideration was involved. It was a donation to the Government in the beginning.

Mr. MORSE. Mr. President, the State of Mississippi transferred the property to the Government in the first instance for a specific purpose but the Federal Government abandoned that purpose. I understand that the Federal Government has not spent any money on this property; is that correct?

Mr. STENNIS. The Senator is entirely correct.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

### COTTON MARKETING QUOTAS

Mr. WILLIAMS. Mr. President, a few minutes ago I objected when Senate bill 1962, Calendar No. 595, was reached on the call of the calendar. I now withdraw my objection, and ask that the Senate return to that bill and consider it.

The PRESIDING OFFICER. Is there objection to the present consideration of Senate bill 1962?

There being no objection, the Senate proceeded to consider the bill (S. 1962) to amend the cotton-marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended, which had been reported from the Committee on Agriculture and Forestry with an amendment, to strike out all after the enacting clause, and insert:

That sections 342 to 350, inclusive, of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

"NATIONAL MARKETING QUOTA

"SEC. 342. Whenever during any calendar year the Secretary determines (1) that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 8 percent, or (2) that such total supply is equal to or greater than such normal supply and that the price of cotton at the beginning of such marketing year is 90 percent of parity or less, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to cotton during the marketing year beginning in the next calendar year. The secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of 500 pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year for which the national marketing quota is proclaimed and (2) the estimated imports during such marketing year, to make available during such marketing year a normal supply of cotton. The national marketing quota for any year shall be not less than 10,000,000 bales or 1,000,000 bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is the smaller. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made.

"REFERENDUM

"SEC. 343. Not later than November 15 following the issuance of the marketing quota proclamation provided for in section 342, the secretary shall conduct a referendum, by secret ballot, of farmers engaged in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The secretary shall proclaim the results of any referendum held hereunder within 30 days after the date of such referendum.

"ACREAGE ALLOTMENTS

"SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the 5 years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop a supply of cotton equal to the national marketing quota: *Provided*, That whenever during any calendar year a national marketing quota is not proclaimed for cotton for the marketing year beginning in the next calendar year and the total supply of cotton for such marketing year is equal to or in excess of the normal supply, or if the Secretary determines that farm acreage allotments are necessary for the effective operation of the price-support program with respect to the crop produced for marketing in such marketing year, the Secretary shall determine and proclaim a national acreage allotment for such crop on the basis of the foregoing provisions, using a national marketing quota computed as provided in section 342, and apportion such national allotment among States, counties, and farms pursuant to the provisions of this part.

"(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the

acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal conditions of production during such period.

"(c) The national acreage allotments for cotton for the years 1950 and 1951 shall be apportioned to the States on the basis of a national acreage allotment base of 22,500,000 acres, computed and adjusted as follows:

"(1) The average of the planted acreages regarded as planted under the provisions of Public Law 12, 79th Cong.) in the States for the years 1945, 1946, 1947, and 1948 shall constitute the national base; except that in the case of any State having a 1948 planted cotton acreage which is less than 50 percent of the 1943 allotment, the average of the acreage planted (or regarded as planted) for the years 1944, 1945, 1946, 1947, and 1948 shall constitute the base for such State and shall be included in computing the national base; to this is to be added (A) the estimated additional acreage for each State required for small-farm allotments under subsection (f) (1) of this section; (B) the acreage required as a result of the State adjustment provisions of paragraph (2) of this subsection; (C) the additional acreage required to determine a total national allotment base of 22,500,000 acres, which additional acreage shall be distributed on a proportionate basis among States receiving no adjustment under paragraph (2) of this subsection.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the acreage allotment base for 1950 and 1951 for any State (on the basis of a national acreage allotment base of 22,500,000 acres) shall not be less than the larger of (1) 95 percent of the average acreage actually planted to cotton in the State during the years 1947 and 1948, or (2) 85 percent of the acreage planted to cotton in the State in 1948.

"(3) If the national acreage allotment for 1950 or 1951 is more or less than 22,500,000 acres, horizontal adjustments shall be made percentagewise by States so as to reflect the ratio of the national acreage allotment for 1950 and 1951 to 22,500,000 acres.

"(d) The national acreage allotment for cotton for 1952 shall be apportioned to States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, 79th Cong.) during the years 1946, 1947, 1948, and 1950, with adjustments for abnormal conditions of production during such period.

"(e) The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsections (b), (c), and (d) of this section: *Provided*, That the State committee may reserve not to exceed 10 percent of its State acreage allotment (15 percent if the State's 1948 planted cotton acreage was less than half of its 1943 allotment) which shall be allotted for the purpose of adjustments, either in such county apportionments or in farm acreage allotments, for trends in acreage, for abnormal conditions of production, other unusual conditions, and to remedy injustice and hardships.

"(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph 3 of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, 79th Cong.) in any one of the 3 years immediately preceding the year for which such allotment is determined on the following basis:

"(1) There shall be allotted the smaller of the following: (A) 5 acres; or (B) the highest number of acres planted (or regarded as planted) to cotton in any year of such 3-year period;

"(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be the prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however*, That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (or regarded as planted) to cotton during any of the preceding 3 years, the acreage allotment for such farm shall not exceed such largest acreage so planted (or regarded as planted) in any such year.

"(3) The county committee may reserve not in excess of 10 percent of the county allotment (15 percent if the State's 1948 planted cotton acreage was less than half its 1943 allotment) which shall be used for (A) establishing allotments for farms which were neither used nor regarded as used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and equitable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms.

"(g) Notwithstanding the foregoing provisions of this section—

"(1) State, county, and farm acreage allotments and yields for cotton shall be established without regard to the acreage planted to cotton or to yields in 1949, and in establishing such allotments and yields the period of years required to be used shall be selected where 1949 is within any such period by substituting for 1949 the year immediately preceding the period which would otherwise be used.

"(2) In determining cotton production history under the terms of Public Law 12, Seventy-ninth Congress, whatever acreage is 'regarded' as having been planted to cotton because of the production of war crops or because the owner or operator was serving in the armed forces shall be taken into account in establishing farm, county, and State allotments. The Secretary shall require that adequate and proper administrative safeguards and statistical controls be placed into effect to prevent as far as possible any unreasonable or inequitable distribution of such cotton acreage credits under Public Law 12, Seventy-ninth Congress, to any farm, county, or State.

"(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 percent of the allotment or one acre, acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm.

"(4) For any year any part of the acreage allotted to individual farms in any county which it is determined by the Secretary through the county committee will not be planted to cotton in the year for which the allotment is made shall be deducted from the allotments to such farms and shall be apportioned in amounts determined to be fair and reasonable to farms in the same county receiving allotments which are inadequate and not representative in view of the past production history of cotton on such farms: *Provided*, That this paragraph shall not operate to raise the cotton acreage of any farm above 60 percent of the acreage on such farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary.

"(5) If the acreage planted to cotton on any farm is less than the smaller of (A) 90 percent of the farm acreage allotment, or (B) the acreage allotment less one acre, for two successive years, the acreage allotment next established for such farm shall be reduced by the average amount (expressed as a percentage) of such deficiency, unless the owner or operator of the farm had indicated in writing to the county committee not later than a date set by the committee his intention not to plant the full acreage allotment and had released for that year the unused acreage to the committee for reallocation to other farms in the county: *Provided*, That if the acreage planted to cotton on such farm is less than the smaller of (A) or (B) for three successive years, the allotment next established for such farm shall be reduced as provided by this paragraph, without regard to whether the owner or operator has given any such indication or release.

"(6) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

"(h) Notwithstanding any other provisions of this section, the allotment established, or which would have been established, for any farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof shall be placed in an allotment pool and shall be used only for establishing allotments for farms owned or acquired by the owner of the farm so acquired by the United States, State, or agency thereof. The allotment so made for any farm, including a farm which was not used for cotton production during any of the three calendar years immediately preceding the year for which the allotment is made, shall compare with the allotments established for the other farms in the same area which are similar for the past acreage of cotton, taking into consideration the character and adaptability of soil and other physical facilities affecting the production of cotton. Allotments established pursuant to this subsection shall not affect the allotments for other farms in the county and the acreage allotted to farms in the county shall be increased to the extent of such allotments.

"(i) Provisions of this section shall not apply to any cotton acreage which is leased or owned by a Federal or State agency and farmed by such agency for research purposes.

"(j) Notwithstanding any other provision of this act, State and county committees shall be required to make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

"(k) Notwithstanding any other provision of this section or of Public Law 28, Eighty-first Congress, there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) 4,000 acres or (B) the highest acreage planted (or regarded as planted) to cotton in any

one of the three calendar years (including 1949 if such year would be included but for the provisions of such Public Law 28) immediately preceding the year for which the allotment is made.

"FARM-MARKETING QUOTAS

"SEC. 345. (a) The farm-marketing quota for cotton for any farm for any marketing year shall be an amount of cotton equal to the sum of—

"(1) the normal production or the actual production, whichever is the greater, of the farm-acreage allotment; and

"(2) the amount of cotton on hand at the beginning of the marketing year which could have been marketed free of penalty in the previous marketing year.

"(b) In any marketing year in which marketing quotas are in effect, cotton produced from acreage planted in the calendar year in which such marketing year begins shall be subject to quotas even though it is marketed prior to the date on which such marketing year begins.

"PENALTIES

"SEC. 346. (a) Any farmer who, while farm-marketing quotas are in effect, markets cotton in excess of the farm-marketing quota for the marketing year for the farm on which such cotton was produced, shall be subject to a penalty on the excess so marketed at a rate per pound equal to 50 percent of the parity price per pound for cotton as of June 15 prior to the beginning of such marketing year.

"(b) The Secretary may require payment of the penalty upon a proportion of each lot of cotton marketed equal to the proportion which the acreage planted to cotton in excess of the farm acreage allotment is of the total acreage planted to cotton on the farm. If cotton is carried over from a previous crop, for purposes of computing the proportion of the cotton on which penalty will be collected when marketed, the total amount of cotton carried over and the proportion thereof which would have been subject to penalty if marketed in the immediately preceding marketing year shall be converted to acreages on the basis of the normal yield for the farm for the year in which the cotton was produced and such acreages shall be included in the total acreage of cotton on the farm and in the amount thereof which is in excess of the farm-acreage allotment, respectively. If the person required to collect the penalty fails to collect such penalty, such person shall be jointly and severally liable with the farmer for the amount of the penalty. All funds collected pursuant to this section shall be deposited in a special deposit account with the Treasurer of the United States and such amounts as are determined, in accordance with regulations prescribed by the Secretary, to be penalties incurred shall be transferred to the general fund of the Treasury of the United States. Amounts collected in excess of determined penalties shall be paid to such producers as the Secretary determines, in accordance with regulations prescribed by him, bore the burden of the payment of the amount collected. Such special account shall be administered by the Secretary and the basis for, the amount of, and the producer entitled to receive a payment from such account, when determined in accordance with regulations prescribed by the Secretary, shall be final and conclusive.

"(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"EXTRA LONG STAPLE COTTON

"SEC. 347. (a) Except as otherwise provided by this section, the provisions of this part shall not apply to cotton, the staple of which is one and one-half inches or more in length or to extra long staple cotton which is produced from a pure strain of Pima, S. X. P. American-Egyptian, Sea Island, or other similar varieties of extra long staple cotton designated by the Secretary of Agriculture when such varieties are produced in the irrigated cotton-growing regions of the United States or other areas which the Secretary designates and defines as being suitable for the production of such varieties.

"(b) Whenever during any calender year not later than October 15, the Secretary determines that the total supply of cotton of the varieties covered by this section for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 10 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect with respect to such varieties of cotton during the marketing year beginning in the next calendar year. When so proclaimed, such quota shall be submitted to a referendum of growers of extra long staple cotton in the designated extra long staple cotton areas pursuant to section 343 and apportioned and administered in the same manner as provided in this part for cotton other than extra long staple cotton."

SEC. 2. (a) Section 302 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(e) Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall be made in such manner that the average support price for such commodity in each marketing year will, on the basis of the anticipated incidence of such factors be equal to the level determined as provided in this section for such marketing year, except for cotton, the support for which will be made on the basis of seven-eights Middling spot cotton on the ten markets designated by the Secretary with appropriate adjustments for grade, type, staple, quality, location, and other factors."

(b) Notwithstanding the provisions of section 202 (a) of the Agricultural Act of 1948, the amendment made by subsection (a) of this section shall continue to be effective after such section 202 (a) becomes effective.

SEC. 3. (a) The amendments to the Agricultural Adjustment Act of 1938, contained in subsections (a), (d), and (e) of section 201 of the Agricultural Act of 1948 shall, insofar as they relate to cotton, become effective upon the enactment of this Act.

(b) Sections 205 and 207 (c) of the Agricultural Act of 1948 are hereby repealed.

(c) Paragraph (9) of Public Law 74, Seventy-seventh Congress, is amended by striking out "cotton and."

Mr. JOHNSON of Colorado. Mr. President, on behalf of myself and my colleague from Colorado [Mr. MILLIKIN], I now offer an amendment to the committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. 348. Notwithstanding any other provision of law, the farm acreage allotment of wheat of the 1950 crop for any farm which contains areas which cannot feasibly be converted from production of wheat to production, during the calendar year 1950, of other reasonably remunerative annual cash crops shall be not less than that acreage obtained by multiplying the greater of—

(A) the acreage seeded for the production of wheat of the 1949 crop in such areas, or

(B) the average acreage seeded for the production of wheat of the 1948 and 1949 crops in such areas,

by the percentage which the national acreage allotment for the 1950 crop of wheat is of the national acreage seeded for the production of wheat of the 1949 crop. If the allotment to any county is insufficient to provide for such minimum allotments and for fair and reasonable allotments to the other farms in the county, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and national acreage allotments otherwise provided for) as may be necessary in order to provide for such minimum and fair and reasonable allotments.

Mr. JOHNSON of Colorado. Mr. President, the language of the amendment is a little bit hard to comprehend at first blush. I will state what the amendment provides. There are acreages which have been in wheat production which cannot be converted to the production of any other cash crop. For 1950 there are these acreages, and for one crop year only the amendment proposes that such acreages as cannot be converted to any other cash crop shall not be reduced more than the national average. That is what the amendment provides. I sincerely hope that those in charge of the bill will be able to accept the amendment.

Mr. MILLIKIN. Mr. President, I should like to join in the remarks of my distinguished colleague, the senior Senator from Colorado. We have a very unusual situation in Colorado. Following the encouragement of the Government we broke sod in a vast area in eastern Colorado and put it into wheat. We understand that the wheat-acreage allotment will be reduced from say 22 to 27 percent. Taking that together with the operation of the allocation formula which now exists, our wheat acreage in Colorado will be reduced from 60 to 70 percent. That would be a cataclysmic thing in the economy of Colorado. It happens due to the 3-year formula within the 10-year formula. The workings of that formula, together with the national average reduction brings about that harsh result. The money that is represented by the wheat-acreage cuts that will come to us unless we have this temporary relief will prostrate the towns of eastern Colorado which depend on wheat production. It will have an enormous effect on the whole agricultural economy of our State.

As the senior Senator from Colorado [Mr. JOHNSON] has pointed out, the operation of the agricultural formula does not do much harm in old-established States which have diversified crops, because they can shift from one crop to another. In eastern Colorado we cannot do that. Generally speaking we cannot shift into any alternate cash crop for next year.

I may say that western Kansas has somewhat the same problem. Wyoming has the same problem on a smaller scale. New Mexico has a small spot of that trouble. Oregon, Washington, and Montana are affected by the same problem.

All we are asking is that we give the veterans and others who have gone out there and established their homes believing they were in a business that was encouraged by the Government a fair chance to get themselves readjusted to the new trend in our affairs. We are not really taking anything out of the hide

of wheat growers in other States, because generally speaking they can shift into other crops. Our wheat growers in eastern Colorado cannot shift into other crops that will yield cash next year.

As I said before, if we do not get this relief, and if the national acreage reduction is made as we anticipate, from 22 to 27 percent, we shall have a wheat acreage reduction in Colorado of from 60 to 70 percent, which is a loss which no other State would have. Wheat is a very important crop in Colorado. I hope we may have favorable consideration by the Senate of this amendment.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. LUCAS. I do not quite understand the Senator's last statement. How can that happen?

Mr. MILLIKIN. It happens in this way: Under the 1938 Agricultural Adjustment Act, there is a 10-year period formula under which we work out reductions in acreage. That has within it a 3-year formula. The two parts of the formula are worked together. The 3-year formula takes account of the last 3 years of production. In those last 3 years we had a great rise in wheat production, due to breaking up the sod. Taking the formula as a whole, it reduces our acreage by 32 percent, according to one estimate, and 44 percent according to another. Adding to that the acreage national reduction which will be made over the country—and it is estimated that the average reduction which the Secretary of Agriculture is expected to announce shortly will be between 22 and 27 percent—in Colorado our wheat production will be hit to the extent of 60 or 70 percent. The same thing will happen in western Kansas, and possibly to a smaller degree in some of the other States.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. AIKEN. I should like to say to the Senator from Colorado that about 2 months ago this body passed and sent to the House a bill which, if approved by the Congress, would undoubtedly entirely eliminate wheat quotas next year. Under the present law we can have on hand as a carry-over a crop of about 1,450,000,000 bushels of wheat.

The bill which passed the Senate unanimously and went to the House provides for setting forward to this time the new definition of "total supply" which is contained in title II of the 1948 Agricultural Act. That would permit a carry-over in crop of roughly—and not too roughly—1,656,000,000 bushels. If the Senator can persuade the House to approve the bill which passed the Senate, I think we shall be able to avoid wheat quotas of any kind next year.

Mr. MILLIKIN. I wish I were able to do so.

Mr. President, I should like to make one further point.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MILLIKIN. I ask unanimous consent to speak for one more minute.

Mr. THYE. Mr. President, I yield my time to the Senator.

The PRESIDING OFFICER. The Senator cannot yield time.

Mr. LUCAS. Mr. President, the Senator from Minnesota cannot yield time. I make the point of order against it, as a matter of parliamentary procedure.

Mr. WHERRY. Mr. President, I ask unanimous consent that I may ask the distinguished Senator from Colorado a question about wheat quotas?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. Would the observation which has been made by the distinguised Senator apply also to the reduction of acreage in western Nebraska?

Mr. MILLIKIN. Wherever there are arid lands which can be used only for wheat, and wherever it is not possible to go into a cash crop next year, it would apply.

Mr. WHERRY. As the Senator knows, in the section of Nebraska lying close to Colorado, and in western Kansas, the same conditions apply as in Colorado.

Mr. MILLIKIN. The same conditions apply in western Nebraska, western Kansas, Washington, Oregon, Montana, and parts of Wyoming and New Mexico.

Mr. WHERRY. I understand about the 10-year formula and the 3-year formula working together. As I understand the point is that if in addition a national reduction of from 22 to 25 percent were made in the acreage allowed for wheat, there would be a reduction in that area, percentagewise, almost as great as the reduction in Colorado.

Mr. MILLIKIN. I presume the figures would come out about the same. Under one estimate we would have a 32-percent reduction under the formula, and under another estimate 44 percent. So if we add to that the national reduction of between 22 and 27 percent, adding it for example to the estimate of 44 percent, the total reduction might run as high as 70 percent.

Mr. WHERRY. This amendment would give relief for this year.

Mr. MILLIKIN. It is limited to 1 year.

Mr. WHERRY. So that those who want to change over to a cash crop would not be penalized.

Mr. LUCAS. Mr. President, I should like to ask the able Senator from Colorado if this amendment, which seems to me to be extremely important, was submitted to the Committee on Agriculture and Forestry?

Mr. MILLIKIN. We did not have time to do so. The Committee on Agriculture and Forestry made its report on this bill on the day when the Colorado people came here and advised us of the situation. We made special inquiry to see whether we could get before the committee in time. Also we have had the question up with the Secretary of Agriculture, in the hope of getting administrative relief. The Secretary of Agriculture has stated that we should not count on administrative relief.

Mr. ANDERSON. Mr. President, I am not at all happy about this amendment, but I feel that perhaps we should take it to conference and see if the relief suggested by the distinguished Senator from Vermont [Mr. AIKEN], which has to do with the possibility that there may not be wheat allotments at all next year, can be obtained. I feel that it is regrettable that we have a wheat amendment on a purely cotton acreage bill, but I recognize that the problem is acute. So long as the Senator from Nebraska, the Senator from Minnesota, and the Senator from North Dakota understand that this amendment might drastically cut their wheat acreage—and the Senator from Oklahoma [Mr. THOMAS] also understands it—I am very happy to have the amendment go to conference. I do not think there is any danger in it, because I doubt very much if the conferees would accept it in this form. I have a great deal of sympathy with the problem of the two distinguished Senators from Colorado. So far as I am concerned, I am willing to accept the amendment and send the bill to conference.

Mr. JOHNSTON of South Carolina. Mr. President, I think we should have this statement in the RECORD: We held hearings on cotton quotas, and worked day after day on that problem. We arrived at what we thought was a workable bill so far as cotton is concerned. So far as wheat is concerned, neither the subcommittee nor the full committee is able at this time to say whether what is proposed is right or wrong. However, in order to expedite matters at this time, I think we should adopt the pending amendment and let it go to the House. The House can hold hearings on the subject and decide what would be for the best interests of the wheat growers.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. LANGER. Does this amendment apply only to Colorado?

Mr. MILLIKIN. This amendment applies to Colorado. It applies also to a part of western Nebraska, and western Kansas. I am told that it has some application in Washington and Oregon, and small application in Wyoming and New Mexico.

Mr. THYE. Mr. President, the senior Senator from North Dakota [Mr. LANGER] asked whether the amendment would affect Colorado alone. The reflex would affect all the wheat growing States in the union. The only reason I do not make objection at this time is that I am willing to have the amendment go to conference. As the senior Senator from Vermont [Mr. AIKEN] says, there is a possibility that no wheat quotas will be needed in the calendar year 1950. If that is the case, no harm will be done.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment offered by the Senator from Colorado [Mr. JOHNSON] for himself and his colleague [Mr. MILLIKIN].

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the cotton and wheat

marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended:"

SALE OF CERTAIN LANDS TO CONSOLIDATE THE DESERT LABORATORY EXPERIMENTAL AREA AND RANGE EXPERIMENT STATION

The PRESIDING OFFICER. The clerk will state the next measure on the calendar.

The bill (H. R. 3982) to authorize the Secretary of Agriculture to sell certain lands to the Sisters of St. Joseph in Arizona, Inc., of Tucson, Ariz., to consolidate the Desert Laboratory Experimental Area of the Southwestern Forest and Range Experiment Station, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I note that under section 1 of this bill the Secretary of Agriculture is authorized to sell 16 acres of land under his jurisdiction, in the county of Pima, Ariz., at a price or prices not less than the appraised value thereof.

Apparently we are in the process of establishing some fixed standard for the sale of Government property.

The PRESIDING OFFICER. Does the Senator object to the present consideration of the bill?

Mr. HENDRICKSON. I am not objecting at this time, but I am simply wondering whether the sponsor of the bill would object to an amendment which would carry out the standard which has been suggested by the distinguished Senator from Oregon.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate processed to consider the bill.

Mr. HENDRICKSON. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, in line 8, after the word "than", it is proposed to insert "50 per centum of"; and after the word "appraised", it is proposed to insert "fair market."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendmen. and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

TIMBER ACCESS ROADS FOR NATIONAL FORESTS

The Senate proceeded to consider the joint resolution (S. J. Res. 24) to provide for a suitable and adequate system of timber access roads to and in the forests of the United States, which had been reported from the Committee on Agriculture and Forestry with amendments on page 3, line 13, after the word "trails", to strike out "within" and insert "for"; in line 20, after the word "annually", to insert "beginning with the fiscal year ending June 30, 1951", and on page 4, line 4, after the word "expended.", to insert "The authorization in section 3 of the Federal-Aid Highway Act of 1948 for forest development, roads and trails for the fiscal year ending June 30, 1951, is hereby canceled.", so as to make the joint resolution read:

*Resolved, etc.*, That it is declared to be the policy of the Congress to provide for a suitable and adequate system of timber access roads to and in the forests under the jurisdiction of the Secretary of Agriculture and the Secretary of the Interior, in order to obtain the benefits hereinbefore enumerated, and for such other roads and trails as are necessary for the protection and administration of these forests and for the utilization of the resources thereof other than timber.

SEC. 2. The Secretary of Agriculture and the Secretary of the Interior are hereby authorized to survey, construct, reconstruct, and maintain such roads and trails for the forests under their respective jurisdictions as they deem necessary to effectuate the foregoing policy. The authority contained in this joint resolution is in addition to, and not in substitution for, the authority of existing law.

SEC. 3. For the purpose of carrying out the provisions of this joint resolution, there is hereby authorized to be appropriated $30,000,000 annually beginning with the fiscal year ending June 30, 1951, of which $25,000,000 is authorized to be appropriated to the Secretary of Agriculture and $5,000,000 is authorized to be appropriated to the Secretary of the Interior, which amounts shall be available until expended. The authorization in section 3 of the Federal-Aid Highway Act of 1948 for forest development, roads and trails for the fiscal year ending June 30, 1951, is hereby canceled.

The amendments were agreed to.

Mr. CAIN. Mr. President, reserving the right to object, I am strongly inclined to believe that there are sound reasons for not taking action at this time on the joint resolution (S. J. Res. 24), but because I may not have understood the bill fully, and its intentions, I should deeply appreciate an explanation from my friend the junior Senator from Oregon [Mr. MORSE].

Mr. TAFT. Mr. President, I do not like to object, but it seems to me a bill which authorizes $30,000,000 a year for all time to come ought to have more consideration than can be given it on the Consent Calendar. I have the same feeling about the next bill, Calendar 608, which is House bill 2296, which proposes to appropriate $17,000,000 a year. If we mean anything when we talk about economy, I think we should seriously consider bills which add so tremendously to the general cost of the Government. I do not object, but in any event, I should like to have the Senator explain the bill.

Mr. MORSE. Mr. President, will the Senator withhold his objection until I at least can make an explanation of the joint resolution?

Mr. TAFT. I withhold the objection temporarily.

Mr. MORSE. Mr. President, I wish to say to my good friend from Ohio and also to my good friend from Washington that if we mean anything by our pleas for economy, then this is the type of legislation to pass. It is this type of legislation that will produce real economy in the handling of Government property. What this legislation proposes to do—and it will be noted from the committee report that it is reported favorably by both the Department of Agriculture and the Department of the Interior—is to make available for those departments for the building of access roads into Government timber, a total of $30,000,000 annually until adequate access roads have been built. It should be noted that the committee amendments which I am glad to accept, provide for $12,500,000 in this bill added to the existing $17,500,000 provided for in another bill previously passed, expendable for the year 1950–51.

The report of the committee and the subcommittee, under the able chairmanship of the Senator from Minnesota [Mr. THYE], conducted, as the record will show, very exhaustive and exceedingly fine hearings on this bill. On page 2 of the committee report, I think we have all the argument that is needed in support of this bill. It says:

Officials of both departments testified that the stumpage value of Government-owned timber is increased when the Government itself builds the access roads, and correspondingly decreased when the cost of access-road construction is imposed on the timber operator. This arises out of the method employed by the departments whereby all of the costs incident to getting the timber to the mill are taken into consideration in evaluating the stumpage and establishing the minimum bid price. Under this system, the Government ultimately pays the cost of road construction whether it is built by the Government or by the timber operator.

I digress from the report to point out that, when the roads are built by the Government which owns the timber, they can be built in a manner and according to methods that will serve two other purposes in addition to the primary purpose of having roads which enable lumbermen to get in and cut the timber. Such access timber roads as are provided for in this bill are roads that also can be built from the standpoint of fire prevention in our national forests, and roads also that can be built from the standpoint of making greater use of our national forests for recreational and tourist purposes. The value of such roads for fire prevention and recreational purposes are, of course, a part of the great value of our national forests to the people of the country. However, if our national forests are going to be properly supervised for recreational and fire-prevention purposes I submit that the jurisdiction over the road-building program ought to be left with the Federal Government. The report goes on to say:

A number of advantages are derived by the Government when it builds access roads to timber to be marketed.

Where the Government has to call upon the timber operator to build the access road, large acreages of timber usually must be offered to induce bidding.

Let us be perfectly frank about the opposition to this bill, Mr. President. The only opposition which will be found

in the country so far as economic groups are concerned to this bill of mine are from some of the large timber companies. Some of the large timber companies want to get an advantage over the small timber operators, because if these roads are to be built by the timber operators it is necessary to permit bids on large tracts of land, in order to make it worth while for the large timber companies to build the roads. Therefore the drive on the part of some large timber companies against my bill is part of a squeezing out and freezing out play aimed at discouraging small lumber operators from bidding on Federal owned stumpage. We have here again a face-to-face fight with the old monopolistic problem that confronts us in respect to so many facets of our natural resources. It is a repetition of the old familiar attempt of powerful big business trying to squeeze out the little operator. I want to say that what we ought to make certain of is that these roads are going to be built by the Federal Government, not only to protect our national forests from the standpoint of fire and to bring greater revenue to our Government from the standpoint of recreation and tourist income, but also in order to insure the small operator that he is going to get an even break and a fair opportunity when it comes to bidding on national timber. The committee could not have stated it any clearer than it has. Thus, the committee in its report, goes on to say:

> Because of the cost involved in road construction, and the large acreages of timber that must be offered, only the large operators are in a position to bid. On the other hand, when the Government builds the roads, the timber can be marketed in small tracts, permitting small operators to participate in the bidding. An official of the Department of Agriculture submitted information showing that, when the timber is made accessible by Government construction of roads, as a general rule more operators bid, and the sale price is generally higher, resulting in additional revenue to the Government.

In other words, the little fellow gets his chance. We have in my State, for instance, small communities that are dependent, as far as their major employment is concerned, upon the small mills located in those communities. What problem are they confronted with today, Mr. President?

These small mills are confronted with the situation where they cannot get timber unless they are able to enter into satisfactory contractual relations with the Federal Government on a sustained yield basis.

Mr. KILGORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. I want to say, Mr. President, if the objective—and I hope it is the objective—of the Congress of the United States is to promote sustained yield policies in the handling of national forests, then I am offering today a bill that will be highly conducive to developing a sustained yield program. I am talking about a problem that is not limited to the great Pacific Northwest. I am talking about a problem of vital concern in Louisiana and Georgia and North and South Carolina, in fact in every State in which there is located a great national forest.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MORSE. I ask unanimous consent to take three more minutes for an explanation on the RECORD of this very vital matter.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Mr. President, I believe the rule has been maintained, and we should not violate it. I may ask the Senator a question, however, in my time, and then I think the Senator can use his 3 minutes in answering my question. Does this bill involve access to the hinterlands, to the timberlands located in the interior? Is that the idea?

Mr. MORSE. It proposes to make it possible for the Federal Government to build its own roads into its own forests, so that we can save the tremendous losses of timber that we are now suffering, as the following paragraph of the report shows, I may say to the Senator from Nebraska, in answer to his question.

Mr. WATKINS. Mr. President, will the Senator yield for a question?

Mr. MORSE. I should like to answer this question first, after which I shall be happy to yield.

Mr. WATKINS. I may object to the consideration of the bill. I merely wanted a question answered. I wanted to know if this question had been discussed at all with the Subcommittee on Public Roads of the Committee on Public Works. If it has not been, I certainly shall object to its consideration.

Mr. MORSE. The Senator from Minnesota [Mr. THYE], the chairman of the committee, can advise me as to that.

Mr. THYE. It has not been discussed with the Subcommittee on Public Roads. However, I should like to hear the junior Senator from Oregon's remarks relative to his reply to the question asked by the Senator from Nebraska.

Mr. MORSE. I can answer it very quickly and very briefly by letting the committee report speak for itself, I may say to the Senator from Nebraska. Mark this language:

> A planned Government program of timber-access road construction will permit more efficient harvesting practices, by enabling the Departments to market ripe timber now inaccessible. Much of this timber is dying or rotting on the ground. The Secretary of Agriculture estimates that timber in the national forests is dying or rotting at the rate of approximately 2,000,000,000 board feet annually.
>
> The program will permit the cutting of timber from Government-owned forests to be increased to the full sustained-yield capacity. The Secretary of Agriculture estimates the annual sustained yield from national forests can be increased 2,000,000,000 board feet over and above the present cut of 4,000,000,000 board feet, or an increase of 50 percent. At $7 per thousand board feet, this represents an annual increase of revenue of $14,000,000 from national forests alone. Much of this timber is going to waste because it is now inaccessible.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WHERRY. Mr. President, has my time expired? The Senator was answering in my time.

The PRESIDING OFFICER. The Senator has already answered.

Mr. WHERRY. Has my 5 minutes' time expired?

The PRESIDING OFFICER. The Senator has not yielded 5 minutes.

Mr. WHERRY. I asked the Senator to answer the question in my time. I believe that is proper parliamentary practice.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. If I ask a question of the distinguished Senator from Oregon, does he not have a right to answer the question within not to exceed 5 minutes' time?

The PRESIDING OFFICER. The Senator from Nebraska gave the Senator from Oregon 3 minutes, and he has used more than that amount of time. The two Senators together have used more than 5 minutes.

Mr. THYE and Mr. WATKINS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota.

Mr. THYE. Mr. President, I want to make the comment that I am a member of the subcommittee which gave study to the joint resolution. I think it is an excellent resolution and that it provides for a necessary function. I think the junior Senator from Oregon has ably stated it. I wish to associate myself with the Senator from Oregon and I highly approve what he has stated with reference to the resolution. If I have any time, I yield it to the Senator from Oregon.

The PRESIDING OFFICER. Under the rules, the Senator cannot yield time.

Mr. THYE. If the Senator from Utah [Mr. WATKINS] would like to ask me a question, I should like to refer it to the Senator from Oregon.

Mr. WATKINS. Mr. President, I should like to be recognized on my own time.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. WATKINS. Mr. President, reserving the right to object, I desire to call attention to the fact that we have a Committee on Public Works, and there is a subcommittee of that committee which has to do with public roads. There is a very comprehensive road program. As I remember, it includes roads connected with forests. A year ago legislation was enacted which had to do with what are called access roads. I think the entire road program should be integrated and handled in such manner that we may know what is being done at all stages. I have great sympathy with the objectives of the resolution, but I do not know how it fits in with what we have been doing. I now object.

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. CAIN. Mr. President, I wish to speak in my own right on the subject, if I may.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington.

Mr. CAIN. Mr. President, I wish to make several observations, within the 5-minute rule, regarding Senate Joint Resolution 24.

I want to say with reference to what the very distinguished Senator from Oregon has said about it, that I share his sympathy toward the building of access roads into virgin timber stands; but I suggest to thoughtful Members of the Senate that the resolution will not carry out the very worth while and constructive objectives which the Senator from Oregon, the Senator from Minnesota, and other Senators have in mind. Like some other Senators, I have studied thoroughly the report which was attached to Senate Joint Resolution 24, and against that study I wish to pose my questions. If there are constructive answers to those questions, the joint resolution should be adopted. If the questions receive incomplete or inadequate answers, the resolution should not be adopted. My first question is as follows:

Why is it proposed to provide a permanent annual authorization of $25,000,000 a year for the Department of Agriculture, when the Department itself has estimated that it needs only $100,000,000 over a period of five years, or an average of $20,000,000 a year for a system of primary access roads? The branch roads used for logging on individual timber sales are to be built by the operators, according to the Department of Agriculture.

I do not know why we propose to provide a continuing permanent authorization of $25,000,000 annually for a governmental executive agency which has not asked for it and which, by inference, certainly does not need it at this time.

My second question is as follows:

Why should not any such authorization as is here proposed require that the Department of Agriculture and the Department of the Interior justify the specific road-construction projects they propose in their annual request for appropriations? Why should there not be provision for public hearings on each road proposed to insure that the roads are necessary and that they are not arbitrarily selected.

A few moments ago the Senator from Oregon referred, with some distress, which I share, to the fact that approximately two billion feet of timber were rotting in the Pacific Northwest every year. It is for that reason that access roads ought to be constructed. No Member of the Senate knows why they are capriciously placed where they do not result in carrying the rotting or overripe timber out of the forests.

My third question is as follows:

Why should the authorization for the construction of access roads, now fixed at $17,500,000 for the next two fiscal years, 1950 and 1951, under the Federal Highway Act of 1948, be increased to $30,000,000, when the Department of Agriculture has not been able to convince the Bureau of the Budget or the Committee on Appropriations that it could effectively use much more than half the present authorization?

I take it that most of the Members of the Senate know that against the authorization of $17,500,000 for the fiscal year 1950, the Senate Appropriations Committee has provided $10,748,000.

My fourth question is as follows:

The report of the Senate Committee on Agriculture and Forestry indicates that with a system of access roads which can be constructed with this authorization of $25,000,000 a year for the Department of Agriculture, an additional $14,000,000 of revenue can be obtained from the sale of national forest timber. What kind of business management would spend $30,000,000 a year to get $14,000,000 additional revenue, one-fourth of which must be paid to the counties in which the timber is located, and $2,000,000 of which would be required for selling expense?

I have not found a satisfactory answer to this very reasonable question.

My last questior is as follows:

Looking at the report of the Secretary of the Interior on this bill, I observe that he states his need is for $3,000,000 a year for 3 years, or a total of $9,000,000 for the construction and maintenance of forest roads and trails on Indian forest lands, and an additional $2,000,000 a year for 7 years for new construction and maintenance of access roads for the Bureau of Land Management of the Department of the Interior, yet this joint resolution proposes to authorize annual appropriations of $5,000,000, not for 3 years nor for 7 years, but on a permanent basis, with no limitation whatever. Why should there not be a limitation of the total to the stated needs of the Department of the Interior?

The PRESIDING OFFICER. The time of the Senator from Washington has expired.

Mr. MORSE. Mr. President, reserving the right to object, I should like to make a few brief comments on the statement of the Senator from Washington.

The comments of the Senator from Washington [Mr. CAIN] set forth objections to my bill which I have heard before. Similar arguments have been advanced by some of the large timber companies of the country. They show a determination on the part of those companies to obtain national-forest stumpage at the lowest possible price irrespective of the best interests of the Government or the small operator.

I want to say that I think the time has come when we should practice conservation of our natural resources by seeing to it that access roads are constructed into our forests in order to prevent spoilage and that the sale of stumpage is opened to bids by all operators, large and small. We should insist that national-forest stumpage sold under the strictest of cutting supervision to those operators who are willing to pay the American people the fairest price for what, after all, is a natural resource belonging to all of the American people.

Mr. President, as I understand one of his questions, the Senator from Washington talks about having before us a blueprint as to where these roads are to be built before we vote any funds for access timber roads. I have confidence that the Department of Agriculture and the Department of the Interior, which have jurisdiction and supervision over national forests, will make an economic and efficient expenditure of these funds, if we make them available, so that we can get the rotting and dying timber, which belongs to the people of this country, out of our national forests to the economic advantage of our country. I am confident that these two departments can be trusted to build the roads where they are needed in order to promote a maximum conservation of our forests.

I say that the record is perfectly clear before the committee. In answer to another one of the questions raised by the Senator from Washington, I reply that the Department of the Interior and the Department of Agriculture have endorsed the bill. They have made perfectly clear in their statements before the subcommittee that the money sought could be expended to the advantage of the conservation of our national forests. In fact a reading of the reports of the Department of Agriculture and the Department of the Interior on this bill will disclose adequate answers to the major implications of the questions asked by the Senator from Washington.

Mr. President, I am going to talk for the moment about some of the need for timber conservation in my State, because I know where the opposition to my bill is coming from in my State. It is coming from some of the large timber operators, because they know that I stand for real conservation of the national forests. They know that I know the difference between their talk about sustained yield and their actual cutting practices. It is most unfortunate that some operators have raped our national forests to the devastating extent that has occurred in the Pacific Northwest. Go out there and look at the havoc that has been wrought because some of the great private timber operators of this country have not followed a scientific program of sustained yield. Of course, the record is perfectly clear against those operators who are talking about sustained yield these days but who are not practicing sustained yield. They are anxious to prevent as much Government conservation control over our forests as they can. They are opposed to my bill because it is basically a conservation bill.

My bill is a bill that will give to the Department of Agriculture and to the Department of the Interior the leverage they need over the great timber companies of this country in order to make sure that we can have a true sustained-yield program. But if we do not build the roads into the national forests we are playing right into the hands of those great timber companies which want to continue to do what has been done in years gone by in the State of the Senator from Washington.

Go through Washington and see what the timber rapists of the country have done to the fine stand of timber that once grew in the State of Washington. They made their millions by mowing

down the trees that really belonged to future generations of Americans. In the name of private enterprise they exploited the natural wealth of our timberlands which should have been scientifically tree farmed for the benefit of all of our people for generations to come. They now claim to be in favor of a sustained-yield program, but they are quick to oppose such a bill as this one, which will promote a scientific tree-farming program. Too many of our large lumber operators want to be free to do just about as they please with both Federal-owned timberland and private-owned timberland. They should not be allowed to get by with it, because in a very real sense all timberland, private as well as public, is stamped with a public trust and a paramount public use. Not all lumbermen share the selfish point of view of those in the industry who oppose my bill. However, those who do want to exploit the national forests should not be allowed to succeed with their program. They are not going to do it in the State of Oregon without having the energetic and continued opposition of the junior Senator from Oregon. I am going to make a fight for scientific forest conservation, and I serve notice on the lumber interests of my State today that I am going to fight for a fair sustained-yield program in my State. The cut-down and get-out policy must be stopped in our forests. We must insist upon putting a stop to the plans of those who seek to weaken Federal control of our forests so that they can cut down and devastate for immediate huge profits one of the finest natural resources of my State, namely, the national forests.

The bill I am offering today is a bill which will help check them, and they know it. It will give the small operator in my State the chance he needs to bid on Government timber, and give the American taxpayer a fair return for his stumpage.

Mr. President, I am making a plea here today for true conservation of our national forests. Here is a bill which is only part of the answer, but it is part of the answer. It is a bill which will help conserve the national forests of this country, and result in a scientific sustained-yield program.

Let those who oppose me in my State on this bill get ready for the fight, because I will take it to them in the campaign of 1950.

Mr. CAIN. Mr. President, a parliamentary inquiry. Is the junior Senator from Washington permitted to have the floor again?

The PRESIDING OFFICER. The Senator can make only one speech on a bill, and he has spoken on the first bill.

Mr. CAIN. I take it that the junior Senator from Washington is now addressing himself to the second bill.

The PRESIDING OFFICER. The two bills are interrelated, are they not?

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. The distinguished Senator from Washington did speak on Calendar 608, H. R. 2296, for 5 minutes. I suggest to him that after that bill is disposed of, he can address the Senate for 5 minutes on another bill.

Mr. THYE. Mr. President, the question before the Senate at the present time is on Calendar No. 608, House bill 2296. That bill was reported to the calendar yesterday by the senior Senator from Minnesota for the Senator from Florida [Mr. HOLLAND]. The report has not been printed, and for that reason I request that the bill go over, because I think the legislation is of such importance that all Senators should have the committee report before them.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

## TRANSFER OF MANAGEMENT OF CERTAIN PUBLIC LANDS TO FORT SILL INDIAN SCHOOL, OKLAHOMA

The bill (S. 2086) transferring management of certain public lands from the Agriculture Department to the Fort Sill Indian School in Oklahoma for agriculture uses, was announced as next in order.

Mr. CAIN. Mr. President, with reference again to Senate Joint Resolution 24, I should like to call the attention of the Senate to what I believe to be a fact, namely, that the Federal Highway Act of 1948 provided an annual access-roads authorization of $17,500,000 for a 2-year period. Senate Joint Resolution 24, on the other hand, would provide an annual authorization of $30,000,000 for the same purpose, that of building access roads almost in perpetuity.

I have listened with considerable respect and certainly with attention to the remarks of the junior Senator from Oregon, and I am rather enthusiastic over his willingness and desire to fight about this issue of access roads within the Northwest. All I want to suggest to the junior Senator from Oregon is that when he has a bill which in the opinion of the junior Senator from Washington is soundly and constructively conceived, it will be a great pleasure for me to assist him in the fight.

He raised the question of what are the plans for the building of access roads by either the Department of Agriculture or the Department of the Interior. If anyone cares to give more than a casual scrutiny to the report to which the junior Senator from Oregon has several times referred, he will find in a letter over the signature of Secretary Krug, of the Department of the Interior, with reference to the Bureau of Land Management, that their plans for access roads have not yet been agreed upon. All that is desired by me, and a good many others who think as I do about the access roads problem is to have a plan laid before competent, responsible committees of the Senate, which can first be understood and agreed upon by those committees, and then by the Senate. I think I am not stating other than a fact when I say that no such plan has been presented to any standing committee of the Senate.

When we bear in mind that the Bureau of the Budget and the Committee on Appropriations have thus far in recent years not seen fit, on the basis of testimony which has been offered, to appropriate more than $10,000,000 for the building of access roads throughout the Nation, I think that until such time as we have greater reason to know that there is a comprehensive, solid plan for the future, it would not be wise or reasonable for the Senate or for the Congress to approve the legislation in that regard which happens to be before it.

I wish to add one more word, which causes me distress, partly because I do not know how right I am. Last year the Department of Agriculture and the Department of the Interior spent some ten million of the taxpayers' dollars to build access roads. In the report before us they tell us that millions and millions of board-feet are being destroyed because of the Department's inability to get into virgin stands of timber and take it out before it rots.

It seems to me logical to conclude that if $10,000,000 has been spent for access roads in 1949, the money has not been entirely spent as it ought to have been spent, or at least enough of it was not earmarked to get out the rotting timber to which the Senator from Oregon has addressed himself.

I defy any Senator to secure a satisfactory answer as to where and how those moneys were spent last year and the year before to accomplish the purpose believed in so strongly by the Senators from Oregon and Washington.

The PRESIDING OFFICER. The time of the Senator from Washington has expired.

Mr. MORSE. Mr. President, reserving the right to object, I shall not take the full 5 minutes on the bill. I only wish to say in reply to the Senator from Washington [Mr. CAIN] that I personally have inspected some of those access roads that have been built with funds previously appropriated.

The PRESIDING OFFICER. The Senator is speaking on the bill now under consideration, S. 2086?

Mr. MORSE. I shall speak under the 5-minute rule on my own bill objected to a few minutes ago. I will be very glad to take the Senator from Washington this summer to some of those access roads in our section of the country. The money has been spent very wisely. Roads have been built to take out Government-owned timber which otherwise would have been wasted.

I want to say to the Senator from Washington that, of course, I think it is to be presumed that neither the Department of Agriculture nor the Department of the Interior is going to spend any money in the future for any road that is not needed. But if the Senator from Washington wants to attach to my bill an amendment which places a time limitation on it, that is perfectly acceptable to the junior Senator from Oregon.

What I am pleading for is that we face the fact that we have a serious problem of forest conservation in America. There is no denying the fact that today we are cutting our timber at a rate four times greater than we can grow it. I say we cannot in fairness to future generations of Americans justify that waste of our natural resources. Therefore it comes

down to a scientific handling and planning of our national forests. For the sake of what is right and fair to future generations, Mr. President, let us not oppose in this session of Congress the passage of a bill so essentially needed, in my opinion, to conserve the national forests, and so essentially needed in order to bring great timber companies under reasonable control.

The PRESIDING OFFICER. Is there objection to the present consideration of Senate bill 2086?

There being no objection, the bill (S. 2086) transfering management of certain public lands from the Agriculture Department to the Fort Sill Indian School in Oklahoma for agricultural uses, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc,* That the following-described tract of public land: The north half of the south half of section 19, township 2 north, range 11 west, Indian meridian, Comanche County, Okla., being a part of the Fort Sill Indian School reserve, and formerly transferred to the Department of Agriculture for use as a dry-farming experimental station, is hereby, together with all buildings, improvements, and appurtenances, transferred back to the said Fort Sill Indian School for use in connection with the agriculture training program of such institution.

BENEFITS FOR ANNUITANTS WHO RETIRED PRIOR TO APRIL 1, 1948—BILL PASSED OVER

Mr. LUCAS. Mr. President, as I understand, the Senate will now return to Senate bill 878, Calendar No. 294, under the unanimous-consent agreement.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 878) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948.

Mr. WILLIAMS. Mr. President, reserving the right to object, will the Senator from South Carolina [Mr. JOHNSTON] make an explanation of the bill?

Mr. JOHNSTON of South Carolina. In 1948 Congress passed a bill giving to annuitants who retired prior to April 1, 1948, a choice of $300, or a 25-percent increase in what they were drawing, whichever happened to be the smallest amount. At that time there was inserted in the bill a provision according to the annuitants the right to waive that increase in their annuity and give to their survivors a right to draw 50 percent of what they were receiving in event of their death. Only a very few exercised that right. To be exact approximately 1 out of 20 elected the survivorship benefit. The reason was because those who were on the retired payrolls received such a small amount that they could not afford to give up the additional immediate increase in view of the existing high cost of living.

This bill gives to them the right to this survivorship benefit in addition to the cost of living increase. At the same time bear in mind that in the bill we passed in 1948 we gave to those retiring after April 1, 1948, the right to the survivorship benefits, providing they contributed to the fund for this right. This contribution is 10 percent of their annuity plus three-quarters of 1 percent for each year the wife is under 60 years of age.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. I should like to ask the Senator from South Carolina whether or not he has made any appearance before the Appropriation Committee requesting it to appropriate the necessary amount of money to provide for the increase in cost. I read in the report of the Committee on Post Office and Civil Service that an appropriation of $157,000,000 will be needed to take care of the increase provided by the bill.

Mr. JOHNSTON of South Carolina. I will say that such an increase in appropriation is not immediately necessary. It will be necessary over a period of 20 years. Of course for some years, the amount will be high. The increase the first year will be about $6,000,000. During the highest years the amount will probably be $15,000,000 or $20,000,000. For a period of 20 years it will probably be necessary to pay out approximately $150,000,000.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. WILLIAMS. Reserving the right to object——

The PRESIDING OFFICER. The time of the Senator from Delaware has also expired.

Mr. WILLIAMS. Has my time expired?

Mr. TAFT. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. TAFT. I should like to read from the report of the Committee on Post Office and Civil Service, as follows:

As heretofore stated, the benefits provided by this bill are purely a gift from the Government costing approximately $157,000,000. In view of the cost involved, the Commission is constrained to recommend adverse action.

On that basis, I object.

The PRESIDING OFFICER. On objection, the bill will be passed over.

Mr. WHERRY subsequently said: Mr. President, I should like to return for a moment to Calendar No. 294, Senate bill 878. I want the RECORD to show that it was upon the request of the junior Senator from Nebraska that Calendar 294 was included among the bills which were to be called for consideration this afternoon. Apparently the distinguished senior Senator from Ohio [Mr. TAFT] feels that the appropriation involved, amounting to $157,000,000, is so large that the bill should be debated on the floor of the Senate. He has a perfect right to take that position.

However, I suggest to the distinguished majority leader that there is great demand for consideration of the bill. If there is an opportunity to consider it, or if he can so plan the program, I think it is a bill which should receive the attention of the Senate in debate as early as possible.

Mr. LUCAS. I thank the Senator from Nebraska for his statement. The Senator from Ohio seriously objected to the bill because of the great amount of money involved. I presume he did so on the basis of economy. I now find my good friend from Nebraska urging that the majority leader bring the bill up for consideration at the earliest possible time. Certainly his suggestion will have a great deal of weight with me. It is interesting to find the Senator from Ohio and the Senator from Nebraska disagreeing once in a while upon the subject of economy.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to my good friend, the Senator from Nebraska.

Mr. WHERRY. Mr. President, I am sorry the Senator has begged the question. I feel that he will agree with me that a Senator has a perfect right to ask that each and every Senator have his day in court, and that in so doing he should not be indicted as being either in opposition to or in conformity with the position of the Senator from Ohio.

I wish to say for the RECORD that I have objected to these bills three or four times, and have done so, as minority leader, in behalf of other Senators. I wish the RECORD to be clear in that respect. Inasmuch as there is a great deal of interest in these bills, I think those who are interested in them should have a right to ask for their consideration. It seems that there is a great deal of dispute about the matter. My sympathies have been with these people. If the bills have merit, when applied over a period of years, I do not think they should be rejected solely in the interest of economy.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to add to what the minority leader has said. We must remember that last year we changed the law considerably and changed the amount that these people would receive, and also changed the amount they had to pay. Last year we changed from 5 percent to 6 percent the deduction to be made from the salaries of Government workers for this purpose. At that time, in working out the provisions in regard to what they would receive, a great many inequities crept into the law. I think the members of the Civil Service Committee agree with that statement. Now we are trying to work out some of the inequities which crept into the law last year, in order to give those people what they should receive.

We found that people have retired after they had been paying deductions of 3½ percent, but thereafter the deductions have been increased to 5 percent, and later to 6 percent. People who retired several years ago were receiving very small amounts of money at that time, because they had not paid in very much money. Nevertheless, today, in view of the increased cost of living, we must give them some increase in payments; and that is what has been attempted. This bill will help in that way.

Mr. LUCAS. Mr. President, I hope that in due course we may be able to

get this bill before the Senate. I regret that objection is made to its consideration today. However, inasmuch as objection has been made, the bill must go over.

SURVIVORSHIP ANNUITIES TO WIDOWS OF RETIRING EMPLOYEES AT A REDUCED COST

Mr. LUCAS. Mr. President, under the unanimous consent agreement the Senate will now recur to Senate bill 1440, Calendar No. 501.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1440) to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide for payment of annuities to widows of retired employees without reduction in the annuities of such employees.

Mr. HENDRICKSON. Mr. President, reserving the right to object, will the distinguished Senator from South Carolina give us an explanation of the bill?

The PRESIDING OFFICER. If the Chair understands correctly, when a Senator asks a question, or asks for an explanation, the time is charged to him.

Mr. HENDRICKSON. I only make one reservation, Mr. President. I reserve the right to object.

The PRESIDING OFFICER. The Senator who has the floor calls for an explanation. He called for an explanation from the Senator from South Carolina, and the explanation will be made in his time.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Has any Senator objected to the bill?

The PRESIDING OFFICER. No. The Senator from New Jersey reserves the right to object.

Mr. JOHNSTON of South Carolina. Mr. President, answering the question of the Senator from New Jersey I should like to say that the bill as originally introduced would cost approximately $25,000,000. At the suggestion of the Senator from New Jersey and others, I asked the Civil Service Commission to estimate what a bill would cost that would simply decrease the present 10 percent payment to 5 percent.

We found that by doing that it would reduce the cost from $25,000,000 to approximately $9,000,000. The Commission was against the bill in its original form, but after we agreed upon the 5 percent, and asked for the information I have just mentioned, the Commission recommended favorable action on the bill, that is with the 5-percent deduction.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. Do I understand correctly that in effect the bill provides a 5-percent increase in the annuity of those men who have elected to take the survivorship benefits under the present law?

Mr. JOHNSTON of South Carolina. Yes.

Mr. WILLIAMS. In effect it is a 5-percent increase?

Mr. JOHNSTON of South Carolina. Yes.

Mr. WILLIAMS. I should like to ask the Senator from South Carolina, since this is a 5-percent increase to one group of employees, on what basis were they operating when they limited this increase to married men only? Under the bill now before us, married women, single women, and single men would get no additional benefits. Married men alone would get an increase in survivorship benefits, while all other types of employees are excluded. I was wondering how the Senator justifies this apparent discrimination since all employees regardless of their marital status contribute exactly the same to the fund.

Mr. JOHNSTON of South Carolina. We did not mean to exclude them, but that was in the law——

Mr. WILLIAMS. No. I should like to point out to the Senator from South Carolina that under the law they are all subject to a deduction of 10 percent; but as it is now this bill provides that only married men shall get an additional 5 percent.

Mr. JOHNSTON of South Carolina. I agree with the Senator; but some members of the committeee and some members of the subcommittee thought there should be a distinction, because the husband should provide for his widow, but that it was not necessary for a wife to provide for her husband in very many cases.

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Mr. WILLIAMS. Mr. President, has the Senator from South Carolina been recognized in his own right?

The PRESIDING OFFICER. The Senator from South Carolina has not been recognized. The Senator from South Carolina was called upon to answer questions, and he consumed the time of the Senator from New Jersey.

Mr. JOHNSTON of South Carolina. Mr. President, I shall be glad to answer any questions.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WILLLIAMS. Mr. President, I do not think my time has expired. I was only asking the Senator from South Carolina a question.

The PRESIDING OFFICER. The Chair recognized the Senator from New Jersey [Mr. HENDRICKSON], and he asked permission to ask the Senator from South Carolina some questions. The Senator from South Carolina was answering questions in the time of the Senator from New Jersey.

The Chair recognizes the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I want to be recognized in my own right.

The PRESIDING OFFICER. The Senator objected, and gained recognition through objecting.

Mr. WILLIAMS. No.

Mr. WHERRY. Mr. President, I suggest that the distinguished Senator from Delaware permit the Senator from South Carolina to use his 5 minutes now. I think he can answer the questions which have been asked.

The PRESIDING OFFICER. The Chair did not understand whose 5 minutes the Senator referred to.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS. When did I request the floor?

The PRESIDING OFFICER. The Senator from Delaware rose and objected when the bill was called.

Mr. WILLIAMS. No. The Chair is mistaken. The Senator from New Jersey [Mr. HENDRICKSON] is the one who reserved the right to object to the bill. The Senator from Delaware did not rise until the middle of the speech of the Senator from South Carolina, when I asked him a question.

The PRESIDING OFFICER. The Chair may be mistaken.

Mr. WILLIAMS. I have not used any of my own time.

Mr. JOHNSTON of South Carolina. Mr. President, I ask for the floor in my own right.

Mr. LUCAS. Mr. President, I demand the regular order. Who has the floor?

The PRESIDING OFFICER. The Senator from New Jersey [Mr. HENDRICKSON] had the floor.

Mr. LUCAS. Who has the floor at the present time?

The PRESIDING OFFICER. The Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS. No. I have not yet asked for the floor. I shall do so later. I think the Senator from South Carolina is asking for it.

Mr. LUCAS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. The Senator from Delaware has not the floor. He cannot rise and discuss the bill. Some Senator ought to have the floor. I ask who has the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina. The Senator from South Carolina asked for the floor in his own right.

Mr. JOHNSTON of South Carolina. Mr. President, on the call of the calendar I think it is customary for the chairman of the committee to try to explain the bill. At the same time, I am glad to answer any questions any Member of the Senate may wish to ask. So far as I am concerned, if there are any questions in regard to this particular bill, I shall be glad to try to answer them.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. I was only asking the Senator from South Carolina what future action the committee planned to take to clear up this apparent inequity, in that a 5 percent increase is being allowed only to married men.

Mr. JOHNSTON of South Carolina. Mr. President, we have another bill before the subcommittee at the present time, of

which we are making a study. We hope to eliminate this inequity, if it is an inequity. Some seem to think it is not an inequity, because a husband should provide for his widow, but that it is not necessary for a wife to provide for her husband. The bill is before the subcommittee at the present time.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Delaware?

Mr. WILLIAMS. Mr. President, I was seeking the floor in my own right.

Mr. JOHNSTON of South Carolina. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. WILLIAMS. Mr. President, I merely wish to point out that Senate bill 1440 has never been submitted to the Bureau of the Budget to determine the cost. It has been submitted to the Civil Service Commission; and in its letter to the chairman of the committee the Commission states that it has not had time to get a report from the Bureau of the Budget on the bill.

If this bill is passed, as the Senator from South Carolina has pointed out, in effect it will represent a 5-percent increase in the annuities of married men alone. It would not increase the annuities of married women. It would not increase the annuities of single women or single men.

There are instances in which married women working for the Government have disabled husbands who are unable to work. The wife serves the Government for the same number of years as does the married man. She has just as much of an obligation, perhaps even more so, since she is a woman. Such a woman is asked, under the law, to pay into the retirement fund exactly the same amount of money as does a married man. Her deductions are exactly the same as those of a married man. I do not understand why a married man should draw more out of the fund than does a married woman. We hear a great deal of talk about equal rights. I do not understand why the committee reported such a bill. I wonder if the Senator from South Carolina does not agree with me that it would be better to return the bill to the committee so that it can make the necessary corrections in an over-all bill.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. JOHNSTON of South Carolina. Mr. President, we have been holding hearings on that very question. The Senator from Louisiana [Mr. LONG] and I favor the amendment which the Senator from Delaware is discussing at the present time; but that is in another bill, and is not before the Senate for discussion at this time.

Mr. WILLIAMS. Ever since I have been a Member of the Senate we have been consistently trying to enact retirement legislation piecemeal. I think the Senate should decide whether or not we can afford to give a 5 percent over-all increase in annuities at this time. If we cannot, I do not think we should select one particular group and give it to them.

Mr. LONG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LONG. The Senator from Delaware referred to the point of unfairness to women. Under the provisions of the bill a married man, because of the contribution he makes to the fund, would be better able to protect his wife, with Government assistance, than under the present law. Actually it is the woman who gets the benefit, and not the man, because the bill would enable the annuitant to elect to protect his wife in the event he should die. I have had some doubt in my mind as to whether the Federal Government should pay the expense of insuring the husband in the event a wife should die. The husband should be able to look out for himself. But I have never had any objection to protecting a man's wife in the event the man dies. That would be the effect of this bill.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Is there objection to the present consideration of Senate bill 1440?

Mr. WILLIAMS. Mr. President, I am not objecting to consideration of the bill. I ask that the bill be put to a vote and for the reasons stated I shall vote against it.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1440), to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide for payment of annuities to widows of retired employees without reduction in the annuities of such employees, which had been reported from the Committee on Post Office and Civil Service with an amendment, to strike out all after the enacting clause and insert:

That (a) subsection (b) of section 4 of the Civil Service Retirement Act of May 29, 1930, as amended, is hereby amended by striking out "90 per centum" and inserting in lieu thereof "95 per centum."

(b) (1) The amendment made by this act shall take effect as of April 1, 1948, but no increase in annuity shall be payable by reason of such amendment for any period prior to the first day of the first month which begins after the date of enactment of this act.

(2) Any officer or employee who retired on or after April 1, 1948, and prior to the date of enactment of this act under the provisions of section 1, 2, or 6 of the Civil Service Retirement Act of May 29, 1930, as amended, and who did not elect a reduced annuity under section 4 (b) of such act, shall have a right to make such election at any time prior to the expiration of 3 months following such date of enactment and to designate a wife to whom he was married on the date of his retirement to receive an annuity as provided in such section after his death. The reduction in the annuity of an officer or employee making the election authorized by this paragraph shall take effect on the first day of the month following the month in which such election is received by the Civil Service Commission.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 4 of the Civil Service Retirement Act of May 29, 1930, as amended, so as to decrease the amount of reduction in the annuities of retired employees who elect to provide survivors' annuities for their widows."

CARL PIOWATY AND W. J. PIOWATY

Mr. LUCAS. Mr. President, there is one more bill for consideration, under the unanimous consent agreement, and that is Calendar No. 382, Senate bill 472.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 478) for the relief of Carl Piowaty and W. J. Piowaty.

Mr. PEPPER. Mr. President, is there a request for an explanation of the bill?

Mr. WILLIAMS. Mr. President, I request an explanation. I withhold objection, if the Senator from Florida will explain the bill.

Mr. PEPPER. I shall be glad to do so.

Mr. President, this bill is unanimously reported favorably by the Committee on Agriculture and Forestry. I believe the total amount involved is less than $9,000; at any rate, I am sure it is less than $10,000. The beneficiaries are two farmers in Florida.

The purpose of the bill is to relieve those two farmers from a liability they incurred to the Regional Agricultural Credit Corporation, in connection with planting beans as a war contribution, in 1943, during the war. The Regional Agricultural Credit Corporation made a loan of $4,225 to each one of these bean growers. It was made with the understanding—as in the case of similar loans, similarly circumstanced—that there would be no liability on the part of the growers if in using the money advanced them under the loan they exercised good husbandry in the cultivation and harvesting of the crop.

They planted the crop of beans. But in April 1943 a cold snap occurred and ruined the beans. That was the crop which was planted by the use of the Government's money.

Then those farmers, using their own money—and showing good faith, of course—planted another crop, without any cost to the Government. However, under the obligation they executed when they borrowed the money, the understanding was that any proceeds from the crop including any incentive payments, should go to the Government.

In May 1943 the hot weather killed the second crop. That shows the variety of our climate, I may say.

The result was that both these farmers gave the Government every penny they received from both crops, including the incentive payments the Government paid them. Neither of the crops yielded the amount of the Government loan. The Government sued these farmers for the balance due, although the Government got all the crop proceeds, including all the incentive payments the Government had paid the farmers, and including all that they received from the crop they grew with their own money, as well as everything they received for the crop they grew with the Government's money.

When the Government sued, a technical question was presented in court as to whether the farmers had the certification of the county war board that they had used good husbandry. They did not have the certificate of the county war board, but it was proved by farmers living in that area that they did use good husbandry, and it also was proved that the county war board never inspected these farms at all, although it did get a report from an agent which it sent there, who reported that the farmers did not use good husbandry. However, Mr. President, it is to be noted that of the 50 farmers in the county who requested relief, these two farmers are the only ones who did not receive it. Furthermore, the testimony of the neighboring farmers was that these two farmers did use good husbandry in the planting and cultivation of their crop.

So the circuit court entered judgment against these two farmers, in favor of the Government.

That judgment was appealed to the State supreme court. The State supreme court affirmed the judgment of the circuit court by a vote of 4 to 3. The four Supreme Court justices who ruled against the two farmers did so on the technical ground that since they did not actually have a certificate of the county war board, even though they may have used good husbandry as a matter of fact, they could not obtain relief.

Here is what the State supreme court said in its opinion:

> It is conclusively shown that in the cases now before us, the respective farmers complied with every part of the contract; and in their endeavor in this regard, each lost considerably more money than the Government will lose when the balances claimed on these obligations are canceled.

Mr. President, it seems that these farmers have acted in good faith. I do not know why the agent did not certify in their behalf, but I know the evidence is not disputed that the county war board itself never laid eyes on that crop.

Therefore, it seems to me that a meritorious case has been made, and that the committee has properly recommended that the bill be passed. I certainly hope the Senator from Delaware will not interpose objection.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. WILLIAMS. Mr. President, while I have great respect for what the Senator from Florida has said in urging the adoption——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WILLIAMS. If my time has expired, Mr. President, I have no alternative other than to object.

Mr. PEPPER. Mr. President, a parliamentary inquiry, before the Senator objects, if I may.

Mr. WILLIAMS. All I have done was to ask for an explanation.

Mr. PEPPER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Florida will state it.

Mr. PEPPER. The Senator from Delaware has not spoken upon this particular bill, Calendar 382, Senate bill 478, if I understand correctly, and he would be entitled to 5 minutes.

The PRESIDING OFFICER. The Senator had the floor. The Chair never recognized the Senator from Florida.

Mr. WILLIAMS. Since we are now operating under the system whereby if an explanation is requested, such explanation is charged against our time, thus precluding my making any statement, my only alternative is to object.

Mr. PEPPER. Mr. President, I should far rather the Senator would have the time.

Mr. WILLIAMS. I am sorry to have to object, without expressing to the Senator from Florida my reasons.

The PRESIDING OFFICER. Objection is heard.

## CREATION OF PROFESSIONAL AND SCIENTIFIC POSITIONS UNDER NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Mr. LONG. Mr. President, I ask unanimous consent to return to the consideration of Calendar Order 309, House bill 20.

Mr. WILLIAMS. Mr. President, since under the ruling of the present presiding officer we cannot ask for an explanation and then reply, I shall have to object to that, too.

The PRESIDING OFFICER Objection is heard.

Mr. WHERRY. Mr. President, I was about to address the Chair, before the objection was made.

## REHABILITATION OF NAVAJO AND HOPI TRIBES OF INDIANS

Mr. WATKINS. Mr. President, I ask unanimous consent to recur to Calendar 544, Senate bill 1407.

The PRESIDING OFFICER. The bill will be stated by its title.

The LEGISLATIVE CLERK. A bill (S. 1407) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes.

Mr. WATKINS. I hope my good friend from Delaware will not make an objection, and will give me an opportunity to take care of some of these people we have been pushing around for years, the Navajo Indians.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I merely want to call the Senate's attention to the fact that this bill is going to cost the United States Government $90,000,000.

Mr. WATKINS. That is, in 10 years. I call the attention of the Senate to the fact that we passed a bill unanimously to pay $26,000,000 a year for cultivating good relations with the South American Republics, and the Senator did not object to that, and $16,000,000 for the Arabs.

Mr. ANDERSON rose.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. WATKINS. I yield for the purpose of an amendment. There has not been an objection.

The PRESIDING OFFICER. Does the Senator from New Mexico rise for a question?

Mr. ANDERSON. Yes. If the Senator will yield, I want to ask the Senator from Utah if it is not true that we have tried to protect this measure extremely well by adding a watchdog committee, which the Senator from Utah himself suggested. If I may be permitted to do so, I want to send to the desk now an amendment which I have presented, which would change the membership of the watchdog committee to three members from the Committee on Interior and Insular Affairs of the Senate, and three members of the House committee.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. Mr. President, I withhold my objection, if the Senator from Utah wishes to make an explanation.

Mr. WATKINS. I should like to make an explanation.

Mr. WILLIAMS. The Senator will be making it in my time, as I understand.

Mr. WATKINS. I will have some time of my own, also.

The PRESIDING OFFICER. The understanding of the Chair is that the Senator obtained the floor by unanimous consent.

Mr. WATKINS. This measure is similar to the measure which was passed by the Senate last year. It was considered in detail by a committee of which I was chairman, the Subcommittee on Indian Affairs.

A very serious situation exists on the Navajo Indian Reservation in New Mexico and in the State of Utah. Some 61,000 Indians who are there are living in the depths of poverty. We concluded a treaty with them nearly 80 years ago, in which we agreed to do certain things. One of those things was to provide a school teacher and a school room for each 30 students. At the present time some 14,000 Indian children are not in school, though we agreed to put them in school. We made a move there recently to take care of some 2,000 of them in the Bushnell Military School.

Mr. President, in explaining this bill I should like to have the attention of the Senate, so that Senators may understand the effect of what we are asking to have done in this bill. The program has been worked out to rehabilitate these Indians, to provide roads to help them get on the land so they can become self-supporting, and to provide schools and industries for them so they can take care of themselves and not be subject to public charity as they have been in the past 50 years.

It is true that $30,000,000 is mentioned. The bill passed last year left open the amount under our treaty and under other rights.

We should provide for these Indians, who cannot help themselves. We put them on this reservation. It is true that they can be moved off, but they have no other resources. They are not trained. They are not educated. Most of them cannot speak, read, or write the English language; so they are handicapped in whatever they are trying to do to make their own way in the world. This

assistance is long overdue. It should have been provided years ago.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ANDERSON. Mr. President, I may say that I subscribe to what the Senator from Utah has said. I should like to add one word that he probably cannot say. He has been very much interested in this matter and has made a tremendous contribution toward it. The school facilities were not adequate. The Senator from Utah was instrumental in establishing the school at Bushnell, and that school is a fine and wonderful thing for the Navajo Indians.

The distinguished senior Senator from North Dakota [Mr. LANGER] is very familiar with the Navajo problem. He has been to the reservation and realizes the tremendous injustice which has been done these Indians. I hope the Senate will take the step which is needed adequately to protect them and which the Senator from Utah has proposed in his amendment, which sets up a watch-dog committee, so that the Congress will constantly be in touch with every action long before it is taken. I hope we have support for it at this time.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. Mr. President, which bill is it?

Mr. WATKINS. It is Order No. 544, Senate bill 1407.

Mr. WILLIAMS. Mr. President, since I have used my time——

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1407) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 3, line 8, after the word "measures", to insert "either on or off their reservations"; and on page 7, after line 8, to strike out section 9, as follows:

SEC. 9. In the administration of the program authorized by this act, the Secretary of the Interior shall give consideration to recommendations made by the tribal councils of the Navajo and Hopi Tribes.

And insert in lieu thereof the following:

SEC. 9 (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Navajo-Hopi Indian Administration (hereinafter referred to as the "committee"), to be composed of two members of the Committee on Interior and Insular Affairs of the Senate to be appointed by the chairman thereof, and two members of the Committee on Public Lands of the House of Representatives to be appointed by the chairman thereof. A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The committee shall elect a chairman from among its members.

(b) It shall be the function of the committee to make a continuous study of the programs for the administration and rehabilitation of the Navajo and Hopi Indians, and to review the progress achieved in the execution of such programs. Upon request, the committee shall aid the several standing committees of the Congress having legislative jurisdiction over any part of such programs, and shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. The Commissioner of Indian Affairs at the request of the committee, shall consult with the committee from time to time with respect to his activities under this act.

(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this subsection.

(d) The committee is authorized to appoint and, without regard to the Classification Act of 1923, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman.

So as to make the bill read:

*Be it enacted, etc.*, That in order to further the purposes of existing treaties with the Navajo Indians; to provide facilities, employment, and services essential in combating hunger, disease, poverty, and demoralization among the members of the Navajo and Hopi Tribes; to make available the resources of their reservations for use in promoting a self-supporting economy and self-reliant communities; and to lay a stable foundation on which these Indians can engage in diversified economic activities and ultimately attain standards of living comparable with those enjoyed by other citizens, the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the funds from time to time appropriated pursuant to this act, a program of basic improvements for the conservation and development of the resources of the Navajo and Hopi Indians, the more productive employment of their manpower and the supplying of means to be used in their rehabilitation, whether on or off the Navajo and Hopi Indian Reservations. Such program shall include the following projects:

1. Soil and water conservation and range and livestock improvement work.

2. Completion and extension of existing irrigation projects, and completion of the investigation to determine the feasibility of the proposed San Juan-Shiprock irrigation project.

3. Surveys and studies of timber, coal, mineral, and other physical and human resources.

4. Development of industrial and business enterprises.

5. Development of opportunities for off-reservation employment and assistance in adjustments related to such employment.

6. Roads and trails.

7. Air transport facilities.

8. Telephone and radio communications systems.

9. Domestic and stock water supply.

10. Relocation and resettlement of Navajo and Hopi Indians.

11. Establishment of a revolving loan fund.

12. Hospital buildings and equipment, and other health conservation measures, either on or off their reservations.

13. School buildings and equipment, and other educational measures.

14. Housing and necessary facilities and equipment.

SEC. 2. The foregoing program shall be administered in accordance with the provisions of this act and existing laws relating to Indian affairs, shall include such facilities and services as are requisite for or incidental to the effectuation of the projects herein enumerated, shall apply sustained-yield principles to the administration of all renewable resources, and shall be prosecuted in a manner which will provide for completion of the program, so far as practicable, within 10 years from the date of the enactment of this act. An account of the progress being had in the rehabilitation of the Navajo and Hopi Indians, and of the use made of the funds appropriated to that end under this act, shall be included in each annual report of the work of the Department of the Interior submitted to the Congress during the period covered by the foregoing program.

SEC. 3. Navajo and Hopi Indians shall be given, whenever practicable, preference in employment on all projects undertaken pursuant to this act, and, in furtherance of this policy, may be given employment on such projects without regard to the provisions of the civil-service and classification laws. To the fullest extent possible, Indian workers on such projects shall receive on-the-job training in order to enable them to become qualified for more skilled employment.

SEC. 4. The Secretary of the Interior is authorized under such regulations as he may prescribe, to make loans from the loan fund authorized by section 1 hereof to the Navajo Tribe, or any member or association of members thereof, or to the Hopi Tribe, or any member or association of members thereof, for such productive purposes as, in his judgment, will tend to promote the better utilization of the manpower and resources of the Navajo or Hopi Indians. Sums collected in repayment of such loans and sums collected as interest or other charges thereon shall be credited to the loan fund, and shall be available for the purpose for which the fund was established.

SEC. 5. Any restricted Indian lands owned by the Navajo Tribe, members thereof, or associations of such members, or by the Hopi Tribe, members thereof, or associations of such members, may be leased by the Indian owners, with the approval of the Secretary of the Interior, for public, religious, educational, recreational, or business purposes, including the development or utilization of natural resources in connection with operations under such leases. All leases so granted shall be for a term of not to exceed 25 years, but may include provisions authorizing their renewal for an additional term of not to exceed 25 years, and shall be made under such regulations as may be prescribed by the Secretary. Restricted allotments of deceased Indians may be leased under this section, for the benefit of their heirs or devises, in the circumstances and by the persons prescribed in the act of July 8, 1940 (54 Stat. 745; 25 U. S. C., 1946 ed., sec. 380). Nothing contained in this section shall be construed to repeal or affect any authority to lease restricted Indian lands conferred by or pursuant to any other provision of law.

SEC. 6. In order to facilitate the fullest possible participation by the Navajo Tribe in the program authorized by this act, the members of the tribe shall have the right to adopt a tribal constitution in the manner herein prescribed. Such constitution may provide for the exercise by the Navajo Tribe of any powers vested in the tribe or any

organ thereof by existing law, together with such additional powers as the Congress has recognized to be proper for inclusion in the constitutions and charters of Indian tribes who desire to secure political and economic powers of self-government. Such constitution shall be formulated by the Navajo Tribal Council with the approval of the Secretary of the Interior, and shall be effective upon adoption by secret ballot of the adult members of the Navajo Tribe in an election, held under such regulations as the Secretary may prescribe, at which a majority of the qualified votes cast favor such adoption. Amendments of the constitution may be formulated and adopted in like manner.

SEC. 7. Notwithstanding any other provision of existing law, the tribal funds now on deposit or hereafter placed to the credit of the Navajo Tribe of Indians in the United States Treasury shall be available for such purposes as may be designated by the Navajo Tribal Council and approved by the Secretary of the Interior.

SEC. 8. The sum of $90,000,000 is hereby authorized to be appropriated for the purpose of carrying out the provisions of this act. Funds so appropriated shall be available for administration, investigations, plans, construction, and all other objects necessary for or appropriate to the carrying out of such provisions. Such further sums as may be necessary for or appropriate to the annual operation and maintenance of the projects herein enumerated are hereby also authorized to be appropriated. Funds appropriated under these authorizations shall be in addition to funds made available for use on the Navajo and Hopi Indian Reservations, or with respect to Indians of the Navajo and Hopi Tribes, out of appropriations heretofore or hereafter granted for the benefit, care, or assistance of Indians in general, or made pursuant to other authorizations now in effect.

SEC. 9. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Navajo-Hopi Indian Administration (hereinafter referred to as the "committee"), to be composed of two members of the Committee on Interior and Insular Affairs of the Senate to be appointed by the chairman thereof, and two members of the Committee on Public Lands of the House of Representatives to be appointed by the chairman thereof. A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The committee shall elect a chairman from among its members.

(b) It shall be the function of the committee to make a continuous study of the programs for the administration and rehabilitation of the Navajo and Hopi Indians, and to review the progress achieved in the execution of such programs. Upon request, the committee shall aid the several standing committees of the Congress having legislative jurisdiction over any part of such programs, and shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. The Commissioner of Indian Affairs, at the request of the committee, shall consult with the committee from time to time with respect to his activities under this act.

(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this subsection.

(d) The committee is authorized to appoint and, without regard to the Classification Act of 1923, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman.

Mr. WHERRY. Mr. President, I did not quite understand the Senator from Delaware when he said his time was used. May I ask, as a parliamentary inquiry, whether the Senator used his 5 minutes?

The PRESIDING OFFICER. No; the Senator did not use it.

Mr. WILLIAMS. Mr. President, I understood I was using it in the same manner as I did before. I asked for an explanation of the bill.

The PRESIDING OFFICER. The Senator from Utah obtained the floor by unanimous consent. Is the Chair correct in that?

Mr. WHERRY. That is correct.

The PRESIDING OFFICER. Does the Senator from Delaware wish to be recognized for 5 minutes?

Mr. WILLIAMS. No.

Mr. HENDRICKSON. Mr. President, I should like to make it plain that I withhold any objection.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. ANDERSON. Mr. President, I have an amendment which I send to the desk and request that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 7, in line 16, it is proposed to strike out "two" and insert "three"; and in line 18, after the word "and", to strike out "two" and insert "three."

Mr. WHERRY. Mr. President, in my own time, I should like to ask what these amendments do to the bill?

Mr. ANDERSON. I may answer the distinguished Senator by saying that the bill contains a provision for a watchdog committee. It provides for two members from the Committee on Interior and Insular Affairs, and two members from the House committee.

Mr. WHERRY. What about the Committee on Appropriations?

Mr. ANDERSON. The matter comes to the Appropriations Committee.

Mr. WHERRY. What about the membership of the "watchdog committee"? Is the Appropriations Committee represented?

Mr. ANDERSON. I may say to the minority leader, I took the language which the Senator from Utah put in the bill last year, and I have no objection whatever to a member of the Appropriations Committee being on the watchdog committee. I hope the distinguished minority leader will let this bill pass and leave it to the distinguished Senator from Utah and other Senators to work it out in conference, in order to get whatever representation may be desired.

Mr. WHERRY. I shall not object, on the representation made by the distinguished Senator, relative to the watchdog committee, but I think when we have a watchdog committee for a matter, which involves appropriations, members of the Appropriations Committee should be on it. They work continuously with authorizations and for appropriations. Later on, there will be requests for appropriations such as those requested for the roads talked about by the distinguished Senator from Oregon, there will be authorizations in the Interior Department bill and we will have them in the Public Roads bill. We have them in half a dozen different bills. Members of the Appropriations Committee have the information. I think that information would be very useful in connection with the authorizations for expenditures. I merely make this as a suggestion. I think the Appropriations Committee ought to be included.

The PRESIDING OFFICER. For the information of the Senator from New Mexico, who has submitted an amendment which has been stated, the Chair will announce that the committee amendment to which this amendment is proposed has been agreed to, and it will first be necessary to reconsider the vote by which the amendment was agreed to.

Mr. ANDERSON. I ask unanimous consent that the vote by which the amendment of the committee was agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, the vote is reconsidered, and the question is on agreeing to the amendment offered by the Senator from New Mexico to the committee amendment.

The amendment to the amendment was agreed to.

Mr. WATKINS. I send to the desk two amendments which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendments.

The LEGISLATIVE CLERK. In the committee amendment on page 7, line 18, after the word "thereof", it is proposed to insert "not more than two of whom shall be from the same political party"; and on page 7, line 20, after the word "thereof", to insert "not more than two of whom shall be from the same political party."

The PRESIDING OFFICER. The vote by which the committee amendment was agreed to has already been reconsidered, and the question is on agreeing to the amendment offered by the Senator from Utah to the committee amendment.

The amendment to the amendment was agreed to.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. LONG. Mr. President, I ask unanimous consent for the immediate consideration of Order No. 309, House bill 20.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Reserving the right to object, the objection which was made to the consideration of the bill under the unanimous-consent call was made by the distinguished senior Senator from Maine [Mr. BREWSTER]. I shall not object to returning to consideration of the bill, because it is on today's calendar, but I should like to have it strictly understood that if its consideration does not meet with the approval of the senior Senator from Maine, he may exercise the right to ask for reconsideration within the proper length of time after the session is concluded.

Mr. LONG. Mr. President, I had understood and so assured the distinguished minority leader that the Senator from Maine had no objection. I have been told informally by someone with whom he had discussed the matter, that he had no objection. If he has any objection whatever, I shall be glad to have action on the bill reconsidered at any time.

Mr. WHERRY. I am not questioning at all the statement of the Senator from Louisiana. All I want to do is to make the record clear. I have been unable to contact the Senator from Maine. While no doubt what the Senator from Louisiana has just stated is correct, I want to make it perfectly clear that I do not wish to prejudice in any way the rights of the Senator from Maine if he wants to ask reconsideration of the action.

Mr. WILLIAMS. I withdraw my objection, Mr. President.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 20) to amend the act of August 1, 1947, as amended, to authorize the creation of 10 professional and scientific positions in the headquarters and research stations of the Advisory Committee for Aeronautics, was considered, ordered to a third reading, read the third time, and passed.

## INTERNAL SECURITY OF THE UNITED STATES

Mr. HENDRICKSON. Mr. President, at the last call of the calendar I objected to the consideration of Order No. 418, Senate bill 595, relating to the internal security of the United States. Since that time I have made a further investigation, and I should like to withdraw my objection and have the bill considered.

The PRESIDING OFFICER. Is there objection?

Mr. LUCAS. Mr. President, reserving the right to object, I do not believe we should go back to bills which were not included in the unanimous-consent request. If we do, we may get into difficulty. I do not know anything about the bill to which the Senator from New Jersey refers, but I think I shall be constrained to object.

Mr. HENDRICKSON. I should like to call attention to the fact that we have already passed two bills outside of the unanimous-consent agreement.

Mr. LUCAS. One was passed at the request of the Senator from Louisiana [Mr. LONG]. I shall have to object to the consideration of such bills from now on.

Mr. WHERRY. Mr. President, I join with the majority leader in stating that from now on I think we should not return to any bills outside of the unanimous-consent request.

Mr. LUCAS. I thank the Senator from Nebraska.

Mr. President, I want to make a brief observation while we are discussing the question of returning to bills on the calendar. It frequently happens that a Senator objects to a bill and later on some Senator who is also interested in the subject converses with the objecting Senator and gets the objecting Senator to withdraw his objection, consideration is had, and the bill is passed. There may be more than one Senator who objects to the bill; there may be three or four Senators objecting to it. It may be the only bill in which those Senators are interested. After one objection is made, the other two or three Senators will leave the floor on other business. They may go to a meeting of the Appropriations Committee, or to their offices, or downtown on some important appointment. Under the rules, of course, reconsideration can be had within the next 3 days. But sometimes the Senator who is objecting to the bill may overlook it, and later on he withdraws his objection. Perhaps the bill should go to the foot of the calendar and a quorum call be had in order that the interest of some Senator may not be jeopardized.

I am passing that suggestion on for whatever it may be worth. I have been present at times when I was ready to object to the consideration of a bill when some other Senator objected and I did not have to raise my objection. Perhaps if a Senator is not checking it very closely he may think the bill is on the calendar, and the next time the calendar is called he will find it has been passed.

I am not saying that I should like to have unanimous consent that a different course be followed, but I believe Senators should think about it.

## COMMENTS ON NATIONAL HEALTH PROGRAM

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks an article written by the master of the grange of my State, Morton Tompkins, entitled "The Doctor." I think Mr. Tompkins has raised very ably a challenge to the medical profession which I am sure the statesmen within the profession are willing and able to meet. I think Mr. Tompkins has made a contribution to the important discussion of health legislation now pending before the Congress.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE STATE MASTER'S COMMENTS

(By Morton Tompkins)

THE DOCTOR

There is no profession that reaches into the family and family life any more than the doctor. We may criticize him, we may damn him, but when we call him, we place explicit faith in him, and accept his diagnosis as being correct. He has reached into our lives and into the life of our family and has been built up in our esteem as more than an ordinary professional person, and we place the lives of ourselves and our family into his hands.

By virtue of this high regard, we do not like to think that he would allow himself to misinform us on public issues, but when I hear statements made by members of the medical profession that we have sufficient doctors and nurses to care for our people and that we have adequate hospital facilities, it makes me feel as though the persons making these statements are insulting the intelligence of the public. I am one who does not believe the question of communism and socialism is part of the issue. This "scare propaganda" is ill-becoming to the medical profession.

We know, and believe the medical profession knows, that there are not sufficient doctors to take care of the needs of today. There are not sufficient trained nurses nor sufficient hospitals. I would be the last to deny that doctors have in many cases contributed, and are contributing, their services without cost. I commend them for it. I know there are and have been members of the profession who have made great contributions to the welfare of humanity and have sacrificed the opportunity to make great profits.

It would seem to me that the doctors now have a golden opportunity to propose a program which will reach into the home of every person in the United States which will assure these people that the best professional service is available to them and that every citizen can have and avail himself of this care even though he has no funds with which to pay the bill.

The health of the people of America is a national responsibility. No one should be deprived of proper medical and hospital care because of their inability to pay for it.

Over the years a number of plans have been proposed—usually by persons not members of the medical profession—to assure that every one would have such care. Without exception, these plans have been reviled by the leadership of the medical profession as being "socialistic" or "communistic." I say to the medical profession, if you don't like these other programs, then it is your turn to propose one—one that will do the job. And the time to do it is now.

## TREATMENT OF COLORED DELEGATES TO NATIONAL CONVENTIONS AND CONFERENCES IN WASHINGTON, D. C.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as part of my remarks, a communication which I have received from Mr. Monroe Sweetland, Democratic national committeeman from the State of Oregon, in which he asks me to raise with the Hotel Association of the city of Washington, D. C., his protest in regard to the fact that Negro delegates to national conventions and conferences held in Washington, D. C., are denied hotel service. Mr. Sweetland's communication speaks for itself. I am very happy to join with the Democratic national committeeman of my State in his protest in regard to the handling of colored delegates to national conventions and conferences held in the District of Columbia. In fact I am glad to use his letter as another apportunity to protest the unfair discrimination which Negroes are subjected to in the Nation's Capital.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

DEMOCRATIC NATIONAL COMMITTEE
FOR OREGON.

WAYNE L. MORSE,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR MORSE: The years are going by, and although hotel policy has changed greatly in most other major cities of the Nation, the hotels in the Nation's Capital still cling to the ancient policy of prejudice and discrimination against Negro visitors. I know that you have done much to try to improve the relationship between the races, but I wondered if you would forward my protest against this situation to the officials of the Washington Hotel Association.

Would you please point out to those who set the policy of hotels in the Capital that their policy is a source of great inconvenience and difficulty to many of us out through the country when we come to Washington, and we naturally resent it. I not only resent this policy as un-American and unwholesome, and for all the reasons based on decent relationships among Americans in general, but because it handicaps our work so badly while we are there.

This policy makes extremely difficult the normal association with Government officials and personal friends who happen to be Negroes. If I wish to save time by doing business over the lunch table, as I always try to do, we always have to consider whether there is a Negro or two in the conference—if so we have to make special arrangements. If there are Negro members of our delegations on labor or religious or political problems, as there frequently are, it requires a whole set of special arrangements to stay near each other, to meet or eat together, or carry on our regular activities while there.

In most cities outside the Deep South, as you know, hotels are now ready to serve all delegates to conventions and all with whom business is to be transacted, without racial discrimination. It is outrageous that this policy is still tolerated by the proprietors in the Nation's Capital.

Yours sincerely, with appreciation for your service in this matter.

MONROE SWEETLAND.

Mr. MORSE. Mr. President, I ask unanimous consent, also, to have printed in the body of the RECORD accompanying the communication from Mr. Sweetland, my letter to Mr. Frank E. Weakly, president of the Hotel Association of Washington, D. C., in which I point out to Mr. Weakly the protest of the Democratic national committeeman from my State. I also point out in the letter that for the past several years I have attended several conferences at the Willard Hotel, in Washington, D. C., at which conferences there were in attendance colored delegates. As I pointed out in my letter, I think the Willard Hotel is entitled to high commendation for the way in which it has handled this very difficult problem so far as hotel policies in the District of Columbia are concerned. As a Republican, I am always glad when I can join with a Democratic official in support of any policy as basically sound and American as is the policy which Mr. Sweetland has recommended in his communication to me.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 6, 1949.

Mr. FRANK E. WEAKLY,
*President, Hotel Association of Washington, D. C., Washington, D. C.*

DEAR MR. WEAKLY: Enclosed is a letter which I have received from Mr. Monroe Sweetland, the Democratic national committeeman from Oregon. I introduced a copy of the letter into the CONGRESSIONAL RECORD today with appropriate remarks.

Although I fully appreciate the problems which Mr. Sweetland's letter raises for the hotels in Washington, nevertheless, I think the premises which he sets forth in his letter are sound and unanswerable. During the past couple of years I have attended several conference dinners at the Willard Hotel where there also were in attendance official delegates to the conferences who were colored. I think the Willard Hotel is entitled to high praise and commendation for the way it has handled such dinners. I sincerely hope that other hotels in the District will see fit to follow the suggestions set forth in Mr. Sweetland's letter.

Sincerely yours,

WAYNE MORSE,
*United States Senator.*

## EXECUTIVE AGREEMENTS CONCERNING INTERNATIONAL CIVIL AVIATION

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that a letter which I have received from the Civil Aeronautics Board offering comments on Senate bill 12, with reference to preventing the use of executive agreements concerning international civil aviation, be printed in the body of the RECORD following my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CIVIL AERONAUTICS BOARD,
*Washington, May 24, 1949.*

Hon. EDWIN C. JOHNSON,
*Chairman, Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.*

MY DEAR SENATOR: The Civil Aeronautics Board considers this legislation (S. 12), which is designed to prevent the use of executive agreements concerning international civil aviation to be quite unwise. Our opposition to the bill is based primarily upon the practical consideration that in effecting exchanges of operating rights the time element is often of extreme importance. To prohibit consummation of all international aviation agreements until ratified as treaties would seriously impede international aviation, and would place the United States in a disadvantageous position in international bargaining for reciprocal rights. This is particularly true in instances requiring prompt action in which designated representatives of foreign governments may be empowered to take final action without such restrictions.

For the foregoing reason the Civil Aeronautics Board is opposed to enactment of the proposed legislation, but if enacted, the Board regards as necessary the inclusion of additional provisions specifically authorizing executive agreements of a temporary nature pending Senate approval of appropriate treaties.

Sincerely yours,

JOSEPH J. O'CONNELL, Jr.,
*Chairman.*

## RADIO COVERAGE

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that a letter written by me to Mr. Rosel Hyde, Acting Chairman, Federal Communications Commission, be printed in the body of the RECORD following my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE
COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE,
*July 1, 1949.*

Hon. ROSEL HYDE
*Acting Chairman, Federal Communications Commission, Washington, D. C.*

MY DEAR CHAIRMAN HYDE: On June 17, during the hearings on S. 1973, Mr. Ward Quaal, representing the Clear Channel Broadcasting Service, testified with respect to the lack of adequate coverage in his own town, Ishpeming, Mich. The purport of his testimony was that this section is one of those so-called white areas about which we have heard so much from the superpower lobby. You will recall this witness stated that the only possibility for good radio service in the Ishpeming area would come from clear-channel superpower stations.

I have never yet been able to learn the exact geographical location of such "white areas" and his statements aroused my curiosity, particularly when he asserted that daytime service in that area was such that he could not pick up the broadcasts of the Chicago Cubs' baseball games. I immediately made inquiry and I find that Ishpeming receives "excellent" primary service over a 40-mile area daytime and a "good" service over a 30-mile area nighttime as well as a secondary service over a 90-mile area daytime and 50-mile area nighttime from its own local station, WJPD. But—and this is important—the area also receives service from 14 other radio stations, including network affiliates of the 4 principal networks. Significantly, of these 14 stations, 1, WDNJ, furnishes "excellent" primary service both day and night; 4 stations, WJMS, WGN, WMAQ, WBBM, furnish "good" secondary service both day and night; 6 stations, WJR, WCCO, KDKA, WLW, WBZ, WTAQ, furnish "good" secondary service nighttime; and 3 stations, WMIQ, WIKB, WHDF, furnish "fair" secondary service daytime.

I still do not know just what the Commission or the superpower lobby considers a "white area" to be but it seems obvious that in view of the grade and variety of radio service which the Ishpeming area receives that it is hardly likely to be classified as a "white area." It would appear to me that Mr. Quaal, in his capacity as a paid lobbyist for the Clear Channel Broadcasting Service, sought to create the impression that because he could not hear certain baseball broadcasts, which happen to be the exclusive broadcast of one nonnetwork Chicago station, that the Ishpeming area was being denied adequate radio coverage and that it could only secure such coverage from a clear-channel station operating with superpower. The facts indicate that this is a gross distortion and a bald misstatement. Also, the facts indicate that the Ishpeming area receives a fine variety of coverage not only from two existing clear-channel stations operating with 50 kilowatts, but also from a substantial number of additional stations operating with power considerably less than 50 kilowatts.

Service to white areas is the only argument which has been presented to Congress to justify superpower. I have been unable to locate any white areas anywhere, and that is why I followed Quaal's testimony on this point. Furthermore, if white areas do exist the way to cure them is through the operation of additional regional stations and not by a system of radio broadcasting which does

violence and harm to the welfare of the country by implementing a monopoly.

I am writing you because I want the Commission to have the facts and not be misled or bamboozled by the highly colored assertions of the clear-channel lobby which, in my opinion, have never yet been subjected to a cold, critical, objective scrutiny. The Commission, in the performance of its duty under the act, owes the public interest that kind of analyses.

Very sincerely yours,

EDWIN C. JOHNSON,
*Chairman.*

Mr. McGRATH. Mr. President, with the understanding that we are in executive session——

Mr. WHERRY. We are in legislative session.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, the call of the calendar having been concluded, I understand the Senate automatically returns to executive session.

The PRESIDING OFFICER. Does the Senator desire to make a motion to that effect?

Mr. LUCAS. I move that the Senate resume the consideration of executive business.

The motion was agreed to, and the Senate resumed the consideration of executive business.

NOMINATION OF JAMES H. FLANAGAN TO BE PUBLIC UTILITIES COMMISSIONER, DISTRICT OF COLUMBIA

Mr. McGRATH. Mr. President, there is on the desk the nomination of James H. Flanagan to be a member of the Public Utilities Commission of the District of Columbia, which I reported earlier today from the Committee on the District of Columbia. Mr. Flanagan has served in this office for two or three terms. I think this is his third or fourth appointment. His nomination is unanimously reported by the Committee on the District of Columbia. It so happens that his appointment expired as of a fixed date, and he does not hold over until his successor is appointed. Therefore his appointment expired on the 30th of June, and he has been serving without pay.

Mr. Flanagan is a splendid public servant of the District of Columbia, in the $10,000 class, so that each day's delay is costing him and his family some $30 or more. I am sure there will be no objection to his confirmation, and for that reason I ask unanimous consent, out of order, that the nomination may be considered, and I ask the Senate to approve the nomination.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Mr. President, I point out to my distinguished colleague from Rhode Island that only last night I objected to the confirmation of Mr. Jess Larson, of Oklahoma, to be Administrator of General Services, not because I had any opposition to Mr. Larson, in fact, I helped two or three times to have his nomination brought up, but the routine procedure, as the Senator well knows, is to have nominations go on the calendar for a day so that each Senator may have a chance to see what nominations are on the calendar, in order that they may lodge their objections, if they have any.

Many Senators have now left the Chamber. There is no objection whatever to Mr. Flanagan's nomination on my part. I take it the committee has reported the nomination unanimously, because the Senator has so stated, and if he is not confirmed, he will lose another day's pay, and it would be unfortunate that that should happen. I shall not object if the Senator insists that the confirmation be had this evening, because I realize he is making the request in good faith, and the chances are 99 to 1 that there would be no objection tomorrow if the nomination went over. I point out, however, that such action disrupts the regular procedure, and forecloses the right of a Senator who might desire to object.

I wish to oblige the Senator from Rhode Island, and if he feels that confirmation should be had today, I shall not object, but as we go into the latter part of the session, I am inclined to insist that such matters be handled in the regular order, so as to give Senators on both sides of the aisle opportunity to see who is nominated and who is confirmed.

Mr. McGRATH. Mr. President, I fully agree with what the Senator has said, but I would deem it a favor if he would let this nomination go through. I assure him I would not make the request except that I feel that Mr. Flanagan is a man who has been a wonderfully faithful public servant, his nomination was delayed in the committee, and in a way I feel a personal responsibility, because of the fact that action was not taken before the 30th of June, making it necessary for him to serve without pay. If the distinguished minority leader will allow this nomination to go through, I assure him I shall not make a request of this kind in the future, unless there shall be a very substantial reason.

Mr. WHERRY. I appreciate very much the attitude of the Senator, and, as I said, I shall not object; but I am reluctant, and I am sure the majority leader will agree with me, because I think that we should follow the regular procedure at all times. I hope similar requests will not be made, as one was made last night. This is a District of Columbia appointment, and I think in a little different category from Mr. Larson's, and, so far as I am concerned, the appointment may be confirmed.

Mr. LUCAS. The Senator from Illinois agrees with what the Senator from Nebraska has said as to the proper procedure to be followed. I will thank the Senator if he will not make objection in this case. If any Senator has objection tomorrow, there can be a motion to reconsider.

The PRESIDING OFFICER. Is there objection to the consideration of the nomination? The Chair hears none, and without objection, the nomination is confirmed, and the President will be immediately notified.

RECESS

Mr. LUCAS. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 5 minutes p. m.) the Senate, in executive session, took a recess until tomorrow, Thursday, July 7, 1949, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 6 (legislative day of June 2), 1949:

ADMINISTRATOR OF GENERAL SERVICES

Jess Larson to be Administrator of General Services.

PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

James H. Flanagan to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years from July 1, 1949.

# HOUSE OF REPRESENTATIVES

## WEDNESDAY, JULY 6, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, Rev. Jacob S. Payton, offered the following prayer:

God of our fathers, who does regard righteousness as the chief glory of a nation, we praise Thee for indicating this desired goal to many generations. Beginning here may the conviction spread across the land that national greatness cannot be maintained without individual godliness. May heed be given to the solemn fact that freedom is perishable. Invest, therefore, all persons in positions of governmental responsibility with adequate vigilance and fidelity.

Met here in this temporary place where Members are obliged to accommodate themselves to changed surroundings, forbid that anyone should stoop to accommodate his convictions to any false or unworthy thing. This day may such honor and devotion mark the deliberations of these legislators as to make their services acceptable in Thy sight, O Lord, our strength and our redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

AMENDING CERTAIN PROVISIONS OF THE INTERNAL REVENUE CODE

Mr. LYNCH. Mr. Speaker, I ask unanimous consent to file a supplemental report from the Committee on Ways and Means on the bill (H. R. 5268) to amend certain provisions of the Internal Revenue Code.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. CHRISTOPHER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Star-Journal of Warrensburg, Mo., and a letter in reply to the editorial.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include extraneous matter.

Mr. BOGGS of Delaware asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by Mr. G. W. Lineweaver.

SUBCOMMITTEE ON SCIENCE, HEALTH, AND COMMERCE OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. WILSON of Oklahoma. Mr. Speaker, I ask unanimous consent that the Science, Health, and Commerce Subcommittee of the Committee on Interstate and Foreign Commerce be permitted to sit during general debate during the session of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SPECIAL SESSION OF CONGRESS NEEDED TO BALANCE BUDGET

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I am introducing a concurrent resolution, which calls for Congress to meet in special session on November 1, 1949, to take action on the recommendations of the Hoover Commission for the Reorganization of the Executive Branch of the Government, to take such other action as may be necessary or appropriate to eliminate unnecessary government activities, and to bring the expenditures of the Federal Government into balance with its income.

Mr. Speaker, it becomes more and more apparent that the national income is falling. It is an accepted fact that unemployment is rising. At the same time the expenditures of government are going up. The budget as of July 1, shows we are in the red $1,800,000,000. It may well be five or six billion in another year. It just does not make sense for the Government of the United States to continue spending at the rate we are now spending, when the national income is falling.

Every family, when its income falls, stops doing those things which they cannot afford. There are many things we would like for our families, and there are undoubtedly things we might like to have the Government continue to do, but, when we can no longer afford these activities, they should be eliminated.

Such a special session of Congress would naturally deal with all the phases of the Hoover Commission report and recommendations. It is my considered judgment that the present budget be reduced five or six billion dollars without hurting a single vital function of government.

We should also consider the spending for the military and foreign-aid programs. If a firm peace is to be written, then certainly there is no need of spending approximately $21,000,000,000 for military purposes and foreign aid.

If this resolution is adopted, it will be the first time the Congress has met with one purpose in mind—that of eliminating unnecessary Government activities. The people of the country are economy minded. It is the plain duty of Congress to respect this demand and take vigorous action.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. RICH. Instead of having an extra session of Congress we had better go home; then we do not spend any money. I think the quicker Congress gets out of here the better it will be for the country.

Mr. MILLER of Nebraska. I would like to have them here for one purpose and that is to cut out the useless activities of the Government.

Mr. RICH. I agree with the gentleman, but let us do that now, in the next week.

VACATION OF SPECIAL ORDER

Mr. JAVITS. Mr. Speaker, I ask unanimous consent that the special order which I have for today be vacated.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. MORTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Louisville Times.

Mr. MANSFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. HARVEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include brief statements by Arland Brusven and Donna Pearson.

Mr. JAVITS asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and include extraneous matter.

THE BRANNAN PLAN

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, the board of directors of the American Farm Bureau Federation has adopted a resolution presenting the six principal reasons why it vigorously opposes the plan of the Secretary of Agriculture to give the farmers a hand-out and require deductions from pay envelopes to meet part of everybody's grocery bill.

The reasons for the federation's opposition are said to be:

First, the only hope for fair income for farmers under the program would depend on Government hand-outs.

Second, the cost of the program would be staggering.

Third, the price goals are fixed so high that it would result in a certainty of continuous and rigid controls of both production and marketing.

Fourth, the result of the plan would actually be low farm prices and high food costs.

Fifth, the fair exchange concept of parity is discarded and a new and untried concept substituted for it.

Sixth, the entire farm program is thrown into the partisan political arena where it certainly does not belong.

The House Committee on Agriculture has favorably reported a bill calling for a trial run of this scheme relating to not more than three farm products to be selected by the Secretary of Agriculture. The corresponding committee of the other body, I understand, has under consideration a bill to give this program a try on hogs. In an illustration which the Secretary gave when his proposal was first made to Congress, a figure of $19 a hundred was used as the standard price for hogs. In a prepared statement to the committee on April 25, when discussing the estimated cost of his new idea, the Secretary used $16.50 as the support price for hogs. A drop of $2.50 a hundred in the price of hogs during a 3-week period makes a difference of a little over half a billion dollars. To put it another way, if this plan were in effect, the hog farmers alone in 3 weeks would be entitled to get twice as much as an entire year's cost of a slum clearance and housing program for the entire Nation. I repeat these are just those who raise a single product.

The only alternative, of course, to national bankruptcy is to create absolute marketing quotas on hogs, cattle, poultry, grains, potatoes, and every other vegetable and fruit.

Under the plan every acre of the farmer's land, every head of his livestock, and every movement of the farmer and each member of his family must be regimented according to the dictates of one of the thousands of land-subczars proposed to be created to reward the faithful followers of the party line.

For this mess of pottage, the farmers in my area do not want to sell their birthright. I need hardly add that a corresponding lack of enthusiasm greets the prospect from the workers in factory and office who must foot the bill.

BALANCING THE FEDERAL BUDGET

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, our $5,000,000,000 foreign-aid program should be cut in half, and the conference report on the $19,000,000,000 housing bill should be voted down, as the first steps toward balancing the budget and stemming the tide of the Truman depression.

The House of Representatives could consistently reject in conference the foreign-aid appropriations made earlier this year because the picture has drastically changed. Business is on the

downgrade, unemployment has reached 24 percent in some parts of the United States, farm income is down. All this has brought about a greatly reduced national income, which means a falling-off of Federal revenues and an increase in the national debt.

A solvent America, in a healthy economic condition, with the foreign-aid budget reduced by 50 percent, is a greater bulwark against communism than is a nation with an unbalanced budget, unemployment and depression, with probable insolvency and chaos. Reasonable economies in our domestic program cannot be effected so long as this Congress sends billions of dollars abroad.

The greatest blow that this Congress can strike for solvency and jobs is to reduce President Truman's request for these billions and deny authorization for his program of socialism.

An increase in taxes or failure to reduce our wartime excise taxes would be but a further bid for a depression.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD.

RELIEF OF FLOOD SUFFERERS IN WEST VIRGINIA

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, I have asked for this time to explain to the Members of the House that my colleague from West Virginia [Mr. STAGGERS] has offered a resolution to provide funds for the relief of the flood sufferers in four or five counties of his district in eastern West Virginia. A small amount is asked, only sufficient for the relief needed in that flooded area. I have just spent 2 or 3 days in that particular section and I may say that $25,000,000 would not replace the damage that has been done there.

I sincerely hope consideration will be given by the Members of the House to the request of the gentleman from West Virginia.

THE CONDITION OF THE FEDERAL TREASURY

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I call your attention to the Federal Treasury statement as of June 30. The Eightieth Congress on that date had a credit balance of $2,314,782,773.40. Now the "Eighty-worst" Congress has a debit balance of $3,494,773,365.27.

So, you see that this Eighty-worst Congress is almost $6,000,000,000 out of line as compared with the Eightieth Congress, and the only way you are ever going to get this thing straightened out now is to get a President who means business when he says we are going to economize in the operation of Government. Then he has got to have a Congress that is going to back him up, and unless you do that, this country is going to ruin. Somebody sent me this morning a rubber dollar. That is what you are trying to do, but it will not stretch. We must cut our expenses by billions or ruin is coming to America. You can fool some of the time but you cannot fool the Nation long. Anyone who thinks you can keep up this deficit financing is just plumb crazy. It cannot be done and Congress and the President should recognize that fact at once.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

PROVIDING FOR RESIDENT COMMISSIONER FROM VIRGIN ISLANDS

The Clerk called the bill (H. R. 2988) to provide for a Resident Commissioner from the Virgin Islands, and for other purposes.

Mr. DEANE. Mr. Speaker I understand a rule is being granted on this bill, therefore I ask unanimous consent that it be passed ove: without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

CONSOLIDATING PARKER DAM AND DAVIS DAM PROJECTS

The Clerk called the bill (H. R. 2984) to consolidate the Parker Dam power project and the Davis Dam project.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That for the purposes of effecting economies and increased efficiency in the construction, operation, and maintenance thereof and of accounting for the return of reimbursable costs, the Secretary of the Interior is authorized and directed to consolidate and administer as a single project to be known as the Parker-Davis project, Arizona-California-Nevada, the projects known as the Parker Dam power project, Arizona-California, and the Davis Dam project, Arizona-Nevada: *Provided*, That nothing in this act shall be construed to alter or affect in any way the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774), or the treaty between the United States of America and the United Mexican States, signed at Washington on February 3, 1944, relating to the utilization of the waters of the Colorado and Tijuana Rivers and of the Rio Grande from Fort Quitman, Tex., to the Gulf of Mexico: *Provided further*, That nothing in this Act shall be construed to alter or affect in any way any right or obligation of the United States or any other party under contracts heretofore entered into by the United States.

SEC. 2. Funds heretofore appropriated for the Parker Dam power project, Arizona-California, and the Davis Dam project, Arizona-Nevada, shall be consolidated and shall be and remain available for the purposes for which they were appropriated.

With the following committee amendment:

Page 2, line 1, after the word "way", insert "the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774) or."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEDERAL INTERAGENCY COMMITTEE ON RECREATION

The Clerk called the bill (H. R. 892) to authorize the establishment of a Federal Interagency Committee on Recreation.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

BENEFITS OF ANNUITANTS WHO RETIRED PRIOR TO APRIL 1, 1948

The Clerk called the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948.

Mr. DEANE. Mr. Speaker, I understand a rule on this particular bill is being considered, and I therefore ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

OVERTIME TO EMPLOYEES OF BUREAU OF ANIMAL INDUSTRY

The Clerk called the bill (H. R. 459) to authorize the payment of employees of the Bureau of Animal Industry for overtime duty performed at establishments which prepare virus, serum, toxin, or analogous products for use in the treatment of domestic animals.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of Agriculture is authorized to pay employees of the Bureau of Animal Industry employed in establishments subject to the provisions of section 157 of title 21, United States Code, for all overtime work performed at such establishments, at such rates as he may determine, and to accept from such establishments wherein such overtime work is performed reimbursement for any sums paid out by him for such overtime work.

With the following committee amendment:

Page 1, line 6, strike out "overtime" and insert "overtime, night, or holiday."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

READJUSTMENT OF MEDICAL SERVICE CORPS PROMOTION LIST

The Clerk called the bill (H. R. 4449) to provide for certain adjustments on the promotion list of the Medical Service Corps of the Regular Army.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

EXTEND BENEFITS OF CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (H. R. 3445) to repeal the provisions of the Alaska Railroad Retirement Act of June 29, 1936, as amended, and sections 91 to 107 of the Canal Zone Code and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such provisions are applicable.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MEDAL FOR VICE PRESIDENT ALBEN W. BARKLEY

The Clerk called the joint resolution (H. J. Res. 188) to provide for the coinage of a medal in recognition of the distinguished services of Vice President ALBEN W. BARKLEY.

There being no objection, the Clerk read the joint resolution, as follows:

*Resolved, etc.*, That, in recognition of the distinguished public service and outstanding contribution to the general welfare of ALBEN W. BARKLEY, Vice President of the United States, the Secretary of the Treasury is authorized and directed to cause to be struck and presented to Vice President ALBEN W. BARKLEY a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary. There is authorized to be appropriated the sum of $2,500 to carry out the purposes of this section.

SEC. 2. The Secretary of the Treasury is authorized and directed to cause duplicates in bronze of such medal to be struck and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor). The proceeds of the sale of such bronze medals shall be covered into the Treasury as miscellaneous receipts.

With the following committee amendment:

Page 2, line 5, after the period, strike out down to and including the word "receipts" on line 7, and insert "The proceeds of the sale of such bronze medals shall be reimbursed to the appropriation then current for the expenditure of the Bureau of the Mint chargeable for the cost of the manufacture of medals."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SISSETON-WAHPETON SIOUX TRIBE OF INDIANS

The Clerk called the bill (H. R. 3765) to promote the rehabilitation of the Sisseton-Wahpeton Sioux Tribe of Indians and better utilization of the resources of the Sisseton Reservation, and for other purposes.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SUPREME COURT OF THE UNITED STATES

The Clerk called the bill (H. R. 4948) relating to the policing of the buildings and grounds of the Supreme Court of the United States.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PETERSBURG NATIONAL MILITARY PARK, VA.

The Clerk called the bill (H. R. 4208) to add certain surplus land to Petersburg National Military Park, Va., to define the boundaries thereof, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Department of the Army is hereby authorized and directed to transfer to the Department of the Interior, without reimbursement, two tracts of land, comprising 206 acres, more or less, situated on either side of Siege Road adjacent to Petersburg National Military Park, Va. Upon completion of such transfer, all lands, interest in lands, and other property in Federal ownership and under the administration of the National Park Service as a part of or in conjunction with Petersburg National Military Park, in and about the city of Petersburg, Va., and comprising 1,531 acres, more or less, upon publication of the description thereof in the Federal Register by the Secretary of the Interior, shall constitute the Petersburg National Military Park.

With the following committee amendment:

At the end of the bill add the following:

"SEC. 2. The Secretary of the Interior is further authorized to adjust the boundary of the Petersburg National Military Park through purchase, exchange, or transfer: *Provided*, That in doing so the total area of the park will not be increased and that such changes will become effective upon publication of the description thereof in the Federal Register by the Secretary of the Interior."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEASES OF IDAHO PUBLIC LANDS

The Clerk called the bill (H. R. 4943) to amend the act providing for the admission of the State of Idaho into the Union by increasing the period for which leases may be made of public lands granted to the State by such act for educational purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the second sentence of section 5 of the act entitled "An act to provide for the admission of the State of Idaho into the Union," approved July 3, 1890 (26 Stat. 215), as amended by the act of February 6, 1942 (56 Stat. 48, ch. 36), is amended by inserting after the words "10 years," the words "and in the case of an oil, gas, or other hydrocarbon lease, for as long thereafter as such product is produced."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PANAMA RAILROAD COMPANY

The Clerk called the bill (S. 1168) to amend section 2680 of title 28, United States Code.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 2680 of title 28, United States Code, is amended by adding at the end thereof the following new subparagraph:

"(m) Any claim arising from the activities of the Panama Railroad Company."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MUSEUM AT KLUKWAN, ALASKA

The Clerk called the bill (H. R. 2012) to authorize the erection and operation of a museum at Klukwan, Alaska.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PALM BEACH COUNTY, FLA.

The Clerk called the bill (H. R. 2517) directing the Secretary of the Interior to convey certain land to Palm Beach County, Fla.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That notwithstanding the provisions of the act entitled "An act to authorize the sale and disposition of the abandoned tract or tracts of lands formerly used as a lifesaving station in Florida, and for other purposes", approved July 3, 1926, and section 4 of the act entitled "An act to allow credit in connection with certain homestead entries for military or naval service rendered during World War II", approved September 27, 1944, the Secretary of the Interior is hereby authorized and directed to convey to the county of Palm Beach, Fla., without consideration and on behalf of the United States, lots 4 and 5, section 5, township 41 south, range 43 east, Florida.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Interior is directed to sell and convey to the county of Palm Beach, Fla., certain lands described as follows:

"All of lots 4 and 5, section 5, township 41 south, range 43 east, Tallahassee meridian, Florida, as shown by plat approved April 18, 1855, except blocks 1 and 23, as represented by plat accepted December 28, 1927.

"SEC. 2. The land shall be sold at a price to be fixed by the Secretary of the Interior through appraisal, or otherwise.

"SEC. 3. The patent issued under this act shall contain a reservation to the United States of all mineral deposits in the lands and of the right to prospect for, mine, and remove the same under applicable laws and under regulations to be established by the Secretary.

"SEC. 4. The act of July 3, 1926 (44 Stat. 903) is hereby repealed."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SCHOOL LANDS IN WYOMING

The Clerk called the bill (H. R. 2678) to amend section 5 of the act approved July 10, 1890, as amended, relating to the admission into the Union of the State of Wyoming, so as to permit the leasing of school lands within such State for mineral purposes for terms in excess of 10 years.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 5 of the act entitled "An act to provide for the admission of the State of Wyoming into the Union, and for other purposes", approved July 10, 1890, as amended (48 Stat. 350), is hereby further amended by striking out the words "mineral leases including leases for exploration for oil and gas and the extraction thereof for a term not longer than 10 years."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT NIAGARA STATE PARK

The Clerk called the bill (H. R. 4073) to provide for the conveyance to the State of New York of certain historic property situated within Fort Niagara State Park, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized to convey to the State of New York, without consideration, for public use as a part of the Fort Niagara State Park, under such terms and conditions as the Secretary may deem advisable, that certain tract or parcel of land and appurtenances thereon comprising the Father Millet Cross National Monument. The national monument, upon conveyance of such property to the State of New York, is abolished.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC-SCHOOL FACILITIES IN KLAMATH COUNTY, OREG.

The Clerk called the bill (H. R. 4510) to provide funds for cooperation with the school board of Klamath County, Oreg., for the construction, extension, and improvement of public-school facilities in Klamath County, Oreg., to be available to all Indian and non-Indian children without discrimination.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, $150,000 for expenditure under the direction of the Secretary of the Interior for the purpose of cooperating with the school board of Klamath County, Oreg., in the construction, extension, and improvement of public-school facilities in Klamath County, to be available to all Indian and non-Indian children without discrimination: *Provided*, That architectural plans and specifications therefor shall be furnished by the local officials without cost to the Federal Government and subject to the approval of the Commissioner of Indian Affairs: *And provided further*, That payment for work in place should be made monthly by the Indian Service on properly certified vouchers.

SEC. 2. Any amount expended hereunder shall be recouped by the United States within a period of 30 years commencing with the date of occupancy of the building through reducing the annual Federal payments for the education of Indian pupils enrolled in public, elementary, or high schools of the county or by the acceptance of Indian pupils in said schools without cost to the United States; and in computing the amount of recoupment interest at 3 percent per annum shall be included on unrecouped balances.

With the following committee amendments:

Page 2, lines 5 and 6, strike out "Commissioner of Indian Affairs" and insert "Secretary of the Interior or his duly authorized representative."

Page 2, line 8, strike out "Indian Service" and insert "Secretary of the Interior or his duly authorized representative."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COLORADO-BIG THOMPSON PROJECT

The Clerk called the bill (H. R. 5134) to promote development in cooperation with the State of Colorado of the fish, wildlife, and recreational aspects of the Colorado-Big Thompson Federal reclamation project.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Reserving the right to object, Mr. Speaker, may I inquire of the author of this bill, the gentleman from Colorado [Mr. HILL] if he will explain it? I note from the information that we have there is nothing to tell how much money it will cost. There is no report from the Bureau of the Budget and whatever money is expended by the Government will not be reimbursable. Will the gentleman tell us how much money it will cost?

Mr. HILL. Mr. Speaker, I have the report on this bill. The cost for the beginning of this program in the year 1950 is estimated at $71,600. Nothing is to be done until the year 1950. I would say that that is a rather high estimate and do not believe it will cost that much. In other words, this is the beginning of a program which will put these large lakes up in the mountains to use for those who wish to use them for recreational opportunities. They are going to be used anyway and if we do not have some direction and control of the lakes and the areas around those lakes, we are always going to be in difficulty. This is the beginning of a systematic program of control and direction. I might say to the gentleman that the State of Colorado's Fish and Game Commission and the Governor are united in a program to cooperate with the Department of the Interior in working a program for these recreational areas to the best interests of those who wish to use them.

Mr. CUNNINGHAM. Mr. Speaker, I withdraw my reservation of objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, further reserving the right to object, the gentleman from Colorado stated that the cost in the first year would be $71,000. That is, in 1950. I am inclined to believe that all too often we look only at the first installment. I wonder whether the gentleman could advise the House as to what the annual cost is estimated to be after 1950.

Mr. HILL. Under a cooperative program that is being planned under this bill it would be impossible because it would be a question of the State and the fish and game commission and the Department of the Interior uniting on the type of program that is going to be put into effect. My guess is it does not need to cost even that much. Let me say that nothing can be done under this bill by the Department of the Interior which does not meet with the approval of the State fish and game commission as well as the Governor of the State of Colorado. That is in the legislation and it is in the report.

Mr. BYRNES of Wisconsin. Am I correct in the understanding that if this bill should pass, there is no restriction upon the amount of funds that are authorized, at least by the Congress, to be used in this activity, and that the only limitation from then on would be the limitation placed in the appropriations bill or by the Committee on Appropriations? Is that correct?

Mr. HILL. That is correct, but every cent will have to be justified before the Committee on Appropriations if they are to receive any funds.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

HISTORIC SITES ACT

The Clerk called the bill (H. R. 5170) to further the policy enunciated in the Historic Sites Act (49 Stat. 666) and to facilitate public participation in the preservation of sites, buildings, and objects of national significance or interest and providing a national trust for historic preservation.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WHITE of Idaho. Mr. Speaker, reserving the right to object, will the author of the bill explain it to the House.

Mr. PETERSON. Mr. Speaker, this bill is to carry out the purposes of the Historic Sites Act and to allow for public participation. There are a large number of historic sites where even the Federal Government cannot step in and take over, and should not, as a matter of fact. This provides a method by which the public can endow and will, in many instances, make gifts. It will cost the Federal Government nothing.

Mr. WHITE of Idaho. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in order to further the policy enunciated in the act of August 21, 1935 (49 Stat. 666), entitled "An act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for

other purposes," and to facilitate public participation in the preservation of sites, buildings, and objects of national significance or interest, there is hereby created a charitable, educational, and nonprofit corporation, to be known as the National Trust for Historic Preservation in the United States, hereafter referred to as the "National Trust." The purposes of the National Trust shall be to receive donations of sites, buildings, and objects significant in American history and culture, to preserve and administer them for public benefit, to accept, hold, and administer gifts of money, securities, or other property of whatsoever character for the purpose of carrying out the preservation program, and to execute such other functions as are vested in it by this act.

SEC. 2. The National Trust shall have its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be an inhabitant and resident thereof. The National Trust may establish offices in such other place or places as it may deem necessary or appropriate in the conduct of its business.

SEC. 3. The affairs of the National Trust shall be under the general direction of a board of trustees composed as follows: The Attorney General of the United States; the Secretary of the Interior; and the Director of the National Gallery of Art, ex officio; and not less than six general trustees who shall be citizens of the United States, to be chosen as hereinafter provided. The Attorney General, and the Secretary of the Interior, when it appears desirable in the interest of the conduct of the business of the board and to such extent as they deem it advisable, may, by written notice to the National Trust, designate any officer of their respective departments to act for them in the discharge of their duties as a member of the board of trustees. The number of general trustees shall be fixed by the Executive Board of the National Council for Historic Sites and Buildings, a corporation of the District of Columbia, and the general trustees first taking office shall be chosen by a majority vote of the members of the Executive Board from the membership of the National Council. The respective terms of office of the first general trustees so chosen shall be as prescribed by the said Executive Board but in no case shall exceed a period of 5 years from the date of election. A successor to a general trustee shall be chosen in the same manner as the original trustees and shall have a term expiring 5 years from the date of the expiration of the term for which his predecessor was chosen, except that a successor chosen to fill a vacancy occurring prior to the expiration of such term shall be chosen only for the remainder of that term. The chairman of the board of trustees shall be elec'-d by a majority vote of the members of the board. No compensation shall be paid to the members of the board of trustees for their services as such members, but they shall be reimbursed for travel and actual expenses necessarily incurred by them in attending board meetings and performing other official duties on behalf of the National Trust at the direction of the board.

SEC. 4. To the extent necessary to enable it to carry out the functions vested in it by this act, the National Trust shall have the following general powers:

(a) To have succession until dissolved by act of Congress, in which event title to the properties of the National Trust, both real and personal, shall, insofar as consistent with existing contractual obligations and subject to all other legally enforceable claims or demands by or against the National Trust, pass to and become vested in the United States of America.

(b) To sue and be sued in its corporate name.

(c) To adopt, alter, and use a corporate seal which shall be judicially noticed.

(d) To adopt a constitution and to make such bylaws, rules, and regulations, not inconsistent with the laws of the United States or of any State, as it deems necessary for the administration of its functions under this act, including among other matter, bylaws, rules, and regulations governing visitation to historic properties, administration of corporate funds, and the organization and procedure of the board of trustees.

(e) To accept, hold, and administer gifts and bequests of money, securities, or other personal property of whatsoever character, absolutely or on trust, for the purposes for which the National Trust is created. Unless otherwise restricted by the terms of the gift or bequest, the National Trust is authorized to sell, exchange, or otherwise dispose of and to invest or reinvest in such investments as it may determine from time to time the moneys, securities, or other property given or bequeathed to it. The principal of such corporate funds, together with the income therefrom and all other revenues received by it from any source whatsoever, shall be placed in such depositories as the National Trust shall determine and shall be subject to expenditure by the National Trust for its corporate purposes.

(f) To acquire by gift, devise, purchase, or otherwise, absolutely or on trust, and to hold and, unless otherwise restricted by the terms of the gift or devise, to encumber, convey, or otherwise dispose of, any real property, or any estate or interest therein, as may be necessary and proper in carrying into effect the purposes of the National Trust.

(g) To contract and make cooperative agreements with Federal, State, or municipal departments or agencies, corporations, associations, or individuals, under such terms and conditions as it deems advisable, respecting the protection, preservation, maintenance, or operation of any historic site, building, object, or property used in connection therewith for public use, regardless of whether the National Trust has acquired title to such properties, or any interest therein.

(h) To enter into contracts generally and to execute all instruments necessary or appropriate to carry out its corporate purposes, which instruments shall include such concession contracts, leases, or permits for the use of lands, buildings, or other property deemed desirable either to accommodate the public or to facilitate administration.

(i) To appoint and prescribe the duties of such officers, agents, and employees as may be necessary to carry out its functions, and to fix and pay such compensation to them for their services as the National Trust may determine.

(j) And generally to do any and all lawful acts necessary or appropriate to carry out the purposes for which the National Trust is created.

SEC. 5. In carrying out its functions under this act, the National Trust is authorized to consult with the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments, on mat'ers relating to the selection of sites, buildings, and objects to be preserved and protected pursuant hereto.

SEC. 6. The National Trust shall, on or before the 1st day of March in each year, transmit to Congress a report of its proceedings and activities for the preceding calendar year, including the full and complete statement of its receipts and expenditures.

SEC. 7. The right to repeal, alter, or amend this act at any time is hereby expressly reserved, but no contract or individual right made or acquired shall thereby be divested or impaired.

With the following committee amendment:

Page 5, line 18, after the comma insert the following: "(except property within the exterior boundaries of National Parks and National Monuments)".

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENTS TO INDIANS OF CALIFORNIA

The Clerk called the bill (H. R. 1354) to provide for a per capita payment from funds in the Treasury of the United States to the credit of the Indians of California.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, notwithstanding the provisions of section 6 of the act approved May 18, 1928 (45 Stat. 602), as amended, the Secretary of the Interior, under such rules and regulations as he may prescribe, is hereby authorized and directed, with all reasonable diligence and from time to time as he is prepared to do so, to prepare and certify to the Secretary of the Treasury lists of the application number, name, and address of each enrollee of the group known and identified as the Indians of California, living on June 30, 1948, whose name appears on the roll prepared by him pursuant to the act approved May 18, 1928 (45 Stat. 602), as amended by the act approved April 29, 1930 (46 Stat. 259), and as amended by the act approved June 30, 1948 (Pub. Law 852, 80th Cong.), and as provided by this act; and, before the completion of the revised roll prepared pursuant to the act approved June 30, 1948 (Public Law 852, 80th Cong.), and by this act, he shall include on such lists the names of additional enrollees as he shall identify and find them qualified. The Secretary of the Treasury is hereby authorized and directed to pay to each such listed person the sum of $150, out of funds in the Treasury of the United States to the credit of the Indians of California, on account of the judgment rendered in favor of said Indians by the United States Court of Claims on the 4th day of December 1944. Such sums shall be paid out of the accumulated interest and so much of the principal as may be necessary to accomplish such payments. Such per capita payments shall be made directly to each enrollee, any restrictions of law to the contrary notwithstanding, except that payments due to adults under legal disability, or to minors, may be made, under such rules and regulations as the Commissioner of Indian Affairs may prescribe, to trustees for, or legal guardians of such adults, or minors, or to natural guardians where such trustees or legal guardians have not been appointed. The money paid to enrollees under this act shall not be subject to any lien or claim of any nature against any of such persons.

SEC. 2. That the Secretary of the Interior is hereby authorized and directed to add to the official roll of the Indians of California the names of persons living on June 30, 1948, who have heretofore or may hereafter make application for enrollment in accordance with the provisions of the act approved May 18, 1928 (45 Stat. 602), as amended by the act approved April 29, 1930 (46 Stat. 259), and as amended by the act approved June 30, 1948 (62 Stat. 1166), or as provided by this act: *Provided*, That he shall, on evidence presented, find that such persons are descendants of Indians who were residing in the State of California on June 1, 1852.

With the following committee amendments:

Strike out all after the enacting clause and insert "That section 7 of the act of May 18,

1928 (45 Stat. 602), as amended by the act of April 29, 1930 (46 Stat. 259), and by the act of June 30, 1948 (62 Stat. 1166), is hereby further amended to read as follows:

"SEC. 7. The Secretary of the Interior, under such regulations as he may prescribe, is hereby authorized and directed to revise the roll of the Indians of California, as defined in section 1 of this act, which was approved by him on May 16, 1933, in the following particulars: (a) By adding to said roll the names of persons who filed applications for enrollment as Indians of California on or before May 18, 1932, and who, although determined to be descendants of the Indians residing in the State of California on June 1, 1852, were denied enrollment solely on the ground that they were not living in the State of California on May 18, 1928, and who were alive on June 30, 1948: (b) by adding to said roll the names of persons who are descendants of the Indians residing in the State of California on June 1, 1852, and who are the fathers, mothers, brothers, sisters, uncles, or aunts of persons whose names appear on said roll, and who were alive on June 30, 1948, irrespective of whether such fathers, mothers, brothers, sisters, uncles, or aunts were living in the State of California on May 18, 1928; (c) by adding to said roll the names of persons born since May 18, 1928, and alive on June 30, 1948, who are the children or other descendants of persons whose names appear on said roll, or of persons whose names are eligible for addition to said roll under clauses (a) or (b) of this section, or of persons dying before June 30, 1948, whose names would have been eligible for addition to said roll under clauses (a) or (b) of this section if such persons had been alive on June 30, 1948; and (d) by removing from said roll the names of persons who have died since May 18, 1928, and before June 30, 1948. Persons entitled to enrollment under clause (a) of this section shall be enrolled by the Secretary of the Interior without further application. Persons claiming to be entitled to enrollment under clauses (b) or (c) of this section shall, within 1 year after the approval of this amendment, make an application in writing to the Secretary of the Interior for enrollment, unless they have previously filed such an application under the amendment to this section made by the act of June 30, 1948 (62 Stat. 1166). The Secretary of the Interior shall prepare not less than 500 copies of an alphabetical list of the Indians of California whose names appear on the roll approved on May 16, 1933, giving the name, address, and age at time of enrollment of each such enrollee, together with such other factual information, if any, as the Secretary may deem advisable as tending to identify each enrollee, and shall distribute copies of this list to the various communities of California Indians. The Indians of California in each community may elect a committee of three enrollees who may aid the enrolling agent in any matters relating to the revision of said roll. After the expiration of the period allowed by this section for filing applications, the Secretary of the Interior shall have 6 months to approve and promulgate the revised roll of the Indians of California provided for in this section. Upon such approval and promulgation, the roll shall be closed and thereafter no additional names shall be added thereto."

"SEC. 2. Notwithstanding the provisions of section 6 of the act of May 18, 1928 (45 Stat. 602, the Secretary of the Interior, under such regulations as he may prescribe, is hereby authorized and directed to distribute per capita the sum of $150 to each Indian of California living on June 30, 1948, who is now or may hereafter be enrolled under sections 1 and 7 of said act of May 18, 1928, as amended by section 1 of this act. The Secretary of the Interior may, in his discretion, make such distribution from time to time to persons on the roll of the Indians of California approved on May 16, 1933, as he identifies such enrollees, before the completion of the revised roll provided for in section 1 of this act. The Secretary of the Interior is hereby authorized to withdraw from the fund on deposit in the Treasury of the United States arising from the judgment in favor of the Indians of California entered by the Court of Claims on December 4, 1944, and appropriated for them by section 203 of the act of April 25, 1945 (59 Stat. 77), such sums as may be necessary to make the per capita payments required by this section, including not to exceed $15,000 for the purpose of defraying the expenses incident to carrying out the provisions of this section. Such payments shall be made out of the accumulated interest on such judgment fund and so much of the principal thereof as is necessary to complete the payments. The money paid to enrollees pursuant to this section shall not be subject to any lien or claim of any nature against any of such persons, except for debts owing to the United States."

The committee amendment was agreed to.

Mr. PETERSON. Mr. Speaker, I ask unanimous consent that the mispelled word "tendnig" on page 5, line 14, be correctly spelled.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOT SPRINGS NATIONAL PARK, ARK.

The Clerk called the bill (H. R. 1726) to authorize the Secretary of the Interior to convey to the city of Hot Springs National Park, Ark., a perpetual easement for the construction and operation of a water-main pipe line.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is hereby authorized to grant and convey under such terms and conditions as he may prescribe, to the city of Hot Springs National Park, Ark., a perpetual easement for the construction, operation, maintenance, inspection, reconstruction, and repair of a 16-inch water-main pipe line in, under, and across a strip of land situated within the Hot Springs National Park, 15 feet in width, and 7½ feet on each side of the following described center line:

Beginning at a point on the park boundary, north forty-three degrees thirty-one minutes east, one hundred seventy-five and five-tenths feet from monument numbered 163; thence north seventy-seven degrees thirty-one minutes east, exactly two hundred and eleven feet; thence south forty-five degrees fifty-six minutes east, one hundred three and five-tenths feet; thence south one degree nine minutes east, exactly two hundred and fifty-seven feet; thence south sixty-nine degrees twenty-two minutes east, one hundred forty-six and three-tenths feet; thence south eighty-six degrees nine minutes east, one hundred ten and eight-tenths feet, thence south fifty-nine degrees no minutes east, one hundred seven and twenty-one one-hundredths feet a point on the park boundary eighty-three and eighty-one one-hundredths feet arc length on a curve of three hundred seventy-seven and six-tenths feet radius from monument numbered 168, south thirty-five degrees nineteen minutes thirteen seconds east, eighty-three and sixty-five one-hundredths feet distant, situated in United States Hot Springs Reservation in Garland County, Ark.

With the following committee amendment:

Page 2, strike out lines 1 and 2, and insert "National Park, such water-main pipe line to follow, in general, the following-described line: *Provided*, That any grantor conveyance pursuant to this act shall be made subject to the right in the United States to require the city of Hot Springs to relocate without expense to the United States the said water-main pipe line upon a determination by the Secretary of the Interior that the public interest requires such relocation."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Secretary of the Interior to convey to the city of Hot Springs, Ark., a perpetual easement for the construction and operation of a water-main pipe line."

A motion to reconsider was laid on the table.

RARE AND PRECIOUS METALS EXPERIMENT STATION AT RENO, NEV.

The Clerk called the bill (H. R. 2386) to provide for the establishment and operation of a rare and precious metals experiment station at Reno, Nev.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, this bill is not covered in the program of the President. It has no clearance with the Bureau of the Budget. Its total cost will greatly exceed the sum of $1,000,000.

Therefore, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ADVISORY COMMITTEE ON INDIAN AFFAIRS

The Clerk called the bill (H. R. 4755) to authorize the appointment of an Advisory Committee on Indian Affairs.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized to appoint a committee of not to exceed 11 members, to be known as the Advisory Committee on Indian Affairs, to consult and advise with him on matters pertaining to Indian affairs. The members of the committee shall serve without compensation. The Secretary of the Interior is authorized to pay the members of the committee traveling expenses and a per diem allowance in accordance with section 5 of the act of August 2, 1946 (60 Stat. 806), for attending meetings called by the Secretary of the Interior.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALARIES OF POSTMASTERS, OFFICERS, AND EMPLOYEES OF THE POSTAL SERVICE

The Clerk called the bill (H. R. 3383) to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the second sentence in section 5 of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945 (Public Law 134, 79th Cong., 39 U. S. C. 856), as amended, is amended to read as follows: "Night work shall be defined as any work performed between the hours of 6 o'clock p. m. and 6 o'clock a. m. and either standard or daylight-saving time shall be used, depending upon whichever time is observed where such night work is performed: *Provided*, That such differential for night duty shall not be included in computing any overtime compensation to which the officer or employee may be entitled."

With the following committee amendment:

At the end of the bill insert:

"SEC. 2. Whenever any officer or employee of the United States Government or of the municipal government of the District of Columbia is entitled to extra compensation on account of services performed between or after certain specified hours of the day or night, such extra compensation shall be computed on the basis of either standard or daylight-saving time, depending upon whichever time is observed by law, custom, or practice where such services are performed."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide that extra compensation for night work paid officers and employees of the United States shall be computed on the basis of either standard or daylight-saving time."

A motion to reconsider was laid on the table.

SALARIES OF POSTMASTERS, OFFICERS, AND EMPLOYEES OIF THE POSTAL SERVICE

The Clerk called the bill (H. R. 1516) to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1948, so as to provide annual automatic within-grade promotions for hourly employees of the custodial service.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That subsection (j) of section 14 of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, as amended, is amended to read as follows:

"(j) Charmen and charwomen working part time shall be divided into four grades with hourly rates of compensation as follows:

| | *Per hour* |
|---|---|
| "Grade 1 | $1.10 |
| Grade 2 | 1.15 |
| Grade 3 | 1.20 |
| Grade 4 | 1.25 |

and shall be promoted successively at the beginning of the quarter following 1 year's satisfactory service in each grade to the next higher grade until they reach the fourth grade."

SEC. 2. This act shall become effective at the beginning of the quarter following the date of enactment.

With the following committee amendment:

Page 2, line 10, strike out after the word "effective" "at the beginning of the quarter following the date of enactment" and insert "July 1, 1949."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the act entitled 'An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes,' approved July 6, 1945, so as to provide annual automatic within-grade promotions for hourly employees of the custodial service."

A motion to reconsider was laid on the table.

PRACTITIONERS BEFORE ADMINISTRATIVE AGENCIES

The Clerk called the bill (H. R. 4446) to protect the public with respect to practitioners before administrative agencies.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, although this bill appears meritorious, it does change the rules of procedure for administrative agencies. I think the author of the bill should explain it before consent is granted.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield.

Mr. WALTER. Mr. Speaker, the measure under consideration is the result of a compromise worked out by representatives of the American Bar Association and the Certified Public Accountants Association. Very extensive hearings were held on this bill during the last 3 or 4 years. Last year the only objection interposed came from the Certified Public Accountants who were fearful that their practice before the Treasury Department would be interfered with. At the suggestion of the then chairman of the subcommittee [Mr. GWYNNE], representatives of both groups got together and drafted language which, in the opinion of the accountants, protects their rights to practice before the Treasury Department.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield.

Mr. HINSHAW. I notice that in the bill the term "agency" exempts from it the Tax Court. Does that mean that CPA's can likewise practice before the Tax Court?

Mr. WALTER. It does; and it also means that the nonlawyer practitioners before the several agencies can continue in that practice. For example, veterans who are not lawyers can appear before the Veterans' Administration and before the Veterans' Appeal Board and present claims of veterans; representatives of brotherhoods can continue in their practice of appearing before the several Government agencies having to do with the railroad workers.

Mr. CUNNINGHAM. Does the bill have the approval of the American Bar Association?

Mr. WALTER. Yes; the bill was suggested by the American Bar Association.

Mr. CUNNINGHAM. Mr. Speaker, I withdraw my reservation of objection.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. HINSHAW. Does the bill have the approval of the Certified Public Accountants?

Mr. WALTER. It now has their approval. It was unfortunate that when the report on the bill was printed we were not in receipt of a letter we have since received from the Certified Public Accountants' organization, in which they state that they no longer have any objection to the bill but urge its speedy enactment.

The SPEAKER. Further reserving the right to object, what does this bill do to accountants who have been practicing but who are not certified public accountants?

Mr. WALTER. It does not interfere in any way in the practice in which they have heretofore engaged. The Treasury Department is authorized to issue credentials to nonlawyer practitioners which will entitle them to continue in the practice they have heretofore engaged in.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. MARCANTONIO. I have received quite a number of letters protesting against this bill from various public accountants. I would like to have an opportunity to confer with these constituents of mine, and I am going to ask unanimous consent that the bill go over without prejudice.

Mr. WALTER. I should like very much to place in the hands of the gentleman from New York the letter of the president of the accountants' organization.

Mr. MARCANTONIO. I do not know how the other New York accountants feel about this bill, but I do know that I have received letters in opposition to the bill from accountants in my district. I should like the opportunity to check this matter with these people who are constituents of mine.

Mr. WALTER. I may say to the gentleman from New York that the writer of the letter to which I have referred is

from New York and is also the head of the New York organization.

Mr. DINGELL. Mr. Speaker, will the gentleman withhold his consent request?

Mr. MARCANTONIO. Yes.

Mr. DINGELL. Reserving the right to object, I would like to go into this particular phase of the situation: The lawyers are in agreement on the bill, and the certified public accountants have agreed that it should be passed immediately. The accountants about whom the Speaker inquired, noncertified accountants who are today practicing, can continue to practice; but what about accountants of the highest type who have spent their lifetime in the business of accounting and who are otherwise qualified? Can they be admitted? Or are they barred because they are not certified public accountants?

Mr. WALTER. There is nothing in this bill that will interfere with the practice that the gentleman has in mind. Frankly, what we are driving at in this legislation are these "fixers" around the District of Columbia. Most of the business with the United States Government is done right here in Washington, and it was represented to our committee that there is a large group of people who pose as lawyers but who perhaps have only a little influence to sell; and it is that type of unscrupulous practitioner that we are trying to reach.

Mr. DINGELL. In other words, do you disqualify a noncertified public accountant if he is otherwise qualified, ethical, and able to practice before the Treasury in this type of case?

Mr. WALTER. I have answered that question four or five times; my answer remains the same.

Mr. DINGELL. That I am correct in my deductions?

Mr. WALTER. Yes.

Mr. GROSS. Is not the Bar Association of the District of Columbia competent to deal with these posers and fixers?

Mr. WALTER. No; because a man may be disbarred in some distant State, come to the District of Columbia, and pose as a lawyer. He was once admitted to the bar. There is no way to prevent him from appearing before a commission. He is not a member of the bar of the District of Columbia, and, therefore, may not practice in the District of Columbia. He is not a member of the bar of the District of Columbia, therefore cannot practice in the District; but the commissions and the various Government agencies have no way of preventing that man from appearing. With the Credentials Committee that this bill sets up, everybody who is a professional in the rate-fixing profession or accounting or a lawyer applies for credentials and submits his admission to the highest court of the State in which he is a member or of the Treasury Department, and on that record he is permitted to practice in a particular field.

Mr. GROSS. What about traffic managers?

Mr. WALTER. They are protected under this bill, also representatives of chambers of commerce, boards of trade people and men of that sort who appear specially in proceedings in the District.

Mr. GROSS. Must they obtain credentials from anyone in order to be able to appear.

Mr. WALTER. No; they do not have to unless they are appearing generally; but for the purpose of one hearing or where they appear casually representing the chamber of commerce of the gentleman's home town before the Federal Communications Commission, for example, they would be permitted to appear for that purpose without any credentials whatsover.

Mr. GROSS. But you want to check up on that?

Mr. WALTER. This Credentials Committee of five will do that.

Mr. GROSS. But they are not required to have credentials.

Mr. WALTER. For one casual representation.

Mr. GROSS. How do you know whether they make one or more appearances?

Mr. WALTER. It is a pretty simple matter to know whether one man is coming in day after day without being admitted.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from New York.

Mr. JAVITS. Does the gentleman intend to object to the bill going over so that it may have this complete scrutiny?

Mr. WALTER. No; and I apologize because the letter did not get into the RECORD.

Mr. JAVITS. Then we can all take a better look at it.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The purpose of this bill is to enable the agencies to apply a code of ethics?

Mr. WALTER. Certainly, similar to that which the courts apply

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore (Mr. WHITTINGTON). Is there objection to the request of the gentleman from New York?

There was no objection.

## PERMITTING MINING ON PUBLIC LANDS WITHDRAWN OR RESERVED FOR POWER DEVELOPMENT

The Clerk called the bill (H. R. 388) to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That this act may be cited as the "Mining Claims Rights Restoration Act of 1948."

SEC. 2. All public lands belonging to the United States now or hereinafter withdrawn or reserved for power development or power sites by statutory rights or otherwise shall be open to entry for location and patent of mining claims and mill sites for the mining development, beneficiation, removal, and utilization of the mineral resources contained therein: *Provided,* That all power rights to such lands shall be retained by the United States.

SEC. 3. The location and use of mining claims and mill sites provided in section 2 shall be entered into or continued at the financial risk of the individual party or parties undertaking such work and the Government of the United States shall not be responsible or held liable or incur any liability whatsoever for the damage, destruction, or loss of any mining claims, mill sites, facilities installed or erected, income, or other property or investments resulting from the actual use of such lands or portions thereof for power development.

SEC. 4. All persons or other claimants who held unpatented mining claims on the lands cited in section 2 at the date of withdrawal or reservation of such lands, or who at any time filed claims in good faith subsequent to their withdrawal or reservation, not knowing such lands had been withdrawn or reserved, shall be allowed 1 year from the enactment of this act in which to refile or otherwise reestablish their claims. Annual assessment work on unpatented mining claims shall be performed during the assessment year next following the refiling or reestablishment of such claims.

SEC. 5. Notwithstanding any other provisions of this act, all mining claims and mill sites or mineral rights located under the terms of this act or otherwise contained on the public lands cited in section 2 shall be used only for the purposes cited in section 2 and no facility or activity shall be erected or conducted thereon for other purposes.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That this act may be cited as the 'Mining Claims Rights Restoration Act of 1949.'

"SEC. 2. All public lands belonging to the United States now or hereafter withdrawn or reserved for power development or power sites by statutory rights or otherwise shall be open to entry for location and patent of mining claims and mill sites for mining development, beneficiation, removal, and utilization of the mineral resources: *Provided,* That all power rights to such lands shall be retained by the United States.

"SEC. 3. Prospecting and exploration for and the development and utilization of mineral resources authorized in this act shall be entered into or continued at the financial risk of the individual party or parties undertaking such work: *Provided,* That the United States, its permittees and licensees shall not be responsible or held liable or incur any liability whatsoever for the damage, destruction, or loss of any mining claim, mill site, facility installed or erected, income, or other property or investments resulting from the actual use of such lands or portions thereof for power development at any time where such power development is made by or under the authority of the United States.

"SEC. 4. The owner of any unpatented mining claim located on land described in section 2 of this act shall file for record in the United States district land office of the land district in which the claim is situated (1) within 1 year after the effective date of this act, as to any or all locations heretofore made, or within 60 days of location as to locations hereafter made, a copy of the notice of location of the claim; (2) within 60 days after the expiration of any annual assessment year, a statement as to the assessment work done or improvements made during the previous assessment year.

"SEC. 5. Nothing in this act contained shall be construed to limit or restrict the rights of the owner or owners of any valid mining claim located prior to the date of withdrawal or reservation.

"SEC. 6. Notwithstanding any other provisions of this act, all mining claims and mill sites or mineral rights located under the terms of this act or otherwise contained on

the public lands cited in section 2 shall be used only for the purposes cited in section 2 and no facility or activity shall be erected or conducted thereon for other purposes."

Mr. ENGLE of California. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ENGLE of California: Page 3, line 13, after the last words of section 2, strike out the period, insert a colon, and add: "*Provided further*, That locations made under this act within the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Grant Lands shall also be subject to the provisions of the act of April 8, 1948, Public Law 477 (80th Cong., 2d sess.)."

Mr. ENGLE of California. Mr. Speaker, the purpose of this amendment is to make clear that this bill does not interfere with an act passed by the Eightieth Congress dealing specifically with this question. It was unanimously adopted by our committee and approved by the Bureau of Land Management.

The SPEAKER pro tempore [Mr. WHITTINGTON]. The question is on the amendment offered by the gentleman from California [Mr. ENGLE] to the committee amendment.

The amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### REFUND OF TAXES ILLEGALLY PAID BY INDIAN CITIZENS

The Clerk called the bill (H. R. 4353) to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 2 of the act of January 29, 1942 (56 Stat. 281), is hereby amended to read as follows:

"SEC. 2. That any person duly enrolled as a member of an Indian tribe who received in pursuance of a tribal treaty or agreement with the United States an allotment of land which, by the terms of said treaty or agreement was exempted from taxation, or which by the terms of section 6 of the act of Congress of May 27, 1908 (35 Stat. 312), was in the manner therein provided continued under the supervision of probate attorneys of the United States as the representatives of the Secretary of the Interior during the minority of such allottee, and who was required or permitted to pay any Federal income tax on the rents, royalties, or other gains arising from such lands during such tax-exempt period or on income from any allotment during the minority of the allottee, or any such person who has been erroneously or illegally taxed by reason of not having claimed or received the benefit of any deductions or exemptions permitted by law, and who has filed a claim or claims for refund at any time or times before January 29, 1944, shall be entitled to and shall be repaid such taxes so paid, with interest at 6 per centum from the date such taxes were paid, notwithstanding any previous rejection by the Treasury Department of any such claim or claims for refund theretofore filed upon the same or similar ground and notwithstanding any decision of the Treasury Department or of any court, it not being the policy or intention of the Government to invoke or plead a statute of limitations or any other defense to escape the obligations of agreement solemnly entered into with its Indian wards, or prior to April 26, 1931, to exact for its own use and benefit an income tax from them while their property continued under the supervision of the United States or during the minority of any such allottee: *Provided, however*, That in the case of the death of any enrolled member of an Indian tribe any such taxes paid by him or on his account may in like manner be recovered by the person or persons who would have received such money had it constituted a part of his estate at the time of his death.

"That all acts and parts of act in conflict herewith are modified for the purpose, and only for the purpose, of carrying into effect the provisions hereof."

With the following committee amendment:

"That section 2 of the act of January 29, 1942 (56 Stat. 21), is hereby amended to read as follows:

" 'SEC. 2. That any person duly enrolled as a member of an Indian tribe who received in pursuance of a tribal treaty or agreement with the United States an allotment of land which, by the terms of said treaty or agreement was exempted from taxation, or restricted against alienation, or which by the terms of section 6 of the act of Congress of May 27, 1908 (35 Stat. 312), was in the manner therein provided continued under the supervision of probate attorneys of the United States as the representatives of the Secretary of the Interior during the minority of such allottee, and from which land the restrictions have or have not been removed, and any such enrolled member of an Indian tribe who prior to April 26, 1931, had restricted money in the custody or control of the United States, and who was required or permitted to pay any Federal income tax on such lands or on the rents, royalties, or other gains arising from such lands during such restricted or tax-exempt period or on income from such restricted funds while in the custody or control of the United States, or on income from any allotment during the minority of the allottee, or any such person who has been erroneously or illegally taxed by reason of not having claimed or received the benefit of any deductions or exemptions permitted by law, and who has filed a claim or claims for refund at any time or times before January 29, 1944, shall be entitled to and shall be repaid such taxes so paid, with interest at 6 percent from the date such taxes were paid, notwithstanding any previous rejection by the Treasury Department of any such claim or claims for refund theretofore filed upon the same or similar ground and notwithstanding any decision of the Treasury Department or of any court, it not being the policy or intention of the Government to invoke or plead a statute of limitations or any other defense to escape the obligations of agreement solemnly entered into with its Indian wards, or prior to April 26, 1931, to exact for its own use and benefit an income tax from them while their property continued under the supervision of the United States or during the minority of any such allottee: *Provided, however*, That in the case of the death of any enrolled member of an Indian tribe any such taxes paid by him or on his account may in like manner be recovered by the person or persons who would have received such money had it constituted a part of his estate at the time of his death.

" 'That all acts and parts of acts in conflict herewith are modified for the purpose, and only for the purpose, of carrying into effect the provisions hereof.' "

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### DISPOSAL OF SUBMARGINAL INDIAN LANDS

The Clerk called the bill (H. R. 3275) to provide for the sale or other disposal of certain submarginal lands located within the boundaries of Indian reservations in the States of Montana, North Dakota, and South Dakota.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

### PROVIDING A DECREE OF COMPETENCY FOR UNITED STATES INDIANS

The Clerk called the bill (H. R. 2724) to provide a decree of competency for Indians in certain cases.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MORRIS. Mr. Speaker, reserving the right to object, I intend later to offer an amendment.

Mr. McCORMACK. Mr. Speaker, further reserving the right to object, is this a committee amendment?

Mr. MORRIS. I will say to the majority leader that technically it is not. The committee was not in session, but practically all the members of the committee agreed upon it. I think it will definitely be satisfactory to every member of the committee.

Mr. McCORMACK. Having such integrity in my friend, I believe that that is so.

Mr. CUNNINGHAM. Mr. Speaker, if the gentleman will yield, the suggested amendment has not been submitted to the objectors on this side of the aisle. I ask unanimous consent that the bill be passed over without prejudice.

Mr. McCORMACK. Mr. Speaker, if the gentleman will withhold his request, I ask unanimous consent that the further consideration of this bill be placed at the end of the calendar in order that the gentleman from Oklahoma might confer with the objectors.

The SPEAKER pro tempore. Without objection, the bill is temporarily passed over.

There was no objection.

### MILES CITY, MONT.

The Clerk called the bill (H. R. 3589) to convey to the city of Miles City, State of Montana, certain lands in Custer County, Mont., for use as an industrial site.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he hereby is, authorized and directed to convey by patent to the city of Miles City, a municipal corporation organized and existing under the laws of the State of Montana, upon payment of a just and reasonable consideration to be determined by the Secretary, the following tracts

of public land in Custer County, Mont., to wit:

One hundred four and twenty one-hundredths acres of land, said land being more particularly described as follows:

Beginning at the intersection of the north right of way line of the Chicago, Milwaukee, Saint Paul and Pacific Railroad right of way with the section line between section 5 and section 6; thence north no degrees ten and one-half minutes east a distance of one thousand one hundred forty and forty-four one-hundredths feet, more or less, to rock marking the corner common to sections 5, 6, 31 and 32, township 8 north, range 47 east; thence north no degrees, fifteen minutes east along the section line a distance of eight hundred eighty-seven and four one-hundredths feet, more or less, to the witness corner for the meander of the south bank of the Yellowstone River; thence along the meander of the south bank of the Yellowstone River north sixty-seven degrees eight minutes east a distance of one thousand three hundred seventy-one and forty-eight one-hundredths feet; thence north fifty-four degrees thirty minutes east a distance of one thousand eight hundred and forty-eight feet; thence north forty-four degrees no minutes east a distance of two hundred ninety-one and fifty-five one-hundredths feet, more or less, to the west line of the Miles City water plant tract; thence south fifty-two degrees thirty-one minutes east a distance of seven hundred sixty-three and thirteen one hundredths feet, more or less, to the north right of way line of the Chicago, Milwaukee, Saint Paul and Pacific Railroad right-of-way; thence south forty-seven degrees sixteen minutes west along said right of way a distance of one hundred sixty-eight and three-tenths feet, more or less, to the Chicago, Milwaukee, Saint Paul and Pacific Railroad station 3204 plus 00; thence south forty-two degrees forty-four minutes east a distance of fifty feet; thence south forty-seven degrees sixteen minutes west along the north right of way line a distance of three thousand and eight hundred feet, more or less, to the Chicago, Milwaukee, Saint Paul and Pacific Railroad station 3242 plus 00; thence north forty-two degrees forty-four minutes west a distance of fifty feet; thence south forty-seven degrees sixteen minutes west a distance of six hundred and twenty feet, more or less; thence south forty-two degrees forty-four minutes east a distance of fifty feet; thence south forty-seven degrees sixteen minutes west a distance of three hundred thirty-six and seventy-eight one-hundredths feet, more or less, to point of beginning, and containing one hundred four and twenty one-hundredths acres, more or less.

Four hundred eighty-six and sixty-four one-hundredths acres of land, more or less, said land being more particularly described as follows:

Beginning at the quarter corner of section 5 and section 6, township 7 north, range 47 east, thence north forty-five degrees six minutes thirty-eight seconds west a distance of nine hundred eighty-one and one-tenth feet, more or less, to the south right-of-way line of the Chicago, Milwaukee, Saint Paul and Pacific Railroad right-of-way; thence north forty-seven degrees sixteen minutes east along said south right-of-way line a distance of two thousand eight hundred one and sixty-one one-hundredths feet, more or less, to the right of way jog; thence south forty-two degrees forty-four minutes east a distance of two hundred feet; thence north forty-seven degrees sixteen minutes east along the south right-of-way a distance of two thousand four hundred eleven and five-tenths feet more or less, to boundary of tract granted to the city of Miles City for recreational and industrial purposes; thence south sixty degrees fifteen minutes east along the boundary of said tract a distance of one thousand five hundred sixty-six and twelve one-hundredths feet, more or less, to the southeast boundary of said tract, which point is also the north right-of-way line of United States Highways Numbered 10 and 12; thence south sixty-five degrees ten minutes east across said highway a distance of one hundred and ten feet to the south right-of-way of United States Highways Numbered 10 and 12; thence north twenty-four degrees fifty minutes east along said south right-of-way a distance of three hundred ninety-one and forty-five one-hundredths feet, more or less, to the point of curve highway station 207 plus 73.2 thence along the south right-of-way line of United States Highways Numbered 10 and 12, along the arc of a circular curve through an angle of eight degrees twenty minutes and a radius of one thousand eight hundred and sixty feet (or chord length two hundred seventy and four-tenths feet north twenty-nine degrees no minutes east) to the intersection of said south highway right-of-way line with tract C; thence south sixteen degrees fifty minutes west along the west boundary of tract C, a distance of one thousand two hundred sixty-seven and twenty-nine one-hundredths feet, more or less, to monument numbered 3 of tract C; thence south seventy-three degrees ten minutes east a distance of one thousand seven hundred seventy-eight and ninety-seven one-hundredths feet, more or less, to the north right-of-way line of the Northern Pacific Railway; thence south forty-one degrees thirty minutes west along the north boundary of the Northern Pacific Railway right-of-way a distance of six thousand three and seventy-one one-hundredths feet; thence north forty-five degrees six minutes thirty-eight seconds west a distance of three thousand three hundred sixty-two and eight-tenths feet, more or less, to the quarter corner of section 6 and section 5, the point of beginning, and containing five hundred one and eight-tenths acres minus fifteen and sixteen one-hundredths acres for highway right-of-way or a net acreage of four hundred eighty-six and sixty-four one-hundredths acres, more or less.

Eighty and eighty-two one-hundreds acres of land, more or less, said land being more particularly described as follows:

Beginning at a point on the south right-of-way line of the Northern Pacific Railway, said point being south forty-five degrees six minutes thirty-eight seconds east a distance of twelve and eighty-one one-hundreds feet from the quarter corner of section 5 and section 6, township 7, north, range 47 east; thence north forty-one degrees thirty minutes east along said south right-of-way line of the Northern Pacific Railway a distance of seven thousand one hundred seven and thirty-three one-hundredths feet, more or less, to the meander line of the west bank of Tongue River; thence south forty-one degrees no minutes east a distance of one hundred seven and eighty-three one-hundredths feet, more or less, to the witness corner for the meander corner on the west bank of Tongue River on the township line; thence south twenty-four degrees thirty-two minutes east along the meander line a distance of four hundred thirty and eighteen one-hundredths feet, more or less, thence south forty-one degrees thirty minutes west parallel to the south boundary of the Northern Pacific Railway right-of-way and at a distance of five hundred feet; therefrom for a distance of six thousand nine hundred forty-eight and one-tenth feet, more or less; thence north forty-five degrees six minutes thirty-eight seconds west a distance of five hundred and eighty-seven one-hundredths feet, more or less, to the point of beginning, and containing eighty and eighty-two one-hundredths acres, more or less.

Said patents shall contain a reservation to the United States of all gas, oil, coal, and other mineral deposits as may be found in such lands and the right to the use of the lands for extracting and removing same.

SEC. 2. Upon conveyance of the above-described tracts the Secretary of the Interior is authorized and directed to grant the city of Miles City an easement for right-of-way purposes to the following-described tracts of public land, to wit:

Beginning at a point on the southwesterly boundary of the proposed industrial site, said point being north forty-five degree six minutes thirty-eight seconds west a distance of eight hundred fifty-three and sixty-five one-hundredths feet from the quarter corner of section 5 and section 8 in township 7 north of range 47 east of the Montana prinicipal merdian; thence southeasterly along the arc of a circular curve with a radius one thousand one hundred and fifteen feet through an angle of thirty-one degrees twenty minutes, or an arc distance of six hundred nine and thirty-one one-hundredths feet, more or less, to the section line; thence south a distance of one hundred forty-five and thirty-five one-hundredths feet, more or less, to the north right-of-way line of the Northern Pacific Railroad; thence north forty-one degrees thirty minutes east along said north railroad right-of-way line to the present north highway right-of-way line; thence along the north highway right-of-way line to the intersection of the southwesterly boundary of the proposed industrial site.

Beginning at a point on the north right-of-way line of the Northern Pacific Railroad, said point being north forty-five degrees six minutes thirty-eight seconds west a distance of three hundred eighty-seven and eighty-nine one-hundredths feet from the quarter corner of section 5 and section 8; thence north forty-five degrees six minutes thirty-eight seconds west a distance of two hundred twenty-seven and seventy-four one-hundredths feet, more or less, to the south highway right-of-way line; thence southerly along the arc of a circular curve of a radius nine hundred and five feet along the south highway right-of-way line to the intersection of the north right-of-way line of the Northern Pacific Railroad; thence north forty-one degrees thirty minutes east along the north right-of-way line of the Northern Pacific Railroad a distance of two hundred fifty-six and ninety-five one-hundredths feet, more or less, to the point of beginning.

With the foliowing committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Interior be, and he hereby is, authorized and directed to convey by patent to the city of Miles City, a municipal corporation, organized and existing under the laws of the State of Montana, upon payment of a just and reasonable consideration to be determined by the Secretary, the following tracts of public land in Custer County, Mont., to wit:

"Tract numbered 1. Beginning at a point on the north right-of-way of the Chicago, Milwaukee, St. Paul & Pacific Railroad opposite Chicago, Milwaukee, St. Paul & Pacific Railroad station 3243 plus 46.07, said point being south forty-five degrees fourteen minutes east a distance of seven hundred eighty-six and five one-hundredths feet from the rock marking the corner of sections 31 and 32, township 8 north, range 47 east, Montana principal meridian, and sections 5 and 6, township 7 north, range 47 east, Montana principal meridian; thence north forty-five degrees fourteen minutes west a distance of fifty feet; thence north forty degrees east a distance of six hundred feet; thence north twenty-one degrees fourteen minutes east a distance of seven hundred thirty-eight and seven-tenths feet; thence north forty-seven degrees sixteen minutes east a distance of two thousand seven hundred and eighty feet, more or less, to the west line of the Miles

City water plant tract; thence south fifty-two degrees thirty-one minutes east a distance of four hundred fifty-six and sixty-four one-hundredths feet, more or less, to the north right-of-way line of the Chicago, Milwaukee, St. Paul & Pacific Railroad right-of-way; thence south forty-seven degrees sixteen minutes west along said right-of-way a distance of one hundred sixty-eight and three-tenths feet, more or less, to the Chicago, Milwaukee, St. Paul & Pacific Railroad station 3204 plus 00; thence south forty-two degrees forty-four minutes east a distance of fifty feet; thence south forty-seven degrees sixteen minutes west along the north right-of-way line a distance of three thousand eight hundred feet, more or less, to the Chicago, Milwaukee, St. Paul & Pacific Railroad station 3242 plus 00; thence north forty-two degrees forty-four minutes west a distance of fifty feet; thence south forty-seven degrees sixteen minutes west a distance of one hundred forty-six and seven one-hundredths feet, more or less, to the point of beginning and containing thirty-nine and seven one-hundredths acres, more or less.

"Tract numbered 2. Beginning at a point on the south right-of-way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad opposite Chicago, Milwaukee, St. Paul and Pacific Railroad station 3243 plus 39.52, said point being south forty-five degrees fourteen minutes east a distance of nine hundred thirty-six and nineteen one-hundredths feet from the rock marking the corner of sections 31 and 32, township 8 north, range 47 east, Montana principal meridian, and sections 5 and 6, township 7 north, range 47 east, Montana principal meridian; thence north forty-seven degrees sixteen minutes east along the south right-of-way line of Chicago, Milwaukee, St. Paul and Pacific Railroad a distance of nine hundred thirty-nine and fifty-two one-hundredths feet, more or less, to the right-of-way jog; thence south forty-two degrees forty-four minutes east a distance of two hundred feet; thence north forty-seven degrees sixteen minutes east along the south right-of-way a distance of two thousand four hundred eleven and five-tenths feet, more or less, to boundary of tract granted to the city of Miles City for recreational and industrial purposes; thence south sixty degrees fifteen minutes east along the boundary of said tract a distance of one thousand five hundred sixty-six and twelve one-hundredths feet, more or less, to the southeast boundary of said tract, which point is also the north right-of-way line of United States Highways Numbered 10 and 12; thence south sixty-five degrees ten minutes east across said highway a distance of one hundred and ten feet to the south right-of-way of United States Highways Numbered 10 and 12; thence north twenty-four degrees fifty minutes east along said south right-of-way a distance of three hundred ninety-one and forty-five one-hundredths feet, more or less, to the point of curve highway station 207 plus 73.2; thence along the south right-of-way line of United States Highways Numbered 10 and 12, along the arc of a circular curve through an angle of eight degrees twenty minutes and a radius of one thousand eight hundred and sixty feet (or chord length two hundred seventy and four-tenths feet north twenty-nine degrees east) to the intersection of said south highway right-of-way line with tract C; thence south sixteen degrees fifty minutes west along the west boundary of tract C, a distance of one thousand two hundred sixty-seven and twenty-nine one-hundredths feet, more or less, to monument numbered 3 of tract C; thence south seventy-three degrees ten minutes east a distance of one thousand seven hundred seventy-eight and ninety-seven one-hundredths feet, more or less, to the north right-of-way line of the Northern Pacific Railway; thence south forty-one degrees thirty minutes west along the north boundary of the Northern Pacific Railway right-of-way a distance of six thousand two hundred sixty and sixty-five one-hundredths feet, more or less, to the intersection of the south right-of-way line of the United States Highways Numbered 10 and 12 with the north right-of-way line of the Northern Pacific Railway; thence northeasterly along the arc of a circular curve radius nine hundred and five feet through an angle of thirty-four degrees forty-two minutes to the end of curve highway station 145 plus 43.1; thence north twenty-four degrees fifty minutes east a distance of one thousand eight hundred four and seven-tenths feet; thence north forty-five degrees fourteen minutes west a distance of three thousand three hundred and thirty-five feet, more or less, to the point of beginning and containing three hundred forty-three and fifty-six one-hundredths acres, less fourteen and sixty-seven one-hundredths acres for highway right-of-way, or three hundred twenty-eight and eighty-nine one-hundredths acres, more or less.

"Tract numbered 3. Beginning at a point on the south right-of-way of the Northern Pacific Railway, said point being south forty-five degrees six minutes thirty-three seconds east a distance of twelve and eighty-one one-hundredths feet from the quarter corner of section 5 and section 8, township 7 north, range 47 east, Montana principal meridian; thence north forty-one degrees thirty minutes east along the south right-of-way line of the Northern Pacific Railway, a distance of five thousand one hundred eighteen and sixty-seven one hundredths feet; thence south forty-eight degrees thirty minutes east a distance of five hundred feet; thence south forty-one degrees thirty minutes west a distance of five thousand one hundred forty-eight and three-tenths feet; thence north forty-five degrees six minutes thirty-eight seconds west a distance of five hundred and eighty-seven one-hundredths feet to the point of beginning and containing fifty-eight and ninety-two one-hundredths acres, more or less.

"Said patents shall contain a reservation to the United States of all gas, oil, coal, and other mineral deposits as may be found in such lands and the right to the use of the lands for extracting and removing same.

"SEC. 2. Upon conveyance of the above-described tracts the Secretary of the Interior is authorized and directed to grant the city of Miles City an easement for right-of-way purposes to the following-described tract of public land, to wit:

"Beginning at a point on the southwesterly boundary of the proposed industrial site, said point being south forty-five degrees fourteen minutes east four thousand forty-seven and eighty-one one-hundredths feet, more or less, from the rock marking the corner of sections 31 and 32, township 8 north, range 47 east, and sections 5 and 6, township 7 north, range 47 east; thence south twenty-four degrees fifty minutes west parallel to the United States Highways Numbered 10 and 12 and one hundred feet at right angles thereto a distance of one thousand eight hundred eighty and eighty-six one-hundredths feet, more or less, to the end of curve highway station 145 plus 43.1; thence along the arc of a circular curve with a radius of one thousand one hundred and fifteen feet through an angle of thirty-six degrees fifty-five and one-half minutes or an arc length of seven hundred eighteen and sixty-one one-hundredths feet, more or less, to the section line; thence south one hundred forty-five and thirty-five one-hundredths feet, more or less, to the north right-of-way line of the Northern Pacific Railway; thence north forty-one degrees thirty minutes east along said north railroad right-of-way line to the present north highway right-of-way line; thence along the north highway right-of-way line to the intersection of the southwesterly boundary of the proposed industrial site; thence north forty-five degrees fourteen minutes west a distance of one hundred six and thirty-seven one-hundredths feet to the point of beginning and containing fourteen and sixty-seven one-hundredths acres, more or less."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## COOPERATION IN RECREATIONAL USES OF LANDS AND WATERS

The Clerk called the bill (H. R. 4403) to facilitate the administration by the Secretary of the Interior, in cooperation with other Federal, State, and local agencies, of the recreational uses of lands and waters within reclamation, flood-control, power, and other Federal reservoir projects.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WHITE of Idaho. Mr. Speaker, reserving the right to object, I should like to have an explanation of the bill.

Mr. PETERSON. The purpose of the bill, Mr. Speaker, is to provide orderly development, administration, and disposal of recreational facilities within recreation, flood-control, power, and other reservoir projects. This is in order to coordinate these uses, instead of having agencies fighting among themselves. It is to have one agency handling these different projects, to set forth a formula as determined by the Congress. We did provide an amendment because under the law certain projects are now handled by the Army engineers. We placed in the bill a specific exemption of those types of projects, so as not to have conflict between the two agencies. We also inserted a definite provision with reference to local groups, if there should be local groups involved.

Mr. WHITE of Idaho. The main object of this bill is to authorize the payment of fees for the use of recreational facilities on these Government projects?

Mr. PETERSON. That is not definitely set forth. Of course, in some areas there are charges for boating and that sort of thing. In others there are not. Someday Congress may have to determine a definite policy with reference to charges.

Mr. WHITE of Idaho. This bill does provide for the collection of admission fees and charges for the use of recreational facilities on these projects and recreational areas?

Mr. PETERSON. They have that right at the present time under the present law and they do charge in some parks and recreational areas. This does not change that. The agencies can charge at the present time. This is merely trying to coordinate and have an orderly handling of these facilities. I hope my friend will not object, because this is needed. It will prevent fighting between the various departments and allow cooperation. It is in line with the objectives the Congress and the Committee on Public Lands have been working on so long.

Mr. WHITE of Idaho. I am opposed to charging admission fees for the use of recreational facilities in projects set up at public expense.

Mr. PETERSON. I am well aware of the gentleman's views along that line, and there is considerable merit to his views, but this will not change the law with respect to that. We are not making any provision in reference to that. I hope the gentleman will not object.

Mr. WHITE of Idaho. I withdraw my reservation of objection, Mr. Speaker.

Mr. McGREGOR. Reserving the right to object, Mr. Speaker, I note the distinguished gentleman referred to the Army engineers. Did they appear before his committee with reference to this bill, and were there any objections?

Mr. PETERSON. They appeared and we took care of their situation.

Mr. McGREGOR. They are in accord with the bill?

Mr. PETERSON. They suggested the amendment we included on page 2:

*Provided further,* That the provisions of this act shall not apply to projects under the supervision of the Department of the Army.

Mr. McGREGOR. This is satisfactory to them?

Mr. PETERSON. This is satisfactory to them.

Mr. BYRNES of Wisconsin. Mr. Speaker, further reserving the right to object, I wonder whether the gentleman from Florida could advise us whether or not it is contemplated that some funds will be expended and that some cost will be incurred to the Federal Government by reason of the passage of this bill.

Mr. PETERSON. No more than would be normally expended. The areas are administered by one agency or the other, anyway, at the present time, and we do not contemplate any increase. In other words, there would be one agency instead of several agencies.

Mr. BYRNES of Wisconsin. It is my understanding that this bill does call for an authorization of appropriation.

Mr. PETERSON. That is right.

Mr. BYRNES of Wisconsin. The gentleman says that is correct?

Mr. PETERSON. That is correct.

Mr. BYRNES of Wisconsin. And there is no limitation upon that authorization, is that correct?

Mr. PETERSON. The only limitation is on the functions which would be performed. At the present time those functions are performed by some of the agencies. In other words, when you set up these areas, some particular agency handles it. Sometimes it might be the Corps of Engineers, and sometimes the Park Service, and sometimes even the Irrigation and Reclamation Service itself. But this will enable them to work out an agreement and it will cost no more money, and probably less, than if we had half a dozen agencies running around doing the same work.

Mr. BYRNES of Wisconsin. Can the gentleman advise why we have not received a report from the Bureau of the Budget on this legislation?

Mr. PETERSON. The Bureau of the Budget has been rather slow in reporting on these various bills. They have waited a long time and we felt that this was needed because at the present time some of these areas have not a definite policy worked out. It is in accord, I will say, with what the Committee on Public Lands has been working on for several years to coordinate the activity rather than have half a dozen agencies running the same work.

Mr. BYRNES of Wisconsin. Mr. Speaker, I am heartily in accord with the gentleman's purpose as carried out in this legislation. However, I think it is a most unwise policy to have such bills as this on the Consent Calendar providing for an open-end authorization for appropriation, in addition to the fact that we have no report whatever from the Bureau of the Budget. Under such circumstances I must ask that the bill be passed over without prejudice.

Mr. PETERSON. Mr. Speaker, I hope that my colleague will not ask that the bill go over without prejudice because it is really needed. It has been gone into thoroughly by the committee and is a unanimous report by our committee.

Mr. DINGELL. Mr. Speaker, will the gentleman withhold his request?

Mr. BYRNES of Wisconsin. Yes.

Mr. DINGELL. I should like to say that my understanding of this bill is that there is nothing here that does not already exist in law, so far as authorizations of appropriations are concerned. I mean this is an essential part of this program. If you are going to take any action whatsoever, you have to provide for an authorization for an appropriation, but it does not mean that it adds any additional appropriations. You have to have authority in connection with this legislation; am I correct?

Mr. PETERSON. My colleague is right. The authorizations which have been passed at different times exist for the different agencies and are more or less in line with the recommendations made by the Hoover Commission to coordinate governmental activities. For instance, the Department of the Interior might be running one activity and the Irrigation and Reclamation Department might be handling it or the Park Service might be handling it.

This allows the Park Service to work out contracts as between the bureaus. And you will have the departments handling the funds which have already been appropriated, rather than have additional appropriations. It is necessary to carry this out, but there would be no other appropriations, and it would probably cost less in the long run.

Mr. BYRNES of Wisconsin. Mr. Speaker, as I said before, I certainly am in hearty accord with the objectives of the gentleman as proposed in this bill. However, I do think we must assure ourselves and take this slight precaution to know what we are doing as far as authorizing the expenditure of funds and not place the full burden of all these responsibilities on the Committee on Appropriations in connection with an appropriation bill. I think, certainly, since this is an open-end and a blanket authorization, we should at least have the views of the Bureau of the Budget on this legislation, and therefore I renew my request that this bill be passed over without prejudice.

The SPEAKER pro tempore (Mr. WHITTINGTON). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

FUR LABELING

The Clerk called the bill (H. R. 5187) to protect consumers and others against misbranding, false advertising, and false invoicing of fur products and furs.

Mr. VAN ZANDT. Mr. Speaker, reserving the right to object, I would like to ask the author of the bill if this is the fur labeling bill that was before us in the Eightieth Congress.

Mr. O'HARA of Minnesota. This bill has been amended to meet some of the criticism of the industry. I do not mean to say that it meets the satisfaction of all of the industry but it was reported unanimously by the subcommittee and the entire Committee on Interstate and Foreign Commerce. It has been amended.

Mr. VAN ZANDT. Mr. Speaker, I would like to have an opportunity to further study this legislation. I ask unanimous consent that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. VAN ZANDT]?

There was no objection.

APPROPRIATION FOR THE CITY OF POLSON, MONT.

The Clerk called the bill (H. R. 2869) to authorize an appropriation in aid of a system of drainage and sanitation for the city of Polson, Mont.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $100,000 or so much thereof as may be necessary for the repair and rehabilitation or replacement of the drainage structures of a system of drainage for lands within and adjacent to the city of Polson, Mont., on the Flathead Indian Reservation, in sections 3, 4, 8, 9, and 10, township 22 north, range 20 west, Montana principal meridian: *Provided,* That the said city or the residents in the affected area form a drainage-sanitation district and levy an assessment to provide additional funds to convert the drainage lines into a dual purpose system for drainage and sewer disposal purposes and agree to take title to the system and operate and maintain it in perpetuity.

SEC. 2. Nothing in this act shall be construed as an admission of liability on the part of the United States for damages that may be claimed by any property owner as resulting from seepage in the affected area.

With the following committee amendment:

Page 2, at the end of the bill, insert "and the drainage-sanitation district formed pursuant to section 1 hereof shall specifically agree to hold the United States harmless against any and all damage claims that may be asserted by property owners of the area."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGES ACROSS FRANKLIN CANAL AT EL PASO, TEX.

The Clerk called the bill (H. R. 3285) authorizing the replacement and reconstruction by the Bureau of Reclamation of certain bridges across the Franklin Canal of the Rio Grande project of the Bureau of Reclamation, within the city of El Paso, Tex., and authorizing appropriation for that purpose.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Bureau of Reclamation is authorized to replace and reconstruct existing bridges across the Franklin Canal of the Rio Grande project of the Bureau of Reclamation at the intersections with said canal of Piedras Street, Raynor Street, Estrella Street, Stevens Street, Hammett Boulevard, Tobin Avenue, Val Verde Street, Eucalyptus Street, Grama Street, and Boone Avenue in the city of El Paso, Tex., according to plans and specifications to be agreed upon between the Bureau of Reclamation, the Texas State Highway Department, and the city of El Paso, Tex. Said reconstruction and replacement may be performed by the Bureau of Reclamation by force account or by contract, or partly by force account, and partly by contract, or by contract with the Texas Highway Department or the city of El Paso, Tex., providing for the payment to either of such agencies of the actual construction cost of such bridges.

SEC. 2. There is authorized to be appropriated the sum of $275,000 for the purpose of carrying out the provisions of section 1 of this act, to be nonreimbursable, and to be available for all expenditures authorized by acts applicable to the Bureau of Reclamation.

With the following committee amendments:

Page 1, line 7, after the word "Boulevard", insert "Tobin Place."

Page 1, line 8, after the word "Avenue", insert "Verde Avenue."

Page 2, line 5, insert after the word "Texas" the following: "*Provided*, That before any funds appropriated pursuant to the authority of this act are expended, the city of El Paso shall have bound itself to take over, operate, and maintain, without expense to the United States, such bridges as are reconstructed or replaced pursuant to the terms of this act together with all bridges heretofore constructed by the Bureau of Reclamation at points enumerated in that certain ordinance and deed passed and executed respectively on November 9, 1939."

Page 2, line 20, after the word "appropriated", insert "out of any moneys in the Treasury not otherwise appropriated."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TAXATION OF INDIAN LAND HOLDINGS OF LODGE GRASS, MONT.

The Clerk called the bill (H. R. 5034) to authorize the taxation of Indian land holdings in the town of Lodge Grass, Mont., to assist in financing a municipal water supply and sewerage system.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That all Indian land (whether or not restricted land or land purchased with restricted funds of Indians) within the corporate limits of the town of Lodge Grass, Mont., in the Crow Indian Reservation, now or hereafter owned by, or held in trust for individual Indians or tribes of Indians, shall be subject to taxation to assist in financing the construction and maintenance of a municipal water supply and sewerage system for such town.

With the following committee amendments:

Page 1, line 3, after the word "whether", strike out the words "or not."

Page 1, line 6, after the word "Reservation", strike out "now or."

Page 1, line 6, after the word "hereafter", strike out the words "owned by, or held in trust" and insert the word "acquired."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT SUMNER IRRIGATION DISTRICT, NEW MEXICO

The Clerk called the bill (S. 276) to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PUBLIC IMPROVEMENTS IN ALASKA

The Clerk called the bill (H. R. 940) to authorize public improvements in Alaska, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, this bill calls for entirely too much money to be considered on the Consent Calendar. I am also advised that there is pending before the Rules Committee a request that a rule be granted on this bill.

I therefore ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDING CERTAIN PROVISIONS OF THE INTERNAL REVENUE CODE

The Clerk called the bill (H. R. 5268) to amend certain provisions of the Internal Revenue Code.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. CUNNINGHAM]?

There was no objection.

VERMEJO RECLAMATION PROJECT, NEW MEXICO

The Clerk called the bill (H. R. 3788) to authorize the Secretary of the Interior to construct, operate, and maintain the Vermejo reclamation project, New Mexico.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. FORD]?

There was no objection.

INDIAN LIQUOR LAWS

The Clerk called the bill (H. R. 3282) to repeal certain acts of Congress, known as Indian liquor laws, in certain parts of Minnesota.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SURPLUS ARMY DEPARTMENT OWNED MILITARY REAL PROPERTY AT FORT LOGAN, COLO.

The Clerk called the bill (H. R. 4548) to provide for the utilization as a national cemetery of surplus Army Department owned military real property at Fort Logan, Colo.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDMENT OF MIGRATORY BIRD HUNTING STAMP ACT

The Clerk called the bill (S. 1076) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; U. S. C. 718b), as amended.

Mr. McGREGOR. Mr. Speaker, upon the request of my colleague who cannot be with us today I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AID TO STATES IN FISH RESTORATION AND MANAGEMENT PROJECTS

The Clerk called the bill (H. R. 1746) to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

UNITED STATES MERCHANT MARINE ACADEMY

The Clerk called the bill (H. R. 242) to provide for the conferring of the degree

of bachelor of science upon graduates of the United States Merchant Marine Academy.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the act of May 25, 1933, as amended, relating to the conferring of degrees upon graduates of the Naval Academy, Military Academy, Coast Guard Academy, and Merchant Marine Academy, be amended to read as follows:

"The Superintendents of the United States Naval Academy, the United States Military Academy, the United States Merchant Marine Academy, and the United States Coast Guard Academy may, under such rules and regulations as the Secretary of the Navy, the Secretary of the Army, the United States Maritime Commission, and the Secretary of the Treasury, respectively, may prescribe, confer the degree of bachelor of science upon all graduates of their respective academies, from and after the date of the accrediting of said academies. On and after the date of the accrediting of the said academies the superintendents of the respective academies may, under such rules and regulations as the respective Secretaries, or the Maritime Commission, may make, confer the degree of bachelor of science upon such other living graduates of the respective academies as shall have met the requirements of the respective academies for such degree."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING TO COMMISSIONED OFFICERS OF COAST AND GEODETIC SURVEY PROVISIONS OF ARMED FORCES LEAVE ACT OF 1946

The Clerk called the bill (H. R. 2572) to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1946.

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, I should like to call upon the author or some member of the committee to inquire about this bill and to ask whether or not this will have the effect of extending the same privileges to other employees of the Federal Government. I notice by reading the bill that members of the Coast and Geodetic Survey are to be given the same provisions in the matter of leave as the members of the armed forces. Does this act change the policy of the Government by opening the door and extending this privilege to other employees of the Federal Government, giving them the same leave provisions as the members of the armed forces now have?

Mr. GARMATZ. No; it does not.

Mr. CUNNINGHAM. Is the gentleman sure of that?

Mr. GARMATZ. Yes; and I may say that a similar bill passed the House during the last session of Congress.

Mr. CUNNINGHAM. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the act of August 9, 1946 (60 Stat. 963), as now or hereafter amended, relating to the granting of annual leave and compensation for leave accumulated in excess of 60 days on August 31, 1946, shall apply to commissioned officers of the Coast and Geodetic Survey to the same extent and with the same relative conditions as are provided therein for commissioned officers of the armed forces: *Provided*, That the term "Secretary" as used in such Act shall mean, in the case of commissioned officers of the Coast and Geodetic Survey, the Secretary of Commerce: *And provided further*, That in any case in which a commissioned officer of the Coast and Geodetic Survey on active duty on September 1, 1946, excepting officers on terminal leave on that date, had to his credit on August 31, 1946, accumulated or accrued leave aggregating in excess of 60 days, such leave in excess of 60 days not subsequently taken shall be settled and compensated for in cash on the basis of the rate of pay and allowances applicable to such officer on August 31, 1946, if application is made therefor to the Secretary of Commerce within 1 year after the date of approval of this act.

SEC. 2. Funds appropriated by the act of August 8, 1946 (Public Law 663, 79th Cong.), to enable the President to carry out the provisions of the Armed Forces Leave Act of 1946, are hereby made available for carrying out the provisions of this act and may be allotted to the Department of Commerce by transfer to and merger with appropriations thereof or otherwise, in such amounts as may be determined by the Director of the Budget.

SEC. 3. The provisions of this act shall be effective from August 9, 1946.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AGUA CALIENTE INDIAN RESERVATION, CALIFORNIA

The Clerk called the bill (H. R. 5310) to confer jurisdiction on the State of California over the lands and residents of the Agua Caliente Indian Reservation in said State, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That on and after January 1, 1950, all lands located on the Agua Caliente Indian Reservation in the State of California, and the Indian residents thereof, shall be subject to the laws, civil and criminal, of the State of California, but nothing contained in this section shall be construed to authorize the alienation, encumbrance, or taxation of the lands of the reservation, or rights of inheritance thereof whether tribally or individually owned, so long as the title to such lands is held in trust by the United States, unless such alienation, encumbrance, or taxation is specifically authorized by the Congress.

SEC. 2. Notwithstanding the allotment in severalty to Indians of the Agua Caliente Indian Reservation, and subject to the provisions of section 4 of this act, no valid and existing permit covering lands located on the reservation, the terms of which have been fully met by the permittee, shall be terminated without the consent of the permittee prior to July 31, 1950.

SEC. 3. That when, and as may be desired, by the Agua Caliente Band as to unallotted land, and by an allottee as to allotted land, the following described land in said reservation may be leased, for the purposes indicated herein, and subject to the approval of the Secretary of the Interior, for a term not longer than 25 years, with an option to renew for a like period on a reasonable rental basis: (1) Sections 26 and 35, township 4 south, range 4 east, and section 2, township 5 south, range 4 east, San Bernardino base and meridian, for the development and maintenance of a golf course and country club; (2) lots 3, 4, 13, and 14 in section 14, township 4 south, range 4 east, San Bernardino base and meridian, for the development and maintenance of a mineral spring spa, and an Indian trading post and museum; and (3) sections 12, township 4 south, range 4 east, and section 18, township 4 south, range 5 east, San Bernardino base and meridian, for the preservation, extension, and development, as a municipal airport for the city of Palm Springs, and as an aid to national security of the airport which was constructed and maintained by the Federal Government in its prosecution of World War II.

SEC. 4. The city of Palm Springs in Riverside County, Calif., with the approval of the Secretary of the Interior, and subsequent to an appropriate resolution adopted by the business committee of the Agua Caliente Band giving approval, is hereby granted an easement 60 feet in width for public use, and the widening and improvement of Indian Avenue along and upon section 14, township 4 south, range 4 east, San Bernardino base and meridian, in said city, said easement generally following and adjoining the west section line, but during its middle portion, for the isolation and preservation of the Indian Hot Springs and the palm trees in said area, the center line of said easement shall follow an arc having a radius of 1,270 feet, the center and most easterly portion of the arc being 140 feet east of the quarter section corner of said section 14. Said city also is granted an easement for similar purposes along and upon the westerly 10 feet of said section 14, lying within the arc. Said improvements shall be made at the expense of said city: *Provided*, That any holder of a valid permit covering land affected by the said widening of Indian Avenue shall be entitled to just compensation from said city of Palm Springs for the detriment suffered, taking into consideration benefits deriving from such improvement.

With the following committee amendments:

Page 2, line 4, following the word "Notwithstanding", insert the words "any other provision of law or."

Page 2, line 11 through page 3, line 6, strike out all of section 3.

Page 3, line 7, renumber "SEC. 4" to read "SEC. 3."

Page 3, line 10, following the word "Band", insert the words "of Mission Indians."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT COURT FOR THE TERRITORY OF ALASKA

The Clerk called the bill (S. 70) to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That a new section be inserted in the act entitled "An act making further provision for a civil government for Alaska, and for other purposes", approved June 6, 1900 (31 Stat. 321), as amended, immediately following section 5 of title I thereof, to read as follows:

"5a. That the rules heretofore or hereafter promulgated and made effective by the Supreme Court of the United States under authority of title 28, United States Code, section 2072, or under authority of any other statute, regulating the forms of process, writs, and motions, and the pleadings, practice, and prccedure, in actions of a civil nature in the district courts of the United States, and regulating appeals therefrom, shall apply to the District Court for the

Territory of Alaska and to appeals therefrom."

With the following committee amendment:

Insert the following new section at the end of the bill:

"SEC. 2. The first paragraph of section 2072 of title 28, United States Code, is amended to read as follows:

" 'The Supreme Court shall have the power to prescribe, by general rules, the forms of process, writs, pleadings, and motions, and the practice and procedure of the district courts of the United States and of the District Court for the Territory of Alaska in civil actions.' "

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEES, EXPENSES, AND COSTS OF JURORS

The Clerk called the bill (S. 1042) relating to the payment of fees, expenses, and costs of jurors.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the second, third, and fourth paragraphs of section 1871 of title 28 of the United States Code, entitled "Judiciary and Judicial Procedures," are hereby amended to read as follows:

"For actual attendance at the place of trial or hearing and for the time necessarily occupied in going to and from such place at the beginning and end of such service or at any time during the same, $7 per day, except that any juror required to attend more than 30 days in hearing one case may be paid in the discretion and upon the certification of the trial judge a per diem fee not exceeding $10 for each day in excess of 30 days he is required to hear such case.

"For the distance necessarily traveled to and from a juror's residence by the shortest practicable route in going to and returning from the place of service at the beginning and at the end of the term of service and for all additional necessary daily transportation expense, 7 cents per mile, except that if daily travel appears impracticable, subsistence of $5 per day shall be allowed. Whenever in any case the jury is ordered to be kept together and not to separate, the cost of subsistence during such period shall be paid by the United States marshal upon the order of the court in lieu of the foregoing subsistence allowance.

"Jury fees and travel and subsistence allowances provided by this section shall be paid by the United States marshal on the certificate of the clerk of the court, and in the case of jury fees in excess of $7 per diem, when allowed as hereinabove provided, on the certificate of the trial judge."

SEC. 2. The act entitled "An act relating to the payment of fees, expenses, and cost of jurors," approved June 25, 1948 (ch. 652, 62 Stat. 1016), is hereby repealed.

With the following committee amendment:

Page 2, strike out all of line 22, and on page 3 all of lines 1 and 2.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRAVELING EXPENSE ALLOWANCES FOR GOVERNMENT EMPLOYEE WITNESSES

The Clerk called the bill (H. R. 4875) to amend title 28 of the United States Code relating to travel expense allowances for Government employee witnesses.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the first sentence of section 1823 (a) of title 28 United States Code, is amended by striking out "5 cents" and "$6" and inserting in lieu "7 cents" and "$9", respectively.

With the following committee amendment:

Insert at the end of the bill the following: "Accordingly said section 1823 (a) of title 28, United States Code, is amended to read as follows:

" 'SEC. 1823. United States officers and employees:

" '(a) Any officer or employee of the United States or any agency thereof, summoned as a witness on behalf of the United States, shall be paid his necessary expenses incident to travel by common carrier, and if travel is made by privately owned automobile mileage at a rate not to exceed 7 cents per mile, together with a per diem allowance not to exceed $9 in lieu of subsistence under regulations prescribed by the Attorney General. Such expenses for appearing as a witness in any case involving the activity in connection with which such person is employed, shall be payable from the approepriation otherwise available for travel expenses of such officer or employee under proper certification by a certifying officer of the department or agency concerned.' "

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POLICING THE SUPREME COURT BUILDING AND GROUNDS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to return to No. 227 on the Consent Calendar, and the immediate consideration of H. R. 4948 relating to the policing of the building and grounds of the Supreme Court of the United States.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, the gentleman agreed to make a statement in reference to this bill.

Mr. CELLER. Mr. Speaker, all this bill does, I may say to the gentleman from New York, is to apply the same rules to the Supreme Court building and its adjoining grounds as are now applicable to the Capitol itself—no more and no less.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Marshal of the Supreme Court of the United States, under the general supervision and direction of the Chief Justice of the United States, may designate employees of the Supreme Court as special policemen, without additional compensation, for duty in connection with the policing of the Supreme Court Building and grounds and adjacent streets.

SEC. 2. Public travel in and occupancy of the Supreme Court grounds is hereby restricted to the sidewalks and other paved surfaces.

SEC. 3. It shall be unlawful to offer or expose any article for sale in the Supreme Court Building or grounds; to display any sign, placard, or other form of advertisement therein; or to solicit fares, alms, subscriptions, or contributions therein.

SEC. 4. It shall be unlawful to step or climb upon, remove, or in any way injure any statue, seat, wall, fountain, or other erection or architectural feature, or any tree, shrub, plant, or turf in the Supreme Court Building or grounds.

SEC. 5. It shall be unlawful to discharge any firearm, firework or explosive, set fire to any combustible, make any harangue or oration, or utter loud, threatening, or abusive language in the Supreme Court Building or grounds.

SEC. 6. It shall be unlawful to parade, stand, or move in processions or assemblages in the Supreme Court Building or grounds, or to display therein any flag, banner, or device designed or adapted to bring into public notice any party, organization or movement.

SEC. 7. (a) In addition to the restrictions and requirements specified in sections 2 to 6, inclusive, of this Act, the Marshal of the Supreme Court may prescribe such regulations, approved by the Chief Justice of the United States, as may be deemed necessary for the adequate protection of the Supreme Court Building and grounds and of persons and property therein, and for the maintenance of suitable order and decorum within the Supreme Court Building and grounds.

(b) All regulations promulgated under the authority of this section shall be printed in one or more of the daily newspapers published in the District of Columbia, and shall not become effective until the expiration of 10 days after the date of such publication.

SEC. 8. Whoever violates any provision of sections 2 to 6, inclusive, of this act, or of any regulation prescribed under section 7 of this act, shall be fined not more than $100 or imprisoned not more than 60 days, or both, prosecution for such offenses to be had in the municipal court for the District of Columbia, upon information by the United States Attorney or any of his assistants: *Provided*, That in any case where, in the commission of any such offense, public property is damaged in an amount exceeding $100, the period of imprisonment for the offense may be not more than 5 years.

SEC. 9. The special police provided for in section 1 of this act shall have the power, within the Supreme Court Building and grounds and adjacent streets, to enforce and make arrests for violations of any provision of sections 2 to 6, inclusive, of this act, of any regulation prescribed under section 7 of this act, or of any law of the United States or of any State or any regulation promulgated pursuant thereto: *Provided*, That the Metropolitan Police force of the District of Columbia are hereby authorized to make arrests within the Supreme Court Building and grounds for any violations of any such laws or regulations, but such authority shall not be construed as authorizing the Metropolitan Police force, except with the consent or upon the request of the Marshal of the Supreme Court or his assistants, to enter the Supreme Court Building to make arrests in response to complaints or to serve warrants or to patrol the Supreme Court Building or grounds.

SEC. 10. In order to permit the observance of authorized ceremonies within the Supreme Court Building and grounds, the Marshal of the Supreme Court of the United States may suspend for such occasions so much of the prohibitions contained in sections 2 to 6, inclusive, of this act as may be necessary for the occasion, but only if responsible officers shall have been appointed, and arrangements determined which are adequate, in the judgment of the Marshal, for the maintenance of suitable order and decorum in the proceedings, and for the protection of the Supreme Court Building

and grounds and of persons and property therein.

SEC. 11. For the purposes of this act the Supreme Court grounds shall be held to extend to the line of the face of the east curb of First Street NE., between Maryland Avenue NE. and East Capitol Street; to the line of the face of the south curb of Maryland Avenue NE., between First Street NE. and Second Street NE.; to the line of the face of the west curb of Second Street NE., between Maryland Avenue NE. and East Capitol Street; and to the line of the face of the north curb of East Capitol Street between First Street NE. and Second Street NE.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the able.

DECREE OF COMPETENCY FOR UNITED STATES INDIANS IN CERTAIN CASES

The Clerk called the bill (H. R. 2724) to provide a decree of competency for United States Indians in certain cases.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That any Indian who is a citizen of the United States and who wishes to be freed of the disabilities and limitations specially applicable to Indians may, upon reaching the age of 21, apply to any naturalization court for the area in which he resides for a "decree or judgment of competency." The court shall set a hearing date not less than 30 days nor more than 60 days from the day it receives the application; and under regulations adopted by the court notify the head of the local, county, or parish governmental unit; the local welfare department of State, county, and city government; the superintendent of the applicant's tribe; and the head of the tribal council or other governing body, if a member of a tribe, or the Commissioner of Indian Affairs; and any other persons the court considers appropriate.

SEC. 2. At the hearing the court shall examine the applicant and may require the persons who appear before the court to give testimony in the matter of the applicant's competency to the court in determining the applicant's competency. The United States attorney of the district, and the attorney for the county or parish, in which such court is situated shall be given an opportunity to appear at such hearing and to participate in the examination of the applicant and other witnesses. In determining competency, the court shall consider significant factors bearing upon the applicant's moral and intellectual qualifications and his ability to manage his own affairs. If the court finds the applicant competent, it shall issue a decree of judgment of competency, freeing him of all disabilities, and limitations specially applicable to Indians; and the recipient shall no longer be entitled to share any of the benefits or gratuitous service extended to Indians as such by the United States, except as to such services as are required under the provisions of this act. In the event the court denies a decree or judgment of competency, the applicant may file a new application one year following the date of denial. Upon the entry of a decree or judgment of competency to any applicant, such applicant shall file a certified copy thereof with the Secretary of the Interior who shall maintain such copy as a public record.

The form of a decree or judgment of competency under this act shall be substantially as follows:

DECREE OF COMPETENCY

Whereas _____, a member of the
(name of applicant)
_____ Tribe of Indians, has made ap-
(name of tribe)
plication to the _____ for a decree of
(designation of court)
competency under the provisions of the act of Congress approved _____:
(date of enactment)

Now, therefore, this court, upon consideration of such application and the evidence submitted in support thereof, finds and hereby declares the said _____ to be
(name of applicant)
fully competent and capable of transacting _____ own business and caring for _____
(his or her) (his or her)
own individual affairs.

Done in open court this ____ day of _____.

_____,
(Name of judge)

Attest: _____.
(Clerk of court)

SEC. 3. When presented with a decree or judgment of competency, the Secretary of the Interior shall within 90 days give the applicant full ownership and control of the money and property held in trust for him as an individual Indian by the Secretary; issuing, in the case of land, appropriate patents in fee, certificates or orders, provided the Secretary may make such provisions as he deems necessary to insure repayment of money loaned to the applicant by the Federal Government or by the tribe. If the individual Indian who has been adjudged competent holds jointly or in common with other heirs an undivided interest in land the Secretary may in his discretion partition such land or, if he deems partition impracticable may sell the land or any part thereof and shall pay to the Indian or Indians their appropriate share or shares of the net proceeds of the sale.

SEC. 4. After receiving a decree or judgment of competency, the applicant, if a member of a tribe, shall continue on the tribal rolls as a member of the tribe. Any Indian who has been adjudged competent as herein provided shall in no manner be deprived of his or her tribal rights or treaty benefits; and in no way shall he or she be alienated from any benefits or payments of funds which may accrue to the tribe, band, group, or ward of the Federal Government through settlement of claims as provided in section 12, Public Law 726, approved August 13, 1946 (60 Stat. 1049). In case of the death of any member, his or her share shall descend to the heirs in accordance with the inheritance laws of the State wherein the tribe is located.

SEC. 5. Any Indian born after the date of the enactment of this act, who is a citizen of the United States, and any child or parents, either of whom has been issued a decree or judgment of competency shall, upon reaching the age of 21 years be free of all disabilities and limitations specially applicable to Indians.

With the following committee amendments:

Page 1, line 6, strike out the words "to any naturalization court for the area in which he resides for a 'decree or judgment of competency'." and insert in lieu thereof the words "in the manner provided in section 2, for a 'decree or judgment of competency'."

Page 1, between lines 7 and 8, insert the following language:

"SEC. 2. (a) The applicant shall first make written application to the Secretary of the Interior. The Secretary shall, within 90 days from the day on which such application is received, after considering significant factors bearing upon the applicant's moral and intellectual qualifications and his ability to manage his own affairs, either approve such application and issue a 'decree or judgment of competency', or disapprove such application. Any such 'decree or judgment of competency' shall be similar in form to, and shall have the same effect as, the decrees and judgments issued by courts pursuant to section 3 of this act.

"(b) If the Secretary of the Interior disapproves an application within the 90-day period prescribed in subsection (a) of this section, or if he fails either to approve or disapprove an application within such period, the applicant may then apply to any naturalization court for the area in which he resides for a 'decree or judgment of competency'."

Page 2, line 7, renumber "Sec. 2" to read "Sec. 3."

Page 2, line 11, after the period, insert the following new sentence: "No court costs or filing fees shall be required of the applicant."

Page 2, line 17, delete the words "moral and."

Page 3, line 1, following the word "application", insert the words "pursuant to the terms of this act."

Page 3, line 5, delete the period at the end of line and add the following: "and a certified copy thereof shall be furnished the Indian without cost."

Page 3, line 9, renumber "Sec. 3" to read "Sec. 4." Strike out the words "When presented with a 'decree or judgment of competency', the Secretary of the Interior shall" and insert in lieu thereof the words "Whenever the Secretary of the Interior shall issue, or be presented with, a 'decree of judgment of competency', he shall."

Page 4, line 3, following the first word "in", insert the word "allotted."

Page 4, line 8, renumber "Sec. 4" to read "Sec. 5."

Page 4, line 9, strike out the word "shall" and insert the word "may."

Page 4, line 17, strike out the period and the words "In case." Strike out all of lines 18, 19, and the words "wherein the tribe is located" on line 20. Insert in lieu thereof a comma and the words "by reason of a 'decree of competency' obtained under the provisions of this act."

Page 4, line 21, renumber "Sec. 5" to read "Sec. 6."

The committee amendments were agreed to.

Mr. MORRIS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRIS: Page 4, line 16, before the period, insert a colon and add the following: "*Provided further*, That the Secretary may make such provisions as he deems necessary to protect the rights, interest, and investments of lessees and permittees in any such land."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

QUITCLAIM DEED OF PALACE OF FINE ARTS TO COUNTY AND CITY OF SAN FRANCISCO

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5289) authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Army is authorized and directed to convey by quitclaim deed to the city and county of San Francisco, subject to the conditions provided for in section 2 of this act, the following-described land in the city and county of San Francisco, State of California,

together with all improvements thereon, included within metes and bounds, as follows:

Commencing at a point on the westerly line of Lyon Street, distant thereon five and seventeen one-hundredths feet southerly from the northerly line of Bay Street, if extended and produced westerly, and running thence northerly along the westerly line of Lyon Street one thousand one hundred ninety-six and eighty one-hundredths feet; thence southwesterly on a curve to the left of six hundred and twelve feet radius, central angle one hundred and fifty-five degrees forty-seven minutes and fifty seconds, tangent to a line deflected one hundred and two degrees six minutes and five seconds to the left from the preceding course a distance of one thousand six hundred sixty-four and thirteen one-hundredths feet to the westerly line of Lyon Street and the point of commencement, containing nine and ninety-three one-hundredths acres, more or less.

SEC. 2. The deed of conveyance authorized by the first section shall provide that the grantee—

(1) shall not hereafter amend or rescind Ordinance No. 7531 (new series) duly passed by the board of supervisors of such city and county (permitting the United States to construct, maintain, and operate in perpetuity a spur track railroad);

(2) shall convey to the United States perpetual rights of ingress and egress across the property as now enjoyed by the United States;

(3) shall permit the use of the main building situated on the property described in section 1 of this act by the State of California for National Guard purposes.

In the event that the grantee shall fail to conform to such conditions, the deed of conveyance shall cease to be of force and effect and all rights enjoyed by the United States prior to the enactment of this act shall again accrue to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF NORTHERLY PORTION OF FORT FUNSTON MILITARY RESERVATION

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5328) authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Army is authorized to convey by quitclaim deed to the city and county of San Francisco, for public park and recreational purposes, 42 acres of land, more or less, in the city and county of San Francisco, State of California, being that portion of the Fort Funston Military Reservation situated north of the northerly boundary of land heretofore transferred by the Secretary of the Army to the Veterans' Administration, the exact description of land to be conveyed to be determined by the Secretary of the Army.

SEC. 2. The deed of conveyance authorized by section 1 of this act shall provide as follows:

a. That the United States shall reserve to itself the right to use and occupy for so long as is necessary all those living quarters and appurtenances thereto now located within the area to be conveyed, together with the free and full right of ingress to and egress from said quarters.

b. That the city and county of San Francisco shall grant to the State of California the use, for a period of 99 years, of approximately 7 acres of the land herein provided for conveyance for the purpose of erection thereon by the State of California of National Guard facilities, and that the activities of the National Guard on such land shall not be of such nature as would, in the judgment of the Administrator of Veterans' Affairs, interfere with the care and treatment of patients in the Veterans' Administration hospital to be erected on land adjacent to the 42-acre tract referred to in section 1 of this act: *Provided,* That the Administrator of Veterans' Affairs shall not preclude the following activities: (1) The construction of National Guard facilities; (2) the operation of motor vehicles; (3) the assembling, moving, or passage of uniformed personnel.

c. That there shall be reserved to the United States the existing water lines running through the property for so long as the use thereof may be required.

That there shall be reserved to the United States, for use by the Veterans' Administration, a 25-foot easement along the easterly portion of the property, the exact location of which is to be determined by the city and county of San Francisco, the Department of the Army, and the Veterans' Administration.

e. That there shall be reserved to the United States such additional easements, of whatsoever nature, as may be determined necessary by the Secretary of the Army.

f. That there shall be reserved to the United States all interest in and to any oil, mineral, or fissionable material in said land.

g. For such other terms, conditions, restrictions, and reservations as the Secretary of the Army shall deem necessary to protect the interests of the United States.

SEC. 3. In the event of breach by the grantee of any of the terms, conditions, restrictions, and reservations contained in said deed, or if the property authorized for conveyance by section 1 of this act is used for any purpose other than mentioned in this act, then title to the property shall revert to the United States and, in addition, all improvements made by the city and county of San Francisco or the State of California shall vest in the United States without payment of compensation therefor.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

READJUSTMENT OF MEDICAL SERVICE CORPS PROMOTION LIST

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to return to Calendar No. 207 and for the immediate consideration of the bill (H. R. 4449) to provide for certain adjustments on the promotion list of the Medical Service Corps of the Regular Army.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 1688, be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the Senate bill, as follows:

*Be it enacted, etc.,* That, notwithstanding any other provision of law, upon the date of enactment of this act the names of all Medical Service Corps promotion-list officers shall be rearranged on the Medical Service Corps promotion list so that within each grade their names shall appear in the order of their precedence determined by the total amount of service creditable to them for promotion purposes under existing law and in cases of an equal amount of such service, the officer with the greatest amount of continuous commissioned service on the active list of the Regular Army shall have precedence, and, in cases where this is the same, precedence shall be in accordance with permanent seniority standing as established at time of original appointment in the Regular Army, and in cases not covered by the foregoing, precedence shall be established by the Secretary of the Army: *Provided,* That in rearranging the officers on the promotion list as provided in this act no officer who has once failed of selection for promotion under the provisions of any section of the Officer Personnel Act of 1947 shall have his name advanced above that of any other officer who was considered at the same time and selected for promotion to the grade involved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 4449) was laid on the table.

EXTEND BENEFITS OF THE CIVIL SERVICE RETIREMENT ACT

Mr. FORD. Mr. Speaker, I ask unanimous consent to return for immediate consideration to the bill (H. R. 3445) to repeal the provisions of the Alaska Railroad Retirement Act of June 29, 1936, as amended, and sections 91 to 107 of the Canal Zone Code and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such provisions are applicable.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 1359) be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the Senate bill, as follows:

*Be it enacted, etc.,* That (a) the Alaska Railroad Retirement Act of June 29, 1936, as amended, is hereby repealed, and all officers and employees of The Alaska Railroad, Territory of Alaska, who are subject to the provisions of said act are hereby included within the terms of the Civil Service Retirement Act of May 29, 1930, as amended.

(b) Sections 91 to 107 (comprising article 2 of chapter 6) of title 2 of the Canal Zone Code, approved June 19, 1934 (48 Stat. 1122), as amended (known as the Canal Zone Retirement Act), are hereby repealed, and all officers and employees of the Panama Canal and the Panama Railroad Company, who are subject to the provisions of such sections, are hereby included within the terms of the Civil Service Retirement Act of May 29, 1930, as amended.

SEC. 2. (a) The United States Civil Service Commission is hereby authorized and directed to ascertain the amount of the gross assets in the Alaska Railroad retirement and disability fund and the amount of the gross assets in the Canal Zone retirement and disability fund, and to certify such amounts to the Secretary of the Treasury, who is hereby authorized and directed to transfer such

amounts on the books of the Treasury Department to the civil-service retirement and disability fund.

(b) In the case of each officer or employee described in section 1 of this act, the United States Civil Service Commission shall credit to his individual account in the civil-service retirement and disability fund an amount equal to all deductions withheld from his salary and deposited or redeposited by him under the Alaska Railroad Retirement Act, as amended, or the Canal Zone Retirement Act, as amended, together with interest compounded on June 30 of each year at 4 percent per annum to December 31, 1947, and at 3 percent per annum thereafter to the effective date of this act, and credit shall be allowed for the purposes of the act of May 29, 1930, as amended, for the period of service covered by said contributions.

SEC. 3. Section 2 (a) of the act of May 29, 1930, as amended, is further amended by adding at the end thereof the following: "In the case of an officer or an employee of the Alaska Railroad, Territory of Alaska, or an officer or employee who is a citizen of the United States employed on the Isthmus of Panama by the Panama Canal or the Panama Railroad Company, the provisions of this subsection shall apply upon his attaining the age of 62 years and completing 15 years of service on the Isthmus of Panama or in the Territory of Alaska."

SEC. 4. Section 4 of the act of May 29, 1930, as amended, is further amended by adding at the end thereof the following new subsection (f):

"(f) In the case of an officer or employee retiring under the provisions of this act, who is a citizen of the United States, the annuity otherwise computed under subsection (a) of this section shall be increased by an amount equal to $36 multiplied by the number of years of service rendered in the Territory of Alaska between March 12, 1914, and July 1, 1923, either in the employ of the Alaska Engineering Commission or The Alaska Railroad, or on the Isthmus of Panama between May 4, 1904, and April 1, 1914, either in the employ of the Isthmian Canal Commission or the Panama Railroad Company."

SEC. 5. Section 8 of the act of May 29, 1930, as amended, is amended by adding at the end thereof a new paragraph as follows:

"In the case of any officer or employee who, prior to the effective date of this act, shall have been retired on an annuity under the provisions of the Alaska Railroad Retirement Act, as amended, the Canal Zone Retirement Act, as amended, or section 8 (b) of the act of June 16, 1933, the annuity shall be increased effective April 1, 1948, by 25 percent or $300 whichever is the lesser: *Provided*, That each such annuitant may, prior to the expiration of 60 days following the date of enactment of this paragraph, elect to retain his or her present annuity, in lieu of the increased annuity provided by this paragraph, name his wife or her husband to receive upon his or her death one-half of his or her present annuity but not to exceed $600 per annum during the remainder of the life of such survivor and upon the death of such survivor no further annuity shall be due or payable. Any such annuitant who shall have died between the effective date of this act and the expiration of the said 60-day period after the enactment of this paragraph leaving a surviving wife or husband shall be deemed to have named such wife or husband to receive an annuity as provided herein, but no such annuity shall become payable to such wife or husband prior to the date of enactment of this paragraph. Except as provided in this paragraph, the provisions of this act shall not apply in the case of officers and employees of The Alaska Railroad, Territory of Alaska, or officers and employees of the Panama Canal or the Panama Railroad Company (1) retired prior to the effective date of this act, or (2) separated prior to such date, in which case their refund or annuity rights shall be determined as though the Alaska Railroad Retirement Act and the Canal Zone Retirement Act had not been repealed: *Provided*, That there shall be deemed applicable as of July 29, 1942, to such officers and employees of the Panama Canal and the Panama Railroad Company, the provisions of the act of July 30, 1947 (61 Stat. 521), respecting the return of amounts deducted from compensation."

SEC. 6. Section 9 of the act of May 29, 1930, as amended, is further amended by changing the period at the end thereof to a comma and adding the following: "or for any service rendered for the Panama Railroad Company prior to January 1, 1924."

SEC. 7. (a) Except as otherwise provided herein, this act shall take effect as of April 1, 1948.

(b) Section 1 (c) of the act of May 29, 1930, as amended, shall apply as of July 1, 1947, to any person separated from employment within the coverage of the Canal Zone Retirement Act, as amended.

(c) The third paragraph of section 5 of the act of May 29, 1930, as amended, shall apply as of September 8, 1939, to any person who left employment within the coverage of the Alaska Railroad Retirement Act, as amended, or the Canal Zone Retirement Act, as amended, to enter the armed forces of the United States.

(d) The provisions of section 12 (c) of the act of May 29, 1930, as amended, shall apply as of February 28, 1948, in the case of any officer or employee within the coverage of the Alaska Retirement Act, as amended, or the Canal Zone Retirement Act, as amended, who shall have died subsequent to that date.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 3445) was laid on the table.

### AMEND TITLE 28, UNITED STATES CODE, SECTION 90

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to return for immediate consideration to the bill (H. R. 5287) to amend title 28, United States Code, section 90, to ceate a Swainsboro division in the southern district of Georgia, with terms of court to be held at Swainsboro.

The SPEAKER. There was no objection.

The Clerk read the bill as follows:

*Be it enacted, etc.*, That subsection (c) of section 90, title 28, United States Code is hereby amended to read as follows:

"SOUTHERN DISTRICT

"(c) The southern district comprises six divisions.

"(1) The Augusta division comprises the counties of Burke, Columbia, Glascock, Lincoln, McDuffie, Richmond, Taliaferro, Warren, and Wilkes.

"Court for the Augusta division shall be held at Augusta.

"(2) The Dublin division comprises the counties of Dodge, Johnson, Laurens, Montgomery, Telfair, Treutlen, and Wheeler.

"Court for the Dublin division shall be held at Dublin.

"(3) The Savannah division comprises the counties of Bryan, Chatham, Effingham, Evans, Liberty, Screven, and Tattnall.

"Court for the Savannah division shall be held at Savannah.

"(4) The Waycross division comprises the counties of Atkinson, Bacon, Brantley, Charlton, Coffee, Pierce, and Ware.

"Court for the Waycross division shall be held at Waycross.

"(5) The Brunswick division comprises the counties of Appling, Camden, Glynn, Jeff Davis, Long, McIntosh, and Wayne.

"Court for the Brunswick division shall be held at Brunswick.

"(6) The Swainsboro division comprises the counties of Bulloch, Candler, Emanuel, Jefferson, Washington, Jenkins, and Toombs.

"Court for the Swainsboro division shall be held at Swainsboro."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks immediately following the passage of H. R. 2724.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

### PRIVATE CALENDAR

The SPEAKER. This is the day set aside for the call of the Private Calendar. The Clerk will call the first bill on the Private Calendar.

### MABEL H. SLOCUM

The Clerk called the bill (H. R. 1132) for the relief of Mabel H. Slocum.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Civil Service Commission is authorized and directed to pay, out of any money in the civil service retirement and disability fund, to Mabel H. Slocum, of Hyattsville, Md., the widow of Rob R. Slocum, formerly an employee of the United States Department of Agriculture, an annuity equal in amount to the annuity which she would have been entitled to receive had the retirement of the said Rob R. Slocum become effective on January 31, 1944, and had he elected in writing, at the time of such retirement, to receive a reduced annuity payable after his death to said Mabel H. Slocum, as surviving beneficiary.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### CECIL L. HOWELL

The Clerk called the bill (H. R. 1493) for the relief of Cecil L. Howell.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Cecil L. Howell, District of Columbia, the sum of $208.45. Such sum represents reimbursement to the said Cecil L. Howell for repairing, at his own cost, the water line and street in front of his home: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committtee amendment:

Page 1, line 4, strike out "any money in the Treasury not otherwise appropriated" and insert "funds of the District of Columbia,".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LENORA FARWELL FRITZLER

The Clerk called the bill (H. R. 3667) authorizing the Secretary of the Interior to issue a patent in fee to Lenora Farwell Fritzler.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized and directed to issue to Lenora Farwell Fritzler, of Billings, Mont., a patent in fee to the following-described lands on the Crow Indian Reservation, Mont.: The northwest quarter, the west half of the southwest quarter, and the west half of the west half of the southeast quarter in section 35; the west half, and the north half of the northeast quarter of section 26; the north half of the northwest quarter of section 25; the south half of the south half of section 23; and the south half of the southwest quarter of section 24, township 5 south, range 37 east, Montana principal meridian, containing one thousand acres.

With the following committee amendments:

Page 1, line 7, strike out "west" and insert "east."

Page 2, at the end of the bill, insert the following: ": *Provided*, That when the land herein described is offered for sale, the Crow Tribe, or any Indian who is a member of said tribe, shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called the concurrent resolution (S. Con. Res. 21) favoring the suspension of deportation of certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the suspension of deportation in the case of each person hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

[redacted], Acquavella, Antonio.
[redacted], Aiello, Vincent.
[redacted], Aiello, Lucia.
[redacted], Aloia, Salvatore.
[redacted], d'Amonville, Emanuel Marie Joseph Jean Francois.
[redacted], d'Amonville, Christian.
[redacted], Amoruso, Grazia (nee Grazia Pasqua di Bisceglie).
[redacted], Anderson, Asta Emily Regine, or Asta Emilie Andresen (nee Ruud), or Asta Olafsen or Asta Andresson.
[redacted], Assuncao, Manuel Joao.
[redacted], Atha, Miles Milton.
[redacted], Baquera, Ernesto, or Ernesto Vacquera or Ernesto Baquera Lozano.
[redacted], Becerra-Gonzales, Jesus Ceriaco.
[redacted], Becerra-Luna, Maria de la Paz.
[redacted], Bileca, Fanica (nee Shunda).
[redacted], Castaneda, Maria Dolores.
[redacted], Castaneda, Maria del Socorro.
[redacted], Castellanos, Eduardo, or Eduardo Lara-Castellanos aka Eduardo Lopez.
[redacted], Cutaia, Antonio, or Tony Romano or Signor Cortez.
[redacted], Dahl, Albert Guy.
[redacted], De Oliveira Manuel.
[redacted], Didyk, Eugeniusz, or Eugene Didyk.
[redacted], Dimitrakis, Georgias, or Georgias Dimitrios Dimitrakis or George D. Dimitrakis.
[redacted], Dix, Joan Nicolae (alias Ioan Nicolae Dix).
[redacted], Donakis, Angelo, or Evangelos Helidonakis.
[redacted], Effrof, Edla Johanna Karjuner, or Edith Kari (nee Edla Johanna Karjunen) or Edla Johanna Virtanen or Virta or Stream.
[redacted], Embiricos, Leonidas Nicholas.
[redacted], Engvik, Hans.
[redacted], Erdmann, Ernest August (alias Ernst Erdmann).
[redacted], Fraser, Walter Frederick (alias Walter Fraser, alias Walter Frazar).
[redacted], Fuchs, Fannie, or Fay (nee Kalichman).
[redacted], Garza, Santiago.
[redacted], Gerardes, James A., or Demetrios Antoniou Gerardes.
[redacted], Glick, Simon Isaac (alias Simon Gleek or Simon John Gleek).
[redacted], Goldman, Annie.
[redacted], Gonzales, Juanita.
[redacted], Gonzales, Tomas.
[redacted], Gonzales, Rosaura.
[redacted], Guerrero, Gloria Maria (nee Jiminez y Jansen).
[redacted], Gurcke, Werner.
[redacted], Hall, Henry Ellis.
[redacted], Heffron, Pearl (nee Pearl Sheppard, alias Pearl Loftus, alias Pearl Venn).
[redacted], Hiltunen, Muisto Olavi (alias Muisto Olavi Vihko).
[redacted], Hoke, Abdul, or Abdul Hoque.
[redacted], Imperato, Annunziata (nee Brunelli).
[redacted], Isaac, Adolphus, or Sam Dolly.
[redacted], Johnk, William Hans, or Willi Johnk.
[redacted], Kelsey, Alison Mary, formerly Beaton.
[redacted], Kinnersley, Edward; Edward Kinley.
[redacted], Kitchens, Eileen Patricia Camacho, or Ryder or Rider.
[redacted], Kourkoumelis, Gerasimos Andreas.
[redacted], Kozigian, Shenorig (nee Hagopian Shenorig Baboian, alis Siran Kozigian).
[redacted], Kramer, Heinrich Emil, or Henry Kramer.
[redacted], Kwan, Shih Tsun (alias Kwan Shih Tsum or Steve Kwan).
[redacted], Levinoff, Libby, or Libby Lee (nee Libby Feinbrook).
[redacted], Levinoff, Elliott Ross (alias Elliott Ross Lee).
[redacted], Madianitti, Guiseppe (alias Joseph Madianitti).
[redacted], Mahler, Julius Arthur.
[redacted], Marek, Karel Antonio, or Charles Antonio Marek or Karel Marek or Karel Demarchi.
[redacted], Martinez, John Antonio, Juan Martinez; José Antonio Martinez.
[redacted], McKellar, Nettie Banks.
[redacted], Mendoza, Juan.
[redacted], Miah, Babu.
[redacted], Minatos, Magda, or Magda (Magdalena) Bodnar (alias Katzarzyna Hirman).
[redacted], Muehl, George Paul, or George Muhl.
[redacted], Muzumdar, Natverlal Thakordas.
[redacted], Myrovitch, Dina (nee Schwartz) or Dina Myers or Ciubotarin.
[redacted], Myrovitch, Sol, or Myrowitch or Myers.
[redacted], O'Connor, Margaret Blanch, or Margaret Miller (nee Thomas).
[redacted], O'Neill, Ruby Florence (nee Rollins).
[redacted], Papademetriou, Vasiliki (nee Lykomatis).
[redacted], Papageorge, Alexandra, or Alexandra Valasiou Evlogimenou.
[redacted], Pare, Lorenzo Joseph, or Lorenzo Joseph Perry.
[redacted], Pasternak, Sophie, or Sophie Gorzelany or Catherine Gorzelany.
[redacted], Patselas, Jacovos Pantelis, or Jacob Patselas or Jacob Loizos.
[redacted], Pavlinik, Milan, or John Pauer (alias Pavlinic).
[redacted], Pelcic, Nikola.
[redacted], Pereira, Jose Dias, or José or Joe Dias.
[redacted], Peroulas, Demetrious Ioannou (alias Demetrious John Peroulas).
[redacted], Petrolo, Francesco, or Frank.
[redacted], Pisani, Clemente Salvatore (alias Salvatore Pisani or Salvatore Clemente Pisani).
[redacted], Poulsen, Poul Borge (alias Paul Poulsen).
[redacted], Procopis, Vasiliki (nee Vasilike Dountas).
[redacted], Quintana, Benito, or Benito Quintana Seara.
[redacted], Quintana, Enrique.
[redacted], Quintana, Belia.
[redacted], Rahaman, Abdul.
[redacted], Rizzardi, Giovanni Lugi, or John Louis Rizzardi.
[redacted], Roberts, Patrick Francis William, or Mickey Roberts.
[redacted], Roco, Alvaro.
[redacted], Rosa, Jorge Antonio de la.
[redacted], Salina, Isabel Maud (nee Isabel Maud Greenough).
[redacted], Sanseverino, Guiseppe, or Joseph Sanseverino.
[redacted], Scheinbaum, Abraham Louis, or Abe English.
[redacted], Schjenken, Helen, or Nellie Rogers.
[redacted], Schwartz, Edith Mary, or Edith Mary Warry (nee Teams).
[redacted], Scognamiglio, Ciro.
[redacted], Scott, Walter Clarence.
[redacted], Semaria, Charles, or Simaria (alias Sabatai Semaria, alias Januarez Benito or Juan Saurez).
[redacted], Shever, Hanna Weston, or Anna Weston.
[redacted], Shu, Enid Alicia.
[redacted], Siewierski, Michael, or Michael Sedeski.
[redacted], Siewierski, Vera, or Vera Sedeski.
[redacted], Siewierski, Anne Justine aka Sedeski.
[redacted], Siewierski, Angeline Mary Siewierski aka Sedeski.
[redacted], Simm, Arthur Primrose.
[redacted], Sugal, Penina Rita (nee Penina Rita Cohen).
[redacted], Sullivan, Wendy Kay.
[redacted], Tamm, Salme Alice.
[redacted], Tsangaris, Anthony or Antonios.
[redacted], Tschudi, Barbara, or Tschudy (nee Treumpy) or Babette Tschudi.
[redacted], Tursich, Erminio (alias Herman Yursich).
[redacted], Uluh, Tomiz (alias Wasil Ali).
[redacted], Vagianos, Angelos Michael.
[redacted], Valenzuela, Aurelio, or Aurelio Valensuella.
[redacted], Valenzuela, Tiburcio Benjamin, or Benjamin Valenzuela or Benjamin Valensuella or Benjamin Valesuella.
[redacted], Valenzuela, Jesus, or Jesus Valensuella.
[redacted], Vanderweerd, John.
[redacted], Wajntal, Mojzesz (alias Mark Wein).
[redacted], Wing, Laura Mei-Lan Yee.
[redacted], Wong, Lin You, or Lin Yao Huang.
[redacted], Wong, Helen (alias Quong Tung (Tong) Marr or Mah or Helen Marr or Mar).

[redacted], Zamudio-Lemos, Hilario.
[redacted], Zamudio-Soto, Ramon.
[redacted], Zeid, Fanny.
[redacted], Zeid, Max, formerly Zagdenwar.
[redacted], Zetting, Mary Theresa, or Robertson, Robinson, Smith.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called the concurrent resolution (S. Con. Res. 22) favoring the suspension of deportation of certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the suspension of deportation in the case of each person hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

[redacted], Aase, Aksel.
[redacted], Arline, Mary Jean Hartley, or Jean Hartley.
[redacted], Athansiu, George John, or Georgios Athanasiu or Athanasiou.
[redacted], Attard, Emmanuele.
[redacted], Barreiros, Manuel Lopes, or Manuel Lopes.
[redacted], Blackstone, Harry Hyman.
[redacted], Blohme, Christian.
[redacted], Bruck, Charlotte (nee Grosz).
[redacted], Buras, Kyriaki, or Kyreaki or Kyreai Buras or Moskos or Prokopios (nee Panagaki).
[redacted], Canoura, José Davila.
[redacted], Carreon, Juan.
[redacted], Carrillo, Ramira, or Ramiro Carrillo Ceniceros.
[redacted], Astorga, Maria Del Refugio.
[redacted], Cavanna, Santo.
[redacted], Cortis, Maria (nee Papapangiotou, or Maria Athansiou Papapangiotou.
[redacted], Donaghy, Patrick.
[redacted], Collins, Alice Mildred Eileen (nee Copping).
[redacted], Farkas, Stephen.
[redacted], Farkas, Edith (nee Edith Tamasay-Czepan).
[redacted], Franceschi, Sergio Constantino.
[redacted], Geerts, Arjen Johan.
[redacted], Granberg, Oscar Herbert.
[redacted], Gregorio, Giovanni.
[redacted], Guha-Thakurta, Leelabati, or Leela Rodman or Ranu Devi.
[redacted], Gunn, Maria Lok.
[redacted], Hall, Ida Ruth (nee Dorfman).
[redacted], Hansen, Bjarne.
[redacted], Jianakas, Marika (nee Papakostantinu aka Marika Giannakos) (nee Mary Johnson).
[redacted], Johnson, Albert Nathan.
[redacted], Jones, Edgar Robert.
[redacted], Kaminski, Stanley George (alias Stanislaus Wladislaw Kaminski).
[redacted], Lausch, Eduard.
[redacted], Lekas, Alexandra or Alexandra Lekkas (nee Bargi).
[redacted], Lopez-Garcia, Alfredo.
[redacted], Majia, Evangelina.
[redacted], Maletis, Mary, or Mary Maletiou or Maria Pantelis or Maria S. Cholakedes.
[redacted], Marmorato, Pasquale or Patsy.
[redacted], Mary, Dorothy (nee Taylor Simpson).
[redacted], McClave, Mary Agnes (nee Spence).
[redacted], Miettinen, Kaarlo Vilho.
[redacted], Nazaretian, Felice.
[redacted], Newgord, Esther (nee Goldstein), alias Esther Haimovitch, alias Esther Katz.
[redacted], Nimeth, Margaret (nee Margaret Barta), alias Margaret Semon.
[redacted], Olsen, Arnold Emmanuel (alias Arnold E. Olsen).
[redacted], Parsons, Robert Joseph, or Robert Parsons.
[redacted], Perivolaris, Nicolaos or Lignos or Nick Peris or Pares or Nick John Peres.
[redacted], Philpin, Bridget, or Bessie or Bridget Gallagher.
[redacted], Pina, Francisco, or Joao Andrade.
[redacted], Plevritis, Constantine Elias.
[redacted], Provo, Rose Marie, or Mary Margaret French or Margaret Franche.
[redacted], Reifenkugel, Helene, or Helene Bergstraesser.
[redacted], Roberts, Irene, or Irene Gluck.
[redacted], Rodrigues, Joaquim, or Joaquim Rodriguez.
[redacted], Rousku, Terho Otto.
[redacted], San, Wong Siu, or Mrs. Mary Wong, or Wong Shee or Mrs. Chong (Cheung) or Wah Chuen.
[redacted], Scialpi, Luigi, or Louis Scalpi.
[redacted], Sobkowiak, Jan.
[redacted], Spitzer, Blima (nee Hers).
[redacted], Tabah, Jacob (alias Charles Belmonte).
[redacted], Tabah, Esther or Belmonte (nee Mitrani).
[redacted], Hecht, Dora or Donna (nee Tabah), or Belmonte.
[redacted], Tellefsen, Harold Stefanus.
[redacted], Thomopoulos, Demetrios or James, or James Moskos or James Thomas.
[redacted], Tracy, Maria Pacita.
[redacted], Tranoris, Eleftheri Constantinos.
[redacted], Tushinis, Maria.
[redacted], Vafias, Apostolos.
[redacted], Vincencio-Abogado, Antonio, or Antonio Abogado Vicencio.
[redacted], Vlachos, Theodore, or Theodore J. Blahos or Theodoros Vlachos.
[redacted], Weiss, Hilda Edith (nee Billing).
[redacted], Wheeler, Estefania (nee Bondad).
[redacted], Whittle, Robert Albert (formerly Anderson).
[redacted], Wojciech, Thaddeus.
[redacted], Kowalski, Stanley Hubert.
[redacted], Woodman, Flora Eileen Kathrine (nee McDonald).
[redacted], Zarate, Jacoba Petronella (nee Fruin).

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called the concurrent resolution (S. Con. Res. 40) favoring the suspension of deportation of certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Congres favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Buschbell, Hans George Albert or Thomas Bell or Tommy Bell.
[redacted], Elgesem, Olav Asbjorn or Elgesen.
[redacted], Fox, William.
[redacted], Katsimpas, Fokion (alias Fokion Intzes alias Frank Katsimpas).
[redacted], Nilson, Ragnar.
[redacted], Paps, Jan.
[redacted], Sarkiss, Marie (nee Marie Takessian).
[redacted], Chavolla, Jesus.
[redacted], Christie, Lewis George.
[redacted], Costa-Ferrandiz, Ricardo.
[redacted], Gregorio, Jose Gomes.
[redacted], Intartaglia, Michele Antonio.
[redacted], Kugis, Janis Osvalds.
[redacted], McLean, Horace Josiah.
[redacted], Micouleau, Guy Jacques, or Guy Micouleau.
[redacted], Salomonsen, Frede Therp, or Ole Frede Therp Salomonsen.
[redacted], Theodorakis, James, or Dimitrios Michael.
[redacted], Tsitsinopoulos, Roula (nee Harismagoglou formerly Bolla).
[redacted], Andersen, Helge Viggo.
[redacted], Delgado, Manuel, or Manuel Delgado Hernandez.
[redacted], Di Filippo, Attilio Guiseppe. (alias Attilio Guiseppe Difilippo alias Jack Di Filippo alias Di Filippo).
[redacted], Espinoza, Nicolas.
[redacted], Garbin, Stanko.
[redacted], Hamon, Albert Noel.
[redacted], Ignotus-Veigelsberg, Lily, or Lily Ignotus (nee Berenyi).
[redacted], Kamstra, Gerardus Andreas.
[redacted], Lafayette, Benedict Wilberth.
[redacted], Lianopoulos, Georgios, or George Anastase Lianopoulos.
[redacted], Matisons, Dimitrius, or Dimitrius Matisons or Mike Matisons or Mijta Matisons.
[redacted], Mesa, Jesus.
[redacted], Mesa (de) Ysidra Morales, or Ysidra Morales.
[redacted], Mora, Jesus Antonio Beltran, or Jesus Antonio Beltran or Francisco Beltran Mora.
[redacted], Nilsson, Nils Erik Gunnar.
[redacted], Paap, Gijsbertus Eilheimus.
[redacted], Pajaczkowski, Theodore Nikodem.
[redacted], Pang, George (alias Pang Wing).
[redacted], Philipou, Dimitrios (alias James Phillips).
[redacted], Ricaux, Lionel Fernand.
[redacted], Ronning, Kristian Alf.
[redacted], Rosand, Ole Martinsen, or Ole Anskar Martinsen Rosand.
[redacted], Schneider, Abraham, or Abraham Schneider Feldman.
[redacted], Sibilo, Johan Cesar.
[redacted], Tolias, Elias Peter.
[redacted], De Torres, Maria Luisa Palos, or Severa Palos.
[redacted], Drakopoulos, Ioannes, or John Drakopulos.
[redacted], Fook, Cheng, or Tom Fook or Cheng Fu.
[redacted], Friedenbach, Marcus.
[redacted], Herpmann, Eric Alfonse.
[redacted], Jassimides, Georgia (nee Voyadjoglou).
[redacted], Lissauer, Nanette Elisabeth, or Elisabeth Elenbaas.
[redacted], Medina-Uriarte, Francisco.
[redacted], Mooney, Eftychia Toutoulys, or Eftychia Petrou Modinos or Effie Mooney.
[redacted], Nanez, Everardo, or Everardo Nanez-Gallardo.
[redacted], Nanez Mericia, or Mericia Nanez-Ontiveros.
[redacted], Salloum, Hanna Elias (alias John Elias Salloum).
[redacted], Shields, Hazel Winston.
[redacted], Sjogren, Leo Allan.
[redacted], Vakirdsis, Emanuel or Mike Varkis.
[redacted], Vodarek, Anton.
[redacted], Wick, Hjordes Elise Olsen.
[redacted], Blanco, Refugio.
[redacted], Brackies, Elsie Alice Verna (nee Elsie Hupchuk or Elsie Hipkins).
[redacted], Christopher, Norval.
[redacted], Dabbiero, Sara De Honestis Caggiono (nee De Honestis).
[redacted], Harris, Neil Guy Ridgway, or Neill Harris or John Harris.
[redacted], Johnson, Albert.
[redacted], Leushkanoff, Alexander Alexaich.

[redacted], Levin, Floresa.
[redacted], Mears, Wilfred Anthony (alias Willie Mears).
[redacted], Ornest, Saul Stanley.
[redacted], Phipps, Sarah Rebecca.
[redacted], Ramirez, Daniel, Daniel Ramirez Reyes.
[redacted], Ramos-Suarez, Luis, or Luis Ramos-Flores.
[redacted], Rogers, Constancia Viola, or Constancia Viola Robert.
[redacted], Sadez, Olga Genoveva.
[redacted], Salguero-Martinez, Aristeo.
[redacted], Valenzuela, Lino.
[redacted], Westad, Borgild Eugenie Patterson Sheipnes.
[redacted], Collins, Petronella Dorothea (nee Le Roux).
[redacted], Hemmo, Emile, or Haviv Hemmo.
[redacted], Iovine, Marcello.
[redacted], Johnson, Muriel (nee Muriel Bartlett).
[redacted], Pinedo-Valdez, Julian.
[redacted], Terboo, Arend Jan Hendrikus.
[redacted], Torres, Jesus.
[redacted], Torres, de Luz Salinas.
[redacted], Vigini, Giuseppe, or Joseph Vigini.
[redacted], Alatorre, Amado, or Amado De La Torre or Amado Alatorre Munoz.
[redacted], Rabsatt, Ellice, Alexander.
[redacted], Rasbatt, Esridge Minovie (nee Fahie).
[redacted], Spica, Giovanni Rosario, or John Spica.
[redacted], Torres-Espinosa, Fidensio.
[redacted], Torres, Elisia Rojar, or Elisia Rojas De Torres.
[redacted], Van Buren, Arend.
[redacted], Polo, Larry Nicholas, or Larry Mitchell or Frank Wallace.
[redacted], Polo, Rubby Anne.
[redacted], Polo, Soffee Wallace.
[redacted], Salinas, Guadalupe Salinas.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

EDMEA PACHO

The Clerk called the bill (H. R. 1028) to legalize the admission into the United States of Edmea Pacho.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Attorney General is hereby directed to record the entry into the United States of Edmea Pacho at New York, N. Y., on November 5, 1947, as a lawful admission to the United States for permanent residence for the purposes of the immigration and naturalization laws. The Secretary of State shall thereupon reduce by one the immigration quota for Italy for the first year that such quota may be available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM RICHARD GEOFFREY MALPAS

The Clerk called the bill (H. R. 1038) for the relief of William Richard Geoffrey Malpas.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of William Richard Geoffrey Malpas, as of May 2, 1945, the date on which he arrived at the port of San Pedro, Calif. From and after the date of the approval of this act, William Richard Geoffrey Malpas should be deemed to be a lawfully admitted resident of the United States.

With the following committee amendment:

At the end of the bill insert the following: "Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Great Britain."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ETHEL ROTH

The Clerk called the bill (H. R. 1447) for the relief of Ethel Roth.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration laws Ethel Roth, a Hungarian national residing in Canada, shall, upon application at a port of entry into the United States, be admitted for permanent residence as a returning immigrant without an immigration visa, provided she meets all the other requirements of the immigration laws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. SKIO TAKAYAMA HULL

The Clerk called the bill (H. R. 1679) for the relief of Mrs. Skio Takayama Hull.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, notwithstanding any provision of law excluding from admission to the United States persons of races ineligible to citizenship, Mrs. Skio Takayama Hull, Japanese wife of Lovejoy Gordon Hull, a citizen of the United States and a veteran of World War I, shall be admitted to the United States for permanent residence upon application hereafter filed and without presenting an immigration visa or other travel documents, if she is otherwise admissable under the immigration laws. Upon the admission of the said Mrs. Skio Takayama Hull to the United States for permanent residence, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Japanese quota for the first year such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIZABETH AND LAWRENCE WONG

The Clerk called the bill (H. R. 1861) for the relief of Elizabeth and Lawrence Wong.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of State is authorized and directed to cause immigration visas to be issued to Elizabeth Wong, the stepdaughter, and Lawrence Wong, the stepson, of Kwai Lun Wong, an American citizen and a resident of Honolulu, T. H., if they are found by the United States consul to whom application for visas are made to be admissible under the provisions of the Immigration Act of February 5, 1917, as amended (39 Stat. 874). Upon their admission to the United States, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the Chinese quota for the first year such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN B. BOYLE

The Clerk called the bill (H. R. 2602) for the relief of John B. Boyle.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917, John B. Boyle, a native of Canada, may be admitted into the United States for permanent residence if he is found otherwise admissible under the provisions of the immigration laws.

With the following committee amendment:

Page 1, line 4, after "1917," insert "as amended (39 Stat. 875–878; 8 U. S. C. 136)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES W. MILES

The Clerk called the bill (H. R. 2344) for the relief of Charles W. Miles.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is hereby authorized and directed to reimburse Charles W. Miles, of Union City, Tenn., in the sum of $1,000 representing the amount of a fine paid by him upon conviction of contempt of court for which offense he subsequently received a full pardon.

With the following committee amendment:

Page 1, line 4, after the word "to", strike out the remainder of the bill and insert in lieu thereof: "Pay out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to Charles W. Miles, of Union City, Tenn., in full settlement of all claims against the United States as reimbursement of a fine paid by him upon conviction of contempt of court for which offense he subsequently received a full pardon: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time; was read the third time and passed, and a motion to reconsider laid on the table.

C. H. DUTTON CO.

The Clerk called the bill (H. R. 2608) for the relief of C. H. Dutton Co., of Kalamazoo, Mich.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the C. H. Dutton Co., of Kalamazoo, Mich., the sum of $4,200 representing the amount withheld by the

United States from sums otherwise due the above company in order to recover an overpayment made by the United States on contracts Nobs-1188 and Nobs-1414 despite the fact that the same amount had theretofore been recovered as excessive profits under the Renegotiation Act: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. FRANCES M. CARROLL

The Clerk called the bill (H. R. 3618) for the relief of the estate of Mrs. Frances M. Carroll, deceased, and Charles P. Carroll.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $12,500 to the estate of Mrs. Frances M. Carroll, deceased, and to pay the sum of $22,500 to Charles P. Carroll in full settlement of all claims against the United States for the death of the said Mrs. Frances M. Carroll and for personal injuries, medical and hospital expenses, and future expenses sustained by Charles P. Carroll as a result of an accident involving a United States Army vehicle near Giessen, Germany, on November 10, 1948.

With the following committee amendments:

Page 1, line 5, strike out "12,500" and insert "5,000."

Page 1, line 6, strike out "to the estate of Mrs. Frances M. Carroll, deceased" and insert "to the legal guardian of Marcia Moss Carroll, a minor."

Page 1, line 7, strike out "22,500" and insert "14,859.24."

At the end of bill add ": *Provided*, That no part of the amount appropriated in this Act in excess of 10 percentum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "For the relief of the legal guardian of Marcia Moss Carroll, a minor, and Charles P. Carroll."

A motion to reconsider was laid on the table.

HELEN LOUISE OLES

The Clerk called the bill (S. 113) for the relief of Helen Louise Oles.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Helen Louise Oles, of Seattle, Wash., the sum of $5,000, in full satisfaction of her claim, other than for property damages and for medical and hospital expenses, against the United States for compensation for personal injuries suffered and sustained by her as a result of an automobile accident which occurred on October 26, 1943, when the automobile in which she was riding on United States Highway No. 10 in the State of Washington was struck by a tank-trailer being towed by a United States Army vehicle: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR C. JONES

The Clerk called the bill (S. 275) for the relief of Arthur C. Jones.

Mr. POTTER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MRS. GERTRUDE H. WESTAWAY

The Clerk called the bill (S. 322) for the relief of Mrs. Gertrude H. Westaway, legal guardian of Bobby Niles Johnson, a minor.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Gertrude Westaway, legal guardian for Bobby Niles Johnson, a minor, of 522 South Front Street, Wilmington, N. C., the sum of $7,000. The payment of such sum shall be in full settlement of all claims against the United States on account of personal injury sustained by Bobby Niles Johnson as a result of being struck by an Army truck at Front and Ann Streets, Wilmington, N. C., on July 9, 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE KRINOPOLIS

The Clerk called the bill (S. 623) for the relief of George Krinopolis.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George Krinopolis, of Waltham, Mass., the sum of $332.34, in full satisfaction of his claim against the United States for compensation for accrued leave remaining to his credit at the date of his relief from active duty as a first lieutenant in the Marine Corps Reserve.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN W. CRUMPACKER

The Clerk called the bill (S. 1138) for the relief of John W. Crumpacker, commander, United States Navy.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John W. Crumpacker, commander, United States Navy, the sum of $135.60, which sum represents the amount which it would have cost had shipment been made at Government expense of certain of his household effects from Accomac, Va., to Michigan City, Ind., following the evacuation of his dependents from Tutuila, American Samoa, in January 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARION MILLER

The Clerk called the bill (S. 1167) for the relief of the estate of Marion Miller.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim or claims for payment of the amount due the estate of Marion Miller, private, first class, Army of the United States, deceased, incident to his service in the Canadian Army which amount was paid to the United States by the Government of the Dominion of Canada, February 27, 1943, for his credit but which was erroneously paid by a United States finance officer to another individual of a similar name, and to allow in full and final settlement of the claim or claims not to exceed $59.58. There is hereby appropriated out of any money in the Treasury, not otherwise appropriated, the sum of $59.58, or so much thereof as may be necessary, for the payment of such claim or claims: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAYWARD O. BRANDON

The Clerk called the bill (S. 1266) for the relief of Hayward O. Brandon.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MURPHY & WISCHMEYER

The Clerk called the bill (S. 1296) for the relief of Murphy & Wischmeyer.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the firm of Murphy & Wischmeyer, of 911 Locust Street, St. Louis, Mo., the sum of $3,323.90, in full satisfaction of its claim against the United States for increased costs incurred in the performance of its architectural-engineering contract, No. WA-1064, dated January 5, 1942, with the Federal Works Agency, by reason of unavoidable delays on the part of other contractors in the construction and completion of the defense housing project at East Alton, Ill.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. GIOVANNA FOLLO DISCEPOLO

The Clerk called the bill (H. R. 5299) for the relief of Mrs. Giovanna Follo Discepolo and her three children.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That (a) Mrs. Giovanna Follo Discepolo, a natural-born citizen of the United States, born in Bridgeport, Conn., on January 16, 1909, who lost citizenship of the United States by voting in an Italian election in 1946, may be naturalized by taking, prior to 1 year from the enactment of this act, before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 335 of the Nationality Act of 1940, as amended.

(b) From and after naturalization under this act, Mrs. Giovanna Follo Discepolo shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "For the relief of Mrs. Giovanna Follo Discepolo."

A motion to reconsider was laid on the table.

QUITCLAIMING CERTAIN PROPERTY AT ENID, OKLA.

The Clerk called the bill (H. R. 5205) to quitclaim certain property in Enid, Okla., to H. B. Bass.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he hereby is, authorized and directed to make and deliver a quitclaim deed to H. B. Bass in fee simple, insofar as any right, title, and interest of the United States is concerned, in and to certain areas, hereinafter more particularly described, contiguous to the west half of block 7 in Jonesville, an addition to the city of Enid, Okla., which latter property was conveyed by letters patent on March 17, 1947, recorded patent numbered 1121956, by the United States to the trustees of school district No. 57, Enid, Okla., and their successors in interest, pursuant to the act of April 13, 1946, entitled "An act to quiet title to certain school-district property in Enid, Okla." (60 Stat. 88). Said areas are more particularly described as follows, according to the official plat of survey on file in the Bureau of Land Management for the town site of Jonesville, Okla., dated September 2, 1898, to wit: Seventeen feet abutting said west half of block 7 on the east and being the west seventeen feet of the alley in block 7 (vacated by the city of Enid, Okla.); fourteen and one-half feet abutting said west half of block 7 on the north and being the south fourteen and one-half feet of L Street between the west half of block 7 and the west half of block 4 (vacated under the name of Walnut Street by the city of Enid, Okla.); and twelve and one-half feet abutting said west half of block 7 on the south and being the north twelve and one-half feet of K Street between the west half of block 7 and the west half of block fourteen (vacated under the name of Oak Street by the city of Enid, Okla.).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COL. DAVID R. WOLVERTON

The Clerk called the bill (H. R. 588) for the relief of Col. David R. Wolverton, United States Army, retired.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That Col. David R. Wolverton, United States Army, retired, is hereby relieved of any and all alleged indebtedness due the United States as stated, or on account of any transactions referred to, in Certificate of Settlement No. US-15292 issued by the General Accounting Office under date of July 22, 1946, plus interest, or in any other statement of account against the said Colonel Wolverton for or on account of transactions forming the basis of indebtedness growing out of transactions referred to in said settlement of July 22, 1946.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. KATHERINE GEHRINGER

The Clerk called the bill (H. R. 3598) for the relief of Mrs. Katherine Gehringer.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Katherine Gehringer, Egg Harbor City, N. J., the sum of $1,021.45. The payment of such sum shall be in full settlement of all claims of the said Mrs. Katherine Gehringer against the United States on account of personal injuries sustained on August 12, 1940, when she was struck by a Works Progress Administration truck at the intersection of Claudius Street and San Francisco Avenue, Egg Harbor City, N. J.

With the following committee amendments:

Page 1, line 10, strike out "Works Progress" and insert "Work Projects."

Page 2, line 2, after the word "New Jersey", insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALBERT M. LEWIS, JR.

The Clerk called the bill (H. R. 2475) to authorize and direct the Secretary of the Interior to sell to Albert M. Lewis, Jr., certain land in the State of Florida.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior, upon application in writing filed within 6 months after the effective date of this act, is authorized and directed to convey to Albert M. Lewis, Jr., of Panama City, Fla., fractional section 34, township 3 south, range 16 west, Tallahassee meridian, Florida. Such conveyance shall be made upon the payment, within 1 year after the effective date of this act, of a price to be fixed by the Secretary at not less than the fair value, as determined by the Secretary, of the land to be conveyed. The conveyance shall be subject to valid existing rights initiated under the public-land laws and shall contain reservations to the United States of (1) all fissionable source materials, upon the conditions and limitations prescribed by the act of August 1, 1946 (60 Stat. 755), and (2) all oil, gas, and other mineral deposits, together with the right to prospect for, mine, and remove the same under such regulations as the Secretary of the Interior may prescribe.

With the following committee amendments:

Page 1, line 6, after the comma following the word "Florida", insert the following: "that part of."

Page 1, line 8, after the word "Florida", strike out the period, add a comma and the following: "Not to exceed 2½ acres, upon which is situated the house now held by the said Albert M. Lewis, Jr."

Page 2, line 1, strike out the words "shall be subject to valid existing."

Page 2, line 2, strike out the words "rights initiated under the public-land laws and."

Page 2, line 3, at the beginning of the line add "a"; strike out the letter "s" from the word "reservations" and also strike out the last three words, "all fissionable source."

Page 2, line 4, strike out the entire line.

Page 2, line 5, strike out the following: "the act of August 1, 1946 (60 Stat. 755), and (2)."

Page 2, line 7, after the word "under", add the following: "applicable laws and."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM D. NORRIS

The Clerk called the bill (S. 40) for the relief of William D. Norris.

Mr. POTTER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

JULIA BUSCH

The Clerk called the bill (H. R. 660) for the relief of Julia Busch.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. DOLLIVER]?

There was no objection.

CURTIS R. ENOS

The Clerk called the bill (H. R. 734) for the relief of Curtis R. Enos.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of Texas to hear, determine, and render judgment upon, notwithstanding the lapse of time or any provision of law to the contrary, the claim of Curtis R. Enos against the United States, for title and possession of that certain tract or parcel of land in Houston County, Tex., described as "Tract K1q" in deed from Houston County Timber Co. to the United States of America, dated July 1, 1935, and recorded in volume 172, pages 1 and the following, of the Deed Records of Houston County, Tex., said tract being out of and a part of the R. S. Patton Survey, Abstract No. 805, in Houston County, Tex., and being more particularly described as follows:

Beginning at corner 1 within the R. S. Patton Survey identical with the northwest corner of the Alcy Moore 13-acre tract and the east corner of the Dave Franklin et al. tract a 1¾-inch iron axle for corner from which a 10-inch hickory marked X bears north 40 degrees east 0.31 chain distant, from this corner the fourth corner of the Maria J. Sanchez Survey, dated August 15, 1835, bears north 43 degrees 30 minutes west exactly 49 chains distance; thence south 7 degrees 30 minutes east with the lands of Alcy Moore, 18.40 chains to corner 2, the southwest corner of the Alcy Moore 13-acre tract and a northwest corner of the S. M. Holcomb land, a stake in an old road, witnessed by old bearing trees; a double pine snag marked X bears south 46 degrees east 0.24 chain distance and a 16-inch pine marked X bears south 73 degrees west 0.28 chain distant; thence south 10 degrees 30 minutes east with the lands of S. M. Holcomb 25.50 chains to corner 3 a marked tree known as a water elm or ironwood for corner, witnessed by marked bearing trees on the left bank of Hickory Creek; thence westerly up and with the meanders of Hickory Creek common to the lands of S. M. Holcomb, exactly 72 chains to corner 4 a stake on the left bank of Hickory Creek, witnessed by marked bearing trees; thence north 1 degree 30 minutes west with the lands of Ned Franklin and in part with the lands of Dave Franklin et al. common to the R. S. Patton Survey and the Francis B. Conner Survey dated March 14, 1835, 27.90 chains to corner 5, a stake witnessed by two pine bearing trees; thence north 59 degrees east with the lands of Dave Franklin et al. within the R. S. Patton Survey 28.70 chains to the place of beginning, containing 89 acres of land, more or less; and the United States District Court for the Eastern District of Texas, Tyler Division, is hereby given jurisdiction to hear and determine such cause; and, in case such suit be filed, service of citation or any other necessary processes shall be had upon the United States district attorney for said district, who shall file an answer and defend said suit; such service shall have the same force and effect as made and provided in civil actions, and the laws and rules governing the trial of civil actions in the United States district courts shall apply to the trial of all matters involved in said suit, and either of the parties shall have the right of appeal; and should the said Curtis R. Enos die prior to the filing of such suit or after said suit is filed but prior to final judgment therein his said cause of action and the right to prosecute the same shall survive and pass to his heirs.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAZEL L. GILES

The Clerk called the bill (H. R. 1105) for the relief of Hazel L. Giles.

Mr. POTTER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. POTTER]?

There was no objection.

MITSUO HIGA

The Clerk called the bill (H. R. 1864) for the relief of the legal guardian of Mitsuo Higa, a minor.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,247.10 to the legal guardian of Mitsuo Higa, a minor, of Waiaku, Hilo, T. H., in full settlement of all claims against the United States for personal injuries, hospital and medical expenses for Mitsuo Higa sustained as the result of an explosion of a detonator, on December 21, 1944, which had been left by forces of the United States Marine Corps: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, after the word "Hawaii", insert "$5,000."

Page 1, line 7, after the word "Hawaii" insert "and the sum of "$247.10 to Hilo Sugar Co."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the legal guardian of Mitsuo Higa, a minor, and Hilo Sugar Co."

A motion to reconsider was laid on the table.

JACK McCOLLUM

The Clerk called the bill (H. R. 2091) for the relief of Jack McCollum.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jack McCollum, of Van Alstyne, Tex., the sum of $5,995. The payment of such sum shall be in full settlement of all claims of the said Jack McCollum against the United States for personal injuries (including pain and suffering) and loss of earnings sustained by him as a result of a collision on June 12, 1944, between the taxicab in which he was a passenger and an Army truck at the intersection of Perrin Field Road and North Travis Street Road, near Perrin Field, Sherman, Tex. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF W. M. WEST

The Clerk called the bill (H. R. 2239) for the relief of the estate of W. M. West.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to the estate of W. M. West, deceased, of Lake City, Tenn. The payment of such sum shall be in full settlement of all claims against the United States arising out of the death of the said W. M. West on October 19, 1938, when he was struck by a Civilian Conservation Corps truck about 1 mile from Lake City, Tenn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$10,000" and insert "$4,185.90."

Page 1, line 6, after the name "Tennessee", strike out "The payment of such sum shall be in full settlement of all claims against the United States arising out of the death of the said W. M. West on October 19, 1938, when he was struck by a Civilian Conservation Corps truck about 1 mile from Lake City, Tenn.," and insert in lieu thereof ", in full settlement of all claims against the United States arising out of the death of the said W. M. West on October 20, 1938, from personal injuries sustained by him on October 19, 1938, when he was struck by a Civilian Conservation Corps truck about 1 mile from Lake City, Tenn."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called Senate Concurrent Resolution 23, favoring the suspension of deportation of certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the suspension of deportation in the case of each person hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Abrahamsen, Arne.
[redacted], Acriche, Leo Abravanel or Leon Acriche.
[redacted], Aguallo, Ofelia, or Ofelia Aguavo.
[redacted], Ahmed, Mustafa Ali (alias Mustafa Ali Achmed).
[redacted], Alter, Mollie (nee Malke Rubinstein).
[redacted], Aman, Eigene Vites.
[redacted], Amanatides, Erasmia, or Erasmia Sonikides.
[redacted], Anderson, Albert Lorenzo.
[redacted], Anjewierden, Dirk.
[redacted], Aranda, Miguel Angel, or Miguel Aranda or Miguel Aranda-Tarango.
[redacted], Arnoso, Louis Varela.
[redacted], Asher, Vivian Catherine (nee Jones).
[redacted], Atkinson, Stanley Reid.
[redacted], Augustinius, Jose Herman.
[redacted], Back, Erik Nestor Ernfried.
[redacted], Bain, Zacharias, or Zechariah Bain (alias Zachirihi Bain alias Zacirihi Bain).
[redacted], Bank, John.
[redacted], Baptiste, Emma Josefina (nee Lujan Molina).
[redacted], Baur, Ludwig, or Ludwig Bauer.
[redacted], Bechara, Joseph Charles, or Joseph Bechara or Joseph Charles.
[redacted], Beckford, Percival.
[redacted], Bernier, Ann Claudine (nee De Freitas).
[redacted], Betz Fred August, or Friederich August Betz or Frederick August Betz or Fred Betz.
[redacted], Bin, Anita (nee Toppazinni).
[redacted], Blom, Jan Leendert.
[redacted], Boffa, Luciano.
[redacted], Bould, James.
[redacted], Bousses, Nicolaos Stamatiou.
[redacted], Bradley, John Hubert.
[redacted], Brandon, Bertha Emily (nee Field).
[redacted], Burrows, John James (alias Jack Burrows).
[redacted], Campbell, Alexander.
[redacted], Candelora, Francesca (nee Zaffino).
[redacted], Castro, Mercedes, formerly Mercedes Alvarez (nee Mercedes Figueroa).
[redacted], Chang, Mo Poon.
[redacted], Chang, Teresa Alay.
[redacted], Chaves, Faustino, or Faustino Chavis or Faustino Chavez or Faustino Chávis Murillo.
[redacted], Chinn, Yue Gim, or Gee Yen Gim or Yem Gim Gee or Yue Gim Gee or Yu Gim Chin.
[redacted], Cohen, Moe Martin.
[redacted], Cohen, Sarah Iroff (alias Sarah Iroff alias Sally Epstein).
[redacted], Coltras, Marica.
[redacted], Contreras, Jose, or Jose Almanza Contreras.
[redacted], Corrao, Carlo.
[redacted], Cox, Silveria Pana.
[redacted], Cragg, George Robert.
[redacted], Cremades, Miguel (alias Miguel Cremades Villarroya alias Mike Valencia).
[redacted], Cucksey, Anna Krebs, or Nita Krebs.
[redacted], Daniels, Jean Rene (alias Jean Rene Francois Daniels or Gaston Carle).
[redacted], Darkovich, Peter Stoiche.
[redacted], Davis, Gladys Ovilda Gladys, or Gladys Ovilda Georges.
[redacted], Dedis, Pantelis John.
[redacted], De Flores, Reyes Valenzuela, or Reyes Valenzuela or Reyes Valenzuela Flores.
[redacted], De Hernandez, Josefa Torres, or Josefa Torres.
[redacted], Delgado, Jesus Maria.
[redacted], De Llaverias, Maria Catalina (nee Evertsz).
[redacted], De Lucero, Manuela Avina, or Manuela Avina.
[redacted], De Luzuriaga, Enrique Ruiz.
[redacted], Luzuriaga, Evelyne Patricia.
[redacted], Luzuriaga, Eugenio.
[redacted], Deneau, Harold Edward.
[redacted], De Saine, Adeline (nee Simpson).
[redacted], Di Gregorio, Paola or Pauline (nee Onorato).
[redacted], Domenighini, Albert, or Aurelio Domenighini.
[redacted], Domosiaris, Kalliopi.
[redacted], Domosiaris, Konstantinos or Constaninos.
[redacted], Dos Santos, Joaquim Antonio.
[redacted], Doush, Joseph Harry.
[redacted], Doyle, Paulette Marie (nee Briand).
[redacted], Dumitrescu, Radu.
[redacted], Duncan, Yeta, Rosemburz or Jetta Rosemburz De Mojica or Yeta Rosemburz De Mojica or Yeta Rosemburz.
[redacted], Duncanson, Wentworth Eustace.
[redacted], Erdos, Vincent or Vince.
[redacted], Eriksen, Magne, or Magne Taranger or Magne Taranger Eriksen.
[redacted], Ertman, Einar Leopold Konstantin.
[redacted], Ertman, Ellen Alice (nee Seppanen or Elli Alisa).
[redacted], Escudero-Pascual, Nichols, or Nicholas Ecudero.
[redacted], Fagervik, Carl Ingvald.
[redacted], Fantasia, Salvatore.
[redacted], Fantin, Teresa (nee Teresa Pagura).
[redacted], Fazio, Pietro (alias Peter Fazio).
[redacted], Fein, Anna (nee Ana Fishman).
[redacted], Fisch, Meschulim, or Manny Fisher.
[redacted], Flores, Angelina Nieto, or Angelina Nieto.
[redacted], Flores, Eliseo, or Raphael Trejo.
[redacted], Ford, Thomas Francis.
[redacted], Fotenos, Stamatios (alias Steve Fotenos).
[redacted], Fragakis, Stavros Georgiou.
[redacted], Fuentes, Domingo.
[redacted], Galindo, Maria Teresa.
[redacted], Gansz, Elisabeth Anna Helene or Elizabeth or Elibabeth Gansz (nee Scholz).
[redacted], Gargiulo, Philippo or Philip.
[redacted], Geffke, Fritz Herbert.
[redacted], Gialourakos, Nicholas John (alias Nicolaus Yialourakos or Nick Gialourakos).
[redacted], Gittins, Alvin Loraine (alias Charles Gittens).
[redacted], Gittins, Gwendolen Mary Ellis.
[redacted], Gloor, Theresa, or Theresa Koller (nee Schneider).
[redacted], Gomes, Raul Fonseca.
[redacted], Gonzalez, Pedro Arambula (alias Pedro Arambula alias Pedro Gonzales alias Pedro Arambula Gonsalez alias Pedro A. Gonzalez).
[redacted], Goodstein, Stella, or Stella Zweig (nee Esther Akselrad).
[redacted], Goudsmit, Jeannette, or Jeannette Smith.
[redacted], Graeber, Adolf Paul, or Adolf Graeber.
[redacted], Grant, Frank.
[redacted], Greaves, Gayle Louise, or Gayle Louise Schluter.
[redacted], Gripaios, Mabel (nee Birch).
[redacted], Hanvey, Evelyn Maria.
[redacted], Haroutunian, Constance or Knarig Gazarosian or Knarig Keyaian or Connie Haroutunian.
[redacted], Harrigan, Alice Mabel (nee Dickson).
[redacted], Hermann, Liba Pourova.
[redacted], Hernandez, Mario Perez (alias Mario Hernandez alias John Luis Perez Hernandez).
[redacted], Holness, Gloriana.
[redacted], Holscher, Anton Karl.
[redacted], Hoogestraat, Herman Johann.
[redacted], Hopfeld, Heyneman Herman.
[redacted], Horn, Elmer Harry, or Elmar A. Horn.
[redacted], Hsiang, Tso Ming, or Hisang Tso Ming.
[redacted], Hsiang, Lan Ying Hsu (nee Lan Ying or Lan Ying Hsu).
[redacted], Huang, I-Chen, or Huang I-Chen or Chen Huang or Huang Chen.
[redacted], Iriarte, Blancamadruga.
[redacted], Janiszewski, Zofia, or Zofia Mizera.
[redacted], Jimenez (de), Esperanza Margarita Moreno, or Esperanza Margarita Jimenez Moreno.
[redacted], John, Renee (nee Wan Lai Wong or Lai Wan Wong).
[redacted], Johnsen, Arnst Henry, or Arnest Johnsen.
[redacted], Jones, Sheldon William.
[redacted], Kaniel, Alte Feiga Rivka (nee Kaplan).
[redacted], Karaffa, Joseph.
[redacted], Karsch, Gustav Adolf.
[redacted], Karusis, Constantinos, or Gust A. Karousis or Constantinos Caroussis.
[redacted], Katsohi, Vasilike (nee Hassope or Hassopis).
[redacted], Ke, I-Djen Ho.
[redacted], Ke, Ting Su.
[redacted], Keating, John Stanley.
[redacted], Kelly, Randi Erna Eleanor (nee Nagell).
[redacted], Kingshott, John Horace Frederick Walter, or John Kingshott.
[redacted], Kiss, Louis.
[redacted], Kiss, Mary Josephine (nee Kun).
[redacted], Klampfer, Alois, or Louis or Alois Ibitz.
[redacted], Kornoff, Mary Dobrinin, or Mary Dobrinin.
[redacted], Kraij, Gjuro Nikola (alias George Kralj).
[redacted], Krivec, Mike or Michael.
[redacted], Laakso, Jalmar Kustaa, or Gust or Gus Laakso.
[redacted], Leandro, Constantino.
[redacted], Lee, Ellen Sun (nee Ai-Ling Sun).
[redacted], Lehman, Ludwig.
[redacted], Lema, Mary Juliana, or Meeri Juliana Lema (nee Lundull).
[redacted], Lu, Rosabel (nee Hsu).
[redacted], Lynch, James Patrick.
[redacted], Manguso, Guido (alias Guido Mancuso).
[redacted], Manolakakis, Theodoros Emanuel, or Theodore Emanuel Manolakakis or Theodore Antone Emanuel.
[redacted], Mantione, Rosario (alias Loverdi, Antonio, alias Colodio Senna alias Antonio Laverde).
[redacted], Marmarinos, Grigorios John, or Grigorios (Gregory) John Marmarinos.
[redacted], Marmoratos, Gregorio Domenico, or Gregorio Marmorato.
[redacted], Martinez, Ceferino, or Ceferino Martinez Garcia.
[redacted], Mayr, Henry, or Ferdinand Mayr.
[redacted], Mazelow, Lillian (alias Lily Mazelow, nee Kaplan).
[redacted], Mazelow, William.
[redacted], McCallum, Elsa.
[redacted], Melis, Isidoros (alias Sederis Melis or Mellis).

[redacted], Meraz, Jose, or Jose Meraz Andrade or Manuel Garcia or Jose Mirass or Jose Miras.
[redacted], Meza, Esiquio (alias Exequiel Meza).
[redacted], Mihalka, Artur, or Arthur M. Maroth.
[redacted], Milici, Joseph Catanese, or Charles Martin.
[redacted], Moeller, Rudolph Christian.
[redacted], Friederichs, Agnes, formerly Agnes Friederichs Kniffke.
[redacted], Molina, Margarita.
[redacted], Molina, Delia.
[redacted], Molina, Graciela.
[redacted], Molina, Heriberto.
[redacted], Moller, Paul Theodor, or Paul Moller or Paul Miller.
[redacted], Montion, Juanita (alias Juanita Lozano or Gomez).
[redacted], Moore, Mary Margaret (nee Wilton, formerly Stevens).
[redacted], Mora(y), Manuel Ramon Garcia.
[redacted], Moser, Peter.
[redacted], Naftis, Matheos George (alias Mathaios Georgios Naftis).
[redacted], Nagel, Erwin.
[redacted], Nicola, Primo.
[redacted], Nieves, Delia (nee Delia Francisca Gonzalez Trigola or Delia Gonzalez y Pugula).
[redacted], Nielsen, Svend Aage.
[redacted], Niemeyer, Elzo, or Dick Niemeyer or Dick Van Hall.
[redacted], Onga, John Rodica, or Severino Rodica.
[redacted], Orshingher, Umberto Vittorio (alias Umberto Victorio Orsingher).
[redacted], Pamphilis, Isabella (nee Mougannis).
[redacted], Panariello, Pietro.
[redacted], Pantring, Otto Wilhelm.
[redacted], Pappou, Asthanasios (alias Athas Pappou or Athos Papou).
[redacted], Pavlis, Apostolos Paraskevas, or Charles P. Pavlis.
[redacted], Paykou, Alexandra nee Galiuri; Kallis.
[redacted], Perez, Eduardo.
[redacted], Petroutsa, Eleftherios Panayiotou, or Edward Panayioutou Petroutsa.
[redacted], Philippen, Peter Joseph.
[redacted], Pinto, Jacinto, or Jacinto Pinto Riquerme or Victorino or Francinto Pinto.
[redacted], Polatos, Vasilios, or William Polatos or Polatos.
[redacted], Press, Doris, or Dora nee Herscovitch or Doris or Dora Hearst.
[redacted], Quintana-Lopez, Angel, or Antonio Lopez Chintana.
[redacted], Rade, John Paul.
[redacted], Raptou, Eleftheria Apostolou (nee Economidis).
[redacted], Rasch, Heinz.
[redacted], Redo, Waclaw.
[redacted], Reichelt, Martha Luise.
[redacted], Reiswig, Elsie Ruth, or Elsie Ruth Kukert.
[redacted], Reiter, John, or Johann Reiter.
[redacted], Resch, Walter.
[redacted], Rieger, Ingrid.
[redacted], Rios-Cardoza, Carmen (alias Carmen Cardoza Rios).
[redacted], Rios-Cuellar, Herminio (alias Herminio or Herman Guellar Rios).
[redacted], Rios-Cuellar, Juana (alias Juana or Jenny Cuellar Rios).
[redacted], Robb, Elvira (nee Camara).
[redacted], Rodriguez, Jesus, or Jesus Rodriguez-Hernandez.
[redacted], Roeben, Richard Arthur Frederick, or Richard Fred Roeben or Rosen.
[redacted], Rolla, Felice Francesco.
[redacted], Rollins, John.
[redacted], Rotondo, Giovanni or John.
[redacted], Rueda, William Henry, or Guillermo Enrique Rueda.
[redacted], Rueda, Ana Maria.
[redacted], Rueger, Oscar, or Oskar Ruger.
[redacted], Sacorafas, Athanasia Constantinau (nee Kapnia).
[redacted], Salmivaara, Laina Martha Maria, or Martha Lake.
[redacted], Samuels, Armon, or Herman Murdock.
[redacted], Schilling, Franz Xaver.
[redacted], Schou, Svend Aage.
[redacted], Scombulis Panagiotis Georgian, or Peter Scombul or Panagiotis G. Scombulis.
[redacted], Sejfer, David, or David Seefer or David Seifer Y Kiply or Kipin (alias David Sobol).
[redacted], Shaik, Mohammed Ismail, or Batir Uddin (Udding).
[redacted], Shannon, William Antonio or Conton.
[redacted], Shemroy, Margaret.
[redacted], Sjoberg, Arne Leonard Ivar, or Arne Sjoberg or Arne Leonard Sjoberg.
[redacted], Small, Richard John.
[redacted], Snodgrass, Aurelia (nee Aquino).
[redacted], Sodergard, Lars Verner Aaron.
[redacted], Sonneville, Wilhelmus Johannes.
[redacted], Sotter, Despina, or Despina Soteriou.
[redacted], Stathopoulos, George Constantine (alias George C. Stathis).
[redacted], Stamatopoulos, Panagiotes George, or Peter G. Stamos.
[redacted], Stefanopoulos, Alexandra (nee Zervos).
[redacted], Svenson, Sven Bertil, or Sven Bertil or Bertil Svenson.
[redacted], Tachman, Louis, or Louis Leib.
[redacted], Tarwarter, Ruth Lucille (nee Ruth Lucille Burns).
[redacted], Thompson, Jane Kennedy Orr or Jean.
[redacted], Tonseth, Einar Gerhard.
[redacted], Traikoff, George Atanas, or George A. Traikoff.
[redacted], Tromblay, Brigida Colango.
[redacted], Valensuela-Rivera, Nicolas.
[redacted], Vanterpool, Othelia Zephera, or Othelia Zephera Maddox.
[redacted], Vidana, Jose.
[redacted], Villeneuve, Eleanor Rose (nee Perrin).
[redacted], Vlattas, Philip Leonidas, or Philipas Vlattas.
[redacted], Vrahatis, John Leonidas.
[redacted], Vukmanovich, Dusan (alias Ban Bukas).
[redacted], Warmbold, Helen Martha, or Helen Martha Winkler, Helen Altman, Helen Martha Heckendorf.
[redacted], Wasmer, Joseph.
[redacted], Watson, Raymond.
[redacted], Wilkins, Ivan King.
[redacted], Wojcicki, Stanislaw.
[redacted], Yarbrough, Vera Petrovna (nee Vera Petrovna Shebleva).
[redacted], Zaffino, Joseph or Giuseppe.
[redacted], Zaffino, Raffaela Maria (nee Mannella).
[redacted], Zane, Irene Hsu (nee Irene Kingman Hsu).
[redacted], Zanotelli, Giuditta Mengoni.
[redacted], Zavala, Pedro Reyes, or Pedro Zavala-Reyes.
[redacted], Ziccardi, Kay (nee Neamonitis or Katina Neamonitis or Papalambro or Pappalombris or Pappalombro).
[redacted], Zuluaga, Angel (alias Angel Zuluaga Bidasolo).

With the following committee amendments:

On page 2, line 11, strike out the registration number and the name "[redacted], Back, Erik Nestor Ernfried."

On page 9, line 13, strike out the registration number and the name "[redacted], Lynch, James Patrick."

The committee amendments were agreed to.

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called Senate Concurrent Resolution 24, favoring the suspension of deportation of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*. That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Adamiszyn, Mary (nee Grazio Maria Mitola alias Mitale).
[redacted], Ali, Wahed Mohamed, or Mohamed Ali or Wahed or Wohaed Ali.
[redacted], Amezcua, Guadalupe, or Guadalupe Chavez De Samaniego.
[redacted], Andavazo, Felix.
[redacted], Andresen, Hans Kristian.
[redacted], Arabanos, Georgia.
[redacted], Arena, Francesco.
[redacted], Avalos, Tomasa, or Tomasa Avalos de Urquiza.
[redacted], Balletti, Cecelia Margaret (nee de Cruz).
[redacted], Bardi, Massimo, or Sam Bardi.
[redacted], Bevilacqua, Anna (nee Maldera).
[redacted], Breslin, Pacita Blanch (nee Pacita Mercedes Blanch).
[redacted], Bryant, Lila Rachael (nee Weingarten or Hays).
[redacted], Burghen, Anna Maria (nee Andrews).
[redacted], Cabrales-Flores, Rafael.
[redacted], Cocolis, Gerassimos Demetrios.
[redacted], Cusenza, Violet Matilde (alias Violetta Matilde Bileci).
[redacted], Da Silva, Vincente St. Aubyn (alias Vincent Da Silva).
[redacted], De Chaides, Olga Encinas, or Olga Encinas or Olga Encinas De Chairez.
[redacted], De Guzman, Manuel Fenix.
[redacted], De Guzman, Nancy Schaefer.
[redacted], De Guzman, Lillian Schaefer.
[redacted], De Marquez, Josefa Aguilar (VDA) (alias Josefa Aguilar De Marquez alias Josefa Aguilar).
[redacted], Demidovich, Mike or Michailo, or Michail Dimidovich.
[redacted], Eney, Richard John, or Chiang Sheng Dai.
[redacted], Ernest, Jean, or Jan Gluckman or Glicman.
[redacted], Fantuz, Richard Joseph, or Richardo Joseph Fantuz.
[redacted], Fung, Shiu Fine, or Shiu John Fung or Shiu John.
[redacted], Giessler, Otto Alwin, or Otto Giessler.
[redacted], Gonzalez, Maria Del Carmen Uribe Echevarria.
[redacted], Gonzales, Heladio.
[redacted], Gonzalez, Miguel.
[redacted], Gonzales, Ruben.
[redacted], Gonzales, Simon, or Simon Gonzales-Villanueva.
[redacted], Mendiola, Paula, or Pauld Mendiola de Gonzales or Pauline Mendiola.
[redacted], Gronwoldt, Walter George.
[redacted], Haberer, Florentina, or Florentina Nuguid.
[redacted], Hadjipetros, Sotirios, or Sordi or Steve Hadjipetros.
[redacted], Haller, Gottlieb Heinrich Gustav, or Gustav Haller.
[redacted], Hamilton, Anna (nee Buczma).
[redacted], Hamm, Juliana Rodil.
[redacted], Haro, Jose Ysabel Flores (alias Jose Flores).
[redacted], Hernandez, Benigno.
[redacted], Hernandez, Francisco.
[redacted], Hernandez, Francisco.
[redacted], Hernandez, Norberto Roberto (alias Norberto Hernandez alias Roberto Hernandez alias Robert Hernandez).

[redacted], Hernandez, Roberto.
[redacted], Holsman, Marta Hugentobler (nee Marta Hugentobler).
[redacted], Hoon, Chan Ngon (alias Mrs. Davis Owyang).
[redacted], Hoyer, Kurt Emil.
[redacted], Hunt, Henry.
[redacted], Hyatt, Lewis.
[redacted], Ichak, Ali, or Ichak Ali.
[redacted], Illich, Yova, or John Illich.
[redacted], Jacob, Sandor, or Alexander Jacob or Jacobs.
[redacted], Joeng, Soe Siong, or Su Siong Jung.
[redacted], Joyner, William Harry.
[redacted], Karavolos, Stephanos Theodore.
[redacted], Kennett, Eunice Lorraine (nee Hultgreen).
[redacted], Kent, Walter.
[redacted], Khan, Aziz.
[redacted], Klevers, Eric Joseph, or Erich Klevers.
[redacted], Knowlton, Jessie Marie (alias Jessie Marie Aspden nee Lawrence).
[redacted], Koludrovich, Vladimir Ludovicco.
[redacted], Laggan, Catherine Feeney.
[redacted], Lazarich, Mirko.
[redacted], Leon, Josephine (alias Josephine Leon Vicochea or Dicochea alias Josephine Garcia).
[redacted], Liddicoat, Harold Raymond.
[redacted], Lombardo, Francesco.
[redacted], Lopez, Luis, or Louis Lopez or Luis Lopez Garcia.
[redacted], Lopez-Cabrera, Ezequiel.
[redacted], Loucas, George Anthony (alias Georgios Antonios Loucas).
[redacted], Madonna, Giuseppe (alias Giuseppe Clemente).
[redacted], Magner, James Thomas.
[redacted], Mancini, Adelio.
[redacted], Mandel, Margaret Fanny (alias Margaret Sanders or Margaret Schoene or Margaret Barozzi).
[redacted], Masu, John (alias Giovanni Masu).
[redacted], De Mendoza, Marcelina Rivera.
[redacted], Menzies, Colin John.
[redacted], Miller, Fred, or Frederic Moller or Friedrich Karl Ernst Moller.
[redacted], Mi-Loffe, Eric Goffe.
[redacted], Mitola, Antonio, or Anthony Patrick Mitola.
[redacted], Mitola, Maria Rosa, or Rose Mitola (nee Del Vecchio).
[redacted], Monte, Caroline, or Caroline Demallos (nee Caroline Lannutti).
[redacted], Monterrubio, Bienvenida (nee Bienvenida Vasquez Tirado).
[redacted], Montes-Lopez, Andres, or Andres Montes.
[redacted], Morales, Maria de Jesus, or Mary Morales.
[redacted], Morden, Sarra, or Sarra Mesh.
[redacted], Mueller, Hans Heinrich Alfred.
[redacted], Mueller, John Hans, or Hans Otto Eugen Mueller or Hans Mueller.
[redacted], Naef, Emil Joseph.
[redacted], Ngai Shun Him.
[redacted], Ngai, Siu Kum.
[redacted], O'Donnell, Francis Albert, or Frank Albert O'Donnell or "Inky."
[redacted], Olivieri, Anthony (Antonio) (alias Francesco Porro).
[redacted], Ossin, Sarah (alias Sarah Kovtun Ossin).
[redacted], Osterlund, Holger Torvald.
[redacted], Palomba, Giovanni, or Palombo (alias John Palombo).
[redacted], Palomino, Julian, or Julian Palomino Quinones.
[redacted], Parenteau, Narcisse (alias Joseph Exidas Narcisse Parenteau).
[redacted], Pasatiempo, Remedios Navarra.
[redacted], Pera, Anna.
[redacted], Pericharos, Christos (alias Christ Pericharos).
[redacted], Pick, Charles Robert.
[redacted], Pitsiladis, Efstratios, or Charles Peterson or Charles Pitsiladis.
[redacted], Porvari, Olavi Veli.
[redacted], Ramos, Juan Jose, or John Joe Ramos (alias Jose Aguilar).
[redacted], Rodriguez, Sabino, or Sabino Lozoya or Sabino Rodriguez Lozoya.
[redacted], Rogga, John, or John Rouga.
[redacted], Romej, Jan Ludwik, or John Ludwik Romej.
[redacted], Rost, Harry (alias Harry Hyman Rashback).
[redacted], Sabbe, Margaret Marie (alias Margaret Marie Rosselle or Margaret Marie Billiet).
[redacted], Sainz-Gutierrez, Santiago.
[redacted], Sallin, Catherine.
[redacted], Samuels, Jensena Irene.
[redacted], Santoro, Emilia (alias Emilia Zanone).
[redacted], Sarkaissian, George (alias George Sarkisian alias Hachig or Hatchig Sarkissian or Sarkisian).
[redacted], Sharkey, Mary Jane (nee Mary Jane Ramsey).
[redacted], Silbert, Mary (nee Finegood).
[redacted], Silva, Manuel Y. Cruces, or Manuel Silva.
[redacted], Simmons, Pearl Salud (nee Tibig).
[redacted], Singh, Mahadeo Javert Rampersaud.
[redacted], Sokolow, Sol, or Zyskind Sokolow or Sokol or Zyskind Sokolow, or Janowicz or Janowitz or Yanowicz.
[redacted], Speis, Stelios Napoleon, or Steve Napoleon Speis.
[redacted], Sporup, John Soren Nielsen, or John Nielsen.
[redacted], Soroosh, Gholam Hossein.
[redacted], Soulvie, Gertrud Mae, or Selweh (nee French alias Schultz).
[redacted], Sousa, Mary Agnes.
[redacted], Squires, Elizabeth Oonagh (alias Elizabeth Perdue).
[redacted], Squires, Penelope Oonagh (alias Penelope Perdue).
[redacted], Stamatiades, Nefelia (nee Valasi).
[redacted], St. Hilaire, Melvin, or Melville or Joe St. Hilaire.
[redacted], Taylor, Beth (alias Beth Engeisen).
[redacted], Thederahn, Walter Herman, or Walter Smith or Schmidt.
[redacted], Uusmaa, Vladimer (alias Vladimer Vel Uusmaa).
[redacted], Valencia, Baudelio (alias Baudelica Valencia Gonzaliz).
[redacted], Wang, James Shu Woo, or Wang Shu Woo, or James Wang.
[redacted], Wands, Laraine Fay, or Loraine Fay Wands.
[redacted], Whitaker, Laura Myrtle (nee Owen).
[redacted], Williamson, Williamina, or Mina Williamson.
[redacted], Wolinsky, Abraham.
[redacted], Wright, Graham Patrick.
[redacted], Zakrzewski, Genowefa, or Genowefa Szczepanska.
[redacted], Zakrzewski, Jadwiga.
[redacted], Zannis, Christos.

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called Senate Concurrent Resolution 25, favoring the suspension of deportation of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the supension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than six months:

[redacted], Alcala-Martinez, Jesus, or Jesus Martinez or Jesus Alcala.
[redacted], Ayala-Serrano, Irene.
[redacted], Alexander, Chi Ngo, or Chen Chi Ngo.
[redacted], Ayala, Juan Hernandez, or Juan Ayala Hernandez (alias Dan Hancock alias M. C. Stokes).
[redacted], Bacich, Anton Sime.
[redacted], Battaglini, Quirino Gene.
[redacted], Beda, Sabetay.
[redacted], Bellios, Paraskevi Costalia.
[redacted], Bendfeldt, August Johannes.
[redacted], Berliner, Kenneth Michael (alias Kenneth Michael Hovde).
[redacted], Binicos, Ioannis Simeon, or John Sam Binicos.
[redacted], Blake, Clara, formerly Sinclair formerly Bott (nee Brewster).
[redacted], Bohn, Cecilia Sophia, or Cecelia Sophia Syre.
[redacted], Boone, Patricia B., or Patricia Imelda Boone (nee Bibby).
[redacted], Boonstoppel, Johannes, or John Jacob Boonstoppel.
[redacted], Booth, Margaret Kato Walker.
[redacted], Bosi, Enrico, or Henry Peter Bosi.
[redacted], Bruggencate, Albertus Ten.
[redacted], Calleas, Manuel Peidro.
[redacted], Changeux, Daniel Robert.
[redacted], Chau, Shing Leung, or Spaulding Chau.
[redacted], Cirincione, Marie Teresa.
[redacted], Cirincione, Carmela Marie.
[redacted], Corazza, Gilberto Leo (alias Gilberto Corazza or Corrazza or Gilbert Lee Corazza).
[redacted], Cortes, Caroline Napoleon, formerly Caroline Napoleon Denard.
[redacted], Costas, Juan Antonio Lopez, or Juan Lopez Costas or Juan Lopez.
[redacted], Cotsonis, Potoula George, or Potoula Laloussis.
[redacted], D'Agostino (Arcangelo, or Angelo D'Agostino.
[redacted], Dantes, John, or Ioannes Yusel Dantes.
[redacted], Davis, John Champneys.
[redacted], Derro, Giovanna (nee Totino).
[redacted], D'Orsogna, Marcello.
[redacted], Estridge, Edward Nathaniel.
[redacted], Farese, Biagio.
[redacted], Faustini, Sebastiana, or Benny or Beniamino Faustino.
[redacted], Fook, Ling Bing, or Bing Fook Ling.
[redacted], Francisco, Rogelio Chumbuque.
[redacted], Furman, Franciszek Felix, or Franciszek Furman or Frank Furman.
[redacted], Galanos, Nocolaos.
[redacted], George Eileen.
[redacted], Gessner, Friedrich Albert Heinrich Robert, or Fred Horn.
[redacted], Glick, Dorothy, or Dorothy Bloom or Debora Blimbaum.
[redacted], Goffredo, Pantaleo, or Leo Goffredo.
[redacted], Goldstein, Katherine Doris (nee Katherine Doris Victorsen).
[redacted], Gunther, Esperanza Eroles (nee Esperanza Eroles).
[redacted], Hansen, Marjorie McGuire.
[redacted], Heiloo, Vartanoush (nee Markarian Rose or Vartanoush Krikorian).
[redacted], Hodge, Lawrence.
[redacted], Hodge, Maude Iola.
[redacted], Hsueh, Wei Fan (alias Wilfred Hsueh).
[redacted], Huggins, Frederick Oscar.
[redacted], Hantwarg, Rubin or Huntverg or Reubin Hunter or Robert Miller.
[redacted], Ionno, Pellegrino.
[redacted], Jacobs, Margaret Genevieve (nee Bibby alias Genevieve Jacobs).
[redacted], Jaeger, George Friedrich Willy (alias George Waldo).
[redacted], Jarrin, Fanny Lucila or Mosquera.
[redacted], Jarrin, Nelson Anibal, M. D.
[redacted], Jarrold, James Michael.

[redacted], Kellgren, Adam.
[redacted], Kerketzes, Ioannis, or Joanis Stilianos or John S. Kerkentzes.
[redacted], Klapprat, Robert, or Klaprat or Klappert or Kappert.
[redacted], Klasson, Joanna Elizabeth.
[redacted], Kritikos, Ioannis Stavros (alias John Steve Kritikos).
[redacted], Kuzemka, Nikolaj or Nikolaj or Nick Kuzema or Joseph Meski.
[redacted], Kuzninska, Jacek Richard.
[redacted], Kyriazis, Christ Constantine.
[redacted], Lamer, Mirko.
[redacted], Lamer, Leonore.
[redacted], Lara-Medrano, Jose.
[redacted], Larson, Alice Mary Margaret (nee Seyer).
[redacted], Laufer, Edith (nee Luberoff).
[redacted], Leer, Cornelius.
[redacted], Lemanis, Konstantine George, or Costas Lemanis.
[redacted], Leni, Nunziata.
[redacted], Leshley, William Alexander.
[redacted], Leung, Vicente.
[redacted], Liddicoat, Doreen Violet.
[redacted], Lundsteen, Ernst Hubert.
[redacted], Lyons, Thomas Joseph.
[redacted], Madsen, Charles Marinus.
[redacted], Majka, Jan or John Majka.
[redacted], Majka, Katarzyna Rose (nee Banek).
[redacted], Maldonado, Petra, or Petra Maldonado de Montes.
[redacted], Mancusi, Mario, or Mike Mancusi.
[redacted], Martin, Gladys Constance.
[redacted], Medina, Jose Julio Juil Renteria, or Luis Medina Renteria or Jose Luis Renteria Medina.
[redacted], Melanoff, Rose or Loza (nee Vassiloff or Vassideva).
[redacted], Mobille, Catherine Z., or Catherine Vomvila or Aitkermis Mombilin.
[redacted], Mohamed, Dost, or Johnnie Mohamed.
[redacted], Monterroso, Herman, or Herman Monterrossa.
[redacted], Morze, Charity Alma, or Charity Alma Fifield.
[redacted], Mulkern, Joseph or Mulkerinus.
[redacted], Napoli, Antonio.
[redacted], Olsen, Ingolf.
[redacted], Olsen, Rolf.
[redacted], O'Neal, Etienne Emerson.
[redacted], Paille, Jack Jean Paul, or Jack Paille.
[redacted], Perel, Nechemia, or Norman Earnest Pearl.
[redacted], Petibon, Yves, or Maurice Petibon.
[redacted], Pfeifer, Karoline Maria (alias Karoline Mary Pfeifer).
[redacted], Papandreopoulos, Elias Polybios.
[redacted], Pun, Chin Yuen, or Chin Yuen Pon, Pon Yuen Chinn.
[redacted], Rankin, Jillian Kay.
[redacted], Renteria, Manuel, or Manuel Renteria Portilla.
[redacted], Reynolds, Henrietta Pauline (nee Adams).
[redacted], Richter, Rolf Hans.
[redacted], Richter, Lucie Gertrud, or Gertrud Lucie Richter.
[redacted], Robertson, Clifford James Charles.
[redacted], Roehmann, Dagobert (alias Dagobert Waldow).
[redacted], Ruello, Antonio.
[redacted], Samad, Iris Daphne (nee Vanputten).
[redacted], Sanchez-Barcenas, Jose Inez (alias Inez Sanchez-Barcenas).
[redacted], Schaefer, Adelaida Santos.
[redacted], Schaefer, Jr., John Santos.
[redacted], Cartuche, Bertha Reyes (alias Bertha Sanchez Sartuche alias Bertha Reyes alias Bertha Sanchez).
[redacted], Sauter, Anna, or Anna Manderscheidt or Anna Jetter.
[redacted], Scordilis, Panagiotis Stylianos.
[redacted], Seiter, Christian Joseph, or Chris or Christ Seiter.
[redacted], Serrano-Berrera, Jose Mauricio.
[redacted], Simon, Malvina E. (nee Abraham, alias Malvina Ester Bsch, alias Malvina Schwartz and Malvina Eisenbach).
[redacted], Skuza, Frank, or Franciszek Skuza.
[redacted], Spencer, Charles Joseph.
[redacted], Spencer, Mildred Vivian Margaret.
[redacted], Stankiewicz, Jozef, or Joseph Stank.
[redacted], Stevenson, Walter George.
[redacted], Stolz, Chen Li Ying (nee Chen Li Ying).
[redacted], Stoyas, Athena, or Athena Moonos or Athena Papanghelidau.
[redacted], Stroud (de), Maria Voltas.
[redacted], Tedesco, Saviour.
[redacted], Thomasson, Ivan Samuel.
[redacted], Tietge, Paul (alias Paul Klein).
[redacted], Trapani, Gaetano.
[redacted], Tratarou, Pantelis John.
[redacted], Tratarou, Athenoula.
[redacted], Traynor, Harry Joseph.
[redacted], Trilling, Erin, or Erin Shikallof.
[redacted], Tuerk, Arthur Erdmann.
[redacted], Turnbull, Idalia Constancia "Dally."
[redacted], Tye, Ong Hee.
[redacted], Valliant, John Peden.
[redacted], Vanskike, Verla Cora, formerly Strickland (nee Thomas).
[redacted], Vanskike, Lois Isable Gladys, formerly Strickland.
[redacted], Vanskike, Allan Robert, formerly Strickland.
[redacted], Vanterpool, Viola Anastacia, or Viola Anastacia Fahir or Viola Anastacia Foy.
[redacted], Vasilios, Christos.
[redacted], Vassura, Anthony or Antonio.
[redacted], Vassura, Josephine (nee Girolimini).
[redacted], Vieria, Joao.
[redacted], Villanova, Manuel (alias Manuel Villanova Dominquez or Manuel Ribas.
[redacted], Vogt, Gustav (alias Augusta Conrad alias Paul G. Leonard).
[redacted], Wang, Mabel Chih-Lan Chen, or Mabel Gee Lan Chan.
[redacted], Werner, Margaret (née Carmichael), or Mrs. Howard Charles Werner.
[redacted], Wexelman, Sarah, or Sarah Dvora Wexelman.
[redacted], Wexelman, Mortimer.
[redacted], Wiesner, Lucille M. (see Bibby).
[redacted], Wing, Edward Yee; Yee On Woon.
[redacted], Yankopoulos, Alexander Anastasiou.

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called Senate Concurrent Resolution 27, favoring the suspension of deportation of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

[redacted], Aasmo, Kristian Ingvard.
[redacted], Anderson, Mary Elvera (nee Soderman, formerly Sjoblom).
[redacted], Araya, Luis Alberto y Franc, or Luis Alberto Araya.
[redacted], Arias-Perez, Jose Angel.
[redacted], Augustatos, Panagis, or Peter Statos.
[redacted], Ballester, Amparo Teresa Asela (alias Amparo Iturbi Ballester).
[redacted], Bartkowiak, Peter (alias Hans Halbe).
[redacted], Bausback, Robert; Robert Hill.
[redacted], Berkhout, Willem.
[redacted], Bogdanovic, Savo, or Nicholas Pechar.
[redacted], Borgwardt, Hans Karl.
[redacted], Borrell, Teresa Adell (nee Gelma).
[redacted], Black, Cristeta Bracamonte.
[redacted], Braxton, Bedena Mae (nee Jackson).
[redacted], Breed, Lois Hannah (nee Lois Hannah Carson).
[redacted], Browne, Wolsely, or Woseley Browne.
[redacted], Bubaris, Gus, or Constantine Bubaris.
[redacted], Castillo, Margarita de Nino, or Margarita Castillo-Guzman.
[redacted], Castillo-Nino (Nino-Castillo), Maria Teresa.
[redacted], Caudillo, Tula Bonnie or Buenaventura.
[redacted], Chai, Yung Shu, or Ashun Yung.
[redacted], Chairman, Imre Von Csernyak, or Irving Chairman.
[redacted], Chiampi, Vincenzo, or James Chiampi.
[redacted], Chaitowich, Louis, or Louis Kaplan.
[redacted], Constantinidis, Aristides (alias Aris Contis).
[redacted], Cooper, Prisca Edrozo.
[redacted], Dadines, Gustus or Gus or Constantinos.
[redacted], Dalsass, Vigilio.
[redacted], De Garcia, Reina Flores, or Reina Flores or Reina V. Florez, or Reina Flores Garcia.
[redacted], Dove, Alec George.
[redacted], Dumo, Caridad Inigo, or Caridad Inigo.
[redacted], Fenner, Edward George.
[redacted], Fenner, Ronald James.
[redacted], Freitas (de), Robert Montello.
[redacted], Gabriel, John Riaza, or John Riaza.
[redacted], Galocky, Peter, or Peter Galocki or Szalaky.
[redacted], Gallant, Marie Doris.
[redacted], Gallant, Marie Aline.
[redacted], Gaug, Elizabeth (nee Bergman).
[redacted], Gobel, Andrew, or Andreas Hupka.
[redacted], Goldschmidt, Paul Andrew.
[redacted], Gonzales, Juan Cruz.
[redacted], Goster, Anton, or Anton Goester.
[redacted], Gutierrez-Telleria, Joaquin.
[redacted], Henning, Charlotte (nee Meskewitz or Moskowitz).
[redacted], Hing, Frank, or Fon Hing.
[redacted], Hinojosa, Salvador De La Rosa.
[redacted], Hodge, James Milton.
[redacted], Horque, Abdul, or Abdul Ali or Michael Banali.
[redacted], Ippolito, Lorenzo or Lawrence.
[redacted], Karayiannis, Athanasios Joamis, or Thomas Karras.
[redacted], Karlsen, Gustave Adolf, or Gus Karlsen.
[redacted], Khan, Mohammed Yousaf, or Mohammed Khan or Joseph Martin.
[redacted], King, Socorro Salvador.
[redacted], Lambert, Peter William.
[redacted], Larsen, Harry William.
[redacted], Lazarowitz, Liza, or Liza Pollack or Liza Spector.
[redacted], Liu, Pin Pin or Lau (nee T'an).
[redacted], Macris, Demetrios (Demitrios) George, or James Demetrios (Dimitrios Macris or James Morris or James Makeras).
[redacted], Mair, Esther Julia (nee Arlain formerly Beaubrun).
[redacted], Martinez-Cuellar, Joel.
[redacted], Mecham, Elisha James.
[redacted], Mecham, Peggy Lynn.
[redacted], Mecham, Eldon James.
[redacted], Morris, Edward Nemiah, or Edward Samuel Morris or Vincent Lawrence.

[redacted], Moy, Mabel Mary, or Mabel Chung Moy or Mabel Mary Song or Geung Keu Sing.
[redacted], Munoz-Melendez, Lorenzo.
[redacted], Nino-Arroyo, Felipe.
[redacted], Nolfi, Nicola Mario.
[redacted], Nunez, Nicolas, or Nicolas Nunez Valencia.
[redacted], O'Dwyer, Elizabeth (nee Semevsky or Elizabeth Semevsky Roberts).
[redacted], Ortaliz, Jose Montilla.
[redacted], Ortaliz, June Ann.
[redacted], Ortaliz, Rosina Lou.
[redacted], Pedroza, Gilberto.
[redacted], Pedroza, Francisca.
[redacted], Phillips, Clarence Daniel.
[redacted], Pratelli, Gino.
[redacted], Ramirez-Mendoza, David.
[redacted], Rebollar, Jesus Garcia, or Jessie Rebollar or Jesus Rebollar Y Garcia.
[redacted], Reno, Mildred Agnes (nee Deneau).
[redacted], Rivera, Maria Lorenza Gonzalez (nee Mejia).
[redacted], Rodriguez, Antonio Manuel Ruiz.
[redacted], Rodriguez, Lucio Socorro, or Lucio Rodriguez-Velo.
[redacted], Roesler, Norbert Leonhard Hugo.
[redacted], Rohan, Shelia (nee McLaughlin).
[redacted], Rose, Frederick Winston, or Winston Rose.
[redacted], Rubin, Tore Gustaf Borje.
[redacted], Saklias, Stavros, or Steve Saklias.
[redacted], Schoneveld, Willem.
[redacted], Shall, Mary Raffaela (nee Zaffino).
[redacted], Shaher, Armed.
[redacted], Shifriss, Oved.
[redacted], Shifriss, Shoshana (nee Shoshana Zelmans).
[redacted], Soriano, Vera Semenova (nee Doroshenko).
[redacted], Stocks, Alexander Albert.
[redacted], Strupp, Adele (nee Eckstein alias Adele Elizabeth Strupp).
[redacted], Tischner, Kenneth James, formerly Kenneth James Quigly.
[redacted], Valantasis, Georgios and George Kosti Valantasis, or Valantassis.
[redacted], Van Dillen, Mathilde Alexandrine (nee Schoorel).
[redacted], Van Dillen, Paul.
[redacted], Vasquez, Jose Garcia.
[redacted], Vasquez, Elizabeth Beedle.
[redacted], Von Rabenau, Alexander Constantine (alias Alexander Olvera alias Alexander A. Rabenau).
[redacted], Wang, Hsi, or Harry Wang.
[redacted], Wang, Djao Szi, or Lily Wang.
[redacted], Widerynski, Maria Antonietta.
[redacted], Zerda, Dolores Phyllis.
[redacted], Zerda, Dale Melford Aldeous.

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. SONIA KAYE JOHNSTON

The Clerk called the bill (S. 230) for the relief of Mrs. Sonia Kaye Johnston.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws the provision of section 13 (c) of the Immigration Act of 1924, as amended, which excludes from the United States persons who are ineligible to citizenship, shall not hereafter apply to Mrs. Sonia Kaye Johnston, a native of England and citizen of Japan, now residing in London, England, and who is the wife of Thomas F. Johnston, a citizen of the United States. If otherwise admissible under the immigration laws, said Mrs. Sonia Kaye Johnston shall be granted the status of a nonquota immigrant.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOSHIE OKUTOMI

The Clerk called the bill (S. 980) for the relief of Toshie Okutomi.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Toshie Okutomi, the Japanese fiancee of Orren J. Lucht, a citizen of the United States and an honorably discharged veteran of World War II, and that Toshie Okutomi may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Toshie Okutomi is coming to the United States with a bona fide intention of being married to said Orren J. Lucht, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Toshie Okutomi, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Toshie Okutomi, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Toshie Okutomi as of the date of her entry into the United States, upon the payment by her of the required fees and head tax.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SOO HOO YET TUCK

The Clerk called the bill (H. R. 1979) for the relief of Soo Hoo Yet Tuck.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration laws, the alien Soo Hoo Yet Tuck, Chinese minor son of Soo Hou You Toy, a citizen of the United States, shall be admitted to the United States for permanent residence upon application hereafter filed and without presenting an immigration visa or other travel documents. Upon the admission of the said Soo Hoo Yet Tuck to the United States for permanent residence, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for the Chinese for the first year such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That in the administration of the immigration and naturalization laws, the alien Soo Hoo Yet Tuck, the Chinese minor son of Soo Hou You Toy, a citizen of the United States and an honorably discharged veteran of World War II, shall be deemed to be a nonquota immigrant, if otherwise admissible into the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JUSTA G. VDA. DE GUIDO ET AL.

The Clerk called the bill (H. R. 3768) for the relief of Mrs. Justa G. Vda. de Guido, Belen de Guido, Mulia de Guido, and Oscar de Guido.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws the Secretary of State and the Attorney General are hereby authorized and directed to provide for the admission into the United States of Mrs. Justa G. Vda. de Guido, Belen de Guido, Mulia de Guido, and Oscar de Guido, the widow and the children respectively of Gen. Jose P. De Guido: *Provided*, That they are eligible under the immigration laws of the United States other than annual quota limitations.

SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct four numbers from the quota for the Philippine Islands of the first year that such quota numbers are available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That in the administration of the immigration and naturalization laws the Attorney General is hereby authorized and directed to record the last lawful admission into the United States of Mrs. Justa G. Vda. de Guido, Belen de Guido, Mulia de Guido, and Oscar de Guido, as a lawful admission for permanent residence.

"SEC. 2. Upon the enactment of this act, Mrs. Justa G. Vda, de Guido, and Mulia de Guido shall be held to be subject to the provisions of section 4 (b) of the Immigration Act of May 26, 1924, as amended; and the Secretary of State shall instruct the proper quota-control officer to deduct four numbers from the quota for the Philippine Islands of the first year that such quota numbers are available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEXIS LEGER

The Clerk called the bill (H. R. 3816) for the relief of Alexis Leger.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record the lawful admission for permanent residence of Alexis Leger, of Washington, D. C., as of July 14, 1940, the date on which he entered the United States in a diplomatic status, if he is otherwise admissible under the provisions of the immigration laws. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for France for the first year such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPOINTMENT OF PAUL A. SMITH

The Clerk called the bill (H. R. 4829) to authorize the President to appoint Paul A. Smith as representative of the United States to the Council of the International Civil Aviation Organization

without affecting his status and perquisites as a commissioned officer of the Coast and Geodetic Survey.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, notwithstanding the existing provisions of law or any rules or regulations issued thereunder, the President is authorized to appoint Paul A. Smith, a commissioned officer in the Coast and Geodetic Survey, as representative of the United States to the Council of the International Civil Aviation Organization, and his appointment to, acceptance, and service as such representative shall in no way affect any status, office, rank, or grade he may occupy or hold in the Coast and Geodetic Survey of the United States or any emolument, perquisite, right, privilege, eligibility for promotion or retirement, or other benefits incident to or arising out of any such status, office, rank, or grade: *Provided*, That during the time he holds the office of representative of the United States to the Council of the International Civil Aviation Organization he shall have the rank of rear admiral (lower half) of the Coast and Geodetic Survey, and shall in lieu of his pay as a commissioned officer in the Coast and Geodetic Survey receive such compensation and allowances as the Secretary of State shall prescribe payable from appropriations made by law for the Department of State: *Provided further*, That so long as he remains representative of the United States to the Council of the International Civil Aviation Organization he shall retain his permanent rank and grade or such rank and grade to which he may be promoted by reason of his position on the lineal list of the Coast and Geodetic Survey.

SEC. 2. In the performance of his duties as representative of the United States to the Council of the International Civil Aviation Organization he shall be subject to no supervision, control, restriction, or prohibition other than would be operative with respect to him if he were in no way connected with the Coast and Geodetic Survey.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE SEEMAN JENSEN

The Clerk called the bill (H. R. 3718) for the relief of George Seeman Jensen.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws, George Seeman Jensen, a native of Denmark, shall be admitted into the United States upon application made notwithstanding the provisions of the act of March 4, 1929, relating to entry after deportation (8 U. S. C. 180).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ZORA B. VULICH

The Clerk called the bill (H. R. 4306) for the relief of Zora B. Vulich.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of State and the Attorney General be, and they are hereby, authorized and directed to issue one nonquota immigration visa to Zora B. Vulich, the widow of Capt. Borivoje Vulich who was killed in action on August 22, 1945, while serving with the United States Army Air Forces: *Provided*, That she is eligible for immigration under the existing laws other than quota limitations.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That, for the purposes of the immigration and naturalization laws, Mrs. Zora B. Vulich, the widow of Capt. Borivoje Vulich, who was killed in action on August 22, 1945, while serving with the United States Army Air Forces, who would be entitled to nonquota immigration status but for the death of her husband, shall, if otherwise found admissible to the United States, be deemed to be a nonquota immigrant."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MIRIAM G. WORNUM

The Clerk called the bill (H. R. 4854) for the relief of Mrs. Miriam G. Wornum.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purposes of the immigration and naturalization laws, section 401 (e) of the Nationality Act of 1940 shall be held not to apply to Mrs. Miriam G. Wornum.

With the following committee amendment:

Page 1, strike out lines 3 to 5, inclusive, and insert the following: "That Mrs. Miriam G. Wornum, a native-born former citizen of the United States, born in San Francisco, Calif., on March 9, 1898, who lost citizenship of the United States by voting in British elections, may be naturalized by taking, prior to 1 year from the date of enactment of this act, before any court referred to in subsection (a) of section 301 of the Nationality Act of 1940, as amended, the oaths prescribed by section 335 of the said act. From and after naturalization under this act, Mrs. Miriam G. Wornum shall have the same citizenship status which she had immediately prior to its loss."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAZEL L. GILES

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to return to No. 372 on the Private Calendar and the immediate consideration of the bill (H. R. 1105) for the relief of Hazel L. Giles.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the limitation placed upon the time within which application may be made by enlisted members of the armed forces for settlement of and compensation for leave under section 5 of the Armed Forces Leave Act of 1946, as amended (U. S. C., 1946 ed., Supp. I, title 37, sec. 34), is hereby waived in favor of Hazel L. Giles, of Monroe, N. C., and his claim for leave is authorized and directed to be considered and acted upon under the remaining provision of such act, as amended, if he files such claim with the Department of the Army not later than 60 days after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. JUDD. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 121]

| | | |
|---|---|---|
| Barrett, Pa. | Heller | Pfeiffer, William L. |
| Bolton, Ohio | Hoeven | Plumley |
| Boykin | Hoffman, Ill. | Powell |
| Buckley, Ill. | Hoffman, Mich. | Price |
| Buckley, N. Y. | Jenkins | Quinn |
| Bulwinkle | Jennings | Ramsay |
| Byrne, N. Y. | Jonas | Redden |
| Celler | Kee | Regan |
| Chatham | Kilburn | Rhodes |
| Chelf | Kilday | Rivers |
| Chesney | Klein | Rogers, Mass. |
| Chudoff | Latham | Roosevelt |
| Clevenger | Lesinski | Sadowski |
| Cooley | McGrath | Scott, Hugh D., Jr. |
| Coudert | McMillan, S. C. | Shafer |
| Davies, N. Y. | McMillen, Ill. | Sikes |
| Davis, Ga. | McSweeney | Smathers |
| Delaney | Macy | Smith, Ohio |
| Dollinger | Martin, Iowa | Staggers |
| Douglas | Martin, Mass. | Stanley |
| Doyle | Mason | Stockman |
| Durham | Merrow | Taber |
| Elston | Miller, Nebr. | Tackett |
| Engel, Mich. | Mitchell | Taylor |
| Fallon | Multer | Thomas, N. J. |
| Fellows | Murdock | Towe |
| Fogarty | Murphy | Underwood |
| Gamble | Murray, Tenn. | Vursell |
| Gavin | Nelson | Walsh |
| Gilmer | Nixon | Weichel |
| Gordon | Norton | Werdel |
| Gorski, Ill. | O'Brien, Ill. | Wilson, Tex. |
| Granger | O'Brien, Mich. | Withrow |
| Hall, Edwin Arthur | O'Konski | Woodhouse |
| Harrison | Patterson | Zablocki |
| Hedrick | Pfeifer, Joseph L. | |

The SPEAKER. On this roll call 323 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INTERNATIONAL CHILDREN'S EMERGENCY FUND

Mr. RICHARDS. Mr. Speaker, by direction of the Committee on Foreign Affairs, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2785) to provide for further contributions to the International Children's Emergency Fund, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 3, insert:

"SEC. 2. Funds appropriated by the second paragraph of title I of the Foreign Aid Appropriation Act, 1949, shall remain available through June 30, 1950."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

CLAIMS OF FOREIGN GOVERNMENTS

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4406) to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4406, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

Mr. BECKWORTH. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. BECKWORTH: On page 8, line 11, after the word "award", strike out the remainder of line 11, and all of line 12 and the word "reasonable" on line 13.

Mr. BECKWORTH. Mr. Chairman, the purpose of my amendment is to prevent attorneys who represent these claimants from collecting more than 10 percent. In speaking on this legislation yesterday, I expressed the opinion that many people with claims not so meritorious are likely to benefit as a result of the passage of this legislation and I still entertain the same fear. I believe my amendment will help to rectify the bill.

Under the language of the bill if an attorney or a group of attorneys sought to prosecute a claim for clients to obtain 50 percent of that which they recovered, by the language which is in this bill they certainly could recover 10, 25, or 50 percent, and maybe even more. Ten percent, I submit, is enough.

In regard to the legislation as a whole, there has been a lot said about this benefiting American citizens. I say to you that it has not been emphasized by the authors of this bill that the legislation likely benefits many more people other than American citizens. If the committee should emphasize all the real facts, the committee would probably have spent more time discussing the number of people who may not be American citizens that would benefit. This statement is well borne out by the hearings which were held on this legislation.

Let us examine the record.

What about United States Government claims? I quote from a letter the State Department wrote me July 5, 1949:

The only claims which the United States Government itself, as distinguished from American nationals, has against Yugoslavia are for the value of a jeep ($2,000) and two airplanes ($280,000).

I venture to say, because of the emphasis placed on that lonely jeep and the two airplanes, the bill has more rapidly progressed.

Over and over it is emphasized this bill is for American nationals. Let us read from the committee report, page 5, I quote:

Included in addition to the United States Government itself—

The jeep and two airplanes are brought in again—

are American corporations whose claims, while small in number, bulk largest in value—

This is another way of saying a large portion of the claims are by American corporations—

and recently naturalized citizens of former Yugoslav nationality.

Let us examine these words of the report again. Who is to benefit according to the committee report? It does not say American citizens, but instead "recently naturalized." Note that word "recently"—United States citizens of former Yugoslav nationality—yes, very recent Yugoslav nationality. Then American corporations are to benefit—corporations like Socony-Vacuum which has a claim of seven to eleven millions and the American-Yugoslav Electric Co. which has a claim for three and one-half millions. On page 49 of the hearings Mr. Radin says:

I just heard there are six or seven million dollar claims.

A few large claimants will sop up the full amount in the main, I predict.

I emphasize the chief beneficiaries are American corporations whose claims "bulk largest in value" and recently naturalized United States citizens of former Yugoslav nationality. Now add to this non-American citizens who have interests in foreign corporations and you have the beneficiaries. I quote from page 65 of the hearings. The words are those of Mr. Isadore G. Alk, a Washington attorney. He says:

I appear on behalf of the American stockholders of a Swiss corporation whose property in Yugoslavia has been nationalized.

He does not emphasize that the Swiss stockholders, noncitizens, will benefit also. If a bare 20 percent of the Swiss corporation is owned by the American stockholders and $5,000,000 is recovered, the American stockholders will get $1,000,000 and the Swiss stockholders will get $4,000,000. Stupendous benefits for noncitizens.

I repeat, the chief beneficiaries under this legislation are American corporations, foreign corporations, where American citizens own 20 percent of their stock and recently naturalized United Citizens formerly of Yugoslav nationality.

According to Attorney Radin it goes far beyond aiding American citizens. I quote from his statement on page 51:

This bill should, therefore, enable American citizens only and their Government to benefit by it. The bill should not make it possible for non-American citizens to benefit by its terms with the help of an American corporate veil. What may be hiding behind the provision in the agreement with Yugoslavia to the effect that American corporations are to enjoy equal rights thereunder with other American claimants if 20 percent of their stock is owned by American citizens? The injustice of such a situation is glaring when we know that such non-American citizens would benefit at the expense of American citizens and their Government? The situation becomes even worse if we are to pierce through the corporate veil and see who are the individuals hiding back of it. Such would be beneficiaries under the proposed law I have found in many countries in the course of my practice of private international law. They are in reality citizens of no country and they do not owe allegiance to any nation. They and their children never fight for any country. They rent apartments in top hotels in many countries and give as their residence one which suits best a given purpose at a given time. Although Europeans, I saw them travel with the aid of diplomatic passports issued by Haiti or with Chinese travel documents. In order to manipulate and evade laws of different countries where they operate, with the aid of local dummies they organize corporations under different laws in different countries—and the little state of Lichtenstein is popular for such purpose—although in the case before us American corporations were obviously chosen. I submit that such international sharks should not be enabled to benefit by this American law—notwithstanding the provision in the agreement with Yugoslavia about the 20 percent of shares of stock only which must be owned by American citizens. Surely, such a provision could not have been inserted in the agreement at the request of Yugoslavia for obviously that provision is against Yugoslavia's interests.

Yes, this is a big bill—much more is in it than meets the eye. The $17,000,000 Yugoslavian fund is just a token. I quote from page 4 of the committee report:

The settlement with Yugoslavia is the first of its kind in the postwar situation. Others may be expected. Negotiations are now in progress for a settlement with Czechoslovakia of claims totaling about $80,000,000 growing out of the nationalization and other taking of American property interests. Negotiations are expected to be opened with Poland concerning similar claims totaling $175,000,000. The agreement with Yugoslavia therefore is of particular interest as a possible pattern for other settlements.

Too, it has been said this bill can cost but $17,000,000. I doubt this. I quote from page 32 of the hearings:

Certain important consequences may flow from such a violation. For example, in article 1 of the agreement it is provided that in adjudication of the individual claims, if it is found that the valid clams are less than $17,000,000, the difference shall be refunded to Yugoslavia. Let us assume that the claims covered by the agreement are adjudicated in the total sum of $15,000,000, thus entitling Yugoslavia to a refund of $2,000,000. However, if by including claims not encompassed by the agreement another $2,000,000 is taken from the fund, making a total adjudication of $17,000,000, Yugoslavia would nevertheless be entitled to a $2,000,000 refund from this Government. It would be necessary for the Congress to appropriate $2,000,000 to enable this Government to comply with its obligation to refund.

Note what Mr. Lons and Mr. Neuberger, who represented a number of clients, I assume, have to say about the bill. I read from a statement on page 64 of the hearings:

Several members of the House committee, including Mrs. DOUGLAS, Mr. JAVITS, and others, pointed out that grave inequities were likely to occur under H. R. 4406. For example, foreign stockholders in an American corporation, in which there was only a 20-percent beneficial American interest, would receive payment under the bill.

What does that mean? It means that if a corporation taken over by Yugoslavia is a Swiss corporation, and the claim of $5,000,000 is satisfied and 20 percent of that corporation is owned by American citizens, the American citizens would

recover $1,000,000 and the Swiss stockholders would recover $4,000,000. No; that kind of case has not been emphasized.

Furthermore, the hearings show this, that there is a likelihood that some citizens acquired an interest after the Yugoslav Government had taken over the property. Mind you, ladies and gentlemen, this is the testimony of one of the men who is for the bill. What did he say? I quote his language on page 70 of the hearings. He said:

> There is a possibility that some of the American stockholders acquired their interest in the Swiss corporation shortly after some of the takings of the properties in Yugoslavia.

I quote some statements from the gentleman from Connecticut, Representative RIBICOFF, on page 71 of the hearings:

> Now, you talk about Americans who acquired their interest after the taking, which would indicate to me they went in there on speculation and picked this up at a song because they knew when they bought the stock they had a corporation which was already confiscated and therefore they probably went to somebody and probably paid them a fraction of a cent on the dollar—I think there are a lot of claims like that, and we don't want to give protection to those kinds of people. It is a very dangerous precedent to protect speculators of that type who go in to pick up interests that are supposedly worthless and then have the United States protect them for the full amount.
>
> I have a situation which has been called to my attention where a group of Americans acquired approximately a $12,000,000 interest for $20,000, plus a contingent payment of $260,000. Well, certainly I cannot find much sympathy in my heart for someone who goes ahead and tries to pick up a $12,000,000 property for $20,000 and expect the United States to give them protection for the face value.

Again I quote from the testimony of Mr. Alk on page 71:

> I thoroughly agree with you on the general proposition that, if there are cases where Americans for purposes of speculation acquired direct or indirect interests, that they ought not to be treated on a par with everybody else.

That means, as I understand it, a person could acquire an interest in a corporation after it was taken over by the Yugoslavs and then come here and prosecute a claim and perhaps recover as an American citizen. This bill as written will help, in the main I say, people who are not what might be termed small American citizens, but American corporations and foreign corporations, foreign corporations which can recover as much as 80 percent of the established value of the corporation under the terms of this bill.

I say that this bill should be sent back to the Committee on Foreign Affairs. It should be studied. I do not believe it was studied as it should have been studied in the first place, because it does not, by its very provisions, inure to the benefit of the average small American businessman. The Socony Vacuum Oil Co. is one of the claimants. They claim anywhere from $7,000,000 to $11,000,000. The American Yugoslav Electric Co. is another of the claimants. They claim from three and one-half to four million dollars. What does the American Government get out of this? It has never been said that but two claims are advanced by the American Government, one a jeep and the other two airplanes. Then they say in the report that it is true that there are a good many American citizens, naturalized American citizens, who very recently were Yugoslav nationals.

As I said yesterday, this Congress last year authorized the War Claims Commission. This Commission could do the job and should do it. I hope the bill will be recommitted, studied more, and when reported again, delegate the War Claims Commission to do the job, thereby preventing the creation of another commission.

Mr. RIBICOFF. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if you will study the legislation you will find that the fee is set at 10 percent and shall not exceed that sum unless in special circumstances the Commission shall find a larger fee is just and reasonable. That is entirely within the discretion of the Commission itself. There may be circumstances where an attorney in order to protect his client's interest does such an amount of work that the 10-percent compensation is not sufficient. Certainly we should not foreclose an attorney under those circumstances from receiving the larger fee if the Commission deems it wise.

With all due respect to the gentleman from Texas, who made the statement that the committee did not study this bill, I believe that if he had studied this legislation to the extent the committee did he would not have made some of the statements he did make.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Texas.

Mr. BECKWORTH. How many types of claims were discussed in the hearings that the committee went into in detail?

Mr. RIBICOFF. The gentleman points out the size of the corporate claims.

Mr. BECKWORTH. I wish the gentleman would answer my specific question.

Mr. RIBICOFF. What the gentleman is talking about appears in the treaty and the agreement between the United States and Yugoslavia. That is a fait accompli. There is nothing this Congress can do about setting aside that claim. This is a function of the executive branch of the Government, and the Constitution devolves that function upon the Executive. The United States entered into this agreement with Yugoslavia. The agreement with Yugoslavia set up the categories and classifications of American citizens that would be compensated. The only thing for this Congress to do is to set up the method, the means, and the agency to distribute the funds, the $17,000,000 that is in the hands of the United States in escrow for American nationals. All that remains is to set up the agency to distribute that fund.

If this bill were recommitted, if this bill were defeated, it would not change one iota that agreement, which is already legal and final between the Government of Yugoslavia and the Government of the United States. The main objection of the gentleman from Texas is that he wants to set aside a function of the Executive concerning which this Congress does not have jurisdiction. If the debates of yesterday were followed very closely, you would see that the Supreme Court of the United States has stated that this is purely a function of the executive branch of the Government.

Mr. Chairman, I trust this amendment will be defeated.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. WHITE of Idaho. On page 4, beginning in line 16, appears this language:

> Or included within the terms of any claims agreement hereafter concluded between the Government of the United States and a foreign government (exclusive of governments against which the United States has declared the existence of a state of war during World War II) similarly providing for the settlement and discharge of claims of the Government of the United States and of nationals of the United States against a foreign government—

If this is not a permanent commission what does that mean?

Mr. RIBICOFF. This bill contemplates not only the settlement and distribution of claims made against the Government of Yugoslavia but the distribution of funds when the United States makes agreements with other countries. At the present time negotiations are being carried on with the Governments of Czechoslovakia and Poland. When those negotiations are completed and the funds paid into the Treasury of the United States, this method will be used to distribute to American nationals the funds provided for in those particular settlements.

Mr. WHITE of Idaho. The effect of that language is to make a permanent commission out of this Commission.

Mr. RIBICOFF. This Commission is not permanent. The existence of this Commission terminates when the funds are distributed. It will terminate at that time.

Mr. WHITE of Idaho. Under the provisions of this bill, the Secretary of State appoints three men at a salary of $15,000 each per year. Will they be confirmed by the Senate?

Mr. RIBICOFF. They will not.

Mr. WHITE of Idaho. They in turn will set up another executive office appointed by the Secretary of State.

Mr. RIBICOFF. No. That will be within the jurisdiction of the State Department and in accordance with the recommendations of the Hoover Commission report.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Ohio.

Mr. VORYS. The gentleman does not mean this is approved by the Hoover Commission?

Mr. RIBICOFF. No; the Hoover Commission did not consider it, but it comes within the purview of the recommendations of the Hoover Commission, which definitely sets forth that separate agencies shall not be created and separate agencies shall not exist, but the functions

of these agencies shall devolve within the department which has jurisdiction. The State Department has jurisdiction of the functions within the executive branch when it comes to the foreign relations of the United States. Therefore, this function belongs within the State Department, in accordance with the broad outlines of the recommendations of the Hoover Commission report.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BECKWORTH].

The question was taken; and on a division (demanded by Mr. BECKWORTH) there were—ayes 96, noes 61.

Mr. KEE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. KEE and Mr. BECKWORTH.

The Committee again divided; and the tellers reported there were—ayes 98, noes 53.

So the amendment was agreed to.

Mr. VORYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sure the gentleman from Texas [Mr. BECKWORTH] wants it distinctly understood that the adoption of his amendment does not remove his general objections to this bill. This amendment simply makes it a little less worse. This is a very bad bill. It should be recommitted. I know of no Republican, on or off the committee, who is not in favor of recommitting this bill so that we may correct some of the terrible injustices that are in it now.

In the first place, to divide up among American claimants this $17,000,000 that we received from Yugoslavia, there is no sense in creating a new agency. The gentleman from Texas feels it should be handled by the War Claims Commission. Certainly it could be handled by the Court of Claims. There is no sense setting up a new agency with three commissioners at $15,000 a year each, to continue until the 3 percent is used up, and, as the gentleman from Connecticut [Mr. RIBICOFF] said, "with many dozens of employees." There is no sense setting up a new agency to handle it.

It must be understood that the Hoover Commission did not recommend appointment of this commission.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. LODGE. The point has been made that if this bill is recommitted it will not change the Yugoslav claims agreement. Of course that is true. But if congressional consent is necessary, it can be withheld or it can be given under conditions. We are under no obligation to rubber stamp legislation. If this bill is recommitted, we may have a better agreement with Czechoslovakia and with Poland with which countries, I understand, agreements similar to the Yugoslav agreement are being negotiated. That in itself is reason enough to recommit the bill, purely aside from the other arguments which the gentleman from Ohio has so eloquently urged.

Mr. VORYS. We do not need this machinery to take care of this $17,000,000 that our Government kept when they had $46,000,000 of Yugoslav gold in their hands to meet $40,000,000 of American claims. Nobody has yet explained why it was that with $40,000,000 of American claims we turned back all but $17,000,000. We do not need this new creation to take care of that; it can be done by the Court of Claims or the War Claims Commission.

Mr. RIBICOFF. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I do not yield.

On the other hand, this is to be the wave of the future; this is to be general, permanent legislation; it is, according to the majority committee report, to take care of $295,000,000 of claims of American citizens in foreign countries arising out of nationalization of American property. It proposes that from now on our Government will negotiate a percentage settlement, in this case 42½ percent, with some foreign government, an en bloc settlement—e-n b-l-o-c—that is French for wholesale. You will find that in the bill in the part to which the gentleman from Idaho [Mr. WHITE] referred. It will be such a settlement and it will be put in this new bureaucracy set up in the State Department. The Secretary of State appoints the commissioners and all the employees, he hires and fires them, and can end the whole commission at any time. These claimants will take what the State Department commission allows them, and will never under this bill get a chance to have their claims considered in the courts of the United States or of any country on earth. That is a precedent that we do not want to establish, but we will do it if we pass this bill. Certainly we need no bill like this to take care of the division of this $17,000,000 now in the Treasury of the United States.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. BECKWORTH. It should be borne in mind that under this bill apparently many people who are not American citizens or nationals can and will benefit.

Mr. VORYS. That is true.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield briefly to the gentleman from Idaho.

Mr. WHITE of Idaho. Will anybody under the provisions of this bill be appointed by an elective officer of the United States?

Mr. VORYS. No; they will be appointed by the Secretary of State and not confirmed by the Senate or anybody; and they would be responsible to nobody, because their judgment is final.

Here is the important thing: In the future we want Americans to invest all over the world; part of the President's fourth point is to encourage American investment abroad. We are not going to have Americans invest abroad if, instead of having their Government follow them into foreign countries to see that they get justice, they find themselves under a system where the American Government makes an agreement with some foreign country, when American property is seized, and the American citizen has to take a percentage settlement.

This bill should be recommitted to the House Committee on Foreign Affairs.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have listened to the statement of the gentleman from Ohio that there is not one Republican who is for the bill. I do not know that he speaks for the entire Republican membership here; I know he does not speak for the entire membership of the House Committee on Foreign Affairs, not even the Republican membership in this case, because when this bill was reported out there was only one vote against it, and according to my recollection that vote came from the gentleman from Ohio.

The gentleman from Ohio tries to paint a dreadful picture to you here, that this is a terrible bill; he calls it the United States International Claims Surrender Act. For the benefit of the Members who were not here yesterday I will go over a little of the history of this bill with your permission.

In 1941 an Allied submarine brought a shipment of gold to this country from Yugoslavia. At that time the Germans were overrunning Yugoslavia. That sum was placed in the Federal Reserve Bank of New York, I believe. The Government of Yugoslavia in exile was allowed to draw on that fund for its expenses over here only. After we had recognized Tito he was allowed to draw on the fund for governmental expenses in the United States only.

Then the Tito government appealed to the United Nations to take jurisdiction over the fund and turn it over to his government. The United Nations refused to assume jurisdiction. From that time on Tito has been continually trying to get his hands on this fund. Our Government has refused to unfreeze these funds until the property loans of our nationals in Yugoslavia were repaid. If those actions of the State Department amount to surrender, then I do not know what surrender is.

When the State Department made the agreement with Yugoslavia 1 year ago, it got over 40 percent of the amount of all claims. Up until that time settlement of similar claims had only averaged 9.8 percent. It is the finest settlement the State Department has ever made for American citizens having claims against a foreign nation. Is that surrender? Or is that protection of American rights? It is protection of American rights.

Mr. Chairman, let us not forget that this money does not belong to the United States. Under international law and under the agreement between the United States and Yugoslavia, title to these funds are in Yugoslavia. As the gentleman from Connecticut said, we hold those funds in escrow, so to speak. We are trustee for the funds.

The gentleman from Ohio suggests that distribution of this fund should be under the jurisdiction of the United States Court of Claims. The Court of Claims of the United States has not the necessary machinery and even if it had the machinery I doubt that is could acquire jurisdiction because this fund does not belong to the United States.

The Court of Claims now has on file for disposal some 2,507 cases and it handles on an average about 300 claims a year. How long do you think it would

take to pay American citizens the money due them if the Court of Claims were given jurisdiction in the premises?

Mr. Chairman, if American citizens are being taken for a ride in this bill, why is it that not one single claimant, not one single American citizen or national came before the Foreign Affairs Committee and proposed that the distribution of this fund be handled by the Court of Claims or any other judicial body? To the contrary, every claimant appearing before the committee urged that this bill be passed.

Mr. KEE. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from West Virginia.

Mr. KEE. Will the gentleman point out that the claimants in this case number 1,500, which would mean 1,500 being tacked on to the 2,700 now before the Court of Claims.

Mr. RICHARDS. There are 1,500 claimants. The Court of Claims has 2,507 claims on its docket. It handles only about 300 cases a year. Figure it out for yourself.

Mr. Chairman, we will be doing the citizens of the United States an injustice if we do not pass this bill.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4406) to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments, pursuant to House Resolution 258, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. VORYS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. VORYS. I certainly am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. VORYS moves to recommit the bill H. R. 4406 to the Committee on Foreign Affairs.

Mr. McCORMACK. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 93, noes 73.

Mr. KEE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 151, nays 177, not voting 104, as follows:

[Roll No. 122]

YEAS—151

| | | |
|---|---|---|
| Allen, Calif. | Gossett | Miller, Md. |
| Allen, Ill. | Graham | Miller, Nebr. |
| Andersen, H. Carl | Gross | Morton |
| Anderson, Calif. | Gwinn | Nicholson |
| Andresen, August H. | Hagen | Nixon |
| Angell | Hale | Norblad |
| Arends | Hall, Leonard W. | Norrell |
| Auchincloss | Halleck | O'Hara, Minn. |
| Barrett, Wyo. | Hand | O'Toole |
| Bates, Mass. | Harden | Phillips, Calif. |
| Beall | Harvey | Phillips, Tenn. |
| Beckworth | Hays, Ark | Polk |
| Bennett, Fla | Hays, Ohio | Potter |
| Bennett, Mich | Herter | Poulson |
| Bishop | Heselton | Rankin |
| Boggs, Del. | Hill | Reed, Ill. |
| Bramblett | Hinshaw | Reed, N. Y. |
| Brehm | Holmes | Rees |
| Brown, Ohio | Hope | Rich |
| Burdick | Horan | Riehlman |
| Byrnes, Wis. | Huber | Rogers, Mass. |
| Canfield | Hull | Sadlak |
| Cannon | Jackson, Calif. | St. George |
| Case, N. J. | James | Sanborn |
| Case, S. Dak. | Javits | Scott, Hardie |
| Chiperfield | Jenison | Scrivner |
| Church | Jenkins | Scudder |
| Cole, Kans. | Jensen | Secrest |
| Cole, N. Y. | Johnson | Short |
| Corbett | Judd | Simpson, Ill. |
| Cotton | Kean | Simpson, Pa. |
| Crawford | Kearney | Smith, Kans. |
| Cunningham | Kearns | Smith, Wis. |
| Curtis | Keating | Stefan |
| Dague | Kelley | Stigler |
| Davis, Wis. | Kunkel | Talle |
| D'Ewart | LeCompte | Tollefson |
| Dolliver | LeFevre | Van Zandt |
| Dondero | Lemke | Velde |
| Eaton | Lichtenwalter | Vorys |
| Ellsworth | Lodge | Vursell |
| Engle, Calif. | Lovre | Wadsworth |
| Feighan | McConnell | Welch, Calif. |
| Fenton | McCulloch | Werdel |
| Ford | McDonough | Wigglesworth |
| Fulton | McGregor | Williams |
| Gathings | McKinnon | Wilson, Ind. |
| Gillette | Mack, Wash. | Wolcott |
| Golden | Marshall | Wolverton |
| Goodwin | Meyer | Woodruff |
| | Michener | |

NAYS—177

| | | |
|---|---|---|
| Abbitt | Crook | Jackson, Wash. |
| Abernethy | Crosser | Jacobs |
| Addonizio | Davenport | Jones, Ala. |
| Albert | Davies, N. Y. | Jones, Mo. |
| Allen, La. | Davis, Tenn. | Jones, N. C. |
| Andrews | Dawson | Karst |
| Aspinall | Deane | Karsten |
| Bailey | DeGraffenried | Kee |
| Barden | Denton | Kennedy |
| Baring | Dingell | Keogh |
| Bates, Ky. | Donohue | Kerr |
| Battle | Doughton | King |
| Bentsen | Eberharter | Kirwan |
| Biemiller | Elliott | Kruse |
| Bland | Evins | Lane |
| Blatnik | Fernandez | Larcade |
| Boggs, La. | Fisher | Lind |
| Bolling | Flood | Linehan |
| Bonner | Forand | Lucas |
| Bosone | Frazier | Lyle |
| Breen | Fugate | Lynch |
| Brooks | Furcolo | McCarthy |
| Brown, Ga. | Garmatz | McCormack |
| Bryson | Gary | McGuire |
| Buchanan | Gore | Mack, Ill. |
| Burke | Gorski, N. Y. | Madden |
| Burleson | Granahan | Magee |
| Burnside | Grant | Mahon |
| Burton | Green | Mansfield |
| Carlyle | Gregory | Marcantonio |
| Carnahan | Hardy | Marsalis |
| Carroll | Hare | Miles |
| Cavalcante | Harris | Miller, Calif. |
| Celler | Hart | Mills |
| Christopher | Havenner | Monroney |
| Chudoff | Hébert | Morgan |
| Clemente | Heffernan | Morris |
| Colmer | Herlong | Morrison |
| Combs | Hobbs | Moulder |
| Cooley | Holifield | Murdock |
| Cooper | Howell | Murphy |
| Murray, Tenn. | Ribicoff | Vinson |
| Noland | Richards | Wagner |
| O'Hara, Ill. | Rodino | Walter |
| O'Sullivan | Rogers, Fla. | Welch, Mo. |
| Pace | Rooney | Wheeler |
| Passman | Sabath | White, Calif. |
| Patman | Sadowski | White, Idaho |
| Patten | Sasscer | Whitten |
| Perkins | Sheppard | Whittington |
| Peterson | Sims | Wickersham |
| Philbin | Spence | Wier |
| Pickett | Steed | Willis |
| Poage | Sullivan | Wilson, Okla. |
| Priest | Sutton | Wilson, Tex. |
| Rabaut | Tauriello | Winstead |
| Rains | Thompson | Worley |
| Regan | Thornberry | Yates |
| Rhodes | Trimble | Young |

NOT VOTING—104

| | | |
|---|---|---|
| Barrett, Pa. | Hedrick | Pfeiffer, William L. |
| Blackney | Heller | Plumley |
| Bolton, Md. | Hoeven | Powell |
| Bolton, Ohio | Hoffman, Ill. | Preston |
| Boykin | Hoffman, Mich. | Price |
| Buckley, Ill. | Irving | Quinn |
| Buckley, N. Y. | Jennings | Ramsay |
| Bulwinkle | Jonas | Redden |
| Byrne, N. Y. | Keefe | Rivers |
| Camp | Kilburn | Roosevelt |
| Chatham | Kilday | Scott, Hugh D., Jr. |
| Chelf | Klein | Shafer |
| Chesney | Lanham | Sikes |
| Clevenger | Latham | Smathers |
| Coudert | Lesinski | Smith, Ohio |
| Cox | McGrath | Smith, Va |
| Davis, Ga. | McMillan, S. C. | Staggers |
| Delaney | McMillen, Ill. | Stanley |
| Dollinger | McSweeney | Stockman |
| Douglas | Macy | Taber |
| Doyle | Martin, Iowa | Tackett |
| Durham | Martin, Mass. | Taylor |
| Elston | Mason | Teague |
| Engel, Mich. | Merrow | Thomas, N. J. |
| Fallon | Mitchell | Thomas, Tex. |
| Fellows | Multer | Towe |
| Fogarty | Murray, Wis. | Underwood |
| Gamble | Nelson | Walsh |
| Gavin | Norton | Weichel |
| Gilmer | O'Brien, Ill. | Whitaker |
| Gordon | O'Brien, Mich. | Withrow |
| Gorski, Ill. | O'Konski | Wood |
| Granger | O'Neill | Woodhouse |
| Hall, Edwin Arthur | Patterson | Zablocki |
| Harrison | Pfeifer, Joseph L. | |

So the motion to recommit was rejected.

The Clerk announced the following pairs.

On this vote:

Mr. Towe for, with Mr. Teague against.

Mr. Taber for, with Mrs. Norton against.

Mr. Hugh D. Scott, Jr., for, with Mrs. Douglas against.

Mr. Macy for, with Mr. Fallon against.

Mr. Gavin for, with Mr. Fogarty against.

Mr. Jonas for, with Mr. Roosevelt against.

Mr. Shafer for, with Mr. Heller against.

Mr. Plumley for, with Mr. Whitaker against.

Mr. Coudert for, with Mr. Staggers against.

Mr. Hoeven for, with Mr. Gilmer against.

Mr. Weichel for, with Mr. Gordon against.

Mr. Clevenger for, with Mr. Gorski of Illinois against.

Mr. Engel of Michigan for, with Mr. Harrison against.

Mr. Hoffman of Michigan for, with Mr. Stanley against.

Mr. William L. Pfeiffer for, with Mr. Sikes against.

Mr. Elston for, with Mr. Dollinger against.

Mr. Fellows for, with Mr. Quinn against.

Mr. Gamble for, with Mr. Delaney against.

Mr. McMillen of Illinois for, with Mr. Barrett of Pennsylvania against.

Mr. Latham for, with Mr. Byrne of New York against.

Mr. Taylor for, with Mr. Chesney against. against.

Mr. Stockman for, with Mr. McSweeney against.

Mr. Merrow for, with Mr. McGrath against.

Mr. Jennings for, with Mr. Klein against.

Mr. Mason for, with Mr. Price against.

Mr. Hoffman of Illinois for, with Mr. Zablocki against.

General pairs until further notice:

Mr. Tackett with Mr. Martin of Massachusetts.
Mr. Rivers with Mr. Patterson.
Mr. Redden with Mr. Martin of Iowa.
Mr. Hedrick with Mr. Keefe.
Mr. Kilday with Mr. Kilburn.
Mr. Davis of Georgia with Mr. Edwin Arthur Hall.
Mr. Cox with Mr. Smith of Ohio.
Mr. Wood with Mr. Nelson.
Mrs. Woodhouse with Mrs. Bolton of Ohio.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. FULTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the bill was passed.

A motion to reconsider was laid on the table.

PROGRAM FOR THE REMAINDER OF THE WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have asked for this time to inquire of the majority leader if he can tell us anything as to the program for the balance of the week.

Mr. McCORMACK. I will be very glad to do so. The next order of business is the basing-point bill. The rural telephone bill will not come up this week. The next order of business following the basing-point bill is the salary increase for Government heads which, of course, the President is very strong for, and which he has asked for and takes the responsibility for, and which both sides ought to give him. Then following that will be the Puerto Rican farm-land bill.

If we dispose of that business by Thursday night, why then we will adjourn over until Monday.

APPLICATION OF THE FEDERAL TRADE COMMISSION ACT AND THE CLAYTON ACT

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 277 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices. That after general debate which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, I am pleased to yield one-half my time to the gentleman from Ohio [Mr. BROWN] and I yield myself such time as I may consume.

This resolution makes in order the immediate consideration of the bill, S. 1008, and provides 3 hours of general debate under an open rule. The bill, offered by the Honorable JOSEPH C. O'MAHONEY, Senator from Wyoming, passed the Senate some time ago and was referred to the House Committee on Judiciary.

Generally, legislation coming to the floor under a rule is better understood than this particular bill. It is therefore particularly important that the membership of this House follow the debate closely. It is a very important measure and is more far-reaching than many of us realize. The bill would make legal certain business practices about which there is some question at this time.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Indiana.

Mr. HALLECK. Does not the gentleman think it would be more accurate to say that the legislation primarily is designed to clarify uncertainties that now exist by reason of certain Federal Trade Commission rulings and Supreme Court decisions?

Mr. LYLE. That is the stated purpose of the legislation. The provisions of the bill are controversial and its passage or failure of passage will have tremendous effect upon American business practices. I commend the adoption of the rule, Mr. Speaker.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, as the gentleman from Texas has explained, House Resolution 277 makes in order the consideration of the bill S. 1008, under an open rule and with 3 hours of general debate.

S. 1008 is a bill introduced by the Senator from Wyoming [Mr. O'MAHONEY], to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices. As the gentleman from Texas [Mr. LYLE] has well said, this is a very important piece of legislation. The measure was introduced in the Senate, was reported unanimously by the Committee on the Judiciary of that body, and was then passed by the Senate with very little or no objection to it. The measure then was referred in the House to the House Committee on the Judiciary, which held rather extensive hearings on it, first by a subcommittee and then later by the full committee. According to the information given the Committee on Rules, the bill was reported unanimously by the House Committee on the Judiciary.

This legislation has been introduced for the purpose of clarifying certain trade practices which were brought into question as a result of a Supreme Court decision passing upon an order by the Federal Trade Commission in connection with the famous so-called Cement case, having to do with the pricing of cement on an f. o. b. point-of-delivery basis.

This bill is a technical bill, from a legal standpoint. The majority and minority members of the Committee on the Judiciary appeared before the Committee on Rules requesting this rule. Only one Member of the House appeared before the Committee on Rules in opposition to the granting of the rule. According to the information given to the Committee on Rules by members of the Committee on the Judiciary there have been a great many industries in the United States, especially the heavy industries, that have for many years followed the practice of pricing their products on the basis of a delivered price, with the result that small industries and other users of these basic commodities have been able to exist in various sections of the country and compete on an equal basis with other manufacturers, processors, or fabricators who are located at or near the source of supply of these basic commodities.

I am thinking for instance of the steel industry. For a great many years, in America, steel has been priced on an f. o. b. basis at the point of delivery so that the users of steel, or the fabricators of steel, and the manufacturers of articles made of steel, do not find it necessary to locate in the very same area where steel is produced, but instead may have their factories many hundreds of miles away, do their fabricating and processing at that distant point, and yet compete on an even basis.

The contention has been made that this bill carries provisions which may injure small business. Outside of one or two small business organizations in the country practically all other small business organizations have endorsed this measure, according to the members of the Committee on the Judiciary.

The Committee on Rules was given every assurance by the Members who brought this bill before us from the Committee on the Judiciary that there is not a single line or word in the measure which will in any way permit violation of the present antitrust provisions of our laws or permit unfair competition in restraint of trade or in any other way injure small businesses or small industries in America.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. JENKINS. In my district there are located two very large cement-manufacturing companies. Naturally, in view of the fact that the cement companies or the cement industry was involved in the case which went to the Supreme Court, the cement trade and those dealing in cement have been more interested in this for a longer time than any other group. From the impartial information which I have received, the little fellows, the little consumers of cement, have not been discriminated against, and are not complaining.

Mr. BROWN of Ohio. I might answer the gentleman by saying that in my own district there are two rather large cement companies that have been shipping cement all over the Middle West and into the East. They have been doing it on a pro rata basis because of the heavy demand for cement, with the result that local manufacturers of cemcnt blocks and other cement products for the use of farmers, small-business men, and

small factories in my part of Ohio have not been able to get all the cement that they want from the local factories.

So, under this decision, as it was rendered, they pay one price for the cement which is made near home and pay another price for cement that is shipped in to them from Chicago or Missouri or somewhere else, and of course no one knows what the basic commodity they use may actually cost. It has created a very unsatisfactory situation, as the gentleman well knows. However, I want to point this out in conjunction with the statement made to the Rules Committee by members of the Committee on the Judiciary when they applied for a rule on this bill. The statement was made that this measure contained nothing that would in any way injure or endanger the welfare of small-business men and small factories and business concerns in this country. Information has been given us that the Department of Justice and the head of the division in charge of antitrust prosecutions have endorsed this bill and have said that it is necessary and wise that we should have this legislation. I might also say that the information was given us that the Federal Trade Commission as such had endorsed this bill. It seemingly has the support of both the Department of Justice and the Federal Trade Commission.

Mr. SUTTON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. SUTTON. Yesterday afternoon I called the person in charge of the Antitrust Division of the Department of Justice and he made the statement to me over the telephone that this legislation was not necessary at all.

Mr. BROWN of Ohio. It just happens that Mr. Bergson gave different testimony before the Judiciary Committee. He was so quoted before the Rules Committee.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MICHENER. We could not hear the statement of the gentleman from Tennessee.

Mr. BROWN of Ohio. The gentleman made the statement that Mr. Bergson told him that this legislation was not necessary.

Mr. MICHENER. If Mr. Bergson has made any statement like that, he has made statements absolutely at variance with his testimony before the Committee on the Judiciary. I am going along with this, and one of the reasons is that Mr. Bergson was for it.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. CELLER. Mr. Bergson appeared before the House subcommittee on this matter and stated uninhibitedly that he was in favor of this bill.

Mr. BROWN of Ohio. Therefore, the gentleman from New York [Mr. CELLER], chairman of the Committee on the Judiciary, agrees that the statement made by me that the Department of Justice and Mr. Bergson have endorsed this legislation, is correct?

Mr. CELLER. That is correct.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. WALTER. I would like to state that the information I have is that Mr. Bergson drafted this bill as it passed the Senate. He not only has recommended its enactment but, in testifying before our committee, said that it was absolutely necessary to be enacted.

Mr. BROWN of Ohio. Evidently there has been some misunderstanding.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. EVINS. I dislike to disagree with the chairman of the committee, but I must support the gentleman from Tennessee [Mr. SUTTON], because I talked with Mr. Bergson myself, and he said, "This is not a Department of Justice bill."

Mr. BROWN of Ohio. That is very interesting. Of course, the hearings before the committee will speak for themselves. I do not question the gentleman's word, but it has been my experience that sometimes some of the individuals downtown do take positions with one foot on each bucket, and I hope that is not the case with Mr. Bergson.

Mr. EVINS. He said, "We are not advocating this bill. I am not a protagonist for it." That is the very word he used.

Mr. BROWN of Ohio. You will have to argue that out when we get on general debate.

Mr. KEOGH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. KEOGH. Does the gentleman know that the bill as it came from the other body was in the nature of a substitute that was offered on the floor there?

Mr. BROWN of Ohio. Yes, I know that.

Mr. CELLER. Will the gentleman yield again?

Mr. BROWN of Ohio. I yield.

Mr. CELLER. If one says he is not a protagonist of a bill, that does not mean that he is against the bill and it does not mean that he is in favor of the bill.

Mr. BROWN of Ohio. Of course, I was simply stating information which was brought to the Rules Committee that the Department of Justice and the Federal Trade Commission both approved this legislation. I rather question that any individual in an executive department should be a protagonist or antagonist of any legislation coming before the House. However, this is a very, very important measure, and unless some action is taken by the Congress to clarify the present trade situation, many, many business concerns in this country will not know what their legal rights may be or as to how they can conduct their business or can price their goods. There already is and will be further interference, serious interference, with the conduct of trade and commerce within the United States at the very time when we need all of the business activity we can possibly have, unless prompt action to clarify the situation is taken. So I am hoping that this rule will be adopted. I am sure that in the 3 hours of debate provided under this resolution that the bill will be rather thoroughly explained and thoroughly debated so that all Members of the House may have complete information at the time they are called upon to vote.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. For a question.

Mr. PATMAN. Is it contemplated that the opponents will have an equal division of time, a fair share of the time?

Mr. BROWN of Ohio. The time, under the rule, has been divided equally between the chairman of the committee and the ranking minority member on the Republican side, which is the usual and regular custom, as the gentleman well knows.

Mr. PATMAN. One further question, if the gentleman will permit. Was it contemplated by the Committee on Rules that since both the chairman of the committee and the ranking minority member are in favor of the bill that those opposed to the bill would be given a fair share of the time?

Mr. BROWN of Ohio. There was no such provision written in the rule. That was tried only once, to my knowledge, and the results were rather unsatisfactory. We are sure there will be the same fairness displayed in the distribution of time by those in charge of this bill as has always been shown in the past.

Mr. Speaker, I reserve the balance of my time.

Mr. LYLE. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

DANGEROUS BILL

Mr. PATMAN. Mr. Speaker, I am sorry that hearings were not held on this very important proposal. It is my considered opinion that this will affect more Members directly than any other one issue that will be before the Eighty-first Congress. I am very fond of the Members of this House on both sides, the Democrats and Republicans; they have been nice to me, and I have tried to be nice to them. I do not dislike a single Member, and I want to urge you to give serious and careful consideration to this great question. It seems so simple, and it will be explained in such a plausible manner; but I should dislike very much for about nine-tenths of the Members of this House if they were accidentally to vote in favor of this legislation to wake up next summer and find that the most formidable opponent they ever had was armed with the best issue that was ever used against them. I want the Members to vote in the way that will help them the most, for in that way they will help the country the most.

Mr. Speaker, this is a dangerous issue; this involves the antitrust laws; it involves trusts and monopolies; it involves helping or harming the home-town merchants, grocers, and druggists. I believe it is the most important economic question that you will have to pass on; so I urge you to give it serious and careful consideration.

Consider the Justice Department; why should the Justice Department be called

upon for a recommendation about the Federal Trade Commission? Sometimes they are looked upon as rivals. It would be just as logical and reasonable to call upon the Department of Commerce to make a recommendation about the Department of Agriculture; it would be just as consistent to ask the Committee on the Judiciary to recommend against the Committee on Interstate and Foreign Commerce having certain committee powers; it would be just as consistent because the Department of Justice has nothing to do with the particular acts involved in this bill. So why should they be called upon to make a recommendation? And if they make a favorable recommendation I do not know that it would fall within the business of the Department of Justice. In other words, they are willing to curtail the rival's powers. They would possibly like to have all of the power. I do not say that about this particular Department of Justice, but that has been the attitude in the past and I know many of you have had similar experiences.

Regardless of what gentlemen may say about the Federal Trade Commissioners endorsing this bill, I will be able to convince you Members that the Federal Trade Commissioners individually are opposed to this bill. They do not deem it necessary or desirable. They consider it confusing the issue rather than clarifying it.

CLARIFY ISSUE AFTER FULL DISCUSSION

Now, Mr. Speaker, concerning our good friend, the distinguished Senator from Wyoming, Senator O'MAHONEY, I have a very high regard for him. He is looked upon as a great defender of small business and a strong and vigorous enemy of monopolies and trusts. But Senator O'MAHONEY agreed to this substitute only when the Kefauver amendment was added to it. That made it a little better than it otherwise would be. He agreed to it then. But our committee over here has stricken out the part that Senator O'MAHONEY has agreed to, that part known as the Kefauver amendment. Furthermore, Senator O'MAHONEY said that he is only agreeing to it presuming something is necessary to clarify the issue. I agree with Senator O'MAHONEY. If there is an issue that is confusing, an issue that needs clarification, I am for clarifying it. But, on the spur of the moment, hastily, and quickly, no. These things should be thought out and the great Committee on the Judiciary should take this bill back. I shall not oppose this rule. I want discussion on the whole bill. I do expect, however, to insist on the bill being sent back to the committee or its being defeated altogether.

The great Committee on the Judiciary should bring witnesses up there. They should take this bill and say: "What does this word here mean? What does this phrase and this sentence mean? What will the effect of this punctuation mean? What will the bill do?" The committee has not heard witnesses on this bill. Of course, it is contended that the Senate committee had hearings on a similar proposal. That was a moratorium proposal, not involving this O'Mahoney-Capehart substitute, the O'Mahoney-Capehart bill. It did not involve that bill at all. The language is not similar, there is nothing like it. So hearings have not been held on this legislation. Now, is it not perfectly reasonable to ask the committee to take this bill back and grant full and adequate hearings so that we will know exactly what we are doing? You do not have any hearings before you.

I agree with Senator O'MAHONEY that if there is clarification needed we should have it, but we should have it only after we have had clearer committee action and after witnesses have been heard. I asked that certain witnesses be heard and the request was refused. The committee, I know, is a very busy committee. I have appeared before that committee to help small business. But we are told when we ask for hearings: "No, we are going to hear them in connection with the antimonopoly hearing that our committee is conducting." It will be 2 years before any action is taken. Why not put this in the monopoly hearings? The committee says, "No, we are giving this quick and immediate consideration."

RISK TO MEMBERS—90 PERCENT IN DANGER

Mr. Speaker, the Members are running an awful risk if they vote for this bill. It is an issue that will arouse the people of this Nation. Perhaps 10 percent of the Members can defend themselves on this proposition and probably be better off by it. But 90 percent will be harmed and injured and cannot defend themselves because they will be in a vulnerable position. It will help one-tenth of one State but it will definitely harm and injure 47 States and nine-tenths of that one State.

Mr. CARROLL. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Colorado.

Mr. CARROLL. I agree with the gentleman from Texas. As I remember reading the debates when this measure was brought up in the Senate, the O'Mahoney bill was a substitute for the moratorium bill.

Mr. PATMAN. A brand new bill.

Mr. CARROLL. Senator O'MAHONEY stated, when Senator KEFAUVER presented his amendment, that he did not understand the effect; and as Senator KEFAUVER continued to present his ideas, Senator O'MAHONEY finally did accept his amendment. I am much pleased to know that the gentleman from Texas has indicated here that the attorney who represents the Antitrust Division was speaking only for the antitrust provision and not on the Robinson-Patman Act or the Federal Trade Commission. As I understand his testimony, striking out the Kefauver amendment would overcome the Circuit Court of Appeals decision in the Standard Oil case; is that not so?

Mr. PATMAN. It certainly will. This proposal will repeal definitely three Supreme Court decisions. Now, that is not a good idea to have no hearings on a bill that will just absolutely overthrow the Supreme Court on three different decisions: The Cement case, the Rigid Conduit case, and the Morton Salt case. This bill changes the rules of evidence.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Indiana.

Mr. HALLECK. Were those three decisions that are going to be repealed some of the 5 to 4 decisions?

Mr. PATMAN. No, but if they were, what is the difference? We have votes here that are not unanimous. Are you going to agree with the minority every time you have a close vote? The majority rules. Where sellers have three customers in a town, such as Sears, Roebuck, John Jones, and another independent merchant, under present law the seller can give a special discount to that big man in the home town, but he has to give the other competitor of that big man the same price under the same circumstances. That is the present law enacted in 1936. This bill will change that so that they can favor Sears, Roebuck and discriminate against those independent merchants and put them out of business. Do you want to enact any kind of legislation like that?

I insist, folks, that this is dangerous legislation. It will repeal substantially the antitrust laws and legalize an un-American cartel system, known as the basing-point system, which encourages monopolies and trusts, and is price-fixing.

The Temporary National Economic Committee, in its final report and recommendations to the Seventy-seventh Congress, March 31, 1941, made a strong recommendation, which was unanimously against the basing-point system.

It is as follows:

RECOMMENDATIONS ON THE BASING-POINT SYSTEM

Extensive hearings on basing-point systems showed that they are used in many industries as an effective device for eliminating price competition.

During the last 20 years basing-point systems and variations of such systems, known technically as zone-pricing systems and freight-equalization systems, have spread widely in American industry. Many of the products of important industries are priced by basing-point or analogous systems, such as iron and steel, pig iron, cement, lime, lumber and lumber products, brick, asphalt shingles and roofing, window glass, white lead, metal lath, building tile, floor tile, gypsum plaster, bolts, nuts and rivets, cast-iron soil pipe, range boilers, valves and fittings, sewer pipe, power cable, paper, salt, sugar, corn derivatives, industrial alcohol, linseed oil, fertilizer, and others.

The elimination of such systems under existing law would involve a costly process of prosecuting, separately and individually, many industries, and place a heavy burden upon antitrust enforcement appropriations.

We, therefore, recommend that the Congress enact legislation declaring such pricing systems to be illegal.

Because such systems have resulted in uneconomic and often wasteful location of plant equipment, it is recognized by this committee that the abolition of basing-point systems should provide for a brief period of time for industries to divest themselves of this monopolistic practice.

The committee is not impressed with the argument that a legislative outlawing of basing-point systems will cause disturbances in the rearrangement of business through a restoration of competitive conditions in industries now employing basing-point systems. Such disturbances may be costly to

those who have been practicing monopoly. But the long-run gain to the public interest by a restoration of competition in many important industries is clearly more advantageous.

A statement of the Honorable Harold L. Ickes, while Secretary of the Interior, before the Committee on Interstate and Foreign Commerce of the Senate, March 20, 1936, is very interesting.

It is as follows:

STATEMENT OF HON. HAROLD L. ICKES, WHILE SECRETARY OF THE INTERIOR, BEFORE THE COMMITTEE ON INTERSTATE COMMERCE, MARCH 20, 1936

At the invitation of your chairman, Senator Wheeler, I am here to discuss the experience of the Reclamation and other Interior Department bureaus, as well as of the Public Works Administration, in the matter of identical bids and the operation of basing-point or price-formula systems. There has not been time to make other than a superficial check as to the number of cases in which identical bids have been submitted. However, I can say that between June 1935 and March 1936 identical bids occurred at least 257 times, involving a gross expenditure of $2,866,252.97.

In the case of purchases made through the Interior Purchasing Office, identical bids were received during 1934 and prior to June 1935 in at least 45 cases, involving a gross expenditure of $788,394.94, and between June 1935 and March 1936 in 67 cases—which are included in the 257 instances above referred to—involving a gross expenditure of $266,-252.97. I might say that these figures do not cover the large reclamation projects, purchases in connection with which are handled by a field office located in Denver. It also appears that between July 1, 1935, and March 1, 1936, on 190 PWA projects, identical bids were submitted totaling approximately $2,600,000.

First, I would like to comment on the situation in Reclamation, with particular reference to identical bids received on cement, steel, and insulated wire and cable. The persistent submission by manufacturers and vendors of identical proposals in response to invitations has made it practically impossible for the Government to comply with section 3709, Revised Statutes, which provides that awards must be made on the basis of competitive bids.

As an example, bids were opened at the Denver office of the Bureau of January 31, 1936, covering insulated cable for the Boulder Canyon project. Twenty-six bidders submitted proposals. Of this number 20 of the responsible bidders put in bids which were identical, although shipping points were as widely scattered as Marion, Ind.; Bayonne, N. J.; Schenectady, N. Y.; Economy, Pa.; Worcester, Mass., Phillipsdale, R. I.; and other places. In all instances on one schedule, these bidders submitted a uniform price of $111,208.75 f. o. b. Boulder City, Nev., and offered the same discount of one-half of 1 percent. On another schedule these same bidders submitted the same price of $3,508.65 f. o. b. Boulder City, Nev., notwithstanding the fact that the actual shipping points were widely separated.

Another example might be cited in connection with cement for the Colorado River project. Bids were opened on January 28, 1936. They quoted destination prices identical to the third decimal point.

I will not weary you with an enumeration of instance after instance where similar bids have been submitted on cement, insulated wire and cable, and steel on the Grand Coulee Dam, Casper Alcova, Owyhee reclamation, and other projects.

However, it might not be out of place to remark that as the result of identical bids, the work of the Bureau of Reclamation has been seriously hampered. The Bureau is acting as a trustee in building irrigation works for the farmers, who will pay the cost of construction in the end. They are able to meet their payments only by great industry and self-denial and if costs go beyond a certain point, it will become necessary to give up the building of such projects.

I might add that in the circumstances there does not seem to be much reason for continuing to ask for bids. If all prices are identical, we might as well bargain with a single firm.

The purchasing records of PWA, the Indian Service, and national parks all tell the same story. In fact, there seems to be an increasing tendency toward uniform bidding on the part of vendors and manufacturers. This tendency is especially marked at the present time as regards steel, machine equipment, and school equipment on PWA projects. The following list will give you some idea of the scope of materials and equipment, among others, on which identical bids have been received: School equipment, typewriters, steel lockers, typewriter stands, school desks, school chairs, auditorium seats, tables, arm chairs, padlocks, hospital and office equipment, fire extinguishers, class-room desks, operating-room equipment, kitchen equipment, glass and glazing, switchboard, stage equipment, lighting standards, sewing cabinets, structural steel, steel tanks, steel-sheet piling, reinforcing steel, valve boxes, turbogenerators, condensers, well drilling, fire hydrants, fire-alarm sirens, pumps, plumbing and heating specialties, feed-water heaters, aerators (sewage), pipe covering, electric transformers, cast-iron pipe, electrical cable, water meters, copper pipe, electric locomotives, stokers, machine tools, creosoted poles, filter equipment, heavy cranes, tractors, transmission-line equipment.

Outstanding instances of identical bids on steel occurred in connection with the huge Triborough Bridge project in New York; the Morehead City, N. C., ocean terminal project; and the Miami, Fla., harbor project. In all these cases bids were quoted in terms of destination price, and they were identical to the second decimal point, regardless of the point of shipment.

Recently there has been evident a growing tendency toward identical bids on machine equipment. It is interesting to note that in this instance the tendency is not only toward identical bids but also toward identical performance on different makes of machines. Examples that can be cited are: Iowa City, Iowa, power-plant turbogenerators and condensers; Decatur, Ind., power-plant turbogenerators and condensers; Fort Pierce, Fla., power-plant condensers; Chicago Sanitary District Sewage Treatment Works, condensers. Many other instances could be given from our records.

You might be interested in the fact that in cases where identical bids have been rejected and readvertising resorted to, very often the new bids submitted have also been identical not only as to price but the price has been the same as the original bid. By a strange coincidence the performance promised for different equipment has also been identical. Take the Chicago sanitary sewer condensers as an example. It was only after bids were advertised for the third time that chinks appeared in the hitherto impregnable phalanx of common prices and identical performance. On this third effort four of the original seven bidders failed to participate. The Foster-Wheeler Corp., to which the award was finally made, quoted a price approximately $4,000 less than its two previous offers. But this was an unusual case; seasoned bidders don't often weaken.

IMPORTANT PART OF ROBINSON-PATMAN ACT REPEALED BY S. 1008

The proponents of this bill state that its purpose is to make sure that it is legal to engage in what they innocently call freight absorption. I am not so sure of the innocence of calling it freight absorption. Certainly, when you transport heavy stuff like steel and cement, which carry heavy freight charges, if you permit the seller much freedom in making freight allowances or absorbing freight, you might just as well tell him that he may vary his price as he feels like and discriminate against one customer as against another. This is exactly what the Robinson-Patman Act says he cannot do. The buyer does not care whether you use the term "freight absorption" or work it out some other way. The cost to the buyer is what it costs him to have the material brought to him wherever he is located. If, under the guise of absorbing freight, you enable his competitor to get it for less, all factors considered, he is going to be ripping mad—and with good reason—for that may mean that tomorrow he will be out of business while the other buyer in whose favor you have discriminated may have gobbled up all the business.

Secondly, I do not see why, in the guise of merely legalizing freight absorption, it was necessary to legalize a zoning system, as provided for in section 2A of the bill. One high court has called the zoning system a variation of the basing-point system. In any event, if we propose to legalize a zoning system—particularly for heavy materials like steel and cement where freight is a major item of cost—I think we should do so in a separate bill, where it can be given separate consideration, instead of sneaking it in under the topic freight absorption.

Finally, there are many good lawyers who attest that the freight-absorption relief in this bill would really reestablish the entire basing-point system.

However, let us give the proponents of this bill the broadest benefit of the doubt and let us assume that the freight-absorption provisions of the bill are intended merely for freight-absorption purposes and merely for a clarification—another fine word—of the freight-absorption situation.

Assuming this, I then have the $64 question: Why did the proponents of the bill, after covering freight absorption so extensively, have to devote a whole section of the bill—namely, section 3—to go way beyond freight absorption and to break down one of the most vital sections of the Robinson-Patman Act, relating to every conceivable business practice to which the Robinson-Patman Act applies, and including only incidentally freight-absorption practices? I refer to section 2 (b) of the Robinson-Patman Act, the burden-of-proof section, as well as to the House Judiciary Committee amendment striking out the Kefauver amendment.

In other words, having obtained in full—and even in extra measure—all their freight-absorption objectives, by the wording of the bill, why did its proponents have to go further and take a whacking swat at the Robinson-Patman Act affecting all situations, even where freight absorption or basing-point system was not an issue?

Why, indeed, unless their real objectives are actually to destroy the antitrust laws entirely or in substance, unless steel and cement want monopoly and the end of competition not only for themselves but for all big business—the basing-point system for themselves, other devices for others, as well as themselves.

Apparently, steel and cement are perfectly willing to join hands with Atlantic & Pacific Tea Co., for instance, which was convicted last year under the antitrust laws for unlawful actions, including the receiving of price discriminations which would be unlawful under the Robinson-Patman Act. At least, this is the way it appears.

Apparently, that is why associations representing independent wholesale grocers, retail druggists, bakeries, and so forth, have testified at such length before the House Select Committee on Small Business, which recently gave the opposition an opportunity to be heard after the present bill was rushed through the Senate and House Judiciary Committees with no public hearings at all and only perfunctory executive hearings in the House.

One of these witnesses testified that the members of his wholesale grocers association found themselves mixed up in this fight about freight absorption and the basing-point system merely as innocent bystanders upon whom there had been dumped an avalanche of steel and cement. He said that they were opposing the bill not because of any direct interest in freight absorption or the basing-point system one way or the other, but because the bill, in their opinion, completely subverts the Robinson-Patman Act, which they regard as their strongest bastion of defense against monopoly.

In other words, he directly charged, in behalf of the important, although smaller, economic interests whom he represents that, although the bill is labeled as a freight-absorption bill, and is debated as a freight-absorption bill, it is really much more than a freight-absorption bill. There is a sleeper in the bill, a stowaway, a second and entirely different bill. That hidden and additional bill secreted in S. 1008 is a bill to emasculate, if not repeal, one of the most vital portions of the Robinson-Patman Act.

Let us examine section 3 of the bill, which amends section 2 (b) of the Robinson-Patman Act.

As everyone knows, a proceeding before the Federal Trade Commission under the Robinson-Patman Act is not a criminal proceeding. It does not put anybody in jail, and it does not fine him. Its purpose is to stop him from doing something which is unlawful or tends to be unlawful. It is directed toward what might be called incipient offenses. It acts as a preventive to nip possible unlawfulness in the bud.

Accordingly, in such a proceeding we do not require by any means the same rigid rules of burden of proof applying, say, in a criminal case. Moreover, the unlawfulness of this type of case is usually intertwined with secret plans and designs which are within the peculiar knowledge of respondents and difficult to prove. Accordingly, it does not seem unfair that a large part of the burden of proof should be on the respondents.

Section 2 (b) of the Robinson-Patman Act now reads as follows:

(b) Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price or services or facilities furnished, the burden of rebutting the prima facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, however,* That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

Thus, under the Robinson-Patman Act as it now exists, there are the following steps:

First. A prima facie case is made out against a respondent merely by showing price discrimination, even though the Commission may, if it chooses, also make out a prima facie showing of an adverse effect on competition, and so forth.

Second. The respondent may rebut, among other ways, by showing that price discrimination was made in good faith to meet the equally low price of a competitor.

Third. However, the Federal Trade Commission attorney may still negate the defense by showing that, even though there was no adverse effect on competition among the sellers, there might be an adverse effect on competiti n among competitors of the favored purchaser. This has been the holding in a circuit court of appeals decision and is the rule sought to be retained by the Kefauver amendment.

Under the bill, however, there is a great change and the following are the steps:

First. The Commission must first prove (a) price discrimination, plus (b) that the effect may be to substantially lessen competition, and so forth.

Second. The respondent may justify by (a) showing that the price discrimination was made in good faith to meet an equally low price of a competitor, or (b) including the maintenance of a customary price differential.

Third. The Federal Trade Commission attorney may not show, to rebut the defense, that the effect of the discrimination may be to destroy competition among the competitors of the favored buyer. This has been accomplished by the action of the House Judiciary Committee in striking out the Kefauver amendment in section 3 of the bill, as well as in section 2.

Of course, all these changes will help the "freight absorption" boys and the "basing point" boys. But they will also help out all the boys; that is, all the big boys. As for all the small boys—that is, small business throughout the land—they can just take a walk.

Under the language of the bill, for instance, a manufacturer selling its products to A. & P. at a certain price could further reduce its price even though discriminating against small retail grocers, just because another manufacturer threatens to undersell it by quoting A. & P. alone a lower price. This could be done even though the reduction would be such that A. & P. competitors might have to close their doors. All that the manufacturer would have to show is that he reduced his price to meet the equally low price of the other manufacturer. Thus there would be created a lawful way for A. & P. to benefit by the very type of price discriminations which resulted in its conviction for violating the antitrust laws.

Moreover, under the new price-differential clause appearing in the bill, customary differentials maintained in the past apparently will be entrenched, indeed sanctified. This price-differential clause seems to be a sort of grandfather's clause which preserves past practices from attack merely because they are past practices. Quite possibly A. & P. practices which have already been found criminal by the courts could be justified under this language, at least insofar as concerns proceedings under the Robinson-Patman Act, and, quite possibly, differentials maintained under the basing-point system for many years until it was declared illegal, as actually employed, might now be saved under the new language.

No wonder those various associations representing countless small business firms have been up in arms. Even the restoration of the Kefauver amendment will not help, in my opinion. The damage to section 2 (b) of the Robinson-Patman Act accomplished by this bill goes beyond that, and, in any event, the Kefauver amendment would have to be changed to substitute "may" for "will" to approximate the present law.

But enough of all this analysis and comma-hunting. I have gone into it this much merely for the purpose of illustrating the mischief inherent in this so-called freight-absorption bill.

It is my feeling that any bill changing the wording of the antitrust laws, particularly one considered in such haste and under such pressure, will accomplish equal mischief. This mischief is not a calculated risk; it is a calculated design of the proponents of this bill—that is, the actual proponents, those people in industry who do not care so long as they have their own way.

I do not believe this bill should pass. I certainly do not believe that the Robinson-Patman part of it should pass, because that is an aspect of the bill which is entirely removed from its avowed purpose and which has received no real debate or consideration at all. I believe that, if the facts and situation were truly known, the entire country would be with me on this.

MEMBERS OF THE ADVISORY COUNCIL TO THE TRADE POLICY SUBCOMMITTEE OF THE SENATE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE CHOSEN TO REFLECT VIEWS OF BIG BUSINESS ON BASING-POINT SYSTEM

As I have said many times, the demand for legislation to clarify or rescind the Supreme Court decisions on the basing-point pricing system has arisen as a result of pressure and lobbying by the large groups which were directly affected by the recent Court decisions in the Cement and Rigid Steel Conduit cases. As early

as last August when an advisory council was appointed to assist the Capehart committee, which was a subcommittee of the Senate Committee on Interstate Commerce, it was obvious that the results of the investigation held at that time would be recommendations favorable to big business interests.

The advisory council which was established by the Capehart committee as an aid in the investigation of the recent Supreme Court decisions was packed with persons who were committed by their business connections to a view adverse to the Federal Trade Commission, the courts, and the antitrust laws. The 41 original members appointed to the Capehart Advisory Council were primarily representatives of the northern and eastern financial interests. There was only one representative from the South. He was S. Clay Williams, head of the R. J. Reynolds Tobacco Co. There were only five representatives from the West and three of these represented industries which benefited from the basing-point system.

This Council contained three executives of the cement industry which was convicted of price-fixing conspiracy in the case that gave rise to the whole controversy; a representative from Staley Manufacturing Co., which was convicted of unlawful price discrimination by the Supreme Court in 1945, and was a defendant in a Federal Trade Commission case that charges a price-fixing conspiracy similar to that in cement; a Chicago candy manufacturer who, by virtue of his location, was one of the beneficiaries of the price discrimination which the Commission found in the Glucose case; three representatives of steel companies which were defendants in a similar case before the Commission charging price-fixing conspiracy, and one of which was also a defendant in the Wire Rope case; a respondent in the Clay Products Refractories case; a representative of a sugar company which sells its products on a basing-point system obviously similar, at least superficially to those the Federal Trade Commission has attacked, and who, as a representative of his company appeared in defense of the system. Thus, nine members of the Council may be regarded as spokesmen for the defense in the basing-point cases, and one other was a past beneficiary of unlawful discrimination. This accounts for 10 of Council's 40 members. Of the 16 other representatives of manufacturing business, 7 were customers of the steel and cement industries about whose business interests too little information is available to permit a statement as to whether or not they were beneficiaries of the discriminations in those industries. Of the Council's three representatives of labor, one has been personally a defendant in an antitrust case, one is a representative of the cement workers union, and one, who resigned from the Council, represented the United Steel Workers. The transportation interests on the Council were represented by an executive of railway which benefited from the basing-point system, whereas there was no representative of truck or barge lines, which have been typically injured by the trade practices of the basing-point industries.

Thus the committee began its work with at least 10 out of the 40 members committed by business interests to the defense in the basing-point cases, and with the possibility that 7 others might be so committed. There was included in the committee no person who was known as a student of basing-point pricing systems, as an opponent of such systems, as a former member of the staff of any of the government antimonopoly agencies, or as an earnest defender of the antitrust laws of the United States. The inclusion of representatives of three great farm organizations can be accounted for only on the theory that their interest in the basing-point problem had not been publicly expressed in recent years and that their devotion to the policies of the antitrust laws was underestimated.

The members of the advisory council who had no direct personal interest in the basing-point issue were probably not aware of the purpose which the monopoly industries hoped to achieve by new legislation.

There were three farm organizations represented on this council: the Farm Bureau, the National Grange, and the National Farmers Union. Not one of these organizations agreed to the majority report of the Capehart advisory council, which recommended that the law be changed to mollify the cement, steel, and other industries which had been hit a severe blow by the supreme court decision in the Cement Institute case.

The legislation which grew out of these recommendations was S. 236, introduced by Senator JOHNSON. Then we had S. 1008 in the Senate and H. R. 2222 in the House. S. 1008 has been completely changed by an amendment substituted on the floor of the Senate by Senator O'MAHONEY. But the fact remains that the same big business interests which campaigned so vigorously for basing-point legislation now support S. 1008 and that to me indicates that, in their opinion at least, this present bill fulfills their selfish desires for legislation, softening the blow of the Supreme Court decision in the Cement Institute case.

*Distribution by industrial interest and locality of members originally appointed to the Advisory Council to the Trade Policy Subcommittee of the Senate Committee on Interstate and Foreign Commerce*

| ndustry | Number | East | | | | | | Middle West | | | | | | | South | West | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | New York | New Jersey | Pennsylvania | Connecticut | Massachusetts | District of Columbia | Illinois | Indiana | Wisconsin | Michigan | Ohio | Iowa | Missouri | North Carolina | Colorado | California | Washington |
| Manufacturers: | | | | | | | | | | | | | | | | | | |
| Cement | 3 | 1 | | 1 | | | | | | | | | | | | 1 | | |
| Steel and steel fabrication | 2 | | | 1 | | 1 | | | | | | | | | | | | |
| Food processing | 3 | | | | 1 | | | 2 | | | | | | | | | | |
| Firebrick | 1 | | | | | | | | | | | | | 1 | | | | |
| Miscellaneous manufacturing | 14 | 3 | 1 | 1 | | | | 1 | | 1 | 1 | 2 | 2 | 1 | 1 | | | |
| Other than manufacturing: | | | | | | | | | | | | | | | | | | |
| Cement user | 1 | | | 1 | | | | | | | | | | | | | | |
| Railroad traffic | 1 | | | | | | | 1 | | | | | | | | | | |
| Retailer | 1 | | | | | | | | | | | | | | | | 1 | |
| Construction | 1 | | | | | | | | | | 1 | | | | | | | |
| Sugar | 1 | | | | | | | | | | | | | | | 1 | | |
| Trade associations | 2 | | | | | | | 1 | 1 | | | | | | | | | |
| Labor organizations | 3 | | | | | | 1 | 1 | 1 | | | | | | | | | |
| Farm organizations | 3 | | | | | | 1 | 1 | | | | | | | | 1 | | |
| Economist | 4 | | | | | 1 | | | 2 | | | | | | | | | 1 |
| Banker | 1 | | | | | | 1 | | | | | | | | | | | |
| Total | 41 | 4 | 1 | 4 | 1 | 2 | 3 | 7 | 4 | 1 | 2 | 2 | 2 | 2 | 1 | 3 | 1 | 1 |
| Total by groups | | 15 | | | | | | 20 | | | | | | | 1 | 5 | | |

TEXAS COURTS ENJOINED CEMENT COMPANIES FROM USING PRICE-FIXING METHODS—TEXAS STATE ANTITRUST LAWS EFFECTIVE IN BREAKING UP THE CEMENT MONOPOLY IN TEXAS—CEMENT COMPANIES PLEAD GUILTY AND AGREE TO A CONSENT DECREE AND PERMANENT INJUNCTION AGAINST PRICE-FIXING PRACTICES

In 1939 in cases Nos. 59,685 and 62,298 the Lone Star Cement Corp., Southwestern Portland Cement Co., Trinity Portland Cement Co., Universal Atlas Cement Co., San Antonio Portland Cement Co., Longhorn Portland Cement Co., and the Gulf Portland Cement Co., agreed to pay $400,000 and costs to the State of Texas and agreed to be:

Enjoined from creating or becoming a part of any combination for the purpose of preventing or lessening compeition in the manufacture, marketing, sale, or purchase of cement, or for the purpose of fixing, maintaining, increasing, or decreasing the price of cement or fixing or maintaining standards and figures whereby the price of cement shall be fixed.

Enjoined from agreeing in any manner not to sell, dispose of or prepare for market or for transportation, or to keep the price or costs at a fixed or graded figure, or by which they shall in any manner affect the price of cement or the cost of the preparation for market or transportation of cement.

Enjoined from agreeing in any manner to regulate output manufactured or sold in Texas or from abstaining from engaging in business.

Enjoined from agreeing to boycott or threaten to boycott any purchaser or seller of cement.

Enjoined from participating by agreement in any of the intrastate—Texas—activities of the Cement Institute.

Enjoined from using the freight rate service of the Cement Institute and from exchanging rate service with each other so far as their intrastate operations are concerned.

Enjoined from fixing or agreeing on a price (or terms) for the resale of cement.

Enjoined from acting together for the purpose or result of favoring one mode of transportation of cement over another.

Enjoined from using methods of pricing by agreement or understanding by which the price of cement is affected, to wit:

(A) Selling only at destination or delivered prices, or refusing to sell for delivery at the mill.

(B) Requiring customers to take delivery of cement by any particular method of transportation.

(C) Adhering only to prices and terms of sale publicly announced in advance.

(D) Preventing diversion or reconsignment of cement in transit.

(E) Controlling or attempting to control the use of cement after title has passed from the shipper.

(F) Fixing, maintaining, increasing, or reducing the differential between the price of one type of cement over another, or of cement shipped or packaged in one type of package over another.

(G) Refusing to allow quantity discounts based upon different costs for different quantities.

(H) Fixing or prescribing terms of credit.

(I) Fixing, maintaining, increasing, or decreasing the price to be charged for the sale or leasing of sacks or the credit to be allowed for the return thereof.

(J) Fixing or limiting the nature of securities which defendants may accept in lieu of cash for cement.

(K) Refusing to prepay freight charges or costs of transportation of cement.

Enjoined from controlling the disposition or use of cement after the title has passed.

Enjoined from refusing to quote or sell cement to any dealer at any point in Texas in which defendant sells cement, even though the dealer does not have a place of business at such point.

Enjoined from agreeing not to sell to the State of Texas direct such cement as the State desires to purchase for highway maintenance at prices quoted to the dealer trade.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain statements and excerpts.)

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Speaker, I propose simply to address myself to the necessity and desirability of this legislation at this time. I believe it is an excellent thing that the Committee on the Judiciary and the Committee on Rules, following the lead of the Senate, has brought this legislation to the floor now.

We are in a situation, Nation-wide, where business is disturbed and jittery, and the effect of these Supreme Court decisions that have been referred to has been to add a great deal to the lack of confidence of American business both as regards expansion of existing plant and facilities and the entering into of long-term contracts. Historically—and it affects the heavy industries more seriously—we have been conducting the business of this Nation on a delivered-price system. Then suddenly the decisions have come about which indicate that the Supreme Court has decided that these delivered prices are not exactly legal, and hence this legislation is before us to make clearly possible the continuation of the historic method.

And I say to you briefly that, as regards competition, failure to pass this legislation will result in the Balkanizing of American economy. We are down to the situation where in given sections of the country that could quickly develop. For example, in the case of steel, a section possessing some low-grade ore and some coking coal could in that particular area have a monopoly on the sale of steel because of high freight charges on steel from other sections. The same thing applies to cement and other products whose freight rate is heavy. We would break up the free economy and the free competition of this country and substitute in lieu thereof sectional monopolies.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Indiana.

Mr. HALLECK. It has been represented to me that the operation of the basing-point system has made it possible for more competitors to come into more different markets. Does the gentleman think that is a correct statement and in line with the facts?

Mr. CORBETT. Not only is that correct, but let me give an example. If we take the Chicago market, producers of steel in the Chicago area would have no competition from steel in Youngstown or Fort Wayne or Pittsburgh unless companies there were allowed to lay down their steel at a delivered price which would be competitive with the steel produced in that particular area. So it applies all over the country as to any kind of product.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman made the statement that we want to return to the historic method of doing business. The Supreme Court of the United States has stated that collusive getting together and fixing prices at a price identical to the sixth decimal point is illegal. Does the gentleman wish to return to that method?

Mr. CORBETT. The basing-point system is not a collusive way of arriving at prices. The attempt of the bill is to preserve the competitive price system. I believe as the gentlemen who conducted the hearings—and I was amazed to hear that there had not been hearings, because I testified before the committee—explain this bill the gentleman will be satisfied that all proper safeguards against trusts and monopolies are provided. If not, I certainly do not want to be in the position of favoring the bill.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. BROWN of Ohio. The fact is that this bill does prohibit the collusive pricing which is mentioned by the gentleman. Of course, no one knows what the law really is. I remember back in the days of NRA they were going to send me to jail because I did not place exactly the same price on my products that everybody else placed on theirs. So we do not know what that policy of the Government might be.

Mr. CORBETT. I thank the gentleman. To the best of my knowledge, after a careful study of this bill, it is absurd to state that it makes possible illegal price fixing. The bill is not one which has to do with the fixing of an original price, but with fixing a competitive delivered price. I believe that as we have more time in the general debate we can make these things very clear, but as for now I simply say that this legislation is desirable and necessary now. Big corporations have no idea whether to expand existing facilities or put plants around in various parts of the country, which they perhaps are not financially able to do.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, many of those who are opposing this bill have not taken the trouble to read it. Let me say to the gentleman from Tennessee [Mr. EVINS] that he might read on page 1 of the bill, commencing on line 5, and he will find the following:

> It shall not be an unfair method of competition or an unfair or deceptive act or practice for a seller, acting independently, to quote or sell at delivered prices or to absorb freight: *Provided*, That this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice, carried out by or involving the use of delivered prices or freight absorption.

Therefore, if a delivered price is the result of a collusive arrangement or monopoly or fraud or oppression, it is stamped with illegality, and those offending could be punished and orders could be obtained in the courts against them.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Tennessee.

Mr. EVINS. Since the gentleman has stated that I have not read the bill, may I say that I have studied the bill, and that is the existing law. What the gentleman has read is the law today. So why is it necessary to rewrite a piece of legislation which is already on the books?

Mr. CELLER. I am very glad the gentleman asked that. I will be very glad to answer his question. There was a decision rendered by the Supreme Court in the so-called Cement Institute case. Mr. Justice Black, who rendered the majority opinion, stated in so many words that anyone, any individual, any merchant or manufacturer, could absorb freight and sell at a delivered price, provided there was no collusion or conspiracy.

But if Mr. Justice Black had ended there, there would have been no trouble and there would have been no confusion. He continued, however, and, as a result of what we lawyers call obiter dicta, sort of meandering in the law and making statements which were not essential to the decision, he undoubtedly confused the issue. So that now when any self-respecting lawyer reads that case in its entirety he does not know where he is at. If the judge had stopped at the place I indicated and said absorption of freight by an individual, period, all would have been well. Instead the judge indulged in mental gymnastics. These judicial gyrations caused the difficulty.

As a result of the confusion created by that decision, it was said: "Let us wait until the Supreme Court decides the Steel Conduit case involving the same problems. The Court will indicate clearly and unequivocally what the law is." But what happened? The Supreme Court could not agree in the Steel Conduit case. We had a 4-to-4 decision, which made confusion worse confounded. That gave no comfort. There was only grave disappointment. The situation was still unclear and confused. When you have a situation like that developed, when lawyers cannot even tell what the law is because of these mental meanderings in the Justice Black decision, and because of the equally divided court in the Conduit Steel case, what are merchants going to do?

They pleaded with us, "Give us some clarification of the law. Can we or can we not use a delivered price?" So the Committee on the Judiciary got to work and the bill was introduced. The other body passed the bill. The Department of Justice put the imprimatur of its approval on the bill. I shall deny any statement made to the contrary because I spoke to the representatives of the Department of Justice, and I particularly asked them whether they were in favor of the bill. They said they were unequivocally in favor of this bill. The Federal Trade Commission approved the bill. But one of the lawyers of the Federal Trade Commission and one of the economists on their own initiative made statements that they were opposed to the bill. But they were only speaking their own personal views and not the official views of the Federal Trade Commission. They had no right to make those statements in opposition before the committee presided over by the gentleman from Texas. They had no right to make those statements before the Small Business Committee.

Why did the gentleman from Texas conduct hearings on this bill? His is not a legislative committee. His committee has no direct power to recommend legislation to this body. It is not a legislative committee. I say most respectfully that it was a bit unseemly for him to consider as he did S. 1008 after the House Judiciary Committee reported the bill favorably. His views are only advisory in this regard. He asked to come before him this lawyer and this economist of the Federal Trade Commission who gave these opinions. Frankly, the Federal Trade Commission should discipline these otherwise worthy employees of the Commission. I ask who is boss down at the Commission?

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield two additional minutes to the gentleman from New York in order that he may yield to the majority leader.

Mr. McCORMACK. As I understand the situation, the Judiciary Committee approved a moratorium for a period of 2 years?

Mr. CELLER. Yes.

Mr. McCORMACK. It is my understanding—in fact I saw a letter sent to the chairman of the Committee on Rules, which was signed by Peyton Ford, assistant to the Attorney General, unreservedly endorsing the bill as reported out of the House Committee on the Judiciary.

Mr. CELLER. That is correct; and I will go further and say that Dr. Clark, representing the President's Council of Economic Advisers, came out in favor of this bill.

Mr. McCORMACK. May I say further in addition to that, the latter part of June I wrote to the White House seeking information on this subject. I have in my hand a letter dated June 28, signed by Charles S. Murphy, which states in relation to S. 1008, the O'Mahoney bill relating to basing point:

> We have been checking on this matter down here. The Bureau of the Budget is advising Congressman SABATH today that the bill as reported from the Senate Committee on the Judiciary is in accord with the program of the President.

So what we have is the Department of Justice recommending the passage of the bill, and we also have the fact that the White House also favors the passage of the bill as reported out of the House Committee on the Judiciary.

Mr. CELLER. Plus the Federal Trade Commission.

Mr. McCORMACK. Plus the Federal Trade Commission.

The SPEAKER. The time of the gentleman from New York [Mr. CELLER] has again expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield the remainder of the time on this side to the gentleman from Michigan [Mr. CRAWFORD].

The SPEAKER. The gentleman from Michigan is recognized for 8 minutes.

Mr. CRAWFORD. Mr. Speaker, I think I can at least qualify as one who believes that it is possible because of its indirect social or moral effect, to prefer a system of small producers, each dependent for his success upon his own skill and character, to one in which the great mass of those engaged must accept the direction of a few. In simple language, that means that I am in favor of small business. I have been studying this thing ever since the court decisions, and I can make the truthful statement by saying that I have been studying this whole question very closely since 1917, over 30 years.

I have taken the information which the gentleman from Texas [Mr. PATMAN] has very kindly placed in the RECORD, and I have studied that as related to this bill—the statements made by Mr. Frates, Mr. Rowe, and Quinlan—and the language in this bill, and I want to congratulate the Judiciary Committee for bringing this measure before us. It is a pleasure to me to know that the Department of Justice, the Federal Trade Commission, and the White House feel that this question should be decided at this time.

The reason it should be decided at this time is because of the terrific degree of chaos which exists across the country in channels of industry, at a time when unemployment is increasing, trade volume is falling off, profits are declining, the revenues of the Government are falling, and the roof is coming off the Capitol Building, but still our obligations continue and they must be met by the taxpayers of this country.

I have been unable to find anything in this bill which convinces me in any way whatsoever that it will destroy the Robinson-Patman law, which has been on the books, and which has to do with the control of retail prices. I do not see anything in this bill which will cause expansion of monopolies or collusion or discrimination or the destruction of trade generally. I think the language is well stated, in spite of the fact that some of these gentlemen whose names I have just called, disagree with what I am saying. They seem to think it will be impossible for the courts and for the legal minds of our country to understand this language and make it work. Personally, I think it can be made to work in handling the basing-point system in this country. I believe if the situation is left as it is at the present time, under the Supreme Court decisions, it will substantially destroy competition in this country and have a tendency to destroy business, leaving it so that the big companies with great capital structures could build local plants and finally drive the little competitors completely out of the field. I am speaking entirely from a practical standpoint. I leave it to the legal minds to pass on the legal technicalities, but if the basing-point system is done away with, in accordance with the decisions of the Supreme Court, then I think we will have worse conditions from the standpoint of expansion of monopolies and the destruction of small enterprise, and making it impossible for the small man to get along with his

customers to whom he must sell goods, and customers must take products in the form of some basic materials and convert them into products, through a system where they at no time know what their prices will be, which means that they do not know what their costs will be.

It will be impossible for them to make long-term contracts with any degree of certainty, and that would assuredly further confuse trade. For these principal reasons I shall support the rule, and I hope that we shall have general and full debate on this and that the Members will participate so that they will better understand how our procedure in this country operates through the support of industry as well as policies and competitive prices under our present policy.

I see nothing whatsoever in the basing-point system which destroys competition. I can let this friend, that friend, or the other friend go into the cockpit of steel, or sugar, or cement, or building materials, under the basing system, and you will find competition which you do not enjoy. By that I mean to say that the basing point does not destroy competition; there is nothing in it whatsoever that prevents a competitor from reducing prices. As an illustration, you can quote cement today at $2.50 a barrel out of your cement plant at Chicago, for instance; and I can quote it at $2.30 out of my plant at Baltimore if I please. There is nothing in the basing point that interferes with that quotation. If the cement is on hand and the market is glutted, we can go after the market. You do not have to rely on the basing point to set up competition. In building material it is the same way, in steel the same way; we have competition in the price of steel products and we have had all down through the years, although not so much in the last few years, when we have had a great scarcity of these materials. For instance, last year I had to ride all over the District of Columbia trying to find one bag of cement, a quarter of a barrel, only to be told that I could not get it for 3 months. Under those conditions, you would not have very much competition in price, but those conditions will not always prevail. The basing point does not always control that, either; it is a question ultimately of supply and demand. So I repeat that I hope there will be full debate. I join with the gentleman from Texas [Mr. PATMAN] in requesting that you give attention to this so that you will better understand what we are up against in this country. We certainly cannot go ahead under the conditions which now exist by reason of the Supreme Court decisions which have been referred to. We have got to have industry in this country, great industry and great volume, and great employment of every kind. I see no way on earth that we can pay our way out under 60,000,000 to 65,000,000 employees, at wages as high as we have today substantially, and no less than a $250,000,000,000 national income, if we are to carry this load, and that means income for agriculture as well as industry. You have got to have these great basic industries at all times, because when they shut down the little fellow must shut down, and you have got to have decent relations from the standpoint of legal procedure in order to do this.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. LYLE. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. SHEPPARD].

Mr. SHEPPARD. Mr. Speaker, I have asked for this time because we of the West are vitally interested in freight rates in general. I wish to ask the chairman of the committee, the gentleman from New York [Mr. CELLER], if there is anything in this bill that would decontrol the presently controlled phantom rate or legalize the phantom rate issue?

Mr. CELLER. There is not.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. KARST].

Mr. KARST. Mr. Speaker, Senate bill 1008 is a very complicated measure. I have spent many hours carefuly studying its provisions. I have read the arguments for it and those against it. I have consulted with able lawyers and able economists in my earnest endeavor to understand it, and I have come to the firm conviction that this bill is thoroughly dangerous. Its hidden and concealed purposes are:

First. To impair existing antitrust laws so that monopoly will be put beyond reach of those laws.

Second. To permit big business whose plants are concentrated in the East to engage in legal and ruthless price discrimination so as to destroy the growth of independent industrial enterprise in the West and South which occurred during the late war and to prevent such growth in the future.

Third. To wipe out the Robinson-Patman Act so that powerful chains can enjoy the legal right to put small merchants and distributors out of business through the vicious and unfair practice of price discrimination.

Mr. Speaker, I am a new Member of this body. I don't profess to have the ability of many of my colleagues. But I know that many of my colleagues have not either heard of this bill or have not had the time to dig at it as I have. Yet this bill is now before the House without a single public hearing being held on it either in the Senate or the House. This bill was offered on the floor of the Senate by Senator O'MAHONEY as a substitute for another bill which had been substituted for yet another bill. In 1 day the O'Mahoney bill was voted on in the Senate, but only after Senator KEFAUVER, who had misgivings about it, had successfully put into the bill two amendments. The day after the bill passed the Senate, a part of the press that notoriously speaks for the desires and wishes of big business urged that the Kefauver amendments be taken out of the bill in the House. In the House, a subcommittee of the judiciary voted the bill out in 1 day's session and the bill was voted out of the subcommittee in the form that the press of big business wanted it—that is without the Kefauver amendments. The full committee of the House judiciary itself devoted only 1 day to the bill. Small-business organizations which had begun to be aware of the true nature of Senate bill 1008 were not allowed to appear against it.

Now the House is asked to pass this measure with only 1 day of debate. Frankly, it is impossible for me to attempt to explain clearly to you the technical and intricate provisions of this bill in the 5 minutes now allotted to me, nor can I do the job in 15 minutes.

All I can hope to do is to point out to you later that this bill is the direct outgrowth of decisions of the courts which interfered with the attempts of big business to practice monopoly and to exploit small business through price discrimination, that this bill has behind it the full and glamorous support of big business, that small-business men who have had their eyes opened to its destructive purposes are waging a desperate and last-ditch fight against it, and that if the Democratic side of this House makes possible the enactment of this bill into law, we Democrats will have broken faith with our party platform of last November which proclaimed our unswerving allegiance to the antitrust laws, their vigorous enforcement, and which pledged us to protect the just interests of small business.

It seems to me, Mr. Speaker, that we Democrats who have done so much in our party history to fight monopolists, cannot afford to take even the slightest chance that in this Congress we helped monopolists get free of the antitrust laws and gave big business the power to destroy small business, with a congressional election just in the offing. Suppose I and others who are suspicious of this bill are mistaken. What can be possibly lost by recommitting the bill so that adequate public hearings may be held on it—hearings that will show that we are wrong, Is not this the safe and prudent way? In my opinion, any bill having behind it the united support of big business and opposed by small business should be combed over with a fine-tooth comb.

So, I urge my colleagues either to recommit this bill for adequate public hearings, or vote it down.

Mr. LYLE. Mr. Speaker, I yield the balance of my time to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, the Committee on Rules, after hearing from the Committee on the Judiciary, granted a rule. I favored the granting of the rule because I felt that it was an extremely important bill and that the membership of this House should have the right and the opportunity to pass upon it.

Mr. Speaker, many of my personal friends and businessmen have endorsed and urged this legislation.

As usual, the gentleman from Massachusetts [Mr. MCCORMACK] is correct. I did receive a letter indicating that the Executive Office of the President is in favor of this legislation. As a matter of fact, I have received several letters both pro and con on this legislation. It would be too burdensome to quote the entire content of each of these letters,

therefore, I shall quote only the important part of each.

BUREAU OF THE BUDGET

I received a letter from the Executive Office of the President, Bureau of the Budget, dated June 28, 1949, and signed by Mr. F. J. Lawton, Acting Director, which stated in part as follows:

Upon the basis of analysis of the legislation and of advice received from the Department of Justice and the Federal Trade Commission, you are hereby advised that enactment of this legislation as reported by the House Judiciary Committee would be in accord with the program of the President.

DEPARTMENT OF JUSTICE

I received another letter from the Department of Justice dated June 27, 1949, and signed by Mr. Peyton Ford, the Assistant to the Attorney General, which stated in part as follows:

Insofar as the Justice Department is concerned, we have never urged the necessity or desirability of legislation with respect to the pricing practices to which the present bill is directed. We did indicate that a moratorium would be unobjectionable from our standpoint, provided it was for a sufficiently short period of time and was sufficiently narrow in scope as not to result in any impairment of the antitrust laws. The present bill, we believe, meets these conditions. While the bill, as passed by the Senate, contained certain provisions which we thought ought to be changed, these changes have now been incorporated into the bill now before your committee. * * * Inasmuch as all three of the foregoing recommendations were adopted, we have no objections to the enactment of S. 1008 in the form presently before your committee.

ANTITRUST DIVISION, DEPARTMENT OF JUSTICE

I had a conference with Mr. Bergson, head of the Antitrust Division of the Department of Justice. Later Mr. Bergson, in a memorandum to me, stated, in part, as follows:

S. 1008, as amended, merely constitutes a legislative declaration of what appears now to be the law with respect to certain pricing practices. It legalizes nothing which, under the existing law, the Supreme Court has held to be illegal. It merely attempts to allay the confusion which arose from certain dicta in the Cement Institute case decided by the Supreme Court in April 1948. * * * The bill declares that delivered prices and freight absorption are not unlawful per se. It does not authorize such practices, however, where there exist any other factors that would bring them within the scope of the prohibitions of the Federal Trade Commission Act or the Clayton Act.

MR. WOODEN

But, on the other hand, I received a letter from Mr. Walter B. Wooden, trial attorney and assistant general counsel of the Federal Trade Commission, which stated, in part, as follows:

In my judgment, enactment of the bill would return us to the law as it was when the Supreme Court decided the old Cement case in 1925. The Court then decided that conspiracy was not to be inferred from the use of the basing-point system, with its inherent practices of systematic freight absorption and its resulting identity of delivered prices among competing concerns. The Court rationalized the system and its characteristic results as being a normal method of meeting competition. The bill would return us to that rationalization which, of course, has been the persistent philosophy of basing-point industries even when convicted of conspiracy. * * * My final judgment is that despite all its high-sounding provisos and exceptions, the practical effect of the bill, if enacted, even with the Kefauver amendment and even with the blessing of sincere foes of monopoly, would be to emasculate the present laws because they interfere with the most successful, subtle, and automatic price-fixing devices, tools, and formulas that the best legal and economic apologists for monopoly and monopolistic practice have been able to devise.

SELECT COMMITTEE ON SMALL BUSINESS

On May 28, 1949, I received a letter from my colleague the gentleman from Texas [WRIGHT PATMAN], chairman of the Select Committee on Small Business of the House, which stated in part as follows:

Of course, all of us are well aware of the monopolistic features of artificial pricing systems. Consumers never get a break when monopoly steps in, price-wise or any other way. * * * Moratorium legislation strikes at the very heart of our antitrust and fair-trade practices laws, and virtually destroys the effects of the painstaking efforts over the years to enforce these laws.

On June 21, 1949, I received another letter from Mr. PATMAN stating in part as follows:

As chairman of the Committee on Small Business of the House, I am asking our committee to have hearings on this bill at once. * * * The chain-store lobby is pushing for the passage of this bill, knowing it will assist chain-store merchants to destroy local independent merchants. The passage of this bill will absolutely nullify and repeal three important decisions of the United States Supreme Court in the Cement, Rigid Conduit, and Salt cases. * * * The passage of this bill is against the public interest and the bill should not be presented to the House before adequate hearings are available. * * * There were no hearings in the Senate and practically no hearings in the House. * * * certainly inadequate hearings—and the House should not be called upon to vote on such a major proposal involving the economic affairs of our country without full and complete hearings.

UNITED STATES WHOLESALE GROCERS' ASSOCIATION

Under date of June 22, 1949, I received a letter from Mr. R. H. Rowe, vice president and secretary of the United States Wholesale Grocers' Association, which stated in part as follows:

Our association composed of independent small-business men was the original proponent of the measure that afterward became known as the Robinson-Patman bill and later the Robinson-Patman Act. It is our considered judgment that S. 1008 as approved by the House Judiciary Committee makes many ambiguous changes in the law which may be so interpreted as to weaken the provisions of the Robinson-Patman Act against price discriminations in favor of chain stores and other large buyers. We consider the Robinson-Patman Act the greatest piece of legislation ever enacted for the protection of the small independent merchant against the aggressions and oppressions of mass-buying organizations and believe any weakening thereof would be a calamity of the first magnitude to small merchants.

Mr. Quinlan, general counsel for the United States Wholesale Grocers' Association, stated the position of his group in these words:

To make our position perfectly clear, we believe the bill, S. 1008, should be denied a rule, and that if and when it is called up without a rule it should be voted down by the House or recommitted to the Committee on the Judiciary.

So, Mr. Speaker, in this way I feel that I am giving information to the House as it came to me as chairman of the Committee on Rules. Both sides of the story have been presented.

I fully appreciate that the lawyers and certain gentlemen in favor of this legislation claim it only clarifies the decisions of the Supreme Court of the United States. Others say this bill will nullify the Robinson-Patman Act of 1936, as was stated before, and further that it repeals several Supreme Court decisions. Some maintain that this bill virtually repeals our antitrust laws and legalizes price fixing. Here are the arguments, Mr. Speaker—for and against—and which deserve careful thought and consideration by the Membership. No doubt many arguments will be made during the 3 hours of debate that the rule provides for which I know will shed even more light on this bill, both pro and con.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. WALTER. The gentleman mentioned the opposition from the grocers' association. I wonder if he is acquainted with Mr. M. L. Toulme, executive president of the largest organization in the United States, who is for this bill?

Mr. SABATH. No; I am not. We have many of these so-called organizations who claim to represent the small-business men but who are merely the front or the tools of big business. Now, that should be known to the gentleman from Pennsylvania.

Of course, I am sorry that these big corporation lawyers find it impossible to decide on the legal points involved. You know, I am not against legislation that is recommended by the President.

In view of the fact that the President has been and is always interested in small business, I feel that he will give this bill his most serious thought and consideration, notwithstanding the fact that some gentlemen in the Federal Trade Commission and the Justice Department see no harm in this bill.

But it is up to you gentlemen first to pass upon it and see whether you want to pass this permanent legislation. The legislation in the Senate, introduced by Senator MYERS, was temporary legislation, for 2 years, which would have given the country and the businessmen a chance and an opportunity to ascertain whether it is what it is claimed to be by the proponents, or whether it is not. I feel that this bill requires careful consideration on the part of all of us. If I thought that it would help small business I would be for it. On the other hand, if I should come to the conclusion that it would hurt the small-business men, naturally I would be against it. It is for this reason that I, for one, urged and advocated the creation of the Small Business Committee.

In the last 6 or 7 years we have spent, I think, $150,000 on that committee so it could keep the House informed and give us information and try to aid in bringing about legislation that would

protect small business. I fully appreciate that it does not have legislative power, but it has the power to recommend and it has the duty to submit the knowledge which it has gained from the investigations that it has carried on, and to which the Members of the House are entitled.

Therefore, I am of the opinion that, after the 3 hours of debate that will be had, you will use your best judgment and vote in accordance with your conscience for what you believe to be in the best interest of the country, as I said before.

Personally, somehow or other I was inclined to vote for the bill originally upon the evidence presented, but when I hear my Republican friends so much interested in the bill, I commence to doubt whether this is in the best interest of the country or the small-business men, because very seldom do I see my Republican friends do anything or vote for anything that is for the small business. They are invariably on the side of the big boys. All they give the little fellow is lip service.

Let me quote from Justice William O. Douglas' dissent in the recent Standard Oil case:

> The increased concentration of industrial power in the hands of a few has changed habits of thought. A new age has been introduced. It is more and more an age of monopoly competition. Monopoly competition is a regime of friendly alliances, of quick and easy accommodation of prices even without the benefit of trade associations, of what Brandeis said was euphemistically called cooperation. While this is not true in all fields, it has become alarmingly apparent in many.
>
> The lessons Brandeis taught on the curse of bigness have largely been forgotten in high places. Size is allowed to become a menace to existing and putative competitors. Price control is allowed to escape the influences of the competitive market and to gravitate into the hands of the few. But beyond all that there is the effect on the community when independents are swallowed up by the trusts and entrepreneurs become employees of absentee owners. Then there is a serious loss in citizenship. Local leadership is diluted. He who was a leader in the village becomes dependent on outsiders for his action and policy. Clerks responsible to a superior in a distant place take the place of resident proprietors beholden to no one. These are the prices which the Nation pays for the almost ceasless growth in bigness on the part of industry.

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-three Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 305, nays 22, not voting 105, as follows:

[Roll No. 123]

YEAS—305

| | | |
|---|---|---|
| Abbitt | Fisher | Mahon |
| Abernethy | Flood | Marsalis |
| Albert | Forand | Meyer |
| Allen, Calif. | Ford | Michener |
| Allen, Ill. | Frazier | Miles |
| Andersen, H. Carl | Fugate | Miller, Calif. |
| | Garmatz | Miller, Md. |
| Anderson, Calif. | Gary | Miller, Nebr. |
| Andresen, August H. | Gathings | Mills |
| | Gillette | Monroney |
| Andrews | Gilmer | Morgan |
| Angell | Golden | Morris |
| Auchincloss | Goodwin | Morrison |
| Barden | Gore | Morton |
| Baring | Gorski, N. Y. | Moulder |
| Barrett, Wyo. | Gossett | Multer |
| Bates, Ky. | Graham | Murdock |
| Bates, Mass. | Grant | Murphy |
| Battle | Gregory | Murray, Tenn. |
| Beall | Gross | Nicholson |
| Beckworth | Gwinn | Nixon |
| Bennett, Fla. | Hagen | Noland |
| Bennett, Mich. | Hale | Norblad |
| Biemiller | Hall, Leonard W. | Norrell |
| Bishop | | O'Hara, Ill. |
| Bland | Halleck | O'Hara, Minn. |
| Blatnik | Hand | O'Neill |
| Boggs, Del. | Harden | O'Toole |
| Boggs, La. | Hardy | Pace |
| Bolling | Hare | Passman |
| Bonner | Harris | Patman |
| Bosone | Hart | Patten |
| Boykin | Harvey | Perkins |
| Brambiett | Hays, Ark. | Peterson |
| Breen | Hays, Ohio | Philbin |
| Brehm | Hébert | Phillips, Calif. |
| Brooks | Heffernan | Phillips, Tenn. |
| Brown, Ga. | Herlong | Pickett |
| Brown, Ohio | Herter | Poage |
| Bryson | Heselton | Polk |
| Buchanan | Hill | Potter |
| Burdick | Hinshaw | Poulson |
| Burke | Hobbs | Preston |
| Burleson | Holifield | Price |
| Burnside | Holmes | Priest |
| Burton | Hope | Rabaut |
| Byrnes, Wis. | Horan | Rains |
| Camp | Howell | Reed, Ill. |
| Canfield | Huber | Reed, N. Y. |
| Cannon | Hull | Rees |
| Carlyle | Irving | Regan |
| Carnahan | Jackson, Calif. | Rhodes |
| Carroll | Jacobs | Ribicoff |
| Case, N. J. | James | Rich |
| Case, S. Dak. | Javits | Riehlman |
| Celler | Jenison | Rodino |
| Chiperfield | Jenkins | Rogers, Fla. |
| Christopher | Jensen | Rogers, Mass. |
| Church | Johnson | Rooney |
| Clemente | Jones, Ala. | Sabath |
| Cole, Kans. | Jones, Mo. | Sadlak |
| Cole, N. Y. | Jones, N. C. | St. George |
| Colmer | Judd | Sanborn |
| Combs | Karsten | Sasscer |
| Cooley | Kean | Scott, Hardie |
| Cooper | Kearney | Scrivner |
| Corbett | Kearns | Scudder |
| Cotton | Keating | Secrest |
| Cox | Kee | Sheppard |
| Crawford | Kelley | Short |
| Crook | Kerr | Simpson, Ill. |
| Crosser | King | Simpson, Pa. |
| Cunningham | Kirwan | Sims |
| Curtis | Kunkel | Smith, Kans. |
| Dague | Lane | Smith, Va. |
| Davenport | Larcade | Smith, Wis. |
| Davies, N. Y. | LeCompte | Spence |
| Davis, Ga. | LeFevre | Steed |
| Davis, Tenn. | Lemke | Stefan |
| Davis, Wis. | Lichtenwalter | Stigler |
| Deane | Lind | Sullivan |
| DeGraffenried | Linehan | Talle |
| Denton | Lodge | Teague |
| D'Ewart | Lovre | Thomas, Tex. |
| Dolliver | Lucas | Thompson |
| Dondero | Lyle | Thornberry |
| Donohue | Lynch | Tollefson |
| Doughton | McConnell | Trimble |
| Eberharter | McCormack | Van Zandt |
| Elliott | McCulloch | Velde |
| Ellsworth | McDonough | Vorys |
| Engle, Calif. | McGregor | Vursell |
| Evins | McGuire | Wadsworth |
| Feighan | Mack, Wash. | Wagner |
| Fenton | Madden | Walter |
| Fernandez | Magee | Welch, Calif. |
| Welch, Mo. | Wier | Winstead |
| Werdel | Wigglesworth | Wolcott |
| White, Calif. | Williams | Wolverton |
| White, Idaho | Willis | Wood |
| Whitten | Wilson, Ind. | Woodruff |
| Whittington | Wilson, Okla. | Worley |
| Wickersham | Wilson, Tex. | |

NAYS—22

| | | |
|---|---|---|
| Addonizio | Keogh | Rankin |
| Allen, La. | Lanham | Sadowski |
| Cavalcante | McCarthy | Sutton |
| Chudoff | McKinnon | Tauriello |
| Green | Mansfield | Yates |
| Havenner | Marcantonio | Young |
| Jackson, Wash. | Marshall | |
| Karst | O'Sullivan | |

NOT VOTING—105

| | | |
|---|---|---|
| Arends | Granger | Pfeifer, Joseph L. |
| Aspinall | Hall, Edwin Arthur | |
| Bailey | | Pfeiffer, William L. |
| Barrett, Pa. | Harrison | |
| Bentsen | Hedrick | Plumley |
| Blackney | Heller | Powell |
| Bolton, Md. | Hoeven | Quinn |
| Bolton, Ohio | Hoffman, Ill. | Ramsay |
| Buckley, Ill. | Hoffman, Mich. | Redden |
| Buckley, N. Y. | Jennings | Richards |
| Bulwinkle | Jonas | Rivers |
| Byrne, N. Y. | Keefe | Roosevelt |
| Chatham | Kennedy | Scott, Hugh D., Jr. |
| Chelf | Kilburn | |
| Chesney | Kilday | Shafer |
| Clevenger | Klein | Sikes |
| Coudert | Kruse | Smathers |
| Dawson | Latham | Smith, Ohio |
| Delaney | Lesinski | Staggers |
| Dingell | McGrath | Stanley |
| Dollinger | McMillan, S. C. | Stockman |
| Douglas | McMillen, Ill. | Taber |
| Doyle | McSweeney | Tackett |
| Durham | Mack, Ill. | Taylor |
| Eaton | Macy | Thomas, N. J. |
| Elston | Martin, Iowa | Towe |
| Engel, Mich. | Martin, Mass. | Underwood |
| Fallon | Mason | Vinson |
| Fellows | Merrow | Walsh |
| Fogarty | Mitchell | Weichel |
| Fulton | Murray, Wis. | Wheeler |
| Furcolo | Nelson | Whitaker |
| Gamble | Norton | Withrow |
| Gavin | O'Brien, Ill. | Woodhouse |
| Gordon | O'Brien, Mich. | Zablocki |
| Gorski, Ill. | O'Konski | |
| Granahan | Patterson | |

So the resolution was agreed to.

The Clerk announced the following pairs:

Additional general pairs until further notice:

Mr. Roosevelt with Mr. Taber.
Mr. Gordon with Mr. Arends.
Mr. Gorski of Illinois with Mr. Martin of Massachusetts.
Mr. Redden with Mr. Towe.
Mr. Hedrick with Mr. Jonas.
Mr. Harrison with Mr. Hoeven.
Mr. Stanley with Mr. Gavin.
Mr. Sikes with Mr. Clevenger.
Mr. Whitaker with Mr. Hugh D. Scott, Jr.
Mrs. Woodhouse with Mr. Shafer.
Mrs. Norton with Mr. Latham.
Mrs. Douglas with Mr. Kilburn.
Mr. Zablocki with Mrs. Bolton of Ohio.
Mr. McSweeney with Mr. Eaton.
Mr. McMillan of South Carolina with Mr. Gamble.
Mr. Fogarty with Mr. Hoffman of Michigan.
Mr. Buckley of New York with Mr. Weichel.
Mr. Aspinall with Mr. Taylor.
Mr. Barrett of Pennsylvania with Mr. Smith of Ohio.
Mr. Chelf with Mr. Plumley.
Mr. Fallon with Mr. William L. Pfeiffer.
Mr. Staggers with Mr. Coudert.
Mr. Tackett with Mr. Edwin Arthur Hall.
Mr. Wheeler with Mr. Hoffman of Illinois.
Mr. Kilday with Mr. Stockman.
Mr. Kennedy with Mr. Patterson.
Mr. O'Brien of Michigan with Mr. Macy.
Mr. O'Brien of Illinois with Mr. Martin of Iowa.
Mr. Furcolo with Mr. Mason.
Mr. Granahan with Mr. Merrow.

Mr. Kruse with Mr. Elston.
Mr. Smathers with Mr. Engel of Michigan.
Mr. Walsh with Mr. Fellows.
Mr. Dingell with Mr. Fulton.
Mr. Blatnik with Mr. Jennings.
Mr. Richards with Mr. Keefe.

The result of the vote was announced as above recorded.

The doors were opened.

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, S. 1008, with Mr. MAHON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CELLER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, in the 17 years I have been a Member of this body I have seen much confusion concerning legislation. Some of it came naturally and some was inspired. I am certain that if the Members of this House will read the bill under consideration and the report they will reach the same conclusion the House Committee on the Judiciary reached when it reported this bill unanimously.

Of course there is opposition to this measure. That opposition comes from those who would make unlawful the basing-point system of pricing. That opposition comes from those who believe the Supreme Court outlawed the basing-point system.

Now a word as to the history of this situation. Last year the Supreme Court in the so-called Cement case laid down a decision which, as the distinguished chairman of our committee so well stated in the consideration of the rule, was proper. It left no doubt in anybody's mind up to a point. Then, in obiter dicta, the Court went further than it had to go in reaching its decision, and indicated that it was no longer legal to absorb freight. Immediately after that decision was handed down employers and employees alike all over the Nation asked: "What does the decision mean?"

At the request of representatives of the American Federation of Labor, I introduced a bill providing for a moratorium, which would have enabled the Committee on the Judiciary to have made a complete study of the effect of the Cement decision and then indicating whether or not in the judgment of the committee legislation was necessary. At about the same time Senator MYERS, of Pennsylvania, introduced the same moratorium resolution in the Senate. Then, within a matter of days Senator CAPEHART introduced a resolution which was adopted. This resolution provided for extensive hearings to make inquiry into the impact this decision might have on the economy of the Nation.

In conference with the then distinguished majority leader the gentleman from Indiana [Mr. HALLECK] and the then distinguished chairman of the Committee on the Judiciary of the House, I decided not to press for consideration of the moratorium resolution which I had introduced because we felt it would mean a duplication of effort and it would have meant the calling before our committee of the same witnesses who had testified before the Capehart committee.

At those hearings held by the Capehart committee a volume in excess of 1,100 pages of testimony was taken. Members of the Committee on the Judiciary of the House and its professional staff were in attendance. After the committee completed its deliberations legislation was drafted. I introduced a bill in the House, Senator JOHNSON of Colorado introduced a bill in the other body and Senator O'MAHONEY introduced still another bill. There were a number of bills introduced, all of which were designed to clarify this situation.

When the moratorium bill was reported by the Committee on the Judiciary of the House at this session, unanimously, if you please, it went to the Committee on Rules and the request was made for a rule. Day after day, excuse after excuse was found not to grant a hearing on that moratorium bill. When the Senate acted it did not act hastily. I dare say that no subject has been given the study that the subject which is now under consideration was given. Senator O'MAHONEY, as chairman of the TNEC, conducted hearings over a period of months—yes, several years. As a result of those hearings I believe 17 or 18 volumes of testimony was adduced.

This question was not hastily considered. If those people who are opposed to this bill will be honest in their opposition, they will state that they want the basing-point system made unlawful. They say to you that if that is to be done, let us come in the front door and do it, and let us not permit an administrative agency to again invade the legislative field.

Let us look a little further into the history of this matter. About the time the moratorium bill was under consideration there was in the Supreme Court the Rigid Steel Conduit case. I hold no brief for the practices indulged in by the cement organizations. Let me say to you that under the language of this bill nothing that the Supreme Court held illegal in the Cement case has had the stamp of approval placed on it. Those practices are still illegal, and this bill in no way disturbs the decision.

In the Rigid Steel Conduit case there were two counts before the Federal Trade Commission. The first count averred a conspiracy and unlawful competition; and it was made out. There is no question about it. But the second count had to do with matching prices, and nothing else. The Supreme Court took the obiter dicta out of the cement case—not the decision, not the law, but the arguments, put into the decision improperly, and used that as a precedent for its decision in the Rigid Steel Conduit case. Does that 4-to-4 decision outlaw the absorption of prices? Does it?

Here is Business Review of the Federal Reserve Bank of Philadelphia. It is a well-gotten-up periodical. Everything in it is written by people who know what they are writing about. In discussing f. o. b., let me call attention to how they start the article:

> The Supreme Court's decision in April sustaining the Federal Trade Commission's cease and desist order against the use of the basing point pricing system in the cement industry promises to have far-reaching effect.

They start on the major premise that that 4-to-4 decision has actually outlawed that well-known, time-honored system of doing business. Is there any reason why people are confused? Is there any reason why people who read that fine periodical are confused?

Let us go a little further.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALTER] has expired.

Mr. CELLER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. WALTER. Commissioner Mason, one of the Federal Trade Commissioners, had this to say:

> I believe that freight absorption is out.

But what does Mr. Davis, another member of the Federal Trade Commission, say?

> It is my understanding that the Commission has not challenged freight absorption per se.

There are the opinions of the effect of the decision expressed by two members of the Federal Trade Commission, each of whom has issued a statement that American business has a right to rely upon. Which one is correct? Which one can be relied upon? Is the manufacturer of palm beach suits going to be penalized because he sells his suits for the same price all over the Nation? Are Smith Bros. going to be prosecuted because they sell their cough drops at the same price all over the Nation? Who knows? Just as Senator O'MAHONEY testified before our committee—and let me call your attention to this fact, that Senator O'MAHONEY is chairman of the Joint Economic Report, a man who has devoted his entire service in the Senate in an attempt to strengthen the antitrust laws. He is the man who urges enactment of this legislation. He is the man who offered the amendment in the Senate. He is the man who came before the Judiciary Committee of the House, and was one of the six people who testified on behalf of this bill. Could you imagine Senator O'MAHONEY desiring to do anything that would weaken the antitrust laws?

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. WILLIS. Did not Mr. O'MAHONEY also agree to the Kefauver amendments?

Mr. WALTER. Senator O'MAHONEY agreed to the Kefauver amendments. The objection, as somebody pointed out a while ago in the discussion of the rule, was that he said he was not sure what

it meant, and in the committee at the hearings he indicated that he thought they should come out, as did Mr. Bergson, the representative of the Department of Justice.

Mr. BATTLE. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. BATTLE. Does this bill reestablish the basing-point system?

Mr. WALTER. No; this bill does not reestablish the basing-point system.

Mr. BATTLE. Does it prohibit the basing-point system from being reestablished?

Mr. WALTER. It makes it possible for a manufacturer to price his articles based on what in his own judgment is the best method in order to ensure to him business so that he can remain in business. He may quote either f. o. b. or absorb the freight. What it does say is that the absorption of freight rates per se, of itself, standing alone, is not in violation of the antitrust laws of this land.

I would like to say just one thing because of what our distinguished colleague the gentleman from Texas [Mr. PATMAN] asked in the discussion of the rule: What concern is it of the Department of Justice? I point out to my distinguished friend that the head of the Antitrust Division of the Department of Justice is charged with the responsibility of enforcing the law that this bill attempts to clarify.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. PATMAN. Does the gentleman contend that the Department of Justice concerns itself with the two particular acts in this bill that this bill would amend, the Clayton Act and the Robinson-Patman Act? It does not. They enforce the Sherman Act. The Federal Trade Commission enforces the others.

Mr. WALTER. Unlawful restraint of trade, exactly, I may say to the gentleman from Texas, the Department of Justice is charged with the responsibility of enforcing all of our antitrust laws, and the agency charged with the enforcement of the Clayton Act does not oppose the enactment of this legislation.

In closing, Mr. Chairman, I ask my colleagues to do just one thing: Do not be deceived by this inspired propaganda. I will point the source out to you: The National Association of Retail Druggists sent a bulletin around to their mailing list. The first line of this bulletin states: "Please relay this message to all independent druggists." You have heard from a lot of independent druggists, but you write back to those independent druggists and inform them that there will be more sources of supply for the things that they buy if this law is enacted than would otherwise be the case.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. MICHENER. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. CASE].

Mr. CASE of New Jersey. Mr. Chairman, the committee has assigned to me the task of discussing the Kefauver amendments. Before I do so, however, may I express my own concurrence with the purpose of this bill as a whole. It seems to me most desirable to take some of the fuzz and fog out of the law relating to this matter and find just exactly where the law stands now. The fuzz and the fog are particularly inherent in the Robinson-Patman Act.

Mr. MICHENER. Mr. Chairman, will the gentleman yield for just one question?

Mr. CASE of New Jersey. I yield to the gentleman from Michigan.

Mr. MICHENER. The real fight in this bill is on the Kefauver amendments, is it not?

Mr. CASE of New Jersey. That is one of the fights, I may say to my colleague from Michigan. I hesitate to speak for the gentleman from Texas, but I should guess that he has other objections as well.

Mr. MICHENER. That is probably so, but I mean as far as the rest of the membership is concerned.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. The gentleman spoke about fuzz and fog. He did not mean smog, did he?

Mr. CASE of New Jersey. That is perhaps a very useful word I could say, too.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. There is one thing I would like to have cleared up. Many of us who live out in the Midwest have a good many small factories that are required to buy a considerable part of their material, steel, and other things, from the eastern part of the country. We are led to believe that many of these small businesses will be put out of business unless the Supreme Court decision is set aside by this type of legislation. May I ask the gentlemen, does this legislation give the small business concerns, small manufacturers, the same opportunity they had before if this legislation is passed?

Mr. CASE of New Jersey. In my opinion, there is nothing in it that would interfere with small business in that regard, and I do not believe anyone would argue that there is.

Mr. AUGUST H. ANDRESEN. Under the present decision of the Supreme Court many of our small-business men will be put out of business because they will not be able to compete with other businesses located closer to their source of supply.

Mr. CASE of New Jersey. I think that is a quite likely result.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Texas.

Mr. WORLEY. I wonder if the gentleman will tell the committee exactly what this bill proposes to do.

Mr. CASE of New Jersey. I shall be glad to try to do so.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In answer to the gentleman from Minnesota, will not this bill make it possible for the original suppliers of those small firms to which he referred to, buy goods from those old suppliers along the line that they did in previous years, under which conditions these small-business men established their business and made a success of it, and they can do so because this bill makes it possible for the old supplier to absorb a freight rate without violating any Sherman antitrust law, Clayton Act, or other act? That is what this bill does?

Mr. CASE of New Jersey. Yes. The clear purpose of the bill is to avoid a tremendous disruption of present business practices not in any way related to collusion, monopoly, or anything of that sort.

Mr. CRAWFORD. In other words, the old suppliers cannot supply the firms to which he refers. They have got to look for new sources of supply and therein they get into difficulty?

Mr. CASE of New Jersey. The disruption and dislocation to business that would follow, I think, would be enormous.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Indiana.

Mr. HALLECK. Reference has been made to the Robinson-Patman Act. That act was passed soon after I came to Congress. I supported it at that time. I find myself in agreement with its principles and I still am in agreement with it. I think there is some feeling abroad that this measure would destroy the protection of the Robinson-Patman Act. I have been assured by other competent people it will be nothing of the sort. It would be very helpful if the gentleman in his time would address himself to that proposition.

Mr. CASE of New Jersey. I shall try to do so.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. Would the gentleman also address some portion of his remarks to the effect of this bill upon the Clayton and Sherman Antitrust Acts?

Mr. CASE of New Jersey. The gentlemen of the committee have honored me with a very large order which goes beyond my narrow assignment, but I shall attempt it to the limit of my capacity.

The bill has two major parts which have already been discussed. It would amend the Federal Trade Act in respect to the definition of what is an unfair trade practice. It would amend the Clayton Act, as amended by the Robinson-Patman Act, or the Robinson-Patman Act itself, in respect of the nature of proof necessary to establish good faith in meeting competition as a defense where discriminations in price are charged.

On the first point the bill provides:

> It shall not be an unfair method of competition or an unfair or deceptive act or practice for a seller, acting independently, to quote or sell at delivered prices or to absorb freight: *Provided*, That this shall not

make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice, carrried out by or involving the use of delivered prices or freight absorption.

In other words, to have the benefit of the provisions of this bill in respect of what constitutes an unfair trade practice under the Federal Trade Commission Act, the practice involved must not be the result of any agreement or collusion or understanding between competitors. In addition to that, it cannot be a practice involving a monopolistic, oppressive, deceptive, or fraudulent practice, even though done without collusion. It seems to me that the safeguards set up against any weakening of the antitrust law in respect to this particular section of the bill are complete.

The second part of the bill deals with the Robinson-Patman Act—that is to say, the Clayton Act, as amended by the Robinson-Patman Act—dealing with discrimination in prices. It has several provisions. In the first place, it states, on page 2, in section 2 (a) of this bill:

That it shall not be an unlawful discrimination in price for a seller acting independently to quote or sell at delivered prices if such prices are identical at different delivery points or if differences betnween such prices are not such that their effect upon competition may be that prohibited by this section.

There seems to be no objection, so far as I know, to that particular provision, which is clause A of section 2 of this bill. It is not that clause to which the Kefauver amendment, so-called, related.

The bill also provides, in section 2, clause B, that it is not an unlawful discrimination in price for a seller acting independently "to absorb freight to meet the equally low price of a competitor in good faith."

Here is where the Kefauver amendment would come in. The bill, as it was introduced by Senator O'MAHONEY, went no further. Senator KEFAUVER suggested that the effect of the bill, if it went no further, would be to abrogate the decision of the court of appeals for the seventh circuit in the recent Standard Oil case in this respect: That, if good faith were shown by a person in meeting the price of a competitor, it would make no difference whether competition were effected or not. The court of appeals, as you know, held in that case that the Standard Oil Co. was guilty of a violation of the Robinson-Patman Act when it sold at one price to a group of wholesalers in order to meet the competition of other refining companies with those wholesalers, and at another price to its own retail customers, even though as the court conceded, that that discrimination, if you will, in price was made in good faith to meet the equally low price of competitors of the Standard Oil Co. This bill, as introduced by Senator O'MAHONEY and as recommended by our committee would abrogate that decision in that respect; there is no question about that. There is no attempt to conceal that that would be the effect. Senator KEFAUVER suggests, and the Senate adopted his suggestion, that the defense of good faith in meeting competition should not be a complete bar to an action under the Robinson-Patman Act if competition, in fact, was lessened, as in the Standard Oil case.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. MICHENER. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. CASE of New Jersey. The competition found to have been hindered in the Standard Oil case was competition between retail customers of the wholesale buyers from the Standard Oil Co. and the Standard Oil Co's. own retail customers.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Colorado.

Mr. CARROLL. Is it not true that during the debates in the Senate on this very measure Senator O'MAHONEY was not really aware of the implications of his own bill until Senator KEFAUVER mentioned the effect of his amendment and the decision to which the gentleman has just referred?

Mr. CASE of New Jersey. I have read the record of the proceedings in the other body in that respect. That inference perhaps might be drawn. I should not, myself, draw it. I rather think that he was at least as uncertain as to the purpose of the Kefauver amendment as he was as to the effect of the bill without it and as to the necessity for it, too. I think that, regardless of what he may have said on the floor, and there was some rather unclear language in the RECORD on that point, his later remarks to us in committee with respect to the Kefauver amendment, made after mature reflection, are the more significant in respect of his views on that point.

Mr. CARROLL. The RECORD shows that Senator O'MAHONEY used almost the identical words the gentleman has used in explaining this today, and he admitted very frankly that the situation, as outlined by Senator KEFAUVER, would not be covered by his bill. I think the gentleman has indicated that it would not be covered under the present bill if the Kefauver amendment were stricken from the bill under the Standard Oil decision.

Mr. CASE of New Jersey. I think there is no dispute that the Standard Oil decision would be overridden if the bill, as the committee recommends it without the Kefauver amendment, becomes law. In my opinion, that is a proper result.

It seems to me the purpose of the antitrust laws should not be to protect people against legitimate competition made in good faith. That is the view of the members of the Trade Commission themselves, it is the view of the Antitrust Division of the Department of Justice of the United States, and it seems to me it is the sound view for us to take as a matter of economic policy.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Louisiana.

Mr. WILLIS. I am glad the gentleman concedes that the purpose and effect of section 2, clause B, of this bill, is to overrule the decision of the court of appeals in the Standard Oil case.

Mr. CASE of New Jersey. I think the result would be a different decision in that case, although, without knowing all the facts, I cannot say surely that the result would have been different.

Mr. WILLIS. The plain purpose of the Kefauver amendment in any event is to preserve the doctrine of that decision.

Mr. CASE of New Jersey. In the respect we are talking about, that is true.

Mr. WILLIS. Under the Robinson-Patman Act it is made unlawful for a supplier to go into a community and, even to meet the prevailing price of a competitor in good faith, prefer one retailer over another. He cannot prefer his own customers and discriminate in price for one store on one side of the street as against another store on the other side of the street, even though he does it in good faith in order to meet competition. This bill, however, would make possible and would specifically permit discrimination in price between a supplier's own customers. Is not that true?

Mr. CASE of New Jersey. I should think it would be very difficult to find in fact a situation of the type the gentleman has attempted to pose. I cannot imagine that retailers actually in competion with each other would not also have the same chance of buying at the low price that one of them had, from a competitor of the supplier. Therefore I do not believe that in fact the situation is very likely to arise whether a person in good faith would be meeting competition of that sort.

Mr. WILLIS. Suppose there is a chain store in a community and 10 corner grocery stores. The chain store goes to a supplier and wants a price lower than he has been accustomed to getting from his former supplier. That happens every day. They use the power of large buying. The gentleman does not deny that. That very thing persisted from 1916 or thereabouts, when the Clayton Act was amended, until 1935, when the practice was prohibited by the Robinson-Patman Act. Does not the gentleman know it is possible and is very much engaged in for the big grocery stores and chain stores to beat down the manufacturers and get a better price and that, therefore, this bill would make it lawful for one supplier to discriminate against his own customer? Does not the gentleman concede that?

Mr. CASE of New Jersey. No, I do not, as the gentleman has stated it. If this bill becomes a law, it will still be unlawful under the Robinson-Patman Act for a retailer, no matter how large, no matter how great his bargaining power may be, to get from a supplier a better price than his small competitor, except to the extent that the supplier may make savings owing to the size or other matters in relation to his dealings on the particular transaction. Discriminations, except those based on savings in cost, are not justified and will not be justified under the Robinson-Patman Act even if this bill becomes law.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. HALLECK. It is obvious that the gentleman has studied this matter very carefully. Do I conclude from what he

just said that it is his opinion that the essential protection of the Robinson-Patman Act will be preserved if this legislation becomes law?

Mr. CASE of New Jersey. I believe that it will. I should like to point out just one or two specific points as to which questions have been raised and, I think, improperly. It has been said that the defense of meeting competition in good faith would permit a person to meet a price which his competitor offered, the competitor being in violation of the Robinson-Patman Act. That is not so. The Staley case makes that unlawful and that decision would not be affected at all.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. WILLIS. Suppose, for instance, you are a supplier supplying stores in a particular community at a set price. You are a manufacturer and you sell your canned goods to all the grocery stores at the same price. Suppose I am a competitor manufacturer. I come into your field and I offer to two or three of your customers canned goods at cheaper prices. I, your competitor, have not violated any law, have I?

Mr. CASE of New Jersey. We will assume that you have not, because you have not discriminated in price, but have merely exercised the right to refuse to sell or to choose your customers.

Mr. WILLIS. Then you say under your bill, or at least I say, under this bill it would be permissible for you, in order to meet my competition, to three or four of your customers to meet my price, but to cut the throat of all your other customers in the same territory?

Mr. CASE of New Jersey. May I point out one thing. The gentleman ascribes to this bill much larger scope than the bill itself has.

Mr. WILLIS. Mr. Chairman, will the gentleman yield once more?

Mr. CASE of New Jersey. I yield.

Mr. WILLIS. Is it not true that section 3 of this bill has nothing to do with freight absorption and delivered price and that it permits a supplier to justify any discrimination—any discrimination in good faith to meet competition outside of and irrespective of the absorption of freight and delivered price?

Mr. CASE of New Jersey. Section 3 deals with the matter of procedure in establishing good faith as a defense and as to that point the gentleman is correct.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. JENSEN. If we were to go on the premise that the gentleman from Louisiana has just talked about, then of course we would have a complete control of our pricing system. If it was not permissible for the supplier to arrange his prices, in order to stay in business, naturally we would be under a specific Government control of our free enterprise and we would all have to sell at the same price. That is the very thing this bill is trying to correct.

Mr. CASE of New Jersey. I thank the gentleman for his contribution. I think I am taking more of the time of the committee than my knowledge of this subject justifies, but I want to make just a couple of points with reference to the position of the Government departments that understand these problems and have to deal with them—whose duty it is to deal with antitrust matters.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRAHAM. Mr. Chairman, I yield two additional minutes to the gentleman from New Jersey.

Mr. CASE of New Jersey. Mr. Chairman, the members of the Federal Trade Commission on February 11 of this year answered a number of questions asked by the Senate Interstate and Foreign Commerce Committee. One of those questions is as follows:

> Where a seller in good faith reduces his price to meet the lower price of a competitor, do you believe he should be permitted to meet that lower price, when he does so in good faith, even if his doing so may cause an injury to a competitor, or to a competitor of his customer?

The answer is:

> Yes. If good faith is present, injury to competition will be rare; and in general the policy of the law should not discourage active competition by preventing the meeting of competition in good faith.

It seems to me that that fairly poses the real issue here.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. CARROLL. I commend the gentleman for making a very fine and sincere statement, but I would like the gentleman's opinion, as he has studied this bill and the Kefauver amendments in relation to it. Where could the Kefauver amendments, if inserted in the present bill, interfere with the splendid presentation made by Senator O'MAHONEY on the floor of the Senate? It seems to me, after reading this with some care, that the O'Mahoney bill gives ample protection and at least clarification of some of the Supreme Court decisions, and the Kefauver amendment takes a step further. It gives protection under circuit court of appeals decisions. It gives some measure of protection to small-business men and cannot possibly confuse or harm anybody but will give protection under the law and will not take away a remedy which has been established by law.

Mr. CASE of New Jersey. I feel it would be very harmful. That is my honest opinion. It would leave the question of protection of meeting competition in good faith very, very doubtful, indeed. And where doubt exists businessmen will hesitate to venture and competition and the consumers will suffer. Confusion in these matters is inevitable to a certain extent, but it seems to me we should clarify the law to the utmost extent possible without serious harm. The opinion of the people in our Government departments best qualified to deal with this matter is that this bill will not harm anybody. Its advantages are very great indeed.

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

Mr. MICHENER. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. CELLER. I think the gentleman will agree that we should encourage competition. Is that not so?

Mr. CASE of New Jersey. That is my very firm belief.

Mr. CELLER. And the Kefauver amendments would have denied competition.

Mr. CASE of New Jersey. The Kefauver amendments would prevent competition in many instances because the danger of competing will deter people from engaging in it. That fog and uncertainty, as I stated in the earlier part of my statement, is the very thing we owe not only business but the consumers of this country the duty to get rid of at the earliest possible moment and to the greatest possible extent.

Mr. CELLER. The purpose of the bill primarily is to give clarification where there is a great deal of cloudiness now. Is it not your opinion that the wording of the Kefauver amendments would give rise to limitless controversy and difficulty?

Mr. CASE of New Jersey. I think it would do exactly that. It would prevent, or as Mr. Bergson, head of the Antitrust Division in the Department of Justice said, at least make much more difficult the establishment of the defense of good faith in meeting competition in many cases.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. MICHENER. The O'Mahoney bill was on the Senate floor as a substitute, as I understand. The Kefauver amendments were offered from the floor. They had no consideration. The bill had to be disposed of that day. The Kefauver amendments were accepted by Senator O'MAHONEY, and the bill came to the Judiciary Committee of the House. Is not the considered judgment of Senator O'MAHONEY as to what the KEFAUVER amendments would do and what their import is and what their effect will be at this time more valuable than the momentary judgment given on the Senate floor?

Mr. CASE of New Jersey. There is no doubt that is the case.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. CASE] has again expired.

Mr. CELLER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MAHON, Chairman of the Committee of the Whole House on the State of the Union, reported that Committee, having had under consideration the bill S. 1008, had come to no resolution thereon.

## HOUR OF MEETING TOMORROW

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOUSING LEGISLATION

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight to file a conference report and statement on the bill S. 1070, the housing bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. HALLECK. Reserving the right to object, Mr. Speaker, can the gentleman tell us when it may be proposed to call up that report, if the report is filed?

Mr. PRIEST. I have not conferred with the majority leader on that point, and I am not in position at the present moment to answer.

Mr. HALLECK. I am not going to object, but I do not think it should be called up tomorrow, because we would not have a chance to look at it, and it is a matter of considerable consequence.

The SPEAKER. The gentleman's statements will be taken into consideration, the Chair assures the gentleman.

Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a speech he recently made in his district.

Mr. BURNSIDE asked and was given permission to extend his remarks in the RECORD and include a sermon delivered by the Reverend Edward R. Elson in Washington, D. C.

Mr. CORBETT asked and was given permission to extend his remarks in the RECORD and include a Flag Day speech made by the mayor of Pittsburgh, Pa.

Mr. O'HARA of Minnesota asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. CASE of New Jersey asked and was given permission to extend his remarks in the Appendix of the RECORD and include the text of a letter from Gov. Alfred E. Driscoll, of New Jersey, to the Metuchen Chapter of the United World Federalists.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. HERTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON AGRICULTURE

Mr. GRANT. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill H. R. 5345, the Agricultural Adjustment Act of 1949.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PROGRAM FOR THE BALANCE OF THE WEEK

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Speaker, I take this time in order to announce that it is the intention, if we finish the basing-point bill and the executive salary increase bill tomorrow to adjourn over until Monday.

BILL PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on July 5, 1949, present to the President, for his approval, a bill of the House of the following title:

H. R. 2282. An act to make certain Government-owned facilities available for international broadcasting in the furtherance of authorized programs of the Department of State, and for other purposes.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 22 minutes p. m.) the House, under its previous order, adjourned until tomorrow, July 7, 1949, at 11 o'clock a. m.

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REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CAMP: Committee on Ways and Means. H. R. 5268. A bill to amend certain provisions of the Internal Revenue Code; with an amendment (Rept. No. 920, pt. 2). Ordered to be printed.

Mr. WHITTINGTON: Committee on Public Works. H. R. 5472. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; without amendment (Rept. No. 969). Referred to the Committee of the Whole House on the State of the Union.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. S. 255. An act to amend section 205 of the Interstate Commerce Act, relating to joint boards; without amendment (Rept. No. 970). Referred to the Committee of the Whole House on the State of the Union.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. S. 256. A bill to amend the Interstate Commerce Act, as amended; with an amendment (Rept. No. 971). Referred to the Committee of the Whole House on the State of the Union.

Mr. HINSHAW: Committee on Interstate and Foreign Commerce. H. R. 3940. A bill to amend the Civil Aeronautics Act of 1938, as amended, to regulate the transportation, packing, marking, and description of explosives and other dangerous articles; with an amendment (Rept. No. 972). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. H. R. 4442. A bill to authorize the transfer to the Attorney General of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., to supplement the farm lands required for the United States prison system; with an amendment (Rept. No. 973). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURDOCK: Committee on Public Lands. H. R. 5184. A bill to approve contracts negotiated with the Belle Fourche irrigation district, the Deaver irrigation district, the Westland irrigation district, the Stanfield irrigation district, the Vale Oregon irrigation district, and the Prosser irrigation district, to authorize their execution, and for other puposes; without amendment (Rept. No. 974). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee of conference. S. 1070. An act to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes. (Rept. No. 975.) Ordered to be printed.

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PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 5503. A bill to authorize the Secretary of the Air Force to release and quitclaim a portion of a right-of-way easement to Langley Air Force Base, Va.; to the Committee on Armed Services.

By Mr. PRIEST:

H. R. 5504. A bill to amend the Public Health Service Act with respect to venereal disease rapid-treatment centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 5505. A bill to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SANBORN:

H. R. 5506. A bill to authorize the Palisades Dam and Reservoir project, to authorize the north side pumping division, and related works, to provide for the disposition of reserved space in American Falls Reservoir, and for other purposes; to the Committee on Public Lands.

By Mr. ANGELL:

H. R. 5507. A bill to amend an act entitled "An act for the protection of the bald eagle," approved June 8, 1940; to the Committee on Merchant Marine and Fisheries.

By Mr. CLEMENTE:

H. R. 5508. A bill to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948; to the Committee on Armed Services.

By Mr. RANKIN (by request):

H. R. 5509. A bill to provide a more equitable determination of the employment seniority rights of veterans of World War II; to the Committee on Veterans' Affairs.

By Mr. WILLIS:

H. R. 5510. A bill to terminate the war tax rates on certain miscellaneous excise taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. COOLEY:

H. R. 5511. A bill to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities; to the Committee on Agriculture.

H. R. 5512. A bill to amend section 13 of the Federal Farm Loan Act, as amended; to the Committee on Agriculture.

By Mr. ELLIOTT:

H. R. 5513. A bill to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes; to the Committee on Education and Labor.

By Mr. SIMPSON of Pennsylvania:

H. R. 5514. A bill to amend section 2000 (a) (2) of the Internal Revenue Code relating to taxes on tobacco and tobacco products; to the Committee on Ways and Means.

H. R. 5515. A bill to amend section 2000 (c) (2) of the Internal Revenue Code relating to taxes on tobacco and tobacco products; to the Committee on Ways and Means.

By Mr. TEAGUE:

H. R. 5516. A bill amending Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. HARRISON:

H. J. Res. 289. Joint resolution to provide emergency relief for victims of the flash floods which occurred on June 17 and 18, 1949, in the Commonwealth of Virginia, and for the restoration and reconstruction of the devastated areas; to the Committee on Appropriations.

By Mr. STAGGERS:

H. J. Res. 290. Joint resolution to provide emergency relief for victims of the flash floods which occurred on June 17 and 18, 1949, in Grant, Hardy, Pendleton, and Tucker Counties, W. Va., and for the restoration and reconstruction of the devastated areas; to the Committee on Appropriations.

By Mr. BRAMBLETT:

H. J. Res. 291. Joint resolution to appoint a board of engineers to examine and report upon the proposed central Arizona project; to the Committee on Public Lands.

By Mr. McDONOUGH:

H. J. Res. 292. Joint resolution to appoint a board of engineers to examine and report upon the proposed central Arizona project; to the Committee on Public Lands.

By Mr. SHEPPARD:

H. J. Res. 293. Joint resolution to appoint a board of engineers to examine and report upon the proposed central Arizona project; to the Committee on Public Lands.

By Mr. MILLER of Nebraska:

H. Con. Res. 99. Concurrent resolution providing that Congress shall meet on November 1, 1949, to eliminate unnecessary governmental functions and to bring the expenditures of the Federal Government into balance with its income; to the Committee on Rules.

By Mr. WHITE of Idaho:

H. Con. Res. 100. Concurrent resolution to maintain permanent peace and prevent war; to the Committee on Foreign Affairs.

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PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H. R. 5517. A bill for the relief of Lt. Ralph E. Hazen; to the Committee on the Judiciary.

By Mr. BUCKLEY of New York:

H. R. 5518. A bill for the relief of Gustav, Dora, and Manfred Lobl; to the Committee on the Judiciary.

By Mr. COX:

H. R. 5519. A bill for the relief of James Sech-chau Hwong and Mrs. Tseng-hwa Chow Hwong; to the Committee on the Judiciary.

By Mr. MURPHY:

H. R. 5520. A bill for the relief of Mario Bosco; to the Committee on the Judiciary.

H. R. 5521. A bill for the relief of Pasquale Cuccurullo; to the Committee on the Judiciary.

By Mr. PATTERSON (by request):

H. R. 5522. A bill for the relief of Joaquim B. Calca; to the Committee on the Judiciary.

By Mr. RAYBURN:

H. R. 5523. A bill for the relief of Fred I. Massengill; to the Committee on the Judiciary.

By Mr. WHITE of Idaho:

H. R. 5524. A bill for the relief of William Sullivan; to the Committee on the Judiciary.

By Mr. WOLVERTON:

H. R. 5525. A bill for the relief of Mr. and Mrs. Richard E. Deane; to the Committee on the Judiciary.

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# SENATE

## THURSDAY, JULY 7, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Father, Thou only art the fountain of our being, the light of all our seeing. Our puny mortal strength alone is unequal to the tests and tasks of these terrific times which are upon us. We dare not trust our own devices and councils. Give to those, we pray Thee, who through the treacherous seas of this violent time pilot the Nation's course, a revealing remembrance of the altars at which the founding fathers knelt, the ideals to which they were committed, the human rights to which they gave their fealty. For the radiant dream which we call America hear our vow as we too pledge our lives, fortunes, and sacred honor as security for freedom's greatest venture. We ask it in the Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 6, 1949, was dispensed with.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 70. An act to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States; and

S. 1042. An act relating to the payment of fees, expenses, and costs of jurors.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 23) favoring the suspension of deportation of certain aliens, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution in which it requested the concurrence of the Senate:

H. R. 242. An act to provide for the conferring of the degree of bachelor of science upon graduates of the United States Merchant Marine Academy;

H. R. 388. An act to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes;

H. R. 459. An act to authorize the payment of employees of the Bureau of Animal Industry for overtime duty performed at establishments which prepare virus, serum, toxin, or analogous products for use in the treatment of domestic animals;

H. R. 588. An act for the relief of Col. David R. Wolverton, United States Army, retired;

H. R. 734. An act for the relief of Curtis R. Enos;

H. R. 1028. An act to legalize the admission into the United States of Edmea Pacho;

H. R. 1038. An act for the relief of William Richard Geoffrey Malpas;

H. R. 1105. An act for the relief of Hazel L. Giles;

H. R. 1132. An act for the relief of Mabel H. Slocum;

H. R. 1354. An act to provide for a per capita payment from funds in the Treasury of the United States to the credit of the Indians of California;

H. R. 1447. An act for the relief of Ethel Roth;

H. R. 1493. An act for the relief of Cecil L. Howell;

H. R. 1516. An act to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, so as to provide annual automatic within-grade promotions for hourly employees of the custodial service;

H. R. 1679. An act for the relief of Mrs. Skio Takayama Hull;

H. R. 1726. An act to authorize the Secretary of the Interior to convey to the city of Hot Springs National Park, Ark., a perpetual easement for the construction and operation of a watermain pipe line;

H. R. 1861. An act for the relief of Elizabeth and Lawrence Wong;

H. R. 1864. An act for the relief of the legal guardian of Mitsuo Higa, a minor, and Hilo Sugar Co.;

H. R. 1979. An act for the relief of Soo Hoo Yet Tuck;

H. R. 2091. An act for the relief of Jack McCollum;

H. R. 2239. An act for the relief of the estate of W. M. West;

H. R. 2344. An act for the relief of Charles W. Miles;

H. R. 2475. An act to authorize and direct the Secretary of the Interior to sell to Albert M. Lewis, Jr., certain land in the State of Florida;

H. R. 2517. An act directing the Secretary of the Interior to convey certain land to Palm Beach County, Fla.;

H. R. 2572. An act to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1946;

H. R. 2602. An act for the relief of John B. Boyle;

H. R. 2608. An act for the relief of C. H. Dutton Co., of Kalamazoo, Mich.;

H. R. 2678. An act to amend section 5 of the act approved July 10, 1890, as amended,

relating to the admission into the Union of the State of Wyoming, so as to permit the leasing of school lands within such State for mineral purposes for terms in excess of 10 years;

H. R. 2724. An act to provide a decree of competency for United States Indians in certain cases;

H. R. 2869. An act to authorize an appropriation in aid of a system of drainage and sanitation for the city of Polson, Mont.;

H. R. 2984. An act to consolidate the Parker Dam power project and the Davis Dam project;

H. R. 3285. An act authorizing the replacement and reconstruction by the Bureau of Reclamation of certain bridges across the Franklin canal of the Rio Grande project of the Bureau of Reclamation, within the city of El Paso, Tex., and authorizing appropriation for that purpose;

H. R. 3383. An act to provide that extra compensation for night work paid officers and employees of the United States shall be computed on the basis of either standard or daylight-saving time;

H. R. 3589. An act to convey to the city of Miles City, State of Montana, certain lands in Custer County, Mont., for use as an industrial site;

H. R. 3598. An act for the relief of Mrs. Katherine Gehringer;

H. R. 3618. An act for the relief of the legal guardian of Marcia Moss Carroll, a minor, and Charles P. Carroll;

H. R. 3667. An act authorizing the Secretary of the Interior to issue a patent in fee to Lenora Farwell Fritzler;

H. R. 3718. An act for the relief of George Seeman Jensen;

H. R. 3768. An act for the relief of Mrs. Justa G. Vda. de Guido, Belen de Guido, Mulia de Guido, and Oscar de Guido;

H. R. 3816. An act for the relief of Alexis Leger;

H. R. 4073. An act to provide for the conveyance to the State of New York of certain historic property situated within Fort Niagara State Park, and for other purposes;

H. R. 4208. An act to add certain surplus land to Petersburg National Military Park, Va., to define the boundaries thereof, and for other purposes;

H. R. 4306. An act for the relief of Zora B. Vulich;

H. R. 4353. An act to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens;

H. R. 4406. An act to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments;

H. R. 4510. An act to provide funds for cooperation with the school board of Klamath County, Oreg., for the construction, extension, and improvement of public-school facilities in Klamath County, Oreg., to be available to all Indian and non-Indian children without discrimination;

H. R. 4755. An act to authorize the appointment of an Advisory Committee on Indian Affairs;

H. R. 4829. An act to authorize the President to appoint Paul A. Smith as representative of the United States to the Council of the International Civil Aviation Organization without affecting his status and perquisites as a commissioned officer of the Coast and Geodetic Survey;

H. R. 4854. An act for the relief of Mrs. Miriam G. Wornum;

H. R. 4875. An act to amend title 28 of the United States Code relating to travel expense allowances for Government employee witnesses;

H. R. 4943. An act to amend the act providing for the admission of the State of Idaho into the Union by increasing the period for which leases may be made of public lands granted to the State by such act for educational purposes;

H. R. 4948. An act relating to the policing of the building and grounds of the Supreme Court of the United States;

H. R. 5034. An act to authorize the taxation of Indian land holdings in the town of Lodge Grass, Mont., to assist in financing a municipal water supply and sewerage system;

H. R. 5170. An act to further the policy enunciated in the Historic Sites Act (49 Stat. 666) and to facilitate public participation in the preservation of sites, buildings, and objects of national significance or interest and providing a national trust for historic preservation;

H. R. 5205. An act to quitclaim certain property in Enid, Okla., to H. B. Bass;

H. R. 5237. An act to amend title 28, United States Code, section 90, to create a Swainsboro Division in the southern district of Georgia, with terms of court to be held at Swainsboro;

H. R. 5289. An act authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco;

H. R. 5299. An act for the relief of Mrs. Giovanna Follo Discepolo;

H. R. 5310. An act to confer jurisdiction on the State of California over the lands and residents of the Agua Caliente Indian Reservation in said State, and for other purposes;

H. R. 5328. An act authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco; and

H. J. Res. 188. Joint resolution to provide for the coinage of a medal in recognition of the distinguished services of Vice President ALBEN W. BARKLEY.

## CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

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| Aiken | Hoey | Murray |
| Anderson | Holland | Neely |
| Baldwin | Hunt | O'Mahoney |
| Brewster | Ives | Pepper |
| Bricker | Jenner | Robertson |
| Bridges | Johnston, S. C. | Russell |
| Butler | Kefauver | Saltonstall |
| Byrd | Kem | Smith, Maine |
| Cain | Kerr | Smith, N. J. |
| Capehart | Kilgore | Sparkman |
| Chapman | Knowland | Stennis |
| Chavez | Langer | Taft |
| Connally | Lodge | Taylor |
| Cordon | Lucas | Thomas, Utah |
| Donnell | McCarran | Thye |
| Downey | McCarthy | Tobey |
| Ecton | McClellan | Tydings |
| Ferguson | McFarland | Vandenberg |
| Flanders | McGrath | Watkins |
| Fulbright | McKellar | Wherry |
| Gillette | Malone | Wiley |
| Green | Martin | Williams |
| Gurney | Maybank | Withers |
| Hayden | Miller | Young |
| Hendrickson | Morse | |
| Hill | Mundt | |

Mr. LUCAS. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Delaware [Mr. FREAR], the Senator from Colorado [Mr. JOHNSON], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Pennsylvania [Mr. MYERS], the Senator from Maryland [Mr. O'CONOR], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business in meetings of committees of the Senate.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Texas [Mr. JOHNSON] are absent on public business.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly meeting at Rome, Italy.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Connecticut [Mr. MCMAHON] is absent on official business, presiding at a meeting of the Joint Committee on Atomic Energy in connection with an investigation of the affairs of the Atomic Energy Commission.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. SCHOEPPEL] is absent by leave of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Colorado [Mr. MILLIKIN] are in attendance at a meeting of the Joint Committee on Atomic Energy.

The Senator from Kansas [Mr. REED] is detained because of attendance at a meeting of the Committee on Interstate and Foreign Commerce.

By order of the Senate, the following announcement is made:

The members of the Joint Committee on Atomic Energy are in attendance at a meeting of the joint committee in connection with an investigation of the affairs of the Atomic Energy Commission.

The VICE PRESIDENT. A quorum is present.

## EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting the nomination of Edward B. Lawson, of the District of Columbia, a Foreign Service Officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary to Iceland, and withdrawing a nomination, which nominating message was referred to the Committee on Foreign Relations.

## EXECUTIVE REPORTS OF A COMMITTEE

Mr. CONNALLY. Mr. President, from the Committee on Foreign Relations, I report favorably the nomination of Jefferson Caffery, of Louisiana, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Egypt. Mr. Caffery is well known to Senators.

The VICE PRESIDENT. The nomination will be placed on the calendar.

Mr. CONNALLY. Mr. President, also from the Committee on Foreign Relations, I report favorably the nomination of John Campbell Ausland, of Pennsylvania, and sundry other persons for appointment in the diplomatic service.

The VICE PRESIDENT. The nominations will be placed on the calendar.

The following favorable report was submitted:

By Mr. PEPPER, from the Committee on Foreign Relations:

Executive E, Eighty-first Congress, first session, the convention on the international recognition of rights in aircraft, signed at Geneva on June 19, 1948 (Ex. Rept. No. 9).

## TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that, as in legislative

session, Senators may be permitted to insert articles in the RECORD, and also introduce bills and submit petitions and memorials, without debate, as though we were in the morning hour.

The VICE PRESIDENT. Without objection, it is so ordered.

### LEAVE OF ABSENCE

Mr. TAYLOR asked and obtained leave to be absent from the session of the Senate tomorrow.

### COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KILGORE a subcommittee of the Committee of the Judiciary was authorized to hold a hearing beginning at 2:30 o'clock this afternoon, on the subject of rain-making.

On request of Mr. LUCAS a subcommittee of the Committee on Agriculture and Forestry was authorized to sit during the session of the Senate this afternoon.

### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 98)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, amounting to $3,500,000, Department of Agriculture, fiscal year 1950 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

LAWS ENACTED BY LEGISLATIVE ASSEMBLY AND MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, V. I.

A letter from the Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Legislative Assembly and the Municipal Council of St. Thomas and St. John, V. I. (with accompanying papers); to the Committee on Interior and Insular Affairs.

PAYMENT OF ANNUAL LEAVE TO CERTAIN OFFICERS AND EMPLOYEES

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of August 8, 1946, relating to the payment of annual leave to certain officers and employees; to the Committee on Post Office and Civil Service.

INCREASE IN NUMBER OF EXAMINERS IN CHIEF, PATENT OFFICE

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to increase the number of examiners in chief in the Patent Office, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY POST OFFICE DEPARTMENT

A letter from the Postmaster General, reporting, pursuant to law, on claims paid by that Department under the provisions of the Federal Tort Claims Act, fiscal year 1948–49 (with an accompanying report); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A letter in the nature of a petition from the New York Board of Trade, Inc., of New York, N. Y., signed by Mortimer E. Sprague, president, praying for the enactment of legislation to repeal the Federal excise taxes on transportation; to the Committee on Finance.

A telegram in the nature of a petition from the Chinese Consolidated Benevolent Association, of New York, N. Y., signed by Lo Koon Lai, president, relating to American relations with China; to the Committee on Foreign Relations.

The petition of Mrs. Regina B. Hemmer, Buffalo, N. Y., relating to Federal aid to education; to the Committee on Labor and Public Welfare.

### RESOLUTIONS OF DISTRICT NO. 4, AMERICAN LEGION, DEPARTMENT OF WYOMING

Mr. HUNT. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD resolutions received by me from the officials of district No. 4 of the American Legion, Department of Wyoming.

The resolutions pertain to espionage, treason, subversive activities against the United States Government, Yellowstone National Park, agriculture, and the development of reclamation in the West, the so-called valley authorities, national-health problems, development of the electric power by the Reclamation Service in the West, and veterans' pensions.

The VICE PRESIDENT. The resolutions will be received and appropriately referred, and without objection, printed in the RECORD.

To the Committee on Appropriations:

"Whereas the basic prosperity of the West depends upon agriculture, and the development of agriculture in many large regions of the West can be accomplished only through reclamation; and

"Whereas the development of agriculture in the West through reclamation has been proven economically sound; and

"Whereas agriculture conducted upon reclaimed land where a sufficient supply of water is assured in drought as well as in wet years avoids the peril of drought, stabilizes production, and reduces human suffering; and

"Whereas the development of reclamation in the West greatly reduces the peril of floods in lower reaches of the rivers, whose toll of damage aggregates many times the cost of development of said reclamation; and

"Whereas the prosperity of the West, to a large extent dependent upon reclamation, is reflected in added prosperity in the balance of the Union; and

"Whereas a large number of land-hungry veterans still remain unsatisfied through the opening of previously constructed reclamation projects; and

"Whereas a considerable period of years is required for exploration, investigation, planning and preconstruction engineering before the construction of a reclamation project can even commence: Now, therefore, be it

*"Resolved,* That district No. 4 of the American Legion, Department of Wyoming, in conference assembled at Basin, Wyo., this 15th day of May 1949, strongly urges the Congress of the United States of America to appropriate sufficient moneys for the necessary exploration, investigation, planning, and preconstruction engineering of all possible regions where development through reclamation appears to be feasible; and be it further

*"Resolved,* That Congress be urged to consider reclamation not in the light of 'made work' to combat economic depressions, but as necessary to the orderly, economic development of the West, for which sufficient moneys should be appropriated for an orderly regular program of reclamation construction; and be it further

*"Resolved,* That this resolution be presented to the American Legion in department convention assembled with the recommendation that, if it is adopted, it be presented to the American Legion in national convention assembled; and be it further

*"Resolved,* That copies of this resolution be sent to the President of the United States, and to United States Senators Joseph C. O'Mahoney and Lester C. Hunt, Congressman Frank A. Barrett, to the Honorable J. A. Krug, Secretary of the Interior, and Michael W. Straus, Commissioner of Reclamation.

"BRECK MORAN,
*"Commander, District No. 4, the American Legion, Department of Wyoming.*

"PAUL S. RUSSELL,
*"Acting Adjutant."*

To the Committee on Finance:

"Whereas a veterans' pension bill has been introduced in the Congress of the United States of America providing for the payment of pensions to all veterans attaining the age of 65, regardless of need; and

"Whereas we firmly believe that it is the privilege and duty of every American to support and defend his country at all times, and particularly in times of war, without thought of compensation other than the right to live in a free America; and

"Whereas the payment of such pensions would impose an unreasonable burden upon the people of the United States and result in confiscatory taxation for benefits to which veterans are not entitled; and

"Whereas we recognize that because of the immense pressure which can be exerted upon Congress in support of such a bill if it requires considerable political courage and statesmanship to oppose the same: Now, therefore, be it

*"Resolved,* That district No. 4 of the American Legion, Department of Wyoming, in conference assembled this 15th day of May 1949, at Basin, Wyo., condemns the proposed pension bill recently introduced in Congress as unsound, unreasonable, and a political gesture threatening the very freedom for which so many of our comrades died; and be it further

*"Resolved,* That all Congressmen opposing said bill be commended for placing the welfare of this country ahead of personal political considerations; and be it further

*"Resolved,* That this resolution be presented to the American Legion in department convention assembled, with the recommendation that, if it is adopted, it be presented to the American Legion in national convention assembled; and be it further

*"Resolved,* That copies of this resolution be sent to the President of the United States, and to United States Senators JOSEPH C. O'MAHONEY and LESTER C. HUNT, and to Congressman FRANK A. BARRETT.

"BRECK MORAN,
*"Commander, District No. 4, the American Legion, Department of Wyoming.*

"PAUL S. RUSSELL,
*"Acting Adjutant."*

To the Committee on Interior and Insular Affairs:

"Whereas Yellowstone National Park belongs to the American public; and

"Whereas Yellowstone National Park, as presently operated, is generally open to the public only during the summer months; and

"Whereas those who have seen the natural wonders of Yellowstone National Park under winter conditions can attest that it is at no time more spectacularly beautiful than in winter; and

"Whereas Yellowstone National Park throughout the winter presents conditions ideal for the development of one of the greatest possible winter-sports areas in America; and

"Whereas Yellowstone National Park is traversed by an excellent network of highways which, because they are permitted to close during 8 months of the year, blocks travel on highways U S 12, 14, 20, 89, 191, and 287, which converge upon the park; and

"Whereas it has been found that the 50 miles of Yellowstone Park highways which are regularly kept open throughout the winter are kept open at a cost of less than $60 per mile; and

"Whereas the State of Wyoming keeps open throughout the winter three highway passes which are higher than any highways in Yellowstone Park, and the State of Colorado keeps open throughout the winter 14 highway passes averaging more than a thousand feet higher than any highways in Yellowstone Park; and

"Whereas the presence of a large road block sitting astride the Rocky Mountains constitutes a hazard in military defense operations by limiting communications and unnecessarily channeling transport to fewer highways traversing the region: Now, therefore, be it

*"Resolved,* That district No. 4 of the American Legion, Department of Wyoming, in conference assembled in Basin Wyo., this 15th day of May 1949, strongly urges the Congress of the United States of America to open Yellowstone National Park throughout the year to the American public, to whom it belongs; and be it further

*"Resolved,* That this resolution be presented to the American Legion in department convention assembled with the recommendation that if it is adopted it be presented to the American Legion in national convention assembled; and be it further

*"Resolved,* That copies of this resolution be sent to the President of the United States and to United States Senators Joseph C. O'Mahoney and Lester C. Hunt; Congressman Frank A. Barrett; to the Honorable J. A. Krug, Secretary of the Interior; Newton Drury, Director of National Park Service; and to Edmund B. Rogers, superintendent of Yellowstone National Park.

"BRECK MORAN,
*"Commander, District No. 4, the American Legion, Department of Wyoming.*
"PAUL S. RUSSELL,
*"Acting Adjutant."*

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"Whereas the consumption of electric power in the West is increasing at a very rapid rate, in the State of Wyoming alone at the rate of approximately 25 percent per annum, more than doubling every 4 years; and

"Whereas the economic development of the West, as well as the comfort and convenience of its citizens, will be greatly curtailed unless the present electric power shortage is alleviated and future electric power needs anticipated; and

"Whereas it is known that a number of private industrial enterprises, interested in locating in the West, have been discouraged from locating there because of the present electric power shortage; and

"Whereas the prosperity of the citizens of the West depends to a large extent upon development of industry in the West, to balance its economy; and

"Whereas not only will the prosperity of the West be reflected in added prosperity in the balance of the Union, but also the strength of the national military defenses to a considerable extent upon the development of the Rocky Mountain region to form a strong link, binding the Nation together; and

"Whereas the bountiful hydroelectric resources of the West are largely controlled by the Federal Government of the United States of America, upon which is dependent the development of such hydroelectric power resources; and

"Whereas the construction of hydroelectric power projects cannot be accomplished overnight but requires considerable time for proper planning, as well as for construction; and

"Whereas the development of cooperative power service for the convenience of citizens in rural districts is being curtailed for lack of power; and

"Whereas in certain large regions of the West, including the State of Wyoming, an amicable working arrangement has been reached between the United States Bureau of Reclamation, as producer of hydroelectric power, and the private power companies, as distributors and retailers of such power: Now, therefore, be it

*"Resolved,* That district No. 4 of the American Legion, Department of Wyoming, in conference assembled at Basin, Wyo., this 15th day of May 1949, strongly urges the Congress of the United States of America to consider not only the present electric power shortage, crippling the economic development of the State of Wyoming and other parts of the West, but also to anticipate future electric power needs by appropriating sufficient moneys for the planning and construction of adequate hydroelectric power plants, particularly in those regions where no serious conflict exists between the Bureau of Reclamation and the private power companies, and by directing the proper agencies of the United States of America to facilitate such planning and construction; and be it further

*"Resolved,* That the Bureau of Reclamation and the private power companies be strongly urged to come to an amicable working arrangement in other less fortunate regions of the West, to facilitate over-all development; and be it further

*"Resolved,* That this resolution be presented to the American Legion in department convention assembled with the recommendation that, if it be adopted, it be presented to the American Legion in national convention assembled; and be it further

*"Resolved,* That copies of this resolution be sent to the President of the United States, and to United States Senators Joseph C. O'Mahoney and Lester C. Hunt, Congressman Frank A. Barrett, to the Honorable J. A. Krug, Secretary of the Interior, and Michael W. Straus, Commissioner of Reclamation.

"BRECK MORAN,
*"Commander, District No. 4, the American Legion, Department of Wyoming.*
"PAUL S. RUSSELL,
*"Acting Adjutant."*

To the Committee on the Judiciary:

"Whereas the American Legion is deeply concerned with the safety and security of the United States of America; and

"Whereas the American Legion is further concerned at the revelation of the extent of espionage, treason, and subversive activities against the United States Government: Now, therefore, be it

*"Resolved,* That district No. 4 of the American Legion, Department of Wyoming, in conference assembled at Basin, Wyo., this 15th day of May 1949, urges the Congress of the United States of America to cause to be enacted a law for the purpose of uncovering acts of espionage, treason, or subversive activities against the United States of America; cause the laws to be revised so that any person suspected of espionage, treason, or acts of carelessness in our Government service may be brought to trial, regardless of lapse of time; make the penaltier more severe for anyone found guilty of any such crimes, and cause to be appropriated sufficient funds for the efficient administration of such laws; and be it further

*"Resolved,* That this resolution be presented to the American Legion in department convention assembled with the recommendation that, if it is adopted, it be presented to the American Legion in the national convention assembled; and be it further

*"Resolved,* That copies of this resolution be sent to the President of the United States, and to United States Senators JOSEPH C. O'MAHONEY and LESTER C. HUNT, and to Congressman FRANK A. BARRETT.

"BRECK MORAN,
*"Commander, District No. 4, the American Legion, Department of Wyoming.*
"PAUL S. RUSSELL,
*"Acting Adjutant."*

To the Committee on Labor and Public Welfare:

"Whereas the American Legion is dedicated to the service and well-being of its members and of the citizenry as a whole; and

"Whereas we believe that most effective approach to the national health problem lies in the extension and development of voluntary health insurance; and

"Whereas we believe that Government control of health services would jeopardize free enterprise, establish heavy tax burdens, and unprecedented national deficits: Now, therefore, be it

*"Resolved,* That district No. 4 of the American Legion, Department of Wyoming, in conference assembled at Basin, Wyo., this 15th day of May 1949, strongly opposes the passage of any national health insurance program; and be it further

*"Resolved,* That this resolution be presented to the American Legion in department convention assembled, with the recommendation that, if it is adopted, it be presented to the American Legion in national convention assembled; and be it further

*"Resolved,* That copies of this resolution be sent to the President of the United States, and to United States Senators JOSEPH C. O'MAHONEY and LESTER C. HUNT, and Congressman FRANK A. BARRETT.

"BRECK MORAN,
*"Commander, District No. 4, the American Legion, Department of Wyoming.*
"PAUL S. RUSSELL,
*"Acting Adjutant."*

To the Committee on Public Works:

"Whereas the people of the West, being in the main part strongly individualistic, believing that the highest destiny of man and the most effective material development of natural resources, agriculture, and industry will be attained only through the maintenance of the greatest possible scope of individual enterprise and freedom; and

"Whereas the establishment of such institutions as valley authorities, wherein a Government-appointed commission has the widest possible power to regulate and control the enterprises, lives, and destinies of the people living in the entire watershed under its jurisdiction, is contrary to the customs, ideals, and aspirations traditional among the people of the West, though possibly acceptible to people of other regions; and

"Whereas it has been proposed to set up such valley authorities in several vast areas of the West, including the entire watersheds

of the Missouri and Columbia Rivers, and such proposals are actually being given serious consideration: Now, therefore, be it

*"Resolved,* That district No. 4 of the American Legion, Department of Wyoming, in conference assembled this 15th day of May 1949 at Basin, Wyo., condemns all such proposals as valley authorities in the West as bureaucratic and stultifying to material development; and be it further

*"Resolved,* That the Congress of the United States of America be strongly urged to oppose all such proposals for valley authorities in the West, to preserve that inherent freedom of enterprise and individualism which characterizes the West, for the good not only of the West but also of the Nation as a whole; and be it further

*"Resolved,* That this resolution be presented to the American Legion in department convention assembled, with the recommendation that, if it is adopted, it be presented to the American Legion in national convention assembled; and be it further

*"Resolved,* That copies of this resolution be sent to the President of the United States and to United States Senators Joseph C. O'Mahoney and Lester C. Hunt, Congressman Frank A. Barrett, to the Honorable J. A. Krug, Secretary of the Interior, and Michael W. Straus, Commissioner of Reclamation.

"BRECK MORAN,
*"Commander, District No. 4, the American Legion, Department of Wyoming.*

"PAUL S. RUSSELL,
*"Acting Adjutant."*

## SOVIET ATTITUDE TOWARD SPAIN

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the body of the RECORD resolutions unanimously adopted by the Catholic Press Association in their annual convention at Denver, Colo., on June 17, 1949.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS UNANIMOUSLY VOTED BY THE CATHOLIC PRESS ASSOCIATION IN ANNUAL CONVENTION AT DENVER, COLO., ON JUNE 17, 1949, AND PUBLISHED IN THE REGISTER SYSTEM OF NEWSPAPERS, ON JUNE 26, 1949.

Whereas our Government has recognized the principle of international law that no nation shall interfere in the internal affairs of any other nation, nor dictate to any nation its form of government; and

Whereas the Soviet Government has tried to impose its will upon the people of Spain; and

Whereas our foreign policy has abetted and is abetting the foreign policy of the Soviet Union vis-à-vis Spain;

We recommend that our Government express our disapproval of Soviet policy by welcoming the Spanish State into the comity and friendship of peace-loving nations.

Mr. JOHNSON of Colorado. These resolutions were voted after the delegates to the convention from all parts of the United States had applauded the investiture of the Right Reverend Monsignor Matthew J. Smith, editor in chief of the Register System of newspapers with the insignia of the Order of Isabella the Catholic, in the rank of knight commander, by Don Pablo Merry del Val, counselor on cultural relations of the Spanish Embassy. At the ceremonies, Dr. Joseph F. Thorning, associate editor of the Americas and World Affairs, described the work and achievements of Monsignor Smith which led to the award, one of the highest within the gift of the Spanish Government.

The Right Reverend Monsignor Matthew J. Smith is devoted to America and to the institutions which have made her great. As editor in chief of the Register he has made a continuing and vital contribution to the cause of democracy and understanding.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HAYDEN, from the Committee on Rules and Administration:

H. R. 2290. A bill to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing paleontological investigations in areas which will be flooded by the construction of Government dams; with an amendment (Rept. No. 617).

By Mr. HUNT, from the Committee on Rules and Administration:

S. Con. Res. 18. Concurrent resolution providing for the consolidation of the general appropriation bills, and for other purposes; with amendments (Rept. No. 616).

By Mr. McGRATH, from the Committee on the District of Columbia:

S. 1525. A bill to provide for the appointment of a deputy disbursing officer and assistant disbursing officers for the District of Columbia, and for other purposes; without amendment (Rept. No. 619);

H. R. 2437. A bill to amend the act entitled "An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes," approved July 7, 1947; without amendment (Rept. No. 620);

H. R. 3368. A bill to amend sections 356 and 365 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, to increase the maximum sum allowable by the court out of the assets of a decedent's estate as a preferred charge for his or her funeral expenses from $600 to $1,000; without amendment (Rept. No. 621); and

H. R. 4705. A bill to transfer the office of the probation officer of the United States District Court for the District of Columbia, the office of the Register of Wills for the District of Columbia, and the Commission on Mental Health, from the government of the District of Columbia to the Administrative Office of the United States Courts, for budgetary and administrative purposes; without amendment (Rept. No. 622).

By Mr. FREAR, from the Committee on the District of Columbia:

S. 1490. A bill to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the International Bank for Reconstruction and Development; without amendment (Rept. No. 618).

## ADDITIONAL COPIES OF REPORT ENTITLED "PROFITS"

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration I report favorably, without amendment, Senate Resolution 116, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution (S. Res. 116) submitted by Mr. O'MAHONEY on May 10, 1949, was read, as follows:

*Resolved,* That there be printed for the use of the Joint Committee on the Economic Report 1,000 additional copies of the report, entitled "Profits," of its Subcommittee on Business Profits.

Mr. HAYDEN. Mr. President, the cost is $722.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

## REPORT OF PERSONNEL AND FUNDS BY INVESTIGATIONS SUBCOMMITTEE OF COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following report was received by the Secretary of the Senate:

JULY 6, 1949.

SENATE INVESTIGATIONS SUBCOMMITTEE OF THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Adlerman, Jerome S., assistant counsel | $7,563.07 | $3,781.50 |
| Bellino, Carmine S., accounting consultant | 8,906.10 | 1,113.25 |
| Brosnan, Robert E., assistant counsel | 8,906.10 | 1,954.58 |
| Coughlin, Frederick M., assistant counsel | 6,770.54 | 1,128.42 |
| Cousins, Mary G., assistant clerk | 3,873.80 | 1,881.70 |
| Flanagan, Francis D., chief assistant counsel | 10,328.14 | 5,164.02 |
| Hatcher, Howell J., assistant counsel | 8,511.09 | 2,506.02 |
| Lee, Lydia, record clerk | 5,363.55 | 2,681.76 |
| McCahill, Myles C., investigator | 6,025.66 | 3,012.78 |
| McCarthy, Mollie Jo, assistant clerk | 3,459.98 | 432.49 |
| McElroy, Robert J., investigator | 4,535.91 | 2,143.78 |
| Meacham, Ruth, assistant clerk | 4,204.86 | 1,892.16 |
| Minor, Robert W., assistant counsel | 4,701.44 | 391.78 |
| Montier, Gladys E., assistant clerk | 4,122.09 | 2,005.84 |
| Morris, Constance L., assistant clerk | 3,625.51 | 1,757.56 |
| Oliver, Betty F., assistant clerk | 3,211.69 | 1,550.64 |
| Rogers, William P., chief counsel | 10,330.00 | 5,164.98 |
| Sheridan, James F., investigator | 6,025.66 | 3,012.78 |
| Thomas, James H., assistant counsel | 5,446.32 | 2,450.84 |
| Young, Ruth M., clerk | 4,204.86 | 2,074.80 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $111,427.03 |
| Amount expended | 50,479.77 |
| Balance unexpended | 60,947.26 |

JOHN L. MCCLELLAN,
*Chairman.*

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCARRAN:

S. 2202. A bill to provide for the transfer of war housing to local communities for use as low-rent housing; to the Committee on Banking and Currency.

By Mr. TAYLOR:

S. 2203. A bill to authorize the Palisades Dam and Reservoir project, to authorize the north side pumping division and related

works, to provide for the disposition of reserved space in American Falls Reservoir, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. NEELY:

S. 2204. A bill for the relief of Rudolph Farcher; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 2205. A bill to authorize the Commissioners of the District of Columbia to enter into contract for the removal of sludge; to the Committee on the District of Columbia.

S. 2206. A bill to provide for the representation of indigent defendants in criminal cases in the district courts of the United States; to the Committee on the Judiciary.

By Mr. DOWNEY:

S. 2207. A bill for the relief of George Washington; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 2208. A bill to amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes;

S. 2209. A bill to increase the number of midshipmen allowed at the United States Naval Academy from the District of Columbia; and

S. 2210. A bill to amend the act entitled "An act to authorize an increase of the number of cadets at the United States Military Academy and to provide for maintaining the corps of cadets at authorized strength," approved June 3, 1942 (56 Stat. 306); to the Committee on Armed Services.

(Mr. PEPPER (for himself and Mr. MURRAY) introduced Senate bill 2211, to provide for a survey of sickness in the United States, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. FREAR (by request):

S. 2212. A bill to provide for improved financial control over the operations of the Post Office Department; and

S. 2213. A bill relating to the appointment of postmasters, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. O'CONOR:

S. 2214. A bill to authorize the construction at Suitland, Md., of a building or group of buildings for the servicing and storage of film records; to the Committee on Public Works.

By Mr. McMAHON:

S. 2215. A bill to amend the Atomic Energy Act of 1946; to the Joint Committee on Atomic Energy.

(Mr. KNOWLAND (for himself, Mr. MORSE, Mr. CAIN, Mr. IVES, and Mr. DOWNEY) introduced Senate bill 2216, to authorize the President of the United States, under certain conditions, to appoint boards of inquiry with power to make binding recommendations with respect to labor disputes in trade between the continental United States and the Territory of Hawaii, and for other purposes, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. MAYBANK:

S. J. Res. 114. Joint resolution to provide an increase in the authorization for the Federal National Mortgage Association; to the Committee on Banking and Currency.

## INCREASE IN AUTHORIZATION FOR FEDERAL NATIONAL MORTGAGE ASSOCIATION—REPORT OF A COMMITTEE

Mr. MAYBANK subsequently said: Mr. President, from the Committee on Banking and Currency, I report favorably, without amendment, the joint resolution (S. J. Res. 114) to provide an increase in the authorization for the Federal National Mortgage Association, introduced by me earlier today, and I submit a report (No. 615) thereon. In order to save time, I ask unanimous consent that the report be printed in the RECORD.

The VICE PRESIDENT. The report will be received, and the joint resolution will be placed on the calendar, and, without objection, the report will be printed in the RECORD.

There being no objection, the report (No. 615) was ordered to be printed in the RECORD, as follows:

The Committee on Banking and Currency, to whom was referred Senate Joint Resolution 114, a joint resolution to provide an increase in the authorization for the Federal National Mortgage Association, having considered the same, report favorably thereon and recommend that the joint resolution do pass.

### GENERAL STATEMENT

Section 1 increases the Federal National Mortgage Association authorization by approximately $500,000,000. This increased authorization would be based on the outstanding amount of Federal National Mortgage Association mortgage purchases and commitments in place of the present complicated formula for the Federal National Mortgage Association authorization, based on capital and surplus, in section 302 of the National Housing Act.

Presently the Federal National Mortgage Association authorization amounts to approximately $1,000,000,000. Of this amount, as of July 5, 1949, about $41,000,000 remained available for purchases. The total amount used during the month of May exceeded $122,000,000. During the month of June the amount used was $199,000,000 and during the first 5 days of July $22,000,000 were used. It is therefore essential that an immediate increase be made in the authorization in order to assure home-mortgage lenders that the secondary market will remain available, and to assure that no "run" will be made on the present unused amount of the authorization. Five hundred million dollars seems adequate for this purpose until the Congress has an opportunity to consider and act upon the pending legislation providing for a larger amount on a more permanent basis.

Section 2 amends section 4 (c) of the Reconstruction Finance Act to make a similar $500,000,000 increase in the Reconstruction Finance Corporation lending authority. The funds for Federal National Mortgage Association operations are borrowed from the Reconstruction Finance Corporation. This increase in the amount of loans which the Reconstruction Finance Corporation may have outstanding is necessary to enable it to furnish the additional funds needed by the Federal National Mortgage Association and to carry out its other lending programs.

## HEALTH SURVEY

Mr. PEPPER. Mr. President, not since 1936 has there been a national survey of the health of the American people. I introduce for appropriate reference a bill authorizing the Surgeon General of the Public Health Service in the Federal Security Agency of the United States to make such a survey.

The bill (S. 2211) to provide for a survey of sickness in the United States, introduced by Mr. PEPPER (for himself and Mr. MURRAY), was read twice by its title, and referred to the Committee on Labor and Public Welfare.

## UNIFORM CODE OF MILITARY JUSTICE—AMENDMENTS

Mr. TOBEY submitted sundry amendments intended to be proposed by him to the amendment of the committee to the bill (H. R. 4080) to unify, consolidate, revise, and codify the Articles of War, the Articles for the Government of the Navy, and the disciplinary laws of the Coast Guard, and to enact and establish a Uniform Code of Military Justice, which were ordered to lie on the table and to be printed.

## HORACE J. FENTON—CHANGE OF REFERENCE

Mr. McCARRAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of the bill (S. 621) for the relief of Horace J. Fenton, and that it be referred to the Committee on Post Office and Civil Service. A similar bill was considered by the Post Office and Civil Service last year, and it is the judgment of the members of the Judiciary Committee that it should be referred to the Post Office and Civil Service Committee.

The VICE PRESIDENT. Without objection, it is so ordered.

## HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON THE CALENDAR

The following bills and joint resolution were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 242. An act to provide for the conferring of the degree of bachelor of science upon graduates of the United States Merchant Marine Academy;

H. R. 2572. An act to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1946; and

H. R. 4829. An act to authorize the President to appoint Paul A. Smith as representative of the United States to the Council of the International Civil Aviation Organization without affecting his status and perquisites as a commissioned officer of the Coast and Geodetic Survey; to the Committee on Interstate and Foreign Commerce.

H. R. 388. An act to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development, and for other purposes;

H. R. 1354. An act to provide for a per capita payment from funds in the Treasury of the United States to the credit of the Indians of California;

H. R. 1726. An act to authorize the Secretary of the Interior to convey to the city of Hot Springs, Ark., a perpetual easement for the construction and operation of a water-main pipe line;

H. R. 2475. An act to authorize and direct the Secretary of the Interior to sell to Albert M. Lewis, Jr., certain land in the State of Florida;

H. R. 2517. An act directing the Secretary of the Interior to convey certain land to Palm Beach County, Fla.;

H. R. 2678. An act to amend section 5 of the act approved July 10, 1890, as amended, relating to the admission into the Union of the State of Wyoming, so as to permit the leasing of school lands within such State for mineral purposes for terms in excess of 10 years;

H. R. 2724. An act to provide a decree of competency for United States Indians in certain cases;

H. R. 2869. An act to authorize an appropriation in aid of a system of drainage and sanitation for the city of Polson, Mont.;

H. R. 2984. An act to consolidate the Parker Dam power project and the Davis Dam project;

H. R. 3285. An act authorizing the replacement and reconstruction by the Bureau of

Reclamation of certain bridges across the Franklin Canal of the Rio Grande project of the Bureau of Reclamation, within the city of El Paso, Tex., and authorizing appropriation for that purpose;

H. R. 3589. An act to convey to the city of Miles City, State of Montana, certain lands in Custer County, Mont., for use as an industrial site;

H. R. 3667. An act authorizing the Secretary of the Interior to issue a patent in fee to Lenora Farwell Fritzler;

H. R. 4073. An act to provide for the conveyance to the State of New York of certain historic property situated within Port Niagara State Park, and for other purposes;

H. R. 4208. An act to add certain surplus land to Petersburg National Military Park, Va., to define the boundaries thereof, and for other purposes;

H. R. 4353. An act to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to t: e refund of taxes illegally paid by Indian citizens;

H. R. 4510. An act to provide funds for cooperation with the school board of Klamath County, Oreg., for the construction, extension and improvement of public-school facilities in Klamath County, Oreg., to be available to all Indian and non-Indian children without discrimination;

H. R. 4755. An act to authorize the appointment of an Advisory Committee on Indian Affairs;

H. R. 4943. An act to amend the act providing for the admission of the State of Idaho into the Union by increasing the period for which leases may be made of public lands granted to the State by such act for educational purposes;

H. R. 5034. An act to authorize the taxation of Indian land holdings in the town of Lodge Grass, Mont., to assist in financing a municipal water supply and sewerage system;

H. R. 5170. An act to further the policy enunciated in the Historic Sites Act (49 Stat. 666) and to facilitate public participation in the preservation of sites, buildings, and objects of national significance or interest and providing a national trust for historic preservation;

H. R. 5205. An act to quitclaim certain property in Enid, Okla., to H. B. Bass; and

H. R. 5310. An act to confer jurisdiction on the State of California over the lands and residents of the Agua Caliente Indian Reservation in said State, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 588. An act for the relief of Col. David R. Wolverton, United States Army; retired;

H. R. 734. An act for the relief of Curtis R. Enos;

H. R. 1028. An act to legalize the admission into the United States of Edmea Pacho;

H. R. 1038. An act for the relief of William Richard Geoffrey Malpas;

H. R. 1105. An act for the relief of Hazel L. Giles;

H. R. 1132. An act for the relief of Mabel H. Slocum;

H. R. 1447. An act for the relief of Ethel Roth;

H. R. 1493. An act for the relief of Cecil L. Howell;

H. R. 1679. An act for the relief of Mrs. Skio Takayama Hull;

H. R. 1861. An act for the relief of Elizabeth and Lawrence Wong;

H. R. 1864. An act for the relief of the legal guardian of Mitsuo Higa, a minor, and Hilo Sugar Co.;

H. R. 1979. An act for the relief of Soo Hoo Yet Tuck;

H. R. 2091. An act for the relief of Jack McCollum;

H. R. 2239. An act for the relief of the estate of W. M. West;

H. R. 2344. An act for the relief of Charles W. Miles;

H. R. 2602. An act for the relief of John B. Boyle;

H. R. 2608. An act for the relief of C. H. Dutton Co., of Kalamazoo, Mich.;

H. R. 3598. An act for the relief of Mrs. Katherine Gehringer;

H. R. 3618. An act for the relief of the legal guardian of Marcia Moss Carroll, a minor, and Charles P. Carroll;

H. R. 3718. An act for the relief of George Seeman Jensen;

H. R. 3768. An act for the relief of Mrs. Justa G. Vda. de Guido, Belen de Guido, Mulia de Guido, and Oscar de Guido;

H. R. 3816. An act for the relief of Alexis Leger;

H. R. 4306. An act for the relief of Zora B. Vulich;

H. R. 4854. An act for the relief of Mrs. Miriam G. Wornum;

H. R. 4875. An act to amend title 28 of the United States Code relating to travel expense allowances for Government employee witnesses;

H. R. 4948. An act relating to the policing of the building and grounds of the Supreme Court of the United States;

H. R. 5287. An act to amend title 28, United States Code, section 90, to create a Swainsboro Division in the southern district of Georgia, with terms of court to be held at Swainsboro; and

H. R. 5299. An act for the relief of Mrs. Giovanna Follo Discopolo; to the Committee on the Judiciary.

H. R. 459. An act to authorize the payment of employees of the Bureau of Animal Industry for overtime duty performed at establishments which prepare virus, serum, toxin, or analogous products for use in the treatment of domestic animals;

H. R. 1516. An act to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, so as to provide annual automatic within-grade promotions for hourly employees of the custodial service; and

H. R. 3383. An act to provide that extra compensation for night work paid officers and employees of the United States shall be computed on the basis of either standard or daylight saving time; to the Committee on Post Office and Civil Service.

H. R. 4406. An act to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments; to the Committee on Foreign Relations.

H. R. 5328. An act authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco; ordered to be placed on the calendar.

H. J. Res. 188. Joint resolution to provide for the coinage of a medal in recognition of the distinguished services of Vice President ALBEN W. BARKLEY; to the Committee on Banking and Currency.

## THE BRANNAN PLAN—EDITORIAL FROM NEBRASKA FARMER

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial from a recent issue of the Nebraska Farmer, dealing with the Brannan plan for stabilizing prices and making agriculture more secure, which appears in the Appendix.]

## BUSINESS CONDITIONS IN CASPER, WYO.

[Mr. HUNT asked and obtained leave to have printed in the RECORD a statement with reference to business conditions in the city of Casper, Wyo., during the past 9 months, which appears in the Appendix.]

## FAILURE OF STATE SOCIALISM IN BRITAIN—ARTICLE BY CONSTANTINE BROWN

[Mr. KEM asked and obtained leave to have printed in the RECORD an article entitled "Britain Sends Financial SOS to United States to Save Failing State Socialism," written by Constantine Brown and published in the Washington Evening Star of July 6, 1949, which appears in the Appendix.]

## COMPARISON BETWEEN BRITISH LABOR GOVERNMENT AND FAIR DEAL GOVERNMENT—EDITORIAL FROM BOSTON HERALD

[Mr. ECTON asked and obtained leave to have printed in the RECORD an editorial entitled "Two Say 'Enough'" published in the Boston Herald of June 25, 1949, which appears in the Appendix.]

## COLUMBIA VALLEY ADMINISTRATION—ARTICLE BY RICHARD L. NEUBERGER

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an article entitled "Kilowatts Out to Sea," written by Richard L. Neuberger and published in the Reporter for June 21, 1949, which appears in the Appendix.]

## DEMOCRATIC PARTY'S LEGISLATIVE PROGRAM

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD a report on the program of the Democratic Party, together with recommendations adopted at a mass meeting at Chattanooga, Tenn., on May 28, under the sponsorship of the Americans for Democratic Action, which appears in the Appendix.]

## ROOM FOR PRIVATE BUILDERS—EDITORIAL FROM NEW YORK TIMES

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "Room for Private Builders," published in the New York Times of July 6, 1949, which appears in the Appendix.]

## HELEN REMBERT CARLOSS

[Mr. STENNIS asked and obtained leave to have printed in the RECORD an article in tribute to the late Helen Rembert Carloss, of Mississippi, which appears in the Appendix.]

## ANNOUNCEMENT OF HEARINGS ON A GENERAL FLOOD CONTROL AND RIVER AND HARBOR BILL

Mr. CHAVEZ. Mr. President, I wish to announce to the Members of the Senate that a Subcommittee of the Committee on Public Works will begin hearings on a general flood control and river and harbor bill on Tuesday, July 12, 1949, in room 412, Senate Office Building, at 10 a. m.

The House Committee on Public Works has completed several weeks of hearings on a similar bill and has just recently reported House bill 5472. In anticipation of early action by the House, and because many Senators have expressed their interest in further authorizations during this session, the Senate committee will begin hearings on flood control and river and harbor reports which have been sent to Congress subsequent to the House hearings. Also to be heard are several Senate bills covering specific projects or rivers, as well as modifications or other proposals not heard by the House committee.

All the testimony taken in the House hearings will be considered by the committee, and to save time, it is hoped that

there will be no duplication of the House testimony. The committee will take up chiefly new reports, and any proposed changes, additions, or deletions in the House bill.

Mr. President, I ask unanimous consent that at this point in my remarks there be printed the tentative schedule of hearings.

There being no objection, the schedule was ordered to be printed in the RECORD, as follows:

The tentative schedule for the hearings is as follows:

Tuesday, July 12, 1949: Maj. Gen. Lewis A. Pick, Chief of Engineers, general statement; Quinby Creek, Va.; Norfolk Harbor, Va., S. 1774; Biloxi Harbor, Miss.

Wednesday, July 13, 1949: Mississippi River at Rock Island, Ill.; Mississippi River at Hamburg, Ill.; Bayfield Harbor, Wis.; Baker Bay, Wash.; Cheboygan Harbor and River, Michigan; Bradford, Pa.

Thursday, July 14, 1949: Monongahela River, Pa., and W. Va.; Tampa Harbor, Fla.

Friday, July 15, 1949: Big Sandy River, Ky., Va., and W. Va.

Tuesday, July 19, 1949: Rio Grande Basin, N. Mex., S. 1392.

Wednesday, July 20, 1949: Various bills authorizing preliminary examinations and surveys. Other bills and projects not heard previously.

## STATEMEI T BY SENATOR McCLELLAN REGARDING RECOMMENDATIONS OF HOOVER COMMISSION REPORTS ON GENERAL MANAGEMENT AND ON BUDGETING AND ACCOUNTING

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a statement which I issued yesterday after receipt of a letter from the Bureau of the Budget discussing that part of the Hoover Commission reports which relates to budgeting and accounting.

I may say that the Committee on Expenditures in the Executive Departments is calling upon each department and agency of the Government to comment upon those reports and recommendations of the Hoover Commission as they affect the particular departments. As we receive reports and letters from the departments I shall place them in the RECORD for the benefit of Members of the Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

WASHINGTON, D. C., July 6, 1949.—Senator JOHN L. MCCLELLAN today released an extended letter from the Director of the Bureau of the Budget regarding recommendations of two Hoover Commission reports on General Management and on Budgeting and Accounting. The letter was prepared at the request of the Senate Committee on Expenditures and relates only to those recommendations which directly affect the Budget Bureau.

Similar letters from other departments and agencies will be periodically released by the committee, relating to recommendations of the Hoover Commission in its various reports as they affect such establishments, and administrative actions taken to implement those which may be effectuated without legislative action.

The Budget Bureau is in agreement with the recommendations in the Hoover Commission report on general management, with minor reservations, stating that "this does not mean that the Bureau necessarily agrees with all specific recommendations for regrouping made by the Commission." The Director of the Bureau also outlines in detail his position relative to the specific recommendations in the report on budgeting and accounting, with which he is likewise in general agreement, including the adoption of a performance budget, revision of the appropriation structure, and the division of budget estimates into current operating expenditures and capital outlays. In this report, the Commission recommended that "an Accountant General be established under the Secretary of the Treasury, with authority to prescribe general accounting methods and enforce accounting procedures * * * subject to the approval of the Comptroller General within the powers now conferred upon him by the Congress, and to combine accounts and reports on a summary basis. To these recommendations the Director of the Bureau of the Budget is in disagreement. He states:

"The Bureau does not agree with these recommendations. The basic weakness of these proposals for dealing with accounting and auditing is the lack of clear assignments of responsibility to the executive and legislative branches for the performance of these separate but closely related functions. Generally, the Bureau subscribes to the belief that accounting is an administrative function and should be the responsibility of the executive branch; and that, on the other hand, suitable provisions should be made to furnish advice and recommendations to the Congress based on an independent audit made by an agency under their control. The Bureau does not feel that the Hoover Commission proposals would result in a clear definition of responsibility but rather would make it impossible for either branch of the Government to move without full concurrence of the other.

"The Bureau of the Budget, the General Accounting Office, and the Treasury Department are currently engaged in a joint program to improve Government accounting. It is our opinion that this approach is best suited to securing immediate results. As work progresses on this program, needed changes in legislation will be identified and proposed."

In the Hoover Commission report on budgeting and accounting, Commissioners John L. McClellan and Carter Manasco also disagreed, on a somewhat different basis, with the majority recommendation that the present statutory duties and responsibilities of the Comptroller General should be changed (pp. 47–54).

The reports have been submitted to subcommittees composed of Senators MCCLELLAN, EASTLAND, HUMPHREY, MUNDT, and VANDENBERG, to consider S. 942, to establish principles and policies to govern generally the management of the executive branch of the Government; and of Senators MCCLELLAN and MCCARTHY to consider S. 2054, to authorize the President to determine the form of the national budget and of departmental estimates, etc. These subcommittees will procure specific information from officials of the affected agencies in the form of reports on the pending legislation, and hold such hearings as may be necessary to develop the facts on which recommendations may be made to the full Senate Committee on Expenditures in the Executive Departments.

Mr. McCLELLAN. The letter from the Director of the Bureau of the Budget follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
*Washington, D. C., July 5, 1949.*

Senator JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments,*
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR MCCLELLAN: This is in reply to your letter of May 23 requesting the Bureau of the Budget to report on those recommendations of the Commission on Organization of the Executive Branch of the Government which affect the Bureau.

In a very real sense, all of the recommendations of the Commission in all of its reports are of direct interest to the Bureau of the Budget since the Bureau is responsible for assisting the President in improving organization and management and in achieving efficiency and economy throughout the Government. The Bureau has been working with your committee, with other congressional committees, and with the agencies on many of the recommendations affecting specific agencies. In this letter, therefore, I am confining my comments to those proposals which directly affect the organization or operations of the Bureau, itself.

Most of the recommendations which have a direct effect on the Bureau appear in the report entitled "Budgeting and Accounting." I should like to comment also on some recommendations of equal significance to the Bureau which appear in the initial report of the Commission, entitled "General Management of the Executive Branch."

GENERAL MANAGEMENT OF THE EXECUTIVE BRANCH

1. The Commission proposes, as its first recommendation, that there be created "a more orderly grouping of the functions of Government into major departments and agencies under the President" (p. 7).

The Bureau is in accord with this recommendation. It hopes to assist in the accomplishment of some of the necessary changes by preparing for the President reorganization plans which he feels are needed. Other changes would require direct legislation by the Congress. I would like to add, however, that while the Bureau is in favor of "a more orderly grouping" to provide proper structure and greater efficiency, this does not mean that the Bureau necessarily agrees with all specific recommendations for regrouping made by the Commission.

2. The Commission recommends that the Bureau of the Budget be designated "Office of the Budget" in the Executive Office of the President (pp. 10, 12–13).

The Bureau has no objection to this change.

3. The Commission recommends that "statutory authority over the operating departments should not be vested in any staff members or staff agency of the President's Office" and uses as an example the fact that authority for setting personnel ceilings lies in the Bureau of the Budget but should be vested in the President (p. 15).

The Bureau agrees with this recommendation. With respect to the specific example given, the Bureau agrees that if personnel ceilings are to be fixed, authority should be vested in the President. However, I would like to point out that the setting of personnel ceilings is an unnecessary control at this time since it accomplishes nothing which could not be achieved through strengthened budgetary controls. The President's views on this subject were stated in his budget message of 1948 (p. M57).

4. The Commission recommends that "the President should not be prevented by statute from reorganizing the President's Office and from transferring functions and personnel from one part of it to another" (p. 15).

The Bureau concurs.

5. The Commission makes at least 16 recommendations looking toward the strengthening of management in the departments and agencies (pp. 34–40).

The Bureau is in general agreement with the recommendations of the Commission. Renewed emphasis is being placed by the Bureau on developing a program for working with the departments and agencies in order to bring about improved operations and to achieve greater economy and efficiency. This program calls for a regular appraisal of agency management improvement programs and assistance to the agencies in strengthening their management facilities. Initial plans for this management appraisal program have been completed and instructions concerning it have been included in the call for 1951 estimates issued to the departments and agencies. These steps will help strengthen departmental management, although it would be necessary to have more funds available to do a complete job.

BUDGETING AND ACCOUNTING

1. The Commission recommends that "the whole budgetary concept of the Federal Government should be refashioned by the adoption of a budget based upon functions, activities, and projects," designated by the Commission as a "performance budget" (p. 8).

The Bureau has for some time believed that the goal of a performance budget is desirable, and has already developed plans for achieving it. These plans require changes which are complex and affect most executive agencies and the Appropriations Committees. We hope that the 1951 budget will make a major stride toward a performance basis and that continuing action will be taken over a period of several years to accomplish the objective completely.

2. The Commission recommends "to the Congress that a complete survey of the appropriation structure should be undertaken without delay" (p. 13).

The Bureau agrees on the urgency of undertaking such a study and has been working on the problem of appropriation structure for a number of years. Its interest in simplifying appropriation structure is illustrated by its work with the Department of the Air Force in the establishment of an appropriation structure for the Department. (See 1950 recommended appropriations on page A82 of the 1950 Budget.) The Bureau is also currently working with departments and Appropriations Committees in revising present appropriation structures. Since improvements in appropriation structure are closely related to improvements in accounting systems, the two must go hand in hand.

3. The Commission recommends that "the budget estimates of all operating departments and agencies of the Government should be divided into two primary categories—current operating expenditures and capital outlays" (p. 16).

The Bureau is currently making an analysis to determine which items in the Budget should be classified as current operating expenditures and which as capital outlays, recoverable expenditures, or developmental expenditures. This whole problem has been given considerable attention by the Bureau staff. In this connection, I am enclosing a copy of a letter and staff memorandum commenting on Senate Joint Resolution 151, Eightieth Congress, which was sent to Senator AIKEN last year, and which sets forth Bureau views on and discusses some of the complications involved in the segregation of capital, developmental, and recoverable expenditures. It is hoped that the results of our present study will be completed in time to be considered in connection with the classification contained in the 1952 Budget.

In connection with the Bureau's current work on performance budgeting, it is planned to separate major capital outlay from current expense in the activity schedules of the 1951 Budget. A complete separation cannot be made with present accounting systems. Changes in these systems are being worked out by the staffs of the General Accounting Office, Treasury Department, and the Bureau of the Budget in their joint accounting project.

4. The Commission recommends that a clarification be made as to whether the Budget Bureau and the President have the right to reduce appropriated amounts during the year for which they were provided, and "in any event, that the President should have authority to reduce expenditures under appropriations, if the purposes intended by the Congress are still carried out" (p. 17).

The Bureau concurs completely with this recommendation.

5. The Commission recommends "that the review and revision (of agency estimates) by the Estimates Division * * * be done from the first to the final stages in conjunction with representatives of the Administrative Management and Fiscal Divisions" (p. 23).

It has always been the policy of the Bureau that its divisions work closely together in the review and revision of agency estimates, and we believe that we have had considerable success in carrying out that policy. Within the past year, even further emphasis has been given to developing close working relationships.

The Administrative Management Division cooperates with the Estimates Division in numerous ways, principally by reviewing questions of organization and management arising during the budget-review process. During the past year the two Divisions, for example, together developed staffing guides for use in evaluating agency budget estimates for personnel activities; pay roll, leave, and retirement activities; voucher-examination activities; and property activities. Similarly, emphasis is now being given to the joint appraisal by both Divisions of agency management improvement programs. Statements on these programs are to be submitted by the agencies along with their 1951 budget estimates. Other examples of problems on which the two Divisions cooperate include such items as estimates for motor-vehicle replacement, funds to be provided for warehousing, requirements for business machines, and money for records administration. There is a particularly close relation in the international-activities field, in which we have one International Activities Branch handling both estimates and management problems for this area.

The Division of Fiscal Analysis works on a continuous day-to-day basis with the Estimates Division. Some examples of the way in which the two Divisions cooperate in the budget process are in the determination of over-all budget policies, the determination of desirable balance among different Government programs, the setting of agency budget ceilings, the analyzing of proposed legislation, and the drafting for the President of budget messages, budget previews, and budget reviews. Both Divisions, as well as the other divisions of the Bureau, are represented in the Director's review sessions in which final Bureau decisions are reached on agency budgets.

The other divisions of the Bureau also work closely with the Estimates Division in the processing of agency budgets. The Division of Statistical Standards assists in reviewing the estimates for statistical activities; the Legislative Reference Division works with the estimates examiners in seeing to it that the President's legislative recommendations are properly reflected in the budget; and the Field Service not only investigates specific problems that appear in the agency estimates, but also sends to Washington certain staff members who are familiar with agency problems in the field to assist in the processing of estimates.

6. "The Commission recommends the development of much closer relations between the constituent divisions of the Office of the Budget and with such agencies as the President's personal staff, the Treasury Department, the Economic Adviser, and the National Security Resources Board" (p. 26).

As noted in the previous paragraph, the Bureau has always striven for close relations among its own divisions, and has given more emphasis to obtaining this goal within the past year.

The Bureau is also in favor of close relations with the other units mentioned. I, personally, have frequent contacts with the top-level officials of the other organizations mentioned, and my staff works continuously with the staffs of these groups through informal contacts, exchange of memoranda, conferences, etc., on a great variety of problems including analysis of proposed legislation and participation in certain budget hearings. Our fiscal-analysis staff, for example, works constantly with the Council of Economic Advisers staff on economic conditions and developments, and our Division of Statistical Standards works continuously with the Council on problems of availability and adequacy of basic statistical data. The Bureau is also represented on many interagency working teams set up by the Council to work on special projects assigned by the President. Certain members of our administrative management, estimates, and statistical standards staff have been working practically full time with the National Security Resources Board on problems of common concern. In addition, the Bureau is represented on the interdepartmental staff group set up by the NSRB. Relationships with both the Council of Economic Advisers and the National Security Resources Board have been steadily growing stronger and more comprehensive ever since the establishment of these two new agencies. The location of all three groups in the same building has been an important factor in aiding close relationships. Adoption of the Hoover Commission recommendations dealing with the Executive Office of the President should serve further to strengthen these relationships.

Relations with the White House staff have always been close, and have been especially so the past year as indicated by the large number of requests for assistance made by White House staff to the Bureau.

The Bureau of the Budget and the Treasury Department have been working closely together in many ways. A good example is the work of the two agencies in correlating receipts and expenditure estimates. Another example is the work of both organizations, together with the General Accounting Office, on a joint project to improve Government accounting. There is also a large amount of informal cooperation on a day-to-day basis on such problems as setting up appropriation symbols and titles, the treatment of certain items in Treasury reports, methods of getting certain financial information, etc.

7. The Commission recommends that the Administrative Management Division "should be expanded and strengthened" (p. 28).

The Bureau agrees with this recommendation. The necessity for Government economy, the Commission recommendations, the impact of the Federal Budget on the economy of the country, and other factors have made the work of this Division more important than ever. We have tried to meet the demands on the Division by concentrating our energies on major problems only, and by developing programs and approaches which are the most effective in achieving economy and efficiency throughout the Government. Ultimately, however, this Division can only be adequately strengthened by the addition of more staff members.

It should be pointed out that this recommendation of the Commission is impossible to carry out in the light of the report of the Subcommittee on Independent Offices of the House Committee on Appropriations which stated that the 10 percent reduction which it recommended in the Bureau's appropriations for 1950 be applied "primarily" to this Division and two others. This proposed reduction, taken together with last year's reduction which was also aimed at this Division and two or three others, would result in a serious restriction and weakening of the Division (approximately 40 percent reduction over the 2-year period) rather than in expanding and strengthening it.

8. The Commission recommends that the Bureau of the Budget, "in dealing with the budgets of the executive departments and agencies * * * should place much greater emphasis on the developing of policies and standards to govern the preparation of estimates, and on the development of adequate budget work in the departments themselves, and comparatively less on the review by its own staff of the details of departmental estimates" (pp. 28–29).

The Bureau agrees with this recommendation and has been endeavoring to carry it out over a period of many years. The recent establishment of target budget ceilings to be used for planning purposes, for example, is one way by which decentralization has been accomplished. The joint accounting project now under way by the General Accounting Office, the Treasury Department, and the Budget Bureau is also aimed at bringing about improvements which will achieve this objective.

The establishment of staffing guides is another example of standards set to help the agencies plan their budgets. The management appraisal program now under way also will enable the agencies to improve their own budget work. A major effort to work with the agencies in improving their budgeting has been the periodic conduct of a series of conferences on budget formulation and budget execution attended by agency budget officials.

The development of adequate policies and standards, however, and the rendering of assistance to agencies in strengthening their budget work, are difficult, long-time programs. As these objectives are accomplished, the Bureau will further decentralize budget activities.

9. The Commission recommends that staff work be done on the problem of the field services (pp. 28–29).

The Bureau agrees that a comprehensive management study should be made of the Federal field services. Provision for beginning such a study was made in preparing the Bureau's 1950 budget estimate. However, if this budget estimate is reduced by 10 percent as recommended by the House, there is little likelihood that staff time will be available to make such a study in 1950.

10. "The Commission recommends that the President be given the means and authority to supervise all publications of the executive branch and that he delegate this authority to a responsible official in the Office of the Budget" (p. 30).

The Bureau concurs in this recommendation only to the extent that centralized control over publications should be exercised through the setting up of policies and standards and through assisting the departments and agencies to establish their own effective control systems.

11. The Commission recommends "that authority be given to the President to effect improvements in statistical activities and that such authority be delegated to the Director of the Division of Statistical Services" (p. 31), and that the "Division of Statistical Standards of the Office of the Budget should be strengthened" (p. 96).

The Bureau agrees with these recommendations except that it believes that authority to effect improvements in statistical activities should be delegated to the Director of the Bureau rather than directly to a division within the Bureau. I would again like to point out that the House action including this division as one of those to bear the brunt of the recommended reduction in the Bureau's 1950 estimate, if adopted by the Congress, would make it impossible to carry out these recommendations. Weakening of the Statistical Standards Division would force the Government to lose some of the economies annually brought about by the work of this division, and seriously hamper the division in its efforts to help make the Government's statistical product as reliable and widely useful as possible.

12. The Commission makes two recommendations concerning the establishment of an Accountant General; to wit, that "a. An Accountant General be established under the Secretary of the Treasury with authority to prescribe general accounting methods and enforce accounting procedures. These methods and procedures should be subject to the approval of the Comptroller General within the powers now conferred upon him by the Congress," and "b. The Accountant General should, on a report basis, combine agency accounts into the summary accounts of the Government and produce financial reports for the information of the Chief Executive, the Congress, and the public" (p. 39).

The Bureau does not agree with these recommendations. The basic weakness of these proposals for dealing with accounting and auditing is the lack of clear assignments of responsibility to the executive and legislative branches for the performance of these separate but closely related functions. Generally, the Bureau subscribes to the belief that accounting is an administrative function and should be the responsibility of the executive branch; and that, on the other hand, suitable provisions should be made to furnish advice and recommendations to the Congress based on an independent audit made by an agency under their control. The Bureau does not feel that the Hoover Commission proposals would result in a clear definition of responsibility but rather would make it impossible for either branch of the Government to move without full concurrence of the other.

The Bureau of the Budget, the General Accounting Office, and the Treasury Department are currently engaged in a joint program to improve Government accounting. It is our opinion that this approach is best suited to securing immediate results. As work progresses on this program, needed changes in legislation will be identified and proposed.

13. The Commission recommends: "(a) That the practice of sending millions of expenditure vouchers and supporting papers to Washington be stopped as far as possible" (p. 42), but "(b) in view of the fantastic growth of detail that a spot sampling process at various places where the expenditure vouchers and papers are administratively checked might be substituted for much of the present procedure of bringing all those documents to Washington" (p. 43).

The recommendations are of principal concern to the General Accounting Office and not to the Bureau of the Budget. The Bureau, however, has long been aware of the existence of a problem in this area and would like to go on record as being in favor of the adoption of those recommendations as a method of solving it.

I hope that these comments will be helpful to your committee and would be happy to furnish additional information on any specific points at your request. I think it is clear that we are trying to effectuate most of the recommendations concerning the Bureau. While we are looking for substantial improvements from these actions, it is too early, as yet, to estimate the amount of monetary savings which will result.

Sincerely yours,

FRANK PACE, JR.,
*Director.*

## ADMINISTRATION OF THE GOVERNMENT OF ALASKA—EDITORIAL AND NEWS COMMENT

Mr. BUTLER. Mr. President, at the request of the citizens of Alaska, I ask that several articles appearing recently in their daily newspapers be printed in the body of the RECORD. First is an editorial appearing in the Anchorage Daily Times of February 18, 1949; then an editorial appearing in the same newspaper under date of May 24, 1949; following that, an editorial which appeared in the Daily News-Miner, of Fairbanks, under date of June 17, 1949; and finally a release which appeared in the June 21 issue of the same newspaper. The headline of this last article reads: "Five Million Dollars Frozen in Alaska." The people of Alaska asked that these articles be printed in the RECORD in order that Members of Congress could be advised on the situation in the Territory.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From the Anchorage Daily Times of February 18, 1948]

### GRUENING SHOULD STAY

Opposition to the appointment of Ernest Gruening for another 4 years as governor of Alaska, is attracting widespread attention in the States as well as Alaska.

Press reports indicate that he will be reappointed but point out that lobbyists are "beating at the backdoor" of the White House to oppose him. Drew Pearson, author of Washington Merry-Go-Round said on February 11, "they don't like his drive for lower maritime freight rates, and for higher taxes on fishing, canning and shipping." He also referred to Gil Skinner, president of the Alaska Steamship Co., as a "skillful backstage operator for the lobby," and predicted Alaskan big business will be disappointed because Governor Gruening is going to be reappointed.

The St. Louis Post-Dispatch recently commented editorially that Mr. Skinner has more political might in Washington than 90,000 Alaskans. A Boston newspaper excoriated Seattle recently for opposition to Gruening emanating from that city.

Whether Gruening is to remain as Alaska's chief executive is a matter of public interest within the Territory. Because the appointment is in the hands of a Democratic President, it is a matter to be fought out within the councils of that party. No Republican is eligible for consideration.

President Truman's choice is either to reappoint Gruening or find a suitable replacement. Alaskan Democrats who oppose Gruening would rather see Norman R. Walker of Ketchikan or Edward Coffey of this city get the appointment. But to the majority of Alaskans these men stand for the opposite to what they want. They are blamed for the fiasco of the last legislature when, under their leadership, the Senate plunged the Territory into a financial morass, jeopardized statehood and otherwise flaunted the wishes of the people.

Washington State Democrats would have the President appoint one Herbert Algoe, the fair-haired boy of Governor Wallgren. Or they would favor Hugh Mitchell, the unsuccessful candidate for Senator who could use

the prestige that would come with the title of governor. Both these men, incidentally, could be expected to eliminate the necessity for a lobby to offset efforts to obtain lower freight rates and higher taxes on fisheries and shipping.

From the Alaskan point of view, Gruening is irreplaceable and invaluable. Through his vigorous leadership he has made an enduring spot for himself in the history of the Territory. Never before has the "little guy" living in Alaska been made to realize his potentialities and powers as a builder and citizen.

He is the spearhead of the great statehood movement, the efforts to obtain cheap transportation and local controls essential to development. He has been fearless in his stand against remote controls wherever he has found them—in Government or business.

His political risks have been perilous as he taunted powerful absentee interests in behalf of the little people of Alaska who often find themselves shackled under the existing economic set-up.

Gruening has championed Alaskans over all else. He has made his office a most vital force in behalf of the Territory.

To the unbiased, loyal, sincere Alaskans who love their vast northland, there is no man other than Gruening. Failure to reappoint him could be the result of nothing other than a victory of absentee lobbyists over the will of the people.

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[From the Anchorage Daily Times of May 24, 1949]

DEMOCRATS FAILING IN THEIR STEWARDSHIP

During the last few months a pattern of events which is alarming in its implications has come to light under the Democratic administration of the Territorial government.

The pattern points to what may be a weakness that could consign the Democratic Party to oblivion in future elections. Certainly, if events of the future fall into the same pattern it is safe to predict an overwhelming defeat for the Democrats as soon as Alaskans have the opportunity to express this disapproval at the polls.

We refer to the ever-increasing manifestations of failure in stewardship on the part of the Democrats—instances that would cause any man of ordinary prudence to pause in his day's activities to question whether the party is trustworthy.

For 16 years the Democrats have had full charge of the administration of Alaska's government. Many of those years have found the Democrats split among themselves so that little in the way of effective legislation could be realized. But in the last election, the voters ended even that obstacle by placing the legislative as well as the administrative powers at the disposal of the official Democratic Party.

That development, while a great victory for the party, was a final investiture by the people of the officials in office with all the powers in their command to carry out what the people believed to be a sincere, progressive program of Alaskan development through expansion of governmental services.

The people have taxed themselves to give the Democrats a larger Treasury on which to draw. They voted the officials more power than they have ever held before.

At the same time the expectations of the people reached a new high as they looked forward with optimism to the fulfillment of their wishes by their public servants in office.

But the dismal pattern of failure began to take shape while the legislature was still in the act of handing the Democrats the powers and the money they were convinced their administrative officials needed.

During the legislative session the head of the veterans administration resigned under fire after a house investigation revealed alleged irregularities in the handling of funds collected through a sales tax.

Another legislative investigation resulted in the removal of the head of the department of public welfare and enactment of a law requiring that his successor be a man whose training and experience qualified him for this important administrative positon.

Within the last few weeks the Territorial treasurer resigned and was immediately charged with embezzlement of more than $23,000 in public funds during the last 4 years.

Meanwhile, the administration at Juneau apparently adopted a policy of strengthening its political position in the capital city—where it has always been weak—by bestowing it with favors regardless of the best interests of Alaska as a whole, or effectiveness in administration.

The Coast Guard headquarters were stolen from Ketchikan to be placed at Juneau. The new territorial building, authorized by the last legislature, was assured for Juneau in a maneuver that virtually shut out any consideration of other possible locations. The National Guard headquarters were established at Juneau in wanton disregard of the nature of the program, the purpose for which it was authorized or promises made to legislators. It is safe to predict that the headquarters for the 1950 census will be located at Juneau as quickly as it is established, regardless of the fact that the center of population is some 800 miles west.

Salaries of the faithful party workers on the public pay rolls at Juneau have been increased substantially. Many new positions have been created since the new taxes were enacted.

At the moment, revenues from the new taxes are reported to be falling below expectations. Many months will pass before the treasury is fattened as anticipated. But the Territory has a bigger stable than ever to maintain at Juneau. Indications are that indigents will find their allowances cut in the immediate future. Foster parents, providing care for dependent children, will once more find their checks from the Territory decreasing in size. Other governmental activities will be curbed and responsibilities shunned.

Two appointments especially are worthy of note in this pattern of events. That of Henry Roden is singular because he is widely known as "anti-Gruening" and his membership on the board of administration bids well to throw the control of that powerful body to the minority faction of the Democratic Party. What sort of political deal was made for this patronage may some day be known.

The appointment of Henry Harmon as head of the department of public welfare was open defiance of the provision of the law requiring training and experience as a qualification. Harmon has neither.

Any one, or perhaps two or three, of these events, alone, might not be regarded as setting a pattern that is alarming. But when they are all lined up together the implications cannot be overlooked.

Irregularities in the handling of public funds are by far the worst and most shocking of all the pattern. The voters of Alaska can be depended upon to have no truck with such irresponsibility in high places.

The fact that the Democratic administration failed to conduct an audit ordered in 1947 is considered in conservative circles as a wanton disregard of public trust. In some circles it is interpreted as a deliberate omission so that the phony play could continue another 2 years.

The continual concentration of political favors on the city of Juneau has proven obnoxious to citizens of many other communities. The increased salaries and new positions on the pay rolls give impetus to the charge that the Democrats are more interested in themselves and their feast at the public trough than they are in the people they are supposed to serve.

The pattern indicates that the place of the Republican Party in Alaska is substantial. The trend in recent developments will bring a spontaneous move among the citizens to throw out the Democrats who are so lacking in stewardship.

The Democrats, who have claimed that the Republican Party is dead, are breathing new life and vigor into the old elephant. Alaskans may soon view it as their savior.

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[From the Fairbanks Daily News-Miner of June 17, 1949]

WORST IN HISTORY

The Associated Press has reported from Juneau that the Territory's general fund was $879,032 short of funds to meet governmental operating expenses at the end of May.

On May 31, when the books were closed, Treasurer Roden had $167,497 in cash on hand. Unpaid vouchers against this sum had reached the staggering total of $1,046,530.

The net deficit is unquestionably the worst in the Territory's history.

Gross tax collections for the first 5 months of this year were $2,324,915, of which $353,858 was paid into earmarked funds, therefore, becoming unavailable for corporate purposes. Thus the balance collected for operating expenses for the first 5 months of 1949 was only $1,971,057.

A projection of these figures indicates tax collections of approximately $12,000,000 in the next 2 years against $21,000,000 in appropriations for the period, including expenditures from the gasoline tax fund.

The first results of this frightening situation are already apparent.

A dispatch from Juneau yesterday told that $1,774,063 in school-construction funds have been "frozen" by the Territorial board of administration because of the precariousness of the present finances.

These funds, of course, are not to be confused with those raised by incorporated school districts for their own respective school-construction purposes. Funds for the new Fairbanks school raised in this district by a bond issue are not affected by the order.

But it is fortunate that the schools are not now in operation, else the Territory and the communities throughout Alaska would be faced also with the impossible task of meeting teachers' salaries out of the empty treasury. These and other problems incident to the continued operation of the government of Alaska are certain to multiply in the approaching months.

Further comment on the achievements thus far of the overwhelmingly Democratic administration in Juneau under Governor Gruening seems unnecessary at this time.

The decision to halt the proposed expenditures for school construction may have been a logical first step in bringing some order out of the present chaos. We now await with interest the dispatch from the capital which tells of a cut in pay rolls and reduction of other expenses necessary to restore soundness to the Territory's finances.

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[From the Fairbanks Daily News-Miner of June 21, 1949]

FIVE MILLION DOLLARS FROZEN IN ALASKA—TREASURY DEFICIT BLAMED—TERRITORIAL BOARD OF ADMINISTRATION REVEALS ACTION

JUNEAU, June 21.—The Territorial board of administration today froze $5,645,498 in spending for the Alaska government for the next biennium as a result of the financial crisis facing the Gruening administration.

Included in the frozen funds is $900,000 for new construction at the University of Alaska.

ORDERED SUSPENDED

The biggest single loser was the Territorial veterans administration. A $1,200,000 loan to the veterans revolving fund was ordered suspended by the board.

The projected new Territorial administration building to cost $660,000 was also blocked by the order.

The $75,000 National Guard appropriation was slashed temporarily to $10,000.

SALARIES NOT AFFECTED

These and the other frozen funds were appropriated by the last session of the legislature.

The official announcement specified that Territorial salaries, relief funds, and school-maintenance expenditures are not affected by the Board's action.

The total of suspended appropriations includes $1,774,063 for school construction already announced as frozen last week.

Following are the funds and the purposes for which they were intended included in today's order:

Alaska Housing Authority, to establish housing program, $250,000.

Reimbursement to school boards, for interest paid on money borrowed in 1947–49 biennium, $10,000.

Loan to Territorial veterans' revolving fund, $1,200,000.

Community hospital construction, $250,000.

Territorial employees' retirement system, $20,000.

Pioneer home, for purchase and remodeling of adjacent property (total appropriation, $50,000), $20,000.

Rural school construction, $1,024,063.

Construction and repairs, incorporated school districts, $750,000.

Fisheries commission (total appropriation, $250,000), $180,000.

Bus transportation commission, $2,500.

Financial assistance to hospitals, $50,000.

Territorial building, $660,000.

To establish Alaska library board, $2,000.

Statehood commission, $80,000.

National Guard (total appropriation, $75,000), $65,000.

Community fairs, $20,000.

Pure Food and Drug Act, $10,000.

Purchase of typewriters, $3,500.

New construction, University of Alaska, $900,000.

Vocational rehabilitation, $20,000.

Expenses of superintendents, advisory commission, commissioner of education, $2,000.

Department of mines construction of field offices, $100,000.

Hospital survey and construction supervision, $15,000.

Professional boards, including optometry, pharmacy, medical examiners, cosmetology, chiropractic examiners, dental examiners, basic sciences, $11,435.

ACTION WAS SWIFT

The $5,645,498 total which has now been frozen amounts to almost one-third of the legislature's total appropriations.

Board action followed swiftly upon disclosures last week that the Territory was $879,032 short of meeting its current obligations at the end of May. Cash on hand at the opening of business on June 1 was reported as $167,497 against which there were unpaid vouchers aggregating $1,046,530.

Records show this to be the worst deficit in Territorial history.

BELOW NECESSARY SUM

Gross tax collections for the first 5 months were $2,324,915 of which $353,858 was paid into earmarked funds, leaving $1,971,057 to meet current obligations, far below the sum necessary to pay the Territory's unprecedented expenses for the period.

In addition to the treasury deficit in the face of outstanding warrants, the Territory's financial pinch has been accentuated by court challenges of three major tax measures enacted by the legislature to meet the burden of the record-breaking appropriations. They are suits testing the validity of the new income-tax law, the quadrupled fish-trap tax, and the nonresident fishing-license levy.

Two years ago, when a similar crisis confronted the Gruening administration, the board of administration froze projected expenditures amounting to $1,038,000.

## NEED FOR ECONOMY IN THE FEDERAL GOVERNMENT

Mr. KEM. Mr. President, I ask unanimous consent to make an insertion in the body of the RECORD, and to make a brief statement, which will take not more than 3 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. KEM. Recently the Joplin Globe, Joplin, Mo., one of the leading newspapers in our State, published a thoughtful statement made by the senior Senator from Virginia [Mr. BYRD] concerning proposed expenditures, with emphasis upon the need for drastic economy in the Federal Government. This newspaper printed eight proposals involving the expenditure of additional money. At the side of each two boxes were placed in which the reader might indicate a position for or against the proposal.

Certain readers of the Joplin Globe clipped these eight questions from the newspaper, and after marking their answers, sent them to me. I ask unanimous consent to place in the RECORD immediately following my remarks the eight questions and a tabulation made in my office of the replies received.

Every time our people have an opportunity them seem to indicate clearly that they want relief from the tremendous burden of wartime taxation they are being called upon to bear. To do this we must first reduce the cost of Government. President Truman has proposed a budget to Congress of approximately $42,000,000,000, the largest in our peacetime history. The President has further disclosed that the receipts of the Government are now falling below expenditures. As has been frequently said, there are three alternatives before us: First, to slide into deficit financing, which means insolvency; second, to increase taxes; or, third, to reduce the expenditures of the Government.

I hope very much that the Congress—at long last—will decide upon the third course of action as the only sound course under all the circumstances.

I am offering this as a bit of reliable evidence of how our people themselves are thinking.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

| | No answer | For | Against |
|---|---|---|---|
| A straight 10-percent cut in all Federal expenditures that can be cut? | 0 | 189 | 15 |
| Secretary of Agriculture Brannan's farm plan, the cost of which Secretary Brannan himself is unable to estimate. (Senator Byrd did not estimate the cost, but others have suggested figures up to $10,000,000,000 a year for this subsidy.) | 1 | 7 | 196 |
| The so-called national health plan? (This calls for increased pay-roll taxes. Senator Byrd, referring to it as "socialized medicine," estimated a $10,000,000,000 annual cost.) | 1 | 11 | 192 |
| The Federal housing program recently enacted by the Senate? (The cost of the low-rent feature alone amounts to a possible $20,000,000,000 over 40 years, according to Senator Byrd, even if it is not later expanded.) | 0 | 10 | 194 |
| Federal aid to education, costing $300,000,000 the first year? (Senator Byrd doesn't believe the cost would ever be that low again.) | 1 | 32 | 171 |
| The ECA program, costing 5½ billion dollars for the coming year? (This is chiefly aid to Europe under the so-called Marshall plan.) | 1 | 45 | 158 |
| Arms for the North Atlantic Pact, to cost something over $1,000,000,000 in the coming year? (Mr. Byrd thinks that estimate is too low.) | 1 | 46 | 157 |
| Increased income and pay-roll taxes that Senator Byrd says will be necessary to carry out the President's many recommendations for more spending? | 0 | 9 | 195 |

## THE STRIKE IN HAWAII

Mr. MORSE. Mr. President, as the crisis in Hawaii grows more acute I ask unanimous consent to have published in the body of the RECORD as a part of my remarks a very informative letter which has been received by a mother of a present resident of Hawaii. This letter strengthens my belief that arbitration is the answer to the Hawaiian dispute. It deepens my conviction that the employers are making a great mistake in refusing to arbitrate the dispute. It strengthens my view that refusal to arbitrate plays right into the hands of the leftist philosophy of Bridges. Those who think that arbitration of this dispute amounts to yielding to Bridges are mistaken. A refusal to arbitrate this dispute, in my opinion, is likely to strengthen the claim of Bridges that a concerted drive is being made to break the union. I think the employers are following a very radical course of action in refusing to submit the merits of their case to arbitration. I repudiate the radicalism of the employers as well as the leftism of Bridges. Again I suggest to the President that he ask both sides in this dispute to submit their evidence in support of their contentions on the merits of the dispute to an arbitration board whose decision should be accepted as final and binding.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 23, 1949.

Mrs. OTTANIO CONTI,
*Gettysburg, Pa.*

MOTHER: According to tonight's Star-Bulletin, the New York Times, the Washington Post, and the Washington Evening Star today printed a 2-page advertisement about the strike here in Hawaii. Sunday past the Honolulu Advertiser ran that ad locally and asked for donations for it to [be] published in D. C. newspapers. I for one did not and will not contribute to anything so misleading

as was that ad. Nowhere in the ad was there any inkling to the issues at stake in the strike. The Honolulu Advertiser is in the same category as the Chicago Tribune, the New York News, and the Washington Times-Herald. The strike is bad enough, but the Advertiser has made it worse by purposely injecting hate, fear, hysteria, and misrepresentations into a situation already involved in irrelevant issues. Let's get a few things straight first. Hawaii is not being starved out. The only serious food shortage we have—and it is most serious indeed—is in evaporated milk for babies. The armed forces here have been generous in giving some of their supply to the civilian population and the Navy is bringing in small quantities of it so that if it is reserved for infants only, Hawaii can get by. Large quantities of food are now coming in via parcel post, believe it or not! Potatoes, dried fish, oranges, eggs, onions, animal feed, rice, garlic, etc. have come in through the mails in quantity sufficient to give some relief from canned and local foods. The situation however is much more serious business-wise. Unemployment is very high and the welfare rolls are climbing. Businesses are laying off people and cutting wages. Wholesalers bringing in food through the mails are adding 20 percent not only to the cost of the food but to the high parcel-post charges, too! For all their talk that they are fighting [the] people's battle, they still demand their usual (or should I say unusual) profits. But the union is no better. Food is rotting on ships strikebound in Honolulu harbor because the union won't unload any ships that sailed for Honolulu after April 30.

Now to return to the issues of the strike. The union is asking for a 32-cents-an-hour increase and wants to have arbitration accepted as a means of settling labor troubles. The employers first offered an 8-cent increase, raising it to 12 cents a few minutes before the strike began, but have now withdrawn any offer of an increase; in addition the employers don't want arbitration as a method of settling labor disputes. The union supports its case by saying that stevedores working the same cargoes on the same ships in San Francisco and for virtually the [same] employers receive 42 cents an hour more than Hawaii's longshoremen. They hold, also, that the same employers have accepted the principle of arbitration on the west coast and therefore should accept it here.

The employers say that Hawaii's stevedores are paid as well as any other group in Hawaii doing work requiring the same degree of skill and education and that because of a business recession affecting Hawaii now, no increase in wages is justifiable. The employers argue, also, that arbitration has not worked on the west coast and is not a fair means of settling labor disputes. The union, the employers, and the Honolulu Advertiser have all been careless in flinging insults, names, and mud. Charges (true or untrue, I don't know, but at least not yet substantiated) of communism, union-busting, business-busting, and misled aliens (many of the longshoremen are of Phillipine nationality) have flown freely. Both sides have rejected several very reasonable plans to end the strike; both sides call each other liars, two-faced, and sneaky.

Except for the sugar and pineapple plantation workers and the longshoremen, there are virtually no labor unions in the Islands. Five big business firms largely control the economy here; not to mention the press (including the Honolulu Advertiser) and some of the radio outlets. With a very few exceptions, wages are about the same or lower than on the west coast; but prices are much higher. The Federal Government pays its classified civil-service workers here a 25 percent cost-of-living difference because last fall the Bureau of Labor Statistics found that it cost that much more to live here than in Washington, D. C. Not exactly a cheap place is D. C., you know. For further proof I offer that except for food, I buy most of my things from the west coast, pay parcel post and get them here for from 10 percent to 40 percent cheaper than I can buy the same articles in Honolulu. Also, I want to point out that the so-called "misled aliens" are Filipinos, brought here by the Big Five firms themselves to work on the plantations but who found instead that wages on the plantations were much too low for the cost-of-living here and have gone to stevedoring (average wage on the sugar plantations now is 82½ cents an hour if it doesn't rain—could you and Dad live on less than $40 weekly, before deductions, even in Gettysburg?

The employers are not the only ones in the wrong. The union is as bad. Their strike has put thousands out of work and has wrecked many small businessmen. It has damaged our tourist trade—which the Islands need badly—and has struck nonfreight carrying vessels. It has shown little regard for their fellow laboring man and for the public and many of its actions cannot be defended. I firmly believe that there is little doubt but that the union was most unwise in having a strike when the economy and the business of the Islands were suffering from a series of bad blows such as tremendous cuts in military spending here, the general recession all over the country, and the west coast longshoremen strike of last fall. The public is generally opposed to the union, and particularly when we have a large labor surplus.

The Honolulu Advertiser and the Big Five have appealed to the President and Congress for help and then condemn both the President and the Congress because they feel that they do not have sufficient power to break the strike. I only wish that I had sent you copies of local editorials criticising the President when he has asked for certain powers and for certain programs during last fall and winter.

You know, Mother, as I reread what I have just written, I believe you would do me a great favor if you and/or Dad sent this letter to the Washington Post so that those who read the Letters to the Editor can get some information from Hawaii concerning our strike, rather than letters or ads from each side vilifying the other. Hawaii needs ships—to bring us food and manufactured goods from the mainland and to take our sugar and pineapples to their markets.

Your son,

## EMPLOYMENT OF PHYSICALLY HANDICAPPED PERSONS

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared on the subject of an essay contest relating to employment of physically handicapped persons.

I ask unanimous consent that the text of this statement be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

### STATEMENT BY SENATOR WILEY ON ESSAY CONTEST

Mr. President, yesterday, July 6, 1949, the Senate passed House Joint Resolution 228, authorizing an appropriation for the President's Committee on National Employ the Physically Handicapped Week. On page 8927 of the CONGRESSIONAL RECORD may be found a brief description of this fine measure.

Coincidentally enough, just this morning I received an important letter from Mr. A. L. Beier, secretary of the Governor's committee for the State of Wisconsin on employment of the physically handicapped. Mr. Beier sent to me four winning essays in a contest sponsored recently by the Governor's committee and the President's committee. This contest is on the theme, Why Not Hire the Handicapped?

### WISCONSIN ESSAY WINNER

High school youngsters in the eleventh or twelfth grades of any public or private high school in the United States are eligible to compete in the national contest. The winner for the State of Wisconsin is young Miss Patricia A. Theisen, age 17, of Cassville, Wis. Her parents, Mr. and Mrs. A. J. Theisen, are farmers. Patricia's essay, which was judged best by the State judges, will now be submitted for the national competition.

The second prize winner is Phyllis Indermuehle, age 18, of West Bend, Wis. The third prize winner for Wisconsin is Dorothy Ottow, of Madison, and the fourth prize winner was Shirley J. Smith, age 18, of Waukesha.

Funds for the prizes were given by the Wisconsin Independent Theater Owners Association, Mr. John Adler, president, of Marshfield, and by the Wisconsin State Federation of Labor, George Haberman, president, of Milwaukee.

I am happy to invite attention to the three judges of the contest for the Badger State. They are R. W. Fleming, Madison, director, University of Wisconsin Industrial Relations Center; C. L. Greiber, Madison, director, State Board of Vocational and Adult Education; Voyta Wrabetz, Madison, chairman, Industrial Commission of Wisconsin.

I cannot say how strongly I feel that a wonderful contest like this should receive the encouragement of the Congress and of leaders in our country in every walk of life.

Through the years in the Congress, it has been my pleasure to work on behalf of the disabled in our population. I have appeared before Senate and House Appropriations Committees for adequate funds to rehabilitate the physically handicapped. I have spoken on the floor of the Senate on the needs of disabled veterans and have introduced bills to aid them.

### HELPING THE HANDICAPPED

To me, there are few more rewarding tasks in this world than to make a disabled person whole, to make a disabled person adequate, to earn his or her own way insofar as possible. What joy we can bring to their hearts. What pleasure we can give to the bedridden, to those who are broken in health, who still retain, however, active, alert, intelligent minds, eager to make a contribution to their country.

If we do not help them to help themselves, if we do not rehabilitate them, they are a liability to themselves, to their family, to their country. If on the other hand we encourage them, train them, reeducate them, they prove to be great assets—adaptable, productive, reliable workers. American industry has found that out. Our Government has found it out, too in the splendid employment record of handicapped workers during the war.

A physically handicapped citizen is defined as anyone who, because of congenital deformity, injury or disease, is substantially handicapped in obtaining employment or self-employment. These include people with amputations, blind folks, folks who have unfortunately lost their hearing in part or in whole, youngsters and adults with organic heart disease, arrested tuberculosis patients, arthritic victims, folks with special defects, epilepsy, and other disabilities.

Let us note that in addition to those folks born handicapped there are those who suffered some accident or war injury or illness which has made it impossible for them to gain employment unless they receive the benefit of special training.

Opportunity for these handicapped folks is not only sound on a humanitarian basis. It is just plain good economics.

UNITY ON THIS ISSUE

I am glad to say that here is one issue on which labor and management are fully united. Here is an issue on which there has been magnificent cooperation between the National Association of Secondary School Principals, the President's committee, State committees, and the United States Department of Labor.

We will be looking forward to announcement of the final essay winners for the Nation. The first prize essay in each State and Territory is being shipped to Washington, where it will be judged. National prizes of $1,000, $400, $300, $200, and $100 will be awarded, respectively, for the first to fifth essays. The Disabled American Veterans organization will pay expenses of the national winners to Washington, D. C. These national winners will be announced during National Employ the Physically Handicapped Week from October 2 to 8.

I want to congratulate all of those folks, including the three national judges, Mrs. Eleanor Roosevelt, Secretary of Labor Maurice J. Tobin, and United States Commissioner of Education Earl J. McGrath, to congratulate the International Association of Machinists, and all the other labor unions which have cooperated, to congratulate all the State officials, and all the private citizens, who have worked on this 1,200-word contest.

Good luck and Godspeed.

Finally, I ask unanimous consent that the text of the winning prize essay for Wisconsin be printed at this point in the CONGRESSIONAL RECORD.

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WHY NOT HIRE THE HANDICAPPED?

(First prize essay by Patricia A. Theisen, Cassville (Wis.) High School; sponsored by Governor's Committee on the Employment of the Physically Handicapped)

I am a voice, a loud, heavy voice that is sure and firm; a high, shrill voice that wavers unsteadily. I am the composite voice of men, women, and children. My tones resound and echo from the depths of despair and discouragement. They rise to form a dome of hope. I am the voice of the handicapped. Do not turn away but listen while I speak through your heart.

You know me. Everyone knows me at one time or another for directly, or indirectly, I touch every life. I am the GI Joe who left a leg at Iwo Jima. I am the man next door. Just this spring I broke my back. The doctors say I'll never walk again. I looked for a job but no one will hire a cripple. I am the blind. I am the deaf. I am a little child born crippled. What does the future hold for me? What does the future hold for anyone who is handicapped?

Once upon a time, not so very many years ago, a great man wrote, "All men are created equal." This is the theme of democracy. It is the blueprint America is built from. It is the creed we were taught to believe. And I try to believe—but you won't let me because you yourself do not feel it in your heart.

You give me pennies, nickels; yes, even dollars if I stand along a street corner with a cup. Then you pat yourself on the back and pass on. You forget me. But that is not enough. I need more than money. If I am to survive and not lose heart, you must accept me as one of you; man to man.

In our modern world, men must work for a living. Each quart of milk, each loaf of bread, each mouthful vital to existence must be bought and paid for with human toil. I can work. I am quick, deft, skilled, efficient. I have learned to develop the well parts of my body to such an extent that I can excel the average individual when I work with them. And yet I cannot capitalize on this.

Men turn to my deformed body with pity on their faces. Pity that causes me to cringe and draw away with a nausea in my stomach and a thorn of vengeance in my brain. I do not pity myself. I do not want pity. I am no different than you are in many ways. There are restrictions and limitations placed upon me but they need not be emphasized. If properly regarded they are of little consequence in hindering my progress in life. For man is a many-sided figure. His scopes are varied and innumerable. If one or two are closed to him, his life need not be extinguished; only directed to different channels.

And what my body lacks, my soul compensates. Suffering and forsaken, I have turned to God. The light from the Lord ripens a soul and matures it. If He will let me work for Him, cannot you, who are mortals like myself, give me a chance?

One of us led you through a world war. You placed your faith in him and he did not fail you. I do not rest on his laurels, nor do I wish to. I only want a fair chance to earn my own.

Today my sky is gray and screened in with clouds. The sunshine lies just beyond. And, yet, I cannot penetrate my prison alone. You on the outside must petition for me. Meet me half way. I ask no more. I expect no less.

Yes, I am a voice. A sad voice. I hold no childish laughter, no old man's chuckle. But I hold hope and I still hold faith. And this is my plea that you can help fulfill, "Welcome me as a fellow countryman. Give me a job. Let me work, and I'll be able to believe once more that all men are created equal."

THE NORTH ATLANTIC TREATY

The Senate as in Committee of the Whole resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. FLANDERS. Mr. President, I desire to address the Senate on the subject of the North Atlantic Pact. I ask permission to stand in the well and turn my right side—not my back—toward the Chair, and face this body.

The VICE PRESIDENT. The Senator looks well and sounds well from any direction.

If agreeable to the Senate, the Chair will advise Senators that, in view of the arrangement, Senators who wish to address their colleagues face to face may do so without having to obtain individual consent. The Chair hears no objection.

Mr. FLANDERS. Mr. President, I rise to address myself to the subject before us, the ratification of the North Atlantic Pact.

Let me say at once that it is a matter of deep conviction with me that the responsibilities recognized by this pact are responsibilities which we should not seek to escape and which indeed we cannot escape. It is a matter of paramount concern to us that the world is once more and all too quickly faced with the necessity for restraining the expansion of a predatory power whose ambitions and purposes know no bounds. In rapid succession that power conquered tiny Finland; subdued Latvia, Lithuania, and Estonia, and destroyed their independence; joined with that other international gangster, Hitler, in seizing half of Poland; then having fallen out with its partner, as is the habit with gangsters, seized the rest of Poland; then in rapid order overran the Balkan countries, Hungary, and finally Czechoslovakia. In this area of eastern Europe only Greece and Turkey have been saved from conquest, and these only by assistance from us which has run into billions of dollars.

For the present, a term has been put to that seemingly irresistible wave of conquest, but the purpose and power still remain. The pressure is continuous, night and day, except as the free nations of the world resist it or, better yet, find means of lightening the pressure. That wave of conquest will continue to roll until it has swept Europe and Asia into subjugation.

Nor are Africa and the Americas safe. Remembering what we ofttimes forget, that the battlefields of this conquest are in the mind and spirit of man, rather than on the earth's surface, we can be assured that Africa and the Americas will follow the capitulation of Europe and Asia. Should we succeed in maintaining our independence, we will yet be a beleaguered garrison, sailing the seas and visiting the ports of the world only at the arbitrary permission of a power far stronger than ourselves.

I do not believe, Mr. President, that I have put too strongly the ultimate results of complacency and resulting inaction on our part. We truly face a prospect more menacing than any which has faced any country or any civilization in the past. It is no more than the prattle of thoughtless children to suggest that we play in our own backyard and take no thought and accept no responsibility for what the neighbors are doing.

With this expression of fundamental concern in the purposes of the pact which is before us, let me turn to a consideration of some of the problems which it presents.

Senators have been very much concerned as to whether in ratifying it we are automatically committing ourselves to war in the event of attack by an enemy power on one of our cosignatories. Mr. President, it will not take 4 minutes to convince any reasonable person that we are morally committed to a declaration of war in such a case. Not even 4 hours of the most brilliant and convincing oratory could shake this belief in the mind of any reasonable person.

Suppose, for instance, that what was momentarily feared not so may months ago took place and Norway was invaded by Russian forces. Does anyone believe that when, as, and if that does take place, there will be the slightest doubt in the mind of anyone in this room that the Norwegians would expect us to come to their aid in the shortest possible time and with the greatest possible measure of assistance? It is fantastic that, having signed the pact, we should hesitate to do so.

But as was pointed out yesterday by the senior Senator from Michigan, something more than a moral responsibility is involved. There is involved the question of our own national safety, and ultimately of our national existence. Remembering that Russia is strong in submarines; that she had, immediately on the conclusion of the war, the advantages of the latest techniques of the Germans

in submarine construction and submarine warfare; remembering further that the coast of Norway is ideally fitted to be a naturally protected base for these long-range carriers of death and destruction—remembering all this, who can doubt that national safety would be laid alongside national honor in the balances, and that the weight of the decision would be heavily and instantly toward a declaration of war.

Mr. President, we are quibbling when we question this moral obligation. It is there. It will be accepted, not merely for its own sake, but for its intimate connection with national interests of safety and survival.

In spite of all this, Mr. President, the presentation of the pact arouses serious doubts in my mind, or to put it more accurately, brings to a focus doubts which have long disturbed me.

I approach this pact with deep forebodings, of which the first is a conviction that it marks one more step toward the pyramiding of a load of national expenditures which we shall ultimately find it impossible to bear. We have moved toward our unbearable budget step after step. First there were the minor commitments set up by the institutions agreed upon at Bretton Woods. Then came the Truman doctrine with its expenditures for Greece and Turkey. Next in order, and with a measurable degree of successful achievement, came the European recovery program. Last in our fiscal retrogression to date has come the proliferation of our own military expenditures. Now comes this military responsibility for the North Atlantic area, whose costs can be diffidently and gently presented so far as immediate responsibilities are concerned, but whose final end we properly suspect to be beyond the limits of present imagination.

The politburo has set out to ruin us economically. The politburo has victory within its grasp. It is at this moment running our country. It determines our policy, not merely in the foreign field, but in the domestic field. By imposing fiscal limitations, it compels us either to forego constructive and useful expenditures for our own people or alternatively, and more probably, to rush into deficit financing during periods of high production and employment.

Mr. President, the politburo wins. The battlefield is not where the North Atlantic Pact conceives it to be. We have misjudged the position of the enemy and have subjected ourselves to a deadly flank attack of which we seem to be almost blissfully unaware.

In building up military strength and financing the building up of that strength by our associates in this pact, we must reckon on the ability of the Russians to match us over and over again, so far as personnel is concerned, at a fraction of the expense to which we shall be put in carrying out our own preparations. Russia does not need money to build armies. She has at her command the scantily requited labor of teeming millions of men and women. She has no budgetary limitations. She deals, not with dollars or with rubles, but with limitless man-hours.

We have our own resources with which Russia cannot compete. We have a matchless productivity of the arms and munitions of war. We have a matchless technical skill not merely in their design and production but in their use. We have an individual resourcefulness in our citizens whether under arms or behind the front which cannot be matched by any potential enemy. We can bring these matchless resources into organized preparation without crippling ourselves economically, but that is a matter of defense policy and the defense budget which need not be gone into here and now. The point I am making is simply that we must not allow ourselves to be drawn into this budgetary ambush which Joseph Stalin and his associates have set for our destruction. The implications of the North Atlantic Pact can easily lead us and our associates who support it into a fatal enfilade.

There is another way in which we are fighting our prospective enemy where he is not instead of where he is. His secondary line of attack has just been described. That enemy attacks the fiscal stability of the nations it would destroy; but its primary battlefield, as everyone surely should know by this time, is in the minds and souls of men. The final battles must be won there and not on any geographical terrain, for against this pyschological battle physical armaments and munitions offer no defense.

Mr. President, I feel we have gone crazy on physical defense which after all, for a nation which has no territorial ambitions, no deep-laid plots for imperialistic expansion, is defense pure and simple. Our puny expeditions into the psychological field have tended to be foolishly confined again to the defensive. We have hunted out Communists in this country and brought them before the courts. We have sought to follow the windings and twistings of the Communist underground. Why so fearfully on the defensive? Why not openly, courageously and proudly on the offense in this chosen battlefield of the new predatory menace to the people of the world?

It is true we have had some success in this psychological warfare. To date, our most successful venture has been the European recovery program. This has saved for us Italy and France, which had been marked for conquest by the masters of communism. The cost has been high, but success has been attained. It was a success which no possible expenditures for physical arms and munitions could conceivably have accomplished. It was successful because it was fought on the enemy's battlefield, where his forces were deployed. It was a contest for the minds and wills of men. That is where the main battles of communism are being fought.

The success has been great, but not all problems have been solved. Economic difficulties are inherent in the endeavor, but let us give credit to the undertaking for the greatest advances we have yet won in this cold war.

Let me touch on another of our meager, puny, timid, pusillanimous undertakings to meet the enemy on the battlefield where he is deployed. I refer to the Voice of America. It was an unobservant and misinformed Senate which refused to restore the amount which had been cut from the budget appropriation for this undertaking. It is not easy for us to know just how effective these programs are. We judge that they must be effective when we observe the frantic efforts of the Russian Government to jam the air waves while the Paris conference was in session. The enemy thinks better of this undertaking than does the Senate of the United States. Which is right? I for one, Mr. President, am betting on the enemy. Billions upon billions upon billions of dollars for arms and armaments, quibbling and haggling over a few million dollars for meeting the enemy on his own battlefield. Mr. President, it does not make sense.

My doubts and dissatisfactions are, however, much broader than those I have just expressed with reference to the actions of this body. The State Department, the whole administration, as well as the legislative branch of the Government needs to knock its head against a hard stone wall of recognition of the facts of life with relation to this cold contest in which we are engaged. Primary rather than incidental thought should be given to reaching the minds and souls of the people in Russia and in the satellite countries. With one-tenth the money we are spending on arms and an equal amount of thought, ingenuity, experimentation and enterprise applied to the psychological and spiritual approach to the peoples behind the curtain—with this minimum expenditure of money and maximum expenditure of intelligence the war is won. The answer, Mr. President, lies here. This is the victorious offensive. The Atlantic Pact painfully and expensively holds the physical ground while we make our attack on spiritual territory.

It is spiritual territory on which the battle must be won. We must approach the deluded subjects of the enemy, not with deceit but with truth. We have a common cause. We must destroy a common enemy. Not a scintilla of hatred is in our minds or our souls against the deluded and exploited peoples who live under the poisonous shadow of the Politburo. It is our main concern to get this word to them. It is our main concern to make them allies in our common cause.

I now come, Mr. President, to consider the final one of the doubts which have been raised in my mind by the presentation of the Atlantic Pact. No amount of oratory can convince me that the fragile cord of article 51, which ties this undertaking to the United Nations, is a tie of strength and support to that organization in which we have placed so much hope and to which we have given so much financial support. Rather than a tie, that connection is a vital vein by which we draw the lifeblood from that great institution whose physical home is being erected on the East Side of the Borough of Manhattan. It matters not how lofty the structures, how resplendent the marble with which they are sheathed. They may easily become a hollow shell and that is what the Atlantic Pact will make of them.

The pact fills a vacuum not contemplated when article 51 was devised. It was not expected that the world's peace would hang suspended on that fragile article instead of being firmly supported on the whole magnificent foundation of the Charter. Mr. President, we are abandoning our hope in that foundation. We are substituting another undertaking. The United Nations is sitting on the sidelines and watching a contest in which it has no part.

Let us read article 51 again. Let me repeat the first sentence: "Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations until the Security Council has taken the measures necessary to maintain international peace and security."

Mr. President, in view of the Pact before us these are feeble words. Let one of the signatory nations be attacked, general total warfare results. Meanwhile, under the terms of article 51, this goes on "until the Security Council has taken the measures necessary to maintain international peace and security."

Poor little Security Council. Mr. President, do you not pity it, whether it be fussily busy around the outskirts of the conflict and at a safe distance from it or, panic-stricken, hides its head deep within the foundations of those lofty structures now rising on the East Side of Manhattan Island?

Mr. President and fellow Senators, these are my doubts and fears. What shall we do about them? I have already indicated my conviction that the State Department and the other branches of the administration and the Legislative Department of our Government must right-about-face and fight the enemy of mankind on his own chosen battlefield of the mind and spirit of man. But that leaves unanswered the question of what we may do to revitalize the hope that the nations of the world have had in the United Nations. I believe there is something we can do there.

This can be done by organizing the cooperative action of the nations who join this pact on the model, under the rules, and in accordance with the ultimate organization envisioned in the UN Charter. Let it become a pilot plant for the United Nations as we had expected it to be. Let its common defense be organized along the lines of the United Nations police force and let our contribution be to such a common force rather than to the strengthening of the individual armies of the individual signatories. Let us provide for a truly common defense. Let us look forward beyond this to the modest and well-chosen beginnings of international law and international justice.

For the present this will be a restricted endeavor confined to an implementation of the Atlantic Pact. If we can be successful in this pilot-plant operation, we can invite the support of other nations who are like-minded with the signatories in a deep-seated and honest desire for peace.

If we proceed on this course, article 51 can become the means of strengthening rather than weakening the United Nations. The cooperative effort under 51 should become a subsidiary undertaking of the United Nations. The officers and offices should be housed in the structures now arising on the Isle of Manhattan. It should grow in strength and skill until the time comes when no nation can refuse to join with it and meet its terms already developed, already experimentally tested in practical operation. The Atlantic Pact may and must become the protector and builder of the United Nations instead of a parasite sapping its strength.

Mr. President, I have been driven by the considerations I have just outlined to make a very difficult decision. My convictions are so deep on these matters of the success of the Russian attack on our fiscal system, on our failure to meet the Russians on their chosen battlefield—the minds and souls of man—and on this question of building rather than destroying the United Nations, that I am forced to postpone my decision on support of the Atlantic Pact on its own merits. Were assurances given by the legislative and administrative branches of the Government that the true battlefield of this cold war was recognized, were assurances given or means proposed for employing the pact as a means of strengthening instead of weakening the United Nations, then would I cast my vote for the pact with joy and gladness. Until those assurances are made, I must withhold my approval.

Mr. President, this is a personal decision. I cannot expect that many of my fellow Members of the Senate will feel as I do in these matters. I do, however, urge with all the intensity and sincerity of which I am capable that they begin to consider the matters which I have been setting forth, for they have application to other measures which come before us in the weeks ahead and I, for one, am convinced that they must be the determining factors if our internal strength is to be maintained and if our external responsibilities are to be carried out.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The Senator has said that his decision is being postponed and that he has not reached a final determination. The Senator has spoken quite fully with reference to psychological warfare, defensive and offensive. Why does not the Senator consider the North Atlantic Pact a very distinct psychological offensive on our part, rather than giving the impression which I received from listening to him that it is rather a defensive matter and not an offensive action on our part, particularly on the psychological side? If he feels that way, would it affect his decision?

Mr. FLANDERS. I would say to the Senator from Massachusetts that that is, of course, one of the considerations which have been in my mind. I do not find many warrants in history for competitive armament—and that is what this is—being a psychological deterrent to warfare. I mentioned in the remarks which I just made the ease and comparative inexpense with which the Russians can match us on size of armies. It cannot match us on other things, but at very small expense to itself, if we double or triple the force in being, it can go beyond us and never fear.

Mr. SALTONSTALL. Then the Senator feels that the North Atlantic Pact is merely a question of armaments as regards the other nations signatory to the pact and ourselves, and gives no effect to the psychological side of it without the build-up of armaments. Is that correct?

Mr. FLANDERS. Without the build-up of armaments it has no psychological effect. I feel that the most important psychological effect is in reassurance to our powerful cosignatories, rather than any deterrent effect on the part of the presumed opponent.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. FERGUSON. What particular step does the Senator from Vermont feel the State Department could have taken prior to this time to have the matter taken care of under the United Nations? Because of Russia's attitude, does he not find trouble with the situation as the United Nations is now operating? It would have been impossible to accomplish the results sought to be attained by the pact through the United Nations. The only way to proceed was under article 51 of the United Nations Charter.

Mr. FLANDERS. I agree with the Senator from Michigan that it has been impossible to operate under the Charter of the United Nations in the face of the fundamental attitude and the resulting successive vetoes of Russia and her group of satellites. I am not sure that anything more could have been done there. I was addressing myself to the possibility of so changing the proposals in the pact, or so adjusting the implementation of the pact, as to use this group of signatories as a pilot plant for the operation of the United Nations as we would like it to be. It was at that point that I was criticizing the State Department.

Mr. FERGUSON. I realize the feeling of the Senator in regard to strengthening the United Nations, and I share his views, because I have discussed the subject with him and we have joined in resolutions attempting to have the Senate speak upon this important problem. But at this time with the United Nations as it is framed, on the principles on which, to a great extent, we desired it to be framed, and finding that Russia has a different use of the United Nations, namely to frustrate action and also to use it as a propaganda agency, do we not find ourselves in a position in which we must tell the world where we stand on the question of aggression? Furthermore, is it not true that the only way we can do it openly is to have an Atlantic pact so that the world may know where we stand on the question in the particular territory affected, as we did in 1823 when it was announced in this room, through the Monroe Doctrine, what our stand was to be in South America and Central America?

Mr. FLANDERS. I remind the Senator that that purpose has already been carried out in the Truman doctrine with reference to Greece and Turkey. But it did not sink in deep enough.

Mr. MUNDT. Mr. President, will the Senator from Vermont yield?

Mr. FLANDERS. I yield to the Senator from South Dakota.

Mr. MUNDT. The Senator from Massachusetts inquired of the Senator from Vermont whether he did not feel that the psychological fact of our signing the Atlantic Pact and affiliating ourselves with it was a highly effective weapon in this cold war. Before asking the Senator my question, I wish to commend him for having so forcefully and emphatically called attention to our great American weakness of spending vast quantities of our substance in military armament, and participating in a most parsimonious manner from the standpoint of implementing the cold war with the ideas which we need in fighting such a war. I know the Senator has expressed himself many times tc the effect that the place to fight a cold war is in the minds and the hearts of men.

I wonder if the Senator will agree with me that one reason why the psychological impact of the Atlantic Pact is not going tc be so great as we had hoped it might be is its failure to base itself on sound psychological principles. It calls itself an Atlantic pact, which obviously it is not, becasue by no wide stretch of the imagination can Italy be included in the Atlantic fraternity of nations. It announces itself as a union of democracies, which by no wide stretch of the imagination can it be, since nobody proclaims Portugal to be a democracy. It relies, consequently, on force, on military might, thereby flying in direct defiance of the lessons of history, which teach that any military alliance to be successful must enroll on its side the predominance of strength, which the Atlantic Pact fails to do.

I wonder if the Senator from Vermont shares with me the feeling that if the Atlantic Pact is to operate successfully it must be so implemented, so revised, and so remodeled as to bring over to our side of the ideological warfare all the areas and all the countries and all the peoples who share our desire to oppose the Communist menace.

Mr. FLANDERS. I think the Senator from South Dakota has made an important point. We must give the pact something else besides the mere threat of force. The Senator from Massachusetts asked if there was not psychological value in the pact in addition to the display of total force. I was reminded a little later of the way in which Mr. Bohlen, of the State Department, a couple of years ago expressed so convincingly the idea that the only thing the Russians were afraid of, the only thing they deferred to, was force. Since that time we have been building up force upon force, and where are the Russians? They are just where they were before. The psychological effect of the force which we have been building up continuously has had no favorable response from them.

Mr. MUNDT and Mr. IVES addressed the Chair.

The VICE PRESIDENT. Does the Senator from Vermont yield; and if so, to whom?

Mr. FLANDERS. I yield to the Senator from South Dakota until he has completed his line of questioning, then I shall yield to the Senator from New York.

Mr. MUNDT. If we are to make of the Atlantic Pact a genuine psychological phalanx for freedom, does not the Senator of Vermont agree with me that we must then make arrangements to bring to our side the banners of all those who are willing and able to enroll with us in that type of ideological contest?

Mr. FLANDERS. The Senator from South Dakota is putting into his own words and in his own way the thesis which I have been supporting, and I thank him.

Mr. MUNDT. That holds equally true whether we are to rely upon psychology or upon military might, does it not?

Mr. FLANDERS. It does.

Mr. MUNDT. It is essential that we bring to our side a predominance of strength. The very weakness of the Atlantic Pact, as I see it, is that it excludes more than it includes of the fraternity of people who wish to oppose communism.

### APPOINTMENT OF JOHN FOSTER DULLES AS SENATOR FROM NEW YORK

Mr. IVES. Mr. President, will the Senator from Vermont yield?

Mr. FLANDERS. I yield to the Senator from New York.

Mr. IVES. The Senator from New York thanks the Senator from Vermont for yielding, as the Senator from New York has an important announcement to make, which the Senator from New York feels the Members of the Senate may already know, but which he desires to place in the RECORD. The Governor of New York has within the last hour named JOHN FOSTER DULLES to fill the vacancy occasioned by the resignation of Robert F. Wagner as Senator from New York.

Mr. BALDWIN rose.

Mr. VANDENBERG. Mr. President, will the Senator from Vermont yield?

Mr. FLANDERS. I was about to yield to the Senator from Connecticut, who had risen, but with his permission I shall yield to the Senator from Michigan.

Mr. VANDENBERG. I cannot resist the immediate temptation to express my high appreciation of the judgment of the distinguished Governor of New York for sending to us as a colleague my very dear personal friend, JOHN FOSTER DULLES. His long association in the active leadership of the spiritual forces of this Nation is the key to his character. His long association with public affairs in intimate work for collective security and world peace is the key to his public attitudes.

We are to associate, Mr. President, with a great mind, a great heart, and a great experience, and I, for one, am happy to embrace this immediate opportunity to express my deep gratitude that the Senate is to enjoy the advantage of the membership of this distinguished American.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Vermont yield to me to speak a moment on the same subject to which the Senator from Michigan has referred?

Mr. FLANDERS. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. I merely wish to say a word, Mr. President, in addition to what my distinguished colleagues from New York [Mr. IVES] and from Michigan [Mr. VANDENBERG] have said. I just heard as I came into the Chamber of the appointment of JOHN FOSTER DULLES to the important post of United States Senator, to be a colleague of ours. I have known Mr. DULLES intimately for possibly 10 or 15 years. I have watched his progress as a lawyer and his career in public life, and I express sincere gratitude that the distinguished Governor of New York has drafted him to serve in the Senate at this critical time in world affairs.

Mr. FLANDERS. Mr. President, before yielding to the Senator from Connecticut, I should like first to yield to myself a moment or two to express my entire agreement with the remarks which have been made by the Senators from New York, Michigan, and New Jersey regarding Mr. DULLES. I think the Senate is exceedingly fortunate in this appointment, and I conceive no better one could have been made.

Now, I yield, at long last, to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, first I should like to associate myself with the remarks which have been made regarding the appointment of this distinguished citizen to the United States Senate. He will bring to the Senate a great mind, a great heart, and a great experience in public affairs. We are to be congratulated on the action of the distinguished Governor of the State of New York.

### THE NORTH ATLANTIC TREATY

The Senate as in Committee of the Whole resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. BALDWIN. Now, Mr. President, I wish to propound a question to the Senator from Vermont. The Senator is aware of the fact, I am sure, that in the pact signed at Rio we have in effect a defensive alliance for the whole Western Hemisphere. In other words, we say in that particular pact that an attack by an aggressor in the Western Hemisphere will invite the cooperation of all the other nations in the Western Hemisphere to come to the defense and the help of the nation attacked, and to repel the attack. The Senator is aware of that situation, I am sure.

Mr. FLANDERS. I am aware of it.

Mr. BALDWIN. The Senator is also aware of the fact, as he has already said, that in the Atlantic Pact we have very much the same sort of situation embracing the nations bordering upon the Atlantic. Does not the Senator think that that fact in and of itself is of tremendous psychological value in the psychological warfare to capture the minds and souls of men, as he has described it? Does he not feel that those two great pacts are in and of themselves

preeminently capable of a great psychological effect, provided we follow the advice of the distinguished Senator from Vermont in attempting to get this word across to the people of Russia themselves?

Mr. FLANDERS. I will say to the Senator from Connecticut that I made a diligent effort to convince myself of the effectiveness of the psychological values of the Atlantic Pact on the minds of those who have the responsibility of determining the actions of the Russian Government. I found such great difficulty in convincing myself of the psychological value of the pact for anything except the signatories, that after wrestling and struggling and sweating I finally gave up the project. As matters stand at the present moment I have no confidence in any great psychological value in the pact as directed toward the Russian Government.

Mr. BALDWIN. Do not the signatories to these two pacts by the very fact of their signatures indicate that as between the Communist way of life and the free way of life they choose the latter? In other words, they aline themselves in their thinking and in their idealism on our side. Is not that of great psychological value?

Mr. FLANDERS. I think perhaps we might write that down on a blank sheet and give it a papal blessing. But I do not think it is particularly important.

Mr. BALDWIN. Is it not of great psychological value that any aggressor or any possible aggressor considering aggression by force of arms—which is what aggression ultimately ripens into, as we have observed the history of the world—would have to make in undertaking military aggression a difficult choice as to when and where and how many of the signatory nations would have to be attacked in an all-out effort to silence the others? Is not that of great psychological effect?

Mr. FLANDERS. That goes back again, of course, to the question as to where the battlefield really lies. My guess is that the Russians will continue to build up their own forces pari passu or two times pari passu with the force which we begin to marshal in the public view against them, but that they will continue to make their battlefield, because it is so cheap, so effective, in the, destruction of our fiscal system and in the capture of the hearts and minds of men. That is my guess, for what it may be worth.

Mr. BALDWIN. I think the Senator from Vermont has made a distinct contribution in his speech today in pointing out where, as he describes it, the battlefield is. I am in complete agreement with him that that is where it is. But I also believe—and does not the Senator from Vermont believe?—that there must be positive action on our part indicating our point of view, and positive action that we may encourage all other nations, as we have already encouraged them in the Rio Pact and in the Atlantic Pact, to indicate where they aline themselves and what their point of view is? Must there not be positive action of that kind to be the basis for psychological warfare, so to speak?

Mr. FLANDERS. It certainly should be concomitant with it, and I tried to state in the course of my remarks a means by which it seemed to me the pact might be broadened into a psychological support for peace instead of into the terms of an expanded armed alliance; and it would be in accordance with the suggestions I have made to develop it on the pattern of the United Nations, and invite other like-minded nations into it as it is developed.

Mr. BALDWIN. The Senator from Vermont said a moment ago that he thought one place where a defect existed in the psychological warfare was among the signatories of the pact. Is it not a fact that that is one of the most important places where we want the effect to be felt? In other words, that is the battlefield in the minds and hearts of those people; it is the battlefield upon which Russia is trying to win in her psychological warfare. Is it not also a fact that when we demonstrate to these people that we aline ourselves with them, and that we desire them to aline themselves with us, we are fighting a psychological battle right on the battlefield to which the distinguished Senator from Vermont has referred?

Mr. FLANDERS. I will say to the Senator from Connecticut that that is a point which I admit. I only say it is not sufficient.

Mr. BALDWIN. Then, it seems to me that the distinguished Senator is driven back, is he not, to the point where he feels that where the psychological battle must be won is in the hearts and minds of the Russian people? I admit that that is a part of the area, but it seems to me the other part of the area is ever so much more important and ever so much more easily taken over and victory accomplished; and that is in the hearts and the minds of men of the nations which have joined us in these pacts, as well as those of the rest of the world.

Mr. FLANDERS. I do not follow the Senator from Connecticut in believing that that is the most important area in which the hearts and minds of men have to be won.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. WHERRY. I desire to ask the distinguished Senator two questions. I am interested primarily in the observations made by the distinguished Senator from Vermont relative to article III of the North Atlantic Pact and also the cost of implementation. My first question is this. If I remember the words of the Senator from Vermont, he said it would not take one with average common sense, or with much common sense, more than about 4 minutes to arrive at the conclusion that article III morally and legally committed us to the implementation of the North Atlantic Pact.

Mr. FLANDERS. The Senator has the spirit, though not the exact words of my remarks.

Mr. WHERRY. In view of that observation, and also in view of the statements made, both by the chairman of the Foreign Relations Committee and the distinguished ranking minority member of the Foreign Relations Committee, that the pact is entirely separate from the implementation legislation, I ask the Senator this question: If a Senator should vote for the pact, in the opinion of the Senator from Vermont is that a definite commitment—morally, legally, or otherwise—to support the implementation legislation when it comes before the Senate of the United States?

Mr. FLANDERS. I will say to the Senator from Nebraska that I cannot vote for the pact without accepting, first, the moral commitment to declare war immediately if one of the signatories of the pact is attacked; and, second, to go as far as seems to be necessary and advisable at the time and under the circumstances to implement it with what I suppose will be a second measure presented to us.

Mr. WHERRY. That is, with the force that is necessary forthwith to protect and maintain the security of the signatory nations?

Mr. FLANDERS. Yes. I may say that I am more sure on the first point than I am on the second point.

Mr. WHERRY. That is the point I should like to have the Senator again state. I am sure Members of the Senate will remember the very dramatic way in which the distinguished Senator from Michigan emphasized the remarks of the chairman of the Foreign Relations Committee—that it was like a traffic signal, "Do not enter." A driver comes to a street and finds a sign which says, "Do not enter." Now, "Do not enter" means a potential here; the psychological effect it would have on the other nations of the world that might become aggressor powers. But no force exists with which to protect. No policeman is standing there. "Do not enter" was the thing—was the potential that was of great significance in signing the pact. To me that is the second part of the consideration relative to article III. Does the Senator feel that "Do not enter" is sufficient, or must we have some sort of implementation? Must we have a man there with a gun? If we vote for the pact, do we commit ourselves to something which requires implementation? Does the Senator see what I mean?

Mr. FLANDERS. Yes.

Mr. WHERRY. That is the question I should like to have the Senator answer because I think that is the point upon which many Senators are open-minded. I do not say that they are confused. Senators would like to have the point of view of all who express themselves, especially with regard to article III.

Mr. FLANDERS. It gets back to the question of the psychological value of the pact in the mind of the presumed opponent. As I say, I have been unable to place a high value on the psychological effect on the presumed opponent. I am not at all sure that he might not venture into the forbidden street just the same. I think whatever value it has in his mind will still follow the pattern which Mr. Bohlen developed 2 or 3 years ago, that Russia does respect strength. I think the psychological punch will come from the presumed increase in the military support. With that in mind, I feel that I would probably be compelled

to commit myself to military implementation if I voted for the pact.

Mr. WHERRY. In other words, if there is any psychological potential to be derived from signing the pact, it must be accompanied by the force to back it up, if we are to prevent the aggressor from going down the street at the head of which is the sign "Do Not Enter."

Mr. FLANDERS. I think that is the Senator's opinion; and that is my opinion.

Mr. WHERRY. I am not sure whether it is my opinion. I am trying hard to wrestle with the problem. The Senator from Vermont stated that he had wrestled with it. I thought the Senator from Michigan [Mr. VANDENBERG] stated yesterday in unequivocal terms that the pact was absolutely separate from the implementation legislation. I certainly understood him to say so. That is his interpretation. I should like to know what the interpretation of the Senator from Vermont is, because of the very forceful statement which he makes. Is there a moral obligation? Can we prevent this man from going down the street without resorting to force of arms? Are the two factors so coupled together that they cannot be separated?

The next thing that will happen will be an appeal for implementation. If we do not vote for implementation, it will be charged that when we voted for the North Atlantic Pact we had in mind someth'ng more than an idle gesture. That is the point that bothers me.

Mr. FLANDERS. I suggest to the Senator from Nebraska that the real point is, What is in the mind of the man going down the street? That is more important than what is in the mind of the Senator from Nebraska or the Senator from Vermont.

Mr. WHERRY. If a man goes down the street and does not stop, what are we going to do about it?

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. WHERRY. Let the Senator from Vermont answer the question. Suppose the man does not stop. What are we going to do about it, if the potential is gone? If there is anything in the idea of a psychological potential, the very fact that we make the declaration, "Keep off the grass," which was another expression used, is in itself a psychological potential.

What I want to know is whether or not there is any relationship between the pact itself and the implementation of arms. That is the point to which I should like to have the Senator address himself. If the man coming down the street goes past the "Do not enter" sign, have we lost the potential, and is there an obligation then to furnish the arms necessary forthwith to resist, no matter where the aggressive action may take place among the 12 signatory nations?

Mr. FLANDERS. Personally I feel that the obligation is present.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. WHERRY. Mr. President, may I ask one further question?

Mr. FLANDERS. I yield.

Mr. WHERRY. If the Senator from South Dakota wishes to propound a question along the same line, I ask unanimous consent that he may be permitted to do so. I have another question on a different subject, which I should like to ask.

Mr. WATKINS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. WATKINS. I understand that the Senator from Vermont, and not the Senator from Nebraska, has the floor.

Mr. WHERRY. I ask unanimous consent that the Senator from South Dakota may be permitted to ask a question, and that the Senator from Vermont may be permitted to yield to him without my losing my place, because I should like to ask another question, on an entirely different subject.

Mr. WATKINS. I did not understand that the Senator from Nebraska had the floor.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). To whom does the Senator from Vermont yield?

Mr. FLANDERS. If I may be permitted to do so, I will yield for a further question from the Senator from Nebraska. Then, since the Senator from Utah [Mr. WATKINS] has not yet had a chance, I should like to yield to him. Then I shall be glad to yield to the Senator from South Dakota. That is my program.

Mr. WHERRY. I thank the Senator. I am glad that he has announced his program. I merely wished to afford an opportunity to the Senator from South Dakota to address a question to the Senator from Vermont on the point now at issue. That is why I asked unanimous consent that the Senator from Vermont might yield to the Senator from South Dakota, but we will carry through the program announced by the Senator from Vermont.

The second question I should like to ask is this: In the conclusion of the senior Senator from Michigan yesterday he brought up the argument relative to the financial drain upon this country. He, too, stated that we should cautiously protect our financial stability, because without it we cannot lead anyone. We cannot defend ourselves or anyone else if we lose our financial stability. That is a vital question involved in the decision as to whether or not we are going to implement other countries with arms, not only next year, but in years to come.

As I understood the conclusion of the speech of the distinguished Senator from Michigan, he argued that while implementation is a hazard, yet there is also the hazard of war, the cost of which would be far greater than that of implementation. I am interested in the fiscal policy, as is the Senator from Vermont. What is the answer? We are called upon to continue to appropriate. The Senator mentioned the money which we appropriated for Greece and Turkey, and appropriations for other purposes. I understood the Senator to say that the situation with respect to Russia was unchanged. How far can this country go financially in continuing such appropriations? What is the answer when we come up against the proposition that total war would cost a great deal more than the implementation legislation might cost? Should we take the chance that by means of implementation of the pact we may avert a future war?

Mr. FLANDERS. I will say to the Senator from Nebraska that earlier in my remarks I addressed myself, by implication, at least, to the question whether or not we might find cheaper ways of waging this war than by placing our entire dependence on the terrifically expensive military method. I do not know whether that is a sufficient answer to the question.

Mr. WHERRY. That is one answer, of course, and it is a good answer. But that is not what I had in mind.

We are continually called upon to make decisions with respect to appropriations. I happen to be a member of the Appropriations Committee. The Atomic Energy Commission comes before the Appropriations Committee and says, "The atomic bomb is what stopped communism cold in Europe. You cannot take one dime from this appropriation. We must make a certain number of bombs. This is the program, and you must give us the last red cent."

Then comes the military appropriations, for three branches. They even argue among themselves. If we propose to take a dime from the Navy we are told that we must give the Navy every cent it asks, and make the reduction somewhere else.

Then comes the Air Corps, which argues, "If we are going to carry bombs and be successful, you must give the Air Corps every dime it wants."

Then the Army comes in and says, "If we are going in to possess the land, we must have men."

When each agency comes before us for appropriations, it says, "Perhaps the cost is high; perhaps this is a terrific budget, but it is better than going to war. It will not cost as much." We remember the time when we voted $55,000,000,000 for the war without an argument.

I did not mean to take so much time, but I wanted to give the Senator the background. We are confronted with the question of what we should do. Should we continue to finance all the plans which are supposed to win the cold war, or should we get our house in order and get ready for the war which apparently some feel is bound to come sooner or later?

Mr. FLANDERS. That is a good question, if I understand it, and I think I do; and I believe the Senator from Nebraska and I are in accord on the answer.

I yield now to the Senator from Utah.

Mr. WATKINS. I may say to the Senator from Vermont that I have been very much interested in the illustration of the do-not-enter sign. In the opinion of the Senator from Vermont, what is it that keeps people from going into the part of a highway which is blocked off by a do-not-enter sign which they see? I am speaking now of the average American citizen.

Mr. FLANDERS. I suppose it is a complex of things; it is the way the American citizen has been brought up; a general sense of decency, law, and order, and, in some cases, a background of expectation that he would be nabbed and jugged if he disobeyed the sign.

In making the comparison, we have to write off the innate sense of decency, law, and order. We decapitate that, and leave nothing but the fear of force, in this particular case. So I do not think there is quite a parallel between the two cases.

Mr. WATKINS. In other words, between the average American citizens and, let us say, Joseph Stalin?

Mr. FLANDERS. Yes. The parallel is not complete.

Mr. WATKINS. Is it not true that the average American—the Senator has referred to the matter in terms of decency, and so forth—has respect for the rights of others, and knows that if he goes into an area that is blocked off by a do-not-enter sign, he will interfere with the rights of others; and he is not thinking primarily of the policeman, because, as a Senator said yesterday, he knows as a matter of fact that there are not policemen at the 10,000 do-not-enter signs in the United States? Is not that what would be in the mind of the average American? In other words, he is thinking of the rights of others, and he respects their rights?

Mr. FLANDERS. Yes. I am not sure that he thinks definitely and immediately in those terms every time he sees a do-not-enter sign; but there have been built up in his immediate reactions to those things a habit of thought and a habit of action based on the construction the Senator has just described.

Mr. WATKINS. In other words, he does not have in mind what the average German used to have in mind when he saw a sign, Verboten?

Mr. FLANDERS. Yes.

Mr. WATKINS. In other words, the psychology is different?

Mr. FLANDERS. Yes; the psychology is different. The Russian is lacking in that.

Mr. WATKINS. In other words, the average Russian thinks this treaty means that it will be implemented with force.

Mr. FLANDERS. He either thinks that or he thinks we are bluffing—I do not know which.

Mr. WATKINS. Let me refer to recent history, when the representatives of the various nations met in Washington to sign the North Atlantic Pact. Does the Senator from Vermont recall that the ink was hardly dry on the pact before the representatives of the other countries lined up at the State Department, or whatever the proper place was, to see how much in the way of armaments they could obtain from the United States, to help them carry out their part of the pact?

Mr. FLANDERS. I remember that, and I was not surprised. Neither did I condemn them.

Mr. WATKINS. As a matter of fact, did not that indicate what they thought the pact meant? Was it not their interpretation, and did not their actions in that respect indicate that they thought it meant that?

Mr. FLANDERS. At least it indicated that there was some faint and vagrant hope in their minds.

Mr. WATKINS. Does the Senator think it was only a faint and vagrant hope, or does the Senator believe they had something more assuring than that?

Mr. FLANDERS. That I cannot answer.

Mr. WATKINS. Does the Senator from Vermont recall the news stories which have been given out to the people? The Secretary of State has said, in effect, that the State Department has made no commitment in regard to arms, except that the State Department has committed itself to the representatives of those countries to the point where the Department would present to the Congress a request for such help. Does the Senator recall that?

Mr. FLANDERS. I think I recall it, now that the Senator from Utah has stimulated my memory.

Mr. WATKINS. I wonder whether the Senator took all that into consideration in arriving at his decision that this pact means exactly what the European people think it means; in other words, that they will get arms, that "mutual help" means help from America, the great provider, when this pact goes into full force and effect.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. FLANDERS. I agreed to yield to the Senator from South Dakota [Mr. MUNDT], next in order.

Mr. MUNDT. I thank the Senator for following the program so religiously.

The Senator from Nebraska, the Senator from Utah, and other Senators, in discussing the relationship of this pact to subsequent implementation legislation, have been selecting an analogy or example from the field of traffic adventure. It seems to me that perhaps if we were to refer to our earlier experience and were to select our illustration from the period of traffic when the horse and buggy were in vogue, we might arrive at a clearer concept of what we undertake when we ratify this Atlantic Pact. In that connection, I think we could look at the Atlantic Pact as the buggy and the insuring implementation legislation as the horse.

Mr. FLANDERS. If the Senator will permit me to interrupt for a moment, I might reverse the comparison. If the Senator were confident that the pact itself, without its implementation, would be effective, he perhaps would suggest that the pact is the horse and the implementation legislation is the buggy.

Mr. MUNDT. Correct, because I am utterly confident that the pact without some kind of implementation is not going to be sufficient.

I elect to select the buggy for comparison with the pact and the horse for comparison with the implementation legislation. I choose to use them as illustrations in that connection.

Mr. FLANDERS. I suspected as much.

Mr. MUNDT. And I suspect that the Senator from Vermont does, as well.

Having that in mind, I wonder whether the Senator from Vermont would agree with me that that is a valid illustration to use, and that consequently the pact legislation will not get us very far in the direction in which we want to go, unless and until we hitch it up to some kind of implementation legislation.

Mr. FLANDERS. I am inclined to agree with the Senator from South Dakota.

Mr. JENNER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from Vermont yield to the Senator from Indiana?

Mr. FLANDERS. I yield.

Mr. JENNER. I understand that the leaders of the bipartisan foreign policy have stated that implementation is entirely separate from the pact. The distinguished Senator from Utah has raised a point in my mind. I wish to ask the distinguished Senator from Vermont about that. It may be that the signatories to the Atlantic Pact—particularly England, for example—may not have expected additional moneys, as was stated, the day their representatives signed the pact here in Washington or the day after that; but perhaps they will take the position that England already has taken. In other words, they will not ask for additional steps or implementation, but they will continue to cut down their appropriations for their own defenses, relying upon the United States and the American taxpayer to continue to increase the United States' expenses for its Army, Navy, and Air Corps. That is what England is doing now. Could that be another possible indirect method of implementation, without a direct appropriation to those countries?

Mr. FLANDERS. I can conceive that it could be, but I am not sufficiently prescient to know just what the English are thinking about in that connection or what they are going to do about it. So I leave the Senator's suggestions hanging on his own responsibility.

Mr. JENNER. Let me ask the distinguished Senator this question: Does the Senator from Vermont know that England is drastically reducing the expenditures for her navy?

Mr. FLANDERS. I believe that to be the case.

Mr. JENNER. I should like to ask the distinguished Senator from Vermont another question relating to the point raised by the distinguished Senator from Connecticut [Mr. BALDWIN], I believe, of the psychological effect of the North Atlantic Pact without implementation. I want to ask the distinguished Senator from Vermont whether, when we speak of psychology, it is not a fact that we have a traditional American policy known as the Monroe Doctrine, which has worked effectively in the Western Hemisphere?

Mr. FLANDERS. We have that policy. It has worked effectively. Its implementation in the early years was largely a matter of the presence and active potential support of the English Navy.

Mr. JENNER. Then does the Senator presume that England is relying upon that same psychological force in reverse; in other words that she will cut down her defense expenditures, relying upon the American taxpayer continually to

spend more money each year for defense, and that therefore we shall have a Navy that will look after England's interests all over the world?

Mr. FLANDERS. That is a very attractive proposition. Whether it is true or not I do not know.

Mr. JENNER. Then I should like to ask the distinguished Senator one further question. If the basic premise and the great aid for future peace of the world is the psychological effect of the Atlantic Pact, the theory of "Keep off the grass," I should like to ask if we, as a nation, have at last determined that the future peace of the world and of our own security lies in the heart of Europe, some place on the Rhine or the Elbe, why could we not have extended the traditional American policy known as the Monroe Doctrine to that very spot in Europe where we have determined that our future peace and security lie, and have the same psychological effect as we would obtain by signing with 11 other signatories a pact which we might have to implement with billions of dollars of American taxpayers' money?

Mr. FLANDERS. That again is an interesting possibility, but for myself I feel it is less to be desired than the endeavor to carry out the support of the world's peace by improving the conditions under which the United Nations operates. To me personally it does not seem wise for this Atlas of the United States to take upon itself the task of carrying the safety of the world on its own shoulders.

Mr. JENNER. Mr. President, will the distinguished Senator yield?

Mr. FLANDERS. I yield again.

Mr. JENNER. Does the Senator believe honestly that the Atlantic Pact is beneficial to the United Nations?

Mr. FLANDERS. Possibly the Senator was not present when I discussed this matter earlier.

Mr. JENNER. I am sorry, I was not.

Mr. FLANDERS. I tried to explain why I felt that it sapped the strength of the United Nations instead of strengthening it.

Mr. JENNER. Of course it does.

WHAT IS OUR OBJECTIVE—AND WHAT NATIONS SHARE IT?

Mr. MALONE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Nevada?

Mr. FLANDERS. I yield.

Mr. MALONE. In looking over the New York Times this morning, I find several dispatches which confuse me somewhat by what I may term their contradictory reasoning with respect to the methods used by Russia when she wants to isolate or to fight a cold war with another nation, and our method of procedure, presumably for the same reason—as in the case of what has been referred to by some of the defenders of the North Atlantic Pact as our cold war with Russia. I call the Senator's attention to a New York Times dispatch from Warsaw reading as follows:

Poland has joined the eastern European economic blockade of Yugoslavia by suspending all trade deliveries. Informing the Yugoslav Ambassador of the move, the Polish Government said today it had been taken primarily because Yugoslavia had not lived up to last year's trade obligations and was delivering nothing but nonessentials this year.

Further along—and I shall not read very much of it—the dispatch says:

An additional protocol signed with Finland seemed to indicate a close connection with the Polish decision to break with Yugoslavia. The protocol established a schedule of deliveries of coal to Finland in exchange for copper, paper, cellulose, and zinc concentrates to the value of $13,000,000.

That indicates that all the Russian satellite nations have joined against peaceful Yugoslavia, to bring that country into line with Russia and the nations behind the iron curtain, which is the identical group we are supposed to have set up the North Atlantic Pact to bring into line, or to make our so-called cold war against them more effective.

In the same issue of the New York Times, I find on page 1 the following headline:

Acheson counsels Soviet to lift bar to western trade.

The article is to the effect, without reading the dispatch into the RECORD, that Secretary of State Acheson indicated that any time Soviet Russia wants to trade with America, all she has to do is to indicate friendliness in the field of trade, and that we will send her the necessary machines, tools, trucks, and materials to equip her territory, in return for such materials and supplies which we may require from her people.

Mr. FLANDERS. Mr. President, may I interrupt?

Mr. MALONE. I simply wanted to ask a question.

Mr. FLANDERS. Very well.

Mr. MALONE. What is the difference between the cold war we are supposed to be fighting with Russia and the cold war Russia is supposed to be fighting with Tito? In other words, we are said to be fighting a cold war with Russia, yet we want to be friendly and want to trade with her, sending her the necessary materials with which to hold China and Asia. They need manufactured and processed goods to equip their territories. We have lost Asia, of course; I think no one doubts that. If we send them the things they need, they will hold China, they will hold Asia as they take it over. So we have now offered to trade the necessary manufactured and processed goods in return for certain raw materials to do that. This is not the first time that the problem has been discussed. Mr. Hoffman has continually indicated that trade is necessary between the East and the West; and has indicated that trade with Russia should proceed.

What would be the Senator's idea of the most effective way of fighting a cold war; the way Russia fights it with Tito's Yugoslavia or the way we fight it with Russia?

Mr. FLANDERS. In the first place, let me say I hope, trust, and pray that the Senator from Nevada has misinterpreted the purpose and intention of the Secretary of State. If the Secretary of State in announcing willingness to trade indicated that he would be willing to send to the eastern countries either materials or machinery useful for the production of munitions of war, he should be brought up short. I do not think he is intending to do such a thing. But there is a valid reason for exchanging, for instance, the light manufactures of Germany for the food of the Danube Valley or of eastern Germany. That is to our advantage, and I assume that is what Secretary of State Acheson was talking about.

Mr. MALONE and Mr. MORSE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont yield; and if so, to whom?

Mr. FLANDERS. I yield first to the Senator from Nevada.

Mr. MALONE. I should like to complete my questions. I call the Senator's attention, before propounding the next question, to the fact that England now has in Russia representatives engaged in an effort to extend British trade treaties along the lines of their trade agreement with Argentina, that is, by way of a bilateral treaty. At this time the representatives are in Russia negotiating an additional trade treaty with Russia. I also call the attention of the Senator from Vermont to the fact that a trade treaty had been made between England and Russia, which I placed in the CONGRESSIONAL RECORD at the time of the debate, in March 1948, under which Russia was to receive 1,100 locomotives, together with a long list of machinery, electrical equipment, steel and other potential war supplies. I further showed, in the ECA debate in March and April of this year, that since World War II at least 88 trade treaties had been made between the 16 Marshall-plan countries and Russia and her satellite countries. Those treaties are listed in the ECA debate beginning on March 30 of this year. Certain of those trade treaties, some four or five of which were published in the RECORD at that time, list ballbearings, high-grade steel, tool steel, electrical equipment, and a long list of potential war supplies. There can be no question, therefore, as pointed out at that time (March–April, 1949), that we are arming Russia for the third world war, through the money and materials we are sending to the 16 Marshall-plan nations. I simply wanted to ask the Senator from Vermont, for whom I have the highest regard, and to whom I listened very carefully as he delivered his well-prepared and well-thought-out address, as to just where the dividing line is, and whether we are to continue to send the potential war material to the ECA nations, together with the necessary funds, to be manufactured in transit, so to speak, and thereafter to be shipped behind the iron curtain? Also, what is the technical difference between this country trading directly with Russia and trading with her indirectly through the 16 Marshall-plan nations?

Perhaps we seek by this method to ease our own conscience or to deceive the American people as to our real intentions.

Mr. FLANDERS. I may say to the Senator that I am opposed to sending Russia material or machinery of any type useful for expanding her production of munitions.

Mr. MALONE. Of course, the Senator understands that that is being done. Does he understand that?

Mr. FLANDERS. I know it has been done. Whether it is now being done I do not know; but it is a matter of concern.

Mr. MALONE. If we sign a pact which binds us to go to war when one of these countries' safety is threatened, nations which are boldly and openly sending manufactured and processed goods to Russia and her satellites which, manufactured from raw materials and by industrial plants financed largely through ECA—then what will be the result?

I should like to ask one more question, if the Senator will yield further.

Mr. FLANDERS. I yield.

Mr. MALONE. Is the Senator aware of the fact that England and France have nonaggression pacts with Russia, signed by Molotov for that nation, and, I think, by Anthony Eden for England, both pacts being entered into in 1944 in Russia, by which they pledge practically the same allegiance to Russia with reference to economic cooperation that the North Atlantic Pact provides with reference to this Nation and the nations which are signatories to the pact. The nonaggression pact between Russia and England provides in article VI, "the high contracting parties agree to render one another all possible economic assistance after the war." In article VII they pledge themselves not to "conclude any alliance and not to take part in any coalition directed against the other high contracting party." The pact between France and Russia contains identical provisions. Is the Senator aware of the existence of those pacts and that they are of 20 years' duration and contain the same provisions as the North Atlantic Pact as regards withdrawal, even to requiring the usual 12 months' notice for withdrawal at the end of the 20-year period?

The English pact was concluded on the 26th day of May 1942, and the French pact on the 10th of December 1944.

Mr. FLANDERS. I suggest to the Senator from Nevada that at some later time—and I hope it will be not much later—he raise those questions with some Senator who is more familiar with treaties and treaty making than is the Senator from Vermont. I shall be as much interested in the answers as is the Senator from Nevada.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. FLANDERS. I yield.

Mr. MALONE. I appreciate very much the attitude of the distinguished Senator from Vermont, because these things are perturbing me. If I could interpret them so it would appear that the alliance would in carrying out our objective of a cold war or a hot war, and that there were not other directly contradictory policies being followed by other members of the pact, I could seriously consider voting for the ratification of the pact.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. MORSE. First, let me say, as a foundation for my question, that I should be less than honest if I did not confess that constantly I catch myself thinking in circles on American-Russian relationships in respect to trade. The comment of the Senator from Vermont that he is opposed to shipments of any matériel of war or matériel which could be used for war-making purposes is, of course, a distinction which I can understand. But the very distinction he makes raises a perplexing problem, so far as my thinking is concerned, with reference to American-Russian trade. I hope, too, that the New York Times article quoted by the Senator from Nevada [Mr. MALONE] with respect to a purported statement by the Secretary of State may prove to be not entirely accurate when we receive a statement from the Secretary of State. But I would raise this question: I am unable to follow the distinction which so many persons make between shipping matériel of war to Russia and shipping products which may not be classified as matériel of war. What about trucks? I think it is perfectly clear that within a very few months there will be a great surplus of trucks in this country. If I am correctly informed, the automobile manufacturers are already cutting back on the manufacture of trucks and are looking for foreign markets.

What about tractors? What about the overproduction of steel about which we hear in these days, which is so great that, apparently, the steel companies would welcome at least a short strike of not more than several weeks' duration if employees are sufficiently mistaken in judgment as to call a strike. There is already beginning to be an overproduction of steel, and the steel manufacturers are looking for foreign markets. It includes pattern steel for bridge construction.

Is it not true that in the age in which we live almost every conceivable commodity of utilitarian purpose can be used in the prosecution of a war, because wars are now total wars? Whether it be flour or trucks, steel or electric dynamos, almost any product we can name would be very helpful to Russia in the prosecution of a cold war. Are we not faced with the fact that we should insist upon certain definite understandings with Russia before we become a party to any trade arrangement, either directly or indirectly, through our allies, in support of which American dollars are used?

Mr. FLANDERS. I will say, first, to the Senator from Oregon that he has posed a problem with which the Department of Commerce was faced when it was charged with the responsibility for controlling exports to countries behind the iron curtain. The Department established four groups of products, one of which was absolutely forbidden at one end, and at the other end there were products which could move freely, with differing grades of controls respecting the two intermediate ones. As an example of products which would be absolutely prohibited I might mention shells. An example of products which could move freely without control would be chewing gum and Bibles.

Mr. MORSE. Chewing gum might be very useful.

Mr. FLANDERS. I should like to suggest that when a caster becomes loosened on one of these chairs, a little chewing gum applied in the hole will lock the caster. I hope that remark gets into the CONGRESSIONAL RECORD.

Mr. MORSE. I imagine that in time of war chewing gum might be very helpful in certain instances. I take it it would do no good to ship Bibles to people whose ideology is one which denies the existence of a Supreme Being.

Mr. FLANDERS. It is important to save some sort of a quid pro quo for east-west commerce which, on the face of it, is to our advantage. I might mention, as an example, the possibility of German light-industry products, principally consumer goods, exported to the Danube Valley in exchange for food which the Germans cannot raise for themselves. That seems relatively harmless, but to get a quid pro quo from the Russians on any promise to be good, or something that was not definitely statable in terms of weights, sizes, number, prices, and dates, would, in my judgment, be completely impracticable and impossible.

Mr. MILLIKIN. Mr. President, will the Senator from Vermont yield?

Mr. FLANDERS. I yield to the Senator from Colorado.

Mr. MILLIKIN. I think the distinguished junior Senator from Oregon [Mr. MORSE] has uttered a very profound truth. It may be true that light machinery is not directly usable in war, but the application of the light machinery, if it is needed by a potential enemy, releases, economically speaking, an amount of energy and material which then becomes free for use in making war materials. I think that is something which must be considered. I suggest that the basic problem is whether we are to have a cold war or a lukewarm war. If we are to have a lukewarm war, that is a comfortable war, and it will never end.

Mr. MALONE. Mr. President, will the Senator from Vermont yield?

Mr. FLANDERS. I yield to the Senator from Nevada.

Mr. MALONE. I myself believe that the junior Senator from Oregon and the junior Senator from Colorado have put their fingers on the nubbin of the question, namely, that anything we send to a possible enemy, regardless almost of what it is, is a war potential. It releases something else to be used, energy which may be directed toward the manufacture of war material to prepare for war, as the Senator from Colorado has suggested. I might cite locomotives, freight cars, electric cranes and supplies, ball bearings, high-grade steel, all the things being shipped directly to Russia and the countries behind the iron curtain are war materials, without question.

In another column of the New York Times, today's issue being very helpful on foreign country movements, the headline says, "Britain Suspends New Buying in the United States, Cripps Announces."

The first paragraph reads:

In a frank outline of Britain's grave financial situation, Sir Stafford Cripps announced today that the Government had ordered a halt in all new purchasing from the United States and Canada until at least mid-September in an effort to safeguard the country's diminishing gold and dollar reserves.

In view of the fact that Britain has suspended all buying from us, it seems there may be a little cold war being waged against us on their account. That is the way Russia has forced Poland to enter the cold war against Yugoslovia, namely, by ceasing to ship Yugoslavia the coal and the other supplies needed by them so very much.

At this moment English representatives are in Russia negotiating for a further bulk trade agreement. Bulk trade is even worse than individual trading with a nation, because the Government buys and sends bulk shipments and can then sell them at or below cost, or in any way they care to, especially in this case, since England is receiving enough money from us to finance the whole deal.

The article, proceeding, says that if a showing is made that it is absolutely necessary they might buy a small amount of special articles from us here. In plain words, they may under special urgent conditions use a small amount of the ECA funds for purchases in this country; this is a far cry from the representations made before this body during the passage of the initial Marshall plan.

We see here a complete round robin, 88 trade treaties made between the 16 ECA nations and Russia and the countries behind the iron curtain, sending Russia and her satellites everything from ball bearings to locomotives while ceasing all trade with us. This first move is of course only a forerunner of what is to come. Other nations will follow their lead, and we are financing the whole deal. Where do we stop? We have no objective—when we get there we do not know where we are—and when we come back we do not know where we have been.

Can the distinguished Senator from Vermont give me one good reason why we should now enter into another coalition with the same nations included in the United Nations—and which include the two major nations having already made practically the same kind of pacts with Russia, which have 14 to 16 years to run, and they can get out of it only on 12 months' notice? These are the nations which already have the bulk of the 88 trade treaties with Russia and her satellites and at this time contemplate further trade deals. England has now set the pace by stopping her trade with us. Just where, I would like to know, does the cold war start and where does it end. First, what is our objective and who is playing on our team? These questions should be answered before we again step off into space.

Mr. FLANDERS. That is a pretty long question to answer.

Mr. MALONE. It is not very long. I simply laid the foundation for the two questions contained in the last paragraph.

Mr. FLANDERS. The answer involves more definite information on the treaties and on the commercial arrangements in question than I have at my disposal, and I trust the questions will be taken up by Senators more familiar with the subject, and that the questions of the Senator from Nevada may be answered.

Mr. WILEY. Mr. President, I have previously, in the other Chamber, expressed my views about the pact we are considering, and last night, as I began to think over what I had heard on the floor of this historic Chamber, after listening to what I considered the very logical and well-thought-out remarks of those who spoke on the pact, I felt there was nothing I could add either to clear or muddle up the situation. But after listening to the remarks today, and the series of questions asked, particularly after listening to the Senator from Vermont, I felt that the very few remarks I had in mind to make this morning would more or less fit into the picture.

I remember in the early days of the airplane that I was taken on a ride by a veteran of the First World War. That airplane could rise only about a thousand feet. As I looked out over the landscape I could see very little of the surrounding territory. But a few days ago, in order to get to Washington to vote on a very important measure, I took a plane, which in the effort to escape the storms between here and Chicago, rose over 20,000 feet. I noticed that the perspective gave me a broadened view, or, to put it in another way used yesterday, I got away from the trees and I could see the forest.

What are we trying to do by this pact? Are we trying to bring about the millennium? Russia is the great conundrum of the present. Great minds in America differ about Russia. I trust that before this pact debate is finished Mr. Foster Dulles will be here to give us his impression of the issues which are involved and tell us whether or not the execution of this pact will contribute toward their solution.

I do not think any one of us today can have what has been called prescience, and can look around and tell what the imponderables of tomorrow will be in the international picture. But we, as Senators, after the President has spearheaded the foreign policy, subject almost to the directive of the last Congress—a "do-nothing" Congress—passed the Vandenberg resolution, and the President arrived at a conclusion. He arrived at a conclusion, after discussion with his advisers. The Supreme Court has said quite clearly what is the obligation of the President in respect to foreign affairs. After all, the President has the instrumentalities with which to deal with foreign affairs. He has the advice of some of the best brains in Government.

Only this morning I criticized our own Foreign Relations Committee because it had not carried out a suggestion I made several years ago, which was to divide the committee up into segments, and let the various segments of the committee concretely by visitation become acquainted with the geography and the politics of the world.

The President, as I said, has the instrumentalities. Furthermore, we gave to the President a directive. He carried out that directive.

I said a while ago that I had been in an airplane some 20,000 feet high. I saw clear across Lake Michigan. The plane continued on toward Washington, and after flying over Washington for an hour was obliged to land by use of instruments. Perhaps instruments, accurate and nonfailing, represent the greatest symbol of which one can conceive, of what may be considered to be analagous to prescience or wisdom.

Let us see what the world picture is and what we are trying to do. Russia is a country with a population of 200,000,000 human souls. But let us not compare the people of Russia with the leadership of Russia. Five million Stalinites may believe they have absolute control over the 200,000,000 people of Russia, but, Mr. President, they do not. There are in Russia 70 or more nationalities speaking 70 or more tongues. The people of Russia are in a ferment. What will be one of the objectives of the Council under this pact?

Last fall I attended a meeting of representatives of the British Commonwealth of Nations held in Bermuda. It was a conference of British parliamentary unions, as it might be called. Representatives of the British commonwealths were there. The proceedings are now printed and not private, so I can say that we discussed the modern-day method of penetration. I asked the British what they were doing about it. I called attention to the fact that they had not hesitated to use the Indians against us. Through the centuries they were most adept at penetration. Today, on this floor, the distinguished Senator from Vermont [Mr. FLANDERS] spoke on the subject of psychological warfare; but in order to penetrate successfully there must be fertile ground.

Some persons rather commend our foreign policy in Europe. I cannot agree with it in all respects. But let us reverse the situation and say that we had not gone in with help, that we had not given courage and direction and guidance to the people of Europe. Let us remember that three out of every five houses in Britain were made uninhabitable by bombs during the war. Let us not forget that great numbers of people in Europe today are without guidance or direction or help; whose one thought is to find for themselves enough food to satisfy their hunger. If we had not given economic help to Europe, of what value would our Voice of America have been? Psychology cannot be broadcast with effect to a hungry people. It is necessary to nourish them so that at least they become partially rational and able to receive our broadcasts.

Mr. President, Victor Hugo said:

There is one thing stronger than armies; an idea whose time has come.

I take it that what that thinker meant by his statement was that when there is born a great idea which is backed by men with conviction and action, then the idea's time has come. A mere superficial appraisal of the idea of all for one and one for all to effectuate peace, embodied in the North Atlantic Pact, does not mean

that the idea has arrived or that it has fully blossomed in the consciousness of men.

Let us stop a moment and consider what I mean by that. Look at the map hanging on the wall of this Chamber. Notice the fringe of black appearing upon it. Think of what little Norway went through during the war. Think of what was endured by Denmark, the Netherlands, France, and England. Think of the wealth destroyed and the lives lost. Think of the economic, political, social, religious shock imposed upon those people. I ask Senators this question: If we shoot at them the idea of the North Atlantic Pact, are they immune to it or partly immune? Are they ready for it?

I ask another question: Can we fail them in this hour? What do I mean by that? If we were living in those countries, and if we had gone through the economic, political, social, and religious shock they have gone through, if we had endured the slavery which some of them had to endure under the Hun, how would we feel? We are living here in a worldly paradise. Yes, that is what it is. Most of us do not appreciate it because we were born here.

Last fall I was in San Francisco. As I came down from the Coit Tower I met an Italian. I noticed that he had a slight accent. I asked him where he was born. He pointed out over the bay and said, "Forty-four years ago I landed at that pier. But this is my country," he said. When he said that the chills went up and down my back. I was thrilled by those words coming from him: "This is my country." Why did he say that? Because he had the ability to contrast this country with the country from which he came. He had come from Italy, but he now lived in this country, and had children and grandchildren, perhaps some of them holding office, like one in my office who is the son of an immigrant. He had come from Italy. Undoubtedly he was Catholic. Since he came from that country he had seen in Italy a moral bankruptcy in religious thinking, so much so that if we had not expended our money in that country the commies would have taken over in Italy. Here he was, undoubtedly driving his own car, reading his own press, seeing that his children grow into good respectable citizens. He said, "This is my country."

Are we who live here going to sit back, after we have made a contribution, and complacently say, "This is our country. To hell with the rest of them." Who are the rest of them? There is not a Member of the Senate who does not stem from one of those countries. His forebears came from Europe. They brought their great wealth of literature and their great pioneer instinct to develop and grow and become great. We are the result.

What are we going to do? Sir Stafford Cripps says, "We have no more money with which to buy." The economic picture is going to pieces. The situation in Europe is more critical now economically than it has been since the war. So what? Are we going to help our own economic condition by ignoring the condition in Europe? Are we going to help the political picture by ignoring it? After we have given European nations some blood transfusions, are we going to say, "Let them go to hell"? Think it over.

Something has been said today about what might be called the Russian way of playing the international poker game. We have a few aces in our hand. I would not like to see us make the mistake of discarding them.

Reference has been made to the United Nations Charter. What is said in the Charter? I cannot agree with the statement that the Atlantic Pact weakens the Charter. The Charter begins with the words:

> We the peoples of the United Nations, determined to save succeeding generations from the scourge of war—

We pledged ourselves to that, Mr. President—

> which twice in our lifetime has brought untold sorrow to mankind; and
>
> To reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small; and
>
> To establish conditions under which justice and respect for the obligations—

Listen to this—

> To establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained; and
>
> * * * * *
>
> To insure, by the acceptance of principles, and the institution of methods, that armed force shall not be used, save in the common interest.

This we resolved to do. We also resolved—

> To combine our efforts to accomplish these aims.

Now, because the leaders of one nation which joins with us will not play the game, we are told that we should let her leaders have their way. That is practically what has been said here today, in some respects. In other words, the 12 nations should not operate to unite their strength and work shoulder to shoulder and say to the wayward one, "We are going to pull together to see that the purposes to which you agreed are effectuated." No; it is said that we should not do that.

Let us be frank. The Atlantic Treaty comes about because at this time there seems to be no possibility effectually to consummate the great idea of the Charter among all the parties to the United Nations. It appears necessary for the 12 nations which signed the North Atlantic Treaty to effectuate a unity of purpose by creating a new organization which will provide power and means to meet the aggressive onslaught of evil.

We must recognize that there are two great forces abroad in the land. They are present in our individual lives, and they are present in every organism the human race has created. They are present in the world at large today in the form of a conflict of ideologies. We cannot simply brush the problem away by saying that there is a conflict of ideologies. There is involved a lust for power and dominion. Every one of us stems from people who at times wanted to dominate. The Russian leaders are no different in that respect.

But, Mr. President, on this continent we have developed a system of checks and balances which has operated pretty well, so that absolute power cannot gravitate into the hands of a group or an individual and remain there for long. At least it cannot become autocratic so long as the system of checks and balances is maintained.

As has been said in article 1 of the North Atlantic Treaty, the parties agree to settle by peaceful means disputes among themselves. Mere words? I do not think so. I know that we have had our Kellogg-Briand Pact outlawing war. But constantly men must renew themselves by a restatement of spiritual principles and high motives.

Under article 2 of the treaty the parties agree to encourage economic collaboration. That is one of the toughest nuts we have to crack. It will require brains and vision. Why? The only money that is worth anything on this earth today is the American dollar. The other nations do not have it. We will not sell to them unless they have the dollar.

Right now in this country, as was so well expressed a few moments ago by my dear friend from Oregon [Mr. MORSE], we are becoming loaded up with goods and commodities and when that happens jobs disappear. We do not have sufficient jobs to employ all our workers. It is a vicious circle. Yet we shall be pledged, if we approve this pact, to encourage economic collaboration. That calls for the highest type of straight thinking. We must get rid of the iron curtain of prejudice and hate.

Under article 3 the parties agree that they will "separately and jointly, by means of continuous and effective self-help and mutual aid, maintain and develop their individual and collective capacity to resist armed attack." It seems to me that those words are so clear-cut that they speak in no uncertain terms concerning the lust for power of the peoples from whom we stem. We agree that we will separately and jointly—under God, I hope—develop our individual and collective capacity to resist armed attack.

I remember that when I was in college in Michigan a psychologist said, "The trouble with man is that he does not develop his dormant faculties. He uses only about 10 percent of what he really has." Think of what would happen in the solution of our problems if we could increase that 10 percent to 20 percent. We would have the answers. We would not sit back fearful, thinking that we could not do the job. We would not say, "Let George do it." We would go to work and do it ourselves.

Under article 4 of the treaty the parties agree to consult together. "Come, now, and let us reason together."

This morning I read an article in the newspaper which related that during the operation of the airlift in Berlin it was found that a strike was in progress at a certain plant in this country. Walter Reuther and several others were invited to Washington. If the strike had continued it would have meant that there

would have been no replacements for the air lift, and the air lift would have had to stop. So they sat down and reasoned together.

Here we pledge that we will consult together. That means that those who consult for America will do so, of course, with their eyes open. They will not be sophomorish in the international poker game with those who have degrees in it, but at the same time they will understand the terrific economic situation which Europe now is meeting head-on.

In article 5 of the pact, the contracting parties agree that an armed attack against one or more of the nations in Europe or North America will be considered an attack against them all, and, consequently, they agree that if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense, will assist the party so attacked by taking forthwith, both individually and in concert with the other parties, such action as it deems necessary, including the use of armed force.

I heard the series of questions asked earlier today here in the Senate in regard to implementation. I agree fully with the conclusion of the distinguished senior Senator from Michigan [Mr. VANDENBERG]. I do so because article 5 provides that the contracting parties agree to assist each other in the case of armed attack. However, let us be equally frank. We are not entering into any synthetic agreement in this respect. We are entering into an international obligation based upon the realities of an international situation which everyone agrees is potentially dangerous—a powder keg in Korea, a powder keg in the Near East, a powder keg in Berlin. If an armed attack occurs, we will not fail those with whom we agree. I said as much when I addressed the Senate in March.

Article 9 of the pact establishes a council to consider matters concerning the implementation of the treaty. The council will consider. It has no authority. A council is a body which makes recommendations, a group of men, including at least one named from among our own people, to represent us in consulting with representatives of the other nations. They will consult together. If it should happen that we do not penetrate Russia, if the hand of death does not change the consuls of the Russian Empire, if conditions become more and more challenging, of course the question of implementation will be thrown into our laps. It may be thrown into our laps anyway. But at this time, under the conditions which now exist, there is no obligation upon us to vote for an implementation, because there is no attack. But let it be understood that if we ratify this treaty, we shall be making with our associates an international compact and a deal under which we mean just what the treaty says.

Article 9 of the pact requires unanimous consent for any other nation to become a party.

Article 12 provides that after 10 years any party may ask for a review of the treaty.

Article 13 provides that after the treaty has been in force 20 years, any party may cease to be a party 1 year after its notice of denunciation.

Mr. President, on March 30, 1949, in the Senate I expressed my opinion in relation to the Atlantic Pact, its meaning and its scope. My opinion was expressed largely in answer to certain interrogatories propounded by the Senator from Missouri [Mr. DONNELL]. I minced no words. I realize what this pact means. But I also realize what it would mean for us to be alone in the world, if conditions should become worse. I also realize that because of current events, and also because of our own ingenuity, and perhaps because of the directing hand of God Almighty, we have become the leader among nations. No nation ever was so situated before. Rome had nothing like what we have. Greece was a little nation. In comparison, the empires of the east were mere pigmies. Even Britain in her days of flower was never so situated as we are, because conditions have changed, due to invention and due to the wealth we possess. So, Mr. President, the leadership is ours. What are we to do about it? That is the question we shall answer in this particular instance.

On March 30 last, when I addressed the Senate, I expressed my own opinion of the meaning of the pact, and what I thought the scope of the pact was. Whether the pact will accomplish what it is hoped to accomplish, no one can tell; but it will be all to the good if the will and the motives of the contracting parties support it. Whether it will really accomplish what it is hoped to accomplish depends, then, upon the will and the motives of the contracting parties, not upon the letter of the pact, but upon the spirit of the contracting parties. The pact clearly declares, as I have already shown, the purposes in the minds and hearts of those who wrote it. When such a large segment of the human race agrees upon a great and noble purpose, we at least hope and pray that it a good omen of a better day. I am sure that if the great mass of the Russian people could be made aware of what is the object of the United States of America in joining with our European brothers in this new adventure in international relationships, the people of Russia would get rid of their leaders, a leadership which has caused so much worry and concern among the peoples of the earth.

Mr. President, I revert now to the council and to the suggestion I made to the leaders of all the British commonwealths, when in Bermuda, namely, that we study the question of penetration, not simply from the standpoint of psychology, but from the lessons which have been taught through the centuries, that nation after nation in meeting problems has done so head-on, by doing what was necessary to be done to solve the problem.

Mr. President, there is some evidence that even the Russian leadership is becoming aware of the significance of this pact. That is a good omen. It is not a pact of aggression; it is a pact of strength that says that aggression must not occur.

The restatement of the moral and spiritual principles in this pact, and in the United Nations Charter, above the signatories of the 12 contracting parties is more than a scratch of the pen. The contracting parties have indicated their purpose to stand shoulder to shoulder to defend by all possible means those very concepts and principles.

Whether or not this treaty will serve to maintain international peace and security, to stop a third world war, no one knows. Only the future can tell. And the future depends upon the overt acts of the leadership of Russia. This one thing we do know, that the treaty by itself will accomplish nothing, unless there is a faithful living up to its letter and spirit. It is a solemn undertaking, but, so far as I am concerned, I am ready to say yes to it. It is complementary to the United Nations. When the United Nations cannot function because of one of its members, those who believe as it is stated in the treaty they believe, that they can bring about a great and a noble purpose and effectuate it, are not taking from the United Nations; they are supporting that structure and giving vitality to it. More than that, I trust, they are teaching the truant—meaning Russia—a lesson that she is not omnipotent, nor can Russia stand in the way of the march of peace.

While the nations who signed this international compact have differences politically, economically, culturally, and linguistically, I still say there is a fundamental basis for unity of action, namely, the hatred of war, the love of the great dynamic principles of freedom and justice, and yes, the great spiritual values. These provide a basis for unity that should make the pact. As was said by the Senator from Michigan—and I always like to hear him quote Scripture—"Without vision the people perish." I believe this pact is an indication that vision is being reborn in the hearts and minds of our people and of the leaders of the 12 nations. But vision itself is not static. It dies out or grows with the wisdom the people reach for and obtain.

Mr. President, we are writing history in this historic Chamber. It is the action of men that determines the tides in the affairs of men and of nations. It is a queer commentary to say that to Russia's leaders must be given the credit for the Atlantic Pact. It was their obstinacy, fear, incompetence, and lust for power, their lack of fulfilling Russia's obligations under the United Nations Charter, that in a large measure created the pressure that brought about the pact of the 12 nations. History here repeats itself. It was the economic and political pressures that brought about our own Constitution. It was the leadership of men like Washington and Hamilton and Franklin and Jefferson and others that interpreted these pressures in such a way that a nation was born. So, today, we have the North Atlantic Pact because the pressure from Russia created a world situation that threatened the liberty of the signers of the pact. Now it is for these signatory nations, with wisdom from on high, to carry on and make their organism a living, dynamic, working, international power.

It will not be easy, Mr. President, to demonstrate that this is an idea whose

time has come. No, it will not be easy. We know that another international crisis is developing which has a tendency to throw a monkey wrench into our foreign policy. That was brought out today by a distinguished Senator from the West, who was reading about Cripps' recent statement and telling about England's dealings. The situation is serious. Britain is moving toward insolvency, we are told. After our own activities through the World Bank, the Monetary Fund, UNRRA, the British and French loans, interim aid, and the Marshall plan, if conditions are what they are, I suppose many are asking, Where do we go from here? Let me ask, if we do not enter into this pact, where do we think we are going? What do we think is going to happen on the world scene, to little Norway, which dared take the Bear by the tail, so to speak, and the other countries which came to Washington and signed the treaty, if we let them down? Where do we think we are going? On the other hand, if we go ahead and ratify the pact, while we may not be able to stem their economic depression, at least we shall have acted like men who, seeing their brothers' needs, fail them not.

The war has been over 4 years. We are already in the second year of the Marshall plan. It would appear that many of the European governments have their backs to the wall, economically speaking. But many of them have come a long way. I have already stated why this economic situation is brought about. Many of these countries have recuperated so that they are producing more than 100 percent of what they did before the war. But the economic "filling up," so to speak, in a world of things, is creating a difficult situation, because they do not have dollars. This, in my judgment, presents more than ever a need for our putting our shoulder to the wheel and immediately ratifying the treaty. Yet we can expect that, because of the economic situation in which these nations find themselves, many of the great ideas we have been talking about will not come to fruition. Instead, states will use their power to obtain markets. There will be discrimination against our exports. But, Mr. President, the first law of life is self-preservation. People must eat, and they will take such steps as they think will enable them to obtain enough food and enough raw materials.

If this result comes about, we can expect a repercussion in this country. So, while we are thinking about the Atlantic Pact from the viewpoint of adding moral stamina and spiritual courage to our neighbors and friends across the Atlantic—and remember that moral stamina includes fearlessness—we had better do a little thinking through of the question as to what measures we should have ready to put into operation to counteract recessional forces which seem to be about to break in our own country.

Mr. President, just a few words, and I shall close. We can make a mountain out of a molehill, in connection with this matter, or we can reduce it to molehill size. I do not think either would give the correct picture. I do not believe the signing of the pact or its ratification will bring about the millennium, as I said. I feel, however, that it will give courage, strength, and direction to those people from whom we stem, so that they will be better able to cope with the economic and political situations.

I also feel, Mr. President, that it is not putting up a sign reading "Keep off the grass," but, to the leaders of Russia, it is setting up a red light. Russia attempted in every possible way to stalemate our action in this matter, and it will be remembered that Russia put pressure on small nations, but there was left within the leadership of those nations a new spirit which we have no right to dampen or to submerge.

Something was said today regarding England and her Navy. I am glad the distinguished Senator from Vermont [Mr. FLANDERS] remarked that for decade after decade England's Navy stood by us when we needed it. I feel that this is our hour not to fail civilization. Three hundred million persons who believe in the great common principles which the race has developed and inherited through generation after generation owe an obligation not only to themselves but to their children and their grandchildren to perpetuate some of the verities. I believe that this pact is one of the steps which will perpetuate some of these verities and some of these realities. At least some of us think they are realities.

So, Mr. President, I shall vote for ratification of the treaty.

Mr. DONNELL rose

Mr. VANDENBERG. Mr. President, will the Senator from Missouri yield to me for a moment?

Mr. DONNELL. I yield.

Mr. VANDENBERG. Before the Senator from Missouri proceeds, I should like, on my own responsibility, to suggest the absence of a quorum. I have such profound respect for the Senator's dedication to the subject matter which we have under survey that, whether we find ourselves in agreement or not—and on that score I still have hope because of my profound confidence in the Senator's wisdom—I feel that the full Senate membership should be present for a report on what has been a rather unique and yet helpful policing of the operations of the Foreign Relations Committee by both the able Senator from Missouri and the able Senator from Utah [Mr. WATKINS] who now occupies the Chair. Therefore, I suggest the absence of a quorum.

Mr. DONNELL. I yield for that purpose.

The PRESIDING OFFICER (Mr. WATKINS in the chair). The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Brewster | Hill | Neely |
| Butler | Ives | Pepper |
| Cain | Jenner | Smith, N. J. |
| Capehart | Johnston, S. C. | Sparkman |
| Chavez | Lodge | Taylor |
| Connally | McFarland | Tobey |
| Donnell | McMahon | Vandenberg |
| Downey | Martin | Watkins |
| Green | Maybank | Wiley |
| Hendrickson | Millikin | |
| Hickenlooper | Morse | |

The PRESIDING OFFICER. Thirty-one Senators having answered to their names, a quorum is not present. The Clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. BRIDGES, Mr. BYRD, Mr. FULBRIGHT, Mr. GILLETTE, Mr. GURNEY, Mr. HAYDEN, Mr. KILGORE, Mr. MCCARRAN, Mr. MCGRATH, Mr. MCKELLAR, Mr. O'MAHONEY, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, and Mrs. SMITH of Maine answered to their names when called.

The PRESIDING OFFICER. Forty-six Senators having answered to their names, a quorum is not present.

Mr. RUSSELL. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Mr. BALDWIN, Mr. BRICKER, Mr. CORDON, Mr. FERGUSON, Mr. FLANDERS, Mr. JOHNSON of Colorado, Mr. KERR, Mr. LUCAS, Mr. MAGNUSON, Mr. MALONE, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MUNDT, Mr. REED, Mr. WHERRY, and Mr. WILLIAMS entered the Chamber and answered to their names.

The PRESIDING OFFICER. Sixty-two Senators having answered to their names, a quorum is present.

Mr. DONNELL. Mr. President, I appreciate very much indeed the very great privilege which was extended to me during consideration of the North Atlantic Treaty by being permitted to attend and participate in the questioning during the hearings held by the Foreign Relations Committee of the United States Senate. At this time I respectfully extend my thanks to the committee for its very great courtesy in permitting me to have that privilege.

I also desire at this moment to express grateful acknowledgment of the very courteous reference made in yesterday's eloquent and powerful address by the senior Senator from Michigan [Mr. VANDENBERG] both to the Senator from Utah [Mr. WATKINS] and myself.

As the Senator from Michigan this afternoon said, the experience of participating to some extent in the hearings and in the questioning of the witnesses on this subject has been unique; not that it establishes any special precedent, because many Senators have been permitted to have like privileges in other instances, but because of the profound importance of the subject which has been considered by this great committee of the United States Senate. To its chairman and to the other members I express, as one Member of the Senate, my appreciation of the thought and care and study which they have given to this vital problem.

Mr. President, I should like, if I may, to have the privilege of making my remarks without intervening questions, though at the conclusion of them I shall endeavor to answer such questions as may be addressed to me with respect to the subject matter before us.

Mr. President, I have arrived at the conclusion that the Senate should not advise and consent to ratification of the North Atlantic Treaty. The reasons for my conclusion are found in those certain obligations to which the United States of America would find itself in

articles 2, 3, and 5 of the treaty. I shall discuss each of those three articles.

It is to be noted at the outset that each of the obligations created by the treaty continues for a period of 20 years. Before discussing the three previously mentioned articles of the treaty I refer to Senate Resolution 239, which was considered and agreed to by the Senate on June 11, 1948. By that resolution it was resolved that the President be advised of the sense of the Senate that this Government, by constitutional process, should particularly pursue certain designated objectives within the United Nations Charter.

Yesterday the senior Senator from Michigan [Mr. VANDENBERG] characterized Senate Resolution 239 as "the clear forerunner of this pact," and inquired, "If we did not have, at the time we passed that resolution, something like the pending pact in mind, what did we have?" Although the Senator made these and other references to Senate Resolution 239, he hastened frankly and appropriately yesterday to repeat what he said a year ago. Said he on yesterday:

> But I hasten to repeat what I said 1 year ago. Every Senator is free to judge the sequence for himself. In good faith I said then to my colleagues that they could vote for Senate Resolution 239 without any commitment, moral or otherwise, to any particular implementation which might subsequently be submitted to their judgments. In good faith I repeat it now. I shall never ask any Senator to vote for the North Atlantic Pact because he voted for Senate Resolution 239; but I shall urge all Senators prayerfully to consider whether this sort of sequence is not the objective we then envisioned.

I digress to express at this time my admiration for the very fine frankness and courtesy of the senior Senator from Michigan, in which he has been joined by the Senator from Texas [Mr. CONNALLY] and other Senators in making it clear that every one of us has the right to use at this time his or her best ultimate judgment, unembarrassed by the passage of Senate Resolution 239 approximately a year ago.

On June 11, 1948, the day on which the Senate adopted Senate Resolution 239, the Senator from Nevada [Mr. MALONE] made the observation that—

> By advising the President to go ahead the Senate in effect guarantees that a future Senate will ratify such treaties.

To that observation the senior Senator from Michigan replied:

> Repeatedly I have insisted that we must be perfectly sure that when we exercise the advice function in respect to the advice to the President on this subject we are not yielding any of our subsequent consent prerogative. So far as the Senator from Michigan is concerned, he completely disagrees with any assertion that the exercise of the advice function is a surrender of the consent function.

The Senator from Michigan also made the following observation:

> I hope there will be no misunderstanding about the nature of the resultant obligation. I do not think the situation remains entirely as it was before we acted. I think we have emphasized our very deep interest in exploring any regional arrangements which may be made, from the standpoint of our own national security. I think that carries with it the implication that if we find it to be to the advantage of our national security, we shall be very definitely sympathetic with the objective. At that point we shall assess the situation from the standpoint of our own national security and make our decision accordingly.

Senator Hatch, of New Mexico, said:

> I do not think there would be any moral obligation upon the Congress of the United States. It has been made as clear on the floor of the Senate as it is possible to make it. The chairman of the committee repeatedly said any arrangement must come to the Senate for approval and ratification. When it comes back, as required by the Constitution, by the debate, and by the understanding, it comes back for our consideration and final action on ratification. That involves not only the right, but the solemn moral obligation, of considering the arrangement to determine whether it is in accordance with what is best for our country.

Our distinguished former colleague, who is no longer with us, but is now on the Federal bench, said:

> I want to state that so clearly that no nation in the whole world can misunderstand.

The senior Senator from Georgia [Mr. GEORGE] said:

> In the second place, I insisted that the report of the committee itself should make it abundantly clear and plain that any recommendation the President might subsequently make should be brought back to the Congress to be dealt with through the constitutional process, and that under this process we would be free to examine or reexamine the matter submitted to us for our approval or our consideration. * * * I felt satisfied with the absolute assurance written into the resolution itself that the final approval with respect to any association or any regional organization, or other collective arrangement, should be for the Congress, with a definite statement in the report of the committee that we would have the reserved right to examine the association which we were asked to make. Not only that, but as I read the resolution then, and as I read it now, it does not necessarily mean that we are called upon to make a military alliance with the western European nations, or any other group of nations, outside the arrangements which we have already made in this hemisphere. The language is "association of the United States with such regional or other collective arrangement," based upon certain considerations which seem to safeguard and secure our interests.
>
> I do not think it necessarily means that any President of the United States will, in response to this resolution, ask that the United States enter into a military alliance with western European nations or any other group of nations. It might be that we would associate ourselves with a regional organization of nations in western Europe, as we have in the recovery program. It might mean that we would associate ourselves with such organization looking to the defense of the states in that organization. We might do that by extending aid. We might do it by furnishing certain things which they would be required to have in order to accomplish that feeling of security which would enable them to make the progress which we hope they will make in the recovery program which we are undertaking to aid.

Then the senior Senator from Georgia concluded, as follows:

> At the same time, Mr. President, I was unwilling, and would now be unwilling, to vote for the resolution without the explicit, definite statement, on the very face of the resolution, that it must come back to Congress for its approval and with a report which would explicitly declare that we might examine whatever was submitted to the Congress without embarrassment, and free to examine it, free to consider it.

Mr. President, the Senate Foreign Relations Committee itself, in its report to accompany Senate Resolution 239, stated:

> The committee likewise agrees that the resolution should not be interpreted as a commitment on the part of the United States to extend assistance to any state or group of states. Any steps which may be taken in the future to implement the resolution will have to be considered on their merits at that time in order to determine whether such steps are consistent with the Charter and our own national security interests. Clearly any such commitments as those referred to above would call for congressional approval.

That is, at least in part, the legislative history of Senate Resolution 239, which was adopted last year by a vote of 64 to 4, as I recall. But I believe that every Member of this body is privileged to examine the measure now before us ab initio and solely upon the basis indicated in the legislative history I have just read.

I have stated that the reasons for my conclusion that the Senate should not advise and consent to the ratification of the North Atlantic Treaty are found in those certain obligations to which the United States of America would bind itself in articles 2, 3, and 5 of the treaty. I shall first discuss article 3, next article 5, and finally, article 2.

Article 3, which already today has been the subject of very considerable colloquy, inquiry, and thought by the Members of the Senate, reads as follows:

> In order more effectively to achieve the objectives of this treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

I call attention to the words "continuous," meaning uninterrupted; "and effective," in other words, designed to bring about the objectives which are sought to be accomplished; and "self-help and mutual aid."

What are those objectives, Mr. President? They are the maintenance and development of the "individual and collective capacity" of the signatory nations "to resist armed attack."

This article has been considered by the Secretary of State, the Honorable Dean Acheson, who, in a letter to the President of the United States dated April 7, 1949, said:

> The article does not itself obligate any party to make any specific contribution to the defense capacity of any other party, at any particular time or over any given period of time. It does contain the general obligations of determined self-defense and assistance in strengthening the defense capacity of the group as a whole. The concept of "mutual aid" is that each party shall contribute such mutual aid as it reasonably can, consistent with its geographic location and resources and with due regard to the requirements of basic economic health, in the form in which it can most effectively furnish it, whether in the form of facilities, manpower, productive capacity, military equipment, or other forms.

In his testimony before the committee, the Secretary of State said:

Article 3 does not bind the United States to the proposed military-assistance program, nor, indeed, to any program. It does bind the United States to the principle of self-help and mutual aid. Within this principle each party to the pact must exercise its own honest judgment as to what it can and should do to develop and maintain its own capacity to resist and to help others. The judgment of the executive branch of this Government is that the United States can and should provide military assistance to assist the other countries in the pact to maintain their collective security. The pact does not bind the Congress to reach that same conclusion, for it does not dictate the conclusion of honest judgment. It does preclude repudiation of the principle or of the obligation of making that honest judgment. Thus, if you ratify the pact, it cannot be said that there is no obligation to help. There is an obligation to help, but the extent, the manner, and the timing is up to the honest judgment of the parties.

In his testimony before the committee, the Secretary of State also said:

Yes, Senator; I think, as I tried to sketch out this morning, under the proposed military-assistance program, we will ask the Congress to make available funds out of which certain transfers can be made, from the United States to these pact countries, of weapons.

It is also contemplated, and well worked out already, that the European countries themselves will not only do their utmost in their specific plans to supply themselves, but they will supply one another; and the exact amounts of that are also worked out, and they are very substantial. * * *

We propose transfers from our own side to the Europeans, and the Europeans will make transfers between one another.

Mr. President, it should be noted from the testimony of Secretary of State Acheson, which I have just read; namely, that the European countries will supply one another and will make transfers between one another—that, in fact, the exact amounts of such transfers are already worked out, and that these amounts are "very substantial." Apparently, therefore, the European countries believe that article 3 of the North Atlantic Treaty obligates each of them to supply materials to the other European signatories to the North Atlantic Treaty. If each of the European signatories is obligated by article 3 of the North Atlantic Treaty to furnish a substantial amount of material to the other European signatories to the treaty, clearly the United States of America, which has the largest productive capacity of any of the signatories to the treaty, and which, except for Canada, is located the greatest distance from the present potential enemy, would be obligated by article 3 of the North Atlantic Treaty to transfer a substantial amount of materials to the European signatories to the treaty.

There appears in a document which I hold in my hand, entitled "Foreign Affairs Outlines—Building the Peace," prepared by the Department of State, released in May 1949, at page 1, the following:

Military assistance to the North Atlantic Treaty countries and to other free nations will further the basic aims of general security in a manner which the executive branch of the Government believes will prove to be timely, effective, and, in the long run, economical. Coupled with our membership in the North Atlantic Treaty, it will give direct assurance that the United States intends to continue the leadership which has brought confidence and new hope to democratic nations.

In brief, these things will be recommended in the military-assistance program:

That all projects of United States military aid be brought together in one program.

That a single appropriation be made to cover the costs of the entire military aid program (for the fiscal year 1950, these amounts would be about $1,130,000,000 for the North Atlantic Pact countries and about $320,000,000 for Greece and Turkey and certain other nations whose security is important to the United States, making a total of about $1,450,000,000).

That the Chief Executive be given the authority to make flexible use of these funds and to meet emergencies as they arise.

That most of our aid at this time go to western Europe, an area whose importance to our security has been demonstrated in two world wars.

That the military aid program be separate and distinct from the North Atlantic Treaty but that it complement that treaty through carrying out the principles of self-help and mutual aid.

I call attention to the language of said document that it will be recommended that the military-aid program is to be separate and distinct from the North Atlantic Treaty, but that it is to complement the treaty through carrying out the principles of self help and mutual aid. The word "complement" is an interesting word. The military-aid program complements the treaty through carrying out the principles to which I have adverted. We are told in the dictionary that the word "complement" means "something that fills up or completes what any number, quantity, word, or other thing lacks of completeness; that which must be added to constitute a complete or symmetric whole, to supply a deficiency, or to make perfect."

So, Mr. President, I think it quite significant that the Department of State, although asserting that the military-aid program shall be separate and distinct from the North Atlantic Treaty, refers not only to the fact that about $1,130,000,000 is "for the North Atlantic Pact countries," but that the military-aid program complements the treaty, that is to say, adds to the treaty, so as to "constitute a complete or symmetrical whole, to supply a deficiency, or to make perfect" that which is in the treaty.

Various other observations appear throughout this document to which reference might be made. I shall not go into great detail; but I call attention to the fact that, at page 4, appears this language:

Although the military assistance program and the pact were conceived of and developed separately, they are based upon the same principles and they are complementary.

Again we come back to the definition of the word "complement" to which I referred. Then, continuing, the statement says:

Article 3 of the pact provides that by self-help and mutual aid the members will develop their capacity to resist aggression. The military assistance program is based on the same principle of self-help and mutual aid. Article 3 does not obligate the United States to provide any definite amount of military assistance or to make any specific contribution. It does, however, obligate the United States, as it obligates every other member of the North Atlantic Pact to adhere to the principle of mutual aid and to exercise its own honest judgment in contributing what it most effectively can be implement the mutual-aid principle. It is the opinion of the executive branch of this Government that the United States can best contribute to the collective capacity for defense of the North Atlantic area by providing military assistance, and it is the recommendation of the executive branch that it should do so. It is also the opinion of the executive branch that the provision of assistance will become a powerful factor for assuring success on the aims of the pact, for as the countries of the Western Union develop their power to resist aggression, they will become better able to contribute not only to the peace and security of the North Atlantic area but to the peace and security of the world.

Mr. President, I assume that those who prepared the North Atlantic Treaty desired to assure the success of its aims, and we are here told by the Department of State that "it is also the opinion of the Executive branch that the provision of assistance will become a powerful factor for assuring success on the aims of the pact."

Mr. President, one further quotation from this particular document, at page 3, as follows:

Since the reiteration of the policy of support given in the President's inaugural address, we have associated ourselves with Canada and 10 other nations in the North Atlantic Treaty, signed on April 4, 1949. Our partnership with the nations of Western Europe in this collective security arrangement goes far to give them the confidence they need, since the treaty states clearly that an attack on one member is an attack on all members. At the present time, however, the preponderant military power which could be brought to bear upon the aggressor is centered in the United States, 3,000 miles from western Europe. It must be perfectly clear to the people of the United States that we cannot count on our friends in western Europe to resist if our strategy in the event of war is to abandon these friends to the enemy with a promise of later liberation. That strategy would be costly, since it could produce nothing better than impotent and disillusioned allies in the event of war. Plans for the common defense of the free world must provide for the security of Western Europe, but the new world may one day stand alone, an island of embattled freedom in a hostile world. Western Europe must count on us if it is to survive, and we, in turn, must count on western Europe if we are to endure. As of now, the inadequate defenses of western Europe invite military aggression, and increasing prosperity makes it a prize all the more tempting. Not until we share our strength on a common defensive front can we hope to replace this temptation with a real deterrent to war.

And then the concluding sentence:

The North Atlantic Pact is an agreement on the policy of a common defense; its very vital corollary is a program of military aid.

What is a corollary? A corollary, we are told by the dictionary, is "A proposition following so obviously from another that it requires little or no demonstration."

So we find the Department of State telling us, in effect, that this program of military aid so obviously follows from the

North Atlantic Pact that it requires little or no demonstration.

Mr. President, we have been discussing earlier today the question as to whether the North Atlantic Treaty contains any obligation with respect to implementation. To my mind, notwithstanding the frequent mention of the fact that the North Atlantic Pact and the military program are separate and distinct, the whole tenor of this document issued by the Department of State itself and released in May of this year, notwithstanding the language to which I have referred, is that the one is a complement to the other. The one is the proposition; the other is the corollary—a corollary "following so obviously from the North Atlantic Pact that it requires little or not demonstration."

Mr. President, there was one portion of what I just read from this document to which I again invite attention, namely—

We cannot count on our friends in Western Europe to resist if our strategy in the event of war is to abandon these friends to the enemy with a promise of later liberation.

Of course, obviously, what is there envisioned is that we cannot count on the fact that those friends of ours in Europe will resist if we in the United States abandon them to the enemy, allow them to be overrun, simply with a promise of later liberation. It is worthy of note that the language which I have quoted is strikingly similar to a part of the Army Day address of Gen. Omar N. Bradley, Chief of Staff, United States Army, made on April 6, 1949, which part reads as follows:

At present the balance of military power is centered in the United States 3,000 miles from the heart of Europe. It must be perfectly apparent to the people of the United States that we cannot count on friends in western Europe if our strategy in the event of war dictates that we shall abandon them to the enemy with a promise of later liberation. Yet that is the only strategy that can prevail if the military balance of power in Europe is to be counted on the wings of our bombers and deposited in reserves this side of the ocean.

Finally, as to this document which I have in my hand, at page 2 is this language:

The free countries of western Europe must be encouraged by our actions to continue their efforts toward recovery. They do not have the resources to develop adequate defense forces by their own efforts within a reasonable time. Their will to resist and their ability mutually to defend themselves must be strengthened. They must be encouraged and assisted to build up their defense forces—

Through what, Mr. President? "Through self-help and mutual aid," the same language as is used in article 3 of the pact.

Continuing with the quotation:

to a point where aggression cannot take place, either through internal disorders inspired from outside sources or under the guise of border incidents. In short, we must assist the free nations of western Europe to achieve the ability to maintain their independence and national security.

In view of the quotations which I have read, I believe it is reasonable to state that the executive department, after exercising its honest judgment, believes that the United States would be obligated by article 3 of the North Atlantic Treaty to furnish certain military assistance during the present fiscal year to the European signatories to the treaty. Consideration should then be given to the amount of military assistance which the executive department has concluded the United States should furnish the European signatories to the treaty.

In the testimony of General Bradley, Chief of Staff, United States Army, in the hearings on the North Atlantic Treaty, appears the following:

Senator DONNELL. We have heard here about the appropriation of one billion, or so many million dollars, that is going to be asked for the first year. Is that money going to be used in part to acquire from the United States Government, arms at a written-down figure, and then those arms be transported on over to Europe?

General BRADLEY. I think I know what you have reference to. I might say to start with that there is no definite list as yet; we do not have a final list of what would be of the most use to them, collectively—included in any such list there would undoubtedly be certain items of equipment which we do not need immediately upon mobilization.

It is planned, I believe, that those articles would be furnished to them out of our surplus, and that the only money necessary to be appropriated for that transfer would be that required to rehabilitate the equipment and to transport it, to put it into their hands.

Senator DONNELL. So that the appropriation then to be made would not be made to repay the Government for what is being sent over, but merely to rehabilitate, in the instances you have described, that which we already have?

General BRADLEY. Rehabilitate and transport it.

Senator DONNELL. So that in an appropriation, we will say, of $1,000,000,000, to be used in rehabilitation, there may be actually sent equipment which has been rehabilitated by the use of the $1,000,000,000, equipment which itself is worth many billion dollars. That is correct, is it not?

General BRADLEY. I would say the original cost of it might have been a great deal more. The present worth of it might not be anything in our own hands, but might be worth a great deal in somebody else's hands.

Senator DONNELL. I understand that. But the point I am getting at is that the mere figure in the appropriations bill does not at all, necessarily, indicate the original cost of the equipment which will be rehabilitated and sent over to Europe. I am correct in that, am I not?

General BRADLEY. That is correct, because certain items will be given to them, and the only money necessary in the way of appropriation is that necessary to rehabilitate that equipment and get it transported to the nation concerned.

Senator DONNELL. Do you have any idea, General, roughly speaking, as to what the original cost of the equipment was which will require a billion dollars to rehabilitate it?

General BRADLEY. No, sir. Because all of that billion dollars is not rehabilitation and transportation. Some of it would have to be new equipment. So that I have no idea what the original cost of that particular part would be. When the program is finally decided upon it could be figured out then, of course.

Senator DONNELL. I understood from Secretary Johnson, when he was on the stand a few days ago, that the experts are vigorously at work, and actively at work now, on preparing these figures and this detail information. Am I correct in that?

General BRADLEY. That is correct. They are working on such a list.

Mr. President, although the obligation contained in article 3 is stated in very general terms, it does commit the signatories, including the United States, "separately and jointly, by means of continuous and effective self-help and mutual aid," to "maintain and develop their individual and collective capacity to resist armed attack." That article, would, if the North Atlantic Treaty is ratified, clearly commit the United States, it appears to me, to give certain aid to the signatories, separately and jointly, through the North Atlantic Treaty which would maintain and develop their individual and collective capacity to resist armed attack. In determining the amount of aid which each signatory is entitled to ask it is of course appropriate to bear in mind the factors mentioned by Secretary Acheson in previously quoted language.

Since the United States has the largest productive capacity of any of the signatories to the treaty, and since the European countries are located closer to Russia—which is the presently most likely aggressor—it would seem clear that the United States, by article 3 of the North Atlantic Treaty, if the treaty is ratified, would be obligated to contribute a substantial amount of military aid to the European signatories to the treaty.

Mr. President, the second of the three articles, which I shall discuss is article 5, which reads as follows:

The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Mr. President, emphasis has been placed, in the course of this debate, upon the words appearing in this article 5, "such action as it deems necessary."

The Secretary of State has expressed himself with respect to the obligation under article 5. In the hearings at page 11, he said:

The obligation of this Government under article V would be to take promptly the action it deemed necessary to restore and maintain the security of the North Atlantic area. That decision would, of course, be taken in accordance with our constitutional procedures. The factors which would have to be considered would be the gravity of the attack and the nature of the action which this Government considered necessary to restore and maintain the security of the North Atlantic area. That would be the end to be achieved. Under the treaty we would be bound to make an honest judgment as to what action was necessary to attain that end and consequently to take such action. That

action might or might not include the use of armed force. If we should be confronted again with an all-out armed attack such as has twice occurred in this century and caused world wars, I do not believe that any action other than the use of armed force could be effective. The decision, however, would naturally rest where the Constitution has placed it.

At page 28 Secretary Acheson stated:

Therefore, when the attack occurs, which is an attack upon all of them by definition, each party considers what the objective under the treaty is. That objective is to restore, if it has been violated, and to maintain after it has been restored, the security of the North Atlantic area, and it pledges itself to take any sort of action, including armed force, if that is necessary in its judgment—to take whatever action its judgment says is necessary to bring about that result.

That might be a declaration of war and the use of all the resources of the country. It might be something much less, depending on what happens as a result of the attack. If the attack is something which has not been deliberately planned but has flared up in some way, it might be dealt with by means not involving the use of armed force. It might be dealt with by reason and that sort of thing.

If, however, it were a deliberate plan, a highly mobilized attack upon the whole area, then I assume that the only thing that could possibly have any effect in restoring and maintaining the security would be every possible physical effort on the part of the country. So you are not automatically at war. You take whatever action you think is necessary in the circumstances.

I quote further, from page 78 in the testimony of Secretary Acheson:

Secretary ACHESON. I said this morning, Senator, that under article 5, if there is an armed attack, then all the signatories of this treaty state that they will regard an armed attack on one as an attack on all, and forthwith they will, jointly and severally, take the action which each one of them deems necessary to restore peace and security in the North Atlantic area.

Now if there is an all-out armed attack, where the only action which this country believes can possibly restore peace and security in the North Atlantic area is the use of armed force, then this Nation is obligated to do that, but it has the decision in its own hands.

The objective which it is pledged to follow is to take whatever action it deems necessary to restore peace and security. Now if we in our honest judgment believe that action less than the use of armed force will restore peace and security, then we may do that. If in our honest judgment we believe that force is the only thing which can restore peace, then our obligation is to do that.

Senator DONNELL. If I may give you an illustation, Mr. Secretary: If Norway were to be attacked, 6 months after this treaty were ratified, by a force of 500,000 Russians, this pact would constitute, in your opinion, would it not, an absolute engagement on the part of this country to go to war?

Secretary ACHESON. My judgment would be that the only way to restore peace and security would be by the use of armed force. You might differ with me on that.

Senator DONNELL. I say, to restate my question: Your judgment is that in the hypothetical case to which I have called your attention, this treaty constitutes an absolute obligation on the part of the United States Government to go to war, does it not?

Secretary ACHESON. It imposes an obligation that if those in charge of the constitutional procedures of the United States believe as I would believe in such a circumstance, that force would be the only answer to that, then that is the obligation. If those in charge of our constitutional procedures do not believe that, then they use their best judgment.

I read further from the testimony of Secretary Acheson at page 79:

Senator DONNELL. I take it, Mr. Secretary, that you do not at all construe that language, "such action as it deems necessary," to give any country the right to use a dishonest determination, or an unreasonable interpretation of that language?

Secretary ACHESON. No honorable country would do that.

Senator DONNELL. What you mean there, as I understand you very frankly stated in the white paper and also in your radio speech on this subject, you said:

"Article 5 of the pact comprises a solemn obligation that each party will exercise honest and genuine judgment in determining what is necessary for the determination of peace when another party has been attacked."

Secretary ACHESON. That is correct.

Senator DONNELL. So that article 5, under the suppositious case that I presented to you, with 500,000 troops marching into Norway, we will say, from Russia, would unquestionably, in your opinion, impose an obligation on the part of this country forthwith to assist Norway by taking the action of going to war. That is correct, is it not?

Secretary ACHESON. That is the obligation which, in my judgment, would follow from the facts that you have stated. It is up to those who control the constitutional procedure to reach their own judgment. If they agreed with me, then they would feel that they were bound to do that. If they did not agree with me they would not feel so bound.

In an editorial in the New York Times, March 22, 1949, appeared the following:

The North Atlantic Pact contains promises not even dreamed of by Woodrow Wilson. President Wilson, indeed, in his war speech of April 2, 1917, looked forward to "a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself at last free." But Mr. Wilson in time of peace would not have dared ask the Senate to commit itself, as Mr. Truman and his advisers are now doing, to go to war if any 1 of 11 or more nations is attacked. We should not quibble on this point. The defense pact means that or it means nothing.

In the Washington Post, March 23, 1949, appeared the following:

DENMARK TOLD PACT BINDS UNITED STATES TO FIGHT

COPENHAGEN, DENMARK, March 22.—Foreign Minister Gustav Rasmussen told Parliament today that under the proposed North Atlantic Treaty the United States "would go to war" if anyone of the signatory nations is attacked.

"To the Danish Government," he said, "there is no doubt that the United States will consider herself pledged to assist an attacked nation with all her force.

"If armed force is necessary to reestablish security, it is evident that the member countries possessing such force are obliged to use it. That means that if an armed attack occurred on one of the member countries it could have only one answer—the United States would go to war."

So, Mr. President, we find in article 5 of the proposed treaty, that although the language is used, "such action as it deems necessary," obviously that is not meant to permit any country to use unreasonable judgment in determining what is necessary to restore and maintain the security of the North Atlantic area. And under the suppositious cases which have been set forth in the testimony from which quotations have been made, obviously the Secretary of State himself, if the matter were left to his judgment, would hold that the proper procedure to take would be the use of force.

Mr. President, today the potential aggressor is Russia. The treaty continues, however, for 20 years. During that period hostilities may develop among some of the signatories themselves. Suppose such hostilities arise between France and Italy or Portugal. The United States would then be bound to consider an attack by France on either of the other two countries as an attack on the United States. We would be required forthwith to take action against France, which, incidentally, might use against us military equipment which we had furnished her pursuant to the treaty.

I have outlined the provisions of article 3, and the provisions of article 5. I come now to the final one of the three articles which I shall discuss, namely, article 2. That article is divisible into two distinct parts.

The first of those parts is the sentence by which the signatories promise to "contribute toward the further development of peaceful and friendly international relations." This sounds very simple, and apparently there would be no particular objection to it; but I call attention to the fact that the parties in this article promise that they will follow three specific methods of making such contribution. The first of those three specific methods is "by strengthening their free institutions." The United States of America, if the Senate shall ratify this treaty, thus promises to strengthen its free institutions. Some change in the present position of those free institutions is obviously thereby promised, for by agreeing to strengthen those institutions, this Nation is agreeing to make them stronger than they now are. What those institutions are is not defined. There is consequently left a broad field for interpretation. The right of suffrage, the right to strike, the right of freedom of speech, employment practices, the right of freedom from unreasonable searches and seizures, and public education, are among the free institutions which it is permissible to hold to be included in the agreement which the United States of America, by this treaty, will promise, if we ratify it, to make stronger than they now are.

Mr. President, what is the United States of America? It is not the separate States. It is the Federal Government. Consequently, by this treaty, it is the Federal Government that is promising to strengthen its free institutions. It is entirely possible and the States have previously asserted sole jurisdiction over some of these free institutions. The treaty, however, which by the Constitution is declared to be, along with the Constitution and the laws of the United States, the supreme law of the land, imposes on the Federal Government, not on the States, this obligation of strengthening the free institutions.

It may hereafter be contended with much force that the assumption of that obligation by the Federal Government in

an instrument which is a part of the supreme law of the land, may constitute the creation of a power in the Federal Government over and above any power of the States in the domain of strengthening free institutions. Those who would present that contention could point with much persuasiveness to the case of *Missouri* v. *Holland*, 252 U. S. 416, in which case, although Congress had, prior to the ratification of a treaty on the subject matter of migratory birds, been held to be without power to enact legislation on that subject, decided that after the ratification of such a treaty Congress possessed the power which did not previously belong to it. The Court said:

> If the treaty is valid there could be no dispute about the validity of the statute under article 1, section 8, as a necessary and proper means to execute the powers of the Government.

Mr. President, that a vigorous attempt to sustain on argument that this treaty creates, on the one hand, a binding and effective obligation on the part of the Federal Government and, on the other hand, an investiture of corresponding power in the Federal Government over the field of strengthening free institutions, will be made is clearly indicated by attempts already made in this very Senate to justify by provisions of the treaty known as the United Nations Charter, certain proposed Federal legislation.

Senate bill 984, introduced in the Eightieth Congress by the then junior Senator from New York [Mr. IVES] for himself and others, was bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry. Subsection (c) of section 2 of that bill reads:

> This act has also been enacted as a step toward fulfillment of the international treaty obligations imposed by the charter of the United Nations upon the United States as a signatory thereof to promote universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

Obviously the subsection so quoted from Senate bill 984 seeks to base on alleged international treaty obligations imposed by the Charter of the United Nations the proposed legislation to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry.

Again, in Senate bill 1725, Eighty-first Congress, a bill to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States, introduced on April 28, 1949, by the junior Senator from Rhode Island [Mr. MCGRATH], the Congress is asked to declare that the succeeding provisions of the act are necessary for certain stated purposes, among which is:

> To promote universal respect for, and observance of, human rights and fundamental freedoms for all, without distinction as to race or religion, in accordance with the undertaking of the United States under the United Nations Charter, and to further the national policy in that regard by securing to all persons under the jurisdiction of the United States effective recognition of certain of the rights and freedoms proclaimed by the General Assembly of the United Nations in the Universal Declaration of Human Rights.

To similar effect are the contents of a section of Senate bill 1726 introduced in the present Congress by the junior Senator from Rhode Island [Mr. MCGRATH] on April 28, 1949, which is a bill to provide for the protection of persons against lynching.

Again in Senate bill 1728, introduced likewise by the junior Senator from Rhode Island on April 28, 1949, a bill to prohibit discrimination in employment because of race, color, religion, or national origin, a similar provision occurs.

I stated earlier that in the certain sentence of article 2 by which the signatories promise to "contribute toward the further development of peaceful and friendly international relations," the parties promise that they will follow three specific methods of making such contribution. One of those methods, as already indicated, is by strengthening their free institutions.

The second of the three methods is "by bringing about a better understanding of the principles upon which these institutions are founded."

The ratification of the treaty, with the inclusion therein of the obligation of the Federal Government to bring about such better understanding may with force and persuasiveness be contended to vest the Federal Government with power, not previously considered to reside in it, over the education of the children and the public generally.

The third of the three methods of making the previously mentioned contribution toward the further development of peaceful and friendly international relations which the United States, by the treaty, promise to follow, is "by promoting conditions of stability and well-being." Here we have a general-welfare clause of unlimited boundaries, vesting, so it may be forcefully contended, in the Federal Government obligations and powers over all types of subjects, whether previously considered to be within or without Federal jurisdiction.

There can be no doubt that advocates of vast expansion of Federal powers will be alert to seize on this great repository in the North Atlantic Treaty, as they have sought to do in connection with the United Nations Charter, as an inexhaustible source of alleged Federal powers to legislate on any subject involving the "promoting of conditions of stability and well-being." It is not difficult to foresee the inclusion in many bills hereafter presented to Congress, if this treaty be ratified, of language, to quote the Ives bill, S. 984, a national act against discrimination in employment, to the effect that, "This act has also been enacted as a step toward fulfillment of the international treaty obligations imposed by the North Atlantic Treaty upon the United States as a signatory thereof, to promote conditions of stability and well-being."

The obligation contained in article 2 upon the Federal Government, to employ each of the three specific methods I have enumerated, namely, (a) strengthening its free institutions, (b) bringing about a better understanding of the principles upon which these institutions are founded, and (c) promoting conditions of stability and well-being, is a new obligation which is not found in the Charter of the United Nations. True it is that among the purposes—and I emphasize the word "purposes"—of the United Nations are those set forth in article 1 of chapter I of the Charter of the United Nations; but no obligations--and I emphasize the word "obligation"—is created by the mere statement of purposes in the Charter of the United Nations. Moreover, nowhere in the Charter of the United Nations is there a statement that any of the purposes—and I emphasize the word "purposes" again—of the United Nations are (a) the strengthening of the free institutions of the signatories to such charter, (b) the bringing about of a better understanding of the principles upon which these institutions are founded, or (c) the promotion of conditions of stability and well-being.

Furthermore, the recital preceding chapter I of the Charter of the United Nations of certain determinations and resolutions of the peoples of the United Nations is a mere recital of such determinations and resolutions, and does not constitute an obligation—and I emphasize the word "obligation" again—on the part of any one of the signatories.

True it is that in setting forth certain principles in accordance with which the organization of the United Nations and its members, in pursuit of the purposes stated in article 1 of the charter shall act, the charter omits to include the obligation of performing the respective acts which are stated as purposes. However, the North Atlantic Treaty sets forth in clear and unmistakable terms, as obligations, the previously mentioned provisions of article 2.

Furthermore, article 2 of the North Atlantic Treaty does not stop with the creation of the obligation to contribute toward the further development of peaceful and friendly international relations. That article proceeds further to obligate the parties signatory to "seek to eliminate conflict in their international economic policies."

What the meaning of that obligation is does not clearly appear. In the testimony of Ambassador W. Averell Harriman, United States special representative in Europe of the Economic Cooperative Administration, appears the following:

> Senator WATKINS. I am not asking you to interpret the treaty now, as to what the intention was when they negotiated it, but what in your judgment are the economic policies which we could eliminate as between the signatories to the treaty, including ourselves. I mean by that the United States. I am speaking of conflicts.
>
> Ambassador HARRIMAN. I do not know what that word "conflicts" relates to, specifically, and I would rather not confuse the testimony by giving a personal opinion.
>
> Senator WATKINS. Would it include tariffs?
>
> Ambassador HARRIMAN. I would not think tariffs were a conflict. Of course, tariffs do interfere with the freest flow of multilateral trade, but each country is entitled to decide itself as to whether its well-being is served by a tariff on this or that commodity, and what

is involved in it. We also have other agreements, as you well know, under our tariff-treaty policies, which relate to international agreements on that subject.

Senator WATKINS. Have you observed in your meeting with the foreign countries that are now part of the ECA program any conflict which you think might possibly come within the scope of that paragraph?

Ambassador HARRIMAN. Senator, I think that it is more appropriate, if I may say so, to ask the question of interpreting this article of the Secretary of State, and individual testimony on this question I do not think contributes to an understanding of the committe on what this article is intended to cover.

Senator WATKINS. I do not know myself what it is intended to cover.

MEANING OF ARTICLE 2

Ambassador HARRIMAN. In general it indicates economic cooperation, which, from my observation, countries are today engaged in. They are not engaged in conflict, but are trying to find ways and means by which they can help each other economically.

Senator WATKINS. Would you be willing to approve this paragraph without any more knowledge than you say you have of it, or what it means?

Ambassador HARRIMAN. If I were a member of the committee considering it, I naturally would want to understand from the Secretary of State all aspects of what it was intended to cover. I am not overly concerned about it, frankly, personally.

In the testimony of Robert A. Lovett, former Under Secretary of State, appears the following:

Senator WATKINS. Then let us come to the last sentence:

"They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them."

What specific thing did they have in mind there? Was that discussed in any way?

Mr. LOVETT. That whole sentence there, as I recall it, Senator Watkins, arose out of the efforts to make it abundantly clear that these countries who participated in the treaty would do their utmost, through the principle of cooperation economically, to improve themselves, so that they would be in a position for self-help and mutual aid. In other words, our economic program abroad as represented by the ECA was here again referred to, and they certified there was a continuing purpose of cooperation amongst them.

Senator WATKINS. I understand the affirmative side of it, but they specifically mention that they will seek to eliminate conflict in their international economic policies. They must have had a recognition of some conflicts which they were going to seek to eliminate.

Mr. LOVETT. There were at that time, and there have been throughout, a number of instances of difficulties arising between the countries as a result either of their customs-union activities or of their financial policies. You remember specifically when France readjusted her currency the British felt very definitely it might have an unsettling effect on other currences.

Senator WATKINS. They were to eliminate these conflicts over their currencies?

Mr. LOVETT. No; any element of their economic life. They were to try through peaceful means, which are mentioned notably in the United Nations Charter, to dispose of those difficulties.

Senator WATKINS. You will note that this not only applies to the European nations, but also applies to the United States.

Mr. President, if we follow through the further testimony of Mr. Lovett we find an unusual inability to enlighten us on the part of this distinguished gentleman, who was authorized by the President to begin exploratory conversations in July of last year with the Ambassadors of Canada and of the parties to the Brussels Treaty, and who continued thereon as long as he occupied official position. We find a very curious inability on his part, apparently, to enlighten us as to what is meant by "conflict in their international economic policies."

To my mind, the obligation to "seek to eliminate conflict in their international economic policies" could be the basis on which many an argument could lie on behalf of foreign nations which might demand certain actions on our part with a view to preserving and carrying on most beneficially the policies of those foreign nations. To my mind this language could be the basis upon which those in our own midst, for that matter, who favor free trade could rest their argument. American capital and American labor might find it difficult to refute the contention that by the treaty the United States is obligated to strike down all tariff barriers, international trade agreements, and international labor agreements, and to make changes in immigration laws or monetary legislation. Such action might be contended to be obligatory on the United States under the broad and comprehensive obligation to "seek to eliminate conflict in their international economic policies."

The Charter of the United Nations expresses as one of its purposes—again I emphasize the word "purposes"—the achievement of "international cooperation in solving international problems of an economic, social, cultural, or humanitarian character," but that expression in the Charter of the United Nations of mere purposes falls far short of constituting an obligation that the parties will "seek to eliminate conflict in their international economic policies."

Article 2 of the treaty does not stop with creating the new obligation which I have already mentioned. It proceeds further to obligate the signatories to "encourage economic collaboration between any or all of them." Here again we find the greatest of vagueness and lack of understanding as to what is comprehended by this undertaking.

Mr. President, why should we enter into this treaty? What is the fundamental reason that is asserted, and how do the various provisions which I have undertaken to analyze this afternoon bear on that question?

In support of the proposition that it is advisable and desirable that the Senate ratify the North Atlantic Treaty, it is argued that the treaty is the best available guaranty that peace, between the nations, will be preserved.

The Senator from Texas [Mr. CONNALLY] said, day before yesterday:

The principal benefit to the United States is the great promise this treaty holds for an enduring world peace.

The senior Senator from Michigan [Mr. VANDENBERG], after referring to Senate Resolution 239 and to the fact that the President followed the advice therein contained, said yesterday:

The pending treaty to protect the North Atlantic community is the result.

The result, in my opinion, is the greatest discouragement to war which we have yet devised.

It is urged that the ratification of the treaty will, to quote the chairman of the Foreign Relations Committee, "exert a tremendous deterrent in preventing armed attack."

This argument is, in effect, the same as the one which was presented by President Truman in his inaugural address in January 1949, in which he said:

If we can make it sufficiently clear, in advance, that any armed attack affecting our national security would be met with overwhelming force, the armed attack might never occur.

I call attention to the fact that the President of the United States obviously had in mind that any armed attack would immediately be met with overwhelming force. Otherwise, there would be no special reason why the armed attack might necessarily be deterred.

The senior Senator from Michigan in a notable address before the Conference of Mayors, in Washington, D. C., on March 22, 1949, presented the same thought as that presented by the President, as I see it, when he said that—

The North Atlantic Pact will tell any aggressor in 1949 that from the very moment he launches his conquest in this area he will face whatever united opposition, including that of the United States, is necessary to beat him to his knees. I reassert that this is the greatest war deterrent ever devised. No itching conquerer will lightly view such odds.

The distinguished Senator from Michigan yesterday had very much the same thing to say. In his address he said:

In my view its invincible power for peace is the awesome fact that any aggressor upon the North Atlantic community knows in advance that from the very moment he launches his conquest he will forthwith face whatever cumulative opposition these united allies in their own wisdom deem necessary to beat him to his knees and to restore peace and security.

True it is that the Senator from Michigan followed that language with the following:

It is not the military forces in being which measure the impact of this "knock-out" admonition, important though they are. It is the potential which counts, and any armed aggressor knows that he forthwith faces this potential from the moment he attacks. It is this total concept which, in my view, would give even a reincarnated Hitler pause.

It might as well be openly stated here, as it has been time after time in this debate, that the present-day fear of aggression arises from the conduct of Russia.

Secretary Acheson in his testimony said:

If I may make an understatement, the sense of insecurity prevalent in western Europe is not a figment of the imagination. It has come about through the conduct of the Soviet Union. Western European countries have seen the basic purposes and principles of the Charter cynically violated by

the conduct of the Soviet Union with the countries of eastern Europe. Their right to self-determination has been extinguished by force of threats of force. The human freedoms as the rest of the world understands them have been extinguished throughout that whole area. Economic problems have not been solved by international cooperation but have been dealt with by dictation. These same methods have been attempted in other areas—penetration by propaganda and the Communist Party, attempts to block cooperative international efforts in the economic field, wars of nerves, and in some cases thinly veiled use of force itself.

By the end of 1947 it had become abundantly clear that this Soviet pressure and penetration was being exerted progressively further to the west.

So today when we consider the North Atlantic Treaty, in the immediate present we are obviously considering Russia as the possible aggressor. As I indicated earlier this afternoon, it is easily possible that within the period of 20 years for which this treaty shall endure, during which many vast changes may take place, as has been the case in the past 20 years, there may be some other aggressor.

But what about the effect which the North Atlantic Treaty will have upon Russia? We are told today that we should ratify this treaty because it will act as a deterrent upon Russia and will prevent Russia from instituting war and attempting to wipe out the other nations which are weaker than Russia is, and that ultimately the impact of such action by Russia would come upon us.

Mr. President, of course it is entirely possible that an alliance of 12 nations may deter Russia from instituting war, and I appreciate the possibility of that fact. I appreciate that that is the point which is immediately impressing itself with such great force on the minds of the members of the Foreign Relations Committee of the Senate and doubtless upon the minds of many other Senators. But let me point out, very respectfully, that it is by no means certain that the effect which the North Atlantic Treaty will have upon Russia will be a deterrent effect. It is entirely possible that with the building up of military establishments in the western European countries—and I pause to say, as I have already said previously this afternoon, that obviously the State Department is of the opinion that there should be a building up of military establishments in western Europe—Russia may conclude that her own best interests demand that she not fall behind in the increase of armed strength.

I heard the rugged Senator from Vermont [Mr. FLANDERS], for whom I have, as do all of us, the greatest of respect and admiration, suggest this afternoon the doubt in his mind as to whether the historic facts developed throughout the centuries past indicate that military alliances act as a deterrent to war. We are told that this treaty is not a military alliance. There are distinctions, of course, between this treaty and an alliance such as the Holy Alliance and many of the other previous military alliances.

Yet, Mr. President, to my mind, no one can read the North Atlantic Treaty—with its various provisions with respect to the maintenance and development of individual and collective capacity to resist armed attack, and containing an agreement by the parties, "separately and jointly, by means of continuous and effective self-help and mutual aid," to "maintain and develop their individual and collective capacity to resist armed attack"—without realizing that it is certainly, under some contingencies, a military alliance. I do not think it is an alliance being created for the purpose of aggression. I do not believe its purpose is aggression at all. I believe that the members of the Foreign Relations Committee, the representatives of the State Department, and undoubtedly the President of the United States are animated by motives of national defense. Nevertheless, to say that this treaty is not a military alliance, to my mind is simply closing one's eyes to the clear facts.

In article 5, which I have already analyzed, the parties agree that an armed attack upon any of them shall be considered an attack upon all of them, and that each of them will forthwith, and in concert with the other parties, "take such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area."

To contend that such language does not recognize that this pact creates a military alliance is again, to my mind, clearly to overlook the clear meaning of language and the clear intent and purpose. The treaty may be intended to be a defensive alliance, and I think it is; but an alliance it is, and it is of a military nature, obviously, as I see it, according to the language I have read.

Obviously, Mr. President, there is no certainty at all as to the effect of the treaty with respect to peace. We have been told that the promotion of peace is a strong argument for going into it. If it were certain that peace would result, I take it every man in the Senate, and the lady Member, likewise, would favor the adoption of the treaty. But, Mr. President, there is an uncertainty, and as I have indicated, and as the experience to which the Senator from Vermont has referred this afternoon has indicated, military alliances have not in past years produced the war deterrent that those who formed the various alliances had in mind. As I have indicated, it is entirely possible that instead of Russia being deterred, she may conclude, as she sees the building up of military establishments in western European countries, that her own best interests demand that she do not fall behind in the increase of armed strength. As she perceives the signatories to the North Atlantic Treaty arming themselves and making military plans, as she hears that the defense committee required to be established by article 9 of the treaty has recommended measures for the implementation of articles 3 and 5 of the treaty, which is the duty of the council, as she learns of military aid being extended by the United States of America to the western European countries, as she contemplates the construction of air bases from one end of western Europe to the other, it is entirely conceivable that Russia might conclude that she should equal or perhaps exceed the military efforts being put forth by the signatories to the treaty. Should Russia adopt the not unlikely course of progressively increasing her own armed strength, her air bases, and her other military establishments, it is not unlikely that the signatories to the treaty would on their part use every endeavor to outstrip Russia so as to be able to provide the "overwhelming force," to quote President Truman, to meet any armed attack from Russia. Russia, in turn, might reasonably be expected to add to her own military strength as rapidly as her means will permit.

Thus, seesawing back and forth, the signatories to the North Atlantic Treaty might easily discover that this document which they had signed would not only fail to be a war deterrent but would stimulate an armament race the equal of which has never been known upon the face of the earth. With increasing forces on both sides, it is not unreasonable to suppose that the western European countries, aided by the United States of America, might equip and occupy air bases which Russia would consider as involving direct danger and threat to her safety. If such should happen, it is not beyond reason to expect that Russia would advance her own air-base construction and occupy military positions of importance and strategic value with her own troops, to guard against what she might consider warlike threats or danger from the North Atlantic signatories.

Mr. President, under such circumstances there could occur, as have occurred in other instances in history, border incidents fraught with danger to the rest of the world. I assert here this afternoon that any reasoning as to the probable effect of the North Atlantic Treaty as a war deterrent is mere speculation, and that it is not unlikely that an effect precisely opposite to that which is hoped for might be produced.

Mr. President, I hold in my hand a volume from a very notable work entitled "Twenty-five Years, 1892 to 1916," which refers to the conditions preceding World War I. The author of this book is Viscount Edward Grey. Just a few words about him. He entered the House of Commons as a Liberal Member in 1885. He was from 1892 to 1895 Under Secretary of Foreign Affairs in Great Britain. In 1905 he was Foreign Minister. He was Foreign Minister prior to World War I, and 2 years during that war. He retired in July 1916 due to failing eyesight. He came out of retirement for 3 months during 1919, and visited the United States, and discussed the question of peace with Germany. In August 1923 he was elected chancelor of Oxford University. He wrote a story of his life, and that is the book of which this is one of the volumes—Twenty-five Years, 1892 to 1916. I should like to read a few of his observations from this notable work. I refer first to page 279, where the distinguished

author has this to say, referring to conditions prior to World War I:

Every country had been piling up armaments and perfecting preparations for war. The object in each case had been security.

I pause at that point. That is the object of the North Atlantic Treaty—peace and security. With the eloquence and power of diction and description and illustration which Senators who have addressed us previously have possessed, we have been told that this is in effect the great deterrent to war and practically a guarantor, or as near a guarantor, as is humanly possible, of peace. And so Viscount Grey says:

The object in each case had been security. The effect—

Mr. President, let me call your attention to this—

The effect had been precisely the contrary of what was intended and desired. Instead of a sense of security there had been produced a sense of fear, which was yearly increasing. Europe was afraid of the German Army. Germans encouraged in themselves and in others the belief that the German Army was invincible; but even they were becoming apprehensive that in a few years, when the armaments of their neighbors were perfected, even Germany might be afraid. Britain was not afraid of the German Army, because she believed herself to be an island that was out of the reach of any continental army; but the great increase of the German fleet made her watchful, and she no longer felt at rest; indeed, she felt decided uneasiness at the thought of isolation.

Such was the general condition of Europe; preparations for war had produced fear, and fear predisposes to violence and catastrophe.

I take it that the gentlemen in the foreign countries to which reference is made by Viscount Grey were doubtless sincere; at least, he does not indicate anything to the contrary. "The object in each case," he said "had been security." But he then says, and so graphically that I repeat it: "The effect had been precisely the contrary of what was intended and desired."

May I read briefly one or two other observation of the Viscount? At page 283 of the same work, he says:

The lesson of European history is so plain. It is that no enduring security can be found in competing armaments and in separate alliances; there is no security for any Power unless it be a security in which its neighbors have an equal share.

Next I quote from page 53:

More than one true thing may be said about the causes of the war, but the statement that comprises most truth is that militarism and the armaments inseparable from it made war inevitable. Armaments were intended to produce a sense of security in each nation—that was the justification put forward in defense of them.

I pause there, Mr. President. Have we not heard here from the lips of a number of distinguished Senators that the building up of strength—strength which we are told by the Senator from Michigan is going to be sufficient to enable us to tell a foreign nation that she will be beaten to her knees—the building up of armament over a period of years is going to produce security and bring about peace? So Viscount Grey says:

Armaments were intended to produce a sense of security in each nation—that was the justification put forward in defense of them. What they really did was to produce fear in everybody. Fear causes suspicion and hatred; it is hardly too much to say that, between nations, it stimulates all that is bad and depresses all that is good.

Mr. President, it is not at all improbable, it seems to me, that if we find a condition in Europe causing us to start out with a billion dollars worth of transportation and rehabilitation based on and devoted to military equipment which cost several billion dollars, and if we follow that year after year with additional sums, if we consort with those nations in the council and devise plans which we suggest to one another for implementing ourselves together in cooperative military plans, is it not likely to follow that on the Russian side, instead of the Russians saying, "Well, we had better never again declare war," that Russia will say, "We had better prepare for war; we had better prepare ourselves against these European nations and against the United States of America, rather than to cut our military defense"?

So I think there is much to what Viscount Grey says, that it would cause suspicion and hatred and would stimulate all that is bad and suppress all that is good. It indicates very clearly a possible course. I realize it is possible to take one of two courses, either the course of peace, or the contrary, but my point is that in either event the matter is one of speculation.

I have pointed out, Mr. President, the possibility that, seesawing back and forth, the signatories to the North Atlantic Treaty might easily discover that the document which they had signed would not only fail to be a war deterrent but would be an armament race the equal of which has never been seen in the history of the world.

Viscount Grey continues as follows:

One nation increases its army and makes strategic railways towards the frontiers of neighboring countries. The second nation makes counter-strategic railways and increases its army in reply. The first nation says this is very unreasonable, because its own military preparations were only precautions; the second nation says that its preparations also were only precautions, and points out, with some cogency, that the first nation began the competition; and so it goes on, till the whole continent is an armed camp covered by strategic railways.

After 1870 Germany had no reason to be afraid, but she fortified herself with armaments and the Triple Alliance in order that she might never have reason to be afraid in future. France naturally was afraid after 1870, and she made her military preparations and the dual alliance (with Russia). Britain, with a very small army and a very large empire, became first uncomfortable and then (particularly when Germany began a big fleet program) afraid of isolation. She made the Anglo-Japanese alliance, made up her quarrels with France and Russia, and entered into the Entente. Finally Germany became afraid that she would presently be afraid and struck the blow, while she believed her power to be still invincible. Heaven alone knows the whole truth about human affairs, but I believe the above sketch to be as near to a true statement of the causes of war as an ordinary intelligence can get in a few sentences.

If it be so, it is a complete answer to those who say that if we had adopted conscription and built up a big army we should have prevented the war. We should not thereby have prevented the war; we should have precipitated it sooner.

So, Mr. President, I point out most respectfully that the North Atlantic Treaty is, after all, only a speculation, against which speculation precisely the opposite result may, on the basis of past historical experience, in fact occur.

It is argued, also, that the North Atlantic Treaty will prevent Russia from picking off western European nations one by one. Secretary Acheson, in his testimony, said, at page 13 of the hearings:

The treaty is the practical expression of the determination that an aggressor cannot divide these nations and pick them off one by one.

The Senator from Texas [Mr. CONNALLY], in the picturesque language characteristic of him, referred, during the testimony of Secretary Acheson, to the picking-off process. The following is an interesting and brief bit of question and answer between the Senator from Texas and the Secretary of State:

The CHAIRMAN. Is it not also true that it would have a deterrent effect on the practice that is growing up of one nation reaching out and grabbing little nations one at a time, and incorporating each into its system, when it knows in advance that to do that would arouse the hostility and resistance of all the nations that are parties to this treaty?

Secretary ACHESON. Yes, sir. That is a very great part of the effectiveness of this treaty.

The CHAIRMAN. A great and powerful nation without that situation in mind could just reach out and grab some little wobbly and weak nation and incorporate it, and then go on to the next one and the next one and the next one, until it had picked the roost clean.

Secretary ACHESON. That is true, sir.

Secretary Acheson, in the testimony which I quoted from page 13, was apparently referring to a picking-off process carried out by armed attack. The Senator from Texas in his questioning of the Secretary, may have had also in mind, though, from the language, I am not certain whether he did or not, western European nations following a plan of using armed attack.

JOHN FOSTER DULLES, who, we have all heard with a great interest and very much pleasure this afternoon, is to be a Member of our body, in his testimony before the committe said:

I do not know of any responsible high official, military or civilian, in this Government or any other government, who believes that the Soviet now plans conquest by open military aggression. They have other and more efficient methods. If, for example, Soviet leadership, without using the Soviet Army, can win in China all that Japan there fought for so desperately and so futilely, why should Soviet leaders start a shooting war?

The Senator from Texas referred on yesterday to what he termed the brutal

fact that the peaceful peoples have become more and more conscious of a sinister kind of danger, indirect aggression.

Continuing, he said:

Let us not forget that no bombs were dropped by the Soviet Union on Bulgaria, Hungary, or Czechoslovakia.

Just how the North Atlantic Treaty would prevent the boring-from-within process, namely, indirect aggression not accompanied by bombs, through which, by communistic influences, Russia might seek to pick off other European nations, as, for illustration, France or Italy, does not appear. The treaty contains no agreement by which the signatories shall consider such boring from within as an attack.

The treaty contains no obligation or provision by which its signatories will join together against Russia or any other nation which may seek to obtain control of other nations by causing such latter nations to develop within themselves adequate Communist support to bring about the relationship of dominant and satellite nations.

Moreover, it is easily possible that, instead of the North Atlantic Treaty preventing the growth of communism within some of the countries, France or Italy, for illustration, under the practical operation of the treaty, some of the signatory nations may become more susceptible to communistic and Soviet influences than they are at this time. This results from the fact that many of the obligations of the treaty are vague and indeterminate, notably those provisions relating to the elimination of economic influences and economic collaboration. Because of the fact that the United States may construe its obligations not to require such economic steps as some of the other signatory countries may think the United States is required to perform, existing friendship between the United States and such other signatories may decline in ardor, and instead of amity and cordiality continuing to exist between our Nation and the other signatories, there may arise an irritation which may even mount to anger and enmity against us because of our failure, real or fancied, to perform our obligations under the vague and indeterminate provisions of the treaty.

I called attention earlier this afternoon to the vagueness of these various economic proposals, such as that the United States honestly thinks we are doing our full duty. Suppose France 5 years from now says, "You are refusing to go forward with your duty." Suppose there are conflict, anger, and irritation between the two nations. Is it not possible that Russia could step in and very shrewdly point out to the Communists, and to those whom she desired to become Communists, how much better treatment would have been afforded to the people of France by Russia than was afforded by the United States?

I have never been very much in favor of making broad general statements, like a blank check in nature. I see on the floor of the Senate at this time at least four Senators who have served as governors of their respective States, all of them close friends of mine. They were approached from time to time to make a broad, general pledge of cooperation, something that they could just sign, and it was said it would not mean anything except that it was a matter of form indicating that they were going to cooperate and that the State administration would give full cooperation. I doubt very much whether any of these gentlemen, after their first experience, gave very much credence to the advisability of doing that sort of thing.

When we come to a treaty which contains all these broad, general things which we promise we will do, things over which there may arise the most vital, the most irritating, the most important and the most dangerous disputes over the period of years, I take it that there is very grave doubt as to whether we should depart from our traditional policy and enter into one of these general-language contracts. I dare say there is no one on the floor of the Senate who, if he went to a lawyer, would want the lawyer to write a contract between him and someone else in the broad, vague language in which this treaty is phrased.

I appreciate that no one can anticipate everything that is going to transpire in 20 years. I can appreciate the fact that it may be impossible to draw a treaty of this kind except in broad, general language. To my mind, that is one of the reasons why we should stay out of treaties of this kind, stay out of these broad, general obligations which may or may not prove possible for us to execute, and as to the execution of which there may arise the gravest of disputes between us and some others of the 11 signatories during the period of the treaty.

Twenty years is quite a long time. There is not a man on the floor of the Senate who 20 years ago did not look a little younger than he looks at this time. Twenty years ago would take us back to 1929 which, as I remember, was the beginning of a serious depression which continued with great persistence over a period of several long years. Those years seemed long, just that portion of 20 years. We have since had war. In the 20 years since 1929 many a man on the floor of the Senate has lost by death many of his closest friends. Many have seen changes in their own families. We have seen the constant procession of events in the long period of 20 years. Unanticipated events have occurred to our surprise, and perhaps to our sorrow, in many cases.

To adopt the simile of the Senator from Michigan, who said that no one need lose a moment's sleep the minute after this treaty is signed, except those who are contemplating aggression, I say to Members of the Senate, with all the earnestness within me, that whoever authorizes the ratification of this treaty, after its signature on April 4, 1949, may spend many sleepless hours in the next 20 years because of what we have done in placing our signature on the dotted line for a series of indeterminate obligations. Today, Mr. President, you and I can go home to sleep, and our country, which over a period of 150 years has, so far as I know, never been a party to any such treaty as this, can go to sleep, and we know we are not under obligations bringing us into all the quarrels, the disputes and the relationships of 11 European nations.

It is old fashioned, I know, I realize very old fashioned, to go back even to George Washington or to John Marshall. Yet, notwithstanding all the modernism of today, nothwithstanding the airplane, notwithstanding the shortness of distance today, to my mind there is something true in what John Marshall, whom we know primarily as Chief Justice of the United States, said. I quote him:

I do not think the interest and prosperity of America at all depended on the alliance with any foreign nation: Nor does the man exist who would regret more than myself the formation of such an alliance. In truth, America has, in my opinion, no motive for forming such connection and very powerful motives for avoiding them.

I call attention to the following, and this is true today:

Europe is eternally engaged in wars in which we have no interest, and with which the fondest policy forbids us to intermeddle. We ought to avoid any compacts which may endanger our being involved in them.

By the expression I used that "this is true today," I do not mean that Europe is at this moment engaged in war, but to my mind the facts to which he referred concerning the interrelationships of Europe because of the virtual tinder box we find there, illustrate the possibility of disastrous conflicts arising in Europe.

I was in Europe in 1924, the first time I ever met my distinguished colleague, who sits here this afternoon, the junior Senator from Missouri [Mr. KEM]. We met in London at that time. He called my attention to it, and I remember the incident. It was 25 years ago, only 5 years longer than this treaty will run. I went to a place which had been in Austria, but was then in Italy, and was known by the Italian name of Bolzano. I learned there, on the border between Austria and Italy, of the animosities, the bitter feelings, the suspicion and hatred, because of those two nations being so close to one another.

Here we are in the United States. We have been able to get along pretty well over a period of 150 or 160 years. Unquestionably we are the leading nation in strength and power. Why should we, with speculation as to whether the treaty will prove war deterrent, enter into such a contract as this?

I have referred to some of the things which might arise. Let me give one illustration, and I shall try to bring my remarks rapidly to a close. As I have indicated, this treaty is a compact between the United States of America and 11 other nations. Suppose that during the course of the 20 years' duration of the treaty some ruler or prime minister of one of our cosignatories should become obsessed with an ambition such as was possessed by Hitler or Mussolini.

I digress to say that the nation which produced Mussolini, over which he presided, is one of the parties signatory to this alleged North Atlantic Treaty, though, so far as I know, Italy does not

have any boundaries and never has had any boundaries on the Atlantic Ocean.

Suppose, as I have stated, that during the period of 20 years some ruler or prime minister in one of the 11 countries should become obsessed with ambition such as that possessed by either Hitler or Mussolini. It is not at all impossible, it is a matter of human nature, that such an official would, in his attitude toward other nations, be influenced by his realization that back of him, in the event of an attack by any one of such other nations, would be the united force of 11 other signatories. It is easily possible, while we are speculating on this matter, that his attitude might become overbearing and characterized by reckless disregard and misconduct toward other nations. Such an attitude on his part might provoke an attack by some other nation, and thereby bring immediately into operation article 5 of the North Atlantic Treaty, so that we individually, and in concert with other parties, would have to take forthwith such action as we deemed necessary. We were told by the Secretary of State that that means what we honestly deem necessary. We could not send just one soldier over if an actual war were started. We would have to send a reasonable number; in other words, make an honest determination.

As I have said, such an attitude on the part of an official might provoke an attack, and we then, against our own will at the time, and fully realizing the fact that he had himself provoked the attack, would become involved because of our obligations.

Mr. President, I repeat, 20 years is a long period of time, and who can be so bold here this afternoon as to guarantee that no such episode as I have speculated could arise within that period of time?

Another illustration of possible danger under the North Atlantic Treaty is that a tottering administration in some cosignatory of the North Atlantic Treaty might, in order to remain in power, deliberately provoke attack against its own country, thinking that by such attack the tottering administration could rally behind it the force of its nation and that, because 11 other nations are pledged under the North Atlantic Treaty to treat such attack as one against themselves, the country of such administration would be safe from demolition or serious damage.

Enough, however, of speculations as to possibilities. I am not here acting as a prophet this afternoon. My point is that we are asked here to take a step which, as I recall, the Senator from Michigan referred to as one of the most momentous in the 150 or 160 years of our history. We are called to take it upon the speculation, if you please, that this is going to be the greatest war deterrent that could possibly be devised. Yet it takes nobody vested with the power of prophecy to prophesy, that, notwithstanding that it may work out—and I hope it will work out as its sponsors hope it will if we shall ratify the treaty—I say it takes no power of prophecy to say here with absolute assurance this afternoon that while, on the one hand, the cause of peace may be furthered, on the other hand it may produce precisely the result that Viscount Grey so graphically described in what I quoted.

I close with a very brief recapitulation of my view. I have stated that I have arrived at the conclusion that the Senate should not advise and consent to ratification of the North Atlantic Treaty.

I have stated that the reasons for my conclusions are found in those certain obligations to which the United States of America would bind itself in articles 2, 3, and 5 of the treaty. I took up article 3 and endeavored to demonstrate the very close connection between article 3 and the proposed military implementation program. To my mind, to say that we can carry out the provisions of article 3, to say that we can maintain and develop the individual and collective capacity of the 11 other signatories to resist armed attack without going into a military implementation program, is to violate every rule of interpretation of an agreement.

I have analyzed, as I stated, article 3. I have endeavored to show some of the points which are involved in it.

I then took up article 5 and endeavored to show, as I think is unquestionably true, that although there is the safeguard to which the distinguished Senators have referred with such emphasis by the use of the language as applied to us that we are to take "such action as it," that is to say we, "deem necessary," that means, according to the Secretary of State, such action as we reasonably deem necessary and honestly deem necessary, and that if in Norway the day after we ratify this treaty 500,000 Russian troops should cross the border, according to the opinion of Mr. Acheson—which is not binding on us, I realize, but it is his opinion, and I have confidence in his opinion in that respect—clearly it would become our obligation, under the agreement that an armed attack against Norway should be considered as an attack against us, to take steps along military lines to protect the interests of all the signatories.

Someone may say, that is what we ought to do. Maybe that is true and maybe it is not. It may be true. Yet I hold that our Nation should have the right, as the circumstances arise, to determine its course of action, rather than to tie ourselves up for 20 long years so that we cannot get out of what we tie ourselves during that lengthy period.

We are told there is a provision for review of the treaty after it has been in force for 10 years. There is nothing in that provision which entitles us to cease to be a party to the treaty. It is merely a matter of reviewing it. If any parties desire to review, they shall consult together for the purpose of reviewing, but there is no provision by which we can escape from the further 10 years of the obligation under the treaty.

I have heretofore analyzed, more extensively than I have in this very brief recapitulation, our obligations, as I see them, under article 5, and the fact that it is leading us into a situation in which we are binding ourselves for 20 long years, as the New York Times put it, to go to war in the event of any major disturbance. I say, Mr. President, that is a condition in which we should not allow ourselves to be placed.

Finally, Mr. President, I went back to article 2 of the treaty and pointed out not only its vagueness, but the fact that nobody knows just what it means. Mr. Lovett does not know. No witness who appeared before us could tell us directly or indirectly whether the fears of our colleague, the Senator from Nevada [Mr. MALONE], are justified on the question of whether we are going to have free trade foisted on us or something to that effect. Nobody could tell us about that. One man expressed the opinion that we are not going to have free trade and are not going to have any tariff action taken under the treaty, but nobody knows what it means.

Then I pointed out with respect to article 2 that it is perfectly clear from what has already been done in this very Senate how it will be availed of in connection with future legislation. I make no reflection on the Senator from Rhode Island [Mr. MCGRATH], of course, but with what the Senator regarded as the very best of motives he introduced bills here, the numbers of which I have given, based in part on the theory that they are carrying out obligations of the United Nations Charter, when no obligation is created by the United Nations Charter, as I have indicated. But, as I have demonstrated, I think the North Atlantic Treaty, instead of merely setting forth purposes, makes a binding contract which I undertake to say will be availed of by many a legislator in presenting bills to this body and to the House of Representatives, which would be based on the theory that the Federal Government as against the State governments has been vested with certain powers under the terms of this treaty, just as it is asserted, in substance, in the various bills to which I have referred, that the Federal Government is vested with such powers under the United Nations Charter.

Mr. President, I very greatly appreciate the courtesy of the Members of the Senate in listening to me at this length this afternoon. I feel very strongly upon this question. I think we have before us a duty of tremendous consequence. I for one want to go on record again here and now, after what I trust has been a reasonably thorough study of the question—at least I think a conscientious study of it—and I do go on record as being opposed to ratification of the North Atlantic Treaty.

### LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, I should like to make one or two inquiries about the pending treaty. I am attempting to ascertain, if I can, how many Senators expect to speak tomorrow, either for the treaty or in opposition.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I may state to the distinguished majority leader that I know of three speeches which are to be made. I cannot say that they will all be made tomorrow. I am quite sure that two of them will be made tomorrow on this side of the aisle. I do not know how long they will take. Two or three Senators

have spoken to me, wondering whether the majority leader plans that the Senate shall take a recess from Friday until Monday, or whether they should attempt to prepare their speeches and get ready for a session on Saturday. I think if the majority leader could give us that information it would be very helpful to Senators who are now preparing to speak.

Mr. LANGER. Mr. President, I wish to speak in opposition to the treaty. I should like to speak on Monday, if that is agreeable.

Mr. LUCAS. It is agreeable to me for the Senator from North Dakota to speak whenever he desires. The only thing I am attempting to do is to inform myself so that I can tell Senators about the program for the week end.

I can say now that it is not planned to have a session of the Senate on Saturday. However, I was hoping that we might continue in session tomorrow a little later than usual. My hope is, in view of the speed with which we are moving in the debate on the North Atlantic Treaty, that there may be a possibility of finishing it on Monday. Perhaps after tomorrow we may look toward a unanimous consent agreement, depending upon how we get along.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I will say to the majority leader that I will be most cooperative in his desires. Now that he has made the announcement that there will be no Saturday session, I feel that very definitely there will be some speeches on Monday. Whether or not we can reach an agreement on Monday setting a time for a vote, I do not know. We can try. I am satisfied that there will be at least two speeches tomorrow, one of which will be quite at length.

Mr. LUCAS. I appreciate the information given by the Senator from Nebraska. A number of important bills are on the calendar, and others will be reported by various committees. I am not attempting to force Senators to speed the pact along, because I realize its great importance. On the other hand, it appears from conversations that we might be able to finish the pact on Monday.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I did not mean to indicate that there was a possibility of a vote on Monday. My statement was that I thought we might look hopefully toward getting a unanimous-consent agreement on Monday, possibly for a vote on Tuesday or Wednesday. I am satisfied that three or four Senators whom the Senate would like to hear would appreciate it if we could continue on Monday, and attempt to get a unanimous-consent agreement at that time. I cannot assure the distinguished majority leader that it can be done even at that time; but I will say to him that I shall cooperate with him to the best of my ability.

Mr. LUCAS. I am sure the Senator will do that. All I am attempting to do at this time is to lay a foundation for the hope that we may be able, either tomorrow or Monday, to get a unanimous-consent agreement for a vote at a definite time. If we could do that, it would be much more satisfactory to Senators, who would then know the exact hour at which the vote upon ratification of the treaty would be had.

Mr. WHERRY. Mr. President, will the Senator yield for another inquiry?

Mr. LUCAS. I yield.

Mr. WHERRY. Now that the distinguished majority leader has discussed the program with respect to the pact, I wonder if he can indicate at this time what will be the next legislation to be taken up at the conclusion of consideration of the pact?

Mr. LUCAS. As I recall, at one of the Policy Committee meetings it was agreed that we would probably take up the reciprocal trade agreements program, although I must confess to my able friend that there is considerable interest in the Senate taking up the minimum-wage bill, in view of the fact that it was unanimously reported by the Committee on Labor and Public Welfare. As I understand, that bill does not seek additional coverage, but merely increases the wage per hour from what it is now to 75 cents. The bill having had the unanimously favorable report of the committee, it was thought by Members on both sides of the aisle with whom I have talked that perhaps we could dispose of it in a short time.

Mr. WHERRY. I thank the majority leader for making that statement, because it indicates what may be taken up when we shall have concluded consideration of the pact.

Mr. LUCAS. I can assure the Senator from Nebraska that we shall have something to do.

### RULES OF PROCEDURE IN DISTRICT COURT FOR TERRITORY OF ALASKA

The PRESIDING OFFICER (Mr. PEPPER in the chair) as in legislative session, laid before the Senate the amendment of the House of Representatives to the bill (S. 70) to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States, which was, on page 2, after line 7, to insert:

SEC. 2. The Supreme Court shall have the power to prescribe, by general rules, the forms of process, writs, pleadings, and motions, and the practice and procedure of the district courts of the United States and of the District Court for the Territory of Alaska in civil actions.

Mr. McCARRAN. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

### PAYMENT OF FEES, EXPENSES, AND COSTS OF JURORS

The PRESIDING OFFICER, as in legislative session, laid before the Senate the amendment of the House of Representatives to the bill (S. 1042) relating to the payment of fees, expenses, and costs of jurors, which was, to strike out line 22, on page 2, down to and including line 2, on page 3.

Mr. McCARRAN. Mr. President, I move that the Senate concur in the House amendment.

Mr. WHERRY. Mr. President, may I inquire what the amendment is?

Mr. McCARRAN. The House amendment makes certain revision as to the fees for jurors, as the bill was passed by the Senate.

Mr. WHERRY. The Senator has moved that the Senate concur in the House amendment?

Mr. McCARRAN. Yes.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

### SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Presiding Officer, as in legislative session, laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 23) favoring the suspension of deportation of certain aliens, which were, on page 2, to strike out line 11, and on page 9, to strike out line 13.

Mr. McCARRAN. I move that the Senate concur in the House amendment.

Mr. WHERRY. Mr. President, may we have an explanation of the amendment?

Mr. McCARRAN. As the Senator will recall, the Senate has been passing a number of concurrent resolutions dealing with suspension of certain deportations. In this case the House adopted the Senate bill with certain eliminations.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

### MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 20. An act to amend the act of August 1, 1947, as amended, to authorize the creation of 10 professional and scientific positions in the headquarters and research stations of the National Advisory Committee for Aeronautics;

H. R. 52. An act for the relief of Nevada County, Calif.;

H. R. 596. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of John E. Parker, his heirs, administrators, or assigns, against the United States;

H. R. 682. An act for the relief of the legal guardian of Elliott Hewitt;

H. R. 703. An act conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of Mrs. Oteein Foxworth;

H. R. 709. An act for the relief of the General Engineering & Dry Dock Corp.

H. R. 709. An act for the relief of the Gentral Bank, a California corporation, as assignee of John C. Williams, an individual operating under the fictitious name and trade style of Central Machine Works, of Oakland, Calif.;

H. R. 1042. An act for the relief of Hoy C. Wong;

H. R. 1116. An act for the relief of Mexican Fibre & Twine Co., Inc.;

H. R. 1131. An act for the relief of James Fred Girdley and Percy Bridgewater;

H. R. 1173. An act for the relief of Florence Bryant Peters and E. B. Peters;

H. R. 1297. An act for the relief of Alvin G. Patton;

H. R. 1470. An act for the relief of the estate of James F. Delahanty, deceased;

H. R. 1496. An act for the relief of Mrs. Thelma Lee Rynaard;

H. R. 1676. An act for the relief of Thomas M. Bates;

H. R. 2349. An act for the relief of Col. Wlodzimierz Onacewsicz;

H. R. 2785. An act to provide for further contributions to the International Children's Emergency Fund;

H. R. 2848. An act for the relief of Leon Nikolaivich Volkov;

H. R. 3017. An act for the relief of Ramon G. Hunter and Arthur Nancett;

H. R. 3077. An act for the relief of Mrs. Rebecca Levy;

H. R. 3151. An act to amend the Federal Food, Drug, and Cosmetic Act of June 25, 1938, as amended, by providing for the certification of batches of drugs composed wholly or partly of any kind of aureomycin, chloramphenicol, and bacitracin, or any derivative thereof;

H. R. 3313. An act for the relief of the estate of the late Manuel Graulau Velez;

H. R. 3320. An act for the relief of Ignacio Colon Cruz;

H. R. 3321. An act for the relief of Gloria Esther Diaz, Lydia Velez, and Gladys Prieto;

H. R. 3323. An act for the relief of the estate of Rafael Rebollo;

H. R. 3680. An act to authorize the Secretary of Agriculture to quitclaim five and one-tenth acres of land in Washington County, Miss., to the Mississippi State College;

H. R. 3717. An act to repeal the act of July 24, 1946, relating to the Swan Island Animal Quarantine Station;

H. R. 3720. An act for the relief of Erwin F. Earl;

H. R. 3812. An act for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts;

H. R. 4252. An act to transfer the trawlers *Alaska* and *Oregon* from the Reconstruction Finance Corporation to the Fish and Wildlife Service;

H. R. 4373. An act for the relief of Ray G. Schneyer and Dorothy J. Schneyer;

H. R. 4559. An act for the relief of Louis Brown;

H. R. 4807. An act for the relief of Robert A. Atlas; and

H. J. Res. 228. Joint resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week.

## THE SITUATION IN HAWAII

As in legislative session.

Mr. KNOWLAND. Mr. President, as in legislative session, on behalf of the Senator from Oregon [Mr. MORSE], the Senator from Washington [Mr. CAIN], the Senator from New York [Mr. IVES], my colleague the senior Senator from California [Mr. DOWNEY], and myself, I ask unanimous consent to introduce for appropriate reference a bill to authorize the President of the United States, under certain conditions, to appoint boards of inquiry with power to make binding recommendations with respect to labor disputes in trade between the continental United States and the Territory of Hawaii, and for other purposes.

There being no objection, the bill (S. 2216) to authorize the President of the United States, under certain conditions, to appoint boards of inquiry with power to make binding recommendations with respect to labor disputes in trade between the continental United States and the Territory of Hawaii, and for other purposes, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. KNOWLAND. Mr. President, this is a brief bill, and I should like to read it into the RECORD at this time:

*Be it enacted, etc.*, That, whenever the President of the United States shall find that there is, or will be, an interruption in ocean transportation service of passengers or freight between the continental United States and the Territory of Hawaii, or in the unloading or loading of freight in such transportation service, because of an actual or threatened strike or work stoppage or for any other reason, if permitted to occur or to continue, imperil the health, safety, or welfare of Hawaii, he is authorized to appoint a Board of Inquiry to hear and determine the facts of the dispute and based upon their findings to make recommendations to him for the settlement of the dispute on its merits. The President may call upon the parties of the dispute to accept as final and binding upon them the recommendations of the Board of Inquiry unless the parties to the dispute reach a collective bargaining agreement amicably settling the dispute.

SEC. 2. Boards of Inquiry established herein to be provided with the usual powers with respect to emergency boards under the Railway Labor Act as to personnel, subpena power and right to sit any place in the United States or the Territory of Hawaii, and with such secretarial and clerical services as are necessary to be furnished by the Department of Labor or the Federal Mediation and Conciliation Service.

SEC. 3. Findings and recommendations of the Board are subject to review by the appropriate Federal Court of Appeals.

SEC. 4. The President may delegate to the Governor of the Territory of Hawaii any right, power, or duty imposed on or exercisable by him under this act. The Governor of the Territory of Hawaii exercising any rights or powers hereunder shall make a full and complete report to the President of any action taken by him in pursuance thereof.

SEC. 5. This act shall expire 180 days from the effective date hereof.

Mr. President, the serious situation in the Hawaiian Islands has continued since the first day of May. There are approximately 540,000 American citizens residents of the islands in the Hawaiian group. The normal working force is more than 180,000. Unemployment at the present time is more than 20,000. It is increasing at the rate of 1,000 a week. There is now permitted only one relief ship every 3 weeks, containing food and medical supplies. The normal requirements of the islands exceeded three ships a week, for the normal supplies of all types needed to support the economy of the islands.

Delegate FARRINGTON has introduced a number of bills, and I understand that he is introducing a bill similar to this in the House of Representatives.

Mr. President, I do not believe that any person or any group of persons should have the right to strangle an American community of 540,000 people, or any other number. Small-business men in the islands are suffering greatly as a result of this strike. Their stocks are becoming depleted. White-collar workers, as well as other workers in the islands, are being laid off because there is not sufficient business, because of the embargo which has been in effect for almost 2½ months. The power to strangle the life of an American community is more power than any responsible man or group of men should want, and it is far more power than any irresponsible man or group of men should be allowed to have.

At his press conference today the President of the United States indicated that although he still felt he had certain inherent powers to deal with national emergencies, yet, as he is reported as stating, if he is correctly quoted, he believes the Hawaiian situation does not constitute a national emergency, as he interprets it. In other words, his concept apparently was that it had to be something that affected, if not all 48 of the States, at least a substantial number of them. When some of the reporters asked the President whether, if a bill on that subject were introduced, he would approve it, apparently the reply was that he was not seeking any additional powers to deal with this problem.

Mr. President, someone must take some responsibility in this regard. This island is being left an orphan out in the Pacific. It is an important bastion of American defense. For a long period of years the people of Hawaii have demonstrated their loyalty as a Territory and as a group who hope that some day they may become a State in the Union. Certainly if the President of the United States does not feel that under existing authority he has power to help meet this problem, then the Congress of the United States has an obligation to give him whatever authority is needed.

I do not claim, on behalf of those who are sponsoring this bill, that it is a perfect solution. I do not say it is a utopian bill. I do not say the Committee on Labor and Public Welfare cannot improve it, or that if it comes to the floor of the Senate it cannot be improved there. But I do say that the time has passed when these people should be left to themselves, as orphans out in the Pacific, with their economy being strangled, with hardship being brought upon a greater number of innocent men, women, and children, upon business and labor alike. It is high time that the Congress of the United States took affirmative action to help relieve that situation.

Mr. MORSE. Mr. President, I wish to commend the Senator from California [Mr. KNOWLAND] for his statesmanship in introducing this bill. His act in this instance is characteristic of his record in the Senate of the United States.

I can say what he might not say, Mr. President, in regard to one item of background in connection with this bill, namely, that the bill is not going to be pleasing either to labor or to management. But I wish to join the Senator from California in pointing out, not only to the Congress of the United States, but to the people of this country, that the time has come when the economic war that is going on in the Hawaiian Islands must stop, from the standpoint of the

human values that are involved, from the standpoint of the people who are suffering as a result of the deadlock which has developed between a powerful union and a powerful employer group.

Mr. President, let me say a word about the criticism which we shall hear about this bill. There will be those who will say, as some telegrams I have already received indicate, that this bill amounts, in fact, to forcing these parties into arbitration. I wish to say that in my judgment the union cannot morally justify a continuation of the strike, with its tremendous costs in terms of the human suffering it is causing; and, likewise, the management in Hawaii cannot justify carrying on this economic attack against the union. It is perfectly obvious to me, Mr. President, that a rule of common sense ought to be applied in that economic war.

What is that rule? It is a submission of the evidence by both sides in support of their respective contentions as to the merits of their positions in that economic struggle. That is the only common-sense way to settle that dispute.

I think the President of the United States has a great obligation to perform in bringing to bear the prestige of his great office upon the parties to that dispute, by asking them to accept a board of arbitration, which this bill authorizes the President to appoint—and we call it a board of inquiry—and submit their case, on its merits, to that board, with the understanding, of course—which I think is clearly implied in the bill—that when the President calls upon them to accept the appointment of a board of inquiry and when it is appointed, work will then proceed, on the part of the longshoremen and the employers, to bring relief to the thousands of citizens in Hawaii who now are suffering great hardships as a result of that economic contest between the employers and the union.

Mr. President, I speak with some experience insofar as concerns the arbitration of maritime disputes involving this very union and involving some of the shipping companies that are involved in this particular struggle. I cannot say with statistical accuracy how many cases involving these parties I have handled, but it is at least two score or more, Mr. President. I wish to say that I am inclined to believe that when the record is made, it will be found that each side, as to some matters, is taking a rather unreasonable position. But let the record speak for itself. The appointment of a group of impartial arbitrators will turn this situation from economic war into a judicial process for the settlement of the dispute; and any party that cannot by a preponderance of the evidence establish the merits of its contentions on a particular issue ought to lose, and I know whereof I speak. If the arbitrators function as private judges, which is the only capacity in which the arbitrators should function, then the record itself will write the decision. I say that rule of reason and that rule of common sense is the rule which should be applied in the Hawaiian dispute; and let us do away with the unreasonable attitude on the part of both parties to the dispute.

Now a word about certain fringe issues, Mr. President, if I may describe them as such, that are involved in this dispute. The employers and great forces in this country that are supporting the employers take the position that what they are confronted with is the leftist political philosophy of one Harry Bridges. I think I have made it clear before—but if I have not, let me try to make it clear now—that I want this RECORD to show that I do not share in any respect the political philosophy of Harry Bridges, because in my opinion Harry Bridges is a leftist; and I have already, in times gone by, defined on the floor of the Senate what I mean by "leftist." There is no liberalism in any leftist, Mr. President, because a leftist fundamentally and ultimately believes in a state economy; and I am satisfied, from his record, from his public pronouncements, that Harry Bridges believes in a state economy. I will have none of it, Mr. President.

But I refuse to let the employers or any group in this country lead us astray as to the issue in the Hawaiian dispute. The issue is not the leadership of that union. The issue is not the political philosophy of Harry Bridges. The issue involves the union's demands for changes in hours, wages, and working conditions. There is no way of getting away from that fact, Mr. President. That is the issue. I have handled arbitration cases where large parts of the west coast have been tied up without a ship moving. The charge in those cases was that the issue was the political philosophy of Harry Bridges. But as the private judge of the parties in those cases—and the record is a written record, and a very clear one—I said, "Let this record present the evidence in respect to the claims of the parties concerning their contentions over hours, wages, and conditions of employment. That is what is before this arbitrator, and I want to say that the attacks upon the union are of no concern to this arbitrator, because this union still has the right under American law to try to obtain in accordance with that law an improvement in the wages and the hours and the working conditions of the members of the union, if it can demonstrate by the evidence that they are entitled to changes in hours, wages, and conditions of employment."

Likewise, in other cases, Mr. President, I have made very clear to Mr. Harry Bridges that his dislike for certain employers in the West Coast Waterfront Employers Association, or for certain policies of those employers that had no bearing whatever upon the collective-bargaining agreement which was before me for interpretation or adjudication, was not going to be made an issue before me in my arbitration courtroom. That is my answer today to those who would try to turn the Hawaiian dispute into an issue either over the leftist policies of Harry Bridges or over the economic policies of the Big Five in Hawaii, separate and distinct from the problem of hours, wages, and conditions of employment involved in this dispute. I would say to the American people and to the people of Hawaii today, let us not lose sight of the fundamental issue that is involved in this dispute, because if we do lose sight of it, then we are going to be guilty of permitting fringe issues, matters that have no connection with the fundamenal dispute itself, to prejudice us and bias our judgment in connection with the solution to this problem.

There are those that are saying that the bill which the distinguished Senator from California has just introduced amounts to compulsory arbitration. It does not. It does not, because it leaves it up to the discretion of the President to call upon the parties after an adjudication on the merits has been held, to accept the recommendations of that arbitration tribunal unless they can amicably settle their differences by collective bargaining. I should be less than honest if I did not point out that in my judgment it is to be expected that after a fair hearing on the record has been held, a request from the President of the United States that the parties bring to an end the suffering caused by the dispute by accepting the decision of his board of inquiry, will necessarily bring great psychological pressure to bear upon the parties to the dispute. I think that should be. I think we should seek that end, so that public opinion can then determine who is in the wrong if either party, after such a fair decision has been rendered, seeks to defy the President of the United States and thereby the Government of the United States. We can then take such steps as we may deem appropriate to end the suffering now existing in Hawaii.

As I have said on other occasions when I have been in the position, as a member of the War Labor Board, that has necessitated handing down a decision against either a defiant employer or a defiant union, if the time ever comes that either an employer or a union in this country believes that its selfish interests should be placed above the welfare of thousands upon thousands of American people, when a fair opportunity for a settlement of their dispute on the merits of the record has been given to them, then I can be counted among those who will always say, "I am for using all the forces at the command of our Government to bring to an end the cause of such suffering."

I say to the shipowners this afternoon and I say to Harry Bridges that if the President of the United States follows the fair procedure set out in the proposal of the Senator from California, and either one of them, after a fair hearing on the merits, takes the position of permitting selfish interests to be placed above the welfare of the thousands of people of Hawaii, the junior Senator from Oregon can then be counted as one who will support at that time using every force of government to bring to justice whichever side it is that believes it has any right to continue to cause the great suffering that is going on in Hawaii today.

And may I say in closing, Mr. President, that this bill has a great advantage in that it provides what I have said so many times is necessary in the handling of labor disputes, an opportunity for each side to save face. That is what

is needed. It gives each side an opportunity to present its case on the merits; then, after the decision, but with work continuing, negotiate through good faith collective bargaining any modification of the decision on which they can agree, thus retaining this principle of voluntarism for which the junior Senator from Oregon has always pleaded in connection with proposed labor legislation. I want to keep as the major premise for the settlement of labor disputes in this country the principle of free collective bargaining, constantly being made available to the parties, but with work continuing. Let there be no doubt, may I say to the parties, in respect to the bill which the Senator from California has introduced, that it is my intention that, if the President follows the course of action which is made available to him under the bill, it should be with the understanding that the workers return to work immediately, and that the operators in turn proceed to operate their ships as they did prior to the dispute. Never would I sit as an arbitrator on the west coast, Mr. President, with a strike gun or a lock-out gun at my head. A judicial process in the settlement of a labor dispute on the merits of the case cannot be carried on with men engaged in a strike. Thus, I had the rule of procedure, "We work first and arbitrate afterwards." On several occasions, Mr. President, in the years I served as the arbitrator for this great industry, I would be sitting in San Francisco, Los Angeles, San Pedro, Seattle, Tacoma, or Port Angeles, conducting an arbitration hearing, and the report would come to me that a strike had occurred some place on the west coast. We immediately stopped the hearing, because my rule was that the judicial process could not proceed in the face of a stoppage.

I always laid down my rule of procedure that we would not make a mockery of the judicial process in the arbitration courtroom. So I say to the President of the United States that I think the bill offered by the Senator from California this afternoon gives him a great opportunity for statesmanship again, to call upon the parties to arbitrate the case before a Presidential board of inquiry, with the understanding, however, that he should make it perfectly clear to the parties that before the arbitration proceeds the employees proceed to work the ships and bring the needed relief for the great suffering which is now going on in the Hawaiian Islands.

I hope, Mr. President, that this brief explanation of my position in regard to the matter will at least be helpful in clarifying what I think is the obvious procedure implied and inherent in this bill which the statesmanship of the Senator from California has caused him to introduce.

Mr. KNOWLAND. Mr. President, I wish to thank the able Senator from Oregon for his remarks. I think he has very clearly stated the issue before the country and the people of the Hawaiian Islands. I think the Senator from Oregon has made it very clear that if, after the process has been established by the power and prestige of the great office of the President of the United States, there is a defiance of law and order and of constituted authority, neither the Congress nor the President of the United States can sit back idly and permit the entire economy of 540,000 Americans in an island possession to grind to a stop and work a great hardship in an area which is part and parcel of the United States of America. I say, Mr. President, that if there is any defiance of the Government of the United States in attempting in a fair and equitable way to bring this difficulty to a halt, I personally, speaking only for myself, believe that the Federal Government should be no less concerned with seeing that the economy of the Hawaiian Islands continues than it has been in seeing that the economy of Berlin continued; and if, ultimately—and I hope it does not come to that—the only way by which 540,000 Americans can be kept from getting into a condition of economic chaos is by establishing a Hawaiian airlift, then, Mr. President, the President of the United States and the Congress of the United States may even have to consider that along with any other steps which may be necessary.

RECESS

Mr. LUCAS. Mr. President, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 53 minutes p. m.) the Senate took a recess until tomorrow, Friday, July 8, 1949, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate July 7 (legislative day of June 2), 1949:

Edward B. Lawson, of the District of Columbia, a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Iceland.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 7 (legislative day of June 2), 1949:

POSTMASTER

NEW YORK

Walter E. Pinski, Holland.

# HOUSE OF REPRESENTATIVES

## THURSDAY, JULY 7, 1949

The House met at 11 o'clock a. m.

The Acting Chaplain, Rev. Jacob S. Payton, D. D., offered the following prayer:

Eternal God, we bow in grateful acknowledgment of remembered mercies. Thanks be unto Thee for this favored land with mountains stored with treasure and valleys rich with the promise of ripening harvests. Because we have read that "a man's life consisteth not in the abundance of the things which he possesseth," guard us from making a false appraisal of the wealth of America.

Aid these Thy servants in their efforts to make the land they love and serve abound in added opportunities for the production of character which ever must rate chief among our national resources. Keep us mindful that America can be improved only as each citizen improves himself spiritually by serving Thee and by keeping Thy commandments.

Grant, O Lord, that through Members of this body truth and righteousness may be made manifest this day. We offer our prayer in the name of Jesus our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 20. An act to amend the act of August 1, 1947, as amended, to authorize the creation of 10 professional and scientific positions in the headquarters and research stations of the National Advisory Committee for Aeronautics;

H. R. 52. An act for the relief of Nevada County, Calif.;

H. R. 596. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of John E. Parker, his heirs, administrators, or assigns, against the United States;

H. R. 682. An act for the relief of the legal guardian of Elliott Hewitt;

H. R. 703. An act conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of Mrs. Oteen Foxworth;

H. R. 709. An act for the relief of the General Engineering & Dry Dock Corp.;

H. R. 1009. An act for the relief of the Central Bank, a California corporation, as assignee of John C. Williams, an individual operating under the fictitious name and trade style of Central Machine Works, of Oakland, Calif.;

H. R. 1042. An act for the relief of Hoy C. Wong;

H. R. 1116. An act for the relief of Mexican Fibre & Twine Co., Inc.;

H. R. 1131. An act for the relief of James Fred Girdley and Percy Bridgewater;

H. R. 1173. An act for the relief of Florence Bryant Peters and E. B. Peters;

H. R. 1297. An act for the relief of Alvin G. Patton;

H. R. 1470. An act for the relief of the estate of James F. Delahanty, deceased;

H. R. 1496. An act for the relief of Mrs. Thelma Lee Rynaard;

H. R. 1676. An act for the relief of Thomas M. Bates;

H. R. 2349. An act for the relief of Col. Wlodzimierz Onacewicz;

H. R. 2848. An act for the relief of Leon Nikolaivich Volkov;

H. R. 3017. An act for the relief of Ramon G. Hunter and Arthur Nancett;

H. R. 3077. An act for the relief of Mrs. Rebecca Levy;

H. R. 3151. An act to amend the Federal Food, Drug, and Cosmetic Act of June 25, 1938, as amended, by providing for the certification of batches of drugs composed wholly or partly of any kind of aureomycin, chloramphenicol, and bacitracin, or any derivative thereof;

H. R. 3313. An act for the relief of the estate of the late Manuel Graulau Vélez;

H. R. 3320. An act for the relief of Ignacio Colón Cruz;

H. R. 3321. An act for the relief of Gloria Esther Diaz, Lydia Velez, and Gladys Prieto;

H. R. 3323. An act for the relief of the estate of Rafael Rebollo;

H. R. 3680. An act to authorize the Secretary of Agriculture to quitclaim 5.1 acres of land in Washington County, Miss., to the Mississippi State College;

H. R. 3717. An act to repeal the act of July 24, 1946, relating to the Swan Island Animal Quarantine Station;

H. R. 3720. An act for the relief of Erwin F. Earl;

H. R. 3812. An act for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts;

H. R. 4252. An act to transfer the trawlers *Alaska* and *Oregon* from the Reconstruction Finance Corporation to the Fish and Wildlife Service;

H. R. 4373. An act for the relief of Ray G. Schneyer and Dorothy J. Schneyer;

H. R. 4559. An act for the relief of Louis Brown;

H. R. 4807. An act for the relief of Robert A. Atlas; and

H. J. Res. 228. Joint resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 578. An act for the relief of Carlton C. Grant and others;

H. R. 599. An act for the relief of Victor R. Browning & Co., Inc.;

H. R. 623. An act for the relief of Sadako Takagi;

H. R. 2021. An act to provide increased pensions for widows and children of deceased members and retired members of the Police Department and the Fire Department of the District of Columbia;

H. R. 2104. An act relating to orders to banks doing business in the District of Columbia to stop payment on negotiable instruments payable from deposits in, or payable at, such banks;

H. R. 3127. An act to authorize the admission into the United States of Jacob Gross, a minor;

H. R. 3901. An act to increase the salaries of the judges of the Municipal Court of Appeals for the District of Columbia and the municipal court for the District of Columbia;

H. R. 3982. An act to authorize the Secretary of Agriculture to sell certain lands to the Sisters of St. Joseph in Arizona, Inc., of Tucson, Ariz., to consolidate the desert laboratory experimental area of the Southwestern forest and range experiment station, and for other purposes;

H. R. 4381. An act to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes; and

H. J. Res. 33. Joint resolution providing for the ratification by Congress of a contract for the purchase of certain Indian lands by the United States from the Three Affiliated Tribes of Fort Berthold Reservation, N. Dak., and for other related purposes.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 111. An act for the relief of Mrs. Pearl Okada Pape;

S. 317. An act for the relief of Margita Kofler;

S. 330. An act for the relief of George Gabriel Herrmann, Greta (Marketa) Herrmann (wife), and Alice Herrmann (daughter), known also as George Gabriel Herman, Greta Herman, and Alice Herman;

S. 377. An act for the relief of Ernest J. Jenkins;

S. 507. An act for the relief of Mrs. Lorraine Malone;

S. 520. An act to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands;

S. 563. An act for the relief of P. S. Cook Co.;

S. 780. An act to authorize the Secretary of the Navy to review the records of commissioned naval officers who failed of advancement during the war, and for other purposes;

S. 784. An act for the relief of the First, Second, and Third National Steamship Cos.;

S. 863. An act authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco;

S. 905. An act for the relief of John Sewen;

S. 976. An act for the relief of Vartan Chamsarian;

S. 1069. An act to amend section 3552 of the Revised Statutes relating to the covering into the Treasury of all moneys arising from charges and deductions;

S. 1250. An act to amend the Institute of Inter-American Affairs Act, approved August 5, 1947;

S. 1323. An act to declare that the United States holds certain lands in trust for the Pueblo Indians and the Canoncita Navajo group in New Mexico, and for other purposes;

S. 1330. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.;

S. 1361. An act to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land;

S. 1394. An act for the relief of Monroe Kelly, rear admiral, United States Navy, retired;

S. 1407. An act to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes;

S. 1440. An act to amend section 4 of the Civil Service Retirement Act of May 29, 1930, as amended, so as to decrease the amount of reduction in the annuities of retired employees who elect to provide survivors' annuities for their widows;

S. 1647. An act to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533);

S. 1859. An act to transfer from the Administrator of Veterans' Affairs to the Attorney General of the United States for the use of the Bureau of Prisons, a certain tract of land located at Chillicothe, Ohio;

S. 1918. An act to authorize the Commissioners of the District of Columbia to appoint contracting officers to make contracts in amounts not exceeding $3,000;

S. 1924. An act for the relief of the estate of William Walter See;

S. 1962. An act to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

S. 1990. An act to amend section 429, Revised Statutes, as amended, and the act of August 5, 1882, as amended, so as to substitute for the requirement that detailed annual reports be made to the Congress concerning the proceeds of all sales of condemned naval material a requirement that information as to such proceeds be filed with the Committees on Armed Services in the Congress;

S. 2086. An act transferring management of certain public lands from the Agriculture Department to the Fort Sill Indian School in Oklahoma for agriculture uses;

S. 2115. An act to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes;

S. Con. Res. 17. Concurrent resolution providing for expansion and intensification of public health research on the family aspects of chronic illness; and

S. Con. Res. 48. Concurrent resolution favoring the suspension of deportation of certain aliens.

## EXTENSION OF REMARKS

Mr. PASSMAN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. AUGUST H. ANDRESEN asked and was given permission to extend his remarks in the RECORD and include a speech.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include an editorial, and further to revise and extend the remarks he expects to make in Committee of the Whole today and include extraneous matter.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. BOGGS of Delaware asked and was given permission to extend his remarks in the RECORD and include an address.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD in two instances and include in each a newspaper article.

Mr. WERDEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article appearing in the San Francisco Chronicle. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $225, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. HAND asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. LOVRE asked and was given permission to extend his remarks in the RECORD and include an address delivered by his colleague, Hon. DONALD L. JACKSON.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Bristol Courier.

Mr. BURDICK asked and was given permission to extend his remarks in the RECORD and include data by the National Farmers Union.

Mr. SIMS asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

## REPEAL RETAIL EXCISE TAXES NOW

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, I have initiated a petition, No. 6, to discharge the Committee on Ways and Means from further consideration of my bill H. R. 2324 in order to bring it before the House

for consideration. The bill repeals the wartime excise taxes upon retail sales of furs, jewelry, cosmetics, and luggage. I urge the Members to sign this petition.

These taxes were never intended for the purpose of raising revenue. As a matter of fact for the fiscal year ending June 30, 1948, these taxes brought to the United States Treasury only $447,000,000. Figures are not yet available for the fiscal year ending June 30, 1949, but for the 11-month period ending May 31, 1949, the aggregate was less than $416,000,000.

These taxes were imposed during the war in order to restrict consumer purchases of these items and in order to keep the basic raw materials, which were then in short supply, primarily available for war use. Neither reason for continuing these taxes exists any longer. None of the materials going into these items is in short supply. Everyone must agree that the time for restricting retail purchases of those items has long since past. Those industries now need incentives and inducements to consumers in order to keep their sales up. All of these industries are suffering from consumer resistance with resultant increase in unemployment in all of those fields beginning with the production of basic raw materials and continuing right on down through each successive step of manufacture and wholesaling of the component parts as well as retailing of the finished product. The repeal of these taxes will result in increased revenue to the Federal Treasury because it is estimated that the less than one-half billion dollars released from tax collections into consumer purchases will result in an aggregate of four to five billion dollars in over-all sales, increasing income and profits taxes. It will also bring about a general improvement in all of these trades with the benefits that necessarily accrue to the general economy therefrom.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[Mr. McCORMACK addressed the House. His remarks appear in the Appendix.]

APPLICATION OF THE FEDERAL TRADE COMMISSION ACT AND THE CLAYTON ACT

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 1008, with Mr. MAHON in the chair.

The Clerk read the title of the bill.

Mr. MAHON. When the Committee rose on yesterday, the gentleman from New York [Mr. CELLER] had 1 hour and 15 minutes remaining and the gentleman from Michigan [Mr. MICHENER] had 1 hour and 6 minutes remaining.

Mr. CELLER. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, this bill, S. 1008, I reiterate, is a very dangerous bill. Now, take one commodity as an example. You take cement. Cement is an important cost factor in the building of roads, highways, streets, sidewalks, improvements on the farm, schoolhouses, homes, and commercial buildings. Cement represents a large part of the cost.

I cannot conceive of the Congress passing a bill the result of which will be to give the Cement Trust the opportunity to absolutely fix their own prices and charge the consuming public any prices that they desire.

GRADES OF CEMENT ABOLISHED

There are different grades of cement. There is a big difference in the quality of cement. Notwithstanding the big difference in the grades of cement, the Cement Trust has abolished all grades in order to fix the price. You pay the same price for cement that is made out of sandstone, just common old rock, that you pay for cement that is made out of the best limestone. Do not forget that. That is only possible by reason of a trust, a monopoly. If you vote for this bill you are voting to recognize and legalize monopolistic price fixing of cement.

You can ask me the question, Where is there anything in the bill that will justify your saying that? I will tell you where it is. On page 2, line 8, appear these words:

*And provided further*, That it shall not be an unlawful discrimination in price for a seller, acting independently—

Do not forget that phrase "acting independently." I am coming back to it—

to quote or sell at delivered prices if such prices are identical at different delivery points.

Note that the bill says identical prices if they are acting independently. The Cement Trust for 25 years have fixed their own prices. They have the most elaborate system of price fixing on earth. They use it down to the one-millionth of a cent. They have been exactly the same all over this Nation. They are broken up now, and have been for over a year, and they are having to bid against each other. They do not like that at all. They want to go back to the identical bidding.

UNCONVERSATIONAL UNDERSTANDINGS

You have the phrase "identical prices" in here. When you pass this bill, they will go right back to it. Will they have any understanding? No. They will have what is known in business and industry as "unconversational understandings." There will be no writings, there will be no telephone calls, there will be no telegrams, there will not be a nod or wink or anything to indicate one to the other as to what they are going to do. They do not have to do it. It is already set up. When they go back to making the identical prices, the Federal Trade Commission comes in and says, "You are guilty under this law of fixing prices." They will say, "No; Congress exonerated us. Congress said if we act independently we are not guilty because of identical prices. We are not guilty, as we are acting independently."

They are acting independently. They are probably telling you the truth in such a case as cement. They will go back and they will act independently. There will be no way on earth to prove it.

ICKES' STATEMENT IMPORTANT

I hope you will do me the favor of turning to the CONGRESSIONAL RECORD of yesterday and note the statement in there by Mr. Ickes. He was subpenaed to appear before the Wheeler committee in the Senate in 1936 on identical bids that were made to the Government. He outlined a large number of different industries that always submitted exactly the same bids all of them the same. There has never been an investigation made by a governmental agency that did not condemn the basing-point system, and especially when used to fix prices and create a monopoly. There has never been an investigation made by the Department of Justice or the Federal Trade Commission that did not condemn the basing-point system.

It is, so the Supreme Court of the United States says, a handy instrument for monopoly.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. KEATING. If what the gentleman says is accurate regarding the Department of Justice, why is it that the representative of the Antitrust Division of the Department of Justice has testified in favor of this measure?

Mr. PATMAN. That is very easy to answer. I am glad the gentleman asked that question. The Department of Justice enforces the Sherman Act. The Federal Trade Commission enforces the Clayton Act, as amended in 1936, and the Federal Trade Commission Act. It should not cause any embarrassment for a member of the Department of Justice to recommend that something be done to a rival organization. You know that this amends the Federal Trade Commission Act and restricts the Federal Trade Commission. I doubt if the Department of Justice now, as it has in the past, would look with too much disfavor upon the Federal Trade Commission being abolished entirely.

Mr. KEATING. Mr. Chairman, will the gentleman yield further?

Mr. PATMAN. I yield.

Mr. KEATING. As I understand it the Federal Trade Commissioners also have testified in favor of this measure.

Mr. PATMAN. Well, now, that is where your committee was wrong in not having hearings. If that is true, and I know it is true, I must say that they have testified other ways, too. When this thing first commenced in the Senate in

June 1948 every one of the Commissioners was against it, and said that this bill was not necessary and not desirable and that it will confuse rather than clarify the issue. That is what they said in 1948. Mr. Bergson said the same thing, and I can quote his exact language. But all at once after all these people were against it, for some unknown reason, to me, there have been some about-faces. I do not understand why that should be, and there is where the committee could have had every one of those fellows before them. They could have had these different people before the committee and asked them questions. Then the hearings would be printed and would be available to the Members.

NO HEARINGS AVAILABLE

Right now, Members of the House, you know that there are no hearings on this bill. Ask a page to give you the hearings; you cannot get them. They are not available—even the short hearings which they had have not even been printed. And when the small-business group was knocking at the door of the Committee on the Judiciary, clamoring and begging for an opportunity to be heard in opposition to this vicious proposal, they said, "No, we do not want any witnesses against it."

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WALTER. I want to set the record straight on that point now. Some few days ago one of our colleagues inserted in the RECORD a letter from a representative from some one of these alleged small-business groups, in which he stated that he had requested a hearing and I had refused to grant it.

A very careful examination of the files of the Committee on the Judiciary, and my own files, discloses that that is not the truth.

Now, as to the official position of the Federal Trade Commission, I want to call to the attention of the members of this committee the letter of June 9, 1949, over the signature of Mr. Davis, who was then the Acting Chairman of the Commission, in which he states:

> It appears there is some misunderstanding of the Commission's position in this matter. Therefore, the Commission has approved the following statement of its views—

It requests that the statement be inserted in the RECORD—

> The Commission does not object to the bill with the principle of the Kefauver amendments included therein, nor does it make elimination of these amendments a condition of its approval.

Now, Mr. Chairman, that comes from the Chairman of the Federal Trade Commission stating the official position of the Federal Trade Commission.

Mr. PATMAN. In 1948 they did. That is why I cannot understand the Commission. In 1948 they were against it and I can quote you the testimony.

Mr. WALTER. They were against a different bill. They were against the moratorium bill; not against the bill that I introduced or the O'Mahoney bill or the Johnson bill.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. EVINS. The statement which the gentleman read said, "We are not opposing certain amendments." The statement did not say, "We are favoring the bill." The Commissioner on yesterday told me that the majority membership of the Commission is not favoring the passage of this bill. They merely said they are not opposing certain amendments.

Mr. WALTER. Now that is not what this statement contains. If the gentleman will yield further——

Mr. PATMAN. I do not have very much time. I want to use what little time I have to the best advantage. I do not yield now. I want to read what Commissioner Davis said on June 2, 1948, before the Capehart committee:

> I respectfully recommend against the enactment of legislation which would legalize the basing-point system or any other device which is used to restrain competition. Such legislation, if enacted into law, would undoubtedly weaken the enforcement of the antitrust law.

Others members made similar statements. That was in 1948. All of them were against it, but for some reason, in 1949, there is an entirely different picture. That is the part I cannot understand.

I was asking the gentleman from Michigan [Mr. MICHENER] to yield me some time, but he will not yield me any time.

Mr. MICHENER. Well, now, I did not refuse to yield the gentleman any time. I told him frankly that all the time I had was taken. No one is trying to prevent the gentleman from speaking. He has been talking about this for 3 weeks already.

Mr. PATMAN. Now, do not take up all of my time. I cannot yield any further.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield for a question, notwithstanding the fact that your side will not yield any time to the opposition to this bill.

Mr. O'HARA of Minnesota. While you are protesting that I could have asked the question. My question is simply this: I am troubled about this bill. Will the gentleman tell me what this bill does that affects the status quo that existed prior to the Cement case decision?

Mr. PATMAN. It legalizes the basing point. It will reestablish the Pittsburgh-plus, which was so repulsive that it was outlawed in 1924. It will take the heart out of the Robinson-Patman Act. That is what it will do.

R.-P. ACT OF 1936

In 1936 a law was passed, passed by this House with 290 votes for and 16 votes against. Why? The committee had disclosed that certain big corporate chains, like the A & P were getting special discounts that your local merchants did not get under similar circumstances. The A & P Co. had received $8,000,000 in a year from certain manufacturers as special discounts that your merchants did not get any part of. That was so repulsive to Congress that Congress passed a law known as the Robinson-Patman Act, to correct that and give the local merchants an equal break.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. EVINS. Does not the gentleman feel that the writing of this additional language would make the situation more complicated and more confusing, and would not clarify the situation but make it more difficult and bring about a reversal of the body of antitrust law that has been built up over a period of many years?

Mr. PATMAN. That is exactly right. There is no confusion in this except manufactured confusion. Remember that. The confusion is manufactured. Why is it manufactured?

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. PATMAN. Will the gentleman from New York yield me 15 additional minutes?

Mr. CELLER. No. I yield the gentleman 5 minutes.

Mr. PATMAN. Well, I do not think that is fair. I voted for the rule with the understanding that we would have a fair break on time.

Mr. CELLER. Other members of the committee are asking for time. What am I going to do?

Mr. PATMAN. I am opposing this. You had no hearings on it.

I grant that this might happen in Russia where they have a dictatorship, or it could have happened under Hitler or under Mussolini, but I am surprised that here in the U. S. A., the United States of America, that the gentleman would try to force a bill of this magnitude through the House of Representatives and through Congress without any public and printed hearings. Then, when we come to discussing it, the committee that is in favor of the bill has 3 hours, and I am given but 20 minutes in which to oppose it. I do not consider that fair, especially coming from the gentleman from New York who fought that bill in 1936. He said then "that any lawyer worth his salt would have to say that the bill was unconstitutional, that the bill would not be enforceable." He said that respecting the Robinson-Patman Act. He fought it as vigorously then as he is fighting it today. He, one of 16. There were 290 against him. The Supreme Court has ruled it constitutional; it has been enforceable.

Now the gentleman comes here as chairman of the committee and will not give me a fair opportunity and a fair chance to defend my position in opposition to this bill. He is the chairman of the committee. He has always opposed this law to help small business. I do not think that is right, and I do not think the Members of this House consider it is right. I think you ought to vote to recommit this bill; send it back to the Committee on the Judiciary with instructions to hold full and complete hearings; bring in the printed record, and if this bill is justified, then we could vote in favor of it.

MANUFACTURED CONFUSION

I repeat that there is confusion, but the confusion is manufactured, manufactured for the purpose of using it as a vehicle to get monopolistic rights and privileges which they would never get otherwise.

This will not only restore the Pittsburgh-plus under the identical pricing—that is Pittsburgh-plus—but it will establish price fixing for all these monopolistic industries. You are giving them the power to fix prices without any person on earth having the power to regulate their prices, to make sure that their prices are fair. We have boards and commissions to say in the case of railroads and utilities that they cannot charge too much, but here you have unlimited power given to these trusts to charge any price that they want to with no power on earth to regulate those prices or hold them down and keep them from being unreasonable. That is going much further than I can conceive of an American Congress or anybody in authority going when they know all the facts.

NOT AMERICAN WAY TO LEGISLATE

I know that many of you are confused on this and yet wish to follow the committee; you want to follow the committee. But I say to you that the committee owes us the duty of holding hearings and bringing those hearings back in here so we will know what every word, and every phrase, and every sentence of every paragraph means. They have not done that. That is not the American way of enacting laws. We are proud of this Congress; we are proud of the American form of government; it is the finest and the greatest Government on the face of the earth. But you are not doing anything to recommend and commend this type of government when you try to force through and run through and compel the enactment of a bill of this nature and this importance without printed hearings, without the hearing of witnesses. Several months ago, to show you how this committee works things out under the chairmanship of the gentleman who opposed the Robinson-Patman Act to push this bill through, he induced his committee to report it out. His committee reported out the moratorium bill which was just as bad except it was not permanent law, and they did not have one line of hearings or one word of testimony. Then they applied for a rule, and I went before the Committee on Rules and persuaded them not to give them the rule on a bill of such importance where there was no testimony of any kind heard whatsoever, and the Rules Committee held it up. But when this bill comes over from the Senate and goes to the House Committee on the Judiciary, no regular hearings were held, none. Senator O'MAHONEY was heard briefly in support of it; Mr. Bergson was heard as being willing for the Federal Trade Commission to be deprived of more power, and then they reported it out. That is all there was.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. CELLER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield for a brief question?

Mr. PATMAN. I yield for a question, but make it brief.

Mr. FEIGHAN. I will make it brief.

I wish the gentleman as minutely and briefly as possible would take the sections of this bill and explain the grounds for the bill's doing what the gentleman claims it is going to do.

Mr. PATMAN. I cannot say it in 5 minutes. You know, they have 3 hours time.

Mr. FEIGHAN. The gentleman has been asked questions and he has never attempted to answer them.

Mr. PATMAN. The gentleman is mistaken. If he will read what I said he will find I covered it 100 percent. Read the RECORD of this morning. Take your RECORD and look at it.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Arkansas.

Mr. TACKETT. I read those figures and, honestly, I am trying to determine what is right and what is wrong so far as this bill is concerned. We have been talking about generalities. Is there any way in the world that the gentleman can tell us what is in this bill that does repeal the Robinson-Patman Act?

Mr. PATMAN. All right. This bill says, and the law will say if you enact this bill, that identical prices are legalized. That is No. 1. That legalizes your Pittsburgh-plus system. That was an identical price proposition. This legalizes it.

Mr. WALTER. Mr. Chairman, will the gentleman yield at that point?

Mr. PATMAN. I yield to the gentleman from Pennsylvania?

Mr. WALTER. The gentleman has on three or four occasions said it would legalize the Pittsburgh-plus system. That is not the fact.

Mr. PATMAN. The lawyers who tried the Pittsburgh-plus case said it would restore the Pittsburgh-plus system, and the gentleman's committee would not hear them.

Mr. WALTER. We heard six witnesses.

Mr. PATMAN. The committee never heard from those who tried the case.

Mr. WALTER. Let me tell the gentleman that in the Pittsburgh-plus case there was another very important factor and that was the conspiracy to fix prices. Under this bill it is a case of acting independently.

BURDEN OF PROOF CHANGED

Mr. PATMAN. Yes; that is right, acting independently. That sounds mighty good. But when they all have the same price all the time, you cannot prove they have not acted independently. You have said here it is all right, it is legal to have identical prices, but you cannot prove they have acted in a conspiracy because you have changed the burden of proof in this bill. That is what you are doing. Under the present law you can show identical prices as evidence and that makes a prima facie case. But here you are changing the burden of proof in this bill. Then when they do exactly the same thing you have no evidence of conspiracy. It will be impossible to prove conspiracy.

This is a bill for monopoly, it is a bill for trusts, it is a price-fixing bill and it is a bill that will destroy your home merchants unless you put this Kefauver amendment back in on page 2, lines 17, 18 and 19.

It says there:

B. To absorb freight to meet the equally low price of a competitor in good faith.

Now, here is the language that is stricken out and that would help your local merchants a little bit, not too much but help them some:

(except where the effect of such absorption of freight will be to substantially lessen competition).

Is that fair? That makes it fair to create a monopoly, too.

Are you in favor of saying they can fix prices that will lessen competition, that will create a monopoly? You will have to say that if you are going to vote against this Kefauver amendment.

KEFAUVER AMENDMENT

So the first test, I presume, will be when this bill is read section by section. The first fight will be on the so-called Kefauver amendment. The committee will probably offer the amendment to strike that language and we will vote on whether or not we will keep the Kefauver amendment in or take it out. I do not see how anyone who has the interest of small business and the independent merchants at heart and the private enterprise system can refuse to vote for the Kefauver amendment. It is fair, it is reasonable, and it is the only protection that the independent merchants of this country have in this bill.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. JAVITS. Will the restoration of the Kefauver amendment make this statute, in the gentleman's opinion, conform to the intent of the Robinson-Patman Act?

Mr. PATMAN. Not clearly. It should have other language in there, but it will be a step in that direction. Members say they do not want to do anything against the Robinson-Patman Act, but they are following the leadership of the chairman of this committee who was and is the most vigorous opponent of the Robinson-Patman Act. He was one of the 16 opponents from the beginning to end, but on a vote in the House of Representatives, after the gentleman had led the opposition fight, he received 16 votes on his side and we received 290. Now he has the ball, he is trying to run through the House with a bill that will undo what he tried to do in 1936. I do not see how any friend of independent, private enterprise can vote for this bill, and I hope you will defeat it, but I hope, first, you will vote for the Kefauver amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MICHENER. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I introduced House Concurrent Resolution 93 which provides:

That it is the sense of the Congress that refunds of premiums, amounting to approximately $2,800,000,000, on national service life-insurance policies, due to veterans of World War II by reason of overcharges assessed against them when they purchased such policies, be paid by the Veterans' Administration not later than October 15, 1949.

Several of our colleagues have introduced similar legislation in an endeavor to secure prompt action on the repayment to veterans for overcharges on veterans' insurance. This matter has been dragging along not only for months but for years and the Government is still making promises that payments will be made but the payments are not forthcoming. Satisfactory reasons have not been given for the dilatory tactics in returning to the veterans these overcharges for insurance. With the depression on us and thousands of veterans being on the unemployment rolls these payments are urgently needed and should be paid without further delay.

These payments are not dividends. They are overcharges made by the Government against servicemen and if a private insurance company should treat its policyholders in like manner they would be called on the carpet pronto by Federal officials. There is a feeling in Washington that the administration is deliberately withholding the money until near the 1950 election so that the payment may be used for political purposes. I do not know whether there is any truth in this contention but I certainly hope there is not. The only way the Government has to show its good faith and successfully meet this charge is to make the payments now and not wait until 1950, an election year.

No one will deny that it is a stupendous task to make these millions of refunds, many of them small. However, the Veterans' Administration has had the problem in hand for months and years and there would seem to be no sound reason why it should not, long before this, have ironed out the difficulties and started payments.

Unfortunately there has been much criticism lodged against the administration of the veterans' affairs. Much of it is unjustified but there is considerable merit in many of the charges. In an article in the Reader's Digest for March 1949, by Charles Stevenson entitled "How Bureaucracy Swindles the Taxpayer," many of the complaints against the Veterans' Administration are discussed. For instance Mr. Stevenson states that on June 30 there were 27,000 GI's who had paid to convert their wartime insurance to straight life whose applications had not been processed and that frequently the processing so lagged that premiums became in default and policies actually lapsed without the veterans knowing it. On the other hand many accounts were marked "lapsed" where the premiums had been paid months ahead and that more than 268,000 veterans had sent in their premium payments and their accounts had not been credited and in fact the basic records covering 167,289 cases could not be found in the VA files.

Mr. Stevenson also called attention to the case of John S. Power, a Government economist killed accidentally in line of duty January 6, 1948, leaving his widow a $10,000 policy. She and her three children were thrown on the charity of her friends because she could not secure an adjustment of the policy through the Administration's bureaucratic maze. After 11 months following the death of her husband she still had been unable to collect any part of the insurance. In the meantime the Veterans' Administration continued to mail monthly bills demanding payment of the premiums as though the insured were still alive. The Veterans' Administration is spending over $6,000,000,000 a year, about 15 percent of the entire Federal budget.

I include this full article as a part of my remarks, with the statement, however, that I have not had an opportunity to secure verification of the contentions made by Mr. Stevenson, but I do know from my congressional experience in Washington that thousands of complaints are coming from GI's having to do with similar problems.

The article follows:

HOW BUREAUCRACY SWINDLES THE TAXPAYER

(By Charles Stevenson)

The inefficiency of the Veterans' Administration is a national disgrace and is sure to become a national scandal when the facts become widely known.

Its records are inaccurate; thousands of veterans' papers have been lost or destroyed; many insurance-premium collections are hopelessly muddled. Thousands of veterans or their widows are forced to wait and wait for money due them; on the other hand, other veterans have been paid nearly $50,000,000 more than they were entitled to.

Gen. Omar Bradley, who did so much to better the medical service of the Veterans' Administration was unable to make a dent in the imperturbable bureaucracy of other divisions. Carl R. Gray, Jr., his successor, a distinguished railroad executive, accustomed to directing big organizations, also finds the going difficult. Many capable and enthusiastic men General Bradley brought into the Administration became discouraged and have left.

Proof of these charges is to be found in reports made by the House Appropriations Committee, in testimony by Veterans' Administration officials themselves and, most recently, in reports made to the Hoover Commission on Organization of the Executive Branch of the Government. That Commission put Franklin O'Olier, retired president of the Prudential Insurance Co. and first commander of the American Legion, in charge of an investigation of the Veterans' Administration by professional management engineers from the Trundle Engineering Co. The Trundle task force spent 6 months in the Veterans' Administration offices and then turned in a shocking report.

The Veterans' Administration spends $6,000,000,000 a year, 15 percent of the entire Federal budget. More than 200,000 employees—1 out of every 6 on the Government pay roll—work for it directly. The agency fans out from Washington into 13 huge branch offices where the unwieldy central organization is largely duplicated, and from these into 70 big regional offices and 539 local offices with more duplication.

The VA directly touches the lives of 20,000,000 veterans. It handles more than seven million life-insurance policies valued at more than 43 billion dollars. The $436,000,000 collected annually in premiums is the veterans' own money. They are entitled to as good service as they would get from a private insurance concern. Yet the Trundle investigators found that the 17,000 employes in this VA division fail to keep the veterans' records accurately. They misfile premium payments. They write to the veterans in language which even the writers do not comprehend. They bill veterans for premiums after their policies have lapsed.

A checkup last June 30 showed that the policies of 27,000 men, who had paid to convert their wartime term insurance to straight life, had not been processed. Frequently this processing so lags that premiums become in default; sometimes the policies actually lapse without the veteran knowing it, if he waits for a bill. It takes time to revive such a lapsed policy and if the veteran dies during this period his widow may collect no insurance. More than half of VA conversions have been unnecessarily delayed and a quarter have been mishandled. Yet VA employes handle only 12 conversions a day whereas clerks for the Prudential Insurance Co., for example, clear 32 on the average.

Spot checks disclosed that a veteran's monthly premium often was credited to another person. One employee habitually did this because, she said, climbing a ladder to reach the proper record cards made her dizzy. Accounts were marked "lapsed" where premiums had been paid for months ahead. More than 268,000 veterans who had sent in their premium payments had not had their accounts credited. The employees were 17 days behind in this bookkeeping. But many of these payments probably never would be credited; the basic records covering 167,289 cases could not be found.

Some of these records disappeared in the VA's postwar expansion when insurance operations were dispersed to 13 branch offices. Some records went into the trash or were thrown into toilets because employees were irritated at the moving task. When a veteran moves to a different branch jurisdiction, the VA insists upon sending his records after him. With these documents being sent continually around the country and with clerks filing these in the wrong indexes, still more of them are being lost.

John S. Power, a Government economist killed accidentally in line of duty January 6, 1948, left his widow a $10,000 policy. Mrs. Power knows her way through most of Washington's red tape, for she had worked for the State Department and has influential friends in Washington. Yet she and her three children were thrown on the charity of her friends because neither she nor they could work their way through the VA's bureaucratic maze. Nearly 11 months after her husband's death she still had been unable to collect a dime on the insurance. VA continued to mail monthly bills demanding payments of premiums just as if Mr. Power were still alive. The widow's plight eventually came to the attention of President Truman, through an article in the Washington Post. He personally interceded.

A sample check of the time consumed in clearing 85 death claims in one office disclosed a routine that would require 42 days for form-filling by the beneficiary and 73 days of processing by the VA—115 days in all on the average—before a payment would be made! Most insurance companies settle claims within 15 days. Investigators found that one private insurance company with fewer employes than VA has in a comparable office handled seven times as many policies, twice as many premium notices, six times as many address changes, eight times as many changes in beneficiaries and 12 times as many death claims.

Officials were proud that by this year they had managed to reduce the backlog of conversion cases by a third—to 17,600—and of the increased payments by a fourth—to 202,000. But in the same time the veterans awaiting reinstatement of their policies rose from 13,000 to more than 24,000. And the veterans awaiting insurance refunds due them increased from 5,000 to 228,000, throwing this work 2 months behind.

But most depressing was a backlog of more than 6,000 insurance death claims. With the office which handles these settling them in November at the rate of but 355 more per month than the number of new cases being received, it will require 18 months to catch up.

The causes of this woe which afflicts the entire gigantic agency are basic in VA personnel and management. Many employees are so supported by political sponsors whom VA does not want to displease that they are above ordinary administrative authority. And, as in any socialized insurance venture, many of the clients have not the slightest conception of their own responsibilities. Checks arrive without proper identification, without even notation as to what they are for. A mother will send in money with a message such as "Please put this to my son's account—Mrs. Smith," with the New York postmark the only clue as to who is who.

VA must handle its every procedure in strict accordance with a variety of rules and regulations and laws, whereas private business ventures need only remain within the law. Because public money is involved, officials must go through elaborate procedures to prevent cheating or go to jail for losses which businessmen would charge off rather than become involved in red tape.

Some 24 veterans' organizations are officially recognized as having the right to represent individual veterans who have business with VA. Approximately 3,600 of these representatives have space in VA offices, sometimes doing business on a basis which enables favors to be repaid with favors. There are instances where these representatives actually are permitted to screen the cases to be handled by the VA officials.

The veterans' organizations had so infiltrated the personnel that, in March 1947, VA had to circularize its employees, forbidding them to become officers of organizations recognized in presentation of claims. Scant heed has been paid to the order. The ranks of VA contact officers, adjudicators, and training specialists have been found to be stuffed with elected officers of local posts who thus are in a position to favor their own organization's clients.

Civil-service rules make it difficult to discharge a VA employee for incompetence. Consider the case of John Doe who, when his supervisor could abide him no longer, had to be formally "accused" of "conduct unbecoming a Government employee." That was May 1945. For 2 months thereafter the boss, not the employee, was on the hot seat while a VA committee investigated the charges. The final result was a decision that the man should be fired. Instead, though, the Veterans' Administrator put him on probation, instructing his boss to make another report as to his progress in April 1946. This report showed no improvement as to Doe's work and attitude, so a month later all the old charges plus new ones had to be drawn up. This time, after weeks of deliberation, Doe was ordered fired as of June 13, 1946. He appealed, carrying his case to the Civil Service Commission. As a result five VA officials had to spend hours writing affidavits as to their knowledge of the case. That fall 4 days were consumed with hearings requiring the attendance of high VA officials. In March 1947 still more hearings were held. Finally, on December 4, 1947—2 years and 7 months after his boss had tried to fire Doe—the Civil Service Commission notified the Veterans' Administration that Doe could be discharged.

The new executives brought into the VA by General Bradley have often found themselves in the untenable position of having responsibility without authority. Many have quit in disgust, leaving the field clear to prewar mossbacks. The ranks of these old fogies are solidifying, owing to promotions which the investigators found are almost always based on length of service rather than ability. Thus the top of the VA is clogged with executives who, being unfamiliar with modern methods, bitterly oppose them.

The investigators found that the lower strata of executives take their cue from those above, adding to their importance and ratings by splitting jobs into infinitesimal parts so that they require retinues of assistance, then resist any action reorganizing their activities which will reduce the number of people under them. Moreover, because of the difficulty of discharging an undesirable employee the bosses are reluctant to initiate disciplinary action. The far easier way is to give excellent efficiency marks to the most incompetent workers, thus qualifying them for transfer to better positions.

The result of such practices is poor morale and an exodus of employees who are good enough to find jobs elsewhere: 42 out of every 100 employees hired by the VA refuse to stay employed as long as a year.

Such a situation makes of VA a sanctuary for the incompetent. Yet the investigators found that VA's organization plan is unworkably complicated. The legislation which says a veteran is entitled to educational benefits under certain conditions fills less than nine pages of print. But the VA bureaucrat who has to determine whether Veteran John Smith is eligible has to consider 497 pages of regulations, 120 pages of correspondence from the Washington office, plus 77 pages of regulations from his branch office and 300 pages from his section chief—many of them in difficult, obtuse wording. Altogether he has 994 pages of instructions to ponder over and a choice of 69 forms which he can throw at a veteran.

Little people who are displeased with their lives sometimes make the most of their miserable authority by pushing veterans around. The investigators note there have been "improper practices by regional offices in discouraging veterans with legitimate appeals from submitting them, and canceling appeals without proper authority." This is extremely serious. No one knows what heartbreak has resulted from this denial of legitimate opportunity.

It must not be concluded from all this that everyone in VA is incompetent or lacks conscience. At the request of the House Appropriations Committee last year, J. R. Galbraith, chief of VA's Inspection and Investigation Service, told of many things wrong with the VA and made recommendations for correcting them.

Galbraith declared that in VA offices some employees not only "flagrantly" violate rules requiring them to put in a full working day, but habitually arrive late, bringing magazines and newspapers so they can better while away their time. Such gold-bricking, he said, involves all classes from clerks to lawyers and doctors.

Galbraith suggested "radical surgery" on the 13 branch offices, stating that they "have attempted to expand each and every service beyond needs," that like the central office they have been "aggressive in staffing" with "indications of a desire to build an empire."

The Hoover Commission investigators contend the Veterans' Administration could be conducted a lot more efficiently if branch offices weer consolidated and thousands of employees were eliminated. The Trundle Co. experts have evolved a reorganization program which would streamline the top-heavy agency. They calculate that by doing away with unnecessary office space and firing 7,000 surplus supervisors and 14,100 other employees—21,100 in all—the veterans could obtain better service at a saving to the taxpayers of $75,000,000 a year. That is 25 percent of the present pay roll.

Summing up, however, the Hoover Commission's representatives view the situation pessimistically. They say that firing people alone as the result of outside pressure never can result in the remainder doing more work unless these people can be "welded by some magic of top personality into a working team."

In another decade it is estimated that the number of veterans and their dependents will have grown from their present 46,000,000 to include 62,500,000 persons, or 40 percent of the entire population, with Congress likely to expand rather than contract the benefits. Under existing laws our veterans alone received nineteen billions through 1947. It is estimated that the cost of maintaining the current program through just the next 10 years will require an outlay of forty-seven billions.

The least which can be demanded is that the Veterans' Administration be compelled to increase its efficiency so that veterans shall receive that which Congress intended for them and the Nation not go bankrupt because of a fantastic bureaucracy.

People who regard the pension, insurance, hospital care, educational aid, and other benefits being given veterans as idealistic forerunners of a new socialistic order for the entire population would do well to ponder what is happening at VA.

Mr. Carl R. Gray, Jr., Administrator of the Veterans' Administration, on June 30, 1949, wrote to the gentleman from Mississippi, the Honorable JOHN E. RANKIN, chairman of the House Committee on Veterans' Affairs, giving the department's explanation of the failure of the Veterans' Administration to meet this problem forthrightly and to discharge the Government's obligations by making the payments to veterans. As shown by this letter apparently it is the plan of the Veterans' Administration to postpone until next year the payment of these overcharges on veterans' insurance policies. I may say that Administrator Gray has only recently taken over the administration of veterans' affairs and, of course, is not responsible for the conditions existing in the department at the time he assumed the office.

The letter to which I refer is as follows:

VETERANS' ADMINISTRATION,
*Washington, D. C., June 30, 1949.*

Hon. JOHN E. RANKIN,
*House of Representatives,*
*Washington, D. C.*

DEAR MR. RANKIN: I am pleased to comply with your request and furnish you information in connection with the payment of the special dividend on national service life insurance in an effort to dispel some of the misunderstanding which seems now to surround this matter.

In the standard nomenclature of life insurance, the term dividend is applied to money which is found at the end of any given period of time to be in excess of that necessary to meet the actual cost of providing protection and benefits flowing therefrom and which it is determined may be returned to the policyholder. It is a return to the insured of a portion of the premiums paid which experience showed was not necessary to carry the risk. In other words, a dividend represents an adjustment of the premium to actual experience, but obviously this cannot be made in advance of the event because of the uncertainty of many factors which can

be evaluated properly only after the passage of time.

The premiums charged on national service life insurance are based on the American experience table of mortality, which was the table used by most commercial insurance companies at the time the National Service Life Insurance Act was passed and the only one at that time acceptable in all the States of the Union. The present dividend among other things adjusts these premium rates to actual experience and, in accordance with universally accepted insurance practice, is properly designated as a dividend.

Until final action by the United States Supreme Court in the so-called Zazove case, it was impossible for the Veterans' Administration to take any definite steps of a final nature in regard to the payment of this dividend. This case was not finally disposed of by the Supreme Court until October 1948. While awaiting this decision, however, action was instituted along various lines within the Veterans' Administration. Especially, actuarial studies were commenced and planning and procedural work was blueprinted. The actuarial surveys are required not only to determine the actual mortality and disability experience but also to fix a dividend scale by which individual payments may be calculated; in the latter respect, each premium account may fall into any one of thousands of different factor combinations.

The problem of the actual payment of dividends has many complications, one of the most obvious being the sheer volume of the task. It is vital to the understanding of this problem to recognize that it was mandatory to take the action of reviewing and summarizing individually the 20,000,000 premium record cards because, until this operation could be completed, there could not be an accurate, equitable distribution of any dividends to the insureds who might be found entitled thereto. One method to gage how gigantic an undertaking this operation has been, is to recall that the more than 20,000,000 national service life insurance accounts involved exceed by many times the number of ordinary life insurance contracts in force in most of the largest commercial life insurance companies in the country.

On May 26, 1948, the Veterans' Administration requested funds to employ personnel to perform this preliminary task. On June 30, 1948, the Congress appropriated an amount to permit this phase of the work to be started. Early in July 1948 representatives from each of the district offices were called to central office for special training to prepare them to conduct training classes at their respective offices. By August 2, 1948, 2,000 newly hired personnel in the district offices were undergoing intensive training and by August 16, 1948, the review and summarization process was actually in operation in all offices. The training program prepared included an illustrated manual of more than 75 pages, and slide films were made up to be accompanied by a narrative talk. The representatives from the district offices were given intensive instruction to carry out this training program in each of the district offices. With the help of this augmented staff of 2,000 additional people, and with the most economical utilization of regular personnel, it is expected that this necessary examination and summarization of 20,000,000 individual accounts, which started in August 1948, will be completed during August of this year.

To understand more readily why this period of time has been necessary, it would not be amiss to compare the examination and review operation in many ways to that of a bank which is balancing its accounts. There is a keen responsibility in each instance to determine with highest accuracy the financial balance sheet for every individual account. When it is considered that there are more than 20,000,000 insurance accounts, most of which had not had their balances verified and reviewed since the insurance was issued, and if it is recalled that a large percentage of these accounts had monthly entries, the scope of this undertaking becomes more apparent.

During the war years, the Veterans' Administration had the impossible task of securing adequate personnel to process the unprecedented number of national service life insurance contracts, taken by those in service, over a short period of time. Compounding this situation, at the close of the war, literally millions of allotments had to be discontinued by reason of the discharge of the servicemen at an extremely rapid rate. In the hectic operations of those short months following demobilization, it was not always possible for the armed forces or the Veterans' Administration to check or compare their records with the care normally demanded. In this manner, there had been built up a considerable number of cases in which the records of the armed services and the Veterans' Administration did not agree. It was necessary, therefore, to spend a great amount of clerical time during the examination and review process to adjust these nonroutine cases. During this review and examination process it was necessary to dispatch to the service departments more than 600,000 inquiries and requests for adjustment of the records.

Without attempting to discuss all of the very real obstacles, it would be inopportune not to mention one of the most obvious. The calculation of the number of months insurance has been in force, without a careful examination of this subject, would seem relatively simple to determine. While this condition might be true generally, there are still several million cases out of the more than 20,000,000 accounts that do not fall into a straight category. As an illustration, there is the typical instance where a person carried the full amount of insurance while he was in service, dropped it for a few months at time of discharge, then converted part of the amount of insurance to a permanent plan and later reinstated an additional amount of his original term insurance. All of the actions taken must be cataloged in detail because each action affects basically the dividend to which the insured would be entitled.

In passing, it can be stated that from this review of the more than 20,000,000 individual records, which has been difficult and time consuming, there will flow another benefit of inestimable value. It has assisted the Veterans' Administration in rendering an improved and more rapid day-to-day service to the insured.

Because of the scope of this dividend project, it was decided, after considerable planning and research by the Veterans' Administration, that punched-card accounting techniques were the most adaptable to the dividend program. In this extensive consideration of the many methods by which the dividend payment could be effected, it was recognized that, with the use of punched-card accounting equipment, there would occur at the outset which appeared to be an interminably long period of time to set up files and to make ready for the benefits of mass production. If some other method of dividend payment had been adopted, it might have been possible that the preparation of individual checks could have been started at a somewhat earlier date than January 1950, but even disregarding the question of accuracy which is a potent factor, the preparation of checks on a laborious nonmechanical method would result in ultimate greater delays to the greatest percentage of insureds. Under the punched-card system adopted, which will assume more rapid delivery of checks to the majority of the servicemen and veterans, the principle of the most equitable treatment for all was given prime consideration. Once the dividend checks start to be written by the mechanical accounting machines, the daily volume which it is anticipated will reach 200,000 per day, will be such as to guarantee reasonably prompt mailing to all veterans and servicemen. Therefore, the spread between the issuance of the first dividend checks and the final one will be much less than it would be if nonmechanized means were adopted.

As an illustration of one of the problems which would have caused many inaccuracies if an attempt had been made to draw the checks on a nonmechanical basis, it has been pointed out previously in this letter that there are thousands of combinations into which the premium records could fall for dividend calculation purposes. Each individual case would have to be calculated manually, whereas, through the use of punched card equipment, after proper mechanical sorting of the 20,000,000 punched cards into the many thousands of categories, the correct amounts of the dividends then can be mechanically punched into the individual punch cards. It seemed an inescapable conclusion, therefore, that the punched card plan not only would result in operations that would be more efficient and economical but would assure greater accuracy which is of extreme importance where large amounts of money are being disbursed.

After the decision to use punched card accounting equipment had been made, a blueprint was drawn up of the number and types of machines that would be required expeditiously to complete this dividend program, the size of which is unparalleled in the entire history of life insurance. It then was necessary further to determine the business machine organization which could best supply the tremendous equipment needs of the Veterans' Administration within the shortest period of time. This punched card accounting equipment very definitely was not available in any quantity; these machines are very much in the class of "scarce" items, particularly in the enormous quantity required. The fulfillment of the Veterans' Administration machine requirements for the payment of the national service life insurance special dividend has caused an entire revamping of the delivery schedule of the company supplying the equipment. It is expected that before the project is completed it will have been necessary to secure approximately 800 key punch and verifying machines, 325 sorting machines, 130 collators, interpreters, summary punch and transfer posting machines, and more than 70 tabulating machines.

The magnitude of this undertaking can be more graphically seen in terms of the space required. The key punch and key verifying machines alone, not taking into account any other type of mechanical equipment or clerical operations, will take up approximately 32,000 square feet of space. The entire operation will require the use of two complete buildings with more than 200,000 square feet. Within the next few months this punched card accounting installation for the payment of the special dividend probably will be the largest single machine accounting installation in the city of Washington and will have become one of the largest in the entire world in a very short space of time.

With the examination and summarization of the premium accounts nearing completion, payment of dividends moves closer to actuality. The first step that had to be planned was the translation of the results of the examination and review process into a coherent record, in the form of 20,000,000 punched cards, of the individual dividends that are to be disbursed. To achieve this, it was necessary to make available to the punched-card operators, the data obtained from the review and summarization process, which had been recorded on the 20,000,000 individual premium account cards. Since it would be time consuming and damaging to

everyday service to the veterans and servicemen to permit key punching direct from the premium account cards, the decision was made to microfilm the 20,000,000 premium account cards. From the microfilm, there is made individual photocopies the size of the original premium record cards. The use of these photocopies as the very effective basis for the punching of the required dividend data, permits the 20,000,000 premium account cards to remain in everyday operations, preventing impaired service and possible loss of vital records. The microfilming operation was started on March 18, 1949. To date, the premium account cards in 11 district offices have been microfilmed, and it is expected this project will be completed by September 1.

The start of the key-punching operation, March 28, 1949, was closely tied up in time, of course, to these microfilming and photocopying operations. These key-punching, machine, and allied clerical operations are in full swing, currently employing more than 1,800 people. To speed up completion of this part of the project, the key-punch operations are on a two-shift basis. While the use of a two-shift basis is theoretically logical from the standpoint of the desirability to complete the job with dispatch and because of the scarcity of the punched-card equipment, the recruiting of a night force made up predominantly of CAF–2 personnel is not a simple matter. In any event, there is not space available to carry on operations on any larger scale even if such were otherwise practicable. Also, the need to recruit sufficient supervisory personnel trained in punched-card techniques is made most difficult by the unattractive realization on the part of such prospective supervisors that the duties are of a finite nature. It must readily be perceivable that most persons are not enthusiastic about taking jobs of limited duration.

In the aggregate, more than 3,000 temporary, new, untrained persons will have to be employed to prepare the punched-card records and to perform the allied machine and clerical operations. The problems of training the new personnel already are being met by the Veterans' Administration augmented by valuable assistance from the business-machine company furnishing the equipment. Starting in February of this year, the Veterans' Administration has to date trained more than 1,400 punched card machine operators to process the work. It is important to point out that at the rate of pay permitted by the Civil Service Commission (CAF–2) for mechanical key-punching operators, no experienced personnel presented themselves. Therefore, the Veterans' Administration, with the help of the supplier of the equipment, has been conducting training courses on a two-shift basis to equip these unskilled persons to become acceptable machine operators. It is probable that upward of 2,000 or more unskilled persons of the total anticipated force of more than 3,000 employees will have been trained in machine operations alone, so that they can perform their part in this huge project.

After the dividend-payment file is set up following the completion of the operations of punching, verifying, interpreting, and sorting the more than 20,000,000 punch cards, controls and checks will be instituted to safeguard not only against dividends due not being paid, but to prevent duplicate or unauthorized payments. After the dividend file is activated, one of the most practical factors is to make certain that the dividend checks, when drawn, will be received by all persons entitled to them, whether their insurance is in force or lapsed, and whether the insured is in or out of service. Since millions of these accounts have been inactive for some years, the Veterans' Administration has no assurance that it has the latest address. Therefore, there will be made available in August by a carefully arranged, widespread distribution, application forms for dividends which the servicemen and veterans will complete. This proposed procedure is similar to the plan followed successfully for the payment of so-called bonus certificates of World War I veterans. By this application method, after the insured has completed and returned the form, the Veterans' Administration then will have the current address of all persons and thus there will be a much greater likelihood that the dividend checks will be received without complications.

There have been more than 20,000,000 national service life insurance contracts held by 16,000,000 persons. It is anticipated, therefore, that there will be received up to 16,000,000 dividend applications within a comparatively short period. To associate these applications with the corresponding individual record in the dividend-payment file, it is planned to punch a card from the information in each dividend application which, among other items, will contain the veteran's name, address, and service serial number. After punched cards are prepared from the dividend applications, the Veterans' Administration, through the medium of the individual card in the dividend-payment file, and the address card punched from the dividend application, will have the instrument by which dividend checks can be authorized on a vast scale; probably as high as 200,000 checks per day will be written and mailed to the veterans and servicemen. The actual drawing of about 16,000,000 checks and the mailing of them will require precision and a rigid timetable. The so-necessary behind-the-scenes clerical duties which flow from this project are being mapped carefully in the anticipation of a smooth-running mass-production scheduling of work loads and duties. Schedules are being arranged which provide for the dispatch of all or nearly all of the dividend checks for which dividend applications have been received by June 30, 1950. While it is not expected that the dividend checks will start being mailed to the veterans and servicemen until some time in January 1950, every effort will be made to complete the operation as soon before June 30, 1950, as may prove practicable.

One major part of this special dividend project which entails additional necessary effort is that, while the dividend payment file will contain a record of each of the more than 20,000,000 individual records, the number of cards that will be either punched or reproduced totals more than 150,000,000. These additional cards will be used for separate, vital purposes. For instance, it was mentioned previously that it will be necessary to punch 16,000,000 address cards from the information given in the dividend application. Another file of some 20,000,000 punched cards will be reproduced to serve as an alphabetical cross-index file to permit correlation of dividend applications with the punched card dividend payment records. Another file of 20,000,000 punched cards will be reproduced to serve as a locator file from which the location of the original records can be determined. Also, a file will be set up as a record of liens and overpayments which are to be deducted from dividends payable. After payment of a dividend to an insured, an individual punched card will be placed with each insurance record as a detailed history of such dividend payment. There are other necessary uses for additional punched cards which go to make up the total of more than 150,000,000 cards which will have been punched or reproduced before the dividend project is completed.

There are those who seem to entertain the idea that these dividends can be distributed overnight. I believe that maybe they are so used to dealing in millions and billions that they have lost appreciation of how large a number a million really is and, therefore, overlook how gigantic is the task of adjusting and authorizing payments in over 20,000,000 individual accounts. Just handling the details required in accomplishing the final action in connection with the payment on 200,000 accounts each working day in itself would take between 5 and 6 months. Also cognizance must be taken of the fact that an extensive and trained organization has to be created to carry on this dividend project. It is not possible to just put a lot of people on the pay roll and merely tell them to go to work. Each person must be trained to his or her individual duties and taught the part each plays in the over-all procedure. All of this takes time.

The Veterans' Administration is deeply conscious of its obligation to the veterans who maintain their insurance on a premium-paying basis, constantly to improve current service to them. Therefore, every effort has been made to conduct this extensive project for the payment of the special dividend in a manner which would minimize its effects on normal daily routines. Similarly, the Veterans' Administration recognizes its duties to the 16,000,000 persons who hold or held 20,000,000 insurance contracts, whether in force or lapsed, to distribute as dividends any amount to which the veterans and servicemen are entitled.

The master plan has been laid, the review and basic summarization of all premium-record cards is virtually completed, the microfilming and photocopying operations are nearing completion and the preparation of punch cards and allied machine operations are well under way. Subject to the granting of the necessary appropriation by Congress, the Veterans' Administration will continue to bend every effort to accomplish the balance of the special dividend payment task and have the dividend checks in the hands of the veterans and servicemen at the earliest possible moment.

It is believed that any reasonable person after carefully considering the facts stated above will conclude that the payment of the special dividends on national service life insurance cannot be completed in advance of the schedule which has been adopted.

Sincerely yours,

CARL R. GRAY, Jr.,
*Administrator.*

Mr. CELLER. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Chairman, in the first place, if this bill did even a few of the things which my very able and astute friend from Texas [Mr. PATMAN], thinks it would do, I would be against it. On behalf of the committee, to get the record straight, it is not the intent of the Committee on the Judiciary of the House to repeal, amend, or weaken in any way the Robinson-Patman Act, the Clayton Act, the Sherman Act, or any other antitrust act now on the books. So, lest any administrator hereafter might misconstrue the intent of Congress, let us make it perfectly clear that the committee is not intending to weaken in any particular any of the existing antitrust laws on the statute books.

As for myself, I think what this country needs is some good trust busting. If I thought this bill would aid monopoly in any way, I, for one, would be unalterably opposed to it. I have condemned, since I came to Congress, a good many trusts, the Farm Machinery Trust, and others, and I am opposed to trusts generally. However, the dictum in the Cement case hangs like a sword of Damocles over all American business. American business does not know what it can or cannot do in the matter of prices. They are told by dicta in the

Cement case that freight-rate absorption is illegal. If that be true then the delivered-price system is outlawed. On the whole, I believe that the mass-production system in this country has been a good thing. We do not want to destroy big business. We only want to destroy illegitimate business or harmful business practices. This bill simply seeks to correct the dictum in the Cement case and to say that the absorption of freight rates is not per se a violation of the antitrust acts, and that is all that this bill does.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. The gentleman knows my feelings are very much as he has expressed his in the matter of monopoly. Now, would the gentleman tell the committee what this does with reference to the status that existed prior to the Cement case decision? Does it attempt to put back into operation, without any benefit of any conspiracy, or the things which are mentioned in the bill, the same trade practices that existed prior to the Cement case?

Mr. GOSSETT. No. The committee concedes, or I, for one, concede, that the cement industry was a monopoly and trust, and ought to have been broken up. But this bill simply says that the absorption of freight rates is not of itself a violation of the law. It can be used as evidence of conspiracy and price fixing, and if it is used as an unfair means of eliminating competition, as a means of monopoly, then it is a violation of the law. But what we do not want to do, we do not want to destroy throughout this Nation the delivered-price system, the f. o. b. system, which all business, or practically all business, has used. We think it has been, as a rule, a good thing.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. I want to get at the bottom of this thing, and I want to ask the gentleman a question. Assume, as it happens to us in the Northwest, when we have to ship in our gasoline we have to pay a high price on account of the freight rates. We have the good fortune in the States of Wyoming and Montana to find gasoline in our back yard, but with the manipulation of the legislatures and the Commission they make us pay the basing-point price at Oklahoma. In other words, that is of no benefit to us. The consumer gets no advantage by reason of the proximity of the gasoline, because we have to pay the same old price that they have in Oklahoma, and that is the basing-point system. I want to know if that would happen if this bill passes.

Mr. GOSSETT. Let me tell the gentleman what I think would happen if the dictum in the Cement case were followed and if the delivered price system were outlawed. I think you would get a lot worse gasoline in your back yard and you would pay twice as much for it. The people of the District of Columbia instead of getting gasoline at the same price I get it in Texas, where most of the big refineries are, would probably pay 40 cents a gallon for the gasoline, and I would get mine for 5 cents a gallon. You would break up the big refineries located in the areas of production and have them scattered all over the country. We conceive it to be detrimental to the whole economy to break up all centralization of industry, which operates through delivered price systems all over the country.

Mr. WHITE of Idaho. Why do we not apply that to agriculture? If a man owns a farm here, why does he not get the benefit of high prices on his farm, when he is right close to the market?

Mr. GOSSETT. He does.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. The gentleman has just asserted that if we do not pass this bill we will break up the great oil refineries in the United States. That is all right as an assertion, but can the gentleman prove it? If he can, I wish he would.

Mr. GOSSETT. One can prove nothing concerning the future. You have to wait to see how things work out, but we can well assume what will happen if certain things are done or not done. The opinion of those of us who favor this legislation is that to make freight absorbtion unlawful would be detrimental to the general welfare.

A great deal has been said about there having been no hearings on this bill.

The problems involved in S. 1008 have been studied by the Congress for more than a year. On June 12, 1948, the Senate adopted Senate Resolution 241 calling for a complete inquiry into this problem, and the Judiciary Committee of the House approved a similar resolution. In November and December of 1948 a Senate committe heard more than 100 witnesses on this specific issue. These hearings were attended by members of the Judiciary Committee of the House and by its professional staff. The printed hearings consist of 1401 pages. Included in those witnesses was Harold O. Smith, executive vice president of United States Wholesale Grocers Association, whose testimony appears on page 1162 of the record, and William A. Quinlan, attorney for the Wholesale Grocers Association, whose statement begins on page 1165 of the printed hearings.

In January and February of 1949 the Senate Interstate and Foreign Commerce Committee heard an additional 25 witnesses on this very subject. The printed hearings cover 343 pages. William A. Quinlan, of the wholesale grocers again testified. His testimony begins on page 235. Angus McDonald, of the Farmers Union, testified. His testimony appears at page 136. The National Association of Retail Druggists were invited to appear at those hearings and declined to do so. In March 1949 the Senate Judiciary Committee heard 13 witnesses and received numerous statements from interested parties, including the testimony of Angus McDonald and a statement from Attorney William A. Quinlan.

Those printed hearings consist of 137 pages.

Prior to the time S. 1008 passed the Senate, more than 140 witnesses had been heard with printed hearings of more than 1,800 pages.

The House Judiciary Committee heard from the author of the bill, Senator JOSEPH C. O'MAHONEY, one of the most ardent foes of monopoly in the Senate, and from Herbert A. Bergson, Assistant Attorney General in charge of the Antitrust Division. The Department of Justice approved the bill with recommended changes which were adopted by the House Judiciary Committee. That committee also inquired of the Federal Trade Commission, which officially advised the committee that it had no objection to the bill.

The chairman of the Rules Committee wrote to the Attorney General and to the Bureau of the Budget asking for their views of the bill. Each replied to the chairman of the Rules Committee that there was no objection to the bill.

The publicly stated purpose of the House Small Business Committee was to hear witnesses in opposition to the bill who it claimed had not been given a chance to be heard. Yet most of the witnesses it heard had previously testified before Senate committees. The wholesale grocers, who testified before the Small Business Committee, had been heard three times before the Senate, where they approved the bill. That committee also heard Federal Trade Commission attorney, Walter Wooden, who testified on 4 days before the Senate committee, and Angus McDonald, who testified twice before and wrote a minority report as a member of a Senate advisory council.

At the request of my good friend from Texas [Mr. PATMAN] the full committee had a full meeting for him and let him testify at length.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Texas.

Mr. PATMAN. My testimony has not been printed, neither has the testimony of any other witness.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Michigan.

Mr. MICHENER. I have read all the insertions of the gentleman from Texas [Mr. PATMAN] during the last month, about 2 hours reading a day, and everything that he said before our committee has been repeated several times in those speeches.

Mr. GOSSETT. I thank the gentleman. I think about everything that can be said about this bill, my friend from Texas has said, and he has put it in the RECORD several times. In addition, there are 1,800 pages of hearings on all phases of this matter. So this bugaboo about there having been no hearings and no one being permitted to express his views just is not correct. About everything that could have been said on both sides of this issue has been said, and they are either in the CONGRESSIONAL RECORD or in the printed hearings of the Senate committee.

Mr. Chairman, to outlaw freight-rate absorption as an industrial practice is like burning the barn down to get rid of the rats. This bill seeks to save the barn without protecting the rats.

Mr. MICHENER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Chairman, the bill we are considering today presents an interesting question about the philosophy of our Government.

Just how far should the governmental agencies that are set up by the Congress intrude into the private affairs of our citizens, and into their various businesses of manufacturing and distribution?

I am not one of those individuals who believe that we can ever go back to the old theory of laissez faire, when there was no Federal interference in the business and commercial relationships in this country. Our problem here today is not a new one in this House. It is to determine how far intrusion should be permitted or required by Congress, and what are the limitations upon it.

The time has come when it is proper to raise a voice in the United States Congress on behalf of American business. The truth is that we are all indebted to those men and women who carry on the huge enterprise of making and delivering things to the consumers. They make possible through mass production most of the comforts and conveniences of modern life. They bear a large part of the burden of taxes. Business should certainly not be the "whipping boy" of the Federal Government, either in the executive, judicial, or legislative branch.

A number of very important legislative enactments by the Congress over a period of years have been mentioned here today. Summed up, they are the antitrust laws. Some of this legislation, however, has had some unexpected results. This problem, which we are wrestling with today, is to deal with one of these unexpected results—the United States Supreme Court decision in the Cement Institute case. It is safe to say the decision was wholly unanticipated, either by the participants in the case and certainly not by the business community. It is an interpretation of the law which has thrown industry into uncertainty, and certain segments of it into chaos.

Principally I want to talk about some local matters which affect my own district in my own State of Iowa. As you know, the State of Iowa is principally an agricultural State, and we are very proud of it. Yet nearly one-half our State's gross income comes from manufacturing and business. We have a large number of small industries, all of which, in one way or another, have been affected by the Cement Institute case.

Let me give you a specific example. In the town where I live there are several clay products plants. They make products such as brick and tile. Those are very heavy articles and there is a heavy freight rate on them because of their bulk and weight. This clay products industry, in order to survive at all, must sell its products outside of the local area and get into some large consuming areas. The only way they can do that is by absorbing the freight. When they undertake to come over into Illinois or into Minnesota or into the Dakotas or into Nebraska, they must absorb the freight. The Cement Institute case has resulted in a fear on their part that they can no longer compete outside their own local market. Thus they will have to contract their operations unless they are able to meet competitive prices.

Accordingly some of them, who rely upon the outer fringe of their consumer demand, will have to lessen their manufacturing operations if they cannot absorb the freight to other points. With total production curtailed their overhead will be too high. Unless some relief is given by this legislation some of them may have to go out of business.

Let me tell you about another industry which is very important in our State, and that is the wet corn milling industry.

Recently a press dispatch told us that one of our manufacturers of corn products would have to relocate nearer its consumer market, unless the multiple-basing-point pricing system, permitting absorption of some freight, is allowed.

The result of the action of the Federal Trade Commission and the Supreme Court decision will be to centralize, and not decentralize, industry. Plants in the Middle West will have to move to the areas with greater markets.

The ruling hurts the little fellow with one plant who wants to reach out and compete.

All members of the wet corn milling industry located in Iowa, have analyzed the situation with respect to their major bulk products. A substantial part of all these products are sold east of the Mississippi River. If these firms must net a uniform return at their mill on all of such sales and cannot absorb freight to reach into the major consuming areas for these products, they will be left with a very small percentage of their present volume of business.

Because of Iowa's geographical location, Iowa businessmen find themselves in a very precarious position. Generally all basic raw materials, manufacturing supplies and stores with the exception of agricultural State-grown products, move into Iowa from points east of the Mississippi River. Practically all products manufactured in Iowa move east of the Mississippi River.

Therefore, it appears that Iowa business will be unable to absorb the amount of freight involved to meet eastern competition and of necessity will have to move closer to a point not too far distant from a source of supply and those densely populated areas wherein demand exists for its products.

Thus it is clear that this bill S. 1008 is one that ought to become law. This conclusion is not based upon mere theoretical considerations, but upon the most practical basis. A failure to pass this legislation will have the most serious impact upon manufacturing in Iowa. I daresay similar effects would follow in every one of the 48 States.

In our voting on this bill, let us remember American business—and its great contribution and usefulness to all Americans.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman, as I understand this bill, it merely allows the individual business to assume the freight rate when determining the sales price of a commodity. I think the gentleman from Texas [Mr. GOSSETT] brought out a few moments ago a very important point. I live down there near the oil fields and many of the oil wells are within my district. If you require them to sell the gasoline in the North and not absorb the freight rate, we will be buying gasoline down in my home town for a nickel a gallon, while you folks up here will be paying 40 and 50 cents a gallon for it. That is the thing that is bothering me. Most of the manufacturing centers of this country are in the East and in the North. Most of the commodities sold in my home town are bought from you people up here in the East and the North. I would hate for my people to not be able to buy a commodity such as soap for the same price that that soap is sold for in the town where it is manufactured.

Let us take a bar of brand soap in St. Louis, Mo., that sells everywhere in the United States, from some certain factory in St. Louis, Mo., for a nickel. They say, "No, you cannot absorb the freight rate before you sell that bar of soap." Incidentally, some of the drug stores in my district have become flustered about this measure. They have been led to believe that it might be detrimental to small business. I would like to have some person tell me before we vote on this measure how it is going to hurt the drug stores in my district when they could prior to the Supreme Court cement decision and can under the provisions of this bill buy a bar of soap from St. Louis at the same price the people in St. Louis pay for it. Some drug stores in my area now think they are going to be hamstrung by this legislation when in fact this bill merely assures them of not being forced to pay 2 or 3 cents more on a bar of soap than the people in St. Louis—where the soap is manufactured—pay for it.

Cement factories are scattered around over the country. Incidentally, there is one in my area.

Let me tell you something: You must have some gypsum with which to make cement. Suppose the only deposit of gypsum within a great section of our country happens to be in one small area. Therefore, if you do not pass this law, and the dictum of the Supreme Court stands up, then the cement company in my area has a monopoly for several States around. Why? Because they have the only gypsum deposit, and you people in the East and in the North, where you are selling cement, will not be able to compete with my people down there, because all we have got to do is just barely keep the cement price below that of our far away competitors with the freight handicap and then we will be able to sell all the cement within our area at a much higher price than in the past. We would have no competition.

I have always thought that individual initiative, free enterprise, and open competition was the very important prerequisite of our democracy. This bill will

do but one thing, in my opinion, and that is to assure competition.

I am trying to be fair about this. I have read every one of Mr. Patman's speeches. I know that he is earnest and sincere, and I have talked with him about it a little bit. I have tried to get anybody to point out to me one thing that would do the things he infers this bill is going to do.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. WHITE of Idaho. Away out in Colorado we have found a deposit of iron. We have the Colorado Fuel & Iron Co. making barbed wire and many other things. When you base your price on Pittsburgh you have to pay just as much for your wire out in Idaho as if it was made in Pittsburgh.

Mr. TACKETT. That is true.

Mr. WHITE of Idaho. Is that a good plan?

Mr. TACKETT. I think so. The reason I say that is this: I think it is better for all the people in the country to be able to buy a commodity for the same price. Just like my gasoline illustration. Would the gentleman think it is fair, just because there is an oil well in my county, for me to be buying gasoline at 5 cents a gallon and the people in the North and the East having to pay 45 or 50 cents a gallon for that same gasoline? There would be nothing fair about that. Of course, it may be one way for us to get the freight rates lowered in the South. I do not know. Just as people throughout our country should be able to purchase a staple commodity for the same price, the freight rate should be stabilized for the benefit of all the people regardless of location.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. TACKETT] has expired.

Mr. MICHENER. Mr. Chairman, I yield such time as he may require to the gentleman from Illinois [Mr. VELDE].

Mr. VELDE. Mr. Chairman, I rise in support of Senate bill S. 1008, the basing-point bill, as reported out by the House Judiciary Committee. The discussion and debate heretofore presented by my able colleagues has perhaps put the issue squarely before you. I feel that this legislation is most urgent at the present time and should be enacted immediately. I do not say that the Supreme Court has made a bad decision in either of the cases which make the passage of this bill necessary; I do feel, however, that businessmen all over the country are demanding clarification by Congress of the effects of those decisions and the Federal Trade Commission holdings. I feel that the issue before us is simply this: Shall our businessmen follow the basing-point pricing system as it has been practiced since business and industry in this country first began, or shall we force them to seek an entire new system of pricing? Of one thing we are sure: the basing-point system, or freight-absorption method, or delivered pricing method, whatever you may choose to call it, has contributed largely to our economic success in the past.

The systems just named have been subject to abuses, and may continue to be subject to abuses, by some unscrupulous competitors. Any economic pricing system, whether it be on the f. o. b. basis or the basing-point basis, is subject to abuses by unscrupulous persons. It seems to be the consensus of opinion that the basing-point system now in use is made illegal by the Supreme Court decisions, even though no actual fraud or collusion has been proved. If that is the correct interpretation of the Supreme Court decisions, it cannot help but result in an upheaval of our entire economy. We cannot afford such an upheaval or rearrangement of our business or industries at this time. Businessmen are already taxed to the limit, and are not willing to venture their capital in new enterprises. They are being harassed more and more each day with increased taxes and increased paper work, due to Federal controls. If they are now required to follow the f. o. b. system of pricing, they will have to establish their factories and businesses in new locations in order to compete successfully with each other. Businessmen do not have sufficient capital to afford such a disbursement. Some even now are borrowing money to pay their taxes. Imagine what would happen to such a business if it were suddenly called upon to establish small branches in every nook and cranny of the United States. They just could not do it. They would have to go out of business. Not only would they lose, but it would reflect on the entire economy of the country, and on every American citizen.

Now much has been said concerning the fact that the Supreme Court decisions affect only large industries, and especially those handling or manufacturing bulky materials, such as steel, cement, and so forth. This may be true to some extent, but I am satisfied that establishing a new pricing system in this country would affect every type of business, even down to the small neighborhood retail grocery store. Let us take, for example, a small neighborhood grocery store located in Peoria, Ill. At the present time this store handles fruit from California, and salt-water fish from Baltimore. This Illinois store can sell this delicious California fruit at nearly the same prices it sells local fruit, thus giving the citizens of Illinois the benefits of California's advantageous climatic conditions and their knowledge of fruit growing, resulting in a type of fruit which could not be grown in Illinois. This store can handle salt-water fish from Baltimore, selling them for nearly the same price as it can fresh-water fish from the Illinois River. The reason this Illinois store can handle these items is because of the competition made possible by use of the basing-point pricing method. California fruit growers realize that they could not sell all the fruit they produce in California alone. They realize too that in order to compete with local Illinois markets they would have to absorb the freight on this fruit from California to Illinois, and require California consumers to pay more for their fruit than was warranted by the nearness to market, in order to make up for the loss caused by such freight absorption. In other words, the pricing policies under which we have been operating since industry first began to expand in this country have been fundamentally responsible for the wide variety of articles we American citizens can buy in any store in the country. Boston beans can be bought in San Francisco at practically the same price charged in Boston. Under the present system small-business retailers and wholesalers are permitted a large field of suppliers. If another system is to be used, these buyers would be restricted to purchasing from the nearest seller, or they would have to pay a premium based on distance and freight rates.

Some Members are opposing this bill because they claim it has an adverse effect upon small businessmen. Yesterday I discussed this matter with Mr. Lyle W. Jones of the National Small Businessmen's Association, and with Mr. James Lucas, of the American Retail Federation. Mr. Jones stated unequivocally that the National Small Businessmen's Association favored the enactment of this bill. Mr. Lucas stated that the American Retail Federation had not taken a stand either way on this bill. I also want to call to your attention that 85 of the 109 witnesses that appeared before the Capehart committee represented small business. Practically everyone of these people were favorable to this legislation.

Business, both large and small, is now utterly confused over the basing-point question. They anxiously await clarification of this problem by Congress. Business has been penalized too heavily in the past 17 years. Let us not cast further burdens upon its shoulders.

Mr. MICHENER. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I rise in support of this measure. I think it is most important that it be enacted.

Mr. Chairman, I have listened attentively to the opposition's speeches; I have read many of the things that have been said and written on this subject; and I have tried to inform myself as best I could on all phases of this matter. As I have listened to the opposition to this bill, I think it is based principally on two different propositions: There are some who apparently disapprove of the freight-absorption principle, and they would like to destroy that principle by legislative or administrative action. Personally, I do not agree with that thesis and I shall try to point out why.

Secondly, there are some who are concerned for fear the protections of the Robinson-Patman Act will be destroyed by this legislation. These are two entirely different things.

First, as to the Robinson-Patman Act—and I know many of you have had telegrams and letters from your druggists and grocers who are concerned about it—let me just say that I was here in Congress when that act was passed. I supported it vigorously. I spoke for it. I did everything I could to bring about its enactment.

In a word, all that the Robinson-Patman Act does is to say to a seller, or a manufacturer, that you cannot charge different prices to persons who purchase

from you except that the difference can be justified by some true differential in the cost of making, selling, or delivering the product. That was to prevent unfair discriminations in favor of one purchaser against another purchaser. As I say, I supported that act, and I still believe in it. I do not think it has worked out as satisfactorily as some hoped it would work, but the principle is sound, and it is right.

In spite of the remarks of the very genial chairman of the Committee on Rules, let me say that some of us who sit on the Republican side of the aisle are not going to give the Members on the other side of the aisle a monopoly on solicitude for small business. I headed up the first Small Business Committee we had in the House. It was not an official committee, it was a Republican committee that did good work in the interest of small business, before the committee was constituted officially. I have subsequently served as the ranking Republican member of the official Small Business Committee, of which the gentleman from Texas [Mr. PATMAN] is chairman, and I am still on that committee as ranking Republican member. I remind you of this so that you will know that throughout the years I have sought to protect and preserve the interests of small business. And today I say to you, after very careful study and reflection on the matter before us, that I believe that the enactment of this legislation is essential and vital to the protection of the interests of small business.

As to the attitude of the druggists, I attended some of the committee meetings of the Small Business Committee that were called by the chairman.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. MICHENER. Just when were those hearings held?

Mr. HALLECK. I think they were started on June 28.

Mr. MICHENER. They are recent hearings?

Mr. HALLECK. They are recent hearings; that is right. Mr. Frates, of the Druggists' Association, appeared before the committee and submitted a prepared statement. I was greatly interested in the statement he made. He said:

> The basing point may or may not be of vital importance to our industry.

I therefore asked him:

> I take it that as a matter of direct concern in the basing-point controversy, that simply means you are not particularly concerned with that, but you are concerned with any weakening of the Robinson-Patman Act?

Mr. Frates replied:

> That is correct, exactly, Mr. HALLECK.

Then I asked him:

> And if the legislation that might finally be enacted preserved the provisions of the Robinson-Patman Act, so far as you know, you would have no quarrel with the legislation?

Mr. Frates answered:

> That is correct, sir; if it did not interfere with the Robinson-Patman Act we would not be here making our presentation.

In other words, they are not opposing the basing-point system as a matter of principle, but they are concerned about the protections of the Robinson-Patman Act.

On that score I have carefully examined the measure before us.

First of all, I think it is of interest to note that most of the people who expressed that concern did not state specifically, "This bill will do so-and-so definitely; or that it will do so-and-so without any question." Rather, this concern is just that something might happen.

As I say, I have read and I have studied all the arguments. I have listened to the contentions made here today. I just do not believe that the protections of the Robinson-Patman Act will be destroyed by this legislation. In other words, the same prohibition against an unfair and unjustifiable discrimination as between purchasers could apply to delivered prices as well as f. o. b. prices.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. MICHENER. Mr. Chairman, I yield the gentleman six additional minutes.

Mr. HALLECK. Mr. Chairman, in the arguments here some emphasis has been placed on the fact that this is permanent legislation as distinguished from a 2-year moratorium. It seems to me that is very much overdrawn. No legislation is permanent. All legislation is constantly under the control of the Congress of the United States.

It is imperative that we clarify great confusion because of the dictum in the Supreme Court decision. That is the purpose of this bill, and we accordingly enact this bill into law. If it should develop that any real harm has thereby been done to the essential provisions of the Robinson-Patman Act, certainly the Congress would not hesitate to make whatever corrections were deemed to be desirable. We believe in the Robinson-Patman Act.

Mr. Chairman, as to the basing-point principle itself, I can understand one particular segment of an industry or business might believe it would profit if the basing-point freight-absorption principle were made illegal. But I do not think that is the view of business as a whole. We should bear in mind that our national economy has been built largely on the application of that principle. For instance, all over the land there are steel fabricating plants making nuts, bolts, screws, shovels, hoes, and all sorts of things. If they cannot get their steel at the price of their competitors, whose price they must meet, then they will have to change their location or else go out of business.

The gentleman from Arkansas spoke about soap. I am glad he talked about that in connection with this matter, because there has been too much talk about steel and cement and things like that. Why, this measure goes right down to things like soap. Suppose a brand-name manufacturer of soap has his plant in Philadelphia. He advertises nationally. He sells his soap everywhere in the country at the same price, absorbing his different freight rates, even as he absorbs his advertising expenses, and applies the same principle to the entire national market for his product. If a manufacturer cannot quote a delivered price nationally, he is just going to sell soap in the area where he is producing. He cannot ship his soap for sale in San Francisco or Los Angeles or out in Indiana.

Speaking about big business, and the solicitude for small business as against big business that has been advanced in this debate, I know one big soap company that has plants stretched clear across the country, a dozen or so of them. Of course, they would not be particularly upset by the application of the dictum in the Supreme Court case because they could get into the different areas by reason of the fact they have plants all over the country. But, as I say, that situation would not apply to the small manufacturer with one plant who is trying to do business clear across the country. I think the gentleman from Pennsylvania very well said that the freight-absorption principle has made it possible to develop more competition throughout the country because different manufacturers have been able to get into different markets and more markets than would otherwise be possible except for the application of the freight-absorption principle.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It is very evident to all of us that this vitally important matter should be settled in this session of Congress, if possible. It is a matter of vital concern to our whole national economy, not only involving business, whether it is big or small or independent, so-called, but back of it the many hundreds of thousands or perhaps millions of employees who are directly or indirectly affected. The effect of this legislation is very far-reaching as regards our national economy. The House Committee on the Judiciary has very carefully considered this bill, made the amendments suggested by the Department of Justice, and all agencies of the Government recognize the urgency and the necessity, and support this bill. I am in complete agreement with my distinguished friend from Indiana that the bill as reported out by the committee should be passed by this body.

Mr. HALLECK. I thank the gentleman.

I have perhaps transgressed in respect to time, and if I have, I apologize. The gentleman from Massachusetts very correctly says that there is an uncertainty, a cloud, or, as someone has put it here in the debate a few moments ago, there is presently a kind of a sword of Damocles hanging over the business of this country. Certainly, that ought to be clarified, and this bill is the way to do it. It is the only way it can be clarified. In conclusion, I should like to point out there is a little slackening off in business and some uncertainty in the national economic picture, and maybe with respect to some of the factors creating this uncertainty which we cannot do much about, but here is one uncertainty that we definitely can do something about. It is our opportunity,

and I hope that affirmative action will be taken.

Mr. MICHENER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. GRAHAM].

Mr. GRAHAM. Mr. Chairman, the approach I wish to make to this problem is somewhat different from that stated by the preceding speakers. Some time ago I made an estimate, a rather careful calculation, and about three-fifths of the Members of this body are members of the bar. I think our difficulty is this, that we begin to address the laymen in terms which are perfectly familiar to us but are not familiar to them, and moreover that we fail to give them the background that they should have in knowing what leads up to immediate legislation. Therefore, in order to make an approach that I believe will be helpful, I want to bring to your attention these facts.

One of the first acts of this character placed on the Federal statute books was that known as the Sherman Act, which was enacted in 1890. I will read only the first sentence of these respective acts as they bring these acts up to date. The first states:

Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared illegal.

That is one of the first statements of the law back in 1890.

The next act with which we are concerned in the consideration of the bill now before us is that which created the Federal Trade Commission in September 1914. Briefly it is summarized in this:

Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are hereby declared unlawful.

The findings of the Commission as to the facts, if supported by evidence, shall be conclusive.

That same year there was passed what is known as the Clayton Act, in October of that year. It stated in substance this:

It shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality.

That in turn was amended by an act known as the Robinson-Patman Act of June 19, 1936, a portion of which reads as follows:

It shall be unlawful for any person engaged in commerce to be a party to, or assist in, any transaction of sale, or contract to sell, which discriminates to his knowledge against competitors of the purchaser.

Therefore, when we approach this bill which we have before us today, S. 1008, we have a background of these four preceding acts which have led up to this situation.

Now may I refer for a moment to the Federal Trade Commission. When the Federal Trade Commission was constituted back in 1914, a very interesting debate took place in the Senate of the United States. You will find it reported in the proceedings of the Sixty-third Congress, second session, largely in volume 51, and also in a special Senate Report, No. 597, of that year. One of the very interesting things that occurred then was a colloquy between Senator Borah and Senator Cummins. You will find it on page 11104. This is the reply of Senator Cummins to Senator Borah in discussing the work of the Federal Trade Commission. He said in substance that the Federal Trade Commission can investigate but not correct certain combined activities, and then clearly pointed out that the Commission was to assist in—not to prosecute—the Sherman Act violations. That is the purpose for which the Federal Trade Commission was created.

The Federal Trade Commission has two functions. One is to investigate and the other is to issue what are known as cease-and-desist orders.

When this case which has been referred to as the Cement Institute case came before the Supreme Court an opinion was handed down by Justice Black. A dissenting opinion was given by Justice Burton. Let me tell this old story of what once occurred in our courtroom at home. A member of the bar was reading from the law, and one of the judges said, "Why, Mr. So-and-so, that is not the law. You are reading from a dissenting opinion." "Well," the member blandly answered, "I say it ought to be the law, because that is the best law there is on this subject."

So I commend to you the reading of Justice Burton's opinion in that case.

Now getting back to the Federal Trade Commission, here again I want to be guarded because I think we as Members of Congress should be careful of what we say about the executive branch of the Government and its various departments. One of the most scathing reports I have ever read is that of the Hoover Commission on the workings and activities of the Federal Trade Commission. That is a matter of official record. You may read it. It is in their report entitled "Report No. 11," and, in the language of the street, it everlastingly lambasts the Commission for its failure to do the work assigned to it within its designated limits and for encroachment and reaching out into the work that properly came under those commissions set up under the Administrative Procedure Act.

At this point, in order to make it clear, may I say this—that the one thing we are driving for in the enactment of this bill, is to restrict and confine the Federal Trade Commission to its legitimate duties and work devolving upon it, under the law and to clearly chart a course which it can follow, and thus avoid confusion.

I have been interested very much in the various statements made here that there was no confusion. I am quoting now from Senator O'MAHONEY'S own statement on this bill which he introduced. Here is what he said:

There are two main objectives in this bill. One is to abolish the uncertainty about the legality of independent pricing practices which arose after the decision of the Supreme Court; second, to remove ambiguity and to make the law clear to provide by statute a plain, simple declaration that delivered prices and freight absorption, when established independently by the seller, are not in themselves contrary to the Federal Trade Commission Act.

Then the second objective is, and I wish you would note this particularly, in view of some of the statements that have been made here, as follows:

The second objective is to preserve the antitrust laws, to make certain that in the declaration, which legalizes freight absorption and delivered prices, that those practices are not made the instruments of conspiracy or combination or monopoly.

On the question of what it means in your district—and will you indulge me for a moment, please—this is not a chamber of commerce secretary speaking, but a person from Pennsylvania. I know you will bear with me. Have you ever stopped to realize what this means to a great State? May I give you these figures? They are taken from the official statements of the various departments of the Commonwealth of Pennsylvania. We have in Pennsylvania 17,520 manufacturing plants alone. There is invested in those plants $3,963,650,000. The value of their products is $12,462,890,100; and the value added by manufacture is $5,687,790,600. We employ in those factories 1,567,735 employees, and the total compensation for those persons engaged in lawful, gainful occupation is $3,549,565,700, and the combined total products is $18,150,680,700.

Why should we not be concerned? As I came by the Capitol this morning I saw the great steel cables running up to the roof. They are manufactured by the Jones & Laughlin Steel Co., at Aliquippa, 9 miles from my home. Like tubular steel that holds up that structure is made in my county. Why are we not directly interested in these things, and in what the manufacturers themselves say? What do the manufacturers themselves say, and what do they think?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MICHENER. Mr. Chairman, I yield the gentleman one additional minute.

Mr. CELLER. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. GRAHAM. Mr. Chairman, I thank both gentlemen most sincerely.

Mr. Chairman, I want to read two letters. One is from the Elliott Brothers Steel Co., at Newcastle, Pa., in my district. It is as follows:

Our company is a small nonintegrated mill engaged in the production of cold-rolled strip steel. Our position, insofar as buying is concerned, has been severely handicapped due to the elimination of the basing-point system. We are necessarily obliged to buy from concerns located near our city regardless of the fact that there may be companies not so well situated from whom we would like to purchase our material for a number of reasons, chiefly that of quality.

That is one of the things that has not been emphasized except by the gentleman from Arkansas [Mr. TACKETT] when he brought out the question of quality.

The letter reads further as follows:

If we buy outside of this area, we would be handicapped in the matter of freight.

The same condition also exists in the selling end of the business which makes it necessary that we stay away from distant points due to the matter of freight rates which are also eliminated by the discontinuance of

the basing-point system. Inasmuch as all of our capacity is located right in this area, you can understand that we are gradually being put in a very bad position in an economic way. There has been a bill proposed by Senator O'MAHONEY, of Wyoming, that would tend to bring back a competitive position insofar as our company and like companies are concerned.

Anything that you can do to help on a measure of this kind would be greatly appreciated.

The other letter is from the Babcock & Wilcox Tube Co. It is very brief. It is as follows:

DEAR MR. GRAHAM: Your favorable vote is requested on O'Mahoney bill S. 1008 granting permission for industry to absorb freight on shipments. This legislation is required to clarify present confused situation. If freight absorption is not permitted, our plant, employing 3,100 men, will lose its ability to compete in 50 percent of the national market.

There is a statement from two companies. I have dozens of letters in my files along this same line, all pointing to the confusion which now exists, the uncertainty and difficulty in planning for the future and the difficulty in reaching markets if this situation is not clarified by the adequate legislation which we have before us.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. GRAHAM] has again expired.

Mr. MICHENER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. KEATING], a member of the committee.

Mr. KEATING. Mr. Chairman, I rise rather to ask some questions than to make a speech.

The distinguished gentleman from Indiana, the former majority leader [Mr. HALLECK], has voiced the sentiment, shared by the present majority leader, to the effect that we should not, in the action taken on this legislation, do anything which will interfere with the legitimate interests of small business. Their zeal in that regard is sincere and widely shared.

Many of us, over a period of years, have endeavored in every way to foster the interests of small business, and to see to it that its interests are not subject to improper or unfair encroachment by big business. The independent corner groceryman, druggist, or filling station operator are the backbone of communities all over this country. I would not for a moment knowingly support legislation which would injure them.

I suspect, however, that a great deal of artificial opposition to this measure has been developed and controversy engendered among small-business men, which is entirely unnecessary and most unfortunate. I would like to have some member of the subcommittee which has studied this subject so thoroughly address himself to this point specifically: Wherein does this bill in any way, in its specific provisions, weaken the Robinson-Patman Act, which is a beneficial law strongly endorsed by many of us who feel that it furnishes protection to the independent merchant?

I have, for instance, this letter from a man in whom I have great confidence. He is a druggist. And he says:

This bill is a whack at the small-business man who is barely ekeing out a substantial livelihood to live the American way of life. This bill, if enacted, will induce cutthroat competition, and, as you know, all of the courts of this land have upheld the Robinson-Patman law, which gives me and my friends the right to live and to earn an honest living.

Another substantial and reliable constituent, who is in the retail gasoline business, writes requesting that I do all in my power to maintain the original intent and purpose of the Sherman Act and the Clayton Act and the Robinson-Patman Act. He adds:

If the present practices of the big oil companies were allowed to continue, they would be able to take over complete control of the retail sales by forcing the small independent operator out of business. We firmly believe that it is of the utmost importance that the small-business man be protected from large monopolies, to maintain our country's standard of democracy.

That last statement is something with which all of us, so far as I know, would enthusiastically agree, but the question which I would like to ask the committee is this: Is there anything in this bill which in any way weakens the provisions of the Robinson-Patman Act or interferes adversely with the legitimate interests of the small-business man? Would the gentleman from Arkansas address himself to that question?

Mr. TACKETT. I certainly do not think that this bill weakens the Robinson-Patman Act. I think that failure to pass this legislation, should the Supreme Court dictum become the law of the land, would be creating a lot of monopolies rather than breaking up monopolies, because in large sections of the country there will be some business that will have no competition within that particular area for the simple reason that the people cannot afford to pay the freight rates from a distance to compete with people in the area.

Mr. KEATING. It has seemed to me that unless we enact this law we will have the situation where a steel company, let us place it in the State of Arkansas, will have a regional monopoly of all of the steel business in that area unless you allow steel companies located in Pennsylvania, New York, and other States to compete in the Arkansas area by absorbing freight rates.

Mr. TACKETT. That is correct.

Mr. KEATING. There is another situation which points up the need for this legislation on the part of manufacturers, both large and small. It has been explained to me by a successful businessman in my district. Obviously any manufacturer must have more than one source for his raw materials. So long as it is made illegal for a seller to absorb the cost or part of the cost of transportation, every purchaser of raw materials will be at a disadvantage because he will be limited to dealing with a single supplier or, at least, a small number of suppliers. Thus competition will be curbed, just as it will when that manufacturer comes to sell his finished product and is limited, through inability to absorb freight, to a local market and precluded from competing with other concerns at a distance. Thus the only manufacturers, either large or small, who would benefit from a prohibition against absorbing part of the cost of transportation would be those who have adequate local sources for their raw materials and completely local consumers for their finished products and who wish to keep out any competition whatever. The number of such companies would be very small indeed.

The effect of placing a prohibition on the absorption of freight by a manufacturer would be to convert many present thriving communities into ghost cities due to a necessity of relocating plants in areas where they can obtain cheap raw materials and find a purely local market for their finished goods, if such be possible. Unless something is done to clarify the chaotic conditions resulting from the present court decisions, there will surely be brought about in this country widespread removals of business concerns from one part of the country to the other, with all the attendant upheavals and dislocations which such moves would necessarily entail. After all these changes have taken place, we would have remaining a series of regional monopolies throughout the country in various raw materials and finished products, instead of the country-wide competition which now exists and which has been an important factor in our unparalleled industrial development.

In order that it may be completely clear that there is no intention by this legislation to eliminate any protection afforded to small business by the provisions of the Robinson-Patman Act, I understand that an amendment will be offered to section 2 (B) to provide, just as has been done in 2 (A), that the exoneration of illegality accorded a seller who, acting independently—those words are important—absorbs freight to meet the equally low price of a competitor in good faith, shall not extend to a case where the effect of such action upon competition would be that prohibited by the section of the law which we are amending. The adoption of this amendment should make it perfectly apparent that we do not intend to and are not, in fact, weakening the present Robinson-Patman law or depriving any independent small-business man of the legitimate protections which he now enjoys.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FEIGHAN. Mr. Chairman, I yield the gentleman one additional minute.

Mr. TACKETT. Now that the gentleman has been yielded additional time may I make one statement?

Mr. KEATING. I yield.

Mr. TACKETT. Suppose I owned a steel mill in my district. My competition, of course, would be from up around Pittsburgh. If the Pittsburgh people were not allowed to absorb the freight rate and compete with me down in my district I would have a monopoly over several States in the Southwest because no one could compete with me. That is the reason that we have got to have this particular piece of legislation: In order that there shall be competition and that I may not have such a monopoly.

Surely this legislation benefits small business. Without same the Supreme Court decision may bring about sectional monopolies and remove the assurance of open competition.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. WILLIS].

Mr. WILLIS. Mr. Chairman, I hasten to say that I am not opposed to all suppliers having the right to sell their products at a delivered price; nor am I opposed to a supplier's absorbing freight so long as that delivered price and that freight absorption shall not result in discrimination among the supplier's own customers, and so long as it shall not result in any lessening and stifling of competition. The issue here from my point of view is not the right of the manufacturer or a seller to sell his commodities at a delivered price or to absorb freight; the issue is unfair price discrimination. Mind you, Mr. Chairman, we are making something lawful by this act which heretofore has been unlawful. This act specifically and directly amends the Robinson-Patman Act. It refers to the Robinson-Patman Act, and it refers to the Trade Commission Act, and it refers to the Procedural Act. There are three sections to this bill and it amends three different laws, it cuts into three different laws to the extent of price discrimination. It reminds me of a story of the colored man who had been cut three times. When asked what he meant by that he said: "I have been cut deep; I have been cut wide; and I have been cut long." I repeat, we are making something lawful by this act which heretofore has not been lawful. Let us read the first sentence of the two pieces of legislation on the subject. Read the Patman Act. The opening sentence says:

> It shall be unlawful for any person engaged in commerce to discriminate in price between different purchasers where the effect of such discrimination may substantially lessen competition.

Now, read the opening sentence of this bill:

> It shall not be unlawful discrimination in price for a seller acting independently to quote or sell at delivered prices or to absorb freight to meet the equally low price of a competitor in good faith.

I agree with the proponents of this measure up to the point of price discrimination. The Kefauver amendment I hope to perfect, and I agree with the Kefauver approach. It says that it shall not be unlawful for a manufacturer to go into a territory and to sell at a lower price in competition with those in the territory. It goes on to say:

> Nor shall it be unlawful for the local suppliers to meet the new price, the lower price, provided, however—

Says the Kefauver amendment, in effect—

> that in so doing you will extend your low price to all of your customers equally and without discrimination.

That is the key, that is the heart of the Kefauver amendment, and that is something we who believe in the little man, in the corner grocery store and the filling station, should fight for and seek to preserve. Those who are for this bill as written and speak the language of big business, steel and cement, I am not interested in. That is all right. The cement plants can come to Louisiana and furnish us, for our highway program, cement at a certain price provided that in so doing, they will sell their cement to their own customers at the same price. To do otherwise is immoral, unethical, and illegal.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. CELLER. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. WILLIS. Mr. Chairman, I do not quarrel with the theory of delivered prices, I do not quarrel with the right of a supplier to absorb freight. I concede him the right to use that freight differential and that delivered price differential to his advantage to come into a territory and to meet a price. I will go along with it. What I object to, however, is to give him the right to cut the throats of his own customers. I say that is immoral, that is illegal, that is not right. It is presently the law that he cannot do it.

This bill is directed at the Robinson-Patman Act and would allow just that. It would allow price discrimination. Read the first two sentences of the bill, as I asked you to do a while ago.

The Robinson-Patman theory, the Robinson-Patman approach, is that it shall be unlawful to discriminate. The theory of this bill in the opening sentence is that it shall be lawful to discriminate. That is the heart of the problem.

I am not quarreling with the question of delivered prices or the absorption of freight, but I am going to ask you today, in my substitute amendment for the committee amendment, to go along with me and others who agree with me. Let us not destroy the corner grocery store, the filling station, and the drug store.

The gentleman from New York [Mr. KEATING] told you he got a letter from the druggists' association. I will tell you why he is worried. He is worried about the drug store on the corner, the grocery store, and the filling station. He is worried about the chain store in his community having one price and the other competitors across the street having a different price.

Mr. Chairman, that is the issue—price discrimination—and unless we can include the improved Kefauver amendment we are going to have a bad bill.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. CELLER. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. CARROLL].

Mr. CARROLL. Mr. Chairman, I am in thorough agreement with the remarks made by the gentleman from Louisiana. He is 100-percent correct on what the issue is here.

I want to tell you that there is no longer the issue before this committee of whether or not we are in favor of freight absorption. I do not pretend to know enough about the difference in philosophy between the basing-price theory and the mill-price theory, but I do know the reason which was advanced for bringing this bill before this body. The distinguished Senator from Wyoming [Mr. O'MAHONEY], the distinguished Senator from Maryland [Mr. O'CONOR], and the distinguished Senator from Pennsylvania [Mr. MYERS] have led us to believe in debate in the Senate, and I agree with them, that the issue was the clarification of certain Supreme Court decisions. How were they going to clarify them? By a legislative declaration overcoming certain dicta in a Supreme Court decision. Now, I can go along with that. That is the clarification of the doctrine that permits freight absorption. Well, I can go along with that. But, why do we have to take another uncalled-for and dangerous step? Why do we have to amend the Robinson-Patman Act which was expressly designed to protect small business against unfair price discrimination?

Let me tell you what the issue is in the present bill. With reference to my very fine friend, the distinguished Senator from Wyoming, he did not realize the full effect of his substitute bill upon the Robinson-Patman Act, and said so in debate upon the floor of the Senate of the United States. And when Senator KEFAUVER offered his amendment, he said, "You may present your amendment." That amendment was adopted by the Senate, but, unfortunately, was stricken out by this body.

Now, I have a very simple amendment to this bill, and I want to read it to you shortly. First of all, I want to discuss with you Senate bill 1008. What do they say in this bill? In section 1 of this bill they amend the Federal Trade Commission Act to do the things that the gentleman from Pennsylvania [Mr. WALTER] has discussed, to clarify the certain Supreme Court decisions so business would know that the freight-absorption theory is not illegal per se. We can agree to that for the sake of this discussion. But over in section 2—and this is the nub of it—you find that this is an act to amend the Clayton Act as amended by the Robinson-Patman Act of many years' standing. Let me quote to you on page 2, line 11:

> That it shall not be an unlawful discrimination in price for a seller, acting independently—
>
> A. To quote or sell at delivered prices if such prices are identical at different delivery points or if differences between such prices are not such that their effect upon competition may be that prohibited by this section—

That is all right; that is a good section. But let us go down now to section B:

> To absorb freight—

We say that is all right—

> to meet the equally low price of a competitor in good faith.

That is all right. But after that wording the committee has stricken out the Kefauver amendment. Now, all I do in my amendment is use the words they use in section A, except I say, "Where such

absorption of freight would be such that its effect upon competition may be prohibited by this section." What is the committee worried about?

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from New York.

Mr. CELLER. When the gentleman speaks of this section, he means section 2 (a) of the Clayton Act, which reads, substantially, to lessen competition, which is exactly the words that have been used in our bill.

Mr. CARROLL. The chairman, I am sure, is not going to bandy words with me.

Mr. CELLER. Practically, it is the same as the Kefauver amendment; it is no different.

Mr. CARROLL. The gentleman means the amendment I have read?

Mr. CELLER. It is practically the same.

Mr. CARROLL. It is to suspend the provisions of the present law.

Mr. CELLER. It is exactly the wording of the Kefauver amendment.

Mr. CARROLL. Is the gentleman referring to section A of the bill?

Mr. CELLER. I am referring to the gentleman's suggested amendment. That and the Kefauver amendment are practically the same.

Mr. CARROLL. I will explain that difference, and then I would like to have comment by the chairman of the committee. The Kefauver amendment, it is true, selects certain words from section 2 (a) of the Robinson-Patman Act, which is part of the Clayton Act.

Now, ladies and gentlemen, this whole issue rests on the question of whether or not this committee, by legislative fiat, is going to overrule the decision in the Standard Oil case as decided by the Seventh Circuit Court of Appeals. That case is now before the Supreme Court on a writ of certiorari. That is the actual issue in this case. There is nothing new or strange about this amendment. The chamber of commerce and all these other groups have not contended that there is confusion about the Robinson-Patman Act. They have said there was confusion stemming from certain Supreme Court decisions. All I am saying is, let us permit the Supreme Court of this Nation to work its judicial will upon that case. Let us retain existing law.

May I say to the chairman of the committee that in my amendment all I do is use the words the committee has used in paragraph a of section 2 of the bill, to retain the present provisions of the law. That is all there is to it. There is nothing very complicated about that.

If the purpose of this legislation is to amend the Robinson-Patman Act, then we ought to know what we are doing because I do not believe you gentlemen can then go back to your constituents and say you are acting in the interest of small business, for that is the very purpose of the Robinson-Patman Act—to prevent monopolies to the extinguishment and the detriment of the small-business people.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Louisiana.

Mr. WILLIS. Is it not a fact that the court of appeals, in the Standard Oil of Indiana case, minus all the ramifications and the facts of the decision, simply held that it is not ever lawful for the Standard Oil Co. to go into a territory to sell to some of its customers at a certain price and to others of its customers at a different price?

Mr. CARROLL. The gentleman is absolutely right. This is what happened in that case: They had a number of people—I have forgotten the number—let us say 200, under contract. They had some other people not under contract. One of their competitors moved in, and, in order to meet the competitive price of that competitor, they, in good faith, mind you, in good faith, they moved in to meet the competition, but by their price action they had these 200 lessees on the hook. The circuit court of appeals said, "You cannot use this method as an economic club against these 200 people."

All of you who come from small areas know that you have to consider the tremendous growth of monopolies in this Nation; you have to consider the tremendous concentration of economic wealth which permits the ever-increasing and dangerous growth of monopolies.

Why, may I ask the chairman of the committee, if he will yield to me for an inquiry, did they set up in section A retaining existing provisions of the Clayton Act, but they did not do it insofar as the absorption of freight was concerned? What did they mean to do? Did they mean to say that for the same users the law will apply, and not for the absorption of freight? I think they are clearly wrong in this, and I think that the present law—the Robinson-Patman Act—ought to be retained. Then we shall see what the Supreme Court says about that when the issue comes before it.

That is all there is to this case. I want to say that yesterday I heard the gentleman from Pennsylvania [Mr. WALTER], say that there is a great conflict here in philosophy. Some believe in the basing-point system and some believe in the mill theory pricing system. That is not the issue at all. Certainly we in the West recognize that, for example, the sugar industry in order to compete must be able to absorb freight costs. We know that. I do not know that we can entirely abandon the whole pricing zone system theory. I do not think we can. But what we can say is this: Let us keep what little protection there is on the books for the small-business man and for the consumer.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. HALLECK. I take it, of course, that the gentleman heard the opening statement made by the gentleman from Texas [Mr. PATMAN], who apparently is the leading opponent of this measure. Certainly he is opposed to the basing-point system. To my mind, as I listened to his speech, that was the burden of his opposition to this measure.

Mr. CARROLL. I may say to the gentleman from Indiana that I am not as much of a student on this subject as is the gentleman from Texas, and I can only give my own viewpoint. My own viewpoint is, perhaps for lack of knowledge, and I know many intelligent people do not like the basing-point theory—that it took many, many years to rule out the Pittsburgh-plus practice, and, of course, those who used that system have now gone on to use the multiple basing-point system.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CARROLL. Mr. Chairman, I will have an opportunity to discuss this later as the bill is read for amendment under the 5-minute rule.

Mr. WHITE of Idaho. Mr. Chairman, may I inquire how the time stands, since some of us cannot get any time and would lie to speak under the 5-minute rule. I would like to know how long we have to wait.

The CHAIRMAN. The Chair will advise the gentleman that the gentleman from New York has 18 minutes remaining, and the gentleman from Michigan, 30 minutes remaining.

Mr. MICHENER. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. HILL], a member of the Small Business Committee, who attended the hearings.

Mr. HILL. Mr. Chairman, I rise with considerable hesitation and apprehension before injecting my own thinking before this august body when you have opportunity to listen to all this legal counsel.

I am going to speak strictly from a small business standpoint. I am going to speak as a typical representative of small business. I think we have a right to have a representative. I am not so sure some of these lawyers are not more interested in the legal phases than they are in saving our small business. I am a member of the Committee on Small Business. I have always felt that the word "small" was a misnomer. I ought to say that I am a member of a group of people who do over 90 percent of all the business in the United States. That is true. So, as a representative of small business with over 30 years of experience, as I said before, I hesitate greatly and am very apprehensive about injecting myself into this argument. So I will let the legal lights tell you the law, but I want to tell you some of the facts and tell you what will happen if we do not pass this legislation, so far as the small industries of the State of Colorado are concerned.

First of all, let me give you a typical picture of what is going on where are we, anyway? We are high up on the mountains, and on the plains. We are not in the sense I speak of even in the Mississippi Valley. We are not on the East Coast, nor are we on the West Coast. We are a long way from markets. We are anywhere from 300 to 1,000 miles away from markets of any kind. We have a population of 1,500,000 people. There is only one possible way that we can sell our manufactured goods and our agricultural products, and that is if you permit us to absorb freight. If we are prohibited from doing that, we immediately, as the lawyers say, are estopped from reaching any markets.

As a member of the Small Business Committee I have been quite interested in some of the antics that have been performed by that committee in holding hearings and going into the details, even, after the Committee on the Judiciary had had its report printed and handed to every member. We, as a small committee, have no authority to present legislation as a committee.

I was quite appreciative yesterday of what the chairman of the Judiciary Committee, the gentleman from New York [Mr. CELLER], had to say. He and I agree once in a while. This is one time when we agree. I repeat what he said. He said this, and I quote:

So the Committee on the Judiciary got to work on the bill as it was introduced. The other body passed the bill. The Department of Justice put the imprimatur of its approval on the bill. I shall deny any statement made to the contrary because I spoke to the representatives of the Department of Justice, and I particularly asked them whether they were in favor of the bill. They said they were unequivocally in favor of the bill. The Federal Trade Commission approved the bill. But one of the lawyers of the Federal Trade Commission and one of the economists, on their own initiative, made statements that they were opposed to the bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HILL. Not at this place. Now, I listened to the testimony, and he did not know what he was talking about. I will enclose it as a part of my remarks.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I refuse to yield.

The gentleman from New York [Mr. CELLER] said, and I quote:

But they were only speaking their own personal views and not the official views of the Federal Trade Commission. They had no right to make those statements in opposition before the committee presided over by the gentleman from Texas. They had no right to make those statements before the Small Business Committee.

Mr. PATMAN. Mr. Chairman, will the gentleman yield now?

Mr. HILL. I refuse to yield.

Let me say this to the Small Business Committee: There is no sense in anyone believing for a moment that this body is going to keep the Small Business Committee, that has no legislative function, if it is going to perform in such a manner as holding hearings after the regular committee has reported and said this bill is O. K., after the Judiciary Committee has said it is all right, after the Federal Trade Commission stated it was O. K., and later on the majority leader on the floor said the bill was O. K., and even someone yesterday quoted the Chief Executive as saying the bill was approved.

So I mention that in introducing my remarks.

Now, let me say Colorado is a long, long way from the markets. Let me mention some of our industries and the troubles we face. We manufacture or process more sugar than any single congressional district in the United States. There is no possibility for us to use up all this sugar with a million and a half people. We have some 12 or 14 or perhaps 15 sugar mills in the State of Colorado for a million and a half people. Tell me how we are going to sell that sugar and ship it all over the United States without absorbing the freight.

In addition, we ship flour. We ship to the Southeast as far as Florida. We raise in Colorado 5 percent of all the wheat produced in the United States. So again we are estopped from selling our flour.

Now, let us look at the cement. We have several cement factories in Colorado. It would be impossible for us to use all the cement manufactured in Colorado, in that small circle, without absorbing the freight.

We have steel plants, livestock, farm products, small manufacturers of all kinds.

I want to read one statement made by a gentleman from the city of Denver. This is important, and I crave your attention. This man is W. C. Crew, and he is vice president and general manager of the Denver Union Stockyard Co., and chairman of the chamber's shippers executive committee.

I will read this letter quickly:

BASING-POINT DECISION COULD DESTROY MEAT PACKING

While the Denver Union Stock Yard Co. as a company does not bear any freight charges on the shipment of meat and livestock products, it has been the motivating agency in the development of a packing industry at Denver. It is a matter of record that prior to 1940 the tonnage of meat shipped from Denver to points outside of the immediate Rocky Mountain States was of such low volume it could be ignored. The total slaughter of livestock at Denver had rarely exceeded 200,000 cattle, 400,000 hogs, and 400,000 sheep.

Since 1940, mostly through the efforts of the Stock Yard Co., freight rates on meat and meat products from Denver to all points in the United States have been adjusted downward to a competitive relationship with other Midwest slaughtering points serving common markets located mainly on both coasts. Today the slaughter of cattle at Denver has reached the 400,000 figure. The slaughter of hogs has reached a high of 900,000, and the slaughter of sheep about 750,000. Additional thousands of animals are slaughtered in the Denver trade area each year.

Just last year, the Yard Co. made a land grant of $60,000 to local interests who constructed the largest independent sheep-slaughtering plant in the United States. Today we have eight packing houses at Denver who ship to all parts of the United States. On these shipments, the entire freight charges must be borne by the Denver packer. In the case of a shipment from Denver to New York versus Chicago to New York the Denver packer must absorb about $245 freight per car above what the Chicago packer must absorb in going to the same market.

The tremendous livestock population of the Intermountain West cannot be consumed within the origin territory. It must be processed and shipped out as meat or it must move on the hoof to the consuming centers for slaughter. If the packing industry at Denver is not permitted by law to absorb freight in order to equalize opportunities for sale in common markets, it will create a situation where all the western livestock must move to the heavy consuming centers along the Atlantic seaboard and along the west coast at an economic waste in shrink, damage, and death loss, which must ultimately be borne by the consumer, or the producer.

The tremedous growth of livestock receipts at Denver demonstrates that the livestock producer is netting more money now for his raw product at Denver than he had previously netted prior to 1940 at the Missouri River markets, the Chicago market, or seaboard markets. This development has not occurred at Denver because of any loyalty for marketing in the home area, but rather because the price brought at Denver through the competitive bidding of local packers against packers located at other points east and west of Denver has put more net money in the Rocky Mountain livestock producers' pockets.

Today Denver is watched as the price-basing point for all livestock sold west of Grand Island, Nebr. It was not prior to 1940, and it will not be again if the local packers are prevented from absorbing freight charges as a result of the Federal Trade policy in the Cement case. We earnesly urge the Capehart committee to consider what effect this policy would have on the producers of agricultural products and livestock in the Intermountain States as well as the effect upon industry as a whole in this area.

To us, it is most clear that the small livestock producer and the small independent locally owned packer who has had an opportunity to develop since 1940 will be fatally damaged as a result of the policy laid down in the Cement case if extended to our industry.

I will not read further, but he states that if you do not pass this bill, if you do not legalize this basing-point system, then the future development of our industries in the West is ended. As I have said time and time again, we cannot exist nor can we continue the small industries in the mountain and plains sections of these United States unless you make this basing-point system legal.

I enclose the wires and a list of those manufacturing concerns that importuned me to assist in the passage of S. 1008:

DENVER, COLO., *July 7, 1949.*

Hon. WILLIAM S. HILL,
*House Office Building,*
*Washington, D. C.:*

Favorable action by House on O'Mahoney bill, S. 1008, regarding freight absorption vital in our opinion to continued success of this country as exponent of free-enterprise system, and particularly important to the continued welfare of this company and its ability to provide continuing pay rolls in this State.

Regards,

CRIS DOBBINS,
*Executive Vice President, Ideal Cement Co.*

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GREELEY, COLO., *July 2, 1949.*

WILLIAM S. HILL,
*House Office Building,*
*Washington, D. C.:*

Our association hopes very much that you will support passage of O'Mahoney bill on trade practices as it was amended and favorably reported by the House Judiciary Committee.

MOUNTAIN STATES BEET GROWERS MARKETING ASSOCIATION OF COLORADO.

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In the canvass among Denver manufacturers and distributors the following listed firms, numbering 140, expressed the opinion that prohibition of freight absorption would be bad for business: L. J. Todhunter Co.; General Electric Co. (apparatus department); Barteldes Seed Co.; Wallin Foster Associates, Inc.; Denver Brick Stain Co.; Colorado Natural Gas & Fuel Co.; The Old Homestead Bread Co.; The National Fuse & Powder Co.; Carl A. Wagner Manufacturing Co., Inc.; Airport Equipment Co.; The Redfield Gun Sight Co.; Bredan Creamery, Inc.; Gair & Binderup Machine Shop Co.; Marshall Manufacturing Co.; William Ainsworth & Sons, Inc.; Carl Pearson Brass Foundry & Machine Works

Co.; Inland Frosted Foods, Inc.; O. K. Ko-Op Rubber Welding System; Walter & Carrell Manufacturing Co.; Gardner-Denver Co.; The Vulcan Iron Works Co.; The American Fixture Co.; The Merchants Biscuit Co.; Eaton Metal Products Co.; Bearings Service & Supply Co.; K. C. Construction Supply Co.; Lauren Burt, Inc.; Hoskins Brokerage Co.; Huizingh Furniture Co.; Republic Steel Corp.; Golden West Milling Co.; Boyd Distributing Co., Inc.; Murray Sales Co.; Highland Industries, Inc.; Monolith Portland Midwest Co.; Western Wood Preserving, Inc.; The Nock & Garside Elevator Co.; Contractors Heating & Supply Co.; Grimes Pipe & Supply Co.; The Denver Fire Clay Co.; Air Flow Heating Co.; Midwest Trunk & Bag Manufacturing Co.; The H. A. Marr Grocery Co.; Dad's Cookie Co.; Rhea Lithographing & Envelope Co.; Western Spring Service Co., Inc.; The Tivoli-Union Co.; Finline Tackle Co.; The James Clarke Church Goods House; Peerless Colorado Co.; Advance Neon Sign Co.; Rocky Mountain Research, Inc.; C. A. Norgren Co.; The Dieter Book Binding Co.; Rome Creations; Cinder Concrete Products, Inc.; The Mine & Smelter Supply Co.; Arrolite Manufacturing Co.; Ryall Electric Supply Co.; Bryant-Colorado Co.; The Warner Co.; Colorado Steel Sash Co.; Marshall Nurseries; Furniture City Upholstery Co.; Merrill Engineering Laboratories; McCoy Co.; American Spring Co.; Gene Wright Lumber Co.; Western States Bean Cooperative; Zefer Products, Inc.; The Great Western Sugar Co.; Midwest Steel & Iron Works Co.; The Western Battery & Supply Co.; The Parker Co.; Bayly Manufacturing Co.; Aviation Service Supply Co.; The Denver Union Stock Yard Co.; Stearns-Roger Manufacturing Co.; O. M. Franklin Serum Co.; Pioneer Iron & Wire Works; Hindes Sales Co.; Colorado Serum Co.; Scotty Glover, Inc.; Croft Trailer Hitch Co.; American Crystal Sugar Co.; Western Engineering Co.; Silver Engineering Works, Inc.; Katzke Brothers Paper Co.; E. J. Scarry & Co.; Spear Brothers Laboratory; Colorado Iron Works Co.; Syfo Water Co.; Paul R. Spencer & Co.; Denver Beverage Sales; Insulation Service Co.; Electric Motor Supply Co.; Harry N. Nelson Co., Inc.; Lynch Produce Co.; M. L. Foss, Inc.; Demco, Inc.; Linder Packing & Provision Co.; Davis Bros., Inc.; Ralston Purina Co.; Ideal Cement Co.; Hallack & Howard Lumber Co.; Nu-Tone Products Co.; Fulton Bag & Cotton Mills; The Gates Rubber Co.; Thomas-Hickerson Motor Co.; The Morey Mercantile Co.; Owen Products, Inc.; Burkhardt Steel Co.; Freeman & Freeman, Inc.; The Denver Sewer Pipe & Clay Co.; Guild Manufacturing & Supply Corp.; Timpte Brothers, Inc.; General Electric Supply Corp.; Tuxall Uniform Manufacturing Co.; Frank C. Klein & Co., Inc.; Lock Joint Pipe Co.; B. K. Sweeney Electric Co.; Bill Reno, Inc.; McNeil Coal Corp.; Western Steel Products Co.; Armco Drainage & Metal Products, Inc.; Post Printing & Publishing Co.; Clayton Coal Co.; Denver Gear & Parts Co.; the Denver Publishing Co. (Rocky Mountain News); the Consolidated Coal & Coke Co.; Hopwood Studio; Deep Rock Water Co.; Empire Distributing Co.; Centennial School Supply Co.; Ludwig & Paterson Co.; Meier-Dawson Produce Co.; Colorado Milling & Elevator Co.; Montgomery Ward & Co.; Hoskins-Beatty Oldsmobile Co.; Eldridge Entertainment House.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, I voted for the rule on this bill yesterday because I felt that this matter should be thoroughly debated and thoroughly considered. It is a most important question, and one of the principal reasons why much opposition exists to the measure is the fact that there has not been sufficient discussion of the issues presented in this bill.

I like to see the Congress legislate in an atmosphere of open and free discussion and I deplore the fact that an effort has been made to speed and rush through the Congress legislation of this importance—without adequate hearings and full discussion on the issues.

Yesterday we heard our able and esteemed colleague the gentleman from Pennsylvania [Mr. WALTER] make a forceful speech. He indicated that extensive hearings had been held on this bill. The report of the hearings which he exhibited to the Members represented hearings before the Senate Subcommittee on Trade Practices of the Senate Committee on Interstate and Foreign Commerce—and are not upon this bill which is before the Congress.

Our good friend, the gentleman from Pennsylvania [Mr. WALTER]—and I have the highest esteem and regard for him—also referred to the hearings of the Temporary National Economic Committee—the TNEC—of which Senator O'MAHONEY was chairman.

This committee held its hearings several years before the war—and long before the decision in the Cement case and the Rigid Steel Conduit case.

These TNEC hearings are likewise not related to hearings before the committee.

The Committee on the Judiciary of the Senate held brief hearings on the moratorium bill which was introduced by Senator MYERS, of Pennsylvania—following the decision of the Supreme Court in the Cement case. The purpose of the moratorium bill was, of course, to suspend the effect of the Supreme Court decision in the Cement case until the Congress should have had an opportunity to go into the matter and to determine the effect of the so-called basing-point system of pricing as it affects industry trade practice and the economy of the country.

Brief hearings were held on this moratorium bill. It was apparent from the hearings and from informal discussions otherwise that Members of the Senate were not in favor of a moratorium bill which would suspend the antitrust laws.

Thereafter, Senator O'MAHONEY, in an effort to be helpful and work out a compromise, introduced a substitute bill—identified as S. 1974—to the Myers moratorium bill. No hearings—either executive or public—were held in the Senate on Senator O'MAHONEY's substitute, the bill which we have before us here today. The bill was hurriedly rushed through the Senate without a roll-call vote.

When the bill came to the House no public hearings have been held in the House Judiciary Committee on the O'Mahoney substitute bill—which now bears the same number as the original Myers moratorium bill, S. 1008—only a closed executive hearing of 1 day, in which only two witnesses appeared, namely, Senator O'MAHONEY and Mr. Herbert A. Bergson, Assistant Attorney General, Department of Justice.

There have been no printed reports of the hearings or of their testimony made available to the House.

In the committee report on this bill, there is a brief statement by Senator O'MAHONEY in which he states that his purpose, if possible, was to clarify the confusion which has arisen since the Supreme Court decision in the Cement case.

He stated:

> My purpose was, if possible, to clear up the law because I felt that it was essential.

I am in agreement with Senator O'MAHONEY that clarification, if needed, should be secured—but I do not think that this legislation will clarify the situation. I think it will make it more confusing.

Senator O'MAHONEY's objective is good but it should be accomplished only after complete and thorough—fair and adequate hearings on the subject of this technical and important question. My position is that the bill should be recommitted to the Committee on the Judiciary for a thorough study and investigation—with public hearings—giving those interested an opportunity to be heard on the subject.

The committee report also contains a brief statement, as I have indicated, of Hon. Herbert A. Bergson, Assistant Attorney General, Antitrust Division of the Department of Justice. But nowhere in this statement is Mr. Bergson quoted as indicating in favor of this bill or endorsement of it.

I know that statements have been made indicating that the Department of Justice favors this legislation.

The Department of Justice is not favoring this legislation. It is just not opposing it.

I recently discussed this matter with Mr. Bergson, and he stated to me: "I am not a protagonist for the bill. I don't favor the bill. The language used is not as bad as the language in some proposals that have been made, but we"—meaning the Department of Justice—"have not endorsed the bill. It is not a Department of Justice bill and we are not advocating it."

I should like to quote Mr. Bergson further. He said: "We think the law as it stands is quite sufficient."

He indicated that there had been some insistence for this legislation because of the need for clarification, but that he had no doubt that some of the so-called confusion had been stimulated.

I understand that the gentleman from Pennsylvania [Mr. WALTER] has received a letter from the Honorable Ewin L. Davis, former judge, former Chairman of the Federal Trade Commission, and, for 18 years, a Member of this body, in which Judge Davis has taken a position similar to that of the Department of Justice—namely, that they are not opposing certain amendments to the Federal Trade Act.

Certainly, the majority of the membership of the Commission does not favor this legislation. In an authoritative statement on this question before the Senate Subcommittee on Trade Practices, when the moratorium bill was under consideration, Judge Davis concluded that—

> This legislation is neither necessary nor desirable.

I have recently conferred with Commissioner Davis and he has emphasized to me his belief that this bill should not

be passed. He had no objection to being quoted.

He said further that the position of the majority of the Commission is well known—that they believe in the vigorous enforcement of the antitrust laws and believe firmly that no action should be taken to weaken these laws.

In this connection, Mr. Chairman, I should like to answer one further statement of my friend, the gentleman from Pennsylvania [Mr. WALTER]. He said that those opposing this bill are in favor of outlawing the basing-point system.

It should be emphasized that the basing-point system has been challenged only when this system has been used by groups in an industry to establish identical prices through collusion and conspiracy—where the system was used as an instrumentality by concerns to fix prices.

In defense of the policy pursued by the FTC I should like to read a brief statement by Commissioner Davis as to policy the Commission has pursued in the filing of charges in which the basing-point system of pricing was used:

The Commission acting pursuant to section 5 of the Federal Trade Commission Act has challenged basing-point systems when these systems have been used by groups in an industry to establish identical prices. They constitute violations of the Sherman Act as well as the Federal Trade Commission Act. In these cases the basing-point system was an instrumentality used by concerns to fix prices. * * * The Commission has not in a single case challenged the use of the basing-point method of pricing per se separate and apart from collusion. The Commission has not challenged freight absorption per se. The Commission has not required f. o. b. mill pricing. The Commission has not challenged the legality of the use of uniform delivered prices by an individual concern.

It should be emphasized that the Commission does not see a violation of the law in every basing-point pricing case which comes before it. Positive and irrefutable proof of this is contained in the fact that the Commission has closed without prejudice matters under consideration in which the facts revealed unmistakably the existence of basing-point pricing which, however, was not accompanied by evidence of collusion in violation of the Federal Trade Commission Act or competitively injurious discrimination in violation of the Clayton Act.

For example, in two specific cases the Commission investigated charges that a basing-point type of pricing was being followed and that it resulted in a violation of the law. In these cases the facts after investigation revealed unmistakably that a basing-point method of pricing actually was being followed. Investigation also however failed to disclose sufficient evidences of collusion or discrimination to constitute violations of the law. Consequently, the Commission closed without prejudice each of these cases and no complaint was issued despite, and I repeat despite, the fact that basing-point systems of pricing were followed. These cases reveal that the mere existence of basing-point pricing in and of itself does not constitute in the opinion of the Commission a violation of any of the laws administered by the Federal Trade Commission.

The assistant chief counsel, the associate chief counsel and various members of the staff of the Federal Trade Commission have recently appeared before the House Select Committee on Small Business in this connection—as well as representatives of various wholesale and retail mercantile associations, representatives of small business and others. They have appeared before the House Committee on Small Business and have testified at length concerning the undesirable features of this bill and the reasons why the same should not be passed.

They have pointed out that the effect thereof will, first, have a tendency to weaken the existing antitrust laws—the Federal Trade Commission Act, the Robinson-Patman Act, the Clayton Act; second, it will open the door for the continuance of a practice declared unlawful by the Commission and confirmed by the United States Supreme Court; third, it will result in extended and protracted litigation in the courts; fourth, although this bill is being advanced on the proposition that clarification is needed, it will bring about more confusion than has ever existed in this field; fifth, it will result in vitiating or setting aside antitrust laws that have built up over a number of years.

The Congress should not take here today, action which would turn the clock back, so to speak, with respect to the historic policy of our country of the enforcement of the antitrust laws.

Let us not pass hasty legislation on so vital and important a question. But, rather, let us recommit this bill to Committee for thorough, fair, and impartial study. We will thus be preserving our antitrust laws and also serving not the interest of the Steel and Cement interests—but the public interest.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to my friend, the gentleman from Pennsylvania, and may I say that I have the highest regard for him as a very able legislator.

Mr. WALTER. The gentleman has just stated that in no instance has the Federal Trade Commission proceeded against anyone because of the basing point price system.

Mr. EVINS. I said in the absence of collusion or conspiracy.

Mr. WALTER. I call attention to count 2, paragraph 1, in the Clifton Conduit Co. case in which they were prohibited from doing this.

Mr. EVINS. There was another charge alleging conspiracy in this case. A specific charge of conspiracy was made in the Conduit Co. case because there was a conspiracy and this finding was upheld by the United States Supreme Court.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. WALTER. Mr. Chairman, I yield the gentleman one additional minute. Under this count there was no allegation of collusion or conspiracy. Let me read what they were prohibited from doing.

Mr. EVINS. It was alleged in count 1 in the same case and sustained by the Supreme Court.

Mr. WALTER. I am now talking about what they were prohibited from doing in count 2:

(c) Quoting or selling rigid steel conduit at delivered prices which systematically reflect the inclusion of a transportation factor greater or less than the actual cost of transportation from point of shipment to destination.

Mr. EVINS. The company was charged with systematically engaging in those practices, that constitute conspiracy and collusion which the Commission and the Court declared illegal. I repeat, that in no case has this Commission proceeded in the absence of collusion and conspiracy in such cases. I think the gentleman may not fear that the Commission is going to proceed in those cases where there is only the basing-point system involved, in the absence of a conspiracy.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. MICHENER. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Chairman, I wish to pay particularly high tribute to this fine Committee on the Judiciary in supporting this legislation and reporting it to the Committee on Rules, also I wish to compliment the Committee on Rules for expediting this legislation and bringing it to the floor of the House. This Congress in supporting this legislation will go down in history as doing a great job to clarify trade practices throughout these United States. It has been in a state of confusion for many, many years, and this bill greatly clarifies the procedure of trade which we must have flowing freely throughout these United States of America.

My district is particularly grateful for this legislation, because we would be absolutely out of business if this legislation does not become law. For the past two Saturdays I have met with businessmen from my district who are so particularly interested in this legislation to the degree that they have circulated petitions, and I have some 10,000 signatures in my office of people who are so interested in this legislation becoming law.

Let me give you a few figures on this. I have one company in my district, a tube plant that does threading. Last year they did $400,000 worth of business in the New York area. To date we have a record of that company doing but $20,000 worth of business in the New York area, because they are eliminated from that market. I have another company in my district that has a capacity of 1,000,000 tons of steel a year. They will be eliminated to the degree that they will only be able to produce and provide work and provide pay days to the extent of only producing about 400,000 tons of steel because they will be eliminated from the entire eastern market and will have nothing but their own particular area and the Dominion of Canada to sell in. Right at this time we have around 2,500 men idle in one steel plant in my district, because they are prohibited from doing business outside of their area, because they cannot absorb the freight rates. I had a meeting with housewives last Sunday after church. One woman had 10 children, and her husband was a heater down at the plant, and he has not had any work now for going on 4 months. He will not have any work unless this company can go out and do business other than in its own area.

When I make an appeal for this legislation here I am appealing so that men will have work and pay days; that here in the United States we started business in a competitive form and we want to keep it that way. We are the only nation left where we can do business in any area of our country, and we do not want to follow the pattern like we see functioning overseas where a dictator tells people they can do business in this section but they cannot manufacture this here or that there, or you can keep this here and send that over there. So, here in America let us support this legislation and let this Congress go on record of wanting to keep free enterprise alive, keep competition aglow in this country, and by so doing we will be sure to provide work for all the people in all the areas and not in any way segregate industry and production into any particular area.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS of Louisiana. Mr. Chairman, I am naturally reluctant to rise in opposition to a bill which has been reported out by the great Committee on the Judiciary of this body. I have confidence and respect for each member of that committee. But, this matter goes way beyond the normal jurisdiction of that committee and, as a matter of fact, I think it can be said with some degree of substance that if you eliminate the legal consideration that it would be principally a matter for the determination of the recommendations of the Committee on Small Business and other committees that handle legislation affecting commerce.

I am much impressed by the fact that the distinguished gentleman from Texas [Mr. PATMAN], who has devoted many years of his life to the development of small business in this country, has taken the strong and the positive position he has taken with respect to this legislation.

I am further impressed that his predecessor on that committee, who now serves in the other body, Senator KEFAUVER, has taken a similar position.

I find it passing strange that both of these men, who have heard the testimony of the representatives of the little, independent people of this Nation, day in and day out and week in and month out, should rise in unequivocal opposition to this legislation.

I do not claim to be a legal expert. I am a lawyer of sorts, but far be it from me to put my judgment of a constitutional question above that of the great constitutional lawyers serving on the Committee on the Judiciary. But the more I study this matter the more convinced I am that it is manufactured confusion.

The statement has been made here and the statement was made by the distinguished chairman of the committee opening the debate on yesterday that the only reason for this legislation is the obiter dicta in the Supreme Court decision in the cement case. I submit to you members of this body who are lawyers that my concept of the law is that obiter dicta as such is without the opinion and it has no possible effect, so that if the sole purpose of this legislation is to overcome obiter dicta in the Supreme Court decision, then I say the legislation is unnecessary.

However, if you go on just a few paragraphs further, you find that the purpose of this legislation is definite and distinct. The purpose of this legislation is not to overcome obiter dicta but is to give legal sanction to practices which would have untold harmful effects upon small business in this country.

What did the Supreme Court hold? The Supreme Court held that where there was collusion, where it was systematic, where it had gone on over a period of time and involved all the enterprises involved, that situation involves a violation of the law. The Supreme Court did not say that the absorption of freight rates is illegal, and it never has said that the absorption of freight rates is illegal.

What has happened? Why are Members appearing here on the floor from Colorado and Wyoming and Arkansas and other places in this country and saying that unless we pass this legislation business X in Little Rock will not be able to sell its products in New York, or some outfit located in Tennessee cannot sell in Pennsylvania. That, my friends, is manufactured confusion.

People have gone about this Nation talking to the civic clubs and other groups, saying that unless this legislation is adopted the small retailer and the small supplier and the other people who do business in your local communities will no longer be able to absorb freight rates.

It is my intention to cooperate with the gentleman from Colorado [Mr. CARROLL] and the gentleman from Louisiana [Mr. WILLIS] in the offering of amendments which, I believe, if adopted, will remove the provisions in this bill which will affect small business.

The assertion has been made here that the President of our country favors this legislation. I have seen a one-paragraph letter signed by a White House assistant saying that the Bureau of the Budget had no objection to the submission of this legislation to the Committee on Rules, and, in addition to that, it referred to the Senate bill which included the Kefauver amendment. In my judgment, that cannot possibly constitute endorsement of this legislation by the President, and I do not believe that the President of the United States, the head of the Democratic Party, has all of a sudden changed all of the precepts of this party, which is dedicated to support little business and private enterprise in competition with monopolies, and I do not believe that he stands for the proposition, nor does the Democratic Party stand for the proposition, that we should adopt this kind of legislative procedure. The argument has been made here that we are Balkanizing the United States of America. I say to you that in the last 10 years, throughout the West and South and all over those great areas of the United States, we have succeeded in decentralizing some of our industries. In this atomic age in which we are living that is a magnificent thing—that we are able to produce steel in Texas and California and cement in Colorado.

Mr. MICHENER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I have asked for this time in order to propound a question to the members of the committee, which first will require a recitation of facts. Between the 11th of June 1941, and the first of September 1944, the L. V. Tucker Service Co., of Knoxville, Iowa, purchased from the Pure Oil Co., of Oklahoma, 1,360,000 gallons of gasoline under a contract which provided for a spot-market price in Oklahoma, according to their group 3 rate, plus the cost of transportation to Knoxville, Iowa. During that period the Pure Oil Co. transported this gasoline through the Great Lakes pipe line to Des Moines, Iowa, and from there to Knoxville, Iowa, a distance of 40 miles, by railway tank car. But the Pure Oil Co. charged the L. V. Tucker Service Co., of Knoxville, Iowa, for the spot-market price in Oklahoma, plus the cost of transportation all the way from Oklahoma to Knoxville, Iowa, by railway tank car, when the cost of transportation through the Great Lakes pipe line from Oklahoma to Des Moines was considerably less. The Pure Oil Co. is one of the owners of the Great Lakes pipe-line company. The overcharge to the L. V. Tucker Service Co. on these 1,360,000 gallons of gasoline during the period of a little over 3 years was more than $10,000.

My question to the committee is this: Is there anything in this bill which will prevent that kind of practice by the sellers? In other words, will it prevent the seller from going into the transportation business and thereby making a profit out of that?

Mr. WALTER. In my judgment that is the sort of practice that is not legal. In support of that statement I call your attention to the language on page 4 of the bill at line 9, as follows:

> The seller's price for such commodity at such point of shipment plus the actual cost to the seller for transportation of such commodity.

Mr. CUNNINGHAM. Does the gentleman interpret the words "actual cost" to be sufficient to protect against the situation I have just mentioned?

Mr. WALTER. Yes. It is the intention of that language to meet that type of situation.

Mr. CUNNINGHAM. The reason I asked the question, this particular case went into the Federal court and the United States district court decided in favor of the purchaser, but the circuit court of appeals threw the case out, and I understand threw it out because of the decision of the Supreme Court that this bill is attempting to correct.

Mr. Chairman, I yield back the remainder of my time.

Mr. CELLER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I think it is well to take this fact into consideration: If I wish to absorb any portion of my costs of any manufactured article, I should have the

right to do so. If I wish to enter a certain market at a distant place and absorb a portion of my advertising costs, absorb a portion of my labor costs, absorb a portion of my material costs, absorb a portion of my salesmen's commission costs, why should I not be permitted to do so? If I can absorb any of or a portion of those costs in order to meet competition, why should I be deprived of the right to absorb a part of transportation costs? That is what this bill does. It permits transportation-cost absorption. It allows a man to say to his customers: "I shall sell you these goods at a price delivered to your place of business or at my mill, f. o. b." Of course the customer would demand the delivered price or an f. o. b. price. If I would object to a delivered price, I would lose the sale. My competitor near to my customer would get the business. Why should not an American manufacturer have that right to absorb any portion of his costs, transportation costs, or any other costs?

Suppose I am in the mail-order business. I use the United States mails to deliver my goods. I have a uniform price as far as mail transportation is concerned. No matter where I ship my goods I use the mail. The transportation cost is uniform. I could meet competition anywhere, as far as transportation is concerned.

Suppose I use parcel post. I have a uniform cost of transportation. I can sell at a delivered price, without let or hindrance. All we ask by the passage of this bill is that if a man uses a railroad or a bus or an airplane or any other type of transportation, he shall be placed upon a parity with the man who uses United States mails, who uses the parcel post.

I manufacture clothes in Brooklyn and I want to sell in your district. Your district, say, is in Iowa. If I cannot absorb my transportation costs, I cannot enter the Iowa market. Contrariwise, anybody who makes something in Iowa or Ohio or Michigan could not sell in the Brooklyn market, whence I come, unless he could absorb his transportation costs.

What would happen if we did not pass this bill? Take, for instance, the State of the gentleman from Texas, who is so vigorously opposed to this bill, the State of Texas. It has a steel mill down there, a very important steel mill. The Texas users of steel products, who make radios, stoves, and refrigerators, if they could not take goods from steel manufacturers outside of Texas—and they could not if those other manufacturers could not absorb their transportation costs—they would be compelled to buy all of their steel products from this Texas steel mill. Then you create a regional monopoly. Anyone, if you do not pass this bill, can create a regional monopoly. That is dangerous. That Texas steel mill would have a very decided advantage over all of its other competitors throughout the Nation, because all those other competitors could not enter the Texas market. That steel mill in Texas has no freight or transportation charges to absorb. It has a decided geographical advantage. All of the other steel mills would be kept out of the Texas market. All those who use that steel would be at the mercy of that Texas monopoly.

The same thing would hold for steel manufacturers in other States as against the Texas steel mill. The latter could not enter distant markets. I do not want to see that situation develop. I want competition to be free and open. I do not want to put any crutches or supports under any manufacturer who may be inefficient, or even under a man who did not need Government aid. The more competition we have the better for the Nation. Take the people in the rural communities: Most goods are manufactured in cities; those people in the rural communities would suffer and only those who live in the cities, in the industrial areas would be fortunate enough to purchase their goods at the lowest prices, for freight by common carrier or private delivery trucks would be added to the city prices to get the finished goods to the farmer. I think that is wrong.

In conclusion let me say that there is nothing whatsoever inconsistent between this bill and the provisions of the Robinson-Patman Act. The latter act precludes quantity discounts. There is nothing, I can tell the membership with the uttermost sincerity, in this bill that would militate against the operation of the Robinson-Patman Act; this bill and the Robinson-Patman Act can run along parallel lines; they would never converge. If this bill is used as a facade to hide operations and violations of the Robinson-Patman Act the Department of Justice and the Federal Trade Commission can ferret out the wrong, separate the cheese from the chalk, as it were, and get after the malefactors. There is nothing in the bill which would preclude prosecution successfully of anyone who would violate the Robinson-Patman Act.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MICHENER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I believe it is true that after these several hours of debate and a long period of hearings on this whole subject that we can draw some conclusions with some clarity. I believe it is true that the great majority of the Members of this Congress, and the great majority of the people of the country want the delivered-price system retained, and I believe that this bill will do it. Secondly, I believe it is abundantly clear that Members of this House and Members of the Senate, and the public at large do not want trusts or monopolistic practices. This bill retains all possible protections. The public does not want a system of sectional monopolies imposed upon the country. As I said yesterday, failure to pass corrective legislation of this character would result in Balkanizing our economy. I believe that very sincerely. If we fail to pass a correction of the Supreme Court decisions we are going to have in every line of industry, every line of endeavor, sectional monopolies in which the freight rates will serve as the tariff keeping out competition. I believe that these gentlemen who feel that in some such area as Pittsburgh, which has been mentioned frequently, there is too much concentration of industry and others who would like this delivered-price system knocked out had better be careful of one thing: They had better be sure that it is not cheaper to move finished products than it is basic steel. The first result of this prohibition of delivered prices of steel was that the processors started to move into the Pittsburgh area so that they could buy the raw steel, change it into their commodity, and move a lighter product to their eventual market.

There are many of those engaged in industry in Pittsburgh who believe definitely that failure to pass this legislation will result in a great many industries moving into the area, not out.

Another point that ought to be stressed is this, and I have been greatly impressed with the remarks of many gentlemen on the subject, is the effect of this legislation on small business. Over-all I am very satisfied that without it most of the small businesses in our district will not be able to compete. There are groups there that turn out all kinds of special processed steel products and if they had to set up plants all around the country they just simply could not do it. They have to have their over-all production there where they can utilize all of the techniques of large-scale production in order to produce at a reasonable price.

Regarding the Kefauver amendments, I do not believe they have been adequately explained. We have to remember the picture in this regard that they are in the Senate version of the bill which we are considering and they will be subject to conference. Certainly with the overwhelming attitude of both bodies being against anything which will hurt small business, the conferees can definitely see that the small-business man is protected.

In closing, I want to call attention to a referendum that was taken among all the chambers of commerce of these United States on this legislation. There were received 3,119 votes in the affirmative and 56 in the negative.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MICHENER. Mr. Chairman, I yield myself the remainder of the time on this side.

Mr. Chairman, this bill has been adequately and fairly debated. The bill had its genesis, as we have been told and retold, in the three Supreme Court decisions mentioned. Much has been said about who is for the bill and who is against it.

This is not a politically partisan issue. The Antitrust Division of the Department of Justice, the Federal Trade Commission, and that outstanding and continuous fighter against monopoly, the distinguished Democratic Senator from Wyoming [Mr. O'MAHONEY], all favor this bill as reported. No one will accuse any of this group of being Republicans. On the other hand, the Republican leadership in the House and many of the Republicans of the House, as well as the Democratic leadership, have enthusiastically endorsed this bill throughout the debate. No one can successfully charge that this is a "big business" or a

"corporation" bill. Indeed, the gentleman from Nebraska [Mr. O'SULLIVAN] has expressed surprise that this bill was not being considered on party lines; also the gentleman from Louisiana [Mr. BOGGS], who is bitterly opposed to the bill, seems to feel that even though it has the support of the Department of Justice and other agencies in the administration, it is a big, bad measure which Democrats should shun.

Now, there has been some argument as to just what the position of the Antitrust Division of the Department of Justice is. Those who have followed the hearings and heard all of this debate can arrive at but one conclusion, and this is that Mr. Bergson of the Department of Justice, who speaks for the Department in antitrust matters, favors the adoption of this bill without the Kefauver amendments.

I do not know whether or not the President favors this bill without amendment. It has been asserted on the floor here today that he does favor the passage of the bill as reported.

Mr. Chairman, it has been stated many times today that the small businessmen of the country are opposed to this bill. I have heard of no small businessmen or small businessmen's organizations who are opposed to the bill, provided the Kefauver amendments are included. In short, any real opposition to the bill revolves around the Kefauver amendments. I supported the Robinson-Patman bill and I would not support this bill if it would nullify the Robinson-Patman Act.

I am as much opposed to monopolies and trusts which are injurious to the public welfare as anyone can be, and I would not vote for this bill with or without the Kefauver amendments if I thought that by doing so injury would come to the little businessman. Talk is cheap. Demagogues are always to be found in every walk of life and legislative bodies are not immune. In the long run, it should not make any difference as to whom the proponents or the opponents of proposed legislation are. The yardstick should be: Would the law be in the best interests of the people? Measured by that standard and in the light of the fact that certain trade practices, including freight absorption, are part of the actual economy of the country today, it would seem common sense suggests that the Congress throw no monkeywrenches into the orderly and fair transaction of business in the country at the moment.

There is a comprehensive committee report before us. The bill is necessarily legalistic and technical, and must be interpreted in the light of experience. We must erase selfishness and consider the composite picture. A false move in these critical times might do much injury to our economic system. Regrettable as it is, too much of the business world is jittery and even fearful. We know not what tomorrow holds in store for industry, labor, and the farmer. We must not rock the boat.

Members of Congress have received many telegrams and letters from constituents and organizations. I am always glad to get this sentiment from the folks back home; however, it too often happens that these messages are inspired and that the senders do not understand all the details.

Mr. Chairman, I attended the hearings before the Judiciary Committee. I heard the gentleman from Texas [Mr. PATMAN] in special session. I have read his many speeches inserted in the CONGRESSIONAL RECORD within the last few weeks. I listened to other speeches delivered in the House. Other Members of the House also had this opportunity to become familiar with the views of the gentleman from Texas. Few bills before the Congress in recent years have received more attention than has this bill. It is just not correct to state that no hearings have been held and no thought and consideration given to this subject by the Congress. In my opinion, just the opposite is true.

Undoubtedly every Member has received some word from some of his constituents advocating or opposing this bill. As a member of the Judiciary Committee, which gave preliminary consideration, I would naturally receive many of these messages. It has been most interesting to read the views of these groups and individuals who feel that they will be affected one way or the other by the enactment of this law. Other Members have presented telegrams and letters from those interested. I hold in my hand two telegrams which express the sentiment of a majority of the people so far as my mail is concerned. Time will prevent reading all of these messages. I do want to read two typical ones. Here is one from Detroit which says:

> Your favorable vote is requested on O'Mahoney bill No. S. 1008 granting permission for industry to absorb freight on shipments. This legislation required to clarify present confused situation. If freight absorption is not permitted, our plant, employing 330 men will lose its ability to compete in 90 percent of the national market. Thank you for your favorable vote.
>
> CHARLES E. MILLER,
> *President and General Manager,*
> *Michigan Steel Tube Products Co.*

Here is another one:

> Small business as represented by the Conference of American Small Business Organizations and its hundreds of affiliated small business organizations in every State in the Union, is well satisfied with Senator O'MAHONEY's bill, Senate 1008, but we believe Senator KEFAUVER's amendments adding two clauses appearing in parentheses are entirely unnecessary and should be eliminated. These only add to uncertainty about future FTC interpretations thus again leaving business doubtful as to the future prosecution. The original O'Mahoney bill is clear and should not be circumscribed by ifs, ands, and buts. If you really want to help small business this is your opportunity.
>
> FRED A. VIRKUS,
> *Conference of American*
> *Small Business Organizations.*

The bill S. 1008 with committee amendments is the O'Mahoney bill as presented to the Senate and to which reference is made.

Mr. Chairman, I have not had to exceed two communications favoring the Kefauver amendments or opposing this bill. The principal opponent seems to be a very splendid man, Mr. Rankin Peck, executive director, Retail Gasoline Dealers Association of Michigan, Inc., of Detroit. I have conferred with Mr. Peck on two occasions. He has supplied me with his views in lengthy statements. The gentleman from Texas [Mr. PATMAN] has presented these statements to the House and the Senator from Tennessee [Mr. KEFAUVER] has inserted his statement in the CONGRESSIONAL RECORD. I have carefully read these arguments. I am reluctant but with the information I have covering the whole subject, I cannot reach the same conclusion as that reached by my friend from Michigan, Mr. Peck. He is undoubtedly sincere and thoroughly convinced as to the soundness of his position. All I ask of him is like respect for my sincerity. One of us is undoubtedly wrong. Time alone with tell. I have not had letters from other gasoline dealers in my district and therefore assume the members of Mr. Peck's organization accept his views in the premises.

The bill will now be read for amendment. The House can work its will. Objectively we all seem to be in accord. As to method we do not momentarily agree. The conference committee must compose our differences.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

> *Be it enacted, etc.*, That the Federal Trade Commission Act (38 Stat. 719, as amended; 15 U. S. C. 45) is amended by adding at the end of section 5 (a) the following: "It shall not be an unfair method of competition or an unfair or deceptive act or practice for a seller, acting independently, to quote or sell at delivered prices or to absorb freight: *Provided*, That this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice, carried out by or involving the use of delivered prices or freight absorption."

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the reading of the remainder of the bill be dispensed with and be printed in the RECORD at this point and the bill be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SUTTON. I object, Mr. Chairman.

Mr. WILLIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WILLIS: On page 2, line 2, strike out the period and insert a comma and the following: "or any practice carried out by or involving the use of delivered prices or freight absorption where the effect may be to substantially lessen competition, to restrain commerce in any section or community, or to tend to create a monopoly of any line of commerce."

Mr. WILLIS. Mr. Chairman, I have four amendments on the Clerk's desk, the one just read by the Clerk, another which will modify the bill at page 2, line 12, one at page 2, lines 17 through 19, and one on page 3, lines 12 and 13. They are all essentially to the same effect, and they have for their main purpose the restoration in the main of the Kefauver amendments, with certain added language to make the Kefauver amendments more effective and clearer.

I discussed my views in detail in general debate with reference to the wholesome operations of the Kefauver amendments, but may I say for the benefit of those who were not here that you must remember that what we are doing here, according to this bill without the Kefauver amendments as modified by my proposed substitute amendments, is changing the law. The primary law on the subject, the Robinson-Patman Act, provides that it shall be unlawful for any person engaged in trade to discriminate in price between different purchasers where the effect of such discrimination may be substantially to lessen competition. Then this bill as presented, without the Kefauver amendments, would afford an entirely different approach and reverse the policy of Congress by providing, instead of "it shall be unlawful for a person" to do such and such, that "it shall not be unlawful to discriminate" in the instances stated in the bill.

The only thing the amendment before you does, and the only thing my other amendments along the same line do, is prevent price discrimination. I am not opposed, on the contrary I heartily agree that a supplier of merchandise has the right to go into a territory and sell his merchandise at delivered price. I have no objection to that. I have no objection to a supplier or manufacturer selling at a distant or local market and absorbing freight. We have no objection to that. We should heed and take care however that in selling at delivered price and in absorbing freight, there shall be no discrimination among the buyers.

Thus, for example, we think it is perfectly wholesome competition, we are all for a manufacturer without collusion going into a community and underselling the manufacturers at that point. We are for it if he can do that by absorbing the freight and selling at delivered price, but we are opposed to his competitor meeting that price to favored customers and not according to all customers the same price.

We are opposed to a manufacturer or a seller going into your community, into your towns, into your territory, and selling chain stores at one price and selling grocery stores at a different price. We are opposed to the gasoline and oil companies selling to one filling station at one price and selling to other filling stations at another price. If we tolerate that, the large buyer, the chain store operator, will eventually be the octopus in the community and the little corner grocery store will go out of business and the little filling station will go out of business. That is what we mean by stifling and lessening competition. If you destroy the number of small operators and give all of the business to one chain-store operator, you are thereby lessening competition and are destroying local enterprise. That is all that these amendments purport to prevent. We do not oppose the primary purpose of this bill. We do not oppose the declared purpose of the bill advanced by the committee.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes. While this is only one amendment, there ar three other succeeding amendments, all having the same purpose and they are, therefore, corelated. Therefore, Mr. Chairman, I also ask unanimous consent that the three other amendments which I have to offer be considered en bloc, and as one amendment because, though they modify different sections of the bill, they all have the same purpose, so that the argument I am now making in favor of the first amendment, which I must make, because it comes right after the title, will be the same argument with respect to all the amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana, to proceed for five additional minutes?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman that the amendments be considered en bloc?

Mr. HOLIFIELD. Mr. Chairman, I must object. I would like to have the several amendments read and explained in proper order.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield.

Mr. JENSEN. The gentleman is making a very fine presentation of his amendment and I think it is very important. But I do not believe a sufficient number of Members have heard the amendment read. There was too much confusion in the room and therefore, Mr. Chairman, I ask if the gentleman would not have his amendment read again at this point.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent that the amendment be read again.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk again read the amendment.

Mr. WILLIS. Mr. Chairman, you understand that we are favoring these amendments and are for the primary declared purpose of the bill. The proponents of the bill have debated the bill for the last 3 hours. The only thing they say they seek to do is to make lawful the action of a manufacturer or a seller in absorbing freight or in selling merchandise at a delivered price. We embrace that philosophy. We do not oppose it. We are for it.

But we do not want to do away with the original necessity for the Robinson-Patman Act which said that although that is lawful, namely the absorption of freight and the selling at a delivered price, you cannot do it by discriminating among your own customers when it has the effect of destroying local competition and stifling and lessening competition.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield.

Mr. JENSEN. I wonder if this amendment does not run counter to the argument made with reference to the pricing of cement, for instance, which many companies price at exactly the same rate when they are asked to bid on contracts. That is the thing that the gentleman from Texas [Mr. PATMAN] has objected to strenuously. I do not see how it can be changed. But I wonder if the gentleman's amendment would not do exactly what the cement companies have been doing for years. Would not your amendment force the supplier of material to quote exactly the same price to everyone who is a prospective buyer?

Mr. WILLIS. It would not. What the cement people were doing, which the Supreme Court declared illegal, was to combine together and set a price to control the industry. It would still be illegal for the cement companies to combine, or, without the wink of an eye or a nod, to zone the United States and to use the medium of the basing-point system in order to monopolize the trade. It would make it permissible for the cement companies or any other supplier to go into the territory, not selling at the same price. The theory of this bill is to permit the cement companies to sell at a lower price. They have not been doing that. They got together and sold at the same price. The proponents of this bill say they want to give an individual permission to sell at a lower price. We say, "O. K., you can do that, but in so selling you shall not take on any favored customers." But our primary concern is not permitting manufacturers to go into a territory and make it possible for the chain stores to monopolize the trade.

The CHAIRMAN. The time of the gentleman from Louisiana has again expired.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not a member of the Judiciary Committee. I greatly respect the gentlemen on that committee. I am a lawyer by profession and have had considerable experience in trade association and antitrust law cases. I believe that the legislation before us, insofar as it is designed to deal with the problem of delivered prices, is sound. It is necessary in the interest of American competition, unless we are going to try to rearrange the whole economy of the United States and to decide that a plant shall be moved from Pittsburgh to the West, or garment manufacturing plants, like those in my city, shall be decentralized at Indianapolis or some other point. Unless we decide that here, and if we should decide, the mere decision does not move them. It takes a long time to establish plants and to get skilled workers; it would take perhaps a matter of two decades to rearrange American industry.

I sympathize entirely with the effort which is made to define what the Supreme Court has left in question. The Supreme Court, as I understand it, is claimed to have left open the question of discrimination by sellers under the Robinson-Patman Act. The Supreme Court has indicated that the discrimination interdicted by law, is the receipt by a seller of different avails from his sales to different buyers though he charges the same prices. We say in this bill it is not; that it is interdicted by law if there is discrimination among buyers, by what the sellers charge the buyers; but it is not interdicted if the seller gets different returns from his sales.

There is, however, one part of this act that does need changing, and I hope the committee will see fit to accept the so-called Kefauver amendment. That is the amendment to section 2 (b), the Robinson-Patman Act. There I think the committee is doing something which might seriously affect small business, because there the bill says that the seller may meet any kind of a competitive price in any area, either through the use of this delivered price mechanism or otherwise. I point out to the committee that in the proviso to section 2 (b), there is no qualification. It says, "That in any respect the seller may meet competition, and there is no restriction on that whatever."

I think we all have solicitude to preserve and protect small business. I think we want to protect small business even to the extent of legislating somewhat with respect to the economy.

I like the Kefauver amendment very much in this respect, which says, "You may meet any competition in a particular area with your economic power, provided that by doing it you do not substantially lessen competition." I think, looking at it realistically, we want to put that into effect. We do not want competition to be substantially lessened by the use of great economic power in particular areas of the country, where it directly affects the retailer. The right conferred by this bill to sell at delivered prices is not unreasonably interfered with thereby. I hope the committee will accept that amendment to section 2 (b).

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. BOGGS of Louisiana. For the information of the gentleman from New York, there are several new Kefauver amendments which will be proposed by my colleague from Louisiana [Mr. WILLIS]. I presume the gentleman in his statement is including those amendments.

Mr. JAVITS. I would like to make this clear. I am prepared to support the Kefauver amendments to other parts of the bill. I would like to ask the chairman, however, would the committee be willing to accept the provisions which are stricken out on page 3, lines 12 and 13, which thereby would write into this bill the Kefauver provisions insofar as small retailers are concerned, and have nothing to do with delivered prices?

Mr. CELLER. The committee is disinclined to follow that suggestion. The committee took a vote on the Kefauver amendment, and the vote was a preponderant majority in favor of eliminating the Kefauver amendment. Certainly I would not be carrying out my trust to the committee should I consent to the gentleman's suggestion. Furthermore, I may say that the Department of Justice is opposed to the Kefauver amendment, because the Department of Justice says that where a man in good faith meets competition he should have the right to reduce his price.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BOGGS of Louisiana. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. CELLER. Further answering the gentleman, I would say that the amendment offered by my very gallant and distinguished colleague from Louisiana goes far beyond the Kefauver amendment. The Kefauver amendment deals with the words "substantially less competition." The gentleman from Louisiana has the phrase: "To restrict commerce in any section or community." The gentleman, as a good lawyer, knows—and he lives in New York and is a member of the New York bar and has handled many of these antitrust matters and matters pertaining to the Federal Trade Commission—knows that the committee in a statute of this character must be careful to scrutinize and screen and weed.

The phrase "to restrain commerce in any section of the country" is new phraseology. I have not heard that before in any antitrust legislation or in any Federal Trade Commission legislation. It would give rise to all manner of questions, of controversies, and of disputes; there would be nothing but confusion. It would mean a field day for the lawyers. I am a lawyer and I would like to have a field day, but I do not think we should on the floor of the House, willy-nilly pass legislation without mature reflection and deliberation, that we should not accept words that would make for confusion, words which have not been passed upon by the courts.

Mr. JAVITS. To answer the gentleman, I do not want to get beyond my original request which was that the gentleman, as chairman of the committee, would accept the words stricken out on page 3, lines 2 and 3. The gentleman answers that at the present time it is opposed by the committee. I say this is a legislative matter, it is not a question of executive enforcement. We are setting up a policy to help the small-business man; to that extent we are changing the natural law of competition. I say to the gentleman that I hope the Committee of the Whole will see fit to do that. The small-business man, I think, is entitled to our solicitude. We should not go further at this time in this bill than correcting what I agree is an obvious difficulty, this question of the right to sell at delivered prices, which the Supreme Court has left in doubt; but in this bill the legislative committee is going further than necessary now.

Mr. BOGGS of Louisiana. The gentleman is a member of the New York bar and a constitutional lawyer. The gentleman has made the point that this language which we are now seeking to amend has no bearing on the main point which is the attempt to clarify the Supreme Court's decision by absorbing freight rates. Is that correct?

Mr. JAVITS. I think the gentleman from New York [Mr. CELLER] agreed on that.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. CELLER. Let me say that the members of the Committee on the Judiciary are solicitous of the interests of the small-business man just as is the gentleman from New York.

Mr. JAVITS. I do not doubt that.

Mr. CELLER. And I do not believe that if the small-business man reduced his price in good faith to meet competition that he ought to be prosecuted; he ought to be protected.

Mr. JAVITS. What this particular bill says is not about the small-business man but about the manufacturer who is selling to the small-business man reducing his price in good faith. There I say we ought, as legislative policy, only if that action substantially lessens competition in the area, not permit it to happen. That is something we ought to decide. It is an additional protection which we ought to give to the small-business man and that is all I am arguing. I am not arguing about all these other amendments. I am arguing for that one point which goes above and beyond this whole controversy about sales-delivered prices. I may say to the committee that I agree with them about delivered prices. You cannot reform the economy of the United States in terms of bricks, mortar, Bessemer furnaces, and so forth. But I do ask and I hope that the committee will go along on that one point of not impairing the opportunities of the small-business man while business gets the right to sell at delivered prices.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WALTER. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, from my reading of the amendment that I saw for the first time a few moments ago it seems to me that the adoption of the amendment would create much more confusion in the minds of the American businessmen and lawyers than is in their minds today.

Let me call your attention to the provision of the bill that the amendment would alter. We amend the Federal Trade Commission Act in this manner:

It shall not be an unfair method of competition or an unfair or deceptive act or practice for a seller, acting independently—

That means alone—

to quote or sell at delivered prices or to absorb freight.

After all, that is what we are interested in. The entire argument was directed to this particular point:

*Provided*, That this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice, carried out by or involving the use of delivered prices or freight absorption.

Mr. Chairman, in an attempt to make certain that the antitrust laws were in nowise weakened, every one of the words contained in that section was very carefully selected. Those are the words that accomplish that which the gentleman from Louisiana says he is so interested in. But let us see how he would amend that item.

I direct attention to the amendment; and bear in mind the fact that we are not discussing the Kefauver amendment

at this moment. We will discuss that at the proper time. We are now discussing the first amendment offered by the gentleman from Louisiana. To these carefully selected words he adds language to prevent any repetition of the things that the courts have stricken down, as follows:

Or any practice carried out by or involving the use of delivered prices or freight absorption, where the effect may be to substantially lessen competition, to restrain commerce in any section of the country or to tend to create a monopoly of any line of commerce.

Now, here is the nub of the whole thing. When a complaint is made by the Federal Trade Commission, unlike criminal prosecutions the burden of proof is shifted to the person against whom the complaint has been made, so that if that complaint is made it is then incumbent upon the person against whom the complaint has been made to prove affirmatively—mind you, he must prove affirmatively, because the burden of proof is on him—that the effect of the absorption of freight may be to substantially lessen competition. Will you tell me how it is a physical possibility for anyone to affirmatively show that the absorption of freight has not lessened competition?

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from New York.

Mr. CELLER. It might be that the lessening of competition was the result of any kind of a sale, any sale has its competition, and that might be reasonably or unreasonably made; it may be made in good faith or it may be made in bad faith, yet this is unlimited, and the burden would be on those accused to sustain that which would be impossible of proof.

Mr. WALTER. There is no question about that. Then one step further: To restrain commerce in any section of the country. How can a man show affirmatively that by the absorption of freight commerce has not been restrained in some section of the country?

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Tennessee.

Mr. EVINS. Does the gentleman think that this language that is proposed is any more confusing than the other language that is in the bill?

Mr. WALTER. I will say to the gentleman that the language in the bill is confusing to those who have not read the bill, or who are unwilling to understand it, or who would like to set up a regional monopoly in some section of the United States at the expense of those sections that are now producing the things that our economy requires.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a member of the Committee on the Judiciary, I have given careful thought to the measure we are now considering, S. 1008. The committee considered the testimony heard on the provisions of this bill, the purposes of the bill, and the relief to the business people of the country which it is designed to afford them.

The primary purpose of the proposed measure is to enable manufacturing concerns throughout the country, both large and small, in the sale of their products to their customers to pay the freight on such products from the place where they are manufactured to the residence of the purchaser.

The effect of this measure when passed will be to enable many concerns that otherwise might go out of business to remain in business. It also enables the purchaser of such articles as steel, machinery, and cement to purchase what they need in their business at a lower price than they would otherwise be required to pay.

The bill is written in language that is crystal clear.

The gentleman from Louisiana offers the following amendment to section 1 of the bill. He moves to change the period at the end of line 2 on page 2 of the bill to a comma and to add the following words: "or any practice carried out by or involving the use of delivered prices or freight absorption where the effect may be to substantially lessen competition, to restrain commerce in any section or community, or to tend to create a monopoly of any line of commerce."

If this amendment is adopted the first provision of the bill would read:

It shall not be an unfair method of competition or an unfair or deceptive act or practice for a seller, acting independently, to quote or sell at delivered prices or to absorb freight: *Provided*, That this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice, carried out by or involving the use of delivered prices or freight absorption, or any practice carried out by or involving the use of delivered prices or freight absorption where the effect may be to substantially lessen competition, to restrain commerce in any section or community, or to tend to create a monopoly of any line of commerce.

Mr. Chairman, this proposed act as drawn by the committee is capable of enforcement. Its meaning can be understood by a businessman as well as by a lawyer or by a judge. But if this amendment is adopted, the businessman will be right where he is now. If he, in order to sell his product, to meet competition, and to give his customer the benefit of a low price, absorbs the freight on his product, that is, pays the freight on his product, he will be subject to prosecution in the Federal courts, or to a harassing procedure at the hands of the Federal Trade Commission.

With all due respect to my good friend from Louisiana, who offers this amendment, it will, to put it mildly, under all the rules of construction with which I am familiar, reduce the present clear meaning of the act to confusion worse confounded.

The adoption of this amendment will set the businessman, his lawyer, and the courts afloat upon an uncharted sea, without a logbook, a compass, a chart, or a port of destination.

This act as drawn tells the manufacturer and the dealer what he may lawfully do. It spells out in language so clear that a wayfaring man though a fool should not err with respect to the meaning thereof. It does not undertake to make illegal some vague possibility that might happen, or that some court might hold "tends to create a monopoly of any line of commerce." This proposed act is dealing with practices that a manufacturer or a dealer is permitted to do.

This amendment seeks to add words to line 2 on page 2 of the bill that will make it unlawful, and that will subject a manufacturer or dealer, big or little, who absorbs or pays the freight on what he sells to criminal prosecution or to vexatious proceedings at the hands of the Federal Trade Commission. You need only to read and consider the words of the amendment offered by the gentleman from Louisiana to know and to realize that they nullify and make a travesty of the purposes embodied in the act as drawn by the committee and as reported to the House.

This amendment, if it means anything, makes it illegal for a manufacturer or for the dealer in the products of a manufacturer to make any trade agreement with a customer that is to be "carried out by or involving the use of delivered prices or freight absorption." The uncertainty and utter confusion produced by the amendment arises out of the use of the word "may" and the word "tend." In other words, the manufacturer and the dealer under this language may be prosecuted or harassed by the Federal Government not for what he has actually done, but for what some Federal official or some court concludes may happen or might tend to create in the way of a monopoly.

How is the seller going to know, apprehend, or foresee whether the payment of the freight on what he sells to his customers might create a monopoly or lessen competition? By what process of reasoning, how can the seller foresee what some Federal official might conclude on this question? The acid test of what the practice of freight absorption will accomplish can be determined only by permitting the manufacturer to pay the freight. Under this bill, if it is passed as written by the committee, the purchaser buys the manufactured article he needs at a lower price than he could have bought it if the manufacturer had not delivered it to him at a price less the freight.

The adoption of this amendment will leave the customer right where the opinions of the Supreme Court left him in the Cement case and other cases of like import.

The adoption of this amendment will make it possible for a Federal official to say to a person who in good faith, without any collusive agreement with anyone absorbs or pays the freight on his product, "This action on your part may reduce competition. This may tend to create a monopoly." The amendment drags the manufacturer into the field of speculation and guesswork. These are speculative questions which the court should not undertake to determine and should not be called upon to determine.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to my distinguished friend from Minnesota.

Mr. DONDERO. How could a manufacturer tell whether or not he was violating the law under that language?

Mr. JENNINGS. He could not do it. The manufacturer might have taken that action in absolute good faith, and then some Federal agency through its agents would reach out and get him by the nape of his neck and the seat of his britches and throw him into court to bear the burden and costs of a lawsuit.

The truth of it is, the effect of this amendment, if it should be adopted, would be to submarine this bill. It is putting sand in the bearings and water in the gasoline in a dubious and scrambled sort of way. It would be as impossible to undertake to breathe clarity and fairness into this amendment as it would to undertake to hatch chickens from scrambled eggs.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the able gentleman from New York.

Mr. KEATING. I call the gentleman's attention to the fact that in the so-called Kefauver amendments, which appear on page 2, lines 17 to 19, and page 3, lines 12 and 13, the language is "where such a discrimination will substantially lessen competition." That might be capable of proof, but here, as the gentleman points out, we are asked to make lawful a practice the effect of which might be substantially to lessen competition, which is incapable of proof.

Mr. JENNINGS. Of course. You enter into the field of the wildest and widest speculation. The purpose of this bill is to give the manufacturers of products that the people need and can get at a cheaper price by the manufacturers paying the freight on them a chance to stay in business.

Everyone knows that Senator JOSEPH C. O'MAHONEY of Wyoming the author of this measure, is not in favor of monopoly or unfair trade practices.

Surely, it cannot be said that the Department of Justice of this administration favors monopoly or any practice that would injure the consuming public.

In hearings held by the House Committee on the Judiciary, the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice, the Honorable Herbert A. Bergson, stated:

I think that the language in the last three lines on page 1 is intended to cover a situation where a manufacturer, acting independently, without any collusion, without any combination and without any conspiracy, absorbs freight not for the purpose of meeting competition or of competing in a fair and open market, but for the purpose, for example, of driving a competitor out of business—a monopolistic practice, in other words, the brass knuckles sort of situation. That, of course, would not be covered by the earlier part of the proviso.

Failure on the part of Congress to enact this bill will deprive the people of this country, especially the customers of the small-business men, of the benefit of cheaper prices made possible to them by the absorption on the part of the manufacturer and dealer of the freight necessary to be paid in transporting their purchases from the place where they are manufactured or shipped to the place where the customer resides.

At a time when millions of people are out of employment this measure will aid in diminishing unemployment by keeping concerns in business and able to pay their employees.

The proposed amendment makes illegal the very relief the act is intended to give to seller and to purchaser.

The sponsors of this amendment are of the same mind of the mother who, asked by her daughter, "O Mother, may I go swim?", replied:

Yes, my darling daughter,
Hang your clothes on a hickory limb
But don't go near the water.

Mr. BOGGS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment is the first of what we may call the new Kefauver amendments. The Kefauver amendments originally offered in the Senate bill and adopted unanimously were stricken by the House Committee on the Judiciary. Since that time Senator KEFAUVER, who was head of the Committee on Small Business, has had time to study the legislation further, and I take the liberty of reading several paragraphs of a letter he has just addressed to me, dated July 7, 1949:

DEAR CONGRESSMAN: Senate bill 1008 is now being debated on the floor of the House. The bill as it now stands is minus two amendments which I offered and which the Senate accepted unanimously. The bill in its present form is in my opinion thoroughly destructive in its purposes. It is now simply and solely a measure to put monopoly control beyond reach of the antitrust laws, to permit big business to destroy by unfair competition the development of independent new industrial enterprise, and to wipe out the Robinson-Patman Act so that powerful corporations and chains will be able to crush independent retailers and distributors through the vicious practices of price discrimination—

I think this amendment is a test of the good faith of the committee, because after all, what does the amendment provide? I will read it over again and see whether or not anybody can have any substantial objection to it—

or any practice carried out by or involving the use of delivered prices or freight absorption where the effect may be to substantially lessen competition, to restrain commerce in any section or community, or to tend to create a monopoly of any line of commerce.

If the intent of the Committee on the Judiciary is to maintain our existing legislative enactments on antitrust legislation, then it is beyond my comprehension as to how they can fail to accept this amendment. In my judgment it reveals beyond peradventure of doubt that the intention of this legislation is not to clarify some obiter dicta in a Supreme Court decision, but it is to affect our trade practices which have been established under the Robinson-Patman Act to protect small merchants against chain operators. I cannot draw any other conclusion unless the committee is willing to accept this amendment.

How does it work out in practice? You know that since the Robinson-Patman Act has been in effect many of us have forgotten the practices which prevailed prior to that time. But there was a time when, let us say, a rubber company could sell tires to a chain outlet for $4, which the chain outlet would sell for $5. The retail independent dealer would pay more than $5 for those tires delivered wholesale to his store, so that he could not possibly compete with the chain. The Robinson-Patman Act stopped that type of practice. Now, by a devious way in this bill, supposedly to legalize the absorption of freight rates, that whole structure is now threatened. I insist further that the Supreme Court case did not illegalize the absorption of freight rates. The decision is pretty clear. It says it must be systematic: it must be in collusion and it must be carried out by a large group of people.

The gentleman from Michigan [Mr. CRAWFORD] the other day said that this cement thing was an unusual proposition and that it occurred during wartime. I read to you from page 28 of the Supreme Court decision. It cites the names of the bidders and the prices quoted to the United States Army engineers. There are 10 bidders—practically every cement company in the United States of America. They are bidding to the United States Government. The year is 1936—it is not a war year. It is long before the war. Each one of those companies bid $3.286854 per bag of cement. That is the situation involved in this legislation.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. NICHOLSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I received a letter about a year ago from a manufacturer in New Bedford. I think it is worth listening to because he is in business and has been in business for 40 years. I have known him for that whole length of time.

He says:

This change in attitude toward our location here in New Bedford, Mass., has been caused by a recent Supreme Court decision making it mandatory that the manufacturers of steel change their basing point, which increased our cost on incoming freight alone $4 per ton.

This, together with the following facts, makes it seem, at the moment, as though this company belongs in the Middle West. For instance, you can buy the kind of steel we use in Pittsburgh for $68 per ton—in Worcester, Mass., for $74. Here is a difference in price alone of $6—add a further $4 increase in incoming freight, making a total charge of $10 a ton in the steel we use over Pittsburgh. This $10 was caused entirely by the Supreme Court decision.

He goes on to say a few more things. He says:

There has been a congressional committee appointed to investigate this matter, and it will be a live issue after January 1, 1949.

But he concludes his letter this way:

Sometime next year we will have to give serious consideration to either moving or liquidating.

Mr. Chairman, I think that sums up what the small-business man in Massachusetts thinks. All of our business in New England through the centuries has been small business. If you are going to drive our business to the Middle West or

to Pittsburgh or anywhere else, we have got to stand up here and stop it.

I asked the gentleman from Texas a month or 6 weeks ago on the floor of this House, "What are we going to do about it?" And he said, "Sell your products in New England." That is not what we do in New England. We sell our products all over the world and we want to keep on doing it. This bill allows us to do it with free competition with everybody.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. WALTER. I am sure our distinguished colleague from Louisiana [Mr. BOGGS] did not intend to misquote the freight rates which he just quoted for the year 1936. I call his attention to the fact that that would not be possible today, because those freight rates reflect the land-grant freight rates which were made illegal in the Eightieth Congress. The practice complained of is in no wise affected by this bill.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. NICHOLSON] has expired.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I most respectfully take exception to the amendment offered by our distinguished colleague and my fellow member on the Judiciary Committee, the gentleman from Louisiana [Mr. WILLIS].

I wish to state at the outset that his amendment is not the Kefauver amendment. It is quite different from the Kefauver amendment. The Kefauver amendment contained words where the effect would be "to substantially lessen competition." The Kefauver amendment was offered not to section 1 but to other sections of the bill. The Willis amendment is offered to section 1. That makes all the difference in the world.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. BOGGS of Louisiana. It is a new version. It is the improved Kefauver amendment.

Mr. CELLER. It is the Kefauver amendment with a "new look." I am not in sympathy either with the "new look" or with the original Kefauver amendment.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. WALTER. The Kefauver amendment is to a different section of the bill. The matter now under consideration is not the Kefauver amendment.

Mr. CELLER. I am happy to have the gentleman reiterate what I indicated. I emphasize it is not the Kefauver amendment. The two amendments should not be confused.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. WILLIS. Did the gentleman hear the letter written to my friend, the gentleman from Louisiana [Mr. BOGGS], by the Senator from Tennessee, Mr. KEFAUVER, saying that this amendment was along the line that he had in mind should be adopted?

Mr. CELLER. That may be an afterthought of our former distinguished colleague, Senator KEFAUVER, for whom I, of course, have profound respect. We are now concerned with the bill as printed. This new version of the Kefauver amendment was never before our committee. It comes before us like a bolt out of the blue, without any warning whatsoever. It is very difficult in a bill as intricate as this bill, so highly controversial, to harken unto an amendment of this character that comes from the floor, without too great a degree of consideration, either on the part of the author of the amendment or of those who might be in favor of it. A bill of this character must be painstakingly considered and screened. Every word must be weighed, because every word later on will be the subject of many controversies in the courts. The Willis amendment adds, in addition to the standards contained in the Kefauver amendment, the following:

To restrain commerce in any section or community.

I do not know what that means. I have been a member of the House Committee on the Judiciary many, many, many years, and I think I know a little about legal construction; I know how to interpret legal language, but I am free to confess that I do not know anything about what is meant when words of the following nature are used: "To restrain commerce in any section."

Is it unreasonable commerce? Is it reasonable commerce? Is it commerce in good faith? Is it restriction in bad faith? Must it be deliberate? Can it be unintentional? I could go on, and on, and give you qualifying phrases that could apply to the words "To restrain commerce in any section or community" but I do not believe I have to belabor that point. All I wish to state, Mr. Chairman, is that the phraseology of the Willis amendment is loaded with dynamite. I said before in interrogating the gentleman from New York [Mr. JAVITS] that it would create a field day for the lawyers. While I am a lawyer and should relish a field day, I do not think it is good for the Nation to have field days for lawyers; finally I warn the proposed amendment would give rise to endless litigation.

The CHAIRMAN. The time of the gentleman from New York has expired.

The question is on the amendment offered by the gentleman from Louisiana [Mr. WILLIS].

The question was taken; and on a division (demanded by Mr. WILLIS) there were—ayes 63, noes 80.

Mr. BOGGS of Louisiana. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. WILLIS and Mr. CELLER.

The Committee again divided; and the tellers reported that there were—ayes 77, noes 108.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. Section 2 (a) of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies and for other purposes," approved October 15, 1914 (38 Stat. 730, as amended; 15 U. S. C. 13), is amended by substituting for the period at the end thereof a colon and adding thereto the following: "*And provided further*, That it shall not be an unlawful discrimination in price for a seller, acting independently—

"A. to quote or sell at delivered prices if such prices are identical at different delivery points or if differences between such prices are not such that their effect upon competition may be that prohibited by this section; or

"B. to absorb freight to meet the equally low price of a competitor in good faith (except where the effect of such absorption of freight will be to substantially lessen competition), and this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains."

Mr. WALTER (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of bill be dispensed with, and printed in the RECORD at this point, and be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. O'SULLIVAN. I object, Mr. Chairman.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 17, after the word "faith", strike out the remainder of the line, all of line 18 through the word "competition" and end of parentheses, line 19.

Mr. CARROLL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CARROLL. Do I understand the parliamentary situation is that the committee has offered an amendment striking out certain words which are contained in the parentheses?

The CHAIRMAN. Yes.

Mr. CARROLL. Mr. Chairman, I offer a perfecting amendment to strike out those words and insert other words to be contained in that parenthetical expression.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CARROLL: Page 2 strike out the parenthetical material beginning in line 17 and insert in lieu thereof, "except where such absorption of freight would be such that its effect upon competition may be that prohibited by this section."

Mr. CELLER. Mr. Chairman, I make the point of order that it is a substitute amendment and not a perfecting amendment.

The CHAIRMAN. The Chair holds that this is a perfecting amendment to the text and is in order at this time.

Mr. CARROLL. Mr. Chairman, in the interest of saving time, I suggest that we also consider on page 3 the parenthetical material beginning in line 12, where I intend to insert the same words that are inserted in this perfecting amendment. It serves the same purpose, and it will save time. I ask unanimous consent that we discuss both of these perfecting amendments at the same time.

Mr. JAVITS. Reserving the right to object, Mr. Chairman, will that mean

that we will vote on both at the same time, or will we have a separate vote?

The CHAIRMAN. That is the Chair's understanding of the request of the gentleman from Colorado.

Mr. JAVITS. That we will have one vote?

Mr. CELLER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. Did I correctly understand the Chair to rule that we will vote on the perfecting amendments at one time, or must there be separate votes?

The CHAIRMAN. The gentleman from Colorado asks unanimous consent that the two perfecting amendments be considered as one. Is there objection?

Mr. JAVITS. Reserving the right to object, Mr. Chairman, may I suggest to the gentleman that I will not object if he includes in his request that we shall vote on each amendment separately.

Mr. CARROLL. Mr. Chairman, I withdraw my request, and I will proceed on this amendment. I thought I might save a little time.

You have just had a very close vote on the Willis amendment. I can understand the apprehension on the part of the committee chairman, because, when he spoke about inserting new words in this bill, he talked about a bolt out of the blue. He stated that there would be confusion, and that even lawyers might not understand the intent of those new words in the Willis amendment. I have an amendment here that is so simple that even lawyers can understand it. I can understand that there might be some apprehension on the part of Members in voting for the Willis amendment. All my amendment does is seek to retain existing statutory law, that is all. It is just that simple.

The first section of this bill is directed to a clarification of certain Supreme Court decisions relating to the Federal Trade Commission Act. I think that is good. I am one of those who feel that there ought to be some clarification.

Second, I am one of those who feel that we ought to follow the principle of freight absorption as so ably stated by the gentleman from New York [Mr. JAVITS]. This is no time to yank out root and branch the whole delivered pricing system. I am not concerned with the philosophy of those who may wish to eliminate any use of the basing-point system. In 10 or 20 years that may be changed, but we have to meet conditions as they exist today.

But, Mr. Chairman, let me say this to you. Section 2 of this bill is directed toward a change in statutory law which is not necessary to clarify Supreme Court decisions.

There is no evidence before this committee and there is no evidence in the debate in the other body that that was the intention of those who wish to clarify the situation. I cannot understand why the supporters of this bill now come in without hearings and without any explanation and ask those of us who are interested in safeguarding the small-business men to vote to weaken the Robinson-Patman section of the Clayton Act. We cannot do so in good conscience.

Let me tell you about the wording of my amendment. It certainly cannot confuse the able lawyers of this great Committee on the Judiciary because I am only using their own words. Let me quote to you from section 2, at page 11. This is what the bill states:

> To quote or sell at delivered prices if such prices are collectible at delivery points or if the difference between such prices—

And here is the nub of the whole thing—

> are not such that their effect upon competition may be prohibited by this section.

What section? The section of the Robinson-Patman amendment to the Clayton Act. All I do is adopt the principle of the absorption of freight, and I am now reading from page 16:

> To absorb freight to meet the equally low price of a competitor in good faith.

I stand for that. That is all right, but I merely insert the words that the committee itself has used in the preceding paragraph when they say "are not such that the effect upon competition may be prohibited by this section."

What section? The section of the Clayton Trust Act. The section of statutory law. I am asking this committee to hold the present statutory law in status quo. Why? Because under the Standard Oil decision the Seventh Circuit Court of Appeals gave a ruling sustaining this section of the Clayton Act. Where is that case today? It is before the Supreme Court on a writ of certiorari. If you pass this law you knock out that decision, and should it be stricken out that would not be good for the small-business men or consumers of the Nation. I am convinced, as I told some of you gentlemen in debate, that the distinguished Senator from Wyoming [Mr. O'MAHONEY] never intended to amend this act in that fashion, and he never intended to overcome the circuit court of appeals decision, and he said so in debate on the floor of the other body.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. JAVITS. Is it not a fact that all the gentleman seeks to do is to knock out the following language which is in section 2 (a)? I quote:

> and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce?

The gentleman then reincorporates that in what we are doing?

Mr. CARROLL. That is all my amendment does. The distinguished gentleman and chairman of the Committee on the Judiciary warned us: "Be careful, do not change words," and so forth.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CARROLL. Mr. Chairman, the distinguished gentleman, the Chairman of the Committee on the Judiciary, said we are getting into a field here where the words are being changed and the phrasing and the couching of terms is different and lawyers can misinterpret the language. I say to you, let us take a law which was passed by the Seventy-fourth Congress. Let us take a law upon which decisions have been passed. That is not interfering with the Federal Trade Commission Act. Those were the cases upon which certain Supreme Court decisions were based. Those were the decisions which created the confusion among some of the business people. Why do we now change the Clayton Act without a proper hearing?

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. BOGGS of Louisiana. In the opinion of the gentleman, is it necessary to change statutory law to accomplish the objective with reference to the Supreme Court decisions?

Mr. CARROLL. I may say to the gentleman from Louisiana that after the election, when I came back here, there was a great furor in my community. The chamber of commerce and the businessmen were in quite a dither. Senator CAPEHART visited my community. There was a great swell of propaganda all over the Nation, perhaps some of it was justified. However, as I read the decisions I never thought there was any doubt about the effect of the Cement case.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield further?

Mr. CARROLL. I yield.

Mr. BOGGS of Louisiana. Is it not a fact that in this propaganda campaign many people have gone to the civic groups in the country telling them that private enterprise and small-business men cannot absorb freight under normal competitive conditions under this decision?

Mr. CARROLL. Of course that is true. But I do not want to get away from the main issue here. I believe there is some need for clarification. I do not know what caused the confusion, perhaps it was the Supreme Court decision, perhaps it was the obiter dicta, as the chairman of the Committee on the Judiciary says. But the point is this. We can get that clarification by the first section of the present bill. You can get some clarification from the Robinson-Patman Act and the Clayton Act, by retaining existing law. If you do the contrary thing, I will tell you what you do. You will scuttle the case before the Supreme Court right now. You will do great injury to small business and to the consumers.

I appreciate the Committee on the Judiciary. They are splendid lawyers. I agree with many of the things that the gentleman from Pennsylvania [Mr. WALTER] has stated in the well of this House, and also the chairman of the committee. But I do not think you have given sufficient consideration to this one factor. If we retain existing statutory law, who can say that there has been any harm? If we clarify the atmosphere for businessmen, I think we have accomplished the purpose of this legislation.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. JAVITS. If this amendment is adopted, as well as the amendment at page 3, which I hope the gentleman will offer, does the gentleman have present intention of supporting this bill?

Mr. CARROLL. There is no question about it. I do not agree with some of my colleagues who want to discuss the difference in philosophy between the basing-point system and the mill price system. I think our present economy demands this sort of a system, whether it is the basing-point or the zone system or the uniform pricing system. I say you cannot tear it out, root and branch, now. You would create chaos throughout the Nation. But in your desire to clarify, do not injure the small-business man. Do not give way to the creation of greater monopolies. This decision would be very, very far-reaching, because if you reject my amendment, then what you do is destroy the circuit court opinion, and you will destroy any consideration of the issue now before the Supreme Court. You will take away from the Supreme Court the right to make a decision under the Robinson-Patman Act as previously outlined. I sincerely hope you will accept this amendment.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. CARROLL] has again expired.

Mr. WALTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I enjoyed the very splendid remarks made by my distinguished friend from Colorado very much. I am certain that if he had given greater consideration to the effects of his amendment he probably would be standing here now speaking in opposition to the amendment.

I say that for this reason, that the adoption of this amendment denies good faith as a defense to an action instituted against somebody by the Federal Trade Commission. Would you do that? Would you deny good faith as a defense? That is exactly what the adoption of this amendment would mean.

Now, in connection with that, let me read to you a memorandum I just received from the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice. I requested this memorandum because of several statements made during the course of this debate.

This is what he says:

In response to your oral inquiry this morning concerning the Department's position relative to the so-called Kefauver amendment in the bill S. 1008, I desire to advise you that, as I testified before the House Judiciary Subcommittee, of which you were the chairman, it is the Department's position that the Kefauver amendment should not be adopted.

By permitting the defense of good faith meeting of competition only when it can be shown that such meeting of competition might not substantially lessen competition would probably add to, rather than detract from, the existing confusion. A seller, acting in complete good faith, could never be sure that his good faith was a defense to a charge of price discrimination since it might be asserted that, despite his good faith, his action might substantially lessen competition. Furthermore, with such a provision in the bill the result may well be that a seller with large jobber customers and several small retail customers might feel compelled to refuse to sell to the retailers in order to make sure that he would not be charged with price discrimination between his buyers. This would result in the deprivation of supplies to the retailer. It would result in a lessening of competition for the retailer's business with the subsequent charging of higher prices to the retailer by other suppliers as the result of the absence of competition. It is the Department's view, therefore, that the Kefauver amendment should not be restored to the bill.

HERBERT A. BERGSON,
*Assistant Attorney General.*

The amendment offered by the gentleman from California goes even further than the Kefauver amendment to which the Department of Justice objects. Under his amendment is incorporated the language in the Clayton Act which reads:

Where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce—

And so on. The iniquitous language in that is: "May be substantially to lessen competition."

I repeat what I said a moment ago, that in proceedings before the Federal Trade Commission, where a complaint is lodged, the person against whom the complaint has been made must affirmatively show that the things that he did, the charges that were made, were to substantially lessen competition among other things, and he is deprived of the defense of good faith.

I should like to call your attention to this language under subsection 2 (b):

To absorb freight to meet equally low prices of a competitor in good faith.

What is "good faith" within the meaning of this statute?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WALTER. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. In order to determine what "good faith" is, we have had recourse to the many, many decisions of the courts. They were examined with great care by the Committee on the Judiciary of the Senate and by the Committee on the Judiciary of the House. These are well known; but in order to make certain that there could be no doubt about "good faith" in the first section of the bill, we incorporated this language:

*Provided*, That this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice.

It certainly seems to me that by spelling out what is prohibited we have laid down a yardstick for easy determination of good faith; and, after all, under the Federal Trade Commission Act, the Federal Trade Commission has the authority to determine what "good faith" is.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. CARROLL. Referring to section 1, that relates to the Federal Trade Commission Act, does it not?

Mr. WALTER. Section 1 is FTC.

Mr. CARROLL. And does not section 2 relate to the Robinson-Patman section of the Clayton Act?

Mr. WALTER. Precisely; and that is why I referred to the section of the Federal Trade Commission Act, because that is language which has been construed; and even though it relates to another law, nevertheless those words in law have a well-known meaning and are just as applicable to the Clayton Act as amended by the Robinson-Patman Act as they are to the FTC.

Mr. CARROLL. Mr. Chairman, will the gentleman yield further?

Mr. WALTER. I yield.

Mr. CARROLL. I call the gentleman's attention to page 2, line 13, where these words are used:

Such that their effect upon competition may be that prohibited by this section.

Those are the words of the committee, are they not, and refer to delivered prices?

Mr. WALTER. They are the words, exactly; but the gentleman's amendment adds more language.

Mr. CARROLL. My words are identical.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania may continue for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. CARROLL. If the gentleman will look carefully he will find that my words are identical with the committee words. The gentleman should refer to the committee print. My words are identical with the words that the committee used to retain the present status of existing statutes.

Mr. WALTER. Well, frankly, I am not certain about what the use of those words at this particular point means because we are discussing an amendment now, as I understand it, to line 17, and the gentleman is talking about some language in another section.

Mr. CARROLL. No. I say I have chosen the committee's words to apply after you establish the principle of absorption of freight to meet the equally low price of a competitive in good faith. I have merely used the committee's words in order that the present law will stay in operation.

Mr. WALTER. I do not agree with the gentleman because the use of that language imposes the establishment of a good-faith defense with affirmative proof of all the things enumerated under section 2 (a) of the Clayton Act.

Mr. CARROLL. Is it not true that in the Court of Appeals for the Seventh District, in connection with the Standard Oil case, this very issue was raised, and that case is now pending before the Supreme Court?

Mr. WALTER. Yes, that is a fact; but I do not think that makes any difference. It is not a matter of attempting to affect legislation, and I refer to a case under certiorari in the Supreme Court. The Senate did not have in view that case at all when this language was put in the Senate bill.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. The gentleman would not maintain if we make legislative enactment on a case now pending in court it would make the point moot, would he?

Mr. WALTER. It would make the point moot if the language affected the decision. I am not so certain, and those members of the subcommittee who have looked into the case that the gentleman has in mind are not certain, that this language would affect that decision because there are facts that are quite involved. I may say to the gentleman very frankly it looks to me as if this would affect that decision, but the Judiciary Committee of the Senate is not sure nor are all of the members of the Judiciary Committee of the House.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SUTTON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I had not intended to rise at this time, but after the gentleman from Pennsylvania quoted Mr. Bergson I decided to do so. I thought I had stricken out a few things in reference to him, and I think it is about time we should. It seems as if Mr. Bergson has been talking out of both sides of his mouth, and, in my opinion, we should not take his testimony from either side.

Day before yesterday my colleague the gentleman from Tennessee [Mr. EVINS] and myself were in my office, and we called Mr. Bergson, who is in charge of the Antitrust Division. We specifically asked him what he thought about S. 1008. He told the gentleman from Tennessee [Mr. EVINS] and myself that this bill is not necessary. Then, after our great majority leader, for whom I have the utmost respect, called Mr. Bergson yesterday, Mr. Bergson called me and stated a little bit further. Of course, I do not blame him, after the majority leader of the great Democratic Party called him. He said this bill is not necessary, but it clarifies. Now, to me, that is talking out of both sides of the mouth. Then he comes up with a letter to the gentleman from Pennsylvania [Mr. WALTER], and again he speaks out of the other side of his mouth. I would like to see a man in charge of the Antitrust Division who will make a stand and stick to it. If we have a man in charge like that of any Government agency, he should think before he speaks. If Mr. Bergson wants to take a stand on this bill, let him take that stand and stick to it, and not tell me one thing and tell the gentleman from Pennsylvania another thing.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I just do not understand about this telephone conversation or the allegation that Mr. Bergson has changed his position. I say that because here is his testimony before the committee when the bill was under consideration. He testified to substantially the same thing in the Senate committee.

Mr. SUTTON. That was on a moratorium bill, but not this one.

Mr. WALTER. And that bears out the statement that he has not changed his position.

Mr. SUTTON. If the gentleman will just listen to me for one moment. We asked him about the testimony in the report. He said that was in answer to a question asked about a particular section in this bill, not S. 1008 as a whole, and I believe the gentleman from Tennessee [Mr. EVINS] will bear me out in that statement, because he was there, and we repeated after Mr. Bergson exactly his answer to each question we asked him.

Mr. Chairman, it actually shows in this report that there was no testimony and no public hearings, with the exception of two, or six, men as they contend, who testified on this bill. Of course, I am just a green freshman, and not a lawyer at that. I am a country boy, and proud of it. This is a highly technical bill, and we country boys would like to know what we are voting for and what we are voting against, and the only way we have of telling what is actually in a bill is to actually read the hearings. There are no hearings on this bill, and, personally, I would like to see this bill sent back to the committee, and have some public hearings and let the press and the radio tell the taxpayers of the Nation the type of legislation that we are considering so that we can legislate democratically and so we country boys may determine whether or not this is the kind of legislation that the good people of this Nation want enacted.

There is so much controversy, so many contradictory statements on this thing here that we do not actually know what is happening, and I venture to say that there are not six men in this Chamber right now who can actually tell you what is in this bill.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Louisiana.

Mr. WILLIS. I rise to reply to the statement made by the gentleman from Pennsylvania [Mr. WALTER] awhile ago. The gentleman stated awhile ago that he objected to this amendment offered by our colleague from Colorado in that it went further than the Kefauver amendments by making illegal that which may be done to lessen competition. I have before me a copy of the Clayton Act. Here it is; it reads:

> It shall be unlawful for any person engaged in commerce in the course of such commerce either directly or indirectly to discriminate in price between different purchases of commodities where the effect of such discrimination may be substantially to lessen competition.

Those are not new words. Those words are in the law, and this bill reverses the law by reciting in the opening sentence that it shall not be unlawful discrimination to do the things proposed.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. SUTTON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SUTTON. The Wholesale Grocers Association was mentioned in general debate. I believe the gentleman from Pennsylvania quoted the executive vice president. I would like to read part of a telegram addressed to Hon. J. PERCY PRIEST, Member of Congress, from the president of the C. B. Ragland Co., Charles S. Ragland.

> I think the passage of S. 1008 without Kefauver amendments might be ruinous to small business and particularly to the independent wholesale and independent retail distribution of food products.

Mr. Chairman, if this bill does that to the grocery stores and the independent merchants throughout this country, we should know about it. As it now stands, nobody has told us whether or not it will hurt the independent merchants. Mr. Ragland says it will; the gentleman from Pennsylvania says it will not. Let us have some public hearings and see what it will do, and let us have some men from the Department of Justice up here, some of the attorneys to testify, who will stick to their testimony and tell us what this bill will actually do and not let them talk out of one side of the mouth to one Member of Congress and out of the other side of the mouth to other Members of Congress.

Mr. CASE of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. CASE of New Jersey. In order to be quite fair, I think this is the situation and I ask the gentleman if it is not true, that Mr. Bergson told the gentleman that the Department of Justice or he himself did not feel any necessity for this legislation because they thought the law as construed by the Supreme Court was what we were all trying to do in the legislation itself, and that no legislation was necessary.

Mr. SUTTON. The particular words of Mr. Bergson were, "This legislation is not necessary." Instead of "legislation" he said, "this bill is not necessary," and those were his exact words. I yield to my colleague the gentleman from Tennessee [Mr. EVINS] to bear me out in that exact statement that Mr. Bergson made to him and to me over the phone yesterday in my office.

Mr. CASE of New Jersey. The inconsistency the gentleman says Mr. Bergson is guilty of—and I do not think he is, because we are talking about two different things—is not his position on the Kefauver amendments but his statement as to the necessity for the bill. He did

not tell the gentleman that the Kefauver amendments were good. Is that true?

Mr. SUTTON. This is another thing Mr. Bergson said. He said that this was the best of the bills that were introduced along this line, but it was not necessary. Another member of the Department of Justice told me today that this will just muddy up the works, and it will take 25 years of litigation to clear up this matter.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Minnesota.

Mr. McCARTHY. The distinguished chairman of the Committee on the Judiciary told us that he understood the bill because he had long experience on the committee and also because he was a lawyer. Does it follow from that that the rest of us who are not lawyers and have not had that experience do not understand the bill, and are to vote on it on faith? Can we not do something about it and hold it up until we do understand?

Mr. SUTTON. I agree with the gentleman. I do not believe in voting on things I do not understand. In fact, I am going to vote against it if I do not understand it. I believe you are always right in voting against something if you do not understand what you are voting for.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Indiana.

Mr. HALLECK. Did I correctly understand from the language of the telegram read by the gentleman from the president of the Wholesale Grocers Association that he said affirmatively and definitely that this would injure the independent merchant or that it might injure him?

Mr. SUTTON. Might be ruinous.

Mr. HALLECK. Might be?

Mr. SUTTON. Ruinous.

Mr. HALLECK. But he used the word "might"?

Mr. SUTTON. He said this:

I think the passage of S. 1008 without Kefauver amendments might be ruinous to small business and particularly to the independent wholesale and independent retail distribution of food products—

If the gentleman would like, I will read the rest of it—

I generally agree with the statement of Rankin Peck printed in the Appendix to the CONGRESSIONAL RECORD, page A3723. Quote, "A large grocery chain might be given preferential discounts by competing sellers not offered to independent grocers and neither the sellers nor the chain would be subject to prosecution even though the ability of the independent grocers to compete with the chain was seriously threatened by such price concessions. Recently the Department of Justice won a major victory against the A & P. The great A & P received a big discount from its suppliers which enabled it to put small competition out of business. Since the suppliers were probably competing in good faith the practice would be placed beyond the reach of the Robinson-Patman Act. Are you in favor of protecting small business as your A & P case would indicate or are you in favor of throwing small business to the wolves of predatory price discrimination as your urge of the deletion of Kefauver amendments would indicate?" Unquote. Upon receipt of copy of S. 1008 Sunday morning I read it with the immediate reaction that section 1 is unnecessary since it does not seem to legalize the basing-point method of establishing uniform delivered prices, is unfair as the sponsors of the Robinson-Patman Act including the United States Wholesale Grocers Association, of which I am president, have not been given the opportunity of a public hearing and since little business generally has not awakened to the effect of S. 1008 on the Robinson-Patman Act, is pointless since the food industry does not need it until its right to sell at delivered prices is in question, is dangerous as the Senate protective language for small business was deleted by the House Judiciary Committee perhaps without realization that the amendments to the act of 1914 are in reality a dagger to the act of 1936. The language of section 2 is ambiguous as the act might legalize price discrimination between competitors who took delivery at different points, is meaningless if the words "effect on competition" are intended to preserve the present interpretation or perilous if these words are left to uncertain interpretation including the words "freight absorption." Section 3 is indefensible if by the elimination of same amending language meeting competition would be a complete defense. The definitions in section 4 are no answer to the unnecessariness, unfairness, pointlessness, ambiguity, and uncertainties of the language of the bill as a whole or in part in its effect upon the Robinson-Patman Act. Suggest that it be recommitted for open hearings by the proper committee because of objectionable and ambiguous language, the saving of confusion and litigation, and the weakening or destruction of the Robinson-Patman Act. Airmailing copy to other Tennessee Congressmen.

Mr. BOGGS of Louisiana. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, I believe it might be well at this point to try to take stock of where we now stand on this legislation and what we are trying to do. As has been stated by the previous speakers, this is a very technical piece of legislation and has to be followed fairly closely.

The gentleman from New York [Mr. JAVITS] and the gentleman from Colorado [Mr. CARROLL] have both made the point that none of us who are fighting this bill in its present form are attempting to make any issue of the well-established basing-point system or the freight absorption business practice. I think that applies pretty generally to all members of the committee. The gentleman from New York and again the gentleman from Colorado made the point that when we go into section 2 and section 3 of the proposed legislation now before the committee we go beyond—we go beyond—and this is the important point—we go beyond clarifying the Supreme Court decision in the Cement case, and we go into basic amendments to the Clayton Act and the Robinson-Patman Act. So that the point now before the Committee in the Carroll amendment is not a question of whether or not you believe that a merchant or a manufacturer should absorb freight rates. The question now pending before this committee is whether or not we are now to accept amendments to the Robinson-Patman Act and to the Clayton Act with only the skimpy amount of hearings and debate that have been held on these vital and paramount questions.

Let us go a little further and examine the parliamentary situation as it now stands. As the Clerk read the bill the gentleman from Louisiana [Mr. WILLIS] offered an amendment which sought to do in effect what Mr. CARROLL's amendment seeks to do here. The distinguished chairman of the committee, my good friend from New York [Mr. CELLER], arose and made the point, with some effectiveness, because the amendment was lost, that he had no particular objection to the language which was before the committee, but that it was confusing and that it would create a paradise for the lawyers and that while he, himself, was a lawyer, he felt in justice to the business community of this Nation we should be specific about what we are trying to do.

The amendment was defeated and the gentleman from Colorado has now offered an amendment which incorporates—and I think this is important, if I may have your attention—it incorporates the identical language in the bill now pending before the committee. Is that confusing? If it is confusing, then the commitee itself is confused because they wrote that language. In addition to that, it not only incorporates that language but incorporates existing language in the Clayton Antitrust Act.

Is that confusing? It has been the law for some time. If it is confusing, it is our business to change that language in this short debate. Do you realize the tremendous effect that such action will have upon the economy of this country? I do not think so. I think that is the issue involved in this debate on this amendment.

The gentleman from Tennessee [Mr. EVINS] has read a telegram from the wholesale grocery people. I might say in this connection it is gratifying to me to see so many of my dear friends on my left rise to the defense of the Department of Justice. It is a rather new and refreshing thing. It is also very gratifying to me to see them applaud when some letter from someone in the White House is read and is sent up as an endorsement of this legislation. That, too, is unique and very interesting. But, nevertheless, it does not change the content of the legislation before us.

The gentleman from Tennessee [Mr. EVINS] read a telegram from the Wholesale Grocers' Association. I have some language incorporated in a letter to a distinguished Member of this House.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. BOGGS] has expired.

Mr. BOGGS of Louisiana. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS of Louisiana. I apologize for imposing myself on the Committee at such length, but this is an important issue. Believe me, we are dealing with something that is vital, and it is the duty of those of us who represent our constituents to debate this thing and look at it and see what it does. That is the only reason I am imposing myself

upon you. I do not have any desire to change any business customs or practices. I believe that the proposition of absorbing freight rates is a good proposition. It has worked well and worked effectively, and it has promoted the establishment of business, and particularly new enterprises. But we are doing more than that here. We are doing a great deal more than that. Before we do it, let us be certain about what we are doing.

Let me read to you a paragraph from a communication addressed to a Member of this body by the president of the Petroleum Retailers Association of the United States, which represents filling station operators in every State in the United States of America. I am informed—and if I am misinformed in this, I hope that my friend, the chairman of the committee, will correct me—that these people asked for a hearing. I am further informed that they were not permitted to be heard before the committee. I am informed, too, that the wholesale grocers asked for a hearing, and they, too, were denied that opportunity.

Now, what does this man say? I quote:

Senate bill 1008, minus the Kefauver amendments, Congressman KARST, is an incredible measure in view of the numerous statements of President Truman upholding the antitrust laws and promising that such laws would be vigorously enforced, and other statements by the President expressing his interest and the interest of his party in the problems of small business. It is an incredible measure from the standpoint of the platform of the Democratic Party, which last fall proclaimed unswerving allegiance to the antitrust laws, their effective enforcement and solemn pledges that the interests of small business would be safeguarded. If this bill in its present form is enacted into law, the Eighty-first Congress will have set the stage for the crucifixion of small business through a crippling of the antitrust laws.

I submit to you, Mr. Chairman, that that is strong language, but I think that under this existing language before the Committee it is justified language.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield.

Mr. HUBER. Who are you quoting?

Mr. BOGGS of Louisiana. Mr. Franklin Peck, president of the National Congress of Petroleum Retailers, Inc., with offices in Detroit, Mich., in a letter dated June 24, 1949, found on page A4056 of the Appendix of the RECORD.

The language offered by the gentleman from Colorado as a substitute for the Kefauver language incorporates existing language in the act before us and in the Clayton Act. It is beyond my comprehension that any Member of this body, whether he sits on my left or my right, should reject this language. The language in a weaker form, let us say, was adopted unanimously by the Senate, and it has no bearing whatsoever on the question of whether or not a manufacturer can absorb freight rates.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. JAVITS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I join my colleague from Louisiana in the statement that I think the committee is being a little inflexible where it is carrying almost completely the main point which it says was the principal purpose of this legislation, to legalize the absorption of freight rates, not to ease the impact of the amendment to the Robinson-Patman Act in sections 2 and 3.

Let me make a practical point: The gentleman from Pennsylvania [Mr. WALTER], in arguing against the amendment, says that we jeopardize the use of the term "good faith." Let us examine this matter and determine, if we can, what is good faith. Good faith means that a seller who is seeking to meet competition will really believe honestly that it is competition that he is trying to meet. What "good faith" means is that the particular seller honestly believes when he quotes a different price than he is quoting generally that he is meeting a competitive price; that is all.

What are we seeking to protect against, we who back the Carroll amendment, and I think the bill must carry it, all we are seeking to protect against is a situation such as this: Suppose you have a seller who has 50 suits to sell and who is trying to sell them in a city which has 20 clothing stores; then suppose you have another seller who is trying to sell 10,000 suits to the 20 stores in the same town. But mind you, the seller of the 50 suits cannot supply their needs, he can only make an offering. Then the 10,000-unit seller meets that offer. He is acting in good faith. And, according to this bill, unless we amend it, it does not make any difference that he puts the 50-suit seller out of business, as long as he meets that offering he is acting in good faith. What we are trying to protect against is that the greater economic power of the seller of 10,000 suits shall not be used to crush the competition of the small seller or of the buyers among themselves. If you want to do that you have got to write the restriction into this bill which has been proposed by the gentleman from Colorado. It is eminently fair because it takes the language of the Robinson-Patman Act and the very language that the committee itself has adopted in part (A) of section 2 of the bill. The committee cannot quarrel with that; it is practically as broad as it is long. If it makes good sense in subsection (A) where it relates to absorption of freight, then it certainly makes equally good sense in subsection (B) of section 2 of the bill, and in section 3 where it relates to small merchants. I say that the Committee really must adopt this amendment if it wants to make this legislation mean what it should mean. Adopt this Carroll amendment both to this section and to the next section to which it will be offered.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. AUGUST H. ANDRESEN. I am sorry I did not hear the amendment proposed by the gentleman from Colorado, but would it not serve the same purpose to strike out sections 3 and 4 of the bill?

Mr JAVITS. Then you would vitiate the very effect which is trying to be obtained in regard to absorption of freight. We are trying not to vitiate that but at the same time to protect small business.

Mr. O'SULLIVAN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Nebraska is recognized for 5 minutes.

Mr. O'SULLIVAN. Mr. Chairman, this is the kind of a legislative measure which seems to eliminate political philosophies. Congressmen here today and yesterday have for the occasion ceased to be Democrats or Republicans, and perhaps the unwary cannot understand this strange phenomenon—this strange oneness of purpose.

The distinguished gentleman from Illinois, Judge SABATH, when speaking before this body on the rule, seemed to be filled with apprehension about this strange unanimity, and seemed to have grave doubts about the Democratic worthiness of the measure.

I say, Judge SABATH, that you have again demonstrated that your almost 84 years of life has equipped you with a head full of very good common sense instead of corporation nonsense.

To every section of the United States, other than the present large industrial centers, this bill will stifle and kill all hopes of these communities from ever having industry to any extent in their midst, and they will continue to be the hinterlands of America.

The last war demonstrated the correctness of having industry distributed throughout every part of the country, and this policy was the entering wedge into localized industry in big centers of population as it theretofore existed.

The States of California, Washington, and some other States gained greatly by the putting of this policy into effect, and the national security was also well served.

The splendid foresight of the late President Roosevelt in causing the distribution of certain essential manufacturing plants throughout the Nation was indeed a great thing for the Nation and for many communities throughout the land. This thought was in keeping with President Roosevelt's earlier policy of developing public power in various parts of the Nation so that new manufacturing plants could follow in the wake of public power. It was also in keeping with President Roosevelt's idea of storing grain on farms and in or near small communities throughout the Nation instead of in a few big grain elevators.

Enemies of our Government may bomb a few factories or manufacturing plants, a few power plants, and a few grain elevators, but could not hope to bomb out of existence many widely distributed factories, manufacturing plants, power plants, and grain-storage facilities.

This bill is not in the public interest; it is not in the interests of our Government and its people. It is a backward step from the few years of progress which we have enjoyed since AR-day—After Franklin D. Roosevelt's day.

The distinguished gentleman from Pennsylvania [Mr. CORBETT], I think, let the cat out of the bag, so to speak, when he said: "The people do not want sectional monopolies imposed upon the country." I ask what do they seem to want according to the prophecies of my

distinguished colleague? What people do not want section monopolies? He does not tell us these things. I will tell you for him. He thinks the people want the present concentrated monopoly sites in the big cities, and the people he speaks about are the people who live in those big cities. He further stated that not to pass this bill would create a geographic monopoly. That is just what we have now—small geographic monopolies in big towns in Ohio, Pennsylvania, New Jersey, New York, and other States having big industries in their big cities. He seems to think it is something awful to have factories in Omaha, Lincoln, Grand Island, Hastings, Scottsbluff, and other Nebraska towns. I do not think so, and neither does any sensible man in the Congress who comes from a State where they cannot secure branch plants and factories of big industry.

Another distinguished gentleman from Pennsylvania [Mr. WALTERS] was more frank in his remarks. He said:

> We don't want sectional monopolies throughout the United States at the expense of the communities now serving the country.

What this great Republic needs most of all now is a redistribution of population throughout the whole Nation, and the Court decisions to date which this bill would outlaw would bring this redistribution of population about by causing manufacturers to locate their plants throughout the country, instead of huddling them together in large cities to the real detriment of our Nation in times of war, and to the unfortunate people who are denied the fresh air, pure water, and humanly livable conditions to be found in Nebraska and other States which big industry shies away from now and will do so as long as the freight rate may be absorbed. This would enable these big cities to clear up their slums for sure and for good.

This bill would permit big chain concerns to wipe out all independent small-business men and concerns throughout the land if they so willed.

Lastly, I think that the present legislative approach of this bill is the most daring and unwise course of congressional conduct ever attempted. Just think of it seriously gentlemen, you are seeking by this bill to wipe out all of the Court decisions of the Supreme Court and other courts rendered to date outlawing historic price-fixing delivery pricing.

I cannot support or vote for this most discriminatory bill, this bill which would penalize Nebraska and its people, as has been so ably related by our distinguished colleague, the gentleman from Texas [Mr. PATMAN].

I voted against the granting of a rule for the House of Representatives to consider this bill, and I shall oppose the passage of this bill no matter who is for it or recommending it.

Mr. DAVENPORT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a Representative from the largest steel-producing district in the world I would be remiss in my duty and my responsibility to my constituents did I not rise here today in support of this bill and against all these amendments which might endanger it. This is not the kind of bill which can be amended on the floor; it is too technical and too complicated. I have been listening to these arguments for the past few weeks. I have been talking to businessmen back home, as well as to fellow Members of Congress, and it has sounded to me like a blind man in a pitch-dark room looking for a black derby hat that is not there.

Coming from Pittsburgh, where as a boy I saw the steel industry rise from its infancy, and knowing the mighty job the people of Pittsburgh and the surrounding towns have done in building this industry, knowing that it was in Pittsburgh where the bessemer process was first introduced which meant so much to the development of the steel industry all over the world, I will not stand by while something is being attempted which would injure the steel industry in my district, which would mean eventually that thousands and thousands of steel workers would in a short period of time be out of work.

In April 1948 the Supreme Court by a 6 to 1 decision declared the basing-point distribution system in the cement industry to be illegal. To add to the confusion the United States Supreme Court in a 4 to 4 vote this past spring outlawed the basing-point system for rigid steel conduit manufacturers.

The basing-point system means the sale of a commodity at a delivered price uniform to all buyers throughout the country. We have basing points in many American commodities. We have it with Hershey bars, we have it with Wrigley gum, and we have it with our Government postage stamps. The purpose of the basing-point system is to even out or average the difference in the cost of distribution among all users. By this system consumers are able to avoid a bill for freight for the long distance from the point of production.

The language used by the Supreme Court in the Cement case in April 1948 was confusing to both businessmen, whose livelihood depended upon its clarification, and the Government, whose job it was to enforce that decision. On reading the decision in the Cement case, it is impossible to tell whether the seller had a right to absorb freight costs even when such absorption was not accompanied by conspiracy.

I represent what is without question the most industrial area in the world—the mighty Pittsburgh. From discussions with the businessmen in my district, I must conclude that they are alarmed by these basing-point decisions. Almost all of them have interpreted these Supreme Court decisions to mean that a single seller may not meet a competitor's price in any market by quoting an identical price, or by using a pricing system if he knows that another seller is using the identical system. In this period of slow recession and troubled international conditions, it is appalling that businessmen upon whom we must rely to maintain high levels of production must themselves be kept in this uncertain frame of mind. The heavy industries in this country have been forced by the Supreme Court decisions to go on an f. o. b. pricing system, despite their knowledge that it works against the best interest of the American people.

I should like to quote from the Wall Street Journal regarding these decisions:

> A continuation of f. o. b. mill pricing into a period of stiff competition will probably hurt the Pittsburgh district more than any other steel-producing center. Pittsburgh produces more steel than it normally consumes. This means that unless its mills can sell their steel in distant markets, they will face curtailment of operations.

Immediate action is needed to clarify what the Court actually meant in its two basing-point decisions. I should like to quote from the Washington Post of April 29, 1949, as to the best alternative. I believe this is the fairest way to handle the alarming situation:

> The best alternative is to pass pending measures temporarily banning Federal Trade Commission's orders against noncollusive, delivered-price systems and freight absorption. Businessmen would then be freed from harassing doubts about the legality of their pricing policies and the way would be left open for permanent legislation later on, dealing comprehensively with unsolved problems of competition and pricing.

I am speaking as a small-business man. I have a small business in Pittsburgh today. I have been in steel towns when the mills were shut down during the depression, and I know what an effect it has upon small business. Back in Pittsburgh all the small-business men to whom I have talked are for this bill because they know that it will increase steel production in the Pittsburgh district.

I told you that I was a small-business man. I am also a liberal. I am for the repeal of the Taft-Hartley Act. I voted for an extension of rent controls. I voted for the housing bill and for the elimination of slums. I will vote for an expansion of the social-security benefits. I will vote for a 75-cents-per-hour minimum-wage law. Yes; I am a small-business man and a liberal, but I am not such a liberal as to vote against a bill which will maintain a high level of steel production in the Pittsburgh area.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that debate on this amendment close in 15 minutes.

Mr. BOGGS of Louisiana. Mr. Chairman, reserving the right to object, do I understand the request of the gentleman from New York also limits debate on the committee amendment in the event that the Carroll amendment is voted down?

Mr. CELLER. Mr. Chairman, I ask unanimous consent that debate on the Carroll amendment end in 20 minutes.

Mr. BOGGS of Louisiana. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, this House has been in disorder for hours, but I hope the Chairman will not ask for order during the time I am speaking. If the House finds pleasure in conversing with each other while Members are

attempting to speak I hope they will continue during the time I am on the floor. I do not want to make any Member of this House unhappy and I believe I can speak loud enough to be heard above the disorder.

I am in opposition to this bill and I know why I am in opposition to it.

Mr. Chairman, one of the reasons I am in opposition to the bill S. 1008 is because when you strip it of all its verbosity and get down to brass tacks so we can find out what it does mean, we find that the bill asks us to save our great corporations—oil, steel, cement, and building materials—from the machinations of the courts and the Federal Trade Commission. The poor little weak corporations—and the courts have just been pulling them apart and we are asked to pass this legislation in order to save them. I do not think they are in any danger. I think they need to obey the law. I believe the law is all right, just the way it is. Those laws that prevent combinations in restraint of trade are all good Democratic laws passed since 1932, and they were passed under a President and by a Congress that I think knew what they were doing. I am not going to be a party to helping repeal those laws.

Another reason I am opposed to this bill is because out in my State of Missouri we have iron ore in the Ozarks and we have coal by that iron ore. We have deposits of limestone down there and the finest water in the world. And the gas companies right across in Oklahoma are right there. But Pittsburgh does not want us to manufacture steel in Missouri, and if they can get this bill passed, we will never manufacture any steel in Missouri. I do not blame that Member from Pittsburgh standing here defending his people, but I am standing here defending my people and I have just as much right to defend my people as the gentleman from Pittsburgh has to defend his. They tell me that we ought to have the same price for things all over the United States. They say we ought to have the same price for steel and soap and cement and what-have-you. All right then, why not have the same price for beef and pork and milk and eggs and wheat? What is the difference. Why should we not be able to buy a pound of ham in Los Angeles and St. Louis and Washington, D. C., at the same price? I would like to sell my hogs in Pittsburgh. I would like for someone to absorb the freight for me so that I could send them there, but there is nobody to absorb that freight and I have to sell my hogs in Kansas City because if I sent them to Pittsburgh I would have to pay the freight.

I wish somebody would absorb that so I could sell my pork over here where it would bring a good price. But they will not let me do that. Why? Because the American farmer is not a great corporation. He is not organized. Nobody gives a tinker's dam what becomes of him. I am standing here and telling you that I do care about what becomes of him. I am not going to vote for a law that will hamstring and cut the throat of all the antitrust laws of the United States. I am not going to stay in this House and vote for a law that will allow the chain stores to strangle all of my private merchants in Missouri. And if that be heresy, just let it be heresy.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CHRISTOPHER] has expired.

The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, it always interests me to hear certain of the farmer's groups of the Nation claim that the industries are imposing on them when they have certain spokesmen speaking here. As a matter of fact, industries do not impose on the farmers and the farmers do not impose on the industries. We ought to be working together. We are certainly each other's good customers. When we hear Pittsburgh mentioned we always think of steel and coal and iron and labor unions. But we in Pittsburgh know we cannot get along without the farmers using our products, so we want the farmers to prosper, too.

I would like to explain to you a little bit about what this bill does. If we in Pittsburgh wanted to be completely selfish we would vote against this bill, because under the present ruling of the Supreme Court, Pittsburgh has received one of the greatest increases and revivals of business that we have ever had. Instead of our sending steel to the various parts of the country all at the same price, the Supreme Court ruling makes the fabricators move into or near Pittsburgh to avoid freight charges on heavy bulky raw materials. We would be competing with these smaller manufacturing communities for these fabricators. We in Pittsburgh should be satisfied with the fabricators we have and with the heavy steel industry and the large coal industry.

We are satisfied, because this country has done well by the city of Pittsburgh, and as a Pittsburgh Congressman, I want to say we are very thankful for it. If you will look at the whole United States economy and say, "Let us produce goods and services where it is most economical to produce them," you will find that there are certain natural places where it is most economical. Our industrial areas give goods at the least cost. That is the reason that we in Pittsburgh and in some of the big steel centers are able to pay the highest wages and produce the lowest cost steel, so that Great Britain and other countries cannot compete with us. If, however, you make an artificial group of barriers, and make each little unit produce for itself, you will find a higher cost of production of these basic commodities all through the country.

My viewpoint is to keep your well-run companies, to expand them. Do not bind them down, but encourage efficient production and fair competition, and the consumer will benefit. If steel can be produced most economically for America in Missouri, let us have more steel plants in Missouri. But that is no reason for saying to the little fellow clear out in the far reaches of the country, "You are going to have to pay a higher price for everything that is made in the big cities than if you lived right close to the city."

Some of us feel that it is economically best for the United States community to have basic industrial commodities sell at the same price all over this wide trade area of the United States.

In all the debate on the bill the most remarkable thing is that there has been no criticism on the floor of the House by any Congressman of the management of the iron and steel industry. There is no one on this floor who has criticized these companies for lack of efficiency, or criticized any of the steel companies or iron companies or coal companies for lack of good direction and management. Obviously the steel industry in the United States is being managed efficiently, and its high labor productivity is satisfactory to the American people. This is a real compliment to the industry, and it seems to me, a Pittsburgh Congressman, as a double compliment that so many other areas would like to have the steel industry settle there, too.

As one Congressman in this House, I may say to you that I am proud of the production of American industry. I am proud of American big business that has been the whipping boy of many Congressmen, just as I am proud of little business. Let little business have its place in the sun, and let big business have its place in its efficiency. I am against monopolies of all types, but welcome efficient production and competition, whether the concern is big or small.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has expired.

The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, we have before us probably one of the most important bills we have had in a long time in its effect upon little business as well as big business throughout the Nation. It pains me to have to differ with some of my very good friends on the Committee on the Judiciary in regard to a section of this bill.

I think we all realize that there has been built up in this country the basing-point system and the freight-absorption theory in business, and we realize that certain Supreme Court decisions have confused that particular issue. I am all for straightening out, without going into the merits of it, the custom that has been built up in American business, because I think it is so well entrenched that one would waste one's time trying to change that custom, and we certainly are not trying to in this bill.

I can go along with the committee in the first part of the bill where they try to clarify the freight-rate situation, but in the second part of the bill they go further than that and attempt to amend the Clayton Act, and here I find myself in sharp disagreement. I therefore find myself in support of the amendment offered by the gentleman from Colorado.

Before I came to Congress some 7 years ago, I engaged in retail business for 25 years. I know what the Robinson-Patman Act did for small business. I had competition with the chains and the large merchandisers of the Nation like Sears, Roebuck and Montgomery Ward, and I know that they could go to a manufacturer, buy an article and sell it at a

price cheaper than I could buy it wholesale. Then we had the Robinson-Patman Act and that gave a degree—and notice that I use the word "degree"—of protection to the small-business man. It also allowed the small-business man to compete in the local markets with the large retailers, the large merchandisers.

I submit that the amendment offered by the gentleman from Colorado will perpetuate the status quo as now outlined and sustained by many Supreme Court decisions in regard to the Robinson-Patman amendment of the Clayton Act.

I believe that if this bill could be amended in that particular I would support it and I believe many other Members who are somewhat confused about this attempt to go beyond straightening out the basing-point system would also go along with it. Too many of us realize that in order to straighten out the basing-point system it is not necessary to sacrifice small business on the altar of the traditional trade practices which have been built up. So I appeal to my friends not to act on a sectional basis, because all of us have small business in our district. I appeal to my friends to protect the small-business men throughout the Nation and to support the committee bill if the committee bill is amended so as not to go further into the field of the small-business man. It is my firm opinion that unless the amendment offered by the gentleman from Colorado is adopted by this committee, you will be clarifying the basing-point system for the benefit of big business, but you will be nullifying the Robinson-Patman Act in a great extent which is for the protection of small business.

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from Missouri [Mr. KARST].

Mr. KARST. Mr. Chairman, at the command of big business, the Eightieth Congress drove two large holes in the antitrust laws by granting exemptions to those laws to two powerful industries—the gigantic insurance industry and the equally gigantic transportation industry. The lobbyists of big business descended upon the Eightieth Congress because of court decisions which had endangered the flourishing of monopoly in both these industries.

Now comes Senate bill 1008 to finish the job—to put the rest of industry safely beyond reach of the antitrust laws and to leave those laws but a hollow shell while monopoly marches on. Again court decisions have galvanized big business to protect its monopolistic power by securing from the Eighty-first Congress such a sweeping exemption from the antitrust laws for itself that it need ask for no more in the future.

Senate bill 1008 is the direct outgrowth of two court decisions which have thoroughly aroused big business because they threaten its exercise of monopoly power and its power to destroy smaller competitors by the unfair practice of price discrimination.

One of these cases was the recent decision of the Supreme Court in the Cement case, in which the highest Court found that the cement industry had used delivered prices and freight absorption to eliminate competition among producers of cement and to achieve monopoly. The other case was a recent decision by the Circuit Court of Appeals for the Seventh Circuit, which refused to allow a giant oil company to discriminate in price among its purchasers under the plea that it was merely meeting competition in good faith, and thus sustained the Robinson-Patman Act, which was intended to prevent this specific abuse.

What is wrong with these decisions? They uphold the Sherman law which has been on the statute books for some 60 years and the Federal Trade Commission Act which is 35 years old. They also uphold the Robinson-Patman Act which has been in existence for more than a decade, and which was enacted by a Democratic Congress to protect independent merchants from destruction by the unfair method of price discrimination practiced by powerful chains. The wrongness in these decisions is simply that they call the hand of big business.

Faced with court decisions which threatened its exercise of monopoly power and its capacity to expand at the expense of small business through the unfair device of price discrimination, big business concentrated its might on the legislative front. It sought from Congress statutory power which would make it possible for big business to use delivered prices and absorb freight to achieve monopoly without interference from the antitrust laws and to restore its power to fatten on the corpses of smaller competitors through the device of price discrimination.

But this bold effort by big business has been skillfully camouflaged. Its lobbyists shouted to the high heavens that the decision of the Supreme Court in the Cement case forbade sellers from selling at delivered prices or absorbing freight. This is an untruth. The Court did not say that, and Robert Freer, former Chairman of the Federal Trade Commission, and the present associate general counsel of the Commission, Walter Wooden, stated publicly that existing law did permit any seller acting independently to sell at delivered prices and to absorb freight—that the Commission had never in any case contended that delivered prices and freight absorption were illegal per se. All that existing law forbade was the use of delivered prices and freight absorption by producers to eliminate competition among themselves—to achieve monopoly through their use.

You see, delivered prices and freight absorption can be used in two ways. A seller can use them so as not to unfairly injure and destroy competition, or he can use them to completely eliminate competition between himself and all other sellers in the same industry, to achieve monopoly, to force farmers and consumers in general to pay for imaginary or phantom freight and for the costs of wasteful cross hauling. Existing law prevents the latter abuse of the use of delivered prices and freight absorption. Senate bill 1008 seeks to legalize their abuse. This is the issue in a nutshell.

The notorious Pittsburgh-plus case afforded a graphic illustration of the abuse of delivered prices and freight absorption. Delivered prices and freight absorption were used to completely eliminate competition in the steel industry, while the farmers of the Nation were compelled to pay every year $25,000,000 for phantom freight charges and buyers of steel products in general were assessed some $100,000,000 for charges on freight that never occurred.

Under the abuse of delivered prices and freight absorption, as practiced for many years by the linseed oil crushing industry, where the farmers raised the flaxseed and sold it to the linseed oil crushers on the open market, when they came to buy back the oil to paint their tools, furniture, houses, and barns, they paid 2⅓ times the actual freight to get it delivered to them.

It is little wonder that the National Farmers Union is vigorously opposing Senate bill 1008, because when delivered prices and freight obsorption are abused, the result is to impose upon the backs of the farmer a heavy toll in phantom freight.

Under the smoke screen that the Supreme Court, in its Cement decision, had prohibited a seller acting independently from selling at delivered prices and from absorbing freight, the lobbyists of big business proceeded with their plot to put monopoly and price discrimination beyond reach of the antitrust laws. The Capehart committee, in the Eightieth Congress, was their lead-off attack. Senator CAPEHART, going through the motions of holding impartial hearings on the issue of whether the antitrust laws did or did not prohibit per se the use of delivered prices and freight absorption, set up an advisory committee which he declared would approach the problem from an impartial point of view. Actually this committee was a roster of big business—representatives of big corporations who had either already violated the antitrust laws, or whose monopoly power was in danger from the decision of the Supreme Court in the Cement case, or representatives of a few smaller concerns who were under the control of big suppliers. There were two exceptions to this list of impartial advisers; one was a representative of labor, and the other a representative of the farmer.

When the advisory committee turned in its report endorsing the plot of big business to legalize the abuse of delivered prices and freight absorption, the representatives of labor and the farmer wrote blistering dissenting opinions. Even the counsel, gentlemen, to the Capehart committee came from a law firm which represented clients who had violated the antitrust laws by using delivered prices and freight absorption to eliminate competition among themselves.

With the beginning of the Eighty-first Congress, big business moved over to the Johnson committee of the Senate, and the counsel for the Capehart committee became the counsel for this committee. Then began a series of fast moves. A bill by Senator JOHNSON was introduced to carry out the recommendations of the

Capehart conspirators. Shortly thereafter, a bill by Senator MYERS was substituted for the Johnson bill. Then, on the floor of the Senate, in the twinkling of an eye, Senator O'MAHONEY substituted his bill for the Myers bill. All of these bills differed in essential details, but there have been no public hearings on the O'Mahoney bill in the Senate and none in the House.

As I said to you gentlemen yesterday, I cannot possibly explain in 5 minutes just how Senate bill 1008, with its technical and complicated provisions and by now you will admit that will put monopoly beyond reach of the antitrust laws, making it possible for big business to plunder the growth of industrial enterprise in the South and West, which occurred during the war, and wipe out the Robinson-Patman Act, leaving powerful chains free to devour small and independent merchants through the unfair practice of price discrimination. But to substantiate my convictions, I invite your careful attention to the testimony offered by Mr. Walter Wooden, Associate General Counsel of the Federal Trade Commission; Mr. Everett MacIntyre, Chief of the Division of Monopoly Trials in the Federal Trade Commission; and Mr. Eugene Burr, a lawyer with the Federal Trade Commission for many years before the Small Business Committee of the House, and this was since Senate bill 1008 was reported out of the subcommittee of the Judiciary.

Mr. Walter Wooden has been with the Federal Government for 40 years, engaged wholly in the investigation of monopoly and prosecution of offenders under the antitrust laws. No lawyer in the Federal Government knows more about antitrust law than this veteran trial attorney. He is not like a Senator, who may devote part of his busy life to studying the antitrust laws, or a Commissioner of the Federal Trade Commission, who has served one or two terms, or a head of the Antitrust Division of the Department of Justice, who has had only a few years experience with the antitrust laws. He is a man who, for forty long years, day in and day out, has devoted his whole time to the antitrust laws.

Mr. Everett MacIntyre likewise has been engaged for years in interpreting the antitrust laws. So, too, has Mr. Eugene Burr. Yet all of these gentlemen have solemnly assured the House Small Business Committee that Senate bill 1008 would accomplish exactly what I have charged it would. Also, Mr. Robert E. Freer, former Chairman of the Federal Trade Commission up to only a few months ago, has publicly gone on record as opposing certain provisions of the old Johnson bill in the Senate, which are now incorporated in Senate bill 1008, as promoting monopoly and sacrificing small business on an altar of price discrimination.

Gentlemen, this bill should be defeated in toto. It is one of the most destructive bills ever presented to this body. All over the world capitalism is failing. Where it has failed the people have found themselves in autocratic states and under the heel of gestapos. Capitalism is nothing more or less than a system of competitive industries. Kill competition in the system and you have killed capitalism. Senate bill 1008, by putting monopoly beyond reach of the law and tossing small business into the maw of price discrimination, signs the death warrant of capitalism in the United States. Pass this bill and two fateful consequences are certain to happen. Monopolized industry will soak the consumer to the limit. In the face of increased industrial prices the worker will strike from one end of the Nation to the other so as to keep wages from declining in their buying power, and the farmer will force Government to raise ever higher the prices of farm products. As this struggle ensues more and more people will become convinced that the Government must step in to regulate prices and control production. If this happens, business will land in a straitjacket of Government control, and the process will not stop there.

The conviction will take root and grow that since industry is monopolized and the antitrust laws are dead, many industries should be nationalized. It is exactly this conviction among the English people at the present hour which is leading to the nationalization of the steel industry in Great Britain. The British people know that competition in this industry has been dead for years; that it is controlled only by six companies, and they have come to the inescapable conclusion that nationalization is the only practical remedy.

This measure, gentlemen, ironically digs the grave for big business and small business alike in the future by its destruction of capitalism in America. Nothing but blind and insane greed could prevent the leaders of big business from perceiving the folly of their policy in trying to enact Senate bill 1008 into law. I sincerely hope that there are enough Members of this body who believe sufficiently in free enterprise to not only send this bill down to ringing defeat but to join hands in the future to make the antitrust laws stronger, not weaker, as our party platform promised.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Chairman, in my long experience here in the House of Representatives, I have often wished in the old Chamber that we could have better acoustics, so we could follow the proceedings of the House and when we moved into this chamber, with its domed ceiling, and fine acoustics, I thought we were going to have order, but it seems to me at the present time good acoustics is what is the matter with us. I hope the little things I am going to say will be heard by the Members of the Committee. We have difficulty in hearing, even sitting here on the front seats.

In considering this basing-point legislation it occurs to me that the plan proposed in this bill will take away the incentive for local industries and local development. My thought goes to the lumber business. If you and I would join up and start a lumber manufacturing business and would go out and buy up some good timber and make a heavy investment and built a mill and do the things we would have to do to produce the finished product and put it on the local market, why these big companies could come in and put in a branch and absorb the freight with this basing-point system and take away our business. We would have to pay taxes on our timber and plant and interest on our investment and pay our overhead to operate the mill and factory, now our big competitor with extensive lines of lumber and forest products would have more lines to offer and be able by this basing-point system to meet our prices on the grades of lumber we produce, they would simply take away business from us. There is nothing in this bill that would prevent the big companies, after they put a competitor out of business, from then raising prices. So, I think this whole plan is in the wrong direction.

I can well remember the conditions in this country some years ago, during the Wilson administration, when we could buy barbed wire, and the price of barbed wire is a fine example of what is going on today in the commercial world. The price of barbed wire, when I bought it retail in Idaho at a local store, a good roll of 80-rod galvanized wire, was $1.40 a roll. This summer I needed some wire and I went to a local distributor and asked for a price. It was $11.50 a roll. I am required now to pay ten dollars and a dime more for one roll of barbed wire than I had to pay back several years ago. We are told that John W. Gates made a fortune bootlegging barbed wire to the territory across the Mississippi for $1 a roll. But, try to buy some today. Even the catalog houses charge you $8.50 a roll for this barbed wire—this is the fruit of the basing-point system and the monopoly it has built up.

We hear about the high price of meat, but we do not stop to think about the cost of the things we have to have to produce beef and cattle, and barbed wire is very essential to the farmer. That is just an example of what can happen if you let the big industries drive out the local manufacturers, and that is being done and has been done until this barbed-wire business and all these steel products are entirely in the hands of very large firms. If you want to go into any business, you have to make heavy investments, and if these competitors are permitted to come in and take away your local trade and beat down your prices, they can drive you out of business and then they can put up the price on the products that you have attempted to manufacture, to supply the local needs of your surrounding territory with local competition out of the way they can charge profiteering prices, and that is true of everything that you must buy today. I use barbed wire as an example, but you can take any other product made by the steel trust, and it will be the same. And there is a steel trust, as we know very well.

So I am opposed to this bill. I think it is in the wrong direction. I think we ought to have what we call unrestrained competition and let the Federal Trade Commission and these other Government organizations that are established to

safeguard fair competition protect our local industries.

The CHAIRMAN. The time of the gentleman from Idaho has expired. All time has expired.

The question is on the amendment offered by the gentleman from Colorado [Mr. CARROLL].

The question was taken; and on a division (demanded by Mr. WALTER) there were—ayes 117, noes 81.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 3. Section 2 (b) of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies and for other purposes," approved October 15, 1914 (38 Stat. 730, as amended; 15 U. S. C. 13), is amended to read as follows:

"(b) Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price the effect of which upon competition may be that prohibited by the preceding subsection, or discrimination in services or facilities furnished, the burden of showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided further*, That a seller may justify a discrimination (other than a discrimination which will substantially lessen competition) by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, line 12, strike out "(other than a discrimination which will substantially lessen competition)."

Mr. CARROLL. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. CARROLL: On page 3, strike out the parenthetical material beginning in line 12 and insert in lieu thereof the following: "if the discrimination is not such that its effect upon competition may be that prohibited by this section."

Mr. WALTER. Mr. Chairman, the committee will accept the amendment.

Mr. CARROLL. Mr. Chairman, as I understand it, the committee will accept this amendment, in view of the vote which has just taken place. I may say to the members of the committee that it is an identical amendment, the words are identical, and there is no change. I think it will materially strengthen the bill.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Michigan.

Mr. MICHENER. As I understand, the subcommittee considering the matter and the chairman of the committee are ready to accept this amendment in view of the vote which has just been taken on the other amendment. All I wanted to observe was this: That this bill with these amendments will go to the Senate, and the final vote will come in the conference. All the amendment just passed really does, in artful language, is cut out the defense of good faith so that with that amendment it does not make any difference what a big-business man does, he has no defense of good faith.

Mr. CARROLL. I may suggest to the gentleman from Michigan that I yielded for a question.

Mr. MICHENER. I gave the gentleman a little information.

Mr. CARROLL. The House has passed upon this issue. I do not want to have the conference committee as they meet in conference with the Senate bound by the interpretation of the gentleman from Michigan.

It was not the intent of the majority of the members of the committee to be bound by such a statement and it was not the purpose for which I offered this amendment again, but rather to sustain the argument that was made in behalf of the amendment and as I now understand the chairman of the subcommittee has agreed to this amendment, I ask unanimous consent that it be incorporated in this bill in line 12, following the reading by the Clerk.

Mr. JENNINGS. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment offered by he gentleman from Colorado [Mr. CARROLL].

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, line 17, after the word "competitor", insert the following: "and this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 4. As used in this act—

A. The word "price" shall have the meaning which it has under the commercial law applicable to the transaction.

B. The term "delivered price" shall mean a price at which a seller makes or offers to make delivery of a commodity to a buyer at any delivery point other than the seller's own place of business.

C. The term "absorb freight" shall mean to establish for any commodity at any delivery point a delivered price which, although as high as or higher than the seller's price for the same commodity at the point from which such commodity is shipped, is lower than the sum of the seller's price for such commodity at such point of shipment plus the actual cost to the seller for transportation of such commodity from such point of shipment to the delivery point or the average cost of transportation to the seller.

D. The term "the effect may be" shall mean that there is substantial and probative evidence of the specified effect.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 4, line 14, strike out "substantial and probative evidence" and insert "reasonable probability."

The committee amendment was agreed to.

Mr. WALTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I dislike very much to be facetious, and those of you who have served with me for so long know that I am not. But, so that you can understand exactly what happened when the so-called Carroll amendment was adopted, I would like to read to you part of a speech concerning this very question which was made by the present Chairman of the Federal Trade Commission. This is what he said:

Be sure you don't know your competitors' prices. In other words, be careful not to find out what prices are being charged by the fellows that make the same rubber mounted shaving mugs you make. This is difficult.

What happens when one of your salesmen walks into a store and offers a retailer your 1949 model of rubber mounted shaving mugs at $13.75 the dozen? The first thing the purchasing agent says is, "Why, you poor so-and-so. Glutz is selling his mugs for $12.95."

This means the jig is up. For the minute you find out Glutz' price is $12.95, you know you are not going to sell any of your mugs unless you also come down to $12.95. And if you come down to $12.95, you are matching competitors' prices, and that, my dear friends, if carried out systematically, results in a conscious parallelism which, according to count 2 of the Rigid Conduit decision, is tantamount to a conspiracy.

There is, however, a way of getting around this difficulty. Equip all your salesmen with ear muffs. When the purchasing agent says, "Why, you poor so-and-so, Glutz is selling his—," then have your salesman flop the ear muffs down over his ears and he'll be able to come back to you, clean, pure, and innocent in the eyes of Government, for he won't know your competitors' prices.

Then after he has made the rounds of his sales territory, he'll be able to say in all candor and honesty, "Boss, the customers you used to have were certainly a nice crowd of fellows. Maybe I didn't get any orders but, believe me, I sure fixed it so the Federal Trade Commission can't sue you."

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MAHON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, pursuant to House Resolution 277, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GROSS. I am, in its present form.

The SPEAKER. Is there anyone opposed to the bill without qualification?

Mr. EVINS. Mr. Speaker, I have a motion to recommit.

The SPEAKER. Is the gentleman from Tennessee opposed to the bill?

Mr. EVINS. I am, in its present form.

The SPEAKER. The gentleman does not qualify any more than the gentleman from Iowa.

The Clerk will read the motion offered by the gentleman from Iowa [Mr. GROSS].

The Clerk read as follows:

Mr. GROSS moves that the bill, S. 1008, be recommitted for further study to the Committee on the Judiciary.

Mr. CELLER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 67, noes 140.

Mr. PATMAN. Mr. Speaker, on the motion to recommit I ask for the yeas and nays.

The yeas and nays were refused.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. BURDICK. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

The bill was passed, and a motion to reconsider was laid on the table.

### YUGOSLAVIA AND TRIESTE

Mr. LODGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. LODGE. Mr. Speaker, on yesterday by a narrow margin the House passed the so-called Yugoslav claims bill which approved an agreement whereby among other things some $30,000,000 of frozen gold was returned to Yugoslavia. In addition, I understand that the World Bank is about to make a loan of $100,000,000 to Yugoslavia.

While I am fully aware of the strategical implications of Titoism and of apostate communism in general, I think that we should be careful not to prejudice the interests of our friends in our relations with Yugoslavia. I say this because Yugoslavia has now decided to replace the Yugoslav lira with the dinar as legal tender in zone B of Trieste which is under Yugoslav administration.

In replacing the Yugoslav lira with the dinar it is contended that the Yugoslav Government has violated article 11, annex 7, of the Italian Peace Treaty which provides that "pending establishment of a separate regime for the free territory, the Italian lira shall continue to be legal tender within the free territory."

The Italian Government feels that Yugoslavia intends eventually to incorporate within Yugoslavia the Yugoslav occupied zone of the so-called free territory of Trieste.

Mr. Speaker, we have undertaken to guarantee the integrity of the free territory of Trieste.

But more important still, in a note of March 20, 1948, the Western Powers suggested to Russia that Trieste be returned to Italy. Surely we must in good faith live up to the foreign policy position which we expressed prior to the Italian elections of April 18, 1948.

Beyond that, it should be pointed out that the results of the recent communal elections in Trieste showed a preponderant anti-Communist sentiment and demonstrated also the desire of the people of Trieste that Trieste should be returned to Italy.

Let us live up not only to our moral obligations but to our solemn commmitments.

### EXTENSION OF REMARKS

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. PATTERSON (at the request of Mr. LODGE) was given permission to extend his remarks in the Appendix of the RECORD and include extraneous material.

### PROGRAM FOR TOMORROW AND THE WEEK OF JULY 11

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have asked for this time in order to inquire of the majority leader as to the program for the balance of this week and the program for next week.

Mr. McCORMACK. Mr. Speaker, it is my intention to ask unanimous consent that when we adjourn today we adjourn to meet at 11 o'clock tomorrow.

Tomorrow, the first order of business will be the conference report on the housing bill, then the bill to increase salaries of certain officials in the executive branch of the government. It had been my intention could we have disposed of those bills today to ask to adjourn over until Monday, but of course we cannot dispose of those bills today. In any event it is my intention tomorrow to ask that the House adjourn from tomorrow until Monday.

Monday: There will be no District bills on Monday, but we will take up H. R. 3699, the Puerto Rican farm loan bill; and S. 937, relating to certain claims against the United States Government, a bill reported by the Committee on Foreign Affairs.

For Tuesday, Wednesday, Thursday and Friday, the following bills are scheduled for consideration:

H. R. 2960, rural telephone bill.

H. R. 5345, Agriculture Act of 1949.

H. R. 3788, Vermejo reclamation project, New Mexico.

H. R. 940, public improvements in Alaska.

H. R. 5208, rehabilitation, Navajo Indians.

H. R. 163, Sacramento Valley irrigation project.

H. R. 858, overtime on overtime.

Conference reports may be brought up at any time.

Mr. HALLECK. I assume that these bills will be called in that order or in any other order if it is so determined?

Mr. McCORMACK. The intention is to adhere to the order as closely as possible but I would not want to be bound by that.

Mr. CASE of South Dakota. Can the gentleman state how much time will be provided for general debate on the pay raise bill?

Mr. McCORMACK. My understanding is that the rule calls for one hour.

Mr. CASE of South Dakota. There will be an hour on the conference report ahead of that? Some of us have engagements tomorrow noon.

Mr. McCORMACK. I do not know how long we will take on the conference report. Whether it will take the full hour I am unable to say.

Mr. HALLECK. Our information over here is that we probably can assume the hour will be taken on the conference report.

Mr. SPENCE. I would like to know when the conference report is to be taken up? I thought it was going to be taken up this afternoon. Is it going to be taken up tomorrow morning?

Mr. McCORMACK. Yes, the first thing in the morning.

### HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

### COMMITTEE ON AGRICULTURE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill H. R. 5345.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

### EXTENSION OF REMARKS

Mr. HILL asked and was given permission to extend his remarks in the Appendix of the RECORD and include excerpts from a hearing conducted by the Small Business Committee.

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD.

Mr. HERTER asked and was given permission to extend his remarks in the RECORD and include an explanation of a bill recently filed.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. HALE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Pittsburgh Press.

ARCHBISHOP STEPINAC, OF YUGOSLAVIA, AND CARDINAL MINDSZENTY, OF HUNGARY

Mr. O'HARA of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. O'HARA of Minnesota. Mr. Speaker, the pattern which has been set by the arrest and imprisonment of Archbishop Stepinac, of Yugoslavia, and Cardinal Mindszenty, of Hungary, is now being followed by so-called governmental action against Archbishop Beran, of Czechoslovakia, and ministers of Protestant faiths and the Roman Catholic Uniate bishops in Rumania.

This action taken in those countries clearly discloses that the extermination of religion is the primary objective of the Red puppets who respond to the strings from Moscow. In the program which is being followed in those unhappy countries it is apparent there is no place for freedom, religion, or human dignity.

Americans of divergent religious and political views protest equally against this ruthless pattern. However, our protests as individuals seem to mean so little.

Is it not, I ask you, the time and the occasion for our Secretary of State and our representatives on the United Nations to register official protest to the ruthless destruction of the freedoms which all democratic countries hold paramount?

The hour is late.

EXTENSION OF REMARKS

Mr. JENNINGS asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include certain portions of an act or a bill.

Mr. GWINN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech on communism.

COMMITTEE ON EDUCATION AND LABOR

Mr. KELLEY. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Education and Labor may sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FEDERAL PAY-RAISE BILL

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an amendment which I propose to offer as a substitute for the committee amendment on the pay raise bill.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, good government requires good and efficient public servants. Mediocrity in positions of leadership responsibilities can be expensive.

We should have a modern pay scale—at the same time, it is impossible for a government facing tightening financial conditions to propose or practice economies in other fields if it takes off all strings on Federal salaries.

In the Appropriations Subcommittee for Independent Offices we deal with so many of the officials whose salaries affected by this bill, H. R. 1689, that I naturally have noted its contents with interest. I am entirely in agreement with the general idea that we need a systematic scale for Federal positions consistent with relative responsibilities.

That was the position I took with the bill for a scientific or systematic schedule for officers and enlisted personnel in the armed services, recently. It will be remembered that while supporting the idea of a systematic scale there, I also contended that we should not adopt a pay schedule which would freeze into law a pay scale based upon the economic outlook a year or year and a half old, or even 6 months old.

That same principle holds good here. I think the new pay schedule should be relative, differences on a planned rather than haphazard basis, but I do not think the scales established should be based upon an economic outlook 6 months or a year old as the committee bill seems to be.

Therefore, I have consulted with the gentleman from Kansas [Mr. REES], ranking minority member of the Committee on Post Office and Civil Service, which is reporting the pay bill, and shall support the substitute he will offer for the committee proposals.

Under the permission granted, I include the amendment in my remarks at this point:

Substitute for H. R. 1689 to be proposed by Mr. REES: Strike out all after the enacting clause and insert the following: "That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be $25,000 per annum.

"SEC. 2. (a) The rate of basic compensation of the Comptroller General of the United States, the Chairman of the Council of Economic Advisers, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, the Administrator of General Services, each under secretary of an executive department, the Assistant to the Attorney General, the Solicitor General of the United States, and the First Assistant Postmaster General shall be $17,500 per annum.

"(b) Section 105 of title 3 of the United States Code is amended to read as follows:

"'COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

"'SEC. 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding $16,000 per annum, three at rates not exceeding $15,000 per annum, and seven at rates not exceeding $12,000 per annum.'

"(c) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: 'The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title.'

"SEC. 3. (a) The rate of basic compensation of the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Assistant Comptroller General of the United States, the Assistant Director of the Bureau of the Budget, the Director of the Federal Bureau of Investigation, and the Deputy Administrator of Veterans' Affairs, the Public Printer, the Librarian of Congress, the Director of Central Intelligence, the Federal Mediation and Conciliation Director, and the Assistant Federal Security Administrator shall be $15,000 per annum.

"SEC. 4. (a) The rate of basic compensation of the Director of Aeronautical Research of the National Advisory Committee for Aeronautics; members of the Civil Aeronautics Board; members of the Federal Communications Commission; members of the Federal Power Commission; members of the Federal Trade Commission; members of the Interstate Commerce Commission; members of the National Labor Relations Board; members of the National Mediation Board; members of the Railroad Retirement Board; members of the Securities and Exchange Commission; members of the Board of Directors of the Tennessee Valley Authority; members of the Civil Service Commission; the Chairman of the United States Maritime Commission; members of the United States Tariff Commission; the General Counsel of the National Labor Relations Board; the Architect of the Capitol; the Deputy Administrator of General Services; the Housing Expediter; the Director of the Bureau of Federal Supply; the Archivist of the United States; members of the Displaced Persons Commission; members of the Indian Claims Commission; members of the War Claims Commission; members of the Philippine War Damage Commission; members of the Board of Commissioners of the District of Columbia; each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury); each Assistant Attorney General; the Assistant Solicitor General of the United States; the Counselor of the Department of State; the Second, Third, and Fourth Assistant Postmasters General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; members (other than the Chairman) of the Board of Directors of the Export-Import Bank of Washington; members (other than the Chairman) of the United States Maritime Commission; Administrator, Production and Marketing Administration; Commissioner of Internal Revenue; Director of the Bureau of Prisons; Commissioner of Public Roads; Commissioner of Public Buildings; Commissioner of Community Facilities; Commissioner of Immigration and Naturalization; Administrator, Rural Electrification Administration; Commissioner for Social Security; Commissioner of Reclamation; Chief, Soil Conservation Service; Commissioner of Customs; Governor of the Farm Credit Administration; Chief Forester of the Forest Service; Administrator of the Farmers Home Administration; the three Special Assistants to the Secretary of Defense; and of the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal shall be at the rate of $12,500 per annum. Notwithstanding section 30 of the act of May 24, 1924, as amended (U. S. C., title 5, sec. 152a), the salary of the Legal Adviser of the Department of State shall continue to be at the rate of $10,330 per annum.

"(b) The first sentence of section 603 of title 28 of the United States Code (relating

to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

" 'The Director shall receive a salary of $12,500 a year.'

"(c) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows:

" 'The assistant director shall receive a salary of $11,000 a year.'

"(d) The rate of compensation of the legislative counsel of the House of Representatives and of the legislative counsel of the Senate shall be $12,000 per annum.

"SEC. 5. In any case in which the chairman or other head of a board or commission and the other members of such board or commission receive the same rate of basic compensation under this act, and such chairman or other head has important duties or responsibilities not imposed upon other members of such board or commission, the President is authorized in his discretion to fix the compensation of such chairman or other head at the rate of $15,000 per annum.

"SEC. 6. This act shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

## EXTENSION OF REMARKS

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. ROONEY asked and was given permission to extend his remarks in the RECORD and include an article by James A. Farley published in the New York Daily Mirror on June 30, 1949.

Mr. CLEMENTE asked and was given permission to extend his remarks in the RECORD and include a speech.

Mr. BARRETT of Pennsylvania asked and was given permission to extend his remarks in the RECORD in two instances and include a newspaper clipping.

Mr. BOYKIN asked and was given permission to extend his remarks in the RECORD in five instances and include editorials.

Mr. FLOOD asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. MARSHALL asked and was given permission to extend his remarks in the RECORD and include a news item.

Mr. JONES of Alabama asked and was given permission to extend his remarks in the RECORD and include a news item prepared by P. O. Davis.

Mr. NOLAND asked and was given permission to extend his remarks in the RECORD and include a letter to the editor of the New York Times.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in the RECORD in two instances and include excerpts.

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD in three instances and in one to include a letter from the mayor of Detroit, Mr. Van Antwerp.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. GORDON (at the request of Mr. KIRWAN), on account of critical illness in the family.

## SENATE BILLS AND CONCURRENT RESOLUTIONS REFERRED

Bills and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 111. An act for the relief of Mrs. Pearl Okada Pape; to the Committee on the Judiciary.

S. 317. An act for the relief of Margita Kofler; to the Committee on the Judiciary.

S. 330. An act for the relief of George Gabriel Herrmann, Greta (Marketa) Herrmann (wife), and Alice Herrmann (daughter), known also as George Gabriel Herman, Greta Herman, and Alice Herman; to the Committee on the Judiciary.

S. 377. An act for the relief of Ernest J. Jenkins; to the Committee on the Judiciary.

S. 507. An act for the relief of Mrs. Lorraine Malone; to the Committee on the Judiciary.

S. 520. An act to authorize and direct the Secretary of the Interior to issue to Leo Farwell Glenn, a Crow allottee, a patent in fee to certain lands; to the Committee on Public Lands.

S. 563. An act for the relief of P. S. Cook Co.; to the Committee on the Judiciary.

S. 780. An act to authorize the Secretary of the Navy to review the records of commissioned naval officers who failed of advancement during the war, and for other purposes; to the Committee on Armed Services.

S. 784. An act for the relief of the First, Second, and Third National Steamship Cos.; to the Committee on the Judiciary.

S. 905. An act for the relief of John Sewen; to the Committee on the Judiciary.

S. 976. An act for the relief of Vartan Chamsarian; to the Committee on the Judiciary.

S. 1069. An act to amend section 3552 of the Revised Statutes relating to the covering into the Treasury of all moneys arising from charges and deductions; to the Committee on Banking and Currency.

S. 1250. An act to amend the Institute of Inter-American Affairs Act, approved August 5, 1947; to the Committee on Foreign Affairs.

S. 1323. An act to declare that the United States holds certain lands in trust for the Pueblo Indians and the Canoncita Navajo group in New Mexico, and for other purposes; to the Committee on Public Lands.

S. 1330. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.; to the Committee on Public Lands.

S. 1361. An act to authorize and direct the Secretary of the Interior to issue to John Grayeagle a patent in fee to certain land; to the Committee on Public Lands.

S. 1394. An act for the relief of Monroe Kelly, rear admiral, United States Navy, retired; to the Committee on the Judiciary.

S. 1440. An act to amend section 4 of the Civil Service Retirement Act of May 29, 1930, as amended, so as to decrease the amount of reduction in the annuities of retired employees who elect to provide survivors' annuities for their widows; to the Committee on Post Office and Civil Service.

S. 1647. An act to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533); to the Committee on Public Lands.

S. 1859. An act to transfer from the Administrator of Veterans' Affairs to the Attorney General of the United States for the use of the Bureau of Prisons, a certain tract of land located at Chillicothe, Ohio; to the Committee on Veterans' Affairs.

S. 1918. An act to authorize the Commissioners of the District of Columbia to appoint contracting officers to make contracts in amounts not exceeding $3,000; to the Committee on the District of Columbia.

S. 1924. An act for the relief of the estate of William Walter See; to the Committee on the Judiciary.

S. 1962. An act to amend the cotton and wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

S. 1990. An act to amend section 429, Revised Statutes, as amended, and the act of August 5, 1882, as amended, so as to substitute for the requirement that detailed annual reports be made to the Congress concerning the proceeds of all sales of condemned naval material a requirement that information as to such proceeds be filed with the Committees on Armed Services in the Congress; to the Committee on Armed Services.

S. 2086. An act transferring management of certain public lands from the Agriculture Department to the Fort Sill Indian School in Oklahoma for agriculture uses; to the Committee on Agriculture.

S. 2115. An act to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

S. Con. Res. 17. Concurrent resolution providing for expansion and intensification of public health research on the family aspects of chronic illness; to the Committee on Interstate and Foreign Commerce.

S. Con. Res. 48. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

## ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 20. An act to amend the act of August 1, 1947, as amended, to authorize the creation of 10 professional and scientific positions in the headquarters and research stations of the National Advisory Committee for Aeronautics;

H. R. 52. An act for the relief of Nevada County, Calif.;

H. R. 596. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of John E. Parker, his heirs, administrators, or assigns, against the United States;

H. R. 682. An act for the relief of the legal guardian of Elliott Hewitt;

H. R. 703. An act conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of Mrs. Oteein Foxworth;

H. R. 709. An act for the relief of the General Engineering & Dry Dock Corp.;

H. R. 1009. An act for the relief of the Central Bank, a California corporation, as assignee of John C. Williams, an individual operating under the fictitious name and trade style of Central Machine Works, of Oakland, Calif.;

H. R. 1042. An act for the relief of Hoy C. Wong;

H. R. 1116. An act for the relief of Mexican Fibre & Twine Co., Inc.;

H. R. 1131. An act for the relief of James Fred Girdley and Percy Bridgewater;

H. R. 1173. An act for the relief of Florence Bryant Peters and E. B. Peters;

H. R. 1297. An act for the relief of Alvin G. Patton;

H. R. 1470. An act for the relief of the estate of James F. Delahanty, deceased;

H. R. 1496. An act for the relief of Mrs. Thelma Lee Rynaard;

H. R. 1676. An act for the relief of Thomas M. Bates;

H. R. 2349. An act for the relief of Col. Wlodzimierz Onacewsicz;

H. R. 2785. An act to provide for further contributions to the International Children's Emergency Fund;

H. R. 2848. An act for the relief of Leon Nikolaivich Volkov;

H. R. 3017. An act for the relief of Ramon G. Hunter and Arthur Nancett;

H. R. 3077. An act for the relief of Mrs. Rebecca Levy;

H. R. 3151. An act to amend the Federal Food, Drug, and Cosmetic Act of June 25, 1938, as amended, by providing for the certification of batches of drugs composed wholly or partly of any kind of aureomycin, chloramphenicol, and bacitracin, or any derivative thereof;

H. R. 3313. An act for the relief of the estate of the late Manuel Graulau Velez;

H. R. 3320. An act for the relief of Ignacio Colon Cruz;

H. R. 3321. An act for the relief of Gloria Esther Diaz, Lydia Velez, and Gladys Prieto;

H. R. 3323. An act for the relief of the estate of Rafael Rebollo;

H. R. 3680. An act to authorize the Secretary of Agriculture to quitclaim five and one-tenth acres of land in Washington County, Miss., to the Mississippi State College;

H. R. 3717. An act to repeal the act of July 24, 1946, relating to the Swan Island Animal Quarantine Station;

H. R. 3720. An act for the relief of Erwin F. Earl;

H. R. 3812. An act for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts;

H. R. 4252. An act to transfer the trawlers *Alaska* and *Oregon* from the Reconstruction Finance Corporation to the Fish and Wildlife Service;

H. R. 4373. An act for the relief of Ray G. Schneyer and Dorothy J. Schneyer;

H. R. 4559. An act for the relief of Louis Brown;

H. R. 4807. An act for the relief of Robert A. Atlas; and

H. J. Res. 228. Joint resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week.

## ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 37 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, July 8, 1949, at 11 o'clock a. m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

740. A letter from the Secretary of Defense, transmitting a letter by the Secretary of the Army recommending the enactment of a proposed draft of legislation entitled "To amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes"; to the Committee on Armed Services.

741. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a bill to amend the act entitled "An act to authorize an increase of the number of cadets at the United States Military Academy and to provide for maintaining the Corps of Cadets at authorized strength," approved June 3, 1942 (56 Stat. 306); to the Committee on Armed Services.

742. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a bill entitled "To amend the act entitled 'An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes,' approved December 20, 1944"; to the Committee on the District of Columbia.

743. A letter from the Secretary of the Interior, transmitting one copy each of legislation passed by the Legislative Assembly and the Municipal Council of St. Thomas and St. John; to the Committee on Public Lands.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REDDEN: Committee on Public Lands. H. R. 4688. A bill to ratify and confirm Act 4 of the Session Laws of Hawaii, 1949, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945; with an amendment (Rept. No. 991). Referred to the House Calendar.

Mr. RANKIN: Committee on Veterans' Affairs. S. 266. An act modifying a limitation affecting the pension, compensation, or retirement pay payable on account of an incompetent veteran without dependents during hospitalization, institutional or domiciliary care; with an amendment (Rept. No. 993). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. S. 811. An act to adjust the effective date of certain awards of pensions and compensations payable by the Veterans' Administration; with an amendment (Rept. No. 994). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. S. 2010. An act to extend for 2 years the authority of the Administrator of Veterans' Affairs respecting leases and leased property; with an amendment (Rept. No. 995). Referred to the Committee of the Whole House on the State of the Union.

Mr. EBERHARTER: Committee on Ways and Means. H. R. 5327. A bill to continue until the close of June 30, 1950, the suspension of duties and import taxes on metal scrap, and for other purposes; with an amendment (Rept. No. 996). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 4901. A bill to authorize the Eastern Band of Cherokee Indians, North Carolina, to lease certain lands for a period not exceeding 40 years; without amendment (Rept. No. 997). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 5345. A bill to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes; without amendment (Rept. No. 998). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 4117. A bill to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the National Park System, and for other purposes; without amendment (Rept. No. 999). Referred to the Committee of the Whole House on the State of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DENTON: Committee on the Judiciary. S. 1080. An act for the relief of James A. Gordon; without amendment (Rept. No. 976). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 1429. An act for the relief of Lacey C. Zapf; without amendment (Rept. No. 9777). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 627. A bill for the relief of Southern Fireproofing Co., of Cincinnati, Ohio; with an amendment (Rept. No. 978). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 752. A bill conferring jurisdiction upon the United States District Court for the Eastern District of Michigan to hear, determine, and render judgment upon the claim of Edward Gray, Sr.; Edward Gray, Jr.; Bertha Mae Gray; Bertha Patmon; and Lindsay Gardner, all of the city of Hamtramck, Wayne County, Mich.; without amendment (Rept. No. 979). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 1474. A bill for the relief of Miguel A. Viera; with an amendment (Rept. No. 980). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 1631. A bill for the relief of John J. O'Mara; without amendment (Rept. No. 981). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1666. A bill for the relief of Maurice J. Symms; without amendment (Rept. No. 982). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1799. A bill for the relief of Dr. Jacob Ornstein; with an amendment (Rept. No. 983). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 2594. A bill for the relief of Grace L. Elser; without amendment (Rept. No. 984). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2628. A bill for the relief of Auldon Albert Aiken; with an amendment (Rept. No. 985). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 3193. A bill for the relief of Public Utility District No. 1, of Cowlitz County, Wash.; without amendment (Rept. No. 986). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3300. A bill for the relief of Mary Thomas Schiek, a Red Cross employee injured by the Army; with an amendment (Rept. No. 987). Referred to the Committee of the Whole House.

Mr. REDDEN: Committee on Public Lands. H. R. 3494. A bill to authorize the Secretary of the Interior to transfer a building in Juneau, Alaska, to the Alaska Native Brotherhood and/or Sisterhood, Juneau (Alaska) Camp; without amendment (Rept. No. 988). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3726. A bill for the relief of Knickerbocker Insurance Co. of New York and Atlas Assurance Co., Ltd.; without amendment (Rept. No. 989). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 3803. A bill for the relief of Mrs. Mary L. W. Dawson; without amendment (Rept. No. 990). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4653. A bill for the relief of the New York Quinine & Chemical Works, Inc.; Merck & Co., Inc.; and Mallinckrodt Chemical Works; without amendment (Rept. No. 992). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK:

H. R. 5526. A bill to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. JAVITS:

H. R. 5527. A bill to create a Federal Economic Commission, to establish procedures for the formulation and achievement of national economic goals, for the making of voluntary agreements in commerce, and for other purposes; to the Committee on Banking and Currency.

By Mr. McKINNON:

H. R. 5528. A bill to give effect to the convention between the United States of America and the Republic of Costa Rica for the establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949; to the Committee on Foreign Affairs.

By Mr. BROOKS:

H. R. 5529. A bill to authorize the allowance of leave credit to officers of the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Reserve components thereof, who were denied such credit as the result of certain changes in their status between September 8, 1939, and August 9, 1946; to the Committee on Armed Services.

By Mr. HOEVEN:

H. R. 5530. A bill to extend the time in which a motion or supplemental petition may be filed to substitute the Reconstruction Finance Corporation for certain dissolved corporations in pending actions, and for other purposes; to the Committee on Banking and Currency.

By Mr. O'TOOLE:

H. R. 5531. A bill relating to the compensation of certain employees of the Panama Canal; to the Committee on Merchant Marine and Fisheries.

By Mr. SASSCER:

H. R. 5532. A bill to amend laws relating to the United States Military Academy and the United States Naval Academy, and for other purposes; to the Committee on Armed Services.

By Mr. SPENCE:

H. R. 5533. A bill to amend the National Housing Act, as amended, and the Reconstruction Finance Corporation Act, as amended; to the Committee on Banking and Currency.

By Mr. DURHAM:

H. R. 5534. A bill to amend the Atomic Energy Act of 1946; to the Joint Committee on Atomic Energy.

By Mr. KEE:

H. R. 5535. A bill to amend the Philippine Rehabilitation Act of 1946; to the Committee on Foreign Affairs.

By Mr. YOUNG:

H. R. 5536. A bill to repeal section 5a of the Interstate Commerce Act, as amended, relating to exemption from the antitrust laws in the case of certain agreements between carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. ELLSWORTH:

H. R. 5537. A bill to amend title 28 of the United States Code to provide for a term of the United States district court at Eugene, Oreg.; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 5538. A bill to provide that postmasters and rural carriers in the postal service shall be appointed solely on the basis of fitness to perform the duties of the position; to the Committee on Post Office and Civil Service.

By Mr. KEE:

H. J. Res. 294. Joint resolution approving an agreement relating to the resolution of conflicting claims to German enemy assets and related protocol, authorizing the President to enter into the agreement or other agreements similar in character with certain countries, and authorizing necessary appropriations; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 5539. A bill for the relief of Mrs. Claudia Weitlanner; to the Committee on the Judiciary.

By Mr. DOLLIVER:

H. R. 5540. A bill for the relief of Mrs. Marie Cobb; to the Committee on Post Office and Civil Service.

By Mr. FARRINGTON:

H. R. 5541. A bill to amend Private Law No. 463, Seventy-sixth Congress; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 5542. A bill for the relief of Ernest J. Hoffmann; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 5543. A bill for the relief of Albert M. Goldberg; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 5544. A bill for the relief of Seyid Ali Oglou Hussein, alias Seyid Ali Ebish Hussein, alias Ismail Ebish Hussein; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 5545. A bill for the relief of C. L. Leffingwell; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. R. 5546. A bill for the relief of Harry Tansey; to the Committee on the Judiciary.

By Mr. O'TOOLE (by request):

H. R. 5547. A bill for the relief of Enrico Colandria; to the Committee on the Judiciary.

By Mr. SCUDDER:

H. R. 5548. A bill for the relief of Mrs. Olga Mills; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1259. By Mr. MILES: Memorial of the Legislature of New Mexico memorializing the President of the United States to immediately go on record as favoring the establishment of a Veterans' Administration hospital at Hot Springs, N. Mex., based on physical medicine with a strong department of physical medicine for crippled children; to the Committee on Veterans' Affairs.

1260. By the SPEAKER: Petition of Certified Milk Producers' Association of America, Inc., New York City, N. Y., relative to their opposition to the compulsory health bills now pending before Congress; to the Committee on Interstate and Foreign Commerce.

1261. Also, petition of the Board of Commissioners, City of Newark, Newark, N. J., requesting proper legislation necessary to provide sufficient funds to assist the city of Newark, and other municipalities in like situations, in obtaining necessary hospital building facilities; to the Committee on Interstate and Foreign Commerce.

1262. Also, petition of Speaker of Hellenic Chamber of Deputies, Athens, Greece, wishing the United States on American Independence Day, enjoyment of everlasting prosperity; to the Committee on Foreign Affairs.

1263. Also, petition of Board of Commissioners, City of Newark, Newark, N. J., requesting repeal of the Taft-Hartley law; to the Committee on Education and Labor.

1264. Also, petition of Kent W. Thrun and others, Toledo, Ohio, relative to protesting the Barden bill, H. R. 4643; to the Committee on Education and Labor.

1265. Also, petition of Mrs. Nelson Mason and others, Los Angeles, Calif., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1266. Also, petition of Raymond Brindle and others, Chambersburg, Pa., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1267. Also, petition of Mrs. Alfred H. Stevens and others, Bristol, S. Dak., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

# SENATE

FRIDAY, JULY 8, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, we rejoice that daily we may enter into counsel with the source of all wisdom. We believe that the difficult world problems which we are now facing can be solved by means of a lofty international idealism.

We thank Thee for the noble aspirations and courage of our leaders in the affairs of government who are seeking to make our beloved country great and glorious, not through the conquest of any nation but in service to all the members of the human family.

Show us how we may lift the shadows of fear from every darkened and burdened land. May our vision of a lasting world peace never be eclipsed or extinguished. Enlarge our faith in the moral and spiritual forces and in the power of righteousness and the strength of justice.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 7, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its

reading clerks, announced that the House had passed the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 623. An act for the relief of Sadako Takagi; and

H. R. 3127. An act to authorize the admission into the United States of Jacob Gross, a minor.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 113. An act for the relief of Helen Louise Oles;

S. 230. An act for the relief of Mrs. Sonia Kaye Johnston;

S. 322. An act for the relief of Mrs. Gertrude H. Westaway, legal guardian of Bobby Niles Johnson, a minor;

S. 623. An act for the relief of George Krinopolis;

S. 980. An act for the relief of Toshie Okutomi;

S. 1138. An act for the relief of John W. Crumpacker, commander, United States Navy;

S. 1167. An act for the relief of the estate of Marion Miller;

S. 1168. An act to amend section 2680 of title 28, United States Code;

S. 1296. An act for the relief of Murphy & Wischmeyer;

S. 1359. An act to repeal the provisions of the Alaska Railroad Retirement Act of June 29, 1936, as amended, and sections 91 to 107 of the Canal Zone Code and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such provisions are applicable; and

S. 1688. An act to provide for certain adjustments on the promotion list of the Medical Service Corps of the Regular Army.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Ferguson | Jenner |
| Anderson | Flanders | Johnson, Colo. |
| Baldwin | Frear | Johnston, S. C. |
| Brewster | Gillette | Kefauver |
| Bricker | Green | Kem |
| Butler | Gurney | Kerr |
| Cain | Hendrickson | Knowland |
| Capehart | Hickenlooper | Langer |
| Chapman | Hill | Lodge |
| Chavez | Hoey | Long |
| Connally | Holland | Lucas |
| Donnell | Hunt | McCarran |
| Ecton | Ives | McClellan |
| McFarland | Neely | Taft |
| McGrath | O'Conor | Thomas, Utah |
| McKellar | Pepper | Thye |
| Malone | Reed | Vandenberg |
| Martin | Robertson | Watkins |
| Maybank | Russell | Wherry |
| Miller | Saltonstall | Wiley |
| Morse | Smith, Maine | Williams |
| Mundt | Smith, N. J. | Withers |
| Murray | Sparkman | Young |
| Myers | Stennis | |

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are detained on official business in meetings of committees of the Senate.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Texas [Mr. JOHNSON] are absent on public business.

The Senator from Georgia [Mr. GEORGE] and the Senator from Idaho [Mr. TAYLOR] are absent by leave of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly, meeting at Rome, Italy.

The Senator from Connecticut [Mr. MCMAHON] is absent on official business, presiding at a meeting of the Joint Committee on Atomic Energy in connection with an investigation of the affairs of the Atomic Energy Commission.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. SCHOEPPEL] is absent by leave of the Senate.

The Senator from Colorado [Mr. MILLIKIN] is in attendance at a meeting of the Joint Committee on Atomic Energy.

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Oregon [Mr. CORDON] are detained because of attendance at a meeting of the Committee on Appropriations.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

By order of the Senate, the following announcement is made:

The members of the Joint Committee on Atomic Energy are in attendance at a meeting of the joint committee in connection with an investigation of the affairs of the Atomic Energy Commission.

The VICE PRESIDENT. A quorum is present.

SENATOR FROM NEW YORK

Mr. IVES. Mr. President, I send to the desk a certificate signed by Thomas E. Dewey, Governor of the State of New York, witnessed by Thomas J. Curran, secretary of state of the State of New York, appointing JOHN FOSTER DULLES to fill the vacancy in the Senate from the State of New York caused by the resignation of Hon. Robert F. Wagner.

The VICE PRESIDENT. The Secretary will read the certificate of appointment.

The certificate of appointment was read, as follows:

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
*Albany.*

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of New York, I, Thomas E. Dewey, the Governor of said State, do hereby appoint JOHN FOSTER DULLES a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the resignation of the Honorable Robert F. Wagner, is filled by election, as provided by law.

Witness: Thomas E. Dewey, Governor of our said State, and our seal hereto affixed at our city of Albany, the 7th day of July, in the year of our Lord 1949.

THOMAS E. DEWEY.

Attest:

[SEAL] THOMAS J. CURRAN,
*Secretary of State of the State of New York.*

The VICE PRESIDENT. The certificate will be placed on file. Is the Senator-designate ready to take the oath?

Mr. IVES. The Senator-designate is present and ready to take the oath.

The VICE PRESIDENT. If the Senator-designate will step forward the oath will be administered to him.

Mr. DULLES, escorted by Mr. IVES, advanced to the desk and the oath prescribed by law was administered to him by the Vice President.

TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions and incorporate routine matters into the RECORD, as though the Senate were in the morning hour, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of California; to the Committee on Post Office and Civil Service:

"Assembly Joint Resolution 33

"Joint resolution relative to memorializing Congress to enact legislation to give postal employees civil-service credit for time spent in military service

"Whereas individuals on Federal civil-service lists who were called up for appointment in the postal service while they were in the armed forces and who entered the postal service upon separation from the armed forces, have received, for time spent in the armed forces, credit in the postal service for the purposes of seniority, salary raises, and promotions; and

"Whereas veterans who have taken examinations for the postal service since the war have not been accorded similar benefits; and

"Whereas it is evident that all veterans should be granted equal recognition for their service to our country; and

"Whereas legislation is now pending before Congress which, if enacted, would result in

according like benefits to all veterans in the postal service or who enter that service within 3 years: Now, therefore, be it

*"Resolved by the Assembly and the Senate of the State of California (jointly)*, That the Congress of the United States is respectfully memorialized to enact legislation to grant like benefits to all veterans in the postal service of the United States; and be it further

*"Resolved,* That the chief clerk of the assembly is directed to transmit a copy of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

"Assembly Joint Resolution 23

"Joint resolution relative to the construction of navigable channels on the Sacramento and Feather Rivers

"Whereas navigable channels on both the Sacramento River and the Feather River to points in the counties north of Sacramento County would greatly relieve the overburdened transportation facilities in the State of California: Now, therefore, be it

*"Resolved by the Assembly and the Senate of the State of California (jointly)*, That Congress is respectfully memorialized to enact such legislation as may be necessary to authorize and direct the Chief of Engineers, United States Army, to conduct a survey as to the feasibility of constructing navigable channels on the Sacramento River and on the Feather River to points in the counties north of Sacramento, Calif.; and be it further

*"Resolved,* That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative in Congress from California."

Petitions of J. S. Thompson and sundry other citizens of the State of Texas, relating to the payment of old-age pensions in Texas (with accompanying papers); to the Committee on Finance.

A telegram in the nature of a petition from the Tuskegee (Ala.) Civic Association, signed by C. A. Walwyn, president, and William P. Mitchell, secretary, relating to the internal affairs of Alabama; to the Committee on the Judiciary.

Resolutions adopted by the board of trustees of the Bishop Clarkson Memorial Hospital, Omaha, Nebr., and the Woodbury County Medical Society, Sioux City, Iowa, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 555. A bill for the relief of Eiko Nakamura; with an amendment (Rept. No. 624);

S. 586. A bill for the relief of G. Brinton Fagen; with amendments (Rept. No. 625);

S. 787. A bill for the relief of William (Vasilios) Kotsakis; with an amendment (Rept. No. 626);

S. 843. A bill for the relief of S. M. Price; without amendment (Rept. No. 627);

S. 1026. A bill for the relief of Roman Szymanski and Anastosia Szymanski; without amendment (Rept. No. 628);

S. 1166. A bill for the relief of Toriko Tateuchi; with an amendment (Rept. No. 629);

H. R. 1127. A bill for the relief of Sirkka Siiri Saarelainen; without amendment (Rept. No. 630);

H. R. 1466. A bill for the relief of Daniel Kim; with an amendment (Rept. No. 631);

H. R. 1625. A bill for the relief of Christine Kono; with an amendment (Rept. No. 632);

H. R. 1950. A bill for the relief of certain consultants formerly employed by the Technical Industrial Intelligence Committee of the Foreign Economic Administration, and for other purposes; without amendment (Rept. No. 633);

H. R. 2084. A bill for the relief of Teiko Horikawa and Yoshiko Horikawa; with an amendment (Rept. No. 634);

H. R. 2850. A bill for the relief of Denise Simeon Boutant; with an amendment (Rept. No. 635);

H. R. 3467. A bill for the relief of Franz Eugene Laub; without amendment (Rept. No. 636); and

H. R. 4804. A bill to record the lawful admission to the United States for permanent residence of Karl Frederick Kucker; without amendment (Rept. No. 637).

By Mr. McGRATH, from the Committee on the District of Columbia:

S. 1870. A bill prohibiting the sale in the District of Columbia of rockfish weighing more than 15 pounds; without amendment (Rept. No. 638).

By Mr. O'MAHONEY, from the Committee on Appropriations:

H. R. 4177. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1950, and for other purposes; with amendments (Rept. No. 639).

## SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORT OF A COMMITTEE

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution, and I submit a report (No. 623) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the Calendar.

The concurrent resolution (S. Con. Res. 51) was ordered to be placed on the calendar, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Aperanthitis, Panagiotis Ioannis, or Peter John Apera, or Peter J. Apera.
[redacted], Arlen, Michael, or Dikran Kouyoumjian.
[redacted], Arlen, Atalanta (nee Mercati).
[redacted], Arlen, Michael John.
[redacted], Arlen, Venetia Valerie.
[redacted], Arouani, Abdalla.
[redacted], Arroyo, Esteban, or Esteban Arcia, or Stevan Aroya, or Esteban Arroyos, or Esteban Arroyo Marbolejo.
[redacted], Alvarez-Canga, Maria Azucena.
[redacted], Aboujdid, Nicole (alias Nicole Cerisier).
[redacted], Amaral, Jr., Antonio Pacheco.
[redacted], Bacolot, Pablo Lopez.
[redacted], Baic, Anna (alias Ana Mikasic and Ana Podrebarac).
[redacted], Bain, Stafford, or Stafford William Bain.
[redacted], Baker, Ana Maria (formerly Ana Maria De Ruiz nee Aleman y Valdes).
[redacted], Baldivieso, Jose Guzman.
[redacted], Beard, Beverly Ann.
[redacted], Bellacicco, Ortenza (nee Santoemma or Maria Teresa Pizzi).
[redacted], Benjamin, David Alexander Palmer.
[redacted], Beresford, Charles William Marcus De La Poer Horsely.
[redacted], Berge, Kaare.
[redacted], Berweger, Karl.
[redacted], Besterman, Alexander, or Alexander Best.
[redacted], Black, Robert Cecil.
[redacted], Blair, David Phipps, or David Blair Keller.
[redacted], Bogas, Katerina or Katherine (nee Manetas).
[redacted], Bondesani, Giovanni, or John Bombeseme (also known as John Bondesani).
[redacted], Bowerman, John Leslie (alias John Lester alias Leslie Bowerman).
[redacted], Bratsch, Leanne Brigitte.
[redacted], Bratsch, Barbara Renate.
[redacted], Bresilley, Ralph Marcel.
[redacted], Browne, John William.
[redacted], Caiby, Lillian Cassilda (nee Vanterpool).
[redacted], Calloway, Dinah Alonso.
[redacted], Campos, Amada, or Amada Victoria Campos.
[redacted], Christodoulou, Panagiotis Efthimiou.
[redacted], Christodoulou, Demetrios.
[redacted], Clarke, Jenine Frances, or Jeanne Clarke.
[redacted], Clarkson, Alick.
[redacted], Comrie, Albert Thomas.
[redacted], Coterillo, Gerardo, or Gerardo Coterillo y Serno.
[redacted], Culhane, Clara, or Clara Hall.
[redacted], Cundekovic, Imbro, or Jim Cundekovic.
[redacted], Chwalibog, Stanislawa Marie Kowal (nee Kowal).
[redacted], Da Cruz, Manuel Joao.
[redacted], Damacus, John (alias Ioan Damacus alias Domacus).
[redacted], D'Amico, Antonino, or Anthony D'Amico.
[redacted], Davis, Eftyhia.
[redacted], Davis, Grace I., or Grace Iris Noel or Grace Iris Hines.
[redacted], De Blanco, Maria Covadonga Villa Diego, or Maria de la Concepcion Diaz y Gonzalez or Maria Covadonga Villa Diego.
[redacted], De Estrada, Maria Gonzaliz.
[redacted], Estrada, Apolinar, or Apolinar Estrada-Aragones.
[redacted], De Garcia, Francisca Alvarado, or Francisca Alvarado Martinez; Mrs. Pancho Garcia.
[redacted], De Lara, Andres, or Andres Lara De Luevano or Andres Lara De Nuevano.
[redacted], De La Torre Gonzalez, Domingo.
[redacted], De Lieva, Onesima Flores (aliases Onesima Flores; Onesima Flores de Leyva; Onesima Flores Leyva).
[redacted], Demma, Giuseppe Luigi, or Giuseppe L. Demma; Joseph L. Demma or Joe L. Demma or Giuseppe Fu Luigi Demma.
[redacted], De Montez, Guadalupe Garcia, or Guadalupe Garcia de Montes or Guadalupe Garcia.
[redacted], De Muniz, Isabel Mendoza.
[redacted], Domingues, Evaristo.
[redacted], Eith, Alice.
[redacted], Emberton, Peter James, or Peter James Murphy.
[redacted], Eng, Robert Ming, or Bock Ming Eng.
[redacted], Ervin, John Kerr.
[redacted], Eteng, Hameed.
[redacted], Exadaktylos, Nicholas.
[redacted], Fabianich, Louise (nee Alojzija Stepihar).
[redacted], Fabianich, Karin Dolores.
[redacted], Falco, Vincent, or Vincenzo Falco.
[redacted], Fong, May Chan or Chan Shee (Yuet Ngo), Chan Yuet Ngo, or Fong Yuet Ngo.
[redacted], Frederick, Fleur-Ange Rita.
[redacted], Froe, Marie Hughes Leonide Lanoix, or Marie Hughes Leonide Lanoix.
[redacted], Garcia-Robledo, Alfredo, or Alfred Robledo and Alfred Zante.
[redacted], Genauer, Reuben.
[redacted], George, Kenneth Esdaille.
[redacted], Gitales, Nathaniel, or Nathan Gale.
[redacted], Gombos, Helen McKinnon, or Helen U. McKinnon or Hellin Unelna Mykkanen.
[redacted], Gomez-Villegas, Antonio.
[redacted], Gomez, Maria Elena.
[redacted], Gonzales, Praxedes.

[redacted], Gonzales, Dora Rosalia.
[redacted], Gonzalez-Estrada, Luis.
[redacted], Gonzalez-Vasquez, Jose Francisco, or Francisco Gonzalez Vasquez.
[redacted], Gormley, Alexander Aloysious, or Alexander Aloysious Malone.
[redacted], Gouldwin, Ralph Marl or Goldenberg, or John Travers.
[redacted], Gregorutti, Carl, or Carl Gregoruttic, or Carl Gregor.
[redacted], Guerrero, Oscar.
[redacted], Guido, Concetta Mary (nee Savina or Concetta Mary Johnson).
[redacted], Hadeed, Joseph Farah.
[redacted], Halfhide, Frank, or Francois Willem Bechtold.
[redacted], Hanson, Alexander Edward.
[redacted], Hatzigiorge, Dimitrios Ioanos.
[redacted], Hatzlhoffer, Elizabeth Katherine (nee Szedula).
[redacted], Heile, Robert.
[redacted], Heise, Rosalia Concepcion.
[redacted], Henriot, Gisele Aline Germaine.
[redacted], Lan, Wong Wai (alias Wai Lan Huang or Mrs. Huang).
[redacted], Huang, Fung Kuan (alias Fung Kuan Huan).
[redacted], Hung, Kwan King.
[redacted], Jaboneta, Ernesto Garson, Jr.
[redacted], Janik, Piotr or Peter.
[redacted], Jasso-Castaneda, Miguel, or Arturo Eulogio Jasso.
[redacted], Kairinen, Eila Orvokki.
[redacted], Kairinen, Virpi Helena.
[redacted], Kallitsis, John Efstathesis, or Steve Kallys.
[redacted], Karousos, John Nicholas or Menas.
[redacted], Karrow, Elizabeth Margaret (alias Hartman nee Clark alias Bessie Margaret Karrow).
[redacted], Kawas, George (alias George Balat).
[redacted], Kazinsky, Edward Louis.
[redacted], Kazinsky, Betty Louise.
[redacted], Kazinsky, George Bernard.
[redacted], Kontogianis, Irene or Kontagianis (nee Zacharias).
[redacted], Kosta, Frank, or Franc Kosta.
[redacted], Lachesky, Diana Maria, or Diana Maria Ruffini.
[redacted], Lampos, Simos Adamandios, or Sam Lampos.
[redacted], Landman, Anne (nee Annie Rosenberg or Annie Ross).
[redacted], Le Moullec, Francois.
[redacted], Leu, Kee Sang, or Leu Woh Hing or Ho Hing or Keu Sang Lew or Lieu Woh Hing.
[redacted], Leung, Yin Young.
[redacted], Leung, Suey Jin Chin, or Suey Jin Chin or Chin Shee.
[redacted], Lim, Chow Har Lee, or Lee Chow Har or Lim Lee Shee.
[redacted], Lin, Hsi Hung.
[redacted], Lin Ying (nee Liu Wing).
[redacted], Loistl, Karin.
[redacted], Lukasick, Barbara, or Barbara Birsic or Agatha Maticicz.
[redacted], Ma, Schwen Wei, or Joseph (Schwen Wei) Ma.
[redacted], Ma, Tien Djen Nyi, or Bessie Nyi Ma.
[redacted], Macias, Alfonso Rodriguez.
[redacted], Maloney, Clara Bridget (nee Miller).
[redacted], Manetas, Leonidas Demitrios, or Louis James Manetas.
[redacted], Marson, Gino Carlo Andrea, or Gino Carlo Marson.
[redacted], Martin, Eileen Mary (nee McDonnell).
[redacted], Martinez, Cornelio, or Cornelio Martinez Salas.
[redacted], Maschas, Anastasios John.
[redacted], May, John Joseph, or John Joseph Cieckiewicz.
[redacted], Medina-Solis, Isaac, or Isaac Solis Medina.
[redacted], Medina, Fernanda Briano De, or Fernanda Briano-Carlos.
[redacted], Meichle, Ernest.
[redacted], Mendes, Joao Rodriguez, or Joao R. Mendes or John R. Mendes.
[redacted], Messina, Francisco Paolo, or Frank Paolo Messina.
[redacted], Meza, Loreto Rodriguez, or Loreto R. Meza.
[redacted], Miller, Mary Katherine, or Mary Katherine Sloan or Mary Katherine Gritzfeld.
[redacted], Min, Sun Nien.
[redacted], Mirtsopulos, Christos Yovany, or Chr'sto Mitsopulos; Miztsopulos or Mishopoulos; John Chris; Christor Yovany; or Joyan Spiroff.
[redacted], Mobley, Helena Valentina, or Helena Valentina Gonsalves.
[redacted], Monsivaiz, Manuel.
[redacted], Monsivaiz, Aureliano.
[redacted], Montoya, Jesus Untoria, or Jesus Montoya.
[redacted], Mora-Ruiz, Fortunato.
[redacted], Morgan, Inez Helene (nee Dismont).
[redacted], Muchin, Janina, or Jean Muchin (nee Tratenaite or Jean Broten, formerly Leach, or Jennie Leach).
[redacted], McCoy, Nora Ellen, or Nora Ellen McCoy (nee Sherne).
[redacted], Nelting, Barbara Romana (nee Barbara Romana Weidler).
[redacted], Nilsson, Arthur Christopher.
[redacted], Normington, James Eastwood.
[redacted], Nyman, Johannes Severin.
[redacted], Oakland, Nils Mikal.
[redacted], Oaks, Archer Lee.
[redacted], Ortiz-Rodriguez, Enriqueta.
[redacted], Ortiz-Rodriguez, Dora.
[redacted], Osmond, Morley William.
[redacted], Padilla-Avila, Alberto, or Alberto Padilla.
[redacted], Pakidoff, Olga Igorevna, or Olga Igor Pak.
[redacted], Papadimitrios, Michael Joseph.
[redacted], Pereira, Francisco Antonio.
[redacted], Perolini, Paul, or Paolo Perolini.
[redacted], Perolini, Josephine, or Josephine Pepino.
[redacted], Phillips, John Brian, or John Brian Phillips Nast.
[redacted], Polansky, Anna (nee Sudia).
[redacted], Ponce, Manuel, or Manuel Hernandez Ponce, Merced Hernandez Ponce.
[redacted], Psaros, Markos.
[redacted], Purewal, Bhagat Singh, or Bhagat Singh.
[redacted], Rabsatt, Andrice Ford.
[redacted], Rauch, Kurt Theodore (alias Curt Smoke).
[redacted], Reimann, August.
[redacted], Rettura, Vincenzo, or Jim Rettura.
[redacted], Rocca, Gennaro.
[redacted], Rochkind, Esther (nee Esther Goldfarb).
[redacted], Rodriguez, Cesario, or Cesario Rodriguez Cazares.
[redacted], Rodriguez, Florencio, or Florencio M. Rodriguez.
[redacted], Roleira, Luis Antonio Gancalvez.
[redacted], Sabina, Manuel Pereira, or Manueal Pereira or Faustino Marquis.
[redacted], Sadow, Bertha (nee Mark or Polly Sadow).
[redacted], Sandon, Rodolofo Riccardo, or Rodolfo Riccardo Sandon or Rudolph Richard Sandon.
[redacted], Savrames, Harry, or Haralombos Savramis.
[redacted], Seesodia, Jehan Warliker, or Jehan Warliker or Jehan Seesodia.
[redacted], Setford, Peter Michael Harold.
[redacted], Shafarzek, Raymond or Raimund.
[redacted], Shafarzek, Isabella (nee Neymayer).
[redacted], Shlau, Yen Guang.
[redacted], Skogg, Helga Berntine (nee Karlson, formerly Morck).
[redacted], Sliwinshi, Christine Dolores (alias Krystyna Dolores Sliwinska).
[redacted], Sokoloff, Philip, or Feitel Sokolofsky.
[redacted], Spinelli, Peter, or Pietro Spinelli.
[redacted], Stakorec, Dragutin, or Mike or Frank or Mike Frank Stakorec.
[redacted], Stamford, William Gilbert, or Frank Stamford.
[redacted], Stead, Mildred Phoebe.
[redacted], Stefanides, Stefanos (alias Steve Stefanides).
[redacted], Stephenson, Margaret Lillian Elva (nee Saint Amand).
[redacted], Stuart, Allan Joseph.
[redacted], Susnjar, Stoyan Nick, or Stojon Susnjar or Stojen Nikola Susnjar or Steve Susnjar or Nick Susnjar.
[redacted], Tants, Wilhelm Heinrich, or William H. Tants.
[redacted], Tauras, Juozas, or Joseph Tauras.
[redacted], Thomas, William Edwin.
[redacted], Thrapp, Casta Carles (nee Casta Carles).
[redacted], Titones, Michael Ioannes, or Mike or Mike John Titones or Michael Tetonis.
[redacted], Tombyll, Ross John.
[redacted], Turco, Giuseppe, or John Joseph Turco or Joseph Turco.
[redacted], Turner, Lurline Joyce.
[redacted], Tuttle, Douglas James.
[redacted], Tzanavaras, Georgios Eleftheriou, or George Tzavaris.
[redacted], Ureno, Manuel, or Manuel Ureno-Flores.
[redacted], Usnap, Charles Helmuth, or Kabol Helmuth or Helmuth Karlovitch or Charles H. Usnap.
[redacted], Vadala, Antonino, or Anthony Vadala.
[redacted], Van Eycke, Marie Surdiacourt (nee Marie Surdiacourt).
[redacted], Van Wolde, Herman C., or Hermannus (Harmannus).
[redacted], Varangis, Antonios, or Toni Varangis.
[redacted], Vavala, Mariangela Glelia Nevi.
[redacted], Vavala, Maria Concetta (nee Anzoise).
[redacted], Vavilis, Michael George.
[redacted], Villasenor-Navarro, Daniel.
[redacted], Watt, Iu Chan.
[redacted], Watt, Moi Kwai Yuk Chan.
[redacted], Wilson, Helen Louise (alias Helen L. Andrews alias Helen Louise Andrews alias Helen Louise Thompson).
[redacted], Williams, Emily Evangeline (nee Todd)
[redacted], Woodhall, Richard Henry, or Richard or Henry Woodhall.
[redacted], Woods, Eileen.
[redacted], Yates, Thomas, Junior.
[redacted], Yen, Chin Shik, or Thomas Yen Chin.
[redacted], Yudice, Julio Hector.
[redacted], Yudice, Carlota Angelica (nee Espinola).
[redacted], Zacharakopoulos, John George.
[redacted], Zole, Emilio, or Emilio Zole Di Cesare.
[redacted], Zoulis, Vasilios, or William or Bill Zoulis.
[redacted], Zunic, Frank, or Frane Zunic.

## REPORTS OF PERSONNEL AND FUNDS BY COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following reports were received by the Secretary of the Senate:

JULY 7, 1949.

### REPORT OF COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS—SUBCOMMITTEE ON FUNDS AUTHORIZED AND EXPENDED UNDER SENATE RESOLUTION 152 AND SENATE RESOLUTION 259

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total

salary of each person employed by it and its subcommittees for the period from January 1 to February 15, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Eli E. Nobleman, counsel, Subcommittee on Relations With International Organizations (S. Res. 152) | $7,563.07 | $1,004.61 |
| Margaret B. Buchholz, clerk-stenographer, Subcommittee on Relations With International Organizations (S. Res. 152) | 3,791.04 | 242.20 |
| Paul H. Menk, Jr., administrative analyst, Committee on Expenditures in the Executive Departments (S. Res. 259) | 7,168.06 | 895.99 |

Total funds authorized or appropriated for expenditure under S. Res. 152 ..... $30,000.00
Total amount expended:
Subcommittee on Intergovernmental Relations ..... $5,517.02
Subcommittee on Relations With International Organizations ..... 10,169.89
Committee on Expenditures in the Executive Departments ..... 5,709.42
21,396.33
Balance unexpended ..... 8,603.67

JOHN L. MCCLELLAN,
*Chairman.*

JULY 7, 1949.

EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1 to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Walter L. Reynolds, chief clerk | $10,330.00 | $5,077.07 |
| Ann M. Grickis, assistant chief clerk | 5,446.32 | 2,723.16 |
| Mollie Jo McCarthy (Mrs.), clerical assistant | 3,873.80 | 1,452.64 |
| Emily I. Tennyson (Mrs.), clerical assistant | 3,791.04 | 1,895.52 |
| Marie C. Tylor, clerical assistant | 3,956.56 | 1,978.26 |
| Velda Blanche Holder, clerical assistant | 3,542.74 | 1,771.32 |
| J. H. Macomber, Jr. (to Feb. 14, 1949), chief clerk | 10,330.00 | 1,262.55 |
| Philip C. Ward (to Feb. 28, 1949), professional staff member | 9,854.13 | 1,642.34 |
| Gordon R. Ewing (to Feb. 15,1949), professional staff member | 10,330.00 | 1,291.24 |
| Glenn K. Shriver, professional staff member | 7,958.08 | 3,979.01 |
| Miles Scull Jr., professional staff member | 8,669.10 | 3,852.90 |
| Herman C. Loeffler, professional staff member | 10,330.00 | 3,328.54 |

Funds authorized or appropriated for committee expenditure ..... $10,000.00
Amount expended ..... 1,356.67
Balance unexpended ..... 8,643.33

JOHN L. MCCLELLAN,
*Chairman.*

JULY 7, 1949.

REPORT OF COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS—SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS (S. RES. 51)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from February 16 to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Paul H. Menk, Jr., staff member | $7,800.07 | $2,925.00 |

Funds authorized or appropriated for subcommittee expenditure ..... $15,000.00
Amount expended ..... 3,200.62
Balance unexpended ..... 11,799.38

JOHN L. MCCLELLAN,
*Chairman.*

JULY 7, 1949.

REPORT OF COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS—SUBCOMMITTEE ON RELATIONS WITH INTERNATIONAL ORGANIZATIONS (S. RES. 51)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from February 16 to June 30, 1940, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Eli E. Nobleman, counsel | $7,563.07 | $2,836.12 |
| Helen P. Dailey, clerk-typist | 3,459.98 | 1,297.48 |

Funds authorized or appropriated for subcommittee expenditure ..... $18,000.00
Amount expended ..... 4,376.42
Balance unexpended ..... 13,623.58

JOHN L. MCCLELLAN,
*Chairman.*

## AMENDMENT OF FAIR LABOR STANDARDS ACT RELATING TO MINIMUM WAGES—ADDITIONAL SPONSORS—REPORT OF A COMMITTEE

Mr. PEPPER. Mr. President, on behalf of the Committee on Labor and Public Welfare, I ask unanimous consent to enlarge the authorship of S. 653, to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, so that it will read "Introduced by Senator THOMAS of Utah (on behalf of himself and Mr. MURRAY, Mr. PEPPER, Mr. HILL, Mr. NEELY, Mr. DOUGLAS, Mr. HUMPHREY, Mr. WITHERS, Mr. TAFT, Mr. AIKEN, Mr. SMITH of New Jersey, Mr. MORSE and Mr. DONNELL)." All members of the committee expressed the desire to be on the bill and the chairman, the Senator from Utah [Mr. THOMAS], of the full committee has requested that this be done.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. PEPPER. Mr. President, from the Committee on Labor and Public Welfare, I now ask unanimous consent to report favorably the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, with an amendment, and I submit a report (No. 640) thereon.

The VICE PRESIDENT. Without objection the report will be received, and the bill will be placed on the Calendar.

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. VANDENBERG:

S. 2217. A bill for the relief of Aung Chein;

S. 2218. A bill for the relief of Chao Chi-Hai, also known as Chi-Hai Chao;

S. 2219. A bill for the relief of James Chiu-Chang Wang; and

S. 2220. A bill for the relief of Hsin Wen Chen; to the Committee on the Judiciary.

By Mr. LODGE:

S. 2221. A bill for the relief of Mrs. Marie A. Abbot; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 2222. A bill to authorize the allowance of leave credit to officers of the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Reserve components thereof, who were denied such credit as the result of certain changes in their status between September 8, 1939, and August 9, 1946; to the Committee on Armed Services.

By Mr. CAPEHART:

S. 2223. A bill to authorize a change in date of rank on the active list of Commander Irving J. Superfine, United States Navy; to the Committee on Armed Services.

By Mr. KEFAUVER:

S. 2224. A bill for the relief of Andre Anastassotos; to the Committee on the Judiciary.

By Mr. LODGE:

S. 2225. A bill to authorize the issuance of a special series of stamps in honor of the Marquis De Lafayette; to the Committee on Post Office and Civil Service.

By Mr. JOHNSTON of South Carolina:

S. 2226. A bill relating to the compensation of certain employees of the Panama Canal; to the Committee on Post Office and Civil Service.

By Mr. CAPEHART:

S. J. Res. 115. Joint resolution requesting the President to declare November 10, 1949, a day for the observance of the creation of the United States Marine Corps; to the Committee on the Judiciary.

## SUPPLEMENTARY AGREEMENT OF MEMBERS OF UNITED NATIONS TO AID SIGNATORIES IN CASE OF ATTACK

Mr. THOMAS of Utah (for himself and Mr. DOUGLAS) submitted the following concurrent resolution (S. Con. Res. 52), which was referred to the Committee on Foreign Relations:

1. Whereas the United States by repeated declarations and actions has clearly committed itself to the principle that the peace of the world can only be preserved by the use of pooled forces to resist and to deter aggression; and

2. Whereas in furtherance of this principle the United States has cooperated wholeheartedly in the formulation and activities of the United Nations, in the Pact of Rio de Janeiro which was designed to protect the American Hemisphere from attack and is now negotiating the North Atlantic Security Pact which is similarly designed to protect from assault States bordering and adjacent to the Atlantic; and

3. Whereas all the members of the United Nations are bound to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations, and to give the United Nations every assistance in any action it takes in accordance with the present charter to carry out its purposes; and

4. Whereas one purpose of the United Nations is to maintain international peace and security and to that end to take effective collective measures for the prevention and

removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace; and

5. Whereas the charter permits member states to supplement the provisions of the charter by regional or general arrangements for collective self-defense, and such an arrangement can give the General Assembly powers normally exercised by the Security Council; and

6. Whereas the General Assembly of the United Nations is capable of meeting on short notice and acting promptly and justly to determine the fact of aggression when the Security Council is prevented from taking action against aggression because of the voting procedures requiring unanimity of the principal powers to authorize military action; and

7. Whereas the Senate Resolution 239 of June 11, 1948, in addition to favoring the association of the United States with regional arrangements in accordance with the purposes and principles of the Charter, urged the United States to make clear its determination to exercise its right of collective self-defense under article 51 should any attack occur affecting its national security; to contribute to the progressive development of regional and other collective arrangements; to make maximum efforts to obtain agreements to provide the United Nations with armed forces as provided by the Charter; and to reaffirm the policy of the United States to achieve international peace and security through the United Nations; and

8. Whereas the national security of the United States may be affected by attacks in areas other than the Atlantic Area: Therefore be it

9. *Resolved by the Senate (the House of Representatives concurring):*

10. (i) That the Congress reaffirm its faith in the United Nations as the cornerstone of the international policy of the United States and as an institution which can progressively be made more adequate to assure the security of its members.

11. (ii) That to this end the Congress pledges its support to a supplementary agreement under Article 51 of the Charter open to all members of the United Nations, by which the signatories agree, if the Security Council is prevented from fulfilling its duties, to come to the aid of the victim of attack if requested to do so by a two-thirds vote of the General Assembly, including three of the permanent members of the Security Council;

12. (iii) That such an agreement should specify the forces that each signatory agrees to maintain, under the spirit of paragraphs 1 and 2 of Article 43, for immediate use of the United Nations

(a) upon call of the Security Council, or

(b) upon call of the General Assembly by a two-thirds vote, including at least three of the permanent members of the Security Council, and

13. (iv) That such an agreement should specify that if a matter pertaining to a threat to or breach of the peace, or act of aggression, is on the agenda of the Security Council, and the Security Council is prevented from fulfilling its duties, the signatories who are members of the Security Council will take such steps as may be required to remove it from the agenda of the Security Council; and

14. (v) That such an agreement should come into force when ratified by a majority of the United Nations including three of the permanent members of the Security Council.

15. Such an agreement shall not in any way impair the inherent right of the parties to engage in self-defense under Article 51 of the United Nations Charter, individually or through other collective arrangements consistent with their obligations under the United Nations Charter, or the North Atlantic Security Pact, or the Pact of Rio de Janeiro.

## OBJECTIVE IN IMPLEMENTATION OF NORTH ATLANTIC TREATY

Mr. SPARKMAN (for himself, Mr. AIKEN, Mr. CAPEHART, Mr. CAIN, Mr. FLANDERS, Mr. HENDRICKSON, Mr. HILL, Mr. HOEY, Mr. JOHNSON of Colorado, Mr. MUNDT, and Mr. STENNIS), submitted the following resolution (S. Res. 133), which was referred to the Committee on Foreign Relations:

Whereas the necessity for firm, prompt, and united defense by nations of the North Atlantic area justifies the purposes of the North Atlantic Treaty, now before the Senate; and

Whereas the effectiveness of the North Atlantic Treaty will depend largely on the manner and methods used to implement it; and

Whereas the best hope for world peace lies in the capacity of the United Nations to fulfill its primary responsibility for the maintenance of international peace and security, and a declared purpose of the North Atlantic Treaty is to strengthen the United Nations: Therefore be it

*Resolved*, That the President be advised of the sense of the Senate that a fundamental objective in the implementation of the North Atlantic Treaty, upon its ratification, should be to seek without delay the revision of the United Nations Charter so that:

A. The paralyzing veto-right in defined matters of aggression shall be removed;

B. The rising threat of the atomic catastrophe be averted and the backbreaking load of the armament race be lifted; and

C. An effective but tyranny-proof international police force be established under a workable Security Council and World Court. In the event that a permanent member vetoes these revisions of the UN Charter under its articles 108 or 109, then, under its article 51, the Atlantic Pact should be supplemented by a world pact for the establishment, within the United Nations, of a larger organization for mutual defense, dedicated to the foregoing objectives and open to all nations; to the end that a united world front of all cooperating nations, in possession of overwhelming atomic and military power, and based on the principle of enforceable law against aggression or armament for aggression, shall avert, by firm action now, the third world war later; be it further

*Resolved*, That among the immediate objectives in the implementation of the North Atlantic Treaty should be:

I. The establishment, in cooperation with other member states, of an emergency defense force, to be called the Atlantic International Contingent, to operate in defense against armed attack as auxiliary to the national armed forces of participating member states.

The international contingent—a balanced land, sea, and air force—should be recruited from volunteers who are citizens of smaller sovereign states only, i. e., states not possessing their own large military establishments. It should be a highly trained, well-paid professional force, owing its allegiance to the Atlantic Council. It should be stationed in western Germany or, upon mutual agreement, in special bases provided by the smaller member states. Its use and operations should not limit the constitutional safeguards or processes of member states nor commit them to the use of their national armed forces.

A specified part of the moneys, goods, and lend-lease armament when appropriated by the United States Government in accordance with article 3 of the North Atlantic Treaty shall be expended to help equip and maintain the international contingent.

II. The organization and command of the Atlantic international contingent should be vested in the special defense committee provided in article 9 of the North Atlantic Treaty. The defense committee should consist of seven delegates, as follows:

| | |
|---|---|
| United States | 2 |
| British Commonwealth: | |
| United Kingdom | 1 |
| Canada | 1 |
| Latin Europeans | |
| France | 1 |
| Italy | 1 |
| Other smaller member states (selected to represent them collectively) | 1 |

The defense committee should act upon an affirmative vote of 6 out of 7 members. The details of representation and voting procedure on the defense committee may be arranged differently, provided the paralysis arising from a requirement of unanimous consent of all member states is avoided.

## AMENDMENT OF SECTION 3121 OF INTERNAL REVENUE CODE—AMENDMENTS

Mr. McCARRAN submitted three amendments intended to be proposed by him to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, which were referred to the Committee on Finance and ordered to be printed.

## NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS

Mr. O'MAHONEY. Mr. President, in accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: On page 10, line 5, strike out the period and insert a colon and the following:

*Provided further*, That no part of this appropriation or contract authorization shall be used—

(A) to start any new construction project for which an estimate was not included in the budget for the current fiscal year;

(B) to start any new construction project the currently estimated cost of which exceeds the estimated cost included therefor in such budget; or

(C) to continue any community facility construction project whenever the currently estimated cost thereof exceeds the estimated cost included therefor in such budget;

unless the Director of the Bureau of the Budget specifically approves the start of such construction project or its continuation and a detailed explanation thereof is submitted forthwith by the Director to the Appropriations Committees of the Senate and the House of Representatives; the limitations contained in this proviso shall not apply to any construction project the total estimated cost of which does not exceed $500,000; and, as used herein, the term "construction project" includes the purchase, alteration, or improvement of buildings, and the term "budget" includes the detailed justification supporting the budget estimates: *Provided further*, That whenever the current estimate to complete any construction project (except community facilities) exceeds by 15 percent the estimated cost included therefor in such budget or the estimated cost of a construction project covered by clause (A) of the foregoing proviso which has been approved by the Director, the Commission shall forthwith submit a detailed explanation thereof to the Director of the Bureau of the Budget and the Committees on Appropriations of the Senate and of the House of Representatives.

Mr. O'MAHONEY. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: On page 52, line 23, after the word "That" insert the following:

No part of this contract authority shall be used to start any new ship construction for which an estimate was not included in the budget for the current fiscal year, or to start any new ship construction the currently estimated cost of which exceeds by 10 percent the estimated cost included therefor in such budget, unless the Director of the Bureau of the Budget specifically approves the start of such ship construction and the Director shall submit forthwith a detailed explanation thereof to the Committees on Appropriations of the Senate and of the House of Representatives; and, as used herein, the term "budget" includes the detailed justification supporting the budget estimates: *Provided further*, That.

Mr. O'MAHONEY. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely: On page 63, after line 23, insert a new paragraph as follows:

SEC. 102. (a) No part of any appropriation contained in this title for the Atomic Energy Commission shall be used to confer a fellowship on any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence or with respect to whom the Attorney General finds, upon investigation and report by the Federal Bureau of Investigation on the character, associations, and loyalty of whom, that reasonable grounds exist for belief that such person is disloyal to the Government of the United States: *Provided*, That any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence and accepts employment the salary, wages, stipend, or expenses for which are paid from any appropriation contained in this title shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Mr. O'MAHONEY also submitted three amendments intended to be proposed by him to House bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, which were ordered to lie on the table and to be printed.

(For text of amendments referred to, see the foregoing notices.)

ECONOMIC EXPANSION—RADIO BROADCAST BY SENATORS MURRAY, SPARKMAN, AND HUMPHREY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD the stenographic transcript of a radio broadcast participated in by himself, Senator SPARKMAN, and Senator HUMPHREY on July 3, 1949, on the subject of economic expansion, which appears in the Appendix.]

EDITORIAL COMMENT ON LABOR RELATIONS BILL PASSED BY THE SENATE

[Mr. HOEY asked and obtained leave to have printed in the RECORD two editorials regarding national labor relations, one entitled "What Must Come First," from the Greensboro (N. C.) Daily News; the second entitled "Be Specific, Please," from the Christian Science Monitor, which appear in the Appendix.]

BRITISH-ARGENTINE TRADE AGREEMENT—EDITORIAL FROM INDIANAPOLIS TIMES

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "What Kind of Suckers Do They Think We Are?" published in the Indianapolis Times of June 23, 1949, which appears in the Appendix.]

LET THERE BE LIGHT—ADDRESS BY RON SNYDER

[Mr. CAPEHART asked and obtained leave to have printed in the Record an address entitled "Let There Be Light," which won for Ron Snyder, of La Porte, Ind., the 1949 Indiana American Legion and State Bar Association oratorical contest, which appears in the Appendix.]

VISIBLE AND INVISIBLE TAXES—ARTICLE BY EARL RICHERT

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an article entitled "You Pay Out in Taxes More Than You Think," written by Earl Richert, Scripps-Howard staff writer, which appears in the Appendix.]

BUDGETING FOR GOOD HEALTH—EDITORIAL FROM THE WORTHINGTON (MINN.) GLOBE

[Mr. THYE asked and obtained leave to have printed in the RECORD an editorial entitled "Budgeting for Good Health," published in the Worthington (Minn.) Globe of June 28, 1949, which appears in the Appendix.]

NOTICE OF HEARINGS ON NATURALIZATION OF IMMIGRANTS

Mr. McGRATH. Mr. President, I desire to announce that public hearings on H. R. 199, to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence and to make immigration quotas available to Asian and Pacific peoples, will be held beginning at 10 a. m. on Tuesday, July 19, 1949, and continuing through Wednesday, July 20, 1949, in room 424, Senate Office Building. The subcommittee which will be conducting the hearings is composed of the Senator from Mississippi [Mr. EASTLAND], the Senator from Missouri [Mr. DONNELL], and myself, as chairman.

LEAVES OF ABSENCE

Mr. McGRATH asked and obtained leave to be absent from the session of the Senate on Monday next.

Mr. BALDWIN asked and obtained consent to be absent from the session of the Senate on Monday next so as to attend to some official business in Connecticut.

FEDERAL DEPOSIT INSURANCE CORPORATION—HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a letter from the Chairman of the Federal Deposit Insurance Corporation making comments upon the Hoover Commission reports and recommendations as they affect that agency, together with a statement which I have prepared on the subject.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

WASHINGTON, D. C., July 7, 1949.—Senator JOHN L. MCCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, released today a letter from the chairman of the Federal Deposit Insurance Corporation which protests strongly against Hoover Commission recommendations that supervision of the Federal Deposit Insurance Corporation be vested in the Secretary of the Treasury. These recommendations arise from a major Hoover Commission report on the Treasury Department, Task Force Appendix N on Regulatory Commissions, and Task Force Appendix R on Lending Agencies.

In response to a request by the Senate Committee for comments on the various Commission recommendations which relate to Federal Deposit Insurance Corporation activities, the chairman states:

"Without intending any criticism whatsoever of the work of the Commission or the Task Forces, it is submitted that the recommendations pertaining to this Corporation suggest lack of understanding of the basic reasons for creation of the Corporation as an independent agency and its relationship to the Federal Reserve system, the Comptroller of the Currency, and the 48 State bank supervisors. This is due in part, we believe, to the piecemeal method by which the task forces studied the functions of the Corporation."

After pointing out that studies of the Federal Deposit Insurance Corporation were not conducted by the Commission task forces on the same basis as the nine agencies included in the task-force report on regulatory commissions, the chairman continued:

"In formulating the recommendations concerning this Corporation, apparently neither the Commission nor the task forces gave consideration to the fundamental principles upon which Federal deposit insurance is founded. What has been emphasized throughout these reports is the somewhat shopworn question of whether there is duplication or overlapping of functions among the three Federal banking agencies. Since the creation of this Corporation in 1933 this charge of duplication has been made repeatedly—has, with the same repetition, been investigated and determined to be without basis. The charge has refused to stay downed, however, and is continually being disinterred, dusted off, and presented as a brand new startling discovery. This charge of duplication or overlapping has been repeated so many times that many have begun to accept it as true. * * * Each of the three Federal banking agencies has its own field of operations and its own functions and each

has been granted authority which the Congress deemed necessary for the proper performance of its duties."

After outlining the issues raised in Congress when the Corporation was created, the Chairman discusses adversely the Commission's proposals that the Corporation either be placed under the supervision of the Secretary of the Treasury or combined with the Federal Reserve System, and then sums up his arguments as follows:

"To the extent that the independence of the Corporation is impaired, the dual banking system is endangered. The independence of the Corporation is fundamental to the continuance of Federal deposit insurance as now constituted. Its independence cannot be destroyed or whittled away without changing the basic character of the Federal deposit insurance system and impairing the dual banking system. Federal deposit insurance cannot function successfully as a mutual insurance fund while subjected and subordinated to the vagaries of the monetary or fiscal policies of the Federal Reserve Board or the Treasury Department. * * * If consideration is given to these fundamental truths and concepts, the recommendations of the Commission or the task forces cannot be adopted."

As a possible alternative to the Commission's specific recommendations, it was suggested that "If redistribution of the Federal banking functions is considered desirable by the Congress, it could be achieved by transferring the bank-examination authority and the related supervisory powers of the Federal Reserve System to this Corporation. The task force report on regulatory commissions suggests this as a possibility or as an alternative to the transfer of control of the Corporation to the Federal Reserve Board."

In concluding, the Chairman warned that "Changes in the present Federal bank-supervisory system or in the independence of the Corporation should be approached with the utmost caution and only after a most careful study of the necessity for such changes and the consequences which can flow therefrom."

Comments from other departments or establishments affected by these Hoover Commission recommendations will be covered in subsequent committee releases.

The letter from the Chairman of the Federal Deposit Insurance Corporation follows:

FEDERAL DEPOSIT INSURANCE CORPORATION,
*Washington, D. C.*

Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.*

MY DEAR SENATOR: This is in response to your request of recent date, in which you ask that this Corporation furnish your committee with a report relative to the various recommendations and textual discussions in the reports of the Commission on Organization of the Executive Branch of the Government which affect this Corporation.

On behalf of our Board of Directors I wish to thank you for affording us the opportunity of expressing our views on this most important subject.

The major recommendations concerning this Corporation are contained in the Commission's report on the Treasury Department, the task force report on lending agencies, and in the portion of the task force report on regulatory commissions dealing with the Federal Reserve Board.

The report of the Commission on the Treasury Department recommends that the Corporation be placed under the supervision of the Secretary of the Treasury. The rationale for this recommendation apparently is that it would insure the continuation of the cooperative arrangements now existing among the three Federal banking agencies, viz: the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Comptroller of the Currency.

From this recommendation Commissioners Brown and Forrestal dissented, contending that the Corporation should be left in its independent status unless Congress determines to transfer to the Treasury all Federal banking agencies, including the Federal Reserve System. Commissioners Aiken, Pollock, and Rowe, also dissented and concluded that if this Corporation were put into the Treasury one of the main reasons is because its bank-examining functions should be more closely integrated with those of the Comptroller of the Currency. These Commissioners point out that the same reason is equally valid as to the bank-examining functions of the Federal Reserve System which require integration just as much and just as little as those of the Federal Deposit Insurance Corporation.

The task force report on lending agencies (appendix R) recommends that this corporation be placed under the supervision of the Federal Reserve Board as a mutual insurance trust. The report attempts to justify this recommendation as follows: "The Corporation's principal function is one of bank supervision and regulation. It makes bank examinations and it issues regulations to govern the activities of insured institutions. This function is so similar to one of the present principal functions of the Federal Reserve Board that we find no compelling reason for the continued existence of the Corporation as an agency separate from and independent of the Federal Reserve Board." This report then proceeds to point out several so-called undesirable aspects of the division of responsibility for bank examinations among the Federal Reserve Board and this Corporation, and concludes that the deposit insurance function should be subordinated to the general functions now vested in the Board of Governors of the Federal Reserve System.

An alternative recommendation is made in the report regarding the Corporation, if it is to continue as an independent agency. In this event the task force recommends that the Corporation be given unrestricted authority to make examinations of the assessment base in the case of banks examined by other agencies where the scope of the examinations made has not included a sufficient review to assure that assessments have been paid as required.

That portion of the task force report on the regulatory commissions (appendix N) which deals with the Federal Reserve Board contains the recommendation that consideration be given to the possibility of combining all Federal bank supervisory activities in one agency. This report claims that the adoption of this recommendation would "eliminate interagency friction and permit some saving through consolidated operations both in Washington and the field. It would even the application of supervisory standards. And most important, it would provide a unified supervisory policy in the event of another banking crisis."

The report goes on to state that "while a reasonable case can be made for any one of the present three agencies as the center of such consolidation, we suggest the Federal Reserve as the most promising." The basis for this conclusion is stated as being the necessity of tailoring bank examinations to fit credit policies, and the present regional set-up of the 12 Federal Reserve banks.

Without intending any criticism whatsoever of the work of the Commission or the task force, it is submitted that the recommendations pertaining to this Corporation suggest lack of understanding of the basic reasons for creation of the Corporation as an independent agency and its relationship to the Federal Reserve System, the Comptroller of the Currency, and the 48 State-bank supervisors. This is due in part, we believe to the piecemeal method by which the task forces studied the functions of the Corporation.

For instance the Corporation was studied as a lending agency although it was granted lending authority solely as one of several methods of protecting depositors and the Corporation, therefore, has nothing in common with the conventional lending agencies of the Government.

In the task force report on regulatory commissions, the Corporation was considered in connection with one phase of the functions of the Federal Reserve Board. In our opinion this was an entirely inadequate method of examining the Corporation's functions and duties. There is no sound reason why the Corporation should not have been studied separately on the same basis as the nine agencies included in the task force report on regulatory commissions. Had the Corporation been studied in that manner we are convinced there would have been a more satisfactory understanding of the functions and duties of the Corporation and the basic principles of Federal Deposit Insurance as it is now constituted. We believe also that a study of that type would have resulted in completely different recommendations.

In formulating the recommendations concerning this Corporation, apparently neither the Commission nor the task forces gave consideration to the fundamental principles upon which Federal deposit insurance is founded. What has been emphasized throughout these reports is the somewhat shopworn question of whether there is duplication or overlapping of functions among the three Federal banking agencies. Since the creation of this Corporation in 1933, this charge of duplication has been made repeatedly—has, with the same repetition, been investigated and determined to be without basis. The charge has refused to stay downed, however, and is continually being disinterred, dusted off, and presented as a brand new startling discovery. This charge of duplication or overlapping has been repeated so many times that many have begun to accept it as true. That it is not true was just recently established before your committee in the hearings on S. 526, the pending reorganization bill. I respectfully call your attention to my testimony in those hearings on February 15, 1949, and to the testimony of Mr. F. Raymond Peterson, vice president, American Bankers Association, and chairman of the Board of the First National Bank & Trust Co., Paterson, N. J., all of which is set forth in the transcript of the hearings at pages 185 to 198. I also invite the attention of your committee to the letter dated February 15, 1949, of D. Emmert Brumbaugh, Secretary of Banking, Commonwealth of Pennsylvania, and chairman, legislative committee, National Association of Supervisors of State Banks, the letter of February 16, 1949, of Mr. Fred J. Oliver, general counsel, National Association of Mutual Savings Banks, both of which letters concern this question and are set forth on pages 218–219 and 220–221 respectively of the transcript. In the same hearings (pages 227–230) are set forth a letter dated February 24, 1949, from Honorable BURNET R. MAYBANK, chairman of the Banking and Currency Committee of the Senate addressed to you as Chairman of the Senate Expenditures Committee and a statement of Senator MAYBANK which refutes clearly and completely the charges of duplication among the three Federal banking agencies.

The banking system of this country is a dual system, that is, a system in which both the States and the Federal Government issue bank charters and supervise banks. The Comptroller of the Currency charters and regulates national banks. The Federal Reserve System, through the twelve Federal Reserve banks, examines State banks which are members of the Federal Reserve System.

State banks which are members of the Federal Reserve System are known as State member banks. State banks which are not members of the Federal Reserve System are known as nonmember banks. All national banks in the continental United States are required by law to be members of the Federal Reserve System. However, membership in the Federal Reserve System for State banks is voluntary. Of the 9,762 State banks in the country at the end of 1948, 1,924 or approximately 19 percent were members of the Federal Reserve System.

The Corporation insures three classes of banks—National banks, State banks which are members of the Federal Reserve System, and State banks which are not members of the Federal Reserve System but which have elected to apply for deposit insurance. All National and State banks which are members of the Federal Reserve System are required to be insured. Deposit insurance is voluntary for State banks which are not members of the Federal Reserve System. Of the 9,762 State banks, 8,621 or approximately 88 percent are insured. Of the three Federal banking agencies, this Corporation examines the largest number of banks—some 6,694 State nonmember insured banks. The Comptroller of the Currency examines 4,991 National banks. The Board of Governors of the Federal Reserve System, through the 12 Federal Reserve banks, examines 1,927 State member banks. The total of all operating banks in the United States is 14,753. Of these there are 1,141 noninsured nonmember State banks, that is, State banks which are not members of the Federal Reserve System and not insured by this Corporation.

Each of the three Federal banking agencies has its own field of operations and its own functions and each has been granted authority which the Congress deemed necessary for the proper performance of its duties. I repeat what I said when I appeared before your committee on February 15, of this year—There is no duplication or overlapping among the functions of the three Federal banking agencies. A reference to the status granting authority to the three Federal banking agencies for the examination and regulation of banks and to those portions of the hearings on S. 526 mentioned above will, we are sure, furnish satisfactory assurance to your committee that the allegations of duplication and overlapping among the functions of the three Federal banking agencies are entirely unfounded.

Although many Members of the present Congress were also members of the Congresses which created this Corporation, first as a temporary agency in 1933, and later as a permanent agency in 1935, a review of the needs giving rise to Federal deposit insurance, we believe, will be helpful in appraising the reorganization proposals of the Commission.

You will no doubt recall that this Corporation was established to meet conditions too overpowering to be remedied by the then existing bank supervisory agencies. The chief function of the Corporation is to maintain depositors' confidence in the banking system through insurance of the depositors' accounts. As a corollary to this primary function the Corporation is necessarily concerned with the maintenance of a sound banking system. At the time of creation of the Corporation the banking system was prostrate, confidence of depositors had vanished and the effectiveness of efforts of supervisory authorities to remedy the situation was at an all time low.

The condition of the banking system at that time and the part played by the Corporation in restoring soundness and confidence was most eloquently stated by the Honorable ARTHUR H. VANDENBERG, on the floor of the Senate on July 25, 1947:

"I ask Senators to remember back 15 years to the days of the bank holidays. I ask them to remember the utter paralysis in America as the result of the bank holidays. I ask them to remember that those bank holidays did not flow so much from insolvent banks as from the general lack of confidence in American banks. The banks themselves, when they finally went through the wringer, in 9 cases out of 10 proved that they had been solvent. It was not their lack of solvency which ruined the country for a decade; it was the lack of public confidence in them, regardless of the nature and character of their assets.

"It was under those circumstances that Congress created the Federal Deposit Insurance Corporation, and from the moment it was created and from the moment it opened its doors there has never been a succeeding moment in the life of the Nation when there has been the slightest lack of public confidence in our banking system. As a result we went all through those perilous holidays when everything else was collapsing on all sides. We went all through them without a single bank failure in the land. If it had not been for the contribution which the Federal Deposit Insurance made to the life of the Nation at that time, I dread to think what the outcome might have been."

The law creating the Federal Deposit Insurance Corporation was not hastily considered and passed by the Congress under stress of the emergency existing in 1933. Numerous proposals for Federal deposit insurance had been carefully studied by the Banking and Currency Committees of both the Senate and House for more than a year before adoption of the first deposit insurance law. During this period and in the time between the date of enactment of the first law and the date of enactment of the permanent law in 1935 much debate took place on some of the very same proposals that are now before your committee in the Commission and task force reports.

Serious consideration was devoted to the question of whether Federal deposit insurance was to be a Government guaranty of deposits or a mutual trust established and sponsored by the Government and maintained by the banks. The present system, a mutual trust arrangement, was adopted in preference to a direct governmental guaranty. Thus, control of the Corporation by any of the executive departments, including the Treasury, was automatically excluded as being inconsistent with the mutual character of the Federal deposit insurance system and a bipartisan board of directors was given authority for the management of the Corporation as a means of assuring independent and impartial administration.

Extended argument was had on the question whether the Federal Reserve Board should have any direct or indirect control over the Corporation. Fear was freely expressed, especially by the small banks, that if the Federal Reserve System should control the Federal Deposit Insurance Corporation, deposit insurance would be used as a means of forcing State banks into the Federal Reserve System, which during its 20 years of existence prior to that time had been notably unsuccessful in inducing State banks to become members. To allay these fears the Corporation was established as an independent agency, thus assuring national banks, State member and State nonmember banks of nondiscriminatory treatment, and a proposal for Federal Reserve representation on the board of directors of the Corporation was rejected.

The Federal Deposit Insurance Corporation thus was intended as and became the unifying link between the State banking and national banking systems. Consistent with this concept of Federal deposit insurance as conceived by the Congress, the Corporation's policy has always been one of strong advocacy and support of the dual system.

There are, therefore, fundamental reasons why the Federal Deposit Insurance Corporation should remain an independent agency, free from the control or interference of any other agency or department. Its independence and the dual banking system are interdependent and are inextricably bound together. To the extent that the independence of the Corporation is impaired the dual banking system is endangered. The independence of the Corporation is fundamental to the continuance of Federal deposit insurance as now constituted. Its independence cannot be destroyed or whittled away without changing the basic character of the Federal deposit insurance system and impairing the dual banking system. Federal deposit insurance cannot function successfully as a mutual insurance fund while subjected and subordinated to the vagaries of the monetary or fiscal policies of the Federal Reserve Board or the Treasury Department.

The keystone of deposit insurance is the power of the Corporation to examine insured banks, for it is only through this means that it can maintain the soundness of the banking system and nurture the confidence of depositors. The power to examine its risk is as vital to deposit insurance as it is to any other type of insurance undertaking, and the Congress so considered it when the permanent deposit insurance law was enacted. This is made abundantly clear in the debates on the Banking Act of 1935. In his testimony before the Senate Banking and Currency Committee on the Banking Act of 1935, the then Chairman of the Federal Reserve Board, the Honorable Marriner S. Eccles, stated that it was essential that the Corporation have the power to examine banks. This is obvious and axiomatic, unless deposit insurance is to become merely a Government hand-out with no questions asked. No mutual deposit insurance fund can exist without authority in the managers of the fund to determine the conditions of banks, to correct abuses, and to prevent losses as well as pay them.

If consideration is given to these fundamental truths and concepts, the recommendations of the Commission or the task forces cannot be adopted.

To our knowledge there has been no contention made that the present system is inefficient or unworkable. As a matter of fact, the task-force report on regulatory commissions states that "the present supervisory system works tolerably well." The Comptroller General of the United States and your committee have praised the able management of the Corporation. None of the three Federal banking agencies uses Government funds. All three are supported by the banks and the banks do not want any change in the supervisory arrangement and have made their views known to your committee.

What, then, is the basis for recommending that the Treasury or Federal Reserve Board take over control of this Corporation? It is submitted that there are no sound reasons for either of such proposals. On the contrary, the adoption of either proposal would be the beginning of the end of Federal deposit insurance as it is now constituted, for as we have pointed out above, control by either Treasury Department or the Federal Reserve Board would be inimical to the fundamental principles of deposit insurance. The ultimate result of such control might be the substitution of a direct governmental guarantee of deposits maintained largely at the expense of taxpayers.

However, this does not rule out entirely the possibility of simplifying Federal bank

supervisory functions. If redistribution of the Federal banking functions is considered desirable by the Congress, it could be achieved by transferring the bank examination authority and the related supervisory powers of the Federal Reserve System to this Corporation. The task force report on regulatory commissions suggests this as a possibility or as an alternative to the transfer of control of the Corporation to the Federal Reserve Board.

The vesting of the Federal Reserve Board's examining powers in this Corporation would not adversely affect the functioning of the Federal Reserve System, since during the three decades of its existence there has been no evidence that the Federal Reserve Board has used bank examination to implement monetary policies. Whether the examining processes could be so used is extremely doubtful, but if it could be made a tool of monetary policy we would most strongly urge against it. The use of the bank examination processes to implement monetary policy—that is, to relax requirements and scrutinize bank assets loosely when encouragement of bank expansion is required and to tighten requirements and inspect bank assets more stringently when discouragement of expansion is desired—would subvert the proper function of bank examinations. Reports of examinations made in such an attitude would be worthless as a basis for enforcement of banking statutes, and would also be worthless in appraising the risks of the Federal Deposit Insurance Corporation. It would be impossible for examiners to evaluate assets on the basis of varying standards, and an effort to do so would destroy the usefulness of examiners. Neither they nor bankers could retain confidence in the integrity of the judgments expressed in examination reports. Uncertainty on this point has been expressed by the author of the staff report on the Federal Reserve Board for the Committee on Independent Regulatory Commissions of the Hoover Commission, who stated: "There is little evidence so far that bank examination can, or should, play a major role in implementing credit policy."

On the other hand, it has been the view of the Congress, concurred in by the former Chairman of the Board of Governors of the Federal Reserve System, that the power of examination is essential to the proper functioning of the Federal deposit insurance system. Moreover, the Comptroller General of the United States, an arm of the Congress, has recommended the transfer of all examining functions to this Corporation.

For many years the Federal Reserve Board has relied on and used reports of examinations of national banks made by the Comptroller of the Currency in carrying out the Board's monetary duties. Of the total of 6,918 member banks (4,991 National, 1,927 State banks), the Federal Reserve Board examines only the 1,927 State member banks. If the examination reports of the Comptroller of the Currency for approximately 5,000 national banks have served the Federal Reserve Board's purposes all these many years, surely reports of examinations made by this Corporation ought to suffice as to the 1,927 State member banks in the event the Corporation is given authority to examine such banks.

The Board of Governors of the Federal Reserve System makes its examinations of the 1,927 State member banks through the semiautonomous 12 Federal Reserve banks. Accordingly to the above-quoted author of the staff report to the Committee on Regulatory Commission, "the Federal Reserve Board policy appears to be carried out somewhat less effectively into actual field examination use than are the central policies of the other two agencies." If this statement is correct, and we would like to emphasize that we have no information on this subject, the transfer of the examining powers of the Federal Reserve System to this Corporation would result in a more unified supervisory policy for State member banks now examined by the 12 Federal Reserve banks. Furthermore the transfer of the examination powers of Federal Reserve Board to the Corporation would eliminate the somewhat anomalous situation resulting from the election of the majority of the directors of the Federal Reserve banks by the member banks. Through this power of electing the majority of the Board of Directors of the Federal Reserve banks the examination procedures and policies of each of the 12 Federal Reserve banks are susceptible of being controlled by the banks examined.

To be considered also is the fact that the Corporation now deals with more banks than either of the other two Federal banking agencies. As pointed out above, only 1,927 of the 9,762 State banks are members of the Federal Reserve System and are examined by the Federal Reserve banks: the Comptroller of the Currency supervises and examines 4,991 national banks. In contrast, this Corporation insures all of the State banks which are members of the Federal Reserve System, all national banks, and in addition, insures and examines 6,694 State nonmember insured banks.

Therefore, if simplification of the Federal banking supervisory structure is deemed necessary by the Congress, would it not be logical and sound to transfer to this Corporation the bank examination and related powers of the Federal Reserve System.

In summary, I would like to reiterate that the Corporation was established as an independent agency with a bipartisan board because the public, through the Congress, insisted upon the continuation of the dual banking system. The Corporation was created as and still is a necessary vehicle for aiding, strengthening, and sustaining the dual banking system. The division of Federal banking functions among the three agencies was made by the Congress for reasons deeply embedded in our system of government. Changes in the present Federal bank supervisory system or in the independence of the Corporation should be approached with the utmost caution and only after a most careful study of the necessity for such changes and the consequences which can flow therefrom.

Appreciating at all times your interest in this Corporation, and with kindest personal regards, I am, believe me,

Cordially and sincerely,

MAPLE T. HARL.

## CIVIL AERONAUTICS BOARD—RECOMMENDATIONS OF HOOVER COMMISSION

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a statement which I have prepared commenting upon the recommendations of the Hoover Commission with regard to the Civil Aeronautics Board, and the response of the Civil Aeronautics Board.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

WASHINGTON, D. C., July 8, 1949.—The Civil Aeronautics Board, in a sharply worded statement released today by Senator JOHN L. MCCLELLAN, of Arkansas, chairman of the Senate Committee on Expenditures in the Executive Departments, vigorously opposes major recommendations of the Hoover Commission affecting its operations.

Dissenting upon three Commission reports on Regulatory Commissions, the Department of Commerce, and the Post Office Department, the Board's report, signed by Joseph J. O'Connell, Jr., Chairman, centers its opposition upon recommendations which would separate the so-called executive operations of the Board from its regulatory functions, and transfer them to the Department of Commerce.

The Board focuses its attention upon recommendation No. 11 of the Commission's Report on Regulatory Commissions, which would transfer the promulgation of regulations relating to aircraft safety to a proposed Bureau of Civil Aviation which the Hoover Commission would establish in the Department of Commerce, with the right of appeal from enactment of, or refusal to enact, any regulation to the Civil Aeronautics Board.

Commenting on the Hoover Commission's report on the Department of Commerce, which repeats recommendation No. 11 of the Regulatory Commission Report verbatim in recommendation No. 5, the Civil Aeronautics Board states it is not aware that any of its functions can properly be described as nonregulatory. It declares that in any event the promulgation of rules and regulations is most assuredly regulatory in character, and criticises the Hoover Commission for lack of logic in proposing separation of such a regulatory function while at the same time specifically retaining the more nonregulatory function of investigating aircraft accidents in its present status with the Board.

As to vesting right of appeal in CAB, the Board comments:

"This important qualification clearly would vest in the Board the power of veto on the one hand, and of affirmative compulsion on the other, since upon appeal or request for review it could: (a) Prevent promulgation, or (b) require promulgation of a specific regulation. This right of appeal or review would certainly compound such confusion as may exist at the present time and, in the more than offset any theoretical operating opinion of the Board, would in itself alone, more than offset any theoretical operating advantage to be gained by the proposed transfer of functions from the Board to the Department of Commerce. Potentially, it would involve extensive duplication of effort and personnel since the Board, to adjudicate appeals or requests for review, would require a staff only slightly less than that presently assigned to the function of promulgation."

The Board concludes:

"It is the opinion of the Board that the transfer of the function of promulgation of civil air regulations cannot, by any stretch of the imagination, be justified on the grounds of grouping in the Department of Commerce non-regulatory-transportation activities, since such function is distinctly regulatory in character; that consolidation of the functions of promulgation and administration if effected at all, should be in the Board rather than the Department of Commerce; and that the arrangement proposed under recommendation No. 5 would be more cumbersome than the existing division of responsibility. Therefore, the Board does not concur in this recommendation."

The Civil Aeronautics Board also opposes Hoover Commission recommendation No. 1 (Department of Commerce) that all major nonregulatory transportation activities of the Government should be centrally grouped under a proposed Bureau of Civil Aviation in the Department of Commerce. It accepts the minority dissent of Commissioner Clarence J. Brown, of the Hoover Commission, that "in the field of transportation, the regulatory function is predominant and the executive, promotional, and administrative activities relating thereto must adhere to the broad regulatory structure."

The Board further dissents to Recommendation No. 12 of the Commerce report

which would make the Secretary of Commerce responsible for over-all air, land, and water transportation routes, stating:

"The Board believes that over-all route programs for air are an essential responsibility developing upon the Board; one that has been fully discharged consistent with the requireemnts of law; and one which, neither in theory nor in practice, can be divorced from the regulatory functions prescribed under the Civil Aeronautics Act.

Recommendation No. 9 of the Hoover Post Office Department Report which would provide that mail subsidies to common aircraft carriers be paid to the Post Office Department by open appropriation from tax funds, and not imposed upon the Post Office or the mail users in a hidden manner, is also opposed, as follows:

"Not only would such segregation be extremely difficult to achieve but it would greatly increase the length and complexity of rate proceedings coming before the Board and, if undertaken at this time, would certainly result in further undesirable delays in handling the great volume of mail rate work already pending before the Board.

"In the opinion of the Board, no determination on this very complex question should be attempted until the matter can be fully explored and the financial condition of the industry reaches more stable proportions. After considerable preliminary study of the matter, the Board issued as part of its economic program for 1949 an order instituting an investigation of the cost, to domestic trunk-line carriers certificated to carry mail, of handling and transporting mail, and of the factors which enter into the determination of fair compensation for carrying the mail. The results of this investigation are felt to be essential to intelligent consideration of the economic and procedural implications of any plan to separate appropriations for mail compensation between subsidy and cost. Therefore, the Board does not, at least at this time, concur in the above recommendation to the extent that it might require immediate legislation to effect the separation of mail pay and subsidy. If, after further study, it should appear that such separation is both feasible and desirable, the Board shares the view (advanced in the task force report on Regulatory Commissions) that the amounts required for subsidy should be appropriated to the Board rather than to the Post Office Department."

The Board also does not consider the recommendations which would invest all administrative authority in its Chairman to be practical, and does not concur in the recommendation which would provide that a commissioner, upon expiration of his term, continue to hold office until his successor has been appointed and qualified; but favors recommendations which would increase salaries of commissioners, board members, and staff assistants; authorize commissioners to delegate routine matters to staff members under their supervision, and, in general, improve disposition of business before administrative agencies.

(NOTE.—The full text of the Civil Aeronautics Board statement on the Hoover Commission reports is available for examination in the office of the Senate Committee on Expenditures in the Executive Departments, room 357, Senate Office Building.)

## PRICING PRACTICES—MORATORIUM—AMENDMENTS BY HOUSE AND STATEMENT BY SENATOR KEFAUVER

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the RECORD the amendments adopted by the House to Senate bill 1008, a bill to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, and a brief discussion by me of what they mean.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR KEFAUVER ON S. 1008—BASING-POINT LEGISLATION

Mr. President, the House of Representatives on yesterday passed the bill from the Senate dealing with basing point legislation. The bill was passed with four amendments which are as follows:

AMENDMENTS

1. Page 2, line 15, strike out all after "faith", down to and including "competition)" in line 17 and insert "(except where such absorption of freight would be such that its effect upon competition may be that prohibited by this section)."

2. Page 3, lines 9 and 10, strike out "(other than a discrimination which will substantially lessen competition)" and insert "(if the discrimination is not such that its effect upon competition may be that prohibited by this section)."

3. Page 3, line 14, after "competitor", insert ", and this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains."

4. Page 4, line 7, strike out "substantial and probative evidence" and insert "reasonable probability."

Amendments 1, 2, and 4 are substantially the same as amendments written into the bill with the approval of the distinguished Senator from Wyoming [Mr. O'MAHONEY], and by unanimous vote of the Senate. The amendments adopted in the House cover the same subject matter and have the same effect but are improvements in the amendments which I presented. This is also the opinion of the distinguished Senator of Louisiana [Mr. LONG] who has led the fight for the protection to small business sought by these amendments.

I am extremely gratified with the action taken by the House. As you know, when this measure was debated on the floor of the Senate, I proposed the three amendments which were accepted unanimously by the Senate. These amendments were prepared very hurriedly. Having had very grave misgivings about the bill as it stood at that time, I hurriedly composed my amendments and offered them on the floor. Between the time S. 1008 passed the Senate and the time it was considered on the floor of the House, I realized that the amendments which I had offered in the Senate needed to be made stronger and clearer.

As you know, S. 1008 appeared on the floor of the House minus two of the amendments that I had offered; but, due to the able efforts of Congressman CARROLL and other Members of the House, yesterday, my amendments, improved and strengthened, were put back into the bill and passed by the House.

The first amendment, inserted by the House into section 2 (B) of the bill, reads: "Except where such absorption of freight will be such that its effect upon competition may be that prohibited by this section."

The second amendment, inserted into section 3 of the bill, reads: "If the discrimination is not such that its effect upon competition may be that prohibited by this section."

The Carroll amendments, I wish to emphasize, retain the exact language now existing in section 2 of the Clayton Act, as amended by the Robinson-Patman Act. Such amendments, therefore, cannot possibly produce any uncertainties or confusion in the existing law. They simply reiterate the present language of section 2 of the Clayton Act, which prohibits a discriminatory price where "its effect may be substantially to lessen competition, injure, destroy, or prevent competition, or tend to a monopoly of any line of commerce."

I accept the Carroll amendments wholeheartedly. They perfect what I attempted to do hurriedly on the floor of the Senate.

Without the first Carroll amendment, S. 1008 will permit big business to destroy, through the device of price discrimination achieved through the use of freight absorption, the growth of independent industrial enterprise which occurred during the late war.

Without the second Carroll amendment, powerful corporations are given the legal right to put small retailers and distributors out of business by the vicious practice of price discrimination, thus wiping out the Robinson-Patman Act. Without the Robinson Act, big business will have a free hand to grow at the expense of the unfair destruction of independent merchants by the sharp-edged tool of price discrimination.

The Carroll amendments, in my opinion, cure 75 percent of the bill's original destructive purposes. There still remains the issue of whether this bill does not give a legal green light to the price-leader type of monopoly, and thereby drive a large hole into the existing antitrust laws. It may be too late to ask for a 100 percent cure, but we must stand firm on the Carroll amendments, which remove a considerable part of the damage. They must constitute the irreducible minimum of concession of this bill for those who believe in the antitrust laws and fair competition in business.

Inasmuch as the House amendments have the same purpose as the Senate amendments, and are in better language, they should be accepted rather than have the bill go to conference.

## THE UNEMPLOYMENT SITUATION

Mr. WILEY. Mr. President, we are all anxiously watching the symptoms of recession in our country just as a doctor watches the fever period of a sick patient. As I commented on the floor of the Senate yesterday, we must think in terms of protection of our own people in the economic crisis in which we are increasingly finding ourselves. Unemployment is gradually mounting, and also we would all like to believe some of the rosy statements which have been made. Nevertheless, we do not want to take any chances and we certainly do not want to slip into another depression. I, for one, feel that there is no ground for pessimism; neither do I feel that we should be pollyannas or smug about the present situation.

I send to the desk a statement which I ask be printed on this theme at this point in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENTS BY SENATOR WILEY ON UNEMPLOYMENT SITUATION

Mr. President, I received this morning an important letter from the secretary-treasurer of the Wisconsin State Industrial Union Council, who has commented upon the unemployment situation in Wisconsin. This letter from Mr. John M. Sorenson reads as follows:

"DEAR SENATOR WILEY: The Wisconsin State Industrial Union Council is very much disturbed over the employment situation in Wisconsin, especially in Eau Claire, Wausau, and other smaller Wisconsin cities where thousands are unemployed with no other place to go for a job.

"In Milwaukee County alone over 16,000 are registered as available for employment. Over 12,000 of these are drawing unemployment compensation. Other thousands are working but part time. The income of the part-time and unemployed workers is not

sufficient for a decent standard of living. Their continued lack of purchasing power is not a healthy situation for the economy of Wisconsin and the Nation.

"We ask that the Government take whatever action is necessary to cope with the growing problem of unemployment and part-time employment.

"Some may say that the present employment situation is healthy, but you try to tell that to a man who is trying to support his family on the $24 weekly unemployment-compensation benefit.

"Very truly yours,

"JOHN M. SORENSON,
*"Secretary-Treasurer."*

I believe that Mr. Sorenson's communication gives me and every other legislator food for thought. I have been following very closely the reports from the Wisconsin State Employment Service as more and more symptoms of recession come in. The June 1949 report of the Wisconsin Labor Market states:

"The number of job seekers at WSES offices increased slightly due to continuing layoffs at some manufacturing plants and the entry of school youth into the labor markets * * * the downward trend of average weekly hours of work in manufacturing continued in April and reached a postwar low of 39.3 compared to 42.0 in October 1948. * * * The range of average weekly hours in nine Wisconsin cities for April was from 42.1 hours to 34.3 hours, with only two cities above 40 hours. * * * In Racine employment resumed a downward trend as 1,000 manufacuring workers were separated from 87 firms in the past 60 days; additional layoffs and a continuation of the shortened workweek * * * is expected for the immediate future. * * * In Manitowoc layoffs * * * pushed the number of workers on manufacturing pay rolls down by 11 percent in the past 60 days for the most severe drop since the end of the war."

And so the story goes, with some bright spots here and there, but with many dark spots increasingly evident.

It is obvious, therefore, that the President, his Cabinet, and the Congress must give careful consideration to comprehensive ways and means by which we can help meet this problem. Obviously, more purchasing power is needed in the hands of our people in order to assure continuing demand for products. If we got rid of some of the nuisance excise taxes which discourage purchasing, we would have made some small contribution to production.

The whole system of taxation proves discouraging to many businessmen who want to develop new facilities, add new machinery, create new jobs, but who find that their liquid capital is limited by the tremendous burden of Federal taxes.

One of the pieces of legislation that I feel is necessary is extension of the readjustment allowance benefit of the GI bill of rights. This provision dies in exactly 17 days on July 25, unless we renew it, as I have suggested in S. 1972, and as recommended by America's leading veterans' organizations.

I should like to quote from another letter which I have received from a CIO officer in my State, Mr. Glenn M. Clarke, secretary-treasurer of the Milwaukee County Industrial Union Council:

"DEAR SENATOR WILEY: We are writing you in behalf of all veterans, regardless of whether they are members of our organization or not.

"Federal unemployment benefits for veterans will expire in July if the expiration date for such benefits is not extended. A large percentage of the veterans returning from service chose not to accept the $20 a week for 52 weeks as charity and much preferred to use it for what it was meant for—something to fall back on in case of emergency. So they proceeded to obtain employment.

"Now with the unemployment situation as it is, many veterans who took new jobs, and who have the least seniority in plants, are faced with expiration of their State unemployment benefits, and still have no place to work and no place to turn.

"Yours truly,

"GLENN M. CLARKE,
*"Secretary-Treasurer."*

I should like to quote too from a sample of many letters which I have received on this readjustment-allowance provision. This comes from a student in Milwaukee who, like many other students, is having tough going in finding employment. This student writes:

"I think that now is the time when veterans really need their readjustment allowances. Most of us have only used a fraction of the 52 weeks allotted and now that school is out for the summer, I find it very difficult to obtain part-time employment. Your foresight in asking for an extension to 1950 is commendable."

I am not looking for personal praise on the matter, but what I am asking, and what many of my fellow Senators, American unions, the American Legion, the VFW, and AMVETS are asking, is extension of this GI benefit.

We hope that through the suggestions of the CIO, the American Federation of Labor, the International Association of Machinists, the Railroad Brotherhoods, and all other segments of American labor, in cooperation with business and agriculture and Government, we may find sound solutions to the unemployment problem before it gets any worse.

## THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. WATKINS. Mr. President, at the outset of my rather informal remarks today I wish to join with other Senators in expressing my appreciation for the fine appointment made by the Governor of New York in the selection of JOHN FOSTER DULLES to be a United States Senator. I especially appreciate that appointment at this time, because I believe the junior Senator from New York is one of the greatest thinkers and experts in the particular field we are discussing. As I remember, the last time I saw the new Senator from New York he was on the witness stand, and I had asked to cross-examine him, but he had to leave for New York City. I did not know then that he would be on the floor of the Senate and that I would have an opportunity here instead of in the committee hearings.

I also wish to express my appreciation, as did the Senator from Missouri [Mr. DONNELL], for the courtesies which were extended to us in appearing before the Foreign Relations Committee and asking such questions as we were permitted to ask.

I appreciate also the very generous remarks of the senior Senator from Michigan [Mr. VANDENBERG] in referring to my activities with respect to the problem which is now before the Senate.

Having expressed my appreciation and made certain acknowledgments, I should like now to proceed with the discussion. As I stated in the beginning, it will be informal. I have not prepared a manuscript. I shall speak as I feel, and as I hope I may be led by the spirit of this particular occasion and the emergency of the hour. I believe that we face a real emergency, one of the greatest emergencies this country has ever faced. I believe that the decision before us is the most important that any Senator will be required to make during his term in the Senate.

Because of the importance of the problem, I have personally spent a great deal of time on it, not because I felt that I knew more about it than anyone else, nor because I wanted to pose as an expert, but because my lack of knowledge made me realize that in order to cast an intelligent vote and make an intelligent decision I would have to do a great deal of studying. Moreover, in view of the failure of peace offensives of the past, I felt that we could not afford to make a mistake again. This matter is so important to me, and I feel that it is of such importance to the Nation and to all the peoples of the world, that I simply do not want to make a mistake. I do not want a mistake to occur even in the decision of one Senator. I cannot afford to be mistaken. In the light of whatever intelligence I possess and whatever I can learn by diligent research, I want to make the right decision. For that reason I have approached this problem humbly. This is one of the most important and difficult decisions I have been called upon to make. I have tried to examine the entire situation to see what should be done in this particular world crisis.

(At this point Mr. WATKINS yielded to Mr. MAYBANK for the consideration of the conference report on Senate bill 1070, which appears elsewhere under an appropriate heading.)

Mr. WATKINS. Mr. President, I am just beginning my remarks. I was very happy to accommodate the Senator from South Carolina [Mr. MAYBANK]. However, when I get started in the theme of my speech, I shall appreciate it if Senators will withhold questions until I am through.

Mr. President, I think we all agree on the objectives which are sought by the pending treaty. We all want peace. We all want to avoid a third world war if possible. This world is sick of war. The youth of this land and the youth of the world deserve a better future than is now in prospect.

Whatever disagreement there may be between the proponents of the treaty and myself; it is largely one of method rather than one of principle or of objective. I believe that it is most important that we have this understood in the beginning, because I realize that one who has criticized this treaty, which seems to be popular with the people and seems to receive so much support in this Chamber, is laying himself open to criticism. Americans say, "Yes, we must have opposition; there must be a testing of the various measures that come before the country;" but they are not always so kind to those who raise opposition or ask questions.

At the very beginning I realized that there would be criticism of any Senator who, after the pact was signed, would continue to raise questions. For that reason, I asked the President of the United States, as courteously as I could, and as I felt I had a right to do as a

representative of my people, to give to the country the text of the treaty 60 days before its signature, so that it might be studied, considered, and analyzed before the formalities of the signing of the treaty here in the city of Washington. I did so because I felt that we should not be confronted with a fait accompli, that the Senate should be in a position to consider this matter without pressure of any kind, other than the pressure of Senators' consciences and of the emergencies which might develop on particular occasions. However, the President in his wisdom saw fit to deny that request.

I do not agree, as some witnesses have expressed before the Foreign Relations Committee, that it is a good policy to coerce the Senate. I remember that a former Ambassador from the United States to Germany said, in effect, that he thought it was a good policy. Various persons have written editorials and articles in the press contending that now that the treaty is signed, it would be a catastrophe if it were not ratified. There has been tremendous pressure on Senators who take an opposing view to curtail the debate—pressure from those on the outside, not from Members of the Senate—so that the treaty might be approved and, as it is said, so that we might thus further the cause of peace.

I have explained my motives in going into this matter in the way I have. I had some doubts with respect to the various problems connected with it.

Mr. President, I have no sympathy whatever for communism or for those who stand for that type of government in the world. I have been against that form of government ever since its very inception and since it was presented to the world after World War I. I opposed the recognition of Russia. I believe that Russia was not entitled to recognition, because her word could not be trusted. Presidents of the United States, beginning with Woodrow Wilson and including Harding, Coolidge, and Hoover, had likewise refused to accept Russia into the family of nations and to accord her recognition. That was because of the conduct of Russia. She had refused, as I recall, to give approval to contracts which had been made in the name of the Russian people by a preceding government. Russia had failed to give the necessary assurances that she would not propagandize her way of life and her kind of government. There is something fundamentally different between that government and that ideology and all it stands for and the Christian concept. On the one hand, we have our belief in God, that man is a child of God, that this world and everything in it, including the various governments of men, and all the facilities and blessings that come to us, are for the benefit of man, and that government is only an instrument in the hands of man to help him accomplish a better way of life.

On the other hand, we have the view of the statist government that man is only a pawn, that he lives for the state, and that the state is everything.

Those two views have clashed. I have taken my stand as a Christian against the Russian view.

I do not agree with the criticisms, which have been hurled against this country and the other nations in the North Atlantic Pact, that this treaty is a war-mongering measure. I totally disagree with that view. I believe that the men who have proposed this treaty and who are its principal proponents are sincere; they want peace; they believe this is the best method of achieving peace, following the events of the past, and in view of the present world situation. They are sincere, honest men; and they are not attempting in any way, shape, or form to bring about a war in the world for the benefit of any group. I wish to say that plainly. I may disagree with these men in their views as to the best methods, but certainly I do not subscribe to any criticism of them on the theory that they are seeking to bring about war.

However, Mr. President, in considering a measure of this kind we must face the facts, we must reject any idea that it is proper for use to adopt any proposal without checking to find out just what it means. We cannot act intelligently unless we have all the facts.

That is one of the reasons why I have asked so many questions—to bring out the facts in connection with this entire matter, so that we can get a fair picture of what is proposed, how it will operate, how it will conflict, if it will, with existing treaties, and what it will do for us in the world. I believe the Senator from Michigan also gave us something which we can take as more or less of a slogan, when he said that we must say what we mean and mean what we say. We need, then, a plain statement of truth—all the truth, both pleasant and unpleasant.

What is the situation we face? How did we get into our particular difficulties of today? Let us face the matter squarely.

In World War II we went through an intense struggle. After that war ended, the people were anxious to have their boys returned home. That became somewhat of a political issue, as I remember, in one of the campaigns. We ended World War II with a hope that we were now going to have some kind of organization that would make it impossible for war to occur again. We decided before the war ended that we would set up an organization that would accomplish this purpose. The nations had been called together and there had been activities going on behind the scenes which laid the groundwork for the organization which was finally set up.

But the difficulty about it all was this: We were not given the entire facts. We were not told the entire truth about the number of the nations that were to be brought into the United Nations Organization. That has resulted, in my judgment, in one of the greatest difficulties connected with the whole peace problem. We were not told for instance that one of the nations which was said to be a peace-loving nation was actually, behind the scenes, attempting to grab more and more territory and to advance its claims, contrary to the Atlantic Charter, which had been adopted by these nations. We were not told the truth about Russia, and I believe that is one of the main reasons why we have had our difficulties, because we took Russia into the organization at San Francisco, and, after taking her in, we found that she was not a peace-loving nation.

Mr. President, sometime ago when this problem was before us, I had occasion to talk upon the Greek-Turkey loan. Some of the problems we are now confronted with arose at that time. I referred to the commitments which we had made in the Atlantic Charter and in our declaration of war. At that time I said:

> Mr. President, we made commitments in the Atlantic Charter and in our declaration of war which, together with the repeated blunders and errors of diplomacy and strategy during the war, have placed us in a dangerous situation, from which we dare not retreat any further unless we are willing to confess that we have lost the war and that our future defense will take place entirely from the Western Hemisphere.
>
> Mr. President, I am voting for this bill with the belief and the hope that this is only the first step; that we shall now come back to the first principles as set forth in the Atlantic Charter not only in Greece and Turkey but in China; that we will reverse the action we took in that nation recently when we decided not to take sides as between the Nationalists and the Communists, but decided to get out; that we will redeem our promise made to the Koreans that they shall have their independence; that we shall refuse to make any more agreements with Russia until she gives some evidence that she is willing to honor and respect the agreements she has already made from the days of the Atlantic Charter down to the present time; that as a logical outgrowth of that stand we shall not ratify the treaty with Italy which renders Italy defenseless for a long time to come against a constant threat of the Communist Tito and his government which is a satellite of Russia; that with respect to Germany we make no further agreements of any kind with Russia respecting that nation until such time as Russia honors her past agreements; that we lay all of the facts on the table before the United Nations.

I then said:

> Let us also declare it as our policy that we expect to honor all our agreements and expect other nations to do likewise; that we shall be glad to help Russia attain any of her legitimate ambitions and her necessities by peaceful means. In fact, let us declare to her that as we are a Christian nation, we shall be willing to abide by the doctrine of the Christ, known as the Golden Rule.
>
> By taking this stand, Mr. President, I sincerely believe we can stop the present ideological war and prevent a shooting war of world war III. Half-way measures, in my opinion, will not do. We must go the full distance. This is a case which requires the boldest of action. By any other methods I believe we court disaster, and I say this notwithstanding the fact that we have the atom bomb.

The part I wish to emphasize, Mr. President, in connection with this statement is that it was made in the first place over 2 years ago when I first came to the Congress, and when I pointed out that by reason of the situation we were in, we had to take bold action, that we should call in Russia and the other nations, lay all the facts on the table, and then find out just what could be done with these nations to bring about an agreement. Thus we would have together the various nations with their claims. If Russia, for instance, had claims she legitimately could propose

and urge and justify, they could then be considered. For example, it has been said that one of the age-long needs of Russia has been for a warm-water port. If she required that, then she could present her claim. How much wiser it would have been to allow some of the claims of that kind, to bring about an understanding among the nations. I said at that time we must take the boldest of action. It would have been a bold action to have called in Russia and all the other nations, and to have had presented at that time, in accordance with the Byrd resclution, the views of all these various peoples, and, if we could not come to a satisfactory settlement, either agree upon the dissolution of the United Nations or else get out of it ourselves to form another group to accomplish its original purposes. But by proceeding as we have been, we have moved from one crisis to another until at the present time we are face to face with a complete breakdown of our peace-making machinery.

Mr. President, I do not desire to spend too much time on preliminaries, but I should like to go over some of the treaties and developments of the past, to see whether from them we can get some light that will help us in our present situation. At the close of World War I a League of Nations was organized. We did not join it, it is true, but a sufficient number of nations did join that group to make it a formidable movement for peace. France, Great Britain, the other nations of Europe, all the other powers except Germany and Russia, at the moment, and the United States, became members of the League of Nations. Through the League of Nations they sought to set up a forum to adjudicate differences to the point where the causes of war would be removed. But they did not keep that agreement. They ran into difficulties almost immediately, and they made some kind of a regional pact within the League, the Treaty of Locarno, in which Great Britain, France, Italy, and Germany agreed upon the security of their territorial integrity, and if the territory of any one of those nations should be violated, the other nations would come to its support. Germany did violate the treaty by occupying the Rhineland. France did not enforce it, although she had one of the largest and best equipped armies in the world at the time. But, notwithstanding her overwhelming power, France did not attempt to stop the Germans at that point. Great Britain, a party to the treaty, did not come to her assistance. That is important to keep in mind.

It has been said many times that the failure of the League of Nations was due to the fact that the United States did not become a party. It was not because of the lack of power, the lack of armed force, that the League of Nations failed to succeed, but in my humble opinion, it was because it did not have the will to succeed. Great Britain failed to keep her agreement with France, and France used that as an excuse for not using what power she had to stop the advance of Hitler into the Rhineland. It has been said on this floor repeatedly that if in those days, at the time Hitler was ready to march, there had been an organization similar to the Atlantic Pact he probably never would have marched; the time to stop him was when he made his first attempt when he was testing them and trying them out. The League was a powerful organization, comparatively speaking, which could have stopped him, but the member nations did not have the will. France and Great Britain, two strong member nations, had an opportunity to stop Hitler before he became strong, but they did not do it.

Then we moved on to World War II, and the Atlantic Charter. The Atlantic Charter was a declaration of high and mighty principles laid down by Mr. Churchill and Mr. Roosevelt. They were later subscribed to by other nations which became the United Nations, including Russia and our other Allies in the war. The Atlantic Charter was, in effect, an alliance. What happened to that alliance? It won glorious victories on the land, on the sea, and in the air. We worked together. But when it came to the political and diplomatic field, what was happening? As the war progressed and we reached a point where it looked as though victory were in sight, the men who represented the Big Three nations were having difficulties. We found that as victory appeared certain, disunity among the Allied nations became evident. It has been said that our difficulties grow out of the fact that Russia will not now keep her word, that she has failed to keep her agreements. But let me invite attention to the fact that the Atlantic Charter set forth the principle that the peoples of the world, enemy and ally alike, were to be permitted to live under the type of government they desired—governments of their own choosing, and that there should no longer be great leagues of power or spheres of influence. But behind the scenes Mr. Roosevelt, Mr. Stalin, and Mr. Churchill were having extreme difficulty. They were not living up to the principles set forth in that great document.

Mr. President, I have studied the book written by former Secretary of State James Francis Byrnes, "Speaking Frankly" in which he gives us an illustration of some of the things which transpired. Just before the foreword of the book—the pages are not numbered—there is a sample page of the shorthand notes taken by Mr. Byrnes at Yalta on February 9, 1945, and on the next page there is a transcription of these notes. It is a very interesting and curious document. It brings to light a situation which I shall develop with respect to other agreements which have been taking place. It may throw some light on the undesirability of an alliance with nations who take their word so lightly.

I quote from this report of the conference given by Mr. Byrnes:

Mr. Stettinius reads from a report:

"I have a brief statement as to Dumbarton Oaks. 'It is agreed that five governments which have permanent seats on the council should consult each other prior to the United Nations Conference as to the establishment of trusteeships.'"

Mr. CHURCHILL. I absolutely disagree. I will not have one scrap of British territory flung into that area. After we have done our best to fight in this war and have done no crime to anyone I will have no suggestion that the British Empire is to be put into the dock and examined by everybody to see whether it is up to their standard. No one will induce me as long as I am Prime Minister to let any representative of Great Britain go to a conference where we will be placed in the dock and asked to justify our right to live in a world we have tried to save.

The PRESIDENT. I want Mr. Stettinius to finish the sentence he was reading because it does not refer to the matter you have been speaking about.

Mr. CHURCHILL. If we are out I have nothing to say. As long as every bit of land over which the British flag flies is to be brought into the dock. I shall object so long as I live.

Mr. STETTINIUS. The only thing contemplated as to territorial trusteeship is to provide in the Charter of the world organization the right to create a trusteeship if it desires to do so. Later on, we have had in mind that the Japanese mandated islands be taken away from the Japanese. We have had nothing in mind with reference to the British Empire.

Mr. CHURCHILL. So far as the British Empire is concerned, we ask nothing. We seek no territorial aggrandisement. If it is a question solely of dealing with enemy territory acquired during the war, it might be proper to put them into some form of trusteeship under the United Nations.

In that statement written by Mr. Byrnes we have a picture of what was going on. Notwithstanding the fact that the Charter had declared that peoples of the earth—and Great Britain had many of them under her control throughout the world—were to be free to choose the governments which were to rule over them, here was a refusal to even consider the solemn pledge made in the hour of Great Britain's peril. Here was an example of Mr. Stalin, upon which he was quick to capitalize. He likewise had his own ideas regarding the Atlantic Charter, although his own country had become a party to it.

We could go into other matters connected with the transactions behind the scenes in the political and diplomatic field, but this one, I think, illustrates the point I am trying to make—namely, that allies will stick together when the necessity is present, when the emergency is on, but they will rapidly forget their pledges the moment pressure is removed.

To recapitulate, Mr. President: Great Britain, after the pressure was off, deserted France, her Locarno partner. France would not enforce her rights in the treaty. She allowed Hitler to make the first advances, and then World War II was well on its way. Of course, it did not happen all at once; there was one step after another. Thus, the League of Nations failed—not because the League was not a proper instrument for peace, but because the member nations, individually and collectively, failed to enforce that pathway to peace.

Mr. President, the untruth has been spread over the world that the League of Nations failed because the United States refused to carry out its obligations and the promises made by Woodrow Wilson. I think an investigation of the facts will show clearly that it failed because the nations belonging to it did not have the will to carry out its provisions for peace. They all had their own selfish interests, and the moment the pressure of national

interests outweighed the general good each nation went its own way in pursuit of selfish policies.

It has been said, Mr. President, and I think it has not been successfully contradicted, that Great Britain at that very time was giving encouragement to Hitler and to Hitler's Germany, to counterbalance Russia's power. The British Government did not like Communists at that time any better than it likes them now, and so encouraged Hitler.

Thus, there were two occasions of broken pledges. The first, the treaty of Locarno; the second the Atlantic Charter, when Great Britain, through Mr. Churchill, walked out on one of the charter's most important principles; Stalin followed suit, and the President finally acquiesced. What was done in those secret meetings when Churchill and Stalin took their selfish nationalistic courses and the President acquiesced, has had a profound effect upon the history of the world. We hope we can overcome these mistakes, but we do not know.

Let me interpolate, Mr. President, by referring to the Greek-Turkey loan and to the so-called Truman doctrine. It should be kept in mind that all President Truman was doing and all the Congress was doing in adopting that policy was to return to the principles of the Atlantic Charter, according to which these two nations, Greece and Turkey, should be permitted to live in peace, and not be dominated or invaded by any large power. None of those sections of the earth under the domination of Great Britain were touched. Churchill said "No," and he was only indicating the truth of the statement that he did not become the King's Minister to sit in on the liquidation of the British Empire.

Mr. President, notwithstanding all that, notwithstanding the agreement at Yalta, to which the senior Senator from Michigan referred the other day in his address—and we had not done well at Yalta—notwithstanding all that, the American people were not told the true situation. We were not told, for instance, that Russia had made these claims; we were not told that, in effect, we had to bribe her with other peoples' territory, without their consent and without their knowledge, to keep her in the war. We let her have a part of Poland. We ratified the agreement she made with Hitler when she marched into Poland after the Germans had taken over. In effect, more or less, without saying so, we finally ratified what Russia had done with the minor Baltic states. We gave her a special sphere of influence in the Balkans, including Czechoslovakia, Yugoslavia, and the other countries. Then, as the greatest blunder, we permitted her to take over in the Far East special privileges in Manchuria, recognizing her rights to the railroad, and special privileges and status she had there, including the two ports which were given to her, together with the Kuriles. All that was done to entice her into the war.

What kind of a nation were we dealing with at that time? That is a natural question. Did not the President know? Did not Mr. Churchill know the kind of a nation we were dealing with? Did he not know how they were thinking, and that they had completely abandoned all the principles of the Atlantic Charter? Then why were we not told the truth? One of the reasons why I have been skeptical of this whole situation is that we were not told the truth in those days. We were not told that Russia could not be trusted, that she was not a peace-loving nation, that she did not subscribe, in practice and effect, to the principles of the Atlantic Charter. But we invited her, we did everything we could, we even bribed her to come to San Francisco, and there enter into the United Nations Organization. We permitted her to have extra votes. We did everything we could—and when I say "we" I refer to those on the inside conducting the foreign affairs, who knew what kind of a nation they were dealing with, or had occasion to know. We invited Russia in, and framed the organization. I am not criticizing the men who were there and did the splendid job of working out the organization, and getting the Charter ratified by the delegates, after bringing them into agreement. But the leaders knew the conditions; the State Department knew. President Roosevelt had passed on in the meantime. President Roosevelt thought he could bring them into line, as he told Mr. Bullitt, who published the story in Life magazine a year ago. He said he thought he could give them everything they wanted during the war, and later they would come into the new organization and work for peace. We took them in, and from that moment on we have had our troubles. We have had troubles which have gradually culminated in the grave crisis of today.

Mr. President, after the armistice, the American people demanded that the boys be brought home. That was only natural. They wanted them back. They were told we were now setting up an organization that would bring about and preserve peace. We were told in effect that it would be safe to bring the boys home. Relying upon that, they were brought home. The administration in power did not tell the people the truth; it did not have the courage to say, "With what we know, it is not safe to bring these boys home. We will not get a treaty with Russia and the satellite nations unless we have a force there." We brought the boys home and left a vacuum, and the Russians proceeded to march in as far as they could. Ever since that time we have been trying to regain what we abandoned. I have pointed out the part England played in the abandonment of the Atlantic Charter. But she is in the United Nations, and I think is attempting to live up to all the principles of that organization.

Then we came along with the Marshall plan. The Marshall program provided certain things which were to be done by the nations we were helping. They were to cooperate in promoting trade relations, interchange of goods and services, leading finally to a common currency between the 16 nations participating in Europe. But we now find we are running into difficulty. The national necessity overcame the promise for the general good again, and we found Great Britain in such a condition that we had to apply some pressure recently to get her to agree to certain arrangements which had to do with the spreading of credits by making her money available to others.

Whether or not the present crisis is a manufactured one, used for the purpose of putting pressure on us to do away with that agreement, or to get us to be easier with her, or whether it is to stir up interest in a greater appropriation for ECA funds, I do not know. At any rate, we now have another example of a nation doing whatever is necessary for their national existence.

In addition to that, notwithstanding we were trying to bring about a condition under which world trade would be open and free to the nations, with no monopolies, no cartels, nothing of that kind, we find Great Britain, although she is one of our principal allies in the North Atlantic Treaty, under the spur of necessity, going to South America and making an agreement with Argentina. We can go on and find that time and time again throughout history, nations, when they get to the point where they think they no longer need an alliance, abandon it.

Now, after all that, we come to the North Atlantic Pact. It has been said of all these organizations that they were our last best chance for peace. I quote from the President of the United States in a message on the United Nations Charter. This is only a sample, but it is a good one of the position which has been taken from time to time:

> The choice before the Senate is now clear. The choice is not between this Charter and something else. It is between this Charter and no charter at all.
>
> Improvements will come in the future as the United Nations gain experience with the machinery and methods they have set up. For this is not a static treaty. It can be improved—and, as the years go by, it will be—just as our own Constitution has been improved.
>
> This Charter points down the only road to enduring peace. There is no other. Let us not hesitate to join hands with the peace-loving peoples of the earth and start down that road—with firm resolve that we can and will reach our goal.
>
> I urge ratification. I urge prompt ratification.

Mr. President, there were numerous declarations in the Senate largely to the same effect. That has been said as to each of the organizations which have been set up, that each one of them was our last best chance for peace.

We now know that the United Nations is not succeeding, and the best evidence in the world of that fact is the proposal for the North Atlantic Treaty.

Why has not the United Nations been successful? Has it been because of the veto provision? Some have made that point. They have said, "Oh, if only we can change the mechanism so there cannot be any veto, then everything will be all right, and we can work together successfully."

Mr. President, I think we should consider that situation very seriously. In the first place, the probabilities are that the United States would not be in the United Nations if there were not a veto provision in the Charter, because under the Constitution of our country we have

never trusted to the majority vote or a two-thirds vote of a group of nations, in matters which were of great importance to the United States, to make a decision respecting them. So probably the Charter never would have been ratified by the Senate of the United States had not the veto provision remained in it. Suppose the veto provision was not contained in the charter; suppose a decision was made by the United Nations that, for instance, Russia was bringing about conditions, or had brought into existence conditions which would endanger the peace of the world, such as what she has done with respect to Poland, or what she has done by way of making certain moves in other directions; assume the Council or the Assembly, whichever one had the power, without the veto, were to make a decision that Russia must abandon certain territory, must cease and desist from what she was doing, Russia would simply say. "Well, you have made that decision. Now what are you going to do about it? We disagree with the decision."

We have a police force. We have armies. Assume the police force, and the armies are now ordered to enforce the decree of the United Nations. We all know what would then happen. We would have civil war within the United Nations. There would then be in prospect the same kind of war we now have in prospect.

Mr. President, the North Atlantic Treaty points up the fact that we have a complete split, and that two factions, the east and the west, are now sparring for position, ready for the next struggle, unless they can find some way of getting together. We cannot give in to Russia. We cannot accept her ideology. We cannot accept her program in any sense of the word. It is contrary to everything in which we believe. Russia will not accept ours. So we meet head-on in a clash.

The proposal we now have before us is to ratify the North Atlantic Treaty. It is contended that it will be the greatest deterrent to war ever devised. That is a catch phrase. I should like to go along with all the slogans that seem so interesting and promise so much but, from observation, we have found result in so little.

Mr. President, I do not want to make a mistake by condemning or approving any organization that gives any promise of being the greatest deterrent to war ever devised. But I submit that in the world as it now exists, and as it has existed over the centuries, any organization which has had force as its weapon to bring about peace has never been able to bring about a permanent peace, and has been able to continue only for a short time under a condition of comparative peace, and then it has met in a head-on clash with those believing otherwise, and then we have had wars.

We must have in such an organization those who are converted to the rights of men, who, in other words, believe in the Christian philosophy and the Christian way of life. In my opinion the United Nations has failed to accomplish its major purpose because it was not made up of nations all of whom believed in the Christian philosophy and the Christian way of life.

Peace cannot be forced upon peoples. Peace cannot be forced upon the individual. Peace for the individual comes from within himself. Peace comes about through recognition of the rights of humanity as exemplified by the teachings of Jesus of Nazareth. Until we come to the time when the majority of the people of the world are converted to that form of life and believe in that way of life and insist upon that way of life we will never have universal peace. Force can never bring it about. Force may for a time postpone war; but in the end, as the Master said, "For all they that take the sword shall perish with the sword."

Mr. President, I have outlined some of the situations we now face, and the reasons why we are not making progress for peace. Russia is a member of the United Nations. We now find that she should never have been a member. I have a strong feeling within my heart that the men and women who sat together at San Francisco and framed the Charter of the United Nations would, had they known the full truth, have said, "No; the United Nations can never succeed with that group in it, because they have violated all their agreements in the past. They do not have the high objectives we have, and by their past records we know that with them as members there will be nothing but disappointment and disillusionment if we take them in as members of the United Nations."

In the meantime the United States had brought home her troops. We had demobilized. Russia had not. Then we faced an impossible situation in Europe and other parts of the world.

There are some other observations which probably should be made in connection with that general situation. By reason of failure of our diplomacy we ran into the Berlin blockade. I am not now speaking in a critical sense nor am I blaming anyone personally, but we overlooked doing some of the things we should have done. We permitted the Russians to take over the city of Berlin, although we had certain rights there. So we finally had no way of getting into Berlin or out of Berlin. That is a situation which is well known to the world.

What we do not seem to realize is the strategy Russia has been using. When she enforced the Berlin blockade—and I believe some military men will bear me out in my statement—she was probably creating a holding situation there to divert our attention from what she was doing by way of infiltration and by extension of what she had been given through the Yalta agreement in China and in other parts of Asia. While our attention was centered in Berlin, we withdrew help from China, which we had promised her, and by our futile attempts to bring the Communists into the Chinese Government we rendered Chiang Kai-shek impotent to defend his country. Meanwhile, we sat here watching the Berlin blockade. Russia maneuvered us into this position and eventually carried out her purpose in Asia and in the East, and has now put us in a position more desperate than we have been in during many years of our history.

I want to take up now some of the phases of the treaty. I do not propose to enter into a technical discussion of it, but I wish to speak of one or two of the phases which I think deserve critical analysis by this body. With the general objectives of the treaty no one can disagree. I mean by that, no one can disagree with the high principles behind the treaty. I distinguished between them and the methods which are outlined in the treaty for carrying out its provisions.

I read from the committee report:

> The primary objective of the treaty is to contribute to the maintenance of peace by making clear the determination of the parties collectively to resist armed attack upon any of them.
>
> It is designed to strengthen the system of law based upon the purposes and principles of the United Nations. It should go far to remove any uncertainty which might mislead potential aggressors as to the determination of the parties fully to carry out their obligations under the Charter and collectively to resist an armed attack.

We might go on and read all of the general objectives, and say we agree with them.

Then we come to article 2. I directed a number of questions to witnesses who appeared before the Committee on Foreign Relations respecting this particular article.

The article reads:

> The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

What I particularly desired to know was whether or not this bound us to any particular type of economic policy, whether it meant the abandonment of any tariff policies, or whether it meant that we had to join the International Trade Organization. The senior Senator from Michigan [Mr. VANDENBERG] interprets this particular article to mean that we are not bound to do any of those things, to make any of those abandonments, or in any way to order our economic life. I am inclined to agree with his interpretation. After having done so, I wonder why the article is in the treaty, if it does not mean anything. I asked a number of witnesses, including Mr. Lovett, the Under Secretary of State who helped to negotiate the treaty, what it meant, and he could not point to any specific thing that it meant. I believe other Senators questioned other witnesses. Out of it all we did not get a clear picture of what the article meant. It certainly means something. There must have been some purpose in putting it in the treaty. It says:

> They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

That is a rather broad power in an agreement. It is not specific at all. It

may mean one thing or it may mean something else. When the treaty becomes the law of the land, if it does, the President of the United States will have to do the best he can in interpreting just what that article means. If it does not mean any kind of interference—and that is what the Foreign Relations Committee now says—then it seems to me it is meaningless, and has no real purpose in the treaty. Personally I think it should be stricken out, and I intend to offer an amendment to strike article 2 from the treaty. If any Senator has an idea what it means, or what it seeks to accomplish in the way of a specific program, he should come forward with it. Otherwise the article is unjustified. I see no reason why any agreement of such importance should have in it such broad powers without having them more or less defined.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. WHERRY. Is it the Senator's request that he not be interrupted?

Mr. WATKINS. I do not mind. I have been wandering somewhat.

Mr. WHERRY. I am very much interested in the point which the Senator is discussing. Could this article refer to the mutual aid which is to be received by the various countries? Could it mean the elimination of economic barriers?

Mr. WATKINS. Referring to another article in the treaty?

Mr. WHERRY. No; article 2.

Mr. WATKINS. Article 2 says:

> They will seek to eliminate conflicts in their international economic policies—

Mr. WHERRY. Yes.

Mr. WATKINS. The Senator is speaking of mutual aid, which comes in another article.

Mr. WHERRY. I am speaking about conflict in their international economic policies. I am thinking of the countries under ECA attempting, if they carry out the purposes of ECA, not only to eliminate trade barriers to international trade between other countries and themselves but eliminating all the obstacles to the development of a free flow of trade among themselves. Is there any relationship between that thought and article 2?

Mr. WATKINS. Does the Senator mean by that the parties to the treaty would seek to build up a situation in which they would profit at the expense of nations outside the treaty? Is that the thought which the Senator has in mind?

Mr. WHERRY. I am asking if there is any connection. I do not know. The Senator has given a great deal of thought to the subject. He says that article 2 is meaningless. I wonder if there is not some reason for the article. Could that be one reason?

Mr. WATKINS. I might give the Senator the benefit of an off-the-record observation, without naming the person who gave me the idea. It has been stated that the principal reason for putting article 2 in the treaty was to tie it in with the United Nations, to be a little more certain that the pact would be a part of the United Nations Organization. As I understand, article 2 is largely a repetition of language in the United Nations Charter. But, as the Senator from Missouri [Mr. DONNELL] pointed out yesterday, it goes further than the pledge or the language of the United Nations Charter. It seems to me that it is open to a great many interpretations, depending upon the point of view of the President or the Secretary of State who happened to be in office at the time the article came up for interpretation. That is the reason why I gave the question some attention. I wanted to find out exactly what the proponents of the treaty had in mind, what situation they wanted to correct, specifically, and not in general terms. I could not find out. When there is something in a contract with respect to which no one knows the purpose, or something which merely states general platitudes, the best thing to do is to take it out of the contract. Unless there is some definite purpose in it, or unless it can be tied to something, we should get rid of it. That is why I believe that an amendment striking article 2 from the treaty should prevail.

We come next to article 3, which is causing considerable discussion at the present time. I understand that many Members of the Senate have in mind that the interpretation of this article may determine their vote on the treaty. Many of them feel that implementation of the treaty at this time would be beyond the ability of the United States to carry out, that it would be too big a load, and for that reason it should not be adopted, if there is any pledge in that article which would bind the Congress to implement it. Let me read it, so that it may be in the RECORD:

> In order more effectively to achieve the objectives of this treaty, the parties separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

We have heard the words of the distinguished chairman of the Foreign Relations Committee [Mr. CONNALLY], and of the equally distinguished Senator from Michigan [Mr. VANDENBERG], to the effect that there is no particular binding power or commitment in that article which would mean that a vote for the pact would bind or commit any Senator to a position in which he could not use his free will.

Let me refer to the testimony, which was referred to yesterday in a general way. I invite attention to the statement of Mr. Acheson, when this point was presented to him. When he was testifying before the Foreign Relations Committee, the following occurred:

> The CHAIRMAN. There is some argument and debate as to whether or not a vote for the treaty carries with it any obligation or duty to vote for the arms program at a later date. Is there anything in the treaty itself that binds the United States even to adopt the military program? I mean explicitly. The general phrase "mutual self-help" is that upon which I suppose they base their argument.
>
> Secretary ACHESON. Yes, sir. That question is one which it would be pleasant if one could answer "Yes" or "No." I think it requires a very clear understanding.
>
> There is something in the treaty which requires each Member of the Senate, if you ratify this treaty, when he comes to vote on the military assistance program, to exercise his judgment less freely than he would have exercised it if it had not been for this treaty. No Member of the Senate, after the treaty is ratified, in exercising his judgment, can properly say to himself, "I do not believe in the principle of mutual assistance. I think that principle is silly and I will put it out of my mind." That should not be done, because by ratifying this treaty you accept that principle, and that principle exists.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. WATKINS. I yield.

Mr. WHERRY. I have noted the colloquy which the Senator has pointed out. On page 27 the chairman of the Foreign Relations Committee, the senior Senator from Texas [Mr. CONNALLY] made the following statement:

> I do not want to labor the point, but I wanted the record to show that I do not quite go with you that far. I think, after all, it is a matter of judgment and conscientious conviction of each particular Senator casting his vote.

Secretary Acheson replied:

> Of course, Senator CONNALLY, that is right. It is not my function or place to be stating what should move Senators in their votes. I was trying to respond to questions in a responsive way, and to give what I thought was the intellectual relation between this treaty and some other proposal. Obviously I think I have made it very clear that there is no obligation on anybody to vote for the forthcoming proposal on the arms program because he votes for this treaty.

That is a statement by Secretary Acheson.

Mr. WATKINS. All I can do is quote Acheson against Acheson.

Mr. WHERRY. I simply wish to point it out to the distinguished Senator, because I am one of the Senators who are having trouble with this one point. We have here not only the testimony of the Secretary of State but the unequivocal statement of the chairman of the committee and of the ranking minority member of the committee, as I understand them—and I should like to be corrected if I am in error in this matter—that if a Senator votes for the pact, he will not be under obligation to vote for implementation of the pact by means of supplying arms.

If that is not the correct interpretation, I should like to have the chairman of the committee or the ranking minority member of the committee correct me, because it is on this point, at least, that I am bothered considerably.

Certainly the Secretary of State very unequivocally states, following that testimony, that there is no obligation upon a Senator who votes for the pact to vote for arms implementation legislation.

After all, in connection with the interpretation of legislation which is enacted, it is always customary to read the CONGRESSIONAL RECORD to see what the chairman of the committee and the ranking minority member of the committee said about it, because that is the way to arrive at the legal interpretation of legislation that is enacted.

Mr. WATKINS. Let me say that the treaty is the work of the State Department and of the similar departments of the other 11 governments. The treaty is not the work of the Senate Foreign

Relations Committee—with all due respect to our Foreign Relations Committee, which, of course, has been consulted regarding the treaty. Nevertheless it is important to realize that in this case we have the statement of Mr. Acheson and then apparently a contradictory statement by Mr. Acheson, and then we have the conduct of the parties to the treaty. Of course, one of the best ways to find out what something means is to find out how the parties connected with it act.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Utah yield to the Senator from Nebraska?

Mr. WATKINS. I yield.

Mr. WHERRY. I deeply appreciate the Senator's courtesy.

As I understand the matter, the State Department formulates treaties, and they are then submitted to the Senate for ratification. So there is nothing unusual in having the treaty drafted by the Department from which it comes to the Senate.

What I am interested in is how the treaty will be administered and who will administer it. One of those who will be responsible for its administration is Mr. Acheson. When the Secretary of State said, in effect, "Here is a question which I should like to answer 'Yes' or 'No,'" I wish he had answered "Yes" or "No"; but he did not do just that, for he continued and stated that there is a limitation, and that if a Senator votes for the pact he will not be free to give such subsequent questions the consideration which otherwise they might be given. But later the Secretary of State made the positive statement that a Senator can vote for the pact and not be obligated, either morally, legally, or otherwise, to vote for the arms implementation legislation.

That point interests me very much. I appreciate greatly the address the distinguished Senator from Utah has presented to the Senate today. He is one of our very able lawyers, and he has given this matter a great deal of attention.

The final remark he made was that in this connection we must take the whole situation into view, the way the witnesses testified, their conduct, and so forth and so on.

Mr. WATKINS. I go further than that; I am considering the conduct of the other parties to the contract, the European nations and their representatives who were here in Washington. I also consider the conduct of the Secretary of State himself. I consider how all of them acted with respect to that particular matter and difficulty just as soon as the treaty had been signed. I wish to call attention to that.

Mr. WHERRY. Does the Senator from Utah have other observations on that point which he expects to present to the Senate?

Mr. WATKINS. I wish to make this observation now: The treaty had just been signed when the men who were in Washington, representing the other parties to the compact, had a complete program for military assistance and had already presented their requests. In that connection, they had stated what they needed, and apparently there had been an understanding about it. As I recall, articles in the press stated that Mr. Acheson had said the State Department had not made a commitment, because it could not commit the United States to any program, but that the State Department had made an agreement, in effect, with the representatives of the other nations to present to the Congress what they wanted. That was how they acted under the treaty. Mutual aid means help, and they had come to the United States to get help. They were in need of help. That was one of the reasons for the treaty. Their defenseless position in Europe is one of the real needs for the treaty.

When we vote for the treaty, thus saying that we agree to give them mutual aid, they will expect to receive it, and we shall be the ones who will give it.

Immediately after the treaty was signed, the Secretary of State and the representatives of the other parties to the treaty got together, and at that meeting the Secretary of State was urged to present an aid program to the Congress, although he then said that he could not commit the Congress as to the amount of aid that would be supplied. Nevertheless, the position is taken that once we ratify the treaty, we are committed to give them aid. How much aid and when and where it is to be given will be questions to be left to us to determine; but I take it that, if the treaty is ratified, we shall be committed to give aid to the European countries that are parties to the contract, although the exact amount of the aid and the other details will be left to us to determine.

Mr. WHERRY. Mr. President, will the Senator yield at this point?

Mr. WATKINS. I yield.

Mr. WHERRY. I appreciate the Senator's answers, and I am trying to clarify this matter.

Mr. WATKINS. I should also like to point out how someone else looked at this matter while it was going on. I do not say that I agree with the observations carried in the newspapers, but the following editorial, which I shall read, in part, appeared in the Christian Science Monitor of April 28, 1949:

> The administration has made a major decision in the treaty fight.
>
> It has decided that it is better to face a larger degree of possible opposition and make the obligations of the unprecedented world commitment plain than to get the measure through the Senate with a minimum of opposition without letting the public know exactly what it is in for.
>
> This decision accounts for the frankness and explicitness of Secretary of State Dean Acheson's testimony of April 27, which made both Senator TOM CONNALLY, Democrat, of Texas, and Senator ARTHUR H. VANDENBERG, Republican, of Michigan, visibly squirm. They are the men responsible for piloting the measure through the Senate. In the view of Senator CONNALLY, at any rate, who is chairman of the Senate Foreign Relations Committee, it would have been just as well to leave the sharp edges of the treaty blurred and the moral commitment to supply force, if necessary, fuzzy.

That is what that newspaper had to say about the matter. That newspaper had its trained observers there.

I think it was somewhat of a surprise; but the administration has never backed down for one moment from the claim that we are committed, except for that one contradictory statement—and I think it is contradictory.

So the original statement of the Secretary of State is contradicted. His conduct actually contradicts what he said, and the action of the representatives of the other 11 nations to the pact contradicts what he said.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. WATKINS. I yield.

Mr. WHERRY. Yesterday the Senator from Vermont [Mr. FLANDERS] used as a comparison a "Do not enter" sign placed in a street. I asked the Senator from Vermont what happens when a person comes to a "Do not enter" sign. He said that of course I would know the answer, and that it is necessary to resist with whatever force is required.

Here is my question: In view of the observations the Senator from Utah has made, does he mean that it is his interpretation that if a Senator votes for the pact the force must be forthcoming before the "Do not enter" sign is reached; or does the Senator mean that the force will come afterward? I mean, are we obligated now to produce forthwith, upon the ratification of the pact, the necessary force, or can we wait and decide after the "Do not enter" sign has been violated what force is necessary?

Mr. WATKINS. I may say the whole theory of the treaty was eloquently expressed by the Senator from Michigan and by witnesses who appeared on behalf of the Government. The whole thesis of the treaty, the purpose of the treaty, is to have an irresistible force, an overwhelming force ready at the moment an attack comes. I submit that cannot be done afterwards, it has got to be there when someone gets ready to go into the do-not-enter territory. So there cannot be any possibility of doubt about that. It has been emphasized time and time again by the witnesses, although they have said at the same time, almost in the same breath, that there is no commitment.

Mr. WHERRY. Does Secretary Acheson commit us to that policy? I did not attend the meetings of the committee. I have gone through the reports pretty thoroughly, and I am merely using that illustration again, because I have been led to believe that the resistance can come after the attack is made, and the Congress will have full authority to determine what force is needed and when it shall be made available. If the interpretation of the distinguished Senator from Utah is that the minute we sign the pact it becomes our duty to provide a force which may then be necessary to resist an attack, it certainly looks to me as if the arms-implementation feature is inseparably connected with the pact itself.

Mr. WATKINS. The Department of State, I think, understood that it was inseparably connected, and they were

ready to present it to the Senate at the same time the treaty was presented.

Mr. WHERRY. Is that in the evidence?

Mr. WATKINS. It was in the press, of which I think the Senator has taken notice.

Mr. WHERRY. I have seen it in the press.

Mr. WATKINS. It was asserted that there was a warm discussion between the Chairman of the Foreign Relations Committee and the Secretary of State, or the Under Secretary, as to whether the request should be presented at that time. There was some resentment, so the press said, on the part of the chairman of the Foreign Relations Committee, when they insisted it ought to be presented. I cannot for the life of me see how the treaty is any good unless it makes some commitment. Otherwise it will not have any teeth in it, and it will be idle to say we are going to stop a war or prevent an irresistible attack. If we are not going to get ready for such a contingency, what are all these defensive measures for? If when we vote for this program we must take into consideration an interpretation of all the surrounding circumstances and discuss every phase and every section of the treaty, it seems to me the conclusion is irresistible that there is a commitment, and when I vote for the treaty, if I should vote for it, I feel that I am obligated to do something to help the other parties to it. I am not going to give them a stone when they ask for bread.

Mr. DONNELL and Mr. MALONE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. WATKINS. I yield first to the Senator from Missouri.

Mr. DONNELL. I do not want to take precedence over the Senator from Nevada, but it occurs to me at this moment that, in addition to the points the Senator from Nebraska has made, the expression of the Secretary of State, which has been so well indicated this afternoon by the Senator from Utah, coupled with the very grave effort on the part of the Secretary of State constantly to differentiate between the obligations under the treaty and the obligations with respect to military implementation, it is perfectly clear, as I see it, that there is a carefully designed—I am not saying it is dishonest, by any means—a carefully thought-out policy of using language which will endeavor to differentiate the two; and yet in the document from which I quoted yesterday, Foreign Affairs Outlines Building the Peace, prepared by the Department of State, No. 22, issued in May 1949, no human being, in my judgment, can read it without coming to the conclusion that, with all this care of differentiation made by the Department of State, they are, in effect, treating the North Atlantic Pact and the military implementation as practically inseparable. If the Senator from Utah will permit me, by unanimous consent, I should like to read just a few words from the document.

Mr. WATKINS. I yield.

Mr. DONNELL. In this document the Department of State says:

> As of now, the inadequate defenses of western Europe invite military aggression, and increasing prosperity makes it a prize all the more tempting.

Then, Mr. President, listen to this:

> Not until we—

"We" means the United States—

> Not until we share our strength on a common defensive front can we hope to replace this temptation with a real deterrent to war.

We are told that this treaty is the greatest deterrent to war that can possibly be devised, and yet the Department of State says, "Not until we"—note the time element there—"Not until we share our strength on a common defensive front can we hope to replace this temptation with a real deterrent to war."

It then continues:

> The North Atlantic Pact is an agreement on the policy of a common defense; its very vital—

What does the word "vital" mean? It means life giving, does it not?—

> its very vital corollary is a program of military aid.

In other words, despite the carefully guarded language of the Department of State, or of the Secretary of State, in one breath saying what he did earlier, and in another breath very carefully pointing out that there is no obligation, he does realize, as he must realize, that there is no such freedom on the part of Congress, after the treaty is executed, as existed before.

The Department of State says:

> Its very vital—

That is to say, Mr. President, life-giving, the thing that gives life to the treaty, makes it not merely a dead instrument—

> Its very vital—

And I underscore "vital"—

> Its very vital corollary is a program of military aid.

Mr. President, I mentioned yesterday what a corollary is. It is defined in the dictionary. I hope it is not too old-fashioned merely to mention the dictionary once in a while. It is a proposition following so obviously from another that it requires little or no demonstration. This vital proposition, the one that gives life to the treaty, without which the treaty has no life, is the proposition of military implementation.

Now, Mr. President, and I ask the Senator's pardon for imposing so much upon his good nature——

Mr. WATKINS. That is all right.

Mr. DONNELL. But may I call attention, in corroboration of the earlier statement made by the Secretary of State, when he responded promptly and without the opportunity for further thought, as to the clear and definite demarcation and discrimination which is so carefully preserved—in corroboration of his earlier thought, this document which I hold in my hand itself indicates most clearly, as I tried to point out yesterday, this obligation. I shall take only this one moment of the time of the Senator further. In this document he says:

> Article 3 does not obligate the United States to provide any definite—

Why is the word "definite" used?—

> to provide any definite amount of military assistance or to make any specific contribution.

The very fact that the word "definite" is used, the very fact that the word "specific" is used, is in itself proof that the Department of State considered article 3 as obligating the United States to do something, otherwise there would have been no need for using those words. He could have said, "Article 3 does not obligate the United States to provide any amount of military assistance or to make any contribution." But no; what he said, and that is as far as he goes, is that article 3 does not obligate the United States to provide any definite amount or make any specific contribution.

Why, of course, it does not. That is for Congress to decide. Then what does the Department of State say in this document?

> It does, however, obligate the United States, as it obligates every other member of the North Atlantic Pact, to adhere to the principle of mutual aid and to exercise its own honest judgment in contributing what it most effectively can to implement the mutual-aid principle.

Does that express any doubt that it is our obligation to contribute something? He states, obviously that we are obligated to contribute something, and it will be seen in the next sentence what he has in mind as the most effective thing to contribute. He says only that it is left open to us to decide at the time what the amount is, what the specific sum or the specific amount is. Continuing, after what I have read, the Department of State says:

> It is the opinion of the executive branch of this Government that the United States can best contribute to the collective capacity for defense—

And that is the collective capacity for defense of the North Atlantic area—by what?—

> by providing military assistance, and it is the recommendation of the executive branch that it should do so. It is also the opinion of the executive branch that the provision of assistance will become a powerful factor for assuring success on the aims of the pact.

Mr. President, obviously those who designed the pact wanted it to be successful. Obviously they wanted it to have some life, to be vital. But the Department of State says that the very vital corollary, a proposition that follows so obviously from another that it requires little or no demonstration, is a program of mutual aid, and the statement of the Department is that the pact obligates the United States, as it obligates every other party to the pact, to adhere to the principle of mutual aid. Then there follows the opinion of the executive branch as to the best method of contributing to the principle of implementation. The Department of State says that the pact

obligates the United States to exercise its own honest judgment, in what?—

In contributing what it most effectively can—

It does not say what, if anything—

In contributing what it most effectively can to implement the mutual-aid principle.

Then it expresses the opinion of the executive branch that military aid is the most effective method.

To my mind, all this careful linguistic attempt to differentiate between the pact on the one hand and military operation on the other is thrown out the window.

This interpretation by the Secretary of State is precisely what he said and what the Senator from Utah read at the outset, when the Secretary of State involuntarily, so to speak, responded and said:

Of course, we are under some obligation which we were not under before.

He speaks of individual and collective capacity to resist. To resist what? Armed attack? How are we to resist armed attack without some military contribution? If there ever was a treaty which obligated us to contribute what we honestly and reasonably think best, and imposes an obligation on us to contribute military assistance—I say if there ever was such a treaty, this one is the one.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of the remarks of the Senator from Utah [Mr. WATKINS] the entire Document No. 22, prepared by the Department of State and promulgated in May, 1949. I ask that it be set forth in full.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Without objection, it it is so ordered.

(See exhibit 1.)

Mr. WATKINS. Mr. President, it would seem to me that if Mr. Acheson is correct in his contradictory statement there is no obligation on the Congress to give mutual aid and assistance. I have already asked that the article should be stricken if it does not mean anything. If it is not an obligation, let us take it out, because it may cause trouble later on. We will find out, whether it means anything or not, if a motion is made to eliminate it. There will be strong opposition to such action. The whole theory of the treaty is that we need all the help in the present circumstances of the world that those nations can give us. The situation now is that they cannot give us very much. We are not over there asking for help; they are here asking us for help. Secretary Johnson and Gen. Omar Bradley told us about the amount of money involved. The two subjects had always been considered together, until someone got the idea that it was the wrong strategy to bring the pact in with an arms implementation. Then it was considered that the two were not related, not on speaking terms.

PLEDGING ARMS WITH THE PACT

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WATKINS. I yield for a question.

Mr. MALONE. I should like to ask the distinguished junior Senator from Utah, in view of the fact that we have listened for several days to the vehement denials that there is involved an obligation to furnish arms, if there is anything in the pact which prevents us from furnishing arms to Europe?

Mr. WATKINS. Anything in the pact which will prevent our furnishing arms? Did I correctly understand the Senator?

Mr. MALONE. Yes.

Mr. WATKINS. If there is, it is very carefully concealed. On the contrary, it is all the other way.

Mr. MALONE. It has seemed to me that the gentlemen protest too much; however, I should like to ask the distinguished Senator another question, if he will yield further.

Mr. WATKINS. I yield.

Mr. MALONE. Is the distinguished junior Senator from Utah familiar with the fact that in 1942 England made a nonaggression pact with Russia, signed by Anthony Eden, representing Great Britain, and by Molotov, representing Russia, and that in 1944 an almost identical pact was signed by Molotov and a representative of France? These pacts contain almost identical language, in some respects, as is contained in the North Atlantic Treaty which the Senate is being asked to ratify and were signed in Russia. I shall read the language, first, and then ask the junior Senator from Utah a question:

Article 6 contains this language:

The High Contracting Parties agree to render one another all possible economic assistance after the war.

This was during World War II.

Article 7, in unequivocal language, provides that each high contracting party undertakes not to conclude any alliance and not to take part in any coalition directed against the other high contracting party.

Almost identical language is included in both the nonaggression pacts which England and France have separately made with Russia, and each of those nonaggression pacts has the same time to run as has the North Atlantic Pact, beginning a few years earlier, however. They run for 20 years, and at the expiration of 20 years it requires 12 months to get out from under the obligation.

Article 2 of the North Atlantic Pact provides as follows:

The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

If we are to encourage economic collaboration between England, France, and the United States—I suppose that is what it means—and they have already agreed not to enter into any alliance, and not to take part in any coalition directed against the other high contracting parties, and in view of the fact that we have listened for 3 or 4 days to the distinguished chairman of the Foreign Relations Committee and to the distinguished senior Senator from Michigan, who represents the minority party on that committee, all the language being directed against Russia, saying specifically that we are forming this coalition to beat down any attempt on the part of Russia to dominate Europe or any other part of the world, how does the Senator from Utah reconcile the record of nonaggression signed with Russia and the statements of the pact adherents?

Mr. WATKINS. If the Senator will pardon the suggestion, is not more diplomatic language used, by saying "any aggressor," without identifying any other nation than Russia?

Mr. MALONE. I am using mountain language, which is the only language I understand. That is the language on which I was brought up, and it is not double talk. I think the Senator from Utah can understand it also. Of course, it is nonsense for anyone to allege that they do not understand that when we approve the pact that we are not also approving arms shipments to go with it.

Mr. WATKINS. But "any aggressor" is the language used, and it was necessary to think for a long time before they could think of any other nation than Russia. Germany might rise again despite the chains placed on her. That is the only possibility they can think of.

Mr. MALONE. I wish to ask the junior Senator from Utah, who is making a very fine, well-thought-out, and serious address on the subject before the Senate, which should be listened to by every Senator, how he reconciles the two nonaggression pacts between France, England, and Russia—and the North Atlantic Pact with us, calling for practically the same cooperation with both Russia and the United States. They are on both sides, so it is difficult to see how they can lose on economic assistance.

Mr. WATKINS. I have had difficulty. That was one of the questions I asked which has never been answered satisfactorily. I think I placed in the RECORD copies of the alliance between Great Britain and Russia and the alliance between France and Russia. I also put into the RECORD the trade agreements. I then asked, How can these nations, having signed such treaties, go into a pact of the kind we are now considering?

Mr. MALONE. I think the Senator's answer is very satisfactory.

Mr. WATKINS. The answer from the Secretary of State was to the effect that Great Britain says there is no inconsistency, nothing in conflict with this treaty, and we cannot contradict, we cannot question the word of Great Britain, therefore it is all right. France says the same thing, and therefore it is said to be all right. I have called attention numerous times to the trade treaties, covering locomotives, railway steel that have been sent to Russia by Great Britain; motors, copper, and tin sent to Poland, a satellite of Russia. I called attention to that commerce, and it was stated that was just normal trade, that they have to trade, in spite of the fact that every one of those items sent by Great Britain was

a war article, which could be used in war or preparation for war.

None of the answers to the questions I have asked have been satisfactory. I think we must go beyond what these nations say. Do we treat all nations alike? We do not let Russia get away with tactics. We question everything she says. I have pointed out in my address today that time after time Great Britain has departed from her agreements, has failed to keep her understandings in the various alliances—Locarno, the League of Nations, the Atlantic Charter, and others. Time and time again, when her interests demanded, or she thought they demanded, that she depart from an agreement, she did so. So I think we should explore the situation, and the Committee on Foreign Relations should go behind the explanations.

Great Britain says there is no inconsistency, France says there is no inconsistency, therefore it is said the agreements are not inconsistent, and we cannot look into them, it would be an insult to those countries for us even to look into them.

Mr. MALONE. Mr. President——

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Utah yield to the Senator from Nevada?

Mr. WATKINS. I yield.

Mr. MALONE. As examples of the situation so ably outlined by the junior Senator from Utah, I might quote a couple of paragraphs from the Wall Street Journal of this morning, July 8. We are all familiar with the times, places, and conditions, but these paragraphs bring them to our minds again. I read:

> Great Britain has formally requested the United States to release her from her 1946 promise not to discriminate against United States goods in world trade. This assurance was one condition for the $3,750,000 United States loan to the United Kingdom.

Mr. President, that is not the first time they have reneged, I would say to the junior Senator from Utah. The first time is referred to in the same dispatch, and I read:

> There's a precedent for the administration to seek tacit approval from lawmakers to waive provisions of the 1946 loan pact. Late in 1947, on the eve of the Marshall plan, the British were combating another in a series of dollar crises. The drain on her gold and dollars at that time was blamed partly on article 8 of the loan agreement. In this section, Great Britain agreed to make her pound sterling freely convertible into dollars on most current transactions a year after the agreement was ratified. After this clause became effective July 15, 1947, there was a rush by nations earning sterling to get this converted into dollars.
>
> The British became alarmed then, just as they are today, about the loss of dollars and rushed to United States officials with the plea that the convertibility clause be waived. The NAC agreed that this was an "exceptional case" and Treasury Secretary Snyder went before congressional committees to explain the waiver was "temporary." Congress accepted the Snyder explanation without formal action.
>
> That was 2 years ago. The provision is still being waived, and the British now want the equally-important article 9 suspended. The new waiver is being dubbed "transitional" rather than "temporary."

I know without asking that the Senator from Utah is familiar with the 88 trade treaties which the ECA nations have made with Russia and the iron curtain countries since World War II, because I have heard him discuss them on this floor, and I have myself discussed them in the ECA debate starting March 30 of this year. An official of the State Department, after much urging I might say, brought the 88 trade treaties to my office; 45 of them he left with me, 3 of them were so confidential he held them in his hands while I was trying to read their provisions, 40 were so restricted that he could not leave them in the hands of a Senator. I would say between 20 and 30 percent of them were in foreign languages. But they provided just what the junior Senator from Utah says they do, for shipment of everything from locomotives, ball bearings, high-grade steel, electrical equipment, and about everything needed to wage war.

I ask the junior Senator from Utah if he is familiar with the fact, first, that Russia is disciplining Tito by forcing Poland to stop trading with Yugoslavia—that all of the iron curtain countries have ceased trading with Yugoslavia entirely?

Is the Senator familiar with the fact that we are simply furnishing world war III supplies to Russia, sending material and money to the 16 nations from which products are manufactured and processed and are immediately shipped to Russia and the iron curtain countries?

Is he familiar with the dispatch of yesterday calling attention to the fact that the United States is cut off from trade with Great Britain by an order of Mr. Cripps, that they are not allowed even to spend in the United States any of the money we send over there? Those are three things which seem to me incompatible, and I should like to have the Senator's reaction.

Mr. WATKINS. Mr. President, I have heard of them, and the Senator has refreshed my recollection. I have not thought out the answers to that situation, but it seems to me that if those circumstances are actually happening, if the actions of Great Britain are as reported, it only bears out what I have been calling attention to in a long series of questions, beginning with the Locarno agreement——

Mr. MALONE. And very ably, too, I might say.

Mr. WATKINS. All along the line, when Great Britain felt that necessity required her to depart from any agreement she had made, she violated the agreement. If what the Senator states is actually happening, it merely carries out the general policy of Great Britain in that respect. I would say that any other nation in similar circumstances would probably do the same. But that does not justify our Nation and other nations going into agreements with a nation knowing full well from its history that if necessity requires, or it thinks it does, it will violate every alliance it makes with any other nation.

Mr. MALONE. One of the points is that they are carrying out the nonaggression pact signed in 1942 with Russia and helping her economically, and now they have stopped trading with us even before we approve the pending pact.

Mr. WATKINS. They claim they have to get food, and they are trading with Russia, sending locomotives and railway equipment, which is described in the agreement as "military supplies." That description was placed on the materials. We asked about that when we were debating the ECA and some of the other bills which had to do with foreign relief, and the answer was, "We don't know. We will look it up." We have never had a definite, satisfactory answer to those questions yet.

Mr. MALONE. I will ask the Senator if he is familiar with the Associated Press dispatch which has just been received from Russia or England; I am not entirely sure which——

Mr. WHERRY. From England.

Mr. MALONE. The Associated Press dispatch simply says that a further trade agreement has been concluded between England and Russia which will involve many millions of dollars. The story will be carried by the newspapers this afternoon. Yesterday, in my debate with Senator RALPH FLANDERS, I mentioned the fact that representatives of England were then in Russia for the purpose of making such an agreement, despite the fact representatives of all nations were meeting at Amiens, France, further reducing our own tariffs. Is the Senator familiar with the contents of that dispatch, which says that England is to send to Russia processed goods that she is largely to continue what she was doing under the trade treaty which I placed in the RECORD in March 1948, when the Marshall plan was still before us, under which agreement between England and Russia 11,000 locomotives, cranes, cars, and everything conceivable was included? Those goods were then being shipped. It was denied, however, on the Senate floor, by a supporter of the Marshall plan, that any loyal administrator would allow such a thing to be done and allow payments to continue to such nation. It has been continued, however. Is the Senator familiar with the fact that a further treaty has been concluded between the two nations?

Mr. WATKINS. I will say that I am not familiar with that fact. It is a very interesting development, if it turns out to be as the Senator says.

Mr. MALONE. The newspapers will carry the statement this afternoon.

Mr. DONNELL. The Senator is familiar, is he not, with recent reports respecting the British-Argentine pact, which was signed after the signature by Great Britain of the North Atlantic Treaty, in which Great Britain obligated herself to seek to encourage economic collaboration between all the signatories? The Senator is familiar with the pact recently signed by Britain and Argentina, is he not?

Mr. WATKINS. Yes; I am familiar with it, and I have already referred to it in my statement. Great Britain found it to be of advantage to her to sign such a pact with Argentina, and despite the

fact that she has signed the North Atlantic Treaty, she has entered into this pact with Argentina without so much as "by your leave."

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. WHERRY. I was hopeful that the Senator from Nevada [Mr. MALONE] would bring out one of the provisions contained in the new secret agreement when he made his inquiry of the Senator from Utah. I now ask the Senator from Utah if he knows that one of the provisions contained in the agreement referred to in the Associated Press dispatch which has just come over the ticker—I do not know whether it is true or not—one of the provisions deals with the exchange of goods manufactured in Britain for 1,000,000 tons of cheap grains which Britain wants to secure from Russia rather than from the United States of America. I am very vitally interested in that point. I do not mean, however, to engage in this part of the discussion of the pact, because I am primarily interested in articles 3 and 5. But I did read the dispatch which came over the ticker, and which was referred to by the Senator from Nevada. The agreement referred to is certainly a new one. Dating back to the time of the investigation made by the Small Business Committee, we found that Britain was sending airplane motors to Russia for her airplanes. We made a protest. I believe the distinguished Senator will recall that. Similar things have been happening right along. Now comes a new secret agreement, as we find by the dispatch which came over the ticker this morning. Britain does not permit a dollar to be spent in the United States. However, in my opinion, Britain could exchange United States wheat for manufactured goods. That would be useful to her and useful to us.

Britain has made a new treaty with Russia. She has just entered into a treaty with Argentina. We are trying to stop Russia from infiltrating into the 12 countries in Europe which are signatories to the North Atlantic Treaty. That, however, is something not so vital, it seems to me, as is the question of arms.

I wish to ask the Senator if the question was raised during the hearings as to whether or not the Secretary would recommend to the Senate at this session of Congress arms-implementation legislation? I cannot find any such question raised, although I have looked through the hearings.

Mr. WATKINS. I do not recall that any question was asked him directly in that fashion, but I believe the press has contained stories to the effect that he is going to recommend such legislation, and has already communicated with the Foreign Relations Committee and outlined what he will ask for. The chairman of the Foreign Relations Committee can answer that question better than I can.

Mr. WHERRY. I read from the top of page 27 of the hearings earlier today. There it seemed to me the Secretary made a very frank statement, that we could vote for the pact and yet not be obligated or committed to enact any arms-implementation legislation. But I believe that is something which must be definitely cleared up by the chairman of the Foreign Relations Committee and by the ranking member of that committee, the Senator from Michigan [Mr. VANDENBERG], at least to clarify my mind on the subject. If the North Atlantic Treaty is simply the declaration of a policy, of a sort of keep-off-the-grass policy, and that is all it is, I believe practically everyone can go along with such a declaration of policy and principle. But if the treaty involves an absolute commitment that we are to provide arms, and it is simply a matter of sequence that such legislation follow the ratification of the treaty, then the question before us is an entirely different one.

Mr. President, I believe a very frank statement should be made on that point. We should be told whether there is to be any implementation legislation brought to Congress, or whether the treaty simply involves the principle of "do not enter."

(At this point Mr. WATKINS yielded to Mr. MCCARRAN to request the confirmation of certain nominations and debate ensued which appeared at the conclusion of Mr. WATKINS' speech.)

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. DONNELL. A few minutes ago the Chair very appropriately mentioned his desire that we observe the rules of parliamentary procedure. I think I should take upon myself the entire blame for the failure so to do. I believe I interrupted without asking the Senator from Utah to yield, and I very greatly regret the fact that I did so.

Mr. WATKINS. Mr. President, we seem to have reverted to the old custom in the Senate, which I think is a very good one.

Mr. TAFT. Mr. President, will the Senator yield for a question?

Mr. WATKINS. I yield.

Mr. TAFT. I ask the Senator categorically the question whether, if this pact is adopted, he feels that we are morally obligated to go through with substantially the arms program which is proposed by the Department of State?

Mr. WATKINS. I answer "Yes."

Mr. TAFT. That is not the view, I take it, of the distinguished Senator from Michigan [Mr. VANDENBERG] as expressed day before yesterday. At least, I do not think it is. He said:

> Frankly, I should have much less interest in this treaty if I thought its repressive influence for peace is measured by or dependent on any such implementation. It is not the military forces in being which measure the impact of this "knock out" admonition. In my view its invincible power for peace is the awesome fact that any aggressor upon the North Atlantic community knows in advance that from the very moment he launches his conquest he will forthwith face whatever cumulative opposition these united allies in their own wisdom deem necessary to beat him to his knees and to restore peace and security.

Does the Senator feel that even if the treaty itself is a deterrent, still under article 3, if we vote for the treaty we are obligated to provide military arms?

Mr. WATKINS. The thing that gives the treaty some force is the fact that we are going to rearm other countries. The treaty provides for that very thing, in general language. It says that the parties will render mutual aid to carry out the purposes of the treaty.

Mr. TAFT. Frankly, I am absolutely opposed to providing arms for Europe. What interests me is the question whether it is possible for a Senator to vote for the treaty and then take the position that we are not obligated to provide arms.

Mr. WATKINS. I do not believe that any Senator can do so without stultifying himself. That is my candid view. If I vote for the treaty, I certainly will vote for the implementation, because I do not think it would amount to much without it, even on the theory which has been advanced, that it is an overwhelming force.

Mr. TAFT. The Senator disagrees with the Senator from Michigan, but he agrees with the statement of the State Department in the document referred to by the Senator from Missouri, in which it is said:

> Not until we share our strength on a common defensive front can we hope to replace this temptation with a real deterrent to war.

I take it that what the State Department is saying is that this treaty is not a deterrent to war unless arms are added, to arm the nations of Europe. Is that the Senator's understanding of the position of the State Department?

Mr. WATKINS. Exactly. Otherwise there would be no sense in asking for the treaty. In the document entitled "Foreign Affairs Outlines—Building the Peace," prepared by the Department of State in the spring of 1949, it is stated:

> The military assistance program to be presented to the Congress by President Truman outlines one of the most effective steps the United States can take at this time to preserve international peace and maintain its own security.

My point is, if the treaty itself, as the Senator from Michigan has argued, is a deterrent, and is sufficient, why go to the expense of rearming Europe? It seems to me to be nonsense.

Mr. TAFT. The words which I read from the publication of the State Department really seem to make the treaty an adjunct to the arms program, which they say should be undertaken regardless of the treaty, instead of making the arms program an adjunct to the treaty. Does the Senator agree with that analysis of the position of the State Department?

Mr. WATKINS. We have done a great many things for Europe under the ECA. Now, under this type of agreement, we can begin to funnel more help to Europe. The European nations may say, "We need money." That may be what we are to give them under this program, because money might be more effective than anything else under the present circumstances.

Mr. TAFT. Has the Senator any idea what the cost of the military operation may be, if it is involved in the treaty?

Mr. WATKINS. All I know is what has been presented through Mr. Johnson, the Secretary of Defense, and through Gen. Omar Bradley. In the

same document to which I have just called attention, we find the following:

In brief, these things will be recommended in the military-assistance program:

That all projects of United States military aid be brought together in one program.

That a single appropriation be made to cover the costs of the entire military-aid program (for the fiscal year 1950, these amounts would be about $1,130,000,000 for the North Atlantic Pact countries and about $320,000,000 for Greece and Turkey and certain other nations whose security is important to the United States, making a total of about $1,450,000,000).

In quizzing Secretary Johnson and General Bradley on this subject, we have developed these facts: The $1,130,000,000 is for the purpose of getting the material, the armament which we have in storage, in reserve, and as surplus, prepared and shipped to those countries. That does not cover the cost of the armament which we are to send. It is only for getting it over there, getting it ready, and putting it in shape to be used. The reconditioning of the equipment represents about 15 percent of the entire cost. The Senator inquired about the over-all cost. I have done a little calculating. Between 10 and 15 percent of that amount represents the value of the arms we are going to send. That would mean a total overall cost of six or seven times that amount.

Mr. TAFT. That is only for the first year.

Mr. WATKINS. That is only for the first year.

Mr. TAFT. Let me read to the Senator this analysis from the same State Department document. I read from page 2:

The free countries of western Europe must be encouraged by our actions to continue their efforts toward recovery. They do not have the resources to develop adequate defense forces by their own efforts within a reasonable time. Their will to resist and their ability mutually to defend themselves must be strengthened. They must be encouraged and assisted to build up their defense forces through self-help and mutual aid—

Apparently that is interpreted to mean arms, under article 3 of the treaty—

to a point where aggression cannot take place, either through internal disorders inspired from outside sources or under the guise of border incidents.

Does not the Senator think it would cost billions of dollars to carry out any such program, to encourage and assist them to build their defense forces to the point where aggression cannot take place?

Mr. WATKINS. I understand that that is the purpose of the treaty. I think it would require billions to put them in that position. It is planned to send them billions, as a matter of fact. We are to be asked to put up $1,130,000,000 in money appropriations. That is to be used to ship billions of dollars worth of armaments. If we are to have an overwhelming force to meet head-on any attempt by an aggressor, that force will have to be built, because it is not now in existence.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. LODGE. As I understood the able Senator from Ohio, he referred solely to the building up of a force that could resist aggression in a very limited sense, either through internal disorders stimulated from outside or a border incident. I did not understand the Senator from Ohio to imply that there was any plan to build up such a force as could take on a major aggression from a great power.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. TAFT. Is not the Senator's impression of this entire document that we are committing ourselves to building up the defenses to a point where those nations would be absolutely able, without question, to resist aggression from Russia, for example?

Mr. WATKINS. That is my impression of this document. I think that was the purpose of the State Department in the beginning. It wanted to present this program as a part of the treaty. Then it ran into difficulty. Public sentiment apparently would not stand for that, so the Department was led by its advisers in the Senate to take another tack, another line of action. It was decided that "If we bring the two programs together, it cannot be done. We will divide them, and give them one dose at a time."

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. WATKINS. I yield.

Mr. CAIN. If the Senator is correct in his assumption that a vote for the treaty is a commitment to vote for implementation of the treaty, can the Senator explain why the Senate is not presently discussing both subjects at the same time, in order that we might know what are to be the ultimate costs and commitments under the treaty?

Mr. WATKINS. I think it is a matter of strategy. I think the proponents of the treaty feel that they will have difficulty getting it ratified if they bring in with it the arms-implementation proposals which they originally intended to bring in with the treaty. So I think they have postponed presenting to the Senate the arms bill, which they agreed with the representatives of the other signatory countries they would present to the Congress. I understand that bill is on the way. The committee already has considered it, I understand.

I do not see how we can discuss this treaty and all it means, without discussing the arms implementation. That program necessarily grows out of the treaty and is a part of the general purpose of the treaty. I think it is idle to say that "We mean what we say and say what we mean" and yet not discuss the arms-implementation proposals.

Mr. CAIN. Mr. President, will the Senator yield for a further question?

Mr. WATKINS. I yield.

Mr. CAIN. If I correctly understood the Senator, he said that in his opinion the suggested initial cost to implement the treaty is something in excess of a billion dollars.

Mr. WATKINS. Yes; $1,130,000,000.

Mr. CAIN. And I understood the Senator from Utah to say that that money would be used to transport and distribute the surplus arms and materials now in this country.

As against that feeling on the part of the Senator from Utah, has he any observation to make with respect to the approximate cost of designing and constructing those armaments, over and above the cost of distributing and transporting them?

Mr. WATKINS. The program announced by General Bradley and, I think, by Secretary Johnson is, in effect—I cannot quote them exactly—that we intend to send to these countries armaments that now are in surplus and in reserve in the United States. As I recall, $150,000,000 is proposed to be sent for raw materials which those countries can use, but the rest of the money is to be used to transport and ship the equipment which we already have.

I think the record will show that the figure mentioned represents approximately 10 or 15 percent of the original cost of the armaments. So, simply by multiplying, we can arrive at the total cost, for we know that $1,130,000,000 is approximately 10 or 15 percent of the original cost. So we can figure what the total cost will be.

I have seen that statement published several times, and I have not heard of any statement by the Defense Department that those figures are not correct. In fact, I got that information from the committee hearings. It is in the record, and I can quote the exact language.

Mr. CAIN. I wish to be in a position to disagree with the Senator from Utah in his assumption that a vote for the treaty is a commitment to vote for an implementation of the treaty. I am strongly inclined to support the treaty, while reserving the right to be in complete opposition to the implementation.

I am grateful to the Senator for his observations in regard to what the State Department's proposed implementation will cost the American people.

Mr. WATKINS. I may say to the Senator—I do not wish to be personal about this matter—that for many years it was my work to interpret contracts. If this treaty does not make a commitment to provide military assistance, if it does not amount to almost a blank check, in a way, then I have never seen a contract or agreement that was a commitment. It seems to me there can be no doubt that this treaty is a commitment of that sort.

Of course, the chairman of the committee and the ranking minority member of the committee assure us that the treaty involves no commitment. Nevertheless, I wish to say that the committee did not draft the treaty. The treaty was drafted by our State Department and the representatives of the other participating nations. So I say that what they think the treaty means is of more importance than the opinion the committee has regarding the treaty.

Mr. CAIN. I have said that I should like to be able to find myself able to disagree with the position the distinguished Senator from Utah takes regarding this matter. However, I do not yet find myself in that position, and it is for that reason that I have been listening to the debate this afternoon.

Mr. WATKINS. Of course, the Senator is wholly within his rights in disagreeing with me.

I think the strategy used by the committee and those proposing or favoring the treaty was more or less wise. First, they intended to combine the treaty with the arms implementation legislation, but they found the reaction to that proposal was not so good. So they decided to present a little bit at a time.

But after the treaty is ratified, they will say, "Now we have joined the gang and have made the alliance, and now the other fellow is reacting. If we do not help our friends get ready, there will be a fight which we may not win."

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. CONNALLY. A moment ago the Senator from Utah referred to the Foreign Relations Committee, and I believe he said the committee did not write the treaty. Of course, Mr. President, the Foreign Relations Committee does not pretend to have written all the treaty, because 12 nations are signatory to the treaty and representatives of the 12 nations had to sign it.

But the Foreign Relations Committee did do this: We had the Secretary of State before us on two occasions, as I recall, and went over the entire matter. The committee did not have this draft of the treaty before it. The final draft was not the draft which was first submitted.

The Foreign Relations Committee was able to change the language of the treaty in many places. The State Department not only conferred with the full committee, but also with several of the ranking members of the committee, and conferred with them a number of times. In several respects, the language of the treaty was changed after the full committee meeting.

For instance, I point out, as an evidence of that fact, the language which provides that each of the parties to the treaty shall take "such action as it deems necessary".

Those identical words were submitted by a member of the Foreign Relations Committee. They were accepted by the State Department and the Secretary of State, and they were accepted by the representatives of all the other nations that signed the treaty. I simply cite that as one instance.

I see the Senator from Massachusetts [Mr. LODGE] now present in the Chamber. I think he will confirm what I have said about the participation of the Foreign Relations Committee in the writing of this treaty. We were meticulous in undertaking to protect the rights of the Government of the United States.

Of course, we could not dictate every particular provision; but on the whole I think the committee gave most careful attention to the treaty and did what it thought was just and proper to protect the rights of the United States Government.

I thank the Senator from Utah for yielding.

Mr. WATKINS. Mr. President, I should like to observe, as I stated a few moments ago, that I think one of the real tests of whether the treaty does contain a commitment can be pointed up by means of the presentation of a reservation which I think I shall propose. If the treaty does not contain a commitment, then I think a reservation to that effect should be accepted by the Foreign Relations Committee and by the Senate; but if they will not accept it, that will mean only one thing, to my mind, namely, that there is a commitment.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. MALONE. As a preface to my question, I should like to make a brief review for a moment, and to point out that all the discussion that has occurred on the floor of the Senate in the last 3 or 4 days has been to the effect that we are organizing against Russia, and that that is what the North Atlantic Pact is for. Of course, to someone used to straight-forward language, and to people who—as the distinguished Senator from Utah has said—say what they mean and mean what they say, there can be no doubt but that the arms program is being run tandem with the pact itself. It is simply delayed to lessen the impact on the American people. In other words, it is a definite part of it, just the same as gasoline for an automobile. As I called attention a while ago—and I think it is necessary to refer to it again, in view of the recent statement—that in 1942 and 1944 both England and France made with Russia nonaggression pacts, as they call them, almost identical with the pact they are now making with us. I read the language of the nonaggression pacts into the RECORD, and they will be there for all to see. Those pacts are still in effect. There has been no move to renounce them except to say that they do not mean what they say; which, as the junior Senator from Utah has pointed out, they can very easily say about the North Atlantic Pact, when the time comes.

Mr. WATKINS. I may say to the Senator, it could be interpreted to mean nearly anything the Executive wants it to mean, and that the other nations want it to mean. It can fit nearly every situation that can be devised, if the interpretation of it is left to them in the future.

Mr. MALONE. I agree with the Senator from Utah. Mr. President, will the Senator yield further?

Mr. WATKINS. I yield.

Mr. MALONE. On March 17, 1948, the President of the United States, in an address, mentioned the North Atlantic Pact, from which address I quote the following excerpt:

> If I may use an understatement, the sense of insecurity prevalent in western Europe is not a figment of the imagination. It has come about through the conduct of the Soviet Union.

In other words, the chairman of the Foreign Relations Committee, the distinguished senior Senator from Michigan, who is the minority leader on the Foreign Relations Committee today, and the President of the United States, have already emphasized that Soviet Russia as the one we are trying to subdue; the one we are getting ready to fight. There is then no question about the violation of the nonaggression pact that England and France signed with Russia, when they say in such pacts with Russia that—

> The high-contracting parties undertake not to conclude any alliance and not to take part in any coalition directed against either of the high-contracting parties.

I will now ask the Senator from Utah whether he is familiar with the dispatch this morning in the Wall Street Journal headed "Britain hints it hopes to build trading bloc with soft-currency nations to shut out others." And I may add "including the United States," which is very plain from reading the body of the dispatch. Is the Senator familiar with that dispatch?

Mr. WATKINS. I am, since the Senator called it to my attention.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. WATKINS. I yield.

Mr. MALONE. I call the Senator's attention, as a preface to the next question, to the fact that we have, during the past 3 or 4 years subsequent to World War II, established very definite military spheres of influence between Russia and the United States. We started in a grand style at San Francisco. I attended that conference as an observer. We started by saying there were five major nations. Of course, most of us at the time said there were not five, there were but two, Russia and the United States, and that has proved to be the case. We have those definite military spheres. Everyone denied it for 2 or 3 years, of course, as they are now denying the real meaning and effect of the North Atlantic Pact. Is the Senator familiar then with the fact that our military sphere of influence, which is very clear-cut, shutting out the iron curtain countries, shutting in the 16 nations of Europe and other areas throughout the world; however, since Russia and the "agrarian Communists" took over China and are headed toward the rest of Asia perhaps our military sphere of influence is trimmed down to a considerable extent, but it is recognized that there are two definite military spheres of influence. Is the Senator familiar with the fact that our sphere of influence is being divided into four economic blocs? First, of course, we have our own; the dollar area.

Mr. WATKINS. If I may inquire of the Senator, does the Senator mean under this recent development?

Mr. MALONE. Under this recent development.

Mr. WATKINS. I am not familiar with this development.

Mr. MALONE. It is not so recent. It has been going on now for some time. In other words, we have the dollar area, confined entirely to the United States proper, and, to a certain extent, Canada, which is also under the influence of the sterling bloc; then we have the sterling bloc comprising 57 countries and entities. Those countries were named in the ECA debate. The junior Senator from Nevada submitted the list for the RECORD at that time. There is also the French franc economic bloc, including New Caledonia, Morocco, French West Africa, Indo-china, and certain other areas. There

is also the Belgian franc area, that includes the Belgian Congo, and the Holland guilder area, which includes Indonesia and certain other areas. But the main economic bloc is the sterling bloc, which has slowly encroached upon the dollar area, until it is now about ready to spring the trap and restrict the dollar area trading.

I will read the first two paragraphs, if the Senator will permit me, of the London dispatch.

The PRESIDING OFFICER. The Senator from Utah yielded for a question. Does the Senator from Nevada have a question to address to the Senator?

Mr. MALONE. If the Senator will yield for a question——

Mr. WATKINS. I yield.

Mr. MALONE. This is a preface to the question:

> Harold Wilson, president of the board, gave a strong hint yesterday that Britain hopes to build a trading bloc among the soft-currency countries.

This is not new; it is simply now coming out into the open.

Mr. LUCAS. Mr. President——

Mr. MALONE. He—Mr. Wilson—headed this declaration with the statement that so many conditions lend support to reports from Washington, that in order to protect the wobbly pound sterling, Great Britain is planning a British-controlled trading bloc that would shut the United States dollar out of much world trade.

I ask the distinguished Senator from Utah whether he is familiar with the fact that this is exactly what has now happened; "bloc" means of course that the money they have in the British pound can be expended in the sterling area only. Is the Senator familiar with the fact that we are being slowly blocked out of the markets in our own military sphere of influence?

Mr. WATKINS. I thank the Senator for the information. I was not thoroughly familiar with that. I think it is a very interesting point to have raised.

Mr. MALONE. Mr. President, if the Senator will yield further for one observation and a question——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nevada for a question?

Mr. WATKINS. I yield for a question.

Mr. MALONE. As a preface to that, it is the opinion of the junior Senator from Nevada that this is one other part of the four economic areas that we have already tied together; the first, the tripartite free-trade program of the State Department, promulgated by the State Department. As stated explicitly by Willard Thorp before the Ways and Means Committee of the House, the ECA program is the first part of the tripartite program, in my language, making up the trade balance deficits of each of the European countries in cash—our chief exports, in cash.

Then, there is the 1934 Trade Agreements Act. Mr. Willard Thorp called that a second part of the program, whereby the tariffs and the import fees have been lowered below any effective floor under wages, and below any effective protection of the working men and the industries of America. The State Department using the 1934 Trade Agreements Act as a basis has adopted a selective free-trade policy, on the theory that the more we divide the markets of this Nation with the other nations of the world, the less their annual trade balance deficit will be. Then comes the International Trade Organization comprising 58 nations with 58 votes, to which we assign all of our right to fix our tariffs and import fees—we have the same vote as Siam—and this organization will meet once each year and divide up what is left of our markets. There is then the great "bold new program," under which we are to guarantee the investments of the manufacturers and processors in Europe, Asia, and Africa; serve the markets that were supposed to be opened to us under the Marshall plan; and under the free-trade arrangements, to ship the products of the low-cost labor into the United States, displacing American workingmen. And now comes the North Atlantic Pact, which in effect guarantees the integrity of the colonial system, furnishing the arms to the empire-minded nations so they can use them to retain the slave labor in Indonesia, the Malayan States (Singapore), Indochina, and the African States.

Is it the Senator's opinion that after we have done all this and have committed this Nation to send arms, as the Senator has so ably described, that they will reduce their own appropriations for their own defense, and let us take over the responsibility to furnish the defense set-up for them?

Mr. WATKINS. I think it would be a strong temptation to them, if they had someone who was willing to take care of defense and furnish them with arms, to use their own money for some other purpose and let the good friend carry the load as long as he was willing to do it. That would be the human-nature side of it.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. WATKINS. I yield.

Mr. MALONE. Is it not implied in the very actions of the nations when their representatives were signing the pact, when each of them almost immediately inquired when the arms and additional assistance would start rolling over there, that we were committing this Nation to do the job.

Mr. WATKINS. I should like to call the Senator's attention to a statement made before the Foreign Relations Committee by General Bradley regarding the relationship of the treaty to the military-assistance program, which may aid in answering that question. It is found on page 322 of part 1 of the hearings before the Foreign Relations Committee of the Senate.

This is the question I asked General Bradley:

> Senator WATKINS. As I understand it, from what has been given to the Foreign Relations Committee of the Senate, it has been announced that we are going to give them $1,100,000,000 in help of some kind, most of which is, as I understand it, to be in equipment.
>
> General BRADLEY. As I undertsand it, that is military aid aside from this particular ratification of this pact.
>
> Senator WATKINS. It all has to do with it. It gets its genesis, its beginning, and its authortiy to some extent, from this pact.
>
> General BRADLEY. I think it is a natural sequence to this.
>
> Senator WATKINS. Then we should get some light on it. We should not take this piecemeal. In other words, the Senate itself has to know what the over-all picture is, it has to know pretty much the same facts that you know in making up your mind and judgment.
>
> We cannot just take one segment and say take the treaty today, and we will talk about the arms tomorrow, or some other day, and give you that information. We ought to have, do you not think, in order to make an intelligent decision and to give intelligent advice to the President, substantially the same facts before us that you have and that the President has or that the Secretary of State has, in order to make up their minds?
>
> General BRADLEY. I believe the Secretary of State has outlined the program as far as the State Department is concerned, in that this ratification of this pact would be followed by a request from the State Department for the third step—some military aid. And I believe he has indicated to you that that military aid to these particular nations for the first year, which he would submit to you, would be in the nature of $1,100,000,000.
>
> So that that is a sequence which I believe the State Department would follow if you ratify this pact. Then he would follow with that request for this aid.

In other words, it is conditioned on the ratification of the pact.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. DONNELL. Would the Senator read into the RECORD that expression beginning with "if"?

Mr. WATKINS. I shall read the whole sentence:

> So that that is a sequence which I believe the State Department would follow if you ratify this pact. Then he would follow with that request for this aid.

In other words, on condition that the pact is ratified, then he would come in with this request; otherwise not.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. MALONE. First, I should like to compliment the Senator on his ably delivered address. I believe he has done the Senate a great favor in bringing out the fact that the $1,100,000,000 estimated as the first year's cost would simply be used for preparation of shipments and for freight. That it was approximately 15 percent of the total; in other words, approximately $7,000,000,000 altogether would be the amount needed the first year. Am I correct in my computation?

Mr. WATKINS. It would be somewhere in that neighborhood.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. WHERRY. I should like to clear up a matter of interpretation of the testimony of the Secretary of State and also the statement of the distinguished chairman of the Foreign Relations Committee and of the able minority member [Mr. VANDENBERG]. I think I interrupted the Senator in his speech, first, by saying that the language which bothered me was in article 3. I should like to ask the Senator if he has before him the

hearings before the Foreign Relations Committee.

Mr. WATKINS. I have volume I.

Mr. WHERRY. Mr. President, I ask unanimous consent, inasmuch as the Senator from Utah does not have the complete hearings before him, that I may read this.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. WHERRY. In my opinion, the controlling basis for this treaty goes back to the important witnesses, especially the chairman of the committee and the ranking minority member.

The Secretary of State is testifying, and the chairman asks him a question:

> Is there anything in the treaty itself that binds the United States even to adopt the military program? I mean explicitly.

Mr. WHERRY. Secretary Acheson said:

> Yes, sir. That question is one which it would be pleasant if one could answer "Yes" or "No." I think it requires a very clear understanding.

I commented on that a while ago when I asked the Senator the first question in regard to his speech. I am going back to it because I want to clarify it.

Here is the further answer of the Secretary:

> There is something in the treaty which requires each Member of the Senate, if you ratify this treaty, when he comes to vote on the military-assistance program, to exercise his judgment less freely than he would have exercised it if it had not been for this treaty.

Was the Senator from Utah present when the Secretary was testifying at that point?

Mr. WATKINS. I am not certain. I think I was not present when he gave his direct statement. We did not receive our invitations until later in the day.

Mr. WHERRY. What is the Senator's interpretation of that observation? If we sign the pact, that restricts or limits or requires each Member of the Senate, when he comes to vote on the military-assistance program, to exercise his judgment less freely. If the pact is separate and entirely distinct from the arms part of it, what is to prevent a Senator from exercising his own best judgment? If that point can be cleared up, I shall be very glad, because my decision in the matter depends upon its clarification.

Mr. WATKINS. I think he means that a Senator who votes for the pact is not entirely free to vote against implementation. I would also say that that is diplomatic language for saying we are committed, without actually saying so in words.

Mr. WHERRY. I thank the Senator for that observation.

I want to address another question to him, and then I shall be through. The chairman asked the Secretary other questions regarding mutual aid and assistance, and finally we come to the last statement of the chairman of the Foreign Relations Committee:

> I wanted to make that clear, if I might, because some Senators seem to be bothered with that question.

That is the question of whether voting for the pact also commits one to vote for arms implementation.

> It seems to me that when we treat these two instruments separately each Senator is under the duty of searching his own conscience and his own mind as to whether or not the provisions of any particular measure come within the obligations which we will assume when we ratify the treaty. There might be a wide divergence of view in some Senator's mind as to whether it was necessary to adopt any particular measure to meet the general clause of mutual assistance. There might be mutual assistance in other ways besides armed force. So that is your answer on that.

That was the statement of the chairman of the Foreign Relations Committee.

What mutual assistance could possibly be in the mind of the chairman, in view of the fact that the Secretary of State is now asking for armed assistance? What could a Senator vote for in the pact that would not require mutual aid in the way of armed services?

I think the Senator knows that in the House an arms-implementation bill has already been reported and given priority. I am asking, If a Senator voted for the pact and did not intend to vote for arms, what mutual aid would we be extending to these countries which would serve the purpose and effect for which we are asked to sign the pact?

Mr. WATKINS. I cannot think of any. We might send them a greeting card, but it would not be much more than that. What they need is guns, planes, tanks, ammunition, and whatever it takes to defend themselves.

Mr. FERGUSON. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield for a question.

Mr. FERGUSON. Does the Senator know of anything which obligates a Member of the Senate to vote a particular way upon any resolution? I ask that sincerely, because of the question before us. It seems to me that when we treat these two instruments separately each Senator is under the duty of searching his own conscience and his own mind to determine whether or not the provisions of any particular measure come within the obligations resting on him. Let us assume that we ratify the treaty. There might be a wide divergence of views in the minds of some Senators as to whether it was necessary to adopt any particular measure to meet the general clause providing for mutual assistance. There might be mutual assistance in other ways than by armed force.

The Senator from Nebraska, in connection with that, read this language of the Secretary:

> There is something in the treaty which requires each Member of the Senate, if you ratify this treaty, when he comes to vote on the military assistance program, to exercise his judgment less freely than he would have exercised it if it had not been for this treaty.

Coming back to my first question, a Senator has a free choice to vote upon each legislative matter as his conscience dictates. Is not that true?

Mr. WATKINS. Yes; unless he has made a commitment along the line that binds him to do something else.

Mr. FERGUSON. How would the Senator expect that a Senator could along the line bind himself to do something else? I am trying to ascertain whether each vote is not a vote of a Senator's conscience.

Mr. WATKINS. He may not do it in good conscience. After all, he may say, "This is a question for my conscience and even if I vote to ratify this treaty, I have an obligation"—the Senator will note that the word "obligation" is used. If it creates an obligation, in spite of the fact that I voted for it, I am still a Senator, and I do not have to vote for any of these things, and I am going to exercise my right to say "No." I say he has a legal right to turn down any proposal, even after he voted to create it. But that is not what we are talking about.

Mr. FERGUSON. Consistency may cause a Senator to feel compelled to vote in a certain way, but he still would be able to vote for this pact and vote against any armament under it. Is not that correct?

Mr. WATKINS. In my humble opinion, he could not do it without stultifying himself.

Mr. FERGUSON. The Senator entertains that opinion on the basis of consistency?

Mr. WATKINS. No. I say a legal obligation is created by the vote cast.

Mr. FERGUSON. How can there be created in the case of a Member of the Senate a legal obligation to vote in a certain way?

Mr. WATKINS. I think what the Secretary was driving at was not merely a question of a Senator's own conscience, but whether or not the Government of the United States was committed to any particular line of action by reason of this treaty. It is not simply a question of getting down into some Senator's conscience. That may have been a specific question at one time, but the whole question was whether or not we were committed to anything, and I feel that if my country is committed to anything, and I have helped make the commitment, I am at least morally bound to go on through with the program.

Mr. FERGUSON. Does the Senator feel that this treaty binds the United States to furnish a certain amount of military equipment?

Mr. WATKINS. Not a certain amount, but it requires the United States to give some military equipment. If we are to aid, this is an arms pact, there is no doubt about it.

Mr. FERGUSON. Does the Senator feel that it would not be possible to arm or provide for our national defense and do it for a less number of dollars under the pact than before we signed the pact, even though we did put part of the equipment in the hands of those who signed the pact with us?

Mr. WATKINS. It is possible, but not probable.

Mr. FERGUSON. Why not probable?

Mr. WATKINS. Because I cannot conceive of our helping ourselves by sending equipment to the countries in Europe which later may fall into the hands of an enemy.

Mr. FERGUSON. Does not the Senator feel that if we arm, and do it under an over-all strategy, we will not put one dollar's worth of equipment anywhere, either with or without this treaty, that we would not put there because we thought it strategic, rather than because of the signing of the treaty?

Mr. WATKINS. Mr. President, I do not know that I get the purport of the Senator's question.

Mr. FERGUSON. I will change it a little. I assume that the United States military authorities are going to plan our defense so that it will be the best defense possible. Is not that correct?

Mr. WATKINS. I hope they will.

Mr. FERGUSON. And if we sign the treaty, that will not of necessity require them to make our defense plans different from what they would be without it. It may give them opportunities to make them different, but it would not require them to make them differ more than was dictated by good strategy.

Mr. WATKINS. I think probably that by signing the pact there will be opened to them foreign air fields they would not have otherwise, which they could not plan on. I think it has certain advantages from the standpoint of the strategy of a purely military man. I think it has possible advantages in planning the defense of a certain area.

Mr. FERGUSON. Does not the Senator feel that the question of candor or of open determination has something to do with the fact we should sign this treaty so that the world would know where we stood on the question of aggression?

Mr. WATKINS. I do not think we have to sign the treaty to let the world know where we stand on aggression. We have been showing that by our deeds in a much stronger way than by our words. We have been appropriating billions of dollars to help people in foreign countries. We have twice come through with a Greek-Turkish loan. We have granted billions of dollars under ECA, and have spoken time and time again through the President, the Secretary of State, and through the Congress itself. In addition, we fought two wars against aggression. I think the people of other nations know where we stand on the question of aggression.

Mr. FERGUSON. Can the Senator find any place in America's foreign policy today where we have in definite terms announced that we would fight, that we would actually go to war because there was an aggression against any foreign country?

Mr. WATKINS. In the first place, the State Department does not have any right to say we would go to war. It is only Congress that can say we will go to war. Personally, if it were a matter of war declaration today with respect to some countries, if Russia for instance were attacking one of the small countries with an all-out attack, I would be ready to vote for a declaration of war. I do not know whether I would 5 years from now or not. It would depend on circumstances. I do not know whether I would 15 years from now, or 20 years from now. I have seen conditions change so rapidly and competely that it is difficult to look that far ahead and make a commitment.

Mr. FERGUSON. Does the Senator think this treaty changes our foreign policy in any other way than by putting it in writing? Does not the Senator think our foreign policy is today just as it is laid down in this treaty, except that under the treaty we declare it in writing, and sign it, and tell the world what it is?

Mr. WATKINS. We would be putting ourselves into a mold for 20 years. We are binding ourselves for 20 years to a particular policy. As the Senator from Michigan says, we are in effect making a bilateral Monroe Doctrine declaration.

Mr. FERGUSON. Is not that correct?

Mr. WATKINS. But is that what we should do? We have already taken on the protection of half the world. Are we so strong, are our resources so great that we can undertake to defend these European countries against possible enemies? Can we bind ourselves to that for 20 years? We are, by the treaty, binding ourselves to go to the defense of the European countries involved at any time they are attacked. We are binding ourselves, not for 1 year, but for 20 years, in spite of the fact that we do not know what may occur in the years to come, or what changes may occur. We do not know what our foreign policy ought to be 20 years from now. Maybe the nations we are now undertaking to protect may be alined in some other way in years to come. All that is necessary to do is to call the roll of former allies to see where they are now.

Mr. FERGUSON. If the countries parties to the pact become alined in some other way, then, under all the terms of international law, they would have breached the treaty, and the treaty would not be binding upon the United States of America. Is that not true?

Mr. WATKINS. I take it that is true. Ordinarily we try to observe our agreements, but other countries parties to the treaty could take actions which we now cannot foresee, but they could keep us tied to the agreement.

Had the Senator been present a while ago he would have heard my statement with reference to what occurred in the matter of the violation of treaties after the League of Nations had been formed. Certain countries did not abide by article 10 of the League of Nations. They had agreed to stand by that article, yet they permitted certain aggressions to take place. Great Britain, Germany, and France signed the Treaty of Locarno, but did not keep that agreement. They have failed time after time to keep their agreements.

Mr. FERGUSON. Does not the Senator agree that some permanency of peace is important to the world?

Mr. WATKINS. I agree most heartily.

Mr. FERGUSON. Does not the Senator agree that a nation should be able to look ahead for a 20-year period and that its people should have reasonable assurrance that the agreement will continue in force for a period of 20 years? Would not that in and of itself be of great importance to the peace of the world?

Mr. WATKINS. That is what we thought when the United Nations Charter was signed.

Where are the nations today who signed the United Nations Charter? Call the roll of those nations and it will be found where they now are. Russia, Poland, Czechoslovakia, Yugoslavia, China, signed that Charter. Where are they now?

Mr. FERGUSON. Can the United States afford to have a temporary foreign policy, a foreign policy which fluctuates and changes from day to day? Is it not well that we put our policy into writing?

Mr. WATKINS. That is exactly what we have done. But after the mess we have got into I do not believe we can afford to gamble on a set policy which in the light of recent history can be to our disadvantage.

Mr. FERGUSON. A vacillating foreign policy is not good for the world. Will not the signing of the treaty bring about a permanency of peace and thus be of great benefit to all the peoples of the world?

Mr. WATKINS. The signing of the treaty will probably bind us, but it probably will not bind our so-called allies. I question whether it is wise to take on the additional load we must carry by reason of signing the treaty. We must not only take into consideration the question of our foreign policy, but we must also consider our domestic policy. We must consider the burdens we now have, and the burdens we will have in the future.

Mr. FERGUSON. I agree that those matters are tied closely together. But if we sign the treaty and the other countries have signed it, naturally if they breach the treaty it then is not binding upon us.

Mr. WATKINS. But what will be the effect on us if we continue in good faith to observe the provisions of the treaty, and other countries signatory to the treaty leave us at the moment when we need them most? Suppose, for instance, the treaty is ratified and that Russia, contrary to what everyone expects, does not decide to attack in Europe, but decides to attack in the Pacific area. Let us say that she has poised on her borders in Europe some 200 divisions. Then let us say she begins an attack on Japan first, with the ultimate objective of getting at the United States, and progresses with her attack in that direction and finally decides to attack the mainland of the United States. Does the Senator think for a moment that under such circumstances the people of the countries of western Europe, who have gone through two world wars, who have been occupied by enemy armies, would come to our defense? How would they respond to a statement from Russia to the effect, "We are not going to attack you. Our fight is with the United States. We will, however, attack you if you move in the direction of defense of the United States, but we will not attack you if you do not come to the rescue of the United States." If such a statement were made by Russia, what would be the result? The peoples of the countries of western Europe would never sustain a declaration of war against Russia. So those countries would not be with us when we would need them most.

Mr. FERGUSON. The Senator from Utah has given a hypothetical case, under the circumstances of which it would be hard for the western European nations to come to our assistance. If we

were attacked from the Pacific, by way of Japan, the question is whether the countries of western Europe would come to our aid. The Senator has presented a very plausible hypothetical case. But I ask the Senator whether the situation would be any different if the countries of western Europe are not parties to the treaty? Is it not better to have in effect a treaty to which they are parties? In such event would it not be more reasonable to believe that they would come to our aid in every way they could.

Mr. WATKINS. I have already pointed out that Britain did not back up France when Germany moved in on the Rhine. And she has failed in nearly every one of her agreements.

Mr. FERGUSON. Self-interest is, of course, involved in foreign policy.

Mr. WATKINS. Yes; and when Russia has 200 divisions poised on the borders of the western European countries, the same thing will happen. As a matter of fact, the United States in that event will be worse off, because we will have sent to Europe, in the meantime, billions and billions of dollars worth of equipment, equipment we should then probably need at home. So we will be obliged to spend more money to build armament. That is no idle theory.

Let me call the Senator's attention to the fact that during World War II we sent so-called surplus, obsolete equipment to Great Britain, when she was in a tough situation, following the fall of France. It was referred to as a sort of second-hand equipment. We remember how it was glossed over. But when Japan struck in Hawaii, our people became almost panic-stricken because we did not have enough guns and ammunition to fight a 1-day battle, let alone to fight for a month. That was because we had sent it all overseas previously.

Mr. FERGUSON. That was a matter of strategy.

Mr. WATKINS. A matter of strategy? It was a matter of not having the guns and the tanks and the ammunition with which to fight a war. If Japan had known our real situation she could have moved in on us more rapidly.

Mr. FERGUSON. Is it not true that the powers-that-be decided that it was better for our defense to do what we did?

Mr. WATKINS. We were not in the war.

Mr. FERGUSON. We were not in it, but we were preparing for it, were we not?

Mr. WATKINS. I do not know whether we were preparing for it or not. The President said he was not going to go into it, and he said that he was keeping us out of it. That was his pretense all the time.

Mr. FERGUSON. Is the Senator familiar with the meetings held by the Joint Chiefs of Staff of Britain and America? Is the Senator familiar with the meeting at which the Atlantic Charter was released?

Mr. WATKINS. What I am speaking of occurred a long time after that. The Senator is speaking of the time we got into the war.

Mr. FERGUSON. No, no; prior thereto. Does the Senator realize that we had prepared an army to go to the Azores to take the Azores?

Mr. WATKINS. Does the Senator mean prior to the time Japan struck?

Mr. FERGUSON. Yes.

Mr. WATKINS. Without any authorization by the Congress?

Mr. FERGUSON. Yes.

Mr. WATKINS. Then, I would say that the President of the United States had violated his constitutional oath.

Mr. FERGUSON. If the Senator will read the testimony taken during the Pearl Harbor hearings, he will find that to be true.

Mr. WATKINS. I will admit that the President of the United States at that time was doing many things that were contrary to the Constitution, that were illegal. The question will be answered finally when history is written whether the President then did what he should have done under all the circumstances; whether the President did the right thing for his country. He did many things at Yalta, at Tehran, and at other places we did not then know about.

Mr. FERGUSON. I do not care to go into a discussion of that particular subject at the present time. I am sincere in my questions. My purpose is to find whether we can develop that it is possible for America to look ahead and, even though it may require 20 years, try to establish something that will represent a sincere attempt to keep the peace for at least that long a period. The one thing, as I see it today, which is most apt to bring about peace in the world, is our adherence to the North Atlantic Pact. By doing so we would be candidly and openly laying down in black and white exactly what we mean, and saying what we mean, which is that we want to have certain areas of the world kept free from aggression on the part of anyone, for the next 20 years. If we can keep them free, we shall have peace for 20 years.

Mr. WATKINS. We have been arguing all afternoon as to what is meant by the various articles. Even the friends of the treaty are in disagreement at the present moment as to what they mean. So it is difficult to say that we mean what we say and say what we mean, when we cannot find out what is meant. I could show the Senator contradiction after contradiction in the testimony and statements of proponents of the treaty, as to what it means; also contradictory actions by those who negotiated the treaty.

Mr. President, I have been speaking for more than 3 hours. I am becoming a trifle weary. I should like to conclude. Most of the material which I had intended to cover has been brought out by questions.

Mr. BALDWIN. Mr. President, will the Senator yield for a brief series of questions?

Mr. WATKINS. I yield.

Mr. BALDWIN. First, I should like to ask the Senator whether or not he believes that the Congress and the Government should take every positive action it can to bring about a strengthening of the United Nations.

Mr. WATKINS. I should like to see that done, even though I think the difficulty with the United Nations is the fact that it is built on nations some of whom are not peace loving, but who are aggressive and will not support the program. We cannot get anywhere so long as we have that kind of situation. That is what has split the world into two camps; and this treaty is only formal recognition of that division.

Mr. BALDWIN. The Senator does not mean, does he, that if there is a part of the world which does not believe in strengthening the United Nations Charter, we should give it up entirely?

Mr. WATKINS. No. I am willing to go along. I have voted for practically all the European programs up to date, including the ECA, and on two occasions the Greek-Turkish loans. This is the first time I have questioned the decisions. Previously there did not seem to be anything else to do. Here we are asked to choose between a policy which has been in effect for more than 150 years, and which has made us a great Nation, and a policy calling for some definite, positive alliance with other nations. Of course, the burden is on those who want to establish that kind of program to show that it is a better program than the one we now have.

Mr. BALDWIN. If the Senator agrees with me that we should take every step possible to strengthen the United Nations, and if he also agrees with me that we should not necessarily abandon it merely because not every member of the United Nations is in agreement, then would not the Senator agree with me that we should continue to explore that particular situation? I should like to recall——

Mr. WATKINS. Let me answer the first question before the Senator proceeds to another question. I should say yes; let us do all the exploring we can.

Mr. BALDWIN. I wonder if the Senator recalls that in the Eightieth Congress, on July 9, 1947, a group of Senators collaborating with the Senator from Michigan [Mr. FERGUSON] submitted Senate Concurrent Resolution 23. It is very brief, and I shall read it:

*Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of the Congress of the United States that permanent world peace can and will be achieved through the United Nations and to that purpose we believe that action should be taken under the provisions of the Charter of the United Nations to propose and adopt amendments and revisions that will strengthen the United Nations as an instrument to prevent war and maintain world peace.

Does the Senator recall that resolution?

Mr. WATKINS. I remember it very well. I remember having some discussion with the distinguished Senators who sponsored it.

Mr. BALDWIN. The junior Senator from Connecticut recalls discussing it at that time with the distinguished junior Senator from Utah.

I ask the Senator from Utah if he recalls a resolution which was submitted in the second session of the Eightieth Congress, namely, Senate Concurrent Resolution 50, sponsored by the Senator from Michigan [Mr. FERGUSON] and other Senators.

Mr. WATKINS. I recall it.

Mr. BALDWIN. I should like to call attention to certain portions of that concurrent resolution, which was rather comprehensive. I read briefly from the concurrent resolution:

Whereas civilization itself is threatened by the atomic cloud now hanging over the world, and by the back-breaking load of an armament race leading to a terrifying third world war; and

Whereas the maintenance of international peace and security demand affirmative action now by all the nations of the world seeking peace, so that the mutual suspicion and fear now driving the world into opposite military camps may be replaced by mutual confidence in a United Nations strong enough to guarantee any member nation, however large or small, and whatever its form of government, against armed violence by any other nation; and

Whereas the Congress favors the revision of the United Nations Charter so that its existing defects, demonstrated by experience, shall be removed, and the United Nations Organization shall be able to fulfill its stated mission as the principal and most effective instrument for world peace; and

Whereas the revision of the United Nations Charter should be undertaken or supported by the United States Government without delay and in a manner that shall most effectively parallel and integrate the measures for world economic recovery already undertaken or yet to be undertaken by the Congress of the United States: Therefore be it

*Resolved by the Senate (the House of Representatives concurring)*, That the President is authorized and requested to initiate such measures as will carry out without delay the policies hereinabove enunciated, being guided by such principles as he may deem advisable, including the following:

* * * * *

(2) The revision of the United Nations Charter shall be carried out with the approval of all member states if possible; but in the event that any permanent member states should veto the proposals for revision, the United States shall join with other like-minded states in accordance with applicable provisions of the United Nations Charter or in any other manner acceptable to the majority of member states, in establishing, on the basis of a revised United Nations Charter, a more effective international organization for mutual defense without the participation of the abstaining state or states.

That concurrent resolution was submitted in the Senate on April 12, 1948, and referred to the Committee on Foreign Relations. Does not the Senator recall that the Committee on Foreign Relations subsequently reported the so-called Vandenberg resolution, Senate resolution 239?

Mr. WATKINS. I remember it very well.

Mr. BALDWIN. That was really the precursor of the present Atlantic Treaty. Does not the Senator believe that had we attempted to proceed along the more ambitious lines outlined in the first resolution we would have been immediately met with a veto from the Soviet Union?

Mr. WATKINS. I think so.

Mr. BALDWIN. Under those circumstances, does not the Senator believe that the more ambitious program would therefore have been futile, and that we had better proceed in a less ambitious fashion to accomplish a greater degree of unity and a more comprehensive area of defense than we had at that time, or presently have?

Mr. WATKINS. Of course, that goes to the question which is before us, whether what is proposed is better than the policy we have had in the past. I shall not now answer categorically.

Mr. BALDWIN. I would not ask the Senator to do so. However, is it not logical to suppose that the Atlantic Pact which we now have before us is a nautral sequence of accomplishment along the lines which I think all of us were thinking about 2 years ago? Does not the Senator believe that under all the circumstances this is the most that could be accomplished within the provisions of the United Nations Charter, providing for defense in a very limited but very vital and important area?

Mr. WATKINS. I think this is a manifestation of the failure of the United Nations to accomplish the principal purposes for which it was organized. I think it is another effort to do what we could not do with the United Nations. As one witness described it, this is the backstop. The United Nations could not stop war. This is the backstop, and is a temporary measure which will probably stand in place of the United Nations until the United Nations program is placed in operation.

Mr. BALDWIN. Is it the Senator's view that such a pact as the proposed Atlantic Pact was not within the contemplation of the provisions of the United Nations Charter?

Mr. WATKINS. I doubt very seriously if it comes within the provisions of article 51. That seemed to contemplate a different situation. That question has been argued here at some length. I believe the Senator from Vermont [Mr. FLANDERS] argued that particular point. I agree with the Senator from Vermont. I do not believe it comes within the contemplation of the provisions of the United Nations Charter.

Mr. BALDWIN. Of course the Senator will agree with me that that is a matter of opinion, will he not?

Mr. WATKINS. Certainly.

Mr. BALDWIN. It could or it could not.

Mr. WATKINS. Certainly. The Senator from Connecticut asked me for my opinion, and I say that is my opinion.

Mr. BALDWIN. I take it that the Senator from Utah would go along with me in the logical sequence of events, up to the point where he arrives at the question of whether the decision we are now considering is a logical result of our efforts to date.

Mr. WATKINS. I intended to discuss, in a prepared statement, my views regarding the United Nations and this pact in relation to it. I also intended to state why I believe the United Nations has completely failed, and that any organization which is built on force, as this treaty is, and is relying on force to achieve peace in the world, will not succeed. No such organization or effort has ever succeeded in the past, and I think there is something inherently lacking in such an effort, since similar attempts have resulted in so many failures. I think that matter should be discussed. That is my position.

I do not believe any group of nations, selfish as the nations are today, can be brought into an organization to provide peace. There still will have to be a policeman and a club; and when there is a nation like Russia, there will have to be a military expedition big enough to do the job, and that means war. No matter what it is called, it means war.

Mr. BALDWIN. Would not the Senator from Utah agree that if we cannot get all the other nations to join in an effort to preserve peace, then we should get as many nations as we can to work toward achieving peace in a vital portion of the world?

Mr. WATKINS. I think we should try to get the other nations to live in such a way as to bring about peace. But that does not mean that we have to undertake to police the world and undertake to guarantee its security for the next 20 years. I seriously doubt whether it would be wise for us to attempt to do that.

Mr. BALDWIN. That is where the Senator and I are in disagreement.

Mr. WATKINS. That is quite true.

Mr. BALDWIN. It is my opinion that this is the best means we have to achieve the desirable objectives the distinguished Senator from Utah, along with every other Member of the Senate, has in mind. I wish that we might, as a result of this debate, have evolved some better program. But I am firmly of the opinion that this is the best that has been evolved to date, and that it is better to adopt this course and attempt to follow it, as outlined in the charter, rather than to do nothing at all.

I wish to commend the distinguished Senator from Utah for his able contribution to this discussion. He, together with the distinguished Senator from Missouri [Mr. DONNELL] has pointed out most effectively and forcefully all the things, I think, that can be said on the other side of this vitally important issue.

I thank the Senator for yielding to me.

Mr. WATKINS. Mr. President, I thank the Senator from Connecticut for his courtesy and his statement.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Utah yield to the Senator from Missouri?

Mr. WATKINS. I yield.

Mr. DONNELL. I should like to ask more than one question, but not very much more.

Does the Senator from Utah recall that on the 18th day of March of this year, which was several weeks before the signature of the treaty, the Secretary of State delivered a radio address on the North Atlantic Pact?

Mr. WATKINS. I remember the speech, and I listened to Secretary Acheson give it. He made an excellent speech.

Mr. DONNELL. In the opening part of that speech, the Secretary of State said this:

The text of the proposed North Atlantic Pact was made public today. I welcome this opportunity to talk with my fellow citizens about it—

And so forth. Then, a little later, he said:

The treaty and its implications can now be fully discussed.

I simply wish to call the Senator's attention to the fact that that speech by Secretary of State Acheson was motivated, as I understand, by his statement that—

The treaty and its implications can now be fully discussed.

I ask the Senator from Utah whether he regards this observation by the Secretary of State, in that radio address, to be of importance in connection with the obligations under article 3. In referring to the second article of the treaty, and so forth—and that portion of his address appears in the newspaper under a heading "Self-help and mutual aid," Secretary Acheson said:

This purpose is extended further in article 3—

I cannot be certain just what the words "this purpose" refer to, unless I read some of the preceding portions of the address. However, that is immaterial at the moment. The statement at that part of the address is as follows:

This purpose is extended further in article 3, in which the participating countries pledge themselves to self-help and mutual aid. In addition to strengthening their free institutions, they will take practical steps to maintain and develop their own capacity and that of their partners to resist aggression. They also agree to consult together—

And so forth. Then this appears—and I ask the Senator from Utah for his observations as to the significance of the statement made by the Secretary of State at that point. The Secretary of State had spoken of the fact that—

The treaty and its implications can now be fully discussed.

And then he said:

Successful resistance to aggression in the modern world requires modern arms and trained military forces. As a result of the recent war, the European countries joining the pact are generally deficient in both requirements.

Then he said:

The treaty does not bind the United States to any arms program.

Mr. President, I pause at this point to say that of course the treaty does not set out an arms program.

Then the Secretary of State said this:

But we all know that the United States is now the only democratic nation with the resources and the productive capacity to help the free nations of Europe to recover their military strength.

I ask the Senator from Utah to recall that apparently what was being discussed there were the treaty and its implications.

Then the Secretary of State said:

Therefore we expect to ask the Congress to supply our European partners some of the weapons and equipment that they need to be able to resist aggression. We also expect to recommend military supplies for other free nations which will cooperate with us in safeguarding peace and security.

Then the Secretary of State talked about the "compact world of today" and the "policy to help free peoples to maintain their integrity and independence, not only in western Europe or in the Americas, but wherever the aid we are able to provide can be effective," and in that connection he referred to Greece, Turkey, and Iran.

Then he said:

In providing military assistance to other countries, both inside and outside the North Atlantic Pact, we will give clear priority to the requirements for economic recovery. We will carefully balance the military assistance program with the capacity and requirements of the total economy, both at home and abroad.

I ask the Senator from Utah this question: In view of the fact that when the Secretary of State was speaking on the day when the text of the treaty was made public, after he said that the restraints which previously had applied to the pact as a confidential matter no longer applied, he then said:

The treaty and its implications can now be fully discussed.

And then said that the countries are to take all practical steps, and that successful resistance to aggression requires modern arms, and then said that—

We all know that the United States is now the only democratic nation with the resources and the productive capacity to help the free nations of Europe to recover their military strength.

And then said:

Therefore we expect to ask the Congress to supply our European partners some of the weapons and equipment they need to be able to resist aggression.

Does not the Senator regard that as highly significant in determining the real intent and purpose in the framing of the North Atlantic Treaty?

Mr. WATKINS. I think it is very significant; and if a court were ruling upon the construction of a contract, that would be very persuasive evidence of what the parties intended it to mean.

Mr. DONNELL. Mr. President, if the Senator from Utah will consent, I ask that the entire radio address by Secretary of State Acheson, as appearing in the Washington Evening Star of March 19, 1949, be set forth in the RECORD after Document 22 of the State Department, which, as I understand, has previously been ordered to be printed in the RECORD at the end of the Senator's speech.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(See exhibit 2.)

Mr. DONNELL. I thank the Chair.

I thank the Senator from Utah for his forbearance.

Mr. WATKINS. Mr. President, most of the matters I had intended to discuss in the remainder of my speech have already been covered in the questions which have been asked. So I shall not continue further today.

I merely wished to discuss the treaty in respect to some of the problems involved so as to see whether we could find out what the treaty means, what we are being committed to, and what our program for the future should be.

I have pointed out some matters of interpretation which I think are bothering many Senators today in connection with determining how they shall vote on the question of the ratification of the treaty. I think it should be helpful to have these matters discussed in detail, as to just what was meant. My own personal judgment is that article 3 is a direct and definite commitment, an obligation to render assistance or mutual aid, and that includes, in the very nature of this entire agreement, military assistance. The very fact that the representatives of nations overseas parties to the pact immediately came forward with a request for help, which the Secretary of State had planned, and the discussion which had gone on at one time that the furnishing of armaments was to be made part of the pact, is strong evidence in favor of the interpretation I have just given. My own personal conviction is that when we vote to ratify this treaty we have made a definite commitment binding the United States to render assistance and mutual aid. How we shall implement it, how far we will go, of course will be left up to future Congresses. But there is a definite commitment, it seems to me, that binds us in good faith to carry it out, and if I should vote for this treaty I would feel obligated then to vote for an arms implementation which would be reasonable and necessary to carry out the terms of the pact.

I intend to call up some reservations later on, and I expect to speak on some other phases of the treaty at a future meeting of the Senate, including possibly article 5. I have already suggested that I should like to present some reservations or amendments to article 2, and I may have one on article 3. If it is still insisted that this article means no commitment whatever, no direct commitment on the part of the United States, perhaps then it is unnecessary to have it in the treaty. It must have a purpose, and if it has no purpose, and there is no commitment, then I see no advantage in having so much meaningless language in the treaty.

I yield the floor.

EXHIBIT 1

[From Foreign Affairs Outlines: Building the Peace, Department of State, Spring 1949]

THE UNITED STATES MILITARY ASSISTANCE PROGRAM

"In the compact world of today, the security of the United States cannot be defined in terms of boundaries and frontiers. A serious threat to international peace and security anywhere in the world is of direct concern to this country. Therefore it is our policy to help free peoples to maintain their integrity and independence, not only in western Europe or in the Americas, but wherever the aid we are able to provide can be effective." (Secretary of State Acheson, March 18, 1949.)

The military-assistance program to be presented to Congress by President Truman outlines one of the most effective steps the United States can take at this time to preserve international peace and maintain its own security. It is a step in keeping with the sharpest lesson of the twentieth century—that the American people and other democratic peoples must now find their security in the broader security of a free and stable world. To keep our freedoms we must share the responsibility of protecting them. Security today means stopping war before it can start. It means halting the piecemeal aggressions which lead to war by making crystal clear to any would-be aggressor the price that must be paid for his attack.

Military assistance to the North Atlantic Treaty countries and to other free nations will further the basic aims of general security

in a manner which the executive branch of the Government believes will prove to be timely, effective, and, in the long run, economical. Coupled with our membership in the North Atlantic Treaty, it will give direct assurance that the United States intends to continue the leadership which has brought confidence and new hope to democratic nations.

In brief, these things will be recommended in the military-assistance program:

That all projects of United States military aid be brought together in one program.

That a single appropriation be made to cover the costs of the entire military-aid program (for the fiscal year 1950, these amounts would be about $1,130,000,000 for the North Atlantic Pact countries and about $320,000,000 for Greece and Turkey and certain other nations whose security is important to the United States, making a total of about $1,450,000,000);

That the Chief Executive be given the authority to make flexible use of these funds and to meet emergencies as they arise;

That most of our aid at this time go to western Europe, an area whose importance to our security has been demonstrated in two world wars;

That the military-aid program be separate and distinct from the North Atlantic Treaty, but that it complement that treaty through carrying out the principles of self-help and mutual aid; and

That our military aid to the free nations of western Europe in 1950 take three forms: a relatively small but very important amount of dollar aid to increase military production programs of the western European nations and thus speed termination of their present heavy dependence on the United States, a direct supply of arms and equipment to help accelerate the strengthening of the defensive capabilities of their military forces, and the provision of United States technical and training assistance.

These proposals add up to immediate support of the nations of western Europe who have requested our military aid The program proposing that action is an adjustment to the realities of our day and will serve to bulwark the major course the United States has undertaken to preserve peace and maintain its own security.

THE BACKGROUND OF UNITED STATES POLICY

*The need for the program*

The proposal that we furnish military aid now to the nations of western Europe derives from the United States policy of responsible leadership among free nations. It has given rise in the past to our aid to Greece and Turkey, our share in the great European recovery effort, our support of regional and collective self-defense agreements in Senate Resolution 239, and the North Atlantic Pact. As early as March 17, 1948, President Truman said in a message to Congress: "I am confident that the United States will, by appropriate means, extend to the free nations the support which the situation requires. I am sure that the determination of the free countries of Europe to protect themselves will be matched by an equal determination on our part to help them to do so." The need to act now arises out of the insecurity and fears of western Europe and of other freedom-loving nations of the world.

Free Europeans believe there is serious danger that the progress they have made toward recovery may be wiped out; under these circumstances they find it difficult to exercise to the full the drive and imagination that can take them to higher levels of recovery.

The reality of the fears in Europe and their causes were summarized for the Senate Foreign Relations Committee by Secretary of State Acheson in these words:

"If I may use an understatement, the sense of insecurity prevalent in western Europe is not a figment of the imagination. It has come about through the conduct of the Soviet Union. Western European countries have seen the basic purposes and principles of the [United Nations] Charter cynically violated by the conduct of the Soviet Union with the countries of eastern Europe. Their right to self-determination has been extinguished by force or threats of force. The human freedoms as the rest of the world understands them have been extinguished throughout that whole area. Economic problems have not been solved by international cooperation but dealt with by dictation. These same methods have been attempted in other areas—penetration by propaganda and the Communist Party, attempts to block cooperative international efforts in the economic field, wars of nerves, and in some cases thinly veiled use of force itself.

"By the end of 1947 it had become abundantly clear that this Soviet pressure and penetration was being exerted progressively further to the west."

The joint effort in the European recovery program has reached the stage where self-confidence is vitally important in bringing out new investments and new industries. There is a close relationship between progress toward recovery and progress toward an effective defense. Not only is recovery the foundation on which the security of a free and healthy people depends, but economic recovery, as it is realized, makes available more and more of the means whereby a defensive strength can be established and maintained through a Nation's own efforts. Confidence that the United States is definitely, clearly interested in the peace and security of Europe and confidence among free Europeans that they themselves can contribute to Europe's peace and security are both needed for full recovery and eventual independence from United States aid.

The military aid proposed for western Europe starts with the size and composition of the military forces planned for in the 1950 budgets of these countries. Its purpose is to help modernize and balance the equipment of these small forces. Experience has shown that small military establishments, well equipped and backed by a determined people, can be effective in maintaining peace. Their presence in areas of insecurity would disabuse any would-be aggressor of his visions of easy conquest. The establishment of such forces cannot be considered an act of aggression. Defensive strength in the hands of nations of peaceful intent does not lead to war. The danger of war arises from the huge military establishments which dictators maintain and are constantly tempted to use.

The free countries of western Europe must be encouraged by our actions to continue their efforts toward recovery. They do not have the resources to develop adequate defense forces by their own efforts within a reasonable time. Their will to resist and their ability mutually to defend themselves must be strengthened. They must be encouraged and assisted to build up their defense forces, through self-help and mutual aid, to a point where aggression cannot take place, either through internal disorders inspired from outside sources or under the guise of border incidents. In short, we must assist the free nations of western Europe to achieve the ability to maintain their independence and national security.

Recovery and confidence are closely linked. Our active foreign policy has given rise in Europe to a great momentum of recovery and a great increase in the will to resist aggression. The hope for peace with freedom lies in maintaining this momentum. The continuing confidence among free peoples that the United States is a full partner in the effort to preserve peace is the key factor in meeting the economic and political problems of our over-all foreign relations.

*President Truman's third point*

In his inaugural address President Truman outlined four courses of interrelated action through which the United States is now helping to create the world conditions under which all nations and all peoples will be free to govern themselves and to achieve a decent and satisfying life. They are, first, to support and strengthen the United Nations; second, to continue our programs for world economic recovery; third, to strengthen free nations against the dangers of aggression; and fourth, to undertake a program to improve the living conditions of the peoples of underdeveloped areas through the use of modern technology.

The provision of military aid to other nations comes under the third of the President's policy points. The United States, he declared in his address, will act to strengthen freedom-loving nations against the dangers of aggression and in addition "will provide military advice and equipment to free nations which will cooperate with us in the maintenance of peace and security." This policy is not new. President Truman expressed it in his speech of March 12, 1947, when he requested Congress for the authority to aid Greece and Turkey. He declared at that time that "it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures."

In the 2-year interval between these statements positive steps were taken to carry out this policy of military aid. The United States has provided military assistance to a number of nations, including Greece and Turkey, which were in immediate and critical danger of aggression. Since the reiteration of the policy of support given in the President's inaugural address, we have associated ourselves with Canada and 10 other nations in the North Atlantic Treaty, signed on April 4, 1949. Our partnership with the nations of western Europe in this collective-security arrangement goes far to give them the confidence they need, since the treaty states clearly that an attack on one member is an attack on all members. At the present time, however, the preponderant military power which could be brought to bear upon an aggressor is centered in the United States, 3,000 miles from western Europe. It must be perfectly clear to the people of the United States that we cannot count on our friends in western Europe to resist if our strategy in the event of war is to abandon these friends to the enemy with a promise of later liberation. That strategy would be costly, since it could produce nothing better than impotent and disillusioned allies in the event of war. Plans for the common defense of the free world must provide for the security of western Europe, or the New World may one day stand alone—an island of embattled freedom in a hostile world. Western Europe must count on us if it is to survive, and we, in turn, must count on western Europe if we are to endure. As of now, the inadequate defenses of western Europe invite military aggression, and increasing prosperity makes it a prize all the more tempting. Not until we share our strength on a common defensive front can we hope to replace this temptation with a real deterrent to war. The North Atlantic Pact is an agreement on the policy of a common defense; its very vital corollary is a program of military aid.

*Coordinating military aid*

We are already aiding Greece and Turkey. We now find it necessary to aid western Europe and certain other free nations. Manifestly, in the interests of economy and to achieve coherent action, the military aid programs must be considered together and at one time. Accordingly, the executive branch has been developing a program somewhat after the manner of the Marshall plan for

economic aid. For the past several months the Department of State, at the direction of the President, has been coordinating the efforts of all the Government agencies concerned with foreign assistance in shaping a unified, cohesive military aid program. The proposed program provides for centralized administration of military aid and asks that broad authority be granted to the President so that he may make aid available in critical situations. An essential part of the planning at this stage is that the Congress should authorize a single appropriation to finance all activities under the program during the fiscal year ending June 30, 1950.

The advantages of this procedure are evident. It will permit the most economical allocation of our limited military resources and assure that they will be made available where they are most needed and where they can be used most effectively. The broad administrative authority and a single appropriation would provide the flexibility necessary to deal quickly with changing situations. The centralized program also would make possible a system of priorities in which requests for aid could be measured against logical criteria and would insure the most efficient use of our assistance in combination with the resources of the recipient countries.

*Requests for assistance*

The provision of military assistance for the fiscal year 1950 is based on requests from certain free nations for such assistance. Of particular importance are the requests received from eight Atlantic Pact countries early in April of this year. The requests of five of these countries—the United Kingdom, France, Belgium, the Netherlands, and Luxemburg—were submitted as a single coordinated request through the mechanism established under the Brussels Treaty on March 17, 1948. The remaining three requests from the Atlantic Pact countries are from Denmark, Norway, and Italy.

These requests have in common certain basic principles which are important in that they provide assurance to us that our assistance will be so used as to furnish the maximum benefit. Stated simply, the requests assure that (1) the requesting countries will cooperate effectively with the United States in maintaining international peace and security; (2) the military programs of the requesting countries will not be permitted to endanger economic recovery; (3) the requesting countries will do all they can to help themselves and like-minded nations in their area.

All of the Atlantic Pact countries requesting assistance recognize the importance of increasing at this time their existing programs of military production above the amount already provided for in their budgets for the coming year. At the same time, they recognize that such an increase in their military production program must not be allowed to interfere with the recovery program.

Of particular importance is the fact that the requests from the Brussels Treaty powers were formulated as a coordinated single request. That coordinated single request took into account what each of the five countries can do for itself and for the others. It is evidence of the ability of the European countries to work together in establishing coordinated planning and is a result of a careful examination, as a group, of what, as a group, they can do for themselves.

While Norway, Denmark, and Italy were not in a position to furnish coordinated requests since they are not signatories of the Brussels Treaty, their requests emphasize the need for the development of self-help and mutual aid as the basic principles of building up the defensive capacity of the entire North Atlantic area.

*Relationship to the Atlantic Pact*

The requests of the eight North Atlantic Pact countries are not a product of the Atlantic Pact. The military-assistance program was conceived and developed separately and somewhat in advance of the formulation of the pact. The military-assistance program would be necessary even without an Atlantic Pact. It is clear, however, that the military-assistance program will be more effective with the Atlantic Pact than without it, for the Atlantic Pact provides the defensive potential of all the members taken together as contrasted with the smaller potential of the individual member nations. It further provides the procedures for attaining coordinated military-defense plans and the mechanisms for developing the self-help and mutual-aid principles.

Although the military-assistance program and the pact were conceived of and developed separately, they are based upon the same principles and they are complementary. Article 3 of the pact provides that by self-help and mutual aid the members will develop their capacity to resist aggression. The military-assistance program is based on the same principle of self-help and mutual aid. Article 3 does not obligate the United States to provide any definite amount of military assistance or to make any specific contribution. It does, however, obligate the United States, as it obligates every other member of the North Atlantic Pact, to adhere to the principle of mutual aid and to exercise its own honest judgment in contributing what it most effectively can to implement the mutual-aid principle. It is the opinion of the executive branch of this Government that the United States can best contribute to the collective capacity for defense of the North Atlantic area by providing military assistance, and it is the recommendation of the executive branch that it should do so. It is also the opinion of the executive branch that the provision of assistance will become a powerful factor for assuring success on the aims of the pact, for, as the countries of the western union develop their power to resist aggression, they will become better able to contribute not only to the peace and security of the North Atlantic area but to the peace and security of the world.

*Relation to the European recovery program*

In the past year the free nations which are bound together in the European recovery program have taken long strides toward being able, in the words of President Truman, to "contribute once more to the security and welfare of the world." There has been a marked rise of confidence among them. Hope, and the will to resist tyranny, were ebbing in 1947. They are flowing again today. The new factor of confidence is a contagious and creative human emotion essential to the final success of the recovery program. Its recent growth in western Europe is based on the belief that through the North Atlantic Pact security from external aggression can be attained.

In the European mind two concepts contained in the Atlantic Pact are inseparable. The first is that unity of purpose among the free nations would be a powerful deterrent to any aggressor, and the second that, through self-help and mutual aid, effective military establishments can be developed as an assurance of defense. To combat fear, which is also contagious and as destructive as confidence is creative, the free peoples of Europe need the concrete evidence of action taken for mutual defense. They need to have in their own hands the equipment and materials which will represent a clear start toward individual and collective military strength, adequate to control internal disorders and to convince an aggressor that he would pay dearly for any attempt to cross their borders.

The nations of western Europe are taking their obligations of self-help and mutual aid under the North Atlantic Pact very seriously and are undertaking to do all they can for themselves and for each other. They are, however, already making heavy expenditures in relation to their resources for military purposes, and the additional effort that they can make at this time is limited. These nations could not under existing circumstances produce sufficient arms and equipment for themselves for adequate defense within a reasonable time.

They are engaged in an all-out effort to achieve economic recovery, and they are hard pressed to realize sufficient revenues to maintain financial stability and to insure that an adequate flow of funds into reconstruction and investment is maintained. These efforts must have a clear priority. Sound and stable economics are, in themselves, the strongest bulwark against communism, and, in addition, are essential to enable these countries to build up and maintain adequate defense forces. Additional military production to be undertaken by them must accordingly be limited to an amount which will not jeopardize economic recovery and maintenance of financial stability or require any modification of the original concept of the economic recovery program—that the recipient nations are to achieve sufficient economic strength by 1952 to be able to maintain their populations on an adequate basis without extraordinary outside assistance. The margin above the requirements for economic recovery and financial stability for increasing military production is relatively small. A significant beginning, however, can be made. On the basis of estimates by these countries and the Economic Cooperation Administration, it is believed that with our assistance the rate of military production can be increased by the equivalent of several hundred million dollars without endangering economic recovery or financial stability.

The existence of this small margin for additional production does not mean that full-fledged effort toward economic recovery is not being made. In certain cases there are specialized facilities, such as arsenals and aircraft production lines, already in existence which are not being used to capacity, and there exist imbalances in other production facilities which make it impossible to utilize these facilities fully in the recovery effort. In certain countries there is a degree of unemployment or pools of labor which are relatively immobile because of the housing shortage. So long as increased military production is not expanded beyond reasonable limits it would represent a marginal production which can be fitted safely into the gradually recovering economic situation in Europe. The people of these countries, with the impetus of the North Atlantic Pact and the military-assistance program, will also unquestionably accept the further sacrifices required to permit sufficient funds to be realized from noninflationary sources to finance the internal costs of this increased military-production program.

Provision must be made, however, in the military-assistance program to cover dollar costs involved in or incident to this production, because these countries do not have other means to meet these costs. The provision of these funds will be an economic expenditure. When this financial assistance is added to the labor, facilities, materials, and funds to be supplied by the recipient nations, it will result in the production of far more equipment than could be produced by the United States with the same expenditure and will enable these countries to initiate a gradually expanding production program which will eventually terminate the present heavy dependence on the United States.

DETAILS OF THE MILITARY-AID PROGRAM

*A single plan*

The proposed program combines all of the foreign military-assistance programs envisaged for the fiscal year 1950. The requirements of the requesting countries have

been carefully studied to assure the most effective total allocation of United States assistance.

The needs of the five Brussels Treaty nations were examined through informal conversations and in studies carried out among their military representatives and those of the United States and Canada. Both in these conversations and in the studies made by the permanent Military Committee, established under the Brussels Treaty in April 1948, the requirements for defense have been determined.

Requests from Norway, Denmark, and Italy, also members of the North Atlantic Pact, and requests from Greece and Turkey have also been carefully screened by our Government. These reports were examined in the light of the purpose of the coordinated program, our own security interests in the specified area, and the requesting country's military production, its ability to use aid efficiently, its defense position and defense planning, and its relationship to over-all security coordination. Aid in appreciably smaller volume is also needed in additional countries which have asked, or received, our assistance in the past.

The program now before the Congress comprises a planned and coordinated response to all these demands upon United States resources. It is limited to the bare essentials of aid necessary, during the time period proposed, to meet our world requirements.

*The cost of military assistance*

The legislation proposed by the President would authorize him to spend $1,450,000,000 in the fiscal year 1950 for the purposes of the program. Of this amount, $1,130,000,000 would be provided to the other signatories of the North Atlantic Treaty in the form of equipment shipped from the United States and of funds for financing materials for increased military production in Europe.

*Duration of the program*

Military-assistance programs of the United States have been directed toward establishing in areas of the free world threatened by aggression the confidence and physical security which will make attempted intimidation pointless and unprofitable. In facing the predatory, world-wide attacks on democratic freedoms, there is the continuing need to associate ourselves with vigorous, like-minded peoples who have a similar tradition of liberty and freedom.

The program now before the Congress is an interim program covering the most urgently needed military-aid requirements of fiscal year 1950. It is a program which will go into effect, if approved by Congress, prior to the working out of a common strategic concept through the machinery of the North Atlantic Pact. The programs for subsequent years, and the appropriations that will be requested for them, will be dependent upon many intangibles. There are certain limiting factors, however, which may be kept in mind.

The first of these factors is that each year's program will add a permanent increment in defensive strength. With the exception of the aid to Greece, the aid proposed under the present interim program is, for the most part, capital equipment, equipment which lasts in peacetime for many years.

A second factor is that the aid projected for western Europe is being furnished to military forces which are of definite size and composition. Any increase in those forces will be limited by the agreed priority of economic recovery in Europe.

A third limiting factor will be the increasing ability of the nations of western Europe to provide for themselves. As recovery in Europe progresses, industrial production in Europe will increase and so will the amount of production that will be available for military purposes.

The fourth and greatest factor is the degree to which we and the nations associated with us can remove the threat of war. The degree to which we can further that basic aim of our foreign policy will be the most precise measure of the limitations which can be placed safely on United States military assistance.

*Impact on the United States economy*

The National Security Resources Board, in consultation with other interested departments and agencies, has analyzed the probable effect of the proposed program upon our own economic and financial strength. The demands of the program for scarce materials such as steel, copper, and aluminum will be small and easily manageable, Since the expenditures in any one quarter of the fiscal year will be less than one-half of 1 percent of our gross national production, the effects on the over-all economy will be slight.

*Effect on United States military strength*

The military-assistance program will not weaken our presently authorized armed forces. The slight and temporary impact of the program on our own matériel requirements would be more than compensated by the improvement, in the long run, of the over-all capability of the United States and its partners to deter or to meet aggression.

*Administering the program*

The executive branch proposal envisions that the President will delegate to the Secretary of State by Executive order the broad responsibility and authority to administer the military-aid program. Thus military aid may be best integrated into the over-all foreign policy of the United States and made consistent with our goal of world peace.

Within the Department of State an administrator for foreign military assistance would be appointed to administer the program and supervise the allocation of funds for the Secretary. The National Military Establishment would be delegated a large share of the responsibility for the actual operation of the program. Both the National Military Establishment and the Economic Cooperation Administration would act in an advisory capacity to the Department of State.

WAGING THE PEACE

*A defense program*

A considered and limited program of military aid undertaken by the United States now will advance world peace and security by deterring aggression and by helping to create the climate of hope and confidence essential for cooperative action toward a peaceful and prosperous world.

This program is designed to improve the defensive strength of the cooperating nations and thus to increase their will to resist aggression and their ability to maintain internal security. The profound desire of the peoples of western Europe and North America for a chance to live in peace should allay any fear that the North Atlantic Treaty, or the limited assistance proposed for its members, would provide a basis for aggressive action against any nation.

The military-assistance program proposed by the United States, like our membership in the North Atlantic Treaty, is part of a policy which is entirely defensive in its scope. It could not be otherwise. Aggression is contrary to our basic traditions, instincts, and fundamental policies. The very nature of our democratic system of government gives assurance that we could not conspire to undertake an act of aggression.

*Military aid and the United Nations*

By helping to restore a sense of security to the free nations of the world through increasing their ability to resist aggression, the military-aid program should help bring about world conditions which will permit the United Nations to function more effectively. Supporting as it does the peaceful objectives of the United Nations and the inherent right of individual and collective self-defense, specifically recognized by article 51 of the Charter, the program is wholly consistent with the intent of the Charter.

Action taken under the program must conform to United Nations principles and purposes and to our present and future obligations under the Charter. The proposed legislation restates the Government's obligation as a member of the United Nations to refrain from giving assistance to any nation against which that organization is taking preventive or enforcement action. It requires the President to abstain from giving any aid under the program which he may find inconsistent with that obligation.

*The price of peace*

The people of America appreciate that world peace cannot be achieved without effort, real sacrifice, and constant vigilance. To this end they have willingly and generously supported programs designed to secure lasting peace and security.

Secretary Acheson said in his radio broadcast on the North Atlantic Treaty: "The United States is waging peace by throwing its full strength and energy into the struggle, and we shall continue to do so. * * * To have genuine peace we must constantly work for it. But we must do even more. We must make it clear that armed attack will be met by collective defense, prompt and effective."

The military-assistance program now proposed is part of the price we must pay for peace and security in present world conditions. It is one of the preventive actions we can take now to avoid the terrible expenditures of war. Today the free nations hold the initiative in the Western World. They are confident that they can and will stand together in defense of their freedom. If we turn aside at this moment from aiding the common defense, we may not again have such an opportunity.

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EXHIBIT 2

[From the Washington Star of March 19, 1949]

TEXT OF SECRETARY ACHESON'S ADDRESS ON NORTH ATLANTIC ALLIANCE

The text of the proposed North Atlantic Pact was made public today. I welcome this opportunity to talk with my fellow citizens about it. It has taken many months to work out this text with the representatives of the other nations involved. First Mr. Lovett, and then I, met with the Ambassadors of Canada, Britain, France, Belgium, the Netherlands, and Luxemburg.

Recently the Ambassador of Norway joined in these discussions. These talks had to be conducted in private and in confidence, so that each of us could speak frankly and fully on matters of vital importance to our countries. It is for this compelling reason that public discussion of the text of the pact by your representatives has not been possible up to this time.

That restraint no longer applies. The treaty and its implications can now be fully discussed. Public opinion can now be formed on the basis of complete information. Only in this way can your Government have what former Secretary of State Stimson has termed "the understanding support * * * of the American people," which is essential to the success of any policy.

I think the American people will want to know the answers to three principal questions about the pact: How did it come about and why is it necessary? What are its terms? Will it accomplish its purpose?

PEACE AND SECURITY

The paramount purposes of the pact are peace and security. If peace and security can be achieved in the North Atlantic area,

we shall have gone a long way to assure peace and security in other areas as well.

The achievement of peace and security means more than that in the final outcome we shall have prevented war and brought about the settlement of international disputes by peaceful means.

There must be conviction of people everywhere that war will be prevented and that disputes will be settled peacefully. In the most practical terms, true international peace and security require a firm belief by the peoples of the world that they will not be subjected to unprovoked attack, to coercion and intimidation, to interference in their own affairs.

Peace and security require confidence in the future, based on the assurance that the peoples of the world will be permitted to improve their conditions of life, free from fear that the fruits of their labor may be taken from them by alien hands.

These are goals of our own foreign policy which President Truman has emphasized many times, most recently in his inaugural address, when he spoke of the hope that we could help create "the conditions that will lead eventually to personal freedom and happiness for all mankind." These are also the purposes of the United Nations, whose members are pledged "to maintain international peace and security" and to promote "the economic and social advancement of all peoples."

These purposes are intimately related to the origins of the United Nations. As the Second World War neared its end, the peoples who bore the brunt of the fighting were sick of the horror, the brutality, the tragedy of the war. Out of that revulsion came the determination to create a system that would go as far as humanly possible in insuring international peace and security.

TOLERANCE AND COOPERATION

The United Nations seeks to maintain peace and security by enjoining its members from using force to settle international disputes. Moreover, it insists that they acknowledge tolerance and cooperation as the guiding principles for the conduct of nations.

The members are expected to settle differences by the exercise of reason and adjustment, according to the principles of justice and law. This requires a spirit of tolerance and restraint on the part of all the members.

But, as in any other institution which presupposes restraint, violence or obstruction can be used to defeat the basic undertaking. This happens in personal relations, in families, communities, churches, politics, and everywhere in human life. If the system is used in ways it was not intended to be used, there is grave danger that the system will be disrupted.

That applies to the United Nations. The system is not working as effectively as we hoped because one of its members has attempted to prevent it from working. By obstructive tactics and the misuse of the veto, the Soviet Union has seriously interfered with the work of the Security Council in maintaining international peace and security.

But the United Nations is a flexible instrument. Although the actions of the Soviet Union have disturbed the work of the United Nations, it is strong enough to be an effective instrument for peace. It is the instrument by which we hope world peace will be achieved. The Charter recognizes the importance of regional arrangements consistent with the purposes and principles of the Charter. Such arrangements can greatly strengthen it.

The Atlantic Pact is a collective self-defense arrangement among the countries of the North Atlantic area. It is aimed at coordinating the exercise of the right of self-defense especially recognized in article 51 of the United Nations Charter. It is designed to fit precisely into the framework of the United Nations and to assure practical measures for maintaining peace and security in harmony with the Charter.

NATIONAL IDENTITY OF INTERESTS

It is the firm intention of the parties to carry out the pact in accordance with the provisions of the United Nations Charter and in a manner which will advance its purposes and principles.

Already one such arrangement under the Charter has been established with United States participation. The 21 American Republics in reorganizing their regional system have specifically brought it within the framework of the United Nations Charter. We are now joining in the formation of a second arrangement, pertaining to the North Atlantic area, likewise within the framework of the United Nations.

It is important to keep in mind that the really successful national and international institutions are those that recognize and express underlying realities. The North Atlantic community of nations is such a reality. It is based on the affinity and natural identity of interests of the North Atlantic powers.

The North Atlantic Treaty which will formally unite them is the product of at least 350 years of history, perhaps more. There developed on our Atlantic coast a community, which has spread across the continent, connected with western Europe by common institutions and moral and ethical beliefs. Similarities of this kind are not superficial, but fundamental. They are the strongest kind of ties, because they are based on moral conviction, on acceptance of the same values in life.

The very basis of western civilization, which we share with the other nations bordering the North Atlantic, and which all of us share with many other nations, is the ingrained spirit of restraint and tolerance. This is the opposite of the Communist belief that coercion by force is a proper method of hastening the inevitable. Western civilization has lived by mutual restraint and tolerance. This civilization permits and stimulates free inquiry and bold experimentation. It creates the environment of freedom, from which flows the greatest amount of ingenuity, enterprise, and accomplishment.

These principles of democracy, individual liberty, and the rule of law have flourished in this Atlantic community. They have universal validity. They are shared by other free nations and find expression on a universal basis in the Charter of the United Nations. They are the standards by which its members have solemnly agreed to be judged. They are the elements out of which are forged the peace and welfare of mankind.

TWO HALVES OF ONE COMMUNITY

Added to this profoundly important basis of understanding is another unifying influence—the effect of living on the sea. The sea does not separate people as much as it joins them, through trade, travel, mutual understanding, and common interests.

For this second reason, as well as the first, North America and western Europe have formed the two halves of what is in reality one community, and have maintained an abiding interest in each other.

It is clear that the North Atlantic Pact is not an improvisation. It is the statement of the facts and lessons of history. We have learned our history lesson from two world wars in less than half a century. That experience has taught us that the control of Europe by a single aggressive, unfriendly power would constitute an intolerable threat to the national security of the United States.

We participated in those two great wars to preserve the integrity and independence of the European half of the Atlantic community in order to preserve the integrity and independence of the American half. It is a simple fact, proved by experience, that an outside attack on one member of this community is an attack upon all members.

We have also learned that, if the free nations do not stand together, they will fall one by one. The stratagem of the aggressor is to keep his intended victims divided, or better still, set them to quarreling among themselves. Then they can be picked off one by one without arousing unified resistance. We and the free nations of Europe are determined that history shall not repeat itself in that melancholy particular.

As President Truman has said: "If we can make it sufficiently clear, in advance that any armed attack affecting our national security would be met with overwhelming force, the armed attack might never occur."

COLLECTIVE SELF-DEFENSE

The same thought was expressed by the Foreign Relations Committee of the Senate last year in its report recommending approval of Senate Resolution 239.

"The committee is convinced," the report said, "that the horrors of another world war can be avoided with certainty only by preventing war from starting. The experience of World War I and World War II suggests that the best deterrent to aggression is the certainty that immediate and effective countermeasures will be taken against those who violate the peace."

That resolution, adopted by an overwhelming vote of the Senate, expressly encourages the development of collective self-defense and regional arrangements within the United Nations framework and the participation of the United States in these arrangements.

What are the principal provisions of the North Atlantic Pact? I should like to summarize them.

First, the pact is carefully and conscientiously designed to conform in every particular with the Charter of the United Nations. This is made clear in the first article of the pact, which reiterates and reaffirms the basic principle of the Charter. The participating countries at the very outset of their association state again that they will settle all their international disputes, not only among themselves but with any nation, by peaceful means in accordance with the provisions of the Charter. This declaration sets the whole tone and purpose of this treaty.

The second article is equally fundamental. The associated countries assert that they will preserve and strengthen their free institutions and will see to it that the fundamental principles upon which free institutions are founded are better understood everywhere. They also agree to eliminate conflicts in their economic life and to promote economic cooperation among themselves. Here is the ethical essence of the treaty—the common resolve to preserve, strengthen, and make understood the very basis of tolerance, restraint, and freedom—the really vital things with which we are concerned.

SELF-HELP AND MUTUAL AID

This purpose is extended further in article 3, in which the participating countries pledge themselves to self-help and mutual aid. In addition to strengthening their free institutions, they will take practical steps to maintain and develop their own capacity and that of their partners to resist aggression. They also agree to consult together when the integrity or security of any of them is threatened. The treaty sets up a council, consisting of all the members, and other machinery for consultation and for carrying out the provisions of the pact.

Successful resistance to aggression in the modern world requires modern arms and trained military forces. As a result of the recent war, the European countries joining the pact are generally deficient in both requirements. The treaty does not bind the United States to any arms program. But

we all know that the United States is now the only democratic nation with the resources and the productive capacity to help the free nations of Europe to recover their military strength.

Therefore, we expect to ask the Congress to supply our European partners some of the weapons and equipment they need to be able to resist aggression. We also expect to recommend military supplies for other free nations which will cooperate with us in safeguarding peace and security.

In the compact world of today, the security of the United States cannot be defined in terms of boundaries and frontiers. A serious threat to international peace and security anywhere in the world is of direct concern to this country. Therefore, it is our policy to help free peoples maintain their integrity and independence, not only in western Europe or in the Americas, but wherever the aid we are able to provide can be effective. Our actions in supporting the integrity and independence of Greece, Turkey, and Iran are expressions of that determination. Our interest in the security of these countries has been made clear, and we shall continue to pursue that policy.

In providing military assistance to other countries, both inside and outside the North Atlantic Pact, we will give clear priority to the requirements for economic recovery. We will carefully balance the military-assistance program with the capacity and requirements of the total economy, both at home and abroad.

EVENTUALITY OF ARMED ATTACK

But to return to the treaty, article 5 deals with the possibility, which unhappily cannot be excluded, that the nations joining together in the pact may have to face the eventuality of an armed attack. In this article, they agree that an armed attack on any of them, in Europe or North America, will be considered an attack on all of them. In the event of such an attack, each of them will take, individually and in concert with the other parties, whatever action it deems necessary to restore and maintain the security of the North Atlantic area, including the use of armed force.

This does not mean that the United States would be automatically at war, if one of the nations covered by the pact is subjected to armed attack. Under our Constitution, the Congress alone has the power to declare war. We would be bound to take promptly the action which we deemed necessary to restore and maintain the security of the North Atlantic area.

That decision would be taken in accordance with our constitutional procedures. The factors which would have to be considered would be, on the one side, the gravity of the armed attack; on the other side the action which we believed necessary to restore and maintain the security of the North Atlantic area.

That is the end to be achieved. We are bound to do what, in our honest judgment, is necessary to reach that result. If we should be confronted again with a calculated armed attack such as we have twice seen in the twentieth century, I should not suppose that we would decide any action other than the use of armed force effective either as an exercise of the right of collective self-defense or as necessary to restore the peace and security of the North Atlantic area. That decision will rest where the Constitution has placed it.

This is not a legalistic question. It is a question we have frequently faced, the question of faith and principle in carrying out treaties. Those who decide it will have the responsibility for taking all appropriate action under the treaty. Such a responsibility requires the exercise of will—a will disciplined by the undertaking solemnly contracted to do what they decide is necessary to restore and maintain the peace and security of the North Atlantic area. That is our obligation under this article 5. It is equally our duty and obligation to the security of our own country.

SUBJECT OF UN CHARTER

All of these provisions of the pact are subject to the overriding provisions of the United Nations Charter. Any measure for self-defense taken under the treaty will be reported to the Security Council of the United Nations. These measures will continue only until the Security Council, with its primary responsibility, takes the necessary action to restore peace and maintain security.

The treaty has no time limit, but after it has been in effect 20 years, any member can withdraw on 1 year's notice. It also provides that, after it has been in existence 10 years, it will be reviewed in the circumstances prevailing at that time. Additional countries may be admitted to the pact by agreement of all the parties already signatories.

These are the principal provisions of the treaty.

Will the pact accomplish its purpose?

No one can say with certainty. We can only act on our convictions. The United States Government and the governments with which we are associated in this treaty are convinced that it is an essential measure for strengthening the United Nations, deterring aggression, and establishing the sense of security necessary for the restoration of the economic and political health of the world.

It seems absurd that it should be necessary, in this era of popular education and highly developed communications, to deal with allegations which have no relation to the truth and could not stand even the crudest test of measurement against realities.

NO PLANS TO MAKE WAR

I refer here to the allegations that this treaty conceals aggressive designs on the part of its authors with respect to other countries. Anyone with the most elementary knowledge of the processes of democratic government knows that democracies do not, and cannot plan aggressive wars. But for those from whom such knowledge may have been withheld I must make the following categoric and unequivocal statement, for which I stand with the full measure of my responsibility in the office I hold:

This country is not planning to make war against anyone. It is not seeking war. It abhors war. It does not hold war to be inevitable. Its policies are devised with the specific aim of bridging by peaceful means the tremendous differences which beset international society at the present time.

Allegations that aggressive designs lie behind this country's signature of the Atlantic Pact can rest only on a malicious misrepresentation or a fantastic misunderstanding of the nature and aims of American society.

This treaty is designed to help toward the goal envisioned by President Truman when he said:

"* * * As our stability becomes manifest, as more and more nations come to know the benefits of democracy and to participate in growing abundance, I believe that those countries which now oppose us will abandon their delusions and join with the free nations of the world in a just settlement of international differences."

PEACE IS POSITIVE

To bring that time to pass, we are determined, on the one hand, to make it unmistakably clear that immediate and effective counter measures will be taken against those who violate the peace, and on the other, to wage peace vigorously and relentlessly.

Too often peace has been thought of as a negative condition—the mere absence of war. We know now that we cannot achieve peace by taking a negative attitude. Peace is positive, and it has to be waged with all our thought, energy, and courage, and with the conviction that war is not inevitable.

Under the leadership of President Truman, the United States is waging peace with a vigor and on a scale without precedent. While the war was being fought, this country took the initiative in the organization of the United Nations and related agencies for the collective and cooperative conduct of international affairs. We withdrew our military forces, except those required for occupation duties, and quickly reduced our military establishment to about one-tenth its wartime size. We contributed generously to postwar relief and rehabilitation.

When events called for firmness as well as generosity, the United States waged peace by pledging its aid to free nations threatened by aggression, and took prompt and vigorous action to fulfill that pledge. We have actively sought and are actively seeking to make the United Nations an effective instrument of international cooperation. We proposed, and with the eager cooperation of 16 other nations, put into effect a great concerted program for the economic recovery and spiritual reinvigoration of Europe. We joined the other American Republics, and we now join with western Europe, in treaties to strengthen the United Nations and insure international peace and security.

WORLD TRADE EXPANSION

The United States is waging peace by promoting measures for the revival and expansion of world trade on a sound and beneficial basis. We are preparing to carry out an energetic program to apply modern skills and techniques to what President Truman has called the primitive and stagnant economies of vast areas, so that they will yield a better and richer life for their people.

The United States is waging peace by throwing its full strength and energy into the struggle, and we shall continue to do so.

We sincerely hope we can avoid strife, but we cannot avoid striving for what is right. We devoutly hope we can have genuine peace, but we cannot be complacent about the present uneasy and troubled peace.

A secure and stable peace is not a goal we can reach all at once and for all time. It is a dynamic state, produced by effort and faith, with justice and courage. The struggle is continuous and hard. The price is never irrevocably ours.

To have this genuine peace we must make it clear that armed attack will be met by collective defense, prompt and effective.

That is the meaning of the North Atlantic Pact.

THE NATIONAL HOUSING PROGRAM

During the delivery of Mr. WATKINS' speech,

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. MAYBANK. Mr. President, as in legislative session, I submit the conference report on Senate bill 1070, and ask unanimous consent for its immediate consideration.

(For text of conference report, see pp. 9129–9140 of the House proceedings of today.)

The PRESIDING OFFICER (Mr. HILL in the chair). Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. MAYBANK. Mr. President, this is a report on the housing bill passed a short while ago by the House. The report is unanimously approved by the Senate conferees.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. TAFT. Mr. President, did the House accept the number of units provided by the Senate?

Mr. MAYBANK. The Senator is correct. The House accepted the decision of the Senate as to the number a year, and also accepted the Langer amendment.

Mr. LANGER. Mr. President, I understand that the farm provisions were left as they were adopted by the Senate.

Mr. MAYBANK. The Senator is correct, as the $25,000,000 grant provision which the Senator's amendment increased from $12,500,000. Some minor concession in other respects were made to the House conferees.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

NOMINATIONS OF JOHN E. SLOAN AND MORGAN FORD

During the delivery of Mr. WATKINS' speech,

Mr. McCARRAN. Mr. President, will the Senator yield to me to present two nominations, which I desire to have considered at this time?

Mr. WATKINS. I ask unanimous consent, Mr. President, that I may be permitted to yield for that purpose, without losing the floor thereby.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCARRAN. Mr. President, there was unanimously reported from the Committee on the Judiciary this morning the nomination of John E. Sloan, of Pennsylvania, to be United States marshal for the western district of Pennsylvania, and the nomination of Morgan Ford, of North Dakota, to be judge of the United States Customs Court. The nominations have not been placed on the calendar. In view of the fact that the nominations were reported this morning I must ask for a suspension of the rule respecting the printing of the nominations on the calendar. I now ask unanimous consent that these nominations may be considered out of order at this time.

Mr. DONNELL. Mr. President, reserving the right to object, I wish to say that I was conversing with a messenger and did not catch the opening remarks of the Senator from Nevada. Will he be kind enough to restate them for my benefit?

Mr. McCARRAN. The Senator from Missouri as a member of the Committee on the Judiciary will recall that this morning there was unanimously approved by the Committee on the Judiciary two nominations, one to be United States marshal for the western district of Pennsylvania, and the other to be a judge of the United States Customs Court. The latter is a resident of the State of North Dakota. I now ask, out of order, unanimous consent that these two nominations may be considered and confirmed, without going on the calendar.

Mr. DONNELL. Mr. President, reserving the right to object, may I inquire of the Senator the reason for the request? There was no statement made, as I recall, in the Committee on the Judiciary this morning, that such action was intended to be taken.

Mr. McCARRAN. That is correct, but because of the situation with respect to appropriation bills, I have great doubt that I, as chairman of the Committee on the Judiciary, can be on the floor either Monday or Tuesday next. I think I will have to be in the Appropriations Committee during those 2 days. Therefore, I believe it to be highly important that the two nominations be considered and acted upon today.

Mr. DONNELL. Mr. President, reserving the right to object, I am sure we would all be very happy to have the distinguished Senator on the floor, and I trust it will be possible for him to be on the floor when action is taken, on the nominations, but it seems to me there is no reason shown for urgency with respect to these two nominations. With all due deference and respect for the Senator from Nevada, for whom I have the greatest respect, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WHERRY. Mr. President, I should like to restate what I said a few days ago with respect to action upon executive nominations. I believe the nomination should be considered in regular order, under regular procedure. I am sure the chairman of the Committee on the Judiciary agrees with me that nominations of Federal judges should be proceeded with under the regular routine. I believe considerable time will be saved if we follow that procedure from now on. I am not speaking, however, only of nominations of judges, but of other nominations. I agreed not to oppose consideration of the nominations referred to by the Senator from Nevada. But, inasmuch as objection has been made by a member of the Committee on the Judiciary, no action can be taken now. In the future, however, I shall have to insist on nominations being considered under the regular procedure, unless an emergency can be shown to exist, and that it is absolutely necessary that action be taken immediately.

Mr. McCARRAN. Mr. President, I wish to say that I consulted the minority leader before I attempted to bring up the nominations. One of the nominees is a Republican, and I thought naturally Republicans would be glad to have his nomination acted upon immediately.

Mr. WHERRY. I agreed with the Senator, but objection has been made by the distinguished Senator from Missouri.

THE NORTH ATLANTIC TREATY

The Senate as in Committee of the Whole resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. LODGE. Mr. President, I shall not attempt to duplicate the very excellent arguments that have been made for this treaty by the Senator from Texas and by the Senator from Michigan. In general, I agree with the arguments which they have made, and while I respect the sincerity and the interest and the spirit of devotion which characterizes those who are opposed to the treaty, I must set it down in all frankness that I think their arguments are very weak, marked by a good deal of false logic, by very inaccurate estimates of the realities of the world situation, and that they are overshadowed by a spirit of constantly taking counsel of one's fears, which is not a spirit which ever makes for success in the conduct of any human enterprise.

For reasons which I have expressed many times in the past, I intend to vote in favor of the ratification of this pact. I think there is wisdom in the argument that if the United States had given a similar notice before World War I and World War II, both of these wars might possibly have been avoided. The great advantage to me of this undertaking is that it does announce what I believe to be a fact, that we will not be uninterested in cases of future aggression on the nations which are signatory to this treaty. The strength of the undertaking lies in the American potential, which is in back of our opposition to aggression, and which tends therefore to make aggression less likely. It is assuredly no panacea for security, and while I hope that it may in the end result in our being able to reduce our appropriations for national defense, it by no means relieves us of the need of military preparedness; in fact, it cannot have any appreciable effect in that direction for some time. But still, in the unhappy event that aggression should occur, the pact should make it more likely that we could meet that aggression successfully.

Then I also agree with the argument that, to reject the pact would be a step fraught with the most colossal danger. To my mind, even if the pact did not begin with the merit that I think it did begin with, the act of rejecting it today would be a most dangerous and irresponsible thing to do.

Now, Mr. President, all the speculation that I have seen rests on the assumptions that war, if it does come, will be in the form of an attack by the aggressor nation on the nations of western Europe. Now, that of course is one possibility, and it should not be disregarded when we are thinking of ways and means to combat aggression. It is the likely probability for the first 5 years of this pact, assuming that war is a probability. But I ask Senators to remember that this pact lasts for 20 years, and when we take a long view, a 20-year view—and I think, as Senators who are about to ratify a 20-year pact, we should take a long view—we must come to the conclusion that the fact that Germany on two occasions tried to conquer western Europe and failed does not seem to be sufficient reason for concluding that another aggressor will repeat the mistake that Germany made twice. There is certainly at least room for the argument that the aggressor of the future, if it desires war, will wait until it has developed its maximum strength, and then will attack the United States first, knowing that once the United States is defeated, the whole of western Europe and the rest of the world will drop like a ripe plum. In either case, of course, the Atlantic Pact is of use, although the degree of usefulness is problematical and subject to difference of opinion. In case of an attack on

western Europe, there will, thanks to the Atlantic Pact, be nations in western Europe which are much better prepared and better organized than would otherwise be the case. In the case of an attack directly on the United States there will, thanks to the Atlantic Pact, be nations in Europe which are bound to us by the ties of the pact, and which would therefore be under an obligation to react as effectively as they could against the aggression which would be undertaken against us.

Just how effective that reaction would be is another matter. It is as certain as anything can be, I think, that the nations of western Europe will never in our lifetime be able to develop offensive capabilities; I mean offensive capabilities in the sense that it will make them able to take the war to the heart of a major aggressor. And to talk of an arms race as a likely development as a result of this pact, which I think has been done here in the last few days, is to me utterly fantastic. In fact, it is almost to be regretted that the nations of Europe are so weak that the possibility of such an arms race is fantastic. In fact, I think we may as well assume that in case of an attack directly on the United States we should prudently assume that we will have to deal with it almost alone. This, in turn, leads to two questions. Is there any nation today which could successfully attack the United States territory? Second, would we be ready to meet such an attack?

Well, the best opinion appears to be that no nation is able to make such an attack on us at the present time, and certainly it is a comforting thought that no nation today can make an effective parachute or air-borne drop on Washington or Boston or Detroit, because it is certainly plain that if such an attack were made today, we would be completely unready to deal with it. Some may accuse me of being visionary and of looking too far ahead when I bring up this possibility. But I submit that it is vital for us here in the Senate to look ahead and to face the worst as well as the best.

As I said before, this treaty which we are about to ratify lasts for 20 years, and certainly imposes upon us, who are, as responsible men, to try to take a 20-year view, and so, if we look ahead, we realize that a large scale air drop on Washington for example, cannot be met successfully by calling out the Military Police Battalion at Fort Myer, which I believe is all we have got here, now, in the way of troops, or that similar attacks on Boston, Detroit, Philadelphia, St. Louis, or Chicago can be met by the three Army divisions and the two Marine divisions, which is what we now have here in the United States. The fact seems to be that incursions of this type cannot be met by troops which have to be transported to the scene of action. They have to be met by troops that are already there. This may well mean a National Guard and universal military training components which are scattered all over the United States, which have it as their prime mission to get to the air fields quickly and start shooting, to prevent parachute attacks from being successful.

Is our National Guard on such a footing today, or is it dominated by the idea of forming infantry divisions as it always did in the past?

Are our young men of military age so organized today?

Are our laws regarding Army property such that these weapons would be readily available?

These and many other questions suggest themselves.

We should also remember that such attacks would be heavily aided by the Communist sympathizers who are at large in this country and whom it appears to be so difficult if not impossible, for our agencies of Government to apprehend and control. This kind of an attack cannot be made successfully without well-organized help on the ground and we must assume that such help will exist. These things require much organization and I assume that such organization work is being done by Communists in this country now, at this very minute, looking ahead to a day, 5 or 10 or 15 or 20 years from now—the duration period of this pact—when the nation which desires to attack us is ready to do so.

I mention all this because, while I am strongly in favor of the pact and think it is a vital step forward in our security, it must not give us a sense of overconfidence and make us lose sight of some of the very stark realities of the situation.

This thought of the underground in America suggests another set of questions, the first of which is, What are we doing to encourage corresponding formations of anti-Communist pro-American sympathizers abroad?

The Senator from Vermont [Mr. FLANDERS] spoke about the development of the psychological war and taking steps which would be effective in winning a war of ideas. I agree with him, but I did not follow him when he saw some inconsistency between a psychological war and the North Atlantic Pact. It seems to me the two go right along together. One of the great advantages of the pact is that it is a powerful psychological weapon and it is bound to create a sense of solidarity. It does not mean we should not do a great deal more, but I think the argument is very strong that we should at least do this much, because if Communists have their underground here and elsewhere, should we not have ours?

We know that there are literally millions of non-Communist eastern Europeans. We know that they are ardent and eager to work with us and ask only that we provide the leadership and organization. But, of course, we cannot provide leadership and organization unless we have the people who speak their languages, who are familiar with their customs and who also know American techniques. If we had young men of this type, we could organize all those friendly to us abroad and the total would run literally into millions of people.

Ever since my return to the Senate, I have been sponsoring legislation which would authorize the Army to enlist selected aliens who can provide the leadership and control necessary for the organization in case of aggression of that teeming young pro-American non-Communist manhood in Europe. Last year, the Senate adopted this legislation, but the House did not. It has received endorsement from important quarters, and no one has ever heard a conclusive argument against it.

I submit very sincerely that we will be negligent if we do not organize our friends abroad, at least, as eagerly and as efficiently as the Soviet Union organizes its friends over here, the great difference being that our friends would be organized only for defense.

This does not mean that in the tragic event of a future war we ourselves must not always make our full effort. We would certainly do so. The plan which I purpose has nothing to do with a foreign legion or with an army of mercenaries or anything of that kind. People who say that it is are confusing the issues. America will still have to make its full effort materially and will still have to conscript every young man who can serve. But, even after we have made our full effort, we still will need as many allies as we can get; and there in Europe, is one big source of potential allies which we are overlooking.

The North Atlantic Pact is an attempt to develop friendship and solidarity, and the method which I am proposing is another attempt.

If, in case of aggression, we limit ourselves solely to a counter attack consisting of dropping bombs, we will be overlooking a natural human asset in all these anti-Communist Europeans who in many ways can do more for us than bombs can.

I may be wrong but I understand there are 4,000,000 young Russians who are receiving military training at this moment and that they are organized into 200 divisions. We have three Army divisions and two Marine divisions over here. Why do they maintain 200 divisions? It is surely not because they are afraid that the eight or nine French divisions presently in France and the one or two divisions which we have in Germany are threatening them. Senators can answer that question as well as I can.

The ending of the blockade in Berlin, while a good thing in itself, must not blind our eyes to the seriousness of the fundamental factors. What are these factors? First is that the Soviet Union, having mopped up Europe all the way to the Elbe, is now engaged in mopping up the whole of Asia. I imagine that, after China has been taken over, Indochina, the Malay States, and India will not be far behind. We will then confront the possibility of an iron curtain going down between Asia and Japan which will make our position in Japan exceedingly difficult because Japan can only exist by taking the raw produce of Asia, manufacturing it, and then sending it back to the mainland again.

What good does Asia do to the Communists? We hear different opinions on that, but we certainly cannot prudently doubt that in a very few years there will be an enormous source of manpower in Asia which can be regimented and used and turned toward the west. What is American policy with regard to

these developments. What are our plans?

In Europe, we seem to be following policies which are correct. The rebuilding of the European economy and the improvement of the European military effort are all steps in the right direction, and I hope we are pursuing them with sufficient intensity. Certainly the Marshall plan will be a very bitter disappointment if at the end of it Europe is still divided up into watertight compartments. This integration of Europe is very pertinent to the discussion of this pact because one corollary of this pact is military aid to Europe and, in my view, it is clearly impossible for us even to think of arming the nations of Europe by ourselves. If they are to arm themselves, they must develop a dynamic economy similar to that which exists in the United States which will enable them to produce the weapons which they need. Such a dynamic economy can only exist in Europe if there is real European economic integration. It is impossible to determine, with such facilities for getting information as are at our disposal here in the Senate, whether or not this process of European integration is going as fast as it can go. I have faith in Mr. Hoffman. Speaking as an American citizen, I say prayerfully that it cannot go too fast for me.

I heard the discussion today and yesterday on the question of whether a vote for the North Atlantic Treaty is a vote which commits a Senator to vote in favor of a program of armaments for Europe. I will give my judgment on it for what it is worth. I think a Senator can vote for the treaty and is then perfectly free to vote as he wants to on the program of arms for western Europe. But I think it is a very good idea to vote in favor of sending arms to western Europe. I say this in spite of the statement which I previously made that western Europe should try to do most of her arming by herself. But I would not want Europe, even if she could afford to arm herself by her own efforts alone, to do it, because I think there is a great advantage for us in placing some of our weapons and some of our equipment in the hands of the Europeans.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. CONNALLY. I should like to ask the able Senator from Massachusetts this question: Is it not true that the testimony from the State Department and other sources was that in the event we adopt an arms program, the countries in the pact, in Europe and elsewhere, will be spending in their budgets from six to seven times as much as we appropriate?

Mr. LODGE. That is absolutely correct, and I am glad the Senator has brought that out. Even if they could carry the whole load of armament themselves, I would not want them to do so, because there is a great advantage for us in having our equipment in their hands. In the first place, they would familiarize themselves with our equipment, and this gives us an advantageous position, insofar as influencing the developing of training is concerned. Moreover, it is very advantageous for us to send a piece of equipment which may be completely obsolete and which we shall probably never use for war purposes to a country which is closer to immediate danger, in which that equipment can be usefully utilized for defense and manned by some citizen of that country. This helps to strengthen those countries which are friendly to us, and, in the large, strengthens our own position.

I realize that may be a difficult concept for some persons to grasp. I realize there seems to be a prejudice to the effect that if we keep all our weapons over here we shall be better off. But let me assure Senators who think in that way that all the lessons of experience and all the teachings of common sense are against it. In the tragic event of a war we need an army, a navy, and an air force. And we need allies. The more allies we have the better. The more efficient and the more successful are our allies the better off we shall be.

I know of one very distinguished American general in the last war who was giving his instructions to the officer who was his agent and representative with a very large foreign country, and he said, "The only instruction I give you is to say to the troops of that foreign country that I want them to be successful." That was the only order he gave, because he knew that the more successful the troops of that foreign nation were the better it would be not only for that foreign nation, but for us, because they would do more fighting, they would be more aggressive, they would make more gains for themselves, and that, incidentally, would take the pressure off our own troops.

I do not think there need be any mystery or any bashfulness or any shamefacedness about sending arms to Europe. It seems to me it is an excellent thing to do. From a legalistic standpoint a Senator can vote for this treaty and not vote for the arms program, but in my judgment we should do both.

Mr. President, I am glad to submit myself to questioning to any Senator who is not agreeable to my viewpoint.

Mr. DONNELL. Mr. President——

The PRESIDING OFFICER (Mr. KERR in the chair). Does the Senator from Massachusetts yield to the Senator from Missouri?

Mr. LODGE. I yield.

Mr. DONNELL. Mr. President, I have great respect for the Senator's knowledge of military affairs and his vast experience. Could he enlighten us at all as to his judgment as to the probable expense to which this country would be put over the next few years, let us say the next 4 or 5 years, in following out the policy which he thinks it is wise to follow, namely, of sending arms to Europe?

Mr. LODGE. It is very hard to make an estimate in dollars, and I would not be able to do it. But I can say that I do not hold with those who say that we are committed to building up a military establishment abroad that is sufficiently large to repel any kind of an aggression which might come. I do not think we are under any such commitment at all. That would be an enormous commitment, and would run into demands on us, and on the nations of Europe, which I do not think we should be called upon to meet. I do not think there is any such commitment at all.

As I understand, the general idea is that we hope that the nations of Europe will improve the quality of their military establishments, not the quantity, but the quality, in the next year or two, so that those military establishments can successfully deal with any fifth-column movement or any border incident. Then, if it is possible to go ahead and perhaps increase the quantity on a moderate scale, to a point which might enable resistance for a brief period of time in case something bigger took place, that is what I understand to be the general purpose. I do not think there is any commitment in the mind of anyone as to anything that should be done after the first year. From the slight experience which I had with foreign troops, I think it is very unwise to say how much we are going to do, or to make any kind of an undertaking or public announcement, because the minute we do that there is a human inclination to relax and slow down, and then to demand these things as a right. I think we have to work along with the matter from day to day, taking into account what we may have, and taking into account how good a performance the others have made.

Mr. BALDWIN. Mr. President, will the Senator from Massachusetts yield?

Mr. LODGE. I yield to the Senator from Connecticut.

Mr. BALDWIN. Article 9 of the treaty provides for a Council. I read from the article:

> The Council shall be so organized as to be able to meet promptly at any time.

The purpose of the Council is set forth in article 9.

> The Council shall set up such subsidiary bodies as may be necessary; in particular, it shall establish immediately a defense committee which shall recommend measures for the implementation of articles 3 and 5.

Am I correct in my understanding that that council, or none of its committees, is yet organized, pending the ratification of the pact?

Mr. LODGE. I do not know that any of them are organized. My impression is that none of them are organized.

Mr. BALDWIN. If that be the case, then would we not be jumping the gun a little if we immediately acted in Congress in implementation of this pact by approving an arms program?

Mr. LODGE. I think not. I think we could and should go ahead with an arms program, whether we had this treaty or not. We have been trying for some years to encourage Europe to integrate itself militarily. There has been much talk in the Senate about economic integration of Europe, and there has been much encouragement given to the matter of military integration of Europe. More progress has been made in that direction, I think, than in economic integration—or in political integration, in which the progress probably is zero.

Mr. BALDWIN. Then the Senator believes it is not necessary, before we consider an arms implementation measure, that this council should be in existence?

Mr. LODGE. I do not think it need be in existence.

Mr. BALDWIN. Irrespective of the pact, we could promptly carry out a plan for arming or assisting in the arming of western Europe, could we?

Mr. LODGE. We have done so. I have not the figures here, but we have sent a number of supplies to certain nations of western Europe.

Mr. BALDWIN. Does not that indicate to the Senator that the fact that a Senator votes for this treaty does not necessarily commit him to voting for an arms implementation measure, if such a measure is later presented?

Mr. LODGE. It does not commit him at all, because sending arms to Europe is something we did last year and the year before, and is something we should do and would do whether we had this treaty or not.

There are in existence in Europe today the beginnings of a unified European armed force. It is situated at Fontainebleau, about 39 miles southwest of Paris, and is called "Uniforce." They have an outfit called "Unimer" meaning unified naval force, and "Uniair" meaning a unified air force. They are drawing plans for the common strategic defense of western Europe. They have a staff and have made some real progress. There is still much friction and pulling and hauling, but that group is in existence which deals with that particular operation.

Mr. BALDWIN. Then would not the Senator agree with me that there is the embryo of the beginning of an international police force, a thing in which many people believe who are interested in world peace? We have that in embryo now, have we not?

Mr. LODGE. We have so far as Europe is concerned. We have not any concept of dispatching an expeditionary force here and there, which is full of technical difficulties. I think working one of these problems out on the ground, in the light of existing conditions, is the way to handle it.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. LODGE. I yield to the Senator from Missouri.

Mr. DONNELL. The Senator made some reference to a military-aid program for 1 year. I do not recall precisely what he said, but I should like to ask him whether he understands that the obligation under article 3 with respect to mutual aid, in developing and maintaining "individual and collective capacity to resist armed attack," would expire at the end of 1 year.

Mr. LODGE. Oh, no.

Mr. DONNELL. Does the Senator agree with me that the obligations under this treaty will endure for 20 years?

Mr. LODGE. Oh, yes. The Senator from Missouri suggests a confusion which has been demonstrated several times here this afternoon between resistance to armed attack, which is one thing and sending armaments to Europe, which is another thing. The fact that we send arms to Europe does not, in my view, mean we are actively taking part in resistance to armed attack.

Mr. DONNELL. Article 3, as I read it, provides that the parties "separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack."

Mr. LODGE. Yes.

Mr. DONNELL. The Senator referred to resistance to armed attack. I take it the meaning of "resist" is "withstand"; is it not?

Mr. LODGE. "Withstand"? I think "resist" is a better word.

Mr. DONNELL. Well, the general synonym, is it not, that is applicable to "resist" is to "withstand"?

Mr. LODGE. I am trying to do something to you and you are trying to stop me.

Mr. DONNELL. Yes. In other words, article 3 is the obligation under which, continuously for 20 years, as I understand it is, that the parties by means, not just of 1 year's but by means of continuous self-help and mutual aid, will maintain and then go farther than maintain—develop?

Mr. LODGE. Develop; yes.

Mr. DONNELL. Develop the individual and collective capacity of these parties to "resist armed attack."

Mr. LODGE. I will tell the Senator what I think that means.

Mr. DONNELL. Yes; that is what I should like to have the Senator do.

Mr. LODGE. I think it means first of all that in the case of western Europe those nations must, day in and day out, make their own utmost effort. I think that is what the words "continuous and effective self-help" mean, so far as the nations of western Europe are concerned.

Mr. DONNELL. And "mutual aid"; what does that mean?

Mr. LODGE. That means that there shall be a spirit of unity among the nations of Europe, and disappearance of this petty nationalism, and that the French, the Dutch, the Belgians, and those other nations will really get together insofar as military organization is concerned and help each other.

Mr. DONNELL. Does the Senator exclude from the word "mutual" the United States of America? Does not the obligation of extending mutual aid include an obligation on the part of the United States of America mutually to aid European nations?

Mr. LODGE. Yes, in this sense, that we will be the nation that has the supplies to give out. And so we have the right to say, "If you do not continuously and effectively help yourselves and mutually aid yourselves you are not within the spirit of the treaty and we will not give you supplies." Now, if the nations of Europe had the supplies and it was a question of whether we were cooperating with some other signatories or not, they could do that. The obligation rests equally on Europe, but we cannot get away from the fact that the country which has the "mazuma," so to speak, is going to have something to say respecting whether the terms of the treaty are carried out.

Mr. DONNELL. As was indicated by the statement made by Secretary Acheson, which was read just a few minutes ago, this country today is the only one that possesses this ability to assist the others? That in substance is true; is it not?

Mr. LODGE. It is my hope that we are going to develop more. You cannot develop too many for me. I favor more development.

Mr. DONNELL. But the Senator agrees, does he not, that this country is the only one that has the power effectively to assist, to give material aid, and sustain the other countries along lines?

Mr. LODGE. Well, I will say that in the field of logistics, in the field of equipment, that is unquestionably true. I do not think it is at all true insofar as manpower is concerned; not at all. We cannot do much for them in the way of manpower, and they ought to understand that. In fact, I believe that in the tragic event of another war and if we should have another general mobilization, after the demands of the Air Force and the Navy have been met, I do not see how the Army is ever going to develop more than 35 or 40 divisions. In the past we have always thought in terms of—we have not got up to 100 divisions—but we have talked about having 100 divisions. The idea that this country is a bottomless pit, so far as manpower is concerned, should be completely dispelled.

Let me continue to answer the Senator's question. We will maintain and develop their individual capacity. That word "develop" to me does not mean in any sense of the word that we are going to commit ourselves for 20 years to send them so many guns every day for 20 years. I think the word "develop" means "to improve the organization, or to improve the unity, or to improve the training and the skill and the aptitude of." I think that is what the word "develop" means. We can have a lot of equipment over there and if we do not have the men to use it, or if those who use it are not organized well and do not have courage, the equipment is not worth very much.

Mr. DONNELL. I fully agree that the manpower and the organized ability to handle the arms is, of course, very important, indeed, but the language in the article is very broad, is it not, and not restricted to that? "The parties will maintain and develop their individual and collective capacity to resist armed attack."

Mr. LODGE. To resist.

Mr. DONNELL. So we are not obligating ourselves just to one portion of that development and maintenance. We are undertaking, by means of continuous and effective—both self-help and mutual aid—to maintain and develop the individual and collective capacity of these 12 signatories, ourselves being one, to resist armed attack.

Mr. LODGE. And obviously, to go to an absurd extreme, if we were to send so much equipment over there that we bankrupted the American economy and ruined the United States of America, we would be ruining our own individual capacity to resist armed attack, and therefore we would be going against the terms

of the treaty. You can carry that to such an extent that it will come within the purview of the treaty from the other end.

I yield the floor.

Mr. SPARKMAN. Mr. President, I have submitted today a Senate resolution which I consider to be of great importance. I have submitted this resolution for myself and the following Senators: The Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. CAPEHART], the Senator from Vermont [Mr. FLANDERS], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Alabama [Mr. HILL], the Senator from North Carolina [Mr. HOEY], the Senator from Colorado [Mr. JOHNSON], the Senator from South Dakota [Mr. MUNDT], and the Senator from Mississippi [Mr. STENNIS].

The purpose of the resolution is not to thwart or oppose the ratification of the North Atlantic Treaty. We accept the fact that the North Atlantic Treaty will be ratified without reservations, and I personally favor such outright ratification of the pact. The purpose of the resolution is to point the way toward a more effective implementation of the Atlantic Pact than that which has been suggested in the military aid program.

We believe that the Atlantic Pact does not go far enough nor deep enough to preserve peace. Inasmuch as the success of the Atlantic Pact will largely depend on the manner in which it is implemented, we intend to use this opportunity to enlarge the frontiers of the Atlantic Pact and use it as a springboard for something far better and more effective. We expect that a substantially larger number of Senators, as well as Representatives, will join this movement for a better implementation of the Atlantic Pact when the military aid bill comes before Congress.

The resolution seeks to achieve a double goal—the ultimate goal of revision of the United Nations and the immediate goal of setting up a nuclear international police force within the Atlantic community.

I have said that this resolution is important. It is of supreme importance to many of us because it outlines what, in our opinion, should be the fundamental objective of our foreign policy, together with practical methods to carry out this objective.

The fundamental objective of American foreign policy must be to fulfill the historic mission of the American Nation, twice attempted. That mission is to use the power of the American Nation and the good will of four-fifths of the world to establish now, before it is too late, the kind of international organization in which no aggressor may veto the peace.

The world lives today in the shadow of atomic catastrophe. The world is divided into two military camps, feverishly rearming for possible mutual annihilation. The world lives in terrifying turmoil, with violent outbreaks of ideological hatreds, destruction of the dignity of the individual, and sporadic wars breaking out in different parts of the world with increasing tempo and intensity.

There are many causes for our era of turmoil—not enough religion, not enough education, economic injustices, and the diseases of our machine age, where gigantic fighting machines are running amok.

But there is one fundamental cause, of the First World War, and the Second World War—a basic cause which, unless removed now, may bring the third world war. That cause is the simple fact that in the community of nations there is no higher law, there is no world judge, and no world policeman to protect the many peaceful nations against the violence of the few. The need for such a world authority has penetrated more profoundly than anything else the consciousness of the American people. The meeting of this need should constitute the fundamental objective of American foreign policy.

The American Nation has twice attempted to fulfill this historic mission, once with the League of Nations and the second time with the United Nations. There are those who say that the American people, disillusioned at the repeated failures of the United Nations, are abandoning hope in the United Nations. We say, Mr. President, that the American people today believe fervently that the hope of the world lies in the United Nations.

They realize only too well that there are certain defects of structure in the United Nations, notably the vicious veto; and they will support any measures designed to remove those defects and to make the United Nations work for peace. They have not given up, and we cannot give up, the belief that peace can come only through an effective international organization against aggression.

And they are right.

We Americans have no choice. Our atomic, economic, and military superiority is only temporary. The Soviet Union is approaching the completion of atomic plants. History has imposed a fateful timetable upon our Nation. We must therefore either conquer the world or conquer war. We must have either an American policeman in every country of the world, or we must have a world policeman. The American Nation has emphatically chosen the way of a world organization against war. It is the only solution of every problem that now plagues the world.

So long as we continue living under the ever-recurring and ever-disastrous rule of power politics, of military alliances, of behind-the-scenes diplomatic maneuvers, and in the vicious circle of the armament race, just that long can there be no settlement of the atomic problem, of the German question, or of the Chinese question. Just that long will there be only a precarious armistice in every land of the world, from India to Argentina.

So long as the United Nations stands paralyzed and impotent to prevent aggression anywhere, just that long will all our other costly sacrifices for peace—the Truman Doctrine, the Marshall plan, and now the Atlantic Pact—be but temporary stopgap measures.

Moreover, we cannot continue forever these costly programs. Presently we are spending approximately fifteen or sixteen billion dollars annually on our own military establishments. We propose to spend between five and eight billion more dollars on foreign-aid programs. We simply cannot continue indefinitely this enormous burden, if we are to avoid national bankruptcy. We all know that about 76 percent of every Federal-budget dollar goes toward paying for past wars or preparation against future wars, the bulk of it to the latter purpose. The outlook for the future is even heavier expenditures.

If by the adoption of the proposed resolution we can create now, with Russia if possible, without Russia if necessary, an overwhelming world collective front open to all nations under a law just to all, we shall lift the back-breaking load of the armament race. We shall solve the problems that arise out of aggression and fear of aggression, and, by firm action now, avert a third world war.

Then Soviet Russia, if still defiant, will face not the United States or its allies in a game of power politics and bluff, but a lawful world authority, backed by the organized might of peaceful nations; and the Moscow rulers will find themselves all dressed up with no place to go. They too will soon discover the advantages of joining peacefully what they cannot fight with any chance of success.

This and no other must be the basic plan of our foreign policy. No other plan could for long avert the catastrophic war. The world today is like a very sick man assailed by various diseases. He has TB, gallstones, an ulcer, a bad kidney, and a toothache. But he also has a hemorrhage. Any Boy Scout can tell us what to do. We must stop that huge social hemorrhage of war and preparation for war, or bleed to death militarily and economically. We can stop this bleeding if we concentrate our efforts on this supreme task.

The distinguished Senator from Michigan [Mr. VANDENBERG] in his eloquent speech last Wednesday called for a "peace crusade" following the adoption of the Atlantic Pact, with urgent search for some means of universal arms limitation. I am in full accord with the distinguished Senator when he says that "this is no time to let this peace momentum lag or lapse." It is to add impetus to his thought that we are submitting our resolution.

There are those who say that it is idle and even Utopian to seek the establishment of a strong international organization to control wars of aggression. "War of aggression," they say, "is part of human nature; it is inherent in human society. War has always existed and always will exist."

No greater error could be made than to accept this moral defeatism as truth. In every one of millions of communities throughout the earth there exists indeed a very effective method, consisting of a judge and a policeman, to keep the peace.

It is true that as recently as the last generation an international organization against aggressive wars could not be successfully established. There were two main reasons for it. First, the weapons

were largely small arms, easily produced by almost any blacksmith shop, and therefore impossible to inspect, control, or eliminate. Second, there were four or five countries of about equal power, each seeking expansion at the expense of the others and each arming for its periodic wars.

Today virtually all decisive weapons are large and complex machines, requiring gigantic plants for their production. They are easily inspectable and therefore controllable on a world level. Instead of four or five states, there is only one state of overwhelming power, covenanted to use this power as part of an international organization.

All that is needed today to achieve such an effective international organization for the conquest of war are specific and yet comprehensive methods. These methods are outlined in the resolution to which I have referred.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD a copy of the resolution as it was submitted earlier in the day.

There being no objection, the resolution (S. Res. 133) was ordered to be printed in the RECORD, as follows:

Whereas the necessity for firm, prompt and united defense by nations of the North Atlantic area justifies the purposes of the North Atlantic Treaty, now before the Senate; and

Whereas the effectiveness of the North Atlantic Treaty will depend largely on the manner and methods used to implement it; and

Whereas the best hope for world peace lies in the capacity of the United Nations to fulfill its primary responsibility for the maintenance of international peace and security, and a declared purpose of the North Atlantic Treaty is to strengthen the United Nations: Therefore be it

*Resolved*, That the President be advised of the sense of the Senate that a fundamental objective in the implementation of the North Atlantic Treaty, upon its ratification, should be to seek without delay the revision of the United Nations Charter so that:

A. The paralyzing veto-right in defined matters of aggression shall be removed;

B. The rising threat of the atomic catastrophe be averted and the back-breaking load of the armament race be lifted; and

C. An effective but tyranny-proof international police force be established under a workable Security Council and World Court. In the event that a permanent member vetoes these revisions of the UN Charter under its articles 108 or 109, then, under its article 51, the Atlantic Pact should be supplemented by a world pact for the establishment, within the United Nations, of a larger organization for mutual defense, dedicated to the foregoing objectives and open to all nations; to the end that a united world front of all cooperating nations, in possession of overwhelming atomic and military power, and based on the principle of enforceable law against aggression or armament for aggression, shall avert, by firm action, now, the third world war later; be it further

*Resolved*, That among the immediate objectives in the implementation of the North Atlantic Treaty should be:

I. The establishment, in cooperation with other member states, of an emergency defense force, to be called the Atlantic international contingent, to operate in defense against armed attack as auxiliary to the national armed forces of participating member states.

The international contingent—a balanced land, sea, and air force—should be recruited from volunteers who are citizens of smaller sovereign states only; i. e., states not possessing their own large military establishments. It should be a highly trained, well-paid professional force, owing its allegiance to the Atlantic Council. It should be stationed in western Germany or, upon mutual agreement, in special bases provided by the smaller member states. Its use and operations shall not limit the constitutional safeguards or processes of member states, nor commit them to the use of their national armed forces.

A specified part of the moneys, goods, and lend-lease armament, when appropriated by the United States Government in accordance with article 3 of the North Atlantic Treaty, should be expended to help equip and maintain the international contingent.

II. The organization and command of the Atlantic international contingent should be vested in the special defense committee provided in article 9 of the North Atlantic Treaty. The defense committee should consist of seven delegates, as follows:

| | |
|---|---|
| United States | 2 |
| British Commonwealth: | |
| United Kingdom | 1 |
| Canada | 1 |
| Latin Europeans: | |
| France | 1 |
| Italy | 1 |
| Other smaller member states (selected to represent them collectively) | 1 |

The defense committee should act upon an affirmative vote of six out of seven members. The details of representation and voting procedure on the defense committee may be arranged differently, provided the paralysis arising from a requirement of unanimous consent of all member states is avoided.

Mr. SPARKMAN. Mr. President, it is clear from a reading of the resolution that we do not seek a "parliament of man, the federation of the world." It is not yet a federal union of nations, held by ties of democracy. It is certainly not a utopian world state. It is simply a practical attempt to accomplish now, on a world level, what was accomplished thousands of years ago in millions of villages, and that is peace, lawfully enforced.

A year ago, with several other Senators, I sponsored a concurrent resolution in which we proposed the same ABC plan for revision of the United Nations Charter that is being proposed in part I of the present resolution. Anticipating a probable veto by the Soviet Union of these just and indispensable revisions of the United Nations Charter, we provided for the establishment, under article 51 and within the United Nations, of a world organization for mutual defense with its own veto-free council and court, backed by its own international police force. We urged the administration to adopt the ABC plan. The State Department then strenuously objected that such an attempt would not only cause the collapse of the United Nations but might be interpreted by Soviet Russia as an unfriendly act.

Today the State Department has gone much further. It is vigorously supporting the Atlantic Pact, which has been interpreted by Soviet Russia as a most unfriendly act—an exclusive military alliance obviously directed against her.

It follows that the objections of a year ago are no longer valid today. Moreover, our resolution leaves the door wide open to a peaceful Soviet Russia and offers to her immediate and guaranteed protection against aggression, together with the elimination of the atomic threat and armament race, on exactly the same conditions as for the United States. We offer to Russia the choice of a revised United Nations under article 108 or 109 with her as a partner; or, should she decline this choice, compelling the rest of us to form a defense organization within the present UN under article 51, we are still prepared to have her join us later on the same conditions.

Mr. President, if article 51 is good enough for a military alliance of 12 Atlantic nations, how much more noble and practical it would be to use the same article 51 for a world pact under a lawful authority open to all.

This is the deeper sense of part I of our resolution, which seeks to extend the Atlantic Pact into a world pact. It is a decisive answer to Soviet Russia, a guaranteed peace if the Moscow rulers want it; or if they have other designs, a mutual defense pact of the rest of the world in the name of a higher law with an impartial world judge and an unchallengeable world policeman.

The second part of our resolution deals with the specific and immediate problem of the military organization and aid for mutual defense of the Atlantic community. The contingencies in helping to equip and organize effectively the armed forces of a dozen sovereign states, some of which are subject to violent internal fluctuations and Communist infiltration are uncertain. They are particularly uncertain in the face of a monolith Moscow state and its satellites under one iron dictatorship. Unless we take steps to meet these contingencies, we risk losing much of the security benefits of the Atlantic Pact.

The concept of the Atlantic contingent in the resolution is designed both to meet these contingencies and to serve as the nucleus of an effective and workable international police force. The Atlantic contingent, together with the defense committee provided in article 9 of the pact, would go far to create, "on a regional basis, a community of states," as the distinguished Senator from Utah [Mr. THOMAS] suggested day before yesterday in his very excellent address.

The Atlantic contingent is not only a sound economic investment but a sound military concept, as demonstrated by the past experience of similar professional military forces. Here are some of its obvious advantages:

Practicability: The international contingent would be a superbly equipped professional body, hand-picked from volunteers of the smaller nations all over the world. It could be quickly organized from the already available trained manpower in Europe—in smaller member-states, Poles, DP's, and so forth. Yet the constitutional limitations of member-states would be preserved, while the collective strength of their armed forces would be greatly increased.

Public opinion: First, the Atlantic international contingent in case of war will save many American lives, by tapping on a voluntary basis the vast manpower resources of smaller nations—resources hitherto poorly utilized. It will save

British, French, and Italian lives. It will also reduce the shock of initial attacks on the troops of occupation of the United States and its allies.

Second, to smaller nations, the international contingent will represent for the first time a dependable, powerful, organized force for their own collective defense. The smaller nations, which individually are impotent, can thus be integrated into a collectively great power.

Third, the Atlantic international contingent will appeal to peace groups everywhere as a trained nucleus that could easily be extended into a powerful and tyranny-proof world police force.

United States defense: Since it will be largely equipped by American lend-lease, and since the structure of the defense committee would preclude its use without the affirmative vote of the United States, the international contingent would in effect become a dependable, additional force of the United States armed forces.

Since members of the international contingent are independent of national governments, it will reduce the possibility of any European states blocking effective operation of the North Atlantic Treaty for reasons of internal politics or Communist infiltration.

Economy: The money and lend-lease expended by the United States for the international contingent will be controlled, not by other governments, but by the defensce committee, in which the United States has a substantial voice. In this manner, effective military return on American investment will be guaranteed in large part.

Furthermore, much of the military equipment for the international contingent and for the armed forces of European members could be produced under the defense committee at greatly reduced cost, by utilizing the industrial resources of a revived Germany—and without risk, since the international contingent could, alone or jointly with national troops of occupation, be an effective army of occupation as long as necessary.

European defense: The demands by France and other European nations for large peacetime American forces in Europe will be satisfied through the Atlantic international contingent.

The German problem: The fear by France and other nations of a revived Nazi militarist Germany will be removed, because even though the international contingent may eventually contain a number of German volunteer divisions, these would be dispersed and under the operative control and command, not of any German government, but of the defense committee under the Atlantic Pact. And as for Soviet Russia, nothing could contribute more to putting her in a conciliatory mood than the presence of a strong force in being, prepared for any emergency.

Whatever objections may be raised against this force in being, there is so much at stake that it would certainly seem advisable to organize in this manner even a small task force, as a test. We believe that the outcome of such a test would be the beginning of the development of a true international police force—without which no effective international organization is possible or conceivable.

In conclusion, Mr. President, I point out that our resolution is extremely simple, although, if adopted, its effects might well result in the greatest revolution in history—the establishment of secure conditions for lasting peace.

Humanity has twice in the twentieth century attempted to establish an effective international authority to restrain aggressors. We must not repeat in the implementation of the Atlantic Pact the same tragic errors that wrecked the League of Nations and now paralyze the Security Council of the United Nations. For the third and perhaps last time there exists a historic opportunity for the United States to help create, through the Atlantic Treaty now, and subsequently through a revised United Nations, an international organization of irresistible spiritual, legal, and military authority. This organization must be so designed that no peaceful nation, whatever its form of government, may be excluded or threatened; and that no government may be permitted to rearm for aggression with impunity or attack a divided world with any chance of success.

In the words of a distinguished American:

> The American Nation can do what no other nation has ever done before. In the past, rulers of nations used to declare war upon each other. But the American Nation can declare peace on the world.

Only it must be done now, Mr. President, and it must be done here.

## THE FBI'S CONFIDENTIAL FILES

Mr. HENDRICKSON. Mr. President, in the June 27 issue of the Washington Star, there appeared a very interesting and enlightening article by Rex Collier entitled "The FBI's Confidential Files." In this story, Mr. Collier tells the public why rumors as well as facts go into those files and why their disclosure was a setback for Mr. Hoover.

Again, in the June 28 issue, under the same caption, Mr. Collier shows how the decision to release certain secrets at the Coplon trial shut off vital sources of information.

In fairness to a great administrator and a great American, Mr. J. Edgar Hoover, I hope every Member of the Senate will read these articles, so that any bias which has developed since the Coplon trial will be banished from our minds.

Mr. President, I ask unanimous consent that both these articles be inserted in the RECORD at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of June 27, 1949]

### THE FBI'S CONFIDENTIAL FILES—WHY RUMORS AS WELL AS FACTS GO INTO THEM, AND WHY THEIR DISCLOSURE WAS A SET-BACK FOR HOOVER

(By Rex Collier)

The Federal Bureau of Investigation has had many set-backs in its long and sometimes sanguinary warfare on public enemies, but none of more jolting impact than the disclosure of its confidential files at the Coplon trial.

When Attorney General Clark decided to overrule Director J. Edgar Hoover of the FBI and to permit the introduction in court of voluminous investigative records, he was assuming a tremendous responsibility. To Mr. Clark it was a choice between two evils. Either he must agree to the introduction of all the Government's evidence, as required by Judge Reeves, or he must drop the prosecution of a case which has aroused wide public interest.

In choosing to continue the prosecution, the Attorney General evidently felt that Mr. Hoover was attaching too much importance to the sanctity of FBI files—or at least to the particular files involved in the Coplon case.

That Mr. Hoover attaches great importance to this matter of safeguarding the integrity of the agency's files there can be no question. To him the very integrity of the FBI, to say nothing of its future usefulness to the Nation, depends on the integrity of its files.

#### A BODY BLOW TO INTEGRITY

And, to the FBI, the release of its confidential memoranda, reports, and other documents—including information from unreliable as well as reliable informants—was a body blow to its traditional integrity. It was more than that. It was a potentially devastating shock to its whole modus operandi. For many of the FBI's famous cases have started with a tip by a "confidential informant." The Bureau has learned by experience that it cannot afford to overlook—or to reject as palpably preposterous—any report or any rumor or any "spite gossip" that may come to it. Even seemingly slanderous "spite gossip" at times has turned up spies or dangerous criminals.

Director Hoover objected strenuously to the release of his files because he was certain it would have two disastrous effects: First, the fear of publicity would deter citizens from cooperating in the future with the FBI in providing leads for investigation; and, second, the release of confidential files involved disclosures, or the threat of disclosures, that would shut off immediately certain sources of information of inestimable value in protecting the Nation's security.

The FBI will not comment, of course, on what sources of information have been closed to it as a result of the decision to let the files become a public record. Revelations in the New York trial of 11 Communist leaders show, however, that the FBI has had undercover agents within the innermost circles of the Communist Party. Seven such agents, by their own consent, have taken the witness stand and given damaging testimony against the obviously surprised and outraged defendants. The fact that the FBI was willing to sacrifice these seven sources indicates that it felt it had sufficient additional sources to offset the losses. But the Bureau did not anticipate that there would occur in another court an action that would pose the threat of further serious losses, through defection of informants.

#### IMPORTANT CONTACTS LOST

It is reported that such defections in considerable numbers already have occurred. It was hinted at the Coplon trial that the FBI even had a confidential informant inside the Russian Embassy. The gravity of the loss of such an important channel is apparent, in view of the disclosure in the Canadian inquiry into Russian espionage that Soviet embassies and legations are headquarters of Moscow-directed spy rings in democratic countries.

Most of these "contacts" have been established only after years of painstaking effort. It takes a long time for an FBI undercover agent to insinuate himself into a position of trust in an espionage ring or a criminal gang. The lives of such informants are in

constant peril. Any serious threat of exposure is enough to end their usefulness as far as the FBI—and the Nation—is concerned. And the task of building up new sources of information becomes difficult, if not virtually a hopeless one, if informants cannot be guaranteed protection from exposure.

There was a third reason why Mr. Hoover objected to the opening of confidential files in court, and it is this reason which is related to the criticism which has been directed at the FBI by Dr. Condon and others. Mr. Hoover knew that there were in these files not only established facts but a mass of "unevaluated data"—tips, rumors, innuendoes involving persons not under investigation but whose names were mentioned in the course of interviews regarding other persons or matters, or that came to the FBI from suspicious neighbors, in anonymous letters, or in other ways. He protested against the spreading of this unsubstantiated information on the public records and hence on the front pages of newspapers.

Mr. Hoover believes that all this information, however inconsequential or unreliable, has a right to be in the FBI secret files and that it should remain there, secure from the eyes of everyone except FBI investigators.

ALL TIPS ARE ACCEPTED

He believes, moreover, that he has no right to refuse to receive any tip or listen to any rumor or to consider any anonymous communication, regardless of how fantastic it may seem to be or may prove to be. He is convinced that it would be wrong—in fact, dangerous—to give any investigative official arbitrary power to discriminate as to what information he will receive and act on or what person he will investigate. To permit such discretion, he sincerely believes, would destroy the objectivity of any agency and would open the way to investigative laxities and abuses that should not be tolerated.

It is true that under the no-discrimination policy considerable information gets into the files that is useless because of triviality or irrelevance. The FBI agent operates much like a news reporter. He questions many persons, takes many notes, and then makes a report. He is trained to report even the most insignificant thing, on the ground that small things sometimes supply missing parts to a bigger picture.

The FBI has been criticized for having in its files material manifestly extraneous to the subject under investigation, as in the case of a Coplon-trial paper mentioning the nude meanderings of a certain couple. But extraneous or even absurd statements by a person informing on another often provide a measure for evaluating the reliability of accusations. In one instance, for example, a citizen reported her suspicions that a Government employee was a Communist. When an agent sought her reason for the suspicions, the woman said the man in question must be a Communist because he paid no attention to "Keep off the grass" and other signs. The FBI investigation resulted in the clearing of the employee under the loyalty program.

A MATTER OF JUSTICE

Thus, the FBI agent would be unfair to the person under investigation if he chose to report only information tending to support a charge of disloyalty or criminality. Nor would the record of the case be fair to the suspect if only unfavorable data were included.

Dr. Condon has suggested that some limit should be placed on the time allowed for retention in the FBI files of "unevaluated" information. How could such a safe time limit be determined? If it were set at 6 months, the possibility might arise that in the seventh or eighth month some other piece of evidence might turn up to corroborate an "unevaluated" report no longer in the files. If a search of the files failed to show any previous record, the second report might become a useless bit of information, itself to be discarded after 6 months. Unfortunately, not all information bearing on a subject comes to the Bureau simultaneously. One piece of the pattern may be picked up this year, another piece or two next year, before the jigsawlike picture becomes clear.

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[From the Washington Evening Star of June 28, 1949]

THE FBI'S CONFIDENTIAL FILES—THE DECISION TO RELEASE CERTAIN SECRETS AT THE COPLON TRIAL SHUT OFF VITAL SOURCES OF INFORMATION

(By Rex Collier)

Indignation over the publication of "unevaluated" FBI reports at the Coplon trial has resulted in demands for an investigation of FBI methods and policies. There is no need for such an investigation. There is nothing unique or mysterious about FBI investigative methods. Nor are its policies dark and sinister.

The FBI is investigated regularly by competent committees of Congress. Twice each year Director J. Edgar Hoover personally appears before the Appropriations Committees to justify his requests for funds. More often than not the Senators and Representatives direct a cross-fire of searching questions at Mr. Hoover and his assistants. They ask questions which would be grossly embarrassing if the methods and the policies of the Bureau were dark and sinister. Mr. Hoover answers all questions freely and frankly, sometimes requesting that his answers be received "off the record." Members of the committees have found no indication that Mr. Hoover aspires to or approves of police-state methods. They have found no evidence to support recent loose charges that the FBI has become, or is in danger of becoming, an American Gestapo.

OPPOSES FEDERAL GESTAPO

There is no stronger opponent of a great central Federal police agency than Mr. Hoover. Repeatedly he has opposed suggestions that his Bureau be expanded to include all Federal investigative agencies. He does not believe that Federal police functions should encroach on local police authority in any way.

Because Mr. Hoover so strongly rejects Gestapo methods, he can see no merit whatever in the contention that the FBI should exercise discretion in its investigations. He once told a prominent editor that if the FBI ever embarked on a policy of deciding for itself which suspects to investigate and which not to investigate, what information to receive and what to reject, then there will be cause to fear that it has become a Gestapo.

The prestige of the FBI has been built on its record of nondiscrimination, on its objectivity. No citizen is so distinguished to warrant rejection, without investigation, of a charge against him. No person is too unimportant to gain a hearing if he has something to report to the FBI.

It was an anonymous letter to the FBI which ultimately led to the arrest and conviction of Maj. Gen. Bennett Meyers for subornation of perjury. The letter made such seemingly farfetched charges against the prominent Air Force officer as to indicate spitework. Mr. Hoover read the letter and, under the prevailing arrangement with the armed forces, forwarded it to the Air Force. It later was brought out that a top-ranking officer, convinced of General Meyers' innocence, threw the letter in the wastebasket. Many months later the case broke from another source. General Meyers might have gone to jail a lot earlier had the information in the anonymous letter been properly checked by the Air Force. (The Air Force has arranged with the FBI to conduct such investigations for it in the future.)

HEARSAY TRAPPED SPIES

Numerous spies were caught during the war as a result of rumors and hearsay which the FBI took note of and investigated. Some of the tips were of a sketchy and apparently crackpot variety.

A woman reported that she suspected a neighbor of being a spy. Her only reason for such a grave suspicion, she admitted, was that although he was supposed to be a doctor, she never saw him carry a bag. The agent might have dropped the matter right there, as he had a lot of important things to do, but he decided to check further on the doctor. The man did, indeed, turn out to be a German agent. He was arrested and convicted.

At a dinner party Mr. Hoover was told by a prominent motion-picture actress that she suspected a man "down the street" from her home of espionage. She was unable to explain her suspicions, except that the man just "looked like a spy." The actress was right. The man was operating a short-wave radio in his cellar.

A tip that helped the FBI to round up and convict seven members of a German spy ring in Detroit came from a woman who overheard the husband of one of the spies make a remark indicating his admiration of Adolf Hitler.

An anonymous communication to the Los Angeles office of the FBI told of a man with a German accent who stayed out all night frequently. The tip led to the arrest and conviction of a German agent.

A LANDLADY'S TIP PROVED GOOD

One member of the notorious 33-member German espionage ring uncovered by the FBI in New York and vicinity early in the war was arrested as a result of a landlady's tip that one of her roomers was typing and mailing letters at all hours of the day and night.

If FBI agents had followed their impulses, some of these tips might have been laughed off as worthless. Some of the tips did not produce anything tangible until long after they went into the files. Then, as some new report came in, they began to make sense.

There is nothing unusual or unethical about the practice of accepting tips from regular informants or from citizens generally. All law-enforcement agencies do it. And every law-enforcement agency has in its confidential files unevaluated information of the type made public at the Coplon trial.

If the FBI were to be restricted on the sort of information it could accept and enter in its records, its efficiency as the Nation's chief bulwark against foreign espionage would be greatly impaired. And if such restrictions were proper for the FBI, they would be proper also for the Central Intelligence Agency and the naval and military intelligence branches. The effect would be to hamstring our security forces in a most dangerous way.

The decision to compromise certain of his secret files was not Mr. Hoover's. He did not even tacitly agree to the decision, despite reports to the contrary. He was as shocked as anyone that his objections were overruled by the Attorney General. He had successfully resisted all previous efforts to pry confidential matter from the files. Even loyalty boards have been denied access to such material—although careful abstracts have been supplied.

HOOVER WILL NOT QUIT

He was shocked, but he does not intend to resign.

How grave the publicity decision will prove to be cannot be gaged until all the repercussions are known. Perhaps some of the undercover informants who have not been heard from since the files became public will resume their work. Perhaps more will quit or will disappear. The fact that the informants were identified by code letters and numbers did not guarantee protection, for the

information supplied often was so detailed as to names, dates, and places as to enable the subject of the investigation to identify the person who informed on him.

One thing is certain: It will not be easy in the future to induce citizens to give information to the FBI, however vital it might be to the national security. In the past the FBI could assure such informants that the sources of information would never be disclosed without their permission. Now the FBI cannot give such a guaranty.

The decision to proceed with the Coplon trial was in the nature of a calculated risk. Mr. Clark thought the risk was worth taking. Mr. Hoover did not. Only time will tell which view was right. But enough has happened to date to indicate that the decision was a costly one as far as the FBI and its future efficiency are concerned.

## INCREASE IN AUTHORIZATION FOR FEDERAL NATIONAL MORTGAGE ASSOCIATION

Mr. MAYBANK. Mr. President, as in legislative session, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Joint Resolution 114, to provide an increase in the authorization for the Federal National Mortgage Association.

I may say that the joint resolution was reported unanimously yesterday by the Banking and Currency Committee. I make this request at this time because the Federal National Mortgage Association, commonly known as Fanny May, is without any additional authorization to purchase mortgages from lending institutions which require a secondary market for their FHA and GI mortgages.

I have discussed this matter with both the majority leader and the minority leader. Inasmuch as the joint resolution was reported unanimously by the committee, I wonder whether we can take it up at this time, as in legislative session. I request that we do so, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, is the permanent legislation now——

Mr. MAYBANK. The permanent legislation, as I recall, authorizes the FNMA to use a billion dollars, as the report shows. As of today, FNMA has used all its authorized funds.

This joint resolution is an authorization for an additional $500,000,000 for the purchase of mortgages.

Mr. WHERRY. But I mean to say there is permanent legislation which finally will provide——

Mr. MAYBANK. This joint resolution merely authorizes an additional $500,000,000. It increases the FNMA's authorization and permits the RFC to make that amount available to FNMA.

Mr. WHERRY. Does this measure require an appropriation?

Mr. MAYBANK. No; it does not. It requires no appropriation.

I may say that an attempt was made to incorporate this provision in the housing bill, Senate bill 1070, which was passed by both Houses after conference, but one of the House conferees made a point of order against it on the ground that it was not included in the bill as originally passed by the Senate or the House, and was therefore not a proper matter for the conferees to consider. For that reason, it was not placed in the housing bill. I understand that the House of Representatives Committee on Banking and Currency will hold a hearing on this matter on Monday.

Mr. WHERRY. Let me ask the distinguished Senator how many members of the committee were present at the meeting. The Senator has said that the resolution has been reported from the committee unanimously.

Mr. MAYBANK. The subcommittee on the RFC, of the Banking and Currency Committee, was meeting in connection with a bill relating to the RFC, introduced by the Senator from Arkansas [Mr. FULBRIGHT]. All the members at that meeting agreed to the measure, and we polled the other members of the committee after explaining the provisions of the bill to each member. While the full committee did not meet formally, every member of the committee received an explanation of the joint resolution and agreed to report favorably.

Mr. WHERRY. So the report is unanimous. Is that correct?

Mr. MAYBANK. Yes. The Senator from Ohio [Mr. BRICKER] was not there, but he has been asked about it.

Mr. WHERRY. But he has approved the joint resolution; has he?

Mr. MAYBANK. Every member of the committee has.

Mr. WHERRY. I understand that. I know about the measure, because I was very much interested in the secondary mortgage market which might be made available.

Mr. President, I have no objection to the present consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina for the present consideration of Senate Joint Resolution 114?

There being no objection, the resolution (S. J. Res. 114) to provide an increase in the authorization for the Federal National Mortgage Association was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

*Resolved, etc.*, That section 302 of the National Housing Act, as amended, is amended to read as follows:

"SEC. 302. The total amount of investments, loans, purchases, and commitments made by the association shall not exceed $1,500,000,000 outstanding at any one time. The association is authorized to issue and have outstanding at any one time notes and other obligations in an aggregate amount sufficient to enable it to carry out its functions under this act or any other provision of law."

SEC. 2. Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out "$2,000,000,000" and inserting in lieu thereof "$2,500,000,000."

## THE NORTH ATLANTIC TREATY

The Senate as in Committee of the Whole resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. LUCAS. Mr. President, it is 15 minutes of 5. I presume no other addresses are to be made upon the pact today, and I presume no one else desires to address the Senate. The best thing we can do probably is to take a recess.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Texas.

Mr. CONNALLY. Am I correct in understanding that the Senator does not contemplate that there will be a session of the Senate tomorrow?

Mr. LUCAS. That is correct.

Mr. CONNALLY. If there is to be no session tomorrow, I merely wanted to express the hope that Senators who expect to speak on the pact will be ready to proceed on Monday. It is of vital importance that this matter be acted upon as promptly as possible. I do not want to hurry anybody, I do not want to push anybody, but it seems to me that by Monday, Senators who expect to address the Senate should be prepared to proceed with their speeches. We want to vote as early as possible on the treaty, and it will not inconvenience any Senator to brush up on the subject between now and Monday.

Mr. MORSE. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. MORSE. I should like to say to the majority leader that I shall be very happy to cooperate with him in obtaining a unanimous-consent agreement to vote on the treaty some time soon.

Mr. LUCAS. I appreciate very much that statement, coming from my distinguished friend from Oregon. On Monday I shall attempt to obtain a unanimous-consent agreement. It seems to me we should get a unanimous-consent agreement to vote on the pact not later than Tuesday.

Mr. WHERRY. Mr. President, now that we are getting into a realm of unanimous-consent requests, I am very glad the distinguished Senator from Oregon has made his observation. I have already told the majority leader I would cooperate with him. But I think the unanimous-consent request, if it is made, probably should be made Tuesday. I believe we might have an opportunity to obtain an agreement then.

Mr. CONNALLY. Does the Senator mean he believes it would be possible to get a vote on Tuesday, or that it will be possible to get a unanimous-consent agreement?

Mr. WHERRY. I mean I believe it will be possible to get a unanimous-consent agreement Tuesday to vote at whatever time is agreeable.

Mr. LUCAS. I hope it may be possible to have all the speeches finished on Monday.

Mr. WHERRY. I can satisfy the majority leader that the full afternoon, Monday, will be taken up by Senators on this side of the aisle.

Mr. LUCAS. We cannot keep any Senator from making any kind of speech he may want to make, whether it is on the pact or on some other subject.

Mr. WHERRY. I assure the majority leader that I shall do everything in my power to cooperate.

Mr. LUCAS. I thank the Senator from Nebraska. The distinguished minority leader cannot control individual Senators, any more than can the Senator from Illinois, although sometimes we

both think we can, only to find that we are both mistaken.

Mr. BALDWIN. Mr. President, may I put a question to the distinguished majority leader?

Mr. LUCAS. I shall be glad to answer.

Mr. BALDWIN. Does the junior Senator from Connecticut correctly understand, then, that there will be no vote on the pact on Monday?

Mr. LUCAS. It appears now there will not be a vote on it on Monday. I hope we may be able to discuss in the Senate the question of obtaining a unanimous-consent agreement to vote on Tuesday, or perhaps on Wednesday. I should hope we might be able to vote on Tuesday.

Mr. BALDWIN. I thank the Senator.

Mr. CONNALLY. Mr. President, if the Senator from Illinois will yield, he does not mean to say to the Senator from Connecticut that he will guarantee there will not be a vote on Monday, does he?

Mr. LUCAS. No; I do not mean to guarantee anything.

Mr. WHERRY. I think I can guarantee it, because I am satisfied there will be so many speeches that there cannot be a vote on that day.

Mr. CONNALLY. I am not opposed to voting at that time.

Mr. WHERRY. I understand.

Mr. LUCAS. I cannot predict; but, if no more speeches were to be made, the vote might come then.

The PRESIDING OFFICER. Does the Senator from Illinois desire to take up the consideration of the Executive Calendar?

Mr. LUCAS. Before we do that, I understand the Senator from Louisiana has a few remarks he desires to make on some very important question, and I shall yield the floor, if he so desires.

## BASING-POINT PRICING SYSTEM—S. 1008

Mr. LONG. Mr. President, I rise to speak briefly with regard to Senate bill 1008, the bill to legalize the so-called basing-point pricing system. When this bill was passed by the Senate I stated that not only had I voted against it but that I feared the antitrust laws would be seriously weakened by the passage of such legislation. Fortunately for the little-business man of America, two amendments offered by the Senator from Tennessee [Mr. KEFAUVER] were adopted by the Senate which would have the effect of protecting the little-business man from wanton destruction at the hands of the monopolistic enterprises of America.

The arguments for the legalization of the basing-point system and for the legalizing of all freight absorption have been based on the contention that there was confusion in the law and that the little-business man did not understand where he stood. It was thus argued that we should clarify the law; but, Mr. President, the battle over Senate bill 1008 did not come over the clarification of the law. It came over the devious efforts of the great industrial giants of America to destroy the antitrust laws and the resistance that they have met from those who understand the plight of the small-business man of America. As Senate bill 1008 read prior to the adoption of the Kefauver amendments, there was no doubt but that 20 years of antitrust work which had been conducted by Congress, the Federal Trade Commission, and the courts, was being set aside. Let me give a simple example of what this bill would have permitted.

Prior to the Robinson-Patman Act, congressional investigations disclosed that manufacturers and suppliers of groceries, for example, were selling to the great retail chain stores at a price below their ordinary wholesale prices. Picture the position of an independent merchant who was located down the street from the chain store. His wholesaler was having to purchase supplies, which were in turn sold at a mark-up to the retailer, at a price far higher than that paid by the chain stores. In some cases it had been shown that the chain stores were acquiring their products at a price as much as 30 percent lower than the small independent merchant.

Yes; we had antitrust laws at that time. We had the Sherman Antitrust Act and the old Clayton Act, neither of which were of the least benefit to that small merchant who was being driven out of business. Why, Mr. President? Because invariably, every time an attack was made upon these discriminatory practices, the suppliers argued that they were meeting competition in good faith in order to get the business of the chain stores; and the meeting of competition in good faith was a complete defense at that time.

Now was not that wonderful for the small independent merchants of America? All the great manufacturers and processors of food were in good faith. What wonderful faith they were in. They were simply destroying all the small merchants of America in order to meet competition in getting the business of the chain stores. Should good faith be a complete defense to such a practice? Should it be considered as being in good faith when the independent merchants of America are being destroyed? Certainly Congress did not think so in 1936 when it passed the Robinson-Patman Act.

Now, how had the Robinson-Patman Act changed this situation? Well, the Robinson-Patman Act provided that there can be no such discrimination in price regardless of the element of good faith when the effect—get these words, Mr. President, the effect—when the effect might be to injure, destroy, or prevent competition. Thus began the first successful efforts by the independent merchants to save themselves from destruction at the hands of the chain stores. This was no hastily considered law, Mr. President. This was a culmination of a battle that raged for many years. This was a culmination of careful congressional investigations.

With the protection of this law the small-business man was given relief, but it took more than just the Robinson-Patman law to save the small-business people of America. It also took vigorous enforcement by the Federal Trade Commission and the Department of Justice. Unfortunately, Congress has been too niggardly in the appropriations for the Department of Justice and the Federal Trade Commission, with the result that these big monopolies have been able to continue their vicious practices year after year since 1936; but we are beginning to get results, Mr. President; and I submit that there is no better proof of the fact that results are being obtained in the fight against the great monopolies of America than the fact that the monopolies are here on their knees at this session of Congress, beseeching us to subtly destroy the Robinson-Patman Act.

What brought this about? Well, for one thing, the Morton Salt Co. case, decided by the Supreme Court, forcefully announced that a manufacturer in discriminating between a big purchaser and a small purchaser was limited in the amount of favoritism he could show the large purchaser to factors such as difference in cost of production. And then only this year the great Oil and Gas Trust took a shocking defeat in the Circuit Court of Appeals in the Standard Oil of Indiana case. I was informally advised by Mr. Bergson, of the Department of Justice—and I might pause here to say it is passing strange to me that the leading antitrust attorney in the Justice Department should be one of the foremost authorities for destruction of the antitrust laws—as I was saying, I was informally advised by Mr. Bergson that he considered the Standard Oil decision bad law and that he believed it should be set aside.

Now what were the facts in the Standard Oil of Indiana case? As I understand them, they boil down simply to this: The Standard Oil Co. was selling to four concerns in Detroit, whom it chose to describe as jobbers, gasoline at 1½ cents below that at which they were selling gasoline to all the other filling stations.

Thus the other filling stations were being driven out of business. If this practice had not been restrained, there was no hope for the independent filling-station operators to survive, because the mark-up of a gallon of gasoline is only about 3 cents. So a complaint was filed before the Federal Trade Commission on the ground that it was unfair for Standard Oil to sell to a few stations far below the price at which it was selling to the others.

What was the defense of the Standard Oil Co.? What was their answer to this practice which was going to destroy independent filling-station operators by the hundreds and possibly by the thousands? You guessed it, Mr. President. The defense of the Standard Oil Co. of Indiana was those two wonderful words "good faith"—meeting competition in good faith. Standard Oil said that if they did not give such extraordinary discounts to a few stations their competitors would probably get the business at the same price.

Mr. President, I certainly would not be against Standard Oil lowering the price of gasoline. I would be tickled pink to see it done, but I say if they are going to lower the price of gasoline they should lower the price of gasoline for everybody, not lower it for four or five concerns in order to permit them to drive everybody else out of business. And, parenthetically, I would state that when the independent operators are driven out

of business a very odd thing has usually happened—namely, as the banks foreclose on the mortgages of these little filling-station operators the big oil companies bought the stations at foreclosure sales for a mere fraction of the actual investment.

So the United States Circuit Court of Appeals decided, and I think correctly so, that it was no defense that the Standard Oil Co. of Indiana had a dancing partner who was willing to do the same thing, that it made no difference whether they were meeting competition or not, that did not justify this unfair discrimination against the rank and file of filling-station operators under the terms of the Robinson-Patman Act.

Unfortunately, Mr. President, the independent retail filling-station operators and the independent grocers of America celebrated their victory too soon, because while they were celebrating, the Oil and Gas Trusts, the Steel Trust, the Cement Trust, as well as the other great monopolies of America, were combining their power, not for another legal battle, they had been to the courts often enough; they knew what the courts would do, but for a subtle battle in Congress in the attempt to clarify the law.

Here we get down to the meat in the coconut. Is there anybody who really believes that the power behind the drive to pass Senate bill 1008 is to clarify the law? If that were the case we would not have seen the heated battle that occurred yesterday on the floor of the House of Representatives. No, Mr. President, this is a move to destroy the law, not to clarify it; and the No. 1 law for destruction is the greatest law ever passed for the protection of small-business people, the Robinson-Patman Act.

Without the Robinson-Patman Act the Standard Oil and Gulf Companies, for example, could decide that they were going to sell gasoline to the one largest filling station in each city of America at a price exactly one-half of that at which they would sell to anyone else in the city. Not one other filling station in those cities could survive such competition, not because they were inefficient, but only because they would have to pay an impossible price for the gasoline which they sold at their pumps.

Senate bill 1008, as amended by the substitute of the senior Senator from Wyoming [Mr. O'MAHONEY], would have made the argument of meeting competition in good faith a complete defense to any antitrust prosecutions. There really should not be any doubt about this, Mr. President. No one should be confused, because prior to the time the Robinson-Patman Act was passed, this type of thing was what actually did happen. We would have no difficulty in determining how the law would work because we know how it did work before the Robinson-Patman Act was passed. Some will argue that the Sherman Act might save the situation, on the ground that these things could not be done unless it was being done by conspiracy and that we might be able to prove conspiracy. In answer I refer President, where this practice actually to the Standard Oil of Indiana case, Mr. was being carried on, even in contravention of the Robinson-Patman Act.

If it was being done against the law, how can we expect to prove any such conspiracy when the law upon which the antitrust prosecution was based is eliminated? No one was in a position to prove that Standard Oil was in conspiracy, no one was in a position to prove that Standard Oil was not meeting competition by selling gasoline to a handful of stations in Detroit at 1½ cents below the price to all the stations generally. They proved only that the effect would be—and here again I stress these words—that the effect may be to injure, lessen, or destroy competition. That is what the backers of Senate bill 1008 have been trying to eliminate, looking to the effect rather than having to take on the impossible burden of proving collusion.

So let us quit talking about clarifying the law. Let us talk about destroying the antitrust laws when we debate Senate bill 1008. Fortunately, some of us who have been fighting to save the small-business man of America have made pretty good progress in this battle. The junior Senator from Tennessee [Mr. KEFAUVER] immediately perceived the danger to the small-business man contained in the O'Mahoney bill, and he quickly drew and offered amendments designed to save the small-business man from destruction. These amendments were not carefully worked out, they were necessarily done in great haste, and yet their effect was such as to put the great trusts and monopolies of America into consternation.

What words did the Senator from Tennessee offer? Well, on page 2, after the phrase "to absorb freight to meet the equally low price of a competitor in good faith," he inserted the following words parenthetically: "except where the effect of such absorption of freight will be to substantially lessen competition." On page 3, after the words "That a seller may justify a discrimination," he parenthetically inserted the words "other than a discrimination which will substantially lessen competition."

Those little words "to prevent discrimination where the effect would be to substantially lessen competition" made the bill completely unacceptable to some Members of the Senate and to some Members of the House of Representatives, and it also made the bill totally unacceptable to the giant monopolistic interests of America.

I spent much of yesterday watching the battle in the House of Representatives to save the small-business man, and I might say that I was extremely proud of the valiant fight of our two Louisiana Representatives, Representative EDWIN WILLIS, of the Third District, and Representative HALE BOGGS, of the Second District, for the part they took in that crucial debate. The House committee was attempting to strike the Kefauver amendments. At the outset it appeared certain that the House would strike these amendments, but when the Members of the House of Representatives caught on to what was being done they decided to back Representative CARROLL'S amendments, which not only had the effect of retaining the Kefauver amendments, but of improving and strengthening them to give greater protection to the small-business people.

Ordinarily we would feel that a victory had been won for the small-business people of America, but again we see that we would be celebrating too early if we rejoiced before Senate bill 1008 has been finally disposed of.

Under the rules as I understand them, from the limited opportunity I have had to study our rules, when there is a difference between the House and Senate conferees on a bill, the conference committee should never go beyond the intention of the two Houses and should attempt to reconcile their views. It is not permissible under the rules completely to change the intention of a section when both Houses are in substantial agreement.

Ordinarily, in a case such as this, there would be little to confer about when a bill goes to conference. For example, on page 2 of the Senate bill there appeared the words "except where the effect of such absorption will be to substantially lessen competition." And instead the words were inserted, "except where such absorption of freight would be such that its effect upon competition may be that prohibited by this section." Thus reference was made to the early part of section 2 (a) of the Clayton Act, as amended, which prohibited discrimination "where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition."

Thus the Carroll amendment had exactly the same purpose as the Kefauver amendment except it was more carefully drawn and more protective of the small-business man.

On page 3 of Senate bill 1008 where the words "other than a discrimination which will substantially lessen competition" had been inserted by the Senator from Tennessee [Mr. KEFAUVER], the House substituted the words "except where its effect upon competition may be prohibited by this section," thus saving the Kefauver amendments and strengthening them. It would, therefore, appear that there is very little for anyone to confer about, and no need of any conference on this matter. We might as well accept the House version of the bill, because it has been carefully considered and it has improved upon the amendments offered by the junior Senator from Tennessee [Mr. KEFAUVER].

But I see that this is to be an exception, Mr. President. I now read that an effort will be made again to destroy the Robinson-Patman Act, which is directly contrary to the intentions of both the Senate and House, as evidenced by their support of the Kefauver amendments in the Senate and the Carroll amendment in the House. I read from page 2 of the Journal of Commerce of New York, the edition for Friday, July 8, 1949, this morning's paper:

Representative CELLER, who is sponsoring a drive to end the Robinson-Patman Act—

Perhaps Representative CELLER has not expressed that thought publicly, but at least the Journal of Commerce had it

straight; the object is to end the Robinson Patman Act—

Representative CELLER, who is sponsoring a drive to end the Robinson-Patman Act, was very dissatisfied with the House action in accepting the Carroll amendment.

"This will mean a continuation of the confusion which the bill was supposed to clear up"—

Which means it was supposed to eliminate the Robinson-Patman Act—

he told the Journal of Commerce. "However, I hope to have the wording of the Carroll amendment changed when the bill goes to conference."

When it was suggested to Representative CELLER that he would be caught between the wording of the Kefauver and Carroll amendments in conference, he replied: "Oh, not necessarily. A lot of things can happen in conference. I think we can straighten it out satisfactorily."

What does that mean? That can mean only one thing, it can mean only the abolition of the Robinson-Patman Act in conference. Is not that wonderful? The Senate went on record unanimously in favor of saving the Robinson-Patman Act when it adopted the Kefauver amendments. The House went on record by a great majority, once it understood what it was all about, in favor of saving the Robinson-Patman Act, when it adopted the Carroll amendment yesterday after a very heated debate. But now the conference would do what could not be done on the floor of either House, namely, destroy one of the strongest statutes ever drawn for the protection of the small-business people of America.

Mr. President, I wish to call to the attention of everyone who is desirous of saving small business in America that the battle is still on. The monopolies are still at work; their lobbies and their influential friends have not relented for one moment. If we accept the House version of the bill, the great trusts of America will have accomplished little in this session of Congress. S. 1008 as amended by Representative CARROLL gives the trusts of America only about 1 percent of what they had hoped to accomplish. I considered it a bad bill even as amended, but its subtly deceptive purpose of destroying the Robinson-Patman Act has been eliminated. I will vote to agree to the House amendment at the first opportunity, not because I believe it a good bill, but because I believe it is a complete disappointment to the great lobbies and powerful interests who are trying to overcome the effects of our antitrust laws, because I believe when they expected to reach into the coop and pull out a chicken they came out with a mere handful of feathers.

I wish they had come out completely empty-handed; but I fear that a failure to dispose of S. 1008, while we have pulled most of the vicious monopolistic teeth from it, might yet give the vested interests of America a chance to deceive, mislead, or fool us into carrying out their carefully conceived designs.

Mr. PEPPER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield to the Senator from Florida.

Mr. PEPPER. Has the able Senator noticed that every time the courts give some meaning to the antitrust laws of the country, pretty soon thereafter we find legislation proposed in the Congress to emasculate the decision of the courts?

Mr. LONG. I may say to the Senator that I find it very odd that every time a decision is handed down that would hurt a little-business man, that seems to be about the end of it, that clarifies it all satisfactorily, but every time a decision is rendered against a giant monopoly, or the trusts, it is very confusing, and Congress has to change the whole law, so that we start all over again.

Mr. MORSE. Mr. President, I think the Senator is to be commended for the very fine speech he has just made, and I wish to suggest to him that if the conferees should seek to defeat the clear intent of both the majority of the Senate and the House, as set out in the Senator's speech, we might be here long after September 1, when the conference report comes back.

Mr. LONG. I would certainly agree with the Senator in that, and I would like to say, further, that personally, as much as I admire the members of the Senate and the House committees, I am dissatisfied with the way in which they handled this matter. Hearings were held on one basing-point bill. After the committee got through with the hearings they substituted another bill on which no hearings had been held. When the bill came on the floor, the Senator from Wyoming [Mr. O'MAHONEY] substituted another bill, which we had not had a chance to study. So no Senator knew what was going to happen from day to day, and no one knew what bill we were to vote on. Some may have had a chance to study the bill, but I did not. I had about 24 hours' notice.

The Senator from Tennessee [Mr. KEFAUVER] got some crucial amendments added to the bill. When the bill got to the House side, two witnesses were called, both Government employees, and the little independent retail merchants were denied any chance to be heard. The wholesalers' associations were denied any chance to be heard, and the independent petroleum retailers were denied any chance to be heard.

I do not have too much confidence in the action of the conference, when these committees would not let these people be heard on the House side, and certainly not when the bill is rushed in this way, and when we have a declaration by the chairman of the House committee to the effect that he wants to change the obvious intention of the Members of both the House and the Senate.

I think it is demonstrated that the House and Senate would like to save the antitrust laws and would like to save the small-business men from being run out of business.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Connecticut.

Mr. McMAHON. I am not at all in disagreement with the objectives which the Senator has just stated, but I may say that for some weeks I sat as a member of the Committee on Interstate and Foreign Commerce, starting last November, in the hearings before the subcommittee under the chairmanship of the Senator from Indiana [Mr. CAPEHART]. We heard many witnesses, and took a great deal of testimony.

Without in any way commenting on the Senator's criticisms of the particular bill we are discussing, I wish to say that unless our manufacturers in New England, and in my State of Connecticut particularly, can absorb freight, they cannot remain in competition with the manufacturers who are in the markets where much of our Connecticut products are sold. For instance, we have in New Haven a concern which employs 300 or 400 people, manufacturing an article which is sold in competition all over the country. The big competition is from a manufacturer in Cincinnati. We cannot compete with the Cincinnati manufacturer in the Midwest unless we can legally absorb freight.

Mr. LONG. I should be happy to give the Senator my opinion on that matter.

Mr. McMAHON. I merely desire to say to the Senator, and for the RECORD, that we cannot hope to stay in business in Connecticut, in my opinion—and of course I have some duty to the people of my State, as the Senator has to his——

Mr. LONG. Which the Senator from Connecticut is very well discharging.

Mr. McMAHON. Unless we can compete with the stove manufacturer, we will say, in Cincinnati, who sells in that immediate neighborhood. What we do if we cannot compete is to grant him a local monopoly, and thereby we build up a bigger monopoly than if we were permitted absorption of freight.

Mr. LONG. I should be glad to state, in regard to that point, that we have no objection whatsoever to anyone anywhere competing. If the Senator from Connecticut would like to see his people compete, I am tickled pink to see them compete. What I want is to give us a chance to compete. We simply want to keep the law that would protect against practices which would destroy competition, and that is my objection to basing-point practices being followed. The Senator wants his people to be allowed to absorb freight, and there is no doubt in my mind that that is legal. But if they are to absorb freight in such a way, as a systematic practice, that it is going to destroy competition, and discriminate in such a way as to eliminate competition, or prevent competition, that is what we want to stop. We are hoping to compete with Connecticut in anything we produce. We do not want to see competition eliminated. If the Senator wants his industries to compete I think he would like Senate bill 1008 changed, as proposed by the amendments.

Mr. McMAHON. I want to say that one of the attorneys of the Federal Trade Commission came before our committee and testified that in his opinion the absorption of freight was per se illegal. He said that regardless of whether the manufacturer was in conspiracy or not, it was illegal to absorb freight. This gentlemen contended that the markets where there were raw materials existing in the ground were entitled to the benefit of the natural resources that were there, thereby implying that if we

have to get our raw materials and fabricate them in Connecticut we would just have to take our chances of there being a lessened production in our State.

I certainly have no intention of tearing down the fabric of the antitrust laws. But I also say that I shall fight against any application of those laws which prohibit the manufacturers in New England, more particularly in Connecticut, from competing with any manufacturer in the country by way of freight absorption, providing he does not do it by way of conspiracy with some other manufacturer.

Some of the officials at the Federal Trade Commission hold that the very fact that day after day the freight is absorbed is systematically destroying competition. With that contention I certainly do not agree.

Mr. LONG. I would say that the systematic absorption of freight oftentimes indicates that competition is not being destroyed, but simply being eliminated. For example, there is the Gulf Oil Co., there is the Texas Oil Co., there are various other oil companies operating in America. They produce oil and sell it in some cases Nation-wide. They all agree on the same price. They have a system of freight absorption. There is not the least question in my mind that that has the effect of actually destroying or eliminating price competition. All the merchants, all the gas stations which sell their gas have to pay the same price. Maybe that is all right. There has been no attack on that. But what I say is that S. 1008, without the Kefauver amendment, would permit an oil company to absorb freight for one station and refuse to do the same thing for another station right across the street.

If the Senator would like to compete with anything we have in Louisiana, I shall be glad to have him compete. I believe in competition. I want to save competition and to save the antitrust laws, which guarantee that there shall be competition.

If we can establish such an industry as is being established at Daingerfield, Tex., the Lone Star Steel Co., which is trying to establish a local plant there, we would be glad to have it compete with anything that Bethlehem Steel or United States Steel can send into our territory. But there could not be such competition unless the Kefauver amendment is adopted. We do not want the Bethlehem Steel Co. or the United States Steel Co. to say that they are not meeting competition over the whole country, but only within 300 miles of Daingerfield, Tex. So within 300 miles of Daingerfield, Tex., where an infant industry is trying to get on its feet, they absorb the freight in that area in such a manner as to destroy that infant industry.

I am in favor of what the law permits now. I am in favor of any industry in any part of the country competing with us in what we produce. All I want is a chance to compete. At the present time we do not have much chance to compete, because we have very little industry in the South. I am in favor of all the competition we can get. What I am against is these practices which result in elimination of competition, under which everyone charges the same price, and where they can systematically curtail competition

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McMAHON. Lest there be any misunderstanding about it, I will say that I am against all conspiracies to violate the antitrust laws. There is no question about that at all. But I would point out to the Senator that what he is pleading for is that the other steel companies—or take my stove company in Connecticut, or the manufacturer of any industrial product—be kept out of that Texas market. What you do is to set up the Lone Star Steel Co. You set them up with the local monopoly for 300 miles around, and they can charge up to the point that the other manufacturers would have to charge by adding freight. What you do is to build up a local monopoly and you deprive the people of that territory of the lower prices they could pay.

Mr. LONG. Mr. President, that is a very interesting argument. Someone says, "You are going to set up a local monopoly," because a man has a competitive advantage around his front door. So to prevent any chance of local monopoly you are going to establish a Nation-wide monopoly, bring the Nation under one monopoly, with everything tied up together.

With respect to the point of local monopoly, before about 1880 there were nothing but f. o. b. factory prices. In about 1880 the giant industries of America got a few ideas from the German companies, and about that time they agreed on a new system whereby they would absorb freight, and so they could all arrive at the same price. The prices charged around a mill were ridiculously high.

The Senator will invariably find in his State that where the factories absorb freight the consumers in the neighborhood are obliged to pay a terribly high price for the goods. The Senator's part of the country, however, is not the only part of the country where certain persons are enjoying monopolistic advantages. In my own home State we have an oil-refining company which sells its gasoline for the same price in Baton Rouge as it does in New York. They are not selling it at the same price in New York by way of gratuity. If they can sell it in New York at the same price they sell it in Louisiana, certainly they are making a terrible profit in Louisiana. I understand the Banking and Currency Committee of the Senate is investigating that situation. That practice might be the same as the practice indulged in by some of having a price leader. Without the two amendments added to the bill, I point out that that type of monopoly is going to be legalized too. Acting independently they would be able to do this. The monopolies have had much experience. They have had experience of this sort for 60 years, and they can figure out how to make it work.

Mr. President, if we pass Senate bill 1008 without the Carroll or the Kefauver amendments in it, I expect the United States Steel Corp. to set up one basic price of steel throughout the entire United States, whether they ship by rail, by water, or do not ship at all. The consumer will be obliged to pay one price, as the consumer of gasoline does. I am opposed to that type of monopoly.

Yet when it is proposed to set up a little independent business it is contended that it becomes a regional monopoly, merely because it has a competitive advantage in doing business in its immediate area. It might as well be said that the United States Steel Corp. has a regional monopoly around its plant. It might as well be said that the Standard Oil Co. in Louisiana has a regional monopoly in Louisiana. I am frankly satisfied with the way the Standard Oil Co. operates in Louisiana. I do not care whether it ships oil in from Maine or from any other place. I am satisfied to see it sell gasoline throughout America on the same terms as in Louisiana, but it is wasteful and uneconomic to ship gasoline halfway across the country or halfway across the world when you can buy gasoline processed in your own back yard.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McMAHON. I want the Senator to understand I am not commenting on the Kefauver or the Carroll amendments. I am going to give them more study before we vote on the conference report. What I wanted to point out to the Senator was that the absorption of freight by individual manufacturers so that they may compete in distant markets, is absolutely essential if industry in certain parts of the country is going to survive.

If the Senator says that 100 years ago industry should have existed only at the points where raw materials were available, there might be something to be said for that argument. But we are dealing with a situation in which plants in Connecticut and other parts of New England take raw materials from other parts of the country, fabricate them, and send the products out. It stands to reason that, so far as we can help it, we are not going to permit a law to be passed which will bar us from absorbing freight in order to sell in distant markets. We are not going to commit suicide if we can help it.

Mr. LONG. I will say to the Senator that it is my opinion—and I am confident in my own mind—that what he said he would like to see, namely, that merchants be permitted to absorb freight to meet competition, in the ordinary sense, is completely legal today. If there is any doubt in his mind about whether or not it is legal, we can pass Senate bill 1008 with the Carroll amendments and the Kefauver amendments, and it will be very clearly legal. What those amendments do is to prevent that device from being used to destroy, eliminate, or prevent competition.

Mr. McMAHON. Is the Senator aware of the fact that there is a considerable body of opinion in the Federal Trade Commission which believes—and I can show the Senator the testimony—that the absorption of freight is per se illegal, without regard to conspiracy? I can show the Senator that testimony. A very

fine lawyer in the Federal Trade Commission, for whose integrity and intelligence I have the highest respect, and who has very great influence in the Federal Trade Commission, was very frank on the subject. He was bold as brass about it. He said, "I believe that under the law the absorption of freight is per se illegal."

Mr. LONG. I will say to the Senator that my impression has been that those who were for opening the door wide, letting down all the bars and ripping holes through the antitrust laws have been of the opinion that all freight absorption is illegal. I do not think so. I believe that so long as one is not destroying competition there is no doubt about the legality of it. If there is any doubt about it, that doubt will be cleared up by Senate bill 1008 with the Carroll amendments or the Kefauver amendments. In my opinion, as the law presently exists, the small-business man is protected. He will be protected if we do not enact any new legislation. But if we permit the proposed law to be enacted as it was originally before the Senate, or if we permit it to be enacted in the form recommended by the House committee, in my opinion it will be responsible for the destruction of hundreds of thousands of small independent merchants, manufacturers, and processors.

### THE NORTH ATLANTIC TREATY

The Senate as in Committee of the Whole resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. GREEN. Mr. President, I have received a letter from Mr. Henry Wallace, dated July 5, and have read it with interest. I understand that the same letter has been sent to all my colleagues in the Senate, so I am replying to it here and now.

His argument seems to be that our Government's foreign policy, which includes the Marshall plan, already in effect, and the North Atlantic Pact, now being considered, should be abandoned because of the present economic situation. He claims that the Marshall plan has been a failure and that the pact will make the situation even worse. His alternative policy is that an accord should be reached with the Soviet Union.

He admits that the Paris Conference reached a limited accord with the Soviet Union, but does not understand that this fact was a result of the Marshall plan, and a tribute to its success. Since he implies that the North Atlantic Pact is a further development of the Marshall plan, he should admit that its ratification would increase the likelihood of the complete accord which he wishes. It is the very purpose of the pact to make any nation which contemplates aggression hesitate to act.

There have been many difficulties to overcome in the war-torn world. The Marshall plan has already overcome some of them, although there are still others to be surmounted. The North Atlantic Pact will make it easier to overcome the others.

It will be especially appropriate for this pact to be ratified in this old Senate Chamber, where the Monroe Doctrine was promulgated.

### RULES OF PROCEDURE IN DISTRICT COURT FOR TERRITORY OF ALASKA—CORRECTION IN ENROLLMENT OF BILL

Mr. LUCAS. Mr. President, as in legislative session on behalf of the chairman of the Judiciary Committee, the Senator from Nevada [Mr. McCARRAN], I submit a concurrent resolution to correct a clerical error in the enrollment of Senate bill 70, and I ask unanimous consent for the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution (S. Con. Res. 53) was considered, and agreed to, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 70) to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States, to make the following change, namely: In lieu of the language inserted by the House engrossed amendment, insert the following:

"SEC. 2. The first paragraph of section 2072 of title 28, United States Code, is amended to read as follows:

" 'The Supreme Court shall have the power to prescribe, by general rules, the forms of process, writs, pleadings, and motions, and the practice and procedure of the district courts of the United States and of the District Court for the Territory of Alaska in civil actions.' "

### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. KERR in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

### EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

John E. Sloan, of Pennsylvania, to be United States marshal for the western district of Pennsylvania.

By Mr. LANGER, from the Committee on the Judiciary:

Morgan Ford, of North Dakota, to be judge of the United States Customs Court, vice William J. Tilson, deceased.

### CONSIDERATION OF EXECUTIVE NOMINATIONS IN THE DIPLOMATIC AND FOREIGN SERVICE.

Mr. LUCAS. Mr. President, I did not talk with the Senator from Nebraska [Mr. WHERRY] about the executive nominations in the Diplomatic and Foreign Service under the head of "New Reports" on the Executive Calendar. If there is no objection, I should like to have them considered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. THYE. Mr. President, I will say to the majority leader that no objection has been recorded with me, and for that reason I raise no objection. I am acting in the capacity of minority leader, in the absence of the Senator from Nebraska [Mr. WHERRY].

The PRESIDING OFFICER. The Senator from Illinois refers to the nominations in the Diplomatic and Foreign Service under the head of "New Reports."

Mr. LUCAS. I refer to the nomination in the Diplomatic and Foreign Service, as of July 7, beginning with Calendar No. 1912, which is the nomination of Jefferson Caffery to be Ambassador to Egypt. I do not ask for the consideration of the nominations of Mr. Butterworth, Mr. Briggs, or Mr. Davis.

The PRESIDING OFFICER. Is there objection to the consideration of nominations in the Diplomatic and Foreign Service under the head of "New Reports"? The Chair hears none. Without objection, the nominations referred to are confirmed en bloc; and, without objection, the President will be immediately notified.

### RECESS TO MONDAY

Mr. LUCAS. I move that the Senate stand in recess until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 28 minutes p. m.) the Senate took a recess until Monday, July 11, 1949, at 12 o'clock meridian.

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### NOMINATIONS

Executive nominations received by the Senate July 8 (legislative day of June 2), 1949:

#### IN THE ARMY

#### APPOINTMENTS IN THE REGULAR ARMY

The following-named officers for appointment in the Regular Army of the United States to the grades indicated under the provisions of title V of the Officer Personnel Act of 1947:

*To be major generals*

Maj. Gen. Lester Johnson Whitlock, [redacted] Army of the United States (brigadier general, U. S. Army).

Maj. Gen. Ray Tyson Maddocks, [redacted] Army of the United States (brigadier general, U. S. Army).

*To be brigadier generals*

Brig. Gen. Henry Irving Hodes, [redacted] Army of the United States (colonel, U. S. Army).

Brig. Gen. Blackshear Morrison Bryan, Jr., [redacted], Army of the United States (colonel, U. S. Army).

#### TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of section 515 of the Officer Personnel Act of 1947:

*To be major generals*

Brig. Gen. Josef Robert Sheetz, [redacted] United States Army.

Brig. Gen. William Arthur Beiderlinden, [redacted], United States Army.

Brig. Gen. Reuben Ellis Jenkins, [redacted] United States Army.

Brig. Gen. Whitfield Putnam Shepard, [redacted], United States Army.

*To be brigadier generals*

Col. Harold Eugene Eastwood, [redacted], United States Army.

Col. Andrew Christian Tychsen, [redacted] United States Army.

Col. Laurin Lyman Williams, [redacted], United States Army.

Col. Raymond Eccleston Serveira Williamson, [redacted], United States Army.

Col. William Lillard Barriger, [redacted], United States Army.

Col. George Bittmann Barth, [redacted], United States Army.

APPOINTMENTS IN THE REGULAR ARMY

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Curtis H. Alloway, [redacted].
Anthony J. Auletta, [redacted].
Paul A. Baldy, [redacted].
John T. Batts, [redacted].
William L. Boyiston, [redacted].
Leon W. Brouhard, [redacted].
Clifford J. Budney, [redacted].
David M. Buie, [redacted].
Elmer I. Caldwell, [redacted].
Charles B. Christian, [redacted].
John M. Coates, [redacted].
Lloyd A. Corkan, Jr., [redacted].
Ralph E. Davis, [redacted].
Fred P. De Palma, [redacted].
Bert P. Ezell, [redacted].
Edgar R. Fenstemacher, [redacted].
Joseph F. Fil, [redacted].
George L. Freeman, [redacted].
James V. Galloway, [redacted].
John D. Gard, [redacted].
Franklin T. Garrett, [redacted].
Sam F. Gaziano, [redacted].
Berkeley S. Gillespie, Jr., [redacted].
Anthony P. Glasser, [redacted].
Maxwell Grabove, [redacted].
John B. Gregg, [redacted].
James C. Hefti, [redacted].
Leonard J. Hempling, [redacted].
Lewis E. Hess, [redacted].
Charles W. Howard, [redacted].
William L. Humphrey, [redacted].
Carl W. Ivie, Jr., [redacted].
Lloyd K. Jenson, [redacted].
Maurice E. Jessup, [redacted].
James W. Kelly, [redacted].
Eldredge R. Long, Jr., [redacted].
John S. Mace, [redacted].
Clarence D. Maiden, [redacted].
Roy R. May, Jr., [redacted].
Raymond N. Nelson, Jr., [redacted].
Gilbert H. Newman, [redacted].
John W. Norwalk, [redacted].
Lewington S. Ponder, [redacted].
Noble L. Riggs, [redacted].
Edmund C. Roberts, Jr., [redacted].
William Schabacker, [redacted].
Ferdinand L. Schwartz, [redacted].
John G. Sheehan, [redacted].
Frank W. Sheppe, [redacted].
Russell R. Simpson, [redacted].
Harold T. Smith, [redacted].
Homer D. Smith, Jr., [redacted].
Paul C. Smithey, [redacted].
Basil J. Sollitto, [redacted].
Roderick A. Stamey, Jr., [redacted].
Lawrence V. Troiano, [redacted].
William M. Twitty, [redacted].
Jerry G. Wallace, [redacted].
Dayton L. Warren, [redacted].
Dobson L. Webster, [redacted].
Joseph M. Wells, [redacted].
Donald B. Wentzel, [redacted].
Alton R. Wheelock, [redacted].
William M. Whitesel, [redacted].
Samuel M. Woodward, [redacted].

## CONFIRMATIONS

Executive nominations confirmed by the Senate July 8 (legislative day of June 2), 1949:

DIPLOMATIC AND FOREIGN SERVICE

Jefferson Caffery to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Egypt.

TO BE FOREIGN SERVICE OFFICERS OF CLASS 6, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

John Campbell Ausland
John H. Barber
Vincent R. Boening
William B. Buffum
Miss Patricia M. Byrne
Peter R. Chase
Thomas R. Craig, Jr.
Richard T. Ewing
Seymour H. Glazer
Philip C. Habib
James E. Hewes, Jr.
James L. Houghteling, Jr.
Miss M. Louise Kirby
Cleo A. Noel, Jr.
Harry B. Pangburn
Paul O. Proehl
Barrett M. Reed
John F. Rogers
Mrs. Corey B. Sanderson
Robert Simpson
Herbert B. Thompson
Edward J. Thrasher
Viron P. Vaky
Wendell W. Woodbury
Charles G. Wootton

# HOUSE OF REPRESENTATIVES

FRIDAY, JULY 8, 1949

The House met at 11 o'clock a. m.

The Acting Chaplain, Rev. Jacob S. Payton, offered the following prayer:

Our Heavenly Father, on the threshold of the day's deliberations we seek Thy guidance. May each Member be grandly partisan concerned only with being on the Lord's side. May each glory in wearing the party label of the Lord's own. May all bear the mark of the conservative for seeking to conserve in America religious faith and free government. Likewise may all be liberals subscribing to the liberalizing doctrine that every man is his brother's keeper and to the emancipating knowledge of Thy truth which makes men free indeed. So grant, O Lord, to Members of this body the boon of inward peace reserved for those who never ask what is expedient, but always ask what is right. In the name of Jesus we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills and a concurrent resolution of the Senate of the following titles:

S. 70. An act to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States;

S. 1042. An act relating to the payment of fees, expenses, and costs of jurors; and

S. Con. Res. 23. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 50–1.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a copy of the bill S. 2115, which has passed the Senate, and a similar bill introduced by her.

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include an article from Business Week of July 2, 1949.

Mr. YATES asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Post.

Mr. McCULLOCH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Columbus (Ohio) Citizen.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

SPECIAL ORDER GRANTED

Mr. JAVITS asked and was given permission to address the House for 30 minutes on Tuesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. GORE asked and was given permission to extend his remarks in the RECORD and include an address written by a young gentleman, by which he won first prize in the Knoxville, Tenn., Flag Day contest.

PAINTING OLD HOUSE OFFCE BUILDING

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry. I should say I rise to question the privilege of the House, but I have no resolution prepared. But I would like to propound a parliamentary inquiry and would like to discuss it for a moment.

Painters have gone into the Old House Office Building and started on a program of painting the walls in that building where we seldom if ever get any fresh air at all.

I have never known them to air that building out, since they put this cooling system in, with the result that it is literally becoming nauseating to the Members and their clerks who have to work in the building. That ought not to be.

We moved out of the Capitol in order for them to take a year or two to fiddle around over there. Now they have moved into the Old House Office Building. You can smell that paint all the way over here. You can smell it on the fifth floor right now. They are on the first floor and you can smell that paint on the fifth floor.

Unless it is stopped, I will offer a resolution here to bring it to a close and

put a stop to it until after Congress adjourns.

There will be plenty of time for them to paint those walls after Congress gets away from here. It is absolutely unthinkable that they should come in there now and make it impossible for Members and their clerks to work in their own offices.

Mr. Speaker, my parliamentary inquiry is, how to go about stopping it?

The SPEAKER. Since the gentleman from Mississippi has called attention to it, the Chair will see that the House Office Building Commission, of which he is chairman, looks into it.

EXTENSION OF REMARKS

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD.

HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 975)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That this Act may be cited as the 'Housing Act of 1949.'

"DECLARATION OF NATIONAL HOUSING POLICY

"SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximumm employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficent resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Housing and Home Finance Agency and its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this Act and in such manner as will facilitate sustained progress in attaining the national housing objective is hereby established, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

"TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

"LOCAL RESPONSIBILITIES

"SEC. 101. In extending financial assistance under this title, the Administrator shall—

"(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations; and

"(b) encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

"LOANS

"SEC. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the redevelopment of project areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, forty years from the date of the bonds evidencing such loans), as may be deemed advisable by the Administrator.

"(b) In connection with any project on land which is open or predominantly open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of land in the project area. Such temporary loans shall be in such amounts not exceeding the expenditures to be made for such purpose, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding ten years from the date of the obligations evidencing such loans), as may be deemed advisable by the Administrator.

"(c) Loans made pursuant to subsection (a) or (b) hereof may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and, in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

"(d) The Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such advances of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.

"(e) To obtain funds for loans under this title, the Administrator, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by

the Secretary of the Treasury in an amount not to exceed $25,000,000, which limit on such outstanding amount shall be increased by $225,000,000 on July 1, 1950, and by further amounts of $250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed $1,000,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than $250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

"(f) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

"(g) Obligations, including interest thereon, issued by local public agencies for projects assisted pursuant to this title, and income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

"CAPITAL GRANTS

"SEC. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans: *Provided*, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

"(b) The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, aggregating not to exceed $100,000,000, which limit shall be increased by further amounts of $100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed $500,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than $100,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest. The faith of the United States is solemnly pledged to the payment of all capital grants contracted for under this title, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

"REQUIREMENTS FOR LOCAL GRANTS-IN-AID

"SEC. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 110 (f) of land in such projects).

"LOCAL DETERMINATIONS

"SEC. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

"(a) The redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (ii) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (iii) the redevelopment plan conforms to a general plan for the development of the locality as a whole;

"(b) When land acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin the building of their improvements on such land within a reasonable time; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title;

"(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment: *Provided*, That in view of the existing acute housing shortage, each such contract entered into prior to July 1, 1951, shall further provide that there shall be no demolition of residential structures in connection with the project assisted under the contract prior to July 1, 1951, if the local governing body determines that the demolition thereof would reasonably be expected to create undue housing hardship in the locality.

"(d) No land for any project to be assisted under this title shall be acquired by the local public agency except after public hearing following notice of the date, time, place, and purpose of such hearing.

"GENERAL PROVISIONS

"SEC. 106. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, shall—

"(1) appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency;

"(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

"(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of advances of funds, loans, or capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

"(4) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

"(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for capital grants pursuant to section 103 hereof), and all funds available for carrying out the functions of the Administrator under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

"(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

"(1) sue and be sued;

"(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property.

"(3) enter into agreements to pay annual sums in lieu of taxes to any State or local

taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

"(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(5) obtain insurance against loss in connection with property and other assets held;

"(6) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, or any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

"(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

"(d) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed $1,000.

"(e) Not more than 10 per centum of the funds provided for in this title, either in the form of loans or grants, shall be extended in any one State.

"PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

"SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan shall be made therefor by the public housing agency undertaking the housing project, and such amount shall be included as part of the development cost of the low-rent housing project.

"SURPLUS FEDERAL REAL PROPERTY

"SEC. 108. The President may at any time in his discretion, transfer, or cause to be transferred, to the Administrator any right, title, or interest held by the Federal Government or any department or agency thereof in any land (including buildings thereon) which is surplus to the needs of the Government and which a local public agency certifies will be within the area of a project being planned by it. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its fair market value, and the proceeds from such sale shall be covered into the Treasury as miscellaneous receipts.

"PROTECTION OF LABOR STANDARDS

"SEC. 109. In order to protect labor standards—

"(a) Any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development of the project involved and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Administrator shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract;

"(b) The provisions of title 18 U. S. C., section 874, and of title 40 U. S. C., section 276c, shall apply to any project financed in whole or in part with funds made available pursuant to this title;

"(c) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

"DEFINITIONS

"SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"(a) 'Redevelopment area' means an area which is appropriate for development or redevelopment and within which a project area is located.

"(b) 'Redevelopment plan' means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: *Provided*, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

"(c) 'Project' may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open land necessary for sound community growth which is to be developed for predominantly residential uses (in which event the project thereon, as provided in the proviso of section 103 (a) hereof, shall not be eligible for any capital grant); (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term 'project' shall not include the construction of any of the buildings contemplated by the redevelopment plan, and the term 'redevelopment' and derivatives thereof shall mean develop as well as redevelop. For any of the purposes of section 109 hereof, the term 'project' shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 110 (d) hereof.

"(d) 'Local grants-in-aid' shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided*, That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct and substantial benefit both to the project and to other areas, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for such project, there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.

"(e) 'Gross project cost' shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

"(f) 'Net project cost' shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

"(g) 'Going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

"(h) 'Local public agency' means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. 'State' includes the several States, the District of Columbia,

and the Territories, dependencies, and possessions of the United States.

"(i) 'Administrator' means the Housing and Home Finance Administrator.

"TITLE II—AMENDMENTS TO NATIONAL HOUSING ACT

"SEC. 201. The National Housing Act, as amended, is hereby amended—

"(1) by striking out of the first sentence of section 2 (a) 'July 1, 1949' and inserting in lieu thereof 'September 1, 1949';

"(2) by striking out of the proviso in section 203 (a) '$4,000,000,000' and inserting in lieu thereof '$5,300,000,000' and by striking out of such proviso '$5,000,000,000' and inserting in lieu thereof '$5,500,000,000'; and

"(3) by striking out of the second proviso in section 603 (a) 'June 30, 1949' in each place where it appears therein and inserting in lieu thereof 'August 31, 1949'.

"SEC. 202. This title shall take effect as of June 30, 1949.

"TITLE III—LOW-RENT PUBLIC HOUSING

"LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES

"SEC. 301. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"'(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"'(a) the Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

"'(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this Act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 per centum has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

"'(8) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—

"'(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this Act;

"'(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than five years after March 1, 1949;

"'(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this Act) give preference to families having the most urgent housing needs, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

"'(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project.'

"VETERANS' PREFERENCES

"SEC. 302. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By adding the following new subsection to section 10:

"'(g) Every contract made pursuant to this Act for annual contributions for any low-rent housing project shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"'First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within three years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

"'Second, to families of other veterans and servicemen and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected.'

"(b) By adding the following new subsection to section 2:

"'(14) The term "veteran" shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term "serviceman" shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918.'

"COST LIMITS

"SEC. 303. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"'(5) Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities) shall not exceed $1,750 per room ($2,500 per room in the case of Alaska): *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than $750 per room the limitations that would otherwise be applicable to such project hereunder. Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants with respect to any low-rent housing project initiated after March 1, 1949, shall provide that such project shall be undertaken in such a manner that it will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every such contract shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract.'

"PRIVATE FINANCING

"SEC. 304. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:

"'(f) Payments under annual contributions contracts shall be pledged, if the Authority so requires, as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate.';

"(b) The following is added after section 21:

"'PRIVATE FINANCING

"'SEC. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others, than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

"(a) Every contract for annual contributions (including contracts which amend or

supersede contracts previously made) may provide that—

"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this Act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

"(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this Act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

"'(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this act and notwithstanding any other provisions of law) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding twelve months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided*, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c); and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract.';

"(c) In the fourth sentence of section 9 the words 'going Federal rate at the time the loan is made,' are deleted; in the first proviso of subsection 10 (b) the words 'going Federal rate of interest at the time such contract is made' are deleted; and in lieu thereof in each case there are substituted the words 'applicable going Federal rate'; and subsection 2 (10) is amended to read as follows:

"'(10) The term "going Federal rate" means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this Act, the going Federal rate shall be deemed to be not less than 2½ per centum.';

"(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: '*Provided*, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this Act, loans shall not be made for a period exceeding forty years from the date of the bonds evidencing the loan: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding forty years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.';

"(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: '*Provided*, That in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding forty years from the date the first annual contribution for the project is paid: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 per centum of development or acquisition cost.';

"(f) The first sentence of subsection 10 (c) is amended to read as follows: 'Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.';

"(g) Section 14 is amended by inserting the following after the first sentence: 'When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.';

"(h) Section 20 is amended to read as follows:

"'SEC. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed $1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.';

"(i) Subsection 2 (5) is amended to read as follows:

"'(5) The term "development" means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term "development cost" shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.'; and

"(j) The following additional subsection is added to section 15:

"'(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project'."

"ANNUAL CONTRIBUTIONS

"SEC. 305. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By inserting the following after the first sentence of subsection (e) of section 10: 'With respect to projects assisted pursuant to this Act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than $85,000,000 per annum, which limit shall be increased by further amounts of $55,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by $58,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than $308,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than $55,000,000 upon a determination by the President, after receiving advice from the Council of

Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further,* That 10 per centum of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of three years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed one hundred and thirty-five thousand dwelling units after July 1, 1949, which limit shall be increased by further amounts of one hundred and thirty-five thousand dwelling units on July 1 in each of the years 1950 through and including 1954, respectively: *Provided,* That (subject to the authorization of not to exceed eight hundred and ten thousand dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than sixty-five thousand dwelling units, or may be decreased at any time or times by amounts aggregating not more than eighty-five thousand dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further,* That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the commencement of construction of more than eight hundred and ten thousand dwelling units without further authorization from the Congress: *And provided further,* That in no event shall the Authority permit the commencement of construction of more than two hundred thousand dwelling units in any fiscal year.'; and

"(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

"'(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 per centum of the annual shelter rents charged in such project: *Provided,* That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption and the authorization of payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 per centum of the annual contributions paid by the Authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the Authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contribution dates occurred during the two-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 per centum of the shelter rents charged in such projects for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contribution dates occur on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amount specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947.'

"SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

"SEC. 306. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: 'The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net annual income at the time of admission, less an exemption of $100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) $100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age.'

"TECHNICAL AMENDMENTS

"SEC. 307. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By deleting from section 1 the words 'rural or urban communities' and by substituting therefor the words 'urban and rural nonfarm areas';

"(b) (1) By adding at the end of subsection 2 (11) the following new sntence: 'The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency.'; and

"(2) By adding the following new subsection 2:

"'(15) The term "initiated" when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.';

"(c) By adding to section 6 of the following new subsection:

"'(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said Act made by the Housing Act of 1949 or by any other law thereafter enacted.';

"(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word '*Provided*' to a period; and by adding at the end of said subsection 10 (a) the following new sentence: 'The Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions or for capital grants pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved has entered into an agreement with the public housing agency providing that, subsequent to the initiation of the low-rent housing project and within five years after the completion thereof, there has been or will be elimination, by demolition, condemnation, effective closing, or compulsory repair or improvement, of unsafe or insanitary dwelling units situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwelling units provided by such project: *Provided, however,* That where more than one family is living in an unsafe or insanitary dwelling unit the elimination of such unit shall count as the elimination of units equal to the number of families accommodated therein: *Provided further,* That such elimination may, in the discretion of the Authority be deferred in any locality or metropolitan area where there is an acute shortage of decent, safe or sanitary housing available to families of low income: *And provided further,* That this requirement shall not apply in the case of any low-rent housing project located in a rural nonfarm area, or to any low-rent housing project developed on the site of a slum cleared subsequent to the date of enactment of the Housing Act of 1949 and that the dwelling units which had been eliminated by the clearance of the site of such project shall not be counted as elimination for any other low-rent project.'

"(e) By amending the second sentence of subsection 13 (a) to read as follows: 'The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this Act governing their administration and disposition.';

"(f) By amending subsection 16 (2) to read as follows:

"'(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this Act shall contain a provision requiring that not less than the salaries or wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, and technicians, employed in the development and to all maintenance laborers and mechanics employed in the administration of the low-rent housing or slum-clearance project involved; and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Authority shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.';

"(g) By amending subsection 21 (d) to read as follows:

"'(d) Not more than 10 per centum of the total annual amount of $336,000,000 provided in this Act for annual contributions, nor more than 10 per centum of the amounts provided for in this Act for grants, shall be expended within any one State.'; and

"(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

"TITLE IV—HOUSING RESEARCH

"SEC. 401. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

"'SEC. 301. The Housing and Home Finance Administrator shall—

"'(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Administrator for technical research and studies authorized by this subsection for work to continue not more than four years from the date of any such contract. Notwithstanding the provisions of section 5 of the Act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other Act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321n, the results of such research and studies in such form as may be most useful to industry and to the general public. Notwithstanding any other provisions of law except provisions enacted expressly in limitation hereof, the Administrator is authorized to consolidate, with the functions and activities performed under this subsection, any functions or activities now being performed or which, otherwise, would be performed by any constituent agency of the Housing and Home Finance Agency with respect to housing market data, and with respect to any other function or activity which the Administrator is authorized to perform by this subsection, if he determines that such consolidation is practicable and will promote more effective administration. The Administrator shall utilize the authority under this subsection with respect to housing market data to secure such information and data as may be required in connection with the functions of the constituent agencies within the Housing and Home Finance Agency and his supervision and coordination of the functions of said agencies, and in connection with determinations and approvals under section 15 (7) (b) (ii) and section 15 (8) (a) of the United States Housing Act of 1937, as amended: *Provided*, That this sentence shall not be construed as a limitation upon the authority conferred upon the Administrator by this subsection.

"'(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

"'(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans. To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys.

"'SEC. 302. In carrying out research and studies under this title, the administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

"'SEC. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

"'SEC. 304. The administrator shall appoint a director to administer the provisions of this title under the direction and supervision of the administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency.'"

"TITLE V—FARM HOUSING

"FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

"SEC. 501. (a) The Secretary of Agriculture (hereinafter referred to as the 'Secretary') is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

"(b) For the purpose of this title, the term 'farm' shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of $400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

"(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

"LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

"SEC. 502. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 501 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal.

"(b) The instruments under which the loan is made and the security given shall—

"(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

"(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

"(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

"(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

"LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

"SEC. 503. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed five years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed five years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 502. In addition, the Secretary may agree with the borrower to make annual contributions during the said five-year period in the form of credits on the borrower's indebtedness in an amount not to exceeed the annual installment of interest and 50 percent of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

"This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments in principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

"OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

"SEC. 504. (a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under this subsection (1) in the form of a loan, or combined loan and grant, in excess of $1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of $500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary.

"(b) In order to encourage adequate family size farms the Secretary may make loans under this section and section 503 to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available under clause (b) of section 513 for such purposes.

"MORATORIUM ON PAYMENTS UNDER LOANS

"SEC. 505. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loans for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

"TECHNICAL SERVICES AND RESEARCH

"SEC. 506. (a) In connection with financial assistance authorized in sections 501 to 504, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 501 to 504, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

"(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this Act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

"PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

"SEC. 507. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a 'veteran' shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. 'Deceased servicemen' shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

"LOCAL COMMITTEES TO ASSIST SECRETARY

"SEC. 508. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws of regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of $5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

"(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

"GENERAL POWERS OF SECRETARY

"SEC. 509. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

"(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

"ADMINISTRATIVE PROVISIONS

"SEC. 510. In carrying out the provisions of this title, the Secretary shall have the power to—

"(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than $300;

"(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

"(c) compromise claims and obligations arising out of sections 502 to 505, inclusive, of this title, and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

"(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

"(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

"(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

"(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

"(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the Act approved December 20, 1944, entitled 'An Act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes' (58 Stat. 836), as such Act now provides or may hereafter be amended;

"(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

"LOAN FUNDS

"SEC. 511. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title (other than loans under section 504 (b)) not in excess of $25,000,000 on and after July 1, 1949, an additional $50,000,000 on and after July 1, 1950, an additional $75,000,000 on and after July 1, 1951, and an additional $100,000,000 on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

"CONTRIBUTIONS

"SEC. 512. In connection with loans made pursuant to section 503, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed $500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional contributions aggregating not more than $1,000,000, $1,500,000, and $2,000,000 per annum, respectively.

"SEC. 513. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional $2,000,000 for grants pursuant to section 504 (a) and loans pursuant to section 504 (b) on and after July 1, 1949, which amount shall be increased by further amounts of $5,000,000, $8,000,000, and $10,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

"TITLE VI—MISCELLANEOUS PROVISIONS

"ADVISORY COMMITTEES

"SEC. 601. The Housing and Home Finance Administrator may appoint such advisory committee or committees as he may deem necessary in carrying out his functions, powers, and duties, under this or any other Act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18 United States Code.

"AMENDMENTS OF NATIONAL BANKING ACT

"SEC. 602. (a) The last sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words 'obligations of national mortgage associations', a comma and the following: 'or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations'.

"(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

"'(11) Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than eighteen months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, monies in

an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which monies under the terms of said agreement are required to be used for that purpose.'

"NATIONAL HOUSING COUNCIL

"SEC. 603. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

"AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

"SEC. 604. (a) The second proviso in the paragraph under the heading 'Federal Public Housing Authority' in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

"(b) The second proviso in the paragraph under the heading 'Public Housing Administration' in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

"(c) The first proviso in the paragraph under the subheading 'Public Housing Administration' in title II of the Government Corporations Appropriation Act, 1949, is hereby repealed.

"DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

"SEC. 605. The Housing and Home Finance Administrator shall appoint a Deputy Housing and Home Finance Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Deputy Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

"CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

"SEC. 606. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948 is hereby repealed.

"CENSUS OF HOUSING

"SEC. 607. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the number, characteristics (including utilities and equipment), and geographical distribution of dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

"(b) All of the provisions, including penalties, of the Act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

"NATIONAL CAPITAL HOUSING AUTHORITY

"SEC. 608. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites within the District of Columbia for low-rent public housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

"DISTRICT OF COLUMBIA PARTICIPATION

"SEC. 609. To make available to the District of Columbia, and to authorize the appropriate agencies operating therein to accept, the benefits provided by titles I and III of this Act, the District of Columbia Redevelopment Act of 1945 is hereby amended by renumbering sections 20, 21, and 22 thereof as sections 21, 22, and 23, respectively, and by adding after section 19 a new section to read as follows:

"'SEC. 20. (a) As an alternative method of financing its authorized operations and functions under the provisions of this Act (in addition to that provided in section 16 of this Act), the Agency is hereby authorized and empowered to accept financial assistance from the Housing and Home Finance Administrator (hereafter in this section referred to as the Administrator), in the form of advances of funds, loans, and capital grants pursuant to title I of the Housing Act of 1949, to assist the Agency in acquiring real property for redevelopment of project areas and carrying out any functions authorized under this Act for which advances of funds, loans, or capital grants may be made to a local public agency under title I of the Housing Act of 1949, and the Agency, subject to the approval of the District Commissioners and subject to such terms, covenants, and conditions as may be prescribed by the Administrator pursuant to title I of the Housing Act of 1949, may enter into such contracts and agreements as may be necessary, convenient, or desirable for such purposes.

"'(b) Subject to the approval of the District Commissioners, the Agency is authorized to accept from the Administrator advances of funds for surveys and plans in preparation of a project or projects authorized by this Act which may be assisted under title I of the Housing Act of 1949, and the Agency is authorized to transfer to the Planning Commission so much of the funds so advanced as the District Commissioners shall determine to be necessary for the Planning Commission to carry out its functions under this Act with respect to the project or projects to be assisted under title I of the Housing Act of 1949.

"'(c) The District Commissioners are authorized to include in their annual estimates of appropriations items for administrative expenses which, in addition to loan or other funds available therefor, are necessary for the Agency in carrying out its functions under this section.

"'(d) Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949, the Administrator is authorized to allow and credit to the Agency such local grants-in-aid as are approvable pursuant to said section 110 (d) with respect to any project or projects undertaken by the Agency under a contract or contracts entered into under this section and assisted under title I of the Housing Act of 1949. In the event such local grants-in-aid as are so allowed by the Administrator are not sufficient to meet the requirements for local grants-in-aid pursuant to title I of the Housing Act of 1949, the District Commissioners are hereby authorized to enter into agreements with the Agency, upon which agreements the Administrator may rely, to make cash payments of such deficiencies from funds of the District of Columbia. The District Commissioners shall include items for such cash payments in their annual estimates of appropriations, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such cash payments. Any amounts due the Administrator pursuant to any such agreements shall be paid promptly from funds appropriated for such purpose.

"'(e) All receipts of the Agency in connection with any project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, whether in the form of advances of funds, loans, or capital grants made by the Administrator to the Agency, or in the form of proceeds, rentals, or revenues derived by the Agency from any such project or projects, shall be deposited in the Treasury of the United States to the credit of a special fund or funds, and all moneys in such special fund or funds are hereby made available for carrying out the purposes of this Act with respect to such project or projects, including the payment of any advances of funds or loans, together with interest thereon, made by the Administrator or by private sources to the Agency. Expenditures from such fund shall be audited, disbursed, and accounted for as are other funds of the District of Columbia.

"'(f) With respect to any project or projects undertaken by the Agency which are financed in accordance with this section with assistance under title I of the Housing Act of 1949—

"'(1) sections 3 (f), 3 (k), and 7 (g), and the last sentence of section 6 (b) (2) of this Act shall not be applicable to those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"'(2) the site and use plan for the redevelopment of the area, included in the redevelopment plan of the project area pursuant to section 6 (b) (2) of this Act, shall include the approximate extent and location of any land within the area which is proposed to be used for public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"'(3) notwithstanding any other provisions of this Act, the Agency, pursuant to section 7 (a) of this Act, shall have power to transfer to and shall at a practicable time or times transfer by deeds to the National Capital Housing Authority those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended, and, in accordance with the requirements of section 107 of the Housing Act of 1949, the National Capital Housing Authority shall pay for the same out of any of its funds available for such acquisition.

"'(g) It is the purpose and intent of this section to authorize the District Commissioners and the appropriate agencies operating within the District of Columbia to do any and all things necessary to secure financial aid under title I of the Housing Act of 1949. The District of Columbia Redevelopment Land Agency is hereby declared to be a local

public agency for all of the purposes of title I of the Housing Act of 1949. As such a local public agency for all of the purposes of title I of the Housing Act of 1949, the Agency is also authorized to borrow money from the Administrator or from private sources as contemplated by title I of the Housing Act of 1949, to issue its obligations evidencing such loans, and to pledge as security for the payment of such loans, and the interest thereon, the property, income, revenues, and other assets acquired in connection with the project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, but such obligations or such pledge shall not constitute a debt or obligation of either the United States or of the District of Columbia.

"'(h) Nothing contained in this section or in any other section of this Act shall relieve the Administrator of his responsibilities and duties under section 105 (c) or any other section of the Housing Act of 1949. The Administrator shall not enter into any contract of financial assistance under title I of this Act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriaton was transmitted pursuant to law and for which no appropriation was made by the Congress.'"

"ACT CONTROLLING

"SEC. 610. Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling.

"SEPARABILITY

"SEC. 611. Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this Act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

"GENERAL PROVISIONS

"SEC. 612. No part of any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act, shall be used directly or indirectly to pay the salary or wages of any officer or employee of the Housing and Home Finance Agency or the Department of Agriculture who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the officer or employee making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such officer or employee does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts an office or employment in the Housing and Home Finance Agency or the Department of Agriculture the salary or wages for which are paid from any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,
*Managers on the Part of the House.*

BURNET R. MAYBANK,
JOHN SPARKMAN,
PAUL H. DOUGLAS,
RALPH E. FLANDERS,
HARRY P. CAIN,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment. The substitute agreed to substantially follows the House amendment. Except for clarifying, clerical, and minor changes, the differences between the House amendment and the substitute agreed to in conference are explained below.

The House amendment contained a provision that the contracts for financial aid made for slum clearance in communities for development and redevelopment purposes should require that preference in the selection of tenants for dwelling units built in the project area be given to families displaced therefrom because of clearance and redevelopment activity when such families desire to live in such units, and are able to pay rents or prices charged to other families for comparable dwelling units built as part of the same development. Neither the Senate bill nor the conference substitute contains a similar provision.

Title II of the House amendment provided for temporary extensions of title I of the National Housing Act and section 608 of title VI of such Act, and also provided for an increase of $500,000,000 in the insurance authorization of title II of such Act. The Senate bill contained no similar provision. The conference substitute contains the language of the House amendment with a provision making the amendments effective as of June 30, 1949.

Titles III and V of the House amendment contained conflicting provisions with respect to veterans' preferences for admission into low-rent public housing projects. The conference substitute contains the provision with respect to veterans' preferences contained in title V of the House amendment making the preferences applicable to World War I as well as World War II veterans. In general such preferences would be available to World War I and World War II veterans for admission to low-rent public housing projects without limitation as to the time the preferences run and in this respect the conference substitute is similar to the provisions of the Senate bill.

The House amendment provided for the construction of 1,050,000 low-rent public housing dwelling units over a period of seven years and authorized annual contributions in an amount not exceeding $400,000,000 per year. The Senate bill provided for the construction of 810,000 dwelling units over a period of six years with annual contribution contract authorization of a maximum of $308,000,000 per year. Both the House amendment and the Senate bill provided that the units to be constructed and the contracts for annual contributions both could be accelerated, upon a determination by the President after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy and that such action is in the public interest.

The House amendment provided that the construction of 150,000 units could be commenced annually, and that such amount could be so accelerated by an additional 100,000 units. The Senate bill provided that the construction of 135,000 units could be commenced annually, and such amount could be so accelerated by an additional 65,000 units. The conference substitute contains the provisions of the Senate bill providing for a maximum construction of 810,000 dwelling units over a six-year period and maximum annual contributions of not more than $308,000,000 per year and the acceleration provision applicable to both, and also contains a provision limiting the commencement of construction of such dwelling units to not to exceed 200,000 units in any fiscal year.

The Senate bill and the House amendment contained provisions deleting the present requirements of law that any public low-rent housing project assisted under the Act must include the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwellings provided by the project. The conference substitute retains the provision striking out these requirements, but, in lieu of the stricken requirements, provides that no financial assistance (other than preliminary loans) shall be made available for any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved enters into an agreement with the local public housing agency providing that, with certain exceptions, there will be eliminated within five years after the completion of the project unsafe or insanitary dwellings substantially equal in number to the number of newly constructed dwelling units provided by project.

Title I of the House amendment contained a provision which provided that the wages to be paid mechanics and laborers employed in slum-clearance projects should be determined by the Secretary of Labor pursuant to the Davis-Bacon Act. Title III of the House amendment and title II of the Senate bill amended the existing provisions of law so as to provide that not less than the prevailing wages as determined by the Administrator be paid for work on projects. The conference substitute places the authority for the determination of wages to be paid mechanics and laborers employed in the development of low-rent projects assisted under title III of the bill in the Secretary of Labor. The provision of the conference

substitute conforms to the provision contained in title I of the House amendment and retained in title I of the conference substitute.

The House amendment contained a provision in the farm housing title authorizing the Secretary of Agriculture to make loans under sections 603 and 604 of the farm housing title in accordance with the provisions of the Bankhead-Jones Farm Tenant Act to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings. The Senate bill contained no similar provision. The conference substitute in general retains the provision of the House amendment with modification to make clear that the loans would be made in accordance with the terms and conditions of the Housing Act of 1949 and such loans for enlargement or development would be authorized only to encourage adequate family-size farms.

The House amendment contained a provision authorizing the appropriation of $12,500,000 for grants or loans pursuant to section 604. The Senate bill provided for grants under section 604 in the amount of $25,000,000. The conference substitute authorizes an appropriation of $25,000,000 to cover both grants for minor improvements to farm housing and buildings and loans made for land acquisition or development purposes.

The House amendment contained a provision enabling the District of Columbia to participate in the benefits provided by titles I and III of the Act but contained a provision that the Administrator could not enter into a contract of financial assistance under title I of the Act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and such appropriation was denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body. The Senate bill did not contain a similar provision. The conference substitute follows the provisions of the House amendment except that the denial of financial assistance is conditioned upon a budget estimate of appropriation for a project transmitted pursuant to law and for which no appropriation was made by the Congress.

The House amendment contained the provision which appears in appropriation bills that no part of any appropriation, loan, fund, or expenditure authorized or provided by the Act could be used, directly or indirectly, to pay the salary or wages of any person who engages in a strike against the Government or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence. The Senate bill did not contain a similar provision. The conference substitute makes clear that this prohibition only runs to an officer or employee of the Housing and Home Finance Agency or the Department of Agriculture, and thus avoids the possibility of this prohibition extending to even laborers on the projects as might have been the effect of the broad language of the House amendment.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,
*Managers on the Part of the House.*

Mr. SPENCE. Mr. Speaker, I think the House is entirely familiar with the provisions of the bill and the conference report. We have brought back a conference report that contains provisions that are substantially the same as the House agreed to, and I do not think it is necessary to prolong the discussion. The statement of the managers on the part of the House clearly and succinctly defines the differences and the amendments that have been agreed to.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PHILLIPS of California. An amendment was introduced when the bill passed the House providing that first rights should be given to those moved from slum-clearance districts. We have examples of that in the District of Columbia where it is proposed to move people out, and not give them the right to go into the new units built as a result of the slum-clearance project.

Mr. SPENCE. That was taken care of in other sections of the bill.

Mr. PHILLIPS of California. Can the gentleman point those sections out to us?

Mr. SPENCE. There are provisions insuring the rights of people who have been removed contained in sections 105 (c) and 302.

Mr. PHILLIPS of California. I thank the gentleman.

Mr. SPENCE. The provision of which the gentleman speaks was unnecessary. This law is going to be administered locally by the local housing authorities, and the amendment was unnecessary and impractical. It gave these people a vested interest in land that might subsequently be purchased. There is a provision that requires them to be taken care of during the progress of the project, and they would have the same rights as other citizens similarly situated to be housed in housing projects.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. JAVITS. The gentleman does not believe that is any reason for rejecting this conference report, does he?

Mr. SPENCE. It would seem to me it would be unthinkable that that would be a reason to reject this conference report. The rights of people who have been mostly discussed were those of our Negro citizens. They have benefited more than any other segment of our people by reason of slum clearance and low rent public housing, and I have no complaint with that because I think on the whole they probably needed this assistance more. In my district they have an excellent project. It would certainly be an unseemly and unreasonable thing to attempt to destroy the housing program because of an amendment such as that which really should not be in here at all. It has no place here because there is nothing of a discriminatory nature provided in this bill, and those things might jeopardize the ultimate success of the whole program. I hope that those arguments will not be made against the conference report.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. PHILLIPS of California. The gentleman understands there are a lot of people in the United States who are not Negroes and that they are also ones who, in many of the areas, have been displaced by housing projects and not permitted to get back in for some reason or other.

Mr. SPENCE. I do not believe that the race question should be in here at all.

Mr. PHILLIPS of California. The gentleman raised the race question himself.

Mr. SPENCE. The same advantages to all are there. Those people are taken care of and there is ample provision in the bill to see that they are taken care of. Of course, they have to be housed while the project is progressing.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It is very pleasing to note the inquiry of my friend from California when, if he had his way there would be no housing legislation at all and nobody would benefit.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I would like to point out that the proviso mentioned by the chairman completely duplicates the following provision:

(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of an available to such displaced families and reasonably accessible to their places of employment.

I do not know how you can state preference any more clearly. Also, it is provided under section 302 (g) that they shall require that the public-housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rates, shall extend the following preferences in the selection of tenants:

First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project, or which were so displaced within 3 years prior to making application to such public housing agency.

Then the veterans and their families are given the first preference among the slum dwellers who are displaced.

Mr. JAVITS. May I ask two questions: First, does the chairman believe that if the House conferees had insisted on this amendment it would have been an insuperable obstacle to agreement with conferees on the part of the Senate?

Mr. SPENCE. I do.

Mr. JAVITS. Second, does the chairman have assurance that in the administration of this act, if we pass it, the policy of the so-called Powell amendment will in effect be carried out?

Mr. SPENCE. I do not see any reason for discussing discrimination at all. There is no discrimination in the act and there is nothing that could lead to discrimination in the act. It seems to me we are dragging in a red herring to take

the minds of the Members off of the real issue which is, Do we want slum clearance and subsidized low-rent housing? That is what we are trying to bring in here, a housing bill. The only way we could bring it back here is in the manner it has been brought back with the provisions of the bill as they now exist.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, when the bill was under consideration in the House the statement was made that it did not make very much difference what amendments the House adopted, that it was expected that the Senate bill in principle would come back as a conference report. And, that is what has happened. So far as the principle of public housing is concerned, as has been said, it did not make very much difference whether the bill provided for 1,050,000 units or 810,000 units or 1,000 units. Once you adopted the principle and policy of the Federal Government embarking on this activity, then it is expected that the program shall be expanded sufficiently to take in every community in the United States. It is only fair and right that if we clear the slums and provide for low-rent housing in one particular section of the United States, that all of the remaining sections have a right to expect that Congress will make provision for similar programs.

As the chairman of the committee has said, the conferees reduced the amount of public housing from 1,050,000, which the House provided, to 810,000. They eliminated the Powell amendment, and according to the statement of the managers on the part of the House neither the Senate bill nor the conference substitute contains a similar provision. Of course, we can argue all we please about other provisions of the bill taking care of the Powell amendment, but the statement of the managers on the part of the House specifically says that there is no similar provision in the substitute adopted by the conference. I think that answers that.

Now, there is one provision in the conference report that was not in the House report, which I think is highly desirable, and that is the provision that in substance requires the demolition of a unit of substandard units, slums, as we might well call them, for each new unit constructed. Contracts must provide that for each unit of low-cost housing construction which is designed to eliminate slums that during a 5-year period there must be a comparable number of slum units demolished. This is highly desirable. In that respect the bill is very much better than the one that the House passed.

In the farm title the conferees accepted the Senate bill which provided for $25,000,000 for loans and grants instead of the $12,500,000 contained in the House bill, and other changes were made which did not change the principle involved very much.

In the so-called Jensen amendment, which was the last amendment adopted, and provided for affidavits on the part of any person employed in slum clearance or low-cost housing, the conferees deleted the word "person" and provided that the non-Communist affidavits, and so forth, apply to only officers and employees of the Housing and Home Finance Agency and the Department of Agriculture. We might just as well have stricken out the whole Jensen amendment, because that narrows the application of the Jensen amendment to existing law. Existing law provides that all employees and officers of the Government must file anti-Communist or loyalty affidavits. By restricting this language to officers and employees of the Housing and Home Finance Agency and the Department of Agriculture, of course, it brings it right back into line with existing law, so there is absolutely no necessity for legislating in that respect. We have already provided for that.

The bill continues for 60 days title I and title VI, about which we have had very many questions, so that title I, FHA, which insures modernization loans, and title VI insurance, will be continued for a 60-day period. We also increase the amount of insurance available under title II by $500,000,000.

I think you can give your constituents reasonable assurance that the conference report will be adopted by the House and by the Senate, and I would assume from the statements which have come to us from the White House that you can give them positive assurance that the President will sign the bill, thereby continuing title I and title VI for at least 60 days.

The bill is just as bad as it was when it left the House. It is better in only one respect. It was bad then and it is bad now. That is the reason why the three of us managers on the part of the House on this side did not sign the conference report and still oppose the bill.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, the gentleman from Michigan has made some reference to the change in language in the amendment I introduced and which was adopted by an overwhelming vote in this House when the bill was before the House on the 29th of June.

Every appropriation bill which this House has passed during this session of the Congress and the last session of the Congress had incorporated in them an almost identical provision as my amendment to the housing bill. I simply took the language which was in the appropriation bills and added the necessary language to make it apply properly to this bill.

I felt it was necessary to have this provision in the bill in order to prohibit people who advocate the destruction of our form of government by force and violence. This bill when enacted into law will be in effect 40 years, and the Congress will have little or no opportunity to further exercise its will over the law nor over the appropriations to implement the law as we ordinarily do each year in appropriations bills.

I was very anxious, and the vote in the House proves that the membership was also anxious by a vote of 283 to 129, to have my provision inserted in the bill. The conferees, however, saw fit to add language restricting the provisions of the amendment to affect only the officers and employees of the Housing and Home Finance Agency and the Department of Agriculture.

Now I ask the chairman of the committee, the gentleman from Kentucky [Mr. SPENCE], why this new language was inserted in this particular bill in face of the fact that the Housing Agency has been subjected to severe attack for being a haven for left wingers and radicals of every shade from pink to deep red.

Mr. SPENCE. The language which was inserted in the gentleman's amendment would apply not only to those people who are permanently employed in the Housing Administration and in the Department of Agriculture, and who are charged with the duty of executing this law, but would apply to every laborer, every ditch digger, and every mechanic. We thought that would be entirely impractical. Personally I do not think it makes so much difference, because I think a man who is disloyal to his country would not tell the truth about it. That is my personal opinion. That is the reason it was stricken out.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. JENSEN. Why, the Department of the Interior has many thousands of laborers working constantly in the construction of dams and electric power lines, and so forth, the War Department has many thousands of laborers working constantly for them on river-improvement construction, as do other departments of the Government.

Mr. Speaker, it appears very plain that certain Members of this House of Representatives work overtime to give aid and comfort to all the radicals and pinks and commies in the country. So the rest of us must fight hard with what weapons we have against odds which are almost insurmountable. One thing is certain—we will never give up the fight to rid this Nation of its avowed destroyers.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, the gentleman's amendment would seriously hamper and interfere with private business. It would not only include hod carriers and any person who worked 1 day or half a day on a project, but it would include bankers who were handling the bonds as brokers. I do not believe the gentleman would like to require 50 or 100 bankers, who are in competition with one another in the purchase of these bonds, all to subscribe to this affidavit when only one could be the successful bidder.

Mr. JENSEN. I would be tickled to death to have them do so.

Mr. PATMAN. And handle this small amount of bonds. The commissions are very small. It includes not only bankers and brokers and hod carriers, but a person who sells one dollar's worth of merchandise to a project. If it happened to be a partnership with 15 or 20 members, each of them would have to make

an affidavit that they were not Communists before they could sell one dollar's worth of merchandise to these projects. Local people will have charge of it, and we must assume that they are honest and patriotic American citizens and will not harbor pinks and Reds. I assure the gentleman there is not one single member of our committee who is in favor of the pinks and Reds. We are just as much opposed to them as any person. No one person has a monopoly on the opposition to pinks and Reds in this country.

Furthermore, if the gentleman wants additional safeguards, the money appropriated each year—the maximum amount will be $308,000,000 a year—will have to be appropriated, and proper safeguards can be placed on each appropriation bill, to guard against any fears that the gentleman may have That will be an additional place where safeguards can be made.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. JENSEN. The gentleman knows that he has voted for 11 appropriation bills during this session of Congress, 8 regular and 3 deficiency bills, and in each of those was this language, with no limitation.

Mr. PATMAN. I know, but you are dealing with a different situation.

Mr. JENSEN. No; you are not.

Mr. PATMAN. It covers everything and everybody in the way it should be covered. You do not want to include a 50-cent purchase of merchandise in this. You have to go to a notary public and make an affidavit before you can sell 50 cents worth of merchandise.

Mr. JENSEN. That would be O. K. with me.

Mr. PATMAN. You would have more affidavits than you would have housing.

The SPEAKER. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. SPENCE. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. PATMAN. If the gentleman wants to destroy public housing and make it so that the public-housing authorities could not operate, that would be a good step, but we should want to interfere with the local housing people just as little as possible. We must assume that they are just as patriotic as we are. At least, they should be.

The gentleman from Michigan [Mr. WOLCOTT] in his statement that we capitulated and brought back the Senate bill, did not make an accurate statement. There are several important features that are different from the Senate bill, and very much in our favor. For instance, titles I and VI expired June 30, 1949. The Senate bill did not have a provision to extend those titles. The House bill did contain such provision, and, in addition, an authorization of $500,000,000 more under title II. They were out of money. So the bill not only extends titles I and VI for 60 days, until the committees can pass upon the extension of those titles permanently or for a longer period of time, but we dated them back to June 30, 1949. In other words, there has been no hiatus in the acts at all. They continue on from June 30, 1949. That is a substantial change, and very much in favor of the House.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WOLCOTT. I explained that. I think if you will read my remarks you will find I said that the Senate bill, in principle, was returned. I did not want to indicate that the conference was exactly like the Senate bill, because I explained many differences between the House and Senate bills.

Mr. PATMAN. I am glad to have the gentleman's explanation. I did not understand it that way.

I know we doubled the amount for rural housing, that is substantially, a 100-percent increase. We granted a $500,000,000 increase in title II. We dated the titles back to June 30, 1949. I think these are all substantial changes. I hope that the conference report is agreed to.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, the controversy on the conference report is the same as the controversy on the bill; those who were against the bill are against the conference report for one reason or another, and those who were for the bill are for the conference report.

The conference report does in substance carry out the Senate bill; and that, I think, is generally what the House intended as a reasonable housing program. It carries out also the provisions of the bill introduced by 10 House Republicans, including the provisions for the extension and added financing of FHA, which we think are very important. I feel also that we will continue to press for action on housing for the lower middle-income families, which is not contained in this bill, but which was first provided for in the bill introduced by the 10 House Republicans, later joined in by similar bills introduced by 22 Democratic Members.

I hope those who voted for the bill will vote for the conference report and that it will be adopted.

Mr. SPENCE. Mr. Speaker, we have no further requests for time. I therefore move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SADAKO TAKAGI

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 623) for the relief of Sadako Takagi, with a Senate amendment and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Sadako Takagi, the Japanese fiancée of Lt. William M. Marutani, of Chicago, Ill., presently a tubercular patient at the Veterans' Administration Hospital in Waukesha, Wis., and a retired United States Army officer of World War II, and that Sadako Takagi may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Sadako Takagi is coming to the United States with a bona fide intention of being married to said Lt. William M. Marutani, and that she is found otherwise admissible under the immigration laws. In the event that the marriage between the above-named parties does not occur within 3 months after the entry of said Sadako Takagi, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Sadako Takagi, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Sadako Takagi as of the date of her entry into the United States, upon the payment by her of the required fees and head tax."

The amendment was agreed to.

A motion to reconsider was laid on the table.

JACOB GROSS, A MINOR

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3127) to authorize the admission into the United States of Jacob Gross, a minor, with Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That for the purposes of the immigration and naturalization laws Jacob Gross, a minor orphan grandchild of Rabbi Solomon Horovitz, of New York, N. Y., shall be deemed to be the child of said Rabbi Solomon Horovitz."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

INCREASING RATES OF COMPENSATION OF HEADS AND ASSISTANT HEADS OF EXECUTIVE DEPARTMENTS AND INDEPENDENT AGENCIES

Mr. SABATH. Mr. Speaker, I call up House Resolution 274 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the

House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I yield myself such time as I desire.

Mr. Speaker, this resolution makes in order consideration of the bill (H. R. 1689) which increases the rates of compensation of the heads and assistant heads of executive departments and independent agencies. It provides for 1 hour general debate.

Mr. Speaker, I take it for granted that most of the Members are familiar with the bill and its purpose. The President has requested, urged, and pleaded for this legislation so that he might keep some men who are ready to resign and who are needed in the most important positions of our Government. As a matter of fact, some very able men have already resigned.

Originally the bill included an increase for employees of the District of Columbia and the Foreign Service, but these two categories have been taken care of by the House previously. This bill will provide an increase in salaries amounting to $1,237,000. I have the list of the increases provided for in the original bill, and I have also the list of the reductions that have been made by the committee that reported this bill. I am of the opinion that the committee has done a splendid job. They have reduced many of the proposed increases from $25,000 to $20,000; some increases have been reduced by $5,000, by $3,000, and others by $2,000. I think they had in mind to try to hold down expenditures to the utmost.

In view of the very earnest and careful consideration that has been given to this bill and the reductions that have been made by the committee in the proposed increases provided and asked for in the original bill, I do not think that we can do any better, as I said before.

Mr. Speaker, our Government is the greatest organization in the world. It is obliged to legislate for approximately 150,000,000 people, and our Government transacted $142,000,000,000 worth of business last year. Its President and its directors and those in charge of governmental affairs in safeguarding and protecting the country's interests as well as those of its people, are obliged to cope daily with the most astute and capable representatives of our great industrial and financial organizations. The President, as head of this tremendous organization, must by necessity have able and capable men to aid him in carrying out his duties and responsibilities.

Mr. Speaker, this bill provides for a much-needed increase in the salaries of the President's aids and those upon whom he relies and trusts for the vast amount of important duties and functions that transpire daily. They are his household.

The increases provided for in this bill and many others have been recommended by the Hoover Commission, which engaged over 200 experts to investigate and recommend the ways and means for bringing about economy in our great Government. This bill does not go as far as the Hoover Commission report suggests, which Commission, incidentally, has spent almost $2,000,000 in its research and investigations. This bill provides for 244 increases. The gentleman from Kansas [Mr. REES], former chairman of the Committee on Post Office and Civil Service, feels that there should be at least 60 more, and I say at least 100 additional increases, for I feel that many of those not included but that should be, are those that do the hardest and most important work. This also applies to those attorneys employed by the Department of Justice, whose salaries should be increased by virtue of the fact that they are obliged to continuously cope with the most astute and able corporation lawyers in the country, many of whom receive five and six times as great a salary as does the Government attorney.

I fully appreciate that the Government cannot compete with private industry in that they cannot compensate their employees as much as private industry can afford to pay. It is indeed unfortunate that many of these industries have and are continuously hiring many of our Government officials at two and three times the salary that the Government is paying them. I regret it is possible for industry to deprive the Government of many experienced men that we have had from time to time, especially in the Department of Justice and the Bureau of Internal Revenue. I have frequently criticized the practice of private industry in taking from the Government its most experienced men, for the purpose of obtaining information. Frequently these men have information and experience, as well as knowledge, which private industry feels would be beneficial to them.

I fully realize, Mr. Speaker, that some Members feel that the salaries of many other worthy individuals should be increased, notwithstanding this bill, that is, our district court judges, Congressmen, and Senators. Congress, as you all know, increased its salary a few years ago and made allowances for additional clerk hire.

In this bill, for example, we increased the salaries of the Federal Trade Commissioners, who for years received only $10,000 per year, and the President was obliged to plead with these commissioners to remain in the service of their country, because their salaries have not been increased since 1914, or 35 years. There are many others whose salaries have not been increased in 35 years, and others in 24 years, whose salaries are being increased in this bill, and rightly so. Therefore, I feel that this long-delayed and present increase is more than justifiable.

The only objection that will be made, and I know it will be made by the gentleman from Ohio [Mr. BROWN], is that we wait until all the other Hoover Commission recommendations are adopted. In answer thereto, I will state that some of their recommendations have been approved, but unfortunately they are conditional and will require final approval by the House and no one can tell if such action will take place before we adjourn. Consequently, I feel that Mr. BROWN's viewpoint is not justified, especially in view of the fact that this bill had been introduced 6 months ago and the application for a rule was made last April. I withheld action on the rule in order to obtain the opinion of the American people. In this regard, I received letters from a great many people all over the United States who approved this legislation, and approximately 2 percent from people who were opposed to it. Consequently, I have called the rule up now for your consideration and action on the bill.

There are some other gentlemen who feel that because of economic conditions they oppose this bill. It seems to me, however, that most of these people are opposing this bill for the purpose of stressing the so-called business recession. I think their opposition is purely political because I do not feel that we are in any danger of a recession. As I have maintained, we are producing more than we ever did in peacetime, and this, notwithstanding the hue and cry of unemployment. As a matter of fact, we had, in June 1949, 59,319,000 people employed in this country, nearly 60,000,000. All this as against 61,615,000 employed in June of 1948, or a drop of less than 2,000,000, and this is one-half the average unemployment figures even in times of the greatest employment. We will always have that number and a greater number of unemployed due to a variety of conditions, such as illness, seasonal shifts, and the like. Other unemployment will be brought about and has been brought about as a result of strikes under the Taft-Hartley Act—which these very gentlemen claimed would eliminate strikes.

Our business and commerce is in splendid shape. Surely we have forced down some of the unjustifiably high prices which some of the industrial leaders naturally dislike, but upon examining their profits, these reductions in cost of living are justifiable and warranted.

I have before me figures showing the profits of 15 of the 25 largest corporations in America for the first quarter of 1949, and the comparative figures for the first quarter of 1948 as taken from Moody's Investor's Service Report. They certainly indicate a healthy increase over 1948.

| | First quarter, 1949 | First quarter, 1948 |
|---|---|---|
| General Motors Corp. | $136,763,338 | $96,481,412 |
| United States Steel | 49,928,670 | 27,857,341 |
| E. I. du Pont de Nemours | 43,581,325 | 30,195,371 |
| Socony Vacuum Oil Co. | [1] 26,000,000 | [1] 33,000,000 |
| Texas Co. | 28,870,111 | 27,974,839 |
| Gulf Oil Co. | 26,973,000 | 38,517,000 |
| General Electric Co. | 26,702,978 | 25,389,149 |
| Standard Oil of California | 37,389,082 | 37,106,904 |
| Bethlehem Steel Co. | 33,129,574 | 15,499,331 |
| Cities Service Co. | 18,510,903 | 19,976,576 |
| Union Carbide & Carbon Corp. | 24,529,419 | 23,019,722 |
| Sinclair Oil Co. | [1] 15,000,000 | [1] 21,000,000 |
| Westinghouse Electric Co. | 10,866,921 | 13,135,789 |
| American Tobacco Co. | 10,648,000 | 7,495,000 |

[1] Estimated.

I also have some figures that I obtained from the Coordinator of Information of the House of Representatives which indicate further that a recession is not around the corner:

*Cash dividend payments first quarter 1949 compared with same period 1948*

Cash dividend payments:

| | |
|---|---|
| First quarter, 1948 | $1,284,000,000 |
| First quarter, 1949 | 1,384,000,000 |

There was a net increase of 8 percent in dividends paid in 1949 over 1948.

The net income of 52 corporations engaged in retail trade for the fiscal year ending in the first quarter of 1949 was $360,000,000.

For the same period in 1948 the net income was $306,000,000.

The increase in net income in 1949 over 1948 was 17.4 percent for these 52 corporations.

The total assets of these same corporations increased in the first quarter of 1949 to $3,064,000,000 from $2,752,000,000 in the same period in 1948.

This is an increase of 11.4 percent.

I intensely dislike calling your attention to the fact that in 1947, when the private interests attempted to kill the housing bill, rent-control bill, and labor bills, big industry started to lay off men in many instances, and started to create a recession and the resultant unemployment. Naturally, the Wall Street stock speculators and manipulators have then and are taking advantage of it now in an effort to hammer down the price of stock and even bonds. But that is all speculation and does not truly reflect the actual business condition of our country, because these gentlemen are purely and solely gamblers and almost 95 percent of these transactions are speculative; less than 10 percent are legitimate sales.

I promised that I would insert in the RECORD a statement showing the various increases in this bill which I have prepared and which I now insert. As I have stated, the Committee on Post Office and Civil Service has brought about the reduction of many increases that were contained in the original bill.

COMPARISON OF SALARY CLASSIFICATIONS IN THE ORIGINAL BILL AND THE COMMITTEE BILL

Section 1: No change in the basic compensation provided for the heads of executive departments and the Secretary of Defense, $25,000 per year.

Section 2: Executives listed under this section in the original bill were to receive $22,500 per year. Under the committee bill they receive $20,000.

Section 105 amended. The following changes were made in the pay of executives listed under this section:

Two White House secretaries reduced from $22,500 to $20,000.

Three White House secretaries reduced from $20,000 to $18,000.

Seven White House secretaries reduced from $17,500 to $16,000.

Section 3: The executives listed under this section in the original bill were to receive $20,000. The committee bill reduced this to $18,000.

One exception: The original bill provided $22,500 for the Chairman of the Atomic Energy Commission. The committee bill provides $18,000.

Another group of executives listed under this section in the original bill were to receive $20,000. The committee bill reduced these to $17,500.

Section 4: The executives listed under this section in the original bill were to receive $17,500. The committee bill reduces them to $16,000.

There are two exceptions in this section. The original bill provided $20,000 for the Board of Governors, Federal Reserve, and for members of the Atomic Energy Commission. The committee bill reduces these to $16,000.

Section 5: The executives listed under this section in the original bill were to receive $17,500. Under the committee bill they will receive $15,000.

The committee bill adds the following executives who were not included in the original bill, to receive $15,000: Commissioner of Internal Revenue; Director, Bureau of Prisons; Director, Federal Bureau of Investigation; Commissioner of Immigration; Director, Rural Electrification Administration; Social Security Board; Reclamation Commissioner; Soil Conservation Commissioner; collector of customs; United States Forester; three special assistants to Secretary of Defense.

Mr. Speaker, I am hopeful that this rule will be passed unanimously for it provides for much-needed legislation as I said before—legislation that is pointed in the right direction.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, at the present moment I find myself in one of the most difficult positions that I have experienced since I have been a Member of this House. So I hope I may have as much of your attention as possible under the rather unsatisfactory conditions which prevail here in this temporary Chamber.

As many of you know, I was the author of the legislation which created the so-called Hoover Commission, and have served as a member of that Commission for the past 2 years, and up to the termination of that Commission last month. This legislation comes here, I presume, with the recommendation of the President, that it be enacted into law. In many ways it is, in substance at least, in line with the general recommendations of the Hoover Commission.

In the very beginning I should like to point out that the Commission did not make any definite recommendation as to the amounts or percentage of increases which should be granted to various high-ranking officials in the executive branch of the Government. However, the Commission has pointed out, in its report, that the salaries of the lower grades of employees under the civil service have increased from 43 to 56 percent, while the salaries of those in the highest grades under civil service have been increased by but 15 percent.

Then, after the Commission recommended that a careful study of the pay schedule for higher Government officials be made, it went ahead to say, and I quote:

> Similar action is considered essential for other top positions throughout all branches of the Government. Salaries for Cabinet officers have not, for example, been changed since 1925.

To continue to quote from the Hoover Commission recommendation:

> This is indefensible. Government can never compete on a dollar-for-dollar basis with private industry for persons for its top positions. It can and should, however, treat such persons in an equitable manner. This it is not now doing.

Then in another recommendation the Hoover Commission discusses the career employees, and in recommendation No. 11, on Personnel Management, the Commission says:

> Congress should raise the present salary ceiling of $10,330 for career employees. At the same time it should increase legislative, judicial, and executive salaries at the level of assistant secretary, or its equivalent, and above.

So I am not now contending that some increase in compensation for the benefit of the higher officials of the executive branch of the Government is not needed or is not justified. Of course, I must contend it is extremely difficult for the Congress, or for anyone else, to attempt to say what a Cabinet officer should receive in the way of compensation, or what salary some other important official in the executive branch of the Government should receive. We had recommended to us, as a Commission, a suggested pay schedule for different public officials. Under the suggested pay schedule, it was recommended the President should have an annual salary of $150,000, Vice President $50,000, Justices of the Supreme Court $35,000, the Speaker of the House $25,000, Senators and Representatives—if you are interested—$20,000, heads of executive departments, $25,000—which means the Cabinet members—Under Secretaries $20,000, Assistant Secretaries $17,500, heads of independent agencies $17,500, and top career employees under the classified service $15,000.

The Hoover Commission came to the conclusion, after a great deal of consideration and deliberation, that it should not recommend to the Congress just what executive officials should have their pay increased or by how much.

As you can see, this pending bill would increase compensation of certain officials by as much as 75 percent, so that a great many of them would be paid considerably more than Members of the House or Senate, and in many instances much higher pay than the judicial officers of the Government.

But as I said a moment ago, no one can tell what pay any public official is really worth. I have known Cabinet officials who, in my opinion, were worth 50, 100, or even a thousand times as much to the Government as the salary they were receiving. I have known other Cabinet officials where, in my opinion, the Government would have been better off to have paid $100,000 or so to have them resign their positions and go home.

It has been my contention, and I believe it was the conviction of the Commission, that about the best the Congress can do is to try to fix a pay schedule which will permit a Cabinet member, or any other high official of the executive branch of the Government, to be self-supporting while in office; so it would not be necessary for them to borrow money; so that they could live in a decent way on their salaries. In other words, it should not be necessary or essential for a person to be either a rich man or a crook in order to afford to hold some of these positions.

I think the committee, and properly so, has fixed the salary schedule for Cabinet members at $25,000. I have no objection to that. My whole criticism of this legislation, and I do have criticism of it, is its timing. The Hoover Commission

did recommend an adjustment of the salaries of higher officials in the executive branch of the Government. But the Hoover Commission also made a great many other recommendations. In fact, they made 317 other recommendations as to how greater efficiency and economy can be obtained in the operation of the Federal Government, insofar as the executive branch is concerned.

I am quite fearful that this bill is not timed properly. I am terribly concerned that if the first, or almost the first, of the Hoover Commission recommendations to be made effective is a law to increase salaries, that the charge may be made that the only interest of either the administration or the Congress has in the Hoover Commission recommendations is in those particular recommendations which would increase the cost of Government rather than decrease it.

The President has recommended this bill. He has acted under his proper rights and powers. But the President has also recommended a great many other measures to us. He has sent to the Congress a number of reorganization plans which, under the law that we enacted, the Reorganization Act of 1949, cannot possibly become effective under 60 days, or before August 19, unless the Congress should enact a joint resolution approving such plans.

We have a number of bills now pending before the Congress to carry out, or to put into effect, the recommendations of the Hoover Commission. As a member of the Committee on Rules, I had proposed that we not bring out this bill until we had first had the time and the opportunity to pass upon the President's reorganization plans, as he submitted them, and to otherwise bring about greater economy and efficiency in the executive branch of the Government; or at least until we have had an opportunity to enact and send to the President legislation such as, for instance, the bill for the reorganization of the Military Establishment, now before the Armed Services Committee, which would save a billion or $1,500,000,000 a year, following which we could, in good conscience, point out to our constituents and the folks back home that one of the first steps we had taken was to put into effect the recommendations of the Hoover Commission which will bring about greater efficiencies and economies in the Government, and therefore, we feel that the men who will be responsible for making these new reorganization plans effective and workable are entitled to fair compensation.

Just one other thought. We have covered at least a great part of the waterfront in this legislation. But not all officials of the executive branch are covered. While I think the committee has done a pretty fair job, I believe there are some instances where perhaps some officials have been given larger salaries than deserved and have missed a few officials who are entitled to consideration. But remember one other thing. Until the President and the Congress have had an opportunity to study and to put into effect the reorganization plans as recommended by the Hoover Commission, we are not at all certain just what many of these officials will have to do, or what their responsibilities will be. In fact, we will not know whether some of them will even be in office. It seems to me it is only good, sound common sense to have postponed consideration of this legislation until we first had an opportunity to put into effect the economies and efficiences which the Commission proposed and which the President suggested in his reorganization plans. Certainly the President, who has sent us his reorganization plans, is just as desirous of having them approved by the Congress as he is in having this one bill enacted. In other words, I think we are considering this bill at the wrong time. The President, in recommending passage of this legislation, I am sure, had in mind that he also wanted these other reorganization plans and these other Commission recommendations made effective, so as to obtain the economy and efficiency in the Government that we desire.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. McCORMACK. I think my friend will admit that the President recommended increases in the executive branch before the Hoover report was made in its final report.

Mr. BROWN of Ohio. Yes; that is correct.

Mr. McCORMACK. So I think it is fair to say that the President probably knew in advance what the Hoover Commission recommendations would be, and I think it is safe to say that he did this independent of it.

Mr. BROWN of Ohio. No; I do not think so.

Mr. McCORMACK. Well, in any event, it was made before the final report was made.

Mr. BROWN of Ohio. Yes.

Mr. McCORMACK. Furthermore, I think the gentleman will admit—and I want to compliment him for the excellent work he did on the Commission, and Mr. Carter Manasco, for the way they represented with dignity and strength the House of Representatives. I think the gentleman will admit that we passed the General Property Administrative Act, which of course is one of the recommendations of the Hoover Commission.

In relation to the seven reorganization plans, what the gentleman said in relation to affirmative action by the Congress before 60 days, carries great weight. I can assure the gentleman that if the situation arises where that can be accomplished, I would be very interested in having it done, particularly if that would expedite adjournment of Congress.

Mr. BROWN of Ohio. I had that in mind, I might add. I thank the gentleman very much.

Now, I want to bring out one other thought. We now have a number of bills before the Congress to increase the pay of numerous other Government workers. The pressure for these increases has been pretty strong. Such employees have received pay increases in the past while many individuals covered by particular legislation have received no pay increases. But just the minute that this pending bill is enacted into law the pressure and the demand for the increase of pay for other Government workers is going to increase tremendously. At this moment we are faced with a great steel strike. There are many other demands for increased pay in industry. So I am still wondering, and still asking the question—and it is a question each Member of this Congress will have to answer for himself—whether or not this is the proper time to take this particular salary-increase action. We all want to see these top-ranking officials treated fairly. Perhaps they should have some assurance given to them that they are to receive fair consideration at the hands of the Congress. But I doubt the wisdom of passing this bill before we are able to point out to the American people the many savings we have made through putting into effect the President's reorganization plans and the recommendations of the Hoover Commission.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. CASE of South Dakota. I appreciate the gentleman's yielding, because I want to call the attention of the Members to the fact that this bill does some strange things: The Director of the Federal Bureau of Investigation and the Director of the Central Intelligence Agency today each receive $14,000. This bill proposes to give the Director of Central Intelligence an increase from $14,000 to $17,500, whereas the Director of the FBI is raised from $14,000 to only $15,000. At the same time, however, it puts the Director of the Administrative Office of the United States Courts up to $17,500, an increase from his present salary of $10,330; that is, it puts the Director of the Administrative Office of the United States Courts on the same level as the Director of Central Intelligence, but the Director of the FBI is put on the level of the Public Printer, at $15,000.

Mr. BROWN of Ohio. I assure the gentleman that it is indeed a very difficult task to attempt to decide just what salaries should be increased and what such increases should be. As I have tried to point out this morning, the basic issue involved in the consideration of this legislation is one of timing. And I do not believe this is the proper time to consider this bill.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. SABATH. As to the timing, the bill has been reported and has been in the Rules Committee for nearly 2 months, held there because it was my desire to ascertain from the country how the country felt about this great question. Issues have been made and the question was raised whether it was proper or not. Let me say that up until now I have not heard anyone objecting to the passage of the bill; on the contrary, I have heard from hundreds of people who feel that it is justifiable and that it should be passed at this time.

Mr. BROWN of Ohio. I appreciate the gentleman's remarks. I might add that I, also, have heard from literally thousands upon thousands of American

citizens who are vitally interested in putting into effect the recommendations of the Hoover Commission and to thus bring about greater economy and efficiency in the conduct of the public business. I have also heard from many thousands of citizens who are saying that in the face of present deficit in the Federal Treasury, and the decline in the Nation's business activity, that we must practice economy and efficiency.

My one thought has been, and still is, that we should first demonstrate—before enacting legislation like this—to the people of America our great determination here in the Congress, and the desire and determination of the President, to get greater economy and efficiency in the operation of the Government by actually effectuating the Hoover Commission's recommendations through the prompt enactment of necessary enabling legislation.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MILLER of California. I wish to call the gentleman's attention to the fact that the first legislative consideration of this question was by the committee of the Senate in the Eightieth Congress, a committee headed by Senator Flanders.

Mr. BROWN of Ohio. I understand that; I am fully informed on the history of the legislation. I thank the gentleman very much for his remarks, but I must hasten along, as I have so many requests for time.

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. REES. These thousands of letters received by the distinguished gentleman from Ohio were not with respect to this measure but with respect to putting into effect the Hoover recommendations, were they not?

Mr. BROWN of Ohio. Absolutely, yes; my correspondents were all interested in getting more economy and efficiency in the executive branch of the Government.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. O'HARA of Minnesota. Will the gentleman tell us what the over-all cost of this bill will be?

Mr. BROWN of Ohio. That information is given on page 3 of the report. I think it will cost about $1,237,177.

Mr. O'HARA of Minnesota. I thank the gentleman.

Mr. BROWN of Ohio. It is not the cost of this bill which gives me the greatest concern. It is simply the principle involved, and the fear that many of the good people of our country may misunderstand our action. They are interested in less public spending rather than more. Let us first demonstrate to them our interest in making our Government more efficient and less costly. Then they will gladly approve any action we may take to fairly pay and properly compensate those who can run our governmental agencies in an efficient and economical manner.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, at the outset of my remarks I beg to be permitted to congratulate our distinguished friend from Ohio [Mr. BROWN] for the statement he has made. The temper of his remarks is splendid and I think I may make the observation on the point he stresses that I get the impression that the President has great respect for the report of the Hoover Commission and that it is reasonable to suppose he will continue to recommend legislation which would put more of the recommendations contained in that report into effect. Obviously the whole program cannot be adopted at one and the same time. You have to do it by piecemeal.

Mr. Speaker, if, as a Member of this House, I have not established a reputation for candor and independence of thought, then I fear that what I have done has been of too little consequence to merit attention. But whatever the fact may be, I do feel that I have established the right to appeal to the conservative membership of this body, which I now do.

The bill which the pending resolution makes in order is not political in character, and I hope it will not be treated as such. It comes to us as a request from the President for the increase of the salaries of members of his official household and others for whom he is responsible, and by reason of its very nature it is a request that amity and mutual respect compel us to honor. We need to promote harmony and conciliation and to cherish mutual good will as between the Executive and the Congress.

This is not an ordinary recommendation for legislation. Only the question of salary for a comparatively few people is involved. We pass laws which the President is compelled to execute, and here it is said that in the performance of this duty, in order to keep good and efficient people, and to attract others, salaries should be increased, and since we determine these questions for ourselves by fixing our own salaries and those of our employees, are not the President's wishes entitled to special consideration? To fail to honor this draft which he has drawn upon the good will of this body would, in my opinion, be a thoughtless disregard of ordinary propriety.

The greatest good that we can do our country is to do our part in promoting good will and drawing together the three departments of Government into a bond of mutual understanding and good will and win the confidence of all the people in order that we may present a solid front to that part of the world that is hostile to our way of life.

The office of the Presidency is a difficult one to fill. While it is a place of splendor, fame, and power, it is also a place of infinite toil. The present occupant of this high station wears his honors with becoming dignity and exercises his powers with great caution. He takes praise with great modesty and bears criticism and calumny with extreme patience. I think he is entitled to our support in all instances where we do not divide on principle. I think this salary bill is one that we should all support.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, in discussing this bill, we are considering the rate of compensation of the men who are responsible for carrying out the policies determined upon by this Congress, the men whose qualifications and ability play a large part in determining whether these policies succeed or fail. We are considering the salaries of senior officials of the largest business in the world, the United States Government.

I do not need to quote figures to illustrate the discrepancies between the present salaries of these men and those of officers of other large businesses. This discrepancy is so well known that the Congress should have done something about it sooner. How many large corporations have a president, who could be secured for $15,000 per annum? More pertinent perhaps is the question: How many qualified men could they find who would be willing to serve for such salaries? And yet those are the salaries now paid to men who are responsible for the lives, safety, and well-being of 150,000,000 stockholder citizens.

We do not mean to say that the salaries of these officials should be commensurate with equivalent positions in private business. This is not necessary to enable the President to obtain qualified people. I like to think that every American is anxious to serve his country when called and that we do not have to offer what he can earn elsewhere as an inducement. However, the compensation must be sufficient to enable qualified men to accept important positions with the Federal Government at not too great a personal sacrifice.

General Marshall, when he was Secretary of State, said on several occasions that he was unable to attract the caliber of top staff required in the conduct of foreign relations because of the low salaries which he was able to offer. He added that he was also unable to keep a number of able employees in the Department because he was unwilling to ask them to stay at the expense of their financial security.

The Congress has recognized inadequacies of top Federal salaries on numerous occasions. Perhaps the most striking example, in the field of foreign relations, was embodied in the Foreign Service Act of 1946. A new scale of ambassadorial salaries and allowances was authorized. These salaries ran to $25,000 a year for class I posts, such as London, Paris, and so forth. The act also provided that the top class of Foreign Service officers should be paid $13,500 a year. Under the provisions of this act, top officers are brought in from the field to work beside other officers receiving $3,000 less per year.

In the act establishing the Economic Cooperation Administration, the Congress also provided for salaries beyond those which have been traditional in the Federal service.

It is impracticable to deal with the salary problem on this piecemeal basis. Inevitably, it results in inequities which tend to aggravate rather than solve the difficulty.

The problem of obtaining and keeping able men in the positions covered by this bill at the present salaries is not a theoretical one. It is one that has arisen many times in the past. We cannot estimate how many men have turned down requests to serve because they could not afford the financial sacrifice. Many who have served their country well and whose loss has been a great misfortune have had to resign because they could no longer afford to support themselves and their families. To mention only a few, there was the late Harold Smith, competent and able Director of the Bureau of the Budget, who found he could not make ends meet on a $10,000 salary; Gen. John H. Hilldring, former Assistant Secretary of State; and Mr. Robert Freer, former Commissioner of the Federal Trade Commission.

We now have an opportunity to rectify this deplorable situation. The total cost for the Government in all departments will be $1,237,173 annually. This is, indeed, a small price to pay.

May I point out to you that everybody agrees that the Secretary of State should receive at least $25,000 a year. To me the Under Secretary of the Department of State would be underpaid at $20,000 a year, considering the work and the responsibilities he has to assume. The Administrator for Economic Cooperation under this bill, to paraphrase Mr. Hoffman himself, is the biggest bargain the United States ever got for $20,000, the salary to which this key position is to be raised.

The Assistant Secretaries of State, 10 of them, and the Department of State counselor, are only being raised to $15,000 a year under this bill. From my own personal knowledge as a member of the Committee on Foreign Affairs, these competent men have responsibilities that are gigantic. They have such responsibilities, that the United States must have the best men, properly trained and dependable, to take the far-reaching responsibilities and follow them up.

Because of the far-reaching extent of these responsibilities which carry out the administration of American foreign policies, the American public will not find it out until too late if there are mistakes. Competent key men of the State Department who are the real executives of American world policy which the President, Congress, and the Secretary of State formulate are: the present experienced counselor of the Department of State, George F. Kennan, just confirmed by the Senate to succeed the able previous counselor, Charles E. Bohlen, who is to be sent to the Embassy in Paris; Dean Rusk, Assistant Secretary of State and Deputy Under Secretary handling substantive matters in the State Department; quiet and efficient John Peurifoy, Assistant Secretary of State and Deputy Under Secretary in charge of all administrative matters for the State Department; genial and competent Ernest Gross, Assistant Secretary of State for congressional relations; Willard L. Thorp, Assistant Secretary of State for the involved field of economic affairs; George Allen, Assistant Secretary of State in charge of that important field, public affairs and public liaison; John Hickerson, Assistant Secretary for the expanding field of United Nations affairs; Edward Miller, Assistant Secretary for American Republic Affairs; George Magee, Assistant Secretary for Near Eastern and African Affairs; George Perkins, Assistant Secretary for European Affairs; and last but not least, affable and experienced Walton Butterworth, nominated as Assistant Secretary of State for Far Eastern Affairs. These men are a credit to the Department of State, and the country.

Our foreign relations are so dependent on such personnel that we may run into a national disaster if the United States Government does not get the proper men in the future, and keep these invaluable and experienced people in our State Department.

We members of the Foreign Affairs Committee in the House know of the vital need, and can heartily recommend to the Congress the expenditure under this bill of only $70,000 per annum additional for the whole Department of State. Such recognition of key personnel carrying the executive and policy load of the State Department is in direct keeping with the recommendations of the Hoover Commission, and is therefore nonpartisan. It is sound business sense and good doctrine for the Republican and Democratic Parties alike. I strongly urge your support of this legislation as reported by the Post Office and Civil Service Committee.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I am in favor of reasonable increases in salaries for those in major positions in the executive branch of the Government. I am not in favor of unreasonable increases for those in either major or minor positions.

My criticism of the bill as it now stands, without having had much time to study it, is that in some instances, it goes too far in the increase of salaries, that in one or two other instances it does not go far enough; and that it is poorly drawn in that it includes in the same salary brackets positions which cannot possibly be fairly considered as comparable, one position being far more important than another.

I believe the measure deserves far more careful consideration and amendment before it is enacted into law.

I admit that it is difficult to determine upon a yardstick with which to measure executive salaries. But let us take as one yardstick the ablest United States Senator that anyone can think of, who may have given the best years of life to the service of his country and who today commands a salary of $15,000.

This bill proposes in class 1 to pay every Cabinet officer $25,000. I do not object to this particularly in itself, but I point out in passing that it means paying every Cabinet officer $10,000 a year more than we pay any United States Senator.

In class 2, which is to receive $20,000, you will find the Chairman of the Council of Economic Advisers, now drawing $15,000, and every Under Secretary in every executive department in the Government now drawing from $10,000 to $12,000. In other words, Mr. Speaker, every Under Secretary, who heretofore has had from $10,000 to $12,000, is now to receive $5,000 more than we pay any United States Senator and, incidentally, it is to be bracketed along with the Administrator for Economic Affairs, Mr. Hoffman, and with the Administrator for Veterans' Affairs, General Gray, both of whom fill tremendously important and tremendously difficult positions.

The President is to pay 12 administrative assistants and secretaries a total of $206,000 as compared with a total under present conditions of $130,000—two will receive $20,000, three will receive $18,000, seven will receive $16,000.

In the $18,000 bracket you find the Federal Works Administrator now drawing $12,500, the Assistant Comptroller General now drawing $10,330, and the Assistant Director of the Bureau of the Budget now drawing $10,330. All will receive $3,000 more than any United States Senator. Moreover, Mr. Speaker, if I read section 6 of this bill correctly, it will be within the discretion of the President to put any head of any board or any commission into that $18,000 bracket. Surely this is a matter for the Congress to determine in any given case.

In the $17,500 bracket you will find the Director of the Administrative Office of the United States Courts, now drawing $10,330; the Public Printer, now drawing $10,330; the Librarian of Congress, now drawing $10,330; the Council of Economic Advisers, other than the chairman, now drawing, $15,000. All of these will receive $1,500 more than any United States Senator.

In the $16,000 bracket there is a whole string of commissioners, of the Federal Communications Commission, of the Federal Power Commission, of the Federal Trade Commission, of the Securities and Exchange Commission, of the Civil Service Commission, of the Tariff Commission, all of whom have been drawing $10,000; as well as the Architect of the Capitol, now drawing $10,330. All are to receive $1,000 more than any United States Senator.

Included in the financial classification with a United States Senator, to receive $15,000, we find among others: The Archivist of the United States, now drawing $10,000, the Indian Claims Commissioners, now drawing $10,000; the War Claims Commissioners, now drawing $12,000; the Chief Assistant to the Librarian of Congress, now drawing $10,330; the Deputy Public Printer, now drawing $10,330; and every Assistant Secretary in every executive department, now drawing from $10,000 to $10,330.

Why, Mr. Speaker, should Edgar Hoover, with his tremendous responsibilities and tremendous success, be classified at $15,000, when the Director of Central Intelligence is to receive $17,500?

Why should every Under Secretary in the executive departments receive $5,000 more than any United States Senator?

Why should every Assistant Secretary in the executive departments be bracketed with a United States Senator?

Why should officials with comparatively minor responsibilities be bracketed with others with heavy responsibilities?

I repeat, Mr. Speaker, I am in favor of reasonable increases in salaries for those in major positions in the executive branch of the Government. I repeat that this bill in my judgment deserves most careful consideration and amendment before it is enacted into law.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may require to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, before salaries of the heads and assistant heads of the executive departments are increased, the economies recommended by the Hoover Commission should be carried out.

It is unfair to expect the taxpayers to shoulder this pay raise recommended by the Hoover Commission until the other Commission recommendations to eliminate waste and duplication are adopted.

It has been reliably estimated that if this Commission's proposals are put into effect, the cost of government would be cut $3,000,000,000 a year. When this reorganization is accomplished, the people can be assured we have executives heading the departments. That will be the time to present the question of their pay increases.

I expect to vote against this bill to increase government costs by raising salaries of the heads and assistant heads in executive departments.

Finally, if the Hoover recommendations are adopted with the resultant saving of three billions, we can then quickly repeal the wartime excise taxes on such items as ladies' handbags, toilet articles, beauty and barber supplies, furs, jewelry, transportation and communication charges, and all other wartime excise taxes which are now causing undue hardship.

These excise taxes are now forcing businesses to the wall and are destroying jobs.

There is, therefore, a twofold necessity for defeating the measure before us.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, I intend to support this rule, and I intend to vote for the bill both in Committee of the Whole and in the House. I rise at this time to make a very brief explanation as to why I will not offer any amendments to the bill as originally announced by me.

As you probably know, the gentleman from New York [Mr. KEOGH] has introduced a separate bill to increase the salaries of members of the judiciary. That bill is now before the Committee on the Judiciary, and the distinguished chairman, the gentleman from New York [Mr. CELLER], has assured me that the bill will be considered by his committee shortly, and that, if at all possible, it will be reported to the House in time to be enacted at this session.

My own bill for the increase of our salaries is before the same committee which has reported this bill and I have been assured by the distinguished chairman [Mr. MURRAY] that that bill also will be called up before his committee for early consideration and, if it is there acted on favorably, it will be reported for our action shortly thereafter.

I want to direct the attention of the Members of the House to the fact that not only has the Hoover Commission and the President recommended an increase of salary both for the judges and Members of the House, but the Director of the Budget has sent a communication to our distinguished colleague [Mr. MURRAY] which he has authorized me to refer to at this time. The Budget Director under date of June 24, 1949, said:

> While the bill deals with the question of whether this proposal—
>
> Meaning the increase of salaries for Members of Congress—
>
> is one for the Congress to resolve, it is significant that the President on several occasions indicated his feeling that adequate compensation should be provided for our Federal legislators.

Mr. Speaker, this bill is a step in the right direction.

The bill to increase the salaries of members of the judiciary is another step in that direction. I submit that my bill to increase our own salaries is also a step in the right direction, if you want men and women of the high type and caliber that we ought to have in high position in our Government, you should pay them, and pay them well.

I will withhold my amendments with reference to salary increases to judges and Members of Congress in reliance on the assurances given to me that those bills will be submitted to us for separate consideration.

An almost unanimous press is supporting us in this effort to adequately compensate the Members of Congress as well as those executives and judges who are now being underpaid.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Speaker, if, as the Associated Press reports, the President's court jester, General Vaughan, knows 300 people in Washington who are selling their influence with highly placed Government officials for 5 percent or any other consideration, he should be required to testify to these facts before one of the committees now engaged in looking into these reprehensible practices. It is equally important, if his charges of corruption are not well-founded, that he be required to remove the stain he has cast upon every procurement agency in the Nation's Capital.

Some of the assertions of this intimate of the President can safely and preferably be ignored, but here is one to which this Congress cannot shut its eyes.

If favoritism concerning the award of contracts and the sale of influence have reached the gigantic proportions which General Vaughan indicates, and he is certainly in a position to know what he is talking about, the public interest requires a full and open disclosure by him of name, chapter, and verse to substantiate his charges.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Speaker, I am persuaded that the House has sufficient information to pass on this resolution and that it will be adopted. It would, I think, be unfortunate if before the consideration of the bill, attention was not directed to the superior report accompanying this legislation, which was filed by the gentleman from Tennessee [Mr. MURRAY], chairman of the great Committee on Post Office and Civil Service. This is a document of permanent value and I am sure all of you will want to keep it in your office for reference. It outlines the functions of the 244 positions affected by this bill. I am pleased to have a copy of the report and find it very useful. Members of the committee and their splendid staff are entitled to a commendation for this report.

I join with every Member of this body in a sincere desire to effect economy and reorganization in the executive branch of the Government. The Hoover Commission has made recommendations similar to those proposed by this legislation. In my judgment it cannot be rightfully said that this is a salary-increase bill. It is a measure that reevaluates the work and responsibilities of the positions covered. It does result in salary increases.

Significantly, it is the first time this has been accomplished in a quarter of a century. I could not support this measure if it were a question of raising the salaries of personalities now connected with the Government, for the philosophy of some of them is foreign to mine. It is a healthier bill than that, one attempting to place the position involved its its proper stature.

Your Committee on Post Office and Civil Service held exhaustive hearings. It is a conservative committee and their recommendations are entitled to the most serious consideration. At all times I enjoy working with this committee because its members, both Democratic and Republican, sincerely give their best to the improvement of our Government service.

I am very fond of my Government. It has been very good to me. I dislike the unfortunate attitude today of so many commentators and newspaper and magazine editorial policies which would tear down the confidence of the people in their Government and ridicule those of us who serve in government, whether it be in the legislative, judicial, or executive branch. It is conceded to be the best form of government in the world—so good is it, in fact, that the men who serve in it can do it very little lasting harm. It is bigger than all of us, and this, to me is an expression of confidence, not only in the form of government, but in the sincere and able people who serve in it.

Comparatively, this is not an expensive bill. For example, and I do not mean this as an odious comparison, if you did away with the potato program for 2 days, it would pay for this bill for an entire year. The cost is insignificant. It is significant, however, to recognize the importance of the work and responsibilities of the 244 postions covered by this bill. I am often in agreement with my colleague in the Committee on Rules, the gentleman from Ohio, [Mr. BROWN]. I do not agree with him, however, that it is untimely to bring this bill to the floor. During the time I

have been in the legislative body, I have never found it timely, politically speaking, to increase the salary of anyone connected with government, but that is a responsibility I share with you, the responsibility of making the Government service as useful and effective as possible.

The positions involved in this measure are charged with great responsibilities. The President has strongly urged that they be reevaluated and reclassified, and compensated accordingly.

The statement made by my distinguished friend, the gentleman from Georgia [Mr. Cox], eloquent and persuasive, should have convinced the entire membership that we should pass this measure.

Mr. Speaker, I urge the adoption of the rule and the immediate consideration and passage of H. R. 3191.

Mr. BROWN of Ohio. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Speaker, this bill has not had the careful consideration to which it is really entitled. My attention has been called to the fact that there is only $1,250,000 involved. They say it is conservatively small. There are only 244 out of 2,000,000 employees involved. However, in this bill, if you had the time to study it, you would find that it covers only a few of hundreds more who are just as much entitled to an increase as those in this bill. I know of a good many faithful career people who are much more entitled to this consideration. As a matter of fact, the committee put in about 40 or 50 positions that were not in the original bill.

I think the bill is untimely. To bring a bill to the floor of this House and give us 30 minutes on each side to discuss an important measure is wrong. That is all we are allowed to discuss this bill, except under the 5-minute rule.

I hope to speak again later and will outline my views, but I want to call attention to an amendment that I expect to offer at the proper time, that will reduce the amounts that are paid to a number of the people in these various categories. A great deal has been said with respect to pressure on the part of the President to secure this legislation. Many Members could tell you, if they would, that they have had pressure not only from the President but from heads and assistants of agencies involved.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. SABATH. Mr. Speaker, I yield one additional minute to the gentleman from Kansas.

Mr. REES. I say to you that this bill should have had not only more careful study in the committee but also on the part of the membership of this House, because you are establishing a policy of which this million and a half dollars is only the beginning. It has been suggested that it is very little; to the taxpayers it is considerable. This is only part of millions more costs proposed by Members of this House before the committee of which I am a member. Should our committee report out the bills that have been proposed by Members of the House we would increase the cost of government for employment more than $2,000,000,000. Mark you, if this bill is passed—if that is what you want—if this bill is passed you have many more bills just as worthy as this one. At the proper time I shall offer a substitute bill and ask you to reduce the payments recommended in this bill.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from New York [Mr. CELLER] such time as he may desire.

Mr. CELLER. Mr. Speaker, I am happy to have this bill considered and pleased to vote essential increases to various members of our executive branch. As chairman of the House Judiciary Committee, I have almost daily contact with my esteemed friend the distinguished Attorney General. Our committee and the Department over which the Attorney General presides work in closest harmony. I am gratified that that is so. Permit me to express some pertinent observations concerning the Honorable Tom Clark and his able assistants.

The Attorney General is the chief law officer of the Government and is the legal adviser to the President and the heads of the executive agencies. Also, he is the head of the Department of Justice, an organization of 27,000 persons serving in all parts of the United States, its Territories and possessions, and which operates at an annual expenditure of approximately $130,000,000. He has under him the Solicitor General of the United States, the Assistant to the Attorney General, the Assistant Solicitor General, seven Assistant Attorneys General and the heads of three major bureaus, namely, the Immigration and Naturalization Service, the Federal Bureau of Investigation, and the Bureau of Prisons.

The office of Attorney General was created in 1789, the annual compensation being fixed at $1,500. There were steady increases in compensation through the years until 1870, when the Department of Justice was created and the Attorney General's compensation was fixed at $10,000. At that time the Department consisted of a handful of persons with an annual budget of around $1,000,000. In 1925 the Attorney General's compensation was fixed at $15,000, the same rate as at present. The Department at that time comprised 3,400 persons, with an annual expenditure of approximately $15,000,000. Although the responsibilities and duties of the Attorney General and his subordinates have increased tremendously since that time, the compensation of the office has remained the same. While the position has attraction because of its prestige and importance, the fact remains that men of great ability and qualifications but with limited financial means are unable to accept it. Others cannot remain in the position for any length of time without great financial sacrifice. In England, the salary of the Attorney General is fixed at 10,000 pounds—roughly $44,000 at today's rate of exchange; furthermore, that official has substantially fewer responsibilities than those which rest on the Attorney General of the United States.

It is no secret that the top men in the legal profession in this country are earning far in excess of what the Attorney General is paid, and very frequently get one fee in a single case far in excess of the Attorney General's annual salary. If nothing more than to command respect in the profession in which the Attorney General is regarded as one of the outstanding members, the compensation of the office should be more nearly commensurate to its exacting duties and responsibilities. The Department of Justice is vital to the business and welfare of the Nation, and the security and protection of our economy rests in large measure upon the proper conduct of its work. No business enterprise which has had the growth and expansion in size and responsibilities comparable to the Department of Justice would leave the compensation of its executive head at the same level as it was in its early and formative period.

The top officials of the Department included in the pending compensation bill are the Solicitor General, the Assistant to the Attorney General, the Assistant Solicitor General, seven Assistant Attorneys General, the Director of the Federal Bureau of Investigation, the Director of the Federal Prison System, and the Commissioner of the Immigration and Naturalization Service. With the exception of the Directors of the Federal Bureau of Investigation and the Federal Prison System these are all statutory positions requiring Presidential appointment and confirmation by the Senate.

To raise the salaries of these positions, including that of the Attorney General, would amount to an additional cost of less than $90,000 a year as presently contemplated, which is far less than the fee frequently paid opposing counsel in a single important case. The Department is a highly organized professional and technical office handling litigation involving billions of the Government's money and property. The heads of the divisions and bureaus have exceedingly heavy responsibilities, which have increased enormously in the last few years. The work of the Federal courts has greatly expanded, and the complexity of present-day governmental responsibilities has given rise to an extended range of legal and administrative problems.

The leading practitioners in the legal profession are earning far more than the heads of the legal divisions in this Department. Naturally they are very reluctant to give up lucrative practices to take positions such as these. If they do make the sacrifice, they are then under continual temptation to yield to the demands of society and their families in order to earn enough to live at a standard commensurate to their positions and responsibilities. This results in a great turn-over in these positions, with the resultant loss in continuity of direction and policy in the operation of the various units. Much ground is lost each time in adjusting to new direction and control, to the detriment of the Department and the public.

It is urgently necessary that the salaries of the top officials of the entire Government be fixed at a level which will attract men of great capacity, capability, and sound judgment. In the case

of the Department of Justice it is further necessary that such men have the caliber to be recognized and respected by the legal profession. The increase in compensation would only partially offset the pressures and burdens which they must face in carrying out the duties and responsibilities of their positions. Under the present salary scale and conditions now prevailing economically the President and his Cabinet officers are faced with a serious problem in attracting high-caliber, well-qualified men. The problem facing the Attorney General in this respect is one of particular difficulty, for the reasons which have been set forth above.

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. MCCORMACK].

The SPEAKER. The gentleman from Massachusetts is recognized for 9 minutes.

Mr. McCORMACK. Mr. Speaker, I think the remarks made by my very able and distinguished friend the gentleman from Georgia [Mr. Cox] were not only dignified but also very effective. He set forth the reasons why this bill should pass. He referred to the spirit of amity between the various branches of Government, and certainly that is a compelling thought. Amity exists not only between the two bodies of the Congress but also between the branches of Government on matters directly connected either with the legislative branch in the case of our particular branch of governmental organization, the House and the Senate, and matters directly connected with the executive branch of Government. The President, on his side, has clearly evidenced a feeling of amity for the House of Representatives recently when he signed H. R. 4583, giving us the additional clerk. At that time he said:

I have signed this act willingly—

Notice the word "willingly," a complete expression of understanding and amity—

I have signed this act willingly, for I believe that it is in the interest of the Government and of the people to provide for the efficient conduct of the public business.

The President recognized that when we passed that act that we did so in the interest of efficiency in Government.

The President concludes his message with this statement:

For the compelling reasons set forth, I believe that the legislation now pending to increase the salaries of officers in the executive branch is a fundamental step toward the more effective operation of the Government.

I get a good deal of amusement from the President's message because he "willingly" signed the bill which related to the House of Representatives, but called attention to his problem in connection with the bill which is now before the House. I hope that this will not develop into a partisan question simply because President Truman is a Democrat; certainly if the incumbent of the White House were a member of the Republican Party I would support his request; for if the President under such circumstances—and, of course, it will not happen for many, many years—were to be a Republican, I would recognize the amity between the two branches, and I would recognize his justification for such a request.

Some Members have referred to the fact that the bill has not been considered carefully. If ever a bill was considered carefully this bill has been. It was introduced on January 20, 1949, and the matter has been the subject of consideration by a Senate committee in the last Congress.

The bill now before us represents a compromise. The gentleman from Tennessee [Mr. MURRAY], chairman of the committee, proposed a compromise and the committee adopted his compromise which reduced the amount contained in the original bill.

The gentleman from Ohio [Mr. BROWN] admits that the legislation is justified and does not argue against the bill. He disagrees with the timing. Of course, that is only a technical objection, which means that he supports the bill, he is in favor of the bill, because otherwise he would be placed in the very embarrassing position of opposing the very recommendations of a commission of which he was a member. Repeatedly throughout the Hoover Commission report are contained references to the fact that the particular officials enumerated in this bill have not received the consideration they are entitled to. For example, in one report it is stated:

In order to attract the most desirable types of persons to department high commands, the salaries of under secretaries and assistant secretaries should be increased.

Again in the same report there is another reference to it. In this report there are several references to it. Here is another report of that committee, the report to Congress of February 1949, in which it is stated at one place:

To all other employees whose rates of pay are fixed on a Nation-wide basis, the President should be authorized to direct the Civil Service Commission to review—

And so forth. In relation to the bill now under consideration it calls attention to the fact that pay in the lowest grades has been increased between 43 and 56 percent, while pay in the highest grades has been increased only 15 percent, immediate consideration should be given to providing adequate salaries for top civil-service employees, with the exception of professional, scientific, technical, and so forth. Most, if not all, of those covered by this bill are non-civil-service people. The last time a Cabinet officer received an increase was in 1925. The Cabinet officers have not received an increase in salary since 1925. Most of the officials covered by this bill, other than members of the Cabinet, such as assistant secretaries, have received no increase in salary since 1925.

The last time the members of the Federal Trade Commission received an increase in salary was in 1914 when the salary was established at $10,000. That is still the salary of members of the Federal Trade Commission. The last time members of the Cabinet received an increase was 24 years ago; in the case of members of the Federal Trade Commission it was not 24 years ago but 35 years ago.

So it seems to me that equity and justice calls for this change. If there is some particular position that should receive more, that is another proposition entirely. An amendment may be offered to cover the matter. Reference has been made to J. Edgar Hoover. I may say that I offered an amendment and the Subcommittee on Appropriations agreed to it back 3 or 4 years ago when Mr. Hoover got his last increase from $10,000 a year to $14,000 a year. I offered the amendment on the floor of the House, and the subcommittee of the Committees on Appropriations on both sides accepted the amendment.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman would not say now that the Director of the FBI should be put on the same salary as the Deputy Public Printer, would he?

Mr. McCORMACK. I was coming to that, to say that those who feel that he should receive more than this should offer an amendment to the bill at the proper time, and I am pretty satisfied when that is done that the high regard for the public service of J. Edgar Hoover would probably be very quickly recognized.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I might state to the gentleman that I have prepared an amendment so that he will get at least $17,500.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Nebraska.

Mr. STEFAN. When the majority leader offered his amendment to increase the salary of Mr. Hoover from $10,000 to $14,000, it was originally planned to increase it to $15,000.

Mr. McCORMACK. Yes.

Mr. STEFAN. But because his chief, Tom Clark, the Attorney General, was getting $15,000, we did not think it was fair to put the two on the same basis.

Mr. McCORMACK. The gentleman is absolutely correct.

At that time I was going to offer an amendment to increase his salary to $15,000, but the Attorney General only received $15,000, and it was felt that the head of the FBI should not receive the same salary as the Attorney General.

So, my special plea is that the bill should pass. If there is dissatisfaction with some particular classification or position here offer an amendment to it, but let us consider it as we have today during general debate on a nonpartisan, nonpolitical basis because the bill is predicated upon justice and equity, and bring about greater efficiency in government.

The SPEAKER. The time of the gentleman from Massachusetts has expired. All time has expired.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MURRAY of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1689, with Mr. GORE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill under consideration proposes to establish the proper rates of annual compensation for heads and assistant heads of the executive departments and independent agencies.

Extensive hearings were conducted by the committee, and witnesses appearing represented the General Accounting Office, Bureau of the Budget, Civil Service Commission, and the Commission on Organization of the Executive Branch of the Government. Executives in private industry, and representatives of Federal and postal employee organizations support the legislation.

In its report to the Congress in February 1949, the Commission on Organization of the Executive Branch of the Government, usually referred to as the Hoover Commission, stated that the Congress should "increase legislative, judicial, and executive salaries at the level of assistant secretary, or its equivalent, and above." The bill approved by the committee establishes annual compensation consistent with the report of the Commission's task force.

The committee has prepared an extensive report regarding this legislation (H. Rept. 535), which not only analyzes the legislation in detail, but Appendix B on page 16 contains the following information regarding each position covered by the bill: Position title, present salary and date established, proposed salary, incumbent, responsibilities and size of organization, including number of employees and estimated annual expenditures for fiscal year 1949. I trust the Members will avail themselves of the information contained in this report.

On January 1, 1949, the President wrote to the Speaker of the House requesting "that the Congress take prompt action to increase the compensation of the heads and assistant heads of the executive departments and of other Government officers of comparable rank." In his letter he stated that "inadequate salaries have long made it difficult to obtain and hold able men for positions of greatest responsibility in the Government service. The national interest requires that we get and keep in these positions the most capable men and women that can be found. To do this, we must pay fair salaries. I ask the Congress to give me the means which will make it possible for me to get and keep the men who are required for the job ahead."

On June 23, 1949, in his message to the Congress in connection with his approval of H. R. 4583, relating to telephone and telegraph service and clerk hire for Members of the House of Representatives, the President stated "I am urging increased compensation for Federal executives not primarily as a matter of equity—although it is well justified on equitable grounds—but primarily as a matter of good business from the standpoint of the Government." The President further pointed out that the Hoover Commission "urged more realistic salaries for Federal executives as a means of achieving greater economy and efficiency in governmental activities." Finally, he stated that "so long as the Congress fails to take this simple and obvious step to improve the Government service, there will be an important gap in our efforts to achieve economy and efficiency. I again urge the Congress to complete favorable action upon this legislation at an early date."

Section 1 establishes the compensation of the head of each executive department and of the Secretary of Defense at $25,000 per annum. At the present time the compensation of Cabinet members is $15,000 per annum, and in no case has been changed since 1925. I believe that upward revisions in the compensation of these important Government officials are long overdue and that the bill provides the correct adjustment in their salaries.

Section 2 (a) establishes the compensation of each Undersecretary of an executive department, the Assistant to the Attorney General, the First Assistant Postmaster General, the Solicitor General, the Comptroller General, the Director of the Bureau of the Budget, the Chairman of the Council of Economic Advisers, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, and Administrator for Economic Cooperation at $20,000 per annum. In the bill as introduced, these salaries were generally set at $22,500, but the committee agreed to reduce such compensation by $2,500 annually.

Section 2 (b) authorizes the President to fix the compensation of his six administrative assistants, the Executive Secretary of the National Security Council and five other secretaries or staff assistants in the White House as follows: Two at rates not exceeding $20,000 annually, three not exceedindg $18,000 annually, and seven not exceeding $16,000 annually. The committee reduced these rates $2,500, $2,000, and $1,500 respectively, under the salaries provided in the bill as introduced.

Section 3 (a) establishes the annual compensation of the Assistant Comptroller General, Assistant Director of the Bureau of the Budget, Chairman of the Munitions Board, Chairman of the Research and Development Board, Chairman of the Atomic Energy Commission, Federal Works Administrator, Housing and Home Finance Administrator, Deputy Administrator of Veterans' Affairs, and Deputy Administrator for Economic Cooperation at $18,000. The committee reduced such compensation by $2,000 annually from the salaries in the bill as introduced.

Section 3 (b) establishes the annual compensation of the Director of the Administrative Office of the United States Courts at $17,500, a $2,500 annual reduction from the bill as introduced.

Section 3 (c) establishes the annual compensation of the Public Printer, Librarian of Congress, members—other than Chairman—of the Council of Economic Advisers, Director of Central Intelligence, Federal Mediation and Conciliation Director, and Assistant Federal Security Administrator at $17,500. In the bill as introduced, these salaries were set at $20,000 but the committee agreed to reduce such compensation by $2,500 annually.

Section 4 establishes the annual compensation of the Board of Governors of the Federal Reserve System, the Director of Aeronautical Research of the National Advisory Committee for Aeronautics, the Chairman of the Board of Directors of the Export-Import Bank of Washington, the Comptroller of Currency, the Chairman of the Board of Directors of the Reconstruction Finance Corporation, the Chairman of the United States Maritime Commission, the general counsel of the National Labor Relations Board, the Architect of the Capitol, the Assistant Federal Works Administrator, and the members of the Civil Aeronautics Board, Federal Communications Commission, Board of Directors of the Federal Deposit Insurance Corporation, Federal Power Commission, Federal Trade Commission, Interstate Commerce Commission, National Labor Relations Board, National Mediation Board, Railroad Retirement Board, Securities and Exchange Commission, Board of Directors of the Tennessee Valley Authority, Civil Service Commission, United States Tariff Commission, and Atomic Energy Commission—other than the Chairman—at $16,000. In the bill as introduced, the majority of these salaries were set at $17,500, and the committee agreed to reduce such compensation by $1,500 annually. However, in the case of the members of the Atomic Energy Commission and members of the Board of Governors of the Federal Reserve System, such compensation was reduced by $4,000 annually from H. R. 1689 as introduced, and the Chairman of the Board of Governors of the Federal Reserve System was reduced $6,500 annually—see appendix A, page 14, House Report 535.

Section 5 establishes the annual compensation of the Housing Expediter; the War Assets Administrator; the Director of Selective Service; the Archivist of the United States; each Assistant Secretary of an executive department; the Fiscal Assistant Secretary of the Treasury; each Assistant Attorney General; the Assistant Solicitor General of the United States; the counselor of the Department of State; the Second, Third, and Fourth Assistant Postmasters General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal; and the members of the Displaced Persons Commission, Indian

Claims Commission, War Claims Commission, Philippine War Damage Commission, Board of Commissioners of the District of Columbia, Board of Directors of the Export-Import Bank of Washington, other than the Chairman, Board of Directors of the Reconstruction Finance Corporation, other than the Chairman, United States Maritime Commission, other than the Chairman, at $15,000. In H. R. 1689, as introduced, these salaries were set at $17,500, but the committee agreed to reduce such compensation by $2,500 annually.

While this legislation was under consideration the committee added the following positions and increased their rates of basic annual compensation to $15,000 annually: The Administrator, Production and Marketing Administration; Commissioner of Internal Revenue; Director of the Bureau of Prisons; Director, Federal Bureau of Investigation; Commissioner of Public Roads; Commissioner of Public Buildings; Commissioner of Community Facilities; Commissioner of Immigration and Naturalization; Administrator, Rural Electrification Administration; Commissioner for Social Security; Commissioner of Reclamation; Chief, Soil Conservation Service; Commissioner of Customs; Governor of the Farm Credit Administration; Chief Forester of the Forest Service; Administrator of the Farmers Home Administration; the three Special Assistants to the Secretary of Defense.

Section 5 (b) establishes the annual compensation of the Assistant Director of the Administrative Office of the United States Courts at $15,000, a reduction of $2,500 annually from the bill as introduced.

Section 5 (c) establishes the annual compensation of the legislative counsel of the House of Representatives and the Legislative Counsel of the Senate at $12,000 per annum.

Section 6 provides that the President is authorized in his discretion to increase the compensation of any chairman or other head of a board or commission to $18,000 per annum, when such head has important duties or responsibilities not imposed upon other members of such board or commission. In the judgment of the committee, this discretionary authority properly belongs to the President in connection with securing better administration and providing adequate compensation for increased duties and responsibilities of public officials.

Section 7 of the bill as approved by the committee contained annual pay increases of $330 annually for officers and employees of the Foreign Service, and classified Federal employees in the municipal government of the District of Columbia retroactive to July 1948. This section was approved by separate legislation, H. R. 5100, which passed the House on June 20 and the Senate on June 30, and is now Public Law 160. Consequently, at the appropriate time, I shall offer an amendment on behalf of the committee to strike this section in its entirety.

The salary increases for these 244 Government officials will cost $1,237,173 annually. This is a reduction of $156,000 annually under the cost of the bill as introduced.

It is obvious that this small investment in dollars of securing and retaining highly competent Government officials will be beneficial to the American people. I believe that enactment of this legislation will provide appropriate incentive in terms of annual compensation to attract well-qualified and able top-level officials in the Federal Government. Occupying the positions covered by the bill, they should conduct the affairs of our country more efficiently and more economically. They will bring with them into the Federal service extensive experience in handling the affairs of companies in private industry. They will initiate new procedures and devices for decreasing the cost of Government which will result in savings of many millions of dollars which will more than offset the moderate salary increases proposed in the bill.

Since July 1, 1945, the annual compensation of Federal employees has been substantially increased. The heads and assistant heads of the departments and agencies covered by this bill have not received such statutory increases. Except in a few cases, upward salary adjustments have not been made during the past 25 years in the salaries of the 244 top-level officials included in the bill. Moreover, in those instances where the annual compensation of heads and assistant heads of independent establishments and agencies has been fixed since 1940, the salary adjustments have resulted in a disproportionate relationship between those positions and similar positions established prior to the war years.

In establishing the annual compensation for heads and assistant heads of agencies created since World War II, a more realistic approach has been made by Congress, for example, the Administrator for Economic Cooperation receives a salary of $20,000 annually, the Deputy Administrator for Economic Cooperation $17,500 annually, the Chairman of the Atomic Energy Commission $17,500 annually, the Housing and Home Finance Administrator $16,500 annually, and the members of the Council of Economic Advisers $15,000 annually. In view of the recent action by Congress with respect to these salaries the committee made only minor adjustments in them. Also, such congressional action served as a guide to the committee in establishing the compensation of the remainder of the positions covered by the bill.

I believe that the enactment of this legislation is necessary and consistent with a more realistic approach to good administration in the Federal Government.

### SIGNING OF H. R. 4583

(Message from the President of the United States transmitting relative to signing H. R. 4583, and with the recommendation for passage of legislation raising the salaries of executive officers of the Government)

*To the Congress of the United States:*

I have today approved H. R. 4583, relating to telephone and telegraph service and clerk hire for Members of the House of Representatives. This act provides an additional allowance of $3,000 a year for each Member of the House of Representatives for clerk hire and authorizes an allowance of $500 a year for each Member for sending telephone and telegraph communications.

I have signed this act willingly, for I believe that it is in the interest of the Government and of the people to provide for the efficient conduct of the public business. I have no doubt that the benefits derived from this legislation will fully justify its cost, which is relatively small in the light of the magnitude of the problems confronting the Government.

I feel constrained to point out to the Congress again, however, an opportunity which it has for a greater improvement of the public service than will be accomplished by this legislation, and at approximately the same cost. I have heretofore recommended that the Congress enact legislation to raise the salary scales for the heads and assistant heads of executive departments and other officials of the executive branch having comparable responsibilities. Bills for this purpose have been reported from committees in both Houses of Congress and have been on their respective calendars for weeks. Though the salaries provided in these bills are not, in my judgment, fully commensurate with the great responsibilities of the positions involved, they would substantially better the present demoralizing situation. The cost of this legislation would be approximately $1,300,000 annually, compared with $1,314,000 for clerk hire alone under H. R. 4583, which I have just signed.

Important as it is for Members of the Congress to have adequate clerical assistance, it is at least of equal importance to have men of ability in the key executive positions in the Government. The best of laws can be ruined by poor administration. The success or failure of all the things the United States Government undertakes to do depends in large measure upon the wisdom and ability of these executives. It is upon them that we must rest most of our hopes for economy and efficiency in the Government. Even a small improvement in the economy and efficiency of the vast operations under the direction of these men is obviously of much greater consequence than the cost of the proposed salary increases. The soundness of this principle has been demonstrated in American business concerns, where it is well recognized that the success or failure of an enterprise depends largely upon its executive officers, and their salaries are fixed accordingly.

The relative salary position of Federal executives has become increasingly worse during recent years. There has been no increase in the salaries of Cabinet officers since 1925. Members of important commissions whose salaries were set at $10,000 many years ago still get the same amount. For example, the salaries of Federal Trade Commission members were fixed at $10,000 in 1914 and have never been raised, although in terms of real income that amount, even before taxes, is less than half of what it was 35 years ago. The absurdity of the present situation is illustrated by the fact that many Federal executives now have assistants who receive higher salaries than they do.

The Congress has already recognized the need for greater compensation for other groups of Federal officers and employees, including the Members of Congress themselves. Prior to 1925 Senators and Representatives received an annual salary of $7,500 each. At the same time Cabinet officers received $12,000 and members of important boards and commissions received $10,000. In 1925 the salaries of Senators and Representatives were increased to $10,000 and those of Cabinet officers were increased to $15,000. No corresponding general increase was made in the salaries of other executive officers. In 1946 the Congress further increased the salaries of Senators and Representatives to $12,500, and at the same time provided for each of them a tax-free expense

allowance of $2,500. Because this allowance is tax-free, the compensation of Members of Congress is now equivalent to approximately $16,000 a year. Thus, the compensation of Senators and Representatives has been more than doubled in the last 25 years, while there has been no general increase at all in the salaries of the executive officials here in question.

Over this same 25-year period the salaries of Federal judges have also been substantially increased. The salaries of district and circuit judges have been doubled, and those of Supreme Court Justices have been increased by more than two-thirds.

The Congress has also raised the compensation of the President, the Vice President, and the Speaker of the House of Representatives. The annual salary of the President was increased from $75,000 to $100,000 earlier this year, and at the same time he was provided with a $50,000 tax-free expense allowance. While this increase was made without any recommendation or suggestion on my part, I am grateful to the Congress for the spirit which moved it to enact the increase speedily in order that I might receive its benefits. Nevertheless, the proposed increases for other officers in the executive branch, besides resulting in far greater public benefit than the increase in the President's salary, would actually do more to improve the President's personal situation than the increase in his own salary. For one of the greatest burdens of the Presidency is in finding and keeping good men for big jobs, and under present conditions that is a most difficult task.

The Congress has already recognized the need for increased compensation for Federal employees below the top executive level. Since 1945 the rates of compensation for these employees have been increased three times, largely to meet increased living costs. These increases have been proportionately greater in the lower grades than in the higher, and in the lower grades the total increases range up to 96 percent. The salary schedules for Federal employees still need revision, and I have recommended such revision to the Congress.

I thoroughly approve of adequate salaries for all our Federal employees. Increased prosperity for our Nation depends upon the constant betterment of the living standards of the great body of our citizens. In the promotion of the general welfare, Federal employees should not be neglected. However, I am urging increased compensation for Federal executives not primarily as a matter of equity—although it is well justified on equitable grounds—but primarily as a matter of good business from the standpoint of the Government.

It is customary in private industry for an executive to be paid many times as much as he would be paid for comparable work in Government service. Salaries of $50,000 to $100,000 a year in private industry are not uncommon. In 1948, General Motors Corp. paid to 53 of its officers and directors an average salary of $51,760 each. The 15 top executives of the du Pont Co. were paid an average salary of $213,175 each—an aggregate amount for these 15 men greater than the total salaries now paid to all the 250 or so Federal officers whose salaries would be increased by the legislation before the Congress.

When it is considered that the responsibilities of many top Government executives are far greater than those of any private executive in the Nation it is evident why the Government has great difficulty in obtaining and keeping the best men. Even when they are prevailed upon as a matter of public duty to serve in the Government, too often they find that they can afford to serve for a limited time only. Thus men are lost to the Government just when they have had the experience which brings them to the peak of their effectiveness. Such a process is obviously poor business and any apparent saving in funds for salaries is obviously a disservice to the taxpayers.

These truths were clearly recognized by the Commission on Organization of the Executive Branch. That Commission urged more realistic salaries for Federal executives as a means of achieving greater economy and efficiency in governmental activities. The legislation for increased executive salaries now pending in the Congress is fully supported by the recommendations of that Commission. So long as the Congress fails to take this simple and obvious step to improve the Government service, there will be an important gap in our efforts to achieve economy and efficiency.

For the compelling reasons set forth above, I believe that the legislation now pending to increase the salaries of officers in the executive branch is a fundamental step toward the more effective operation of the Government. Therefore, I again urge the Congress to complete favorable action upon this legislation at an early date.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 23, 1949.*

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INCREASING COMPENSATION FOR HEADS OF EXECUTIVE DEPARTMENTS

(Communication from the President of the United States transmitting his recommendation for the increase of compensation of the heads and assistant heads of the executive departments and of other Government officers of comparable rank)

THE WHITE HOUSE,
*Washington, January 6, 1949.*

The honorable the SPEAKER OF THE HOUSE OF REPRESENTATIVES,
*Washington, D. C.*

DEAR MR. SPEAKER: I request that the Congress take prompt action to increase the compensation of the heads and assistant heads of the executive departments and of other Government officers of comparable rank.

Inadequate salaries have long made it difficult to obtain and hold able men for positions of greatest responsibility in the Government service. For most of those positions, there have been no pay increases in many years. In the meantime, other salaries, in both Government and industry, have risen sharply, and opportunities for larger compensation in private industry have greatly expanded.

In recent years, the difficulties of obtaining and holding the best qualified citizens for official positions has definitely impaired the Government service. This condition has now progressed to the point where it constitutes a serious threat to the efficiency of the Government.

The men who hold the offices in question must translate into action the policies determined upon by the Congress. Their ability determines in large measure whether these policies are to succeed or fail. The national interest requires that we get and keep in these positions the most capable men and women that can be found. To do this, we must pay fair salaries.

I recognize that the Government cannot pay salaries equal to those in private industry for positions of comparable importance. But it can reduce the discrepancy enough to permit able and public-spirited citizens to serve the Government without too great a disadvantage.

Fortunately, the Congress is in a position to take intelligent and considered action on this problem without delay. Within the last month extensive evidence on the subject has been presented to a Senate subcommittee and is now available to the Congress. This evidence includes supporting testimony by former President Hoover, as Chairman of the Commission on Organization of the Executive Branch of the Government. The subcommittee examined the problem carefully, fairly, and without partisanship. The bill which they developed, and which has now been introduced in the Eighty-first Congress, is the result of more than a year's study.

That bill establishes a salary range of from $17,500 to $25,000 for the officials in question. These provisions are in accordance with recommendations made to the subcommittee by the administration. I urge their passage in their present form. Questions concerning the compensation of Federal officers and employees not included in this bill should not be permitted to impede or delay its passage, but should be considered separately at an early date.

On January 20 a new Presidential term will begin. During that term the executive branch of the Government will be called upon to bear responsibilities of great magnitude. Prompt action on this bill is of great importance to me in strengthening the management of the executive branch to meet those responsibilities. Its small cost will be repaid many times. I ask the Congress to give me the means which will make it possible for me to get and keep the men who are required for the job ahead.

I hope that this legislation will be enacted into law immediately.

Sincerely yours,

HARRY S. TRUMAN.

Mr. REES. Mr. Chairman, I yield myself 10 minutes.

This legislation providing for large increases in the salaries of top-flight people in Government, in my judgment, comes at a rather inopportune time. It is admitted that it is here because it is on the President's agenda and because of pressure from the White House. Let me say, too, that almost every Member in this House has been called upon either by telephone or in person to approve this bill.

Mr. Chairman, it is unfortunate and unfair to bring such an important bill to the floor of the House with only 1 hour's time for discussion. This measure should have opportunity for full and complete discussion by the membership of this House.

It provides for increases of salaries for 240 Presidential employees, all the way from 50 to 100 percent. It has been said that these are recommendations of the Hoover Committee. I disagree with that statement. The committee report states there should be increases in some of the higher positions, but certainly did not name 240 jobs, most of which will be increased from 75 to 100 percent. In my judgment the increases are too drastic. At the proper time I shall offer an amendment that will trim these amounts to considerable extent.

My proposal is that we reduce the amount paid to these Presidential employees. Do not forget we are not considering employees in classified service. These are all Presidential appointees and can be removed at the will of the President.

You will observe they are named in different groups. The first group is the President's Cabinet. The salary increases here are lifted from $15,000 to $25,000. I am not presently criticizing that particular category. I realize the members of the Cabinet are entitled to considerable increase in salary and that they have big expense accounts.

But, Mr. Chairman, take a look at the next schedule in section 2, these various Under Secretaries who are increasing their salaries 100 percent. Just think of

it. They receive $10,000 per year, except probably 2 or 3 who get $12,000.. You hike the salaries of these people up to $20,000. How are you going to justify your approval of that. I am willing to provide some increases, but these are clear out of line.

The next schedule in the bill, who are assistants in the various agencies, get from $10,000 to $14,000 now, and yet under the bill you pay them $18,000 a year. It seems to me that $15,000 would be pretty liberal.

Then in the next group are listed, among others, the Federal Mediation and Conciliation Director and the Assistant Federal Security Administrator. They get $10,000. It seems to me that $15,000 would be a pretty fair salary.

I would like to speak for a moment about schedule 5, a group of assistant secretaries. Many of these names were put in by members of our committee. They draw $10,000 now. The bill gives them a 50-percent increase, or $15,000; $12,500, it seems to me, would be a reasonable increase.

If you will glance at the last paragraph in the bill, you will find a provision that gives the President authority under certain circumstances to lift the salaries of a number of persons up to $18,000. The President can do it on his own account without further authority.

Let me say, too, that many of the men selected to fill these jobs are appointed not because of their particular qualifications but because of political affiliations and because of certain loyalties outside of particular fitness for these jobs. I regret to say that there are too many men holding positions in Government that are there because of political pull and not because they are qualified.

On the other hand, we have men in Government about whom you hear very little, but who are devoted to duty and are really underpaid. Among them would be included such persons as the head of the Federal Bureau of Investigation, the head of the Central Intelligence Agency, the Comptroller General, the Director of the Veterans' Administration, and other persons where responsibilities are great and where public appreciation is comparatively small. Personally, I would like to single out a number of those jobs and pay them salaries to which they are entitled.

Let us not forget that you cannot compare salaries of these persons with the salaries of those employed in industry and business. As I said, there are many men and women who are devoted to their work and who, because they want to serve in these certain capacities, are willing to continue even though they may be offered higher salaries in other fields. Much has been said about competition of industry. The situation is so much different. Men devoted to these higher positions do not work because of salary alone, and so you cannot compare a $100,000 a year executive in industry with a $15,000 or $20,000 a year executive in Government.

Only recently a man employed in a very high position in your Government and mine gave all he had. In fact, he lost his health and his life because of devotion to duty. Raising the salary of that person would, as you know, make very little difference. It just does not work that way.

Mr. Chairman, there are more than 2,000,000 people employed in Government. There are several hundred employed with comparative salaries. With this bill you reach out and pick 240 and increase their salaries, as I said a moment ago, all the way from $5,000 to $10,000 a year. You could easily pick 500 more who are just as important as some of these included in the bill.

Mr. Chairman, I do not believe the President in his message to Congress is quite as forthright and realistic as he might be. I do not want to criticize, but I just do not believe he will have difficulty in finding men to fill these positions if he is looking for them on the basis of qualifications for the jobs. I believe you will find that with the exception of perhaps a half dozen appointees, most of them have to be qualified politically before they qualify otherwise.

Mr. Chairman, the problem of efficiency in Government will not be solved by simply increasing salaries of executives in policy-making positions. We have got to have men in public authority who will give first consideration to efficiency and to the best interests of our Government and its people. We have got to quit making appointments because of political debts or personal friendships.

Let me repeat, there are many capable men in Government and many of them deserve salary increases and many of them could make more money in private industry. Many of them who do leave the Government do it because of inefficiency and a realization that advancement in higher positions does not come alone because they have given their best to their jobs and to the Government they serve.

Again I repeat I do not believe the President will have difficulty finding men to fill high important positions.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from Illinois.

Mr. YATES. I heard the gentleman say on other occasions that he is interested in our Government being operated on as business-like a basis as possible. Does not the gentleman agree with the intent of this bill which will certainly permit the attraction of many more capable people to the service of the Government, even assuming that they possess the moral and spiritual qualities which go with it?

Mr. REES. I wish that the views of the gentleman were carried out, but, unfortunately, these jobs do not all go to people who have qualified because of efficient and faithful service in our Government. You can count on the fingers of one hand the number of men holding high responsible positions in this group who secured their positions because of their faithful and efficient service in Government. These people, with the exception of a very few, are appointed from the outside.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California.

Mr. PHILLIPS of California. I am glad to support the gentleman's amendment, but does the gentleman think his amendment will correct the inequalities that exist in the matter of giving the Chairman of the Atomic Energy Commission $18,000 and the Under Secretary of Agriculture $20,000?

Mr. REES. It will not correct the inequalities to which the gentleman has called attention. It will be helpful however in that direction. As I said a while ago, this legislation is inequitable in so many respects and yet the leadership of the House has allowed only 1 hour's time in late afternoon, of which we are given only 30 minutes during which to discuss a piece of legislation that not only involves the expenditure of an additional million and a half dollars a year, but provides for the drastic increase in salaries of a selected top flight few in the executive department.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, the gentleman who preceded me said that this is an important piece of legislation. I agree with him in that regard. However, I cannot agree that it has not received full consideration by the Committee on Post Office and Civil Service of the House. Deliberations on this type legislation were started during the Eightieth Congress by a Senate committee headed by Senator Flanders. I was invited to sit with that committee as a guest. I had the privilege and opportunity of observing its work. I heard former President Hoover, Mr. Stevenson, head of the task force of the Hoover Commission, our former colleague, Mr. Ramspeck, and numerous other witnesses testify as to the necessity for this legislation. The adoption of this bill means economy and efficiency in Government and I would like you to follow this reasoning for the moment:

At the present time we have a $10,000 ceiling on the salaries that may be paid to career employees in the Government service. That is the block that is on the salaries and the block that is on efficiency in Government. As you have heard it stated, we have raised the lower level of employees by 56 percent, yet we have only been able to raise the upper level by less than 15 percent. A man who had a $9,000 a year job stopped at $10,000; a man who had an $8,000 a year job stopped when the increases brought his salary up to $10,000.

The Hoover Commission recognized this weakness in our pay system and sets it forth in several places in its report as follows:

> That in order to release the pressure and to establish a well-grounded merit system, it is necessary to raise the salaries of top-flight Government executives in order that the pressure may be released and we can raise the salaries of those career people who make the Government their life work.

On page 22 of the Personnel Management Report recommendation 11 reads:

> Congress should raise the present salary ceiling of $10,330 for career employees. At the same time, it should increase legislative,

judicial, and executive salaries at the level of assistant secretary, or its equivalent, and above.

The Commission has considered confining these recommendations to the executive branch alone. Although aware that it is exceeding its charter, the Commission has concluded that to recommend any increase in salary without taking the total picture into consideration, would confuse rather than clarify an action that is essential in strengthening our whole Government structure.

On page 37 of the Task Force Report on Federal Personnel it says:

The present compensation of Government officials should be increased, and a permanent plan should be established for keeping all salary levels, fixed by law, properly adjusted.

There must be an adjustment in relation to the salaries of the appointed executives and the salaries of those people who are in the career service. The second recommendation is:

Raise the ceiling of the top civil-service grades (CAF–15 and P–8) to $15,000.

I submit that it would not be consistent to raise the salaries of civil-service employees, career employees, within the executive departments to $15,000 a year, and leave that of the assistant secretaries, the work horses of the departments, at a salary lower than that paid to the career employees.

Oh, we have heard a lot about the influence of politics and that sort of thing. That may be true for the glamour jobs, such as the Secretary of State or even the Under Secretaries. But, how about the Assistant Secretaries, the people that do the real executive work in the departments, who carry out the programs laid down for them? How many of you can name a dozen of these Under Secretaries?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. REES. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, the Committee on Post Office and Civil Service labored long on the present legislation. When we started considering salary increases, the finances of this Government and of this country were very different from what they are today. For that reason I, at the present time, have very grave misgivings as to the wisdom of such legislation. It has been said that this bill carries out some of the recommendations of the Hoover Commission. That is true. It has also been said that Members of Congress are getting letters by the thousands from people back home advocating the putting into practice of the recommendations of the Hoover Commission. But, I would like to call your attention to one thing, the people who are writing from back home have not read all of the recommendations of the Hoover Commission. I doubt if any Member now on the floor of this House has read them all, and the reports of the task force. But, the people back home have seen the headlines. And, what do these headlines tell them? They tell them that the Hoover Commission has stated, and knows, that $3,000,000,000 can be saved in the Federal Government, and that is what the people back home are writing about. They are writing for economy. They are worried, and they have reason to be worried about the financial structure of this country and of the western world. I do not believe that those same people will be very happy to see us in this House single out just one thing in the Hoover Commission, namely, the increase of salaries for some of the top brackets in the executive branch of the Government.

It has been said that timing is not very important. On the contrary, Mr. Chairman, I believe that timing is all important in Government and in life, and this is not the time to increase the costs of government.

Another thing, why do these increases have to come at the top of the pyramid? I admit that many of these top executives are deserving of far higher salaries than they are receiving, I have no doubt as to that, but I am equally certain that they may be in a far better position to get along and to make ends meet, as has been said here, on their present salaries than many employees in the lower brackets.

We are also constantly told that it is difficult to get the caliber of people that are needed in Government and especially in executive positions. That I believe is a fallacy. The men and the women who want to serve their Government do not serve for cash. They know perfectly well that Government can never compete with private industry. But Government service gives us other things. Government service gives us an inner satisfaction. It gives us the feeling that we are doing our patriotic duty. Not only that, but Government service gives prestige and many other things that no private industry can give an individual. Many of us have gotten to the point where we know there are some things that cannot be purchased with dollars. Surely these men, in executive positions feel that way.

We are certainly not worried about Government employees leaving the Government when we hear that today the Federal Government is taking in employees at the rate of 350 per day. Therefore, that service cannot be so very distasteful.

While I was sitting here I happened to see a headline in a newspaper held by one of my distinguished colleagues on this rather sparsely filled floor. That headline said that there were 15,000 more Federal jobs that had just been restored by the Senate of the United States.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. MORRISON].

Mr. MORRISON. Mr. Chairman, this bill has had a great deal of consideration before the House Committee on Post Office and Civil Service. The committee has had at least six meetings on this bill. There has not been a single bill before our committee that has had more time or more deliberation than this bill, with the one exception of the very involved bill for the postal-rate increase. I can assure the members of this committee that each member of the committee had ample time to give his or her reasons both for and against each increase.

The original bill that was presented to the committee was compromised, and that bill which was submitted by the chairman was finally adopted, with a few exceptions. I can say that this bill not only has the endorsement and support of many of those who appeared before the committee, but it also has the approval of, and is recommended for passage by the American Bar Association. The board of directors of the chamber of commerce have endorsed this legislation. I have a number of telegrams which were sent to various Members of the Senate and House recommending the passage of this particular legislation. I will read a few of these telegrams to different Members from some of the leaders in business as well as leaders in other outstanding organizations:

FEBRUARY 5, 1949.

The Honorable HERBERT O'CONOR,
*Senate Office Building,*
*Washington, D. C.:*

Hope it will be possible for you to support bill to increase salaries of top Government executives. Believe in long run it will be economy measure. Have seen many instances where first-rate men from education as well as business felt they could not afford accept important Government posts. Believe proposed measure would help attract better personnel.

Regards,

DONALD K. DAVID,
*Dean, Harvard Business School.*

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FEBRUARY 9, 1949.

Senator HERBERT O'CONOR,
*Senate Office Building,*
*Washington, D. C.:*

Having had the experience over the past few years of seeing Government lose the services of very able men because they could no longer afford to work for the meager salaries Government could pay, I respectfully urge you to support Senator FLANDERS' bill to increase salaries of 200 top Government executives. The cost will be comparatively small and the rewards are certain to be great.

W. L. CLAYTON,
*Anderson & Clayton & Co.*

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FEBRUARY 7, 1949

Senator HERBERT O'CONOR,
*Senate Office Building,*
*Washington, D. C.:*

I am strongly in favor of Flanders bill to increase salaries of 200 top executives. Hope you can give it your full support.

ALFRED C. FULLER,
*Chairman, the Fuller Brush Co.,*
*Hartford, Conn.*

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FEBRUARY 7, 1949.

Senator HERBERT O'CONOR,
*Senate Office Building,*
*Washington, D. C.:*

Understand bill, S. 498, introduced to increase salary of some 200 top Government executives is up for immediate consideration. Government, the biggest business on earth, needs the best administrators it can get. Hoover is confident his recommendations cannot be carried out except by able administrators and that salary increases are fundamental in attracting right men. I agree with him and hope you do and that you will favor adoption of bill.

FRED LAZARUS, Jr.,
*President, Federated Department Stores, Inc.*

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MIDDLETOWN, OHIO, *February 7, 1949.*

Senator HERBERT O'CONOR,
*Senate Office Building,*
*Washington, D. C.:*

I strongly urge your support of the bill to increase Federal executive salaries. After

spending a year as chairman of the Advisory Commission on service pay, which made necessary a study of civilian business executives compensation and a comparison with top Government executives' compensation, I am convinced the Hoover recommendations if approved will result in more economic administration.

ARMCO STEEL CORP.,
CHARLES R. HOOK,
*Chairman.*

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FEBRUARY 8, 1949.

Hon. GEORGE P. MILLER,
*House Committee on Post Office and Civil Service,*
*House of Representatives,*
*Washington, D. C.:*

As a businessman, I am happy to endorse House bill 1689, authorizing increased pay for heads of executive departments and independent agencies. Efficient administration of public business demands today payment of adequate compensation to policy-directing heads in the executive branch of the Government. This will serve to attract to Government service the highest type of qualified person and insure the retention of the experienced and able public servant.

ERIC A. JOHNSTON,
*President, Motion Picture Association of America, Inc.*

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*United States Senate,*
*Washington, D. C.:*

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ERIC A. JOHNSTON,
*President, Motion Picture Association of America, Inc.*

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FEBRUARY 7, 1949.

The Honorable HERBERT O'CONOR,
*United States Senate,*
*Washington, D. C.:*

I urge support of bill S. 498, to increase salaries of 200 top Government officials, as it would appear almost a governmental necessity to adjust these salaries to modern conditions.

JOHN D. BIGGERS,
*President, Libbey Owens Ford Glass Co.*

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CANTON, N. C., *February 8, 1949.*

Senator HERBERT O'CONOR,
*Senate Office Building,*
*Washington, D. C.:*

I am greatly interested in Senator FLANDERS' bill providing for increases in salaries for certain keymen in Government and desire to express hearty approval of Senator FLANDERS' objectives. With all other businessmen and taxpayers, I am most anxious to see great reductions in the cost of Government; but I am convinced that the Government cannot get and keep the type of men it should have in positions of responsibility unless it pays them salaries commensurate with the skill and experience required.

REUBEN B. ROBERTSON,
*President, Champion Paper & Fiber Co.*

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FEBRUARY 7, 1949.

Hon. HERBERT O'CONOR,
*Senate Office Building,*
*Washington, D. C.:*

We New Englanders know value of dollar, but hiring mediocre help is false economy. Strongly urge your subcommittee to report favorably S. 498. Must pay adequate salaries to obtain competent men to handle biggest business in world.

S. ABBOT SMITH,
THOMAS STRAHAN CO.,
*Chelsea, Mass.*

Mr. REES. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I do not believe there is any great issue involved here. We want these top executives to have an increase in salary. The question is how much? I am going to support the Rees amendment when it is offered for the reason that I feel that the increases granted by it are very adequate at this time.

I know something else which I am sure all of you also know, and that is that salaries, once increased by this body, are never decreased. If we find that the increases which may be granted are not sufficient, Congress can raise the salaries again. But decreasing salaries is a job that we have never been able to satisfactorily accomplish. The increases which are granted by the bill are, in many cases, simply too high to justify their adoption. All the telegrams that have been read to you and all of the recommendations that have been brought out are in favor of salary increases for these 244 executive personnel, but they do not advocate any specific amount. I believe you will find on close examination of the Rees substitute amendment that the Congress will, by passing that amendment, be very generous with its executive officials.

We should note also that everyone who is supporting this bill is opening the gates to all kinds of requests for salary increases from the 2,000,000 or more Federal employees. So we ought to take note of the fact that in pushing for these increases ranging up to 100 percent, it is going to be most difficult to refuse to give increases to others who are doing the hard job of efficiently carrying out the functions of this Government.

So I am going to urge my colleagues that at the proper time they support the Rees amendment, and if that should prove in later years to be insufficient, other increases can be granted.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. CORBETT] has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I recognize the need for an increase in salary for the heads of these departments. There has not been an increase for these executives in quite a while. At the same time, I also recognize the fact that the increases should be reasonable ones.

In the bill that is presented the House there is a policy involved. I asked the question of every witness who appeared before our subcommittee whether or not he believed that as a matter of policy, without regard to whether or not congressional salaries were adequate or inadequate, he would advocate more pay for the heads of these executive departments than is received by Senator LUCAS, the majority leader in the Senate, or that received by the majority leader of the House of Representatives, who must go home every 2 years and seek reelection at the hands of his people. I am still awaiting an answer.

I believe the amendment that has been offered by the gentleman from Kansas [Mr. REES] is reasonable. I have discussed these figures with the gentleman from Kansas. The figures that are presented by his substitute give an adequate and reasonable raise to each of these department heads.

As was so appropriately stated by the lady from New York [Mrs. ST. GEORGE], people do not look to the compensation received in Government as their only incentive for serving. They receive a part of their compensation in the knowledge that they have rendered a public service. The way I look at it, a rich man does not look at the salary he is to receive from the Government of the United States for his service as an incentive. The poor man thinks that $10,000 or $12,000 is a good salary and is delighted to get that kind of job. So you are not going to help the situation by raising these salaries 50 or 60 percent, as is called for in the committee bill. I am not willing to say, for instance, that an under secretary of any of the departments is worth as much to his Government and to the people of the United States as the majority leader or the minority leader in either the House or the Senate.

Mr. Chairman, I intend to speak again when the gentleman from Kansas [Mr. REES] has offered his substitute amendment. It is my understanding that there are available quite a number of copies of the Rees amendment and also an outline showing comparison between the Rees amendment, the present bill as amended, the bill as originally presented, and the present salaries drawn by these employees. I figured it up last night for the employees covered by the Rees amendment, some 205, and found that their salaries will be raised by 26.7 percent. In my opinion, that is a reasonable increase.

Not one person appeared before our subcommittee who could tell us of a single instance of a man who was about to resign because his salary was inadequate, nor could they tell us of a single instance in which a man would be replaced if this new salary bill were not enacted, replaced by a better employee.

Mr. REES. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. GROSS], a member of the committee.

Mr. GROSS. Mr. Chairman, I take this time to briefly state my opposition to the pending bill, H. R. 1689.

I was a member of the subcommittee that held hearings on this measure; I voted against sending any such proposal as this out of the Post Office and Civil Service Committee.

I am not opposed to reasonable and equitable salary increases, but this proposal is unthinkable, unreasonable and inequitable. What is sacred about a $2,000 or $2,500 annual salary increase? Yet nearly all these increases are many times that amount.

In the hearings on H. R. 1689 not a single witness attempted to justify the proposed increases on the basis of increased cost of living. Over and over

again we heard the story that salaries at the proposed figures had to be paid to keep private industry from taking men from Government service. Yet not a single witness could or would produce figures to substantiate claims that those leaving Government service for private employment had bettered themselves materially.

In considering this outlandish salary increase proposal let's also keep in mind that many of those benefited under this measure are supplied with automobiles, chauffeurs, and practically unlimited expense accounts.

I say again that I am not opposed to reasonable salaries for Government officials. But in this matter, let us start with the little fellow at the bottom of the list—raise these workers where increases are needed. If there's anything left then apply it at the top. In other words, let us reverse the old procedure of giving the crumbs to the little fellow at the bottom of the list.

Yesterday, President Truman told newspaper reporters he is bullish about the economic condition of this country. In the same issue of the same paper—Washington Star—Secretary of Agriculture Brannan is quoted as saying the economic situation of farmers is becoming serious. The President ought to know that in a Nation, whose basic industry is agriculture, there is no reason for feeling bullish when the economic situation of farmers is serious.

Any such salary increases as proposed here are not compatible with the economic and debt situation that confronts this country. Further unnecessary expenditures on the part of the Government will only produce greater deficits and no matter how thin President Truman slices his bullishness the result will still be the same.

This bill will set a bad precedent in the matter of salaries and wages. It should have been amended in committee, not on the floor of the House. I am against it and whether or not there is a roll call my vote is hereby recorded in opposition.

Mr. REES. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, this bill should be returned to the place whence it came and in due time returned to the lodge, and if a member of the committee itself does not offer a motion to recommit I shall do so on the basis of the inequalities which appear in the bill.

If the Members will read the bill they will see what I mean. The Under Secretary of any department, the Under Secretary of Agriculture, for instance, is to receive $20,000 under the bill, but the Chairman of the Atomic Energy Commission, who has one of the most responsible jobs in the United States today, is to receive $18,000. The head of the CIA is increased from $14,000 to $17,500, while J. Edgar Hoover, head of the FBI, is increased from $14,000 to $15,000.

Every one of these Under Secretaries and Assistant Secretaries will receive more than Senators and Congressmen, yet do not have the expenses laid upon them that are laid upon Members of Congress.

The Chairman of the Council of Economic Advisers is to be rewarded with a salary of $17,500 while, as I said, the Assistant Secretaries of the various departments are to receive as much as he will get.

The head of the Reconstruction Finance Corporation, handling billions and billions of dollars, is to be given a salary of $16,000 a year while the Under Secretary of Commerce is to receive $20,000 a year.

Mr. Chairman, there is no justification for this lack of balance in the bill about which I am speaking. I have so little time that I cannot go into more detail, however if the Members will take the list of salaries in the mimeographed statement, or in the bill itself, they will understand what I mean by saying this bill should be sent back to the committee for the correction of its obvious inequalities.

Mr. Chairman, what brought up a bill like this? At the present time there are probably not more than a few dozen salaries in the entire Government picture that actually need to be increased, and these are specialists of various kinds. There are specialists in the Department of Agricuture, with whom the gentleman from Georgia, who has just risen, is familiar. Two or three of these specialists in their lines finally left the department because they could get higher salaries in outside positions; yet it was stated they would have stayed if the salary were raised from $10,000 to $15,000. We tried to meet that situation in the Appropriations Committee by allowing three salaries to go above $10,000, but not over $15,000, but another body of the Congress decided against this change. This does not mean we have to take every salary in Washington and raise an assistant secretary, for example, above men who administer large and important Government agencies.

Mr. REES. Mr. Chairman, I yield the remainder of my time to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, I had not intended to speak on this bill, but there has come to my attention what is taking place in the city of Detroit or in the Detroit area. I think it worth while to mention it to the House. Canada has repealed its wartime excise taxes. As a result of that, the jewelers in Detroit find that people are crossing the Detroit River to Windsor, Canada, just 1 mile away, to make their purchases. They go to Canada and buy their jewelry where there is no excise tax. We still have an excise tax of 20 percent on jewelry. People are crossing the river to buy transportation tickets because they can buy them 15 percent less than they can buy them in the city of Detroit. Why? Because the United States has not reduced its wartime excise taxes and Canada has. There is no restraint on public spending. No effort toward economy, and there is no hope for the reduction of taxes. Only a change in public opinion or collapse of our economic system will halt this spending spree.

I realize this is a small bill, with probably less than $1,250,000 involved, and no doubt there are many justifications in this bill for an increase in salary. One, in particular, I think, should be increased more than it is, and that is the salary of J. Edgar Hoover, head of the FBI. That agency has served this Nation in a splendid way and has kept a leash on those within our midst who would destroy this Government and its way of life.

In my opinion there is no restraint on Federal spending here in the Nation's Capital. If one looks at the report of the Secretary of the Treasury, he will become alarmed. Here are his figures which I am going to give you. It shows that there is a change of over $10,000,000,000 in receipts and expenditures of this Government in the short space of 12 months. When will Federal spending be curtailed or reduced? Not one of us in this body nor anyone else has ever been able to beat simple arithmetic. It cannot be done. As an example of public spending, take the subject of eggs. It has cost the taxpayers of this country $93,000,000 for the support price on eggs alone during the last year. That is just one thing.

In addition to that, here are the figures from the Secretary of the Treasury summarizing budget results for the fiscal year 1949 compared with 1948. In 1948—and I am speaking of the fiscal year—the receipts of this Government were $42,250,000,000; for 1949, $38,000,000,000, a drop of almost $4,000,000,000 in receipts.

What about expenditures? In 1948 expenditures were approximately $34,000,000,000; in 1949, approximately $40,000,000,000, or an increase of over $6,000,000,000, and the deficit we find this year, as it ended on July 1 for the fiscal year, was $1,810,000,000. The difference between receipts in 1948 and in 1949, and the expenditures amount to $8,419,000,000, or a total change of over $10,000,000,000.

I admit that $1,250,000 provided in this bill will not provide an enormous strain on the financial structure of the Government, but it does become alarming when we consider the trend in this country.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Georgia.

Mr. PACE. I just wanted to state that it seems to me very unfair to grant Mr. Hoover, who is trying to protect the security of this Nation, a raise of only $1,000, while you are granting men of lesser or insignificant responsibility raises of from $7,000 to $10,000.

Mr. DONDERO. The gentleman is entirely correct, and I agree with him.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Kansas.

Mr. REES. I will say to the gentleman that in the original bill J. Edgar Hoover was not even included, but the committee put him in for an additional $1,000.

Mr. DONDERO. Yes, I understand that; and when we consider that increase in pay with the increases accorded to others, I think it is insignificant.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, I join with my colleagues who look upon our Federal budget today with concern. The gentleman from Michigan [Mr. DONDERO] spoke apparently in support of the repeal of the excise taxes. I realize that these were wartime taxes and we should take wise action in determining what is best for our entire economy with reference to excise taxes. However, I think the gentleman needs to recall the action of the Eightieth Congress and be frank enough to admit that we have the excise taxes today because they were made permanent during the Eightieth Congress in order to effect the Eightieth Congress income tax cut. It is generally conceded that the income-tax cut made during the Eightieth Congress could not have been done without the retention of the excise taxes. Therefore, in a large measure the condition of the Federal budget position today is due to the action of the Eightieth Congress in cutting income taxes at a time when there was little demand for such action except from those best able to pay. I recognize the fact that it now appears perhaps unwise to increase taxes, but we should certainly orient our thinking in terms of what is best in carrying out the services of the Federal Government and not make the mistakes that were made in the Eightieth Congress in breaking down the tax-producing methods that are so essential if we maintain the services demanded by the people of this country.

I am one of those who believe in protecting our Federal economy by bringing into the Federal service our best and most able administrators. Therefore, must we not, Mr. Chairman, take action now in behalf of our national economy by extending some degree of consideration to those key men in the Federal service who must have some consideration from this Congress. We certainly will take favorable action if we believe in good administration.

At the present moment it appears that there is pending before the Congress for national defense a suggested appropriation of $13,000,000. I submit, Mr. Chairman, that we could very easily suggest some real economy in the national-defense program to the end that the amount of money represented by the increase in Federal expenditures in this bill could easily be absorbed without injury whatsoever to the national-defense program.

Mr. Chairman, the Comptroller General of the United States, the Honorable Lindsay C. Warren, is looked upon by all of us who know him as one of the most outstanding public servants in the Federal service. Within recent days Mr. Warren appeared before the Subcommittee on Compensation and Personnel, Committee on Post Office and Civil Service, United States Senate, in support of additional compensation for key personnel in the Federal service. I would like to quote from the statement by our able and outstanding Comptroller General:

I served for 16 years as a Member of the House of Representatives. Throughout that period and in my present capacity as Comptroller General, I have been deeply concerned at the growing difficulty of attracting able men to the service of the Government and keeping them there. I do not intend what is said here to be taken as criticism of any officer now in the Government. Indeed, I have said many times that we have some of the finest administrators to be found anywhere. Rather it is my hope that something will be done to keep these men and to obtain the services of others of equal caliber.

The task of administering a large and far-flung organization is by and large one of getting the right men for the right jobs and retaining them. The necessary formula for a successful private business is to get the best men you can to run it, whether at high cost or low. Such necessity is tenfold greater in the Government—the biggest business in the world—where the stakes are so high, the operations so broad, and the pitfalls so deep. We cannot hope to get and retain such men if we will not pay the price. Right now I think it will be conceded that the reward—if it can be called that—for public service too often is pitifully inadequate. Too often the compensation is trivial when compared to the job being done and what could be earned elsewhere. It has driven out many of those best qualified, has created hardship on those who stay at their posts through devotion to duty, and operated as a deterrent to any effective injection of new blood.

There are both rewards and penalties for those in public office. I do not advocate that the Government meet salaries offered by industry, because that cannot be afforded. But at least the salaries should be such as to attract and keep able public men without too great a sacrifice on their part. Widely in the Government service there are spread groups of fine employees who demand and are paid the prevailing wage scale. The Congress requires that the same scale be paid by those holding large Government contracts. I know no justification at all for denial of somewhat more nearly prevailing wages for the relatively few executives who are responsible for directing the far-flung activities of the Government. It is obvious that some (I repeat some) narrowing of the widespread in executive salaries between private and public business is called for.

I do not plead the cause of any job holder, or ask for help or benefits for anyone, no matter how deserving. It has been and is my policy—though sometimes seeming to be a voice crying in the wilderness—to speak out for the interests of the Government, which means for the interests of the United States as a whole. Government is called upon to be, in a worldly sense, the savior and protector of all of us, our bulwark for a free economy in a troubled and confused world. Is it not obvious we hurt ourselves, that is, our country and its people, when we fail to provide the wherewithal to get done the job the people demand? Are we not being penny wise, pound foolish?

What are the facts? I know of my own knowledge of a number of agency heads who after fine and faithful service were forced to leave for the greener pastures elsewhere, and I know of many other able men whose services the Government was denied because in this competitive world the biggest business of them all could not reward them according to their worth. The fact is that in some quarters the turn-over has been so frequent that no sooner do we in our daily contacts get acquainted with those in charge than they are changed and new ones come in. The sad part is that many leave just as they have learned to know their jobs and are in position to render service of real value—and sometimes even before. Some executive positions in the Government have gone begging for months.

In my reports to Congress I have called to account time and time again agencies which were poorly run, inadequately staffed, incompetently managed. This has been done in pursuance of my duty under the law, and with full knowledge that the need is for better management in the executive positions. We have all said we must have better men to turn the wheels of Government. But here as anywhere else, you get only what you pay for.

Anyone who really seeks better Government, who opposes waste, extravagance, and inefficiency, will further that cause by supporting this legislation to give the President the best human equipment to run this complicated Government machine. I think this bill goes far—perhaps here and there not far enough—to supply that need. I endorse it wholeheartedly and congratulate you gentlemen for your resolution to do something to remedy a bad situation in our Government.

Mr. Chairman, there has long been a compelling need to increase the rates of compensation of heads and assistant heads of the executive departments and other officials of the Government who are charged with much responsibility. I sincerely feel that some action in this direction must be taken if the Government is to obtain and keep the services of qualified executives. The Government may be able to obtain the services of persons to fill these responsible positions at the present salary rates only if it disregards the qualifications of such persons.

Once the services of capable persons are obtained for these executive positions, consideration must be given to the retention of them. Any appreciable turn-over in top-flight executives is not in the interest of the Government. Many top-flight executives will remain in these Government positions where extraordinary ability is required for a limited time only unless there is some provision for adequate salaries.

The annual salaries of top executives in outside industry, in positions comparable to the positions covered in this proposed legislation, range from $75,000 to $300,000 per annum.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield the balance of my time to the gentleman from Minnesota [Mr. MCCARTHY].

Mr. MCCARTHY. Mr. Chairman, I take this time to correct one or two of the remarks made in debate by the opponents of this pay increase.

The gentleman from Pennsylvania observed that once pay increases are given there is no tradition of any reduction. I would remind him of the Economy Act of 1934, which is within the memory of most of us, when Government salaries were reduced by 15 percent.

The opponents of this increase are, however, in good tradition in insisting upon low pay for public servants. The expression of this attitude goes back to the Constitutional Convention in 1887. At that Convention, Mr. Gerry, from Massachusetts, stated:

One of the principal evils in representative government arises from the want of due provision for those employed in the administration of government. It would seem to be a maxim of democracy to starve the public servant.

For the information of the committee, a comparison of the salaries now being paid to the civilian employees of the Government with those which this House approved for the members of the armed services points out some rather interesting contrasts. At the present time, according to the committee report, there are slightly over 3,000 civilian employees who receive more than $10,000 a year, out of about 2,000,000 employees. Under the pay bill we have just passed there will be 27,784 members of the armed services who will receive more than $10,000 per year, out of slightly more than 1,500,000 members.

There has been some concern expressed here that Government employees should receive a good deal of satisfaction which is nonfinancial or nonpecuniary in nature. Let me say to the members of the committee that if this pay bill is passed Government employees will still have an opportunity to enjoy that kind of satisfaction. The salaries proposed in this bill are so far below those paid in comparable positions in private industry that public service will not be for sale and loyalty and patriotism not reduced to a cash-payment basis.

The CHAIRMAN. The time of the gentleman from Minnesota has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be $25,000 per annum.

SEC. 2. (a) The rate of basic compensation of the Chairman of the Atomic Energy Commission, the Administrator for Economic Cooperation, the Comptroller General of the United States, the Chairman of the Council of Economic Advisers, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, the Chairman of the Board of Governors of the Federal Reserve System, each Under Secretary of an executive department, the Assistant to the Attorney General, the Solicitor General of the United States, and the First Assistant Postmaster General shall be $22,500 per annum.

(b) Section 105 of title 3 of the United States Code is amended to read as follows:

"COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

"SEC. 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding $22,500 per annum, three at rates not exceeding $20,000 per annum, and seven at rates not exceeding $17,500 per annum."

(c) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: "The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title."

SEC. 3. (a) The rate of basic compensation of the Housing and Home Finance Administrator, the Federal Works Administrator, the members (other than the Chairman) of the Board of Governors of the Federal Reserve System, the members (other than the Chairman) of the Council of Economic Advisers, the members (other than the Chairman) of the Atomic Energy Commission, the Public Printer, the Librarian of Congress, the Federal Mediation and Conciliation Director, the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Director of Central Intelligence, the Deputy Administrator for Economic Cooperation, the Assistant Comptroller General of the United States, the Assistant Director of the Bureau of the Budget, the Executive Assistant Administrator of Veterans' Affairs, and the Assistant Federal Security Administrator shall be $20,000 per annum.

(b) The first sentence of section 603 of title 28 of the United States Code (relating to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

"The Director shall receive a salary of $20,000 a year."

SEC. 4. (a) The rate of basic compensation of the members of the Home Loan Bank Board; the Public Housing Commissioner; the Federal Housing Commissioner; the Housing Expediter; the War Assets Administrator; the Director of Selective Service; the Director of Aeronautical Research of the National Advisory Committee for Aeronautics; the Archivist of the United States; of all members of the Civil Aeronautics Board; the Displaced Persons Commission; the Board of Directors of the Export-Import Bank of Washington; the Federal Communications Commission; the Board of Directors of the Federal Deposit Insurance Corporation (including the Comptroller of the Currency); the Federal Power Commission; the Federal Trade Commission; the Interstate Commerce Commission; the National Labor Relations Board; the National Mediation Board; the Railroad Retirement Board; the Board of Directors of the Reconstruction Finance Corporation; the Securities and Exchange Commission; the Board of Directors of the Tennessee Valley Authority; the Civil Service Commission; the United States Maritime Commission; the United States Tariff Commission; the Indian Claims Commission; the War Claims Commission; the Philippine War Damage Commission; the Board of Commissioners of the District of Columbia; of the General Counsel of the National Labor Relations Board; each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury); each Assistant Attorney General; the Assistant Solicitor General of the United States; the Counselor of the Department of State; the Second, Third, and Fourth Assistant Postmaster General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; the Architect of the Capitol; the Assistant Federal Works Administrator; and of the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal shall be at the rate of $17,500 per annum. Notwithstanding the act of February 23, 1931 (5 U. S. C. 152a), the salary of the legal adviser of the Department of State shall not be increased as a result of this act.

(b) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows: "The Assistant Director shall receive a salary of $17,500 a year."

SEC. 5. In any case in which the chairman or other head of a board or commission, the rate of basic compensation for members of which is prescribed by section 4 of this act, has important duties or responsibilities not imposed upon other members of such board or commission, the President is authorized in his discretion to fix the compensation of such chairman or other head at the rate of $20,000 per annum.

SEC. 6. (a) Section 304 of the Postal Rate Revision and Federal Employees Salary Act of 1948 is hereby repealed effective as of July 3, 1948. No additional compensation shall be payable by reason of the enactment of this section for any period prior to the date of enactment of this section for any period prior to the date of enactment of this act in the case of any person who is not an employee in or under the municipal government of the District of Columbia on such date of enactment.

(b) Effective as of the first day of the first pay period which began after June 30, 1948, each of the rates of basic compensation provided by sections 412 and 415 of the Foreign Service Act of 1946 (U. S. C., title 22, secs. 867 and 870) which do not exceed $10,000 are hereby increased by $330. No additional compensation shall be payable by reason of the enactment of this section for any period prior to the date of enactment of this act in the case of any person who is not a Foreign Service officer or a Foreign Service staff officer or employee on such date.

Mr. REES. Mr. Chairman, I offer an amendment in the nature of a substitute.

Mr. MURRAY of Tennessee. Mr. Chairman, this bill is in the form of a committee amendment. The original bill was stricken out and this language inserted. I think the committee amendment should be perfected by any amendments before the substitute is taken up.

The CHAIRMAN. The Clerk will read the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the enacting clause and insert "That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be $25,000 per annum.

"SEC. 2. (a) The rate of basic compensation of the Administrator for Economic Cooperation, the Comptroller General of the United States, the Chairman of the Council of Economic Advisers, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, each Under Secretary of an executive department, the Assistant to the Attorney General, the Solicitor General of the United States, and the First Assistant Postmaster General shall be $20,000 per annum.

"(b) Section 105 of title 3 of the United States Code is amended to read as follows:

"'COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

"'§ 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding $20,000 per annum, three at rates not exceeding $18,000 per annum, and seven at rates not exceeding $16,000 per annum.'"

(c) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: "The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title."

"SEC. 3. (a) The rate of basic compensation of the Housing and Home Finance Administrator, the Federal Works Administrator, the Chairman of the Atomic Energy Commission, the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Deputy Administrator for Economic Cooperation, the Assistant Comptroller General of the United States, the Assistant Director of the Bureau of the Budget, and the Deputy Administrator of Veterans' Affairs shall be $18,000 per annum.

"(b) The first sentence of section 603 of title 28 of the United States Code (relating to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

"'The Director shall receive a salary of $17,500 a year.'"

"(c) The rate of basic compensation of the Public Printer, the Librarian of Congress, the members (other than the Chairman) of the Council of Economic Advisers, the Director of Central Intelligence, the Federal Mediation and Conciliation Director, and the Assistant Federal Security Administrator shall be $17,500 per annum.

"SEC. 4. The rate of basic compensation of the members of the Board of Governors of the Federal Reserve System; the Director of Aeronautical Research of the National Advisory Committee for Aeronautics; members of the Civil Aeronautics Board; the Chairman of the Board of Directors of the Export-Import Bank of Washington; members of the Federal Communications Commission; members of the Board of Directors of the Federal Deposit Insurance Corporation (including the Comptroller of the Currency); members of the Federal Power Commission; members of the Federal Trade Commission; members of the Interstate Commerce Commission; members of the National Labor Relations Board; members of the National Mediation Board; members of the Railroad Retirement Board; the Chairman of the Board of Directors of the Reconstruction Finance Corporation; members of the Securities and Exchange Commission; members of the Board of Directors of the Tennessee Valley Authority; members of the Civil Service Commission; the Chairman of the United States Maritime Commission; members of the United States Tariff Commission; members (other than the Chairman) of the Atomic Energy Commission; the General Counsel of the National Labor Relations Board; the Architect of the Capitol; and the Assistant Federal Works Administrator shall be at the rate of $16,000 per annum.

"SEC. 5. (a) The rate of basic compensation of the Housing Expediter; the War Assets Administrator; the Director of Selective Service; the Archivist of the United States; members of the Displaced Persons Commission; members of the Indian Claims Commission; members of the War Claims Commission; members of the Philippine War Damage Commission; members of the Board of Commissioners of the District of Columbia; each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury); each Assistant Attorney General; the Assistant Solicitor General of the United States; the Counselor of the Department of State; the Second, Third, and Fourth Assistant Postmasters General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; members (other than the Chairman) of the Board of Directors of the Export-Import Bank of Washington; members (other than the Chairman) of the Board of Directors of the Reconstruction Finance Corporation; members (other than the Chairman) of the United States Maritime Commission; Administrator, Production and Marketing Administration; Commissioner of Internal Revenue; Director of the Bureau of Prisons; Director, Federal Bureau of Investigation; Commissioner of Public Roads; Commissioner of Public Buildings; Commissioner of Community Facilities; Commissioner of Immigration and Naturalization; Administrator, Rural Electrification Administration; Commissioner for Social Security; Commissioner of Reclamation; Chief, Soil Conservation Service; Commissioner of Customs; Governor of the Farm Credit Administration; Chief Forester of the Forest Service; Administrator of the Farmers Home Administration; the three Special Assistants to the Secretary of Defense; and of the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal shall be at the rate of $15,000 per annum. Notwithstanding section 30 of the act of May 24, 1924, as amended (U. S. C., title 5, sec. 152a), the salary of the Legal Adviser of the Department of State shall continue to be at the rate of $10,330 per annum.

"(b) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows: 'The Assistant Director shall receive a salary of $15,000 a year.'

"(c) The rate of compensation of the Legislative Counsel of the House of Representatives and of the Legislative Counsel of the Senate shall be $12,000 per annum.

"SEC. 6. In any caes in which the chairman or other head of a board or commission and the other members of such board or commission receive the same rate of basic compensation under this act, and such chairman or other head has important duties or responsibilities not imposed upon other members of such board or commission, the President is authorized in his discretion to fix the compensation of such chairman or other head at the rate of $18,000 per annum.

"SEC. 7. (a) Section 304 of the Postal Rate Revision and Federal Employees Salary Act of 1948 is hereby repealed effective as of July 3, 1948. No additional compensation shall be payable by reason of the enactment of this section for any period prior to the effective date of this act in the case of any person who is not an employee in or under the municipal government of the District of Columbia on such date.

"(b) Effective as of the first day of the first pay period which began after June 30, 1948, each of the rates of basic compensation provided by sections 412 and 415 of the Foreign Service Act of 1946 (U. S. C., title 22, secs. 867 and 870) which do not exceed $10,000 are hereby increased by $330. No additional compensation shall be payable by reason of the enactment of this section for any period prior to the effective date of this act in the case of any person who is not a Foreign Service officer, a Foreign Service Reserve officer, or a Foreign Service staff officer or employee on such date.

"(c) No person whose compensation is increased by this section shall be entitled to any overtime pay, or compensation for night and holiday work, as provided in sections 201, 301, and 302 of the Federal Employees Pay Act of 1945, as amended, based on the additional compensation provided by this section for any pay period ending prior to the effective date of this act.

"SEC. 8. This act shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

Mr. MURRAY of Tennessee (interrupting the reading of the committee amendment). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and that it be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Chairman, I have several amendments at the Clerk's desk, which I now offer.

The Clerk read as follows:

Amendments offered by Mr. MURRAY of Tennessee:

On page 7, line 3, insert before the word "each", the following: "the Administrator of General Services."

On page 7, line 25, and page 8, line 1, strike out "the Federal Works Administrator."

On page 9, lines 17 and 18, strike out "Assistant Federal Works Administrator", and insert in lieu thereof the following: "Deputy Administrator of General Services."

On page 9, line 21, strike out "War Assets Administrator", and insert in lieu thereof, the following "Director of the Bureau of Federal Supply."

Page 9, line 23, insert after "States", the following: "the Assistant Architect of the Capitol."

Mr. ROGERS of Florida. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROGERS of Florida. Mr. Chairman, I have an amendment to section 3 on page 8. Would it take precedence over everything after that, or will I have the opportunity to offer it after the gentleman from Tennessee discusses these amendments?

The CHAIRMAN. The gentleman from Florida may be recognized to offer his amendment after the pending amendments are disposed of.

Mr. MURRAY of Tennessee. Mr. Chairman and members of the committee, these amendments, with the exception of the last amendment which was read by the Clerk are offered because of the enactment of the Federal Property Administrative Services Act of 1949, which was approved on June 30, 1949. This act transferred the functions of the War Assets Administration, the Federal Works Agency, the National Archives, and the Bureau of Federal Supply to the new agency known as the General Services Administration.

Because of this consolidation, the amendments are necessary to eliminate from H. R. 1689 the following positions: Federal Works Administrator, Assistant Federal Works Administrator; and the War Assets Administrator. All three of these positions were abolished by this act creating the Federal Property and Administrative Services. The act also provides for the appointment of an Administrator of General Services. He has already been appointed. His nomination has been confirmed by the Senate. The man is Mr. Jess Larson. The purpose of these amendments is to strike from this bill the War Assets Administrator, the Federal Works Administrator, the Deputy Federal Works Administrator, and to put in Mr. Larson as head of the Administrative Services Agency, putting him in the $20,000 bracket, because he has a most responsible position, having charge of public buildings, Federal works, ordering supplies, public roads, and the National Archives. Since the position of the Federal Works Administrator and the Deputy Federal Works Administrator and the War Assets Administrator have already been abolished by act of Congress, I am sure there can be no objection to striking those positions out of this bill and having the Administrator of General Services, and also

the Deputy Administrator of General Services included in the bill.

I propose to put the Administrator of General Services in the $20,000 bracket and the Deputy General Services Administrator in the $16,000 bracket. That is the purpose of the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Tennessee [Mr. MURRAY].

The amendments were agreed to.

Mr. REES. Mr. Chairman, I offer an amendment in the nature of a substitute for the committee amendment.

Mr. ROGERS of Florida. Mr. Chairman, I have a perfecting amendment to the committee amendment, which would take priority, as I understand it.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. ROGERS of Florida. Mr. Chairman, I have a perfecting amendment to the committee amendment, which would take precedence, in my opinion, over the substitute.

The CHAIRMAN. The Chair desires to make a statement. There is pending before the Committee a committee amendment. The gentleman from Kansas [Mr. REES] has offered an amendment which the Chair understands is in the nature of a substitute amendment. The gentleman from Florida, or any other Member, can offer amendments perfecting the committee amendment. The order will be, first, the amendment perfecting the committee amendments; next, on the perfecting amendments, if any, to the substitute amendment; then on the substitute amendment; and then on the committee amendment.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. If the substitute amendment is voted down, will the committee amendment still be open to amendment?

The CHAIRMAN. It will. The Clerk will report the amendment offered by the gentleman from Kansas.

Mr. ROGERS of Florida. Mr. Chairman, a point of order. My amendment is a perfecting amendment to the committee amendment. Will that not take precedence?

The CHAIRMAN. The gentleman will have an opportunity to offer his perfecting amendment.

The Clerk will report the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. MURRAY of Tennessee. Mr. Chairman, the Clerk did not read the last two amendments which I have on the Clerk's desk, which are perfecting committee amendments.

The CHAIRMAN. After the Clerk reports the amendment offered by the gentleman from Kansas [Mr. REES] the Chair will direct the Clerk to report the amendment offered by the gentleman from Tennessee.

The Clerk read as follows:

Substitute amendment for the committee amendment offered by Mr. REES: "That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be $25,000 per annum.

"SEC. 2. (a) The rate of basic compensation of the Comptroller General of the United States, the Chairman of the Council of Economic Advisers, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, the Administrator of General Services, each Under Secretary of an executive department, the Assistant to the Attorney General, the Solicitor General of the United States, and the First Assistant Postmaster General shall be $17,500 per annum.

"(b) Section 105 of title 3 of the United States Code is amended to read as follows:

"'COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

"'SEC. 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding $16,000 per annum, three at rates not exceeding $15,000 per annum, and seven at rates not exceeding $12,000 per annum.'

"(c) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: 'The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title.'

"SEC. 3. The rate of basic compensation of the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Assistant Comptroller General of the United States, the Assistant Director of the Bureau of the Budget, the Director of the Federal Bureau of Investigation, and the Deputy Administrator of Veterans' Affairs, the Public Printer, the Librarian of Congress, the Director of Central Intelligence, the Federal Mediation and Conciliation Director, and the Assistant Federal Security Administrator shall be $15,000 per annum.

"SEC. 4. (a) The rate of basic compensation of the Director of Aeronautical Research of the National Advisory Committee for Aeronautics; members of the Civil Aeronautics Board; members of the Federal Communication Commission; members of the Federal Power Commission; members of the Federal Trade Commission; members of the Interstate Commerce Commission; members of the National Labor Relations Board; members of the National Mediation Board; members of the Railroad Retirement Board; members of the Securities and Exchange Commission; members of the Board of Directors of the Tennessee Valley Authority; members of the Civil Service Commission; the Chairman of the United States Maritime Commission; members of the United States Tariff Commission; the General Counsel of the National Labor Relations Board; the Architect of the Capitol; the Deputy Administrator of General Services; the Housing Expediter; the Director of the Bureau of Federal Supply; the Archivist of the United States; members of the Displaced Persons Commission; members of the Indian Claims Commission; members of the War Claims Commission; members of the Philippine War Damage Commission; members of the Board of Commissioners of the District of Columbia; each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury); each Assistant Attorney General; the Assistant Solicitor General of the United States; the Counselor of the Department of State; the Second, Third, and Fourth Assistant Postmasters General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; members (other than the Chairman) of the Board of Directors of the Export-Import Bank of Washington; members (other than the Chairman) of the United States Maritime Commission; Administrator, Production and Marketing Administration; Commissioner of Internal Revenue; Director of the Bureau of Prisons; Commissioner of Public Roads; Commissioner of Public Buildings; Commissioner of Community Facilities; Commissioner of Immigration and Naturalization; Administrator, Rural Electrification Administration; Commissioner for Social Security; Commissioner of Reclamation; Chief, Soil Conservation Service; Commissioner of Customs; Governor of the Farm Credit Administration; Chief Forester of the Forest Service; Administrator of the Farmers Home Administration; the three Special Assistants to the Secretary of Defense; and of the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal shall be at the rate of $12,500 per annum. Notwithstanding section 30 of the act of May 24, 1924, as amended (U. S. C., title 5, sec. 152a), the salary of the Legal Adviser of the Department of State shall continue to be at the rate of $10,330 per annum.

"(b) The first sentence of section 603 of title 28 of the United States Code (relating to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

"'The Director shall receive a salary of $12,500 a year.'

"(c) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows: 'The Assistant Director shall receive a salary of $11,000 a year.'

"(d) The rate of compensation of the Legislative Counsel of the House of Representatives and of the Legislative Counsel of the Senate shall be $12,000 per annum.

"SEC. 5. In any case in which the chairman or other head of a board or commission and the other members of such board or commission receive the same rate of basic compensation under this act, and such chairman or other head has important duties or responsibilities not imposed upon other members of such board or commission, the President is authorized in his discretion to fix the compensation of such chairman or other head at the rate of $15,000 per annum.

"SEC. 6. This act shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

Mr. CORBETT (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the substitute be dispensed with. It is rather lengthy, but I understand copies are available at the Clerk's desk.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Would the gentleman from Kansas object to the Clerk reporting the amendments offered by the chairman of the committee [Mr. MURRAY]?

Mr. REES. I have no objection, Mr. Chairman.

The CHAIRMAN. The Clerk will report the committee amendments offered by the gentleman from Tennessee.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Tennessee:

Strike out section 7, beginning on page 12, line 1, and ending on page 13, line 2.

On page 13, after line 2, insert the following new section:

"SEC. 7. The applicable appropriation for the fiscal year ending June 30, 1950, shall be available for payment of compensation at the rate established for any position by or pursuant to this act unless it is specifically provided that such appropriation shall not be available for such purpose."

Mr. MURRAY of Tennessee. Mr. Chairman, the first amendment strikes out section 7, and is offered for this reason: It provided for a retroactive increase to July 1, 1948, of the classified employees of the District of Columbia and the foreign service, of $330 per annum. As the Members know, the Congress has already passed a bill authorizing retroactive pay of $330 per year for the employees of the District of Columbia and the Foreign Service, to July 1, 1948. So this language is not necessary and should be stricken out, because it has already been taken care of by separate legislation.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield.

Mr. DONDERO. And that will reduce the amounts specified in the report from about $6,000,000 to $1,237,000?

Mr. MURRAY of Tennessee. That is correct.

The second amendment, Mr. Chairman, is simply a clarifying amendment providing that the appropriations ending June 30, 1950, shall be available for the payment of this compensation.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

The CHAIRMAN. The gentleman from Kansas is recognized for 5 minutes.

Mr. REES. Mr. Chairman, in an effort to facilitate matters, because of the short time during which to discuss this measure, being only 30 minutes on our side, I have made reprints of my amendment available, also mimeographed copies of comparative statements with respect to the changes I propose in this legislation.

Before beginning a discussion of this amendment I recall that J. Edgar Hoover's name has been mentioned several times by other Members during this discussion. I also hold Mr. Hoover in the highest regard. In fact, I think he is one of the greatest men in Government today. Sometimes I think he has not received the support to which he is entitled, but let me say to you that when the bill was first submitted, the office of the Federal Bureau of Investigation was not included. It was put in the bill, however, by the committee at a salary of $15,000. My amendment does not change that figure. Personally, I agree he is entitled to higher pay.

Mr. Chairman, as I said at the outset, I am not objecting to reasonably increasing the salaries of this group of employees. I call your attention to the fact that these 240 people are not civil-service employees. Very few of them ever have been; so do not get them confused, please, with career employees. These people are appointed to jobs, appointed by the President, some confirmed by the Senate and others not.

My amendment does not affect the salaries of the members of the Cabinet, although you do increase their salaries as much as 66 percent in this bill. Now look at section 2 of the bill. You will find the Under Secretaries, and there are many of them who are presently being paid $10,330 a year. There are about four exceptions who get $12,000. Under this bill you pay them $20,000. In other words, you double their salaries at one swoop. My amendment attempts to compromise that figure. It seems to me that $20,000 for these Under Secretaries is far out of line.

Section 2 of this bill authorizes the President to employ assistants to the President, special counsel to the President, and secretaries to the President. In section 3, you have various assistants and deputy administrators, several of them presently receiving $10,000. This bill would pay them $17,500, an increase of $7,500 per year. This is an increase of 75 percent.

There is mentioned in this bill an office that many never heard of before, the Director of the Administrative Office of the United States Courts. He now gets $10,000; under this bill you give him $17,500. I think $12,500 would be liberal for that job.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from Georgia.

Mr. COX. I have examined the schedule prepared by the gentleman and which has been distributed pretty generally here in the House. I am wondering if the gentleman would not be willing to accept an amendment to his substitute by striking out the figure $12,500 appearing in line 7 on page 5, and inserting in lieu thereof $14,000?

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. REES. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Chairman, will the gentleman repeat his question?

Mr. COX. Would not the gentleman consider amending his substitute by striking the figure $12,500 on page 5, line 7, and inserting in lieu thereof $14,000? In the category you deal with there you have members of the Federal Trade Commission and others holding very responsible positions and they seem to be entitled to better treatment than the gentleman has suggested in the amendment he has offered.

Mr. REES. I may say to the gentleman I realize there are a number of public officials who are entitled to more pay than they receive. I appreciate the gentleman's views as I respect his opinion with regard to other matters that come to the floor of the House for consideration. His amendment relates to members of various commissions. I thought an increase of $10,000 to $12,500 should under the circumstances, be fair. These are appointive positions and usually extend over long periods of time. If the gentleman will submit his amendment in due time and the House wants to approve such increase, I will, of course, be required to submit to his proposal.

Mr. Chairman, a great deal has been said on the floor of the House about getting better qualified people for these particular jobs appointed by the President. I do not believe you will find men of much different caliber or qualifications in these positions just because you increase their salaries by 50 percent and 100 percent as you are doing under this legislation. It will be interesting to observe, in the event this bill is approved, whether there are changes in the appointments in these positions.

Men who serve in public office, which include Members of Congress, do not necessarily serve because of the salary they receive. Of course, they are entitled to sufficient salary to carry on, but they do not expect to make money out of such service. There are those who will tell you about certain individuals here and there who have served the Government faithfully and well and go out in industry and do better. I agree with that, but they accepted such positions because they wanted to serve their Government, and their country; otherwise they would not have been in Government at all. For instance, we read in the newspapers about one man who served in the President's Cabinet who could have commanded a much higher salary on the outside, but he stayed on the job in devotion to his duty. You cannot pay salaries to attract people like that to these jobs. There are many men who secure appointments not because of their particular qualifications. Too many are appointed because of political affiliation and by reason of service rendered to the party and contributions made to the party, rather than because they are particularly qualified for the jobs. In other words, political service comes first and qualifications second. Do not misunderstand me. This is not true in all cases, but in far too many. It would be interesting if you would take the time to look the list over and see how many are included in this bill who are appointed because of the reasons I have indicated.

I want to call your attention to one big factor in connection with this bill. After you have raised the salaries, as proposed in this bill, you are going to be confronted with additional bills that will raise salaries clear across the board and which will amount to not millions but to as much as $2,500,000,000.

I make this statement for the reason that in approving this legislation you are, as a matter of policy, approving much higher salaries for thousands of employees who now receive a $10,000 salary ceiling. As a matter of fact, there are thousands of faithful career employees who are just as much and even more entitled to such increases than those included in this special legislation for a selected few you are considering this afternoon. Again let me repeat these are not career employees.

Mr. Chairman, much has been said about the recommendations of the Hoover Commission. In this particular case the Commission did recommend higher

pay in policy-making positions, but certainly did not recommend these figures. But more important, I am sure, it was the intent of the Commission in making such recommendations that those employed would be appointed because of their particular fitness for the job and that political affiliation or obligation would be secondary.

Mr. MURRAY of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope the Members will vote this substitute amendment down. Your Committee on Post Office and Civil Service gave long deliberation to this bill. It is a compromise bill. This bill was introduced at the opening of Congress, and the Committee on Post Office and Civil Service did not reach a conclusion on the bill until March. So they had it under consideration for over 2 months. We had extensive hearings. We went into the matter most thoroughly and carefully, and, as I said, every position in the bill as originally introduced was lowered in salary except the salaries of the members of the Cabinet. We lowered the salaries of all other positions besides the Members of the Cabinet as much as $2,000 to $2,500.

I hope you will stay with the committee and vote this substitute down, because the substitute proposed is not justified by the gentleman from Kansas, who proposes to cut the salaries of some of these officials from $17,500 to $12,500. He makes a reduction of $2,500 in the salaries of officials getting $20,000. Then he reduces the salaries of those in the $18,000 bracket to $15,000, a reduction of $3,000. Then he reduces the salaries from $17,500 to $15,000, a reduction of $2,500. Then he reduced the salaries of those listed at $16,000 in this compromise bill to $12,500. Then he reduces the salaries of those listed at $15,000 to $12,500.

I know that the Members present here have not had the time, the opportunity, or the privilege to study this matter as the members of the Committee on Post Office and Civil Service have. We have worked long on this. We have brought out a good bill. It is a fair compromise. It is not exactly what the President asked for. We reduced the amounts in some cases. But I do say this, this is a nonpartisan measure; it is a bipartisan measure, and the salaries proposed are in line with the salaries of a bill introduced by the Republicans over in the other body at the Eightieth Congress. So it is not in any way a partisan matter, and I appeal to the Members to vote down this substitute.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The argument advanced by the gentleman from Tennessee, I trust, will commend itself to the Members of the House. The Committee on Post Office and Civil Service has given this matter very serious consideration. The bill before us now is a compromise bill, reducing, outside of the members of the Cabinet, the amounts recommended and sought for by the President. Now, if the substitute is defeated, then, on particular positions—such as the Director of the Federal Bureau of Investigation—an amendment can be offered to the committee amendment which will be pending before the House, and the few inequities that might exist in the minds of some Members can be clarified through such an amendment offered from the floor. I join with the chairman of the committee in expressing the hope and urging that the substitute offered in good faith, as it always is by the gentleman from Kansas, will be rejected.

Mr. MURRAY of Tennessee. I thank the gentleman from Massachusetts.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from Texas.

Mr. LYLE. I am impressed with the fact that this is not a salary-increase bill. I think, for the first time in the history of this country, your committee has studied the jobs affected and the work that they do and the responsibilities, and have set such salaries commensurate, so much as they could, with the work and not with the personalities involved. As I understand, it is not a salary increase for the people concerned that is involved, it is a reclassification of the positions, with the salaries being changed so as to be more nearly in accord with the responsibilities of those positions.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from Georgia.

Mr. COX. I have no quarrel with the position taken by the gentleman from Kansas, but I do wish to make this observation. The gentleman will be able to get the same consideration on the committee bill that he could get if his substitute were adopted. In other words, I cannot see the importance of the adoption of the gentleman's substitute in order to get consideration for the changes he desires.

Mr. MILLER of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a great deal has been said about timing in this bill and a great deal has been said about compromises. The bill as it now stands is a compromise. The original bill as introduced by me called for salaries of $17,500 for those positions which are fixed in the bill at $15,000. In the spirit of compromise in the committee, I accepted that. We fought that all out, and I thought that we were through.

May I read what Mr. Hoover had to say in connection with the original Flanders bill, from which the original bill, H. R. 1639, was taken. Appearing before the Flanders committee he said in part:

> I have seen the question raised that this means a vast increase in the expenditures of the Government and the advocacy of such a measure on the part of such a commission as the Commission on Reorganization is a contradiction of its purpose—reduction of expenditures.
>
> As the Commission has recommended it, it somewhat conflicts with the idea of reducing expenses; but, as a matter of fact, there is no greater economy in the Government than the attraction of greater ability and greater skill.

That is what this proposes. Let me reiterate what I have said before. The Hoover Commission has recommended in Appendix A of the Task Force Report that grades CAF–15 and P–8 be set at $15,000. Those are merit service jobs. These are the civil-service jobs. It is said the level should be raised to $15,000, and this bill places the assistant secretaries, who will supervise these high-ranking Government officials, at the same level that that it is proposed to pay them. I submit it is not good business, if we are going to carry out the Hoover Commission report, to pay civil-service employees $15,000 a year, and pay the executives who will administer and direct those people, $14,000 a year, or $12,500 a year. Verily, I say to you this is penny-wise and pound-foolish. We have hard this argument about the salaries of Members of Congress, and that they should not be paid more than that. Let us be factual. Our salaries are $16,500 a year. We pay ourselves $12,500, and we take $2,500 in nontaxable expenses. If you figure it out, it comes very close to $16,500 a year. So we would be paying the servant more than the master. But if that argument holds good, and you adopt the Rees amendment, then you are falling in the position of paying the employee, the servant, more than the master.

In respect to timing, may I say I quoted that from Appendix A of the Hoover Commission Report, the very first one to be filed. I feel that the schedule of bringing this bill out, a bill which will give us the proper type and encourage the proper type of Federal employee to administer the affairs of Government, is in good keeping and in consonance with the best thought and recommendation of the commission for which we appropriated $2,000,000.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ROGERS of Florida: On page 8, line 19, after the word "Administrator", insert "Director, Federal Bureau of Investigation."

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent to speak for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Chairman, the consideration of this bill at this particular time disturbs me somewhat. There is always a time for everything. The Good Book says there is a time to mourn and a time to rejoice. There is a time to laugh and a time to cry. There is a time to do this and a time to do that. But I want to say to the membership of the House I doubt seriously whether in our Nation's financial and economic condition at the present time we ought to increase the expenses of Government. I want

you to consider yourselves as directors of a great corporation. You are directors of a great corporation. You represent the stockholders of this great Government of ours. You have the duty of taking care of the interests of the people and of taking care of the Government. I appeal to your business sense and judgment. If you were called together to a meeting to pass on the policy of a corporation in which you were directly interested and where your money was being expended, and if there was facing you a deficit of $1,867,000,000, and an indebtedness of $252,000,000,000, if your corporation faced the possibility of going into the red more than $5,000,000,000 for the next fiscal year, what would you do? Would you increase the salaries of the employees of that corporation? Would you do it? That is what we are doing. We are here as representatives of the people of the respective States who are stockholders in this great Government of ours. We are here expending their money. We are asking them, in face of the facts which I have related to you, to increase the salaries of the heads and assistant heads of executive departments and independent agencies of this Government. Is it fair to them? Is it right? Do we know where we are going?

When the President sent his letter to the committee on January 6, 1949, the picture was a great deal different than what it is now. It looked like we had to deal with the problem of inflation. But since that time where have we gone? The members of the Council of Economic Advisers do not know where we are going. Mr. Nourse says we are in a state of disinflation. One of the other members says he does not know where we are. But we do know we are in a period of declining prices and business and in a period of increasing unemployment, which you may call recession, disinflation, or deflation.

I appeal to the common sense of your best judgment as to whether or not this is the proper time for us to consider increasing the expenses of Government by increasing the rates of compensation as provided in H. R. 1689. I say to you we should put this off until we find where we are. There is an economic storm brewing. I think it is unsafe for us to go on a spending spree now, not knowing where we are going.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. MURRAY of Tennessee. I understood the gentleman to offer an amendment. I understood that your amendment would give the Director of the FBI an increase to $17,500.

Mr. ROGERS of Florida. Yes.

Mr. MURRAY of Tennessee. Let me ask the gentleman this question. If we agree to amend the bill in accordance with the gentleman's amendment, will he then support the bill?

Mr. ROGERS of Florida. This is the only increase in salary that appeals to me, this increase to J. Edgar Hoover. I do not think we should go overboard and ask this Congress to increase salaries $1,237,000 at this particular time.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. MURRAY of Tennessee. If we agree to your amendment and the amendment is adopted, will the gentleman then support the bill?

Mr. ROGERS of Florida. I say to the gentleman that this is no time for us to launch into the expenditure of money for this program. It is not the time, because we do not know whether we are going into a depression or a recession or what not. Every man included in this bill, when he took his job, knew what he was going to get at the time he took the job. You cannot increase salaries during your term of office. Now, why not let this roll along for the time being, and then later on, in 1950, we will know possibly where we are going. We are floating somewhere. We all talk "economy, economy," but we do not practice it in a single way, in a single piece of legislation that this House has enacted. This legislation should be postponed.

However, should this bill pass, I think it should be amended to increase the compensation of J. Edgar Hoover. I am certain you will concur, if you will refer to page 64 of the report on H. R. 1689 and read the responsibilities of the Director, Federal Bureau of Investigation. We raised the salaries from anywhere from $5,000 to $10,000 at one swoop, at one stroke; yet here is a man looking after the national security—he looks after your security—who has been meagerly paid all the time he has been Director of the Bureau of Investigation. The thought struck me as having merit, that his salary should be increased. I therefore prepared an amendment transferring the Director of the Bureau of Investigation from page 10 to page 8, where I place him in a class with the Public Printer. The Public Printer will get $17,500; the Librarian of Congress will get $17,500; and I feel sure that the Members of the House believe that J. Edgar Hoover should get $17,500. Let me say to you that while he is no special friend of mine I do know him and know that he has done a splendid job for the people. If this bill is to be passed I think he should be placed in the class of those receiving $17,500. The adoption of my amendment would be a vote of confidence in J. Edgar Hoover and the splendid work he is doing for our Nation.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have no objection to the amendment offered by the gentleman from Florida; in fact, I think it is praiseworthy. We have no more faithful or more valuable public servant in America today than the present incumbent of the office of Director of the Federal Bureau of Investigation, J. Edgar Hoover.

The reason this office was not included in the original bill was because he was not an appointee of the President. Mr. Hoover is appointed by the Attorney General, not by the President. For that reason that office was not included; the bill, in its original form, did not include any official not appointed by the President.

I am disposed to accept the amendment, and I hope the gentleman from Florida will then vote for the bill.

Mr. FORD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, I support the amendment of the gentleman from Florida because my examination of the bill and the committee report reveals certain inequalities that are perfectly obvious to everyone. In fact, I have an identical amendment on the Clerk's desk. The Committee on Post Office and Civil Service has made the proposed salary adjustments on the basis of duties and responsibilities, but in my estimation they have missed the boat in evaluating the position of the Director of the Federal Bureau of Investigation.

Let me make a concrete comparison, and I have assembled the necessary data from the committee report on this bill. Mr. Tighe Woods is the Housing Expediter. He has the responsibility of administering the Rent Control Act. J. Edgar Hoover is the Director of the FBI—the organization that so ably protected our domestic security during the last war. Mr. Woods' present salary is $12,000 per year, while Mr. Hoover's is $14,000 annually. Under the proposed bill Mr. Woods will receive a salary of $15,000, an annual increase of $3,000, while the head of the FBI will receive only a $1,000 boost, making his salary the same as Mr. Woods'.

According to the committee report Mr. Woods, as Housing Expediter, will supervise 4,836 employees and manage a budget of $22,972,000 during fiscal year 1949. In contrast, J. Edgar Hoover, as head of the Federal Bureau of Investigation, in the same period supervises 9,664 employees and manages a department budget of $47,461,800. This comparison, using figures from the committee reports, shows that Mr. Hoover has approximately twice as many employees in his department and handles over twice as much money during a 12-month period, yet the committee recommends the same salary for both department heads. It does not make sense and if the committee has been as illogical in other specific cases I believe the bill should be returned to the committee for further study. In passing, I might add that the duties and responsibilities of Mr. Hoover, leaving aside the number of employees and expenditures, seem to be infinitely more important than those performed by the Housing Expediter.

Let me make another comparison. The Director of the Central Intelligence Agency holds a position in many ways comparable to the head of the Federal Bureau of Investigation. Under the proposed bill the present salary of the Director of the Central Intelligence Agency is $17,500 annually, an increase of $3,500 from the present salary. Since Mr. Hoover's work is equally important I firmly believe his salary should be identical. This amendment will accomplish that result.

The question of domestic security is of vital importance. We need the best personnel obtainable to insure the protection of our citizens. Mr. Hoover's record for the past 25 years is unassailable. The monetary reward proposed by my amendment, after long years of faithful and devoted service, is small compensation for his invaluable contribution.

Mr. CORBETT. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. CORBETT. Mr. Chairman, I wish to call attention to the Rees substitute amendment. This amendment provides for liberal salary increases; it provides for increasing the salaries of Cabinet members to $25,000; it provides generous increases for all of the 244 individuals covered by this bill.

Over all, Mr. Chairman, the Rees substitute would provide $700,000 a year in annual increases. We should therefore divorce from our minds the thought that this is a bill which does not increase salaries, for there are $700,000 worth of increases in the Rees substitute bill. As was pointed out during general debate, it is always easy to increase salaries; it is almost impossible to decrease them. As the gentleman from Florida, who preceded me, stated, this country is demanding economy from this Congress. In the days just ahead we are going to have an increasing avalanche of mail and public insistence that we cut the cost of Government. But here it is proposed that we grant increases up to 100 percent, according to the original bill. I say now, as I did before, there is no sharp controversy as to whether or not there should be increases but there is controversy as to what is a reasonable increase.

Mr. Chairman, I am going to urge the committee to support the Rees substitute, support it as a generous salary increase for executive officials, support it as a step toward improving the efficiency of the Government. And because the Rees substitute is justified is no reason why you should continue these increases up and up. You can accept the argument that a salary increase is in order but that does not mean that you have to jump some individuals $10,000 a year.

With the economic condition of the country as it is today, it would be, in my opinion, a very bad thing for us individually to send word out to the country, to the growing ranks of unemployed, that we upped the salaries of Government officials as much as $10,000 a year.

Mr. Chairman, I hope the Rees amendment will be accepted. In years to come if we find it necessary and desirable we can provide further increases.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on the substitute amendment offered by the gentleman from Kansas [Mr. REES], and all amendments thereto, close in 20 minutes.

Mr. CASE of South Dakota. Mr. Chairman, I wonder if the gentleman will not extend that. There are a great many Members on their feet. The Rees substitute is the most orderly amendment that has been offered.

Mr. MURRAY of Tennessee. This will not close time on amendments to the committee bill itself, just on the substitute.

Mr. CASE of South Dakota. I recognize that is true, but the gentleman from Kansas has worked out an orderly and systematic approach to amending the bill. Mr. Chairman, I object.

Mr. MURRAY of Tennessee. Mr. Chairman, I move that all debate on the substitute amendment and all amendments thereto close in 30 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I am sure that every good American in and out of Congress recognizes and appreciates the great job that J. Edgar Hoover has done in peacetime and in wartime, and every day and many nights. For that reason I certainly feel, as do many Members of this House, and I am sure I bespeak the feelings of the overwhelming majority of the American people, that the salary of J. Edgar Hoover should be commensurate with the great responsibility and the great risk and the wonderful job he has done. I would like to ask the gentleman from Kansas if he will not accept an amendment to his substitute providing that the Chief of the Federal Bureau of Investigation be raised to $17,500.

Mr. REES. Mr. Chairman, I will say to the gentleman that if he will offer an amendment increasing the salary of the Chief of the Federal Bureau of Investigation to $17,500, there will be no objection to it. It was not included in this substitute because the original bill provided only $15,000, and I was trying to keep in line with that bill. So, if the gentleman will offer such an amendment I will accept it, so far as being the author of the substitute is concerned.

Mr. JENSEN. Mr. Chairman, I ask unanimous consent that the amendment which I have just suggested be considered as a part of the Rees substitute and be adopted.

Mr. MURRAY of Tennessee. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MURRAY of Tennessee. Mr. Chairman, was not the amendment offered by the gentleman from Florida [Mr. ROGERS], which, in effect, increased the salary of the FBI director to $17,500 an amendment to the original committee amendment, or was it an amendment to the substitute offered by the gentleman from Kansas?

The CHAIRMAN. The gentleman from Florida offered his amendment as an amendment to the committee amendment.

Mr. MURRAY of Tennessee. And that has been adopted and is a part of the committee amendment?

The CHAIRMAN. The amendment has not been voted upon. No amendment has been voted upon. There is pending before the committee the committee amendment and a substitute, and the amendment offered by the gentleman from Florida. Does the gentleman from Iowa desire to offer his amendment now?

Mr. JENSEN. I offer this amendment to the Rees substitute to increase the salary of the Chief of the Federal Bureau of Investigation to $17,500.

The CHAIRMAN. Will the gentleman reduce his amendment to writing and send it to the desk?

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Would it be in order to propound a unanimous-consent request that both the committee amendment and the Rees substitute be modified to place the Director of the Federal Bureau of Investigation in the class receiving $17,500, in accord with both of the amendments that have been proposed?

The CHAIRMAN. The gentleman may submit such a unanimous-consent request, but the Chair would like to suggest that in the opinion of the Chair it would be better parliamentary procedure to submit the amendment in writing.

Mr. CASE of South Dakota. This was simply a unanimous-consent request that both the committee amendment and the Rees substitute be modified to place the Director of the Federal Bureau of Investigation in the $17,500 category.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

Mr. MURRAY of Tennessee. I object, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, I rise in support of the Rees substitute amendment.

Mr. Chairman, it has been well said on the floor of this House today that in the Committee on Post Office and Civil Service there is little partisanship, and that is true. That is a good thing.

There is also a spirit of compromise. I feel that this amendment is offered in a spirit of compromise. Some of us are alarmed at the trend toward greater expense at this time in our country's finances. I am one of them. I have grave misgivings as to how this kind of legislation is going to strike many of the people back home who have been waiting impatiently and longingly for some economy.

This amendment offered by the gentleman from Kansas does cut the amount down a little bit. Of course, the total amount is negligible when we are thinking in terms of billions, but we have to make a start somewhere. Personally I would prefer not to see the Under Secretaries or the Assistant Secretaries paid more than the Members of Congress of the United States. However, if this is the best compromise that can be made, and I am sure the distinguished gentleman from Kansas has explored every possibility, I hope the House will vote for this substitute amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, I shall vote for the Rees amendment. I think the amendments increasing the Director of the FBI, offered by the gentleman from Florida and the gentleman from Iowa, respectively, are good, but I rise to ask a question of my colleague, the gentleman from California [Mr. MILLER], or of any member of the committee. Rather than have my time run out before the question is answered, I want to say that upon this question I base my reason for offering a motion to recommit, if the committee itself does not offer one. The gentleman who spoke for the committee said this had been carefully considered, and that the gradations between salaries in the bill had been carefully considered. I want to find out, and I think the House is entitled to know, Mr. Chairman, why an Under Secretary of, shall we say, the Department of Commerce, is entitled to more money than the Administrator of the Veterans' Administration, or is entitled to more than the head of the Reconstruction Finance Corporation, which is one of the largest financial institutions in the world; or is entitled to more money than the chairman of the Atomic Energy Commission, who is recognized as holding one of the most difficult, strenuous, and responsible jobs in the Federal Government. What is there about the under secretaryship of the Department of Commerce, or the Department of Agriculture, or the Department of Labor, or any other department, which is worth $4,000 a year more than the chairmanship of the Reconstruction Finance Corporation?

Since the committee is on record as saying that was carefully considered, I feel we should have the answer. Again I say, Mr. Chairman, this is the reason, if the committee does not offer a motion to recommit, I shall offer a motion to recommit in order to reconcile these salaries.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I desire to speak briefly on the pending measure, H. R. 1689, increasing rates of compensation of the heads and assistant heads of executive departments and independent agencies.

In the committee report it is stated that "failure to take action on this measure on the grounds that the annual appropriation of a little more than a million dollars is too exorbitant will be 'penny-wise and pound-foolish'." I endorse this statement wholeheartedly.

As a member of the Armed Services Committee, I have had the opportunity to observe the varied activities of the largest component in our Government, which itself is the largest single enterprise in the world, the National Military Establishment. The National Military Establishment is presently the employer of over 2,500,000 military and civilian employees and will have an annual expenditure estimated at $13,800,000,000 for the current fiscal year. The Navy, by itself, represents capital investments, expenditures, personnel, plants, and operations almost three times the size of the United States Steel Corp. To run such a huge establishment we now pay 20 top officials a total of $230,000 a year—an average salary of $11,500. Compared to salaries paid to officials in even the smaller corporations in private business, this is a ridiculously low average.

If we really want to effect economies in the operation of the Government, it is apparent that one of the best opportunities would be in the Military Establishment. Such economy, however, is not going to come about automatically—it is going to have to be done by hard work on the part of competent people. Until compensation commensurate with responsibilities involved can be offered, it is most difficult to obtain and retain competent officials who can put into effect the sort of constructive recommendations for economy made by the Commission on Organization of the Executive Branch of the Government. If we are going to expect real economies now being discussed incident to the consideration of the measure to amend the National Security Act of 1947, we must provide the Military Establishment the means for doing a top-flight management job.

Due to my familiarity with the Military Establishment, I have emphasized this phase of the problem, but I am sure the same is true in all Government agencies. Again I want to stress that this measure is really an economy measure that should return many, many times its cost in increased efficiency and economy through intelligent, competent management of our complex Government structure.

I support this measure as a means whereby the President will have better opportunities to secure the competent officials required to run the many important functions of our Government.

In these days of cold wars, we are all very much aware of the work being done by the National Military Establishment in supporting the domestic and foreign policies of our Government. The Berlin airlift is probably the best known example of this support.

Let us reflect a moment on the situation with which the President is now faced in securing competent officials to run this establishment—officials who every day must make decisions and take actions that will directly affect the lives of those present and of our children and of our children's children for years and years to come. Officials on whose judgment we must depend to a large extent to keep us out of war by providing the means whereby there can be no doubt in the minds of possible aggressor nations that we have the ability to defend ourselves.

The Secretary of Defense who is the person primarily responsible for all matters relating to the security of this Nation, on whose shoulders falls the tremendous burden of operating the Military Establishment of over 2,500,000 military and civilian employees, whose every action and every decision might well mean the difference between life and death for our sons and grandsons—yes, and for us, too, since in any future war there will be no lines of battle and the civilian population will be in the battle area, too—for this tremendously important position we pay $15,000 a year.

The Secretaries of the Army, the Navy, and the Air Force with responsibility for running establishments many times larger than our biggest corporations also receive only $15,000 a year. The man responsible for managing the financial affairs—involving approximately $14,000,000,000 for the current year—of the National Military Establishment receives only $10,000 a year. Other officials with similar responsibilities receive similar small salaries.

I, for one, say that we should pass this measure without hesitation. If the additional expenditure of a little over a million dollars a year will assist in any way in assuring that the best possible men are obtained in these positions of responsibility so fateful for all of us, we would indeed be derelict in our duty if we denied this possibility.

Mr. Chairman, I ask unanimous consent that the balance of my time may be granted to the gentleman from California [Mr. HOLIFIELD].

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, about 2 years ago we formed what is known as the Hoover Commission. They appointed a Personnel Policy Committee to consider this question of governmental salaries in the executive branches. Among the people who were on that Personnel Committee were men like Mr. John Stevenson, president of the Penn Mutual Life Insurance Co.; Mr. Lawrence Apley, former vice president of Montgomery Ward; Senator Harry Byrd, of Virginia; Franklin D'Olier, former president of the Prudential Life Insurance Co. of America; Robert Ramspeck, a former Member of Congress, and chairman of the House Committee on Civil Service; A. W. Robertson, chairman of the board of Western Electric Co.; and various other famous men from industry, science, and the professions.

They made a complete tasks report study of the salaries and personnel conditions of the men in key positions in the executive branch. Now, what did they say, among other things, along this line, and it is in support of the committee bill that I am speaking.

They said:

> The failure to lift the salary ceiling for top Federal positions has created serious inequities and forced many career officials to leave the service.

They said further:

> The gravity of this problem is demonstrated by the fact that an income of $10,000 is the equivalent of less than $5,200 in 1939, after allowing for increased income tax. The result has been made repeatedly clear by the stream of resignations from top positions in the past 3 years and by the problem of attracting well-qualified individuals into positions in the top-pay brackets. One study of the earnings increase secured by 170 individuals who left the Government in the

year 1945 revealed the average increase obtained over their Government pay was 92 percent.

President Truman gave special attention to this problem in his address at Princeton in June 1947 when he said, and I quote:

Salary limitations prevent the Government, in many instances, from securing the kind of executives required to maintain its vital activities.

I want to point out that the business of the Government of the United States is the biggest business in the world. We are entitled to have men at the head of these different departments handling over 2,000,000 personnel and millions and millions of dollars who know what it is all about and who are men of caliber to do the job and do it well. No one contends that the Government can pay the same rate as industry pays, but at least we should establish such salaries so that we can retain good men in the jobs. The record shows that they are leaving at the rate of 170 key positions in 1 year.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. RAYBURN. Does it not seem to to the gentleman from California, as a legislator, that the orderly way to proceed here is to take up the committee amendment and perfect that committee amendment after voting down the substitute?

Few Members have had an opportunity to examine the substitute. They do not know whether it is fair or not. If we vote down the substitute, then anyone who wishes to offer an amendment to the committee bill may offer it, and we can proceed, as it appears to me, in a much more orderly fashion and do the thing that ought to be done. The President of the United States has never vetoed any increase in salary for Members of Congress, any increase in clerk hire, or anything of the kind. Do you not think we are doing little enough for him when some of us know the distress he is in, trying to keep the good men that he has to carry on this reorganization work in the Government departments? Do you not think we should give him practically what he asks, in order that he can conduct his office in an orderly fashion and do the job that we expect him to do?

Mr. HOLIFIELD. I certainly agree with the honorable Speaker in everything he has had to say. I hope this committee will vote down the Rees amendment and then we can proceed to make such perfections in the committee bill as are necessary.

The CHAIRMAN. The time of the gentleman from California [Mr. HOLIFIELD] has expired.

The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, the frankest statement about this bill that I have heard made today was the statement made by the gentleman from New York [Mr. MULTER]. The gentleman from New York called attention to the fact that there is a bill pending before this same committee to give another increase in salary to Members of Congress. Then the gentleman said:

The pending bill is a step in the right direction.

And in that connection said that consideration had been promised for the pay-raise bill for Members of Congress.

My people may be a little different than people in other parts of the country. I do not know. But if there is one theme that is running through the correspondence I am getting today it is that we must stop the spiraling cost of Government. The actual dollars in this bill are not large, but if this bill is to be the forerunner of another salary increase for Members of Congress, then your hands are going to be stayed against voting for other increases here and there all along the line. There is nothing, in my judgment, that would cause greater revulsion against the Congress as an institution today, and against individual Members thereof, than to pass another pay increase for the Members of Congress.

The Rees substitute is an orderly substitute for the pending bill. It recognizes the need for a modern pay schedule in the executive branch and in the independent agencies of the Government, but it does not make the excessive jumps proposed in the committee bill. Most of the $10,000 people step up to $12,500. Most of those who receive eleven or twelve thousand step up to fifteen thousand. Those at fifteen or sixteen thousand go up to seventeen thousand five hundred or eighteen thousand. But the Rees substitute does not make the 50-, 60-, and 80-percent increases which characterize the committee's proposals.

The gentleman from Kansas has offered an orderly, systematic substitute, and I hope you will support it.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I have been looking over the figures as quickly as I could with reference to the reduction of certain salaries, as covered by the Rees substitute. If I read the figures correctly, the Under Secretary of the Department of Labor, under the Rees substitute, would receive an increase from $10,330 to $17,500. The Under Secretary of the Department of Commerce would receive an increase from $10,000 to $17,500, and so on. These are large increases, but not nearly so large as the committee bill provides.

We will set a bad precedent if we pass this increase salary bill. If some increase is necessary it would seem to me that we are making substantial increases if we adopt the Rees amendment. I find that everyone throughout the country is asking the Congress to economize; the Congress is saying they cannot economize, but they are going to try to persuade or insist upon, or compel the President to cut the cost of government; and the President, very justly, comes back and says that that is largely the responsibility of the Congress. This is a small amount to add to the cost of government, but it sets a precedent that will start leaks in the dike against the pressure for higher salaries all along the line. It would seem to me that we ought to curb it at least to the extent of holding it down to the Rees amendment.

The facts are no increases of salaries should be considered at this time. We cannot reduce the cost of government if we continue to raise salaries. It is unfair to the overburdened taxpayers who will have to pay the bill. The financial condition of the Nation and the general business conditions of the country do not justify these enormous raises in salaries to those in government who already enjoy the highest salaries in government. We should be reducing the cost of government, rather than increasing as this bill will do.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The gentleman from Mississippi [Mr. WILLIAMS] is recognized.

Mr. WILLIAMS. Mr. Chairman, I listened with much interest to my distinguished Chairman a few minutes ago as he discussed the Rees amendment and compared it with the bill. I know that he did not intend to, but I am afraid he left the impression that the Rees amendment is a salary-cutting amendment. It does not cut the salary of a single one of these executives; it increases substantially the salaries of every one of them.

Let us look at this thing just a minute and see which one provides the reasonable increase in salary. For instance, the Assistant Comptroller General presently drawing $10,330 a year is given $18,000 under the Committee bill, an increase of approximately 80 percent. Under the Rees substitute he is given an increase of approximately $5,000, bringing his salary up to $15,000, or an increase of approximately 50 percent. Is a 50-percent increase a reasonable increase? In my opinion that is the way to increase salaries, increase them reasonably.

There is one case of a man presently drawing $9,700 who is increased by the bill to $15,000; the Rees amendment cuts him back to $11,000. That gives him a nice increase, from $9,700 to $11,000, which would appear to me to be more reasonable than to give him an increase to $15,000.

Frankly, I do not see anything to the recommendations of the committee, and I so expressed myself in the committee, except to call the bill as presented a bureaucratic joyride at the taxpayers' expense. I hope the Rees amendment will be adopted.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The Chair recognizes the gentleman from Minnesota [Mr. MCCARTHY].

Mr. MCCARTHY. Mr. Chairman, the gentleman from Mississippi and the gentleman from Kansas argue that you can help a man drowning some 20 feet offshore more by throwing him a rope 15 feet long rather than by throwing one 10 feet long. I should like to make one or two observations: First of all, that there is no increase proposed in this bill

which is too high; there may be some salaries proposed which are too low, some which should be brought up.

We propose to pay the members of the Cabinet $25,000 a year. General Motors Corp. in 1946 had 10 vice presidents—one might call it the cabinet of General Motors—and, according to statistics available to the Legislative Reference Service, one vice president, the highest paid, received $113,775, and the lowest of the 10 vice presidents of General Motors received $73,100. The "cabinet" of the Montgomery Ward Corp. consisted of nine members. The highest paid received $101,700 and the lowest about $35,000 per year. We propose to pay $25,000 to members of the Cabinet of the United States. The comptroller of the Standard Oil Co. received $40,000 a year. We propose to pay the Comptroller General of the United States of America $20,000. The president of the General Motors Acceptance Corp., the credit department of General Motors, received $71,500 a year. We propose to pay the Chairman of the Reconstruction Finance Corporation $16,000 a year. Is that too much? The general counsel of General Motors received $101,000, according to this report. The Attorney General, according to our proposal, would get $25,000 a year.

I would like to remind some of the men who have spoken here and who are horrified at an increase of $5,000 to $10,000 per year in salary that the effect of the income-tax reduction which they voted last year increased many take-home salaries $40,000 to $50,000, and more. This was the salary increase engineered by the gentleman from Minnesota, whose memory is perpetuated in his absence by the picture on the wall of this Chamber.

I ask the membership to vote down the Rees amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS] to the committee amendment.

Mr. MURRAY of Tennessee. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MURRAY of Tennessee. Is the vote on an amendment to the committee amendment? I thought we were considering the substitute and amendments thereto.

The CHAIRMAN. The Chair will state the parliamentary situation. There is pending before the Committee an amendment by the committee. There is pending a substitute offered by the gentleman from Kansas thereto. There is also pending an amendment to the committee amendment offered by the gentleman from Florida.

The parliamentary rules require that amendments to the committee amendment be voted upon first, then amendments to the substitute be voted upon. After both are perfected, then the substitute amendment will be voted upon.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. The parliamentary inquiry is whether or not the amendment of the gentleman from Florida is the one that relates to J. Edgar Hoover?

The CHAIRMAN. The Chair so understands.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent that the Rogers amendment be reread.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk reread the Rogers amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS] to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN.

On page 2, line 5, of the Rees substitute, before the period insert: "and the compensation of the Director of the Federal Bureau of Investigation shall be $17,500."

On page 3, line 3, strike out "the Director of the Federal Bureau of Investigation."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN] to the substitute amendment.

The question was taken; and on a division (demanded by Mr. JENSEN) there were—ayes 92, noes 89.

So, the amendment was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Kansas [Mr. REES].

The question was taken; and on a division (demanded by Mr. REES) there were—ayes 86, noes 106.

Mr. REES. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. REES and Mr. MURRAY of Tennessee.

The Committee again divided; and the tellers reported that there were—ayes 109, noes 152.

So the amendment was rejected.

Mr. HINSHAW. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW to the committee amendment: On page 10, line 22, after "Naturalization", insert "Administrator of Civil Aeronautics."

Mr. HINSHAW. Mr. Chairman, in searching this bill to find whether or not all of the Presidential appointees were included, I could not find anywhere inclusion of the Administrator of Civil Aeronautics. This officer is an appointee of the President of the United States subject to Senate confirmation and operates a very important agency of the Government now under the direction of the Secretary of Commerce pursuant to a reorganization plan of some years ago, I believe 1940.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. MURRAY of Tennessee. The committee has no objection to the amendment offered by the gentleman from California.

Mr. HINSHAW. Mr. Chairman, I thank the gentleman, and I am glad that he will not oppose the amendment. The Civil Aeronautics Administrator has under his direction more than 17,000 persons and an annual budget of about $100,000,000. The Administrator is surely entitled to receive a salary of at least $15,000 per year.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from California.

The amendment was agreed to.

Mr. VAN ZANDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT to the committee amendment: On line 25, page 10, after the words "Commissioner of Customs" insert "Commissioner of Narcotics."

Mr. VAN ZANDT. Mr. Chairman, the Commissioner of Narcotics heads the Bureau of Narcotics of the Treasury Department and is responsible for the administration and enforcement of the Federal narcotic laws. He is also the United States representative, without compensation, to the Commission on Narcotic Drugs of the United Nations and actively participates in the drafting and implementation of the various conventions limiting the international traffic in narcotic drugs to medical and scientific uses.

Under existing law and pursuant to the treaty obligations he closely supervises the importation, exportation, and domestic distribution of narcotic drugs by over 200,000 doctors, pharmacists, manufacturers and wholesale dealers, to the end that these dangerous drugs shall be available only for medical and scientific needs and not for the perpetuation of drug addiction.

The Bureau of Narcotics is recognized as one of the outstanding law enforcement agencies of the Government, as is demonstrated by the fact that while it has in its employ only 2 percent of the Federal law enforcement agents, it is responsible for the conviction and confinement of 9 percent of the present Federal prison population.

The position requires unique qualifications in view of the great measure of responsibility involved in the problems of vigorous enforcement of the narcotic laws and discharge of the international obligations under the several narcotic conventions. The salary of the position should be commensurate with this large responsibility.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. CANFIELD. As a member of the Subcommittee on Appropriations for the Treasury Department and one who has listened to Dr. Anslinger for the last 4 years, I hope the gentleman's amendment is adopted. He is not only one of America's great administrators but one of the finest administrators in the world.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. MURRAY of Tennessee. The committee will not oppose the gentleman's amendment. We have no objection to it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. GROSS. I am glad the gentleman told us what the salary is. We did not know about the other one when we voted on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT].

The amendment was agreed to.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on the committee amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. SCRIVNER and Mr. COOLEY objected.

Mr. MURRAY of Tennessee. Mr. Chairman, I move that all debate on the committee amendment and all amendments thereto close in 10 minutes.

Mr. LECOMPTE. Mr. Chairman, a parliamentary inquiry. Does that mean all debate on the entire bill?

The CHAIRMAN. The Chair understood the gentleman from Tennessee to move that all debate close in 10 minutes on the committee amendment and all amendments thereto.

Mr. TACKETT. Mr Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TACKETT. How many amendments are there on the Clerk's desk now?

The CHAIRMAN. The Chair is advised there are four amendments on the Clerk's desk.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent to modify my motion to make the debate close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. COOLEY. Mr. Chairman, reserving the right to object, I have an amendment which I desire to offer. Is it in order to offer that amendment at the present time?

The CHAIRMAN. There is pending before the Committee a unanimous-consent request of the gentleman from Tennessee to revise his motion; that all debate on the amendment and all amendments thereto close in 20 minutes. Is there objection?

Mr. COOLEY. Mr. Chairman, I have reserved the right to object to propound a parliamentary inquiry as to whether or not it is in order for me to offer an amendment on page 2 at this time.

The CHAIRMAN. The motion of the gentleman from Tennessee [Mr. MURRAY] must be disposed of first, and then it will be in order for the gentleman from North Carolina to offer his amendment.

Without objection, the request of the gentleman from Tennessee [Mr. MURRAY] to amend his motion will be granted.

There was no objection.

The CHAIRMAN. The question is on the motion offered by the gentleman from Tennessee [Mr. MURRAY] that all debate on the committee amendment and all amendments thereto close in 20 minutes.

The motion was agreed to.

Mr. LECOMPTE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LECOMPTE. How much time does that allow each one, Mr. Chairman?

The CHAIRMAN. Approximately one and one-third minutes.

Mr. GREEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GREEN. Mr. Chairman, I would like to speak briefly in behalf of the measure, H. R. 1689, which is now before the House for consideration. This measure is intended to raise the compensation of the heads and assistant heads of the executive departments and independent agencies of the Federal Government to levels which, in the opinion of the committee, are in keeping with the duties and responsibilities borne by these officials.

I believe that the House, after considering this measure, will agree that the proposed salary increases are fully justified, in view of the grave responsible duties borne by the executive heads of the departments and agencies involved. In many cases, it will be the first major adjustment of salaries for these key officials since 1925, for, as the committee's report states, there has been no congressional revision of the salaries of most of these executive heads since that time, although recognition has been granted by the Congress to the heads of new major Federal agencies created since World War II.

The most obvious cases are those of the department heads and of the Secretary of Defense. It has been recommended that these key officials be paid at a rate of $25,000 per annum, and in view of the heavy workload of responsibility devolving upon these men, I feel that the committee's recommendation is fully justified. Many of the Federal departments are equal to or far larger than the largest comparable private business in this country, yet these Cabinet officers, for example, draw far less than the vice president of the smaller private corporations. The Secretary of Defense heads an organization employing a combined civilian and military staff of over 2,500,000. The Postmaster General heads a huge postal communications organization employing over 500,000 people, while the Director of Aeronautical Research of the National Advisory Committee for Aeronautics has a larger and more complex research assignment than his alter ego in any private aircraft firm in the Nation. The departments and agencies which they head often carry on large and complex businesses, employ great numbers of people, and are responsible for the proper annual expenditure of extremely large sums. It is obvious that such positions should be filled by highly competent men, yet, during the past years, a considerable number of these experienced and competent executives have been forced to leave these key Federal positions because of the inadequate salary paid. These salaries, which were fixed years ago, are unrealistic in terms of the present-day responsibilities of these key executive posts.

I feel that it is absolutely essential to provide incentives, in the form of suitable annual compensation, in order not only to retain in the Federal service its remaining experienced and competent administrators, but also to attract able and well-qualified personnel into the Government to fill these key posts. I believe that a policy of staffing these top positions with able administrators will return the additional cost—estimated at approximately $1,500,000 per annum—to the Nation many times over each year through greater efficiency and improved operation of the Federal agencies affected. Without competent persons in these key posts, we can expect only mediocre performance by the departments and agencies so staffed.

The committee's recommendations on this measure are based not only on the principles of good management and efficient administration, but also on the fact that the responsibilities of the occupants of these posts have increased greatly in recent years and have placed a very heavy burden on such officials. We had a recent and tragic illustration of the pressures and strains to which key officials can be subjected in the performance of their duties.

It is my belief that only the ablest and most competent personnel should be asked to carry on, as heads and assistant heads of executive departments and agencies, the administration of the affairs of our country. I feel that you will agree with me that an adequate salary will provide one of the incentives which will attract such competent officials into the Federal service and that it is our responsibility to see that this is done.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 11, line 2 of the Committee amendment after the words "Farmers' Home Administration" insert the following: "Manager of the Federal Crop Insurance Corporation."

The CHAIRMAN. The gentleman from North Carolina is recognized in support of his amendment.

Mr. COOLEY. Mr. Chairman, I hope the committee will accept this amendment.

Mr. MURRAY of Tennessee. Mr. Chairman, the committee has no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

Mr. SCRIVNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCRIVNER to the committee amendment: On page 11, line 18, strike out all of section 6.

Mr. SCRIVNER. Mr. Chairman, I hope the committee concurs in this amendment to strike out section 6. It does not add any particular person to the pay roll, but it may save many dollars.

This section gives arbitrary power to the President to increase the salary of the chairman or head of a board or commission to $18,000 per annum if he has important duties or responsibilities not imposed upon the other members of the board. There is not a word concerning this section in the committee hearings, nor is it discussed anywhere in the report. You are going to wake up some morning shortly after this bill is passed and find unknown numbers of these people increased to $18,000 a year. Look at this chart. It shows that there are 1,819 boards, bureaus, and agencies running this Government. Each has a chairman, but all may not be affected by this section.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I have only a minute and a half, but I yield to the chairman, of course.

Mr. MURRAY of Tennessee. The language states, "Not more than $18,000."

Mr. SCRIVNER. Yes.

Mr. MURRAY of Tennessee. And it is also required that such chairmen be given additional important duties.

Mr. SCRIVNER. The gentleman knows these boards and commissions. Every one of them are going to give the chairman a little important work to do whatever "important work" may be; the gentleman knows, furthermore, that immediately that individual will be entitled to have his pay upped to $18,000 a year.

The gentleman may say that this is not a pay increase. Maybe it is not in the opinion of the members of the committee, but to the taxpayers who will have to pay the bill it is a pay increase and you cannot get away from it. If the folks at home were here they would not vote for this bill. As their representative I will not support it. All it will do is freeze the present jobholders tighter in their chairs.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The question is on the amendment offered by the gentleman from Kansas.

The question was taken; and on a division (demanded by Mr. SCRIVNER) there were—ayes 93, noes 116.

Mr. SCRIVNER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. SCRIVNER and Mr. MURRAY of Tennessee.

The Committee again divided; and the tellers reported there were—ayes 95, noes 115.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TACKETT:

Page 11, line 17, strike out the period, substitute a semicolon, and insert the following language: "and effective with the commencement of the Eighty-second session of Congress the compensation of Senators, Representatives in Congress, Delegates from the Territories, and the Resident Commissioner from Puerto Rico shall be at the rate of $20,000 per annum each."

Strike out section 8 and insert the following:

"SEC. 8. Except as otherwise provided herein this act shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

Mr. CASE of South Dakota. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, I make the point of order that the amendment is not germane in that this is a bill to increase the rates of compensation of the heads and assistant heads of executive departments and independent agencies. This amendment relates to the legislative branch of the Government and consequently is not germane to a bill applying to executive departments and independent agencies.

Mr. MONRONEY. Mr. Chairman, I make the further point of order that this is a bill reported by the Committee on Post Office and Civil Service which does not have jurisdiction over the salaries of Members of Congress.

The CHAIRMAN. Does the gentleman from Arkansas desire to be heard on the point of order?

Mr. TACKETT. Yes, Mr. Chairman. I seek to amend section 5 (c) which reads as follows:

The rate of compensation of the Legislative Counsel of the House of Representatives and of the Legislative Counsel of the Senate shall be $12,000 per annum.

My amendment is germane to the very subject matter that I seek to amend. The legislative branch of Government is covered by this very bill, and I seek to amend that portion pertaining to the legislative branch of our Government. The Architect of the Capitol is also covered by this bill.

The CHAIRMAN. The Chair is ready to rule. This bill seeks to increase the rates of compensation of the heads and assistant heads of executive departments and independent agencies. Under the Constitution there are three distinct branches of government. The legislative branch cannot be classed as either an executive department or an independent agency. Therefore, the Chair sustains the point of order made by the gentleman from South Dakota.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 8, line 13, strike out "$17,500" and insert "$15,000"; and on page 11, line 17, strike out "$12,000" and insert "$10,000".

Mr. MURRAY of Tennessee. Mr. Chairman, I have no objection to the amendments. I think they are all right. The committee accepts them.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. HORAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HORAN: On page 13, line 3, strike out all of section 8 and insert a new section as follows:

"SEC. 8. This act shall take effect July 1, 1950."

Mr. HORAN. Mr. Chairman, I think we have had a sample this afternoon of how the floodgates can be opened. We are setting a pattern that is going to be difficult for the responsible Representatives of the people of this Nation of ours to control. My amendment simply puts off until the beginning of the next fiscal year the date of enactment of what you are working on this afternoon. I think the people of America are looking for some results from the Hoover Commission's report, but this bill you are working on today will put fire into the bureaucracy here and make it very, very difficult to reduce the cost of Government at a time when we are not on very safe ground.

Mr. MURRAY of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I appeal to the Members to stand by the committee and let this act take effect on the first day of the first pay period which begins after the date of enactment of this act. The amendment offered by the gentleman from Washington would defer the time of taking effect of this bill for a year, until July 1, 1950. I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. HORAN].

The question was taken; and on a division (demanded by Mr. HORAN) there were—ayes 94, noes 141.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, there are provisions in this bill which doubtless seem to every person here to be unjustified or inequitable. Certainly there are a good many that are not in accord with the way I would rate the relative importance of various positions. However, we cannot dispute that present salary rates are obsolete, and have been so for a long time. It seems to me the passage of this bill by the House even with its admitted inequities and defects and sending it to the other body where adjustments can be made should produce benefits to our governmental service that will far outweigh its relatively small cost.

Therefore, I intend to support the bill.

Take as an example, the Department of State, to illustrate the urgent necessity for revision of these salaries. Since World War II, the United States has assumed the leading role among the nations of the world. Other nations look to us for leadership in practically every field of endeavor. Notwithstanding this fact, however, our Secretary of State today receives the same salary as he did

23 years ago. Correspondingly, his principal assistants, namely, the Under Secretary and Assistant Secretaries, are still receiving salaries very little above what they received then. They are subject to the Civil Service Classification Act and, hence, are restricted to salary ranges applicable to the Government as a whole. In many instances, this brings about situations where salaries of Assistant Secretaries are no higher than those of their subordinates.

The fact that the present salary rates of top officials are obsolete is especially emphasized by the fact that legislation enacted in recent years creating newly established Government organizations provides higher salaries for the heads of those agencies than are received by the old departments and agencies. For example, both the Administrator and Deputy Administrator of the Economic Cooperation Administration are paid more than the Secretary of State. Ten individuals in the National Military Establishment, each of whom is doing important work, are authorized to receive a salary equivalent to that of the Secretary of National Defense and substantially more than the Administrator of Veterans' Affairs. The salary scale for the Federal Government is completely disproportionate to the salaries paid by a number of State and municipal governments. In the State of New York, for example, the attorney general and State auditor receive $20,000 annually. Similarly, in the field of municipal government the mayors of 12 cities of over 500,000 population receive between $10,000 and $25,000, annually, with a median salary of $18,000. In New York City alone eight city officials, including the mayor, receive $20,000 or more annually in salary. Six city managers of cities between 250,000 and 500,000 population receive salaries averaging $19,000.

One constantly hears the criticism, and too often it is justified, that many Government officials are second-rate men, or even worse. That really is an argument for the bill, not against it. How many first-rate men can we expect to get unless we pay them something more adequate than the levels of 10 to 25 years ago?

The additional cost of this legislation, if enacted, would be only $1,237,173 annually. I do not know where else in our expenditures so little, relatively, can be expected to bring as much to our Government in value received.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Chairman, about a year ago the Congress increased the salaries of all Government employees in the lower brackets by $330 per year, about a dollar a day. Today, in this bill, it is proposed to increase the salaries of the folks in the higher brackets of from 25 percent to 100 percent. I feel very deeply that high salaries is not the thing that attracts able men to public service. The opportunity to serve one's country and serve the people well is the thing that makes public service attractive to able men and women. I believe sincerely that the passage of this bill is going to let us in for a great deal of pressure to increase the salaries of all other employees of the Federal Government, and perhaps rightly so. We are not going to find the country very happy over this salary increase for the top-bracket folks at a time when the income of the average taxpayer is shrinking and receipts of the Government declining each day.

As to the suggestion for an increase in salaries of Congressmen and Senators, I am unalterably opposed to this suggested amendment, as I was when the reorganization bill—Public Law 601, Seventy-ninth Congress—was adopted, although there are many good provisions in this law. We were unable to obtain a yea-and-nay vote, but the RECORD shows that I stood up and was recognized by the Speaker and asked for the yeas and nays.

The bill we have today starts at the wrong place. It raises the higher salaries and in the end will cost the taxpayers a vast sum of money every year. I oppose the measure.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS of Ohio: On page 10, line 1, after the word "Commission", strike out "members of the Board of Commissioners of the District of Columbia."

Mr. HAYS of Ohio. Mr. Chairman, this amendment is almost self-explanatory. It simply leaves the salaries of the members of the Board of Commissioners of the District of Columbia where they are today, at $10,000.

I would like to read you a few of the salaries of members of councils or commissions of various cities, most of them larger than Washington:

Detroit, $5,000.
Philadelphia, $7,500.
Cleveland, $4,000.
Pittsburgh, $8,000.
Cincinnati, $5,000.

Mr. Chairman, much has been made of the fact that most of the people coming under this bill have to maintain two homes and have to come from somewhere else to live in Washington. The members of the Board of Commissioners are residents of Washington. They do not run for office, and are appointed for a 4-year term. I submit to you in view of the salaries paid in other large cities, that $10,000 is ample for Washington.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. HAYS].

The question was taken; and on a division (demanded by Mr. MURRAY of Tennessee) there were—ayes 132, noes 48.

So the amendment was agreed to.

The CHAIRMAN. For what purpose does the gentleman from Pennsylvania [Mr. WALTER] rise?

Mr. WALTER. Mr. Chairman, I ask unanimous consent to amend line 14, on page 11, referring to the amendment that was just adopted, by striking out $15,000 and inserting $10,000, and to vacate the proceedings by which that amendment was adopted.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. CASE of South Dakota. Reserving the right to object, Mr. Chairman, when the gentleman from Pennsylvania referred to the amendment adopted just a moment ago, was he referring to the amendment which struck out the members of the Board of the District of Columbia or the prior amendment offered by the gentleman from Pennsylvania?

Mr. WALTER. The line was not correctly stated in the amendment which I offered.

Mr. CASE of South Dakota. In other words, the gentleman is leaving the item for the legislative counsel as it appears in the bill and making the change in the Assistant Director for the Administrative Office of the United States Courts?

Mr. WALTER. The gentleman is correct.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I take this time to express what I think must be felt by a great many Members with respect to this bill. It looks like the bill will be passed. The reason we are doing what we are doing is because we want to keep or get the best public officials to deal with the problems of depression or prosperity, and peace or war. I hope we will cease to see so many of the items in the newspapers which we have been seeing, that a particular public servant feels he must resign in order to rehabilitate his personal fortune, or that another feels he cannot accept a Government position offered because he cannot afford it financially. I hope the President will feel free to call, if necessary, the best men for these jobs, and that no American, in view of the great issues our Nation faces domestically and in the world, and under the new pay scale, will feel that he has a right to reject any such public job for which he is fitted when it is offered to him.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Texas [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, in a few weeks we are going to be called upon to answer to our constituents as to what we have done about economy. After you have voted for this bill, by which you are raising the salary of the Assistant Federal Security Administrator from $10,000 to $17,500, you will have to explain what you have done about economy. He is the man who is trying to inflict socialized medicine upon this country. He has written a book about it. He is doing all he can to foist socialized medicine upon the American people. By raising his salary you are not only condoning his activities, you are endorsing them. If you favor that kind of economy, go back and explain it to your people. I certainly cannot.

You are shedding crocodile tears for these fifteen- and twenty-thousand-dollar-a-year men and at the same time doing nothing for the worker, who is presently covered by a minimum-wage bill which provides for only 40 cents an hour. Do you think $16 a week is enough for a workingman? Do not you think it is high time some consideration be given to the man at the bottom of the economic scale? My minimum-wage bill will tie the pay of the worker to the cost-of-living index, so that he will have a constant steady income of the same value, in spite of depressions or inflations.

Until something is done for the man at the bottom of the heap, I cannot conscientiously vote for the man at the top. I oppose this bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, at the proper time I shall offer a motion to recommit this bill to the Committee on Post Office and Civil Service. It contains the amendment that I offered earlier in the day and includes amendments that have been approved by this committee. It will also strike out the provision in the bill that authorizes the President at his own desire to raise the salaries of certain individuals up to $18,000.

I make this explanation so that when the time comes I will not have to take extra time to explain it any further. I still think the salaries in this bill are inequitable and are too high.

In line with what the distinguished gentleman from Texas [Mr. LUCAS] just said, I believe you are going to find it a little difficult to explain to the people back home if you permit the approval of the bill reported by the committee.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The Chair recognizes the gentleman from Arkansas [Mr. TACKETT].

Mr. TACKETT. Mr. Chairman and Members of the Committee of the Whole House on the State of the Union, you well know that my record to date during my short tenure as a Member of this House has been very conservative—in fact, the more liberal Members would consider my record as that of a reactionary; and I will admit that I have been and shall continue to be very conservative wherein the principles of democracy are involved.

I came here with the intention of representing the masses and not to speak as a "pollyparrot" of any power contrary to what I honestly believe to be the wishes of those who have entrusted me with the duties and responsibilities of this office.

Speaking in rather general terms concerning the economy of this democracy, I have felt that the founding fathers formulated our system of democracy upon the theory that supply and demand, with free enterprise, individual initiative, and open competition being afforded within the ranks of capital, business, labor, and all the other Government and individual essentials would govern our economy.

Even though the aforementioned theory exemplifies a pure democratic economy, trial and experience found us facing an unbalanced economy with most of the wealth of this country drifting into the hands of a few. Antitrust and antimonopoly laws, along with other business restrictions, were enacted to assure competition, aid supply and demand to produce a more equitable return upon investments, and to assure a more equal distribution of this country's wealth.

Likewise, it has been necessary to impose and maintain restrictions upon labor for the purpose of affording a balanced relationship between the employer and the employee, and in order to stabilize individual initiative, free enterprise, and open competition within the ranks of labor so as to afford supply and demand an opportunity to regulate the over-all economy.

If democracy is to prevail, I firmly believe that free competition must remain intact and allowed to operate with capital and the investor who supply the commodity as well as with the emloyee who performs the labor, with the assistance of capital, to bring the commodity and investment into existence. Supply and demand, with individual initiative, free enterprise, and open competition being afforded, should therefore regulate our economy wherein capitalistic trusts are suppressed, and labor controlled to the extent of allowing fair relations to exist between the affected parties. Then, we must allow for necessary restrictions that will tend to bring about a wider distribution of the country's wealth.

Only restrictions for the purpose of producing a balanced economy are necessary, and we can well see that to curtail the efforts of business and individuals with restrictions and controls that remove the individual incentive to progress will eventually lead to the regimentation of our people to such an extent that we will no longer have any reason to advance our persons or businesses. Sooner or later unless Government control is brought to a minimum, every business will be told by the Government how to operate, what prices to charge for commodities, and the manner in which the business shall be conducted. The fees of professional men and women, the specialists, and the laborers, will, under such circumstances, be eventually set by the Government, and the ability of an individual to perform services will be of little consequence. I have felt that to vote for restrictions and controls unnecessary to the balancing of our economy is no less than to vote a socialistic ticket that tends to remove the fundamental prerequisites of a democracy. I have in the past and I shall continue to oppose legislation wherein the Government is allowed to compete with private enterprise, except in cases where private enterprise cannot or has not performed the requirements.

My maiden speech on the floor of this House a few days after I took my oath of office was in favor of the reorganization and coordination of the existing Federal agencies and departments, at a saving to the taxpayers rather than to bring into existence new agencies and expand those now in existence. It is difficult to understand how we shall ever expect to become solvent if we are to continue the practice of employing an average of 271 new people every day the sun rises, and if we are to continue establishing new agencies and expanding those in existence every time the Congress meets. I feel that every department and agency should have ample personnel to administer the affairs involved as per the demands of the people, minus Federal administration of affairs that should be administered by the States. I have followed the economy move in this Congress, believing that this Government could be operated with the same full force and effect on behalf of the people with much less money; but, gentlemen, we all know that it is false economy to pay a person less for their services than that to which they are entitled. One never gets any more than what he pays for.

It is generally believed by the public that the public officials actually receive more money for their services than is authorized by law. It would be difficult to convince any reasonable person that a Member of the President's Cabinet actually received in the past only $15,000 per year. No man or woman can imagine a Member of this Congress surviving the expenditures imposed upon him or her with the salary authorized by law; and it cannot be done if the respective Member actually renders the service to which his constituents are entitled. A $20,000 salary to a Member of Congress would amount to no more than seven or eight thousand dollars to a Member in his home community. Actually he could stay at home on $5,000 as easily as serving in Congress for $20,000.

Every Member of Congress is required to have two homes—one in Washington and one within his district. His home expenses are practically as high while he is in Washington as while he is at home. It is necessary to expend more money in the performance of his duties than he is paid by the Government.

Unless a Member of Congress has an outside income from a business, profession, or some other source, he cannot properly serve his people with the salary now authorized by law, unless he comes here a rich man.

Why, gentlemen, a Member is required to run for office every 2 years, and the general public well knows that it is necessary to expend in each election at least the amount of his first year's salary. A poor man cannot even venture to run for such public office without the financial assistance of his close friends and those expecting favors. I cannot imagine that the membership of this Congress is to be made up of the rich in this great democracy of competition, which can well lead to a capitalistic government detrimental to the middle and lower classes of our country. For the membership of Congress to receive an adequate salary will be most beneficial to the poor and middle classes of this United States of America.

Seniority plays a big role in the operation of Congress. In fact, a freshman

Member such as myself has little to do with the legislative machinery and actually participates only to the extent of a single vote. Other than a rich Member of Congress must look to the future general welfare of his family and cannot afford to sacrifice the required years in Congress upon the salary now being paid to gain a position with enough seniority to be as helpful to his people as he would like.

The Hoover Commission has foreseen the need for adequate salaries to public officials as a guard against the destruction of democracy, as a guard against a capitalistic form of government, and as an assurance of honest administration on behalf of all the people.

The CHAIRMAN. The gentleman from California [Mr. MILLER] is recognized.

Mr. MILLER of California. Mr. Chairman, I wish to read into the RECORD an excerpt from a statement made by Mr. Beardsley Ruml in support of the principles of this bill:

If we are to have efficiency in public expenditure, two measures are obviously necessary. First, the President must have an increased scope of authority in the organization and reorganization of the agencies in the executive branch of the Government. And second, a higher level of compensation, as has been recommended, should be established for top Government officials in order to hold in the Federal service and to attract to the Federal service the talent that is necessary for efficient managerial operation of the essential services of the executive branch of the Federal Government.

I wish also to read into the RECORD the following telegram in support of the bill from Eric Johnston, president of the Motion Picture Association of America, Inc.:

WASHINGTON, D. C., *February 8, 1949.*

Hon. GEORGE P. MILLER,
*House Committee on*
*Post Office and Civil Service,*
*House of Representatives:*

As a businessman I am happy to endorse House bill 1689 authorizing increased pay for heads of executive departments and independent agencies. Efficient administration of public business demands today payment of adequate compensation to policy-directing heads in the executive branch of the Government. This will serve to attract to Government service the highest type of qualified person and insure the retention of the experienced and able public servant.

ERIC JOHNSTON,
*President, Motion Picture*
*Association of America, Inc.*

In conclusion I wish to leave with you the thought that when such men as Beardsley Ruml and Eric Johnston support legislation of this kind they do not do so lightly.

This bill has merit and is the first step in reestablishing in the Government service the balance between the several levels of activity so essential to good management and high efficiency.

The CHAIRMAN. The time of the gentleman from California has expired; all time has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent for the consideration of a clarifying amendment and permission to make a very brief statement explaining the reason for it.

The gentleman from Florida introduced an amendment changing the salary of the Director of the Federal Bureau of Investigation from $15,000 to $17,500. The item appears again at page 10, line 19, "Director, Federal Bureau of Investigation." I would like to strike that out since the salary of the Director of the Federal Bureau of Investigation has already been increased to $17,500 by the adoption of the amendment of the gentleman from Florida [Mr. ROGERS].

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Tennessee: Page 10, line 19, strike out "Director, Federal Bureau of Investigation."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, pursuant to House Resolution 274, he reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. REES. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. REES. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. REES moves to recommit the bill to the Committee on Post Office and Civil Service with instructions to report it back forthwith with the following amendment: Strike out all after the enacting clause and insert the following:

"That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be $25,000 per annum.

"SEC. 2. (a) The rate of basic compensation of the Comptroller General of the United States, the Chairman of the Council of Economic Advisers, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, the Administrator of General Services, each Under Secretary of an executive department, the Assistant to the Attorney General, the Solicitor General of the United States, the Director of the Federal Bureau of Investigation, Director of Central Intelligence, and the First Assistant Postmaster General shall be $17,500 per annum.

"(b) Section 105 of title 3 of the United States Code is amended to read as follows:

"'COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

"'SEC. 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding $16,000 per annum, three at rates not exceeding $15,000 per annum, and seven at rates not exceeding $12,000 per annum.'

"(c) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: 'The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title.'

"SEC. 3. The rate of basic compensation of the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Assistant Comptroller General of the United States, the Administrator of General Services, the Assistant Director of the Bureau of the Budget, and the Deputy Administrator of Veterans' Affairs, the Public Printer, the Librarian of Congress, the Administrator of Civil Aeronautics, Manager of the Federal Crop Insurance Corporation, the Commissioner of Narcotics, the Federal Mediation and Conciliation Director, and the Assistant Federal Security Administrator shall be $15,000 per annum.

"SEC. 4. (a) The rate of basic compensation of the Director of Aeronautical Research of the National Advisory Committee for Aeronautics; members of the Civil Aeronautics Board; members of the Federal Communication Commission; members of the Federal Power Commission; members of the Federal Trade Commission; members of the Interstate Commerce Commission; members of the National Labor Relations Board; members of the National Mediation Board; members of the Railroad Retirement Board; members of the Securities and Exchange Commission; members of the Board of Directors of the Tennessee Valley Authority; members of the Civil Service Commission; the Chairman of the United States Maritime Commission; members of the United States Tariff Commission; the General Counsel of the National Labor Relations Board; the Architect of the Capitol; the Deputy Administrator of General Services; the Housing Expediter; the Director of the Bureau of Federal Supply; the Archivist of the United States; members of the Displaced Persons Commission; members of the Indian Claims Commission; members of the War Claims Commission; members of the Philippine War Damage Commission; each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury); each Assistant Attorney General; the Assistant Solicitor General of the United States; the Counselor of the Department of State; the Second, Third, and Fourth Assistant Postmasters General; the Associate Federal Mediation and Conciliation Director; the Deputy Director of Central Intelligence; the Philippine Alien Property Administrator; the Chief Assistant Librarian of Congress; the Deputy Public Printer; members (other than the Chairman) of the Board of Directors of the Export-Import Bank of Washington; members (other than the Chairman) of the United States Maritime Commission; Administrator, Production and Marketing Administration; Commissioner of Internal Revenue;

Director of the Bureau of Prisons; Commissioner of Public Roads; Commissioner of Public Buildings; Commissioner of Community Facilities; Commissioner of Immigration and Naturalization; Administrator, Rural Electrification Administration; Commissioner for Social Security; Commissioner of Reclamation; Chief, Soil Conservation Service; Commissioner of Customs; Governor of the Farm Credit Administration; Chief Forester of the Forest Service; Administrator of the Farmers Home Administration; the three Special Assistants to the Secretary of Defense; and of the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal shall be at the rate of $12,500 per annum. Notwithstanding section 30 of the act of May 24, 1924, as amended (U. S. C., title 5, sec. 152a), the salary of the Legal Adviser of the Department of State shall continue to be at the rate of $10,330 per annum.

"(b) The first sentence of section 603 of title 28 of the United States Code (relating to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

" 'The Director shall receive a salary of $12,500 a year.'

"(c) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows: 'The Assistant Director shall receive a salary of $11,000 a year.'

"(d) The rate of compensation of the Legislative Counsel of the House of Representatives and of the Legislative Counsel of the Senate shall be $12,000 per annum.

"SEC. 5. This act shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

Mr. McCORMACK. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. REES. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

Mr. REES. Mr. Speaker, I ask for a division on the motion to recommit.

The House divided; and there were—ayes 71, noes 165.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. H. CARL ANDERSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to extend their remarks on the bill just passed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

FEDERAL PAY STRUCTURE—RELIC OF THE PAST

Mr. HAYS of Arkansas. Mr. Speaker, in the past quarter century, the map of the world has been redrawn. World War II has been fought and won. Atomic energy has been released. The United Nations Organization has come into being. The hope of the world for peace and prosperity has become centered in the Government and the people of the United States of America. This kind of responsibility in the modern age in which we live calls for the most capable men our Nation can produce. And how shall we go about getting men of that caliber? By offering them salaries on a pay scale established by Congress as far back as 28 years ago? This is what we actually offer to men expected to be leaders not only in the United States but the world.

Members of the Cabinet, for example, received $15,000 per annum in 1925. They are paid precisely the same today. The Director of the Bureau of the Budget receives $10,000 today. That is the identical salary that was fixed for the position June 10, 1921—and which recently caused a Director of the Budget, with long and valuable experience, to resign in the interests of his family.

Nothing in the Federal Government is quite so out-dated as the pay scales of many of its top officials.

Because Government salaries for top executives are completely out of balance with industrial scales, Government agencies are constantly losing valuable personnel. Moreover, it is extremely difficult to find competent replacements for these positions.

It is difficult to understand why a man who is worth $50,000 to private industry is considered to be worth only $10,000 or $15,000 to the great institution that is the Government of the United States. Industries with far fewer assets than some Government corporations — industries whose functions for national health, peace, and prosperity hardly merit mention in the same breath as these Government corporations—nevertheless, pay their officials holding comparable positions anywhere from half again to 10 times as much as Government is authorized to offer.

Industry, wisely and rightly, has adjusted salaries to meet changing conditions, increasing responsibilities, or the rising cost of living. Such procedure makes for efficiency. It holds experienced personnel.

Government pay policy in the upper brackets has been precisely the opposite. In many agencies, the top official now receives the same salary as the next three or four officials under him. In some cases, the top man actually receives a few hundred dollars less than his principal assistant. It would be almost miraculous if this situation did not undermine efficiency, break down confidence, and cause a much more than normal turn-over of top personnel.

This is a most serious problem. The men who execute the policies of our Government bear the weightiest responsibility of any citizens of the United States. Upon their competent execution of their duties depends not only the efficiency of Government, but possibly even the peace and prosperity of the world. We dare not be satisfied with anything less than top-flight personnel.

The enactment of this bill might not bring to Government the best personnel in the land, but it would surely remove one of the principal reasons why service in the Government has become less attractive.

There is no dearth of patriotic citizens in the United States. But can we blame a citizen who does not feel called upon to sacrifice permanently the interests of his family upon the altar of a Government job? Can we blame a worker for throwing in the sponge when he sees his associates and sometimes his assistants accepting better-paying jobs in private business?

Can we blame even the long-time career man when he takes a second look around—because he sees every now and then some faithful, patriotic servant of the people cracking up under the fearful strain that these postwar days put upon all conscientious Government officials?

We must have competent people in Government. To get them we must endeavor to make our salary structure fit the needs of the times. True, Government cannot expect to match the pay scales of industry. But this is not necessary. All that most Government officials ask is a salary which will place them in the same position relative to their assistants and relative to the cost of living that they occupied in the days before the war.

The executive pay bill would assure them of that kind of position. It would restore confidence in the fairness of Government to its own servants. It offers the type of recognition that will bring forth the best in Government efficiency.

Mr. KARST. Mr. Speaker, supposedly, we are considering a bill to increase the salaries of certain key executives and administrators of Federal departments and agencies. In reality we are debating the question, How great a financial sacrifice can we ask from men of top-flight ability because they are Government servants?

This bill does not pretend to pay salaries that match or even approach the rewards that private concerns offer men with similar talents and carrying equal responsibilities. Judged by any such standard it is common knowledge that Government salaries are pitifully inadequate.

It is common knowledge that all too often years of training and experience in Government serve only as a proving ground for well-paid jobs in private industry. And this trend is increasing at the very time when Government has need of every top-flight person it can muster.

Look at the duties and responsibilities these Government officials must meet. In terms of money spent, in terms of national policy and national welfare, their task is staggering. How much can we ask them to sacrifice in the public service? At best we can only limit the financial loss they inevitably take.

But there is a much more serious aspect to this problem than next year's budget or the pay of certain Government officials. It concerns the longer future and the type of executives and administrators who will be available for Government service in the years ahead. We are not legislating solely or primarily for the next fiscal year.

We must consider how Government service will look to the really able members of the rising generation. We can invite them to consider such a career or we can cold-shoulder them with salary scales that are pitifully inadequate. If we make the sacrifice look too great, we will lose most of the really able people that we want and need in Government. We will lose them because they will not even consider a career in Government, much less point toward it. Moreover, we will have great difficulty in recruiting mature, able men from private life.

Who will pay for that loss of talent, vision, and ability? Your constituents and mine—if we have the good fortune to remain in Congress. All of us will foot the bill if we so underpay our Government officials that we screen out the very ones who could serve us most efficiently and economically.

Mr. BRYSON. Mr. Speaker, it is to be regretted that we are considering H. R. 1689 at this time.

Since many of our people are insisting upon the adoption of considerable portions of the Hoover Commission report, surely it is untimely to add to Government expenditures rather than to reduce them.

Assuming that there are inequities in the pay of heads of Government departments and agencies, we cannot afford to increase salaries and wages of said Government officials in the face of a known growing deficit.

The latest report reaching Congress reveals the fact that we are operating now with a deficit of some $2,000,000,000. It appears that this deficit will increase. With this acknowledged fact before us, we must reduce Government expenditures, raise taxes, or operate with a deficit. We cannot in justice to the taxpayer increase taxes with incomes on the decline. We should not operate with a deficit. The logical thing to do is to reduce Government cost.

One hears little talk of economy in Congress. We have grown too accustomed to increasing expenditures. The clamor of the taxpayers for relief is seldom heard, if ever.

It is a great honor to serve our Government in any capacity. Most everyone in public office must of necessity serve at a financial sacrifice. One capable of successfully filling a public office could easily earn more money in private industry. The real compensation accruing to a public official is intangible. The satisfaction of knowing that one has had the privilege of serving his country is, and should be, adequate pay.

In my judgment, unless there is a change in the attitude of those now in charge of our Government toward public expenditures, the people will ultimately rebel against extravagance.

On a recent trip to my district I was greatly impressed by the attitude of everyone toward economy.

Let us send this measure back to committee for additional study with the hope that by the time it comes up for further consideration our domestic affairs will have been improved.

When the idea of increasing salaries, such as is provided for in this measure, was first presented to the Congress some 6 months ago, the financial horizon was much brighter than now. Let us hope that in the not distant future our economic affairs will improve.

This is no time to add additional and unnecessary burdens to our already overburdened taxpayers.

I regret to find myself in disagreement with those who are sponsoring this legislation, but have no hesitancy in voting against its passage.

### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) entitled "An act to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes."

### EXTENSION OF REMARKS

Mr. TACKETT asked and was given permission to revise and extend the remarks he made in Committee of the Whole today and include extraneous matter.

Mr. HART asked and was given permission to extend his remarks in the RECORD and include an article appearing in the CIO News.

Mr. ADDONIZIO asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the New Jersey Record.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. DAVENPORT asked and was given permission to extend his remarks in the RECORD.

Mr. BATTLE asked and was given permission to extend his remarks in the RECORD and include a speech.

### SPECIAL ORDER GRANTED

Mr. PHILLIPS of California asked and was given permission to address the House for 40 minutes on Friday, July 22, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

### ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

### SIGNING OF ENROLLED BILLS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 113. An act for the relief of Helen Louise Oles;

S. 230. An act for the relief of Mrs. Sonia Kaye Johnston;

S. 322. An act for the relief of Mrs. Gertrude H. Westaway, legal guardian of Bobby Niles, a minor;

S. 623. An act for the relief of George Krinopolis;

S. 980. An act for the relief of Toshie Okutomi;

S. 1138. An act for the relief of John W. Crumpacker, commander, United States Navy;

S. 1167. An act for the relief of the estate of Marion Miller;

S. 1168. An act to amend section 2680 of title 28, United States Code;

S. 1296. An act for the relief of Murphy and Wischmeyer;

S. 1359. An act to repeal the provisions of the Alaska Railroad Retirement Act of June 29, 1936, as amended, and sections 91 to 107 of the Canal Zone Code and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such provisions are applicable; and

S. 1688. An act to provide for certain adjustments on the promotion list of the Medical Service Corps of the Regular Army.

### BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 20. An act to amend the act of August 1, 1947, as amended, to authorize the creation of 10 professional and scientific positions in the headquarters and research stations of the National Advisory Committee for Aeronautics;

H. R. 52. An act for the relief of Nevada County, Calif.;

H. R. 596. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of John E. Parker, his heirs, administrators, or assigns, against the United States;

H. R. 682. An act for the relief of the legal guardian of Elliott Hewitt;

H. R. 703. An act conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of Mrs. Oteen Foxworth;

H. R. 709. An act for the relief of the General Engineering & Dry Dock Corp.;

H. R. 1009. An act for the relief of the Central Bank, a California corporation as assignee of John C. Williams, an individual operating under the fictitious name and trade style of Central Machine Works, of Oakland, Calif.;

H. R. 1042. An act for the relief of Hoy C. Wong;

H. R. 1116. An act for the relief of Mexican Fibre & Twine Co., Inc.;

H. R. 1131. An act for the relief of James Fred Girdley and Percy Bridgewater;

H. R. 1173. An act for the relief of Florence Bryant Peters and E. B. Peters;

H. R. 1297. An act for the relief of Alvin G. Patton;

H. R. 1470. An act for the relief of the estate of James F. Delahanty, deceased;

H. R. 1496. An act for the relief of Mrs. Thelma Lee Rynaard;

H. R. 1676. An act for the relief of Thomas M. Bates;

H. R. 2349. An act for the relief of Col. Wlodzimierz Onacewicz;

H. R. 2785. An act to provide for further contributions to the International Children's Emergency Fund;

H. R. 2848. An act for the relief of Leon Nikolaivich Volkov;

H. R. 3017. An act for the relief of Ramon G. Hunter and Arthur Nancett;

H. R. 3077. An act for the relief of Mrs. Rebecca Levy;

H. R. 3151. An act to amend the Federal Food, Drug, and Cosmetic Act of June 25, 1938, as amended, by providing for the certification of batches of drugs composed wholly or partly of any kind of aureomycin, chloramphenicol, and bacitracin, or any derivative thereof;

H. R. 3313. An act for the relief of the estate of the late Manuel Graulau Velez;

H. R. 3320. An act for the relief of Ignacio Colon Cruz;

H. R. 3321. An act for the relief of Gloria Esther Diaz, Lydia Velez, and Gladys Prieto;

H. R. 3323. An act for the relief of the estate of Rafael Rebollo;

H. R. 3680. An act to authorize the Secretary of Agriculture to quitclaim 5 1/10 acres of land in Washington County, Miss., to the Mississippi State College;

H. R. 3717. An act to repeal the act of July 24, 1946, relating to the Swan Island Animal Quarantine Station;

H. R. 3720. An act for the relief of Erwin F. Earl;

H. R. 3812. An act for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts;

H. R. 4252. An act to transfer the trawlers *Alaska* and *Oregon* from the Reconstruction Finance Corporation to the Fish and Wildlife Service;

H. R. 4373. An act for the relief of Ray G. Schneyer and Dorothy J. Schneyer;

H. R. 4559. An act for the relief of Louis Brown;

H. R. 4807. An act for the relief of Robert A. Atlas; and

H. J. Res. 228. Joint resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week.

## ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 28 minutes p. m.) the House, under its previous order, adjourned until Monday, July 11, 1949, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

744. A letter from the Secretary of Defense transmitting a letter by the Acting Secretary of the Navy recommending the enactment of a proposed draft of legislation entitled "To authorize the allowance of leave credit to officers of the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Reserve components thereof, who were denied such credit as the result of certain changes in their status between September 8, 1939, and August 9, 1946"; to the Committee on Armed Services.

745. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill entitled "To amend the District of Columbia Teachers' Salary Act of 1947"; to the Committee on the District of Columbia.

746. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill entitled "To increase the number of examiners in chief in the Patent Office, and for other purposes"; to the Committee on the Judiciary.

747. A letter from the Postmaster General, transmitting a report of claims paid by the Post Office Department under the provisions of the Federal Tort Claims Act during the fiscal year 1948-49; to the Committee on the Judiciary.

748. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to amend the act of August 8, 1946, relating to the payment of annual leave to certain officers and employees"; to the Committee on Post Office and Civil Service.

749. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules, or parts of lists or schedules, covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTINGTON: Committee on Public Works. H. R. 3071. A bill to authorize the Secretary of the Army to purchase certain property in Morgan County; with an amendment (Rept. No. 1000). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTINGTON: Committee on Public Works. H. R. 3197. A bill relating to the sale of the old Louisville Marine Hospital, Jefferson County, Ky.; with an amendment (Rept. No. 1001). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 2392. A bill to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes; with an amendment (Rept. No. 1003). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. S. 1278. An act to fix the United States share of project costs, under the Federal Airport Act, involved in installation of high intensity lighting on CAA designated instrument landing runways; without amendment (Rept. No. 1004). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Florida: Committee on Interstate and Foreign Commerce. S. 1279. An act to amend the Federal Airport Act so as to provide that minimum rates of wages need be specified only in contracts in excess of $2,000; without amendment (Rept. No. 1005). Referred to the Committee of the Whole House on the State of the Union.

Mr. SULLIVAN: Committee on Interstate and Foreign Commerce. S. 1280. An act to amend the Federal Airport Act so as to limit to 10 percent any increase of the amount stated as a maximum obligation under a grant agreement; without amendment (Rept. No. 1006). Referred to the Committee of the Whole House on the State of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTINGTON: Committee on Public Works. H. R. 5356. A bill to provide for the conveyance of land to the Norfolk County Trust Co. in Stoughton, Mass., with an amendment (Rept. No. 1002). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 5549. A bill relating to the exemption from payment of income tax of certain compensation payable to Federal employees stationed in the Territories and possessions of the United States; to the Committee on Ways and Means.

By Mr. COLMER:

H. R. 5550. A bill to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes", as amended, to permit the sale of war housing to State and local housing agencies; to the Committee on Banking and Currency.

By Mr. FARRINGTON:

H. R. 5551. A bill to authorize the President of the United States, under certain conditions, to appoint boards of inquiry with power to make binding recommendations with respect to labor disputes in trade between the continental United States and the Territory of Hawaii, and for other purposes; to the Committee on Education and Labor.

By Mr. LANE:

H. R. 5552. A bill to amend the act of August 8, 1946, relating to the payment of annual leave to certain officers and employees; to the Committee on Post Office and Civil Service.

By Mr. LODGE:

H. R. 5553. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SADOWSKI:

H. R. 5554. A bill to require the United States Civil Service Commission to establish a regional office for the State of Michigan at Detroit, Mich.; to the Committee on Post Office and Civil Service.

By Mr. WOOD:

H. R. 5555. A bill to repeal the act of March 31, 1949, suspending certain import taxes on copper; to the Committee on Ways and Means.

By Mr. MORRIS:

H. R. 5556. A bill to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.; to the Committee on Public Lands.

By Mr. GATHINGS:

H. R. 5557. A bill to provide for coordination of arrangements for the employment of agricultural workers admitted for temporary agricultural employment from foreign countries in the Western Hemisphere, to assure that the migration of such workers will be limited to the minimum numbers required to meet domestic labor shortages and for other purposes; to the Committee on Agriculture.

By Mr. HOFFMAN of Michigan:

H. R. 5558. A bill declaring a portion of the Paw Paw River, in the city of Benton Harbor, in the city of St. Joseph and Benton Township, county of Berrien, State of Michigan, to be nonnavigable; to the Committee on Interstate and Foreign Commerce.

By Mr. BATTLE:

H. R. 5559. A bill to amend the Federal Trade Commission Act with respect to the advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

By Mr. BROOKS:

H. R. 5560. A bill to terminate the war-tax rates on certain miscellaneous excise taxes,

and for other purposes; to the Committee on Ways and Means.

By Mr. CROSSER:

H. R. 5561. A bill to create an independent Air Safety Board; to the Committee on Interstate and Foreign Commerce.

By Mr. DAVIES of New York:

H. R. 5562. A bill to amend the Agricultural Act of 1948 and the Agricultural Adjustment Act of 1938, as amended, to provide price support for Angora-rabbit wool; to the Committee on Agriculture.

By Mr. PRICE:

H. R. 5563. A bill to amend Public Law 49, Seventy-seventh Congress, for the purpose of preventing loss of life, impairment of health, and endangerment to the safety of coal mine employees; to the Committee on Education and Labor.

By Mr. CELLER:

H. J. Res. 295. Joint resolution to erect a memorial to the memory of Mohandas K. Gandhi; to the Committee on House Administration.

By Mr. LODGE:

H. Con. Res. 101. Concurrent resolution relating to refund of premiums on national service life insurance policies; to the Committee on Veterans' Affairs.

### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California memorializing the President and Congress of the United States relative to the construction of navigable channels on the Sacramento and Feather Rivers; to the Committee on Public Works.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLLING:

H. R. 5564. A bill for the relief of Wilcox Electric Co., Inc.; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 5565. A bill for the relief of the estate of Eustadio D. Papavasilopulo; to the Committee on the Judiciary.

By Mr. REED of New York:

H. R. 5566. A bill for the relief of Dr. Agostino DeLisi; to the Committee on the Judiciary.

### PETITIONS, ETC.

Under clause 1, of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1268. By Mr. McCULLOCH: Petition of Mrs. Ethel Webb, and 26 others, urging enactment of legislation prohibiting the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1269. By Mr. CANFIELD: Resolution of Amalgamated Local 300, Engineers and Salaried Employees Association, UAW-CIO, urging governmental action to stop the current economic recession; to the Committee on Banking and Currency.

1270. By Mr. RICH: Petition of Rural Letters Carriers of Potter-McKean Counties, Pa., in opposition to H. R. 4772, providing a 40-hour week for rural carriers; to the Committee on Post Office and Civil Service.

1271. By Mr. MACK of Washington: Petition of Seattle Chapter, Associated General Contractors of America, regarding proposed Columbia Valley Authority legislation; to the Committee on Public Works.

1272. By the SPEAKER: Petition of Woodbury County Medical Society, Sioux City, Iowa, relative to being placed on record as being opposed to any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

1273. Also, petition of Oakland County Dental Society, Pontiac, Mich., requesting Congress not to enact any legislation which will hamper that freedom such as current proposals for compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

1274. Also, petition of Bishop Clarkson Memorial Hospital, Omaha, Nebr., relative to expressing their opposition to compulsory health insurance, considering it a menace to the public health and an abuse of the individual freedom of choice; to the Committee on Interstate and Foreign Commerce.

1275. Also, petition of W. J. Shuman and others, Chambersburg, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

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# SENATE

MONDAY, JULY 11, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. Alton Henley Glasure, pastor, Presbyterian Church, St. Petersburg, Fla., offered the following prayer:

O Lord God, we thank Thee for Thy mercies which are new every morning and fresh every evening. We praise Thee for Thy blessings which have been multiplied to us in rich abundance. As we thank Thee for blessings received we would thank Thee more for opportunities to serve. In these opportunities we beseech Thee to give Thy divine leadership to these Thy servants.

We confess before Thee our sins and pray for the gift of clear thinking, and that these Thy legislative laborers may be faithful stewards in the service of Thy eternal kingdom.

In the name of Jesus Christ our Lord. Amen.

### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 8, 1949, was dispensed with.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, in which it requested the concurrence of the Senate.

### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1042. An act relating to the payment of fees, expenses, and costs of jurors; and

S. 1070. An act to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

### CONFIRMATION OF NOMINATIONS IN THE ARMED SERVICES

Mr. TYDINGS. Mr. President, I report favorably from the Committee on Armed Services numerous routine promotions in the armed services of the United States. No objection has been heard to any of the nominations incorporated in this recommendation from any source, the report is unanimous, and I ask for the immediate consideration of the nominations.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maryland? The Chair hears none, and, without objection, the nominations are confirmed, and the President will be immediately notified.

### EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing two nominations, which nominating message was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

### EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah, from the Committee on Labor and Public Welfare:

Paul W. Kabler and sundry other candidates for appointment and promotion in the Regular Corps of the Public Health Service.

### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hunt | Myers |
| Anderson | Ives | Neely |
| Bricker | Jenner | O'Conor |
| Bridges | Johnson, Colo. | Reed |
| Cain | Johnston, S. C. | Robertson |
| Capehart | Kefauver | Russell |
| Chapman | Kem | Saltonstall |
| Connally | Kerr | Smith, Maine |
| Cordon | Knowland | Smith, N. J. |
| Donnell | Langer | Sparkman |
| Dulles | Lodge | Stennis |
| Ecton | Long | Taft |
| Ferguson | Lucas | Taylor |
| Flanders | McCarran | Thomas, Okla. |
| Frear | McCarthy | Thomas, Utah |
| Fulbright | McClellan | Thye |
| George | McFarland | Tydings |
| Gillette | McKellar | Vandenberg |
| Graham | Malone | Watkins |
| Green | Martin | Wherry |
| Gurney | Maybank | Wiley |
| Hayden | Miller | Williams |
| Hendrickson | Millikin | Withers |
| Hoey | Morse | Young |
| Holland | Mundt | |
| Humphrey | Murray | |

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Alabama [Mr. HILL], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Florida [Mr. PEPPER] are detained on official business in meetings of committees of the Senate.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Texas [Mr. JOHNSON], the Senator from West Virginia [Mr. KILGORE], and the Senator from Washington [Mr. MAGNUSON] are absent on public business.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly meeting at Rome, Italy.

The Senator from Rhode Island [Mr. MCGRATH] is absent by leave of the Senate.

The Senator from Connecticut [Mr. MCMAHON] is absent on official business, presiding at a meeting of the Joint Committee on Atomic Energy in connection with an investigation of the affairs of the Atomic Energy Commission.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Kansas [Mr. SCHOEPPEL] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Iowa [Mr. HICKENLOOPER] is in attendance at a meeting of the Joint Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are detained on official business.

By order of the Senate, the following announcement is made:

The members of the Joint Committee on Atomic Energy are in attendance at a meeting of the joint committee in connection with an investigation of the affairs of the Atomic Energy Commission.

The VICE PRESIDENT. A quorum is present.

## TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators may be permitted to introduce bills and joint resolutions, submit petitions and memorials, and incorporate editorials and other matters into the RECORD, without debate, as though we were in the morning hour.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

## PRESIDENT'S MIDYEAR ECONOMIC REPORT (H. DOC. NO. 252)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Joint Committee on the Economic Report:

THE WHITE HOUSE,
*Washington, D. C., July 11, 1949.*

The Honorable the PRESIDENT OF THE SENATE.

The Honorable the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIRS: I am presenting herewith a Midyear Economic Report to the Congress. This is supplementary to the Economic Report of the President of January 7, 1949, and is transmitted in accordance with section 3 (b) of the Employment Act of 1946.

In preparing this report I have had the advice and assistance of the Council of Economic Advisers, members of the Cabinet, and heads of independent agencies.

Together with this report I am transmitting a report, the Economic Situation at Midyear 1949, prepared for me by the Council of Economic Advisers in accordance with section 4 (c) (2) of the Employment Act of 1946.

Respectfully,

HARRY S. TRUMAN.

## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PROPOSED TRANSFER BY NAVY DEPARTMENT OF ALUMINUM PONTON BARGE TO GAME AND FISH COMMISSION OF MARYLAND

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Game and Inland Fish Commission of the State of Maryland had requested the Navy Department to transfer an aluminum ponton barge for use by that commission in wild waterfowl restoration work along the Potomac River; to the Committee on Armed Services.

SPECIAL REPORT ON CONSTRUCTION-DIFFERENTIAL SUBSIDIES AND RELATED NATIONAL DEFENSE ALLOWANCES BY UNITED STATES MARITIME COMMISSION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a special report on construction-differential subsidies and related national defense allowances granted by the United States Maritime Commission (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

GAINFUL EMPLOYMENT OF CERTAIN DISABLED PERSONS

A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of proposed legislation to assure the provision of all necessary services to prepare disabled persons for and establish them in remunerative employment, to provide for grants-in-aid to the States for adjustment training services for the blind, and for establishing employment opportunities for the severely disabled, to amend the Vocational Rehabilitation Act, as amended (U. S. C., 1946 ed., title 29, ch. 4), to amend the Randolph-Sheppard Act (U. S. C., 1946 ed., title 20, ch. 6A), and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Sisterhood of Congregation Bikur Cholim, of Seattle, Wash., protesting against the enactment of legislation providing any change in the present calendar; to the Committee on Foreign Relations.

A letter in the nature of a petition from H. S. Erskine, and sundry other persons, representatives of Veterans Village, Lubbock, Tex., relating to low-cost housing at Lubbock; to the Committee on Banking and Currency.

A resolution adopted by the city council of the city of Baton Rouge, La., favoring the enactment of Senate bill 1681, to prohibit the picketing of courts; to the Committee on the Judiciary.

A resolution adopted by Local 66, Architectural and Engineering Guild, International Federation of Technical Engineers', Architects', and Draftsmen's Unions, A. F. of L., of New York, N. Y., favoring the enactment of legislation providing compulsory insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the West Central District Dental Society, of Minnesota, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A letter in the nature of a petition from the Louisville (Ky.) Automobile Club, AAA, signed by Eugene Stuart, secretary manager, praying for the enactment of legislation to exclude the Mining City Dam from the Ohio Valley flood-control program; to the Committee on Public Works.

A telegram in the nature of a petition from the Alumni Association, United States Merchant Marine Cadet Corps, of New York, N. Y., signed by T. L. Kingsley, executive vice president, relating to appropriations for the Coast Guard Academy; ordered to lie on the table.

## SCHOOL-AID PROGRAM—RESOLUTION OF LOWELL (MASS.) CITY COUNCIL

Mr. SALTONSTALL. Mr. President, in cooperation with my colleague, the junior Senator from Massachusetts [Mr. LODGE], I present for appropriate reference a resolution adopted by the City Council of Lowell, Mass., protesting against the enactment of the so-called Barden bill, being House bill 4643, relating to the school-aid program, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas a bill now pending before Congress, which was introduced by Representative BARDEN, and known as H. R. 4643, has been referred to the House Committee on Education and Labor; and

Whereas the bill provides for the use of taxpayers' money for a certain group and denies aid to other groups, this appears to be discriminatory and class legislation; and

Whereas we feel that with all peoples of the country sharing in tax assessments, and so forth, all should also share in any concessions to be granted by the Federal Government; and

Whereas we feel that grants and concessions already enjoyed by various educational groups should not be taken away, as they would be under the provisions of the pending Barden bill: Now, therefore, be it

*Resolved*, That the Lowell City Council, in regular meeting held on Tuesday, July 5, 1949, in adopting this resolution, go on record as opposed to this bill, and further to request United States Senators LEVERETT SALTONSTALL and HENRY CABOT LODGE, JR., and Representative EDITH NOURSE ROGERS to oppose the adoption of this discriminatory legislation.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GEORGE, from the Committee on Finance:

H. R. 195. A bill to assist States in collecting sales and use taxes on cigarettes; without amendment (Rept. No. 644);

H. R. 3905. A bill to amend section 3121 of the Internal Revenue Code; with amendments (Rept. No. 646); and

H. R. 5114. A bill to amend the Internal Revenue Code to permit the use of additional means, including stamp machines, for payment of tax on fermented malt liquors, provide for the establishment of brewery bottling house on brewery premises and for other purposes; without amendment (Rept. No. 645).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 1949. A bill to authorize the lease of the Federal correctional institution at Sandstone, Minn., to the State of Minnesota; without amendment (Rept. No. 641).

By Mr. O'CONOR, from the Committee on the Judiciary:

S. 2083. A bill to provide for the preparation of a plan for the celebration of the one hundredth anniversary of the building of the Soo Locks; without amendment (Rept. No. 642); and

S. J. Res. 103. Joint resolution designating June 14 of each year as Flag Day; without amendment (Rept. No. 643).

By Mr. FULBRIGHT, from the Committee on Banking and Currency:

S. 1871. A bill to amend the Reconstruction Finance Corporation Act to prohibit the employment of certain personnel of the Corporation by organizations receiving loans or other financial assistance therefrom; with an amendment (Rept. No. 647).

By Mr. TYDINGS, from the Committee on Armed Services:

S. 1803. A bill to authorize the attendance of the United States Marine Band at the Twenty-third Annual Convention of the Reserve Officers Association of the United States, to be held in Grand Rapids, Mich., July 27 through July 30, 1949; without amendment (Rept. No. 648);

S. 1834. A bill for the relief of the widow of Robert V. Holland; without amendment (Rept. No. 649);

S. 2192. A bill to authorize the adjustment of the lineal positions of certain officers of the naval service, and for other purposes; without amendment (Rept. No. 650);

H. R. 2418. A bill to authorize restocking, propagation, and conservation of game in the Eglin Field Reservation; without amendment (Rept. No. 651); and

H. R. 4646. A bill to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to lend certain property to national veterans' organizations, and for other purposes; without amendment (Rept. No. 652).

By Mr. KEFAUVER, from the committee on Armed Services:

S. 1939. A bill to amend section 302 (c) of the Army and Air Force Vitalization and Retirement Equalization Act of 1948; with amendments (Rept. No. 653).

## COLLECTION OF SALES AND USE TAXES ON CIGARETTES—PERMISSION TO FILE MINORITY VIEWS

Mr. GEORGE subsequently said: Mr. President, earlier today I filed a report on House bill 195, to assist States in collecting sales and use taxes on cigarettes. At the time I neglected to ask permission for the distinguished senior Senator from Colorado [Mr. JOHNSON] and other Senators to file minority views. I now ask unanimous consent that they may have the privilege of filing minority views hereafter.

The VICE PRESIDENT. Without objection, it is so ordered.

## REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

## ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that he had presented to the President of the United States the following enrolled bills:

On July 9, 1949:

S. 113. An act for the relief of Helen Louise Oles;

S. 230. An act for the relief of Mrs. Sonia Kaye Johnston;

S. 322. An act for the relief of Mrs. Gertrude H. Westaway, legal guardian of Bobby Niles Johnston, a minor;

S. 623. An act for the relief of George Krinopolis;

S. 980. An act for the relief of Toshie Okutomi;

S. 1138. An act for the relief of John W. Crumpacker, commander, United States Navy;

S. 1167. An act for the relief of the estate of Marion Miller;

S. 1168. An act to amend section 2680 of title 28, United States Code;

S. 1296. An act for the relief of Murphy & Wischmeyer;

S. 1359. An act to repeal the provisions of the Alaska Railroad Retirement Act of June 29, 1936, as amended, and sections 91 to 107 of the Canal Zone Code and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such provisions are applicable; and

S. 1688. An act to provide for certain adjustments on the promotion list of the Medical Service Corps of the Regular Army.

On July 11, 1949:

S. 1042. An act relating to the payment of fees, expenses, and costs of jurors; and

S. 1070. An act to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

## ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES RELATING TO CIVILIAN EMPLOYMENT IN EXECUTIVE BRANCH

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit an additional report on civilian employment in the executive branch of the Federal Government during the month of May 1949, and, in accordance with the practice of several years' standing, I request that it be printed in the body of the RECORD as a part of my remarks, together with a statement by me.

There being no objection, the report and statement presented by Mr. BYRD were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH APRIL–MAY 1949, AND PAY MARCH–APRIL 1949

Note with reference to personal-service expenditure figures: It should be noted that the latest expenditure figures for personal service shown in table I of this report are for the month of April, and that they are compared with personal-service expenditure figures for the month of March, whereas the latest employment figures covered in this report are for the month of May and are compared with the month of April. This lag in personal-service expenditure figures is necessary in order that actual expenditures may be reported.

(Figures in the following report are compiled from signed official personnel reports by the various agencies and departments of the Federal Government. Table I shows total personnel employed inside and outside continental United States, and pay, by agency. Table III shows personnel employed outside continental United States. Table IV gives by agency the industrial workers employed by the Federal Government. For purposes of comparison, figures for the previous month are shown in adjoining columns.)

PERSONNEL AND PAY SUMMARY

(See table I)

According to monthly personnel reports for May 1949 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures:

| | Civilian personnel in executive branch | | | Pay roll (in thousands of dollars) in executive branch | | |
|---|---|---|---|---|---|---|
| | In May numbered— | In April numbered— | Increase (+) or decrease (−) | In April was— | In March was— | Increase (+) or decrease (−) |
| Total | 2,120,019 | 2,110,529 | +9,490 | $536,395 | $566,192 | −$29,797 |
| 1. Agencies exclusive of National Military Establishment | 1,222,127 | 1,213,808 | +8,319 | 312,401 | 326,428 | −14,027 |
| 2. National Military Establishment | 897,892 | 896,721 | +1,171 | 223,994 | 239,764 | −15,770 |
| Within National Military Establishment: | | | | | | |
| Office of the Secretary of Defense | 1,522 | 1,479 | +43 | 509 | 535 | −26 |
| Department of the Army | 377,310 | 374,463 | +2,847 | 89,700 | 94,732 | −5,032 |
| Department of the Air Force | 167,289 | 164,870 | +2,419 | 40,447 | 44,042 | −3,595 |
| Department of the Navy | 351,771 | 355,909 | −4,138 | 93,338 | 100,455 | −7,117 |

Table I, on page 3, breaks down the above figures on employment and pay by agency.

Tables II, III, and IV break down the above employment figures to show the number outside continental United States, and the number in the so-called industrial categories. This further break-down in tables II, III, and IV does not include pay figures because pay-roll reports submitted to the committee by some agencies are inadequate for this purpose.

INSIDE CONTINENTAL UNITED STATES

(See table II)

Federal personnel within the United States increased 11,366 from the April total of 1,921,380 to the May total of 1,932,746.

Exclusive of the National Military Establishment there was an increase of 7,665 from the April total of 1,157,309 to the May total of 1,164,974.

Total civilian employment within the United States for the National Military Establishment for May was 767,772, an increase of 3,701 over the April total of 764,071.

The Office of the Secretary of Defense increased 43 from the April figure of 1,479 to the May figure of 1,522.

The Department of the Army civilian personnel within the United States increased 5,220 from the April figure of 307,856 to the May figure of 313,076.

The Department of the Air Force civilian personnel within the United States increased 2,037 from the April figure of 137,484 to the May figure of 139,521.

The Department of the Navy civilian personnel within the United States decreased 3,599 from the April figure of 317,252 to the May figure of 313,653.

OUTSIDE CONTINENTAL UNITED STATES

(See table III)

Outside continental United States Federal personnel decreased 1,876 from the April total of 189,149 to the May total of 187,273.

An increase of 654 was reported by the departments and agencies other than the National Military Establishment from the April total of 56,499 to the May total of 57,153.

Total civilian employment outside continental United States for the National Military Establishment decreased 2,530 from the April total of 132,650 to the May figure of 130,120.

The Department of the Army reported a decrease in overseas civilian employment of 2,373 from the April figure of 66,607 to the May figure of 64,234.

The Department of the Air Force reported an increase in overseas civilian employment of 382 from the April figure of 27,386 to the May figure of 27,768.

The Department of the Navy reported a decrease in overseas civilian employment of 539 from the April figure of 38,657 to the May figure of 38,118.

INDUSTRIAL EMPLOYMENT

(See table IV)

Total industrial employment during the month of May increased 1,346 from the April total of 573,778 to the May total of 575,124.

The departments and agencies other than the National Military Establishment increased 1,106 from the April total of 19,217 to the May total of 20,323.

The National Military Establishment increased its total industrial employment 240 from the April figure of 554,561 to the May figure of 554,801.

The Department of the Army reported a net increase of 2,656 from the April figure of 210,676 to the May figure of 213,332. Inside continental United States Army industrial employment increased 4,770, while outside continental United States there was a decrease of 2,114.

The Department of the Air Force reported an increase of 1,627 industrial employees from the April figure of 99,318 to the May figure of 100,945. Of this increase in Air Force industrial employment 1,156 was inside continental United States and 471 was outside continental United States.

The Department of the Navy decreased its industrial employment 3,043 from the April figure of 244,567 to the May figure of 240,524.

The term "industrial employees," as used by the committee, refers to unskilled, semi-skilled, skilled, and supervisory employees paid by the Federal Government who are working on construction projects such as airfields and roads, and in shipyards and arsenals. It does not include maintenance and custodial employees.

EMPLOYEES OF FEDERAL AGENCIES EXCLUDED FROM COMPILATIONS OF THE JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

Table V, carried on page 10 at the end of this report, shows personnel excluded by the Joint Committee on Reduction of Nonessential Federal Expenditures from its monthly compilations. The committee excludes the personnel of the Board of Governors of the Federal Reserve System and the personnel of the Office of the Comptroller of the Currency, Treasury Department, from its compilations because the personal-service expenditures in these two agencies are paid from assessments levied on banks for this purpose. The seamen and trainees on the rolls of the United States Maritime Commission have been excluded because during the war and immediate postwar period these seamen and trainees were regarded as being in a military or quasi-military status.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during May 1949, and comparison with April 1949; and pay for April 1949 and comparison with March 1949*

| Department or agency | Pay (in thousands of dollars) | | | | Personnel | | | |
|---|---|---|---|---|---|---|---|---|
| | March | April | Increase | Decrease | April | May | Increase | Decrease |
| Executive departments (except National Military Establishment): | | | | | | | | |
| Agriculture | 20,511 | 18,648 | | 1,863 | 78,933 | 82,347 | 3,414 | |
| Commerce | 12,882 | 12,656 | | 226 | 43,584 | 45,443 | 1,859 | |
| Interior | 13,995 | 13,635 | | 360 | 51,860 | 54,021 | 2,161 | |
| Justice | 9,419 | 8,748 | | 671 | 26,030 | 26,041 | 11 | |
| Labor | 1,200 | 1,101 | | 99 | 3,552 | 3,589 | 37 | |
| Post Office | 124,948 | 124,575 | | 373 | 512,207 | 514,932 | 2,725 | |
| State | 5,650 | 6,017 | 367 | | 20,559 | 20,815 | 256 | |
| Treasury | [1] 29,151 | 26,806 | | 2,345 | 92,137 | 91,017 | | 1,120 |
| Executive Office of the President: | | | | | | | | |
| White House Office | 87 | 128 | 41 | | 230 | 230 | | |
| Bureau of the Budget | 269 | 235 | | 34 | 528 | 530 | 2 | |
| Executive Mansion and Grounds | 15 | 13 | | 2 | 65 | 71 | 6 | |
| National Security Council [2] | 7 | 7 | | | 18 | 20 | 2 | |
| National Security Resources Board | 169 | 159 | | 10 | 373 | 348 | | 25 |
| Council of Economi Advisers | 23 | 21 | | 2 | 40 | 39 | | 1 |
| Emergency war agencies: Office of Defense Transportation | 12 | 12 | | | 28 | 12 | | 16 |
| Postwar agencies: | | | | | | | | |
| Displaced Persons Commission | 64 | 75 | 11 | | 232 | 237 | 5 | |
| Economic Cooperation Administration | 977 | 1,197 | 220 | | 3,460 | 3,411 | | 49 |
| Office of the Housing Expediter | 1,688 | 1,613 | | 75 | 4,802 | 4,922 | 120 | |
| Philippine Alien Property Administration | 37 | 31 | | 6 | 122 | 99 | | 23 |
| Philippine War Damage Commission | 212 | 198 | | 14 | 959 | 988 | 29 | |
| War Assets Administration | 1,903 | 1,791 | | 112 | 3,845 | 3,702 | | 143 |
| Independent agencies: | | | | | | | | |
| American Battle Monuments Commission | 17 | 20 | 3 | | 160 | 157 | | 3 |
| Atomic Energy Commission | 1,769 | 1,631 | | 138 | 4,628 | 4,627 | | 1 |
| Civil Aeronautics Board | 278 | 255 | | 23 | 679 | 679 | | |
| Civil Service Commission | 1,303 | 1,192 | | 111 | 4,177 | 4,164 | | 13 |
| Export-Import Bank of Washington | 60 | 55 | | 5 | 122 | 122 | | |
| Federal Communications Commission | 529 | 484 | | 45 | 1,349 | 1,348 | | 1 |
| Federal Deposit Insurance Corporation | 407 | 371 | | 36 | 1,066 | 1,062 | | 4 |
| Federal Mediation and Conciliation Service | 201 | 186 | | 15 | 365 | 368 | 3 | |
| Federal Power Commission | 331 | 299 | | 32 | 797 | 794 | | 3 |
| Federal Security Agency [3] | 9,876 | 9,201 | | 675 | 35,971 | 35,931 | | 40 |
| Federal Trade Commission | 280 | 281 | 1 | | 655 | 653 | | 2 |
| Federal Works Agency | 6,061 | 5,623 | | 438 | 23,356 | 23,546 | 190 | |
| General Accounting Office | 3,041 | 2,792 | | 249 | 9,433 | 9,344 | | 89 |
| Government Printing Office | 2,568 | 2,256 | | 312 | 7,039 | 7,020 | | 19 |
| Housing and Home Finance Agency | [1] 3,737 | 3,549 | | 188 | 11,579 | 11,534 | | 45 |

[1] Revised on basis of later information.
[2] Exclusive of personnel and pay of the Central Intelligence Agency.
[3] Includes personnel and pay for Howard University and the Columbia Institute for the Deaf.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during May 1949, and comparison with April 1949; and pay for April 1949 and comparison with March 1949*—Continued

| Department or agency | Pay (in thousands of dollars) | | | | Personnel | | | |
|---|---|---|---|---|---|---|---|---|
| | March | April | Increase | Decrease | April | May | Increase | Decrease |
| Independent agencies—Continued | | | | | | | | |
| Indian Claims Commission | 7 | 6 | | 1 | 11 | 11 | | |
| Interstate Commerce Commission | [1] 882 | 806 | | 76 | 2,211 | 2,195 | | 16 |
| Maritime Commission | 1,917 | 1,847 | | 70 | 6,459 | 6,318 | | 141 |
| National Advisory Committee for Aeronautics | 2,275 | 2,115 | | 160 | 6,857 | 6,939 | 82 | |
| National Archives | 127 | 116 | | 11 | 382 | 379 | | 3 |
| National Capital Housing Authority | 83 | 74 | | 9 | 306 | 309 | 3 | |
| National Capital Park and Planning Commission | 8 | 6 | | 2 | 19 | 20 | 1 | |
| National Capital Sesquicentennial Commission | 1 | 1 | | | 2 | 2 | | |
| National Gallery of Art | 74 | 74 | | | 315 | 313 | | 2 |
| National Labor Relations Board | 556 | 502 | | 54 | 1,519 | 1,481 | | 38 |
| National Mediation Board | 62 | 51 | | 11 | 111 | 101 | | 10 |
| Panama Canal | 4,079 | 3,568 | | 511 | 22,666 | 22,459 | | 207 |
| Railroad Retirement Board | 730 | 683 | | 47 | 2,423 | 2,384 | | 39 |
| Reconstruction Finance Corporation | 1,909 | 1,762 | | 147 | 4,598 | 4,600 | 2 | |
| Securities and Exchange Commission | 496 | 444 | | 52 | 1,147 | 1,133 | | 14 |
| Selective Service System | 1,141 | 888 | | 253 | 5,614 | 5,154 | | 460 |
| Smithsonian Institution | 173 | 158 | | 15 | 543 | 546 | 3 | |
| Tariff Commission | 108 | 103 | | 5 | 240 | 238 | | 2 |
| Tax Court of the United States | 53 | 70 | 17 | | 123 | 124 | 1 | |
| Tennessee Valley Authority | 4,125 | 3,639 | | 486 | 12,672 | 12,782 | 110 | |
| Veterans' Administration | 53,945 | 49,627 | | 4,318 | [4] 200,650 | 200,476 | | 174 |
| Total, excluding National Military Establishment | 326,428 | 312,401 | 660 | 14,687 | 1,213,808 | 1,222,127 | 11,022 | 2,703 |
| Net change, excluding National Military Establishment | | | 14,027 | | | | 8,319 | |
| National Military Establishment: | | | | | | | | |
| Office of the Secretary of Defense | 535 | 509 | | 26 | 1,479 | 1,522 | 43 | |
| Department of the Army: | | | | | | | | |
| Inside continental United States | 80,286 | 76,211 | | 4,075 | 307,856 | 313,076 | 5,220 | |
| Outside continental United States | 14,446 | 13,489 | | 957 | 66,607 | 64,234 | | 2,373 |
| Department of the Air Force: | | | | | | | | |
| Inside continental United States | 37,906 | 35,103 | | 2,803 | 137,484 | 139,521 | 2,037 | |
| Outside continental United States | 6,136 | 5,344 | | 792 | 27,386 | 27,768 | 382 | |
| Department of the Navy | 100,455 | 93,338 | | 7,117 | 355,909 | 351,771 | | 4,138 |
| Total, National Military Establishment | 239,764 | 223,994 | | 15,770 | 896,721 | 897,892 | 7,682 | 6,511 |
| Net change, National Military Establishment | | | 15,770 | | | | 1,171 | |
| Grand total, including National Military Establishment | 556,192 | 536,395 | 660 | 30,457 | 2,110,529 | 2,120,019 | 18,704 | 9,214 |
| Net change, including National Military Establishment | | | 29,797 | | | | 9,490 | |

[1] Revised on basis of later information.
[4] Adjusted to eliminate WOC employees erroneously reported by the agency as expert consultants.

TABLE II.—*Federal personnel inside continental United States employed by executive agencies during May 1949 and comparison with April 1949*

| Department or agency | April | May | Increase | Decrease |
|---|---|---|---|---|
| Executive departments (except National Military Establishment): | | | | |
| Agriculture | 76,685 | 79,880 | 3,195 | |
| Commerce | 40,464 | 42,212 | 1,748 | |
| Interior | 45,969 | 47,631 | 1,662 | |
| Justice | 25,551 | 25,562 | 11 | |
| Labor | 3,516 | 3,554 | 38 | |
| Post Office | 510,425 | 513,136 | 2,711 | |
| State | 7,962 | 8,142 | 180 | |
| Treasury | 91,443 | 90,325 | | 1,118 |
| Executive Office of the President: | | | | |
| White House Office | 230 | 230 | | |
| Bureau of the Budget | 528 | 530 | 2 | |
| Executive Mansion and Grounds | 65 | 71 | 6 | |
| National Security Council [1] | 18 | 20 | 2 | |
| National Security Resources Board | 373 | 348 | | 25 |
| Council of Economic Advisers | 40 | 39 | | 1 |
| Emergency war agencies: Office of Defense Transportation | 28 | 12 | | 16 |
| Postwar agencies: | | | | |
| Displaced Persons Commission | 73 | 77 | 4 | |
| Economic Cooperation Administration | 935 | 944 | 9 | |
| Office of the Housing Expediter | 4,775 | 4,896 | 121 | |
| Philippine Alien Property Administration | 2 | 2 | | |
| Philippine War Damage Commission | 8 | 8 | | |
| War Assets Administration | 3,843 | 3,701 | | 142 |
| Independent agencies: | | | | |
| American Battle Monuments Commission | 13 | 13 | | |
| Atomic Energy Commission | 4,624 | 4,624 | | |
| Civil Aeronautics Board | 660 | 661 | 1 | |
| Civil Service Commission | 4,172 | 4,159 | | 13 |
| Export-Import Bank of Washington | 120 | 120 | | |
| Federal Communications Commission | 1,316 | 1,315 | | 1 |
| Federal Deposit Insurance Corporation | 1,066 | 1,062 | | 4 |
| Federal Mediation and Conciliation Service | 365 | 368 | 3 | |
| Federal Power Commission | 797 | 794 | | 3 |
| Federal Security Agency [2] | 34,965 | 34,910 | | 55 |
| Federal Trade Commission | 655 | 653 | | 2 |
| Federal Works Agency | 22,645 | 22,817 | 172 | |
| General Accounting Office | 9,433 | 9,344 | | 89 |
| Government Printing Office | 7,039 | 7,020 | | 19 |
| Housing and Home Finance Agency | 11,540 | 11,493 | | 47 |
| Indian Claims Commission | 11 | 11 | | |
| Independent agencies—Continued | | | | |
| Interstate Commerce Commission | 2,211 | 2,195 | | 16 |
| Maritime Commission | 6,424 | 6,283 | | 141 |
| National Advisory Committee for Aeronautics | 6,857 | 6,939 | 82 | |
| National Archives | 382 | 379 | | 3 |
| National Capital Housing Authority | 306 | 309 | 3 | |
| National Capital Park and Planning Commission | 19 | 20 | 1 | |
| National Capital Sesquicentennial Commission | 2 | 2 | | |
| National Gallery of Art | 315 | 313 | | 2 |
| National Labor Relations Board | 1,508 | 1,469 | | 39 |
| National Mediation Board | 111 | 101 | | 10 |
| Panama Canal | 640 | 644 | 4 | |
| Railroad Retirement Board | 2,423 | 2,384 | | 39 |
| Reconstruction Finance Corporation | 4,587 | 4,589 | 2 | |
| Securities and Exchange Commission | 1,147 | 1,133 | | 14 |
| Selective Service System | 5,451 | 4,997 | | 454 |
| Smithsonian Institution | 538 | 541 | 3 | |
| Tariff Commission | 240 | 238 | | 2 |
| Tax Court of the United States | 123 | 124 | 1 | |
| Tennessee Valley Authority | 12,672 | 12,782 | 110 | |
| Veterans' Administration | [3] 198,999 | 198,848 | | 151 |
| Total, exclusive of National Military Establishment | 1,157,309 | 1,164,974 | 10,071 | 2,406 |
| Net increase, excluding National Military Establishment | | | 7,665 | |
| National Military Establishment: | | | | |
| Office of the Secretary of Defense | 1,479 | 1,522 | 43 | |
| Department of the Army | 307,856 | 313,076 | 5,220 | |
| Department of the Air Force | 137,484 | 139,521 | 2,037 | |
| Department of the Navy | 317,252 | 313,653 | | 3,599 |
| Total, National Military Establishment | 764,071 | 767,772 | 7,300 | 3,599 |
| Net increase, National Military Establishment | | | 3,701 | |
| Grand total, including National Military Establishment | 1,921,380 | 1,932,746 | 17,371 | 6,005 |
| Net increase, including National Military Establishment | | | 11,366 | |

[1] Exclusive of personnel of the Central Intelligence Agency.
[2] Includes employees of Howard University and the Columbia Institute for the Deaf.
[3] Adjusted to eliminate w. o. c. employees erroneously reported by the agency as expert consultants.

TABLE III.—*Federal personnel outside contin ental United States employed by the executi ve agencies during May 1949, and comparison with April 1949*

| Department or agency | April | May | Increase | Decrease |
|---|---|---|---|---|
| Executive departments (except National Military Establishment): | | | | |
| Agriculture | 2,248 | 2,467 | 219 | |
| Commerce | 3,120 | 3,231 | 111 | |
| Interior | 5,891 | 6,390 | 499 | |
| Justice | 479 | 479 | | |
| Labor | 36 | 35 | | 1 |
| Post Office | 1,782 | 1,796 | 14 | |
| State | 12,597 | 12,673 | 76 | |
| Treasury | 694 | 692 | | 2 |
| Postwar agencies: | | | | |
| Displaced Persons Commission | 159 | 160 | 1 | |
| Economic Cooperation Administration | 2,525 | 2,467 | | 58 |
| Office of the Housing Expediter | 27 | 26 | | 1 |
| Philippine Alien Property Administration | 120 | 97 | | 23 |
| Philippine War Damage Commission | 951 | 980 | 29 | |
| War Assets Administration | 2 | 1 | | 1 |
| Independent agencies: | | | | |
| American Battle Monuments Commission | 147 | 144 | | 3 |
| Atomic Energy Commission | 4 | 3 | | 1 |
| Civil Aeronautics Board | 19 | 18 | | 1 |
| Civil Service Commission | 5 | 5 | | |
| Export-Import Bank of Washington | 2 | 2 | | |
| Federal Communications Commission | 33 | 33 | | |
| Federal Security Agency | 1,006 | 1,021 | 15 | |
| Federal Works Agency | 711 | 729 | 18 | |
| Housing and Home Finance Agency | 39 | 41 | 2 | |
| Independent agencies—Continued | | | | |
| Maritime Commission | 35 | 35 | | |
| National Labor Relations Board | 11 | 12 | 1 | |
| Panama Canal | 22,026 | 21,815 | | 211 |
| Reconstruction Finance Corporation | 11 | 11 | | |
| Selective Service System | 163 | 157 | | 6 |
| Smithsonian Institution | 5 | 5 | | |
| Veterans' Administration | 1,651 | 1,628 | | 23 |
| Total, excluding National Military Establishment | 56,499 | 57,153 | 985 | 331 |
| Net increase, excluding National Military Establishment | | | 654 | |
| National Military Establishment: | | | | |
| Department of the Army | 66,607 | 64,234 | | 2,373 |
| Department of the Air Force | 27,386 | 27,768 | 382 | |
| Department of the Navy | 38,657 | 38,118 | | 539 |
| Total, National Military Establishment | 132,650 | 130,120 | 382 | 2,912 |
| Net decrease, National Military Establishment | | | 2,530 | |
| Grand total, including National Military Establishment | 189,149 | 187,273 | 1,367 | 3,243 |
| Net decrease, including National Military Establishment | | | 1,876 | |

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by executive agencies during May 1949, and comparison with April 1949*

| Department or agency | April | May | Increase | Decrease |
|---|---|---|---|---|
| Executive departments (except National Military Establishment): | | | | |
| Commerce | 1,250 | 1,111 | | 139 |
| Interior | 4,876 | 5,988 | 1,112 | |
| State | 351 | 354 | 3 | |
| Treasury | 4,420 | 4,453 | 33 | |
| Independent agencies: | | | | |
| Atomic Energy Commission | 118 | 125 | 7 | |
| Housing and Home Finance Agency | 1 | 2 | 1 | |
| Panama Canal | 1,851 | 1,865 | 14 | |
| Tennessee Valley Authority | 6,350 | 6,425 | 75 | |
| Total, excluding National Military Establishment | 19,217 | 20,323 | 1,245 | 139 |
| Net increase, excluding National Military Establishment | | | 1,106 | |
| National Military Establishment: | | | | |
| Department of the Army: | | | | |
| Inside continental United States | 166,309 | 171,079 | 4,770 | |
| Outside continental United States | 44,367 | 42,253 | | 2,114 |
| Department of the Air Force: | | | | |
| Inside continental United States | 78,668 | 79,824 | 1,156 | |
| Outside continental United States | 20,650 | 21,121 | 471 | |
| Department of the Navy | 244,567 | 240,524 | | 4,043 |
| Total, National Military Establishment | 554,561 | 554,801 | 6,397 | 6,157 |
| Net increase, National Military Establishment | | | 240 | |
| Grand total, including National Military Establishment | 573,778 | 575,124 | 7,642 | 6,296 |
| Net increase, including National Military Establishment | | | 1,346 | |

TABLE V.—*Employees of Federal agencies excluded from compilations by the Joint Committee on Reduction of Nonessential Federal Expenditures*

[NOTE.—The Joint Committee on Reduction of Nonessential Federal Expenditures in its monthly personnel compilations excludes employees of the Board of Governors, Federal Reserve System, the Office of the Comptroller of the Currency in the Treasury Department, along with seamen and trainees on the rolls of the U. S. Maritime Commission. This personnel has been excluded because the personal service expenditures in the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency are paid from assessments levied on banks for this purpose, and during the war and immediate postwar period seamen and trainees on the Maritime Commission rolls were regarded as being in a military or quasi-military status]

| Month | Board of Governors, Federal Reserve System | Office of Comptroller of the Currency | Seamen and trainees, U. S. Maritime Commission | Total |
|---|---|---|---|---|
| 1947—December | 513 | 1,036 | 13,238 | 14,787 |
| 1948—January | 513 | 1,046 | 11,664 | 13,223 |
| February | 513 | 1,046 | 11,219 | 12,778 |
| March | 511 | 1,046 | 9,865 | 11,422 |
| April | 513 | 1,044 | 9,285 | 10,842 |
| May | 513 | 1,051 | 7,256 | 8,820 |
| June | 515 | 1,057 | 6,240 | 7,812 |
| July | 517 | 1,064 | 5,548 | 7,129 |
| August | 514 | 1,071 | 5,291 | 6,876 |
| September | 512 | 1,073 | 6,037 | 7,622 |
| October | 522 | 1,076 | 5,800 | 7,398 |
| November | 524 | 1,082 | 5,442 | 7,048 |
| December | 529 | 1,080 | 5,536 | 7,145 |
| 1949—January | 527 | 1,091 | 5,143 | 6,761 |
| February | 531 | 1,097 | 5,029 | 6,657 |
| March | 532 | 1,112 | 4,956 | 6,600 |
| April | 532 | 1,126 | 3,990 | 5,648 |
| May | 535 | 1,133 | 2,926 | 4,594 |

STATEMENT BY SENATOR BYRD

THREE HUNDRED AND FIFTY PEOPLE A DAY

The number of civilian employees in the executive branch of the Federal Government in April increased at the rate of more than 350 a day.

MILLION DOLLARS A DAY

Average Federal pay is approximately $3,000 a year. If those added to the Federal pay roll in April represent a net permanent increase, it means annual Federal personnel costs were increased during the month at the rate of more than a million dollars a day.

MORE THAN 2,000,000 ON ROLLS

Total civilian employment in the executive branch in April numbered 2,122,710. The total for March was 2,111,257. The increase for the month was 11,453.

These figures were revealed today in a compilation of personnel reports certified by 61 reporting agencies of the executive branch to the Joint Committee on Reduction of Nonessential Federal Expenditures.

INCREASE LEADERS

The greatest increase for the month was reported by the Department of Agriculture with 3,643. This was closely followed by the Army Department with an increase of 3,560 civilian employees. The Post Office Department was third with an increase of 3,282.

The largest decrease reported for the month was in the Department of the Navy which had a reduction of 4,618. War Assets Administration, which is in liquidation, reported the second largest decrease with 861.

VETERANS' ADMINISTRATION INCREASE

While great publicity has been given the report that the Veterans' Administration was to reduce its employment by 8,000, the Administration certified to the committee that there was a net increase of 508 during April in its paid personnel. Previous reports by the Administration reveal that since the beginning of the current fiscal year there had been a net increase in its paid personnel of 3,792 for the 10 months period.

BIG PERSONNEL AGENCIES

A special table in the committee report for April shows that three agencies—the National Military Establishment, the Post Office Department, and the Veterans' Administration—are employing a total of nearly 1,600,000, approximately 76 percent of the total civilian personnel in the executive branch.

Employees reported by the remaining 55 principal departments and agencies aggregate little more than 500,000, or about 24 percent of the total.

## REPORTS OF COMMITTEES ON PERSONNEL AND FUNDS

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following reports were received by the Secretary of the Senate:

JULY 7, 1949.

REPORT OF COMMITTEE OF FINANCE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to June 30, 1949, together with the

funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Elizabeth B. Springer, acting chief clerk | 7,405.06 | $3,639.11 |
| Janice Everly, stenographer | 4,370.38 | 2,185.14 |
| Sam Oglesby, stenographer | 4,370.38 | 2,075.88 |
| esse R. Nichols, document clerk | 3,991.04 | 1,888.62 |
| Serge Benson (temporary assignment), minority professional assistant | 9,301.11 | 2,[illegible]67.83 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $10,000.00 |
| Amount expended | 3,212.55 |
| Balance unexpended | 6,787.45 |

WALTER F. GEORGE,
*Chairman.*

JULY 1[illegible], 1949.

REPORT OF COMMITTEE ON LABOR AND PUBLIC WELFARE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Earl B. Wixcey, clerk | $10,330.00 | $5,043.71 |
| Philip R. Rodgers, assistant clerk | 10,330.00 | 5,143.78 |
| Vivien Harman, clerical assistant | [illegible],446.32 | 2,030.42 |
| Crawford C. He rlein, clerical assistan[illegible] | 4,453.15 | 2,226.54 |
| Dorothy Murphy,[1] clerical assistant | 4,949.73 | 1,524.15 |
| Paul Sample, clerical assistant | 5,032.50 | 2,516.22 |
| Marguerite Yost,[2] clerical assistant | 3,542.74 | 246.02 |
| Herman Lazarus,[3] professiona staff member | 10,330.00 | 4,304.15 |
| William G. Reidy,[4] professional staff member | 10,330.00 | 3,041.60 |
| Thomas E. Shroyer,[5] professional staff member | 10,230.00 | 4,304.15 |
| Melvin W. Sneed, professional staff member | 10,330.00 | 4,752.12 |

[1] Resigned effective June 5, 1949.
[2] Appointed June 6, 1949.
[3] Appointed Feb. 1, 1949.
[4] Appointed Mar. 15, 1949.
[5] Appointed Feb. 1, 1949.

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $20,000.00 |
| Amount expended | 7,421.84 |
| Balance unexpended | 12,578.16 |

ELBERT D. THOMAS,
*Chairman.*

## BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Utah:

S. 2227. A bill to amend the act approved July 18, 1940 (54 Stat. 766, 24 U. S. C., 1946 ed., sec. 196b), entitled "An act relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States," by enlarging the classes of persons admissible into St. Elizabeths Hospital in other respects; and

S. 2228. A bill to amend the Public Health Service Act with respect to venereal disease rapid treatment centers, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. JOHNSON of Colorado:

S. 2229. A bill to provide for the settlement of certain parts of Alaska by war veterans; to the Committee on Interior and Insular Affairs.

By Mr. ECTON:

S. 2230. A bill to stimulate exploration, development, mining, production, and conservation of strategic and critical minerals and metals within the United States and its Territories; to establish an Office of National Minerals Development, Production, and Conservation within the Department of the Interior; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MILLER:

S. 2231. A bill for the relief of Marco Murolo and his wife Romana Pellis Murolo; to the Committee on the Judiciary.

By Mr. McCARTHY:

S. 2232. A bill for the relief of Peter Heyden; to the Committee on the Judiciary.

S. 2233. A bill to amend the Social Security Act so as to eliminate any reduction in benefits on account of wages earned; to the Committee on Finance.

By Mr. TYDINGS:

S. 2234. A bill to amend section 302 of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Armed Services.

By Mr. KILGORE:

S. 2235. A bill for the relief of Hyman D. Langer; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. J. Res. 116. Joint resolution to invalidate regulations prohibiting amputees from operating interstate motor carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. HUMPHREY:

S. J. Res. 117. Joint resolution authorizing a memorial for Mohandas K. Gandhi; to the Committee on Rules and Administration.

## EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS—AMENDMENT

Mr. PEPPER submitted an amendment intended to be proposed by him to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

## HOUSE BILL PLACED ON THE CALENDAR

The bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, was read twice by its title, and ordered to be placed on the calendar.

## EXTENSION OF SECTION 1302 (A) OF THE SOCIAL SECURITY ACT RELATING TO MERCHANT SEAMEN

Mr. GEORGE. Mr. President, I ask unanimous consent that House Joint Resolution 287 be laid before the Senate. It is a matter which will provoke no debate.

The VICE PRESIDENT. The Chair lays before the Senate House Joint Resolution 287, which will be read by its title.

The joint resolution (H. J. Res. 287) extending section 1302 (a) of the Social Security Act, as amended, until June 30, 1950, was read twice by its title.

Mr. GEORGE. Mr. President, as in legislative session, I ask unanimous consent that the Senate now proceed to the consideration of the House Joint Resolution 287.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Reserving the right to object, I will say my attention was diverted for a moment and I did not hear the Senator's statement as to the purpose of the joint resolution.

Mr. GEORGE. Mr. President, House Joint Resolution 287 merely extends to merchant seamen for 1 year the unemployment compensation provisions of the Social Security Act. There are still about 7,500 seamen employed by the Government, and they would have no unemployment compensation benefits if the extension were not made. Since it is a deadline case, the present extension having expired on June 30, it is necessary to have it renewed.

Mr. WHERRY. Mr. President, I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 287) extending section 1302 (a) of the Social Security Act, as amended, until June 30, 1950, was considered, ordered to a third reading, read the third time, and passed.

## ADDRESS BY SENATOR MARTIN BEFORE PENNSYLVANIA VETERANS OF FOREIGN WARS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by him at the annual convention of the Veterans of Foreign Wars, Department of Pennsylvania, at Philadelphia, Pa., on July 9, 1949, which appears in the Appendix.]

## ADDRESS BY SENATOR MUNDT AT THE INTERNATIONAL CONVENTION OF KIWANIS CLUBS

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an address delivered by him at the international convention of Kiwanis Clubs at Atlantic City, on June 20, 1949, which appears in the Appendix.]

## ACTION BY NATIONAL EDUCATION ASSOCIATION AGAINST EMPLOYMENT OF COMMUNIST TEACHERS

[Mr. HOEY asked and obtained leave to have printed in the RECORD an article Teachers Vote To Oust Reds, published in the Charlotte (N. C.) Observer, dealing with the action of the National Education Association against teaching by Communist teachers in United States schools, which appears in the Appendix.]

## DEFINITION OF THE "WELFARE STATE"—ARTICLE BY NELSON H. CRUIKSHANK

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article entitled "Welfare State Defined," written by Nelson H. Cruikshank and published in the New York Times of July 10, 1949, which appears in the Appendix.]

## SOCIALISM IN BRITAIN—EDITORIAL FROM INDIANAPOLIS STAR

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Enough Is Enough," published in a recent issue of the Indianapolis Star, which appears in the Appendix.]

## THE GOVERNMENT DEFICIT—EDITORIAL FROM WASHINGTON (IND.) HERALD

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Government in the Red," published in a recent issue of the Washington (Ind.) Herald, which appears in the Appendix.]

CITATION OF WAYNE COY BY SONS OF INDIANA OF NEW YORK

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD a citation by the Sons of Indiana of New York designating Wayne Coy, Chairman of the Federal Communications Commission, as the outstanding Hoosier of 1949, together with Mr. Coy's response, which appear in the Appendix.]

THE BRANNAN PLAN—COMMENTS BY HASSIL E. SCHENCK

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Hassil Schenck Is Right," published in a recent issue of the Indianapolis Star; also an article entitled "Schenck Raps Brannan Plan," published in the Indianapolis Star of July 7, 1949, which appear in the Appendix.]

TAXES—ADDRESS BY WALTER H. CARTER

[Mr. ROBERTSON asked and obtained leav. to have printed in the RECORD an address on the subject of taxes, delivered by Hon. Walter H. Carter, of Amherst, Va., to the veterans' agricultural class of the Amherst, Va., high school, on June 7, 1949, which appears in the Appendix.]

THE WELFARE STATE: WHERE DO WE GO FROM HERE?—EDITORIAL FROM THE RICHMOND NEWS-LEADER

[Mr. ROBERTSON asked and obtained leave to have printed in the RECORD an editorial entitled "The Welfare State: Where Do We Go From Here?" published in the Richmond News-Leader of July 8, 1949, which appears in the Appendix.]

THE DEAD END OF NATIONAL SOCIALISM—ARTICLE BY FELIX MORLEY

[Mr. KEM asked and obtained leave to have printed in the RECORD an article entitled "The Dead End of National Socialism," written by Felix Morley and published in the July 6, 1949, issue of Human Events, which appears in the Appendix.]

WANTS ANOTHER HENRY TO LEAD NATION—LETTER FROM RUSSELL KEININGHAM

[Mr. KEM asked and obtained leave to have printed in the RECORD a letter under the heading "Wants another Henry to lead Nation," written by Russell Keiningham to the editor of the Richmond (Va.) News-Leader, and published in the July 9, 1949, issue of that newspaper, which appears in the Appendix.]

RENT CONTROLS—EDITORIAL COMMENT

[Mr. BRICKER asked and obtained leave to have printed in the RECORD an editorial entitled "Eyes of the United States Are on Texas," published in the Cleveland Plain Dealer of June 25, 1949, and another editorial entitled "Rent Control Marches On," published in the Cleveland Plain Dealer of June 28, 1949, which appear in the Appendix.]

THE HAWAIIAN SHIPPING STRIKE—EDITORIALS FROM THE BREWERY GULCH GAZETTE AND THE LOS ANGELES TIMES

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial from the Brewery Gulch Gazette, of Bisbee, Ariz., and an editorial from the Los Angeles Times, relative to the Hawaiian strike situation, which appear in the Appendix.]

THE PRESIDENT'S ECONOMIC REPORT SUMMARIZED

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD a brief summary of the President's economic report, prepared by Dr. John D. Clark, one of the members of the Council of Economic Advisers, which appears in the Appendix.]

THE TVA HAS FRIENDS—ARTICLE BY HODDING CARTER

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "The TVA Has Friends," written by Hodding Carter and published in the Washington Post of July 3, 1949, which appears in the Appendix.]

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. O'CONOR a Subcommittee on the Judiciary was authorized to sit during the session of the Senate today.

STATEMENT BY SENATOR McCLELLAN RELATIVE TO OBJECTION BY MARITIME COMMISSION TO HOOVER COMMISSION REPORTS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks, a statement which I have prepared, summarizing a report I have received from the Chairman of the Maritime Commission, expressing the view of the Commission with reference to the Hoover Commission reports as they affect that Commission.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Strenuous opposition to certain recommendations in the Hoover Commission reports affecting the United States Maritime Commission is contained in a statement submitted to Senator JOHN L. MCCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, by Maritime Commission Chairman Philip B. Fleming, which was released today.

In a lengthy report containing adverse comments relative to these Hoover Commission recommendations, criticism was centered on recommendation No. 9 of the Commission's report on regulatory commissions, which proposes to transfer the so-called "business" functions of the Maritime Commission, related to construction, operation, charter, and sale of ships to the Department of Commerce, thus separating them from regulatory functions relating to rates, conditions of service, and the granting of subsidies. Chairman Fleming's statement on this phase of the Hoover Commission's report, in part, follows:

"The Commission is unanimously and vigorously opposed to any proposed splitting of the functions now vested in the Maritime Commission with respect to the merchant marine.

"The proposals disregard the most important lessons of our merchant-marine history which resulted in the establishment of the Maritime Commission as an independent bipartisan agency in 1936. The Commission was established by the Congress after a prolonged and careful consideration of various proposals, many of them similar to those now made. The Congress rejected proposals involving a split administration of functions under a quasijudicial and policy-determining body and an executive or administrative body to be in a Cabinet department.

"The Congress in making that decision had before it the experience of the years 1933–36 during which the maritime agency—the United States Shipping Board—was placed in the Department of Commerce as a bureau pursuant to the 1933 enactment granting to the Executive broad powers for the reorganization of executive departments. The record made during that period was in large part instrumental in causing Congress to enact the 1936 act and create the Maritime Commission as an independent bipartisan agency. To place any substantial part of the Commission's functions under a department would only be turning back the clock and repeating an experiment which ended in failure.

"Furthermore, to provide for splitting of maritime functions of the Government would only increase the difficulties of the citizen and the industry. One of the main problems confronting the merchant marine and the maritime industry already is the multiplicity of Government agencies and officials concerned with maritime affairs. The proposals, instead of improving this situation, actually would increase the diffusion of responsibility.

"The functions now within the jurisdiction of the Maritime Commission (with only a very few minor exceptions), can only be effectively carried out by an agency which is consistently and exclusively concerned with merchant marine problems. The industry itself and the citizen are entitled to this type of a Government agency in the merchant marine field.

"It is argued theoretically that the interests of the Government acting in its quasi-judicial or quasi-legislative capacity may conflict with its functions of a proprietary or so-called business character. Actually, collisions between the Commission as a quasi-judicial or policy-making body and an administrative body are so rare as to be negligible. Actually, policies in respect of purely regulatory functions are so connected with and related to so-called operating or business functions, such as management of terminals, construction or sale of vessels, assistance in construction of vessels with or without subsidy, operation of or charter of vessels, that the proper administration of congressional policy for the merchant marine cannot be accomplished except by keeping such functions in one body which can appreciate the repercussions of activities in the one field upon activities in the other field and make its determinations in accord with the basic congressional policy.

"The so-called business or executive operations of the Commission are in fact so closely interwoven with the regulatory activities and subsidy of the Commission that to separate them would only compound the alleged difficulties in the present administration of the law."

The statement on this phase of the Hoover Commission's report concludes that "the Commission is convinced that the belief (which is hardly more than a hope) that the administration of nonregulatory, or executive, or business operations of the Commission can be separated from the regulatory and subsidy functions without serious complications is without foundation. * * * The Commission cannot emphasize too strongly the undesirability and danger of attempting to establish separate administrative agencies for governmental activities in respect of the ocean-going merchant marine. Historically and basically the continuance of promotional or operational or business functions concerned with the merchant marine in the same agency charged with the regulatory activities is a fundamental necessity for the successful administration of the merchant marine policy for the United States. Any other method would simply be a case of letting one hand function without the required amount of coordination with the other hand."

The Commission also objects to recommendation No. 12 in the Hoover Commission's report on the Department of Commerce dealing with transportation policies which proposes that the Secretary of Commerce be given the responsibility for making over-all route programs for air, water,

and land transportation, commenting as follows:

"This recommendation apparently is made in accordance with the recommendations in the Task Force Report on Regulatory Commissions (appendix N, p. 65) to the effect that there should be placed in the Commerce Department the function of 'investigation of ocean services, routes and lines from United States ports to foreign nations, and of what additions and replacements to the American merchant marine are necessary to achieve the objectives of the Maritime Act of 1936.'

"This concept of the functions involved as being operating or administrative is quite unrealistic. To attempt to carry out separately the regulatory and subsidy granting functions and the determination of essential services in the foreign trade, and also the determinations as to the replacements for the American merchant marine is to make it impossible to carry out any practical coordinated merchant marine policy. If the determination of the essentiality of a service to the commerce and national defense of the United States is to be made in the operating or executive branch of the Government, and that branch is also to determine the necessity of additions and replacements, the function of administering the subsidy allowances becomes a purely nondiscretionary function not suited to the character of the independent agency. This constitutes in effect not a reorganization of the administration of functions but a violent distortion, or at least misunderstanding, of the purpose of the 1936 act. The Task Force Report (p. 66) states that the awarding of subsidies should be retained in the Commission because it involves 'the same needs for deliberation and group judgment, impartiality, and continuity which typically call for the independent commission.' The awarding of subsidies on routes determined by another agency and for vessels determined by another agency leaves very little room for any deliberation, group judgment, impartiality, or continuity of policy, which under the 1936 act is placed for determination in an independent bipartisan policy-making body.

"An examination of this recommendation can only lead to the general conclusion above expressed, that all the Government functions under the 1936 act must be vested in one agency in the interest of good government, public concern, and the merchant marine which is the objective of the 1936 act."

Dissent is made to recommendation No. 5 in the Hoover Commission Department of Labor Report (which proposes that the determination of minimum wages for seamen on privately operated vessels should be transferred from the Maritime Commission to the Secretary of Labor) on the grounds such determination is made only on vessels receiving operational subsidies which the Commission grants. The Commission notes the task force report on regulatory commissions recommended the Maritime Commission retain this function.

In regard to recommendation No. 14 in the Hoover Commission Report on General Management of the Executive Branch, it is interpreted to establish a clear line of authority extending down through every step of organization into the operation of all independent regulatory commissions, thus bringing the Maritime Commission under the direct control of the President. The report contends that "if these recommendations were carried out it would bring about a complete reversal in the constitutional development, beginning in 1887 with the enactment of the Interstate Commerce Act, of vesting in independent bipartisan or nonpartisan agencies primarily responsible to the Congress, functions which are quasi-legislative and quasi-judicial in character. * * * The Congress placed such functions and activities as regulation of railroads, regulation of radio and other methods of communication, regulation of the electric-energy industry, the issuance of securities, the regulation and promotion of air transportation, and the maintenance and promotion of the American merchant marine, in independent agencies which, in general, are to be of a bipartisan or nonpolitical character and are not to be subject to fluctuations of political changes in government and pressures of a short view or selfish character."

Another point involving serious differences in points of view between the Maritime Commission and the Hoover recommendations is in relation to recommendation No. 1 of the report on regulatory commissions, "that all administrative responsibility be vested in the Chairman of the Commission." It is the view of the Maritime Commission that "this proposal violates a tried principle of organization, namely, that the executive or administrative head must be responsible to the planning or policy-making body." The Maritime Commission argues that "to set up as executive head an administrator over whom a commission had no control, even though it be the chairman and a member of the Commission, would lead to a voiding of all responsibility of the other members of a commission, and where inefficiency developed or a majority of a commission deemed a change desirable, the members of the Commission would have no way of taking steps to correct such inefficiency, or to bring about desirable changes. * * * The Maritime Commission believes that the better way of handling this matter is to relieve a commission from routine administrative problems by its delegating its administrative authority to an executive officer. In this way the Commission is freed from administrative detail, but maintains control and direction of the agency."

Likewise the Maritime Commission is opposed to recommendation No. 3 of this latter report which would permit a commissioner, upon expiration of his term, to continue to hold office until his successor has been appointed and qualified, stating that it "does not deem the adoption of this recommendation desirable. The Commission feels that the effectiveness of such a 'holdover' would be vitiated. It might lead also to unnecessary delay in the making and the ratifying of appointments."

The Commission approves recommendations which would increase salaries of Commissioners, board members, and staff assistants; permit delegation by Commissioners of routine matters to assistants; improve in general the disposition of business before administrative agencies; the establishment of a central office of personnel; the adoption of a performance budget and the strengthening of the Office of the Bureau of the Budget; and, separation of estimates as between capital outlays and current operating expenditures as recommended by the Hoover Commission.

NOTE.—Mr. Fleming's statement on the Hoover Commission reports discussed above is available for examination in the office of the Senate Committee on Expenditures in the Executive Departments, room 357, Senate Office Building.

## STATEMENT BY SENATOR McCLELLAN DISCUSSING LETTER FROM CHAIRMAN OF SECURITIES AND EXCHANGE COMMISSION RELATING TO HOOVER COMMISSION REPORTS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a statement which I have had prepared, relating to a letter received by me from Edmund M. Hanrahan, Chairman of the Securities and Exchange Commission, discussing recommendations made by the Hoover Commission relating to the operations of the Securities and Exchange Commission.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. McCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments released today a letter received from Edmond M. Hanrahan, Chairman of the Securities and Exchange Commission, discussing recommendations made by the Hoover Commission relating to the operations of the Securities and Exchange Commission.

In commenting on recommendation No. 1 in the Hoover Commission's report on regulatory commissions, that the Chairman assume responsibility for the functioning of the Commission, and the task force recommendations relative to the strengthening of the office of the Chairman in administrative matters, the letter points out that the Securities Exchange Act of 1934 establishing the Commission does not provide for a chairman, and that all powers under this and other laws affecting the Securities and Exchange Commission are vested in the Commission. Under present practice a chairman is elected annually by the members, and the extent to which he assumes responsibility for various functions has varied with the particular incumbent.

The Chairman contends that:

"These considerations strike to the heart of the character of this agency as an independent bipartisan commission. Many apparently administrative matters upon closer analysis reveal important policy issues. For example, preparation of the Commission's budget estimate is largely an administrative problem, but policy is involved in determining which commission functions are to be maintained, enlarged, or diminished in making the budget requests. Supervision of workload, backlog, and the progress of the operating divisions is administrative except to the extent that such review might contain the power to direct the priority of disposition or to prefer the use of available personnel for one endeavor rather than another."

Emphasis is placed on the fact that giving authority over regulatory commissions to the Chairman would depart from the policy of independence and bipartisanship which has heretofore characterized their organization and operation, and in this respect go beyond the recommendations of the Commission on Organization for centralized administrative responsibility. The Chairman further develops this point as follows:

"With the entry of the Federal Government into the sphere of regulation of extremely sensitive and complex areas of our national economy, some safeguards were deemed necessary in order to avoid any implication of political motivation. And it would appear that the divorcement of the independent agency from any centralized political control by the particular administration which happens to be in power was considered to be a prerequisite to a sound continuity of regulation and also essential to the inspiration of confidence on the part of the persons regulated and the general public without which effective regulation cannot be achieved. The bipartisan agency device was the means adopted to achieve the desired end of independence. * * * Viewed as a practical matter, it is not possible to isolate the various aspects of the work of this Commission."

The Securities and Exchange Commission Chairman also points out the difficulty in effectuating recommendation No. 7 of the Report on Regulatory Commissions, which

would authorize the Bureau of the Budget to suggest ways and means to improve and thereby reduce the cost of disposing of business before administrative agencies, stating that quasi-judicial proceedings before regulatory commissions have through the years developed more and more procedural safeguards of due process, and that many of these developments are the direct result of congressional action and of standards laid down by the courts in reviewing agency decisions. The Securities and Exchange Commission indicates that it would welcome a study of the possibilities of simplifying hearing procedures, within the limits of the due process requirements, to save expense both to the public and to the Commission.

Regarding recommendation No. 1 in the Hoover Commission Report on Budgeting and Accounting, which calls for establishment of a budget based upon functions, activities, and projects, Commissioner Hanrahan comments as follows:

"Our experience supports the recommendation that a 'performance budget' be adopted. For the past several years the justifications of our budget estimates generally have been based on the cost of performing the major functions under the several acts which the Commission administers, such as the examination of registration statements and other documents, and surveillance of security markets, etc. We have found that this method of justifying the estimates permits a better understanding of our budgetary needs by congressional appropriations committees and by the Bureau of the Budget, than would the justification of the estimates by objects of expenditures. The preparation of the President's budget on the basis of 'performance' doubtless would tend to provide a better relationship of expenditure, obligations, and future estimated costs to the work accomplished in the prior year, the work in progress in the current year, and the work contemplated for the budget year."

Referring to recommendation No. 9 of this Hoover Commission report, which would vest in the President the authority to effect improvements in statistical activities, Mr. Hanrahan states:

"This Commission now compiles and publishes certain business statistics relating to the financial affairs of corporations registered with us under one or more of the acts we administer. It is believed that a central authority, which would have the responsibility of designating focal agencies to carry on particular statistical functions under adequate budget allocations, would improve the program."

In commenting on the task force discussions of the jurisdiction of the Board of Governors of the Federal Reserve System over margin requirements, and recommendations for the transfer of that jurisdiction to the Securities and Exchange Commission, the Chairman stated:

"In that regard, the report recognizes that while the fixing of margins in securities trading is a credit control mechanism it operates directly in a market over which this Commission has been given broad powers and as to which it has accumulated detailed knowledge and experience. Effective policy making as to margins must, in our view, coordinate both the general credit and specific market factors. We believe that it is an appropriate function of this Commission to handle those aspects of the question that relate to market factors. The best method of precisely locating and effectively administering these policy-making functions cannot be determined without a fuller exploration of the problem."

With reference to integration and simplification of statutory requirements, the chairman indicates that experiences with the actual administration of the Securities Exchange Act shows the need for various amendments to increase investor protection and, in some instances, to ease the burden of compliance. He reported that the Commission is now in consultation with the industry to formulate a program for submission to the Congress which would be designed to correct this situation.

The letter discusses in detail the problem of effectuating sound methods of administering the statutes, with emphasis on determining procedures which would prevent the staff from extending or curtailing the policies of the Commission, which is quoted in part as follows:

"As a matter of normal internal operation it is neither possible nor desirable to keep the staff from discussing pending problems either with the Commission or with individual Commissioners nor would it be advisable to insulate the staff from the Commission in all cases where a registrant indicates that, should the advice of the staff be unsatisfactory, he will request an appeal to the Commission. To enforce such insulation would be inconsistent with the need for continuous and close supervision by the Commission of staff activity which the task force properly considers very important. Direct presentation of a problem to the Commission by members of the public serves a variety of aims. It gives the Commission direct contact with its regulatory problems; it is a means of supervising staff activities; it assures the member of the public that the Commission itself is passing on a matter he deems to have been mishandled by the staff. In order for these purposes to be fulfilled the procedure must provide full opportunity for presentation of the case by the member of the public. * * * We assume, of course, that the procedure intended by the task force is to be flexible, and that when appropriate the member of the public may be permitted (and at time perhaps required) to open the discussion. However, the danger of formalizing any particular procedure is that the discussion will inevitably begin with preliminary argument and ruling as to order of presentation with the result that the atmosphere is changed from informal to formal and the value of the appearance as a conference is lost.

"For some time we have been aware of the problem of publicity for informal interpretations, and members of the staff have been studying the possibility of broader publication than is now made. In selecting a body of interpretations suitable for publication, we have to bear in mind that the publication of a policy or interpretation tends to create a fixed standard. Stability and publicity of interpretations are desirable; but these ends should not overshadow the value of proceeding on a case-by-case basis, improving and refining interpretations as experience grows. I cannot, therefore, at this time predict how much wider in scope we can make the publication of informal interpretations. The report has been invaluable in underlining the necessity of achieving as wide currency as possible for these interpretations. It is our hope that we can expand such publicity materially without impairing necessary flexibility."

The chairman concludes his letter with the following statement on estimates of economies:

"It is not possible to estimate the effect of instituting the changes discussed above on the budget of this Commission. Certain of the proposals could produce modest savings. For example, the establishment of a local records center, closer integration of statistical work with other departments, more efficient hearing procedures, and simplification of procurement should result in economies. On the other hand, expansion of publications, enlargement of management and planning functions, and assumption of jurisdiction over margins might increase expenses somewhat."

The full text of the letter from the Chairman of the Securities and Exchange Commission is available at the offices of the committee. The report from the Commission has been submitted to a subcommittee composed of Senators McCLELLAN, EASTLAND, and IVES, which has under consideration S. 2073, making certain changes in laws applicable to regulatory agencies of the Governments so as to effectuate the recommendations regarding regulatory agencies made by the Commission on Organization of the Executive Branch of the Government. Further comments from the Securities and Exchange Commission have been requested relative to the specific provisions of the proposed legislation.

## ALLEGED CHARTERING OF PLANE BY SIOUX CITY GAS & ELECTRIC CO.—LETTER FROM SIOUX CITY CHAMBER OF COMMERCE

Mr. HICKENLOOPER. Mr. President, on July 1 the Senator from Montana [Mr. MURRAY] made a speech in connection with the proposed Missouri Valley Authority, and in connection with it he inserted in the RECORD an editorial from a Sioux City, Iowa, publication called the Unionist and Public Forum. That editorial alleges that the Sioux City Gas & Electric Co. had chartered a plane flight from St. Louis, Mo., for the purpose of opposing the organization of a Missouri Valley Authority.

Today I have received a copy of a letter from Mr. Harold L. Murphey, managing director of the Sioux City Chamber of Commerce, indicating that the power company in question had nothing whatever to do with the chartering of the plane as indicated by the editorial; and the letter purports to give the real facts. I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SIOUX CITY CHAMBER OF COMMERCE,
*Sioux City, Iowa, March 10, 1949.*

Mr. EDWARD E. ROELOFS,
*Editor, Unionist and Public Forum,*
*Sioux City, Iowa.*

DEAR SIR: Our attention has been called to an article appearing in your February 10 issue of the Unionist and Public Forum, in which you report that 22 Sioux Cityans were guests of the Sioux City Gas & Electric Co. on a chartered plane flight to St. Louis where they attended the annual conference of the Mississippi Valley Association. We also note that in your March 3 issue, under the column headed "Our public forum," there appeared a letter over the signature of John Clark. Following this open letter is an editorial comment stating that you had verified the statement that the local utility company had chartered the plane.

We presume your readers are interested in learning the truth concerning this matter, and we submit to you these actual facts:

1. The files of the Sioux City Journal and the Sioux City Chamber of Commerce will show that Sioux Cityans have been actively interested in the development of the Missouri River in all of its phases, including flood control, irrigation, navigation, and power for over 25 years.

2. Believing in organized effort, the members of the waterways committee of the Sioux City Chamber of Commerce have been attending the annual convention of the Mississippi Valley Association regularly at St. Louis every year.

3. These annual trips have always been sponsored by the waterways committee of the chamber of commerce, and in every instance, those attending have always cared for their own expenses.

4. Plans for chartering the plane for the 1949 trip were first discussed at a meeting of the waterways committee over 6 months ago, and on November 18 the committee members were polled to determine the type of transportation desired. At this meeting, 14 persons signified their preference for air transportation, and the secretary of the chamber of commerce was instructed to make all arrangements for plane and hotel reservations for the Sioux City party.

5. Acting under instructions of the committee, the secretary personally contacted Mr. Keith Armold, local representative of the Mid-Continent Airlines, and contracted for the chartered plane for a stipulated amount.

6. In carrying out the instructions of the committee, the secretary of the chamber of commerce and the cochairman of the Waterways committee personally contracted individual prospects for the trip and collected their proportionate share of the transportation costs.

7. Representatives of the Sioux City Gas & Electric Co. had no part in planning the trip, nor did any representative of the utility company contact any representative of the Mid-Continent Airlines with respect to the trip in question.

8. All checks for transportation were made payable to the chamber of commerce and, in turn, the chamber of commerce made out one check payable to the Mid-Continent Airlines.

We are at a loss to understand how any individual could verify facts to you which are contrary to those stated above. We would be glad to offer evidence to you at any time to prove conclusively that the above statements are correct in every detail.

Very truly yours,

HAROLD L. MURPHEY,
*Managing Director.*

## AMERICA'S ECONOMIC CONDITION

Mr. WILEY. Mr. President, I send to the desk a statement, which I have prepared on the subject of our Nation's attitude toward the recession in which we find ourselves. I ask unanimous consent that this statement be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENTS BY SENATOR WILEY ON AMERICA'S ECONOMIC CONDITION

Today the President's midyear economic report is going to be submitted to the Congress. On the basis of this report and many other economic signs, American will be evaluating the present position of our country. It is essential in this evaluation that we go neither to the extreme of (a) rosy optimism which fails to recognize many of the present dark spots in the picture, or, (b) gloomy pessimism which underestimates the tremendous pent-up demand in our people for autos, television sets, refrigerators, higher nutritional standards, etc.

SILVER PLATTER DAYS OVER

As one Wisconsin paper, the Neenah-Menasha News Times, put it in an editorial of almost a month back "The silver-platter days are over"—the days in which folks would knock down salesmen in their rush to buy goods. Now businessmen and salesmen have to go out and use genuine salesmanship on our people. That is not, however, a necessarily bad condition. On the contrary, many folks might rightly regard the return to the days of salesmanship as a real blessing. Healthy competition is important.

Nevertheless, all of us, as I have pointed out in previous Senate statements, are determined that we will not go back to the days of unhealthy mass unemployment, when farmers had to dump their milk on the roads because milk prices were so low that the farmers couldn't get their cost of production plus a reasonable profit. We don't want to go back to the days when factory after factory closed down and men roamed the streets aimlessly; when homes were broken up because wage earners lost their self respect and confidence in themselves due to long unemployment.

MIDLAND COOPERATOR ARTICLE

In this connection I ask unanimous consent that two related editorial pieces be printed in the CONGRESSIONAL RECORD. One of them is the afore-mentioned editorial in the Neenah-Menasha News-Times which discusses briefly and realistically the Nation's economic problem. The second is an interesting statement by Mr. Andrew Jensen, labor relations director of the Midland Cooperative Wholesale. This statement (printed in the July 6 issue of Midland Cooperator) discusses very pointedly the matter of thinking ourselves into and out of a depression. Constructive thinking followed by constructive action is the remedy recommended by Mr. Jensen, and it is one which I, for one, certainly endorse.

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[From the Neenah-Menasha News-Times]

SILVER PLATTER DAYS OVER

Since last fall the Nation has been in a process of business adjustment, many of its facets just dawning upon the public. The dropping of prices, lowering of sales and reducing of production, a few less hours of weekly labor, a few more unemployed, have gradually been making for a change in the general economy.

Officialdom and most industrial leaders have soft-pedalled the spread of this disinflation or adjustment, and wisely so. The changes have been slow and graduated, and quite orderly in nature. The housewife hasn't awakened in the morning to find the groceries have cut their prices in two, nor has she awakened to find her husband out of work. The food prices have been cutting down slowly but surely, and in most instances, the employee has lost but a few hours a week—much of it overtime which he had begun to take for granted.

Business is still good in general. Employment is still good in general. In the Twin Cities, the adjustment has been slight. The mills have curtailed production somewhat because of somewhat lowered demand, but employment has suffered very lightly. Income is still relatively good for the greater part.

If people will face the adjustment squarely, rather than be pessimists or alarmists, the adjustment will be kinder on every one—and on themselves. We were on a high peak of everything—income, prices, production, etc.—for an extended ride, now we may have to coast on a slightly lower level for awhile. Indications are for continued prosperity but it may be the kind that has to be worked for, fought for—no longer will we be handed things on a silver platter.

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[From the Midland Cooperator of July 6, 1949]

WE CAN THINK OURSELVES IN OR OUT OF A DEPRESSION

(By Andrew Jensen, Midland labor relations director)

Experience is the best teacher, we are told time and again. So many things in life point to the truth of it that we are almost forced to believe it. Too great a willingness to take the truth of it for granted may, however, lead us into a dangerous trap.

The danger lies in our possible failure to properly evaluate the factors behind our previous experiences. Thus we may reason: Good years have invariably been followed by bad years, therefore, now that we have had a few good years, we must inevitably have a few bad years. Even more superficial reasoning might lead us to say that the 1920's were good years, the 1930's were bad, therefore that experience teaches us that inasmuch as the 1940's were good years the 1950's will be bad.

If we permit ourselves to fall into the trap of that type of reasoning we will become afraid of the immediate future. We will fear to spend and invest in our usual manner, we'll wait in the hope that goods will be cheaper that conditions will return to normal, etc.

Out of such fears depressions are born and who is to say to what extent they will grow and when they will stop growing?

DEPRESSION FEARS

Thus depression fears become factors and in themselves contribute to producing the very monster feared. In other words we can think ourselves into a depression if we act according to that line of thought. Can we also think ourselves out a depression? Believe it or not, the answer is yes.

But, remember it is not the thinking that does it. It is the action that follows our line of thinking. That does not mean blind faith without valid supporting reasons. It means the sort of thinking that endeavors to investigate the underlying factors involved in "booms and busts." It means thinking and studying to attempt to locate the factors that were or were not present when the break came in, say, 1929, and to locate the factors that are or are not present today.

BOOMING STOCK MARKET

For instance, in 1929 we had a booming stock market, we don't today (and incidentally we didn't have it to the same degree even when times were good in the forties.)

In 1929 we had a weak bank structure, proven by the the tremendous losses that later occurred. Today with depositors insurance that has been strengthened.

Workers, when thrown out of employment in 1929 or the thirties had to fall back immediately and exclusively on their own often meager resources. Today, unemployment insurance will be a factor.

Farmers during the thirties saw prices fall to a supply-and-demand level that proved disastrous. Today, they do have a measure of protection as to prices on their products. Social security and old-age pensions, inadequate as they may appear, nevertheless are factors.

Thus our faith in the immediate future of our economy can be built by weighing factors pro and con. Can we find more factors in favor of a depression than against?

At this stage it is still the belief of this writer that the odds are in favor of good times following a comparatively brief settling down process.

## DISPLACED PERSONS OF GERMAN ETHNIC ORIGIN

Mr. WILEY. Mr. President, I send to the desk an important letter which I have received from Mr. Oswald C. J. Hoffmann, director of the department of public relations of the Missouri Synod of the Lutheran Church. Mr. Hoffmann writes on the very important subject of justice for the stricken folks of German ethnic origin who were driven from their homelands at the conclusion of the Second World War. I have previously commented on this subject, as my colleagues will recall, on the floor of the Senate in discussing both this and other phases of the humanitarian displaced persons problem. I have indicated that the people of America are anxiously watching our actions hoping that we will revise the law insofar as both displaced persons and expelled persons are concerned. I ask unanimous consent that the text of Mr. Hoffmann's letter be

printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE LUTHERAN CHURCH,
MISSOURI SYNOD,
*July 7, 1949.*

The Honorable ALEXANDER WILEY,
*United States Senate, Washington, D. C.*

DEAR SENATOR WILEY: A strong body of opinion in the Lutheran Church-Missouri Synod, representing 1,500,000 American Lutherans, believes that the time has come when it can no longer give wholehearted support to displaced-persons legislation containing the discriminatory feature of barring persons otherwise eligible except for their ethnic origin, in this case largely German.

We recognize the difficulties inherent in making these people eligible for aid when IRO, by a specific clause of annex I, excludes them from its program. We know, however, that our own country will not forever be a party to that injustice, growing out of the distorted European hates of World War II.

Whatever you and your fellow Senators can do to make our people feel that members of their own families, driven out of Russian-occupied territory in ruthless fashion, will receive some help in future displaced-persons legislation, will be appreciated. We are convinced, further, that such help, if extended on a quota basis, should be charged against the quotas of countries from which these unfortunate people were forced to emigrate.

Very truly yours,
OSWALD C. J. HOFFMANN,
*Director, Department of Public Relations.*

## WITHDRAWAL OF NOMINATION OF FRED A. CANFIL TO BE UNITED STATES MARSHAL, WESTERN DISTRICT OF MISSOURI

Mr. LUCAS. Mr. President, I hold in my hand a notice of the withdrawal of the nomination of Fred A. Canfil, of Missouri, to be United States marshal for the western district of Missouri.

It is my understanding that the President of the United States sent the nomination of Mr. Canfil to the Senate for confirmation on January 13, 1949.

It is my further understanding that Mr. Canfil is a resident of the home district of the President of the United States. This is not a new nomination. Mr. Canfil is now serving as United States marshal for the western district of Missouri. It is my understanding that no formal objections have been lodged against Mr. Canfil, and I rise only for the purpose of expressing my profound regret that the Judiciary Committee has not acted on this nomination up to this hour, and that the President has seen fit to withdraw the nomination because of that fact.

Mr. McCARRAN and Mr. DONNELL addressed the Chair.

The VICE PRESIDENT. Does the Senator from Illinois yield; and if so, to whom?

Mr. LUCAS. I yield first to the Senator from Nevada.

Mr. McCARRAN. Mr. President, in view of the statement of the able Senator that no action was taken by the Committee on the Judiciary, I desire to correct the RECORD. The matter has been before the Committee on the Judiciary for several months. The Senator from Missouri [Mr. DONNELL] was very insistent on his objection to the nomination. For that reason the nomination was held over until such time as the committee could hear the Senator from Missouri and give the subject more thorough consideration. The Senator from Missouri is on his feet, and can corroborate what I say.

Mr. DONNELL. Mr. President, will the Senator from Illinois yield to me?

Mr. LUCAS. I yield.

Mr. DONNELL. Mr. President, I rose at substantially the same instant at which the Senator from Nevada was observed by me to rise.

In connection with Mr. Canfil, a series of facts was brought to my attention at the time he was nominated, or approximately the time he was nominated, during the Eightieth Congress. It was charged that Mr. Canfil had made a certain remark in connection with an incident occurring at Springfield, Mo., his remark being to the general effect that "The Constitution be damned," or words very closely approximating that meaning. I did not know that this announcement was to be made on the floor of the Senate today, or I would have been pleased to bring my record with me.

This subject has been called to the attention of the Attorney General of the United States by me. The Attorney General made an investigation, and very kindly furnished to me the results of the investigation.

In the Eighty-first Congress the nomination was again sent to the Senate by the President, and a subcommittee of the Committee on the Judiciary, of which subcommittee I had the honor to be a member, was appointed. The chairman of that subcommittee was the senior Senator from Mississippi [Mr. EASTLAND].

It appears that the appointment of the subcommittee was made about January of this year. I assumed that the chairman of the subcommittee knew of the fact that he had been appointed as chairman of the subcommittee. Before determining what action to take with respect to Mr. Canfil—and I may say that I have never stated that I was opposed to him; I merely wanted to investigate the facts and give them to the Judiciary Committee, and ultimately to the Senate—I spoke to the chairman of the subcommittee. I assumed that the Senator from Mississippi knew of the fact that he was chairman of the subcommittee. From day to day the matter rested, and, finally, a few weeks ago, I spoke to the Senator from Mississippi, and found that he did not know that he was chairman of the subcommittee. I was of the view that we should have a hearing upon Mr. Canfil's nomination.

In the report of the Attorney General which was given to me the names of the various witnesses who had been interviewed by the Attorney General's representative were not set forth. I requested the list of names, and pending the outcome of the request for the names no hearing has been set with respect to the nomination of Mr. Canfil. A date was tentatively, although not officially, agreed upon, but there being no knowledge on my part of the names of the witnesses, it was not practicable to go ahead.

I may say that I am perfectly willing to go ahead. If the President desires this matter investigated I am perfectly willing to do it at any time. Upon the furnishing by the Attorney General to me of the list of names of witnesses I shall be pleased indeed to go ahead with the investigation.

I understand that the President has withdrawn the nomination, from which I take it that the Judiciary Committee no longer has any duty; but I wanted to explain these facts. It may be that I shall find it advisable to amplify somewhat my statement on the floor after reference to my file, which I do not have with me at this time.

I thank the Senator from Illinois for permitting the interruption.

Mr. LUCAS. Mr. President, will the Senator tell me when he requested the names of the witnesses?

Mr. DONNELL. I should say that they were requested 6 or 8 weeks ago. I cannot give the date with accuracy.

I may say that since then I was told on one occasion by a representative of the Attorney General's Office, Mr. Lanman, that the names would not be furnished. I was subsequently told by Mr. Peyton Ford, Assistant to the Attorney General, that he would like to consider further the question whether they should be furnished. The last occasion upon which I talked with him was in the Senate restaurant, I think probably about 2 weeks ago. I think he had the list with him at the time. He had a document which looked like a list, but he wanted to consider the matter further, and has not furnished me the list.

Mr. LUCAS. I can well understand how the Senator from Missouri would be vitally concerned about an alleged statement made by the nominee to the effect the Constitution be damned. However, the fact remains that this nomination was sent to the Senate on January 13, and up to this time nothing has been done by the subcommittee. I am surprised to learn that my distinguished friend from Mississippi [Mr. EASTLAND] did not know that he was chairman of a subcommittee to handle such an important nomination.

Mr. DONNELL. That is correct, if the Senator will permit the interruption. He did not know it, and he told me so.

Mr. LUCAS. I say, I am surprised; and I think the Senator from Missouri must admit that he was surprised to learn that the Senator from Mississippi did not know that he was chairman of a subcommittee to handle the nomination of a law enforcing officer.

Mr. DONNELL. Mr. President, if I may interrupt the Senator, with his permission, I should like to make it perfectly clear that when the Senator from Mississippi learned of the fact that he was chairman of the subcommittee, he was entirely willing to proceed, and told me that any date I might fix for the hearing would be agreeable to him. He has shown a very fine spirit of cooperation.

Mr. LUCAS. I can understand the fine spirit of cooperation near the end of the session; but it is a little difficult for me to understand why such a far-reaching nomination of this kind, especially of a man coming from the home district of the President, who happens personally to know the nominee, should not have

been considered with promptness and dispatch. I cannot understand why it was not considered long before this, because many other nominations have been reported out by the Judiciary Committee.

I merely rise to obtain some information about Mr. Canfil. It is my understanding that if Mr. Canfil's nomination is not confirmed at this session, he will be off the pay roll. I wonder if that has something to do with the delay in the consideration of his nomination.

Mr. DONNELL. Mr. President, will the Senator yield at this point?

Mr. LUCAS. I yield.

Mr. DONNELL. My understanding is directly to the contrary of what has just been said. I understand that the office of the United States Marshal is a continuing office. Mr. Canfil's appointment expired a year or so ago, or longer ago than that, I think; but I understand that he has been on the pay roll ever since and will continue to stay on it.

I, for one, am perfectly willing that a full, complete investigation be made of Mr. Canfil; and at this moment I state unqualifiedly that if the Attorney General of the United States will furnish me the list of witnesses which is in his possion, I shall be perfectly willing and anxious to proceed with the investigation.

For the benefit of the Senator from Illinois and the entire Senate, I shall be glad to give, within the next day or two, upon the floor of the Senate, if I may obtain the floor, a very complete statement of the facts, both as to what Mr. Canfil was charged with, what he himself said, what the letter of the Assistant to the Attorney General, Mr. Peyton Ford, stated, and any other relevant facts in the record. I am perfectly willing to proceed with the matter at any time.

Mr. LUCAS. Mr. President, I appreciate the spirit in which the Senator from Missouri approaches this very important nomination. I know nothing whatsoever about the facts of the case. The only thing I do know is that no action has been taken one way or the other on the nomination. A few moments ago I learned for the first time that the Senator from Mississippi [Mr. EASTLAND] did not know until recently that he was chairman of a subcommittee to handle this matter.

Mr. DONNELL. It was several weeks ago.

Mr. LUCAS. In any event, I think it is to be regretted that the Senator from Mississippi did not know he was chairman of the subcommitte.

Mr. KEM. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KEM. I should like to say that I am in entire accord with the position taken in this matter by the senior Senator from Missouri [Mr. DONNELL]. The incident to which reference has been made was widely publicized throughout our State. Certainly no person should be confirmed for the important office of United States marshal if such a charge against him can be substantiated.

I happen to come from the same district in which the nominee lives, and it is the district of the President of the United States. I wish to say that I think this matter should be subjected to the most careful and thorough examination.

Mr. LUCAS. Mr. President, I agree with all that the Senators on the other side of the aisle have said. That is why nominations are submitted to the Senate—for the purpose of having them examined carefully.

In this case the examination is under the jurisdiction of the Judiciary Committee. The only thing I am complaining about is that that has not been done, although now we are close to the winding up of the session—perhaps I should not say close to the end of the session, but at least we are moving in that direction.

Mr. DONNELL. Mr. President, can the Senator from Illinois give us some assurance about that? [Laughter.]

Mr. LUCAS. Just a moment, please.

Mr. President, I can understand how the two able and distinguished Senators from Missouri are able to rise on the floor of the Senate and more or less castigate this gentleman, who has been appointed by the President of the United States.

Mr. KEM. Mr. President, will the Senator from Illinois yield to me?

Mr. LUCAS. I yield.

Mr. KEM. Mr. President, I submit that nothing which has been said castigates this gentleman, who has been nominated for an important office by the President of the United States. All that has been said is that certain charges which have been publicly made against him should be investigated. I am certain there is no harm in that, and no discourtesy to the President of the United States.

Mr. LUCAS. Mr. President, the junior Senator from Missouri is always courteous to the President of the United States, and everyone knows that. It is common knowledge in the State of Missouri.

But I return to what I said originally about this kind of nomination. I know that the Judiciary Committee, headed by the distinguished Senator from Nevada [Mr. MCCARRAN], has been exceedingly busy with many, many matters which are before it. There has been more activity on the part of that committee, so far as matters on the legislative calendar are concerned, than probably on the part of any other Senate committee.

I simply rose to find out, if I could—but I have not yet found out—just why this matter has been put off from day to day, from week to week, and from month to month.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. STENNIS. Mr. President, I know nothing about the facts in this matter. But my colleague, the senior Senator from Mississippi [Mr. EASTLAND] is not in the city today. The statement of the senior Senator from Missouri that my colleague did not know until quite recently that he was chairman of this subcommittee, I am sure is the fact; and I do not want any inference or suggestion of dereliction of duty or neglect or anything of the sort to be drawn from anything said here in regard to my colleague, certainly, until he has had a chance to know of this matter and to become acquainted with the facts.

Mr. LUCAS. Mr. President, I drew no inferences about the senior Senator from Mississippi. I think the junior Senator from Mississippi has now emphasized that fact, as a result of his own statement. Whether there has been any dereliction of duty, the record will speak for itself.

Mr. MCCARRAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MCCARRAN. I may say, in explanation, that this nomination came first to the Eightieth Congress, and then came later to the Eighty-first Congress. When it came to the Eighty-first Congress, objection was made, and a suggestion was made that the matter be submitted to a subcommittee. The subcommittee was immediately appointed. The calendar of the Judiciary Committee will show that that subcommittee was immediately appointed.

That subcommittee has had the matter under advisement, if we wish to term it such, ever since. On several occasions the chairman of the Judiciary Committee has asked for action by the full committee on this nomination. In each instance, something was said about carrying it over.

I wish to state frankly that I thought it was better to carry the nomination over, rather than to have the nominee defeated, which seemed to be what we were up against.

Mr. LUCAS. Mr. President, I appreciate what the distinguished chairman of the Judiciary Committee has said. He advises us that the subcommittee was appointed in the early part of the session to consider this matter; and he now advises us that he thought it better to continue the nomination, rather than to have the nominee defeated—which demonstrates if true that the majority of the committee had arrived at an adverse decision made before the evidence was heard.

To my mind, it seems very regrettable that the chairman of the Judiciary Committee would tell the Senate of the United States that he thought this nominee was going to be defeated, and that therefore it was better to carry the nomination over, yet not one line of evidence has ever been submitted against this gentleman, before the subcommittee which was appointed by the chairman of the Judiciary Committee.

I submit that, regardless of what the evidence showed, it was wrong in not considering this nomination, above all others, as a result of the fact that it came from the President's own district in the State of Missouri. I have no way of knowing the facts and certainly the Senator from Illinois is not passing judgment on the nominee's qualifications, but Mr. President, the President of the United States was entitled to the respect and the courtesy of the committee in handling this matter expeditiously, instead of waiting here until toward the end of the session and compelling the President of the United States to withdraw the nominee's name from the Senate.

Mr. DONNELL. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. LUCAS. I yield.

Mr. DONNELL. In the first place, I know of no reason why the President of the United States should be impelled to withdraw this name because of any delay on the part of the Judiciary Committee. If the nomination should be confirmed, it would seem to me, most respectfully, that the proper procedure would be not to withdraw the name of the nominee but to insist upon action. In the second place, I want to make it perfectly clear that there has been no dereliction of duty whatever on the part of either the Senator from Nevada [Mr. McCARRAN] or the Senator from Mississippi [Mr. EASTLAND]. The Senator from Mississippi, on the floor of the Senate, when I called his attention to the fact that he was chairman of the subcommittee, immediately told me that he did not know that he was. I stepped to the telephone in the lounge and confirmed the fact that he was, and I so reported back to him. He told me, as he has told me since, that any date I should fix would be perfectly agreeable to him for the hearing.

Mr. President, there is one very important fact that I think should be mentioned, and that is that the Attorney General of the United States, the Honorable Tom Clark, himself came to my office a few weeks ago. I think I have a record in my office as to when it was. He came in to see me on two very distinct matters. One of them had no relation whatever to this, and I shall not go into that, unless it is desired. The second, however, was this Canfil matter. I told him of the fact that I had requested the list of names of the witnesses who were supposed to have heard what had been stated, and whose testimony was all in the letter from Mr. Peyton Ford to me, and I told him that Mr. Lanman, the representative of the Attorney General's office, had told me that the list would not be forthcoming. Thereupon Mr. Clark assured me that I would receive the list. I expected it within the next few days. I heard nothing from it. I did nothing with respect to communicating with him. But Mr. Ford himself came over to the Senate, and we went to luncheon together. We talked it over at the luncheon, and he told me he wanted to think it over further. That, I think, was probably 2 weeks or so ago.

Mr. President, I want to say once and for all that I am perfectly willing to give to the Senate every fact with respect to Mr. Canfil within my control, and not only that, I shall do so in extenso upon the floor of the Senate within the next very few days.

Mr. LUCAS. Mr. President, I am not going to prolong the argument, but I am amazed at the last statement made by the Senator from Missouri in trying to relieve himself from the previous statement that he made about the Senator from Mississippi. He says there was absolutely no dereliction of duty whatever on the past of the Senator from Mississippi, and yet just previously to that, he stated that only a few days ago the Senator from Mississippi did not even know that he was the chairman of the subcommittee. Does not the Senator think the facts show dereliction of duty some place?

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. DONNELL. I would say, so far as I am concerned, that if the Senator from Mississippi did not know that he was upon the committee there was no dereliction of duty. I may say this——

Mr. LUCAS. Then who was derelict?

Mr. DONNELL. Just a moment.

Mr. LUCAS. Who was derelict, then?

Mr. DONNELL. Just a moment. I would say there has been no dereliction of duty, except that I think we are entitled to the list of names of those witnesses from the office of the Attorney General of the United States. I think the Senator from Mississippi acted in the utmost of good faith. Perhaps he should have known he was chairman of the subcommittee. Perhaps he should go through the docket to which the Senator from Nevada refers, but, not having done so, he acted in good faith, and, so far as I am concerned he has acted fairly by me and perfectly cooperatively. Mr. President, I am going into this matter. I will give the Senate the facts. The Senate will have them in full in the RECORD on the floor of the Senate.

Mr. LUCAS. I am sure, when the Senator goes into it, it will be in full.

Mr. DONNELL. It will.

Mr. LUCAS. There will be no question about that. The Senator keeps talking about what Tom Clark wanted to do. The Senator knows all about the complaints about the appointee in Missouri. Both the Senators from Missouri know all about the gentleman. They do not have to wait for Tom Clark to produce the witnesses. It is most unusual for the distinguished Senator from Missouri to depend upon the Attorney General for help. It would seem that the responsibility for no action upon the nomination is being shifted to the Attorney General. Let the Senator himself admit the facts, and say that he has been extremely busy with other legislative matters, including the North Atlantic Treaty, that he has attended hearings on the treaty before the Committee on Foreign Relations, day in and day out—and that he has not had the time to go into the Canfil matter as he would like to, because it will probably take weeks and months for him to do the job the way it should be done. Let the Senator admit that, and not lay the blame on Tom Clark.

Mr. DONNELL. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. LUCAS. I am delighted to yield.

Mr. DONNELL. I shall make no admission whatever to that effect. I have been busy. I have tried to do my work as best I could. I resent very much any imputation to the effect that I am trying to throw something over on to the shoulders of somebody else.

Mr. President, what happened was this: I received word away back at the time of this incident. It was, as my colleague said, widely publicized in Missouri, and I took the initiative. I communicated with Mr. Canfil myself by telegraph to get his side of it. I got his statement on it, and I reported with a very long letter. I am going to have that in the RECORD, Mr. President, so that exactly what I communicated to the Attorney General may be seen.

The Attorney General's office, I think, already, as I recall it, had instituted an investigation in Springfield, Mo., and they were kind enough to give me the letter with what this witness said, what that witness said, and what the other witness said; 8 or 10 or 12 witnesses, I think, there were. They did not, however, give me the name of a single witness, whose name they had secured.

Mr. President, probably it would have been entirely proper—I should say it would have been—for me to have gone ahead without securing that list. But I thought when the Attorney General's office had it, it was perfectly proper that I ask for it. I did ask for it, and I have told what happened, namely, that it was denied by one representative, that the Attorney General himself said I could have it and would have it; that thereafter the Assistant Attorney General came to the Senate himself to see me, and told me he wanted to think it over further, as to whether I could have it. I will bring in what I have, in full.

Mr. LUCAS. I am sure of that.

## THE NORTH ATLANTIC TREATY—RESERVATION

Mr. WATKINS submitted a reservation to article 3 of the North Atlantic Treaty signed at Washington on April 4, 1949, which was ordered to lie on the table and to be printed.

## THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. SMITH of New Jersey. Mr. President, with the consent of the Chair, if I may, I shall address my colleagues from the desk in front of the Vice President.

The VICE PRESIDENT. The Chair granted consent for all Senators to do that last week. It is not necessary for Senators individually to make the request.

Mr. SMITH of New Jersey. I apologize for even partly turning my back on the distinguished Vice President.

The VICE PRESIDENT. As the Chair has said to other Senators, the Senator looks good from any direction.

Mr. SMITH of New Jersey. I thank the Chair.

Mr. President and colleagues, I propose to address myself informally to the matter now pending before the Senate, and particularly because I am interested in the comments which have been made in the debates heretofore on the North Atlantic Pact and its relation to military implementation. I make that statement as I open, because I have some very

strong convictions on the relationship between these two ideas. It is not necessary for me, indeed, it would be merely a superabundance of words, to say anything in defense of the pact itself, beyond what has been said by those who have spoken heretofore. The distinguished chairman of the Foreign Relations Committee brought out all the facts pertaining to the pact. The report of the committee went into detail, and as I was a party to the report, I endorsed everything in it. Even though I was away from the Senate, I was able through the kindness of the staff to go over the report paragraph by paragraph. I have been enthusiastically in support of ratification.

To add to the other splendid presentations, my distinguished colleague the Senator from Michigan [Mr. VANDENBERG], made what seemed to me to be an unanswerable argument in support of the treaty from the standpoint of its ratification and from the standpoint of what it implies to the future, not only of America but of the world. On a previous occasion I made some reference to the relationship of the treaty to the Monroe Doctrine. I shall not repeat that at this time.

But what I want to address myself to is the splendid arguments made by our colleagues here who have opposed or questioned the advisability of ratification of the treaty. I refer first to the distinguished Senator from Vermont [Mr. FLANDERS], and then to the distinguished Senator from Missouri [Mr. DONNELL], and to the distinguished Senator from Utah [Mr. WATKINS]. The Senator from Vermont in his discussion was troubled by something that has troubled me enormously, namely, the implications of the hot war and the cold war, and his being unable to come to any conclusion in regard to his own position on the treaty itself until he obtains answers to certain questions from the administration.

I have been troubled over the same things which have troubled him, but I do not arrive at the same result. I find myself enthusiastically and unconditionally in support of the treaty. I am not troubled by the language of the treaty or by the question which has been so strongly stressed by some of my colleagues, especially the Senator from Missouri [Mr. DONNELL] and the Senator from Utah [Mr. WATKINS], or by the question raised by the distinguished Senator from Ohio [Mr. TAFT], implying that a vote for the treaty commits us to vote for some sort of military implementation because of the language of Article 3 and, I assume, of Article 9. For purposes of the RECORD I shall read at this point the language of article 3:

> In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

As I read that article, Mr. President, I do not feel that it implies such aid as may be continuously developed as being necessarily military aid, even though the expression "armed attack" is used. Certainly effective self-help can be understood by us all; in that field we are encouraging other countries to take care of themselves, and we are expecting them to do so as we go along with mutual aid. But what kind of mutual aid? What do we mean by "individual and collective capacity"?

It is my own judgment that our thinking has been too narrow in dealing with the whole North Atlantic Treaty. I can say, frankly, that had it simply been what might be called a military alliance to resist aggression, I would have been hesitant about joining with it, important as I might have felt it might be, because I am one of those who are definitely and unalterably opposed to the continuous expansion of competition in military armaments. I welcome with enthusiasm the statement of the distinguished Senator from Michigan in his remarks that he looked forward to the immediate consideration of the reduction of armaments all around, and I look forward with enthusiasm to movements which may be made, both in connection with possible changes in the United Nations Charter, when the time comes which is appropriate for that, and other steps to make possible reduction in armaments.

So I feel a hesitancy in agreeing with the suggestion that mutual aid and the maintenance and development of individual and collective capacity to resist armed attack necessarily mean military aid, because I feel that the whole field of the approach to resistance to totalitarianism, which we fear, is in areas other than merely military aid. Military aid is probably the least important of all, although we have tended to exaggerate it.

Let us consider for a minute other parts of the treaty, in order to give me an opportunity to make plain the point I am seeking to make. I am very much impressed especially by the preamble of the treaty, and article 2, neither of which has anything to do with military aid. They do strike a note, however, which means that we are trying to say that we propose to defend our so-called western tradition, which is the culmination of a thousand years, certainly, for the Anglo-Saxon people, of blood, sweat, tears, and suffering, in order that the sacred rights of the individual may be preserved. Of course if it is necessary to preserve them by war, we can do so; but there are other ways to protect those sacred traditions.

The preamble of the North Atlantic Treaty, which I shall read for the purposes of the RECORD, is as follows:

> The parties to this treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.
>
> They are determined to safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of democracy, individual liberty, and the rule of law.
>
> They seek to promote stability and well-being in the North Atlantic area.
>
> They are resolved to unite their efforts for collective defense and for the preservation of peace and security.
>
> They therefore agree to this North Atlantic treaty:

In article 2 the following language appears:

> The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Mr. President, the preamble and article 2 of the treaty mean something to me far more than do the other articles which have been stressed here and which seem to be the basis of a feeling that we need to emphasize especially military aid.

In the economic field, in dealing with the world situation, we have charted, as I see it, a magnificent course in our ECA operations. The Senators who discussed the formulation of the treaty all agreed that there was nothing in the military implementation implied in the treaty which could take precedence over the ECA operations. I emphasize at this time that, while I am not discussing at the moment the question of dollars and cents, if it came to a question of dollars for making the ECA operations completely successful, I would look upon it as a far more important investment for us, in order to strengthen the other nations economically so as enable them to be self-sustaining, as a matter of pure defense against aggression, than simply to expend billions of dollars in military aid. If I could make a choice, my choice would be the ECA operations. Nothing that could have been done could have contributed more to the strength of our European friends for peace, or, for that matter, for war. I feel that the ECA is a sine qua non of the continuance of our foreign policy.

I pass from the economic field to the field of ideas, to the ideology we are presenting to the world. Frankly, I feel frustrated. It seems to me we have failed miserably in this area, though we have succeeded in the economic area. The central battle to come in the world, as my distinguished colleague from Vermont [Mr. FLANDERS] pointed out, is not a hot war. I am absolutely convinced that a hot, shooting war is of no interest to the Communists. They are engaged in a cold war, carefully planned, for the capture of men's minds. They are working to change the thinking of the world. They are working to break down our traditions by trying to offer to the world a different kind of ideology, one which they feel will appeal to masses who are disrupted, who are in chaos, and who are in trouble. If we follow their tactics we will see that in every instance they have moved into those areas in which they could bring about destruction, despair, and the infiltration of their new materialistic and atheist doctrine. I cannot help but think we have "missed the boat," to use a slang expression, in not recognizing that the cold war of ideas is the

real issue before the world today. I cannot help but be sarcastic when I recognize that we have thought in terms of 15-plus billions of dollars for Military Establishments and military strength, and have even cut down requests for $36,000,000 for our program to sell the American western tradition to the other countries of the world—a program to explain to the nations of the world which we are trying to aid the reasons for the ECA operations. We cut the appropriation for that purpose from $36,000,000 to about $32,000,000, as contrasted with the billions for defense.

Mr. President, what I am trying to bring out is my insistence, as one who favors unconditionally the North Atlantic Treaty, and urges its ratification, that I am not in any way, shape, or manner bound by any commitment for a military program of which I may not be able to approve. I wish to say to the Senator from Vermont [Mr. FLANDERS], the Senator from Utah [Mr. WATKINS], the Senator from Missouri [Mr. DONNELL], and the Senator from Ohio [Mr. TAFT], that as one member of the Committee on Foreign Relations I can vote for the ratification of the treaty without being committed to any program for its implementation until I know what that program is, until I see it in its large perspective, in all its large areas in which I think we should be moving in order properly to implement the treaty.

When we speak of continuance of self-help, I point with pride to what we have done in that field in the ECA operations, and in other ways in which we have been trying to help in the recovery of foreign peoples and put them on a self-help basis as the most effective means of protecting them against aggression, either in a military way or in a subterranean way.

When we say we will maintain and develop their individual and collective capacity to resist, we do not have to do that solely by force of arms. We are doing it every day when we continue trying to work with them to solve their fiscal, their economic problems, and their other problems. I pay the greatest possible tribute to Mr. Paul Hoffman and his staff in the ECA. I urge support of what those men are doing to win the war, not by force of arms, but by force of the right kind of approach, of help as between nation and nation.

So, Mr. President, when we come to the third method of resisting, we appear to have spared no expense. We are thinking in terms of the most stupendous military budget we have ever had in our history. The suggestion is being made that in addition to that we must have another large appropriation in order to put the nations who are parties to the treaty on a sound defensive basis.

I am not saying I am opposed to that; I am merely saying the two things are not related. I want to take the spotlight off additional military strength and put the spotlight on what may be called the social, economic, spiritual values which go into making a real defense against aggression. We can win the hot war completely, we could have World War III and win it, and still lose the fundamental advantage, in the cold war going on, of affecting men's minds and making the world think differently.

Mr. President, our foreign policy today is dangerously out of balance in its dominating emphasis on military strength. I think this debate is out of balance because it puts the dominating emphasis on military strength. We have been so preoccupied with preparing for a possible hot war that we are in grave danger of losing the cold war.

The Atlantic Treaty, with its magnificent focus on the ideas of protecting our tradition, a great tradition, the wonderful western tradition, is a master stroke in the cold war. On this basis I have supported it from the first, and shall continue to do so, for the cold war is fundamentally a war of ideas, a contest for the minds and allegiance of men.

All I am trying to do in my remarks today is to make as strong a differentiation as I can between the insistence that we must have military implementation and the more important thing, that we should build up the other forces which are the real ground work for any possible resistance to the creeping paralysis that is spreading over the world. That is why it is so disturbing to hear the treaty discussed as nothing but a great achievement in cold military strategy. That is why it is so disturbing to be told that the treaty is nothing without a new flow of weapons to implement it. We may need weapons; I am not saying I shall not support a military program, but I want to get the emphasis off that. Somewhere in our thinking we have lost the trail. Surely the will to resist attack does not spring from mere possession of weapons. It springs from possession of ideas, of moral principles, of faith and loyalties. If we have these and nourish them, we strengthen ourselves for peace, as well as for war, if any dictator in his folly should force war upon us.

Let me say here that it is my firm conviction that if we could have foreseen what we now know, and if we had had an Atlantic Pact in 1939, and Hitler had known that an attack on one of the contracting countries was an attack on all, even though he knew we were not prepared, he would not have dared to invade Poland.

The psychological and moral effect of the fact that the nations are grouped together and have said, "We are all for each one of us, and we propose to take care of those who value the western tradition," is a most important part of this pact, and consequently emphasis need not be put on military implementation.

Ideas are the wellsprings of action, more powerful than guns or bombs, as the Communists well know. They have beaten us, up to date, with their ideologies, and we have to face them with the same kind of ammunition. The ideas we cherish are the very heart of the North Atlantic Treaty, without which it is nothing. Overshadow these ideas in a blind drive for military power, and we do not strengthen the treaty or the United Nations—we undermine both.

Let me say, in passing, that I feel the North Atlantic Treaty is a bulwark of strength to the United Nations, which is in a vale of gloom because of the unfortunate use of the veto by the Russians. We are not only not bypassing the United Nations, we are very definitely bulwarking the whole principle of the United Nations by making this pact, which puts us in position at least to move in the direction of preserving the peace of the world. As has been said earlier in the debate, we are erecting danger signals—"Stop, look, and listen"—"Don't enter here"—"Observe the red light."

It is important to widen our perspective in looking at this whole matter. Let us ratify the North Atlantic Treaty, with all its implications of mutual aid, mutual help, mutual thinking, mutual explaining to the world. Let me say here that the suggestion comes to me that when we consider our "voice" program, we might well consider the position of the North Atlantic group, because they may want to be speaking together as to why they joined in this North Atlantic Treaty. Now, before it is too late, let us subordinate this quest for military power to other powers, far more potent and more befitting our American genius: our power in material things, and, above all, our power in the ideas that move men to action, the ideas which inspire, the ideas which underlie the foundation of and which led to the establishment of this great country, the faith which has brought it to the position it now occupies, and the enormous value we place on the sacredness of the individual man. That has been our religious tradition, it has been our historical tradition, it oozes out from all the debates of the constitutional convention which wrote the great United States Constitution, and of course it is the heart and substance of the first 10 amendments to the Constitution, known as our American Bill of Rights. It is those things, which have become imbedded in the thinking of man, which we are really seeking to preserve, and we lose the battle if we simply make ourselves strong enough to win physically, but neglect the spiritual values. They are as important as that.

As I have stated I am not going to say I will not support some program for military implementation if in the judgment of our leaders it seems wise. I am saying that I am not bound to support such a program and I shall not commit myself to support it until I feel in my heart that it is made secondary and subordinate to the main thing we are doing in this treaty, which is to give a spiritual leadership to the world, and to tell the world: "No, we are not going to participate in a race for armaments. We can take care of ourselves. We are going to move ahead for the cooperation of mankind for the preservation of peace."

Mr. President, I do not know whether the approach which I have tried to state briefly in these few remarks will be convincing to those who may hesitate to support the treaty because they cannot feel enthusiasm about going along with military implementation, but I submit the point of view of one member of the Foreign Relations Committee who feels so strongly on the subject that I am prepared to say that, unless the situation

appears to me to meet my convictions on the relationships of ideas to world force, I would not hesitate for 1 minute to vote against the military implementation. I feel no moral obligation or otherwise.

I can say in explanation that when this matter first came up I felt this way, and in our hearings I asked the Secretary of State whether there were any commitments of any kind to any of the nations which it was hoped would come into the Atlantic Treaty, whether there was anything from which they could expect that we would give them any sort of military implementation or aid. His reply was that there was no definite commitment of any kind, nature, or description, and that there was no moral obligation, and if I should vote entirely against the military implementation plan I would not be taking my country down the river along the line of not meeting what would be looked upon as a commitment. So I feel that the chairman of the committee and the Senator from Michigan [Mr. VANDENBERG] certainly are correct in stating that by voting for the ratification of the treaty we were not committed to vote for the military implementation program when it was presented later.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. VANDENBERG. I should like to submit to the Senator and for the RECORD an exhibit which is on the precise point the Senator is now discussing. The Senator is familiar with the fact that I have consistently insisted that there was complete freedom of action left in Senators to deal with all questions of military aid on their own conscientious responsibility. The Senator also is familiar with the fact that I have felt that it was most unfortunate to take the emphasis in this situation off the potentials inherent in article 5 and to transfer it to the specifications in article 3.

In my address to the Senate on the subject I inadvertently referred to the military-assistance program which we are given to understand is immediately to challenge our attention after the pact has been approved. I inadvertently referred to that program as being "proposed under article 3 for the next year." I want to make quite plain that it was not my intention to identify the military-assistance program, which I understand is to be presented shortly, with the specific obligation under article 3, because any such relationship would have negatived the other position which I took.

In order to make the situation wholly clear, I addressed a question to the State Department on Saturday as follows:

> Under article 9 of the North Atlantic Treaty specific provision is made for the procedure by which article 3 of the treaty is to be immediately implemented.

That is the language of the last sentence in article 9. Continuing the question:

> Why should Congress be asked to implement article 3 until it has the benefit of the measures of implementation which shall be recommended under article 9?

In other words, it has constantly seemed to me that article 9 specifically sets forth the purpose of the advisory council to assume the responsibility for making recommendations in respect to article 3.

I have the following answer from the Department, and with the indulgence of the Senator from New Jersey, if he will permit me, I should like to read it:

> The military-assistance program which the administration intends to submit to the Congress at this session is not a program for implementation of the North Atlantic Treaty. The program would be necessary even if there were no North Atlantic Treaty just as the treaty would be necessary even if the military-assistance program had not yet been formulated. The military-assistance program, both in inception and conception, has its own validity and necessity, rooted in basic elements of our foreign policy. It is true that some of these elements of our foreign policy are common to those which underlie the North Atlantic Treaty. The principal element involved is that of the national interest of the United States in insuring the security of certain free nations.
>
> However, the military-assistance program covers countries which are not members of the North Atlantic Treaty and includes certain countries for which military-assistance programs have been in effect for some time. It is separate from the treaty, except that the treaty and the MAP both serve the national interest and security of the United States and in this way supplement each other.
>
> When the military-assistance program is presented to the Congress part af its justification will involve an explanation to the Congress concerning the elements of self-help and mutual aid which underlie the development of the military-assistance program, particularly of the Brussels powers. Since the inception of the Vandenberg resolution this Government has made clear that any military-assistance program would have to be based on continuous and effective self-help and mutual aid.
>
> Any future military-assistance programs involving Atlantic Pact countries will be prepared and submitted to the Congress on the basis of recommendations which will be made by the organization to be established under article 9 of the treaty.

In other words, it seems to me that the Department is plainly saying precisely the same thing in net result which the rest of us have been saying and which the able Senator from New Jersey has been saying this afternoon. The military-assistance program which we are given to understand will be shortly submitted to the Congress was devised ahead of the evolution of the pact, and will have to stand on its own basis and on its own merits for whatever support it can justify in response to the theme that we recognize the existence of a self-help and mutual-aid program between these congenial nations which are trying mutually to protect their independence against armed aggression. But, so far as specific obligations under the treaty are concerned in respect to article 3, they arise only when ultimate recommendations based on multilateral recommendations are made under article 9 through the operation of the treaty itself. And at that point the only obligation upon any Member of the Senate is to determine whether or not the recommendations thus made impress him as being in line with the national security of the United States as a part of the North Atlantic community, and therefore the security of the community itself.

Mr. SMITH of New Jersey. I thank the Senator. I think he has made a very valuable contribution.

I would be happier over the communications from the Department of State and the administration if they indicated some recognition of the fact that they are rather anticipating the possibility of a third hot war, and overlooking the possibilities today in dealing with a present cold war, and dealing with the area of ideas which we ought to be propagating in order to meet the real issue before us, because we are now being defeated in that field.

I can illustrate what I mean by referring to China. I have been very critical of the lack of a Chinese policy. What bothers me is that we seem to feel that unless we are prepared to give exceedingly great military aid, there is nothing we can do for China. I say that there is everything in the world we can do for China, whether or not we give her further military aid. For 50 years we have been the closest friend of the Chinese people. Their freedoms have been due to us. I refer to the open-door policy, and other things. The disposition of the Boxer indemnity fund illustrated our interest in their young people. We have educated thousands of young Chinese in their schools and in our schools. Yet when we cannot give any further military aid we throw up our hands and say that there is nothing more to be done for China. It is that area which we are neglecting in our foreign policy, the area of ideas, the area of our western tradition, for which I am making my plea.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. FLANDERS. I thank the Senator from New Jersey for having made, during the past 5 minutes, one of my favorite speeches, and for making it more effectively than I could have made it.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. FLANDERS. I should like to ask the Senator from New Jersey whether there is not something more involved in the question whether the Senate is bound to consider military assistance in the same thought and in the same breath with the Atlantic Pact. Must we not also consider whether the United Nations, which have signed the Atlantic Pact, are expecting military assistance as the normal concomitant of the signing of the pact? It seems to me that we must consider not only ourselves, but the impressions and expectations of the other signatories to the pact. I am somewhat disturbed about what seems to be the deep expectation on their part, as indicated in many ways, that implementation by arms is the automatic concomitant of the signing of the treaty.

Mr. SMITH of New Jersey. Am I to gather from the Senator's question that he feels that that is the interpretation being placed upon the treaty at the present time by the other countries?

Mr. FLANDERS. I judge so. Let me cite a concrete example by reference to an article in yesterday's New York Times from a correspondent in Norway, which

seems to indicate that the people of that country are somewhat disturbed over the slowness of the idea of rearmament and the hesitation of the Senate on that element.

Mr. SMITH of New Jersey. I saw that article, and I can well understand how possibly Norway, Denmark, and other countries in the Scandinavian area which are pretty close to trouble, if trouble comes, would be alarmed; but I think those countries have gained more by the North Atlantic Treaty, with or without the addition of arms implementation, than they ever could have had if they were left alone. I believe that the very fact that we are with them, the psychology of an attack on one being considered an attack on all, will be the greatest possible deterrent to an attack on any of them. They may be concerned about it, but I think probably their vision is wide enough to enable them to realize that the United States intends to carry through in the way it feels is the right way to carry through in the implementation of the pact. I am not arguing that there is no need for implementation. I am merely raising the question as to the kind of implementation. I think the Senator from Michigan had that point in mind in presenting the statement from the State Department.

Mr. FLANDERS. Mr. President, there is one further question which I should like to raise with the Senator from New Jersey, and that is the question whether the pact does or does not strengthen the United Nations. That is one way of putting it. Another way of putting it is whether it does or does not recognize the weakening of the United Nations. That is the other way of putting the question.

Mr. SMITH of New Jersey. My reply to the Senator is a very clear-cut, definite conviction that not only does it not weaken the United Nations, but for the moment it is trying to meet the problem at the place where the United Nations actually has already fallen down, namely, in the misuse of the veto by Russia. We know that, and we are trying to meet that failure in this particular area by enabling other nations to get together. I think it is a great step forward in strengthening the whole spirit and purpose of the United Nations.

We say distinctly in the pact that when the time comes when the Security Council can take care of this matter, we will withdraw at once. The second paragraph of article 5 reads as follows:

> Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

In other words, we are temporarily trying to help strengthen the responsibility of the United Nations in the field in which, unfortunately, because of the veto by Russia, it has been unable successfully to function.

Mr. FLANDERS. Mr. President, if I may ask one further brief question, I believe that my question can be elucidated and illuminated by the two Members of our body who participated in the San Francisco meeting.

I am wondering, I will say to the Senator from New Jersey, whether there was in the minds of those who helped to draft the Charter of the United Nations the slightest thought that article 51 was ever expected to carry such a load as it is required to carry when the North Atlantic Treaty and the United Nations procedure are joined. I should be surprised if the slightest thought of its having to carry such a load ever entered the minds of those who drafted the charter; but I may be mistaken.

I should like to close my questioning of the Senator from New Jersey with the brief statement that nine other Senators besides myself believe that under the resolution submitted last week by the 10 of us it would be possible to strengthen the United Nations under the Atlantic Pact, and that it would be possible to provide cooperative military assistance in a way which would strengthen the United Nations instead of weakening it. I hope that the Foreign Relations Committee will give due consideration to the proposals which we have made.

Mr. CONNALLY rose.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I am glad to yield to the Senator from Michigan. I notice that the Senator from Texas [Mr. CONNALLY] rose a moment ago.

Mr. VANDENBERG. I simply wish to answer the question submitted by the Senator from Vermont, as to whether it ever entered the heads of the authors of article 51 at the Golden Gate that it would be used in any such fashion as is now contemplated. I invite his attention to the fact that in connection with the promulgation of article 51, at that time the South American and Central American countries were dissatisfied even with article 51, except as the then Secretary of State, Mr. Stettinius, made a public statement promising to assemble the Rio conference for the purpose of doing the precise thing which was ultimately done at Rio, which was to use article 51 in respect to the preparation for individual and collective self-defense under article 51. So I think the Senator may be reassured that this is not an incorrect philosophy.

I should also like to suggest to him, knowing what I am sure is his profound confidence in his distinguished fellow citizen from Vermont, Ambassador Warren Austin, that he should get some unction that he can lay to his soul from the Ambassador's earnest recommendation that the North Atlantic Pact, far from in any degree undermining the United Nations, is in his opinion of profound utility in the promotion of the attainment of its objectives.

Mr. FLANDERS. Mr. President, if the distinguished Senator from Michigan will speak of it as a prop, I am in entire agreement with him.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. CONNALLY. A while ago question arose whether, as applied to article 51, the treaty would interfere with the United Nations or would weaken it. Let me ask the distinguished Senator this question: If any war anywhere can be prevented—which is what we are trying to do by this treaty—is not that of assistance to the United Nations, and does it not lighten its burdens and cares and critical moments?

Mr. SMITH of New Jersey. Of course, I agree entirely with the Senator. I have taken the position right along that by this treaty not only do we not bypass the United Nations, but we supplement what it has to do; and the spirit of the treaty simply reeks with the spirit of the United Nations Charter. The treaty takes exactly the same approach.

Mr. CONNALLY. Certainly it is fundamental that we expect the treaty to prevent war in the North Atlantic area. We think the treaty will prevent conflicts. If they are prevented, the United Nations is strengthened. So the treaty ties in with the authority under the United Nations.

So far as article 51 is concerned, let me say to the Senator from Vermont that article 51 was not a creature of the United Nations, it was not a creature of the Charter of the United Nations. It is simply a recognition of the fundamental fact that every nation has the superior right to act in its own defense, either individually or collectively.

So we did not get any authority from article 51. The authority has always been there, and it is there now. Article 51 simply says that the United Nations will not interfere with that fundamental and inherent right.

I thank the Senator.

Mr. SMITH of New Jersey. I thank the Senator from Texas.

Mr. President, I shall yield the floor, unless there are further questions.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. SMITH of New Jersey. I yield.

Mr. DONNELL. The Senator from Michigan referred to the fact, as he stated it in substance, that the conception and in some part development, I think, of the military assistance program occurred before the conception and development of the pact. I noticed the same thought was expressed by the State Department, in Publication No. 22, which was issued in May of this year, in which it is said that the military assistance program was conceived and developed separately and somewhat in advance of the formulation of the pact. I wish to ask the Senator from New Jersey one or two questions.

First of all, in the event the North Atlantic Treaty is not ratified—I take it the Senator thinks that is very unlikely, but in the event it is not ratified—does the Senator in his best judgment think the arms program providing for $1,030,000,000 of expenditures for the nations signatory to the pact would then be presented to Congress, for it to proceed with?

Mr. SMITH of New Jersey. Mr. President, I have no idea what the policy of the administration will be. If in the publication to which the Senator from Missouri has referred it is stated that the arms program is entirely and totally

independent of the pact, then it is conceivable that it might be presented.

I wish to make it clear that I am not prepared to support it if it is presented. I wish to make that clear in my remarks today.

I am not one of those who think we should constantly be putting the spotlight on expenditures for military preparedness, and not give attention to the other measures for which I have been arguing.

Mr. DONNELL. I noticed that the Senator said it is conceivable that the arms program might be presented in the event the pact is not ratified. Is the distinguished Senator willing to hazard an opinion that it will be presented to Congress in the event the pact is not ratified?

Mr. SMITH of New Jersey. I do not know. If the Senator from Missouri is able to prognosticate as to what the administration will do from day to day, he has more skill than I possess.

Mr. DONNELL. Of course, I do not undertake to allege the possession of any such degree of prophecy.

Let me ask this question: If it be true—although I do not state it as a fact—that the military assistance program was conceived and developed somewhat in advance of the formulation of the pact, would it not be rather logical and to be expected that it would be presented in advance of the pact, having been developed before the pact, rather than to wait until after we determine what shall happen to the pact in the Senate?

Mr. SMITH of New Jersey. Do I correctly understand from the Senator's question that he is implying that it should have been presented first?

Mr. DONNELL. No. My question is this: If the military assistance program was conceived and developed before the pact itself was conceived and developed—as we have been assured it was, for the State Department publication uses these words:

> The military assistance program was conceived separately and somewhat in advance of the formation of the pact—

Assuming that to be a fact—and I am not questioning the statement—if it was thought by those who conceived these two programs that the one was not dependent on the other, would it not have been more logical and more to be expected that the program which was first conceived and first developed would have been the first one to be presented to the Congress, rather than to wait until after we determine whether the pact, which was the second one to be formulated, shall be acted upon?

Mr. SMITH of New Jersey. I cannot speculate as to that. I do not know what went on behind the scenes in developing both these programs.

The only hearings I have attended are the ones relating to the North Atlantic Treaty and its formulation. We have not had any hearings as to military implementation, unless I missed them during my illness. But so far as I know, there have been none.

I understand that it is proposed to present some kind of implementation plan, which I am told will go to the Foreign Relations Committee or may go to the Armed Services Committee—I do not know to what committee it will go—which may follow the ratification of the treaty.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. VANDENBERG. Mr. President, before the Senator goes to a further question, may I be permitted to comment on the point which has been under discussion?

Mr. SMITH of New Jersey. I shall be glad to have the Senator do so.

Mr. VANDENBERG. There has been very sharp difference of opinion in the discussions regarding the sequence which should be observed in the presentation of these two subjects. I think it is only fair to the President and to the State Department to say that they have been insisting that they were anxious to have the House of Representatives proceed some time ago with the military-assistance program. What governed the ultimate judgment, I am not prepared to say. I can only give the Senator my own very earnest feeling, which I have expressed on repeated occasions. That feeling was in the first instance that the general outline of information regarding any military-aid program which was to be submitted this year should be available to Congress for its consideration, for its over-all judgment, if, as and when it was asked to deal with any other phases of the problem as involved in the North Atlantic Pact. But my own personal feeling is that it would have been most unfortunate for the military-aid program to be given priority in the congressional consideration, lest it seem to assume a priority, which in the opinion of the Senator from Michigan it does not remotely possess.

As the able Senator from Missouri knows, the Senator from Michigan has never committed himself in any way to any detailed program of military assistance whatever, other than to assert his belief that the fundamental theory of article 3 is sound, namely, that partners in a great enterprise of this character would do well to gear themselves together against ultimate jeopardy. It seemed to the Senator from Michigan that it would be most unfortunate to subordinate the great potentials in the North Atlantic Pact to the suppositions which may be involved in some military-aid program which is not the direct outcome of the pact itself.

Mr. DONNELL. I thank the Senator for his statement. Mr. President, will the Senator from New Jersey yield for one or two further questions?

The PRESIDING OFFICER. Does the Senator from New Jersey yield further to the Senator from Missouri?

Mr. SMITH of New Jersey. I am glad to yield further.

Mr. DONNELL. I realize the Senator has been ill, and I do not want to tax his strength. If he prefers that I not ask further questions, I shall not do so.

Mr. SMITH of New Jersey. The Senator may proceed.

Mr. DONNELL. I shall, I trust, not extend the questioning unduly. Does the Senator from New Jersey understand that the Secretary of State or the Department of State takes the position that there is no obligation under article 3 of the North Atlantic Treaty to provide military assistance or to make contribution of military equipment?

Mr. SMITH of New Jersey. No. I am not expressing the position of the Secretary of State. I am expressing my own position with regard to it and my own understanding and opinion. I assume that the Senator from Missouri is reading or has been reading from the document, with which I am familiar, issued by the State Department, which very clearly relates the two together. I merely do not agree with the document, and in voting for ratification of the treaty, I do not feel myself bound by the opinion of someone in the State Department expressing an argument in favor of supporting the military program.

Mr. DONNELL. I may say I am greatly interested in the Senator's comment on the publication of the State Department, and in his conclusion that the Department by this publication links the two programs together.

Mr. SMITH of New Jersey. I think that publication does, yes.

Mr. DONNELL. I am very much interested to note that, because it is directly the conclusion at which I had arrived, and yet throughout the document there is a most careful attempt in language to differentiate and separate the two, and a reiteration of the fact that they are separate. However, I think the conclusion is irresistible, as the Senator from New Jersey has concluded from this document, that the Department in fact does link the two together.

The question I wanted to ask was this: On page 4 of this document issued by the Department of State, in May of this year, it is said:

> Article 3 does not obligate the United States to provide any definite amount of military assistance or to make any specific contribution.

Does the Senator interpret that to imply in the slightest that article 3 fails to obligate the United States to provide military assistance or to make a contribution of that type? Or does it simply mean, as it says, that the article does not obligate the United States to provide any definite amount of military assistance? I myself personally underscore the word "definite"; the word is not underscored in the booklet. Does not the statement in the Department of State's publication mean simply, as I say, that article 3 does not state a definite amount or a specific contribution, but merely implies that there is an obligation? Does it not follow from the next sentence, and is it not perfectly clear, that the Department does consider that there is an obligation, because, after stating, as I have just read, that article 3 "does not obligate the United States to provide any definite amount of military assistance or to make any specific contribution," the document continues:

> It does, however, obligate the United States, as it obligates every other member of the North Atlantic Pact, to adhere to the principle of mutual aid and to exercise its own honest judgment in contributing what it most effectively can to implement the mutual-aid program.

Mr. SMITH of New Jersey. Does that necessarily mean military aid? I think, as the Senator has said, this document of the State Department implies military aid. I have taken the other position, that it does not necessarily imply it. We could give military assistance, as we saw fit. I do not suppose the Senator from Missouri feels bound by this brief. It is practically a brief from the State Department, supporting some principle of a military-aid program. The Senator does not feel bound by that, does he?

Mr. DONNELL. I may say in response to the question, of course, I do not feel bound by the statement of the State Department; but I think it binds the State Department as to its opinion as to what the treaty means. I call to the attention of the Senator the fact that immediately following what I have read, after saying that article 3 does not obligate the United States to provide any definite amount of military assistance—and again I myself emphasize the word "definite"—or to make any specific—and I emphasize the word "specific"—contribution, it does say what I have read to the effect that it obligates the United States to adhere to the principle of mutual aid, to exercise its own honest judgment by contributing what it most effectively can to implement the mutual-aid program. It then follows with this expression of the opinion of the Department:

> It is the opinion of the executive branch of this Government that the United States can best contribute to the collective capacity for defense of the North Atlantic area by providing military assistance, and it is the recommendation of the executive branch that it should do so.

The Senator recalls those observations, does he not?

Mr. SMITH of New Jersey. Oh, yes; those are their recommendations.

Mr. DONNELL. I thank the Senator.

Mr. SMITH of New Jersey. But I do not think "mutual aid" and "collective capacity" necessarily, from my point of view, imply military assistance, although I assume there will certainly be an investigation and study of the whole world area at the strategic points where we feel, for our own protection, that something should be done, that that would be the logical thing to do. But merely because these statements are made by the State Department I do not believe that we are bound, as members of this important legislative body, to accept their construction. This debate will help to determine the matter of construction.

I hope I have made a little contribution to the debate this afternoon by pointing out at least as one member of the Foreign Relations Committee that I feel there are involved other things than the military-aid program, and that emphasis should not be laid on that item alone.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the Senator from Massachusetts.

Mr. LODGE. In that connection, should it not be borne in mind that this country is engaged in a number of different programs, all having the same objective of helping the other nations become strong and healthy again, so that they can stand on their own feet in time of peace, and, in the tragic event of war, so that they can stand on their own feet then, and thereby indirectly help us? The Marshall plan, for instance, is one effort of that kind, and there is of course, a relationship between the Marshall plan and the North Atlantic Pact, in the sense that they both aim in different ways to build up the western community. Yet we never hear it suggested that, because a Senator voted for the Marshall plan, he is obligated to vote for the North Atlantic Pact. The two things are different ways of getting at the same objective.

In the case of military assistance, we have been engaged in military assistance beginning with the very end of the war. We have been doing it all over the world, in different ways, at different times and places, and that is a separate program. Certain arguments can be made in favor of it. Similar arguments can be made in favor of the North Atlantic Pact. Of course, they are related in general.

Is not that a pretty fair statement of the situation which we confront?

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. If the Senator from Texas will let me suggest in connection with the statement of the Senator from Massachusetts, I have been trying to point out in my remarks what the Senator has been saying, that there are other ways in which mutual aid can be given. It is all a part of a large program.

Mr. LODGE. Yes.

Mr. SMITH of New Jersey. All I have been protesting against is putting the spotlight on the military aspects of it, when the whole area of our cold war as well as a possible threatened hot war is before us to be dealt with. I have been criticizing the administration for not having given more attention to the cold-war aspects in all those areas where the western tradition could be preserved, could be presented, could be dramatized as a part of the defense against communistic infiltration.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Texas?

Mr. SMITH of New Jersey. I yield.

Mr. CONNALLY. I think what the Senator from Massachusetts said was quite pertinent. I should like to invite his attention to the fact that arms implementation does not have to depend on the treaty, and that, without such a treaty, we granted assistance to Turkey and Greece. We have also given arms and equipment to certain South American countries.

Mr. LODGE. And to France, so far as that is concerned.

Mr. CONNALLY. And to France. So the two are not tied in necessarily at all. Even if the treaty were not ratified—though I do not, of course, anticipate that—we could continue the military assistance program, if we were so disposed. Yet there is a great hullabaloo created regarding the idea that they are interdependent, and if we have one we have got to have the other. I think it is quite pertinent for me to make these observations on that point.

I agree with the distinguished Senator from New Jersey that military aid is not the only thing in this treaty. There are also good will and mutual assistance, which may be manifested in a number of ways other than by arms; and good will and mutual assistance should continue. This treaty is not based on the force of arms. It is based on the theory that it would have such a deterrent effect on an aggressor that he might never make an attack, that there might never be a war, by reason of the strong knowledge on his part, if he knows anything at all, that a violation of the Treaty by armed attack would raise the resistance of every one of the 12 nations which are parties to the treaty.

I thank the Senator very much.

Mr. SMITH of New Jersey. I agree with the Senator from Texas.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. CAPEHART. My question is this: If I vote for the North Atlantic Treaty am I obligated, either morally or otherwise, for the arming of the nations which are parties to the treaty?

Mr. SMITH of New Jersey. If I may say so to the distinguished Senator from Indiana, for an hour and 20 minutes I have been trying to state my position that a vote for the ratification of the treaty commits me in no way, shape, or manner to vote for military implementation.

I yield the floor.

Mr. GILLETTE. Mr. President——

Mr. CONNALLY. Mr. President, will the generous Senator from Iowa yield to me for a moment on another matter?

Mr. GILLETTE. It will be a pleasure to yield to the Senator from Texas.

## DEATH OF GOV. BEAUFORD H. JESTER, OF TEXAS

Mr. CONNALLY. Mr. President, in a spirit of sadness I announce to the Senate and to the country the death of the distinguished Governor of Texas, Beauford H. Jester. He was in a pullman compartment in the city of Houston and, this morning, was found to have passed away during the night.

Governor Jester had a distinguished career in World War I as an officer in the American Expeditionary Force. He was a man of fine ability, a man of pleasing personality, and had reached a distinguished place in the public affairs of the State of Texas. He had been a member of the railroad commission of that State, and was Governor at the time of his death.

I felt that I should announce his death to the Senate and to the country that Texas is grieved and sorrowed at his passing.

Mr. DONNELL. Mr. President, will the Senator from Iowa permit me to make a very brief statement?

Mr. GILLETTE. I yield for that purpose.

Mr. DONNELL. Mr. President, I was shocked indeed to learn from the lips of the Senator from Texas of the death of

Governor Jester. It was not my privilege to have known him long or intimately. I met him through two contacts, one through a fraternity of which he and I were members, as was also my esteemed friend who stands now upon the floor, the junior Senator from Tennessee [Mr. KEFAUVER]. All three of us were members of the Kappa Sigma fraternity.

Furthermore, it was my privilege and pleasure to meet Governor Jester for the first time, so far as I know, during the course of extensive hearings held last year by a subcommittee of the Committee on the Judiciary, on the subject of the so-called tidelands question. I found Governor Jester, although he and I differed upon many subjects under consideration, to have an alertness of mind, a pleasantness of approach, and a personality of such delight and charm that I was very greatly attracted to him. I am shocked and grieved by this unhappy news.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the Senator from Tennessee.

Mr. KEFAUVER. I wish to join the senior Senator from Texas and the senior Senator from Missouri in paying tribute to the life, character, and work of this great public servant, Gov. Beauford H. Jester, of Texas. I knew him over a period of approximately 12 years. I was well acquainted with the great contribution he made as Railroad Commissioner and as Governor of the State of Texas, and his contribution to better government throughout the United States. I particularly knew him as worthy grand president of the Kappa Sigma Fraternity, of which the senior Senator from Missouri [Mr. DONNELL] and I are members. Through this organization he made a substantial contribution to student life in many universities throughout the Nation.

I sincerely regret his passing. I know that the young men who had the privilege of meeting him in various colleges of the United States, in college and fraternity work, also mourn his passing.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed, without amendment the joint resolution (S. J. Res. 114) to provide an increase in the authorization for the Federal National Mortgage Association.

The message also announced that the House had severally agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 578. An act for the relief of Carlton C. Grant and others;

H. R. 599. An act for the relief of Victor R. Browning and Co., Inc.; and

H. R. 2737. An act to establish the decoration Medal for Humane Action for award to persons serving in or with the armed forces of the United States participating in the current military effort to supply necessities of life to the people of Berlin, Germany.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 53) relating to the enrollment of Senate bill 70, to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States.

### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 623. An act for the relief of Sadako Takagi; and

H. R. 3127. An act to authorize the admission into the United States of Jacob Gross, a minor.

### THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. GILLETTE. Mr. President, it is my purpose to vote for the ratification of the pending treaty. I do not usually speak from manuscript, but because of the importance of the subject, I shall avail myself of that opportunity at this time.

As I have stated, it is my purpose to vote for the ratification of this pending treaty. I did not reach this conclusion easily. I did not come to this conclusion without serious thought and soul-searching consideration of the consequences of ratification to our Nation as compared to the consequences of failure to ratify.

The fact that I shall cast my vote for approval does not mean, however, that my doubts have been eliminated, that my misgivings have been dispelled, that my qualms have been soothed. The vote I shall cast is one that I shall cast with the greatest of reluctance and with the strong conviction that my country has been led step by step into an untenable position before the rest of the world, where her good faith and honor might be called into question and her moral prestige suffer severe damage, should she now refuse to approve the pact that has been negotiated with the countries in the North Atlantic group. It seems to me to be essential, then, in fairness to those whom I here represent, as well as to myself, that I give expression to some of my thoughts in connection with this pending subject matter. I shall speak somewhat generally, but, I hope, not superficially. It may be said that I speak idealistically, but I am convinced that I speak truthfully.

It is a long, hard, rough, winding, twisting, and painful road that the nations have traveled toward the goal of a world free from war and with substantial and dependable moral, spiritual, political, and economic securities. But while heartbreakingly slow over the centuries, the progress in the last quarter of a century has been steady, sure, and greatly accelerated in its tempo. How, then, can anyone who has been in any way close to this progress, in thought or in participation, view with equanimity a step which gives so much evidence of being retrogression, and, in a measure at least, an abandonment of ground gained at so much cost and so much sacrifice?

We are so prone to forget today, when we accept so freely the world's cooperative efforts for peace, how very recently the nations, including our own, admitted to be feasible the concept of a world federation of nations, living with one another in peace and cemented in their unity of goal and action by a cement stronger than selfish nationalism, firmer than predatory aggrandizement, and far more lasting than military necessity. This new cement has been found in acceptance of and adherence to certain basic principles so clear, so concise, and so clean that they have received all but universal acceptance as foundation stones on which can be erected the structures for the implementation of the desire of all peoples for peace and security. It is challenging, then, to think that all substantial progress in achieving international cooperative action for peace and security has been taken in less than a quarter of a century.

Let me review a bit of this recent history. Our involvement in the destruction of World War I brought general recognition in our Nation of the facts that the development of weapons of offense and defense and the methods of transportation and communication meant that our world could not survive the recurrence of increasingly destructive wars almost every generation. Everyone everywhere was repeating two words—"Never again, never again." But while we were all in accord as to this goal, we immediately divided ourselves into two schools of thought as to the means of reaching the goal. One school we called internationalists, who advocated then and who advocate now that war cannot be banished by adherence to and insistence on the ancient principles, such as freedom of the seas, right of blockade, and other nationalistic concepts. This group insisted that we must surrender a portion of our nationalist right of action and unite with other enlightened nations of the world for concertive action for world peace. A second school of thought was called the isolationist school, who held that such a program as the internationalists advocated made us automatically a party to the traditional wars and embroilments of the other continents. This group advocated not only taking advantage of our physical and geographical isolation but at the same time placing on the statute books, certain laws that sought to eliminate various factors which had seemed in the past to involve us in war. Included in these factors were sales of munitions to belligerents, blockade running, arming merchant ships, collection of international debt, cash and carry provisions for sale of war supplies, and many, many others. This issue between these two schools of thought was the dominant one in the 1920 election and the so-called isolationist school won an overwhelming victory.

The United States refused to ratify the League of Nations Covenant. When the Japanese and German regimes began to prepare for war, we increased our

efforts to isolate ourselves from foreign conflict and, beginning in 1935, 15 years after the American people had spoken at the polls, we attempted to write national neutrality legislation. Many men now in the Senate will recall vividly those legislative attempts. Our neutrality laws proved anything but neutral in effect. It would be interesting if time permitted to review those momentous legislative battles but they were almost wholly ineffective, and our country, notwithstanding these efforts, became involved in that horrible holocaust of destruction that we call World War II.

But great and able leaders in the various countries who were allied with us in the war effort turned their thoughts toward securing and maintaining the certain victory by advanced thinking and advanced action even before the military success. Proudly can we look back on the record made in these attempts. Happily can we review each of the momentous steps taken.

Step No. 1 was the Atlantic Charter. Our former great President, Franklin D. Roosevelt, and the former Prime Minister of Great Britain, the Honorable Winston Churchill, met on a ship in the North Atlantic and spelled out in terse and unmistakable language the principles for which we and our allies were waging war:

A. We seek no aggrandizement, territorial or otherwise.

B. We favor restoration of territory to nations deprived of these territories by force or aggression.

C. We concede to every people, great or small, the right to determine the sort of government under which they choose to live.

D. Freedom of speech and expression everywhere in the world.

E. Freedom of religion everywhere in the world. Freedom from fear everywhere in the world. Freedom from want everywhere in the world.

The first great step was the crystallization and the enunciation of those principles for which our allied world was contending.

Then followed the second great step, the Connally resolution. Notwithstanding the fact that there seemed to be a heavy trend of American opinion toward internationalism, there was great skepticism in evidence abroad as to America's willingness to enter a world compact or coalition for peace. There were many in other countries who said: "As soon as the war is over the people of the United States will once again say 'let us get our boys and girls home and mind our own business. Let us stay out of world embroilments.' "

It became imperative then that the world be reassured and convinced that the United States would not repeat the repudiation dealt the League of Nations but would be ready to enter and support an international organization designed to save the world from war.

In the cooperative efforts between the legislative and executive branches of our Government, to which the eminent Senator from Utah alluded in this very place last Wednesday, the able chairman of the Senate Committee on Foreign Relations, the Senator from Texas [Mr. CONNALLY], appointed a committee to formulate action for such world reassurance. He named to this committee four Republicans and four Democrats. Not only did he insure bipartisan action but he made assurance doubly sure by selecting members to this committee who held somewhat diverse views on international problems. But he wanted a committee who could and would draft and support on the floor of the Senate with a minimum of controversy and debate a resolution that would commit our Nation, so far as the Senate could commit it, to cooperation with the rest of the world in building an organization for peace and security.

This committee, so constituted, met day after day, carefully weighed every phrase, every word; and, as a result of their studies, there was presented to the Senate the Connally resolution, which was adopted by a vote of 85 to 5. The second great step was taken, and the world knew that the United States would not shirk her share and her responsibility.

The third step was the Moscow Declaration. Now that the United States participation was assured, there was need for further assurance, first, that the Allies, including the Soviet Union, would continue their mutual military enterprise to a joint victory and negotiate a joint peace. Our great Secretary of State, the Honorable Cordell Hull, journeyed to Moscow, met with the representatives of other of our allies, and came back with the Moscow Declaration, which gave the dual assurance of full Soviet cooperation for victory in the military effort, and the equally strong assurance of her readiness to enter into a world organization designed to secure the peace of the postwar world. But with the Moscow Declaration came the insistence that prior to the writing of the peace treaties the nations should take steps toward drafting a tentative document for cooperative peace effort in order that the document could be ready for study, revision, and hoped-for acceptance before the end of the war. This resulted in the fourth great step—the drafting of a tentative United Nations Charter.

Once again with that soundness of judgment so well proven in the case of the Connally resolution, Secretary Hull sought the advice and consent of the Senate in the work of the preliminary drafting of the Charter. Once more Chairman CONNALLY appointed a committee of the Senate to meet with the Secretary. He named the same bipartisan group which had worked on the Connally resolution draft.

This eight-man group met many, many days during many, many weeks with Secretary Hull, assisting him in the original draft of the United Nations Charter which was presented at the Dumbarton Oaks Conference, and later became the basis for the fifth great step, the ratification of the United Nations Charter.

Twenty-nine States, including the permanent members of the Security Council, having ratified the Charter, Secretary of State Byrnes on October 24, 1945, signed the protocol which formally established the new world organization. The United States Senate approved it by an almost unanimous vote. The fifty-first ratification was deposited on December 27, 1944, only 6 months after the first signing of the Charter.

Please listen to what was secured by this fifth great step:

> We the people of the United Nations agree to unite our strength to maintain international peace and security and insure that armed force shall not be used save in the common interest, to maintain international peace and security and to that end to take effective collective measures for the prevention and removal of threats to peace and for the suppression of acts of aggression.

With this glorious record of five great steps toward the goal of world peace, is it surprising that there should be something of skepticism among our people as to whether the present treaty constitutes progress or retrogression? Is it a sixth great step in the direction of world peace? Is it a turning back? Is it a loss of ground? Is it a faltering, stumbling advance? Or is it an evasion, if not negation, of the fundamental principles to which all have subscribed? Is it a step within the framework of the United Nations Charter or is it independent action which might be subversive of the success of world cooperation? Above all, is it in accord with Amercanism as we have seen the principles of Americanism translated into world action? To the vast majority of our people Americanism means these principles which have become the groundwork of the United Nations Charter. To these of our fellow citizens, Americanism has a real and affirmative meaning to us and to the world. It is not an obstruction, it is a vital, vibrant, living thing. Every American citizen is fully aware of its meaning and every surge of sacrifice on the part of our people stems from that awareness.

It is to every one of our citizens of the most cogent importance, then, that there be no chasm between our basic principles and their implementation in our foreign policy. As much as our people dread and abhor war, they dread even more any action or activity which negates in any way these great elements of Americanism.

It is patent to everyone that the United Nations Charter has defects which have prevented its effective use. There is no doubt that the so-called veto power, through misuse and abuse, has obstructed the unified action for full use of the United Nations machinery. I may interpolate here that the eminent senior Senator from Michigan, sitting with the committee and with the Secretary of State, will recall vividly the long hours the question of veto was discussed, knowing and recognizing that its abuse might well destroy the effectiveness of the Charter under which unity was being sought, but because the alternative was the lack of any action, men like the distinguished Senator and the other members of the committee accepted it.

But the people of the United States are not willing to abandon the efforts that have been made for peace through world coalition. They are not ready to admit it

is impossible for civilized men to work out adequate and effective cooperative machinery for the prevention of the recurrence of war.

I am fully aware that the supporters of this treaty—and I have just said that I will be one of them, with the greatest of reluctance—assert that they are not abandoning the Charter and its purposes but that they are taking the action represented in this treaty proposal within the framework of the Charter and as a temporary expedient to meet a very real condition of threat until such time as the Charter organization might take effective action.

May I ask these gentlemen why, if the Charter has been ineffective because of some of its provisions—and it has been—particularly the veto provision, why they have not initiated steps to amend the Charter so that it might be made effective? I can, of course, anticipate the immediate reply that the Charter cannot be amended because the veto provision precludes an amendment without the concurrence of the permanent members of the Security Council and that the same members who have used the veto so efficiently in their own interest to prevent United Nations action would just as readily use it to prevent amendment. But I respectfully inquire of those who make this argument if they have lived up to their responsibilities and proposed corrective amendments to the Charter? Certainly no one could veto an amendment that had not been presented. This argument of anticipated veto action would have much more force and would be entirely unanswerable if we had initiated the necessary action by way of amendment instead of neglecting such responsibility because of anticipated negative action by some other member of the Security Council.

Mr. VANDENBERG. Mr. President, does the Senator wish to proceed without interruption?

Mr. GILLETTE. I shall be glad to be interrupted.

Mr. VANDENBERG. It seems to me that the Senator was asking a question which rather rolled in my direction.

Mr. GILLETTE. I assure the Senator that was unintentional.

Mr. VANDENBERG. I do not want to sit here in silence under it. I suggest to the able Senator from Iowa that the record discloses that we have done precisely what the Senator recommends. The Government of the United States has submitted to the General Assembly of the United Nations a long series of proposed suggestions urging that they be made the basis of a voluntary agreement for the release of all the pacific chapters of the Charter from the strictures of the veto. I remind the Senator that the same Senate Resolution 239 which anticipated the North Atlantic Pact in three of its six advices to the President, demanded precisely the same thing. So that I respectfully suggest there has not been quite such a total default in this area of action as the Senator's rhetorical question might suggest.

Mr. GILLETTE. Mr. President, I thank the Senator. I am very pleased indeed to have the correction that there has at least been that much of an effort made. I also want to take occasion to compliment the distinguished Senator who has just spoken, who I believe was in large measure responsible for Senate Resolution 239, to which he has just referred. I hesitated, I will say to the distinguished and able Senator, a long time, when thinking over what I should say here today, as to whether I should list Senate Resolution 239 as the sixth step that had been taken in the direction of world peace.

Mr. President, I am fully cognizant of the conditions throughout the world and particularly in the European and Asiatic fields under which there are all the elements of a clash resulting from antagonistic philosophies of government. One would be naive indeed who would deny that it constitutes a real threat to world peace. But I am one of those who can view conditions such as this with great alarm but view with still greater alarm the abandonment of principle or the compromising of commitments and responsibilities. I should never hesitate to compromise in nonessentials. I shall always hesitate to compromise principles. Expediency often dictates what morality forbids, but concessions made to expediency through abandonment of basic truths and fundamental principles exact too great a price.

We have made stupendous progress in the direction of united world effort. This goal we have sought, this organization we have developed to this point is based on unity of purpose, unity of goal, and unity of effort and action. There can be no doubt in anyone's mind that our present international situation, so far from being a successful unification into one-world action, has become a two-world hostile camp.

Nothing can be gained by name calling or by charges and countercharges of responsibility for this situation. Much can be gained by seeking the elimination of the causes which have brought about the breach. It would be a total loss to throw up our hands in despair and assert that all these sacrifices, all these efforts, all these hopes and prayers have been useless and cannot be made to serve the purpose of mankind.

As I have said twice, I expect to cast my vote for the ratification of the North Atlantic Treaty. I have also said, and I repeat, that I shall do so with the greatest reluctance, with deep misgivings, with grave doubts and qualms. I have explained in general terms why I am burdened with these misgivings and doubts. There are, likewise, a number of specific and detailed objections that I have to this pact.

We are now virtually obliged to ratify the North Atlantic Treaty, if we are not to make our Nation the butt of ridicule and scorn around the world. Several times before in recent years we have been led into a somewhat similar position.

A frequent practice of those charged with executing our foreign policy is to so commit the United States in major international arrangements that it becomes almost impossible for the Congress to change or modify those arrangements when they are brought up for consideration. Congress is given the dubious prerogative of nodding its head to already accomplished deeds, of exercising purely rhetorical functions long after the substance of the discussion has reached a stage beyond recall.

Mr. WHERRY. Mr. President, does the Senator wish not to be interrupted?

Mr. GILLETTE. I am glad to yield.

Mr. WHERRY. The Senator has just made the statement that unless the Senate ratifies the pact we shall become an object of scorn by nations throughout the world. I realize the sincerity with which the Senator has made that observation. Granting that that may be true, yet is it not the duty of Senators to vote their own convictions? This is one of the very important points in the procedure which has worried me. The other nations having signed, it is said that it becomes almost mandatory that the United States ratify this treaty to escape the very thing which the distinguished Senator has just mentioned. Yet, regardless of that factor, under the theory by which the administration negotiates treaties and the Senate ratifies them under our constitutional process, is it not our duty, as Members of the Senate, to vote our own convictions regardless of what the impact may be? Does the Senator see what I mean?

Mr. GILLETTE. Very clearly.

Mr. WHERRY. I would be the last man on earth to "welsh" on an agreement. I realize the lengths to which this country has gone. I witnessed the signing of the treaty. To me it was a serious and impressive moment. There is no other way that such treaties can be made. If the United States had been called upon to sign first, we would not be in the predicament in which we now are. But that was the procedure which was used, and which has been used in the past.

One of the arguments to which I am giving serious consideration is the argument that we should go forward unless we wish to suffer the results suggested by the distinguished Senator. Yet, as Senators, responsive to our obligations and our oaths, is it not our duty to vote our convictions regardless of the impact?

Mr. GILLETTE. I am glad, indeed, that the able Senator from Nebraska asked the question he has just asked, because he has presented far more clearly than I am able to present the doubts which were in my mind, doubts which every Member of this body must resolve for himself. As I have repeatedly stated, my decision was reached with extreme reluctance. I felt that it was a choice between two evils, and I chose the lesser. I have stated that I shall vote for the ratification of the treaty; but I have never taken a dose of medicine in my life which was more bitter for me. For the past 30 years I have been doing what little I could to forward the cause of world peace. It is a bitter dose to me to support a step which to me seems like retrogression. However, in the condition in which we find ourselves we have the dubious and difficult choice which the Senator has so clearly and concisely presented.

This, I feel, is the dilemma facing us with regard to this new treaty. One day soon, it seems to me, we shall be forced to redefine the precise interpretation of the

constitutional treaty-making powers of the Senate and of the executive branch which we believe should apply in the twentieth century—though I am in accord with the eminent Senator from Texas that this is not the time to raise that thorny problem.

Now that the distinguished Senator from Texas [Mr. CONNALLY] has returned to the Chamber, let me repeat what I said imperfectly a few moments ago. The people of the world and the people of the United States are under lasting obligation to the Senator from Texas. They owe a debt of gratitude to the distinguished chairman of the Foreign Relations Committee who, in collaboration with others, enabled us to take the five great steps which have been taken.

Mr. CONNALLY. I thank the Senator.

Mr. GILLETTE. As it is now, we have once again been placed in the position of passengers on an airplane which is being piloted toward distant and uncharted destinations and when we reach the point of no return the controls are turned over to us and we are told that the choice between going back or going on along the dubious and unknown course rests in our hands. I contend that this is not a proper or an intelligent way for a great Republic to conduct its foreign relations. It will be recalled that there is now on the market a best seller of fiction entitled "The Point of No Return." I think the title is appropriate in this connection.

In the discussion of the pact last week several Senators addressed themselves to the relationship between the treaty which we are considering and the military-assistance program which we shall be asked to consider later.

This afternoon when the able Senator from New Jersey [Mr. SMITH] was speaking he was interrogated by half a dozen Senators who have doubts in their minds as to the obligation. The able Senator from Texas has assured them again and again that they are not obligated, as he understands it.

It is quite true, I believe, that the pact and the European arms assistance program are inextricably linked both in fact and in the minds of most people.

How intimately these two subjects are commingled can be seen even more vividly in the history of the steps leading up to the formulation of the North Atlantic Treaty. I am indebted to an excellent brochure on the Atlantic Fact prepared by Mr. Halford L. Hoskins, of the Legislative Reference Service of the Library of Congress, for the chronological steps I wish to cite here. On page 63, under appendix I of this research document, I note that on March 17 last year the Brussels conference of representatives of Great Britain, France, Belgium, the Netherlands, and Luxemburg resulted in the signing of a 50-year western union treaty providing for collective military aid. These countries promised each other mutual aid in military preparations. On April 30, 1948, the same countries sent their Defense Ministers and Chiefs of Staff to London to initiate joint military discussions. Two months later, on July 6, 1948, the then Under Secretary of State, Mr. Robert Lovett, met with the Canadian, British, French, and Benelux countries' Ambassadors here in Washington for an exchange of views on European military defense requirements. A few weeks later, on July 20, it was announced in London that American and Canadian military experts would sit in as "nonmembers" with the Permanent Military Committee of the Brussels powers. Then, on September 27 and 28 last year, the Defense Ministers of the new western union met in Paris to agree on a common military defense policy. On October 4 the parties to this western union, the Brussels treaty powers, appointed a common military staff.

During the month of October our Government began receiving estimates of military equipment needed by the western union countries. At last, on the 26th of October, the consultative council of the western union agreed in Paris to seek a formal North Atlantic security pact. This decision was reached, at least so far as the public knew of it, 7 months after the Brussels powers signed their treaty for collective military aid. The Brussels pact area was to be expanded to include North America.

Then on December 6 the late Secretary of Defense, James Forrestal, declared that military equipment must be supplied generously to western Europe to give meaning to the Brussels treaty. In the Secretary's view, the Brussels treaty would not have meaning unless America provided the military backing.

Four days later formal negotiations on the Atlantic Pact began.

From this brief résumé of some of the principal steps leading up to the pact, we can see that the overriding interest of the sponsors of this treaty has been, and is, to construct a vehicle for the transfer of arms and military equipment from the United States to the western European countries. In other words, European efforts to obtain arms and munitions from our American arsenal preceded, and, in fact, were the real reasons for the negotiation of the North Atlantic Treaty.

Thus, the arms-assistance program is not a necessary consequence or complement of the pact. Quite the reverse, the pact was necessary in order to justify before the American people the proposed shipment of arms and munitions to western Europe.

I call the attention of the Senate, Mr. President, to the May 22, 1949, Department of State Bulletin, which I have in my hand. It has previously been referred to, but at the risk of being tedious, I wish to quote from it again, because it is along the line of what I am stating. The first article in this bulletin concerns the United States military-assistance program. On page 646, we find the subtitle "Relationship to the Atlantic Pact." I quote the first three sentences under this heading:

> The requests of the eight North Atlantic Pact countries are not a product of the Atlantic Pact. The military-assistance program was conceived and developed separately and somewhat in advance of the formulation of the pact. The military-assistance program would be necessary even without an Atlantic Pact.

What could be more explicit than this statement in an official bulletin of our Department of State? In unequivocal terms the bulletin tells us that the military-assistance program was conceived and developed apart from and previous to the formulation of the pact. How can any reasonable man avoid drawing the obvious conclusion: The western European countries needed more armaments; they met for a period of several months to formulate their demands; they asked the United States to supply those armaments; the State Department sought a formula, a device, a vehicle by which the peacetime shipment of armaments overseas could be made acceptable to the American people. The search led to the formulation of the North Atlantic Treaty which obligates the United States to transfer unspecified but certainly enormous quantities or arms and munitions to the European members of the new alliance.

With this background in mind, we can approach the treaty before us with a far clearer understanding of what its terms mean and why certain articles are written as they are.

Article 3, for example, obliges the signatory powers to "maintain and develop their individual and collective capacity to resist armed attack." This means, literally, that the contracting parties are duty-bound to increase their armaments and their armed forces. This article makes it unmistakably clear that the Atlantic Pact is primarily—and it is not a pleasant phrase—a military alliance designed to expand, without stated limits, the military power of the signatory countries.

The council which is provided for under article 9 is authorized to develop a whole new international secretariat outside the United Nations, starting immediately with a "defense committee" to prepare plans for dealing with a possible attack. The stress put on the military aspects of the pact here again indicates that in the minds of the signatories this is strictly a military alliance.

To return to article 3 of the pact, we note that "to achieve the objectives of this treaty," the parties will develop their armaments and armies "separately and jointly, by means of continuous and effective self-help and mutual aid." I should like to lay stress on the terms "jointly," "continuous" and "aid." It is under this article of the treaty that the proposed military assistance program will be effected. "Jointly" with the other signatories, the United States will "continuously" supply "aid" to the other signatories to build and maintain their military forces. That, in my opinion, is what this Atlantic Treaty is really concerned with. I submit that the steps leading up to the formulation of the treaty, plus the acknowledgment of the State Department itself in its own official bulletin, which I have just quoted, go far to uphold my contention that the real purpose of the pact is to create a new, shining vehicle on which to transport vast and unimagined quantities—at least unlimited quantities, so far as any specification is concerned, of armaments and weapons of war from the United States to Europe.

It is my awareness of this, Mr. President, that prompts me to wonder how anyone could reasonably claim that the Atlantic Pact and its military companion piece are another great step, a sixth step, added to the five to which I already have referred, in the direction of international peace through a world security organization along the road I have described that led from the Atlantic Charter through the superb steps taken by some of the gentlemen I see before me now, to the United Nations.

A persistent effort has been made in discussing this pact to describe it as being "within the framework of the United Nations." During the war years, I had the honor of participating in the original studies on the United Nations organization. I am sure that at no time did it occur to me, or to the other Senators with whom I worked on the principles of the UN Charter, that article 51 of that Charter could be interpreted as authorizing one group of member states of the United Nations to form a military alliance against another group of member states of the United Nations.

In the words of the distinguished Senator from Vermont [Mr. FLANDERS], on last Friday, article 51 is a "feeble cord" with which to link this pact to the UN Charter. I would go further, and would say this as one who took a very minor part in the original discussions on the UN organization: I honestly believe that we never contemplated any such travesty on the principles of the United Nations Charter. Taking the most charitable view, I can agree with the characterization given by one of the witnesses before the Foreign Relations Committee, to the argument that this Atlantic treaty is consistent with the United Nations Charter: It was Mr. James Warburg who labeled this a "polite hypocrisy."

If, however, we accept the thesis that the Atlantic Pact is consistent with the principles of the Charter—a point of view to which I do not subscribe—then it must be consistent throughout, not merely consistent with article 51 or some other single article. It is not enough to say you are going to live up to the UN in one phase, and then violate it in one or more other phases.

Article 52 of the charter, for example, provides for regional defense pacts. That article, as the Senate well knows, was placed in the Charter to accommodate the Monroe Doctrine and to permit Pan-American regional arrangements. Now comes the Atlantic Pact, creating a two-continent, transoceanic regional agency. If the Atlantic Pact is a regional arrangement, then surely it must be governed by other articles in the UN Charter which govern regional arrangements.

I cite article 53 of the Charter, which says, flatly:

> No enforcement action shall be taken under regional arrangements or by regional agencies without the authorization of the Security Council.

Yet, under the terms of the Atlantic Pact, the signatories will merely report to the Security Council what they have done, upon having decided that they are victims of an armed attack. Each signatory of the pact is bound in the words of article 5, to assist any other "by taking forthwith, individually and in concert * * * such action as it deems necessary." This sort of action by the signatories obviously is not intended to be taken after authorization by the Security Council.

I can see no way to avoid the conclusion that article 5 of the pact permits the signatories, including those which are UN members, to bypass the United Nations Organization into which we and most of the other peoples of the world have put so much hope, so much faith, so much hard work, so much heartfelt prayer. The pact will relegate the UN to second rank, make it a subsidiary international body for arbitrating and otherwise controlling disputes between great powers. The pact erects outside the United Nations a wholly self-determining agency of allied powers, which reject third-party jurisdiction and judgment of their case, and which intend to act exactly as they wish without regard to other members of the United Nations and without regard to other countries of the world, all of which are sure to be affected by the outbreak of general war.

Mr. President, it would be duplication of efforts already well expended by others for me to proceed to an analysis of each article of this treaty in order to point out the many places where doubts, even suspicions, arise in my mind. I dread the possibility that the language in the preamble, already stretched to include the antidemocratic, corporate regime of Portugal, may be stretched further to include any sort of regime, regardless of its manifest hostility to democracy, individual liberty, and the rule of law. I am alarmed by the overwhelming emphasis placed on the purely military aspects of our international relations. I am troubled by the potential danger to our country's standing in the world, should this treaty be interpreted so as to involve us in suppressing a legitimate popular revolution against a tyrannical government. I fear, as I know the Senator from Utah fears, lest the millions of colonial peoples of Asia and Africa regard our alliance with their European masters as signifying American approval of colonial exploitation or American consent to suppression of democratic independence movements.

Mr. President, I digress here to quote a statement which was made in the city of London, in a conversation between the present speaker and an outstanding member of the British Government, whom I shall not name, calling attention to what seemed to me to be a contravention of the fundamental principles written into the Atlantic Charter and embodied in the consecutive steps which followed it—calling attention to the violation of both principles in Britain's colonial policy. The gentleman to whom I refer called my attention to the quotation, with which we are all familiar, from the former great Prime Minister, saying to me:

> You forget, Mr. GILLETTE, that a former great Prime Minister of the British Empire has said that he did not become His Majesty's Prime Minister to preside at the liquidation of the British Empire.

I replied:

> And I say to you that I think I am voicing the feelings of the huge majority of the people of the United States when I tell you that we did not become a party to the greatest war of history, sacrificing thousands and thousands of our boys and girls, and pledging the resources and revenues of America for generations to come, to underwrite an expansion or underwrite a status quo for any empire of the world, based on its fundamental philosophy of the exploitation of weak peoples anywhere in the world.

I was glad to hear the eminent Senator from Utah [Mr. THOMAS] remark, as he did here the other day:

> If the signers of the North Atlantic Pact have not reformed in their minds and in their hearts, in regard to the exploitation of backward peoples, the North Atlantic Pact will fall of its own weight.

But beyond all these grave doubts, I do not want to bring my discussion of the North Atlantic Treaty to a close without taking an over-all look at the road which our country seems to be following in the present world crisis.

Mr. WHERRY. Mr. President, will the Senator yield for a question in connection with the observation which he has just quoted?

Mr. GILLETTE. I yield.

Mr. WHERRY. The distinguished Senator is making a most able address on the North Atlantic Pact and its relationship to the arms legislation, and also with respect to its relationship to the United Nations Charter. The Senator has in a limited way at least described the North Atlantic Pact as a military alliance. My question is, If the treaty can fall of its own weight, and if it is going to make of the United Nations a subsidiary or secondary organization, on what justification could one vote for the pact as another step in the hope for peaceful relations with the countries of the world?

Mr. GILLETTE. That is a very reasonable question.

Mr. WHERRY. I hope it is, because I am certainly seeking for light on the subject.

Mr. GILLETTE. I can readily understand why the eminent Senator from Nebraska or any other Senator can say, "Feeling as you do, Mr. GILLETTE, how can you vote for it?"

Mr. WHERRY. And that is a particularly appropriate question to ask of one who has been an outstanding advocate of international peace all these years. Having reached that conclusion, how could the Senator vote for the pact?

Mr. GILLETTE. The answer is the one I tried to give a while ago. It is not clear, possibly, and probably it is not consistent; but to me it is the only answer I could give, after days and days and weeks and weeks of thoughts and prayerful study of the implications and the results of ratification, as against the failure to ratify.

Mr. WHERRY. Does the Senator refer to its impact upon the nations that have already signed?

Mr. GILLETTE. That is the thing that deterred me.

Mr. WHERRY. If we now fail to ratify, after all the work that has been done, the impact will be of such nature, it will produce such disastrous effects,

that it will be a hindrance to peace, will it not?

Mr. GILLETTE. That is the factor which has made me sick at heart. I do not question the motives and the sincerity and the honesty of the eminent Senators who are supporting it, who have reached another conclusion. The only thing I can do is try to give voice to some of the things that are in my mind, when I know what I know after a quarter of a century of a steady advance in the matter of world cooperation, as I have said before, under the superb leadership of the Senator from Texas, the Senator from Georgia, the Senator from Michigan, the Senator from Utah, and the former Senator from Vermont, Mr. Austin. After all that has been accomplished, to reach what seems to me a point of no return is a sickening and a soul-retching thing.

Since the end of World War II——

Mr. DONNELL. Mr. President, will the Senator yield for a very brief question?

Mr. GILLETTE. I yield.

Mr. DONNELL. I have been greatly impressed by the earnestness of the Senator and the tremendous struggle he has had in his own mind. Does he not think that even though there be some temporary disturbance in Europe, even though there may be some feeling of disappointment, or even of despondency, in the minds of some Europeans or all of them, the welfare of this country over a period of 20 long years into which we may precipitate ourselves—I mean to say, the question as to whether we will be safeguarding our welfare will be involved for 20 long years—does not the Senator think that would vastly overweigh any possible temporary despondency on the part of European nations, who must have known, when their representatives signed at the impressive ceremony on the 4th of April, that anyone who put his signature on the treaty for the United States had no power to bind the United States unless the Senate should ratify it? In other words, if the Senator puts into the scales, on the one hand, the feeling of disappointment or even of despondency referred to, and then puts on the other the fact that after we ratify this treaty the United States will be bound hand and foot for 20 long years, so that every cloud that comes across the diplomatic sky in the capitals of Europe will be a potential threat calling on us to comply with our obligation to go to war, does he not consider that this tremendous impact on us for 20 years vastly outweighs the effect on the European nations which may result and which may be forgotten within a few months after it has resulted?

Mr. GILLETTE. In reply to the Senator I will say that the conclusion which the Senator from Missouri has just voiced is not illogical and is not unreasonable. I can only say it is one which I did not reach after as careful a weighing as I could give to the pros and cons and the circumstances as I saw them. I reached a different conclusion. I find no fault with anyone who reaches a contrary conclusion. His mind probably worked more clearly and reached the goal with more reasonable consideration and argument than did mine. I can only say I reached the conclusion which I have voiced.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the distinguished Senator from Ohio.

Mr. TAFT. Does not the Senator's position involve a complete abandonment of the constitutional provision for the Senate to ratify a treaty? Merely because the Department of State has signed it, if the Senator feels he must vote for ratification, is not that a complete abdication by the Senator of the senatorial function?

Mr. GILLETTE. I do not believe I could make or adhere to an assertion so broad as that. I will say, with all respect, to those who have been working on this matter, that there have been numerous evidences, both before and after the treaty was presented, of cooperation between the executive and legislative branches under the provision of the Constitution regarding the advice and consent of the Senate in relation to the negotiation of treaties. I do not believe there has been a complete abandonment of that cooperative effort between the two branches of the Government. I can only say that the steps they have taken have brought us to a point to which I have referred as a point of no return. I do not view with any equanimity, I will say to the Senator from Missouri and the Senator from Ohio, or with any calmness of thought or any placidity of thinking, the road which is ahead. The only thing I can contemplate is the road which is behind and the consequences to my country involved in the choice of the two roads which are ahead.

Mr. WHERRY and Mr. FULBRIGHT addressed the Chair.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator yield, and if so, to whom?

Mr. GILLETTE. I yield, first, to the Senator from Nebraska.

Mr. WHERRY. Mr. President, I hope the Senator will be patient. I am having a struggle. I have not finished my struggle. I should like to ask a question and also state to the distinguished Senator from Iowa that I feel one has a right to arrive at any conclusion he feels he should arrive at. The Senator from Iowa has arrived at a conclusion. I should like to ask this question: If I should differ with the distinguished Senator as to my duties in connection with ratification of the treaty, and say to myself that, regardless of the signatures on the treaty, I should make up my own mind; if I arrive at a different conclusion and feel that it is correct, regardless of the impact, does the Senator know of any compelling reason why I should support the North Atlantic Pact?

Mr. GILLETTE. Most certainly not.

Mr. WHERRY. That is the point.

Mr. GILLETTE. The only thing the Senator can do is to use the mind and the heart Almighty God has given him, and by the use of those faculties, reach the conclusion which seems to the Senator to be correct. Anyone who would criticize the Senator for that is certainly arrogating to himself light that he does not himself possess.

Mr. WHERRY. The thought I wanted to convey was that to my mind the speech which has been made by the Senator from Iowa has completely demolished the arguments that these are separate instruments. To my mind, the Senator has established that the North Atlantic Treaty is the instrument through which arms implementation legislation will be made possible. If that be true, then the only thing left is that any Senator who is not favorable to arms legislation, if he votes for the North Atlantic Pact, is betraying his own vote if he is not in favor of arms legislation. So I ask the distinguished Senator, if one feels that way regarding the future peace of the world, the future existence of the United Nations Organization, is there any compelling reason, anything which the Senator can think of, which could be offered to one who is still struggling for the light, as to whether the North Atlantic Pact should be supported, except for one thing, namely, that it is a senatorial duty to ratify the treaty because of the impact adverse action would have upon the signatory powers?

Mr. GILLETTE. It is a matter of great regret that I cannot offer anything by way of consolation to the Senator from Nebraska. I have had my own travail and have reached a conclusion as the result of it, and I do not want to go through with it again.

Mr. WHERRY. I want to thank the Senator for his observation.

Mr. GILLETTE. I now yield to the Senator from Arkansas.

Mr. FULBRIGHT. I wonder if it would be a fair observation to say that the Senator's sickness at heart upon voting to approve this treaty does not arise more from the failure of the United Nations to achieve what the Senator, among others, thought it would achieve, than from the execution of this treaty. Is it not that which causes the Senator to feel dismayed and frustrated, rather than the necessity of approving the treaty, which is one of those unsatisfactory choices made necessary by the failure of the United Nations? Is not that a fact?

Mr. GILLETTE. I think there is an element of truth in what the distinguished Senator from Arkansas has said. In my discussion of the historical background, the five great steps in the direction of the goal which all the enlightened peoples of the world are seeking, I suggested that after we have taken those steps, one after another, to reach a point where it seemed necessary to take a step that might be retrogression, it was at least a failure to advance. Perhaps it comes from a sense of frustration, from the lack of effectiveness of the United Nations Charter, but I will say to the Senator, as I stated a while ago when the Senator from Michigan [Mr. VANDENBERG] was present, that it does behoove us to say it cannot be made effective if we have not taken every step permissible under the terms of the Charter in making it effective, correcting its defects and eliminating its shortcomings. But I do not believe we have taken those steps.

Mr. FULBRIGHT. Mr. President, if the Senator will yield further, I believe we have done everything reasonably possible to make it effective. That is one

of the reasons I have less difficulty than has the Senator in accepting this alternative, because I feel that the representatives of our Government have made a genuine effort to make the United Nations function as it was intended to function. There may be some minor misjudgments on some points, but, generally speaking, to the extent which it is reasonable to expect, I think we have made a good faith effort, and therefore I am forced to the conclusion that this treaty is an essential step since the United Nations has not worked as I expected it to.

Mr. GILLETTE. I am sure the Senator has reached his conclusion along the lines he has just outlined. I am sorry the Senator from Iowa could not reach a similar conclusion.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the Senator from Indiana.

Mr. JENNER. I have heard most of the address of the distinguished Senator, and I should like to ask one question. I may have missed the portion of his address in which he touched this point, having been called from the floor once or twice for a short period.

Is it the Senator's belief that by the ratification of the North Atlantic Pact we would strengthen, or weaken, the possibility of the success of the United Nations?

Mr. GILLETTE. I raised that question in the early part of my remarks by asking a number of rhetorical questions.

Mr. JENNER. I missed that.

Mr. GILLETTE. I stated that those questions were in the mind of every thinking man and woman, namely, have we stopped? Are we taking a step backward? Is it a stumbling step forward? Are we making some progress? Are we violating all the purposes, all the things to which we adhered so cleanly, so clearly, hopefully, or are we abandoning them? Each Senator will have to reach his own conclusion. I have said that my conclusion is that I have little choice other than to support the pact, but I shall be sick at heart, and I am now, in having to support it.

Mr. JENNER. I take it from what the distinguished Senator has said to the able Senator from Nebraska that the Senator from Iowa in his own mind cannot separate the Atlantic Pact from the arms implementation.

Mr. GILLETTE. It is impossible to do that. Every step I cited in the Hoskins statement, every step over a 9-months' period, was a move toward military implementation until the United States was brought into it.

Mr. JENNER. That being true, if the Senator will permit a further question, has he given consideration to what the projected arms implementation may mean to this Nation from the standpoint of our own Nation's solvency or insolvency?

Mr. GILLETTE. I certainly have, and I do not believe anyone who thinks has failed to give consideration to that. I have not discussed it. I did not want to get into the economic phase.

Mr. JENNER. The Senator has reached no conclusion on that phase of the matter.

Mr. GILLETTE. I have reached no conclusion except that if a goal could be attained, a goal which we all seek, namely, the goal of world peace and security, brotherhood of man under the fatherhood of God, then a sacrifice of our economic security might be justified, because of the goal. But when I see the political, economic, spiritual, and moral values to be sacrificed, and feel that we are not making an advance, but are letting go something that is clean and sweet and pure for mankind, it gives me concern.

Mr. JENNER. In other words, the answer to the future peace of the world, so far as this pact or anything else we now can contemplate is concerned, lies in the answer of the decades to come?

Mr. GILLETTE. It certainly does.

Mr. JENNER. Winston Churchill recently said in a speech that the only thing that kept Russia from attacking, or bringing on another war, was the strength of the United States and the fact that it possessed the atomic bomb. So I ask the distinguished Senator, if we should happen to lose our economic strength, and the secret of the atomic bomb, if we should go into an economic tailspin, if we should have a great depression, would there not disappear about the last best chance for peace on this earth?

Mr. GILLETTE. The Senator's statement may be a correct one. I merely add to what he has said that I can view with mental calm the loss of an economic position, speaking individually. While I do not want to lose a dollar I can give up every dollar I have in the world, and view the result with a measure of equanimity that would not accrue to me if I gave up something which I felt was fundamentally clean, and necessary to the spiritual well-being and the moral well-being of the world.

Mr. JENNER. If the Senator will yield further, I will ask him if he knows of one group of nations entering into a military alliance that has ever, in all recorded history, resulted in peace.

Mr. GILLETTE. There never has been such a result, and never will be.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the Senator from Nebraska.

Mr. WHERRY. Then, regarding the spiritual values and the moral values about which the Senator spoke a moment ago, which are far above the economic considerations, does the Senator feel that the North Atlantic Pact, implemented by arms, would force this program, this clean program, to which the Senator referred, which might bring about world peace?

Mr. GILLETTE. The Senator has asked the question in several forms, and I know how deeply he feels about it, and how deeply it concerns him. I can only say that, having given that matter hours of consideration, I have reached the conclusion that it can simply be answered in the expression that of two evils we should choose the lesser.

Mr. WHERRY. I thank the Senator.

Mr. GILLETTE. Mr. President, since the end of World War II, American foreign policy has been operating on a dual level, making high pronouncements and turning out low performance. We have paid eloquent lip service to the principles of international collaboration and to the United Nations; we have given forth innumerable grandiose utterances. Yet, in reality, our foreign policy has been one of short-term emergency measures, based on our physical and economic ability to hold certain areas with bayonets, or to provide the equipment and experts for others to hold these points. These primitive tactics, which have been misnamed "realistic," have, as we all know too well, failed to stop the Communists in Greece and collapsed completely in China. Still, we persist in them.

America's retreat from her traditional position as the backer of the forces of human freedom and democracy throughout the world, and our curious adventure into the realm of brass-knuckle diplomacy, will go down as a black and futile chapter in the history of our foreign policy.

The United States must, before we go much further along the road marked by so many failures, begin to think of the defense of western Europe and of Asia and Africa in terms of applying in those areas the lessons which we have long ago learned in America in building and maintaining liberty and a high standard of living for all our citizens. We must rid ourselves of the notion that all we have before us is the simple choice between a soft policy and a firm policy. These are muscular, not intellectual choices. The true choice before us is between a creative, forward-moving American program, on one hand, and a sterile, brass-knuckles defense policy on the other.

The North Atlantic Treaty has been proposed as another of those realistic measures to prevent Communist aggression. We are assured by its advocates that it is a purely defensive measure, calculated to take effect only in the case of aggression against one of the signatories by some outside power. I accept that characterization. It is a defensive measure. This conception of defense, against such an aggressive world revolutionary force as communism, must, however, also be characterized as obsolete. At the present stage in history, it is impossible to believe that a dynamic, subversive doctrine which propels its believers forward with revolutionary fanaticism can be checked or even deflected by throwing up road blocks, erecting Do Not Enter signs, and digging Maginot lines.

No revolution based on discontent, despair, and desperation has ever been halted by building high palace walls or by maintaining a well-armed and alert police force.

It is obvious that the Communists will strike wherever democracy is weak—not by conquest alone but on the momentum of its revolutionary ideas as well. The objection to the North Atlantic Treaty is not that it opposes the onslaught of communism, but that the pact is merely a static, a sterile opposition, impotent in the face of a dynamic ideological attack. To rely on such a pact will mean we are retreating behind ramparts of wealth and

armed might, seeking to derive our security from a purely physical and immobile fortress. Is there anyone so unworldly as to believe that the Communist idea will stop at the borders defined by the North Atlantic Pact? If it becomes a contest between a fixed defense and a dynamic offense, any schoolboy will realize that ultimate victory will go to the offense.

The only program to check communism is one that has as its purpose something far greater than checking communism.

It will be a program which reaches out and rolls up the Communist forces before it. Only a full-scale American political offensive can deal with the worldwide Communist conspiracy.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. GILLETTE. I yield.

Mr. LONG. I should like to ask if this much is not true however, that there are in Europe and elsewhere forces both in the church and in democracy to meet communism? Is it not true that those forces would probably be strengthened if the men who were fighting the battle against communism for our side, one might say, and for democracy and for religion, knew that because of the fact that we were taking an effective stand to support them they were not going to be overrun and killed or thrown into concentration camps?

Mr. GILLETTE. That, I take it, might be very beneficial. I will agree with the Senator from Louisiana.

We in America have been and still are living a revolution that is vastly superior, vastly more gratifying in its ends and more humane in its means than anything which the totalitarians have ever offered to the peoples of the world. Our way of living, which we have come to take so naturally as a matter of course, is still the most appealing and compelling dream for the underprivileged masses of mankind.

The Senator from Michigan [Mr. VANDENBERG] has spoken of a Crusade for Peace. If we are to embark on such a crusade, it can only be in positive, affirmative terms—not just against communism—but with a fully rounded program for establishing moral and material freedom within the reach of every man wherever he may be—whether beyond or on this side of the so-called iron curtain. Such a positive crusade will inevitably bring stanch and vigorous allies to our side from every land, allies who will not only be loyal to a common way of life, but who will be strong enough to defend themselves against any physical or ideological marauder.

The North Atlantic Treaty is not proposed as a mere gesture. It is conceived as a serious military defense measure. It must fail if arms are not provided to make it work. Estimates indicate that upward of fifteen to twenty billion dollars will be required to arm the signatory countries.

We have a choice. We can spend these vast sums of money, and their equivalent in natural resources and productive capacity, labor and scientific research, in the fabrication of a Chinese wall to hold back an aggressive revolution; or, we can invest a fraction of this sum in the development of enterprises wherever in the world middle-class capitalism is reaching out for a helping hand. The only permanent security our American democracy can ever enjoy is one deriving from the ever-expanding area of the earth where men may take part in free economic and political opportunities.

This essentially is the American revolution—the revolution which totalitarianism recognizes and challenges and seeks to stifle. This American revolution can survive in the world of today only by stepping forth from these shores and transforming itself into a world revolution, a revolution for ever-greater freedom and ever-greater abundance for ever-greater numbers of the world's people.

The destiny of man's freedom lies in our hands. We are the custodians of the democratic way of life—a sacred trust that we cannot hold long if we seek merely to limit it to ourselves. There are those who see no moral objection to spending $15,000,000,000 or $20,000,000,000 to arm and equip the military forces of Europe. What possible objection, then, can there be to spending a fraction of that sum for the development of a creative peace, a peace that maintains itself because the basic war-making causes of insecurity and fear will have been eliminated and because human difference—always present and to be welcomed—will then be dealt with in a parliament of man in a civilized and Christian spirit?

Some oppose the North Atlantic Treaty because it may provoke an aggressive enemy to early action. I object to it because it is irrelevant to the purpose for which it was created: the establishment of peace. It is irrelevant because it does not touch on any of the basic causes which prompt European unrest today; it is irrelevant because it makes no contribution toward strengthening the economic and political institutions of democracy in western Europe or elsewhere. The North Atlantic Treaty is a strategic, economic, and political anachronism. The pact has been outflanked by time.

Strategically, there is only one power capable of defeating Russia militarily, and that is American armed might. Under the North Atlantic Treaty, we propose to divide a considerable part of our concentrated military might, dispersing it amongst such countries as Portugal, Holland, Belgium, Iceland, and Luxembourg. We must not forget that in modern warfare fought between titans the lives of such countries are measured, not in weeks or days but in hours. To dismember American striking power in order to give token resistance demonstrations to the various states of the alliance is an act of folly. It will create only the illusion of security.

Economically, the money spent on a static defense, such as proposed in the North Atlantic Treaty, is money diverted from the building of genuine instruments for a more abundant economic life, money necessary for the great enterprise of building a world capable of peace.

Politically, the North Atlantic Treaty serves only to bolster the status quo in Europe and Asia. That status quo is the perfect target for the Communist propaganda attack. Communist propaganda magnifies the injustices caused by the persistence of feudal attitudes and feudal institutions in modern Europe. The Communist attack stresses the inhumanities of colonial imperialism as practiced by those very colonial powers signing the Atlantic Treaty.

Our chance of winning the leadership—the moral and political leadership of the world—depends on our ability to offer an alternative to this status quo—the status quo in which the millions of people of Europe, Asia, and Africa have waited too long for reforms—the status quo of an inherited and defiant feudalism and of a strangling and backward colonialism.

Surely the men of the Kremlin know this. In their cynical and ruthless drive for power, they deliberately manipulate the honest hopes and sincere aspirations of the world's downtrodden. We cannot cope with the Communist onslaught by reviving the world of 1815, the world of Prince Metternich, and the Congress of Vienna. Nor can we seek our security in smug withdrawal behind a new Maginot line or a reconstructed wall of China.

In conclusion, Mr. President, I would add only one thought. In all likelihood, this treaty before us will be ratified by the Senate. I profoundly regret that matters have been allowed to drift to another "point of no return." And I hope that never again will we permit ourselves to be put in such a position. I hope, too, that out of all the discussion occasioned by the negotiation, signing, and ratification of the Atlantic Pact, a new awareness has come upon our people of the perilous road down which we are being led.

I would welcome, and I believe the American people would welcome, a new initiative, originating perhaps in this great deliberative body, that would look beyond armed truces, strategic pacts, and regional devices and that would prepare a well-thought-through program for strengthening the United Nations as a global security organization, for world-wide reduction instead of increases in armaments, for world-wide investment of private capital for development of an abundant and expanding economy—a world-wide crusade, if you will, for democratic collaboration of all peoples in the building of a free and prosperous society. With a program of this character and scope the United States could dramatically seize and unfalteringly hold the initiative in the ideological and political struggle with the totalitarian Communists.

I have no hesitation whatever in stating my conviction that once our great Nation begins to follow this course, instead of pursuing the will-o-the-wisp of absolute security against military attack, we shall see our fears turn to exultant courage, and find that the world Communist conspiracy before which we now tremble has crumbled at our feet, exposed to all the world for the barbaric, medieval, reactionary movement that it is.

Let us begin to make our own foreign policy, instead of letting Moscow make it for us. Let us begin to carry out our own American world revolution, for greater abundance and greater freedom for all mankind, using the tools and the ideas and the principles with which we have been so successful at home to create a similar free and abundant world abroad. [Applause.]

Mr. TAFT obtained the floor.

Mr. WHERRY. Mr. President, will the distinguished Senator from Ohio yield to me for the purpose of suggesting the absence of a quorum?

Mr. TAFT. I yield for that purpose.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

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|---|---|---|
| Aiken | Hoey | Murray |
| Anderson | Holland | Myers |
| Brewster | Humphrey | Neely |
| Bricker | Hunt | O'Conor |
| Bridges | Ives | O'Mahoney |
| Butler | Jenner | Pepper |
| Byrd | Johnson, Colo. | Reed |
| Cain | Johnston, S. C. | Robertson |
| Capehart | Kefauver | Russell |
| Chapman | Kem | Saltonstall |
| Connally | Kerr | Schoeppel |
| Cordon | Knowland | Smith, Maine |
| Donnell | Langer | Smith, N. J. |
| Dulles | Lodge | Sparkman |
| Ecton | Long | Stennis |
| Ferguson | Lucas | Taft |
| Flanders | McCarran | Taylor |
| Frear | McCarthy | Thomas, Okla. |
| Fulbright | McClellan | Thomas, Utah |
| George | McFarland | Thye |
| Gillette | McKellar | Tydings |
| Graham | McMahon | Vandenberg |
| Green | Malone | Watkins |
| Gurney | Martin | Wherry |
| Hayden | Maybank | Wiley |
| Hendrickson | Miller | Williams |
| Hickenlooper | Millikin | Withers |
| Hill | Mundt | Young |

The PRESIDING OFFICER. A quorum is present.

Mr. TAFT. Mr. President, I listened with great interest to the speech made today by the distinguished Senator from Iowa [Mr. GILLETTE]. I wish to assure the Senate that I have not consulted with the Senator from Iowa; but the arguments I shall make against the Atlantic Pact are very similar to the ones he made, and I agree thoroughly with the very effective argument and very effective speech he made on that subject. However, the same arguments have led me to the conclusion that I must vote against the pact, rather than for it, as he has announced he intends to do.

It is with great regret that I have come to my conclusion, but I have come to it because I think the pact carries with it an obligation to assist in arming, at our expense, the nations of western Europe, because with that obligation I believe it will promote war in the world rather than peace, and because I think that with the arms plan it is wholly contrary to the spirit of the obligations we assumed in the United Nations Charter. I would vote for the pact if a reservation were adopted denying any legal or moral obligation to provide arms.

The purpose of American foreign policy, as I see it, is to maintain the freedom of the people of this country and, insofar as consistent with that purpose, to keep this country at peace. We are, of course, interested in the welfare of the rest of the world because we are a humane nation. Our huge economic aid, however, is based on the belief that a world which is prosperous and well off is less likely to engage in war than one in which there are great inequities in the economic condition of different people.

In the past, we have considered that the best method of preserving the peace and security of this country is the maintenance of American armed forces sufficient to defend us against attack, and a wise diplomatic policy which does not antagonize other nations. Those still are the main essentials to the maintenance of peace in the world of today.

But as the world shrinks in size, as new weapons are developed, as we inevitably become more involved in the affairs of other countries, it has become apparent that these weapons alone will not assure peace. And so we have committed ourselves to the principle of an association of sovereign nations banded together to preserve peace by preventing and punishing aggression. In the United Nations Charter we accepted the principle that we would go to war in association with other nations against a nation found by the Security Council to be an aggressor. That was a tremendous departure from our previous policy, but one which I have always urged and approved from the days of the League of Nations. I believe that all nations must ultimately agree, if we are to have peace, to an international law defining the duties and obligations of such nations, particularly with reference to restraint from aggression and war. I believe that there should be international courts to determine whether nations are abiding by that law, and I believe that there should be a joint armed force to enforce that law and the decisions of that court. I believe that in the end, the public opinion of the world will come to support the principle that nations like individuals are bound by law, and will insist that any nation which violates the law be promptly subjected to the joint action of nations guided by a determination to enforce the laws of peace.

It is quite true that the United Nations Charter as drafted does not as yet reach the ideals of international peace and justice which I have described, but it goes a long way in that direction. It is defective principally because any one of the large nations can veto the action of the Security Council, and because there is not sufficient emphasis on law and justice as a guide to the action of the Security Council. But we have advised the President that prompt action should be taken to improve the Charter. Senate Resolution No. 239, adopted by the Senate on June 11, 1948, contained three clauses proposing improvement in the United Nations Charter: First, a voluntary agreement to remove the veto from many questions; second, maximum efforts to obtain agreement for a United Nations armed force and the reduction of national armaments; and third, a review of the Charter by a general conference called under article 109 of the Charter. As far as I know, the State Department has disregarded these injunctions of Senate Resolution 239 and concentrated only on that clause of the resolution which proposed a compact under article 51, based on the defects of the United Nations Charter.

The distinguished Senator from Michigan has called the attention of the Senator from Iowa [Mr. GILLETTE] to the fact that the State Department has urged these changes on the United Nations. I can only say that both the Senator from Iowa and myself do follow the newspapers, and that if they have so urged, no emphasis has been placed upon the matter. There has been no effort to stir up public opinion in favor of such changes, as there has been in favor of the Atlantic Pact. So far as I know, no suggestion whatever has been made that any conference be called under article 109 of the Charter, which I think would be the only effective means of securing improvements in the Charter.

The North Atlantic Treaty might have been so drafted as to create a small United Nations within the larger group, improving upon the United Nations Charter, eliminating its defects, and furnishing an example of an improved international organization which could be followed by the United Nations itself. It might have established a law between the nations signing it and a force to prevent aggression between those nations without veto and with reliance on the decision of a competent court to administer justice. This was suggested by Mr. Hamilton Fish Armstrong in an article in Foreign Affairs in October 1948. It is the general plan suggested in Senate Resolution 133, introduced by the distinguished junior Senator from Alabama and 10 other Senators on Friday of last week, with which I have great sympathy.

But the State Department did not adopt any of these suggestions and has shown no intention of doing so. We have to consider here the North Atlantic Treaty as it has been drafted, without the improvements Senators would like to see made, but which 12 nations probably would not agree to once this treaty is ratified. We abandoned the chance of getting those when we signed the treaty in its present form. The Atlantic Treaty as drawn is certainly no improvement over the United Nations, nor can it by any stretch of the imagination be regarded as a perfection of or supplement to that Charter. From the point of view of an international organization, it is a step backward. Apart from the obligation to provide arms, the treaty is permitted by the Charter, which says:

> Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations until the Security Council has taken the measures necessary to maintain international peace and security.

The Charter merely recognizes this inherent right as necessary because the veto provision of the Charter may result in complete inaction on the part of the Security Council. But certainly in all other respects the treaty far more resembles a military alliance than it does any international association of nations. As the Senator from Iowa so forcefully said, it is a step backward in

the progress toward international peace and justice.

What is the nature of that treaty?

It is obviously, and I do not think it can be questioned, a defensive military alliance between certain nations, the essence of which is an obligation under article 5 to go to war if necessary with any nation which attacks any one of the signers of the treaty. Such an attack may come from outsiders or it may come from one of the signers of the treaty itself. The obligation is completely binding for a period of 20 years. It imposes an obligation upon the United States to each member nation whether or not there is consultation or joint action by the Council, or a finding by any court that an unjustified armed attack has occurred. Our obligation is self-executing upon the occurrence of an armed attack.

Some doubt will always remain as to whether the Congress must declare war before our armed forces actually take part. I am inclined to think such action is not necessary if the President chooses to used our armed forces when an ally is attacked. But whether it is or not, the obligation to go to war seems to me binding upon the United States as a nation, so that Congress would be obligated to declare war if that were necessary to comply with the provisions of the treaty. It is pointed out that the President could fail to act and Congress could refuse to declare war, but certainly we are not making a treaty on the theory that we expect to violate it in accordance with our own sweet will.

It is correctly pointed out that the exact measures which we are obligated to take will be determined by us, and that it may not be necessary to go to the extent of a declaration of war. We do reserve a certain discretion, but as I see it, we do not reserve any discretion on the question, for instance, whether the armed attack is justified, as a reason for supporting it. If one of the members of the pact provides an attack, even by conduct which we disapprove, we would still apparently be bound to go to its defense. By executing a treaty of this kind, we put ourselves at the mercy of the foreign policies of 11 other nations, and do so for a period of 20 years. The Charter is obviously aimed at possible Russian aggression against western Europe, but the obligation assumed is far broader than that. I emphasize again that the obligation is much more unconditional, much less dependent on legal processes and much less dependent on joint action than the obligation of the United Nations Charter.

And yet in spite of these dangers, I have wanted to vote in favor of the Atlantic Pact for one reason and would still do so if the question of arms were not involved. I fully agree with the effective argument in favor of the pact made by the distinguished Senator from Michigan because of its warning to the U. S. S. R. I think we should make it clear to the U. S. S. R. that if it attacks western Europe, it will be at war with us. I fully agree with the statement of the distinguished Senator from Michigan:

> It is not the military forces in being which measure the impact of this knock-out admonition. Its invincible power for peace is the awesome fact that any aggressor upon the North Atlantic community knows in advance from the very moment he launches his conquest, he will forthwith face whatever cumulative opposition these united allies in their own wisdom deem necessary to beat him to his knees and to restore peace and security. It is this total concept which, in my view, would give even a reincarnated Hitler cause.

I agree that if the Kaiser had known that England and the United States would be in the war, the First World War might never have begun. I agree that if Hitler had known the United States would be in the war, the Second World War might not have begun. I favor the extension of the Monroe Doctrine under present circumstances to western Europe.

It is said that the Atlantic Treaty is simply another Monroe Doctrine. I wish it were. That would be much more acceptable to me than the Atlantic pact, arms or no arms. Let me point out the vital differences. The Monroe Doctrine was a unilateral declaration. We were free to modify it or withdraw from it at any moment. This treaty, adopted to deal with a particular emergency today, is binding upon us for 20 years to cover all kinds of circumstances which cannot possibly be foreseen. The Monroe Doctrine left us free to determine the merits of each dispute which might arise and to judge the justice and the wisdom of war in the light of the circumstances at the time. The present treaty obligates us to go to war if certain facts occur. The Monroe Doctrine imposed no obligation whatever to assist any American Nation by giving it arms or even economic aid. We were free to fight the war in such a manner as we might determine, or not at all. This treaty imposes on us a continuous obligation for 20 years to give aid to all the other members of the pact, and, I believe, to give military aid to all the other members of the pact.

All kinds of circumstances may arise which will make our obligation most inconvenient. The government of one of these nations may be taken over by the Communist Party of that nation. The distinguished Senator from Michigan says that we are then released from our obligation, but I see no basis whatever for such a conclusion. If that were true of a Communist government, it might also be true of a Socialist government if we did not happen to approve of socialism at the time. Presumably, it could be true of a Fascist government, one similar, perhaps, to that existing in Spain which has been denounced recently by the Secretary of State, and which is not very different from the dictatorship of Portugal, which is a member of the pact and which has not a truly democratic form of government.

I cannot find anything in this treaty which releases us because we do not happen to like the officials in charge of the member nations at the particular moment.

Obviously, any help we give one of these nations today may be used later for aggressive purposes, against Russia or its satellites, or neutrals, or members of the pact, or it may even be used against us when we try to fulfill our obligation to other members of the pact. Except for the warning conveyed to Soviet Russia, this treaty does not bear the slightest resemblance to the Monroe Doctrine.

It is said that the treaty is in strict accordance with Senate Resolution 239 adopted by the Senate in June 1948. I did not vote upon that resolution, but I believe this treaty goes far beyond the advice there given by the Senate. That resolution approved the general theory of a treaty to exercise the right of individual or collective self-defense in case of an armed attack in accordance with the purposes, principles, and provisions of the Charter, but I do not think it suggested the providing of arms to members of the pact, or even the obligations of article 5. Paragraph 4 of the resolution, which is the closest one to authorizing the present treaty, sounds more like a new Monroe Doctrine than it does like a treaty. It does not refer to a treaty of any kind. It says that one of our objectives should be contributing to the maintenance of peace by making clear our determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting our national security. This looks far more like a warning to Russia than it does like a defensive military alliance of the present type. The distinguished Senator from Michigan, in explaining the resolution at that time, said:

> It declines automatically military alliances. It declines all peacetime renewals of the old, open-ended lend-lease formula. It declines unilateral responsibility for the fate of western Europe. It is none of those things. It is the exact opposite.

The present treaty is a military alliance. The present treaty does contemplate a peacetime renewal of the old, open-ended lend-lease formula. The present treaty assumes unilateral responsibility for the fate of western Europe. We are obligated to go to the defense of any nation whether the other members of the pact do so or not, or whatever their consultation may advise.

It is also suggested that the pact is modeled upon the Inter-American Treaty of Reciprocal Assistance known as the Rio Treaty, entered into September 2, 1947. There are substantial differences, however, in these two treaties. In the first place, the obligation in the Rio Pact in case of armed attack is only to assist in meeting the attack. Under the Atlantic Pact, we are bound to assist the party or parties so attacked by taking forthwith such action as is deemed necessary, including the use of armed forces. Secondly, the action to be taken in the event of an armed attack is far more subject to the consultative action of the states than in the case of the Atlantic Treaty. If any state is attacked, the matter is referred to the organ of consultation established by the pact, and

any state would be justified in waiting until such organ acts. Furthermore, there is no suggestion of the providing of arms or financial aid to other members of that treaty.

There is one other material difference. In the Rio Pact, we assume an obligation which, I believe, we are perfectly capable of performing. In the Atlantic Treaty, it is extremely doubtful whether under any circumstances we can carry out our obligation to countries like Norway, Denmark, and Italy. I do not like to promise to do things which it is impossible for us to carry out.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Connecticut.

Mr. McMAHON. Does the Senator feel, by giving that opinion, that if Norway or any other of the Scandinavian countries, or Italy, were invaded, it would be a matter we should take lightly instead of very seriously, by the use of everything we have?

Mr. TAFT. Oh, no. I am perfectly willing to go to their assistance. I simply say that the prospect of American troops being able to defend Norway or Denmark against invasion by Russia is very remote. I think it would be impossible. Of course I am not a military expert, but Norway has 100 miles of open frontier with Russia, and, in my opinion, American troops would not arrive there in time to stop several million Russians if they wanted to go through into Norway. Our action would have to be simply a defensive action of some kind, perhaps interference with the Russian advance from the east, or some such action. However, I do not purport to know. There are no troops in Italy. The Italians cannot maintain an army. I cannot quite see how we could get an army there in time to defend them and perform the obligation which we apparently are thought to have assumed, to defend the frontiers of those countries.

Mr. McMAHON. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. McMAHON. As I take it, the Senator is pointing out the difficulties of our doing anything about it if Italy and the Scandinavian countries are invaded. As I understand the Senator, notwithstanding those difficulties—and the Senator has talked about actions from the air—I take it the Senator is fully in agreement with the statement that if the event I have discussed should come to pass, it should be of immediate concern to the United States, and that, above all, we should immediately take it upon ourselves, if not to maintain the borders, at least to slow down the advance.

Mr. TAFT. I am in favor of the extension of the Monroe Doctrine to western Europe.

Mr. McMAHON. And that includes Scandinavia?

Mr. TAFT. That includes Norway and Denmark and Italy. I am perfectly willing to assume that obligation. But that is a very different thing from what we would agree to do in this treaty, as I shall discuss later.

Mr. TYDINGS. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Maryland.

Mr. TYDINGS. I have listened very attentively to the points of view which the able Senator from Ohio has offered, and I can see that there would be ample ground for one to take a viewpoint different from that of many other Members of the Senate. But I am somewhat in a quandary on one particular phase of the difference.

The Senator says that he would support, not with great enthusiasm, but with reluctance, the treaty if it were understood that the furnishing of arms from this country to certain countries of Europe was not to follow as a result of the pact. With that point of view I am not in agreement, but I can understand that position. What I cannot understand is, however, if the Senator would support the pact—as a pact—if he were sure arms would not be sent, why he is attacking the pact—as a pact—if arms are to be sent.

Mr. TAFT. I do think we have to balance the advantages and the disadvantages. I think the advantage of a Monroe Doctrine declaration is very great, and if we were not going to arm the world and promise to do something we cannot do, and therefore do not really intend to do, I think I would go along. In fact, I am sure I would, if I thought this were not a defensive military alliance, with the oligation to arm half the world in connection with the pact. That is a question which I really desire to discuss. That is what has given me the greatest trouble.

Mr. TYDINGS. I do not wish to delay the Senator, but I should like to reemphasize what he has already said, that as I understand, if it were not for the arms feature in the offing, the Senator would not be making an argument against the pact, but would support it.

Mr. TAFT. No, I would still make the argument against it, because I think it should be pointed out. If it were simply a Monroe Doctrine——

Mr. TYDINGS. The Senator would support it?

Mr. TAFT. I would support the pact, in spite of its disadvantages, because of the Monroe Doctrine effect which I think it would have, which is of great importance at the present moment, because I think that without arms that would be an effective weapon to preserve peace at a crucial time. With arms I think it is an incitation to war.

Mr. TYDINGS. Then, as I understand the Senator's position, it is a question of balance. We all see certain disadvantages in the treaty, as well as advantages, but on balance the Senator would support the treaty if it were not for the fact of the arms implications which flow from it.

Mr. TAFT. That is correct. And yet, in spite of my belief that the treaty goes much too far and should have been confined to a mere declaration on our part that we would go to war if Russia attacked western Europe, I would still vote for the treaty except for my belief that the pact commits us to the arming of all the other signers of the pact. There is no question that the arms program and the treaty were negotiated together. There is no question in my mind that foreign nations which signed the treaty regarded the providing of arms as an essential part of it. Several of their leaders have expressed that view in public in Europe.

I quote from Mr. C. L. Sulzberger's recent article in the New York Times, quoting the Danish Premier:

> We cannot help but feel somewhat disappointed about the fact that this has not yet been provided for and the fact that we do not yet know when it is coming. Of course, I myself and my Cabinet colleagues understood the delaying factors in the United States Congress, but it is difficult to explain this to the people.

Denmark's Foreign Minister said:

> We are confident that the pact itself will be ratified in a few weeks, but we are considerably more interested in the bill on mutual aid, which is to follow. We should more than regret it if the bill were not enacted at this session of Congress.

Mr. Sulzberger comments:

> Although the Danish Government is calm and fully aware of the delays in parliamentary systems, many people here assumed that after Copenhagen's decision to join the alliance arms would immediately be forthcoming. As one officer said: "The people thought it was like opening a bank account and they should now be in a position to cash a check."

The French Government issued a statement which indicated very clearly their view also, that arms were a necessary accompaniment of the pact.

Mr. Arthur Krock, who is usually well advised, stated:

> The State Department might have held the spotlight on the treaty alone by different tactics. But any Member of Congress who reads informed newspaper dispatches must have known, from the time the Scandinavian Ministers were encouraged by the Department to confer here, that the purpose of their visit was to get arms; and that the hope of getting these arms under the North Atlantic Pact was what impelled the Norwegians to reject the Swedish offer of a separate Scandinavian alliance.

We cannot keep our obligations under the pact, in my opinion, unless we provide arms. Certainly I do not desire to assume an obligation and then be charged with going back on it.

If we ratify the pact and fail to furnish the military aid, I believe we will at once be accused of repudiation, and the pact will be completely discredited. Our allies will say with force and logic, "Why was article 3 put in the treaty if it doesn't mean military aid?"

I realize that the Senate Committee on Foreign Relations says:

> The State Department has assured the committee that during the negotiations no commitments of any kind were made by the United States to furnish military assistance. The European negotiators were constantly reminded that the implementation of article 3 by the United States would depend upon congressional action. While they were told that the administration intended to introduce legislation authorizing the transfer of military equipment, at the same time they were repeatedly warned that no assurances whatever could be given as to whether or not,

in what form or in what amounts, such legislation would be approved.

Note, however, that neither the State Department nor the committee argues that article 3 does not mean military assistance. All the State Department did was to warn Europeans that Congress might not provide it in spite of the treaty.

The State Department position seems to me very clearly stated in the white paper issued on the United States military assistance program, which I think is in Friday's RECORD, in which the Department said:

> Not until we share our strength on a common defensive front can we hope to replace this temptation (to attack western Europe) with a real deterrent to war. The North Atlantic Pact is an agreement on the policy of a common defense; its very vital corollary is a program of military aid.

No one can read that document which is set out in Friday's RECORD without concluding that, from the point of view of the Department of State, military aid is an absolutely essential feature of the new treaty. The same white paper says:

> The military assistance program would be necessary even without an Atlantic Pact. It is clear, however, that the military assistance program will be more effective with the Atlantic Pact than without it."

In an effort to dispute this doctrine that the arms are tied into the treaty.

In short, the pact is an adjunct to the arms program rather than the important feature of aid to western Europe. The Secretary of State himself says:

> The pact does not dictate the conclusion of honest judgment. * * * It does preclude repudiation of the principle or of the obligation of making that honest judgment. * * * There is an obligation to help, but the extent, the manner, and the timing is up to the honest judgment of the parties.

But, if his words are read clearly, the point is that he regards us as bound to furnish military aid. We may determine its extent. We may hem and haw about how it should be limited. But the Secretary, by his own words, it seems to me, admits that the military aid is an essential part of the program.

If article 3 does not mean military aid, what does it mean? I agree that the two questions could be separated, but the fact is that they are not. On Saturday, the distinguished chairman of the committee assured the press that:

> A vote for the treaty does not carry with it any obligation to vote for arms implementation. Each Senator is free to vote his convictions on each one as it comes before the Senate.

I agree that Senators can cast utterly inconsistent votes, and sometimes do. But the distinguished chairman added that we must act promptly on arms implementation to assure cosigners of the pact we mean business, that we are sincere and earnest. In other words, he says that if we vote for the treaty and then vote against the arms proposal, we are insincere and do not mean what we say.

The distinguished Senator from Michigan takes the position that the arming of Europe is not essential to the most important purposes of the pact, and I entirely agree with him. Its most effective purpose is entirely independent of the pact. But that is not the position of the Department of State or the committee, and their words of reassurance are contradicted by the terms of the treaty, the circumstances of its negotiation, and their own words.

I think that is the general conclusion of the newspapers of the country. This morning an editorial was published in the Washington Post, from which I read in part as follows:

> By contrast an honest stand was taken by Secretary Acheson in his appearance before the Foreign Relations Committee. "If you ratify the pact," he said, "it cannot be said there is no obligation to help. There is an obligation to help, but the extent, the manner, and the timing are up to the honest judgment of the parties." To be sure, there is no express obligation, but the armament implications of the pact, in articles 3 and 9, are as plain as the dome on the Capitol and as necessary as its walls.

I now read the concluding sentence of the editorial:

> In the meantime, the indivisibility of the pact and an arms program within this framework needs to be redeclared in the pact debate in answer to the present questionings.

General Bradley, in his testimony before the committee, said very much the same thing. He said:

> Plans for the common defense of the existing free world must provide for the security of western Europe without abandoning these countries to the terrors of another enemy occupation. Only upon that premise can nations closest to the frontiers be expected to stake their fortunes with ours in the common defense.

In other words, only because of the arms program could these nations have been expected to sign the Atlantic Pact. That is the position of General Bradley, who was in the negotiations throughout, and who was somewhat franker than the distinguished diplomats who have dealt with the subject.

I have come reluctantly to the conclusion, therefore, that the arms program now presented to Congress must be considered an integral part of the Atlantic Treaty.

If that is the fact, we have a very different problem from the one which is urged upon us by the Committee on Foreign Relations, by its distinguished chairman, by the State Department, and by the distinguished Senator from Michigan.

First. With the arms in the pact it is even more clear that the pact is a military alliance, a treaty by which one nation undertakes to arm half the world against the other half, and in which all the pact members agree to go to war if one is attacked. It cannot be described otherwise than a military alliance. Of course, it is not like some of the alliances in the past, although many of them, such as the Franco-British alliance prior to World War I, were entirely defensive in character, or purported to be. Others were offensive and defensive alliances. I quite agree that the purpose of this alliance is not offensive, and that we have no offensive purpose in mind. But it is exactly like many defensive military alliances of the past.

I was rather amused at General Bradley's effort to distinguish this military alliance from others. He said:

> As I see it, the purpose and meaning of this is entirely different from the normal military alliances as we have known them in years past. Here we are binding ourselves together with some other nations who have free institutions and ideals like our own. Some of the military alliances in the past were a combination of people who did not have such common ideals. Some of them were for purposes of offense, some for defense, that is true.

In other words, the general's argument is that this is not a military alliance because all of its members are virtuous—for the moment.

While this is not an offensive alliance, the line between defense and offense today is indeed a shadowy one. The Maginot Line was the essence of pure defense. Today it is the target of ridicule. Every good defense includes elements of offense. We cannot have an adequate armament for defense which cannot be converted overnight into a weapon of offense. We talked of defense for years before entering World War II while our preparation was really for offense. The result is, that no matter how defensive an alliance may be, if it carries the obligation to arm it means the building up of competitive offensive armament. This treaty, therefore, means inevitably an armament race, and armament races in the past have led to war.

The United Nations looks perhaps vainly to the reduction of armaments. The Atlantic Pact proposes to increase them.

Mr. McMAHON. Mr President, will the Senator yield?

Mr. TAFT. I yield.

Mr. McMAHON. Does the Senator from Ohio think that the treaty adds anything to the armaments race which is now going on, and has been going on since 1946?

Mr. TAFT. Yes, I think it reemphasizes it, makes it much more prominent, builds it up into a much more prominent condition than its present condition.

Mr. McMAHON. Does the Senator think that the treaty adds anything to the Russian determination to increase her divisions, her airplanes, her submarines as we know she is doing? Does the Senator believe that the treaty in any way increases her determination to secure atomic armament in quantity?

Mr. TAFT. That brings up the second objection to which I was just about to address myself.

THE ATTEMPT TO ARM EUROPE MAKES WAR MORE LIKELY

Second. The pact standing by itself would clearly be a deterrent to war. If Russia knows that if it starts a war it will immediately find itself at war with the United States, it is much less likely to start a war. I see and believe in the full force of that argument. That is why I would favor the extension of the Monroe Doctrine to Europe. But if Russia sees itself ringed about gradually by so-called defensive arms, from Norway and Denmark to Turkey and Greece, it may form a different opinion. It may decide that the arming of western Europe, regardless of its present purpose, looks to an

attack upon Russia. Its view may be unreasonable, and I think it is. But from the Russian standpoint it may not seem unreasonable. They may well decide that if war is the certain result, that war might better occur now rather than after the arming of Europe is completed. In 1941, Secretary Hull sent a message to Japan in the nature of an ultimatum which said, in effect, that if Japan did not withdraw from China, sooner or later they would face a war with the United States. The Japanese appear to have concluded that if ultimately there was to be such a war, it was to their interest to have it occur at once.

The arming of western Europe cannot be achieved overnight—in fact, it will be years before the European nations could resist an all-out Russian attack. During that period, I feel that the arms policy is more likely to incite war than to deter it. The distinguished junior Senator from New York, who has had so much experience in foreign affairs, said on March 8:

> While the Soviet government has no present intention of resorting to war as an instrument of national policy, nevertheless, it can be assumed that the Soviet state should use the Red army if its leaders felt that their homeland was imminently and seriously threatened.

And he warned particularly against the bringing of United States military might directly to Russia's Scandinavian border.

Answering the question of the distinguished Senator from Connecticut directly, I think this arms program will very likely force the Russians into an acceleration of their arms program, so that we face an armament race, which in the past has seldom failed ultimately to produce war.

Third. The pact with the arms obligation, I believe, violates our obligations under the United Nations. The pact apparently is not made under articles 52 to 54 inclusive, because we do not propose to consult the Security Council as there contemplated, we do plan to take enforcement action without the authorization of the Security Council, and we do not plan to keep them fully informed. The pact must, therefore, be supported under article 51, which says:

> Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security.

I would conclude that under this article, member nations can enter into an agreement binding themselves to exercise this inherent right of collective self-defense if and when an armed attack occurs. There is nothing said about an agreement. There is no reference to regional understandings, as there is in articles 52 to 54, but I assume that probably such an agreement could be entered to exercise that right.

It seems clear to me, however, that the right is to be exercised only "if an armed attack occurs." I do not think article 51 extends the actual exercise of this right to the arming of other nations prior to the occurrence of such an attack. An undertaking by the most powerful nation in the world to arm half the world against the other half goes far beyond any "right of collective self-defense if an armed attack occurs." It violates the whole spirit of the United Nations Charter. That Charter looks to the reduction of armaments by agreement between individual nations. I do not claim that there is any direct violation of the Charter, but the Atlantic Pact moves in exactly the opposite direction from the purposes of the Charter and makes a farce of further efforts to secure international peace through law and justice. It necessarily divides the world into two armed camps. It may be said that the world is already so divided, but it cannot be said that by enforcing that division we are carrying out the spirit of the United Nations.

Fourth. The obligation to furnish arms is either a mere token obligation, or it is one of vast extent. I do not know enough about modern military equipment to make any estimate. I have heard that to provide 60 divisions, which is said to be the very minimum necessary and perhaps completely inadequate against Russian attack, would cost a total of $24,000,000,000. We are entering on a new lend-lease. The history of these obligations has been that once begun, they cannot be easily brought to an end. Furthermore if the Russian threat justifies arms for all of western Europe, surely it justifies similar arms for Nationalist China, for Indochina, for India, and ultimately for Japan; and in the Near East for Iran, for Syria, and for Iraq. There is no limit to the burden of such a program, or its dangerous implications.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. TYDINGS. If we found out that Russia was arming other countries outside of Russia, would the Senator's position on the arms provisions be the same?

Mr. TAFT. I shall discuss that question later. I do not mind saying now that once we enter into the pact, or do not enter into the pact, I am quite willing to consider providing arms for a particular nation to meet a particular emergency. I voted for the Greek and Turkish loans to provide arms. There may be other cases. I think today the providing of arms in support of Nationalist China, where war is actually going on is something that I would approve, but that is a very different thing from building up a tremendous armament for 11 different nations, implying so far as I can see, the obligation to do the same thing in the rest of the world.

In any war the result will not come from the battle put up by the western European countries. The outcome will finally depend on the armed forces of America. Let us keep our forces strong. Let us use the money we have for armament in building up the American Army, the American Air Forces, and the American Navy. Let us keep our forces strong, and spend the money that is available for arms for those forces, because in the last analysis, we will win a war only if the United States wins the war, no matter how we assist other nations. They may be of assistance here and there. We cannot be certain that they will fight. We cannot be sure what their position may be at the time. We cannot be sure that Communists will not take control in those nations. I believe very strongly, as Winston Churchill said, that the world depends on the strength of the American Army, and the weapons which the American Army has.

We have chosen to give economic assistance. That assistance is given on the theory that the Russians do not contemplate aggressive war, but intend to fight their battle by propaganda and a production of chaotic economic conditions. I believe the undertaking of both types of assistance is beyond the economic capacity of the United States. I believe we will have to choose whether we give economic assistance or arms. The first, I believe, has contributed and will contribute to peace. The second, I think, will make war more likely.

Fifth. The justification for the arms aid rests on the necessity of defense against Russia, but remember that once these arms are provided, they are completely within the control of the nation receiving them. They are subject to the orders of those who, at the time, control the government of the country. Those governors may be Communists or Fascists, they may be peace-loving, or they may be aggressors. In future years, these arms may be used against us instead of on our side. If Russia should choose to go to war within the next year or two, they might easily be captured by the Russians and turned against us. We would be playing a dangerous game if we encouraged every country in Europe to arm itself to the teeth. Modern arms are not toys.

It is said that arms given to European countries cannot be used by them in dealing with their colonial possessions outside the scope of the pact, but surely anyone can see that all the armed forces possessed by any country are in one pool and that the bigger that pool is, the more easily they can find arms to undertake action which may be considered aggression in their colonies.

Some years ago our Army officials were obsessed with the idea that we ought to arm the South American nations and send American military missions to each. Since that time, there has been a revolution in South America every 2 months, on the average. The arms which we might have supplied would have been used in civil war and would have fomented civil war. I have the highest regard for our Army officials, but they regard everything in the light of some particular war for which they are preparing, and fail to consider the political changes and the political problems which may arise long before that war occurs, if it ever does.

It is quite true that the economic aid we are giving will be used to build up competition for ourselves, but after all that is in the interest of international trade and, in the long run, we can look after ourselves in that field. But the assistance we give here may be used to bring about the death of American boys and the destruction of American cities.

Sixth. By approving this pact with the arms program, I believe we are comitting ourselves to a particular course of action in war which may be unwise at the time when a war may actually develop. It is one thing to agree to go to war with Russia if it attacks western Europe. It is another to send American ground troops to defend Norway or Denmark or Holland or Italy or even France and England. I cannot assert positively that we are committing ourselves to a particular type of war, but I am inclined to think that we are. Thus, General Bradley testified before the committee:

Finally, after studied appraisal of the future security provisions for our country, the Joint Chiefs of Staff are in unanimous agreement that our strategy, in case we are attacked—

And that means if any member-country is attacked, if we ratify this pact—

must rely on sufficient integrated forces of land, sea, and air power to carry the war back to the aggressor, ultimately subjugating the sources of his military and industrial power. Plans for the common defense of the existing free world must provide for the security of western Europe without abandoning these countries to the terrors of another enemy occupation. Only upon that premise can nations closest to the frontiers be expected to stake their fortunes with ours in the common defense.

This appears to contemplate a land war with Russia on the Continent of Europe. It appears to contemplate an invasion along the lines which Napoleon and Hitler found to be impossible. It asserts clearly that the nations which signed this pact expect us to send American troops to defend their frontiers.

If this is their expectation, I think we are promising something we cannot do, as I said earlier. I see no way in which we could defend Italy, for it is not even permitted to have an army of its own. The defense of Norway and Denmark would probably be impossible and, if we are bound to do it, may result in the vain loss of thousands of American lives. It may be that we should conduct a war on the Continent of Europe, even though it involves again the sending of millions of American boys to fight Russians who, on land, will outnumber them four to one. But I do not think we should commit ourselves at the present time to any such program or make any such promise to our allies. We may find, if war ever comes, that our part in the war should be conducted from the air alone. We may find that the occupation of an enemy country is vain and useless if the war can be won otherwise, by the destruction of all of their military potentials. We should not commit ourselves by the ratification of this pact to the military assistance program and the plan of campaign which has apparently been promised the members of the pact.

Seventh. Finally, Mr. President, it is becoming increasingly apparent that England, at least, intends to trade extensively with Russia, and inevitably the same thing will be true of other western European nations. They have provided airplane engines for Russia, heavy machinery and other equipment which can aid the Russians' war-making potential. The more we take off their shoulders the burden of providing for their own defense, the more free they will be to ship steel and heavy machinery to the east. As a matter of fact, trade between eastern and western Europe has prevailed for thousands of years, and it is going to go on, no matter what we say about it. Of course, the recent agreement between Russia and England is very clear evidence of that fact. We are providing extensive economic assistance. To a large extent, economic assistance and aid for arms will go into the same pot. I do not think that the American people at this time desire to increase the overall aid we are giving to western Europe with its tremendous burden on the American taxpayer.

Mr. President, since I feel that this pact is inextricably linked with the arms program, and since I believe that, so linked, the program is a threat to the welfare of the people of the United States, I shall vote against the treaty.

I am quite willing to consider the providing of assistance to particular countries, at particular times, if such aid seems at that time a real deterrent to war, and on that principle I voted for aid to Greece and Turkey. But that is a very different thing from an obligation to build up the armed forces of 11 countries, and a commitment on the American taxpayer for 20 years to give continued aid under circumstances of which we have not the slightest conception today. It is a very different thing from arming half the world against the other half.

My conclusion has been reached with the greatest discomfort. When so many disagree with that conclusion, I must admit that I may be completely wrong. I do not claim to be an expert in questions of foreign policy. I would like to be able to vote for a policy that will commit us to war if Russia attacks western Europe. I would be glad to join in an agreement to occupy Germany indefinitely to guard against a third attack from that quarter. I would waive my other objections to the Atlantic Pact if I did not feel that it was inextricably involved with the arms program. But I cannot escape the logic of the situation as I see it, and therefore I cannot vote for a treaty which, in my opinion, will do far more to bring about a third world war than it will ever maintain the peace of the world.

[Applause, Senators rising.]

Mr. KEFAUVER. Mr. President, providence has so arranged it that we are considering ratification of the North Atlantic Treaty in the historic chamber where the Senate met in the early years of the Republic, when this great Federal Union of ours was an experiment whose testing had but begun. When the Senate came to this city it had only 32 Members. My own State of Tennessee was the youngest of the 16 States that then formed the Union, and "We the people of the United States" were only a little more than 5,000,000 strong.

"God works in a mysterious way His wonders to perform." He has blessed this Federal Union beyond the dreams of its founders; He has brought it to the highest pinnacle of both power and freedom that any people ever knew; He has faced it now with one of the decisive turning periods in history; and He has brought us now back to this hallowed historic hall to make the decisions on which this epoch will turn, for good or for ill. I find it altogether fitting that this should be. No surroundings could be more conducive to wisdom than these. They bring us all more intimately together to counsel one another. They evoke inspiringly the human principles that created this Federal Union and the great progress to which their practice has already led. I stand here in no little awe.

I have given the North Atlantic Treaty the most earnest consideration of which I am capable, and I have come to this conclusion:

I shall vote for its ratification, without reservation, but I consent to it only because I see it as a necessary interim measure, a measure that will gain the time needed to explore in peace a far more promising prospect—the possibility of eventually uniting the democracies of the North Atlantic by our own basic Federal principles into a great Atlantic union of the free.

WHAT IS OUR PRIME POLICY?

My approach to this treaty may be summed up as follows: First, what should be the prime purpose of our foreign policy? Second, will ratification of this treaty achieve or serve that purpose?

My answer to my first question is that the prime purpose of our foreign policy should be to secure our free way of life without having to fight a recurring world war every generation to do so. Twice in our lifetime we have sought to gain this.

I doubt that any of us would disagree that this should be our basic purpose. But policymakers are so absorbed by day-to-day problems that they tend to forget this purpose, and the peculiar responsibility it places on all of us here. To overcome dictatorship and would-be world conquerors without war has proved to be a far harder thing than to vanquish it by war. It requires wisdom, vision, boldness, sacrifice even more than does victory by war. And it requires them of us, the older men and women; the parents, not the children; the statesmen, not the youngsters. If we fail, then their turn comes, and the only thing that can save our freedom thereafter is their sacrifice and their daring.

Twice in our lifetime we have sought to secure our freedom without war. Twice we have failed. Twice the boys have had to save the day, make up for their elders' lack of vision, wisdom, self-sacrifice, and courage. And twice we have seen that merely to win by war is no enduring answer, even though the surrender be unconditional and we occupy Tokyo and Berlin. Twice we have seen that all the sacrifices of our youth cannot secure our freedom without another war if their elders remain unwilling to sacrifice dangerously narrow, selfish views, disastrously outmoded concepts, fail to tackle the problem with the vision and courage that success requires. Twice we have failed to achieve our prime purpose, and we dare not fail again. But to succeed we must keep always in mind, not only what our purpose is, but the

special responsibility it places on each of us here in the Senate.

WILL RATIFICATION ACHIEVE OUR PURPOSE?

In this spirit I would approach the second question: Will ratification of the North Atlantic Treaty achieve or serve this prime purpose? The question is involved, and the answer can only be reached after considerable weighing of the lessons of history. In the end the answer, in my opinion, must de definitely in the affirmative.

Unquestionably this treaty represents a profound change in the policy of this Republic. We cannot be unmindful of that, in this hall which takes us back to the days of Jefferson's first inaugural, when he laid down the policy of "entangling alliances with none." But this small chamber reminds us too of the vast changes that have since occurred, not only in the power and status of this Union in the world, but also in science and technology, in the means of communication, and of destruction.

When Senator Andrew Jackson came to represent my own State of Tennessee in this hall in 1823, he had to make the trip of 860 miles on horseback, all except the last leg of it, from Staunton, Va., to this city, which he made by ship, and even that short leg took him 5 days. Now I can make that trip from Tennessee in fewer hours than it took Andrew Jackson weeks.

Wisdom counsels us to cling to policies that have long served us well. We have, until recent years, clung tightly to the Jeffersonian policy. We sought to achieve our prime purpose, of securing our free way of life without world war, by neutrality in 1914, when the airplane was in its infancy, and we failed. We clung to it still, rejected the Wilsonian guaranty of France and the Covenant of the League of Nations as entangling alliances, and relied on neutrality to achieve our purpose. Again we failed and much more disastrously than before. In 1941, the airplane was only in its childhood, yet it proved capable of destroying overnight the control of the Pacific on which we had spent billions. At the time of the Pearl Harbor disaster, the airplane had not yet burst through the sound barriers to speeds that seem fabulous now, but will no doubt seem slow in 1960 or 1970. Neutrality and isolationism failed dismally to save us when the guided missile and the atomic bomb were still unborn. Save at the cost of still worse catastrophe, we cannot continue to cling to such policies while these fearful weapons are growing by jumps and by jets.

If wisdom counsels us not to abandon lightly policies that have long proved good, it tells us too, not to cling to them blindly when they are producing worse and worse disasters. It reminds us that policies that worked in one set of conditions may fail in others, and that when they do we must adapt ourselves to the world we live in or we will perish.

The fact that this treaty marks a decided change from the Jeffersonian policy is, therefore, no longer an argument against it; it is rather an argument for it, since safety compels us to make some decided changes. We cannot be more entangled by a treaty than we already are by the facts of modern life, and it behooves us to remember that these conditions of life tend to entangle us more and more every year, not less and less.

That the Senate and the people of the United States have already recognized this is proved by their overwhelming acceptance of the Charter of the United Nations. That represents no little change, but unhappily it is only too evident that, with all the good that the United Nations does and that more than justifies our continued support of it, the United Nations is not strong enough, as it stands, to achieve our purpose. It must be greatly strengthened, but it is evident that it must be strengthened in some way that cannot be vetoed by a potential aggressor. Consequently, it must be strengthened in some way that involves no amendment of the charter.

The North Atlantic Treaty meets this first test; it requires no change in the charter. It is made under the permission which the charter expressly grants. Does it, however, strengthen the forces of peace enough to achieve our prime purpose? I sympathize fully with the misgivings that many have in this regard. And here I would pause to pay a tribute to the distinguished senior Senator from Missouri and the junior Senator from Utah whose earnest desire to get at the truth first-hand led them to participate in the hearings of the Foreign Relations Committee on this treaty, and to that committee and its eminent chairman for permitting them to do this. I think they have done us all a service thereby and brought out many facets of this difficult problem that might not otherwise have been seen.

THE DILEMMA WE FACE

Certainly the result has been to make clearer a basic dilemma that lies at the heart of this treaty. As was said by the Senator from Utah [Mr. WATKINS], in the Senate June 1, many believe that by this treaty "we can give positive assurance of our help to our European allies and at the same time preserve freedom of action by Congress." The dilemma is that the more positive assurance of help we give, the less we can preserve our freedom of action, and the more we preserve it, the less certain is our aid to our allies. The treaty's carefully worded text seeks to balance on both horns of this dilemma, and does this, in my judgment, about as well as can be done.

If we strengthened the treaty's positive assurance to our allies to the point where the alliance was automatic, we would not only be disregarding constitutional processes which we are bound to maintain, but we would be incurring the danger of handing a blank check to nations who would remain free to follow policies that could lead to war. They would each retain their independent sovereignty not only as regards policy but as regards their armed forces; and the more automatic our guaranty to come to their aid if they got into war, no matter what they did, the more ineffective would be the voice we had in shaping their peacetime policies.

On the other horn of the dilemma, if we seek by reservations to emphasize our constitutional processes and our freedom of action more than the treaty already does, we fall into the danger of encouraging the potential aggressor to attack in the belief that we will not come to the aid of our allies, or will come too slowly or too late. There is no safety in this course either.

Certainly any step we take in this direction would weaken the effect of the treaty in preserving peace. At best, the adoption of any reservations, however good in themselves or well-intentioned, would encourage doubt as regards the treaty, if only by requiring the reopening of negotiations and delaying its going into effect. Consequently, I would vote against any reservation to the treaty.

The question is, Does this treaty strengthen the forces of peace enough to achieve our prime purpose? The more we try to keep from being entangled by the treaty, the weaker it becomes. What good are such efforts to pull away from the full implications of the treaty, especially since the situation is such that we are bound to be entangled in any major war, treaty or no treaty and no matter what reservations are made to it.

The chief objection to the treaty, it seems to me, is rather that at best it cannot be relied on to strengthen the side of peace enough to achieve our prime purpose. Alliances are notoriously unreliable, even the most automatic ones. Back in 1788, Alexander Hamilton pointed out in No. 15 of the Federalist:

> In the early part of the present century there was an epidemical rage in Europe for this species of compacts, from which the politicians of the times fondly hoped for benefits which were never realized. With a view to establishing the equilibrium of power and the peace of that part of the world, all the resources of negotiation were exhausted, and triple and quadruple alliances were formed; but they were scarcely formed before they were broken, giving an instructive but afflicting lesson to mankind, how little dependence is to be placed on treaties which have no other sanction than the obligations of good faith.

The lesson was not learned, and the afflictions have continued. Consider merely the record in our own time. Can any Senator name a single alliance in this tumultuous period that achieved the purpose for which it was made? I hope there is at least one exception—though that would only help prove the rule—but I have looked in vain for it.

Just as this alliance was negotiated as a means of achieving our purpose without war, so every alliance was made to achieve without war the ends of its signers. Yet Germany, Austria, and Italy did not avoid World War I through the Dual and Triple Alliances. Nor did France, Britain, and Russia avoid war through the Entente Cordiale and the Triple Entente and the Franco-Russian Alliance. The Locarno Treaty of mutual guaranty; the Little Entente; the Franco-Polish, the Franco-Czech, the Franco-Yugoslav, the Franco-Rumanian, the Franco-Soviet, and the Franco-British Alliances; the Axis alliances; none of these served to gain the purpose of any ally of winning without World War II.

A worse record could hardly be imagined, but the record is in fact, still worse.

Not only did all these alliances fail to save a single ally from war; they did not even suffice to win the war for any of them. The Triple Entente did not win World War I; it broke down with the Russian revolution in 1917. The Franco-British alliance did not win World War II; it broke down even earlier, less than a year after the war began. Both wars were won only after the United States was drawn into them.

THE GREAT WEAKNESS IN ALLIANCES

The great weakness in the alliance method which is responsible for this sorry record is the uncertainty that lies at the heart of any such treaty. However unequivocal its text may seem, the fact remains that each ally retains his sovereign power to interpret the terms of the treaty to suit his own interests. This is inherent in the very nature of an alliance in the fact that it is an agreement between sovereign states, in contradistinction, for example, to a federal union constitution, which is an agreement made by sovereign citizens. It is this uncertainty about whether an alliance will function or not at the showdown that leads to their failure. It encourages the adversary to hope that he can contrive to split the allies apart, and it makes each ally continually fear that he will be left in the lurch by the others just when he is most in need of aid. I have heard not a few Americans express doubt that we could depend on certain of our allies under this treaty in the event of war, particularly if we were attacked in the Far East. I understand there are Europeans who express the same doubt about our coming to their aid if they are attacked, particularly at a time when our occupying troops in Europe have been withdrawn.

Yet there are those who would have us increase with reservations the uncertainty that is inherent in this treaty, and that makes it already so doubtful an instrument for the achievement of our prime purpose.

How far, our constitutional rights are already safeguarded in this Treaty was brought out by that eminent jurist, Owen J. Roberts, former Associate Justice of the United States Supreme Court. On May 6 he testified before the Senate Foreign Relations Committee in favor of ratification of the treaty as a step toward the formation of an Atlantic Federal Union, a fact that greatly encourages me in taking the same stand. On page 556 of the report of these committee hearings, I find this passage:

Mr. ROBERTS. I suppose you realize that although this treaty is a 20-year treaty, the body of which you are a member could revoke it in 2 years, under our present Constitution.

Senator DONNELL. You do not mean the Senate could do it?

Mr. ROBERTS. I mean Congress could do it.

Senator DONNELL. Under what provision do you mean? The provision in regard to 2 years beyond which provisions for war cannot be——

Mr. ROBERTS. No. I mean the treaties of the United States are on the same parity with law.

I think you are familiar with the fact that a law passed by Congress inconsistent with the treaty repeals the treaty.

Senator DONNELL. That is correct. But I understood you to say something about 2 years.

Mr. ROBERTS. I say 2 years, 5 years, or 10 years.

We may feel confident that once this treaty is ratified, Congress will not exercise this power to revoke it in whole or in part. But I submit that the issue does not turn only on our own certainty as to what we shall do. The value of this treaty in achieving our prime purpose of securing freedom without war turns also on whether all our allies will share this confidence that we shall never exercise this power. It turns even more on whether the master of the Kremlin believes in our good faith as we do, and in that of our allies as they do. Does anyone think that he holds this high opinion of any of us? Does anyone believe that he would put it beyond Congress to use this power to revoke the treaty whenever Congress thought this suited the interests of the United States?

Surely, the more the Kremlin doubts that this treaty will be carried out, the less it will be discouraged from aggression and the less we are likely to achieve by this treaty our prime purpose of securing freedom without war. So the treaty does not prevent us from being exposed to this danger.

WHY THE PACT SHOULD BE RATIFIED

Since an alliance is usually an unreliable means of preventing war, it may well be asked why we should ratify this treaty.

My answer is that we should ratify it because of certain practical considerations. However poor a reed we may consider this treaty, it has already been signed. Refusal to ratify it now, because it fails to remove entirely the uncertainty that makes for war, would not lessen that uncertainty, but increase it to the highest degree. We should not forget, much as we should deplore, that the memory of the Senate's rejection of the League of Nations Covenant after President Wilson had signed it, and of the revised World Court protocol after that great Republican statesman, Elihu Root, negotiated it at Geneva in 1929, already makes many Europeans regard the United States as a very uncertain quantity. Nothing could strengthen this feeling more than our refusal now to ratify this treaty. Only the potential aggressor could gain by such an upset—and what encouragement he would gain.

Moreover, our Government in negotiating this treaty was dealing with an urgent situation. The blockade of Berlin, we should not forget, was at its height when these negotiations began. The fears it roused were retarding the recovery of our friends in western Europe. They needed reassurance, and they needed it quickly. This treaty, with all its faults, was the quickest practicable means of reassuring them.

Although the treaty is too uncertain an instrument to be trusted permanently to achieve our prime purpose, it can be very useful as a means of gaining the time we need to work out the instrument that will do that job. Although alliances may not suffice to prevent war very long, they have served to defer war. The trouble has been that their supporters have failed to use this time wisely, failed to use it promptly to replace the alliance with something much more reliable. That something is, in my judgment, our own United States Federal union system. The recent formation of the Atlantic Union Committee and the support it is receiving greatly encourages me to believe that if we ratify this treaty the time we gain by it will be thus wisely employed. This committee proposes that first we ratify this treaty and next we pass a resolution inviting its sponsors to meet with our delegates in a convention to explore the possibilities of uniting them, within the framework of the United Nations, in a Federal union, limited though it might be. Admittedly it would have to be a limited federation to begin with, but a start can and should be made. All three of the committee's leading officers testified before the Foreign Relations Committee in support of this policy and I would earnestly commend their testimony to the study of my fellow Senators.

It will be evident that this policy has already passed a very careful scrutiny by men of the highest level of experience, whose judgment we all respect, when I say that these three leaders of the Atlantic Union Committee are: President, former Justice Owen J. Roberts of the United States Supreme Court; vice president, Robert P. Patterson, former Secretary of War; and Will A. Clayton, former Under Secretary of State for Economic Affairs.

FEDERAL UNION WOULD ACHIEVE OUR PURPOSE

What is this proposal of Atlantic union? In essence, it means that we would rely for the achievement of our prime purpose not merely on the preservation of our constitutional processes, but on the extension of these constitutional processes to govern our relations in this field with the other democracies of the North Atlantic.

Much has been said of the United States Constitution in the discussion of this treaty, but it seems to have been forgotten that our Constitution is itself a foreign policy. It originated as a basic foreign policy to govern the relations of sovereign States with each other, and with all the rest of the world. It began as an answer to the kind of problem we and the other Atlantic democracies now face, how to secure our liberty without another war. It began when an attempt to solve this problem by an alliance—the Articles of Confederation, in some respects much closer and stronger than the treaty before us—had failed to work even among 13 States whose people had more bonds in common than the 12 signatories of the North Atlantic Treaty.

Faced with the dangers of war, depression, unemployment, inflation despite their Articles of Confederation, the delegates of the earliest Atlantic democracies met in a convention at Philadelphia in 1787—met, to quote one of them, William Paterson of New Jersey, "as the deputies of 13 independent, sovereign States." There they worked out our Federal Constitution as the solution to their

common problem in foreign policy, as the basis of their relations with each other.

They adopted it, as its preamble states, "in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity."

How much we are reminded of this preamble by these objectives listed in the preamble of the treaty now before us:

> To safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law * * * to promote stability and well-being in the North Atlantic area * * * to unite their efforts for collective defense and for the preservation of peace and security.

The objectives are basically the same, now as then, but how different the policy for achieving these objectives. The North Atlantic Treaty, like the Articles of Confederation, forms a mere alliance of governments; the Constitution of the United States formed a Federal Union of their people, with powers divided between their new common government and their separate State governments with a view to securing thereby the freedom, prosperity and peace of all their citizens, and keeping government obedient to them.

With this Federal Union man-to-man instead of government-to-government policy toward each other, the people of the 13 States peacefully settled 11 territorial disputes in which their governments were engaged under the Articles of Confederation—disputes that in some cases threatened peace. They quickly put the dollar—then "not worth a continental"—on a firm foundation, changed bankruptcy to boom, converted depression into the greatest and most enduring prosperity the world has ever known.

THE CONSTITUTION—OUR FORGOTTEN FOREIGN POLICY

The history of the United States since the establishment of the Constitution down to our times has been the extension of this foreign policy of federating with men instead of merely allying with States. This policy of Federal Union which once governed the relations of only 13 States and hardly 3,000,000 free people now governs the relations of 48 States and 143,000,000 free people of all creeds, colors, and nationalities. It has not been perfect, but it has secured unprecedented liberty, prosperity, and peace to the citizens of every State that adopted it.

With one exception every generation of our people has gone on extending to more and more States and more and more men this policy of a common free government, a common defense force, a common currency, a common postage stamp, a common market, a common bill of rights, a common guarantee of the independent right of the people of each State in the Union, large or small, to govern themselves as they see fit in every field which they have not transferred to the Federal Union.

The one exception, the one generation that has not gone on extending the area governed by this great foreign policy that converts foreign relations into domestic relations—is our own generation. We have mistaken the Constitution for a purely domestic or national policy. Both our great parties and all their administrations have forgotten, through all the problem-crowded years since 1914, that the Constitution began as a foreign policy, and has proved ever since the best foreign policy that any free people can practice toward other free peoples. During this period they and the great institutions that specialize in international relations and peace have been exploring and propagating all kinds of solutions to our foreign problem—all, that is, but the one which the Federal Constitution itself represents. The result is that we have gone from one world war to another world war, from one league to another. We have gone from conflict with one aggressive autocrat to a still more menacing one. For all our plans and policies, and for all our poured-out treasure and blood, we find ourselves with recovery receding and bankruptcy threatening part of the free. And we face a formidable dictatorship whose knout rules from Berlin to the Sea of Japan, whose lieutenants have only recently overrun China and whose fifth columnists are to be found in every nation.

It is high time, I say, that our Federal Union Constitution ceased to be the forgotten foreign policy of the United States.

SEVEN REASONS FOR EXPLORING UNION

Consider for a moment the great and immediate advantages we would gain if we followed up the ratification of the North Atlantic Treaty by calling in our time another Federal convention merely to explore, with the other sponsors of this pact, the possibilities of achieving our prime purpose—and theirs—by applying the principles of our Constitution to form another, though limited, a great Atlantic union of the free. Let me mention only seven of the advantages to be gained merely by attempting to work out a similar, though presently, constitution with them:

IT STRENGTHENS THE PRESENT PACT

First. By promptly following up the pact with the convocation of this federal convention, we give—and get—a much stronger guaranty than we do by the present treaty. The potential aggressor then will know for certain that if he attacks any of the democracies at the convention all the others will spring to its rescue. No one can doubt that every signatory of the pact would thus react if another member were attacked while sitting in a constitutional convention with it. The best guaranty is thus given each democracy by all—the kind of guaranty that is needed to impress all the world and Moscow most of all—and yet it involves no further legal commitment.

AIMS AT FORMIDABLE FORCE

Second. The Kremlin would know that a federal convention meant that we were working on something far more formidable than the best staff agreements that can be made under an alliance—that the democracies were aiming to create a federal defense force.

WOULD CUT COST OF DEFENSE

Third. By the same token the Kremlin would also know that the democracies were on the road toward securing much stronger armed power at much less cost—thus freeing more production for civilian recovery, and ending the Soviet hope of economic disaster delivering Europe to communism without a battle.

FACES DICTATOR WITH DILEMMA

Fourth. The Kremlin would be thrown at once into this dilemma: The more hostile it was toward the convention, the more it would thereby hasten the last thing the Kremlin could want—agreement by the Atlantic democracies on a federal constitution.

STIMULATES RECOVERY

Fifth. The calling of the convention would not interfere with the work of the ECA or with the creation of the council which the North Atlantic Treaty calls for, or its implementation in other respects, or the rearmament of western Europe. It would allow us to supplement these first-aid measures by tackling simultaneously the three major questions—economic, monetary, and military—which we are now trying to handle only piecemeal. The fact is that they are so closely interrelated that the best hope of solving them lies in wrapping them up in one package—as was done in the Federal Convention which framed our Constitution in 1787.

Psychology plays an important role in business affairs. Merely by rousing the hope of ending such problems as the dollar shortage, through the creation of a common currency, and the immense stimulus to production that federation brings, the calling of the convention would help prevent the present recession from developing disastrously.

TAKES DICTATOR BY SURPRISE

Sixth. The psychological side is no less important as regards the cold war. To overcome dictatorship by the other kind of war the young, as I said earlier, have to be bold. The achievement of our prime purpose of decisively turning the tide against dictatorship without war requires boldness, too, but not in the boys—it requires us, here in this Hall and in the executive department. It requires us to "get there fustest with the mostest," to take the aging revolutionists in the Kremlin by surprise, to rock them off their balance by swiftly following ratification of this North Atlantic Treaty with the calling of an Atlantic Federal Convention. Our ratification of this treaty will surprise no one, and certainly not the Kremlin. But for us to call this constitutional convention will do more than make dictators feel weak in the knees. It will come as a great and pleasant surprise to many Americans. It will give all our citizens, and free men and women everywhere, the unbeatable feeling that comes when your free institutions surpass your fondest hopes just when you feared they were failing.

COMMITS US ONLY TO EXPLORE UNION

Seventh. By merely calling this convention, we get all these advantages, and this added one, too: We gain all this with no commitment except the obligation

to explore as earnestly and carefully and honestly as we can the possibility of federating with other democracies on the basis of our own constitutional principles. Impressive as the term, "Constitutional Convention," rightly is, yet such a convention cannot possibly commit those who call or attend it to anything more than a serious attempt to work out a better system of governing their relations than the one that exists. To stress this point is not to finagle, or deprive the convention of its psychological effect. Democracy itself forbids any democracy to commit its people to any constitution before they have seen it.

Democracy requires us and every democracy to reserve to the people the right to ratify or reject any constitution a convention may draft. We can lose nothing by calling this convention—and we stand to gain more than anyone can imagine.

PUBLIC REACTION TO UNION PROPOSAL

The question naturally arises as to what support this proposal for a convention to explore the possibilities of a North Atlantic federation has among the people of this country and all the other Atlantic union nations. I have a definite feeling that the people are far ahead of us Members of Congress in their thinking on means and methods of maintaining peace. All the polls show that the people definitely want our country to take the lead in this regard.

In the State of Tennessee, in the last election, I made the proposal for a limited federal union of the North Atlantic democracies an issue in the campaign and the proposal met a hearty response from the people of the "volunteer" State. Other Members of the Senate and of the House of Representatives from other States have told me that they had similar experiences in their campaigns. The people unquestionably want Congress to take those steps that may be best calculated to preserve peace and avoid a third and devastating world war.

The people of the other nations involved have the same attitude, in my opinion. I have had the opportunity of talking with a number of members of some of the legislative bodies of the various countries included in the Atlantic Pact and with private citizens of those countries. They agree that the treaty is a useful and necessary interim measure, but that we can never have a real unification of the armed forces of the nations involved, or a common foreign policy, or a necessary economic cooperation until we have a limited federation. The attitude of most statesmen of other North Atlantic democracies with whom I have talked is very well summed up by an expression of Jean Monnet, who is a distinguished French leader and statesman. In the Chicago Sun of June 11, 1949, Monsieur Monnet is quoted as saying:

> Now it seems quite certain to me that, if left to ourselves, we of western Europe will organize nothing that matters. We will talk a lot and make some little arrangements between countries that actually don't count every much.
>
> We will have all kinds of treaties, pacts, alliances, unions, councils, leagues. But no one European country will give up anything it considers important for the sake of the larger unity. France and Britain won't get together, as they must, and decide what must be done with the Germans.
>
> There is one big hope at present, but I am rather inclined to think it is only a hope. If your Government in Washington were willing to offer free Europe an Atlantic federation, an Atlantic society, it might awaken us to the revolutionary possibilities of our age.

THE HOOVER COMMISSION RECOMMENDATIONS

Mr. McCARTHY. Mr. President, I was very much disturbed when the President today sent down his request to the Congress for action in this session—disturbed not by what was contained in the request or by the action he asked us to take, but by the very significant omission. I believe all of us have considered the streamlining of the Federal Government, following through on various of the important Hoover Commission recommendations, as one, if not the most important of the tasks with which we have to deal.

The President has led the country to believe, by statements he had made, that he is behind the Hoover Commission recommendations. He has led the Nation to believe that we should practice economy where it can be done without impairing the services that the people receive from our Government. He has publicly, as I recall, admitted that if we put into effect the Hoover recommendations, the services which the people receive will not be impaired, and that tremendous economy can be effected.

Mr. President, I frankly cannot understand the action of the President today when he made the request for certain actions on the part of the Congress and made no mention whatsoever, even by inference, of the Hoover Commission recommendations. In effect that means that the President has today asked the Congress to adjourn without passing a single additional one of the Hoover Commission recommendations. I think it would be nothing less than a tragedy if the Congress adjourns without passing any further legislation recommended by the Hoover Commission. I think we should stay in session until we pass all the bills dealing with the major Hoover Commission recommendations. I think the very minimum action we should take is the passage of the bills dealing with Personnel and the Postal Department. Those bills are pending before a Senate committee and a House committee. Mr. Hoover has wholeheartedly endorsed those two bills, and has stated that a combination of the two will save roughly $800,000,000 a year without in any way impairing the services anyone receives from the Government.

As we know, the Hoover Commission made 19 reports. Each report contains major recommendations. The President sent down seven plans, which allegedly—I emphasize the word "allegedly"—which allegedly conform to the Hoover Commission recommendations. However, upon examining those plans we can see that is not true. They cover but abbreviated sections of the reports. For example, his plan covering the Labor Department contains only one-fifth of the recommendations made by the Hoover Commission.

I do sincerely hope, Mr. President, that both the Senate and the House refuse to follow the President's recommendation that we adjourn without doing anything further respecting the Hoover Commission reports. In fact, I think—and I weigh my words well when I say this—I think that the President's action in misleading the public into believing that he favors this type of sensible economy, this economy which can in no way adversely affect anyone, misleading the public into believing that he favors that economy and then turning around today and saying by inference, "I want the Congress to adjourn without passing a single one of those bills"—is a very, very shameful act on the part of the President of the United States.

THE SITUATION IN THE FAR EAST

Mr. KNOWLAND. Mr. President, I desire to speak very briefly, and then ask to have inserted in the RECORD as a part of my remarks several newspaper and magazine articles relating to the situation in the Far East. First, I wish to refer to the treatment of one of the vice consuls in the city of Shanghai. The late press dispatches and word I have received from those in the Department indicate that the representative of the American Government was badly beaten during the period of his incarceration and following his arrest. He was held incommunicado for a period of time. The official representatives of the United States Government had difficulty in getting to him, and at least a couple of days passed before they were finally able to bring about his release.

Mr. President, those in charge of the far eastern policy of the Government of the United States have a considerable responsibility on their shoulders in regard to this matter. For a period of now several years, the American consul in Mukden has been practically held within the compound. During the period of time we left the American Ambassador in Nanking the Senate will recall that the Chinese Communist soldiers entered the embassy compound, forced their way into the Ambassador's bedroom, and beat one of his secretaries in the process, though they did not harm the Ambassador himself. This latest incident in Shanghai is another indication of what we may expect from the Communist forces which have overrun a considerable part of China.

Mr. President, the reason I say that we have a considerable responsibility is because we exercise considerable influence. The proper thing for the American Ambassador to have done was to have followed the Government which is the recognized Government of China. The American Ambassador has no business being in Nanking at the present time. Some of the other nations followed the Government of China to Canton. The Russian Government correctly sent their ambassador to follow the Government which is the recognized Government of China. It seems to me that the State Department, if they have not already done so, should instruct the American Ambassador to go to the seat

of the Government of China, and that is in Canton.

Mr. President, I ask unanimous consent to have printed as a part of my remarks an article which appeared in the New York Herald Tribune under date of July 9, which deals with the case of William B. Olive, American vice consul in Shanghai.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AMERICANS IN CHINA

Mistreatment of Americans by the Chinese Communists is becoming more serious. William B. Olive, an American vice consul, was arrested and beaten by police in Shanghai after his jeep became entangled in a traffic jam caused by a parade. Members of the American consular staff at Mukden in Manchuria, virtual prisoners for months and denied communication with Washington until recently, are now to be "permitted" to depart. An American editor in Shanghai, Randall Gould, has been compelled to make a public apology because of a ludicrous complaint against his wife. The charge against Mrs. Gould, a woman of modest size and strength, was that she injured several Chinese when she pushed her way through a group demonstrating at her door.

These reprehensible acts of the Communists are easily explained. The principal cause is the need of the Chinese Reds to obscure the fact that the real imperialists in Asia today are their Russian friends and allies. The Soviet Union has virtually taken over Manchuria after stripping it of the industrial machinery that might have been used to make China strong and prosperous. Although Manchuria is Chinese in every sense—legally, by population, by language, and by culture—it is now governed from Moscow. In addition, the Soviet Union has literally taken possession of the small state of Tannu Tuva, has Outer Mongolia as a satellite, and is gradually extending its influence in Chinese Turkestan. Beyond all this, of course, Moscow is the ideological home of the Chinese Reds. They follow every swerve and twist of Moscow's propaganda line, no matter how injurious to China's interests the line may be.

To distract attention from the imperialism of the Soviet Union, which so much resembles that of the Russian czars, the Chinese Communists constantly attack Americans in general as imperialists and try to arouse the anger of the people against any individual Americans who happen to be convenient victims. They are conscious of the wrath against the Soviet Union that would be aroused in China if the truth about what it is doing were generally known. Their need to conceal the activities of the Russians is so great that they are adopting extreme measures to achieve their purpose.

Mr. KNOWLAND. Mr. President, I also desire to have printed as a part of my remarks an editorial entitled "Policy in the Far East," recently published in the Washington Daily News.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

POLICY IN THE FAR EAST

Senator KNOWLAND, of California, submits that the United States should have an intelligent, sound policy in the Far East. That it should be consistent with the American position in Europe, instead of encouraging communism in China as the State Department has been doing.

He is supporting the Atlantic Pact, regarding it as vital to American defense and to world peace. But it does not make sense to him, he says, to guard our front door on the Atlantic while leaving open our back door on the Pacific.

We do not see how the State Department's present position could make sense to anyone. If international communism is a threat to us, and certainly it is, this country should be opposing it everywhere, not making concessions to it in Asia while trying to block it in Europe.

There is immediate occasion for alarm about the situation in the Far East, where communism actually is on the march. While the State Department waits for the dust to settle in China the rest of Asia is being exposed. There is shooting in Burma and Indochina. The Communist rebels there may be reinforced at any time by Red armies pushing southward from China. Border skirmishes are broadening into civil war in Korea. If South Korea falls to the Reds, Japan may be the next target.

So far, the State Department's only reply to Senator KNOWLAND's legitimate demand for a statement of American policy has been to repeat that a white paper is in preparation which will reveal the alleged corruption and inadequacies of Nationalist China under the Chiang Kai-shek regime. As if that had anything to do with what the Senator is talking about.

The primary concern of the American people is their own security—not the merits or demerits of any regime in China, past or present. This is something the State Department's Office of Far Eastern Affairs does not seem to understand. It has been working so long to build a case for the Chinese Communists that it cannot see any relationship between communism in China and international communism.

Mr. KNOWLAND. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Abandoned Ally," published in the New York Mirror of June 7, 1949. It deals with the American treatment of the National Government in China.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ABANDONED ALLY

Chiang Kai-shek should be one of the world's most discouraged men, and he has reason to be utterly disillusioned about his erstwhile ally, the United States.

What our State Department has done to Nationalist China constitutes a most tragic sell-out.

In the crimes of Yalta and Tehran, the then rulers of this country acquiesced in the partition and disruption of China by Soviet Russia—even at that time a grudging cobelligerent and now a declared enemy dedicated to world conquest.

In the dismal Marshall mission to China, this country actually maintained that the Communist elements must be welcomed by Chiang in the formation of a coalition government and an armistice was forced which weakened the successful Nationalist Armies and allowed the Communists—ably abetted directly by Moscow—time to prepare for the offensive which now threatens not China alone, but all Asia, including India.

While United States resources are poured extravagantly into Europe with the announced intent of halting communism, the Red wave moves over Asia unopposed by the United States.

Not only unopposed.

Roscoe Pound, dean emeritus of the Harvard Law School, charges our State Department has aided the China Reds and is maneuvering to extend them recognition and economic support.

"Instead of ranging ourselves with constitutional government in China," he says, "we have been doing what we could to destroy it and are threatening constitutional government everywhere."

One wonders what sort of a "house divided against itself" our State Department is.

The situation in China is admittedly bad, but not irredeemable.

A great message of hope, which should reassure the free world, has just come from Chiang Kai-shek in his interview with Howard Handleman, far-eastern director of International News Service.

The Chinese leader, successor to the great Sun Yat Sen, reveals that a master strategy plan has been drawn up by Nationalist political and military leaders and that, with even a minimum of American aid, the Chinese Communists can be beaten before they overrun Asia and make World War III inevitable. He said:

"The fight against communism in China is a fight for the peace and security of the free world * * * I take it that the United States, with which we fought together and bled together, will not be indifferent to what is going on in China."

The United States—if by that is meant the American people—is indeed not indifferent.

The indifference has been in our State Department, with its double-dealing policies and its failure to extend even the moral support of the United States to Nationalist China.

The chips are down all over the world.

Communism in China is no different from communism in Poland, Czechoslovakia, Hungary, or the Soviet Union itself.

It is directed by the Kremlin and its allegiance is to the Kremlin.

Even a statement of our traditional friendship for free China would be of immeasurable value at this time.

Even a minimum of American arms and a fraction of the wealth that is being flooded upon Europe can forestall incalculable misery.

The decision must be made and made now.

This is the people's issue. Our State Department, still infected with rotten Red apples, must not be permitted to mortgage the people's safety by the callous abandonment of a great ally.

Mr. KNOWLAND. Mr. President, for a long time a great deal of "hogwash" was put out by some of those closely connected with the Government of the United States, to the general effect that the Communists in China were really only agrarian liberals. I do not think that even those who participated in disseminating that misinformation to the American people now believe it, because Mao Tse-tung himself has indicated just where the Communists of China stand.

There recently came into my possession a document which I think every Member of the Senate should read. I shall not ask that it be printed in the RECORD, because it is somewhat long; but I shall certainly make my copy available, and perhaps additional copies can be obtained. It is entitled "Constitution of the Chinese Communist Party Adopted by the Seventh National Party Congress, Yenan, June 11, 1945." It was translated and edited under the supervision of Mr. H. Arthur Steiner, professor of political science at the University of California, at Los Angeles, and he has a 1949 copyright on it. In his introductory note he states that:

No objection is raised to the reproduction of this translation, in whole or in part, and without special permission, if the source is indicated.

I wish to read several paragraphs from the first page of the constitution of the Chinese Communist Party, under the general head of "General introduction":

The Chinese Communist Party is based on the principles of Marxism-Leninism and the combined principles derived from the practical experience of the Chinese revolution—the ideas of Mao Tse-tung—as the guiding principles of all its work.

A little further on we find the following:

This revolution has extensive allies at home and abroad. Therefore, the tasks of the Chinese Communist Party in the present stage are: Internally, to organize and unify Chinese workers, peasants, petite bourgeoisie, intelligentsia and all anti-imperialists and antifeudal elements and national minorities on its side; and, externally, to unite with the world proletariat.

The next paragraph says:

In the future stage of the Chinese revolution, after the complete victory of the national democratic revolution, the task of the Chinese Communist Party will be to struggle, by necessary steps according to the requirements of China's social and economic development and the will of her people for the realization of socialism and communism.

Mr. President, it is a very naive person, indeed, either in the State Department or out of the State Department, who would believe that the Communists in China are only agrarian liberals. They are a part of the international conspiracy to destroy every free and independent government in the world. Those who have led us down a blind alley, those who have followed a bankrupt policy in the Far East, have a heavy responsibility upon their shoulders. Were this a parliamentary government rather than the type of government we have, there would be some in high places in the State Department who have been in charge of our far-eastern affairs who would either resign or be removed from office.

Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Last Call for China," written by Maj. Gen. Claire L. Chennault and published in Life magazine for last week.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LAST CALL FOR CHINA—A FIGHTING AMERICAN SAYS THAT A THIRD OF ITS GOOD EARTH AND 150,000,000 PEOPLE CAN BE SAVED

(By Claire L. Chennault)

(In China last week Communist Dictator Mao Tse-tung shattered an illusion long cherished by many an American—the illusion that China's Communists are "different." Said Mao, "We belong to the anti-imperialist front headed by the U. S. S. R. * * * Neutrality is a camouflage." One American who has long recognized the truth of Mao's words is Maj. Gen. Claire L. Chennault, wartime leader of the Flying Tigers. Recently before a congressional committee he proposed an American program which might at last deal realistically with the growing tragedy of Communist conquest in China. This article explains his program.)

In the spring of 1948 at Washington, I testified before the House Foreign Affairs Committee on the situation in the Far East. In the unbroken series of disasters which have unrolled since then, practically everything I predicted has come to pass. It is not my purpose now to be justified as prophet of disaster, but recognizing the errors of the past may help shape the decisions we make now for future constructive action.

The best part of China has been lost already by an American policy of passivity. If we do not act soon the Chinese Communist government will be on the borders of Indochina, Thailand and Burma. In Indochina the Moscow-trained leader, Ho Chi Minh, has already established his Communist regime. The French have been powerless to suppress him. With support from across the Chinese border, it is mathematically certain that Ho Chi Minh will extend his rule to include most or all of Indochina. Thus Thailand will be surrounded on two sides, and will fall. Malaya may be expected to follow. The fate of disordered Burma, where there is also a powerful Communist movement, will certainly be sealed. And the rich islands of Indonesia will also find their way into these new provinces of the Soviet Union's new Asiatic empire.

It is optimistic nonsense to suppose that with all of Asia in Communist hands Japan and the Philippines will remain peacefully on our side. Japan is virtually entirely dependent on trade with Asia for her continued existence. It was this very dependence that drove the Japanese militarists into their attempt to found the so-called greater east Asia coprosperity sphere. With Asia in the grip of communism, there can be only two futures for Japan. Either the United States will transform Japan into a colony, at once spending vast sums to feed her people and stopping at nothing to repress their impulses toward independence, or Japan will ultimately join the parade and come under Communist rule like the rest of Asia. I cannot imagine my country in the role of ruthless imperialist. And so I foresee a Communist Japan at the end of the easy road we are now so comfortably following.

I do not say that all these disasters are to happen at once. It will take many months for the Chinese Communists to establish mastery of all of China, even if this country extends no helping hand to the anti-Communist forces. It will take perhaps several years before the whole process can work itself out. But we are fools to think that with the Pacific imperiled, the United States will be safe. What is at stake here is simply the security of this country. When national security is at stake, economic factors should not weigh too heavily. But the strategic raw materials of this vast region will be denied to us. And our far eastern markets will either be closed to us, or perhaps we may be allowed a carefully controlled trade, limited to supplying an implacable enemy with the means of modern warfare, with arms to be thrown back at us and our children—as the scrap we so obligingly furnished to Japan was thrown back at us at Pearl Harbor.

In the face of these facts it is my fundamental premise that the United States cannot afford to allow communism to sweep Asia. Regardless of the cost, we must take effective positive action now to see that its present advance is halted. The alternative cannot be faced. A fully Sovietized Asia and western Pacific would represent a disturbance of the present precarious balance of strength between the western and eastern worlds so decisive that the effect would be to precipitate almost immediately a world conflict which might well destroy civilization. In the face of such a situation we would have no choice of action and policy except the instinctive reactions of survival. Today we still have a limited choice, we still have time to decide on and execute a policy of positive action which may yet avert the ultimate catastrophe.

THE FALLACY OF CHINESE ABSORPTION

The theory that the Chinese Communists may some day break with Moscow is at least interesting enough to be worth discussing. I cannot say the same for the even more prevalent theory that the Chinese Communists "never can organize China," will be absorbed by the Chinese, and so on. Since the time of Christ, China has been ruthlessly organized, just to name the high spots, by the first and second Han dynasties, the Tang dynasty, the Sung dynasty, the Yuan dynasty, the Ming dynasty, and the Manchu dynasty. Every one of these great ruling systems eventually decayed under the corrupting influence of absolute power. That is what is meant by Chinese absorption. The average period before full decay set in was about 200 years each. In 200 years we won't be here to benefit by what happens to the Chinese Communists, who have more resources for organizing the Chinese—in arms, in transport, communication, and experience with modern police-state techniques—than any of their imperial predecessors. The morass theory will not work when applied to a conqueror with modern techniques of coercion. Theoretically Russia was to be the morass that would destroy Hitler, but enormous outside efforts had to be made by Russia's allies before the morass could be made to stop Hitler.

The question is whether there is anything we can still do. My answer to this is emphatically, "Yes." There is a great deal that we can do and much that we can work with. Some defeatists didn't believe that the Flying Tigers had a chance against the Japanese in 1941.

COMMUNISM IS FOREIGN DOMINATION

The Chinese do not like communism. It is opposed to their deepest traditions and threatens the value that they have been brought up to revere most. They recognize and hate it as a form of foreign domination. Given a chance they will fight it and fight it valiantly.

Opposition to the Communists has been coming increasingly and is now predominantly from provincial and other local leaders. These local regimes vary in their effectiveness, strength, and the enlightenment of their government. Where they are effective, however, there is genuine popular support for resistance to Communist conquest.

The key to future effective resistance is west and south China. A vast belt of land, about a third of the Chinese nation, and 150,000,000 people still remain outside the iron curtain. That tremendous area encompasses nine provinces. This area is substantially what was Free China during the war against the Japanese. It is a base adequate to liberate all China in the end. These people are willing, indeed anxious, to fight if provided with the minimum of aid.

For supplies there are still available vast stock piles of arms and material lying in the Philippines and Pacific bases. With these a new Chinese resistance may yet be armed. We cannot justify our failure to defend our most vital defensive positions on the grounds that there is nothing with which we can fight. The thing lacking in China is a reasonable hope of defensive victory to give the will to resist. This we can create.

In any future program of aid to China our problem will simply be to see to it that there is adequate supervision by our own men to make sure that we get what we are paying for. The Chinese will not resent this or refuse to cooperate. I must emphasize that these areas of resistance must be such both in the military sense and in the sense that they offer ideological resistance and competition to communism. They must be sufficiently progressive and enlightened both politically and economically that the people of China and of all Asia can have living proof that democracy can meet their material, political and spiritual aspirations better than can communism. We must insist that

the necessary policies and reforms are carried out to make certain that this will be true.

I know what I do not know. I do not venture to figure the cost of this necessary defensive reconstruction and ideological work in that part of China we can still save from the military conquest. I do venture to think I know what it would cost to hold the yet unconquered part of China against military conquest by the Communists until events are clearer as to the general course of our world struggle with communism and a more permanent Far Eastern policy.

I appreciate my limitations: I am only a soldier. But I do say to those who thus criticize me that they do not understand their own limitations. When you are trying to defend liberty against conquerors, particularly in Asia, there is no avoiding the necessity of using affirmative force. No conqueror from Genghis Khan to Napoleon to Hitler ever just burned out or stuck in a morass or was stopped by ideas alone. In addition to the imponderable operation of the forces of what we call truth, somebody just had to break him. And all kinds of abilities are needed to stop this most cunning conqueror of all time.

We can only protect our Nation's security in this crisis by taking positive and decisive action. There is no time to be lost in developing and implementing a program for action. We have today in China a highly fluid situation in which there is still room to maneuver, in which we can act to our advantage. That will not be true for very long. We cannot afford to wait for the dust to settle. If we wait for that, the dust of a supreme disaster will have settled on us.

THE NORTHWEST

China's far northwest is vast and remote, but three of its provinces (Ningsia, Kansu, Tsinghai) block the historic trade route between central China and the Soviet Union. The top military leader of the northwest is a bearded Chinese Moslem, General Ma Pufang, the efficient governor of Tsinghai and Nationalist commander for the entire area. He controls a tough army of about 200,000 men and has kept the Communists out of the northwest. In 25 years Ma's personal forces have never lost a fight with the Reds. Last year they claimed that they wiped out 30,000 in one battle. But Tsinghai has no arsenal, and Ma badly needs military supplies. Ma's men now use at least five types of rifles—Japanese, American, Chinese and Chinese copies of Czech and German models. His ammunition problem is critically complicated and must be improved if he is to continue holding the northwest bastion against the growing strength of the Red army.

THE CENTRAL WEST

In the west central highlands of China is a single province that is bigger than all of Germany. It is Szechwan. Its population of 46,000,000 exceeds France's. It is free and with help can continue to be free. Szechwan is a great basin, well protected by rugged mountain barriers which have balked invaders since ancient times. The Japanese Army never could enter the province. Szechwan's guiding political force is Chang Chun, former premier of China. The province has tremendous resources in manpower, food, and minerals, including gold, coal, iron, and lead. If furnished relatively small amounts of arms and economic aid (such as machinery), Chang Chun's Szechwan could hold the west central line in China almost indefinitely. Its heroic city, Chungking, which was China's wartime capital, symbolizes resistance. And adjoining Szechwan on the southwest, at the wartime terminus of the Burma Road, lies still another impregnable province, Yunnan.

THE SOUTHWEST

Under the leadership of a sturdy Chinese Mohammedan general named Pai Chunghsi and his long-time partner, China's Acting President Li Tsungjen, the southwest province of Kwangsi alone could still easily supply 500,000 troops to fight the Communist army. But these troops would require new weapons, and Kwangsi—not so rich a province as Szechwan—would need economic aid to support its defense program. Kwangsi's population exceeds 14,000,000—more than the three United States Pacific Coast States together. Its freedom-loving, warrior people fought heroically for 8 years against Japan. In Kwangsi there remains a deep well of friendship for China's American allies of that war. If Kwangsi falls, it will be through the failure of the United States to send aid while aid still counts. This aid would not save Kwangsi alone. Around it are Kweichow, Hunan, and Kwangtung—all parts of the broad belt of free China which need not be lost.

Mr. KNOWLAND. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "We Must Risk a New Policy in China," written by Harold J. Noble and published in the Saturday Evening Post of July 9, 1949.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WE MUST RISK A NEW POLICY IN CHINA

(By Harold J. Noble)

Faced with the catastrophe in Asia, considered United States policy is to do nothing. The Chinese Taoist maxim, "By doing nothing, all things are done," has merit for the philosopher, but it is a very dangerous principle for the guidance of statesmen. Anybody who has been conscious since Munich must have learned that.

This article will offer the rough outline of a policy designed to replace our planless drifting in Asia. Any policy involves risk, but indecision, I am convinced, is a far more dangerous gamble than positive action at this time. Inaction risks the easy Communist absorption of Asia. Action risks an expensive program to stop this. Either policy risks war. I believe that intelligent positive action makes war less likely, and should war come, makes victory more likely.

Certainly any program is dangerous, but a program for the alliance and common action of all the free states of the world is the safest possible gamble for the United States of America in the very unsafe world of today. How can we arrive at such a program?

First, the United States must call for the consultation and alliance of the free nations of the Pacific and Asia—a program boldly designed to check the Communist advance. It simply makes no sense to follow one policy in Europe and its reverse in Asia. We are boldly—and expensively—attempting to contain the Communist tide in Europe, but we are allowing it to roll on unchecked all the way from Siberia, through the countries of Eastern Asia and clear to the shores of the Red Sea.

Recrimination over our past blunders is useless now. We should realize, however, that a primary factor in the collapse of Nationalist China was the American policy aimed at forcing Communists into the Nationalist Government at a time of Communist weakness. Most American officials now admit that policy was wrong, but many of the same men who during the last 5 years so strongly advocated a Communist coalition in China are today the very advisers who tell us it was always too late—that it is far too late now, and nothing can be done.

Current United States policy rejects any responsibility for nationalist failure. We place the whole blame on Chinese corruption, incompetence, and bad leadership, dismissing the informed testimony of Gen. Albert C. Wedemeyer and Gen. Claire Chennault. Our Department of State wistfully looks forward to the time when the Chinese Communists either will "pull a Tito" in conflict with Russian imperialism or will collapse in attempting to govern the amorphous mass of China with its traditions of local authoritarianism. Such thinking is strongly influenced by those apologists for the Chinese Communists who insist that the Russians gave them no assistance of any kind. For this reason, they say, the Chinese Communists are no menace to us. The elaborate and extensive assistance and the close ties between the Russian and Chinese Communist Parties and Governments are so well established that I feel I need not waste space disproving such claims. The first to deny them are the Chinese Communists themselves, who ought to know if anybody does.

Official American thinking is that while we wait for the dust to settle, for inevitable Sino-Russian conflict and for the Communist collapse from lack of administrative competence in the midst of the corruptive fleshpots of China's great cities, we should do nothing to antagonize the Communists. Then they'll turn to us for technical advice and capital, which will further seduce them and strengthen them for that ultimate conflict with the Russians.

This type of reasoning seems irresponsible. Any policy which assumes that Chinese communism is benign, while Polish or some other European communism is a menace, is unrealistic. What makes American or Russian or French or Czech Communists our enemies, while Japanese or Korean or Chinese Communists are our friends? By their own claims and the evidence of their own conduct, the Chinese Communists, like all other national Communists, are struggling to establish the "dictatorship of the proletariat"—that is, to establish a Communist dictatorship on the Russian model. Such a form of society is not more admirable nor less dangerous to the free nations because it is Chinese instead of Russian. Regardless of whether the Russians dominate the Chinese Communists, or whether the U. S. S. R. and the Chinese S. S. R. are allies, or whether the Chinese soviet state attempts on its own to establish a Communist Federation of Asia, Chinese communism is a menace to a free Asia.

Perhaps in fifty or a hundred years, nationalist separatism would become so strong on its own momentum that the great Communist conspiracy would fail. But the makers of American policy must consider next year and 5 years from now. It is dangerous to gamble our national security on the hope that, from its internal weakness alone, the Euro-Asiatic Communist meance will shortly evaporate.

If the Communists do succeed in organizing China, and then spread their controls to other parts of Asia, either directly or through alliances, our danger would be far more critical than when we faced a Japanese Empire having the same geographical ambitions. Even now we are so frightened of possible war with Russia that annually we spend billions of our savings on arms which we would much rather spend on peaceful living. If the Chinese Communists take over the great Chinese Nation this year and we do nothing to block them, then, after 5 or 10 years, we find ourselves at war with Russia, what role would Asia play? On our side? Could any reasonable man expect the Chinese Communists to stand aloof? Could he expect them not to take advantage of that war to attempt to overthrow the free governments of the Philippines, India, or Pakistan? Or that in

alliance with Russia they would not bend every sinew to destroy us, too?

Their success, of course, would depend on whether they could establish a rigid dictatorship and reorganize the Chinese economy under that dictatorship. Those who say they can't are unwise. How many men foresaw in November 1917 how well Lenin and his small band of Bolsheviks would succeed in clamping a successful and lasting militant dictatorship over the vast lands and enormous millions of Russia? How many years passed before experts quit assuring us that the Bolshevik collapse was just around the corner? Maybe the Chinese Communists can't do it—maybe. But statesmen who today are willing to gamble our national life itself on that "maybe" seem hardly worth our complete confidence.

We can be sure that nothing the United States can do, no matter how sweet, could make the Communists like and trust us. We can give them all the credits and machines and technical advice we possess, and they will still distrust and hate us as a nation. They are fanatical Communists, including non-Moscow-visiting Mao Tse-tung, who believe as a profound article of faith that, being the world's greatest capitalist nation, the United States is a vicious imperialist state which must and will be destroyed. Mao Tse-tung makes no bones about this. He will accept our assistance in the same spirit that Lenin accepted American capitalist assistance, and that more recently Stalin accepted Lend-Lease. That will not be in the spirit of brotherhood, if history is any guide.

What does the United States want in Asia? We want a peaceful community of free, friendly, nonexpanding nationalist states. We prefer democratic states, but our test should be whether the government concerned is determined to maintain its own independence, whether it is friendly toward us and whether it is willing to cooperate with other Asiatic states with similar views on foreign affairs. Fortunately, these aspirations are not peculiar to us, for they are common to all the free peoples of Asia. We want no special privilege in Asia, and therefore can proffer friendship and alliance to Asiatic governments with clean hands. The most that we ask is the maximum opportunity for trade on a purely competitive basis. If this is selfish, it is the selfishness of all. It is no accident that the great trading nations also have the highest living standards in the world.

As the most powerful of the free Pacific powers, the United States has problems of great responsibility which go with power. Our commitments in Europe and at home, however, are so great that there is danger of overstraining our economy. Since economic collapse would be almost as dangerous to us as foreign invasion, while inevitably it would take our allies down with us, we must exercise our responsibilities to the extent that we economically can.

Our first requisite is allies—states which, recognizing the common menace of Communist expansion, will agree to common action to contain it. Our potential allies in Asia are many, although their present strength is not comparable to that of our allies in Europe. Through common action, however, they would become stronger. There is no free government in Asia today which has not been convinced of the universal menace of the Communist conspiracy.

We and our allies must not be deterred from positive action by the oft-asserted dogma that communism can't be met with force, since it is an idea. This is one of those misleading half truths. Only if we and our allies believe in ourselves and our separate institutions will we make the sacrifice with which alone we shall win. But while communism does win converts as an idea, it has never captured a territory or a government by propaganda.

On the thesis that during the recent war we concentrated on Europe and ignored Asia till Hitler had been smashed, some urge that for the present we should act only in Europe. Being inaccurate, this parallel is dangerous. We did concentrate our greatest efforts in Europe, but we put almost the whole of our Navy and its air power, all the Marine Corps, and no insignificant portion of our Army into the Pacific, where we were materially aided by our Chinese, Australian, and New Zealand allies. When the war in Europe ended, those forces had been sufficient to bring the Japanese to the brink of surrender. Furthermore, our enemy in Europe could bring no force to bear in Asia—while today our enemy can throw his weight to east or west at will. Yet in Asia we have adopted no over-all policy to halt the Soviet advance or even offered a partial challenge.

Over-all policy for the Pacific must have well-recognized spiritual elements as well as concerete machinery to express them. Spiritually, the United States supports the sovereignty and independence of every state in Asia. Every genuine movement for national independence has the sympathy of the American people. No objective Asiatic must be left in any doubt that the United States still follows its century-old policy of support to Asiatic freedoms. Nehru's declaration for India, "Our foreign policy is that no foreign power shall rule over any Asiatic country," is an Asiatic Monroe Doctrine which should have wide sympathy in this country. We may recall that for many years British naval power made possible the enforcement of our doctrine for the Americas. We should expect to be of the same assistance to the Nehru declaration that the British were to Monroe's.

The problem of support to colonial peoples who have not yet achieved their independence is difficult. The nationalist movement in Indochina, for instance, is genuine. Yet, as in China, it is perverted by Communist leadership for interests which are not local. Similarly, despite the Japanese origins of the Republic of Indonesia, and of Communist efforts to exploit this region, the nationalist ambitions of the people of Java are genuine. In both areas United States policy must be on a month-to-month basis. In neither area can the United States back the restoration of the prewar colonial empire, or yet support a movement to bring Communists into power in southern Asia.

Since few Asiatic states have the domestic cohesion of the western European countries, it would be difficult to establish a Pacific pact on the same terms as the Atlantic pact. An automatic pledge to defend India is in a different category from one to defend France, for reasons of difficulty, not principle. In the Pacific, however, nations can be divided into two groups. The first consists of the periphery island nations, with which military alliances could be made. The second group, the continental states, should be bound together in a pact for consultation on common methods to check the spread of communism in Asia. Through discussion and agreement, ultimately these would include economic programs quite as much as military.

The island states include the Philippines, Australia, New Zealand, and Japan. The continental states would be free China, Korea, Siam, India, Pakistan, and Burma. Because of proximity to India, probably Ceylon should be grouped with the continental rather than the island states. For the present the roles of Indochina and Indonesia would have to remain open, though inability to include them would be a serious weakness.

Probably even without alliance the American people would accept a declaration that aggression against the Philippines, Australia, New Zealand or Japan would be considered aggression against the United States. While many Americans, as well as Filipinos and Australians, would object to this formal bracketing of the late enemy with our late allies, actually the Japanese have been so bracketed for some time. As long as American soldiers garrison Japan, aggression against that country would involve the United States. We keep troops in Japan only because of potential Russian aggression. Otherwise, we already would have made a peace treaty and brought our soldiers home.

The American Government, therefore, should begin discussions with the governments of these four island states for the creation of a Pacific Periphery Alliance for joint defense. This alliance should recognize a fifth-column-directed revolution as a form of aggression. While such a pact would not create much that is new in fact, it would formalize unspoken understandings, make joint planning possible, and give more strength to the proposed second agreement, the Asiatic-Pacific Pact.

American policy on Japan should be overhauled. Regardless of Russia, peace should be made with Japan this year, 4 years after Japan's unconditional surrender. The Japanese Government should assume the responsibilities appropriate to a sovereign nation, with suitable limitations against the growth of authoritarian government incorporated in the peace treaty. In recognition of the menace from across the Japan Sea, however, the peace treaty should provide for an American garrison in Japan to assist the Japanese in protecting themselves against aggression.

Under the peace treaty, the Japanese should assume the responsibilities of government, while the United States should assume the costs of the garrison force. Morally the Japanese should pay all these expenses, but practically that is impossible. The occupation costs are the largest single budgetary charge against the Japanese treasury. Without them, the Japanese Government could assume many other obligations now supported by American subsidy. Once Japan is reestablished as a sovereign nation, the Japanese can trade throughout the non-Communist areas of the Pacific, and through that trade not only earn more of their own expenses but contribute to the rebuilding of Asia. The widest possible exchange of goods is an essential for a free and healthy Asia. As for the overburdened American Treasury, in any case the United States would have to support the troops now in Japan someplace else.

The United States cannot look with pleasure on the indefinite occupation of Japan. Sometime the Japanese will have to begin to provide their own security, although as long as the Communist military menace is so near, they will need American military support. As a first step, the Japanese should organize a compact military force armed with rifles, machine guns, and light artillery. We won't like that, but we must choose between sharing responsibility for Japanese defense with the Japanese themselves or doing the whole job ourselves indefinitely. The slightly more than 100,000 pistol-packing Japanese police surely are inadequate for this task, even if they found enough pistols to go around. Organization of a Japanese military force would be attacked as fascistic and there would be alarms about a new Japanese attempt to conquer Asia. We'll have to be prepared for the uproar and accept the risks. No defeated nation can expect to be perpetually unarmed, excepting in a world of peace and order. Few of us see peace and order in the world around us.

This program for Japan should be reached through discussions with our Pacific allies. The solution must be a compromise and not dictated by the United States. Our allies, however, must expect to compromise some of their natural bitterness toward the Japanese in order to create a system of alliances in the Pacific directed against aggression of

any kind. It is not the Japanese Empire which menaces this generation. If it were more palatable, the Pacific Periphery Alliance could be limited to the United States, the Philippines, Australia, and New Zealand, with each state bound to the defense of Japan through a clause in the peace treaty.

The question of military aid to Nationalist China should be reexamined by military experts, even now. A competent military planning board should be asked whether there is any military aid which we can give to any part of non-Communist China which would be likely to check the growth of Communist power. If, after study, the board should say "Yes," then the United States Government should render that aid.

Pending this investigation by competent military experts, I suggest the following as a minimum program: Communist China should be cut off from American capital, trade, and technical advice to the same degree and under the same limitations that Russia is cut off. It is possible that the Chinese communists will fail in their attempts to organize and run a modern industrialized China. But they are unlikely to fail if we give them the assistance of our capital, our machinery, our technical skills, and the profits from our trade. We once made the mistake of assisting Japanese arms by supplying scrap metal and other essentials. We shouldn't be so foolish twice. The argument that the Communists won't like us if we do this seems irrelevant.

The problem of relief is difficult, but soluble. We must not be frightened into working against our own interests by charges that we are playing politics with human misery. There is tremendous misery in Russia, about which we do nothing. Nonetheless, if we so wished, we could send relief to Communist China on a supervised basis. We should require by law, however, that no American relief goods could go to China unless the Chinese authorities consented to have them clearly marked, in Chinese, as to origin, and allowed them to be distributed under direct American supervision. We should make certain that no Americans participating in this program are Communists or fellow travelers, who would pass out American food with one hand and anti-American propaganda with the other. The people who get the relief must know that it comes from the same Americans whom the Communists, in their attempts to condition the Chinese people for future war, are branding as a vicious enemy.

We should not recognize the Communist government of China unless it has established and maintained its authority throughout all of China for several years. Such relations as we shall need to have with that government we can maintain through informal channels. As long as an anti-Communist government exists in south China, we should give it recognition and moral support. Especially we should permit the free Chinese government to maintain itself in Formosa, where it would be relatively free from molestation because of our control of the seas. A government in exile which still holds a portion of the national territory will have a far greater pull on the loyalties of a people than such a government established in the remote territory of an ally. Since our grand plan against Communist aggrandizement contemplates not only the containment of Russia but the eventual establishment of a peaceful democratic order, we should look forward to the eventual collapse of communism in China and the reestablishment of a free Chinese government. We should not recoil, then, from assistance to maintain the nucleus of a free government.

The United States should strengthen its ties with the Republic of the Philippines. The Philippines not only are free and proud, they are lonely. China is rapidly going Communist, while Indochina and Indonesia are in chaos. Australia, India, and Pakistan work closely together as part of the commonwealth. Filipinos feel that their logical partner is the United States, not China or the commonwealth states. They also believe, however, that American interest in Asia is not greater than theirs. As Asiatics, they feel that often they are capable of giving good advice to the United States. Our Government would do well to consult the Philippine Government on all Asiatic issues—just as Great Britain consults India and Pakistan. The effect would be excellent not only on our relations with the Philippines but with all Asiatic states.

India, Pakistan, Ceylon, Burma, and Australia already are the nucleus of an Asiatic bloc, with the Philippines and Siam on the periphery. It should not be difficult to create the second half of the pacts for the Pacific and Asia which I suggested earlier. The first half—the Pacific Periphery Alliance—should be a strong, precise, military alliance. The second half—the Asiatic-Pacific Pact—should be a multilateral agreement providing for regular consultation of all the Pacific powers which are determined to stop the spread of Communist aggression in Asia. Signatories would include the members of the Pacific Periphery Alliance, and, in addition, India, Pakistan, Siam, Korea, Burma, Ceylon, and free China. France, Holland, and the United Kingdom should be invited to adhere.

The pact should state that: (1) The maintenance of the sovereign independence of each signatory is the common interest; (2) aggression or threat of aggression, either through invasion or fifth column, will be resisted by all; (3) any member may call the attention of signatories to a threat to the peace at any time; (4) upon such notice, all signatory governments will send representatives to a common meeting place for discussion both of separate and of common action; (5) and machinery will be created for regular conferences between the signatories on problems of security and peace in the Pacific and Asia.

The pact would not provide for automatic recourse to war against Russian or other aggression. Nevertheless, recognizing common interests and providing for regular conferences on common problems—in which the United States would participate—it could contribute materially to drawing member states together, finding common economic and political solutions, and giving the members jointly a strength which they sadly lack today.

Reported declarations by both President Pandit Nehru of India and our own Secretary of State to the effect that a Pacific pact could not take shape until the present internal conflicts in Asia are resolved seem unrealistic and unworthy of the judgment of either gentleman. It is to be hoped they will reexamine this subject in the coming months. A fundamental element in the internal conflicts in Asia is the Communist offensive. If we do nothing until that is resolved we should expect to awaken some dismal day to find the flag of the hammer and sickle flying from every national capitol in Asia.

Some may say the United States can't afford to be involved even in discussions because they would lead to moral and financial obligations. The real question, however, is whether Communist aggression in Asia would bring American intervention even without previous pledges. Yes; in some parts—in Japan, the Philipines, and Australia, certainly. Then, in advance, we should strengthen ourselves in those areas by the suggested Periphery Alliance, which alone might be sufficient to deter the aggressor. An attack on India or Pakistan also ultimately would pull in the United States, since it would involve the other members of the Commonwealth, including Great Britain. Once the United Kingdom, Canada, and Australia were at war with Russia in Asia, they could hardly escape battle in Europe. We'd be in it then, atom bombs and all. So we wouldn't be risking very much to give India and Pakistan the kind of support recommended for the Asiatic-Pacific Pact.

The proposed agreements would be expensive. Could we afford them and pay our way in Europe, too? I think we could. Our expenses in Japan probably would be reduced as Japan got back into foreign trade. Our potential expenditure in China is being reduced by our continued inaction and Chinese Communist success. The sums we previously were prepared to spend to help Chinese Nationalists should be sufficient to cover our contribution to the Asiatic-Pacific Pact. We already are committed to expenditures in the Philippines and Korea, which would not likely be increased by either agreement.

The question is not so much whether we can afford this outlay—small as it would be compared to that in Europe—but whether, politically and militarily, we can afford to withhold it. We must actively cooperate with other free nations to contain communism in Asia while we are blocking it in Europe. How could we afford to keep the European peninsula partially free if the rest of the Euro-Asiatic land mass went under Soviet Communist control? Where would that leave us?

Alone in our tight little continent? Not very likely.

Mr. KNOWLAND. Mr. President, I commend this article to the reading of the Members of the Senate, because I believe that it very clearly sets forth some of the problems with which this country is now confronted, and at least offers, as a basis of discussion, a constructive policy in the Far East.

## RECESS

Mr. LUCAS. Mr. President, apparently there are no other addresses to be made upon the Atlantic Pact or on extraneous matters. I therefore move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, July 12, 1949, at 12 o'clock meridian.

## NOMINATIONS

Executive nominations received by the Senate July 11 (legislative day of June 2), 1949:

### IN THE NAVY

The following-named midshipmen (aviation) to be ensigns in the Navy from the 3d day of June 1949:

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| John E. Abbott | Joseph A. Gawrys |
| Winston A. Ableson | Bruce A. Gilbert |
| Keith R. Bare | William M. Golding |
| Joseph Brecka, Jr. | Robert W. Greene |
| Lawrence M. Brennan | Robert E. Haines |
| Keith A. Brice | John Hall |
| William D. Bridge | Richard M. Hill |
| Tommy L. Burgess | Charles R. Hodgson |
| George E. Burgi | William A. Hooper |
| Richard B. Campbell | James E. Hyde |
| Robert C. Cary | Gilbert Jacobsen |
| Richard J. Cejka | George E. Jacobssen, Jr. |
| Vincent A. Dauro | |
| Richard DeCharms IV | Donald A. Jeffers |
| William M. Derrick | John W. Jones |
| Albert E. Doles | Francis S. Jutras |
| Robert J. Duffy | Paul T. Karschnia |
| Nelson W. Eaton | Edward J. Klapka |
| Kenneth E. Enney | Robert E. Kolp |
| Robert A. Erickson | Victor G. Kreck |
| Harry N. Farnsworth | Edward V. Laney, Jr. |
| Arthur S. Fusco | Joseph L. Lepage |

Robert L. Leydon
James P. McCarthy, Jr.
Thomas M. McDonough
David K. McKinley
Paul E. Martin
Robert W. Maughmer
Roger J. Miller
Richard P. Munger
Louis C. Page, Jr.
Robert L. Parkman
William E. Patton
James R. Pavelle
Thomas H. Peters
Oscar J. Proesel
Herbert A. Riebeling
Joseph M. Robinson
Lawrence I. Seim.
Harvey K. Sims
James J. Sparks
Francis W. Stack
Charles E. Stalzer
Roy L. Stone, Jr.
Cleo E. Swartz
Ralph J. Touch
Peter A. Tufo
Joseph J. Voda
Delbert N. Wade
William B. Wallace
Robert T. Westman
Norvell E. Wicker III
George H. Willey
John J. Wilson, Jr.

Midshipman Robert E. Dobelstein (aviation) to be an ensign in the Navy from the 3d day of June 1949, in lieu of ensign in the Navy as previously nominated and confirmed, to correct spelling of name.

The following-named (civilian college graduates) to be ensigns in the Navy from the 3d day of June 1949:

Talmadge S. Baggett
Robert F. Bahlman
Lawrence E. Beecher
Robert J. Bixler
David H. Blalock, Jr.
Robert A. Buck
James V. Burton
Donald M. Cherno
Robert S. Collins
Cecil G. Derryberry
William E. Dewey
Leslie R. Downs
DeVon "E" Edrington
Raymond R. Fletcher, Jr.
Richard E. Galloway
Edward S. Gary
Jesse F. Griffith
Robert A. Guyer
Harold E. Hamilton
William F. Hubbard, Jr.
Downing L. Jewell
Richard W. Kincade
Charles E. Langton, Jr.
William H. Mayo
Byron H. Miller
John B. Nelms
Paul H. Nikoloff
Johnny W. Orrill
Charles H. Peters
William G. Pfaff
Homer K. Richards, Jr.
Franklin O. Ritter
David M. Rowlands
Harold L. Seligmiller
Paul V. Steffan
Daniel B. Stiegman
Charles C. Stockton, Jr.
Robert G. Sullivan
Richard C. Teckenbrock
Richard C. Watts
Joseph K. Yochum

The following-named (civilian college graduates) to be ensigns in the Supply Corps of the Navy from the 3d day of June 1949:

David A. Bowdoin
Robert P. Kopotic
Everett M. Patton
Joseph H. Pollock

The following-named (civilian college graduates) to be ensigns in the Civil Engineer Corps of the Navy from the 3d day of June 1949:

Howard I. Bacon
Wallace F. Forbes
Thomas W. Rappsilber

Robert DeW. Phillips (civilian college graduate) to be a lieutenant in the Dental Corps of the Navy.

The following-named to be ensigns in the Nurse Corps of the Navy:

Mary J. Bees
June L. Bell
Bernadette M. Bernath
Jeanne L. Boileau
Theresa A. Bradfield
Pauline E. Dinwoodie
Rosemary Durand
Theresa D. Dyer
Margaret E. Erkert
Audrey L. Fleeger
Jane V. Hilaire
Janice L. Howe
Carolyn M. Johnston
Betty Z. Kline
Lurain C. Lenz
Nancy A. McGonagle
Margaret T. McVicker
Mary G. Malone
Rose M. Malus
Jessie A. Ragsdale
Alice M. Salhoff
Rachel M. Schulke
Elizabeth J. Scott
Agnes K. Tait
Mary M. Wentzel
Viola M. Wilson
Florence M. Zulli

The following-named officer to the grade of lieutenant (junior grade) only, in the line of the Navy, limited duty only, in lieu of ensign in the line of the Navy, limited duty only, as previously nominated and confirmed:

Robert Gilmour, Jr.

The following-named officer to the grade of ensign in the line of the navy, limited duty only, in lieu of lieutenant (junior grade) in the line of the Navy, limited duty only, as previously nominated and confirmed:

Edwin R. Jenks

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## CONFIRMATIONS

Executive nominations confirmed by the Senate July 11 (legislative day of June 2), 1949:

### DEPARTMENT OF THE NAVY

Rear Adm. Herbert G. Hopwood, United States Navy, Director of Budget and Reports in the Department of the Navy, with the rank of rear admiral, for a term of 3 years.

### IN THE ARMY

The following-named persons for appointment in the Regular Army of the United States in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), and Public Law 36, Eightieth Congress:

*To be majors*

Thomas Horwitz, MC, [redacted].
Andres I. Karstens, MC, [redacted].
Richard D. Martin, MC, [redacted].
Frank J. Vita, MC, [redacted].

*To be captains*

William F. Andrew, MC, [redacted].
Robert P. Brock, MC, [redacted].
Coursen B. Conklin, Jr., MC, [redacted].
Jay T. Estep, DC [redacted].
John P. Griffith, Jr., MC, [redacted].
Jack H. Hall, MC, [redacted].
William C. Hollifield, MC, [redacted].
Wilbur L. Kenoyer, MC, [redacted].
Fred Schneider, DC, [redacted].
John A. Sheedy, MC, [redacted].
Alfred G. Siege, MC, [redacted].
Julius C. Sozanski, MC, [redacted].
Travis J. Towson, Jr., MC, [redacted].
William R. Willis, MC, [redacted].

*To be first lieutenants*

William S. Allerton, MC.
William F. Barry, Jr., MC, [redacted].
John F. Benson, MC.
Charles B. Bingham, DC, [redacted].
Richard C. Bodie, MC, [redacted].
Eugene F. Bolliger, MC.
Thaddeus W. Cap, MC, [redacted].
Morton B. Carlton, MC, [redacted].
Robert A. Chase, MC.
James W. Clark, DC, [redacted].
Robert N. Class, MC, [redacted].
Glen E. Cooley, MC.
Clem C. Crossland, Jr., MC, [redacted].
Estill N. Deitz, MC, [redacted].
Joseph W. Dennis, MC.
Gordon C. Dieterich, MC.
Toby Freedman, MC.
Evan R. Goltra, MC.
Clarence E. Goodman, Jr., JAGC, [redacted].
Russell E. Graf, MC, [redacted].
Oscar Green, MC.
Howard E. Hall, MC.
John P. Heard, MC.
Charles G. Hermann, MC.
Eugene A. Hildreth, Jr., MC.
Samuel R. Hill, Jr., MC.
Woods A. Howard, MC.
Herbert J. Jacobs, MC, [redacted].
Sidney B. Kern, MC.
William B. Kingsley, MC.
Kenneth A. Kool, MC.
George M. Lane, MC.
Samuel Lee, MC, [redacted].
David H. Lewis, MC.
Jack B. Lowrey, MC, [redacted].
Edward A. Lundberg, MC.
William K. McClelland, MC.
John M. McCoy, MC.
William F. Mac Gillivray, MC.
John W. Mason, MC.
Thomas F. Morrow, MC, [redacted].
Jack P. Myers, MC.
Robert P. Natelson, MC.
Loren E. Nelson, MC.
Charles T. Pinney, MC.
Forrest W. Pitts, MC.
Raymond R. Ross, MC.
Aloysius I. Rowan, Jr., MC, [redacted].
Myron E. Rubnitz, MC.
Howard P. Sawyer, Jr., MC.
John J. Schwab, MC.
Robert D. Story, MC.
Daniel M. Taylor, MC.
Harold N. Taylor, MC.
Roy S. Temeles, MC.
Charles W. Thacker, MC.
Kenneth E. Trimmer, MC.
Richard E. Troy, MC.
Richard C. Turrell, MC.
Edward F. Vastola, MC.
Calvin J. Wegner, MC.
Mortimer L. Williams, MC.
Donald N. Vivian, MC, [redacted].
Norman B. Yourish, MC.

*To be second lieutenants*

John C. Rennie, MSC.
Gloria E. Saffield, ANC, [redacted].
Margaret M. Shea, ANC, [redacted].

The following-named persons, subject to completion of internship, or appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, Eightieth Congress):

Wilmer C. Betts.
Richard K. Blaisdell, [redacted].
Richard S. Buker, Jr. [redacted].
Joseph V. Conroy, Jr., [redacted].
Richard H. Cote [redacted].
Arthur N. Dadirrian [redacted].
Crowell T. Daniel, Jr., [redacted].
Theodore P. Froehlke, [redacted].
Robert D. Gamble, [redacted].
Clifford P. Goplerud, [redacted].
John N. Gordon, [redacted].
Moses M. Hartman, [redacted].
Ervin A. Kjenaas, [redacted].
George H. Klumpner.
Leonard D. McLin, [redacted].
John A. Moncrief, [redacted].
Charles R. Montz, [redacted].
Charles H. Moore, [redacted].
Vol K. Philips, [redacted].
Francis T. Rafferty.
Roberto C. Rodriguez, [redacted].
Jasper L. Van Avery, Jr., [redacted].
Louis J. West, [redacted].

The following-named persons for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, Eightieth Congress):

John E. Bell.
Phillip L. Mallory.
John L. Payne, Jr.
James M. Van Hook.
Fred W. Wilmot, [redacted].

The following-named officers for appointment, by transfer, in the Judge Advocate General's Corps, Regular Army of the United States:

Maj. Meredith Ernest Allen [redacted], United States Army.
Maj. Clifford Frederick Cordes, Jr., [redacted], United States Army.
Capt. George Shipley Prugh, Jr., [redacted], United States Army.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the

symbol (×) are subject to examination required by law. All others have been examined and found qualified for promotion.

*To be captains, Medical Service Corps*

Harrold Earp Graham, [redacted]
Stanley Francis Klodniski, [redacted]
Max Eugene Knickerbocker, [redacted]
×Charles William Lindsay, Jr., [redacted]
Robert Francis Maguire, [redacted]
George Marion Peters, [redacted]
Fernando Gordon Torgerson, [redacted]

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 508 of the Officer Personnel Act of 1947:

*To be first lieutenants*

Donald Ferree Bletz, [redacted]
John Robin Davis Cleland, [redacted]
Stanley Anthony Durka, [redacted]
Robert Walton Fleming, Jr., [redacted]
Aaron Daniel Maier, [redacted]
George Earl Turnmeyer, Jr., [redacted]

*To be first lieutenants, Women's Army Corps*

Norma Jean Fischer, [redacted]
Lillian Vida Jones, [redacted]
Frances Ann Pesmeski, [redacted]
Lucille Doris Schneider, [redacted]
Clara May Zunker, [redacted]

The following-named officers for promotion in the Regular Army of the United States, under the provisions of section 107 of the Army-Navy Nurses Act of 1947:

*To be first lieutenants, Women's Medical Specialist Corps*

Mary Ann Neacy, [redacted]
Vivian L. Stricker, [redacted]

UNITED STATES AIR FORCE

The following-named officers for promotion in the United States Air Force, under the provisions of sections 502 and 508 of the Officer Personnel Act of 1947. (Those officers whose names are preceded by the symbol (*) are subject to examination required by law. All others have been examined and found qualified for promotion.)

*To be first lieutenants*

Adams, Harry Jones, [redacted]
*Arave, William Lloyd, [redacted]
Bassett, John Kenneth, [redacted]
*Boehm, Paul Francis, [redacted]
Briggs, Richard Carlson, [redacted]
Bunge, Howard Thomas, [redacted]
Davis, Homer Sims, [redacted]
Dillard, George Edward, [redacted]
Dingeldein, Robert, [redacted]
Edge, Robert Laneer, [redacted]
Everette, John Bernard, [redacted]
Fox, George Arthur, [redacted]
*Gaines, Edmund Pendleton, Jr., [redacted]
Garlington, Arthur Roe, Jr., [redacted]
Hallenbeck, Alva Merle, [redacted]
Harris, Roy Lee, Jr., [redacted]
Hartzell, Richard Atley, [redacted]
Howell, Philip Vann, Jr., [redacted]
Hudlow, Richard Jolly, [redacted]
Krieger, Thomas Bert, [redacted]
Latshaw, Robert Thomas, Jr., [redacted]
Leuchtmann, Robert Louis, [redacted]
Like, Delbert Odell, [redacted]
*Murrell, James Edward, [redacted]
*Peebles, Thomas Nathaniel, [redacted]
Ricketts, James Ellsworth, Jr., [redacted]
Sadler, Robert Edward, [redacted]
Sanders, Stephen John, [redacted]
Steorts, Ward Arnold, [redacted]
Turner, Joseph Harry, [redacted]
*Vidmer, Julian Richards, Jr., [redacted]
Warren, Foster Gage, Jr., [redacted]
White, Charles Reuben, [redacted]
Yeager, Randall Gerald, Jr., [redacted]

(NOTE.—These officers will complete the required 3 years' service for promotion during the months of July, August, and September. Dates of rank will be determined by the Secretary of the Air Force.)

IN THE NAVY

The following-named officers of the Navy for temporary appointment to the grade of lieutenant, subject to qualification therefor as provided by law:

The following-named officers for temporary appointment in the line of the Navy:

| | |
|---|---|
| Stanley F. Abele | Duane M. Krueger |
| James D. Ackerman | Wesley E. Lizotte |
| Robert E. Arthur | Edmund J. Maddock |
| Thorval L. Berg, Jr. | Robert W. Mead |
| Sherman C. Black | Charles V. McGlothing |
| William F. Bley | Allen C. H. Merz |
| Clarence A. Borley | Eldon L. Michel |
| Trond G. Brekke | Robert H. Morris |
| William I. Bristol | Laverne F. Nabours |
| Samuel J. Brocato | Victor J. Neil |
| George E. Buker | Robert A. Niles |
| Charles W. Callahan | Franklin C. Northrup |
| Robert D. Chilton | Paul O'Mara, Jr. |
| Walter C. Clapp | Robert E. Orcutt |
| Marvin L. Claude | Charles L. Otti |
| Robert G. Coleman, Jr. | Joseph V. Pavela |
| Parker C. Cooper | Joseph Rolleri |
| Merdin C. Criddle | Joe M. Sassman |
| Raymond J. Dooley | John E. Schlembach |
| Wayne L. Dowlen | Milner N. Shannon |
| Thomas H. Drinkwater | Frank S. Siddall |
| Willis P. Duhon | Carl E. Smith |
| Edward M. Eakin | Edward J. Steffen |
| William E. Edwards | Marlar E. Stewart |
| Homer S. Elliott | Donald A. Swanson |
| John A. Fahey | Harry W. Swinburne, Jr. |
| Harry W. Files, Jr. | John B. Thomas, Jr. |
| Forrest B. Forbes | Frederick C. Turner |
| David L. Forrester, Jr. | Wallace V. Van Pelt |
| Gurney E. Frye | Harold K. Von Egger |
| Albert R. Groves | John R. Wagner, Jr. |
| Harris E. Gustafson | Harvey M. Waldron, Jr. |
| George F. Guyer | Saxton A. Weir, Jr. |
| William C. Hartung | William J. Westmoreland |
| Charles W. Henderson | Charles E. Wilcox |
| Darrel H. Jay | Harold A. Willyard |
| Robert Juarez | Robert C. Woolverton |
| Lawrence W. Kelley | |
| Joseph F. Kelly, Jr. | |
| Robert R. Kidwell, Jr. | |
| Frank G. Kingston | |

The following-named officers for temporary appointment in the Supply Corps of the Navy:

| | |
|---|---|
| John J. Connor, Jr. | William S. Langley |
| Donald F. Baumgartner | John H. Robison |
| Herbert J. Hackmeyer | Lyle A. Stearns |

The following-named officers for temporary appointment in the Civil Engineer Corps of the Navy:

Henry S. Grauten
Roland D. Hill

The following-named officers for temporary appointment in the Medical Service Corps of the Navy:

Harold G. Donovan
Lester K. Thompson

The following-named officers for temporary appointment in the Nurse Corps of the Navy:

| | |
|---|---|
| Isabelle C. Kiehl | Evelyn M. McDermott |
| Ruth M. Lawler | Ann E. McPhillips |
| Edith F. MacMillan | Emerald M. Neece |
| Margaret McCall | |

The following-named officers of the Naval Reserve for temporary appointment to the grade of lieutenant, subject to qualification therefor as provided by law:

The following-named officers for temporary appointment in the line of the Naval Reserve:

| | |
|---|---|
| Harry Ault, Jr. | John E. McNelis |
| Arthur L. Flanagin | John H. Whitehouse |
| Robert E. Leckrone | |

The following-named officers for permanent appointment to the grade of lieutenant commander in the line of the Navy, in lieu of temporary appointment as previously nominated and confirmed:

Kathryn Dougherty
Winifred R. Quick

The following-named officers for temporary appointment to the grade of lieutenant commander in the line of the Navy, and to correct spelling of names as previously nominated and confirmed:

Otis L. Scheibeler
Charles W. Hollinshead, Jr.
Claudie R. Vaught

The following-named officers of the Navy for permanent appointment to the grade and corps hereinafter stated, and to correct spelling of names as previously nominated and confirmed.

LIEUTENANTS (JUNIOR GRADE), LINE

| | |
|---|---|
| Michael N. Besel, Jr. | George R. Pool, Jr. |
| Dwight E. DeCamp | Robert F. J. Schneider |
| George Maragos | Charles G. Schoenherr |

LIEUTENANT (JUNIOR GRADE), SUPPLY CORPS

Frederick L. G. Kuehm

The following-named officers for permanent appointment in the Supply Corps of the Navy in grades hereinafter stated:

LIEUTENANT (JUNIOR GRADE)

Bower, Charles J., Jr.
Mize, Harlie L.

ENSIGN

Altieri, Mickelangelo

The following-named officer for permanent appointment in the Civil Engineer Corps of the Navy in the grade hereinafter stated:

ENSIGN

Benton, Joseph H.

Robert J. Anderson (Naval Reserve Officers' Training Corps) to be an ensign in the Navy from the 3d day of June 1949.

Varne M. Kimmick (Naval Reserve Officers' Training Corps) to be an ensign in the Civil Engineer Corps of the Navy from the 3d day of June 1949.

The following-named (civilian college graduates) to be ensigns in the Navy from the 3d day of June 1949:

Robert N. Johnson
Edwin B. Nelson

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Medical Corps of the Navy:

| | |
|---|---|
| John P. Allan | Guido R. Gianfranceschi |
| Frank F. Allen | Edwin S. Gomsi |
| Marvin S. Allen | Anthony J. Guida |
| Paul M. Arnesen | Rudolph H. Hand |
| Frank H. Austin, Jr. | Paul Hart |
| Robert R. Austin | Jerome L. Heard |
| David C. Beer | Charles M. Hendricks, Jr. |
| Merrill A. Bender | Larry J. Hines |
| Walter J. Berger, Jr. | Philip R. James |
| Leonard B. Berman | Samuel W. Johnson, Jr. |
| Ernest A. Blakey | James M. Jones, Jr. |
| Ellsworth R. Brownell | James S. Ketcham |
| William H. Brownlee, Jr. | George B. Kimbrough |
| Louis F. Burkley III | Chester LeR. Klein |
| Charles R. Campbell | Everett R. Lerwick |
| John McR. Christensen | Francis J. Linehan, Jr. |
| Robert H. Clarke | Wolfram G. Locher |
| Thomas B. Delaney | Lindsey F. Lovett |
| John J. Dempsey | Cunningham R. MacCordy |
| Harry H. Dinsmore | Ernest G. McKay |
| John J. Downey | John R. McLaren |
| Robert F. Dykhuizen | Deane E. McLeod |
| Joseph H. Early, Jr. | Vernon J. Merkle |
| Carl L. Ebnother | George D. Mogil |
| George F. Elsasser, Jr. | Arthur R. Moler |
| Thomas S. Ely | Donald R. Mundie |
| Warren C. Evans | Robert R. Nardone |
| William A. Fisher | Robert F. Neal |
| John J. Flahive | |
| James J. Foster | |
| Anthony R. Gennaro | |

| | |
|---|---|
| Delmer J. Pascoe | James A. Sylvester |
| Joseph W. Peabody, Jr. | Edward A. Thompson |
| | Charles V. Treat |
| Donald J. Perry | William C. Trier |
| James L. Pollock, Jr. | Chester M. Trossman |
| Jarvis H. Post | Charles M. VanDuyne |
| Harvey O. Randel | Paul H. Visscher |
| William R. Raulston | Charles C. Wanna- |
| Agile H. Redmon, Jr. | maker |
| Don C. Rudeen | Raymond H. Watten |
| Richard B. Sarver | Martin G. Webb, Jr. |
| Lewis Schachne | Elmer A. Weden, Jr. |
| John R. Shanahan | Maurice B. Wehr |
| Thomas W. D. Smith | Charles W. Werner |
| William A. Snyder | Francis W. Westneat |
| Henry A. Sparks | Stanley E. Willis II |

The following-named officers to the grades indicated in the Medical Corps of the Navy:

CAPTAIN

Raymond J. Mansfield

LIEUTENANT

Emmett P. Bryant

LIEUTENANTS (JUNIOR GRADE)

Edward J. Carry
Philip O. Geib

The following-named officers to the grades indicated in the Dental Corps of the Navy:

LIEUTENANT COMMANDERS

Byrnes E. Missman
Stephen A. Grady.

LIEUTENANTS

| | |
|---|---|
| Frank L. Davis | Joseph S. Hurka |
| Eymard LeR. Doyle | Arthur H. Pearson |
| Walter G. Hillis | George A. Pfaffmann |

The following-named officers to the grade indicated in the Medical Service Corps of the Navy:

LIEUTENANTS

Kenneth E. Bechtloff
Stanley W. Handford

The following-named officers to the grade indicated in the Nurse Corps of the Navy:

LIEUTENANTS (JUNIOR GRADE)

Muriel R. Cavey
Rose M. Martinsek

The following-named officers to the grade of lieutenant commander in the line of the Navy, limited duty only, in lieu of lieutenant in the line of the Navy, limited duty only, as previously nominated and confirmed:

| | |
|---|---|
| Garland Casey | Mathis S. Johnson |
| Harold J. Gilpin | Carl H. Wehr |

The following-named officers to the grade of lieutenant in the line of the Navy, limited duty only, in lieu of lieutenant (junior grade) in the line of the Navy, limited duty only, as previously nominated and confirmed:

| | |
|---|---|
| Fred W. Berry | John R. Hatcher |
| Leo R. Brown | Francis E. Law |
| John J. Butlak | William J. Miller |
| Lloyd O. Butts | Carl W. Minniear |
| William J. Egan | Claude E. Riley |
| Frank D. Gallagher | Milton M. Routzahn |

The following-named officers to the grade of lieutenant (junior grade) in the line of the Navy, limited duty only, in lieu of ensign in the line of the Navy, limited duty only, as previously nominated and confirmed:

| | |
|---|---|
| Kenneth Brown | Donald B. McOmie |
| James V. Carney | Donald M. Murdoch |
| Theodore F. Drag | Marler W. Owen |
| John P. Dutton | Plynn J. Pulliam |
| Norman Huffnagle | Herbert E. Reynolds |
| Willard M. Iverson | Edmund L. Wells |
| Gordon E. Kaufman | Hall B. Wessinger |

Charles F. Pape to be an ensign in the line of the Navy, limited duty only, in lieu of lieutenant (junior grade) in the line of the Navy, limited duty only, as previously nominated and confirmed.

James A. Gardiner to be a lieutenant commander in the Supply Corps of the Navy, limited duty only, in lieu of lieutenant in the Supply Corps of the Navy, limited duty only, as previously nominated and confirmed.

The following-named officers to the grade of lieutenant (junior grade) in the Supply Corps of the Navy, limited duty only, in lieu of ensign in the Supply Corps of the Navy, limited duty only, as previously nominated and confirmed:

| | |
|---|---|
| Byron F. McElhannon | James F. Simpson |
| Richard B. Page | Byron Uskievich |
| Albert K. Pavelka | |

Claude D. Masters to be a lieutenant commander in the Civil Engineer Corps of the Navy, limited duty only, in lieu of lieutenant in the Civil Engineer Corps of the Navy, limited duty only, as previously nominated and confirmed.

Jack J. Jones to be a lieutenant in the Civil Engineer Corps of the Navy, limited duty only, in lieu of lieutenant (junior grade) in the Civil Engineer Corps of the Navy, limited duty only, as previously nominated and confirmed.

Charles M. Gassett to be a lieutenant (junior grade) in the Civil Engineer Corps of the Navy, limited duty only, in lieu of ensign in the Civil Engineer Corps of the Navy, limited duty only, as previously nominated and confirmed.

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WITHDRAWALS

Executive nominations withdrawn from the Senate July 11 (legislative day of June 2), 1949:

UNITED STATES MARSHAL

MISSOURI

Fred A. Canfil to be United States marshal for the western district of Missouri.

POSTMASTER

CALIFORNIA

John C. Findlay, San Marcos.

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# HOUSE OF REPRESENTATIVES

## MONDAY, JULY 11, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, Rev. Jacob S. Payton, D. D., offered the following prayer:

God of the ages, to whom by divine decree and custom the makers of laws have ever been admonished to turn before entering upon their duties, look with favor upon this body. During the coming week impart to its Members Thy wisdom which ennobles all service and Thy truth and righteousness which alone insure durability to human efforts. Called upon as they are to serve in a world clamorous with many disturbing voices, may they ask only, "What saith the Lord?" May Thy presence attend the President of the United States and those who share with him the burdensome responsibilities of government. This day may no unworthy motive have dominion over the will of any Member of this body. This we pray in the name of Jesus our Saviour. Amen.

The Journal of the proceedings of Friday, July 8, 1949, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On July 5, 1949:

H. R. 4878. An act to authorize certain Government printing, binding, and blank-book work elsewhere than at the Government Printing Office if approved by the Joint Committee on printing; and

H. J. Res. 240. Joint resolution authorizing the erection in the District of Columbia of a statue of Simon Bolivar.

On July 6, 1949:

H. R. 3198. An act to amend the act of June 18, 1929;

H. R. 3549. An act to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund; and

H. R. 5100. An act to correct inequities in the pay of certain officers and employees of the Federal Government and of the government of the District of Columbia.

On July 9, 1949:

H. R. 2282. An act to make certain Government-owned facilities available for international broadcasting in the furtherance of authorized programs of the Department of State, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 287. Joint resolution extending section 1302 (a) of the Social Security Act, as amended, until June 30, 1950.

The message also announced that the Senate had passed a joint resolution and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. J. Res. 114. Joint resolution to provide an increase in the authorization for the Federal National Mortgage Association; and

S. Con. Res. 53. Concurrent resolution relating to the enrollment of Senate bill 70, to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States.

BERLIN AIRLIFT MEDAL

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2737) to establish the decoration Medal for Humane Action for award to persons serving in or with the armed forces of the United States participating in the current military effort to supply necessities of life to the people of Berlin, Germany, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the amendments, as follows:

Page 1, line 3, strike out "decoration" and insert "medal."

Page 2, line 5, strike out all after "person" down to and including "direct" in line 7.

Amend the title so as to read: "An act to establish the Medal for Humane Action for award to persons serving in or with the armed forces of the United States participating in the current military effort to supply necessities of life to the people of Berlin, Germany."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from Georgia explain the Senate amendments?

Mr. VINSON. These amendments have been approved by the Committee on Armed Services. The House bill provided for the awarding of a decoration. The word "decoration" was stricken out and the word "medal" was substituted by the other body. According to the provisions of the House bill, there might have been the possibility of a person receiving two decorations. That is eliminated by the Senate amendment. This has been agreed to by the full Committee on Armed Services.

Mr. MARTIN of Massachusetts. Is the medal to be given to civilians?

Mr. VINSON. No; it is a medal for those who participated in what is known as the Berlin airlift for the armed services.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FURS AND FUR PRODUCTS

Mr. COX, from the Committee on Rules, reported the following privileged resolution (H. Res. 278, Rept. No. 1007), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5187) to protect consumers and others against misbranding, false advertising, and false invoicing of fur products and furs. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. BLAND asked and was given permission to extend his remarks in the RECORD on the occasion of the two hundred and fiftieth anniversary of the Foundation of Williamsburg, Va., and to include therein certain remarks made on that occasion.

THE LATE HONORABLE HUGH A. MEADE

Mr. SASSCER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. SASSCER. Mr. Speaker, it is with profound sorrow that I announce the passing of our late colleague, Representative Hugh Meade, of Maryland, who served in the last Congress. Mr. Meade, in the prime of vigor of middle life, was stricken with a heart attack on Friday and died here in Washington. The Members of Congress with whom he served, and his many friends in Maryland, are saddened by his passing. He graduated from Loyola High School and the University of Maryland Law School. His poltical career began as secretary to the late Governor Albert C. Ritchie. He later served as a member of the General Assembly of Maryland. He served as assistant attorney general of Maryland and later served in the United States Navy during the recent war. He was elected to the Eightieth Congress; following which service he served as head of the legal staff of the Committee on Merchant Marine and Fisheries.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. SASSCER. I yield.

Mr. BLAND. Mr. Speaker, I met Hugh Meade immediately after he came on the Committee on Merchant Marine and Fisheries in the Eightieth Congress. I was impressed with his fine attainments, his desire to serve his country and his people to the best of his ability, and his fine zeal to do his duty. In fact, during my service of over 31 years in the Congress of the United States, I have never met anyone who impressed me more than he did. After the election in November 1948 it became obvious that I would be returned to the chairmanship of the Committee on Merchant Marine and Fisheries in the Eighty-first Congress and I was delighted to continue his services with that committee as its chief counsel. I was not mistaken in him. He served until the date of his death, and it was my opportunity to consult him freely. His industry was outstanding, his zeal could not be exceeded. There was no task too small for him to undertake. He showed remarkable intelligence, outstanding ability, and untiring energy. A few hours before he left us, he had consulted with me as to the further work of our committee. I feel as one who has lost his right arm.

His life was short but well spent. His fine service will prove an inspiration to all who knew him. His example will live and I pray that when we go it may be said of each of us, that we have done our work half as well as Hugh Meade did his. God bless his memory. May his rest be sweet.

EXTENSION OF REMARKS

Mr. POAGE asked and was given permission to extend his remarks in the RECORD and include certain letters, notwithstanding the fact that it exceed the limit fixed by the Joint Committee on Printing and is estimated by the Public Printer to cost $262.50.

Mr. RAINS asked and was given permission to extend his remarks in the RECORD in three instances and include a newspaper editorial.

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include a speech by the Secretary of the Army to the graduating class of West Point.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

LET US DO OUR OWN JOB AND LET THE COURTS DO THEIRS

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, over the week end the press has been replete with headlines about attacks by some Members of this body upon one of our Federal judges sitting in New York.

Judge Samuel Kaufman needs no defense from anyone. But I refuse to remain silent and appear to acquiesce in the unwarranted attempt to besmirch his character. Judge Kaufman is a good lawyer and an excellent judge. His honesty and uprightness are unassailable. He is every bit as loyal and patriotic as his attackers.

The charges made against this distinguished judge are the more unfair because the judge cannot fight back. Since the defendant must be retried, it would be unethical and improper for him to make any comment upon that trial, lest it affect the conduct of the new one.

If my colleagues had any regard for the rights of the defendant to a fair trial, they would not have unfairly prejudiced him by their comments. Let us never forget that the strength of this democracy of ours is its division into three branches, the executive, the judicial, and the legislative. We would be the first to severely criticize the judiciary if it tried to tell us how to do our work.

Let us attend to our job and let the courts do theirs.

If nothing else, it will give us more time to legislate intelligently.

The SPEAKER. The time of the gentleman from New York [Mr. MULTER] has expired.

UNITED STATES MERCHANT MARINE ACADEMY

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, the cut of $3,435,000 in the maritime training budget as reported out Thursday by the Senate Appropriations Subcommittee will mean the death of the United States Merchant Marine Academy at Kings Point, Long Island, N. Y.

This Academy is not just a wartime training school but was provided for in the Merchant Marine Act of 1936, as amended, in 1938 after disastrous sea accidents, such as the *Morro Castle* and *Mohawk*, showed a dire need for competent merchant marine officers. Now, after 14 years of continuous progress to rectify this situation, this cut, if passed

on the Senate floor, will nullify all efforts of this youngest of the Federal academies.

I strongly urge you to bend every effort to reinstate the full appropriation as passed by the House including expense allowance for each cadet-midshipman at the Academy of a monthly allotment of $65 which is used to purchase textbooks, uniforms, and miscellaneous expenses as enumerated herewith:

| | |
|---|---|
| Uniforms | $15.00 |
| Textbooks | 4.00 |
| Taxes | 1.25 |
| Various fees | 6.25 |
| Laundry and cleaning | 10.00 |
| Haircuts, toilet articles, travel and personal expenses | 28.50 |
| Total | 65.00 |

The effect of the unprecedented cut of the monthly allotment to cadet-midshipmen will have the following adverse results:

(a) Many of the present students will be forced to resign due to limited means. Such action will be forced upon young men who have completed as much as 3 years of the 4-year curriculum. It is estimated that more than 60 percent will resign.

(b) Government will lose investment as well as having gained the ill-will of the young wards and their families through the breach of its good faith.

(c) Young Americans of limited means will be shut out from appointment to the school even though these boys have the characteristics to become loyal, efficient ship's officers.

(d) Create a precedent for abolishment of pay to cadets at West Point, Annapolis, and the Coast Guard Academy as well as the thousands of Naval Reserve Officer Training Corps at universities.

(e) Slow strangulation of the USMMA and its doors will soon have to close.

Once again, I wish to emphasize the importance of maintaining the Federal Merchant Marine Academy. It serves the Nation not only by providing competent merchant marine officers in time of peace but also as a ready source of Naval Reserve officers in time of war.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

CRITICISM OF FEDERAL JUDGE KAUFMAN

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, the most heartening statement that I have seen emanate from any high place in government in a long time was the statement made by the Attorney General on last Saturday, which was to the effect that Alger Hiss would again be put on trial.

Mr. Speaker, I here want to pay tribute to Mr. Thomas J. Murphy, the attorney who prosecuted the Hiss case. Almost single-handed and alone he beat down what was apparently a conspiracy to cheat the law and to liberate a traitor. His conduct reflected great credit upon the bar while that of the presiding judge reflected discredit upon the bench. The name of one is this morning spoken of throughout the entire country with praise, while that of the other is spoken with censure.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, it has been brought to my attention and the attention of the country by both the press and radio that at least two Members of Congress have seen fit to impugn the motives of a Federal judge in his handling of a case in the Federal court. I am also aware of the fact that one of these gentlemen has made some unwarranted, vicious, and partisan political accusations against the administration in connection with this case.

All of this leads me to ask the following questions: Has any member of the Un-American Activities Committee the right to interfere with the judicial branch of the Government?

Has any member of that committee the moral right to retry this case in the public press?

Is the Un-American Activities Committee being used as a partisan political vehicle?

Is the feverish desire of some Members of this body to get their names in print, casting reflections on the Congress as a whole, and endangering the traditional balance between the three branches of government?

Are the functions of the Un-American Activities Committee to investigate subversive activities or to make headlines in the press?

The SPEAKER. The time of the gentleman from Ohio has expired.

DEATH OF THE GOVERNOR OF TEXAS

Mr. POAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Speaker, we have just received word that the Governor of Texas died unexpectedly this morning. As chairman of our delegation, it becomes my duty to make this sad announcement to the Members of this House.

Beauford Jester was serving his second term as Governor of Texas. He was a man in the prime of life. He had served his State and Nation in many important capacities. Just this past week the Legislature of Texas had completed its longest session. Like this Congress it had had difficulty in providing for the needs of the State and avoiding a deficit. The Governor had struggled with a heavy responsibility. He was still confronted with a great mass of bills as yet unsigned. Just yesterday he told a friend that he intended to take these bills with him to Galveston where he hoped to get some opportuntiy to study them as he went through the clinic of the State Hospital there. He did not live to complete that journey. I am advised that he died in his berth on the train between Austin and Houston, but this was not discovered until the train stopped in Houston this morning. Undoubtedly the strain and the extra work incident to the long session combined with other worries to hasten his passing.

The State of Texas and, I know, the friends of Texas all over this country join in grief at the passing of this active, splendid, outstanding citizen of our State, and it is with great sadness I find it my duty to make this announcement.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The late Governor of Texas made an outstanding name for himself which has spread throughout the country. We of the East, the Northeast, and I know all other sections of the country respected the late Governor for the fine character of public service he rendered. Speaking for the people of my section generally, and I am sure for all other sections of the country, we join with the people of Texas in expressing sympathy in the death and passing on of their beloved and courageous Governor.

PUBLIC IMPROVEMENTS IN ALASKA

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. R. 279) providing for the consideration of the bill (H. R. 940) to authorize public improvements in Alaska, and for other purposes (Rept. No. 1008), which was referred to the House Calendar and ordered printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 940) to authorize public improvements in Alaska, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. BUCHANAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include communications from various groups in the District of Columbia interested in home rule, addressed to the chairman of the committee, and certain newspaper articles.

Mr. ARENDS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial entitled "Wheels Within Wheels" which appeared in the Washington Herald of last Saturday which is

a reprint from an editorial from last Friday's Chicago Tribune.

Mr. JACKSON of California asked and was given permission to extend his remarks in the RECORD in three separate instances and in each to include extraneous matter.

CARLTON C. GRANT AND OTHERS

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 578) for the relief of Carlton C. Grant and others, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill and the Senate amendments, as follows:

Page 2, line 2, after "Thompson," insert "Ollie Marine."

Page 2, line 14, after "Carolina;", insert "W. N. Marine, of route 2, Wilmington, N. C.."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the amendments?

Mr. BYRNE of New York. The effect of the amendments is to add two names to the original claim.

Mr. MARTIN of Massachusetts. And the gentleman's committee is in favor of the amendments?

Mr. BYRNE of New York. Yes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

VICTOR R. BROWNING & CO., INC.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 599) for the relief of Victor R. Browning & Co., Inc., with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill and the Senate amendments, as follows:

Page 1, line 8, strike out "-13698" and insert "3461."

Page 1, lines 8 and 9, strike out "dated ."

Page 2, line 3, after "Carolina", insert ", which was withheld from payments otherwise due the Victor R. Browning & Co., Inc., under contract numbered NOY-13698."

Mr. BYRNE of New York. Mr. Speaker, the amendments are only clarifying and do not affect the bill as passed by the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. MASON asked and was given permission to address the House for 10 minutes on Wednesday and Thursday of this week after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. JENSEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial by Arthur Krock appearing in the New York Times of yesterday.

Mr. NORBLAD asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and include editorials.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper editorial.

Mr. GROSS asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from a constituent on the farm program.

Mr. TOLLEFSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial taken from the United Mine Workers Journal on the subject, Stop the St. Lawrence Folly.

Mr. FENTON asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. JUDD asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

UNEMPLOYMENT ALLOWANCE TO VETERANS, JULY 11, 1949

Mr. DAVENPORT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DAVENPORT. Mr. Speaker, I am today introducing a bill calling for the extension of the 52-20 unemployment allowance to veterans. My proposal is to extend the present law until February 25, 1950. We have only until July 25 to take care of this important matter for at that time the present law expires. Time is rapidly running out.

Other, and more cumbersome, bills have been introduced to lend a helping hand to those who lent us a helping hand in our great hour of need. I have stipulated February 25, 1950, so that the present Congress can help quickly and not find it necessary to go into the complex long-range problems involved.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 114 to provide an increase in the authorization for the Federal National Mortgage Association.

The Clerk read the Senate joint resolution as follows:

*Resolved, etc.*, That section 302 of the National Housing Act, as amended, is amended to read, as follows:

"SEC. 302. The total amount of investments, loans, purchases, and commitments made by the Association shall not exceed $1,500,000,000 outstanding at any one time. The Association is authorized to issue and have outstanding at any one time notes and other obligations in an aggregate amount sufficient to enable it to carry out its functions under this act or any other provision of law."

SEC. 2. Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out "$2,000,000,000" and inserting in lieu thereof "$2,500,000,000."

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, will the chairman of the committee briefly explain this resolution?

Mr. SPENCE. Mr. Speaker, this resolution increases the authority of the Federal National Mortgage Association by $500,000,000 to provide a secondary market for mortgage loans. The authority of the Federal National Mortgage Association has now practically been used up and it has caused the cessation of activities of that association. The Federal National Mortgage Association and all the agencies of the Government connected therewith feel it is essential that this authority be continued. There has also been a general cry for help from prospective borrowers from all sections of the country that this authority be granted.

The Federal National Mortgage Association has sustained no loss; in fact, it has made a profit, and I assume that the future operations will be as successful as they have been in the past.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Louisiana.

Mr. BROOKS. As a matter of fact, has not word gone out there will be no more rediscounting of these mortgage loans and, as a consequence, that particular program is at a standstill?

Mr. SPENCE. It is at a standstill at the present time because of lack of authority in the Federal National Mortgage Association to purchase these securities as it furnishes a secondary market without which the lending institutions refuse to make the loans.

Mr. SMATHERS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Florida.

Mr. SMATHERS. Does this mean that the Committee on Banking and Currency will not now consider favorably the bill H. R. 1938 which, as I understand it, originally had the title "Federal National Mortgage Association"?

Mr. SPENCE. It does not mean we will fail to consider any other legislation. We bring this legislation up at this time because it is essential and we feel it needs expeditious action.

Mr. SMATHERS. I would like to agree with the gentleman and commend him for reporting it out.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I would like to ask the gentleman if this

bill provides for the continuation of selling these mortgages to the RFC?

Mr. WOLCOTT. That is right. It is with the same standard and with the same limitations that they are selling them now. They do not sell them to the RFC. They sell them to the Federal National Mortgage Association, which is a subsidiary of RFC.

Mr. AUGUST H. ANDRESEN. How about the old mortgages that the bank and others hold that they were prohibited from turning over to the RFC? Does it reinstate them?

Mr. WOLCOTT. No. It does not change the organic law, or the basic law, in any respect. It merely increases the authorization from about a billion dollars to a billion and a half.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTRACT SETTLEMENT ACT OF 1944—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 253)

The SPEAKER laid before the House the following veto message from the President of the United States:

*To The House of Representatives:*

I am returning herewith, without my approval, the enrolled bill, H. R. 834 "to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes."

H. R. 834 would compensate the mining industry for virtually all losses sustained during the war in connection with mining, or attempting to mine, strategic or critical metals and minerals. It would provide compensation for losses including net capital expenditures which occurred in filling or attempting to fill formal contracts. It would also provide compensation for losses which occurred in attempting to supply such metals and minerals even where no contract was entered into and no Government official knew of the efforts being made to supply the material.

The principle that the Government should compensate war contractors, and volunteers acting without contracts, for losses sustained by them in activities related to the war has not generally been accepted. The implications of this principle are profound, both with respect to our finances and with respect to our free enterprise system, and should be carefully considered before this principle is accepted.

H. R. 834 adopts this principle with respect to a single industry, the mining industry.

During the war many important metals and minerals were in short supply and efforts were made to increase their production. The United States Bureau of Mines and the United States Geological Survey provided assistance in exploration and development work, at no direct cost to the miner. The Reconstruction Finance Corporation stood ready to make mining loans to persons in need of finances to develop mining properties. The Defense Plant Corporation stood ready to construct and equip mining projects. The Metals Reserve Co. offered to purchase the materials produced, either through specific contracts or by purchasing odd lots. The Premium Price Plan for copper, lead, and zinc provided an operating subsidy for increased production.

All of these activities were carried out within the traditional framework of our free-enterprise system. The terms and conditions of the assistance which would be provided were specified in advance. A man who thought he could operate profitably under these conditions was free to do so, and to retain the profits if his operation was successful. If, however, the operation was unsuccessful, either because his costs were higher than expected or because his expectations as to the supply of ore were not realized, it was assumed that he would bear the loss.

The Government might have made use of the cost-plus contract system for operating the mines of the country during the war, in spite of the general reluctance to do so because of the increased costs which would be expected to result from this system. However, this would have eliminated and deprived the mining industry of any profits during the war, except to the extent of the fee involved. Whether this would have been more effective in getting out the needed materials, whether it would have been more economical to the Government, and whether the mining industry would have welcomed it, cannot now be determined. The fact is that the Government did not enter into cost-plus contracts for the operation of the mines. To compensate the unsuccessful for their losses, while the successful retain their profits, leaves the taxpayer with all the harmful results of the cost-plus system and none of its benefits.

I do not believe that the mining industry as a whole wants to adopt the policy that the Government should guaranty it against loss in time of emergency. Regulation of industry and assistance to industry in time of war are necessary. They can be carried out without eliminating all risk of financial loss and opportunity for profit with the resulting incentive for greater efficiency and lower costs.

While the mining industry differs in many respects from other industries, I find no valid basis for the discrimination proposed by H. R. 834. Other industries were urged to do their part in the war program, and other industries responded as splendidly to the challenge of the wartime programs as did the mining industry. Many of these industries were also exposed to risks that were unique to them. They too sustained losses in enterprises undertaken as a part of the war effort. Approval of this bill would likely result in demands by many other classes of persons for amendments which would grant similar relief to them.

Section 2 of H. R. 834 carries the principle of reimbursing war contractors for their losses over to persons who may have had no dealings at all with the Government, and who may have engaged in a mining operation which the Government would have discouraged or forbidden, if the matter had been brought to its attention. Where the Government specifically requested that an operation be undertaken for the purpose of supplying materials to a contracting agency or war contractor, under circumstances which would have led the miner to expect reimbursement, relief can now be had by a person acting on such a request under section 17 of the Contract Settlement Act. Here the elements of a contract are present, together with a fair basis for compensation for the loss resulting from failure by the Government to live up to the expectations it had brought about. Under the proposed amendment, no such basis for liability exists. In fact, the opposite might be the case. A person, hearing of the need for a scarce mineral over the radio might in good faith hurt the war effort considerably by making, on his own initiative, a substantial expenditure of manpower and materials in a fruitless mining operation—however much reason he had to believe minerals were present and however free he might be of fault, negligence, or speculative purposes. Furthermore, the application of the principles in this section would subject the Government to an unknown and undeterminable liability and would have a disturbing effect upon wartime controls over materials and manpower.

The Contract Settlement Act of 1944 has been in effect for almost 5 years. The provisions of this act were enacted for the speedy settlement of terminated war contracts. Many settlements have been made under it and many decisions have been made by the boards established under it. I consider it a highly successful piece of legislation, and one which has contributed substantially to the transition from all-out war production.

The Lucas Act, too, of August 7, 1946 (60 Stat. 902), made generous provisions for the payment of equitable claims of contractors including those in the mining industry for losses which occurred in the performance of their contracts.

The enrolled enactment would reopen the entire contract settlement program with respect to minerals and metals at a time when that program has been practically completed. The principle of the finality of settlements, which was adopted in the Contract Settlement Act and which experience has demonstrated to be sound, would be abandoned. Contracts which were canceled because of default by the contractor, contracts which were completed, contracts which have been approved by the courts would be reopened and new claims could be filed by the contractors. This would add a tremendous administrative burden and expense. Moreover, since the personnel familiar with the metals and minerals program have, for the most part, left the Government, it would be very difficult to protect the Government's interest. It

would be especially difficult to ascertain the facts with respect to claims made under section 2.

It should be noted that the Office of Contract Settlement reported to Congress that, as a result of a thorough survey, it had determined that the provisions used by Metals Reserve Company—and Reconstruction Finance Corporation as its successor—in terminating and settling contracts for the purchase of metals and minerals provided fair compensation in accordance with the principles of the Contract Settlement Act of 1944.

In my opinion, it would be a serious error to introduce at this time a new principle—insurance against war-caused losses. This would involve reopening the entire program of financing the war, with incalculable effects upon our finances.

To introduce this principle in the case of a single industry would not only give effect to an unsound principle and establish an unfortunate precedent but it would give rise to an unjustifiable discrimination.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 11, 1949.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

By unanimous consent, the bill and message were referred to the Committee on the Judiciary and ordered to be printed.

MIDYEAR ECONOMIC REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 252)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Joint Committee on the Economic Report, and ordered to be printed:

THE WHITE HOUSE,
*Washington, D. C., July 11, 1949.*

The honorable the PRESIDENT OF THE SENATE.

The honorable the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIRS: I am presenting herewith a Midyear Economic Report to the Congress. This is supplementary to the Economic Report of the President of January 7, 1949, and is transmitted in accordance with section 3 (b) of the Employment Act of 1946.

In preparing this report I have had the advice and assistance of the Council of Economic Advisers, members of the Cabinet, and heads of independent agencies.

Together with this report I am transmitting a report, the Economic Situation at Midyear 1949, prepared for me by the Council of Economic Advisers in accordance with section 4 (c) (2) of the Employment Act of 1946.

Respectfully,

HARRY S. TRUMAN.

EXTENSION OF REMARKS

Mr. JENNINGS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PACE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. KIRWAN (at the request of Mr. MANSFIELD) was given permission to extend his remarks in the RECORD and include a speech.

PUERTO RICO FARM LOANS

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 266 and ask for its present consideration.

The Clerk read the resolution, as follows:

*Resolved,* That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3699) to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico, to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes. That after general debate which shall be confined to the bill and to continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, this rule makes in order the bill H. R. 3699, reported unanimously by the Committee on Agriculture.

The object of the bill is to extend the Federal Farm Loan Act so as to permit the making of loans in Puerto Rico and Alaska. It also raises the limit of the amount of loans which may be made, doing away with the $50,000 limit, but retaining the provision that all loans over $25,000 must be approved by the Commissioner himself.

Strange as it may seem this bill also returns to the Federal Treasury $189,000,000 which was advanced to the Federal land banks, and for which they have no further need. They are in splendid condition and are now owned by their various and sundry members.

Mr. Speaker, I reserve the balance of my time and I yield such time as he may desire to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Virginia [Mr. SMITH] has explained, this is a rather simple bill. It does give authority for the Federal land banks to operate under the Federal Farm Loan Act in Puerto Rico, but above all does save, or returns to the Treasury, $189,000,000, and I hope everyone is in favor of that.

There are no requests for time on this side. The measure was reported unanimously, as I understand it, both by the legislative committee and the Committee on Rules.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3699) to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3699, with Mr. HUBER in the chair.

The clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] is recognized for 30 minutes, and the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] will be recognized for 30 minutes.

Mr. COOLEY. Mr. Chairman, as has been explained by the gentleman from Virginia [Mr. SMITH] and the gentleman from Ohio [Mr. BROWN], this bill is very simple. At the same time it is very important. It does recapture and cover into the Treasury the sum of $189,000,000.

Without attempting to discuss the bill myself, I would like to yield to the gentleman from Texas [Mr. POAGE], chairman of the subcommittee which conducted the hearings and reported this bill unanimously to the Committee on Agriculture. The bill was reported unanimously by the entire Committee on Agriculture.

I now yield to the gentleman from Texas [Mr. POAGE] 7 minutes.

Mr. POAGE. Mr. Chairman, this bill does four different and distinct things. These different changes are all thrown into the one bill because they all involve changes in the organization of the Federal Land Bank System. The bill was captioned "A bill to extend privileges of land-bank borrowing to Puerto Rico, and for other purposes." Frankly, it will be my purpose when the bill is read for amendment to offer two amendments that will extend the privileges of the farm-credit system to Puerto Rico, Alaska, and Hawaii, because it seems that they should all be placed on a parity, and other bills were introduced to accomplish that purpose. It can all be done, however, in this one bill. On that

point may I call attention to the fact that under the original land-bank law 12 districts were set up, all in the continental United States. Provision has been made for the execution of loans in Puerto Rico but they had to be handled as direct loans through the Baltimore bank, a direct departure from the policy of the Land Bank System which is a cooperative system under which all of the stock is owned by the borrowers. It was hoped when the system was started, and it has proven true, that the system could be operated as a purely farmer-owned cooperative system. The present policy of requiring loans for Puerto Rico, Alaska, and Hawaii to be made by branch banks and on different terms than is done in the continental United States does create an incongruity in the Land Bank System; it works to weaken the system.

The experience of the bank with loans in Puerto Rico has been that they have been repaid even better than loans made during similar periods of time in some States of the Union. The loans made through the Baltimore bank—and I say this without intending to cast any reflection on the States included in the Baltimore area—the experience of the loans made in Puerto Rico has been better than on loans made in some of the States of continental United States. So we feel that there should be no objection to the policy of extending to the outlying areas of the United States the same principle that we have now in continental United States.

Section 2 of the bill authorizes a change in the lending powers of the bank. Presently, the land banks are limited to loans of $50,000. You will immediately ask why they should increase the amount. There are two reasons, as I see it, that are fundamental: In the first place the Land Bank System is no longer owned by the Federal Government but is owned entirely by the farmers; and, it seems to me, they should be allowed to make loans to such of their members as they wish wherever these loans are shown to be sound. The more important factor, however, is that in order to carry the small loans that we all want to see carried by the land-bank systems, loans of $500 or $1,000, and going on up to $2,500, the banks lose money. On handling those small loans it is inevitable that they lose money, because the cost of servicing those loans is all out of proportion to the cost of servicing the larger loans. There are the same attorney fees; there are the same recording fees, there are the same examination fees, and, in most instances, the bank has all of the overhead on a loan of $500 that it would have on a loan of $100,000.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. AUGUST H. ANDRESEN. Section 2 provides that home loans shall not be made in excess of $25,000; yet the law provides that loans may be made up to $50,000. The Land Bank Commissioner, however, is given the opportunity of approving applications for $25,000. Does the language in section 2 authorize the Land Bank Commissioner to approve loans up to $50,000?

Mr. POAGE. The law allows loans to be made up to $50,000 at the present time.

This bill amends the present law in this respect: Under this bill there is no upper limit for approval by the Land Bank Commissioner when submitted to Washington. The Land Bank Commissioner must approve all those above $25,000, although it requires that the banks give preference to loans under $10,000. The present limit is not $25,000 as the gentleman understood, it is $50,000. The requirement about the $25,000 is that in any loan in excess of $25,000 the security shall be submitted to the Land Bank Commissioner and receive his scrutiny before the loan is approved. The purpose of that, of course, is to make certain that the security offered for these larger loans meets every possible test and is just as good as we can get in the way of security. That is the reason it is required in the case of large loans not only that the local Farm Loan Association endorse the notes as they are required to do today, not only that the local land bank approve the loans but if the loan exceeds $25,000 that it be submitted to the Land Bank Commissioner in order that he may again scrutinize it and determine that there is no possibility of loss on the loan. Actually these loans are the most profitable loans that the land bank can make. Actually the experience of loss on these larger loans is far better than on the smaller loans because they are well scrutinized.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. POAGE. Mr. Chairman, these larger loans are generally loans made on business operations—that is, the larger ranches and the larger farms, those that are run on a businesslike basis. They are the best loans and the interest from those large loans enables the land bank to carry many of the smaller loans that it simply could not carry if it was not allowed to go into this field.

Mr. Chairman, section 3 of this bill returns to the Treasury of the United States $189,000,000. That there may be no misunderstanding about that, I want you to know how this money became available. During the depression of the thirties the Congress from time to time appropriated money and made it available for operative capital of the land banks. This was Federal money, just as the Government bought stock in the national banks all over the country; it was Federal money in the land banks. That money has all been paid back, every dollar of it. The banks have paid it out. They do not have any Federal money in their operations now, it is all private money that is operating the land banks. This money has gone back to the Government, but it is held in a special fund which is available under the present law to be put into the capital structure of the land banks at any time. This bill returns that money to the Treasury of the United States, it adds nearly $200,000,000 that you can count off and credit against the appropriations we are making.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the gentleman from Texas has fully explained this bill, which was unanimously reported by the Committee on Agriculture of the House. There is no opposition to the bill on this side and there are no requests for time; therefore I recommend that the bill be read for amendment.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, this bill can be of real importance in the agricultural development of Alaska. As the report from Secretary Brannan to the Speaker dated April 18, 1949, points out, Alaska is in the same situation as Puerto Rico in that legal authority is not available for organizing or chartering national farm associations. Direct loans through a branch bank have been made in Puerto Rico. No such loans have been made in Alaska. Section 1 of H. R. 3699 would permit the formation of national farm associations in Alaska and Puerto Rico on the same basis as elsewhere.

The committee amendment in the form of a new section 5 takes care, so far as Alaska is concerned, of an omission in existing law which I sought to correct through H. R. 215 and the enactment of which will not be necessary because of the provisions of the new section 5. That section makes it clear that Alaska, Puerto Rico, and Hawaii shall be included in the 12 districts in the United States incorporated in the Farm Credit Act of 1937. So far as Alaska, at least, is concerned, existing law leaves grave doubt as to whether the district banks for cooperatives or production credit associations may operate in the Territory.

Of course, there is no sound reason at all why Alaska should not be on a basis of absolute parity with the States and with the other Territories in respect to laws in aid of agriculture. The fact that parity has not existed is one of the primary reasons, in my opinion, why there has not been more rapid and more effective utilization of Alaska's farming potentialities. There have been very obvious discriminations against the Alaska farmer. At the present time there are available to him only the very limited credit facilities of the Farmers Home Administration. Money for the Alaska office of that Administration is allocated from a common pot for the Pacific Northwest and is never adequate in amount to satisfy the requirements in the Territory. Other than such aid as can be given by the FHA, the Alaska farmer, attempting to build up an agricultural economy, is altogether on his own. He not only faces all the handicaps that confronted the homesteader in the West but he has the additional obstacles placed in his way by the high latitudes in which he works.

Mr. Chairman, I am proud to say that this House at this session of Congress has done much to remove the discriminations referred to above and to ease the way for the Alaska farming pioneer of the midtwentieth century. Within the

last month the House has passed legislation to authorize appropriations for Alaska equivalent to the full amounts for every State, Hawaii, and Puerto Rico under the acts having to do with experiment stations and with extension service. In Alaska, where we should have been moving forward under a broad and comprehensive program to bring the land into agricultural production, we have up to this time failed to do as much as elsewhere within existing formulas. If the bills referred to become law, a notable step ahead will have been taken.

Another bill which passed the House at this session will do much for Alaska farmers if it becomes law. That is the bill introduced by the gentleman from Idaho [Mr. SANBORN], providing that loans may be made to homesteaders who have not yet acquired title to the land. This type of loan will make it possible to advance money to homesteaders for clearing purposes and thus will give the settler substantial aid when he needs it most; that is, when he is short of funds and when he is trying to carve a home and a farm out of the wilderness.

Mention should also be made of the fact that a cooperative program has been instituted between the University of Alaska and the Department of Agriculture for fundamental research on a scale that should have been established long ago.

Just the other day, Mr. Chairman, our colleague, the gentleman from Michigan [Mr. MICHENER] was telling me of having been to Fairbanks in 1923. He said he was impressed by the quality of the crops being grown but was surprised at the small acreage at the experiment station. He would find many changes, Mr. Chairman, in the 26 years which have intervened since then. The changes would be even greater and more favorable if this Government had moved forward long ago in an aggressive way to assist agriculture in Alaska and to assist settlers in locating on the land.

The notion that has been prevalent through the years and even yet is all too prevalent that Alaska is a country of arctic characteristics should be dispelled whenever and wherever possible. That description can be applied to only a relatively small part of that great land of 585,000 square miles and has no pertinence whatsoever as to most of the Territory.

It is true that difficulties are found by farmers which are unique but there is nothing that cannot be overcome. It may be that Alaska will not within our time become a great agricultural community. But there is room and room now for many more farmers and we can do much by way of supplying our own needs for certain foodstuffs. Alaska is blessed with so many resources of so many kinds that it has always seemed to me that a reasonably sized agricultural population there, and another segment of the population engaged in other pursuits, could provide the kind of economy that would be mutually beneficial to Alaska and to the States. With more farmers we should not have to import certain crops that can be raised in Alaska. With the building up of our industries, with further exploitation of fishing when that can properly be brought about, with an expansion of mining, with utilization of our timber, and with further industrial growth, Alaska's population will increase and Alaska's natural resources will flow back to the United States to add to the wealth of the Nation. With this growth there will be a natural increase in Alaska's agricultural economy and at the same time there will be a further demand for agricultural products from the States. Thereby there will be created an ever-increasing mutually beneficial two-way flow of commerce.

Estimates have been made that there are 65,000 square miles of Alaska suitable for agriculture and another 35,000 square miles suitable for grazing. The Matanuska Valley has 768,000 acres and of this amount it is estimated 65 percent can be cleared for cultivated crops or permanent pastures. The Tanana Valley contains 7,000 square miles, of which a measurable fraction can be utilized for agriculture. On a dollar basis the present production in Alaska is not large. It is running now on the order of about $2,000,000 annually including dairying and livestock raising. On a basis of comparison with great agricultural areas that figure may be small, but on a basis of comparison with past production in Alaska it is highly gratifying. If this bill now before the House passes and becomes law; if the other bills referred to become law, I know that there is enough pioneering instinct in the people of America yet to establish in Alaska a worth-while agricultural development. Of course, the pioneer should receive especial aids but in Alaska he has received practically none at all and that is one of the great reasons why development has tended to lag. There is a striking example across Bering Strait of what can be done. The Soviet government in Siberia, in comparable latitudes and in comparable soil conditions has built up a great and ever-increasing agricultural industry. Primary research of the kind so vital in subarctic conditions was undertaken there long since and the results have been demonstrated in the steady expansion of agriculture in Siberia. In many other fields the Russian Government has aided the farmer, while we have done nothing.

If we are going to build up a substantial population in Alaska, we must have a larger farming population. To insure that population going to Alaska and staying there there must be certain minimum aids and the legislation which I have discussed will provide those aids.

It is now necessary that Alaska advance on all fronts not only for its own sake but for the sake of the Nation. It is our first line of defense.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The bill is as follows:

*Be it enacted, etc.*, That (a) section 4 of the Federal Farm Loan Act, as amended (title 12, U. S. C. 672), is hereby further amended by adding a new paragraph to said section immediately following the second paragraph thereof to read as follows:

"Notwithstanding the provisions of this section, loans may be made in Puerto Rico and Alaska through national farm-loan associations, and the interest rate applicable to such loans shall be as provided in section 12 of this act. Said associations shall be organized pursuant to section 7 of this act, except that, upon the recommendation of the Federal land bank concerned, any such national farm-loan association may be organized by 10 or more borrowers who have obtained direct loans through a branch bank which aggregate not less than $20,000, and who reside in a locality which may be covered and served conveniently by the charter of a national farm-loan association and any national farm-loan association after it has become organized may permit any direct-loan borrower through a branch bank to join the association. As to any direct-loan borrower through a branch bank who participates in the organization of a national farm-loan association or joins a national farm-loan association after it has become organized (1) the association shall endorse, and thereby become liable for the payment of, his mortgage loan held by the Federal land bank; (2) the stock in the Federal land bank held by him shall be exchanged for a like amount of stock in said bank issued in the name of the association and the association shall issue a like amount of its stock to him, all in the manner and subject to the terms and conditions provided in the fifteenth paragraph of section 7 of this act (title 12, U. S. C. 723 (d)); and (3) the interest rate payable by him, beginning with the next regular installment date following the endorsement of his loan, shall be reduced to a rate one-half of 1 percent per annum less than the rate paid by him prior to such endorsement."

(b) The last sentence of the first paragraph of section 4 of the Federal Farm Loan Act, as amended (title 12, U. S. C. 672), is further amended by striking the words "by such branch bank" from the proviso at the end thereof.

(c) The first sentence of the twelfth paragraph of section 7 of the Federal Farm Loan Act, as amended (title 12, U. S. C. 723 (a)), is further amended by striking the words "in the continental United States."

SEC. 2. Paragraph "Seventh" of section 12 of the Federal Farm Loan Act (title 12, U. S. C. 771) is hereby amended to read as follows:

"Seventh. The amount of loans to any one borrower shall not exceed $25,000 unless approved by the Land Bank Commissioner, nor shall any one loan be for a less sum than $100, but preference shall be given to application for loans of $10,000 and under."

SEC. 3. All of paragraph "Tenth" of section 13 of the Federal Farm Loan Act, as amended (title 12, U. S. C. 781, 10th), except the first and third sentences thereof is hereby repealed. The Secretary of the Treasury shall cause to be carried to the surplus fund and covered into the Treasury the total amount appropriated for subscriptions to paid-in surplus of the Federal land banks and now held in the revolving fund created pursuant to the provisions of law hereby repealed.

SEC. 4. The first paragraph of section 22 of the Federal Farm Loan Act, as amended (title 12, U. S. C. 891), is hereby amended to read as follows:

"Whenever any Federal land bank, or joint-stock land bank, shall receive any principal payments upon any first mortgage or bond pledged as collateral security for the issue of farm-loan bonds, it shall forthwith notify the farm-loan registrar thereof as may be required by the Farm Credit Administrator. Said registrar shall reflect such payment on his records in such manner as may be prescribed by the Farm Credit Administration. Upon notice from the bank that any such

mortgage is paid in full, said registrar shall cause the same to be delivered to the proper land bank, which shall promptly cancel said mortgage and transmit such canceled mortgage, together with a release or satisfaction thereof as may be required to satisfy and discharge the lien of record, to the original maker thereof, or his heirs, administrators, executors, or assigns."

With the following committee amendment:

Page 2, line 6, after "be", insert "as."

The committee amendment was agreed to.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: On page 3, line 9, strike out all of section (b) and renumber section (c) in line 13 so that it will hereafter be designated as section (b).

Mr. POAGE. Mr. Chairman, this amendment, with the one that will follow it, will have the effect of striking out of the present law the requirement that the operations of the land banks in Alaska, Hawaii, and Puerto Rico be operated through branch banks. The bill as originally written did not extend these provisions to Hawaii. This amendment and the amendment which will immediately follow will extend the operations not only of the land banks itself but of all of the farm credit institutions to all three of the outlying parts of the United States on the same terms as within the United States.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. POAGE. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: On page 5, at the end of the bill, add a new section to be known as section 5 and to read as follows:

"Section 5. The first sentence of section 5 (a) of the Farm Credit Act of 1937 (50 Stat. 703) is amended to read as follows:

" 'There shall be 12 districts in the United States, including Alaska, Puerto Rico and Hawaii, which shall be known as farm-credit districts and may be designated by number.' "

Mr. POAGE. Mr. Chairman, this amendment is necessary, along with the first one, to accomplish the result of extending farm credit facilities to all three of these areas. This changes the present law, which provides that there shall be 12 districts exclusive of Alaska, Hawaii, and Puerto Rico, and includes those areas.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HUBER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3699) to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes, pursuant to House Resolution 266, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

## PAYMENT OF CERTAIN CLAIMS AGAINST THE UNITED STATES

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 221 and ask for its present consideration.

The Clerk read the resolution, as follows:

*Resolved,* That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 937) to authorize the Secretary of the Treasury to affect the payment of certain claims against the United States. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, this resolution makes in order the immediate consideration of a bill to authorize the Secretary of the Treasury to settle four claims against the United States in behalf of foreign claimants. As far as I know there is no controversy.

Mr. Speaker, I now yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Texas has well explained, House Resolution 221 makes in order consideration of the bill S. 937. The resolution provides for 1 hour of general debate under an open rule. The bill involves a number of small claims of the British and Norwegian Governments. There is certainly no opposition, that I know of, to the rule providing for the consideration of this bill. However, I understand there will be some discussion, and perhaps some amendments, in the Committee of the Whole.

Mr. Speaker, I have no requests for time.

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 937) to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 937, with Mr. KARST in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KEE. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, this is a bill authorizing the Secretary of the Treasury to settle four claims, three of which are claims by citizens of Great Britain against the Government of the United States, and one by a citizen of Norway. The settlement of these claims has been agreed upon through diplomatic channels. Therefore it requires a separate bill and a rule to bring the matter before the House so that the Congress may agree to the settlement. The bill, having passed the Senate, is now before you for consideration.

Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. Chairman, as the chairman of the Committee on Foreign Affairs has already pointed out, we have under consideration the bill S. 937, which involves only four small claims by noncitizens of the United States against the Government of the United States.

This bill passed the Senate on March 18 of this year. The total amount of money that is sought under these four claims amounts to only $23,384. So in comparison with the amounts of money which we have been dealing with, it is certainly a negligible amount.

This bill and these claims were considered thoroughly by the Foreign Affairs Committee of the House on two separate days, and was reported out by our committee after debate, and then recommended that the Committee of the Whole approve it.

Briefly, these claims are as follows: I will run through them so that you will know what they are.

The first is a claim by the parents of a young man whose name was James D. Wiggins, who, while 21 years old, served on a British sampan in the Whangpoo River in China as an assistant cook. He was sitting out on the deck one night when suddenly and without warning some shots rang out and this young man fell. In a short time he was dead. The investigation revealed that he was shot

by a United States naval seaman whose name was Coyne and then serving on a United States naval surface craft. The Navy called a board of investigation. The board of investigation looked into the matter and discovered that Coyne acted without authority. I would like to read just exactly what they said. They found that this shot was fired without reasonable cause or provocation, in that there was no evidence to indicate that the sampan involved was a menace or a threat to the ship's safety; that the sentry had acted without due cause or circumspection and with a recklessness which implied indifference to the consequences; and that appropriate steps had not been taken to insure the sentries aboard the *U. S. S. Carter Hall* were properly instructed, selected, trained, and supervised.

This boy, the deceased Wiggins boy, had made an allotment to his family. They no longer could get that allotment. They presented, through their Ambassador, a claim against the United States Government for the death of their son. After many notes back and forth, and the approval of the United States Navy and State Department, it was agreed that the United States Government should compensate J. D. Wiggins' family by giving payment to them of the sum of $12,097. That is the first claim.

The second claim with which we are concerned is one which resulted in 1944, when a Spanish ship, the *Christina*, which was then on Red Cross duty, docked at a small harbor in France, and was bombed by British and American air forces. The investigation revealed that information had been supplied to the Allied command that this Red Cross ship was in that harbor. However, that information did not seep on down to the strategic command, with the result that a bombing raid was held on this port, and this ship was bombed and damaged, even though it was a Red Cross ship and a Spanish ship.

The British Government paid the full amount of the claim. Because both American and British airplanes participated, they—the British—have properly asked that the United States pay its half. Certainly, it is a well-established precedent that the United States should pay that claim.

The third claim is that of the Norwegian Government on behalf of one of its citizens, a man by the name of Jorgensen. It seems that Jorgensen was master of a ship which was attacked while that ship was in neutral waters, waters controlled by the Portuguese Government. That ship was attacked by naval craft operating under the control of Gen. Douglas MacArthur. The facts reveal that the weather was bad, and the visibility was poor, and when the attack was made the plane strafed and bombed this ship on which Jorgensen was master, and Jorgensen was severely and grievously injured, with the result that today he is almost completely and permanently disabled. It was admitted, after consultation with the State Department, the Navy, and the Army, that our Government should compensate him in the amount of $5,354, in accordance with long-standing precedent.

The fourth and last claim we are concerned with has to do with a man by the name of Stoker John Bailey who was assigned to a British ship in Seattle harbor in 1939. He was a British subject serving on a British ship at that time. The situation was that Stoker Bailey went ashore at Seattle. He had a date with a girl named Norma. His friend had a date with a girl named Mary. As sailors are inclined to do everywhere, they went into a tavern and began to socialize. Finally a fellow by the name of John Ittner, who belonged to the United States Navy came in. He apparently knew these two girls. When Bailey saw what was happening he took his girl and they went to another tavern. This fellow Ittner, a member of the United States Navy, followed the girl and Bailey into the second tavern. Obviously Ittner had been drinking. He came over to the table where Bailey and the girl were sitting, picked up a glass, broke the top off of it, and jabbed it into the face of this boy, Stoker Bailey, with the result that Bailey was finally taken to a hospital and his eye had to be removed.

Because Bailey was not injured in line of duty, and because he was injured not in line of duty he was not entitled to a pension from the British Navy. He took the matter up through his commanding officer and he in turn referred the claim to our Ambassador.

Later Ittner was tried by a summary court martial. He was acquitted. The summary court charged him with disorderly conduct, and an ensign who was the court, acquitted him. The case went then to the reviewing authority, the Judge Advocate General of the Navy. It was the opinion of the reviewing authority that the acquittal was a gross miscarriage of justice. But because of the constitutional prohibition which keeps a man from being put into jeopardy, tried for the same offense, Ittner was not tried again. Now Stoker Bailey had been injured but had no place to turn. He was put out of the British Navy. Through his Ambassador Bailey made the claim to the United States in an amount of $3,024.38.

Mr. Chairman, very briefly, those are the facts on these four claims. As I said a moment ago, the Army, the Navy, and the State Department have all looked into them, where they were concerned, and they have each approved them. The Senate Committee on Foreign Relations has approved the claims; the House Committee on Foreign Affairs has considered all the claims and they, too, have approved them. The bill now comes up for consideration in the House, and we hope the Membership will see fit to pass this legislation.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SMATHERS. I gladly yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. I am wondering whether there is anything to justify the claim of Bailey, the stoker, in this bill. The British Ambassador wrote to the State Department and said that under British law there was no way by which he could be compensated. How can he be compensated under the laws of the United States?

Mr. SMATHERS. There is an old principle of international law known as the denial of justice principle. That principle says that wherever there is a denial of justice, where there are no courts to which an alien can go, where there is no tribunal to which he can petition for justice, it is then the responsibility and the duty of the government which controls the person who committed the felony, or the act, or the tort, whichever you wish to call it—that it is that government's responsibility to see that justice is done. I will be glad to supply the gentleman with several citations should he desire them.

Mr. SMITH of Wisconsin. I should like to have them.

Mr. SMATHERS. If there are other questions I would be pleased to answer them. If not, Mr. Chairman, I yield back the balance of my time.

Mr. JUDD. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, the provisions of this bill (S. 937) for the relief of the parties who are named in sections (c) and (d) on page 2 are unobjectionable; but this proposal to pay the man Bailey $3,024.38 under the undisputed facts so far as we can consider them facts is a monstrosity. Only last week as a member of the Committee on the Judiciary of the House I had in my hands a bill introduced by the gentleman from New York [Mr. GAMBLE], to pay $5,000 to the family of a man named Barnett, who was a sailor on a United States ship of war. He drew $50 from the paymaster on his ship and went ashore in the Philippines with the money in his pocket. He went to a restaurant, got a sandwich, went on the outside of the building and sat down. Three colored men in the uniform of American soldiers approached him and killed him. But we denied any recovery because those American soldiers, if they were such, when they killed that American sailor were not in line of their duty. There was no equitable or legal ground upon which we could base a recovery.

Now, what was Bailey doing. Bailey and his companion came over here and saw fit to come ashore in Seattle. This was 10 years ago, not in wartime. They went ashore and got themselves a couple of girls, Rosie and Norma. They were treading the primrose path of dalliance with these American girls. They met this fellow who ultimately came into the room where they were drinking and eating. He had met these two fellows and the two girls. He went over and pulled up his chair and sat down near Bailey. Just what happened, nobody knows. Ordinarily Americans do not hit another fellow just to be hitting him. But there were two girls there. They were in a drinking and eating place. The American broke the bottom off a tumbler and threw the glass in the Britisher's face. It cut out one of his eyes.

Now, it is stated that this is based on justice. There is no principle of law, international or national, that will justify this Government making an appropriation for a foreign sailor under circumstances and facts like that. We just do not do it.

Mr. Chairman, only last week we turned down a bill, and I refer to members of the Committee on the Judiciary, introduced by our good friend from New York [Mr. GAMBLE], because we could not see any legal or equitable ground upon which to pay for the death of that man. It was just a fight between members of our own armed forces. Here is an American sailor who had previously seen these two fellows with these two girls. He goes over where they are. Something happens. Nobody knows what happened. There is not a syllable of evidence in this record that justifies any award in this case. It is just not right. When a man goes out with a woman on foreign soil he is courting danger.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Minnesota.

Mr. JUDD. There were three witnesses to the fight who said that the American without provocation just picked up a glass, broke it, and threw it in the other man's face.

Mr. JENNINGS. There is no evidence of that.

Mr. JUDD. All the evidence there is is to that effect. It was an assault, not a fight.

Mr. JENNINGS. It was just a fight. Now, I have a report right here from the Senate committee in which it is said that they were embarrassed to even make the report, but they did it at the importunity of representatives of the State Department.

Has it come to the point where we are going to treat the British better than we do our own people? We do not owe a dime in this case. It is setting a dangerous precedent. The Senate states in its report that if two American soldiers had gone out and had a fight over a girl, there would be no remedy and nobody would have thought of giving them anything.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, I do not have to be a lawyer to see the justice of this particular claim. It is true that in committee the Stoker Bailey case was the only one which caused any difficulty among the membership. However, before I go into that I want to call the attention of the House to the fact that the distinguished gentleman from Tennessee [Mr. JENNINGS], who just preceded me, referred incorrectly to the Senate report as a secret document. There is nothing secret about it. It is open for anyone and everyone to see and peruse.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Here is the document. It is marked "Confidential." It says: "The committee notes particularly the claim asserted on behalf of John Bailey as set forth in paragraph (a) of the bill and reluctantly recommends its approval."

Mr. MANSFIELD. Mr. Chairman, I refuse to yield further just for the purpose of reading that document. Here is the Senate report.

Mr. JENNINGS. I know; I have seen that one. That is a camouflaged, toned-down one. I have the confidential one here.

Mr. MANSFIELD. Mr. Chairman, this is Calendar No. 100, Report No. 117. It is not confidential. It is for anyone to see and read, and the part which the judge referred to is included in it.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. When I get through I will be glad to yield.

Mr. JENNINGS. I think the gentleman ought to yield to me. I have always been courteous to the gentleman. I have handled his bill and I have handled them fairly, and I resent the unfair statement at the gentleman's hands that I am not stating the facts. I have it here in black and white.

Mr. MANSFIELD. The gentleman from Tennessee has always been more than courteous to me and I deeply appreciate it. If the gentleman will pardon me, though this Senate report I have in my hand is not confidential, and it carries the same information on page 5 that the gentleman refers to in the report he is reading from. If the gentleman has a question on this particular report I will be glad to yield to him at this time, but I just want to bring to the attention of the House that this was not a confidential report issued by the Senate Foreign Relations Committee.

Mr. JENNINGS. I have got that report, too.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from California.

Mr. JOHNSON. Will the gentleman tell us whether the facts in the confidential report are stated in the report that the gentleman says is the public one?

Mr. MANSFIELD. May I say to the gentleman that I have not seen a copy of the confidential report. This is the only one I know about.

Mr. JOHNSON. It has no reference to any other report that was confidential, has it?

Mr. MANSFIELD. No; not that I know of. This is the only report I have here and this contains the same information that the judge brought to our attention.

Mr. JOHNSON. I simply want to get the facts.

Mr. MANSFIELD. Surely.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to the gentleman from Florida.

Mr. SMATHERS. In the report that the Senate put out, and which was not confidential, is exactly the same language to which the judge refers. I do not know what he has, but the official report is not confidential.

Mr. MANSFIELD. Maybe the gentleman from Tennessee has a copy of the report before it was released by the Senate committee.

Mr. HILL. Mr. Chairman, I think this is worth listening to, and I make the point of order that a quorum is not present. Let us have the Members of the House present to listen to this argument so that they will know what they are doing when it comes to a vote.

The CHAIRMAN. The Chair will count. (After counting) 60 Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 124]

| | | |
|---|---|---|
| Abbitt | Halleck | Pfeifer, Joseph L. |
| Addonizio | Hand | Pfeiffer, William L. |
| Auchincloss | Harrison | Philbin |
| Bailey | Hays, Ark. | Phillips, Calif. |
| Barrett, Pa. | Hébert | Phillips, Tenn. |
| Biemiller | Heffernan | Pickett |
| Beall | Heller | Plumley |
| Blackney | Hinshaw | Poulson |
| Bland | Hoeven | Powell |
| Blatnik | Holifield | Quinn |
| Bolling | Howell | Ribicoff |
| Boykin | Irving | Rich |
| Buckley, N. Y. | Jackson, Wash. | Richards |
| Bulwinkle | Javits | Riehlman |
| Burke | Kearns | Rivers |
| Burnside | Kelley | Rodino |
| Burton | Kennedy | Roosevelt |
| Canfield | Keogh | Sabath |
| Carnahan | Kilburn | Sadlak |
| Cavalcante | Klein | Sadowski |
| Chatham | Kunkel | St. George |
| Chudoff | Lane | Sasscer |
| Clemente | Latham | Scott, Hardie |
| Clevenger | Lichtenwalter | Shafer |
| Corbett | Lodge | Sheppard |
| Coudert | McConnell | Simpson, Pa. |
| Davies, N. Y. | McGrath | Smith, Ohio |
| Delaney | McGregor | Staggers |
| Dingell | McMillen, Ill. | Stigler |
| Dollinger | McSweeney | Taber |
| Dondero | Mack, Wash. | Tauriello |
| Donohue | Marcantonio | Taylor |
| Douglas | Merrow | Thomas, N. J. |
| Elston | Miller, Calif. | Vorys |
| Fogarty | Miller, Md. | Wadsworth |
| Fulton | Miller, Nebr. | Walsh |
| Furcolo | Mitchell | Weichel |
| Garmtaz | Morrison | Welch, Calif. |
| Gary | Morton | Werdel |
| Gilmer | Multer | Whitaker |
| Gorski, N. Y. | Murdock | Woodhouse |
| Granahan | Murphy | |
| Green | Murray, Wis. | |
| Gwinn | O'Neill | |
| Hall, Edwin Arthur | O'Toole | |
| Patterson | | |

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KARST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 937, and finding itself without a quorum, he had directed the roll to be called, when 297 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. MANSFIELD. Mr. Chairman, at the time the point of no quorum was made, I was engaged in a colloquy with the gentleman from Tennessee, [Mr. JENNINGS]. The gentleman from Tennessee had called to the committee's attention a report which was put out by the Senate Committee on the Judiciary and which was marked "Confidential" and that particular part of the report which was included in the report made public at a later date contained the following information which the gentleman from Tennessee wanted the committee to keep in mind. I am now quoting

from that report and from the later report:

The committee notes particularly the claim asserted on behalf of John Bailey as set forth in paragraph (a) of the bill and reluctantly recommends its approval, only because of a lack of desire to embarrass the representatives of the Department of State in their negotiations with the representatives of the United Kingdom. There is no doubt that had this altercation occurred between two citizens of the United States or a civilian citizen of the United States and a member of the naval service that no relief would have been afforded the injured party by Congress or any other agency of the Federal Government. This appears to be a private fight engaged in by two men while neither of them were engaged in any official capacity whatsoever.

Mr. Chairman, in committee we had no particular trouble with the last three claims in this bill.

We had considerable argument, however, over the first case named in the bill, the Stoker Bailey claim. It is the one discussed last in the committee report.

To many of us the case looked novel. Some of us, though perfectly sympathetic with the claimant, wondered whether there was any incumbency upon the United States to redress the wrong done.

As we studied the case closely, the issues emerged in clearer outline. It was then apparent that this case, rather than being doubtful, was one of peculiar merit.

Stoker Bailey, a youthful member of the British Navy, was done a brutal wrong just 10 years ago lacking 1 week. The committee's report outlines the circumstances. I shall not repeat them in full here. The main points are these:

He lost his eye as the result of an unprovoked attack.

The attack took place on American soil at Seattle, Wash.

The attacker was a seaman of our Navy. He was tried forthwith before a summary court and was acquitted.

This acquittal put him beyond reach of further punishment under the constitutional ban on double jeopardy.

The trial was held without delay. An ensign was the sole officer of the court. The preferred charge was merely that of disturbing the peace—an odd understatement of the occurrence in which one man had suddenly assaulted another by jamming a broken glass into his eye.

A reviewing officer of the Navy called it a miscarriage of justice. That reviewing officer happens now, 10 years later, to be the Judge Advocate of the Navy, Admiral Colclough.

The Navy Department upheld the view of the reviewing officer. It invited the victim to seek redress through diplomatic channels. The Department has repeatedly supported an award for Stoker Bailey when the case has come before the committee.

Many of us have dealt with cases, particularly involving constituents, in which there appeared to be an abuse of justice against the enlisted man. But this is a case of precisely the opposite character—a case in which the wheels of justice were reversed so as to carry a seaman beyond the reach of condign punishment.

The Navy Department has sought to do the only right thing—officially to acknowledge the wrong and have this Government make restitution to the victim.

Certainly the Congress should show an equal zeal for the reputation of American institutions.

This is a clear case to resolve once the issue is clear. It turns on only one question. What line of action is in accord with the dignity of our country—to show grace to the injured man or to show him a niggardly unconcern?

It is beside the point to say that this case would have no standing if Stoker Bailey had been an American national. It is beside the point to say that this was a private fight.

This case rises from the principle of denial of justice. It is the principle of international law that holds a sovereign government responsible to failure to punish one of its nationals for wrongful acts to aliens under its jurisdiction.

We, above all, should show a zeal for upholding that principle. You may say that, under that principle, an alien may have more protection on our shores than one of our own citizens. And so it may be.

But the principle works two ways. We want our nationals in many cases to have more protection of the law abroad than is vouchsafed the natives. Regardless how a foreign tyrant may deny justice to his own people, we want him held responsible for protecting Americans who may come within the reach of his power.

If we want it to apply one way, we have to allow it to apply the other way also.

It is in our own substantial interest to pay the Bailey claim.

Even if it were not, we should still allow it. For to deny it would be incompatible with the dignity of our Nation.

I repeat that the wrongful act occurred a decade ago. We have been overlong in making an award. The House should pass the bill without further question.

Mr. JUDD. Mr. Chairman, I yield myself 8 minutes.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Are any copies of the hearings on this bill available?

Mr. JUDD. I shall have to ask the Clerk whether the hearings were printed. We held hearings on it, but I do not know whether they were printed. He indicates they were not. They are available in the committee room.

Mr. Chairman, a few weeks ago we debated a bill to provide payment to Switzerland for damages which were inflicted on certain cities and people in Switzerland by American planes. It became apparent from that debate that many of the Members believe that international claims are something on which the United States does all the paying and none of the receiving. Two Members have raised the question with me here today: "Why are we always giving out and never getting anything back in these affairs?"

I have here some information on that which I think will be of interest from the standpoint of the bill as a whole, before we get into the specific controversial case which the gentleman from Tennessee has brought up—and understandably controversial—the Bailey case.

Mr. Chairman, I suppose the basic reason why we are unaware of how much the United States receives in claims is because of the fact they are not handled by the Congress, whereas all those made by the United States to other countries have to be made by act of Congress. Therefore, the only ones that came to our attention are those we pay out. Naturally we get the impression that this international claims business is a one-way street—Uncle Sam always giving.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. AUGUST H. ANDRESEN. The last time I heard of the United States getting anything is when the *Panay* was sunk by the Japs and they paid something like $20,000 for the damage done.

Mr. JUDD. I think it was something over a million dollars, but I do not recall the exact figures.

Mr. AUGUST H. ANDRESEN. That is the last time I ever heard of us getting anything.

Mr. JUDD. That illustrates my point. There are two types of claims—war claims and nonwar claims. These are nonwar claims. Under our laws the Department of Defense can pay claims growing out of operations during war. But a nonwar claim from an alien has to come to Congress just like a bill for the relief of a private citizen, who has a claim against the Government. That requires an act of Congress, or did until the passage of the Reorganization Act in 1946.

Actually our record on the payment of international claims is one of comparative remissness, due principally perhaps to the very fact that they do require congressional action and they are frequently pushed aside by other legislation. For example, consider the time lag in these claims. One of them arises out of an incident which occurred over 10 years ago. In another case, 4 years ago; in a third case, 5 years ago; and in the fourth case, 4 years ago. Some of us on the committee were interested in the circumstances of the claims settlements in which American nationals were the ones receiving redress. Because three of these claims apply to Great Britain or its nationals, it is interesting to see what our record has been in comparison with Great Britain's.

In England the executive has the power to make such settlements without the action of Parliament. Here are some instances of how the British have treated the United States on claims presented in behalf of our private citizens. There have been many such in the last century and a half. Great Britain, on many occasions, has made immediate restitution for wrongs done to American nationals, without even waiting for the presentation of the claim.

Let me cite some examples. On December 28, 1914, some Canadian border guards challenged some American duck

hunters on the international waters between the United States and Canada. We, in Minnesota, have plenty of duck hunters in those waters each year. The guards jumped the gun, fired precipitantly and killed two American hunters. Ten days later the British Government, without being prompted, by formal presentation of a claim, announced that they would pay $15,000 to the surviving relatives. On February 13, less than 2 months later, they announced completion of the payment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. AUGUST H. ANDRESEN. That was the Canadian Government, was it not?

Mr. JUDD. At that time it was not independent, as I recall, and was still under the English crown.

Mr. HESELTON. Mr. Chairman, will the gentleman yield for a question?

Mr. JUDD. I yield.

Mr. HESELTON. Those guards, however, were on official duty.

Mr. JUDD. Yes; but there are some cases in which those responsible for the damage were not on official duty.

On March 20, 1915, an American aboard a boat in Bermuda waters was fired on by a British sentry, who believed that he was entering a prohibited area. The American was injured. On April 19, 1 month later, the British announced that they would make restitution, although the United States had not even presented a claim in behalf of the American.

On July 7, about 6 weeks later, the British Government paid the American $26,000, and he had not been killed—just injured.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. SCRIVNER. Those cases are perfectly satisfactory as precedents when you are talking about the killing of these seamen over in China waters, but the gentleman has not yet cited a case where two people, one an American national, and another a national of a foreign country, got in a fight and the other country paid us.

Mr. JUDD. Well, I will read you a couple of those, if you want them.

Mr. SCRIVNER. I would like to have you do so.

Mr. JUDD. Here is such a case in which we have paid. In Oklahoma, in 1931, two Mexican students, Gomez and Rubio, were fatally shot by a police officer. The officer was tried. He was acquitted. Yet by an act approved February 25, 1933, the Congress appropriated $30,000 for payment to the families of these two men.

The American police officer in Oklahoma was acquitted, but it became clear that there had been a miscarriage of justice, and the United States Congress assumed the responsibility and paid the claim.

Here is another example: On March 14, 1891, 11 individuals of Italian origin were killed by a mob in New Orleans. On May 5, 1891, the grand jury made a report excusing those who participated in the attack. No one was indicted. No one was tried. No one was punished. But Congress authorized and appropriated approximately $25,000 to pay an indemnity of 125,000 francs. In tendering this to the Italian Minister in Washington Secretary Blaine observed that while the injury was not inflicted directly by the United States, "the President nevertheless feels that it is the solemn duty of the United States Government to pay a satisfactory indemnity."

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. KEEFE. The gentleman is reading from a memorandum. I would like to know whether the memorandum he is reading from is a confidential report to Hon. A. A. Rubicoff, from Mr. C. B. Marshall.

Mr. JUDD. Yes; that is the one I am now reading from.

Mr. KEEFE. On the literature of the Foreign Affairs Committee?

Mr. JUDD. Yes.

Mr. KEEFE. I assume I can refer to that without violating any rules of confidence?

Mr. JUDD. Certainly you can, because the staff of the committee prepared this data. We expected this question to be brought up, and we asked our staff to assemble the precedents, where we had been on the receiving end as well as where we had been on the giving end.

Mr. KEEFE. It is marked "confidential."

Mr. JUDD. It was marked "confidential" by Mr. Marshall when he prepared it because it had not at that time beeen presented to the committee.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. JUDD. I yield myself three additional minutes, Mr. Chairman.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. SMATHERS. As a matter of fact, I gave that to the gentleman from Wisconsin [Mr. KEEFE] without any restrictions on its use whatsoever.

Mr. JUDD. Yes. I am sure it is normal that material prepared by a staff member is confidential until it is released or used by one of the members of the committee.

Let me summarize this matter of nonwar claims. Since World War I we have received $94,336,000 in claim settlements, exclusive of war claims. The figure includes the Mexican claims settlement, on which Mexico is still paying annual installments. In the same period during which we received $94,000,000 we have paid out $13,650,000. That includes $13,000,000 for claims involving shipping seizures, which might technically be considered war claims. In terms of the narrowest technical basis, we have received in a 30-year period $94,000,000 and have paid out $650,000 in nonwar claims. That is a ratio of 145 to 1.

Even if you count in the $13,000,000 paid by us to Norway for shipping claims, which could be considered war-claims settlement growing out of World War I, the balance is more than 7 to 1 in favor of the United States.

So I do not believe the charge can be made, in debating this bill, that the United States is being "Uncle Sap," or being overgenerous, or being taken for a ride. The bill is justified as a matter of international law and there are ample international precedents.

Consider the three possibilities for handling such a claim. First, the damaged person could bring his claim directly, but even though that is legally possible, how many have the financial resources to bring a claim against the United States?

The second course would be to have an international tribunal arbitrate the matter between the two governments. But surely the United States does not want to go to the expense and the time-consuming process of setting up an arbitration tribunal to handle claims of this size, as was done in the cases where we had large claims against Mexico and Panama.

The only other way that followed in this bill. When the evidence indicates there has been a miscarriage of justice or a denial of justice, the Congress should follow the recommendation of its own departments and pass the bill to grant the claims as a matter of justice and of dignity.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. BECKWORTH. The gentleman refers to the amounts of money which our Government obtained from other governments. Would you mind commenting on whether or not that money remained in the coffers of our Treasury, or did it go to individual businesses and people?

Mr. JUDD. These claims, such as I have been reciting, all went to the individuals who had been injured or damaged or to the relatives of those killed. My point is that American citizens abroad have received more from governments where they suffered damages than citizens of other countries have received from us for damages received at the hands of American citizens, either on duty or in private capacity.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. KEEFE. The gentleman has referred to this large number of claims which have been settled with American citizens. The gentleman has read from this memorandum submitted to the Committee on Foreign Affairs. He did not, however, read the language of this memorandum which states:

> The instances I have cited were involved in juridical settlements.

Mr. JUDD. That is right.

Mr. KEEFE—

> They are different in that respect from the Bailey case.

Mr. JUDD. That is right.

Mr. KEEFE—

> The latter has not been adjudicated by any international tribunal.

Mr. JUDD. I have just discussed that, I may say to the gentleman. We could have handled the cases in this bill by international tribunals. But what would be the reason for going to all that trouble and expense when we already admit the

claims are just, and when the amounts involved are so small? I have already given instances of where on the application of a government whose national had been injured by an American who was not properly punished, the United States paid the claim without its being adjudicated by an international tribunal.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. JUDD. Mr. Chairman, I yield myself two additional minutes.

Mr. KEEFE. It would seem to me that the gentleman ought to refer to the authorities cited in this opinion, especially the authority cited by Mr. Green Hackworth, which is listed as an authority for this case. I submit that if the gentleman reads it he will come to the conclusion that it is an authority for the denial of this claim rather than an authority for granting it; because, under the facts which the gentleman has given, the shore patrol picked up this man; he was summarily tried by a court martial, and this ended the legal aspects of the case; he could not be tried again.

Mr. JUDD. That is correct; he could not be tried again. But that does not relieve us of responsibility if the man was unjustly acquitted.

Mr. KEEFE. This Government did everything it could do to prosecute this individual, and he was found not guilty. Under those circumstances, we are asked to go behind that court-martial finding. I wish to ask the gentleman: Had that court martial found this sailor guilty would there be any basis for such claim here?

Mr. JUDD. I believe so.

Mr. KEEFE. Under the authorities here would there be any basis for such claim at all?

Mr. JUDD. I think there would be.

Mr. KEEFE. Then the gentleman is in complete disagreement with the authority he has cited to this House; and I will take the time to explain it if I can get it.

Mr. JUDD. May I strike out what I said. I did not get the purport of the gentleman's question. He is right, because the principle here is that justice had not been done. If justice had been done by conviction and punishment the claim would not be valid. But the Navy admits that there was a miscarriage of justice in this case. The bill came before us because the Navy reviewing authority found that justice had not been done, and it initiated action with the Department of State to permit payment of the claim. The Department of State approved and sent it up here to have us clear this blot from the record of justice of the United States.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. HALE. As I read this bill it contemplates a cash payment by our Treasury to His Majesty's Government; is that correct?

Mr. JUDD. Yes; it is a claim of the British Government, but it is on behalf of John Bailey; the money is to go to him.

Mr. HALE. Of course. But why, when there is indebtedness, to put it mildly, a very substantial indebtedness on the part of His Majesty's Government to the United States, why should not His Majesty's Government take care of His Majesty's subjects, and the thing be handled as an open account, a credit?

Mr. JUDD. I suppose there would be considerable difficulty in getting lend-lease, the British loan, or the ECA mixed up in a private claim. The gentleman doubtless has equity on his side, and he is an eminent lawyer. I do not know whether the technique of payment he suggests is feasible or not.

Mr. HALE. The British Government can certainly take care of its own subjects.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. KEE. Mr. Chairman, I yield myself 2 minutes.

The CHAIRMAN. The gentleman from West Virginia is recognized.

Mr. KEE. Mr. Chairman, four claims are presented by the pending bill, three through the Ambassador and foreign representative of the British Government for British nationals, and one coming through diplomatic channels from the Norwegian Government. The claims, altogether amount to the sum of twenty-three thousand three hundred thirty-four dollars and some cents.

The claim of Stoker Bailey, which has been very much discussed here, is the only controversial section of this bill. As a matter of fact, the cimcumstance that the man who injured Bailey was not convicted of an assault or of an offense has nothing whatever to do with the civil liability of any person because of the injury Bailey received. In order to convict a man of assault with intent to kill or to do great bodily harm, it is necessary that the element of intent be shown. Before a court you must prove felonious intent and that the injury was inflicted maliciously. Whereas, in order to establish civil liability, there need not be any proof of intent nor proof of malice. You merely prove that the injury was caused by lack of ordinary care or because of negligence. Therefore the question of intent or malice or the nonconviction or conviction of the man responsible for the injury has nothing to do with it.

Mr. Chairman, this bill has been reported by the committee after due consideration, it should be passed and these claims paid.

Mr. EATON. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, this is an illustration of how sometimes a matter which involves only a few dollars raises a question that some of us want answered because of the establishment of a precedent. It is a rather strange thing to have brought before this committee a confidential memoranda written by some attorney for the State Department in an attempt to justify this particular Bailey claim.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Minnesota.

Mr. JUDD. Is the gentleman referring to the memorandum by C. B. Marshall?

Mr. KEEFE. I am referring to that memorandum.

Mr. JUDD. He is not an attorney for the State Department. He is one of the professional staff of the Committee on Foreign Affairs.

Mr. KEEFE. I am glad to know that.

Mr. JUDD. I said so once before.

Mr. KEEFE. I did not know that, but it does not make any difference who he is or what he is. He furnished the report and the report speaks for itself if anybody will read it. It is not subject to the garbled comment that has been made by distinguished members of the Committee on Foreign Affairs, in my humble opinion.

This is an attempt to fasten upon this Government by a very tortuous method of reasoning a liability that does not exist under any law, international or any other law, and I defy anybody to point to anything in this opinion to refute that statement.

He cites three authorities. Let me read one of them. He quotes from the 1895 edition of a work on international law:

> It would be unfair to put upon the state the burden of the consequences of acts which it never incited or permitted, but it is, nevertheless responsible for the acts of its nationals in this way, that it must not, even by taking no action, protect or favor injustice. Any connivance on its part is enough to make it personally responsible.

Then he points it out in this way:

> If a nation should refuse or fail to pass the laws necessary to restrain its citizens from aggressions upon other states, or upon their citizens, or if, such laws being enacted, the officers of the state neglect to enforce them, the state is unquestionably responsible for the injury.

Here is the next one, quoting Hackworth:

> The mere fact that an alien has suffered at the hands of private persons an aggression, which could have been averted by the presence of a sufficient police force on the spot, does not make a government liable for damages under international law. There must be shown special circumstances from which the responsibility of the authorities arises.

What is the attempt here to disclose special circumstances? The special circumstances that they disclose are that this man who assaulted Bailey was tried by a summary court martial and was acquitted. Now, the Navy Department comes back in response to the diplomatic question, when diplomacy is involved, and says that the summary court martial was a fraud; it was contrary to justice, and "although the Navy cannot go behind it, they can come to the Congress now, because that court martial did not convict the man who assaulted Bailey, and therefore we must pay Bailey."

Now, I have asked the question "Had that summary court martial convicted Bailey would this claim be here? This opinion indicates that the answer should be no. There would not even be a claim here if he had been convicted and served even 10 days in the brig. But, because it is alleged that the court martial failed

to convict him, therefore the Government of the United States in some way has failed to protect this alien's rights. Now, there is no question but what the alien had a perfect right to sue the seaman who assaulted him.

Mr. JUDD. Mr. Chairman, I yield the gentleman one additional minute in order to read to the Committee the remainder of the quote from Mr. Hackworth. The gentleman asked about special circumstances, and Hackworth defines the special circumstances as follows:

Either their behavior in connection with the particular occurrence, or a general failure to comply with their duty to maintain order, to prevent crimes or to prosecute and punish criminals.

The last is the special circumstance in this case.

Mr. KEEFE. That is exactly what the Navy did. They prosecuted this fellow for his crime under the established law of the Navy. He was prosecuted in a summary court and he was acquitted. There must have been a lot of facts presented in that summary court martial that do not appear here. I think if the facts were really known it was probably a barroom brawl in the tavern and Bailey got his eye injured in the brawl. That is the way it looks to me. That is the way these things always happen. Now, my people are being asked 10 years later to pay this man, and I find nothing in the law that would justify it.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. JUDD. Mr. Chairman, I yield the gentleman one additional minute in order to comment on his statement. I just want to add to what the gentleman has said that the Navy itself recognized that justice had not been done, and on its own initiative suggested that justice be done by reimbursing this man for the loss of his eye and his livelihood. The gentleman will not deny that once in a while, in a summary court martial as in other courts, injustice is done, and this is the only way in this case to correct the inequity that has been done, because you cannot call a man in and put him in jeopardy a second time for the same offense. Surely the gentleman is in favor of the principle of rectifying an injustice when discovered, even though it was done in a regular procedure and without suggesting that anyone in the court martial acted improperly.

Mr. KEEFE. Who is there that can say there was an injustice except the reviewing officer who passed on it?

Mr. JUDD. I cannot and the gentleman cannot. But the reviewing officer can and he is the one who said there was an injustice.

Mr. KEEFE. He passed on it after it was an accomplished fact and he could not go back of that summary court. The gentleman knows that as well as I do.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Montana.

Mr. MANSFIELD. I should like to read from the hearings of the Seventy-seventh Congress the testimony by Commander Colclough, who at the present time is the Judge Advocate of the Navy.

Mr. JUDD. He was the reviewing officer.

Mr. MANSFIELD. Commander Colclough said:

However, the convening authority, who was the man's commanding officer, and ordered the court martial, and the Navy Department agree that his acquittal was a miscarriage of justice. The Navy Department has gone on record to that effect. There is nothing more that could be done. He was tried by a duly constituted court and acquitted on the charge of engaging in a fight and disturbing the peace.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. KEATING. Did the Committee on Foreign Affairs in their consideration of this have any of the evidence of the court martial before it?

Mr. JUDD. No, we did not go back of that court. How could we go back of that? We had to take the conclusions and the advice and the recommendations of the United States Navy which had reviewed all the evidence, including the testimony of the original convening authority. This bill is the result of the Navy's findings.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum as may be necessary to effect full and final settlement of the following claims against the United States:

(a) Claim of the Government of Great Britain in the sum of £750 ($3,024.38) on behalf of John Bailey of His Majesty's ship *Orion* arising as a consequence of personal injuries inflicted upon him by John Ittner, United States Navy, at Seattle, Wash., on July 16, 1939;

(b) Claim of the Government of Great Britain in the sum of £3,000 ($12,097.50) on behalf of the parents of the late J. D. Wiggins, of the British vessel *Sambre*, arising out of the death of the latter as a consequence of shots fired by John B. Coyne, United States Navy, an armed sentry aboard the United States ship *Carter Hall* at Shanghai, China, on November 23, 1945;

(c) Claim of the Government of Great Britain for reimbursement in the sum of £721.0.5 ($2,907.52), representing the pro rata share of the United States of the sum paid to the Government of Spain by the Government of Great Britain, as a consequence of damages caused in the bombing of the Spanish vessel steamship *Christina* at Sete, France, in an attack by joint air forces of the United States and Great Britain, respectively, on June 25, 1944; and

(d) Claim of the Government of Norway in the sum of 19,650 patacas ($5,354.63) on behalf of Trygve Jorgensen, arising out of personal injuries sustained when the ship *Masbate*, of which he was captain, was attacked in the harbor of Macao by United States military aircraft on February 25, 1945.

In all, $23,384.03; together with such additional sums due to increases in rates of exchange as may be necessary to pay claims in the foreign currencies as specified in the claims.

Mr. KEE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be open to amendment at any point.

Mr. JENNINGS. I object, Mr. Chairman.

The Clerk concluded the reading of the bill.

Mr. JENNINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENNINGS: On page 1, strike out lines 8 to 12, inclusive.

Mr. JENNINGS. Mr. Chairman, this amendment does not propose to eliminate this provision of the bill. I cannot in good conscience vote for the $12,097.50 in the bill, and I do not believe you can or will if you get the facts.

I have served on the Committee on Claims in this House for more than 9 years, and I believe I have handled bills for perhaps a majority of the Members of this House. I always go just as far as I can under the law, in equity, and in good conscience upon the facts in favor of a meritorious claim. The other day I reported on a bill for the benefit of the estate of a United States sailor. His name was Barnett. He was in uniform. He went ashore in the Philippines with $50 of his pay in his pocket. He was assaulted and killed by three colored men who were in the uniform of the United States Army. It was a private brawl. I could not, in good conscience, favorably report that bill.

Here is a claim that is 10 years old, where two British sailors are ashore in Seattle and attach themselves to two girls. The girls may have been as pure as the driven snow, but they were easy to get acquainted with. One gave the name of "Norma," and the other said she was "Rose." At any rate, this English sailor ran into this American sailor and they evidently had some trouble over the girls. It is always dangerous, from my reading of history and from my observation of mankind, for a man on foreign soil to undertake to tread the primrose path of dalliance with a lady too easy to get acquainted with. This is the first time in the history of this country that the national of any foreign country has asked this country to pay him an indemnity when he goes on an expedition of that kind, loses an eye, or anything else. This is a dangerous precedent. They do not bring any evidence here to substantiate this dubious claim.

I am English by descent and by sympathy. I have voted for the flood of dollars which has been poured into Great Britain. Let Britain use some of the money we are paying her daily to pay this man. But let us keep this $3,000 here at home. This sum of $3,000 represents at least 50 pretty good young steers, and I do not know how many dozens of eggs or how many pounds of butter. Do not commence paying bills like this. You will set a premium on misconduct.

Mr. HESELTON. According to the interpretation made by the gentleman from Minnesota of this case, because there was an acquittal by a court martial, would this not be a precedent with reference to suits of foreigners in our civil courts where there was an adverse decision that this country should pay indemnity to foreigners?

Mr. JENNINGS. Yes. It might.

Mr. CHIPERFIELD. We defeated this bill several times in our committee.

Mr. JENNINGS. Mr. Chairman, here is a member of the Committee on Foreign Affairs, who recalls that this is a fly-specked bill that has been kicking around here for 10 years. Surely this House does not wish to say to sailors from all over the earth, if they come over here and get in a private brawl over a lady who is known only by her first name, they, if injured, can collect damages from Uncle Sam. The law should be, and I believe is, that a man assumes the risks incident to that kind of an expedition. He voluntarily enters on the quest and if the going gets rough, the decent people of this country should not have to respond to him in damages for anything that happens to him.

Mr. SMATHERS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Tennessee went to great lengths to condemn the Committee on Foreign Affairs claiming that we were inferring certain conclusions and doing so without proper evidence. And yet he has been quite facetious and I think most reckless in inferring that merely because a young man comes to this country and has a date with a woman that the woman is of easy virtue and not a proper person to go around with. I do not think the gentleman from Tennessee has any evidence to that effect. I do not think he could now or in the future possibly get any substantiation of his inference and charge. Certainly it is not right and it is not proper to stand here in the Congress of the United States and through innuendo and subtle hint suggest that just because a man comes here from a foreign country and has a date with some American girl that automatically that means that the woman is of easy virtue. The gentleman from Tennessee knows nothing of the women involved in this case, and it is not right therefore to question their characters.

We are not trying to establish any new procedures here. As a matter of fact, this procedure of a government paying and assisting an alien who has come into its territory and who has been grievously assaulted and injured by a citizen of that government, where there is no practical remedy for the alien and he cannot get any recovery or compensation, is an ancient and well-established principle and the Government considers that it is its proper responsibility.

I am going to read you some of the authorities that there are, on this point. These are the best known authorities on international law, and I want you to listen to what they have to say.

Here is an eminent authority, Mr. Bluntschi, speaking:

> It would be unfair to put upon the state the burden of the consequences of acts which it never incited or permitted. But it is nevertheless responsible for the acts of its nationals in this way, that it must not, even by taking no action, protect or favor injustice. Any connivance on its part is enough to make it personally responsible.

Here is another eminent authority, Mr. Halleck:

> If a nation should refuse or fail to pass the laws necessary to restrain its citizens from aggressions upon other states or upon their citizens, or if, such laws being enacted, the officers of the state neglect to enforce them, the state is unquestionably responsible for the injury.

Let us look further here and see what has happened.

In 1894 an American citizen named Frank Lenz was murdered in Turkey. This Government sought redress from Turkey, and I quote the relevant instructions from our State Department to our envoys:

> If the murderers had been duly punished, this Government would not have felt disposed to demand the payment of an indemnity. The evidence shows a deliberate, premeditated murder, yet the judgment was rendered against the murderers for "murder without premeditation." And even this penalty was not actually inflicted for the guilty parties escaped. It is hoped, in view of the enormity of the offense and the miscarriage of justice, that the Turkish Government will pay a reasonable indemnity.

Turkey did so. The parents of the murdered man received $7,500 in redress of the wrong.

We had another case in Mexico, where some students of ours went down there and became embroiled in an altercation with some local people and they were killed. The Mexican Government appropriated $30,000 to the families of the murdered boys.

There are several other instances which I shall not take the time to read. They have been pointed out to you by the gentleman from Minnesota [Dr. JUDD].

Bailey had no other practical remedy in his case. It has been charged that he should have gone to the International Court of Claims for his remedy. Why? We had admitted our gilt. The Navy had admitted it. The State Department had admitted it. Why is it necessary to argue a claim when one side already admits it is guilty? The Government, from the Navy Department right on down, has admitted its guilt. The Navy Department has asked now that justice be invoked by giving this amount to Stoker Bailey. The precedent for so doing is well established.

By adopting this amendment we save the Government $3,000. Our United States citizens have gotten on claims similar to this $94,000,000. We have paid out on claims like this $13,000,000. We are likely today to perform an act which will destroy a precedent which in the future has given our citizens and our Government protection in the past and will do so in the future; a precedent which has given us $94,000,000 as against $13,000,000, and here now we are about to destroy the precedent mainly because we do not seem to understand it.

The CHAIRMAN. The time of the gentleman from Florida [Mr. SMATHERS] has expired.

Mr. JUDD. Mr. Chairman, I move to strike out the last word in order to make one observation.

The gentleman from Wisconsin asked how it was that the Foreign Affairs Committee did not have the facts upon which the Navy's reviewing authority made the decision that there had been a miscarriage of justice. I have been here 7 years, and I have never yet seen any Government department or bureau admit voluntarily that it had made a mistake unless it really had done so. When the United States Navy says there had been a miscarriage of justice in its own court martial, is it reasonable to suppose that there had not been a miscarriage of justice?

We should vote down this amendment. To vote for it does not hurt Great Britain. It does hurt the United States. I do not want to be party to a disservice to my own country, and especially when to do that requires flying in the face of the findings of one of its own departments, which certainly would not be condemning itself if it were not guilty.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there has been a lot of talk indulged in by members of the Foreign Affairs Committee. I have in my hand the hearings on this bill. Here they are. Do you know what these hearings amount to? They are just a simple statement on the part of the chairman that "Here is the bill," and there is a little discussion among the members about it, and it finally winds up with a little statement by a Mr. Benedict M. English, assistant legal adviser for the International Claims Division, Department of State.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. In just a moment. The gentleman would not yield to me and I had to take this time to answer.

I have also been referred to the hearings before the Committee on Foreign Affairs of the Seventy-seventh Congress on this claim. That was handed to me as being the basis for this claim. You will recall that somebody read out of this on page 4 a statement of Commander Colclough, who, it was said, finally became the high cockalorum in the Judge Advocate's Division of the Navy and, therefore, it is presently authority. Now, listen to what this man said, and it is funny that the members of the Committee on Foreign Affairs did not read this to you:

> The CHAIRMAN. And he was a British subject?
>
> Commander COLCLOUGH. He was a British subject, a former stoker of His Majesty's ship *Orion*.
>
> The American sailor was tried by one of our forms of courts martial, known as a summary court martial. He was acquitted and thus placed in jeopardy, so cannot be tried again.
>
> However, the convening authority, who was the man's commanding officer, and ordered the court martial, and the Navy Department agree that his acquittal was a miscarriage of justice. The Navy Department has gone on record to that effect. There is nothing more that could be done. He was tried by a duly constituted court and acquitted on the charge of engaging in a fight and disturbing the peace. * * *
>
> The CHAIRMAN. Who has lost his eye?
>
> Commander COLCLOUGH. It had to be removed; yes, sir.
>
> The CHAIRMAN. Commander, notwithstanding the fact this American sailor was acquitted by court martial, the Navy Department feels today that some justice should be done to this British sailor and he should be given this $3,000 that is provided for in this legislation; is that right?

Commander COLCLOUGH. That's right, sir.

Mr. EBERHARTER. May I ask a question?

The CHAIRMAN. Yes, Mr. EBERHARTER.

Mr. EBERHARTER. This was an altercation in a cafe?

Commander COLCLOUGH. That is right, sir.

Mr. EBERHARTER. Neither one of the participants were on duty in any respect?

Commander COLCLOUGH. No, sir.

Mr. EBERHARTER. It was a private and personal matter between them?

Commander COLCLOUGH. Yes, sir.

Mr. EBERHARTER. And the governments of neither nation were involved in any respect whatsoever?

Commander COLCLOUGH. No, sir. Except insofar as the amenities that are due a visiting ship.

Mr. EBERHARTER. Has it been the practice of the Navy Department to pay indemnities where sailors were not on duty?

Commander COLCLOUGH. I know of no precedent that would allow me to say it was the policy.

They did not tell you that. There is this great authority that they have cited who testified in those hearings a year ago on this very same claim.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I do not yield; the gentleman from Minnesota had plenty of time.

I yield to the gentleman from New York.

Mr. KEATING. Time and again the Navy Department, when American citizens were involved, have told us that we must not pay, that we should not pay, that we cannot pay claims of that kind.

Mr. KEEFE. This, it seems to me, is a case that has been kicking around up in the Committee on Foreign Affairs for over 10 years, ever since it happened, in 1939. It is being brought out here; I do not know why, and we are being asked to pay 750 pounds, or so much in dollars. I do not know why they cannot take it out of that frozen fund money under the Marshall plan and pay this amount if we are so anxious to look after the affairs of the American taxpayers. Why do you not take it out of that fund and pay this man if this is such a clear case? I cannot in good conscience under these circumstances vote to establish a precedent to put upon the people whom I represent a tax to pay a claim of this kind arising under these circumstances.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The question is on the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. KEE) there were—ayes 74, noes 37.

So the amendment was agreed to.

Mr. HALE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALE: On page 1, lines 4 and 5, strike out "pay out of any money in the Treasury not otherwise appropriated" and insert "credit upon any indebtedness due to the United States by the claimant governments."

Mr. KEE. Mr. Chairman, I make the point of order that the amendment is not germane to the purposes and intent of the bill.

The CHAIRMAN. Does the gentleman from Maine [Mr. HALE] desire to be heard?

Mr. HALE. Mr. Chairman, I do not know anything that would be more germane to the bill and I submit I have made a perfect argument.

The CHAIRMAN. The point of order is overruled.

Mr. HALE. Mr. Chairman, I propose this amendment in the most serious way. I think no Member of this House has had so consistent a record as I in voting money for the relief of foreign governments under the Marshall plan, under all sorts of plans, for the rehabilitation of the European economy. I want to be extremely generous to His Majesty's Government in the future. I do not even have any invincible objection to paying His Majesty's Government for this claim which grows out of a private brawl in Seattle.

It does seem to me that no cash should be paid out of the Treasury of the United States when such large sums of money are owed to the Treasury of the United States by the foreign governments in question. There is no question of foreign exchange involved here. His Majesty's Government can certainly pay the claim of Stoker Bailey and I presume the Norwegian Government can take care of the claim of its national. It seems to me this matter should be handled as a bookkeeping transaction only.

Mr. KEE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Maine [Mr. HALE].

Mr. Chairman, so far as the argument of the gentleman from Maine is concerned, this bill only deals with one claim. He did not discuss the fact that there are three other claimants included in the pending legislation in addition to the claim of John Bailey. Therefore the gentleman's amendment would affect and destroy the bill insofar as its provisions as to the other claims are concerned.

In any event, Mr. Chairman, the amendment, if adopted, would destroy the bill and would certainly destroy the efforts our State Department and our Government are making to give fair and honest treatment to and to deal justly and honestly with other governments of the world in the matter of just claims.

I have the honest conviction that an amendment like this is so ridiculous on its face that it should be denied all consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. HALE].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 53, noes 41.

Mr. KEE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. KEE and Mr. HALE.

The Committee again divided; and the tellers reported that there were—ayes 72, noes 71.

The CHAIRMAN. The Chair votes "no," so the vote is a tie and the amendment is rejected.

Mr. JENNINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENNINGS: On page 2, line 2, after "sum of", strike out "£3,000 ($12,097.50)" and insert in lieu thereof "$5,097.50."

Mr. JENNINGS. Mr. Chairman, this claim is warranted upon the facts, but the amount allowed to the family or to the parents of this deceased seaman of the British Navy is excessive in comparison with what the Congress has habitually allowed during the time I have been a Member for the last 9 years. In other words, as a rule, unless there are some special circumstances, we have allowed to our own nationals in the case of death claims only $5,000. This last week the House passed a private bill for the relief of the heirs of a citizen in my district who was killed by a CCC truck, and allowed only $4,185.

Here it is proposed to allow the parents of this British seaman $12,097.50. There is no evidence that this man had any certain earning capacity. There is no evidence as to what he may have contributed to the support of his parents. It is admitted that the sentries who fired on the sampan on which he was had not been properly instructed or trained, but it was in wartime and there was no malicious intent on their part to kill him. We ought not to establish a precedent and allow the parents of a Britisher $12,000 for the death of their son, when in many instances the other body has cut us down to $3,000 for the death of a 21-year-old boy the son of American parents.

In addition to that the President has vetoed measures awarding a recovery by the Congress of the United States for sums much less than $12,000. Five thousand dollars is ample and that is what we have been allowing in cases like this one. I think we ought to stay in line on that and not be more generous with foreigners than we are with our own people.

Mr. SMITH of Wisconsin. Mr. Chairman, may I inquire—does your amendment cut the amount $7,000?

Mr. JENNINGS. It cuts it $7,000, yes; and awards these Britishers $5,000. Five thousand dollars in American money in Britain today is what I consider a great big recovery. That is what they are talking about now. They want American dollars. I am willing for them to have a recovery, but I am not willing for them to have more than we allow the fathers and mothers of Americans who are killed wrongfully, and for whose death the Government is liable.

Mr. JUDD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, everybody naturally is in sympathy with much of the argument that the gentleman from Tennessee made on this as one could be in sympathy with the arguments made on the previous amendment. But we ought to consider it in terms of the interest of the people of the United States. This will cut two ways. We have claims to collect as well as to pay. For instance: We collected $150,000 in American dollars from Yugoslavia for the loss of five American boys. That is $30,000 a man.

Mr. JENNINGS. That was a matter which might have led to war. Do you think a Britisher ought to get more

money from our taxpayers than our people get?

Mr. JUDD. I think he ought to get as much as we collect from foreign countries in similar cases.

Mr. JENNINGS. It is a deplorable thing that you are in that frame of mind.

Mr. JUDD. That is a matter of opinion. Consider also the case of two Mexicans who were killed by a police officer in Oklahoma. The Congress of the United States passed a bill appropriating $30,000—that is, $15,000 apiece—for the families of those two boys. And many other cases. There are ample precedents where we have both paid and received in excess of $5,000. This bill does not establish a precedent; the amendment departs from the precedents. In my judgment, to cut the payment for this individual will hurt more Americans in the future than it will hurt foreigners, because lots more Americans will be going around the world in the future and subject to injury and damages than foreigners are likely to be at the hands of Americans. It seems to me we ought to consider also the dignity of the United States, in amendments like the last one. Especially when the sums are so small, it seems ungracious and unworthy for our country to be rubbing it in that certain other peoples are indebted to us. I am sorry they are in debt to us, from our standpoint, as well as their standpoint. But for us publicly to humiliate them by telling them to credit it on their debt to us, even if we are rich and powerful, seems to me to be rendering a graver disservice to our own country than to them.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. CASE of South Dakota. In the instant case, was there anything in the nature of aggravation such as there was in the Yugoslavian case? Or was this an accident? It seems to me there is a little difference in the circumstances of each case.

Mr. JUDD. This was not just an accident. Our Government admitted that our sentry had acted "without due cause or provocation or circumspection and with a recklessness which implied indifference to the consequences." The Navy Board of Investigation also found that the sentries aboard our ship, one of whom had shot this British subject, had not been "properly instructed, selected, trained, and supervised." It was not just an accident on the part of the American. It was a case of negligence on the part of those responsible for the training of this boy who, acting precipitantly and without any justification, killed the Englishman. It seems to me there are special and unusual circumstances justifying the claim.

Mr. CASE of South Dakota. Without the, let us say, malice, for the lack of a better word, or possible malice which might have precipitated the Yugoslavian shooting?

Mr. JUDD. There is no suggestion there was any malice.

Mr. CASE of South Dakota. There is some governmental responsibility in the Yugoslavia situation. It was a matter of governmental policy.

Mr. JUDD. Yes. And our Government admits there is Government responsibility in this case. There was negligence on the part of our Government in not properly training these sentries.

Mr. CASE of South Dakota. Not a matter of national policy. There was no national policy on the part of the United States that encouraged any sentries to shoot down any other person.

Mr. JUDD. No. I do not know that there was in the Yugoslav case, either. There is no suggestion that it was national policy for Oklahoma civil officers to be shooting down Mexicans, but one of our officers did shoot two Mexicans, and we paid their families $15,000 each.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to my friend from Wisconsin.

Mr. SMITH of Wisconsin. Can my distinguished colleague justify the claim with the British pound at four-point something today? In other words, the exchange rate on the pound today most anywhere is much less than that. It seems to me there would be justification for cutting it somewhat.

Mr. JUDD. The official rate is a little over $4. I agree with the gentleman that the black-market rate on the pound is much less, but I am sure you do not suggest that we put into laws passed by the Congress, black-market rates.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. KEATING. My question was along that line. Can the gentleman tell us whether, if this claim is left as it is, it will be paid by the transfer of dollars or by the purchase of pounds and the transfer of those pounds to the foreign government?

Mr. JUDD. I am not in a position to answer that definitely. That question did not come up, because this was reported out some time ago, and the pound was in better shape at that time. My judgment is that it would be paid in dollars, because the amount in dollars is mentioned in the bill, and that is the currency of the United States.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. JUDD] has expired.

Mr. STEFAN. Mr. Chairman, I ask that the gentleman's time be extended for 2 minutes in order to answer a question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. STEFAN. May I ask the gentleman from Minnesota if it is not possible for the British to give us credit on lend-lease surplus to pay this claim, They are doing that in the matter of purchasing property in the United Kingdom. Has the gentleman given any thought to that,

Mr. JUDD. That was the issue that was involved in the amendment offered by the gentleman from Maine, which was just voted down.

Mr. STEFAN. Well, we are doing that right along with countries that owe us on lend-lease.

Mr. JUDD. I see no reason why our Government should not—in fact, I think it ought to investigate the possibilities in that respect. I know that when we are purchasing property, for example, for our embassy staff or our ECA mission in England to live in, it is paid for by them out of moneys that they owe us.

Mr. STEFAN. They purchase it for us, or we purchase it, and they pay for it in pounds.

Mr. JUDD. That is right.

Mr. STEFAN. Whatever government we are dealing with. In that way we pay no actual American dollars, and that is the only way we can get anything back.

Mr. JUDD. As the gentleman knows, those arrangements were made when we agreed on final settlements on the lend-lease accounts. I do not know whether this claim could be blanketed in, ex post facto, or not.

Mr. STEFAN. Undoubtedly this bill will be passed. I suggest that the gentleman suggest to the State Department that when they make settlement they make some arrangement to take credit under lend-lease payments.

Mr. JUDD. I think the suggestion is good, and the State Department will be asked to explore the possibility of making payment in the way the gentleman has suggested.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. GROSS. Does not the gentleman think that the settlement in the Oklahoma cases was high?

Mr. JUDD. Apparently the United States Congress did not think so. It passed the bill to pay the amounts. There are half a dozen other claims of the same sort, ranging from $7,500 up to $15,000, that we have either paid or received. One from the British to an American who was injured in Bermuda, where the British paid $26,000, and the man was not killed. They did not even wait for a claim to be filed.

I hope the amendment will be defeated.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. SMATHERS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, here is a case very much in point, although the facts are reversed from the one we are now considering. It seems that a British sentry in 1915 fired on an American that he thought had gone into a prohibited area, and killed him. The British Government, even before we made any representation to them whatsoever, paid that man's family $26,000.

In another case a Canadian border guard shot some American duck hunters in an international water zone. The British Government again without ever being prompted by the formal presentation of a claim paid $15,000 in each death to the surviving relatives. As the gentleman from Minnesota has so ably pointed out, this amendment is a two-edged sword; if we start cutting here, saying that we are going to save money, actually we are going to cost our citizens who travel a good deal of protection and much money in the future.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. SMATHERS. I yield.

Mr. CASE of South Dakota. Might it not be that we would be saving money in the long run?

Mr. SMATHERS. If we had more people traveling to this country than there were of our own citizens going abroad that might be so, but the evidence indicates that it is not apt to be the case.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. JENNINGS].

The question was taken; and on a division (demanded by Mr. JENNINGS) there were—ayes 39, noes 66.

So the amendment was rejected.

Mr. HALE. Mr. Chairman, I move to strike out the last word. I do this for the purpose of asking the distinguished chairman of the Committee on Foreign Affairs with respect to the French seaport mentioned on page 2, line 13. The French seaport referred to is described as "Sete." Can the gentleman tell me where that seaport is?

Mr. KEE. I am not very familiar with the geography of that section of the world, but I understand it is on the shores of Mediterranean France.

Mr. HALE. I very respectfully suggest to the distinguished chairman of the Committee on Foreign Affairs that there is no such port as "Sete" on the French Mediterranean coast. There is a seaport on that coast, the well-known port of "Cette," lying near the mouth of the River Rhone. If I am correct about this, it is indicative of the want of thorough consideration, which it seems to me that the bill has received at the hands of the committee.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there has been considerable speculation as to when this Congress ought to adjourn. After listening to the debate here and finding that it has taken us almost half a day to give away approximately $23,000, may I facetiously say I am convinced that Congress has become impotent and that nothing much more can be expected of this Congress. I respectfully submit it is about time Congress should adjourn. The American people would be much better off if we did.

I am, however, against giving the $23,000 listed in this bill. There has been too many billions given away already. Yes, if Congress would cut appropriations it has already approved 10 percent, and go home now, we would get a better reception from our people than if we wait until a later date.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KARST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 937) to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States, pursuant to House Resolution 221, he reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The question was taken; and on a division (demanded by Mr. KEATING) there were—ayes 64, noes 68.

Mr. SMITH of Wisconsin. Mr. Speaker, I object to the vote on the ground a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of this bill be dispensed with until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. SMITH of Wisconsin. Mr. Speaker, I object.

The SPEAKER. Obviously a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 167, nays 143, not voting 122, as follows:

[Roll No. 125]

YEAS—167

| | | |
|---|---|---|
| Abernethy | Frazier | Monroney |
| Allen, Calif. | Gamble | Murray, Tenn. |
| Allen, Ill. | Gathings | Nelson |
| Allen, La. | Gavin | Nicholson |
| Andersen, H. Carl | Gillette | Norblad |
| Anderson, Calif. | Golden | Norrell |
| Andresen, August H. | Goodwin | O'Brien, Mich. |
| Andrews | Gore | O'Hara, Minn. |
| Angell | Gossett | O'Konski |
| Auchincloss | Graham | Patten |
| Barrett, Wyo. | Gross | Phillips, Calif. |
| Bates, Mass. | Hale | Potter |
| Beall | Hall, Leonard W. | Poulson |
| Beckworth | Harden | Preston |
| Bennett, Mich. | Hare | Rankin |
| Bishop | Harris | Redden |
| Boggs, Del. | Harvey | Reed, Ill. |
| Bonner | Herter | Reed, N. Y. |
| Bosone | Heselton | Rees |
| Bramblett | Hill | Rivers |
| Brehm | Hinshaw | Rogers, Fla. |
| Brooks | Hoffman, Ill. | Sanborn |
| Brown, Ohio | Hoffman, Mich. | Scott, Hugh D., Jr. |
| Bryson | Holmes | Scrivner |
| Burdick | Hope | Scudder |
| Carlyle | Horan | Short |
| Case, S. Dak. | Hull | Simpson, Ill. |
| Chelf | Jacobs | Simpson, Pa. |
| Chiperfield | James | Smith, Kans. |
| Church | Jenison | Smith, Ohio |
| Cole, N. Y. | Jenkins | Smith, Va. |
| Colmer | Jennings | Smith, Wis. |
| Cooley | Jensen | Stefan |
| Cooper | Johnson | Stockman |
| Cotton | Jonas | Sutton |
| Cox | Kean | Tackett |
| Crawford | Kearney | Talle |
| Cunningham | Keating | Teague |
| Curtis | Keefe | Tollefson |
| Dague | Lanham | Towe |
| Davis, Ga. | Larcade | Van Zandt |
| Davis, Tenn. | LeCompte | Vursell |
| Davis, Wis. | LeFevre | Werdel |
| Denton | Lemke | Wheeler |
| D'Ewart | Lovre | Whitten |
| Dolliver | Lucas | Whittington |
| Doughton | McCulloch | Wigglesworth |
| Ellsworth | McDonough | Williams |
| Engel, Mich. | McKinnon | Wilson, Tex. |
| Engle, Calif. | Macy | Winstead |
| Evins | Martin, Iowa | Withrow |
| Fellows | Martin, Mass. | Wolcott |
| Fenton | Mason | Wolverton |
| Fisher | Meyer | Wood |
| Ford | Michener | Woodruff |
| | Mills | Young |

NAYS—143

| | | |
|---|---|---|
| Albert | Breen | Davenport |
| Aspinall | Brown, Ga. | Dawson |
| Bailey | Buchanan | Deane |
| Barden | Buckley, Ill. | DeGraffenried |
| Baring | Burleson | Douglas |
| Bates, Ky. | Camp | Doyle |
| Battle | Cannon | Durham |
| Bennett, Fla. | Carnahan | Eaton |
| Bentsen | Carroll | Eberharter |
| Biemiller | Case, N. J. | Elliott |
| Boggs, La. | Chesney | Fallon |
| Bolling | Combs | Feighan |
| Bolton, Md. | Crook | Fernandez |
| Bolton, Ohio | Crosser | Flood |
| Forand | McCormack | Regan |
| Fugate | McGuire | Rhodes |
| Gordon | McMillan, S. C. | Rodino |
| Gorski, Ill. | McSweeney | Rogers, Mass. |
| Granger | Mack, Ill. | Rooney |
| Grant | Madden | Sabath |
| Hagen | Magee | Secrest |
| Hardy | Mahon | Sikes |
| Hart | Mansfield | Sims |
| Hays, Ohio | Marsalis | Smathers |
| Hedrick | Marshall | Spence |
| Herlong | Miles | Staggers |
| Hobbs | Morgan | Stanley |
| Holifield | Morris | Steed |
| Howell | Moulder | Sullivan |
| Huber | Multer | Thomas, Tex. |
| Jackson, Calif. | Murdock | Thompson |
| Jones, Ala. | Noland | Thornberry |
| Jones, Mo. | Norton | Trimble |
| Jones, N. C. | O'Brien, Ill. | Underwood |
| Judd | O'Hara, Ill. | Vinson |
| Karst | O'Neill | Wagner |
| Karsten | O'Sullivan | Walter |
| Kee | Pace | Welch, Mo. |
| Kerr | Passman | White, Calif. |
| King | Patman | White, Idaho |
| Kirwan | Perkins | Wickersham |
| Kruse | Peterson | Wier |
| Lesinski | Poage | Willis |
| Lind | Polk | Wilson, Okla. |
| Linehan | Price | Worley |
| Lyle | Priest | Yates |
| Lynch | Rabaut | Zablocki |
| McCarthy | Ramsay | |

NOT VOTING—122

| | | |
|---|---|---|
| Abbitt | Gregory | Murray, Wis. |
| Addonizio | Gwinn | Nixon |
| Arends | Hall, Edwin Arthur | O'Toole |
| Barrett, Pa. | Halleck | Patterson |
| Blackney | Hand | Pfeifer, Joseph L. |
| Bland | Harrison | Pfeiffer, William L. |
| Blatnik | Havenner | Philbin |
| Boykin | Hays, Ark | Phillips, Tenn. |
| Buckley, N. Y. | Hébert | Pickett |
| Bulwinkle | Heffernan | Plumley |
| Burke | Heller | Powell |
| Burnside | Hoeven | Quinn |
| Burton | Irving | Rains |
| Byrne, N. Y. | Jackson, Wash. | Ribicoff |
| Byrnes, Wis. | Javits | Rich |
| Canfield | Kearns | Richards |
| Cavalcante | Kelley | Riehlman |
| Celler | Kennedy | Roosevelt |
| Chatham | Keogh | Sadlak |
| Christopher | Kilburn | Sadowski |
| Chudoff | Kilday | St. George |
| Clemente | Klein | Sasscer |
| Clevenger | Kunkel | Scott, Hardie |
| Cole, Kans. | Lane | Shafer |
| Corbett | Latham | Sheppard |
| Coudert | Lichtenwalter | Stigler |
| Davies, N. Y. | Lodge | Taber |
| Delaney | McConnell | Tauriello |
| Dingell | McGrath | Taylor |
| Dollinger | McGregor | Thomas, N. J. |
| Dondero | McMillen, Ill. | Velde |
| Donohue | Mack, Wash. | Vorys |
| Elston | Marcantonio | Wadsworth |
| Fogarty | Merrow | Walsh |
| Fulton | Miller, Calif. | Welchel |
| Furcolo | Miller, Md. | Welch, Calif. |
| Garmatz | Miller, Nebr. | Whitaker |
| Gary | Mitchell | Wilson, Ind. |
| Gilmer | Morrison | Woodhouse |
| Gorski, N. Y. | Morton | |
| Granahan | Murphy | |
| Green | | |

So the amendment was agreed to.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Roosevelt with Mr. Halleck.
Mr. Murphy with Mr. Arends.
Mr. Gilmer with Mr. Canfield.
Mr. Morrison with Mr. Hand.
Mrs. Woodhouse with Mr. Corbett.
Mr. Kelley with Mr. Elston.
Mr. Furcolo with Mr. Hoeven.
Mr. Garmatz with Mr. Kearns.
Mr. Pickett with Mr. Lichtenwalter.
Mr. Whitaker with Mr. McConnell.
Mr. Gary with Mr. McGregor.
Mr. Rains with Mr. Miller of Maryland.
Mr. Mitchell with Mr. William L. Pfeiffer.
Mr. Lane with Mr. Rich.
Mr. Donohue with Mr. Hardie Scott.
Mr. McGrath with Mrs. St. George.
Mr. Fogarty with Mr. Taber.
Mr. Tauriello with Mr. Vorys.
Mr. Gorski of New York with Mr. Clevenger.
Mr. Harrison with Mr. Miller of Nebraska.

Mr. Barrett of Pennsylvania with Mr. Weichel.
Mr. Green with Mr. Taylor.
Mr. Granahan with Mr. Morton.
Mr. Stigler with Mr. Gwinn.
Mr. Kilday with Mr. Coudert.
Mr. Jackson of Washington with Mr. Blackney.
Mr. Hays of Arkansas with Mr. McMillen of Illinois.
Mr. Richards with Mr. Nixon.
Mr. Ribicoff with Mr. Plumley.
Mr. Sadowski with Mr. Riehlman.
Mr. Davies of New York with Mr. Sadlak.
Mr. Miller of California with Mr. Shafer.
Mr. Sasscer with Mr. Velde.
Mr. Chudoff with Mr. Wadsworth.
Mr. Chatham with Mr. Edwin Arthur Hall.
Mr. Byrne of New York with Mr. Fulton.
Mr. Addonizio with Mr. Dondero.
Mr. Cavalcante with Mr. Cole of Kansas.
Mr. Gregory with Mr. Latham.
Mr. Philbin with Mr. Merrow.
Mr. Walsh with Mr. Mack of Washington.
Mr. Burton with Mr. Patterson.
Mr. Abbitt with Mr. Welch of California.
Mr. Irving with Mr. Wilson of Indiana.
Mr. Sheppard with Mr. Byrnes of Wisconsin.
Mr. Hébert with Mr. Phillips of Tennessee.

Mr. FEIGHAN, Mr. CANNON, and Mr. WHITE of Idaho changed their vote from "aye" to "no."

Mr. BROWN of Ohio changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. HALE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HALE. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HALE moves to recommit the bill to the Committee on Foreign Affairs.

Mr. KEE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. CRAWFORD asked and was given permission to address the House on Wednesday next for 5 minutes after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. POTTER asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. STOCKMAN asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. SIMPSON of Illinois asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. CHESNEY asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. LYNCH (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD and include a radio address.

Mr. BOYKIN (at the request of Mr. HARE) was given permission to extend his remarks in the Appendix of the Record.

DISTRICT COURT FOR THE TERRITORY OF ALASKA

Mr. BRYSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 53.

The Clerk read the Senate Concurrent Resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 70) to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States, to make the following change, namely: In lieu of the language inserted by the House engrossed amendment, insert the following:

"SEC. 2. The first paragraph of section 2072 of title 28, United States Code, is amended to read as follows:

" 'The Supreme Court shall have the power to prescribe, by general rules, the forms of process, writs, pleadings, and motions, and the practice and procedure of the district courts of the United States and of the District Court for the Territory of Alaska in civil actions.' "

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand that this matter has the consent of the ranking minority Member?

Mr. BRYSON. Yes, and there is no controversy.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MCGREGOR (at the request of Mr. MCCULLOCH), indefinitely, on account of illness.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 623. An act for the relief of Sadako Takagi; and

H. R. 3127. An act to authorize the admission into the United States of Jacob Gross, a minor.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 1042. An act relating to the payment of fees, expenses, and costs of jurors; and

S. 1070. An act to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

ADJOURNMENT

Mr. MANSFIELD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 56 minutes p. m.) the House adjourned until tomorrow, Tuesday, July 12, 1949, at 12 o'clock noon.

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EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

750. A letter from the president, Chamber of Deputies, Santiago, Chile, transmitting a message extending their most cordial congratulations to the great friendly Nation of the United States upon the occasion of her glorious anniversary, Independence Day, July 4; to the Committee on Foreign Affairs.

751. A letter from the Secretary of Defense, transmitting a letter by the Acting Secretary of the Navy recommending the enactment of a proposed draft of legislation entitled "To amend section 302 of the Servicemen's Readjustment Act of 1944, as amended"; to the Committee on Veterans' Affairs.

752. A letter from the Acting Administrator, Federal Security Agency, transmitting a legislative proposal entitled "To assure the provision of all necessary services to prepare disabled persons for and establish them in remunerative employment, to provide for grants-in-aid to the States for adjustment training services for the blind, and for establishing employment opportunities for the severely disabled, to amend the Vocational Rehabilitation Act, as amended (U. S. C., 1946 ed., title 29, ch. 4), to amend the Randolph-Sheppard Act (U. S. C., 1946 ed., title 20, ch. 6A), and for other purposes"; to the Committee on Education and Labor.

753. A letter from the Acting Secretary of the Navy, transmitting a request by the Game and Inland Fish Commission of the State of Maryland for the transfer of an aluminum pontoon barge to be used by that commission in wild waterfowl restoration work along the Potomac River; to the Committee on Armed Services.

754. A letter from the Acting Secretary of the Interior, transmitting a copy of a volume of the 1949 Regular Session Laws of Puerto Rico, containing the acts of the Seventeenth Legislature of Puerto Rico, February 14 to April 15, 1949; to the Committee on Public Lands.

755. A letter from the Comptroller General of the United States, transmitting a report on the audit of Federal Savings and Loan Insurance Corporation for the fiscal year ended June 30, 1948 (H. Doc. No. 251); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

756. A letter from the Comptroller General of the United States, transmitting a special report on construction-differential subsidies and related national-defense allowances granted by the United States Maritime Commission; to the Committee on Expenditures in the Executive Departments.

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REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COX: Committee on Rules. House Resolution 278. Resolution providing for the

consideration of the bill (H. R. 5187) to protect consumers and others against misbranding, false advertising, and false invoicing of fur products and furs; without amendment (Rept. No. 1007). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 279. Resolution providing for the consideration of the bill (H. R. 940) to authorize public improvements in Alaska, and for other purposes; without amendment (Rept. No. 1008). Referred to the House Calendar.

Mr. SPENCE: Committee on Banking and Currency. H. R. 5533. A bill to amend the National Housing Act, as amended, and the Reconstruction Finance Corporation Act, as amended; with an amendment (Rept. No. 1009). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BATTLE:

H. R. 5567. A bill to provide for research in child life and for grants to States for maternal and child health and crippled children's services; to the Committee on Interstate and Foreign Commerce.

By Mr. CLEMENTE:

H. R. 5568. A bill to amend the Social Security Act, as amended, to provide lump-sum payments upon the death of certain individuals who are neither fully nor currently insured, and for other purposes; to the Committee on Ways and Means.

By Mr. DAVENPORT:

H. R. 5569. A bill to amend the Servicemen's Readjustment Act of 1944 to extend the period during which readjustment allowances may be paid; to the Committee on Veterans' Affairs.

By Mr. D'EWART:

H. R. 5570. A bill to promote the rehabilitation of the Chippewa Cree Tribe of Indians of the Rocky Boy's Reservation, Mont., and for other purposes; to the Committee on Public Lands.

By Mr. LESINSKI:

H. R. 5571. A bill to amend the act approved July 18, 1940 (54 Stat. 766; 24 U. S. C., 1946 ed., sec. 196b), entitled "An act relating to the admission to St. Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States," by enlarging the classes of persons admissible into St. Elizabeths Hospital and in other respects; to the Committee on Education and Labor.

By Mr. PETERSON:

H. R. 5572. A bill to liberalize pensions for certain veterans of the War with Spain, the Philippine Insurrection, and the China Relief Expedition; to the Committee on Veterans' Affairs.

H. R. 5573. A bill providing for a preliminary examination and survey for a barge channel from Tampa Bay to the vicinity of Booth Point, together with the necessary turning basin; to the Committee on Public Works.

By Mr. RANKIN (by request):

H. R. 5574. A bill to amend further the National Service Life Insurance Act of 1940, as amended; to the Committee on Veterans' Affairs.

By Mr. SASSCER:

H. R. 5575. A bill to amend the act entitled "An act to authorize an increase of the number of cadets at the United States Military Academy and to provide for maintaining the corps of cadets at authorized strength," approved June 3, 1942 (56 Stat. 306); to the Committee on Armed Services.

H. R. 5576. A bill to increase the number of midshipmen allowed at the United States Naval Academy from the District of Columbia; to the Committee on Armed Services.

By Mr. LESINSKI:

H. R. 5577. A bill to assure the provision of all necessary services to prepare disabled persons for and establish them in remunerative employment, to provide for grants-in-aid to the States for adjustment training services for the blind, and for establishing employment opportunities for the severely disabled, to amend the Vocational Rehabilitation Act, as amended (U. S. C., 1946 ed., title 29, ch. 4), to amend the Randolph-Sheppard Act (U. S. C., 1946 ed., title 20, ch. 6A), and for other purposes; to the Committee on Education and Labor.

By Mr. HARRIS (by request):

H. R. 5578. A bill to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944; to the Committee on the District of Columbia.

By Mr. WERDEL:

H. J. Res. 296. Joint resolution to appoint a board of engineers to examine and report upon the proposed central Arizona project; to the Committee on Public Lands.

## MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California relative to Senate Joint Resolutions Nos. 26, 30, and 35; (1) Requesting Congress to refuse passage of H. R. 2394, creating a Franklin Delano Roosevelt Memorial Redwood Forest; (2) relative to the Spanish-Mexican land-grant papers; (3) relative to accepting permit from the Government of the United States for the transfer of lands for the use of the Golden Gate Bridge and highway district; to the Committee on Agriculture.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 5579. A bill conferring jurisdiction on the Court of Claims of the United States to hear, determine, and render judgment on the claims of G. T. Elliott, Inc., and M. F. Quinn; to the Committee on the Judiciary.

By Mrs. BOLTON of Ohio:

H. R. 5580. A bill for the relief of Mrs. Tsuneko Shimokawa Guenther; to the Committee on the Judiciary.

By Mr. CARROLL:

H. R. 5581. A bill for the relief of Deborah Elizabeth Ebel; to the Committee on the Judiciary.

By Mr. FALLON:

H. R. 5582. A bill for the relief of the Belle Isle Cab Co., Inc.; to the Committee on the Judiciary.

By Mr. HART:

H. R. 5583. A bill for the relief of Carlos Maria Ribeiro; to the Committee on the Judiciary.

By Mr. JENKINS:

H. R. 5584. A bill to require delivery and return of property of the estate of John F. Hackfeld, deceased, seized by the Alien Property Custodian, and to confirm the original restoration thereof by the President; to the Committee on the Judiciary.

H. R. 5585. A bill to repay income and estate taxes to the estate of John F. Hackfeld, deceased, erroneously collected on basis of American citizenship subsequently determined by Supreme Court not to have been acquired by taxpayer; to the Committee on the Judiciary.

By Mr. SANBORN:

H. R. 5586. A bill for the relief of Marco Murolo, and his wife, Romana Pellis Murolo; to the Committee on the Judiciary.

By Mr. SIMS:

H. R. 5587. A bill for the relief of Mrs. Lydia L. Smith; to the Committee on the Judiciary.

By Mr. WHITE of Idaho:

H. R. 5588. A bill for the relief of Peter W. Anderson; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause I of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1276. By Mr. JUDD: Petition of Mrs. Pearl St. John and others, Minneapolis, Minn., in support of the Bryson bill, H. R. 2428, and a Senate counterpart of that measure; to the Committee on Interstate and Foreign Commerce.

1277. By Mr. LYNCH: Petition of the Ancient Order of Hibernians of America urging amendment of article 4 of the Atlantic Pact; to the Committee on Foreign Affairs.

1278. By the SPEAKER: Petition of D. Ellsworth and others, Mentone, Ind., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1279. Also, petition of Mrs. J. H. Griggs and others, Sunbury, Pa., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1280. Also, petition of T. F. Woolley and others, Temple, Tex., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1281. Also, petition of Howard W. Elkins and others, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

# SENATE

## TUESDAY, JULY 12, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who are the guiding intelligence in the life of men and nations, we pray that in our search for the right solution to our national and international problems we may daily direct our minds and hearts toward Thee from whom cometh our help.

We are confident that in our longings and efforts to find the blessedness of world peace Thou art not calling upon us to seek and accept peace at any price.

We believe, however, that we are divinely commissioned to strive for righteousness and justice, whatever the cost may be to achieve those noble ends.

Inspire us with the glory and splendor of an idealism which knows and proclaims that, " 'Tis man's perdition to be safe when for the truth he ought to die."

Hear us in Christ's name. Amen.

### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 11, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, July 12, 1949, the President had approved and signed the act (S. 1138) for the relief of John W. Crumpacker, commander, United States Navy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 937) to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 3699) to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 70. An act to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States;

H. R. 578. An act for the relief of Carlton C. Grant and others;

H. R. 599. An act for the relief of Victor R. Browning & Co., Inc.;

H. R. 2737. An act to establish the Medal for Humane Action for award to persons serving in or with the armed forces of the United States participating in the current military effort to supply necessities of life to the people of Berlin, Germany;

S. J. Res. 114. Joint resolution to provide an increase in the authorization for the Federal National Mortgage Association; and

H. J. Res. 287. Joint resolution extending section 1302 (a) of the Social Security Act, as amended, until June 30, 1950.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Chapman | Fulbright |
| Anderson | Chavez | George |
| Baldwin | Connally | Gillette |
| Bricker | Donnell | Graham |
| Bridges | Dulles | Green |
| Butler | Ferguson | Gurney |
| Cain | Flanders | Hayden |
| Capehart | Frear | Hendrickson |
| Hickenlooper | McClellan | Smith, N. J. |
| Hill | McFarland | Sparkman |
| Hoey | McGrath | Stennis |
| Holland | McKellar | Taft |
| Humphrey | McMahon | Taylor |
| Hunt | Malone | Thomas, Okla. |
| Ives | Maybank | Thomas, Utah |
| Jenner | Millikin | Thye |
| Johnston, S. C. | Morse | Tobey |
| Kefauver | Mundt | Tydings |
| Kem | Murray | Vandenberg |
| Kerr | Myers | Wherry |
| Knowland | Neely | Wiley |
| Langer | Robertson | Williams |
| Lodge | Russell | Withers |
| Long | Saltonstall | Young |
| Lucas | Schoeppel | |
| McCarthy | Smith, Maine | |

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Colorado [Mr. JOHNSON], the Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], the Senator from Idaho [Mr. MILLER], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Florida [Mr. PEPPER] are detained on official business in meetings of committees of the Senate.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Texas [Mr. JOHNSON] are absent on public business.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly meeting at Rome, Italy.

The Senator from Maryland [Mr. O'CONOR] is necessarily absent, attending the funeral of former Congressman Hugh Meade, of Maryland.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Montana [Mr. ECTON], and the Senator from Pennsylvania [Mr. MARTIN] are detained on official business.

The Senator from Oregon [Mr. CORDON], the Senator from Kansas [Mr. REED], and the Senator from Utah [Mr. WATKINS] are detained because of attendance at meetings of committees of the Senate.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions, present petitions and memorials, and incorporate into the RECORD and the Appendix of the RECORD routine matters, without debate, as though we were in the morning hour.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

LAWS ENACTED BY SEVENTEENTH LEGISLATURE OF PUERTO RICO

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Seventeenth Legislature of Puerto Rico, February 14 to April 15, 1949 (with an accompanying document); to the Committee on Interior and Insular Affairs.

COST OF REHABILITATION AND REPAIR OF DAMAGES CAUSED BY ARMY AIR FORCE AT CERTAIN PUBLIC AIRPORTS

Two letters from the Acting Secretary of Commerce, transmitting, pursuant to law, certifications by the Administrator of Civil Aeronautics of the cost of rehabilitation and repair of damages caused by United States Army Air Force at the Memphis Municipal Airport, Memphis, Tenn.; the Lubbock Municipal Airport, Lubbock, Tex.; and the Del Norte County Airport, Crescent City, Calif. (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

AUDIT REPORT OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Federal Savings and Loan Insurance Corporation, fiscal year ended June 30, 1948 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the legislature of the State of California; to the Committee on Agriculture and Forestry:

"Senate Joint Resolution 26

"Joint resolution relative to memorializing Congress to refuse passage of H. R. 2394, creating a Franklin Delano Roosevelt Memorial Redwood Forest in the counties of Del Norte, Humboldt, Mendocino, and Sonoma, State of California

"Whereas H. R. 2394, now pending, proposes to create in the northwestern portion of California the Franklin Delano Roosevelt Memorial Redwood Forest, in addition to the parks and national forests now existing; and

"Whereas the purposes for which this memorial redwood forest is to be created are indefinite or not defined in H. R. 2394, while the disadvantages and disabilities which will accrue to the State of California and to the people of this State should this bill become law are at once apparent; and

"Whereas they accrue from the fact that this bill would take from private ownership and add to the public domain between two and two and one-half million acres of highly valuable timber and other lands, thereby decreasing by more than one-half the taxable areas and approximately one-half of the assessed wealth of the counties of Del Norte, Humboldt, and Mendocino, and, in addition, remove from taxation about 85,000 acres from private ownership in Sonoma County, placing almost the entire lumbering industry of this part of California under Federal control and withdrawing from production of lumber more than 200,000 acres of redwood timber, as a result of which agriculture, stock raising, and general business in the area would be seriously impaired; and

"Whereas the removal of such large areas of valuable lands from the assessment rolls would so reduce the tax revenue as to disrupt the local economy by placing an intolerable burden upon local government and

the remaining property holders in the area, seriously affecting most adversely the economy of the entire State; and

"Whereas there is no reasonable basis for the creation of a national memorial redwood forest in this part of the State, since the State of California, aided by private donors, has acquired and preserved for all time approximately 60,000 acres of the finest groves of redwoods and now administers for the public in the counties named over 40,000 acres of redwood parks and is still in the process of acquiring many additional thousands of acres for these parks, and has also acquired some 36,270 feet of ocean frontage, and has adopted numerous laws and regulations to bring about better logging methods, reforestation, and conservation, and for these purposes has acquired some 53,000 acres of cut-over and virgin timberlands and has embarked upon an extended program of experimentation and development of better reforestation methods and more adequate conservation controls which this legislature believe to be adequate and effective; and

"Whereas creation of the memorial redwood forest proposed by H. R. 2394 would conflict with and seriously hamper the State park and reforestation program of the State of California: Now, therefore, be it

*"Resolved by the Senate and Assembly of the State of California (jointly)*, That the passage of H. R. 2394 is highly undesirable for the reason that the provisions of the bill would accomplish no reasonable purpose but would seriously and most adversely affect the economic and cultural interests of the entire State of California; and be it further

*"Resolved*, That the Congress of the United States, particularly the Senators and Representatives of the State of California in the National Congress, and especially Mrs. HELEN GAHAGAN DOUGLAS, author of H. R. 2394, are hereby memorialized vigorously to oppose the passage of H. R. 2394; and be it further

*"Resolved*, That the secretary of the senate forthwith transmit copies of this resolution to the chairman and members of the House Committee on Agriculture, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Armed Services:

"Senate Joint Resolution 35

"Joint resolution relative to accepting permit from the Government of the United States for the transfer of lands for the use of the Golden Gate Bridge and Highway District for the construction of additional garage area and for other purposes and relating to the retrocession by the Congress of the United States of jurisdiction over said area

"Whereas the Secretary of the Army of the United States has, by grant dated the 15th day of June 1949, granted to the Golden Gate Bridge and Highway District control over certain areas additional to the present Golden Gate Bridge and Highway District for the purpose of constructing, erecting, operating, and maintaining certain improvements in order to provide additional space for machine-shop facilities, storage of bridge equipment, and garaging; and

"Whereas the said grant is by its terms granted, an extension of the original permit to erect the Golden Gate Bridge made by the Assistant Secretary of War, dated October 27, 1930, and various permits granted subsequent to that date; and

"Whereas said permit dated the 13th day of February 1931, requires as a condition precedent to the taking effect of such permit that the State of California accept the same and conform to the requirements therein contained: Now, therefore, be it

*"Resolved by the Senate and Assembly of the State of California (jointly)*, That the said permit granted by the Secretary of the Army, successor to the previously designated Secretary of War, to the Golden Gate Bridge and Highway District be and the same hereby is, together with each, all, every and singular, the terms, conditions, limitations, reservations and requirements therein contained accepted by and on behalf of the State of California; and be it further

*"Resolved*, That the State of California does hereby make application to Congress for a retrocession of jurisdiction over all of the lands and territories described in the original and amendatory permits heretofore or hereafter to be made; and be it further

*"Resolved*, That the State of California will, in case such retrocession of jurisdiction is granted by Congress, accept such retrocession of jurisdiction and will assume the responsibility for managing, controlling, and policing the same, all subject to the conditions embraced within said permit; and be it further

*"Resolved*, That each and every condition and restriction contained within said permit granted by the United States Government will be fully complied with; and be it further

*"Resolved*, That the State of California does hereby agree to accept said permit and will in all respects comply therewith and obey all of the requirements thereof; and be it further

*"Resolved*, That copies of this resolution be transmitted to the President of the United States, to the Secretary of the Army, to each House of Congress, and to the Senators and Representatives in Congress of the State of California."

A joint resolution of the Legislature of the State of California; to the Committee on Post Office and Civil Service:

"Senate Joint Resolution 30

"Joint resolution relative to the Spanish-Mexican Land Grant Papers

"Whereas certain documents and maps, known as the Spanish-Mexican Land Grant Papers, furnish the basis for much of the landholding in the State; and

"Whereas these papers consist of the following maps and documents:

"1. All Expedientes, 1 to 579, and their Disenos.

"2. All filed Expedientes, 1 to 133.

"3. All deposited Expedientes, 1 to 21.

"4. All unclassified or incomplete Expedientes, 1 to 315.

"5. All Titulos, 1 to 108.

"6. The Toma de Razon or Register of Land Grants, 197 to 317.

"7. The Mexican wall map of California of 1845.

"8. The United States Patents.

"9. All other Spanish-Mexican land-grant documents which were sent from the United States Public Survey Office in Glendale, Calif., to the National Archives in 1937 for restoration and which were restored and deposited in the National Archives in 1939; and

"Whereas these papers consist of part of the archives taken from Los Angeles and Monterey in 1846 by the United States Army and of documents taken from various city archives and from the secretary of state in 1858; and

"Whereas these papers were taken to the United States Surveyor General's Office in San Francisco, Calif., and were later transferred to the United States Public Survey Office in Glendale, Calif., where they remained until about 1937 when they were sent to the National Archives for restoration; and

"Whereas these papers were deposited with the National Archives in 1939 by the United States Land Office; and

"Whereas these papers have a great historical value to the people of this State: Now, therefore, be it

*"Resolved by the Senate and Assembly of the State of California (jointly)*, That the Legislature of the State of California respectfully requests the National Archives to return the Spanish-Mexican Land Grant Papers to the State of California to be filed with the secretary of state; and be it further

*"Resolved*, That the secretary of the senate be requested to transmit copies of this resolution to the Archivist of the United States and to each Senator and Representative from California in the Congress of the United States."

A letter in the nature of a petition from Paul B. Porter, of Honolulu, Hawaii, relating to the economic and social problems of the people of Hawaii; to the Committee on Labor and Public Welfare.

A letter in the nature of a memorial from the Potter County Medical Society, Amarillo, Tex., signed by Gaylord R. Chase, M. D., secretary, remonstrating against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mrs. SMITH of Maine, from the Committee on the District of Columbia:

S. 1350. A bill to provide for an additional judge for the juvenile court of the District of Columbia, and for other purposes; with amendments (Rept. No. 654).

By Mr. MCKELLAR, from the Committee on Appropriations:

H. R. 4830. A bill making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes; with amendments (Rept. No. 655).

## REPORTS OF COMMITTEES ON PERSONNEL AND FUNDS

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following reports were received by the Secretary of the Senate:

JULY 15, 1949.

### REPORT OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to July 15, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Mills Astin, chief clerk | $8,037.08 | $4,018.54 |
| Nellie D. McSherry, assistant chief clerk | 7,405.06 | 3,702.53 |
| Albert A. Grorud, professional staff member | 8,037.08 | 4,018.54 |
| Elmer K. Nelson, professional staff member | 8,037.08 | 4,018.54 |
| Stewart French, professional staff member | 7,405.06 | 1,851.24 |
| Arthur A. Sandusky, professional staff member | 7,405.06 | 82.27 |
| Charlotte Mickle, clerical assistant | 3,873.80 | 1,823.07 |
| Elizabeth G. Magill, clerical assistant | 3,294.45 | 1,020.00 |
| Oscar G. Iden,[1] professional staff member | 8,037.08 | 108.53 |
| Wallace D. Barlow,[2] professional staff member | 7,405.06 | 925.62 |
| Orville Watkins,[3] clerical assistant | 5,446.32 | 1,180.03 |
| Hugh R. Brown,[4] professional staff member | 8,037.08 | 2,749.05 |

[1] Terminated Jan. 11, 1949.
[2] Terminated Feb. 15, 1949.
[3] Terminated Mar. 18, 1949.
[4] Terminated Apr. 30, 1949.

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $35,000.00 |
| Amount expended | 4,844.94 |
| Balance unexpended | 30,155.06 |

JOSEPH C. O'MAHONEY,
*Chairman.*

JULY 11, 1949.

REPORT OF SPECIAL COMMITTEE INVESTIGATING AMERICAN SMALL BUSINESS ENTERPRISES, UNDER RESOLUTION OF JUNE 12, 1948

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to January 31, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Meredith, George F., executive director | $10,330.00 | $860.83 |
| Dickey, Raymond R., chief counsel | 9,380.11 | 781.67 |
| Wolken, Albert J., chief investigator | 8,748.10 | 729.00 |
| Guyon, Catherine L., consultant | 8,195.08 | 682.92 |
| Beverage, Albion P., research consultant | 6,852.05 | 571.00 |
| Loveland, Ailene J., secretary | 4,122.09 | 343.50 |
| Nichols, Pearl Mae, secretary | 4,122.09 | 343.50 |
| Youse, Alma M., secretary | 3,791.04 | 315.92 |
| McNamara, Catherine G., secretary | 3,791.04 | 315.92 |
| Bauer, Virginia Lee, file clerk | 2,963.40 | 246.95 |
| Baggett, Jack F., clerk-messenger | 2,715.10 | 226.25 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $17,887.83 |
| Amount expended | 17,594.31 |
| Balance unexpended | 293.52 |

KENNETH S. WHERRY,
*Chairman.*

## ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 12, 1949, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 70. An act to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States; and

S. J. Res. 114. Joint resolution to provide an increase in the authorization for the Federal National Mortgage Association.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KERR:

S. 2236. A bill for the relief of Jakub Kahan; to the Committee on the Judiciary.

By Mr. GILLETTE:

S. 2237. A bill to extend the time in which a motion or supplemental petition may be filed to substitute the Reconstruction Finance Corporation for certain dissolved corporations in pending actions, and for other purposes; to the Committee on Banking and Currency.

S. 2238. A bill for the relief of Louis Bernard Lapides; to the Committee on the Judiciary.

By Mr. BRICKER:

S. 2239. A bill for the relief of the alien Lt. Col. Panagiotis Christopoulos; to the Committee on the Judiciary.

(Mr. JOHNSON of Colorado (by request) introduced Senate bill 2240, to authorize certain personnel and former personnel of the United States Coast Guard and the United States Public Health Service to accept certain gifts tendered by foreign governments, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. DOWNEY:

S. 2241. A bill for the relief of Pilar Ygoa Ayesa and her minor children, Jose Luis, Carmen, Carlos, and Guillermo Ayesa;

S. 2242. A bill for the relief of John E. Dwyer; and

S. 2243. A bill for the relief of Tevfik Kamil Kutay; to the Committee on the Judiciary.

By Mr. BYRD:

S. 2244. A bill conferring jurisdiction on the Court of Claims of the United States to hear, determine, and render judgment on the claims of G. T. Elliott, Inc., and M. F. Quinn; to the Committee on the Judiciary.

By Mr. LUCAS:

S. 2245. A bill for the relief of Hom Quock Min; to the Committee on the Judiciary.

(Mr. SPARKMAN introduced Senate bill 2246, to amend the National Housing Act, as amended, and for other purposes, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

## ACCEPTANCE OF CERTAIN GIFTS OF FOREIGN GOVERNMENTS BY PERSONNEL OF COAST GUARD AND PUBLIC HEALTH SERVICE

Mr. JOHNSON of Colorado. Mr. President, I introduce for appropriate reference a bill to authorize certain personnel and former personnel of the United States Coast Guard and the United States Public Health Service to accept certain gifts tendered by foreign governments.

This legislation has been requested by the Secretary of the Treasury. I ask unanimous consent to have inserted in the body of the RECORD a letter from the Acting Secretary of the Treasury to the President of the Senate explaining the purpose of the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the letter will be printed in the RECORD.

The bill (S. 2240) to authorize certain personnel and former personnel of the United States Coast Guard and the United States Public Health Service to accept certain gifts tendered by foreign governments, introduced by Mr. JOHNSON of Colorado (by request), was read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. JOHNSON of Colorado, is as follows:

FEBRUARY 24, 1949.

The PRESIDENT OF THE SENATE.

SIR: There is enclosed herewith a draft of a proposed bill "To authorize certain personnel and former personnel of the United States Coast Guard and the United States Public Health Service to accept certain gifts tendered by foreign governments."

The draft of bill would authorize the commanding officer of a Coast Guard ice breaker to accept from the Greenland administration a silver box tendered in reccgnition of services rendered to certain distressed motor schooners of the Greenland administration. It will also authorize the crew of a Coast Guard seaplane, and a Public Health Service physician who was flying with the plane, to accept from the British Minister of Transport a piece of plate and cigarette cases tendered in recognition of services rendered in removing an injured seaman from the British vessel *Silver Sandal* for treatment ashore.

The proposed legislation is necessary in view of article I, section 9, clause 8 of the Constitution, which provides that no person holding any office of profit or trust under the United States shall, without the consent of Congress, accept any present, emolument, office, or title of any kind whatever, from any king, prince, or foreign state, and in view of section 3 of the act of January 31, 1881 (21 Stat. 604, U. S. C., title 5, sec. 115), which provides that foreign presents and decorations for an officer of the United States shall be tendered through the State Department but shall not be delivered by the State Department unless authorized by Congress.

Enactment of this proposed bill would involve no expense to the Government.

It would be appreciated if you would lay this proposed bill before the Senate. A similar proposed bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress.

Very truly yours,

E. H. FOLEY, Jr.,
*Acting Secretary of the Treasury.*

## HOUSE BILL REFERRED

The bill (H. R. 3699) to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and cancelling the mortgage and satisfying and discharging the lien of record; and for other purposes, was read twice by its title, and referred to the Committee on Agriculture and Forestry.

## EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS—AMENDMENT

Mr. PEPPER submitted an amendment intended to be proposed by him to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

## NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS

Mr. THOMAS of Oklahoma. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

On page 10, after line 24, insert:

"SEC. 202. During the fiscal year ending June 30, 1950, the Department of the Army is authorized to operate the Morgantown Ordnance Works at Morgantown, W. Va., the Ohio River Ordnance Works at West Henderson, Ky., and the San Jacinto Ordnance Works at San Jacinto, Tex., for the production of anhydrous ammonia for the manufacture of nitrogenous fertilizer materials or nitrogenous compounds for its use in the occupied countries and for sale for use in the Republic of South Korea. From the proceeds of materials sold there shall be credited to the appropriation for Government and Relief in Occupied Areas an amount equivalent to the cost of production of such materials and any balance to miscellaneous receipts of the Treasury: *Provided, however,*

That nothing in this section shall be construed to repeal the provisions of section 205 of Public Law 793, Eightieth Congress, with respect to the production and allocation of nitrogenous fertilizer materials for domestic use."

Mr. THOMAS of Oklahoma also submitted an amendment intended to be proposed by him to House bill 4830, making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. BRIDGES. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

On page 4, line 5, after the date "1950" and before the period, insert ": *Provided further*, That the Administrator is authorized to issue notes from time to time during the fiscal year 1950 for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate $150,000,000, for the purpose of allocating funds during such fiscal year to the Export-Import Bank of Washington for assistance on credit terms under the provisions of said act; and the provisions of paragraph (2) of section 111 (c) of said act shall, to the extent applicable, be applicable to the notes authorized to be issued in this proviso and to all functions of the Administrator, the Secretary of the Treasury, and the Export-Import Bank of Washington in extending the assistance provided for herein."

Mr. BRIDGES also submitted an amendment intended to be proposed by him to House bill 4830, making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McCARRAN. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

On page 3, line 19, after the word "*Provided*", insert: "That of this appropriation $50,000,000 shall be used only for assistance to Spain, to be extended upon credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended: *Provided further*."

Mr. McCARRAN also submitted an amendment intended to be proposed by him to House bill 4830, making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McCLELLAN. In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

On page 3, line 12, after the word "which", insert the following: "(1) the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Economic Cooperation Administration budget justification submitted to the Senate shall be available only for such financing, and (2)".

Also in accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

On page 6, line 7, after the word "which", insert the following: "(1) the amount required to finance the procurement of surplus agricultural products (determined surplus by the Secretary of Agriculture) of the kinds and in the quantities set out in the Department of the Army budget justification submitted to the Senate shall be available only for such financing, and (2) '.

Mr. McCLELLAN also submitted two amendments intended to be proposed by him to House bill 4830, making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which were ordered to lie on the table and to be printed.

(For text of amendments referred to, see the foregoing notices.)

STUDY AND INVESTIGATION OF MONOPOLY AND ANTITRUST LAWS—STATEMENT BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a statement issued by him on July 9, 1949, endorsing a congressional investigation and study of the antitrust laws, which appears in the Appendix.]

LETTER FROM SENATOR MYERS TO PRESIDENT TRUMAN REGARDING MIDYEAR ECONOMIC REPORT

[Mr. MYERS asked and obtained leave to have printed in the RECORD a letter written by him to President Truman, dated July 11, 1949, regarding the President's Midyear Economic Report, which appears in the Appendix.]

BIWEEKLY REPORT BY SENATOR MYERS TO PEOPLE OF PENNSYLVANIA—TRANSCRIPTION NO. 1

[Mr. MYERS asked and obtained leave to have printed in the RECORD transcription No. 1 in the biweekly 1949 series of radio reports by himself to the people of Pennsylvania, which appears in the Appendix.]

BIWEEKLEY REPORT BY SENATOR MYERS TO PEOPLE OF PENNSYLVANIA—TRANSCRIPTION NO. 2

[Mr. MYERS asked and obtained leave to have printed in the RECORD transcription No. 2 in the biweekly 1949 series of radio reports by himself to the people of Pennsylvania, which appears in the Appendix.]

BIWEEKLEY REPORT BY SENATOR MYERS TO PEOPLE OF PENNSYLVANIA—TRANSCRIPTION NO. 3

[Mr. MYERS asked and obtained leave to have printed in the RECORD transcription No. 3 in the biweekly 1949 series of radio reports by himself to the people of Pennsylvania, which appears in the Appendix.]

BIWEEKLEY REPORT BY SENATOR MYERS TO PEOPLE OF PENNSYLVANIA—TRANSCRIPTION NO. 4

[Mr. MYERS asked and obtained leave to have printed in the RECORD transcription No. 4 in the biweekly 1949 series of radio reports by himself to the people of Pennsylvania, which appears in the Appendix.]

ATTENDANCE OF THE MARINE BAND AT TWENTY-THIRD ANNUAL CONVENTION OF RESERVE OFFICERS' ASSOCIATION

Mr. VANDENBERG. Mr. President, if I may have the attention of the majority and the minority leaders for a moment, I wish to say that the Armed Services Committee yesterday reported favorably a bill, S. 1803, authorizing the attendance of the United States Marine Band at the twenty-third annual convention of the Reserve Officers' Association of the United States, to be held in Grand Rapids week after next. This also has the approval of the armed services themselves. Obviously we shall have to have immediate action if the measure is to have any opportunity to serve its purpose. I wonder if there would be any objection—I am sure there would be no controversy—if I were to ask, as in legislative session, that Senate bill 1803, Calendar No. 648, be considered and passed at this time.

Mr. LUCAS. Mr. President, there is no objection on my part.

Mr. WHERRY. I have no objection, Mr. President.

The VICE PRESIDENT. Is there objection to the present consideration of Senate bill 1803?

There being no objection, the bill (S. 1803) to authorize the attendance of the United States Marine Band at the twenty-third annual convention of the Reserve Officers' Association of the United States, to be held in Grand Rapids, Mich., July 27 through July 30, 1949, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the twenty-third annual convention of the Reserve Officers' Association of the United States to be held in Grand Rapids, Mich., July 27 through July 30, 1949.

SEC. 2. For the purpose of defraying expenses of such band in attending and giving concerts at such convention there is hereby authorized to be appropriated a sufficient sum to cover the cost of transportation and pullman accommodations for the leaders and members of the Marine Band, and allowance not to exceed $8 per day each for additional traveling and living expenses while on duty, such allowance to be in addition to the pay and allowance to which they would be entitled while serving their permanent station.

COMPARISON OF MILITARY AND FEDERAL CLASSIFIED CIVILIAN COMPENSATION

Mr. FLANDERS. Mr. President, on May 12 I asked and obtained leave to have printed in the RECORD a table showing the comparison of military and Federal classified civilian compensation—present systems and proposed revisions.

Since that time the House has brought out a military pay bill somewhat changed. I now ask unanimous consent to have printed in the body of the RECORD the revised tables based on the House bill.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

[Tables 1 (a) and 1 (b) not included]

TABLE 2.—*Comparison of military and Federal classified civilian compensation—present schedules and proposed schedules*

[Entrance rates—annual rates in dollars]

| Grade or rank | | | | Active-duty compensation | | | | Estimated present annual value of deferred benefits | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Military | | | | Present schedules | | Proposed rates | | Present schedules | | Proposed rates | |
| Expected entry year [1] | Rank | | Classified civilian (general schedule) | Military [2] | Classified civilian [3] | Military (H. R. 5007) [2] | Classified civilian (Classification Act revision, S. 1762) [3] | Military [4] | Classified civilian [5] | Military (H. R. 5007) [4] | Classified civilian (Classification Act revision, S. 1762) [5] |
| | | | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Officers: | | | | | | | | | | | |
| 30+ | O–8 | General | | $13,801 | | $16,428 | | $2,640 | | $2,823 | |
| 30+ | O–8 | Lieutenant general | | 11,711 | | 14,298 | | 2,640 | | 2,823 | |
| 30 | O–8 | Major general | GS–18 | 11,111 | $10,305 | 13,688 | $15,000 | 2,640 | $618 | 2,823 | $900 |
| | | | GS–17 | | 10,305 | | 13,000 | | 618 | | 780 |
| 30 | O–7 | Brigadier general | GS–16 | 8,891 | 10,305 | 12,190 | 11,500 | 1,980 | 618 | 2,443 | 690 |
| | | | GS–15 | | 10,305 | | 10,000 | | 618 | | 600 |
| 25 | O–6 | Colonel | | 8,441 | | 9,979 | | 1,848 | | 2,001 | |
| | | | GS–14 | | 8,510 | | 8,800 | | 511 | | 528 |
| 19 | O–5 | Lieutenant colonel | GS–13 | 7,532 | 7,432 | 8,601 | 7,600 | 1,502 | 446 | 1,645 | 456 |
| 13 | O–4 | Major | GS–12 | 6,287 | 6,235 | 7,184 | 6,400 | 1,188 | 374 | 1,334 | 384 |
| 7 | O–3 | Captain | GS–11 | 4,857 | 5,232 | 5,918 | 5,400 | 911 | 314 | 1,067 | 324 |
| | | | GS–10 | | 4,856 | | 5,000 | | 291 | | 300 |
| 3 | O–2 | First lieutenant | GS–9 | 4,141 | 4,480 | 4,878 | 4,600 | 756 | 269 | 823 | 276 |
| | | | GS–8 | | 4,103 | | 4,200 | | 246 | | 252 |
| 0 | O–1 | Second lieutenant | GS–7 | 3,571 | 3,727 | 4,179 | 3,800 | 648 | 224 | 667 | 228 |
| Enlisted: | | | | | | | | | | | |
| 15 | E–7 | Master sergeant | GS–7 | 3,714 | 3,727 | 4,519 | 3,800 | 693 | 224 | 815 | 228 |
| 11 | E–6 | Technical sergeant | GS–6 | 3,062 | 3,351 | 3,989 | 3,400 | 522 | 201 | 667 | 204 |
| 7 | E–5 | Staff sergeant | GS–5 | 2,707 | 2,975 | 3,548 | 3,000 | 425 | 178 | 543 | 180 |
| 3 | E–4 | Sergeant | GS–4 | 2,556 | 2,724 | 2,795 | 2,750 | 353 | 163 | 420 | 165 |
| 1 | E–3 | Corporal | GS–3 | 2,376 | 2,498 | 2,443 | 2,500 | 302 | 150 | 321 | 150 |
| ½ | E–2 | Private first class | GS–2 | 2,256 | 2,284 | 2,286 | 2,300 | 270 | 137 | 277 | 138 |
| 0 | E–1 | Private | GS–1 | 2,196 | 2,020 | 2,196 | 2,100 | 252 | 121 | 252 | 129 |

[1] These are entry years under normal conditions as estimated by Advisory Commission on Service Pay. At present the years of service are generally lower as the result of wartime recruitment and promotions.

[2] Figures cover base and longevity pay, quarters and subsistence allowances (including subsistence, shelter, and clothing "in kind" to enlisted) and value of military tax-exemptions. Other special pay and allowances are in addition. For details refer to tables 2 (a) and 2 (b). It should be noted that the value of the $1,500 income exemption from tax, which expired on Dec. 31, 1948, is not included in these figures. See table 2 (a) as prepared May 9, 1949.

[3] These pay rates are subject to 6 percent deduction for retirement which therefore reduces current take-home pay by that percentage below the figures shown here. See table 2 (c).

[4] These estimates cover the cost to the Government of disability, retirement, severance, and death benefits provided to military personnel on a noncontributory basis, as based on data assembled by the Advisory Commission on Service Pay. The figures represent the cost to the Government for each employee for each year of active service, assuming 2½ percent interest per annum from date of accrual, for retirement and other benefits to be ultimately paid to the employees who qualify for such benefits.

[5] Estimates cover Government's share of cost of retirement and survivors' benefits provided under civil-service retirement system. The Government payment to the retirement fund (assuming 2½ percent interest per annum) approximately matches the employees' contribution of 6 percent.

NOTE.—The comparisons here presented have been made on the assumptions that at the upper levels the grade of major general is equivalent to the present CAF–15 or proposed GS–18 grade, since both under existing or proposed statutes are of bureau-chief level; at the lower end of the officer scale the second lieutenant grade has been related to the present P–2 or proposed GS–7 grade since both are generally filled by professionally trained persons without job experience.

TABLE 2 (a).—*Present military compensation rates*

[Entrance rates for married personnel—annual rates in dollars]

| Military grade or rank | | | Active-duty compensation [1] | | | | | | | | Present annual value of deferred benefits [5] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Expected entry year [2] | Rank | | Base pay | Longevity | Subtotal, basic pay | Quarters allowances (tax-free) | Subsistence allowances (tax-free) | Food, clothing, and shelter to enlisted "in kind" [3] | Subtotal, active-duty "gross pay" | Tax advantage on cash allowances [4] | Total active-duty compensation | |
| | | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| Officers: | | | | | | | | | | | | |
| 30+ | O–8 | General | $8,800 | | $8,800 | $1,440 | [6] $3,711 | | $12,951 | $850 | $13,801 | $2,640 |
| 30+ | O–8 | Lieutenant general | 8,800 | | 8,800 | 1,440 | [6] 1,011 | | 11,251 | 460 | 11,711 | 2,640 |
| 30 | O–8 | Major general | 8,800 | | 8,800 | 1,440 | 511 | | 10,751 | 360 | 11,111 | 2,640 |
| 30 | O–7 | Brigadier general | 6,600 | | 6,600 | 1,440 | 511 | | 8,551 | 340 | 8,891 | 1,980 |
| 25 | O–6 | Colonel | 4,400 | $1,760 | 6,160 | 1,440 | 511 | | 8,111 | 330 | 8,441 | 1,848 |
| 19 | O–5 | Lieutenant colonel | 3,850 | 1,155 | 5,005 | 1,440 | 767 | | 7,212 | 320 | 7,532 | 1,502 |
| 13 | O–4 | Major | 3,300 | 660 | 3,960 | 1,260 | 767 | | 5,987 | 300 | 6,287 | 1,188 |
| 7 | O–3 | Captain | 2,760 | 276 | 3,036 | 1,080 | 511 | | 4,627 | 230 | 4,857 | 911 |
| 3 | O–2 | First lieutenant | 2,400 | 120 | 2,520 | 900 | 511 | | 3,931 | 210 | 4,141 | 756 |
| 0 | O–1 | Second lieutenant | 2,160 | | 2,160 | 720 | 511 | | 3,391 | 180 | 3,571 | 648 |
| Enlisted: | | | | | | | | | | | | |
| 15 | E–7 | Master sergeant | 1,980 | 495 | 2,475 | 456 | 383 | $240 | 3,554 | 160 | 3,714 | 693 |
| 11 | E–6 | Technical sergeant | 1,620 | 243 | 1,863 | 456 | 383 | 240 | 2,942 | 120 | 3,062 | 522 |
| 7 | E–5 | Staff sergeant | 1,380 | 138 | 1,518 | 456 | 383 | 240 | 2,597 | 110 | 2,707 | 425 |
| 3 | E–4 | Sergeant | 1,200 | 60 | 1,260 | | | 1,296 | 2,556 | | 2,556 | 353 |
| 1 | E–3 | Corporal | 1,080 | | 1,080 | | | 1,296 | 2,376 | | 2,376 | 302 |
| ½ | E–2 | Private first class | 960 | | 960 | | | 1,296 | 2,256 | | 2,256 | 270 |
| 0 | E–1 | Private | 900 | | 900 | | | 1,296 | 2,196 | | 2,196 | 252 |

[1] In addition the Government contribution to dependents' allowances under temporary wartime authority amounts to about 18 percent of the pay and basic cash allowances to enlisted personnel. The additional hazard pay, sea- and foreign-duty pay, and other special pays on the over-all average about 19 percent of the total basic pay and basic cash allowances to all personnel. Some of these special pays (e. g., sea- and foreign-duty pay) are relatively widely distributed; others (e. g., flight pay) go at relatively high rates to relatively small groups.

[2] These are entry years under normal conditions as estimated by Advisory Commission on Service Pay. At present the years of service are generally lower as the result of wartime recruitment and promotions.

[3] As estimated by the Hook Commission.

[4] The tax advantage on tax-free pay "in kind" which is not counted here amounts to $30 for grades 5–7, and to $190 for grades 1–4. The value of the $1,500 income exemption from tax which expired on Dec. 31, 1948, is excluded.

[5] These estimates cover the cost to the Government of disability, retirement, severance, and death benefits provided to military personnel on a noncontributory basis. Based on the actuarial estimates of the Advisory Commission on Service Pay (averaging its high and low assumptions, and assuming 2½ percent interest per annum) the "present annual value" or discounted annual cost of these deferred benefits for regular nonflying officers is about 30 percent of basic pay. For enlisted personnel the cost to the Government is about 28 percent of basic pay. (If not discounted for interest the cost is much higher.) The figures shown in column 10 represent the amounts the Government would have to lay aside for each employee for each year of active service, assuming 2½ percent interest per annum would be earned by the retirement fund, to ultimately pay the retirement and other benefits to be provided to the employees who qualify for benefits. Viewed from another standpoint, these are the extra amounts the Government would have to pay its military employees if they all took out private insurance policies (at cost, without loading, and assuming 2½ percent interest) to give them the same protection now provided by the Government. These figures do not include the value of survivors' and disability benefits under existing veterans laws covering military personnel in peacetime service.

[6] Figures include personal money allowances.

TABLE 2 (b).—*Military compensation rates as proposed by H. R. 5007*

[Entrance rates for married personnel—annual rates in dollars]

| Military grade or rank | | | Active-duty compensation [1] | | | | | | | | | Present annual value of deferred benefits [5] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Expected entry year [2] | Rank | | Base pay | Longevity | Subtotal, basic pay | Quarters allowances (tax-free) | Subsistence allowances (tax-free) | Food, clothing, and shelter to enlisted "in kind" [3] | Subtotal, active-duty "gross pay" (including pay "in kind") | Tax advantage on cash allowances [4] | Total active-duty compensation | |
| | | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| Officers: | | | | | | | | | | | | |
| 30 | O-8 | General | $10,530 | $324 | $10,854 | $1,800 | [6] $2,704 | | $15,358 | $1,070 | $16,428 | $2,823 |
| 30 | O-8 | Lieutenant general | 10,530 | 324 | 10,854 | 1,800 | [6] 1,004 | | 13,658 | 640 | 14,298 | 2,823 |
| 30 | O-8 | Major general | 10,530 | 324 | 10,854 | 1,800 | 504 | | 13,158 | 530 | 13,688 | 2,823 |
| 30 | O-7 | Brigadier general | 8,748 | 648 | 9,396 | 1,800 | 504 | | 11,700 | 490 | 12,190 | 2,443 |
| 25 | O-6 | Colonel | 6,840 | 855 | 7,695 | 1,440 | 504 | | 9,639 | 340 | 9,979 | 2,001 |
| 19 | O-5 | Lieutenant colonel | 5,472 | 855 | 6,327 | 1,440 | 504 | | 8,271 | 330 | 8,601 | 1,645 |
| 13 | O-4 | Major | 4,617 | 513 | 5,130 | 1,260 | 504 | | 6,894 | 290 | 7,184 | 1,334 |
| 7 | O-3 | Captain | 3,762 | 342 | 4,104 | 1,080 | 504 | | 5,688 | 230 | 5,918 | 1,067 |
| 3 | O-2 | First lieutenant | 2,993 | 221 | 3,164 | 990 | 504 | | 4,658 | 220 | 4,878 | 823 |
| 0 | O-1 | Second lieutenant | 2,565 | | 2,565 | 900 | 504 | | 3,969 | 210 | 4,179 | 667 |
| Enlisted: | | | | | | | | | | | | |
| 15 | E-7 | Master sergeant | 2,381 | 530 | 2,911 | 810 | 378 | $240 | 4,339 | 180 | 4,519 | 815 |
| 11 | E-6 | Technical sergeant | 2,029 | 352 | 2,381 | 810 | 378 | 240 | 3,809 | 180 | 3,989 | 667 |
| 7 | E-5 | Staff sergeant | 1,676 | 264 | 1,940 | 810 | 378 | 240 | 3,368 | 180 | 3,548 | 543 |
| 3 | E-4 | Sergeant | 1,411 | 88 | 1,499 | | | 1,296 | 2,795 | | 2,795 | 420 |
| 1 | E-3 | Corporal | 1,147 | | 1,147 | | | 1,296 | 2,443 | | 2,443 | 321 |
| ½ | E-2 | Private first class | 990 | | 990 | | | 1,296 | 2,286 | | 2,286 | 277 |
| 0 | E-1 | Private | 900 | | 900 | | | 1,296 | 2,196 | | 2,196 | 252 |

[1] In addition, hazard pay, sea and foreign-duty pay, and other special pays would average about 8 percent of the proposed basic pay and basic allowances on the over-all. Some of these special pays (e. g., sea- and foreign-duty pay to enlisted personnel) would be relatively widely distributed; others (e. g., flight pay) would go at relatively high rates to relatively small groups.

[2] These are entry years under normal conditions as estimated by Advisory Commission on Service Pay. At present the years of service are generally lower as the result of wartime recruitment and promotions.

[3] As estimated by the Advisory Commission on Service pay.

[4] Tax advantage on tax-free pay "in kind" to enlisted personnel which is not counted here amounts to additional $30 for grades E–5 to E–7, and to $190 for grades E–1 to E–4.

[5] These estimates cover the cost to the Government of disability, retirement, severance, and death benefits provided to military personnel on a noncontributory basis. The "present annual value" or discounted cost of these deferred benefits for regular nonflying officers would average about 26 percent of basic pay. For enlisted personnel the cost to the Government would average about 28 percent of basic pay. (If not discounted for interest, the cost would be much higher.) The figures shown in col. 10 are based on actuarial data presented in the report of the Advisory Commission on Service Pay and represent the amounts the Government would have to lay aside for each employee for each year of active service, assuming 2½ percent interest per annum would be earned by the retirement fund, to ultimately pay the retirement and other benefits to be provided to those employees who serve long enough and qualify for benefits. Viewed from another standpoint, these are the extra annual rates the Government would have to pay its military employees if they all took out private insurance policies (at cost, without "loading," and assuming 2½ percent interest) to give them the same protection now provided by the Government. The figures reflect only current normal premiums and do not amortize the liability for prior service which would result from the provisions of H. R. 5007 increasing retirement benefits for past as well as future service. These figures also do not include the value of survivors' and disability benefits under veterans laws covering military personnel in peacetime service.

Since no actuarial analysis of the retirement and other termination benefit provisions of H. R. 5007 as passed by the House was available, the estimates shown in col. 10 were made by adapting the actuarial data shown in the report of the Advisory Commission on Service Pay for the several kinds of deferred benefits and applying them to the changed basic pay levels as proposed in H. R. 5007. For example, the estimated value of the physical disability retirement provisions used herein is based on the Advisory Commission's cost estimate of its recommended physical disability retirement provisions which H. R. 5007 substantially adopts; the estimated value of the age and service retirement provisions used herein is based on the Advisory Commission's cost estimate of these retirement provisions under existing law which H. R. 5007 does not alter except for level of pay. The estimates assume 2½ percent interest per annum in computing the "present value" of the ultimate benefits, and average the high and low actuarial assumptions of the Advisory Commission.

[6] Figures include personal money allowances.

TABLE 2 (c).—*Federal classified civilian pay rates—present schedules and schedules under proposed classification act revision (S. 1762)*

[Entrance rates—annual rates in dollars]

| Classified civilian grade | | Present pay schedules | | Proposed pay schedules | |
|---|---|---|---|---|---|
| CAF schedule | Proposed GS schedule | Active service salary rates [1] | Present annual value of deferred benefits paid by Government [2] | Active service salary rates [1] | Present annual value of deferred benefits paid by Government [2] |
| | | (1) | (2) | (3) | (4) |
| CAF–15 | GS–18 [3] | $10,305 | $618 | $15,000 | $900 |
| CAF–15 | GS–17 [3] | 10,305 | 618 | 13,000 | 780 |
| CAF–15 | GS–16 [3] | 10,305 | 618 | 11,500 | 690 |
| CAF–15 | GS–15 | 10,305 | 618 | 10,000 | 600 |
| CAF–14 | GS–14 | 8,510 | 511 | 8,800 | 528 |
| CAF–13 | GS–13 | 7,432 | 446 | 7,600 | 456 |
| CAF–12 | GS–12 | 6,235 | 374 | 6,400 | 384 |
| CAF–11 | GS–11 | 5,232 | 314 | 5,400 | 324 |
| CAF–10 | GS–10 | 4,856 | 291 | 5,000 | 300 |
| CAF–9 | GS–9 | 4,480 | 269 | 4,600 | 276 |
| CAF–8 | GS–8 | 4,103 | 246 | 4,200 | 252 |
| CAF–7 | GS–7 | 3,727 | 224 | 3,800 | 228 |
| CAF–6 | GS–6 | 3,351 | 201 | 3,400 | 204 |
| CAF–5 | GS–5 | 2,975 | 178 | 3,000 | 180 |
| CAF–4 | GS–4 | 2,724 | 163 | 2,750 | 165 |
| CAF–3 | GS–3 | 2,498 | 150 | 2,500 | 150 |
| CAF–2 | GS–2 | 2,284 | 137 | 2,300 | 138 |
| CAF–1 | GS–1 | 2,020 | 121 | 2,100 | 126 |

[1] These pay rates are subject to 6 percent deduction for retirement which therefore reduces current take-home pay by that percentage. This deferred pay is returned to the employee or to his estate upon separation from the service or upon retirement or death.

[2] It is estimated that the 6-percent contribution for retirement by the employee is approximately matched by the Federal contribution to the civil-service retirement fund (assuming 2½ percent interest per annum). The present annual value of these additional deferred benefits paid for by the Government has been taken, therefore, to be 6 percent of the active-service salary rates.

[3] These grades are not presently provided for under the Classification Act; personnel holding positions of varying responsibility are now classified as CAF–15.

TABLE 3.—*Comparison of proposed military and civil-service pay rates with 1948 industrial pay rates*

[Annual rates in dollars]

| Grade or rank | | | As reported by Advisory Commission on Service Pay | | | Proposed executive pay bill (S. 498) and Classification Act revision for Federal civilian employees (S. 1762) [2] |
|---|---|---|---|---|---|---|
| Military | | Classified civilian (general schedule or CAF) | Comparable industrial pay rates according to Commission survey in 1948 [1] | Army-Air Force wage board employees in 1948 [1] | Military active-duty compensation as proposed in H. R. 5007 [2 3] | |
| Expected entry year | Rank | | | | | |
| Officers: | | | | | | |
| | | Executive [4a] | | | | [4a] $25,000 |
| | | Executive [4b] | | | | [4b] 20,000 |
| 30+ | O-8 General | Executive [4c] | | | | [4c] 18,000 |
| 30+ | O-8 Lieutenant general | Executive and GS-19 [4d] | | | $16,428 | [4d] 16,000 |
| 30 | O-8 Major general | GS-18 | $33,204 | | 14,298 | 15,000 |
| | | GS-17 | | | 13,688 | 13,000 |
| 30 | O-7 Brigadier general | GS-16 | 22,824 | | 12,190 | 11,500 |
| | | GS-15 | | | | 10,000 |
| 25 | O-6 Colonel | | 11,844 | | 9,979 | |
| | | GS-14 | | | | 8,800 |
| 19 | O-5 Lieutenant colonel | GS-13 | 7,428 | | 8,601 | 7,600 |
| 13 | O-4 Major | GS-12 | 6,852 | | 7,184 | 6,400 |
| 7 | O-3 Captain | GS-11 | 6,180 | | 5,918 | 5,400 |
| | | GS-10 | | | | 5,000 |
| 3 | O-2 First lieutenant | GS-9 | 4,644 | | 4,878 | 4,600 |
| | | GS-8 | | | | 4,200 |
| 0 | O-1 Second lieutenant | GS-7 | | | 4,179 | 3,800 |
| Enlisted: | | | | | | |
| 15 | E-7 Master sergeant | GS-7 | 4,752 | $3,864 | 4,519 | 3,800 |
| 11 | E-6 Technical sergeant | GS-6 | 4,020 | 3,216 | 3,989 | 3,400 |
| 7 | E-5 Staff sergeant | GS-5 | 3,792 | 3,072 | 3,548 | 3,000 |
| 3 | E-4 Sergeant | GS-4 | 3,564 | 2,868 | 2,795 | 2,750 |
| 1 | E-3 Corporal | GS-3 | 3,240 | 2,352 | 2,443 | 2,500 |
| ½ | E-2 Private, first class | GS-2 | 2,820 | 2,136 | 2,286 | 2,300 |
| 0 | E-1 Private | GS-1 | | | 2,196 | 2,100 |

[1] Average rates.
[2] Entrance rates—average rates are higher (except for executive grades).
[3] See table 2 (b) for components.
[4] Executive pay bill as reported by Senate committee:
[a] Heads of executive departments.
[b] Under secretaries and heads of independent agencies.
[c] Chairmen of boards and commissions and assistant heads of independent agencies.
[d] Members of independent boards and commissions and specified bureau heads.

NOTE.—Rates shown cover only "active duty" compensation and do not include value of deferred benefits (retirement, etc.). As is indicated in table 2 the value of retirement and other deferred benefits received by military personnel is 2 or 3 times the value received by Federal classified civilian employees; typical industry retirement and benefit plans are less liberal than the civil services retirement benefits to Federal civilian employees. From the standpoint of employee contributions, military personnel do not contribute toward retirement; roughly ½ of industry retirement systems require employee contributions; Federal civil service employees contribute 6 percent of their salaries toward retirement.

Mr. FLANDERS. Mr. President, I may say in this connection that if Senate bill 498, Calendar No. 112, is not acted upon before the military-pay bill comes up, I shall offer S. 498 as an amendment to the military-pay bill.

## DEPARTMENT OF AGRICULTURE—COMMENTS BY SENATOR McCLELLAN AND LETTER FROM DEPARTMENT REGARDING HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, at this point as a part of my remarks a statement prepared by myself, and also a letter from the Secretary of Agriculture making comments on the effect on that particular Department of the recommendations of the Hoover Commission which directly affect that Department.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN, chairman of the Committee on Expenditures in the Executive Departments, today released a letter from the Secretary of Agriculture regarding recommendations of the Hoover Commission which directly affect that Department.

This is the sixth of a series of releases being made by the Committee on Expenditures based on reports received in response to requests addressed to all agencies to supply detailed comments relative to the application of the various proposals of the Commission on Organization of the Executive Branch of the Government to such establishments.

The Secretary of Agriculture disagrees with recommendation No. 6 of the Commission's report on the Department which would preclude committees of farmers from serving in any capacity other than advisory in carrying out departmental programs at the county level, and conducting farmer-Department relationships in communities and on farms, stating that the Department's experience in this work in the past 15 years strongly supports the view that utilization of committees of farmers is indispensable to the successful operation of farm programs * * *. Such a limitation (the Commission recommended not more than $700,000 a year be expended for farm advisory committees) would permit the service of committeemen on an average of not more than 3 or 4 days per year, and farmers would thus be deprived of adequate voice in the operation of the programs which so vitally affect them.

The Secretary also opposes the Commission's recommendation calling for the repeal of the law which provides that amounts equal to 30 percent of the customs receipts should be made available for designated agricultural purposes, contending that the repeal of this section would not be in the public interest since it has proven extremely useful as a means of stabilizing the agricultural economy, and the use of these funds on a continuing basis is necessary as a primary source of support for perishable commodities.

The Secretary also withholds final conclusion in relation to the proposal to discontinue certain lending activities of the Farmers Home Administration, and states that "The budget reductions which one might anticipate by superficial reading of the Commission's report are based on assumptions which are open to question when examined carefully, item by item."

The Department contends that the alleged annual saving of from $35,000,000 to $44,000,000, which would result from the proposed discontinuance of certain lending activities of the Farmers Home Administration as indicated in the Commission's report, would not result from organizational changes suggested, but would require the elimination of an integral part of the Department's credit services.

The Secretary specifically endorsed recommendations of the Commission which would:

(a) Create two Assistant Secretaries for the Department instead of one;

(b) Establish an additional position of an Administrative Assistant Secretary;

(c) Provide for specific grouping of agencies and functions, subject to final determinations based on an analysis of various plans which should take into consideration the adaptability of each to the character of the programs which the Department may be called upon by the Congress and the President to perform;

(d) The continuation of the cooperative Extension Service as a separate entity in the Department, as it presently exists;

(e) The continuation of the agricultural credit services by the Farm Credit Administration and Farmers Home Administration, as separate units, the first of which provides credit on a cooperative basis through farmer-owned institutions, while the latter makes direct loans for the purchase of farms or for rehabilitation to borrowers who have no other source of credit;

(f) Establish new Federal agricultural research stations "only where existing joint Federal-State facilities cannot be developed to fill the need";

(g) Inspection costs on farm products be paid by the Government when imposed for the benefit of the general public.

The Secretary of Agriculture indicated that there were a number of recommendations by the Commission which require further consideration before any definite decisions could be reached. These include conduct of research to conform to the most effective means for carrying on economic research in the Department; the desirability of consolidating the agricultural conservation and soil conservation programs; the consolidation of regulatory activities performed in various agencies of the Department in one regulatory service; utilization of conservation payments

in connection with the whole conservation program; the requirement that the Department report to the President and the Congress on the use and timeliness of all reclamation projects; the proposed transfer of food activities of the Food and Drug Administration to the Department of Agriculture; matters pertaining to the public domain; and other measures "to improve the efficiency of the Department's internal organization and operations."

The letter from the Secretary of Agriculture follows:

DEPARTMENT OF AGRICULTURE,
*Washington, July 8, 1949.*

Hon. JOHN L. MCCLELLAN,
*United States Senate, Washington, D. C.*

DEAR SENATOR MCCLELLAN: In your letter of May 21, you requested a report from this Department relative to the application of proposals of the Commission on Reorganization of the Executive Branch of the Government.

The several reports of the Commission are of such scope and complexity that it seems to me advisable to attempt to establish practical limits for the subject matter to be covered by my response. Comprehensive treatment of all the reports, pertaining to other departments, and agencies and to the executive branch generally, will require a great volume of work to complete. While this Department will doubtless participate in this work, on a rather continuing basis, we are not yet prepared to comment upon aspects of reports dealing primarily with activities outside this Department.

We are giving attention to measures to improve the efficiency and effectiveness of our own organization and operations. The recommendations in the report on the Department of Agriculture have been consolidated by the Bureau of the Budget as the digest of your committee recognizes. It is assumed, therefore, that the consolidated recommendations furnish a satisfactory approach to a consideration of the problems before this Department and within the field of your inquiry.

I am in complete accord with the observation of the Commission that the foundation of good departmental administration is that the Secretary shall have authority from the Congress to organize and control his organization, and that separate authorities to subordinates be eliminated.

The Commission recommended two Assistant Secretaries for the Department instead of the one position now established by law. I concur in this recommendation.

It is believed that our activities are of such scope and magnitude as to amply justify establishment of the new position. Such a recommendation has heretofore been presented to Congress but no action was taken. In my view, the Commission wisely refrained from indicating specific responsibilities for Assistant Secretaries, leaving the Secretary freedom to assign responsibilities in accordance with changing needs and compatible with peculiar capabilities of these officers.

Establishment of an additional position of Administrative Assistant Secretary, recommended by the Commission, meets with our approval. Such an officer would provide coordination of administrative matters in the several agencies of the Department and furnish leadership in the constant effort to bring about improvement in procedures, organization, and management techniques.

The specific grouping of agencies and functions proposed by the Commission represents one of numerous alternative schemes of organization. Study is being given to the Commission's proposals and also to several alternatives. Final decisions must depend not only upon analysis of various plans but must also take into consideration the adaptability of each to the character of the programs which the Department may be called upon by the Congress and the President to perform.

With respect to organization for conduct of research, the Commission wisely points out that certain management and operational research can most economically be performed by one or another of our program agencies. For example, research in forestry, soil conservation, and marketing need to be examined in detail, item by item, to arrive at the determination as to whether they can best be fitted into an agency charged with over-all responsibility for research or assigned to the agency responsible for the program in the field. Careful consideration is being given to the most effective means of carrying on economic research in the Department.

In the fall of 1947, this Department presented to the Congress a report on a long-range agricultural program and therein recognized the desirability of consolidating the agricultural-conservation and soil-conservation programs. These programs are closely related to the production and adjustment activities carried out directly with farmers. The latter, however, are also very closely related to marketing and price-support functions. Another point which arises in connection with the proposed establishment of an Agricultural Resources Conservation Service is whether a single agency can most efficiently handle all of the problems in the fields proposed to be included in it.

At present certain regulatory activities are performed in various agencies of the Department, whereas the Commission has proposed that all such work be consolidated in one regulatory service. Thus far, I am not persuaded that this would be desirable. Regulation of the importation of plants or animals, for example, bears little similiarity to regulation of commodity markets, the shipment of perishables, or the conduct of livestock yards and we believe it is sound to have the latter functions performed by the Bureau of Entomology and Plant Quarantine, the Bureau of Animal Industry, the Commodity Exchange Authority, or other subject-matter agencies having general cognizance of the appropriate field of activities, rather than duplicate personnel in a specific organization concerned only with regulatory responsibilities.

The cooperative Extension Service, which is an educational agency jointly sponsored by the Department and the land-grant colleges of several States, presently exists as a separate entity in the Department and we are in accord with the Commission's recommendation that it should so stand.

Agricultural credit services are rendered by the Farm Credit Administration and by the Farmers Home Administration. The former offers credit on a cooperative basis through farmer-owned institutions, whereas the latter makes direct loans for the purchase of farms or for rehabilitation to borrowers who have no other source of credit. Such loans have long been considered to require close supervision. We believe that this division is sound and that no savings would result from arbitrarily combining the two.

A most important consideration in the organization of the Department is deciding upon the means of carrying out Department programs at the county level and conducting farmer-Department relationships in communities and on farms. The Department's experience in this work in the past 15 years strongly supports the view that utilization of committees of farmers is indispensible to the successful operation of farm programs. Certain functions, of which the determination of marketing quotas and acreage allotments are examples, could scarcely have been carried out except for the aid and participation of farmers chosen by their neighbors for that purpose. We, therefore, disagree with that portion of the Commission's recommendations which would preclude committees of farmers from serving in any capacity other than advisory. The Commission recommended that not more than $700,000 a year be expended for farmer advisory committees. Such a limitation would permit the service of committeemen on an average of not more than 3 or 4 days per year and farmers would thus be deprived of adequate voice in the operation of the programs which so vitally affect them. We are giving most careful study to this phase of our problem.

We agree in principle with the Commission's recommendation that "New Federal agricultural research stations should be established only where existing joint Federal-State facilities cannot be developed to fill the need."

The question of utilization of conservation payments needs to be considered in connection with the whole conservation program in order to obtain maximum effectiveness. I have elsewhere presented to the Congress my recommendations for changes in the law to improve our programs. This comment may be related also to commodity adjustment programs.

The recommendation that inspection costs on farm products be paid by the Government when imposed for the benefit of the general public appears to us as sound in principle. The Congress has recently expressed itself in connection with policy on meat-inspection costs. With respect to some inspection services, however, it is not always easy to identify the beneficiary, or to establish the degree to which commercial interests and the general public share in the benefits of inspection.

The Commission has recommended the repeal of that law which provides that amounts equal to 30 percent of the customs receipts should be made available for designated agricultural purposes. This law, which has been in effect since August 24, 1935, has proved extremely useful as a means for stabilizing the agriculture economy. The Agricultural Act of 1948, provides for the use of those funds on a continuing basis as the primary source of support for perishable commodities. In our opinion, its repeal would not be in the public interest.

The proposal that the Department of Agriculture be required to report to the President and the Congress on the use and timeliness of all reclamation projects is receiving consideration by appropriate agencies within the executive branch. Also under study is the proposed transfer of food activities of the Food and Drug Administration to the Department of Agriculture. Matters pertaining to the public domain constitute another question similarly being examined.

I should like to call attention to the fact that $35,000,000 of the $44,000,000 annual savings referred to in the Commission's report would result from the proposed discontinuance of certain lending activities of the Farmers Home Administration. Such a saving would not result from organizational changes suggested but from eliminating an integral part of the Department's credit services. The Farmers Home Administration records of accomplishment and repayment clearly reflect the economic and social values, and the low costs of the program of this agency. On the whole, the budget reductions which one might anticipate by a superficial reading of the Commission's report are based on assumptions which are open to question when examined carefully, item by item.

I would be glad to communicate with you further when I have our studies of the department's organization more complete. Thank you for inviting me to comment on the recommendations of the Commission.

Sincerely yours,

CHARLES F. BRANNAN,
*Secretary.*

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Joseph P. Regan to be United States marshal for the district of Kansas, vice William M. Lindsay, which was referred to the Committee on the Judiciary.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Edward B. Lawson, of the District of Columbia, a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary to Iceland.

THE NORTH ATLANTIC TREATY—ARTICLE FROM THE READER'S DIGEST

Mr. SMITH of New Jersey. Mr. President, yesterday in my discussion of the North Atlantic Treaty, I endeavored to point out the overemphasis on military preparedness and lack of adequate emphasis on the economic, social, and spiritual values of the treaty.

Since I made my remarks, I have noted in the current issue of the Reader's Digest an article entitled "The North Atlantic Road to Prosperity," by William Hard and Andre Visson. In this article the authors stressed the same point I endeavored to stress yesterday, and emphasized the importance of the circulation of economic benefits throughout the North Atlantic areas as more important than military aid. The authors at one place call attention to article 2 of the treaty, which I read into the RECORD yesterday.

In discussing article 2, the authors say:

> It is an article that has received relatively little attention, yet it may well turn out to be the sheet anchor of the whole pact. It says the parties to the pact "will seek to eliminate conflict in their economic policies and will encourage economic collaboration between any or all of them."

Near the end of the article, the authors make the following point:

> We want economic peace with western Europe. If we and western Europe had complete economic peace, and thereupon overwhelming economic world strength, we would become so impressive to any potential enemy that the chances of having to use the military clauses of the North Atlantic Pact would be greatly diminished.

As this article is so relevant to the discussion now before the Senate, I ask unanimous consent to have the article in full incorporated in the body of the RECORD in connection with these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NORTH ATLANTIC ROAD TO PROSPERITY

(By William Hard and Andre Visson)

The North Atlantic Pact establishes a north Atlantic military community. It means that the United States must help western Europe to rearm.

No American can view with equanimity our continued vast spending to aid western Europe economically and militarily. Yet, unless the countries in the North Atlantic military community establish also a North Atlantic economic community, that spending must go on. The North Atlantic Pact is meant primarily to assure peace to all its signatories. But it must also bring them prosperity, since prosperity and peace are interdependent.

The Economic Cooperation Administration, in charge of our contribution to the European recovery program, will end in 1952. It will have expended some $17,000,000,000 in loans and grants. It will have enabled western Europe to survive an acute crisis. But will it have cured western Europe's chief illness, its trade deficit with the rest of the world? The eminent London Economist says western Europe's deficit in 1952 may still be running at the rate of $3,000,000,000 a year. And it adds:

"If no further action is taken after 1952, the shock to the European economic system caused by the ending of American aid will bring with it such economic and social dislocation that European political stability will be undermined."

Thus, besides spending billions of dollars on western Europe's military revival, we may be pressed—even after 1952—to continue spending billions of dollars on western Europe's protracted economic illness. It is an unpleasant prospect—unpleasant to the self-respect of western Europe, unpleasant to the already excessively burdened pocketbook of the American taxpayer.

In the fiscal year ending this July 1 we have spent on foreign aid some $7,000,000,000, approximately $120 for every American gainfully employed. It is high time we began to devise a North Atlantic prosperity not dependent on a one-way flow of aid. It is high time we began to devise a North Atlantic economic community in which, throughout all its parts, there can be a circulation of economic benefits. Only through such a circulation can a true and a growing prosperity be created in any region.

The North Atlantic Pact recognizes that fact in its article 2. It is an article that has received relatively little attention, yet it may well turn out to be the sheet anchor of the whole pact. It says the parties to the pact will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

But then let us look at an astonishing gap in the pact. Its article 9 provides for the creation of a military committee to promote joint military action. But nowhere in the pact is there any provision for an economic committee to promote joint economic action. Yet it is only the joint economic strength of the North Atlantic countries that can sustain their joint military strength in time of trial.

The military committee established by the pact should be quickly reinforced by an economic committee. This committee would survive the disappearance of the Economic Cooperation Administration in 1952. It would live through the 20 years of the pact's life. It should be composed of men who in economic problems are the equivalent of five-star generals in military problems.

The economic committee would consider proposals for improving the international trade policies of both western Europe and the United States and Canada. First, though, western Europe. What is the matter with it? Let us relate a few recent incidents.

Britain last year, operating in the maze of European currency-exchange controls, let British tourists have currency to go to France but no currency to go to Belgium. Belgium had done nothing to deserve that injury. This year British tourists will be allowed to take up to £50 to France and only £35 to Belgium.

France, operating in that same maze of currency-exchange controls, last year cut off all imports from Belgium. It was as if Ohio should cut off all imports from Michigan.

Not long ago a thousand new Italian tractors were rusting in Italian tractor-factory yards. Meanwhile certain other European countries, again operating in the maze of currency-exchange controls, were not buying tractors from their neighbor, Italy, but getting them—through the ECA—all the way from the United States.

There are thousands of Italian workers in France. France needs them. But once more those currency snags. These Italian workers find it difficult to send money back to their families in Italy. So large numbers of them plan to go home. This will hurt France. It will also hurt Italy, which already has much unemployment.

Side by side with currency-exchange controls in western Europe there is ultranationalistic economic planning. And what a boomerang that can be.

The British Government last year decreed that 45 percent of all first-feature films shown in British cinemas must be British made. How clever, if there were no such thing in the world as retaliation. But there is.

American film makers began to be busy on the European Continent. The French Government decided to grant 121 licenses a year to French-speaking American films and only 65 to the films of all other countries, including Britain. The Dutch Government decided to give a quota of 40 weeks of exhibition time to American films and only 12 weeks to the films of all other countries, including Britain.

This is nothing but outright international economic warfare. It means headaches and losses all around. It is utterly inconsistent with the economic friendship that should exist among the signatories to the North Atlantic Pact. It would be a fit case for consideration by a North Atlantic Pact economic committee.

Let us rejoice that such a committee would find some encouraging developments in western Europe. It would find Mr. Hoffman's ECA making some headway in persuading western European countries to stabilize their currencies and to retreat from currency-exchange controls. It would find that Belgium—which is western Europe's outstanding free-economy country—is already well started on that retreat.

Mr. Hoffman and his associates are also making some headway in persuading western European countries to break down their other barriers to trade among themselves. Europeans must forgive us Americans if we take note of the fact that it is only those barriers that today prevent western Europe from arriving at prosperity. Sir Arthur Salter, for many years Director of the Economic Section of the League of Nations, is emphatic on this point. Writing in Foreign Affairs, he says that, if the countries of western Europe would establish among themselves a market liberated from nationalistic governmental interference, they could manufacture enough articles for export to pay for all their imports of raw materials and foods.

That is, western Europe's trade deficit would disappear, and with it would disappear western Europe's chief reason for needing dollars from the United States taxpayer.

We Americans, naturally take a profound interest in that prospect. Some of us say: "Let the western European countries imitate the Thirteen American Colonies and form a United States of Europe: One country with one currency, a central legislature and executive, and no internal trade barriers at all." But the western Europeans are of many lineages, many languages, many diverse and conflicting cultures. To make them into one people is an arduous endeavor which must consume a long time.

Meanwhile western Europe must work with what it has. And we there have three most promising new institutions. One is the Organization for European Economic Cooperation, which tries to harmonize the economic plans of all the countries taking part in the European recovery program. It came into existence in response to the vigorous policies of the American managers of the ECA, and will be their best bequest to western Europe.

The second is the Council of Europe, which has been set up by Britain, France, Belgium, Luxemburg, and the Netherlands, and will be extended to include other western European countries. It represents the longest step that Britain has been willing to take toward the goal of a United States of Europe. It is to have a committee of cabinet ministers from the participating countries, and a consultative body of delegates chosen by the participating countries.

The third is the economic union between Belgium, Luxemburg, and the Netherlands. Next year these three countries, while remaining politically separate, will become completely one country in all economic matters. It has been one of the most difficult, and one of the most admirable, international accomplishments of our time. The example could be followed in some degree by other groups of European countries.

A North Atlantic Pact economic committee, with both European and American members, could bring the best economic thought of both continents into promoting the labors of these three institutions. It is only through such detailed drudgery that the great ideal of a United States of Europe can ever be achieved. Through the North Atlantic Pact economic committee we Americans could greatly contribute to that achievement, which would not only bless Europe but also benefit us.

And the Europeans on that committee would doubtless wish to suggest to us that possibly some of our import duties and quotas, our export controls, our immigration provisions are not entirely conducive to the general welfare of the whole North Atlantic economic community. In discussing such suggestions, we may find mutually advantageous solutions.

Let us remember: Western Europe, next to the United States, is the world's richest repository of technical skill and industrial productiveness. It also has 120,000,000 more people than we have. It is our invaluable and indispensable ally.

We want economic peace with western Europe. If we and western Europe had complete economic peace and thereupon overwhelming economic world strength, we would become so impressive to any potential enemy that the chances of having to use the military clauses of the North Atlantic Pact would be greatly diminished.

Of the making and breaking of treaties there is no end. Treaties last only as long as they are advantageous to the countries that signed them. Let us hope that the North Atlantic Pact will long live to serve the world's peace. And, therefore, let us forge unbreakable links of economic interest and economic joint welfare among all the countries that the pact seeks to bind to a common purpose.

## THE NORTH ATLANTIC TREATY AND ECA—ADDRESS BY SENATOR THYE BEFORE MINNESOTA FEDERATION OF WOMEN'S REPUBLICAN CLUBS

Mr. THYE. Mr. President, I intend to vote in favor of the ratification of the North Atlantic Treaty. It is a step in the right direction. It will give encouragement to the nations of western Europe to rebuild firm, strong nations—nations that will be self-reliant, nations that will have the courage to oppose communism at every turn. The pact will greatly augment the proper atmosphere to enable us to strengthen the United Nations, and through it to achieve a lasting peace.

Mr. President, I was privileged to speak at the convention of the Federation of Women's Republican Clubs of Minnesota on May 11 of this year. The subject matter of this address was concerned with what we had achieved through the European recovery program and what we hope to achieve in the North Atlantic Pact. I ask unanimous consent that this speech be printed in the RECORD at this point as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The women of America have a special interest in the cause of world peace.

Better than anyone else, excepting only those whose lives have been torn asunder by modern war, do you know the sacrifice and the cost of war. As in all periods in our history, it is you who have experienced most deeply the heartaches, it is you who have felt the tragedies of lost and broken lives, it is you who know the utter futility of war.

We men talk about it in terms of the number of lives lost. We are shocked by the staggering cost in dollars. We are concerned about the destruction of property. We are struggling to solve the economic dislocations which are the inevitable result of war.

These things affect you vitally also, and yet you know the larger cost in the things of the spirit which, once destroyed, can only linger in the memory and cannot be brought back. Yours is the high resolve that peace and understanding and justice—and not war and violence and force—shall be the normal order in the future of the world. In your hearts are echoed the aspirations of people everywhere for lasting peace. Yours is the faith in mankind that sustains the hope for a better world.

Yet you know that before we can deal with these hopes in the intangible realm of ideals we must deal with them effectively and intelligently in the practical field of human events.

It is, therefore, a genuine privilege for me to discuss with this fine group of Minnesota women a subject which is very much in our minds today: What have we achieved in European recovery, and what do we expect from the North Atlantic Pact?

I

Many in America today are gravely concerned over the unsettled world in which we live. We find the present most difficult. The future we cannot know, and the past we cannot recapture. If we could but foresee events in the future, it would not be difficult to act wisely in the present. And likewise, if we could but return to the past and change some of our past decisions, the present might be a more pleasant time in which to live. However, our task is more difficult. We must make decisions in the present, with the hard lessons of past history as a guide and with the objective that the future will bring a better world.

What have we learned from history? Within our own memories are two terrible wars. It might be well to review for a moment this recent pattern of world conflict and uneasy peace.

Three decades ago we entered World War I for purposes which seemed to be compelling in our own interest as a nation. That war—to make the world safe for democracy—was a costly one, in lives and in dollars. There were 126,000 American lives given in that struggle. Nearly 200,000 Americans were wounded. Many thousands have been in hospitals for 30 years suffering from the effects of gas or wounds. The cost in dollars to the United States is estimated at more than $32,000,000,000, including $9,500,000,000 in advances to our Allies.

That war brought us the moral leadership of the world, but the tragic truth is that after World War I we failed to build the kind of a world we thought we were fighting for. We Americans became indifferent to the obligations we had assumed. We became more interested in our own comforts of living than in the needs of the world.

A League of Nations was formed, quite like the United Nations of today, under the leadership of an American President. It was intended to provide the vehicle and the atmosphere for the peaceful solution of the problems and differences among the nations of the world. It was based on the principle of collective security. We refused to become members of the League and shunned its councils while some 55 other nations, with more or less sincerity of purpose, sought unsuccessfully to make the deliberations at Geneva effective in assuring justice and peace.

While the United States turned to isolationism as a national policy, the better order that we talked about and fought for did not come into being. We did not create permanent peace. A more devastating war followed when ruthless dictators, feeding upon deluded and unhappy peoples, sought to engulf the entire world in an alien philosophy in which there was no place for the democratic spirit.

Soon the futility of isolation in the modern world was completely demonstrated. This great Nation, which wanted to turn its back on the quarrels and problems of the rest of the world and wanted only to be left alone, was drawn into World War II. Again precious American youth laid down their lives, our people toiled and sacrificed, our Nation gave of its treasure to gain a victory in a conflict which should not have been.

The cost of World War II in loss of life and in human suffering is beyond computation. There is no mathematical formula for measuring the loss of life or the extent of human suffering. Yet the figures do tell a story, and perhaps the vastness of them helps us realize the shocking cost of a modern global war.

There were 313,000 precious American lives lost in World War II.

There were 680,000 Americans wounded.

The Veterans Administration today is paying disability compensation to 1,714,535 veterans, including 133,483 of World War I.

The direct military cost of World War II to the United States was $340,000,000,000, with an estimated total of $700,000,000,000 for the original and continuing costs of the war by 1972.

There is no official estimate of the cost in terms of the expenditure of natural resources, but it has been stated that we used 5,000,000,000 tons of our best minerals, and 8,000,000,000 barrels of oil.

The total cost of war material to the world (excluding China) in this last conflict has been estimated at $1,154,000,000,000, and the extent of property damages at $230,000,000,000.

Those figures are beyond the imagination. You need but to examine the budget of the United States for the coming fiscal year to realize the continuing financial costs of war. We pay for past wars to the extent of $5,500,000,000 for veterans services and benefits, $5,500,000,000 in interest on the public debt, more than $14,000,000,000 for national defense, and nearly $7,000,000,000 for international affairs and recovery. That amount of almost $32,000,000,000 in what might be termed fixed items of expense—all an outgrowth of war or preparations for defense—represents 76 percent of the total 1950 budget.

The direct military cost of World War II to the United States amounts to $2,266 for every American man, woman, and child.

I have labored you with these terrible facts and figures for no other purpose than to

remind you of the enormous investment we have made to attain security and peace.

Although war is essentially destructive in its character, we know that this costly investment of life and treasure was made because the security of our country and of our free institutions was at stake. We won a complete victory over powerful enemies in that war. Now we are confronted with the task of achieving an even greater result. Again our free institutions are threatened, but the stake this time is more than victory itself, greater even than security against the horror that would follow in the wake of an atomic war.

Our supreme objective today is the peace of the world.

Peace is not the absence of war. Peace is not won by signing an armistice; that is only an end of hostilities. Peace is that feeling of security and serenity that comes from within—within an individual and within a nation. As war is destructive, peace is constructive. It is building in the minds of men respect for human beings and the development of mutual understanding. It means a desire for freedom. It means security for all. It means justice and humanity.

II

As a result of World War II, we assumed obligations which even at this moment are pressing us into responsibilities which we can no longer lay aside. The academic argument over isolationism is ended. Whatever may have been the virtues of that policy, as against a policy of internationalism, they are no longer valid in the light of the terrible cost of our victory in World War II. We cannot turn back.

The United States stands today an acknowledged leader among the nations. We cannot evade or ignore the responsibility of world leadership which is ours today. We did not seek that responsibility. We did not attain that leadership by conquest; nor by a policy of imperialism. It has been thrust upon us by the events of our time. We have it, whether we like it or not, and with leadership comes the opportunity to meet it in a way that will benefit all mankind.

Our purpose is, and it must continue to be, the extending of a helping hand in the rehabilitation of the people of war-devastated nations, so that they may become self-respecting members of the family of nations. Our ultimate purpose is to use our influence and our power to sustain justice and to strengthen democratic forces to the end that all peoples may live together and work together in a world at peace.

As we approach the practical aspects of this problem, we must look at the realities of the present situation. Everything we have done has been done, not only with the larger objective of world peace in view but with a realization that in this postwar era two especially strong nations have emerged, each with a different ideology. To one or the other of these nations the world looks for leadership. The United States is one of them. The other is Soviet Russia.

Although we recognize that perfecting and strengthening the United Nations, to make it an effective and workable agency to assure peace, is still a valid objective, and one we have no intention of laying aside, our mature judgment has made clear the necessity of constructive acts of leadership on our part. One of the most important phases of our entire policy in international affairs has been the European recovery program.

This is a long-range program which developed when we realized that we could not build the peace of the world nor prevent the spread of communism with piecemeal aid and relief to meet each new crisis that developed. Although it has been hard for us to visualize what many countries experienced in actual devastation and destruction, we gave freely to feed and clothe millions of people in war-devastated countries. But this help did not relieve them of their feeling of futility or give them faith and hope for the future. It did not fully safeguard our own intelligent self-interest. The Europe of the postwar period was dangerously near the Europe that Hitler had envisioned when he said that if he went down he would take all Europe with him. Conditions were developing in which communism would have found a fertile field for encroachment.

When our Government adopted the program of European recovery, it recognized the wisdom of a plan to rebuild the economy of western Europe to permit, in the words of General Marshall, "the emergence of political and social conditions in which free institutions can exist." The Economic Cooperation Administration was intended by Congress to promote the industrial and agricultural production of the participating countries, to further the restoration and maintenance of sound fiscal and economic policies, and to stimulate international trade among these countries and between them and others.

Prior to the war this region, embracing the 16 nations which alined themselves with the west, was the greatest workshop and the greatest market in the world. Within the 2,000,000 square miles of these countries were 397,000,000 people. Before World War II they accounted for more than half the world's trade.

This was no backward region. It was one which, but for the war that had laid waste its factories, and its fields, and its cities, was one of the most advanced in the entire world. We realized from the start that American dollars alone should not be the eventual substitute for European labor and production. Our plan was to help Europe help herself. We have tried to do so with a program so designed as to protect the American economy while priming the productive forces of Europe and stabilizing the European economy.

The European recovery program is succeeding. The results are far beyond what we expected a year ago. Europe is definitely on the road to recovery. It is no longer fertile soil for unrest and the growth of communism.

In the review of the first year's record of ERP, as it was tested in hearings before the Senate Foreign Relations Committee, three major questions were posed. Had the first year of effort made headway in the purpose of assisting member countries to recover from the effects of war? Were the major changes in the structures of the economies of these countries being made, which would enable them to become self-supporting by 1952? Finally, would the progressive development of these economies permit a rise in the standard of living after American aid has been withdrawn?

According to the figures presented to the committee, significant gains are beginning to appear on a number of fronts. The output of factories and mines showed an increase of 14 percent over 1947. The output of electric power was 65 percent higher than the prewar figure and 10 percent above 1947. Railway freight was one-third greater than before the war. Crop production had increased, although still below the prewar level, and exports had increased 20 percent during the first year of the program.

Less noticeable advances were made toward goals of price stabilization, a better balance between supply and demand, and in control of inflation, but there were substantial gains in all of these fields.

In the judgment of the committee, which is sustained by all subsequent reports that we have had, "the Marshall plan has made a notable contribution toward curbing the spread of disorder and communism and toward giving hope for eventually achieving an improved standard of life" to western Europe.

Is the European recovery program worth what it costs the American taxpayer? I sincerely believe that it is amply worth every dollar we have invested in it, and which, under Administrator Hoffman, has been well invested. Common sense tells us that we must continuously examine and review the details of this program so that it will be effectively integrated into Europe's expanding economy and will make allowance for changing conditions and needs.

So far we know the plan has worked. We know that it has saved Europe from communism. Let us take a glance at the cost in comparison to the cost of war, remembering that this is an investment in peace. For the first 12 months the ECA appropriation was $4,000,000,000, not including aid to China, Greece, and Turkey. Congress has renewed authorization for 15 months at a similar level, but the specific amount remains to be voted.

Since it is intended to terminate extraordinary American aid to Europe by mid-1952, it has been assumed that for four and a fraction years ERP will cost this country approximately $17,000,000,000; but I believe it will be considerably less than that as the inflationary costs taper downward. At all events, it is a lot of money. Yet taking this estimate at its maximum and comparing it with the direct military cost of World War II to the United States—$340,000,000,000—the cost of this investment in peace is only 4 or 5 percent of the direct cost of the war.

III

In its first year the European recovery program as an investment in peace has made great progress, but over the free world there is still the cloud of insecurity and uncertainty. The strength and permanence of the United Nations remain to be made secure. There are great areas of disagreement between the United States and Soviet Russia. The situation in China is not reassuring. Communism remains a threat to the security of all free nations and to the peace of the world. We dare not overlook these conditions while we continuously strive for the will to peace among all nations, and for understanding among all peoples.

To foster security, the United States and 11 other nations, including Canada, and countries of western Europe, have signed the North Atlantic Pact, a treaty for collective defense. It is a very important treaty in world affairs because it represents an essential step to reassure the smaller nations that we will all stand together against attack by an aggressor nation. In this respect it gives assurance of unity in working for peace within the structure of the United Nations, and it provides an atmosphere of security without which the western European countries would not be able to withstand the encroachment of communism. I believe that it will have a stabilizing effect on international affairs.

It is important to remember that the North Atlantic Pact is completely within the Charter of the United Nations. It is clearly a logical development of policy as reaffirmed in the Vandenberg resolution which passed the Senate a year ago and which listed the development of regional and other collective agreements for "effective self-help and mutual aid." It acknowledges the close community of interests among the North Atlantic nations, already bound together by strong historical, geographical, economic, and cultural ties. It is similar in nature to the plan under which 21 American Republics have worked out a regional system.

With this pact in effect, properly implemented, no aggressor nation could do what Hitler and similar dictators sought to do in picking off, one by one, small defenseless

nations while the great democracies engaged in futile gestures of appeasement.

What does the North Atlantic Pact propose to do? It sets forth the principle that an armed attack on one shall be considered an attack against all. It provides for individual help to any member in case of attack, mutual aid in preparation of defense, and consultation if there is danger of attack.

Warren Austin, our American Delegate to the United Nations, has aptly described it as "a shield and not a sword." He has pointed out that the Charter of the United Nations recognizes that groups of nations can band together on a regional basis and within certain bounds and conditions and contribute substantially to their security against aggression. It is clear that peace and security in the North Atlantic area will go far to assure peace and security elsewhere.

There is no formal connection between the European recovery program and the North Atlantic Pact, but the pact will provide collective self-security and stability, especially when backed by the strength and prestige of the United States, that are essential for the economic and political recovery of Europe. Again it will cost us money, more than $1,000,000,000 the first year. Again it is an insurance against war which would cost hundreds of times as much, for we know that fear and oppression, as well as hunger, are enemies of peace. And we know that peace and security require confidence in the future.

The North Atlantic Pact, although it has been signed by the representatives of the various nations, has yet to be ratified by the United States Senate. Full information on the treaty is utterly essential, and the hearings now in progress should help provide it. Indeed, there is a very constructive contribution which you women leaders can make, and that is to obtain an informed public opinion on this important treaty.

Everyone who believes in our system of government must recognize that the understanding support of the American people is essential to the success of constructive policies of our Government. This is especially true in the field of our foreign policy. We talk about a bipartisan foreign policy. What we really mean is an all-American foreign policy, and you cannot have that kind of a foreign policy unless you have room for full discussion and complete understanding on the part of the American people.

IV

While we seek to implement our international responsibilities through the European recovery program and the North Atlantic Pact, which we hope will prevent another world war, we must remain alert to the possibility of attack by aggressor nations. Particularly must we endeavor to prevent the division of the world into two hostile camps. Our relations with Russia at this time demand firmness and no appeasement, but I hope eventually we can come to understand the Russian people better, and they us. Surely when we speak of peace we mean peace for all. When we speak of justice and security, we mean justice and security for all.

Yet we dare not permit our idealism or our good will to blind us to the realities. If we do, we are likely to make our foreign policies crisis policies merely, and such policies are exactly the ones that would be affected by every gust of wind that blows from Moscow. Even if the Berlin blockade is lifted, as seems certain, that fact should not change in any respect our determination to undertake the obligations of the North Atlantic Pact. This integrated program of recovery and security is no cure-all for all the ills of the world, but it is definitely part of our long-range program to achieve peace and security with justice.

We must develop all phases of our foreign policy with a sense of our profound obligation and responsibility. We must work for a positive program that will lead to understanding among the nations and that will make peace and negotiation, and not war and violence, the normal and logical procedures in international relations.

If we are able to do these things, in keeping with the ideals which have made America great, we will have justified, as no other nation in all history, the peculiar destiny which has been ours, for in no other country have the sons and daughters of so many different races, so many diversified nations, so many rich cultures been drawn together into a whole, as in our own. Americans should be fitted as are no other people to understand the problems and aspirations of all their neighbors in this modern world. We have the power to assume this leadership. We have the strength to undertake this responsibility. The great challenge to us as a people is to assure ourselves of the vision and the understanding, and the fundamental faith, to undertake this great task.

## THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

### THE NORTH ATLANTIC PACT VERSUS THE REAL OBJECTIVES

Mr. MALONE. Mr. President, the North Atlantic Pact simply, and without question, guarantees the integrity of the colonial systems thoughout Asia and Africa.

I thoroughly agree with the statement of the Senator from Ohio [Mr. TAFT] yesterday, when he said:

> It is said that arms given to European countries cannot be used by them in dealing with their colonial possessions outside the scope of the pact, but surely anyone can see that all the armed forces possessed by any country are in one pool and that the bigger that pool is, the more easily they can find arms to undertake action which may be considered aggression in their colonies.

### VITAL LINK TO LOWER-WAGE STANDARD OF LIVING

A decision to ratify the North Atlantic Pact Treaty by a two-thirds majority of the United States Senate will, in the judgment of the junior Senator from Nevada, be a vital link in the chain of events that, taken together, is bound to wreck the economic structure and the wage-living standards of this Nation—the sole objective being to immediately reduce this Nation to 1 of 58 or more units or States in a commonwealth of nations to be known as the Federation of the World.

It is, therefore, vital that the United States Senate take the necessary time to examine and to add up the Administration's post war proposals—and note the trend.

The Senate and the people of this Nation should be advised whether the five major postwar proposals are really the separate major emergency measures that they have been continually represented to be or whether they are all related, having one objective, that objective being immediately to tie the United States into such a commonwealth of nations—to be known as the Federation of the World, with its wealth and wage-living standards averaged with the Asiatic, European, African, Middle East, Near East, and South Seas countries.

### A WORLD COMMUNITY GOVERNED BY ORGANIC LAW

I believe fundamentally in the final emergence of a single world community, whose purpose would be governed by organic law.

At present, however, such an ideal is utterly impossible of achievement, and any attempt to bring it about at this time would destroy whatever opportunities we possess to live through the trying times of the necessarily severe readjustment period without a real threat of destroying all hope for the very thing we wish to bring about—a peaceful and prosperous world.

What we should play for is time. A war now would be highly destructive and perhaps catastrophic, even—as seems likely—if we should win it.

As time goes on the aggressive Communist tide will tend to recede, just as the onrushing Moslem tide receded during the Middle Ages.

The people under Soviet control will trend more and more toward an effort to regain their liberties and to evolve a system by which they can live in common dignity and material security which, of course, is the core of our own vision.

As times goes on the present tense situation will tend to relax and it will certainly calm down in the distant future if we are able to hold fast and reorganize the non-Soviet world so that it can function in today's terms while reducing the present attractive opportunities for Soviet expansion.

### AN OUTMODED FEUDAL WORLD

We know that the feudal world of Europe, Asia, and Africa—made up of petty kings, strong-arm despots, and colonial landlords—can no longer survive the conditions imposed by a scientific world.

We know that the colonial landlords of England, France, the Netherlands, and Belgium can no longer keep their serfs deindustrialized in an industrial world and producing only raw materials to be shipped to the master nation in return for which they are forced to buy the necessary manufactured and processed articles to cover their backs and to secure the necessary tools and implements to eke out a bare existence.

We know that some of these landlord nations have lived off the colonial areas of the Near East and the South Seas for more than 300 years.

We know all these things. Yet by our every action, through our national and international hybrid policies and programs, we seek to perpetuate these very European, Asiatic, and African feudal and nationalistic states, many of them living off the colonial countries and areas producing wool, meats, cotton, minerals, and many other products, including manufactured goods, with what amounts to slave or indentured labor in Africa, Asia, and the South Seas, which is intended to compete on even terms—through our "free trade" policies—with our own workingmen.

This type of a slave labor pool is only a step away from the Russian methods in their forced labor mining, manufacturing, and agricultural areas.

The North Atlantic Pact is simply another step down the road of guaranteeing the status quo in international affairs and holding in subjection the colonial peoples of these areas.

THE PEOPLE OF THE COLONIAL COUNTRIES ARE ON THE MOVE

It is not a question of taking the easy way of simply guaranteeing the status quo, because the peoples of the world are on the move. They will no longer submit to virtual slavery and a submerged role in economic affairs.

It is the opinion of the junior Senator from Nevada, after visiting most of the nations of the world following World War II, that with all the resources of this Nation we cannot prevent a world economic readjustment on a basis of the new industrial and scientific methods.

To do anything but recognize economic progress will mean that we ourselves will be subject to the pitfalls and influences of socialism or something worse in trying to extricate ourselves from the economical debacle to which our present policy will inevitably lead us.

PRESENTLY KNOWN 5-PART ADMINISTRATION PROGRAM

The long-range five-part program has been presented to the Congress and to the Senate by the President of the United States to correct the European problems, each as an emergency in its own right; however, taken together they include and interlock the national and international economy. The five-part program includes:

First. The North Atlantic Pact, which was not the first proposal made, but which is before us today. It would have the effect:

A. To guarantee the integrity of the colonial system of all Asia, Africa and Europe, thus extending the political and economic control of France's Indochina, New Caledonia, French West Africa and Morocco; England's Singapore and Malayan States, East Africa and the Sudan country, South Africa, North Ireland, and many other areas; the Netherlands, Indonesia, and Belgian Congo in Africa.

B. Adding to the power and obligations of the Congress to later pass laws to discharge such obligations of the treaty, under the provisions of article 1, section 8, of the Constitution which automatically become the law of the land upon the approval of such treaty by a two-thirds vote of the United States Senate—and which takes no account of the absence of action of the House in incurring in such future obligations, including the implied immediate and automatic declaration of war or other suitable action.

I quote the following from the Supreme Court:

The Supreme Court, in the case of *Geofroy* v. *Riggs* (133 U. S. 266), says:

"The treaty power, as expressed in the Constitution, is in terms unlimited except by those restraints which are found in that instrument against the action of the Government or its departments, and those arising from the nature of the Government itself and of that of the States. It would not be contended that it extends so far as to authorize what the Constitution forbids or a change in the character of the Government or in that of one of the States, or a cession of any portion of the territory of the latter, without its consent. * * * But with these exceptions, * * * there is no limit to the questions which can be adjusted touching any matter which is properly the subject of negotiation with a foreign country."

C. It abrogates the 173-year-old right of the United States Congress to alone decide when our ultimate security and safety is threatened, and provides that when the safety of any one of the signatories to the pact is threatened, we are automatically to consider our own safety in danger, regardless of the circumstances or of any independent judgment of our own.

Second. Appropriations to make up the "trade balance" deficits of the European nations each year in cash, currently labeled the ECA, under which our chief export is cash.

Third. The 3-year extension of the 1934 Trade Agreements Act under which the State Department has adopted a selective free-trade policy of lowering the tariffs and import fees below the differential between the cost of production in this country and that of our foreign competitors, on each particular product, on the theory that the more they divide our markets with the nations of the world, the less their annual trade-balance deficits will be.

Fourth. Approval by the Congress of the International Trade Organization, under which 58 nations with 58 votes, each nation with 1 vote, we would have the same vote as Siam, would meet at least once each year, and would distribute among themselves the remaining production and markets of the world, eventually on a basis of population—we assign to this organization all of our right to fix tariffs or import fees.

Fifth. The bold new program heretofore outlined, included under recommendation No. 10 of the mid-year economic report of the President, just transmitted to Congress, the proposal to enact legislation to provide technical assistance to underdeveloped areas abroad and to encourage investment in such areas.

The bold new program would, according to its proponents, guarantee investments of businessmen, processors, and manufacturers, so as to encourage them to go into the foreign areas throughout the world and produce the necessary products to serve such areas, thus serving any markets that were supposed to be made available to the workingmen and industries of the United States through the Marshall plan; and in addition, through the reduction of our own tariffs and import fees, to ship the products of the low-cost Asiatic and European labor into the United States, thus displacing the American workingman, simply by transferring American jobs to foreign soil.

THE ALLIANCE PACT AND IRELAND'S SEAN MAC BRIDE

The operation of the North Atlantic Pact in relation to protecting the integrity of the colonial areas throughout Asia, Africa, and all of Europe, was correctly expressed by Sean MacBride, Prime Minister of Ireland, when he said that they would like to cooperate, but as a nation they could not. They are denied the first condition of action as a nation, namely, the possession and control of the soil of their national territory, of which six counties are kept by Britain and are claimed as part of the United Kingdom—the territorial integrity of which, is, in effect, guaranteed by the Atlantic Treaty.

Mr. MacBride further said, in answer to a question, that article 4 of the draft of the Atlantic Treaty, which is a consultative article, refers to the territorial integrity, political independence or security of the parties to the treaty.

In that connection, Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article under date of April 13, entitled "Capitol Stuff," by a well-known columnist, regarding Ireland's position in relation to the proposed North Atlantic Pact.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPITOL STUFF

(By John O'Donnell)

Just to pursue that ancient "this is where I came in" line, we wish to direct the attention of readers with Irish blood to the present visit in Washington of Sean MacBride, Eire's Minister of Foreign Affairs.

The extremely hush-hush talks of Ireland's MacBride and United States Secretary of State Dean Acheson mean just one more unreeling of that ancient theme; that the last tie which binds this piece of ground in the Atlantic to the monarchy of Britain must be slashed. These are the facts:

Ireland's Secretary of State MacBride has told United States Secretary of State Acheson that his Government holds office because the voters elected its members on the platform pledge that the artificial partition of Ireland would be abolished. That Ireland will not enter into any Atlantic military alliance which prohibits the majority of any nation from changing frontiers to meet the wishes of the overwhelming majority of the inhabitants.

And at the same time, the Washington diplomatic representatives of His Britannic Majesty have insisted to our State Department that the United States must not meddle in this delicate problem. And when the heads of our armed forces have mildly reminded the Londoners that we would like to have the use of the airfields of Eire as a part of our chore in saving all of western Europe from the Kremlin, they have been met with the brusque British comeuppance:

"Well, we won World War I while the Irish were staging a revolution. We won World War II without Irish bases which we wanted. And if world war III comes along, we'll win that without the Irish—provided you come across as Franklin Roosevelt did 10 years ago and from then on."

All of this brings up the present battle over the Atantic Treaty and the proposition of whether to give, under some new lend-lease set-up, billions of American military equipment, planes, guns, and brains. This is just an echo of what happened upon Capitol Hill after World War I when Woodrow Wilson's League of Nations got what it deserved—an ignominious exit via the international garbage can.

TRICK CLAUSE IN FUZZY-BRAINED LEAGUE

In 1919, when the great battle over the League was being staged, the voters of Irish descent played an important part. The same holds true today.

The trick clause in the fuzzy-brained League of Nations was article 10, slickly written into the pact by Britain for the sole purpose of knocking off all efforts of the Irish to win their independence.

Well, we've got the same set-up in the present Atlantic Pact. If the Irish were stupid enough to sign it they would pledge that for the next 20 years (according to article 13) they must respect the territorial integrity and political independence of the cosigners (read article 4).

In other words, the present Government of Eire, elected on a platform sworn to end the present partition of their nation would perforce agree to brush aside its most important issue for at least 20 years. Back in 1919 and 1920, during the days of the troubles which flamed into the honest Anglo-Irish war, a tough, hard-fighting and accurate shooting Irish settled that problem when the identical proposal was slipped into the League of Nations by Woodrow Wilson on the needling of Lloyd George.

Into the present conversations moves notorious article 10 of the League of Nations, which the Senate of 1919 courageously tossed back in Woodrow Wilson's teeth. Had the Wilson League of Nations gone through, these United States would have been called upon to send troops to Ireland to preserve the status quo of that time. In other words, we would have been pledged to use Americans to shoot down Irishmen who wanted freedom from the London rule.

SAME SENATE, SAME DIPLOMACY, SAME ATTITUDE

Thanks in great measure to two great Senators from Massachusetts Henry Cabot Lodge and David Ignatius Walsh—article 10 of the League and the League itself were properly killed.

And now, 30 years after, the same thing pops up again. Same Senate, same slick British diplomacy, same angry "to-hell-with-it" attitude of the Irish.

What the British slipped into article 10 of the old League of Nations they've put into article 4 of the North Atlantic Treaty. Why they haven't the simple honesty to call it by its right name—a military alliance against communism—we don't know.

This article 4 proclaims that "the parties" (this means United States fighting men carrying the battle load) will take suitable action whenever "in the opinion of any of them (that is Great Britain), the territorial integrity, political independence, or security of any of the parties is threatened. Well, if the voting majority of North Ireland votes to toss the British crown the hell out of there and join up with Eire to create one simple state, that article, by any reading of words, means that the territorial integrity of the king of Great Britain and North Ireland is most seriously threatened.

And so we are going to send United States troops over there to protect the absentee landlords of London? This is going to be good. But we heard most of it back in 1919 and 1920. The Irish won then and we think they're going to win again.

AN AMERICAN POLICY

Mr. MALONE. Mr. President, the problem is not so difficult and complicated as the Administration's propaganda machine would have us believe. It can be approached through a workable American policy which will protect our economy both on the domestic and foreign front while we are working towards a single world community, whose purposes would be controlled by organic law.

As I see it, this American policy must include:

First. An immediate withdrawal from our present commitment to the British Empire objectives and a firm demand for the consolidation into a federation of states—a United States of Europe—of what is left of western Europe, the 16 ECA countries, formed into a structurally sound, free economy, unburdened by individual monetary conspiracies, Marxist regulations, bilateral agreements, restricting licensing arrangements, or other barriers to manufacture and trade among themselves. It would in fact be a United States of Europe.

Such a Europe containing 16 or more nations could be as intimately linked with us as is Canada at the present time. This step is absolutely necessary for the survival of the nations of Europe and for any help rendered by us to be effective.

Second. A flexible import fee system, substituted for the 1934 Trade Agreements Act, to maintain our wage-living standard while we are helping other nations of the world to raise their own.

Such a system is the only logical substitute for the administration's three-part free-trade program, which gives American workingmen the lip service of promised labor legislation, and then plunges them into direct competition with the low-wage, low-living standard, slave labor of Europe and Asia.

The flexible import fee bill which the junior Senator from Nevada has already introduced will be offered as a substitute for the 1934 Trade Agreements Act when that measure comes before the Senate for the 3-year extension. Under the flexible import fee, the peril point automatically becomes the tariff or import fee and such import fee would be lowered in accordance with the rise of the living standard in a competitive country, and when they were living about like we are then free trade would be the almost automatic result.

Third. The rebuilding of our national defense organization to the point that it can protect us against any overt gesture from any nation or nations which may seek to extend their system of government to the Western Hemisphere, or into any territory whose integrity we consider important to our ultimate peace and safety. Such a defense organization should be spearheaded by an air corps prepared to keep any possible enemy grounded in any emergency.

Fourth. An extension of the Monroe Doctrine, or open-door policy, to embrace all nations in Europe and Asia, whose cooperation and integrity we consider necessary to our own peace and safety. This pronouncement would be a continual and effective warning to all empire-minded nations which might seek to extend their governmental systems into such areas, just as the Monroe Doctrine has served as a warning to such nations for 125 years that we would consider any effort to extend their system to the Western Hemisphere as dangerous to our peace and safety.

Fifth. Feed emergency hungry peoples of other countries to the extent of our ability without embarrassing them or ourselves by calling it a loan, and without endangering the welfare of our own people. We cannot feed all the hungry people in the world—since in some areas there has been hunger for 2,000 years—and our economy could not stand the strain.

Sixth. Lend money to private industry within such needy foreign countries on a business basis to the extent of our ability without injuring our economy. This measure could be handled through the World Bank in much the same way that RFC loans are made to industries that need emergency rehabilitation in our own country. The result would be gradually to build up their standard of living through increased efficiency in production. Such loans would be secured in the same manner as our own people are required to secure RFC loans.

THE PRINCIPLE OF FEDERATION

Mr. President, the principle of federation is not new. It was formulated by Hamilton, Hay, and Washington at a moment when a confederation of the 13 States of America faced the same dilemma and the same chaos which now confront Europe.

To attain this end would have been easy at the end of the war, when we were the virtual masters everywhere. It will be more difficult now, and it might be necessary for us to use some type of pressure on some of the many regimes which now control the destinies of that Continent. Such pressure might involve only the threatened withdrawal of our present financial support, for the truth is that it is we, and we alone, who manage to keep these unsound governments in power. That the people of Europe are ready for such an eventuality, there is little question. Only the British seriously oppose it.

The British do not wish actual federation involving a single currency, a single postage system, and the free internal movement of raw materials and finished products within a European federation.

They prefer to maintain the status quo, and would rather see an innocuous approach to the matter, to be referred to as a European Consultative Assembly. This assembly would have no power but would only make recommendations to the various countries. Such a Council of Europe was tried once before. It failed miserably, just as the original confederation threatened the ultimate bankruptcy of the 13 American States. And just as we had the good sense to form a centralized federation governed by organized law, so Europe must do if it is to create the conditions of life by which it will be able to live on the products of its own labor, and to resist Russian penetration—and if it is to make effective any financial or other assistance which we are able to furnish.

A UNIFIED EUROPE

With a unified Europe once more having a stake in the world, a United States of Europe, and the physical opportunity to seek real goals of security and power, we could deal safely on the basis of quid pro quo. If we gave money, we would get raw materials, finished products, or something else in return.

CHINA

When it comes to the question of China, the situation appears beyond control. Two years ago, we could have saved China. Today, the task seems beyond our resources.

INDONESIA

We can save Indonesia, if it is our will to do so. It is not necessary to export vast sums of money there, but only to

return to principles which we once enunciated and since have abandoned. What we need to do is to support a free Indonesian Republic, completely rid of the European imperial adventurers and economic pirates who are now bleeding her to death. We have merely to grant Indonesia the assurance of our support in her quest for freedom, and may expect for every dollar we send there, an adequate exchange in trade.

Malay itself is a natural portion of Indonesia, now controlled by England, at Singapore. Its people are the same people, and they would amalgamate at once if they were allowed to. Once rescued from the dead hand of decaying Europe, they have the resources to build a thriving economy, one tied by every link of self-interest with our own.

INDIA AND ASIA

The same is true of India, one of our last remaining hopes in Asia. We should notify the British that if we are to continue supporing them, they must move out of India altogether, instead of condoning London in the subterfuges by which it continues to govern and leech that unfortunate country. Our policy, being one of regional federation, should be to aid India in recovering the territories of Pakistan and Burma, which British colonial maneuvers have torn away, and possibly to bring about a still more extensive federation with other adjoining territories of southern Asia.

MAKE OUR OWN HEMISPHERE SELF-SUFFICIENT

The principal element of our policy, however, is not connected with others but with ourselves. We should seek to make of our hemisphere and its peripheral lands the stoutest possible fortress, both economic and military. The fact is that this hemisphere can be self-sufficient, if necessary, but that the United States as it stands now is not self-sufficient. It cannot be defended from the basis of either its material economy or military position, without absolute possession of the far north, and without a guaranteed access to the resources of the Latin south based on some species of organic law which allows for a safe and uninterfered-with development of these territories.

Therefore, just as the Russians have made Poland and central Europe a virtual part of their system, Canada, Australia and all the islands of the Caribbean Sea should become part of our union. This is not a mere political ideal, but a necessary part of any considered policy for us in today's world.

THE LATIN COUNTRIES

The Latin countries of this hemisphere present another problem; but we have no other course but to urge on them, too, the principles of federation. A unified Latin federation and an English-speaking federation in this hemisphere could then create a basis of working law for their mutual development and security, with possibly a single stable currency, and sufficient limitations on the rights of the individual contracting parties to guarantee a centralized development of all physical resources and a cohesive defense picture.

If we do not create a federation of Latin countries, it will be formed for us by someone who may turn out to be an enemy. By federation Latin America could be as prosperous as we, and its interests would form a common pattern with ours. Without such a federation such a state as Peru or Bolvia has no more chance to be prosperous than has the State of Nevada or the State of Kansas if forced to stand alone, surrounded by tariff walls and hostile trade and economic barriers.

THE MIDDLE EAST

The same general principle of political freedom and economic unity through a federation of states within certain geographical areas could be brought about through Arabia and other political units in the Middle East; Indonesia in the Malayan States; Greater Asia, including that area now uncontrolled by the China Communist Regime; the Latin countries, as well as the European countries with which we are now specifically dealing with reference to the North Atlantic Pact.

NEW INTERNATIONAL POLICY

The policy recommended by the junior Senator from Nevada may seem quite new. However, I assure Senators it is my conviction that there is no other course left to us, unless we mean to abandon the world to Russian sovereignty. The North Atlantic Mutual Self-Defense Pact will prove at best only a cruel hoax against the credulity of Americans, just as UNRRA, the British loan, the Marshall plan (ECA), and the whole program of increasingly large loans have proved.

America cannot continue to mine its soil and leech its resources forever, nor can we continue in a struggle wherein every gain by us is temporary and questionable, while every gain by the Russians is permanent.

COURAGE AND PRINCIPLES

It gets down to a question of what we believe in, and what kind of policy and blueprint we actually have. In fact, it gets down to a question as to whether we have any blueprint at all outside the noble rhetoric uttered by our statesmen and the ignoble hand-outs we are showering over the world.

If we still have the courage and principles which once distinguished us, our policy should be to export these, and to organize the remaining world along lines sound and satisfactory to us. Then we will have to settle down to the fact that the globe actually has been divided into two parts—the Soviet part and our own. Then when we talk about our half we will not be talking rhetorically but in terms of reality, just as when the Russians now talk of theirs.

COURAGE AND SHREWDNESS SUBSTITUTED FOR CROOKED EUROPEAN DIPLOMACY

The difference between a truly corrective policy and a palliative one is not one between isolationism and alleged free-trade agreements and Atlantic pacts or the difference between medium-sized hand-outs, and bigger hand-outs. It is a question of substituting shrewdness, courage, and understanding for the present inane banking psychology and reliance on crooked European diplomacy. It is largely a matter, too, of having some type of moral conviction as well as some general long-range strategic views as to what we are after, rather than the present petulant actions which distinguish us.

MAKE SENSE OR GO BANKRUPT

If we seek to create the kind of world which makes sense to us, the process need not bankrupt us, as threatens to be the case at present, but should add materially in prospect to our wealth.

THE BOLD NEW PROGRAM—HOAX ON WORKINGMEN OF AMERICA

The bold new program, proposing as it does, not only to guarantee the investments of our industrialists who build factories and develop mines in foreign countries to serve the markets in such areas, but through the free-trade program to utilize the low-cost foreign labor to displace American jobs, is the greatest hoax ever perpetrated upon the workingmen of America, and is a fitting climax to the three-part free-trade program which has started the Nation on the downward economic cycle.

Only one other move on our part was needed to make the European empire-minded imperial nations set-up complete—in their opinion—and that was our help and military assistance to maintain the more than 100- to 300-year-old imperial system; and that is what is to be accomplished by the document before us today—the North Atlantic Pact.

ENGLAND'S SECRET PACT WITH RUSSIA

All of this to be done while the British were signing another billion dollar bilateral trade treaty with Russia. The information as to this secret pact was allowed to leak out—according to the usual British custom, however, with no details—but it is known that she has agreed to buy more than a million tons of grain from Russia. Talks for such an agreement had been going on for some time it was disclosed.

For this large amount of foodstuffs the British will ship to Russia the machinery which they so desperately need to consolidate their gains in China and to continue through to the Near East and the South Seas and to properly supply her own people and the nations behind the iron curtain.

In that connection, I ask unanimous consent to have printed in the RECORD at this point in my remarks an article from the Wall Street Journal of July 9, which bears the headline, "Britain reported in secret pact to import nearly a million tons of grain from Russia in next year." That is in return for the machinery and the various things which Russia may need, including, of course, tool steel, ball bearings, and everything else necessary to fight a war and to develop her conquest areas. It is said to be a billion-dollar deal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITAIN REPORTED IN SECRET PACT TO IMPORT NEARLY A MILLION TONS OF GRAIN FROM RUSSIA IN NEXT YEAR

LONDON.—Britain has secretly agreed to buy nearly 1,000,000 tons of coarse grain from Russia in the next year, official sources disclosed.

The informants added that part of a barter-deal agreement was initialed in private in Moscow last week.

Talks for a 1-year British-Russian trade pact have been going on for some time. The grain deal would form part of that year-long pact.

Negotiations for a longer term British-Soviet trade agreement are expected to follow.

Russia is to supply a big quantity of wheat over and above the coarse grains—oats, barley, and corn—the informants said. They declined to say how much.

UNITED STATES OFFICIALS NOT SURPRISED

WASHINGTON.—Agriculture Department officials here described the reported Russian-British grain deal as normal, and to be expected.

They also expressed doubt that such a bilateral agreement would have any direct effect on operation of the World Wheat Agreement, which took effect July 1 after approval by the United States Senate. Russia did not sign the pact, although the United Kingdom did.

Experts on the wheat agreement's provisions note that each country signing the pact is free to make trades outside the agreement in any way it sees fit.

Under the pact, Great Britain agrees to import 177,000,000 bushels of wheat a year for 4 years, starting in 1950, from all the producing nations included in the agreement. She normally imports a total of 200,000,000 bushels of wheat a year. Thus she must, under normal circumstances, buy considerably more grain than is covered by the pact.

Wheat agreement experts explained that signatory countries withheld from coverage under the pact certain amounts of free wheat they expected to trade with other countries. One official said "most countries within the agreement must trade on the side even to get enough wheat to eat."

BILATERAL DEALS HIT

MONTREAL.—Canadian exports of manufactured goods to the sterling area are falling at an alarming rate, said the Canadian Chamber of Commerce.

The chamber called on the Government to continue trying to clear the way to promote foreign trade. The Government should concentrate particularly, said the chamber, on halting restrictive and arbitrary practices in customs administration. They are a barrier to trade, particularly with the United States, the chamber asserted.

A chief obstacle to private trading, said the report of the chamber's foreign trade committee, is the prevalence of bilateral deals. Most of them, it added, result from the fact that pounds sterling cannot be converted into dollars. This results in two watertight money and trade blocs which are leading even farther from multilateral trade.

BARTER TRADE POLICY SEEN

OTTAWA.—Britain's agreement to buy grain from Russia has Canadians wondering if the United Kingdom will continue to buy any substantial amount of wheat from Canada in the future.

Under the world wheat agreement, Britain has agreed to purchase 140,000,000 bushels of Canadian wheat at $2 a bushel in the crop year beginning August 1. There has been no suggestion here that Britain will fail to carry out that agreement.

But there are some doubts among Canadians about where Britain will buy its wheat in 1950, if Britain's dollar crisis continues and there is a chance of barter agreements with Russia and Argentina, the two big wheat producers who are not in the world wheat pact.

Coming on top of the recent Anglo-Argentine trade pact, it caused apprehension in Canada. This is particularly so because C. D. Howe, Canada's trade minister, was assured by Britain a few months ago that it considers bilateral deals a temporary expedient and that Britain still favors multilateral world trade as a long-term policy.

The British-Russian deal comes after the British Labor Government has been subjected to considerable criticism at home about rationing. The critics have argued that more dollars should have been used to buy fodder and to increase domestic cattle herds so as to produce more meat and milk.

It is assumed here that the Russian deal is the answer of Sir Stafford Cripps, British Chancellor of the Exchequer, to this criticism.

Mr. MALONE. Britain's pound sterling can be converted into dollars at its true value of $2.25 or $2.40—naturally no one wants it at $4.03.

FORTY-ONE BILLION DOLLARS—60 PERCENT OF UNITED STATES AREA

The Congress of the United States has gift-loaned $24,000,000,000 to the nations of the world plus the $17,000,000,000 pledged under the Marshall plan, making a total of $41,000,000,000 since World War II ended.

Forty-one billion dollars is $5,000,000,000 more than the combined assessed valuation of the 11 Western States, including California, Oregon, and Washington, and the 14 Southern States, including Texas, and accounts for approximately 60 percent of the area of the United States. At this rate we can dispose of the whole business in a very short time.

Most of this outlay to support fictitious and dishonest values for the foreign currencies of Europe.

THE BIPARTISAN POLICY MYTH

There can be no bipartisan foreign policy until there is a foreign policy that stops at the water's edge—and that is now inseparably linked with the administration's dissipation of American wealth and the division of the markets of this Nation with the nations of the world under their three-part "free trade" program, and since our Secretary of State, Dean Acheson, has said:

It is hardly possible any longer to draw a sharp dividing line between the economic affairs and political affairs. Each complements and supplements the other. They must be combined in a single unified and rounded policy.

Willard H. Thorpe, Assistant Secretary of State, was for the first time very definite in testifying before the Senate Finance Committee on the 24th of January of this year in support of the 3-year extension of the 1934 Trade Agreements Act when he said—and, Mr. President, this is an important pronouncement by the Assistant Secretary of State:

1. The European recovery program (Marshall plan or ECA) extends immediate assistance on a short-term basis to put the European countries back on their feet.

2. The trade-agreements program is an integral part of our over-all program for world economic recovery.

3. The International Trade Organization, upon which Congress will soon be asked to take favorable action provides a long-term mechanism—

This measure—ITO—has now been introduced as an agreement in both Houses—

each part of this program is important. Each contributes to an effective and consistent whole—

So says the Assistant Secretary of State.

It will be seen from the statements of the administration spokesmen that there positively cannot be a bipartisan foreign policy without extending it to national economic affairs, in which case there can be no disagreement on either national or international economic policy, or on the administration's hybrid economic programs, by any bipartisan advocate, which in the humble opinion of the junior Senator from Nevada, will complete the job of wrecking the economic system of the United States.

NORTH ATLANTIC PACT AIMED AT RUSSIA

The President of the United States, the Secretary of State, the chairman of the Senate Foreign Relations Committee, and the ranking minority Republican member of that committee have repeatedly expressed themselves to the effect that the North Atlantic Pact is to contain Russia in consideration of the announced purposes of the pact.

It is, of course, sheer nonsense then, and useless conversation to say that a Senator voting for the pact is not bound to vote for the arms provision, or at least to believe in the appropriation of funds for the military plan.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I shall be happy to yield to the Senator from Indiana.

Mr. JENNER. The Senator has just stated that the North Atlantic Pact is supposed to contain the might and power of Communist Russia. Is that correct?

Mr. MALONE. That is the only conclusion possible from the statements of the proponents of the pact.

Mr. JENNER. How can the North Atlantic Pact contain Russia in the east?

Mr. MALONE. It is the opinion of the junior Senator from Nevada, based on prior experience and experience in connection with the containment by the countries of Europe and based upon the history of all such historical maneuvers, that the North Atlantic Pact has no chance at all of containing Russia; it will be a dismal failure—simply giving the American people a false sense of security for a time.

Mr. JENNER. How does the pact specifically propose to contain Russia's strength and growth in the east? We know Russia has most of China; she dominates more than 350,000,000 Chinese today.

Mr. MALONE. The pact has been specifically interpreted by the three gentlemen to whom I have just referred to mean that, of course, arms are necessary as a supplement to the pact; as a matter of fact the pact is really a supplement to the arms provision—it was an afterthought to sugar-coat the arms provision so that the American people would take it.

In one press release Mr. Acheson was so indiscreet as to say that the pact is really—I do not recall his exact words—a supplement to the arms movement in Europe; in other words, to bolster the idea of arming Europe. We must first have a pact on which to base it, so that the people of the United States will take it.

Mr. JENNER. But that applies only to Europe; it has no application to China and the Far East. Is not that the Senator's understanding?

Mr. MALONE. I believe that is what the proponents of the pact have said. As the senior Senator from Ohio said yesterday, if we furnish one or all of the 12 nations signatory to the pact with arms, the arms they already have and the arms we furnish them are one unit. The Netherlands will continue the work it is now doing, using money from the ECA, as it has been for the past year and a half. I was there and inspected the situation on the ground. They were spending approximately $1,000,000 per day to subdue the Indonesians. I saw the armies and the munitions being supported by our money. It is said that it is not our money, but it is like a man going to a bank, already having $100, and borrowing $500. He then buys a $100 suit of clothes. He probably would not buy the suit of clothes if he had not borrowed the $500.

I will say to the Senator from Indiana that of course it will apply to the colonial system, just as the senior Senator from Ohio yesterday said it would. It could not be otherwise.

When they get into trouble through trying to defend an indefensible system which is on the way out, we do not have the power to hold them. The people of Asia are on the move. They know how other peoples live, and they will no longer submit, in my opinion, to a de-industrialized area of their own in an era of world industrialization.

Mr. JENNER. Mr. President, will the Senator yield further?

Mr. MALONE. I am happy to yield.

Mr. JENNER. Does the Senator see the ratification of the North Atlantic Pact as a possible forerunner of another pact in the South Pacific? I notice in this morning's newspaper that Chiang Kai-shek has been conferring with the leaders of the Philippine Government, and they have announced that they must have a South Pacific alliance. Does the Senator see the North Atlantic Pact as a forerunner of a South Pacific Pact and an Eastern Pact, with additional armies under the Rio Pact?

Mr. MALONE. I will say to the junior Senator from Indiana that what we are doing is not the correct answer, in the humble opinion of the junior Senator from Nevada. We do not have the correct answer in trying to finance and divide the world into two armed camps, while maintaining groups of European nations, economically hostile to each other. We must have a federation of states in Europe like the United States of America. We must have a United States of Europe, with the states dealing with each other as our States deal with each other in America. We must have, if possible, as I have already pointed out in the course of my address, a federation of nations in Asia, as large as it can possibly be at this late date. It would, of course, leave out a great part of China, in which the "agrarian" Communists have taken over. They have categorically denied having anything to do with agrarian, and stated inequivocally that they are Russian Communists and not the Marshall type. Then there should be a combination of Malayan states, so that there are no longer separate states ruled by despots, with rivalries as between themselves. Some of these little nations are smaller than the Senator's State, with trade barriers, antagonisms, and all kinds of animosities, while we are trying tc hold them together by pouring in billions of dollars, when in reality we are simply supporting the thing about which we complain.

Mr. JENNER. Does the Senator think that nationalization in Europe, for example, will ever permit what the distinguished junior Senator from Nevada is talking about?

Mr. MALONE. I will say to the distinguished Senator from Indiana that I do believe it could be brought about, but not by pouring billions of dollars into Europe without an understanding of procedure. We can withhold our money and our goods from nations which do not agree. As I have already stated, there is only one nation which really objects to the whole thing, and that is England, because she has a system of sterling which covers approximately 57 or 58 nations and entities throughout our military sphere.

I might say, as a background, since the Senator has brought it up, that there are two military spheres in the world, Russia and the United States.

The junior Senator from Nevada attended the first meeting of the United Nations, as an observer, in 1945, at San Francisco. We were going to have one world. It was going to be united. Everyone was going to work for the best interests of all, cooperating with everyone else. It was said there were five major nations. Some of us said there were only two. It has developed now that there are only two, namely, Russia and the United States. So the world is divided into two military spheres of influence. Our military sphere of influence is divided into at least five economic divisions. There is the dollar division, which is confined entirely to the United States, our own country, and partially to Canada, because they are partially still under the influence of the sterling bloc. Then there is the sterling bloc, with 57 nations scattered throughout the world; the French-franc bloc, and the Belgian-franc bloc, and the Netherlands-guilder bloc, all fighting with each other for control through manipulation of their own currencies for trade advantage.

In partial answer to the Senator from Indiana, I ask unanimous consent to present for the RECORD at this point an editorial from the Wall Street Journal of July 11, 1949.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MORE MUDDLED MUDDLE

The International Monetary Fund, which was set up to keep the postwar world out of money muddle, is going to undertake a study of ways to get the world out of the money muddle it is now in.

It is a strange mess. Outside of the United States about the only nations that have a currency of uniformly acceptable value are such places as Switzerland, Portugal, and Mexico.

There are 30 kinds of pounds sterling, worth from $2.90 to $4.03 depending on how and where you get them. A Frenchman finds his franc varies in value according to what he wants to do with it. Even the Canadian dollar, a hard currency, has schizophrenia; sometimes it is worth 100 United States cents, sometimes only 95 cents.

All this helps tighten the noose on world commerce. It's a brave man who'll plunge into the foreign trade seas these days. Nobody is sure of anything except that these moneys aren't worth what the governments say they are. So goods that ought to move from one country to another, don't.

The ways out of the mess are well summed up by the current National City Bank Letter:

"One way out would be another wide turn of the price-wage spiral in the United States, which would enable inflation here to catch up with inflation overseas. * * *

"A second way is deflation of wages and prices in soft-currency countries to a point where their international trade would balance out. This * * * involves the pains of numerous business failures and temporary unemployment for many people. The best thing that can be said for it is that it works. * * *

"Third, is the readjustment of official exchange rates. In the modern economics this was supposed to be the easy and painless way out of exchange difficulties. Where internal inflation has gone far out of hand it is an essential supplement to other measures."

The Monetary Fund, as well as the nations in the muddle, knows these alternatives. The trouble is that only one of them is painless to the patient—that one is to have the United States do some more inflating until our money is equally cheapened. With that method everybody would be even-Stephen. The only parties hurt by it would be ourselves.

The French have already suggested we do just that. While the air is full of talk about the need for currency revaluations in Europe, there came last week, with Gallic blandness, the proposal that the United States devalue the dollar.

This trial balloon plopped. But we won't be surprised if before long we hear from other quarters that the whole trouble lies in the United States' failure to keep the dollar inflation going.

Meanwhile Monetary Fund officials can keep busy reporting on why the fund doesn't have enough to do to keep it busy.

Mr. MALONE. The editorial says in part:

The International Monetary Fund which was set up to keep the postwar world out of money muddle, is going to undertake a study of ways and means to get the world out of the money muddle it is now in.

It is a strange mess. Outside of the United States about the only nations that have a currency of uniformly acceptable value are such places as Switzerland, Portugal, and Mexico.

There are 30 kinds of pounds sterling, worth from $2.90 to $4.03 depending on how and where you get them.

I will say to the Senator from Indiana that when I was in Europe, even in Lebanon, on the Mediterranean, I purchased pounds for $2.25. One pays according to where he happens to be located at the time in the exchanges throughout the world, anywhere from $2.25 to $3.00 as a maximum, never $4.03. The United States makes up the difference through the Marshall plan.

I now continue to read from the editorial:

A Frenchman finds his franc varies in value according to what he wants to do with it. Even the Canadian dollar, a hard currency, has schizophrenia; sometimes it is worth 100 United States cents, sometimes only 95 cents.

All this helps tighten the noose on world commerce. It's a brave man who'll plunge into the foreign trade seas these days. Nobody is sure of anything except that these moneys aren't worth what the governments say they are. So goods that ought to move from one country to another, don't.

The ways out of the mess are well summed up by the current National City Bank letter: "One way out would be another wide turn of the price-wage spiral in the United States, which would enable inflation here to catch up with inflation overseas."

But there is no stability of currency, and there is no chance of any system succeeding until there comes a time when money currencies are interchangeable. When they are allowed to find their true value, without artificial support (the Marshall plan) then and only then will anyone just as soon have a pound rate or a franc or a guilder as its equivalent in United States money. The reason why a visitor to any one of these countries will not take any of the money of France or England into another country is because the currencies are not recognized as of the same value. If the pound were allowed to reach its level, if the franc were allowed to reach its level, in the markets of the world, in relation to the dollar, then one would just as soon have a pound in his pocket or a franc in his pocket as to have the equivalent in American money. What one does not want in his pocket is something that is said to be worth $4.03, but in Lebanon, or in Rome, or in the United States, will bring $2.25.

It is impossible for any such scheme as we are undertaking to succeed until the time when the European nations form a United States of Europe, the federation of the states of Europe, or, to carry the Senator's question a little further, when as much of Asia as is possible, and of the South Seas, and of the Middle East, organize into federations so that there can be an interchangeable monetary system, and when there are no restrictions of trade as between the small states in the same area.

VANDENBERG RESOLUTIONS—THE PACT—ARMS TO EUROPE—SOLDIERS TO EUROPE

The Vandenberg resolutions were the forerunner of the pact according to the Secretary of State—the pact is the forerunner of furnishing arms to Europe—and the arms to Europe is a forerunner to sending American soldiers to use them.

WINSTON CHURCHILL'S PLEDGE

It is a repetition of Winston Churchill's famous implied pledge that, "American troops would not be needed in World War II." In his stirring plea broadcast from London just before Congress enacted lend-lease he said, "Send us the tools and we will finish the job."

Many will also remember that we answered that plea—we sent the tools—and later came the plea for troops—and we ended by furnishing approximately 70 to 75 percent of all the troops needed for the job.

Mr. President, I was acting as special consultant for the Senate Committee on Military Affairs during the war, and for the Secretary of War a part of the time. I was in a very excellent position to see this thing develop. What we are seeing is just a repetition of the saying, "This is where we came in."

SENATOR GUY GILLETTE AND ARMS FOR THE PACT

There is, of course, no question that the North Atlantic Pact is based primarily on the military assistance program, which the Senator from Iowa [Mr. GILLETTE] so ably expressed yesterday in his quotation when he said:

The overriding interest of the sponsors of this treaty has been, and is, to construct a vehicle for the transfer of arms and military equipment from the United States to Europe.

In other words, digressing from the quotation, the arming is not the secondary thing, the arming is the first thing. It was necessary to have a vehicle to make it look reasonable, to get the American people to stand for it, just as was done in World War II. I continue the quotation from the Senator from Iowa:

In other words, European efforts to obtain arms and munitions from our American arsenal preceded, and, in fact, were the real reasons for the negotiation of the North Atlantic Treaty. Thus, the arms assistance program is not a necessary consequence or complement of the pact. Quite the reverse, the pact was necessary to justify before the American people the proposed shipment of arms and munitions to western Europe.

The Senator from Iowa then called the attention of the Senate to the May 22, 1949, Department of State Bulletin. On page 646 he quoted:

The military assistance program was conceived and developed separately and somewhat in advance of the formulation of the pact. The military assistance program would be necessary even without an Atlantic Pact.

He further said:

How can any reasonable man avoid drawing the obvious conclusion?—the western European countries needed more armaments; they asked the United States to supply those armaments; the State Department sought a formula, a device, a vehicle by which the peacetime shipment of armaments overseas could be made acceptable to the American people.

Mr. President, there will be one other matter which will be very noticeable about the time the arms start for Europe, namely, the meager appropriations and efforts the European nations will be making in their own defense. The armies of France are very weak, French armament is weak. The armies of England are not much better, and the arms of the rest of the nations lumped together are very, very slight. In my opinion, there will be noticed a falling off of such appropriations, meager as they are, so that very soon the Congress of the United States, and we, Members of the Senate, on this very floor, will be appropriating money and sending the arms which the other nations in Europe consider necessary to defend themselves.

PRESENT HYBRID NATIONAL AND INTERNATIONAL PROGRAMS DOOMED TO FAILURE

The administration's present hybrid 5-point program considered as a total policy makes no sense at all and is, of course, doomed to failure. It cannot prevent communism, but on the contrary will encourage it. It cannot build a national economic recovery in Europe or Asia, nor can it forestall the acute crisis which is even now taking place in England.

As an example of the self-contradictory nature of our hybrid national and international programs can be cited the question of Japanese textiles which over the years has been a major Japanese export.

We are supporting a Japanese economic recovery on the theory of creating a bulwark against communism, at the same time we are supporting the British economic and the British sterling bloc which involves approximately 57 countries and entities throughout the world containing about one-quarter of the population of the world. The British at this moment are acting to exclude Japanese textiles from the entire sterling bloc area and at the same time arranging through our lowered tariffs and import fees to dump both British and Japanese textiles on the American market and within the markets that might reasonably be available to this Nation's manufacturers and, I might say, to our workingmen, until we forgot about them.

BUYING VERSUS FINAGLING FOREIGN TRADE

We are trying, Mr. President, to buy foreign trade. The European nations are trying to finagle foreign trade, through the manipulation of their currencies, empire preferential rates, embargoes, and many other dishonest devices. But we must finally face the fact that no one or no nation ever buys anything from anyone else that he can conveniently produce for himself.

Second, when he cannot conveniently produce it himself, then he buys the quality he wants where he can get it at the lowest possible cost.

Mr. DONNELL. Mr. President, will the Senator from Nevada yield to me for a question?

Mr. MALONE. I yield to the Senator from Missouri.

Mr. DONNELL. The question does not relate to the immediate subject the Senator is discussing, but it does relate to a matter the Senator referred to a half hour or so ago. That was as to the effect, if any, of the North Atlantic Treaty on the matter of colonial possessions. I have in my hand a photostatic copy of pages 702 and 703 of the Christian Century, of June 8, 1949. On page 702 appears an article entitled "Questions for the Senate." Among other things there appears in the article the statement that:

The North Atlantic Treaty, a 20-year military alliance with 11 other nations, is the

issue—the real issue. This will change the foreign policy of the United States from one of independent action to one of permanent military alliances involving guaranties to governments whose policies are beyond our control.

After saying that, the writer lists several of what he considers to be prior and important questions which he thinks Members of the Senate should consider. It is one of those I wanted to submit to the Senator and ask him for such, if any, comments as he desires to make on it. The question is:

Would a military alliance of this sort—

And, to interpolate, the writer means the North Atlantic Treaty—

and with these allies implicate the United States in efforts to restore or maintain colonial empires? It has been claimed that this could be guarded against by prohibiting the use of American weapons in colonial campaigns. But this would not meet the issue if the American military guaranty of European colonial powers enabled them to strip their home defenses and employ their major forces—as in Indochina and Indonesia, where France and Holland now have armies of more than 100,000 in action—for suppressing colonial uprisings.

The Senator from Nevada appreciates the point that is raised there. I particularly should like to have his comment on this specific question, and I repeat it:

Would a military alliance of this sort and with these allies implicate the United States in efforts to restore or maintain colonial empires?

Mr. MALONE. The Senator from Missouri has put his finger directly on the sore spot in this treaty. It is for the one purpose alone of guaranteeing the integrity of the colonial systems in Asia and Africa of the empire-minded countries. That is the humble opinion of the junior Senator from Nevada. Naturally, the empire-minded countries will use the arms from the mother countries to keep subdued and under their complete control the Asiatic peoples in their colonies, the peoples of the Near East and of the south seas and the African countries they now own and control, and have owned and controlled, in some cases, for as long as 300 years.

INDONESIA

I wish to cite in that connection my visit to Batavia and other parts of Indonesia. I was able to secure a plane and go to Jogjakarta, where President Socarno and Dr. Hatta were located with their Cabinet. We flew over both the Dutch and the Indonesian Armies. I was informed, although personally I did not see the American arms, that there were certain types of arms there in use by the Dutch which could have been secured from no other country than ours. They had plenty of arms and munitions and ships and all the means necessary to keep the Indonesians surrounded so they could not ship anything out of Indonesia. They were using there for several weeks, it was roughly estimated in the press throughout the Nation, approximately $1,000,000 a day of ECA money, which, of course, they stated was not ECA money; but the case was similar to that of a man who had $100, and borrowed $500 from the bank, proceeded to buy himself a suit of clothes for $100, and then said that he did not use the borrowed money to buy the clothes. The situation was about that simple—of course it was ECA money—and of course it will be the arms furnished by the United States or arms released by virtue of these arms which will be used against the colonial nations by the mother countries. Of course it was our money. Of course they have subdued the Indonesian people again with our money and material, or at least what we have given has released their own material so they could send it and use it in Indonesia.

THE STERLING-BLOC CONTROL

I also visited the Malayan States; I visited Singapore; I visited Saigon in Indochina; I visited Bangkok in Siam and Rangoon in Burma. I found there practically the same condition. In other words, even where the British have relinquished a certain amount of physical control, the people of those countries are still under the domination of the sterling bloc, which is just as effective as an iron stockade around the nations which have to trade within the sterling bloc.

When I visited Italy where I met a banker who said "During the war we were getting along all right. I had about 25,000,000 pounds in sterling. But now, just as I have started to trade, the bloc is applied, and I can only trade with England and the sterling bloc nations. I cannot trade outside those areas."

So I say to the Senator that he has put his finger on the tender spot of the treaty. That is exactly what it is all about.

PEOPLE OF ASIA ARE ON THE MOVE

Mr. President, I say it is a hopeless task for the empire-minded countries to subdue the peoples of Asia, and of the South Seas. These people are definitely on the move, and are on the move because they have been under the yoke as long as from 100 to 300 years. They are simply going to remove that yoke. It does not make any difference to them who they join in order to remove it. It may and probably will be the Communists—therein lies the danger of our policy. But we are guaranteeing the integrity of that system under the proposed treaty. And it is an impossible job.

Mr. DONNELL. Mr. President, will the Senator permit another inquiry along the same lines?

Mr. MALONE. I am glad to.

Mr. DONNELL. I should like to call the Senator's attention and ask his opinion with respect to certain testimony given by the Honorable Louis Johnson, Secretary of Defense, before the Committee on Foreign Relations, which appears at pages 186 and 187 of the testimony. The question is as follows:

Mr. Secretary, I wanted to direct your attention to another question, that is, the possibility of the use of equipment which this country might furnish under the North Atlantic Treaty, the possibility of the use of that equipment by those who are the other signers of the treaty for purposes which we might not favor.

There are two of the signatories, are there not, who are at present at war with their own colonies, namely, France and the Netherlands?

Secretary JOHNSON. Just what do you want to know about France and Netherlands along that line?

Senator DONNELL. Are they at war with their own colonies, any of their colonies, at this time?

Secretary JOHNSON. I do not know.

Senator DONNELL. You know of the Netherlands being at war in Indonesia, do you not?

Secretary JOHNSON. I know that they were.

Senator DONNELL. Very well.

Secretary JOHNSON. I saw in the paper that France was having some troubles, I believe, with Morocco or someone. But you are asking me about something, knowledge of which I do not possess as an expert, and where I do not know, I am not going to answer.

Senator DONNELL. I would not want you to; I certainly would not. I wanted to ask your opinion, however, of this question, regardless of whether or not you are familiar with the actual facts as to their particular countries.

If equipment should be sent by our country under the terms of the North Atlantic Treaty to a country which is itself engaged in war against its own colony or colonies, would not one of two situations be possible? First, that such country might use some or all of that material in the fighting against its colony; or, if by reason of precaution in our agreement with it as to the furnishing of that equipment, it could use the equipment which it received for the purpose of releasing other equipment to be used in the war against its own colonies?

Secretary JOHNSON. As to the other equipment, there would not be too much we could do about it. As to that which we furnished, we can control it within the area of this treaty.

Senator DONNELL. And just how would you control that? What type of policing would you have in order to be sure that each country would use that equipment solely for purposes that the United States thinks proper?

Secretary JOHNSON. Their very dependency upon us for future aid in that field would enable us to control it within that area. If you have to worry on that score, we can give proper assurances, Mr. Chairman, that that will not happen. American equipment that goes in will be used within the terms and purports of the treaty.

The CHAIRMAN. When it is given to them or furnished to them, would not it be understood in the agreements that it is to be used under this treaty?

Secretary JOHNSON. We can control that. He wants to know how we can control it. How we control it will be determined later. That it will be controlled we tell you now.

The CHAIRMAN. But when we supply them with this material, will it not be understood that it is to be used under this treaty?

Secretary JOHNSON. Yes, sir.

The CHAIRMAN. And not for general warfare, general expedition.

Secretary JOHNSON. That is right, sir.

The question I desire to ask the Senator is this: What does the Senator think about the point Secretary Johnson makes, that if we send equipment to a country which is at war with its own colony, that may simply release for use against its colony equipment which the country has already, and it can technically confine the use of the equipment which we send to defense against other countries, rather than for use in the colonies? What does the Senator think about the point Secretary Johnson makes, that we can control that which we furnish within the area of the treaty; and as to the other equipment, there would not be too much we could do about it?

Mr. MALONE. I will say to the Senator from Missouri that I have the highest regard for Louis Johnson, Secretary

of Defense. I have defended him on this floor and have spoken in his interest. I should say that is a weak point in his testimony. That is the kindest thing I can say about it. In other words, someone cornered him, and he should have stood on his first answer, that he did not understand it, and let it go at that.

Any sensible person knows that certain countries will continue to do what they have done for a hundred years. We cannot police the situation. We should reverse the insupportable position we have taken, which will not only wreck other countries, but wreck us financially. We cannot possibly furnish enough money for the 16 ECA nations, each the enemy of the others economically, to get any where or do any good. We simply cannot do it. The 16 nations are at loggerheads. Each of the empire-minded nations is defending its line of communications to its colonies. As the Senator knows full well, and as Louis Johnson knows full well, some of those nations have made a living from their colonial empires for 100, 200, or 300 years. They would have to change their mode of living if they lost them. The last thing they will give up will be their colonies and their slave and indentured labor support.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. MALONE. I yield.

Mr. DONNELL. Does the Senator regard it as rather significant that Mr. Johnson, although saying that we can control the situation, does not say how we are to control it? He says that the method of control will be determined later. Does the Senator regard the fact that it has not yet been determined how the situation is to be controlled as a point that should have been considered in advance of the treaty, rather than later, when we shall have to devise plans to control it?

Mr. MALONE. The situation is intolerable. Those nations must have the arms to control their colonial system, and they can see the end of Marshall plan relief. Therefore the proposal is made to us that we furnish them arms through a revival of lend-lease. As was so ably explained by the distinguished Senator from Iowa [Mr GILLETTE], the pact was simply an afterthought to provide a sugar-coated pill, palatable to the American people, in order to provide those nations with the arms they need to control their colonial systems. That is why they want them.

Mr. DONNELL. Mr. President, will Senator yield for a further question?

Mr. MALONE. I yield.

Mr DONNELL. I invite the attention of the Senator to the article from which I read, from the Christian Century. First, let me ask the Senator if he is familiar with that publication, and whether he knows it to be a publication of high standing.

Mr. MALONE. Yes; I am familiar with it.

Mr. DONNELL. I ask the Senator whether he agrees with this observation in the article from the Christian Century of June 8:

> The North Atlantic Treaty, a 20-year military alliance with the 11 other nations, is the issue—the real issue. This will change the foreign policy of the United States from one of independent action to one of permanent military alliances, involving guaranties to governments whose policies are beyond our control.

Does the Senator think there is some real, sound, common sense in that statement

Mr. MALONE. I had not known of the existence of the article, but it is exactly what I said in the early part of my address. I stated we were changing our 173-year-old policy of the Monroe Doctrine, under which we were the sole judge as to when our ultimate peace and safety are threatened. We have never gone to war except when we believe our ultimate peace and safety to be threatened and we were the sole judge. It is now proposed to change that policy and to say definitely and irrevocably that when one of the 12 nations under the pact is attacked, then we are attacked, and we are on the way to defend it in some manner. We must determine in just what manner. In effect, it is proposed to amend the Constitution of the United States through a treaty, which the supreme court has said is possible. Therefore we have no recourse whatever once the treaty is approved by a two thirds vote of the Senate of the United States.

Mr. DONNELL. Does the Senator agree that this alliance does involve guaranties to governments whose policies are beyond our control?

LAY DOWN CONDITIONS BEFORE WE FURNISH MONEY

Mr. MALONE. They are beyond our control if we do not have the gumption to lay down a method of behavior before we furnish the money. I have heard many times on the floor of the Senate the statement that, of course, we could not interfere with a nations method of government. I agree with that statement, provided the other country is financing itself. The situation is similar to that involved when a man goes to a bank to borrow money to finance a contract or a business deal. It may be that his behavior has not been too acceptable. That is not the bank's business up to that time, that is; but when he comes to the bank to borrow money and the bank becomes responsible to the depositors to see that the money is repaid then it suddenly becomes the bank's business—we are the guardian of the taxpayers money in the same manner—however not very responsible sometimes, I fear.

Mr. DONNELL. Is it not correct to say that this treaty does involve guaranties to governments whose policies are not controlled by anything in the treaty?

Mr. MALONE. I should say that we cannot control them unless we have the gumption to lay down a method of procedure and say, "On this basis we will furnish the money."

Many students of European affairs have said that Europe is ready for such an arrangement. There is one nation that stands out as opposed to control of currency manipulation. The sterling bloc system is being worked on the European nations, the 16 ECA nations. It is being worked on the 12 nations coming into the pact. It is being worked on the 57 or 58 countries or entities in the sterling bloc. It includes India. The effect on the United States is to restrict our trade area. I can give the Senator an example in the case of India.

INDIA AND THE STERLING BLOC

I had a conference with Mr. Nehru, in India, on the occasion of my visit to New Dehli. I found that during the war India had built up a credit of 700,000,000 or 800,000,000 pounds by selling to the British Empire; but money was scarce, and India took a credit. Now she is allowed to trade out annually about 10 percent, or between 70,000,000 and 80,000,000 pounds. Last year 15,000,000 pounds, or about $60,000,000, was given to India in dollars—ECA dollars, if you please.

In my discussion with Mr. Nehru I pointed out that if the dollars were coming to India, if India were entirely independent of the sterling bloc, she could deal with the United States, and that it might even be advantageous to write off what was owed to India by Great Britain, so as to get away from the influence of the sterling bloc and be able to trade wherever she wanted to trade. So with England owing India that much money—700 or 800 million pounds—it is to the interest of India, they believe, to keep the pound up to $4.03, at that fictitious value, if they can get us to support the difference between a value of $2.25 or $2.40 and $4.03, because if the pound were to go down to its real value, England's debt to India would be cut almost in half.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. MALONE. I am happy to yield.

Mr. DONNELL. In the article from the Christian Century of June 8, 1949, appears a sentence with which I wish to ask the Senator whether he agrees, in view of the statement he made a few moments ago about the change from our previous policy. The writer of the article says:

> For one thing, the pact does mean much. It means the most momentous change in the foreign policy of the United States certainly since the promulgation of the Monroe Doctrine, possibly since the founding of the Republic.

Does the Senator from Nevada agree with that statement?

THE MONROE DOCTRINE

Mr. MALONE. I agree absolutely with it. But the Monroe Doctrine did not change our fundamental Constitution or Bill of Rights or any of our other fundamental procedures. The Monroe Doctrine was simply a pronouncement to let the empire-minded nations know what we would do.

That is what brought about the Monroe Doctrine. France, Spain, and other nations had colonies and had aspirations to take over other areas, and several of them had their interest centered on South America. It would have been easy for them to subdue one or more of the countries of South America at that time, and do the same with them as has been done with Indo-China, Batavia, and Indonesia, and the Malay States and then simply, through the means of empire preferential rates, make it impossible for those countries to sell their raw

materials anywhere except to the mother country, and require them to buy the processed articles from the mother country. That situation was rich in possibilities.

But Monroe or some of his advisers, sensing the danger, laid down the Monroe Doctrine, which states, in practical effect, that if any nation insisted on extending its system into the Western Hemisphere, that it would be considered dangerous to the peace and safety of the United States—which, of course, would mean war.

At the time, England agreed to that. Later England wanted the Monroe Doctrine lifted, but we would not lift it.

Of course, in some of the South American countries revolutions have been going on almost continuously since that time. However, unless we think our safety is threatened by some occurrence in South America, we pay little attention to what goes on there.

I say, as the senior Senator from Ohio [Mr. TAFT] said yesterday, that that policy could be extended. I have previously stated on this floor, in March 1948, that it could be extended to any area whose integrity we considered necessary to our peace and safety, and within that area the arrangement would work. That would be all the notice that Russia or any other country would need, namely, a notice that we would go to war when we considered our peace and safety to be threatened—but not necessarily, as under the treaty now before us, when the peace and safety of other countries were threatened. This treaty would change our entire procedure, to the extent that when another nation considered its peace and safety threatened, then automatically we would be at war, regardless of anything the Congress of the United States might do.

Mr. DONNELL. Mr. President, will the Senator yield for several other questions at this point?

Mr. MALONE. I am glad to yield.

Mr. DONNELL. The writer of the article in the Christian Century, from which I have been reading, makes this further statement—and I ask the Senator from Nevada whether he agrees with it?

and for still another—

The writer of the article is talking about different consideration of one kind or another—

if the pact should be adopted and then the promised military aid denied western Europe, the effect on our relations with the other nations in the alliance would be catastrophic.

Does the Senator from Nevada agree with that statement?

Mr. MALONE. I certainly do agree with that statement, because it has been stated time and time again—the President of the United States has said it, and the chairman of the Foreign Relations Committee has said it—that the next thing coming before the Congress of the United States will be a program for supplying arms and without doubt the 12 European nations have been given to understand that they will receive arms.

Of course, in view of all that has happened and all the information that has come to light in the last several months from Europe and elsewhere, it is silly to say that such is not the case, because as some Senator pointed out on the floor of the Senate only last Thursday or Friday, the ink was scarcely dry on the Atlantic Pact before the representatives of each of the European countries signatory to the pact rushed in to see when arms would be forthcoming from us, and to what extent.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. MALONE. I am happy to yield.

Mr. DONNELL. Does the Senator from Nevada recall that on the 5th day of April 1949, the day following the signing of the North Atlantic Treaty at the impressive ceremony here in Washington, the five powers participating in the Brussels Pact, all of which also are signatory to the North Atlantic Treaty, presented a note to the United States Government; and does the Senator also recall that on the same day, April 5, on a matter of the most momentous consequence involved in that note, according to the New York Times of April 9, 1949, the United States made this reply—and I ask the Senator whether he observes it in the excerpt from the New York Times which I now hold in my hand, referring to this one paragraph:

The executive branch of the United States Government is prepared to recommend—

This was the day after the signing of the treaty—

to the United States Congress that the United States provide military assistance to countries signatory to the Brussels Treaty, in order to assist them to meet the matériel requirements of their defense program. Such assistance would be extended in recognition of the principle of self-help and mutual aid contained in the Atlantic Pact, under which pact members will extend to each other such reciprocal assistance as each country can reasonably be expected to contribute, consistent with its geographic location and resources, and in the form in which each can most effectively furnish such assistance.

Does the Senator from Nevada know of that historic incident, occurring on the very day after the day when the treaty was signed here in Washington, on April 4?

Mr. MALONE. I had not been aware of that particular occurrence; but it fits in very well with all the other happenings which I have outlined today and which the senior Senator from Ohio outlined on Monday, and to which the Senators who spoke last week referred.

Mr. DONNELL. Mr. President, I ask unanimous consent, if I may do so with the consent of the Senator from Nevada, that there be printed in the RECORD at the conclusion of the remarks of the Senator from Nevada the article from the New York Times of April 9, 1949, entitled "Texts of Statements of United States Aid," which contains Secretary Acheson's statement, the Brussels powers' note of April 4, 1949, and the United States reply of April 5, 1949.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. MALONE. In further answer to the distinguished Senator from Missouri I should like to say at this time that in the humble opinion of the junior Senator from Nevada, that it was known, the State Department and the nations of Europe knew of the meaning of the pact we were going to make, and they knew they were going to ask for arms on the occasion and on the date of submission of the Vandenberg resolutions to the Senate last year.

Mr. DONNELL. Mr. President, will the Senator yield for another question?

Mr. MALONE. I yield.

Mr. DONNELL. In a matter of this tremenous consequence, involving a note from the Brussels powers, the statement of the Secretary of State, the United States reply, although those documents are dated—that is, the Brussels powers note—April 5, and the United States reply, the same date, does not the Senator agree with me that it is inconceivable that all this carefully worded statement, a portion of which I have read, was formulated without prior thought and prior consideration on the part of the respective powers, five of whom, in the Brussels agreement, are members of the North Atlantic Treaty, and the sixth of which powers, namely, the United States, is also a signatory? Does the Senator not consider that obviously there must have been prior diplomatic negotiation on this important and vital matter?

Mr. MALONE. I would say to the Senator from Missouri that in his profession, that of an attorney, it would be called collusion, I believe.

Mr. DONNELL. Mr. President, will the Senator yield for a further question at this point?

Mr. MALONE. I am glad to yield.

Mr. DONNELL. I should like to ask the Senator what his comment is with respect to the following paragraph from the United States reply, set forth in the article I have introduced, dated April 9, the day after the North Atlantic Pact was signed:

The United States Government will accordingly appreciate receiving as soon as possible the detailed statements of the specific needs of the signatories of the Brussels Treaty for the year 1949–50 as proposed in paragraph (6) of the request from the Brussels Treaty powers.

What comment does the Senator have to make on that, as to whether or not it indicates a prior carefully worked out plan, prior to the execution of the North Atlantic Treaty?

Mr. MALONE. If the distinguished Senator from Missouri will remember, I outlined early in my address, five major policies of the United States Government, as enunciated by the State Department and the executive of this Government, which in my opinion all dovetail perfectly, and must all have been thought out ahead of time. In other words, there is simply fed to the American people, through the Congress of the United States, piecemeal, under subterfuge the idea that each in its own right is a great national emergency. I will name them again. I named the North Atlantic Pact first, although it has been the last to come before the Senate, and which is under consideration today. It changes the entire policy, and it could

change the course of history so far as the United States is concerned.

Then, we have the three-part free-trade policy under which, as Senators know, we make up the trade-balance deficits of the nations of Europe in cash each year, we call it by various names—the Marshall plan, ECA, and European relief.

Then, we have the 1934 Trade Agreements Act, under which the State Department has adopted a selective free-trade policy, on the theory that the more we divide the markets of the United States among the nations of the world, the less their trade-balance deficits will be.

We then come to the International Trade Organization, which is before the Senate and the House. They first intended to make it a treaty. But, after the three programs were tied together inseparably, there were not enough votes to pass it as a treaty. I hope there are not enough votes to pass it at all. The International Trade Organization comprises 58 nations, with 58 votes.

We then come to the great, bold, new program. The Senator from Missouri I presume is fully aware of the great, bold, new program by which we guarantee the investments of American businessmen, processors, and manufacturers who go into foreign nations, to Europe, Asia, and Africa, to establish manufacturing and processing industries, to furnish the foreign markets and also to utilize the cheap labor to ship goods into the United States to displace the American workingmen. The argument was built up at great length, here, when the Marshall plan first came before the Senate, of the vast markets which were going to be supplied the American businessman and the American workingman. Not only would we furnish those markets now through such guaranties, I may say to the distinguished Senator from Missouri, but, through the free trade, the lowering of the import fees and tariffs in this country we will utilize the 50-cent to $2.50-per-day labor to displace the American workingman and industries in this country.

Those are the five things. All of them were carefully thought out, in my humble opinion, by the group who knew, and who know now, where this country is headed, if the Congress, including the Senate, continues on its path in adopting these proposals without question. They are European and Asiatic plans. They are coming from abroad. They are not coming from the United States. They are in my opinion embodiments of the Marxist doctrine. Karl Marx said, 101 years ago—it was I think in January 1848—that he was for free trade, because it will bring on, it will hasten, the revolution; it will set class against class, nation against nation; and he was for that. Today, 101 years later, we seem to have adopted that policy.

I say to the distinguished Senator from Missouri, this is a carefully thought-out plan. It is not one emergency after another, each complete in itself. These are all interconnected. The fallacious argument on the floor of the Senate and other places now, that this particular treaty now before the Senate does not include arms, to me is reminiscent of Alice in Wonderland. It reminds me of Aesop's Fables. If anyone can believe that, he can believe anything.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. MALONE. I am happy to yield.

Mr. DONNELL. I will ask the Senator whether or not this recital conveys to his mind any impression as to whether there had been prior consultation and prior agreement immediately before the signing of the pact on April 4? Does that idea impress the Senator as being correct, from this language, at the opening of this article from the New York Times which I have introduced into the RECORD:

> Following are the texts of a statement by Secretary of State Acheson on the need for United States military assistance to eight western European countries, of the requests by the Brussels treaty powers (Britain, France, Belgium, the Netherlands, and Luxemburg) for military aid, and of the reply of the United States. (The texts of such requests from Denmark, Norway, and Italy, and the United States replies, were similar to those pertaining to the Brussels powers.)

Does that strike the Senator as indicating at all that there had been some prior extensive careful negotiations on the subject of arms, which for some reason was not released, in the case at least of the Brussels powers notes, and, I assume, likewise the other three countries, until the day after the treaty was signed? Does that indicate any connection between military aid and the treaty in the Senator's mind?

Mr. MALONE. I would say in answer to the Senator from Missouri, it not only indicates, together with other evidence, conclusively that there was collusion in the whole matter, but, as I have previously said to the Senator, the entire five major policies and programs of the administration are connected. They all head in one direction, and that is to bring the United States to lower its living standard to the level of that of the rest of the world, and through the free-trade idea dividing its markets, its source of income, and through the tremendous appropriations wreck the economic structure of this Nation. We simply cannot carry out our objectives, with each one of the 12 nations that have signed the North Atlantic Pact, and the 16 ECA nations at loggerheads, all at each other's throats, all defending themselves economically and physically among themselves, trying at all times to defend their possessions, even beyond the seas in many cases, on other continents, in order to make a living out of farming these nations, just as a man expects to make a living by farming in Kansas or Nevada, expecting an income and getting an income continually. The only way that can be done, I may say further to the distinguished Senator from Missouri, is by continuing two things—in the colonial nations—first, slave labor, indentured labor, if you please, in these nations. And second the cartel system forcing this Nation to pay a high price for the things we must purchase from them. It is as bad as the Russian labor system. I would say to the distinguished Senator, further, it is very evident what is intended to be done.

If the Senator from Missouri will permit me, I should like at this time to ask unanimous consent to have included in the RECORD a dispatch from London to the Wall Street Journal by George V. Ormsby, under the following headline: "More United States stock piling, British import cut proposed as short-term aids to Britain."

CLOSE OUR OWN MINES—BUY FROM EUROPE TO FURNISH DOLLARS

In other words, we are to close down our own mines, through the free-trade principle we have adopted during the past 14 years—and at least 60 percent of them are closed now—and now we are to replenish our stock piles through the British, Netherlands, and French mines, as well as the mines of other nations, so that they will have dollars. We do not seem to be very much worried about the American miner or producer of strategic minerals and metals in this country, or his shortage of dollars. Talk about austerity—they know what austerity means in some of the areas in this country. At this time 60 percent of the people of the United States are not getting along well. They are having a tough time keeping their children in school and paying taxes, while we go abroad to get our stock piles instead of going to our own mines, and the mines of South America, which could be defended in an emergency—and where we would have a rounded-out hemispheric unit in case of war.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

MORE UNITED STATES STOCK PILING, BRITISH IMPORT CUT PROPOSED AS SHORT-TERM AIDS TO BRITAIN—MULTILATERAL WORLD TRADE SET AS LONG-TERM OBJECTIVE IN SNYDER-CRIPPS TALKS

(By George V. Ormsby)

LONDON.—Short-term remedies and a long-term objective for balancing the foreign exchange payments of the dollar and sterling areas emerged from a conference of top officials of three nations here.

After the talks ended yesterday among Sir Stafford Cripps, British Chancelor of the Exchequer, John W. Snyder, Secretary of the United States Treasury, and Douglas C. Abbott, Canadian Finance Minister, the British Treasury issued a cautiously worded communiqué on their outcome.

For the short term, "no suggestion was made that sterling be devalued," the communiqué said.

Immediate remedies, the British are believed to have told the United States and Canada, must concentrate on British proposals to cut dollar imports in order to check the drain on dollar and gold reserves of the sterling area. Last week Britain announced it had put into effect a standstill on all but essential buying from the dollar area and then it asked its colonial governments to do likewise.

It is also believed that Britain at the talks asked the United States to expedite buying for its stock pile, in order to help relieve the dollar crisis in the sterling area.

The communiqué recognized that such remedies are only stopgaps and that the sterling-dollar imbalance is "of a profound and long-term character." It said that "remedies other than financial assistance

such as that provided by the United States and Canada must be explored."

HIGH EMPLOYMENT STRESSED

The British contention that the present difficulties of the sterling area are largely due to the United States business recession is paid deference in the communiqué in the following words:

"Particular stress was laid on the necessity of finding solutions which would maintain high levels of employment and enable world trade and international payments to develop on a multilateral basis."

The three officials lunched yesterday with Prime Minister Clement R. Attlee at Chequers, his country residence, for final discussion of their views before publication of the communiqué.

Afterward, Mr. Snyder flew to Brussels, Belgium, continuing his tour of United States Treasury offices in nine European countries.

At the airport before he left, the Treasury Secretary told reporters that the talks served a very useful purpose. He said he'd prefer to let the British Government explain what the communiqué called supplementary measures, which might be taken to ease the crisis.

Mr. Snyder said that he and Mr. Abbott had listened sympathetically to Sir Stafford and laid the ground work for further studies of a technical nature both here and in Washington.

United States stock-pile inventories are getting low in rubber, tin, and other raw materials imported from the British Empire, Mr. Snyder commented. "But I am in no position to say that the United States will resume purchases," he added.

Mr. Snyder wouldn't admit that the United States recession is anything more than a healthy adjustment.

The communiqué gave recognition to the American view that British costs of production are too high to allow British goods to compete effectively in world markets.

As a long-term objective, it said, the parties concerned must be prepared to review their policies with the object of achieving a pattern of world trade in which the dollar and nondollar countries can operate together within one single multilateral system.

The communiqué said the talks reaffirmed that the objectives of all three governments remained those which are set out in the articles of agreement of the International Monetary Fund and the Habana Charter for an international trade organization.

The next step will be technical and fact-finding discussions between the three governments in preparation for further conferences between the three finance ministers. It is hoped to hold these in Washington early in September.

Sir Stafford will attend these talks personally and by then he will be armed with the views of the Commonwealth finance ministers who meet here this week. Thus he will be able to speak for the whole sterling area.

NO INTERFERENCE APPARENT

Throughout the discussions just ended here, care was taken not to give any appearance of interference in the domestic policies of one country by another, although it is evident that domestic economic policies must have considerable bearing on the solution of the dollar-sterling problem.

For instance, the British insistence on "full employment at all costs may make it difficult for Britain to compete in world markets.

On the other hand, Britain complains that such United States policies as excessive use of synthetic rubber and subsidized shipping make it difficult for Britain to enter United States markets on equal terms.

So far the discussions don't seem to have done more than clear the air on both sides and lay the groundwork for the Washington talks.

This week's debate in the House of Commons should show whether Sir Stafford is prepared to set his domestic house in order by cutting taxes and government spending.

But there doesn't seem to be much hope for such recognition of the facts of life by the Labor government, which is wedded to the welfare state at all costs and hopes that other nations will follow suit.

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AUSTRALIAN BUDGET BALANCED

CANBERRA, AUSTRALIA.—Prime Minister Joseph B. Chifley said Australia is in good financial shape to face any possible world economic decline.

For the second year since the end of the war, he declared in a radio broadcast, the Australian Government has a balanced budget.

Mr. Chifley said the fifth reduction in direct taxation since the war went into effect this month and declared the Government had substantial reserves against future commitment.

World economic conditions, he added, had favored Australia for several years. But, he continued, the grave economic conditions facing Britain and the commonwealth were "disturbing signs in future outlook."

Mr. Chifley said the downturn in American business activity was already having adverse effects in other countries. A depression in the United States would be a "calamity" for the world he concluded.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. DONNELL. I ask the distinguished Senator whether, in view of all he has heard recited, among other things, the fact that in the requests of the Brussels powers' note of April 5, 1949, there appears this sentence:

In the event of a favorable reply in relation to the above requests, a detailed statement of the specific needs of the signatories of the Brussels Treaty for the year 1949–50 will be transmitted to the United States Government at the earliest possible date—

Or this from the startlingly quick United States reply:

The United States Government will accordingly appreciate receiving as soon as possible the detailed statement of the specific needs of the signatories of the Brussels Treaty for the year 1949–50 as proposed in paragraph (6) of the request from the Brussels Treaty powers—

Does the Senator, in view of that circumstance and others, agree with this further observation of a writer in the Christian Century:

Once the pact is ratified the administration and fighting forces will generate greater moral and political pressure for passage of the arms appropriation than they have generated for the pact itself.

What is the Senator's opinion with respect to the correctness and soundness of that statement in the Christian Century?

Mr. MALONE. Mr. President, I have no doubt of the correctness of the statement. It is simply more evidence piling up. It is evidence that I had not myself seen up to this time, but the evidence is already preponderant, and this is simply more evidence.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. MALONE. I yield.

Mr. DONNELL. The Senator has referred to the fact that the Monroe Doctrine is unilateral; in other words, that we make agreements on our side, and it is not a contract. Is that the meaning of it?

Mr. MALONE. That is the meaning of it. In other words, we retain to ourselves the decision as to when our ultimate peace and safety are threatened.

Mr. DONNELL. It was promulgated by the President and is not a contractual relation with any other nation. Is that the fact?

Mr. MALONE. That is true.

Mr. DONNELL. Does the Senator agree with the observation made by the late Charles Evans Hughes, in an address, which I will say, as a matter of interest at least to me, that I heard him make in 1923 at a meeting of the American Bar Association, in the course of which he said in relation to the Monroe Doctrine:

As the policy embodied in the Monroe Doctrine is distinctively the policy of the United States, the Government of the United States reserves to itself its definition, interpretation, and application. The Government has welcomed the recognition by other governments of the fact and soundness of this policy and of the appropriateness of its application from time to time. Great powers have signified their acquiescence in it. But the United States has not been disposed to enter into engagements which would have the effect of submitting to any other power or to any concert of powers the determination either of the occasions upon which the principles of the Monroe Doctrine shall be invoked or of the measures that shall be taken in giving it effect. This Government has not been willing to make the doctrine or the regulation of its enforcement the subject of treaties with European powers; and, while the United States has been gratified at expressions on the part of other American States of their accord with our Government in its declarations with respect to their independence and at their determination to maintain it, this Government in asserting and pursuing its policy has commonly avoided concerted action to maintain the doctrine, even with the American republics. As President Wilson observed: "The Monroe Doctrine was proclaimed by the United States on her own authority. It always has been maintained and always will be maintained upon her own responsibility."

Does the Senator agree with the historic correctness of what the Honorable Charles Evans Hughes stated in that notable address?

Mr. MALONE. I will say that it is much better said than the junior Senator from Nevada has outlined it, but it simply confirms, with additional evidence, that we did, under that policy, retain our own autonomy. That is to say, we ourselves decided in each instance whether our ultimate peace and safety were threatened, and, further, we have had a policy for 173 years that we shall go to war only when we ourselves conclude that our ultimate peace and safety are threatened, while, under this other arrangement, we have, for the first time, as I have previously stated, in effect amended the Constitution of the United States so that we will now go to war whenever not only our own safety is threatened, but whenever some other nation member of the pact determines that its peace and safety are threatened.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. MALONE. I yield.

Mr. DONNELL. I ask the Senator whether he agrees with this further observation of the Honorable Charles Evans Hughes, immediately following what I have just read:

> This implies neither suspicion nor estrangement. It simply means that the United States is asserting a separate national right of self-defense, and that in the exercise of this right it must have an unhampered discretion.

Mr. MALONE. I will say to the distinguished Senator that absolutely we must retain it; otherwise, how would we know what is in the minds of France or England, or any other member of the pact, when they are admittedly on the verge of turning Socialist or Communist? France has been on the verge, and other nations have been very close to the brink. Suppose they should turn, and claim that through some fancied attack their peace and safety were threatened—and it might be threatened through a change of government—then in any case we would have no alternative.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. MALONE. I am very happy to yield.

Mr. BALDWIN. May I preface my question by saying that it seemed to me that this was an appropriate place to ask this question, when the statement of the Honorable Charles Evans Hughes was read from his speech delivered before the American Bar Association in 1923? Does the Senator recall that 1923, when that speech was delivered, was 4 years before Charles A. Lindbergh flew across the Atlantic Ocean? The Senator recalls that, does he not?

Mr. MALONE. I recall every detail of it and, in my humble opinion, that event did not change the necessity for us to control our autonomy—to make our own decision as to when our ultimate peace and safety is threatened—in a world of rival nations.

Mr. BALDWIN. That suggests what my next question was to be. Does the Senator believe that the foreign policy of the United States should remain static, and should be continually cast in the light of conditions as they existed in 1923 and prior thereto?

Mr. MALONE. Of course, I do not believe we should remain static at all, but we certainly should not trust our future decisions to a group of nations, each a rival of the other, until such time as they have worked out their own future through a United States of Europe, along the lines of a federation of states. There is no cooperation at this time among themselves and where there is nothing but antagonism and economic competition and actual physical fighting a part of the time, then we have no control whatever, and would have no assurance of what they would do in any emergency.

I am sorry the Senator was not in the Chamber when I covered that very subject. I stated unequivocally that I believed it was necessary to quit following the lead of Europe, of Great Britain and other nations which have ulterior motives, and that do not have the same objectives as we have. Let the European nations get together and form a United States of Europe.

Mr. BALDWIN. The Senator does believe, then, that we should attempt to formulate our foreign policy in this day and age in the light of modern conditions and circumstances?

Mr. MALONE. In the light of modern weapons, in the light of modern methods of defense and offense, not in the light the Senator is insinuating, tying up with nations 3,000 miles away, with no cooperation among themselves and with no definite objectives.

Mr. BALDWIN. The Monroe Doctrine was promulgated at a time when there was no such thing as flying the ocean and no such thing as crossing it in the period of 4 or 5 days by steamship. It was formulated at a time when we felt that distance, plus our own initiative and ability, might very well provide an adequate defense when it was necessary. Is not that correct?

Mr. MALONE. It does not follow that because we fly the ocean now instead of going by ship that we must change the fundamental policies, and that we should tie up to a nation or nations about whose policies we have nothing to do and over which we have no control, and leave in their hands the decision as to when we should go to war, when their real objective is to defend their colonial possessions which is very different from our objectives.

The Senator was absent from the Chamber when I said that I favored an ultimate world federation, to be governed by organic law, but that it is necessary first to bring about conditions under which such a federation could function.

I said further that we had it in our hands to bring about such a condition through an American policy which I suggested, but that we would ruin any future opportunity for such an organization if we forced it now.

Mr. BALDWIN. During the French and Indian war was there any decision on the part of any of the Colonies, as the United States then were, a separate set of Colonies, that we would become involved in a war that was going on between Great Britain and France?

Mr. MALONE. Is the Senator's question whether we would go into war when our peace and safety were not threatened?

Mr. BALDWIN. During the French and Indian war we became involved without any decision on our part whatsoever, did we not? Did we have any choice in the matter?

Mr. MALONE. Both the warring countries owned territory within our borders, and we practically ran them out.

Mr. BALDWIN. In the War of 1812, did we have a choice as to whether we should become involved in the war? Were we not drawn into it because of the resultant fighting in western Europe?

Mr. MALONE. We have never yet entered into a war unless we believed that our ultimate peace and safety, or our territory, would be threatened. We ourselves were involved with both France and England through territory and controlled areas in what is now the United States—when both France and England became involved—and both owned or controlled areas in this country it was another condition entirely—with little or no resemblance to the present relationship.

Mr. BALDWIN. Does the Senator think we could separate ourselves entirely and completely from all relationships with other nations of the world?

Mr. MALONE. I have made no attempt to advocate such a thing. I have said that our present policies and programs under present conditions will only involve us and wreck our economic system without reaching our announced objectives.

Mr. BALDWIN. Does the Senator believe we could do it?

Mr. MALONE. That is an academic question. No one has suggested it.

Mr. KEM. Mr. President, will the Senator yield?

Mr MALONE. I yield to the Senator from Missouri.

Mr. KEM. The Senator from Connecticut has made the point that our foreign policy should be subject to change from time to time in view of different conditions in the world. I should like to ask the Senator from Nevada if he believes that in view of that suggestion, our foreign policy should be put in a strait-jacket for 20 years, under an agreement of the kind before us?

Mr. MALONE. Of course it is a ridiculous thing to do. We will be traveling as much faster 20 years from now as we are now traveling—as the progress made in that field since the date of the Monroe Doctrine—we cannot enter safely into such pacts under present conditions in these countries, as I have already outlined.

Mr. KEM. In the opinion of the Senator from Nevada is it consistent with the line of thought of the Senator from Connecticut to suggest that the foreign policy of the United States should be put in a strait-jacket for the term of 20 years?

Mr. MALONE. I think that is exactly what the pact does. It not only puts us in a strait-jacket but it allows other nations, entirely removed, whose interests and ambitions are different than our own, to fix our policy.

Mr. KEM. Under the terms of the proposed pact are we not making a commitment to send forth young men, not yet born, to defend the territorial limits of countries which may not be willing to defend their own?

Mr. MALONE. In my humble opinion, on the date the Vandenberg resolutions were presented to the Senate, at that moment, this whole program was known in detail. It was fed to us piecemeal, because the American people will not take such a ridiculous proposition in one dose—and, then, in the humble opinion of the junior Senator from Nevada—not for long.

Mr. KEM. The point I had in mind was, are we not being asked to commit ourselves, at a time in the future, to do things which will call for the service and perhaps the sacrifice of young men who have not yet even arrived on the scene as mere infants?

Mr. MALONE. I already have said in my address that the Vandenberg resolutions, as Secretary of State Acheson has

also said, called for this treaty. In other words, it was based on the Vandenberg resolutions, according to Mr. Acheson. Then the pact itself calls for armament. No one doubts that. It is silly to attempt to refute such a statement. Then the arms will call for men to use them. I quoted Mr. Churchill's statement during World War II, when he said very dramatically, "Give us the tools and we will finish the job." So the Congress of the United States passed the lend-lease law. Then, almost immediately, our allies called for troops to use the arms, and we finished up by furnishing from 70 to 75 percent of the men and women who fought in Europe and won the war.

Mr. KEM. Could the policy proposed now by any stretch of the imagination be called a flexible one, determined by conditions in the world from time to time?

Mr. MALONE. There is absolutely no flexibility about it. We are not tying ourselves up to one or two nations, we are tying ourselves to 12 nations, with the possibility of other nations coming in, whose ideas of government, whose ideas of conquest, whose ideas of colonial systems are all mixed up and intertwined in their own ambitions and programs, and have nothing to do with our objectives whatever. There is no question in my mind that the Senator from Missouri put his finger right on the sore spot when he asked if the colonial systems would be defended under this treaty, because, of course, they will be defended under the treaty. They have been defended under the Marshall plan with the money given under that, the ERP or ECA.

Mr. KEM. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator from Nevada yield to the Senator from Missouri?

Mr. MALONE. I am happy to yield.

Mr. KEM. Pursuing a little further the idea that we are to adapt ourselves and our foreign policy to changing conditions in the world, I will ask the Senator if there is any way under the proposed treaty, or pact, as it is called, for us to adapt ourselves to changed conditions in the political control of the signatory countries?

Mr. MALONE. It is the opinion of the junior Senator from Nevada that once we sign this Atlantic Pact, then we have committed ourselves irrevocably to all the other things that have gone before. In other words, they are feeling their way now. We have the Marshall plan, which is admitted by the Assistant Secretary of State to be temporary. We have had the 1934 trade agreements, which will come before this body soon for renewal for 3 years, upon which is based the free-trade policy to destroy our markets and ruin our workingmen. Then there is the International Trade Organization, which I hope and pray will never be seriously considered by this body, but which would be a permanent tie-up in a 58-nation body to which we would assign our right to fix tariffs and import fees, and they would meet once each year and divide what was left. That was a shot in the dark which has failed. I do not think it will come on the Senate floor. Surely no one will have the temerity to bring anything like that up, if it is thoroughly understood. But this is another "permanent" thing. If it is approved by this body, we are set for a 20-year period.

I might say to the distinguished Senator from Missouri that there are two nonaggression pacts already entered into between Russia and France, and England and Russia, separately; the Russo-British Pact, I believe, was consummated in 1942, and the Russo-French Pact in 1944, both signed by Molotov in Russia, not in England or in France. Both were agreed to along the lines of the Atlantic Pact agreement; that is, that they will cooperate with Russia economically to promote recovery following the war, and agree not to form any alliance or in any way interfere with the pact that has already been signed with Russia. Now, if we ratify the North Atlantic Pact, and it becomes effective, those nations are on both sides.

Mr. KEM. Mr. President, will the Senator yield for another question?

Mr. MALONE. I am very happy to yield.

Mr. KEM. Does the Senator recall the recent public statement of Mr. Arthur Horner, the head of the powerful coal miners' union in Great Britain, to the effect that in the case of war between Great Britain and Russia no coal would be mined in Britain?

Mr. MALONE. I am perfectly aware of that statement, and also of the statement made by the present Premier of France that France should be neutral in any war between Soviet Russia and the United States of America.

If the Senator will permit me, I shall read a statement by Mr. Bevin and Mr. Wilson of England in that regard. I quoted them in March of 1948 in the debate on the initial Marshall plan. This is my language:

> It was made very clear by Mr. Bevin and Mr. Wilson that they wanted to trade with Russia, that they wanted to remain neutral, that they wanted to be the bridgehead—

That was their exact language—that was the exact word they used—

> between the Soviet Communist Government and the capitalistic Government of America. I think perhaps they are in a fair way of doing just that. Their interests are with Russia since they are primarily processors and manufacturers of goods as we are in this Nation, while Russia can furnish mainly the necessary raw materials.

I call further to the attention of the distinguished Senator from Missouri that Britain had at that time signed a trade treaty with Russia, which will be found in the CONGRESSIONAL RECORD at the same date as that from which I just read, under which Britain agreed to send to Russia 1,100 locomotives, 2,400 cars—they call them trucks, but we call them railroad cars, in this country—and all kinds of electrical equipment. Their agreement was made prior to the passage of the initial Marshall Act. Since that time, only a few days ago, a dispatch from London said that Russia and England had entered into a further agreement. I have already put into the RECORD a description of that secret pact, as they call it. The pact provided that Britain would take 1,000,000 bushels of coarse grains from Russia for which Britain would furnish Russia machinery, tools, ball bearings, and, as the Senator from Ohio said yesterday, engines and equipment needed to subdue and consolidate their gains in Asia and in Europe. They are doing exactly the same thing they said they were going to do, only we did not believe it when Mr. Wilson and Mr. Bevin said they were going to do it. We evidently do not believe what we read and hear, even from authoritive sources.

Mr. KEM. Mr. President, will the Senator further yield?

Mr. MALONE. I yield.

Mr. KEM. Does the Senator believe that that is perhaps what Mr. Clement Attlee, the Prime Minister of Great Britain had in mind when he said that economically Great Britain looks to Russia rather than to the United States.

Mr. MALONE. I have no doubt of it. Earlier in my address I said that we are trying to buy foreign trade, while the other nations are trying to finagle it through manipulations of currencies and embargoes and quotas, and so on. Then later in my address I said that people and nations buy only what they cannot conveniently produce for themselves. When they cannot conveniently produce it they buy it where they can secure the quality they want at the lowest cost. Russia is a natural for trade with England. She of course, is going to trade with Russia. She has been very frank about the matter right from the very beginning and said that was what she was going to do; and said so at a time when we were taking a holier-than-thou attitude, and telling the people that we would not, of course, sell anything to Russia which could be used in national defense. But we ship raw materials and the necessary funds to the 16 nations and they process the goods and send them behind the iron curtain—it is a manufacturing-in-transit rate.

Mr. KEM. Mr. President, will the Senator again yield?

Mr. MALONE. I yield.

Mr. KEM. I ask the Senator whether in his opinion the facts which he has just related do not put us on notice that conditions in our foreign affairs may change from time to time as the Senator from Nevada has so eloquently said?

Mr. MALONE. There can be no question, I will say to the distinguished Senator from Missouri, about that. They change while we are watching. In other words, nations find their economic plans have changed, and they trade where they can trade economically. Therefore, when we are trying to buy trade we are doing something which is impossible. It is like a man running a grocery store going across the street to buy a can of tomatoes from another grocer with the idea that he is making friends or is developing trade. The other man will simply think he is a fool; and he is. In other words, if we would accept the facts that trade will go into its natural channels, we would be wise. Anything that we must buy from foreign nations, including tin, copra, hemp, and other products which we secure in Asia, Africa, or from South America in our own hemisphere, we will always continue to buy from those areas

the products of which we cannot conveniently produce for ourselves.

Then, as other nations become industrialized, we can furnish them certain products. When it finally settles down, legitimate, natural trade is all we will ever get. That is all they will get.

Just so long as we continue to finance bankrupt socialized nations, with each little nation maintaining its barriers, each little nation antagonistic to its neighbor economically, if in no other way for the moment, just so long will we be pouring our money down the well-known rat hole. The system must fail, as it has failed throughout the time that we have been laboring with this problem.

Mr. President, at this time I should like to read into the RECORD an article written by Mr. Drew Pearson and published in a recent issue of the Washington Post. Mr. Pearson says:

Here are some things to remember about the British monetary maneuverings which amiable Secretary of the Treasury John Snyder is trying to straighten out. The story goes back to war days, but can be summarized chapter by chapter.

Chapter 1—Bretton Woods: At the Bretton Woods Monetary Conference in 1944, Lord Beaverbrook and Winston Churchill argued that Britain could not go back to normal free-trade relations after the war, that Britain must live by its wits, would have to put across the same cut-throat barter agreements such as negotiated by Hitler (and as now signed with Argentina).

Roosevelt and Morgenthau urged that there was not much use defeating Hitler if the Allies were to adopt his methods afterward, and the British finally came around t the idea of letting trade take its normal channels—provided they got a loan from the United States of America.

They got such a loan, Mr. President, and agreed to let trade take its course, which they did not do. Later they were released from that obligation when they agreed, in connection with the British loan of $3,750,000,000, to make arrangements to trade among their neighbors without such restrictions.

Chapter 2—British loan: In 1946, Britain got a postwar $3,750,000,000 loan from the United States of America. This was officially considered a loan, and statements made by this column that it was actually a grant were denied. However, it is now conceded that the "loan" is pretty much forgotten, will never be repaid.

One condition of the loan was that Britain would abandon her "sterling-dollar pool."

That is the pool which I described a while ago, containing 56 or 57 nations or entities, reaching around the world and controlling one-fourth of the population of the world. It is a controlling factor in the economics of the military area of the United States.

This was an arrangement, necessary during the war, by which British colonies and dominions sent their dollars to London, and were then permitted to spend only such dollars as London dictated.

They cannot do it now unless London so decrees. There are about 57 such nations in the bloc.

In other words, all dollar purchases in the British Empire were rationed by London. Australia, for instance, could not buy from the United States of America unless London so decreed.

Chapter 3—The Marshall plan: After abolishing the sterling-dollar pool for a short time as per agreement, the British went back to it again in 1947. This was shortly before the Marshall plan and at a time when the British once again were appealing for financial help. If they got help, the British promised, they would again abolish the sterling-dollar pool.

Accordingly the Marshall plan was worked out, and under it Britain received the largest grant of all countries. Adding up the Marshall plan, the loan, and other aid, the United States has now poured an average of $1,000,000,000 a year into Britain since the end of the war.

Chapter 4—The current crisis: Despite the Marshall plan and the British loan, plus other interim relief, the British are still just as badly off. This also goes for many other western European countries.

As a result, Sir Stafford Cripps now threatens to do what Britain promised not to do under the loan agreement—once again restore the sterling-dollar pool. In fact, he has already abolished further purchases from the United States of America.

What all this boils down to is that the Marshall plan, at the height of its operation, is not really working, despite the fact that the plan has been administered with great speed and a reasonable degree of efficiency.

Facts in the case: In Congress, they blame the British crisis on the Labor Government and socialism. This ignores the fact that other western European countries are likewise badly off, also that Britain has made more heroic economies than most.

It also ignores the fundamental trouble with England as with western Europe generally, namely, that it is eating more than it is producing; that it has too high a standard of living for its wealth; and that it expects us to pension it off.

I call it making up the trade-balance deficits in 16 nations each year in cash, which amounts to the same thing.

This is a crude way of putting it, but it might be cheaper in the long run for us to take over England, as a son takes an aged parent under his own roof.

The British once were affluent because they were milking Asiatic colonies. Millions of people in those colonies lived just above the starvation level, while the British Empire wore ermine.

I digress for a moment to say that they are still living just above the starvation level—that is, those who survived. A great many of them died and are dying at this moment.

Another basic fact ignored in the western European situation is that you can't keep on increasing labor pay unless labor produces, and labor costs are rising in England and France with no commensurate rise in production. So we make up the difference by pumping Marshall plan money into Europe every year.

That is, making up trade balance deficits.

Result: Today American and Canadian manufactured goods can outsell British goods almost any place. Our labor produces more; our methods of manufacture are more modern.

Snyder's remedy: Amiable John Snyder would remedy all this by devaluing the pound. This is only another way of reducing wages and profits. When you can't compete with another country's goods, you have to cut costs by cutting both wages and profits.

Politically, cutting wages is difficult. So devaluing the pound accomplishes the same thing less painfully without letting British labor know it. In the end, of course, British labor has to foot part of the bill, because the pound buys less and labor's income is reduced.

This is why Sir Stafford Cripps is so opposed to devaluing the pound.

This is a very sound and discriminating outline by Mr. Pearson—and it is the very conditions outlined by him which I have said we cannot make work out by continually pouring our wealth into it—they must first organize properly.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. MALONE. I yield.

Mr. CAIN. If the ratification of the treaty results in the acceptance and continuance of commitments by the United States, as the Senator from Nevada conclusively believes, according to his statements, will the Senator from Nevada give us his opinion as to what commitments of comparable character are accepted by the other parties to the treaty?

Mr. MALONE. I am not sure that I fully understand the purport of the Senator's question. Does the Senator mean what promises or commitments the European nations give us?

Mr. CAIN. Exactly. The Senator has given some of us the impression that in his opinion the treaty is a one-way street, and that all the commitments are by the United States, to help other nations which are parties to the treaty. A good many of us would like to know whether or not other nations party to the treaty accept some firm commitments in their own names.

Mr. MALONE. I will say to the distinguished Senator from Washington that on paper they do accept commitments. On paper England and France have already accepted similar commitments with respect to Russia. They had a nonaggression pact with Russia, which provided, in effect, that they would not enter any alliance against any other member of the pact—and there were only two members. They also say that they will give all economic assistance possible to the other member of this pact in each case. Both England and France—especially England—are fulfilling that nonaggression pact to the letter.

They are giving Russia all economic assistance possible. They have just completed a secret pact which is not available to the Senate, under which they are to purchase more than 1,000,000 bushels of grain each year, among other things, and furnish, according to the dispatch, the machinery which Russia needs, including road machinery, tool steel, and various other types of machinery needed to complete the subjugation of China and the consolidation of Russia's gains in Asia and on her way south through the South Seas. No one doubts that she is on the way south, and that we shall have lost Asia just as soon as she wishes to take it, and that she will also consolidate the gains she has made behind the iron curtain, with the material and machinery furnished by the 16 ECA nations including England and France.

What Russia needs is fabricated and processed goods, machinery, tools, and various other articles which are not now manufactured in Russia in sufficient volume. Under the agreement, Russia furnishes Britain the raw materials with which Britain will manufacture those articles and return to Russia.

So, Mr. President, I should like to know what would be the judgment of the Senator from Washington as to what would happen if a crisis occurred since both England and France has signed up with both Russia and the United States.

Mr. CAIN. I am trying to determine an answer to that rather fundamental question.

Will the Senator yield for a further question?

Mr. MALONE. I am glad to yield.

Mr. CAIN. I am not familiar with the nonaggression pact signed between Great Britain and Russia; but am I to understand from what the Senator from Nevada has inferred that if Russia, for example, were to invade Norway, Great Britain would not act in accordance with the commitments presumably imposed upon her by the Atlantic Pact, and the United States would be required to assume the burden of stopping the aggressor in Norway, while Great Britain sat on the side lines?

Mr. MALONE. There again, Mr. President, the judgment of the Senator from Washington is just as good as mine. In that connection I should like to refer again to an address I made in March 1948, at about the time when I inserted in the CONGRESSIONAL RECORD the text of the trade treaty then made between Great Britain and Russia, which provided for 1,100 locomotives and various other articles presumably needed at that time, when I said——

Mr. CAIN. Mr. President, I should like to ask whether the Senator has before him any paragraphs from the nonaggression pact between Russia and Great Britain.

Mr. MALONE. Yes, and I shall read them in a moment.

Mr. CAIN. I shall be very glad to have the Senator do so.

Mr. MALONE. Last year I said that it was made very clear by Mr. Wilson and Mr. Bevin that they wanted to trade with Russia, and to remain neutral and be the "bridgehead"—that was the word that was used—between the Soviet Communist government and the capitalist government in America. I think they are now in a fair way to do just that, since Britain is primarily a processor of raw materials, as we are, whereas Russia can furnish the necessary raw materials.

It has been said many times—and the statement has been made here on the floor of the Senate—that England wants to trade in that way, and is doing so at the present time. Eighty-eight trade treaties have been made between the 16 ECA countries and the iron curtain countries and Russia. I had four of them printed in the CONGRESSIONAL RECORD of March 30, 1949. I had asked that all 44 of the trade treaties, which I was allowed by the State Department to keep in my possession, be printed, but I relented when the Public Printer explained that many of them were written in foreign languages and would be almost too difficult to print.

Let me point out here that not all those treaties were made available to me as a Member of the United States Senate. I was able to keep only 44 of them. Forty-one of them were restricted. Three of them were so secret that I was only permitted to look at them while they were held in the hand of a State Department official. I was told that there may have been additional trade treaties about which the State Department did not know.

I could take the time to read from all four of those treaties which were published, but the language of all of them is almost exactly the same. They relate to ball bearings, high-grade steel, electrical equipment, machinery of all kinds—things which we emphatically denied we ever would allow Russia to get from us, so long as the cold war was going on. Of course, it is now a little difficult to determine just who is engaged in the cold war and what part we play, since England now has stopped trading with us, and even the money we give England is not now permitted to be used to purchase goods in America.

All those circumstances would be evidence in connection with determining the answer to the question the Senator from Washington has asked.

Mr. CAIN. Mr. President, if the Senator from Nevada will permit, let me say that what I am very anxious to determine, in connection with what the Senator from Nevada has been saying, is whether in the British-Russian nonaggression treaty there is anything of any character that would tend to cause Great Britain to hesitate to carry out all her obligations under the North Atlantic Treaty.

Mr. MALONE. As a preface to an answer to that question, I point out that I think the Senate should have time to acquaint the people of the country with the facts, and the people of the country should have some time to express their ideas, at least through the press. In that connection I shall read two paragraphs from the treaty which was signed by Anthony Eden, for England, and by V. Molotov, for Russia, dated May 26, 1942. It was signed in Russia.

Mr. DONNELL. Mr. President, will the Senator be kind enough to give us the page of the CONGRESSIONAL RECORD at which that treaty appears, if he has the page number before him?

Mr. MALONE. I am happy to yield, but I do not have before me the page number in the CONGRESSIONAL RECORD. The paper I have before me is a reprint from the CONGRESSIONAL RECORD, and the pages have been changed. However, this material will be found in the CONGRESSIONAL RECORD for either March 30, March 31, April 1, April 4, or April 6 of this year. The discussion covered that period.

In article 6, the first paragraph reads:

> The high contracting parties agree to render one another all possible economic assistance after the war.

In other words, England and Russia have agreed to do that and are now busily engaged in carrying out the provisions to that pact.

After the very eloquent address given by the senior Senator from Michigan [Mr. VANDENBERG], who is the ranking minority member of the Foreign Relations Committee, we assume that everyone knows, as he said specifically, that it is on account of Soviet Russia that this treaty is necessary. So I assume that there is no doubt that the North Atlantic Pact is directed against Soviet Russia.

Is there any doubt in the mind of the junior Senator from Washington that it is directed against Soviet Russia?

Mr. CAIN. I would rather take the position that the pact is directed against anyone who would assume to be an aggressor against the North Atlantic community.

Mr. MALONE. I am sure the Senator from Washington remembers that the senior Senator from Michigan [Mr. VANDENBERG] mentioned Soviet Russia as being directly responsible for this pact, and as constituting the necessity for it.

Mr. CAIN. I remember that, but I was giving my own answer to the question.

Mr. MALONE. Yes.

Article 7 of England's pact with Russia states, in unequivocal language, that each high contracting party undertakes not to conclude any alliance and not to take part in any coalition directed against the other high contracting party.

Would the Senator from Washington accept that as a guaranty that England would not join anything which was directed toward the Soviet Union?

Mr. CAIN. I am not presently qualified to answer the question the Senator has just posed. There appears to me to be, in terms of words, a contradiction. I hope to sit here long enough to have that contradiction reconciled by those who can provide the answer.

Mr. MALONE. While we are on that subject, let me say that the nonaggression pact between the French Republic and the U. S. S. R. was consummated on December 10, 1944, and was signed by authorization of the presidium of the supreme council of the U. S. S. R. It was signed by Molotov, for Russia, and by Bidault, for the French Government, also in Russia.

The paragraphs are not numbered exactly the same as those in the British-Russian nonaggression pact, but the wording is almost exactly the same.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. DONNELL. Will the Senator repeat the last portions from which he read? My attention was distracted for a moment, and I did not understand just what the Senator from Nevada read.

Mr. MALONE. Yes; I shall repeat it. I said that article 7 provides that each high contracting party undertakes not to conclude any alliance and not to take part in any coalition directed against the other high contracting party after the war.

Mr. President, from the evidence presented during the last week and during the argument on the floor of the Senate last year, I think all of us agree that since the war Russia and England certainly have rendered each other all the economic assistance of which they have been capable.

Article 7 says that each high contracting party undertakes not to conclude any alliance and not to take part in any coalition directed against the other high contracting party. To me that is conclusive that they will not, at least in good

faith they could not, conclude any alliance directed against any other contracting party.

To proceed to the French treaty which was signed by Bidault for France and by Molotov for Russia——

Mr. CAIN. Mr. President, will the Senator permit an interruption?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Washington?

Mr. MALONE. I am happy to yield.

Mr. CAIN. What is the expiration date of the British-Russian nonaggression pact?

Mr. MALONE. It runs for 20 years, the same as the North Atlantic Pact and was signed in 1942. Perhaps the same people could even have had something to do with arranging these pacts since the length of the pact and the method of escaping from its obligation at the end of the 20 years' duration are exactly the same. It requires, at the end of a 20-year period, 12 months' notice to separate any signatory nation from the pact. It is exactly the same in all three instances.

Mr. CAIN. Mr. President, if I may conclude, at this point, are we to assume, in view of what the Senator had read and in view of the provisions of the North Atlantic Treaty, that Great Britain's policy is to move for complete protection in both directions?

Mr. MALONE. If the Senator will permit me, I may say that there is little doubt that they are protected both ways. I recall also that the pact Great Britain has signed with Russia corresponds, I am told, in great detail, although I do not have the pact for reference, to a pact signed by Great Britain with Japan following World War I, which had a considerable amount of influence in Japan's spreading out over Asia. It gave Japan certain protection and cooperation and of course we sent the oil and scrap iron to the Pacific to help in arming Japan, as we are now arming Russia through intermediacy of the ECA nations, and we then sent our boys into the Pacific, the Senator from Washington among them, to catch that returning scrap iron with their bare hands, coming back out of Japanese guns.

Mr. JENNER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Indiana?

Mr. MALONE. I am happy to yield.

Mr. JENNER. I should like to ask a question of the distinguished Senator from Nevada. England has entered into the treaty to which the Senator has referred, the nonaggression pact with Russia, extending for 20 years. She entered into it, I believe the distinguished Senator said, in 1942.

Mr. MALONE. That is correct.

Mr. JENNER. And it is to run for 20 years; is it not?

Mr. MALONE. That is correct.

Mr. JENNER. We are now contemplating the ratification, in the Senate of the United States, of the North Atlantic Pact, which is a coalition which Great Britain agreed not to enter into when she entered into the Russian nonaggression pact, but which she is entering into with the other 11 countries, including ourselves, and which lasts for 20 years; does it not?

Mr. MALONE. It lasts for 20 years.

Mr. JENNER. I should like to ask the distinguished Senator, if it is his idea that this type of diplomacy on the part of England might have been the inspiration for the song, There Will Always Be an England?

Mr. MALONE. I am unable to determine from the evidence contained in the nonagression pact as to just what actuated the song, but I would say, since Great Britain has signed with both Russia and the United States, if they can make it stick, it looks as though they would be pretty safe.

Mr. JENNER. Would it be appropriate, I may ask the distinguished Senator, to add to the title of the song, so that it would read, There Will Always Be an England, as Long as America Finances It?

Mr. MALONE. I think it is a reasonable conclusion, with all due deference.

I outlined in the beginning of my address, the five-point program, including the North Atlantic Pact, and including the three-part free trade program, making four administration programs altogether, and then the fifth one, this bold new program under which the Government is to finance our own people to go abroad and serve the markets we were supposed to make available as legitimate markets for the goods produced by our own workingmen through the Marshall-plan money. They will, under the program, ship the products of the low-cost foreign labor to the United States, products manufactured under the direction of our expert manufacturers and processors and with our up-to-date machinery.

I may say to the Senate of the United States that in my humble opinion when the Vandenberg resolution was presented to the Senate last year, the entire program was known to certain people, but certainly not to the Senate of the United States. Something of each part was held back, and given to the people of the United States and to the Senate of the United States, presumably in doses which they could logically swallow.

During my inspection of Asiatic countries, I often found diplomatic representatives, not ambassadors themselves, but men working in the embassies, honest boys who knew what was going on and knew where we were headed. I would say, "Why do we not name the nations? Why does not our armed services, in consultation with the President of the United States, determine the areas in Europe and Asia that are important to us? Why do we not name these nations and extend the Monroe Doctrine and the open-door policy to include such areas?" They replied, somewhat under their breath, "Would the American people stand for that now?" It irritated me so that I answered "I do not believe that is what the people of Nevada sent me to the Senate for, to determine what they already thought, with the evidence they had. I understood they sent to me to the Senate to listen to the evidence, to get all the additional evidence I could, to inspect as many countries as I could, and let them know what information I obtained, and give them the benefit of my conclusions."

Mr. President, for the purpose of the debate, I ask that the Vandenberg resolution, which is of course readily available, be included in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

[80th Cong., 2d sess.]

Senate Resolution 239

Resolution reaffirming the policy of the United States to achieve international peace and security through the United Nations and indicating certain objectives to be pursued

(On June 11, 1948, the Senate by a vote of 64 to 4 adopted the so-called Vandenberg resolution, or S. Res. 239. This resolution had been unanimously approved by the Senate Foreign Relations Committee on May 19.)

Whereas peace with justice and the defense of human rights and fundamental freedoms require international cooperation through more effective use of the United Nations: Therefore be it

*Resolved*, That the Senate reaffirm the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except in the common interest, and that the President be advised of the sense of the Senate that this Government, by constitutional process, should particularly pursue the following objectives within the United Nations Charter:

1. Voluntary agreement agreement to remove the veto from all questions involving pacific settlements of international disputes and situations, and from the admission of new members.

2. Progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles, and provisions of the Charter.

3. Association of the United States, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security.

4. Contributing to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting its national security.

5. Maximum efforts to obtain agreements to provide the United Nations with armed forces as provided by the Charter, and to obtain agreement among member nations upon universal regulation and reduction of armaments under adequate and dependable guaranty against violation.

6. If necessary, after adequate effort toward strengthening the United Nations, review of the Charter at an appropriate time by a General Conference called under article 109 or by the General Assembly.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. WHERRY. Mr. President, before the Senator gets away from the discussion of the nonaggression pact between Great Britain and Russia, is there a provision in the pact which would permit Great Britain to escape the obligations entered into in the event Great Britain became a party to the North Atlantic Pact?

Mr. MALONE. I would say to the distinguished Senator from Nebraska that if Russia thought Great Britain had violated her treaty with Russia by signing

the North Atlantic Pact, which she undoubtedly has, by the provisions of the agreement itself and by mutual agreement the pact could be abrogated.

Mr. WHERRY. That is what I am asking the Senator about. I am asking about the agreement.

Mr. MALONE. Perhaps by mutual consent they could escape, but the pact itself provides that at the end of 20 years, 12 months' notice is then required in order for one of the parties to separate itself from the pact. There is no provision prior to the termination of the 20 years.

Mr. WHERRY. I do not mean at the end of 20 years. I mean, is there anything in the nonaggression pact today which Great Britain has signed with Russia, which must be repudiated or violated if Great Britain signs the North Atlantic Pact as a signatory power? In other words, whose side is she going to be on? Can the Senator answer that question? If Great Britain signs the North Atlantic Pact, does she mean what she says? Does she repudiate what she has done in some other agreement, if she has made one?

Mr. WILEY. They are both nonaggression pacts.

Mr. WHERRY. Just a moment. I am asking, Is there any provision in the nonaggression pact with Russia that would foreclose Great Britain signing the North Atlantic Pact? If the Senator will give me that information, I should like to have it. If there is such provision, then I ask the Senator, in case of a violation, does Great Britain repudiate the nonaggression pact and come in on the side of the North Atlantic Pact or does she adhere to the nonaggression pact?

Mr. MALONE. If the Senator will allow me to answer his first question, this language occurs in article 7:

> Each high contracting party undertakes not to conclude any alliance and not to take part in any coalition directed against the other high contracting parties.

So, if we consider what was said by the distinguished Senator from Michigan [Mr. VANDENBERG] a member of the Senate Foreign Relations Committee, what was said by the chairman of the Foreign Relations Committee, and what was said by the President of the United States, that it is the action of Soviet Russia that brings about this pact, then I should say there is no doubt—at least there is no doubt in the mind of the junior Senator from Nevada—that it is a pact against Russia, and I would say that the language of the pact prohibits Britain from joining it.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. BALDWIN. The Senator will recall that some time ago the United States offered to Russia a pact in which we guaranteed Russia that we would be with the Russians in the event of a resurgence of Germany, that we would stand with them in that event. That pact was very definitely, by words and terms, directed against Germany. Does the Senator feel that there is anything in the North Atlantic Pact which says by word or term that the pact is directed against Soviet Russia, in the same terms as was the pact directed against Germany?

Mr. MALONE. There is nothing in it that provides in so many words that it is specifically against Russia, but the weight of evidence, the word of every Senator on the floor with authority to speak for the Committee on Foreign Relations, is that it is directed against Russia.

Mr. BALDWIN. I concede to the Senator that that may be unfortunate, but I want to invite the Senator's attention to the fact that there is not one single word in the pact that says it is directed against Russia. There is nothing that says to the high contracting parties that in the event Soviet Russia attacks one of them, we will come to their aid against Soviet Russia. The only way this pact can be construed as being directed against the Soviet Union is if the Soviet Union itself chooses to make it that way; and it can do so by becoming an aggressor.

Mr. MALONE. That is true. As a matter of fact, is anyone simple enough to believe, after all of the evidence presented on the Senate floor, that the pact is not directed against Russia?

Mr. BALDWIN. My own humble opinion is that it is directed against an aggressor, whoever that might be. I am bound to concede that presently we may be fearful that it might be Russia, but the pact is not directed against Russia unless she, by her own act, wants it directed against her, and that would be by an act of aggression on her part.

Mr. MALONE. Does the Senator recall that the distinguished senior Senator from Michigan said it was directed against Russia?

Mr. BALDWIN. I do not recall that he said it in those terms.

Mr. MALONE. I do. Does the Senator recall the many statements by the distinguished senior Senator from Texas, chairman of the Foreign Relations Committee, in which he said that it is necessary for the peace of the world on account of the actions of Soviet Russia? Does the distinguished Senator remember that the President of the United States in his message said the same thing?

Mr. BALDWIN. That may very well be true; but the question of making a pact directed against a particular nation in terms is one thing. The making of a pact which would protect a group of nations against possible action on the part of another nation is, I think, entirely different. In other words, I think this proposal and the proposal we made to Russia with regard to Germany are two entirely different types of pacts.

Mr. MALONE. I will say to the distinguished Senator that we can camouflage it, and through subterfuge, we can defend it, but the fact remains that both England and France has signed nonaggression and economic cooperative pacts with both Russia and the United States.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. JENNER. Would there be any justification for this pact if it were not for the threat of Russian aggression?

Mr. MALONE. I will say to the distinguished Senator from Indiana that that is what the chairman of the Foreign Relations Committee said; and it was also stated by the senior Senator from Michigan [Mr. VANDENBERG] and the President of the United States. That is my authority for my statement.

Mr. JENNER. The Senator has brought up something which raises doubt in my mind. Let us assume that we have soldiers stationed in Germany; let us assume that Russia attacks our soldiers in Germany: I ask the Senator if the North Atlantic Pact would apply to Germany?

Mr. MALONE. I would naturally assume, without further analysis of the pact, that if Russia attacks our soldiers, all the nations which are signatories to the pact would rush to our rescue immediately.

Mr. JENNER. Is Germany in the pact?

Mr. MALONE. No; Germany is not in the pact.

Mr. JENNER. Then, if Russia should tomorrow attack our soldiers in the American zone in Germany, what would England do, in view of the fact that she has signed a 20-year nonaggression pact with Russia?

Mr. MALONE. I will say to the distinguished Senator from Indiana that the preponderance of the evidence points to a neutral England in the next war.

Mr. JENNER. I should like to ask a further question, in connection with the hypothetical question which has been brought up in connection with these pacts. Suppose that England, sometime during the next 20 years, should go communistic: Then what would happen?

Mr. MALONE. I would have to say to the distinguished Senator from Indiana that as far as I know there is no provision for us escaping from the pact before the expiration of the 20 years regardless of any eventuality.

Mr. JENNER. The distinguished Senator from Michigan said that in case it happened she would no longer be in the pact. But is there anything in the pact which provides that she would no longer be in the pact?

Mr. MALONE. I would say to the distinguished Senator that not only does it not say anything about it, but there is no provision for the United States to get out of the pact until the end of 20 years and then only with a 12 months' notice, just as the pacts between Russian and England, and Russia and France provide.

Mr. JENNER. And there is no provision for any other nation to get out of the pact under any other circumstances.

Mr. MALONE. There is no provision for any nation to escape from the pact, except in the regular manner.

Mr. JENNER. I should like to ask another question, if the Senator will yield further.

Mr. MALONE. I am happy to yield.

Mr. JENNER. The pact is a 20-year agreement. Twenty years ago we had not heard of Hitler or of Mussolini. Somewhere down the pathway of history in the next 20 years it is very conceivable that France might enter

into war with Italy. I ask the distinguished Senator what would happen to the North Atlantic Pact under those circumstances? On whose side would we be in that event?

Mr. MALONE. I could only say to the distinguished Senator from Indiana that that is one of the reasons, in my humble opinion, we should rely on the extension of the Monroe Doctrine and the open-door policy, because, as the distinguished Senator has so ably said, we do not know what is coming to pass, but we can serve notice to the world that there are certain areas which we consider important whose integrity we consider important to our ultimate safety. When we do that, we have served all the notice that is necessary, in my humble opinion, in view of the fact that we went to war on two occasions in the past few years. The Senator and I were in the First World War, as were other Senators, and some Senators were in the Second World War. The world would know, if we extended the Monroe Doctrine and the open-door policy, that when our safety is threatened we would go to war. That is all that is necessary, in the humble judgment of the junior Senator from Nevada.

Mr. President, following the insertion regarding the Vandenberg resolutions, I should like to quote an excerpt from what I stated at the time the debate on the Vandenberg resolutions was taking place on the floor of the Senate:

> I have heard very little discussion as to whether or not it was a violation of the principles laid down in the Constitution of the United States under which the Senate is charged with checking independently any action, through treaties, of the President of the United States and the State Department. We are not supposed, at least until now we have not been supposed, to be a party to a treaty until all the evidence is known to the members of the committee and, after committee approval, full discussion and a two-thirds affirmative vote is had.

Mr. President, without quoting further from that debate, which was very clear at the time, I call attention to the fact that the Secretary of State, Mr. Acheson, has made it very plain that the North Atlantic Pact is a direct result of and is founded on the Vandenberg resolution, which I said at the time that would be the case.

Further in my address I think I made it clear that I considered that all the evidence pointed to the fact that we must send arms to make the pact effective, in other words, that the cart was before the horse. Those behind the pact wanted to send arms, and looked around for a vehicle in order to have an excuse for sending them, something which the American people would take. Then, when we do send the arms, all past experience, from the Churchill remark in the Second World War until now, indicates that American boys and girls will follow the arms.

Mr. President, I should like now to yield to the Senator from Louisiana.

Mr. LONG. Mr. President, the Senator quoted a passage from the mutual-assistance agreement between Russia and Great Britain, and I wondered if he would be kind enough to read that particular quotation.

Mr. MALONE. I shall be happy to. In article 6 of the pact signed, on the 26th of May 1942, in Russia, by Anthony Eden and V. Molotov, it is declared:

> The high contracting parties agree to render one another all possible economic assistance after the war.

Article 7 says:

> Each high contracting party undertakes not to conclude any alliance and not to take part in any coalition directed against the other high contracting party.

Mr. LONG. In that event, there would be only a conflict between that agreement and the North Atlantic Pact in the event it should be decided that Russia was the anticipated aggressor. Is that correct?

Mr. MALONE. I think that is true. Much time was devoted by the junior Senator from Nevada early this afternoon to summing up the evidence, and taking into consideration the fact that the President of the United States, the chairman of the Committee on Foreign Relations, the Senator from Texas [Mr. CONNALLY], and the senior Senator from Michigan [Mr. VANDENBERG], the ranking minority member of the committee, have all said that that is what has brought about the North Atlantic Pact, the weight of the evidence is that we here on the Senate floor are directing our efforts against Russia. Otherwise, why the pact?

Mr. LONG. In effect, the agreement between Russia and Britain would mean that if Russia were attacked by an aggressor nation, Great Britain would assist Russia in her defense. Is that the effect of the agreement?

Mr. MALONE. I do not know that I would go quite that far. I shall read it again:

> Each high contracting party undertakes not to conclude any alliance and not to take part in any coalition directed against the other high contracting party.

I should say they certainly would not help us. It does not say they would join against the attacker of Russia.

Mr. LONG. Does the Senator feel that there is really necessarily any conflict, in view of the fact that Great Britain is not binding herself against Russia unless Russia should be the aggressor, invading the nations which are signing the North Atlantic Pact?

Mr. MALONE. I am sorry; the purport of the Senator's question I did not quite understand.

Mr. LONG. It would seem to the Senator from Louisiana that there is really no conflict between the Russian pact with Great Britain and the North Atlantic Pact, in view of the fact that there is really no agreement against Russia in the North Atlantic Pact unless Russia should be an aggressor, and should invade the North Atlantic area, which need not necessarily occur.

Mr. MALONE. The point of view is very interesting, but I would simply call attention to the fact that whoever is the aggressor—and who the aggressor is may often be forgotten after the fight starts—the parties do agree not to join any alliance directed against the other high contracting party. I should say that is an agreement they would stay out of the fight, even if they did not help Russia.

Mr. President, I was diverted somewhat, and brought up the nonaggression pacts between Russia and Great Britain and between Russia and France a little out of order, but I shall continue.

FOREIGN TRADE

We are trying to buy foreign trade, the European nations are trying to finagle it through the manipulation of their currencies, empire preferential rates, quotas, embargoes, and many other dishonest devices, but we must finally face the fact. First, no one or no nation ever buys anything from anyone else that he can conveniently produce for himself; second, when he cannot conveniently produce it himself, then be buys the quality he wants where he can get it, at the lowest possible cost.

We—the United States of America—are the only exceptions—and when we step out of that role, Congress simply picks up the check with the taxpayers' money, which will obviously only work as long as we can squeeze it out of our taxpayers.

We have picked up the check for 15 years, through peace and war years, to the tune of nearly $400,000,000,000, $252,000,000,000 of which we still owe to the taxpayers of this country—and every citizen of the Nation is a taxpayer. Even if we have taken him off of the income-tax roll, he pays it through the bread he eats, the shoes he wears, and the clothes on his back.

We are familiar with all the trick ideas to "hop up" or interfere with legitimate foreign trade suggested by the Laskies, the Keyserlings, the Keynes, and others of their ilk.

All of their plans, however, like the great Get Rich Wallingford stories of old, involve our unsophisticated Uncle Sam paying over several billion dollars for some fancied advantage, before he can realize the fabulous wealth he is to reap from the cash investment.

Then, when our Uncle Sam gets uneasy about his money, another man meets him, explaining that something is temporarily delaying the profit from initial outlay, or the messenger was robbed, or something of the kind, but with another and larger payment everything will come out all right. So far this new man has been Sir Stafford Cripps, of England, acknowledged spokesman for the 16 ECA European nations.

So far we are falling for the same story. In other words, all we have to do is to put up the money, after Great Britain has signed the trade treaties with Russia, and after the making of the 88 trade treaties between the ECA nations and Russia and the countries behind the iron curtain following World War II. All we have to do is to pick up another check—to put up the money and then the bet will pay off.

TRADE

There have been three kinds of foreign trade practiced by certain European nations over the last couple of centuries:

First. Piracy on the high seas, when certain outlaw organizations simply went out on the ocean trade routes, fired

across the bows of a merchant vessel, or took whatever action was necessary, towed her to port, and confiscated the cargo, which was a very profitable undertaking for awhile.

Second. Empire preferential rates, by the empire-minded nations, fixing the export and import rates and conditions making it more profitable for the empire-dependent countries and entities to trade with the mother country than with any other nation.

These rates generally took the trend of forcing the sale of raw materials to the mother country, likewise making it more profitable for the dependent country to purchase the manufactured and processed goods from such mother country, and prevented, to a large extent, any manufacturing and processing of such raw materials in the dependent countries.

Third. The third and most recent method is through the 1934 Trade Agreements Act, named "reciprocal trade," by its proponents in order to sell free trade to the American people, and now there is this guaranty of the integrity of the Asiatic and African colonial systems, where the empire-minded nations produce the strategic and critical minerals and materials, which we must have, through the use of slave labor, and sell them to us for a high price, including the tin and the rubber and the other materials produced under the cartel systems.

THE EMPIRE PREFERENTIAL-RATE SYSTEM

The empire preferential-rates system is still in effect—but crumbling fast—and taken together with the selective free-trade policy adopted by the State Department based on the 1934 Trade Agreements Act is dishonest and still a form of piracy through manipulation of foreign currencies for trade advantage to be gained through the quota systems, embargoes, and other subterfuges.

For example, Canada and Australia, while remaining as a part of the British Commonwealth, have declared their economic independence perhaps to a greater degree than any other areas—still, however, retaining a part of the preferential system.

Now, the control necessary to the empire preferential-rates system is slipping fast. Other nations and entities under the influence of the system are straining at the yoke. They want their independence, or at least a greater part of their earnings from their own production.

THE DUTCH EAST INDIES

For example, the Dutch East Indies are straining for greater freedom. All of this has been in the news almost continuously since World War II.

The empire-minded nations expect an income from their colonies, just as one would expect an income from owning an office building or a farm in Kansas.

In Indonesia, for a further example, when natives sell a dollar's worth of tin, copra, hemp, or any product to the United States for a dollar they do not receive the American dollar. The dollar goes into the exchange pool controlled exclusively by the Dutch. The Indonesians are then paid the number of Indonesian guilders, good only in Indonesia, which the Dutch currently say the dollar is worth.

When I was there on an inspection trip in November 1948 the current value fixed for the American dollar was 2.63 guilders. On the street one could get 14 of the Indonesian guilders for an American dollar. In other words, the Dutch gave the little Indonesian less than 20 percent of his dollar to start with, keeping more than 80 percent of his production for their own earnings from his labor.

Another example, it cost 190 guilders to travel from Batavia to Singapore on the Dutch air line, the KLM. No other air lines are allowed in Indonesia. The American air lines and the BOAC flying boats of the English, or other air lines are not allowed to operate in Indonesia. No doctors, engineers, or lawyers can come into Indonesia without a special permit to practice from the Dutch. So it requires 190 guilders to travel on the Dutch air line, KLM, from Batavia to Singapore. Figuring 14 guilders to the dollar, makes $17. But figured on the basis of 2.63 guilders to the dollar, it is $77. The extra money is pocketed by somebody, and it is not an American citizen and it is not an Indonesian. In keeping with this practice they give the little Indonesian less than 20 percent of his dollar for his labor, and 80 percent of his production is kept for their own earnings from his labor.

In this manner Holland has kept the Indonesians barelegged and hungry for more than 300 years, while the Dutch East Indies have furnished the chief source of income for that nation for generations.

The Dutch keep absolute control of the monetary systems, the exports and imports, and the police power, which is what Mr. Sakarno and Dr. Hatta, leaders, demanded for a United States of Indonesia.

The empire-minded nations of England, Holland, France, and Belgium follow almost exactly the same system with their own colonial systems. It is only a matter of degree. That takes in the Near East, including Singapore and the Malay States, Indo-China, and Saigon, and, in Africa, it includes French West Africa, Morocco, Tunisia, and East Africa, and the Sudan country, and South Africa, and many other countries. All of it is simply a matter of degree, the treatment and empire principle is the same.

That is the system which the Senate of the United States is now asked to guarantee. We are asked to guarantee the integrity of the colonial system in Asia, in Africa, and in other parts of the world. That is a system which is on the way out and will be out within a generation, regardless of any action we may take, since the countries of Indonesia, Singapore, and the Malayan States, and Saigon, and Indo-China, included in the Near East and in the south seas, are on the move.

Mr. President, in the humble opinion of the junior Senator from Nevada it is impossible for us, with all the power of the United States, to stop this movement. It may explode in our faces at any time. In that connection, Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an Associated Press dispatch under date of July 7, 1949, from Hong Kong.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

ONE THOUSAND AND FIVE HUNDRED OFFICERS AND MEN ARRIVE AT HONG KONG

HONG KONG, July 7.—The British troopship *Dilwara* reached Hong Kong today with 1,500 officers and men from the United Kingdom.

Their arrival brought this British colony's garrison strength to an estimated 8,000 troops. Present plans call for a total garrison strength of 12,000.

Mr. MALONE. I call the attention of the Senate to the fact that any place in Asia, including Hong Kong in China, could be the point at which the explosion could occur which would set off world war III. It could come suddenly. Everyone remembers the history of the opium war of 1839 to 1842. It was during those wars that Hong Kong was ceded to England. I have not been able to verify this, but in earlier years I remember the rumor was that the treaty ceding Hong Kong to England by China was signed on a British warship. A British warship pulls into Singapore, into Hong Kong, or into any other port where the Empire system was in trouble and it was all over.

The authorities of China signed away the Hong Kong area to Britain permanently. Now the forces are gathering as of old, and we are here asked to sign a treaty which will guarantee, in my humble opinion, the integrity of that kind of system.

Mr. President, these little people in Asia, in the South Seas, in Africa, are on the move which is growing every day; they are fighting the colonial yoke of domination, and the danger is that they will join any movement, if necessary, to free themselves from the generations of such domination and economic slavery—even the Communists as they sweep south on China.

Mr. President, the empire colonial systems aggravate and incite such rebellions and it is this system that we are asked to sign a pact which will guarantee its integrity.

EXHIBIT A

[From the New York Times of April 9, 1949]

TEXTS OF STATEMENTS ON UNITED STATES AID ACHESON'S STATEMENT

The Department of State today released copies of communications exchanged with the Brussels Treaty powers and with Norway, Denmark, and Italy concerning the provision by the United States of military assistance to those countries.

Before I deal specifically with these requests, I should like to review briefly some of the considerations which have led the executive branch of the Government to decide that the provision of arms and equipment to free and friendly nations is in the highest interest of the American people.

It is now clear that in the world of today we can no longer rely on our geographic position to preserve our security and peace. Our security and peace necessarily rest in the combined security and peace of the democratic world.

Thus, the single purpose of our foreign policy has been to make a free world possible and more secure. The foreign policy

which this Government has actively pursued since the termination of World War II has had as its fundamental objective the improvement of the security of the American people by assisting and bringing about conditions which will make for peace.

Our policy has been directed toward preserving free institutions and nations—to enable them to pursue, through their own efforts, the democratic way of life from which we have benefited so much. To this end we embarked upon the European recovery program, which is by all odds the most important and hopeful application of the foreign policy I have described—the policy of preserving and strengthening the environments of freedom.

To the same end of preserving peace we have, in conjunction with certain western European countries and Canada, signed the Atlantic Pact. It is clear, however, that the restoration of political and economic health in western Europe—so essential to our peace and security—requires on the part of the peoples of that area a confidence in the future, a sense of personal security, and a reasonable assurance of peace.

*Says Europe needs confidence*

If they do not have that confidence, their progress toward recovery and the establishment of self-supporting sound economies for strengthening democratic institutions will be handicapped.

It is against this background that we have for several months been developing a program of foreign military assistance. That program is being planned on the basis of information as to the urgent military needs of certain of the western European nations which we received from them informally some time ago.

The requests for military assistance now formalized by this exchange of notes are predicated upon an urgent need for improvement in the defensive capabilities of the countries requiring such assistance, thereby discouraging aggression against them.

The military assistance program, like the Atlantic Pact, is part of a policy which is entirely defensive in its scope. It could not be otherwise. Aggression is contrary to the basic traditions, instincts, and fundamental policies of the nations involved.

There can be no doubt that the Atlantic Pact countries have much to lose and nothing to gain from war. By the very fact of our democratic systems of government, we can never conspire to undertake aggressive action. The public discussions in this country and abroad which will take place concerning the North Atlantic Pact and the proposed military-assistance program are clear guaranties that we are not preparing for an aggressive war.

The requests come from certain of the nations who have this week joined with us in signing the North Atlantic Pact. It is important to note, however, that the requests are not a product of the pact—an instrument which is not yet in effect. Thus, even without the existence of the North Atlantic Pact, the need for assistance and the recommended response of this Government would be the same.

I need only refer to the address to Congress on March 17, 1948, by the President of the United States, when he stated in referring to the Brussels Treaty: "I am sure that the determination of the free countries of Europe to protect themselves will be matched by an equal determination on our part to help them do so."

In his inaugural address this year the President stated as a part of his program, "We will provide military advice and equipment to free nations which will cooperate with us in the maintenance of peace and security."

These requests and our replies therefore in no sense represent a price tag to be placed upon the pact. At the same time, by stressing the willingness of each requesting nation to do what it can to help itself, and each other, in the common cause, they are consistent with the spirit of the pact.

Our decision to provide assistance will represent a careful, honest judgment of an effective means by which we can contribute to the collective defense of the North Atlantic area. This program will thus become a powerful factor in assuring success for the aims of the pact. As the countries of western Europe develop their strength, to resist aggression, they will become better able to contribute not only to the peace and security of the North Atlantic area but to the peace and security of the world.

Let us now review briefly the terms of the request. They all emphasize certain basic principles of vital importance in assuring the United States that our assistance will yield maximum benefits to us as well as to the recipients.

*Economic recovery put first*

They all recognize that economic recovery must be given first priority; they all recognize in clear terms that each country must undertake to do what it can to help itself and help the other parties of the pact; they all recognize the importance of building up at this time a modest program of arms production over and above what had been contemplated in their budgets for this year, so undertaken as not to impede the progress of the economic recovery program.

Of particular significance is the fact that these principles have been put into actual working operation by the five western union countries. Their coordinated request is the result of careful examination as a group of what, as a group, they can do for themselves. Their coordinated answer augurs well for the future successful establishment of a cooperative common defense program for the North Atlantic area.

While the assistance to the North Atlantic pact countries will constitute the larger part of our assistance program, the proposed program does call for some assistance to other areas. This will include assistance to areas to which we have already undertaken commitments, such as our military assistance program to Greece and Turkey.

I cannot at this time give a figure, a range of figures, or an informed guess, of what the cost of the program will be, for either the North Atlantic Pact countries or for other areas. This matter is now being considered jointly with the Bureau of the Budget and will be submitted to the President. When the President has made his review I will then be in a position to make the figure known to the Congress and the people of the United States.

BRUSSELS POWERS' NOTE, APRIL 5, 1949

1. Since the signature of the Brussels Treaty the five governments have had under consideration a common defense program. Convinced of the necessity for such a program, they believe that its formulation and application must be based on entire solidarity between them. They have reached the conclusion that if this defense program is to be effective the material assistance of the United States Government is essential. The principles on which the program should be based are set out in the following paragraphs.

2. The main principles would be self-help, mutual aid, and common action in defense against an armed attack. The immediate objective is the achievement of arrangements for collective self-defense between the Brussels Treaty powers within the terms of the Charter of the United Nations. The program would be considered as a further step in the development of western European security in the spirit of the statement made by President Truman to Congress on March 17, 1948, the day of the signature of the Brussels Treaty. It would be in accordance with the general objective of article 3 of the North Atlantic Pact, and would result in each party, consistent with its situation and resources, contributing in the most effective form such mutual aid as could reasonably be expected of it. It would also be in accordance with the principles expressed in the resolution of the Senate of the United States of June 11, 1948.

3. The military strength of the participating powers should be developed without endangering economic recovery and the attainment of economic viability, which should accordingly have priority.

4. In applying these general principles of a common defense program the signatories of the Brussels Treaty attach importance to the following points:

(a) The armed forces of the European participating countries should be developed on a coordinated basis in order that in the event of aggression they can operate in accordance with a common strategic plan.

(b) They should be integrated so as to give the maximum efficiency with the minimum necessary expenditure of manpower, money, and materials.

(c) Increased military effort, including increased arms production, should be consistent with economic objectives and the maintenance of economic viability. Additional local currency costs should be met from noninflationary sources.

(d) Arrangements concerning the transfer of military equipment and supplies for such production among the European participating countries should permit transfer, insofar as possible, without regard to foreign-exchange problems and without disrupting the intra-European payment scheme.

5. In order to carry out a common-defense program on the basis of the above principles, there is urgent need for United States material and financial assistance. The signatories of the Brussels Treaty will therefore be glad to learn whether the United States Government is prepared to provide this assistance to them.

6. In the event of a favorable reply in relation to the above requests, a detailed statement of the specific needs of the signatories of the Brussels Treaty for the year 1949–50 will be transmitted to the United States Government at the earliest possible date.

UNITED STATES REPLY, APRIL 5, 1949

1. The Government of the United States refers to the memorandum dated April 5, 1949, from the Brussels Treaty powers, which inquires whether the United States will provide military assistance in the form of military equipment and financial aid to the Brussels Treaty powers and which sets forth the principles on which such request is made.

2. The executive branch of the United States Government is prepared to recommend to the United States Congress that the United States provide military assistance to countries signatory to the Brussels Treaty, in order to assist them to meet the matériel requirements of their defense program. Such assistance would be extended in recognition of the principle of self-help and mutual aid contained in the Atlantic Pact, under which pact members will extend to each other such reciprocal assistance as each country can reasonably be expected to contribute, consistent with its geographic location and resources, and in the form in which each can most effectively furnish such assistance.

3. It will be requested of the Congress that such assistance be in the form of military equipment from the United States required by their common-defense program and the provision of some financial assistance for increased military efforts on their part required

by such defense program. It will be understood that the allocation of this matériel and financial assistance will be effected by common agreement between the Brussels Treaty powers and the United States.

4. The United States Government will accordingly appreciate receiving as soon as possible the detailed statement for the specific needs of the signatories of the Brussels Treaty for the year 1949–50 as proposed in paragraph (6) of the request from the Brussels Treaty powers.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hoey | Mundt |
| Anderson | Holland | Murray |
| Baldwin | Humphrey | Myers |
| Brewster | Hunt | Neely |
| Bricker | Ives | O'Conor |
| Bridges | Jenner | O'Mahoney |
| Butler | Johnson, Colo. | Pepper |
| Byrd | Johnston, S. C. | Reed |
| Cain | Kefauver | Robertson |
| Capehart | Kem | Russell |
| Chapman | Kerr | Saltonstall |
| Chavez | Kilgore | Schoeppel |
| Connally | Knowland | Smith, Maine |
| Cordon | Langer | Smith, N. J. |
| Donnell | Lodge | Sparkman |
| Dulles | Long | Stennis |
| Ecton | Lucas | Taft |
| Ferguson | McCarran | Taylor |
| Flanders | McCarthy | Thomas, Okla. |
| Frear | McClellan | Thomas, Utah |
| Fulbright | McFarland | Thye |
| George | McGrath | Tobey |
| Gillette | McKellar | Tydings |
| Graham | McMahon | Vandenberg |
| Green | Magnuson | Watkins |
| Gurney | Malone | Wherry |
| Hayden | Martin | Wiley |
| Hendrickson | Maybank | Williams |
| Hickenlooper | Millikin | Withers |
| Hill | Morse | Young |

The PRESIDING OFFICER (Mr. IVES in the chair). A quorum is present.

Mr. DULLES. Mr. President, I am hesitant about speaking so soon. I feel that I am still wrapped in senatorial swaddling clothes rather than in a senatorial toga. But several Senators, both Republicans and Democrats, have been good enough to suggest that I should express myself about the North Atlantic Treaty before the debate closes. Those suggestions reflect the spirit of cordial reception which has welcomed me here, for which I am profoundly grateful, and by which I have been deeply moved. I say with all sincerity that I speak very humbly before Senators who, over the recent years, have dealt so wisely and constructively with the great problems of war and peace that have come before them.

During much of this period, and almost constantly since early in 1945, I have been in attendance at international conferences, seeking to establish a just and durable peace. The task has not been easy and there have been moments when another war was perilously near. But at last there has been evolved a strategy for peace in the west which I am confident will succeed if it is pushed vigorously to its full conclusion. The North Atlantic Treaty is one of the essential ingredients of that over-all strategy for peace. I shall give my understanding of the North Atlantic Pact from that viewpoint.

THE SAN FRANCISCO CONFERENCE ON WORLD ORGANIZATION

I recall first of all the San Francisco Conference on World Organization where I served under two distinguished Senators, the Senator from Texas [Mr. CONNALLY] and the Senator from Michigan [Mr. VANDENBERG]. There we had already begun to realize that Soviet ambitions conflicted with the ideals for which our Nation had fought and which were expressed in the Atlantic Charter. Also, it there became apparent that a United Nations organization could not be expected to reconcile these conflicts by coercive machinery of its own. That would not have established peace, but would have started new war. So the plan of Dumbarton Oaks was changed at San Francisco so that those nations which had common values could organize their own collective defense. Also the United Nations Assembly was redesigned so that it could be what the Senator from Michigan [Mr. VANDENBERG] so aptly called the "town meeting of the world." There debate, investigation, and exchange of information would reveal to all where lay peril, if peril there were, and where could be found a common defensive purpose against that peril.

It was that action, taken over 4 years ago at San Francisco that made possible—I go further, and say it, indeed, foreshadowed—the defensive organization, first, of the American states, and now of the North Atlantic community.

I have heard it said here that this North Atlantic Treaty does violence to the spirit, if not the letter, of the United Nations Charter, and that in that respect it represents a step backward. If I believed that, I would, of course, oppose the treaty. I have intense devotion to, and faith in, the United Nations. I not only attended the San Francisco Conference where the United Nations was born, but through the confirmatory action of this honorable body, I have served as a United States delegate at every regular session of the United Nations Assembly. It is my opinion, based on that knowledge and experience, that the North Atlantic Treaty, far from being a step backward, is a step forward. It is apparent now, as it already had begun to be apparent at San Francisco, that security could not be achieved at a single step through a single world organization. It is going to be necessary to advance progressively through a series of organizations for collective self-defense. The North Atlantic Treaty is one more such organization. That treaty can, and I believe will, lift from the United Nations a burden and anxiety which it was never designed to carry. When I say that, I assume, of course, that the parties to the North Atlantic Treaty are honorable in their reaffirmation of faith in the purposes and principles of the United Nations Charter, and that they will act accordingly. I see no reason to impute bad faith to them.

THE FIRST MEETING OF THE COUNCIL OF FOREIGN MINISTERS

Following the San Francisco Conference, came the first meeting of the Council of Foreign Ministers in London, in September 1945. I attended that with Secretary Byrnes. There we made a memorable decision. There we determined that the United States would not, in time of peace, go on, as at Tehran and Yalta, making concessions in order to buy from Soviet leaders a facade of harmony and of agreement. That was a necessary decision. It is a decision which I suppose the Senate would ordinarily applaud, but it was a decision that involved fateful consequences. One of those consequences was an increased need for collective self-defense. For, once Soviet leaders saw that they could no longer make great gains by tactics that partook of blackmail, they dropped the pretense of friendliness, and opened up cold war with full fury. And part of the cold war was the threat, often repeated by Communist leaders, that the Red armies might march to the Atlantic.

THE PROSECUTION OF COLD WAR

Following that decision, taken in London in 1945, the Soviet Communists' purpose became fully revealed. It was no less than world domination to be achieved by gaining political power successively in each of the many areas which had been afflicted by war, so that in the end the United States, which was openly called the main enemy, would be isolated and closely encircled.

Throughout Europe and Asia, many had been bruised and broken in spirit by the brutalities of war. There was economic misery, loss of faith in existing political institutions, and even a decline of religious faith. There was a sort of fatalistic feeling that Western civilization had, perhaps, run its course, and that communism might be a historical necessity.

Wherever these conditions existed, and they existed widely, Soviet Communist agents played cleverly on men's hopes and fears. On the one hand, they promised great things to all who were discontented. On the other hand, they threatened with new terrors all who were disposed to resist. Behind that double-barreled offensive of threat and promise, secret agents penetrated into key positions and worked to disrupt further the existing order. They fomented discontent, and they inspired and directed political strikes, sabotage and even civil war. Thus they sought to condition men's minds and break their spirits to acquiescence in a Communist seizure of power.

Mr. President, this cold war won victories, for in much of the world there was a vacuum of political, economic and moral power, and Soviet communism alone seemed sufficiently dynamic to fill that vacuum. In consequence, by 1948, the Soviet Communist Party had increased its area of control to nearly 700,000,000 persons, or one-third of the human race. In many other areas they were near to power. There was danger that the divided and distraught elements of the free world would be swallowed up, bit by bit, leaving the United States to be dealt with, in the end, alone.

THE MOSCOW CONFERENCE AND THE MARSHALL PLAN

It was not until the Moscow Conference of 1947, which I attended with Secretary Marshall, that a scheme of defense began to take shape. It contemplated that the United States, which was still strong, would encourage and help those peoples of Europe who were yet free, so that they would find new strength out of new unity. In that way, at least in western Europe, the vacuum would be filled by native and friendly processes, to the exclusion of alien despotism.

Such a cooperative effort in the economic field was suggested by Secretary Marshall shortly following his return from Moscow. There gradually began to emerge, in broad outline, the vision of a way whereby, without war, the free societies might frustrate the Soviet design.

THE ROLE OF THE UNITED NATIONS

While that was going on, the United Nations was making an indispensable contribution. It was not carrying the direct burden of security, for that it could not do. But it was creating the conditions needed for collective self-defense.

By that, I mean that when the member states first came together in January 1946, most of them seemed to feel that they confronted an old-fashioned struggle for power between the capitalistic United States and the communistic Soviet Union. Their initial disposition at that time was to remain aloof, if they could, and seek to compromise the conflict.

If that state of mind had continued, it would have delivered most of the world over to Soviet communism. For, as we have seen, there could not be effective defense without close cooperation between the United States and the other free societies. That initial attitude of "neutrality" fortunately did not long persist. It was dissipated by the debates, the investigations, and the exchanges of views, often informal, which took place at the assemblies of the United Nations. Through such United Nations processes, the falsity of Soviet propaganda was quickly exposed; its subversive methods were uncovered and the nature and magnitude of the danger were revealed. Also, through those same processes it was made clear that the United States had no lust for more power, but only a desire to safeguard institutions that respected human liberty.

Recently I have heard many people speak in mournful tones about the United Nations. I say the contribution the United Nations made during that period, and in that way, constituted of itself an immense and indispensable contribution to world peace, and of itself justifies the total investment of time, effort, money, and faith which our people have put into the United Nations.

THE STRATEGY FOR PEACE IN EUROPE

I now come down to 1948, by which time Soviet conduct, as revealed in the United Nations, had brought about a total change in thinking. Now it was possible to have a solidarity among the non-Communist governments, and there had developed a desire to cooperate under the leadership of the United States in building peaceful barriers to further conquest by Soviet communism. Thus, out of these international gatherings, the meetings of the United Nations, the meetings of the Foreign Ministers, and the national debates of free peoples and their parliaments, including notably the Congress of the United States, there was born a strategy for peace in Europe. It involved a dynamic, cooperative effort on the part of the free peoples of the West.

There came, in quick succession, the European Recovery Plan, the Brussels Pact, the uniting of the British and United States zones of Germany, and, shortly, adding to them the French zone, making possible the creation of the Bonn government of Western Germany, the internationalization of the Ruhr, the joint United States-British airlift, which held Berlin against Soviet blockade, the Council of Europe, and now the North Atlantic Treaty. For collective security, all those steps were built around one single common theme. That was the theme of the cooperation for their mutual aid of the free peoples of the west.

That program is beginning to show results. I began to see some of those results at the last meeting at the Paris Conference of Foreign Ministers which I attended last month with Secretary Acheson. The difference in 2 years has been tremendous. There had been a very great transformation. At the last meeting of the Council of Foreign Ministers the blockade of Berlin was lifted and the Soviet delegates pledged their government not to renew it. The principal obstacles to an Austrian treaty were removed. There was tacit acquiescence in the Bonn government of western Germany. The Soviet Union proposed to lift at least a corner of the iron curtain that ran through Germany to permit of east and west German trade. It sought a renewal of four-power consultations at many levels. I realize that many aggravations, many dangers surely remain, and that Soviet policy can be changed overnight; but I say that the program along which we have been moving has begun to show tentative results, and it was apparent at the Paris meeting that the Soviet Government was disposed to ease in Europe the more extreme manifestations of the cold war.

Why did that happen? Why has that transformation taken place? It has taken place because Soviet Communist tactics cannot prevail against such curative and creative programs as we have been evolving over the past 2 years. The Communist twin guns of false promise and terroristic threat were spiked. The west was doing economically what Communist propaganda could only promise and visibly in eastern Europe could not perform. Threats ceased to carry terror when men realized that they were 300,000,000 strong. The vacuum in western Europe is being filled, and it is being filled by the fruits of free cooperation. Meanwhile Soviet communism is bogging down in eastern Europe because it does not know how to cooperate but only how to dictate.

THE STRATEGY MUST BE SUSTAINED

With all due reservations, I feel that we are on the way peacefully to resist, and I hope, eventually to throw back Soviet communism in Europe. But if we have found the way, we have not yet gone down that way far enough to find a place where it is safe to stop.

If for a moment we should become overconfident, if we should begin to feel that cooperation is no longer necessary and that each of the western nations should now go its separate way, then at that moment the peril would resume. For Soviet communism does not abandon its objectives, it merely suspends their all-out prosecution when and where the going seems too hard.

At Paris last month there was some discussion as to whether to accept at all the Soviet proffered truce and to resume, even on a tentative basis, Four Power consultations. The reason was that some feared any relaxation of east-west tension would bring a corresponding relaxation on the part of the American people, and therefore they needed to be kept artificially alarmed.

That thesis, I may say, we rejected. We believed that the American people could be trusted with the truth, and that they would see that, even if the peril in Europe seems less imminent, still the European recovery program and the North Atlantic Treaty could not now be abandoned without consequences of the gravest character. If that happened, it would at once be the signal for a revival of the Communist offensive against western Europe. It would lead our European friends to feel that we could not be relied upon to sustain our high purpose. It would make it utterly impossible to go on from here, as I hope we shall, to develop a program to save Asia from being overrun by Soviet communism. It would, indeed, scrap our program for peace just at the moment when its soundness had been demonstrated, but before it had been sustained to a point where it had consolidated the peace.

In this connection, Mr. President, I should like to refer briefly to the problem of Germany. Ever since VE-day the problem of relations with the Soviet Union has so dominated our thinking that we have given little thought to the problem of Germany. But we should not forget that the conditions which brought Hitler to power are latent in Germany today, even in exaggerated form, for there are more Germans today than ever before, in a smaller Germany. They are strategically located between the east and the west. They have ambitions, which I hope and believe can be worthy, but which we know can be evil. Unless the west can provide the Germans with a decent and hopeful future, it is almost certain that they will develop a bargaining position between the east and the west, between the Soviet Union and western Europe, out of which could come at least a temporary Soviet-German alliance. If that should come, all our hopes and plans for a peaceful and free Europe would crash to the ground. But 70,000,000 Germans are too many for the comfort and the safety of the European

members of the Atlantic community unless their security is strengthened by the adhesion of the United States. Germany can be integrated in the west if the west includes the United States. Germans cannot be safely integrated in the west, and certainly they will not be invited into the west if the west does not include, for security purposes, the United States.

The North Atlantic Treaty will superimpose upon the Brussels Pact another security pact that is bigger and stronger, so that our western European allies will not fear to bring Germans into the orbit of the West. With that treaty it may be possible to solve the problems of Germany. Without it I see no solution, nor have I heard anyone suggest a solution. That is an aspect of this matter which the opponents of the treaty have totally ignored.

There are some who hesitate to accept this commitment to organize the Atlantic community, because they believe it will require us to undertake a militaristic program for rearming the nations of western Europe. Of course, Mr. President, there is not a word in the North Atlantic Treaty that expresses any such obligation. The pending military-aid program does not even purport to be an implementation of the Atlantic Treaty, as the State Department's statement, read here yesterday by the Senator from Michigan [Mr. VANDENBERG] made evident. Article 3 of the treaty does contemplate developing a collective capacity to resist armed attack and mutual aid in that respect, and article 9 of the treaty provides for a council and for a defense committee which are to make recommendations regarding implementation of article 3. What those recommendations will be, no one here can possibly know, for there is as yet no treaty, there is as yet no council, there is as yet no defense committee, and there are as yet no recommendations.

What we do know is that when the council exists and the defense committee exists, and when the recommendations are made, they will be only recommendations. That is specific in the treaty. When those recommendations are made, they will, I assume, be considered on their merits. If the recommendations seem to be advantageous, I assume we will accept them. If they appear to be disadvantageous, we are certainly free to reject them, and I assume and hope we shall reject them. Certainly the treaty gives no other nation or group of nations a blank check on the United States. That, it seems to me, is a preposterous and dangerous interpretation of the treaty, and I think it needs to be made perfectly clear that those who vote for the treaty totally reject that interpretation.

I find in the treaty no obligation, legal or moral, to vote for any armament program or for any item of any armament program unless it be meritorious in its own right.

Mr. President, the opponents of the treaty, in addition to assuming that it gives other parties a blank check on the United States, seem also to assume that the collective defense contemplated by the treaty will be more monumental and more militaristic than the total of 12 separate defenses. I confess that I have been surprised by that argument, for I myself have assumed precisely the contrary. I have supported the treaty because, in my opinion, it will make it possible to reduce the very heavy burden of military expenditure which our Nation is now carrying. I came to that conclusion because it seemed to me that the political commitment of the treaty, one for all and all for one, would itself greatly reduce the risk of war. No nation will be likely to assault the combined resources and facilities of 12 nations and the 350,000,000 people who make up this Atlantic community. If the risk of war is reduced, the cost of insurance against that risk should be likewise reducible; and if the 350,000,000 people each carries a fair share of the common defense, then surely that should be less burdensome to each than for each to attempt it alone. Instead of multiplying military establishments, the treaty should reduce them to diversifying and spreading the responsibility.

I am profoundly convinced that the North Atlantic Treaty, if it be ratified, will make it possible at long last to begin to realize the Atlantic Charter promise to lighten for peace-loving peoples the crushing load of armament. That is the way the treaty should work, once it gets into operation, and that is the way I believe the proponents of the treaty intend that it shall work. They do not intend or expect that the treaty shall work in the way its opponents propose. I think it is important to disabuse the other parties to the treaty of any illusion they might have come under as a result of hearing some features of the debate, that the United States Senate interprets the treaty as giving them a right to draw freely upon the United States for their own independent military establishments.

Mr. President, I have a feeling of regret that in all this debate we deal with it so much in a spirit that assumes that under the treaty we are to be the benefactor and others the beneficiaries. We are constantly talking about what we are going to do for others, but we have talked very little about what others are, through this treaty, going to do for us.

The prime minister of one of the gallant small countries of Europe recently said to me:

> If we are attacked, it will be this time because we are your allies and friends; we are no longer an important target of ourselves.

That, Mr. President, is, I think, a fair estimate of the situation, and I think it is worth something to us that there are brave people close to danger who are willing, if need be, to absorb the first shock of devastating attack because they believe in the things in which we believe and want to show solidarity with us. Mr. President, I feel that it is not right to treat such people as mendicants.

Of course, it is never possible to know in advance that legislative authority such as is given for European economic recovery or for the common defense of the Atlantic community will, in fact, be used by the Executive to the best advantage and in the spirit intended by the Congress. I think we must frankly recognize, for example, that under the European recovery program there has been little progress in achieving in Europe a broad market and the reduction of currency and customs barriers which were the great goal.

Some, notably in England, want to limit international trade to a bilateral, governmental bartering of hard goods. That is properly a matter of deep concern to us, for it strikes at the heart of our anti-Communist strategy which depends on increased unity as the fountain for increased vigor.

Despite such set-backs, which are to be expected, and which, in my opinion, can be and must be overcome, the results to date under the European Recovery Act have fully justified the initial appropriations. Future appropriations remain subject to congressional control and to the provision of the act that the continuity of American aid is dependent upon continuity of cooperation as between the European participants.

It is conceivable that, in the future, some of the parties to the North Atlantic Treaty might seek to pervert it by building up great military establishments and bringing about an armament race. If that happened it would, in my opinion, be a grievous distortion of the intent and purpose of the pact. But—and this is vital—that cannot occur under the treaty without our consent, and the Congress, through its control of appropriations, has that situation under its control.

RISKS ARE INHERENT

In any great enterprise there are risks and possibilities of abuse. Such risks have to be taken to defeat the dynamism of Soviet communism. The greatest risk of all is the risk of doing nothing, for the dynamic always prevails against the static. When I say that, I do not say it as an apology for recklessness. Of course, it devolves upon us to seek scrupulously, painstakingly, to perfect and safeguard our programs before we act. The Committee on Foreign Relations has done a great task in this respect, and it has clarified some dangerous ambiguities that were found in the text. But in the end there comes a time for action, and that is where we now are.

Mr. President, no charter, no constitution, no treaty, can be judged merely by its words. Never was there an international instrument which expressed such lofty and noble sentiments as that which created the Holy Alliance. The Soviet constitution is replete with guaranties of human rights, freedom of speech and press, and of religious worship.

This North Atlantic Treaty purports to be an undertaking by the members of the Atlantic community to work together to safeguard free institutions, individual liberty, and the rule of law. Certainly that is a noble purpose. Already, even before its ratification, the treaty has brought new hope to our friends and new discomfiture to those who wish us ill.

Of course, I know that the North Atlantic Treaty has defects and that there are possibilities of abuse. It is not drafted precisely as I would have it. I

know that it could be used as an instrument of militarism or to sabotage the United Nations. I have thought of all the horrid possibilities that have been suggested here—and then some. However, at this stage the decision must be made primarily as an act of faith—or lack of faith—in the American people. It is they who will determine whether this instrument is used for good or for evil. Because there are great possibilities of good, because the need is urgent, and because I have faith in the American people, I support the treaty.

AN INSTRUMENT FOR RIGHTEOUSNESS AND PEACE

All the world is watching to see what we do here. They have seen tension mount. Means of mass destruction are being feverishly developed, and there is conceded risk that mankind may be plunged into an awful abyss. Hundreds of millions, including our own people and peoples throughout the world, look to our Nation as alone possessing the combination of material and moral power needed to lead humanity out of the present peril. That places upon us a great responsibility.

There are those, some deeply devoted to the cause of peace, who would swerve away from any line of effort that is cast in a military mold. But unfortunately no program will suffice unless it provides men with a sense of security as against the menace of those who exalt ways of violence and practice the use of terror.

The North Atlantic Treaty, as I said in the beginning, is not an isolated act. The union of our States was also a measure for common defense, but it was far more than that. Common defense is a part, a necessary part, of every organized community, but it is not the whole. Admiral Mahan said that the function of force in human affairs is to give moral ideas the opportunity to take root. I am confident that the North Atlantic Treaty will never be regarded as an all-sufficient end in itself. Rather, it can provide the opportunity for our spiritual faith to reassert itself in practices that will enlarge men's equal opportunity to develop, morally, intellectually, and materially. That is the core of our new program for peace. I am confident that the individual men and women who make up our citizenry understand that, and that they, with others, can be trusted to infuse into this treaty a spirit which will make it a living instrument for righteousness and peace.

Mr. TAFT. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Ohio?

Mr. DULLES. I yield.

Mr. TAFT. Did I correctly understand the Senator to say that he thought there were no plans as yet to implement the treaty with an arms program, that we had to wait until the consultation under article 9 before we would know there was such an implementation?

Mr. DULLES. I said that there could be no implementation of article 3 of the treaty until the treaty was in force, and until its Council and Defense Committee had made recommendations in that respect.

Mr. TAFT. The Senator is fully familiar, is he not, with the fact that the President has announced that he has worked out plans with foreign nations, and that he is about to present to Congress a program involving some $1,400,000,000 to arm these nations, and that that is an implementation of the Atlantic Pact?

Mr. DULLES. No, I do not so understand. I do understand that there is a program, which will be submitted to Congress, a program which was worked out, as I understand, entirely independently of any treaty, which will be submitted without the Atlantic Treaty, and which will stand, when it comes here, on its own merits

Mr. TAFT. Does not the Senator feel that, for instance, the Prime Minister of Norway came here not only to implement the pact, but, in connection with the implementation of the pact, to get assurance of definite assistance for the providing of arms?

Mr. DULLES. I think the Prime Minister of Norway came here in the hope of getting an arrangement to obtain arms. But the point I make is that there is no commitment in the pact to vote any particular arms program. Any particular arms program stands on its own facts, on its own merits, and can be rejected or accepted as such.

Mr. TAFT. But the Senator's conclusion is that the ratification of the pact imposes no legal or moral obligations to aid any one of the 11 nations who have signed the pact, that is, by providing arms? Is that a correct statement of the Senator's conclusions?

Mr. DULLES. I will try and read just what I said. I do not find it in my text at the moment. I said in substance that I see in the treaty no legal or moral obligation to vote any arms program which is not defensible on its own merits.

Mr. TAFT. Then would the Senator say that we could properly adopt a reservation, asserting our belief that there is nothing in the treaty imposing any legal or moral obligation to provide arms to any nation, in order that when we come to consider the arms program, if there is one, we may be bound in no way by the obligations of the treaty? Would the Senator be willing to vote for such a reservation?

Mr. DULLES. No, I would not; because, in the first place, it is unnecessary; and, in the second place, it is untimely.

Mr. TAFT. If the Senator thinks there is no legal or moral obligation to provide arms, then what possible, logical reason can there be for not voting for such a reservation, and making it clear that from now on we may provide arms for this Nation without providing arms for another nation; that we may provide a particular program we choose to approve without any obligation under the treaty to vote for that program?

Why is it untimely, why is it illogical to ask that such a reservation be adopted, if that is the interpretation which the State Department and the distinguished Senator and the proponents of the treaty say is its proper interpretation? Why should not the Congress, then, adopt such a reservation so there would be no fooling of foreign nations, no misrepresentation, and no claim, when we fail to provide arms, that we have scuttled the treaty and repudiated its obligations before it gets under way? Is it not better to adopt such a reservation now and make sure that there is no misunderstanding among the foreign nations, which certainly exists today, according to the statements of their own representatives?

Mr. DULLES. In the first place, there is an orderly procedure in these matters. Treaties are negotiated and they are signed. There may be occasion for reservation, but certainly the Senate should not attempt to rewrite treaties which require them to go back again to the legislatures—the parliaments—of 11 other countries, unless there is an impelling reason for it. There are a dozen things which this treaty does not do. If we rewrite the treaty by spelling out in it everything that we think the treaty does not mean—everything we do not want it to be—then we will rewrite the treaty, and if we adopt the same procedure we will rewrite every treaty, and the entire treaty-making process will collapse.

Mr. TAFT. The Senator, then, will not join with me in my belief—my very firm belief—that the treaty absolutely commits us to furnish arms to the other nations? Under all circumstances, in view of the words of the treaty itself—and certainly the Senator recognizes that there is a very strong argument in that direction—certainly there is a doubt that ought to be resolved by the Senate and not left to a misinterpretation, which I feel certain the foreign nations are going to place upon the treaty if we ratify it tomorrow.

Mr. DULLES. The Senator may be informed about the views of these foreign governments. I have had very considerable discussion with the heads of most of the governments concerned during the past few months, and it is my very definite impression that they do not consider at all that the getting of arms is dependent upon the ratification of the treaty. I have heard some of them say they would much prefer there was no treaty at all and they could obtain the armaments without a treaty.

Mr. TAFT. I agree, of course, that arms may be furnished without a treaty. The question is whether, having adopted the treaty, we are not obligated to provide arms.

Mr. DULLES. I can only express my own views, and I certainly have great deference for the views of the honorable senior Senator from Ohio. I myself cannot find in the treaty anything which obligates us or ties the judgment of the Congress in the future.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Michigan?

Mr. DULLES. I yield.

Mr. VANDENBERG. Mr. President, it seems to me that this raises a question of interpretation rather than a question of obligation. When the Senate adopted Senate Resolution 239 it advised the

President that it favored the association of the United States by constitutional processes with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid. That language is from the resolution which the Senate adopted. Article 3 of the treaty says:

In order more effectively to achieve the objectives of this treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid—

Precisely the literal language from the Senate resolution—

will maintain and develop their individual and collective capacity to resist armed attack.

I suggest to the able Senator from New York that when the Senate was so insistent upon the phrase "self-help and mutual aid" it had in mind the same phrase which had been written into the European Recovery Program or was in consideration in connection with it. The whole purpose of the phrase was to create a community of responsibility for a common net result. A common responsibility for a net result is one thing. A commitment to act to implement that responsibility is another. I submit to the able Senator from New York that, from the standpoint of the Senator from Michigan, it would be most unfortunate to delete or to undermine a responsibility for mutual acts—self-help and mutual aid—as an objective of this enterprise, and I submit that that in no sense deletes the right of the individual participant in the joint responsibility to exercise his own authority and his own right of decision and discretion under the terms of this treaty.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nebraska?

Mr. DULLES. I yield.

Mr. WHERRY. I am interested in article 3. I should like to ask the distinguished junior Senator from New York the question I have asked, I think, of most Senators who have expressed themselves similarly with regard to whether or not the treaty provides, through mutual aid, arms for the signatory powers. I should like to ask the distinguished Senator this question for the record and in order to help to clarify one of the big problems that exist in my own mind: Does the United States Government, if the treaty should be ratified, commit itself by the words "mutual aid," to provide arms for the implementation of the treaty?

Mr. DULLES. In my opinion, the pact commits the United States to a joint effort to devise a program of collective defense. When that program is submitted it will contain many elements. Presumably there will be provisions for bases, and for armaments here and there. The implementation of the treaty will come before the Congress in some form, and at that time Congress will pass judgment upon whether or not that is an advantageous thing to do, in harmony with the spirit and purpose of the treaty.

Mr. WHERRY. I understand the latter observation very clearly; but that is not the answer I would like very much to evoke from the distinguished junior Senator from New York. If he could say "Yes" or "No" it would help me very much. What does "mutual aid" mean if it does not mean arms? I am trying to resolve that question in my own mind. I do not say this disrespectfully, but only by way of constructive criticism. I think there should be no evasion of a definition of "mutual aid." I am sure that the distinguished junior Senator from New York does not want to evade the definition. Because of his experience he has compelling reasons why he is for the treaty. There are some of us who have not had such experience, and possibly do not know some of the impelling reasons which the distinguished junior Senator from New York knows.

I ask him once again if he cannot assure me as to just what those words mean. Do we mean to include arms in the term "mutual aid"? Is this treaty the vehicle through which other nations can obtain arms? Or do we mean something entirely different from arms? Does mutual aid mean everything else but arms, if this pact is ratified by the United States? If the treaty is ratified, do we commit the United States Government to furnish arms as a part of the mutual aid? I do not refer to the amount of aid, whether it be one rifle or a thousand rifles, one cannon or a thousand cannons, or airplanes, or what not. The question as to the amount of aid is a question for future consideration. By ratifying the treaty do we subscribe to the principle that, if necessary, we shall furnish arms under the definition of "mutual aid"?

Mr. DULLES. When the Senator uses the words "if necessary" he uses big words.

Mr. WHERRY. The Senator can take them out. I should like to have, if possible, an answer to that question from the distinguished Senator from New York.

Mr. DULLES. In my opinion there is no obligation of any kind whatsoever to give arms to any country. In my opinion we will not give arms to some of the countries which are in the North Atlantic Pact. There are countries in the pact which I feel quite confident will not get arms even if they ask for them and rely upon this language in the treaty as giving them the right to get them. In the case of certain countries we would probably deny them. There may be other countries—and I think there will be others—which will get some arms, not because they have a right to the arms, but because in our opinion giving them arms will help the collective defense.

Mr. WHERRY. Can those countries get the arms through any commitment in this treaty?

Mr. DULLES. No; not at all. Let me further elucidate the answer.

Mr. WHERRY. Certainly. I should like to get all the light I can. We have the categorical, affirmative statement that the commitment does include arms, and that it cannot be separated from the treaty. The distinguished Senator from Iowa [Mr. GILLETTE] flatly asserted that we could not separate the two propositions, and that if we ratified the Treaty it would involve a commitment to furnish arms. He made that statement unequivocally. He has had long experience in international relationships. Now the distinguished Senator from New Yorks says that if the Atlantic Pact is ratified this Government does not commit itself morally or legally, in any way, shape, or form, to provide arms under the definition of "mutual aid" in article 3. That is a question which some of us are trying to resolve, and I should like to have all the light I can get on it from the distinguished Senator from New York, who has had so much experience.

Mr. DULLES. In the first place, I point out that in the treaty there is no obligation upon the United States which does not devolve equally upon every other party. So far as the language of the treaty is concerned, and so far as the legal obligation is concerned, the United States has precisely the same right to get arms from France as France has to get arms from the United States.

Mr. WHERRY. I agree with that statement.

Mr. DULLES. Anyone who contends, for example, that France, Denmark, or Norway has the legal right under this treaty to get arms from the United States must admit also that the United States has an equal right to get arms from them.

Mr. WHERRY. I agree.

Mr. DULLES. That is a reductio ad absurdum of the argument that the treaty involves a commitment under which some nations have the right to get arms from others.

Mr. WHERRY. Can France come to the United States and say, "The United States approved this treaty. Therefore it made a commitment under article 3 by which France can get arms from the United States"?

Mr. DULLES. If France should say that, I would say, "Under article 3 you made the same commitment which we made, and we are entitled to get arms from you."

Mr. WHERRY. That is another matter, so far as I am concerned. I can see that there is a mutual agreement. But could France come to the United States immediately after the treaty was ratified and say, "We need arms. You made a commitment for mutual aid. Therefore we would like to have arms." Would we have made such a commitment?

Mr. DULLES. We would not.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DULLES. I yield.

Mr. TAFT. Does the Senator agree with the position of the State Department in the white paper on the subject:

Not until we share our strength on a common defensive front can we hope to replace this temptation—

The temptation to military aggression against western Europe—

with a real deterrent to war. The North Atlantic Pact is an agreement on a policy of a common defense. Its very vital corollary is a program of military aid.

They do not go so far as to say that it is a vital obligation, but they say that its vital corollary is a program of military

aid. Does the Senator agree with that position of the State Department?

Mr. DULLES. I do not know what they mean when they say "corollary." Certainly, having gone into the Atlantic Pact, having obtained the agreement of the Atlantic community to a common defense, there should be consideration of how most effectively to build up that defense. Undoubtedly that will require a study of the program. To my mind the question whether or not we should send arms to any particular country is a wholly open question. I am not a military man, but it seems to me that it would be utterly foolish to send arms to certain countries. Certainly they cannot ask for them as of right.

Mr. TAFT. Has the Senator read the plan which describes how arms are going to every country under the Atlantic Pact, with the possible exception of Canada? That is the full intention of the plan which the President is about to submit to Congress.

Can we not look at the realities of this situation? Must we draw fine distinctions? Can we not realize that these two things are inextricably involved? The State Department says that this is a vital corollary to a program of military aid. If it is such, how can we possibly vote for the treaty and consistently turn down the military aid? That is the problem which I have faced. I cannot see any way in which a Senator can consistently do that. I take it the Senator from New York is not faced with that problem, because I assume that he intends to vote for the military aid. Is that a correct statement?

Mr. DULLES. I do not know what the program will be. I shall certainly exercise an independent judgment on the program when I see it. If in my opinion it is not an advantageous program from the standpoint of the defense of the North Atlantic area, I shall vote against it.

Mr. TAFT. Does the Senator regard the program of military aid as a vital corollary to the treaty, as the State Department does?

Mr. DULLES. No; I do not.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. DULLES. I yield.

Mr. DONNELL. Will the Senator be kind enough to restate the proposition which he has already restated once, in regard to the effect of article 9—in other words, that the obligation of implementation under article 3 does not arise until the Defense Committee, under article 9, has made recommendations? Is that what the Senator said?

Mr. DULLES. Yes. I said that the scheme of the treaty is that recommendations for implementation under article 3 are to be made by the Council and the Defense Committee to be established under article 9.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. DULLES. Certainly.

Mr. DONNELL. Does the Senator understand that the Nations signatory can do only what the Defense Committee recommends?

Mr. DULLES. No. Any nation can do what it pleases.

Mr. DONNELL. It can do what it pleases. So the question of what will be done by way of military aid is not at all dependent upon what the Defense Committee recommends. Is that true?

Mr. DULLES. That is quite true. The United States could give military aid to Canada, even though it were not recommended by the committee.

Mr. DONNELL. Article 3 is the article which provides the obligation for the giving of effective self-help and mutual aid, is it not?

Mr. DULLES. Yes.

Mr. DONNELL. Is there anything in article 3 which, in the opinion of the Senator, says that the obligation under article 3 is contingent on prior action by the Defense Committee under article 9?

Mr. DULLES. I do not find that language in article 3. I find it in article 9.

Mr. DONNELL. I ask the Senator where it is to be found in article 9?

Mr. DULLES. It reads as follows:

> It shall establish immediately a defense committee which shall recommend measures for the implementation of articles 3 and 5.

Mr. DONNELL. Yes. The Senator from New York has just informed us, if I may say so, that the signatories are not bound by what the defense committee recommends, but that the signatories can either accept or reject the recommendations of the defense committee. Is that correct?

Mr. DULLES. That is correct.

Mr. DONNELL. There is nothing in article 9, is there, which says that the obligation under article 3 is deferred until action is taken by the defense committee under article 9?

Mr. DULLES. It is not contained in article 3, but I think one must read the treaty as a whole.

Mr. DONNELL. I think so, too.

Mr. DULLES. There are many things in the treaty that are not to be found in article 3.

Mr. DONNELL. That was not the question I asked, I say most respectfully.

I first started to ask whether there is anything in article 3; and then, after the Senator had said there is nothing in article 3 which makes its provisions contingent upon the provisions of article 9, I then corrected myself and asked where in article 9 there is anything which says that the obligation under article 3 is to be deferred until action is taken by the defense committee under article 9.

Mr. DULLES. I think that is a clear inference, upon reading both of them.

Mr. DONNELL. That is not stated in article 9; is it?

Mr. DULLES. We have there a provision for implementing an article. I think that would be an exclusive provision for implementation.

Mr. DONNELL. Is there anything in the article which says it is exclusive? I wish also to call attention to the fact that the Senator from New York already has stated that none of the nations is bound by the recommendations of the defense committee, so the nations can act just as independently after the recommendation of the defense committee is made as they could before it was made.

So I ask this question: Is there anything in article 9 which says in so many words that action under the provisions of article 3 shall be deferred until action is taken by the defense committee?

Mr. DULLES. Article 9 says that the council shall establish immediately a defense committee which shall recommend measures for the implementation of articles 3 and 5.

Mr. DONNELL. I do not think that is exactly what article 9 says. It says:

> The council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defense committee which shall recommend measures for the implementation of articles 3 and 5.

But I respectfully submit to the Senator from New York, for his comment, that there is nothing which says that the prior action of the defense committee is essential to the coming into effect of the obligation under article 3.

Does not the Senator from New York agree, regardless of what he thinks may be the inference, that there is nothing which expressly says that the obligation under article 3 shall be deferred until action is taken by the defense committee under article 9?

Mr. DULLES. That is not expressed; no.

Mr. DONNELL. The distinguished Senator from New York testified before the Foreign Relations Committee, did he not, with respect to the North Atlantic Treaty?

Mr. DULLES. Yes.

Mr. DONNELL. I ask the Senator from New York if he knew, at the time of his testimony before the committee, that the question as to whether military aid is involved in the treaty and is an obligation under the treaty was one of the questions before the committee.

Mr. DULLES. Possibly I knew; yes.

Mr. DONNELL. Is not that the Senator's best recollection, namely, that he did know that that was one of the questions which was very prominently before the committee?

Mr. DULLES. I do not think it was raised when I was before the committee, but I may have been aware of it.

Mr. DONNELL. Let me ask the Senator whether at any time in his testimony before the committee he made the point which he has made here this afternoon, namely, that the obligation under article 3 is deferred until action is taken by the defense committee under article 9.

Mr. DULLES. I do not think the Senator from Missouri asked me that question.

Mr. DONNELL. At any rate, that point was not made by the Senator from New York. That is correct, is it not?

Mr. DULLES. That is correct.

Mr. DONNELL. Yes.

May I also ask the Senator from New York whether it is true that within 24 hours after the signing of the North Atlantic Treaty here in Washington on April 4, the representatives of eight of the countries under the North Atlantic Treaty presented to the Secretary of State a request, and received an answer, with respect to military implementation to be extended by the United States to those respective countries. Is not that correct?

Mr. DULLES. I believe it is. I might also add, if the Senator from Missouri will permit——

Mr. DONNELL. Certainly.

Mr. DULLES. That we had been giving a very appreciable amount of military aid, without there being any treaty at all, or even before a treaty was drafted. We had given very substantial military aid to France, quite apart from a treaty, because we thought it was a wise thing to do.

Mr. DONNELL. Does the Senator from New York know why it was that the separate requests, first, of the Brussels Pact countries—Britain, France, the Netherlands, Belgium, and Luxemburg—and the three separate requests for arms of three other signatories to the North Atlantic Treaty, were not made until they were presented by documents dated April 5, 1940, or one day after the signing of the North Atlantic Treaty?

Mr. DULLES. I cannot answer that question.

Mr. DONNELL. Let me also ask the Senator whether he agrees with this sentence in the State Department publication to which the Senator from Ohio [Mr. TAFT] has referred, namely, publication No. 22, issued in May of 1949:

> Article 3 does not obligate the United States to provide any definite amount of military assistance or to make any specific contribution.

I may say that I am emphasizing the words "definite" and "specific," but they are not italicized in the text.

Does the Senator from New York agree that article 3 does not obligate the United States to provide any definite amount of military assistance or to make any specific contribution?

Mr. DULLES. I certainly agree with that.

Mr. DONNELL. Let me ask whether the Senator from New York believes it would have been necessary for the words "definite" or "specific" to have been in that sentence if the State Department took the position that article 3 does not obligate the United States to provide any amount of military assistance. Would it have been necessary to have the words "definite" or "specific" there, if the State Department meant to say that article 3 does not obligate the United States to provide any amount of military assistance?

Mr. DULLES. The Senator from Missouri is asking me now to read the mind of the State Department.

Mr. DONNELL. No; I am not, I may say to the Senator, although I beg his pardon for apparently contradicting him. I was asking him for his construction of the sentence to which I have referred. I say this very respectfully, because I am sure all of us value most highly the opinion of the distinguished Senator from New York, and we are delighted to have him here and to have him give us his views; but my point is that the following sentence of the State Department publication No. 22, that—

> Article 3 does not obligate the United States to provide any definite amount of military assistance or to make any specific contribution—

Certainly leads to the inference that the State Department thinks the treaty leads to an obligation to provide some military assistance, although not a definite amount, or to make some contribution, although not a specific one. Is not that conclusion justified from a reading of that sentence?

Mr. DULLES. I think there is certainly an obligation on the part of all the members or signatories to the treaty to provide each other with a certain amount of military assistance. It may be that the best military assistance we can give France is to have an atom bomb somewhere in the United States. If that is so, that is military assistance to France. It may be that the best assistance which France can give us is to provide a base in France. If so, that is military assistance. But to say that this treaty requires the giving of any particular amount of arms, or any arms at all, to any particular country, is, I think, a distortion of the language and intent of the treaty.

Mr. DONNELL. I may say to the Senator from New York that I agree that there is nothing in the treaty which provides that any particular number of guns or bombs shall be furnished, but to my mind it is perfectly clear that there is an obligation—

> by means of continuous and effective self-help and mutual aid—

To—

> maintain and develop their individual and collective capacity to resist armed attack.

It is inconceivable to me that that has any other meaning than that among the items which naturally would be required in order to resist armed attack would be articles which would enable the Nation to resist armed attack—military items, to be specific. I now ask the Senator whether he agrees with this further sentence, which follows the one that I have read. The one that I have read from the State Department publication is:

> Article 3 does not obligate the United States to provide any definite amount of military assistance or to make any specific contribution.

I ask whether the Senator agrees with this next sentence of the State Department:

> It does, however, obligate the United States, as it obligates every other member of the North Atlantic Pact, to adhere to the principle of mutual aid and to exercise its own honest judgment in contributing what it most effectively can to implement the mutual-aid principle.

Does the Senator agree with that?

Mr. DULLES. Yes.

Mr. DONNELL. I ask the Senator whether he agrees with this opinion of the executive branch, as expressed in the next sentence of the State Department's booklet:

> It is the opinion of the executive branch of this Government that the United States can best contribute to the collective capacity for defense of the North Atlantic area by providing military assistance—

Does the Senator agree with that expression of the opinion of the executive branch of the Government?

Mr. DULLES. I do not know what is meant by the State Department when it uses the term "military assistance." If it means that we must make a contribution to the defense of the area, I, of course, agree that we should give military assistance. But, to repeat, the idea that this treaty requires us to build up a military establishment in each one of the 11 other countries is, I think, a fantastic interpretation of the treaty, and I think great harm is done by pressing that construction. The first thing we know representatives of other nations will be around saying, "Well, we are entitled to get this, because the honorable Senators X, Y, and Z said that is what the treaty meant." I do not think for a moment that is what the treaty means, and I believe it is a completely false interpretation and a dangerous interpretation to put on the treaty.

Mr. DONNELL. Mr. President, if the Senator will yield for this further question, I am not certain what his response was to the Senator from Ohio, as to whether he agrees with this sentence in the Department of State bulletin:

> Not until we share our strength on a common defensive front can we hope to replace this temptation with a real deterrent to war.

Does the Senator agree with that statement or not?

Mr. DULLES. I am inclined to agree with it, yes.

Mr. DONNELL. In regard to the next sentence, to the effect that the agreement or that the North Atlantic Pact—I will read it verbatim:

> The North Atlantic Pact is an agreement on the policy of a common defense; its very vital corollary is a program of military aid.

Does the Senator agree with me that the word "vital" means life-giving, and that a corollary is a proposition following so obviously from another that it requires little or no demonstration? Does the Senator agree with me in those definitions of the terms?

Mr. DULLES. I may say to the Senator I do not think I should attempt to explain any qualifying terms which were used by the State Department. I have given my own views about the treaty, and I have expressed them. I am prepared to defend them. But I do not want to go into the field of defending or explaining other people's language.

Mr. DONNELL. I thank the Senator.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Wisconsin?

Mr. DULLES. I yield.

Mr. WILEY. I wish to say to the distinguished Senator from New York that I have listened very attentively to everything he has had to say, I think he has taught this body considerable history. I was one who got a great deal of profit out of the way he developed the march of events. I want to express my gratitude for a job well done. I want to ask a few questions. I know that neither the Senator nor anyone else can look around the corner of the future and, with any degree of certainty, say just what will happen

tomorrow. I know that the Senator personally has become acquainted with the leaders of the various nations belonging to the United Nations, and so I enjoyed that part of his remarks wherein he very clearly told us what the Russian leaders were planning to do and how they infiltrated and worked. The first question I want to ask the Senator is, If we should fail to ratify the pact, what effect would it have (a) on the world, (b) particularly on the Russian leaders, and (c) particularly on the cosigners of the pact, in his judgment?

Mr. DULLES. I have very clear ideas as to what the consequence would be. I would not want to give the impression that in my opinion the pact has to be ratified merely because it has been negotiated. It may be, and often is, that the negotiation of a pact gives rise to a situation which makes it difficult for the Senate thereafter to act. But, personally, I have such a profound respect for our system of government that I would hesitate at any time to say to the Senate that, merely because a treaty has been negotiated, therefore the treaty had to be ratified. I believe the Senate must preserve its freedom when it comes to ratification. But I may say to the Senator that if the impression became prevalent that this country was turning its back on the way of international cooperation upon which we have been going for the past 2 years, in my opinion the consequences would be very disastrous. I think it would be disastrous, not primarily or exclusively to others, but it would be disastrous to ourselves. As I point out, without that cooperation, the other free countries of the world would almost surely fall. We, ourselves, would be encircled and eventually strangled.

Mr. WILEY. Does the Senator want to say what, in his opinion, the particular effect of that action would be on the Russian leaders?

Mr. DULLES. I think I said in my earlier statement to the Senate that in my opinion the slightest sign of that would involve a revival of the cold war in its full fury with greater chance of success than ever before. The greatest defense against this type of cold war is hope, and we have created hope. If we cast down that hope, then I think there is very little to resist the cold war. I deprecate greatly the idea that the only content of the Atlantic Treaty is arms. The greatest content of the treaty is hope, confidence. That is a thing which I think we must preserve for our own sakes.

Mr. WILEY. And if we did not ratify the treaty, it would amount to a crucifixion of the hopes in the minds of the nations who are cosigners of the treaty; would it not?

Mr. DULLES. I believe so.

Mr. WILEY. I should like to ask the Senator another question. There has been some reference in the debate to a third world war. With the Senator's large background and experience, does he think the ratification of the pact would contribute in any degree toward war, or would it lessen the chances of war?

Mr. DULLES. I think it will greatly lessen the chances of war, assuming it is carried out in the spirit which is intended.

Mr. WILEY. Is it the Senator's opinion that the Russian leaders know definitely that this country does not want war and will not engage in a war of aggression, but will fight in defense of its principles and freedom?

Mr. DULLES. I would not dare to answer the question of what they know or think. They are so frightfully misinformed in the Kremlin that it is highly speculative to guess what they think. It is conceivable that they may take a false view of the United States. Of course, as the Senator knows, the Soviet doctrine is that capitalism is inherently a war-making system, and they may have taught that sufficiently so that they may believe it as a matter of doctrine; I do not know. But that is the reason I do not care to answer the Senator's question categorically.

Mr. WILEY. It has been my idea, in view of the facts abroad in the world, that the pact would be complementary to the United Nations, and would not in any way weaken the United Nations. I believe the Senator stated that his idea is, if we agreed to the pact, it would strengthen the United Nations. Is that correct?

Mr. DULLES. I said that; yes.

Mr. WILEY. The position has been taken on the floor that what is needed is an extension of the Monroe Doctrine to include all territory included in the pact. It was stated that if there were a violation of the doctrine, we would fight. What distinction does the Senator see between that position and the position taken in the pact? The pact contemplates establishing a consultative group and acting in any emergency that might arise. If we extended the Monroe Doctrine—I mean, on an effective basis, not on any mere legalistic basis——

Mr. DULLES. The Senator means, What is the difference between this pact and the Monroe Doctrine?

Mr. WILEY. If we extended the Monroe Doctrine to all the territory included in the North Atlantic Pact.

Mr. DULLES. One advantage of the pact, as against a unilateral declaration, is that we acquire dependable allies—at least, in my opinion, they are dependable. Whether any allies are ever dependable, I do not know. But in the light of history, if the parties realize and believe that they have to defend the same things we have to defend, I believe they are dependable, and in that way I believe we get a much more effective unity and defense than that which we would get by a purely unilateral declaration. Above all, I believe it is possible, with definite commitments of this sort, to obtain a solution of the problem of Germany. We keep forgetting the problem of Germany. In my opinion, over the next 5 or 6 years we are going to realize that it is a more serious problem, perhaps, than is even the problem of the Soviet Union. It is necessary in that case to find a way of bringing the German people clearly within the orbit of the West. If we do not do that, they will go to the East; and if there is a union of Russia and Germany, the whole situation in Europe is lost. But the peoples who have been the victims of German aggression will not bring the Germans into their intimacy unless there is added dependably the strength of the United States.

Mr. WILEY. If this pact should become the law of the land, it is the Senator's opinion that it would give us a lever by which to work out the German problem, which we would not have if we simply made a declaration like that of the Monroe Doctrine.

Mr. DULLES. That is correct. I talked with the Minister of Foreign Affairs of France last month about bringing Germany into the Council of Europe. I think the western German Government should be brought into the Council of Europe. But France is not willing that that should be done unless there is something like the North Atlantic Pact.

Mr. WILEY. We fought two World Wars without notifying the world beforehand that we would fight or permit ourselves to be drawn in. The Senator has been acquainted with what we call the "ground" over there; he has been in contact with the peoples of the various nations, including representatives of the Russian Government. I am wondering what effect, in the Senator's opinion, psychological or otherwise, the execution of this pact would have upon the potential aggressors in the world.

Mr. DULLES. I think it would be a great deterrent.

Mr. WILEY. I thank the Senator.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. DULLES. I yield to the Senator from Utah.

Mr. WATKINS. I am very much interested in the statement about what the effect will be on Germany. I am wondering if the Senator has taken into consideration the fact that Germany is to be stripped and is being stripped of all industries which might be used for the rebuilding of armaments, and that she is being completely disarmed, not only by taking her arms, but taking away all the means of providing arms, so that she will not be able to manufacture planes or operate any planes except a few for commercial purposes. Is there any reason why, with France armed, with Belgium armed, and with England armed, a completely disarmed Germany should be a problem to them?

Mr. DULLES. What the Senator says reminds me of what was said, almost exactly, in the last 1920's. Germany was disarmed under the Treaty of Versailles, just as completely as she is disarmed at this time. She was not allowed an airplane, a submarine, or to put up an arms factory. What happened? I have been through that once, and no one can trick me about it a second time. I helped to write the provisions of the Treaty of Versailles and I saw how futile they were in the great march of events.

Mr. WATKINS. Under the League of Nations it was provided that there would be a group of inspectors to check Germany to see that she was not being rearmed.

Mr. DULLES. That was all under the Treaty of Versailles; yes.

Mr. WATKINS. France had a very large standing army, a very heavy force,

probably the greatest in the world at that time. Is that correct?

Mr. DULLES. Yes.

Mr. WATKINS. What was lacking was the will to see that the treaty was carried out. The lack of will was in France, in Great Britain, and in other countries which had the power to have stopped Germany's rearming. Is not that correct?

Mr. DULLES. No.

Mr. WATKINS. Are we going to take the Allies with us in seeing that Germany is disarmed, or are they going to be dependent on the United States to see that Germany does not rise again? Are the other countries going to have a share of the responsibility?

Mr. DULLES. No treaty in regard to Germany will guarantee peace, unless it be a treaty which in essence is self-enforcing. We cannot depend upon written words being enforced. What do I mean by "self-enforcing"? I mean that we must bring Germany into the orbit of a peaceful community where the German people have an adequate outlet for their energies and ambitions along peaceful lines. If they can act affirmatively with peaceful intent, the people will accept it, but if we rely merely upon a prohibition, that system always fails.

Mr. WATKINS. Is there any reason why Germany cannot be brought into that sort of an arrangement?

Mr. DULLES. Yes; provided there is the North Atlantic Treaty.

Mr. WATKINS. Without the North Atlantic Treaty?

Mr. DULLES. I see no possibility whatever.

Mr. WATKINS. I invite attention to article 3, which has been discussed. I want to see if I clearly understand it and if I have summarized correctly, what the Senator says the treaty does not bind us to do. Is this a fair summary of what the Senator has said?

> Nothing contained in article 3 or any other part of the treaty creates a legal or moral obligation on the part of the United States to furnish or supply arms, armaments, military, naval, or air equipment, or supplies to any other party or parties to said treaty.

Mr. DULLES. Unless that is deemed meritorious of itself.

Mr. WATKINS. Is that a fair summary of the Senator's position that that is what the article means?

Mr. DULLES. Yes.

Mr. WATKINS. I call to the Senator's attention the fact that that is the exact wording of a reservation I have proposed to the treaty, and I ask again if that is a correct statement of what the Senator thinks the treaty means? Would there be any harm done in adopting that kind of a reservation?

Mr. DULLES. There would be great harm, I think, even disastrous harm, in adopting it, because, in my opinion, it is quite unnecessary. There are 15 or 20 important interpretative statements in the extremely able and thorough report of the Senate Committee on Foreign Relations. I think it is appropriate to make such expressions of interpretation, but I do not believe that in a treaty which has been negotiated and ratified by many parties it is appropriate to attach a reservation merely to express in other language what is already contained in the treaty.

Mr. WATKINS. If there is a dispute as to what it means, and if it appears that the other parties to the treaty have a different understanding, does not the Senator think it would be wise to have language written into a reservation which would make the treaty mean the same thing in Copenhagen, Oslo, London, and Paris, as in Washington?

Mr. DULLES. That is an "if" which does not fit the facts. I have never heard anyone, except on the floor of the Senate, suggest that the treaty means other than what is there stated, and that it gives every one of those nations the right to come to us and demand arms, as of right.

Mr. WATKINS. Was the Senator here yesterday when the senior Senator from Ohio read the dispatch from Mr. Sulzberger, correspondent of the New York Times, I think dated in one of the Scandinavian countries, in which he quoted either the Prime Minister of Norway or Denmark, or both, to the effect that they considered this pact more or less as an account on which they could draw, and they were surprised they were not already getting arms, or provisions had been made for them to get arms?

Mr. DULLES. I heard that.

Mr. WATKINS. That is later than any time the Senator has had occasion to talk with any of these prime ministers, is it not?

Mr. DULLES. It is later, but it is not as reliable.

Mr. WATKINS. I would not dispute the word of the distinguished junior Senator from New York, but from what I have seen in the conduct of the prime ministers, and the countries they represent, there seems to be an impression overseas, among the signatories to the pact, that there is some kind of a commitment of armed assistance. I call the Senator's attention to the fact that every one of these men, as I recall, at least a majority of them, when they were here as the representatives of their countries to sign the pact, had applications in for armed assistance, and the program was considered. I think it was referred to by General Bradley, Secretary Johnson, and others, in testimony before the Committee on Foreign Relations. They had in requests, and there was a kind of a program which I believe totaled up to $1,130,000,000.

With that kind of a situation, and a proposal being readied and sent to the Committee on Foreign Relations, does not the conduct of these people indicate very clearly that that is what they think the compact means, that it does contain some kind of a commitment for armed implementation?

Mr. DULLES. No. If the Senator says, Do these people expect to get some arms, I will say that some of them do, but if he asks me whether they think they are entitled to them under the treaty as a right, the answer is "No."

Mr. WATKINS. Then, why would it hurt them in any way to say this treaty does not mean we are going to furnish them any arms?

Mr. DULLES. I did not say we were not going to furnish them.

Mr. WATKINS. I say, if there is no moral or legal commitment under this pact to give them any arms, how can it possibly hurt if they so understand it? We have seen evidence to the contrary, but the Senator thinks that is their view. How could they be hurt if a reservation of this kind were adopted?

Mr. DULLES. There would be some damage, because, as the Senator knows perfectly well, if the reservation should be adopted, it would require the treaty to go back through the entire process of renegotiation and resubmission. That is a serious step to take, and it is a step which should not be taken unless there were greater ground for it than seems to be the case.

Mr. WATKINS. It has never caused any great difficulty in connection with treaties heretofore negotiated which had reservations attached; has it? I call the Senator's attention to the so-called Mexican Water Treaty. Reservations were attached to that treaty on both sides. It did not take any great time to take care of that. The treaty was finally adopted. It need not cause much difficulty where parties are seeking to have a thing done. It seems to me that it would be much better to decide this question now, and have it understood, than to try to debate later whether the treaty means one thing or another. Would not the Senator agree with that statement?

Mr. DULLES. No; I would not.

Mr. WATKINS. Let me call attention to article 5. I did not hear the first part of the Senator's address, I am sorry to say; I am sure I missed something on this subject. I wonder if the Senator still has the same view of what article 5 means which he entertained when he appeared before the Committee on Foreign Relations. Let me call his attention to the record on that point. Referring not only to article 5, which I think was under discussion, but also to the rest of the treaty, the Senator said:

> The proposed treaty poses clearly the issue of certainty and immediacy. It says that an armed attack against one of the parties in the North Atlantic area "shall be considered an attack against them all." That seems to me to be reasonably plain English. It means, I take it, that an armed attack upon Denmark, for example, is hereafter to be treated by the United States as an attack upon it.

Mr. DULLES. That is still my view.

Mr. WATKINS. That an attack on Denmark would be considered the same as an attack on the United States. That is still the Senator's view?

Mr. DULLES. It is.

Mr. WATKINS. What the Senator had in mind when he said that this treaty "poses clearly the issue of certainty and immediacy" was in line with what the theory of the treaty seems to be, namely, that in the event any aggressor attempts to make an armed attack on any of the signatory nations there will be overwhelming force employed by the other signatories immediately and surely. That is the purpose of the treaty, is it not?

Mr. DULLES. What did the Senator say—"immediately," and what?

Mr. WATKINS. And surely. I could have left out the word "surely," and perhaps it would have been better. There will be no doubt about our going immediately with this overwhelming force, will there?

Mr. DULLES. I took those words out of the report of the Committee on Foreign Relations, or perhaps out of the language of the resolution which was adopted in June 1948, the so-called Vandenberg resolution.

Mr. WATKINS. It is the Senator's view that the treaty does set up an organization which will assure, certainly and immediately, overwhelming action against any aggressor against any 1 of the 12 nations?

Mr. DULLES. When the Senator says "overwhelming action"——

Mr. WATKINS. I wanted to employ the language used by some of those who tell us about how strong this pact will be and what a deterrent to war it will be. At least an aggressor is going to meet this great force bound up in the group of nations known as the North Atlantic group. The Senator went so far as to say, did he not, that if there were any doubt as to whether there was going to be any action, it should be debated now. I call his attention to a quotation from his testimony:

> If there is any doubt what we are going to do under those conditions, I think the time to debate that is now.

The Senator meant by that, did he not, before the treaty was signed, or at the time it was being signed?

Mr. DULLES. That is correct.

Mr. WATKINS. The Senator continued:

> Once war starts we can't afford to have that great debate because it is too costly and the enemy gains too great an advantage.

Is that still the Senator's view?

Mr. DULLES. Yes.

Mr. WATKINS. And the Senator feels that this treaty does commit us to treat an attack upon any one of the other signatory nations the same as an attack upon ourselves, and that we should act in the same way, respond in the same way—I do not mean in every detail, but in the same general way—as in the case of an attack on us.

Mr. DULLES. The Senator starts out with accurate expressions, but spoils it by putting in something else.

Mr. WATKINS. What I mean is to bring out the inevitable conclusion. Sometimes one starts out with something and then concludes with something else he does not necessarily have in mind when he starts.

Mr. DULLES. The treaty says that an armed attack against one shall be considered an attack against all. I think that is what the treaty means.

Mr. WATKINS. The Senator still stands by that?

Mr. DULLES. Yes.

Mr. WATKINS. I also understood the Senator to say in his testimony before the Committee on Foreign Relations that Congress would still have the right to declare war, and we would have to go through with our constitutional processes. Is that correct?

Mr. DULLES. I said that in my opinion the treaty did not change the constitutional balance of power between the President and Congress.

Mr. WATKINS. Does the Senator think a fair statement of the constitutional position in which the United States would find itself would be as follows:

The United States assumes no obligation to restore and maintain the security of the North Atlantic area or to assist any other party or parties in said area, by armed force, or to employ the military, air, or naval forces of the United States under article 5 or any article of the treaty, for any purpose, unless in any particular case the Congress, which, under the Constitution, has the sole power to declare war or authorize the employment of the military, air, or naval forces of the United States, shall by act or joint resolution so provide.

Is that a correct statement of the position in which the United States actually is?

Mr. DULLES. No; I think it is not correct.

Mr. WATKINS. What is the Senator's position?

Mr. DULLES. I do not wish to yield to the extent of becoming involved in a long discourse, a law lecture, so to speak, about the constitutional twilight zone in this area between the President and the Congress.

Mr. WATKINS. I had no intention of bringing that up. I merely wanted to know whether the Congress would actually have to declare war before the armed forces of the United States could be used in event of an attack upon any of the other signatories, other than the United States.

Mr. DULLES. There seems to prevail in some quarters a curious delusion that the whole world is bound by the Constitution of the United States, and that there cannot be war until Congress declares it. I wish that were the case. Unfortunately there can be war, and there have been wars, without the Congress declaring war. In the case of the last 8 or 10 wars we have been in, they were wars before Congress declared war. That can happen again.

Mr. WATKINS. Where the attack was made on us?

Mr. DULLES. Yes.

Mr. WATKINS. That, of course, is something which occurs. But this is a different story, when we are bringing in and making as a part of our territory the territory of some other government, of some other people. Does not that bring an entirely new principle into the situation?

Mr. DULLES. It might be said that it is comparable to the attack on Hawaii. There is nothing whatever in the Constitution which creates an obligation upon the Government of the United States to defend Hawaii. There is an obligation to defend the States if invaded, but nothing relating to Territories at all. But who doubted at all that the attack upon Hawaii was an attack upon the United States; and who doubted at all that the President of the United States had the right, even without waiting for Congress to take action, to order our troops to return the Japanese fire?

Mr. WATKINS. Is it not true that Hawaii was not under a foreign flag, but under our own, that it was one of our outposts that might be considered a definite point of defense?

Mr. DULLES. That is quite true. It is also true that we have the right to consider, if we wish, that an attack anywhere which we think is against us can be treated as an act of war. There is no reasonable doubt in the mind of any person that if there is an armed attack upon the Atlantic community, whether it comes from the Soviet Union or whether it comes from Germany, that attack in reality is an attack against the United States. We would be the object of the attack. Everybody recognizes that fact.

Mr. WATKINS. Would that be recognized, let us say, 5 years from now?

Mr. DULLES. Yes.

Mr. WATKINS. How do we know it would be, with the constant changes and the fluctuations which have occurred in the foreign situation even during the last few years? We are entering into the realm of prophecy, are we not, when we say that the same conditions are going to exist 5, 10, 15, or 20 years from now. Will the Senator from New York yield for that question?

Mr. DULLES. I think I am through yielding. It is almost time to recess.

Mr. WATKINS. I thank the Senator for his courtesy.

Mr. DULLES. I will conform to the usual Senate procedure.

Mr. TAFT rose.

Mr. DULLES. I see the honorable senior Senator from Ohio wants to put a question to me.

Mr. TAFT. I wonder if the Senator from New York does not feel that this pact, with the arms provision, is more likely to be an incitement of Russia to war than a deterrent, taking the whole picture as one, regardless of obligations?

Mr. DULLES. That is a difficult question. In all frankness, I will say to the honorable senior Senator from Ohio that a good many people, including myself, shared doubt as to what the Soviet reaction would be when this treaty was first negotiated, and when Scandinavian countries were brought in. I say that doubt was shared by many responsible people.

Mr. TAFT. May I say that I think the Senator's own statement roused the first doubt in my own mind? It may have been in accord with what I was thinking at the time, but I think the Senator's statement aroused more doubt in my mind than any other statement which was made on the subject. I refer to the speech the Senator from New York made in Cleveland to the church group.

Mr. DULLES. I had a real doubt about that. I am bound to say that at the present time that doubt is somewhat resolved, and the present information I have about the conditions in Europe, and what I get from our military people about the disposition of Soviet forces, leads me to believe that the treaty will not be treated by the Soviet Union as provocative of war.

Mr. TAFT. The Senator said, as he well remembers—and I read from a news dispatch published in the New York Times on March 9, 1949.

JOHN FOSTER DULLES bluntly warned the negotiators of the proposed Atlantic Pact today to avoid all commitments that might be construed by the Soviet Government as "bringing United States military might" directly to Russia's Scandinavian border. At the same time he cautioned against permitting "military judgments" to dominate national policy.

* * * * *

While the Soviet Government has no present intention of resorting to war as an instrument of national policy, nevertheless, said Mr. DULLES, "it can be assumed that the Soviet state would use the Red Army if its leaders felt that their homeland was imminently and seriously threatened."

The Senator pointed out that military aid to Norway does provide American military might on the borders of Russia.

The Senator has changed his mind as to the dangers of the pact under those circumstances, has he?

Mr. DULLES. Not wholly so. In the first place, I have reason to believe that the warning which I gave at that time publicly, and which was a public expression of private views I had been entertaining, did perhaps have some effect upon the program which was under consideration with regard to Scandinavia. I do not think—and there were statements to that effect made—that it is now proposed to bring American military might directly to the borders of the Soviet Union. I made that statement in the hope that it would have some such result. I think it has had some such result, and in my opinion the risk of war is not so great as I thought it might be under other circumstances.

Mr. TAFT. Does the Senator feel that it was a mistake to include Norway and Denmark in the North Atlantic Treaty?

Mr. DULLES. It was my original view that the Atlantic Pact could more wisely have included, at least in the first instance, only the Brussels Pact countries, because in my opinion, I looked upon the Atlantic Pact as perhaps most useful in relation to helping to solve the problem of Germany, and I wanted to see the countries on the continent of western Europe built up, strengthened, and rendered less fearful in order to be able to proceed more quickly with the problem of Germany. I felt that bringing in the Scandinavian countries, and perhaps also Italy, involved precipitating what might be a second stage, and that it would have been better to concentrate first upon the Brussels Pact powers. But even though my views in that respect were not carried out, I do not think that the inclusion of these other countries, particularly in the light of what has happened since, is any adequate reason for not voting to ratify the pact.

Mr. TAFT. The Senator made a very effective argument with respect to that point. He said:

It would, indeed, involve a high tribute to Soviet leaders to assume that, under these circumstances, they would exercise more self-control than would our people under comparable circumstances, as, for example, if the Soviet Union had military arrangements with a country at our border.

And, of course, Norway has a hundred miles of frontier along with Russia in the north. Is not that a correct statement?

Mr. DULLES. Yes.

Mr. TAFT. The Senator feels, however, that that fear is not so great as he thought it was in March? Does the Senator think the conditions have changed?

Mr. DULLES. I think the situation has changed, yes.

Mr. TAFT. The Senator referred to military judgment. I wondered whence came the thesis he referred to at Paris, that we should reject any four-power consultation in the future. Does the Senator feel that was this military judgment which he felt should not dominate national policy?

Mr. DULLES. I do not think that there should be any attempt on the part of the United States artificially to stir up or maintain tension merely because it is believed that that is necessary to get the American people and the Congress to do the sensible thing. There are people who believe that we act only from fright. I believe we can act from reason and hope.

Mr. TAFT. Does the Senator think the whole arms program is perhaps the result of military judgments dominating national policy?

Mr. DULLES. To which arms program does the Senator refer?

Mr. TAFT. The program which the President announced he intends to submit to Congress, calling for an expenditure of $1,450,000,000 to arm Norway, on the borders of Russia, as well as other countries.

Mr. DULLES. I have no doubt that the program reflects military judgment. It does not necessarily reflect my own.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. DULLES. I yield.

Mr. HOLLAND. First I should like to express my appreciation to the Senator for the clear and completely understandable exposition of this exceedingly complex question which he has given the Senate. I particularly like that portion of the Senator's exposition in which he gave answer to the question which was asked as to why this method of approach, through a pact, was superior to a unilateral declaration such as the Monroe Doctrine. In connection with that portion of his remarks I should like to ask the Senator a question predicated upon an observation which it seems to me might possibly add a factor to this entire discussion which I have not heard mentioned.

I recall that at the time of the signing of the pact on April 4, which was a highly dignified and encouraging occasion, attended by most Members of the Senate, Mr. Bendiktsson, Foreign Minister of Iceland, in making remarks on that occasion called attention to the fact that his country, which had had independent existence for 1,000 years or more, had not had any armed forces, and did not pretend to aspire to have any armed forces in the future. As I recall his statement, he made it clear that his country came into the pact both to show its moral agreement and accord with the purposes and objectives of the other signatory parties, and also to make it clear that geographically the people of his country expected to lend their country to the joint purposes which were embraced in the objectives of the pact.

With that as a beginning, it seems to me that this question might well be asked at this time: Does not the Senator think that one of the very great superiorities of the method of approach in this instance, namely through the pact signed by the many countries in the community of the North Atlantic nations, over the approach through a unilateral declaration, is that through this approach there have been made available bases of operations from at least three countries who could add nothing, or very little, from a military standpoint? I refer to Iceland, Denmark, and Portugal, which have given assurances of vitally important bases in Iceland, Greenland, and the Azores, as well as other islands belonging to the Portuguese, which are of inestimable value in any plan for the defense of the North Atlantic area. Such a value could not possibly have entered into this program other than through a pact to which the owners of those areas were parties signatory.

I should appreciate a comment from the Senator on that particular point.

Mr. DULLES. I agree with that statement. That is in line with what I have said, that through an agreement we get a reliable relationship which is mutual, as against a purely unilateral declaration. I think this subject could perhaps have been approached in either way; and there are a good many arguments in favor of one as against the other. It is not entirely a clear proposition.

However, I remind the Senators of the fact that the Latin American countries became very much irked over the fact that the Monroe Doctrine was a unilateral declaration. They felt that it was undignified and put them in the position of being under a sort of protectorate. They did not like it. When the transition was made at the Rio Conference, at which the Senator from Texas [Mr. CONNALLY] and the Senator from Michigan [Mr. VANDENBERG] were representing us, and when that policy was finally transformed into a multilateral arrangement, it put all our relations with those people on a better basis than had been true under the Monroe Doctrine. There is an element of superiority about a declaration like the Monroe Doctrine which is resented by self-respecting, independent peoples who feel able and willing to make their contribution to the common goal.

Mr. MORSE and Mr. WHERRY addressed the Chair.

The VICE PRESIDENT. Does the Senator from New York yield, and if so, to whom?

Mr. DULLES. I yield first to the Senator from Oregon.

Mr. MORSE. Mr. President, I have only one or two questions to ask the Senator from New York. They deal with the question of moral obligation. I am sure the Senator from New York will agree with me that the American people are very sensitive when it comes to the question of carrying out their moral obligations. Whenever we as a people have

a moral obligation, we take pride in the fact that we live up to it.

I am inclined to think that there is a little misunderstanding and some confusion in the country in regard to the question of moral obligation in relation to the pact. I would appreciate it very much if the Senator would help me in my own thinking on the subject.

I intend to vote for the pact, feeling that in doing so my vote carries with it the moral obligation on the part of my country, in mutual aid of and cooperation with the other signatories to the pact, to do those things necessary to protect the members of the pact from aggression by any country which seeks to make war upon them. It seems to me that that is an underlying, inescapable moral obligation.

I am sorry that I am not putting this in the form of a question. I am putting it in the form which will be most helpful to me in my own thinking if the Senator from New York will make comment upon it when I finish this very brief observation.

That is one moral obligation which I think my country assumes the moment we ratify this pact. It seems to me that we cannot escape a moral obligation to give whatever military aid is within our power, consistent with our economic abilities, to assist any member of the pact militarily to protect itself from armed aggression on the part of any violator of the peace of the world.

I mean no criticism of any Member of the Senate, but I make these comments because it seems to me that there has been just a little failure to come face to face with what I think is the underlying moral obligation of this pact, which I think the Senator from New York stated very clearly in an example which he used in the course of his speech. He clearly pointed out that, after all, by ratifying this pact we are not taking on unilateral obligations. Exceedingly great obligations are being assumed by millions of people who will be much closer to the first firing line than we shall be in case war should break out. People who live in the very shadow of what we all know is the greatest potential aggressor in the world are willing to risk their all to make the first defense against the aggressor. That contribution of position on their part, if I may put it that way, carries with it the moral obligation on our part to support whatever arms program the facts may show is needed in order to see to it that the members of the pact are immediately protected from an aggressor.

With that explanation, I put this question: Is it not true that if and when we ratify this pact the American people should understand that we have undertaken a moral obligation under the pact to cooperate with all the signatories thereto in providing for the members of the pact the military defense necessary in order to protect us all against an aggressor?

Mr. DULLES. I agree with that statement. The important distinction to make, I think, is that the acceptance of the proposition which the Senator puts does not give any individual member the right to get any particular thing from any other member. The analogy is not perfect, but if we take the case of the United States of America, no particular State has a right to get any particular armament within its borders to defend it from invasion.

Mr. MORSE. I agree.

Mr. DULLES. There is a responsibility of the whole which must be discharged honorably, but that does not give any particular member the right to demand any particular arms or aid for himself.

Mr. MORSE. I agree.

Mr. DULLES. Nor in my opinion does it require us to build up each one of these states so that it alone can defend itself by what is within its own territory. It may be that, just as the best defense of the State of New York may be something that is in the State of Maine or in the State of Florida, so the best defense of the North Atlantic community may be something that is in the United States. But certainly there is no right on the part of any particular member of the North Atlantic community to make any particular demands upon the others. There is a duty upon all of them to act as a part of that community and to carry out their common obligation to take steps for the best defense of all of them as a whole.

Mr. MORSE. I agree. Speaking for the record now, so far as the people of my State are concerned, I want the people of my State to know that when I vote to ratify this pact, I also believe that I am undertaking a moral obligation to vote, in the future, funds for the people of the United States to supply such military assistance as we can supply within our economy, without doing great damage to our economy, to protect all the members of the pact from a potential aggressor.

Therefore, I ask the Senator from New York whether I state the matter correctly when I say that when we go into this pact we do undertake an obligation to work out, with the other signatories to the pact, an area-defense program, to which we will make a contribution; and, of course, all of us know that necessarily, because of our great war-making potential, so far as production is concerned, it will be a substantial contribution to the area-defense program? Is that a correct statement?

Mr. DULLES. Yes; I think so.

Mr. FERGUSON. Mr. President, will the Senator yield to me for a question?

Mr. DULLES. I yield.

Mr. FERGUSON. I should like to ask the Senator from New York whether he feels that article 3 confers upon the Chief Executive any powers he does not already possess, insofar as it would permit him to give effective self-help and mutual aid. I ask that question for the reason that the Senator from New York has indicated that, without the pact, the United States Government has given aid to France—I believe the Senator from New York specified France; if he did not, I shall specify it—in other words, has given surplus arms, without an appropriation for that purpose.

I ask this question because there are many Senators who are concerned with the question of implementation of the treaty by arms, and they feel that they are not bound to vote to implement it because there is no legal obligation or moral obligation to that effect, but that it is a matter of their conscience, after they become familiar with all the facts and circumstances. I should like to have the able Senator from New York tell us, for he has had a great deal to do with the formation of the pact and of the foreign obligations of the United States, whether he believes article 3 confers on the Chief Executive anything he does not already have.

Mr. DULLES. No; I think not.

Mr. FERGUSON. The Senator from New York is satisfied, is he, that under this pact the President would not be given any powers he does not already have, insofar as the supplying of arms or of effective self-help and mutual aid are concerned?

Mr. DULLES. Yes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. DULLES. I yield.

Mr. WHERRY. If I correctly understood the question asked a moment ago by the distinguished Senator from Oregon [Mr. MORSE], it was the same one which I asked of the distinguished Senator from New York earlier in the afternoon. I simply wish to be sure that I understood him correctly, because he answered my question categorically "No," that there will be no obligation upon the part of the United States, if the Senate ratifies this treaty, to provide arms as mutual aid. Did I correctly understand the Senator's answer to my question?

Mr. DULLES. The answer to the question of the Senator from Nebraska, in my opinion, "No." But I understood the question of the distinguished Senator from Oregon [Mr. MORSE] to indicate a moral obligation to develop an area defense, which might or might not involve arms in any particular place. Was I correct in my understanding of the question of the Senator from Oregon?

Mr. MORSE. Mr. President, my question was this: Do we undertake a moral obligation to build up a program of area defense; and I think the record will show—if not, let me say now—that that will include, of course, considering our great capacity for the production of war matériel, making a substantial contribution through a defense establishment which will protect the nations against an aggressor.

Mr. DULLES. If the Senator says the United States will make a substantial contribution to the defense of the North Atlantic area, I certainly agree. The question of where that contribution shall be made is, I think, wholly an open question.

But I do not think there is any obligation at all under the treaty to send any particular force or strength to Norway or Denmark or France or the Benelux countries or to Portugal or any other place.

Mr. MORSE. Does the Senator from New York think there is any obligation, under the treaty, after the parties to it have worked out what they consider to be a necessary area defense, for our country to cooperate with them in carrying out that defense program; or would we violate an obligation if at that

time we said, "Well, we are sorry, but we do not propose"—for example—"to supply the number of airplanes the defense council thinks is needed in order adequately to defend the signatories to the pact"?

Mr. DULLES. Does the Senator mean that if the recommendation made under article 9 should call for sending American supplies to Norway or France, we would be free to reject the recommendation? In my opinion, we would be free to reject the recommendation on the ground that it did not effectively carry out the defense. I do not think we can repudiate the obligation of working out together a defense of the entire area.

Mr. MORSE. Does not the Senator from New York think there will be very great danger, under those circumstances, of our appearing in the eyes of the other countries of the world as insisting upon a unilateral determination of what an adequate defense program would be?

Mr. DULLES. I think we are entitled to exercise an honest judgment about the recommendations.

Mr. MORSE. I agree; but, in exercising that honest judgment, does not the Senator think that one of the operative facts necessarily must be an underlying moral obligation or commitment which we take unto ourselves when we ratify this pact, to become a cooperative member with the other signatories in effectuating a defense program which the other signatories are able to agree to, with our cooperating in its draftsmanship?

Mr. DULLES. Yes; but I do not like this moral obligation angle very much, because I think when one deals with treaties, and so forth, he deals with legal obligations rather than moral obligations. Moral obligations are rather loose things.

Mr. MORSE. I have the greatest respect for that point of view; but I would venture most humbly the suggestion that no treaty can ever be more than a scrap of paper, if it is to be bottomed only upon its so-called legal obligations. But I think the great strength of treaties such as this, and of other treaties, is that the parties have recognized the moral obligations underlying the treaties, which sometimes are not spelled out in crystal clearness in the language found in the treaties. So far as I am concerned, I am perfectly willing to vote to have the people of my country go along with the Atlantic Pact, on the assumption that there is an underlying moral obligation for us to engage in teamwork with the signatories to the pact, by way of cooperating to the end of taking the military steps necessary to protect any signatory to the pact from a potential aggressor.

I think that will involve—and I believe the American people should be told it will involve, particularly in the first few years of the 20-year period, until the other countries become economically rehabilitated, expenditures of huge sums of money for defense equipment, for military equipment, to be distributed among the signatory countries in accordance with whatever defense program the area council may work out. But I find difficulty in drawing the line of distinction between our being under no obligation to vote funds for military equipment, and the moral obligation to which I feel at least we bind ourselves, when we approve the pact, to take such steps as may be necessary in cooperation with the Security Defense Council, to protect any member of the pact from the danger of potential aggression. I think it is necessary to do it, if we are going to have any chance of winning the peace through this pact. Unless Soviet Russia knows that the forces of America and of France and of England and of Norway will be thrown behind Denmark, and likewise, unless Soviet Russia knows that the forces of those countries, plus Denmark, will be thrown behind Italy, then I think it is a scrap of paper containing some very fine pronouncements, but with sinew in it only to the extent that we make clear we are going to back it up by what I think will be substantial appropriations for military assistance, if the trend in Europe shows a need to pour into that area necessary military equipment to make a very definite show to Russia that we mean business.

Mr. DULLES. If I thought the treaty meant that we had to build up on the continent of Europe a military establishment sufficient to withstand an all-out assault by the Soviet Union, I certainly would not vote for the treaty.

Mr. WHERRY. Mr. President, will the Senator yield further?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Nebraska?

Mr. DULLES. I yield.

Mr. WHERRY. Then the Senator's answer to the distinguished Senator from Oregon is that we are under a moral commitment to carry out the obligations he has just expressed, is it not?

Mr. DULLES. Not as I now understand.

Mr. WHERRY. That certainly clears the record, because prior to this time I understood unequivocally that the distinguished junior Senator from New York said that there was no moral or legal obligation to provide arms under the mutual-aid provision of article 3. Am I correct?

Mr. DULLES. That is correct.

Mr. MORSE. Mr. President, will the Senator from New York permit me to offer just one observation on his last comment?

Mr. DULLES. I yield.

Mr. MORSE. I think the word "may" is of all importance in this conclusion. I want to say to the Senator from New York that I am not so sure that he would reach that conclusion if such a set of facts developed that it became obvious to the security defense council under the pact that an all-out show of force appeared to be necessary in order to check Russia. I am inclined to think, if that set of operative facts developed, that the Senator from New York probably would not make the statement he just made. If certain hypothetical situations began to develop into realities over there, necessitating our pouring in assistance, or it was decided by the security defense council that it would be wise as a defense matter to pour in tremendous military aid, I am inclined to think that under the terms of the treaty the Senator from New York would agree with the junior Senator from Oregon that, if we are faced with that bridge, then we will cross it, and we will take the supplies over there.

The Senator sees what I am worried about. It may be my own confused thinking. But what I am worried about is that we make perfectly clear to the American people as we ratify the treaty, that we can give them no assurance whatever as to how much we may have to spend for military defense in Europe, 1, 2, 5, or 10 years from now, because that will depend on future events. I do not want anyone to come back to me on the record made today and say, "Well, on that day you took the position that the ratification of the treaty would never involve the expenditure of such a huge sum of money"—such a sum as we may discover 10 years from now we may have to spend within the terms of the pact and short of war. So possibly the Senator is certain what he would do under those circumstances, but when he says that if he thought it meant that we might have to arm Europe to the extent I am suggesting, he would not vote for the pact, I think he should reserve judgment until future events under the pact develop.

Mr. DULLES. I do not say that under some hypothetical case I might not do something. What I do say is that I do not interpret the pact today as requiring in any sense that we should build up independent military establishments in the signatory countries.

Mr. MORSE. The facts in Europe, as of now, do not show any such need. Is not that the case? Does not the Senator make that statement because, in his opinion, the facts in Europe, as of today, make it perfectly clear that it is not necessary to indulge in an expenditure of a vast amount? But the Senator is not saying, as I just understood him, that maybe, 2 or 3 or 5 years from now, we might not have to spend it.

Mr. DULLES. Yes. We may be in a war in 2 or 3 years from now.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. DULLES. I yield.

Mr. WHERRY. But the Senator from New York does not mean to state, does he, that additional facts might change the moral obligation under the treaty today?

Mr. DULLES. No.

Mr. WHERRY. No matter what facts develop, as I understand.

Mr. DULLES. Additional facts might change the expediency of doing one thing or other.

Mr. WHERRY. Or certain other action that the Congress might take, unilaterally or any other way, so far as the war is concerned. What I want to know, once again, is, Is there any moral commitment now, upon the conditions and the facts as we have them at this time, or could any set of facts change the condition, so that under the terms of the treaty, if it should be ratified, there would be a moral commitment, later on, or a legal obligation on the United States, to provide arms under the provision for mutual aid?

Mr. DULLES. In my opinion, no.

Mr. WHERRY. Mr. President, I should like to ask one more question.

The VICE PRESIDENT. Does the Senator from New York yield further to the Senator from Nebraska?

Mr. DULLES. I yield.

Mr. WHERRY. Does the Senator know about this arms program?

Mr. DULLES. The Senator asks, Do I know anything about it?

Mr. WHERRY. Yes—this $1,400,000,000. The Senator has been all over the world, and he has heard all these discussions, and certainly he has been with the military, and certainly he has been in the places where implementation legislation may have been talked about. I ask the distinguished Senator, is he acquainted with any of the discussions about military implementation, and does he know anything about the $1,400,000,000 appropriation which is about to be requested for the arms program?

Mr. DULLES. I was told something about it yesterday by the State Department. I asked for information; otherwise I would know nothing about it.

Mr. WHERRY. Up until then the Senator knew nothing about it; is that correct?

Mr. DULLES. That is correct.

Mr. WHERRY. So if the Senator had not been told about it yesterday, the Senator would not have known any more about it than does the junior Senator from Nebraska?

Mr. DULLES. That is correct.

Mr. WHERRY. From what the Senator understood, does he feel that he should support the arms program?

Mr. DULLES. Not unless I receive more information than I was given yesterday.

Mr. WHERRY. Of course, that is a typical answer, which is what we call here "the lateral pass." I ask the question in all seriousness. What I am trying to ascertain is whether it is in the mind of the Senator that before the arms implementation comes along it is necessary that we go into some sort of program with respect to it at this time.

Mr. DULLES. I see what the Senator means. I should not want to commit myself at the moment. There have been no hearings and no testimony has been adduced. My present impression is that the program which will be presented is at this stage excessive and unnecessary, and I should certainly feel free to vote against it in its present form. I might be persuaded to the contrary.

Mr. WHERRY. The Senator stated this afternoon that we are providing arms for different nations in Europe. We have provided arms for Greece, but it was news to me that we had provided military equipment for France. Can the Senator tell me any other country besides France which is now getting such aid?

Mr. DULLES. France is the only one of which I know.

Mr. WHERRY. Does the Senator know of any country in which there is contemplated military aid?

Mr. DULLES. Except as I heard something about the armament program yesterday.

Mr. WHERRY subsequently said: Mr. President, I ask unanimous consent that the remarks I am about to make be placed in the RECORD at the point where I interrogated the junior Senator from New York relative to whether he had heard about and approved the $1,400,000,000 arms program that had been released to the newspapers and was to be submitted by the President of the United States. In his colloquy with me on the floor the junior Senator from New York said he did not know anything about it until yesterday, as I recall his observation.

I thought, Mr. President, I had read about this matter in the New York Times. The New York Times for last Saturday carried this statement:

> Referring to the reassurances given by the Senator from Texas [Mr. CONNALLY] as chairman of the Foreign Relations Committee, coincident with growing resistance to the $1,130,000,000 arms program * * * Senator JOHN FOSTER DULLES, Republican, of New York, called it "too big."

I regret that the Senator from New York is not now on the floor. I have placed this quotation from the New York Times in the RECORD in order to point out that evidently he must have known something about the program last Sunday, and in order that he might further refresh his memory and tell us for the record, if he can, at some later date, how he now feels about the matter, and whether he approves of the proposed $1,130,000,000 arms provision.

## AMENDMENTS TO HOUSING ACT OF 1949

Mr. SPARKMAN. Mr. President, out of order, and as in legislative session, I introduce a bill for appropriate reference.

There being no objection, the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, introduced by Mr. SPARKMAN, was read twice by its title and referred to the Committee on Banking and Currency.

Mr. SPARKMAN. I ask unanimous consent that at the end of my remarks concerning this bill there be printed a statement which analyzes the bill.

The VICE PRESIDENT. Does the Senator refer to the bill which he has just introduced?

Mr. SPARKMAN. Yes. I ask that the analysis be printed at the end of my remarks.

The VICE PRESIDENT. Without objection, that may be done.

(See exhibit 1.)

Mr. SPARKMAN. Mr. President, on Friday of last week, the Senate adopted the conference report on Senate bill 1070, thus completing legislative action on the Housing Act of 1949. Of this action, the New York Times said in a Saturday editorial:

> Congressional approval yesterday of the national housing bill is a victory for intelligent government and a milestone of social progress. The measure is certainly one of the most important that will be written into law by this Congress.

As Senators know, the Senate passed the Housing Act of 1949 by an overwhelming majority, and with strong support from Members on both sides of the aisle. I am sure that this commendation of our action by one of the world's most respected newspapers is gratifying to all the Members of the Senate. But, Mr. President, I hope that it may also serve to remind us that the approval of the Housing Act of 1949 does not complete legislative action on all needed housing legislation. As the New York Herald Tribune pointed out in a highly complimentary editorial yesterday:

> To applaud the passage of the housing bill does not necessarily mean that one feels the problem has now been solved and all that remains is to sit back and watch slums tumble down and edifices rise up in the wake of an avalanche of Federal dollars. Indeed, the Senate has already demonstrated its desire to solidify the program by passing additional legislation designed to stimulate the construction of privately owned homes.

Mr. President, in the Housing Act of 1949 we did not attempt to deal with all the main areas of the housing problem. The Housing Act of 1949 did not purport to be—and it was not presented by the Committee on Banking and Currency to the Members of the Senate as—legislation authorizing the full and comprehensive housing program that is needed. However, it was recognized that the principles and provisions contained in the Housing Act of 1949 had been thoroughly investigated and debated during the past 4 years, and that they represented a sound foundation for the necessary comprehensive housing program. Accordingly, Senate action was first directed toward the housing proposals contained in that act, which had been so thoroughly considered and upon which substantial agreement had already been reached.

Mr. President, as the Members of the Senate well know, in recommending favorable action on the bill for the Housing Act of 1949, in advance of consideration of other housing proposals then pending before it, the Committee on Banking and Currency had in mind specifically the need for additional housing legislation.

The other more urgent phases of the problem which required legislative action included—

First. Legislation to meet the special and urgent housing needs in the Territory of Alaska.

Second. Legislation to make possible the construction of rental housing on or near military establishments to meet the special needs of the Army, the Navy, and the Air Force.

Third. Legislation providing for needed modifications and improvements in the existing programs of FHA insurance of private mortgage investments in sales, rental, and cooperative housing, in order to give greater assistance and stimulus to increased production of privately financed housing of sound standards at more moderate sales prices and rents.

Fourth. Legislation dealing with the related question of necessary revisions in the Federal Government's secondary market facilities for the purchase, through the Federal National Mortgage Association, of veterans' home loans guaranteed under the Servicemen's Readjustment Act of 1944 and home mortgage loans insured under the National Housing Act.

Fifth. Legislation providing a practicable means of producing and making

available good housing for middle- and lower-middle-income families who are largely priced out of the new housing market.

Sixth. Legislation relating to the disposition of Lanham Act housing, consideration of which (except for the relatively small portion located on land controlled by educational institutions, which was covered by last year's so-called McGregor Act) was deferred last year until the first session of the Eighty-first Congress.

Seventh. Legislation authorizing Federal assistance to educational institutions to finance the construction of housing accommodations.

Mr. President, the Committee on Banking and Currency is a busy committee. But, under the leadership of our energetic and distinguished chairman, the senior Senator from South Carolina [Mr. MAYBANK], that committee has favorably reported, and the Senate has already passed, much of the needed housing legislation. The Housing and Rent Act of 1949 has been on the statute books for some months.

The Housing Act of 1949 will become effective when the President approves it in a few days. The Alaska housing legislation was approved some weeks ago. The Senate has passed the legislation to make possible the construction of rental housing on or near military establishments. Pending action on permanent legislation, temporary extensions of FHA insurance programs have been provided for, and the Senate has passed the bill to provide, temporarily, an additional authorization for the secondary mortgage market functions of the Federal National Mortgage Association.

Today I have introduced a comprehensive bill dealing with the remaining more urgent phases of the housing problem which require legislative action.

Mr. President, the bill which I have introduced is known as the Housing Amendments of 1949. It represents a great deal of work on the part of Members of our committee and on the part of the committee's staff. This work has been done at the suggestion of the distinguished chairman of the Committee on Banking and Currency, the senior Senator from South Carolina [Mr. MAYBANK]. With his able assistance and with the cooperation and assistance of other members of our committee, we have made very substantial progress in developing a bill which, I believe, merits the support of Members of the Senate on both sides of the aisle.

I have communicated with a number of individuals, with many of whom I am personally acquainted, who are engaged in various operations involved in private home financing and private home building. We did this for the purpose of getting first-hand information about the problems which they face and their practical suggestions for legislation which would help them in overcoming those problems. We have held a great many conferences with representatives of various interested groups. This has been most helpful in that it has given us a better knowledge of the particular problems involved, and has resulted in reconciling, to a very great extent, the widely divergent views advanced initially by representatives of the various groups. I do not mean by this to imply that everyone will agree completely with every provision of the bill which I have introduced today, but I am thoroughly convinced that, in working out this bill, we have developed among the various interested groups broad areas of agreement where considerable disagreement existed before. We believe that, with the housing legislation already enacted, the bill which I have introduced today would provide the full, well-balanced, comprehensive housing program which is needed in order to make truly effective progress in overcoming the Nation's housing problem.

Mr. President, the bill which I have introduced today covers six main subjects:

First. The bill provides for the necessary improvements and modifications in the several mortgage insurance programs administered by the Federal Housing Administration in the Housing and Home Finance Agency.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Florida.

Mr. PEPPER. Does that provision pertain to rural areas, as well as urban areas?

Mr. SPARKMAN. Nonfarm housing. The farm title is carried under the provisions of Senate bill 1070.

In this connection I desire to comment very briefly on three features of this part of the bill which, I am sure, are matters of special interest to many of the Members of the Senate.

We have included amendments to title I of the National Housing Act which will replace the present provisions for the so-called class 3 loans for very modest-priced homes, and give these loans access to the FNMA secondary market, which heretofore they did not have. At present, the maximum amount of a loan as to which an institution may be insured against loss is $4,500, whereas under this bill the maximum amount is $4,750 and the insurance will run to the loan itself rather than to the lending institution, as is the case under the present law. We are convinced that, as a result of the improvements which the bill makes possible with respect to this type of loan, families in suburban and in outlying nonfarm and rural areas who need modest homes will be able to obtain the benefits of FHA insurance.

We have included amendments to facilitate and encourage the building of two-, three-, and four-bedroom homes of sound standards of construction, design, and livability in the price range of $7,000, $8,000, and $9,000, respectively.

We have also included special provisions for FHA insurance of mortage loans to housing cooperatives. These include provisions to assure special benefits to veteran members of such cooperatives.

Second. The bill provides for the necessary adjustments in the secondary market facilities for the purchase, through the Federal National Mortgage Association, of GI guaranteed and FHA-insured home loans. To encourage and assist the production of a larger volume of the more urgently needed types of housing and to assist veterans and others in undertaking to provide housing for themselves through cooperatives, mortgage loans on lower priced housing, rental housing, projects of housing cooperatives, and GI guaranteed loans are exempted from the present limitation that only 50 percent of the eligible loans may be purchased from any one lender.

Third. The bill provides for the disposition of war and veterans' housing—both temporary housing and permanent housing—and includes provisions to make possible the transfer of 120 permanent housing projects to the localities concerned for use as low-rent public housing. For the information of the Members of the Senate, I desire to state that out of the total of about 191,000 permanent housing units provided under the Lanham Act, about 143,000 remain to be disposed of. The 120 projects which this bill would permit to be transferred to the localities for use as low-rent public housing contain about 32,000 of these remaining 143,000 permanent housing units.

Incidentally, Mr. President, I do not believe that I would be entirely fair if I failed to commend the Housing and Home Finance Administrator for the obviously careful and detailed study and investigation which preceded his excellent recommendations to your committee in these three important areas.

Fourth. The bill provides a means whereby housing of sound standards of design, construction, livability, and size for adequate family life, in well planned, integrated, residential neighborhoods, can be produced and made available for families of moderate income who cannot afford to pay the rents at which comparable dwellings in new privately financed housing are currently being made available in their locality. For this purpose, the bill provides for a $1,000,000,000 program of direct loans, for long terms and at a low rate of interest, for housing projects undertaken by cooperative ownership and other nonprofit housing corporations.

Fifth. The bill provides for necessary modifications in the veterans' home loan guaranty program under the Servicemen's Readjustment Act of 1944. It permits loans for the purchase or construction of a home to be guaranteed in an amount not to exceed 60 percent (as compared to the present 50 percent) of the loan if the aggregate amount of any such loan so guaranteed does not exceed $7,500—as compared to the present limitation of $4,000. It requires the Administrator of Veterans' Affairs to prescribe minimum construction standards applicable to housing for which loans to veterans are guaranteed by him. Because we feel that the improvements which the bill makes in connection with loans guaranteed under the GI program will give veterans loans at an interest rate of 4 percent, the bill repeals section 505 (a) of the Servicemen's Readjustment Act of 1944, since the rate of interest on the principal loan is 4½ percent when section 505 (a) is used for a second loan. It provides that if, because of the unavailability of private capital for financing the purchase of homes by veterans, the purposes of the home loan guaranty

provisions of the act are not being accomplished, the Administrator of Veterans' Affairs may make loans to eligible veterans on the same terms. For this purpose, a $300,000,000 loan authorization is provided. The authority to make such direct loans would expire on June 30, 1951.

Sixth. The bill provides for loans, at an interest rate of 2½ percent and 40-year maturities, to educational institutions to finance the construction of needed dormitory and family dwelling housing accommodations.

Mr. President, for the information of the Members of the Senate, I have had prepared a section by section summary of the bill, which I have already obtained unanimous consent to have printed in the RECORD at the end of my remarks.

Mr. President, there have been a great many bills introduced by Members of the Senate dealing with these main subjects.

On the subject of needed improvements and modifications of the mortgage-insurance programs under the National Housing Act, various proposals have been sponsored by the senior Senator from South Carolina, Mr. Maybank, the then senior Senator from New York, Mr. Wagner, my colleague, the senior Senator from Alabama, Mr. Hill, and the junior Senator from Alabama, Mr. Sparkman, the senior and the junior Senators from Louisiana, Mr. Ellender and Mr. Long, the senior Senator from Pennsylvania, Mr. Myers, the senior Senator from Florida, Mr. Pepper, the junior Senator from New Hampshire, Mr. Tobey, the junior Senator from Vermont, Mr. Flanders, and the then junior Senator from New York, Mr. Ives.

Many of these bills also dealt with the problem of the secondary market operations of the Federal National Mortgage Association. Moreover, the senior Senator from Utah [Mr. THOMAS] and the junior Senator from Alabama had introduced separate bills on this important subject. We had also both introduced bills with respect to the question of direct loans to veterans unable to obtain private loans guaranteed under the Servicemen's Readjustment Act.

With respect to the disposition of Lanham Act housing, bills relating to particular projects had been introduced by the senior Senator from Florida [Mr. PEPPER], the junior Senator from Utah [Mr. WATKINS], the senior Senator from Colorado [Mr. JOHNSON], the senior Senator from Nebraska [Mr. BUTLER], and the senior Senator from Connecticut [Mr. MCMAHON]. Undoubtedly a great many other Senators would also have introduced bills on this subject except for the fact that the able chairman of our committee later gave assurance that we would endeavor to deal with this problem by general legislation along the lines provided in the bill which I introduced today.

On the matter of insurance of loans to housing cooperatives, with special benefits to veteran members thereof, the junior Senator from Tennessee [Mr. KEFAUVER] had introduced a very comprehensive measure, and the bill introduced under the joint sponsorship of the junior Senator from Vermont [Mr. FLANDERS], the junior Senator from New Hampshire [Mr. TOBEY], and the then junior Senator from New York [Mr. IVES] provided for a $3,000,000,000 program of direct loans, at a low rate of interest and for long terms, for housing cooperatives as a means of securing good housing for middle-income families.

With respect to the matter of financial assistance to educational institutions to finance the construction of dormitory and family dwelling housing accommodations, there were several bills providing loans and grants, or loans, to educational institutions for this purpose. The senior Senator from Florida [Mr. PEPPER] and the junior Senator from West Virginia [Mr. NEELY] had a proposed amendment to S. 138 for this purpose. The junior Senator from Minnesota [Mr. THYE], the then junior Senator from New York [Mr. IVES], and the junior Senator from Connecticut [Mr. BALDWIN], have a somewhat similar amendment to S. 712. The junior Senator from Vermont [Mr. FLANDERS] and the junior Senator from Alabama have also introduced an amendment to S. 712 to authorize loans to educational institutions for this purpose.

Mr. President, I desire to express to the Senators who sponsored these bills, and to the many other Members of the Senate who have discussed these problems with me, my appreciation for their interest in these problems and for their helpful and constructive suggestions as to how we might best meet these problems. I believe that there have been incorporated in the bill which I introduced today the best features of these other bills and the many suggestions made to us by other Members of the Senate.

Mr. President, in closing I wish to call attention to the fact that, in reporting favorably the bill for the Housing Act of 1949, the able chairman of our Committee on Banking and Currency, the senior Senator from South Carolina [Mr. MAYBANK] gave to all those who had shown such a vital interest and concern about these various proposals, on which we had already heard testimony, assurance that our committee would act upon those matters which it could agree are urgently required if this country is to have a truly effective housing program. The bill which I have introduced today brings us to the last step in carrying out that assurance, and it is a tribute to his able and energetic leadership.

I express the hope that the Banking and Currency Committee may soon report this measure to the Senate, that it may receive early approval by the Senate, and, indeed, by the Congress. With its enactment into law we shall be able to say for the first time that we have a well rounded out and comprehensive housing program—in the words of the declaration of policy of the Housing Act of 1949, "looking toward the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family."

EXHIBIT 1

SECTION BY SECTION SUMMARY OF THE HOUSING AMENDMENTS OF 1949 INTRODUCED BY MR. SPARKMAN, JULY 12, 1949

TITLE I—AMENDMENTS OF NATIONAL HOUSING ACT

This title consists of various amendments to the National Housing Act which affect mortgage insurance programs administered by the Federal Housing Administration and the secondary-market program of the Federal National Mortgage Association.

*Section 101*

The present authorization under title I of the National Housing Act to insure lending institutions against loss up to 10 percent of their advances on home modernization and repair loans and small loans (not exceeding $4,500) for new structures expires on July 1, 1949, and would be extended temporarily until September 1, 1949, by S. 1070. This section would extend that authorization until July 1, 1952. However, this section would repeal such authorization with respect to loans for the construction of new homes (title I, class 3 loans) and would reduce the ceiling for title I loans for new structures from $4,500 to $3,000, in view of the new mortgage insurance program which would be established by section 102 of the bill.

Section 101 would also provide a limitation of $1,250,000,000 on the total amount of outstanding loans (other than mortgages insured under provisions added by section 102) to which title I insurance is granted. This would be in place of the present limitation which is based primarily upon the amount of FHA liability rather than the amount of the outstanding loans. The present limitation provides that the total liability which may be outstanding at any time plus the amount of claims paid (since 1934) less the amount collected from insurance premiums and other sources and deposited in the Treasury shall not exceed $200,000,000.

*Section 102*

In place of the title I insurance of financial institutions with respect to small loans for new home construction, section 102 of the bill would provide a new mortgage insurance program for loans of similar amounts independent of the present title I insurance system. This authorization would be provided in a new section 8 of the National Housing Act and would be patterned after the regular mortgage insurance for low-cost homes under section 203 (b) (2) (D) of the act. Thus, unlike title I class 3 loans, the mortgage loan itself would be insured under section 8, the application would be processed by FHA, there would be FHA inspection and appraisal, and the FNMA secondary market would be applicable to such mortgages to the same extent as other FHA insured mortgages. However, mortgage insurance under the new section 8 would differ from insurance under section 203 (b) (2) (D) in the following respects:

1. Instead of the dollar mortgage limits in section 203 (b) (2) (D) of the act, as described below, the dollar mortgage limit in section 8 (b) (2) would be $4,750 where the mortgagor is the owner-occupant and $4,250 where the mortgagor is the builder.

2. In place of the requirement in section 203 of the act that the Federal Housing Commissioner find the project "economically sound," section 8 (b) (2) would require that he find the project to be an acceptable risk, giving consideration to the need for providing adequate housing for families of low and moderate income particularly in suburban and outlying areas.

3. Unlike section 203 of the act, section 8 (b) would allow the Commissioner, in his discretion, to permit the mortgagee to collect a service charge from the mortgagor in view of the small amount of each loan involved.

4. The new section 8 of the act would not contain provisions with respect to mutuality or classification of mortgages such as found in section 205 of the act. Section 8 would be independent of the mutual mortgage insurance fund established under title II of the act. A new title I housing insurance fund would be created by section 8 (h) as a revolving fund for insurance under section 8, and

the Commissioner would be directed to transfer to such fund the sum of $5,000,000 from the present title I account in the Treasury. Section 8 (a) would provide that the aggregate amount of all mortgages insured under section 8 and outstanding at any one time could not exceed $500,000,000.

*Section 103*

This section would give the President the authority to increase the total insurance authorization under title II of the National Housing Act by $1,500,000,000. This increase would be in addition to the $500,000,000 increase which would be provided by the Housing Act of 1949 for a temporary period.

*Section 104*

Subsection (a) of this section would amend section 203 (b) (2) of the National Housing Act (relating to the maximum obligations of mortgages insurable under sec. 203 of the act) to simplify the provisions therein and to provide for increased maximum mortgage amounts for low-cost dwellings with three or four bedrooms. Paragraph (D) would be amended to provide for a maximum mortgage amount not to exceed $6,650 and not to exceed 95 percent of the appraised value of a single-family dwelling approved for mortgage insurance prior to construction. Such dollar-amount limitation could be increased by not exceeding $950, in the case of a three-bedroom house, or $1,900 in the case of a four-bedroom house, where the Federal Housing Commissioner finds it is not feasible to produce three-and four-bedroom homes of sound construction within the normal dollar limitations. The Commissioner would also be authorized to provide that such dollar ceilings shall be fixed at lesser amounts where he finds for any area or at any time that it is feasible, within such lesser amount limitations, to construct dwellings of sound standards for families of lower income. As paragraph (B) would become obsolete, provision is made for its repeal. (Par. (B) now provides for a maximum mortgage amount not to exceed $6,300 and not to exceed 90 percent of appraised value, and par. (D) now provides for a maximum mortgage amount not to exceed $6,000 and not to exceed 90 percent of appraised value, or 95 percent where the Commissioner determines it would not contribute to substantial increases in costs.)

This subsection (a) would also amend paragraph (C) of section 203 (b) (2) of the National Housing Act to provide a maximum mortgage amount not to exceed $9,450 (as contrasted with the present $9,500) and not to exceed the sum of 95 percent of $7,000 of the appraised value plus 70 percent of such value in excess of $7,000 and not in excess of $11,000 (as contrasted with the present 90 percent and 80 percent of such values) of a single-family dwelling approved for mortgage insurance prior to construction. This would make increases in maximum mortgage amounts under paragraph (C) conform more closely to graduated levels of appraised values.

Subsection (b) of this section would provide that, notwithstanding the repeal of the above paragraph (B), applications already filed for insurance thereunder could be approved, and insured mortgages could be refinanced thereunder.

*Sections 105, 106, 107, and 108*

These are technical amendments made necessary by section 111 which is summarized below.

*Section 109*

This section would amend section 211 of the National Housing Act to authorize the Federal Housing Commissioner, with respect to dwellings of not more than four families, to issue regulations permitting provisions in insured mortgages for the deferment of monthly payments in hardship cases beyond the control of the mortgagor. Such provisions could extend the maturity of an insured mortgage for a period of not more than 3 years.

*Section 110*

This section would continue the present situation with respect to the applicability of the prevailing wage provisions of section 212 of the National Housing Act to cooperative housing projects and would bring under the prevailing wage provisions of section 212 the large-scale rental projects insured under the "yield insurance" title of the act.

*Section 111*

This section would add to the National Housing Act a new section 213 on cooperative housing mortgage insurance which would take the place of the provisions on this subject now contained in section 207 of the act.

With respect to nonprofit cooperative ownership housing projects where the members of the cooperative are all veterans of World War II, this new section would provide for the insurance of 100-percent, 40-year, 4-percent interest loans not exceeding $9,000 per family dwelling. However, where the Federal Housing Commissioner finds that the needs of individual members could be more adequately met by a room-cost limitation, the maximum dollar amount would be $2,000 per room for the dwellings to be occupied by such members. The prescribed maximum mortgage amount would be reduced gradually, on the basis of the percentage of the members who are veterans of World War II, until, in the case where no members are veterans, the maximum amount would be 90 percent and not exceeding $8,100 per family unit or $1,800 per room. In the case of these ownership cooperatives the insurance would be based on current replacement costs. The maximum amount of the mortgage could not be computed on the basis of veteran members unless satisfactory evidence is furnished to the Federal Housing Commissioner to assure that the benefit of the higher mortgage amount will accrue to veteran members. (The existing section 207 of the act provides for insurance of 90-percent, 40-year, 4-percent interest loans on nonprofit cooperative ownership projects, or 95-percent, 40-year, 4-percent interest loans where the membership of the cooperative consists primarily of veterans of World War II; and the loans cannot exceed $8,100 per family dwelling or $1,800 per room.)

This section would provide that the maximum principal obligation of an insured mortgage of a nonprofit cooperative corporation, organized for the purpose of constructing homes for transfer to its members, may equal either (1) the maximum amount of a mortgage on a cooperative ownership project as stated in the preceding paragraph, or (2) the total of the principal obligations of mortgages for which such members could obtain insurance on the individual houses under section 203 of the act. (This would be in lieu of the provisions now in section 207 limiting the principal obligation of an insured mortgage of such corporation to 90 percent of the value of the property and to $8,100 per family dwelling or $1,800 per room.) The mortgage could provide that, at any time after construction of the project, such mortgage could be replaced by individual mortgages on the individual dwellings in the project. Each such mortgage could be insured under this section, with the mortgagor being either the nonprofit corporation or the owner and occupant of the dwelling at the time. However, for a period of 2 years after construction, the owner and occupant could not be the mortgagor if the individual mortgage is insured under this section. Mortgages insured under this section could have a term not exceeding 40 years and an interest rate not exceeding 4 percent.

This section would specifically authorize the FHA to furnish technical advice and assistance to housing cooperatives in the organization thereof and in the planning, construction, and operation of their projects. The section would also provide that the Federal Housing Commissioner shall appoint an Assistant Commissioner to administer the provisions of this section under the direction and supervision of the Commissioner, and that the basic rate of compensation of such position shall be $12,000 per annum.

*Section 112*

Section 301 of the National Housing Act, which authorizes the FNMA to purchase certain Government-insured or -guaranteed housing mortgages, now provides in effect that the aggregate amount of all such mortgages purchased by FNMA from one mortgagee may not exceed 50 percent of the amount of all mortgages made by such mortgagee which are otherwise eligible for purchase by FNMA. Section 112 of this bill would amend section 301 of the act to provide that this 50-percent restriction shall not apply to mortgages which are hereafter (1) guaranteed under the Servicemen's Readjustment Act of 1944 where the amount of the mortgage does not exceed $10,000 per dwelling; or (2) insured under section 213 of the National Housing Act (relating to cooperative housing); or (3) insured under section 207 or section 608 of such act (relating to rental housing); or (4) insured under section 8 of such act (and limited to $4,750 and 95 percent of value); or (5) insured under section 203 (b) (2) (D), or section 611 of such act (and limited to $6,650 and 95 percent of value, except for $950 increases for third and fourth bedrooms and limited to lower amounts where the builder is the mortgagor).

This section of the bill would also provide that no deposit or fee required or charged by FNMA for the purchase of, or commitment to purchase, a mortgage shall exceed one-half of 1 percent of the original amount of the mortgage.

The existing law provides that FNMA may not purchase any mortgage unless the mortgagee certifies that the housing involved meets construction standards prescribed for the insurance of mortgages on the same class of housing under the National Housing Act. This section of the bill would delete that limitation and provide that no loan guaranteed under section 501 or section 502 of the Servicemen's Readjustment Act of 1944 to finance the purchase or construction of a dwelling may be purchased by FNMA (except pursuant to a prior commitment) unless the mortgagee certifies that such dwelling conforms with minimum construction standards prescribed by the Administrator of Veterans' Affairs. This requirement would not take effect until 90 days after the date of the approval of the housing amendments of 1949.

Section 112 of the bill would also authorize the FNMA to make real-estate loans which are accepted for insurance or insured under section 207 or section 608 of the National Housing Act (relating to rental housing) or under section 213 of the act (relating to cooperative housing). The FNMA would not be authorized to make any such loan unless the financial assistance applied for is not otherwise available on reasonable terms.

*Section 113*

This section would amend section 302 of the National Housing Act to provide that the total amount of investments, loans, purchases, and commitments made by FNMA could not exceed $2,000,000,000 outstanding at any one time. The FNMA would be authorized to issue notes and other obligations in sufficient amount to enable it to carry out its functions.

*Section 114*

This section would amend section 305 of the National Housing Act to authorize FNMA to sell on terms or otherwise dispose

of property acquired by it through foreclosure or other means. It may now dispose of such property only through cash sales.

*Section 115*

This section would amend section 4 (c) of the Reconstruction Finance Corporation Act to increase the total amount of obligations which the RFC may purchase thereunder, so that, with existing powers, it will have appropriate authority to purchase the additional FNMA obligations which would be authorized by the amendment to section 302 of the National Housing Act summarized above.

*Section 116*

This section would extend until March 31, 1950, the present authority of the FHA to insure mortgages on rental housing projects under section 608 of the National Housing Act. The present authority expires June 30, 1949, and would be extended temporarily through August 31, 1949, by S. 1070. Section 116 of the bill would also increase the insurance authorization under section 608 by $500,000,000. The use of this additional authorization would require the approval of the President.

*Section 117*

This section is a technical amendment made necessary by the new section 8 of the act which would be added by the bill.

*Section 118*

This section would amend section 610 of the National Housing Act (dealing with the insurance of mortgages on federally owned housing which is being sold) to raise the maximum permissible interest rate from 4 percent to 5 percent in the case of insured mortgages on one- to four-family dwellings.

*Section 119*

This section would amend section 611 of the National Housing Act (dealing with the insurance of mortgages, including construction advances, on groups of 25 or more single-family houses on a single site). It would permit the principal obligation of a mortgage insured under that section to be in an amount not exceeding 85 percent of the value of the completed project and not exceeding a sum computed on the individual dwellings as follows: $5,950 or 85 percent of the valuation, whichever is the lower amount, with respect to each dwelling, except that, in the case of a three- or four-bedroom unit, such dollar amount limitation could be increased in the same manner as the dollar amount limitation on a mortgage on such a unit insured under section 203 (b) (2) (D) explained in the above summary of section 104 of the bill. Under the present provisions of section 611, the mortgage may not exceed 80 percent of the value of the completed project nor a sum computed on the basis of $6,000 per dwelling unit or 80 percent of the value of each dwelling unit, whichever is less.

Section 119 of the bill would also amend section 611 of the National Housing Act to provide that an insured mortgage on a project thereunder may be replaced, after completion of construction, by individual mortgages covering the individual dwellings in the project. Each such individual mortgage could be insured under section 611 with the mortgagor being either the builder or the owner and occupant of the dwelling. Where the mortgagor is the owner and occupant, the mortgage could have the same favorable terms as are available to owner-occupant mortgagors under section 203 (b) (2) (D) of the act.

*Section 120*

This section would designate certain FHA expenditures, not attributable to general overhead in accordance with generally accepted accounting principles, as nonadministrative expenses and thereby make them payable from funds directly available under the National Housing Act.

*Section 121*

This section is a purely technical amendment. It reflects the change in title from Federal Housing Administrator to Federal Housing Commissioner and the fact that the Commissioner is no longer appointed for a specified term of years (which changes were made by Reorganization Plan No. 3 of 1947), and also reflects the fact that the basic rate of compensation of the Commissioner is now fixed by other law.

TITLE II—DISPOSAL OF WAR AND VETERANS' HOUSING

This title would provide for the disposal of the war and veterans' housing now under the jurisdiction of the Housing and Home Finance Administrator through the addition of a new title and certain other amendments to the Lanham Act.

*Section 201*

This section would add a new title VI, "Housing Disposition," to the Lanham Act. A section-by-section summary of this new title is given below.

Section 601

Subsection (a): This subsection provides for the relinquishment of the Federal Government's contractual and property rights in temporary housing located on lands owned or controlled by States, municipalities, other public bodies, local housing authorities, nonprofit organizations, and educational institutions where the United States has no lease or other property interest in the land. The relinquishment of these rights would be mandatory upon the submission of a request meeting the requirements of this section. This subsection would apply only to veterans' reuse housing under title V of the Lanham Act. Relinquishments would be requested and made in substantially the same manner as provided in Public Law 796, Eightieth Congress, for educational institutions which filed appropriate requests within the time prescribed in that law.

The rights of the Federal Government in certain housing materials made available under the veterans' reuse housing program would also be relinquished.

Subsection (b): This subsection authorizes the transfer of temporary housing to States, counties, municipalities, and local housing authorities where the United States has a property interest through ownership, lease, or otherwise in the land upon which the housing is located. It would also authorize transfers of such housing to educational institutions where the housing involved is operated for their student veterans and to local public agencies and nonprofit organizations to which the housing had previously been made available under the veterans' reuse housing program. Under this subsection the transferee would have to purchase the land, or, in the case of land leased by the Government, would be required to obtain from the landowner the right to possession of the land, together with a release by the landowner of the Government's lease obligations.

Commercial facilities would be excluded from the transfers where they are suitable for separate disposal and community facilities would be so excluded when the Administrator determines that they should be disposed of separately.

Payments for any land purchased under this subsection from the Administrator would be required to be made in cash at the time of the sale or in not more than 10 annual installments with interest on unpaid balances at the going Federal rate. The first installment could be deferred until a year after the date of conveyance. The price would be substantially equal to the cost of the land to the Government (inclusive of acquisition costs, but exclusive of cost of improvements other than extraordinary fill) or, if such cost were nominal or not readily ascertainable, the price would be the amount determined by the Administrator to be fair and reasonable. In cases where the land underlying the housing is owned by the United States but under the jurisdiction of other Federal agencies, such other agencies are authorized to sell the land to the transferee on these same terms.

Subsection (c): This subsection prescribes certain requirements with respect to the filing of requests authorized under this section. Any such requests must be made on or before December 31, 1949, unless a specific extension of not more than 6 months is granted by the Administrator. The request must be in the form of a resolution adopted by the governing body of the applicant, or, in the case of a State, a letter from the governor. The applicant must furnish with its request either (1) a final opinion of its chief law officer to the effect that it has legal authority to make the request, to accept the transfer of and operate any property involved, and to perform its obligations under the legislation, or (2) a preliminary legal opinion as to the authority of the applicant stating the reasons for failure to furnish a final opinion and the time required to furnish such final opinion. Any request from a local housing authority, except the Alaska Housing Authority, must, in addition, be accompanied by an approving resolution of the governing body of the municipality or county.

The applicant would be required to comply with all conditions to the transfer, including the furnishing of the final legal opinion, on or before June 30, 1950, except where State enabling legislation or a charter amendment is necessary, when the date would be June 30, 1951, unless further extended by the Administrator in any particular case to a date not later than December 31, 1951.

This subsection makes it clear that, except with respect to housing for which a request may be submitted under subsection (a), the Administrator may remove, dispose of, or retain any temporary housing in accordance with any provision of the Lanham Act.

Subsection (d): This subsection would require that any request for relinquishment and transfer of temporary housing under this section contain representations as to the intentions of the transferee with respect to the property. The transferee would be required to represent in its request that it intends, to the extent permitted by law, in filling any vacancies in the housing to give preferences to families displaced by low-rent housing or redevelopment projects and to veterans and servicemen, and, if the transferee is a State, municipality, local housing authority, or other public agency and the Secretary of Defense or his designee so prescribed, to give preference to military personnel or defense workers in filling such vacancies. It would further represent that it would not dispose of the property for housing use except to another public agency or educational institution; that it would not dispose of the property for any other use unless the governing body of the municipality or county has adopted a resolution determining that the housing is satisfactory for the use contemplated by the purchaser; that it would manage and operate the property in accordance with sound business practices including the establishment of adequate reserves; and that it would demolish the structures whenever they are not to be used either for housing or authorized nonhousing purposes.

Subsection (e): This subsection provides that the removal requirements of section 313 of the Lanham Act will be waived in the case of a relinquishment or transfer to a municipality, county, or local housing authority, and in the case of any other authorized agency if, prior to or within 6 months after relinquishment or transfer, the governing body of the municipality or county adopts a resolution specifically approving the waiver, either without or subject to conditions. The

United States would assume no responsibility for enforcing compliance with any such conditions.

Subsection (f): This subsection provides that the net revenues from the housing shall continue to accrue to the United States until the end of the month in which the relinquishment or transfer is made. It also provides that the Administrator may charge to the transferee the cost to the United States of any surveys, title information, or other items incidental to the transfer.

Section 602

This section provides that the removal requirements of section 313 of the Lanham Act shall not apply to temporary housing (1) for which such requirements have been waived under Public Law 796, Eightieth Congress, or in transfers as provided in section 601; (2) transferred to the military departments; (3) hereafter disposed of by the Administrator under other titles of the Lanham Act where the governing body of the municipality or county has either conditionally or unconditionally approved such disposition; or (4) heretofore disposed of subject to removal requirements if the governing body of the municipality or county adopts an approving resolution on or before December 31, 1949.

In effect, the provision for future sales by the Administrator permits sales of temporary housing under such terms and conditions as the Administrator deems in the best interests of the Government where the locality approves. After any such sales the housing sold would be considered in the same category as new construction so as to be within the statutory veterans' preference requirements administered by the Office of Housing Expediter.

Section 603

This section would require that on or before December 31, 1949, the Administrator, with the advice of the local communities in which it is located, reexamine all housing classified as demountable to redetermine whether it is of permanent or temporary character. After such redeterminations, which will take into consideration local standards and conditions, the housing would be disposed of either as permanent or temporary housing in accordance with this title.

Section 604

This section would require that vacancies in temporary housing remaining under the jurisdiction of the Administrator after July 1, 1950, be filled only by transfer of tenants from other temporary housing being removed by the Government. It would further require the Administrator to give notice on or before March 31, 1951, to all tenants in temporary housing remaining under his jurisdiction to vacate the premises by July 1, 1951; to institute eviction actions promptly after July 1, 1951, if necessary; and to remove, by demolition or otherwise, all dwelling structures as soon as practicable after they become vacant. However, in any case where an extension of time had been granted for complying with conditions to transfer or relinquishment of the Government's interests in the project, the dates in this section would be deferred for a similar length of time.

Certain limited exceptions to these requirements are made. These exceptions include temporary housing in localities where such housing constitutes a major portion of the housing supply of the community; where the removal requirements have been waived under the Lanham Act; where the landowner has refused to deal with an applicant for relinquishment or transfer of the housing under section 601 (b); and, in certain cases where educational institutions require the continued use of the housing and are willing to bear all operating losses of such housing.

Section 605

Subsection (a): This subsection would permit the perfection of the Government's interest with respect to land acquired by it through lease or condemnation of use in connection with any war or veterans' housing (whether permanent or temporary). This would change the present authorization in the Lanham Act for acquiring and holding property on which existing housing is located so that the Government's right would not depend solely upon the continued existence of the war emergency. It would also permit the Government to obtain fee title or an easement where such title or easement would be more appropriate than the leasehold or other temporary use which the Government may now have in the land.

Subsection (b): This subsection would authorize the Administrator after January 1, 1950, upon request of the landowner, to increase the rental or other payment being made by the Government for the use of land for war or veterans' housing where (1) the term of such use is for the "duration of the emergency" or a similarly described period, and (2) the rental or other payment gives the owner an annual return after payment of real-estate taxes of less than 6 percent of the lowest value placed on the land by an independent appraiser hired by the Government at the time the Government acquired such use. The Administrator could increase such rental or other payment to give the owner a return for the Government's use of the land not exceeding 6 percent after payment of real-estate taxes.

Subsection (c): This subsection would make available, for the purposes of acquiring interests in land under this section, the reserve account established under the Lanham Act for disposition expenses. It would also continue the availability of this reserve account for this and other purposes notwithstanding existing limitations which would require that it be deposited as miscellaneous receipts after July 25, 1949. This subsection would provide that moneys in such account shall also be available for the purpose of making certain necessary improvements and alterations in connection with the separate sale of individual dwellings.

Section 606

Subsection (a): This subsection would specifically authorize the Housing and Home Finance Administrator to transfer 120 listed permanent war housing projects to named local public housing agencies if (1) on or before December 31, 1949, the conveyance is requested by the governing body of the municipality or county having jurisdiction in the area and the public housing agency demonstrates a present need for low-rent housing which is not being met by private enterprise; (2) the Administrator determines that the project in each case will meet a part or all of such need; and (3) on or before June 30, 1950, the governing body of the municipality or county enters into an agreement with the local public housing agency providing for local cooperation and payments in lieu of taxes satisfactory to the Public Housing Administration, and the local public housing agency enters into an agreement with the Public Housing Administration for administration of the project in accordance with requirements contained in subsection (c) explained below.

Subsection (b): Projects conveyed by the Administrator under this section would, after such conveyance, be deemed to be low-rent housing under the United States Housing Act of 1937, except that the Government would not be authorized to make capital grants or annual contributions with respect to them.

Subsection (c): The agreement between the local public housing agency and the Public Housing Administration required by subsection (a) explained above, would contain such conditions and provisions as the Administrator determines, but in any event would contain conditions and requirements that—

(1) The housing be administered for a period of 40 years as low-rent housing in accordance with the relevant provisions of the United States Housing Act of 1937. However, during that period the local housing agency and the Public Housing Administration could jointly terminate the agreement as to any housing which became unsuitable for low-rent housing use. The terminated housing would then be sold and the proceeds paid to the Public Housing Administration.

(2) The public housing agency, within 6 months after conveyance, must initiate a program to remove ineligible tenants from the housing and complete this program within a period of 18 months.

(3) Net income from the housing must be paid to the Public Housing Administration each year. This net income would be all income remaining after payment of reasonable and proper costs of operating, maintaining, and improving the project, making payments in lieu of taxes, establishing reasonable reserves, and paying any debt service on indebtedness incurred with the approval of the Public Housing Administration.

(4) During the period of the agreement the housing conveyed must be exempt from all State and local taxation.

(5) Payments in lieu of taxes in the amount of full real-property taxes could be made for the tax year in which conveyance is made and the subsequent tax year. Thereafter, payments in lieu of taxes could not exceed 10 percent of the annual shelter rent charged in the project.

(6) Preference in selecting tenants must be given as prescribed in the Housing Act of 1949.

(7) In event of a substantial default by the local housing agency the Public Housing Administration could take over the project in the same manner as it would in the event of a substantial default under an annual contributions contract made for a low-rent project pursuant to the United States Housing Act of 1937, as amended by the Housing Act of 1949.

Subsection (d): Moneys received by the Public Housing Administration from such projects would be paid into the Treasury as miscellaneous receipts at the end of each fiscal year.

Section 607

Subsection (a): This subsection would require the Administrator to dispose of permanent war housing as promptly as practicable and in the public interest.

Subsection (b): The following preferences are established by this subsection for sales of permanent structures designed for occupancy by not more than four families where such structures are offered for separate sale: (1) First preference to a veteran or serviceman (or the family of a veteran or serviceman) who occupies a unit in the dwelling structure and who intends to continue such occupancy; (2) second preference to a nonveteran occupant who intends to continue occupancy; (3) third preference to a veteran or serviceman (or the family of either) who is not an occupant but who intends to occupy a unit in the structure. The Administrator is authorized to set up subordinate preferences.

Subsection (c): Housing which is not offered for sale as separate dwelling structures may be sold as a whole, or in such portions as the Administrator may determine, subject to a first preference (for such period not less than 90 days nor more than 6 months as the Administrator may determine) to groups of veterans organized on a mutual ownership or cooperative basis. Such groups would, however, be required to admit nonveteran occupants as members of their organizations.

Subsection (d): This subsection directs the Administrator to provide an equitable method of choosing between or among preferred purchasers. Under this authority he

could prescribe drawing of lots, competitive bidding, or some other method.

Subsection (e): This subsection provides that after disposal of permanent housing under the authority of this section, the housing is to be deemed new construction so as to be within the statutory veterans' preference requirements administered by the Office of the Housing Expediter.

Subsection (f): Sales of permanent housing may be upon terms but full payment to the Government must be made in 25 years. Interest on unpaid balances shall be not less than 4 percent per anum.

Section 608

This section contains definitions of the terms used in this title.

*Section 202*

This section amends section 313 of the Lanham Act to postpone the removal date for temporary housing from January 1, 1950, to December 31, 1951, or to a later date if necessitated by extensions of time for vacating the premises under section 604. It would also clarify the authority of the Administrator with respect to exceptions to the removal date and to evictions.

*Section 203*

This section is a technical amendment to the Lanham Act.

TITLE III—COOPERATIVE HOUSING

*General statement*

As a means of providing good housing for families of moderate income who cannot afford to pay the rents at which comparable dwellings in new privately financed rental housing are being produced in the locality involved, this title provides for financial assistance to be made available by the Federal Government in the form of long-term loans, at a low rate of interest, for housing projects undertaken by cooperative ownership or other nonprofit housing corporations. The title provides that such loans shall bear interest at not less than the rate borne by the most recently issued long-term Government bonds, plus one-half of 1 percent (currently 2½ percent plus one-half percent, or 3 percent per annum), with maturities not exceeding the useful life of the housing project and not exceeding, in any event, 60 years. A $1,000,000,000 loan authorization is provided, half of which would become available immediately, with the other half to become available only with the approval of the President. For the administration of this program, the title establishes, in the Housing and Home Finance Agency, a new constituent agency to be known as the Cooperative Housing Administration to be headed by a Cooperative Housing Commissioner to be appointed by the President, by and with the consent of the Senate.

*Section 301*

This section indicates the major purposes of this title, i. e., to provide a means whereby good housing can be produced and made available for families of moderate income by encouraging and assisting cooperative ownership or other nonprofit housing corporations organized to provide housing by making long-term Federal loans, at a low rate of interest, available to such corporations.

*Section 302*

This section establishes in the Housing and Home Finance Agency a constituent agency to be headed by a Commissioner appointed by the President, by and with the advice of the Senate, to administer the program. The salary of the Commissioner is fixed at $15,000 per annum, i. e., the same rate as presently provided for the Commissioners of the other constituent agencies within the Housing and Home Finance Agency.

*Section 303*

This section authorizes loans to be made to cooperative ownership and other nonprofit corporations to finance the development cost of housing projects. The loans would bear interest at not less than the rate borne by the most recently issued long-term Federal bonds, plus one-half of 1 percent. The amortization period for such loans could not exceed the estimated useful life of the project, as determined by the Commissioner, but in no event to exceed 60 years.

The section would also authorize the Commissioner to make preliminary advances to assist in the formulation of a proposed housing project in anticipation of a loan under this title, or of mortgage insurance under the National Housing Act. Any such preliminary advances would bear interest at the same rate prescribed in the title for loans, and would be limited to the amount required for necessary work in connection with the preparation and filing of an application for a loan or for mortgage insurance, but not to exceed, in any event, 3 percent of the estimated development cost of the project.

A $1,000,000,000 loan authorization is provided, with $500,000,000 available immediately, and an additional $500,000,000 available only with the approval of the President. For the purpose of obtaining necessary loan funds, the Commissioner would be authorized to issue and sell obligations to the Secretary of the Treasury, and the Secretary of the Treasury would be authorized and directed to purchase such obligations issued by the Commissioner, and for such purpose would be authorized to use as a public-debt transaction the proceeds of the sale of any securities issued under the Second Liberty Bond Act.

*Section 304*

This section sets forth the requirements for housing projects to be eligible for loans under section 303 of this title. It requires satisfactory location and physical planning of the project. It requires that the dwellings meet sound standards of design, construction, livability, and size for adequate family life. It requires that all economies attained, through the use of the cooperative device or otherwise, must be fully reflected in reduced rents. It requires that the reduction in operating expenses made possible by the lower rate of interest and longer amortization period, with respect to loans under the title, must be fully reflected in reduced rents. It also requires that no loans shall be made for any project unless the estimated rents, on a per-room basis (taking into account the reduced operating expenses made possible by the financial formula and any other special concessions not generally available for other new privately financed rental housing), are substantially below the level of rents at which comparable dwellings in new privately financed rental housing are currently being made available in the particular locality.

*Section 305*

This section sets forth the conditions which must be attached in connection with all loans made under section 303 of this title. It requires that the borrower must establish such maximum income limits for the admission of families to the housing project as will restrict admissions to families of moderate income who cannot afford to pay the rents at which comparable dwellings in new privately financed rental housing are being made available in the locality. These maximum income limits, and all revisions therein, are subject to the approval of the Commissioner. It also requires the borrower to establish a schedule of rents, and requires that the initial rent schedule, and all revisions therein, shall be subject to the approval of the Commissioner.

*Sections 306 and 307*

These sections give the Commissioner the technical powers necessary for the performance of his functions and duties under this title. These sections also authorize and direct the Commissioner to furnish technical advice and assistance in the organization of housing cooperatives, and in the development and operation of their projects. They also provide that, in any case where a housing cooperative has been assisted by the Commissioner in its organization and desires to make application to the Federal Housing Commissioner for mortgage insurance, the Cooperative Housing Commissioner shall advise the Federal Housing Commissioner as to whether the organization of such housing cooperative is in accord with the policies declared in the last sentence of section 301.

*Section 308*

This section relates to the protection of labor standards. It requires that not less than the salaries prevailing in the particular locality, as determined or adopted by the Commissioner, must be paid to all architects, technical engineers, etc., employed in the development of the housing project. It also requires that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor, pursuant to the Davis-Bacon Act, shall be paid to all laborers and mechanics employed in the development of the housing project.

*Section 309*

This section provides for veterans' preference in connection with housing assisted under this title. It specifically provides, however, that the provisions relating to veterans' preference shall not preclude the nonprofit ownership housing corporation, the permanent occupancy of the dwellings of which is restricted to its members, from accepting, without regard to the veterans' preference provisions, nonveteran members of the corporation and as occupants of the dwellings.

*Section 310*

This section sets forth the necessary definitions of terms.

TITLE IV—AMENDMENTS OF SERVICEMEN'S READJUSTMENT ACT OF 1944

*Section 401*

Subsection (a)

This subsection would permit loans to veterans for the purchase or construction of a home to be guaranteed in an amount not to exceed 60 percent (as compared with the present 50 percent) of the loan, provided the aggregate amount of any such loan guaranteed shall not exceed $7,500 (as compared with the present limitation of $4,000).

Subsection (b)

This subsection would add a new subsection to section 504 of the Servicemen's Readjustment Act of 1944 to provide that no loan for the purchase or construction of housing, on which construction is begun after July 1, 1949, shall be financed through the assistance of the home-loan provisions of that act unless the property conforms to minimum construction requirements prescribed by the Administrator of Veterans' Affairs.

Subsection (c)

This subsection repeals section 505 (a) of the Servicemen's Readjustment Act of 1944, such repeal to be effective 90 days after the date of the approval of this act. The subsection hereby repealed now provides that, in any case where a principal loan for any of the purposes of section 501, 502, or 503 of the Servicemen's Readjustment Act is approved by a Federal agency to be made or guaranteed or insured by it pursuant to applicable law, and the veteran is in need of a second loan to cover the remainder of the purchase price, or cost, or part thereof, the Administrator may guarantee the full amount of the second loan. The amount of any such second loan so guaranteed may not exceed, in any case, 20 percent of the purchase price or cost.

Subsection (d)

This subsection would add a new section 512 and a new section 513 to the Servicemen's Readjustment Act of 1944 for the purpose of authorizing direct loans by the Administrator of Veterans' Affairs to individual veterans for the purchase or construction of houses.

The new section 512 would provide that in any case where a veteran, eligible for home-loan benefits under the act, has not previously availed himself of his guaranty entitlement and is unable to obtain from private lenders, at an interest rate not exceeding 4 percent, a loan for which he is qualified under section 501 of the act, the Administrator of Veterans' Affairs may make such veteran a loan for the purchase or construction of a dwelling to be owned or occupied by him. This loan would bear interest at 4 percent per annum and could not exceed $10,000. The total amount of these loans could not exceed $300,000,000, and the authority to make them would expire June 30, 1951. The Administrator could also make cash advances on such loans to pay taxes on real estate, to provide repairs and improvements, and to meet incidental expenses of the transaction. The Administrator would be directed to credit to the principal of the loan the same amount of subsidy which would be payable under the act, had the loan been made by a private institution. The Administrator would be authorized to sell such loans at par to any private lending institution capable of servicing them, and could guarantee such loans on the same terms as other loans can be guaranteed under the act.

For the purpose of providing funds necessary to make these loans to veterans, the new section 513 would direct the Secretary of the Treasury to make available such sums, not in excess of $300,000,000, as the Administrator requests. In order to make these sums available, the Secretary of the Treasury would be authorized to use, as a public-debt transaction, the proceeds of the sale of securities issued under the Second Liberty Bond Act. Repayments of the principal of loans made to veterans under section 512 would be returned to the Treasury as miscellaneous receipts. The interest paid on the loans would constitute a reserve for the payment of losses and the expenses incurred in the liquidation of the loans. Section 513 would also contain necessary administrative provisions for the handling of the loans.

TITLE V—HOUSING FOR EDUCATIONAL INSTITUTIONS

*Section 501*

To assist educational institutions in providing housing for their students and faculties, this section authorizes a program of $300,000,000 in loans to educational institutions for the construction of housing. Such loans would bear interest at the rate of 2½ percent per annum, and would be secured in such manner and repaid in such period, not exceeding 40 years, as the Administrator determines. The program would be administered by the Housing and Home Finance Administrator.

*Section 502*

This section gives the Administrator the technical powers necessary for the performance of his functions and duties under this title.

*Section 503*

This section provides that not more than 10 percent of the funds provided under this title may be made available to educational institutions within any one State.

*Section 504*

This section sets forth the necessary definition of terms.

TITLE VI—MISCELLANEOUS PROVISIONS

*Sections 601 and 602*

These sections would make certain technical changes in the Federal Home Loan Bank Act and the Federal Reserve Act made necessary by the new section 8 of the National Housing Act which would be added by section 102 of the bill, and by other changes in the act. Section 502 of the bill would also add language to section 24 of the Federal Reserve Act to permit real-estate loans otherwise eligible for purchase by national banks to be secured by first liens on long-term leases, as well as fee simple estates. This, in effect, merely defines an acceptable mortgage lien for these bank loans, so that it will cover the same types of mortgage liens that have been acceptable for mortgage insurance purposes.

*Section 603*

The existing section 102 of the Housing Act of 1948 (Public Law 901, 80th Cong.) authorizes RFC to make loans to, and purchase the obligations of, any business enterprise to assist the production of prefabricated houses or housing components or to assist large-scale modernized site construction. The maximum which can be used for this purpose is limited to $50,000,000 outstanding at any one time. Section 503 of the bill would increase this amount to $100,000,000, and provide that such limitation shall not apply to loans made and obligations purchased to the extent that RFC takes as security (in connection with such loans and obligations) mortgages on erected houses manufactured with financial assistance under section 102 of the Housing Act of 1948. Section 503 would also make clear that these loans by RFC may be made through agreements to participate in similar loans by private lenders.

*Sections 604 and 605*

These sections contain the standard separability clause and the declaration that the provisions of this bill shall control in case of inconsistency with other legislation.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the chairman of the committee.

Mr. MAYBANK. I wish to commend the Senator for his excellent statement, and for the untiring work he has done, and for his efforts as chairman of the Subcommittee on Housing of the Senate Committee on Banking and Currency.

Mr. SPARKMAN. Mr. President, of course, I appreciate the remark just made by the Senator from South Carolina. I have had a great deal of very fine support from the chairman, and fine help from all members of the committee and Members of the Senate.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LANGER. I should like to know whether the new bill makes any provision for the farmers of the country? Are they going to receive any housing, or does it provide housing only for the city people?

Mr. SPARKMAN. There is no title in this bill for farm housing. As the able Senator from North Dakota knows, in Senate bill 1070 there was incorporated a title giving to the farmers the first housing program they ever have had. I am familiar with the well-founded and justified criticism the able Senator from North Dakota makes that it was too small a beginning. It provided for only $325,000,000. But it was the best we could do under the circumstances. That provision was carried in that bill. Accordingly there is no provision in this bill for strictly rural farm housing.

I may add in further reply to the Senator from North Dakota that I am sure he will recall that at his insistence an amendment was added—I think perhaps he himself was its author, on the Senate floor increasing by a slight amount, not a very large amount—I think it was $12,500,000 overall—the amount provided in the farm-housing section of the public-housing bill. The House had provided a lower figure, but when the conference report was considered the House agreed with us to keep the higher figure which had been provided in the amendment offered by the able Senator from North Dakota.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. LANGER. It is my understanding that $12,500,000 was added. I am informed by the distinguished chairman of the Banking and Currency Committee that that amount was retained in the bill.

Mr. SPARKMAN. That additional amount was retained.

Mr. LANGER. The bill the Senator from Alabama has just discussed provides that a veteran can obtain a home in the city. Does the bill contain any provision whereby a veteran can secure a farm with a house on it?

Mr. SPARKMAN. No; such a provision is not carried in the bill. Of course, the Senator knows that a veteran can secure such a farm under the Bankhead-Jones Farm Tenant Act and the amendments thereto.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. The bill further increases the amount of the mortgage which can be secured to $4,750.

Mr. SPARKMAN. For the homes provided for in the bill, yes. I should like to call attention to the fact that the veteran can build a house in the country, not in connection with a farm he is buying or he is operating; but there is a provision for rural nonfarm housing which is exactly the same as city or urban housing.

Mr. LANGER. It was my understanding from what veterans have said, that the amount they are receiving is not sufficient.

Mr. SPARKMAN. We have increased that amount.

In the statement I have just made I called attention to the fact that we increased the amount the veteran could borrow to pay for such a home to $4,750. Furthermore, we have changed the system whereby the veteran can acquire his house. A great many of us thought when we passed the Readjustment Act of 1944 that we were helping the veteran get money for houses at a lower rate of interest. As a matter of fact, in many of the States he paid a higher rate of

interest than a nonveteran paid, through the combination of the veterans loan and the FHA, and from two appraisals and two procedures, and all that. So in the long run he paid a higher rate of interest than did the nonveteran. We have eliminated that from the bill which I have introduced today, and the bill eases the terms under which the veteran can secure a loan.

PEACETIME DEFICIT SPENDING—A POLITICAL SIN

Mr. STENNIS. Mr. President, we are facing important, far-reaching and crucial decisions concerning our fiscal affairs. These decisions must be made soon.

The postwar world of reality, and our part and place therein, has been taking shape for 4 years. The American people, I believe, are well agreed on three basic and complementary courses they want to follow in shaping our pattern for the future.

First, our people want world peace and believe that in order to achieve it, an active, full-scale and powerful national defense program is necessary.

Second, our people believe, strongly and inherently, in the so-called capitalistic system, or system of free enterprise. They want to see it continued. I use the term in its broad sense as a system that offers incentive, puts a person on his merit, keeps open the avenues of opportunity for the many, undertakes to guarantee individual liberty and a fair measure of opportunity to every self-respecting citizen.

And third, Mr. President, our people want a continuation, within reasonable limits, of a major part of the present domestic services that time and experience have proved to be sound. For illustration, and not as an inclusive list, I refer to social security provisions, soil and forestry conservation, securities and exchange regulations, proper provisions for veterans, agricultural price supports, REA extensions, flood control and reclamation, research and other related subjects.

Our people are looking to the Congress for a governmental program that will follow generally these three major courses, but within safe limits wherein the fiscal affairs of our Nation will be protected now and in years to come.

Mr. President, certainly our obligation to stay within safe limits and protect the fiscal affairs of our Nation absolutely demands our all-out effort for the abandonment of deficit financing during years of peace and plenty. Moreover, the annual budget should certainly include sums each year for the orderly retirement of our national debt.

If we say we believe in a sound national defense, a reasonable and progressive domestic program of service, and the free-enterprise system as herein defined, then the first test of our sincerity is our answer to this question: In times of peace and relative prosperity, do you stand unalterably against deficit financing? Under conditions of great prosperity that we now have, if we are not willing to pay the price of a balanced budget, then we indulge in hypocrisy when we say that we favor a strong national defense, a program of domestic services and improvements, and individual freedom based on the free-enterprise system. A balanced budget with no deficit financing is the basic and indispensable girder upon which rests our entire national defense and our entire domestic program.

Now, Mr. President, let us look at the facts. Without seeking to analyze the causes, and without seeking to blame anyone, the cold, hard facts are that we have just closed a fiscal year during which we enjoyed the greatest measure of material prosperity that we have ever known, with our income at an all-time high of considerably over $200,000,000,000; but during that year we failed to pay one single dollar on our $252,000,000,000 national debt. Further, we have to face the shocking and highly discouraging fact that during this same year we went $1,800,000,000 further in debt for current expenses.

Mr. President, what are the additional facts? We are now making appropriations for a new current fiscal year which began July 1, 1949. At our present rate we shall create deliberately a situation that will lead to a now known deficit of from 5 to 8 billion dollars by June 30, 1950. A deficit this large will be created without a pretense of planning seriously to pay one dime on our recently increased national debt. Mr. President, I am shocked and stunned by these facts.

If we are not going to try seriously to avoid deficit financing for this year, then pray tell, in what year shall we start?

Mr. LANGER. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. LANGER. We will start when the Republicans elect a President. Then we shall resume payments on the national debt, as the Republicans have always done in the past.

Mr. STENNIS. I am not trying to place the responsibility on any particular individual or party. We have just closed a fiscal year in which the plans were made by the Republican Party and carried out by the Democratic Party. We had a deficit of $1,800,000,000. Under our present income and present rate of appropriations for the new fiscal year we are facing another deficit, the minimum estimate of which is $5,000,000,000. I place the responsibility with the Congress and the individual Members thereof.

To repeat, if we are not going to try seriously to avoid deficit financing for this year, then pray tell, in what year shall we start? If not in 1950, why not defer it until 1955; and if until 1955, why not until 1960? How long can we defer it and still talk about a "strong national defense" or "progressive domestic improvements," or "individual freedom and opportunity?" I ask again and again, "How long?" I repeat, if we do not face the facts now, in what year shall we face them? If we do not lead the people now, how can we lead them later?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. WHERRY. I am sorry to interrupt the very important speech which the Senator is making. To my mind the subject matter which he is discussing is the most important one before the Eighty-first Congress. I come from Nebraska, where the State government cannot be obligated for more than $100,000,000 without a vote of the people. We believe in that principle. We have to be frugal, and we have to do without things. I am glad tonight that Nebraska, at least from the State angle, does not have to worry about its own indebtedness. But we are worried about the Federal debt.

Does the Senator feel that the financial stability of the country can be maintained if we enter into deficit spending? I noticed that today the President of the United States stated that he felt taxes should not be increased. I agree with him. I have no quarrel with the President, and I do not want to inject partisanship into the question. But certainly I do not agree that we should do away with increased taxes if we are going to take the other avenue of deficit spending.

I do not want in any way to anticipate what is in the Senator's mind, but I ask this question: If we want to continue on a sound fiscal basis, regardless of what party is in power, is it not true that we must pursue one avenue, and that is to fit our expenditures to our income? I hope the distinguished Senator will discuss that question, because I feel that that is the only avenue down which this country can safely go.

Mr. STENNIS. I very much appreciate the Senator's remarks. As he said, this is certainly not a partisan question. I am merely expressing some thoughts which I have gradually accumulated over the months and stating some realizations to which I have come. I am interested in our domestic program. I am interested in national defense. I am interested in preserving our way of life. To insure these things I say that it is absolutely indispensable for the United States to stand on a sound fiscal basis. Otherwise we will fail.

Mr. WHERRY. I do not want to forget good Republican Presidents and administrations who have been very economical. I think when we look back we find that they have contributed greatly toward paying off the debt. As I have said, I come from Nebraska, which is predominantly Republican. Perhaps it is one of the assets of the Republican Party. I stated that the question was not a partisan question. We can select one avenue or the other down which to travel. I think we should select the avenue which does not involve wasteful Government spending.

Mr. STENNIS. I think that is the responsibility of the Congress. We are the only ones who have the power to levy taxes. We are the only ones who have the power to appropriate money. I think the responsibility rests with us, not as a party, but as individual Members of Congress.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. SPARKMAN. I want to see if I correctly understand the Senator's viewpoint. He is arguing that at the present time, with high levels of income, we ought to maintain a balanced budget.

Mr. STENNIS. Yes.

Mr. SPARKMAN. And do what we can toward payment of the debt.

Mr. STENNIS. Yes.

Mr. SPARKMAN. But the Senator does not mean, I take it, that if unemployment should become rampant over the country we should hesitate for a single minute to enter into great public-works programs, even at the risk of deficit spending, in order to restabilize the Nation's economy.

Mr. STENNIS. In time of war, of course, and in time of serious threat to our economy, in time of depression, or in time of great need for our people, I believe that deficit spending should be resorted to in order to stabilize, control, and save the entire structure. But my point primarily is that, during this time of relative prosperity, we are failing to live up to our responsibility.

To continue, if we are not going to make a start in the fiscal year 1950 toward avoiding deficit financing for this year, then why not defer it until 1955 or 1960?

My position is that continued deficit financing will lead inevitably, not at once, but within a few years, to a certain break-down in our strenuous foreign policy, our burdensome national defense, and our domestic programs of service, and, more, will result gradually in the permanent undermining of our personal liberties. Mr. President, I wish that all the American people could fully understand that our entire domestic program, our expansion of social services, our national defense program, the matter of individual liberty—all of them—are absolutely dependent on our having a sound financial base, a firm foundation for our fiscal affairs. I believe that is something we are overlooking; I am afraid we are neglecting it, to our great injury over the years.

It is popular to complain that all evils, real or imaginary, are leading us along the road to statism, socialism, or communism. It is an argument that I do not lightly apply. With all of our natural resources, our huge area, our energy, our industry, our common sense, and our inherent love of liberty and personal freedom, it is hard to believe that our Nation will choose deliberately the path of socialism or communism. But I am certain that we shall eventually take that course unless our fiscal affairs are kept strong and in balance. I fear socialism's or communism's coming to us through the open door of a break-down in our fiscal affairs far more than I fear its coming to us by propaganda or by an armed enemy. The biggest boost that socialism or communism could possibly have anywhere throughout the entire world would be the undermining and eventual break-down in the fiscal affairs of the United States of America.

In the world of finance, the last bright light is the United States dollar. Shall we pinch its flame, bit by bit, by deficit financing, until the world be left in utter darkness?

We have obligations for national defense and to our veterans; we have obligations to maintain a balanced economy; we have obligations to furnish further measures of leadership and assistance to the people in certain essential services of the Government; and moreover, we have expenses and far-reaching obligations of world leadership for which we are not well prepared. The total of these obligations is staggering and will not long be met unless the paramount obligation of them all—the obligation to keep our fiscal affairs on a sound, impregnable basis—is met fully. Failing in that, we invite and shall reap disaster at home and abroad. It will not come this year or next year, or all at once; but just as certain as night follows day, the disintegration will be in steady progress, and disaster will come.

My serious concern certainly does not come altogether from the mere amount of our national debt. Colossal as it is at its present figure of $252,000,000,000, if we really try, we can handle it. I am amazed and impressed gravely by the fact that the Federal Government has spent $177,000,000,000 during the fiscal years 1946, 1947, 1948, and 1949, which is $10,000,000,000 more than the Federal Government spent in the first 152 years of its existence from the time when George Washington was inaugurated in 1789, until the year 1940, just prior to World War II. This does not overwhelm me. What does is our frame of mind toward this debt, and more, our indifference toward our deficit financing and unbalanced spending in times of prosperous peace.

The responsibility rests on Congress, but Congress must have some help. For one thing, we must have scattered through the spending departments of the Government individuals who have some homely ideas of economy and saving.

I got my early impressions as to a sense of economic values when cotton was 7, 8, or 9 cents a pound. God forbid that we ever go back to such prices; I do not ever expect the small budgets of that date. However, the principle of economy must be retaught and reused by our people, even though many of the methods and practices may change. As a boy I often followed my father as he checked his pasture fences; and when making repairs thereto, I have seen him straighten and reuse a nail or staple, not altogether from necessity on his part, but because of a sane, sound, common-sense approach concerning the use of materials and the saving of money. I certainly bring no blanket indictment against the men and women who direct the colossal affairs of the departments of this Government, but I wonder how many of them in preparing their budgets think in terms of straightening and reusing a nail once in a while—think in terms of conserving materials and saving money? I have not been around here long; but with all deference to the splendid service they are rendering, I have not seen any evidence of anyone in the Navy or the Air Force or the Army who thinks in terms of reusing a nail. They may be there, but I just have not found them. And again, with all deference, I have not found anyone in the Department of Agriculture or in the Department of the Interior, or in any other of the departments of Government, who thinks in terms of reusing a nail. There may be some men in executive positions in the various governmental departments who are consistently and persistently trying to save and conserve and stretch the public dollar, and thereby save from their appropriation some funds to turn back into the Treasury, and thus help retire the national debt. There may be many such men, but I just have not seen any, and I have not heard of any, yet. But I believe we will have to have such men in these departments in years to come if we are going to keep our fiscal affairs on a sound basis.

As a people, we must again seek and respect the lessons of self-discipline that come from self-denial, a self-denial that develops habits of self-support and self-respect. These basic virtues are essential for character, and they are not the product of magic nor of legislation.

I certainly do not pose as a man of finance or as an expert of any kind. Furthermore, I am a newcomer here, without vast experience in the handling of our fiscal affairs. But, personally, I think that so long as we are at peace, so long as the national income is anywhere near its present volume, and certainly when we are living in an era of relative prosperity, as we are at the present time, the minimum requirements for a sound budget should include the following items, in the priority herein listed:

First. We should earmark a sufficient sum to pay the interest on the national debt. This would require approximately $5,500,000,000.

Second. We should set aside a minimum of $2,500,000,000 to be applied in all events toward retirement of the national debt. I would prefer to see $4,000,000,000 so applied. At present we have no real plan for the orderly and systematic retirement of our national debt.

Third. I would operate the Government on the remaining revenue.

I look forward to the passage of, and shall strongly support, the Byrd resolution, Senate Concurrent Resolution 18, now on the calendar, which seeks to place the entire appropriation picture before the Congress at one time and in one picture, thus supplying a more accurate and complete figure story of the full questions before us.

There are, of course, only two ways to avoid deficit financing for the fiscal year 1950: either to cut the garment of appropriations to fit the cloth of present anticipated income, or to extend the cloth by increasing taxes.

To set definitely the top figure in any appropriation item is primarily a legislative function and duty that should be faced squarely and then performed courageously by the Congress without any evasion whatsoever. I should be disappointed and chagrined if we do not rise to that responsibility. Accordingly, I shall join in any movement to face the issue and reduce appropriations to fit the anticipated revenues. I dislike to do this, but I feel that anything less is an avoidance of a serious and solemn duty.

If we fail in this, I am so convinced of the necessity of meeting a fundamental requirement of sound government, that I shall support vigorously the

McClellan resolution requesting the President to make reductions, within certain limits, of various amounts and items.

I do not believe any tax increase is necessary, and I shall oppose any. I believe that the Congress should and will take effective steps, outside the realm of increasing taxes, to relieve our present and prospective 1950 deficit. But if all efforts fail, and if I am driven to a choice between deficit financing and raising taxes, I will vote for a well-framed and considered tax bill—but under great protest—and this tax to apply for 1 year only. As ill-considered as this might be, it would neverthless be an effective and firm stand against deficit financing. It would let our own people, as well as the people of all nations of the world, know that we mean what we say when we proclaim that our fiscal affairs will stand on a sound basis at all hazards. Any other course is not only unsound, but it will eventually be suicidal.

I am not pleased over what seems to be our attitude here toward this far-reaching and basic problem. I have seen our course on fiscal affairs unfold, and am now realizing the implications. I have voted for the appropriations so far considered this year, whose totals shall contribute toward an unbalanced budget. As the picture develops and becomes clearer, my path of duty becomes plain. You may place my name high on the list of those who have realized where we are drifting, and also high on the list of those who feel duty-bound to go any reasonable limit to do something about it now, at once, and for the years to come. My plea is not merely a temporary plea for "sound financing" as the term is sometimes used; I plead for a permanent abandonment of deficit financing except in war or other equally extreme conditions. I plead for practical action now that will return our fiscal affairs to a sound basis, because I feel that I know in my own mind that this is absolutely necessary over the years for an effective defense program, for a domestic program of service, and foremost of all, for a continuation of our personal freedom for all and a continuation of opportunities for our youth.

Sound governmental financing being clearly indispensable to a continuation of our freedom and our progress and our defense, let us courageously set ourselves by this polestar and our course, though at times rugged, will be safe for us all.

For us, the Congress, to fail the people on this vital point will be nothing less than political sin.

And now, Mr. President, I indulge the hope that I have arrested the attention of some of my hearers, or that those who read the RECORD may pause and give thought to this problem; but failing in each of these, I have at least tied myself down, and this is a course that I must respectfully recommend to each of my colleagues who has not already traveled this perplexing path.

### CONSIDERATION OF NOMINATIONS

Mr. PEPPER. Mr. President, I move that the Senate proceed to the consideration of Order No. 1914 on the Executive Calendar and the remaining nominations on the calendar.

The motion was agreed to.

### UNITED STATES CUSTOMS COURT

The Chief Clerk read the nomination of Morgan Ford to be judge of the United States Customs Court.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

### UNITED STATES MARSHAL

The Chief Clerk read the nomination of John E. Sloan to be United States marshal for the western district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

### UNITED STATES PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations to the United States Public Health Service.

Mr. PEPPER. I move that the Public Health Service nominations be confirmed en bloc.

THE PRESIDING OFFICER. Without objection, the nominations in the United States Public Health Service are confirmed en bloc.

Mr. PEPPER. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

### RECESS

Mr. PEPPER. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 43 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, July 13, 1949, at 12 o'clock meridian.

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### NOMINATION

Executive nomination received by the Senate July 12 (legislative day of June 2), 1949:

UNITED STATES MARSHAL

Joseph P. Regan to be United States marshal for the district of Kansas, vice William M. Lindsay, term expired.

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### CONFIRMATIONS

Executive nominations confirmed by the Senate July 12 (legislative day of June 2), 1949:

UNITED STATES CUSTOMS COURT

*To be judge of the United States Customs Court*

Morgan Ford

UNITED STATES MARSHAL

*To be United States marshal for the western district of Pennsylvania*

John E. Sloan

UNITED STATES PUBLIC HEALTH SERVICE

APPOINTMENTS AND PROMOTIONS IN THE REGULAR CORPS OF THE PUBLIC HEALTH SERVICE

*To be senior surgeon (equivalent to the Army rank of lieutenant colonel), effective date of acceptance*

Paul W. Kabler

*To be surgeons (equivalent to the Army rank of major), effective date of acceptance*

Wilton M. Fisher
Lawrence L. Swan
Thomas L. Shinnick

*To be sanitary engineers (equivalent to the Army rank of major), effective date of acceptance*

Charles D. Yaffe
Glen J. Hopkins
Louis F. Warrick

*To be scientist (equivalent to the Army rank of major), effective date of acceptance*

Robert E. Serfling

*To be senior sanitarian (equivalent to the Army rank of lieutenant colonel), effective date of acceptance*

Glen M. Kohls

*To be sanitarians (equivalent to the Army rank of major), effective date of acceptance*

Maurice E. Odoroff
Nell McKeever

*To be nurse officers (equivalent to the Army rank of major), effective date of acceptance*

Eleanor C. Bailey
Avis Van Lew
Lorena J. Murray

*To be senior dietitian (equivalent to the Army rank of lieutenant colonel), effective date of acceptance*

Margaret E. Perry

*To be assistant sanitary engineer (equivalent to the Army rank of first lieutenant)*

Charles E. Sponagle

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# HOUSE OF REPRESENTATIVES

TUESDAY, JULY 12, 1949

The House met at 12 o'clock noon.

Rev. Theodore C. Mayer, pastor of the Methodist Church, Wooster, Ohio, offered the following prayer:

Our Heavenly Father, we come to Thee seeking Thy help that we may measure up to the demands of this day. Too long we have sought Thy blessing for our plans, but today we would seek to know Thy will and, in following it, receive Thy blessing.

Too often we have only prayed for the coming of Thy Kingdom, and have wondered why it tarried so long; but today we would seek first Thy Kingdom and in seeking it we shall find it.

Too soon we have stopped our praying and begun what we called the work of the day, but today we would work in the attitude of prayer, placing our trust in Thee and doing all in the spirit of Thy Son, Jesus, in whose name we work. Amen.

The Journal of the proceedings of yesterday was read and approved.

### EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD in four instances and include extraneous matter.

Mr. ENGLE of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

THE HATCH ACT

Mr. SUTTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SUTTON. Mr. Speaker, today I am introducing a bill to repeal as much of the Hatch Act as prohibits certain officers of the Federal and State governments and members of the armed services of the United States in taking an active part in political management or political campaigns.

The Hatch Act in its present form prohibits a multitude of sins, the prohibition of which I agree with 100 percent. However, it is my opinion that every natural, native-born person should be permitted to exercise his or her prerogatives in connection with the election of public officials.

This Government being founded on the principles of the people, for the people, and by the people, in my opinion, should be at all times governed by the people. If this principle of democracy is to be followed, it is certainly undemocratic to prohibit those who are carrying out the mandates of the law from engaging in political activities.

Many holders of appointive offices are very familiar with the operation of the Government and the requirements connected with public offices. Because of their experience, they are well aware of the type of individual that should be elected to reflect the wishes of the American people but, because of certain provisions of the Hatch Act, they are prohibited from exercising their inherent right, to wit, taking an active part in political campaigns. For that reason, I hope that the bill that I am introducing today will be enacted.

I realize that other provisions of the original Hatch Act should be left in full force and effect, and, for that reason, my bill only relates to those prohibitions denying employees of Federal and State governments and members of the armed forces from taking part in political campaigns.

ARMED SERVICES UNIFICATION

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Speaker, the country will be shocked, I know, to learn that the House Committee on Armed Services this morning killed the unification bill by a vote of 13 to 12. The committee voted to postpone any further action on the bill which was just about ready to be voted upon until after the conclusion of the investigation of the B–36. The committee staff is working on an investigation of the B–36; and according to them, it is going to be impossible to conclude that investigation prior to the adjournment of Congress. So I say advisedly that unification is dead for this year in Congress.



I think the country will be interested, too, to know that ex-President Hoover testified that a proper unification bill would save this country $1,000,000,000. Other witnesses also testified that it would save from two to two and a half billion dollars if we put through a unification bill instead of killing it.

ARMED SERVICES UNIFICATION

Mr. VINSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Speaker, the distinguished gentleman from Louisiana has informed the House of the action of the Committee on Armed Services. The committee had finished its hearings and had rewritten the bill. It was up for a final vote this morning when a motion was made to postpone further consideration of the bill until after the B–36 hearings are completed. I want to assure the House that counsels for the B–36 hearings, who were selected last week, have started investigation and I will drive as vigorously as I know how to have the investigation completed so that at the very earliest possible date the committee may resume its hearings on what is known as the Tydings bill. I am for the bill. There are amendments which I think are essential safeguards. But the committee in its wisdom has deferred action until the B–36 hearings are completed.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Speaker, when the American people know all the facts involved in the pending legislation, S. 1843, coupled with some other legislation, they will not be at all shocked, but will be grateful to the Committee on Armed Services for holding up this legislation temporarily at least.

Our distinguished chairman of the Committee on Armed Services is eminently fair always. Originally his position was to defer this legislation until a later date, but when he was pounced upon by my good friend and colleague, the gentleman from Ohio [Mr. BROWN], trying to rush the thing through, he went to work and he has worked long, hard, and diligently. I am inclined to favor this bill, but from the beginning I have thought it should be considered after investigation of the B–36. In fact, the chairman, the gentleman from Georgia [Mr. VINSON], the gentleman from Louisiana [Mr. BROOKS], and the gentleman from California [Mr. JOHNSON] and I are about the only ones, with the exception perhaps of three or four younger Members, who are in favor of it. Many of our Members, and the close vote taken today shows it, entertain grave doubts. If you want to save a billion dollars a year and carry out the recommendation of the Hoover Commission, you can take title IV of this bill and it would pass the committee, I dare say, unanimously. I shall offer title IV as a separate bill today. This will give us efficiency and economy immediately and we can postpone consideration of the highly controversial features of S. 1843 until after further study.

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, I hesitate to prolong this discussion, but I have a very strong feeling on the matter. I thoroughly share the views of the gentleman from Louisiana [Mr. BROOKS]. I feel that by the action taken by our committee this morning we have prevented any action on the tightening of the military unification act during this present session of Congress. Despite the assurance of our chairman, for whom I certainly have the greatest respect, I know something about these congressional investigations. I have been tied up in one on the Senate side for almost 2 months now, and I know that when you get into these investigations, they are prolonged and no one can foretell the end of them.

So I have a feeling a little bit different from that of my chairman that the committee in its wisdom this morning decided to postpone this hearing until the conclusion of the investigation on the B–36 matter. I might say the committee in its lack of wisdom reached its decision this morning.

EXTENSION OF REMARKS

Mr. HOWELL asked and was given permission to extend his remarks in the RECORD and include a newsletter of the French General Conference.

PAY RAISE FOR POSTAL EMPLOYEES

Mr. WAGNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. WAGNER. Mr. Speaker, I notice that last week the Committee on Post Office and Civil Service brought before this House a bill with reference to the amount of compensation paid to members of the Cabinet and to different gentlemen in the executive departments. I know that this committee has a great deal of work on its hands but I sincerely hope that they accelerate the hearings which are now in progress and that before this session is concluded they will bring to the floor of this House a bill designed to finally recognize the fact that the employees of our Post Office Department are greatly underpaid and should receive a raise in salary, and also obtain further benefits as proposed in several measures pending before the committee.

The SPEAKER. The time of the gentleman from Ohio has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. WALTER addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

THE TYDINGS BILL

Mr. JOHNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON. Mr. Speaker, I was very sorry to see the Tydings bill, as amended by the House Armed Services Committee, postponed today. I am one of those who firmly believes that if we are going to have a system of defense we must give enough power to the headman to run the entire organization under his supervision. That bill as it was modified in our committee does exactly that. The B–36 investigation undoubtedly will be a very thorough and painstaking investigation. Unfortunately, the Secretary of Defense, who bears my name, wrote a memorandum, or rather Mr. Early, his assistant, did, from which it could be implied that he wanted to have all the testimony pass through his hands. The inference that some make, although I did not make it myself, would be that he would try to censor, to a certain extent, and regiment the testimony. I think if it develops that he is trying to do that it would react very unfavorably against him. But I hope that we can get the Tydings bill before the House before this Congress adjourns, as that will bring real unification, which will result in much economy.

The SPEAKER. The time of the gentleman from California has expired.

CONDUCT OF FEDERAL JUDGE

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, I had not intended to take the floor this morning until my good friend the gentleman from Pennsylvania [Mr. WALTER] said something about the trial in New York.

Regardless of what has been said about bias and prejudice in the Hiss case, as one who has spent nearly a quarter of a century in the courts of the land, I know something about court procedure. When five members of the jury, as appears in an article in the New York Herald Tribune this morning, make the statement that they believe the judge was biased and prejudiced against the Government and in favor of the defendant, Hiss, certainly there appears firm ground for the charges made that the trial was unfair. The jurors, with the attorneys in the case, had the privilege and opportunity of watching the judge, hearing what he had to say, seeing his complete demeanor and attitude on the bench, hearing the inflections of his voice, and having the advantage of noting the gestures of the judge in regard to the case. The trial judge shaking hands with character witnesses in the case in the presence of the jury is an example of the court's conduct. It had its probable effect on the jury. When facts such as that are considered there is ample basis for the statement of the five jurors and Congressmen NIXON and CASE of the Committee on Un-American Activities that Judge Kaufman was prejudiced against the Government and in favor of the defendant, Hiss.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. POTTER asked and was given permission to extend his remarks in the Appendix of the RECORD and include Senate Concurrent Resolution 44 of the Michigan State Legislature.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD and include an editorial.

BURDENSOME EXCISE TAXES

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, unquestionably the President is on firm ground when he concedes the error of his ways and withdraws his insistence upon a tax increase at this time. His willingness, even though belated, to face up to the realities of the economic picture in this respect is to be commended.

It is disappointing that the only reduction in taxes which he recommended has to do with the excise tax on the transportation of goods.

I can think of no greater spur to business activity than would be afforded by favorable action on the bill of our distinguished minority leader to eliminate or reduce many of the Federal sales taxes imposed originally to secure extra revenue for the prosecution of a war, but still continued, and now threatening to become a permanent fixture in our economic picture unless action is taken promptly to grapple with temptation. So long as we continue to open added sources of revenue to the Federal Government, we will look in vain for substantial economies. Only the compulsion of necessity will force cuts in our budget which all of us know can, and should be, made.

If the Martin bill needs amendment, the Committee on Ways and Means should get on with the task of presenting to us a measure relating to these Federal sales taxes which it considers sound. The inaction which has characterized this committee in the present Congress is regrettable in the light of the opportunities for constructive service afforded it.

It should not be necessary for this committee to take its dictation from the President or be guided only by his views in charting its future course.

The other great disappointment, of course, in the President's message came in the continuance of his adherence to the principle that the Government must spends its way out of the present period of recession. Just as the elimination of excise taxes is a sure key to business revival in many fields, increased deficit financing and unwillingness to accept reductions at any point in governmental spending is an infallible source for creating lack of confidence on the part of business and thereby accelerating the present downward trend. Before it is too late, we should promptly and emphatically disavow our willingness, as Members of Congress, to go along with such a theory which has proved disastrous in the past and clearly portends nothing but danger for the future.

PERMISSION TO ADDRESS THE HOUSE

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. VURSELL addressed the House. His remarks appear in the Appendix.]

HUGH D. SCOTT, JR., CHAIRMAN OF THE REPUBLICAN NATIONAL COMMITTEE

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON of California. Mr. Speaker, I would like to associate myself with and concur in the remarks just made by the distinguished gentleman from Illinois [Mr. VURSELL]. Partisan politics aside, I have always found the distinguished gentleman, our colleague from Pennsylvania [Mr. HUGH D. SCOTT, JR.] to be sincere, able, and forthright. It is true that I personally do not go into transports of delight over the gentleman responsible for Mr. SCOTT'S appointment in the first instance. In light of that fact I can speak with a degree of impartiality. I have found that the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.] is a man of his word and a man of high principle. I call that to the attention of the national committee hatchetmen. I have found his character to be above reproach in all respects and I trust that not only will this House have the benefit of long continued and effective service but also that those beating the tom-toms for his dismissal as chairman of the Republican National Committee will take into consideration the virtues and the characteristics which have endeared him to us who have come to know him so well.

EXTENSION OF REMARKS

Mr. WERDEL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD.

SPECIAL ORDER

Mr. JAVITS. Mr. Speaker, I ask unanimous consent that the special order I have for today be transferred to Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE PRESIDENT AND HIS PROMISES

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, the President in the last campaign was profligate in his promises.

Apparently in an effort to make good, he presented to Congress the largest budget by several billions that any President ever presented in peacetimes.

In his effort to emulate Roosevelt he thinks that spend and elect are political synonyms.

He demanded that Congress increase taxes by four thousand millions, which Congress has refused to do.

Instead of realizing that debt and communism are two of America's most serious problems, he laughs at debt and jokes about communism.

As a result, he has brought upon the country a serious depression, and his "red herring" is now engaging our courts in long and disgraceful trials.

Yesterday in his message to Congress he has reluctantly abandoned his demand for more taxes.

He still clings to his impossible theory that prices can be lowered without lowering the cost of production.

For purely political purposes he understates the facts with reference to the depression.

He refuses to recognize that the three principal problems facing the country now are:

First. Extravagant Government spending;

Second. The seriousness of unemployment in the country; and

Third. The dangerous trends of our country toward communism and toward foreign alliances from which we will never be able to extricate ourselves.

Mr. Truman, you are the President of the greatest Nation in the world. You should demean yourself accordingly. You are serving future generations and eternity. Eternity is a long time.

EXTENSION OF REMARKS

Mr. JENKINS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MERROW asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article written by him appearing in a New Hampshire newspaper.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. ELSTON asked and was given permission to extend his remarks in the RECORD and include an article from the Cincinnati Enquirer by Mr. Bromfield.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include an article.

Mr. RICH asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement entitled "We Go Back to Deficit Spending" by the secretary of the Council of the State Chambers of Commerce.

Mr. MARSHALL asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. KARST asked and was given permission to extend his remarks in the RECORD and include a letter.

GOVERNMENT EXPENDITURES

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I wonder what has happened to the report of the Joint Committee on the Legislative Budget. That committee was supposed to have reported on the 15th of February the amount of money we are spending and the amount of receipts we are taking in. I would like to know why that committee does not function.

If you will read the statement I now insert in the Appendix of the RECORD, you will find that last year we had a credit to the good of the Government of $8,419,000,000, while on June 30 of this present year the Government was in the red to the extent of $1,811,000,000. The first figure came from the Eightieth Congress and the last is due to the spending of the "Eighty-worst" Congress. the difference is $10,230,000,000. Some difference, I would say.

Mr. Speaker, last year we spent $1,811,000,000 more than we took in. Every one of the Members ought to know enough to balance the budget.

We should be ready at all times to see that our house is in proper financial order. We cannot continue this deficit spending and keep solvent; we cannot give everybody everything they want and expect to keep solvent. You must be able to say no. It is necessary to say no. The President should not ask for all the New Deal proposals that he has—they are ruinous to our Government—such as socialized medicine, aid for education, arming all countries of the world, the St. Lawrence seaway, and so forth, and so forth. Let us stop spending, go home, and give the country a rest from this squandering administration.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

EXTENSION OF REMARKS

Mr. TOLLEFSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MACY asked and was given permission to extend his remarks in the RECORD and include two editorials.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RURAL TELEPHONE SERVICE

Mr. COLMER. Mr. Speaker, I call up House Resolution 267 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2960) to amend the Rural Electrification Act to provide for rural telephones, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the Chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, this resolution makes in order the consideration of H. R. 2960, the rural telephone bill, which is an amendment to the Rural Electrification Act. Mr. Speaker, I believe that possibly the greatest service that has been rendered the rural people of this country was the passage of the Rural Electrification Act. It has certainly brought greater benefits to the rural people of this great country of ours than any other piece of legislation enacted under the so-called New Deal program.

Mr. Speaker, I am an old-fashioned American. I believe that in order to have a healthy America we must have a healthy rural people. If it is left to the people of the rural areas of this great country we would never have any communism or any other foreign ism. The rural people of this country are possibly more responsible for the splendid system of free government that we enjoy than any other segment of our people. I do not mean by that to cast any aspersions upon those who dwell in our great urban centers. But, I think it is a matter of common knowledge that these foreign isms originate and flourish more in the congested centers than they do in the rural areas. Therefore, if we are to continue as a great free people it seems to me that one of the primary considerations and objectives of ours is to see that

our rural people are prosperous and are content, and thereby stem, so far as possible, the constant trend of our people to move into the congested areas of our great urban centers. So this is another step to bring about that healthy condition in our rural areas to try to prevent, so far as possible, the trend of our rural people to move into the great urban centers.

I believe in free enterprise. I believe it is the basic success of our system. This bill is not in conflict with that philosophy, but I should like to pause in passing to say that if our private enterprise system would exercise itself a little more to bring the benefit of modern inventions and modern improvements within the grasp of our rural people, Federal assistance to rural electrification and rural telephones would not be necessary. Since this legislation has been introduced, private enterprise engaged in these particular areas has exercised itself considerably to give the benefit of rural telephone service to the rural people of this country.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I would be glad to yield to my distinguished and long-time friend, for whom I have great admiration and to whom some day the people of this country will erect a monument, for—like Cato of old, who always arose and said that Carthage must be destroyed—my friend arises in this Hall and tells the people that they must cut down on their spending. He is so imminently correct.

Mr. RICH. I thank the gentleman.

If the telephone people of this country now are extending their lines out into the rural areas, knowing what has happened in the past in regard to rural electrification and things of that kind, does not the gentleman believe that the private enterprise system will now continue to extend the telephone service so that it will be in reach of every community in this country? If we give them a little more time, and if they do do that, then will we not save the Government from branching out into these lines of private endeavor in competition with the private enterprise system? If we are not careful what we do, we will kill the private enterprise system just as sure as little apples grow.

Mr. COLMER. Private enterprise has been slow in doing anything about this, just as it was in the case of rural electrification. It began to exercise itself when this legislation was first fostered. If private enterprise will continue to exercise itself, it will be given the opportunity to do the job, under the philosophy of this legislation.

Mr. YOUNG. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. YOUNG. Is it not a fact that the Rural Electrification Administration represents one of the great achievements of this Nation during the last 15 years, and is it not a fact that at the time the rural-electrification measure was before the Congress of the United States, the same argument was made by its opponents as is now made by the gentleman from Pennsylvania against this very fine amendment proposed to the Rural Electrification Administration Act which would extend that act to include rural telephones?

I favor this legislation, as does the gentleman from Mississippi, and I believe that the House of Representatives will do a great public service today in passing this legislation.

Mr. COLMER. My friend from Pennsylvania wants to answer that question. I yield to him for that purpose.

Mr. RICH. I am not interested in trying to keep the people of this country from getting some of the benefits, but I am trying to keep this country solvent. I want to say to my friend on the other side of the aisle who wants to criticize me for anything that I might do or say, that I am subject and open to any criticism which might come to me, but I want to tell you that when the Rural Electrification Administration goes out as it has been doing for the last 2 or 3 years trying to build power plants to compete with private enterprise, when they are not necessary, it is just incurring an added expense for the Government which should not exist. I do not care where or how it is, but we should be very careful that we do not kill private enterprise because we are going into socialism just so fast that some day you will be the fellow who is ruined. Then do not blame it on me, because I tried to keep the private-enterprise system, which has made this country the greatest country on the face of the earth in 170 years. That has not been accomplished by socialism. Look what has happened to Great Britain now. Do you want to get in the same position that they are in over there? God forbid.

Mr. COLMER. Let me say to my friend from Pennsylvania that there is not a great deal of difference between his philosophy and mine, both in general, and particularly in this matter. My argument is that this will render a service that private enterprise has not rendered and that now private enterprise will be given the opportunity to render that service with the assistance afforded in this bill.

Mr. YOUNG. If the gentleman will yield further for just an observation—the passage of this legislation will in fact save the taxpayers of this Nation money instead of causing additional expenditures.

Mr. COLMER. I yield to the gentleman from North Carolina, the chairman of the committee.

Mr. COOLEY. I would just like to point out to the gentleman from Pennsylvania that according to information supplied to the committee in 1920 43½ percent of the farms in Pennsylvania had telephones and as late as 1945 only 40.4 percent of the farms had telephones.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Missouri.

Mr. SHORT. I am glad that the able gentleman from Mississippi pointed out that there is not so much difference between the proponents and opponents of this legislation, if they really understood it. I think most of us believe in private enterprise, but we will agree with the gentleman from Mississippi that private industry in the past has gone only into the cream districts and have neglected the skimmed milk districts of this country. The remote rural areas of America are entitled to electric power which will shift the burdens of the world's work from the backs of men and women to muscles of iron and steel. And they are entitled to this telephone service so long as it is not built along parallel lines so as to destroy private investments of individual citizens who are engaged in lawful and legitimate enterprise.

Mr. COLMER. I thank the gentleman from Missouri for his usually splendid contribution.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the author of the bill, the gentleman from Texas [Mr. POAGE], who is to be congratulated for piloting this splendid piece of legislation from his committee.

Mr. POAGE. I want to call the attention of my friend, the gentleman from Pennsylvania, to two sets of figures. The figures for Pennsylvania have been called to the gentleman's attention. The United States as a whole has actually lost rural telephones, or at least a percentage of rural telephones has decreased since 1920. In 1920 there were 38.7 percent of the rural homes of America supplied with some form of rural telephone. In 1945, the last year for which there are census figures, there were only 31.8 percent.

Let me call attention further to the fact that in 1935, when the REA began its operations and made its first loans in 1936 for the extension of electric lines in this country, about 11 percent of the rural homes of America had electric connections, whereas about 22 percent, or almost twice as many, had telephones at that time. Today the figures are almost exactly the reverse. There are almost exactly twice as many rural homes with electricity as there are rural homes with telephones. In other words, under the assistance of the REA, we have increased rural electrification from 11 percent to approximately 75 percent in this Nation. During the same period of time the Nation has lost in the percentage of rural homes supplied with telephone service.

Mr. COLMER. Mr. Speaker, I thank the gentleman for his observation.

I said in the beginning that the REA had furnished a great service to the rural people of this great country of ours. I can think of nothing that would be of greater service than to give them the benefit of rural telephone service. Certainly, if they need electric lights, they need this method of communication, which is enjoyed by our urban residents everywhere.

Mr. SHORT. Mr. Speaker, will the gentleman yield further?

Mr. COLMER. I yield.

Mr. SHORT. Since the telephone poles are already erected, what objection could there be to stringing a telephone wire under the electric wire, to serve these people in the remote areas that often need help in times of emergency, for instance, when they have to call a doctor?

Mr. COLMER. Of course, that is the plan that is intended under this legislation.

Mr. Speaker, I now yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and I reserve the remainder of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this rule makes in order consideration of H. R. 2960, a bill to amend the Rural Electrification Act, to provide for rural telephones, and for other purposes.

Getting away from the apparent—and I repeat apparent—harmlessness of the preamble, really what does this bill do?

It authorizes and empowers the Administrator of Rural Electrification to make loans for a 35-year period, with interest at the rate of 2 percent for the purpose of financing or refinancing the improvement, expansion, construction, acquisition, and operation of telephone lines anywhere without regard to geographical location.

He can make these loans to public bodies, cooperatives, nonprofit limited dividend or mutual associations. Telephone service shall deem to mean any communication service whereby sounds, signals, signs, writing, or pictures of all kinds are transmitted with the use of electricity, including but not limited to wire, wireless, or wire carrier transmittal and reception, and shall include all telephone lines, facilities, or systems used in the rendition of such service. Rather a big order I would say.

However, before going into these complicated, impractical, unsound, and far-reaching provisions of this bill, I want to emphasize that I favor every person having a telephone who desires one, where it is practical to have one if he can afford it.

I appreciate that there are many misinformed people who feel that the thousands of independent telephone companies have been derelict in providing adequate telephone facilities to the public the past 10 years. That is the farthest from the truth. We must never forget that during the depression, there was no demand from the public for additional telephone facilities. Then the war came along and the rulings and regulations of the War Production Board, and the telephone companies were forbidden to sell or install telephones for normal use. They all went to the military. Also, during the war they were unable to obtain sufficient help to advance their lines. Notwithstanding the depression and the war with their handicaps, still farm telephones have increased from 1,526,954 in 1940, to 2,473,000 in 1948, or a gain of nearly 60 percent.

I cannot think of any comparable gain in any other public service, with the possible exception of rural electrification—and that is only to be expected. Because it is only natural that large landowners of the South will furnish, without exception, the share croppers and cotton pickers electricity in their little cabins while they will provide but one or two of these people in close proximity with telephones.

Farm-telephone density is related directly to farm income. The economic status of the farmer determines the number of telephones. Many share croppers and cotton pickers make less than $500 a year. With such a low income, is it not natural that they do not have the desire to pay for a telephone. The problem, as I see it, is to do something that will raise their income whereby they can afford to pay for a telephone—not to spend millions of dollars for telephone poles and telephone lines near their cabins when they cannot afford to pay for a telephone when the service reaches them.

Over 76 percent of the farmers in Illinois have telephones. The only ones that do not have them are the ones who live in a remote area. It would necessitate installing posts and lines, running miles, at a cost of thousands of dollars. Even as far as this bill goes, it would not take care of them.

Yes; many will contend that the thousands of independent telephone companies have done a bad job. Still, the fact remains that of the 60,000,000 telephones in the world, the United States has nearly two-thirds, or 37,000,000, which I believe is very good.

My good friend, the author of this bill, the gentleman from Texas [Mr. POAGE], stated, as appears on page 108 of the hearings:

> I may say in all frankness that I contemplate that this bill should have the power to provide competition because if it does not have the power we do not get much done.

Of course, there is not and should not be competition in the telephone industry. In 1913 the Department of Justice decreed, when the question was before it, that competition in the telephone industry was impractical and was definitely not in the public interest. The telephone industry was determined to be in the public interest a natural monopoly, and rightfully it was placed under strict Federal and State regulation, and it remains in that position today.

From a practical viewpoint, can you possibly conceive of competition in our telephone industry? It would mean, in the true sense, that you could have a telephone belonging to one company, your neighbor on the right a telephone belonging to another company, and your neighbor on the left a telephone belonging to still another company. What a mix-up. Still, this measure provides for just such a thing.

As a matter of fact, this bill, if enacted into law, might easily place all the telephones of the country under Government ownership. Perhaps that is the ambition of many who are supporting this bill, but I earnestly state that is not the goal of the gentleman from Texas [Mr. POAGE]. We all know him too well.

How could all telephones ultimately become Government-owned if this bill becomes a law? I will tell you why.

At the present time there are many independent telephone companies borrowing from the Reconstruction Finance Corporation in order to make improvements and advance their lines. They pay 4 percent interest and the maximum term is for 10 years. They pay income taxes and a dozen other taxes. How can they possibly compete with certain agencies such as cooperatives which do not pay like taxes. How can they possibly compete when they are compelled to pay 4 percent interest to one governmental agency when under this bill others can borrow from another governmental agency—the Rural Electrification Administration — paying but 2 percent interest.

I cannot understand how anyone can possibly hold that the Federal Government should loan money to anybody for a long term at 2 percent, when it pays more than 2 percent itself for long-term borrowing at the present time, and no one knows how much higher interest they might have to pay—not 35 years from now—but perhaps 5 years from today.

Right at this minute, the Treasury Department is using the radio, press, and sound trucks to sell bonds bearing interest of over 3 percent. Think of it—when under this bill they will loan the same money at 2 percent. Rather silly, isn't it?

As far as I have been able to learn, the Director of the Budget has not given his approval to this bill; no one knows the cost over the next 35 years; no one knows whether it is part of the President's program.

In my opinion, if this legislation is to be passed, the following desirable amendments should be added:

First. Antiduplication of facilities to prevent competition.

Second. To prevent right to acquire existing property—purpose is to expand and provide service where it does not now exist.

Third. To give existing telephone companies a clear preference over all "newcomers."

Fourth. To prevent refinancing of debt-ridden companies for the purpose of unloading their bad investments on the Government.

Fifth. To make certain the interest rate is no lower than the cost of money to the Government for like term of borrowing.

Sixth. To provide that local or regular commercial sources of loans must be exhausted before a loan can be made under this bill.

Seventh. To substitute Reconstruction Finance Corporation for Rural Electrification.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Illinois.

Mr. CHURCH. I want to congratulate the gentleman for a very fine statement. I hope the amendments he has suggested will be adopted before the bill finally becomes law; if it does.

Mr. ALLEN of Illinois. I thank the gentleman very much. I hope the Members will study these seven amendments. I am certain if they do the majority will agree with the seven amendments I have offered.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, I represent a district composed of nine counties which extends across the eastern

section of Tennessee from Kentucky to the North Carolina line and pretty close to the Georgia line. Thousands of my people live on farms. For the past several years the residents in the northeast section of my home county of Knox have repeatedly appealed through me to the local telephone company for the extension of telephone lines to their farms. Doctors are scarce in the country. There are very few country doctors, and if we had telephones these people, many times, by calling the doctor's residence, could find out whether or not he was available at home and, if not, where he could be found. They need telephone service for that purpose.

In addition to that, many times by the use of the telephone, they will save themselves the expenditure of from three to five dollars for gas and oil and for wear on their automobiles. I hold in my hand here a sheaf of telegrams that have come to me today from the vicinity of Fountain City, a suburb of Knoxville, where 25,000 people live; from Hall's Crossroads, and from Harbison's Crossroads, and from Corryton sections of the county which are heavily populated, thickly populated, with progressive, prosperous farmers. They do not want anybody to give them anything. They want an amendment to the REA Act so that they may borrow from this agency which has been loaning rural-electrification concerns the money with which they have extended the lines from the central stations of the Tennessee Valley Authority thus carrying electricity to all of the sections of that great region of my State. These people need telephone service. Hope deferred, I am told in the Proverbs, maketh the heart sick, but when the desire cometh, it is a tree of life. My people have long hoped in vain. The time of their deliverance, by this measure, is near at hand.

We Tennesseans in my section of the State cannot truthfully be said to be socialistic. We have been Republicans since the party came into existence. My district has not elected a man of the opposite political faith to this House since 1856. They who are supporting this measure are Republicans for the most part. This, however, is not a partisan measure. Its enactment will benefit all the people.

Tennessee has been liberal with the western section of our country.

My congressional district sent Sam Houston from Blount County to Texas under a mandate from Andrew Jackson to take that vast empire away from Mexico, and he did it. When he was a boy 5 years of age, the pioneer father and mother of SAM RAYBURN moved from their home in Roane County, Tenn., in the Second Congressional District, to Texas, where SAM grew to manhood. The people of Texas, at a time when the memory of man runneth not to the contrary, saw in SAM splendid congressional timber and have continuously elected and reelected him to this body, and he is now for the second time the Speaker of the House.

This measure is an effort to give the people of this country the services they are entitled to enjoy; and that they are willing to pay for.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Missouri.

Mr. SHORT. It must not be forgotten that last year in the awful do-nothing Eightieth Congress we voted $400,000,000 for rural electrification, which was $100,000,000 more than was requested by the President or the Director of the Bureau of the Budget.

Mr. JENNINGS. That is true, and it has been a benediction and a blessing to the people to whom it has carried electric current. It has lifted the heavy burden and the drudgery off the bent backs of the farm wives. You can go to the remotest portion of my district and find deep-freeze outfits. You find in their churches and schools, places of business, dairies and homes electricity that is enabling them to live a prosperous and happy life.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, as the Members of this body well know, we are all receiving scores of communications from our people all over the country asking that the Congress approve taxation on the income of cooperatives. We have the question of deficit financing ahead of us again. We are already short of revenue.

As friendly as many of us are to the cooperative movement, it may be that we are facing a situation where cooperatives will have to be taxed if we are to raise the revenue for which our appropriations call.

In reading this bill, on page 3, lines 22 to 25, we find this language:

> That the Administrator, in making such loans, shall give preference to persons providing telephone service in rural areas, and to public bodies, cooperative, nonprofit, limited dividend, or mutual associations.

Here we further intensify the problem that we will have to deal with in due course from the standpoint of taxing cooperatives.

I join with the gentleman from Illinois who advocates that the interest on these loans be increased. I say this because we do not believe that any group of our people is entitled to loans from the Federal Government below the cost of the interest on those loans to the Federal Government. We know what they are paying on savings bonds, we know what the average rate of interest paid by the Treasury on all borrowings amounts to, and we know that, generally speaking, as we move into a higher and higher interest period we are not going to be able to borrow the money to finance the problems of this Government on a 2 percent basis. I for one would like to see the rates handled in such a way that the people who pay taxes generally will not have to subsidize this operation because of too low an interest charge.

I should like very much to see an amendment offered, which I understand may be offered by the gentleman from Kansas [Mr. HOPE]—I am not saying he will offer it, but I have been told he was thinking about offering it—which would protect the established privately financed telephone companies now in the field. Certainly we should give some very serious thought to that before we take action which will set up Government competition against those little people who have furnished the venture capital and the risk capital to carry on those operations.

There are some things that can be said about the big telephone companies in particular. I had an experience just recently within only a few miles of this building where the poles are set up and the right-of-way is provided, and yet the telephone company of Washington wanted $225 to extend a little line only a few hundred feet from poles which were already on the farm. I sent word to the manager of the telephone company to the effect that action of that kind was one of the main reasons why the Congress would vote for a bill such as we now have before us, and why they voted for REA in the first place. The public utilities do not have clean hands in connection with this entire operation. Personally, I do not believe they will make these expansions as rapidly as our people require and as rapidly as they need them. I think there should be some stimulation of some kind along the line. But at the same time these amendments which have been discussed by the gentleman from Illinois with respect to interest rates and with respect to the prohibition of duplicating facilities and having RFC participate in some of these loans, are amendments which are certainly worthy of consideration and serious debate by this body. Altogether I hope that as the discussion goes on this afternoon, we will get into the heart of this and do what is right for our people.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. How can anyone be for private enterprise when the interest rate on loans to some agencies is 2 percent and the RFC lends independents money at 4 percent, and yet the independents have to pay taxes.

Mr. CRAWFORD. Of course that is one of the big problems which face us in connection with this whole cooperative movement and if we do not voluntarily do something about it, eventually economic conditions will force us to do something.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the balance of the time to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Speaker, I want to speak a few words with regard to this legislation. I am a farmer as most of you know, and have been responsible in varying degrees for 16 years and for the last 6 years—until this spring—as the unpaid manager of a rural telephone company in my own community. I do know that in Indiana we have a larger number of these rural companies which were organized 35 and 40 years ago as stockholding companies. Our company has approximately 200 stations and is currently charging a rate of about $2.25 for party-line service. In my home county there are about six other small companies of the same kind, all of them

operating on a hand-to-mouth basis. We were incorporated as a stock company and naturally have paid all of the same type of Federal taxes that the Bell Telephone Co. and any other company pays.

But more than that, our little company which only cost the people of that community $2,500 40 years ago, today is paying taxes on an assessment of $100 a mile, while the Bell Telephone Co., or at least the division in my county seat, at Newcastle, pays the exhorbitant rate of $30 a mile as established by the Public Service Commission of Indiana. What is the difference? I will tell you the difference. It is because the Bell Telephone Co., as an Indiana institution, has plenty of legal talent to look after their interests.

The little companies out there have to take what they can get and they get plenty of taxes. Mind you, I do not say that these companies should not pay it. I think they should. But I do say that the rural companies, under the present set-up, are not being favored. In fact, they have the cards stacked against them.

Now, what is the answer? These companies, given proper encouragement, will combine. What will be the result? I can tell you. They will be able to operate an efficient system, which they cannot do today. My little company would like to install a dial telephone system so that we could give the people 24 hours' service at a price they could afford to pay. But how much would it cost? It would cost $20,000 to put in a dial system for 200 stations. There is not enough money in my community that could be borrowed on a long-time basis, to effectuate this change. The same thing is true all over Indiana.

I am as much in favor of free enterprise as any of the rest of you. I want to encourage it. I say to you that as far as the State of Indiana is concerned there is no intention on the part of the Bell Telephone Co. to expand into the rural areas. Their policy in the past has been to withdraw from those areas. I find no fault with them. They are in business for themselves. They frankly say that they have skimmed the cream. They have taken the richest and most productive source of revenue in the State, and the rural areas will not pay their way, so they should not be saddled with servicing those areas. That leaves half the population—because Indiana is approximately 50-percent rural—without any future assurance of a continuation of service. All of these little companies are gradually going to pot. The reason is because their original owners were willing to operate and maintain them and service them and give of their time for free, as I did. But the time has come when you can no longer get people to operate a telephone company and give of their time and service day after day for free, which you have to do in order to operate the system.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. CRAWFORD. I wish to ask the gentleman a couple of questions. Did I understand the gentleman to say his little company had to pay taxes of $100 per mile?

Mr. HARVEY. That is the valuation. No; that is not taxes. That is the valuation, as assessed by the public-service commission.

Mr. CRAWFORD. That is on your little company?

Mr. HARVEY. Yes.

Mr. CRAWFORD. While on the big company it is only $30 a mile?

Mr. HARVEY. That is right.

Mr. CRAWFORD. My second question is this: Does the gentleman believe that under the provisions of this bill as here submitted your small company can receive the necessary financial assistance to put it on a proper running basis, or are there some amendments which you think should be put into the bill?

Mr. HARVEY. I would say to the gentleman I do not have time to go into the details of any amendments that might need to be placed in the bill to protect already existing companies from having duplicating facilities come in and run them out. Of course, I would want to protect the companies that intend to stay in the rural communities and service them.

The SPEAKER. The time of the gentleman from Indiana [Mr. HARVEY] has expired.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

## UNITED NATIONS

Mr. LYLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 280, Rept. No. 1012), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4708) to amend the United Nations Participation Act of 1945. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

## EXTENSION OF REMARKS

Mr. RAMSAY asked and was given permission to extend his remarks in the RECORD and include an address by Admiral Louis E. Denfeld, at the Legion convention on June 30.

## THE DRIVE FOR A MILITARY DICTATORSHIP CONTINUES

Mr. HOFFMAN of Michigan. Mr. Speaker, one not familiar with the methods of the administration and the Military Establishment, listening to the 1-minute talks made at the opening of the session today, would undoubtedly be led to believe that unless the Tydings bill now before the House Armed Services Committee was reported out and forthwith passed by the House, the Nation would be defenseless.

It is well that the committee has postponed action and that, before it sends that bill out with a favorable report, it attempt to ascertain the necessity for the proposed legislation and the effect which it may have upon the country.

Less than 2 years ago, the National Security Act of 1947 became the law of the land. The announced purpose of the act was the unification of the armed services so as to give to the country greater efficiency at less cost.

The bill was driven through committee and Congress by a powerful lobby directed by military men, the result of whose action, whatever may have been their intention, tended to establish here in the United States a military dictatorship similar to that advocated by Bismarck, Hitler, and Mussolini, and completely out of step with the concept of military power outlined by the Constitution.

High-ranking officers of the Navy, who were on active, as distinguished from swivel chair, duty during World War II, were, until shortly before the close of the hearings, effectively gagged and, by the action of a majority of the committee which reported out the bill, denied the opportunity to freely express their views as to either the necessity for, or the effectiveness of, the proposed reorganization of the armed services.

The bill as finally written continued the opportunity—which the President and the armed services already possessed—to give unification and a measure of economy and increased efficiency.

Some of my views of the legislation were set forth in House Report No. 961, Eightieth Congress, first session, as follows:

The writer of this report is convinced that until a few days before the committee ordered the hearings closed, all officials in the Navy, many of them high ranking officers, who bore the brunt of the Nation's battle on the sea and in many instances in the air, were prevented by Executive gag from freely expressing their objections to the bill.

In the opinion of the writer the proposed legislation does not conform to the procedure for the national defense as outlined in the Constitution.

The proposed legislation, instead of leaving to the Congress the duty and the responsibility of providing for the national defense, of making appropriations to the Army to be expended within 2 years, of providing, as directed by the Constitution, for a Navy, places that duty and that responsibility upon a National Military Establishment—a new and an additional organization superimposed upon the Army, the Navy, the Air Forces, and the Congress.

A careful reading of the bill, of the hearings, and a realization of the implications justify the conclusion that the possibilities of a dictatorship by the military are in this legislation.

There is nothing in the testimony to justify the argument that it will in the near future bring about economy in our Military Establishment.

The argument that it will promote efficiency is met by the historic fact that in our blundering, so-called inefficient, wasteful way, our fighting men have on all occasions overcome the forces of the centralized militarism of those they have met in battle.

The thought that the National Military Establishment and the departments or agencies established by this bill should be clothed with power to plan our foreign policy, thus usurping the functions of the President and the Congress, and under the plea of coordination, regiment our production and our resources, is abhorrent. Yet under this bill that is the proposal.

It is no answer to say that these new agencies are granted only the power to plan, no power to execute; that to Congress they must come for funds to implement their plans.

It is a matter of common knowledge that all too often the Congress and the Nation are whipped into line, compelled to support plans and policies promulgated either by the State Department or the administration and of which the Congress has no knowledge until advised that we, as a Nation, were committed to such a policy.

Why then does the writer file the committee report and not oppose the bill?

Because and only because legislation seems inevitable and H. R. 3979 introduced by him, modified in some respects by the subcommittee and the committee, and finally molded into H. R. 4214, is the best bill that was obtainable.

Forced to take a bitter dose of a medicine of doubtful value the patient seeks to make it less distasteful, less harmful by every conceivable device and provision.

The hearings held on that bill disclosed that there had been a deliberate attempt on the part of General Eisenhower, as Chief of Staff, to either eliminate or curtail the Marine Corps as an independent unit.

The situation on that issue was disclosed—although somewhat inadequately—in the report above referred to as follows:

Examination of the Joint Chiefs of Staff 1,478 papers convinced the committee that a specific statement of Marine Corps functions was imperative if the Marine Corps was to be protected from being eliminated as an effective combat element, which, according to the testimony of Fleet Admiral Nimitz, was the intention of the Army.

The hearings had not progressed far before it became evident that, not only in the Marine Corps but throughout the country, there was a fear that an effort had been and was being made not only to reduce the size and limit the functions of the Marine Corps, but a possibility that it might be reduced to the status of a police force.

The existence of any justifiable basis for such a fear was denied by some witnesses who held the highest ranks. That there was justifiable ground for this apprehension is apparent if one reads the memorandum by the Chief of Staff, United States Army (General Eisenhower), under date of May 16, 1946, and the reply of Admiral Nimitz (hearings, National Security Act of 1947, p. 640).

In the memorandum forwarded by General Eisenhower, then Chief of Staff, United States Army, among other things we find this:

"The conduct of land warfare is a responsibility of the Army. Operationally, the Navy does not belong on the land; it belongs on the sea. It should have only technical and administrative functions on land in connection with its headquarters, bases, or other naval installations. The emergency development of the Marine Forces during this war should not be viewed as assigning to the Navy a normal function of land warfare, fundamentally the primary role of the Army. There is a real need for one service to be charged with the responsibility for initially bridging the gap between the sailor on the ship and the soldier on land. This seems to me properly a function of the Marine Corps. I believe the Joint Chiefs of Staff should give serious consideration to such a concept. The need of a force within the fleet to provide small readily available and lightly armed units to protect United States interests ashore in foreign countries is recognized. These functions, together with that of interior guard of naval ships and naval shore establishments, comprise the fundamental role of the Marine Corps. When naval forces are involved in operations requiring land forces of combined arms, the task becomes a joint land-sea, and usually Air Force mission. Once marine units attain such a size as to require the combining of arms to accomplish their missions, they are assuming and duplicating the functions of the Army and we have in effect two land armies. I therefore recommend that the above concept be accepted as stating the role of the Marine Corps and that marine units not exceed the regiment in size, and that the size of the Marine Corps be made consistent with the foregoing principles."

To that view, Admiral Nimitz, under date of March 30, 1946, replied:

"The basic and major issues considered in J. S. C. 1478-10 and J. C. S. 1478-11 comprise a proposal on the part of the Army (a) to eliminate the Marine Corps as an effective combat element, reducing it to the status of a naval police unit with possibly certain ancillary service functions in respect to amphibious operations, and (b) to abolish an essential component of naval aviation which operates from coastal and island shore bases. To those ends these papers propose to discard agreements on these matters which have been arrived at between the Army and the Navy from time to time over a period of more than 20 years, and which have resulted in a responsibility for functions proven highly effective in World War II.

"In matters so vital both to the Marine Corps and to naval aviation, I consider it appropriate and desirable that the Joint Chiefs of Staff should have the benefit of the views of General Vandegrift, the Commandant of the Marine Corps, and of Vice Admiral Radford, the Deputy Chief of Naval Operations for Air. Their comments are attached as enclosures A and B, respectively.

* * * * *

"I agree with the Chief of Staff, United States Army, that further exchange of papers on the subject of the missions of the land, naval, and air forces will serve no useful purpose. It is further apparent that the question is part of the larger one of the merger of the War and Navy Departments, which proposal was, at the Army's insistence, referred to the President and which is now before the Congress. Thus, the matter now under consideration has already reached levels higher than the Joint Chiefs of Staff."

General Spaatz, commanding general, Army Air Forces, wrote:

"I recommend therefore that the size of the Marine Corps be limited to small, readily available and lightly armed units, no larger than a regiment, to protect United States interests ashore in foreign countries and to provide interior guard of naval ships and naval shore establishments."

General Eisenhower, Chief of Staff, United States Army, also wrote:

"The following is proposed for consideration: * * *

"(1) That the Marine Corps is maintained solely as an adjunct of the fleet and participates only in minor shore combat operations in which the Navy alone is interested.

"(2) That it be recognized that the land aspect of major amphibious operations in the future will be undertaken by the Army and consequently the marine forces will not be appreciably expanded in time of war.

"(3) That it be agreed that the Navy will not develop a land army or a so-called amphibious army, marine units to be limited in size to the equivalent of the regiment, and the total size of the Marine Corps therefore limited to some 50,000 or 60,000 men."

Report by Army members of Joint Staff planners (proposal):

* * * * *

"Provide landing parties with the fleet to protect United States interests ashore in foreign countries in operations short of war, and in time of war to conduct raids and small-scale amphibious demonstrations.

* * * * *

"Perform necessary functions aboard ship, at naval installations, and in the ship-to-shore phase of amphibious operations."

The bill as finally enacted sought to give the needed protection to the Marine Corps, but subsequent events have disclosed that apparently there is still a determination in the minds of some of our military men to minimize, if not to eliminate, the Marine Corps and its functions.

Moreover, there is in my opinion evidence—to me, conclusive evidence—that a military cabal is determined to subject the civilian population to its demands, that it is determined to rule this country and to subordinate all interests to its own desire to direct, if not to assume control, of our governmental functions.

No doubt, many of those who give support to legislation tending toward that end are unaware of the purpose, ignorant of the ultimate result. No doubt, the overwhelming majority of those supporting the proposed legislation sincerely believe that such legislation is necessary if we are to adequately defend ourselves, prepare against present and future danger.

With all due respect to their opinion, without questioning their motives, it is my sincere conviction that the ultimate result, if their plans and proposals are carried out, will be that constitutional government, national defense under the Constitution, will be at an end; that the burden of taxation and the curtailment of civilian authority will ultimately put an end to constitutional government as we have heretofore known it.

The National Security Act of 1947 was endorsed and sponsored by the administration. It was actively—and I use that word advisedly—supported by the War Department General Staff and the Army Air Force. It was officially supported by the Navy Department, which for a time prohibited free expression of its officers by means of a gag rule that was not lifted until late in the consideration of the proposed bill. The important point is this: The services and the administration demanded passage of the bill. They said that it would give us greater military efficiency and tremendous savings. Each and every War Department, Air Force, and Navy officer who appeared in favor of the bill said that it was necessary and would work successfully. After its passage every uniformed and civilian head of the military services endorsed the bill and hailed its passage.

Today, less than 2 years since enactment of the National Security Act of

1947, the administration, the Department of the Army, and the Department of the Air Force want a new National Security Act. Why do they now insist on a new law to replace that which they so unanimously supported? It is my firm opinion that there is not a more important question confronting those who believe in preserving our form of government and democratic institutions.

It was my privilege to be chairman of the Committee on Expenditures in the Executive Departments that considered the National Security Act of 1947. In the course of the 1947 hearings I became curious as to the objectives of the General Staff sponsors of the Security Act. Events since then have confirmed my apprehensions.

There is before the House a bill, S. 1843, approved by the Senate Armed Services Committee, that in effect rewrites the National Security Act of 1947.

This administration bill did not go this time to the Expenditures Committee, but rather, to the Armed Services Committee. Let me assure you that I have faith in the judgment of the committee chairman, our esteemed colleague from Georgia [Mr. VINSON] as well as the other members of the committee. I feel confident that they will recognize the issue and the motives in the bill to be considered by them. My sole purpose in speaking on the subject at this time is to invite attention of Members of the House to the background of the bill as well as to the dangers inherent in the proposed legislation, so that we may be better aware of the implications of the legislation when the pressure is put on, as it inevitably will be, to pass, without question, this bill exactly as forwarded to us for rubber-stamp approval.

In the first place, the current proposal to amend the Security Act of 1947 cannot be considered as a separate and distinct piece of legislation. It is inseparably intertwined with previous legislation designed to achieve the objectives of the War Department General Staff.

World War II was scarcely over before Congress was confronted with the so-called "Collins plan" for unifying the armed forces. Named after its General Staff sponsor, Lieutenant General Collins, the bill would have provided for the emasculation of the Joint Chiefs of Staff, complete merging of the armed services into one department, creation of a Prussian-type supreme General Staff in this country. In addition, passage of the bill would have meant the destruction of the Marine Corps and naval aviation. Fortunately, the sponsors of the Collins bill were so sure of themselves that they were brazen in their methods. The issues and the motives were clearly discernible. Because the dangers were apparent, the bill never got out of committee.

With rejection of the Collins bill, its sponsors learned part of their lesson. Unable to gain their objectives openly, they resorted to camouflage. If they could not get everything in one legislative gulp, they would take it in a series of nibbles. The course of subsequent so-called unification legislation illustrates the methods used to gain the objectives of the Collins bill.

This new subtle approach did not change the objective of the War Department General Staff. The principal goal of those who seek domination of the Military Establishment, and equally important areas of our economic and social life, is the establishment of a supreme general staff, headed by a single chief of staff. This is the device by which militarists controlled Prussia and later Germany. It is the invariable lesson of history that creation of a supreme general staff results in eventual destruction of democratic institutions.

During the early part of 1946 the President directed the Secretaries of the Army and Navy to confer and determine the areas of agreement and disagreement with respect to unification. On May 31, 1946, the two Secretaries forwarded to the President a joint letter in which they set forth the points on which they could and could not concur. In that report it was stated that the War Department believed in the single chief of staff. However, the report continued that since the Navy felt that the joint chief of staff should be the highest source of military advice, "The War Department is willing to omit the feature of the single chief of staff."

On June 15, 1946, the President, replying to the Secretaries of War and Navy, confirmed that there would be no single chief of staff. The War Department General Staff may have omitted the single chief of staff, but they did not abandon their efforts to establish such a supreme military official. They knew full well that militarists in the past have achieved more by indirect than by direct action.

In January 1947 the President sent duplicate unification bills to the House and to the Senate. In April the House Expenditures Committee began hearings. To some of us on that committee it was soon apparent that there were many hidden items in that bill. A seemingly innocuous portion of the bill provided for the creation of a joint staff, headed by a director, to function under the joint chiefs of staff. A number of reputable witnesses, including one of the Nation's most distinguished war leaders, Brigadier General Edson, of the Marines, warned that this joint staff with its director was the beginning of a national general staff in this country, something that Congress had traditionally been opposed to. It was also stated that this joint staff would rapidly expand beyond the limit of 100 set by the bill. Officials in favor of the bill denied both assertions. But what has happened?

In less than the 2 years in which the law has been in effect the Director of the Joint Staff has achieved a position of power which is of doubtful authority under the provisions of the Security Act. It is well known in military circles that the present Director is functioning almost as much as an agency of the Secretary of Defense as he is of the Joint Chiefs of Staff, as was intended under the bill. We are moving more and more in the direction of a de facto single Chief of Staff. The Joint Staff, limited to 100 in the 1947 legislation will be more than doubled under the proposed legislation. The original Senate bill would have removed all limits on its size. There have recently been consummated a number of mergers of elements of the three services. These merged elements are supervised by the Joint Chiefs and their agents, the Joint Staff.

We have, therefore, under present law, the working basis of a Prussian-type general staff in the United States. Given time, there is reason for suspecting that such could eventually result from the system growing out of the National Security Act of 1947.

But those who seek power are not always patient. The proposed amendments to the National Security Act exploit the gains made by the Joint Staff in the direction of a supreme staff, and accelerate its development by providing for a real national chief of staff. Combining the present Joint Staff with the euphemistically termed "Chairman of the Joint Chiefs of Staff" as provided in the proposed legislation, establishes a supreme general staff in the classic Prussian mold.

The true program for creation of a single Chief of Staff is reflected in General Eisenhower's testimony. He said in the 1947 hearings that he believed in a single Chief of Staff but that he had come to the conclusion that such a system "would be wrong for the moment." In other words, the policy was to get everything that could be obtained in 1947. Get the foot inside the door with some kind of legislation that could be amended later.

Congress passed the National Security Act in 1947 in good faith, never suspecting that its service sponsors looked upon the law as a mere stepping stone to goals that we would not at that time give the military, never suspecting that the law which we labored to improve would be condemned by those who originally spawned it, as soon as the right moment came to demand, under the guise of amendment, a totally different law.

I have no monopoly on the belief that the proposed amendments would establish a supreme general staff in this country. This is the opinion of battle proven officers and students of military institutions. To those Members of the House who want further evidence of the real contents of the proposed legislation, I respectfully invite your attention to the testimony given before the Senate Armed Services Committee, and before the House committee as well, by Mr. Ferdinand Eberstadt, who headed the Hoover Commission task force assigned to investigate the armed forces. Mr. Eberstadt bitterly condemned, among other parts of the bill, the portion pertaining to the Chairman of the Joint Chiefs of Staff. He stated very pointedly that, under the bill as introduced, the so-called Chairman was like a chief of staff in all but name. Of considerable significance, Mr. Hoover roundly condemned the same points, stating that it was unworkable and dangerous.

This, incidentally, should point up another pertinent fact in connection with this proposed bill; it is not in conformity with the recommendation of the Eberstadt task force nor of the Hoover Commission as a whole. Of even more

significance is the fact that no less an authority than Mr. Eberstadt states, with reference to a basic provision of the proposed legislation, that he "is at a loss to know its origin or its purpose." This is the provision that the three services be merged into one department.

If anyone is under the illusion that this bill is based upon the recommendations and conclusions of the Eberstadt task force—assigned to investigate the armed services—of the Hoover Commission, I invite them to read the Eberstadt report, and to read Mr. Eberstadt's testimony before the Senate and House committees. This bill to permit a Prussian-type supreme staff and a vast military bureaucracy does not find its justification in the Eberstadt committee of the Hoover Commission.

Nowhere is to be found any recommendation that the three services be merged into one executive department. Ostensibly this is to clarify the powers of the Secretary of Defense. But the declaration of policy that the three services are not to be merged remains in the law. What kind of clarification is this? All that it makes clear is that, by indirection and stratagem, what is forbidden by policy is to be permitted in detail. This is not clarification. This is camouflage.

Who, I ask, outlined this blueprint for militarism? That is just one of the questions that I am sure that our House Armed Services Committee will try to answer when it considers the administration bill.

Mr. Eberstadt, and Mr. Hoover as well, it should be noted, strongly opposed the provisions of the bill that would virtually destroy the Joint Chiefs of Staff. Mr. Eberstadt, after his long investigation of the armed services states:

> Our Joint Chiefs of Staff in the last war may not have been perfect—the system had some deficiencies—but it was just about as perfect as any institution in human affairs is likely to be.

The key to final achievement of a Prussian-type supreme staff is the single Chief of Staff. Call him what you will—Chief of Staff or Chairman of the Joint Chiefs—his function is the same. The Senate bill creates such an official. At the same time as it establishes the Prussian militarists' device, the Senate bill destroys the inherently American and war-proven Joint Chiefs of Staff by relegating that agency to a secondary level in the pyramid of militaristic bureaucracy created by the proposed act.

The creation of a supreme Chief of Staff and the destruction of the Joint Chiefs is accomplished by a simple but effective means: The "Joint Chiefs are no longer to be the principal military advisers" to the President—and Secretary of Defense. Instead, the new Chairman of the Joint Chiefs is to be the "principal adviser." It was through his position as principal adviser to the Emperor that the chief of the German Army's great general staff was able to dominate all German armed forces.

This is the system responsible for disastrous German strategic errors. This is the system the proposed bill has copied from defeated enemies. This is the system that the proposed bill will impose on our Nation.

The ability of such a system to circumvent any restraint is well known to military historians. But at the least if the words are to be placed in the law, we should provide some protection, some provision to keep free from the evils of a supreme staff. The chairman, if there must be one, must clearly be made a procedural chairman only. And even more important, the Joint Chiefs and the Joint Staff must be clearly forbidden to engage in operations or administration. The duties of the Joint Staff must be solely those of planning and advice.

I am unable to understand how the majority leadership of both the House and the Senate can so casually view the attempt to destroy the Joint Chiefs of Staff, particularly in view of the fact that that agency was created by the late President Roosevelt for the purpose of giving our Nation the most efficient and appropriate device for top-level direction of our armed forces. What a trick of fate it would be for his own party to junk that which Roosevelt created to direct the battle against our enemies, and then substitute in its place a Prussian-type supreme general staff, carefully copied from the model of our enemies who sought our destruction. How can we expect to remain great when we insist on copying our enemies who lost? Enemies whose organization carried the seeds of their own destruction.

Another major objective of the 1946 Collins plan for unification was the destruction of the United States Marine Corps. The means for accomplishing this objective was also provided for in the administration draft of the National Security Act of 1947. You may recall that this House, following its traditional policy of protecting the Marine Corps from those who seek to destroy it, insisted on including protection for Marine Corps by assigning definite basic functions to the Marines, as well as other services, in the Security Act. The War Department General Staff has long sought to destroy the Marines as a fighting force. The standards of military proficiency and economy set by the Marines have long been a source of embarrassment to the Army General Staff. The enemies of the Marine Corps did not let the provisions of the Security Act distract them from their objective. Just as the currently proposed legislation would establish the national General Staff sought in the original Collins bill, so would it provide the means by which the Marine Corps would be destroyed.

The proposed administration bill permits the Secretary of Defense to transfer all but "combatant functions" assigned in the 1947 Security Act. This means that in spite of the determination of this House to protect the Marines in the Security Act of 1947, the leathernecks could, by mere administrative directive, be shorn of their amphibious development and training functions. It is even doubtful if they could retain their fleet marine forces as specified in the law, as the Secretary of Defense could contend that the provisions of law relating to organization of units were not technically a "combatant function." When we realize that the present chairman of the Joint Chiefs of Staff, General Eisenhower, is on record as urging that the Marines be reduced to small and lightly armed units and that they no longer be permitted to be a force of combined arms—meaning no tanks, close supporting air units, and probably no artillery—we can well imagine how long the Marine Corps would last if this House should pass the proposed bill in its present form. When we recall that it was but a few weeks ago that, were it not for present law and the efforts of the chairman of the House Armed Services Committee, Secretary of Defense Johnson, according to reliable sources, would have commenced the dismemberment of the Marines by taking away their vitally needed close support aircraft, we can again realize the importance of retaining the present statutory protection of the Marine Corps. Nor does the Senate amendment against unit transfer between services provide adequate protection for the Marines. While closing one door against direct attack, the bill is loaded with indirect means by which the Marine Corps can be destroyed by administrative process. Officers of the Marine Corps who have not knuckled under the gag rule that still exists are frank to say that the bill greatly strengthens the hands of those who have long sought to destroy the Corps.

Let us be honest with ourselves. Passage of the proposed bill in the Senate form may be the death knell of the Marine Corps.

Those who are pressing for quick rubber-stamp passage of the new unification law promise savings of hundreds of millions—even billions—if we pass this law. That was the promise of everyone who appeared before the House Expenditures Committee in favor of the National Security Act of 1947.

I am as interested as anyone in cutting Government costs. Yet I will never consent to establishment of a Prussian-type supreme general staff, destruction of the Marines and naval aviation, as well as further creation of a super-Secretary of Defense, with virtually unlimited power at the head of a burgeoning military bureaucracy—in return for the mere promise of economy.

To those who advocate the proposed bill, let us tell them to itemize those economy measures that cannot be taken without the extreme powers in this bill. Let them tell us exactly what they intend to do to effect economies. That is the businesslike way to do it. No businessman would buy a "pig in the poke" reorganization of his business. He would say, "Lay out your proposal. Let me see where and how you will save money."

We tried to determine similar facts during consideration of the 1947 unification law. All we ever got were generalities. But then we accepted those generalities and the committee, with protective amendments for the Marine Corps and naval air, reported out the bill and the House passed it.

Now the administration and the Pentagon want a new bill, with more power. The same old sweet song is being sung

about promised economies. Let us tell them to turn the record off and give us the facts—if any.

The establishment of a supreme general staff, the destruction of the Marine Corps and naval aviation, and extended military control of national manpower and industry have long been goals of a powerful faction of our War Department General Staff. Congress refused to give these things to our military when we rejected the original Collins plan. Paradoxically, we are now in the midst of being pressured into giving the general staff those same powers on an installment plan basis.

The Congress thought it was passing a good bill in the National Security Act of 1947. It thought that the military was dealing with us in good faith, that they meant what they said when they told us that it would be a good law and that they would make it work.

Instead, we find that we were booby-trapped. We merely, in their eyes, gave them the legal foundation from which they could build, by amendment, their structure of military power. We found out that, when they said they were not pressing their objectives "for the moment," that was exactly what they meant. They are doing it now.

All these things involving a supreme general staff, destruction of the Marine Corps, as well as naval power, and the expansion of military control over social and economic affairs, are but the outward manifestations of adherence to Prussian philosophies by those who seek these objectives.

It is high time that Congress let it be known that we will not be meek wielders of a rubber stamp for the military. It is time that we tell those who worship at the altar of Prussianism that they must reacquaint themselves with the virtues and inherent goodness and strength of those things which are American and in harmony with our constitutional way of life.

We who have triumphed over Prussianism do not have to rely on its evils and weaknesses. Let us adhere to the constitutional way, which has given us prosperity, happiness, and security.

## RURAL TELEPHONE SERVICE

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2960) to amend the Rural Electrification Act to provide for rural telephones, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2960, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from South Carolina [Mr. COOLEY] is recognized for 1 hour, and the gentleman from Kansas [Mr. HOPE] for 1 hour.

Mr. COOLEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I shall be very brief. I am going to rely upon the author of the bill, the gentleman from Texas [Mr. POAGE], to discuss the details of the pending measure. I do, however, want to say that this bill was reported by the House Committee on Agriculture by a very substantial majority; in fact, I do not recall that there was any opposition to the bill. I think everyone appreciates the necessity for this legislation. The evidence before our committee clearly indicates that there is a desperate need for rural telephones; the evidence further clearly indicates that private operating companies prefer to extend their facilities in highly populated areas and that they are not making too much progress in the rural sections of the Nation. I wish to say in that connection, however, that I believe the telephone company operating in my area, the Carolina Telephone & Telegraph Co., has made perhaps the best record in developing rural telephones of any company in America, and that company has rendered excellent service. It is easy for us to understand and to appreciate the importance of rural telephone service when, as has been pointed out by a former speaker, we have a desperate shortage of rural doctors and we have not yet developed rural roads to the extent that they should be developed in this country. A rural telephone is a great comfort and satisfaction to rural people; it is almost a necessity. If you could visualize some person living perhaps 15 to 20 miles away from a doctor's office or from a law enforcement officer, being faced with an emergency and perhaps not even having adequate transportation to go to a doctor's office or a sheriff's office in event of emergency, you could then appreciate just how helpful it would be for him to have the use of a telephone. If you could look at the record which we have here showing the situation in the rural areas, I think you would be impressed with the fact that very slow progress has been made in extending rural lines. As was pointed out a moment ago, even in the State of Pennsylvania in 1929, 43.5 percent of the rural homes had telephones. That percentage dwindled until in 1940 it was only 32.2 percent. They made some progress between 1940 and 1945 and now it is 40.4 percent; but in the State of North Carolina where I say great progress has been made in my section, the fact remains that in 1945 we had a total of only 14,539 telephones, or 5 percent of telephones in rural homes. Most of us know that unless we encourage the building of these rural lines they will not be built.

Some complaint has been made about the rate of interest at which these loans may be made and some reference has also been made to the rate of interest now paid by private companies. The fact is that private operating companies are eligible for loans under this bill and they are eligible for loans at exactly the same interest rate that is given to the cooperatives.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. Does the gentleman think the Government should lend money to anyone from now on out at an interest rate below the cost of borrowing?

Mr. COOLEY. No; but I think the gentleman's suggestion of 3 percent is perhaps too high.

Mr. ALLEN of Illinois. I said 3½ percent. The Government is paying 3⅓ percent.

Mr. COOLEY. Two and one-half percent would be perhaps nearer right than three and one-half percent. We have to offer some inducement to the private companies or these lines will not be built. They will have to feel the pressure of the Federal Government and we will have to make them realize that unless they do build these lines the Government intends to build them.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. PATMAN. The going rate of interest, the average rate, paid by the Government is less than 2¼ percent.

Mr. COOLEY. I think the gentleman is right, and, in my opinion, 2½ percent would be as high as we should make the interest rate.

Mr. PATMAN. The average rate paid by the Government on the national debt of $252,000,000,000 is less than 2¼ percent.

Mr. ALLEN of Illinois. What is the interest rate we are paying on the bonds that are being sold now?

Mr. PATMAN. That is only a small part of the debt.

Mr. ALLEN of Illinois. Right now the Government is attempting to sell bonds at 3½ percent.

Mr. PATMAN. The average interest rate is less than 2¼ percent. The Government can borrow plenty of money at that rate.

Mr. ALLEN of Illinois. What the Government is paying now has nothing to do with it.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. The average interest rate paid by the United States Government for the last fiscal year was 2.182 percent. As the gentleman says, that is less than 2¼ percent.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Missouri.

Mr. SHORT. If the existing lines are extended and additional feeder lines are built, and we have more telephones throughout the country, is it not reasonable to suppose that the earnings of the main lines should really be increased?

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield myself three additional minutes.

Mr. Chairman, replying to the gentleman from Missouri, I think he is correct. The more rural telephones you have the more long distance calls you will have and more revenue will come into the hands of the private companies.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Mr. Chairman, the gentleman from Texas has pointed out that the interest rate during the last year was 2.182. We must remember, and we must bear in mind, that the Treasury is continually advancing the interest rate. There is no doubt about that. Anyone can ascertain that fact by going to the telephone and calling up. The short-term private rates are going up constantly. Your long-term rates are going up constantly. Furthermore, it is well known that the overwhelming percentage of the present $252,000,000,000 debt, and I am talking about marketable securities, was financed on short-term paper which continually presents to the Treasury a roll-over problem. That creates a situation where we are more or less raking the financial markets in order to meet the needs of the Treasury. As you move into the deficit financing period, look what we are up against. How can any Member stand on this floor and justify a rate of interest below the cost of interest to the Federal Treasury? That is the only question I am interested in here. I want the people who borrow the money from the Federal Government to pay at least the cost to the Federal Government, and I think when they do that, you are getting along on fairly reasonable grounds, and I think the gentleman from Illinois was arguing that proposition.

Mr. COOLEY. If it is 2¼ percent, would the gentleman be willing for that provision to be inserted in the bill rather than 3½ percent?

Mr. CRAWFORD. Well, I did not know that 3½ percent was in the bill. I thought it was 2 percent.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield myself five additional minutes.

Mr. CRAWFORD. Mr. Chairman, if the gentleman will yield, what is the rate in the bill now, 2 percent?

Mr. COOLEY. It will be 2 percent, but the gentleman from Illinois suggested 3½ percent, and I suggested that it certainly ought not to be more than 2¼ or 2½ percent.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. PATMAN. Under the so-called easy financing by the Federal Reserve, the interest rates are going down and not up, and I think if you put 2¼ percent in here it will certainly cover the cost to the Government.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. The Department of Public Debt does not pay even 2¼ percent. The Department of Public Debt only paid last year 1.781 percent and that, of course, is the fund from which this will be financed, and that is considerably less than 2¼ percent.

Mr. COOLEY. It is a fact that the rural electrification loans are made at 2 percent.

Mr. POAGE. That is right.

Mr. COOLEY. Is there any reason why we should not make the rural telephone rates at the same rate as the rural electrification rate?

Mr. POAGE. It seems to me that it is eminently fair to put out the same yardstick.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HARVEY. I would like to make this observation out of my own personal experience, which is that the interest rate at any reasonable figure is not so much a point of controversy as is the length of time for which you can get the money. We could not afford to borrow $20,000 for our little company, because the best we could get would be a 5-year note, and that obviously might throw us into a very inconvenient time to renew it. So it is the length of time for which you can get a loan and not the rate of interest, and I think that is of primary concern to these small companies that will be wanting to borrow money.

Mr. COOLEY. I thank the gentleman. I would like to call attention to this one provision in the bill in which we give to the private companies the exclusive right for the first 6 months to obtain these loans and to build these lines, and no farmer-owned or controlled cooperative not now engaged in the business will even be eligible to file an application for the first 6 months. Now, if we give the companies 6 months to indicate their willingness to build these lines and to indicate that willingness by making an application, we are giving them an exclusive right to operate in this field of rural telephone building. That is clearly written into the bill. Actually one member of our committee in reading and considering that provision said, "Why, this is a bill to aid the private telephone companies now engaged in business," and that is practically what it is intended to do. It is intended that we, by this provision, encourage existing telephone companies to build these lines and to operate them under the free-enterprise system separate and apart from any control by the Government.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Georgia.

Mr. PACE. The truth of the matter is that what the committee wants is telephones for the farm people. It would prefer that they be constructed by private industry, but if private industry is unable or unwilling to do so, then the bill provides other means of accomplishing that end.

Mr. COOLEY. I think the gentleman is exactly right.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, there is no place for prejudice in national legislation. Yet this rural telephone bill, H. R. 2960, comes before the House with many deep prejudices. Because the Dixiecrats want this bill, there are those who, disliking the independence of these southerners, have remarked that they would oppose the bill. I do not intend to mix up in this Dixie-Democrat fight, but I hope to be able to see straight and vote straight. Maybe the Dixiecrats should be punished—I do not pretend to know—but if regular Democrats intend to use their votes to get even with them on this bill, it is a grave mistake.

We have no right to punish the people in order to get even with their representatives. I certainly find very little fault with independence. I have myself, in a small degree, exercised that privilege in this House. I do not see eye to eye with my Republican brethren on many questions and I have been accused of being a black sheep in the herd, but if that charge is true it is only because I do not agree with the principle involved. It is not that I do not hold all Republican Members in the highest esteem. I know that they represent the interests of the people who sent them here, just as I represent the voters of my State who sent me. I have never questioned any Member about his vote because I take it for granted that a Member knows his own people best.

On this telephone bill these black sheep of the Democratic Party have a perfect right to their independence for so long as they reflect the wishes of their supporters.

The principle involved and not any "black sheep issue" should be the consideration on this measure.

I am for this bill regardless of who may be against it. The great majority of the Republicans may be against it, but that does not mean they are right. All this bill does is to provide funds so that existing rural lines may be modernized and new ones built, to the end that rural telephones shall be available to the people in the rural areas. The Government does not go into the telephone business. The Government merely extends credit over a period of years at low interest charges, but whatever is built is, and will be owned by the local people themselves.

No presently existing telephone organization will be put out of business as some suggest. Every local organization has a preference for 6 months to avail itself of the same benefits that are given to a new local line. Many of them are run down and about to disintegrate, and this credit will enable them to rebuild and extend their lines. Where there have been no lines before, this bill will make it possible for farmers to organize and build new lines. Large operators like the Bell System cannot complain, because in practically all cases this company would ignore outlying farmer's lines and leave the communities without phones. At present there are probably not more than 40 percent of rural people who have working phones, so there is a large field to be covered. Rural electrification lines are going in and since these same poles can be used for telephone wires the rural telephone lines are better than half built at the start.

If this bill would put out of business a single rural line, I would not be for it. But this bill does nothing of the kind.

It will strengthen every local line in the United States, because those lines can be modernized and extended by the aid of long-time money loans and low-interest rates.

The telephone in outlying areas of rural America is more of a necessity than a phone in the cities as far as health, market news, and machine repairs are concerned. Sickness in a family 20 miles from a phone is a serious matter. A broken cogwheel on a combine 50 miles from town is a handicap that no farmer should be called upon to overcome. Reports of market conditions should also be immediately available to farmers. They do have some radios but any 15-minute period missed on the radio means no news, while a telephone call to the local markets at any time will bring the desired information.

This bill will be branded as another communistic scheme—it will be called more regimentation of the farmers, but in truth and in fact neither is contained in the bill. Some will object to the measure because it will cost too much. Remember, however, we are not giving the farmers anything—we will get the money back. If this were a bill to cover Europe with local telephone lines and cost several billion, it would go through with a whoop, because we seem to take better care of the people in other countries than we do our own. Remember, also, that money to Europe is a gift—a total loss. When I hear this great economy howl and know it comes from those who sit here and vote for every foreign appropriation that so frequently finds its way into this House, I cannot understand the logic. In this bill we are helping the people of the United States, and especially those isolated farm families to make their own homes places where the family can live and be the equal of any other family in America; we are making it more difficult for communism to germinate in this country.

Actually then, this bill, instead of being a proposal to further communism, is designed to prevent this "ism" from taking root in this country.

Instead of giving away billions to Europe and other foreign areas, let us loan a few billion, if necessary, to maintain one country in the world where democracy is safe.

This is a fight between a giant monopoly on one side and two-thirds of the rural people of the United States on the other. Because of an exclusive franchise granted the Bell Telephone System years ago, this company—by 1893 when the franchise expired—had gathered in the principal lucrative telephone business of the country and today operates 82 percent of all telephones. Rates are high and in some sections it costs more to have a telephone than it does for electricity for light, heat, and labor-saving appliances in homes.

In 1876 when the Bell System was granted a monopoly on the business, there were 2,593 stations but by the time this monopoly expired in 1893 this number had grown to 266,431.

A report by the Federal Communications Commission says:

> The Bell Telephone System developed historically into its present position of dominance in the communication field; first, through the protection of the patent laws which made it an exclusive monopoly to 1893; second, by expansion of properties in the territories preempted during the period of exclusive monopoly; and third, by the process of acquisition of independent properties and companies. Although there are a large number of independent companies in operation at the present time, they control but a small segment of the telephone business in the country.
>
> Thus the 26 associated Bell companies own and operate 82 percent of the Nation's telephones, while 6,200 independent companies and 50,000 to 60,000 mutual systems and lines own the remaining 18 percent or about 6,800,000.
>
> * * * Following the release of Bell patents in 1893, numerous enterprising individuals and groups organized small companies to serve larger towns and some smaller towns, with occasional lines into rural areas. However, no attention was given to providing rural service except to the more populous suburban areas. Thus, it became necessary for farmers and other rural people to organize cooperative and mutual systems in order to obtain telephone service. This was true generally, even in many of the most wealthy farm areas throughout the Eastern and Midwestern States. Today, thousands of small systems and lines, some of which serve only a few stations, are maintained by groups of farmers and other rural people on a mutual basis without any substantial organization and with a minimum of financial resources. Most or all of these mutual systems and lines are interconnected with the Bell System, with varying switching charges and arrangements concerning toll revenue.
>
> In addition to the 82 percent of the industry that is controlled directly by the associated Bell companies, a substantial number of the larger independent companies are controlled by Bell through stock ownership and otherwise.

The farm telephone situation in North Dakota today is a disgrace to the industrial inventiveness and modern-day achievements of this country. Despite the tremendous need farmers of the State have for telephone service, barely a third of the farms have telephones of any kind. Even more distressing, however, is the poor and unreliable service those farmers who do have phones, must put up with.

There are a few sections, of course, where farmers are able to enjoy telephone service comparable to that found in town. But this is the exception rather than the rule.

The problem is not that the farmers of North Dakota and other States do not want or do not need telephones. As a matter of fact, what progress has been made in my State is directly the result of the work by farmers themselves. More than 30 years ago they began to work for telephones and ended up having to build their own lines through their own mutual systems. But while they made a start, these rural systems for the most part have not been able to keep up with progress in the telephone industry. They simply did not have, and do not have, the capital with which to modernize.

Up to now there has been no solution to the problem. For example, I know of farmers who have tried to give their mutual systems free to the larger telephone company serving the nearby towns. These offers were met with rebuffs—which demonstrates full well that, despite what they say, the big telephone companies are not extending service to the farmers of North Dakota.

The situation in North Dakota shows the need for a telephone program, and it is the same throughout America. Low-cost financing of the kind provided in this bill is the solution for helping the farmer's mutuals and independents do a real job of extending and improving telephone service to their patrons.

When any measure comes up in this Congress or in a State legislature that is designed to help the great majority of the people of the country the stock argument is that the measure means more regimentation of the people, that it interferes with our way of life. I have heard that argument many times in this Congress and in the preceding Congresses of which I have been a Member. It was heard during most of Jefferson's administration; it was heard during Lincoln's administration when he issued greenback currency; it was heard during Theodore Roosevelt's administration, during Wilson's administration; it was heard with a vengeance in Franklin D. Roosevelt's administration, and it is still heard.

There was a time when common wagon roads were privately owned, and to use them the people had to pay a toll. When the first public road in America was built with Federal funds the debates show that a great howl went up that the scheme was socialistic and an interference with our way of life. But Jefferson put the measure up to Congress, and it passed, and that marked the end of privately owned wagon roads. Today we would be highly incensed if we had to pay a toll to travel on the highways. The Cumberland Road was this first public highway and stretched from Cumberland, Md., into Ohio to open up western areas to settlers—our first venture in federalized highways.

When Jefferson made the Louisiana Purchase more howls went up, but when that great empire was carved into free lands for the people and the prairies and valleys were settled and prosperous villages and cities appeared where there was barreness before, that socialistic howl subsided.

So it has been with every movement in the United States which attempted to serve the people. The Tennessee Valley Authority was another enterprise that even to this day is branded a socialistic scheme and one that interferes with our way of life. When, however, the yardstick of electricity charges reduced the power bill of the people by $2,000,000,000, there were very few of the voters in America who wanted to dispense with this service. The private power companies still say and print that this is an interference with the American way of life and they would wreck the whole project at once if they could.

When private industry could not furnish jobs for the people in 1934 and 1935, the Government created work and the people ate again. That was socialistic in the highest sense of the word and some people have not yet gotten over talking about this great socialistic "scheme." The people, however, came through and better days were ahead.

And now today, when farmers cannot get phones to distant sections at all and when they have to pay exorbitant rates for the service furnished by the telephone monopoly, more wails go up that we are interfering with private business and destroying the American way of life. That isn't the way of the American people, it is the way of life of the great monopolists who see their profits dwindling.

I have always and do now take my stand with the people and for the general public good.

Mr. POAGE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill before us today was reported out of the Committee on Agriculture on March 9, 1949. It was reported after rather extensive hearings by a subcommittee which went into considerable detail. The hearings have been available for your inspection for more than 4 months.

After the subcommittee had finished, it was considered for approximately 1 week by the full committee, and it was reported by a unanimous vote of all the members of the full committee. I understand certain Members may offer amendments, but I want the membership of this Committee to know that the committee which studied this matter and heard the testimony was unanimous in feeling that we should pass this bill.

For approximately 4 months you have had it available for consideration and discussion. There should be a general understanding of this bill, and I think there is a general understanding of the purposes of the bill. I do not believe it is necessary for me to call attention to the need for the bill. It has already been pointed out that the percentage of rural homes in America now enjoying telephone service is smaller than it was 30 years ago. It has already been shown that since 1935, when the Rural Electrification Administration was first organized, there has been an increase of more than 750 percent in rural homes that enjoy electrification. During the same period of time the percentage of rural homes that enjoy telephone service has barely doubled.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield at that point?

Mr. POAGE. I must yield to the gentleman, but after I have yielded to him I would like to complete my statement before I yield further.

Mr. O'HARA of Minnesota. I appreciate the gentleman's courtesy very much.

I have been informed that there were a million rural telephones put in since 1940. Does the gentleman disagree with that figure?

Mr. POAGE. Those figures were given to the subcommittee and to the committee, and I am not going to disagree with them, although there have been other figures given to the committee to show that there were only something like that number of poles put in by the Bell Telephone Co. during the same period of time. That would mean that there could be but one pole to the telephone and if they got very far out into the country they certainly could not have connected that many people. They had to connect them very close to the city limits if they got one telephone to the pole. I am not going to question these figures. Those are the figures that were given. But the figures with reference to the poleage seem to me just as impressive. The figures I have quoted you are figures of the United States Census Bureau. They are not estimates of any telephone company or the REA. I am giving you the figures of the United States Census when I tell you that in 1920 there were 38.7 percent of the farms with telephones, and in 1945 there were only 31.8 percent of the farms of America with telephones.

I do not think it necessary to discuss the need. I think every one of us knows the need. As a matter of fact, I recall that 45 years ago I lived 30 miles from the nearest railroad and we had a telephone. Today that same house does not have a telephone.

I call your attention to a copy of a letter sent to me day before yesterday. It is not from my own district but it is from Henderson, Tex. It is dated May 23, 1949, and it is signed by W. T. Moore, division manager, the Southwestern States Telephone Co.

The letter reads:

> We have your letter of May 21 together with yours of April 9, which was returned from Brownwood. It will be impossible at this time to extend our lines to the Atoy community. Our company has applications for some 8,000 telephones, and most of these are within the city limits of the towns in which we operate; therefore, it will be necessary that we take care of these applications which will be quite a long procedure before we can give consideration to extending our lines into rural areas.

It seems to me that that clearly expresses the attitude of too many of the telephone companies. It shows that the company is interested first in the more lucrative urban business.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman, although I had hoped to be allowed to complete my statement.

Mr. HAYS of Ohio. I was wondering if there is any tinge of socialism in this bill at all?

Mr. POAGE. I do not think there is anything socialistic in allowing the Government of the United States to advance funds to private industry to provide the people of America with needed service. I think that only through following out that policy can we avoid going all the way toward socialism. I think that we avoided it for the great power companies of America by the creation of REA; had we not established REA, I think it is fair to suggest that we probably would be suffering from Government ownership of all sources of power today. I think that if we deny this credit to our people today that we will probably find that the demand for this service will result in complete Government ownership of the telephone system, and I say that advisedly.

Let me call the attention of the Committee members to the fact that the telephone service is the most vulnerable of all of our services from the standpoint of public ownership, because it is the most monopolistic; monopolistic both in nature and in practice. The greatest monopoly in this world, the largest corporation, is the American Telephone & Telegraph Co. They serve 81 percent of the telephones of America today, whereas they serve but 18 percent of the territory. They serve the most profitable business only. Any system, any company which gets into the position of being a monopoly is liable to the threat of public ownership. Only by giving reasonably adequate and cheap service can a program such as the telephone program avoid the threat of public ownership. As one who believes in private ownership, I have submitted this bill, because I believe it is the best insurance that we can offer against public ownership of the telephone system. If we give to the people of the rural areas, of the remote areas where service is not so good, if we give them an adequate service at reasonable prices through private ownership there will be no demand for public ownership. This bill proposes to make that credit available to private concerns.

Mr. HAYS of Ohio. Does not this bill go beyond making credit available?

Mr. POAGE. No; this bill does not go beyond making credit available.

Mr. HAYS of Ohio. It permits cooperatives, does it not?

Mr. POAGE. Certainly it permits cooperatives, in the sense that it does not prohibit or create them. It offers loans to either cooperatives, or to individuals or to private corporations, but it offers credit, nothing more.

Mr. HAYS of Ohio. That is something I want to know.

Mr. POAGE. Mr. Chairman, I must decline to yield further. I hope to explain the provisions of the bill, and I believe I can save the time of the Committee if I decline to yield.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. POAGE. No; Mr. Chairman, I must again decline to yield.

The CHAIRMAN. The gentleman from Texas declines to yield.

Mr. HAYS of Ohio. Mr. Chairman, I make a point of order that a quorum is not present.

Mr. RANKIN. Mr. Chairman, a point of order: A Member has no right to interrupt the speaker to make a point of no quorum.

The CHAIRMAN. A point of no quorum may be made at any time.

Mr. RANKIN. The gentleman from Texas did not yield for that point.

The CHAIRMAN. The point of no quorum is in order at any time.

The gentleman from Ohio makes the point of order that a quorum is not present. The Chair will count. [After counting.] One hundred and eight Members are present, a quorum.

The gentleman from Texas will proceed.

Mr. POAGE. Mr. Chairman, I announce now that until I have answered the questions that have already been asked, it is not my purpose to yield further. The gentleman from Ohio asked if this bill did not go further than providing loans for telephone service. The bill provides only that the Rural Electrification Administration may make

loans to provide rural telephone service on the same terms and conditions that it now makes loans for the extension of electric service. It does not authorize the Government or any agency of the Government to go into the telephone business.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Chairman, I yield myself two additional minutes.

It does not authorize anybody who is not now authorized to do so to go into the telephone business. It simply sets the REA up as a bank similar to its existence at the present time for electric service. It simply extends for telephone service exactly the same banking service we now have for electric facilities, but it takes special care to see that those now engaged in telephone service are thoroughly protected.

First, it requires the Administrator to make a finding, before he can make a loan, that the loan will probably be paid. I want you to get this because it is not in the provisions for making electrical loans. That finding has to be made and it is appealable to the courts. The Administrator cannot make that finding if there is reasonably good and adequate service in the territory where the new operation proposes to operate, because you know and we all know as a practical matter that you cannot go into a district or into a territory where there is good service and set up a competing telephone service and hope to make it pay out. You have to find some territory where there is practically no service or where the service is very inadequate if you hope to pay it out. That is our first protection to the operator.

This bill specifically provides that for the first 6 months of its operation no one except an existing telephone operator who is now giving rural service may even apply for a loan. Is that socialistic? Is that trying to put the Government in business when you say that nobody but the existing telephone operator may even apply for a loan in the first 6 months? After that period of time we provide that the existing operator has preference. He is given the first preference and this preference is expressed in words just exactly like the telephone people asked when they appeared before the committee.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. YATES. How would such a 6-months' provision bear upon the question of the organization of cooperatives that may want to engage in this type of business during the first 6 months of the act?

Mr. POAGE. It would exclude them for the first 6 months. It would exclude the cooperatives. It would exclude everyone except the operator who is now on the ground giving rural telephone service.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. POAGE. Mr. Chairman, I yield myself two additional minutes.

Mr. Chairman, it gives to the man who is now furnishing service an absolute and exclusive monopoly for the first 6 months. He can look over his system, survey it, see if it needs improvement, and if it does, apply for a loan at a cheap rate of interest. In that position he is able to meet any and all opposition. Is that socialistic or is that trying to protect private industry that is already there?

Then there is a committee amendment in the bill which provides that in any State where the State law requires the issuance of a certificate of convenience and necessity by a State agency, that such certificate must be issued before the Administrator can consider a loan. Is that socialistic?

Mr. Chairman, we are requiring consideration of all of the factors that the laws of any State in this Union require. We protect you, and you, and you, in all that your State requires. Instead of this bill being branded as socialistic it seems to me that it should be named, "A bill for the protection of small independent telephone operators who desire to extend service to the rural areas."

Frankly, those of us who suggested this bill want to see the telephone service extended. We are not here quibbling about how it is to be extended or who is to extend it. We want to put telephones out there where there are none today. If they are not put out there the Government is going to be called upon to put them out there.

Mr. WAGNER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Ohio.

Mr. WAGNER. Would the gentleman say that a telephone is more necessary for a man's well-being and his life than a home?

Mr. POAGE. Than a home?

Mr. WAGNER. That is right.

Mr. POAGE. It might be more necessary for his life in certain places, yes. For his well-being, I would think not.

Mr. WAGNER. What is the opinion of the gentleman as to whether or not the housing bill is socialistic?

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Chairman, if I might have the attention of the gentleman from Texas [Mr. POAGE] the author of the bill, I should like to ask him one or two questions with reference to it. The provisions in the bill as to those who are eligible for loans includes, on line 24, public bodies. May I ask the gentleman what was intended by that term?

Mr. POAGE. It is intended to cover the existing electric authorities that have been created in about 14 States, under State law, some of which have the authority under existing State law to engage in telephone service and some of which do not. It is intended to cover those, and I think actually there are about 7 or 8, and frankly, there is considerable dispute in some of the States whether they have that authority or whether they do not. But we know that in some of the States they have the authority under existing State law to engage in telephone service, and we hope to cover them all, everybody who has the authority to engage in telephone service.

Mr. O'HARA of Minnesota. Then the provision would authorize other than private companies and cooperatives to go into the telephone business in those States, particularly where they authorize the municipal bodies to operate them?

Mr. POAGE. That is right. If the gentleman had had an opportunity to hear me when I attempted to explain the matter he would have understood—but I am afraid there was considerable discussion at the time. I tried to point out very clearly that we were making these loans available to anybody who now has the authority under State law to engage in the service.

Mr. O'HARA of Minnesota. Will the gentleman permit me to ask him one other question?

Mr. POAGE. Certainly.

Mr. O'HARA of Minnesota. Because my independent companies have been very concerned as to why the word "acquisition" was put in in two places in the bill. For instance, on page 4 it provides for acquisition. Before the gentleman answers the question, in no place in the REA Act was there any such language as "acquisition," and I wondered why it was necessary.

Mr. POAGE. The reason is that under the REA Act we were dealing with large power companies where it was not necessary to acquire them to keep them from losing all of their assets. Under this bill we are dealing with 53,000 telephone companies—at least they are called companies. They are mainly mutuals or cooperatives, but many are privately owned. We recognize that as progress is made in the telephone business many of them must go out of business, and unless we make provision for making loans to acquire their facilities, they will get absolutely nothing for them. It is to protect some of those 53,000 who now have their investment in telephone lines; about 50,000 of them have nothing in the world except lines. We make it so that they can sell out, if there is an improved system established in the community, so that that system can get the money to acquire the existing facilities without simply making those facilities worthless.

Mr. O'HARA of Minnesota. The gentleman, as I gather from what he has just answered me, says that the word "acquisition" is for the benefit of those companies that are in existence and is not put in there as a promotion scheme, perhaps, for some of the private promoters to come out and organize these telephone companies to run these independents out of business.

Mr. POAGE. I assure the gentleman that is the purpose. I assure the gentleman that nobody on the committee had any intention or purpose that it might be used as a promotion scheme. Of course, we cannot guarantee that there will not be some wolves in sheep's clothing, sometimes.

Mr. O'HARA of Minnesota. Let me assure the gentleman that some of these little independent companies, and believe me they are independent, are worried as to that very feature. They are

very seriously worried. That is why I wanted the distinguished gentleman to give us the reason for and the purpose of the word "acquisition." My independent people are very worried about it.

Mr. POAGE. I can assure the gentleman that is the reason for it.

Mr. HILL. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I wish to devote this time to the discussion of interest charges.

All Members have access to the daily statement published by the Treasury Department. The one I have here is as of July 1. It came to my desk this morning. It breaks down the $250,000,000,000 of interest-bearing debt into the marketable issues, that is, the public issues, the nonmarketable obligations, which are made up mostly of the savings certificates, and the special issues, where the funds of the Canal Zone, the civil service, the Alaska Railroad, the retirement fund, and such as that, are invested, together with the social security.

Listen to these figures. The marketable issues, which include all of the short-term paper, which is very, very heavy these days because the Treasury finances on the basis of short-term paper in order to participate in low-interest rates, amount to $155,000,000,000. On those you are paying an interest rate of $2.001 percent. That includes all of the marketable low-interest-rate paper, some of it as low as 1.17 percent. There is $11,000,000,000 of that. You are paying 1.22 percent on $29,000,000,000 and 2.31 percent on $110,000,000,000, but the average of the marketable issues, totaling $155,000,000,000, is 2.001.

In your nonmarketable issues, which include the savings certificates and the investment series, you have a $62,000,000,000 investment, and the interest rate on that is 2.182; in other words, 0.182 percent more than the 2 percent provided for in this bill. So here you are proposing to lend money below the cost of the interest to the Treasury.

On the special issues, where you have your social-security funds, retirement funds, and civil-service funds invested, you are paying an interest rate of 2.596. You are moving up pretty close to the 2¾-percent interest rate.

The average rate on the $250,000,000,000 of interest-bearing debt, which includes the marketable issues, the social-security investment trust funds, and the savings certificates, is 2.236 percent, or nearly 2¼ percent.

Referring to another section of this same statement, we find that the REA at the present time owes the Treasury $1,015,000,000. Those are the sums advanced by the Treasury to the REA. The RFC, for instance, has had advanced to it by the Treasury $1,856,000,000. If those two agencies want money, they simply go to the Treasury for it instead of putting their issues out on the open market. With respect to the so-called free-and-easy-money-market policy established by the open-market committee of the Federal Reserve System, only a few days ago, that is any man's guess. For instance, one of the members of the open-market committee made the observation the other day to the effect that the statement made by the open-market committee which was unanimous on the part of the members of that committee, can be interpreted by any member of the open-market committee to mean what any member of that committee thinks it should mean under any possible conditions that may develop in the future.

That is some of the financial market rigging which I referred to the other day. During the past several weeks our Treasury Department and the Federal Reserve Banking System have taken step after step toward rigging the financial markets of this country. In making that statement I do not criticize either the Treasury or the open-market committee or the Board of Governors of the Federal Reserve System. I simply point out and wish to emphasize that your financial markets all over the world, particularly in those countries tied in to the Atlantic Pact are now so disturbed and there are such enormous government debts to be dealt with and so much deficit financing that the so-called banking systems of the world spend a great deal of time rigging the financial markets.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HILL. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. MASON. I would like to have the gentleman's opinion on what the effect will be on the market for United States securities and the effect on interest rates if we go into deficit financing, as it seems we will.

Mr. CRAWFORD. The Treasury Department has already planned to issue the first $200,000,000 worth of new deficit financing paper. About this we shall know more when Secretary Snyder returns from London. We are already moving into the new period of deficit financing. It is here. There are no ifs, ands, or buts about it. The consequences of all this are that the long-term bonds are advancing and the interest rate is declining.

As the market on the bonds advances, the interest rate automatically declines. Holding institutions of these marketable issues, if they go out today to buy these long-term bonds, pay an up and up and up price. So, having bought those bonds at an increased price, the interest return on the investment is naturally declining. That is what the gentleman from Texas [Mr. PATMAN] meant when he spoke about the interest rates going down. This is a rigged market designed to head off the depression which many people say is coming. The Treasury and the Federal Reserve Board and the open market committee does that specifically. That is a rigging of financial markets, but at any moment a boom might begin to take place and the open market committee can change its course, as I pointed out a moment ago, and interest rates can very suddenly go up. They can go up at any time within 30 or 60 or 90 days when the Treasury Department puts out a new issue of short-term paper. We should have this debt of ours financed with long-term paper, so that the market would not be continually disturbed. So, certainly, we should have in this bill an interest rate which covers the cost to the Treasury.

Mr. POAGE. Mr. Chairman, I yield 7 minutes to the gentleman from Nebraska [Mr. O'SULLIVAN].

Mr. O'SULLIVAN. Mr. Chairman, I took a somewhat active interest in this matter when this bill was before the subcommittee on Agriculture of which the gentleman from Texas [Mr. POAGE] is chairman. It was my thought after reading the bill and giving it some consideration that it was a perfectly good and proper bill and I am of that same opinion still. I surely hope that no sectionalism will be involved in the vote here today on this splendid bill. This is a bill which should be passed. It is a bill which will not hurt anyone except possibly some bankers and suppliers of telephone materials and equipment. In support of these contentions I state that this situation developed in the hearings. I asked a great many questions during the taking of testimony. I could not understand why any telephone company, any existing, decent company, whether privately owned or cooperative, could object to or be against this bill. We all know that there should be more rural telephones. We all know that if these companies are required to put in rural lines to supply the people with telephone service in rural and neglected areas, that it will be a losing proposition for some years. So, to make it attractive, and so that those companies would not lose too much money at first, we seek to institute this program of a long-term loan, covering 35 years, with a 2 percent interest charge. They cannot afford to develop those areas without this legislation.

This money can be borrowed by any existing company from REA. These existing companies have an exclusive monopoly to do this developing for the first 6 months. Yet I have found that many people appeared before this committee, good businessmen, and resisted this legislation to the utmost—to the last legislative ditch, so to speak. They said they did not need any 2 percent money. They said they did not need any 35-year loan, and they admitted that they could borrow money under this bill on the above-mentioned terms but they did not want to go through the REA. They wanted to run it through the FHA I guess for the benefit of the bankers, and have the loan guaranteed by the Government.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. O'SULLIVAN. I yield.

Mr. POAGE. Did not the same group of people tell us that the average rate paid on loans by independent telephone companies today was in excess of 7 percent?

Mr. O'SULLIVAN. That is correct.

Mr. POAGE. With each telephone valued at $200, that would be $14 a year. That is more than a dollar a month for each subscriber.

Mr. O'SULLIVAN. Yes.

Mr. POAGE. If they got this new money at 2 percent they could cut their rate by nearly a dollar a month and still make as much money as they are making now.

Mr. O'SULLIVAN. Yes, that is right.

I want to call the attention of the committee particularly to the testimony on page 171 of the hearings. I had the following colloquy with Mr. Widen, who appeared as a witness before the committee:

Mr. O'SULLIVAN. Men are fighting to get loans at the lowest rate of interest possible. Your company has stockholders, and the stockholders are interested in different kinds of returns, including dividends. They are interested in seeing this country run along the lines of economy. If, as far as your future development is concerned, in these so-called blighted areas where it is too expensive to do this work, it might be helpful if you could get 2 percent money on a long-term basis so that in the long pull, we will say 30 years from now, it might develop into paying business, then you should support this bill.

Mr. WIDEN. The testimony I have heard has indicated that it may be possible to arrange for such 2-percent money and still let the telephone industry go ahead and take care of the telephone business.

Mr. O'SULLIVAN. I think it is agreed that, with perhaps one or two exceptions, no one in this Congress would want to have this Government control or harass you or give you any governmental interference. But when the Congress is trying to be helpful to you, trying to see that these blighted areas get telephone service, and to help you do it by providing for an arrangement to use the power lines and other equipment of REA on 2-percent money, that is not kicking you in the pants. That is helping you.

So it goes, on and on, and I recommend that you read these hearings carefully. This man had the audacity to say that he did not want 2-percent money for his stockholders. He wanted to pay a larger rate of interest and he wanted these loans channeled through the FHA so that as I said before that possibly the banks would get a cut out of it. The whole thing is so patently plain that what they want is not economy, but they want to take care of their own little business cliques and take their own sweet time in giving neglected rural areas relief.

Furthermore, you will find from reading the hearings that by inference it appears, that the bankers are against this; they want their cut out of it. The suppliers who furnish telephone equipment and material want their cut out of it, and if they went to REA they would not get it. It is just plain free-enterprise selfishness. These men are not working in the best interests of their stockholders; they are cutting down dividends to give some preferred group or groups a chance to make some money out of their expansion programs in rural areas.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. O'SULLIVAN. I yield.

Mr. YATES. Are not the references to the group about whom you are speaking covered in section 201 of the bill? On what basis does the bill seek to give preference to persons providing telephone service in rural areas, and to public bodies, cooperative, nonprofit, limited-dividend, or mutual associations? They are already in the field; for what reason should that preference be given?

Mr. O'SULLIVAN. I do not know whether you have selected the proper section or not which relates to these preference groups but those who have existing telephone lines and facilities are given a 6 months' preference under this law. This was done as a matter of common justice and also just to satisfy these people who have built up and made the telephone business what it is today, and who have the over-all know-how. It was the thought of the committee and the drafters and sponsors of the bill to give these people a preference because they have the know-how and let them have, not an everlasting preference, but a 6 months' preference to start to do the job of extending their present lines and facilities into neglected rural areas which we find throughout our country, and if they—this preferred group—do not act within that time, then others may step in and do the work. We thought that they should have such a 6 months' preference.

I hope that this bill will find a place in the law of the land and urge all to support its passage.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, when the rural mail service was first established, more than half a century ago, it was regarded with great hostility as a scheme which would prove unworkable, a most costly experiment which would prove to be impracticable as well as expensive. Even the relatively few advocates of such a mail system were doubtful of its success on a wide scale. Dire predictions were made as to the ultimate consequences to the Nation even if it proved to be as favorable an innovation as only a few thought it might be.

But now the large part of the agricultural area is served by such a rural free mail delivery system, which continues to be extended and expanded from year to year. After 50 years the system still is incomplete as further surveys are being made to bring the service to the door of every farm home.

The benefits of the rural mail service have been so great that nobody now questions its value to town and country alike. Even the hostile objections which seemed so apparent in the pioneer days of the rural mail service have been forgotten. Farm methods and farm life have been vastly improved in that half century, and even now rural mail service lags in spots in spite of the progress made. Nobody advocates curtailment or abolition of the system.

When, but little more than a decade ago, rural electrification was proposed to take the modern electrical devices to the farm homes of our country, the proposal met with the same form of doubt and objection as were at first raised to the rural mail service. Taking electric light and power to the millions of farms without such service had been limited, and only Government assistance and long-term financing made REA possible. It has proved a wise form of Government aid. Now more than two-thirds of the farms of the country have become electrified. Along with an enormous expansion of REA there has been extension of private utility lines to thousands of farms. REA not only became a successful system of its own, but it soon demonstrated to public utilities that the farms could and should be profitably supplied with electric service.

And the REA is paying out. The Government has lost little if any of the financial aid it has extended. So great has REA become that it has benefited the thousands of rural cooperators, but urban as well as country life has been vastly improved by this particular form of Government assistance. Great generating plants which could not have been possible through public utility financing furnish the electric current for millions of farms and in some instances to the public utilities which, in some areas, have been unable to expand their facilities to meet the demand.

Now comes this bill H. R. 2960 from the Committee on Agriculture authorizing the Rural Electrification Administration to make loans for the expansion and improvement of rural telephone service. It would provide the same system, the same terms and conditions which REA has employed in making loans for farm electrification.

There are approximately 178,000 farms in Wisconsin. In a great dairy State with thousands of small farms, it might be supposed that telephonic communication with farm homes would be almost universal.

Such is not the case. In 1945, when the last census of such telephones was taken, only 86,107 farms had any kind of telephone connections. There were 91,638 farms wholly without telephone service. In the census of 1920, 59 percent of the farms were connected with some kind of telephone system. In 1945, that percentage had dropped to about 45 percent. No other facts are necessary to establish that there is an urgent demand for a Federal policy which will prove sufficient for an immense purpose.

The bill before us is intended for the benefit of existing telephone systems as well as cooperative endeavors, for privately owned and controlled systems as well as newly organized associations. Amendments to the measure insure that there will be no duplication of telephone systems, but Wisconsin, by law enacted over 40 years ago, stopped such duplication by requiring that its public-utility commission should have complete jurisdiction over all applications for new utility systems. The present measure specifically would prevent that form of competition with existing lines.

Those who insist that the loans made for the purpose of the bill should bear a higher rate of interest might bear in mind that our Government, by the authorization of Congress, has loaned billions to foreign countries at less than 1 percent interest, with little or no assurance that either principal or interest will ever be paid. It would not be wise to foreshadow failure of rural telephone lines by imposing a much higher rate than now is being paid by REA.

I heartily favor the enactment of this measure. It is another step for a better farm life and better farming facilities. Its need is apparent and the enactment should be made.

Mr. FUGATE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FUGATE. Mr. Chairman, I am supporting H. R. 2960. This is a bill to amend the Rural Electrification Act of 1936. The purpose of this bill is to provide telephone service for rural areas not now served. I want to emphasize that H. R. 2960 does not propose to displace or supersede any existing service.

Where private, corporate, cooperative, independent, and mutual companies are operating, this bill protects them. As a matter of fact, it not only secures for them the territory in which they are operating, but it makes available to them additional funds on the same basis, at the same interest rate.

It specifically gives them the right to enter any unserved section first. They have 6 months to make a survey and indicate what territories they desire to serve before any other person or company can build a line. Moreover, no funds will be loaned unless the party presents a certificate of convenience and necessity, issued by the State regulatory body, having authority to regulate telephone service, to the Rural Electrification Administrator, in States where required.

No loan shall be made for improvement, construction, acquisition, and operation of telephone lines until after the Administrator has determined that the service is necessary. Furthermore, loans shall not be made unless the Administrator finds and certifies that in his judgment the security is ample and that such loan will be repaid as stipulated.

Money made available, if this bill is enacted, can be used for loans only. No grants in aid or otherwise are authorized. It is true that rural telephone service will be subsidized. The difference between the interest rate of 2 percent, which this bill will provide for borrowers and the prevailing rate paid by existing companies represents a subsidy. However, the Government can lose only the difference between the 2-percent rate and the rate currently paid for money, which is about 2½ percent. Increased business and additional property for taxation partially offsets this.

Testimony presented to the committee indicated a source of needed financing that would make available loans to be repaid over a longer period than banks could safely provide. Amortization loans will be made not to exceed 35 years. This is the same period as loans are made under the Rural Electrification Act.

One provision in this bill, which will be of assistance to small independent companies, is an amendment whereby they can borrow money, on the same terms, to refinance existing indebtedness. Under this amendment, a company can negotiate a loan, pay off its obligations and use the balance to improve and expand its facilities.

Mr. Chairman, the Committee on Agriculture has brought in a good bill which deserves our support. It is legislation needed to provide for the farmers of America an opportunity to have in the country that which the cities have had for years. It is a social and economic necessity. Farming has become mechanized. Often it becomes necessary to find repairs in the midst of harvesting a valuable crop. The farmer should have the same public utilities available for the efficient operation of his business as other citizens enjoy. He should not be penalized because of his isolation.

The producers of food and fiber should have his needed service. It will not cost the taxpayer but little, if anything. This is the kind of legislation that commends itself to every fair-minded person.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, I hope we do not make a sectional or personal proposition out of this telephone bill. The thing we want to consider is the folks who need the service and whether we should give it to them or not. If we have anything of a sectional or personal nature, let us take care of that on the street or in the halls or over at the boarding house or out at our apartment. Do not bring it on the floor of the House. I am myself considering the folks out in Missouri who need telephone service.

I want to tell you a little thing that happened before the turn of this century. You know, getting old has some compensations. You can look back and see things that happened in the days of your youth that have an application now.

Back about 1898, or more than 50 years ago, my father put me on an old gray mare, and gave me a sack that had a plowshare in it and said: "Take this down to the shop and have it sharpened."

When I got down there two or three other men were ahead of me. I laid my plowshare down and sat and listened to a conversation between two old gray-headed men. One said to the other: "Did that fellow stop yesterday that was trying to organize the RFD route out of Butler? Did he stop at your place?"

The other man said, "Yes; he stopped."

"Did you sign up to have your mail delivered?"

"No; I did not. Did you?"

"No; I did not. You know, I only get four letters a year and three of them are duns. I would be happier if I never got them and I do not care whether I have my mail delivered or not. I went to Butler ever since I came to this county to get my mail and I can still go." He lived 12 miles from town over muddy roads, but he said "When I want my mail I know where it is and I can go and get it. This thing is going to bankrupt the Federal Government, you know that as well as I do."

He said, "It is a scheme to get a lot of fellows a job with good wages to ride around delivering mail, while we work like the devil to pay their salaries."

He said, "I am not in favor of it."

The other fellow said, "I am not, either. I am not going to let them deliver my mail."

He said, "Just think, that is happening all over the United States."

One of these old fellows laid his hand over on my head, just a little fat farm boy who took a plowshare to the shop, and he said, "I do not care for myself, I will not be here very long, and neither will you, but I am thinking about these little fellows like this one."

He said, "They are going to saddle a debt on this little boy that he and his children will never be able to pay. He is just going to become a galley slave."

I began to get scared. Finally my plowshare was sharpened, and I went home. The first thing I said to my father was, "Daddy, what is a galley slave?"

He said, "Why, son, what made you think of that?"

I said, "Well, somebody in town said I was going to be a galley slave, that this rural free delivery was going to saddle a lot of debt on me and you that would take away our farm and make a galley slave out of me. If I am going to be one of those things I want to know what it is."

He said, "Oh, son, I think the old Roman warships were pulled with oars, and they were pulled by a lot of men down in the hold of the ship; they were called galley slaves. When they captured a nice young man who was strong, they put him down there and worked him to death. But don't you worry too much about that."

Mr. Chairman, that happened. I am not just telling a story up here. I lived through it.

Every bit of service that has been proposed for farm people from that day to this has been characterized as bankrupting the Federal Government and making galley slaves out of us. I do not feel like a galley slave; I have not become one yet, and I do not believe you folks are. I hope when this measure comes up to a vote you will support it and we will give these people in the country, that cannot get telephones any other way, some telephones.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, I wish to direct attention to one or two factors which I believe should be taken into account in the consideration of this bill.

The present financial condition of the Treasury makes our job more than one of merely deciding whether a program is good or bad. We cannot afford all the things that are good. I am fully aware that the telephone service in many rural areas is very much in need of improvement.

I would have preferred to have this bill amend the law relating to the Reconstruction Finance Corporation by making long-term low-interest-rate loans available to small companies for needed equipment and required engineering skill to

improve their service, and by aiding territories without telephone service in financing the building of new companies.

This present bill provides that the loans will be made available by direct appropriations from the Treasury. We are now making more appropriations than we are receiving in taxes. If loans were handled through the Reconstruction Finance Corporation it would not present this budgeting problem.

It is also my feeling that the Rural Electrification Administration should stick to its main job. It has not finished by any means. Approximately one-half of the farm homes in the State of Nebraska have not yet been reached by rural electrification. My concern is for the farm family which is still washing lamp chimneys, trimming lamp wicks, cooking on a kerosene stove, and doing without electricity to run the cream separator, the washing machine, the feed grinder, and all the other machines needed on the farm.

The first responsibility of this Congress, the Rural Electrification Administration, and all the REA associations is to get electricity to all the farmers. I believe there is some just criticism due some of these groups for the slowness of their program and their lack of concern for the farm family struggling along without electricity. The Rural Electrification Administration should not be assigned another job until it finishes this one. I have regularly and consistently supported the appropriations to bring electricity to rural America. I expect to continue to do so.

Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I supported this bill in committee and I support it now. It is my feeling that there is great need for legislation of this kind. It is my belief that it will bring telephone service to thousands of rural families throughout the country who will never obtain telephone service in any other manner.

Our rural people today enjoy most every convenience of this modern age with the exception of telephones. They either have or there is fast coming to them good roads and highways, good schools, electricity, and radio. On the other hand there are thousands who hold out no hope for telephone service unless this bill becomes law.

The Rural Electrification Administration has been one of the most successful agencies of our Government. The blessings which have been brought to our farm people through this agency are untold. Yet, it has not cost the American taxpayer one dime. REA lines have not been constructed through grants from the Federal Government but through loans and loans only. The funds which have passed through the Rural Electrification Administration to REA cooperatives will eventually all be repaid with interest. In many instances payments have been made far ahead of schedule and only in a very few cases are the payments in arrears.

The purpose of this bill is to authorize and direct the Rural Electrification Administration to make loans very much in a similar manner for the construction of rural telephone facilities. There will be no grants or gifts but loans and only loans. Every dime of the funds will be repaid with interest.

It is estimated that more than 57 percent of the farms of our country are without telephone service. I realize that there are many farms and rural families who would never enjoy or install telephone service even though a line was conveniently located. On the other hand, it is true that a very large percentage of those without the service would install same if the service were only made available.

In my own State there are 263,528 farms. According to the 1945 agricultural census only 3.7 percent, or 9,797, of those farms enjoy telephone service. I simply mention this in order to make known the great need for this service among my people.

In considering this bill, our committee gave very careful consideration to the matter of competition with existing companies. There is not a single member of the committee who wants to see competing lines and facilities set up in competition with an existing company that is providing or shows an honest intention of providing adequate telephone service to rural areas.

The committee has taken every step it thought necessary to protect private industry. Every amendment adopted by the committee was for this purpose. As has been stated by the author of the bill and others, no loans may be made to newly formed cooperatives for a period of 6 months after the bill goes into effect. This is to afford existing companies an opportunity of expansion.

There are now at least 33 States where certificates of convenience and necessity are required of telephone companies. Some of these have no jurisdiction over cooperatives. But almost all State legislatures will be in session next year and every State which desires to add its further safeguards to a prevention of duplication and competition by cooperatives may certainly do so by a simple act of the legislature. In any event, the bill requires a certificate of convenience and necessity from those States which now require such before the Administrator may make a loan under the authority in this bill.

There is a further effective safeguard in the bill that should not go unnoticed and upon which emphasis should be laid. It requires the Administrator to find and certify that the security for a loan is adequate and that the loan will be repaid when due. Therefore, I do not see how the Administrator could possibly make any such certification in the case of someone who wanted to set up a new telephone company with paralleling lines and in competition with one that is rendering even passing service.

Most significant is the fact that loans may be made to existing companies. And several independent companies have expressed to me personally their approval of the bill and state that they expect to expand their facilities under its authority. The authority for refinancing, which the committee put into the bill, is to help small companies who need to refinance their present indebtedness at a lower rate in order to expand their present rural facilities.

It is my honest belief that the bill provides every safeguard and encouragement that can be provided for individual, privately owned telephone companies now in business and that the great majority of the loans will be made to such companies. If the bill does not provide the proper safeguards then I am not so wedded to its present language that I would refuse to support amendments to effect them.

Rural America is unquestionably supporting this legislation. They believe and we believe it will bring to them a service which they sorely need.

Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I rise in support of the Poage telephone bill.

I realize that the time for debate is limited, but I wanted to raise my voice in support of this measure. I hope the House of Representatives will pass it today and without amendments which would tend to interfere with the success of the program.

A relatively small percentage of the rural homes of America have telephone service—less than 18 percent in Texas, I believe. The fact is, as has been pointed out, that a smaller percentage of the rural homes of America have telephone service today than 25 years ago. This is true in spite of the fact that the need for telephone service is becoming increasingly more important.

I shall leave it to the gentleman from Texas [Mr. POAGE] and other members of the committee to discuss the detailed provisions of the bill. I trust the House will take favorable action today and that this bill may become the law and contribute, as I know it will, to the health, security, and happiness of the rural people of the United States.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. WHITE].

Mr. WHITE of California. Mr. Chairman, as far as the necessity for this measure is concerned, may I say that I am a farmer myself and I have been through an experience which to my mind thoroughly justifies this legislation.

I operate a farm, or a ranch, as we call it in California, 20 miles from the nearest town. In the early part of the war we had no telephone. The previous owner of the property never went to the expense of putting one in. We had such a terrible time getting parts for our farm machinery during the war that I found it would pay to go to the very heavy expense of putting in a telephone to keep from running back and forth in an automobile between the town and the ranch, a round trip of 40 miles. I think that same thing applies to every farmer who has to make trips back and forth to town when he does not have a telephone. I believe it is an economic saving to the farmer. Since the Government is more or less subsidizing the income of the farmers anyway, I believe the Government would make an over-all saving to go along on this piece of legislation and

subsidize the putting in of these telephones.

As far as the interest rate is concerned, we must all admit that the interest rate is lower than the commercial rate, but certainly since we are subsidizing the farmers anyway, it does not appear out of line to go along at this rate of interest.

I hope that the Members of Congress will not be misled by the tremendous flood of telegrams being received in Washington from the so-called independent telephone companies. If you are familiar with the situation I am sure you know that every small telephone company, to have any standing with its subscribers, must have a contract with Mother Bell, as we call her, which is the familiar name applied to the American Telephone & Telegraph Co. Unless those independent companies are able to make a contract with the American Telephone & Telegraph Co., they, of course, cannot operate and cannot get subscribers who will pay a monthly bill. Obviously, the parent company, the national company, maintains a certain amount of control over these independent companies. It is my observation and feeling that the independent telephone companies which have been sending these telegrams here have been sending them under pressure. Certainly a small independent company should not object to the Government's generosity in providing operating capital at the rate of 2 percent. As a matter of fact the American Telephone & Telegraph Co. certainly should not object to that generosity for they, too, are eligible to borrow at that tremendously low figure and could, as I see it, reduce their rates with such a low interest rate.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. WHITE of California. I yield.

Mr. WHITE of Idaho. Is it not a matter of fact that the quotation of Bell stock on the market was $170 for a bond carrying about 3 percent and that they are almost up to the price where they could really get money for about 2 percent or less in the commercial market.

Mr. WHITE of California. I am not currently posted on those particular bonds, and, therefore, cannot answer the gentleman's question.

Before closing, I would like to leave this message with my liberal Democratic friends on my right, with reference to the matter of recriminations, and punitive votes on this particular piece of legislation which I understand has been rumored. I urge each and every one of you to put that thought out of your mind because this is a national issue. I certainly hope that if you want to punish somebody you will wait until the district of the particular gentleman is involved, and not try to punish everybody in the party in voting on national legislation, which involves the farmers of the country.

Mr. HOPE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this is a bill which has been studied very carefully by both the subcommittee and the full Committee on Agriculture. Extensive hearings were held on it, which hearings were attended by representatives of both the Bell and independent telephone companies. They were given full opportunity to make suggestions and to suggest amendments to the bill.

As a matter of fact, a number of amendments which were suggested by the telephone industry are incorporated in the present bill. I believe the bill ought to be enacted in its present form. I think it is entirely satisfactory. I do not believe it will in any way in its present form affect any rural telephone company which is now in existence and which is rendering efficient and reliable service or which is covering the territory in which it operates. I believe it will have the effect of making it possible for thousands of existing rural telephone companies to really give effective service to their patrons. Under the provisions of the bill, as you will note, existing rural telephone companies have a preference so far as getting loans is concerned. There are thousands of them at the present time, merely struggling along rendering very poor service. They have no opportunity except that afforded by this bill if it is passed, to furnish anything like good service in their communities. Their problem is principally a problem of finances. They are in communities which do not offer anything attractive in the way of an investment for the Bell Telephone Co., except in certain isolated areas where they may come in and skim off the cream. They are in areas where the local companies which are already in there are not able to secure finances to enable them to make necessary improvements and to render efficient service.

If this legislation is passed and loans for 35 years at 2 percent are made available, practically every one of those companies will be able to refinance itself and to furnish adequate telephone service to the communities in which they are operating.

I know of no service which can be rendered in any rural community today that is of greater importance than the establishment of good, reliable telephone service. The farm home is not only a home but it is an important business establishment. The farmers today are in a situation where they need a telephone to carry on their business operations to the same extent as a businessman in town. If we can afford an opportunity to furnish this service at a cost which they can afford to pay, I know of no greater social or economic help that could be afforded.

I can understand how some Members of this House might be concerned about this bill because there has been a great deal of false and misleading propaganda circulated concerning its provisions. A great deal of that propaganda is based upon provisions that are not now contained in the bill. In other cases there is a misunderstanding of what the legislation now provides. Some Members of this House, who are entirely familiar with the REA program and who have supported that program through and through, have expressed some doubts about this program. I say to you it is exactly the same thing. If the REA is sound, if the REA is desirable, then this is equally sound and desirable.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself two additional minutes.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. JENSEN. On page 4 of the bill, I notice this language:

> That, for 6 months from and after the effective date of this act, no applications for loans shall be received by the Administrator except from persons who on the effective date of this act are engaged in the operation of existing telephone service in rural areas.

That means that the telephone companies that are in existence today have only 6 months to improve their service before an application could be made to give them competition. Does not the gentleman feel that that time should be extended at least to 18 months or 2 years?

Mr. HOPE. No. I think the gentleman has misconstrued the language. All that this means is that nobody can make application for 6 months except a rural telephone company now operating.

Mr. JENSEN. I understand that.

Mr. HOPE. Does not the gentleman think that is sufficient time?

Mr. JENSEN. No; I do not think so.

Mr. HOPE. Even after this 6 months an existing company will still have a preference. That preference does not end with this 6 months; they continue to have it.

Mr. JENSEN. I still think the time should be extended to at least 18 months.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, this bill is needed and meritorious. I rise to support this legislation and should like to congratulate and commend our distinguished colleague from Texas, chairman of the subcommittee, Mr. POAGE, the author of this bill, who has worked on it so diligently, also the members of the committee. I think it is meritorious legislation and a bill that should pass. Let me recite an instance which will serve to illustrate why I am supporting this legislation. Last summer, in visiting over my district, the people of Frankewing, a community of 300 people in Giles County, near the Alabama line, called to my attention their great need for telephone service, several citizens insisted that their rural telephone problem was a very serious one. They said they had not one telephone in their community, not a single telephone in a community of 300 people. They asked me if I could help them. I, of course, assured them I would do what I could to see that telephone service was furnished to them. I went to the county seat of Giles County—Pulaski—to the office of the Southern Bell Telephone Co., and told them of the situation in that community of 300 people without a single telephone and urged and insisted that such service be extended. There had been a storm 3 months previously which had destroyed the line some 10 or 12 miles away. I asked them to do all they

possibly could under the circumstances to see that adequate telephone service was furnished to these people. Officials said they would have to take that up with their Nashville, Tenn., office. I visited the Nashville office, following up the matter and checked into it, and asked them to try to do something. They stated that they had many more applications than they could possibly fill, that they did not have adequate equipment and facilities, and that they could not take care of this request.

I had a similar request for rural telephone service from farmers and other citizens at Flintville, Lincoln County, in my district. Here there exists also need for rural telephone service. The people there had applied to the Southern Telephone Co. or any other telephone company that would move in, to provide the needed service. But such service has not been provided. The need continues to exist.

These are only two of the many instances that illustrate the need for the passage of this bill. I have no other alternative, and am pleased to support this legislation.

It seems, Mr. Chairman, that when we get into the subject of modernizing farms in this country and extending some of the conveniences and necessities of city life to our farmers, we run into a curious situation so far as the tremendous progress we have already made along this line is concerned.

Through the Rural Electrification Administration and its growing network of power lines we have, as we all know, made vast and essential improvements in farm life. A farmer can now come in from his work at noontime, tune in his radio, and while he waits for dinner hear broadcasts of events of vast importance almost as quickly as they happen. Yet, in the great majority of cases, that same farmer, with all his modern electric equipment, is unable to pick up his telephone and call a doctor if his child is stricken critically ill.

The measure we are considering here today to make telephone service available in rural areas in no way proposes any revolutionary methods. In fact, just the opposite is true, yet we are hearing some of the same arguments advanced today which were used when the REA program was proposed. But, so far as I know, practically every argument used to fight REA has been dissipated through the successful, businesslike operation of the rural electric power program. REA has been proved to be one of the soundest, most businesslike operations in our Government today and what is proposed in this bill is only a desirable and essential extension of that REA service.

This bill simply proposes to utilize the vast electric power facilities and the established resources of the REA to take telephone service into rural areas—which in this modern age are isolated in many instances from any source of assistance in time of need and which may not operate the normal business life in a normal way. This service proposed today would be paid for by the grateful recipient—the Government would not be giving telephones to our farmers, but merely giving them a chance to have—and to pay for—a service which in our cities and urban areas is looked upon not as a luxury or even the suggestion of a luxury—but as a real necessity.

Telephones cannot be accomplished on an individual basis. If that were the case, there would be telephones in Frankewing and Flintville and in many other of our fine rural communities and sections. To these people who wish and need telephone service, the price of extending the lines for many miles is prohibitive. The cost of such an operation is prohibitive also to private telephone companies which operate efficiently in urban areas, but, even so, these rural people should not be denied a service which is regarded elsewhere as a basic business and personal necessity. Private companies have absolutely declined to extend their service here upon request.

It is not necessary for these people to go without telephone service, if we will here today make it possible for the resources of our Government to be made available—to be allowed to step in and help these people finance the extension of telephone service to their farm homes and rural communities. These people will gladly bear the cost and pay the Government back with acceptable interest. The same thing is going on all over rural America with regard to REA lines, which have more than proved their worth and soundness over the 13 years of operation.

Private independent telephone companies are not going to provide this service—they cannot do it. Only the Federal Government can do it.

There is a vast difference of opinion as to the actual number of rural telephones in use in the country today. In hearings before the House Committee on Agriculture, which has made an extensive study of this question, spokesmen for certain independent telephone companies testified that rural telephone service is now available to about 75 percent of the occupied farms in the United States. To those of us acquainted with conditions in rural sections, those figures are somewhat hard to swallow. The committee also refused to accept these figures and took sharp issue thereon.

If the adequate telephone service to farms and not the mere possession of a telephone instrument is to be taken as the criterion—

The committee concluded and so stated in its report on this measure—

the figure of 42.2 percent of farms served as of January 1, 1949 * * * is exceedingly liberal and that probably considerably fewer than that percentage of farm homes are not receiving telephone service that is adequate by modern standards.

The committee evidently had in mind, as do many of us, the large number of crank-type telephones which are hanging silent and useless in many a farm house because the lines were never connected or, out of order, were never repaired.

The fact is, the percentage of farms without telephone service is so low as to be deplorable. Certainly there are fewer telephones in use in rural areas than there were in the years immediately following World War I.

In urban areas throughout the country telephones are plentiful—and yet a farmer cannot call a doctor; cannot pick up a telephone to transact his business, to buy and sell on a changing market; to order repairs and help when his farm machinery gets out of order and help is needed.

With our present-day methods it has been found that the same poles can be used for both power and telephone lines. Certainly nothing more efficient and economical can be envisioned than to let the telephone line follow the power line into the farm community and home.

As I have indicated, it is impossible for private companies to finance the rural telephone service. In hearings before the committee on this bill, it was brought out that financing by telephone companies is normally based on the so-called life cycle of its plant and equipment, uniformly considered to be 25 to 30 years. Certainly very few sources of credit are open to a business concern on a 25-year basis. Banks and other credit establishments are not interested in such long-term loans, and both types of credit institutions reflected their complete disinterest in the legislation when they did not even bother to send representatives to testify at hearings on this meritorious bill. The RFC is not interested in making 25-year loans. That leaves the Government as the only source of credit in this instance.

Nothing new or drastic has been suggested in this bill. The method proposed here—that is, the proposal to do the job through the REA—is one which we all know will work; it has been working for about 15 years—and certainly it meets the approval and commendation of all parties concerned. Telephone service on such a basis would be equally successful—and the Government would be rendering a great and fine and needed service—without expending huge sums of money with no return.

I sincerely trust, Mr. Chairman, that the approval of the House will be given to this measure which will prove of inestimable value in the progress of rural America. As we all know and recognize, prosperity of agriculture in America means prosperity of all America.

Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. THORNBERRY].

A JOB NEEDS TO BE DONE

Mr. THORNBERRY. Mr. Chairman, it is hard for me to believe that anyone who professes to have the interest of the American farmer at heart would not enthusiastically support H. R. 2960 which provides a program enabling the farmers of this country to obtain the rural telephone service that they have sorely needed for so long.

Before I went into a study of this measure, I was already convinced that reliable telephone service is an absolute necessity to the farmers of my district and of our Nation. But, until I had studied the facts and figures surrounding this bill, I did not realize that there exists such a deplorable lack of this essential service to our farmers.

The facts in the case do not point to progress in any form; but rather to backsliding on a job that needed to be done. For example, in my own State of Texas, in 1920 approximately 32 percent of the farms had telephone service. That, to be sure, is not a figure to be proud of—but, just listen to the figure for 1945. In 1945 only 17 percent of farms in Texas had telephone service. In other words, more than 83 percent of the farms of Texas are, today, without telephone service of any kind. That means 8 out of every 10 Texas farms are lacking in telephones. This fact alone is enough to convince me that H. R. 2960 should be passed. To be sure, a job needs to be done.

Fortunately for the farmers of my district in Texas, an earlier Congress made it possible for them to have electric power on their farms. And, now, this Congress has the splendid opportunity of assisting in bringing telephones to them. One Congress rescued the farmer from the hand pump and the oil lamp. We, today, can go the rest of the way and give them modern methods of communication. For one, I will consider it a privilege to have been a Member of a Congress that helped in doing this job that so badly needs to be done.

Surely no one will contend that the farmer needs less to communicate with the markets for his products than the merchant or producer who lives in the city.

And there is no one, I feel certain, who will say that the father and mother on the farm do not need as immediate communication facilities for summoning medical aid for themselves and their children as parents living in the city.

There seems no doubt to me that the farmer needs a sure means of communication on which he can rely in times of emergency, as in the case of fire—just as does the city man.

And for the farm family just as for the city family, telephone service provides a link with neighbors and the outside world that can do much to increase the enjoyment and contentment of family living.

No; I am sure that there is not a person here in this Chamber today who would argue in this fashion against H. R. 2960.

I have attempted to approach this bill and the benefits it would provide from a positive angle—for, to me, it will offer not merely a convenience, but an absolute necessity to the farm areas of our Nation.

In providing this long-overdue service to our farm families, I do not feel that private enterprise will in any way be destroyed.

It is the hope of many of us who have studied this bill that much of the expansion and improvement of the rural telephone system for which it provides will be carried out by existing private companies within the framework of the private-enterprise system.

First of all, it gives any existing private company an exclusive period of 6 months after the date of this bill in which to file application for loans.

After the 6-month period has expired these same existing private companies, along with public bodies and co-ops, may obtain loans from the REA to provide adequate telephone service for rural areas.

In other words, this measure provides that public credit shall be extended at a low rate of interest first to existing private companies to extend adequate telephone service to farmers in rural areas, and, secondly, if private telephone companies fail to take advantage of the availability of this credit, then farmer groups have the right to obtain loans for this service.

This is not a fight between free enterprise and socialism, but it is indeed a fight to preserve free enterprise against monopoly and socialism.

I urge this House today not only to assist the farmers of America, but to assist the whole economy of America by giving farmers the opportunity to engage in business with modern methods of communication and his family the opportunity to enjoy the wholesome life that comes in part from the neighborliness and knowledge dependent on adequate communication facilities.

I submit to you, gentlemen, that a job needs to be done, and that it is the duty and responsibility of all of us here today to see to it that it is done properly and expediently.

As the editor of the Taylor Times, one of the weekly papers in my Tenth District back in Texas, put it: "The fact remains that telephone service in the country is as important as it is in town."

Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Chairman, I am wholeheartedly in support of this bill, H. R. 2960, the so-called rural telephone service bill and if it goes into effect will be of immeasurable help to the rural people of Virginia. The Rural Electrification Administration has done a splendid job in making possible the supplying of electric energy to the rural section of our country at a very nominal cost to the Government. It is agreed on all sides that the program has functioned smoothly, wisely, and to the best interest of the people as a whole.

The telephone bill authorizes the Rural Electrification Administration to make loans for the expansion and improvement of rural-telephone service under the same terms and conditions which it has employed for many years in making loans for rural electrification.

I desire to compliment Mr. Wickard, REA Administrator, for his wise and efficient administration.

The bill does not provide for Government ownership or operation of telephone facilities. It does provide that funds shall be made available on identical terms to private corporations, public agencies and cooperatives, giving present operators of telephone facilities a clear preference over all other types of applicants and preserving to the utmost the authority of State regulatory bodies over rates, service, and service areas.

The bill further provides that before making a loan the Administrator must find as a fact and certify that in his judgment the security therefore is reasonably adequate and such loan will be repaid within the time agreed, nor shall the loan be made in any State that has a regulatory body—in Virginia the corporation commission—having authority to regulate telephone service and to require certificates of convenience and necessity to the applicant unless and until such certificate from such agency is first obtained. That is to say, that in Virginia an applicant for a loan before same could be approved and granted by the REA, the corporation commission would first have to certify that the contemplated service to be rendered was necessary, desirable, and not being rendered by any of the operators.

The loans will be available to the existing companies as well as new ones. The main purpose is to provide rural telephone service to all rural areas by making available the necessary financial assistance to private industry within the framework of the private enterprise system with full protection to existing operators who are or will render adequate service.

Unfortunately, in Virginia while we have 173,051 farms only 31,835 have telephone service.

Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Chairman, this is a bill to amend the Rural Electrification Act to authorize the Rural Electrification Administration, subject to certain definite limitations, to make loans for rural telephones. What I have just said probably appears to be so obvious from the bill itself and from the statements of other members of the committee as to make its repetition unnecessary.

This would be true, Mr. Chairman, were it not for the fact that, either through malice or misunderstanding, there is a widespread misapprehension as to the purposes and effect of this bill. For instance, I hold in my hand a ballot which has appeared in several newspapers. This ballot asks subscribers to complete it and send it to Members of Congress. One of the questions on this ballot is:

> How do you feel about a Federal rural telephone administration, comparable to REA? (This would give Federal jobs to thousands more.)

Obviously this question cannot be germane to H. R. 2960. This bill does not establish a rural telephone administration. It creates no new agency of Government. It merely broadens the lending power of the REA to include rural telephone loans along lines similar to those now authorized for rural-electrification purposes.

To state that this additional authority in the REA will result in thousands of new Federal jobs is absurd. Such a statement either must have been born in a total disregard for the truth or was certainly prompted by the desire of malicious and greedy individuals to do through newspaper propaganda what in November last they miserably failed to accomplish at the polls. The truth is that the total number of employees of the Rural Electrification Administration is about eleven hundred. The employees of that Administration have never numbered as many as 2,000. The

legislation before us today will not create anything like 1,000 new Federal jobs.

It has been charged that this legislation will put the Federal Government in competition with private business. Nothing could be further from the truth. Every precaution has been taken in this bill to give existing companies and agencies serving rural patrons top priority in all instances. At the suggestion of representatives of telephone companies the language of this bill was changed in committee to list those now serving rural areas first in the sequence of those eligible for rural telephone loans. To make doubly sure that, so far as possible, existing organizations and individuals would do the job contemplated by this bill and to make absolutely certain that they would be given every priority and advantage, we have spelled out specifically in the legislation that only such persons will be permitted to file applications the first 6 months during which this act is in effect.

This legislation, Mr. Chairman, will be the very salvation of many small telephone companies in this country. It represents their only chance to procure the type of financing which the very nature of their business requires. What is more important, it represents the only means whereby thousands of rural Americans will be able to enjoy the benefits of telephone service. When this measure was before our committee I had a call from the operator of a small telephone company in my own county advising me that unless the bill was passed he would be unable to serve dozens of families in his area who were desperately pleading for telephone service.

The purpose of this bill is not to put the Federal Government in the telephone business. As expressed on page 11 of the committee report, it is hoped and expected that most of the expansion and improvement of the rural telephone system provided for in this bill will be carried out by private industry within the framework of the private enterprise system.

It has been charged that this legislation will give the Federal Government control over intrastate telephone utilities. The answer to this is that upon the recommendation of the National Association of public utility commissioners the bill was carefully drawn to insure that nothing in the legislation would deprive any such commission of any of its jurisdiction to regulate such service or the rates to be charged therefor. Going even further than the National Association of public utility commissioners had suggested, the committee adopted an amendment requiring, as a condition to receiving any loan under this act, a certificate of convenience and necessity in any State where such certificates are now or may hereafter be required.

The primary purpose of this legislation is of course to get telephones in the farm homes of America. It seeks to do this through a tried and proven system of long-term, low-interest-rate loans, a system which in the field of rural electrification has worked out beyond the fondest expectations of its most enthusiastic sponsors. It is a system which is paying its own way. More than this it has brightened the homes and lightened the burdens of the farm families of America. It has done more than anything I know of to give the farm people of this country a feeling of personal dignity—a realization that they are not consigned to an inferior standard of living but, like their city brethern, are living in a twentieth century world.

Rural telephone service is a necessity. It is essential to the successful business operations of a farm. More than ever before farms are mechanized; they are electrified. These very improvements often require rapid communication. For instance, I know of many farmers who have deep-freeze units. The ability quickly to notify an electrician of a defect in the system might mean the difference between saving and losing the winter's store of food. This instance of the necessity of telephones in the business operations of a farm could be multiplied a thousand times.

Telephone service is needed to lessen the hazards of farm life. Farmers seldom live in concentrated communities. Their homes are generally isolated on their respective farms, often several miles from the nearest hospital or nearest fire station. Would anyone rearing children deny that he would feel insecure if he had no ready means of communication with his family doctor or with his neighbors? The peril of isolated living has unquestionably been one of the important factors in the great exodus of the farm population of this country to the cities in recent years.

There is nothing new in the philosophy contained in this bill. Our Government has recognized for nearly 15 years the necessity of making long-term loans to provide electric service on an area-coverage basis to farm communities. Living apart, as farmers generally do, the profits on services of this kind are too small to enable individuals or organizations to serve them on an area-coverage basis with ordinary short-term commercial loans. Yet for many years our Government has recognized that the people who raise our food and fiber are entitled to the essential services of modern life. This has been recognized by the Congress, not simply out of a desire to be of assistance to farmers but also out of a realization that a sound rural economy is essential to the strength and welfare of our country. To this end the Congress has provided many programs authorizing loans, and in some cases even grants, to help in providing these essential services to our rural areas which cannot possibly finance them through the means available to people living close together in urban communities. Many of these services have long since been recognized by everyone as normal and essential functions of our Government. This is certainly true of our rural mail service, which was once attacked as statism. It is true of our highway and farm-to-market road programs. It is true of our rural electric and many other programs.

Like all these things, rural telephones are a necessity. No one would ever suggest that America could remain the strongest nation on earth without her great agricultural economy. Nor would anyone contend that rural life has not made a contribution to the sum total of American life, which is worth continuing. Yet all of this, Mr. Chairman, depends upon the willingness of men and women and boys and girls to live and work on the farms of this country. In this age of great technological developments farmers are not going to be satisfied with kerosene lamps and eighteenth century washtubs. They are not going to be willing to live in the country if they have to drive over rough or muddy roads to the market or to the hospital. They are not going to do it if they have to quit their work and drive to town every time a machine breaks down or every time the advice of a physician is needed.

Under this bill the job can be done through private business, through mutuals, through cooperatives, or otherwise. The important thing, so far as I am concerned, is that under this legislation the job will be done. I therefore urge its enactment without crippling amendments.

Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Speaker, a majority of this House has so often by its action shown its realization of the importance of farms to our national welfare that any further discussion of that subject would be repetitious. We have long ago come to the realization that a productive farm population with stable buying power is necessary to a strong economy and for the welfare of the Nation as a whole. Having admitted the importance of farm welfare, we now have an opportunity to do something about it by making another convenience available to the farmer. That opportunity is provided by H. R. 2960, the rural telephone bill.

Farmers need telephones.

Trapped at the end of an impassable muddy road, without electricity or telephones, the farmer would not be an effective worker, an intelligent citizen, or a happy member of society. Mud, darkness, and isolation simply are not conducive to such things. He needs roads so that he can take his products to market and bring back to his home the goods he needs for healthful, happy rural living. He needs electric power to supplement his handpower and horsepower in performing his farm chores. He needs electric lights to relieve his eyes of strain at night when he reads his newspaper, and to help his small sons and daughters study more effectively. He needs telephones to help him transact his business and to obtain quick action when an emergency requires the immediate services of a physician or policeman.

Our State road administrations are making progress toward providing farmers with passible year-round roads. The Federal rural electrification program is helping make electical power available to farmers. To round off our aid to farmers, we need the rural telephone program provided for in H. R. 2960.

To the average American the telephone has become a necessity. It is necessary for finding the best places to buy and

sell; for ordering repairs for homes and equipment; for calling a doctor when someone is ill or injured; and for many other everyday and emergency uses. Urban areas are well-supplied with telephones, but in rural areas, where sparse population makes the need for telephone service greater, there is a woeful lack of such service. The House Committee on Agriculture estimates that only 42.2 percent of the farms of the United States are served by telephones, and that considerably less than that receive adequate, modern service.

In H. R. 2960 we have a workable method for making telephone service available in rural areas. It is not a handout. The telephone lines would be financed by Federal loans to private companies or cooperative enterprises, and the loans would be repaid—just as under the present rural electrification program. It would cost the Government nothing.

Neither would it be competition with private enterprise. In many instances, private companies have not been able to finance needed rural lines because to do so would require low-interest, long-term credit extending up to 25 or 30 years. Such loans cannot be obtained from private sources—the Government is the only agency in a position to extend credit of this type. The bill provides that during the first 6 months after this act goes into effect only existing private companies will be allowed to file applications for the loans. After that, either the existing companies, public bodies, or cooperatives will be eligible for the loans.

The program would not be expensive to administer and would not add a large number of people to the Federal pay roll, for it would be administered through the existing Rural Electrification Administration.

The combination of these two programs in the same agency would lead to the efficient and economical administration of both. The procedures would be the same as REA now uses for rural electrification—that is, the extension of low-interest, long-term loans to private companies or cooperatives. There is another connection between rural electrification and rural "telephonation"—modern technology has developed a method by which the same poles can be used for carrying both electric and telephone lines. Thus both telephone and electric service can be extended to rural areas at the same time.

I can see no good reason for controversy concerning this bill. The need is evident. The program contemplated will cause no permanent expense to the Government, and will not in any way interfere with private enterprise. It will not be costly to administer, for it will be carried out by the existing Rural Electrification Administration.

The rural-electrification program has proved that the type of program embodied in H. R. 2960 will work. It has shown that the farmer is willing and able to pay for services rendered. The time has come when we should extend the program to include telephone service, so that the modern farmer may have this modern convenience which he needs and deserves.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. MAGEE].

Mr. MAGEE. Mr. Chairman, let me say at the outset that I am sick and tired of hearing the prophets of doom and disaster shout socialism every time some measure is being debated that is calculated to benefit the farmers of our country or the average men and women of our Nation. These sanctimonious scarecrows who shudder and shiver and seek to frighten us by such cries are the coupon clippers of the clever corporations or the hired servants of the soulless self-serving utilities.

It seems to me that there is too great a tendency in this country and sometimes in this Congress to debate by diatribe. If someone suggests legislation which would protect the weak; if it be suggested that we have wealth and resources sufficient in this country so that no one should be in want, then such person must bear the brunt of being called a Socialist or Communist. If, on the other hand, someone suggests that government has no place in business, that private industry and free enterprise are the only solutions to a sound economy, then such person may be called a Fascist.

I concede to any man the right to state fully and openly his honest beliefs. I believe it was Voltaire who once said when speaking of an opponent:

> I hate that man's beliefs and will fight them with all my strength; but I will also fight to the death for his right to express those beliefs.

May the day come in this country when men can arise above petty jealousies, animosities, and political prejudices; when this country may become a great public forum, where men will debate the issues as men and not as mice.

I favor the pending bill, H. R. 2960, which seeks to amend the REA to provide for rural telephones. I shall not discuss the mechanics of this proposed legislation, as it has been and will be discussed fully by members of the committee. I prefer, rather, to talk of the social aspects involved.

Our Constitution was established to promote the general welfare of the people—not a few, but all. To me, good government, sound government, means the greatest good to the greatest number.

The First Congressional District of Missouri, which I represent, is the agricultural center of the United States. Perhaps I am a bit prejudiced in favor of farm people. I own the farm upon which I was born and after the First World War I homesteaded in the Big Horn Basin of Wyoming.

Cato, the Roman patriot, once said:

> The agricultural population produces the bravest men, the most valiant soldiers, and a class of citizens the least of all given to evil designs.

That statement is as true today. Yes, I have faith in the industry of agriculture. Sometimes those who live in big places feel bigger on that account. They may acquire glibness of speech and the glamor of polished mannerisms; but they acquire these things at a price. Revolutions have been fought, in the main, by farmers and rail splitters. It is they who fired the shot heard around the world. These are the men who fought at Bunker Hill, at Shiloh, and Vimy Ridge. From this class came Patrick Henry, Lincoln, and Jefferson. I have an abiding faith in the men and women of the rural districts, in the quiet of the country, out of the mad race for money, prestige, and power; far from the demands of business, out of the dusty highways where men struggle for the hollow praise of other men.

Yet as strongly as I feel for farm folks, I know that their interests, their lives, and their fortunes, are interdependent with the lives, occupations, and destinies of those who live in the big centers, and labor in the mills, the factories, and offices all over America. If we are to be true to our trust as legislators we will think of the interests of all, not a few, but all. That is the reason I supported public housing and slum clearance, even though neither is much of a problem in my district. That is the reason I support labor, even though labor constitutes only a small ratio of the total population in my district.

I support the proposed legislation because there is a real need for it, not only in my section, but all over this Nation. Listen to this, members of the committee, approximately 50 years ago, my parents had telephone service on the farm I now own. For some 22 years there has been no service. That farm is 13 miles from the county seat where I live and for the 15 years I have owned that farm, it has been necessary for me to drive down there whenever I needed to talk to my tenant; and he had to make a 26-mile round trip whenever he wanted to ask me a simple question which could have been answered in 2 minutes over a telephone.

Just a few days ago I received a letter strongly protesting this bill. The writer stated that only backward areas were now without telephone service. Mr. Chairman, when I received that letter, I knew that Ananias was a piker, and that this man ought to be crowned king of the tall-story festival. It did not take me long to write that puerile, pusillanimous, pumpkin-headed, puny-minded puppet of the private utilities and inform him that my farm was not in the hinterland but on a hard-surfaced farm-to-market road and only 2 miles removed from a State highway. Some of the wealthiest and best farmers of my district have no telephone service. Instead of conditions getting better, they are getting worse, and they will continue to get worse if the telephone companies are left to their own devices.

Mr. Chairman, our farmers sorely need three things if they are to have the happiness and welfare they so richly deserve. They need all-weather roads. They need cheap power that only REA will provide. They need telephone service. They are as much entitled to these things as are the city dwellers. Think, if you will, of the situation when emergency illness strikes a farm family having no telephone. Someone must jump in a car and drive miles hunting a doctor. Even worse and more deplorable by far is the situation with those families having no automobile. But this is not all. Suppose the farmer has cream,

eggs, poultry, and other products that he usually markets weekly or oftener. If he has a phone, he can call stores in several small trading centers within a radius of 10 miles. He can go where the best price is paid, whereas he could not afford to drive from one town to the other. Suppose his tractor or other power equipment breaks down. He must have quick repairs or lose valuable time. A telephone could save him a day's traveling here and there. Supposing an important telegram comes to the nearest railroad station 10 or 15 miles distant. If it cannot be called, it will be sent by rural delivery and arrive 1 or 2 days later. Suppose in the busy farming season a valuable registered animal becomes ill. If the farmer cannot call the veterinarian, he must lose valuable time while he hunts one. He loses time from his work, and the delay may cause the loss of the animal.

Last but not least, think of the plight of the female progenitor who is unable to step to the telephone and keep up with the diseases of the day and the births of the Nation. Why, I have seen many a woman wear out shoe leather and a pair of legs traipsing over rough country terrain trying to keep posted on the neighborhood gossip; and the lack of a phone was the cause of it all.

The private power companies would not or could not give the farmers electricity; yet they objected to REA. They deny this, but I signed up over 4 years ago and my farm buildings have been wired 30 months and still we have nothing, because REA cannot get the power.

The telephone companies have seen fit to ignore the needs of some 55 or 60 percent of our farm families; yet they object to any plan which will solve this great need. These private utilities remind me of a dog my daughter once owned. His name was Blackie. He was kind and considerate to members of the family. He was grateful to those who paid tribute to him by gifts of bones. He was a gourmand of the first degree. He would feast until his belly bulged. However, if some half-starved tramp dog happened along and we offered that dog a bone, Blackie became a howling maniac. He became antisocial as well as anti-Socialist. He was a great believer in free enterprise and individual liberty; that is, for himself.

Over in England they used to tell a story about the beautiful Lady Rosemary, of the very highest of high society, who had never been kissed. The aggressive Lord Rushton finally introduced her to this very delightful pastime. It was a passionate, prolonged embrace. When Lady Rosemary finally came up for air, she said:

"Does everyone do this?"

"Yes," said the lord, "it's quite a common experience."

"And does everyone have the same delightful sensations that I do?"

"Yes; why do you ask?"

"Well," she said, "I think it is much too good for the working classes."

Perhaps it is on a similar theory that the private utilities feel that power and telephone service is too good for the farmers of this country.

Mr. Chairman, for many years there has been an exodus from the farms of our country. Our young people know what modern conveniences mean. They are unwilling to live on dirt roads which may be impassable for months each year. They are unwilling to spend evenings before oil lamps and drink milk that has been cooled only to the extent that comes when it is placed in a cellar or hung by bucket in a well. They are unwilling to live the life of a recluse that comes from being unable to converse with friends and neighbors over a telephone.

Our population is growing and in another quarter century it may be impossible to feed the people of our own country unless proper soil conservation is practiced and full use made of all our land. It has been my pleasure to travel extensively in every State of our Union. I know that thousands of acres of land are remaining idle because of the scarcity of farm help. Agriculture is our basic industry and upon its economy depends the economy of our whole people. We must make farm life attractive. Otherwise we face national disaster. I believe in a square deal for the American farmer and laboring man, for the hand that feeds and clothes the world is the hand of toil. This Nation rests upon the shoulders of its workers and I want them to have enough to eat, enough to wear, and enough to lay aside something for the ordinary misfortunes of life. I want them to have every modern convenience that is within reason.

Oh, I have been beseiged with letters which stated that this bill is socialism and that it is but the first step toward communism. I can only say: "Shame upon any man or group of men who say this." Is it socialism to promote the general welfare? Is it socialism to give the farmer what his city cousin now has? Is it socialism to provide decent living conditions for any of our people? Yes, this cry was raised against the postal system, yet who would now argue that this most capable institution should be turned over to private ownership and control? The same cry was raised against social security and old-age assistance. It was raised against the Federal Reserve System, against child-welfare laws, against Federal aid for State highways, against vocational agriculture and all the laws which have been passed to give information to farmers on better farm practices. It has been raised against all regulatory laws, State or National, which sought to protect the people against corporate lust and greed.

Members of the Committee, let me say to you that communism cannot come in a country well housed, well nourished, and well fed; but all the repression in the world cannot prevent social upheaval, if the people perish from bad social and business institutions. The task before the country is to promote the general welfare of our people. If we do that our future is secure.

Mr. Chairman, we have come a long way in the development of agriculture and farm life. It has been a long way from the crooked stick with which our ancestors furrowed the soil up to the great gang plows of today. It has been a long way from beating the grain from the hull by the use of crude clubs, up to the great combines of the present. It has been a long way from the ox team that used to draw the wooden plows, up to the modern tractor. It has been a long way from the thatched-roof cabin to the modern steam-heated home. It has been a long way from the forest trail to the modern concrete highway over which some farmers can now harvest their crops. It has been a long way from the burning flare to the tallow candle, to the oil lamp and to the incandescent light given us by Edison. It has been a long way from the wasteland and swamp to the modern farm.

Mr. Chairman, the question before us is not political. It is not sectional. It is a question of progress or stagnation.

Let us pass this most worthy and necessary legislation, that all of our farmers may take advantage of a most essential means of communication.

Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, of course I am heartily supporting this measure.

I think it is one of the most progressive steps that Congress has yet taken. Along with rural electrification, it will do more for the farmers of this Nation than anything else Congress has done for the last 50 years.

Rural electrification has done more to raise the standard of living of the American farmers than anything else this Government has ever done.

As I have said before, it has taken to the farmers everything the people have in the cities—except the noise and city taxes.

If this measure is passed, providing for telephone service, it will be another milestone in the progress for the farmers of America.

If I had my way, we would have a rural power line to every farmer's house, a mail box at every farmer's door, and a telephone in every farm home.

That would do more to strengthen our country, and to promote national prosperity than anything else that has been done, or attempted.

I congratulate the distinguished gentleman from Texas [Mr. POAGE] and the other members of his committee for bringing this measure to the House.

I trust it will pass without a dissenting vote.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, somehow or other coming up here to speak in this room seems entirely different than going down into the well of the regular Chamber in the House. I do not know that I will be able to add very much to the discussion that has taken place, but there are a few points I want to mention.

The first is that in many communities where REA lines have gone in, the building of those lines alongside of existing rural telephone lines has destroyed the telephone service. That was true on a

rural telephone line in my home community. The line was built some time ago; it was not a metallicized line. The running of the high line for the REA destroyed the telephone service. The people who were responsible for the financing of the telephone line were not immediately able to finance the changing of the telephone line and the metallicizing of it. That particular situation has now been corrected but it illustrates what happens. In equity, it would seem that the REA's should be responsible. A private power line would be but the REA's are not authorized to borrow money to metallicize telephone lines today. This bill offers one method of financing rural lines so that they can provide the modernizing necessary to improve the service where the REA has gone in.

That is one problem. But in many parts of my district, which in many respects is a new country, there are no telephone lines at all. I have a letter from the head of a community club who points out that his community has tried to get the commercial telephone company for years to do something to give them service, but it has been impossible to interest them in doing so. This bill will help places like that.

The number of farms in my congressional district served by telephone is only 37.5 percent and they are concentrated in a few counties. My district is a district of big distances, and yet the getting of a doctor or the getting of information to headquarters when there is a prairie fire or a forest fire is just as vital as where there are more people. We do need more telephone service.

With the understanding that I have of this bill and the amendments that will be offered we can do something constructive. We need action, first, to improve telephone service that has been injured or ruined by REA lines in some places; and, second, to make telephone service possible in rural communities that now do not have it.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. POAGE. Mr. Chairman, I yield the remainder of my time to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, as I read this bill and listen to the debate—argument on the part of some—my mind goes back 12 or 15 years and I recall the dramatic fight made in the House of Representatives when we were trying to put rural electrification through. I remember well the dire prophecies made at that time in opposition to it, and the statements that it was socialistic, that it would be destructive of private business, and that the passage of such legislation and appropriations to implement it would be destructive of our system of government and our way of life. Of course, that has gone by, and we now know that rural electrification is here, that it did not destroy private business but implemented private business and strengthened it. It brought service and efficiency, important to our national economy, and happiness to millions of persons who live in rural districts, a very important part of our national economy, and also very valuable citizens of our country.

Rural electrification is here to stay. It has been administered in a very able, efficient, and effective manner. I think private business in the main would oppose any effort to discontinue rural electrification or its extension where necessary throughout the country.

Today we come to another step which is a logical one to take, providing through the machinery of the Rural Electrification Administration loans for the purpose of providing rural telephone service. Of course, the rule of reason is going to apply to this the same as it has to the operations and administration of the Rural Electrification Administration. It is going to be an implementation of private business, not a challenge to private business. It is going to strengthen private business. It is going to increase the efficiency of our national economy. The farmer who will benefit as the result of the passage of this bill will be able to be a more effective individual and make a more important contribution to our national economy.

We now know telephones are not a luxury. Of course, where persons cannot afford them, they have to deny themselves because of the other financial demands made upon them in the conduct of the home and the family. But where a person is in a financial position where he can reasonably have a telephone, he finds that it is no longer a luxury; it is a necessity, not only from the angle of business but from the angle of happiness and contentment.

I have no farm in my district, but I am rather proud of my votes in relation to the farmers, and I think I can place my voting record against that of anyone who represents an agricultural district and who considers he has a perfect voting record.

I am not afraid of this bill. I am for it. Instead of being afraid of it, I applaud it. It is a natural step to make after rural electrification. In this intense age in which we are living, with its tremendous economic system, it is a natural follow-up of rural electrification. The committee has reported out a bill which has been very carefully considered. An amendment will be offered so as to assure on the State level that there will be no unreasonable, unfair, or improper competition with telephone companies already in existence. I do not think the amendment is necessary. The bill covers that, but nevertheless there is no harm in putting the amendment in because it will expressly set forth protection to telephone companies already in existence. I am absolutely in favor of this bill. There is nothing dangerous about it. It is a strong, healthy, normal, natural step to take. I hope the bill will be passed by this body and will quickly become law.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That it is hereby declared to be the policy of the Congress that adequate telephone service be made generally available in rural areas through the improvement and expansion of existing telephone facilities and the construction and operation of such additional facilities as are required to assure the availability of adequate telephone service to the widest practicable number of rural users of such service. In order to effectuate this policy, the Rural Electrification Act of 1936 is amended as hereinafter provided.

Mr. SUTTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am a member of the Committee on Agriculture. I was there during the hearings on the bill. I offered an amendment in the full committee to strike out the section on page 4, line 1, starting with the words "and provided further" down through line 6, concluding with the word "areas".

The purpose of the amendment, which was defeated by one vote in the committee, is to do away with special class legislation, which I consider unconstitutional. This amendment by perchance was not in the first bill which we had on this rural telephone company, but was an amendment which was subscribed to and introduced by the American Telephone Co. to protect big interests. My idea on this bill is that it is a good bill. We need it. I do not think, however, that we ought to give 6 months' preference or priority to big companies to do away with the 2-percent interest to take care of the rural telephone situation. It so happens that at any time you have money at 2-percent interest your big businesses will gobble up all that money and will not give your co-ops a chance to build the telephone lines which are so badly needed, and the results of this bill.

I think we should not put this provision in the bill and should not give priority to any special class, but in turn should have it open for all to apply and let your Administrator determine the one who should be the borrower of this money to provide more telephones for the rural areas.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. YATES. I agree with the gentleman that this bill is a good bill in its intention. I intend to support it. I think, however, some amendments should be made to section 201. I should like to refer the gentleman's attention, inasmuch as he is on the Committee on Agriculture, to page 3 of the bill and the last proviso appearing on that page, starting at line 22 in which it is stated that the Administrator in making loans shall give preference to persons providing telephone service in rural areas and to public bodies, cooperatives, and so forth. It was my understanding that this bill seeks to give preference to all persons who shall provide telephone service in rural areas, whether they be private companies, public bodies, cooperatives, nonprofit companies, or otherwise. I frankly cannot understand what the language of that proviso means in seeking to give preference to persons providing telephone service in rural areas. Is it not the purpose of this bill to help all people who do that?

Mr. SUTTON. That is correct.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. ALBERT. That simply gives first priority to those who are operating at the time of the effective date of this act.

Mr. YATES. Where does it say that?

Mr. ALBERT. It says to give preference to persons "providing telephone service." That is in the present tense. It was put in for that express purpose. All the telephone companies came before the committee and requested it saying that the language as previously written did not give first priority to those who are now in the business. They said the sequence of language used in the bill indicated the order of preference. So we took those who are now giving telephone service and put them first on the list to make no mistake about the fact that top priority would be given to those companies, associations, and individuals in the business furnishing rural telephone service at the time of the effective date of the act.

Mr. YATES. If the gentleman will yield further, I would like to point out that that is not what the language says. The language says, "shall give preference to persons providing telephone service in rural areas." My understanding of the law is that the term "persons" includes public bodies, cooperatives, nonprofit institutions, and others as well. So that it is intended by this law that all persons who give telephone service in rural areas are to be given the benefits of this act. I think some clarifying language should be inserted, if that was the intention of those who drafted the bill, to give those private existing services preference.

Mr. ALBERT. The word "persons" includes every agency or individual that the gentleman has mentioned. It only distinguishes as between those who are giving it at the time the act becomes effective, and those who come into the picture later on.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. SUTTON] has expired.

Mr. YATES. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 5 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. YATES. Will the gentleman yield further?

Mr. SUTTON. I yield.

Mr. YATES. Is it the intention of the committee, then, that private industry providing telephone service shall be given preference, or is it the intention of the committee that all persons providing that service shall be on a par?

Mr. ALBERT. All persons, including individuals, private companies, and everyone.

Mr. SUTTON. Mr. Chairman, I have no desire whatsoever to ruin this bill. I am for rural electrification and I am for rural telephones. This idea that some have advocated today, that there is some feeling toward some member of the Committee on Agriculture, or something—I do not believe such a thing exists in the House, to the extent that they would vote against a bill because of a personality.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. McCORMACK. There is nothing to that except that many of us are hopeful that some of our good friends will see the lightning by our very broad concept of our duty.

Mr. SUTTON. I thank the gentleman. I voted for rent control when it hurt me in my district. I voted for the housing bill when it hurt me in my district. I voted to repeal the Taft-Hartley law when it hurt me in my district. I knew my country needed it. So, perchance, my distinguished majority leader and others will look on this national program like I am on this telephone bill. It is a national need. Perhaps it affects my district more than it does the district of the distinguished majority leader, or other districts. The distinguished majority leader believes in national policies like I do. As a result, he votes to help other districts just as I try to do the same thing.

I do not believe the House of Representatives will do otherwise. Our great majority leader is our leader. He leads us along that line. I am offering this amendment, when the proper time comes, to strike out this provision, to try to help the co-ops throughout the country and try to help the farmers to get telephones, because private concerns up to date have not put telephones in the remote areas. If you give them this 6 months' preference to borrow all the money they can get, we will not get any more telephones in those remote areas than we have today. I hope that when this amendment is offered it will be agreed to, because I am trying to provide more telephones in the remote areas of the United States.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. YATES. In view of what the gentleman from Oklahoma has said to me, that it is the intention of the committee to give this preference at the present time to those who furnish the service, I am inclined to agree with the gentleman from Tennessee that there is no further need to give an additional 6 months' preference to those already giving the service.

Mr. SUTTON. That was my idea in the Committee on Agriculture. They have priority and they do not need this additional 6 months to be the only ones who can apply for this money.

I hope that when this amendment is presented it will be adopted and we will straighten out this bill.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. COOLEY. Is it not a fact, however, that without this provision in the bill, private companies would not, in all probability, get any loans at all, by authority of the bill, because the co-ops would then come in and make application for all the available money, and the private companies would be left entirely out of the picture.

Mr. SUTTON. My interpretation to the chairman of my committee is found on page 3, lines 22, 23, 24, and 25:

*Provided, however,* That the Administrator, in making such loans, shall give persons providing telephone service in rural areas.

That means that existing companies already have the preference.

Mr. COOLEY. That is right. Suppose a private company were perfectly willing to provide the service?

Mr. SUTTON. They would still be given preference.

Mr. COOLEY. Not unless they were already in the area, serving the area.

Mr. SUTTON. Under this provision on page 4, no person, no concern, no co-op could even apply for a loan within 6 months; your existing companies would have priority. No one else could apply for them.

Mr. COOLEY. That is what the committee intended, to give an exclusive right to private companies for the first 6 months.

Mr. SUTTON. That is why I disagree as to that provision.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

WHOSE OX IS BEING GORED NOW?

Mr. MULTER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Chairman, through most of this session we have heard much of the legislation that was offered attacked as socialistic, communistic, and sectionalistic. We have also heard attacks on subsidies to business.

Today I sat back and listened with considerable amusement to some of the men who shouted loudest about socialism and communism taking over our country if we enacted some of the bills that we passed. Some of these were the same voices that were raised against big-city legislation that this Congress has passed at this session. The exhibition of mental agility was fascinating to say the least, as these men established to their own satisfaction, that there was nothing sectionalistic, communistic, or socialistic about passing this bill to aid the establishment of a good rural telephone system in our country, and that Government aid to private enterprise to accomplish that purpose was not improper subsidization. I could easily bring myself to vote against this bill if I cared to adopt any of the puerile arguments urged against extension of rent controls and enactment of a slum clearance and public housing program.

Despite the fact that there is not a single farm in my district, nor, so far as I know, a single absentee farm owner living there, I will support this bill. I do so because I think it is a good bill and accomplishes for a part of the country something that the farmers need. I do it knowing that the largest part of the funds must come from the urban areas. It matters not whose ox is gored. I will cast my vote for or against legislation by determining what I think is good for

the country, knowing that what helps a part of the country helps all of the country.

Mr. JENNINGS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, we all have in mind the same objective; we are not out to tomahawk privately owned telephone companies; we are not out to hurt anybody; we are out to do the greatest good to the greatest number. I have in mind certain areas that are served by privately owned telephone companies. If they will extend their lines and render the people service by continuing and by extending lines under this proposed act then the people will have good service and we shall not have hurt private industry. On the other hand, I have a large area in my district served by a little company that is not affiliated with the Southern Bell Telephone & Telegraph Co. All in the world they want for this first 6 months' is an opportunity to take advantage of the loans that are obtainable under this act, and they will serve their people. So if you leave this language as it is in the bill, it has been carefully worked out by men who are interested in the public good, all will be well. It is not an easy matter to decide the proper thing to do about an amendment that is suddenly offered on the floor to a measure that has been carefully studied and drawn by good men and drawn in a manner that I believe will attract the most support from the membership of this body and render the greatest good to the people who are to be served. I hope that we do not hastily disturb the conclusion to which this fine body of men comprising this committee has come.

Mr. JONES of North Carolina. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this legislation to provide rural telephone service, with some assistance from the Government, appeals to me. I am heartily in favor of it. The need is very acute and means much to the improvement of the standard of living of the rural population involving as it does improved business contacts and much real joy and happiness to the home life of the countryside.

I have been impressed with the extreme pleasure and great benefit that comes to a family from installation of rural phones and rural electricity. I own a very good average farm of 330 acres which is adjacent to the city of Charlotte, N. C., where I live. The farm is located about 12 miles from Charlotte and is a better farm than I am entitled to own. In other words, it is a better farm than I am a farmer, inasmuch as I have spent the major part of my life practicing law. But I get a lot of pleasure out of the farm and do not lose too much money in my operations each year.

There is one real experience of genuine satisfaction that has come to me from my agricultural efforts the last few years. To wit: The revelation of what rural telephones and electricity, including radios, can bring to the lives of those good, hard-working, earnest farmers who produce our necessary farm products throughout the years. About 4 years ago I realized what the workers on my farm were missing and that I was really negligent in not providing rural electricity and telephones for them. I did this at a relatively small cost and the result has been a genuine satisfaction to me which transcends the financial expenditure incurred.

I was at my farm last week end and was touched with the satisfaction of these good citizens. The radio was running, the telephone was ringing, and electricity incidental to farm life had really transformed the lives of my tenants, added to their efficiency, and saved them much physical labor. There were still the chickens, guineas, ducks, horses, calves, pigs, and other features that have always made farm life most attractive. So, with the additional benefits that have been added by way af electricity and telephone, I really felt that they were living on a better plane than I in the city of Charlotte and that I would improve my status by moving to the farm.

I am ashamed to say that my native State of North Carolina is very far behind in rural telephones, although we have the second greatest number of farms in any State in the Union. Texas, of course, is first with its very much larger area than the Tarheel State. North Carolina has 287,412 farms. Texas has 384,977 farms. North Carolina has only 14,539 people reporting telephones, which is just 5.1 percent of the population. Whereas, some of the States, like Illinois, run as high as 60.7 percent of the population. So, I hope that our people in North Carolina will take advantage of the opportunity provided by the passage of this bill, which I predict will pass, and greatly add to the number of telephones in our State, which is also true of many other States, especially in the South.

The terms are most reasonable—only 2 percent over a period of 35 years, to be loaned by the Rural Electrification Administration in the same efficient manner as the electrical installations have been handled, which have resulted in the extension of electricity to more than 4,000,000 rural customers who enjoy the blessings of this service at a very reasonable price. The loans will be made not only to individuals, but to independent telephone companies which need assistance in the extension of service to rural homes. The loans will be so handled by the REA that it will not provide any unnecessary competition in rendering its services to any particular community or communities. It should not be necessary, and I am satisfied that the REA will manage the extension in such a way as to prevent any unfair competition which is most essential to a successful operation under the provisions of this bill.

In briefly investigating this bill, may I quote a statement made by the Honorable Charles F. Brannan, Secretary of Agriculture, before the subcommittee of the House Committee on Agriculture at one of its hearings on this important subject:

Ever since you have been talking, Mr. Chairman, and some other people have been talking, about a rural telephone bill, we in the Department of Agriculture have been extremely interested in it. We have been most anxious to see whether or not such a plan would be feasible and how it could be carried on with a minimum amount of expense and the least amount of administrative structure. We are certainly most anxious to contribute whatever we can to the success of whatever legislation the committee may finally recommend to the floor and would ultimately become law.

I do not think I should take the time of the committee this morning to recite the important arguments in favor of such legislation. I know they have been ably stated by Claude Wickard when he was over here and I am sure the Administrator of the REA and I know, they are being ably stated right now to the committee by Mr. Ellis and many other witnesses.

I would like to say to you this morning that we in the Department of Agriculture, and I personally, are very strongly in favor of some move in the direction of bringing to the rural people of this country equality and parity of living opportunities along with the rest of this Nation. Of all the items, it seems to me, to which farm people are entitled—perhaps entitled is not the correct word, but it is essential to giving them an opportunity to enjoy the standard of living which the rest of the people in this country are enjoying—one of the most important is telephone service.

Certainly they are even more in need of it than people who live in densely populated or semidensely populated communities. There the access to the facilities and to medical assistance and emergency types of assistance of all character is within shouting distance and can be reached in very short order by foot or by word of mouth. Out in the farm areas of this country there are many times that emergencies arise, which, without the aid of some quick means of communication, turn a simple accident into a very serious one and perhaps in some cases a fatality results.

In conclusion, I earnestly urge the passage of this bill for improved rural telephone service, knowing of what real value it will be to the rural life of America.

Mr. HORAN. Mr. Chairman, I am in favor of this bill and will, of course, support the pending amendments which will give ample protection to privately owned, independent telephone services. I could not adequately serve my own great State of Washington were I not for this bill. Ninety-three and five-tenths percent of the 79,887 farms in the State of Washington—according to the farm census of 1945—are electrified. However, the same census indicates that only 44.4 percent of the same number of farms have telephone service. In fact, the number of farms without telephones exceeds the number of farms in the State of Washington with telephones by almost 10,000. In other words, 35,502 farms have telephones, while the big total of 44,385 are without telephones. Nor has the situation improved very much since the 1920 census. That was a period of great farm prosperity and at that time 42.2 percent of the total farms in the State then had telephones. In 1945, 25 years later, the percentage has increased only 2.2 percent. I suggest that this percentage of rise in 25 years is eloquent. It points graphically to the fact that we have made small progress in the important field of rural communications.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, this measure, H. R. 2960, provides for further encroachment by the Federal political authority upon freedom and private enterprise. Socialism marches on.

The Clerk read as follows:

SEC. 2. The Rural Electrification Act of 1936 is amended by inserting at the beginning thereof the caption: "Title I."

SEC. 3. Section 2 of the Rural Electrification Act of 1936 is amended by inserting after the word "service" the words "and for the purpose of furnishing and improving telephone service in rural areas"; and by inserting after the words "electrification of" the words "and the furnishing of adequate telephone service in."

SEC. 4. (a) Subsection (a) of section 3 of the Rural Electrification Act of 1936 is amended by inserting after the words "or systems" the words "and for the purpose of financing or refinancing the improvement, expansion, construction, acquisition, and operation of facilities to render telephone service."

(b) Subsection (c) of section 3 of the Rural Electrification Act of 1936 is amended by striking out the words "for the purposes of this act" and by inserting in lieu thereof the words "for loans for rural electrification pursuant to sections 4 and 5 of this title."

(c) Subsection (d) of section 3 of the Rural Electrification Act of 1936 is amended by inserting after the words "available for" the words "rural electrification."

(d) Subsection (e) of section 3 of the Rural Electrification Act of 1936 is amended by inserting after the word "sums" in the proviso the words "for rural electrification loans."

(e) Section 4 of the Rural Electrification Act of 1936 is amended by inserting after the words "to make loans" the words "for rural electrification."

(f) Section 7 of the Rural Electrification Act of 1936 is amended by inserting after the words "section 4" in the second paragraph thereof the words "or section 201 of this Act."

SEC. 5. The Rural Electrification Act of 1936 is further amended by adding the following new title:

"TITLE II

"SEC. 201. From such sums as are from time to time made available by the Congress to the Administrator for such purpose, pursuant to section 3 of the Rural Electrification Act of 1936, as amended, the Administrator is authorized and empowered to make loans under the same terms and conditions as are provided in section 4 of said act, for the purpose of financing or refinancing the improvement, expansion, construction, acquisition, and operation of telephone lines, facilities, or systems to furnish and improve telephone service in rural areas: *Provided, however,* That the Administrator, in making such loans, shall give preference to persons providing telephone service in rural areas, and in public bodies, cooperative, nonprofit, limited dividend, or mutual associations: *And provided further,* That for 6 months from and after the effective date of this act, no applications for loans shall be received by the Administrator except from persons who on the effective date of this act are engaged in the operation of existing telephone service in rural areas. The Administrator in making such loans shall, insofar as possible, obtain assurance that the telephone service to be furnished or improved thereby will be made available to the widest practicable number of rural users. When it is determined by the Administrator to be necessary in order to furnish or improve telephone service in rural areas, such loans may be made for the improvement, expansion, construction, acquisition, and operation of telephone lines, facilities, or systems without regard to their geographical location. Loans under this section shall not be made unless the Administrator finds and certifies that in his judgment the security therefor is reasonably adequate and such loan will be repaid within the time agreed.

"SEC. 202. Nothing contained in this act shall be construed to deprive any State commission, board, or other agency of jurisdiction, under any State law, now or hereafter effective, to regulate telephone service which is not subject to regulation by the Federal Communications Commission, under the Communications Act of 1934, including the rates for such service.

"SEC. 203. As used in this title, the term 'telephone service' shall be deemed to mean any communication service whereby sounds, signals, signs, writing, or pictures of all kinds are transmitted or received with the use of electricity, including but not limited to wire, wireless, or wire carrier transmittal and reception, and shall include all telephone lines, facilities, or systems used in the rendition of such service; but shall not be deemed to mean telegraph services or facilities, or radio broadcasting services or facilities within the meaning of section 3 (o) of the Communications Act of 1934, as amended."

Mr. POAGE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The clerk read as follows:

Committee amendment:

Page 4, line 18, after the word "agreed", insert the following: "nor shall such loan be made in any State which now has or may hereafter have a State regulatory body having authority to regulate telephone service and to require certificates of convenience and necessity to the applicant unless such certificate from such agency is first obtained."

Mr. GATHINGS. Mr. Chairman, I offer an amendment to the committee amendment.

The clerk read as follows:

Amendment offered by Mr. GATHINGS: On page 4, line 18, after the word "agreed", strike out the remainder of the sentence through line 23 and insert in lieu thereof the following: "nor shall any such loan be made in any State which now has or may hereafter have a State regulatory body having authority to regulate telephone service unless upon a finding made by such regulatory body that such loan will be in the public interest with respect to the development of telephone service in the community or area to be served."

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Is the gentleman's amendment offered as a substitute for the committee amendment?

The CHAIRMAN. The Chair would so understand, the way it is prepared.

Mr. GATHINGS. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GATHINGS. Mr. Chairman, I offered the amendment when we reached the point where the Clerk stopped reading. I sent it to the desk a few moments ago. I am not attempting to substitute for any language that the gentleman in charge of the bill proposes.

The CHAIRMAN. The Chair would say that it is a proper substitute for the committee amendment.

Mr. JENNINGS. Mr. Chairman, a point of order.

Mr. CHAIRMAN. The gentleman will state it.

Mr. JENNINGS. The amendment that the gentleman now offers is in substance the same as the committee amendment which has just been read, and which I understand was adopted.

The CHAIRMAN. The gentleman from Arkansas had the right to offer his substitute. He was on his feet at the time.

Mr. GATHINGS. Mr. Chairman, I offer this amendment to bring out the very conclusions, in my judgment, that the Committee on Agriculture attempted to write into this bill when we read this bill for amendment in committee. It differs quite a bit from the amendment offered by the gentleman from Texas as a committee amendment. My amendment differs in that it would cover all of the 44 States that have State regulatory bodies having authority to issue certificates or who have authority to make loans to cooperatives. There are 4 States in this Union that have no State regulatory bodies whatever. The amendment actually written into the bill by the committee covers only 14 States of the Union, namely, Arkansas, California, Colorado, Maryland, Minnesota, New Hampshire, North Dakota, West Virginia, Wyoming, Alabama, Ohio, Oklahoma, North Carolina and Wisconsin. I am of the opinion that the amendment offered by the committee a moment ago applies only to 14 States of the Union. My amendment strikes out the words "convenience and necessity" and provides that it shall cover 44 States, all States in the Nation that do have such regulatory bodies.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Colorado.

Mr. CARROLL. Does the gentleman know of any reason why the committee drafted this amendment to include only 15 instead of 44 States?

Mr. GATHINGS. I know of no action taken by the Committee on Agriculture on the amendment offered by the gentleman from Texas. I was not advised that the committee ever anticipated considering this specific amendment. When the original language of the bill was voted on it was the opinion of the committee that all 44 States would be included.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Illinois.

Mr. YATES. With respect to the amendment offered by the committee and the gentleman's own amendment, what would be the effect of such amendments on States such as the one from which I come, where municipal corporations and cooperatives are not covered by regulation by a State regulatory body? As I understand the language of this amendment, it would require cooperatives and

municipal corporations which do not now have to go to the State regulatory commission for approval of their service or any branch of that service to come to the State regulatory agency in order to get approval for any loan, as I understand it, under the form of both amendments.

Mr. GATHINGS. The amendment offered by the gentleman from Texas uses the words "convenience and necessity," and applies, as I said, to 14 States. If you strike out the words "convenience and necessity" and adopt my amendment you would reach all 44 States that have regulatory bodies. There are only 14 States in the Nation that have authority to issue certificates of convenience and necessity to cooperatives. By using the words "convenience and necessity," as included in the amendment offered by the gentleman from Texas [Mr. POAGE], you narrow it down to 14 States. My amendment would let it be a real States rights amendment and let them go back to the States and have the State regulatory bodies pass on the applications.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Would not the gentleman's amendment put the Congress in the position of requiring a State to take certain action, charging the State with certain responsibility, which is beyond the scope of our legislative process?

Mr. GATHINGS. I disagree with the gentleman from Oklahoma. We just say that the State itself shall pass on it. The State has a better opportunity to appraise the situation. The agency is there for that purpose. This language is not going beyond the scope of the legislative prerogatives of Congress. It sets no precedent in that respect.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from North Carolina, the chairman of the Committee on Agriculture.

Mr. COOLEY. Suppose there is no regulatory body in the State, who then would be charged with the responsibility of making the decision to the effect that the application was in the interest of the general welfare?

Mr. GATHINGS. Under the terms of the bill, the people in those four States could make their applications to Washington until such time as those four States should pass legislation setting up such a body.

Mr. COOLEY. I did not have reference to the bill. I understand the bill. I am asking the gentleman, under his language, who would be charged with that responsibility?

Mr. GATHINGS. The amendment would in no wise affect States that do not have such State agencies. In those four States the Administrator of Rural Electrification would have the power to pass on all applications. My amendment could not give powers to a nonexisting State department.

I feel that the authority to pass on these applications is a State function. In this amendment we leave it up to the State body to make the determination whether the extension of the lines in any locality is in the public interest. Congress has frequently utilized a State agency to administer Federal legislation. Under the Federal Motor Carriers Act of 1935 joint bodies were set up consisting of Federal and State and authorized by this Federal act to hear applications for certificates of convenience and necessity.

In road legislation which Congress enacts we write into the law that the State must match the funds dollar for dollar. This is nothing new. I trust that you will adopt this States' right amendment which will apply to all States that have provided agencies within their borders.

Mr. THOMPSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMPSON. Mr. Chairman, I do not believe that anyone could represent a rural district and not favor the rural telephone legislation. I have listened with a great deal of interest to both sides of the debate this afternoon. I do not question the sincerity of those who are opposed, but I do observe that for the most part, they include men who have never lived out of reach of a telephone and a light switch. As a matter of fact, I doubt if very many of them ever drove an automobile on a muddy road. They simply do not know what they are talking about and they have not the slightest conception of the problem for which we are trying here today to find a solution.

The cry of socialism has been raised against the measure. That is always the first yell of the reactionary. It was raised against the first proposal to let the Federal Government do some harbor work. This was way back in the early years of the last century. It has been raised every time that anyone has tried to do something for the common man.

During the depression years, the Republican Administration, then in power, initiated the Reconstruction Finance Corporation for the purpose of bailing out some of the great financial institutions of the country. Millions and millions of dollars were poured into these institutions and most of them were saved. There was then no objection to Government participation. However, the depression was not cured, and this same Reconstruction Finance Corporation had to make some loans to smaller enterprises and finally to individuals—poor people who were out of work and going hungry. Then the cry of socialism was raised.

Agriculture was in a desperate condition. Those of us from the South remember very well 5-cent cotton. When the Democratic administration took the necessary steps to place agriculture on a parity with other important factors of our economy, the cry of socialism was again heard.

It was raised against the Rural Electrification Administration—the parent organization which will administer the rural telephones.

In the early days, the power companies objected to the Rural Electrification Administration. Today, so far as I know they do not object at all and they regard the local co-ops as good customers. So, I cannot become too upset by the cry of socialism that is raised against the rural telephone proposal. It is not socialism at all. It is merely making available to the private operators of telephone exchanges the funds necessary to extend their lines into the back country areas which are not now being served. The Government is not going into the telephone business. It may advance the money to project the lines, but it will do so only after the most rigid investigation and upon satisfactory assurance that the new system will ultimately repay the loan and remain self-supporting.

I hope the measure will pass and if after it does my friends from the big cities have any doubt in their minds that it is a valuable measure, let me suggest that they convince themselves, by a very simple experiment, that these telephones are necessary and that if they themselves were in the places of our constituents they, too, would be in favor of them. Now, this is the experiment I wish they would perform:

Just disconnect the telephone at home and insist that wives and families live without its convenience for a period of 48 hours. Then, let them picture living without a telephone way off in the country. Suppose it was raining and the roads were impassable and one of the kids took sick. Suppose somebody cut an artery or had an acute attack of appendicitis. It would not be very nice living that way. Thousands of my people do. For us to put a helping hand under the elbow of each one of these is no more going to make Socialists of them than did rural electrification. On the contrary, this will simply be one more move toward making more secure that most essential backbone of our democratic way of life—the family farm.

Mr. HOPE. Mr. Chairman, I offer a perfecting amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE amending the committee amendment, by adding at the end thereof the following on page 4, line 23: "in a State in which there is no such agency or regulatory body legally authorized to issue such certificates to the applicant the Administrator shall determine, and his determination shall be final, that the loan sought to be obtained will not result in the duplication of telephone service to subscribers who are already receiving adequate and reliable telephone service."

Mr. HOPE. Mr. Chairman, this amendment is offered as a perfecting amendment to the committee amendment for the purpose of setting up in those States which do not have regulatory commissions, with authority to issue certificates of convenience and necessity, some method by which it can be determined that existing service which is adequate and reliable will not be duplicated. I take it that is what the gentleman from Arkansas is trying to do by his amendment, but I think he is going at it in the wrong way.

In the first place, as was said by the gentleman from Oklahoma in his interrogation of the gentleman from Arkansas, Congress is telling the States that

they must have their regulatory commissions assume powers which the State laws of those States do not give those commissions and must make determinations which they are not authorized to make by the laws of their own States. I submit that is a matter for the States themselves to determine. After we pass this legislation, if the State legislatures of any of these States think that there should be authority given the State commissions to deal with this subject, then, of course, it will be the right and prerogative of the State legislatures to do that.

But my amendment to the committee amendment, if adopted, takes care of the situation, I think, in a perfectly satisfactory way and takes care of the entire matter with respect to the possibility of duplication.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. YATES. Does not the gentleman think, however, that his purpose would be served by not adopting either the committee amendment or his amendment to the committee amendment? In that case will not the applicant assume that it is under the jurisdiction of the State regulatory body and will not such applicant be compelled to come to the State anyway for approval of either a loan or the extension of facilities? If the municipal corporation and cooperative is not under the jurisdiction of the State regulatory agency, it will not be compelled to do that. It will then only be compelled to go to the Administrator, who has the job of administrating the loan.

Mr. HOPE. That will be the case under my amendment.

Mr. YATES. Well, you do not need either of the amendments, do you? If neither of them is adopted, it will still be the fact.

Mr. HOPE. My amendment, I think, answers the contention of some Members who are very serious and very conscientious, I think, in their desire to avoid the construction of duplicating lines and requires a finding to be made by the Administrator before a loan can be approved that there will not be a duplication of telephone service which is already adequate and reliable.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. COOLEY. Is it not a fact that if you eliminate the committee amendment and the gentleman's present proposal, then we would have absolutely no protection against duplication.

Mr. HOPE. That is correct.

Mr. COOLEY. And what the gentleman is doing now is trying to perfect the committee amendment so as to prevent duplication; is that not correct?

Mr. HOPE. Yes; and so as to cover the situation in those States which do not have laws requiring a certificate of convenience and necessity before construction can be undertaken.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Colorado.

Mr. CARROLL. I would like to have the benefit of the gentleman's experience in the rural-electrification program. What is the procedure used today when they give a loan for rural electrification? Do they have to have a certificate of convenience?

Mr. HOPE. That depends upon the State laws. In some States it is required and in others it is not.

Mr. CARROLL. Is that not left to the discretion of the Administrator?

Mr. HOPE. Yes.

Mr. CARROLL. It would seem to me that the gentleman from Illinois [Mr. YATES] makes a very good point, that if it is left in those States that are not required to have a certificate of convenience, where there are no State regulatory bodies, the Administrator would make the determination. In my State, for example, where we have the certificate of convenience and necessity, they would undoubtedly have to clear with the State regulatory body. It would seem to me that both of these amendments are confusing and conflicting, and they change the Government policy.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. COOLEY. Is not that the very purpose of the gentleman's amendment, to require the Administrator to make a determination in States that have no such regulatory body?

Mr. HOPE. Of course that is exactly the purpose of this amendment.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has expired.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as author of the bill, I have no right to speak for anybody else, but I think the clarifying amendment offered by the gentleman from Kansas [Mr. HOPE], accomplishes every legitimate contention of protection. The committee amendment, as now written, clearly takes care of every case where the State law now authorizes or may hereafter authorize a State commission to make a finding requiring a certificate of convenience and necessity. In those States where the local law makes provision for a certificate, it is taken care of by the committee amendment. By the amendment offered by the gentleman from Kansas, in those States where the States have not seen fit to impose upon any State regulatory body such powers, we say that the Administrator of REA shall make the determination that the prospective construction would not result in undue duplication.

This Congress has the power to place duties on the Administrator of REA, but this Congress has no power to add additional duties, responsibilities, or rights to the regulatory bodies of the several States. The State of Tennessee, the State of Arkansas, the State of Kentucky, or any of the rest of them, has the right to establish for itself the kind of regulatory body that State wants, and impose upon those regulatory bodies such rights and powers as the State legislatures see fit. No action by this Congress can either add to or detract from the powers possessed by such a regulatory body. But we do say in this amendment that in the event a State does not see fit to make any provision for a finding in regard to the question of necessity, then the Administrator must make a finding, and we say that his finding must be conclusive, because you must have finality to these things.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. GORE. Do I understand the gentleman to say that the committee amendment makes no material change? It is merely a recognition of the fact that in any State which has a regulatory body that does require a certificate of necessity and convenience before a loan can be made, then that custom must, of necessity, be followed anyway; and the committee amendment is only a restatement of that policy; but that in the States which do not have regulatory bodies, the amendment offered by the gentleman from Kansas then steps in and takes care of that?

Mr. POAGE. That is exactly correct. This Congress cannot go to the States and say to the regulatory bodies, "You must make a finding on this subject or that." If we attempt to do that, any court in this land would enjoin them, but we can require a finding by the REA Administrator, who is our own agent.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. ALBERT. Is it not also the intention in the committee amendment that in those States in which certificates of convenience and necessity are required, where certain institutions, such as municipalities, are exempt, that the committee amendment simply gives that authority, insofar as that authority now exists, to regulate the service?

Mr. POAGE. That is exactly correct. We recognize the State law. If a State wants to require that you go to the library board to get a certificate, you must do it. Whatever the State requires, we recognize the right of the State, and we will require you to conform to the State law before you come here to ask for any money.

This is merely a lending bill; it is not a regulatory bill. It merely sets out the terms on which the REA can make loans. We say that the first of these terms is that the applicant must comply with the laws of his State.

Mr. GATHINGS. I agree with the gentleman that the amendment offered by the gentleman from Kansas would fit in right behind the amendment offered by the gentleman from Texas [Mr. POAGE]; and I think that there should not be any duplication of lines. I think that in those four States that do not have regulatory bodies that they apply to the Administrator.

Mr. POAGE. My time has expired. I just want to say that as author of the bill and as one member of the committee I accept the amendment offered by the gentleman from Kansas, and will be glad to have the membership accept it, and vote it up.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I will be as brief as possible. It seems to me that the amendment offered by the gentleman from

Kansas [Mr. HOPE] to the Committee amendment, will take care of the situation fully and completely; and, certainly, if that amendment is adopted it would be wholly incompatible with the amendment offered by the gentleman from Arkansas [Mr. GATHINGS]. I believe that the Gathings amendment will be almost impossible to enforce, because the courts have found it very difficult to determine just what is meant by the words "in the public interest" all the way to the Supreme Court of the United States; they have found it very difficult.

If you are going to require anybody to make that sort of determination, in my opinion, you might as well defeat this measure, because you will so burden the applicant with the necessity of obtaining decisions and perhaps resisting injunctions that you never would be able to construct a rural line.

Under the committee amendment with the Hope amendment added, if you have a utilities commission in your State that is authorized to issue these certificates of convenience and necessity to cooperative telephone companies, then that certificate must be obtained; but if no such agency exists, then the administrator is charged with the responsibility of so finding.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. JENNINGS. Let us not get our feet tangled up on this proposition. The gentleman from Kansas [Mr. HOPE], the chairman of this committee, and Mr. POAGE, in my opinion, are exactly right; they wish to have it so fixed in this act that there shall not be duplicating telephone lines to the detriment and loss of everybody concerned. If you want that, then adopt the committee amendment and then the amendment offered by the gentleman from Kansas [Mr. HOPE] and you will have accomplished the thing that all of us have in mind.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Arkansas.

Mr. GATHINGS. How many States does the so-called committee amendment apply to?

Mr. COOLEY. The committee amendment, plus the Hope amendment, will cover every State in the Union.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. NICHOLSON. I wish to ask this question: In case there are no regulatory bodies in a State, the Administrator or the Federal Government can step in and grant these certificates. In my State, for instance, he would be able to do that over the wishes of the people of the State.

Mr. COOLEY. No.

Mr. NICHOLSON. Does not the State legislature have to pass some law?

Mr. COOLEY. The State legislature can create a regulatory body and charge it with the responsibility of requiring certificates of convenience and necessity before the building of a line.

Mr. NICHOLSON. But if we have not one, then the Federal Administrator can step in.

Mr. COOLEY. If the Hope amendment is adopted the Federal Administrator can step in and find that there is no duplication.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. CASE of South Dakota. The situation described by the gentleman from Massachusetts can be remedied by the State legislature providing a State board to pass on it.

Mr. COOLEY. That is exactly right.

In conclusion, Mr. Chairman, I hope that the Hope amendment will be adopted, that the committee amendment will be adopted, and that the Gathings amendment will be defeated.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, first, may I state what I understand the parliamentary situation to be.

The first vote will come on the Hope amendment to the committee amendment. It is in the nature of a perfecting amendment. The second vote will come on the Gathings substitute for the committee amendment, as it then may be, either perfected or in its original form. A final vote will come on the committee amendment in whatever form it may then be.

What is the situation the bill presents without any amendment at all? Without any amendment the Administrator will be empowered to make loans in any State merely upon a finding that the security is adequate and that the loan will probably be repaid. He will not have to find that there is a need for additional telephone service, or that the public interest will be served or anything of that sort. The only thing required by the bill in this sentence under amendment is that in the Administrator's judgment the security is reasonably adequate and that such loan will be repaid within the time agreed upon.

The committee amendment adds to that requirement by saying that if a State has a law that its board shall make a finding of convenience and necessity then the Administrator may not make a loan in such States until that board has made that finding of convenience and necessity. This seems desirable as far as it goes.

This would leave some States, however, without the necessity of any finding and without the Administrator making any finding in addition to this original finding of the adequacy of the security.

The Hope amendment therefore proposes to add to the committee amendment the proviso that in those States where a State board does not have this obligation under State law, the Administrator himself shall be required to find that in addition to adequate security there will be no duplication where reasonably adequate service exists. That amounts to a finding of convenience and necessity and is obviously desirable where a State does not itself make such a requirement.

The substitute amendment offered by the gentleman from Arkansas would require in lieu of either of these conditions that in any and all States a State board should make a finding of public interest before a loan could be made.

In those States where the States do not have such a requirement, it would be a mandatory directive from the Federal Government superimposed upon the State. That may be beyond our powers and in any event is objectionable in principle. Not only that, but in those States where the set-up of the State board is such that it has no machinery for public hearings or no fund to conduct public hearings, the people would be helpless and would not be able to get any loan under this act.

Unless the State boards have the machinery and the means to conduct hearings and to make a finding of public interest, the people could be left helpless under the amendment offered by the gentleman from Arkansas.

It seems to me it is important, if you want to insure that there will not be duplication and that no injury will be done to existing lines, many of them mutual cooperative lines, that we should adopt the amendment offered by the committee with the perfecting amendment offered by the gentleman from Kansas [Mr. HOPE]. Bear in mind the vote on the Hope amendment will come first. Vote for that amendment, then vote down the substitute, then vote for the committee amendment as perfected.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. I notice in the Hope amendment that the words "reliable service" are used. I wonder what that means?

Mr. JENNINGS. That is when you ring the bell and get the fellow you want to talk to.

Mr. CASE of South Dakota. The gentleman from Tennessee is both quick and correct as usual.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. If the committee amendment is adopted and the Hope amendment to the committe amendment is not adopted, would there not be a serious question whether or not any loans could be made in certain States?

Mr. CASE of South Dakota. I think that is a possibility. The danger would be even greater under the substitute amendment standing alone. Under that if a State failed to act, the Administrator's hands would be tied.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I had not intended to speak on this bill, but at this point I find myself quite confused. The gentleman from Ohio [Mr. SMITH], who is an expert on socialism, says this bill is socialistic. The gentleman from Texas [Mr. POAGE], whom I also recognize is an expert on socialism, says it is not. However, the gentleman from Texas contended that Government housing was socialism. Now, what I wonder is, do we have two brands of socialism? Do we have urban socialism and rural socialism? I happen to be a farmer, and my

district is about equally divided between urban population and rural population, and I sincerely believe that we need some sort of legislation to enable the farmer in this day and age to have a telephone. Farming has become mechanized, and if a tractor or a machine breaks down and the farmer has to drive 20 miles to get a part and finds that he cannot get it, he is at a tremendous disadvantage. He has lost valuable time. If he had had a phone, he could have called and saved the trip and the time.

I want to be fair about this thing. I do not want to vote for a so-called socialistic proposition like housing for my urban constituents and vote against an alleged socialistic proposition for my rural constituents. Again I wonder whether we have two brands of socialism. Is it socialism when you are against it and not socialism when you are for it?

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Pennsylvania.

Mr. GREEN. It might be a good idea for the gentleman to advise some of the members of the committee that we have to have houses to put telephones in.

Mr. HAYS of Ohio. Well, I thought of that. That is a very good statement. I would like to put some of the socialistic telephones in some of these socialistic houses we are going to build. We might as well be consistent about this thing. Consistency is a virtue, and I want to be virtuous.

I would like to point out to my more conservative southern brethren that a little consistency on their part might help. Let them not only be for something when it helps the South. Let them think of the country as a whole including the North. I will alleviate the suspense of the gentleman from Texas, the author of this bill, and tell him I will not be narrow and hold his inconsistency against him. I will vote for his bill because I believe as I believed about the housing bill, that it is good for the whole country.

Mr. STEFAN. Mr. Chairman, I ask unanimous consent that the Hope amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Hope amendment was again read.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the committee amendment and all amendments thereto do close in 15 minutes.

Mr. YATES. Mr. Chairman, reserving the right to object, I think that this particular amendment establishes a new policy if it becomes law, and I, for one, am constrained to object unless there is much greater consideration being given to it.

Mr. COOLEY. Mr. Chairman, I move that all debate on the committee amendment and all amendments thereto close in 15 minutes.

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 130, noes 21.

So the motion was agreed to.



Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2960) to amend the Rural Electrification Act to provide for rural telephones, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include an editorial.

COMMITTEE ON AGRICULTURE

Mr. PACE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill H. R. 29.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

COMMITTEE ON EDUCATION AND LABOR

Mr. KELLEY. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Education and Labor may sit during general debate during this week.

The SPEAKER. Is there objection to the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. GREEN asked and was given permission to extend his remarks in the RECORD and include a speech made by the gentleman from Pennsylvania [Mr. DAVENPORT].

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD and include a letter.

GENERAL LEAVE TO EXTEND

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the pending rural telephone bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. HORAN asked and was given permission to extend his remarks in the RECORD.

Mr. VELDE asked and was given permission to extend his remarks in the RECORD.

Mr. NIXON (at the request of Mr. VELDE) was given permission to extend his remarks in the RECORD.

AIRPLANE ACCIDENTS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have today introduced a resolution calling for an investigation and research into the accidents, or the causes of accidents, and especially looking for sabotage on the five planes that crashed or nearly crashed within the last 5 days, which undoubtedly would have crashed if they had not been able to turn back to land.

In addition there is the case of the plane that crashed in Bombay, India, carrying down and killing 44 persons including many newspapermen and women and commentators whom we have known. The matter should be investigated at once. I hope the House will take early action on my resolution.

EXTENSION OF REMARKS

Mr. SHORT asked and was given permission to extend his remarks in the RECORD and include two brief newspaper articles.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 578. An act for the relief of Carlton C. Grant and others;

H. R. 599. An act for the relief of Victor R. Browning & Co., Inc.;

H. R. 2737. An act to establish the Medal for Humane Action for award to persons serving in or with the armed forces of the United States participating in the current military effort to supply necessities of life to the people of Berlin, Germany; and

H. J. Res. 287. Joint resolution extending section 1302 (a) of the Social Security Act, as amended, until June 30, 1950.

The SPEAKER announced his signature to an enrolled bill and a joint resolution of the Senate of the following titles:

S. 70. An act to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States; and

S. J. Res. 114. Joint resolution to provide an increase in the authorization for the Federal National Mortgage Association.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 7 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 13, 1949, at 12 o'clock noon.

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EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

757. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and an illustration on a review of reports on the Mississippi River between the Missouri River and Minneapolis, Minn., harbor facilities opposite Hamburg, Ill., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on September 16, 1946 (H. Doc. No. 254); to the Committee on Public Works and ordered to be printed with two illustrations.

758. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated December 29, 1948, submitting a report, together with accompanying papers and an illustration, on a review of reports on the White and Arkansas Rivers with reference to the Grand Prairie region, Arkansas, requested by a resolution of the Committee on Flood Control of the House of Representatives, adopted on December 18, 1945 (H. Doc. No. 255); to the Committee on Public Works and ordered to be printed with an illustration.

759. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and an illustration on a review of reports on Biloxi Harbor, Miss., with a view to providing a channel to deep water in Mississippi Sound along the east side of Deer Island and with a view to providing a channel to Ott Bayou from the channel leading to Back Bay, requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted on October 21, 1938, and February 11, 1941 (H. Doc. No. 256); to the Committee on Public Works and ordered to be printed with an illustration.

760. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated June 3, 1949, submitting a report, together with accompanying papers and an illustration on a review of reports on the Mississippi River harbor facilities at Rock Island, Ill., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on September 18, 1945 (H. Doc. No. 257); to the Committee on Public Works and ordered to be printed with an illustration.

761. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated May 19, 1949, submitting a report, together with accompanying papers and an illustration, on a review of reports on Tampa Harbor, Fla., submitted in response to a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on March 21, 1945 (H. Doc. No. 258); to the Committee on Public Works and ordered to be printed with an illustration.

762. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1950 and prior fiscal years in the amount of $194,514,857.38, and proposed rescissions in the amount of $31,300,000, together with certain proposed provisions pertaining to existing appropriations (H. Doc. No. 259); to the Committee on Appropriations and ordered to be printed.

763. A letter from the Acting Secretary of Commerce, transmitting a certification by the Administrator of Civil Aeronautics of the cost of rehabilitation and repair of damages caused by the United States Army Air Forces at the Memphis Municipal Airport, Memphis, Tenn., in the amount of $112,174; to the Committee on Interstate and Foreign Commerce.

764. A letter from the Acting Secretary of Commerce, transmitting certifications by the Administrator of Civil Aeronautics of the cost of rehabilitation and repair of damages caused by the United States military forces at certain public airports; to the Committee on Interstate and Foreign Commerce.

765. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal, and lists or schedules, or parts of lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

766. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 3, 1949, submitting a report, together with accompanying papers and an illustration, on a review of reports on Bayfield Harbor, Wis., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on February 6, 1945 (H. Doc. No. 260); to the Committee on Public Works and ordered to be printed with one illustration.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HERLONG: Committee on Post Office and Civil Service. H. R. 87. A bill relating to the promotion of veterans of World War II in the field service of the Post Office Department; with an amendment (Rept. No. 1010). Referred to the Committee of the Whole House on the State of the Union.

Mr. GRAHAM: Committee on the Judiciary. House Joint Resolution 2. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President; with an amendment (Rept. No. 1011). Referred to the House Calendar.

Mr. LYLE: Committee on Rules. House Resolution 280. Resolution providing for the consideration of the bill (H. R. 4708) to amend the United Nations Participation Act of 1945; without amendment (Rept. No. 1012). Referred to the House Calendar.

Mr. KILDAY: Committee on Armed Services. H. R. 540. A bill to provide terminal-leave pay for certain officers of the Navy and Marine Corps, and for other purposes; with an amendment (Rept. No. 1013). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 4050. A bill to authorize advances in pay to personnel of the Army, Navy, Air Force, and Marine Corps upon permanent change of station, and for other purposes; with an amendment (Rept. No. 1014). Referred to the Committee of the Whole House on the State of the Union.

Mr. DEGRAFFENRIED: Committee on Armed Services. H. R. 5238. A bill to authorize the adjustment of the lineal positions of certain officers of the naval service, and for other purposes; with an amendment (Rept. No. 1015). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. S. 1639. An act to amend section 1452, Revised Statutes, relating to Presidential action on the proceedings and decisions of Navy retiring boards; without amendment (Rept. No. 1016). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 28. Concurrent resolution favoring the suspension of deportation of certain aliens; with an amendment (Rept. No. 1017). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 29. Concurrent resolution favoring the suspension of deportation of certain aliens; without amendment (Rept. No. 1018). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 31. Concurrent resolution favoring the suspension of deportation in certain cases; without amendment (Rept. No. 1019). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 32. Concurrent resolution favoring the suspension of deportation of certain aliens; without amendment (Rept. No. 1020). Referred to the Committee of the Whole House.

Mr. CLEMENTE: Committee on Armed Services. H. R. 5503. A bill to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948; without amendment (Rept. No. 1021). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIVERS: Committee on Armed Services. S. 1742. An act removing certain restrictions imposed by the act of March 8, 1888, on certain lands authorized by such act to be conveyed to the trustees of Porter Academy; without amendment (Rept. No. 1022). Referred to the Committee of the Whole House.

Mr. BURLESON: Committee on Foreign Affairs. H. R. 4022. A bill to extend the time for commencing the construction of a toll bridge across the Rio Grande at or near Rio Grande City, Tex., to July 31, 1950; without amendment (Rept. No. 1023). Referred to the House Calendar.

Mr. MORRIS: Committee on Public Lands. H. R. 4986. A bill to amend an act entitled "An act to provide for the adjustment of irrigation charges on the Flathead Indian irrigation project, Montana, and for other purposes," approved May 25, 1948; with an amendment (Rept. No. 1024). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 4762. A bill to amend title 25, section 247, of the Code of Laws of the United States of America, to empower the courts to remit or mitigate forfeitures; with an amendment (Rept. No. 1025). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 4025. A bill to transfer control over Indian tribal funds to the Indian tribes; with an amendment (Rept. No. 1026). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 29. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide parity for tung nuts, and for other purposes; with an amendment (Rept. No. 1027). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CURTIS:

H. R. 5589. A bill to extend indefinitely the period in which title I of the Agricultural Act of 1948 shall be applicable; to the Committee on Agriculture.

By Mr. KEOGH:

H. R. 5590. A bill to amend the Nationality Act of 1940 with respect to the naturalization of alien spouses of American citizens employed by certain international organizations; to the Committee on the Judiciary.

By Mr. KING:

H. R. 5591. A bill to amend the Social Security Act, the Internal Revenue Code, and for other purposes; to the Committee on Ways and Means.

By Mr. O'SULLIVAN:

H. R. 5592. A bill to authorize the cancellation, adjustment, and collection of certain obligations due the United States, and for other purposes; to the Committee on Agriculture.

By Mr. SHORT:

H. R. 5593. A bill to promote economy and efficiency in the National Military Establishment by reorganization of the fiscal management of the National Military Establishment; to the Committee on Armed Services.

By Mr. SPENCE:

H. R. 5594. A bill to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington the power to guarantee United States investments abroad; to the Committee on Banking and Currency.

H. R. 5595. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

H. R. 5596. A bill to amend title IV of the National Housing Act, as amended, and to amend the Federal Home Loan Bank Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. BAILEY:

H. R. 5597. A bill to authorize the Administrator of Veterans' Affairs to sell or lease oil and gas rights in the subsurface of the land on which is situated the Veterans' Administration facility at Clarksburg, W. Va.; to the Committee on Veterans' Affairs.

By Mr. RANKIN:

H. R. 5598. A bill to increase compensation for World War I presumptive service-connected cases, provide minimum ratings for service-connected arrested tuberculosis, increase certain disability and death compensation rates, liberalize requirement for dependency allowances, and redefine the terms "line of duty" and "willful misconduct"; to the Committee on Veterans' Affairs.

By Mr. SUTTON:

H. R. 5599. A bill to repeal so much of the Hatch Act as prohibits certain officers and employees of the Federal and State Governments and members of the armed forces of the United States from taking an active part in political management or in political campaigns; to the Committee on House Administration.

By Mr. WEICHEL:

H. R. 5600. A bill to confirm and establish the titles of the States to lands beneath navigable waters within State boundaries and natural resources within such lands and waters and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.

By Mr. WOODRUFF:

H. R. 5601. A bill to authorize the exchange of certain lands of the United States situated in Iosco County, Mich., for lands within the national forests of Michigan, and for other purposes; to the Committee on Agriculture.

By Mr. KEE:

H. R. 5602. A bill to strengthen and encourage the democratic forces in China by authorizing the Secretary of State to provide for the relief of Chinese students in the United States; to the Committee on Foreign Affairs.

By Mr. O'TOOLE:

H. R. 5603. A bill to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes; to the Committee on Education and Labor.

By Mr. RANKIN (by request):

H. R. 5604. A bill to amend section 302 of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Veterans' Affairs.

By Mr. RHODES:

H. R. 5605. A bill to increase from $600 to $1,000 the income-tax exemptions of an individual taxpayer for himself and for his spouse or other first dependent; to the Committee on Ways and Means.

By Mr. RANKIN (by request):

H. R. 5606. A bill to facilitate cooperation of recognized organizations with the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. KEE:

H. R. 5615. A bill to promote the foreign policy of the United States and to authorize participation in a cooperative endeavor for assisting in the development of economically underdeveloped areas of the world; to the Committee on Foreign Affairs.

By Mr. RAINS:

H. R. 5616. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mrs. ROGERS of Massachusetts:

H. Res. 281. Resolution to authorize the Committee on Interstate and Foreign Commerce to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary; to the Committee on Rules.

By Mr. JACOBS:

H. Con. Res. 102. Concurrent resolution to provide for the attendance of a joint committee to represent the Congress at the eighty-third and final National Encampment of the Grand Army of the Republic; to the Committee on Rules.

H. Con. Res. 103. Concurrent resolution to provide funds for the expenses of the joint committee created pursuant to H. Con. Res. 102; to the Committee on House Administration.

By Mr. PATTEN:

H. Con. Res. 104. Concurrent resolution to seek development of the United Nations into a world federation; to the Committee on Foreign Affairs.

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PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 5607. A bill for the relief of Mrs. Ellen J. Bourke; to the Committee on the Judiciary.

H. R. 5608. A bill to provide for the readmission of Antonia Paride Scavuzzo to United States citizenship; to the Committee on the Judiciary.

By Mr. D'EWART:

H. R. 5609. A bill authorizing the Secretary of the Interior to issue a patent in fee to B. M. (Bud) Phelps; to the Committee on Public Lands.

H. R. 5610. A bill authorizing the Secretary of the Interior to issue a patent in fee to Emma Phelps Glenn; to the Committee on Public Lands.

H. R. 5611. A bill authorizing the Secretary of the Interior to issue a patent in fee to Charles W. Phelps; to the Committee on Public Lands.

By Mr. PATTEN:

H. R. 5612. A bill for the relief of Mr. and Mrs. Charles R. Proctor; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 5613. A bill for the relief of Boris Batchvaroff; to the Committee on the Judiciary.

By Mr. CARLYLE:

H. R. 5614. A bill for the relief of John S. Downing; to the Committee on the Judiciary.

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PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1282. By Mr. NORBLAD: Petition signed by Mrs. D. L. Clemens, of Lafayette, Oreg., and 13 other citizens of Yamhill County, Oreg., urging passage of a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of alcoholic-beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1283. By the SPEAKER: Petition of Texas Sheep and Goat Raisers Association, Inc., San Angelo, Tex., relative to the bill S. 1821, and reaffirming deep interest, and requesting passage of this legislation, which would place mohair under the Wool Labeling Act; to the Committee on Agriculture.

1284. Also, petition of Veterans of Foreign Wars, Austin Tex., requesting the extension of the period of time during which readjustment allowances may be paid until July 25, 1954, as embraced in H. R. 1374, or under some similar legislation; to the Committee on Veterans' Affairs.

1285. Also, petition of Mrs. Beulah Hand and others, Gainesville, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1286. Also, petition of Mrs. Arthur Clive and others, Orlando, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1287. Also, petition of J. H. Robert and others, Salina, Kans., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1288. Also, petition of Mrs. Ray Christie and others, Le Sueur, Minn., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1289. Also, petition of Charles W. Olcott and others, Portland, Oreg., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1290. Also, petition of Stella Ayers and others, Salem, Oreg., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1291. Also, petition of Gertrude Randall and others, Seattle, Wash., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1292. Also, petition of Jens Stenegaard and others, Seattle, Wash., requesting passage of H. R. 2135 and H. R. 2136, known as the Townseld plan; to the Committee on Ways and Means.

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# SENATE

## WEDNESDAY, JULY 13, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou eternal God, whose blessings are abundantly adequate for all our needs, we pray that we may incarnate the spirit of the Master and seek to preserve the splendor and continuity of His ideals and principles as we try to build a nobler civilization.

We humbly confess that, in our struggles to surmount the obstacles which confront us in this high adventure, we so frequently place our confidence solely in human calculations and human ingenuity instead of appropriating by faith the spiritual resources which Thou hast placed at our disposal.

Grant that our own beloved country may be in the vanguard of the nations

of the earth praying and laboring for peace among men; a peace inspired and maintained by the spirit of good will and brotherhood; a peace that shall be the joyous possession of our own and all succeeding generations.

To Thy name we ascribe the praise. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 12, 1949, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

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|---|---|---|
| Aiken | Holland | Mundt |
| Baldwin | Humphrey | Murray |
| Bridges | Hunt | Myers |
| Butler | Ives | Neely |
| Cain | Jenner | O'Conor |
| Capehart | Johnson, Colo. | Pepper |
| Chapman | Johnson, Tex. | Reed |
| Chavez | Johnston, S. C. | Robertson |
| Connally | Kefauver | Russell |
| Cordon | Kem | Saltonstall |
| Donnell | Kerr | Schoeppel |
| Douglas | Kilgore | Smith, Maine |
| Dulles | Knowland | Smith, N. J. |
| Eastland | Langer | Sparkman |
| Ecton | Lodge | Stennis |
| Ferguson | Lucas | Taft |
| Flanders | McCarran | Taylor |
| Frear | McCarthy | Thomas, Utah |
| Fulbright | McClellan | Thye |
| George | McFarland | Tobey |
| Gillette | McGrath | Tydings |
| Graham | McKellar | Vandenberg |
| Green | McMahon | Watkins |
| Hayden | Malone | Wherry |
| Hendrickson | Martin | Wiley |
| Hickenlooper | Maybank | Williams |
| Hill | Millikin | Withers |
| Hoey | Morse | Young |

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from California [Mr. DOWNEY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Idaho [Mr. MILLER], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business in meetings of committees of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly meeting at Rome, Italy.

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER] is necessarily absent.

The Senator from Maine [Mr. BREWSTER] is detained on official business.

The Senator from South Dakota [Mr. GURNEY] is detained because of attendance at a meeting of the Committee on Appropriations.

The VICE PRESIDENT. A quorum is present.

THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. LUCAS. Mr. President, I should like to have the attention of the distinguished Senator from Nebraska [Mr. WHERRY], the able minority leader, in order to find out if possible the number of speeches that are yet to be made, if the Senator knows, upon the Atlantic Pact, by Senators on the Republican side of the aisle. My purpose is to try to ascertain or determine if we can at this time, about how long it will require to dispose of this very important treaty.

Mr. WHERRY. Mr. President, cooperating with the distinguished majority leader, I may state to the Members of the Senate that at least five speakers would like to be heard today, and an equal number on Thursday. Up to this moment only one or two Senators have suggested that they would like to be heard on Friday. Whether more Senators will request to be heard on Friday, I do not know. One or two Senators on the other side of the aisle have asked how many Senators on this side of the aisle expect to speak on the pact, and when they, the Democratic Senators, may have an opportunity to speak. So, my judgment is that debate on the treaty will continue until and including Friday. I cannot tell the distinguished Senator from Illinois what might happen after that. But as the situation now is, even though the Senate remains in session until 6 o'clock—and the Senate continued in session later than 6 o'clock yesterday—I would say it would be impossible to conclude the debate prior to late Saturday evening, if debate can be concluded even by that time.

Mr. LUCAS. May I inquire of the distinguished minority leader whether he believes there is any possibility of obtaining at this time a unanimous-consent agreement, let us say, to vote on the pact around 5 o'clock on Friday?

Mr. WHERRY. Mr. President, I am quite sure it would be useless to present a unanimous-consent request now to vote on Friday. If the Senator were to make his request at a later date it might be acceptable to the Senate. I suggest to the majority leader that if he feels a unanimous-consent agreement should be entered into now, he attempt to secure a unanimous-consent agreement that a vote be taken not earlier than Monday.

I will say further to the distinguished majority leader that I would be glad to cooperate with him to such purpose. I am just as anxious as he is that a unanimous-consent agreement be had. If the Senator from Illinois feels that he should make a request that a vote be taken on the treaty even as early as Saturday, or on Monday, I would be glad to have him make it, and we could thus ascertain what are the wishes of the Members of the Senate.

Mr. LUCAS. Mr. President, I would rather not make the unanimous-consent request at this time if the Senate is going to continue the debate until Saturday or Monday. I think it would perhaps be better to wait another day before I make a unanimous-consent request.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. ROBERTSON. If it is the plan that Congress not stay in session beyond Labor Day, I wish to invite the attention of the majority leader to the fact that we have yet to act upon very important appropriation bills, including the foreign-aid bill. Under those circumstances I ask the majority leader if he thinks that if debate on a given measure proceeds further than was anticipated it would not be the part of wisdom for us to begin meeting on Saturdays so we can dispatch the necessary business between now and Labor Day?

Mr. LUCAS. Mr. President, I was about to make a brief comment with regard to holding sessions a little later than we have been doing on the pact, and perhaps holding a session next Saturday. It seems to me that we ought to dispose of the pact by that time. However, as I have said before, I am not in anywise attempting to control the time of any Member who desires to debate this controversial issue before the Senate.

There is now on the calendar a great amount of important legislation. Obviously I should like to dispose of it with as much expedition as possible. However, I shall not press any of this legislation to an early conclusion. So far as I am concerned, it is all right with me if we remain here even past Labor Day, I may say to my good friend from Virginia. I think everyone likes Washington during the summer months. We have a cool, convenient Chamber in which to meet. It is a cozy spot where everyone likes to gather, apparently. If we remain here later than Labor Day, I am sure it will be agreeable to all concerned.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Let me say to the distinguished majority leader that if in his wisdom he feels that Saturday sessions are necessary, I am perfectly agreeable, and will be glad to cooperate in every way.

Mr. LUCAS. I thank the distinguished Senator from Nebraska. The primary reason for suggesting Saturday sessions is that the appropriation bills are exceedingly important. I do not make the suggestion because I want to try to rush a vote upon the pending measure.

Mr. WHERRY. I understand.

TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that, as in legislative session, Senators be permitted to introduce bills and resolutions, and incorporate matters in the Appendix of the RECORD, without debate.

The VICE PRESIDENT. Without objection, is is so ordered.

REPEAL OF LAWS INHIBITING FREE TRADE IN GOLD IN OPEN MARKET—JOINT RESOLUTION OF NEVADA LEGISLATURE

Mr. McCARRAN. Mr. President, I present for appropriate reference and printing in the RECORD a joint resolution of the Legislature of Nevada, favoring the enactment of legislation to repeal laws inhibiting free trade in gold in the open market.

The joint resolution was referred to the Committee on Banking and Currency, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Joint Resolution No. 5

Joint resolution memorializing the Congress of the United States to repeal all laws inhibiting free trade in gold in the open market

Whereas the Congress of the United States has enacted laws restricting free trade in gold produced in the United States, its Territories and possessions, and compelling that all such gold be sold only to the Government of the United States at a price fixed by statute at $35 per fine ounce; and

Whereas the aforesaid fixed price was established in 1934 at a time when both labor and materials were readily obtainable at a reasonable price; and

Whereas wage costs and material costs have more than doubled since 1934 and no longer can be met by gold producers in the State of Nevada; and

Whereas gold mining is a major industry in the State of Nevada and has, in the past, enabled the development of lead, copper, zinc, and silver properties which were of inestimable value to the Nation during World War II; and

Whereas the restrictions and inhibitions on free trade in gold coupled with the arbitrary and unreasonable fixed price on gold, have compelled the closing and abandonment of gold mines in the State of Nevada, resulting in unemployment and hardship for the people of Nevada and drastically affecting the economic and tax structure of the State of Nevada; and

Whereas there is pending before the Congress of the United States proposed legislation to permit free trade in gold in the open market within the United States, its Territories and possessions, and to permit gold to be exported without the imposition of duties, excise taxes, or licenses, permits, or any restrictions whatsoever; and

Whereas the enactment of such legislation will be of inestimable benefit to the people of the State of Nevada: Now, therefore, be it

*Resolved by the Senate and Assembly of the State of Nevada,* That the Congress of the United States be and it is hereby memorialized to enact Senate bill 13, Eighty-first Congress, first session, or similar legislation repealing all restrictions on trade in gold and permitting gold to be freely bought, held, sold, or traded in the open market, and permitting gold to be exported without duties, taxes, licenses, permits, or any restrictions whatsoever; and be it further

*Resolved,* That duly certified copies of this resolution be transmitted by the secretary of state of the State of Nevada to the President and Vice President of the United States, and to each Senator and Representative of the State of Nevada in the Congress of the United States.

CLIFF JONES,
*President of the Senate.*
C. A. CARLSON, Jr.,
*Secretary of the Senate.*
PETER BURKE,
*Speaker of the Assembly.*
NATHAN T. HURST,
*Chief Clerk of the Assembly.*

Approved March 29, 1949.

VAIL PITTMAN,
*Governor.*

CONSTRUCTION OF PRECIOUS AND RARE METALS STATION AT RENO, NEV.—JOINT RESOLUTION OF NEVADA LEGISLATURE

Mr. McCARRAN. Mr. President, I present for appropriate reference and printing in the RECORD a joint resolution of the Legislature of Nevada, favoring the enactment of legislation providing funds for the erection and operation of a new precious and rare metals station of the United States Bureau of Mines, in Reno, Nev.

The joint resolution was referred to the Committee on Interior and Insular Affairs, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 10

Joint resolution memorializing the Congress of the United States to appropriate funds for the erection and operation of a new precious and rare metals station of the United States Bureau of Mines, in Reno, Nev.

Whereas the precious and rare metals station of the United States Bureau of Mines located on the campus of the University of Nevada in Reno, Nev., has for many years rendered invaluable service to the mining industry and to the country at large in solving problems of metallurgy through extensive research in precious and rare minerals; and

Whereas the existing United States Bureau of Mines precious and rare metals station has been housed on the campus of the University of Nevada for 30 years in a building supplied by the university; and

Whereas the University of Nevada is in great and pressing need of the university building occupied by the precious and rare metals station that it may take care of the ever-increasing enrollments in the Mackay School of Mines of the university; and

Whereas the present headquarters of the precious and rare metals station on the campus are inadequate to meet current and growing requirements and for proper laboratory space, and are further inadequate for the engineers and staff of the bureau, and which requires much of the equipment of the mining branch of the Bureau to be placed in storage; and

Whereas the geophysical workers of the United States Bureau of Mines have for years been located in a university building also needed by the Mackay School of Mines and which moreover is inadequate for the purposes of the Bureau; and

Whereas the University of Nevada has deeded to the Government of the United States a tract of land of about 2 acres located on the campus of the University of Nevada, said tract to be used for the site of a building sufficient to house the precious and rare metals station and various other branches of the United States Bureau of Mines now located in Reno; and

Whereas there is pending in the Congress of the United States H. R. 2386, introduced by Representative BARING, which directs the Secretary of the Interior to establish, equip, and maintain a research laboratory in Reno for research and assistance in matters pertaining to precious and rare metal mining and metallurgy, and directs appropriation of $750,000 for construction of a building sufficient to house the facilities indicated, and also directs appropriation of $250,000 annually for maintenance and operation of said precious and rare metals station and other Bureau of Mines activities; Now, therefore, be it

*Resolved by the Senate and Assembly of the State of Nevada,* That the Congress of the United States be, and it is hereby memorialized to enact said bill, H. R. 2386, to the end that proper housing and facilities be furnished the United States Bureau of Mines precious and rare metals station, and that the University of Nevada may recover use of the building occupied by said station which it so sorely needs; and be it further

*Resolved,* That duly certified copies of this resolution be transmitted by the secretary of state of the State of Nevada to the President and Vice President of the United States, and to each Senator and the Representative of the State of Nevada in the Congress of the United States.

CLIFF JONES,
*President of the Senate.*
C. A. CARLSON, Jr.
*Secretary of the Senate.*
PETER W. BEEBE,
*Speaker of the Assembly.*
NATHAN T. HURST,
*Chief Clerk of the Assembly.*

Approved March 29, 1949.

VAIL L. PITTMAN,
*Governor.*

EXTENSION OF RIGHTS AND PRIVILEGES OF CERTAIN VETERANS UNDER SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. HUMPHREY. Mr. President, I present for appropriate reference and printing in the RECORD a resolution adopted by the Legislature of Minnesota, favoring the extension of rights and privileges of veterans of World War II under title V of the Servicemen's Readjustment Act of 1944.

The resolution was referred to the Committee on Labor and Public Welfare and, under the rule, ordered to be printed in the RECORD, as follows:

Whereas the right of most veterans of World War II to receive readjustment allowances under title V of the Federal Servicemen's Readjustment Act of 1944 (known as the GI bill of rights) expires July 25, 1949; and

Whereas only about one-half of unemployed Minnesota veterans of World War II have rights to benefits under the Minnesota employment and security law; and

Whereas unemployment amongst Minnesota veterans is increasing; and

Whereas economic conditions in the near future may be such as to cause great hardship and financial distress to such veterans and their families: Now, therefore, be it

*Resolved,* That the Legislature of the State of Minnesota do herewith memorialize and petition the Eighty-first Congress of the United States of America now in session in the city of Washington, D. C., to extend the rights and privileges of veterans of World War II under title V of the Servicemen's Readjustment Act of 1944; be it further

*Resolved,* That a copy of this resolution be forwarded to the President of the United States, the Vice President, the Speaker of the House of Representatives, and to each Congressman and Senator from the State of Minnesota.

TUITION FEES FOR TRAINING VETERANS

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a letter from the State of Minnesota department of education, vocational division, signed by S. K. Wick, acting State director of vocational education, and Clarence E. Funk, field supervisor of veterans' training, together with resolutions adopted by the National Association of State Approval Agencies, in session at Washington, D. C., and the first national conference of the National Association of State Approval Agencies, in Kansas City, Mo., relating to tuition fees for training veterans.

There being no objection, the letter and resolutions were referred to the

Committee on Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
DEPARTMENT OF EDUCATION,
VETERANS ON-THE-JOB TRAINING,
*June 21, 1949.*

Hon. HUBERT H. HUMPHREY,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR HUMPHREY: We have received copies of the companion bills, H. R. 1966 and S. 1150, which are designed to establish a procedure by which the Administrator of Veterans' Affairs might require the State approval agencies of the several States to hold public hearings regarding the tuition rate the Veterans' Administration is being charged by schools approved for training veterans under the Servicemen's Readjustment Act of 1944, as amended. I should like to convey to you our objections to the proposed legislation and we shall appreciate your efforts in the opposition to these bills.

We believe that it is fundamentally sound for any agency, Federal or State, which pays the claim for tuition and other expenses to make the determination as to the fairness and reasonableness of the charges made by such schools. Our State agency has worked very closely with the Veterans' Administration in accordance with our State department of education policies formulated through our Minnesota private trade school law in the approval of schools. None of the legitimate schools which have sought to become established in the field of veterans' training have experienced any great difficulty with the Contract Division of the Veterans' Administration, and no worthy school, meeting all of our State requirements, has been excluded as a result of the procedure we employ in Minnesota.

Our present staff functionally performing the approval service in Minnesota would not be able to carry the additional work load which would inevitably develop by reason of public hearings which could be demanded. In order to make intelligent decisions in such public hearings, new personnel would be required and these would necessarily have to be experienced accountants and attorneys and there are no State funds available to employ such personnel for this service. Our present program is being operated with a very minimum of personnel and it is questionable whether our State legislature could make provision for additional expensive personnel. To date, there has been relatively little pressure on our agency since the Veterans' Administration has been very definitely in the picture to share the burden of financial determination.

Under the Servicemen's Readjustment Act, Congress placed the responsibility of approving qualified schools upon our State agency and that responsibility has been conscientiously accepted in Minnesota. Under the present legislation, the Veterans' Administration may report any irregularities discovered in any school to the State accrediting agency so that they might take immediate action if such is indicated. Such cases have arisen in the past and have been worked out to the satisfaction of everyone concerned. Public school hearings have not been necessary, for in many of these cases a conference with the school officials has remedied the objection. Public hearings can be called at the present time but we feel it is unnecessary in the majority of cases. At this late date of the veterans' training program which is already beginning to decline, we feel that proposed legislation would unnecessarily reawaken a great deal of confusion that is beginning to be clarified under the existing operating mechanics.

Under the proposed legislation, the State approval agency could be required to hold public hearings for our universities, colleges, or any of our other public or private schools. The very embarrassing situation which would result can be very readily seen. We feel that the situation in the public schools can be much more satisfactorily disposed of by other methods which are under consideration by public-school men all over the country and the Veterans' Administration at the present time.

Attached are two resolutions which were drawn by the National Association of State Approval Agencies. This group, at its first national conference in Kansas City last September, was unanimous in their objection to H. R. 6079 which was introduced in the Eightieth Congress and which is identical to H. R. 1966 and S. 1150 of the Eighty-first Congress.

It has also come to our attention that private school interests are attempting to carry H. R. 3264 with the above discussed legislation. The only purpose for the introduction of H. R. 3264 was to make it possible for the various State agencies to more adequately supervise the proprietary schools approved for veterans training in their respective States. At the present time, according to Veterans' Administration statistics, there are more veterans in training in private schools than there are in on-the-job training and yet the Veterans' Administration, under Public Law 679, reimburses only for salaries and travel expenses of personnel to inspect and supervise the on-the-job training.

To better insure the quality of training being provided in the various private schools, the enactment of H. R. 3264 is needed. We respectfully request your support of this bill.

Yours very truly,

S. K. WICK,
*Acting State Director of Vocational Education.*

By CLARENCE FUNK,
*Field Supervisor, Veterans' Training.*

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RESOLUTIONS OF NATIONAL ASSOCIATION OF STATE APPROVAL AGENCIES

Whereas H. R. 1966 has been introduced in the House of Representatives of the Congress of the United States in the Eighty-first Congress; and

Whereas H. R. 1966 would require the State to hold public hearings on any educational or training institution which the Veterans' Administration does not believe is furnishing education and training commensurate with the tuition it charges; and

Whereas the States do not have adequate facilities or personnel to conduct such hearings, and funds for such are not available; and

Whereas the present laws and regulations by which the Veterans' Administration operates provide the Veterans' Administration, which is paying the bill, with adequate authority to successfully determine the adequacies or inadequacies of charges made by such schools: Now, therefore, be it

*Resolved,* That the executive committee of the National Association of State Approval Agencies in session at Washington, D. C., March 2–4, 1949, request that H. R. 1966 not be enacted by the Congress of the United States.

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The following resolution was adopted unanimously at the First National Conference of the National Association of State Approval Agencies, held in Kansas City, Mo., September 20–22, 1948:

"Whereas H. R. 6079 was introduced in the last days of the session of the Eightieth Congress and received considerable support, but failed in final passage and will probably be reintroduced when the Eighty-first Congress convenes; and

"Whereas H. R. 6079 will serve no gainful purpose by establishing authority for the Administrator of Veterans' Affairs to require public hearings by State agencies of problems and complaints arising with training institutions, and provides neither personnel nor funds to accomplish investigations and hold such hearings; be it therefore

"*Resolved,* That a request be directed to the Members of Congress that no further consideration be given to the passage of H. R. 6079."

## DISCRIMINATION AGAINST NEGROES IN MINNESOTA NATIONAL GUARD—RESOLUTION OF PETER GRAHAM POST, NO. 2948, VETERANS OF FOREIGN WARS

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Peter Graham Post, No. 2948, Veterans of Foreign Wars of the United States, International Falls, Minn., relating to discrimination against Negroes in the Minnesota National Guard.

There being no objection, the resolution was referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Whereas the practice of discrimination against the Negroes in the Minnesota National Guard has been perpetuated and has remained unchanged for the last 30 years, although in many other phases of life in Minnesota there has been progress; and

Whereas the attitude of recreational places, restaurants, and hotels has been changed and many employers are hiring Negroes and upgrading them; and

Whereas this discriminatory policy now in force in our Minnesota National Guard stems from a War Department regulation; and

Whereas last year the Secretary of the Army indicated he would be inclined to except Minnesota from this regulation if the Legislature of the State of Minnesota requested it, and exception has already been made in the States of New Jersey and Connecticut; and

Whereas the Minnesota poll of public opinion published figures indicating that 64 percent of all men and women approached believed that Negroes should be admitted to the Minnesota National Guard on the same terms as white men; and

Whereas Senate file No. 10, which is a concurrent resolution memorializing the President and Congress of the United States to enact legislation securing to all citizens, and particularly to its Negro citizens, the right to serve in the National Guard without segregation in separate units, has been passed by both houses of our State legislature, signed by Gov. Luther W. Youngdahl and forwarded to Washington: Therefore be it hereby

*Resolved,* That Peter Graham Post, No. 2948, Veterans of Foreign Wars of the United States, International Falls, Minn., do believe that the practice of discriminating against the Negro in the Minnesota National Guard should be abolished, and that interest be stimulated in Washington by sending a copy of said resolution to President Harry S. Truman, Senators Edward J. Thye, and Hubert H. Humphrey; Representatives August H. Andresen, Joseph P. O'Hara, Roy W. Wier, Eugene J. McCarthy, Walter H. Judd, Fred Marshall, H. Carl Andersen, John A. Blatnik, and Harold C. Hagen, urging their immediate attention and to advise the Eighth District of Minnesota, Veterans of Foreign Wars of the United States of their specific activity in regard to the situation here in the Minnesota National Guard.

ROBERT H. STEELE,
*Commander, Peter Graham Post, No. 2948, Veterans of Foreign Wars.*

Attest:

FRANCIS E. PAPILLON,
*Adjutant.*

The above resolution adopted at our eighth district convention at Cloquet, Minn., May 22, 1949.

GEORGE WOLEAN,
*District Commander.*

Attest:

R. A. RUCE,
*District Adjutant.*

EXTENSION OF SERVICEMEN'S READJUSTMENT ACT OF 1944 RELATING TO UNEMPLOYED VETERANS

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, a letter from the Minnesota Division of Employment and Security, St. Paul, Minn., signed by Victor Christgau, director, relating to legislation to extend the Servicemen's Readjustment Act of 1944, to cover unemployed veterans who are not covered by State unemployment compensation laws.

There being no objection, the letter was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
DIVISION OF EMPLOYMENT AND SECURITY,
*St. Paul, Minn., July 8, 1949.*

Hon. HUBERT H. HUMPHREY,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR HUMPHREY: I understand there is pending in the Senate legislation to extend the Serviceman's Readjustment Act of 1944. You may recall such legislation would be in accordance with the joint resolution adopted by the Minnesota Legislature during the 1949 session, a copy of which is attached for your convenience.

In view of the possibility of unemployment continuing to increase during the next year or two, I feel there is, at this time, a good deal of merit to continuing the program with certain amendments to the law which established it.

The need for the program is largely to cover unemployed veterans who are not covered by State unemployment compensation laws. At the time the Minnesota Legislature adopted the resolution only about one half of the unemployed veterans of World War II had rights under the Minnesota employment and security law. In view of the substantial number of veterans who are employed in agricultural work during the summer, that ratio is now increased to about 60 percent, however, during the winter months it would probably revert back to about 50 percent.

I was in Washington during the early thirties and interviewed a number of veterans of World War I who came to Washington in connection with the bonus march, and subsequently saw the evil effects of not taking care of the unemployed veterans of World War I promptly. I think unemployment insurance coverage for those not now covered by State laws would go a long ways toward preventing something like that happening again. It would likewise prevent a large number of veterans who spent 3 or 4 years in the service and then 3 or 4 years in school from being forced to go on relief rolls in order to take care of themselves and their families.

In many cases readjustment allowances for unemployed veterans at this time would be protecting the Government's investment in such veterans, many of whom have been trained for specific jobs, but at the moment the jobs for which they are trained are not available nor any other suitable job to tide them over until they become employed.

Likewise it would discouraging to veterans who have worked in noncovered employment, such as agriculture, public services, religious and charitable organizations to see other veterans in the service were fortunate enough upon returning to secure jobs in covered employment and thus were protected by State unemployment insurance while unemployed, while they would experience no such protection.

For your ready information there were in Minnesota approximately 300,000 veterans of World War II; of this number 168,500 at one time or another have drawn servicemen's readjustment-allowance checks in the total amount of $59,500,000; 13,000 have exhausted their benefit rights, which is approximately 4 percent of the total. A small percentage of individuals have exhausted their rights and of that percentage there were many who had disabilities which made it more difficult to find suitable work for them. This indicates that veterans in this State have not taken undue advantage of the program. I think much the same could be said for the Nation as a whole. I recognize that there have been some abuses in the program at some spot or another, but I feel sure that has been greatly overemphasized and is far overshadowed by the tremendous amount of good that has resulted from the program.

I would like to suggest for your consideration the following amendments to the law which I think will improve the program as well as serve as an answer to some of the opposition to an extension. You may wish to bring these to the attention of the Senate:

1. Before qualifying for readjustment allowances a veteran would be required to first exhaust his benefits, if any, under the State law. In other words, any veteran who had earned wage credits under a State unemployment compensation act first would be required to exhaust his rights there.

2. That benefits to any veteran be limited to 26 weeks in any calendar year. This likewise could be a limitation to a benefit year instead of a calendar year. At least the limitation should be 26 weeks in a 1-year period. It would have been well if this amendment had been in the original act. It would have prevented the impression from getting around that veterans were entitled to 52 weeks of benefits without having to look for or take jobs.

3. The feature of the program providing for assistance in self-employment (in Minnesota most of the benefits of that part of the program went to those who were starting out in agriculture) could now be eliminated.

4. In nearly all States the weekly benefit amounts have been raised due to the higher cost of living. An extension to include an increase in the weekly benefit amount to about $24 a week would be well.

From time to time I have heard criticism that veterans were being paid readjustment allowances who were not actively seeking work. I think generally the Veterans' Administration and the States have interpreted the law to require a veteran to be seeking work. I do not know how much of that criticism has been brought to the attention of the Members of Congress but if there has been some and there is opposition to the program because of it the matter could be met by an amendment which would require veterans to be actively seeking work. Personally I am not enthusiastic for that kind of an amendment. It was once in our law and we had it taken out largely because of the varying interpretations that were placed upon it. However, if such an amendment is needed to meet criticism or opposition to extension, it would be worth considering.

I am sending these observations to you thinking they might be helpful to you in considering the pending legislation. If you desire any other information about this matter I would be glad to attempt to supply you with it.

Sincerely yours,

VICTOR CHRISTGAU,
*Director.*

ROCHDALE COOPERATIVE PRINCIPLES OF INSTRUCTION IN PUBLIC INSTITUTIONS—RESOLUTION OF MINNESOTA FEDERATION OF TEACHERS

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the State convention of the Minnesota Federation of Teachers, relating to instruction in the Rochdale cooperative principles in public institutions of learning and training.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

RESOLUTION TO SECURE AND EXTEND INSTRUCTION IN THE ROCHDALE COOPERATIVE PRINCIPLES IN PUBLIC INSTITUTIONS OF LEARNING AND TRAINING, ADOPTED BY THE STATE CONVENTION, MINNESOTA FEDERATION OF TEACHERS, APRIL 30, 1949

Whereas the State of Minnesota has succeeded, in a leading role in the United States, in the development of cooperatives adhering to the Rochdale cooperative principles; and

Whereas the volume of the business of the cooperatives has arrived at the point of an important proportion of the entire business in the State of Minnesota; and

Whereas the greater proportion of the development of the cooperatives in the State of Minnesota has been accomplished without the aid of persons instructed through the regular instructional agencies of the State of Minnesota; and

Whereas instruction in the methods of this form of business endeavor should have regular recognition for the purpose of proper training of qualified instructors for all school grades in the State of Minnesota: Therefore be it

*Resolved,* That the Minnesota Federation of Teachers in convention assembled this 30th day of April 1949, do hereby congratulate the cooperatives operating under the Rochdale cooperative principles for their very effective, but unaided, work in the development of the cooperative movement throughout Minnesota; and be it further

*Resolved,* That the Minnesota Federation of Teachers approve of instruction in this method of business endeavor in all of the teacher-training institutions in this State, and request the Teachers College Board and the president of the university to give it favorable consideration; and be it further

*Resolved,* That the Minnesota Federation of Teachers instruct its affiliated locals and request the central labor bodies to do all in their power to secure instruction on cooperative principles in our public schools and teacher-training institutions; and be it further

*Resolved,* That the Minnesota Federation of Teachers do cause to be published this resolution and order its officers to transmit copies thereof to all locals of the American Federation of Teachers and central bodies of the American Federation of Labor in the State of Minnesota, and to the Minnesota Association of Cooperatives and to the Central Cooperative Wholesale.

ESTABLISHMENT OF SELF-GOVERNMENT IN LITHUANIA

Mr. MYERS. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by a large assembly of citizens of the United States of Lithuanian descent, and their friends, at Philadelphia, Pa., relating to the establishment of self-government in Lithuania.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF COMMITTEE FOR LITHUANIAN LIBERATION, PHILADELPHIA, PA.

Whereas this large assembly of citizens of the United States of America, of Lithuanian descent, and their friends, have gathered here on July 1, 1949; and

Whereas it has been universally observed that the two and a half million citizens of the Republic of Lithuania have demonstrated their capacity for peaceful and honorable self-government, both nationally and internationally for the period of 22 years; and

Whereas the world in general and the United Nations in particular have ample and authentic proof and information concerning the destruction, by the leaders of Soviet Russia, of the population of Lithuania, by murder, imprisonment, starvation, persecution, slave labor, and deportation to extreme and desolate provinces of Soviet Russia: Therefore be it

*Resolved*, That we respectfully urge our fellow Americans and peace-loving people everywhere to put forth every reasonable effort to help reestablish freedom and the honor of self-government in the Republic of Lithuania and in those countries, now suffering under the ruthless oppression of Soviet Russia; and further

*Resolved*, That the members of the United Nations and the Government of the United States, by its Department of State and the Senate of the United States, be requested to use every effort to bring to a termination the inhuman treatment now being administered to the Lithuanians and other peoples behind the iron curtain.

REV. STANISLAUS RAILA,
*Chairman.*

Attest:

STANLEY F. MARUKEY,
*Secretary.*

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'CONOR, from the Committee on the Judiciary:

H. R. 4566. A bill to revise, codify, and enact into law title 14 of the United States Code, entitled "Coast Guard"; with amendments (Rept. No. 656).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

S. 2030. A bill to clarify the laws relating to the compensation of postmasters at fourth-class post offices which have been advanced because of unusual conditions; without amendment (Rept. No. 657); and

H. R. 459. A bill to authorize the payment of employees of the Bureau of Animal Industry for overtime duty performed at establishments which prepare virus, serum, toxin, or analogous products for use in the treatment of domestic animals; without amendment (Rept. No. 658).

By Mr. CONNALLY, from the Committee on Foreign Relations:

S. 2198. A bill to extend the time for commencing the construction of a toll bridge across the Rio Grande at or near Rio Grande City, Tex., to July 31, 1950; without amendment (Rept. No. 659); and

H. R. 1360. A bill to extend the times for commencing and completing the construction of a free bridge across the Rio Grande at or near Del Rio, Tex.; without amendment (Rept. No. 660).

By Mr. HAYDEN, from the Committee on Appropriations:

H. R. 3838. A bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes; with amendments (Rept. No. 661).

## REDUCTION IN GOVERNMENTAL EXPENDITURES—AMENDMENT

Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments, reported an amendment to the joint resolution (S. J. Res. 108) to reduce expenditures in Government for the fiscal year 1950 consistent with the public interest, heretofore reported by that committee, which was ordered to be printed.

## REPORT OF PERSONNEL AND FUNDS BY COMMITTEE ON FOREIGN RELATIONS

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following report was received by the Secretary of the Senate:

JULY 11, 1949.

REPORT OF COMMITTEE ON FOREIGN RELATIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 3, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Francis O. Wilcox, chief of staff | $10,330.00 | $5,136.28 |
| Richard H. Heindel, staff associate | 10,330.00 | 5,164.98 |
| Thorsten V. Kalijarvi, staff associate | 10,330.00 | 5,164.98 |
| C. C. O'Day, clerk | 8,906.10 | 4,453.03 |
| Emmett M. O'Grady (from Jan. 27), assistant clerk | 4,866.97 | 2,081.97 |
| Isabel M. Smith, assistant clerk | 4,370.38 | 2,185.14 |
| Morella R. Hansen, assistant clerk | 4,039.33 | 2,019.66 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $10,000.00 |
| Amount expended | 6,985.82 |
| Balance unexpended | 3,014.18 |

TOM CONNALLY,
*Chairman.*

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KILGORE:

S. 2247. A bill to amend the Armed Forces Leave Act of 1946 to provide leave credit for National Guard personnel undergoing training under provisions 94, 97, and 99 of the National Defense Act; to the Committee on Armed Services.

By Mr. HOEY:

S. 2248. A bill to amend section 7 (a) of the act entitled "An Act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to establish the "chief grade" in the Dental Service, and for other purposes; and

S. 2249. A bill to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes; to the Committee on Finance.

By Mr. McCARRAN:

S. 2250. A bill for the relief of Mrs. Elisabeth Tillman; to the Committee on the Judiciary.

By Mr. TOBEY:

S. 2251. A bill for the relief of Mrs. Grace Haywood; to the Committee on Finance.

By Mr. HUMPHREY:

S. 2252. A bill to amend the Civil Service Retirement Act of May 29, 1930, to provide increased benefits for certain Federal employees who have served less than 20 years in law-enforcement work; to the Committee on Post Office and Civil Service.

By Mr. SCHOEPPEL:

S. 2253. A bill for the relief of Dr. In Sung Kwak; to the Committee on the Judiciary.

By Mr. McGRATH:

S. 2254. A bill to prohibit radio broadcasting stations from charging in excess of regular rates for political broadcasts; to the Committee on Interstate and Foreign Commerce.

(Mr. McGRATH also introduced Senate bill 2255, to establish the National Pulaski Foundation, which was referred to the Committee on Rules and Administration, and appears under a separate heading.)

By Mr. JOHNSON of Colorado:

S. 2256. A bill for the relief of Zdenek David; and

S. 2257. A bill for the relief of Hyman Winterman; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 2258. A bill for the relief of Dr. Apostolos A. Kartsonis; to the Committee on the Judiciary.

## NATIONAL PULASKI FOUNDATION

Mr. McGRATH. Mr. President, I introduce for appropriate reference a bill to establish the National Pulaski Foundation, and I ask unanimous consent that the bill, together with an explanatory statement by me, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the bill, together with the explanatory statement, will be printed in the RECORD.

The bill (S. 2255) to establish the National Pulaski Foundation, introduced by Mr. McGRATH, was read twice by its title, referred to the Committee on Rules and Administration, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.*, That in order to provide a fitting and permanent memorial in honor of Gen. Casimir Pulaski which will serve to perpetuate the ideals of liberty and freedom for which he gave his life in the cause of American independence, there is hereby established the National Pulaski Foundation (hereinafter referred to as the "Foundation"). The purpose of the Foundation shall be to render assistance to, and make possible the continued existence of, the Polish Library in Paris and the Polish Institute of Arts and Sciences in America, institutions which are dedicated to the perpetuation of the cultural traditions of General Pulaski's native land in close association with the democratic countries of western civilization, free from alien and totalitarian influence and pressures.

SEC. 2 (a). The Foundation shall be administered by a board of governors (hereinafter referred to as the "board") consisting of the Librarian of Congress, the Secretary of the Smithsonian Institution, and one member to be appointed by each of the following: American Council of Learned Societies, the Polish Library in Paris, and the Polish Institute of Arts and Sciences in America, a corporation organized under the laws of the State of New York. The board shall elect a chairman, vice chairman, and secretary from among its members. Three members of the board shall constitute a quorum for the transaction of business, and the board shall have an official seal which shall be judicially noticed. The board may adopt rules and regulations in regard to its procedure and the conduct of its business. The headquarters of the board shall be in the District of Columbia.

(b) The board shall have power to employ necessary personnel without regard to the

civil service laws or the Classification Act of 1923, as amended. No compensation shall be paid to the members of the board for their services as such members but all costs incurred by the board in carrying out its duties under this act, including the expenditures necessarily made by the members in the performance of their duties and the compensation of persons employed by the board, shall be paid out of funds which are hereby authorized to be appropriated.

SEC. 3. (a) In order to carry out the purpose of the Foundation, the sum of $1,500,000, which is hereby authorized to be appropriated, shall be administered by the board as a trust fund for the benefit of the Polish Library in Paris and the Polish Institute of Arts and Sciences in America. Not to exceed $200,000 of such principal sum may be drawn upon by the board to make immediate grants to the said Polish Library in Paris and the Polish Institute of Arts and Sciences in America for capital improvements and operating expenses, but such grants shall not exceed in the aggregate $100,000 to either institution. The remainder of such principal sum shall be invested and reinvested by the board in such securities as may be lawfully purchased by a trust company in the District of Columbia. The board shall have all the usual powers and obligations of a trustee with respect to the funds administered by it, but the members of the board shall not be personally liable except for malfeasance. The income from the trust funds held and administered by the board shall be paid over by it to the Polish Library in Paris and the Polish Institute of Arts and Sciences in America in such amounts and at such intervals as it shall determine.

(b) The board shall have authority to accept, receive, hold, and administer such gifts or bequests of money, securities, or other personal property, for the benefit of or in connection with the Polish Library in Paris or the Polish Institute of Arts and Sciences in America, as may be made to it. Such gifts or bequests as the board may accept shall be administered in accordance with the terms of the instrument making such gift or bequest and, if no terms are specified, shall be added to the trust funds herein authorized to be administered by the board. The trust funds administered by the board, and any gifts or bequests received by the board, under the provisions of this act, and the income therefrom, shall be exempt from all taxes.

SEC. 4. The board may make suggestions to the governing bodies or officials of the Polish Library in Paris and the Polish Institute of Arts and Sciences in America with a view to coordinating the activities of the two institutions, but nothing contained herein shall be construed as a limitation upon the freedom of action of such institutions.

SEC. 5. The board shall submit to the Congress an annual report of its operations including a statement of the moneys and securities held by it, the income therefrom, and the distribution of such income.

The explanatory statement presented by Mr. MCGRATH is as follows:

STATEMENT BY SENATOR M'GRATH

The last echo of Independence Day fireworks has passed, but the names of those who made that independence possible have not dimmed, even across the expanse of time.

Foremost among those heroic fighters stands Gen. Casimir Pulaski, who founded and financed the first American cavalry force with his own money. And at the Battle of Savannah he gave his life. General Pulaski was not an American, but he was a fervent lover of freedom who came from Poland, a country that has always cherished freedom above all else.

Poland, our traditional ally, has given us more than a great national hero and martyr for our cause; she has steeped our country in her culture and ideals. Her musicians and writers, her artists and singers, her missionaries, teachers, and inventors, her heroic fighters—soldiers, aviators, and seamen—have added, year after year, to the grandeur of General Pulaski's supreme gift.

The history of Casimir Pulaski's native land is proof that through the centuries she has been staunchly faithful to her Christian ideal of religious tolerance and true democracy. Because of these liberal values and because of her geographical position, between the pioneers of two autocratic empires—Germany and Russia—Poland has again and again fallen victim to the rapacious imperialism of her neighbors. But all ruthless efforts to disrupt the unity of the Polish people did not suppress their spirit nor their creative genius. Persecution and oppression failed to sever the indissoluble link between the Polish Nation and western civilization.

Faced with this magnificent nation's record and her fighting sons sacrifice on our behalf, the present fate of Poland is even more incongruous and tragic. It is ours to save now what can be saved of the Polish outposts of spirit and culture, welded and forged by General Pulaski.

The Congress of the United States has in the past made great appropriations to memorialize the foreign heroes of the American Revolution, but for Casimir Pulaski we have no such memorial. And for this nobleman, who counted his own life and fortune as little when the cause of freedom was at stake, a material memorial would seem inexpressive.

It is, therefore, a privilege and honor to introduce a bill for the establishment of the National Pulaski Foundation in order to provide a fitting and permanent memorial in honor of General Pulaski which will serve to perpetuate the ideals of liberty and freedom for which he gave his life in the cause of American independence.

The purpose of the foundation shall be to render assistance to and to make possible the continuation of the Polish Library in Paris and the Polish Institute of Arts and Sciences in America. Both are dedicated to the perpetuation of the cultural traditions of General Pulaski's homeland, in close association with the democracies, free from alien and totalitarian influence and pressures. These two institutions, steeped in the highest concepts of a democratic and Christian way of life, continue to serve as a potent antidote against communistic poison.

The creation of a national Pulaski foundation, dedicated to the memory of the General and the principles which he represented, will be accepted with the constant gratitude of every liberty-loving citizen. The Polish Nation, traditional ally of the United States, will be given new courage to hold fast to its ideal of human rights and to maintain the hope that their own freedom and full independence will be restored.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS—AMENDMENTS

Mr. SALTONSTALL. Mr. President, I submit for appropriate reference amendments intended to be proposed by me to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes. The amendments relate to maritime training of personnel for the manning of the merchant marine.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. MILLIKIN (for himself and Mr. JOHNSON of Colorado) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF NATIONAL HOUSING ACT—AMENDMENTS

Mr. MYERS. Mr. President, on behalf of the Senator from Connecticut [Mr. MCMAHON] and myself, I submit for appropriate reference amendments intended to be proposed by us to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes. The amendments provide unremarried widows of deceased World War II servicemen with the same home-loan privileges under the GI bill as are available to living veterans. I ask unanimous consent that the amendments, together with an explanatory statement by me be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received and appropriately referred, and, without objection, the amendments, together with the explanatory statement presented by the Senator from Pennsylvania will be printed in the RECORD.

The amendments submitted by Mr. MYERS (for himself and Mr. MCMAHON) were referred to the Committee on Banking and Currency, as follows:

On page 76, between lines 20 and 21, insert the following:

"(a) By inserting after the first sentence of section 500 (a) the following new sentence: 'The unremarried widow of any person who met the active-service requirements for benefits under this title and who died, either in service or after separation from service under conditions other than dishonorable, as a result of injury or disease incurred in or aggravated by such service in line of duty (other than any such widow who by reason of her own service is eligible for the benefits of this title) shall also be eligible for the benefits of this title; and the term "veteran" as used in this title shall include any such unremarried widow'."

On page 76, line 21, strike out "(a)" and insert "(b)."

On page 77, line 9, strike out "(b)" and insert "(c)."

On page 77, line 18, strike out "(c)" and insert "(d)."

On page 77, line 23, strike out "(d)" and insert "(e)."

The explanatory statement presented by Mr. MYERS is as follows:

STATEMENT BY SENATOR MYERS

Since S. 2246 undertakes to change the home-loan provisions of the Servicemen's Readjustment Act of 1944—the GI bill—this appears to be the proper place to submit the amendment which the Senator from Connecticut and I have proposed. What our amendment does is to redefine "veteran" for purposes of housing loans to include the unremarried widows of World War II servicemen who died in action, or of servicemen who have died subsequent to the war as a result of service-connected disabilities.

Personally, I cannot see how any Member of the Congress can have any quarrel with such a proposal. In truth, I am shocked that we have already allowed more than 5 years to elapse since the original passage

of the GI bill without having made this obvious and desirable change.

I feel that the wives who were widowed by the war are surely entitled to the same consideration as those who have known the joy of having their husbands return safely from the war.

It is my understanding that the Senate Banking and Currency Committee has already conducted hearings on most of the provisions contained in S. 2246, and it is our hope that in marking up the bill before reporting it out to the Senate that the Banking and Currency Committee will have an opportunity to consider the amendment which we are proposing today.

I might add, incidentally, that S. 2246 is, in my opinion, a splendid measure. For one thing, it carries out a promise made in the Democratic platform of 1948 to do everything which we in the Congress can do to encourage the private financing and construction of decent housing for the American people. It is an answer, too, to those who have criticized the Members of the Congress who supported public housing. What S. 2246 recognizes is that public housing can solve only a very small fraction of the housing problem in this country—that being the fraction of our people who find it utterly impossible to provide themselves with adequate homes. To put an end to the housing shortage, the primary emphasis obviously must be directed along lines of encouraging private building of private homes—and that is exactly what S. 2246 is designed to do.

The amendment which the Senator from Connecticut and I have introduced is designed to further that purpose by extending home-building opportunities to a small, but nonetheless especially deserving group of our people—the unremarried widows of those who have given their lives in serving their country.

### NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. THOMAS of Oklahoma. In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 3838) making apropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

On page 21, line 11, after the word "reservations", insert the following: ": *Provided further*, That jurisdiction is hereby conferred upon the United States District Court for the Western District of Oklahoma of any condemnation proceedings which may be instituted in such court by the city of Lawton, Okla., for the acquisition for municipal and public purposes of all or any part of the following-described tract of land located in Comanche County, Okla.: The north half of section 30, township 2 north, range 11 west, of the Indian meridian.

"Proceeds from the condemnation proceedings shall be deposited in the United States Treasury to the credit of the Fort Sill Indian School: *Provided, however*, That the Secretary of the Interior with the consent of the Kiowa, Comanche, and Apache Indian Tribes may use all or part of such fund to acquire additional lands for the use of the school.

"If any land taken, as herein provided, be used other than for municipal and public purposes, title to same shall revert to the United States."

Mr. THOMAS of Oklahoma also submitted an amendment intended to be proposed by him to House bill 3838, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

### GOVERNMENT FINANCING—ADDRESS BY SENATOR CAPEHART

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD a radio address on the subject of Government financing, delivered by him on July 10, 1949, which appears in the Appendix.]

### ATLANTIC PACT—ATLANTIC UNION

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD a radio discussion between him and Mr. Charles Parmer on the subject of the North Atlantic Treaty, on July 9, 1949, which appears in the Appendix.]

### GOVERNMENT BONDS AND FEDERAL FINANCES—EDITORIAL FROM PHILLIPSBURG, KANS., PHILLIPS COUNTY REVIEW

[Mr. REED asked and obtained unanimous consent to have printed in the RECORD an editorial entitled "Must It Be Done"? published in the Phillips County Review, of Phillipsburg, Kans., of July 7, 1949, which appears in the Appendix.]

### TWO GREAT DELUSIONS ABOUT THE A-BOMB—ARTICLE BY HANSON W. BALDWIN

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "Two Great Delusions About the A-Bomb," written by Hanson W. Baldwin and published in the New York Times magazine for July 10, 1949, which appears in the Appendix.]

### UN IS DOING A JOB—ARTICLE BY A. M. ROSENTHAL

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "UN Is Doing a Job," written by A. M. Rosenthal and published in Collier's magazine for July 9, 1949, which appears in the Appendix.]

### EARLY PRODUCTION OF IRON IN THE UNITED STATES—LETTER FROM J. H. HILLMAN, JR.

[Mr. NEELY asked and obtained leave to have printed in the RECORD a letter dated July 6, 1949, from J. H. Hillman, Jr., to A. L. Moredock, president of the Greene County Historical Society, Waynesburg, Pa., on the subject of early production of iron in the United States, which appears in the Appendix.]

### THE REPUBLICAN PARTY AND THE LABOR VOTE

[Mr. NEELY asked and obtained leave to have printed in the RECORD an article entitled "The Republican Party Doesn't Want the Labor Vote," published in the July 9 edition of the Nation, which appears in the Appendix.]

### THE GEORGE ROGERS CLARK MEMORIAL BRIDGE—ARTICLE BY MAURICE H. THATCHER

[Mr. WITHERS asked and obtained leave to have printed in the RECORD an article relative to the George Rogers Clark Memorial Bridge, by Maurice H. Thatcher, published in the Filson Club History Quarterly, which appears in the Appendix.]

### DO IDENTICAL PRICES INDICATE CONSPIRACY?—ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article "Do Identical Prices Indicate Conspiracy?" written by Harold Fleming and published in the Christian Science Monitor of June 3, 1949, which appears in the Appendix.]

### ADDITIONAL AUTHORIZATION FOR FLOOD-CONTROL WORK IN LACKAWAXEN RIVER BASIN, PA.

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I made July 13, 1949, before the Senate Committee on Public Works in behalf of additional authorization for flood-control work in the Lackawaxen River Basin, Pa.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MYERS, OF PENNSYLVANIA, BEFORE SENATE PUBLIC WORKS COMMITTEE IN BEHALF OF ADDITIONAL AUTHORIZATION FOR FLOOD-CONTROL WORK IN THE LACKAWAXEN RIVER BASIN, WAYNE COUNTY, PA., JULY 13, 1949

My purpose in appearing before you today in behalf of the Lackawaxen Basin flood-control project is merely to remind you again of the importance of this project to the communities and citizens of Wayne County, Pa., in order to insure inclusion in the final flood-control authorization omnibus bill of additional funds.

This project, as you know, is now partially authorized. In order to assure efficient and expeditious work on the entire integrated program on both the Prompton and Dyberry Reservoirs, an additional authorization of $6,000,000 is necessary. The House Committee on Public Works has already approved this additional authorization.

The Lackawaxen flood-control program was first proposed in a bill I introduced in the Seventy-ninth Congress. Unfortunately, it was too late for action at that time because the Commonwealth of Pennsylvania was unable to pass on it in time to have it included in the omnibus authorization bill enacted in July of 1946. I reintroduced the bill in 1947 as S. 1908. When this committee, last year, drafted its omnibus bill, only part of my bill was included in it and authorization was thus given for only one of the two reservoirs.

The feeling on the part of the committee at that time was, I understand, that since we were then in the midst of an inflationary period, Government expenditures for public works activity should be held down to a minimum. Of course, the authorization by itself does not increase Government expenditures by a single cent so that it would not have cost the Government any more had the full authorization of about $12,000,000 been allowed at that time.

That is now just water over the dam, which is perhaps not a good expression to use in this connection. In any event, as a result of the truncated authorization, the Army engineers have been unable to use any of the planning funds available to them for engineering and planning work on the Dyberry Reservoir and will not be able to do so until the Congress corrects the situation by approving the full authorization.

Knowing of your familiarity with this project, I have not felt it necessary to bring down today any of the spokesmen for the citizens of Wayne County in behalf of this authorization request. My own appearance

here, as I said, was prompted by my desire to keep you informed of my continuing interest in this work and I did not want the hearings to end without something in the record to show that the people of Wayne County are very much concerned about this matter.

### IMPROVEMENTS ON MONONGAHELA RIVER FOR NAVIGATION

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I made July 13, 1949, before the Committee on Public Works, on behalf of further improvements on the Monongahela River for navigation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MYERS, OF PENNSYLVANIA, ON BEHALF OF AUTHORIZATION OF FURTHER IMPROVEMENTS ON THE MONONGAHELA RIVER FOR NAVIGATION BEFORE SENATE PUBLIC WORKS COMMITTEE, JULY 13, 1949

Since it will be impossible for me to be present at your hearings tomorrow when you take up the question of further improvements on the Monongahela River, because of some hearings which I am conducting at that time as chairman of a Subcommittee of the Senate Rules Committee, I would appreciate very much your permitting me to speak very briefly right now in behalf of this project and to voice my complete support for it.

The work contemplated under this proposal would be done in the State of West Virgina. A tremendous share of the benefits from this work, however, will accrue to Pennsylvania and to Pennsylvania industry and—because of the nature of the industries which would be benefited—to the entire Nation and particularly to our defense effort.

I shall not take your time to go into the details of the navigation improvement, the deepening of channels and the replacement of obsolescent locks because I know that you know the whole story and that you will have not only the engineers but spokesmen for various business interests before you tomorrow to go into the specifics of the work.

The main thing to remember about these proposed improvements on the Monongahela River is that they fortify the ability of the steel industry to produce at the simply astounding rates which this industry achieved during the war and thereafter. High quality coals of the kind which can be used in steel production will be made available for our Pennsylvania steel mills and for those down the Ohio River in great abundance if this project is approved.

A number of the major coal companies and steel producers have been in touch with me urging my support for this work. I have informed them that although the Senators from West Virginia are taking the primary responsibility for pushing it through, I would join them as vigorously as I could in endorsing this effort.

Last year, and again this year, I appeared before the Senate Appropriations Committee in behalf of funds for reconstruction work now under way on the Monongahela River, both at Braddock, Pa., and at Morgantown, W. Va. In both instances I made rather complete statements on the merits of the work in West Virginia which members of this committee sitting in with the Appropriations Subcommittee in an ex-officio capacity may have heard me make. Those statements which I made in behalf of Lock No. 10 replacement work at Morgantown apply with equal force to the proposed new program providing for replacement of Locks 12 to 15, inclusive, and widening and deepening the channels between existing Dam No. 8 and Mile 2.1 of the Tygart River.

The total first cost of this project as of September 1948 of an estimated $30,000,000 or so may sound like a terrific amount of money—which, of course, it is. However, in relation to the economic benefits to be derived by our basic industries and by the tri-State area directly involved, which constitutes one of the greatest industrial centers of the Nation, the proposed expenditure is thoroughly justified and vitally necessary.

### FLOOD CONTROL PROJECT AT BRADFORD, PA.

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I made July 13, 1949, before the Committee on Public Works of the Senate, relating to the authorization of a flood-control project at Bradford, Pa.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MYERS, OF PENNSYLVANIA, BEFORE SENATE PUBLIC WORKS COMMITTEE IN BEHALF OF S. 625, THE MYERS BILL, TO AUTHORIZE A FLOOD-CONTROL PROJECT AT BRADFORD, PA., AT AN ESTIMATED COST OF $6,470,000, JULY 13, 1949

I very much appreciate the courtesy of this committee in including the Bradford project among those on which hearings are now being conducted. I know, of course, that these current hearings are concerned primarily with projects which the House Committee on Public Works did not cover in their recent hearings and which are not in the bill, H. R. 5472, reported out by the House committee on July 6 and now awaiting action in the House.

The Bradford project is included in the House bill, and thus does not qualify, strictly speaking, for hearing before you now, but since it is based on a survey report authorized by the predecessor Senate committee in 1946, I am trespassing on your time today in order to make sure that you have a full and complete understanding of the merits of this particular project.

In other words, although I am sure that this committee, on the basis of its past experience with this project and knowledge of it, will certainly include it in the final flood control omnibus authorization bill, my appearance today is merely added insurance.

We missed out last year by such a very narrow margin of time in having this project included in the authorization bill that I just don't want to miss any opportunity this year to guarantee its approval.

Briefly, the Bradford project originated under a resolution adopted June 26, 1946, by the Senate Committee on Commerce (which prior to the Congressional Reorganization Act had jurisdiction over these matters) and provided for a review of the existing report on the Ohio River with a view to determining whether or not flood-control work is advisable at the present time on the upper Allegheny River in and around Eldred and Bradford, Pa., in view of the recent floods.

That resolution was introduced by me at the request of citizens of Bradford and vicinity.

Senate Document 20, submitted to Congress early this year, was the result of that resolution. As you know, it recommends vigorously the authorization of the work proposed in my bill, S. 625. This document gives the complete data bearing on the project and I will not take your time to discuss it.

What I do want you to know is that I regard this project as of topmost urgency. In fact, I tried earlier this year to get an initial planning appropriation, at least, for this project, in the appropriation bill for the current fiscal year, even though recognizing how very unusual a procedure that would be. Our main purpose in seeking speed on this project is to make the project eligible for supplemental assistance by the Commonwealth of Pennsylvania, which cannot allocate any money for any part of the local work on the project—work which could now be under way—until the Congress has acted affirmatively on the project.

Last year when I appeared before you, I sought to have this project taken up under emergency procedure even though it had not yet been cleared by the Bureau of the Budget and formally transmitted to Congress. The committee at that time took the position that it would not consider any projects which had not completed this routine formality.

That hurdle is now removed. Further, the official report is available to you and contains all the essential facts. The House Public Works Committee has approved it and recommended it for inclusion in this year's authorization act. The project has complete local support and bipartisan support in the Congress. Spokesmen for the community are here to give you any additional information you may need or want.

Under those circumstances, I do not think it is necessary for me to take any more of your time this morning except to say again that this project proposed in my bill is extremely close to my heart.

### INTERNATIONAL LABOR ORGANIZATION CONFERENCE — REPORT BY SENATOR O'CONOR

Mr. O'CONOR. Mr. President, I have recently returned from Geneva, Switzerland, following attendance upon the thirty-second session of the International Labor Conference as United States Government delegate. It is a duty as well as a pleasure to report to the Senate the nature of that meeting and of the work of the ILO.

The International Labor Organization is distinguished from other United Nations organizations by its tripartite character. Each member nation sends to the ILO Conference two delegates representing Government, one representing employers, and one representing workers.

It is generally agreed that this session, on the basis of its achievements, deserves to rank as one of the most successful in the long history of this phase of international cooperation.

At this point I feel I would be remiss if recognition were not accorded to the very splendid group of delegates and technical advisers constituting the United States delegation. To Philip M. Kaiser, of the United States Department of Labor; to Mr. Charles P. McCormick, of Baltimore, representing the employers; to Mr. George Philip Delaney, of the American Federation of Labor, as the workers' delegate; and to Mr. Walter M. Kotschnig, of the United States Department of State, who acted as substitute Government delegate and adviser, there is due a full measure of appreciation for their outstanding services. In addition, experts in the fields of government, management, and labor acted as advisers to the delegates and participated in the important committee meetings of the Conference.

The conscientious devotion of all to the tasks assigned them was responsible in great degree for the efficiency and success of American efforts in the Conference.

As evidence of the degree of cooperation achieved, it can be cited that the 550 delegates and advisers from the fifty-odd countries represented were

able to agree upon three new International Labor conventions. In addition, five other conventions were revised, three new recommendations were given approval and another revised, while most important resolutions were voted to assist in chartering ILO policy for the future.

From the American standpoint, certainly gratification can be expressed over what was generally regarded as the most important of the three new International Labor conventions. This Convention will require each country that ratifies it to assure its workers the right to organize into trade-unions and to bargain collectively. One need only to recall the unfortunate state of millions of workers now under Russian domination to appreciate the importance of this worldwide objective for improved working conditions.

Other new conventions adopted will assure that workers employed on contracts entered into by public authorities will have at least as favorable wages, hours of work, and working conditions as other workers doing similar work, and will protect workers' wages by guaranteeing that they are to be paid fully in cash directly to those employed.

A revised convention establishing international minimum standards for the protection of persons migrating from one country to take employment in another also is of the highest importance. Other revised conventions established vacation holidays with pay for seafarers, fixed minimum wages for seafarers, established maximum hours, set requirements for the manning of ships, and established standards for the accommodation of crews on board ship.

With the three new conventions adopted and the five that were revised, the International Labor Organization now has achieved an all-time total of 98 international agreements for the betterment of labor-management relationships throughout the world. One of the most vital decisions adopted at the Conference had to do with the economic development of underdeveloped areas, concerning which I had the privilege to dwell in my official answer to the report of the Director-General. The Conference approved a resolution authorizing the governing body of the ILO to make any necessary arrangements to enable the Organization to initiate an expanded program of technical assistance for the development of such undeveloped areas and to obtain the necessary funds.

I ask unanimous consent that the detailed report of the purposes and accomplishments of the International Labor Organization which I have prepared be inserted in the CONGRESSIONAL RECORD at this point, as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF SENATOR O'CONOR, OF MARYLAND, ON HIS MISSION TO THE UNITED STATES GOVERNMENT DELEGATION TO THE THIRTY-SECOND SESSION OF THE INTERNATIONAL LABOR ORGANIZATION AT GENEVA, SWITZERLAND, JUNE 1949

The International Labor Organization was established at the same time as the League of Nations and survived both that Organization and the Second World War. I believe this is due in large part to its tripartite character, which assures the Organization the support of Government, workers, and employers alike. The ILO Conferences provide a unique opportunity for representatives of management and labor to come together with representatives of governments from around the world to agree on those labor standards which, when they are generally ratified and applied, will remove exploitation of labor as an element in international competition.

Both from a humanitarian and a competitive point of view, the United States with its own high labor standards has a special interest in cooperating with other nations in raising labor standards around the world. In seeking solutions of these problems the ILO proceeds by the method of discussion, compromise, and democratic decision which we know so well in the United States.

Representatives of fifty-odd nations participated in the meeting in Geneva—94 Government representatives, 43 representatives of workers' organizations, and 43 representatives of employers. It was an inspiring sight to see men and women from every part of the globe sitting down together to find solutions to their common problems. As I said in a radio broadcast which I was invited to make in Geneva:

"The point of view of the world's working men and women, the point of view of the employers, and that of governments, representing the public interest as a whole, is considered at every stage of the work of the ILO, from the give and take of committees to the decisions of the full conference. And because of the global range of the countries represented here, the point of view of every part of the world is heard and weighed. Thus, in any single committee, you will find sitting together the delegates from countries as different as the United States and Pakistan; the United Kingdom and Venezuela; Czechoslovakia and France."

The creation of the ILO in 1919 was inspired by efforts, beginning in the latter part of the nineteenth century, to get international agreement on some of the most dramatic dangers to workers—protection from certain poisons then used in industrial production and protection for child labor. That great labor statesman, Samuel Gompers, played an important part in its set-up immediately after World War I, and its first meeting took place in Washington.

The chief tools of this unique international organization are conventions and recommendations. The convention is a treaty which pledges the governments which ratify it not to allow labor standards to fall below a certain point. The conventions are not developed hastily, but after careful study and investigation. On the basis of a report by the International Labor Office, a tripartite committee prepares a draft convention which, if it is approved by one session of the Conference, is then circulated to governments. On the basis of comments and criticisms from governments, the Office then prepares a new text which comes before the next session of the Conference. This double-discussion method gives ample time for consideration, debate, and decision at home, before our representatives return to the next session of the Conference for the final vote. It safeguards the Organization from ill-advised action.

After a convention is adopted by the Conference, it is sent to the governments for ratification. The procedure here in the United States is that the Department of Labor, the Department of State, and any other Government agencies concerned consider a convention which has been adopted by the Conference and send it to the President with certain recommendations for action. After the President has considered the convention, and the recommendations of these agencies, he prepares a statement for the Senate, transmitting to them texts of the conventions, and recommendations for action, and in the case of a favorable attitude by the administration, requesting the Senate to give its advice and consent to the ratification of the convention. In cases where concurrent action by the Senate and the House of Representatives will be necessary for the implementation of any of the conventions transmitted, he also sends the House of Representatives copies of the conventions, with a copy of his message and of the report of the administrative agencies involved. When a convention has been ratified by the Senate, it has the force of a treaty, although it is possible under the ILO constitution to revoke the ratification if circumstances seem to warrant such action.

ILO recommendations are prepared on matters which vary so much from country to country that the adoption of a treaty seems inexpedient, but which are of such importance that an international standard, even of a less binding character, seems advisable. These recommendations are used by governments as guides in framing their own laws and administrative procedures.

The administration of every member state, including our own, has the responsibility for reporting annually to the director-general of the ILO on the measures which it has taken to give effect to the conventions which it has ratified. It also has an obligation to report to the director-general at appropriate intervals, as requested by the governing body, the position of its law and practice in regard to the matters dealt with in conventions on which it has not obtained the consent of the Senate for ratification.

This does not mean that the Federal Government should, or even could, ratify every convention which has been agreed to by the ILO. The United States, being a Federal state like Canada, Australia, and a number of other nations which are members of the ILO, does not have the authority to ratify many conventions. In addressing the ILO Conference on June 20, I explained to the delegates that a large proportion of the ILO conventions deal with matters which are in whole or in part subject to the jurisdiction of our 48 individual States. The amendment of the ILO constitution in 1946 provided us with a method of dealing with such conventions. They must be referred to the States, and the States must, in turn, report to the United States Secretary of Labor on the extent to which their law and practice meet the standards of the ILO Convention. A report will then be prepared on the subject for transmittal to the ILO director-general through the Secretary of State.

There are, however, a number of important conventions which are wholly within the jurisdiction of the Federal Government of our great country. There are at the present time pending four ILO conventions on which the President has asked the Senate to give its advice and consent to ratification. They are as follows:

Convention (No. 68) concerning food and catering for crews on board ship.

Convention (No. 69) concerning the certification of ships' cooks.

Convention (No. 73) concerning the medical examination of seafarers.

Convention (No. 74) concerning the certification of able seamen.

I believe that it is extremely important that action be taken on these conventions in the immediate future. As the President said in transmitting them to the Senate:

"Some of the provisions are disappointing to those who had hoped through these instruments to raise substantially the level of standards in all member countries. It is believed, however, that general acceptance of the instruments by member countries will result in definite progress being made where

that progress is most needed. Any such progress will benefit the competitive position of American seafarers and shipowners. At the same time, participation by the United States will necessitate relatively small change in the statutes or regulations of this Government."

Ratification by the United States will be an encouragement to other governments to ratify and will have a wholesome influence in raising labor standards on merchant ships operating under the flags of many other countries. I hope that the Senate will give its approval to the ratification of these conventions in the near future.

I cannot tell you too strongly how thoroughly I believe in our active participation in the International Labor Organization, and would emphasize that such participation means action by this body on whatever conventions are suitable under Federal-State relationships for approval by the Senate. Even in cases where the standards set are below law and practice in this country, a commitment by our Government not to let our labor legislation and regulation fall below the international standards, is an important guaranty that we are participating in this international effort to raise the working and living standards of workers throughout the world.

Whenever a convention is passed, there are many countries whose actual laws and regulations are below it, and lack of ratification is generally taken to mean that the country is unwilling to raise its laws and regulations to the level of the standard. It is very difficult to explain to governments, employers, and workers in other countries that lack of ratification by any nation has been due to the pressure of other work and to the belief in that nation that its own practices are well above the level of the convention.

The Conference just concluded in Geneva approved or revised conventions and recommendations on the application of the principles of the right to organize and bargain collectively, labor clauses in public contracts, protection of wages, vocational guidance, fee-charging employment agencies, and conditions of migration for employment.

The regulation of conditions of migration for employment is clearly a matter for Federal action. I have gone over the provisions of the convention which was approved by the Conference and I believe them to be in line with our accepted practices. I feel certain that the convention will be suitable for ratification by this Government.

In fact, its ratification should be highly important for this Government. It would provide a basis in international law for making arrangements with other governments for migrants coming to this country for seasonal work which would regularize our relations with our neighbors on this subject. It would serve as a protection to our own workers when they go abroad to take jobs in other countries which have ratified it. If we ratify, that very action will serve to encourage other nations to take similar action.

I should be less than frank with the other Members of the United States Senate if I did not inform them that there was considerable comment in this year's session of the Conference regarding the slowness with which ratification has been proceeding since the end of the war.

Many of the governments attending the Conference could report in reply to this criticism that they have been occupied since 1945 with rebuilding cities laid waste by war, struggling to return to prewar levels of production, repairing fields that were ravaged by cannon and by bombs that were dropped from the air, with serious political difficulties arising out of the war, and that they have been unable to devote the necessary time to the consideration of bringing their labor standards into conformance with the ILO conventions.

We also have been greatly occupied with postwar problems, but from the point of view of other countries, we are in a very fortunate position, situated as we are, far from the actual scenes of war. They feel that we should be able to take the time to give serious consideration to the ratification of ILO conventions. I believe that it is extremely important that we pay serious attention to our obligations to this international organization.

I must call to your attention that these obligations include not only study of the conventions and recommendations adopted by the conference and taking action on them but they also include providing adequate financial support for the ILO and for our delegations to its conferences. At the present time our contribution to the ILO budget is, on a relative basis, substantially smaller than our contribution to any other major specialized agency of the United Nations. Any adjustment in the present funds is made impossible by the fact that the Congress has imposed a monetary ceiling upon our contribution to the ILO. While any increase in our contribution should only be made after the most careful consideration, I feel certain that the present monetary ceiling should be reconsidered.

Although conventions and recommendations are among the major tools used by the ILO in the attainment of our common ends, the work of the organization since the war has been developing in a new and, I believe, a very valuable direction. The ILO has always had some members on its staff who were available for technical consultation with member states on the practical aspects and implementation of conventions and recommendations. But the group of consultants who could go out to give assistance to governments which requested expert advice on their own labor problems has always been relatively small.

During the past year the Director General of the organization has been asked by a number of governments in Europe, Asia, and Latin America for assistance with their manpower problems, and has been able to assign a larger proportion of his staff than ever before to such field work. I believe, after my conversations with representatives of governments, workers, and employers in Geneva, that these practical aspects of the ILO work should be expanded.

The organization has responded enthusiastically to the President's proposal in point IV of his inaugural address last January and has prepared proposals for carrying out the intent of the point IV program in the fields where its competence is so well recognized—statistical programs, improved labor standards, conditions of employment, and methods of locating manpower where it will do the most good. Its manpower programs, which were given first priority, should, in my opinion, be considerably expanded and intensified in response to many requests, both of those of single states and of groups of nations working together for economic reconstruction and development.

I was gratified to note from the Director General's report that the ILO had made substantial progress in developing close cooperation with the United Nations and the various specialized agencies, thus avoiding overlapping and waste and making for more effective work programs. As we proceed in the Congress on plans for implementing the technical cooperation program, I believe that we shall find that it will be advantageous from the point of view of economy and from the point of view of making the best use of the United Nations Organizations, as the President has recommended, to give substantial support to the manpower and related programs of the International Labor Organization.

Such action would lessen the danger of economic distress and hardship to labor, and "we must never forget," as I said to the Conference in Geneva, "that labor's welfare is essential to lasting progress. Through the combined efforts of labor, private capital, agriculture, industry, governments, and international agencies, this program can effectively stimulate activity in all nations. No international agency is better prepared than the ILO in terms of experience and field of activity to assist in developing the skills and techniques vital to increased productivity and general economic development."

## DEATH OF AMERICAN NEWSPAPERMEN IN AIRPLANE CRASH IN INDIA

Mr. KEFAUVER. Mr. President, I am sure most of the Members of this body share my sorrow at the loss of some of our great newspapermen in the airplane crash yesterday in India. It was tragic and terrible. Several of those who perished had been on assignments here in Washington, and were well known to many of us.

The loss of these outstanding press representatives is a heavy blow to the newspaper profession, on which the world must depend for information about conditions in far-away places. It is a loss for the millions of newspaper readers and radio listeners who had learned to give validity to reports from these sources.

We grieve at the loss of any outstanding member of the fourth estate. When that loss is multiplied by the simultaneous removal from the scene of a great number, that loss is greatly magnified. I feel that I speak the sentiments of all the Senators as well as of a large segment of American citizens when I extend our sincere sympathies to the families, friends, and professional associates of these fallen great.

## NATIONAL SECURITY COUNCIL AND NATIONAL SECURITY RESOURCES BOARD—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a statement prepared by me, together with comments by the National Security Council and the National Security Resources Board upon the recommendations of the Hoover Commission.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHN L. MCCLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Comment of the National Security Resources Board and the National Security Council upon Hoover Commission recommendations which affect their operations was made public today by Senator JOHN L. MCCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments.

In response to Senator MCCLELLAN'S request for information relative to the views of these agencies the Chairman of the National Security Resources Board, Mr. John R. Steelman, stated that Reorganization Plan No. 4 of 1949, submitted to the Congress by the President on June 20, 1949,

would implement the Commission's recommendation in its report on general management of the executive branch that the Board be made formally, as well as in practice, a part of the President's office. Reorganization Plan No. 4 transfers both the National Security Resources Board and the National Security Council to the executive office of the President.

Sidney W. Souers, executive secretary of the National Security Council, also refers to Reorganization Plan No. 4, pointing out that the Council is presently housed with the executive office, meets in the conference room at the White House, and is in practice a part of the President's office.

The National Security Council takes no stand on Hoover Commission recommendations that the President be authorized by statute to determine its membership and assignments, stating that "No administrative action has been taken with respect to the recommendations of the Commission, since substantive legislation is required for any change in the Council's statutory membership."

In reference to recommendations (recommendation No. 4, the National Security Organization) that "more adequate and effective measures be developed at the working level among the appropriate committees and the Joint Chiefs of Staff on the one hand, and the National Security Council, Central Intelligence Agency, Research and Development Board, Munitions Board, and National Security Resources Board on the other hand," Mr. Souers states that "closer coordination is being achieved" by attendance of the Director, Joint Staff, Joint Chiefs of Staff, at Council meetings and by designation of officers as representatives of the Secretary of Defense to advise, assist, and serve with the Executive Secretary of the Council on Council matters.

As to a Hoover Commission recommendation (recommendation No. 6) for preparation of plans for civilian defense and for internal security in event of war, the Council states: "Over the past year the Council, including the Attorney General as a member for this purpose, has been concerned with the broad problem of internal security. It engaged a special consultant to survey and report this matter. On March 23, 1949, the President approved a National Security Council directive on internal security * * * which establishes under the National Security Council two permanent committees, the Interdepartmental Intelligence Conference and the Interdepartmental Committee on Internal Security, to improve existing arrangements for coordination of internal security activities."

As to "vigorous steps to improve the Central Intelligence Agency," recommended by the Hoover Commission in its report on national security (recommendation No. 4) the Council reports that "last year the Council employed a special group of consultants from outside the Government to survey the Central Intelligence Agency and related intelligence problems, and report its findings to the Council. The Council has considered this survey, has taken some indicated steps for improvement and presently has under advisement additional steps to improve the Central Intelligence Agency and National Organization for Intelligence."

The Hoover Commission's recommendation (Report on Overseas Administration), that the National Security Council is "the logical agency" for a comprehensive study of United States overseas operations and administration, is rejected by the Council on the basis that advice to the President on overseas problems of that nature is not an appropriate function under the National Security Act of 1947, which provides the function of the Council is "to advise the President with respect to integration of domestic, foreign, and military policies relating to the national security," and indicates that no administrative action has been taken nor legislation proposed in this matter.

The full text of Mr. Souer's letter and statement, which concludes with a brief analysis of the Council's personnel, organization, and operations, and the letter from the National Security Resources Board follow:

NATIONAL SECURITY COUNCIL,
*Washington, June 22, 1949.*

Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments, United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR MCCLELLAN: Your letter of May 23 has been received with its request for a detailed report relative to the reports of the Commission on Organization of the Executive Branch of the Government as they affect the National Security Council.

The information requested is forwarded herewith in the enclosure, which lists the various recommendations and textual discussions in the Commission's report affecting the National Security Council. Following each reference there is stated such additional relevant factual information, if any, as might be helpful to the Committee on Expenditures in the Executive Departments in its consideration of the Commission's proposals. There are also comments relative to prospective implementation of the Commission's recommendations, including a summary of administrative actions taken to conform to the recommendations and an analysis of any pending related legislation.

As for the request for additional data relative to subsequent legislative proposals as submitted to the Congress, it is my understanding that the Bureau of the Budget will furnish such data with respect to any subsequent legislative proposals concerning the National Security Council that may be submitted by the President to the Congress.

Your letter stated that the committee would like to be informed particularly concerning economies and efficiencies achieved through administrative action and reorganization in accord with the Commission's recommendations. The Commission made no recommendation with respect to reduction in personnel or operating costs of the National Security Council. However, in view of the committee's interest in general management, personnel management, administrative services, and budgeting and accounting, a brief statement is also attached with respect to the personnel and operations of the National Security Council.

Sincerely yours,

SIDNEY W. SOUERS,
*Executive Secretary.*

COMMENTS ON THE REPORTS OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT AS THEY AFFECT THE NATIONAL SECURITY COUNCIL

1. MEMBERSHIP AND DUTIES OF THE NATIONAL SECURITY COUNCIL

The Commission recommends (Rept. No. 1, H. Doc. No. 55, p. 18), that "The membership and assignment of any Cabinet committee set up to advise the President on important policy issues should be determined by the President." The same report recommends (p. 20) in discussing the National Security Council, the National Security Resources Board, and the National Advisory Council, that "the inflexible composition of these Cabinet-level committees set up by statute should be revised so as to afford a flexible framework within which the President can determine their membership and assignments." The Commission's report on the National Security Organization (Rept. No. 8, H. Doc. No. 86, p. 8) states that the President's authority has been curtailed by statutory stipulations of the membership and duties of both the National Security Council and the National Security Resources Board—the Cabinet committees concerned with vital defense policies."

In accord with the present statutory provisions, the President authorized the Secretary of the Treasury to attend all National Security Council meetings and has from time to time designated other heads of executive departments to attend as members for Council consideration of particular items involving their respective responsibilities. In his absence the President has usually designated the Secretary of State to preside.

No administrative action has been taken with respect to the recommendations of the Commission, since substantive legislation is required for any change in the Council's statutory membership. The President's message to Congress of March 5, 1949, dealt with these recommendations by proposing that the Secretary of Defense be the sole representative of the National Military Establishment on the National Security Council. S. 1843, passed by the Senate and currently before the House of Representatives, provides for the addition of the Vice President as a member and adds the further statutory stipulation that officials of the executive branch, other than the Secretaries and Under Secretaries of executive departments, may be appointed as members by the President by and with the advice and consent of the Senate.

2. ORGANIZATIONAL POSITION OF THE NATIONAL SECURITY COUNCIL

The Commission recommends (Rept. No. 1, H. Doc. 55, p. 21) that the National Security Council and its staff "should be made, formally as well as in practice, a part of the President's office."

The Council and its staff are now housed in the old State Department building together with the Executive Office of the President. The Council meets regularly in the conference room of the White House. The executive secretary, as a member of the President's staff, briefs the President daily on matters relating to the national security. By these and other means the council is already in practice, a part of the President's office.

On June 20, 1949, the President transmitted to the Senate and House of Representatives Reorganization Plan No. 4 of 1949, with respect to the Executive Office of the President (H. Doc. No. 225). This plan proposes that the National Security Council and the National Security Resources Board be transferred to the Executive Office of the President.

3. TEAMWORK

The commission recommends (Rept. No. 8, H. Doc. No. 86, p. 19) "that more adequate and effective measures be developed at the working level among the appropriate committees of the Joint Chiefs of Staff on the one hand and the National Security Council, Central Intelligence Agency, Research and Development Board, Munitions Board, and the National Security Resources Board on the other hand."

From the time of the establishment of the Council, the Director, Joint Staff, Joint Chiefs of Staff, has frequently attended Council meetings as an assistant to the Secretary of Defense and has served as an informal consultant on the working level to the executive secretary of the Council.

Recently, the Director, Joint Staff, Joint Chiefs of Staff, has been officially designated as the Representative of the Secretary of Defense to advise and assist, as a consultant, the executive secretary of the National Security Council on Council matters, together with similarly placed consultants designated by the other Council members. Furthermore, an officer of the Joint Staff has also been designated to serve the executive secretary as a member of the NSC staff together with similarly detailed officers from the other participating departments and agencies. In this fashion closer coordination is being achieved

on the working level between the Joint Chiefs of Staff and the National Security Council.

4. INTERNAL SECURITY

The Commission recommends (Rept. No. 8, H. Doc. No. 86, p. 21) that steps be taken under the President's direction to prepare plans for civilian defense and that "similar action should be taken under the President's direction with respect to internal security. No clear allocation of responsibility has been worked out among the agencies involved. The Commission believes that the problem in this area is one of determining what needs to be done and designating administrative responsibility.

Over the past year the Council, including the Attorney General as a member for this purpose, has been concerned with the broad problem of internal security. It engaged a special consultant to survey and report to it on this matter.

On March 23, 1949, the President approved a National Security Council Directive on Internal Security, attached hereto as enclosure A. This directive establishes under the National Security Council two permanent commitees, the Interdepartmental Intelligence Conference and the Interdepartmental Committee on Internal Security to improve existing arrangements for the coordination of internal security activities.

5. CENTRAL INTELLIGENCE AGENCY

The Commission recommends (Rept. No. 8, H. Doc. No. 86, p. 19) "That vigorous steps be taken to improve the Central Intelligence Agency and its work."

Last year the Council employed a special group of consultants from outside the Government to survey the Central Intelligence Agency and related intelligence problems and report its findings to the Council.

The Council has considered this survey, has taken some indicated steps for improvement, and presently has under advisement additional steps to improve the Central Intelligence Agency and national organization for intelligence.

6. ADMINISTRATION OF OVERSEAS AFFAIRS

The Commission recommends (Rept. No. 18, p. 17) that "The Congress direct a comprehensive study to be made of the entire problem of overseas operations and administration" and suggests that the National Security Council would seem to be "the logical agency" for such a study.

The National Security Act of 1947 provides that the function of the Council is to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security. * * * Advice to the President on problems of overseas operations and administration does not therefore appear to be an appropriate function of the National Security Council.

In view of the fact that the Commission's recommendation is directed to the Congress, however, no administrative action has been taken no legislation proposed on this matter.

7. PERSONNEL AND OPERATIONS OF THE NATIONAL SECURITY COUNCIL

For the information of the Committee on Expenditures in the Executive Departments, the following information concerning the personnel and operations of the National Security Council is forwarded herewith.

As provided in the National Security Act of 1947, the Council is assisted by a staff which performs necessary staff functions, including the preparation of studies and the conduct of surveys for the Council.

The NSC staff, including the executive secretary, consists of 31 individuals. Approximately one-half of them are detailed from the departments and agencies represented on the Council. The other half are permanent career employees of the Council, carefully selected on the basis of experience and qualifications and for loyalty as determined by a full FBI investigation. The organization of the staff is deliberately kept flexible so there can be an interchange of duties whenever desirable.

The Council's budget for the current fiscal year is $200,000, the bulk of which is for personnel service of the Council staff. Administrative services for the Council are furnished by the established facilities of the General Intelligence Agency in order to obviate the necessity for creating a special administrative organization.

In addition to detailed members and permanent employees on its staff, the Council from time to time employs on a temporary basis for specific projects highly qualified consultants from outside the Government. Eight consultants have been so employed to date and have proved of great assistance in advising the Council on specialized and technical matters.

The present personnel and operations of the Council's staff represent an effort on the part of the Council to provide itself with a staff of minimum size required for the discharge of its serious responsibilities. Experience to date has demonstrated that the Council's staff is propertly organized, although it is still kept in a flexible form to permit any change that future circumstances may make desirable.

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NATIONAL SECURITY RESOURCES BOARD,
*Washington, June 23, 1949.*

Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.*

DEAR MR. CHAIRMAN: This is in reply to your letter of May 23, 1949, in which information is requested relative to the application of recommendations of the Commission on Organization of the Executive Branch of the Government with respect to the National Security Resources Board. With your letter you enclosed two documents based on the reports and task force appendixes of the Commission.

As you know, the Commission made no specific recommendations with regard to internal management and organization of the Board. However, following his signing the Reorganization Act of 1949 (Public Law 109) this week, the President submitted to the Congress several reorganization plans. One of these is Reorganization Plan No. 4, covering into the Executive Office of the President both the National Security Resources Board and the National Security Council.

It is believed that the President's action is pertinent to your present inquiry in view of the Commission's recommendation concerning NSRB on page 21 of its report entitled "General Management of the Executive Branch" that this agency be made, formally as well as in practice, a part of the President's Office.

The objectives sought to be achieved by plan No. 4 are fully set forth in the message to the Congress which accompanied the plan (H. Doc. 225).

Sincerely yours,

JOHN R. STEELMAN.

## THE PEOPLE'S DEMOCRATIC DICTATORSHIP—ARTICLE BY MAO TSE-TUNG

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks the text of an article entitled "The People's Democratic Dictatorship," written by Mao Tse-tung to commemorate the twenty-eighth anniversary of the birth of the Communist Party of China, on July 1, 1949. This is the first complete text I have seen. Because of its importance, I feel that every Member of the Senate should have an opportunity to read it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PEOPLE'S DEMOCRATIC DICTATORSHIP

(By Mao Tse-tung)

July 1, 1949, means that the Communist Party of China has passed through 28 years. Like a man, it has its childhood, youth, manhood, and old age. The Communist Party of China is no longer a child or a youth in its teens, but it is an adult. When a man reaches old age, he dies. It is the same with the party. When classes are eliminated, all the instruments of class struggle, political parties, and the state apparatus will, as a result, lose their functions, become unnecessary and gradually wither away, end their historical mission, and travel toward the higher plane of the society of mankind.

We are quite different from the political party of the bourgeoisie. They are afraid to talk of abolishing classes, state authority, and the party. But we, however, openly declare that we struggle hard precisely for the creation of conditions to accelerate the elimination of these things. The Communist Party and the state authority of the people's dictatorship constitute such conditions. Anyone who does not recognize this truth is no Communist.

Young comrades who have just joined the party and have not read Marxism-Leninism may not understand the truth. They must understand this truth before they can have a correct world outlook. They must understand that all mankind has to travel along the road of eliminating classes, state authority, and party. The question is only one of time and conditions.

PREPARATION FOR WORLD COMMUNISM

The Communists in the world are more intelligent than the bourgeoisie. They understand the law of the existence and development of things. They understand dialectics and see farther ahead. The bourgeoisie do not welcome the truth because they do not want to be overthrown by the people. To be overthrown—like the Kuomintang reactionaries being overthrown by us at present and like Japanese imperialism having been overthrown by us and peoples of various countries in the past—is painful and is inconceivable to the overthrown.

For the working class, laboring people, and Communists, the question is not one of being overthrown but of working hard and creating conditions for the natural elimination of classes, state authority, and the political party, so that mankind will enter the realm of world communism. We have here touched on the perspective of the progress of mankind to explain the following questions.

Our party has passed through 28 years. Everybody knows that they were passed not peacefully, but under difficult surroundings. We had to fight against enemies within the country and abroad and within and outside the party. Thanks to Marx, Engels, Lenin, and Stalin who gave us weapons. These weapons are not machine guns by Marxism-Leninism.

Lenin in his book, Left-Wing Communism—An Infantile Disorder, written in 1920, described how the Russians sought for a revolutionary theory. After several decades of hardships and tribulations, they eventually discovered Marxism. Many things were the same or similar in China and Russia before the October revolution. The feudal oppression was the same. The economic and cultural backwardness was similar. Both countries were backward, and China is even more backward. Progressive people struggled hard to seek for revolutionary truth to bring about national recovery. This was the same.

WESTERN TEACHINGS SOUGHT

Since China lost the Opium War in 1840, the advanced Chinese underwent countless

tribulations seeking for the truth from the western countries. Hung Hsu-chuan, Kang Yu-wei, Yen Fu, and Sun Yat-sen represented this group of people who sought for truth from the west before the birth of the Communist Party in China.

At that time the Chinese who sought for progress read all the books that contained new western teachings. The students sent to Japan, England, America, France, and Germany reached a surprising number. Efforts were made to learn from the West. The old examination system of officialdom was abolished and schools multiplied.

What I learned in my youth were also such things. They were the culture of western bourgeois democracy, or the so-called new school of learning which included the sociological doctrines and natural sciences of that time and which were antagonistic to the culture of China's feudalism, or the so-called old school of learning. For quite a long time, people who learned the new knowledge were confident believing that it was sure to save China. Apart from people of the old school, very few of the new school expressed doubt. To save the country, the only way is to enforce reforms, and to enforce reforms, the only way is to learn from foreign countries. Of the foreign countries at that time, only the western capitalist countries were progressive. They had successfully established the modern bourgeois state.

The Chinese also wanted to learn from the Japanese. To the Chinese of that time, Russia was backward and very few people wanted to learn from her. This was how the Chinese learned from foreign countries during the period from the forties of the nineteenth century.

Imperialist aggression shattered the dream of the Chinese to learn from the West. Really strange, why do teachers always invade students? The Chinese learned much from the West, but what they learned could not be put into effect. Their ideal could never be realized. The conditions of the country worsened day by day, the environment was such that the people could not live. Doubt sprang up, grew, and developed.

The First World War shook the whole world. The Russians carried out the October Revolution, creating the first socialist country in the world. Under the leadership of Lenin and Stalin, the revolutionary energy of the great Russian proletariat and laboring people, which had lain hidden and could not be seen by foreigners, suddenly erupted like a volcano. The Chinese and all mankind then looked differently at Russians. Then, and only then, the Chinese from the fields of ideology to life entered an entirely new era. The Chinese founded the universal truth of Marxism-Leninism which holds good everywhere, and the face of China was changed.

POSSIBILITY FOR WORLD COMMUNISM CREATED

The patterns of the western bourgeoisie, the bourgeois democracy, and the pattern of the burgeois republic all went bankrupt in the minds of the Chinese people. The bourgeois democracy gave way to the people's democracy under the leadership of the proletariat, and the bourgeois republic gave way to the people's republic. A possibility has thus been created to reach socialism and communism through the people's republic, and to attain the elimination of classes and attain world communism.

Kang Yu-wei wrote a book about world communism, but he did not and could not find the road to it. The bourgeois republic existed in foreign countries but could not exist in China, because China is a country oppressed by imperialism. The only road to the elimination of classes and to world communism is through the people's republic under the leadership of the working class.

All other things had been tried and had failed. Of those who yearned for something else, some had fallen, some had awakened to their mistake, and some are changing their minds. Events developed so swiftly that many people felt surprised and the need to learn anew. This state of mind of these people is understandable and we welcome such good intentions to learn anew.

The vanguards of the Chinese proletariat learned Marxism-Leninism after the October revolution and established the Communist Party of China. Following this, it entered into political struggle and traveled a zigzag path for 28 years, before gaining a basic victory.

From the experiences of 28 years, just as from the experiences of the 40 years in the will of Sun Yat-sen, a common conclusion has been already reached, namely: "The firm belief that to attain victory we must awaken the masses of the people and unite ourselves in a common struggle with those peoples of the world who treat us on the basis of equality."

Sun Yat-sen has a different world outlook from us, and started out from a different standpoint to observe and deal with problems, but on the problem of how to struggle against imperialism in the 1920's of the twentieth century, he arrived at a conclusion which was in basic agreement with ours.

TRAVEL THE ROAD OF THE RUSSIANS

The Chinese found Marxism through the introduction of the Russians. Before the October revolution, the Chinese not only did not know Lenin and Stalin, but also did not know Marx and Engels. The gunfire of the October revolution sent us Marxism-Leninism. The October revolution helped the progressive elements of the world and China to use the world outlook of the proletariat as the instrument for observing the destiny of the country and reconsidering their own problems. Travel the road of the Russians—this was the conclusion.

In 1919 the May 4 movement occurred in China, and the Communist Party of China was formed in 1921. During his period, Sun Yat-sen came across the October revolution and the Communist Party in China. He welcomed the October revolution, welcomed Russian help to Chinese, and welcomed the Communist Party of China to cooperate with him.

Sun Yat-sen died, and Chiang Kai-shek came into power. During the long period of 22 years, Chiang Kai-shek dragged China into hopeless straits. At this period, the anti-Fascist Second World War, with the Soviet Union as its main force, defeated three big imperialist powers, weakened two other big imperialist powers, and only one imperialist country in the world, the United States of America, suffered no loss. However, the domestic crisis of America was very grave. She wanted to enslave the entire world, and she aided Chiang Kai-shek with arms to slaughter several millions of Chinese. Under the leadership of the Communist Party of China, the Chinese people, after having driven away Japanese imperialism, fought the people's war of liberation for 3 years and gained a basic victory.

TWO BASIC EXPERIENCES GAINED

Twenty-four years have elapsed since Sun Yat-sen's death, and under the leadership of the Communist Party of China, Chinese revolutionary theory and practice have made big strides forward, fundamentally changing the features of China. Up to the present, the Chinese people have gained the following two basic experiences:

1. To awaken the masses in the country. This is to unite the working class, the peasant class, the petty bourgeoisie, and the national bourgeoisie into a united front under the leadership of the working class and develop into a state of the people's democratic dictatorship, led by the working class, with the alliance of workers and peasants as its basis.

2. To unite in a common struggle with those nations of the world who treat us on the basis of equality and the peoples of all countries. This is to ally with the Soviet Union, to ally with the new democratic countries of Europe, and to ally with the proletariat and masses of the people of other countries to form an international united front.

"You lean to one side." Precisely so. The 40 years' experience of Sun Yat-sen and the 28 years' experience of the Communist Party have made us firmly believe that in order to win victory and to consolidate victory, we must lean to one side. The experiences of 40 years and 28 years show that, without exception, the Chinese people either lean to the side of imperialism or to the side of socialism.

NO THIRD ROAD EXISTS

To sit on the fence is impossible. A third road does not exist. We oppose the Chiang Kai-shek reactionary clique who lean to the side of imperialism. We also oppose the illusion of a third road. Not only in China but also in the world, without exception, one either leans to the side of imperialism or the side of socialism. Neutrality is a camouflage, and a third road does not exist.

"You are too provoking." We are talking of how to deal with domestic and foreign reactionaries, that is, imperialists and their running dogs, and not of any other people.

With regard to foreign and democratic reactionaries, the question of provoking does not arise, for whether there is provoking or not does not make any difference as they are reactionaries.

Only by drawing a clear line between reactionaries and revolutionaries, only by exposing the designs and plots of the reactionaries, arousing vigilance and attention within the revolutionary ranks, and only by raising our own morale and taking down the arrogance of the enemy can the reactionaries be isolated, conquered, or replaced.

In front of a wild beast you cannot show the slightest cowardice. We must learn from Wu Sung (one of the 108 heroes in the famous historical novel All Men Are Brothers) who killed a tiger on the Chingyang Ridge. To Wu Sung, the tiger on the Chingyang Ridge will eat people all the same whether you provoke it or not. You have to choose between the alternatives of either killing the tiger or being eaten by it.

DIPLOMATIC RELATIONS BASED ON EQUALITY

"We want to do business." Entirely correct. Business has to be done. We only oppose domestic and foreign reactionaries who hamper us from doing business, and do not * * * people. It should be known that it is not any other than imperialists and their lackeys, the Chiang Kai-shek reactionary clique, who hamper us from doing business with foreign countries and even hamper us from establishing diplomatic relations with foreign countries.

Unite all forces at home and abroad to smash domestic and foreign reactionaries and there will be business, and the possibility of establishing diplomatic relations with all foreign countries on the basis of equality, mutual benefits, and mutual respect of territorial sovereignty.

"Victory is also possible without international aid." This is an erroneous thought. In the era when imperialism exists, it is impossible for the true people's revolution of any country to win its own victory without assistance in various forms from international revolutionary forces, and it is also impossible to consolidate the victory even when it is won. The great October revolution was thus won and consolidated as Stalin had told us long ago. It was also in this way that

the three imperialist countries were defeated and the * * * in the east Europe liberated. This is and will be the case with the People's China at present and in the future.

Let us think it over. If the Soviet Union did not exist, if there were no victory of the anti-Fascist Second World War, and especially, for us, no defeat of Japanese imperialism, if the various new democratic countries of Europe did not come into being, if there were no rising struggles of the oppressed nations in the west, if there were no struggles of the masses of peoples in the United States, Britain, France, Germany, Italy, Japan, and other capitalist countries against the reactionary clique ruling over them, and if there were no sum total of these things, then the international reactionary forces bearing down on us would surely be far greater than that at present.

Could we have won victory under such circumstances? Obviously not. It would also be impossible to consolidate the victory when it was won. The Chinese people have had much experience about this. The remark made by Sun Yat-sen before his death about joining hands with international revolutionary forces reflected this experience long ago.

NO NEED FOR UNITED STATES-BRITISH AID

"We need the aid of the British and American Government." This is also a childish thought at present. At the present time, rulers in Britain and the United States are still imperialists. Will they extend their aid to a people's state? If we do business with these countries, or supposing that these countries are willing in the future to lend us money on the condition of mutual benefits, what is the reason for it? This is because the capitalists of these countries want to make money. The bankers want to gain interest in their own crisis; theirs is no aid to the Chinese people.

The Communist Parties and progressive parties and groups in these countries are now working to bring about business with us, and even to establish diplomatic relations with us. This is well meant, this is aid, and this cannot be spoken of in the same breath together with the acts of the bourgeoisie in these countries.

During his lifetime, Sun Yat-sen had many times appealed to the imperialist countries for aid. The outcome was futile and instead met with merciless attacks. In his lifetime, Sun Yat-sen received international aid only once and that was from the U. S. S. R. The reader can refer to the will of Dr. Sun, in which he did not ask the people to look for aid from imperialist countries, but earnestly bade them to unite with those peoples of the world who treat us on the basis of equality. Dr. Sun had had the experience: had been duped. We must remember his words and not be duped again.

Internationally, we belong to the anti-imperialist front, headed by the U. S. S. R., and we can only look for genuine friendly aid from that front, and not from the imperialist front.

You are dictatorial. Yes; dear gentlemen, you are right and we are really that way. * * * The experiences of several decades amassed by the Chinese people tell us to carry out the people's democratic dictatorship, that is, the right of reactionaries to voice their opinion must be deprived, and only the people are allowed to have the right of voicing their opinions.

Who are the "people" at the present stage in China? They are the working class, the peasants, the petty bourgeoisie, and the national bourgeoisie. Under the leadership of the working class and the Communist Party, these classes unite together to form their own state and elect their own government to enact dictatorships over the lackeys of imperialism—the landlords, the bureaucratic class, and the Kuomintang reactionaries and their henchmen, representing these classes to oppress them and only allow them to behave properly and not allow them to talk and act wildly. If they talk and act wildly they will be prohibited and punished immediately.

The democratic system is to be carried out within the ranks of the people, giving them freedom of speech, assembly, and association. The right to vote is given only to the people and not to the reactionaries. These two aspects, namely, democracy among the people and dictatorships over the reactionaries, combine to form the people's dictatorship.

Why should it be done this way? It is very obvious that if this is not done, the revolution will fail, the people will meet with woe and the state will perish. "Do you not want to eliminate state authority?" Yes; but not at present. We cannot eliminate state authority now. Why? Because imperialism still exists, the domestic reactionaries still exist, and classes in the country still exist. Our present task is to strengthen the people's state apparatus, which refers mainly to the people's army, people's police, and people's court, for national defense and protection of the people's interests, and with this as condition, to enable China to advance steadily, under the leadership of the working class and the Communist Party, from an agricultural to an industrial country, and from a new democratic to a Socialist and Communist society, to eliminate classes and to realize world communism. The army, police, and court of the state and instruments for classes to oppress classes. To the hostile classes, the state apparatus is the instrument of oppression. It is violent, and not "benevolent." "You are not benevolent." Just so. We decidedly do not adopt a benevolent rule toward the reactionary acts of the reactionaries and the reactionary classes.

We only adopt a benevolent administration among the people and not toward the reactionary acts of the reactionaries and reactionary classes outside the people.

The people's state protects the people. Only when there is the people's state is it possible for the people to use democratic methods on a nation-wide and all-around scale to educate and reeducate themselves, to free themselves from the influence of reactionaries at home and abroad (this influence is at present still very great and will exist for a long time and cannot be eliminated quickly—NCNA) to unlearn the bad habits and thoughts acquired from the old society and not let themselves fall on the erroneous path pointed out by the reactionaries, but to continue to advance and develop toward a Socialist and a Communist society.

The methods we use in this field are democratic, that is, methods of persuasion and not coercion. When people break the law, they will be punished, imprisoned, or even sentenced to death. But these are some individual cases and are different in principle from the dictatorship over the reactionary class as a class.

REEDUCATION WORK

After their political regime is overthrown, those of the reactionary classes and the reactionary clique will also be given land and work and a means of living to reeducate themselves anew through work, provided they do not rebel, disrupt, or sabotage. If they are unwilling to work, the people's state will compel them to work.

Furthermore, political work, propaganda, and educational work will be carried out among them, and moreover, carefully and adequately, as we did to captured officers. This can also be said to be benevolent administration, but this is what we enact through compulsion to those of a formerly hostile class, and it * * * be mentioned, beside concrete education work among revolutionary people.

Such reeducation of the reactionary classes can only be carried out in the state of the people's democratic dictatorship. If this work is well done, the main exploiting classes of China—the landlord and bureaucratic capitalist classes—will be finally eliminated.

As for the remaining exploiting class, the national bourgeoisie, much appropriate education work can be carried out among many of that class at the present stage. When socialism is realized, that is when the nationalization of private enterprises will be carried out, they can be further educated and reeducated. The people have in their hands a powerful state apparatus and are not afraid of the rebellion of the national bourgeois class.

The grave problem is that of educating peasants. The peasant economy is scattered. According to the experiences of the Soviet Union, it requires a very long time and careful work to attain the socialization of agriculture. Without the socialization of agriculture, there will be no complete and consolidated socialism.

IMPORTANCE OF WORKING CLASS

The revolutionary dictatorship and the counterrevolutionary dictatorship are opposite in nature. The former learned from the latter. This learning is very important, for if the revolutionary people did not learn the methods of ruling over counterrevolutionaries, they would not be able to maintain their regime, which would be overthrown by the reactionary cliques at home and abroad. The reactionary cliques at home and abroad would then restore their rule in China and bring woe to the revolutionary people.

The basis of the people's democratic dictatorship is the alliance of the working class, the peasant class, and the urban petty-bourgeois class, and is mainly the alliance of the working class and the peasant class because this class constitutes 80 to 90 percent of the Chinese population. It is mainly the strength of these two classes which overthrows imperialism and the Kuomintang reactionary clique. The passing from the new democracy to socialism mainly depends on the alliance of these two classes.

The people's democratic dictatorship needs the leadership of the working class, because only the working class is most farsighted, just, unselfish, and richly endowed with revolutionary thoroughness. The history of the entire revolution proves that without the leadership of the working class, the revolution is bound to fail, and with the leadership of the working class, the revolution is victorious.

In the era of imperialism, no other class in any country can lead any genuine revolution to victory. This is clearly proved by the fact that the Chinese national bourgeois class led the revolution many times and failed.

The national bourgeois class is of great importance at the present stage. Imperialism is still standing near us, and this enemy is very fierce. A long time is required for China to realize true independence economically. Only when China's industries are developed, and China no longer depends on foreign countries economically, can there be real independence.

The proportion of China's modern industry in the entire national economy is still very small. There are still no reliable figures at present, but according to certain data, it is estimated that modern industry only occupies about 10 percent of the total production output in the national economy of the whole country.

To cope with imperialist oppression, and to raise the backward economic status one step higher, China must utilize all urban and rural capitalist factors which are beneficial and not detrimental to the national economy and the people's livelihood, and unite with the national bourgeoisie in the common struggle.

CAPITALISM WILL PLAY MINOR PART

Our present policy is to restrict capitalism and not to eliminate it. But the national bourgeois class cannot be the leader in the revolutionary united front, and also cannot occupy the main position in the State. The national bourgeoisie class cannot be the leader of the revolution and should not occupy the main position in the institutions of the State, because the social and economic status of the national bourgeois class has determined its feebleness, its lack of foresight, its lacking in boldness, and fear of the masses by many of them.

Sun Yat-sen advocated "awakening the masses" or "helping the peasants and workers." Who is going to awaken and help them? To Sun Yat-sen this meant the petty bourgeoisie and the national bourgeoisie. But this is in fact unfeasible. Sun Yat-sen's 40 years of revolutionary work was a failure. Why? Because in the era of imperialism it is impossible for the petty bourgeoisie and national bourgeoisie to lead any real revolution toward success.

Our 28 years were entirely different. We had plenty of invaluable experiences, and the following were our three main experiences: (1) A party with discipline, armed with the theories of Marx, Engels, Lenin, and Stalin, employing the methods of self-criticism, and linked up closely with the masses; (2) an army led by such a party; (3) a united front of various revolutionary strata and groups led by such a party.

These mark us off from our predecessors. On these three things we have won the basic victory. We have traversed tortuous paths and struggled against rightist and leftist and opportunistic tendencies within the party.

DIFFICULT ROAD AHEAD

Whenever serious mistakes were committed in these three things, the revolution suffered set-backs. The mistakes and set-backs taught us, making us wiser. Thus, we were able to do better work. Mistakes are unavoidable for any party or person, but we demand that less mistakes are committed. When a mistake is committed, correction must be made: The quicker and the more thoroughly the better.

Our experiences may be summarized and boiled down into the following single point—the people's democratic dictatorship based on the workers' and peasants' alliance led by the working class (through the Communist Party—NCNA). This dictatorship must unite in concert with international revolutionary forces. This is our formula, our main experience, our main program.

In the 28 years of the party we have only done one thing, and that is, we have won the basic victory. This is worth celebrating because it is the people's victory and a victory in a large country like China.

But there is plenty of work before us, and like walking, what has been done in the past is simply the first step in the 10,000-mile-long march. Remnants of the enemy have still to be wiped out, and the grave task of economic construction lies before us.

Some of the things with which we are familiar will soon be laid aside, and we are compelled to tackle things with which we are unfamiliar. This is difficult. The imperialists bank on the belief that we are unable to tackle our economic work. They look on and wait for our failure.

We must overcome difficulties, and master what we do not know. We must learn economic work from all who know the ropes (no matter who they are—NCNA). We must acknowledge them as our teachers, and learn from them respectfully and earnestly. We must not pretend that we know when we do not know. Do not put on bureaucratic airs. Stick to it, and eventually it will be mastered in a few months, 1 or 2 years, or 3 to 5 years.

At first, many of the Communists in the U. S. S. R. also did not know how to do economic work, and the imperialists also waited for their failure. But the Communist Party of the Soviet Union won. Under the leadership of Lenin and Stalin they not only could do revolutionary but also reconstruction work. They have already built up a great and brilliant Socialist state.

The Communist Party of the U. S. S. R. is our best teacher, from whom we must learn. We can wholly rely on the weapon of the people's democratic dictatorship to unite all people throughout the country except the reactionaries, and advance steadily toward the goal.

## CAPT. JOSEPH G. FEENEY

Mr. BRIDGES. Mr. President, I desire to say a word in commendation of the President's appointment of Capt. Joseph G. Feeney as his legislative assistant.

Captain Feeney is well known to Members of the Senate who for a period of years closely observed the Captain's able work as a Navy Department attaché in the Senate Office Building. We are all deeply appreciative of his understanding of the problems which were laid before him from time to time and of the cooperative manner which was typical of his visits to our offices. Captain Feeney was an able naval officer and I am sure will be a help to the President in his new position. His friendly personality will be welcomed again here on the Hill, and I wish him well in his new work.

## NEED FOR INCREASED COMPENSATION FOR POSTAL EMPLOYEES

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received from a postal employee in the State of Oregon, pointing out the serious consequences which will flow from the failure of the Congress at this session to pass a fair pay-increase bill for the postal employees of the Post Office system. No one can read this letter without recognizing the fact that our failure to act on this and similar issues at this session of Congress will have a serious effect on human lives throughout the Nation. All I wish to say is that I hope the Members of my party will not adopt a course of action of false economy in respect to appropriation bills which involve the livelihood of Government employees. The Post Office employees are entitled to a fair increase in salary, and I hope that Mr. Cadwell's letter will impress Members of the Senate with the need for such an increase.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *June 29, 1949.*

HON. WAYNE MORSE,
*Senator From Oregon,*
*Senate Office Building,*
*Washington, D. C.*

MY DEAR SENATOR MORSE: A person begins to feel that you are the only friend we have left in Congress. I am referring to your past and present cooperation on behalf of postal families throughout the Nation. It is heartbreaking to see the procrastination of the House and Senate Post Office and Civil Service Committees regarding the much-needed salary legislation we have been begging for with the only means at our disposal.

Maybe my letter will ring a familiar sound, because we have corresponded back and forth several times in the past. If you can possibly get the floor I beg of you to read the following in the Senate:

This is an urgent appeal to all the Members of the Senate from a Navy veteran, college graduate, postal clerk for more than 7 years, father of three children, and a lieutenant in the Volunteer Naval Reserve, serving without pay. Since my release from the naval service in June of 1946 it has been a losing battle to establish myself as a home owner able to provide at least a minimum existence for my wife and children on the pitifully inadequate pay of a postal clerk. We finally were able to build a double garage to live in with the hopeless dream that some day we might continue to build a home alongside so that our American children might have an American home in this rich America which so freely provides billions for foreign food and shelter, and at the same time holds out an almost empty palm of crumbs to the pleading hundreds of thousands of members of postal families.

Have any of you Senators been forced to live in a double garage while working for the richest Nation on the face of the earth? Have any of you come home at midnight from work to find your wife, who is expecting a child, and your two children lying unconscious in a double garage as a result of carbon monoxide from the heating stove? I have—and I am a United States postal employee at the mercy of the Congress of the richest country on the face of the earth. I almost lost my entire family in the aforementioned event. I saw the resultant pneumonia and anemia that followed. I saw doctor bills and living costs soar beyond my reach. I have seen even greater sickness because of no funds to provide at least a little preventative medical attention. And in proof of this the eminent Dr. Bilderback, head of the children's clinic in Portland, Oreg., recently advised us that our youngest daughter is suffering from malnutrition brought on by living in the small confines of a double garage, leaving her in a highly nervous state. She is also suffering from anemia, flat feet, and a crooked back—all brought on by this malnutrition and substandard of living due to the poor income of a postal clerk to provide proper food, medical attention, and a proper home. That child is only 2½ years old—what kind of future life have you men of Congress in view for her—it's up to you.

The health and possibly the lives of my children and those of thousands of other postal families may lie in your hands. Congress is entirely responsible for the living conditions of all of us postal families. We are not asking for surpluses or luxuries—just a reasonable American existence. Can any one of you count how many new suits you have purchased in the last 3 years. Can any one of you enumerate how many new dresses your wife has bought in the past 3 years. Maybe you can't, but I can, because since my release from the Navy 3 years ago my wife has been able to purchase one wash dress and I have yet to be the proud owner of a new suit. We all wear hand-me-down clothes—and those are the only so-called new things we have. This is the existence of a native American family, whose head is a Navy veteran working in a responsible position in the only money-making department of the Government.

We postal families are decent, skilled, and educated people. We have a solid, religious, American family life—a strong link in the backbone of a better America. Help us keep faith with you, our fellow Americans, and get S. 1772 in the Senate and passed without any more inexcusable delay.

Mr. MORSE, if my appeal is in order and it is possible for you to read that above in the

Senate, you will have my continued gratitude—my esteem for you as a real representative of the people is already unsurpassed—and I am a Democrat at that.

Respectfully yours,

JACK W. CADWELL.

## THE EXCISE TAX ON FURS

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared on the subject of repeal of the nuisance excise tax on furs. I ask unanimous consent that it be printed in the body of the CONGRESSIONAL RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENTS BY SENATOR WILEY ON EXCISE TAX REPEAL ON FURS

On previous occasions in the Senate, I have called attention to the critical burden on American industry which is presented by nuisance excise taxes. As my colleagues will recall, I had introduced an amendment to S. 2023 for comprehensive excise tax repeal, as well as a bill, S. 1029, for tax reduction. I have pointed out in previous comments how vigorously the people of Wisconsin support this effort to rid them of the burden which has plagued them and the other 47 States for so long.

I should like at this time to comment upon one particular industry which has felt the ruinous impact of wartime excises. I refer to the fur industry—both as regards fur breeding, in which Wisconsin plays so important a role, and retail sales. Within the past hour, for example, I have received a letter from a furrier in Oshkosh, Wis., stating:

"Since February 28 we have not sold a coat, a startling difference from other years when people bought furs in every month of the year."

Also within the last few moments, I received a fine letter from the able president of the American Fur Breeders Association, whose headquarters are in Wausau, Wis. I refer to Dr. L. J. O'Reilley. Dr. O'Reilley commented upon the chaotic market of the fur industry. He kindly endorsed my efforts for excise tax repeal, and emphasized how essential it is to achieve this objective in the form of bill H. R. 3905, as amended.

Earlier today, I was happy to confer in my office with the chairman of the National Fur Tax Committee, Mr. Julius Green, of New York. He pointed out to me the problems of the fur industry, and indicated how urgent and how crucial is the battle to relieve this industry of the terrible burden upon it.

The men who know the fur industry best have written to Members of Congress pointing out their plight. They are not asking any special favor. All they are asking is that the Congress take off a burden which is harmful to their industry and to the American people. Surely America is not benefited when a whole industry is smashed because of ruinous taxes. Surely the Federal Treasury is not benefited when wartime taxes are so high that consumer purchases are discouraged.

At this time, I should like to have some prominent fur people speak up on this issue for themselves, as contained in their telegrams and letters to me. I ask unanimous consent that certain communications which I have received be printed at this point in the CONGRESSIONAL RECORD, starting off with a telegram which I received from the aforementioned Mr. Julius Green.

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NEW YORK, N. Y., *July 4, 1949.*

Hon. ALEXANDER WILEY,
*Senate Office Building,*
*Washington, D. C.:*

You undoubtedly know that on June 30 the Senate Finance Committee passed amendment H. R. 3905 to amend section 3121 of the Internal Revenue Code. This amendment calls for the reduction of the wartime 20-percent Federal excise tax on furs to 10 percent.

I respectfully urge you on behalf of the entire fur industry of the United States to vote in favor of this bill, as our industry is suffering indescribable hardship as a result of consumer resistance to the outlived 20-percent war levy.

Our organization is national and takes in farmers, trappers, breeders, traders, dressers, dyers, dealers, retailers, and dozens of other byproduct interests as well as about half a million workers throughout the country who are mostly idle at this time and on unemployment relief, in addition to white-collar employees. The number connected with the entire industry undoubtedly mounts into the millions. There is hardly a State where there is not a great percentage of the population who do not depend on the fur industry for a livelihood. Fur garments are an essential part of the well-being and warmth for the women of America.

It is my firm belief that this tax decrease will more than double the purchasing power and thereby incur no revenue loss to the Government.

Your approval of this amendment will earn the deep gratitude of your constituents and of the country at large.

Sincerely,

NATIONAL FUR TAX COMMITTEE,
JULIUS GREEN, *Chairman.*

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A furrier in Milwaukee writes:

"You undoubtedly know that June 30 the Senate Finance Committee passed amendment H. R. 3905 to amend section 3121 of the Internal Revenue Code. This amendment calls for the reduction of the wartime 20-percent Federal excise tax on furs to 10 percent.

"I respectfully urge you on behalf of the entire fur industry of the United States to vote in favor of this bill, as our industry is suffering indescribable hardships as a result of consumer resistance of the outlived war levy of the 20-percent tax.

"Our industry included farmers, trappers, breeders, traders, dressers, dyers, dealers, retailers, small manufacturers, and dozens of other byproduct interests as well as about half a million workers throughout the country, most of whom are idle at this time and on unemployment relief, as well as white-collar employees. The number connected with the entire industry undoubtedly mounts into millions.

"There is hardly a State where there is not a great percentage of the population who do not depend upon the fur industry for a livelihood. Fur garments are an essential part of the well-being and warmth for the women of America.

"It is my firm belief that this tax decrease will more than double the purchasing power and thereby no revenue loss to the Government. Your approval of this amendment will earn the deep gratitude of your constituents and of the country at large."

A furrier in Sheboygan writes:

"The day is gone when people are buying an article without considering the price and what they are paying for. And, they just don't want to pay the tax on furs, so they don't buy them.

"Last year our fur business was nil. We would have been better off if we would have had no fur coats in our store at all.

"Unless the excise tax on furs is lifted, or greatly reduced, we will not stock taxable furs at all for the coming season.

"The issue has been so beclouded by repeated publicity of excise taxes being removed or reduced, that we believe it imperative to take some action to clear the situation.

"To add to the confusion, the Revenue Department now considers certain types of fur coats as being tax exempt. This is a very complicated formula and it is very difficult to explain to the customer why some fur coats are tax free and others are not."

A furrier in Appleton writes:

"I desire to make clear my approval of the Senate Finance Committee's action of June 30, 1949, concerning the reduction of the retail excise tax to 10 percent. It has been a burden long enough and should be reduced.

"Many of my customers have voiced their opinion that they believe the war taxes should not be carried over into the present as a method of taxation. It is a great burden on the customer to pay an additional 20 percent to receive a good that is worth only the material and labor plus a fair rate of return.

"This tax has kept the fur industry at a disadvantage while other industries received subsidies. We feel that our position of inequality must be adjusted now.

"I heartily approve of Senator JOHNSON'S amendment and hope that the Senate of the United States will remove this impediment to a return to a normal market."

A furrier in Oshkosh writes:

"We are in the fur business—buying raw skins from trappers and small dealers and also having money invested in a mink ranch.

"I need not tell you about the terrific slump in the fur business all the way from the trapper to the manufacturer for you are probably bombarded with complaints from a number of constituents.

"This letter is for the purpose of letting you know that your battle on our behalf for a reduction of the fur tax and a curb on foreign dumping of skins here is being watched and appreciated. We hope that you and Senator MCCARTHY will not cease the fight until it is won and we hope that that can be accomplished during the present session of Congress.

"The fur trade—and I'm speaking now for fur buyers like ourselves and small mink ranchers—has taken a beating the past few years and the future looks worse unless that tax is reduced or eliminated. Certainly a fur coat selling say for $400 or less should not be considered a luxury—it is a necessity for plenty of working girls.

"Thank you again for your efforts in our behalf and I hope they add up to success before this session of Congress adjourns."

## AMERICAN CONTRIBUTIONS TO WESTERN EUROPEAN SECURITY

Mr. THOMAS of Utah. Mr. President, on July 8, for myself and the Senator from Illinois [Mr. DOUGLAS], I introduced in the Senate Concurrent Resolution No. 52 which outlines plans for procedures and actions which will modify the Charter of the United Nations. If the United Nations Charter should be modified as the resolution suggests, it would tend toward overcoming the veto, making the Security Council stronger and guaranteeing the universality of the Charter. It was deemed best not to bring up the resolution for action while the Atlantic Pact was being considered, but at the time of the preparation of the resolution in March, I prepared a statement to be used in connection with consideration of the resolution. Mr. President, I now ask unanimous consent that this statement, prepared in March 1949, be made a part of my remarks and inserted in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ELBERT D. THOMAS IN CONNECTION WITH THE INTRODUCTION OF A RESOLUTION ON AMERICAN CONTRIBUTIONS TO WESTERN EUROPEAN SECURITY

Mr. President, the North Atlantic Pact has been signed. It will come before us in a formal way whenever the President of the United States deems it proper to send it to the Senate. The signing of the pact represents the culmination of a series of efforts on the part of nations to attempt to provide a substitute for war. It has behind it many theories. The regional nature of the pact might imply a divided world but the continuous reference to the United Nations leaves the pact in a universal realm based upon the concept of one world.

No matter what the world is politically, even if nations divide up into economic blocks, the world nevertheless remains one economically. Whether trade shall be carried on freely between people unhampered by national restraint or carried on only under the auspices of nations in the international sphere remains to be seen. The ideal in accordance with American theory if not practice—a theory based upon the notion of American Dollar Democracy—leaves the ideal of the one world, economically speaking, the primary purpose of the pact. It recognizes first of all the vast community of interest among whom in theory an aggressor will not arise. The secondary aspect of the pact represents the theory that there may be aggression from without this community of interest and that the aggressor can be stopped and even put down if there is unity backed by force of the nations of the same community of interest. The pact invites a continuous adhesion of other states. Therefore, the community of interest can be world wide. Thus the pact, in reality, represents the basic theory advanced during the First World War and afterward that war anywhere is of concern to all everywhere.

As far as the pact goes an aggressor in international law has now become defined and the theory that nations may unite to throw the preponderant force against an aggressor state is accepted as fundamental. Thus the nations which have signed the pact have accepted in toto the theory of the possibility of an enforced peace depending upon the use of strength in a united way against an erring state or an attacking aggressor. These theories themselves mark definite strides in the onward march of nations in an attempt to stop war. Those strides are consistent with what was said by the great statesman a generation ago who pointed out that war anywhere was a concern to all anywhere. Or to quote it briefer, war is of concern to all. It also accepted the theory which was then pointed out by this same great statesman that government always, in its final analysis, rests upon force. The force need not be expressed and the theory of the pact is that it will never be expressed. In our own constitutional development we in America have learned that while all of our institutions are backed in theory by force, force is seldom called upon in our contests between our States or between a State and the whole nation. Thus the peaceful process is substituted for force which has been proved a possibility in the Federal experience of the United States. The hope for the pact is that that possibility will be proved in an international sphere. Thus, all that has been done is consistent with what has gone before, since the theory of force cannot be removed from government without destroying government. Since the theory of force therefore cannot be removed from international control without destroying that control it is in the nonexercise of this theory that the world's hope, the real desire of nations, will be fulfilled.

Now let us review what we in America have done toward bringing us to this position. It can be done step by step and it may be done step by step to the advantage of the thinking of all. Not every step will be repeated in these few remarks but the outstanding ones toward the development of this theory will be pointed out. First of all, World War I proved the fallacy of what was called the balance of power. Peace, depending on a balance, was destroyed the minute there was a preponderant weight on one side of the balance. The development of the war between Germany and France into a World War and then our own entrance into the war, the invention of the submarine, the use of the airplane, the zeal with which nations, far removed from the center of the fight, came to the aid of allies, to use their own expression, were probably thinking desperately of their own "self-interest." Nations who need not have been parties to the conflict inevitably soon became parties. In the beginning and later, with our entrance, the whole world became aflame. And while many of our people refused to accept the theory that war was of universal concern, the notion of our not being drawn in prevailed in the thinking of our people. Still, as we look back, we realize that those who saw the actual conditions recognized the truth.

In rapid succession there was developed the theory for an enforced peace after the war came to an end, the theory of a League of Nations to enforce the peace, the World Court to settle the disputes, and the machinery of government to preserve in a common interest has a definite reference in the Atlantic Pact. But to preserve the territorial integrity a sovereign independent nation has is reflected not only in the League of Nations Covenant but also in the United Nations Charter. Alliances were still to be deemed, especially by America, as probably bad even though we were able to outlaw the secret alliances. Americans will always, because of their early heritage, take the stand that regional pacts, League of Nations Covenants, United Nations Charters, and agreements for universal action are in reality not alliances and they definitely are not alliances in the old way in which the nations accepted the theory of the offensive and defensive alliance technique. War for the purpose of advancing a national interest has been outlawed by an almost universal treaty. War as an instrument of national accomplishment remains outlawed and with the condemnation of the aggressor, as we have it in the Atlantic Pact, war as an instrument for the advancement of a national interest remains outlawed. Therefore, if we call the pact an alliance, it is an alliance only in the sense of the new concept of international law which in theory at least bans war as a proper process to be used by a nation in obtaining its objects. In this mere recital comes a condemnation of the acts of aggression carried on by Mussolini, Hitler, Tojo, and their allies. Those dictators refused to accept the theory of the nonuse of war in the accomplishment of a national objective. The world has legally contained the action of the aggression of the Second World War. It therefore infers a condemnation of the actions of any future aggressor and in addition to that, the democratic nations of the world surely condemn any state which has control by a single will. In other words, it matters not how much we may point out that there is inconsistency in what the world is doing or may be doing. The fact remains that those states where nations act for and in behalf of the wills of their peoples have become the states which are recognized as the forward-looking among the nations. Single-will action is despotism. It is an invitation to tyranny. It represents the ease with which former aggressors have been able to act. Therefore, states thus organized received justly the condemnation of the states where the peoples will should prevail.

In another way, then, the Atlantic Pact represents an almost universal acceptance of a concept of popular sovereignty. How, then, could America stand in any other place than the place she stands today in not only supporting and furthering, if not actually leading, in the culmination of that past and the universal acceptance of the theory behind it. Now, we have not reached the ideal. That can come only through actually living the near ideal.

I have read lately that an act of Massachusetts passed in the early seventeenth century which forbade settlement in Massachusetts of the residents of Rhode Island has just been repealed. I am sure there was no need of that repeal. The facts, the conditions, the theory of our Federal system made the old law, if it was a law, a dead letter; and if we will live the theory of the pact, the force element in it may soon become a dead letter.

Why were the American States so interested in each one having military rights and privileges? Was it entirely against foreign aggressors they were thinking? No; even we of the United States were suspicious of one another, and we did fight a war between States. But such a recurrence, possible still in theory, seems utterly absurd in fact. Why? It is because we have learned how to live in such a way that the preponderant will or the preponderant force, if you please, of the United States is turned against an erring individual State. The will of a Supreme Court decision is not questioned; neither is a resort to arms for its enforcement. Thus, the processes of peace move forward. America rejected the League Covenant. She did not adhere to the World Court. We were late in becoming a member of the International Labor Organization. Thus, America has been slow in moving into world organizations. In fact, we made definite stands against it and attempted other techniques in our aim to preserve peace in the world.

In 1935 we resorted to an enlarged concept of our former theory of neutrality in an attempt to preserve peace of the world.

In 1935–36, when we were discussing the Neutrality Act, I offered an amendment which provided for a consultation among neutrals before we should act alone in attempting to stay aloof from a controversy by withholding arms from nations which resorted to war. If we had united neutrals in an action against an aggressor or against states resorting to war, we could have then used the preponderant force of antiwar nations against an aggressor.

The mandatory nature of the Neutrality Act, and the fact that neutrality was generally interpreted as meaning impartiality, caused new embarrassment which we extended to act equally upon the aggressor, as well as the victim of aggression. Then, too, we deemed that the Neutrality Act did not extend to civil strife. When the Spanish Civil War broke out, we discussed the necessity of modifying the act. We did not change the mandatory nature of the act. Therefore, in extending the act to civil war, we inadvertently caused the act to operate in favor of the stronger faction. When the trouble in Abyssinia broke out, the Neutrality Act kept us from taking sides, despite the fact that we all recognized there was an aggressor. We realized, therefore, that our Neutrality Act could, indeed, become an immoral act by supporting a wrongdoer.

I introduced in 1939 an amendment to the Neutrality Act providing that when the President found that a state which was a signatory to a treaty to which the United

States was a party was engaged in war with another state in violation of such treaty, he might exempt the other state from the provisions of his proclamations if that state was not engaged in war in violation of such treaty. Because of the situation in which the United States found herself under the act of 1935, and its renewal in 1936, I felt that such an amendment was necessary in order not to have the law apply equally upon an aggressor and the victim of the aggressor. That amendment did remove the impartial aspect of the theory of neutrality.

In the hearings on this subject held by the Senate Foreign Relations Committee, Henry L. Stimson stated:

"For example, take our old attitude toward the question of aggression in war which has been the basis of our attitude toward neutrality. In the former World War we had a doctrine that in considering the controversies of our neighbors across the Atlantic or across the Pacific we could entirely disregard the question of aggression and treat both sides with perfect impartiality without trying to make any inquiry into the rights or the wrongs of the origin of their conflict. But today the fact of systematized aggression stares us in the face and we know only too well who the aggressors are. * * * We also know only too well who their victims are, both present and potential."

What we were attempting to do was to curb the aggressor. America has always been afraid to define and take a stand against an aggressor. This fact is rather clearly shown in the hearings and the discussions on my amendment which would have lifted the embargo in favor of a victim of aggression.

When I introduced my amendment to the Neutrality Act I did not have administration support for it but by the late summer of 1939 conditions in Europe had become so apparently dangerous that the administration did recommend something in the nature of my amendment. But in a meeting of the Senate Foreign Relations Committee held on July 12, 1939, the committee voted against taking any action. I, myself, believed then that that vote would be accepted as a green light by the aggressors of Europe—that it would be proof that America was going to remain aloof. Within a few weeks the world knew that my deduction was not an improper one. War broke out in Europe. It has been said time and time again both on this floor and at other places that the Kaiser would not have acted had he not thought that America would remain aloof and that Hitler and Mussolini would have restrained themselves had they known that their actions would have brought America into their war. I do not know how true those assertions were but boldness lends itself to boldness and nations on a rampage are like individuals on a rampage. They become desperate. When Tojo ordered the attack on Pearl Harbor in December 1941 the Axis Powers had become so bold in their successful aggression that they felt they could withstand the power of the whole world. Thus, I think anyone is justified in saying that if we can unite the world against an aggressor the aggression will not take place.

In these difficult times when many of the nations of the world are attempting to make a just and lasting peace, the world should organize itself in such a way that an aggressor can be stopped when he breaks out. These nations must make cooperation for the prevention of war, work. The spirit of the pact must be lived up to or we may kill the United Nations or at least the universality of the United Nations.

The world today finds itself in much the same position as the United States did back in the 1860's. We cannot allow aggressor nations to destroy world unity we are attempting to create any more than President Lincoln could have allowed the Southern States to withdraw and thereby destroy our national unity. All our thoughts should be toward preserving the entity regardless of the attacks and indignities we have to put up with.

In the light of world conditions and the comparative size of the earth in modern times, it is ridiculous to think out a foreign policy with just one part of the world as a problem. The global policy is the only valid one for us to pursue as trustees of the Pacific. With our position in the Americas that is also true. With our prospects of becoming a member of the North Atlantic Pact it is more than ever true. With the position that we occupy in the world as a result of the recent war, this policy must be fundamental for America.

We want, of course, to see unity in Europe. But unity cannot come to Europe as long as fear, distrust, and suspicion hold the hearts of men there. And any arrangement of nations for a balance of power destroys unity. Forced unity will always depend on oppression which in turn invites disunity. If we build a united Europe as a result of the hatred of some other part of the world it will be impossible to ever drive fear and suspicion from any part of the world. Hatred and fear are elements that divide. It is trust that makes for unity.

We are being asked to participate in an alliance among the Atlantic powers under which a war against one would be considered a war against all. Such a commitment is necessary to convince any possible aggressor upon western Europe that it will have us to deal with. We are committed to assist the western European nations economically and have already contributed billions to their revival. We cannot permit this policy to fail because the nations of Europe fear that we will not support them by force if necessary.

It may be asked why a new agreement is necessary. We have committed ourselves in the United Nations Charter to take whatever measures may be decided upon by the Security Council whenever that body determines the existence of any threat to the peace, breach of the peace, or act of aggression. This commitment, however, does not assure action because of the veto; furthermore, the commitment is dependent upon agreements placing forces at the call of the Security Council, and such agreements have not been made. The Security Council, therefore, lacks capacity to act and forces to back up its action if it should be able to obtain the necessary vote.

To carry out the spirit of our commitments, to support our policy in western Europe, and to protect our interests, we must make more explicit commitments.

Twelve years ago I had the honor of addressing this body on Washington's birthday, and drew attention to a statement said to have been made by Washington supplementing his Farewell Address. According to this statement, Washington suggested that in time we might "safely and perhaps beneficially take part in the consultations held by foreign states for the advantage of the nations." Extensive research has failed to discover that Washington actually used those words, although in a letter to Lafayette he did refer to himself "as a citizen of the great republic of humanity at large." The statement which Secretaries of State Seward and Olney, as well as others, have attributed to Washington, was entirely in the spirit of the Farewell Address. In the latter historic statement, he declared that our true policy "was to steer clear of permanent alliances with any portion of the foreign world."

We have now joined a universal organization to maintain international peace and security. Let us consider carefully whether to abandon the advice of Washington and of Woodrow Wilson, who on January 27, 1917, while urging that the Monroe Doctrine be extended to the world in a universal League of Nations, proposed that "all nations henceforth avoid entangling alliances which would draw them into competitions of power." Such alliance with a portion of the foreign world, to use Washington's phrase, may be necessary. Conditions change, and the theory of progress, which has characterized our country from its very beginning, requires that we be always ready to adapt our policies to new conditions. But let us ask whether in order to give the effective assurances which western Europe needs we must abandon the principle of universality.

The proposal which I shall present on behalf of myself and the junior Senator from Illinois [Mr. DOUGLAS] is not in opposition to the Atlantic Pact but an extension of it. By leaving it open to every member of the United Nations, I think we can accomplish our object without bypassing the United Nations and without involving ourselves in dangerous competitions of power.

The object of the resolution which I shall offer proposes a method to organize military action, by the agreeing members of the United Nations, without the veto and without bypassing the United Nations.

The proposal does not in any way reduce the inherent right of the United States or any other member of the United Nations to act individually in case of armed attack, as permitted by article 51 of the Charter, but it proposes a supplementary convention which would permit those who ratify it to act collectively whenever the General Assembly by a two-thirds vote, including three of the principal powers, calls upon them to do so.

The United Nations has not created a sense of security in the world because the voting procedure of the Security Council has not, as anticipated, promoted unity of the Great Powers, but instead has facilitated the insistence by a single power that the majority must yield to its demands. The Charter cannot be easily amended because unity of the Great Powers is required for such action. In these circumstances, we must not be discouraged but must search for other means to make the United Nations work. Supplementary agreements by the powers who wish to make it work is one method.

We have made one such agreement at Rio de Janeiro, uniting the American powers for security. The five nations of western Europe have made another such agreement. Regional arrangements of this kind are within the spirit of the Charter, as well as its letter. They carry out the historic tendency for closer economic, cultural, and political union of areas long related.

It may be that the Soviet Union would not join such a supplementary treaty. Let us, at least, give them the opportunity. If they accept, the United Nations will become workable because the veto is eliminated. If they refuse, then those who join will have an instrument assuring collective action against aggression and in particular assuring western Europe that our assistance will be immediate and adequate. The continuous sitting of the interim committee of the General Assembly makes it practicable for the General Assembly itself to meet immediately, and experience has shown that in an emergency it can act promptly. If the United States, Britain, and France are united in a need for action, if an emergency is obvious, the necessary two-thirds vote in the Assembly would not be wanting.

We live in times of uncertainty and change. We must be ready to adopt new methods while retaining our principles and what we can of our traditions. Let us reaffirm our faith in the United Nations and devise methods which will make it meet the needs of the time.

## EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of

the United States submitting the nomination of Col. Roy Hartford Parker, O12565, Chaplain, for appointment as Chief of Chaplains, United States Army, and for appointment as major general in the Regular Army of the United States, which was referred to the Committee on Armed Services.

THE NORTH ATLANTIC TREATY—RESERVATION

Mr. WHERRY submitted a reservation intended to be proposed by him to the resolution of ratification of the North Atlantic Treaty, signed at Washington on April 4, 1949 (Ex. L., 81st Cong., 1st sess.), which was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

At the end of the resolution of ratification insert the following:

"The United States of America understands and construes articles 3 and 9, and all other provisions of this treaty as in no way, moral or legal, committing or obligating any signatory thereto to furnish or supply arms, armaments, military, naval, or air equipment or supplies to any other signatory, prior to such action as each signatory may take pursuant to article 5 through and subject to its own legal or constitutional process, which, in the United States of America requires action by its Congress."

THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. HENDRICKSON. Mr. President, as a new Member, I rise with some diffidence to participate in this debate on the ratification of the North Atlantic Treaty. Two reasons that lead me to do so may be of interest to the Members of this body. One is that the right we are now exercising—that of consenting to or rejecting a treaty of alliance—is one that the people of my own State, New Jersey, insisted on exercising more than a century before the Federal Constitution transferred this right—not without the intervention of New Jersey—to the Members of the United States Senate. It seems to me that I would be remiss in my duty if I did not exercise, on so important an occasion, this right which stems from the democracy of New Jersey, particularly when there are other lessons to be drawn from its history that can throw light on the problems we face here now.

I say this right stems from New Jersey, but more accurately I must say that it comes from that part of New Jersey—west New Jersey—where my own forebears from Sweden settled in about 1638, and where I live today. It is widely forgotten that two separate colonies, independent of each other, once divided the territory now comprising the State of New Jersey. There was the colony of West New Jersey, and there was also the colony of East New Jersey. The people of the latter agreed upon their constitution in 1683; but 2 years earlier, in 1681, the people of West New Jersey had set up theirs. I quote from the preamble of that ancient instrument, so that the Senate may see how deeply rooted in my home community are the free principles this North Atlantic Treaty aims, in its preamble, to safeguard:

For the good and welfare of our posterity to come, we, the Governor and proprietors, freeholders, and inhabitants of west New Jersey, by mutual consent and agreement, for the prevention of innovation and oppression, either upon us or our posterity, and for the preservation of the peace and tranquillity of the same, * * * do make and constitute these, our agreements, to be as fundamentals to us and our posterity, to be held inviolable, and that no person or persons whatsoever shall or may make void or disannul the same upon any pretense whatsoever.

The fundamental agreements that followed set up a general assembly to be elected annually by the people, and provided that the Executive "shall not send ambassadors, or make treaties, or enter into an alliance upon the public account without the consent of the said general free assembly."

In that provision the people of west New Jersey asserted the right that we are exercising here today.

Later the two colonies peacefully united. After that united colony declared its independence as the State of New Jersey, the proposal came to unite it with the other 12 States under a common government in order to safeguard the liberty and security of its people from the dangers that mere alliance—the Articles of Confederation—had not sufficed to overcome. At the Federal Convention that explored this possibility in 1787, the delegates from New Jersey led the fight to preserve the sovereign equality of the States, both small and large. The result was that the people of every State enjoy equal voting power in this body, the United States Senate, the one House without whose consent no treaty can bind the people of the United States, including that portion of them who are also the people of New Jersey.

I feel that I would not be doing my duty by them if on this grave occasion I did not use this historic right to speak for them. I would feel remiss for another reason, too, and it is the second reason why I venture to rise at this time. It happens that I am one of those who saw active service in western Europe in the United States Army in both World War I and World War II. It seems to me that this experience should contribute something to this debate on a treaty which is presented as a means of preventing world war III.

I have listened to my eminent and eloquent colleagues who have spoken for and against ratification, and my mind is troubled over the position that I myself should take.

Mr. President, I am deeply concerned by the constitutional point developed so ably by the distinguished Senator from Missouri [Mr. DONNELL] and the distinguished Senator from Utah [Mr. WATKINS]. I would safeguard the right of Congress to declare war, but I am bound to say that I would safeguard even more carefully the Constitution as a whole.

As I see it, Mr. President, we face two dangers. One is that some day the Executive may use the language of this treaty to usurp the constitutional right of Congress to declare war. The other danger is that if we leave doubt of what we shall do, an autocrat will once more precipitate a world war, on the mistaken assumption that the democracies of the North Atlantic will not stand together at the show-down. Such a foreign attack would certainly increase the danger of Executive usurpation of power in the United States much more than does this treaty, even by the worst construction one can put on its language. Such a foreign attack also carries with it the danger that an aggressor could win by surprise and could destroy our whole Constitution.

From my reading of the history of nations—and I have tried to read much—I observe that treaties such as the one now before us have always been found wanting, when tried. No matter how strong their language, they still have proved uncertain. Often they have culminated in disputed interpretations and discord among the nations involved, and too often they have led to war. Both the nature and the record of treaties of alliance encourage the potential aggressor to treat them as uncertain elements, and to attack one of the allies on the gamble that one or more of the others will then find some good reason to justify standing aloof, despite the treaty.

If we refuse to ratify this North Atlantic Treaty after it has not only been signed here in Washington by the Secretary of State but unanimously recommended to us by the Foreign Relations Committee and urged on us as strongly by its leading Republican Member as by its chairman, then, Mr. President, I must admit that we would greatly increase uncertainty as to what the United States would do in the event of aggression.

If, unsatisfied with the assurances we have received from the Senator from Texas [Mr. CONNALLY], and the Senator from Michigan [Mr. VANDENBERG] that the treaty text does safeguard the constitutional rights of Congress, we spell out these rights in reservations, we shall also, I fear, encourage the potential aggressor to believe that we are so uncertain an element that he can pick off the democracies of Europe one by one as did Hitler.

Since such uncertainty encourages aggression, and since such attack endangers the whole Constitution, I have come to the conclusion, Mr. President, that, on this count alone, the wisest and safest course lies in ratifying the treaty as it stands.

But, Mr. President, another danger troubles me even more than the constitutional one which the senior Senator from Missouri and the junior Senator from Utah dwelt upon so eloquently. It is the danger which the junior Senator from Vermont [Mr. FLANDERS] so ably portrayed, the danger, as he said, that the battlefield is not where the North Atlantic Pact conceives it to be, that it marks one more step toward the pyramiding of a load of national expenditures which we shall ultimately find it impossible to bear, and that we shall be drawn into the budgetary ambush which Joseph Stalin and his associates have set for our destruction.

It is not World War I or World War II that we are seeking to prevent now, but

world war III. The autocracy which endangers peace and freedom now is not that of Germany, but the Communist dictatorship in Moscow. Since the time of Frederick the Great, German autocracy has sought to expand by military invasion of its neighbors. The army has long been the chief instrument of German aggression. The North Atlantic Treaty aims to secure the democracies from armed invasion. But armed invasion is not the favorite instrument of Communist expansion. Since the days of the Communist Manifesto, the Communists have relied on revolution to gain power. They have developed to a high degree the technique of conspiracy and the fifth column. They count on hard times, economic depression, monetary inflation to deliver other countries to them from within by revolution or civil war. They counted on an economic crash in the United States delivering at least Europe to them soon after World War II. The crash did not come; instead we set out with the Marshall plan to rebuild Europe. The Kremlin sought then to hasten the overdue American crash by retarding recovery in Europe by strike, sabotage, propaganda, and above all by keeping the Western World fearful of a Red Army attack, thus discouraging enterprise in Europe, diverting men, materials, machinery, and money from civilian production to rearmament, piling up costs for our European friends and for us.

What protection does the North Atlantic Treaty give against this kind of attack? That is the question. What security does it give against a Communist dictatorship whose best hope of winning the world lies not in actually invading others with its Red Army but in maintaining enough threat of such invasion to keep the West jittery, and thus induce its economic crash? What value has this alliance against an aggressor who plots to conquer without war—German-style war?

I said a little earlier that the aim of this treaty is to prevent world war III, but in a sense world war III is already upon us. For the dictatorship we now face seeks to win by the weapons of the so-called "cold war." And it is winning that war.

That is the view of Mr. Will Clayton, former Under Secretary of State for Economic Affairs. Testifying before the Foreign Relations Committee on May 4, as shown by page 378 of the hearings, he said:

> ECA is doing its work well, indeed. Without it the battle of Europe would be lost. But even with ECA, Europe will not be in balance with the rest of the world by 1952, nor, in all probability, by 1962, unless the democracies radically alter their present course, because, on balance, Russia is winning the cold war.
>
> The democracies are on the defensive. Wars are not won that way. Total costs to the democracies are taxing their economies excessively. In our own case the burden may get too heavy, even for our strong back.
>
> But we dare not lay it down. Soon we must decide between additional taxes and deficit financing. Either route is fraught with grave danger to democratic government and free enterprise. Some less costly road to peace than the one we are now following must be found.

Later, questioned by the junior Senator from Arkansas [Mr. FULBRIGHT], at pages 386–387 of the hearings, Mr. Clayton said:

> I say that I think Russia is winning the cold war because I notice the great expansion that is taking place in two or three items in our budget. If you would refer to one military item for ourselves, the ECA, lend-lease, which is military arms, which is sure to come, and things of that kind, you will see that they compose at least one-half of our total national budget.

He said further:

> While there are good reasons to argue that the Atlantic Pact should have the effect of reducing these costs, I think that we would be a little naive to expect that that would be the actual result. I think the actual result is going to be the other way round. I think that the costs are likely to increase instead of reduce. And I think that, under the present conditions of our economy, if we should have a modest recession in economic activity in the country—which is not entirely out of the cards—we would find the burden very heavy. Our tax revenues would, under those circumstances, considerably decline.
>
> Senator FULBRIGHT. Which would require an increase in the rate to compensate for the decrease, which in itself tends to depress the business. It is rather a vicious spiral when it starts.
>
> Mr. CLAYTON. That is correct. And as I said in my prepared statement, we must decide pretty soon between additional taxes and deficit financing, and either road is fraught with a great deal of danger to our type of government and free enterprise.
>
> Senator FULBRIGHT. That decision must be made within the next 2 or 3 months.
>
> Mr. CLAYTON. That decision must be made very soon.

Mr. Clayton testified, we must remember, several weeks before the British currency crisis broke upon the world.

What this British crisis means to the Marxists, and the decisive role the economic situation in general plays for these economic determinists, can best be seen by turning to Karl Marx himself. I quote from the magazine Freedom and Union for June 1947 this passage that Marx wrote in 1853:

> We may be sure, nevertheless, that to whatever height the conflict between the European powers may rise, however threatening the aspect of the diplomatic horizon may appear, whatever movements may be attempted by some enthusiastic fraction of this or that country, the rage of princes and the fury of the people are alike enervated by the breath of prosperity. Neither wars nor revolutions are likely to put Europe by the ears, unless in consequence of a general commercial and industrial crisis, the signal of which has, as usual, to be given by England.

Mr. DONNELL. Mr. President, would the Senator prefer not to be interrupted?

The VICE PRESIDENT. Does the Senator prefer to continue without interruption?

Mr. HENDRICKSON. I should prefer not to be interrupted until I conclude. I shall then be glad to yield for questions.

Mr. President, no one, I believe, offers the North Atlantic Treaty as a means of winning this new cold war, the new battle of Britain. Instead we are told that the way out lies in such things as devaluation of the British pound. I do not want to go into the financial merits or demerits of that idea. But consider the possible gains for the Marxists that lie in an attempt to win this battle of Britain by devaluing the pound. Consider the effect in Asia, where communism has already engulfed China. One of the chief assets of the Government of India in its efforts to alleviate the misery on which communism feeds, is the debt which Britain now owes it. That debt is in pounds, and I understand it amounts, at the present official rate of exchange, to about $3,500,000,000. If the pound should be devalued, say, one-third, India's hopes of turning that debt into imports of machinery and other products it needs would go down by more than $1,000,000,000.

Turn to the effect on western Europe: Devaluation of the pound would immediately lead, it has been estimated, to devaluation of seven or eight continental currencies. The champions of devaluation profess to regard this with equanimity, but as I look back on the currency devaluations which were tried before, in the 1930's, it seems to me they made more for Marxism and statism than for monetary stability and international trade.

Turn now to the effect of devaluation on the British themselves, particularly on the middle class. Marx declared war from the start on the middle class. This is the most stable class in any country. It is stable largely because of its savings. Currency inflation, depreciation, devaluation reduce or wipe out the value of its savings in the banks, in government and other bonds, in insurance policies. By wiping out the savings of the middle class—the nesteggs which people had put by for their old age or to educate their children or to go into business for themselves—currency depreciation paved the way for national socialism's dictatorship in Germany after World War I. Similarly, socialism and communism have grown in France in the thirties and forties as the value of the franc went down and down. The English, whom Marx taught the Communists to look on as the key people, are the only great European people who have not yet suffered more than a relatively minor currency depreciation.

"Emergency has been driving the British toward socialism since the war," Clarence Streit points out in the recent postwar edition of his book, Union Now. He further points out:

> But Congressmen, and others who are more concerned with its growth there than with removing the cause, should note one thing. The great bulk of Europe's remaining capital is still British. To mention but one item: More than $60,000,000,000 of the British national debt is now owned by private investors. Should the pound be devalued one-half, as some recommend, this one stroke would wipe out $30,000,000,000 of the savings of the British people—private capital they patriotically put into war bonds. In this one item—to say nothing of other bonds, insurance, savings deposits—such devaluation would wipe out nearly twice as much private capital as the $17,000,000,000 that the United States plans to pour into all western Europe in 4 years, in the hope of restoring there the enterprise that depends on * * * private capital.

I confess that I do not see how we can hope to win this cold world war with

communism by methods such as currency depreciation that cut down and down what remains of private capital in Europe and turn even the British middle class into proletarians. Nor do I see how we can save this situation by the North Atlantic Treaty.

It is not only the military character of this alliance, its concentration on armed attack, rather than on the real danger—on Communist boring from within—that I have in mind. I am thinking, too, of the fact that because an alliance is between sovereign states, it can hardly permit one of them to intervene in the domestic affairs of another, yet communism aims to rise in each of our allies as a domestic affair.

The Communists are skilled in using the free institutions of the European democracies to confuse the people there, make them jealous and suspicious of us in particular, speed inflation and retard recovery with sabotage and strikes, gain seats in parliament and strategic ministries in coalition cabinets, get their undercover men into strategic posts in the armed and scientific services with access to secrets we shall be forced to share with our allies if the alliance is to be effective. The Communists are masters at secretly infiltrating their way into strategic positions where, when circumstances are ripe, they can take over by a coup the government of one of our allies, and all the arms and other equipment we have supplied it.

Mr. President, I fear I cannot see why the Kremlin should not hope to convert this Atlantic alliance into as cheap a source of arms for themselves as our policy in China proved to be.

The Foreign Relations Committee sensed this danger. In its hearings it frequently returned to the possibility of one or more of the allies turning Communist from within. Questions put to Secretary of State Dean Acheson brought out his view, at page 25 of the hearings, that the provisions of the pact would probably no longer apply to such an ally. I could derive, sir, only a melancholy consolation from knowing that whenever the Communist front thus advanced through their peaceful capture of one of our allies our obligations to that ally under this treaty ceased. I would consider this rather as proof that that this treaty was not aimed at the real danger.

I would draw attention particularly to this colloquy on pages 40–41 of the hearings:

Senator HICKENLOOPER. Some member of the committee asked you a moment ago what the situation would be in the event of any internal coup or taking over by forces that were not sympathetic or cooperative to the general pact considerations. Have you given consideration to the possibility that capital goods which we might mutually cooperate to provide to such a country * * * could be returned to us under safeguard?

Secretary ACHESON. Yes, Senator, that has had a lot of consideration. I think it would be less than candid on my part to leave you under the impression that if there were a coup, and if one of these countries had such a change of government, that we would have any large chance of getting back any large amount of what we had transferred.

Senator HICKENLOOPER. I thoroughly agree with that.

Secretary ACHESON. In my judgment, the possibility of such a coup is remote. It is made more remote by the program, because as you give a sense of will to resist and the possibilities that that will be successful, you get further and further away from the sort of disintegration which leads to an increase in Communist strength.

We must all hope that Secretary Acheson's judgment in this last respect is sound, and there is much to be said for it. But, Mr. President, it seems to me that we are caught in this dilemma: If our allies are not armed adequately this treaty will be ineffective, and we shall face the danger of the Communists capturing them from within as a result of their economy breaking down either (a) from the burden of arming themselves alone, or (b) from the discouragement to productive enterprise caused by fear that lack of adequate defenses would invite invasion.

If we do arm our allies enough to prevent this, the huge cost of this operation may cause our own economic crash and thus result in communism capturing from within all our allies, with all these arms.

Unhappily, we cannot escape this dilemma by rejecting this treaty. Nor will this save us from the budgetary ambush we face. Though I myself believe the danger from the Kremlin lies on the economic rather than the military side at present, I must concede that Europeans may believe otherwise, and their beliefs, whether founded or unfounded, must be considered. It is only human that the French, for example, who have twice in this century been invaded by Germany, should fear invasion by the Red Army more than we do. This treaty does evidently give them some reassurance against this danger, and thereby it does help meet the economic danger I see by encouraging recovery.

To refuse to ratify this treaty now would not lessen the dangers we face; it would only, in my considered judgment, make them worse. At best, it would discourage our best friends, and cause delay and uncertainty at a time when the monetary and economic situation is already so uncertain. This would help only the Communist dictatorship, and the more it helped the Kremlin the more it would tend to increase the burden on our economy, thus endangering us still further.

The only way I see, Mr. President, to escape the dilemma we are in and the economic ambush that awaits us now is to find some way to put much more power—decisive power—behind peace and freedom, while reducing considerably the cost in money, in material, and in men.

This is a huge order, I realize, but I believe it can be filled if only we set about it without delay. It will take time—and here this treaty can be very helpful, for it can help us gain the time we need, at less cost and danger than any alternative I know of.

How can we best hope to succeed in gaining the strength needed for peace and economy needed for victory in the cold war? I know of no better way, Mr. President, than the way our forefathers pioneered when they constituted our own Federal Union.

The problem we face is not merely military and political, it is economic, monetary, fiscal, financial, and moral, too. We must tackle it, big as it is, as a whole. We are trying to solve it piecemeal, by the ECA, by this treaty, by sending arms to Europe, and by the currency talks now going on around the Atlantic area. We cannot solve it piecemeal. We must return to the spirit of the Marshall plan, which roused the wholehearted enthusiastic support of so many of us. What was that spirit? Let me quote these words from former Secretary Marshall's Harvard speech in 1947:

Our policy is directed, not against any country or doctrine, but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist. Such assistance must not be on a piecemeal basis. Any assistance that this Government may render in the future should provide a cure rather than a mere palliative.

We first thought that piecemeal meant giving economic assistance individually to other nations, and that we could effect a cure by aiding a group of them together. But the ECA, though it saved the day, has not proved to be enough, has not proved to be a cure; we are now asked to supplement it with this treaty, and then to supplement the treaty with arms tomorrow, and then to supplement that with who knows what monetary cure. Events have shown that we must revise our notion of what piecemeal means, and recognize that in the North Atlantic community the political, military, economic, financial and moral problems are inextricably interrelated, that to tackle these problems separately is to tackle them piecemeal and achieve only costly palliatives.

In facing this huge question we can surely gain much understanding and courage by turning back to the days when our 13 States established our present Federal Constitution. There are obvious differences between the situation then and now, but there is this illuminating similarity between them: The 13 States did face then a complex of political, military, economic, monetary, and moral problems; they failed to settle them separately and they tackled them finally together at the Federal Convention. They solved them by Federal Union, and why should we not hope for similar success?

The 13 States began by trying an alliance—The Articles of Confederation. Each State then had its own army—think of it, its own army—and several then were threatening war on each other, New York and New Hampshire over Vermont, Pennsylvania, and Connecticut over the Wyoming Valley.

That was the situation under this "firm league of friendship," as the Articles of Confederation described the relations of these sovereign allied democracies. In that respect the situation was worse than it is today, for no two of the Atlantic democracies are now threatening war on each other.

In another respect their differences were greater than now, for some of them were free States and some permitted slavery. I recognize the difficulties that

face us today from the division of the Atlantic community between free enterprise and socialist democracies, but surely this is not so dangerous or deep-seated as the division that faced the 13 States.

Each of the 13 States then had its own currency, its own tariffs, and most of the States then were bankrupt, their currency worthless, their trade reduced to barter, depression rife.

They, too, tried to solve their problems piecemeal. When alliance failed to be enough, failed to solve their economic problem, they first tried to deal with the latter separately at the Annapolis Convention, which was called in 1786 for the sole purpose of considering their commercial relations. They soon found there that this would not be enough. Luckily, one State had foreseen that the problem was broader. I quote with pride the report of the convention:

> That the State of New Jersey had enlarged the object of their appointment, empowering their commissioners to consider how far a uniform system in their commercial regulations and other important matters might be necessary to the common interest and permanent harmony of the several States, and to report such an act on the subject as when ratified by them, would enable the United States in Congress assembled, effectually to provide for the exigencies of the Union.

When the Annapolis Convention faced fiasco, Alexander Hamilton seized on the opening these instructions of the New Jersey delegation gave. He persuaded the convention to say in its report that the idea of extending the powers of their deputies to other objects, than those of commerce, which had been adopted by the State of New Jersey, was an improvement on the original plan, and to recommend therefore that the States send delegates to meet in a Federal convention in Philadelphia in 1787 to take into consideration the situation of the United States, to devise such further provisions as shall appear to them necessary to render the Constitution of the Federal Government adequate to the exigencies of the Union.

Once the problem was thus tackled as a whole the result was the establishment of our present Constitution. What did that change mean? It meant a change from a feeble alliance of State governments to a strong union of citizens, a change from "We, the undersigned delegates of the States" to "We, the people of the United States."

It meant the change of the Congress of the United States from a powerless diplomatic conference, as John Adams called it, to a true legislative assembly, flanked with both executive and judicial departments. It meant the creation of the first democratic representative interstate government in human history, one that operated up from the people through the representatives they elected, and back to the people, and for the peace, and prosperity and freedom of the people individually. It meant the transfer from each State to the Union Government of the right to issue currency, regulate interstate commerce or communications, maintain an army, declare war, name ambassadors, make treaties, or enter into alliances—that right which the people of West New Jersey had so carefully reserved to themselves as early as 1681.

The Constitution of the United States meant, Mr. President, the constitution of a monetary union, a customs union, military union, a citizens union, an organic political union by the people of those States, and at the same time, the guaranty by the people of the Union to the people of each State in it that every power not expressly transferred to the Union would remain in the hands of their independent State government or in their own hands.

That happy initiative of New Jersey led, sir, to the discovery of the great principles of federal union, the division of power between State governments, and union government, between the Senate and the House, the dynamic division of power between the governments and representatives of the people in the interests of greater power and freedom for all the people. The great English historian, Lord Acton, said in 1866 that it led our bankrupt States—

> to solve with astonishing and unexampled success two problems that had hitherto baffled the capacity of the most enlightened nations; they had contrived a system of federal government which prodigiously increased the national power, and yet respected local liberties and authorities; and they had founded it on the principle of equality, without surrendering the securities for property and freedom.

Lord Acton paid that tribute nearly a century ago; what would he say today of the prodigious power these principles of federal union have developed for human freedom?

Mr. President, though I am a new Member of the Senate, I feel that I am in the oldest and most glorious tradition of the small but history-making State of New Jersey when I suggest that the way out of our troubles lies in broadening our vision, in tackling our problems as a whole, in promptly using the time we gain by this North Atlantic Treaty to invite the other sponsors of that pact to meet with our delegate in a federal convention to explore how far we and they can unite in a great Atlantic union of the free.

As a Republican I am happy indeed to join with the junior Senator from the State of Old Hickory [Mr. KEFAUVER] in making this proposal.

I am the more heartened in making it by the fact that this is the solution which Will Clayton recommended to the Foreign Relations Committee to meet the dangers and difficulties he described in the testimony I have already quoted. This is the solution which was recommended to the committee by Robert Patterson, the former Secretary of War, who knows the defense problems of our Republic and of the other Atlantic democracies as Mr. Clayton, who is even more experienced in business and agriculture than in diplomacy, knows their economic problems and ours.

Ratification of this treaty followed immediately by convocation of an Atlantic federal convention was also urged on the committee by Owen J. Roberts, former Justice of the United States Supreme Court, with his unsurpassed knowledge of the Constitution. With a courage and devotion worthy of the grandeur of the proposal, Justice Roberts has been urging this course for years, and is now President of the Atlantic Union Committee which was recently formed to secure the calling of this new federal convention after this treaty is ratified.

Now, I should mention two other groups headed by distinguished Americans who are advocating proposals similar in objective to that sponsored by the Atlantic Union Committee. For my part I adhere to and support the aims of all these groups. From my point of view, they are all marching in the same direction—they all seek to promote the great objective of a world at peace under a well-established world federation government.

True, there may be some differences in formulas, but, like the differences in our Constitutional Convention, they can be resolved if the men who are supporting these various programs for a federation of nations are sincere and truly mean what they say, and I am sure they do.

In order that my position may be quite clear, let me say that I will aid in all these splendid efforts to the point where compromises are necessary, and then I shall be happy to support sound compromises to achieve the great goal to which all these ideals are devoted—a just and lasting peace.

Of one thing I am quite sure, namely, that all groups which up to this time have advocated any form of a federal union of nations, have insisted that the attainment of their objectives should strengthen rather than weaken the United Nations. That one day there must be an adequate union for the common defense of all, there can, in my judgment, be no question.

My own experience as a soldier in two world wars has led me to the same conclusion which Gen. Claire L. Chennault's longer experience led him when he said:

> I am convinced that the people of this planet must ultimately and inevitably move toward a single form of world government if civilization is to survive. But it is our immediate task to see that this world government comes as a mutual federation of free peoples, rather than through the ruthless domination of a master state enslaving all the others.

Many, I know, will balk at this proposal, and say that this federation of the free is too difficult and dangerous to achieve, many, who perhaps, have never faced the difficulties and dangers which General Chennault has grown up on.

That I should live to see the day when such a federal union of the world's democracies should be created has long been, I confess, my fondest dream. I say dream—because I can see the difficulties and dangers myself. But I can see greater difficulties and dangers now in attempting any other course. I have pointed today to only a few of the dangers and difficulties that will confront us if we continue to tackle the problem only piecemeal, and on the government-to-government diplomatic basis of this treaty and the ECA. We are not getting out of them by our present methods; we are getting into them deeper and deeper.

I repeat, sir; how are we going to escape without union the dangers of economic ambush? How are we going to cope with the dangers of indirect aggression, of communism with the help of economic crash capturing our European allies from within, without war, but with all their arms?

As Ferdinand Kuhn pointed out some time ago, in the Washington Post—

> If the coming Atlantic treaty provided for a real union instead of a "community of interest," the danger point of indirect aggression would dwindle and disappear.

Union is harder to achieve than alliance—but it is also much harder to break down, once it is achieved. If France were a State in an Atlantic union, the Communists could no more take it over from within than they could capture Louisiana in our own Union, or the Province of Quebec in the Canadian federation. Can we begin too soon to explore in a federal convention whether we cannot thus safeguard the arms we are asked to give our allies?

Difficulties? Dangers? Who wants to run the danger of doing as Maginot did—of making his name a synonym for a monumental blunder, of producing a splendid if expensive plan for preventing the previous war, not the present peril? Who runs that danger now, they who identify their names with Atlantic alliance alone, or we who identify ours with Atlantic union?

Dangers? Difficulties? What great difficulty, what danger is there in our calling a Federal convention of the sponsors of this treaty to explore the possibility of their federating? Does danger not lie instead in failing to explore so promising a possibility? Suppose the convention fails to agree on a Federal Constitution? Will we not have learned much in the process, as did the delegates to the Annapolis Convention that failed to achieve its purpose? May not such failure be again the prelude to success? Suppose the convention should succeed in framing a constitution for an Atlantic federal union of the free. We are not committed to it until we have seen exactly how it works out the complex political, military, monetary, economic and moral problems we now face. We have signed no blank check. The people must still ratify it after full and free debate, before it can go into effect.

The difficulties such a convention will confront are, I repeat, tremendous; but what difficulty is there in calling a convention to try to overcome these difficulties?

Mr. President, in closing, may I turn once more to the history of New Jersey for a ray of light? Although New Jersey contributed so happily to the calling of the federal convention in 1787, once it began I must confess that the delegates from New Jersey contributed no little to its difficulties. They confronted the Virginia plan for a strong national government with the New Jersey plan, which sought instead to keep the State governments strong. Denouncing the Virginia plan, William Patterson of New Jersey warned the convention, Madison noted, that:

> New Jersey will never confederate on the lan before the committee. She would be swallowed up. He had rather submit to a monarch, to a despot, than to such a fate.

The stubborn fight which New Jersey led nearly wrecked the convention, and caused Washington to write to Hamilton:

> I almost despair of seeing a favorable issue to the proceedings of your convention, and do therefore repent having had any agency in the business.

That was a very discouraging remark.

Whatever our cause for pessimism, we can hardly be more pessimistic than Washington then was, 6 weeks after the convention began. But he continued to work for agreement, and 6 days later the fight ended by agreement, 6 to 5, on the famous Connecticut compromise, which made representation in the House proportionate to the population but gave every State equality in the Senate. The difficulty ended, in short, in a solution that was far better than either the New Jersey plan or the Virginia plan. Six weeks later when the Constitution was finished William Patterson joined in signing it. Three months later New Jersey became the third State to ratify the Constitution—and it ratified it by a unanimous vote.

That shows, Mr. President, how completely we can hope to overcome the difficulties facing an Atlantic federal convention, if only we call it into being. If we turn our backs on this rare opportunity—if we continue to muddle on as we have through the past 3 years of precious time, continue to whittle along piecemeal with this problem, then we must run the risks that go with frustration, apathy, and despair. There is no safe and easy way to attain our objective, demanding as it does strength, courage, vision, and the highest degree of effort. But attained it must be. So I shall vote for ratification of the North Atlantic Treaty with the firm intention of doing all I can to follow it through to something infinitely better—a free world government.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. HENDRICKSON. I yield.

Mr. DONNELL. I have been very greatly interested in the address of the distinguished Senator from New Jersey, and have noted with much interest the fact that it coincides in large part in spirit with the testimony of three gentlemen whom the Senator named, namely, Mr. Clayton, Judge Patterson, and Mr. Justice Roberts.

Mr. HENDRICKSON. I quoted much of that testimony.

Mr. DONNELL. Yes. As I say, I observe the identity of the general principle underlying the view of the Senator from New Jersey with that expressed by those three gentlemen. I take it I am correct in so stating, am I not?

Mr. HENDRICKSON. Yes.

Mr. DONNELL. In connection with Mr. Clayton, I should like to ask the Senator a question. I take it the Senator has read Mr. Clayton's testimony.

Mr. HENDRICKSON. I have.

Mr. DONNELL. The Senator quoted parts of it. The Senator recalls that he appeared before the Senate Foreign Relations Committee in advocacy of the North Atlantic Treaty, does he not?

Mr. HENDRICKSON. That is correct.

Mr. DONNELL. Does the Senator recall having read this portion of the testimony of Mr. Clayton, which was given on May 4, 1949, as found on page 398 of the record?

> Senator DONNELL. Have you studied this treaty itself in detail, Mr. Clayton?
>
> Mr. CLAYTON. No, sir; I have not.
>
> Senator DONNELL. Have you read all of it?
>
> Mr. CLAYTON. No, sir.
>
> Senator DONNELL. Are you familiar—well, I shall not examine you on this particular article, but are you familiar with article 2, which is the one which says that the signatories will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any and all of them?
>
> Mr. CLAYTON. I have not read that.
>
> Senator DONNELL. You have not read that?
>
> Mr. CLAYTON. No, sir.
>
> Senator DONNELL. How much of the treaty have you read?
>
> Mr. CLAYTON. I have not read any of the treaty itself, but I have read several reviews and digests of it from time to time that appeared in the magazines and in the newspapers; and I have read statements of Secretary Acheson on the treaty and I have read other statements of authoritative people in connection with it.
>
> Senator DONNELL. Have you read any statements by anyone who was raising any question as to the advisability of entering into the treaty?
>
> Mr. CLAYTON. Yes; I have read some of those statements.
>
> Senator DONNELL. Can you tell us who were the authors of those statements?
>
> Mr. CLAYTON. I do not recall just now. I read the other day some church statement that was opposed to it.
>
> Senator DONNELL. Was that the Methodist organization?
>
> Mr. CLAYTON. Yes; the Methodist Church.
>
> Senator DONNELL. You read that in the newspaper, did you not?
>
> Mr. CLAYTON. Yes.
>
> Senator DONNELL. Did you see the entire resolution of that organization?
>
> Mr. CLAYTON. No; I did not, Senator DONNELL. I just read the newspaper account of it.

That testimony was given 1 month after the treaty had been signed in Washington, in the historic incident to which reference has been made. Is not that true?

Mr. HENDRICKSON. If the Senator says that is the period, of course it must be.

Mr. DONNELL. Mr. Clayton came here, did he not, as one of three representatives of the Atlantic Union Committee?

Mr. HENDRICKSON. That is correct. I do not think he made his appearance solely as a representative of that union. He came to testify in general.

Mr. DONNELL. I do not have the mimeographed copy of his testimony before me, but I invite the Senator's attention to this question, which happened to have been by myself.

> Senator DONNELL. Mr. Clayton, I am sorry that because of an earlier engagement I did not get to hear your testimony. I hastily scanned this, and there are only a few questions I want to ask you. I have no doubt Senator WATKINS will ask other questions.
>
> ATLANTIC UNION COMMITTEE
>
> I notice that you appear here on behalf of the Atlantic Union Committee. I do not know whether you explained into the record what the Atlantic Union Committee is, what

its composition is, how many officers it has. Have you done that?

Mr. CLAYTON. I have not, Senator.

Senator DONNELL. Would you be kind enough to do that, Mr. Clayton?

Mr. CLAYTON. The Atlantic Union Committee was formed to solicit public support for the introduction in Congress of a resolution which would authorize the President of the United States to call a conference of representatives of the governments which are members of the Atlantic Pact to explore the idea of a federal union of such countries and to explore how far they could go in forming such a union.

The chairman of the committee is former Supreme Court Justice Owen J. Roberts, and former Secretary of War Robert Patterson is a vice chairman, and I am a vice chairman.

Mr. Patterson also appeared; did he not?

Mr. HENDRICKSON. He did.

Mr. DONNELL. Did he not state, as appears on page 608:

I am appearing as a vice president of the Atlantic Union Committee and as a citizen.

Mr. HENDRICKSON. I am pretty sure he did. That is my recollection of the testimony.

Mr. DONNELL. Did not Mr. Justice Roberts likewise state——

Mr. HENDRICKSON. I am pretty sure he made similar statements, as I recall the testimony.

Mr. DONNELL. I think he did, too. At page 526, Mr. Roberts said this:

Mr. ROBERTS. Mr. Chairman, I have a very brief statement that I would like to give you in support of the North Atlantic Pact.

The board of directors of the Atlantic Union Committee, of which I am president, has wholeheartedly and unanimously voted to support ratification of the Atlantic Pact.

That was the statement of Mr. Justice Roberts, was it not?

Mr. HENDRICKSON. It was.

Mr. DONNELL. Mr. President, will the Senator be kind enough to yield further?

The PRESIDING OFFICER (Mr. O'CONOR in the chair). Does the Senator from New Jersey yield to the Senator from Missouri?

Mr. HENDRICKSON. I yield.

Mr. DONNELL. As I understand—if I am in error, I wish the Senator would correct me—Mr. Clayton testified as follows, as found on page 377:

For this pact is a natural and necessary step on the road to a federal union.

Did he not so testify?

Mr. HENDRICKSON. Yes; that is correct.

Mr. DONNELL. And did he not then testify, somewhat to the contrary, as shown at page 399, following a question which was asked him by the Senator from Utah [Mr. WATKINS], as follows:

As I understand it, you feel that this is a necessary step, the adoption of the Atlantic Pact, in order to form a federal union?

Mr. CLAYTON. No, sir; I do not. I said that I felt that this was a step on the road to federal union; but I do not think that it is necessary to the formation of federal union at all.

The Senator from New Jersey recalls, does he not, the inconsistent statements thus made by Mr. Clayton?

Mr. HENDRICKSON. I see that they are inconsistent, as the Senator from Missouri has just read them. I had not noted that before.

I should like to add that I do not think the inconsistency is at all serious.

Mr. DONNELL. Whether serious or not, I submit to the Senator that that witness, testifying before the Foreign Relations Committee, said, as shown at page 377, that—

This pact is a natural and necessary step on the road to a federal union—

Which was one of his arguments; and then, as shown at page 399, he said, in response to a question by the Senator from Utah [Mr. WATKINS], as follows:

As I understand it, you feel that this is a necessary step, the adoption of the Atlantic Pact, in order to form a federal union?

Mr. CLAYTON. No, sir; I do not.

At any rate, regardless of the materiality of that——

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. DONNELL. I should like to continue, if I may.

Mr. KEFAUVER. Mr. President, will the Senator yield to me at this point?

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that the Senator from Tennessee may be allowed to ask a question of the Senator from Missouri, without causing me to lose the floor.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. KEFAUVER. Mr. President, I wish to say that I feel that the senior Senator from Missouri [Mr. DONNELL] is unnecessarily taking Mr. Clayton to task, in the first place, in saying that because he had not read the actual text of the pact itself, he was not familiar with all its provisions, for one may read newspaper accounts, editorials, discussion, releases, and so forth, and be entirely familiar with the provisions of the pact.

The second thing is——

Mr. DONNELL. Mr. President, will the Senator permit me to comment on that much, before he goes to the second point?

Mr. KEFAUVER. I was going to say that from reading the testimony of Mr. Clayton, where he testified at length, there is no doubt that Mr. Clayton, by familiarity both with the pact and with the general problem and his experience in government, was well qualified to testify both on the pact and on the proposal for an Atlantic federation.

The Senator from Missouri, in trying to point out an inconsistency, did not read Mr. Clayton's second answer to a statement by the Senator from Utah [Mr. WATKINS] as shown on page 399. I think there is no real inconsistency in his statements.

On page 377 he said:

For this pact is a natural and necessary step on the road to a federal union.

Then he went on to say why that was so; that it is bringing the democracies closer together, and that after the ratification of the pact, he hoped a convention would be called to consummate something more.

Then on page 399, as the Senator from Missouri has pointed out, in answer to a question by the Senator from Utah [Mr. WATKINS], which was—

As I understand it, you feel that this is a necessary step, the adoption of the Atlantic Pact, in order to form a federal union?

Which is very different from "a natural and necessary step on the road to a federal union."

Mr. Clayton said:

No, sir; I do not. I said that I felt that this was a step on the road to federal union, but I do not think that it is necessary to the formation of federal union at all.

But then, in answer to the next question by the Senator from Utah, as follows:

In what respect do you think that it is necessary, then? Whether you say it is on the road——

Mr. CLAYTON. I think that this is a step that is necessary in order to convince Soviet Russia that the members of this Atlantic Pact will stand together for the preservation of their independence and integrity.

In view of the colloquy, that certainly is entirely consistent with the original statement on page 377, which the Senator from Missouri has just said is so glaringly inconsistent.

In protection of the testimony of a great American citizen and his views, I wished to ask permission to point that out.

Mr. HENDRICKSON. I may add that businessmen are not always as guarded in the use of language as lawyers sometimes are.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. HENDRICKSON. I yield.

Mr. DONNELL. I appreciate the insertion made by the Senator from Tennessee, and I assure him that I had not observed the next response the witness gave. But to my mind, it does not alter the fact that when in his prepared statement he said:

For this pact is a natural and necessary step on the road to a federal union.

And then when the Senator from Utah asked:

As I understand it, you feel that this is a necessary step, the adoption of the Atlantic Pact, in order to form a federal union.

Then Mr. Clayton said:

No, sir; I do not. I said that I felt that this was a step on the road to Federal union; but I do not think that it is necessary to the formation of Federal union at all.

I am quite willing to have the entire statement of Mr. Clayton considered, of course, and I had no intention of eliminating any part of it which should be considered. I had not observed the part to which the Senator from Tennessee has referred; otherwise I would have read it.

But let me continue with respect to a further statement made by the Senator from Tennessee, if I may do so with the consent of the Senator from New Jersey.

Mr. HENDRICKSON. Are the Senator's remarks going to be addressed to the Senator from Tennessee or to the Senator from New Jersey?

Mr. DONNELL. I shall address them to the Senator from Tennessee, if I may do so by unanimous consent.

Mr. HENDRICKSON. Very well.

Mr. DONNELL. The Senator from Tennessee has indicated the fact that Mr. Clayton had not read the North Atlantic Treaty, although it had been a month since it was signed and its text had been displayed throughout the country, and although Mr. Clayton came before the Foreign Relations Committee, as a witness, to testify in favor of the pact. I think that is an element to be considered, particularly in determining the weight of his testimony, particularly in one or two further ways, which I may mention in a moment.

Mr. KEFAUVER. I may say, in answer to that——

Mr. DONNELL. I should like to complete my statement, please—particularly when it is borne in mind—to quote in substance the Senator from Michigan [Mr. VANDENBERG], I think, and the Senator from Texas [Mr. CONNALLY]—that this is not a lengthy pact but, on the contrary, as we have been told on the floor of the Senate, it is a simple pact. I am not so sure about the simplicity of it, but certainly it is not lengthy. The document I now have in my hand comprises the entire text of the treaty, and this document is about the size of the ordinary book page, and consists of four full pages and a few lines on a fifth page. Obviously it would not have taken Mr. Clayton very long to have read this entire treaty. I insist to the Senate that there is a very striking indication in the fact that Mr. Clayton's primary interest was in something besides the pact, something else which induced him to testify before the committee, although he had not read a bit of the treaty, even though it had been signed a month before by the various nations.

In a moment I shall address myself to what was his primary interest.

Mr. KEFAUVER. Mr. President——

Mr. DONNELL. With the consent of the Senator from New Jersey, and by unanimous consent, I yield.

Mr. HENDRICKSON. I have no objection.

Mr. KEFAUVER. In response to the inquiry of the distinguished Senator from Missouri, let me say that undoubtedly Mr. Clayton, in appearing to testify before the Foreign Relations Committee, was in general support of the policy of ratification of the pact, and in general approval of it; and, in addition, he felt that after approval and ratification, we should take another step forward.

Mr. Clayton, as all of us know, is a man of eminent qualification and experience in the field of international affairs, particularly economics and trade. I think it was a very fine thing for the United States Senate and for the Foreign Relations Committee in considering this matter to have an eminent and well qualified citizen like Mr. Clayton appear and discuss the general subject. Mr. Clayton was not appearing as a Philadelphia lawyer or a lawyer from Missouri might be, to diagnose and discuss every semicolon and the exact meaning of every word. But no one can read the testimony of Mr. Clayton over a space of some 40 pages in the record without coming to the conclusion that he had a wide and thorough knowledge of the whole problem involved, that he knew the general policy and principle represented by the treaty, that he was in favor of it, but felt, in the interest of bringing everything together into one package and not having a recurrence of difficulties, that we should later call a convention to see what we could do to further federation.

As a matter of fact, I think it is not unusual for even Members of the Senate, as punctilious as we may be, to consider that they know something about a Presidential message or a bill, even though they have not read every word of it. We grow up with these things.

Mr. DONNELL. Mr. President, if I may interrupt, I ask the Senator, with his consent, whether he thinks it is the ordinary practice in the Senate for a man to come before the Senate in advocacy of an important measure such as this, without ever having read one word of it?

Mr. KEFAUVER. If the Senator will notice, on page 398, Mr. Clayton says that he had read several reviews and digests of it from time to time, which appeared in the magazines and in the newspapers. He further said:

> I have read statements of Secretary Acheson on the treaty and I have read other statements of authoritative people in connection with it.

Mr. DONNELL. Yes; I have read that into the record.

Mr. KEFAUVER. Undoubtedly, in the association Mr. Clayton has had and in the discussions back and forth with prominent officials over many, many years, he would be intimately familiar with the intent and purpose of the treaty, even though he might not have read one word of the treaty itself. But I think the Senator should realize that Mr. Clayton was not trying to discuss the technical provisions of the treaty. He was discussing the general principle, and then saying, also, that after ratification we should take another step forward. I think the Senator from Missouri is unnecessarily disparaging the well-considered testimony of a great American, who was testifying not as a technical lawyer or a grammarian on the language of the treaty, when he casts any reflection upon the capacity, the ability, or the knowledge of Mr. Clayton in connection with this whole matter.

Mr. DONNELL. I thank the Senator for the expression of his opinion. Mr. President, may I have the consent of the Senator to continue with my questioning?

Mr. HENDRICKSON. Indeed. I yield with pleasure.

Mr. DONNELL. I may say in that connection that there has been no point made here that Mr. Clayton was appearing before the committee, or should have appeared before it, as a grammarian to discuss the colons and the semicolons. But when a man who has occupied the position Mr. Clayton has occupied in the Department of State—he resigned as Under Secretary of State for Economic Affairs in 1947 and stayed on for about a year as adviser to the Secretary of certain economic matters—comes here to testify before the Foreign Relations Committee with respect to what is represented to us by numerous speakers as the most momentous change in this country's international policy, certainly since the Monroe Doctrine, and perhaps since the founding of the Republic, I say the fact that he had not even read the treaty, a document we are assured is of a very simple nature, a document certainly of such brevity as to include only about four pages, is something the Senate is entitled to take into consideration in determining whether he had made a thorough study of the instrument which he was advising us to ratify.

Mr. HENDRICKSON. I may observe that the distinguished Mr. Clayton probably felt he knew the spirit rather than the letter of the treaty.

Mr. DONNELL. I shall not comment further on what he undertook to demonstrate in his testimony. His testimony speaks for itself, and, if I may, I should like to have every Member of the Senate read every word of the testimony of Mr. Clayton, and also of Mr. Lovett, two gentlemen whose testimony might be and should be of importance in determining the meaning of such obligations as we enter into in respect to the economic policies of our country.

Mr. President, if I may, I should like to ask the Senator from New Jersey, does he not agree with me that the primary interest of Mr. Clayton, as his testimony shows, was not so much in the pact, except as a temporary measure, but that what he was primarily interested in, in his testimony, was in pointing out that the pact is a step, whether necessary or only convenient, toward effecting a union such as that advocated by the Atlantic Union Committee? Was not that his primary purpose?

Mr. HENDRICKSON. I do not know. I do not know what the gentleman's primary purpose was. I would not want to try to read his mind. From the discussion of the distinguished Senator from Missouri, it would appear that that might have been his primary purpose.

Mr. DONNELL. Mr. President, may I have the Senator's indulgence to ask whether he thinks my conclusion is justified by such an observation as the one I am about to read, appearing at page 391, in the questioning of Mr. Clayton by the Senator from Arkansas [Mr. FULBRIGHT]? I read:

> Senator FULBRIGHT. Would it be fair to say that your attitude is that this pact is a fine thing, but of a temporary nature, there is no lasting solution to it, and one of its principal merits is to give an opportunity to something along the lines you mentioned, of unity, to come about?
>
> Mr. CLAYTON. That is the way I look at it. I think it gives a breathing spell.
>
> Senator FULBRIGHT. That seems to me to be its principal function. We long since learned that we cannot rely on permanent protection, unless they turn into a political affiliation.

Mr. HENDRICKSON. Mr. President, I do not question the justification of the Senator's conclusion. He is justified in drawing conclusions of that sort, but I think it is rather unfair to ask me what Mr. Clayton's purpose, or main purpose, or primary purpose was in appearing before the Foreign Relations Committee.

I have never discussed the matter with the gentleman.

Mr. DONNELL. I have simply wanted to ascertain from the Senator what his conclusion is from reading the testimony of Mr. Clayton, as to what was the primary point he was endeavoring to make.

Mr. HENDRICKSON. My conclusion is that his primary purpose, his primary motive, his great objective, in appearing before the committee, was to try to direct the committee's thought into the channels of world peace through some sound union of nations.

Mr. DONNELL. Yes; and I think the Senator's observation is well borne out by the statement of Mr. Clayton himself, at page 379, after a question. I might read two answers; in fact, it is necessary, to read just a little more:

Senator WILEY. You used the word "federal" in the last two instances, and previously you used the words "Atlantic union." Do you differentiate?

Mr. CLAYTON. I do not think so. I use them in the same sense. I mean a federal union of Atlantic democracies.

Senator WILEY. Under the pact?

Mr. CLAYTON. No; I do not associate it with the pact, except indirectly. It is broader than the pact. By federal union I mean a political and economic union.

The United States, having more to lose than any other country, should take the lead in calling a convention of representatives of the nations composing the Atlantic Pact, to explore how far they can go, in forming a federal union within the Charter of the United Nations.

Mr. President, will the Senator yield for a further question?

Mr. HENDRICKSON. I yield for one more question.

Mr. DONNELL. Does the Senator mean just one more?

Mr. HENDRICKSON. I may extend it a little.

Mr. DONNELL. If it were to be but one more, I thought I would select my question. I ask the Senator whether he will be kind enough to turn to page 614 of the hearings. This is the testimony of Mr. Justice Roberts. I call his attention to the fact that, as previously indicated——

Mr. HENDRICKSON. Did the Senator say page 614?

Mr. DONNELL. Yes; page 614.

Mr. KEFAUVER. That is the testimony of Mr. Patterson.

Mr. DONNELL. That is the testimony of Mr. Patterson, who, it will be recalled, as I have previously indicated, testified as "a vice president of the Atlantic Union Committee" and as a citizen. I call the attention of the Senator to the following question and answer appearing at page 614:

Senator DONNELL. The name of your committee, "Atlantic Union Committee," has been somewhat explained, I think, by particularly Mr. Justice Roberts, as indicating that the committee is formed in advocacy of a federation of democracies; is that right?

Mr. PATTERSON. Yes, sir.

Senator DONNELL. These democracies would include the United States of America; would they?

Mr. PATTERSON. Yes.

May I pause to inquire of the Senator from New Jersey at this point whether the federal union to which he has referred in his very interesting address this morning would include only democracies? Is that his thought?

Mr. HENDRICKSON. No; that is not my thought.

Mr. DONNELL. Would Portugal, for instance, be admissible to the union, under the Senator's thought?

Mr. HENDRICKSON. Yes.

Mr. DONNELL. I want to develop a very few questions, and I shall try not to trespass much longer upon the time of the Senator or of the Senate. I should like to mention, however, in emphasis of this point, that I am of the opinion, and I want it clear in the RECORD, that the testimony of Messrs. Clayton, Patterson, and Roberts was primarily in advocacy of just what the Senator has so eloquently advocated here today, namely, the formation of a federal union at some future time. I want the people of the country to know, if they will, from hearing this information, just what is envisioned by the proponents of the North Atlantic Pact in advocacy of that sort of thing.

I should like to ask the Senator to turn, now, to page 614 of the hearings, and observe whether I correctly quote from Secretary Patterson, as follows:

Senator DONNELL. I was referring to the Atlantic Union as contemplating the formation of a union between not only democracies on one side of the Atlantic but at least one on the other side of the Atlantic, namely the United States of America. I take it, Mr. Secretary, that although you are favoring the North Atlantic Pact for itself, that you are also favoring it as a step in your judgment toward the ultimate creation of this Atlantic Union to which you refer; is that right?

Mr. PATTERSON. That is right.

I ask the Senator if he will turn to page 615 of the hearings and observe whether this is the testimony of Mr. Patterson as to what he envisaged in this federal union toward which the North Atlantic Treaty is conceived of by these gentlemen as a step, in one breath, by one man, as a necessary step, and in another breath a step not necessary, but proper, or words to that effect.

Mr. HENDRICKSON. For the RECORD, I should like to say that I do not consider it necessary. I think it is an important step.

Mr. DONNELL. I understand the Senator's view. His view is that the North Atlantic Treaty is an important step toward the formation of a Federal Union, not necessarily similar to that envisaged by Messrs. Paterson, Roberts, and Clayton.

Mr. HENDRICKSON. That is correct.

Mr. DONNELL. I call the Senator's attention to this questioning of Mr. Patterson at page 615 of the hearings. I might say for the RECORD, that Mr. Patterson is former Judge Patterson and former Secretary of War, a very distinguished gentleman whom I know and whom I regard most highly. I read:

Senator DONNELL. You speak of this proposed organization of the free countries of the world as being a federal union. Do you consider the United States of America a federal union?

I noticed the Senator used the expression "a great Atlantic union of the free." It is the same thought I had in mind when I spoke to Secretary Patterson in this language:

Senator DONNELL. You speak of this proposed organization of the free countries of the world as being a federal union. Do you consider the United States of America a federal union?

Mr. PATTERSON. Yes, sir.

Senator DONNELL. So that this organization that you are advocating would be an organization analogous in large part, if not in all details, to the Union of the 48 States of our country; is that right?

Mr. PATTERSON. Analogous to it, but it would not be as firmly knit, certainly in the beginning phases, as the United States of America.

Senator DONNELL. How about in the ultimate phases, as distinguished from the initial phases?

Mr. PATTERSON. You would have to take that as it came.

Senator DONNELL. Would you contemplate the organization of a congress similar to the present Federal Congress of the United States of America, which Congress would operate for the federal union of all the free countries of the world?

Mr. PATTERSON. Not similar to the Congress of the United States, but a congress, or legislative body, yes.

Senator DONNELL. There would be a legislative body which would pass laws which would apply to all of the component entities, one of which would be the United States of America; is that right?

Mr. PATTERSON. Yes, sir; within the limited fields.

Senator DONNELL. Which include the political, economic, and military fields?

Mr. PATTERSON. Yes, but, of course, limits within those fields, too.

Senator DONNELL. Could you tell us what those limits are?

Mr. PATTERSON. Those are the limits where local interests were believed to be predominant.

Senator DONNELL. And who would decide whether or not they were predominant?

Mr. PATTERSON. That would be in the charter that you would adopt.

Senator DONNELL. Would you plan that the union itself, the Atlantic Union, would decide whether or not local interests were predominant, or would each particular component country in that union have the right to determine whether local interests were predominant?

Mr. PATTERSON. No nation would join it who thought its proper local interests would be infringed.

I shall not read further on that particular point. There is more, and Senators should read it.

I ask the Senator to turn to page 616 of the hearings. After having discussed the legislative branch of the federal union of the nations of the world this question occurred:

Senator DONNELL. Would you have not only a legislative department in the Atlantic union but also an executive department?

Mr. PATTERSON. I just do not know about that. I have not given it thought, myself.

Senator DONNELL. And you do not know of anyone that has explored that point?

Mr. PATTERSON. It has been explored, possibly, but not by me.

Senator DONNELL. Would there be also a judicial department in the Atlantic union?

Mr. PATTERSON. I suppose there would have to be.

Senator DONNELL. That would be somewhat in the nature of the Permanent Court of International Justice that came out of the First World War, and perhaps similar to the court under the existing United Nations Charter?

So, Mr. President, I ask the Senator if the general thoughts suggested by these gentlemen, Messrs. Patterson, Roberts, and Clayton, are the ones which, in general, are favored by the Senator from New Jersey and toward which he regards the North Atlantic Treaty not as a necessary step, but as an important one.

Mr. HENDRICKSON. Generally speaking, the Senator is correct. I pointed out in my main address that there were three groups working toward this objective, and marching in the same direction. I said very specifically that it would be my purpose to support all three of those groups until they reached a point at which some honest and sound compromise could be effected.

Mr. DONNELL. Does the Senator have in mind that there would be a convertible currency issued by this proposed federal union which would be utilizable in all the nations of the world, so we would no longer have to depend upon individual currencies?

Mr. HENDRICKSON. That is my conception.

Mr. DONNELL. Along that line I find this question, at page 388 of the hearings:

> Senator FULBRIGHT. The inconvertibility of currency today is one of the principal obstructions to trade.
>
> Mr. CLAYTON. Yes, sir.
>
> Senator FULBRIGHT. That would be one of the principal objectives of such a program.
>
> Mr. CLAYTON. That is right.

I think I should say, in fairness, that I am not quite clear whether the Senator from Arkansas [Mr. FULBRIGHT] was talking of the ECA or of the proposed union in his reference to the program, but that is the thought, as I understand, which is mentioned there.

Finally, would the Senator have in mind that in such a union toward which he regards the North Atlantic Treaty as an important step there would be an assumption of the consolidation of the debts of these various countries to be taken over by the union; or has the Senator given thought to that?

Mr. HENDRICKSON. I have given thought to that, Mr. President, but my thought has not crystallized into any definite form. There are too many other far more important steps to be taken before we get to that phase of the situation.

Mr. DONNELL. One final question, which I assure the Senator is final. Does not Mr. Clayton indicate that at least to some extent, in his own mind, this matter of the consolidation of debts seems to have been also considered and, possibly, some positive conclusion arrived at? I read from page 381 of the hearings:

> The CHAIRMAN. Would your idea be to consolidate all the debts of the various countries that might join, or leave the debts to be dealt with by each nation?
>
> Mr. CLAYTON. Of course, Mr. Chairman, that was one of the big thorny questions that the Thirteen Colonies had to decide.
>
> The CHAIRMAN. That is true.
>
> Mr. CLAYTON. You remember Alexander Hamilton was a great exponent of the idea that the new Union should not only assume the debts of the Confederacy that preceded it but also assume the debts of each individual State of the 13 States. His position prevailed in the end, but after a great deal of difficulty. It was proven to be a very wise decision.
>
> I am just suggesting now that we should call a conference of representatives of these countries to discuss this matter to see how far they could go. Whatever I would say would be my own personal idea on it. I have checked on some of these statistics, however. If you take the debts of most of the democracies and convert them from their currency into ours at realistic rates of conversion, in other words, at market rates, and measure them by population, by national income, and things of that kind, their debts are not so much greater per capita than ours.

I thank the Senator for his patience.

Mr. HENDRICKSON. I am perfectly willing to leave it to the financial experts. I do not claim to be a financial expert.

Mr. KEFAUVER and Mr. BALDWIN addressed the Chair.

The PRESIDING OFFICER (Mr. O'CONOR in the chair). Does the Senator from New Jersey yield; and, if so, to whom?

Mr. HENDRICKSON. I yield first to the Senator from Tennessee.

Mr. KEFAUVER. I first wish to compliment the Senator from New Jersey upon his very excellent dissertation and discussion of this subject. As I understand the Senator's view—and I feel that I have substantially the same view—we cannot permanently rely upon a treaty or an alliance for the protection of the peace, and the bringing together of all the elements which must make for peaceful relations between the nations involved.

Mr. HENDRICKSON. I think history has proved that to be a fact.

Mr. KEFAUVER. What the Senator would suggest, and nothing more, is that after the ratification of the Atlantic Pact, in which we have a further manifestation of the desire of the Atlantic democracies to work together for their common interest, the President should call a convention of representatives of the sponsoring nations to see what further steps might be taken toward arrangements for their further protection and working together.

Mr. HENDRICKSON. Yes; for the purpose of good, wholesome exploration.

Mr. KEFAUVER. The distinguished Senator recognizes that there are other elements which go toward bringing about unity of purpose and of cooperation, and the maintenance of peace, other than merely military matters.

Mr. HENDRICKSON. Precisely.

Mr. KEFAUVER. That it is necessary to have at least a common foreign policy, that there must be some economic cooperation, and there must be worked out some method whereby we can have stable currencies so that we can trade with one another.

Mr. HENDRICKSON. It seems to me that must ultimately come if we are ever to have permanent peace in the world.

Mr. KEFAUVER. It occurred to me, and I wondered if the Senator felt this way about it, that considering what has been happening for the past 25 or 30 years, we have actually been doing all these things anyway, though on a piecemeal basis, and on a much more costly basis. Actually we have been stabilizing currencies, and putting money into other nations, although largely relieving ourselves from any right of control or say-so about what happens with it; and we are called upon ever so often, and it has been our national interest to comply, to lend money or goods or merchandise to the other democracies in the North Atlantic.

It is my feeling, and I wanted to ask the Senator if it was his feeling, that if we could bring all these things together, so that we could have some control over what the other nations did with the things we gave them, have a common foreign policy and a real economic and monetary and foreign policy union instead of simply a military alliance, we would be taking a real step toward peace.

Mr. HENDRICKSON. That makes good business sense to me.

Mr. KEFAUVER. I thank the Senator. He has made a great contribution to the discussion, and I wish to join him, and I may say I know other Members of this distinguished body are also interested in sponsoring such a proposal, after the pact has been ratified.

Mr. BALDWIN. Mr. President, will the Senator from New Jersey yield?

Mr. HENDRICKSON. I yield to the Senator from Connecticut.

Mr. BALDWIN. First, I wish to congratulate the Senator upon his excellent contribution to the thinking in the field of international relations. He has made a most thought-provoking and constructive speech.

It has been urged very strenuously that if a Senator votes to ratify the Atlantic Pact he will have to vote to implement it, and that is just as strenuously denied. My question is, It is not the Senator's position, as I understand, that a vote for the Atlantic Pact commits a Senator to vote for a federal union of the Atlantic states; is it?

Mr. HENDRICKSON. I am glad the distinguished Senator from Connecticut asked that question, because I wanted my position in the matter clear in the RECORD. I feel very definitely that legally there is no obligation at all on a Senator to support any armament program merely because he supports the pact.

Mr. BALDWIN. Does the Senator also feel that one's support of this pact does not necessarily commit him to a federal union of the Atlantic states?

Mr. HENDRICKSON. Strictly speaking, no, but personally I feel very much as the distinguished Senator from Oregon feels, that if I vote to support this pact, then I shall be obligated, at some time in the future, to support some reasonable program, within our economic limits, to supplement the needs of those who are signatories to the pact. It is entirely a moral feeling, within my own being; as a lawyer I would be thinking contradictory to that.

Mr. DONNELL. Mr. President, I am hoping the Senator will answer the question asked by the Senator from Connecticut. I do not think he has answered the question yet.

Mr. HENDRICKSON. I think I did answer it.

Mr. BALDWIN. I have to agree with the Senator from Missouri, but we have

not gotten quite up to that yet, if the Senator from Missouri will permit me to continue with one or two questions.

In other words, considering what the distinguished Senator from New Jersey has already said with reference to the implementation of the treaty, would he feel that it would be better to wait, so far as the implementation of it is concerned, until the Council or the Committee provided for, I think in section 9 of the treaty, is established, and until that Council meets and deliberates on this particular question?

Mr. HENDRICKSON. Very definitely I feel we have to wait until the Council meets and acts. I do not feel that there is any moral or any other obligation on any Senator to act in this matter until there has been a report of the Council. When I answered the previous question I was thinking beyond the Council. I was considering the matter as having already been settled.

Mr. BALDWIN. The Senator's position is that he does not feel morally obligated now, nor does he feel that any other Senator would be morally obligated, because of voting for the Atlantic Treaty, immediately thereafter to vote for the implementation of it by sending arms from this country to the signatories.

Mr. HENDRICKSON. Definitely not.

Mr. BALDWIN. Nor does the Senator feel, as I understand, that a vote for the Atlantic Pact necessarily obligates him or any other Senator to vote for any form of federal union, no matter what might be hereafter proposed.

Mr. HENDRICKSON. No obligation of that sort at all is incurred under the treaty.

Mr. BALDWIN. In other words, if the Senator chooses, he may take this as the end of what we are going to do right now about the matter——

Mr. HENDRICKSON. Absolutely.

Mr. BALDWIN. Or he may consider it as a step, first, to the implementation of the treaty by the giving of arms for a military alliance; or the implementation of the treaty by further Congresses in an effort to develop a federal union of Atlantic states for some better and more effective form of organization to establish a rule of law in substitution of the rule of arms for the settlement of international disputes.

Mr. HENDRICKSON. Mr. President, the distinguished Senator has been reading my inner thoughts, but he expresses them more eloquently than I could.

Mr. BALDWIN. I thank the Senator.

Mr. HENDRICKSON. I yield the floor.

Mr. FLANDERS. Mr. President, I ask for the floor that I may make a statement on the North Atlantic Pact.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. WILEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Cain | Donnell |
| Anderson | Capehart | Dulles |
| Baldwin | Chapman | Ecton |
| Bridges | Chavez | Ferguson |
| Butler | Connally | Flanders |
| Fulbright | Lodge | O'Mahoney |
| George | Long | Pepper |
| Gillette | Lucas | Robertson |
| Graham | McCarran | Russell |
| Green | McClellan | Saltonstall |
| Gurney | McFarland | Smith, Maine |
| Hayden | McGrath | Smith, N. J. |
| Hendrickson | McKellar | Sparkman |
| Hill | McMahon | Thomas, Okla. |
| Hoey | Magnuson | Thye |
| Holland | Malone | Vandenberg |
| Ives | Martin | Watkins |
| Johnson, Colo. | Maybank | Wherry |
| Johnson, Tex. | Morse | Wiley |
| Johnston, S. C. | Mundt | Williams |
| Kefauver | Neely | Withers |
| Kilgore | O'Conor | Young |

The PRESIDING OFFICER. A quorum is present.

Mr. FLANDERS. Mr. President, I read with great interest the speech made on this floor day before yesterday by the junior Senator from Tennessee [Mr. KEFAUVER] in favor of the federal-union movement. I also listened with great interest to the speech by the junior Senator from New Jersey [Mr. HENDRICKSON] today on the same subject. The question was raised in connection with the federal-union movement as to whether the North Atlantic Pact is or is not a necessary step toward that organization. I am speaking this afternoon to express my conviction that it is not a necessary step toward federal union or toward any other desirable end; that it is not merely an unnecessary step but also a dangerous one.

Mr. President, since I expressed on this floor last Thursday my doubts as to the wisdom of the Atlantic Pact much that was troubling me has become clear in my mind. This clarification has been effected both by the debate on the floor and by further consideration of Senate Resolution 133, which I joined with nine other Senators in introducing.

Let me say at once that the 10 Senators are in agreement on Senate Resolution 133, but not necessarily on the pact. Some will vote for it; some will vote against it. It is possible that some are still undecided.

My own duty has become plain as I have listened to the debate. No one could voice more strongly or more effectively the convictions I have held with regard to the contest for the minds and souls of men than did the senior Senator from New Jersey [Mr. SMITH] in his fine address yesterday. This conviction is fundamental to my own approach to this great problem. I wish a way could be found to give him and give me the assurance that the same kind and degree of energy and intelligence would be employed for reaching minds as is devoted to destroying bodies.

Other members debating on the floor have made more and more clear, as time went on, the impossibility of separating the pact from the rearmament of Europe. No matter how painfully we divide these two undertakings in our own minds, we cannot separate them in the minds of our European friends, and our State Department has been a party to their understanding. To refuse them the material aid on which they so confidently depend will be to them a severe blow from which they cannot recover without conviction of deceit and double dealing.

Mr. President, I have listened to many words and eloquent words trying to persuade us that the pact supports the United Nations. These eloquent words carry my convictions no further than to conclude that the pact supports the United Nations in the same way that a prop supports a weakened structure.

We can choose action in this emergency which will direct us toward the purposes and methods of the United Nations instead of away from them. The senior Senator from Ohio [Mr. TAFT] said on the floor yesterday that he believed "all nations must ultimately agree, if we are to have peace, to an international law defining the duties and obligations of such nations, particularly with reference to restraint from aggression and war." He also believes "that there should be international courts to determine whether nations are abiding by that law, and * * * that there be a joint armed force to enforce that law and the decisions of that court." This is in accordance with the spirit and purposes of the United Nations Charter.

He also gave favorable comment on the proposal to create within the United Nations as large a group as possible devoted to improving the United Nations itself. He called attention to the support of this idea by Mr. Hamilton Fish Armstrong and expressed some degree of sympathy with Senate Resolution 133.

Finally he, and other Members of this body as well, have expressed themselves as favorable to a Monroe Doctrine which is extended to cover the free nations of Western Europe, defining any attempt to violate their territory as an act unfriendly to us.

Mr. President, out of this debate there has arisen in my own mind substitute action which is greatly preferable to that represented by the Treaty. It preserves the postive spiritual values on which the United Nations Charter was launched. It builds on that great document instead of superseding it. It moves toward law and justice instead of toward uncoordinated force.

This highly preferable alternative is to join an extended Monroe Doctrine with the action called for in Senate Resolution 133. This, Mr. President, gives us the complete and workable alternative to this dangerous joint undertaking of the North Atlantic Pact and the rearmament of Europe. We can make a unilateral statement of our attitude and our purpose. We can take the lead in building up the United Nations to the point where it is fitted and able to perform the work for which it was designed, including, particularly, the organization of a United Nations armed force. This is the purpose and effect of Senate Resolution 133.

By taking affirmative action on these two policies, we speak to Russia as effectively as to our determination as we could on the Treaty, and without the same resistless provocation to her to develop her own armament as fast or faster than we develop ours.

We furthermore give to our European friends the assurance that we will support them, while at the same time we diminish the necessity for that support.

Instead of putting the United Nations away in moth balls, "it may be for years and it may be forever," we refit it and reequip it to play the part which the

hopes of mankind set for it in the months following the San Francisco conference.

Finally, Mr. President, this proposal is solidly based on Senate Resolution 239 of the Eightieth Congress to which the senior Senator from Michigan has so often referred. It is based upon the postive features of that resolution and on the high possibilities it contains for supporting a peace offensive. It avoids the one defensive and dubious element which alone has been implemented by this Treaty.

With all the seriousness at my command, I urge this body that it request the promulgation of a Monroe Doctrine which covers Western Europe as well as the Americas, joined with the action indicated in Senate Resolution 133. The Treaty before us is deceitful, dangerous, defensive, and founded on fear. The alternative course is courageous and constructive. Let us vote down the Treaty, and proceed on the better course.

Mr. President, at this point I have finished reading the manuscript which I had prepared. While preparing it, I read a letter from a man who is a stranger to me, a Mr. C. E. Whitehouse, of the Globe Mail Agency, Inc., 148 West Twenty-third Street, New York City. I feel constrained to read certain paragraphs from his letter into the RECORD, because there is contained in it such a keen analysis of the follies involved in building up national contingents in Europe, and of the advantages of the international police force. I now read from Mr. Whitehouse's letter:

The international police force is the test whether we are going to forestall the next world war, or not. We can have world law which won't be worth the paper it is written on, if no independent world army exists to back it up. But it will not be possible to set up an international armed force, without setting up at least some world law, and some world government for its direction.

The international army (not national contingents) under independent control (vetoless) is the acid test of any effective plan for international peace. The saddest feature of the international picture is that no such step has been taken, or is even contemplated, except in the vaguest type of lip service. Our State Department is quite as lacking in any such initiative as the other nations. Over $1,000,000,000 proposed for arms to national governments, and not 10 percent or even 1 percent proposed for an international force.

When we talk about international peace, we are talking about the existence and employment of armed forces first, and the direction of their effort against aggression and to forestall attack second. It is no use to talk about keeping the peace against aggression with an army if we had one. We must have it first.

The following I think is an important paragraph:

The testimony of the heads of our armed forces will testify on the record of both World Wars I and II that the tendency of national armies, which we are proposing to build up at an expense of billions over the next few years, will be to fight individually to defend their own territory in the event of attack. Not only will they be overwhelmed individually but their resources and manpower will be incorporated by the conqueror to fight against us, as the Czechs, Poles, Russians and Chinese will be forced to do in the approaching war.

The next war will cost us the equivalent of 500 billions, or more; so the waste of a few billions in advance now is only of relative importance, but the prospect of its being self-defeating is vital. If the opposition to the arms appropriation can be rallied around the demand for an international army, as part of a world-wide defense against absolutism, it can take a constructive turn with prospects of incalculable savings.

In the first place, although it is a new weapon in its direction, it can be supported on sound military grounds by our own national armed forces as well as those of other defense-minded nations. It is a new ally, professionally trained, and available to be sent to the borders of any threatened area, where it might not be politically feasible to send United States troops or the forces of any other nation.

Secondly, it could not be used for aggression, and hence could not be feared, or used as the target for accusations of imperialistic aggression, or the cloak nationalistic designs. It would not be great enough, nor have the supporting homeland, to attack any great nation, and the opposing interests of the great nations would not permit it to attack any small one. This danger that the international armed force, which we do not yet have, should become a danger in itself, verges on the fantastic—but it will be raised. The real danger will be that, if organized, it will be too small to do any good, but that is a fault which can be remedied, if we get something to build on.

Third, the existence of such a force is the only way to secure the effective coordination and full use of defense resources. German troops are among the best and could be enlisted in large numbers. Such a development is quite impossible in the light of French fears, and with good reason. On the other hand, they could be incorporated as part of an international force without any such difficulty. Witness the fact that the French Foreign Legion is largely former German soldiers.

Once formed, and partly located in Germany, it would relieve the United States of expense since it could be recruited at much lower cost than United States soldiers. It would strengthen the confidence of Europeans, who are afraid of what will happen when the United States soldiers go home, and will have the support of the Germans, superseding Nazi and anti-Nazi antagonisms, because they will regard it as permanent new order in which other nations will share equally, and not as a temporary military occupation following which they will look forward to building up their military power again.

Fourth, it is the only peaceful way to weld the conflicting nationalistic aims of the European nations into one defense unit. The united resources and manpower of Europe are ample to secure its defense against Russia, and to buy all the food and raw materials they need, without any support from the United States. At present, there is no answer to what is going to happen at the end of the Marshall plan, except more of the same.

The United States would contribute to the support of the international army along with the other nations. They would value it, and regard it as their army, not as a hand-out from the United States which for some inexplicable reason is filthy rich, and they born poor but meritorious (and with their proper pride, as well).

They would solicit its purchases and make suitable arrangements for its convenience, cutting red tape and finding ways to erase political difficulties. It would not be subject to political blackmail to support this or that legislative bloc, which is suspected to have happened quite often to the bounty of Uncle Sam.

It would introduce a wholesome tendency to budget the armed expenditures of the nations in the light of what is necessary for each nation's role in the defense of a united Europe rather than the maximum individual effort. That tendency would achieve more effectiveness with lower budgets, less bureaucratic staff, and greater financial stability.

Fifth, the achievement of effective world government within proper limits would be made much more probable. To set up a full scale world government at one stroke, out of a convention, even if limited to "democratic" nations (which could include Russia, according to her own definition), is an attempt full of chances of failure on many points.

For the United States to earmark a portion of its European arms appropriation to form an independent international army is immediately possible. For the United States to make the balance of the appropriation contingent on the eligible nations making similar appropriations is also merely a matter of legislation.

For the representatives of the United States and those eligible nations meeting to arrange the conditions under which it will operate, the appointment or election of its chief executive, and the scope of his authority, is a far simpler undertaking than a purely world government convention. This is especially true in that the nations will be anxious to get their share and there will be some pressure urging them to reach agreement.

Once established with an army and even the rudimentary government and law necessarily involved, with even the partial adhesion of the nations concerned, the progression into a full-fledged world government can be carried forward steadily.

At this point I must say in conclusion that I do not look forward to the possibility of a full-fledged world government as anything that we shall attain or desire within our time, but I do look forward to the possibility of a government which can legislate and which can enforce its laws in the limited area which properly belongs to the maintenance of world peace.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. MUNDT. In connection with the discussion about the international contingency, since history is replete with alliances which have fallen apart because the armies of one portion of an alliance eventually come into conflict with the armies of another, I wonder whether the Senator agrees with me that one great advantage of an international police force or contingent is that it provides a cohesive policy to tend to hold the alliance together.

Mr. FLANDERS. I believe, Mr. President, with the Senator from South Dakota, that we have mucilage instead of gunpowder in that outfit.

Mr. MUNDT. In the Western Hemisphere, the armies of the United States have tended to provide that adhesive policy, even when occasionally some of our neighbors to the south have had unpleasantness among themselves.

Mr. FLANDERS. I think that is true.

Mr. MUNDT. As to the world as a whole, an international contingent might do the same thing.

Mr. FERGUSON. Mr. President, I wish to speak on the question which is now before the Senate, the North Atlantic Pact. The foreign policy of any nation is an expresison of its own self-interest in its relations with other nations. It follows that foreign policies

must change as national self-interests change.

Foreign policy in an atomic age, with aircraft capable of carrying an atomic bomb half-way around the world, with guided missiles and all the other modern methods of making war, is of necessity an entirely different thing from the foreign policy of a nation with sailing ships, or battleships, or even two-engined bombers.

A history of American foreign policy illustrates the phases through which a nation's foreign policy will develop, each phase fitted to suit an interest of that moment.

Samuel Bemis, an outstanding historian, has stated the fundamental bases of a nation's foreign policy only somewhat differently from the way I have. He has said that the bases of a foreign policy of any state are security for the state—which is the primary interest of self-preservation, and what that state stands for in the world.

Adapting those bases to American foreign policy, he observes that—

> In terms of security, American foreign policy first meant the winning and preservation of our independence as an Atlantic Coast Republic in a world of rival colonial empires; afterward, security to expand through the empty continent of North America to found a continental republic fronting on the two great oceans; then, security for our established domain and for our republican and democratic institutions in a world of legitimate divine-right monarchy; next, in a new order of world politics and power ushered in by the twentieth century, security for the whole republican New World against the menace of imperialistic colossi arising and joining in the Old World; finally, security for all free peoples against the new imperialism of today.

The common thread which runs through that fabric is one of isolation from world problems, based on a philosophy of live and let live. In all the ins and outs of our diplomatic relations, some of which brought us to the brink of war and some of them to war itself, there was no hint of leadership in world affairs.

Even such landmarks of policy as the Monroe Doctrine and the Open Door in China were concerned with a particular situation in a particular area. Even our participation in World War I and its aftermath was marked by reluctant and eventually negative collaboration on a global basis.

Our refusal to assume or exercise world leadership was symbolized by the period of 20 years after the First World War. Our foreign policy in that period was said to have been characterized by five principles, each expressing in its own way our denial of any desire toward world leadership; isolation, anti-imperialism, disarmament, neutrality, and pacifism.

A high light of our negative attitude was our economic isolationism, which resulted in our absolute refusal to cooperate in the important London Economic Conference of 1933. Also, when war threatened in Europe, Congress adopted another characteristic expression of national policy in the neutrality acts of 1935 and 1937, designed to keep the United States out of any war.

That legislation said in effect, to all other nations, that the United States had no interest and no stake in a foreign war. It said we would not enter what was purely a conflict to preserve the balance of power in the Old World. It even said that we would not allow the democratic allies of western Europe to replenish their depleted forces from the potential arsenal of American supplies. We refused even to trade in arms for fear that trade might involve us in conflict we did not want and felt we could avoid.

Then came the flames of war itself, in Europe. Its fire kindled new ideas of America's place and of America's responsibility in world affairs. From that time on we had two foreign policies. The first was that which was declared to the world and to our people. It preserved the traditional belief that wars were not of our making and therefore none of our affair. It said that we would never send soldiers to fight on foreign soil, nor to fight unless we were directly attacked. It insisted that we could maintain our neutrality. It said that everything which appeared to be a preparation for war was being done only in the name of peace.

But there was another foreign policy. It was a secret policy, for despite rumblings and stirrings, the Nation was not prepared for it and not yet ready to accept it. The principal reason for this was that our people had been deceived as to real conditions and lulled into a sense of false security by adoption of the announced policy.

Such revelations as there were of the secret policy came only in partial glimpses, and then they were skillfully discounted in their significance. Repeal of the arms embargo feature of the neutrality acts and substitution of war materials sales on a cash-and-carry basis, the 50-destroyer transfer to England, the first lend-lease act, and the shoot-on-sight order against submarines were progressive signs of the secret policy.

Hidden and secret, however, were the real pattern and the significant details of this secret foreign policy. It was the policy expressed in the Atlantic Charter meeting. It was the policy which made secret tactical plans between our Chiefs of Staff and those of England. It was the foreign policy which in the summer of 1941 prepared an army and complete plans for occupation of the Azores.

It was the foreign policy which secretly built airfields in South America, giving money to private corporations to build them in their own names. It was the foreign policy which, on August 17, 1941, sent a secret message to the Japanese which could only be interpreted as an expression of our intent to engage in the raging world conflict.

It was a foreign policy so inconsistent with our professed isolationism that it could not come into the open until Pearl Harbor. It was a policy of purpose, but of concealment, which placed such a strain upon its authors that Secretary of War Stimson, in his diary, said:

> When the news first came that Japan had attacked us, my first feeling was of relief that the indecision was over and that a crisis had come in a way which would unite all our people.

In contrast to that foreign policy, which sensed but could not acknowledge or avow that the fate of the United States is linked with the fate of every other nation, is our foreign policy today.

War crystallized the feeling that America's interests are world interests. It sharpened our sense of responsibility in world affairs.

With the other burdens it thrust upon us there came also a realization that America, strong and powerful as it is, must assume leadership in world affairs to protect its own position.

Atom bombs, guided missiles, jet fighters, six-engined bombers focused attention on the need for a global policy. And our people in self-defense have come to demand it.

Our people today ask and expect a global policy. They recognize the need for our leadership, as an expression of self-interest, in a world which contains all the potentials for its own destruction unless someone will exercise the enlightened leadership necessary to head off and prevent the holocaust.

I have said there is a contrast between today's policy and the foreign policy which immediately preceded Pearl Harbor. A major difference, as can be seen, is candor. I want to emphasize that of all the elements that go into a foreign policy none is more important than is candor.

President Woodrow Wilson's ideal of open covenants openly arrived at captured the imagination and enthusiastic support of all Europe 30 years ago because Europeans recognized the root of all their difficulty over centuries lay in the evils of secret diplomacy.

The Atlantic Pact is a new and revolutionary departure in American policy. Not the least of its innovations is that we lay our cards on the table for all to see, and we draw a line which none can mistake.

One of the chief reasons for the debate on the Atlantic Pact on the floor of the Senate is that the people of the United States will know the problems and extent of their responsibilities, and that the world may know just where we stand.

Such frankness as the pact represents is not just a refreshing development in foreign affairs. It promises a new basis upon which to erase the misunderstandings and duplicity which have disrupted peace throughout history. That is a landmark of foreign policy in itself.

Our vacillating foreign policy has not been good either for the United States or the world. The North Atlantic Pact which runs for 20 years will bring to America a permanency and stability in her foreign policy.

We have had an example of permanency and stability in our Western Hemisphere policy—the Monroe Doctrine—which has been the instrument for maintaining the peace for more than a century.

The North Atlantic Pact could become another such instrument for peace and stability.

The requirements of a new foreign policy, to fulfill our realization that this country cannot just share but must lead in the solution of world problems, have been translated into two paramount objectives.

The first is establishment of an adequate world organization which will provide security for all members of the world community—security against aggression and conquest in all the forms they take.

The characteristics of such an organization are inherent strength to meet its purposes and enforce its policies, and a means of communication, cooperation, and coordination in all international relations.

The second objective is the creation of world conditions which will make it possible for our kind of democracy to thrive among all the nations of the world.

We stress democracy as we know it because we believe it affords the peace, plenty, and constant progress which means security for all peoples.

All other things being equal, the second objective would be attained within the first. That was our dream when we sponsored the United Nations, for the United Nations is our image of the first objective for an international organization which will provide security and a common vehicle for carrying out international relations.

But it has been our sad experience that while we must, and still do, pin our hopes upon the ultimate success of the United Nations, it has so far proved inadequate. Had all nations cooperated under the United Nations this North Atlantic Pact would not have been necessary but, because of this lack of cooperation, it is obvious that this supplemental step is necessary.

There are many reasons for the failure of the United Nations. We can honestly say the fault has not been ours. We have used none of the restraints upon orderly procedure and progress, such as the veto, which were within our power to use. We have cooperated to the extent of joining in and supporting all the specialized and related agencies which represent activity within the United Nations.

We have been a good member of the United Nations.

The Senate of the United States, while constitutionally not entitled to determine our foreign policy except through its constitutional power to pass upon treaties, does exert an influence upon the President who carries out our foreign policy. The Senate advises him by resolution as to what it believes to be the national self-interest, and the road the foreign policy should follow.

The junior Senator from Michigan with others has been interested in steps to strengthen the United Nations. He introduced in the Senate for a group of Senators, on July 9, 1947, Senate Concurrent Resolution 23, and on April 12, 1948, Senate Concurrent Resolution 50.

The Congress passed Senate Resolution 239, Eightieth Congress, which is known as the Vandenberg resolution.

The Vandenberg resolution states that the Senate reaffirms the policy of the United States, to achieve international peace and security through the United Nations so that armed force shall not be used except in the common interest.

We notice in the pending treaty that the 12 nations signing it reaffirm the policy to achieve international peace and security through the United Nations. Resolution 239 advised the President of the sense of the Senate that this Government should pursue certain objectives through the United Nations.

Those objectives may be summed up briefly as:

First. Voluntary agreement to remove the veto from all questions involving pacific settlement of international disputes and situations and from the admission of new members.

Second. Progressive development of regional and other collective arrangements as are based on continuous and effective self-help and mutual aid and as affect our national security. The Atlantic Pact comes squarely under this advice.

Third. Maximum efforts to obtain agreements to provide the United Nations with armed forces as provided by the Charter and to obtain agreement among other member nations upon universal regulation and reduction of armaments under adequate and dependable guaranty against violation.

One reason for United Nations failure to live up to all expectations is that undoubtedly we were led to expect too much. Realities and history did not justify the hope for immediate and sweeping success which some claimed for the fledgling organization.

The facts were that the organization itself was born in an atmosphere and in circumstances of unreality. It was a product of the war. We were at war at that time. It was a product of forced cooperation between nations which were still fighting a common enemy.

If it was not a shot-gun marriage which gave birth to the new organization, it was at least one arranged amidst shot. It was the sort of marriage that every-day experience teaches cannot be permanent.

The great fault, however, has been the failure of one member to use the United Nations for anything but its own purposes.

That member has blocked all progress by its use of the veto power; it has employed all the techniques of frustration available to it; it has used the organization only as a sounding board for its own propaganda purposes.

It is an important and significant fact that the United Nations could not be organized today. Russia would not permit it; she would not join. Russia would refuse cooperation, just as today she withholds cooperation and refuses to permit the United Nations to function in a manner that will accomplish its purposes.

The reason is clear. The underlying philosophy of the United Nations is republican, that is, representative of majority will. It provides for open debate. It is devoted to the protection of minorities, or smaller nations. In its intended form its sanctions would be applied to carry out the will or the policy of the majority.

Russia's idea of a world organization is quite different. Its idea is expressed in the use of the veto, and in its use of the United Nations for its propaganda values alone. Because Russia feels toward an international organization as she does, because she uses the machinery of the United Nations as she does, the United Nations has not proved adequate for the purposes we set up for it.

It follows that in order to achieve our second objective, of world conditions in which democracy may thrive, we have gone outside the framework of the United Nations. This was done with the Greek-Turkish loan, with the Rio Pact, the European Recovery Program, the North Atlantic Pact.

What do all these represent? What is it fundamentally that we are seeking in our foreign policy? It is the foremost expression of our national self-interest in these times. It is the code by which we must decipher our various moves. It is the keystone of our foreign policy.

It is just this—

We seek a world of free people; the right of people to self-determination of their government and their rulers and to be free from aggression; the philosophy, in international relations, of live and let live.

To understand self-interest in our objectives is to understand our stake in these times, and to understand the meaning of our foreign policy. But we are opposed in our objectives. And mark this well, too, one of the vital reasons for the North Atlantic Pact is an understanding of the system which opposes us and the reasons for that opposition.

We are opposed by a system which would destroy us straight down the line and straight across the boards. Those who oppose our principles do so to impose their system upon the whole world. Their system must seek dominion over all others because it is so rigid and so unyielding it can permit no compromise. It is a system of absolute and inflexible discipline and controls from top to bottom and covering every phase of life with which it has contact, economic, political, social, cultural, and religious; and where it remains. It is, in short, a system whose philosophy utterly baffles the comprehension of the western mind, because we do not think in terms of the absolutism it represents.

It is thus that we describe the gap between East and West. It is the conflict across this gap that we know today as the cold war. That conflict may be described also as civilization's battle of the crossroads. It is a conflict which engulfs every man.

Now let me point out how Soviet Russia proposes to win the world domination that is so essential to it and an impelling reason why the pact should be ratified. I want to describe some of its techniques. Let me emphasize that communism's techniques are not haphazard, nor merely opportunistic. They are detailed. They are infinitely varied. Above all they are scientifically calculated, and they are deeply ingrained in its workers.

Those who believe in Russia's philosophy do not enlist for a day, nor for pay.

They give their whole lives to perfecting and putting into effect the techniques of communism.

Lenin has said:

> We must train men and women who will devote to the revolution not merely their spare evenings but the whole of their lives.

That is something about our opponents we must remember.

Communism's hold of absolute discipline over the bodies and souls of its followers makes it possible for its agents to carry out its practices and techniques and purposes in details which the free minds of free Americans find difficult and too often impossible to comprehend.

The fundamental objective of communism is of necessity to capture and take over in any situation to which it is exposed, and there is no arena or no area of human activity it does not choose to penetrate.

Failing to capture and take over openly in any situation, the elementary tactic of communism is designed to agitate and frustrate, on the premise that frustration eventually creates a vacuum into which its agents and ideas may move and expand.

The United Nations is a perfect example of this technique, as practiced by the Russians. The international labor movement has likewise seen it. That is why we find today that our labor unions, having recognized this tactic and its aim, are withdrawing from the World Federation of Trade Unions and are seeking to establish their own international movement under democratic principles.

The techniques and tactics of the Reds have been applied, as a matter of fact, at every level of the labor movement. Any union member who has ever been affiliated with a local which has included one Communist or a Communist sympathizer can tell you how accurately I have described their technique.

Fortunately, in the labor movement as a whole in this country, there has come a recognition that communism has no constructive force, but is only negative and destructive. That recognition accounts for the numerous recent purges of Reds in our American unions.

Communism will capitalize on any situation to exploit its purposes through propaganda.

A prime example of this is its conduct whenever anyone is on trial for any communistic activity—its conduct in the Court through those who represent the defendants, its conduct outside the Court, in picketing.

With absolute irony, but typically, those tactics are designed to exploit the opportunities which free institutions provide in order to propagandize their own destructive purposes, and also to discredit the Court as an institution.

A favorite Communist device is to appropriate and corrupt word meanings such as democracy, free elections, liberty, freedom of the press, enslavement, and justice. Perhaps it is as good a proof as any that we are right in our use of the words when they appropriate our terms to give them their meanings.

It is no coincidence that Russia claims for its satellites the true democracy. Democracy has something to sell and has established a good market, so they take over the brand name and apply it to their product.

It demonstrates how easily the trick works, however, that our representatives at Yalta agreed to free elections in eastern Europe, and then permitted the Soviet to place its own interpretation on the meaning of free and administer the elections.

The sad result was that the United States itself, duped by the double meanings which are a stock in trade of the Russians, helped sponsor the free elections which placed Poland, Hungary, Rumania, Bulgaria, and the satellites behind the iron curtain.

Communism delights in moving in upon good causes and seeking to pervert them to their own use and purposes.

As proof of their purposes I ask whether communism ever contributed anything to the betterment of minorities in America, or to better understanding between races.

That has been an area particularly dear to the Communist movement.

The keystone of Communist tactics is infiltration. Its means are subtle and clever in the extreme.

Infiltration is an essential Communist device because communism not only rests upon its sabotage agents, it must have its intelligence agents. Both can be placed, at the outset, only by infiltration.

Infiltration always is difficult if not impossible to spot, because a Communist agent will deny absolutely his Communist affiliation whenever to reveal and identify himself would be to jeopardize the success of his operation. Communists must endorse the following philosophy, which is a direct quote from Lenin's Maxims:

> We must be ready to employ trickery, deceit, law breaking, withholding and concealing truths—we can and must write in language which sows among the masses hate, revulsion, scorn, and the like toward those of differing opinion.

And Communists are masters of denial. Truth has no meaning in communism. Its agents and members are taught as doctrine the principles of deceit, falsification, and perjury.

This is true because outside the cloak of a political movement behind which it masquerades, communism is essentially and necessarily clandestine and secret.

The design behind these techniques is Russia's belief that she can carry out her world ambition without necessary resort to actual military aggression.

To her mind we may have seen the last of armed or physical struggle between nations. She would accomplish her purposes by intimidation, infiltration, absorption, and annexation.

After annexation she would destroy those who do not believe in her system in the concentration camps or by the liquidation process.

She has standing back of her, if this design is not sufficient, the vast Red Army. But it is a solemn warning of the design's strength that she has already acquired more territory and brought under her domination more people, without her use of armed force, than has any other military aggressor in history.

Against those forces we are fighting civilization's Battle of the Crossroads on four distinct fronts.

The first is a military front.

There the enemy has 6,000,000 men under arms, excluding any Chinese it may count upon. We have little knowledge of its air strength, its submarine power, or its atomic weapons. The enemy holds in reserve its Red Army and its military might which would strike when the time is right.

Our principal weapons on this front are the atomic bomb, the greatest peacetime military budget in our history, plus the Atlantic Pact which we are now debating.

Our victory on the military front in this cold war is the extent to which we may not expect to have to use our military weapons.

The second front is political. It involves the alinement of nations in the cold war. We are alining a few nations under the North Atlantic Pact. Victory for us means a break-down of the idea that the conflict of these times is solely between two great countries or two great blocs. The test of our success on this front is the extent to which the smaller nations of Europe and of the world recognize their stake in the cold war and aline their interests with ours.

A tremendous impediment and a hazard on this front is that we may be called imperialistic. Nations quite naturally hesitate to aline their interests with ours for fear of our complete domination. We have been able to overcome much of this by demonstrating that our motives are not imperialistic, because imperialism means exploitation and we seek to exploit no one.

Our notion of a live-and-let-live world is tremendous ammunition on this political front. As other nations recognize our tolerance of variances they are impressed and more sympathetic. Their alinement with us comes as they recognize that we offer help but do not demand absolute dependence, or absolute conformity in return, and that we provide a recognition of the rights of minorities and smaller nations.

The third front of the conflict is economic, and along it are three phases of battle.

The first phase is a policy of economic aid which is aimed at restoring order and self-sufficiency out of chaos in those nations whose economies were devastated by war. The second phase occurs as a condition of our aid and as a necessary objective if rehabilitation in those countries is to be complete or permanent. We seek to foster and develop a feeling for economic interdependence and cooperation through a break-down of the historic barriers to free trade and free exchange of currencies in western Europe.

The third phase on the economic front is domestic. It involves our capacity to produce so that we may afford aid in the first phase of the battle. But it is primarily one of demonstration.

Here we must demonstrate, as the proof of the pudding, that our democratic way of life is a prosperous and a plentiful way of life. This is a crucial battle.

We must remain solvent and productive in our own economy. Otherwise we confess to the world that our system is bankrupt and does not deserve the imitation we seek.

The importance of this battle for solvency, prosperity, and productivity in our internal economy is no better proved than by Russia's argument, in seeking to convert and aline the nations of Europe against us, that the American system cannot remain solvent and prosperous. Russia's repeated prediction and its ever present hope is for an economic collapse in the United States. All could be lost if her hopes were satisfied.

The final front in this universal conflict is the propaganda, or psychological front. It is the most important of all, for it cuts across and influences the battle on all other fronts. It cuts across all national lines. It must be waged even in our homeland. It is the decisive battle in the entire struggle. It marks the crossroads.

This is the cold war which goes on in the minds of men. Other wars in history have been fought for the wealth of nations. This is for greater, and more enduring wealth. It is for human souls. It is the critical battle because without victory over the minds of men the cause is lost for either side.

The battle rages about the eternal rivalry between freedom and security. One side says that its system assures security, although man must place his freedom in the hands of the state in order to acquire that security. Our side says that man may have both freedom and security, but that freedom must come first in order to provide an ultimate and greater security.

Our side has its difficulty because freedom is relatively new to men's minds. Men find it hard to believe an apparent paradox, that both freedom and security are possible. This is so because man's experience with freedom is so limited that he cannot recognize the security which resides within freedom.

So it is that throughout the world, and at home, we are losing the allegiance of those who, like Esau, would sell their birthright for a mess of pottage. Freedom, if men will but see it, is their birthright; and security without freedom is an illusion and a poisonous dish.

The contest on this battlefront goes like this:

Shall man have the right to choose, shall he have the right to individuality, shall he have the right to make his way in an individual-enterprise system, shall he have the inalienable rights as set forth in our Constitution and its Bill of Rights? Will it be agreed that "governments are instituted among men and derive their just powers from the consent of the governed"?

Or shall man be placed under a system which promises security, but tells him to surrender to an all-knowing dictator, for the time being, his liberty so that he may later have both?

In simplest terms, the offering is synthetic security on the one hand, held out by the state in a form known as collectivism, socialism, and communism; and on the other hand freedom, as proffered under representative government in an individual-enterprise system.

How does the four-front battle go? Have we made progress with our foreign policy? What are the road blocks which may work against us, and what are the tactical errors that have been committed and which we must avoid for the future or seek to correct? Those are questions to which every one of us seeks an answer, and on which I can only give you my opinion.

The fact that the going has been rough has been one sign that we are moving. The recent Council of Foreign Ministers at Paris was a significant barometer of our progress. No concrete accomplishments can be pointed to as a result of the conference. But at Paris for the first time the Russians appeared uncertain, disorganized, and dispirited. There are signs that the tide has turned, that things are at last going with us.

Our hope must be that by doing what must be done when it needs to be done, with courage, and with resourcefulness, we can get the snowball rolling. We have been courageous and we have been resourceful. We must not hesitate to show those same faculties whenever and wherever they are required to meet stern realities in these times of reality. Whether the snowball, once started, can bridge the gap between east and west in 1 year, 2 years, or ever is anyone's guess, and a better guess can be made from the other side of the iron curtain.

But as I have said, there are signs of real progress, as the breaking of the Berlin blockade showed, as the Council of Foreign Ministers meeting revealed, and as hints of unrest from behind the iron curtain suggest. Nevertheless, we are at best only started. There is much to be done; there are many errors to be corrected, many road blocks to be removed.

In western Europe we seem definitely to have won the first round against communism. The strong Communist offensive there has subsided. Its tactic seems to have passed from offensive to defensive, and the attitude of Communist leaders now seems to be one of keeping what they have in middle and eastern Europe rather than trying to get more in the west.

The Soviets are running into constantly increasing resistance and difficulty in the satellite countries, and there is growing resentment against the conformity patterns of Soviet communism. Why has this happened? It is above all due to the tough fiber of resistance that has been built up in western Europe, primarily as a result of a firm and uncompromising attitude toward Soviet communism which Republican representatives in our bipartisan foreign policy were the first to advocate.

The secret seems to be that Soviet communism is potent as a destructive force only when on the offensive. At Tehran, at Yalta, and at Potsdam it had the offensive. But once it was slowed up by an American diplomatic policy of resistance, it seemed to show within itself the seeds of its own disintegration. It is too rigid, uncompromising and intolerant, for the western European, to be a constructive or creative force in Europe.

While this premise is true, the problem of Europe's future is far from solved. There is the ever-present threat and fear of aggression. It is the primary purpose of the pact to remove this threat and fear.

The Atlantic Pact raises some questions. In the light of experience under the European Recovery Program, it is fair to inquire rather pointedly, at the outset, into the pact's provision, in article 3, for developing a collective capacity to resist armed attack. Does this mean the pact will be used merely to saddle the American taxpayer with the cost of developing the individual capacity of England to resist, of France to resist, of Belgium, Holland, and Norway to resist? Or will there truly be a common defense, which should result in very considerable economies, since under those circumstances the substantial navy, air force, and other armaments of England, France, and the other countries would become a part of our common defense.

If in the United States each of the States were to develop its own capacity to resist attack, the aggregate cost to the inhabitants of the 48 States would be far greater than the cost of the common defense.

If it is honestly planned and expected to develop a common defense under the Atlantic Pact, this fact can be shown by indicating that, on net balance, after some added costs in Europe, there will be a saving in the budget for our Military Establishment. I take the view that the ratification of the pact and the implementation of arms or aid under it are separate, and that a vote for one does not require a vote for the other.

I should like to say something here about purchasing good will. There are certain things that cannot be purchased or even subsidized, not even with American dollars. One of those things certainly is international good will. Our relations with South America demonstrates the dangers attached to any effort to purchase good will. Our relations with South America are the worst in recent history. For over a decade, we have been putting enormous sums into those countries, but without any regard to the basic improvement of economic and social conditions there. The result is that small cliques hold governmental power, subject to frequent change by revolution. The people as a whole are growing steadily more unhappy and destitute. Anti-United States feeling is growing, and the people there are becoming a real prey to communism or fascism.

Not only must we repair our relations in South America, as a part of our global policy, and in pursuit of our traditionally vital hemispheric policies, but we must seek to avoid any repetition of our South American experience in other parts of the world, by seeking anywhere merely to buy or subsidize friendly relations.

Our Asiatic policy is virtually bankrupt, in my opinion. Such a China policy as we ever had sought to reconcile the irreconcilable. We sought to consolidate the anti-Communist and the Communist forces in China. The result was inevitable failure and, in my opinion, the basis for Soviet China's recent victories. Since that time we have been

doing nothing in China—letting the dust settle, as it is said. That policy in China is completely divorced, completely isolated, and completely in contradiction of what we have been doing in Europe. I find no good excuse for this, as there was, and there is, an opportunity to apply in Asia the same policies that we applied in Europe.

The important thing now is to slow down the offensive sweep of communism in Asia, so that its inability to build creatively will be exposed before it has overrun all of Asia and destroyed existing institutions and the remaining good will which America possesses there.

There is still vast room for application in Asia of an enlightened American foreign policy. There exists in India, Pakistan, Burma, Indochina, Indonesia, and the Philippines, as well as in China itself, loyalty that will provide effective resistance to communism, if cultivated. It is a vast reservoir of good will, if we do not spoil it.

The people of those countries already are drawing together; and we should help to organize them, to slow down the sweep of communism in Asia, and in effect force it to exhibit its incapacity in China before it conquers all of Asia on the basis of a fake reputation. It is not necessary to reconquer China by subsidizing a vast military operation—if, in fact, that were possible. An offer of America's good will to the Chinese will go a long way. Communism will disintegrate in China. The Chinese themselves will take care of that. Chinese nationalism may mean little else, but it does mean a bitter resistance to an outside force; and Chinese communism, like all other communism, is just that. I think one of the things we must accomplish in China is to have the Chinese and those who today are following communism realize that Chinese communism is an outside force, a Russian force, and comes from the Kremlin.

Communism will disintegrate in China because of its inability to solve the problems of China and to realize the hopes which have led many in China to accept it.

We ought not plan to recognize the Communist regime in China, first, because there is the probability I have just described that communism will collapse there, in the face of existing facts, and with our help; and, second, because our experience with communism has shown that it is never in our best interest to seek to do business with the Communists.

It is true that there is some British tendency toward recognition, probably born of the hope for salvaging British political and economic positions in Hong Kong, Shanghai, and in other parts of China. But we cannot afford to, and should not, sacrifice long-range objectives for such temporary expediences. We have won the first round in western Europe, and we could win the second round in Asia. I think we have so far played our cards badly in China. But there are other cards in the deck; and we can win if we play them wisely and well.

Hanging like a shadow over our future foreign policy is the threat of an economic depression in this country. That threat is perhaps the gravest of all menaces to our prestige and the success of our policies in Europe, and our policies in Asia and South America, if we have them.

A depression would have serious consequences in impairing our ability to render effective economic assistance to other nations of the world. There would be even more serious consequences, however, if it ever were accepted that the only way to avoid boom-bust in this country is to move further and further toward socialism.

Such a conclusion would give new and damaging impetus to Communist prestige. It would be a serious blow to American prestige if the United States Government were to act as though it could save the situation only by moving toward state socialism, as practiced and promoted by the Communist Party.

Thus it is that foreign and domestic policy are firmly linked and the success of our foreign policy is tied to the nature of our domestic policies.

As a part of our foreign policy we must demonstrate to the world that our Republic can and does create a higher standard of living for the greater number than any other form of government, and that our individual enterprise system offers greater rewards for the greater number than any other economic system.

We must show to the world that our system provides greater liberty and therefore greater security than any other political or economic system.

We must show to the people of the world that when in trouble our system will work, and work effectively. We must show them that to make our system work we do not have to move toward state socialism.

If we do move to state socialism we are going to confess to the people of the world that what we have been telling them in the cold war has been a falsehood.

While we are using the Voice of America as a part of our foreign policy to win over the minds of men in other lands, we should not be neglecting here at home a voice for the institutions and the things for which we stand, and the institutions and the things that have made America great.

I have one thing to fear in government, whether in the administration of foreign policy or domestic policy. That is a vested interest in errors of the past.

Such a vested interest in error creates an inability to rise above and acknowledge past errors. It aggravates and perpetuates them.

Therefore, it is high time that we have a definite foreign policy as to aggression to protect our own self-interest against any potential aggression. Believing that the North Atlantic Pact is the only instrument available to attain this objective, I shall vote for its ratification and feel free to discuss and vote as the facts indicate I should on the implementation of the pact when the occasion arises.

Mr. KNOWLAND and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Michigan yield; and if so, to whom?

Mr. FERGUSON. I yield first to the Senator from California.

Mr. KNOWLAND. I wanted to obtain the floor in my own right.

Mr. FERGUSON. Then, I yield to the Senator from Missouri.

Mr. DONNELL. Mr. President, I was greatly interested in the address made by the Senator. I should like to ask a few questions. In the early part of his address the Senator referred to the point, as I understood, that the North Atlantic Pact makes for permanence in our international policy. Did I correctly understand the Senator?

Mr. FERGUSON. Yes. I had in mind the fact that it continues for 20 years.

Mr. DONNELL. That is what I understood the Senator to refer to. It may be a little old-fashioned to mention here anything about the address of George Washington, some years ago, but the Senator will recall that in that address, the Father of his Country said:

> Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

I ask the Senator whether he considers that the North Atlantic Pact, which is to last for a period of 20 years, or as he put it, perhaps 21 years, would come within the term "temporary alliances for extraordinary emergencies," as used in the excerpt which I have read?

Mr. FERGUSON. No; I would say that what I have advocated is a longer term than I believe the Father of his Country had in mind. But I tried to stress the fact that I think if the Father of his Country were here today and saw the world as it is today, in comparison with what it was at the time he was speaking, in relation to this continent and this country, he might have different views from those he held at that time. I spent some time in preparing what I had to say to the Senate today, trying to outline what I thought should be the policy of America as it approached the atomic age and the fast, far-flying airplane.

Mr. DONNELL. I thank the Senator. I understood quite clearly the point he had made, and made so very clearly. I understood though, a moment ago, that he would not consider the North Atlantic Pact to be embraced within the ordinary acceptation of the term "temporary alliances for extraordinary emergencies." Am I correct in that?

Mr. FERGUSON. I would not consider it to be embraced in that term.

Mr. DONNELL. The Senator also referred to the policy with respect to China. I made a hurried note to the effect that he had indicated that our Chinese policy had been at least in some respects a failure. Is that correct?

Mr. FERGUSON. Yes. I said it had tried to reconcile the irreconcilable. It sought to join together the Nationalist non-Communist Chinese and the Communists. I think it was a failure. I believe that is why the Communists are moving over China today. I am firm in that belief. I have given it a great deal of study, and I have come to that conclusion. That is why I uttered that sentence on the floor of the Senate today.

Mr. DONNELL. That is what I understood the Senator to mean. What department of the Government would the Senator consider to be primarily responsible for the policy which we have followed in China?

Mr. FERGUSON. The executive department—the President and his spokesman and aide, the Secretary of State.

Mr. DONNELL. That is the same department, of course, that has promulgated the North Atlantic Pact and has recommended it to the Senate. Is that correct?

Mr. FERGUSON. Yes. But I think they had some evidence from the Senate, through the adoption of Senate Resolution 239, that it was the desire of America, at least in the opinion of the Senate, to take the step represented by the North Atantic Pact. I think it is clear from the resolution that the Congress had thereby advised the President as to the advisability of the North Atlantic Pact.

Mr. DONNELL. The Senator recalls, does he not, the assurances which were given by the Senator from Michigan, both on June 11, 1948, the day of the adoption of that resolution, and subsequently on February 14 of this year, and then, just a few days ago, that Senators are free to vote as they may deem proper on the North Atlantic Pact, notwithstanding the adoption of Senate Resolution 239?

Mr. FERGUSON. Yes; I understand that to be true, and I feel that a Senator should vote as his conscience dictates, after he has all the facts he can obtain.

Mr. DONNELL. I noted, and I mentioned, I think, on the floor of the Senate the other day, the fact that the senior Senator from Michigan [Mr. VANDENBERG] had stated very clearly that he is not asking, and shall not ask, for the vote of any Senator on the ground of the adoption of Senate Resolution 239. Am I correct in that statement?

Mr. VANDENBERG rose.

Mr. FERGUSON. I should be glad to yield to my distinguished colleague to answer that question.

Mr. VANDENBERG. The Senator is quite correct, but he should add that the senior Senator from Michigan reserved for himself the right to argue with his colleagues that, since the North Atlantic Pact is, to the senior Senator from Michigan, a literal paraphrase of Senate Resolution 239, it is highly persuasive of the fact that the President of the United States very faithfully executed a Senate order when he negotiated the North Atlantic Pact.

Mr. DONNELL. Yes, I understood the Senator's position the other day to be substantially that. But I still understand the Senator from Michigan is not asking any Senator to vote for the North Atlantic Pact because of the adoption of Senate Resolution 239. That is correct, is it not?

Mr. VANDENBERG. May I amend it? I am asking no Senator to vote for the North Atlantic Pact because he voted for Senate Resolution 239.

Mr. DONNELL. Or because the Senate voted for it; is that correct?

Mr. VANDENBERG. No. That is a totally different question. I think the fact that the Senate adopted Senate Resolution 239 is a highly persuasive and important exhibit, but I reiterate what I said in that debate and what I said the other day, that I have always insisted that the implementation of Senate Resolution 239 is a matter for the independent, free right of judgment of any Senator, regardless of his attitude toward the resolution.

Mr. DONNELL. The Senator does not believe, may I ask, that it is obligatory upon any one Senator to vote in favor of the North Atlantic Pact, merely because the Senate adopted Senate Resolution 239?

Mr. VANDENBERG. I do not consider it obligatory upon any Senator to vote for the North Atlantic Pact because he voted for Senate Resolution 239. He is free to put his own interpretation upon what the Senate meant when it adopted the resolution. But, so far as the Senator from Michigan is concerned, the action of the Senate was an advice to the President, which has been faithfully and literally executed, and so far as the Senator from Michigan is concerned, that has some probative force.

Mr. DONNELL. But the Senator from Michigan does not consider, does he, that the Senator from Missouri is bound to vote for the ratification of the North Atlantic Pact because the Senate adopted Senate Resolution 239? I am correct in that, am I not?

Mr. VANDENBERG. The Senator from Michigan does not consider that the Senator from Missouri is required to vote for the treaty because of the adoption of Senate Resolution 239.

The Senator from Michigan has plainly said that every Senator has his own right of judgment; but I consider that the public policy of the Senate as a whole, as to the recommendations of Senate Resolution 239, does present every Senator with a highly persuasive reason for searching his heart and soul with respect to the answer he undertakes to give.

Mr. DONNELL. But, after all, each Senator is allowed to use his own independent judgment when the North Atlantic Treaty comes up for a vote.

Mr. VANDENBERG. That is correct.

Mr. FERGUSON. Mr. President, I should like to say that I think it is persuasive that the Senate, by an overwhelming vote last year, adopted Senate Resolution 239, because it contained what I believe to be the foundation stone upon which this pact is to be erected, namely, the progressive development of regional and other collective arrangements based on a continuance of effective self-help and mutual aid as affects our national security. I took for granted, when the Senate agreed to that resolution, after its experience with the Rio pact and with what was going on in the United Nations, that self-interest required us to make regional pacts if compatible with such self-interest. I believe this pact is compatible with such self-interest, and, as I see it, it should be a part of the foreign policy of the United States.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. DONNELL. The Senator has said that he thinks the adoption by the Senate of the resolution referred to is persuasive. I take it the Senator does not consider it is obligatory upon me or upon any other Senator.

Mr. FERGUSON. No; in no way. But, to my mind, it is persuasive. It may not have the same degree of persuasiveness to all minds, and, of course, other Senators will vote as they see fit.

Mr. DONNELL. Every Member of the Senate has a moral and legal right to vote as he deems proper.

Mr. FERGUSON. Every Senator is a free agent.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. FERGUSON. I shall be glad to yield.

Mr. DONNELL. The Senator referred to language which he read concerning a regional pact. Does the Senator consider the North Atlantic Treaty to be a regional pact?

Mr. FERGUSON. I do, within section 51 of the Charter.

Mr. DONNELL. I call particular attention to the fact that section 51 of the Charter does not relate to regional pacts.

Mr. FERGUSON. I do not have a copy of the Charter before me, and I may have the wrong section in mind.

Mr. DONNELL. The sections having to do with regional pacts are sections 52, 53, and 54. Does the Senator deem that the North Atlantic Charter is a regional agreement within the terms of sections 52, 53, and 54 of the United Nations Charter?

Mr. FERGUSON. Yes. I feel that it is to our self-interest that we have it.

Mr. DONNELL. I refer to articles 52, 53, and 54 of the Charter of the United Nations, pages 16 and 17 of the copy which I have before me. I understand the Senator considers that the North Atlantic Treaty comes within the terms of chapter 8 of the Charter of the United Nations, entitled "Regional Arrangements," articles 52, 53, and 54. Am I correct?

Mr. FERGUSON. That much is correct.

Mr. DONNELL. I call the attention of the Senator to the fact that an earlier article of the treaty, namely, article 23, states that—

> The Security Council shall consist of 11 members of the United Nations.

Is that correct?

Mr. FERGUSON. That is correct.

Mr. DONNELL. And that among the 11 members of the United Nations, of which 11 members the Security Council consists, is the Union of Soviet Socialist Republics. Is that correct?

Mr. FERGUSON. That is correct.

Mr. DONNELL. In other words, that is Russia?

Mr. FERGUSON. Yes.

Mr. DONNELL. I invite the attention of the Senator to the language of article 54, under chapter 8 of the Charter, which says that the Security Council, which obviously includes, therefore, the Union of Soviet Socialist Republics—

> shall at all times be kept fully informed of activities undertaken or in contemplation under regional arrangements or by regional agencies for the maintenance of international peace and security.

I have read it correctly, have I not?

Mr. FERGUSON. Yes.

Mr. DONNELL. So I take it that it obligates those within the North Atlantic Treaty at all times to keep the Security Council, which includes the Union of Soviet Socialist Republics—

fully informed of activities undertaken or in contemplation under regional arrangements or by regional agencies for the maintenance of international peace and security.

Mr. FERGUSON. I would say the words "Security Council" do not mean individual nations. They mean the Security Council which is an entity in and of itself, and the Charter itself provides for it.

Mr. VANDENBERG. Mr. President, will the Senator permit me to interrupt?

Mr. DONNELL. Just a moment, please.

Mr. VANDENBERG. The Senator from Missouri is asking the junior Senator from Michigan some rather technical questions, and I should like to contribute a brief comment on the technical fact involved; but I am at the mercy of my friends.

Mr. DONNELL. Will the Senator permit me for a moment to interrogate his colleague?

Mr. VANDENBERG. Certainly.

Mr. DONNELL. Does not article 23 of the Charter of the United Nations read as follows:

The Security Council shall consist of 11 members of the United Nations—

Mr. FERGUSON. Yes; that is correct.

Mr. DONNELL. I read further:

The Republic of China, France, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and northern Ireland, and the United States of America shall be permanent members of the Security Council. The General Assembly shall elect six other members of the United Nations to be nonpermanent members of the Security Council, due regard being specially paid, in the first instance, to the contribution of members of the United Nations to the maintenance of international peace and security and to the other purposes of the Organization, and also to equitable geographical distribution.

I have quoted it correctly; have I not?

Mr. FERGUSON. Yes; that is correct.

Mr. DONNELL. In article 54, to which reference has been previously made in the interrogation of the distinguished Senator, the language is:

The Security Council—

And I call attention to the fact that the capitalization of the words is exactly the same as in article 23—

shall at all times be kept fully informed of activities undertaken or in contemplation under regional arrangements or by regional agencies for the maintenance of international peace and security.

That is the language, at any rate; is it not?

Mr. FERGUSON. That is correct.

Mr. DONNELL. The Senator has referred to relations with South America as being the worst in recent years——

Mr. VANDENBERG. Mr. President, may I intervene at that point?

Mr. FERGUSON. I yield.

Mr. VANDENBERG. I should like to get the record straight at this point. The able Senator from Missouri is correct that this pact is written in part under those sections of the Charter which deal with regional arrangements, but in major part it is written under article 51 to which article 54, which the Senator from Missouri read, does not apply.

Mr. FERGUSON. Article 51 is the self-defense article and article 5 of the pact, which is the heart of the treaty, comes under this section of the Charter.

Mr. VANDENBERG. That is correct. Insofar as regional arrangements are concerned, this pact has the general character of cooperation which the regional-arrangements section of the Charter contemplates, but in its active application I should say it was written exclusively under article 51 with respect to those portions of the pact, which include 90 percent of it, which deal with individual and collective self-defense.

As my authority for my observation, I call the attention of the able Senator from Missouri to the testimony of former Senator Austin, who, as the Senator knows, has been our representative on the Security Council of the United Nations since its inception, at page 96 of the hearings, where Ambassador Austin, who certainly is an adequate authority, makes it very plain that article 51 is the primary source of jurisdiction under which the pact is written in respect to the Charter. Then he said:

And I say, in certain of its aspects the treaty is also a regional arrangement, and insofar as it partakes of those characteristics, chapter VIII of the Charter provides full authority for its provisions.

In other words, the pact is written primarily under article 51 of the Charter, and it takes on a regional character only by general inference.

Mr. DONNELL. Mr. President, will the junior Senator from Michigan yield?

Mr. FERGUSON. I thank my colleague for his observation. I yield to the Senator from Missouri.

Mr. DONNELL. May I ask either of the Senators from Michigan whether there is any place in the North Atlantic Treaty from the beginning to the end, in which article 51 of the Charter is mentioned, except in article 5?

Mr. FERGUSON. Only in article 5.

Mr. DONNELL. That is the one which relates to the agreement that an armed attack against any one or more of the parties shall be considered an attack against them all, "and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked."

Mr. FERGUSON. That is the only place it is specifically referred to.

Mr. DONNELL. That is the only place in the treaty where article 51 is mentioned?

Mr. FERGUSON. That is correct.

Mr. DONNELL. Will the Senator yield for a further question?

Mr. FERGUSON. In other places the United Nations is mentioned. For instance, in the first paragraph of the preamble, this statement appears:

The parties to this treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations. * * *

Mr. DONNELL. Articles 52, 53, and 54 are also a part of the Charter, are they not?

Mr. FERGUSON. Yes. I read also from article 1 of the North Atlantic Pact:

The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

Mr. DONNELL. The point I make, and I ask the Senator if I am not correct, is that the only place in the proposed North Atlantic Pact where there is mention of article 51, to which this treaty refers, and to which the senior Senator from Michigan referred, is in article 5?

Mr. FERGUSON. I would say that the words "article 51" are mentioned only in article 5.

Mr. DONNELL. The Senator to whom I am addressing this question, the junior Senator from Michigan, has been under the impression that the North Atlantic Treaty is a regional agreement within the terms of articles 52, 53, and 54, as previously stated; has he not?

Mr. FERGUSON. I would not limit myself to that. I would want to answer also that self-defense, as covered in article 51, is an inherent feature.

Mr. DONNELL. Article 5 does refer to article 51 by name, and nowhere else is it referred to by name?

Mr. FERGUSON. That is correct.

Mr. DONNELL. In the very preamble of the treaty occurs this sentence, does it not?

They—

That is to say, the parties to the treaty—

They seek to promote stability and well-being in the North Atlantic area.

That is the language, is it not?

Mr. FERGUSON. Yes.

Mr. DONNELL. The last sentence of the preamble reads:

They therefore agree to this North Atlantic Treaty.

That is correct, is it not?

Mr. FERGUSON. That is a correct quotation.

Mr. DONNELL. The Senator has referred to the policy of the Department of State, and I wanted to ask him as to his reference to the relations with South America being the worst in recent years. Under which department of the United States Government have those relations progressed to the worst in recent years?

Mr. FERGUSON. The State Department.

Mr. DONNELL. Some portion of that resultant dimunition in the relations came about since the Rio Pact, did it not?

Mr. FERGUSON. Not entirely. As a matter of fact, I think that from a military angle that pact has strengthened relations.

Mr. DONNELL. The relations to which the Senator referred as having become the worst in recent years are relations which have developed under the State Department of the United States?

Mr. FERGUSON. Yes. I think that may have been due to their being engaged to a great extent in the European theater, so that probably men with top ability have not been able to devote their full time to the problems in the area referred to. But the principal failure, as I stated in the main body of my remarks, has been the inevitable failure of a policy based on an attempt merely to purchase or subsidize good will.

Mr. DONNELL. I take it that the Senator would agree, therefore, that the State Department is not infallible in its judgments in the opinion of the Senator.

Mr. FERGUSON. I would not say it is infallible.

Mr. DONNELL. And the State Department, therefore, in giving the Senate advice to ratify this treaty, is not entitled to impute to itself infallibility as to the correctness or incorrectness of that advice, is it?

Mr. FERGUSON. It should not.

Mr. DONNELL. Now I wish to ask the Senator briefly in regard to one other phase. The Senator is a distinguished member of the Senate Committee on the Judiciary, is he not? He will no doubt not agree to the word "distinguished," but he is a member of that committee, is he not?

Mr. FERGUSON. Yes.

Mr. DONNELL. I should like to ask the Senator whether he has had occasion to observe, in the Committee on the Judiciary of the Senate, the introduction of Senate bills 1725 and 1726 by the junior Senator from Rhode Island [Mr. MCGRATH] on April 28, 1949, which bills were referred to the Committee on the Judiciary on that date.

Mr. FERGUSON. I am familiar with S. 1726.

Mr. DONNELL. That is a bill entitled "A bill to provide protection of persons from lynching, and for other purposes."

Mr. FERGUSON. I am very familiar with that.

Mr. DONNELL. Has the Senator seen S. 1725, introduced by the same sponsor?

Mr. FERGUSON. I am not so familiar with S. 1725.

Mr. DONNELL. I should like to call to the attention of the Senator language in each of those two bills which I think is substantially the same. I hand the Senator S. 1725 and S. 1726, each introduced by the junior Senator from Rhode Island [Mr. MCGRATH] on April 28, 1949. I first call the Senator's attention to the fact that the prelude to what I am about to read from S. 1726 says:

> The Congress finds as fact that the succeeding provisions of this act are necessary.

Then I turn to this provision in subdivision (c), on page 2:

> (c) To promote universal respect for, and observance of, human rights and fundamental freedoms for all, without distinction as to race, language, or religion, in accordance with the undertaking of the United States under the United Nations Charter, and to further the national policy in that regard by securing to all persons under the jurisdiction of the United States effective recognition of certain of the rights and freedoms proclaimed by the General Assembly of the United Nations in the Universal Declaration of Human Rights.

Does that language occur in S. 1726?

Mr. FERGUSON. Yes.

Mr. DONNELL. I also have S. 1728, which I have not examined in detail, but I can assure the Senator that it is substantially the same as the others.

I call to the attention of the Senator also S. 1724, introduced on January 25, 1949, by the then junior Senator from New York, now the senior Senator from New York [Mr. IVES], for himself and various other Senators, in the course of which appears this language:

> This act has also been enacted as a step toward fulfillment of the international treaty obligations imposed by the Charter of the United Nations upon the United States as a signatory thereof to promote "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion."

The Senator having observed these bills, I now ask him whether or not he has noted that in the North Atlantic Treaty, in article 2, there is not merely a statement of purposes, as appears in the United Nations Charter, in which these statements I have made are quoted, but article 2 contains a positive obligation, as follows:

> The parties will contribute toward the further development of peaceful and friendly international relations—

By three methods. No. 1:

> By strengthening their free institutions.

No. 2:

> By bringing about a better understanding of the principles upon which these institutions are founded.

I shall not allude to the third method for the moment.

In view of the introduction of the bills I have recited, and in view of the introduction during the Eightieth Congress of Senate bill 984, by the then junior Senator from New York [Mr. IVES], which was "A bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry," I ask the Senator, if the North Atlantic Treaty shall be adopted and ratified by the Senate, if he would not anticipate that the contention would doubtless be made that similar provisions in bills to be hereafter introduced along the lines of civil-rights legislation and similar subjects, are based upon this obligation in article 2 of the North Atlantic Treaty, that "The parties will contribute toward the further development of peaceful and friendly international relations"—and I emphasize the following phrase "by strengthening their free institutions"? Would the Senator be surprised if further legislation hereafter introduced should contain in its preamble a recital to the general effect that in addition to United Nations Charter obligations, so-called, or preambles, that the legislation is based in part upon this obligation under article 2 of the North Atlantic Treaty, that the parties will "by strengthening their free institutions," do such and such? Would the Senator be surprised if that were to happen?

Mr. FERGUSON. The Senator asks me whether I would be surprised if so and so would happen. I do not want to be facetious, but I may say that I would not be surprised at anything which might be introduced in the United States Senate. I really want to answer the Senator. I should say I might be disappointed, but I would not be surprised.

Mr. DONNELL. But the Senator, I take it, would join with me, would he not, in thinking that it would be entirely probable that proponents of future legislation, having based their legislation, along the lines of the bills from which I quoted, on alleged obligations under the United Nations Charter, would supplement the proposed reasons, as set forth in those bills, by reciting obligations under the North Atlantic Treaty?

Mr. IVES. Mr. President, will the Senator from Michigan yield to me at that point?

Mr. FERGUSON. I am glad to yield to the Senator from New York.

Mr. IVES. The distinguished Senator from Missouri has made mention in his remarks of a bill I have previously introduced. I want to say that I do not recall any testimony having been given at any time during any hearing, that it could be construed to be an obligation on the part of the United States to carry out anything of that type. The idea has always been expressed that were the United States to do it, presumably it would be in conformity with the idea expressed, but I cannot recall an instance where it was contended, during the hearings, that there would be an obligation to do so.

Mr. DONNELL. Mr. President, will the Senator yield to me so I may make an answer to that statement of the Senator from New York?

Mr. FERGUSON. Yes; I yield.

Mr. DONNELL. I may say to the Senator from New York that in his bill, Senate bill 984, introduced during the Eightieth Congress, it is provided:

> (c) This act has also been enacted as a step toward fulfillment of the international treaty obligations imposed by the Charter of the United Nations upon the United States.

The same language appears in Senate bill 174, or substantially the same language, at any rate, which was introduced by the Senator from New York on January 5, 1949, in the Senate, during the Eighty-first Congress.

Mr. IVES. Mr. President, will the Senator from Michigan yield to me again so I may make a statement in connection with what the Senator from Missouri has just said?

Mr. FERGUSON. I yield to the Senator from New York.

Mr. IVES. I merely want to point out what I originally stated, that regardless of what may be in the bill, at no time during the hearings do I recall that any one testified or contended that this is an actual obligation.

Mr. DONNELL. I take it that the Senator from New York must have thought that under the Charter of the United Nations there was an actual obligation or he would not have called it an obligation. Merely because nothing has been said in the hearings does not mean that this does not create an international obligation.

I again ask the Senator from Michigan if he would not think it entirely reasonable to expect that proponents of such legislation, after the North Atlantic Treaty has been ratified, acting on the theory of Missouri versus Holland, would base the legislation, at least in part, first upon the United Nations Charter, and, second, upon the North Atlantic Treaty?

Mr. FERGUSON. I will answer that question by saying that I am familiar with the case of Missouri versus Holland. I realize that a few people contend that under that decision a treaty becomes the supreme law of the land and may grant rights to Congress to pass legislation which would otherwise be unconstitutional. Briefly, the facts in the case of Missouri versus Holland, are these: Congress passed legislation in relation to migratory birds, which the court held to be unconstitutional. We then signed a treaty, which was ratified; after its ratification Congress passed identical legislation, and the Supreme Court held the legislation was valid under the treaty.

But by no stretch of the imagination can it be said that when the Senate passed upon the United Nations Charter we were intending to change or alter the Constitution of the United States as it related to domestic affairs. I think that is true because of the fact that we said we ratified it in conformity with the Constitution; we recognized the Constitution as the supreme law of the land. The Charter does not apply to domestic affairs, because there is a specific provision to that effect. I cannot at the moment cite section number of the United Nations Charter which so provides. The bills which the Senator from Missouri has discussed relate to purely domestic issues. So, being a member of the Committee on the Judiciary, I said I would not be surprised at what might be introduced in the Senate. I certainly would feel, however, there would be no justification to report them out of that committee as resting on the treaties.

At the time of the hearings on the antilynching legislation, when the contention was made that anything could be done under the United Nations Charter in relation to civil rights and civil liberties, I felt that was simply not a fact. Those who made such a contention were stretching their imagination, and were suggesting something which the Senate of the United States and the people of the United States never intended nor agreed to do, that is, change the Constitution as far as it related to purely domestic matters.

Mr. IVES. Mr. President, will the Senator from Michigan again yield to me?

Mr. FERGUSON. I yield.

Mr. IVES. I should like to ask the able Senator from Missouri, through the able Senator from Michigan, if the Senator from Missouri would be happier about the whole thing if the word "obligation" were taken out of the bill, and other language substituted? As the one who introduced the bill, I want it to be distinctly understood that no idea such as has been presented by the able Senator from Missouri is back of the language which he read in the bill.

The VICE PRESIDENT. The Chair would like to admonish the Senator from Michigan and other Senators that an argument between two Senators who do not have the floor over a bill which is not before the Senate is not in compliance with the rules of the Senate. The Chair reminds the Senator that he can yield only for a question.

Mr. FERGUSON. Mr. President, I shall abide by the rules of the Senate. I thought, however, that in view of the fact that the name of the Senator from New York had been brought into the discussion, I should extend to him the right to make the statement he desired to make with respect to his bill.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the Senator from Missouri, and I shall keep in mind the admonition just given by the Chair.

Mr. DONNELL. What I asked, Mr. President, was merely this: In view of the fact that in at least the bills to which I have referred, one of them introduced in the Eightieth Congress, and the others in the Eighty-first Congress, all of them introduced by gentlemen of high standing in the Senate—as all Senators are, of course—and in addition to which bills I might mention Senate bill 1728, introduced by the junior Senator from Rhode Island [Mr. McGRATH], and referred to the Committee on Labor and Public Welfare, which contains language similar to that contained in the others, I asked the Senator whether he would not deem it entirely probable that those who proceed upon the theory that we may base legislation of this type on the United Nations Charter, would themselves attempt to base further legislation along similar lines not only on the United Nations Charter but also on the North Atlantic Treaty?

Mr. FERGUSON. I will answer that by saying that there is a school of thought which contends that under Missouri against Holland the treaty, in its words, repeals the Constitution of the United States and becomes the supreme law of the land respecting domestic issues. I consider that not to be true. I believe that we must take into consideration the intent of Congress when it enacts legislation. Congress has in mind certain things when it enacts a law. Domestic legislation was excepted from the treaty. It was not the intention by ratifying the treaty to repeal the Constitution of the United States. Therefore, so far as domestic legislation is concerned, its constitutionality will not be supported by this treaty, or the United Nations Charter.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. FERGUSON. I yield.

Mr. DONNELL. The same logic—or lack of logic, as the Senator considers it to be—would justify a Senator in introducing legislation based upon the idea that the North Atlantic Treaty creates such an obligation as would justify the introduction of the other proposed legislation on the theory that the United Nations Charter conferred certain authority.

Mr. FERGUSON. As I have stated, there is a certain school of thought along that line with which I wholeheartedly disagree. After hearing the contentions of that school of thought, and finding that theory expressed in the antilynching bill, and finding that a certain group of people were contending that by the United Nations Charter the United States had repealed the Constitution so far as States' rights were concerned, I made a study of the entire problem. I reached the conclusion that treaties must be read from the four corners of the language they contain.

While the language of the opinion of the Court in Missouri against Holland does follow to a certain extent that line of reasoning, there was involved a treaty expressly designed to accomplish the purpose for which the law was enacted. The United Nations Charter was adopted for another purpose. It is not within the meaning or intent of the United Nations Charter or of the North Atlantic Pact to repeal the Constitution. That is not the purpose of this treaty.

Yesterday I asked the able junior Senator from New York [Mr. DULLES] whether, in his opinion, the treaty, under article 3, would in any way give to the President of the United States any powers which he did not presently have, because I wanted that subject covered in the RECORD. Personally I feel that it does not give him any powers which he does not now have, and that it was not intended to add to the President's powers. Therefore I wanted it on the RECORD as a part of the legislative history, so that anyone, including the President himself, who might read the RECORD would understand that we are not conferring additional powers upon the President. That is why I think these debates are good, because they provide a legislative history of our intent in enacting the legislation which we are passing.

Mr. DONNELL. The Senator realizes, does he not, that I do not at all contend that the case of Missouri against Holland permits the treaty to set aside the Constitution of the United States. I do not construe it to mean that.

Mr. FERGUSON. I take it for granted that is true. I agree with the Senator.

Mr. DONNELL. It is a little difficult to enter into a full discussion of Missouri against Holland without going into it at considerable length, and without examining it at the moment so as to have the facts before me. However, as I recall, the decision in the case of Missouri against Holland merely held, in an instance in which a statute had been previously enacted by Congress, that the President and the Senate had never asserted, by treaty power, rights over migratory birds, but that subsequently a treaty, within the treaty power of the Nation, was ratified which expressly dealt with migratory birds, and in view of the constitutional provision Congress was entitled to approve statutes in aid thereof.

Mr. FERGUSON. That treaty was approved for the express purpose of giving Congress the power to enact a statute, and, therefore, within the meaning of the Constitution, when the treaty becomes the supreme law of the land, it is permissible to enact such legislation.

Mr. DONNELL. The Senator is not under the impression, is he, that I take the position that the case of Missouri against Holland gives authority for the treaty-making power to set aside the Constitution?

Mr. FERGUSON. The Senator from Missouri is not of the school of thought which is contending, in connection with the antilynching bill, for example, that it can be enacted because the Constitution has been repealed by a treaty provision.

Mr. DONNELL. I thank the Senator for his very cooperative assistance.

Mr. WHERRY. Mr. President, I should like to submit a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. We are now discussing a treaty. Amendments to the treaty are in order, are they not?

The VICE PRESIDENT. They are.

Mr. WHERRY. If an amendment to the treaty is adopted by the Senate, it requires renegotiation of the treaty with the signatory countries, does it not?

The VICE PRESIDENT. That is not a parliamentary inquiry.

Mr. WHERRY. Nevertheless, I should like to submit the inquiry.

The VICE PRESIDENT. As a matter of law and practice, the Chair believes that if it were an amendment which substantially changed the meaning of the document, the treaty would have to be renegotiated.

Mr. WHERRY. My question was, if the treaty were amended, would renegotiation be required?

The VICE PRESIDENT. A treaty cannot be amended. The language of the treaty cannot be amended. It can be done only by a reservation which interprets the meaning of the treaty. As the Chair understands, a treaty cannot be treated as a bill so far as amendments are concerned.

The Parliamentarian advises the Chair that that has been done. The language of treaties has been amended. The Chair did not recall that.

Mr. WHERRY. In that case it would have to be renegotiated, because the signatory powers would have to accept the amendment.

The VICE PRESIDENT. The Chair is of the opinion that it would. Otherwise it would be a unilateral arrangement about which the other countries to the treaty had not been consulted, and in which they did not participate.

Mr. WHERRY. Mr. President, I should like to submit a further inquiry. Would an amendment to the resolution of ratification, if adopted by the Senate, require renegotiation of the treaty?

The VICE PRESIDENT. It would have to be sent to the signatory powers for their ratification or their further consideration before it could become effective.

Mr. WHERRY. Would the distinguished occupant of the Chair ask the Parliamentarian his opinion on that question?

The VICE PRESIDENT. It is customary for the Chair to consult the Parliamentarian, but the Parliamentarian can not render decisions.

Mr. WHERRY. I should like very much to have the Chair submit that question to the Parliamentarian and get his answer, because I should like to make it a matter of record.

Mr. CONNALLY. Mr. President, a point of order.

The VICE PRESIDENT. If necessary, the Chair will consult the Parliamentarian on that point, in chambers, and not in public.

Mr. WHERRY. Mr. President, may I ask the distinguished Presiding Officer once again, if an amendment which is not an amendment to the treaty is made to the resolution of ratification, is it not then unnecessary to renegotiate the treaty, although it is true that if a member nation did not consent to it, it could withdraw? Am I correct in that statement?

The VICE PRESIDENT. The Chair feels that that is more in the nature of an inquiry concerning the international practice carried on by the State Department with foreign officers than a parliamentary inquiry. The Chair feels that his statement on that question would not necessarily be binding on the Senate. It might depend upon practice and usage among the various countries in relationships conducted by the State Department and not by the Senate. It might depend altogether on the nature of the reservations as to whether they would have to be renegotiated. On that question it is the judgment of the Chair that the Department of State would have a better opinion than that of the occupant of the Chair, or even the Parliamentarian.

Mr. WHERRY. Mr. President, may I submit a further question, for purposes of clarification?

The VICE PRESIDENT. Certainly.

Mr. WHERRY. It is the general practice, is it not, that generally speaking, amendments to the resolution of ratification are not required to be renegotiated?

The VICE PRESIDENT. As the Chair understands, the practice is that reservations which affect the meaning of the treaty as it has been negotiated, either by interpretation or otherwise, are communicated to the signatory powers through the ordinary channels. As to whether a technical renegotiation by reassembling of the delegates and foreign ministers would be required, the Chair is unable to answer that question. However, from time immemorial the practice has been that when reservations are added to the resolution of ratification which in effect substantially change the common understanding as to what the treaty means, or which constitute a unilateral interpretation of it, they are submitted to the nations involved through such diplomatic processes as are customary. It may be that such reservations could be agreed to by those nations without a formal reassembling of the delegates. But certainly they would have to be assented to by any one of the signatories before it would be bound by such reservations.

Mr. WHERRY. Of course, Mr. President, if I may continue the parliamentary inquiry a step further, let me say that I agree that any reservation affecting the terms of the treaty would have to be renegotiated. But that was not my question. Perhaps I did not make my position clear.

I am speaking only of the resolution of ratification. With respect to an amendment to the resolution of ratification, is it not the general practice and custom that such an amendment does not have to be renegotiated?

The VICE PRESIDENT. It has to go through some form of intercommunication between the country making the reservation and the other signatories. Whether that is called renegotiation or whether it comes about by assent of the other countries, is a matter about which the Chair would not be dogmatic. But, in the case cited by the Senator from Nebraska, there would have to be some sort of negotiation, correspondence, or conference between our State Department and the other countries, to determine whether they assented to the reservation or change.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Chair is trying to answer one now.

Mr. CONNALLY. I wish to discuss it. I thought the Senator from Nebraska was through.

Mr. WHERRY. I am not through yet, but I shall be glad to yield to the Senator from Texas, if he wishes to have me do so.

Mr. CONNALLY. Mr. President, let me suggest to the President of the Senate that any change in the resolution ratifying the treaty goes to the very heart of the matter. If such a change does not mean anything, it has no business being adopted. But if we were to modify the resolution which ratifies the treaty, that modification would have to be submitted to the other signatory nations, because they might not agree to the modification. So, as to any such change, they must act—not necessarily by a reconvening of all the signatory nations, but they could do so by diplomatic letter or note.

The VICE PRESIDENT. That is the position the Chair took, namely, that a reservation added by the Senate to the resolution of ratification, affecting the meaning of the treaty, would not stop there and could not stop there. It would have to go to the other countries in some form or fashion, in order to get their reaction to it and their action upon it.

Mr. CONNALLY. Any reservation, whether to the treaty or to the resolution of ratification, if it did not affect the treaty or the resolution of ratification, would be of no use, so what would be the sense of offering it? If one were to be offered, it would be offered on the theory that it would change the treaty, on the theory that it would give a different interpretation to the treaty, when added to it, so that thereafter the treaty would be interpreted differently from the

way it would have been interpreted without the change.

Mr. WHERRY. Mr. President, do not I have the floor?

Mr. CONNALLY. Mr. President, I thought the Senator from Nebraska had yielded to me.

Mr. WHERRY. I did, but I did not yield to the Senator to have him make a speech.

Mr. CONNALLY. The Senator from Nebraska has been making speeches for quite some time.

Mr. WHERRY. Nevertheless, Mr. President, I yielded for a question.

Mr. CONNALLY. Very well; I shall desist, if the Senator from Nebraska wishes to be that offensive about the matter.

Mr. WHERRY. I do not wish to be discourteous. I shall yield further, if the Senator from Texas wishes to have me do so.

The VICE PRESIDENT. Of course the Chair controls the time.

Mr. WHERRY. That is correct.

The VICE PRESIDENT. The Chair wishes to hear the Senator from Nebraska.

Mr. WHERRY. Yes. If I have to cut off the inquiry of the distinguished Senator from Texas, I indeed regret it, and I shall yield the floor to him.

Mr. CONNALLY. I do not recognize that the Senator from Nebraska controls the floor, Mr. President. The Chair can recognize any Senator he wishes to recognize.

The VICE PRESIDENT. The Chair thinks he has answered the parliamentary inquiry as propounded thus far.

Mr. WHERRY. Mr. President, I have not finished my parliamentary inquiry. I rose, and was recognized by the Chair, to make a parliamentary inquiry. I did not object to having the Senator from Texas propound a parliamentary inquiry, but then I thought he had started on one of his speeches, apparently chastising any Senator who might offer a reservation to the resolution of ratification.

So far as I am concerned, I have offered a reservation to the resolution of ratification, and I have done so in good faith. I did not do so with any thought of hurting or destroying this pact. I wish that understood.

Certainly if we are ever to talk about amendments or reservations, this is the time to do so. The fact that a Senator offers a reservation does not mean that to any degree he is attempting to change or hurt the North Atlantic Pact or to interfere with its ratification.

Mr. President, I propound this further parliamentary inquiry: Is there a difference between an amendment to the treaty and a reservation to the resolution of ratification?

The VICE PRESIDENT. There may be a difference; but in either case the State Department must communicate to the other signatory powers either the reservation interpreting the treaty or an amendment to the treaty itself. Whether that would be done by diplomatic letter or by further conferences is not a matter the Chair can determine. It would depend upon their custom and convenience.

But in any case, a change either in the treaty or in its meaning or in the interpretation of its meaning—any reservation at all—must be submitted in some way by our State Department to all the other signatory powers.

Mr. WHERRY. Let me ask this further question, and then I think I shall be rather clear regarding the matter, although I humbly disagree with the interpretation which has been made by the Chair.

The VICE PRESIDENT. Let the Chair ask the Senator from Nebraska a question: How else would the other signatories know that we had adopted a reservation, if it were not communicated to them by our State Department?

Mr. WHERRY. I think a change which in any way changed the sense or the meaning of the treaty—for instance, if a new word were added or if a word were stricken out or if another "t" were crossed or an "i" dotted—would be a change in the treaty itself, and in that respect would be subject to renegotiation. For that reason, because of the impact on the other nations, I think it would be a mistake to make a change in the treaty itself.

Therefore, I ask whether there is not a difference between a change in the treaty itself or a change in the language of the treaty or an amendment thereto and a reservation or change in the resolution of ratification which might require an explanation or declaration by the Senate of the United States, but which would not change the treaty itself. Does the Chair understand what I mean?

The VICE PRESIDENT. There may be a difference in effect between a change in the resolution of ratification and a change in the language of the treaty. But in any case, our Government, through its diplomatic channels, must bring to the attention of the other signatory powers any change made in the language of the treaty or any interpretation through reservation. Whether that be done by letter or through our ambassadors abroad or through some other method, is a matter for the determination of our State Department and the President, who conducts our foreign relations; but it must be done in some way or other.

Mr. WHERRY. In other words, if I correctly understand the Chair, it is a question of negotiation, also, even if a declaratory sentence is added to the resolution of ratification; and I suppose any nation could object to that and could withdraw.

The VICE PRESIDENT. Yes; or it could say, "We do not accept that interpretation"; and that statement in itself might bring on a renegotiation, and it might be possible to have a meeting of minds on that matter.

Mr. WHERRY. Yes. So there is a difference between an amendment to the treaty itself and a reservation to the resolution of ratification, is there not?

The VICE PRESIDENT. There is not always a difference, but there may be a difference, depending altogether on the text of the reservation itself.

Mr. WHERRY. I thank the Chair.

Mr. KNOWLAND. Mr. President, the North Atlantic Pact is before the Senate for ratification or rejection. As on most public questions, there is an honest difference of opinion as to what is the best course of action for our Nation to pursue.

To me the overwhelming evidence weighs in favor of ratification.

Twice in the 41 years of my lifetime this Nation has been involved in world wars. Prior to each we had attempted to maintain a splendid isolationism. However, it did not work.

In both wars we were fortunate in being on the winning side. Our own contribution in manpower and resources was tremendous. Our allies could not have won without our assistance. But candor requires that we not lose sight of the fact that without allies, to take up the first shock of attack while we were preparing for war, we might have been on the defeated side.

Had men in responsible positions paid more attention to Hitler's Mein Kampf they might have been better prepared for his reoccupation of the Rhine, the seizure of Austria, the demands at Munich, and the onslaught on Poland.

Now we face a potential aggressor that has consistently preached an international doctrine of destruction to our way of life of far greater magnitude than anything preached by Nazi Germany. We are on notice that international communism is bent upon the destruction of our way of life wherever it exists. To fail to recognize the realities of the situation is worse than folly.

No nation that does not have aggression in its heart need fear this pact. It is defensive in character and within the framework of the United Nations.

Our best hope, in my opinion, of staying out of future wars is to prevent future wars from breaking out. We cannot be unconcerned about acts of aggression, wherever they may occur. As a supporter of international law and order and in conformity with the Charter, we have the right to join in such a regional pact and the obligation to stand firm against overt aggression, wherever it may occur. Our obligations are not greater, but they are more clearly defined and cannot be obstructed by any veto of the aggressor power itself.

There is no requirement in the treaty that we supply arms to the other signatories. It is my belief that in our own national security it may be advisable for us to do so. I reserve the right, as does every other Senator, to exercise judgment as to what, if anything, should be supplied in the way of implementation, and to whom it should be supplied.

Such implementation may come in a considerable part, out of our own war reserves. It would be prudent, I believe, for the Foreign Relations Committee to yield to the Armed Services Committee the jurisdiction over the implementation legislation. Whatever we do is bound to have an effect upon our own Military Establishment. This makes it a proper subject to come within the jurisdiction of the Armed Services Committee. It will give a balanced committee consideration, and this will be better for the legislation and our own national defense.

Failure to ratify the pact would be a fatal blow to our friends in western Europe. Within hours, if not minutes, of

such news the forces of disintegration would be at work. The hot breath of the bear would be on the necks of the people still outside the iron curtain. Despair would give way to terror. Across a hundred air waves the voice of Moscow would proclaim that America had returned to isolationism and that the western powers should make the best deal possible while there was yet time for them to do so.

Underlying it all would be the memory of Petkov hanged, Masaryk's suicide, and Mikolajczyk fleeing for his life. One by one the Kremlin would pick the fruits of our folly.

In this day of the airplane and the atom, we can no more return to isolation than a man can return to childhood. We have come of age. We will either fill the place of leadership to which destiny has called us or we will sit by and see the Soviet Union occupy the vacuum we create. Today, no nation other than America is in a position to lead and mobilize the forces of international law and order.

It was Lincoln who said:

Fellow citizens, we cannot escape history. The fiery trial through which we pass will light us down in honor or dishonor to the latest generation * * * we, even we here have the power and bear the responsibility * * * in giving freedom to the slave we assure freedom to the free * * * we shall nobly save or we shall meanly lose this last best hope of earth.

What we do is not without risk. To me it is a greater risk if we abdicate our responsibilities. I shall support the pact without reservations. I shall vote to implement it to the extent that our national interests require.

Mr. LANGER. Mr. President, first of all I wish to say that from my State, neither my colleague nor myself—and I saw the junior Senator from my State [Mr. YOUNG] a few moments before I began to speak—has received a single letter, a single telephone call, or a single telegram in favor of the North Atlantic Pact. I have before me scores and scores of letters and petitions from the State of North Dakota, every one of which, without exception, expresses opposition to the North Atlantic Pact.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Texas?

Mr. LANGER. I yield.

Mr. CONNALLY. Were the letters to which the Senator refers written after the Senator from North Dakota had made public his position on the treaty?

Mr. LANGER. Some of them were written before, some afterward.

Mr. CONNALLY. Most of them were written afterward, though, were they not?

Mr. LANGER. No, I would say not. They are dated, and will show, I believe, that the majority of them came before the announcement of my position. I may say that my colleague the junior Senator from North Dakota [Mr. YOUNG] has not yet announced his position. So I say it is my belief that the people of the State of North Dakota are very overwhelmingly opposed to the ratification of the treaty. Later on I shall put some of these letters and telegrams into the RECORD.

Mr. President, I want to go back to the time of the Connally resolution. I was one of seven Senators who voted against it. I have always been very, very proud of that fact. It is interesting to note that, at the time the Connally resolution was being considered by the Senate, one of the most distinguished Senators who ever sat in this body, the late Senator Henrik Shipstead, of Minnesota, a man who had had a long and varied experience upon this floor, made a speech and voted against the so-called Connally resolution. What Senator Shipstead said at that time was almost prophetic. I am going to read a part of what he said, found at page 9175 of the CONGRESSIONAL RECORD of November 5, 1943. I may say that former Senator Shipstead was at that time a member of the Committee on Foreign Relations of the Senate. I read:

Mr. SHIPSTEAD. Mr. President, in addressing myself to the Senate on the pending resolution, I desire to say that I voted to report the original resolution from the Committee on Foreign Relations. I did so for several reasons. One reason was that while the resolution had been prepared and considered by a subcommittee of the Committee on Foreign Relations—there had been no hearings—the first I saw of the resolution was when I came to the final meeting of the committee, and there appeared there several Senators for whom I have a high regard, who made a proposal for a substitute resolution. They were heard. They stated their views with great earnestness. No record was kept at that time. The final outcome was that the pending resolution was reported to the Senate. I thought it should be brought out here, where there could be full discussion in the Senate of that very important question which had been discussed over the radio and in newspapers and on the speaking platforms, one of the most important questions, that of peace after the war is over, which could possibly face this country; and I thought that, rather than keeping still about it, so long as there was so much discussion, and in view of the fact that the committee had taken jurisdiction of the matter, it should be discussed in the Senate.

I felt it could not bind any succeeding Senate. Now, however, I fear it will be considered as an advance ratification of a treaty or that whatever agreement is made will be considered as an executive agreement that will not be sent to the Senate for ratification. The first section of it dealt with the fact that we were at war and were going to continue it. That was more or less a second declaration of war, repeating the action the Senate took on the 8th day of December 1941. The second paragraph suggested that we have a just and honorable peace. The third paragraph deals with some kind of an international organization to maintain the peace in the future; and, of course, as usual history repeats itself, as it has done through the ages: "It shall be done by force."

In the debate in the Senate the emphasis has been that the peace, no matter what it is, shall be enforced by force—by police force. That is the kind of peace we always have had in history, and therefore every peace treaty in history has sown the seeds for the next war.

The other day I said that the only just and honorable peace which had been offered to any belligerent, I thought had been that offered by General Grant at Appomattox, when he told the defeated men of the South, "Take your horses and go home and get busy with the plowing." There were men then in the Capitol who had different views. They felt they had to have the peace enforced by the military, so the Congress sent the military down there and sent a lot of carpetbaggers to the South to enforce the peace. The fanatics of the North in Congress wanted to "punish the aggressor." The effect of sending those carpetbaggers is still not yet eradicated from the South. That is one of the blackest pages of American history.

The pending resolution says that we shall have a just and honorable peace. If the peace is just and honorable, there is an opportunity for peace so long as nations will conduct themselves in relation to each other in a just and honorable manner, and there will be very little need for any police force to subjugate people who are dissatisfied with economic conditions, social conditions, and political tyranny. However, I have no hope for such a treaty.

Mr. LANGER. Mr. President, this speech was delivered in 1943. It is now 1949, so that for 6 years Senator Shipstead has been correct.

He said, further:

When the last treaty of peace was made a man by the name of Keynes, a financial adviser to the British delegates, was at the conference at Versailles. He left the conference and went home and wrote a book entitled "The Economic Consequences of the Peace."

Later on I shall quote what was said by some of the men who walked out of the Peace Conference at Versailles.

Senator Shipstead continued:

If the representatives of the various governments at that peace conference had listened to his expression of his views at that time before he went home, the chances are there would not now be the war in which we are engaged.

The most important thing for the United States to do after winning the war is to see to it that our country takes the position that there shall be a just and honorable peace. Otherwise there will be no peace. The weight of our advice, counsel, and argument should be upon that subject, rather than upon a police force and a political organization backed by troops to enforce a treaty of peace which is likely to be the same kind of treaty as those which have ended all wars and sown the seeds for the next wars.

In other words, Mr. President, at Versailles President Wilson was told to go chase himself; he was told, "We are going to write the peace. We will use your men and your money but we will write the peace." When the four men from our delegation walked out they said that the seeds of World War II were being sown; but absolutely no attention was paid to them. Oh, yes; Mr. President, the signatories to this North Atlantic Treaty are grateful to us today when they want our money and our aid, but, just as after World War I, when the peace was written, they paid no attention whatsoever to the demands of President Wilson or to the delegates representing the United States of America, that has continued to be their attitude.

Senator Shipstead continued:

It is not necessary to review the pages of history to call the attention of the Senate to the fact that the past is prologue. While we mouth the old, worn-out phrases, "History repeats itself" and "Man cannot learn from history," the fact still remains that man cannot learn from history. Human beings are born into the world ignorant, uneducated. They spend a few years learning a little something by experience and a little something by thinking, and then they die. What little we have learned we have not been able to pass on to the new generation. The members

of the new generation have to go through the same experience and make the same mistakes, and they in turn can leave very little in heritage to those who come after them. Humanity ignores the beacon lights of history even if pointed out for its attention.

Because I bear these things in mind, I desire to discuss today an example which I think will explain most of the peace treaties which have been made in human history. I shall not go into the matter as extensively as I had intended to do, because in this morning's Wall Street Journal I find a very excellent article by Felix Morley which will make the matter plain. He states the matter much better than I could, and it will save the time of the Senate and my time if, after I have finished my remarks, his article may be printed in the RECORD immediately following my remarks. I so request. The article appears in the Wall Street Journal for November 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SHIPSTEAD. Mr. President, as an example of what I think is typical of the mistakes of the centuries, I desire to discuss some of the ecnomic consequences of the peace treaty after World War I, the consequences which John Maynard Keynes had in mind when he left the peace conference. At that time he wrote a book entitled "The Economic Consequences of the Peace." I have not read it since those days, but I remember very well that the general tone of it was that this peace will bring on a worse war than the one we have just concluded.

I shall not discuss, for they have already been discussed, the various balances of power and the associations of nations to keep the peace and to prevent war. I need only recall to Senators' minds that the Triple Alliance and the Triple Entente were peace societies to keep the peace of the world. A very vivid picture has been painted by Tolstoy in his book on Christianity and patriotism, wherein he shows that they had banquets and drank wine and made long, eloquent speeches to the goddess of peace and about how they were going to keep the peace of the world. On the other hand, the Triple Alliance had the same kind of an organization to keep the peace.

They had banquets, and they visited from one capital to another, with delegations of citizens and statesmen patting each other on the back and making speeches for peace. As Tolstoy said, everyone who had any sense knew, when they were making those speeches, that what they really meant was, "We are going to make war." He mentioned one of the eloquent statesmen of France, who made a very eloquent speech, stating that France loved everybody and every other nation, and was for peace. Tolstoy said that if someone had announced a German delegate, the roar would have been, "Throw him out." Everyone knew that the Triple Alliance was getting ready for war with the Triple Entente and that the Triple Entente was getting ready for war with the Triple Alliance in the name of peace.

So we have these organizations in every country.

In their operations on the mind of humanity, they remind me of Ibsen's story of Peer Gynt. Peer Gynt was quite a typical character. His prototype is to be found in every nation. He came to the United States and made a great deal of money importing slaves. Then his conscience bothered him, and, to assuage his conscience, for every slave he imported he exported a Bible to Africa. So he assuaged his conscience and made money.

At one time he was in the mountains of Norway, where he saw a very beautiful girl. He became infatuated with her. He thought she was very wonderful. She invited him to her home to visit her family. She was the daughter of the Mountain King of the Trolls. He met her people, the royal family. He was invited to a banquet, and thought it was wonderful. The King thought, "The blood of the Trolls has been thinning out. We ought to have some human blood in the royal family of Trolls." So he offered Peer Gynt half his kingdom if he would marry his daughter. Peer Gynt agreed. However, the King said, "If you are to be happy with us you must be able to see reality. You have been associating with human beings, and their eyesight has been perverted so that they do not see reality. If you are going to be happy and one of us, it will be necessary for me to operate upon your eyes."

Peer agreed; so the King took his knife and slit his eye. Then he saw reality. The girl who he thought was such a beautiful creature became a very repulsive thing. She was half woman and half sow, and he would not marry her, even though he would receive half the kingdom. The King said, "That is all right. You had better go back to your people, because I am sure you will not be happy here. But before you go back, you must let me restore your eyesight so that you will have the same point of view and the same sight that your people have." So Peer Gynt permitted the King to operate upon his eyes and restore his sight. Then the King said, "Now you can go back to your people and be happy. The most vile things will now look beautiful." So, in the name of peace, we make war. It looks beautiful. The vile thing about it is that we do not see the reality.

Senator Shipstead continued:

I said that I would discuss some of the economic consequences of the peace following the last war. There is no point in going into the history of the origin of the war and the reasons for it. That would be imposing upon the time of the Senate, and it is not necessary.

The United States entered the war, and following the war we had a peace program. The Fourteen Points were announced by Woodrow Wilson. On the 8th of January 1918 he announced to the world that the Allied and Associated Powers had accepted and approved them. I call this to the attention of the Senate because of the fact that, as usual, Uncle Sam has been blamed, even by some of his own people, for most of the troubles of the world. The Senate which repudiated the treaty has been spoken of in scorn. It has been said that we double-crossed our allies, and that the United States is to blame for the present war.

Mr. President, how often have we heard that upon this floor? The preceding speaker, the distinguished Senator from California [Mr. KNOWLAND], said substantially the same thing a few moments ago. Twice, he said, twice in 25 years, we have been in two wars. But he did not go into the reasons for them. Did he say why we went into them? Did he say that after World War I every single country, most of them signatories of the so-called treaty before the Senate at this time, repudiated the United States of America? They refused to go along with President Wilson, and our own delegates walked out of the peace conference.

Senator Shipstead asked:

Who was double-crossed by the Treaty of Versailles, as history will show? President Wilson, with his Fourteen Points, which had been agreed to by the Allied and Associated Powers, went to the peace conference.

Every single one of those points had been agreed to, just as the parties have signed the treaty we now have before us. It is nothing new. It was a beautiful speech the Senator from Michigan made. We are going to be a great force for peace.

Mr. President, I submit that no matter what may be done by the Senate, no one will be a greater advocate of peace than was President Wilson after World War I. When he went to Europe with the 14 points, they had been agreed to before he left this country.

Senator Shipstead continued:

The first thing that was done before the treaty was considered was to eliminate most of the delegates, until only four were left, who were to prepare the treaty. After the Italian delegate found that he was not going to get for his country what the Allied Governments had promised Italy for coming into the war, he went home, so there were three left—Clemenceau, Woodrow Wilson, and Lloyd George. They proceeded to write the treaty of peace.

Mr. President, promises do not mean much, do they? When the delegate from Italy found that Italy was not going to get what was promised, he went home.

Senator Shipstead proceeded:

They got the American President in a position where his eyes were opened, and he threatened to go home.

Oh, these countries signed up, Mr. President, and they signed up this treaty. I continue reading from Senator Shipstead:

The European newspapers were attacking him very viciously, because they said he was stubborn and would not yield. Finally he yielded and remained. After that he had very little to say about the treaty.

What did that treaty provide? The first thing President Wilson discovered was that there were some secret treaties by which certain countries had been bought. Evidently it was necessary to buy them to join France and England in the war. There was the secret treaty with Japan, and the secret treaty with Italy, of which we knew nothing.

The Senate is being asked to vote upon this treaty when we know nothing about the secret agreements. I say that even the Senate Committee on Foreign Relations does not know about some of the secret agreements. When I demanded them some months ago I was met with silence. When I wrote the Department of State I was met with silence. I say without fear of successful contradiction that today there are agreements with which not a single Member of the Senate is familiar.

The first we knew about what was in the Potsdam agreement was when we got it from England, and not from our own State Department at all.

Senator Shipstead was a member of the Committee on Foreign Relations of the United States Senate for 24 years, and this is what Henrik Shipstead, one of the greatest Senators who ever sat in this Chamber, said:

When President Wilson came back from Europe the first time there was a meeting of the Foreign Relations Committee of the Senate. The record of it was printed. He was asked when he first heard of the secret treaties. He said it was when he came to Paris.

Even the President of the United States, the President of a country which had given hundreds of millions of dollars to foreign countries, did not know these secret agreements existed. The President, at whose request the declaration of

war was passed by Congress, the President, who sent our people's sons to Europe to be killed on the fields of Europe, did not know of these secret agreements. President Wilson so stated, and I say the Senate of the United States does not know of agreements which exist today. Senator Shipstead said—and remember, he was a member of the Foreign Relations Committee—

He [President Wilson] had preached the doctrine of open covenants openly arrived at. But we know now that they were in the State Department.

Mr. President, the leopard has not changed his spots, nor the zebra changed his stripes. The secret agreements are still in the State Department and when we tried to get them some months ago we were unable to obtain them.

They were brought here by Mr. Balfour in 1917. The President of the United States, according to his own word, left the United States to go to Versailles to write a treaty, and he said he knew nothing about the secret treaties when he left home.

That is the record, Mr. President. But the boys who are dead were sent to their death by a President of the United States who knew nothing about the secret agreements I mentioned just a few moments ago. President Wilson knew nothing about them.

The secret treaty with Japan gave Shantung to Japan, with 30,000,000 people. When Wilson protested about dividing up the world and giving it to the victors, Clemenceau is quoted as having said: "We had to buy Japan. We needed some cruisers in the Mediterranean. We are going to keep our word." All we succeeded in doing was having a promise made by Japan under that treaty that at some time Shantung would go back to China. At a time prior thereto Germany had taken Shantung from China, when China was unable to defend herself. It was highway robbery, which was quite common in international affairs. When the Disarmament Conference came in 1920 Japan was finally compelled to give Shantung back to China. As a result we incurred the enmity of Japan.

Italy was double-crossed—

Said Senator Shipstead—

at least, so Italy claims. The secret treaty provided that Italy should have both sides of the Adriatic, the large part of Fiume, Trieste, and other advantages. Wilson's Presbyterian conscience revolted. He thought that was unjustified, and protested. To a large extent he had his way. That sent Orlando home from the peace conference, and he never went back. That alienated Italy.

The treaty writers proceeded to cut up Europe and the world, the victorious powers taking the natural resources as loot of the war. I have before me a tabulation showing the territory taken.

Mr. President, I ask unanimous consent to have printed in the RECORD, following my remarks, a tabulation showing the territory acquired by the Allied and Associated Powers as the loot of the war. The United States had said that the peace was to be a peace without victory and not a punitive peace—a peace without indemnities or loot.

Mr. President, I ask unanimous consent that the tabulation may be printed at this point as a part of my remarks.

The PRESIDING OFFICER (Mr. DONNELL in the chair). Without objection, it is so ordered.

The tabulation is as follows:

EXHIBIT 2

TERRITORIAL ACQUISITIONS OF THE ALLIED AND ASSOCIATED POWERS UNDER THE TREATIES SIGNED AT THE CONCLUSION OF THE WORLD WAR [1]

A. TERRITORIES LOST BY GERMANY

Under the stipulations of the Treaty of Versailles, Germany ceded to various European nations a considerable part of what formerly was Germany proper. She also lost all of her colonies, which were distributed among certain of the victorious nations under the mandatory system. The names of the territories acquired by the Allied and Associated Powers, their chief resources, and the number of square miles contained in them are as follows:

| Territory ceded | Chief resources | Square miles |
|---|---|---|
| 1. TO BRITISH EMPIRE | | |
| German East Africa. | Rubber, copra, ivory, coffee, sisal, wax. | 365,180 |
| German Southwest Africa. | Diamonds, copper, guano, animal products. | 322,450 |
| Cameroon, part of.[2] | Palm oil, palm kernels, rubber, cocoa, coffee. | 34,236 |
| Togo, part of[2] | Palm oil, palm kernels, cocoa, kola nuts, cotton. | 12,600 |
| Kaiser Wilhelm's Land (New Guinea). | Cocoa, copra, coconuts, cattle, goats. | 70,000 |
| Bismarck Archipelago.[3] | Copra, cotton, coffee, rubber. | 21,660 |
| Nauru Island [3] | Phosphate, copra | 8 |
| Samoa Islands [3] | Copra, gold, shell, cocoa | 4,100 |
| Do | Copra, cacao, bananas | 1,130 |
| Total | | 831,364 |
| 2. TO FRANCE | | |
| Alsace-Lorraine | Iron, coal, potash, salt, petroleum, grain, wine. | 5,607 |
| Saar Basin | Exploitation of coal only [4] | |
| Cameroon, part of. | Tobacco, palm oil, rubber, cacao, ivory. | 273,759 |
| Togo, part of | Palm oil, coco, kola, rubber, copra. | 21,893 |
| Total | | 301,259 |
| 3. TO BELGIUM | | |
| Moresnet (small area). | | |
| Eupen and Malmedy. | Timber and various industries. | 382 |
| German East Africa, part of. | Copper, cotton, rubber, palm oil. | 19,000 |
| Total | | 19,382 |
| 4. TO POLAND | | |
| Eastern Prussia, Posen, Upper Silesia. | Grain, lumber, mining, timber. | 17,816 |
| Memel [5] | Shipping, commerce | 1,026 |
| Danzig [6] | do | 739 |
| Total | | 19,581 |
| 5. TO PORTUGAL | | |
| Kionga triangle | | 100 |
| 6. TO DENMARK | | |
| North Schleswig | Agricultural products | 1,542 |
| 7. TO CZECHOSLOVAKIA | | |
| Upper Silesia, part of. | Mining (chiefly coal) | 122 |
| 8. TO JAPAN | | |
| Kiaochow (China) | Silk, coal, beans | 200 |
| Caroline, Marshall, Marianne, and Pelew Islands. | Copra, sugar, cotton | 960 |
| Total | | 1,160 |

| | Square miles |
|---|---|
| Germany's total loss of territory: | |
| 1. Territory in Europe | 27,112 |
| 2. Colonial territory | 1,147,276 |
| Grand total | 1,174,388 |

B. THE DISSOLUTION OF THE AUSTRO-HUNGARIAN EMPIRE

Austria-Hungary prior to the World War comprised an area of more than 250,000 square miles with a population of 51,000,000. As a result of the war the dual monarchy was dissolved into various states. Austria at present consists of an area of 32,369 square miles with a population of less than 7,000,000; while Hungary now comprises 35,875 square miles with a population of about 8,000,000. The remainder of the territory of the empire was divided among the following states: Czechoslovakia (54,207 square miles); Rumania (51,650 square miles); Poland (30,767 square miles); Yugoslavia (49,033 square miles); and Italy (including Fiume) (7,358 square miles).

C. TERRITORIES LOST BY BULGARIA

Bulgaria's area prior to the signing of the Treaty of Neuilly was 47,750 square miles. Owing to her participation in the World War on the side of the Central Powers, Bulgaria suffered a territorial loss of a little over 7,000 square miles. Of these, 6,059 square miles were lost to Greece and 961 square miles to Yugoslavia.

D. TERRITORIES LOST BY TURKEY

On August 10, 1920, the Allied and Associated Powers and Turkey signed at Sèvres, France, a treaty which, however, Turkey refused to ratify and which was subsequently superseded by the Treaty of Lausanne, signed on July 24, 1923.

Turkey's signal victory over the Greeks in 1922 had changed conditions in the Near East considerably. On September 23, 1922, when the struggle between the Turks and Greeks had come to an end, the Allies invited the Turks, who in the meantime had set up a new government at Angora, to consider the basis of a new treaty on the following terms: (a) Restoration of Turkish sovereignty over Constantinople and Thrace up to the Maritza River; (b) exclusion, until a final agreement had been reached, of Turkish military forces from Thrace. It also was stipulated that the Turks were to respect certain zones bordering on the straits which the Allies had declared neutral during the war between Turkey and Greece.

Under the provisions of the Treaty of Lausanne which came into force on August 6, 1924, Turkey practically regained all the territory in Europe which she held in 1914. However, the Arab provinces of Asiatic Turkey were not restored to her. These were distributed under the mandate system to France and Great Britain or were set up as

[1] References: The various treaties signed at the conclusion of the war of 1914–18 by the Allied and Associated Powers and Germany, Austria, Hungary, Bulgaria, and Turkey, that is, the Treaties of Versailles (June 28, 1919), St. Germain (Sept. 10, 1919), Trianon (June 4, 1920), Neuilly (Nov. 27, 1919), and Lausanne (July 24, 1923), respectively. The Statesman's Year Books for 1941 and 1931. Bowman, I., The New World Problems in Political Geography, New York, Chicago, 1928. Wright, Q., Mandates Under the League of Nations, Chicago, 1930.

[2] Western Africa.

[3] Islands in the Pacific.

[4] The area is abont 751 square miles with a population of 657,870. The district at present is administered by a commission of 5, appointed by the League of Nations. At the end of 15 years the people are to vote as to whether the desire (1) the continuance of the rule set up by the treaty, (2) union with France, or (3) union with Germany.

[5] Now part of Lithuania.

[6] A free city-state; but its foreign relations are conducted by Poland.

independent states. The Aegean Islands, however, were ceded in full sovereignty to Italy.

*Distribution of Asiatic Turkey*

To Italy: Aegean Islands, 1,037 square miles, ceded outright.

To Great Britain: Transjordan, 12,000 (estimated), mandated.

To Great Britain: Iraq, 143,250 square miles, mandated.

To Great Britain: Palestine, 10,000 square miles, mandated.

To France: Syria, 60,000 square miles, mandated.

Made independent: Hedjas, 150,000 square miles.

Made independent: Asir, 35,000 square miles.

Made independent: Yemen, 75,000 square miles.

Turkey's total loss of territory: 486,287 square miles.

E. FORMATION OF NEW STATES AND TERRITORIES SEPARATED FROM THE FORMER RUSSIAN EMPIRE

In March 1917, while the World War was still in progress, Russia was declared a republic following a series of internal uprisings. After a prolonged struggle Russia came finally under the rule of the Soviet Government. Various independent states, however, have evolved from the old empire. Moreover, considerable areas of Russian territory have been transferred to Poland and Rumania. But the greater part of Russia was divided into a number of socialist soviet republics. The largest of these convoked an All-Russian Congress of Soviets and on July 10, 1918, adopted a new constitution. This new state was termed the "Russian Socialist Federated Soviet Republic" (R. S. F. S. R.), and comprises about seven-eighths of the territory of the former Russian Empire.

Subsequently, on December 30, 1922, delegates of the R. S. F. S. R. and of three other Russian republics concluded at Moscow a treaty establishing a Union of Socialist Soviet Republics (U. S. S. R.), comprising (1) Russia proper and united territories (R. S. F. S. R.); (2) Ukraine (Ukr. S. S. R.); (3) White Russia (W. R. S. S. R.); and (4) the Transcaucasian Federation (T. S. F. S. R.). This Union was joined in September 1942 by the Uzbek S. S. R. and the Turcoman S. S. R.; and in December 1929 by the seventh autonomous republic, Tajik (T. S. S. R.). The number of square miles of Russian territory transferred to the Baltic States and to Poland and Rumania is given below.

*Russian territory transferred to other than Soviet states*

| | *Square miles* |
|---|---|
| Estonia | 18,353 |
| Finland | 132,608 |
| Latvia | 24,440 |
| Lithuania | 37,000 |
| Poland | 49,150 |
| Rumania | 17,146 |
| Total | 278,697 |

Mr. LANGER. Senator Shipstead continued:

Mr. President, with paeans of sanctimonious oratory we announced to the world that we were fighting merely for democracy and peace, and in that way we made even our own people believe that the most vile things can be made beautiful.

Mr. President, how beautiful it sounds when the distinguished Senator from Michigan says that this is to be a clarion call for peace?

Senator Shipstead continued:

I said that Europe was cut up into a group of small segments for political purposes.

History repeats itself, Mr. President.

We loaned them money to start in business, and they never paid us back. In order to start in business, Uncle Sam made loans to almost every country that was created by the Treaty of Versailles.

Mr. President, the same thing exists today. Billions upon billions upon billions of dollars have been sent to practically every country on the face of the globe. But such action is nothing new. The representatives from the foreign countries came here after World War II, and they got money from us just as they did after World War I.

I do not want to be a party and I do not intend to be a party and I have not been a party to a single one of those loans. I voted against every single solitary loan without exception. Let those who voted for the loans defend them.

Oh, Mr. President, look at the miserable, rotten record. When England got $3,750,000,000 from us it was charged by some, "It is a gift." Others replied, "No, it is not a gift; it is a loan. England is going to wipe out the sterling bloc and America is going to have free trade." But England wanted more money.

I should like to have Senators who voted for those loans go over the country and talk to people who are suffering now for lack of money. Let them talk to some of the veterans who are lying in our hospitals which do not have sufficient money allotted to them properly to take care of the veterans and in some of which the number of nurses has been reduced because of lack of money.

Senator Shipstead said:

In order to start in business, Uncle Sam made loans to almost every country that was created by the Treaty of Versailles. The countries were small, very nationalistic, and each of them had to maintain a government. They had to have armament plants—

Mr. President, how familiar that sounds. After World War I we loaned money to every one of those countries and they had to have armament plants. Now we are talking about giving them billions of dollars more to rearm.

They had to have industry to sustain the people—

We have sent them money for that purpose under the Marshall plan—

and so they established high tariff walls to maintain their positions, all of which were based on loans.

So long as they could borrow money they did pretty well for the first 10 years. Uncle Sam furnished a great deal of the money. Bankers of France and of England also floated loans. As a result, when their industries were built and their tariffs established they started an intensive program of agricultural production, and that affected American agriculture. We had been exporting food, but now we had competition, which had a great deal to do with the fall of prices in the United States because we could not export anything. I say "anything," but that is an exaggeration. We could not export to the extent to which we had been exporting.

Europe could not produce enough wealth to pay loans.

What took place as a result of the loaning of money, not only by the United States but by England and France as well? At the Treaty of Versailles, France created what was called the Little Entente, that is a buffer state against Germany and Russia. French interests financed its munition plants, and the Credit Anstalter of Vienna made loans. All of its economy having been built on borrowed money, production could not be had to yield income to pay off the loans.

The first crash precipitated the world-wide panic of 1929. By 1931 as a result of the condition of Austria, which in turn was due to what had been done with Austria at the Treaty of Versailles the big Vienna bank was in trouble. At Versailles agricultural portions of Austria were cut to pieces and given to several satellites to build new and so-called independent governments.

That is similar to what took place after this war. Our President signed agreements giving certain countries to Russia. The parallel is deadly all the way through.

Senator Shipstead continued:

To show the connection between the political life of a nation, and its economic and financial life, we have a very excellent illustration in the fall of the Bank of Vienna, the Credit Anstalter. It got into trouble in 1931. France had joined the Credit Anstalter in financing the Little Entente. The Bank of Vienna asked the French Government, through the Bank of France, which was, of course, a political bank, for a loan of $20,000,000, and the Austrian Ambassador was told that the Credit Anstalter could have the money provided it complied with the terms, namely, that the Austrian Government must not make a tariff agreement with Germany. The Austrian Government thought that was going a little too far. At that time England, playing the balance of power as usual, although having a treaty of peace with France, was playing the other side of the game, and through the Bank of England loaned $20,000,000 to the Credit Anstalter Bank. As a result the Bank of France called several hundred million dollars of call loans in what is called the City, that is the financial district of London, as a punitive action because England in engaging politically in handling the loans, had interfered with the policy of France.

That is typical of what those countries are going to do. Already we see trade treaties between England and Argentina, and trade treaties between England and Russia. They are not asking the United States what kind of treaties to make. They are not interested in how they are going to affect the agriculturists or the industrialists in the United States. They are taking care of their own people, as was done after World War I, as was so graphically described by Senator Shipstead.

Senator Shipstead continued:

It spoiled a very interesting vacation for me—

Senator Shipstead was over there—

because I had been invited to come in August to Scotland and visit Ramsey MacDonald when Parliament adjourned, and I had promised to do so. But in the meantime this financial battle over political matters which had precipitated this crisis, precipitated also another crisis, which was a political one, in England. The Parliament overthrew the Cabinet. It was called back into session, formed a new coalition Cabinet, and forced England off the gold standard. It was all based on political action as the result of previous economic action growing out of the Treaty of Versailles.

Then Senator Shipstead asked this significant question:

Why do I call this to the attention of the Senate? Because it is typical of what took place down through the ages after peace treaties had been signed. Of course, Uncle Sam gets the blame. Up until that time Uncle Sam had been called Uncle Shylock, and when we could not make any more loans they called him "welsher." The tragedy is that so many of his children have also called him "welsher."

It will be remembered that one of the first things President Roosevelt did when he became President was to cut down the amount of pensions which the veterans received. No wonder Uncle Sam was called a welsher.

Senator Shipstead continued:

I call attention to the political aspect of the so-called World Court of the League of Nations which was created to settle by judicial action international controversies. The tariff action of Germany and Austria was finally sent to the Court.

We had the International Court, Mr. President. When this action between Germany and Austria was sent to the Court, what did we find?

Every judge which England controlled voted for it; every judge which France controlled voted against it, and France won by one vote, and the newspapers very voluminously hinted that there had been bribery of the judges. So it became plain it was a political Court. Before the decision was made, I mentioned this matter the other day but I do so now to keep the record consecutive in this regard. Judge Loder, who wrote the constitution for the League of Nations Court and was its first president, resigned from the Court.

That is the kind of treatment the United States received. Now we are asked to enter into a second deal. With that experience to guide us, we are asked to go into a second deal.

Judge Loder, who wrote the constitution for the League of Nations Court, and was its first President, resigned from the Court.

That was the first case that came up.

Mr. President, I have every regard for the statesmanship of our distinguished Senators, including the one who was appointed a few days ago by the Governor of New York. Yet, Mr. President, this is history. This is what happened 25 or 30 years ago. This is what happened when the United States sent money and joined the World Court and did everything it possibly could to help.

Senator Shipstead continued:

I spent a good deal of time with him in Holland.

There was a man who was just as well informed as any Member of this body. Judge Loder was the man who wrote the constitution for the League of Nations Court. I assume that he had been at all the conferences, just as the junior Senator from New York [Mr. DULLES] has been at all the conferences in this instance.

Senator Shipstead continued:

I spent a good deal of time with him in Holland. I asked him why he resigned, and he said, "I tried to make it a judicial tribunal, and I could not do so. It is a political Court." He said, "There is not a magistrate on that Court. It is a political Court." He said, "The Court has taken jurisdiction of the German Anschluss, the tariff agreement between Germany and Austria." He said, "That is a political question. The Court has no business taking jurisdiction of that." He told me that before the decision was made, but they had just taken jurisdiction.

I said to him, "Can you tell me what kind of a case can come to this League of Nations Court which cannot be taken to the Court of Arbitration at The Hague, of which the United States is a member?" He replied, "I cannot think of any kind of a case that cannot be taken there. Any nation that wants to settle a difference can go there; two or three or more can settle differences by going there and resorting to arbitration, freely, willingly, and voluntarily; but the trouble is they do not want to settle their controversies peacefully; they do not want them settled at all until the time comes when the condition gets so bad that the bubble bursts, and then they settle the controversies politically, by force."

Here they are, wanting armaments, Mr. President. What did Senator Shipstead say? What happened next?

While this situation was being built up in the Little Entente—and how it affected Austria I have explained—English and French bankers and munition makers were financing Hitler, building armaments for Hitler. Of course, they were interested in French and English armament plants, but they financed Hitler, joined with industrialists of Germany, the economic power of industry, the international monopoly, the international cartels.

They joined together to make some money out of rearming Germany.

Mr. President, this time, instead of rearming Germany, we are going to rearm all Europe. Does anyone say that anywhere in this treaty it is provided that the profits which will accrue to the people who will furnish the arms will be limited, for instance, to 6 percent, or to any other percent? No, indeed.

Senator Shipstead said:

They joined together to make some money out of rearming Germany, and they made these loans with the consent of their own governments.

Mr. President, how familiar that sounds. Not only are loans going to be made, but our Government now says it will guarantee them. If some of our industrialists put their money into these countries, our Government will guarantee the loans. The present situation is even worse than the situation described by Senator Shipstead, a member of the Foreign Relations Committee, when he spoke on this floor on November 5, 1943.

I read further from Senator Shipstead's speech:

These institutions do not make foreign investments or loans without the consent of the governments, and in this case the governments must have known that they were arming Germany. Uncle Sam gets the blame for that, too.

Morgan floated a loan of $100,000,000 in the United States to set Mussolini up in business, with the consent of the Government of the United States. When I say "consent," perhaps that is not just accurate. When loans are made, the bankers consult the State Department, and the State Department says, "We can see no objection." That is really giving consent. Instead of saying "Yes," they say, "We do not know of any reason why we should say 'No.'" Here was international capitalism acting under the noses of governments who were pledged to peace being made pawns by international cartels, the steel industry, the electrical industry, and the like.

I am reminded of a story an old sailor told me. His name was Andrew Furuseth, a man with one of the finest minds with which I have come in contact in my life. His bust is now in the Department of Labor.

Andrew Furuseth said that many years ago he took a trip to Alaska, and while he was there he bought from an Indian squaw a tobacco pouch. He said that she had made it out of the skin of an unborn seal, and had sewn beads on it so that it was quite beautiful. Around the top was a string of beads. He said it was so beautiful that he wanted it and bought it. He took it to San Francisco, and he considered it such a treasure that he wanted to preserve it, so he put it in an old chest. Then he went to sea, and was gone for 5 months. When he returned and opened the chest to get out some papers, to his surprise in the bottom of the chest he saw a pile of dust, and in different directions from the pile of dust were empty maggot skins. He could not understand how they got there. He said, "I took a match and scratched in the dust, and there found the beads that had been on my tobacco pouch. The idea came to me that I bought the pouch to carry tobacco in it, but I did not use it for the purpose for which it was created. The larvae were there; they came to life; they were hungry; they had a complete monopoly of this tobacco pouch. They could produce nothing to eat, but they were monopolists; they had everything under their control except food; so they started to eat, and the only thing they could eat was the tobacco pouch."

Mr. Furuseth continued, "I am sure that if while they were eating that pouch I had come along and asked them what they were doing, they would have said, 'We are here to preserve and defend and protect the tobacco pouch.' They protected and defended it until there was nothing left of it except the beads, which they would not eat, as reminders to whoever should find them as to what becomes of tobacco pouches when they are not used for the purpose for which they are created, when they are turned over to the maggots and given into their control." He continued, "That applies to governments, civilizations, and nations. Archeologists all over the world are digging down under the dust, finding ruins of cities, left just as warnings to succeeding generations that they shall be destroyed if they do not remain true to the purpose for which they were created." I say, therefore, that these international cartels, international banking houses, playing the economic game and subjecting the sovereignty of nations to their own selfish gain, are the maggots in the governmental tobacco pouch, which no government has been willing to control.

Of course, these international bankers and industrialists make money out of war. Why should they be for peace? Their newspapers talk peace in order to get war. War is always made in the name of peace.

Mr. President, how well I remember that during the 8 or 9 years I have been in the Senate, every time steps preceding war are taken, they are taken in the name of peace. Neutral merchant ships were armed in the name of peace, and various other steps were taken in the name of peace, until finally thousands of our boys were killed abroad.

Mr. President, that is what we are heading toward again. We are going to do all this in the name of peace.

Senator Shipstead also said:

Those who write the peace have always been the war makers.

While these international banking houses were financing Mussolini and Hitler—

While all those fellows were yelling for peace, at the very same time they were financing Mussolini and Hitler—

all these countries had their own war lords in China financing groups and armies in order to have a foothold and a preemption right to certain portions of China if and when the international politicians could be gotten together, whenever the financial war lords at home were ready to crack the whip and divide China. While they were talking peace and sending missionaries with Bibles to China, they had their war lords there to exploit the Chinese. There are a thousand million individuals in exploited areas of

Asia in revolt against the white race because of 150 or 200 years of economic exploitation and pressure. There is revolt, and the end is not yet in sight.

Mr. President, more prophetic words than those have never been spoken.

Then Senator Shipstead said further:

After the crash in 1931 these international forces started immediately to see the political consequences of their economic peace, so they began to form all kinds of peace societies and peace organizations to keep the peace between nations, such as the Locarno Pact, and the like. Seldom a week passed in Europe but there was some new peace agreement formed between certain nations. For instance, there was one at Stresa, which I mentioned a few days ago. Mussolini complained to Flandin and Laval that Italy had remembered that she had not been paid for her activity in the last war, so she was given a tip to go in and take Ethiopia, and when the consequences of that move became apparent, the Labor Party of England, and the Liberal Party, who controlled most of the papers, started an attack upon the Government. The British Government had to double-cross Italy and send the fleet to the Mediterranean, and that won them the reelection.

Laval publicly charged the British Government with welshing on their agreement to win the reelection. There was not any trouble when Mussolini took Ethiopia.

That was the result of a treaty of peace.

Then there was the case of Japan and Manchuria. Under the treaty of 1920 Japan was compelled to give Shantung back, so she went into Manchuria. Appeal was made to the League of Nations. Stimson, our Secretary of State, asked the League to come and protect the integrity of China, as it was pledged to do under the League of Nations, but the League did not come. It sent a committee to investigate. The saying is that when the devil wants nothing to happen, he always appoints a committee.

Uncle Sam has been blamed for killing the League of Nations when the Senate repudiated the Treaty of Versailles.

The representative of China, Mr. Soong, was quoted in the press as having made a speech some time ago in New York in which he stated who killed the League of Nations. He said it was killed at the time of the Manchurian incident by the two great powers who controlled the League of Nations.

That answers pretty well the statement made time and time again upon this floor that the League of Nations was killed because the United States kept out of it. Soong said it was killed, at the time of the Manchurian incident, by the two great powers who controlled the League of Nations. Senator Shipstead continued:

Those nations could have been none other than England and France. It was not economically or politically to their interests to keep their pledge, as they did not keep their pledge after they gave a tip to Mussolini to take Ethiopia. But Uncle Sam gets the blame. Politicians make speeches pouring verbal vitriol on American citizens, and Uncle Sam is blamed for the chaotic economic and political conditions resulting from the Treaty of Versailles.

Strangely enough, Mr. President, and sad as it is, Americans high in public life blamed the United States for the failure of the League of Nations, when as a matter of fact we have in the RECORD the statement of a leading man of China that the United States had nothing to do with it. Mr. President, if you want an interesting week, or if any newspaperman wants an interesting week, I suggest the reading of the CONGRESSIONAL RECORD, commencing about 2 years after World War I. Note how Senator after Senator stood upon the floor of the Senate and said, "We had no business in World War I; I am sorry I voted for the declaration of war." It is interesting reading indeed, Mr. President. I have read it. It is worthy of reading by any newspaperman or by any Senator upon this floor today. Senators were apologizing. We find it in the CONGRESSIONAL RECORD of the Congress of the United States.

Senator Shipstead continued:

Mr. President, I have enumerated a few political results arising from the economic consequences of the Treaty of Versailles. I am sure it was not necessary to do so, but I shall mention another incident of like character. I said France established and armed and financed the Little Entente. Czechoslovakia was one of the nations composing the Little Entente. In 1938 I asked one of the best-informed statesmen of Europe, "When is war going to begin?" He said, "It will not be this year." I said, "Well, what about Czechoslovakia?" He said, "No one has any sympathy for the Czechs." I said, "Why?" He said, "Look at their record." He said, "When they were under Austrian rule, the Austrians rode them boot and spur, and the Czechs did not like it, and I do not blame them. When the war came they were forced into the army to fight Russia, and they deserted by brigades. They fought against Austria." He said, "I do not blame them for that. At the peace treaty," he said further, "the Czechs had to be paid, and that was all right. And to reward them for their help to the Allies, a part of Germany, containing 3,000,000 German inhabitants, was cut off and given to the Czechs; a part of Hungary containing something like a million inhabitants, was cut from Hungary and given to the Czechs; a part of Poland, containing something like 800,000 inhabitants, was cut off from Poland and given to the Czechs. And the Czechs were also given a lot of Slovaks." He said, "At the time the Treaty of Versailles was drafted the promise was made that these various peoples would be given the local cantonment system of government such as exists in Switzerland, but that has not been done." He said, "The Czechs have in their turn ridden these peoples boot and spur, as they were formerly ridden by the Austrians, and," he said, "these people are ready to revolt."

That, Mr. President, was early in the summer. He further said, "I understand England has Runciman over there to examine the question, find out just what can be done." A little later some of our people who had traveled quite a bit through Europe told me, "We understand that Runciman is going to report to Britain that there is danger that all these people will be in revolt, and we understand that an agreement has been reached; that the Sudeten Germans are to go back to Germany, because the Czechs cannot hold them, and England and France will not fight to keep them there."

That, Mr. President, was what I was told before the crisis. The crisis came. France had guaranteed the integrity of Czechoslovakia and promised to come to her aid in case she was attacked, and England had a treaty with France which provided that if one went to war the other would go along. So if there were an attack made upon Czechoslovakia, of course, France was expected to keep her pledge.

Litvinov at that time spoke before the League of Nations and called attention to the fact that just before the crisis was precipitated Czechoslovakia had asked Russia if she would keep her pledge in case Czechoslovakia was attacked, and he announced that Russia had said, "Our pledge will be kept." Russia was the only nation that promised to keep its pledge.

So, of all the countries that had signed, when the Czechoslovakian incident occurred, Russia was the only country of all the signatories that said, "We will keep our pledge."

In case war comes and the United States is attacked, how many of the 11 signatories to the pact signed on April 4 will keep their pledge? Mind you, Mr. President, for 24 years Senator Shipstead was a member of the Committee on Foreign Relations of the Senate. He was a man who had had a world of experience. As a member of the Foreign Relations Committee, he knew all about the subject, or as much as any Senator could know. He continued:

Another way out was found, so the Munich Conference took place, and it is interesting to note that Russia was not asked to be present, although she had signed a treaty.

It was a miserable treaty, signed by the various countries. They signed it with all the dignity and patting on the back that was in evidence here on the 4th day of April. Yet, when Czechoslovakia got into trouble, and when Russia said she would go to her defense, then, as Senator Shipstead said, when the Munich Conference was called, every signatory to the treaty was invited, except Russia.

She was not asked to come to Munich. The upshot was that these people who had been incorporated into Czechoslovakia were so dissatisfied with being under the Czechs that they were given a plebiscite, and if they did not want to stay they could vote accordingly. Whether that was right or wrong is another matter; at any rate, they voted to get out. I am simply explaining how these things come back to pester the nations.

Mr. President, I have a dinner engagement at 6 o'clock this evening. I told the Senator from Nebraska [Mr. WHERRY] that a few minutes before 6 o'clock I would ask unanimous consent that I be permitted to discontinue my remarks and be allowed to resume the floor tomorrow.

Mr. CONNALLY. Is the Senator suggesting that the Senate take a recess until tomorrow?

Mr. LANGER. Yes. I told the Senator from Nebraska that I had a dinner engagement this evening. It is 10 minutes of 6 now. My engagement is with postal employees from Harrisburg, Pa., and I gave them my word that I would be there. The dinner is at 6, but I can remain for 10 more minutes.

Mr. CONNALLY. I suggest that the Senator continue for 10 more minutes.

Mr. LANGER. Very well.

Mr. President, Senator Shipstead continued as follows:

Mr. President, Czechoslovakia, which was a small country, contained a large ammunition plant financed by France and had $100,000,000 in the bank. Hitler went in and took it all later, like any other highway robber. There were in existence agreements for peace, such as the Locarno agreement, providing for the use of the police force which was in the background to enforce a peace which in its economic consequences was bound to create

confusion, economic collapse, and the wreckage of social, financial, and political institutions, and lay the ground for revolution of one kind or another, a condition of which Hitler could take advantage, as well as Mussolini or anyone else who promised relief to a people who were hungry and lacked employment.

Mr. President, I was in Germany in 1931. The Socialists and the Communists were shooting each other in the streets.

That was away back in 1931, Mr. President. Senator Shipstead continued as follows:

That was personal warfare on account of political differences of opinion. But what gave Hitler his power was unemployment and hunger, and by changing a few phrases he made the Communists believe that he had the same ideology, only that he used a different language to express it. So the Nazi Party which he had formed got most of the Communists in Germany to join. They called it a Fascist revolution. Of course, being one of force, it was cruel, unjust, unmerciful. As a result of the Treaty of Versailles the Weimar Republic was wiped out.

Mr. President, we sent some of our bankers to England and they framed the Dawes plan and the Young plan to raise some more money to pay reparations.

I mention the Young plan and the Dawes plan to show that at that time we gave those nations hundreds of millions of dollars. The matter of giving them money is not anything new, Mr. President.

Senator Shipstead continued:

When the Dawes plan was announced I was scolded in the press because I said it is a "gold brick loaded with dynamite," and that it is going to blow up and drive the United States into greater financial difficulty than we are already in. That was in 1924.

Then came the Young plan. Here was economic action with the consent of governments. Permission was given to float the Young and Dawes plans bonds in this country. As usual, Uncle Sam had to pay the price.

I have called these things to the attention of the Senate because, though it may not be necessary to do so, I wanted it for the record to show that the dishonesty exhibited by statesmen, politicians, the Metternichs of history, in making the most vile thing look beautiful in the name of peace.

So when the Senate comes to consider a peace treaty at the end of this war, if we want to do something good for the world, I do not think it is so necessary to provide a police force to make it effective as it is to insist upon a just and honorable peace so that all people of all nations can live together and have something to eat and have work, rather than impose a punitive peace which so many persons advocate. After all, when the war is over it is time to talk about peace, and we should not permit the carrying on of the previous system of economic exploitations through political power, backed by the police power and the Army, because in the long run it will simply be the cause of the next war.

Mr. President, I have been thinking that since our Secretary of State went to Russia we have had nothing but newspaper reports concerning the things that were done there.

Mr. LANGER. I might say that at that time the Secretary of the State was Mr. Hull, who was in Russia when we were considering the Connally resolution.

Senator Shipstead continued as follows:

Here is the Senate of the United States, a coordinate body to the making of treaties with the Chief Executive, which is being asked to sign a blank check based on some newspaper reports, on the basis of some laudable thing we wish to do toward permanent peace. I do not like to sign blank checks. When the time comes and we know what the treaty is, what we have to sign, then we can find out whether we can afford to sign it or not. I do not find any fault with anyone who disagrees with that point of view.

Mr. President, it is almost fantastic to suppose that this body can be called upon to engage and bind in solemn language any future government of the United States on the strength of a few telegrams from Moscow, and almost before the Secretary of State has left Russian soil. The very least that Members of this body have a right to expect is that the responsible subordinate of the Executive, the Secretary of State, dealing with foreign affairs, should appear before the Foreign Relations Committee of the Senate and make a report on what he learned, and give the Senate of the United States, before it acts on such an important question, some idea as to where our consent to a matter of this kind will lead us.

Of course, I have always taken the view that no Senate or Congress could bind a future Senate or a future Congress. But, as has been pointed out, we have new systems of legislation—legislation by Executive orders. Over 3,500 have been issued in the last 10 years, and 80 percent of them before we entered the war. Thus, we have legislation by Presidential decree. It is said that will not do. To show whether it will do, let me observe that after the President signed the bill relating to the fixing of prices on farm commodities, the Office of Price Administration fixed the prices of farm products with entire disregard to the act of Congress. When we had Mr. Henderson appear before our committee, he brought with him Mr. Byrnes and Mr. Wickard. They were asked—in fact, I asked them; it is a matter of record—where they got authority to disregard an act of Congress in fixing farm prices. They said, "Well, we have higher authority."

They were asked, "Where from?"

They replied, "From an Executive order."

Mr. President, a little later I shall read into the RECORD the telegrams and letters which I have received from the State of North Dakota, together with their dates.

On April 14, 1949, the treaty was signed by Luxemburg, the Netherlands, the United Kingdom, the United States, Denmark, Iceland, Italy, Norway, and Portugal. The ceremony was performed just 2 weeks after the text of the treaty had been released to the public on March 18, 1949.

On April 12, 1949, President Truman transmitted the pact to the United States Senate.

Mr. President, I ask unanimous consent that the treaty may be printed in full at this point in my remarks.

There being no objection, the treaty was ordered to be printed in the RECORD, as follows:

PREAMBLE

The parties to this treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.

They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law.

They seek to promote stability and well-being in the North Atlantic area.

They are resolved to unite their efforts for collective defense and for the preservation of peace and security.

They therefore agree to this North Atlantic Treaty:

ARTICLE 1

The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

ARTICLE 2

The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

ARTICLE 3

In order more effectively to achieve the objectives of this treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

ARTICLE 4

The parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence, or security of any of the parties is threatened.

ARTICLE 5

The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE 6

For the purpose of article 5 an armed attack on one or more of the parties is deemed to include an armed attack on the territory of any of the parties in Europe or North America, on the Algerian departments of France, on the occupation forces of any party in Europe, on the islands under the jurisdiction of any party in the North Atlantic area north of the Tropic of Cancer or on the vessels or aircraft in this area of any of the parties.

ARTICLE 7

This treaty does not affect, and shall not be interpreted as affecting, in any way the rights and obligations under the Charter of the parties which are members of the United Nations, or the primary responsibility of the Security Council for the maintenance of international peace and security.

ARTICLE 8

Each party declares that none of the international engagements now in force between

it and any other of the parties or any third state is in conflict with the provisions of this treaty, and undertakes not to enter into any international engagement in conflict with this treaty.

ARTICLE 9

The parties hereby establish a Council, on which each of them shall be represented, to consider matters concerning the implementation of this treaty. The Council shall be so organized as to be able to meet promptly at any time. The Council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defense committee which shall recommend measures for the implementation of articles 3 and 5.

ARTICLE 10

The parties may, by unanimous agreement, invite any other European state in a position to further the principles of this treaty and to contribute to the security of the North Atlantic area to accede to this treaty. Any state so invited may become a party to the treaty by depositing its instrument of accession with the Government of the United States of America. The Government of the United States of America will inform each of the parties of the deposit of each such instrument of accession.

ARTICLE 11

This treaty shall be ratified and its provisions carried out by the parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the United States of America, which will notify all the other signatories of each deposit. The treaty shall enter into force between the states which have ratified it as soon as the ratifications of the majority of the signatories, including the ratifications of Belgium, Canada, France, Luxemburg, the Netherlands, the United Kingdom, and the United States, have been deposited and shall come into effect with respect to other states on the date of the deposit of their ratifications.

ARTICLE 12

After the treaty has been in force for 10 years, or at any time thereafter, the parties shall, if any of them so requests, consult together for the purpose of reviewing the treaty, having regard for the factors then affecting peace and security in the North Atlantic area, including the development of universal as well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security.

ARTICLE 13

After the treaty has been in force for 20 years, any party may cease to be a party 1 year after its notice of denunciation has been given to the Government of the United States of America, which will inform the governments of the other parties of the deposit of each notice of denunciation.

ARTICLE 14

This treaty, of which the English and French texts are equally authentic, shall be deposited in the Archives of the Government of the United States of America. Duly certified copies thereof will be transmitted by that Government to the governments of the other signatories.

In witness whereof, the undersigned plenipotentiaries have signed this treaty.

Mr. WHERRY. Mr. President, it is 1 minute of 6 o'clock. Will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. WHERRY. I am wondering if the distinguished Senator is at a convenient place in his address where he can discontinue this evening and resume tomorrow?

Mr. LANGER. I do not think I can finish tonight. I have a dinner engagement with some postal employees from Pennsylvania, and I promised to be there at 6 o'clock.

Mr. WHERRY. Mr. President, will the Senator from North Dakota yield in order that I may propound a request to the distinguished Senator from Texas, the chairman of the Committee on Foreign Relations?

Mr. LANGER. Certainly; I yield.

Mr. WHERRY. I ask the distinguished Senator from Texas whether it is his purpose to continue the session, or how he would feel about a recess at this time?

Mr. CONNALLY. It is our purpose to recess until tomorrow at noon.

Mr. WHERRY. Is there any objection to the senior Senator from North Dakota continuing his address tomorrow?

Mr. CONNALLY. Personally I have no objection to his resuming the floor tomorrow, but I do not wish to enter into any agreement, because to do so would be an infringement of the right of whoever might be in the chair tomorrow to recognize whom he pleased. I do not think there would be any question about it, but I would not care to make an agreement.

The PRESIDING OFFICER. May the Chair state to the Members of the Senate who are present that it is the understanding of the Chair that, as set forth in rule XL—

Any rule may be suspended without notice by the unanimous consent of the Senate, except as otherwise provided in clause 1, rule XII.

Therefore it is the view of the Chair that, although rule XIX does provide that—

When a Senator desires to speak he shall rise and address the Presiding Officer, and shall not proceed until he is recognized, and the Presiding Officer shall recognize the first Senator who shall first address him—

Nevertheless, if a unanimous-consent agreement should be entered into this afternoon, that rule might be waived.

Mr. WHERRY. I am well acquainted with the rule the Chair has read, and I certainly agree with the distinguished occupant of the Chair as to his interpretation. By unanimous consent the Senate can do anything. I do not intend to press the distinguished Senator from Texas, but I feel that it would be most unfair to the Senator from North Dakota if he were not permitted, as a natural sequence, to conclude his address. If the distinguished chairman of the committee does not want to make an agreement, he might give us his assurance that the Senator might proceed.

Mr. CONNALLY. Of course, Mr. President, I recognize that a unanimous-consent agreement wipes out all rules, but I do not care to make a formal agreement in the absence of the Vice President and others. Personally, I shall not object to the Senator from North Dakota proceeding tomorrow, and I am sure that by my speaking to other Senators interested there will be no objection to his doing so.

Mr. LANGER. If I stop now and speak tomorrow, will that be considered my second speech on the pending question?

The PRESIDING OFFICER. The Chair rules that if objection should be made and the occupant of the chair tomorrow should recognize some other speaker, and the Senator from North Dakota should later gain the floor, that would be his second speech. However, if the Senator shall gain the floor tomorrow without any objection being made, it is the judgment of the present occupant of the chair that that would be considered and should be considered as merely a continuation of the speech in which he is now engaged, and therefore his first speech on the subject.

Mr. WHERRY. Mr. President, if the distinguished Senator from North Dakota relies upon the assurance of the chairman of the Committee on Foreign Relations that there will be no objection——

Mr. CONNALLY. There will be no objection so far as I know.

Mr. WHERRY. I should like very much, if possible, to assure the Senator from North Dakota that he might continue tomorrow.

Mr. CONNALLY. May I inquire of the Senator from North Dakota how long he thinks he will occupy the floor tomorrow?

Mr. LANGER. In my judgment, about an hour and a half.

Mr. CONNALLY. Is that the best guess the Senator can make?

Mr. LANGER. That is my estimate, about an hour and a half. It may be 2 hours.

Mr. CONNALLY. Very well.

Mr. WHERRY. What assurance does the Senator have that he may proceed?

Mr. LANGER. The word of the Senator from Texas is good. That is all settled.

Mr. CONNALLY. I cannot control every other Senator, but so far as I am concerned, the Senator may proceed tomorrow.

Mr. LANGER. Very well.

RECESS

Mr. CONNALLY. Mr. President, I move that the Senate stand in recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 6 o'clock and 4 minutes p. m.) the Senate took a recess until tomorrow, Thursday, July 14, 1949, at 12 o'clock meridian.

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NOMINATION

Executive nomination received by the Senate July 13 (legislative day of June 2), 1949:

IN THE ARMY

CHIEF OF CHAPLAINS

Col. Roy Hartford Parker, O12565, Chaplain, United States Army, for appointment as Chief of Chaplains, United States Army, and for appointment as major general in the Regular Army of the United States, under the provisions of section 15, National Defense Act, as amended, and title V, Officer Personnel Act of 1947.

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# HOUSE OF REPRESENTATIVES

## WEDNESDAY, JULY 13, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, Rev. Jacob S. Payton, D. D., offered the following prayer:

Our Heavenly Father, this day we pray that we may consider what is good in Thy sight rather than what seems good in our own. May we not ask formally for

Thy strength and wisdom without making an effort to use what we already have. With pride and gratitude, O Lord, we recall the long and glorious struggle by which human liberties have been won. With concern we see the disappearance of these liberties in certain lands. May Members chosen to represent the people in this body remain dedicated to the ideals of truth and righteousness upon which this Nation was established and upon which alone free governments can survive. For Jesus' sake we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1803. An act to authorize the attendance of the United States Marine Band at the Twenty-third Annual Convention of the Reserve Officers' Association of the United States, to be held in Grand Rapids, Mich., July 27 through July 30, 1949.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50–2.

EXTENSION OF REMARKS

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a very wonderful article by Mr. Charles Irwin Wilson, president of the General Motors Corp., entitled "Americans Are Lucky." It is one of the finest articles I have ever read. I have presented this to the Public Printer, and the expense will be $240, but I ask unanimous consent that it be printed notwithstanding.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include excerpts.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

Mr. GOODWIN asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and in each to include an editorial.

FEDERAL JUDGES AS CHARACTER WITNESSES

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, the Hiss trial in New York has raised a number of interesting questions. One of the most important, in my opinion, is the propriety of United States Supreme Court Justices as character witnesses in behalf of defendants. I do not know if these men appeared voluntarily or by subpena but the fact remains that they are now disqualified from participating in this case in the event it should ever reach the Supreme Court on appeal. Appearances by judges of our Federal courts in any litigation is, in my opinion, against the public interest. Further, it is beneath the dignity of these courts.

Mr. Speaker, I am today introducing a bill to provide that no Federal judge shall be compelled to appear as a witness in any judicial action where such appearance would be as a character witness. I trust the proper House committee will give it early consideration.

RECONSIDERATION OF RECIPROCAL TRADE AGREEMENTS

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, "Chickens come home to roost" is an apt proverb. The concessions which we have made in negotiating trade agreements are coming home to plague us. Uncontroverted testimony taken recently before the House Merchant Marine and Fisheries Committee showed very clearly that increased imports of fresh and frozen fish products have brought about great unemployment in New England fish areas—in some cases reaching 50 percent. Anticipated new imports threaten the fishing industry in California and the Pacific Northwest. Management and labor are both considerably concerned. The future of our fishing industry is uncertain.

But fisheries are only one segment of our economy. As many Members know, other segments are beginning to feel the full effects of reciprocity carried to an extreme and without due regard to the welfare of domestic industry.

In my own area imports of Canadian berries produced with lower cost labor have disrupted the market to such an extent that much of last year's domestic crop is still in cold storage. Imported berries undersell our own, and the local berry growers are faced with a genuine problem.

Our lumber industry is hard hit. Some mills are closing down. Others are curtailing production. Unemployment is increasing. In my congressional district is located the lumber capital of America. Yet, Canadian producers of lumber have come into that district and have underbid local manufacturers. They offer to deliver lumber right into the heart of that district at a cost less than that of the domestic producer. They are able to do so because of their much lower labor costs and because of our reciprocal trade theories as presently practiced by those charged with negotiating trade agreements.

It is high time we took another look at the reciprocal trade-agreements legislation. While we support the general theory of reciprocal trade, many of us feel that not sufficient regard has been accorded domestic industry. There is peril in that disregard.

The AP carried a story Sunday, quoting Senator HOWARD MCGRATH, chairman of the Democratic National Committee, to the effect that an effort is being made in the other body to reach a compromise on the reciprocal trade-agreements bill. The proposal involves the peril-point amendment which has been strongly supported by many Congressmen.

This amendment, which was defeated in the House, would require the Tariff Commission to fix in advance the low point to which duties could be reduced without damaging American industry. It would report its findings to the President for his information in the negotiation of tariff agreements.

The possibility of a compromise probably arises from the many job lay-offs that have occurred in recent weeks, particularly in New England. However, that may be, I sincerely hope that the peril-point amendment will receive favorable action, and when the bill comes to conference I trust that the House conferees will concur in the Senate amendment.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and in each to include an editorial.

Mr. GOSSETT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Memphis Commercial Appeal.

Mr. EVINS asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial and in the other an address by Gen. Bedell Smith before the conference of governors.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include a copy of the bill he is today introducing.

Mr. TAURIELLO asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Buffalo Evening News.

Mr. HÉBERT asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the Appendix of the RECORD and include an article by Dorothy Thompson.

RETIREMENT OF DR. DAVID J. PRICE

Mr. COMBS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBS. Mr. Speaker, the Department of Agriculture has announced that Dr. David J. Price, distinguished chemical engineer and expert on the

causes and prevention of dust explosions and agricultural fires, retired from service in the Bureau of Agricultural and Industrial Chemistry on June 30, after more than 37 consecutive years of Federal service.

Dr. Price has been designated by the Secretary of Agriculture to represent the Department in many national undertakings. At the request of Gov. James V. Allred, he was directed by the Secretary of Agriculture to investigate the cause of the New London, Tex., school explosion which occurred on March 18, 1937, and took the lives of 293 pupils and teachers. The report of his investigation was presented to the Senate by Senator CONNALLY and it was published as Senate Document No. 56—Seventy-fifth Congress, first session. The recommendations in this report were applied in many school buildings and places of public assembly in all sections of the United States, which resulted in the adoption of precautionary measures for the protection of life and property.

Dr. Price has long worked closely with firemen's groups throughout the United States as a firemen's training consultant on fires involving chemicals and farm products. Widely known for his work in promoting accident and fire prevention in industrial centers, on farms, and in rural communities, he has been honored by membership in the International Association of Fire Fighters, the International Association of Fire Chiefs, and many State and local firemen's associations. He is internationally known for his outstanding contributions in promoting accident- and fire-prevention work for the greater safety of workers in industry and agriculture.

Two outstanding examples of national service rendered by Dr. Price are his service on the committee named by President Roosevelt to organize the fire-fighting procedures in the civilian defense program in World War II and President Truman's National Conference on Fire Prevention, in which he served as the Department of Agriculture representative on the Committee on Fire Fighting Services.

The Committee on Civilian Defense organized a system to round out our defense structure which could be quickly and easily expanded to meet any emergency. The organization developed was not only effective during the war period but has been of great value in meeting devastating peacetime disasters such as fires, floods, earthquakes, tornadoes, hurricanes, explosions, and similar catastrophes, many of them occurring in farm and rural areas.

Dr. Price leaves behind him an enviable record of accomplishment in the Department of Agriculture in the practical application of the results of scientific research for the saving of life and property in both industrial centers and farm and rural communities.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House for 10 minutes on Monday next at the conclusion of the legislative business of the day and other special orders heretofore granted.

THE LATE FRANK J. G. DORSEY

Mr. GREEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GREEN. Mr. Speaker, Frank J. G. Dorsey, a former member of this body, is dead. I knew him as friend, adviser, and inspiration to young men starting on a political career. He represented our district in the Seventy-fourth and Seventy-fifth Congresses. Frank accomplished what then seemed the impossible, a Democratic Congressman elected from a district that had sent nothing but Republicans to the House in the previous 24 years. The story of his great abilities preceded him to Washington, for he was appointed to a major committee as a freshman Congressman, the Military Affairs Committee.

Much of the New Deal legislation was written while he served in this House. When TVA legislation was almost stymied in the Military Affairs Committee, President Roosevelt held a man-to-man talk with Frank at the White House, and he was able to influence enough cocommitteemen to have the bill reported out to the floor. What Tennessee Valley Authority meant to American production in the last war is now well established in our minds.

Congressman Dorsey went all out and down the line 100 percent for the Roosevelt program. I can well remember when our honored Speaker was majority leader of the House. He accompanied Frank to our district, where they engaged the counsel of a local utility company in public debate on the then pending Wheeler-Rayburn bill, particularly on the subject of holding companies.

In his youth Frank Dorsey was an athlete of renown. He and his brother Harry were champion runners, trained by an athlete father. Our former Congressman was captain of the University of Pennsylvania track team. He graduated from the Wharton School of the University of Pennsylvania with high honors. Frank enlisted in the Army in World War I and came out a first lieutenant. He was past post commander of Oxley Post, American Legion, and past district commander. His only other fraternal connection was the Knights of Columbus, of which he was a fourth-degree member. His council, St. Leo's, had honored him with high office, as had the district Knights of Columbus.

His last 10 years were occupied with managership of the Wage and Hour Division at its Philadelphia office. He made life difficult for chiseling manufacturers and thereby evoked the hearty approval of the many decent employers and labor as well.

Sincere, honest to the penny, indefatigable worker, fair and sympathetic, the wages-and-hours offices in Pennsylvania join me in declaring our loss. We extend our heartfelt sympathy to the beloved wife and daughter and to the brother and sisters who survive Frank. Never was a man more loved by his family. Few who have held high offices have enjoyed such genuine esteem from fellow workers.

Mr. GREEN. Mr. Speaker, I ask unanimous consent that all Members of the Pennsylvania delegation may have permission to extend their remarks on the life, character, and public service of our late colleague.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FEDERAL JUDGE KAUFMAN

Mr. MACY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Speaker, the charge has been made on the floor of the House by Republican and Democratic Members of this body that Judge Kaufman, who presided in the Alger Hiss trial, was guilty of conduct reflecting discredit upon the bench. This serious charge presumably applied to the general conduct of the judge during the trial.

Today I want to inform the House of a specific example of the judge's conduct in which he tried to intimidate the press. The judge said, from the bench, that it was unfortunate that there was so much comment in the press about the trial. He said reporters and columnists had no right to express their views on the trial, and I quote:

> What the court can do about it, I do not know, but after the conclusion of this trial that subject should be considered, either by the court or through some other method.

Mr. Speaker, I label such an unprecedented and unheard-of statement by a Federal court judge a direct threat to the freedom of the press.

I am proud to say that the press was not intimidated by this unusual statement by Judge Kaufman, and Congress has not been intimidated either by political attempts to silence criticism of his bias for Alger Hiss.

Of course, the judge has a perfect right to protect proceedings before him from any outside interference or influence that would be prejudicial to justice. Had Judge Kaufman limited himself to that area, he would not be subject to criticism by me now. The bench is amply empowered to handle such matters. He went far beyond his authority. What did he mean by some other method?

What did the judge mean by such a challenge? In the history of American courts I do not believe such a similar statement has ever been made. What plans did he have to make the American press succumb to his will? Now that the trial is ended what is he going to do?

Gentlemen, Judge Bean is long dead, and his methods must not be revived in today's courts.

It is the duty and obligation of the press to watch the courts and the judges the same as it is for the press to keep an eye on the operations of all American institutions.

No judge will be criticized who does not earn that criticism. If his conduct is above reproach it cannot be smirched.

I agree with my colleagues that Judge Kaufman's conduct reflected discredit upon the bench. Furthermore, I accept the judge's challenge to muzzle the press. Almost a week has passed since the trial ended, and the judge has not carried out his threat. I trust that his wiser colleagues on the bench have pointed out his indiscretion to him. What is his next step going to be?

EXTENSION OF REMARKS

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include an article by Robert Moses, of New York.

Mr. LICHTENWALTER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement on the death of a former Member.

Mr. PHILLIPS of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

ARE WE APPROACHING SOCIALISM?

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, step by step the Congress is annihilating the free enterprise system and taking the Nation into the mire of socialism; that is, tyranny. The Poage bill, which would put the Washington bureaucrats in the telephone business, is just another move in that direction. Being free from paying taxes and having their losses made good by taxpayers, it eliminates competition for them, thus placing them in the position of undermining and destroying the privately developed telephone service of the country.

FORT SUMNER IRRIGATION DISTRICT, NEW MEXICO

Mr. PETERSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 276) to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. PETERSON. Mr. Speaker, this has to do with the Fort Sumner irrigation project in New Mexico. The bill passed the House last year. Now it has passed the Senate.

Mr. MARTIN of Massachusetts. How much money is involved?

Mr. PETERSON. One million, eight hundred thousand dollars, all of which is reimbursable.

Mr. MARTIN of Massachusetts. This bill was unanimously approved by the committee?

Mr. PETERSON. It was unanimously approved by our committee and it passed the Senate unanimously.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, for the purpose of providing water for the irrigation of approximately 6,500 acres of arid lands on the Pecos River in New Mexico, the Secretary of the Interior is hereby authorized to rehabilitate, operate, and maintain in accordance with the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto) the irrigation system of the Fort Sumner irrigation district in New Mexico and to construct all necessary works incidental thereto: *Provided*, That the project shall not be initiated until contracts satisfactory to the Secretary of the Interior shall have been executed with—

(a) an irrigation or conservancy district, satisfactory in form and powers to the Secretary and embracing the lands of the project as determined by him, obligating the district, among other things, (i) to repay to the United States without interest the cost of rehabilitating and constructing the project, the terms to be such as will secure repayment as rapidly as, in the judgment of the Secretary, the district can reasonably be expected to make repayment and, in any event, within the useful life of the project; (ii) to pay for or otherwise provide adequate operation and maintenance, including replacements, of the project works during the period of the contract; and (iii) to furnish the Secretary with such control over and access to project works which are owned by or within the control of the district as he may require in order to safeguard the investment of the United States in the project; and

(b) the holder or holders of at least 90 percent of the outstanding general obligation bonds of the Fort Sumner irrigation district providing for such refinancing or cancellation of those bonds and scheduling of payments of principal and interest called for thereby as the Secretary believes necessary in order to insure fulfillment of the obligations required under (a) above.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEASIBILITY OF AN ADDITIONAL CROSSING OF SAN FRANCISCO BAY

Mr. WELCH of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a statement by John J. Manning and also a report by the Secretary of Defense with reference to a second crossing over San Francisco Bay.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH of California. Mr. Speaker, yesterday Admiral John J. Manning, Chief of the Bureau of Yards and Docks, made an astounding statement designed to put the "kiss of death" on a report of a joint Army-Navy board of engineers, created by an act of this House, and filed with this body, and a report of the Military Establishment by intimating the unbelievable, that the Secretary of Defense was about to stultify himself by repudiating his former decision with reference to the second San Francisco Bay crossing.

Mr. Speaker, while seriously deploring Admiral Manning's untimely statement, we should, however, remember those splendid men who, in the recent past, patriotically and unselfishly guided the destiny of that important branch of our national defense—the Navy—Hon. John L. Sullivan, the late Hon. James Forrestal, and the Honorable Francis P. Matthews, who in their turn all unqualifiedly approved the report of that joint Army-Navy board of engineers and the report of the Secretary of Defense, the Secretary of the Army, and the Secretary of the Navy, who favored a southern crossing and were against the proposed carbon-copy parallel bridge which, should it be built, must of necessity run through Yerba Buena Island, a United States Government-owned island. We should also keep in mind the outstanding and patriotic leadership of the chairman of the Armed Services Committee of this House, the gentleman from Georgia, the Honorable CARL VINSON, and the no less capable ranking minority Member, the gentleman from Missouri, the Honorable DEWEY SHORT.

SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House for 20 minutes today after disposition of matters on the Speaker's table and at the conclusion of any special orders heretofore entered.

RURAL TELEPHONE SERVICE

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 2960) to amend the Rural Electrification Act to provide for rural telephones, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 2960, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, action had been taken that debate on the committee amendment and all amendments thereto close in 15 minutes.

Mr. LECOMPTE. Mr. Chairman, I ask unanimous consent that the Hope amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk again read the Hope amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I rise in opposition to both the committee amendment and the amendment to the committee amendment which has been offered by the gentleman from Kansas [Mr. HOPE].

I want to state first, that I am very much in favor of the principle of this act in seeking to provide telephone service in our rural areas. Just as the REA legislation brought the lamp of electricity to the farmhouses, this legislation will bring the farmer in direct communication with the community in which he lives, and will remove the isolation which is now his lot in many sections of our Nation.

The committee has stated that the only purpose of the amendment is to reaffirm the fact that the bill does not propose to interfere with the rights of the State public utility regulatory agencies in supervising the operations of private telephone companies operating within their jurisdiction. If this be true, there is no need for the amendment because the Federal Government cannot interfere with such jurisdiction. I am impressed, however, with the fact that while the intention of the amendment is therefore meaningless, its vagueness and ambiguity may create some difficulties as a matter of interpretation. It is entirely possible that cooperatives and public corporations, which are not subject to regulation by public utility agencies in most States might, by a strict interpretation of the language of the amendment, be precluded from applying for funds unless they obtain certificates of convenience and necessity from the public utility commissions. If this interpretation be adopted, it will in truth be directly contrary to stated intention of the amendment by compelling a procedure which is not now required.

I am opposed, as well, to the Hope amendment, inasmuch as it would create a new precedent in legislation of this type. The Hope amendment would prevent all duplication of facilities, even though in many cases such duplication may be essential in the public interest. No such provision exists in the present rural electrification legislation and certainly does not exist in legislation creating the Tennessee Valley Authority and other public power projects.

The future, however, may indicate that a duplication of service is needed where the service afforded in a particular area does not meet the public need. While I would want the operator offering existing service to be given the opportunity to provide and expand his facilities, I would not want to remove the possibility of permitting a new operation where required. Furthermore, I believe the Hope amendment would deter the organization of cooperatives in areas in which they may be needed, in order to protect the consumer from inadequate service and exorbitant rates.

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Chairman, without seeking to detract from the gentleman from Texas, it so happens that as a member of the Committee on Agriculture I offered in committee the amendment which is now before you as the committee amendment. At that time in its original form it somewhat resembled the amendment offered by the gentleman from Arkansas, but after long and careful discussion and consideration it was felt, I think, by all of us on that committee that the amendment in that form would lead to complications and would curtail and restrict the benefits of this measure. Therefore, we adopted the amendment in its present form. However, as has been brought out, it extends only to 15 States. The perfecting amendment offered by the gentleman from Kansas remedies this defect and lays down a policy which in my opinion safeguards and protects this measure from the objections that many might have regarding it as encroaching upon private enterprise. I hope that the committee amendment and the perfecting amendment offered by the gentleman from Kansas will be adopted, and with those safeguards, I can with confidence vote for this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, the need for this legislation is not very acute in my district, the Seventh of Minnesota. In almost every village in the district we have small telephone companies in operation which, in most instances, are prepared to give good service to any farmer in their immediate areas.

However, this is not the case in many parts of the United States. For example, testimony has been given to the House to the effect that less than 4 percent of the farmers in the State of Mississippi have telephones in their homes. We must, of course, protect the interests of the telephone companies now serving their communities and see to it that duplicating lines are not brought into these areas with funds provided in this bill. It is my understanding that the amendments which are under consideration now will prevent that possibility. In Minnesota, for instance, our Railroad and Warehouse Commission will have the right, under this bill, to determine whether or not the REA should make a loan in any particular community. With these safeguards in the bill and knowing as we all do the splendid job which REA has performed in bringing electricity to the rural sections of America, I do not think we need fear but what this legislation will benefit everyone concerned. The companies now giving telephone service to our numerous communities have 6 months priority over any other applicants, during which time they may ask for loans from the REA, at the very low rate of 2 percent interest, for the purpose of improving and expanding their systems. Many of our smaller companies have need of these loans and can use them to advantage.

The telephone is more of a necessity in the farm home than it is in the village. It is a great comfort and satisfaction to rural people to know that if they need a doctor in an emergency they have a telephone close at hand. In this day of almost complete mechanization on the farm, it is also comforting to know that if a combine breaks down, the farmer can step to the telephone and find out where he can obtain the necessary repairs instead of traveling many useless miles looking for a dealer who has the parts he needs.

We need only to consider the splendid record of repayment of loans by our REA associations to know that the loans made available under this legislation will have the same record of reimbursement.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I intend to support the perfecting amendment offered by the gentleman from Kansas and the committee amendment, and I intend to vote against the substitute amendment offered by the gentleman from Arkansas. I think by following that procedure we will have a good bill, and I hope it will pass.

Mr. LEMKE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Chairman, I am in favor of this bill. I am in favor of the Poage-Hope amendments. These amendments will protect the small independent companies. They are entitled to protection.

I am especially in favor of this bill, because I believe that all farmers are entitled to telephone service. In many parts of my State and in many other parts of other States, the farmers have been and are deprived of proper telephone service.

The enactment of this bill will not only save the farmers unnecessary trips to the cities and villages, but it will enable them to do part of their business by phone. It will also help the businessmen in the cities and towns. It will establish a closer contact between city and rural people.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, I am greatly pleased to note that the committee report on the rural telephone bill, H. R. 2960, shows that of 208,934 farms in Iowa 165,760 have telephones. This percentage of 79.3 percent is the highest percentage of farms equipped with telephones of any State in the entire Nation. While most of the farms of Iowa have telephone service and most of this service is satisfactory today, much of Iowa's rural telephone service is very unsatisfactory because of the cost of adequate service due to distances involved and other factors some of which make it unfeasible for existing telephone companies to extend adequate service without the risk of great financial loss.

The Rural Electrification Administration was created on May 11, 1935, by an Executive order issued by the President under the authority of the Emergency Relief Appropriation Act of 1935. The original program was for only 1 year, but Congress later authorized a 10-year program by enacting the Rural Electrification Act of 1936. The REA became an agency of the Department of Agriculture on July 1, 1939, under the Reorganization Plan which became effective on that date.

REA was established to make loans at low interest to cooperatives, municipalities, other public bodies and private utilities to finance the construction and operation of facilities to furnish electricity to persons in rural areas not receiving central station service. In Iowa we have come to look upon REA as a very successful and popular agency because it has brought electric service to or within reach of nearly every Iowa farm without intruding upon the field served by the private electric utilities.

When the suggestion was first made to the farmers of Iowa that REA be given the authority to make loans to improve rural telephone service, the farmers of Iowa looked upon the matter with approval because of their confidence in REA and their belief that REA could extend them service where needed without intruding upon the field already adequately served by private companies.

H. R. 2960, a bill to amend the Rural Electrification Act to provide for rural telephones, and for other purposes, was introduced in the House of Representatives on February 24, 1949, by Mr. Poage and referred to the Committee on Agriculture. The bill was reported out of Committee on March 9, 1949.

H. R. 2960 would expand the existing lending authority of the Rural Electrification Administration so as to authorize the Administrator to make loans for the purpose of financing or refinancing the improvement, expansion, construction, acquisition and operation of telephone lines, facilities or systems to furnish and improve telephone service in rural areas.

Such loans could be made for periods not exceeding 35 years at an interest rate of 2 percent per year on unpaid balances. The loans would be self-liquidating over their terms.

Among other things the bill provides:

(a) That in making loans the Administrator shall give preference to persons providing telephone service in rural areas on the effective date and to public bodies, cooperative, nonprofit, limited dividend, or mutual associations;

(b) That for 6 months after the effective date applications shall be received only from persons engaged in the operation of rural telephone service;

(c) That when the Administrator determines it to be necessary to furnish or improve service in rural areas, loans may be made to finance the improvement, expansion, and construction of telephone lines, facilities, or systems operated outside of rural areas;

(d) That the Administrator shall not make any loan unless he finds and certifies that in his judgment the security is reasonably adequate and that repayment will be made within the agreed time;

(e) That the bill shall not be construed to deprive any State regulatory agency of its jurisdiction to regulate telephone service not subject to regulation by the Federal Communications Commission; and

(f) The Committee on Agriculture very wisely provided by the Committee amendment now under consideration that in States in which rural telephone service is subject to State regulation and certification, loans will be restricted to applicants holding the required State certificates of convenience and necessity.

The amendment offered by the gentleman from Kansas [Mr. HOPE] to the committee amendment provides further that—

> In a State in which there is no such agency or regulatory body, legally authorized to issue such certificates to the applicant, the Administrator shall determine, and his determination shall be final, that the loan sought to be obtained will not result in the duplication of telephone service being offered to subscribers who are already receiving adequate and reliable telephone service.

The proposed amendment and the amendment offered by the gentleman from Kansas [Mr. HOPE] will go far in protecting the telephone companies engaged in extending service to our farmers. I know that leading farmers of my district and of the State of Iowa feel that existing companies should be given a reasonable time to prove their intentions to provide service and I do not believe that any State regulatory body will issue a certificate of convenience and necessity to an applicant until existing companies have such reasonable time. I do not believe that the Administrator should deprive existing companies of such reasonable time to prove their intentions to provide service. If this safeguard is given to private telephone companies by the adoption of the committee amendment and the amendment offered by the gentleman from Kansas [Mr. HOPE] the bill will fill a very real need of our farmers and it is deserving of support and I will support it vigorously.

Mr. LOVRE. Mr. Chairman, in the First District of South Dakota, one of the greatest agricultural districts in these United States, the people are generally rugged individualists. I am proud if I carry that spirit to the halls of Congress. As a champion of the free-enterprise system, I naturally would not want to have a part of any legislative program which would harm in any way the sipirit of individual initiative and the cherished free-enterprise system in America.

The farmers of the First District of South Dakota are dependent upon me to do what I can to promote legislation which is in their interest. Therefore, I have a grave obligation to them to lend my support to legislation which would be beneficial to them. They have indicated, and statistics also reveal, a real need for expanded and improved rural telephone service. Many areas of South Dakota are not adequately served by telephone lines and I feel that it is of the most critical importance that the farmer have outside communication. In many cases, the rural dweller has a far greater need for easy means of communication than his city cousin. The remote areas, where in reality telephone services are the most badly needed, have, in many cases, been neglected.

While I recognize the magnificent strides that have been made by the private, independent, and cooperative telephone companies in extending rural facilities, the fact still remains that only about half of the farm homes in this country have telephone service. In South Dakota this figure is something like 45 percent.

These figures, together with the urgent pleas of the people, point up the need for some method of bringing telephone communication to the farms, ranches, and rural areas of this country.

How can we best accomplish this? As I said before, I firmly believe in the free-enterprise system. This spirit has made America what it is today. Without destroying or impairing the free-enterprise concept, I believe the Government can offer assistance in providing service where it is so badly needed.

I have made a careful study of H. R. 2960, the rural-telephone bill which is before us. I have also viewed with a good deal of interest the amendments which have been offered to that measure. I believe the measure, with the proposed committee and Hope perfecting amendments points out a solution to the critical needs for extending service to farm consumers. It is my conviction that H. R. 2960 encourages rather than destroys the free-enterprise system. The provisions of the bill are applicable to all companies on like terms.

The REA idea as applied to the distribution of electrical energy has proved to be sound. Through this program, we have built up the percentage of electrified farms from a national average of 11 percent to about 75 percent today. While South Dakota lags behind in percentage of electrified farms, huge strides are being made by the REA in bringing central station electrical service to rural homes.

I believe the idea of the REA could be applied to the telephone problem with equally beneficial results. If the one is sound, the same principle applied to the other should be equally as stable.

When the REA came into being, vast rural areas were without electrical service. This problem was solved, in part, through the organization of farmer cooperatives and rural associations. In the case of telephones, the situation is somewhat different as there are a good many small private and independent companies operating in rural areas. In South Dakota I believe there are some 700 telephone companies of which 583 are rural farm lines. Practically all of these are owned by farmers who by very considerable expense and sacrifice have constructed and maintained them for many years. Some of these lines have been furnishing service for 30 or 40 years. Many of them are in bad physical condition, and will be glad of an opportunity to obtain loans at 2 percent for rehabilitation according to reliable information I have received.

These organizations and their customers can reap the greatest benefits from the easy credit which this bill makes available. In fact, a clear priority is given to these concerns now in existence which I believe is correct and proper.

There are further safeguards to the public in this measure. One would require that proof of capacity to provide rural service be made to the REA Administrator. An additional safeguard, which I believe is carefully and specifically spelled out in the bill with the

amendments, is the provision leaving regulatory powers with the several States. This makes very clear the prohibition of any Federal interference with State policy concerning communication construction. It further places authority in the hands of the State regulatory bodies to protect the interests of the public, the taxpayers, and the business itself through requiring certificates of convenience and necessity before telephone-construction loans could be authorized. This would place control of the program where it belongs, as close as possible to the people themselves. This safeguard should also allay any fears that public funds might be used to finance duplicating lines and that such a program would destroy private business.

I am happy to support this bill with the committee amendment and the perfecting amendment by my distinguished colleague the gentleman from Kansas [Mr. HOPE]. These amendments which protect the public interest in all of the States, whether or not they have regulatory bodies, provide that no construction loans shall be made in any State which now has or may have a regulatory body, without a certificate of convenience and necessity if such is required. Furthermore, if a State does not have a regulatory body legally authorized to issue such certificates the Hope amendment is specific in directing that no loans be granted by the REA Administrator which will result in duplication of telephone service to subscribers who are already receiving adequate and reliable telephone service.

I believe this legislation will provide the necessary credit to bring telephone facilities to the farmer and while carefully protecting—in fact actually assisting and promoting—the free-enterprise system. It provides the monetary support necessary to bring badly needed communications to the farmer.

Money to be expended under this proposal would not be spent but merely invested in long-term Government loans. We can be perfectly consistent in demanding economy in Government and in insisting on the preservation of the free-enterprise system and at the same time support this bill, which I feel is of vital importance to the American farmer.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Chairman, anyone who has ever lived in a rural community knows the importance and value of rural telephone service. We have reached a point where farms can hardly operate efficiently without telephone service. I am happy to join with my colleague the gentleman from Iowa [Mr. MARTIN] in calling attention to the fact that we do have very extensive rural telephone service in Iowa. I think it is important to adopt the perfecting amendment offered by the gentleman from Kansas [Mr. HOPE] which amends the committee amendment so as to be certain that we will not have duplication. There is no headache more annoying than two telephone systems in the same community. The farmers will not thank this Congress if we pass legislation that opens the gates for duplication of telephone services all through the rural sections. I think that with these amendments, which I believe the great Agriculture Committee is ready to accept, Mr. Chairman, we will have an excellent bill, and I will be happy to vote for the bill. The REA has brought electricity to thousands of farm homes and I have been happy to support the program consistently. Now we have electricity to an estimated 80 percent of the farms in Iowa. We must continue to improve the efficiency and utility of agriculture.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I desire to repeat that the Hope amendment is a good amendment and should be adopted. When the Hope amendment is adopted and added to the committee amendment the bill will then provide protection for private companies and likewise it will provide protection of Government funds. None of us want loans granted to cooperatives to be used in duplicating telephone facilities which are now adequate and through which satisfactory telephone service is being made available. The amendment offered by my friend from Arkansas should not, in my opinion, be adopted. The committee amendment plus the Hope amendment is as far as we should go. The committee amendment requires that a certificate of convenience and necessity be obtained by the applicant if there is a duly constituted and legally authorized regulatory agency in the State in which the application is filed. If no such agency exists and there is no person, committee, commission, or agency authorized to deal with the subject and charged with the responsibility of issuing such certificates of convenience and necessity, such State could, of course, legally create and authorize such agency, committee, or commission, and when so created and authorized then the convenience and necessity certificate would have to be obtained. In this connection I desire to again emphasize the fact that we have no right in this bill, or for that matter in any other bill, to require States to create agencies and to charge them with responsibilities such as appear to us to be either necessary or desirable. But, when the Hope amendment is adopted and an applicant in a State which has no regulatory body legally authorized and charged with the responsibility of making the determinations incident to the issuance of certificates of convenience and necessity, then and in that event, under the Hope amendment, the Administrator will be charged with the responsibilities of first determining that the loan will not be used to duplicate existing facilities which are adequate and which are rendering satisfactory service. What more could we do? What more should we do? The Gathings amendment should be defeated. The Hope amendment should be adopted, and the committee amendment should be approved.

We know that the private operating companies, now engaged in the telephone business, are not in favor of this legislation. I doubt if it could be amended so as to meet with their approval. We know, too, that private telephone companies are not expanding rural telephone lines as rapidly as they should be expanded. It is only reasonable to believe that the construction, maintenance, and operation of rural lines is more expensive and less profitable than telephone lines in heavily populated areas. This bill will bring great relief to the rural sections of America and it should be approved in the form in which it is presented to this House. I urge you, therefore, to accept the committee amendment and to approve the Hope perfecting amendment and to defeat the Gathings amendment.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The question is on the amendment to the committee amendment offered by the gentleman from Kansas [Mr. HOPE].

Mr. SMITH of Wisconsin. Mr. Chairman, I ask unanimous consent that the amendment be again read for the information of the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk again read the Hope amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE] to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The Clerk will again report the substitute amendment offered by the gentleman from Arkansas [Mr. GATHINGS].

The Clerk again reported the substitute amendment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Arkansas [Mr. GATHINGS].

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the committee amendment as amended.

The committee amendment was agreed to.

Mr. SUTTON. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SUTTON: On page 4, line 1, after the word "associations", strike through the word "areas", on line 6.

Mr. SUTTON. Mr. Chairman, as I stated yesterday, I offered this amendment in the Committee of Agriculture to strike out this provision. The amendment was defeated by one vote in the Committee on Agriculture. Personally I think this is a good amendment. I think it is proper to strike out this section, for this reason: This proviso in the bill permits the big telephone companies, who now control 82 percent of the telephones of America, to more or less gobble up all of the money at 2 percent. It is my understanding that the intent of Congress in the passage of this bill is to provide rural telephones instead of making a loan of cheap money to the giant telephone companies.

We all realize, and common sense tells us, that any big concern, like the American Telephone & Telegraph Co. or the Southern Bell, or any other existing company today, would like to borrow every dime that the REA will have to loan at 2 percent. If we give them 6 months' preference in borrowing this money, no co-op will ever have a chance to borrow a dime. It stands to reason, since these big companies have not extended telephone service to some of our remote and rural areas before now, they will not do it at all even with this money, because under the provisions of this bill they cannot only construct, but they can also improve the lines that they now have. By providing this 6-month provision they will borrow all this money and not let the co-ops borrow a single dime, because at the end of 6 months there will not be any money left.

They will improve the lines if they have the right to do so; as a result, there will be no more telephones in remote areas than we have at the present time. I believe, in all fairness to the farmers and the people in the remote areas, that their service should be extended and improved. The entire intent and purpose of this bill is to promote telephone service to those people in remote areas that private concerns have not yet served, and I do not see why we will not let them have the money to improve their own situation today, and especially in the rural areas. And for this reason I offer this amendment to reach the people out in the country, to reach the people who will be unable to get telephones if this provision is not stricken out, because if these private concerns who now own 82 percent of the telephones will not go out to these remote areas, it is up to the co-ops and other private individuals who want to go into this business to seek to borrow this money not 6 months after this bill is enacted, but from the date this bill is enacted, and put up the telephone exchanges and take telephones out to these remote areas, the phones that we actually need in the rural sections of our country.

I hope, Mr. Chairman, that the committee will go along on this amendment. As I stated twice previously, this amendment was defeated by only one vote in the committee. It was brought up and no one knew about the amendment until it was read. The bill was read and we had no consideration of it whatsoever by way of debate. In all fairness, I think after we have thought about it, and I feel that the chairman, after he has thought about it, will not personally disagree with this amendment; that he will realize that it is a good amendment to strike this section out. I am not going to put him on the spot by asking him to make the statement that he thinks it is a good amendment, but this amendment was offered in all sincerity in lieu of the first bill as a compromise between the American Telephone & Telegraph Co. and the other extreme. I still say it is class legislation, and class legislation is strictly unconstitutional. I hope the committee will agree to this amendment.

Mr. PHILLIPS of Tennessee. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PHILLIPS of Tennessee. Mr. Chairman, I am supporting the rural telephone bill, which is an amendment to the Rural Electrification Act, and I am voting for it because I believe it is in the national interest, and will promote the general welfare of the people of this country.

I believe that one of the greatest services that has been rendered the rural people of this country in recent years was the passage of the Rural Electrification Act. I believe in the private-enterprise system of America. There is nothing in the proposed legislation that will in any way interfere with the continued development of private industry. The Bell Telephone Co., along with other telephone companies, has neglected the rural districts of this country. Our farm population is entitled to telephone service.

The proponents of this bill do not advocate the construction of parallel lines, so as to destroy private investments of individual citizens who are already engaged in the telephone business. This bill if properly administered and placed in effect will guarantee adequate telephone service and the improvement and expansion of existing telephone facilities, and the construction and operation of additional facilities so that the telephone service will be made available to the widest practicable number of rural users of telephones.

Reliable information shows that the United States as a whole has actually lost rural telephones, and that the number has decreased since 1920. In 1920, according to statistics, 38 percent of the rural homes of America were supplied with some form of rural telephone service. In 1945, which is the latest figure, it appears that only 31 percent of the rural homes have telephones. It is estimated that almost two times as many rural homes have electricity as there are rural telephones. There is much to be done in the field of rural electrification, as well as in the continued development of our telephone service.

Electric lights and proper communications are beneficial to the people of this country. For example, in my own State of Tennessee, out of a total of 234,431 farms, 36,365 had rural telephones, or there were 198,066 farms without telephone service. The percentage of farms with telephones in 1920 in the State of Tennessee was approximately 22.5. The percentage in the 1945 census had fallen to 15.5. I use these figures for the purpose of showing the great need for expansion of telephone facilities into the remote areas throughout the State of Tennessee, and a similar condition prevails in many other States.

The farm in this country has become both a place of business and a home. The telephone is needed so that the farmer can transact his business. It will aid the farmer in meeting emergencies. He may need the telephone to call a doctor, as well as many other good reasons for this much-needed service.

The bill under discussion authorizes and empowers the Administrator of Rural Electrification to make loans with an interest rate of 2 percent for the purpose of financing, improving, and expanding telephone lines anywhere that a need is established for such service. Independent telephone companies—and there are many thousands in this country—will be permitted to take advantage of the loan provisions so as to expand into areas where the service is needed. Many telephone companies have neglected to expand into the rural areas, and have adopted the policy of developing the most profitable areas, including towns and cities, and have deprived millions of people of the advantage of telephone service which will adequately meet the needs of all of the people.

Mr. POAGE. Mr. Chairman, the gentleman from Tennessee suggested that this 6 months' period was not in the original bill; that is true. In all frankness, I did not put it in, but after it was suggested that it would be desirable to put it in for 60 days—the telephone companies asked for 60 days—I felt, and I suggested, that we should make it at least 6 months, not for the purpose of giving the American Telephone & Telegraph Co. any special advantages, but because there are 53,000 little telephone companies over the United States. I think in all fairness we want this bill to make every reasonable provision to enable those people who are now giving telephone service to improve their own service if they can.

This is not a vindictive bill; it is not a bill to destroy anybody; this is a bill to enable those people who are giving telephone service but who have not the finances to provide the type of service they would like to provide; to enable them to have the means of making those extensions and improvements. We feel we should give them this special period to aid them in providing rural telephone service, to extend telephone service where it is needed. I feel that in all fairnss we should retain the provision of the bill that gives to the existing operators, and there are 53,000 little operators, but just one American Telephone & Telegraph Co.—and they will not borrow any of this money because they have repeatedly said they would not. They make their money by financing their subsidiaries.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. GRANGER. The gentleman from Tennessee made the statement that this provision would result in the money not being spent in the real extension of telephone service.

Mr. POAGE. They cannot borrow it for any other purpose.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. SUTTON. The bill provides for improvements as well as construction.

Mr. POAGE. If you improve the service you certainly provide telephone service.

Mr. SUTTON. Improvement and extension.

Mr. POAGE. And extension. That means getting telephones to the rural places where people need it and where we want them to have it. We want lines extended to farms that have no phones and we want the services improved for farms that now depend on whoop-and-holler service over barb wire fences.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I notice that the sentence which immediately follows the clause proposed to be stricken reads as follows:

> The Administrator in making such loans shall, insofar as possible, obtain assurance that the telephone service to be furnished or improved thereby will be made available to the widest practicable number of rural users.

Mr. POAGE. That is right. We are trying to get what we call area coverage in the REA. You know what we mean by area coverage. We are trying to see that the telephone service reaches all the rural people. It would be a big mistake to adopt the pending amendment; therefore I hope the committee will vote it down.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Tennessee.

Mr. SUTTON. May I call attention to this language "for the purpose of financing or refinancing the improvement, expansion, construction, acquisition, and operation of telephone lines, facilities, or systems to furnish and improve telephone service in rural areas."

Mr. POAGE. That is right.

Mr. SUTTON. It is not only for the construction of new lines.

Mr. POAGE. It is to provide needed service whether it involves either extension or improvement. It is just as important that you have a telephone line you can hear over as to have some kind of an ornament in your living room. We are not interested in putting some furniture in your house; we want to put something in there that you can talk over and we believe this bill will achieve that object.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Pennsylvania.

Mr. FULTON. When you put in a provision that simply has the basis of distinction between two classes of people, that they are in business at the present time or not, is that not a provision which is against the Constitution of the United States and will this not be knocked out anyhow?

Mr. POAGE. I do not hold myself out as a constitutional lawyer, but I would not think it is a violation of the Constitution of the United States. I think it is a very reasonable classification and a very fair classification. I am not going to argue with the gentleman about constitutionality, but I do know it is a practicable, a fair, and a reasonable proposition and I think the courts will sustain it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WIER. Mr. Chairman, I move to strike out the last word to make one observation in reference to this particular amendment.

Mr. Chairman, I am going to support the amendment offered by the gentleman from Tennessee because it is my belief that what we are doing is offering a subsidy to the Bell Telephone Co. that is not necessary for the telephone company. If the Bell Telephone Co. finds the opportunity is necessary and the need is there the Bell Telephone Co. of this Nation has sufficient funds and sufficient machinery to do the job which is necessary without offering them this subsidy. I think this is really offering a subsidy.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from North Carolina.

Mr. COOLEY. We feel that the Bell Telephone Co. does not need the money and probably will not apply for the money. But what about these 53,000 little companies that are struggling to exist in competition with the powerful Bell Telephone Co.? What we have in mind is to help the little rural telephone company that needs a little financial assistance to rebuild or to rehabilitate their lines in order to give better service. We give them 6 months within which to apply for a loan and they must obtain the loan for the specific purpose of rendering a better service. If we do not have this provision in here the little companies that are now struggling might be put out of business by newly created cooperative associations. That is the very purpose it was put in here; namely, to protect the little rural company. I do not think we need to worry about the big telephone companies of America running in to borrow this money.

Mr. WIER. Is it not true when these telephone companies came here to protect their interest, protect their investments and protect their field, all that they asked in the establishment of the REA telephone system was that you would not go into their field and become competitors? Is not that what they asked for?

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from Tennessee.

Mr. SUTTON. How many of those 53,000 companies are controlled by the Bell Telephone Co.?

Mr. WIER. The Chairman will have to answer that.

Mr. COOLEY. I do not know that I clearly understood the question because of the confusion nearby. What was the question?

Mr. WIER. The gentleman from Tennessee [Mr. SUTTON] asked the question. I did not ask the question.

Mr. SUTTON. How many of those 53,000 companies are controlled by the Bell Telephone Co.?

Mr. COOLEY. I do not know that any of the 53,000 companies referred to by the gentleman from Texas [Mr. POAGE] are controlled by the Bell Telephone Co.

Mr. WIER. My answer is that I have no objection to offering assistance to those rural companies, whether they be private, stock, or mutual, but I do want to close the door to the Bell Telephone Co. grabbing up this subsidy.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I might inform the gentleman that in Minnesota there are 2,100 small companies, 1,900 of which are small cooperative farm companies and, of course, they are not controlled, any of them, by the Bell Telephone Co.

Mr. WIER. They are controlled to this extent, that the Bell Telephone Co. controls their outlets.

Mr. AUGUST H. ANDRESEN. Well, on long-distance calls.

Mr. WIER. And they could not survive without that service.

Mr. AUGUST H. ANDRESEN. That is true all over the United States, for every company.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from Tennessee.

Mr. SUTTON. Is it not true that in every State you have a State law providing that priority be given to existing companies, and also do you not have priority of purpose in the preceding section of this bill whereby the existing companies are protected, more so, and you do not even need this section in the bill in the first place, because you already have given that priority to existing companies, and this cuts off anybody else for 6 months?

Mr. WIER. That is my opinion.

Mr. SUTTON. It should be stated that it actually gives the Southern Bell and the Bell Telephone companies and the American Telephone & Telegraph Co. a subsidy of this money that we have in the REA.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall need but half a minute. Two comments I would like to make: One is that any rural telephone company needs to have good outlets if they are to give efficient telephone service, long distance as well as local calls. The other point I would like to stress is that there is no sentence in the bill which requires the administrator to make any loans to anybody. He may be limited in his reception of applications for 6 months, but he does not have to loan a dime. If you think the administrator of the REA is going to use up all the money and give it to some big telephone trust in 6 months, you have a different conception of him than I have.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Kansas.

Mr. HOPE. Does not the gentleman think it is quite remarkable that the Bell Telephone Co. expects to get some of this money and that they are carrying on an active fight against the bill at this time?

Mr. CASE of South Dakota. That speaks for itself.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Texas.

Mr. POAGE. Might it not be an indication that the bill is about at the right point when we take into consideration the fact that yesterday Members criticized the bill because it did not extend this period for a longer time, and suggested it should be 18 months or 2 years? Now, on the other side there are those who criticize it for extending it 6 months. Might this not be a happy solution?

Mr. CASE of South Dakota. I think the bill is now well balanced. I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. SUTTON].

The question was taken; and on a division (demanded by Mr. SUTTON) there were—ayes 19, noes 120.

So the amendment was rejected.

Mr. McMILLAN of South Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCMILLAN of South Carolina: On page 3, line 22, after the word "areas:", insert the following: *"Provided, however,* That no loans are made which would result in the duplication of lines or services in an area, except where existing telephone systems in that area are unable or unwilling to provide service within a reasonable period of time."

Mr. McMILLAN of South Carolina. Mr. Chairman, I voted for this bill in committee. I fully realize the need for rural telephone service in this country. Having been born and reared on a farm, I know it is a necessity and not a luxury to have a telephone on the farm.

We have a good bill before us, but I think it can be improved by adding a few amendments. I do not think there is any harm whatever in adding a few safeguards to be certain that private industry in this country is fully protected.

We should spell out in this bill just what we mean by duplication of lines and service. Since coming to Congress I have had many complaints from my constituents that we give the departments in Washington too many blank checks, and that we should spell out what we mean when laws are enacted. I think there is nothing to lose by adopting my amendment telling the Administrator that we do not care to have two telephone systems in the same community fighting for the right to install a telephone in a man's house. We do not need to waste the taxpayers' money in placing duplicate lines to the same house.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. As I understand, the gentleman's amendment provides that the Administrator shall make a determination that existing companies are either unwilling or unable to furnish the service, and if he finds that, then he can go head and permit the REA or somebody else to get the money and put in the service.

Mr. McMILLAN of South Carolina. The gentleman is correct. It also means that if a man has a telephone and does not care for the rural-telephone people to come in with another telephone to his house in competition, maybe at a little lower cost, that will not happen.

Mr. AUGUST H. ANDRESEN. The sole purpose of the gentleman's amendment is to prevent duplication of systems of telephones where they already exist, in order to protect the money that the Government is putting into this to the REA, and also protect existing facilities.

Mr. McMILLAN of South Carolina. Yes, sir. The reason I am voting for this bill is because I want people who do not have telephone service to get that service.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield.

Mr. ALBERT. Does not the gentleman believe that the matters about which he expresses concern are taken care of by the Hope amendment?

Mr. McMILLAN of South Carolina. It is possible, but I think it should be spelled out and let the Administrator of this act know just what we mean.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman's amendment will not interfere in any manner with the Hope amendment, will it?

Mr. McMILLAN of South Carolina. It will not interfere with the Hope amendment.

Mr. AUGUST H. ANDRESEN. It strengthens it.

Mr. McMILLAN of South Carolina. Yes; I think it will add to it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield.

Mr. GROSS. Does not the Hope amendment provide for the question of duplication?

Mr. McMILLAN of South Carolina. It does. It leaves it up to the Administrator to say exactly what duplication is.

Mr. GROSS. What the gentleman does by his amendment is to set up an area basis, is that correct?

Mr. McMILLAN of South Carolina. That is right.

Mr. GROSS. And the gentleman also brings in the question of what is a reasonable length of time, is that true?

Mr. McMILLAN of South Carolina. The main thing my amendment does is to prevent duplication of telephone service in the same house.

Mr. GROSS. That is already covered in the Hope amendment, is it not?

Mr. McMILLAN of South Carolina. I do not think so. The Hope amendment helps, but this will add to it. It is along the same line and adds to it and strengthens it.

Mr. GROSS. What is the gentleman's definition of an area for the purpose of telephone service?

Mr. McMILLAN of South Carolina. If a private company has a telephone line in a small community and was trying to furnish service there in that immediate community, I do not think the REA should step in to try to give telephone service to that community and build duplicating lines.

Mr. GROSS. That is what you consider to be an area, is that right?

Mr. McMILLAN of South Carolina. That is right.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. COOLEY. Mr. Chairman, I arise in opposition to the amendment.

Mr. Chairman, this amendment is even worse than the amendment offered by the gentleman from Arkansas. I desire to direct your attention again to the language of the amendment which reads as follows:

*Provided, however,* That no loans are made which would result in the duplication of lines or service in an area except where existing telephone systems in that area are unable or unwilling to provide service within a reasonable period of time.

What is meant by "an area"? Who is to determine what is meant by "an area"? Who would be charged with the responsibility of making the necessary determinations with regard to the ability or the willingness of existing companies to provide service? Who would determine what is "a reasonable period of time"? Would all of these determinations be made by utility commissioners or would such determinations be made by the Administrator? The author of the amendment stated that he is trying to "spell out" the powers and authorities herein granted. It would be difficult to conceive of more ambiguous language than that which is contained in the gentleman's amendment.

Mr. McMILLAN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes, of course; I yield to the gentleman.

Mr. McMILLAN of South Carolina. Has not the gentleman experienced some difficulty with the REA Director, so far as duplication of services is concerned by the REA?

Mr. COOLEY. I agree with my friend, the gentleman from South Carolina. I do not want to see the REA or the rural telephone authority duplicating adequate services in any area of the country. I feel that the Hope amendment which charges the Administrator with the responsibility of making a finding to the effect that the money will not be used to duplicate existing adequate facilities provides a degree of protection for the telephone companies that is not now enjoyed even by the power company. I know what the gentleman from South Carolina has in mind, and in such instances had the Administrator been charged with the responsibilities placed upon him by the Hope amendment the situation might have been otherwise.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. Would it not become necessary under the terms of this amendment in deciding whether an operator was willing to make an extension to employ some kind of mind reader, or a person who could gaze into a crystal ball, or read tea leaves, to find out what was the will of the operator and what was in the mind of the operator?

Mr. COOLEY. I think the gentleman is right. I do not question the sincerity of my good friend from South Carolina, but he left the impression that if this amendment were adopted only the Administrator would determine the area, and would make these other very important and necessary determinations. But the fact is, if this amendment is adopted, the courts of the country would determine. The courts would be called upon to make impossible determinations, because, as pointed out by the gentleman from Texas [Mr. POAGE] it involves the workings of the human mind to determine whether or not the officials of private companies are willing and ready to provide the service. It does not even say they have to provide adequate service.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AUGUST H. ANDRESEN. In the Hope amendment, of course it leaves it to the Administrator to make the determination.

Mr. COOLEY. That is right.

Mr. AUGUST H. ANDRESEN. Will the gentleman state that it is crystal clear that the REA shall not go in and build duplicate facilities where a local company is willing and able to provide the service?

Mr. COOLEY. Yes; I think it is clear that REA shall not make loans to build duplicating facilities where a local company is willing and able to provide adequate service. This is why we have given private local companies now in operation the exclusive right for the first 6 months to apply for loans. If the Hope amendment is agreed to, I have every reason to believe that the Administrator will administer the program in a manner which will be compatible with the letter and spirit of the law.

Mr. AUGUST H. ANDRESEN. Is it not the intention of this bill that the REA should provide money to build duplicating systems?

Mr. COOLEY. Certainly it is not. This amendment offered by the gentleman from Kansas [Mr. HOPE] to the committee amendment will clearly indicate that Congress does not intend that this money shall be used to duplicate existing facilities.

Mr. AUGUST H. ANDRESEN. I know that when my distinguished chairman speaks, that is the intent of Congress on this particular question.

Mr. COOLEY. It is perfectly clear. I do hope that this amendment will be defeated, because I think that to all intents and purposes it would involve this whole authority in a multiplicity of lawsuits and in endless litigation.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The question is on the amendment offered by the gentleman from South Carolina [Mr. MCMILLAN].

The question was taken; and on a division (demanded by Mr. MCMILLAN of South Carolina) there were—ayes 34, noes 92.

So the amendment was rejected.

Mr. ALLEN of Illinois. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Illinois:

On page 3, line 17, after the word "loans", insert "at not less than 2½ percent."

And on page 3, line 18, strike out the words "terms and."

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes in support of his amendment.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. PACE. Would the effect of the gentleman's amendment be to raise the rate of REA loans as well as telephone loans to 2½ percent?

Mr. ALLEN of Illinois. No; It has no jurisdiction.

Mr. PACE. The bill under consideration is an amendment to the REA act, and I am afraid that might be the effect of the amendment; but the gentleman did not intend that?

Mr. ALLEN of Illinois. I do not intend that to happen.

Mr. Chairman, I started out being opposed to the bill and I am still opposed to it; but I do want to congratulate the Committee on Agriculture for providing that there shall be no competition. We have those provisions and their assurance that there will not be any competition or any duplication. I am also very happy that the bill still provides that no loans shall be made by the Administrator for 6 months except to existing companies.

The reason I am still opposed to this bill is, as I mentioned yesterday, this Nation owes $252,000,000,000, which is more than the total assessed valuation of all the property west of the Mississippi River. At the present time, each month, we are gradually increasing our expenditures over our declining receipts; for instance, last month and the month before we spent $300,000,000 more than we received, and our revenue is going down. No one has been able to say what the actual cost of the bill will be and the Director of the Budget has not given his approval. We know that we owe a great amount of money; and, I repeat, we are going $300,000,000 deeper into debt each month. So I am still opposed to this bill.

Frankly, I would rather this amendment raised the interest rate to 4 percent, because the independent companies now are paying the RFC 4 percent on identical 10-year loans. Having talked with my friend, the gentleman from Texas [Mr. PATMAN], and the gentleman from Michigan [Mr. CRAWFORD], it is my understanding that on long-term money the Government is paying a trifle less than 2.2 percent interest. This being so, I cannot conceive why anyone who wants to borrow would not be willing to pay 2.5 percent. That would take care of the over-all interest rate plus administration.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. BROWN of Ohio. I think the purpose the gentleman has expressed in his address is a remarkable one. I note that he quoted the cost of money to the Government at this time at less than 2.2 percent, or about 2.18. Is not that the cost to the Government over all, including the cost of short-term money at about .75 percent and including the cost of money borrowed at 2.75, and some that, I think it was stated, we paid 2.9 on? In other words, that is an average figure?

Mr. ALLEN of Illinois. That is correct; the over-all picture is 2.182 at the present time.

Mr. BROWN of Ohio. And this is long-term money; we are making these loans for long periods of time; is not that correct?

Mr. ALLEN of Illinois. That is correct. I may also add that I personally favor 4 percent, but I have every reason to believe that such a rate would not be accepted.

Mr. SUTTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. ALLEN].

Mr. Chairman, this same thing came up in committee. It is the same old story since 1933. It is an effort to tear down TVA and REA, to which organizations we are still lending money. We have lent over $900,000,000 to REA at this present rate of interest.

Mr. Chairman, as I stated, this is an effort of the gentleman to destroy the REA system of America. It is part of the same effort that has been made ever since Franklin Roosevelt came to the White House. I hope the committee will see this concerted effort to destroy the REA system, I hope the committee will observe that this is the means of getting the camel's nose under the tent and hope that the committee will defeat the amendment.

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Illinois [Mr. ALLEN].

The Clerk read as follows:

Amendment offered by Mr. BROWN of Ohio to the amendment offered by Mr. ALLEN of Illinois: Strike out "2½" and insert in lieu thereof "3."

Mr. BROWN of Ohio. Mr. Chairman, the amendment to the amendment which I have offered simply changes the rate of interest to be charged, as provided in the Allen amendment, from 2½ to 3 percent. The Federal money which would be loaned for the purpose of financing rural telephone services to the people under this bill would be loaned on a long-term basis. The rate which the gentleman from Illinois [Mr. ALLEN], quoted to you as to the interest rate the Government must pay on the money it borrows was, of course, the average interest rate paid on all types of, or on all bonds and securities issued by the Federal Government, including short-term Federal borrowing, which runs about three-quarters of 1 percent. Actually on long-range borrowings, or long-time bonds, such as would be necessary to finance this program, the Federal Government is paying an average of about 2.87 percent interest, and on some of the bonds issued by the Government, E bonds, such as mentioned a moment ago in the colloquy between the gentleman from Illinois [Mr. ALLEN], and myself, it pays 2.9 percent interest.

Mr. Chairman, it seems to me that while this bill may have an admirable objective, certainly none of us can say that we should help this project at an expense to the taxpayer. Surely if we extend the credit of the United States for the benefit of these special organizations to engage in the telephone business, and to render this service to a relatively few citizens, the Government itself should have a loss on its loaning operation. Certainly these loans should be self-supporting and self-sustaining. In my opinion, it would not be a bad proposition, nor would it be entirely illegal or morally wrong, if the Government should make a very slight profit on the deal. But I am not asking for any profit to the Government. I am just suggesting, out of fairness to the taxpayers of the United States of America, the people who pay the taxes and have to support this program, while they will not get the benefit of the telephones that will be provided under this legislation, that we should not lend their hard-earned money at a financial loss to them. Instead, this endeavor should be self-supporting. It is only fair to everyone involved, the telephone systems to be established, the cooperatives which will operate under this law, the Federal Treasury, and the taxpayers, that the Government should come out whole on the proposition. I am sure 3 percent is the fair and the proximate interest rate that should apply. I am sure it is if you will check into how much the Government actually pays as interest for the money it borrows on a long-time basis, which we will, in turn, lend to these cooperatives for rural telephone service under this proposed law. Certainly, we should not subsidize this particular activity any more than we should subsidize any other private activity. Of course, the privately owned telephone systems which now have to borrow money from the RFC are paying 3½ to 4 percent for the funds they get. So, it would only be fair, in my opinion, to make the interest rate provided in this bill 3 percent so that we can justify the action taken here, not only to the people interested in getting telephone service but to the people who have to pay for it through their contribution to the Federal Treasury in the form of taxes. Therefore, I offer this amendment to the amendment. I hope it will be adopted, as I feel I cannot vote for this measure unless it is so amended as to properly protect the Treasury and the taxpayers of the United States.

Mr. WHITE of Idaho. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is an old saying that competition is the life of trade. It seems to me that the membership here today is pretty tender with the monopoly of the American Telephone & Telegraph Co. They seem to be afraid the company will have some competition. I think if there is any organization in these United States that ought to have a little competition from some quarter, it is this telephone octopus, this Telephone Trust. If you just knew what was going on right here in Washington, you would be surprised. I want to read you some figures that may not be of very much interest to you, but I am quite sure they will be startling to the people of this country. All the telephone company does is rent the Government the dead equipment. The Congress pays the operators and buys the electric energy. Right on your own desk, where you pick up and use a telephone, do you know that you are paying a monthly rental on every instrument that is used in every office of the House and the Senate and in the Capitol besides a charge of from 3 to 5 cents for every telephone call that goes off the Hill to a department? Do you know that you are paying rental on every little loop of wire? Do you know that you are paying rental on every little switch or gadget in your office? Do you know how much the Government is paying for the telephone service here on what is called Capitol Hill? Let me tell you what you are paying. I thought when I met these few kids with little wire pliers and a roll of wire going up the Hill, that the work they did was being paid for by the telephone company. I knew when I saw this big switchboard down here under this building and saw all these 85 girls operating the switchboard that we were paying the girls, but I did not know that we were paying the rental on their switchboard. The telephone company does not even provide the electricity to energize the lines that flow through the Capitol. You are billed not by the telephone company but by the Potomac Electric Power Co. for the electricity that energizes those lines. The only expense that I can find the telephone company has on this Hill is the two or three young repairmen that come up here and make telephone changes. And, I thought they did that at the telephone company's expense, but the Government is billed with every addition and change they make.

The rentals we are paying monthly for this equipment would have bought and paid for all the telephone equipment being used in the Capitol, Senate, and House many times over.

Let me tell you what you paid in the month of May. In that month you paid for the rental of telephone equipment $6,848.40. In the House alone, for the people who work down there on the switchboard, the pay roll was $10,257.24. That is what the House paid. Now, what did the Senate pay? The Senate paid for the rental of this board $4,870.55. The Senate paid a pay roll for operators of $7,437.43. You pay the Potomac Electric Power Co. to put the juice in the system $10 a month, and you are getting a bill on that every month. Think of it—a monthly rental paid to the Telephone Co. of $6,848.40 for the equipment used by the House and $4,870.43 for the equipment used by the Senate. Besides the Government pays the operator $17,694.67 and pays, at the same time, for the electric energy besides paying for every call that goes to a department.

I am going to ask either in the House or here in the committee, by unanimous consent, that the telephone bill issued to the Senate and the House for the month of May in detail may be included in the RECORD so that the people of these United States can see just what is going on right here in the Capitol of the United States and on the desk of every Congressman and every Senator.

If there is any class of people in this country that needs a little protection it is these people who have gone out and made this huge investment in setting REA poles and stringing power lines over the country; now they can have telephones if we give them the simple privilege of stringing telephone wires, as the poles are already set, so that when somebody is sick at home or when some of the machinery breaks down they can get in quick touch with the doctor in town or the supplies in the market.

Let me tell you the policy out where I live. I have a home out there, and they have just a little toll station in my town, just one place. If you want to make a long-distance call you have to go into a store and use the coin-in-the-slot phone there. So for my accommodation I built my own telephone line—because I was in the pole business and know how to do it—and strung the wires and ran a line up to this toll station. I asked the company to please let me put in a switch, so that when somebody called me on Government business there would not be a delay and messenger charge. They told me that if I would guarantee them $5 a month they would give me that service, otherwise not. There is no exchange there. The only person I could talk to would be myself. Every telephone call would have a long-distance toll. But I had to come across with $5. So you see how that thing is handled. If there is a class of people that should be protected there, it is the people that put in these REA systems and live in the sparsely settled parts of the country.

I am for this bill, and I hope the telephone company and this monopoly will not have too many supporters on the floor of the House.

Every professional man, every lawyer, every doctor in this country that has business enough to use the telephone at all, I will bet his bill amounts to a minimum of $30 a month or a dollar a day. When he pays the monthly charge, and then adds the long-distance charges. If a man has any business at all, he will pay a dollar a day or $30 a month.

So we find that right here in our congressional offices on Capitol Hill the Government itself pays the telephone operators on a monthly basis; it paid these operators $17,694.67 for the month of May to operate the system, and instead of owning the telephone equipment we are paying the telephone company exorbitant rental for the use of this telephone equipment. The Government paid $11,718.95 rental for the month of May and this does not include telephone tolls or long-distance calls.

Some day the people of these United States are going to get tired of being mulched by this monopoly and they will take the telephone system and put it in the post office where it belongs.

Mr. PACE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it should be understood that in our vote on this amendment we are quite likely determining the success or failure of the entire undertaking. That is for this reason, Mr. Chairman. We are not lending money here to go to a community and set up a telephone system. The companies have

already covered that area. They have even gone into the rural areas, in the rural communities, where there are a number of people wanting telephones. Those have already been established by the private telephone companies. Under other provisions of the bill, none of this fund can be used to go back into that same community. There can be no duplication of adequate service under the terms of this bill. Therefore, the funds used here are to go out into the sparsely settled sections, to go out on the fringes, to go to those parts of the farm areas where the private telephone companies have not found it profitable to go, in order that the man who lives a good way from town or out in the woods, if you please, may also have the opportunity to have a rural telephone, that he, too, may have the facilities for calling a doctor to his children or to use for other emergency needs.

Therefore, Mr. Chairman, it is going to take cheap money over a long period of years for these enterprises to pay out. There is no need for us now to do something which will defeat the program at the outset. If they must pay 2½ or 3 or more percent for the money, it cannot be a successful financial enterprise. That is exactly the reason, Mr. Chairman, that this committee, with the approval of the House, reduced the interest rate on rural electrification loans to 2 percent. There was no other justification for it. There was no other reason offered to the House, but the fact that the power companies had already taken over the good paying areas and it was necessary for the farmers themselves to get together and form a cooperative and try to take electric power to their sparsely settled farm areas.

We have done that. Then I think definitely, Mr. Chairman, the House would be taking a step backward if they should now, in this program, when the expense is just as much, the lines cost just as much, and the poles cost just as much and the construction and repairmen's salary or wage is just as much and the original installation is just as much as the REA line, to provide that they must pay a higher rate.

I submit, Mr. Chairman, if we are going to authorize the program, then in the name of common sense, let us authorize it under terms and conditions that we can hold the borrowers responsible for a successful business undertaking.

If you raise this rate, then they can come and say, "We have not been able to pay our loan because the return on the investment was not adequate to pay the interest and the principal.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask a couple of questions, if I may, of the chairman of the committee. I listened with some interest to my distinguished friend from Idaho, who berated the American Telephone Co. and many other similar corporations for their alleged monopolistic actions. I am not going to get into an argument with him about that. I was intrigued by his statement as to how that grasping giant monopoly was wringing dollars out of the poor people of this country.

I want to ask this question of the chairman of the committee: "Is it not true that any telephone company, whether it be the Wisconsin Telephone Co., the Bell Telephone Co., or the telephone company of Indiana, or Ohio, or any other place, which is in fact furnishing service to rural areas is permitted under the terms of this bill to make an application for a loan to the Administrator to enable them to get 2 percent money to extend lines into the rural areas?

Mr. COOLEY. That is exactly correct.

Mr. KEEFE. And they have the first preference under the terms of this bill, is that correct?

Mr. COOLEY. Yes, for a period of 6 months.

Mr. KEEFE. So, if this giant monopoly, which has been described so effectively by the gentleman from Idaho, decides that it wants to further extend its monopoly into the rural areas, it can do so by making application for cheap 2 percent money to extend its lines? That is true, is it not?

Mr. COOLEY. That is correct.

Mr. KEEFE. It is the hope, I understand, of the committee that this great monopoly will perhaps do that because if the cooperatives are organized in these outlying rural areas, it will do no good for them to build a telephone line, such as my friend from Idaho described, where he could talk only to himself and they must enter into a contractual relationship with this monopoly in order to furnish the service to the people, is that not true?

Mr. COOLEY. I suppose that is true, but, after all, the public utilities are subject to regulation.

Mr. KEEFE. I am sure they are subject to regulation in my State. We will not have any trouble with it at all, and we never have. But I am speaking of those States where they do not have regulation. The fact of the matter is that if a rural telephone cooperative is organized in a rural area it is quite different from the rural electric cooperative, because the latter buys the power generally from the producer and takes it out to the farm. In this case, if you install a telephone line and a telephone on a farm, it is of absolutely no value, unless you want to talk back and forth to your next-door neighbor or listen in on the party line to see what the neighbors are talking about, unless it is hooked up with the existing telephone system. So, after all, am I not correct in the assumption that this "great monopoly," if it exists, is offered the opportunity, under the terms of this bill, to further extend its monopoly by getting money out of the REA fund at 2 percent interest for thirty-odd years? I am asking the chairman of the committee to answer that question.

Mr. COOLEY. I suppose the gentleman's interpretation of it is correct, but the fact is that we are according to all operating companies, not only the big monopolies that the gentleman has spoken of, but the little rural telephone companies that are now struggling for existence, the right to apply for these loans. We are placing responsibility now, under the Hope amendment, in the hands of the Administrator, and, as pointed out a few minutes ago, there is no obligation for the Administrator to give these loans to the big companies, to the exclusion of the little companies.

Mr. KEEFE. I think the gentleman is right. I am going to vote for this bill because I think it is a step in the right direction, but I want to point out that those who support the bill as I do are not supporting it upon any such thesis as was advanced by the gentleman from Idaho [Mr. WHITE].

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended 3 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. KEEFE. I am supporting the bill upon the thesis that I understand this is an attempt upon the part of the Congress to encourage, if possible, those companies, big or small, that are already engaged in the furnishing of telephone service, to extend their lines out into the rural areas, to give telephone service to rural people.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. BROWN of Ohio. And, of course, as the gentleman has explained, if these telephone companies can borrow this money at 2 percent, it means, in fact, that the Federal Government and the taxpayers will be subsidizing the telephone company, the privately owned telephone company, by furnishing them money at a less rate of interest than the taxpayers have to pay for the money that they borrow.

Mr. KEEFE. That is absolutely true. I think perhaps that is a necessary situation to encourage the companies that can give the service. What is the use of talking about building a telephone line by a cooperative unless it has a connection with a service that can connect it with the telephones that they want to call? I shall vote for this bill because I believe it will offer an opportunity to the existing companies that are in business to extend their lines and provide rural service that it has not been profitable or feasible to provide heretofore, and will not permit the establishment of competing lines in areas already served adequately——

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. Yes; I yield.

Mr. WHITE of Idaho. I would remind the gentleman from Wisconsin and the gentleman from Ohio that if they will study the current market reports they will find that they are borrowing money now at around 2 percent, with all their assets and their monopoly. You will find that every one of those bond issues are at a premium. They can get money any time they want it, and get it cheap.

Mr. KEEFE. The gentleman talks about monopolies all the time. He must own some stock in the American Telephone & Telegraph Co. I understand there are several hundred thousand

stockholders in the United States who own that alleged "great monopoly" and own many of these companies that are operating throughout the United States. The communications industry is a natural monopoly and is so recognized. It is very properly subject to strict regulations to protect the public interest.

Now let us not go off on a tangent and talk about monopoly, especially when we are offering that same monopoly and opportunity to borrow Government money for 33 years at 2 percent. Let us see if we cannot get telephones to the people in the rural areas who need them at a fair cost which they will ultimately pay for. That is the purpose of this bill, and that is why I am going to vote for it.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I am opposed to the amendments for several reasons: First, I think that either amendment might imperil the future of REA as we have known it in the past and as it is operating at the present.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. McCORMACK. The interest rate now on rural-electrification loans is 2 percent, is it not?

Mr. COOLEY. That is correct.

Mr. McCORMACK. Why should there be a larger interest rate charged in connection with these loans? Furthermore, if it is done, the tendency will be to increase the interest rate on REA.

Mr. COOLEY. I think the gentleman is entirely correct, and I appreciate that statement coming from the gentleman from Massachusetts, who certainly does not have any co-ops in his district in Boston. That is exactly the situation.

The gentleman from Georgia [Mr. PACE] a moment ago emphasized a very pertinent objection to these amendments when he pointed out the fact that we must offer some inducement; otherwise these lines will not be built. Every argument can be made against these amendments that could be made against them had their authors intended them to be applicable to the REA program. I cannot understand why the telephone cooperatives should be required to pay any interest in excess of that which is now being paid by the REA cooperatives now in existence.

As positive proof of the fact that these telephone companies without inducement will not extend their lines into rural sections I refer to a letter placed in the RECORD yesterday by the gentleman from Texas [Mr. POAGE]. Without attempting to read the letter I will quote its substance, which is that a man in the country applied for a telephone only to be told by the company that they had on file 8,000 applications in the cities and towns and that they would have to take care of the 8,000 applicants before they could give this countryman a telephone. That situation exists throughout this country, but if we can give them some inducement, perhaps they will extend their rural lines and will accord to the country people some consideration. On the other hand, they know that if they fail to do so within 6 months a co-op can be formed and the money can be obtained and the line built.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. McSWEENEY. Does the gentleman feel that we should lend money at a lower rate than the Government has to pay when it borrows money? For instance, new bonds are being issued at 2.9. Does the gentleman think that as a general policy the Government should lend money at less than the Government has to pay to borrow money on a long-time basis?

Mr. COOLEY. Perhaps in the matter of general policy the gentleman is correct, but if these co-ops are going to be required to pay the same interest rate that is now being paid by private companies we know, to begin with, that they will not operate successfully because the private companies have already explored and taken over the most profitable territory. We will not, of course, have any co-ops in cities like Washington and New York or in any of the larger towns; the co-ops will be created in the rural sections, the sparsely settled areas where there are few users and the expense of maintenance and operation will be substantial. This has been the experience of established companies. So if we do not give them some inducement we shall not accomplish our objective. We did give them the inducement in the REA bill and they have accomplished wonders in the rural sections of America.

Mr. McSWEENEY. Is it not true that governmental groups can borrow money cheaper than any private groups can borrow it? If we lend it to them at the same rate at which we borrow it we are still doing a great favor to these organizations.

Mr. COOLEY. Yes; but why should we not give the same rate to the telephone co-ops which we are giving to the electric co-ops.

Had REA cooperatives been required to pay a higher rate of interest perhaps they never would have made the great progress which they have made. If a higher rate of interest is now required we have no reason to believe that companies now operating would be induced to expand rural lines. Certainly a newly created cooperative could not afford to pay a very high rate of interest for the very simple reason that they will be building facilities in areas which private companies have not found it profitable to enter. Perhaps the reason that private companies have not expanded rural lines is due to the fact that they know that it is more profitable to operate in thickly populated areas than it is in sparsely populated areas. The co-ops which we expect to obtain these loans will, on account of the necessities of the situation, operate in rural areas, many of which are not now receiving any telephone service at all.

Mr. Chairman, the pending amendments should be defeated.

Mr. VURSELL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, as I understand it, we have now reached the point in this bill where we are considering an amendment offered by the gentleman from Illinois to raise the rate of interest to 3 percent. The suggestion has been made by some that perhaps it should be 2½ percent.

Let us see what we propose to do. As I understand it, the small telephone company and the large telephone company will be able to borrow at the rate of 2 percent. I am in favor of the same courtesy loan being tendered to the small companies and to the big companies alike because I think that will enable the people to get more telephones. When they pay taxes and all of the expenses they go through to furnish the service you get from the existing telephone companies, I see no reason why we should discriminate against them in interest rates.

There are hundreds of thousands of veterans and tenant farmers and other people all over this Nation however, who are struggling to have a home and a roof over their heads. The Government charges them 4 percent or more for the money it lends. On the other hand, you propose under this bill to extend telephone service to the well-to-do and poor alike who live on farms, and you propose to lend them this money at less than you lend money to the veterans who are struggling to get a home. You propose to lend them this money for less than it cost the Government or will cost the Government in the future to secure the money through the sale of bonds to the people.

When a poor man is struggling to build a home and is paying 4 to 5 percent interest, plus taxes and upkeep, I cannot understand why you will provide in a bill like this for hundreds of thousands, maybe millions, of families on the farms who own their own home to be subsidized so far as the interest rate is concerned.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. The gentleman would not want to be any more liberal with Great Britain and lend them $3,800,000,000 at the interest rate they got?

Mr. VURSELL. I appreciate the gentleman's inquiry, but I follow the theory in legislating as I do in life, if it was wrong to give Britain money or lend them money, which we know they will never pay back, then two wrongs do not make a right. I think we should have not less than 3 percent. We do not know what the loan market is going to be in the future. It is likely to be higher. It would seem to me this amendment providing for 3 percent should be adopted.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Illinois.

Mr. McSWEENEY. I had an amendment to this bill which would make the interest rate equal to the greatest amount that our Government was paying, which would average somewhat under 3 percent. Does the gentleman not think that it should be the policy of the Government, as I asked the distinguished

chairman of the committee, that we should not loan money for less than the Government has to pay for it?

Mr. VURSELL. I agree with the gentleman.

I am for this legislation for the extension of rural telephone service and I hope the amendment will prevail.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 8 minutes, including the time allowed the gentleman from Michigan.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, I agree with the gentleman from Ohio [Mr. McSWEENEY] that no citizen is entitled to receive funds on a loan basis below the cost of the production of the credit furnished by the Treasury Department, and I do not care what the purpose is, because when you do that you, by compulsion, force other people to subsidize the operation. Therefore I am going to support the increase in the interest rate on this proposal when we vote on it.

Secondly, as to Members of Congress participating in the civil-service retirement fund provisions, on those funds, which we pay out of our income, the Treasury is paying 4 percent, for instance. We have about $32,000,000,000 of special issues; those are those I O U's made by the Treasury, somewhat payable to itself, in which these trust funds are invested. You are paying 4 percent on a lot of that money.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. What is the rate of interest on the social-security money that is borrowed by the Federal Government?

Mr. CRAWFORD. We have $9,000,000,000 worth of Federal old-age and survivors insurance trust funds on which you are paying 2⅛ percent. Now, that is your series 1950; some of your short-term obligations.

Mr. BROWN of Ohio. What is the rate on the long-term?

Mr. CRAWFORD. On the long-term bonds at the present time the rate is 2½ percent that the Treasury is paying. When I say "long-term" I mean semi, medium long-term, because we have no real long-term bonds outstanding as relates to this proposition.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. McSWEENEY. What are the new opportunity bonds selling for; that is, what rate of interest?

Mr. CRAWFORD. What bonds?

Mr. McSWEENEY. The new opportunity bonds.

Mr. CRAWFORD. Those saving certificates?

Mr. McSWEENEY. Yes.

Mr. CRAWFORD. About 2.9 percent; roughly 3 percent, and the Treasury has to meet interest rates based on the condition of the financial market, and when any one stands up here and says that I am attempting to kill REA, he simply does not state the truth of the matter. What he is attempting to do is subsidize something at great cost to the taxpayers in my district, and that I protest against. Nobody is trying to kill REA here.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from North Carolina.

Mr. COOLEY. How much interest is paid on the Government money that is made available for the building of irrigation dams?

Mr. CRAWFORD. What is the gentleman talking about, the reimbursable portion or the portion that is not reimbursable?

Mr. COOLEY. The portion that is not reimbursable.

Mr. CRAWFORD. No interest is paid on that. That is for our national defense.

Mr. COOLEY. For national defense? On that basis the gentleman justifies the use of Federal funds without any interest charge at all?

Mr. CRAWFORD. When we build a battleship, nobody pays interest on that except as it is reflected in the general Federal structure.

Mr. COOLEY. I am not talking about a battleship, I am talking about irrigation dams.

Mr. CRAWFORD. The same thing applies to flood control. I do not see where that has anything to do with this. This is a clean-cut case on the question raised by the gentleman from Ohio [Mr. McSWEENEY]. Do you want to provide funds below the cost of production to the Treasury? If you do, of course you are for 1½ or 2 percent, but putting this rate up to 2½ percent will not destroy REA, and it will give many people more confidence in the operation. The big companies like A. T. & T. are not entitled to borrow money from the Treasury below cost of production.

Mr. COOLEY. Then do I correctly understand the gentleman is for the Allen amendment and opposed to the Brown amendment?

Mr. CRAWFORD. I will go along with the Allen amendment at 2½ percent, yes, on the theory that at a later date when the time comes we may have to adjust the rate upward, depending on the condition of the market at the time. You cannot handle a $250,000,000,000 debt without conditioning the financial markets from day to day.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Chairman, for some time there have been certain individuals that have ridiculed the Bell Telephone System and independent lines for not extending their services. They say they have not extended their lines even though they would have made a reasonable profit. They say that there is every indication that unless they are forced to take such action they will continue their policy of "skimming the cream" of the telephone business. The point I am making to you who have been condemning them is that by coming in here and offering those same people subsidies to improve and extend their lines you are acknowledging that they could not heretofore have extended them under the profit system but need the proposed subsidies.

Mr. WILSON of Oklahoma. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WILSON of Oklahoma. Mr. Chairman, America has always been a land of opportunity and we as Americans have always prided ourselves on offering to our citizens and to our youth, not equality in the goods of life, but equality of opportunity. I rise today to urge the passage of the rural-telephone bill under consideration because it is a step in the direction of providing the rural people of this country an opportunity to secure a measure of equality and parity of living opportunities along with the rest of the Nation.

One of the most troubling problems we are faced with in farm districts is the recurring problem of migration of thousands of young people from the farms of each such farm district because of dissatisfaction with half primitive and undesirable living conditions. Needless to say this often creates unemployment problems for the city districts that some of our Congressmen represent. The impact on our farms is equally pronounced with a decided trend away from the family-sized farm which has been the American ideal.

My support of H. R. 2960 has not been a step taken lightly or a decision I have made hastily. I have examined this bill critically to see if adequate protection were offered to private investment in the rural-telephone field and to see if it would stifle future opportunity of private concerns in the rural-telephone field. My conclusion is that adequate and fair protective measures are written into the bill. Private companies desiring to improve and expand their rural-telephone services can readily do so if they want to and further can take advantage of the low-interest rates and long-term loans offered by this bill. Further such private telephone companies or concerns under the provisions of this bill would have a 6-month period in which to make their applications for such loans when no one else could apply except those engaged in operation of existing telephone service. As has previously been explained approval of State regulatory bodies must be first obtained prior to approval of loans thus insuring against duplication of facilities.

I need not go into detail on the need for rural telephones. Living in the city as we do we would not think of being without a telephone. The telephone has become so firmly entrenched as a tool of business and a weapon and protector

in emergency we shudder to think of losing ours. None of us would think of having to use our neighbor's telephone all the time no matter how close that neighbor. Farm need is just as great as our own; and particularly the seriousness of farm accidents and emergencies is heightened by distance so that what may be a simple accident may become a most serious one if there is no telephone to bring help.

My farm constituents are some of the most independent and self-reliant people in the United States. They do not want something for nothing. They do need telephones. Less than 25 percent of Oklahoma farms now have telephones and that goes without saying how weak many of the local circuits are and how many obsolete instruments there are. My farm constituents are willing and have been willing to pay reasonable rates in order to get telephone service but they have been unable to get it and unless this bill is passed they cannot look forward to any more adequate telephone service in the foreseeable future. Passage of H. R. 2960 will assure adequate telephone service to the widest possible number of farm families. It is not a matter of giving away anything. It is the matter of a business loan on a business basis with adequate security and assurance of repayment within the stipulated time. This is designed to provide opportunity in truly the traditional American way. Passage of this legislation will help to curtail the annual migration of thousands of American farm youth from our farms. They and their hard-working parents are but seeking equality of opportunity and ask no better break in life than that. Let us see that America remains the land of equality of opportunity. Let us vote for H. R. 2960.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I agree with the gentleman from Georgia that the necessity for this low-interest rate is that in many parts of the country the best paying fields have been taken and it is impossible to pay a high rate of interest and get the service. That is especially true in North and South Dakota and other States of the Union.

Much has been said about the fact that the Federal Government pays 2.9 percent for its money. The truth is that the Federal Government gives this money away for nothing to the banks, for 27 cents per thousand dollars, and they can keep it as long as they want to, and then the Government borrows its own money back and pays interest on it. The time has come for us to look into that subsidization of a certain class of the people of this Nation and not give some consideration to the people who really need it.

May I also call your attention to the fact that we have spent billions of dollars on river and harbor improvements. No part of this money is repaid to say nothing about interest. This too is the taxpayers' money, and the farmers who ask for this telephone service also pay taxes.

Is it not queer that when the bills for river and harbor improvements are up, that the very Members who now object to 2-percent interest and are trying to increase it to 2½ and 3 percent are silent? In other words, they are perfectly willing to accept the taxpayers' money for their own convenience and benefit, but see Uncle Sam go in the red when we ask for 2-percent loans for the farmers.

We who live in the sparsely settled States do not object to river and harbor improvements. However, we do feel that it comes with very, very poor grace from those who get their river and harbor improvements free, at the expense of our taxpayers, to object so strenuously when we simply ask for a loan with interest.

I will also say that as far as the rate of interest paid by the GI is concerned, I am in favor of reducing that rate, so that the GI will and can get a home.

Mr. McSWEENEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McSWEENEY. Mr. Chairman, I was in the Committee on Rules and thereby unavoidably detained from the floor of the House at the point at which I wanted to introduce an amendment to the Poage bill. My amendment would have been on page three of this bill:

Add subsection (g) to read as follows:

"Section 4 of the Rural Electrification Act of 1936 is amended by striking out the word 'average' and inserting in lieu thereof the word 'highest' so as to read as follows: 'and shall bear interest at the rate equal to the highest rate of interest.'"

Mr. Chairman, I have introduced this amendment because I am opposed definitely to our Government lending money to any individual citizen, to any group of citizens, or to any corporation or partnership, at a lower rate of interest than the highest rate which our Government has to pay for this money. The Government, because of its enormous size and financial structure, can borrow money over a long period at a lower rate than any other individual or group of citizens. Is it not logical, therefore, that since this money is obtained from our citizenry at the lowest possible rate that we, in turn, should not be asked to lend it at a still lower rate?

As I said before, in my absence a similar amendment was introduced by the gentleman from Illinois [Mr. ALLEN] that the words "two percent" be stricken out and the words "two and one-half percent" be inserted in lieu thereof. This amendment was further amended by the gentleman from Ohio [Mr. BROWN] whose amendment asked that "two and one-half percent" be stricken out and that "three percent" be inserted in lieu thereof. I voted for the amendment to the amendment and also the amendment. Since both of these amendments failed, I am going to vote against the bill.

I had made a statement in the Rules Committee in the presence of the gentleman from Texas [Mr. POAGE], the author of the bill, and in the presence of the gentleman from North Carolina [Mr. COOLEY], chairman of the Committee on Agriculture, that I would not vote the bill out of committee unless I had the assurance that the gentleman from Texas [Mr. POAGE], would not oppose at least 2½ percent as the interest rate for these loans under the bill. With this assurance, I voted to release the bill from committee. However, on the floor, there must have been a misunderstanding because no announcement was made by any member of the committee that 2½ percent would be acceptable. These two amendments were lost, that is, the amendment to the amendment introduced by the gentleman from Ohio [Mr. BROWN], for 3 percent, and the amendment by the gentleman from Illinois [Mr. ALLEN], for 2½ percent.

I do not want it to appear that I am obstructing legislation and I do not wish it to appear that I am going along with the opposition, but I do reserve the right to defend my own concept of what I think is just and equitable. I cannot vote to make available money at 2 percent for establishment of telephones in rural sections when those same farmers, who might get the telephones, have to pay 4 percent for the money that they borrow from the Government for the purchase or improvement of their farm properties. I cannot vote to lend money to private corporations or other groups at 2 percent while my comrades are paying 4 percent on their homes through the Federal Housing Administration.

I want to repeat that I do not want to obstruct helpful legislation but in these trying times, we must be careful about the expenditure of public funds and we must be careful not to harm groups which have already invested their money in private operations.

With the loss of these two amendments, I am constrained to vote against the bill.

Mr. JUDD. Mr. Chairman, I ask unanimous consent that the Brown amendment be again read for the information of the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk again read the Brown amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. BROWN] to the amendment offered by the gentleman from Illinois [Mr. ALLEN].

The question was taken; and on a division (demanded by Mr. BROWN of Ohio) there were—ayes 71, noes 107.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. ALLEN].

The question was taken; and on a division (demanded by Mr. ALLEN of Illinois) there were—ayes 81, noes 118.

Mr. ALLEN of Illinois. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. COOLEY and Mr. ALLEN of Illinois to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 104, noes 137.

So the amendment was rejected.

Mr. CARNAHAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, H. R. 2960 authorizes the Rural Electrification Administration to make loans for the improvement and extension of rural telephone service. Having been born and reared on a small farm in the Ozarks of Missouri, I personally know the very urgent need of telephone service for our rural people.

I am the youngest of a family of 11 children. The farm on which I grew up had a phone on a local party line. About 15 of the neighbors together built the line and kept it in operation. Our ring was two longs and two shorts. This line had no connection with the outside world. We could not call the county seat. We could not call the village where we bought groceries. We, of course, could not call the doctor. Even this limited service was greatly appreciated and helped in many ways.

Had the phone service I knew as a boy been the beginning of an expanding rural service, the picture would now be quite different. However, the exact opposite is true. The farm on which I grew up does not now have a phone, even on the local party line. Yet a phone box is still there, and the census figures no doubt list the farm as having phone service. This Ozark community is typical of thousands of other communities over rural America.

It is needless for me to tell you that I favor this legislation. It is difficult for me to understand or appreciate the argument of those who oppose this bill. This legislation is reasonable, fair, workable, and provides a much overdue service.

I invite your attention to a few of the obvious reasons why Congress should enact this legislation:

First. It encourages local and private-owned telephone companies to improve and extend telephone service. In fact a definite preference is given to such groups.

Second. There will be an indefinite delay in extending service to many rural areas unless long-term, low-interest loans are made available. This bill provides 35-year loans at 2 percent interest.

Third. Modern mechanized farming has developed into a highly specialized business. This development has not just merely increased the farmer's need for phone service; it has made adequate phone service one of the essentials of successful farm operation.

Fourth. The key to adequate rural telephone service is area coverage. This involves planning, financing, and constructing a rural system which will give service to everyone in the area involved who wants the service. The entire system must be treated as a unit rather than considering each individual phone as a unit.

Fifth. Basically and fundamentally, any contest over this legislation is a fight between monopoly and free enterprise. This conflict has been brought into focus because the controlled monopolies which furnish telephone service have failed to expand to meet the needs of the widely scattered and less profitable rural communities. On one side we find our present telephone monopoly and on the other side about two-thirds of our rural farm people who need more adequate phone service. This bill provides low-cost loan capital to the thousands of small independent and mutual companies who are now struggling against odds to serve these rural people. The choice we Members of Congress must make on this bill is between extending adequate phone service to our rural people through private enterprise or maintaining the present monopoly which exists on just the cream of phone service.

Sixth. This program will create new jobs and new business. The construction of new lines and rebuilding old ones will provide jobs. The maintenance of these lines will provide permanent employment for many. New operators will be needed to take care of these expanded facilities. The demand for construction materials, new phone instruments and other equipment will mean still more jobs in industry. Replacement of materials and equipment will continue indefinitely. Thus, the project means new jobs and new business.

Seventh. Farming, our basic industry, must be encouraged, stabilized, and enriched. As goes the economy of the farmer, so goes the economy of the Nation. Depressions fail to develop in the atmosphere of a sound and prosperous farm economy. I believe most of you agree that one of our most important national problems is to rebuild, properly use and conserve our soil and soil resources. The solution to this pressing national problem rests on the development and maintenance of a sound and permanent farm economy. It is obvious that adequate phone service is essential to such an economy.

Eighth. This program will not require spending the taxpayers' money. It is a program involving loans which will be paid with interest. Rather than spending public money, this program will be a sound investment of public money—an investment which will increase the value and attractiveness of farm homes—an investment in more abundant rural living.

Mr. GOLDEN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, in my opinion, this legislation promotes and protects private enterprise. Unlike many other bills, this measure recognizes the great importance of promoting private enterprise.

To begin with, established telephone companies, either large or small, are given the exclusive right for a period of 6 months following the passage of this measure to obtain loans from the Federal Government to either extend or improve their existing facilities.

It also provides that there shall be no duplication or unfair competition with an established telephone company in any territory that is adequately served by existing private enterprise.

This great committee, both Republicans and Democrats, that have brought out this measure were keenly mindful and aware of promoting private industry in America. The bill nowhere provides for Government ownership.

While the above things are true, it does recognize the great need of the farmers and rural people and people who live in villages and small communities for telephone service. To make it possible for these people to have good telephone service will greatly strengthen this Nation. It will promote the prompt transaction of business and will protect the health and general welfare of these people.

After the first 6 months, if some private enterprise does not choose to serve the rural people with telephone facilities, provisions are made whereby these people themselves or any group of them can form a company or an association, and borrow money from the Government to place in adequate telephone lines and equipment.

It is required under the provisions of the bill that this money is to be paid back over a long period of years. It is further provided that persons who borrow this money must show that under all of the circumstances they will be able to pay it back.

It is my opinion that it is a well-rounded and sound piece of legislation; that it will greatly promote the welfare of the rural people, and that it will at the same time, in many instances, promote private industry. In fact, it will furnish many feeder lines for the great telephone companies that now serve the thickly populated areas of America. I think the interest rate charged on these loans should be sufficient so as not to cause any loss to the Federal Treasury. No company that is now serving the people will be driven out of business by this measure. In fact, many companies that have struggled for sufficient finances to give good service and to make a profit can, under this bill, borrow the money to repair their facilities and to extend their facilities and to make them going profitable concerns. At the same time it takes up the great gap where existing companies have not furnished facilities or do not desire to do so, and it will enable millions of people in rural sections to obtain this much-needed telephone service to their homes and farms.

I sincerely hope that the measure passes, and I am glad to see that the Republican members on this great committee have protected private enterprise and that they are also strongly in favor of affording relief to the rural people of our country.

Mr. O'HARA of Minnesota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Minnesota: On page 3, line 20, strike out the word "acquisition."

Mr. O'HARA of Minnesota. Mr. Chairman, I have a similar amendment on page 4, and I ask unanimous consent that the two amendments may be considered together.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Minnesota: On page 4, line 13, strike out the word "acquisition."

Mr. O'HARA of Minnesota. Mr. Chairman, I feel this is an important amendment in connection with the consideration of this bill.

Mr. Chairman, I have supported the REA program from its inception and I expect to continue that support. I have always felt that the farmers who wanted electricity were entitled to it and that they had not been rendered that service in many parts of the country by the utilities furnishing such service.

Under the REA Act there was no such language as is contained in this bill, and I refer principally to the word "acquisition." The REA Act made no provision for the acquisition of additional properties. The entire tenor of the argument which has been presented here upon the floor is the supplying and furnishing of telephone service and the continuation of the companies that are in existence.

Frankly, while I speak for those who want the telephone service, I also must say a word for the 52,000 or 53,000 independent companies that are furnishing this service. Under Section 201 of this bill funds may be obtained by the REA for 5 purposes: "improvement, expansion, construction, acquisition and operation of telephone lines, facilities or systems, to furnish and improve telephone service in rural areas."

Mr. Chairman, the word "acquisition" is a very broad term. I have sent over to the law library and I have obtained Bouvier's Law Dictionary from which I would like to quote the following:

The word "acquired" is to make property one's own; to gain permanently.

"Acquisition," of course, is the act by which a person procures the property and the thing.

The point which I wish to make is that this bill makes funds available, among other things, to public bodies, and "public body", as the term is used in the administration of the REA is a municipality or other State or political subdivision. This bill would authorize the lending of money for the acquisition therefor by public bodies of telephone lines, facilities or systems, so long as the purpose is to furnish and improve telephone service in rural areas. Certainly if you mean what you say, and you speak feelingly for the companies that are already in existence, if you allow this 6-months' priority to the companies that are in business, then why do you need the word "acquisition" in this act?

Mr. Chairman, in my opinion, it is put in there for the purpose of promotion purely, not for extension; it is put in here for the promoters to get busy and go out in the field, promote and take over our fine little existing independent lines. I am extremely interested in seeing that those who do not have telephone service in our rural communities have this service. Do not think this applies to only a few backward areas in the South. It applies to every community in my district. In the farm areas of my district the telephone company serves 78.1 percent of the farm people, as good as practically the best in the United States. But in every one of these communities are areas that are not given adequate service. So I ask the committee to vote for my amendment, because it is offered in sincere good faith of preventing these promoters who will take over these properties.

Let us see what you could do under this bill. You could have a municipality that desired to go in by promotion into the telephone business. You could have a large company, a reasonably large company, come in and take over a whole State. That may sound exaggerated, but there is nobody under this act, other than the Administrator, who could say "No."

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. O'HARA of Minnesota. I appreciate that the Committee is anxious to finish up this bill, and I join them in that. But, I must present this argument.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from North Carolina.

Mr. COOLEY. If the amendment offered by the gentleman is adopted, it would not be possible for a little operating company that is finding it difficult to continue operating, to sell out, but a new company that would take it over and rebuild it and put it in operating condition, could take over.

Mr. O'HARA. If that is the gentleman's theory, where are you going to stop in the matter of this little company being forced out of business? That is just exactly what the little independent is worried about.

Mr. COOLEY. If the gentleman's amendment should prevail, a little company would have to be liquidated and go into bankruptcy, perhaps, or suffer other losses——

Mr. O'HARA of Minnesota. I do not yield any further to the gentleman, I am sorry, he can get his own time to argue the matter. What the gentleman advances under the theory of this bill is the extension of service, just as we did under the REA. You did not see fit to add the word "acquisition" in the REA, did you? No. Now, if you are coming in here suggesting a change, that should be considered. Either you are talking out of both sides of your mouth or you are talking out of one side. Either you are extending the privileges to the little company that the chairman and the ranking member on the Republican side have insisted on, or else you are promoting just what I am fighting and just what my little companies are fighting, the theory of coming in with a group who can get a loan from the Administrator and force the little company to sell out. That is practically what the gentleman has said.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, the little company that the gentleman is talking about is made eligible for a loan under this bill, and the little company can make a loan just as well as the big company. He does not have to sell out.

Mr. O'HARA of Minnesota. He does not need to acquire some other property to do it, does he? All he wants to do is to extend his line.

Mr. COOLEY. Oh, yes, but he might need to acquire additional property.

Mr. O'HARA of Minnesota. Then the gentleman answers the very fear of what the little independents themselves are worried about.

Mr. COOLEY. I am afraid that the gentleman does not understand the purpose of this bill which is to give to the little company the same opportunity as the big company.

Mr. O'HARA of Minnesota. I understand the bill very well. I have studied it backwards and forwards. I have read the hearings, and I still read the letters that I get from my little independent companies, and if you do not think they are fearful of what this bill will do to them I will be glad to turn over my file to the gentleman. They have the fear of the Government going into the telephone business, just as I illustrated in my remarks, and of closing them out. Some of these people, for two generations, have engaged in the operation of these businesses, and I hope the amendment will be agreed to. Of course, if public bodies are eligible for loans, such bodies have rights of eminent domain and the power of condemnation.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is the same matter the gentleman from Minnesota discussed yesterday. I can but repeat the same answer I gave him yesterday. The reason for placing the word "acquisition" in the bill is in order that there may be an opportunity for at least a substantial part of these 53,000 telephone operators in the United States to have some place to dispose of their systems as time goes on. We all recognize that it is an utter impossibility to give the kind of service that rural America is entitled to receive over the 53,000 different systems that are now conducted in the United States. Most of those are simply party lines that are owned by the people they serve. They are not systems in the sense that the Bell System is called a system.

Whenever anyone comes into a community, be it an existing telephone company, a cooperative, or the Bell Co., and seeks to establish a better system, seeks to give the improved service to which the community is entitled, it seems to me there should be a reasonable opportunity for those people who presently own their lines, most of which are connected with switchboards that could not be affected by this bill because the switchboards are in town, to dispose of these lines. The purpose of most of these people in building the lines was merely to give service to the community. They did not want

to be in the telephone business. It was merely that the farmers built their own lines. But when somebody comes along and says, "We will take 6, 8, or 10 of these lines and consolidate them and bring them into one switchboard and give you better service," we want that new operator to be in a position to offer something to those people so that they can get their investment out of it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. If the amendment is adopted, that very thing could not happen.

Mr. POAGE. That is exactly right. If the amendment is adopted, then there is no chance in the world for any of those people ever to get a penny out of those lines.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Kansas.

Mr. HOPE. The gentleman from Minnesota speaks of the fear of some of the small companies in his district that somebody will acquire them. I know of a number of companies in my district that have been begging for somebody to acquire them for a long time. They have tried to sell out to Bell, they have tried to sell out to the large independents, because they knew they could not maintain the service. If the amendment offered by the gentleman were adopted, there would be no opportunity for those companies to strengthen themselves by acquisition or consolidation or by doing anything that would enable them to render such a service.

Mr. POAGE. That is exactly right. I think the distinction is that the gentleman from Minnesota is referring to the telephone companies as you think of a company that is doing business in a city, that has a switchboard, that is doing exchange business, long-distance business, whereas the gentleman from Kansas and I are thinking of those 53,000, only about 800 of which own switchboards, and most of which are small lines that must be consolidated and acquired by someone if we are to have better service.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Is there anything in this measure that requires any company to sell out?

Mr. POAGE. Not to my knowledge. We recognize that as improvements go on, as the Bell System installs the dial system in the cities and over the long-distance lines of this Nation, there is not a way in the world that these little companies can continue to exist unless either they improve their system by installing a dial system or they consolidate and sell out to someone else. That is true whether this bill passes or whether it does not. We are faced with the advance of science. The Bell Telephone System today has a program in operation whereby you can sit in the city of Washington and dial a number in Miami or San Francisco, Calif., and get your connection in 10 seconds. Those connections cannot be made by the ordinary small telephone system of today. You cannot connect these single-wire lines with that kind of system. If these small systems are to continue to exist they must be modernized. In most cases this means they must be absorbed. If they are absorbed we want their owners to get something for them.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Arkansas.

Mr. TACKETT. I am worried about the word "acquisition" being interpreted as an eminent-domain provision.

Mr. POAGE. No, this bill does not contain anything concerning eminent domain. This bill does not provide a thing in the world except the power on the part of the REA to lend money. That is all it provides and nothing more. The power of eminent domain is granted by the States. This bill imposes no obligations or powers in regard to eminent domain.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. O'HARA].

The question was taken; and on a division (demanded by Mr. O'HARA of Minnesota) there were—ayes 32, noes 87.

So the amendment was rejected.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, in connection with my remarks on the Poage rural telephone bill, which legislation I hope will be administered on a businesslike basis, I want to say a few words about the REA.

I have supported rural electrification since its inception. It has been a fine thing to have assisted in making possible electric service for American farm homes. Local REA associations have been run on a business basis, and electric service is now enjoyed by more than 75 percent of the Nation's farmers. Government loans are being repaid with interest. The program has been a good investment.

THE EIGHTIETH CONGRESS AND REA

I wonder how many farmers remember some of the misleading propaganda that was dished out by Democratic leaders in the campaign of 1948 about the attitude of the Eightieth Republican Congress toward rural electrification. I would like to call your attention to what Candidate Harry S. Truman said about the subject in several speeches and particularly the one he made at Crawfordsville, Ind., on October 12, 1948. I quote in the following from his speeches:

President Truman said:

> They (Republicans) cut the rural-electrification program. And, yet, the Republican Party is still fighting REA at every turn of the road.

THE TRUTH WILL OUT

I feel that this would be an appropriate time to point out that the Eightieth Republican Congress appropriated $800,000,000 for the REA, which was the largest sum ever appropriated by any Congress to provide funds for the extension of electric service to American farm homes. The REA was created in 1936. From 1936 to and including 1946, more than 10 years, the Democratic Congresses in control of appropriation had only provided $1,075,428,288 for the REA, whereas the Eightieth Republican Congress in the 2 years of its existence, appropriated $800,000,000. During the same 2-year period, the Republican Congress reduced taxes, cut Federal spending by $5,000,000,000, and paid off around $8,000,000,000 on the national debt.

The truth eventually catches up with incorrect statements, and that is what has happened in the case of Presidential utterances made in 1948. The inaccuracy of President Truman's statements are completely refuted in the following letter which I received from Hon. Claude R. Wickard, Administrator of the REA, dated April 11, 1949. Mr. Wickard states, with pride, that more farmers were provided with electric service in 1948 and more miles of electric lines constructed, than in any other year of REA history. I thank Mr. Wickard for telling us the truth.

DEPARTMENT OF AGRICULTURE,
RURAL ELECTRIFICATION ADMINISTRATION,
*Washington, D. C. April 11, 1949.*

Hon. AUGUST H. ANDRESEN,
*House of Representatives.*

DEAR MR. ANDRESEN: Enclosed is our monthly Statistical Bulletin containing figures for December 1948. We are sending it to you because we thought you might like to have complete year-end figures.

The progress indicated by the statistics in this bulletin exceeds our expectations and earlier estimates. It shows that our borrowers connected about 485,000 consumers during the year, and placed almost 155,000 miles of line in service. Both figures are substantially greater than in any other year.

The 17,873 miles of line energized during the month of December 1948 constituted by far a new record. Consumer connections during that month, 40,226, were close to the average for 1948, which was a record year. In fact, during all of 1948, the REA borrowers averaged three new connections every working minute.

Difficulties in obtaining conductors, the lack of adequate supplies of electrical energy, and the high level of prices continue to be major obstacles to even more rapid progress. The fact that about 3,750,000 occupied rural dwellings, nearly half of them farms, remain without electric service challenges our best efforts to overcome these obstacles.

Sincerely,

CLAUDE R. WICKARD,
*Administrator.*

Mr. Wickard was also kind enough to send me some statistical tables showing the remarkable progress made as a result of appropriations made by the Republican Eightieth Congress. These tables can be procured by any Member upon request to Mr. Wickard. I will only place in the record, as a part of my remarks, the table showing Rural Electrification Administration appropriations from 1936 to 1949. The two appropriations amounting to $800,000,000 are shown for 1948 and 1949; were provided by the Eightieth Republican Congress as compared with $1,075,428,288 by Democratic Congresses since the creation of the Rural Electrification Administration. Again I state, it is refreshing to have the truth come from a high official of the Democratic Administration.

*Authorizations and loans approved*

[Department of Agriculture, Rural Electrification Administration, Monthly Statistical Bulletin No. 94, as of Dec. 31, 1948]

| Fiscal year | Authorizations | As of end of month | Loans approved—Cumulative totals, rescissions deducted | | | |
|---|---|---|---|---|---|---|
| | | | Total | Distribution systems | Generation and transmission | Consumer facilities |
| 1935-36 | $13,928,288 | June 1936 | $13,903,412 | $13,875,412 | $28,000 | 0 |
| 1937 | 46,500,000 | June 1937 | 58,936,217 | 57,332,117 | 1,510,000 | $94,100 |
| 1938 | 30,000,000 | June 1938 | 88,172,436 | 84,265,904 | 2,664,000 | 1,242,532 |
| 1939 | 140,000,000 | June 1939 | 227,236,949 | 217,424,238 | 6,148,000 | 3,664,711 |
| 1940 | 40,000,000 | June 1940 | 268,972,949 | 256,666,238 | 6,716,000 | 5,590,711 |
| 1941 | 100,000,000 | June 1941 | 369,027,621 | 349,195,288 | 12,328,150 | 7,504,183 |
| 1942 | 100,000,000 | June 1942 | 460,180,345 | 408,818,912 | 40,490,850 | 10,870,583 |
| 1943 | 10,000,000 | June 1943 | 466,881,323 | 413,919,216 | 42,186,144 | 10,775,963 |
| 1944 | 20,000,000 | June 1944 | 498,811,447 | 442,417,290 | 45,203,694 | 11,190,463 |
| 1945 | 25,000,000 | June 1945 | 524,542,502 | 461,859,421 | 50,923,618 | 11,759,463 |
| 1946 | 300,000,000 | June 1946 | 813,914,990 | 718,445,466 | 82,843,661 | 12,625,863 |
| 1947 | 250,000,000 | June 1947 | 1,068,436,162 | 939,013,815 | 116,173,556 | 13,248,791 |
| 1948 | 400,000,000 | June 1948 | 1,381,459,261 | 1,211,671,584 | 156,151,589 | 13,636,088 |
| 1949 | 400,000,000 | October 1948 | 1,498,472,461 | 1,319,682,475 | 164,891,398 | 13,898,588 |
| Total | 1,875,428,288 | November 1948 | 1,532,762,461 | 1,341,107,475 | 177,756,398 | 13,898,588 |
| | | December 1948 | 1,574,924,461 | 1,374,738,875 | 186,266,998 | 13,918,588 |

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending measure close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY]?

Mr. JENSEN. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I will amend my request by asking unanimous consent that all debate close on the pending measure in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 2, line 14, after the word "facilities", insert "other than by condemnation procedure."

Mr. JENSEN. Mr. Chairman, I have supported REA to the limit to give farmers the electric energy that is needed so desperately, but this bill embarks on a new Federal venture which in my studied opinion is not necessary.

The reason I have offered this amendment is because there is at least one State in our Union which has a law to permit a few people to band together to bring condemnation proceedings against existing private companies and take over their business, lock, stock, and barrel. So I just want to be sure that no Government-financed group can take over existing telephone property by condemnation procedure under the provisions of this bill. Five minutes is not enough time to explain the justification of my amendment, so I fear it will not receive the support it deserves here in the House. I hope the Senate will give it the attention it deserves when that body considers this bill.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. COOLEY. Why does the gentleman feel it is necessary to have that language in the bill?

Mr. JENSEN. I just explained to the House that under the law of at least one State in our Union a small group of men can band together and take over private property by condemnation procedure. I just want to make sure it is not permitted under the provisions of this bill.

Mr. COOLEY. Well, could it possibly be true that a few people could go out and acquire the right to exercise the right of eminent domain and take over a company?

Mr. JENSEN. They do in one of our States. Of course, the property is paid for after it is taken over.

Mr. COOLEY. I never heard of it.

Mr. JENSEN. Nevertheless, that is a fact; believe it or not.

Mr. COOLEY. That is a matter that is governed by the States, and certainly not by the Congress.

Mr. JENSEN. Right; but let us make sure that it does not happen under the provisions of this bill.

Mr. COOLEY. I do not know how it would be possible to happen.

Mr. JENNINGS. Is it the purpose and the effect of the amendment the gentleman has offered to preclude the use of condemnation proceedings in order to acquire property?

Mr. JENSEN. Yes; but, of course, my amendment does not prohibit the condemnation of the right-of-way.

Mr. JENNINGS. In other words, they cannot do it?

Mr. JENSEN. They cannot. Property by condemnation procedure, except right-of-way should not be permitted.

Mr. COOLEY. When the gentleman uses the word "they," to whom does he refer?

Mr. JENSEN. I mean any group or organization. This would prohibit them from acquiring the property of a mutual telephone company or private telephone company by condemnation.

Mr. COOLEY. How on earth could they do it unless the owners wanted to sell?

Mr. JENSEN. The gentleman is talking like the good American we know him to be. I will admit it is hard to believe, but the truth is that we have one State in the Union which permits that very thing to be done.

Mr. COOLEY. That gives a private corporation the right of condemnation?

Mr. JENSEN. No; any public utility district has that right in one of our States.

Mr. COOLEY. A public utility?

Mr. JENSEN. Yes.

Mr. COOLEY. Has the right of eminent domain?

Mr. JENSEN. My amendment does not interfere with the right of eminent domain.

Mr. COOLEY. What is wrong with that? In the State of North Carolina we have the right of eminent domain to acquire property rights and rights-of-way for the extension of public utilities.

Mr. JENSEN. Sure; as does every State. That is necessary and proper, but the laws of the State of Washington permit the acquisition of private property by condemnation procedure. Let us make sure that it is not permitted under this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. JENSEN) there were—ayes 9, noes 67.

So the amendment was rejected.

Mr. HARVEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARVEY: On page 3, line 20, after the word "acquisition", insert the word "consolidation" and a comma.

Mr. HARVEY. Mr. Chairman, I have another similiar amendment applying to page 4. I ask unanimous consent that both amendments may be considered together.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HARVEY: On page 4, line 13, after the word "acquisition", insert the word "consolidation" and a comma.

Mr. HARVEY. Mr. Chairman, I hope the committee will not object.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr HARVEY. I yield.

Mr. COOLEY. I have no authority to speak for the committee, but as chairman of the committee I can see no objection to the amendments. As far as I am concerned I will not object to their being adopted.

Mr. HARVEY. I am very happy to have the committee accept the amendments.

The CHAIRMAN. The question is on the amendments.

The amendments were agreed to.

Mr. POAGE. I ask unanimous consent that all Members who desire to do so may extend their remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BRYSON. Mr. Chairman, our people throughout the country, especially those living in the rural areas, are delighted that Congress is considering the type of legislation as is embodied in H. R. 2960.

To those who contend that this legislation will be hurtful to private enterprise and that it is simply the establishment of another Government agency, I would call attention to the following statement from the report on the bill: "It is not a bill for Government ownership or operation of telephone facilities. On the contrary, it provides that funds shall be made available on identical terms to private corporations, public agencies, and cooperatives, gives persons now operating telephone facilities a clear preference over all other types of applicants, and preserves to the utmost the authority of State regulatory bodies over rates, service, and service areas."

I believe in private enterprise but there are instances where private enterprise cannot or will not meet the full needs of our people. The providing of adequate rural telephones like the providing of rural electricity to remote sections of our country is a typical example of where private enterprise has failed to meet the needs.

The plans contemplated under this bill seem to be most logical. It will be possible to supply this too-long-delayed and much-needed telephone service at minimum cost. One of the largest, if not the greatest item of expense in telephone service is the procurement of the right-of-way and erection of the poles. This has already been done by the Rural Electrification Administration; hence, the job is half done before we start. Of course, it is expected that rural telephones are to be supplied to areas where there may not be any rural electric lines. Under the plans contemplated in the bill, double service will be received from the already erected poles without undue strain thereon.

Under modern business methods telephone service is most essential. One can hardly imagine conducting a business or profession without a telephone. Farming is a business and farmers are in great need of telephone service.

While the great telephone companies have done a splendid job in extending their facilities they by no means have met the needs. The demands upon the present telephone companies for added services are great, but I do not believe they would ever be able to reach all who want and need telephones.

Time will not permit the enumeration of individual examples of the need for telephones. I do, however, call attention to this fact: Doctors, for instance, seldom live in the remote sections of our country nowadays. They prefer to live in the cities and towns. Everyone knows there is a shortage of doctors. With rural telephone systems, doctors can be called from their homes in the towns and be able to serve a greater number of patients.

As the use of electricity on farms has lessened the burdens of both man and beast, so will telephones not only lessen burdens but bring great comfort to our people.

Congress is now seeking to deal with the complex slum areas in our cities. One of the solutions to this problem is to make rural life more attractive and profitable. The enactment of this bill into law will tend to induce our young people to remain on the farms, and at the same time will cause those who live in the cities to seek the open spaces.

The theory of this bill is wholesome. I trust Congress will act favorably on the measure without delay, thus rendering constructive service to our people and our country.

Mr. MILLER of Nebraska. Mr. Chairman, I expect to support this bill which makes it possible for the Rural Electrification Administration to cooperate with their local groups and install rural telephones whenever it is feasible.

It is estimated that 57 percent of rural America is without telephone service. I believe that percentage would be high as compared to the 38 counties I represent in the Fourth Congressional District of Nebraska.

We can all be justly proud of the record made by the REA. This organization started in 1936. At that time about 11 percent of the homes in rural areas had electricity. Today about 75 percent of the rural homes have electricity. In 1936 about 22 percent of the rural homes had telephones, while today it has only increased about 21 percent.

My colleagues, I speak with a great deal of frankness because as a doctor in a rural community I can appreciate the need for telephones when sickness comes to that home. Telephone service can bring great service and benefits to the farm. It is no longer a luxury but a necessity. In my own personal experience, I have seen patients lose their lives because they had no quick access to a doctor or a hospital when accidents or sudden illness came to the family. My own mother died 45 years ago, at an early age, and I am convinced had we had a telephone, and the doctor could have been reached earlier, she might still have been alive. There is no question but rural telephones can bring great comfort to those far removed from the city. In my own opinion telephone service is far more necessary in rural areas than in cities where hospital and other emergency facilities are close at hand.

I have read the bill carefully. It seems to me that the committee has properly protected the existing telephone companies. There will be no duplication of telephone installation. The bill provides that existing private telephone companies have 6 months in which to make an application for a loan to either extend or remodel their present facilities. This section of the bill gives emphasis to and protects free enterprise. The bill provides that these existing private telephone companies may get money on a 33-year loan at 2-percent interest. If they do not care to extend their facilities, then it will be possible for the present REA facilities to form cooperatives and get a long-term loan to modernize or extend telephone services to the remote rural areas. It should be understood that this is not a gift. It is a loan. It is paid back with interest. The REA's have an excellent record of paying back the money they have borrowed.

This bill if enacted into law will bring the needed comforts to rural areas. I feel certain, Mr. Speaker, that this legislation is in the public interest and ought to become law.

Mr. COOLEY. Mr. Chairman, under leave to extend my remarks I desire to make a few brief observations concerning the rural telephone bill.

During my service in Congress I have participated in the preparation and passage of many measures which have been beneficial to the farmers of the Nation. I take great pride in the fact that for 16 years I have been permitted to serve on the House Committee on Agriculture. I take even greater pride in the fact that the farmers of the Nation today are enjoying a greater degree of prosperity than they have enjoyed at any time in the history of our Nation. For too many years the farmers of America were neglected. Our failure to provide the farms of the Nation the blessings and benefits of electric light and power is perhaps one of the greatest crimes of our day and generation. But for the action taken here in the Halls of Congress in creating the Rural Electrification Administration, countless thousands of our citizens, living in the rural areas, would still be without the God-given blessings of electricity, yes, they would be in outer darkness and in utter darkness. It is really difficult for those citizens who live in cities and who have known and have enjoyed the blessings of electric light and power, to understand and to appreciate their great luxury, and it is even more difficult for them to know and to understand the loneliness of the darkness of the countryside. Now, thanks to REA, thousands upon thousands of the homes of rural America have been made happy and life on the farm is less burdensome.

Every farm home in America should have a good road leading to its door, it should be lighted with electricity, and it should have all of the benefits and blessings of electric power, and in addition thereto, Mr. Speaker, every farm home should have the benefits of a telephone. With electricity has come radio and all of its enjoyment, yes, and with electricity has come sanitation, refrigeration, and a thousand and one other blessings. But even though a farm home has electric light and power, and even though it has a good road leading to its door, but has no telephone, it is still isolated from the rest of the world. In the event of an emergency, if a farmer living in an isolated area is without a telephone, he has no way to communicate with his physician, even though there is serious illness in his family. If he is without a telephone and is without modern transportation, he is shut off from the rest of the world. A farmer so situated might find himself confronted with a sudden emergency and be forced to walk through darkness many long miles to a telephone to summon a doctor to the bedside of a desperately ill member of his family. During his absence on such an emergency the members of his family, perhaps a lonely wife, must be left alone in physical pain and with great mental anguish. If a farmer so situated finds it necessary to call upon

the officers of the law to protect his life or his property, he may be forced to abandon his family and his fireside and to travel a great distance to summon the law-enforcement officers of his county. If, on the other hand, a farm home is equipped with a telephone, the farmer and the members of his family are always near to the doctor, to the sheriff, to the merchant, yes, and to the neighbors, and without delay he can summon the assistance of all of them. Who among us would say that the farmers of the Nation should longer be neglected, and who among us would deny them the right to have the benefits of this modern means of communication? Telephones are now a necessity, they are no longer mere luxuries, and telephones should be in the easy reach of every home on every farm in this Nation, and the rates should at all times be reasonable so that every farmer can afford to have a telephone.

I can, of course, appreciate the fact that during the war there was a great shortage of critical materials. I know that there was a shortage of telephones, a shortage of wire, insulation, and other equipment, and even of manpower. I can therefore very readily appreciate and understand why it was not possible for private companies to build rural lines. I discussed this situation with officials of private companies, and I was rather fully advised concerning the desperate shortage of equipment and materials. I was assured that when the war was over and materials became plentiful that rural lines would be extended. I know that many of the companies have actually been distressed over the fact that they have not yet been able to meet the great demands which have been made upon them. I know, too, that some of the companies have made great progress in the building of rural lines, but I know, on the other hand, that in many areas the rural people have been neglected and rural lines have not been extended in many areas where they could have been very easily extended. In my own State of North Carolina, with a total of 287,412 farm homes in 1945, we only had the small number of 14,539 farm homes with telephones. In other words, there were 272,873 farm homes in North Carolina in 1945 without telephones. Even in 1920, 12.2 percent of the farm homes in my State had telephones. Whereas in 1945 only 5.1 percent had telephones. Even these rural telephones were not sufficiently and satisfactorily operated. When I realize that 272,873 farm homes in my State of North Carolina were without telephones in 1945, and that there had been such a substantial decrease in the percentage of rural homes with telephone service from 1920 to 1945, I am impressed with the great necessity of trying to do something about this situation. The information I have, however, does lead me to believe that at least in eastern North Carolina some progress has been made. Actually I am advised that the Carolina Telephone & Telegraph Co., which operates in my particular area, has perhaps the best record in extending rural lines than that of any other company in all the Nation. While I congratulate and commend the officials of this great company, and while I am delighted with the progress that has been made, I cannot say that on a Nation-wide basis I am satisfied with the progress that has been made by the companies now in existence. Being impressed, however, by the thought that if given proper encouragement, these companies might further extend rural lines, I am anxious to accord to them a further opportunity and privilege to do so.

We have, therefore, provided that for the first 6 months companies now in operation shall be given the exclusive right to apply for lines. If the private companies, in good faith, do intend to provide adequate telephone facilities in the rural areas of America, this is their opportunity and I hope that they will seize upon it. I realize, of course, Mr. Speaker, that the companies can make more money in the thickly populated areas and I appreciate the fact that rural lines on a per customer basis are more expensive to construct, to maintain, and to operate, but after all, we are here dealing with public utilities and certainly we have a right to expect these corporations to render appropriate public service. This is their chance if they want to extend rural lines and we are trying to help them do so. If on the other hand they do not want to and will not build the rural lines, which must be built, then we are here and now authorizing the use of Federal funds and the credit of the Federal Government in aiding farmers to organize in a cooperative effort to provide these very necessary facilities.

We must make the rural homes in America healthier and happier, and nothing will contribute to the health and happiness of the farm families of America more than electricity and proper means of communication. I am, therefore, delighted in the thought that before this session of Congress adjourns, hope will be given to the farmers of the Nation who are now isolated on account of a lack of proper communication facilities. Every time we contribute to the happiness of farmers we contribute to the stability of our national economy and to the security of our great Nation.

In providing electricity and in the building of distribution lines, wire, insulation, poles, and other materials must be used, but stringing telephone wires on electric poles and perhaps even using the same hot wires through which the electric current is transmitted, telephones should be provided for citizens who are now members of rural electric cooperatives at a cheaper rate and at a rate which every member could well afford to pay. It should not be necessary to make great investments in poles, rights-of-way, or other capital investments. I have every reason to believe that most of the members of rural electric cooperatives, who feel the necessity of having telephones, will apply for telephone service.

Certainly the big companies should have no objection to this bill. Every rural telephone user will immediately become a potential customer, since all cooperatives, always of necessity, must have long-distance connections. If a farmer on the east coast wants to communicate with someone on the west coast, the big companies will profit by each and every call. After all is said, every new rural customer will immediately contribute to the profits of the big companies who now control the transcontinental lines and the big systems which are now in operation.

In conclusion, Mr. Chairman, I desire to express the hope that service in rural areas will be extended and be made more efficient and will be made cheaper, for I know that all of this will contribute to the strength and to the happiness of the people of this great Nation.

The CHAIRMAN. Under the rule, the Committee rises.

According the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee, having had under consideration the bill (H. R. 2960) to amend the Rural Electrification Act to provide for rural telephones, and for other purposes, pursuant to House Resolution 267, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. COOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 282, nays 109, not voting 41, as follows:

[Roll No. 126]

YEAS—282

| | | |
|---|---|---|
| Abbitt | Burleson | Dolliver |
| Abernethy | Burnside | Donohue |
| Addonizio | Burton | Doughton |
| Albert | Byrne, N. Y. | Douglas |
| Allen, La. | Byrnes, Wis. | Doyle |
| Andersen, H. Carl | Camp | Durham |
| | Cannon | Eberharter |
| Andresen, August H. | Carlyle | Elliott |
| | Carnahan | Engel, Mich. |
| Andrews | Carroll | Engle, Calif. |
| Aspinall | Case, N. J. | Evins |
| Auchincloss | Case, S. Dak. | Feighan |
| Barden | Celler | Fernandez |
| Baring | Chelf | Fisher |
| Barrett, Wyo. | Christopher | Flood |
| Bates, Ky. | Chudoff | Fogarty |
| Battle | Cole, Kans. | Forand |
| Beckworth | Cole, N. Y. | Frazier |
| Bennett, Fla. | Colmer | Fugate |
| Bennett, Mich. | Combs | Fulton |
| Bentsen | Cooley | Garmatz |
| Biemiller | Cooper | Gary |
| Bland | Cotton | Gathings |
| Blatnik | Cox | Golden |
| Boggs, La. | Crook | Gore |
| Bolling | Crosser | Gorski, Ill. |
| Bonner | Cunningham | Gorski, N. Y. |
| Bosone | Davies, N. Y. | Gossett |
| Boykin | Davis, Ga. | Granger |
| Brehm | Davis, Wis. | Grant |
| Brooks | Dawson | Gregory |
| Brown, Ga. | Deane | Gross |
| Bryson | DeGraffenried | Hagen |
| Buchanan | Denton | Hand |
| Burdick | D'Ewart | Harden |

| | | |
|---|---|---|
| Hardy | Magee | Rodino |
| Hare | Mahon | Rogers, Fla. |
| Harris | Mansfield | Sanborn |
| Harvey | Marcantonio | Sasscer |
| Havenner | Marsalis | Scudder |
| Hays, Ark. | Marshall | Secrest |
| Hays, Ohio | Martin, Iowa | Sheppard |
| Hébert | Martin, Mass. | Short |
| Hedrick | Merrow | Sikes |
| Herlong | Meyer | Simpson, Ill. |
| Hill | Miles | Sims |
| Hobbs | Miller, Md. | Smathers |
| Holifield | Miller, Nebr. | Smith, Kans. |
| Holmes | Mills | Smith, Va. |
| Hope | Monroney | Spence |
| Horan | Morgan | Stanley |
| Howell | Morris | Steed |
| Hull | Morton | Stefan |
| Irving | Moulder | Stigler |
| Jackson, Wash. | Multer | Stockman |
| Jacobs | Murdock | Sullivan |
| Javits | Murphy | Sutton |
| Jenkins | Murray, Tenn. | Tackett |
| Jennings | Murray, Wis. | Talle |
| Johnson | Nelson | Tauriello |
| Jones, Ala. | Nixon | Teague |
| Jones, Mo. | Noland | Thomas, Tex. |
| Jones, N. C. | Norblad | Thompson |
| Karst | Norrell | Thornberry |
| Karsten | Norton | Tollefson |
| Kee | O'Brien, Mich. | Trimble |
| Keefe | O'Hara, Ill. | Underwood |
| Kelley | O'Hara, Minn. | Van Zandt |
| Keogh | O'Konski | Vinson |
| Kerr | O'Neill | Vursell |
| Kilday | O'Sullivan | Walsh |
| King | Pace | Walter |
| Kirwan | Passman | Weichel |
| Klein | Patman | Welch, Mo. |
| Kruse | Perkins | Wheeler |
| Lane | Peterson | Whitaker |
| Lanham | Philbin | White, Calif. |
| Larcade | Phillips, Calif. | White, Idaho |
| LeCompte | Phillips, Tenn. | Whitten |
| Lemke | Pickett | Whittington |
| Lesinski | Poage | Wickersham |
| Lind | Polk | Wier |
| Lovre | Potter | Williams |
| Lucas | Poulson | Willis |
| Lyle | Preston | Wilson, Ind. |
| Lynch | Price | Wilson, Okla. |
| McCarthy | Priest | Winstead |
| McCormack | Rabaut | Withrow |
| McCulloch | Rains | Wolverton |
| McGrath | Ramsay | Wood |
| McKinnon | Rankin | Worley |
| McMillan, S. C | Redden | Yates |
| Mack, Ill. | Rees | Young |
| Mack, Wash. | Rhodes | Zablocki |
| Madden | Richards | |

NAYS—109

| | | |
|---|---|---|
| Allen, Calif. | Goodwin | Mason |
| Allen, Ill. | Gordon | Michener |
| Anderson, Calif. | Graham | Nicholson |
| Arends | Granahan | O'Brien, Ill. |
| Bailey | Green | O'Toole |
| Barrett, Pa. | Gwinn | Patten |
| Bates, Mass. | Hale | Patterson |
| Beall | Hall, | Quinn |
| Bishop | Leonard W. | Reed, Ill. |
| Blackney | Herter | Reed, N. Y. |
| Boggs, Del. | Heselton | Regan |
| Bolton, Ohio | Hinshaw | Ribicoff |
| Bramblett | Hoffman, Mich. | Rich |
| Breen | Huber | Riehlman |
| Brown, Ohio | Jackson, Calif. | Rooney |
| Buckley, Ill. | James | Sabath |
| Chesney | Jenison | Sadlak |
| Chiperfield | Jensen | St. George |
| Church | Jonas | Scott, Hardie |
| Corbett | Judd | Scott, |
| Crawford | Kean | Hugh D., Jr. |
| Curtis | Kearney | Scrivner |
| Dague | Kearns | Shafer |
| Davenport | Keating | Simpson, Pa. |
| Delaney | Kennedy | Smith, Ohio |
| Dollinger | Kilburn | Smith, Wis. |
| Dondero | Kunkel | Taber |
| Eaton | Latham | Taylor |
| Ellsworth | LeFevre | Towe |
| Elston | Lichtenwalter | Velde |
| Fallon | Linehan | Wadsworth |
| Fellows | Lodge | Wagner |
| Fenton | McConnell | Werdel |
| Ford | McDonough | Wigglesworth |
| Gamble | McGuire | Wilson, Tex. |
| Gavin | McSweeney | Wolcott |
| Gillette | Macy | Woodruff |

NOT VOTING—41

| | | |
|---|---|---|
| Angell | Burke | Clemente |
| Bolton, Md. | Canfield | Clevenger |
| Buckley, N. Y. | Cavalcante | Coudert |
| Bulwinkle | Chatham | Davis, Tenn. |
| Dingell | Hoffman, Ill. | Powell |
| Furcolo | McGregor | Rivers |
| Gilmer | McMillen, Ill. | Rogers, Mass. |
| Hall, | Miller, Calif. | Roosevelt |
| Edwin Arthur | Mitchell | Sadowski |
| Halleck | Morrison | Staggers |
| Harrison | Pfeifer, | Thomas, N. J. |
| Hart | Joseph L. | Vorys |
| Heffernan | Pfeiffer, | Welch, Calif. |
| Heller | William L. | Woodhouse |
| Hoeven | Plumley | |

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Harrison for, with Mr. Hoffman of Illinois against.

Mrs. Woodhouse for, with Mr. McMillen of Illinois against.

General pairs until further notice:

Mr. Morrison with Mr. Welch of California.
Mr. Rivers with Mr. Plumley.
Mr. Mitchell with Mr. William L. Pfeiffer.
Mr. Sadowski with Mr. Canfield.
Mr. Roosevelt with Mr. Halleck.
Mr. Gilmer with Mr. Angell.
Mr. Burke with Mr. Clevenger.
Mr. Davis of Tennessee with Mr. Coudert.
Mr. Bolton of Maryland with Mr. Edwin Arthur Hall.
Mr. Dingell with Mr. Hoeven.
Mr. Chatham with Mrs. Rogers of Massachusetts.
Mr. Miller of California with Mr. McGregor.
Mr. Staggers with Mr. Vorys.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein by direction of the California delegation, a resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REHABILITATION OF NAVAJO AND HOPI INDIAN TRIBES

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 282) providing for the consideration of the bill (H. R. 5208) to promote the rehabilitation of the Navajo and Hopi Indian Tribes and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes (Rept. No. 1040) which was referred to the House Calendar and ordered to be printed:

*Resolved,* That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5208) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include an address by Bishop Bergan, archbishop of Omaha.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous material.

Mr. MICHENER asked and was given permission to extend his remarks in the RECORD and include an editorial.

ADJOURNMENT FROM THURSDAY TO MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us the program for tomorrow?

Mr. McCORMACK. Mr. Speaker, the next order of business today will be consideration of the bill (H. R. 940) to authorize public improvements in Alaska.

On tomorrow the first order of business will be the resolution relating to overtime on overtime, then H. R. 5187, the fur-labeling bill, and H. R. 5208, pertaining to rehabilitation of the Navajo Indians.

Mr. MARTIN of Massachusetts. The gentleman is not ready to state the program for next week?

Mr. McCORMACK. No. I may say, however, that the agricultural bill will be taken up on Tuesday and general debate will begin at that time. I can definitely make that statement to the House at the present time.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

A CASE OF POOR MEDICAL ATTENTION IN THE NAVY

Mr. CROOK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter from Louis J. Ankney.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CROOK. Mr. Speaker, one of my young constituents, who now resides at 2314 Eighteenth Street NW., Washington, D. C., was given honorable discharge from Navy service on July 1, 1949, and recently called at my office to disclose the deplorable neglect that was netted him when critically ill during his service for our Nation. It is a miracle that the young man was able to withstand the ordeal and relate his painful experiences.

Mr. Speaker, that every Member of this Congress may be privileged to know the full particulars of this case, I include the following letter from Louis J. Ankney, drafted in the interest of all young men in the service:

WASHINGTON, D. C., *July 12, 1949.*

Hon. THURMAN CROOK,
*House of Representatives.*

DEAR MR. CROOK: Confirming our conference of July 9, 1949, I wish to present the following facts in support of my complaint of the poor medical attention which I received during my service in the United States Navy.

On September 5, 1948, I felt distressful pains in my lower right side and back. I reported to sick bay on my ship, the U. S. S. *Wallace L. Lind DD 703.* The doctor in diagnosing the case sent bowel specimens to the laboratory for analysis to determine if intestinal parasites could have caused the pains. The results were negative. During the interim between the medical examination and obtaining the results of the laboratory tests, I continued to have the pains; however, I received no treatment.

I had another severe attack in the abdomen on September 20 and was unable to move. I was taken to the naval dispensary in Algiers, La., in an ambulance. The duty medical officer examined me at 2 a. m. and at 2:10 a. m. I was out of his office. His examination was limited to the chest and stomach. In the meantime the pains subsided.

On October 10 I again felt distressing pains and reported to sick bay aboard ship to the chief pharmacist's mate, but no treatment was given. I continued to perform my duties, but never felt well.

On April 4, 1949, while in port in Algiers, La., I reported to the same ship doctor with the same complaint. The doctor told me that I would be sent to the dispensary just as soon as the ship returned from cruise. The cruise to Tampico, Mexico, started the following morning and took 12 days. On April 14 I felt severe pains in my abdomen, with diarrhea and nausea, and reported again to the chief pharmacist's mate who immediately took my temperature and white blood count. My temperature was 102 degrees and my white blood count very high.

The pharmacist's mate informed the doctor who was on a destroyer en route with our ship and the doctor was put aboard ship. His diagnosis was acute appendicitis. Ice packs were applied and penicillin injected. The captain of the ship, Commander Robert E. Wheeler, and the doctor agreed, if necessary, to send a plane to ship and take me to the nearest hospital. One hour later my temperature began to recede and the pain to subside, so the doctor recommended that I stay abroad ship for the 2 days until we reached home port at Algiers, La. When the ship arrived in port I was transferred to an ambulance and taken to the dispensary. The pharmacist's mate at the dispensary again took my blood count and temperature and I was told to go to bed. The following morning I was examined by a Lieutenant John, and the next day I was allowed to get up.

With acute appendicitis I was ordered to take a train to Pensacola, Fla., the location of the nearest naval hospital. No medical officer or medical attendant accompanied me. I arrived at the United States naval hospital on April 19, and was confined to bed. On April 21 an appendectomy was performed by Lieutenant Mullens and Commander Berley, lasting approximately 30 minutes. The anesthetic began to wear off after 10 minutes on the operating table. How I endured the pain attendant thereafter, I cannot express adequately.

The following morning I was permitted to get up, but I felt hot and dizzy and returned to bed. The following week I felt good, but had pains and a temperature. Seven days after the operation I had severe abdominal pains. Drs. Mullens and Berley were sent for. They examined me. I was X-rayed and a suction hose put into my stomach. I was given streptomycin and penicillin injections night and day. After 10 days of Wagonstien suction and intravenous feeding I was allowed to get up and move about a little. Approximately 2 weeks later I was given a barium enema and GI (gastric intestinal) series of X-rays by Lieutenant Commander Fredio, to determine pains in the abdomen. The results showed abscess of the lower intestine. Four days later I was operated on to remove abscess by Captain Moon and Commander Berley.

During the operation a wall of peritonitis covering the stomach was discovered. My wife was notified by telegram that I was in critical condition.

In the course of 2 months I had lost 40 pounds and suffered beyond words. Fifteen days after the operation I was allowed to stand, but I couldn't stand alone. Soon I gained a few pounds and started to regain my strength. On June 27, 1949, I was returned to duty and on July 1, I was given an honorable discharge from the service. I can quote one of the doctors as saying "He's a miracle of modern medicine."

I firmly believe that if I had been thoroughly examined and given proper treatment from the onset of this condition, all the pain, suffering, and time lost from duty could have been avoided. Also, if the doctors at Pensacola, Fla., had taken more precautions in the removal of my appendix, the peritonitis which nearly caused my death would not have developed.

I have lived to tell this story and I wish that it will, in some small measure, be brought into the limelight so that the young men still in the service will not suffer as I did through lack of prompt and proper medical attention.

Sincerely yours,

LOUIS J. ANKNEY.

## PUBLIC IMPROVEMENTS IN ALASKA

Mr. SABATH. Mr. Speaker, I call up House Resolution 279 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 940) to authorize public improvements in Alaska, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committe on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this resolution makes in order consideration of the bill (H. R. 940) to authorize public improvements in Alaska and for other purposes, and involves certain construction near the city of Anchorage. There is provided 1 hour of general debate, after which the bill will be read under the 5-minute rule for amendment.

This project, which is recommended by the Department of the Interior, will cost a little over $21,000,000.

The purpose of this bill is to authorize the construction of the Eklutna project near Anchorage, Alaska, and to authorize continuing investigations as to further possibilities for the development of the Territory's natural resources and their beneficial uses. The evidence before the Committee on Rules disclosed that for 82 years the Territory has operated largely as a frontier economy. Since the Second World War the city of Anchorage has grown from 3,500 to 30,000 population. It is apparent now, in postwar appraisal, that the security of Alaska is essential to the security of the United States, and the development of the economy is necessary to the strengthening of the national economy. In order to fulfill its proper role, Alaska must have more people, more railroads, more roads, more power, and more industries. Such improvement will aid in raising the Territory from its present frontier status to a self-sufficient economy.

In those parts of Alaska where improvements are urgently needed, there are now six small, publicly operated and five small, privately operated sources of power. In the construction of these power facilities, provision was made to take care of immediate power needs, without planning for the future demands. As a result, the power available is not sufficient to maintain adequate service at the present time.

The Committee on Public Lands felt that it is important to the strengthening of the national economy and to the protection of our security that the settlement and the development of Alaska be encouraged and facilitated. In order to accomplish those ends, it is essential that power facilities be provided under the program of the Department of the Interior, with its responsibility for the Territory of Alaska. This bill will bring about the further development of Alaska.

This bill has the unanimous approval of the Committee on Public Lands, and although there is some disagreement as to who should construct this power plant, I nevertheless feel that the Department can work this out, and I shall not interfere.

I am doing my duty in presenting the rule and feel that it should be adopted and the bill passed.

Mr. Speaker, I now yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, there is no opposition to this rule and I am certain there is no opposition to the bill. The intent is to strengthen the economy of Alaska by developing this power, and so forth, to protect us and the people of Alaska from a military standpoint.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. PETERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 940) to authorize public improvements in Alaska, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 940, with Mr. SIKES in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. PETERSON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the bill under consideration proposes to meet the critical power shortage which now exists in the Territory of Alaska. The bill was drafted after conference with the Department of the Interior and after conference with and report from a representative of the armed forces in that area. This project is greatly needed. We studied a much larger over-all problem, but we finally decided to authorize the specific project outlined here. We threw around it certain safeguards, and there is no controversy about the project. The Members on both sides supported it, and it has the unanimous report from the committee and from the departments involved. We cut out the recreational features. We provided for reimbursement over a period of 50 years with an interest rate of 2½ percent; in other words, we put more strict provisions in this project than in many others. I anticipate no objection.

While I am on my feet I might say this, in order to save the time of the committee in the consideration of the bill I have placed various committee amendments into one amendment, and at the proper time we will offer it, so we will not be bothered with a number of amendments. It provides for reducing the amount, period of amortization and that sort of thing.

Mr. Chairman, I now yield to the Delegate from Alaska [Mr. BARTLETT] 12 minutes.

Mr. BARTLETT. Mr. Chairman, passage of H. R. 940 would provide the means whereby the existing deficiency in the amount of electric energy available for Anchorage, Alaska, and the surrounding areas could be ended.

I hope the House will pass this bill.

It provides the first well-thought-out plan to meet in a coordinated fashion the requirements of that region for power.

H. R. 940 was unanimously approved by the House Public Lands Committee. H. R. 940 gives the Secretary of the Interior, in furtherance of his duties in promoting the development of Alaska, authority to construct and to operate and to maintain hydroelectric power projects in the Territory of Alaska. Under the provisions of the measure no such project could be undertaken without expressed approval of the Congress. However, the Secretary would have continuing authority to make investigations and to report his findings to Congress.

The bill specifically approves the Eklutna power project at a cost of $20,365,400. A committee amendment, adopted at the suggestion of the Bureau of the Budget, deletes the sum of $1,215,500 for recreational facilities. As originally reported by the committee the bill provided for repayment of the $20,365,400 in 52 years. Another amendment reduces the payment period to 50 years. I am told by Mr. Joseph M. Morgan, Chief of the Alaska Investigations Office, that the project can pay out in 50 years.

It should be emphasized, then, that every penny authorized to be appropriated in this bill will be repaid to the United States Treasury with interest.

It is set forth in the bill that power would be sold "so as to encourage the most widespread use thereof at the lowest possible rates to consumers compatible with the maintenance of adequate electric service." The importance of this provision cannot be overemphasized. That is because power rates in Alaska up to now have been necessarily very high. There is every good reason to believe that they can be materially lowered through construction of the Eklutna project, thereby attracting industry, saving money for the Federal Government agencies concerned and removing some of the financial load from the domestic users of electric energy.

The bill would make possible construction of a power plant of 30,000 kilowatts capacity. It is interesting to note that the existing kilowatt capacity in all of Alaska at this time, public and private, hydro and steam and Diesel, is only 55,371. So the existing capacity will be materially enlarged when Eklutna has been completed. It is estimated that every last kilowatt produced at Eklutna could be sold by 1954, and it is not likely that the plant would be ready for service much, if any, before that time.

In the meantime Anchorage, the fastest growing city in Alaska, will be obliged to struggle along as best it can. There is now an almost appalling lack of power. The communities, the Federal agencies, and others have made valiant efforts to struggle along as best they could under the weight of the loan which has been thrust upon them. Until Eklutna has been completed there will be further interruptions of service, further rationing of energy, and continuing failure to serve areas which are in need of service. But, at least there will be the heartening knowledge that Eklutna will before too long be supplying the power so badly needed, not only at Anchorage alone but for the surrounding area, the military, and the other Federal agencies.

I should mention here that this bill is before you primarily because of the interest in the development of Alaska taken by the gentleman from Iowa, Hon. BEN F. JENSEN. When Mr. JENSEN was chairman of the Interior Department Appropriations Subcommittee, he was largely if not altogether responsible for inserting in the appropriation bill an item of $150,000 for investigation of Alaska power resources. Representative JENSEN had been to Alaska and had correctly judged that one of the compelling present needs, as well as one of the absolute requirements, in the development of the Territory was early utilization of the rich and almost uniquely abundant water power resources. Likewise it was apparent to him that no private capital was available for hydro development.

Following the appropriation of the $150,000 an Alaska office was established. In almost record time Mr. Morgan and his associates made an exhaustive investigation of the Eklutna project. As a result, a most comprehensive report on Eklutna has been written and approved by the Secretary of the Interior and by the Bureau of the Budget. It was on the basis of that report largely that the House Public Lands Committee was persuaded that H. R. 940 should be favorably reported to the House.

It is not intended that H. R. 940 would extend the irrigation and reclamation laws to Alaska. The measure's provisions are specific—to give the Secretary of the Interior authority to investigate on a continuing basis, and to construct the Eklutna plant. It should be further noted that the authority for construction is not delegated specifically to the Bureau of Reclamation but is conveyed only to the Secretary of the Interior.

At the present time utility systems, all of them public, in the city of Anchorage and the Matanuska Valley have a production capacity of only 8,625 kilowatts. This is far, far short of the actual need.

There will be no competition with private industry if this measure is enacted, if the appropriation is made and if the Eklutna plant is built. The truth is that private capital is simply not available on the scale required here. I have never heard of any interest on the part of private capital to enter this field, and I am sure there is no such interest. Only public systems are now furnishing power to the area which would be served from Eklutna.

The principal systems in Alaska at this time happen to be owned by two gold-mining companies. The Alaska Juneau Gold Mining Co. at Juneau has hydro and steam plants capable of generating 21,725 kilowatts. The United States Smelting Refining & Mining Co. at Fairbanks has a steam plant with a capacity of 9,500 kilowatts. In all of Alaska private plants can furnish only 35,931 kilowatts and public plants only 19,440. Everywhere—and this is almost literally true—there is deficiency in plant capacity. Industry cannot be attracted if power is not available. And it must be available at reasonable rates. In this field the Government can be of material assistance. The water power found in so many parts of Alaska is now going to waste almost entirely. It should not be so wasted. It should be put to constructive use so that industry would be attracted, so that population would grow, with accompanying benefits to the Territory and to the United States as a whole. Up to this time the Government, in contrast to the policy so long and so widely accepted in development of the West's water-power resources, has not put a thin dime into development of Alaska's water power. The start should be made now. It should be made with enactment of H. R. 940. As the report of the committee points out:

> It is apparent now, in postwar appraisal, that the security of the Territory is essential to the security of the United States, and the development of its economy necessary to the strengthening of the national economy. In order to fulfill its proper role, Alaska must have more people, more railroads, more roads, more power, and more

industries. Such improvements will aid in raising the Territory from its present frontier status to a self-sufficient economy.

Alaska is a land rich in natural resources. If its potentialities are to be realized and its resources developed, hydroelectric projects must be constructed and operated. Cheap and abundant power will attract major industries to Alaska. Veterans and other persons will be encouraged to become permanent residents. Power will further the self-sufficiency of the Territory's defense installations.

The report goes on to point out that Lt. Gen. N. F. Twining, Commanding General of the Alaskan Command, has in a letter addressed to the Secretary of the Interior under date of November 19, 1948, called attention to the high desirability of bringing the water-power resources of Alaska into useful service. It would be well here to quote from General Twining's letter:

My responsibility as the unified commander of the armed services in Alaska requires that I examine all of the factors which affect the national military establishment within the Territory. It is quite evident that the over-all defense of Alaska depends upon two closely interrelated factors, the military facilities and installations available to the armed forces and the civil resources of the Territory.

To the extent that civil facilities are developed to a level which will permit a self-sustaining economy and a full development of the natural resources of the Territory, the expenditures for purely military works may be reduced. The benefit to the national economy of such a reduction in military expenditure is obvious.

A review of the various programs proposed for implementation by the Department of the Interior indicates that a number of these would, if implemented, strengthen the internal economy of Alaska, and thus tend to reduce the investment in military works without a corresponding reduction in defense capabilities. * * *

Cheap and dependable power is a necessity for the development of any community. Only minor development of hydroelectric power has taken place in Alaska and yet a potential exists which has been described as almost unlimited. A program for the development of hydroelectric power in the Anchorage area would undoubtedly result in a major improvement in the economic condition of this part of the Territory.

The plan recommended by the report of the Alaska Investigations Office calls for the construction of a low dam which would raise the level of Eklutna Lake by 2 feet. A tunnel 4½ miles in length would be provided to lead from the lake through the mountain to the north. The penstock would be 1,250 feet long and at the base of the mountain would be the power plant of 30,000 kilowatt capacity. Transmission lines would lead from the plant to load centers in the Matanuska Valley and also to the city of Anchorage.

The total estimated cost takes into account Alaska differentials and price levels.

It is estimated benefits would exceed the project cost in the ratio of 1.7 to 1.

History shows that the area in which it is proposed to build the dam was first visited by traders and trappers in the latter part of the eighteenth century. It was not, however, until Anchorage was founded during the construction period of the Alaska Railroad in 1915 that there was any substantial settlement in the area. Even as late as the fall of 1939, when the last census was taken, the population of Anchorage proper was only 3,490 persons. It was after that that Fort Richardson, close to the city, was established, and that rapid growth started. It is impossible, of course, at this time to state what the exact population of Anchorage and the immediate vicinity is. That will be disclosed in the census of 1950. Population estimates for Anchorage proper at this time range from 20,000 to 25,000 and it has been said that as many as 45,000 persons, exclusive of military, are now living in that immediate area. It is unnecessary to point out what this rapid and heavy growth in population has done by way of putting a strain upon all public utilities. Anchorage now has a small hydro plant at Eklutna which produces 2,000 kilowatts. There is a Diesel plant, likewise operated by the city of Anchorage, capable of producing 1,300 kilowatts. In its extremity the city was forced after the end of the war to acquire the stern half of a wrecked tanker. Its boiler and generating equipment have been used to furnish additional power but the operation is expensive and entirely unsatisfactory. The Alaska Railroad has a steam plant of 600-kilowatt capacity but it is so old and deteriorated that it was not operated for 10 years until it was called upon in the postwar period to meet urgent demands when the demand upon the Anchorage public utilities was such that the load was too great. Military authorities were forced to provide a generating plant at Fort Richardson instead of obtaining energy from Anchorage public utilities as they desired. Even so, the military needs for power are still great. The entire Matanuska Valley is forced to rely upon Anchorage public utilities. Ever since 1941 there has been a need for power which could never be met by existing facilities. Every day the situation becomes worse. By every logical test it would seem that it would be appropriate for the Federal Government to come to the rescue of the area. The propriety of doing so is made altogether evident by the fact that the money provided for the proposed installation at Eklutna would come back in full to the Treasury in many ways—first by direct repayment; second by payment of interest; and third, and even more important, by providing an essential whereby the entire area could develop on a more orderly basis.

The famous Matanuska Valley is some 50 miles northeast of Anchorage. Palmer, with a population of about 1,000, is the supply center for the valley. The entire valley probably has a population now of about 4,500. That population is increasing fairly rapidly.

Eklutna Lake is in the Chugach Mountain Range at an elevation of 868 feet. It is about halfway between the Matanuska Valley to the north and Anchorage to the south. It is reached by a road which extends for a distance of 10 miles from the main Anchorage-Palmer Highway. The access road turns off the main highway 26 miles north of Anchorage. Eklutna Lake has a maximum depth of 200 feet and is approximately 7 miles long and 1 mile wide.

The record high temperature for the Eklutna area is 92 degrees Fahrenheit, and the record low minus 37 degrees. Annual precipitation is between 14 and 16 inches, and thus the region can be designated as being semiarid. Precipitation is heaviest during the late summer period. The growing season in the Matanuska Valley averages 108 days a year.

The temperature extremes at Anchorage demonstrate the similarity of the climate to that found in many sections of the United States. This is illustrated by the following table:

| City | Years record | Maximum temperature | Minimum temperature |
|---|---|---|---|
| Anchorage, Alaska | 29 | 92 | −37 |
| Butte, Mont | 40 | 100 | −52 |
| Salt Lake City, Utah | 40 | 105 | −20 |
| Cheyenne, Wyo | 40 | 100 | −38 |
| St. Paul, Minn | 36 | 104 | −41 |
| Detroit, Mich | 40 | 105 | −24 |
| Chicago, Ill | 40 | 105 | −23 |
| Lake Placid, N. Y | 30 | 94 | −39 |
| Hanover, N. H | 40 | 101 | −37 |

The future of this region is founded upon a sound basis. Agriculture is flourishing there, as is livestock raising. Gold mining is of importance in the Willow Creek district and will, when there is a lowering of present production costs which have been so detrimental to gold mining, be accelerated with the availability of cheaper power. Lumber mills are located in the area and fishing and canning of fish constitute a very important industry. Trapping and fur farming play their part in the economic well-being of the people there and serve to assist in stabilizing business.

There is no doubt whatsoever that entirely aside from military spending this region will continue to prosper and continue to grow. That prosperity will be all the easier if cheaper and abundant power is made available.

Estimated annual cost of operation and maintenance of the project is set at $158,300. Estimated annual replacement costs are set at $72,600. Direct benefits are estimated at $1,015,200 annually over a 50-year period. In addition, there would be indirect benefits brought about by savings to power users and increased income to distributors and to consumers through extra use of electric power. Indirect benefits would be $748,500 annually.

It is estimated that the saving to the armed services through lower power costs over a 50-year period would be $5,000,000. A saving of $5,500,000 over the same period would accrue to the Alaska Railroad. The estimate was made that savings to the Civil Aeronautics Administration over the 50-year period would be $2,500,000 and to the Alaska Native Service, the Post Office Department, the Weather Bureau, and other Federal agencies $500,000 for the half century. The saving to the community of Anchorage for 50 years would be $18,750,000 and to the Matanuska Valley $5,175,000. Based upon retirement of the cost in the 50-year period the Alaska Investigations Office, taking into account all possible costs, calculated that power could be supplied at 8.57 mills. It is hoped, however,

and even expected, that this cost may be lowered. Hon. Ernest Gruening, Governor of Alaska, City Manager Donald R. Wilson, of Anchorage, and others testified before the Public Lands Committee in favor of H. R. 940. There was no adverse testimony.

Mr. Chairman, passage of this bill would be a material step further in carrying out the Alaska development program which President Truman urged in his special message to Congress on Alaska in May 1948. It would do as much as any one thing could to aid in the development of south central Alaska. It will harness and put to work the magnificent water-power resources of Eklutna Lake. It will promote the economy of Alaska and of the Nation. It will not cost the taxpayers a single penny. I hope the bill will pass.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield.

Mr. KEATING. Do I understand that this Eklutna project is intended to supply power to our military installations there?

Mr. BARTLETT. Our military installations in and about Anchorage, the city of Anchorage, and the suburban area, and the farming area in the Matanuska area. Also gold mines and possibly other mines that will be developed in the Willow Creek and other districts.

The CHAIRMAN. The time of the gentleman from Alaska has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield.

Mr. KEATING. How far from this project is our military installation?

Mr. BARTLETT. About 35 miles.

Mr. KEATING. And how is it now served?

Mr. BARTLETT. The military put in a steam plant of its own, on account of the power deficiency existing. Our understanding is that that is a rather expensive proposition and that the military is anxious to come in under the Eklutna project. The report carries a letter from General Twining, commander in chief of our armed forces in Alaska, urging that this be done, partly, of course, on account of the military need.

Mr. KEATING. Was it the saving to the armed forces, in reduction of the expense of furnishing facilities, to which you referred in your remarks a few minutes ago, in that it would cost less to furnish power from this project than it would from the present steam project?

Mr. BARTLETT. Yes. The saving might be far, far more than I quoted, but that would be the saving that can readily be estimated between the cost of the Eklutna power and the cost of the power that they are producing by the steam plant. Of course, if they had to put in more steam plants, the saving from the Eklutna project ought to be larger.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield.

Mr. TACKETT. Does this bill provide by what method the power is going to be generated?

Mr. BARTLETT. It is going to be generated by the Federal Government.

Mr. TACKETT. But would it be hydroelectric power dams or by steam plants?

Mr. BARTLETT. Oh, entirely by a hydroelectric plant. The lake from which this power would be derived now furnishes some power for Anchorage, but it can be developed on a much larger scale as is proposed by the bill.

Mr. KEATING. Mr. Chairman, will the gentleman yield further?

Mr. BARTLETT. I yield.

Mr. KEATING. I understood in the gentleman's remarks a few moments ago that it would be provided that this $21,000,000 authorized to be appropriated would be paid back out of the project. Is there anything in the bill to that effect?

Mr. BARTLETT. Yes. It is provided that it shall be altogether reimbursable. As a matter of fact, when the amendments are offered, the amount will not be $21,000,000. It will be $20,000,000, because the recreational feature, which would have been nonreimbursable, was stricken in the committee.

Mr. KEATING. In other words, this $21,580,000 is the total cost of the project?

Mr. BARTLETT. That is the total cost of the project, or more correctly the total sum is $20,365,400, since $1,215,500 for recreation was deleted.

Mr. KEATING. And a million dollars of it is assessed to the recreational feature?

Mr. BARTLETT. It will not be, because the committee struck that provision from the bill. So there will be no appropriation whatsoever for recreational features, and all the money authorized to be appropriated will be reimbursable.

Mr. PETERSON. Mr. Chairman, will the gentleman yield to me?

Mr. BARTLETT. I yield.

Mr. PETERSON. After the committee went over the bill thoroughly, we adopted an amendment taking out the recreational part bodily. Reference to that is stricken. The appropriation is reduced from $21,589,000 to $20,365,400, where it appears in both places in the bill.

Mr. KEATING. That improves the situation to the extent of, roughly, a million dollars, but where in the bill does it say that this will be paid back and how it will be paid back? That is not clear to me.

Mr. PETERSON. In one of the amendments which we have to offer, it includes amortization of that portion of the capital investment properly applicable to each transmission unit over a period of 50 years, and the payment of interest on the unamortized balance.

Mr. KEATING. That will be included in the amendments which the gentleman will offer?

Mr. PETERSON. Yes. That was adopted after consideration by the committee and conference with the Budget.

Mr. KEATING. But it is not in the printed bill?

Mr. PETERSON. No.

Mr. TACKETT. Mr. Chairman, will the gentleman yield further?

Mr. BARTLETT. I yield.

Mr. TACKETT. On line 3, page 2, the bill reads:

> Construct, operate, and maintain hydroelectric power projects (including other facilities which may be efficiently combined therewith).

That could very well be a steam-power unit, could it not?

Mr. PETERSON. Two would be a limitation on that. You will notice there is a limitation when it says "other projects"; but no other projects can be authorized until they are reported actually to Congress and especially authorized by Congress.

Mr. TACKETT. But this bill does provide that money can be used to construct, operate, and maintain hydroelectric power projects, including other facilities, does it not?

Mr. BARTLETT. I think that was to include transmission lines and other like appurtenances. There was no thought or no discussion in the committee of authorizing the Secretary to do other than construct and operate hydroelectric facilities.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield.

Mr. JENSEN. I must say that I am pleased that this bill has come before the House, for certainly, Mr. Chairman, if there is one place in the United States or any Territory of ours where electric power is needed, it is in the Territory of Alaska. There is great demand up there for power, and because of the fact there is no oil and very little coal, and what coal there is there is of very low grade, and because of the national defense situation, it is a national "must" that we have sufficient electric energy in that Territory, and this is the best way to get it. Private industry is in no position to spend the money which is necessary to furnish power to the Territory of Alaska at this time, and I believe that every Member of Congress and every American who knows the situation both from a commercial and a domestic and defense standpoint will agree that this hydroelectric plant at Eklutna is very necessary.

Mr. BARTLETT. I am deeply appreciative of the gentleman's remarks. He is cognizant of this situation, because he has been there and has seen it.

Mr. CRAWFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, I am glad to rise in support of this hydroelectric power plant. When the bill H. R. 940 was first submitted to our committee it contained a general authorization for the construction of hydroelectric projects and transmission facilities in Alaska. Our committee reviewed this bill and cut the legislation down to this one project. The Eklutna project in Alaska is as sound a project, I believe, as has ever come before our committee. The project is to take water from a lake nearly a thousand feet above Anchorage and above sea level, put a dam there to raise the level of the lake approximately 2 feet to provide about 123,000 acre-feet of water storage. This water is to be transferred through a

tunnel 4½ miles long that leads to a penstock 1,250 feet long that drops it down approximately 840 feet to the power plant and then below that the tailwater provisions that are necessary in such a project. Then there will be the transmission line connections necessary to take this power from the generating plant to Anchorage, to the Matanuska Valley and to Richardson, where the Army and Navy development is now situated.

The original bill contained an authorization for considerably more than is contained in this bill. Our committee has cut it down so that the appropriation will be $20,365,400. It is confined only to the project described in the Eklutna report and to the parts I have just listed.

It provides this money shall be paid back to the Treasury at 2½ percent interest in 50 years.

The rate for the electricity will be approximately 8½ mills for firm power and 4.8 mills for wholesale power, a reasonably low rate; in fact, a very reasonable rate for this kind of hydroelectric project.

There is no competition with private enterprise involved in this bill. The present power plant at Anchorage is a small one of approximately 3,000 kilowatts, owned by the city. The city has already been contacted and is ready to make some kind of an agreement whereby its plant will either be sold to the Government or maintained by the city itself in a stand-by condition to serve this particular area.

When the plant that is now owned by the city was built, there was a population of about 3,000 people, which has increased to, roughly, 20,000 or 25,000 people in the area, showing the need for the enlarged plant.

Mr. Chairman, this project meets every requirement of a sound federally constructed and federally owned project. As I have stated, it is sound from an engineering standpoint. The rates to be charged are such that the total investment will be repaid with interest to the Public Treasury within a reasonable length of time. It is needed by the people in that area and will serve approximately 25 percent of all the people in Alaska. It is also needed in connection with the national defense, the Richardson fortification being one of the largest in Alaska. In other words, by all measures, this is a sound project, one that Federal money can be used to construct from any standpoint from which it is examined.

I think the Congress would do well to support this bill, which was reported out unanimously by the committee. It is one I am very glad to support.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from Maine.

Mr. HALE. I happen to be particularly interested in the constitutional question where a hydroelectric project is constructed without any element of flood control or navigation or anything of that kind. Did the gentleman's committee give any particular consideration to that point?

Mr. D'EWART. We did not give particular consideration to that point. We considered, however, whether it should be constructed by the Army Engineers or the Bureau of Reclamation. The report was submitted to the Federal Trade Commission, the Army Engineers, the Bureau of Reclamation, and the Federal Power Commission, and each of those agencies passed on the bill and certified to the need of it.

As to the constitutional question of a hydroelectric plant on a navigable stream, may I say that this is not a navigable stream. It is a lake above the ocean about 1,000 feet. A stream comes down from the lake, but is only a small one, and I doubt, therefore, since it is not a navigable stream, that the constitutional question that the gentleman has in mind would apply.

Mr. HALE. I think that very extensive projects, such as the Tennessee Valley Authority and similar projects, have been justified on the ground of flood control and navigation, the hydroelectric features being regarded as incidental. That would not be the case with this project?

Mr. D'EWART. That is true. There you had navigable streams. In this case it is not a navigable stream. There is that distinction between the two projects.

Mr. HALE. I would seriously ask the gentleman's opinion on what basis the constitutionality of this statute is justified.

Mr. D'EWART. The gentleman is over my head, I will have to admit.

Mr. HALE. Possibly some other member of the gentleman's committee can answer that question for me, because I do think it is a very serious one.

Mr. D'EWART. It is my opinion, because the stream is not navigable, that that provision of the Constitution does not apply. However, I admit that the gentleman is over my head.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from Pennsylvania.

Mr. FENTON. Can the gentleman tell us how long it will take to build this property?

Mr. D'EWART. Can the Delegate from Alaska answer that question?

Mr. BARTLETT. It probably will not be completed until 1954, because construction could not well start until the spring of 1950.

Mr. D'EWART. The principal engineering difficulty is the depth of the frost.

Mr. FENTON. As I understand this bill, you are seeking authority for a lot of investigation. Is it not true that appropriations have been made year after year for investigations of this sort?

Mr. D'EWART. Appropriations were made prior to this report being made, and they were made for the purpose of investigating projects in Alaska, and this report was made pursuant to those appropriations.

Mr. FENTON. As I understand, each project approved by the Department of the Interior must come to the Congress for further observation.

Mr. D'EWART. For the projects that are contemplated in this bill, on which studies will be made in the future, there will be further appropriations.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from New York.

Mr. KEATING. I commend the gentleman's committee insofar as they have provided for the return of this investment with a 2½ percent interest rate, and hope that the Committee on Agriculture may take a leaf out of that book. I am concerned, however, with the point raised by the gentleman from Maine, and I wonder if the chairman of the committee could give us any light on whether the constitutionality of this act is based upon the need for national defense or upon what does its constitutional validity rest.

Mr. PETERSON. The actual public needs in that particular vicinity together with the airport as well as military transportation needs, and so forth, in my opinion, would justify it under the Constitution, for there is no other method for meeting the actual needs in that area. Private industry has not stepped in, and we would gladly have them step in if they would.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON. Mr. Chairman, I take pleasure in recommending this project to the House for its approval. My particular interest in this matter is one of national defense. I think every person in this room knows that in the twenties General Mitchell, who at that time was the head of the United States Air Forces, predicted that if another war came, that Alaska would be very important. Today I think Alaska is one of the most strategic places in the entire world. Therefore it behooves us, if we want to maintain our defense in a strong position, and I think we all want to do that, that we develop Alaska as rapidly as we can. Every civilian installation will make Alaska stronger strategically. Increased population will add to our strength. This bill provides one way, in my opinion, in which Alaska can lay the groundwork for its statehood. If they can develop their resources through the efforts of the National Government and through Federal money, that will attract settlers to that part of the world.

One of my very best friends, a former mayor of a city in California, director of the California League of Cities, a colonel in the Army during this war, and later a civilian official in Austria with the military government working on their civil problems, has settled in Alaska. He has written me about the situation up there, and for this reason I am very anxious to see that this type of project be developed so people of his type will settle in Alaska. I have been told by people, who I think know, that the resources of Alaska are simply fabulous. All we need is money to start development, and each one will beget another project. Develop the highways, the streams, the electrical possibilities, forest, and other natural resources, and Alaska can be a very populous as well as a very rich place. So, primarily, from the standpoint of national defense, and I am on the committee that has the

security problems of the Congress in its lap, I most respectfully suggest that all of you support this very worthy project.

Mr. CRAWFORD. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I take this time to present this map of Alaska to the Members of the House so that you can get a rough idea as to where this plant is to be located.

Here we have Anchorage, which is the principal city at the present time insofar as seaport operations are concerned, with the Alaska Railroad, Government-owned, running from the seaport here at Seward on up to Anchorage and from there up to Fairbanks. Fairbanks and Anchorage together constitute the principal military bases in this section of Alaska. Of course when you get over to the vicinity of Nome, or near the Siberian border, you get into smaller defense plants, but the real ones are located at Anchorage and Fairbanks.

This electrical plant is to be located between Anchorage and Palmer, which is the center of the Matanuska Valley, about which we have heard so much in recent years, and where now profitable farming operations are carried on. The plant is being located about half way between Anchorage and Palmer in this general vicinity as I am indicating here on the map.

I join with the gentleman from California [Mr. JOHNSON] in pointing out the defense importance of the Territory of Alaska generally. Personally, I consider Alaska as the buffer state between Russia and the balance of the world, by reason of the important part the United States is playing in such agreements as the Atlantic Pact, the Marshall plan, and so on down the line. Personally, I should like to see 1,000,000 homesteaders in Alaska just as quickly as we can get them in there. I think the more people we have in Alaska the stronger will be our defense in that section of the world.

Further, I should like very much to see this Congress approve the Alaskan statehood bill. I think Alaska ought to have two Senators in the Senate and, based on the present population, one or two Members in the House who would have the power to vote. That is a vast empire with unlimited resources. We need Alaska as a State, in my opinion, more than Alaska needs to be a State of the Union. I think it is time for us to tie our resources and our people together, as you would tie a bundle of sticks together for strength.

Of course, I am supporting this bill. I have been all through the Territory, in practically every town of any importance. I have seen the needs of the people there. Private industry is not in a position to furnish the venture capital and risk capital to provide facilities of this kind. From the defense standpoint and from the standpoint of the welfare of the people of this country, I am certainly in favor of obligating the people in my district to carry their share of this undertaking. Altogether, I think it is a good bill, and I am sure the House will approve the bill.

Mr. PETERSON. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, this matter has been presented by both sides and is one of those projects which, I am pleased, met with the approval of both sides. It is greatly needed and will contribute to the economy of that section. It is also greatly needed by the armed forces.

I have heard of no opposition from any source and I hope the bill will be passed unanimously.

Mr. Chairman, we have no further requests for time.

Mr. CRAWFORD. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That for the purpose of encouraging and promoting the economic development of the Territory of Alaska, as an aid in the development and efficient disposition of the public domain therein for agricultural, industrial, and other beneficial purposes in order to encourage veterans and other persons to become permanent residents, to encourage the establishment of essential industries in said Territory, and to further the self-sufficiency of national-defense installations located therein, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized, subject to the provisions of this act, to construct, operate, and maintain hydroelectric-power projects (including other facilities which may be efficiently combined therewith) in the Territory of Alaska.

SEC. 2. No expenditure for construction of any of such projects shall be made, nor shall estimates be submitted therefor, until and unless the Secretary in consultation with the Federal Power Commission shall have made an investigation thereof and submitted to the President and the Congress a report and findings that the proposed project has engineering feasibility, that the estimated cost thereof allocable to power can probably be returned to the United States in net power revenues, and that the benefits therefrom, to whomsoever they may accrue, are in excess of the estimated costs. Such investigations are hereby authorized.

SEC. 3. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such power and energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Each group of two or more projects as the Secretary may designate shall be considered as a consolidated unit in the preparation of such rate schedules and for purposes of administration. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. All receipts from the transmission and sale of electric power and energy generated at said projects shall be covered into the Treasury of the United States to the credit of miscellaneous receipts, save and except that the Treasury shall set up and maintain from the receipts for each consolidated unit, and from the receipts for each project not included in a consolidated unit, a contining fund of $200,000 to the credit of the Secretary and subject to expenditure by him, to defray the operating expense of generation and transmission of such power and energy, to defray emergency expenses including expenses for such installations and connections as may be required to deliver power and energy from the transmission system, and to insure continuous operation.

SEC. 4. The Secretary is authorized to perform any and all acts and enter into such agreements as may be appropriate for the purpose of carrying the provisions of this act into full force and effect, including the acquisition of rights and property, and the Secretary, when an appropriation shall have been made for the commencement of construction or for operation and maintenance of any of the projects herein authorized, may, in connection with the construction or operation and maintenance of such project, enter into contracts for miscellaneous services, for materials and supplies, as well as for construction, which may cover such periods of time as the Secretary may consider necessary but in which the liability of the United States shall be contingent upon appropriations being made therefor.

SEC. 5. The Secretary is further authorized and directed to make continuing investigations relating to further possibilities in the Territory of Alaska for the development of hydroelectric facilities (and other facilities which may be efficiently combined therewith) necessary to meet immediate and long-range requirements in the Territory of Alaska and to report thereon, with appropriate recommendations, from time to time to the President and the Congress. The Secretary shall transmit a copy of his proposed report to all Federal departments or agencies interested in the development of hydroelectric energy in Alaska. Within 90 days from the date of receipt of said proposed report the written views and recommendations of each interested Federal department or agency may be submitted to the Secretary. The Secretary shall transmit to the Congress, with such comments and recommendations as he deems appropriate, the proposed report together with the submitted views and recommendations of interested Federal departments or agencies. The first of such reports shall be submitted to the President and the Congress not later than 1 year from the date of enactment of this act.

SEC. 6. Wherever in this act authority is vested in, or functions are to be performed by, the Secretary, such authority may be exercised, and functions performed, through such agencies of the Department of the Interior as he may designate.

SEC. 7. Nothing in this act shall affect any authority or power of the Federal Power Commission under existing law.

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this act.

Mr. PETERSON (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that the bill be considered as read and printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PETERSON. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. PETERSON: Strike out all after the enacting clause and insert the following: "That for the purpose of encouraging and promoting the economic development of the Territory of Alaska, as an aid in the development and efficient disposition of the public domain therein for agricultural, industrial, and other beneficial purposes in order to encourage veterans and other persons to become permanent residents, to encourage the establishment of essential industries in said Territory and to further the self-sufficiency of national defense installations located therein, the Secretary of the Interior (hereinafter referred to as the 'Secretary') is authorized subject to the provisions of this act, to construct, operate, and maintain hydroelectric power projects (including other facilities which may be efficiently combined therewith) in the Territory of Alaska.

"SEC. 2. If, upon investigation and upon consultation with the Federal Power Commission, the Secretary finds that a proposed project has engineering feasibility, that the estimated cost thereof allocable to power can probably be returned to the United States in net power revenues and that benefits therefrom to whomsoever they may accrue, are in excess of the estimated costs, and the Secretary submits a report to the President and the Congress embodying such findings, the construction of the project shall, upon approval of such report by the Congress, be deemed authorized substantially in accordance with the plans and recommendations of the Secretary embodied in such report. No expenditures for the construction of any such project shall be made unless an appropriation for such construction has been granted by the Congress.

"SEC. 3. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such power and energy, including the amortization of that portion of the capital investment which is properly allocable to each generating or transmission unit over a period of 50 years from the time that that unit is first put into service and payment of interest on the unamortized balance thereof during the same period at the rate of 2½ percent per annum. Each group of two or more projects as the Secretary may designate shall be considered as a consolidated unit in the preparation of such rate schedules and for purposes of administration. Preference in the sale of such power and energy shall be given to all public bodies and cooperatives on the same terms, and to Federal agencies, and the power and energy shall be so disposed of so as to encourage the most widespread use thereof at the lowest possible rates to consumers compatible with the maintenance of adequate electric service. It shall be a condition of every contract made under this act for the sale of power and energy that the purchaser, if it be a purchaser for resale, will deliver power and energy to Federal agencies or facilities thereof within its transmission area at a reasonable charge for the use of its transmission facilities. All receipts from the transmission and sale of electric power and energy generated at said projects shall be covered into the Treasury of the United States to the credit of miscellaneous receipts, save and except that the Treasury shall set up and maintain from the receipts for each consolidated unit, and from the receipts for each project not included in a consolidated unit, a continuing fund of $200,000 to the credit of the Secretary and subject to expenditure by him, and to insure continuous operation.

"SEC. 4. The Secretary is authorized to perform any and all acts and enter into such agreements as may be appropriate for the purpose of carrying the provisions of this act into full force and effect, including the acquisition of rights and property, and the Secretary, when an appropriation shall have been made for the commencement of construction or for operation and maintenance of any of the projects herein authorized may, in connection with the construction or operation and maintenance of such project, enter into contracts for miscellaneous services, for materials and supplies, as well as for construction, which may cover such periods of time as the Secretary may consider necessary but in which the liability of the United States shall be contingent upon appropriations being made therefor.

"SEC. 5. The Secretary is further authorized and directed to make continuing investigations relating to further possibilities in the Territory of Alaska for the development of natural resources and their beneficial uses necessary to meet immediate and long-range requirements in the Territory of Alaska and to report thereon, with appropriate recommendations, from time to time to the President and the Congress. The Secretary shall transmit a copy of his proposed report to all Federal departments or agencies interested in the development of the Territory of Alaska. Within 90 days from the date of receipt of said proposed report the written views and recommendations of each interested Federal department or agency may be submitted to the Secretary. The Secretary shall transmit to the Congress, with such comments and recommendations as he deems appropriate, the proposed report together with the submitted views and recommendations of interested Federal departments or agencies. The first of such reports shall be submitted to the President and the Congress not later than 1 year from the date of enactment of this act.

"SEC. 6 The Eklutna project in the vicinity of Anchorage, Alaska, consisting of a low dam at Lake Eklutna, a diversion tunnel and penstock, a power plant with an installed capacity of 30,000 kilowatts, transmission lines to Anchorage and other load centers, and related works, is hereby approved for construction under the provisions of this act, substantially in accordance with the plans and recommendations in the report adopted by the Secretary of the Interior on January 18, 1949, on file with the Committee on Public Lands of the House of Representatives, at an estimated cost of $20,365,400. Costs incurred for the provision of protective features that may be required in the interest of national defense and that are not included in the foregoing estimate of cost, shall not be reimbursable from power receipts pursuant to section 3 of this act. All minerals and veins or lodes thereof discovered in the course of investigating, constructing, and maintaining the Eklutna project are hereby reserved to the United States and may be sold or otherwise disposed of in such manner as may be prescribed by the Secretary. The waters of Eklutna Lake and its tributaries which are required for the operation of the Eklutna project are hereby reserved for that purpose.

"SEC. 7. Wherever in this act authority is vested in, or functions are to be performed by, the Secretary, such authority may be exercised, and the function performed, through such agencies of the Department of the Interior as he may designate.

"SEC. 8. Nothing in this act shall affect any authority or power of the Federal Power Commission under existing law.

"SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this act, $20,365,400, for the construction of the Eklutna project, and, in addition, such sums as may be necessary to provide for the investigations, studies, and reports authorized by this act."

Amend the title so as to read: "A bill to authorize construction of the Eklutna project, hydroelectric generation plant and transmission facilities in connection therewith, and for other purposes."

Mr. PETERSON (interrupting the reading of the amendment). Mr. Chairman, in view of the fact that the amendment has already been explained, I ask unanimous consent that the further reading of the amendment be dispensed with, that it be considered as read and inserted in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PETERSON. Mr. Chairman, I have explained the amendment in my original statement. It embodies all of the committee amendments into one amendment. The purpose of the amendment is to reduce certain amounts. It cuts out the amount for recreation. It provides for the amortization and interest requirements and provides that the charges shall be reasonable. It also provides priority of use of facilities for the necessary Federal and public purposes. The amendment has been put in this form for the sake of convenience. The amendment was agreed to by unanimous vote of the committee.

I hope the amendment will be agreed to unanimously.

The CHAIRMAN. Does the gentleman from Michigan [Mr. CRAWFORD] desire to be heard on the amendment?

Mr. CRAWFORD. No, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. PETERSON].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SIKES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 940) to authorize public improvements in Alaska, and for other purposes, pursuant to House Resolution 279, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

### GENERAL LEAVE TO EXTEND REMARKS

Mr. PETERSON asked and was given permission for all Members to have five legislative days within which to extend their remarks on the bill just passed.

### EXTENSION OF REMARKS

Mr. DONOHUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include two editorials.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. CRAWFORD] is recognized for 5 minutes.

### EDUCATIONAL REQUIREMENTS

Mr. CRAWFORD. Mr. Speaker, I wish to call the attention of the House to one of the most significant addresses yet made on the vital issue of academic requirements for the professions and the dangers inherent in the current practice of undue emphasis on the liberal arts as a prelude to the study of such subjects as engineering business management, and other careers. The address was made by Mr. John T. Kennedy at the recent commencement exercises of Benjamin Franklin University, Washington, D. C., of which he is president. Unfortunately, the address, which brings into the

open an issue that is important to the welfare and development of this country, has not been given the currency to which it is entitled and it is for this reason that I bring it here for discussion and comment.

The professional educators have run hog wild on the subject of academic degrees, freezing out of the professions hundreds of thousands of young men and women who are thus denied their right to social and economic advancement. Aside from the personal hardships worked on the individuals, this trend has blocked our national progress in most of the professions.

Mr. Kennedy points out the shocking fact that as a result of the unreasonable scholastic background required to enter our medical schools we have today one-third less physicians for every hundred thousand people than we had 50 years ago.

The educators, apparently aided and abetted by the Office of Education, which is a branch of the Federal Security Administration, have our students in an academic strait-jacket. We Americans boast of freedom of opportunity on the one hand while on the other we effectively deny the right to a majority of students to enter the professions.

The bold and startling fact is that most of the professions today are out of the reach of nine-tenths of our students.

We have made a fetish out of scholastic degrees, endowing the sheepskin with magic powers reserved for a minority. As a result of this infantile and idolatrous attitude we go a step further and believe that a business administration course taken at Yale or Harvard is far more excellent than the same course offered at a midwestern fresh-water university. Some officials in Government actually believe this nonsense with the result that in promotions the Yale or Harvard graduate is given preference in the selection for higher-salaried jobs.

As Mr. Kennedy points out in his address, this passion for the liberal arts degrees is spreading to industry and it may not be long before management requires a bachelor of arts from its clerks and foremen. There is no argument with the person who wants to concentrate and excel in the field of liberal arts. They are inspiring and stimulating courses but it must be borne in mind that the liberal arts course is not an end in itself nor will it equip the student for the everyday struggles of life. It is only when the professional educators begin requiring these courses for such professions and law and accountancy and even medicine that there arises the basis for argument. It is then that such courses become a hurdle on the road to the student's progress and, I think, it becomes the duty of this House, so far as it is in our power to remove these hurdles.

Not only are we demanding liberal arts courses for students entering medicine and law and other professions where the bachelor of arts degree of itself is worthless, but we have gradually adopted a phony system of accrediting our professional schools. While the Office of Education does not accredit our universities it does by implication give its blessing to certain schools while, by omission, it blackballs other schools that are equally as well qualified. The Office of Education does this by issuing lists of schools which have been accredited by various self-appointed accrediting agencies.

It is most unfortunate that the Office of Education does not follow the lead of the Association of American Universities and drop the subject of accreditation altogether. That would be the honest and fair thing to do and I shall have more to say on this subject at a later date.

Dr. Henry M. Wriston, president of Brown University and president of the Association of American Universities, had this to say recently on the subject of accreditation:

> Educational aims are getting more and more diverse. We have liberal arts and vocational schools; one is no more legitimate than the other—it is just different. If we are going to diversify in education as much as the President's report in higher education suggests, any approved list is liable to bring about a rigid pattern.

Following is Mr. Kennedy's very able address and I am sure that most Members of this House will agree with the point of view it expresses:

COMMENCEMENT ADDRESS OF JOHN T. KENNEDY, PRESIDENT OF BENJAMIN FRANKLIN UNIVERSITY, WASHINGTON, D. C.

During the past year a number of our leading corporations, notably General Electric, have been urging business executives to educate our people to the advantages of free enterprise. Others, such as General Motors, are sponsoring radio commentators who are undertaking such a program.

Tonight I wish to discuss the necessity of freedom of opportunity to free enterprise. Among the things which I urge be done is the restoration of more freedom of opportunity in certain of our professions, which freedom has been seriously impaired during recent years. So far as the interests of our people are concerned freedom of opportunity is the most potent weapon we have against communism. So far as your immediate interests are concerned the same methods whereby this freedom has been curtailed in other callings are now proposed for certified public accountancy and, indirectly, for executive accountancy.

The Communists cannot convincingly deny that freedom of opportunity is responsible for our higher standards of living. This is evident from two facts. First—it is the principal particular in which we differ from a number of nations which have not advanced. There are other sections of the world, notably Siberia, which have material resources comparable with ours. What these other regions did not have was freedom of opportunity. The second fact is that nearly all of our great leaders who built up our industries were born in humble circumstances. Only because of this freedom did we benefit from the genius and the talents of these leaders. Those benefits have taken the form of providing us with more of the luxuries and comforts of life than any other nation.

A recent magazine article recognizes the importance of this freedom to the cause of free enterprise. That article outlined the careers of a number of our industrial leaders who were so poor during their youth that they could not afford the costs of a college education. I ask you to remember this fact in connection with the one claim which the Communists can make which I deem the most dangerous.

This claim is that during recent years our professions have been adopting unnecessary requirements which can be met, ordinarily, only by the well-to-do and which are beyond the means of 75 percent of our people. Indeed some of these requirements are so costly that not even the liberal allowances of the GI bill are sufficient to meet them. Moreover that bill now covers only a fraction of our youth.

Up until about World War I it was possible for a young man in the District to prepare for any major profession by spare-time study. During that period all of our District schools conferred professional degrees for professional training alone. No longer is it possible for a spare-time student here to prepare for medicine, pharmacy, dentistry, and a number of other professions. This is mainly due to the fact that those professions now require several years of study of liberal arts subjects which have no bearing upon the competency of a candidate to practice a profession.

The latest profession to adopt this requirement in the District is law. This happened just before the last war. Under this requirement the spare-time student of law must spend seven or more years in most intensive study about half of which is devoted to nonprofessional subjects. Since then one spare-time school has given up its law course. A second spare-time law school has given up indirectly by merging with a larger university. Two other spare-time law schools have such depleted enrollments that there is doubt whether they will survive after the GI enrollments cease.

Years ago when this movement was just beginning Dr. Russell H. Conwell expressed concern over its possible consequences. Dr. Conwell had founded Temple University primarily for spare-time students and he prophesied that these highly restricted requirements would mean the end of most professional opportunities for spare-time students. The history of this requirement in our professions has justified this fear. For the immediate effect is to cut down the number of spare-time students by about two-thirds and the ultimate effect, in most instances, is to eliminate the spare-time student altogether.

Yet it is proposed that this requirement shall be adopted for certified public accountancy.

Nor are the crusaders for this requirement satisfied with restricting opportunity in our professions. Some of them would also have our larger corporations adopt such a requirement for every worth while position.

Respecting these larger business organizations freedom of opportunity may be our only hope of averting socialization. Eric Johnston ascribes the spread of communism in Europe to certain restrictive competitive practices of large business organizations. Likewise Senator O'MAHONEY warns against these restrictive practices here in America. Fundamentally there is no difference between restricting opportunity in business competition, or in professional competition, or respecting advancement within a business organization. Obviously we should attack communism on all three of these fronts—fairer competition in business, freer opportunity in our professions, and meritorious advancement in our business organizations. Respecting the latter we should foster, within our large organizations, those individual hopes and individual incentives which characterize the pursuit of independent businesses. Manifestly such individualism is one answer to communism. For this reason it is fortunate that this movement to restrict opportunity in our business corporations has not yet made decided headway. By and large business managements are more concerned with specific results than with academic theory.

Specific results show that this requirement is not necessary for our professions and most business positions. Outstanding leaders in these fields did not meet this requirement. These include leading doctors, Presidents of

the United States, Justices of the United States Supreme Court, judges of other courts throughout the Nation, and leaders of the bar in various States. Moreover, most of the great business leaders of our Nation did not go to college. Insofar as certified public accountancy is concerned it has been estimated that 80 percent or four-fifths of our certified public accountants did not attend liberal arts colleges. This does not mean that they lack a cultural education for the good reason that an American high-school education is the equivalent of two or more years of college outside of America. To this I might add that your accountancy course consists of subjects prescribed by Plato for a liberal arts education which are not ordinarily taught in a liberal arts college.

Every impartial person agrees that those who have an aptitude for classical learning and who can afford to go to college should do so. From this it does not follow that those who cannot afford to do so should be kept out of all of our professions and out of all of our higher vocations. Such zeal for the liberal arts violates the Christian ideal of human brotherhood and is contrary to the American ideal that opportunity is a gift of God and not of man.

Our medical profession is a striking example of how denial of opportunity leads to socialization. Last fall our newspapers reported that 9 out of every 10 applicants for admission to the 4 medical schools in the District were not accepted. Presumably most of them had met the preliminary requirements. What happened here was repeated in other sections of the country. As a consequence tens of thousands of our youth, consisting mostly of veterans, were denied a chance to prepare for the medical profession.

These restrictions began with the requirement to which I have referred. Because of them there are now about one-third fewer doctors for each 100,000 of our population than there were as far back as 1900. Medical costs to our people have gone up abnormally. Beyond any reasonable doubt millions of our people cannot afford the cost of adequate medical treatments. Indeed there are some places in which adequate medical services are not available because of the scarcity of doctors.

To relieve this situation socialized medicine is now proposed. Thus our doctors are faced with the threat of losing freedom of opportunity to practice their profession independently. To be sure they may succeed in staving this off for a time and I hope they shall. But if British experience is any criterion there is strong doubt whether they can retain freedom of opportunity for themselves and deny fair freedom of opportunity for our youth.

Our professional men should heed the advice of two wise Americans. Benjamin Franklin said: "Serve self by denying self." In like vein William Allen White declared: "To have liberty we must give liberty."

Recent events in Great Britain clearly show how denial of opportunity leads to socialization. There they have an upper class system which has constantly denied opportunities to the masses of the people. For years those masses believed that their welfare depended upon the prosperity of those upper classes. As the result of two world wars, in which industry was of such vital importance, those masses learned how dependent the upper classes were upon them. Then the smoldering discontent of years of denial of opportunity burst into flames with the consequence that public utilities, banks, large industries, and certain professions have been socialized.

Those who believe that we can stop socialistic trends in our country by mere argument, instead of by more freedom of opportunity, may learn another lesson from British experience. Despite the fact that the British people love Winston Churchill, and despite the fact that he is one of the most powerful political orators of our day, his arguments against socialism have been futile.

If our professional men and our business leaders are not alive to the importance of freedom of opportunity to free enterprise the Communists are. Back in the twenties the Communist Party was not making much headway here in America. So an agent was sent from Moscow to investigate. The New York representative of the party said to that agent: "We are not making much progress among Americans because every mother's son of them thinks he has a chance to be President."

What that Communist meant was that at that time most Americans believed they had a chance to rise to a higher station in life than the one in which they were born. Likewise at that time most Americans believed that if they missed out on that chance their children would have a like opportunity. Can we hope to preserve that spirit if profession after profession is put beyond the reach of 75 percent of our people?

In magazine articles some professional men have assumed that it is entirely proper to use professional requirements to reduce the numbers admitted to a profession. Some writers have gone so far as to suggest that the number admitted to law be arbitrarily limited. Surely those writers must know that, in effect, our Declaration of Independence proclaims that freedom of opportunity is a God-given right of which no man can be deprived without violating the will of the Almighty. They should be familiar with decisions, a number of which have been collected by Dean Richardson, which hold that this right is supported by constitutional guarantees. To be sure, this right is subject to regulation in specified instances but these are clearly defined.

According to these decisions the only justification for professional restrictions of any kind is the protection of the public respecting safety, health, physical property, and the general welfare. There are cases in which courts have refused to sanction restrictions for certain callings because those callings did not meet these conditions.

From a constitutional viewpoint, professional restrictions are not justified for the purpose of creating professional monopolies or protecting members of a profession from the free competition of free enterprise.

Those of you who go beyond the letter of the law to the spirit of our institutions will recognize that this principle applies just as much to business executives and executive accountants as it does to public accountants and professional men. Every appointment which is based upon pull or favoritism is a denial of somebody's freedom of opportunity. Likewise every appointment based upon merit is a fulfillment of someone's freedom of opportunity. The very freedom of opprtunity which enables us to become employers or professional men carries with it the moral duty to respect the rights of others to like opportunities. So long as we are human it is not to be expected that this ideal will be carried to the point of absolute perfection. What we may reasonably hope is that it be not flagrantly ignored. If our professions continue to circumvent this constitutional right, and to deny opportunity to tens of thousands of our youth every year, they will be abetting those socialistic trends which may end all our freedoms.

By all means do as General Electric suggests. Tell the people about the advantages of free enterprise. But I urge you not to stop there. Those of you who enter certified public accountancy may do your part to promote the principle that every competent accountant of good character should have a fair chance to be certified. Those of you who enter executive accountancy may induce your organizations to make advancement depend primarily upon merit. Likewise those of you who join societies of public and executive accountants may urge them to support those schools which are struggling to preserve opportunities for the spare-time student. By doing these things you will foster that freedom of opportunity which is indispensable to free enterprise.

(Mr. CRAWFORD asked and was given permission to revise and extend his remarks and include therein an address by Dr. John T. Kennedy, president, Benjamin Franklin University, Washington, D. C.)

## EXTENSION OF REMARKS

Mrs. HARDEN asked and was given permission to extend her remarks in the RECORD and include therein an address by the gentlewoman from Ohio [Mrs. BOLTON] entitled "Women in American Politics."

## SPECIAL ORDER

The SPEAKER. Under the previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 20 minutes.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include therein certain extraneous matter.)

## S. 1008 CAUSED STATEMENTS TO BE MADE IN DISCUSSION THAT SHOULD BE CLEARED UP

Mr. PATMAN. Mr. Speaker, there are two matters which would be clarified before the discussion on S. 1008 is concluded. The first subject concerns criticism of the fact that, as chairman of the Small Business Committee, I scheduled hearings at which opponents to S. 1008 could make themselves heard. The second subject concerns threats of reprisals by Members of Congress against witnesses from the FTC who appeared under subpenas to testify at those hearings.

In House Resolution 22, creating the House Select Committee on Small Business, passed by Congress February 2, 1949, appear these words:

> The committee is authorized and directed to conduct a study and investigation of the problems of small business, existing, arising, or that may arise, with particular reference to * * * whether agencies, departments of the Government, or Government-owned or controlled corporations are properly, adequately, or equitably serving the needs of small business.

In carrying out the purpose stated above, the committee is also authorized by the language of that resolution "to hold such hearings, to require the attendance of such witnesses, to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee."

When representatives of small business organizations having thousands of members throughout the country came to me and asked for an opportunity to go on record as opposing S. 1008, their protests represented to me a distinct small business problem of a type which the Small Business Committee was specifically designated to study and investigate. I have been severely criticized for performing what I recognized as a duty in letting the small business side of the question be heard.

Proponents of S. 1008 also disputed my statements to the effect that no public

hearings were held on that bill. To complete the record on that point, here is a summary of the history of S. 1008, after Senator O'MAHONEY substituted a completely new text on the Senate floor:

May 31: Introduced on Senate floor by Senator O'MAHONEY.

June 1: Passed by voice vote of Senate as introduced by Senator O'MAHONEY and amended by Senator KEFAUVER.

June 6: Referred to House Committee on the Judiciary.

June 8: Executive hearing by Subcommittee No. 1 of House Judiciary Committee, with two witnesses: Senator O'MAHONEY and Herbert A. Bergson, Assistant Attorney General in charge of Antitrust Division.

June 14: Executive hearings before full Judiciary Committee, with Representatives PATMAN, EVINS, CORBETT, and VELDE.

June 21: Reported with amendments by House Judiciary Committee.

Two facts are obvious: Only two mornings of executive hearings were held on S. 1008, and no printed copies of those hearings were available for the use of the Members of this Congress. But of even more importance, no public hearings were held at which the representatives of the small-business segment of our economy could testify as to the effects of Senator O'MAHONEY'S bill on their business operations.

It has always been an American tradition to let every man have his say on any question. That right of free speech and that opportunity of being heard must be protected by this Congress and by its committees. S. 1008 contained far-reaching changes in our antitrust laws, and the effect of each word of its text should have been amply and carefully discussed in open public hearings. If the pressure of particular interest groups is going to force this Congress to rush legislation through without adequate and proper consideration, then I fear that we are heading down a treacherous path which ended in disaster for Germany, Italy, and Spain. Each year monopolies grow stronger, and many corporations are now richer in assets than many of our State governments. If the weight of their power is beginning to be felt in this Congress to the extent that a bill such as S. 1008 can be pushed through with no public hearings, then the Members should be aware of the fact that 10 years from now we may look back on this period as the beginning of serious changes in our democratic way of Government.

The following remarks have been made on the House floor concerning the two Federal Trade Commission officials who under subpena to the House Small Business Committee gave their personal opinions on the effects of S. 1008:

> They had no right to make those statements in opposition before the committee presided over by the gentleman from Texas * * *. Frankly, the Federal Trade Commission should discipline these otherwise worthy employees of the Commission. I ask who is boss down at the Commission.

It is hard to believe that statement could have been made by a Member of the House of Representatives of the United States of America. Under section 192 of title 2 of the United States Code, every person who has been summoned as a witness under a subpena to a congressional committee and refuses to answer any pertinent questions "shall be deemed guilty of a misdemeanor, punishable by a fine of not more than $1,000 nor less than $100 and imprisonment in a common jail for not less than 1 month nor more than 12 months." By law then, the two Federal Trade Commission officials were required to answer truthfully when they were subpenaed to testify on the effects of S. 1008. And both gentlemen made it very clear that their statements reflected only their personal views.

Mr. Walter B. Wooden, senior associate general counsel, Federal Trade Commission, who appeared under subpena, made this statement at the beginning of his testimony before the committee on June 30, 1949:

> I make this statement in my individual capacity as a citizen.

And again he said:

> This statement is an expression of my individual personal views for which no one else has any responsibility. They carry no authority other than that of their intrinsic weight and involve no attempt to express or interpret the present views of the Federal Trade Commission.

Mr. Wooden was summoned to appear because for some 40 years he has investigated and analyzed price-fixing systems and practices. I felt that, in addition to the small-business groups which requested an opportunity to be heard, the Members of the Congress should have the benefit of opinions of an eminently qualified expert like Mr. Wooden.

The other Federal Trade Commission official who testified under subpena to the committee was Mr. Everette MacIntyre, Chief, Division of Antimonopoly Trials, Federal Trade Commission. He made the following statements as part of his testimony:

> I am appearing here under subpena of the committee. Of course, it should be understood that the testimony I give on those subjects in response to your subpena reflect my knowledge and views of the problem. It should not be taken as necessarily reflecting the view and opinion presently held by the Federal Trade Commission.

Mr. Lowell Mason, Chairman, Federal Trade Commission, was quoted by the Journal of Commerce, July 11, 1949, as having this to say on the same subject:

> Mr. MacIntyre appeared as an individual, not as an FTC spokesman. He was not authorized to express FTC views. Nor did he do so, in my opinion. He only appeared before the Patman committee because he was subpenaed and had no alternative. The Commission had no knowledge of what he would say. And if he represented that he was speaking for the FTC, then he would be subject to disciplinary action. But I don't think he did.

Mr. MacIntyre is another witness whose experience and background, in my opinion, gave great value to his personal opinion concerning the effects of S. 1008.

When the pressure from big business has subsided, I am sure that the Members will agree that much more extensive hearings should have been held on a subject as complex as that covered by S. 1008. Many small business witnesses who requested an opportunity to express their opposition were left unheard by the sudden passage of the bill. We can only hope that the precipitate action by the Congress is an isolated instance and will not be repeated when big business is again hurt by a court decision and desires nullifying legislation.

On Monday Hon. Tom Clark, Attorney General of the United States, appeared before the subcommittee of the House Committee on the Judiciary on the study of monopoly power. Mr. Clark's speech is very interesting; in fact, I wish to commend him for presenting very difficult problems in a very clear and understanding way. I hope the committee having under consideration the constructive study of our antitrust laws will soon make recommendations. I know of a number of recommendations that I believe the committee can make that will help our antitrust laws and will help independent business generally, about which there would be little dispute. One thing in Mr. Clark's statement to which I wish especially to call your attention is that part in which he stated that through the first 50 years of the antitrust laws, in other words, up until 1940, 479 antitrust actions were instituted by the Government. In the last 10 years, from 1940 to date, 508 cases have been filed. In other words, more antitrust actions have been brought in the last 10 years than were brought in the entire preceding 50 years.

Mr. Clark does not say so, but during that time he was either head of the Antitrust Division of the Department of Justice or he was Attorney General of the United States; in other words, during the time that Mr. Clark has had charge of the enforcement of our antitrust laws, 508 cases have been filed, which are more than all the cases filed preceding that time under the antitrust laws. Now, I will read further the statement Mr. Clark made; I think it is rather interesting:

> Even during the so-called trust-busting days of Theodore Roosevelt, a period which until about 10 years ago had reached the high-water mark of antitrust law enforcement, there were only six lawyers assigned to the enforcement of this law. At the present time the Antitrust Division has almost 300 lawyers. We have received generous support from Congress and this support is reflected in the results.
>
> That antitrust enforcement is in direct proportion to the money allocated for it has been demonstrated by the record of the Antitrust Division during the past 2 years. During fiscal year 1948 we filed 34 antitrust cases. For the fiscal year 1949 we received an increase in our appropriation of approximately $1,000,000 and were thus able to file 57 antitrust cases, many of which are among the most important cases ever prosecuted under the antitrust laws.

I commend this statement to you for very careful reading. It discloses some very helpful and interesting information. Mr. Clark made suggestions here that I think should receive the careful consideration of the committee that he appeared before, and also the consideration of all the Members of Congress:

STATEMENT OF ATTORNEY GENERAL TOM C. CLARK BEFORE THE COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES SUBCOMMITTEE FOR THE STUDY OF MONOPOLY POWER

> I greatly appreciate the opportunity you have afforded me to discuss with you today a problem that is of transcendent importance

to the people of our country. That problem, the problem of monopoly power, is one that affects each and every citizen. The fundamental issue is whether the economy of this country is to remain free and competitive or whether it is to be subjected to private regimentation through monopoly control.

We have prospered and developed into the great Nation we are today through our free competitive enterprise system. President Truman in his Economic Report to the Congress last January emphasized this thought when he said:

"The resourcefulness of American business, the skill of our labor force, and the productivity of our agriculture have lifted our standards of living beyond any prewar expectation. We have achieved these blessings through the happy combination of our free institutions, our system of private enterprise upon which we primarily rely for economic results, our vigorous Government, and the mutual respect and trust that we all hold for one another."

As Attorney General and as a former Assistant Attorney General in charge of the Antiturst Division, I have become increasingly aware of the necessity for the antitrust laws and their vigorous enforcement as a bulwark of our system of free enterprise and as a safeguard for our fundamental freedoms.

Our great American society rests upon the idea of limited power. This philosophy is best expressed in our Constitution, the principal source of our cherished freedom. These moral concepts and this ideology of limited power apply to industry and every other segment of American society. Liberty is endangered when either economic or political power is concentrated in the hands of the few.

Most people in this country agree that they want free economic enterprise, full employment and equal economic opportunity. Unfortunately, many pay only lip service to the principle. If we believe in economic freedom, we must do what is absolutely necessary to make possible—that is, preserve, restore, and continually create competition.

I understand that it is the purpose of your committee to determine whether existing laws are adequate to achieve this objective and to recommend legislation to eliminate any inadequacies which may be found to exist. This is a worthy undertaking and I would like to congratulate this committee and wish it every success. I offer my complete cooperation and assistance in aiding your committee in the course of its important study.

Your study of monopoly power might well begin with a consideration of the economic concentration resulting from a war-time economy. Among the casualties of the war were thousands and thousands of small and independent manufacturing plants. The total number began declining precipitously immediately after Pearl Harbor, according to a study made by the Department of Commerce. Despite increased production during the war, approximately 17 business firms out of every 100 disappeared during those years. Moreover, there was a drift of workers from the small to the large corporations; 95 percent of the manufacturing firms lost 23 percent of their workers whereas 5 percent of the manufacturing firms gained 22 percent.

The exigencies of war production played into the hands of the big corporations. In 1941 less than one-half of 1 percent of our manufacturing firms had 75 percent of all defense contracts.

These are only a few examples to emphasize the seriousness of this trend toward economic concentration.

President Truman called attention to the situation in a message to Congress on January 6, 1947, in these words:

"During the war, this long-standing tendency toward economic concentration was accelerated. As a consequence, we now find that to a greater extent than ever before, whole industries are dominated by one or a few large organizations which can restrict production in the interest of higher profits and thus reduce employment and purchasing power."

Although the generally accepted meaning of monopoly may be bigness, monopoly power, within the meaning of the antitrust laws, is the ability to impose unreasonable restraints on competition. Bigness in itself may not be unlawful. Bigness to be unlawful must include the power to determine prices without substantial regard to those pressures which normally affect price in a competitive market; artificially to allocate and limit production; to divide markets and fields of production; and to exclude competitors. "The material consideration in determining whether a monopoly exists" according to the Supreme Court "is not that prices are raised and that competition actually is excluded but that power exists to raise prices or to exclude competition when it is desired to do so."

Today monopoly power in this Nation seldom shows up in the form of one huge corporation dominating an entire industry. Instead, it is to be found in those industries controlled by a few large companies—the big threes or the big fours—following policies and practices which avoid any real competition among themselves and which at the same time enable them to maintain their dominant positions.

In those industries dominated by three or four companies, monopoly power may be exerted in many ways. The managers of those companies can operate largely on principles of monopoly secure in the knowledge that within reasonable limits the others will do likewise. If one company makes a price cut or increase, the others follow. If a company manager catches himself thinking about increasing production in a way that might threaten the comfortable and carefully nurtured price structure of the industry, that thought is followed by the more persuasive thought the others might retaliate.

In an industry in which monopoly power exists, those possessing that power can control prices by regulating production. When the price level in the industry produces satisfactory profits, there is no incentive to increase production. In a falling market, profits may be maintained by cutting production and employment rather than prices. In either situation, the American people—and the vast majority of American businessmen—suffer.

In such an industry smaller producers may exist only by sufferance of those possessing monopoly power. Their position in the industry is fixed and growing pains are quickly deadened by fear of antagonizing the big three or the big four. Any attempt by a smaller producer to cut the established price may be dealt with summarily. Sources of raw materials may be closed to him and purchasers forced to boycott him. In many instances, new producers dare not take the risk of entering the industry. For as the late President Franklin D. Roosevelt said, "Men will compete against men but not against giants."

On the other hand, in an industry in which there is no monopoly power, a manager who sees a profitable opportunity to expand production is not concerned about the effect of his prices on the price structure of the industry. Being unable to prop a falling price or to enhance a rising price by cutting production, he is ever watchful for an opportunity to reduce costs, expand production, and seek new markets. As a result, new techniques of production are evolved and the public benefits by more, better, and less expensive products.

I need not tell you that small business is the backbone of our economic democracy. It is usually the small-business man who is willing to take a chance, who dares to try something new, and thereby provides us with the development and advances which have characterized this country.

But, important as these material contributions of small business are, they are completely overshadowed by the significance of the small-business man as an essential element to our democratic way of life. We all have in us the inherent desire to avoid big government. We do not always recognize, however, that the main barrier against such controls are the economic influences that arise out of a well-balanced, healthy, competitive system..

The antitrust laws are an economic force designed to enhance the social welfare. Judge Learned Hand aptly expressed this concept when he said in the opinion in the Aluminum case "[in passing the Sherman Act], Congress * * * was not necessarily actuated by economic motives alone. It is possible, because of its indirect social or moral effect, to prefer a system of small producers, each dependent for his success upon his own skill and character, to one in which the great mass of those engaged must accept the direction of a few."

It is crucially important that the small-business man, who operates under our economic laws, maintain a dominant position in our economy and not knuckle under monopolies, who by manipulation control the economic laws instead of being controlled by such laws.

By the same degree in which the world has grown smaller in a military and political sense, so has it grown smaller in a business sense. Monopolistic tendencies are no longer confined to the boundaries of any one nation. And just as they thwart the progress of the common man in one country, so will they thwart his progress throughout the world.

The deadening influence of economic concentration is not new to our generation. Nation after nation throughout civilized history has reached its peak of glory only to fall again under the weight of its economic concentration. It was called by many names, but the condition was always the same—too much power in the hands of too few people.

Now the United States has risen to the pinnacle of its might and glory. It has attained this position through the sweat and toil of its citizens. Its people have supplied not only the ceaseless toil but the inspired leadership as well. Whenever the necessities required the emergence of a great leader, one has been supplied from the ranks—and often the lowest ranks—of our democracy. If we have demonstrated any single fact to the point of universal acceptance, we have demonstrated that there is nothing sacrosanct about inherited leadership. It is inconceivable that any system other than the democratic system could have given us a Jefferson or a Jackson or an Abraham Lincoln. We develop leaders only because we are a strong Nation and a free people. We must remain that way. The American system of free enterprise has been the backbone of our strength.

There is too much recent and tragic world history not to impress upon us the dangers in failing to meet the monopoly problem. In Italy, in Germany, in Japan the same disastrous cycle of events transpired. The forces of monopoly became so entangled in their own web of greed that they were forced to turn to a Mussolini, and a Hitler, and a Tojo to extricate them.

Surely history would record this as our blindest hour if we failed to learn those lessons which have been shown to us in the blood and suffering of all the world.

We, as a nation, need not fear strength from without so long as we avoid weakness from within. Internal decay is our greatest foe. That was the hope of the fifth columns,

it is again the hope of the proletarian dictatorship. We are expected to succumb suddenly to our own capitalistic system and we cannot afford to close our eyes to the dangerous symptoms now apparent. Weakness from within is the real economic cancer which attacks and destroys great nations. As President Truman said in his inaugural address, "If we are to be successful * * * we must keep ourselves strong."

We have witnessed this spectacle in other countries and we must be alert to the possibility of the pattern forming within our own gate. The first symptom is unhealthy economic concentration which if allowed to progress, furnishes a fertile field for Communist doctrine.

A most effective way to fight communism is by removing the injustices upon which communism feeds.

Revolution cannot be manufactured alone by a politburo in Moscow. Revolution springs from an ever-present sense of economic and social injustice—an absence of hope and of faith.

When these conditions of unrest are present, the philosophy of the alternative makes little difference. Infectious insecurity will find expression in whatever demagogic doctrine is handiest—be it communism or something else.

The answer to these threats is not found in denying the existence of injustices nor by denouncing those who offer an alternative. A peoples' aspirations toward justice, freedom, and opportunity cannot be curbed in this way. The answer—and the only effective answer—is to assure justice, freedom, and opportunity to all. This the American system guarantees. Our strength still rests largely in the fact that our Government is established for the benefit of all the people. We believe in human dignity. Monopoly handcuffs the individual and enchains democracy. It is a tool of totalitarianism.

We must have vision—hindsight combined with foresight.

Some people saw the inevitable approach of World War II, and as we read certain books today and see there the clear warning they gave us we cannot refrain from wondering at the world's blindness. We also have similar warnings concerning our domestic situation.

The members of the National Temporary Economic Committee, in making their final report in March 1941, said: "It is quite conceivable that the democracies might attain a military victory over the aggressors only to find themselves under the domination of economic authority far more concentrated and influential than that which existed prior to the war."

And again that Committee warned us that there was "no hope of preventing the increase of evils directly attributable to monopoly * * * unless our efforts are redoubled to cope with the gigantic aggressions of capital which have become so dominant in our economic life." Surely no warning could be more clear. And we must heed this warning if we are to survive.

The people of this country have a right to expect that a sincere and vigorous effort will be made to reverse the trend toward concentration of economic power. Americans must have free and unrestricted economic opportunity.

Unless that can be done, our way of life is in grave and increasing danger. Just 20 years ago we stood by helplessly and watched what your illustrious former chairman, Hatton Sumners of Texas called "These voluntary guides who professed to know the way," as they led us into the most disastrous depression the world has ever known. It was serious then. We shall not permit a repetition now for that might be calamitous.

The strength of the world today depends to a major extent on the strength of the United States.

And the strength of the United States depends on the maintenance of a vigorous economy, free from the domination either of private greed or political dictatorship, but resting firmly on equality of opportunity in a competitive market.

This committee in the course of its study will undoubtedly inquire into the history and causes of economic concentration in the United States, and the extent and effects of that concentration. We should also know if the same forces which are supporting monopolistic trends in the United States are the supporters of the cartels of Europe. Monopolies and cartels don't just happen. They are carefully conceived and nourished by those who would substitute private control for competition.

A question you also will probably ask is—Are the antitrust laws effective; have they succeeded? A most significant fact, which in part answers this question, is that your committee is examining our economic practices within the framework of competitive principles. To my mind that is a clear demonstration that the Sherman Act has succeeded and is succeeding.

This success I am sure exceeds the expectations of those who enacted these laws. Certainly it is beyond the expectation of those critics who continually point to areas where competition is sluggish. Year after year they have made doleful predictions that our competitive system was riding to destruction. They are being made today. Nevertheless, I repeat, here we are, 60 years after the antitrust laws were passed, reexamining a system which is still fundamentally competitive. To my mind that spells out success, not failure.

The success of the antitrust laws is all the more significant when it is realized that, by comparison to the last 10 years, the first 50 years of their operation was largely a matter of sporadic and limited enforcement. There have, of course, always been in this country and in the Government individuals and groups who strongly urged more effective administration of the antitrust laws. I need not point out to you the direct relationship between effective enforcement of a law and adequate personnel and budget for its enforcement.

Even during the so-called trust-busting days of Theodore Roosevelt, a period which until about 10 years ago had reached the high-water mark of antitrust law enforcement, there were only 6 lawyers assigned to the enforcement of this law. At the present time the Antitrust Division has almost 300 lawyers. We have received generous support from Congress and this support is reflected in the results.

That antitrust enforcement is in direct proportion to the money allocated for it has been demonstrated by the record of the Antitrust Division during the past 2 years. During fiscal year 1948 we filed 34 antitrust cases. For the fiscal year 1949 we received an increase in our appropriation of approximately one million dollars and were thus able to file 57 antitrust cases, many of which are among the most important cases ever prosecuted under the antitrust laws.

Through the first 50 years of the antitrust laws, in other words, up until 1940, 479 antitrust actions were instituted by the Government. In the last 10 years from 1940 to date 508 cases have been filed. In other words, more antitrust actions have been brought in the last 10 years than were brought in the entire preceding 50 years.

You will be interested to know that our attention has been especially directed at the huge concentrations of economic power that threaten the economic democracy of this country. The heart of our antimonopoly program is the protection of the businessman and the consumer through the dispersion of monopoly power where it already exists, and the dissipation of restraints of trade that lead to that monopoly power.

The restraints of trade—price fixing, patent and trade-mark abuses, cartels—are being attacked by seeking court injunctions which assure the end of such restraints, or by invoking the criminal penalties authorized by the Sherman Act.

When monopoly power actually is present and competition cannot be restored by less drastic methods, that power must be dissipated and rendered impotent. This can be accomplished only by the application of the remedies of divestiture, dissolution, or divorcement.

These remedies do not have as their aim the destruction of an industry. On the contrary, their aim is to restore active and vigorous competition to an industry that has become, in effect, under such centralized control as to have substantially eliminated any real competition. In seeking to split up monopoly power, it is the policy of the Antitrust Division to have each of the parts remain a strong, independent enterprise, capable of competing and of holding its own in the struggle for business.

We are proceeding actively with our actions to break up the aluminum monopoly; open up the channels of trade in the shoe-machinery industry, and break up the combines and integrations found in the movie industry. During 1949 we have brought action to compel the divorcement of American Telephone & Telegraph and its manufacturing subsidiary, Western Electric, which manufactures over 90 percent of all telephones, telephone apparatus and equipment sold in the United States. The suit further calls for the break-up of Western Electric itself into three competing concerns. Another pending case is the investment banking case in which we are seeking to eliminate a variety of restraints which have stifled competition in that field. We have also instituted an action against the 4 major meat packers, in which we seek to restore competition to the industry by dividing these defendants into 14 separate and competing companies. Only 10 days ago we filed what we consider one of the most important cases in the history of the Sherman Act when we instituted action to bring to an end the integration between three of the giants in their respective fields, namely, du Pont, General Motors, and United States Rubber Co. I could name many other examples in which we are currently attacking the monopolistic concentrations that threaten this country.

These are big cases. They will take time to try. It will cost money to try them. But they are of tremendous importance and significance to the welfare of this country. The issue in each is whether the economy of the United States shall come under the control of the few or whether it shall remain under the control of the many, operating democratically through the laws of competition.

The number of cases filed does not tell the whole story. During the fiscal year which ended on June 30, the Antitrust Division won 41 cases in the courts. Among these were the case against the Standard Oil Co. of California in which the Supreme Court held to be illegal exclusive-dealing contracts which the company had with some 6,000 independent filling-station operators; the criminal case in which the court of appeals held that A & P had abused its monopoly power; and the General Electric case in which a district court held that company, together with two others, had a monopoly of the incandescent-lamp business in the United States.

I do not want to suggest that the effectiveness of the antitrust laws is to be found solely in the cases prosecuted, any more than the effectiveness of a law against burglary is to be determined by the number of burglars who are apprehended and jailed. Like an

iceberg, the antitrust laws are seven-eighths under water. For every case in which an individual violates the law and is punished for it, there are hundreds of cases in which individuals who might otherwise engage in certain practices refrain from doing so because they are against the law. There are many others who amend their practices to conform to the law as it is developed through our cases. There is no way, of course, of evaluating the benefit to our economy from this aspect of antitrust law enforcement. We are ever vigilant to keep the channels of trade open so that every citizen may have the opportunity to enter the business of his choice without being subjected to an economic blackjack.

As a believer in democracy, I am greatly concerned by these current trends toward concentration and the increasing threats of monopoly. I am taken aback by the equanimity with which too many persons view these serious threats. It may be that they do not realize the seriousness of the situation. If that is so, this committee can perform a great service by letting the country know that it is, indeed, serious. Or it may be that the great majority of the people, including many in public life, are the victims of three assumptions—assumptions which, I am afraid, are as commonly held as they are erroneous. First, it is too often assumed that competition continues to thrive as long as there are at least two or three or four in the field. As I have indicated, in my opinion, this is not so. Secondly, it is assumed that the bigger the producer the better the quality of goods and the cheaper the price to the public. Thirdly, it is assumed that companies become big because they deserve to be big; in other words, that they outdistance their competitors because they do a better job, render greater service or furnish better goods. It may be that in some instances these assumptions are correct. Personally, I doubt if this is often true. In any event, this committee will have made a great contribution to the understanding of our economy if it can examine these matters and let the country know the truth.

It would be premature for me, at the outset of your investigation, to discuss in detail the suggestions that I might have or others might make, for legislation to implement the antitrust laws. Later on, you may desire to have the Department of Justice go into this phase of your investigation.

I wish to emphasize again the great service that your committee can render to this country by examining thoroughly the operation of the antitrust laws with particular reference to how they may be further strengthened. I shall follow your investigation with the greatest interest. I know the American people are equally concerned. The long-run welfare of this country will be very much in your hands during the next several weeks. I am being neither flattering nor overoptimistic when I say that I believe these difficult problems are in safe hands and that the responsibilities which your committee shoulder—and they are, I am sure you will agree, great responsibilities—will be discharged well.

### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HARRISON (at the request of Mr. ABBITT), for Wednesday, July 13, on account of official business.

To Mr. KEOGH, for Thursday and Friday, July 14 and 15, on account of official business.

To Mr. RIEHLMAN, for Thursday and Friday, July 14 and 15, on account of official business.

To Mr. HALLECK (at the request of Mr. MARTIN of Massachusetts), indefinitely, on account of illness in his family.

### SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1803. An act to authorize the attendance of the United States Marine Band at the Twenty-third Annual Convention of the Reserve Officers Association of the United States, to be held in Grand Rapids, Mich., July 27 through July 30, 1949; to the Committee on Armed Services.

### BILLS AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on July 12, 1949, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 578. An act for the relief of Carlton C. Grant and others;

H. R. 599. An act for the relief of Victor R. Browning & Co., Inc.;

H. R. 623. An act for the relief of Sadako Takagi;

H. R. 2737. An act to establish the Medal for Humane Action for award to persons serving in or with the armed forces of the United States participating in the current military effort to supply necessities of life to the people of Berlin, Germany; and

H. R. 3127. An act to authorize the admission into the United States of Jacob Gross, a minor.

H. J. Res. 287. Joint resolution extending section 1302 (a) of the Social Security Act, as amended, until June 30, 1950.

### ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 11 minutes p. m.) the House adjourned until tomorrow, Thursday, July 14, 1949, at 12 o'clock noon.

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### EXECUTIVE COMMUNICATIONS, ETC.

767. Under clause 2 of rule XXIV, a letter from the Secretary of Aigrculture, transmitting a draft of a proposed bill entitled "To stabilize farm income and farm prices of agricultural commodities at a fair level, and to provide an adequate, balanced, and orderly flow of agricultural commodities in interstate and foreign commerce," was taken from the Speaker's table, referred to the Committee on Agriculture, and ordered to be printed.

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### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MANSFIELD: Committee on Foreign Affairs. H. R. 5535. A bill to amend the Philippine Rehabilitation Act of 1946; without amendment (Rept. No. 1028). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Georgia: Committee on Post Office and Civil Service. H. R. 5168. A bill to clarify the laws relating to the compensation of postmasters at fourth-class post offices which have been advanced because of unusual conditions; without amendment (Rept. No. 1029). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEE: Committee on Foreign Affairs. H R. 5602. A bill to strengthen and encourage the democratic forces in China by authorizing the Secretary of State to provide for the relief of Chinese students in the United States; without amendment (Rept. No. 1039). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 282. Resolution for the consideration of H. R. 5208. A bill to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes; without amendment (Rept. 1040). Referred to the House Calendar.

Mr. WILLIAMS: Committee on Post Office and Civil Service. S. 1459. An act to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended; without amendment (Rept. No. 1041). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. S. 1323. An act to declare that the United States holds certain lands in trust for the Pueblo Indians and the Canoncita Navajo group in New Mexico, and for other purposes; with an amendment (Rept. No. 1042). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURDOCK: Committee on Public Lands. H. R. 5113. A bill to authorize the Secretary of the Interior to complete construction of the irrigation facilities and to contract with the water users on the Buffalo Rapids project, Montana, increasing the reimbursable construction cost obligation, and for other purposes; without amendment (Rept. No. 1043). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 5207. A bill to amend section 50 of the Organic Act of Puerto Rico; with an amendment (Rept. No. 1044). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 5365. A bill to provide for the transfer of the vessel *Black Mallard* to the State of Louisiana for the use and benefit of the department of wildlife and fisheries of such State; without amendment (Rept. No. 1045). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 5232. A bill to amend the Road Act of May 26, 1928 (45 Stat. 750), authorizing appropriations for roads on Indian reservations; without amendment (Rept. No. 1046). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 5372. A bill to authorize the negotiation, approval, and ratification of separate settlement contracts with the Sioux Indians of Cheyenne River Reservation in South Dakota and of Standing Rock Reservation in South Dakota and North Dakota for Indian lands and rights acquired by the United States for the Oahe Dam and Reservoir, Missouri River development, and for other related purposes; with an amendment (Rept. No. 1047). Referred to the Committee of the Whole House on the State of the Union.

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### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRIS: Committee on Public Lands. S. 1330. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.; without amendment (Rept. No. 1030). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 897. An act for the relief of William

Henry Tickner; without amendment (Rept. No. 1031). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1405. An act to provide for the admission to, and the permanent residence in, the United States of Poon Lim; without amendment (Rept. No. 1032). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 1033. A bill for the relief of Mrs. Ethel Barrington MacDonald; without amendment (Rept. No. 1033). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 2928. A bill for the relief of Dr. Leon L. Konchegul; without amendment (Rept. No. 1034). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3413. A bill for the relief of Alfred Baumgarts; without amendment (Rept. No. 1035). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 3837. A bill for the relief of Annie Balaz; with an amendment (Rept. No. 1036). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 5155. A bill for the relief of Francesca Lucareni, a minor; without amendment (Rept. No. 1037). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 5160. A bill for the relief of Mrs. Giustina Schiano Lomoriello; without amendment (Rept. No. 1038). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GORE:

H. R. 5617. A bill to authorize the Secretary of Agriculture to stabilize prices of agricultural commodities; to amend section 22 of the Agricultural Adjustment Act, reenacted by the Agricultural Marketing Agreement Act of 1937; and for other purposes; to the Committee on Agriculture.

By Mr. ANDREWS:

H. R. 5618. A bill to provide for the construction of post-office buildings in local communities where the residents purchase bonds in an amount sufficient to finance the construction cost, and for other purposes; to the Committee on Ways and Means.

By Mr. EVINS:

H. R. 5619. A bill to increase compensation for World War I presumptive service-connected cases, provide minimum ratings for service-connected arrested tuberculosis, increase certain disability and death compensation rates, liberalize requirement for dependency allowances, and redefine the terms "line of duty" and "willful misconduct"; to the Committee on Veterans' Affairs.

By Mr. FERNANDEZ:

H. R. 5620. A bill permitting the use for public purposes of certain land in Hot Spring, N. Mex.; to the Committee on Public Lands.

By Mr. FORAND:

H. R. 5621. A bill to increase individual income taxes above the first surtax bracket, to increase estate and gift taxes, to reduce or repeal certain taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. LYNCH:

H. R. 5622. A bill to amend section 1606 of the Internal Revenue Code and grant permission to States to cover under State unemployment-compensation laws persons operating vessels under general agency agreements with the United State Maritime Commission and employees of such operators; to the Committee on Ways and Means.

By Mr. SMITH of Wisconsin:

H. R. 5623. A bill to provide that Federal judges shall not be compelled to appear as character witnesses, or to appear as witnesses where the testimony could be obtained from other sources; to the Committee on the Judiciary.

By Mr. TALLE:

H. R. 5624. A bill to amend section 60 (a) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. CHIPERFIELD:

H. R. 5625. A bill to authorize and request the President to undertake to mobilize at some convenient place in the United States an adequate number of the world's outstanding experts, and coordinate and utilize their services in a supreme endeavor to discover means of curing and preventing cancer; to the Committee on Foreign Affairs.

By Mr. WHEELER:

H. R. 5626. A bill to clarify provisions of existing law relative to vocational training of veterans under Public Law 346, Seventy-eighth Congress; to the Committee on Veterans' Affairs.

By Mr. BARRETT of Pennsylvania:

H. R. 5627. A bill declaring May 1 of each year a legal holiday; to the Committee on the Judiciary.

By Mr. FOGARTY:

H. R. 5628. A bill to direct the Federal Works Administrator to convey certain land to the State of Rhode Island; to the Committee on Public Works.

By Mr. GRANT:

H. R. 5629. A bill to amend an act entitled "An act for the protection of the bald eagle," approved June 8, 1940; to the Committee on Merchant Marine and Fisheries.

By Mr. McDONOUGH:

H. R. 5630. A bill to provide for the return to the State of California of certain original documents and maps, known as the Spanish-Mexican land-grant papers, deposited in the National Archives; to the Committee on Post Office and Civil Service.

By Mr. SPENCE:

H. R. 5631. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. SHORT:

H. R. 5632. A bill to reorganize fiscal management in the National Military Establishment to promote economy and efficiency, and for other purposes; to the Committee on Armed Services.

By Mr. REED of New York:

H. R. 5633. A bill to grant authority to the Commissioner of Internal Revenue to eliminate the oath requirement on certain internal revenue tax returns; to the Committee on Ways and Means.

By Mr. DAWSON:

H. J. Res. 297. Joint resolution authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949; to the Committee on Foreign Affairs.

## MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California relative to regulation of speedboats on Lake Tahoe; to the Committee on Merchant Marine and Fisheries.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 5634. A bill for the relief of Anton (Antun) Karlo Marco Kocelj; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 5635. A bill for the relief of Calcagni & Belkin, Inc.; to the Committee on the Judiciary.

By Mr. KING:

H. R. 5636. A bill for the relief of Mrs. Blanche Mathews; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 5637. A bill to confer jurisdiction upon the Court of Claims to determine and render judgment for compensation to Franklin Hugh Ellison; to the Committee on the Judicary.

By Mr. PETERSON:

H. R. 5638. A bill to provide equitable relief to Bruce B. Blackburn, doing business as Lake View Dairy Farm, supplying dairy products to the Army and Veterans' Administration; to the Committee on the Judiciary.

By Mr. WITHROW:

H. R. 5639. A bill for the relief of Ivan E. Townsend; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1293. By Mr. NORBLAD: Petition of Mr. and Mrs. John Sharp, of Lafayette, Oreg., and 13 other citizens of Yamhill County, Oreg., urging passage of a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1294. Also, petition of Cornelia May Fletcher, of Lafayette, Oreg., and 13 other citizens of Yamhill County, Oreg., urging passage of a bill to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1295. By Mr. RICH: Petition of Eighth District Pennsylvania Dental Society in opposition to legislation which would enact a system of compulsory health insurance in the United States; to the Committee on Interstate and Foreign Commerce.

1296. By the SPEAKER: Petition of Outdoor Writers Association of America, Baltimore, Md., relative to highly commending the Hoover Commission Task Force on Natural Resources for its report; to the Committee on Expenditures in the Executive Departments.

1297. Also, petition of the American Legion, Department of Alabama, Montgomery, Ala., relative to extending the rights and privileges of veterans of World War II under title V of the Servicemen's Readjustment Act of 1944; to the Committee on Veterans' Affairs.

1298. Also, petition of National Aeronautic Association, Washington, D. C., relative to the relation of air power to national security; to the Committee on Armed Services.

1299. Also, petition of Order of the Sons of Italy in America, Philadelphia, Pa., requesting that the United States representatives in the United Nations be instructed to take the initiative in the admission of Italy in the United Nations; to the Committee on Foreign Affairs.

1300. Also, petition of the National Conference of Jewish Social Welfare, New York, N. Y., relative to stating its support to the President's civil-rights program; to the Committee on Education and Labor.

1301. Also, petition of Meda Mason and others, Aberdeen, S. Dak., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

# SENATE

THURSDAY, JULY 14, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Most merciful and gracious God, whose all-pervading presence is our shield in the stillness of the night, and our strength in the struggles of each new day, grant that we may yield ourselves gladly and unreservedly to the guidance of Thy spirit, assured that Thou art too wise to err and that where Thou dost guide, Thou wilt also provide.

We pray that we may be impervious to all despondent and cynical tempers of mind as we face the difficult task of leading groping and struggling mankind out of darkness and confusion into the glorious light and liberty of the sons of God.

Reveal unto us the wisdom of accepting the Master's overtures of counsel and companionship as we seek to carry on hopefully and heroically. May we be loyal partners with men everywhere who are striving to bring to fulfillment and fruition humanity's longing for peace.

In Christ's name we pray. Amen.

## THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 13, 1949, was dispensed with.

## MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 13, 1949, the President had approved and signed the following acts:

S. 113. An act for the relief of Helen Louise Oles;

S. 230. An act for the relief of Mrs. Sonia Kaye Johnston;

S. 322. An act for the relief of Mrs. Gertrude H. Westaway, legal guardian of Bobby Niles Johnson, a minor;

S. 980. An act for the relief of Toshie Okutomi;

S. 1167. An act for the relief of the estate of Marion Miller; and

S. 1296. An act for the relief of Murphy & Wischmeyer.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 276) to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 940. An act to authorize construction of the Eklutna project, hydroelectric generating plant, and transmission facilities in connection therewith, and for other purposes; and

H. R. 2960. An act to amend the Rural Electrification Act to provide for rural telephones, and for other purposes.

## CALL OF THE ROLL

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hickenlooper | Magnuson |
| Anderson | Hill | Martin |
| Baldwin | Hoey | Maybank |
| Brewster | Holland | Morse |
| Bricker | Humphrey | Mundt |
| Bridges | Hunt | Murray |
| Butler | Ives | Neely |
| Cain | Jenner | Pepper |
| Capehart | Johnson, Colo. | Robertson |
| Chapman | Johnson, Tex. | Saltonstall |
| Chavez | Johnston, S. C. | Schoeppel |
| Connally | Kefauver | Smith, Maine |
| Donnell | Kem | Smith, N. J. |
| Downey | Kerr | Sparkman |
| Dulles | Kilgore | Stennis |
| Eastland | Knowland | Taft |
| Ecton | Langer | Taylor |
| Ferguson | Lodge | Thomas, Utah |
| Flanders | Long | Thye |
| Fulbright | Lucas | Tobey |
| George | McCarran | Vandenberg |
| Gillette | McCarthy | Watkins |
| Graham | McClellan | Wherry |
| Green | McFarland | Wiley |
| Gurney | McGrath | Williams |
| Hayden | McKellar | Withers |
| Hendrickson | McMahon | Young |

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senator from Idaho [Mr. MILLER], the Senator from Pennsylvania [Mr. MYERS], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business in meetings of committees of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly meeting at Rome, Italy.

The Senator from Delaware [Mr. FREAR] is absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Nevada [Mr. MALONE] and the Senator from Colorado [Mr. MILLIKIN] are detained on official business.

The Senator from Oregon [Mr. CORDON] and the Senator from Kansas [Mr. REED] are detained because of attendance at a meeting of the Committee on Appropriations.

The VICE PRESIDENT. A quorum is present.

## TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions, submit petitions and memorials, and incorporate matters in the RECORD and the Appendix of the RECORD, as though we were in the morning hour, and without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

### STABILIZATION OF FARM INCOME AND FARM PRICES

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to stabilize farm income and farm prices of agricultural commodities at a fair level, and to provide an adequate, balanced, and orderly flow of agricultural commodities in interstate and foreign commerce (with an accompanying paper); to the Committee on Agriculture and Forestry.

### PROPOSED TRANSFER BY NAVY DEPARTMENT OF NAVAL CRASH BOAT TO SCHMIDT-HOEGER POST 3149, VETERANS OF FOREIGN WARS, CARLSTADT, N. J.

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Schmidt-Hoeger Post, 3149, Veterans of Foreign Wars of the United States, of Carlstadt, N. J., had requested the Navy Department to transfer a naval crash boat for use by that organization in training boys in seamanship and related subjects; to the Committee on Armed Services.

### REPORT OF CONTRACTS NEGOTIATED UNDER ARMED SERVICES PROCUREMENT ACT OF 1947

A letter from the Acting Executive Secretary of the National Advisory Committee for Aeronautics, of Washington, D. C., transmitting, pursuant to law, a report covering the contracts negotiated by that committee for the period January 1 to June 30, 1949 (with an accompanying report); to the Committee on Armed Services.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of California; to the Committee on Interstate and Foreign Commerce:

"Assembly Joint Resolution 46

"Joint resolution relative to memorializing the President and Congress of the United States in relation to regulation of speedboats on Lake Tahoe

"Whereas Lake Tahoe is a navigable body of water under the jurisdiction of the United States Coast Guard; and

"Whereas the United States Coast Guard has not patroled Lake Tahoe because of the lack of men, equipment, and authorization from Washington; and

"Whereas in recent months at Lake Tahoe there have been many instances of reckless and wanton operation of speedboats which have endangered the lives of swimmers and boaters; and

"Whereas the latest victim of a speedboat, 13-year-old Imogene Wittsche of Roseville, Calif., had both of her legs severed by a speedboat: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California (jointly)*, That the Legislature of the State of California hereby respectfully requests the President and the Congress of the United States to take such steps as may be necessary to provide the necessary men, equipment and authorization to the Coast Guard to enable it to adequately patrol Lake Tahoe; and be it further

"*Resolved*, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to Commander A. E. Harned of the United States Coast Guard."

A resolution of the House of Representatives of the State of California; to the Committee on Armed Services:

"House Resolution 303

"Resolution relative to the package sale of alcoholic beverages on military and naval reservations

"Whereas alcoholic beverages are sold and dispensed in military and naval reservations in this State, distilled spirits being sold and dispensed in officers' clubs in such reservations; and

"Whereas the volume of sales of alcoholic beverages in packages at certain military and naval reservations in this State is reported as not confined to military personnel and that a considerable proportion of such volume of sales is indirectly made for the use of civilians rather than for use by members of the military personnel; and

"Whereas the diversion in such military reservation of such alcoholic beverage sales to civilian use results in loss of sales and excise tax to the State of California and further adversely affects the efforts of this State in the regulation and control of the sale of alcoholic beverages through licensed sales outlets of this State in the manner deemed best suited to the welfare of this State and the people of this State; and

"Whereas this problem of both State tax loss and State welfare can more readily be solved by Federal legislation with respect to practices on military and naval reservations rather than by the enactment of legislation by this State: Now, therefore, be it

*"Resolved by the Assembly of the State of California,* That the responsible officers of the armed military and naval forces of the United States are urged to take such action as may be necessary to prevent civilians from indirectly and improperly obtaining alcoholic beverages sold in packages on military or naval reservations for the use of personnel of the armed forces; and be it further

*"Resolved,* That the Congress of the United States is respectfully urged to consider and enact such legislation as may be necessary to prevent the sale in packages of alcoholic beverages to other than military personnel on any Army, Navy, or Air Force reservation or base; and be it further

*"Resolved,* That the chief clerk of the assembly is directed to send copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives of the United States, to the Senators and Representatives from California in the Congress of the United States, and to the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of Air."

A resolution adopted by the National Aeronautic Association, in convention at Akron, Ohio, relating to the maintenance of air power for national security; to the Committee on Armed Services.

A resolution adopted by the Outdoor Writers Association of America, in convention assembled at North Bay, Ontario, commending the Hoover Commission Task Force on Natural Resources for its report; to the Committee on Expenditures in the Executive Departments.

A resolution adopted by the Grand Lodge of Pennsylvania, Order Sons of Italy in America, in convention assembled at Wilkes-Barre, Pa., favoring the enactment of House bill 238, providing for the appointment of a commission for the study of the economic and social conditions of Italy; to the Committee on Foreign Relations.

A resolution adopted by the American Legion, Department of Alabama, in convention at Mobile, Ala., favoring the enactment of legislation to extend the rights and privileges of veterans of World War II under title V of the Servicemen's Readjustment Act of 1944; to the Committee on Labor and Public Welfare.

Resolutions adopted by the District of Columbia Dental Hygienists Association, of Washington, D. C., and the Livingston County (Ky.) Medical Society, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A telegram in the nature of a petition from the Executive Committee of the American Coalition, of Washington, D. C., signed by John B. Trevor, president, and sundry other members, favoring the postponement of action on the North Atlantic Treaty until the next session of Congress; ordered to lie on the table.

## FULL EMPLOYMENT

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution which was adopted by the International Union, United Automobile, Aircraft, and Agricultural Implement Workers of America, at their Twelfth Annual Convention held at the Milwaukee auditorium, Milwaukee, Wis., on July 10, 1949, relating to full employment.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

RESOLUTION NO. 2—FULL EMPLOYMENT

Whereas 3 years of unbridled profiteering have brought our economy to the edge of disaster. Consumers are priced out of the market. Plants are shutting down. Millions of workers are laid off. Other millions work short hours. Take-home pay is slashed. Farm prices are knocked down. Wartime savings are used up. More and more families must borrow in order to buy. These are the proofs of a business recession which is driving us to lower and lower levels and gathers momentum as it goes.

The number of the unemployed has increased from 1,600,000 last October to 5,000,000 at present, an increase of more than 200 percent. Instead of reducing prices, industries are shutting down plants and cutting products. Industrial output has been reduced 17 percent since last October.

Farm prices have fallen 18 percent and wholesale food prices 16 percent, but wholesale prices of industrial productions have been cut less than 6 percent.

Prices which consumers pay have gone down only 3 percent since last September, and are 27 percent higher than when price control was killed in June 1946. The greater part of this 3-percent decline results from the sharp drop in farm prices.

Unemployment already is costing the Nation more than $20,000,000,000 a year in lost wages and in goods and services that are not being produced. By the end of this year, if we permit the slump to continue, we will be throwing away $40,000,000,000 of potential production a year.

These plant closings and lay-offs are the fruits of profiteering which we predicted. Again and again during the war we said that we must plan for permanent prosperity and full employment in peacetime. Again and again since the war our union demanded that wages be raised and prices be held in check so that the American people might be able to buy the full output of full employment. Again and again we charged that profiteering policies of big business robbed workers of every wage increase and robbed consumers of their purchasing power. We charged that these policies were heading the country hell-bent for depression. We demanded that Congress control profiteers. We demanded that Congress act to break the basic bottlenecks of monopoly so that production might be increased and prices reduced.

Big business and Congress rejected our demands and ignored our warnings. Our proposals were not adopted, but our prophecies have come true. Inflation has given birth to recession. The recession, unless stopped in its tracks, will end up in total economic collapse. It is not too late to act. We can reverse the trend and return to full employment if we act now. Again we demand that Congress act, because we know that little business cannot, and big business will not, act.

The leaders of big business who brought this upon us are satisfied with what they have done. They see nothing to worry about. They look upon the unemployment of five or six million as a "healthy readjusment." They prefer to do nothing about it—to let nature take its course, even though unemployment rises to seven or eight or ten million. They like to see workers lined up at the hiring gate. They are willing to see their small-business competitors liquidated. They want farm prices to fall far and fast, while they make only token reductions in their own prices. They attempt to justify their past refusal to expand production by the fact that the high prices which they charge have forced their customers to curtail buying even below the level of the restricted supply.

Recession will not injure big business, but may strengthen it. It hopes that another slump in business will once more eliminate many small competitors, and will weaken the position of workers and farmers, leaving the Nation's economy more solidly under big business control than ever before. The fact is that big business welcomes this shakeout and is prepared for it.

Three years of postwar profiteering on top of 5 years of fat war profits have filled corporation coffers to overflowing. So great were the profits which they extracted from the pockets of workers and consumers, they have been able to pay higher taxes than ever before in war or peace, have paid out record-breaking dividends to their stockholders, and yet over and above these deductions have been able to accumulate for their own purposes a total of $21,000,000,000 of undistributed profits during the war years and 33 billion undistributed profits since the war—a grand total of $54,000,000,000 of wealth retained by corporation managements to use as they see fit.

Net working capital of corporations amounted to $25,000,000,000 in 1941 and now adds up to $65,000,0000,000. Banks and insurance companies have many additional billions of cash and quick assets salted away. This is the war chest which profiteering has placed in the hands of our monopoly corporations. This is the fat they proposed to live on while they sit on the sidelines doing nothing as the recession puts the American people through the economic wringer.

Our industrial statesmen proposed that the Government do nothing to check the rising tide of unemployment. On the contrary, they demand that the Government intensify the crisis by cutting expenditures. While asking lower taxes for themselves and their wealthy stockholders, they propose that the aids and services of government to the national welfare shall be cut to the bone. At the very time when increased Government spending is imperatively required to help get workers back to work, they call on the Government to spend less. They propose, in effect, to fight fire by burning down the fire department.

The demand for reduced Government expenditures at this time is based on falsehood and is fraught with disaster. To cut Government spending now will cost billions in lost production and billions in Government revenue. Already the drop in business activity since the last quarter of 1948 has cost the Government, in reduced revenues, more than $4,000,000,000. Untold billions of Government deficits will be incurred if we stand

by and do nothing while more and more plants shut down and more and more workers are laid off. The Government should increase its expenditures in order to stop the waste of lost wages and lost production. This is an economy program. The only source of wealth is production. The only true economy is to produce to the limit of our Nation's capacity to produce.

We assert that the top leadership of American business and finance has proved its reckless disregard for the welfare and safety of the American people. It willfully brought this crisis upon us, and now tells our Government to stand helpless.

In 1929 the American people had to learn the hard way that this type of leadership is not to be trusted. They learned that they themselves, acting through their government, must do what is required to check a recession when it appears and to restore full employment. They made up their minds that depression need not, must not, and will not happen again in the United States.

We can and we must take steps to put an end to unemployment, to restore our factories and farms to full and prosperous production. The time to take these steps is now. The longer we delay, while unemployment creates more unemployment in an ever-widening circle, the more difficult will be the job that has to be done. The policies of big business have paralyzed production. We must look to the Government to put our plants and our manpower back to work.

The welfare of the American people requires that we do this. Our responsibility in the world-wide fight for freedom and democracy demands it. Monopoly's lust for power rides roughshod over the welfare of our people. The vulture of totalitarianism sits on the tree waiting for our democracy to fail. These two—the reactionaries of the right and the reactionaries of the so-called left—find common cause to rejoice as the evidence accumulates that ours, the greatest democracy in the world, knows how to achieve prosperity but cannot keep it, knows how to produce abundantly but turns its workers into the streets.

Even now, within the first few months of the business downturn, the threat of distress at home begins to undermine the strength of our leadership throughout the world. With the curtailment of domestic markets, the doctrine of isolation arises to threaten once again to destroy our international trade through protective tariffs and to lead us once more down the road of economic nationalism which ends in war.

A depression in the United States will lose us the world contest between freedom and totalitarianism.

We look to the working men and women of America to rise to this challenge, to say to their fellow Americans and to all the world that we shall not fail in our responsibilities to ourselves or to them, that we are a free and fearless people who will not allow monopoly to drive us down the road to scarcity, unemployment, depression and eventual war. For we can and we will prove that our political and economic democracy can achieve both freedom and abundance and will show the way for all men everywhere who seek security and who want to be free: Therefore be it

*Resolved*, That this twelfth constitutional convention of the UAW-CIO in July 1949 calls upon the Government to propose and the Congress to authorize immediate steps to check recession and to restore full production and full employment, including specifically the following:

1. Federal funds to supplement and to extend the period of unemployment-compensation benefits.

2. Increase and extension of public assistance benefits to all needy persons in addition to the aged, the blind, and the dependent children now covered.

3. Increase of the minimum wage from 40 cents to $1 an hour and extension of this minimum to 5,000,000 or more workers not now covered.

4. Extension of the period of payment of veterans' readjustment allowances and of veterans' subsistence and scholarship payments to those in school.

5. Immediate enactment of the Federal-aid-to-education bill.

6. Reduction of excise taxes to prewar levels and increase of personal exemptions and deductions for dependents in the income tax.

7. Enactment of a farm price support program which, while maintaining floors under farm prices, will also uphold the income of farmers by stimulating increased consumption of farm products through lower retail prices of foods.

8. Immediate appropriations for Federal, State, and local public works, with priority for localities where unemployment conditions are most severe.

9. Authorization of advance buying of manufactured products, defense supplies, and raw materials for stock pile by the Government, with direction to Government procurement offices to allocate purchases to areas and industries whose unemployment conditions are most severe.

10. Authorization of Government loans for new enterprises and for expansion of productive capacity in basic industries in line with future needs of an expanding and fully employed economy.

11. Increased authorization to the Reconstruction Finance Corporation to make loans to small business enterprises to aid their survival through the period of recession.

12. Authorization of public-housing and slum-clearnace programs, with priority for housing construction in areas most affected by unemployment.

13. Government financing of the construction of 600,000 freight cars over the next 3 years to restore the over-aged and inadequate freight-car fleet of American railroads to working condition, and authorization of similar Government projects where the withholding of capital by private enterprise during this period is neglecting basic needs and is engdangering national security; and be it further

*Resolved*, That we must do more than eliminate this recession and get our economy back to high-level operations. We must plan and work now for policies, backed by effective legislation, to keep it there.

Booms and busts are man-made. We can control them. The Employment Act of 1946 pledges the full resources of the Government; working in cooperation with the economic groups of the Nation, to maintain maximum production, employment, and purchasing power.

Government assistance to private enterprise in financing the capital expansion which full employment requires should be authorized in permanent legislation. Government construction and, if necessary, operation of plants should be authorized to meet this basic need. Large programs of public works, river valley developments, public power projects, and soil and forest conservation programs should be blueprinted and engineered in advance, ready for application when and where needed for maintaining the economy and for meeting the Nation's basic needs.

A full-sized adequately-financed program for mass production and distribution of homes will provide an important aid to economic stability, as well as provide to all American families for the first time in our history the decent homes which they and their children need.

We must have public examination and determination of the wage, price, profit, investment and fiscal policies which determine the course of the Nation's economy, but which are now largely determined by big business privately and for its own selfish purposes. Responsible representatives all economic groups must demand the right to confer publicly on these issues and to shape economic policies in terms of the public interest. The economic facts necessary for the formulation of these public policies must be obtained by the Government from the corporations which now keep them secret for their private use only, and made available to these public policy conferences.

We can be confident that, armed with the facts, the representatives of the American people will know how to plan wisely for the Nation's welfare. They will insist that when private enterprise rejects such recommendations for the Nation's welfare the Government must assert its authority to see that the public interest is served. This is the democratic alternative to the reckless rule of our economic lives by monopoly, to the repeated booms and busts to which this rule would condemn us, and to the political crack-up which awaits us unless we establish a genuinely democratic means of maintaining full production, full employment, and a high standard of living for all of our people.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

H. R. 142. A bill excepting certain persons from the requirement of paying fees for certain census data; without amendment (Rept. No. 670);

H. R. 3512. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to authorize the exemption of certain employees of the Library of Congress and of the judicial branch of the Government whose employment is temporary or of uncertain duration; without amendment (Rept. No. 671); and

H. R. 4498. A bill to amend section 6 of the act of April 15, 1938, to expedite the carriage of mail by granting additional authority to the Postmaster General to award contracts for the transportation of mail by aircraft upon star routes; with an amendment (Rept. No. 683).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

S. 805. A bill to amend section 5 of the act approved July 10, 1890, as amended, relating to the admission into the Union of the State of Wyoming, so as to permit the leasing of school lands within such State for mineral purposes for terms in excess of 10 years; without amendment (Rept. No. 674);

S. 939. A bill to remove certain lands from the operation of Public Law 545, Seventy-seventh Congress; without amendment (Rept. No. 662);

S. 1606. A bill to authorize the Secretary of the Interior to determine the validity of titles to lands acquired in the administration of the reclamation laws; without amendment (Rept. No. 684);

H. R. 1892. A bill authorizing the Secretary of the Interior to issue a patent in fee to certain Indian lands in Lake County, Mont.; with an amendment (Rept. No. 666);

H. R. 2678. A bill to amend section 5 of the act approved July 10, 1890, as amended, relating to the admission into the Union of the State of Wyoming, so as to permit the leasing of school lands within such State for mineral purposes for terms in excess of 10 years; without amendment (Rept. No. 674);

H. R. 2853. A bill to authorize the Secretary of the Interior to issue duplicates of William Gerard's script certificates No. 2, subdivisions 11 and 12, to Blanche H. Weedon and Amos L. Harris, as trustees; without amendment (Rept. No. 663);

H. R. 2877. A bill to authorize the addition of certain lands to the Big Bend National

Park, in the State of Texas, and for other purposes; with an amendment (Rept. No. 667);

H. R. 4261. A bill authorizing the Secretary of the Interior to issue to L. J. Hand a patent in fee to certain lands in the State of Mississippi; without amendment (Rept. No. 664);

H. R. 4510. A bill to provide funds for cooperation with the school board of Klamath County, Oreg., for the construction, extension, and improvement of public-school facilities in Klamath County, Oreg., to be available to all Indian and non-Indian children without discrimination; with an amendment (Rept. No. 673); and

H. R. 5034. A bill to authorize the taxation of Indian landholdings in the town of Lodge Grass, Mont., to assist in financing a municipal water supply and sewerage system; without amendment (Rept. No. 665).

By Mr. DOWNEY, from the Committee on Interior and Insular Affairs:

H. R. 5310. A bill to confer jurisdiction on the State of California over the lands and residents of the Agua Caliente Indian Reservation in said State, and for other purposes; with amendments (Rept. No. 669).

By Mr. ECTON, from the Committee on Interior and Insular Affairs:

S. 2042. A bill to authorize the Secretary of the Interior to complete construction of the irrigation facilities and to contract with the water users on the Buffalo Rapids project, Mont., increasing the reimbursable construction cost obligation, and for other purposes; without amendment (Rept. No. 668).

By Mr. GEORGE, from the Committee on Finance:

H. J. Res. 242. Joint resolution extending for 2 years the existing privilege of free importation of gifts from members of the armed forces of the United States on duty abroad; without amendment (Rept. No. 672).

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

S. 868. A bill to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes; without amendment (Rept. No. 675);

S. 2046. A bill to provide authority for certain functions and activities of the National Bureau of Standards, and for other purposes; without amendment (Rept. No. 676);

H. R. 162. A bill to provide basic authority for the performance of certain functions and activities of the Department of Commerce, and for other purposes; with amendments (Rept. No. 678);

H. R. 2572. A bill to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1946; without amendment (Rept. No. 677); and

H. R. 2740. A bill to establish rearing ponds and a fish hatchery at or near Millen, Ga.; with amendments (Rept. No. 679).

By Mr. O'CONOR, from the Committee on Interstate and Foreign Commerce:

H. R. 579. A bill to permit the motor vessel *FLB–5005* to engage in the fisheries; without amendment (Rept. No. 680).

By Mr. McMAHON, from the Committee on Interstate and Foreign Commerce.

H. R. 3511. A bill to declare the waterway (in which is located the Brewery Street Channel) from Brewery Street southeastward to a line running south thirty-three degrees fifty-three minutes thirty-six seconds west from the south side of Chestnut Street at New Haven, Conn., a nonnavigable stream; without amendment (Rept. No. 682).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

H. R. 2634. A bill to provide transportation of passengers and merchandise on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation; without amendment (Rept. No. 681).

## REPORTS OF COMMITTEES ON PERSONNEL AND FUNDS

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following reports were received by the Secretary of the Senate:

JULY 1, 1949.

REPORT OF COMMITTEE ON APPROPRIATIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Everard H. Smith, chief clerk | $10,330.00 | $5,164.98 |
| Cecil H. Tolbert: | | |
| Jan. 1 to Mar. 31 assistant chief clerk | 9,854.13 | 2,463.51 |
| Apr. 1 to June 30, assistant chief clerk | 10,012.13 | 2,503.02 |
| Thomas J. Scott, assistant clerk | 8,827.10 | 4,413.54 |
| Thomas J. Graves, professional staff member | 10,330.00 | 5,164.98 |
| Earl W. Cooper: | | |
| Jan. 1 to Mar. 31, professional staff member | 8,353.09 | 2,088.27 |
| Apr. 1 to June 30, professional staff member | 9,459.12 | 2,364.78 |
| Harold E. Merrick: | | |
| Jan. 1 to Mar. 31, professiona staff member | 8,353.09 | 2,088.27 |
| Apr. 1 to June 30, professional staff member | 8,827.10 | 2,206.77 |
| Francis S. Hewitt, professional staff member | 8,353.09 | 4,176.54 |
| Robert H. Montgomery, professional staff member | 8,353.09 | 4,176.54 |
| Kimball Sanborn, professional staff member | 8,353.09 | 4,176.54 |
| Edmund T. King, professional staff member | 8,353.09 | 4,176.54 |
| Adelbert F. Teague, assistant clerk | 8,116.08 | 4,058.04 |
| Lawrence H. Wendrich, assistant clerk | 6,852.05 | 3,426.00 |
| Herman E. Downey: | | |
| Jan. 1 to Mar. 31, assistant clerk | 7,879.08 | 1,969.77 |
| Apr. 1 to June 30, professional staff member | 8,827.10 | 2,206.77 |
| Mamie L. Mizen: Mar. 5 to June 30, assistant clerk | 6,025.66 | 1,941.57 |
| Richard C. Venne, clerical assistant | 4,204.86 | 2,102.40 |
| Marie Jeneau: Jan. 1 to Jan. 15, clerical assistant | 3,791.04 | 157.96 |
| Bernadine Wassam, clerical assistant | 3,542.74 | 1,771.32 |
| Mary K. Yanick, clerical assistant | 3,542.74 | 1,771.32 |
| Lois C. Joy: Mar. 21 to June 30, clerical assistant | 3,542.74 | 984.06 |

KENNETH MCKELLAR,
*Chairman.*

JULY 1, 1949.

REPORT OF COMMITTEE ON APPROPRIATIONS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report in addition to the statement showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

*Miscellaneous expenses*

| | |
|---|---|
| Unexpended balance of funds authorized by Reorganization Act and S. Res. 130, as of Jan. 1, 1949, plus additional authorizations in S. Res. 201 and 265 | $7,156.56 |
| Amount expended Jan. 1 to June 30, 1949 | 677.00 |
| Balance unexpended as of June 30, 1949 | 6,479.56 |
| *Miscellaneous expenses*—Continued | |
| Unexpended balance of amount authorized by S. Res. 129, June 26, 1947, as of Jan. 1, 1949 | $37,385.63 |
| Amount expended Jan. 1 to June 30, 1949 | 397.90 |
| Balance unexpended as of June 30, 1949 | 36,987.73 |
| Funds authorized by Reorganization Act and S. Res. 126, 81st Cong | 20,000.00 |
| Amount expended Jan. 1 to June 30, 1949 | 6,734.03 |
| Balance unexpended as of June 30, 1949 | 13,265.97 |
| Unexpended balance of funds authorized by Legislative Appropriation Act, 1949 (Public Law 641) | $48,831.54 |
| Amount expended Jan. 1 to June 30, 1949 | |
| Balance unexpended as of June 30, 1949 | 48,831.54 |

KENNETH MCKELLAR,
*Chairman.*

JULY 13, 1949.

REPORT OF COMMITTEE ON BANKING AND CURRENCY

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| A. Lee Parsons,[1] chief clerk | $10,330.00 | $4,734.56 |
| Joseph P. McMurray, staff director | 10,330.00 | 5,164.98 |
| William F. McKenna, counsel | 10,330.00 | 5,164.98 |
| Robert D. L'Heureux, counsel | 10,330.00 | 5,164.98 |
| Thomas H. Daniel,[2] counsel | 10,330.00 | 3,873.73 |
| Raimond Bowles, assistant clerk | 10,330.00 | 5,164.98 |
| Charles T. Andrews,[3] professional staff member | 10,330.00 | 1,291.24 |
| Eunice V. Avery, clerical assistant | 5,611.84 | 2,805.90 |
| Henrietta S. Chase,[4] clerical assistant | 4,122.09 | 1,374.00 |
| Pauline C. Beam, clerical assistant | 3,873.80 | 1,936.86 |
| Caro Pugh, clerical assistant | 3,873.80 | 1,936.86 |
| Edna A. Stewart,[5] clerical assistant | 3,873.80 | 645.62 |

[1] Appointed Jan. 16, 1949.
[2] Appointed Feb. 16, 1949.
[3] Resigned Feb. 15, 1949.
[4] Appointed Mar. 1, 1949.
[5] Resigned Feb. 28, 1949.

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $10,000.00 |
| Amount expended | 4,401.85 |
| Balance unexpended | 5,598.15 |

BURNET R. MAYBANK,
*Chairman.*

JANUARY 13, 1949.

REPORT OF COMMITTEE ON BANKING AND CURRENCY—SUBCOMMITTEE ON SMALL BUSINESS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Charles E. Shaver,[1] assistant counsel | $7,484.07 | $311.83 |
| Carter E. Talman,[1] financial adviser | 7,484.07 | 311.83 |

[1] Appointed June 16, 1949.

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $60,000.00 |
| Amount expended | 623.66 |
| Balance unexpended | 59,376.34 |

BURNET R. MAYBANK,
*Chairman.*

JULY 13, 1949.

SUPPLEMENTAL REPORT OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, professior, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to July 1, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Saides F. Blair, clerical assistant | $3,542.74 | $1,613.87 |

JOSEPH C. O'MAHONEY,
*Chairman.*

JULY 8, 1949.

REPORT OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Edward Cooper, professional staff member | $10,330.00 | $5,165.00 |
| Halford Davis, professional staff member | 10,330.00 | 5,165.00 |
| Harriet Gray, clerical assistant | 3,956.56 | 1,978.28 |
| Edward Jarrett, clerk | 10,330.00 | 5,165.00 |
| Edward R. Jelsma (May 1, 1949), professional staff member | 10,330.00 | 1,721.66 |
| Dorothy Prout, clerical assistant | 3,956.56 | 1,978.28 |
| Vera Rudolph, clerical assistant | 4,949.73 | 2,474.87 |
| Evelyn Rosenkranz (Mar. 16, 1949), clerical assistant | 3,956.56 | 1,164.97 |
| Martha P. Shaffer, clerical assistant | 3,956.56 | 1,978.28 |
| Edward Sweeney (Apr. 7, 1949), professional staff member | 10,330.00 | 2,410.32 |
| Charles W. Tobey, Jr. (resigned Feb. 14, 1949), professional staff member | 7,405.06 | 905.05 |
| Atlee F. Zellers (resigned Feb. 14, 1949), professional staff member | 7,405.06 | 905.05 |
| Richard Lunn (resigned Apr. 30, 1949), professional staff member | 10,330.00 | 2,180.77 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $10,000.00 |
| Amount expended | 1,806.70 |
| Balance unexpended | 8,193.30 |

ED C. JOHNSON,
*Chairman.*

JULY 8, 1949.

REPORT OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE—SUBCOMMITTEE ON TRADE POLICIES (PURSUANT TO S. RES. 241, 80TH CONG.)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to March 15, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Bolles, William P., chief clerk | $5,694.61 | $1,423.65 |
| Browne, Eileen R. (15 days), clerical assistant | 3,459.98 | 144.16 |
| Cook, Cecelia M., clerical assistant | 3,873.80 | 968.43 |
| Gergely, Elizabeth J. (15 days), clerical assistant | 3,459.98 | 144.16 |
| Schattschneider, Frank W., assistant counsel | 6,522.25 | 1,409.84 |
| Simon, William, counsel | 10,012.13 | 2,503.02 |
| Spicer, L. Evelyn, clerical assistant | 4,370.38 | 1,092.57 |
| Van Horne, Willard J., Jr. (31 days), assistant general counsel | 8,669.10 | 637.00 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $50,000.00 |
| Amount expended June 12, 1948, through Dec. 31, 1948 (previously reported) | 26,966.01 |
| Amount expended Jan. 1, 1949, through Mar. 31, 1949 | 9,804.70 |
| Total expended | 36,770.71 |
| Balance unexpended | 13,229.29 |

ED C. JOHNSON,
*Chairman.*

JULY 8, 1949.

REPORT OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE (PURSUANT TO S. RES. 50, APPROVED APRIL 11, 1949)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from April 11, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Cook, Cecelia M., clerical assistant | $3,956.56 | $879.21 |
| Conway, Paul R.,[1] attorney | 7,192.80 | 976.81 |
| Dagney, Louise H., clerical assistant | 3,708.27 | 772.55 |
| Hartman, Douglas W., consultant | 6,025.66 | 502.13 |
| Harrington, Catherine L., clerical assistant | 4,949.73 | 824.94 |
| Hoover, Beatrice, clerical assistant | 3,708.27 | 463.58 |
| McCarthy, Hugh C., attorney | 8,037.08 | 1,004.59 |
| McShane, Edgar R., consultant | 6,025.66 | 301.28 |
| Moore, Elizabeth, clerical assistant | 3,542.74 | 423.15 |
| Stern, Edward A., special assistant | 8,037.08 | 1,339.50 |
| Wolfarth, Charlene D., research assistant | 3,294.45 | 640.57 |
| Van Horne, Willard B., Jr., attorney | 8,037.08 | 1,674.37 |
| Zapple, Nicholas, attorney | 8,037.08 | 1,339.50 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $165,000.00 |
| Amount expended | 11,884.07 |
| Balance unexpended | 153,115.93 |

[1] Detailed from Civil Aeronautics Administration May 16, 1949.

ED C. JOHNSON,
*Chairman.*

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TAYLOR:

S. 2259. A bill for the relief of Adone Lorenzetti; to the Committee on the Judiciary.

By Mr. NEELY:

S. 2260. A bill to authorize the issuance of a special postage stamp in honor of Samuel Gompers; to the Committee on Post Office and Civil Service.

By Mr. HENDRICKSON:

S. 2261. A bill for the relief of Dr. Ali Reza Bassir; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2262. A bill for the relief of Mr. and Mrs. Vladimir Wolf; to the Committee on the Judiciary.

By Mr. LANGER (for himself, Mr. EASTLAND, and Mr. MCCARTHY):

S. 2263. A bill to provide assistance in the rehabilitation of German war orphans; to the Committee on Foreign Relations.

By Mr. O'MAHONEY:

S. 2264. A bill for the relief of Juliana Sosa de Solis; to the Committee on the Judiciary.

By Mr. MCCARRAN:

S. 2265. A bill for the relief of Marina George Papadopoulos; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 2266. A bill to amend section 13 of the Federal Farm Loan Act, as amended; to the Committee on Agriculture and Forestry.

## EXTENSION OF MONROE DOCTRINE TO WESTERN EUROPE

Mr. FLANDERS (for himself and Mr. TAFT) submitted the following resolution (S. Res. 134), which was referred to the Committee on Foreign Relations:

Whereas the vital interests of this country are deeply concerned with the safety of the western European nations from external attack: Therefore be it

*Resolved*, That the Senate urge the President to promulgate such an extension of the Monroe Doctrine to western Europe on such terms and subject to such limitations and definitions as will best meet the present emergency and likewise serve as a continuing support for the objectives of the United Nations.

## HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred, as indicated:

H. R. 940. An act to authorize construction to the Eklutna project, hydroelectric generating plant and transmission facilities in connection therewith, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 2960. An act to amend the Rural Electrification Act to provide for rural telephones, and for other purposes; to the Committee on Agriculture and Forestry.

## EXTENSIONS OF TIME FOR TAX PURPOSES—AMENDMENTS

Mr. MCCARRAN submitted two amendments intended to be proposed by him to the bill (H. R. 3905) to grant certain extensions of time for tax purposes and to facilitate administration, which were ordered to lie on the table and to be printed.

## AMENDMENT OF SECTION 3121 OF THE INTERNAL REVENUE CODE—AMENDMENT

Mr. WILLIAMS submitted an amendment intended to be proposed by him to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, which was ordered to lie on the table and to be printed.

## FOREIGN AID APPROPRIATIONS—AMENDMENT

Mr. THOMAS of Oklahoma submitted an amendment intended to be proposed by him to the bill (H. R. 4830) making

appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed, as follows:

On page 15, line 4, after the word "Treasury", to insert a period and to disagree to the following language in the committee amendment:

": *Provided, however,* That nothing in this section shall be construed to repeal the provisions of section 205 of Public Law 793, Eightieth Congress, with respect to the production and allocation of nitrogenous fertilizer materials for domestic use."

And insert in lieu thereof, the following:

"Section 205 of Public Law 793, Eightieth Congress, and any other laws in conflict herewith, are repealed effective June 30, 1949."

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. THOMAS of Oklahoma. In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

On page 14, after line 15, insert the following:

"SEC. 202. During the fiscal year ending June 30, 1950, the Department of the Army is authorized to operate the Morgantown Ordnance Works at Morgantown, W. Va., the Ohio River Ordnance Works at West Henderson, Ky., and the San Jacinto Ordnance Works at San Jacinto, Tex., for the production of anhydrous ammonia for the manufacture of nitrogenous fertilizer materials or nitrogenous compounds for its use in the occupied countries and for sale for use in the Republic of South Korea. From the proceeds of materials sold there shall be credited to the appropriation for Government and Relief in Occupied Areas an amount equivalent to the cost of production of such materials and any balance to miscellaneous receipts of the Treasury. Section 205 of Public Law 793, Eightieth Congress, and any other laws in conflict herewith, are repealed effective June 30, 1949."

Mr. THOMAS of Oklahoma also submitted an amendment intended to be proposed by him to House bill 4830, making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to see the foregoing notice.)

PRINTING OF SUMMARY OF PROVISIONS OF NATIONAL HOUSING ACT OF 1949 (S. DOC. NO. 99)

Mr. MAYBANK. Mr. President, because of the great interest in the subject and the great number of requests that the Committee on Banking and Currency has received from numerous Members of the Senate and others for an explanation of the National Housing Act of 1949, which I understand the President will sign tomorrow, I request unanimous consent to have printed as a Senate document a summary of the provisions of that bill prepared at my request by the staff of the committee.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESS BY THE PRESIDENT ON HIS FISCAL PROGRAM

[Mr. MURRAY asked and obtained leave to have printed in the RECORD the address by the President of the United States broadcast from the White House, in Washington, D. C., July 13, 1949, which appears in the Appendix.]

ADDRESS BY SENATOR MARTIN TO PENNSYLVANIA NEWSPAPER PUBLISHERS' ASSOCIATION

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by him to the Pennsylvania Newspaper Publishers' Association, in New York City, on April 28, 1949, which appears in the Appendix.]

FLAG DAY ADDRESS BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a Flag Day address delivered by him at a meeting of the Masonic Scottish Rite Consistory, New Castle, Pa., June 14, 1949, which appears in the Appendix.]

THE THREATENED STEEL STRIKE—TELEGRAM BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a telegram sent by him July 14, 1949, to the presidents of the United States Steel, Bethlehem Steel, and Republic Steel Corps., which appears in the Appendix.]

THE THREATENED STEEL STRIKE—STATEMENT BY SENATOR HUMPHREY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a statement prepared by him on the steel strike, which appears in the Apppendix.]

ARE WE FORGETTING INDIA?—STATEMENT BY SENATOR HUMPHREY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a statement prepared by him entitled "Are We Forgetting India?" which appears in the Appendix.]

MAJORITY LEADER LUCAS

[Mr. WITHERS asked and obtained leave to have printed in the RECORD an article concerning the work of Senator LUCAS as majority leader of the Senate, written by John F. Day, of the Washington Bureau of the Louisville Courier-Journal, and published in the July 10, 1949, issue of the Courier-Journal, which appears in the Appendix.]

THE RESPONSIBILITY OF FREE ENTERPRISE IN MID-1949—ADDRESS BY WALTER H. WHEELER, JR.

[Mr. BALDWIN asked and obtained leave to have printed in the RECORD an address entitled "The Responsibility of Free Enterprise in Mid-1949," delivered by Walter H. Wheeler, Jr., chairman of the Industrial Committee of the New England Council, which appears in the Appendix.]

ALIEN COMMUNISTS THROTTLE HAWAII—ARTICLE BY HARRY C. WITHERS

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an article entitled "Alien Communists Throttle Hawaii," written by Harry C. Withers, and published in the Dallas (Tex.) Morning News of July 8, 1949, which appears in the Appendix.]

GOVERNMENT'S ANTITRUST SUIT—LETTER TO STOCKHOLDERS BY MR. GREENEWALT, PRESIDENT, THE DU PONT CO.

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD a letter written by Mr. Crawford H. Greenewalt, president of the du Pont Co., under date of June 11, 1949, to the stockholders, relating to the Government's antitrust suit against the du Pont Co., and others, which appears in the Appendix.]

BASING-POINT LEGISLATION—EDITORIAL FROM THE WASHINGTON POST

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial regarding basing-point legislation from the Washington Post of July 13, 1949, which appears in the Appendix.]

SENATOR O'MAHONEY URGES UNITED STATES STEEL TO COOPERATE WITH PRESIDENT TRUMAN

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD two telegrams, one addressed by him to Mr. Fairless, president of the United States Steel Corp., and the other addressed by him to Mr. Ben Moreell, president of the Jones & Laughlin Steel Co., in regard to the threatened steel strike, which appear in the Appendix.]

REORGANIZATION PLANS NOS. 1 AND 2—NOTICE OF HEARINGS

Mr. McCLELLAN. Mr. President, I wish to announce to the Senate that the Senate Committee on Expenditures in the Executive Departments will hold hearings on Reorganization Plan No. 1, the plan to create a Department of Welfare. The hearings will begin next Thursday, July 21.

On Monday, July 25, the committee will hold hearings on reorganization plan No. 2, the plan to transfer the United States Employment Services to the Department of Labor.

PAYMENT OF CERTAIN CLAIMS

Mr. McCARRAN. Mr. President, I ask the Chair to lay before the Senate the amendment of the House of Representatives to Senate bill 937.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 937) to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States, which was, on page 1, strike out all after line 7 down to and including line 2, on page 2.

Mr. McCARRAN. Mr. President, the bill as originally passed by the Senate provided for the payment of four separate claims of individuals who were nationals of foreign governments. The legislation was introduced at the request of the State Department. The House of Representatives struck one of the items, in the amount of $3,024.38 from the bill as it passed the Senate, but inadvertently failed to amend the bill so as to reduce the total amount thereof by the amount of the item stricken.

I now move that the Senate agree to the House amendment with an amendment as follows:

On page 3, line 1 of the Senate engrossed bill, strike out "$23,384.03" and insert "$20,359.65."

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

STATEMENT BY SENATOR McCLELLAN ON FEDERAL TRADE COMMISSION'S VIEWS RESPECTING HOOVER COMMISSION REPORTS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed

in the RECORD at this point a statement I have had prepared dealing with the Federal Trade Commission's views respecting various reports of the Hoover Commission.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

In a 94-page report to the Senate Committee on Expenditures in the Executive Departments made public today, the Federal Trade Commission expresses its views on the criticisms and recommendations affecting it as they appear in the various reports of the Hoover Commission.

More than half of the report is devoted to detailed explanations of the Federal Trade Commission's activities in relation to allegations made in the Hoover Commission task-force reports. Details are supplied to categorically reply to statements contained in the task-force reports, specifically on the charge that the Commission concerns itself with the handling of petty problems and has veered away from an antitrust policy.

The report, signed by Lowell B. Mason, Acting Chairman of the Federal Trade Commission, contends that the theory upon which this allegation (that false misleading advertising and deceptive practice work is petty) is made appears to be based upon the assumption that false and misleading advertising and other deceptive practice cases may all be grouped together as unimportant or petty matters, and that in handling these the Commission is contributing little toward accomplishing the preliminary congressional objective of insuring widespread effective competition. This assumption ignores the dual role for which the Commission was created, namely, to preserve effective competition and at the same time prevent the excesses of competition which flow from the use of unfair methods.

As regards its antitrust activities, the report continues:

"Contrary to the task-force report that the Commission's activity in this field is limited to an assault upon basing-point pricing systems, the record shows that the issues involved in the Commission's antimonopoly cases since 1936 have covered a wide field including those dealing with illegal price fixing, monopolistic discrimination, use of exclusive dealing and tie-in contracts, blacklisting, boycotting, coercion and acts to intimidate. An overwhelming majority of the Commission's antimonopoly cases have been concerned with price-fixing agreements and monopolistic discriminations. In a few of the many cases involving issues dealing with those particular practices, the use of basing points and other geographic pricing practices have appeared as elements in the monopolistic plan. These cases have been vigorously contested and, therefore, received far more publicity than did the much greater volume of antimonopoly cases in which such elements were not involved."

The report also concentrates its opposition on recommendation No. 13 of the Hoover Commission report on the Department of Agriculture, and on a recommendation of the task force on regulatory commissions, each of which proposes to transfer the Federal Trade Commission's function of administering regulations against false advertising of products.

Recommendation No. 13 of the agriculture report would transfer all regulatory functions relating to food products to the Department of Agriculture, and all regulatory functions relating to a score of other products to a reorganized drug regulation bureau in "the public health agency." (The public health agency would be the proposed United Medical Administration recommended by Hoover Rept. No. 15 on medical activities.)

The task force on regulatory commissions (appendix N to the Hoover Commission report on the same subject) on page 133 recommends transfer of the Federal Trade Commission's functions to the existing Food and Drug Administration in the Federal Security Agency, because of "a conflict in jurisdiction" which now exists between the two agencies and which has created "difficulties" in administration of the function.

The Federal Trade Commission notes that the Hoover task force report on agriculture activities (appendix M to the Hoover Commission report on the same subject), pages 50 through 55, recommends that a regulatory administration be established in the Department of Agriculture, with a Bureau of Food and Drugs administering some 20 laws, including the Wheeler-Lea amendment to section 12 of the Federal Trade Commission Act, relating to false advertising of products.

Commenting upon "the inconsistency of these recommendations," the Federal Trade Commission report states:

"Task force report (appendix N) recommends that 'the area of false and misleading advertising of foods, drugs, and cosmetics' be transferred from the Federal Trade Commission to the Food and Drug Administration, while task force report (appendix M) recommends transfer of jurisdiction over false advertising of food, drugs, devices, and cosmetics, as defined in the Wheeler-Lea amendment, section 12 of the Federal Trade Commission Act, to the Department of Agriculture. The first recommendation presumably would divest the Federal Trade Commission of a part of its jurisdiction under section 5 of the Federal Trade Commission Act, and the second recommendation would transfer only the jurisdiction presently conferred by section 12 of the act.

"The Hoover Commission report on the Department of Agriculture apparently follows the recommendation of the task force in appendix M, except that jurisdiction over food is placed in the Department of Agriculture and jurisdiction over a heterogeneous collection of 'other products,' including drugs, therapeutic devices, cosmetics, and misbranding of manufactured wool products, is placed under a reorganized drug bureau administered by the public health agency.

"The inconsistency of these recommendations in itself points up the lack of profundity in the proposals, and at the very least suggests the need for further thorough and deliberate consideration before any changes are undertaken."

Declaring that the Federal Trade Commission has developed superior techniques to prevent false advertising, has had years of experience in investigating deceptive advertising appearing in all types of media, and that in the hundreds of cases which have been disposed of since enactment of the Food, Drug, and Cosmetic Act and the Wheeler-Lea Act only three conflicts of jurisdiction have arisen, Chairman Mason then points out that the Congress has conclusively demonstrated "its desire that jurisdiction over false advertising generally be retained in the Federal Trade Commission." He comments further on this point as follows:

"The proposal that jurisdiction over false advertising of food, drugs, and cosmetics be transferred from the Federal Trade Commission to the Food and Drug Administration is not a new one. The question was considered by the Senate and the House of Representatives in 1935 in the form of the Copeland bill, successor to the Tugwell bill, which proposed the strengthening and broadening of Government regulation of adulteration, misbranding, and false advertising of food, drugs, and cosmetics. The Senate passed the Copeland bill, which would have transferred jurisdiction over advertising of these commodities to the Food and Drug Administration, then a part of the United States Department of Agriculture. The House of Representatives passed a bill which retained jurisdiction over false advertising of all commodities, including food, drugs, and cosmetics in the Federal Trade Commission. The conferees appointed by the House and Senate failed to reach an agreement, and no legislation on this subject was enacted in that session of Congress.

"In 1938 extensive committee hearings and debate on this subject were held by both the Senate and the House, and a large part of the discussion centered around the question of whether jurisdiction over false advertising of food, drugs, and cosmetics should be transferred to the Food and Drug Administration or should be retained in the Federal Trade Commission. The resulting legislation was embodied in the Wheeler-Lea amendment to the Federal Trade Commission Act approved March 21, 1938, and in the Federal Food, Drug, and Cosmetic Act approved June 25, 1938. The former act broadened and made more effective the jurisdiction of the Federal Trade Commission over false advertising and other unfair or deceptive acts or practices, and the latter act strengthened the authority of the Food and Drug Administration with respect to jurisdiction over adulteration and misbranding of food, drugs, devices, and cosmetics.

"In enacting the Wheeler-Lea amendment and the Federal Food, Drug, and Cosmetic Act, Congress overwhelmingly demonstrated its desire that jurisdiction over false advertising generally, including advertising of foods, drugs, devices, and cosmetics, should be retained in the Federal Trade Commission. Nothing which has transpired since that time indicates that the Congress erred in this decision, and in fact subsequent experience has abundantly shown the wisdom of placing this responsibility in the Federal Trade Commission."

Denying that any major jurisdictional conflict exists between the Federal Trade Commission's function of investigating false advertising of products and the Food and Drug Administration's and the Department of Agriculture's registration and labeling requirements, Chairman MASON declares:

"In December 1946 the Commission publicly announced its policy of cooperating with other Federal agencies to avoid unnecessary overlapping or possible conflict of effort with respect to practices and commodities concerning which other agencies also have functions. Under this policy, through regularly established liaison, account is taken of the labeling requirements of the Food and Drug Administration in any corrective action applied to the advertising of food, drugs, devices, and cosmetics, and account is taken of the registration and labeling requirements of the Department of Agriculture in any corrective action applied to the advertising of insecticides, rodenticides, and fungicides. It is the regular and continuing policy of the Commission not to proceed in cases involving the labeling or branding of commodities, the branding or labeling of which is subject to the specific jurisdiction of another Federal agency, and it has been the regular and continuing practice to refer all such matters to the appropriate Federal agency. The Commission in turn has received for consideration and appropriate action a large number of advertising complaints from these same agencies."

Sharp dissent is made to two recommendations which would transfer administration of the Wool Products Labeling Act of 1939 from the Federal Trade Commission to the Department of Agriculture, or to the proposed United Medical Administration.

In the Commission's interpretation, the Task Force Report on Agriculture Activities (appendix M) would transfer the administration of the act to a proposed Bureau of Food and Drugs in Agriculture, whereas

recommendation No. 13 in the Hoover Commission's report on the Department of Agriculture would transfer the act to the proposed United Medical Administration.

Stating that neither of the Hoover reports contains any factual basis for the recommendations for transferring the administration of the Wool Products Labeling Act, the Trade Commission continues:

"In view of the nature of the regulatory functions contained in the Wool Products Labeling Act and the absence of their relationship to either foods or drugs, it is believed that its inclusion among the named 20-odd regulatory statutes relating to food and drugs was through misunderstanding as to the purpose and scope of the act. Each of the other regulatory acts with which it is grouped deals primarily either with food or drugs. The Wool Products Labeling Act deals neither directly nor indirectly with food, drugs, or basic agricultural commodities. It is concerned with the labeling of manufactured products, such as textile fabrics, finished garments, and the like, which contain or purport to contain woolen fiber. It in no way regulates the grading, standardizing, or marketing of the basic agricultural commodity, raw wool, and, of course, is in no way related to food products. Hence, the regulatory functions of such act could not be satisfactorily combined or coordinated with the regulatory services of any of the bureaus within the proposed organization of Regulatory Administration under the Department of Agriculture. Likewise, it has no relationship whatever to drugs or to a reorganized Drug Bureau as contemplated in the Hoover Commission recommendation.

"The Wool Products Labeling Act is a supplement to the general provisions of the Federal Trade Commission Act designed to strengthen the authority to prevent unfair methods of competition and unfair or receptive acts and practices in commerce in connection with the sale of manufactured textile products. One of the chief problems which confronted the Federal Trade Commission prior to the enactment of this legislation was the unrevealed presence of synthetic or manmade fibers or the use of other mixtures in textile products which permitted them to be passed off as being made in whole or in part of wool. The problem of unfair competitive practices could only be met partially under the general provisions of the Federal Trade Commission Act. Therefore, to protect honest business and the purchasing public, this specific legislative requirement was provided in the form of the Wool Products Labeling Act.

"The statute is closely integrated with the Federal Trade Commission Act, and a violation thereof is declared to be an unfair method of competition and unfair and deceptive act or practice in commerce, within the meaning of the Federal Trade Commission Act. In its enforcement the Federal Trade Commission is vested with the same procedural powers and duties contained in its organic act. In short, the transfer of the functions of the Wool Products Labeling Act would necessitate the setting up of new administrative machinery to handle a single phase of misrepresentation of certain kinds of textile products while at the same time leaving with the Federal Trade Commission jurisdiction over all other unfair or deceptive practices relating to such products and also leaving with it complete jurisdiction over all unfair practices in all other textile fields.

"Neither the report of the Agriculture task force nor the subsequent report of the Hoover Commission relating to the reorganization of the Department of Agriculture contains any factual basis for the recommendation for transferring the administration of the Wool Products Labeling Act. No overlapping of functions, conflicting standards or unnecessary duplication of activities is cited which even remotely touches upon the administration of this act.

"The recommendations relating to the transfer of the regulatory functions of the act were made only in the task force and Hoover Commission reports dealing with the proposed reorganization of the Department of Agriculture and no similar suggestion, criticism or recommendation was made in the reports pertaining to the Regulatory Commissions.

"In view of the above, the Federal Trade Commission is of the opinion that the effect of the recommendation for transfer of the functions of the Wool Products Labeling Act to the Bureau of Food and Drugs or to a reorganized drug bureau of the health agency would defeat the avowed purpose of these recommendations, namely to accomplish greater coordination of the Government's efforts to protect honest business and the purchasing public."

Chairman Mason's statement accepts the recommendation by the task force on regulatory commissions (appendix N) that the President shall designate the Federal Trade Commission's Chairman. Since the Federal Trade Commission Act provides that the Commission shall choose a Chairman from its own membership, to effectuate this recommendation it would be necessary to amend section 1 of the act. The statement comments as follows:

"With regard to the conclusion of the task force report that the President should designate its Chairman, the Commission, in commenting on the position taken in the staff report on this subject, in its letter dated October 21, 1948, made the recommendation (with which Commissioner Mason did not agree) that the chairman continue to be elected annually by the members of the Commission. The Commissioners have again given careful study to this proposal, which now includes the recommendation that it apply to all regulatory commissions, and they recognize that for purposes of general application it has substantial merit. This Commission has no purpose or desire to distinguish its position from that of other regulatory commissions with respect to this proposal, and if it is adopted generally it is believed that it should also be applied to the Federal Trade Commission.

"The Federal Trade Commission Act provides that, 'The Commission shall choose a Chairman from its own membership.' The Commission has annually chosen its Chairman, and was and is of the opinion that this method of choosing a Chairman has worked satisfactorily. It believes, however, that a procedure by which the President appoints the Chairman would also prove to be satisfactory, and in the interest of efficiency, uniformity, and coordination, is in accord with the recommendation that the heads of all regulatory commissions should be designated by the President. To accomplish this change, it will be necessary to amend section 1 of the Federal Trade Commission Act."

Referring to Recommendation No. 1 of the Hoover Commission Report on Regulatory Commissions which would vest all administrative responsibility in the chairman of the commissions affected, Chairman Mason points out that the Federal Trade Commission under Rule 11 of its Rules of Practice had designated its secretary as its executive officer and that he functions as executive director in the manner contemplated by the Hoover Commission report.

In forceful language, the Federal Trade Commission charges the task force on regulatory commissions gave practically no consideration to the fact that the amount of its appropriations contributes vigorously to its performance as an antitrust agency. It comments "this failure to treat the matter of appropriations as a serious obstacle to the enforcement of the antitrust laws is almost unique among critical analyses of the antitrust agencies," and points out that there are only two ways by which the Commission can increase its antimonopoly work significantly—either by shifting a greater amount of its existing resources to that field or by obtaining additional resources. Chairman Mason warns "it is doubtful whether the Commission could go much farther in reducing its expenditures" (on its other functions) "without contravening the intent of Congress," and declares further:

"Prior to 1947 the Congress each year appropriated substantially the amount approved by the Bureau of the Budget. For the years 1947 and 1948, however, the Bureau of the Budget not only severely cut back the estimates submitted by the Federal Trade Commission but the Congress, in turn, likewise cut back the amounts approved by the Bureau of the Budget. In 1949 the Congress appropriated an amount much closer to that approved by the Bureau of the Budget, but for that year the Bureau of the Budget had already cut the Commission's estimate by more than 35 percent. The record shows that the Commission has consistently endeavored to expand its antimonopoly work; that it has been restricted by inadequate appropriations; and that, to change the level of appropriations will require not enhancement of the Commission's conception of its task as indicated in its request of funds, but rather a more receptive attitude toward these requests by the Bureau of the Budget and the Congress."

In conclusion, the Commission discusses task force recommendations for appointment of a presidential assistant in the antimonopoly field; for establishment of an Interagency Committee upon antitrust policy throughout the Government; for establishment of a Joint Policy Committee between the Department of Justice and the Commission; and for general improvements in personnel, public relations, and case work—with the majority of which it is in accord.

In a separate report composed of 12 pages, the Federal Trade Commission submitted detailed comments relative to its views concerning the recommendations contained in the across-the-board reports on personnel management and budgeting and accounting, filed with Congress by the Hoover Commission. With these recommendations the Commission was in general accord. The chairman contends, in spite of implications of the Hoover Commission to the contrary, that "the present management of this agency has indicated a keen interest in establishing a personnel program equal to the best in Government service."

In regard to the report on budgeting and accounting the Commission states that it has submitted both in its 1949 and 1950 budget estimates, a performance budget on a program and functional basis and states that "this type of submission not only makes for easier understanding of our aims and functions but also simplifies and to some extent reduces the work necessary for the preparation of budget estimates. * * * Recommendations which will result in streamlining and modernizing Government procedures and the standardizing of accounting reports are deemed extremely desirable and should be given most favorable consideration."

The report winds up with strong endorsements of recommendations 11 and 12 pertaining to the "simplification and streamlining of procedures in connection with the settlement of accounts and claims" and "the simplification or elimination of warrants, surety bonds, and a further study of the question of fidelity insurance, in order that simpler and less expensive procedures may be developed."

The complete reports filed by the Federal Trade Commission on the recommendations of the Hoover Commission as they affect that agency are available for examination at the

offices of the Senate Committee on Expenditures in the Executive Departments, 357 Senate Office Building.

PUBLIC WELFARE ACT OF 1949—CORRESPONDENCE FROM WISCONSIN

Mr. WILEY. Mr. President, one of the most significant bills now pending before the Congress is H. R. 2892, known as the Public Welfare Act of 1949. This measure, now being considered by the House Ways and Means Committee, is viewed with alarm by many distinguished groups in my State and in other States of the Union. It is felt in many quarters that the bill will result in Government taking over the work of private charities, church agencies, and, as a matter of fact, the judiciary itself, insofar, for example, as the welfare of youngsters is concerned. Certainly the subject of the well-being of the handicapped, the disabled, and similar groups merits the very careful consideration by the Congress.

In this morning's mail I received two important communications—one from Judge Elmer D. Goodland of the Municipal Court of Racine County, and the other from Mr. Glen F. Miller, grand knight of Goldsmith Council, No. 974, of the Chippewa Falls Knights of Columbus. Both of these messages express opposition to H. R. 2892. I believe they will be of interest to my colleagues, and I ask unanimous consent that they be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COUNTY OF RACINE,
*Racine, Wis., July 11, 1949.*

The Honorable ALEXANDER WILEY,
*Senate Office Building, Washington, D. C.*

DEAR SENATOR WILEY: The Wisconsin State Board of Juvenile Court Judges meeting at Chippewa Falls, Wis., June 16 and 17, 1949, adopted the following recommendations:

(a) It is considered by your committee that this bill in the final analysis declares that governmental agencies can provide all the services that the people in the United States need;

(b) That the bill proposes that governmental agencies are capable of taking over the entire field of family service, child welfare, and juvenile delinquency;

(c) That a social welfare worker and an administrative agency would be vested with power and authority to remove a child from a home at her discretion, thus usurping the powers of the judiciary, which branch of our Government exclusively has such power and authority;

(d) That the bill vests great powers in the hands of a glorified public relief agency, which is a threat to fundamental democracy and relegates juvenile courts to the position of an unnecessary appendage of the American judicial system.

Yours very truly,

ELMER D. GOODLAND,
*Secretary, Wisconsin State Board of Juvenile Court Judges.*

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KNIGHTS OF COLUMBUS,
GOLDSMITH COUNCIL, No. 974,
*Chippewa Falls, Wis., July 11, 1949.*

Hon. ALEXANDER WILEY,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR WILEY: In behalf of Goldsmith Council, No. 974, Knights of Columbus, I am writing to urge you not to support the Public Welfare Act of 1949, recently introduced into the Congress as H. R. 2892.

This bill is just another step along the road to the welfare state, with the consequent surrendering of individual freedom for the promises of the Government.

We are aware that this bill is designed to break down the arrangements existing between local governments and Catholic institutions and agencies for the care of Catholic children. It would mean the secularizing of the care of some 50,000 Catholic children and ultimately the secularizing of all private charities.

Let me say that we are firmly convinced that Government monopoly in child care is a step toward a slave state.

Very sincerely yours,

GLEN F. MILLER,
*Grand Knight.*

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Edith H. Cockrill, of the District of Columbia, to be a Judge of the Juvenile Court of the District of Columbia, which was referred to the Committee on the District of Columbia.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. McFARLAND, from the Committee on Interstate and Foreign Commerce:

Edward Mount Webster, of the District of Columbia, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1949. (Reappointment.)

THE NORTH ATLANTIC TREATY—RESERVATIONS

Mr. LANGER submitted two reservations intended to be proposed by him to the resolution of ratification of the North Atlantic Treaty, signed at Washington on April 4, 1949 (Ex. L, 81st Cong., 1st sess.), which were ordered to lie on the table and to be printed.

THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. GURNEY. Mr. President, in view of the fact that time for Senators to speak on the Atlantic Treaty this afternoon is quite fully allocated, and also because it is necessary for me to be present today at a meeting of the conferees on the part of the House and the Senate on an appropriation bill, I ask unanimous consent to have printed at this point in the RECORD a very short statement which I have prepared, in favor of ratification of the North Atlantic Treaty.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I rise this afternoon for the purpose of making a few very brief remarks on the North Atlantic Treaty, which is now before us for ratification.

In the past week and a half during which the treaty has been under discussion in the Senate, this treaty has been scrutinized in careful detail from every conceivable angle. It has been discussed section by section, and paragraph by paragraph—almost sentence by sentence—both by its advocates and by its opponents. It has drawn sharp criticism and sincere praise. Actually, I don't believe there is anything, either favorable or unfavorable to the treaty, which has not been said.

To me, the one fact that emerges clearly from this debate is that the pact has successfully withstood the shocks, the bumps, and the detours of this verbal proving ground. I think it has been proven a capable vehicle to get us further along the road which leads to peace and security.

It would be unrealistic and naive to believe that this treaty, by and of itself, will guarantee the peace. Even its most enthusiastic supporters make no such claims. But in my humble opinion, the cause of peace will be better served by ratification of the pact than by rejection of it.

In probing my own conscience in search of the honest, the logical answer to this question, I have tried to subordinate other considerations and have measured the pact exclusively with the yardstick of its usefulness in stabilizing and prolonging the peace.

Mr. President, by that yardstick the North Atlantic treaty measures up. The treaty may or may not be in harmony with the Monroe Doctrine; it may or may not be in complete consonance with the letter of the United Nations Charter; it can be argued with some logic that the treaty is a military alliance, although a defensive one.

But the objections here recognized are directed only at fringe aspects of the pact itself. The overriding, supremely important criterion by which to judge the pact, is its probable efficiency for promoting peace. That is the heart of the matter. That is the No. 1 goal, below which lesser objectives must be placed if we are to view this treaty in proper perspective. And it is my honest judgment that by that criterion the pact is sound, workable, and as dependable as anything that imperfect human minds can fashion.

This pact gives promise of being effective in preserving peace because it is solidly anchored on a realistic evaluation of the facts of life in the world today. It cuts through idealism and addlepated wishful thinking. It tells all aggressors, present and potential, that an armed attack against any one of the signatory countries will bring instant, effective, and complete retaliation. That realization will most assuredly give pause even to a power-mad dictator.

One day—soon, I pray—the human race will have progressed to a point where wars can be averted through sincere negotiation and conciliation at the conference table. But for the present and the immediate future, wars can only be averted by fear of the consequences of initiating the struggle. The North Atlantic Pact recognizes that obvious truth, and therein lies its strength. I honestly believe it is the best means now at hand for stabilizing the peace, and I therefore will vote for its ratification.

The VICE PRESIDENT. Under a previous arrangement entered into yesterday, the Senator from North Dakota [Mr. LANGER] is entitled to the floor.

Mr. LUCAS. Mr. President, will the Senator yield to me for a moment?

Mr. LANGER. I yield.

Mr. LUCAS. Mr. President, we are now in the second week of debate upon the North Atlantic Treaty. No one realizes more keenly than does the Senator from Illinois the great importance of the controversial issue which is before the Senate. We are now in the middle of July. Under the Reorganization Act Congress is supposed to adjourn by July 31. Obviously, as everyone knows, that cannot be done with the legislative calendar so full as it is today of important measures which must be considered before adjournment.

I have talked with Senators on both sides of the aisle with respect to the legislation which is on the calendar. I hope that we may make some progress toward early disposition of the pending treaty. The debates have been extensive, and in my judgment almost all points have been covered. I know that other Senators desire to speak. That is their right, of course.

However, I wish to make a unanimous-consent request to see how far we may be able to get with an agreement to terminate debate and vote at a certain time.

I ask unanimous consent that on Saturday, July 16, 1949, at the hour of 5 o'clock p. m., the Senate proceed to vote without further debate on any amendment which may be pending or which may be proposed to the pending treaty, and upon any amendment or reservation which may be proposed to the resolution of ratification, and upon the treaty itself; and that the time for debate between 12 o'clock and 5 o'clock on Saturday be equally divided and controlled, respectively, by the Senator from Texas [Mr. CONNALLY] for the proponents and by the Senator from Michigan [Mr. VANDENBERG] for Senators opposed to the treaty.

The VICE PRESIDENT. Is there objection to the request?

Mr. WATKINS. Mr. President, reserving the right to object, I agree with the distinguished majority leader in the statement that this is one of the most important matters ever to come before the Senate. We must carry on our work. Other matters are being considered from time to time. We have committees to attend. I think this matter ought to go over until next week. I do not think we should be required to use next Saturday for debate on this important question. No harm can be done by putting it over until next week. Therefore I object.

Mr. LUCAS. Mr. President, in view of the statement made by the distinguished Senator that he believes the treaty should go over until next week, and, in view of the fact that I know that he is going to object, let me ask the Senator if Monday at 5 o'clock would be acceptable to him?

Mr. WATKINS. Let us take the question up on Monday and see then if we can agree.

Mr. LUCAS. I understand that the Senator is not favorable to a unanimous-consent request if the date is changed to Monday.

Mr. WATKINS. Not at this time. I may be later in the week, but I have already indicated that there are many other matters which ought to be considered. My calendar is crowded. People are here from my State, and I am preparing some statements which I wish to make to the Senate on this important treaty. I find it difficult to take care of that work and at the same time be present in the Senate Chamber and debate the question as I think it should be debated before it is finally submitted to a vote.

Mr. LUCAS. Mr. President, the Senator is correct in what he says with respect to the duties of Senators upon committees, and in connection with other matters which are vitally important. The Senator knows that there are some very important appropriation bills which will require some time for debate. That is another reason why I make the unanimous-consent request. However, I may say that we are not going to take up the appropriation bills until we finish consideration of the treaty which is now before the Senate.

Mr. JOHNSON of Colorado and Mr. DONNELL addressed the Chair.

The VICE PRESIDENT. Does the Senator from Illinois yield, and if so, to whom?

Mr. LUCAS. I yield first to the Senator from Colorado.

Mr. JOHNSON of Colorado. In view of what the Senator from Utah has said, I presume that what I rose to say will perhaps be passé.

I was about to suggest to the Senator from Illinois that he substitute the word "Tuesday" for the word "Saturday" throughout the request, and ask for a vote at 5 o'clock on Tuesday.

Mr. LUCAS. I shall be glad to do so if that is agreeable to my distinguished friends on the other side of the aisle.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WATKINS. If the Senator will change it to Wednesday, personally I am willing to agree.

Mr. LUCAS. I am sure that we can guarantee to the Senator from Utah all the time he wishes between now and Tuesday. At least, I am sure that that is the disposition on this side of the aisle. I had expected to make a few remarks on the treaty. I should be very happy to give the Senator from Utah all my time if we could obtain an agreement to vote at 5 o'clock on Tuesday.

Mr. WATKINS. The Senator misunderstands my position. It is not a question of the time I need on the floor to speak. It is a question of the time I need to prepare a statement.

Mr. LUCAS. I am sure the Senator from Utah could make a speech now, without any preparation, which would be worthy of any Senator. I say that in view of what I know he has done in the past in the way of preparation on this important question. I say it with the utmost sincerity. The able Senator from Utah and the able Senator from Missouri [Mr. DONNELL] have devoted more time to the study of this question than have any other two Senators aside from those who are members of the Foreign Relations Committee. I hope the able Senator will agree with me on Tuesday.

Mr. WATKINS. I should be willing to compromise on Wednesday. I do not know whether that would meet the wishes of Senators who have been speaking against the treaty. No matter what the Senator says about what I have been able to do, I have not been able to do quite enough, and I want to do better.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. DONNELL. First I wish to express my appreciation for the very kind words of the Senator from Illinois, which I know are sincere. I realize not only the importance of the North Atlantic Treaty, but also the fact that other measures of great importance to the Nation are likewise pending.

My present judgment is that by Wednesday the Senate should be ready to vote. I trust that this statement will not seem in any sense arbitrary, but I should prefer to wait until the close of the session tomorrow to see what the situation is, so that we may know something about what Senators desire to speak. At this time, if the unanimous consent request is pressed, I feel constrained to object to the fixing of any time. However, I feel that if the proposal could be brought up some time tomorrow—not necessarily at the conclusion of tomorrow's session, but some time during the day—doubtless it would be possible to reach some agreement.

Mr. LUCAS. I thank the Senator.

Mr. DONNELL. I concur in the general statements made by my distinguished friend from Utah [Mr. WATKINS], who, I can assure the Senate—as it already knows—has devoted long hours of conscientious, fine, intelligent work to this problem.

Mr. LUCAS. There can be no question about that. It is not the disposition of the Senator from Illinois to do anything which would cause any Senator loss of time on the floor, or which would interfere with the opportunity of either the Senator from Missouri or the Senator from Utah to debate the issue at length.

The VICE PRESIDENT. Objection having been made——

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from California.

Mr. KNOWLAND. Without particular reference to the treaty which is now before the Senate, but with reference to the general legislative program, I should like to ask the able majority leader whether he has given any thought to the feasibility of expediting the business of the Senate by holding night sessions in order to dispose of some of the pending legislation.

Mr. LUCAS. I would say to my able friend the Senator from California that I was just about to remark that perhaps we might hold a session just a little later this evening and we might have a night session tomorrow. We might run until 9 o'clock tomorrow night, and then have another session on Saturday.

I dislike to do this, but from the conversations I have had with various Members of the Senate, I think there are a great number of the Senators who would like to have a night session and probably a session on Saturday in order to expedite the work which is before the Senate. I do not care to press for night sessions or even for a Saturday session. I thought that if we could arrange to get a vote on Tuesday, we might avoid a Saturday session. But in all frankness, I believe I should say that I am almost sure it will be necessary for us to have a Saturday session. I think it is necessary, under the circumstances, to do so.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. DONNELL. I understood the distinguished Vice President to say a few

moments ago that no objection was heard.

The VICE PRESIDENT. No; the Chair was about to say that objection having been heard to the request, further debate was out of order.

Mr. DONNELL. I beg pardon; I misunderstood the Vice President.

I was going to say that if the proposed consent agreement is still before the Senate and if some action is to be taken on it, I shall object.

Mr. LUCAS. Mr. President, following the suggestion of the distinguished Senator from Missouri, I shall cease and desist now. On tomorrow, as we proceed with the debate, it may be possible for us to reach an agreement for a vote on Tuesday. At least I hope so; and I hope the Senator from Missouri and the Senator from Utah will cooperate with Members on both sides of the aisle who are anxious to have the Senate get along with the treaty, in view of the tremendous amount of legislation on the calendar.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I should like to inquire whether it is the intention, if the Senate so desires, that there shall be a late session tonight, up until perhaps 9 o'clock.

Mr. LUCAS. No; I would not say so, but perhaps until 7 o'clock tonight, and tomorrow until perhaps 9 o'clock.

Mr. WHERRY. Until 9 o'clock on Friday?

Mr. LUCAS. Yes.

Mr. WHERRY. Is it the Senator's intention, if the debate is not concluded at that time, to have a Saturday session?

Mr. LUCAS. I should like to make the reservation that that will depend on how we get along with the speeches. I know the Senator from Nebraska has a number of names on his list. It may be that some of those speeches will be shorter than is anticipated, although usually we find the opposite to be the case. Usually when a Senator says he will talk for 30 minutes, his speech takes at least double that length of time. Of course there are a few exceptions to that rule, but not many.

Mr. WHERRY. Did the Senator from Illinois see my name on that list?

Mr. LUCAS. No, but I am sure the Senator's name will be on the list, one way or another, before the debate is finished.

Mr. LANGER. Mr. President——

The VICE PRESIDENT. The Senator from North Dakota is recognized.

Mr. LANGER. When I spoke yesterday, Mr. President, I yielded for questions. I am very anxious to conclude as rapidly as possible, if practicable within an hour and a half or 2 hours. Therefore, I shall not yield until the conclusion of my remarks.

The VICE PRESIDENT. The Senator from North Dakota gives notice that he will not yield until he concludes his remarks.

Mr. LANGER. Mr. President, on April 4, 1949, the North Atlantic Treaty was signed by representatives of Belgium, Canada, France, Luxemburg, the Netherlands, the United Kingdom, the United States, Denmark, Iceland, Italy, Norway, and Portugal. This ceremony was performed just 2 weeks after the text of this treaty had been released to the public on March 18, 1949.

On April 12, 1949, President Truman transmitted the pact to the United States Senate. Following weeks of hearings by the Senate Foreign Relations Committee, the treaty was finally placed on the Senate calendar with the unanimous report of that committee urging its ratification.

Mr. President, in his message accompanying the text of this treaty, which President Truman sent to the Senate, he urged its ratification in the following words:

> In the conviction that the North Atlantic Treaty is a great advance toward fulfillment of the unconquerable will of the people of the United States to achieve a just and enduring peace, I request the advice and consent of the Senate to its ratification.

Mr. President, it is the very irony of this message that intensifies and underlines the deterioration that has set in in the conduct of our foreign affairs, so far as the role that the United States Senate is now called upon to play is concerned.

It so happens, Mr. President, that the United States Senate was not given the chance to advise and consent to the writing of this treaty until it had already been signed by the member nations and until this Government had already carried negotiations to the point where even the distinguished Member of this body, the Senator from New York [Mr. DULLES], admitted that failure to accept it as it was, would lead to war.

Mr. President, this act on the part of President Truman merely draws into focus a picture of the over-all background out of which this treaty has come, and this background is filled with such secrecy, such equivocation, and such evasion, that one cannot help but ask the question, Why does a step which is considered so necessary to secure the peace, have to be born, cradled, nursed, and reared in such an unwholesome environment? If this is such a constructive step toward the realization of a just and lasting peace, why is it still necessary to surround it with double talk, evasion, misrepresentation, and complete lack of candor? If this is such a constructive step toward the solution of the world's ills, if it is to be such a tower of strength in correcting injustice and in righting the world's wrongs, why must its virtues—if they be virtues—continue to be concealed and its light hid under a bushel?

What kind of a peace is it, Mr. President, that the American people are going to achieve, if they are going to continue increasingly to be committed to treaties, pacts, and projects which are conceived in the sordid chambers of secret diplomacy and dedicated by their Government to the proposition that the people are not to be trusted with control of their own destiny, but that in this modern age the Government must take over and must run their lives for them?

Mr. President, the truth is that this North Atlantic Treaty is a symbol—not of peace—but of the continuing abuse of the very concentrations of power in the hands of a centralized Government against which our founding fathers revolted. Well-intentioned as the architects and advocates of this North Atlantic Pact may be, they have been parties to the creation of a document which, by its very nature, if it is enacted into law, will take us back directly down the long road of tyranny over which, since 1776, we have thus far come in our struggle to be free.

Mr. President, in such crucial times as these, in which the decisions we are called to make involve the clear-cut issue between tyranny and freedom, it is well for us constantly to keep in mind a searching truth that was uttered by Gen. Omar Bradley in a Memorial Day address in 1948, when he said:

> We must not forget that the roots of conflict flourish in the faults and failures of those who seek peace, just as surely as they take shape from the diseases and designs of aggressors.

I ask my distinguished colleagues who are advocating the passage of this treaty to take General Bradley's counsel to heart, and in the light of that counsel, and in the face of the following facts, I ask them to reconsider whether they truly believe that this pact is a constructive step toward peace.

In the first place, our memory is not so short but that we can recall how months before this pact was presented to the public, and before even the vast majority of the United States Senate had an inkling of its contents, we were requested in no uncertain terms not to express any concern or any alarm, not to ask any questions, and not even to discuss it in the open. Meanwhile, as my distinguished colleague the Senator from Utah [Mr. WATKINS] so courageously revealed on March 4, 1949, the administration and particularly the State Department was planting the so-called secret provisions of this treaty in the hands of its favorite columnists and commentators with the deliberate intent of building up a public opinion favorable to the acceptance of a document the implications of which the American people did not then—and do not now—have the remotest notion. I ask my colleagues in the light of these facts if any treaty that is fed piecemeal to the public by such a one-sided propaganda technique can really lay the groundwork for genuine peace by winning, and permanently holding, the support of the American people in the underwriting of its commitments.

I want to bring home how grave an offense this has been to the American people by reading into the record an account of how the United States Senate itself was led into the acceptance of propositions which we now learn, to our amazement, are considered to be sanctions in support of this treaty by the State Department, whose advice we have been following.

How many Members of the Senate realize that Senate Resolution 239, which was adopted last June, was to have been the sanction for this charter? Yet, on July 5, the distinguished chairman of

the Foreign Relations Committee, in referring to that resolution said:

That is a pronouncement of the Senate not now, but last year. We charted the way. We outlined the course for the treaty which is now before us.

On the basis of this advice from the Senate, the Secretary of State entered into conversations with six of the signatory states about the security of the North Atlantic area.

Moreover, Mr. President, in Secretary Acheson's letter of April 7, 1949, transmitting the North Atlantic Treaty to the President, Mr. Acheson, referring to Senate Resolution No. 239, stated:

In July, on the basis of these expressions of the wishes of the legislative branch, you authorized Mr. Lovett to begin exploratory conversations with the Ambassadors of Canada, and of the parties to the Brussels Treaty.

But there is something far more significant that this, Mr. President, in a further statement contained in Mr. Acheson's letter.

In this statement, Mr. Acheson made a startling admission when he said:

On March 17, 1948, the Governments of Belgium, France, Luxemburg, the Netherlands, and the United Kingdom, signed the Brussels Treaty. That arrangement was established with the encouragement of this Government as a step toward the closer integration of the free nations of Europe, and as evidence of the determination of the five parties resolutely to defend themselves—and each other—against aggression.

And on May 30, 1949, Mr. Sumner Welles, wrote in his column in the Washington Post an additional bit of information on this matter when he said:

The Brussels Pact for collective security was undertaken at our suggestion.

How many Members of the United States Senate, Mr. President, can recall any act of theirs which could possibly be construed as a directive to any representative of this Government to be the moving spirit behind the Brussels Military Pact—a military alliance for collective self-defense? This question takes on the utmost significance when we read further in Secretary Acheson's letter of April 7, 1949, to the President that:

In establishing it (the Brussels Pact) they repeatedly advised us that "despite their determination to do their utmost in self-defense, their collective strength might be inadequate to preserve peace, or insure their national survival, unless the great power and influence of the United States and other free nations were also brought into association with them.

Mr. President, now comes the testimony from Mr. Acheson himself, which is contained in the same letter of April 7—testimony which ties the North Atlantic Pact squarely in with the Brussels military alliance for collective self-defense. What United States Senator or Representative in Congress dreamed that when the President addressed the joint session of Congress, on the same day the Brussels Pact was signed, that he was preparing them to accept this North Atlantic Pact to supplement the weakness of the Brussels Pact, a pact for which this Government was already responsible? Yet, what else does the following statement mean, which is contained in Secretary Acheson's letter in which he says:

On the day the Brussels Treaty was signed you addressed the Congress in joint session, and praised the conclusion of that treaty as a notable step toward peace. You expressed confidence that the American people would extend the free countries the support which the situation might require, and that their determination to defend themselves would be matched by an equal determination on our part to help them to do so.

Mr. President, the record now conclusively proves that President Truman not only assured the American people, and indirectly the Brussels Pact nations, that he was convinced we would enter into this alliance to make up for the deficits of the Brussels Pact, but that President Truman also took direct steps to put this assurance into action.

In the July 7, 1948, Paris edition of the New York Herald Tribune, less than 4 months following the President's speech, the following story appeared:

A diplomatic move of the first importance in the cold war between Russia and the western nations was in preparation here today.

It got under way as the heads of missions of the western European union nations met with Robert A. Lovett, Under Secretary of State, at the State Department to discuss the next step in the implementation—

"In the implementation"—over a year ago—

of the resolution sponsored by Senator ARTHUR H. VANDENBERG, Republican, of Michigan, chairman of the Senate Foreign Relations Committee. This authorized the "association" of the United States with regional defense pacts under the United Nations which affect the security of the United States.

Attending the preliminary meeting today with Mr. Lovett were the British Ambassador, Sir Oliver Franks, French Ambassador Henri Bonnet, Baron Robert Silvercruys, the Belgian Ambassador; Eelco van Kleffens, Netherlands Ambassador; Canadian Ambassador Hume Wrong, and Canadian Under Secretary Lester B. Pearson. Luxemburg was supposed to be represented, but its ambassador, Hughes Le Gallais, was out of town.

Then this story goes on to reveal that:

Today's exploratory conference followed prolonged meetings in London of the consultative council and the permanent military committee set up after the Brussels agreement of March 17. At that time the Foreign Ministers of Britain, France, Belgium, the Netherlands, and Luxemburg signed a 50-year alliance for mutual self-defense and for collaboration in economic, social, and cultural matters.

Then we are informed, Mr. President, in reference to the permanent defense committee that had been set up in London by the provisions of the Brussels Pact that:

The work of the permanent military committee in London has presumably been directed along the lines of determining what needs to be done among the western nations to implement the 50-year alliance. From this the next determination would have to be the extent to which the necessary steps could be taken by the western European nations themselves, and the residual needs which might be filled by the United States.

Presumably the western nations are now in a position to estimate their own capabilities and to indicate their view of what the United States could usefully do.

But the capping climax to this story is found in the concluding paragraph that states:

This would not necessarily mean joining the alliance, but would be more likely to be couched in the terms of an association, the language which, in fact, was used in the Vandenberg resolution. This would almost certainly take into account the practicability of the United States furnishing lend-lease materials and equipment to build up the military forces of the western alliance. The proposals ultimately worked out are scheduled to come up for decision about the time the next Congress assembles in January. They would then be a leading must on the agenda of the Eighty-first Congress.

So, Mr. President, over a year ago, all those ministers and ambassadors were already working for the implementation of this military alliance.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WATKINS. Do I correctly understand the Senator to mean that at that time they were talking about the implementation by armament of the proposed treaty that might be negotiated and ratified under Senate Resolution 239?

Mr. LANGER. It refers to the Brussels treaty. Five nations signed it.

Mr. WATKINS. I wanted to be sure that I correctly understood what the Senator said. I thought possibly he was referring particularly to the armament end of Senate Resolution 239.

Mr. LANGER. It did refer to that. Even a year ago they were discussing it.

Mr. WATKINS. I thank the Senator.

Mr. LANGER. Mr. President, the full significance of this story cannot be understood until we realize that the drafting of the original basis for the North Atlantic Pact, which is now before the United States Senate for ratification, was turned over to the permanent commission that was set up under the Brussels Pact. This defense commission, representing four imperial European powers, and Luxemburg, actually was commissioned by this Government to draft the original terms of this treaty.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Utah.

Mr. WATKINS. Does the Senator mean that they were given work to do with respect to drafting the North Atlantic Pact?

Mr. LANGER. Certainly. I shall prove it. This story leaked to the press and was printed in a London dispatch by Mr. Benjamin Welles, of the New York Times, on November 16, 1948, as follows:

Steady progress in drafting a North Atlantic defense pact is being made here by a permanent commission of five western European powers.

No American observers are sitting in on these conversations although the talks consist largely of trying to work out a formula whereby the United States, despite constitutional limitations, could give immediate military aid to any western European power that might be attacked. One high-placed American remarked today that probably there had never been such a searching examination of the United States Constitution on this side of the Atlantic.

I am still quoting from the New York Times. I want the distinguished Senator from Utah to hear this:

> Apart from the Constitution the western-union planners have certain other guideposts to American policy. The first is the resolution by Senator VANDENBERG favoring United States military aid to Europe.
>
> A second is the series of defense discussions held in Washington last summer between Under Secretary Lovett and ambassadors of the western European countries.
>
> The third is the advice given to the western European union countries through their ministers by Secretary Marshall when he reviewed their work and informed them on trends in American foreign policy.

I think that answers the distinguished Senator from Utah. The distinguished junior Senator from New York said a day or two ago that he did not know anything about this implementation and had not heard about it. The New York Times, published on November 16, 1948, told all about it and told who was drawing up the treaty.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WATKINS. Do I correctly understand that the dispatch states that there were no American observers present while the foreign representatives were drawing up the pact?

Mr. LANGER. That is correct.

Mr. WATKINS. That was a situation such as never had occurred in all previous history.

Mr. LANGER. That is exactly correct. The dispatch came from London and was published in the New York Times of November 16, 1948.

Mr. President, if the English language has any meaning whatever, this series of steps that has been outlined by the advocates of this treaty, is nothing but an admission of the extent to which this administration has led the Senate into an impasse, where its freedom to act has been compromised by prior commitments which have been entered into by representatives of this Government. Yet I am convinced, not a single United States Senator had the slightest notion that his support of Senate Resolution 239 was to have been so misinterpreted, both in the letter and the spirit, as to have led him into the present predicament where he is expected to endorse the North Atlantic Treaty as the logical product of his intention and his action of over a year ago.

I might state, Mr. President, that it is a matter of great pride to me that I was one of four United States Senators who voted against the Vandenberg resolution. I voted against it because I felt at that time that the resolution, if adopted, was not for the best interests of the people of the United States. I felt at that time that it should not be adopted, and today, nearly a year later, I simply rise to say that I believe my judgment was sound at that time, as was the judgment of my colleagues who voted against it.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WATKINS. Does the Senator recall that that resolution was adopted after only one afternoon of debate?

Mr. LANGER. Yes.

Mr. WATKINS. Does the Senator recall that on that particular day there were numerous absentees and that the RECORD shows 21 Senators were not present when that important resolution was adopted?

Mr. LANGER. I remember it very well.

Mr. WATKINS. Does the Senator believe that the Senate of the United States gave sufficient consideration, in that one afternoon of debate, to such a far-reaching subject as was proposed in that treaty?

Mr. LANGER. My judgment is that it did not; and I also wish to say that, in my opinion, the Senate itself did not realize the serious implications of the Vandenberg resolution. If the Senators had dreamed it meant what they now see it means, the resolution would have been debated a much longer time.

Mr. WATKINS. Has the distinguished Senator from North Dakota investigated to see whether the various suggestions made in that resolution have been followed by the administration, other than seeking to prepare the North Atlantic Pact?

Mr. LANGER. Except by trying to form this military alliance.

Mr. WATKINS. The Senator has in mind that there were other suggestions made to the administration with respect to having a reconsideration of the Charter of the United Nations. Does the Senator know whether any effort was made in that connection?

Mr. LANGER. The Senator from North Dakota knows of none.

Mr. WATKINS. I thank the Senator.

Mr. LANGER. Mr. President, the seriousness of this problem cannot possibly be overemphasized, for the ratification of this pact, which is born of such a questionable parentage, will amount to endorsement, both of what has taken place, as well as of similar practices in the future.

Such a prospect brings home the danger of the precedents which the ratification of this pact would set, both so far as the American people, and their elected representatives in both Houses of Congress are concerned.

If by the ratification of this pact we sanction such a misrepresentation of our own actions here in the United States Senate, and condone the continued practices of secret commitments which, since they are long in the making (in the chambers of secret diplomacy), leave us no part in their formulation and no opportunity to suggest alternative courses of action, we will effectively and permanently surrender both our treaty-making and our war-making powers into the hands of the executive branch of government.

Such an abdication of our constitutional duties will not only leave us impotent to defend the vital interests of this country, but it will leave the American people completely at the mercy of the pump-primed propaganda which the executive branch of government will be forced to pour out in order to assure, if not the wholehearted support of public opinion, at least sufficiently apathy, ignorance, and confusion to prevent the American people from uniting to demand a day of reckoning.

Indeed, the very atmosphere in which the debate on this treaty is now being conducted, here in these temporary quarters, from which the American public has been excluded, is prophetic of what lies ahead for the American people and their role in the formulation of our foreign affairs if this treaty, with all its ugly and threatening implications, is ratified.

For the truth is, Mr. President—and I hope every Senator upon the floor will listen carefully to this—that the American people have received the same contemptuous treatment in the formulation of this treaty by their Government, that has been accorded the United States Senate.

The truth is, Mr. President, that in recent years the State Department has devised a new propaganda technique, ostensibly designed to give the American people a larger and more direct role in the formulation of our foreign policy. Yet, this technique to which I refer is nothing but a clever and deliberate ruse to indoctrinate the American people and to use their instinctive humanitarianism and native love of justice and freedom to underwrite predigested deliberations and decisions and courses of action that have already been determined upon behind the scenes.

Mr. President, this technique—I should say this vicious technique—of the State Department to which I refer is that which involves the indoctrination and the taking into camp of members of approximately 250 nongovernmental organizations, who, from time to time, are invited to what are called "off the record conferences" in the Department of State.

Was any Senator invited? The Senator from Louisiana, the Senator from Nebraska, the Senator from Indiana, whom I see sitting before me, were not there. Two hundred and fifty nongovernmental organizations were invited by the State Department.

The representatives of these organizations are naturally flattered to be invited by their Government to be the recipients of such a distinguished honor.

Of course, these representatives of the various denominations of the Protestant Church, of the Catholic and Jewish faiths, and of organizations representing the vast cross section of the intellectual, social, agricultural, labor, and industrial fields, are led to believe that this honor that is being bestowed upon them is for the sole purpose of making it possible for them to get in on the ground floor, and to take part in the ground work upon which the major decisions involving the future of this country are to be made.

But, to illustrate the conniving skullduggery that lies behind this vicious technique of the State Department, which is designed to maneuver American public opinion into support of policies already determined upon, and commitments already entered into, I want to refer to two of these off-the-record conferences, which have been held to take the representatives of these American organizations into the confidence of the State Department on the question of the North Atlantic Pact itself.

As I have said, I desire to refer to two, just two, of these off-the-record conferences when the Department of State went behind the backs of the United States Senate. If they did not take place, let any member of the Foreign Relations Committee deny it. They do not dare deny it, because, as Senators will see, I give the dates.

Now let the State Department or any member of the Committee on Foreign Relations, either Democratic or Republican, deny that the first such meeting was held in the new State Department Building on January 14, 1949.

The first such meeting was held in the new State Department Building on January 14, 1949. I am sure my distinguished colleague, the junior Senator from New York [Mr. DULLES], will recall this meeting, since I am informed he was one of the main speakers who had been invited by the State Department to help prepare American public opinion for the acceptance of this pact. I understand that his contribution was to lay the groundwork of orientation by discussing the question of regional security arrangements under the United Nations.

So, Mr. President, it will be seen that on January 14, 1949, the Department of State invited 250 nongovernmental organizations in for a conference, and they had the present junior Senator from New York, JOHN FOSTER DULLES, present, without a single Senator knowing anything about the meeting, laying the groundwork to arouse public opinion to follow what the State Department wanted.

The first conference, as I have stated, was on January 14. The second of these conferences was held on March 17 and 18, 1949. In a copy of the program which had been prepared by the State Department for the convenience of these delegates, representing 250 nongovernmental American organizations, we find a statement by Secretary Dean Acheson, which only throws the basic hypocrisy behind this vicious technique into bolder relief. For this welcoming statement by the Secretary of State reads, in part, as follows:

> Consultation and a free exchange of views between government and citizens are the essence of the democratic process.
>
> The Department of State believes in the cooperative method of making foreign policy. The fact that we are here to talk, to discuss, and to listen to each other's views is evidence that we not only advocate but practice the cooperative method.
>
> The general public has every right to have their views considered and their questions answered on matters of foreign policy in which they have so great a personal stake. The great organizations through which the people have traditionally spoken their minds must have access to their Government.

At this conference, Mr. President, who were the representatives of this Government, to represent the policies of this Government to the delegates assembled? They included Mr. Francis H. Russell, Director of the Office of Public Affairs; Secretary Acheson; Under Secretary of State James Webb; Assistant Secretary for Economic Affairs Willard Thorpe; and Ambassador at Large Philip Jessup. Then, reporting on the major political and economic problems were John D. Hickerson, Director of the Office of European Affairs; W. Walton Butterworth, Director of the Office of Far Eastern Affairs; Joseph C. Satterthwaite, Director of the Office of Near Eastern and African Affairs; and Paul C. Daniels, Director of the Office of American Republic Affairs; and then, to interpret the so-called commitments of the United States under the collective security arrangements that are provided in the North Atlantic area, was none other than the State Department's counselor, the expert Russian linguist, who served as President Roosevelt's interpreter at the outrageous secret conferences during the war, Mr. Charles E. Bohlen.

At that time the distinguished junior Senator from New York was not present. He was present on January 14 when an attempt was made to convert 250 nongovernmental organizations to the way of thinking of the State Department.

It was at this second meeting where Mr. Bohlen presented the real implications of the North Atlantic Pact to these representatives of American organizations, and even then only by intimation and indirection.

Had any Senators heard about it up to that time? Had any Senators heard of it in January, February, or March? But here were 250 persons who were invited to this meeting at which the first steps were taken toward the so-called North Atlantic Treaty.

Mr. President, I ask my distinguished colleagues what greater hypocrisy could be practiced on a peace-loving people than was practiced at these two conferences held in January and March of this year for the alleged purpose of taking the American people in on the ground floor in the formulation of our foreign policy, in face of the facts I have already presented concerning the treatment of the United States Senate in this matter, together with the following additional facts, which prove that these conferences were held only to enlist the support of the American people of policies and commitments which had long before been determined upon, without consultation with the United States Senate. What hypocrisy.

Mr. WHERRY. Mr. President——

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. LANGER. I yield.

Mr. WHERRY. Does the Senator know whether in this conference there was any discussion about an implementation program which would be presented to the Senate relative to the North Atlantic Treaty?

Mr. LANGER. Since I was not present I cannot say.

Mr. WHERRY. The Senator does not know whether anything like that might have been discussed at that time?

Mr. LANGER. No.

What are the facts to which I refer? Mr. President, never in my life have I seen men struggle so frantically with the English language to cover up the facts of life that are contained in this North Atlantic Treaty. These advocates seem absolutely determined that no one shall recognize it for what it is, or call it by its right name. Throughout the hearings and the speeches in support of this treaty, the one word "military" alliance, which is the only correct description of the document itself, has been taboo.

Mr. President, on July 5 the distinguished chairman of the Senate Foreign Relations Committee went to the following length to avoid this issue, when he said on the Senate floor, and I hope that every Senator will listen to this, because to my mind it is one of the finest examples of circumlocution I have ever heard anywhere in any speech. At that time the distinguished chairman said:

> Both George Washington and Thomas Jefferson were fully aware of the unsavory aspects of the old-fashioned military alliances. They knew that some of them, often secret in character, were designed to further the personal ambitions of individual monarchs. They knew full well that many of them are aimed at national aggrandizement and were aggressive in spirit, if not in letter. They knew, too, that such alliances might well engulf our country in the maelstrom of power politics. That is why Washington advised the United States in his farewell address not to "entangle our peace and prosperity in the toils of European ambitions, rival interests, humor, or caprice." And that is why Jefferson in his first inaugural warned us against entangling alliances. * * * But the kind of alliances Washington and Jefferson had in mind were vastly different from the Atlantic Pact. They were individual partnerships for power rather than a general partnership for peace.

Mr. President, in addition, the Senator from Texas seeks to allay any suspicion that this is a military alliance by saying further:

> The North Atlantic Treaty is the logical outgrowth of the policies which we have evolved during the last few years. It follows naturally upon the commitments of mutual aid and collective self-defense undertaken by the declaration of Chapultepec, the United Nations Charter, and the Rio Pact, which put into treaty form the Monroe Doctrine.

On April 7, 1949, Secretary Acheson also stated—and listen to this:

> The North Atlantic Treaty is patterned on the Treaty of Rio de Janeiro.

But what is the real relationship between the North Atlantic Treaty and the Rio Pact? On February 14, 1949, the senior Senator from Michigan [Mr. VANDENBERG] defined the essence of the Rio Pact when he said:

> I should like to make very sure that the Rio Pact, as involved in the present discussion, is not misunderstood. I think I was responsible for injecting it into the debate. The reason I injected it was to point out that even under the Rio Pact—which certainly has a more intimate traditional obligation on us than any other sort of pact—there is no automatic obligation on the Government of the United States to do anything and even if a consultation under the Rio Pact results in a vote of the signatory powers to go to war, only those who vote to go to war are bound in the consultation.

In the light of these facts, Mr. President, is it not entirely misleading to sell the North Atlantic Treaty to the American people as a pact patterned after the Rio Treaty? We have already seen how this Government took the initiative to set up the Brussels Pact, which is a military alliance entered into for the purpose of collective self-defense by imperial powers. This pact, which we initiated,

and which we are seeking to supplement with the North Atlantic Treaty, contains the following provision in article IV:

If any of the high contracting parties should be the object of an armed attack in Europe, the other high contracting parties will, in accordance with the provisions of article 51 of the Charter of the United Nations, afford the party so attacked all the military and other aid and assistance in their power.

Furthermore, Mr. President, we have been told by our own Secretary of State that, even by joining this pact, these nations recognized that their collective strength might be inadequate to preserve peace unless the great power of the United States was also brought into association with them.

What else do these facts prove other than that the Brussels Pact is a bald-faced military alliance initiated by the United States, with the clear understanding that it was inadequate to do the job for which it was designed and that the President of the United States has at least indirectly already promised we would make up this deficiency?

What else does article III of the North Atlantic Treaty mean, if it does not mean that we shall become full working partners in this military alliance, when it states:

In order more effectively to achieve the objectives of this treaty the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

If we are not, by the ratification of this treaty, to become full-fledged participants in this military alliance, what possible meaning can article 9 of the North Atlantic Treaty have, when it provides that—

The parties hereby establish a council, on which each of them shall be represented, to consider matters concerning the implementation of this treaty. The council shall be so organized as to be able to meet promptly at any time. The council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defense committee which shall recommend measures for the implementation of articles 3 and 4.

Also, Mr. President, it is of tremendous significance that this treaty shall come into force between the states which have ratified it, according to article 11:

As soon as the ratification of the majority of the signatories, including the ratifications of Belgium, Canada, France, Luxemburg, the Netherlands, the United Kingdom, and the United States.

In other words, according to this formula, the Brussels military alliance is being merely extended into the North Atlantic Treaty with the addition of Canada and the United States, the other nations being so much window dressing.

However, the most striking irony of all, on the part of those who refuse to recognize this treaty for the military alliance that it is, is found in their claim that the North Atlantic Pact is authorized within the framework of the United Nations on the basis of article 51 of the United Nations Charter. This article reads as follows:

Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations.

The irony of such a claim lies in the fact that those who claim it is not a military alliance appeal to the one article of the United Nations Charter, which legalizes the use of armed might in the event of an attack. But this article provides that individual or collective self-defense becomes the right of nations only if and after an armed attack occurs. By what possible stretch of the imagination advocates of this theory can read into article 51 a sanction for the North Atlantic Treaty, particularly when it is an organized military alliance pointed directly at a fellow member of the United Nations, it is impossible for me to see.

And yet we are also solemnly assured by these same supporters of the pact that a ratification of its provisions will not necessarily commit us to implementing it with arms in a suicidal arms race. The senior Senator from Texas [Mr. CONNALLY] stated on the Senate floor, in his speech supporting the pact, that—

The United States has assumed an important obligation under article 3. We have committed ourselves to the principle of self-help and mutual aid. We have agreed to work together in building up the capacities of all the signatories to defend themselves against attack, but we have not committed ourselves to any particular type of military-assistance program.

Yet, Mr. President, in order that there may be no misunderstanding of what the distinguished Senator from Texas really had in mind when he made such a statement, I read further from his speech:

Mr. President, I am completely convinced that if the Kaiser had known in 1914 that his ruthless attack upon Belgium and France would have led Great Britain and the United States to hurl their armed might against him, he never would have crossed the Belgian frontier.

I am completely convinced, too, that if Hitler had known in 1939 that the United States and the United Nations would have stood together against his marching millions, he never would have launched World War II.

The Senator from Texas continued, quoting from the report of the Foreign Relations Committee on Senate Resolution 239, which states:

The experience of World War I and World War II suggests that the best deterrent to aggression is the certainty that immediate and effective countermeasures will be taken against those who violate the peace.

Then, as if to clinch his argument, he quotes President Truman, who said in his inaugural address of last January:

If we can make it sufficiently clear in advance that any armed attack affecting our national security would be met with overwhelming force, the armed attack might never occur.

Then the distinguished Senator, in the following statement, left no possible doubt whatever that the North Atlantic Treaty is a military alliance, under which we are to become the arsenal of the member nations, when he said:

The main objective of the North Atlantic Treaty is to erase any possible doubt and uncertainty that may be lurking in the minds of potential aggressors. We must provide unmistakable proof this time that the free nations will stand together to resist armed attack from any quarter.

Mr. President, this continued insistence by the distinguished chairman of the Senate Foreign Relations Committee, that the value of the North Atlantic Treaty lies in the overwhelming armed might which must be placed immediately at its disposal, and which must be made immediately available to meet any contingency, makes a mockery of the claim that its greatest value lies in its power to operate as a psychological deterrent.

This same insistence makes utterly absurd the cautious counsel by the supporters of the pact that a Senator, in all honesty, can vote for its ratification and not for the implementing arms treaty which is to follow.

I believe in giving credit where credit is due, even to a devil's advocate. I refer to the testimony of Secretary Acheson before the Senate Foreign Relations Committee. Since Secretary Acheson has been one of the architects of this treaty, his words ought to carry convincing weight. Secretary Acheson does not share the optimism that a Senator can vote for the pact without becoming morally involved in an arms commitment. Secretary Acheson said:

If you ratify the pact, it cannot be said there is no obligation to help. There is an obligation to help, but the extent, the manner, and the timing are up to the honest judgment of the parties.

In its editorial comment of July 11, 1949, on this statement of the Secretary, the Washington Post stated, with complete candor:

To be sure, there is no expressed obligation, but the armament implications of the pact, in articles 3 and 9, are as plain as the dome on the Capitol and as necessary as its walls.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. LANGER. I prefer not to yield until I conclude, and then I shall be glad to yield. I promised the distinguished Senator from Texas [Mr. CONNALLY] that I would finish in an hour and a half.

So far as the understanding of the peoples whose governments are signatories to this pact is concerned, the same editorial answers the question of why it is that Communist membership in the political parties in these countries is now on the decline, by saying:

The reason is the knowledge that under the Atlantic Pact the United States intends to act along with western Europe as an arsenal of the Atlantic community.

What could be plainer?

Mr. President, what could be a greater inconsistency than for the same supporters of this pact—who now are disciples of a new movement to make

America the leader of a world organization, committed to permanent meddling in the internal affairs of all the other nations on earth, and who insist that it was our failure to assume this leadership that is largely responsible for two world wars—to try to peddle this treaty to the American people as an innocent and inoffensive watchdog of the peace.

If the North Atlantic Treaty is ratified, and is not supplemented by an arms implementation bill, it will be nothing, more nor less, than a watered-down version of the Kellogg-Briand Pact, which the United States signed as an instrument to outlaw war. That is all there is to it, Mr. President, just as surely as two and two make four.

Without the arms implementation, this North Atlantic Treaty will not have any more teeth in it than the unlamented League of Nations, to which so many of the champions of this treaty now point as an ineffective gesture, which could not possibly succeed in enforcing or maintaining peace because it lacked the power with which to act; and by power is meant military power.

Mr. President, why is it that the advocates of this treaty continue to carry on their efforts to convert us to the idea that the North Atlantic Pact—which, without the arms implementation bill, will constitute nothing but a reenactment of what they condemn as two of the major blunders in world diplomacy—will now be adequate to maintain peace and justice? That is what they tell us. They say this treaty will preserve the peace, and at the present time they say the arms implementation is not a part of this treaty.

The answer is obvious, for the treaty is to distract our attention from what has actually been going on in the field of arms implementation.

Mr. President, I ask all Senators to listen carefully to the quotations I shall read now from various newspapers. For instance, the April 7, 1949, edition of the New York Herald Tribune summarized the content of the major speeches which were made across this country during the observation of Army Day exercises by saying:

> America's military leaders urged the Nation today to share its armed might and forces with western Europe.

The same newspaper quotes the former Under Secretary of War, William H. Draper, as telling a St. Louis audience that:

> If western Europe is to be defended from attack, we dare not accept a strategic plan that relies on air bombardment alone. Our strategic plan must envision a retention of strength on the continent of Europe.

The same newspaper reported the remarks of the Secretary of War, by saying that:

> Secretary Royall said in Chicago that the Atlantic Pact nations are counting on American arms for their own troops—and also counting on the support of an American Army overseas.

Then on May 6, Mr. President, the New York Times carried a special dispatch from London, in which we learn that:

> The United States Government is going ahead quietly with plans to set up military supply missions in each of the countries that may receive arms under the military arms program now before Congress.

The same dispatch went on to say, Mr. President, that:

> A few days ago a small group of armed forces supply experts arrived here to confer with the European Coordinating Committee Organization, formed recently in the Embassy under the chairmanship of Ambassador Lewis W. Douglas, to supervise any future arms-distribution program that might be voted by Congress.

Then we learn, Mr. President, from a further reading of this dispatch, that:

> While no authorization has yet been voted by Congress for transfer of any except "surplus" weapons or equipment to European countries, the Defense Department is looking over the situation in advance and estimating what its requirements may be * * * Final recommendations have not yet been made, but as and when actual movement of military aid across the Atlantic begins it is probable that it will be channeled to European recipients through existing Army supply facilities in the American Zone of Germany. This is how three below-standard French divisions in the French zone of Germany were brought up to strength with "surplus" American material a few months ago.

How can there be the slightest doubt, Mr. President, in the mind of a single Senator that the proponents of this treaty know perfectly well that this pact and the arms implementation bill are already inseparable, and that during recent months, without the knowledge, advice, or consent of either the United States Senate or the American people, we have been committed to the underwriting of a military alliance for the defense of the imperial powers of western Europe—a commitment which, by whatever devious methods it could devise, this administration has been implementing with military equipment and war matériel.

The ratification of the arms implementation bill will amount to nothing more, also, than the Senate's rubber-stamping of previous secret commitments' which this Government is continuing to implement even while this debate is still going on.

As conclusive and final proof of this charge, I want to read into the record at this point from a Marine Corps memorandum No. 55–49, entitled "Lectures on Communism," of June 6, 1949, which contains lectures that were given as part of the Marine Corps recruit indoctrination corps, by command of Gen. C. B. Case, and distributed by the Department of the Navy over the signature of Charles D. Barrett, Jr., major, United States Marine Corps, who holds the office of publications officer.

Mr. President, what more conclusive proof of exactly what this Government is doing now could be found than the following quotation taken from a copy of the lecture, Communism's World Expansion, which reads as follows:

> What is this Nation doing to try to stop this advance of communism in the world, and to assist the people of the various countries to resist it?
>
> First, and probably foremost, is the Marshall plan, which is supplying various nations with materials to assist them in getting their own economy going again. Food is being supplied to some extent, but the big emphasis is on industrial material, farm implements, and other materials that tend to make them self-supporting.
>
> Secondly, and one which is apparently being effective—judging from the reaction of the communistic nations—is the North Atlantic Defensive Pact. This is an agreement between various nations including England, France, Belgium, and the Netherlands, that all will assist any one of them which may be attacked. This Nation will probably be a party to this agreement and certainly will assist in supplying armament for the necessary forces.
>
> In other words, we are assisting in two ways: First, in supplying means to combat the basic enemies of freedom—cold and hunger—by aiding their economy and helping them sustain their moral force, that is, their desire for freedom and control of their own destinies. Secondly, we are assisting in supplying military forces to counter the threat of force by the various communistic countries.

Mr. President, is it any wonder that from all over the United States I have been getting hundreds and thousands of letters from the various States in the form of protests against the North Atlantic Pact? I have some communications here which came from my own State of North Dakota. Here is one from Fargo, N. Dak., signed by Mr. R. H. Ramsay:

> DEAR MR. LANGER: Don't commit the American people to fighting the people's movements of Europe. We don't want to do Portugal's dirty work. Prove that you stand for peace and freedom for the whole world, and fight the Atlantic Pact.
>
> Respectfully,
>
> R. H. RAMSAY.

Of course, Mr. President.

Here is one from Devils Lake, N. Dak., dated April 23. Yesterday, the distinguished Senator from Texas said that some of these protests from North Dakota did not come in until after I had announced my stand. I only announced that 3 or 4 days ago. The postal card from R. H. Ramsay, box 1723, Fargo, N. Dak., was postmarked April 12, 2 months before the senior Senator from North Dakota stated his position with reference to ratification of the North Atlantic Pact.

Here is a letter from Devils Lake, N. Dak., dated April 23, 1949. I have the envelope, showing when it was mailed, just as the postmark on Mr. Ramsay's post card shows when that was mailed. The communication from Devils Lake reads:

> SENATOR LANGER: Please vote against the Atlantic Pact. The United Nations will be wrecked if the Senate ratifies this. War will follow and we will be ground to atoms.
>
> Sincerely,
>
> MARTHA SCHERLIE.

Here is a letter from Mrs. Virginia C. Jensen, of Fargo, N. Dak., dated March 21, 1949, reading as follows:

> DEAR SENATOR LANGER: As a voter in North Dakota and the mother of three small children I wish to express a very strong concern that the political leaders of this great and wealthy Nation are not taking an initiative in bringing about world peace.
>
> It seems to me that a world government, backed by armed forces, is entirely in order at this stage of civilization. My wish is for legislators who will have the foresight and courage to lead us into a world federation, with or without Russia at the beginning.

The bankrupting, distorted economy of the Atlantic Pact is not the way to do it.

Yours truly,

MRS. VIRGINIA C. JENSEN.

Here is a letter from James A. Wenstrom, of Sykeston, N. Dak. Mr. Wenstrom was formerly a State senator in North Dakota. Under date of June 21, 1949, he writes:

Senator WILLIAM LANGER.

FRIEND BILL: I am sending you petitions of signatures against the Atlantic Pact, which is an out and out war pact.

I want to commend your action on the spy bill, it was the most important stroke to protect civil liberties done in this session of the Congress.

Your statement that Churchill wants the United States of America to underwrite the British Empire, hit the nail on the head, the sad part of it is he is getting away with it, and now the climax to the cold war, the Atlantic Pact, will cost us the sum of $24,000,000,000 by the middle of 1950, according to United States News and World Report, April 15, 1949.

Thanking you for good work. (I would like to skip down there for a few days.)

Sincerely,

JAMES A. WENSTROM.

Here is a telegram from Arthur W. Munk, a professor at the University of North Dakota. It is from Grand Forks, N. Dak., and is dated July 6. It reads as follows:

The North Atlantic Pact is dangerous. It means rearmament of Europe which will provoke Russia to attack. It will undermine the UN. It will retard economic recovery of Europe by diverting money to armaments. Vote against it.

Sincerely,

ARTHUR W. MUNK.

Here is a petition, reading as follows:

To Senator WILLIAM LANGER,

*Washington, D. C.:*

Convinced that war is not inevitable; that the North Atlantic Pact may provoke the very war it professes to prevent; believing that international differences can be settled through United Nations, we call upon you to actively oppose ratification of the pact and to vote against European rearmament, estimated by United States News to cost $20,000,000,000. We are unalterably opposed to feeding the war machine at the expense of our standard of living:

Thorsten Gagnum, Ray Fahrnkopf, Mrs. Ray Fahrnkopf, Bowbells, N. Dak.; Henry Rawn, Flaxton, N. Dak; Willard Swanson, Mrs. Carl Knudson, Bowbells, N. Dak.; Mrs. Gust Ganskop, Flaxton, N. Dak.; Mrs. R. G. Emerson, Bowbells, N. Dak.; Mr. Gust Ganskop, Flaxton, N. Dak; Mr. H. C. Olson, Mr. Carl Knudson, Wm. Butgereit, Bowbells, N. Dak.; Ted Harms, Flaxton, N. Dak.; Mr. C. H. Curnell, Mr. Gunnar Gagnum, Bowbells, N. Dak.; R. A. Owings, Lignite, N. Dak; Lee Eoton, Minot, N. Dak.; Nordeen Gullickson, Bowbells, N. Dak.; Norman Nygaard, Flaxton, N. Dak.; Arnt O. Anderson, Battleview, N. Dak.; Reubin Tofehneyer, Flaxton, N. Dak.; Milford Sernsen, Mrs. Ernest Eaton, Lignite, N. Dak.; Mrs. Norman Nygaard, Flaxton, N. Dak.; Mrs. Floyd Chrest, Bowbells, N. Dak.; Mrs. Melvin Chrest, Mr. Melvin Chrest, Coteau, N. Dak.; Henry A. Hansen, 1328 Second Street, SE., Minot, N. Dak.; Glendon Bryon, Bowbells, N. Dak.

One of the signers to the petition, Mr. R. A. Owings, of Lignite, N. Dak., whom I know well, was formerly a State senator. Another of the signers, Mr. Norman Nygaard, of Flaxton, N. Dak., is one of the best known farmers in our State.

Mr. President, here is a petition from the Oliver Farmers' Union, Local No. 435, Williams County, N. Dak., signed by Carl D. Larson, secretary and treasurer. It is addressed to me, and reads as follows:

To Senator WILLIAM LANGER,

*Washington, D. C.:*

Convinced that war is not inevitable; that the North Atlantic Pact may provoke the very war it professes to prevent; believing that international differences can be settled through United Nations, we call upon you to actively oppose ratification of the pact and to vote against European rearmament, estimated by U. S. News to cost $20,000,000,000. We are unalterably opposed to feeding the war machine at the expense of our standard of living.

OLIVER FARMERS' UNION,
LOCAL NO. 435,
WILLIAMS COUNTY,
STATE OF NORTH DAKOTA,
CARL D. LARSON,
*Secretary and Treasurer.*

I have here a postcard, dated April 5, 1949, from Mrs. K. M. Hellebust, of Lansford, N. Dak., reading as follows:

I am requesting that you vote "no" on the Atlantic Pact.

Here is a letter, dated Grand Forks, N. Dak., March 31, 1949, reading as follows:

GRAND FORKS, N. DAK.,
*March 31, 1949.*

Hon. WILLIAM LANGER,
*Washington, D. C.*

DEAR SIR: As a mother who had two boys in the last war, I want to ask that you do all you can to strengthen the United Nations as a defense against another war. If the North Atlantic Pact means the rearming of Europe, I feel that to sign the pact may mean another war, and we should try everything else before that. The Golden Rule, as we teach it to our children, might also help with our neighbors overseas.

Respectfully yours,

Mrs. STELLA GRAY.
Mrs. C. I. HOYME.
JANE HOYME.

The next is a letter from Ellendale, N. Dak., dated March 30, 1949, reading as follows:

ELLENDALE, N. DAK., *March 30, 1949.*

Senator WILLIAM LANGER,
*Washington, D. C.*

DEAR SENATOR LANGER: I would like to urge you to insist on plenty of time for unrestricted hearings before the Senate Foreign Relations Committee, of the North Atlantic Pact. I wish, also to urge you to vote against the measure when it comes before the Senate for ratification.

I am neither a Russian nor a Communist, but I feel that this pact will simply be an adventure in militarism which will keep the threat of war continually hanging over us and will sooner or later bring on that war. It seems we should still have patience and work through the UN to gain a peace. Force may win a war but only understanding and friendship will win a peace. According to the pact military bases would be established nearly all around the world which Secretary of State Acheson has said would be manned by the United States in part, and financed almost entirely by us. Can we keep our standard of living and still take on this enormous extra expense? Will you not vote against the ratification of the North Atlantic Pact and use all your influence to promote a friendly peace between our country and Russia? Why could not Mr. Truman meet Mr. Stalin in conference or send a delegation as suggested by Bishop Oxnam? I hope you realize there is much opposition to the pact in North Dakota.

We would like to continue the improvement of our State with peace in prospect, not the grim threat of a war which would not bring peaceful security but only an end to civilization.

Please vote "no."

Respectfully,

Mrs. F. L. STOUGH.

Here is a letter from New England, N. Dak., dated March 19, 1949, reading as follows:

NEW ENGLAND, N. DAK., ROUTE 1,
*March 19, 1949.*

Senator WILLIAM LANGER,
*Washington, D. C.*

DEAR SIR: I just have been listening to the radio reports on the Atlantic military treaty and to my understanding it is just a deliberate attempt to create an enemy and stir up trouble. So my advice is to turn it down and also do all you can to get military men out of Government offices. The way we are building up our war power, we have taken over Hitler's war blueprints and not only equaling them, but surpassing them.

I think our tax money could serve humanity much better in building up our country for peaceful purposes and also create real and lasting jobs; for instance, one I am interested in and which I think is real practical, the Missouri Valley Authority.

Yours truly,

GEORGE AUSTIN.

The next letter is from Christine, N. Dak., dated May 21, 1949, reading as follows:

CHRISTINE, N. DAK., *May 21, 1949.*

Senator LANGER,
*Office Building, United States Senate,*
*Washington, D. C.*

DEAR SENATOR: I certainly appreciate your stand against the Atlantic Pact, and I am not alone in doing so. I believe it is a growing sentiment in our State against it; at least we are agitating against it.

It is the most momentous question in American history. It means life or death, civilization or barbarism.

Using Russia to create a war hysteria, and incidentally a war prosperity, is an insult to our intelligence.

Sincerely,

ANDREW SKARVOLL.

The next letter is from Grand Forks, N. Dak., dated April 7, 1949, from which I read the second paragraph:

We are unable to size up one more nation besides the British that would be benefited by the Atlantic Pact. We also notice there are some of the small countries that are not coming into the pact, such as Sweden, Ireland, etc.

We only wish that some delay or postponement could be worked out at this time. If the Senators could have a few months' time to think this proposition over, we all believe most of them will change their minds on the vote. This is serious business and should not be rushed through so fast.

Mr. President, some of these persons are very smart.

I have another large bunch of telegrams and letters which I shall not put into the RECORD, because I do not want to encumber it too much, but I have here a letter sent to all Senators, dated July 8, 1949, by the National Council of the Arts, Sciences, and Professions, Inc., of 49 West Forty-fourth Street, New York,

N. Y., which is signed by so many outstanding persons that I ask unanimous consent that it may be printed in full, together with the Roll Call for Peace accompanying it, with the signatures attached.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF THE ARTS, SCIENCES, AND PROFESSIONS, INC.,
*New York, N. Y., July 8, 1949.*

*To the Senate of the United States:*

Approval of the North Atlantic Pact by the Senate of the United States as requested by the Department of State will place the United States Government behind a political policy contrary to the aims and Charter of the United Nations, which it helped found.

Request for such approval rests on the apparent need for military preparedness against the menace of armed attack. A foreign policy based on preparedness for war, combined with the staggering total of military expenditures such a policy involves, naturally invites the American citizen and taxpayer to inquire, "Who is the enemy who is preparing to attack us?" and also "Is there no basis of agreement possible? Is war the only alternative?"

The alleged enemy is the Soviet Union. It has been repeatedly stated by responsible members of the American delegation to the United Nations that the United States is in no danger of military attack from this quarter.

Only recently our governments met with representatives of our allies in the war against fascism in the Paris meeting of foreign ministers. There was much discussion of mutual problems with one of the liveliest debates centering around Biblical references to fleas.

This meeting of foreign ministers operating within the framework of the United Nations indicates the need and possibility of further agreements, arrived at by mutual concession among the Big Four.

This is the way to peace without the hopeless expenditure for staggering armaments and military pacts for the speediest extermination of whole populations.

All problems of foreign policy facing our country today can be solved peacefully within the United Nations.

The NCASP, having deliberated this problem at its Cultural and Scientific Conference for World Peace at the Waldorf-Astoria Hotel on March 25–27, 1949, is pleased to present for your consideration some of our citizens who signed the roll call for peace addressed to Members of the Senate of the United States.

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ROLL CALL FOR PEACE

In this hour of crisis, we the undersigned proudly unite in the roll call for peace. We are convinced that peace is possible and that the United Nations is the last best hope of peace.

The North Atlantic Pact, we believe, replaces the one world of the United Nations, with two worlds in which brute force is a substitute for human reason.

Our Government must not take a false step that may cost us our freedom and plunge our country into a catastrophe which still can be avoided.

Therefore, we respectfully petition the Members of the Senate of the United States to vote against the North Atlantic Pact and to call instead for the immediate initiation of long-term, top-level discussions between our Government and the U. S. S. R.

The following signed the roll call for peace:

Rev. Charles B. Ackley, Berenice Abbott, Oliver S. Allen, Kurt Anderson, Robenia Anthony, Herbert Aptheker, Bruno Aron, Zlatko Balokovic, S. L. M. Barlow, Alice Prentice Barrows, Prof. Bernard Baum, Howard Bay, Irwin R. Beiler, Thomas Bell, Elmer Bendiner, Lewis Alan Berne, Victor H. Bernstein, Marc Blitzstein, Dr. E. M. Bluestone, B. A. Botkin, Richard O. Boyer, Joseph Brainin, Theodore Brameld, Prof. Dorothy Brewster, Lucy Brown, Prof. Edwin Berry Burgum, David Burliuk, Dr. Allan M. Butler, Rabbi Jonah E. Caplan, Saul Carson, Robert C. Challman, Rev. Mark A. Chamberlin, Jerome Chodorov, W. G. Clugston, Lester Cole, Fannie Cook, Paul Corey, Abraham Cronbach, Rev. John W. Darr, Jr., Dr. Leo M. Davidoff, Dr. Percy M. Dawson, Dr. John J. De Boer, Stephen Deutch, Albert Deutsch, Earl B. Dickerson, Harl R. Douglass, Olin Downes, Muriel Draper, W. E. B. Du Bois, Arnaud d'Usseau, Prof. Abraham Edel, Dr. Robert H. Ellis, Thomas I. Emerson, Guy Endore, Philip Evergood, Henry Pratt Fairchild, Robert D. Feild, Sidney Finkelstein, Irving H. Flamm, Alan R. Freelon, Frank S. Freeman, Joseph Gear, Louis Gelders, Daniel S. Gillmor, Vincent Glinsky, Henrietta L. Gordon, Jay Gorney, Harry Gottlied, James Gow, Chaim Gross, Robert Gwathmey.

Uta Hagen, Talbot Hamlin, Dashiell Hammett, Minna Harkavy, Pearl M. Hart, Herbert Haufrecht, Karl F. Heiser, J. Allen Hickerson, Rev. Charles A. Hill, Carroll Hollister, Eugene C. Holmes, John N. M. Howells, Rev. Kenneth de P. Hughes, Dr. W. A. Hunton, Arthur Hurowich, Leo T. Hurwitz, Alfonso Ianelli, Leon E. Janney, Crockett Johnson, Robert Josephy, Albert E. Kahn, Stetson Kennedy, Rockwell Kent, T. J. Kent, Howard Koch, Alfred Kreymborg, Fredell Lack, Harry C. Lamberton, Corliss Lamont, Millard Lampell, Sidney Laufman, Arthur Laurents, John Howard Lawson, Kenneth Leslie, Ray Lev, S. Lev-Landau, Joseph H. Levy, Dr. Harold E. Lippman, Jacob Little, Rev. Donald G. Lothrop, Oliver S. Loud, Harry L. Lurie, Louis F. McCabe, Elizabeth McCausland, Rev. Jack McMichael, Wayne McMillen, Prof. Curtiss MacDougall, Luther K. MacNair, A. B. Magil, Albert Maltz, Ruth Z. S. Mann, F. L. Marcuse, Adele P. Margolis, Dr. Leo Mayer, Eve Merriam, Dr. Willis B. Merriam, Lisette Model, Sam Moore, Jacob Moscowitz, Willard Motley, Bishop Arthur W. Moulton, John A. Muntz, Scott Nearing, Edward G. Nelson, Dr. Peter B. Neubauer, Clifford Odets, Elizabeth Olds.

Rev. George L. Paine, Aubrey Pankey, Erwin Panofsky, Father Clarence Parker, Linus Pauling, Helen U. Phillips, Prof. Melber Phillips, Elias Picheny, Seymour M. Pitcher, Isadore Pomerance, Martin Popper, Anton Refregier, Bertha C. Reynolds, Wallington Riegger, O. John Rogge, Dr. Theodor Rosebury, Robert A. Rosenbaum, Norman Rosten, Muriel Rukeyser, Rose V. Russell, S. A. Russell, Dr. Bela Schick, Dr. Margaret Schlauch, Dr. Artur Schnabel, Rev. John R. Scotford, Dr. Howard Selsam, Ben Shahn, Eva Sikelianos, Samuel Sillen, Dr. Maude Slye, Agnes Smedley, Jessica Smith, Rev. F. Hastings Smyth, Alfred K. Stern, Bernhard J. Stern, Martha Dodd Stern, Paul Strand, William M. Sweets, Paul M. Sweezy, Arthur Szyk, George Tabori, Leland H. Taylor, Ernest Thurn, Charles Trinkaus, Dalton Trumbo, Dr. Ralph H. Turner, Louis Untermeyer, Mark Van Doren, Hilda Vaugh, Prof. Eda Lou Walton, Harry F. Ward, Theodore Ward, Closton E. Warne, Dr. Alfred H. Washburn, John M. Weatherwax, Max Weber, Dan Weiner, Sid Weiss, Gene Weltfish, Edward Weston, Frank W. Weymouth, Henry Willcox, James Waterman Wise, James H. Wolk, Clement Wood, Maxine Wood, Thomas Woody, Edward L. Young, Ben-Zion.

Mr. LANGER. Mr. President, one of the great organizations in this country is the Steuben Society of America. We hear a great deal about Lafayette coming to this country and helping us. Von Steuben came to Valley Forge and assisted us. One of the greatest paintings in America is the painting of Von Steuben reviewing the troops at Valley Forge.

I ask unanimous consent to have printed at this point in my remarks an article which appeared in the Steuben News in May 1949, entitled " 'No' to the Atlantic Pact."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"NO" TO THE ATLANTIC PACT—THE AMERICAN ECONOMY COULD NOT STAND THE STRAIN OF ADDITIONAL TAXES—THE LAW OF SELF-PRESERVATION—DEFENSIVE PACTS HAVE NOT PREVENTED WARS—THE LOST ART OF LOCALIZING AN ARMED CONFLICT—SIPHONING OFF EXCESS ENERGY

The hearings on the North Atlantic Treaty before the Senate Foreign Relations Committee were opened with a statement by Dean Acheson in which the Secretary of State, speaking for the administration, urged prompt ratification of the pact by the upper House and quick congressional approval of the administration's forthcoming $1,130,000,000 program of military assistance to this Nation's associates in the first formal military alliance this Nation has ever concluded in times of ostensible peace.

The Secretary of State presented the well-known arguments which have been dinned into our ears for the past few months. He hedged on the question whether the agreement would require an automatic United States declaration of war in the event of an armed attack on a member nation. His reply, couched in careful diplomatic phraseology was unequivocally not. He also got into a heated dispute with Senators CONNALLY and VANDENBERG on the question whether those supporting the treaty would be morally bound to approve the billion-dollar military-assistance program without any further arguments.

His main thesis was that the North Atlantic Treaty represents the only way to make peace secure and that, "if we wish peace, we must be prepared to wage peace, with all our thought, energy, and courage."

NOBLE SENTIMENTS

Noble sentiments, indeed—but do they stand up in the cold light of harsh reality?

Last month, in this space, an exhaustive analysis of the contents and the possible effects of the North Atlantic Treaty led to the conclusion that the best interests of the American people would not be served by the pact and that, therefore, it should be rejected.

Once again, the facts speaking against the pact shall be marshaled in the most direct and concise form possible in order to forestall any and all attempts at misinterpretation.

Everyone must realize that approval of the pact means also full approval of the present and all future military assistance programs which the Administration might present to Congress and to the American people.

At this time, I am not concerned with the possibility that a future leftist regime in western Europe might benefit from this military aid program and use the "Made in America" weapons against the donor.

I am only concerned—and deeply concerned—with simple matters of economy and I want to go on record that this Nation will be unable to pursue its own national goal towards economic betterment for its own hard-pressed people and, at the same time, give unlimited financial help—via ECA and a dozen other Government agencies, plus more billions for rearmament—to its European allies.

LET US TAKE OVER

If we wish to go all out in order to preserve an antiquated system in western Europe, then self-preservation demands that we run the national lives of these countries, fully and without interference by the duly

elected governments. This would mean complete supervision of every phase of national existence in order to have some sort of guarantee for our investment in a peaceful Europe. We would have to decide not only on arms, but also on taxes, on customs, on exports as well as on imports, on socialization of industries, and on all other phases of government which have to do with tax receipts and expenditures.

That such a state of affairs is impossible should be self-understood. But because we know that in practically everything with the exception of readily accepting economic help from the United States, the countries of western Europe have gone their own way and will continue to do so, because we realize that the age-old game of power politics is still firmly in the saddle on the banks of the Thames and Seine to our own detriment, we are unalterably opposed to the North Atlantic Treaty which would bleed this Nation white and give us little or nothing in return, with the possible exception of hope.

YOU CAN'T SERVE TWO MASTERS

The President wants a national health program made into law.

He wants better housing.

He wants the Social Security Act put on a broader basis.

He wants a thousand other things entailing additional taxes on an economy which will be unable to bear them.

Notwithstanding official secrecy, it is rather common knowledge that the social-security funds have been mortgaged to the tune of $10,000,000,000. We don't know where they have gone. Maybe to Europe, maybe to Asia, maybe somewhere else. The new taxes may well be used for similar purposes until the day of reckoning comes.

What is the choice to be? To continue pumping money into Europe, thereby weakening the fabric of the American economy even more and mortgaging the lives and the happiness of future generations of Americans—or to strengthen the American way of life by making the American people, present and future, happier, more self-reliant, and stronger for the difficult tasks which lie ahead for all humanity?

If first things have to come first and the Atlantic Pact is so vital to our existence, then let us scrap our social programs, present and future, and concentrate all our economic energies—and they would be tremendous—on the pact, on ECA, military aid, and a multitude of other programs whose results are, to say the least, doubtful.

To do both and do them well will not be possible.

CLEAR-CUT CHOICE NEEDED

The iron law of self-preservation demands that a clear-cut choice be made and be made fast.

The aging statesmen and politicians of today will have no part in the world of tomorrow

They will not witness the day when the American people may be crushed under the burden of taxes which were raised in order to preserve an utterly insecure and antiquated system in Europe.

By preserving the status quo in western Europe, we will not solve the riddles of overpopulation, of lack of opportunity—of that social fermentation which goes beyond national boundaries and national ambitions.

The world of 1919 refused to recognize the change in the social-political fabric of Europe, its causes and its possible effects. It paid for its shortsightedness with the terrible lesson of 1939–45. The new postwar world is again blind to the facts of eternal change which cannot be shackled by treaties and force of arms.

Pious hopes, alone, are not sufficient. If they are expressed by the leaders of nations, they are criminal. If these leaders—and there are numerous Americans, secular and ecclesiastic alike, among them—ally themselves with the forces of reaction as far as industrial, social, and land reforms are concerned, then we see no choice but unequivocal rejection of the North Atlantic Treaty which will pauperize the American citizen, retard the economic progress of the American people and squander the American birthright for something that is—to put it mildly—just a faint hope.

UNIVERSAL WAR

We are also opposed to the North Atlantic Treaty because it is designed to make another murderous war universal.

We are not concerned with the legalistic niceties in which diplomats like to cloak their pronunciamenti. The cold fact remains that our present-day statesmen have forgotten the wisdom of the statesmen of the eighteenth and nineteenth centuries.

The diplomats at the Congress of Vienna, the masterminds directing the concert of Europe during the nineteenth century and up to 1914, followed the Golden Rule of localizing every armed conflict. They did not indulge in vague hopes of eternal peace. They were aware of the realities of the life and strife of nations and they endeavored—successfully—to channel national ambitions, national expansionism.

They "waged peace" by siphoning off national energies into regions where the established regimes of Europe would be disinterested or willing to make sacrifices for the sake of universal peace.

There is no better example than that of Bourbon France, which, after the horror of the Napoleonic wars, was considered an equal partner during the deliberations at Vienna and, only 14 years after, was allowed to use up excess energy in North Africa, where a new empire was brought into being.

AND THE UNITED STATES OF AMERICA?

As to the United States, were not we able to make our debut on the world stage with our imperialistic excursions into the Philippines and into Cuba, into Venezuela and Mexico—whatever popular history might call these demarches?

Because the wording of the North Atlantic Pact will make us part and parcel of every age-old European squabble; because there is the strong possibility that a small and cocky European nation may draw us into another world-wide conflict; and because the treaty limits our freedom of action and gives us no guaranties for our sacrifices in money and men, it should be rejected by an enlightened American people.

Is it necessary to mention again and again the truism that such defensive pacts have never prevented war; that they have, on the other hand, provoked armed conflicts?

Must we call, once again, attention to the fallacies of the United Nations Charter, to the existing pacts between Russia and England and Russia and France?

Suffice it to say that the eternal laws of physical interrelation will prevail over all man-made laws and that only those who preserve their strength and recognize the imponderables of human existence will carry the day and snatch some happiness from the maws of Fate for themselves and for their children.

J. H. MEYER.

Mr. LANGER. Mr. President, I have in my hand a statement signed by Negro churchmen in relation to the North Atlantic Pact. It is signed by the outstanding Negro ministers of America, 55 of them, including two college presidents, all opposed to the North Atlantic Pact. I ask unanimous consent that the statement may be published in full, together with the names of the 55 Negro leaders.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A STATEMENT TO THE PRESIDENT OF THE UNITED STATES FROM NEGRO CHURCHMEN ON THE NORTH ATLANTIC PACT

The question of peace or war for the American people is the most fundamental and soul-stirring issue facing the Nation today.

If a consideration of this vital question has deep implications for the safety and welfare of all Americans, the resolution of this issue projects grave dangers to the Bill of Rights and the civil liberties of 15,000,000 Negro Americans.

For today, despite the fact that we have not yet won justice, freedom and dignity after 300 years of struggle in this great land which we love, we are asked to support an American instrument of foreign policy, the North Atlantic Pact, which our Government declares is designed to assure freedom, individual liberty and peace for peoples throughout the world.

As a people who have provided more sons and daughters on the altar of human slavery and terror than any other people in American history, we might be expected to look with something less than equanimity on these declarations which have been lavished upon the North Atlantic Pact by the national administration. A people still in economic bondage in a land of plenty such as Negro people in America will, naturally, look askance at our Government's declarations of freedom for peoples in other lands, while it neglects to put these declarations into practice at home.

When we cast our eyes beyond our shores and look at the millions of darker peoples in Africa, Asia, and the islands of the Pacific, peoples still bound by the most inhuman bonds of slavery to the domination of signatories to the North Atlantic Pact, we have grave doubts about the use to which the arms of such nations will be put in time of stress and strain.

We ask the questions whether we or any group of Americans should lend support to Britain, France, Italy, Portugal, the Netherlands, and Belgium in order to guarantee that the colonial peoples under their rule, shall not win their destiny of freedom and independence. We ask the question whether the shameful policy of repression and discrimination which characterizes our Government's policy in the Panama Canal Zone and in every section of the United States mainland, entitles us to believe that this is the American way of life which the North Atlantic Pact is designed to protect.

We believe these are questions which we as leaders of millions of Negro church people who want peace, who love the church, who love our land, who respect our country's freedom traditions, and believe in Christ's admonition to "love thy neighbor as thyself," must ask ourselves and all Americans.

That is why we the undersigned, acting in good conscience, and guided by a firm belief in the right of all peoples to freedom, human dignity, and the good life of peace, call upon the President of the United States, members of the United States Senate and the Secretary of State, to reject the military concept contained in the North Atlantic Pact, and return to the one-world concept inherent in the structure of the United Nations.

We believe that we can work with any nation, including the Soviet Union, our ally in war—if we are determined to make full use of the United Nations.

As representatives of a people whose forbears fought for freedom and never faltered, we believe we have a duty to ourselves, our families, and our native land, to make this declaration as we look forward to the future of our freedom in our America.

WASHINGTON, D. C., June 14, 1949.—Expressing the fear that the North Atlantic Pact will be used by the Government to repress the freedom aspirations of Colonial peoples, 55 religious leaders, including two college presidents, called upon President Truman to reject the military concept contained in the North Atlantic Pact, and return to the one-world concept inherent in the structure of the United Nations.

The religious leaders made known their views in a statement signed by them and released today through the Fraternal Council of Churches in America, representing 7,000,000 Negro church members of 11 denominations.

Pointing out that the most of the signatories to the pact, including the United States, are guilty of keeping in forcible subjection millions of Negro people in the colonial areas, the statement declared: "We ask the question whether the shameful policy of repression and discrimination which characterizes our Government's policy in the Panama Canal Zone and in every section of the United States mainland, entitles us to believe that this is the American way of life which the North Atlantic Pact is designed to protect."

Emphasizing their belief in the workability of the United Nations, the religious leaders told the President that they believed we can work with any nation, including the Soviet Union, our ally in war—if we are determined to make full use of the United Nations.

Following is a list of those who signed the statement, a copy of which was also sent to the Secretary of State and to each Member of the United States Senate:

AFRICAN METHODIST EPISCOPAL ZION CHURCH

Bishop Hampton T. Medford, Washington, D. C.; Bishop of Liberia, East Gold Coast, West Gold Coast, and Nigeria, West Africa.

Bishop William J. Walls, Chicago, Ill.

Bishop C. C. Alleyne, Philadelphia, Pa.; Bishop of South America and the Virgin Islands.

Bishop R. L. Jones, Salisbury, N. C.

Bishop E. B. Watson, Greensboro, N. C.

Bishop James Clair Taylor, Memphis, Tenn.

Rev. D. C. Pope, Washington, D. C.; secretary, Department of Foreign Missions.

Mrs. Martha B. Francis, New York, N. Y.; general secretary, bureau of supplies, Woman's Home and Foreign Missionary Society.

Mrs. Cynthia M. Waff, Philadelphia, Pa.; recording secretary, Woman's Home and Foreign Missionary Society.

Rev. Farley Fisher, Washington, D. C.; general secretary-auditor of the A. M. E. Zion Church.

Miss Eula M. Brown, Kansas City, Mo.; editor, woman's section. "Missionary Seer."

Mrs. Anna F. Fields, Los Angeles, Calif.; chairman, life members council, Woman's Auxiliary, Foreign Mission Board.

Mrs. Delacy Grecian-Donawa, Asbury Park, N. J.; vice president, Woman's Auxiliary, Board of Foreign Missions.

Rev. B. C. Robeson, Mother Zion A. M. E. Z. Church, New York, N. Y.

Rev. William D. Hogans, Goodwill A. M. E. Z. Church, Riverhead, Long Island, N. Y.

Mrs. Annie Helms, secretary, Long Island, N. Y., District Young Woman's Home and Foreign Missionary Society, Riverhead, N. Y.

Rev. John A. Mattheus, Metropolitan A. M. E. Z. Church, Yonkers, N. Y.

Rev. S. H. Williams, Varick Memorial A. M. E. Z. Church, Brooklyn, N. Y.

Rev. W. H. Blake, St. John A. M. E. Z. Church, Highland Falls, N. Y.

Rev. J. H. Tucker, presiding elder, Long Island district, New York Conference, A. M. E. Z. Church, New York, N. Y.

Rev. James E. W. Stewart, Westbury A. M. E. Z. Church, Westbury, Long Island, N. Y.

Mrs. Dasie Caldwell Tucker, supervisor, Second Episcopal Area A. M. E. Z. Church, Peekskill, N. Y.

Mrs. Abbie Clement Jackson, executive secretary, Woman's Home and Foreign Missionary Society A. M. E. Z. Church, Louisville, Ky.

Rev. Arthur E. May, secretary, New York annual conference, A. M. E. Z. Church, Poughkeepsie, N. Y.

Rev. Zacharias A. Jones, financial secretary, Livingstone College, Salisbury, N. C.

AFRICAN METHODIST EPISCOPAL CHURCH

Bishop Reverty C. Ransom, Wilberforce, Ohio.

Bishop L. H. Hemingway, Washington, D. C.

Bishop J. H. Clayborne, Little Rock, Ark.

Dr. L. L. Berry, New York, N. Y.; secretary-treasurer, Board of Home and Foreign Missions.

Rev. P. W. Rogers, Washington, D. C.; secretary-treasurer, Board of Church Extension.

Rev. E. C. Hatcher, Nashville, Tenn.; editor, Southern Christian Recorder.

Rev. P. Stevenson, Bethel A. M. E. Church, Ardmore, Pa.

Mrs. Anne E. Heath, Philadelphia, Pa.; president, Woman's Missionary Society.

BAPTIST CHURCH

Dr. D. V. Jemison, Selma, Ala.; president, National Baptist Convention, Inc.

Dr. William H. Jernagin, consultant, Washington Bureau, Fraternal Council of Churches, president, National Baptist Sunday School and B. T. U. Congress.

Rev. C. C. Adams, executive secretary, Foreign Mission Board, National Baptist Convention, Philadelphia, Pa.

Rev. James L. Horace, president, Illinois Baptist General State Convention, Chicago, Ill.

Rev. B. Boyd, St. John Baptist Church, Newark, N. J.

Rev. C. B. W. Gordon, Jr, Parkersburg, W. Va.; general secretary, Mount Zion Baptist Association.

Rev. O. L. Sherrill, Raleigh, N. C.; executive secretary, General Baptist State Convention.

Rev. J. Quinton Jackson, Philadelphia, Pa.; corresponding secretary, New England Baptist Convention.

Rev. Ulysses G. Wilson, Zion Baptist Church, Portsmouth, Va.

Rev. W. L. Mason, Rocky Mount, N. C.

METHODIST CHURCH

Rev. Daniel Lyman Ridout, Dover, Del.; superintendent, Dover District Delaware Conference.

Rev. S. H. Sweeney, St. Marks M. E. Church, New York, N. Y.

Rev. Charles Y. Trigg, Salem Methodist Church, New York, N. Y.

COLORED METHODIST EPISCOPAL CHURCH

Bishop R. A. Carter, Chicago, Ill.; senior bishop, C. M. E. Church.

OTHER SIGNERS

Rev. Shelby Rooks, St. James Presbyterian Church, New York, N. Y.

Lester M. Suitt, director, Washington Bureau, Fraternal Council of Churches in America.

Dr. Benjamin E. Mays, president, Morehouse College, Atlanta, Ga.

Dr. Charles E. Wesley, president, Wilberforce State College, Wilberforce, Ohio.

Rev. I. Logan Kearse, president, Minister's League of Stamford, Stamford, Conn.

Rev. J. G. Bryant, Vaux Hall, N. J.

Rev. Tyler T. Thomas, Elizabeth, N. J.

Mr. LANGER. Mr. President, I have here a particularly interesting letter from Mrs. Bonnie Campbell, of Minot, N. Dak., and I ask unanimous consent that her letter, addressed to me and beginning "Though it is to be assured that you will vote 'No' on the passage of that nefarious duplicity labeled 'North Atlantic Security Pact,'" be printed in full in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MY DEAR SENATOR LANGER: Though it is to be assured that you will vote "No" on the passage of that nefarious duplicity labeled "North Atlantic Security Pact" with its 20 years' duration clause of sweat, blood, and tears for our now 20 years and under youth to be militarily enslaved by as it will necessarily culminate in the end into the worst war ever, and shortages here as we are to be bled dry in the lend-lease to maintain the same set-up. Here is where a filibuster campaign would be most timely to prevent its rapid pace passage, and incidentally, and not least, to give the august Churchill party now arriving with "empty purses" as is the English sponge habit, so as to be here to make sure of there being no slip-up, in the deal. As it is so truly of his bright bargaining English tricks. This letter to lend an encouraging voice. That bloated Mr. VANDENBERG should be shipped with Mr. Churchill to England on the returning passage boat, first to leave the dock.

Respectfully,

MRS. BONNIE CAMPBELL.

Mr. LANGER. Mr. President, I have here a telegram from a former editor in North Dakota who has just returned from Europe. The telegram is dated July 8, 1949, and reads as follows:

The North Atlantic Pact is volcanic. Rearmament of Europe may provoke war. If it means peace, why is Russia excluded? Hitler, Mussolini said Anti-Comintern Pact of 1936 meant peace. United States News says cold war has cost $28,000,000,000. Estimates rearmament cost at $24,000,000,000. Can our economy stand these drains? Urge you oppose pact and rearmament with all your skill and power. Thousands of other North Dakotans share my sentiments, though they may not be as vocal.

Yours,

DON MATCHAN.

Mr. President, I have here a telegram from the Association of University Professors, from Chicago University. It reads:

CHICAGO, ILL., *July 13, 1949.*

Hon. WILLIAM LANGER,
*Senate Office Building,*
*Washington, D. C.:*

For and with American people stand against Atlantic Pact for its repudiation of founding fathers. For its war promotion, defeat North Atlantic Pact.

MARY RHEUDE,
*American Association of University Professors.*

Mr. President, that little telegram says a lot. When the university professors here say that the association stands for the creation of the founding fathers, that is absolutely correct. When a Senator casts his vote in favor of the Atlantic Pact, in favor of getting us mixed up in all the problems of European nations, that Senator says to the American people, "I know more about things than George Washington ever knew," and, as I shall later in my speech show, they go not only against the advice George Washington gave, but the advice Abraham Lincoln gave.

I have here another telegram from an outstanding man in North Dakota, Joe Stevens, of Valley City. He says:

VALLEY CITY, N. DAK., *July 12, 1949.*
Hon. WILLIAM LANGER,
*Senate Office Building,*
*Washington, D. C.:*

Am supporting stand to prevent the passage of the Atlantic Pact in its present form.
JOS. STEVENS.

Mr. President, I might say that the women of North Dakota are opposed to the pact. Not one woman in my State has written me in favor of the pact. Not a single veterans' organization has asked me to vote for the pact; not one. Surely, those men who fought, if they thought this was a good thing for America, would have their petitions here.

Here is a letter from Williston, N. Dak., dated April 24:

WILLISTON, N. DAK., *April 24, 1949.*
Senator WILLIAM LANGER,
*Senate Office Building,*
*Washington, D. C.*

DEAR MR. LANGER: An adult study group of Williston, N. Dak., now in meeting, have discussed various issues of the day. We are all citizens and voters of North Dakota.

The group is unanimous in support of an MVA for our territory. We urge your vote in behalf of MVA.

As a group we are opposed to a ratification of the North Atlantic Pact and we expect our representatives to carry out our wishes. We thought you would like to hear our views.

Please send a copy of the Atlantic Pact to each of the following people.

Sincerely yours,

Mr. and Mrs. Iver Solberg, Farmer, Ray, N. Dak.; Jerome G. Fork, Civil Engineer, Helena, Mont.; Anne Westphal, Farmers Union Fieldworker, Williston, N. Dak.; Mr. and Mrs. Fred King, Locomotive Engineer, Williston, N. Dak.; Samuel C. Westphal, Williston, N. Dak.; Kermit O. Esterby, Appam, N. Dak.; Caleb Johnson, Williston, N. Dak.; Alfred O. Solberg, Williston, N. Dak.; Jimmie Solberg, Williston, N. Dak.; Alma Esterby, Appam, N. Dak.; Geraldine Esterby, Housewife, Appam, N. Dak.

It may be interesting to know that I have received letters from every State in the Union opposed to the pact. Here is one from the Public Forum of Spokane, Wash., a public forum which has been in operation for a great many years. I read what they say:

RESOLUTION OF PUBLIC FORUM OF SPOKANE AND THE INLAND EMPIRE

Whereas the Atlantic Pact now in process by the Fascist overlords of the ruling nations to annihilate all world democracies, and freedoms; and

Whereas said proposed pact under the guise of American peace diplomacy is in essence an all-out declaration of war with the governments of nations that are building a true democracy by incorporating and living a true and just program for world peace: Be it

*Resolved,* That the Spokane Public Forum go on record opposed to any pact or insidious military trick to involve the entire world in a death reign of terror and destruction, that a copy of this resolution be mailed to the President, Senator TOM CONNALLY, chairman of the Foreign Relations Committee, Senators CLAUDE PEPPER, AIKEN, MURRAY, MAGNUSON, and CAIN.

JOSEPH E. NESBITT,
*President.*
MARY JANE WELSH,
*Acting Secretary.*

Mr. President, what do the Quakers think about the pact? I have here a letter from the Fellowship of Reconciliation, Philadelphia Branch, 300 Jane Addams House, as follows:

THE FELLOWSHIP OF RECONCILIATION,
PHILADELPHIA BRANCH,
*Philadelphia, Pa., March 26, 1949.*
Senator WILLIAM LANGER
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR LANGER: We believe that the North Atlantic Pact, and any consequent shipments of arms, would be a serious threat to peace. The verdict of history is that such alliances hasten war rather than prevent them.

The diversion of manpower and resources of Nations will be tragic, for less will then go for reconstruction. It is well known that communism thrives on social unrest and economic dislocation.

The bankruptcy of the policy of "peace by force" is clearly shown in China. It is bound to lead to immeasurable disaster. It will give only the illusion of security.

The United Nations, already seriously weakened, will be rendered almost entirely impotent.

We commend to you our earnest concern that you do all you can to set our Nation on the path of moral leadership. Peace and security are much more likely to come if we again become what we once were to the rest of the world: a symbol of democracy, opportunity and freedom. Therefore, we urge that you refuse to commit the United States to the Atlantic Pact and seek a better way.

Respectfully yours,
CHARLES WALKER,
*Executive Secretary.*

Mr. President, I have here an open letter sent to the President and Congress of the United States by scores and scores of ministers, rabbis, and other leaders from all over the country, Illinois, Indiana, and other States. There are seven double-space columns of signatures. I shall read some of them:

Signers of the open letter addressed to the President and Congress urging the rejection of the Atlantic military alliance and advocating negotiation and peaceful settlement with the Soviet Union: Rev. Fred J. Abele, Grace Evangelical and Reformed Church, 2600 Budd Street, River Grove, Ill.; Prof. Edith Abbott, University of Chicago, 5544 Woodlawn Avenue, Chicago; Dr. Fred L. Adair, emeritus professor, University of Chicago, Chesterton, Ind.; Harland H. Allen, 28 East Jackson Boulevard, Chicago, Ill.; Rev. P. O. Anderson, Trinity Lutheran Church, 2609 Ridge Avenue, Evanston, Ill.; Sven Anderson, vice president, Local 453, UAW-CIO, Cicero, Ill.; Rev. Norman A. André, First Lutheran Church, 3105 Euclid Avenue, Berwyn, Ill.; Prof. Joseph Axelrod, University of Chicago, 1005 East Sixtieth Street, Chicago; Rev. Lawrence R. Axelson, Bethany Methodist Church, 1617 Winnemac Avenue, Chicago, Ill.; Dr. Percival Bailey, 731 Lincoln Street, Evanston, Ill.; Rev. William T. Baird, Essex Community Church, 2120 East Ninety-seventh Street, Chicago; Russell W. Ballard, Director, Hull House, 800 South Halstead Street, Chicago—

Mr. President, what fine memories that brings up, director of Hull House, in Chicago—

Rev. Dr. Albert E. Barnett, Garrett Biblical Institute, Evanston, Ill.; Rev. Donald I. Bartholomew, Lisle Congregational Church, 4615 Main Street, Lisle, Ill.; Rev. Samuel Batt, Wood Dale Community Church, Wood Dale, Ill.; Alice S. Belester, Chicago Federation of Consumers, 2853 North Neva Avenue, Chicago; Rev. Agustus E. Bennett, 3600 Vincennes Avenue, Chicago; Hilvie Benson, counsellor, Lutheran students, Northwestern University, Evanston, Ill.; Rev. Oscar A. Benson, American Lutheran Conference, 327 South La Salle Street, Chicago; Rev. Samuel L. Besecker, Resurrection Lutheran Church, 2835 Hawthorne Street, Franklin Park, Ill.; Jessie C. Binford, Juvenile Protection Association, Hull House, 800 South Halsted Street, Chicago, Ill.; Prof. Millard P. Binyon, University of Chicago, 5536 Kimbark Avenue, Chicago; Desmond W. Bittinger, editor, Gospel Messenger, Church of the Brethren, Elgin, Ill.; Rev. Carl C. Bizer, North Shore Evangelical Church, 1527 Edgewater Avenue, Chicago; Rev. Henry Blanke, chairman, Home Missions in South America, Evangelical Lutheran Church, 4943 West Montrose Avenue, Chicago; H. L. Blout, editor, Beacon newspaper, Berwyn, Ill.; Mrs. Margery E. Blumberg, 2112 Cornelia Avenue, Waukegan, Ill.; Rev. Ray Bond, Morgan Park Methodist Church, 10920 South Hoyne Avenue, Chicago; Elizabeth Jane Bott, University of Chicago, 6112 South Kimbark Avenue, Chicago; Rev. Melvin Briere, First Lutheran Church, 900 North Seventh Avenue, Maywood, Ill.; Rev. Norman F. Brooks, Lyonsville Congregational Church, Route No. 1, La Grange, Ill.; Mrs. Libby Brown, 4750 Woodlawn Avenue, Chicago; Rev. Orville Brummer, Evangelical and Reformed Church, 13039 Gregory Street, Blue Island, Ill.; Rev. Albert W. Buck, Tabor Evangelical and Reformed Church, 4142 North Lawler Avenue, Chicago; Rev. Edwin T. Buehrer, Third Unitarian Church, 301 North Mayfield Avenue, Chicago; Rev. Richard C. Bush, Jr., Methodist Church, 5815 Drexel Boulevard, Chicago.

Rev. Robert E. Byquist, St. Luke's Lutheran Church, 1843 East Seventy-seventh Street, Chicago; Rev. Royald V. Caldwell, Faith United Church of Christ, 8805 South Throop Street, Chicago; Ralph V. Calloway, 1508 Larrabee Street, Chicago; Dr. A. J. Carlson, University of Chicago, 5228 South Greenwood Avenue, Chicago; Rev. Alan W. Carlsten, McCormick Theological Seminary, 2330 North Halsted Street, Chicago; Prof. Rudolf Carnap, University of Chicago, 5642 South Drexel Avenue, Chicago; Rev. Glenn Catlin, Diversey Evangelical United Brethren Church, 2749 North Wilton Avenue, Chicago; George R. Cermak, Illinois State Chairman Progressive Party, 1835 Clarence Avenue, Berwyn, Ill.; Serge Chermayeff, president, Institute of Design, 108 Wellington Avenue, Chicago; Rev. Virgil A. Chilcote, Methodist Church, 834 West Armitage Avenue, Chicago; Rev. W. M. Childness, First Methodist Church, 815 Fox Street, Aurora, Ill.; Rev. M. W. Clair, Jr., St. Mark Methodist Church, East Fiftieth Street, Chicago; Eleanor Coen, East Fifty-fourth Place, Chicago; Rev. Emerson Colaw, Bethel Methodist Church, North Ridgeway Avenue, Chicago; Rev. Lee E. Coleman, Grace Church, Oakland Avenue, Joliet, Ill.; Rev. W. Stanley Collins, North Side Christian Church, Sunnyside Avenue, Chicago; Rev. Ralph Hall Collis, Rock River Conference, Methodist Board of Education, Emerson Street, Evanston, Ill.; Prof. Carl W. Condit, Northwestern University, Orrington Avenue, Evanston, Ill.; S. Cowen, Belden Avenue, Chicago; Rev. Clinton C. Cox, Drexel Park Presbyterian Church, Marshfield Avenue, Chicago.

C. H. Coyle, Berwyn Welfare Association, 3326 Oak Park Avenue, Berwyn, Ill.; Rev. Roy Crocker, 622 West Seventy-first Street, Chicago; Gertrude Curtis, 5474 University Avenue, Chicago; Rev. Garfield Dawe, Ravenswood Methodist Church, 1724 Sunnyside Avenue, Chicago; Rev. Bruce S. Dean, First Congregational Church, 7821 West Sixty-sixth Street, Argo, Ill.; Prof. John J. DeBoer, University of Illinois, Champaign, Ill.; Ernest DeMaio, UE-CIO, 37 South Ashland Boulecard, Chicago; Rev. J. H. Dennis, St. Alban's Episcopal Church, 6240 Avondale Avenue, Chicago; Rev. G. D. Devore, Westmont Methodist Church, 40 North Lincoln Street, Westmont, Ill.; Rev. Calvin De Vries, Presbyterian Church, 126 East Chestnut Street, Chicago;

Earl B. Dickerson, attorney at law, 3842 South Parkway, Chicago; Mrs. Elliot R. Downing, 5529 University Avenue, Chicago; Dr. Rudolf Dreikurs, 25 East Washington Street, Chicago; G. E. Durham, director, Methodist Student Foundation, Northwestern University, 1744 Chicago Avenue, Evanston, Ill.; Prof. Fred Eastman, University of Chicago, 5757 University Avenue, Chicago; Prof. Kermit Eby, University of Chicago, Chicago, Ill.; Rev. Dewey R. Eder, First Evangelical United Brethren Church, 105 East Benton Avenue, Naperville, Ill.; Rev. Robert A. Edgar, Glenview Community Church, 930 Rolling Pass, Glenview, Ill.; Rev. John C. Eller, Church of the Brethren, 3420 West Van Buren Street, Chicago; Hilliard Ellis, Local 453, UAW-CIO, 4810 West Cermak Road, Chicago; C. George Ericson, manager, Baptist Conference Press, 912 Belmont Avenue, Chicago.

Mr. President, I believe the newspapers of this country are entitled to know that practically every single church denomination in Chicago is opposed to this entire vicious pact.

Prof. Esther F. Glickman, University of Chicago, Chicago, Ill; Rev. George W. Goebel, Marion Street, Elmhurst, Ill.; Mrs. Louise Goetsch, University of Chicago, 5807 Dorchester Avenue, Chicago; Rabbi Solomon Goldman, Anshe Emet Synagogue, Pine Grove at Grace, Chicago; Mr. and Mrs. George F. Gonsalves, 2015 Sherman Avenue, Evanston, Ill.; Rev. W. E. Gratz, Methodist Church, 820-B Judson Avenue, Evanston, Ill.; Dr. David Graubart, Rabbi, 5405 North Sawyer Avenue, Chicago; Rev. G. W. Grauer, St. Paul's Evangelist and Reformed Church, 614 Fullerton Avenue, Chicago; Rev. Arthur D. Gray, General Council of Congregational Christian Churches, 5700 South Prairie Avenue, Chicago; Prof. Philip H. Gray, University of Chicago, 4810 Ellis Avenue, Chicago; Julian Griggs, Director, Peace Education, Brethren Service Committee, Elgin, Ill.; Rev. Armand Guerrero, Mayfair Methodist Church, 4608 North Kilpatrick Avenue, Chicago; Rev. Francis G. Guither, Bethlehem Evangelist United Brethren Church, 815 Rosemary Terrace, Deerfield, Ill.; Rev. Glenn G. Gumm, St. Paul Evangelist and Reformed Church, 154 East Chicago Avenue, Palatine, Ill.; Rev. Robert M. Haage, Community Methodist Church, Box 294, Ingleside, Ill.; Gerard Haigh, University of Chicago, 6620 University Avenue, Chicago; Rev. Clarence F. Hammen, St. Paul's Evangelist and Reformed Church, 220 Division Street, Elgin, Ill.; Rev. W. M. Hammond., Jr., Southern Baptist Fellowship, 5757 University Avenue, Chicago; Rev. Edward T. Hare, Jr., Arnold Memorial Methodist Church, Route 1, Box 2421-R, Des Plaines, Ill.

Dr. Georgia Harkness, Garrett Biblican Institute, Evanston, Ill.; Lucius C. Harper, executive director, Chicago Defender, 3435 South Indiana Avenue, Chicago.

The Chicago Defender is the leading colored newspaper in the Middle West, Mr. President.

Pearl M. Hart, attorney at law, 30 North La Salle Street, Chicago; Rev. Charles H. Johnson, First Methodist Church, 1630 Hinman Avenue, Evanston, Ill.; Obed S. Johnson, North Park College, 5416 North Sawyer Avenue, Chicago; Rev. W. T. Jones, Emerald Avenue Presbyterian Church, 6701 South Emerald Avenue, Chicago; Rev. Rudolph W. Jonson, Augustana Lutheran Church, 5400 South Kimbark Avenue, Chicago; I. N. Joseph, 540 North Michigan Avenue, Chicago; George Josimovich, Chicago Council of the Arts, Sciences, and Professions, 1400 North Sedgwick Street, Chicago; Adolf Kacer, Czech American National Alliance, 2434 South Ridgeway Avenue, Chicago; Max Kahn, 1305 East Fifty-fourth Place, Chicago; Dr. George Karaflos, Holy Trinity Orthodox Church, 623 South Halsted Street, Chicago; Phillip Kauffman, 5038 Drexel Boulevard, Chicago; Rev. Albert G. Kautz, Immanuel Evangelical and Reformed Church, Bensenville, Ill.; Rev. Julian J. Keiser, Warren Avenue Congregational Church, 3101 Warren Boulevard, Chicago; Rev. Harold M. Kelley, Methodist Church, 505 Chicago Avenue, Plainfield, Ill.; Rev. Edward Ray Kenworthy, Lamon Avenue Methodist Church, 444 North Lamon Street, Chicago; Rev. J. P. King, Sons and Daughters of Nile, 4936 Champlain Avenue, Chicago; Ira A. Kipnis, University of Chicago, 1850 North Lincoln Avenue, Chicago; Prof. L. V. Koos, University of Chicago, 8248 Ingleside Avenue, Chicago; Leo Krakow, 7032 Sheridan Road, Chicago; Rev. H. Karl Ladwig, Grace Lutheran Church, 6950 South Union Avenue, Chicago; Rev. Henry E. Lambrecht, St. Peters Evangelical and Reformed Church, 4950 George Street, Chicago; Mrs. Ernest P. Lane, 1209 East Sixtieth Street, Chicago.

They go on and on and on, Mr. President. Here is another rabbi, Rabbi S. Felix Mendelsohn, Temple Beth Israel, Chicago, Ill.

I ask unanimous consent that the remaining names of ministers and rabbis be printed in the RECORD at this point as a part of my remarks.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

Rev. Percy Reid McMahon, 6953 South Park Avenue, Chicago; Prof. Wayne McMillen, University of Chicago, 1421 East Fifty-eighth Street, Chicago; Dr. and Mrs. F. E. Mallott, Bethany Biblical Seminary, 3450 West Jackson Boulevard, Chicago; Father Samuel J. Martin, St. Edmund's Church, 6105 Michigan Avenue, Chicago; Rev. A. D. Mattson, Augustana Theological Seminary, Rock Island, Ill.; Rev. John A. Melvin, Augustana Lutheran Church, 6149 S. Kenneth Avenue, Chicago; Rabbi S. Felix Mendelsohn, Temple Beth Israel, 4850 North Bernard Street, Chicago; Mrs. Alfred C. Meyer, Independent Voters of Illinois, 1755 East Fifty-fifth Street, Chicago; Rev. Hyman B. Mills, Carey Temple A. M. E. Church, 5347 South Michigan Avenue, Chicago; Mrs. Ada Milne, Berwyn, Ill.; Rev. William L. Moenkhaus, Kloeckner Memorial Evangelist and Reformed Church, 818 North Central Avenue, Chicago; Dr. Otto A. Muecke, Evangelical and Reformed Church, 2042 West Pensacola Avenue, Chicago; Rev. Claire A. Nesmith, Broadway Methodist Church, 3344 Broadway, Chicago; Rev. O. T. Nicholson, the Methodist Church, Box 581, Hebron, Ill.; Rev. Duane M. Nicol, Watson Park Church, 6337 Cornelia Avenue, Chicago; Algoth Ohlson, North Park College, 5125 North Spaulding Avenue, Chicago; Rev. Emerald L. Olson, Plymouth Congregational Church, 1646 Cleveland Avenue, Whiting, Ind.; Rev. William F. Osborn, Ogden Park Methodist Church, 6754 South Loomis Boulevard, Chicago; Rev. George Ossentjuk, Christ Presbyterian Church, 2016 Howe Street, Chicago; Rev. Wilbur N. Palmquist, First Gethsemane Lutheran Church, 4844 Oakdale Avenue, Chicago; Father Clarence Parker, St. Mark's Episcopal Church, Chicago.

J. L. Roberts, 5633 South Michigan Avenue, Chicago; William C. Robinson, 13101 Greenwood Avenue, Chicago; Rev. T. E. Rodd, Lake Villa Methodist Church, Lake Villa, Ill.; Rev. J. F. Romoser, Mandell Methodist Church, 5000 West Congress Street, Chicago; Rev. Henry Edward Rompel, Methodist Church, West Avenue at Oak, Orland Park, Ill.; W. Harold Row, executive secretary, Brethren Service Committee, Elgin, Ill.; Rev. T. S. Sampson, Community Church, Mundelein, Ill.; Dr. Ernest Samuels, Northwestern University, 3116 Park Place, Evanston, Ill.; Maurice Scaffi, Chicago Conservatory of Music, 5241 Winthrop Avenue, Chicago; Rev. John H. Scambler, St. Peter's Episcopal Church, 621 Belmont Avenue, Chicago; Rev. John T. Schaefer, Evangelical United Brethren Church, 19 Center Street, Elgin, Ill.; Mrs. Alice Schlosberg, 4949 North Sawyer Avenue, Chicago; Rev. C. F. Schriver, Evangelical United Brethern Church, Deerfield, Ill.; Rev. W. J. Schuerman, Methodist Church, 1935 South Halsted Street, Chicago; Rev. Daniel E. Scovanner, Methodist Church, 132 Park Avenue, Grays Lake, Ill.; Lt. Comdr. Charles S. Seely (retired), 536 Rush Street, Chicago; Rev. Corrado A. Serquina, Philippine Independent Church, 600 Haven Street, Evanston, Ill.; Rev. John T. Shaffer, Evangelical United Brethren Church, 136 East Highland Avenue, Villa Park, Ill.; Dr. I. H. Shapiro, 55 East Washington Street, Chicago; Rev. Don C. Shaw, Washington (D. C.) Federation of Churches, 3306 Elmore Drive, Alexandria, Va.; Mrs. Alice Shepro, Berwyn, Ill.; Rev. Lary Simms, Presbyterian Church, 6242 West Fifty-sixth Street, Chicago.

Rev. Melville A. Sjostrand, Messiah Lutheran Church, 3309 Seminary Avenue, Chicago; Thomas L. Slater, Carpenters Local No. 1, 123 West Madison Street, Chicago; Dr. Maud Slye, University of Chicago, 5822 South Drexel Avenue, Chicago; Alice Smith, UE-CIO, 37 South Ashland Boulevard, Chicago; Mandel A. Terman, 674 Irving Park Road, Chicago; Edward L. Throm, 19 East Ohio Street, Chicago; Rev. Alva Tompkins, Olivet Presbyterian Church, 1629 North Orchard Street, Chicago; Rev. William G. Tudor, Evangelical United Brethren Church, 22 North Van Buren Street, Batavia, Ill:; Rev. G. Richard Tuttle, Methodist Church, Box 145, Antioch, Ill.; F. A. Vider, Slovene National Benefit Society, 2606 South Avers Avenue, Chicago; Rev. Wilfred Wakefield, First Congregational Church, 9142 Lincoln Avenue, Brookfield, Ill.; Prof. Allen Wikgren, University of Chicago, 8240 Luella Avenue, Chicago; Rev. Morgan L. Williams, Parkside Baptist Church, 6920 Harper Avenue, Chicago; Rev. H. Elwood Wissman, North Chicago Methodist Church, North Chicago, Ill.; J. A. Wordling, 3210 East One Hundred and Thirty-second Street, Chicago; Rev. Idalee L. Woodson, Manager, Inter-Church Book Shop, 422 Main Street, Peoria, Ill.; Jack K. Yasutake, Chicago Resettlers Committee, 1110 North La Salle Street, Chicago; Rev. Owen Youngstead, Trinity Lutheran Church, Long Lake, Ingleside, Ill.; Mrs. James Zacharias, 1864 Sherman Avenue, Evanston; Mr. and Mrs. Isadore Zverow, 4949 North Sawyer Avenue, Chicago; Josef Zverow, 3915 North Pine Grove Avenue, Chicago, Ill.

Mr. LANGER. Mr. President, I also ask unanimous consent that the open letter to the President and to the Congress of the United States be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OPEN LETTER TO THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES

Because we believe that the deep desire of all mankind for a world at peace can be realized and that failure to do so may destroy civilization, we address this open letter to the administration and the Eighty-first Congress.

Peace depends upon an understanding between the United States of America and the U. S. S. R. The people of both nations want peace. Yet millions of American citizens believe that the Russian Government wants to impose Russian communism upon the nations of the world. At the same time, millions of Russian citizens believe that the American Government is driving toward world domination by American capitalism.

These fears have led to acts by both nations which have deepened the division between them and generated further fear and

hostility. As a result, we are today burdened with expenditures of a military nature that consume more than half of our budget. Support for questionable regimes in various parts of the world is costing us hundreds of millions of dollars and the friendship of liberty-loving peoples. War preparations are making it impossible to achieve the program of domestic reform, for which the American people voted, and are jeopardizing our political democracy.

If the pattern of measures and countermeasures by our country and Russia persists, it can lead only to a war which neither nation can win and in which mankind may be destroyed. Yet a further step is now being prepared in the form of a North Atlantic military alliance, to be followed by a huge and costly program of arming western Europe for war.

This step will not only retard recovery in western Europe; it will irrevocably commit us to a fatal two-world policy. It and the countermeasures it provokes will widen the split in the world between two armed camps, increase conflict in every part of the globe, and intensify an arms race that will impoverish all people and may end only in a war of extinction.

Therefore, we urge President Truman and the Congress to reject the proposal for a North Atlantic military alliance.

There is a constructive and honorable alternative. We are deeply convinced that capitalism and communism not only can but must live together in the same peaceful world. No dispute between the United States and Russia need be resolved by force, and there are no differences between them which in time cannot be settled by peaceful negotiations. We are of the opinion that all of the possibilities for such negotiations have never been fully explored.

We urge that the President, through a special emissary to the Soviet Union, prepare the way for a meeting between the highest-ranking authorities of the two Governments. Issues now outstanding between the two countries should be thoroughly discussed and an atmosphere of mutual confidence established in anticipation of multilateral discussions at which final settlements could be achieved. This will prepare the way for peace treaties with Germany and Japan. It should provide for the resumption of trade between east and west. There should be firm commitments against interference in the affairs of other nations and the principle established that aid to the needy peoples of the world be administered through the United Nations. It should lead to a sufficient measure of confidence between east and west as to make possible a general reduction in armaments.

If war comes, a settlement between impoverished, devastated nations must be made after the war—if any survive to make the treaty. Let discussions be held now, before war becomes inevitable.

The new Congress and the administration have a unique opportunity, in Lincoln's words, to "nobly save or meanly lose the last best hope of earth." We petition for the discharge of this responsibility in a spirit worthy of our past and creative of our future—to the end that all mankind may be freed from the threat of total war and total death and may face the days to come with confidence in enduring peace and in a better life for all.

Mr. LANGER. Mr. President, I refer again to the telegram of the professors of Chicago University in which they say that any Senator voting for this pact puts himself above George Washington. In a few minutes I shall show that he puts himself above Abraham Lincoln.

To cap all these facts is the double squeeze now being put on Members of the Senate to hasten ratification of the pact. On the one hand, the distinguished chairman of the Foreign Relations Committee on July 9 again reassured the Members of this body that they could logically vote for ratification of the North Atlantic Treaty without obligating themselves to support military aid to cosignatories of the pact. Yet, at the same time, the administration lets it be known, in no uncertain terms, that it is going to seek for immediate ratification of the $1,130,000,000 arms program when this treaty has been successfully disposed of. The arms program is already before Congress. Yet the failure of the Senate to act on both the treaty and the arms pact is now being interpreted by spokesmen for this administration as being the direct cause of the inability of the European nations to take further steps by themselves for the defense of western Europe, thus again making the United States Senate the "goat" of foreign propaganda and pressure.

The most flagrant example of this pressure is found in the New York Times of July 10, 1949, in a special dispatch from Copenhagen by C. L. Sulzberger.

This is a long article, Mr. President, obviously slanted to put the pressure on the Senate, because it records the conversations Mr. Sulzberger has had with various European diplomats. Running through these conversations is the central theme that the European nations not only are unable to supply the military equipment necessary to equip their own troops for individual or collective self-defense, but also that the failure of the United States Senate to act is paralyzing the whole defense system.

To illustrate, I shall read a portion of the article. Senators who are for the pact say that the arms program has nothing to do with it, that the question of arms is entirely superfluous.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LANGER. I am very sorry, but I cannot yield.

Aside from the distinguished junior Senator from Oregon [Mr. MORSE] who stated yesterday that he was in favor of both the arms program and the treaty itself, and that in his judgment they went together, no other Senator, so far as I know, has made such an expression on the floor of the Senate. I have been in pretty constant attendance. With one exception, Senators supporting the pact say that the arms program has nothing to do with it. Yet on the other hand we find the correspondent of the New York Times in Copenhagen putting the heat on the United States Senate and blaming the Senate because Europe is not getting action. Mr. Sulzberger says:

The legislative delay in ratification by the United States of the North Atlantic Treaty and the failure, so far, to enact a military-assistance program are paralyzing the national defense plans of Norway and Denmark and gradually contributing to a state of uneasiness among the people.

In other words, the United States Senate is being pressured into rubber-stamping commitments into which this country has been entered, behind its back, because the failure of the Senate to rubber-stamp these commitments immediately will put the President in an embarrassing position.

Is it any wonder, Mr. President, that there is such a growing resentment right here in the United States Senate to the continuation of such policies and practices on the part of this Government? Is it any wonder that a growing uneasiness and mistrust surrounds the deliberations on the ratification of this treaty? That uneasiness and resentment does not stem from any unwillingness on the part of a single United States Senator to do his full part to help meet America's moral obligations in the struggle to create a just and honorable and a lasting peace among the nations of the earth.

But this resentment and distrust and rising opposition to the continued involvement of America in world affairs, on such a basis as that upon which the North Atlantic Treaty has been projected, stem directly from the realization that the deeper one goes into the implications that lie behind, and that are inherent in the ratification of this treaty, the more convinced one becomes that they strike at the very root of our form of government and the future of our way of life.

I repeat what I said at the outset of my speech, namely, that:

The North Atlantic Treaty is a symbol, not of peace, but a symbol of the continuing abuse, of the very concentrations of power, in the hands of a centralized government, against which our founding fathers revolted. Well intentioned, and as the architects and advocates of the North Atlantic Pact may be, they have been parties to the creation of a document which by its very nature, will take us back directly down that long road toward tyranny, over which since 1776, we have thus far come in our struggle to be free.

It is the fear, Mr. President, of just such an inevitable prospect that lies at the root of the rising distrust, resentment, and opposition to the ratification of this treaty by the Senate. The central thesis underlying the treaty is the doctrine of reliance upon power, and the philosophy that might makes right. Get enough to join, and we can lick the world, that is the theory. Get enough to join and give them guns and ammunition. If $1,000,000,000 is not enough, give them $20,000,000,000, or, as the United States News states, $24,000,000,000, and do it all in the name of peace, and we can get by with it, just as we did time and time again before we got into World War II. It is all done in the name of peace.

Mr. President, for years the American people have had their minds deliberately poisoned by propagandists who have been determined to maneuver us into such international commitments as would permanently guarantee our involvement in, and our underwriting of, everybody else's interests but our own all over the world.

How can there be the slightest doubt, Mr. President, that the North Atlantic Treaty is another step down that road, when we read such statements as that of Secretary of Defense Louis Johnson, of May 27, 1949, in which he said:

We propose to embark on a military-aid program—aid not only for the nations who

joined in the Atlantic Pact, but for Greece, and for Turkey, and other free nations too.

The few hundred million dollars which would be saved by the distinguished senior Senator from Virginia [Mr. BYRD] in the matter of salaries would be a mere bagatelle. It would not be more than 2 or 3 percent of what would be spent if we literally carried out Mr. Johnson's program. In a speech on May 27, 1949, he said:

> We propose to embark on a military-aid program—aid not only for the nations who joined in the Atlantic Pact, but for Greece, and for Turkey, and other free nations too.

England went broke financing Greece and many other countries. She cannot finance them any more, so good old Uncle Sam is going to take the job over. We have already sent hundreds of millions of dollars over there.

Time after time, Mr. President, administration spokesmen have issued the same statements as the one Louis Johnson issued, and have reemphasized these same intentions, but the interpretation of the implications of this new world crusade is left in the hands of propagandists.

The other day we heard the distinguished Senator from Michigan [Mr. VANDENBERG] say that we are going on a crusade for peace—just the expression that Louis Johnson used—going on a crusade for peace, with all the guns and all the ammunition and all the dynamite we can get, with $24,000,000,000 worth of tanks, guns, ammunition, and what not.

Yes; the interpretation of the implications of this new world crusade is left in the hands of propagandists, whose sole duty is to keep the American people from grasping the full implications of these policies. Indeed, Mr. President, it is frightening to discover how far these propagandists have succeeded in perverting our native humanitarianism and our love of decency, justice, and freedom into accepting the role of a world savior, dedicated to the wild-goose chase of "enforcing the peace." Yes, Mr. President, the United States is going to enforce the peace all over the world.

How well I remember when a former President of the United States said that the United States was going to see that there was freedom from fear all over the world, freedom of religion all over the world, freedom from want all over the world, and freedom of speech all over the world. He proposed the "four freedoms." But where are they today, after the present President of the United States at Potsdam sold millions of white people into slavery, by signing the agreement at Potsdam.

Mr. President, these gentlemen talk nonsense. They are fooling the American people, week after week; and the North Atlantic Pact is the greatest hoax of them all, if they say it is for peace.

Mr. President, one can only hope and pray that the day will not arrive too late when the American people discover how they have been duped into betraying their own heritage by this vicious propaganda, for America is a living proof of, and a living witness to, the truth that you cannot enforce peace either on the domestic or international scene; you can only enforce law.

This is the reason why, Mr. President, here in the United States Senate, a growing awareness of what has happened to humanity's respect for the principles and practices of simple justice under the rule of law, as a result of our two world crusades in one generation, now gives rise to the growing conviction that we have been traveling the wrong road, and destroying those safeguards which alone can preserve to us, or to any other people, the simple dignities and freedoms, which it is the right of human beings to enjoy.

The fact is, Mr. President, that the ratification of the principles involved in this treaty cannot help but call for, strengthen and perpetuate, in our very midst, the very concentration of arbitrary power which will leave the American people helpless even to protect themselves from the exploitation and tyranny of their own Government.

Those who have not yet lost contact with the living realities that underlie the blessings and the freedoms we have known, know perfectly well that the ratification of this pact will strike such a mortal blow at the roots of the principles upon which these blessings and these freedoms are based that it will set in motion the forces that will eat out our substance, regiment our lives, sacrifice the blood of our youth, and make political puppets and paupers of us all.

This North Atlantic Treaty is designed to enforce the peace. But none of us are yet so dull-witted, I am sure, that we cannot see through the glib assurances that we shall be surrounded with, and aided by, the resources and strength of 11 peace-loving allies. We know these allies are liabilities before this treaty is either ratified or rejected; and we know where the resources, the material, and the manpower, together with their financing, will stem from.

In such an undertaking, we shall have committed ourselves to underwriting and seeing through to its logical conclusions a military alliance, voluntarily entered into, for the first time in history, by a nation, still in the prime of life, with 11 other nations whose empires are crumbling, and who, as bankrupt beggars, cannot help but bleed us white.

How well I remember when all but seven of the Members of the Senate voted for the Connally resolution. What high-sounding phrases that resolution contained. It was adopted by the Senate even before Secretary Hull returned from Moscow.

The Connally resolution was to do great things for America. But, Mr. President, what did it do? There were 116,000 casualties when we invaded Europe; 81,000 of them were American boys. When the troops went across the beaches and invaded Europe, about 75 percent of all the casualties were American boys. That was the net result of the Connally resolution. Mr. President, if I am proud of one thing, I am proud that I voted against that resolution, just as I am proud that I voted against every one of the resolutions that were calling for so-called peace, when as a matter of fact they were designed to get us into war.

Mr. President, again I say that there can be no misunderstanding whatever of the obligations we shall assume by the ratification of this pact. In such a position the President of these United States will be forced to request, to usurp, or to take by force the power with which to acquire and to squander, in this suicidal venture, the earnings, the savings, and the future freedoms that have been acquired by the sweat and toil, by the courage and the sacrifice, by the ingenuity and independence of a freedom-loving people throughout their 175 years of history as a Nation.

It is the inevitability of the emergence in our midst of the power with which to carry out such outrageous commitments, which will follow on the heels of the ratification of this pact, that has now aroused the instinctive opposition of so many Members of this Senate, and of increasing millions of the American people.

In the first place, Mr. President, if our history as a Nation teaches us anything, it teaches us the folly of our present course. I hope every Member of the Senate understands this, Mr. President. In all our history as a Nation there have been only three times when we have ever joined an alliance. In the December 1943 issue of the Reader's Digest, Mr. William Hard revealed the consequences of those three ventures, when he wrote:

> In the course of our history we have given three outstanding permanent commitments to foreign countries. The outcome of all three has been extremely embarrassing and distressing.
>
> (a) In 1788 we signed with France a treaty of alliance. It was the only alliance treaty that we ever signed. We promised to guarantee forever against all other powers the French possessions in America. In 1798, by a simple act of Congress, without French consent, we repealed and repudiated it.
>
> (b) In 1882 we signed a treaty with Korea whereby we undertook to take diplomatic steps if any third country should deal oppressively with Korea. In 1905 Japan dealt with Korea, certainly oppressively, by conquering it; and in 1910 it further dealt with Korea, certainly oppressively, by annexing it. Did we take any diplomatic steps against Japan? Absolutely none. On the contrary, we were the very first Government to recognize the Japanese conquest of Korea by withdrawing our diplomatic legation from Korean soil and by thus proclaiming to the world that Korea, our ally, had ceased to exist as an independent country.
>
> (c) In 1846 we signed a treaty with Colombia whereby we undertook to guarantee the sovereignty of Colombia over the Isthmus of Panama. This commitment was in full force and vigor in 1903. In that year there was an artificially concocted revolution on the Isthmus. Did we then help Colombia to restore its sovereignty over the Isthmus? We did the reverse. We used our armed forces over the Isthmus. For doing so we ultimately paid Colombia an apologetic indemnity of $25,000,000. We acknowledged that in changed circumstances we had violated a commitment given in circumstances long gone by.

Yet, this lesson of history, Mr. President, not only shows the futility of military alliances, no matter what may be the purposes for which they are entered into, but it also shows the disgraceful repudiation of the solemn pledges we have given in the past, which proved

impossible of fulfillment in the face of a dynamically changing world.

The truth is, however, Mr. President, that this lesson from our own historical experience also teaches us how fortunate we have been in comparison with other nations who have made permanent the practice of entering into foreign entangling military alliances.

In our case, these three alliances were the exception to the rule, and that rule was laid down in the Declaration of Independence and the Constitution of the United States by our founding fathers in order to prevent the reemergence on these shores of that very power which enables any government to commit the resources and the blood and treasure of its people to the underwriting of secret agreements and of alien interests, which are involved in, and which must be protected by, any and every military alliance.

Mr. President, this protest and revolt against tyranny of 175 years ago on the part of our earliest American patriots was a revolt against the same forces of tyranny which today are again trying to destroy us from within. I wonder how many school children know this, Mr. President?

The following specific grievances against tyranny, which our forefathers listed in the Declaration of Independence, could well have been written yesterday, and every one of these grievances derived from the fact that foreign powers, foreign interests, and foreign commitments were dictating to, exploiting, and enslaving the American people.

First. Our fathers revolted against centralized power, which they described in the Declaration of Independence as—

a history of repeated injuries and usurpations all having in direct object the establishment of an absolute tyranny over these States.

Second. Our fathers revolted against the bureaucracy of the King's rule. In the Declaration of Independence they charged:

He has erected a multitude of new offices and sent hither swarms of officers to harass our people and eat out of their substance.

Third. Our father revolted against the King's corruption of the courts. In the Declaration of Independence they charged:

He has made judges dependent on his will alone, for the tenure of their offices and the amount and payment of their salaries.

(At this point, on request of Mr. LANGER, and by unanimous consent, he yielded to Mr. BYRD, who spoke on the President's fiscal program. Mr. BYRD's remarks appear in the RECORD at the conclusion of Mr. LANGER's speech.)

Mr. LANGER. Mr. President, several newspaper reporters have asked how long it will be before I conclude. I wish to take 35 or 40 minutes more. I should say it would be that long before I conclude.

Fourth. Our fathers revolted against the King's military dictatorship. In the Declaration of Independence they charged:

He has effected to render the military independent of and superior to the civil power.

Fifth. Our fathers revolted against being made the puppets of the King's secret diplomacy. In the Declaration of Independence they charged:

He has combined with others to subject us to a jurisdiction foreign to our Constitution and unacknowledged by our laws; giving his consent to their pretended acts of legislation.

Mr. President, there can be no question that those who framed the Constitution circumscribed the powers granted to the Chief Executive, by written law, created a system of checks and balances in the administration of that law, and vested the final sovereignty of this Government in the hands of the people, to prevent the reemergence of concentrated power and arbitrary rule ever again in this Nation.

No one has more clearly interpreted the intention of our earliest patriots to protect us from arbitrary involvements in foreign entanglements, which have always impoverished, enslaved, and destroyed those peoples who have been their victims, than Abraham Lncoln, who, on February 15, 1848, in a letter to William Hearndon, in which he wrote:

The provision of the Constitution giving the war-making power to Congress was dictated, as I understand it, by the following reasons: Kings had always been involving and impoverishing their people in wars, pretending generally—if not always—that the good of the people was the object. This, our Convention understood to be the most oppressive of all kingly oppressions, and they resolved to so frame the Constitution that no one man should hold the power of bringing this oppression upon us.

Mr. President, further proof that Abraham Lincoln correctly interpreted the spirit and intention of the founders of this Government, is found in the Democratic platform of 1900. Nowhere have our magnificent traditions, and the conditions requisite to their preservation, even been more impressingly stated than in that part of the Democratic platform of 1900, which stated:

We hold that the Constitution follows the flag and denounce the doctrine that an Executive or Congress, deriving their existence and their powers from the Constitution, can exercise lawful authority beyond it, or in violation of it. We assert that no nation can long endure half republic and half empire, and we warn the American people that imperialism abroad will lead quickly and inevitably to despotism at home * * * we are not willing to surrender our civilization, or to convert the Republic into an empire. * * * We are in favor of extending the Republic's influence among the nations, but believe that influence should be extended not by force and violence, but through the persuasive power of a high and honorable example. * * * We oppose militarism. It means conquest abroad and intimidation and oppression at home. It means the strong arm which has ever been fatal to free institutions. It is what millions of our citizens have fled from in Europe. It will impose upon our peace-loving people a large standing army, an unnecessary burden of taxation, and would be a constant menace to their liberties. * * * The Republic has no place for a vast Military Establishment, a sure forerunner of compulsory military service and conscription. * * * We denounce it as un-American, un-Democratic, and un-Republican and as subversion of the ancient and fixed principles of a free people.

And now, Mr. President, in order to clinch this proof that this magnificent American tradition is not outmoded or a useless appendage of days long gone by, I want to read into the RECORD at this point a statement of Secretary of State Cordell Hull, made on November 1, 1938, which reemphasizes anew the basic principles underlying our American way of life, and what lies in store even for us when we forsake them. No one could have more plainly stated the choice that now lies before us, as we debate this North Atlantic Treaty. For Secretary Hull's words are truer today than when he uttered them over 10 years ago.

The world is at the cross roads. But its power of choice is not lost. One of the roads that wind into the future is that of increased reliance upon armed force as an instrument of national policy. So long as the construction of armaments for such a purpose continues to be the center of national effort in some countries, a policy of arming inescapably becomes a universal evil.

Other nations find themselves compelled to divert to preparation for self-defense an increasing part of their substance and their effort. All this requires—in varying degrees, but in all countries alike—ever greater sacrifice of what mankind universally has regarded as a central objective of civilization and progress—namely, a rising level of national welfare and of well-being of the individual.

All this imposes—again in varying degrees, not in all countries alike—a growth of autarchy, an ever more complete regimentation of national life, an impairment of personal liberty, a lowering of every standard of material, cultural, and spiritual existence. If the nations continue along this road, increasingly strewn with the wreckage of civilized man's most precious possessions, they will be marching toward the final catastrophe of a new world war the horror and destructiveness of which pass human imagination.

The other of the two roads is that of ever-increasing reliance upon peaceful processes and upon the rule of law and order in the conduct of relations among individuals and nations.

And what is more, Mr. President, Secretary Hull's reaffirmation of our traditional American faith was based, not only on our own experience as a free people, but was based on the tragic experiences of those nations who have followed the policies which are now being advocated by the supporters of this North Atlantic Pact.

The proof that this North Atlantic Treaty will merely repeat, indeed, that it will insure the repetition of these tragic experiences of history that have been the lot of other nations, is found in Viscount Grey's book, Could War Have Been Prevented, in which Britain's former Foreign Secretary reveals that so far as World War I was concerned:

More than one thing may be said about the causes of the war, but the statement that comprises most truth is that militarism and the armaments inseparable from it made war inevitable. Armaments were intended to produce a sense of security in each nation—that was the justification put forward in defense of them. What they really did was to produce fear in everybody. Fear causes suspicion and hatred; it is hardly too much to say that, between nations, it stimulates all that is bad and depresses all that is good.

One nation increases its army and makes strategic railways towards the frontiers of neighboring countries. The second nation makes counterstrategic railways and increases its army in reply. The first nation says this is very unreasonable, because its own military preparations were only precautions; the second nation says that the first nation began the competition; and so it goes on till the whole continent is an armed camp covered by strategic railways.

Viscount Grey goes on to say:

After 1870 Germany had no reason to be afraid, but she fortified herself with armaments and the triple alliance, in order that she might never have reason to be afraid in the future. France naturally was afraid after 1870, and she made her military preparations and the Dual Alliance (with Russia). Britain, with a very small army and a very large empire, became first uncomfortable and then (particularly when Germany began a big-fleet program) afraid of isolation. She made the Anglo-Japanese Alliance, made up her quarrels with France and Russia, and entered into the Entente. Finally Germany became afraid that she would presently be afraid, and struck the blow while she believed her power to be still invincible. Heaven alone knows the whole truth about human affairs, but I believe the above sketch to be as near to a true statement of the causes of war as an ordinary intelligence can get in a few sentences.

The lesson of European history is so plain. It is that no enduring security can be found in competing armaments and in separate alliances; there is no security for any power unless it be a security in which its neighbors have an equal share.

Mr. President, to back up these historical experiences, we, who are asked to abandon 175 years of our tradition as a free people by the underwriting of this Treaty, are also confronted with the living proof of where such action will inevitably lead. We are fed the empty assurances that the ratification of this pact will not lead to an arms race, and that with its ratification our emphasis will remain on diverting the maximum of our resources to economic recovery.

The truth is, Mr. President, that the ratification of this pact, indeed, will not lead to an arms race. It will only give further impetus to an arms race that is already under way. It is already here, and we are up to our necks in it.

In the Washington Post of March 19, 1949, there appeared a UP dispatch from London by R. H. Shackford, which revealed that:

If another war should start, it would find both east and west in the midst of the biggest armament race in peacetime history.

This dispatch goes on to reveal that:

Its magnitude was disclosed today by a United Press survey of east versus west military strength as the Atlantic Pact was completed. The pact will bind some 4,600,000 armed men to the Western Allies into a single force facing some 4,900,000 Russian and satellite troops.

The line-up puts 15 countries with a total population of 371,832,000 on the side of the west. Russia has seven countries with a total population of 255,354,000.

The western line-up includes not only members of the Atlantic Pact but those other nations—Greece and Turkey, for example—closely linked with the west.

Lined up with Russia are the powerful Communist parties in Europe and elsewhere, all of which have declared they would fight on the side of the Soviet.

The dispatch concludes with a table giving the estimated armed strength of the east and the west, which I now ask unanimous consent to have inserted in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The following table gives the estimated armed strength of the east and west. The west table includes probable Atlantic Pact signatories and key nations linked to the west.

THE WEST

| Country | Population | Men under arms |
|---|---|---|
| United States | 150,000,000 | 1,576,000 |
| United Kingdom | 48,409,000 | 793,000 |
| France | 41,500,000 | 594,810 |
| Belgium | 8,400,000 | 66,000 |
| Holland | 9,636,000 | 127,000 |
| Luxembourg | 289,000 | 4,500 |
| Denmark | 4,146,000 | 22,500 |
| Norway | 3,145,000 | 20,000 |
| Italy | 46,000,000 | 300,000 |
| Greece | 7,450,000 | 275,000 |
| Turkey | 19,200,000 | 750,000 |
| Canada | 12,883,000 | 40,600 |
| Australia | 7,581,000 | 27,134 |
| New Zealand | 1,802,000 | 9,250 |
| South Africa | 11,391,000 | 8,800 |
| Total | 371,832,000 | 4,614,594 |

THE EAST

| | | |
|---|---|---|
| Soviet Union | 192,000,000 | 4,000,000 |
| Czechoslovakia | 12,070,000 | 150,000 |
| Poland | 23,930,000 | 250,000 |
| Bulgaria | 7,048,000 | 206,000 |
| Rumania | 15,873,000 | 170,000 |
| Hungary | 3,333,000 | 85,000 |
| Albania | 1,000,000 | 40,000 |
| Total | 255,354,000 | 4,901,000 |

Mr. LANGER. Even such an elder statesman as Mr. Bernard Baruch, speaking on June 28, 1949, at the commencement exercises of the Industrial College of the Armed Forces, recognized this alarming state of affairs when he lamented:

So much is being spent by all nations today in fear of war. If these resources were turned to peaceful uses, how many of the world's problems could be solved?

Mr. President, it is time for Members of the Senate to recognize these facts for what they are. These facts, in themselves, are frightening enough, but they have terrifying implications in the light of the continued refusal to face facts by the champions of the pact, whose leadership we have been blindly following during recent years. These leaders are still either unable to see, or unwilling to admit to the American people, the tragic nature of the economic lunacies, and the war-breeding absurdities that have resulted from that leadership, which we, by the ratification of this pact, will be committing the American people to underwrite and to perpetuate with what remains of their blood and treasure, and their liberties.

Frankly, I was shocked at the casual way in which the distinguished chairman of the Foreign Relations Committee dismissed this terrifying truth.

On July 5, 1949, the distinguished chairman sought to quiet the fears of those who recognize this danger by saying:

One sometimes hears complaints about treaties, because they seek to guarantee some hopeless kind of status quo, or some particular territorial arrangement.

Refusing to enlarge upon this point by taking the American people into his confidence and telling them honestly of the tragic consequences of our involvement in two world crusades in one generation, the distinguished chairman defined the nature of the alleged status quo which the North Atlantic Treaty is designed to defend, in a definition which bears no relation whatever to reality.

These are his own words:

The North Atlantic Treaty seeks to protect the following status quo: The United Nations, a common heritage of civilization, freedom, the principles of democracy, individual liberty, the rule of law, peace, and security.

Then, in his facile, easy-going way, without the slightest recognition of the contradiction between the pleasant word picture he is painting, and the ugly facts of international life as they now exist, the distinguished chairman said:

I fail to find anything evil, or hopeless, or objectionable about that kind of a status quo.

Mr. President, it is beyond my comprehension how any Senator can so lightly dismiss the outrageous consequences which have resulted from the secret diplomacy which has been the basis of our foreign policy during the past decade.

Something must indeed be radically wrong and dangerously amiss when the chairman of the Senate Foreign Relations Committee can make such a statement in face of the obvious contradictions that surround us on every hand in the tragic and degrading experiences to which peoples are being subjected in every nation around the world. How can the American people maintain confidence in such a leadership, which continues to represent a one-party political propaganda line that is so deeply involved in its own blunders and mistakes, and betrayals of the elementary principles of decency and justice, that it continues to call the foulest things fair, the vilest things good, and the ugliest things beautiful?

We can only be grateful, Mr. President, that there is still sufficient courage and integrity of mind and character in the American people to refuse to be blinded or cowed by such a leadership. Nowhere has this courage and integrity been more forcefully revealed than in the statement by the Hoover Commission task force, which was set up to study the reorganization of our national defense establishment, and which takes direct issue with the leadership represented by the chairman of the Foreign Relations Committee, and the pleasant picture of the peaceful status quo which the North Atantic Treaty is designed to defend, when on December 17, 1948, this task force warned the American people:

That fatal gap which so often in the history of nations had led to their undoing must be bridged. Within slightly more than a score of years, at great cost in life and property, we have won two wars, only to lose the peace both times through lack of clear and consistent national policy objectives. But the bitter lesson does not yet seem to have been fully learned. Our foreign and military policy are not yet firmly tied together. The committee found that strategic plans, made without clear guidance

of long-term peace aims were based on assumptions which may or may not be correct; that the military were planning how to fight the next war—if this tragedy should occur—without knowing exactly what we would be fighting for.

The truth is, Mr. President, that this Hoover task-force report is only recognizing the catastrophe that has befallen the world as the result of the secret commitments entered into within the past two decades by American Presidents who, in violation of their oaths of office, abandoned our magnificent traditions and bartered away our principles, together with the lives, resources, and liberties of hundreds of millions of people.

Mr. President, we can continue to ignore these tragic facts longer only at our peril. For until we recognize them for what they are, and until we set about, in a determined way to right the wrongs and correct the blunders that have been made, we shall expend ourselves like modern Don Quixote's in futile tilting against a world windmill which is revolving in defiance of all the economic and social laws of nature, man, and God. It is the utter futility of our course of action over the past 25 years that makes our present course so desperate and so hopeless.

Our earliest American statesmen knew from bitter experience that the abandonment of those principles and safeguards against the abuse of power which they had laid down in the Constitution meant a return to secret diplomacy and the bartering of the rights, resources, and liberties of people in the market place of greed and war hysteria. They knew that whenever secret agreements were entered into by representatives of this Government without the knowledge, advice, and consent of the Senate, even the elected representatives of a free people who are charged with the specific duty of defending the Constitution would learn of these agreements too late to do anything but take the tragic consequences.

Twice in one generation we have lived to see the wisdom of these earliest American statesmen vindicated.

Surely the American people, after the tremendous price they have paid, should have learned by now, once and for all, that they can ignore this outstanding lesson of history only at their peril. This lesson was reaffirmed following the end of the First World War. I am sure that some of us have not forgotten how that was concluded by a surrender on the basis of President Wilson's 14 points, which really represented the highest idealism of the American people, and which really expressed the principles of justice that underly our heritage.

Yet, is it not tragic that so many Americans to this day fail to understand the significance of Wilson's final abandonment of these traditional American principles and his signing of the Treaty of Versailles? Listen to this, Mr. President. Not a single Senator on this floor knew what happened at Versailles, knew what happened to President Wilson, until 1946; not one Senator knew it until then, nor did the American people. For 25 years the State Department kept buried in its vaults the bitter protest resignations of members of the American Peace Commission who revolted against President Wilson's betrayal. Not until the year 1946 did the State Department dare to publish the story of the Paris Peace Conference, which included the violent protests of such outstanding men as Secretary of State Robert Lansing, who on May 8, 1919, wrote:

> Examine the treaty, and you will find peoples delivered against their wills into the hands of those whom they hate, while their economic resources are torn from them and given to others. It may be years before these oppressed people are able to throw off the yoke, but as sure as day follows night the time will come when they will make the effort.

Then there was Mr. John Storck, a member of the American Peace Commission, who wrote, concerning the Versailles Treaty:

> It will stand as a monument of shame above the graves of millions who have suffered and died in the greatest of all wars.

Where was France, where was England, where were the other countries, Mr. President, when the time came to write the treaty at the end of World War I? They had gotten what they wanted from the United States. Thousands of our boys were dead. Those countries had our treasure. So far as they were concerned, America could go jump in the lake. They made fun of the President of the United States, and at Versailles they signed a treaty that Lansing repudiated, that Storck repudiated.

What did another member of the American Peace Commission say about that treaty, Mr. President? Lt. George B. Noble, another member of the Peace Commission, wrote on May 15, 1919—and not a Senator knew about it until 1946, for it was buried by the State Department all that time—that:

> I believe that the peace, as proposed, will be an exceedingly dangerous settlement. I believe it will be a provocative of future wars, rather than a guaranty of world peace. I feel that the idealism of America has been largely sacrificed on the altar of imperialism.

Just one more protest will bring home to us the significance of the Versailles Treaty. On May 17, 1919, none other than Mr. William Bullitt, a close friend and personal confidante of both President Wilson and President Roosevelt, sent his resignation to President Wilson. He resigned, when they came to conclude that peace conference. He would not sign the treaty. He said:

> I was one who trusted implicitly in your leadership and believed that you would take nothing less than a permanent peace based upon unselfish and unbiased justice. But our Government has consented now to deliver the suffering peoples of the world to new oppressions, subjections, and dismemberments—a new century of war.

Yet people blame Hitler, they blame Mussolini, Mr. President, when, as a matter of fact, those four Americans themselves said the Treaty of Versailles was unjust, that it was going to bring on war—"a new century of war."

To those who say they do not believe in isolationism, I say they are going to have to take more of war, and then they will wish a thousand times that this country was back in the days before it got into World War I or World War II.

But, Mr. President, today we see Senators who pay absolutely no attention to men like Senator Shipstead, who for 24 years was a member of the Senate Foreign Relations Committee. Today some Senators who have been here only a few months, or in some cases only a few weeks, we see strutting around as if they knew everything about foreign relations all over the world. The statements Senator Shipstead made in his speech in connection with the Connally resolution—and I have read portions of that speech to the Senate—came from his 24 years of experience as a member of the Senate Foreign Relations Committee. But his advice was cast to the winds, and no attention whatever was paid to it.

Mr. President, it is incredible that such a terrible experience as the First World War and the consequences of the abandonment of American principles in the peace settlement should have gone unheeded. Certainly the American people ought to have learned what a terrible price we have to pay when we forsake our own traditions.

Yet, instead of learning this lesson and instead of guiding our actions by it, for the second time in this generation we find ourselves parties to the betrayal of American principles which make Versailles seem like a Utopia. As a consequence, every project, every prospect, and every promise that has been made in the name of peace during and since the end of World War II has become a cruel mockery.

What is the real nature of the status quo which the North Atlantic Treaty is designed to underwrite and to perpetuate? Does it really represent our basic interests and an expression and extension and preservation of our traditional respect for justice and our love of liberty? Well, Mr. President, what are the real answers to these questions, which no amount of sophisticated sloganizing can cover up?

Remember the Atlantic Charter, which was promised to every nation—the great and small, the weak and the strong, the victor and the vanguished—and, individually, to the black, to the brown, to the red, to the yellow, and to the white alike? It has become the "Atlantic barter." It is no longer the Atlantic Charter.

When the wraps of propaganda are finally removed from the "four freedoms," we shall find the four horsemen again charging down the corridors of time.

When our liberation of the tragic peoples of Europe and Asia is exposed we shall find them transferred from the hands of one dictator into the bloody and tyrannical hands of another.

Our justice has become a masterpiece of mockery in which we have taken over the purge techniques of our enemies and, at the same time, have revived and extended to the white race the savagery of slave labor.

The peace about which our self-styled international authorities are shouting from the housetops is merely the extension of brutal war techniques to millions

of helpless and innocent men, women, and children.

The interim agreements, under which the victors are attempting to hold together the mad chaos of Europe and Asia, have become brutal, immoral, and uneconomic political absurdities.

If our financial books were balanced, we would find that America, as the world spendthrift and chief advocate of international pump-priming, is the first great Nation in history to have fought two wars in order to finance a bankrupt imperialism both in Europe and Asia, and now in South America, as well.

International law has degenerated into international anarchy, in which there is not a single internationl law, principle, agreement, covenant, or purpose held in common among or binding upon even the Big Three.

Even while I speak, our one world is being carved up by three powers behind closed doors, without the advice or cooperation or consent of the suffering millions involved.

Then what do these men mean when they cry "peace?" We need only to read between the lines of the foregoing statements of the present ugly international facts of life for the answer.

"Give us more power," our statesmen cry. Again, the state supreme, whose greed for the products of man's toil and suffering can never be gratified, rears its ugly head.

"We shall enforce the peace," our statesmen shout. Yet, Mr. President, as a consequence of these outrageous secret agreements, such as Tehran, Yalta, and Potsdam, we have already turned Russia loose across the world. We have betrayed 100,000,000 people in eastern Europe into the hands of tyranny, along with 200,000,000 people in western Asia. We not only have paralyzed the European and Asiatic economies, but by our continued adherence to these secret commitments, which the Senate Foreign Relations Committee, has the audacity to incorporate into Senate Document No. 48, as the basic documents upon which, among others, the North Atlantic Treaty is based—by our continued adherence to these treaties I say, in effect, we continue to legalize the very aggressions by Communist Russia, the consequences of which this North Atlantic Treaty is designed to remedy.

Furthermore, Mr. President, we not only legalize Russian aggression, but during and since the war we have financed the consolidation of Russian tyranny over those peoples whom we have betrayed into her hands, and at this very moment, we are indirectly financing through the innumerable trade treaties which have been entered into by the Marshall-plan countries and the Soviet-dominated half of the world, the continued strengthening and expansion of the very forces which the North Atlantic Treaty is designed to halt.

"We shall enforce the peace," our statesmen continue to shout. Yet, what kind of a peace is it they are really enforcing, even on this side of the iron curtain?

In truth, at this very moment, this administration continues to play the role of Stalin's left hand in Europe by continuing to destroy, in an act of senseless vengeance, the very peacetime industrial potential which the German-speaking peoples in central Europe are absolutely dependent upon, not only for a minimum standard of living, but also to make possible any kind of a stand against the threatened expansion of communism.

"We shall enforce the peace," our statesmen continue to shout. Yet, on this side of the iron curtain, they are continuing to enforce peace upon nearly half of the world's population, whom they continue to treat as their economic slaves—in Africa, in Asia, and in South America as well, and they are doing it with American lend-lease tanks, guns, and ammunition, upon the continued outpouring of which the sprouting dictators, who have sprung up out of the ruins of this war are absolutely dependent, in order to maintain their power to exploit and tyrannize their own people, as well as others.

And, underlying this whole outrageous trend, Mr. President, is the fact that we are squandering the resources, the savings, and the wealth of the American people, to finance such an outrageous abandonment of traditional American principles, which throughout our history, have proclaimed us the champion, and not the oppressor, of the underprivileged and the helpless.

For myself, Mr. President, I want the record to show my unalterable opposition to the ratification of this North Atlantic Treaty. together with my final word of admonition and advice to my distinguished fellow Senators, and to my fellow Americans. Throughout this generation America has been moving down the road to her own destruction, becoming ever more deeply involved in the internal affairs of all the other peoples of the earth. This is not a role that leads to genuine expression of America's sincere desire and determination to cooperate with other sovereign states, on the basis of voluntary consultation and mutual consent, in the solution of the increasingly complicated and dangerous world problems that continue to arise. And, this North Atlantic Treaty, if ratified, will make it that much more difficult for us to assume our rightful leadership in restoring some semblance of sanity and decency to a war-shattered world.

Surely America was fated for a nobler destiny than this, and for myself, I shall continue to fight in the future, as I have in the past, to spare the American people such a catastrophe and to restore to this Government the integrity, the courage, the wisdom, and the vision, that will enable it to recognize the wrongs which have been committed, the blunders which have been made, and the utter folly of the course we are following. In the firm conviction that, although everything we hold dear is now at stake, and although the hour is later than we think, I believe their native common sense and their instinctive patriotism and faith in the moral order will yet arouse the conscience and mind of the leaders of the American people and of the American people themselves to the nobler future that beckons this beloved land of ours.

THE PRESIDENT'S FISCAL PROGRAM

During the delivery of Mr. LANGER'S speech,

Mr. BYRD. Mr. President, in his speech last night on the Economic Report, the President of the United States said that those who are attempting to curtail public spending and establish a balanced budget are committing a "great blunder."

I say that the fiscal program announced last night by the President is the certain road to ruin. Unless the Congress and the people can defeat this program, we will go over the precipice of financial disaster.

Six months ago the President advocated a balanced budget and $4,000,000,000 of new taxes and continued to do so until about 10 days ago. He did so at a time when the business recession was just beginning. He now says that new taxes would accelerate the business decline—something that other Senators and I have been saying for 6 months. In effect, he now approves the rejection by Congress of the recommendation he made in January.

He now proposes frankly to embrace a long-range program of deficit spending for the purpose of stimulating the purchasing power of the people. In one breath he denies that a depression is impending, and, in the next, he says that deficit spending is necessary to avoid a depression.

The plain and stark truth is that if we, at a time of high prosperity, deliberately embark on a program of deficit spending, it is doubtful—very doubtful—that the budget of the United States Government will ever be balanced until our fiscal system is destroyed and we undergo the terrific hardships of the reestablishment of a solvent currency.

There is one thing the President has been consistent about, and that is to spend more and more money. He has never made a recommendation to the Congress of the United States for retrenchment. He has never made even the slightest effort to eliminate the waste and inefficiency that permeate every single branch of the Government service.

Last night he attempted to create the impression that of the $42,000,000,000 that is now being spent, $32,000,000,000 is untouchable, because it is the result of either past wars or our efforts to prevent future wars. This statement is not correct, because the only really untouchable item in Federal spending is the interest on the public debt, which is now approximately $5,500,000,000 a year. Virtually all of the remaining $36,500,000,000 we are now spending could be cut, and billions of dollars could be saved by efficiency and economy without impairing the essential functions.

A current example of this is the fact that today the armed services have 898,000 civilian employees, which means that we have one civilian employee for every two in uniform. At least from $1,000,000,000 to $2,000,000,000 could be saved by the armed services and greater efficiency could be obtained in the administration of our armed forces. This has not been denied by the high officials of the armed services.

We have today in our Government service 2,120,000 Federal employees, as compared to 900,000 before the war. For the past 18 months we have been adding more than 300 employees, inside the United States, to the Federal pay roll each day. If those added inside the continental United States during this period will be a net permanent increase, it means that annual Federal personnel costs have been increased at the rate of $1,000,000 a day.

It is well for the public to know what the President has in mind. This was clearly indicated in his message and in the midyear economic report which he has submitted to Congress with his approval. Not only does he propose to continue the present expenditures of approximately $42,000,000,000, and to oppose with all the power of his great office any reduction in these expenditures, regardless of how large the resulting deficit may be, but he wants to embark on new ventures which will add many billions of dollars more to the expenditures we now have.

The President offers more public spending as the panacea for recession or depression. He offered the same panacea in January as the only panacea for inflation. The only difference is he wants more of the same.

In January he asked for new spending programs for federalized power through public works, for federalized education, for federalized medicine, for federalized housing, federalized urban redevelopment, expansion of federalized insurance, and a more liberal program of federalized agriculture. And now he proposes to increase all of these, and he is adding the arming of 16 European nations, which, if adopted, will be a long-range program of great cost.

I propose shortly to analyze in greater detail what this new fiscal policy of the President will mean to the future of America, but I do want to say today that if the President is successful in plunging this country into a new indefinite era of peacetime deficit spending, which will be greatly in excess of any deficit spending before, the inevitable result will be impairment of the solvency of the American dollar, which, if it should occur, will be a disaster of the first magnitude, not only to the people of America but to all the world. We may go the road England has gone—to socialism and a welfare state—as predicted by former Secretary of State Byrnes, at Washington and Lee University at Lexington, Va., a few weeks ago.

Heretofore, the President has opposed inflation, but now he favors a program of deficit spending, which will start the fires of inflation such as nothing else will do. There is nothing so inflationary as borrowing money and spending it for public purposes.

Let us not forget that when deficit spending was started in 1932 we had a debt of $16,000,000,000. Now deficit spending must be pyramided on a debt of $252,000,000,000. Let us remember, too, that the additional public spending recommended by the President must be pyramided on the present spending of $42,000,000,000, as compared to less than $9,000,000,000 the year before the war.

I agree with the President that there is no reason for a depression of such consequence as to create a real finance crisis—unless the Government itself precipitates that crisis. It can be precipitated by taxing a declining economy, as the President asked the Congress to do last January. It can be precipitated by a lack of confidence in the future, if businessmen believe that the Government has thrown all discretion to the winds and is embarking on a gigantic plan of deficit spending for the purpose of maintaining a very high level of national prosperity.

What we need in America now, above everything else, is to give confidence to the businessmen of this country so that the business activity can be restored and extended by the customary means of investments made in the free private enterprise system. Pump priming by deficit spending will never take the place of normal business activity under the free-enterprise system.

We have a great responsibility in America today. If the American dollar goes down, the whole world will go back to an age of darkness. The American dollar is the only standard of money value that the entire world has confidence in. As rich as we are, there are limits beyond which we cannot go.

Even though the new spending plans of the President are not approved, in the fiscal year which began July 1 we will have a deficit of approximately $6,000,000,000, unless Congress in the present session drastically reduces appropriation bills now passed and pending. In the fiscal year 1951, beginning July 1, 1950, the deficit will be not less than $10,000,000,000, at the present rate of spending, because in that year the full impact of reduced Federal tax revenue occasioned by the recession will be reflected.

In the fiscal year 1949 the President requested and got the highest peacetime expenditure budget of all time, and the recession set in. For 1950 he has reached a new peak in peacetime spending requests, and in the teeth of it the recession is continuing. That is the background against which he asks for still greater public spending.

This can be regarded only as resorting to the old prime-the-pump policy which, at best, has never been regarded as anything but a shot in the arm.

Such a program can only hold in prospect for business increased taxes or national insolvency. Increased taxes applied to a declining business probably would reach a point of confiscation, and insolvency would mean default on the public debt, in which is now invested a great part of the security of the American public. Confiscation would mean socialism, and default would mean national bankruptcy.

When we start a new chain of debt increases in this situation, not only business has cause to be alarmed but so has the consumer, for the debt belongs to every individual of us. It is ours in the war bonds we own. It is ours to the extent that our bank savings against a rainy day are invested in it. It is ours to the extent that our life insurance for the protection of our families is invested in it. It is ours to the extent that our social security payments against old age and unemployment are invested in it. And, indeed, it will be ours if the time ever arrives when we cannot pay it off; when we cannot refinance it. It should not be overlooked that as we listen to proposals to increase the debt by new borrowing, we are just coming into the period when the quarter of a trillion dollars of old debt must be largely refinanced.

Mr. LANGER. Mr. President, I am assuming that under the unanimous-consent request the remarks of the Senator from Virginia may appear at the close of my speech.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Unanimous consent was given that the senior Senator from Virginia might make some brief remarks, upon the conclusion of which the Senator from North Dakota would resume his speech.

Mr. LANGER. Mr. President, I ask that the Senator's remarks appear at the end of my statement.

The PRESIDING OFFICER. Consent is granted.

Mr. PEPPER. Mr. President, I did not know what the arrangement was which permitted the remarks of the able Senator from Virginia.

Mr. LANGER. I shall be through within 35 minutes.

Mr. LUCAS. Will the Senator from North Dakota yield to the Senator from Florida for a few questions?

Mr. LANGER. Certainly.

Mr. PEPPER. Mr. President, I did not want to ask a question; I wanted to ask for approximately 5 minutes' time to make a statement.

Mr. LANGER. Mr. President, I ask unanimous consent that I may yield for 5 minutes to the Senator from Florida with the understanding that I shall not lose the floor.

The PRESIDING OFFICER. No objection is heard. The Senator from Florida is recognized for 5 minutes.

## DEFICIT SPENDING

Mr. PEPPER. Mr. President, there have been from time to time comments made regarding the vices of deficit spending. I think it should be emphasized that the national income under a policy of deficit spending has been increased from $38,000,000,000 in the early 1930's to two hundred and twenty-five or two hundred and thirty billion dollars at this time. The way to judge a pudding is by the eating of it; and I do not know of any policy which has produced better public benefits than have the policies which have been pursued by the Government of this country since 1933. When I hear those who say that deficit spending should never be resorted to in peacetime, I wonder what they would have done if they had been in the position of the late President Franklin D. Roosevelt in March 1933.

Mr. President, deficit financing was the means by which the Government was able to pump money and stimulation into the national economy which led to rising

employment, to an expanding productivity in industry and agriculture, to an increase in the general savings of the people of the country, and the enhancement of the income of the citizens generally, and, withal, an improved and expanding national wealth and security. So, now, if in a time of declining employment and declining income, if we may temporarily resort to deficit financing to arrest a trend, to stem a tide, to reverse a course which has been the product and the result of forces which have been operating in our economy, I see nothing new about it, and, instead of its being a dangerous policy, it may be the only policy which will avert serious danger to the national economy at the present time.

As a matter of fact, if an anlysis be made of the causes for the present decline, it may be that history will show that it was the failure of Congress to adopt the recommendations of the President. Had we adopted those recommendations and arrested the inflation before it reached a peak at which it necessarily had to have a partial collapse, we probably should have had a surplus that would have prevented the deficit which is at present in the national budget.

It seems to me that what the businessmen of this country want is good customers, able to pay for the purchases they wish to make; and in this declining economy, with rising unemployment, the best assurance that there will be customers who can buy is that there be full employment, decent wages, a higher level of national productivity in industry and agriculture, and that we have a profitable and prosperous national economy.

I am glad the President of the United States had the courage to face those who use deficit financing as some sort of slogan of denunciation, and to think more of the prosperity of the national economy than of being vulnerable to some political criticism that may be hurled against him.

I realize that this is a field in which there are honest differences of opinion, and I only express my own opinion because I feel very strongly that the sound policy is the one which was proposed by the President, that when the prosperity of the country is pronounced, when the income and productivity of the Nation are high, then is the time to reach down into our productivity and our income with a good tax structure; but when things are on the downgrade, then is the time when the Government needs to step in and arrest the dangerous trend and preserve the prosperity of the country. Otherwise business will lose far more in profits which are now declining than will be lost through the policy which the President of the United States proposes.

So I say if we think only of corporate profits, Mr. President, a full prosperity for the country will yield corporate profits which will exceed the profits corporations are now making by more than the national deficit, not to speak of the benefit that comes to the citizenry in general from policies which lead to full employment and higher production for the Nation.

Lastly, Mr. President, we are now debating something that has direct relationship to the peace and the security of the world—the Atlantic Pact. Not even the Atlantic Pact means more for the preservation of the democratic way of life than full prosperity and a strong American economy. We cannot have full prosperity and a strong American economy if we have steadily rising unemployment, steadily declining productivity in factory and on farm, and a general lessening of the high level of prosperity which we have enjoyed.

So the President is on the right track. I believe the people of the country and, I am confident, the Congress will support him in the courageous course which he has taken in the public interest.

Mr. WHERRY. Mr. President, I ask unanimous consent that the remarks just made by the distinguished Senator from Florida be incorporated in the RECORD at the conclusion of the remarks of the distinguished Senator from North Dakota.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Without objection, it is so ordered.

### PAY INCREASE FOR CERTAIN OFFICERS IN THE EXECUTIVE BRANCH—REFERENCE OF A BILL

After the completion of Mr. LANGER'S speech,

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

Mr. WHERRY. Mr. President, will the Senator withhold the suggestion?

Mr. LANGER. I withhold the suggestion of the absence of a quorum momentarily.

Mr. MUNDT obtained the floor.

Mr. WHERRY. Mr. President, I wanted to suggest the absence of a quorum, but before I do so, the Senator from South Carolina has asked me if I would object to his presentation of a unanimous-consent request. I think it is a request to refer a bill to the Committee on Post Office and Civil Service.

Mr. MUNDT. I yield.

Mr. JOHNSTON of South Carolina. Mr. President, as in legislative session, I ask unanimous consent for the reference of House bill 1689, which is No. 641 on the calendar.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies.

Mr. LANGER. Mr. President, I object.

Mr. JOHNSTON of South Carolina. If the Senator from North Dakota will withhold his objection for a moment, this is a bill which was sent to the Senate by the House, and was ordered to be placed on the calendar. It is desired to have it referred to the Committee on Post Office and Civil Service for consideration. The committee wants to look into it, to see if some of the things involved in it at the present time cannot be adjusted. It is already on the calendar.

Mr. LANGER. Will the Senator repeat his request?

Mr. JOHNSTON of South Carolina. It is, to refer this bill to the Committee on Post Office and Civil Service.

The PRESIDING OFFICER. Is there objection to the request?

Mr. LANGER. I have no objection. I shall, however, object if it is desired to call up the bill for consideration at this time.

Mr. JOHNSTON of South Carolina. No, that is not the purpose.

The PRESIDING OFFICER. Is there objection to the request that the bill be referred to the Committee on Post Office and Civil Service? The Chair hears none, and it is so ordered.

### THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. WHERRY. Mr. President, will the Senator from South Dakota yield to me for the suggestion of the absence of a quorum?

Mr. MUNDT. I yield.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hoey | Mundt |
| Anderson | Holland | Murray |
| Baldwin | Humphrey | Myers |
| Brewster | Hunt | Neely |
| Bricker | Ives | O'Mahoney |
| Bridges | Jenner | Pepper |
| Butler | Johnson, Colo. | Reed |
| Byrd | Johnson, Tex. | Robertson |
| Cain | Johnston, S. C. | Russell |
| Capehart | Kefauver | Saltonstall |
| Chapman | Kem | Schoeppel |
| Chavez | Kerr | Smith, Maine |
| Connally | Kilgore | Smith, N. J. |
| Cordon | Knowland | Sparkman |
| Donnell | Langer | Stennis |
| Downey | Lodge | Taft |
| Dulles | Long | Taylor |
| Eastland | Lucas | Thomas, Okla. |
| Ecton | McCarran | Thomas, Utah |
| Ferguson | McCarthy | Thye |
| Flanders | McClellan | Tobey |
| Fulbright | McFarland | Tydings |
| George | McGrath | Vandenberg |
| Gillette | McKellar | Watkins |
| Graham | McMahon | Wherry |
| Green | Magnuson | Wiley |
| Gurney | Malone | Williams |
| Hayden | Martin | Withers |
| Hendrickson | Maybank | Young |
| Hickenlooper | Millikin | |
| Hill | Morse | |

The PRESIDING OFFICER. A quorum is present. The Senator from South Dakota has the floor.

Mr. MUNDT. Mr. President, the decision which we now face is not an easy one, and has consequently resulted in a long, protracted, but highly stimulating and informative debate. I have no prepared address to deliver on the pending treaty, but I wish to express a few convictions which I have felt creeping on me for the past 10 years as we have dealt with the matter of foreign policy, since most of those 10 years found me serving as a member of the House Committee on Foreign Affairs, where we wrestled with it first-hand almost every day in the week.

The world today is filled with a great many distasteful conditions, necessitating on the part of all of us some highly distasteful decisions, and also necessitating, as I see it, some distasteful steps to be taken from time to time by this great

Republic of ours. To me the decision we are called upon to make shortly after this debate is one of those distasteful decisions.

I share neither the happy optimism nor the carefree conviction of those who look upon the Atlantic Pact as a great forward step toward peace, nor do I share the black pessimism and the deep melancholy of those who look upon it as the prelude of a disastrous debacle. As I see the pact, at best it is a weak palliative for a situation for which it cannot possibly be a cure; and at worst; as I see the pact, it is a step which largely continues, in a perhaps more expensive and dangerous manner, an arrangement in which we are already engaged.

I believe that to arrive at our individual decisions each of us has to search pretty carefully the lessons which have come to him as he has studied our history, and participated in it as a Member of Congress.

I think the destination which we approach in the ratification of the pact had its origin in the steps which were taken back in 1941, at the time the lend-lease legislation was before Congress. It was on March 11, 1941, that the House of Representatives, acting last, approved lend-lease legislation, and it was signed by the President on the same date. It then came to us in the form of H. R. 131. When the lend-lease proposal first came to the House Foreign Affairs Committee it carried the memorable number, H. R. 1776. It was presented to us as a weapon for peace, and at that stage of the deliberations I was one of those who opposed H. R. 1776.

I opposed it, and so recorded my conviction, because I felt, in the first place, it could not be an adequate and effective weapon for peace. I opposed it, in the second instance, because I feared then what we all know now that the weapons which we made aavilable through lend-lease would pass from our control and be put to uses and purposes which none of us would countenance at the time lend-lease was before us. But after the Senate had acted, and the matter came back to us for final decision in the form of H. R. 133, I voted to support the lend-lease measure, including all the appropriations under it, and for each of the steps in American foreign policy since then; save only one: I voted "no" on the British loan. I might interpolate that I have never had any reason to regret voting "no" on the British loan. Aside from that, I share with all who voted for these measures that much responsibility for helping to fashion and to shape what passes for American foreign policy today.

I think it is appropriate we should review briefly the steps by which we arrived at the present situation, in part to test the infallibility of the architects of this policy, and in part so that we may have within the focus of our thought the whole picture as we try to reach an honest and an honorable decision as to the ratification of the pact now under consideration.

After the appropriation measures on lend-lease, of course, came soon the attack upon Pearl Harbor, and the declaration of war, for which every Member of Congress voted, save only one Member of the House of Representatives.

Next in sequence came the Atlantic Charter. I wish to quote just one passage from the Atlantic Charter, to show how early in our recent history we began to depart from the stated purpose of American foreign policy. One statement in the Atlantic Charter says:

> We favor restoration of territory to nations deprived of these territories by force of aggression.

My colleagues all know that we have wandered far from that holy purpose. We do not propose to effectuate that purpose insofar as Poland is concerned. We do not propose to conform with that purpose insofar as China is concerned, or insofar as the Balkan countries are concerned. I shall not labor the point. I merely state that early in the fabrication of our foreign policy our actions began to differ from our pronouncements.

Then came the San Francisco Conference, the San Francisco Charter, and our affiliation with the United Nations, for which I voted. Then came the conferences at Tehran, Yalta, and Potsdam, about which the less said at the moment, the better, I presume, because no one now acclaims those activities on the part of our Secretary of State—the then leader of our foreign policy. Many have had occasion frequently to apologize for the decisions and the capitulations arrived at during these unfortunate conferences.

Then came the United Nations debates, the conferences, the arguments, the long sequence of events, including the British loan, which I mentioned earlier.

After the British loan—a $3,750,000,000 loan—came the Truman Doctrine, which I also supported, a doctrine which announced that we must add to economic aid, under certain circumstances, military aid to countries finding themselves close to the Russian menace, and under the threat of imminent action on the part of Russia.

Then came the Marshall plan. I had the rare opportunity and privilege of being in the party with the Vice President of the United States, then the distinguished majority leader in this body, which visited all the Marshall-plan countries in late 1947, and virtually all the non-Marshall-plan countries of Europe.

I became an early advocate of the Marshall plan. To me it gave the first real cause for hope that perhaps we were arriving at a foreign policy which was both consistent and workable. I sat in the long and elaborate conferences as a member of the conference committee between the Senate and the House, when we were readjusting our differences, when we were writing into that early Marshall-plan legislation the mandate of the House that China should also be included, and that the plan, if it was to work at all, must work on a global basis.

As I understood the plan, after hearing every bit of the testimony, after having advocated it both on the floor of the House and in several States of the Union, and attending the conferences, this was the Marshall plan: We decided as a matter of national policy that we were, insofar as it was possible, to make aid available to nations anywhere in the world ready, able, and willing to resist the further aggressions of communism, and agreeing to cooperate with each other and with us for that noble purpose.

If the Marshall plan can be defined, and I think it can, I submit to the Senate that is a complete, a comprehensive, and an accurate definition, and as the final debate brought the issues into focus it was on that basis that the Senate and the House emphatically endorsed the proposal.

And now comes the Atlantic Pact. I think it best we look at the Atlantic Pact after we have spent a moment asking ourselves what happened to the Marshall plan. What has happened which suddenly is focusing our attention today on 12 countries of the world, when a year ago, and 18 months ago, we were trying to fashion a global approach to the global menace of communism? Not through any action of the Congress of the United States, I am happy to say, China and Asia were deleted from the Marshall plan. Now the Marshall plan has to be read with an asterisk after the word "world," and down on the bottom of the page we will find "except in Asia," because so far as I know we have no foreign policy in Asia, or what foreign policy we have in Asia contradicts itself because it proposes that we appropriate $150,000,000 to protect Korea, while doing nothing to protect China itself. Even in Asia we are undecided as to whether or not we are resisting communism or about to recognize it as the legitimate government of China. But, at all events, Asia, for some reason or another, is not included in the Marshall plan.

I think candor compels us therefore in talking about the Marshall plan to refer to it as the Marshall "demi-plan." I do not believe there is such a word. I do not believe Webster contains such a word as "demi-plan." But Senators know what I mean by my use of that word. Perhaps the lexicographers of tomorrow will have to make use of such a word to describe what is left of the Marshall plan, because it is at best today just a part of a plan for a part of the world. And at best the Atlantic Pact is a smaller part of that plan for a smaller part of what is left of the world, because we now reduce our fraternity or association through the Atlantic Pact from the countries belonging to the Marshall plan to the countries belonging to the pact itself. That is the record of history. Thus we walk backward away from genuine collective security.

I think in a way it indicates to some extent how carefully we have to scrutinize completely the satrapal suggestions coming from the State Department. I think it is well that we analyze them with our own judgment in the view of what is happening, and as we try to project what lies ahead.

We hear much said about arms being the factor which will help the Atlantic Pact to operate. We read in the newspapers of rumors that perhaps the supply of gold buried at Fort Knox will be the inducement called upon to save the world for freedom, and some even report that, maybe, after we have gotten through with the Atlantic Pact, we are

going to have a series of bilateral loans—a bilateral loan to help England, because she is in a crisis, and a bilateral loan to help France because she is in a crisis. So we dwindle the fine global Marshal plan down to excluding Asia and including Europe, and then we dwindle it down to exclude a part of Europe and include a smaller part, and then we begin to dwindle it down back to bilaterialism again.

I do not have too much confidence in the kind of leadership we have had from the State Department during these recent years. It seems to me it has relied consistently too much upon the factors of gold and of guns, of finances and of force, of power and pomp, of economic and military potency, and not enough upon sound psychological weapons.

We are told we are in an ideological war. It seems to me we should fight it with ideas. We should fight it on an ideological front. I subscribe wholeheartedly to the splendid discussions presented to this body by the Senator from Vermont (Mr. FLANDERS) and the Senator from New Jersey (Mr. SMITH), and others who have pleaded repeatedly for putting more of our emphasis upon the ideological aspects and less of our reliance upon guns, gold, and force.

The so-called Smith-Mundt Act is operating on a stipend, trying to do a man-sized job with a boy-sized appropriation and unable to obtain, because of the failure by 12 votes to secure a majority of this body, adequate funds even now to pump radio programs into the Ukraine in the Ukranian language, which is the only language the people of Ukraine speak, to help the old army in Russia fighting against the oppression of communisum, to encourage them and let them know the rest of the world is interested in them. We have discontinued our broadcasts in Finland. I would direct more attention to a program like the Smith-Mundt program, the Voice of America program, the UNESCO program and less to guns and gold.

Mr. President, I believe there continues to be too much emphasis placed by us on the almighty dollar and the guns, and not enough on the broadcasting of ideas which are essential to the fighting of the thing we know as communism.

It seems to me that we are beginning to realize, all of us now, the folly and the futility of the kind of foreign policy which we have, a policy which shrinks in size, instead of grows in scope, a policy which ignores Asia entirely, while the Secretary of State in all his wisdom says, "We are going to wait in Asia while the dust settles." And it has settled now in the eyes of freedom, in the eyes of those who want a free Asia.

As we look ahead what do we find developing and unfolding before our eyes in the land of our ablest and most articulate partner, Britain? We find British trade agreements being negotiated because, I am sure, of the necessities of the situation in Britain. I am not criticizing the British for practicing the laws of self-preservation. But we find the agreements being negotiated on the basis of direct trade between the British and the Argentine, or between the British and Russia, or between the British and some other country. We find them expanding that program, urging that there be a fraternity of trade among the non-dollar countries of the world. So, as a dividend from our great loan to Britain and our subsequent expenditures abroad, we find ourselves facing a foreshortened market. We find ourselves facing a serious economic situation.

I have worried about the trade agreement made by Britain with Russia. It sort of jars what I have pleaded for in foreign policy—some kind of consistency on some kind of program. We aid the British by giving them money and machinery. They need food. So they trade some of the machinery made with the money we give them, to the Russians for grain with which to process food. That strengthens the Russians. They use their expanded strength to intimidate more people in Europe. So we are called upon for more aid; and we provide more aid to the British and other countries in Europe, they trade it to the Russians for more food, so the Russians have more strength and increase the pressure. So the endless cycle continues; and where it is going to take us? That is a realistic question which remains unanswered.

The British are trading with Russia. I am not criticizing them for that. But I am pointing out that if all we have as an American foreign policy is to provide to the British and others the things they can trade to the Russians to make the Russians stronger so that they can make the British able to live, it is not going to get us peace. And it cannot possibly deliver peace, as I see it. I think we are engaged in a vicious circle.

I desire to quote a passage or two to illustrate the point I have in mind in that connection from yesterday's issue of the Wall Street Journal. It discusses this very situation. It says:

> If it was not clear from the beginning, it surely should be clear now that there is no such common ground.

That means between British socialism and the American private enterprise system.

> The two forms of economic organizations seek different ends by wholly different means.
>
> Under such circumstances merely saying that Britain can expect no further help from this country seems wholly inadequate. Not only should help be withdrawn—

Says the editor of the Wall Street Journal—

> but it should be made clear to the world that the United States disapproves of the policies and the methods which Britain pursues and will do its best to check them.
>
> If you see a man pointing a gun at the neighbors, it hardly discharges your duty to say, "Certainly I shall never give that man another gun." The least you can do is to indicate your disapproval of such conduct.

Mr. President, I ask unanimous consent to insert in the RECORD at this point the entire editorial, entitled "No Common Ground," published in the Wall Street Journal of July 13, 1949, and an excerpt from a following editorial headed "Over There—Over Here."

There being no objection, the editorial and excerpt were ordered to be printed in the RECORD, as follows:

NO COMMON GROUND

The juice in which Britain stews is a potent brew, the name of which is economic totalitarianism. It will corrode whatever it contacts. And the British may be in a position to splash it around a wide area.

Britain already is discriminating against American goods—even though Washington winks at the procedure—which is contrary to her promises. Meanwhile we continue gifts. That seems foolish.

Britain is looking to the creation of exclusive bilateral trading contracts which will further shut American goods out of the countries which make the agreements with Britain. Further than that the parties to these agreements will by their very terms be forced to adopt many of the trade restrictions and quota arrangements that the British have adopted. So we are doing more than condone restrictions against American interests. We are condoning by subsidy an extension of totalitarian economics, which is patterned after the Schacht methods of the Hitler regime. That seems more than foolish. It seems to us immoral.

Whether Britain nationalizes her own industries and commits her own people to a low standard of life would be Britain's business if it stopped there. It does not stop. As a large trading nation Britain must attempt to create other economies in the image of her own.

All of these bad results seem to us to grow out of a policy based on the mistaken conception that there is some common meeting ground for an economy organized on totalitarian lines and one organized for the purpose of the utmost freedom in the exchange of goods.

If it was not clear from the beginning, it surely should be clear now that there is no such common ground. The two forms of economic organization seek different ends by wholly different means.

Under such circumstances, merely saying that Britain can expect no further help from this country seems wholly inadequate. Not only should help be withdrawn but it should be made clear to the world that the United States disapproves of the policies and the methods which Britain pursues and will do its best to check them.

If you see a man pointing a gun at the neighbors, it hardly discharges your duty to say, "Certainly I shall never give that man another gun." The least you can do is to indicate your disapproval of such conduct.

It was not just Hitler with whom "you could not do business." It was any other form of the managed economy which to reach its end must be totalitarian. The more quickly we learn that and act accordingly the less money we will waste and the more quickly we will give other countries the courage and security to work out their own recovery.

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OVER THERE—OVER HERE

For years Britain has been spending beyond its means. It has spent more than it earned. The war necessarily made this worse, and afterwards no one wanted to go back. Britain has tried to dress up the living room with a lot of social gains that looked beautiful in the showcase and without fretting about the payments.

To avoid the pains of hard readjustments it began first to borrow and then to beg. It tried to support its matchstick house by jiggling its currency, confiscating its capital, and all the other time-honored tricks of the man fleeing bankruptcy. All these worked for awhile, but now nobody's kidding anybody about the cost.

Like a man kiting checks, the Labor government quite rightly knows it can't stop the merry-go-round. It must go on and on, searching for more makeshifts, more devices for postponing disaster, and hoping with Mr. Micawber that "something will turn up"—preferably United States dollars.

As a nation we are already living beyond our means; that is, we are spending our capital through deficit financing. A lot of people want us to spend it even faster. Only dunderheads should worry about fiscal difficulties.

We had better watch England closely. Economic problems may be abstruse but sooner or later they come home to roost.

Mr. MUNDT. Mr. President, from this much of my statement it seems to me it is obvious something is lacking in our foreign policy. I think I have read every speech the Secretary of State has delivered in the last 8 years. I am frank and honest in trying to say I cannot answer, and I am unable to do so if some of my constituents ask me, "What is our foreign policy?" For a happy interlude from the time the Marshall plan was introduced until the time of the sacrifice of Asia I thought I understood it, and I defined it in the terms I have mentioned earlier. The State Department says that, of course, something is lacking. "We think the thing we need now is the Atlantic Pact. We think the Atlantic Pact will bring an end to the cycle of disaster. It will protect us against the strange barter system by which we provide strength to the British and they provide strength to the Russians, the Russians frighten Europe, and we start all over again."

In my opinion, in its present scope and text, the Atlantic Pact is not the answer to the puzzle with which we are confronted. I do not think it can do the job. Stripped of all its broad language, the Atlantic Pact is pretty much another defensive military alliance. It is not new or novel. It has been done again and again in world history, and always war has been the aftermath. It would bring together an organization of the "do-good" nations, or some of them, and arm them to protect themselves from the "do-bad" nations, or some of them.

History is dotted with the melancholy tombstones of peace pacts and military alliances of that kind. I shall not take long to discuss that point, but I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks, so that future historians may have the evidence in one place, a list of international pacts and alliances which have been entered into between 1700 and 1949.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SELECTED LIST OF TREATIES AND OTHER INTERNATIONAL AGREEMENTS SINCE 1700

1701: The Grand Alliance of the Hague between Great Britain, Holland, and Austria to prevent the union of France and Spain; signed on September 7.

1713: Treaty of Utrecht. Peace treaty terminating the War of Spanish Succession; signed by Great Britain, France, Spain, Prussia, the Netherlands, Portugal, and Savoy on April 11.

1718: Treaty of Passarowitz. Peace treaty signed between Austria and Turkey on July 21.

1718: Treaty of Quadruple Alliance between Great Britain, France, Austria, and the Netherlands for the maintenance of the Peace of Utrecht; signed on August 2.

1719: Treaty of Stockholm. Peace treaty signed between Great Britain and Sweden on November 20.

1721: Treaty of Nystadt. Peace treaty between Russia and Sweden terminating Russo-Swedish War; signed on August 30.

1725: Treaty of Vienna. An agreement of alliance between Spain and Austria; signed in April.

1725: Treaty of Hanover. Formation of the League of Hanover between Great Britain, France, and Prussia against Spain and Austria; signed on September 3.

1726: Treaty of Vienna. Defensive treaty between Russia and Austria for common action against the Turks and for defense against other powers; signed on August 6.

1729: Treaty of Seville. Treaty of alliance between Great Britain, France, Spain, and the Netherlands; signed on November 9.

1738: Treaty of Vienna. Peace treaty terminating the War of the Polish Succession; signed by Great Britain, Spain, Prussia, Russia, Poland, Savoy, and Austria on November 13.

1739: Treaty of Belgrade. Peace treaty between Austria, Russia, and Turkey terminating the war against Turkey; signed on September 18.

1743: Treaty of Abo. Peace treaty terminating the Russo-Swedish War; signed on August 7.

1748: Treaty of Aix-la-Chapelle. Peace treaty terminating the War of Austrian Succession; signed by Austria, France, Great Britain, Spain, Russia, Prussia, Bavaria, Saxony, Savoy, and the Netherlands on October 18.

1755: Treaty of St. Petersburg. Treaty of alliance between Great Britain and Russia; signed on September 19.

1756: Treaty of Versailles. Treaty of alliance between France and Austria; signed on May 1.

1763: Treaty of Paris. Peace treaty terminating Seven Years' War (the French and Indian War); signed by France, Great Britain, Spain, Portugal, Prussia, Russia, Austria, and others on February 10.

1772: Treaty of St. Petersburg. Treaty on first partition of Poland between Russia, Prussia, and Austria; signed on August 5.

1774: Treaty of Kuchuk-Kainarji. Peace treaty terminating the Russo-Turkish War; signed on July 21.

1778: Treaty of Paris. Alliance treaty between the United States and France; signed on February 6.

1779: Treaty of Teschen. Peace treaty terminating the War of Bavarian Succession between Prussia, Austria, and other Germanic states; signed on May 13.

1781: Treaty of defensive alliance between Austria and Russia against the Turks; signed on June 1.

1783: Treaty of Paris. Peace treaty terminating the War of American Revolution; signed between the United States and Great Britain on September 3.

1788: Treaty of alliance between Great Britain and the United Provinces of the Netherlands; signed on April 15.

1788: Treaty of alliance between Great Britain and Prussia; signed in Berlin on August 13.

1790: Treaty of Verelii. Peace treaty between Russia and Sweden; signed in August.

1791: Treaty of Sistova. Peace treaty terminating the Austro-Turkish War; signed on August 4.

1792: Treaty of Jassy. Peace treaty terminating the Russo-Turkish War; signed on January 9.

1792: Treaty of Berlin. Alliance treaty between Austria and Prussia; signed on February 7.

1792: Treaty of St. Petersburg. Alliance treaty between Austria and Russia; signed on July 14.

1793: Treaty of Vienna. Treaty on Second Partition of Poland between Austria, Prussia, and Russia on January 23.

1793: Treaty of London. Alliance treaty between Great Britain and Russia; signed on February 25.

1793: Treaty of Aranjuez. Alliance treaty between Great Britain and Spain; signed on May 25.

1793: Treaty of London. Alliance treaty between Great Britain and Austria; signed on August 30.

1793: Treaty of London. Alliance treaty between Great Britain and Portugal; signed on September 26.

1794: Treaty of the Hague. Alliance treaty guaranteeing British and Dutch subsidy to Prussia, between Great Britain, Prussia and the Netherlands; signed on April 26.

1795: Treaty of St. Petersburg. Defensive alliance treaty between Great Britain and Russia; signed on February 18.

1795: Treaty of Basle. Peace treaty between France and Prussia; signed on April 5.

1795: Treaty of The Hague. Peace and alliance treaty between France and the Netherlands; signed on May 16.

1795: Treaty of Vienna. Defensive alliance treaty between Austria and Great Britain; signed on May 20.

1795: Treaty of St. Petersburg. Treaty on Third Partition of Poland between Austria, Prussia, and Russia; signed on October 24.

1795: Treaty of San Lorenzo. Treaty of amity and navigation between the United States and Spain; signed on October 27.

1796: Treaty of San Ildefonso. Offensive and defensive alliance treaty between France and Spain; signed on August 19.

1796: Treaty of Algiers. Peace and friendship treaty between the United States and "the Bey and subjects of Tripoli of Barbary"; signed on November 4.

1797: Treaty of Campo Formio. Peace treaty between Austria and France; signed on October 17.

1798: Treaty of Paris. Peace offensive and defensive alliance treaty between France and Switzerland; signed on August 19.

1798: Treaty of Constantinople. Defensive alliance treaty between Russia and Turkey; signed on December 18.

1799: Treaty of Constantinople. Alliance treaty between Great Britain and Turkey; signed on January 5.

1799: Treaty of St. Petersburg. Defensive alliance treaty between Portugal and Russia; signed on September 28.

1799: Treaty of Gatschina. Alliance treaty between Russia and Sweden; signed on October 29.

1800: Treaty of St. Petersburg. Armed neutrality treaty between Prussia and Russia; signed on December 18.

1801: Treaty of Luneville. Peace treaty between Austria and France; signed on February 9.

1801: Treaty of Paris. Peace treaty between France and Russia; signed on October 8.

1802: Treaty of Amiens. Peace treaty between Great Britain, France, the Netherlands, and Spain; signed on March 27.

1802: Treaty of Paris. Peace treaty between France and Turkey; signed on June 25.

1803: Treaty of Paris. Treaty between the United States and France; signed on April 30.

1805: Treaty of Pressburg. Peace treaty between Austria and France; signed on December 26.

1806: Treaty of Paris. Treaty on the establishment of Confederation of the Rhine between France and Germany; signed on July 12.

1807: Treaty of Tilsit. Peace treaty between France and Russia; signed on July 7.

1810: Treaty of Paris. Peace treaty between France and Sweden; signed on January 6.

1810: Treaty of Rio de Janeiro. Alliance and friendship treaty between Great Britain and Portugal; signed on February 19.

1812: Treaty of Paris. Offensive and defensive alliance treaty between France and Prussia; signed on February 24.

1812: Treaty of Paris. Alliance treaty between Austria and France; signed on March 14.

1812: Treaty of Bucharest. Peace treaty between Russia and Turkey; signed on April 28.

1813: Treaty of Toeplitz. Defensive alliance treaty between Austria and Russia; signed on September 9.

1814: Treaty of Chaumont. Alliance treaty tween Great Britain, Austria, Prussia, and Russia; signed on March 1.

1814: Treaty of Fontainebleau. Agreement between Austria, France, Great Britain, Prussia, and Russia concerning the tenure of Napoleon's relatives on various thrones; signed on April 11.

1814: Treaty of Paris. Peace treaty between Austria, France, Great Britain, Prussia, Russia, Portugal, and Sweden; signed on May 30.

1814: Treaty of Ghent. Peace treaty terminating the War of 1812 between the United States and Great Britain; signed on December 24.

1815: Treaty of Vienna. Alliance treaty between Austria, Great Britain, Prussia, and Russia; signed on March 25.

1815: Treaty of Vienna. General treaty of peace terminating Napoleonic Wars between Great Britain, France, Portugal, Prussia, Russia, Spain, and Sweden; signed on June 9.

1815: Treaty of Paris. Holy alliance treaty between Austria, Prussia, and Russia; signed on September 26.

1815: Treaty of Paris. Definitive peace treaty between Great Britain, Austria, Prussia, Russia, and France; signed on November 20.

1815. Treaty of Paris. Treaty guaranteeing the neutrality of Switzerland by Austria, France, Great Britain, Prussia, and Russia; signed on November 20.

1815: Treaty of Paris. Alliance treaty between Austria, Great Britain, Prussia, and Russia; signed on November 20.

1817: Treaty of Frankfort. Territorial treaty between Austria, Prussia, Russia, and the Netherlands; signed on March 12.

1817: Treaty of Paris. Territorial treaty between five powers and Spain relative to Parma Plácentia, Guastalla, and Lucca; signed on June 10.

1818: Treaty of Aix-la-Chapelle. Treaty between Great Britain, Austria, Prussia, Russia, and France on the evacuation of French territory by the Allied troops; signed on October 9.

1818: Treaty of Aix-la-Chapelle. Treaty for maintenance of peace of Europe; signed by Austria, France, Great Britain, Prussia and Russia on November 15.

1819: Treaty of Frankfort. "General Treaty" between Great Britain, Austria, Prussia and Russia; signed on July 20.

1825: Treaty of Washington. Amity, commerce and navigation treaty between the United States and Central America; signed on December 5.

1826: Treaty of Ackermann. Boundary convention and separate act between Russia and Turkey; signed on December 7.

1827: Treaty of London. Treaty on the pacification of Greece between Great Britain, France and Russia; signed on July 6.

1828: Treaty of Washington. Commerce and navigation treaty between the United States and Prussia; signed on May 1.

1828: Treaty of Rio De Janeiro. Amity, commerce and navigation treaty between the United States and Brazil; signed on December 12.

1829: Treaty of London. Treaty on the boundaries of Greece; signed by Great Britain, France and Russia on March 22.

1829: Treaty of Adrianople. Peace treaty between Russia and Turkey; signed on September 14.

1830: Treaty of London. Protocol between Great Britain, France and Russia relative to the independence of Greece; signed on February 3.

1831: Treaty of London. Treaty separating Belgium from Holland; signed by Austria, Belgium, France, Great Britain, Prussia and Russia on November 15.

1832: Treaty of London. Convention between Great Britain, France and Bavaria "relative to the sovereignty of Greece;" signed on May 7.

1832: Treaty of Constantinople. Treaty on Greek boundary; signed by Great Britain, France, Russia and Turkey on July 21.

1833: Treaty of Unkiar Skelessi. Defensive alliance treaty between Russia and Turkey; signed on July 8.

1834: Treaty of St. Petersburg. Treaty concerning principalities of Moldavia and Wallachia and the Asiatic boundaries of Turkey; signed between Russia and Turkey on January 20.

1834: Treaty of London. Treaty between Great Britain, France, Spain, and Portugal relative to the "pacification of the [Spanish] peninsula"; signed on April 22.

1835: Treaty of Berlin. Treaty between Prussia and Russia relative to Polish boundaries; signed on March 4.

1839: Treaty of London. Treaty between Great Britain, Austria, France, Prussia, Russia, and the Netherlands relative to the separation of Belgium and Holland; signed on April 19.

1840: Treaty of London. Convention between Great Britain, Austria, Prussia, Russia, and Turkey relative to the pacification of the Levant; signed on July 15.

1840: Treaty of St. Petersburg. Convention between Austria and Russia relative to the navigation of the Danube; signed on July 25.

1841: Treaty of London. Convention between Great Britain, Austria, France, Prussia, Russia, and Turkey "respecting the Straits of the Dardanelles and of the Bosphorus"; signed on July 13.

1842: Treaty of Washington. Convention "as to boundaries, suppression of slave trade, and extradition" between the United States and Great Britain; signed on August 9.

1842: Treaty of Nanking. Peace and friendship treaty between Great Britain and China terminating the "First Opium War"; signed on August 29.

1844: Treaty of Wang Hiya. Treaty of "peace, amity, and commerce" between the United States and China; signed on July 3.

1846: Treaty of Washington. Treaty between the United States and Great Britain "establishing boundary west of the Rocky Mountains;" signed on June 15.

1846: Treaty of Cracow. Convention between Austria, Prussia, and Russia relative to the annexation of Cracow to Austria; signed on November 6.

1846: Treaty of Bogota. Peace, amity, navigation and commerce treaty between the United States and New Granada (Colombia); signed on December 12.

1847: Treaty of London. Protocol between Great Britain, France, Portugal, and Spain relative to the "pacification of Portugal"; signed on May 21.

1848: Treaty of Guadalupe Hidalgo. Peace Treaty terminating the Mexican War between the United States and Mexico; signed on February 2.

1849: Treaty of Balta Liman. An act between Russia and Turkey relative to the two principalities Moldavia and Wallachia; signed on May 1.

1849: Treaty of Milan. Peace treaty between Austria and Sardinia; signed on August 6.

1850: Treaty of Washington. Convention between the United States and Great Britain "as to ship-canal connecting Atlantic and Pacific Oceans"; signed on April 19.

1850: Treaty of Berlin. Peace treaty between Prussia and Denmark; signed on July 2.

1850: Treaty of London. Protocol between Great Britain, Austria, Denmark, France, Russia, Sweden, and Norway relative to the integrity of the Danish monarchy; signed on July 4.

1850: Treaty of Vienna. Protocol between Austria and Russia relative to the navigation of the Danube; signed on November 13.

1852: Treaty of London. Treaty between Great Britain, Austria, France, Prussia, Russia, Sweden, and Norway and Denmark relative to the succession of the crown of Denmark; signed on May 8.

1852: Treaty of London. Treaty between Great Britain, Bavaria, France, Russia, and Greece relative to the succession of the crown of Greece; signed on November 20.

1853: Treaty of San Jose. Treaty of friendship, commerce, and navigation between the United States and the Argentine Confederation; signed on July 27.

1853: Treaty of Mexico City. Treaty between the United States and Mexico on "boundary, cession of territory, transit of Isthmus of Tehuantepec, etc."; signed on December 30.

1854: Treaty of Constantinople. Treaty between Great Britain, France, and Turkey relative to "military aid to Turkey"; signed on March 12.

1854: Treaty of Vienna. Protocol between Great Britain, Austria, France, and Prussia relative to the integrity of the Ottoman Empire; signed on April 9.

1854: Treaty of Vienna. Alliance treaty between Great Britain, Austria, and France; signed on December 2.

1855: Treaty of Turin. Convention between Great Britain, France, and Sardinia; signed on January 26.

1855: Treaty of London. Convention between Great Britain, France, and Turkey relative to loan to Turkey; signed on June 27.

1855: Treaty of Naples. Amity, commerce, navigation, and extradition treaty between the United States and the Two Sicilies; signed on October 1.

1855: Treaty of Stockholm. Treaty between Great Britain, France, and Sweden relative to the integrity of Sweden and Norway; signed on November 21.

1856: Treaty of Paris. Peace treaty terminating the Crimean War between Great Britain, Austria, France, Prussia, Russia, Sardinia and Turkey; signed on March 30.

1856: Treaty of Paris. Convention between Great Britain, Austria, France, Prussia, Russia, Sardinia and Turkey "respecting the Straits of the Dardanelles and of the Bosphorus"; signed on March 30.

1856: Treaty of Paris. Treaty between Great Britain, Austria and France "guaranteeing the independence and integrity of the Ottoman Empire"; signed on April 15.

1856: Treaty of Bayonne. Boundary treaty between France and Spain; signed on December 2.

1857: Treaty of Paris. Protocal between Great Britain, Austria, France, Prussia, Russia, Sardinia, and Turkey relative to the carrying out of certain provisions of the Treaty of Paris; signed on January 6.

1857: Treaty of Kishinev. Definitive act between Great Britain, Austria, France, Russia, and Turkey relative to the Bessarabian frontier; signed on April 11.

1857: Treaty of Constantinople. Final act between Great Britain, France, Russia, and Turkey relative to Turco-Russian frontier in Asia; signed on December 5.

1858: Treaty of Tientsin. Treaty of peace, amity and commerce between the United States and China; signed on June 18.

1858: Treaty of Yedo. Treaty of commerce and navigation between the United States and Japan; signed on July 29.

1858: Treaty of Paris. Convention between Great Britain, Austria, France, Prussia, Russia, Sardinia, and Turkey relative to the two principalities of Moldavia and Wallachia; signed on August 19.

1859: Treaty of Madrid. Peace and amity treaty between Spain and the Argentine Confederation in which the former recognized latter's independence; signed on July 9.

1859: Treaty of Zurich. Peace treaty between Austria, France, and Sardinia; signed on November 10.

1860: Treaty of Constantinople. Protocol between Great Britain, Austria, France, Prussia, and Russia relative to Montenegrin boundary; signed on April 17.

1860: Treaty of Paris. Protocol between Great Britain, Austria, France, Prussia, Russia and Turkey relative to the pacification of Syria; signed on August 3.

1861: Treaty of Paris. Convention between Great Britain, Austria, France, Prussia, Russia, and Turkey "prolonging the European occupation of Syria;" signed on March 19.

1861: Treaty of Lugano. Boundary convention between Italy and Switzerland; signed on October 5.

1862: Treaty of Turin. Convention between Italy and San Marino relative to the independence of San Marino; signed on March 22.

1863: Treaty of London. Protocol between Great Britain, France, Russia, and Denmark relative to Greek succession and the annexation of the Ionian Islands by Greece; signed on June 26.

1864: Geneva Convention. Covention "for amelioration of the condition of the wounded in time of war" between various states; signed on August 22.

1864: Treaty of Paris. Convention between France and Italy relative to the evacuation of French troops from the Papal States; signed on September 15.

1864: Treaty of Vienna. Peace treaty between Austria, Prussia, and Denmark; signed on October 30.

1866: Treaty of Prague. Peace treaty terminating the Austro-Prussian War between Austria and Prussia; signed on August 23.

1966: Treaty of Vienna. Peace treaty between Austria and Italy; signed on October 3.

1866: Treaty of Bucharest. Act between Austria, Russia, and the United Principalities (Moldavia and Wallachia) relative to the navigation of the Pruth; signed on December 15.

1868: Treaty of Mannheim. Convention between Baden, France, the Netherlands, and Prussia relative to the navigation of the Rhine; signed on October 17.

1869: Treaty of Paris. Declaration by Great Britain, Austria, France, Italy, Prussia, Russia, and Turkey relative to the obligations of Greece toward Turkey; signed on January 20.

1870: Treaty of London. Treaty between Great Britain and Prussia relative to the neutrality of Belgium; signed on August 11.

1871: Treaty of London. Treaty between Great Britain, Austria, France, Germany, Italy, Russia, and Turkey for the revision of certain stipulations of the treaties of Paris (1856) relative to the Black Sea and the Danube; signed on March 13.

1871: Treaty of Washington. Treaty between the United States and Great Britain relative to Alabama claims, fisheries, navigation of the St. Lawrence, etc.; signed on May 8.

1871: Treaty of Frankfort. Definitive peace treaty terminating the Franco-Prussian War between France and Germany; signed on May 10.

1874: Treaty of Brussels. Final protocol between the delegates of Russia, Germany, Austria-Hungary, France, Great Britain, Italy, etc., relative to the "Rules of military warfare"; signed on August 27.

1876: Treaty of Tokyo. Treaty between Japan and Korea by which Japan secured "extraterritorial and commercial privileges"; signed on February 26.

1876: Treaty of Cairo. Agreement between Great Britain and France establishing "Anglo-French condominium" over Egypt; signed on November 18.

1877: Treaty of London. Protocol between Great Britain, Austria-Hungary, France, Germany, Italy, and Russia relative to the introduction of reforms in Turkey and the conditions of Christian population; signed on March 31.

1877: Treaty of Bucharest. Convention between Russia and Rumania "for regulating the passage of Russian troops through Rumania"; signed on April 16.

1878: Treaty of Constantinople. Convention of defensive alliance between Great Britain and Turkey; signed on June 4.

1878: Treaty of Berlin. Peace treaty between Great Britain, Austria-Hungary, France, Germany, Italy, Russia, and Turkey "for the settlement of affairs in the East"; signed on July 13.

1879: Treaty of Constantinople. Definitive treaty of peace between Russia and Turkey terminating the Russo-Turkish War of 1877–78; signed on February 8.

1879: Treaty of Constantinople. Convention between Austria-Hungary and Turkey relative to the occupation and administration by Austria-Hungary of Bosnia-Herzegovina; signed on April 21.

1879: Treaty of Vienna. Defensive alliance treaty between Austria-Hungary and Germany; signed on October 7.

1880: Treaty of Bardo. Treaty between France and the Bey of Tunis by which France established her protectorate over Tunis; signed on May 12.

1880: Treaty of Peking. Treaty on immigration between the United States and China; signed on November 17.

1881: Treaty of Constantinople. Convention between Great Britain, Austria-Hungary, France, Germany, Italy, Russia, and Turkey relative to the settlement of the frontier between Greece and Turkey; signed on May 24.

1881: Treaty of Berlin. Convention between Austria-Hungary, Germany, and Russia (the League of the Three Emperors); signed on June 18.

1881: Treaty of Pretoria. Peace treaty between Great Britain and South Africa terminating the First Transvaal War; signed on August 8.

1882: Treaty of Vienna. Alliance treaty between Austria-Hungary, Germany, and Italy (Triple Alliance of 1882); signed on May 20.

1882: Treaty of Chosen. Peace, amity, commerce, and navigation treaty between the United States and Korea; signed on May 22.

1883: Treaty of London. Treaty between Great Britain, Austria-Hungary, France, Germany, Italy, Russia, and Turkey relative to the navigation of the Danube; signed on March 10.

1885: Treaty of Berlin. General act of the Conference of Berlin between Great Britain, France, Germany, Italy, and others relative to the development of trade and civilization in Africa, etc.; signed on February 26.

1885: Treaty of Tientsin. Peace treaty between France and China terminating the Tonking War; signed on August 9.

1885: Treaty of Constantinople. Convention between Great Britain and Turkey relative to Egyptian affairs; signed on October 24.

1886: Treaty of Bucharest. Peace treaty between Bulgaria and Serbia terminating the Serbo-Bulgar War; signed on March 3.

1887: Treaty of London: Mediterranean agreement between Great Britain, Italy, and Austria-Hungary; signed on February 12.

1887: Treaty of Berlin. Second treaty of the Triple Alliance between Germany, Austria, Hungary, and Italy; signed on February 20.

1887: Treaty of Berlin. Alliance treaty between Germany and Russia (reinsurance treaty); signed on June 18.

1887: Treaty of Peking: Convention between France and China relative to the frontiers of China and Tonking; signed on June 26.

1888: Treaty of Constantinople. Convention between Great Britain, France, Germany, Italy, Austria-Hungary, Russia, Turkey, Spain, and the Netherlands relative to Suez Canal; signed on October 29.

1889: Treaty of Berlin: Military agreement between Germany and Italy; signed on January 28.

1889: Treaty of Uccialli. Peace and friendship treaty between Italy and Ethiopia; signed on May 2.

1890: Treaty of Berlin. Agreement between Great Britain and Germany "respecting Africa and Heligoland"; signed on July 1.

1890: Treaty of Brussels. General act for the suppression of African slave trade; signed on July 2.

1890: Treaty of London. Convention between Great Britain and Portugal with respect to territories in Africa; signed on August 20.

1891: Treaty of Lisbon. Treaty between Great Britain and Portugal defining their respective spheres of influence in Africa; signed June 11.

1892: Treaty of Washington. Convention between the United States and Great Britain relating to fur-seals in Behring Sea; signed on February 29.

1894: Treaty of St. Petersburg. Alliance treaty between France and Russia; signed on January 4.

1894: Treaty of London. Convention between Great Britain and China relative to Burma and China; signed on March 1.

1894: Treaty of Washington. Convention between the United States and China regulating Chinese immigration; signed on March 17.

1894: Treaty of Washington. Treaty of commerce and navigation between the United States and Japan; signed on November 27.

1895: Treaty of Shimonoseki. Peace treaty between Japan and China terminating the Chino-Japanese War; signed on April 17.

1895: Treaty of Peking. Convention between China and Japan for the retrocession of Liao-Tung; signed on November 8.

1896: Treaty of London. Treaty between France and Great Britain relative to the integrity of Siam; signed on January 15.

1896: Treaty of Moscow. Alliance treaty between Russia and China; signed on June 3.

1896: Treaty of Addis Ababa. Peace treaty between Italy and Abyssinia terminating the Abyssinian War; signed on October 26.

1897: Treaty of Vienna. Agreement between Austria-Hungary and Russia relative to the Balkans; signed on May 8.

1897: Treaty of Constantinople. Peace treaty between Greece and Turkey terminating the Greco-Turkish War; signed on December 4.

1898: Treaty of Peking. Treaty between China and Germany respecting the lease of Kiao-Chau to Germany; signed on March 6.

1898: Treaty of Peking. Agreement between China and Russia respecting the lease of Port Arthur and Talienwan; signed on March 27.

1898: Treaty of Peking. Convention between China and France relative to the lease of Kuang-Chau Wan to France; signed on May 27.

1898: Treaty of Paris. Peace treaty between the United States and Spain terminating the Spanish-American War; signed on December 10.

1899: Treaty of Cairo. Agreement between Great Britain and Egypt relative to the "future administration of the Sudan"; signed on January 19.

1899: Conventions concluded at the First International Peace Conference, held at The Hague; signed on July 29, relative to pacific settlement of international disputes.

1899: The Hague Convention with respect to the laws and customs of war on land; signed at The Hague on July 29.

1899: Treaty of Washington. Convention between the United States, Great Britain, and Germany relative to the Samoan Islands; signed on December 2.

1900: Treaty of London. Agreement between Great Britain and Germany (the Yangtze agreement) providing for an "open door" in all Chinese territory; signed on October 16.

1900: Treaty of Paris. Agreement between France and Italy relative to Morocco and Tripoli; signed on December 14.

1901: Treaty of Peking. Protocol between various powers and China at the conclusion of the "so-called 'Boxer' troubles in 1900"; signed on September 7.

1902: Treaty of London. Alliance treaty between Great Britain and Japan, marking the end of Britain's "splendid isolation"; signed on January 30.

1902: Treaty of Peking. Agreement between China and Russia relative to Manchuria; signed on March 26.

1902: Treaty of Vereeniging. Peace treaty between Great Britain and South Africa terminating the Boer War; signed on May 31.

1902: Treaty of Madrid. Treaty of friendship and general relations between the United States and Spain; signed on July 3.

1903: Treaty of Washington. Convention between the United States and Panama; "for the construction of a ship canal"; signed on November 18.

1904: Treaty of London. Treaty of alliance between Great Britain and France (Anglo-French Entente); signed on April 8.

1905: Treaty of Portsmouth. Peace treaty between Russia and Japan terminating the Russo-Japanese War; signed on September 15.

1906: Treaty of Algeciras. The Act of Algeciras between France, Germany, Great Britain, Spain, Austria-Hungary, and Russia, relative to Morocco; signed on April 7.

1907: Treaty of Cartagena. Pact between Great Britain, France, and Spain, relative to the maintenance of status quo in the Mediterranean; signed on May 16.

1907: Treaty of St. Petersburg. Convention between Great Britain and Russia (Anglo-Russian Entente) relative to spheres of influence in Persia; signed on August 31.

1907: Convention concluded at the second international peace conference, held at The Hague relative to Pacific settlement of international disputes; signed on October 18.

1907: The Hague Convention respecting the rights and duties of neutral powers and persons in war on land; signed at The Hague on October 18.

1907: Treaty of Washington. General treaty of peace and amity concluded at the Central American peace conference between Costa Rica, Guatemala, Honduras, Nicaragua, and Salvador terminating the Central American War; signed on December 20.

1908: Treaty of Berlin. North Sea convention between Great Britain, Germany, Denmark, France, Sweden, and the Netherlands relative to the maintenance of status quo on the shores of the North Sea; signed on April 23.

1912: Treaty of Lausanne. Peace treaty between Italy and Turkey terminating the Tripolitan or Italo-Turkish War; signed on October 18.

1913: Treaty of London. Peace treaty between Bulgaria, Greece, Montenegro, Serbia, and Turkey terminating the First Balkan War; signed on May 30.

1913: Treaty of Bucharest. Peace treaty between Bulgaria, Greece, Rumania, Serbia, and Turkey terminating the Second Balkan War; signed on August 10.

1915: The Constantinople Agreement between Great Britain, France, and Russia regarding Constantinople, the Straits, and Persia; signed on March 18.

1917: St. Jean de Maurienne Agreement between Great Britain, France, and Italy respecting Italian territorial claims in Asia Minor; signed on April 17.

1918: Treaty of Brest-Litovsk. Peace treaty between Germany and Russia by which Russia withdrew from World War I; signed on March 3.

1919: Treaty of Versailles. Peace treaty between the Allied and Associated Powers and Germany terminating World War I; signed on June 28.

1919: Treaty of St.-Germain-en-Laye. Peace treaty between the Allied and Associated Powers and Austria; signed on September 10.

1919: Treaty of Neuilly-sur-Seine. Peace treaty between the Allied and Associated Powers and Bulgaria; signed on November 27.

1920: Treaty of Trianon. Peace treaty between the Allied and Associated Powers and Hungary; signed on June 4.

1920: Treaty of Belgrade. Convention of alliance between Czechoslovakia and Yugoslavia (foundation of the Little Entente); signed on August 4.

1921: Treaty of Paris: Treaty between Poland and France providing for mutual assistance in case of attack; signed on February 19.

1921: Treaty of Bucharest. Convention of offensive and defensive alliance between Poland and Rumania; signed on March 3.

1921: Treaty of Riga. Peace treaty between Poland, Russia, and the Ukraine; signed on March 18.

1921: Treaty of Belgrade. Convention of alliance between Rumania and Yugoslavia; signed on June 7.

1921: Treaty of Berlin. Peace treaty restoring friendly relations between the United States and Germany; signed on August 25.

1921: Treaty of Washington. The Four Power Pact between the United States, Great Britain, France, and Japan relating to their insular possessions and insular dominions in the region of the Pacific Ocean; signed on December 13.

1922: Treaty of Washington. Treaty for the limitation of naval armaments between the United States, Great Britain, France, Italy, and Japan; signed on February 6.

1922: Treaty of Washington. The Nine Power Pact between the United States, Belgium, Great Britain, China, France, Italy, Japan, the Netherlands, and Portugal regarding principles and policies to be followed in matters concerning China; signed on February 6.

1922: Treaty of Washington. Treaty between the United States, Great Britain, France, Italy, and Japan relative to neutrals and noncombatants at sea in time of war; noxious gases and chemicals; signed on February 6.

1922: Treaty of Rapallo. Treaty between Germany and Russia regarding diplomatic and economic relations; signed on April 16.

1923: Treaty of Lausanne. Treaty of peace between Great Britain, France, Greece, Italy, Japan, Rumania, Yugoslavia, and Turkey; signed July 23.

1923: Treaty of Santiago. Treaty between the United States and other American Republics to avoid or prevent conflict between the American states; signed on May 3.

1925: Treaty of Locarno. Locarno Pact, a group of guarantee and arbitration treaties between Germany, France, Great Britain, Belgium, Italy, Poland, and Czechoslovakia; signed on October 16.

1926: Treaty of Geneva. Convention between the United States and other powers "to suppress the slave trade and slavery"; signed on September 25.

1928: Kellogg-Briand Pact of Paris. Agreement for the renunciation of war between the United States and others; signed on August 27.

1934: Treaty of Berlin. The 10-year agreement between Germany and Poland in which both countries recorded their intention not "to have recourse to force in order to settle * * * questions under dispute"; signed on January 26.

1934: The Balkan Pact of Athens. Defensive agreement between Greece, Rumania, Turkey, and Yugoslavia; signed on February 9.

1935: Treaty of Rome. Agreement between France and Italy "dealing with conflicting interests in Africa"; signed on January 7.

1935: Treaty of Paris. The 5-year mutual assistance pact between France and Russia; signed on May 2.

1936: Treaty of Montreux. Convention between Great Britain, France, Russia, Greece, Rumania, Yugoslavia, Bulgaria, and Turkey relative to the control of the Dardanelles and the Bosphorus; signed on July 20.

1936: Axis Treaty of Berlin. Pact between Germany and Italy establishing the "Rome-Berlin Axis"; signed on October 25.

1936: German-Japanese Treaty of Berlin. Agreement between the two countries establishing the Berlin-Tokyo Axis (the Anti-Comintern Pact); signed on November 25.

1938: Anglo-Italian Treaty of Rome. Agreement between the two countries relative to the Mediterranean and Italian acquisitions in Africa; signed on April 16.

1938: Agreement of Munich. Agreement between France, Great Britain, Germany, and Italy relative to Czechoslovakia; signed on September 29.

1938: Pact of Berlin: Agreement between France and Germany in which they guaranteed "the inviolability of existing frontier"; signed on December 6.

1939: Treaty of Moscow. Nonaggression pact between Germany and Russia nullifying the Anti-Comintern Pact of 1936; signed on August 23.

1941: Treaty of Moscow. Nonaggression pact between Japan and Russia; signed on April 13.

1942: Treaty of London. Twenty-year pact of alliance and mutual assistance between Great Britain and Russia; signed on May 26.

1944: Treaty of Moscow. Twenty-year pact of alliance and mutual assitsance between France and Russia; signed on December 10.

1945: Treaty of Yalta. Agreement between the late President Roosevelt, Winston Churchill, and Stalin relative to post-World War II settlements; signed on February 11.

1945: The Charter of the United Nations between the United States, Great Britain, France, Russia, China, and others; signed at San Francisco on June 26.

1945: Treaty of Potsdam. Agreement between the heads of the United States, Great Britain, and Russia relative to post-World War II settlements; signed on August 2.

1945: Treaty of Moscow. Pact between China and Russia relative to the integrity of China; signed on August 14.

1947: Treaty of Dunkirk. Fifty-year alliance treaty between Great Britain and France; signed on March 4.

1947: Treaty of Rio de Janeiro. Inter-American treaty of reciprocal assistance between the United States and other American Republics; signed on September 2.

1948: Treaty of Brussels. Fifty-year mutual assistance pact between Great Britain, France, Belgium, Luxemburg, and the Netherlands; signed on March 17.

1949: Treaty of Washington, or the North Atlantic Pact. Defensive agreement between the United States, Great Britain, France, Italy, and others; signed on April 4.

Mr. MUNDT. For the information of Senators, let me say that there are 272

of them—a little more than 1 a year. I am not trying to maintain the ridiculous point of view that the Atlantic Pact is closely analogous to all of them, but it is rather analogous to some of them.

Earlier in the debate one of the speakers referred to the Holy Alliance, and stated that it had been pointed out that the Holy Alliance tried the formula of the Atlantic Pact, and it failed. The speaker stated that there was a great difference between the Holy Alliance and the Atlantic Pact and that the difference stemmed from the fact that the Holy Alliance was a closed corporation which was to protect its members in offensive or defensive war, and that the Atlantic Pact would protect its members only in defensive war.

That sent me back to the history books to read about the Holy Alliance. I wish to quote a passage or two. I think we did not have all the evidence before us the other day. There is more similarity than might first come to mind.

Article I of the Holy Alliance reads as follows:

Conformably to the words of the Holy Scriptures, which command all men to consider each other as brethren, the three contracting monarchs will remain united by the bonds of a true and indissoluble fraternity, and considering each other as fellow countrymen, they will, on all occasions and in all places, lend each other aid and assistance; and, regarding themselves toward their subjects and armies as fathers of families, they will lead them, in the same spirit of fraternity with which they are animated, to protect religion, peace, and justice.

Skipping to the last sentence of article II:

Their majesties consequently recommend to their people, with the most tender solicitude, as the sole means of enjoying that peace which arises from a good conscience, and which alone is durable, to strengthen themselves every day more and more in the principles and exercise of the duties which the Divine Saviour has taught to mankind.

Finally, in article III:

All the powers who shall choose solemnly to avow the sacred principles which have dictated the present act, and shall acknowledge how important it is for the happiness of nations, too long agitated—

They were talking about all nations—

that these truths should henceforth exercise over the destinies of mankind all the influence which belongs to them, will be received with equal ardor and affection into this Holy Alliance.

They tried to project that alliance. Shortly after the signing they wrote to the titular head of the British Empire beseeching the British to join the Holy Alliance. The British, who had been excluded in the first instance, declined to join it. As in the case of all the other military pacts, the Holy Alliance lived but a very short period in history, and wars eventuated.

In passing, I might add that there is one interesting difference which was not mentioned the other day between the Atlantic Pact and the Holy Alliance. The Holy Alliance gave great recognition to the allegiance which we all owe to a divine power bigger and greater and stronger than men. In reading the Atlantic Pact I find that God is forgotten in that pact, or neglected—or, like the lessons of history, God was ignored. When the North Atlantic Pact was written, the architects of this text did not mention Him.

I salute the members of the Committee on Foreign Relations who added an American appendage and brought the Diety into the picture. They used this very reverent and beautiful and profound language found in the concluding words of the report:

In tendering this unanimous report on the North Atlantic Treaty, we do so in furtherance of our Nation's most precious heritage—shared in common with the other signatories—

I would have added the word "forgetful" before the word "signatories" had I been on the committee.

continuing faith in our dependence upon Almighty God and His guidance in the affairs of men and nations.

That is a fine thought, and I am glad the Senate committee put it in.

During the interval from 1700 until 1949, in which the world had written and accepted 272 different pacts, it is interesting to note that the world has engaged in 157 wars. In order that we may have the complete record before us, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a complete list of wars in which the world engaged during this busy pact-making period of 250 years of history.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

*List of wars (1700–1949)*

| War | Date of beginning | Date of ending | Name of peace treaty |
|---|---|---|---|
| 1. Second Northern War | Mar. 12, 1700 | Aug. 30, 1721 | Nystadt |
| 2. War of Spanish Succession | July 28, 1701 | Apr. 11, 1713 | Utrecht. |
| 3. Hungarian Insurrection | 1703 | 1711 | Nagy-Majteny. |
| 4. Catalonian Rebellion | 1705 | 1715 | |
| 5. Russo-Turkish War | 1710 | 1712 | Pruth. |
| 6. British Civil War | 1715 | 1716 | |
| 7. British-Swedish War | 1715 | Nov. 20, 1719 | Stockholm. |
| 8. Ottoman War | 1716 | July 21, 1718 | Passowitz. |
| 9. Seizure of Sardinia | Aug. 1717 | 1717 | |
| 10. War of Quadruple Alliance | Aug. 11, 1718 | Dec. 17, 1720 | London. |
| 11. Swedish-Hanoverian War | 1719 | 1721 | Nystadt. |
| 12. British-Spanish War | 1726 | Nov. 9, 1729 | Seville. |
| 13. War of Polish Succession | 1733 | Nov. 18, 1738 | Vienna. |
| 14. Russo-Austrian War | 1735 | 1739 | Belgrade. |
| 15. War of Austrian Succession. | Oct. 19, 1739 | Oct. 18, 1748 | Aix-la-Chapelle |
| 16. Russo-Swedish War | 1740 | 1743 | Abo. |
| 17. Scotch Civil War | 1745 | 1746 | |
| 18. Orange Revolt (Netherlands). | 1747 | 1747 | |
| 19. Seven Years' War | July 3, 1754 | Feb. 10, 1763 | Paris. |
| 20. Sepoy Mutiny | 1763 | 1765 | |
| 21. Russo-Turkish War | 1768 | July 12, 1774 | Kutchuk Kainarji. |
| 22. Seizure of Corsica | 1768 | June 16, 1769 | |
| 23. Confederation of Bar | 1768 | 1772 | |
| 24. Falkland Islands | 1770 | 1770 | |
| 25. Greek Revolt | 1770 | 1770 | |
| 26. Russian Revolt | 1773 | 1774 | |
| 27. Spanish-Moroccan War | 1775 | 1775 | |
| 28. American Revolution | Apr. 19, 1775 | Sept. 3, 1783 | Paris. |
| 29. Mahratta War | 1778 | 1782 | Salbai. |
| 30. War of Bavarian Succession. | Dec. 30, 1777 | May 1779 | Teschen. |
| 31. Seizure of the Crimea | 1783 | 1784 | |
| 32. Brabant Revolt | 1787 | 1790 | |
| 33. Austro-Turkish War | Dec. 20, 1787 | 1792 | Sistova. |
| 34. Russo-Swedish War | 1788 | 1790 | Verelii. |
| 35. French Revolution | July 14, 1789 | 1802 | Amiens. |
| 36. Polish Insurrection | 1792 | 1795 | |
| 37. Tippu Sahib | 1792 | 1799 | |
| 38. Russo-Persian War | 1795 | 1796 | |
| 39. Tripoli-U. S. A | May 10, 1801 | June 4, 1805 | Tripoli. |
| 40. Haitian Revolt | Feb. 3, 1802 | Nov. 19, 1803 | Haut du Cap. |
| 41. First Mahratta War | Feb. 12, 1802 | Jan. 15, 1804 | Surge Angengaum. |
| 42. Russo-Persian War | 1804 | Dec. 10, 1813 | Gulistan. |
| 43. Napoleonic Wars | Apr. 29, 1803 | June 9, 1815 | Vienna. |
| 44. Russo-Turkish | Dec. 30, 1806 | Aug. 14, 1812 | Bucharest. |
| 45. Russo-Swedish | Feb. 22, 1808 | Sept. 17, 1809 | Frederikshavn. |
| 46. Latin-American Revolt | Apr. 19, 1810 | Dec. 9, 1824 | Capitulation—Ayacucho. |
| 47. War of 1812 | June 18, 1812 | Dec. 24, 1814 | Ghent. |
| 48. Austria-Naples | Mar. 30, 1815 | May 20, 1815 | Calvi. |
| 49. Algiers-U. S. A | Mar. 2, 1815 | July 6, 1815 | U. S. S. *Guerriere.* |
| 50. Second Mahratta War | Nov. 6, 1817 | Aug. 4, 1818 | |
| 51. Spanish Civil War | Dec. 12, 1821 | Oct. 1, 1823 | |
| 52. Greek Revolt | Mar. 1821 | Feb. 3, 1830 | London. |
| 53. Haiti-Santo Domingo | 1823 | 1823 | |
| 54. First Central American | 1823 | 1823 | |
| 55. Burmese War | Mar. 5, 1824 | Feb. 20, 1826 | Ava. |
| 56. La Plata War | Mar. 27, 1825 | Sept. 15, 1828 | Rio de Janeiro. |
| 57. Spanish-Portuguese | Nov. 22, 1826 | 1827 | |
| 58. Russo-Persian | Sept. 28, 1826 | Feb. 28, 1828 | Iourk-Mantchai. |
| 59. Russo-Turkish | Apr. 26, 1828 | Sept. 14, 1829 | Adrianople. |
| 60. Belgian Revolt | Aug. 25, 1830 | 1833 | London. |
| 61. Algerian Conquest | June 14, 1830 | Dec. 23, 1847 | Sidi Bralim. |
| 62. Polish Insurrection | Nov. 29, 1830 | Sept. 7, 1831 | |
| 63. Second Central American | 1831 | 1845 | |
| 64. Carlist Revolt | Oct. 4, 1833 | Sept. 2, 1847 | |
| 65. Egyptian Revolt | Nov. 1831 | Apr. 5, 1833 | Kutalia. |
| 66. Khivan Conquest | 1839 | 1842 | |
| 67. Portuguese Revolution | 1831 | May 24, 1834 | Evora-Monte. |
| 68. Peru-Bolivia | July 7, 1835 | June 7, 1842 | Acora. |
| 69. Texan Revolt | 1835 | 1836 | |
| 70. Chile-Argentine | 1836 | 1836 | |
| 71. First Afghan War | Oct. 11, 1838 | Sept. 1842 | |
| 72. Second La Plata War | Sept. 2, 1839 | Feb. 3, 1852 | |
| 73. Egyptian War | June 8, 1839 | Nov. 27, 1841 | Alexandria. |
| 74. First Opium War | June 22, 1840 | Aug. 29, 1842 | Nanking. |
| 75. France-Morocco | July 6, 1844 | Sept. 10, 1844 | Tangier. |
| 76. Mexico-U. S. A | May 13, 1846 | Feb. 2, 1848 | Guadelupe Hidalgo. |
| 77. Denmark-Germany | Mar. 24, 1848 | Jan. 11, 1851 | |
| 78. Austria-Sardinia | Mar. 19, 1848 | Mar. 23, 1849 | |
| 79. Hungarian Insurrection | Oct. 3, 1848 | Sept. 13, 1849 | Vilagosh. |
| 80. Third Central American | 1849 | 1858 | |
| 81. Taiping Rebellion | Aug. 1850 | July 19, 1864 | |
| 82. Conquest of Turkestan | July 1852 | Jan. 31, 1864 | Askabad. |
| 83. Montenegrin War | Feb. 12, 1853 | Mar. 13, 1853 | |
| 84. Crimean War | Oct. 23, 1853 | Mar. 30, 1856 | Paris. |
| 85. Second Haiti-Santo Domingo. | 1855 | 1856 | |
| 86. Second Opium War | Oct. 22, 1856 | Oct. 24, 1860 | Peking. |
| 87. Sepoy Rebellion | May 10, 1857 | July 8, 1859 | |
| 88. Moroccan War | Oct. 22, 1859 | Apr. 27, 1860 | Fez. |
| 89. Italian War | Apr. 23, 1859 | Nov. 10, 1859 | Zurich. |
| 90. Peru-Ecuador | 1859 | 1859 | |
| 91. Italian Revolution | May 11, 1860 | Feb. 13, 1861 | |
| 92. American Civil War | Apr. 19, 1861 | Apr. 2, 1866 | |

*List of wars (1700–1949)*—Continued

| War | Date of beginning | Date of ending | Name of peace treaty |
|---|---|---|---|
| 93. Japanese Restoration | Aug. 13, 1863 | Apr. 17, 1869 | |
| 94. Mexican Expedition | Apr. 4, 1862 | June 27, 1867 | |
| 95. 4th Central American War. | Jan. 23, 1863 | Nov. 15, 1863 | |
| 96. Colombia-Ecuador | Oct. 1863 | Dec. 30, 1863 | |
| 97. Spain-Peru | Sept. 25, 1865 | May 9, 1866 | Paris. |
| 98. Polish Insurrection | Jan. 22, 1863 | Aug. 1, 1864 | |
| 99. Lopez War | Apr. 14, 1865 | Mar. 1, 1870 | |
| 100. Germany-Denmark | Feb. 1, 1864 | Oct. 30, 1864 | Vienna. |
| 101. Austro-Prussian | June 15, 1866 | Aug. 23, 1866 | Prague |
| 102. Spanish Civil War | Jan. 3, 1866 | Sept. 28, 1868 | |
| 103. Cretan Revolt | Sept. 2, 1866 | 1869 | |
| 104. Cuban Revolt | Oct. 10, 1868 | Feb. 10, 1878 | Lanson. |
| 105. Franco-Prussian | July 19, 1870 | May 10, 1871 | Frankfort. |
| 106. Carlist War | Apr. 8, 1872 | Feb. 28, 1876 | |
| 107. Ashanti War | Oct. 14, 1873 | Feb. 13, 1874 | Kumansi |
| 108. Russo-Turkish | May 3, 1877 | July 13, 1878 | Berlin. |
| 109. War of the Pacific | Apr. 5, 1879 | Mar. 28, 1884 | Ancon. |
| 110. Zulu War | Jan. 23, 1879 | Sept. 1, 1879 | Ulundi. |
| 111. Second Afghan War | Jan. 1, 1879 | Oct. 3, 1881 | |
| 112. First Transvaal War | Dec. 20, 1880 | Aug. 8, 1881 | Pretoria. |
| 113. Tunisian Expedition | Mar. 31, 1881 | Apr. 4, 1882 | Kasr-el-Said. |
| 114. Egyptian War | July 11, 1882 | Sept 7, 1882 | |
| 115. Tonking War | Dec. 1882 | Aug. 9, 1885 | Tientsin. |
| 116. Fifth Central American War. | Mar. 18, 1884 | Apr. 14, 1885 | Acajulta. |
| 117. Serbo-Bulgar War | Nov. 13, 1885 | Mar. 3, 1886 | Constantinople. |
| 118. Guatemala-Salvador | July 23, 1889 | Nov. 15, 1889 | Guatemala. |
| 119. Chino-Japanese | Aug. 1, 1894 | Apr. 17, 1895 | Shimonoseki. |
| 120. Madagascan Conquest | Mar. 1, 1895 | Aug. 8, 1896 | |
| 121. Abyssinian War | 1896 | Oct. 26, 1896 | Addis Ababa. |
| 122. Second Ashanti War | Jan. 1896 | Jan. 19, 1896 | |
| 123. Cretan Revolt | May 24, 1896 | Nov. 26, 1898 | |
| 124. Costa Rica-Nicaragua | Mar. 20, 1897 | Apr. 26, 1897 | |
| 125. Greco-Turkish War | Apr. 17, 1897 | Dec. 4, 1897 | Constantinople. |
| 126. Spanish-American War | Apr. 21, 1898 | Dec. 10, 1898 | Paris. |
| 127. Boer War | Dec. 12, 1899 | May 31, 1902 | Vereeniging. |
| 128. Boxer Expedition | June 17, 1900 | Sept. 7, 1901 | Peking. |
| 129. Venezuelan War | Dec. 11, 1902 | Feb. 13, 1903 | Washington. |
| 130. Russo-Japanese War | Feb. 6, 1904 | Sept. 15, 1905 | Portsmouth. |
| 131. Central American War | July 1906 | Dec. 20, 1907 | Washington. |
| 132. Mexican Revolution | Nov. 20, 1910 | Dec. 1, 1920 | |
| 133. Italo-Turkish War | Sept. 21, 1911 | Oct. 18, 1912 | Lausanne. |
| 134. First Balkan War | Oct. 1, 1912 | May 30, 1913 | London. |
| 135. Second Balkan War | June 30, 1912 | Aug. 10, 1913 | Bucharest. |
| 136. World War I | July 28, 1914 | Jan. 10, 1920 | Versailles. |
| 137. Chinese Civil Wars | Jan. 1, 1916 | Dec. 25, 1936 | Sian Agreement. |
| 138. Irish Rebellion | Apr. 24, 1916 | July 20, 1922 | London. |
| 139. Russian Revolution | Nov. 15, 1917 | February 1920 | |
| 140. Russo-Polish War | Apr. 16, 1919 | Apr. 17, 1921 | Riga. |
| 141. Third Afghan War | May 6, 1919 | Aug. 18, 1919 | Rawal Pindi. |
| 142. Vilna War | Apr. 8, 1920 | Dec. 10, 1927 | Geneva. |
| 143. Greco-Turkish War | April 1921 | Aug. 6, 1924 | Lausanne. |
| 144. Riffian War | July 1921 | May 30, 1925 | |
| 145. Chaco War | Dec. 5, 1928 | June 2, 1935 | Buenos Aires. |
| 146. Manchurian Hostilities | Sept. 18, 1931 | May 31, 1933 | Tangku Truce. |
| 147. Ethiopian War | Oct. 3, 1935 | July 9, 1936 | Geneva. |
| 148. Spanish Revolution | July 17, 1936 | Apr. 1, 1939 | |
| 149. Chino-Japanese War | July 7, 1937 | | |
| 150. World War II | Aug. 30, 1939 | | |
| 151. Russo-Finnish War | Nov. 30, 1939 | Mar. 12, 1940 | Moscow. |
| 152. Burma revolt | September 1945 | Oct. 17, 1947 | Independence proclamation. |
| 153. French Indochina revolt | ....do | March 1946 | |
| 154. Indonesian War | Aug. 1945 | May 27, 1949 | |
| 155. Syria-Lebanon revolt | 1945 | April 1946 | Do. |
| 156. Palestine war | April 1948 | Nov. 1948 | |
| 157. Chinese Communist war. | 1945 | 1949 | |

Mr. MUNDT. I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement of selected information on certain alliances which are somewhat analogous to the North Atlantic Pact.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SELECTED INFORMATION ON CERTAIN ALLIANCES

Treaty between Austria, Prussia, and Russia; signed at Paris on September 26, 1815. (Holy Alliance of Sovereigns of Austria, Prussia, and Russia.)

This alliance was the "product of the religious zeal of the tsar of Russia." It aimed at the preservation of peace and of the status quo as provided in the peace treaty of Vienna. It was not a very effective alliance; and it only made for cooperation between the three principal signatories. It became a symbol of reaction and was lost in the liberal revolutionary movements of 1848.

Treaty of Alliance and Friendship between Great Britain, Austria (Prussia and Russia); signed at Paris on November 20, 1815.

The purpose of this alliance was to "order and control the fate of Europe after the downfall of Napoleon." In other words, it aimed to safeguard the peace as established by the Treaty of Vienna. The alliance was for a period of 20 years; then its signatories did not renew it.

Treaty between Great Britain, France, and Sweden and Norway; signed at Stockholm on November 21, 1855.

This treaty was signed for the specific purpose of checking Russia's aggressive designs on Sweden and Norway. In this treaty the Government of Sweden and Norway agreed "not to cede to nor exchange with Russia, nor to permit her to occupy any part of the territories belonging to the crowns of Sweden and Norway." That government also undertook "to resist any pretension which may be put forward by Russia." If Russia persisted in her pretensions, or exerted any pressure on Sweden and Norway, the treaty provided that Great Britain and France "furnish to His Majesty the King of Sweden and Norway sufficient naval and military forces to cooperate with the naval and military forces of his said majesty, for the purpose of resisting the pretensions or aggressions of Russia."[1]

This treaty has never been called into force; and there was no provision as to its duration. In 1905 Sweden and Norway were separated and became two distinct kingdoms. Then the treaty lapsed (i. e., was not renewed).

Treaty of Triple Alliance between Austria-Hungary, Germany, and Italy; signed at Vienna on May 20, 1882.

This celebrated alliance was a landmark in nineteenth-century European history. It was a defensive alliance and was secret. First it was made for a period of 3 years, subject to renewals. It was regularly renewed. For the fifth time it was renewed for 6 years in 1912, but in 1915 Italy denounced it, joined the Allied Powers in World War I, and the treaty came to an end.

Treaty of Rumania with Austria-Hungary and with Germany and with Italy; signed at Vienna on October 30, 1883.

This treaty of alliance, like the Treaty of Triple Alliance, was a secret, defensive treaty. Italy was not one of its original signatories, but she signed it in 1888. It was renewed at intervals and it was in force until the outbreak of World War I. Then it was violated, first by Italy, and then by Germany and Austria-Hungary.

Declaration and memorandum between Great Britain, Denmark, France, Germany, the Netherlands, and Sweden, concerning the maintenance of the status quo in the territories bordering upon the North Sea; signed at Berlin on April 23, 1908.

This declaration aimed at the preservation of status quo in the territories specified. All signatories agreed to consult each other and then take appropriate action against any disturber of peace and the status quo.

The treaty was violated by Germany in World War I and then came to an end.

Mr. MUNDT. Mr. President, I believe that one historic reason threads its way through the whole sorry fabric of failure which has marked the inglorious demise of all previous pacts. Without exception, each of them has excluded from the pact more of the world than it brought within the pact. I deplore the fact that the Atlantic Pact repeats that same fateful error of history. That is one reason why I am convinced that previous pacts have failed.

I have a second criticism of the Atlantic Pact, and that is that it tends to decrease rather than increase the strength and the directional power of the great United States in the business of building a peace. It tends to repeat one of the errors which we have learned from the history we made in writing the lend-lease legislation. It lets escape from us the control of some of the resources and some of the strength supplied by America. It would provide as an aftermath, according to its chief architects, some kind of arms implementation, which, in turn, would be largely controlled by the heads of the respective states. It would give to smaller countries, and perhaps impetuous rulers, a false sense of importance and security which might lead them to defy a situation which might otherwise be handled much more peacefully than if the particular country in question felt that it had behind it the strength of the United States. As I see it, the pact does little to increase our strength and influence in world affairs.

A third criticism of the pact is the manner in which the pact comes before us. As I speak here this afternoon I am strongly conscious of the fact that on April 4, more than 90 days ago, the pact which we are now discussing was officially ratified or signed in the city of Washington. Like other Senators, I was invited to attend the ceremonies. As in the case of some other Senators, my invitation came a little late. But I did not go, and I would not have gone had my

[1] Hertslet, E., Map of Europe by Treaty, vol. II, p. 1242.

invitation carried the number A–1, because I for one disapprove of the technique by which the Senate is expected to evidence its consent and advice in the matter of international affairs.

I have searched the Constitution rather carefully to see whether, perhaps, there is some mandate by which we must always act after the fact instead of before the fact. I have been curious whether there is some reason why we approach these problems in much the same manner as a husband approaches the problem when his wife comes to him with a new hat which she has purchased and says, "How do you like my new hat?" Other men have learned, as I have learned, that it is frequently less costly to say, "I like it very much" than it is to say "I disapprove of the hat." In dealing with foreign affairs, frequently it is less costly to accept something in which we have little confidence than to reject it under similar circumstances but I disapprove of the program, the policy, and the procedure. I find nothing in the Constitution which makes such procedure mandatory. We find it all in section 2 of article 2, in these few words:

He—

The President—

shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur.

As a country boy grammarian from South Dakota, I would conclude that the language "provided two-thirds of the Senators present concur" might well mean that, provided they concur, the President shall have the right to negotiate treaties. Perhaps the concurrence should come first.

I was interested to learn how the situation was handled in Europe. We are the great democracy, and we are spending billions of dollars engaging in extensive activities to see if we can not impart some of our democratic procedures to the so-called benighted peoples of Europe. I wondered how they handled the situation? I looked up the history of the pact, and found how Italy had handled the procedure. We are devoting a great deal of attention to Italy, in the hope of democratizing the Italians and bringing them somewhat closer to the American level of self-government and self-determination.

In Italy, on March 27, well before the Italian delegates left the shores of sunny Italy to come to America to sign the pact, the Italian Chamber of Deputies was called upon to ratify that procedure, and it did so. So in matters of foreign policy, as there demonstrated by the illustration of the Atlantic Pact, it seems to me we might learn a few lessons of democracy from Italy.

What was done in Denmark, one of the smaller members? Certainly we want to help democratize the Danes. I find that in Denmark, on March 25, before the Danish representatives who were to sign the pact had left Denmark, the legislative body of Denmark was called into session in Copenhagen, and that body approved the ratification of the pact.

We find that in Norway, on March 29, the Norwegian Parliament approved the pact, before the Norwegian delegates affixed their signatures to the pact, acting for that country.

The same is true in the case of Iceland. So it goes, Mr. President.

Should not the Members of the greatest deliberative body in the world, forced increasingly to devote their attention to foreign affairs, give some attention to the possibility that the rights of the people and the rights of the Members of the Senate and the rights of self-determination would be safeguarded a little better by beginning to insist that the Senate be asked for its advice while such matters are still in process of preparation, and not simply be asked to give its consent to something which already has been determined?

I like what the Senator from Iowa [Mr. GILLETTE] said in his address before this body, when he told the Senate:

A frequent practice of those charged with executing our foreign policy is to so commit the United States in major international arrangements that it becomes almost impossible for the Congress to change or modify those arrangements when they are brought up for consideration. Congress is given the dubious prerogative of nodding its head to already accomplished deeds, of exercising purely rhetorical functions long after the substance of the discussion has reached a stage beyond recall.

* * * * *

One day soon, it seems to me, we shall be forced to redefine the precise interpretation of the constitutional treaty-making powers of the Senate and of the executive branch which we believe should apply in the twentieth century—

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the North Atlantic Treaty is a strategic, economic, and political anachronism. The pact has been outflanked by time.

As I shall point out a little later, I think the pact has also been outflanked by the atomic bomb.

Mr. MAGNUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from South Dakota yield to the Senator from Washington?

Mr. MUNDT. I yield.

Mr. MAGNUSON. I wonder whether the Senator from South Dakota is familiar with the fact that in Norway, for instance, the Foreign Minister is a member of the House of Parliament, and the foreign policy is determined as a matter of policy by the so-called party in power, as represented in Parliament, and of necessity the pact would have to be approved by that policy-making body in the Parliament, as represented by the Foreign Minister, before they could even begin negotiations; whereas in the case of the United States we have separated those branches of Government, and therefore the Executive must begin the negotiations, and must look to the Senate for advice and consent. So I think an entirely different situation is involved, in our case.

I do not disagree with the Senator from South Dakota that the other procedure may be better. Nevertheless, the two procedures are entirely different.

Mr. MUNDT. Of course, I am entirely familiar with the fact that they have a parliamentary system over there. However, the point I make is still germane, namely, that they give the general populace and its representatives an opportunity to express themselves before the fact, whereas we do so afterward. On the other hand, there is nothing in our system which makes it impossible for us to operate in the way in which they operate.

Mr. MAGNUSON. It seems to me that in many cases we might achieve a much more democratic policy if the Secretary of State were a Member of the Senate or if he conferred with the Senate previously. However, the systems are different, and they operate differently.

Mr. MUNDT. The systems are different; but, again, I must emphasize that, although we, the greatest democratic country in the world, have developed a good technique in domestic matters in permitting the people to register their attitudes, yet, in some matters of foreign policy we act as though we were an almost completely totalitarian Nation. I think we should give some attention to that situation, especially since foreign affairs will, as I believe they must, increasingly demand our attention, our resources, and our interest.

But, Mr. President, now, at long last, more than 90 days after the pact has been signed, after all those who have signed it have returned to their countries, after plans have been made for implementing it, the executive branch of our Government comes to us for "advice and consent."

So I think each of us must now prayerfully search his soul to determine how best in his opinion he can cast his vote on this controversial measure, so as to make the weight of his influence felt on the side of peace.

Because of the historic record of the futility of pacts, because of the restrictive language of this pact, which excludes more of the non-Communist areas of the world than it includes, because of the manner in which we belatedly are asked for our opinion, Mr. President, I would vote against this pact except for one or two prevailing reasons. I wish to mention them.

The first reason is this: It seems to me that to vote against the pact now, because, in part, of the differences between the governmental systems which the Senator from Washington has mentioned, would be to pull the rug out from under the very governments with which we have to work in order to meet the challenge of Communism abroad. I can think of no better weapon to place in the hands of the Kremlin, psychologically, than an outright rejection of the pact by us at this late hour over 3 months after the State Department has officially attached its signatures to that document.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. TAYLOR. Does the Senator from South Dakota think the fall would be harder for those countries if we were to pull the rug out from under them, so to speak, now, or that the fall would be harder if we wait until after the pact is ratified, and then refuse to implement it with arms?

Mr. MUNDT. I think any astute student of the pact should clearly understand by now, from the debate which has been had, that there is no guaranty that we shall implement the pact with arms.

Mr. TAYLOR. What does the Senator from South Dakota think would be the most severe blow?

Mr. MUNDT. I think the most severe blow would be to pull the rug out from under them now, because the other participating nations have signed the treaty and so has the United States.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. WHERRY. How many nations have signed the treaty?

Mr. MUNDT. All 11 of the others—and so have we.

Mr. President, let us think this thing through a little further in that regard, because I am frank to say that it is the most compelling reason that causes me to vote for the ratification of the pact.

The parliaments of some of the other signatories, as I have mentioned, have ratified it. The representatives of all the other countries have signed it. They came over here, and amid most solemn surroundings, in a glittering ceremony which was very widely publicized, with the eyes of all the world upon them, they signed the pact. Then they went home and said, "We bring home a fait accompli." They went home and said, "Now we are members of the pact." They went home in the expectation, of course, that the United States would ratify the pact, because our Secretary of State had signed it, and our President had given his blessings to it, in giving a speech in that connection.

If now, more than 3 months later, we send out the word, "We were just kidding you people all the time. You had a nice trip over here, and you signed this thing, but we did not ratify it. What you signed was merely a scrap of paper," the Kremlin could use that, in my opinion, to overthrow at some early date some of the non-Communist governments in Europe, or perhaps they could disrupt the authority of some of the small governments that we have to look upon as our friends.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. JENNER. Does the Senator from South Dakota know that eight of those countries requested arms before they signed the pact?

Mr. MUNDT. I do not doubt that. That is an old European custom.

But I want to make clear that my vote for the pact does not commit me to any further step. In fact, I am growing very reluctant to follow the State Department in any more steps conceived in secrecy, ratified in advance, and presented to us 90 days after the fact, in the form of an autopsy, rather than in a form which would enable us to give the matter our real consideration, and our active advice and consent.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. MORSE. If the United States does not join in implementing the pact, will not the pact be just a scrap of paper?

Mr. MUNDT. I do not think so.

Mr. MORSE. What will be its value then?

Mr. MUNDT. I think its value will be—as I propose to discuss very soon in my remarks—that it will be used as a doorway through which can be pushed a movement to maintain peace. Of course, if it becomes only a pact that is ratified, either with or without arms, I think it will be as completely useless as others have been in years gone by.

Mr. MORSE. Does the Senator from South Dakota think that if we ratify the pact and hang it on Joe Stalin's wall, it will be much of a deterrent to him, in view of the debate in the Senate of the United States showing an obvious reluctance to implement the pact?

Mr. MUNDT. No; I do not believe the pact, of itself, with or without arms, will be an effective deterrent to war. So far as I am concerned, I do not believe we can supply the other countries with sufficient arms to provide for us any permanent security or peace.

Mr. MORSE. I say most respectfully to the Senator from South Dakota that if we do not intend to back up this pact militarily, the Senate of the United States is under a moral obligation, these days, I believe, to vote against the pact.

Mr. MUNDT. Mr. President, there are other means besides military ones, by which we can implement the pact. I propose to outline them in a few moments. It is my fervent hope and my personal plan that we utilize other means than arms to make fast the lines of peace.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. BALDWIN. I wish to thank the Senator from South Dakota for a most interesting discussion of this vital and important topic.

Am I correct in assuming from what the Senator has said that he believes the signing of pacts and treaties of this kind to be a futile thing?

Mr. MUNDT. I think the idea of stopping today's challenge of communism by the signing of a pact of this kind is a completely futile idea, if that is all we are going to do, whether we supply the arms or not.

Mr. BALDWIN. I understand the Senator is going to vote for what he considers this futile gesture. Is that correct?

Mr. MUNDT. That is correct. Let me tell the Senator why. I have not completed the answer. I am going to vote for it without any optimism, and with great fear that it be but a futile gesture, because it is the lesser of two evils now confronting us. To do otherwise and to reject it, as I have said, would be to discredit some of the most friendly governments we have left on the side of freedom. Having in mind this fact, I think we must ratify the pact and then try to make of it a stepping stone to something useful. I propose to discuss that point a few minutes later in my remarks.

Mr. BALDWIN. The Senator says he is going to vote for the pact, because not to do so would be to pull the rug out from the other signatories. If the Senator in his eloquent remarks has already told the other signatories that this pact in his judgment is a futile gesture, that it is an unhappy choice between two evils, that he does not expect it will amount to anything in the interest of peace, why do we proceed to beguile them into believing it can be made something, if we ratify it? Has not the Senator already pulled the rug out from under the signatories, by his expression of total lack of confidence in the effectiveness of the pact?

Mr. MUNDT. The difficulty with the Senator's position is, he is trying to write a critique of my book after having read only the first chapter of it, without giving me a chance to read him the second chapter. Let me finish the second chapter, and I believe the Senator will then see that his question has been answered. I do propose to implement this pact, but not by arms.

Mr. BALDWIN. I must say to my distinguished friend that he certainly has given me a very lugubrious picture of the whole thing, up to date.

Mr. MUNDT. Very good.

Mr. BALDWIN. I may say to my distinguished friend that I, for one, am going to vote for this pact, because I think it is the best thing that has yet been offered, and represents the best hope for peace that has yet been afforded us, and I am going to vote for it with enthusiasm.

Mr. MUNDT. We shall be joined in our vote, but not joined in our enthusiasm. It seems to me it is simply a stepping stone that may lead to something effective. If we ratify the pact and stop there, I believe that while the Senator from Connecticut still is young enough to be enjoying his judicial position in Connecticut well in advance of his retirement, he will find something to occur which will dissolve the pact.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Nebraska?

Mr. MUNDT. I yield.

Mr. WHERRY. I believe the Senator will agree with me that the observations made here by the distinguished Senator from Michigan and by the chairman of the Foreign Relations Committee, certainly strengthened by the distinguished junior Senator from New York, have proceeded upon the theory that the potentials in the pact constitute its great strength; that in principle we are extending the Monroe Doctrine multilaterally, and, for that reason, we should ratify the pact, inasmuch as the Monroe Doctrine had proved to be very successful in our relationship to our sister Republics. Does the Senator mean to say now, in contradiction of those observations, that if there is no arms commitment—and I understand the Senator to say that, and that he is voting for the pact on the basis that there is no moral or legal obligation on the part of the Senate of the United States to furnish

arms—if the Senator takes that position, does he say that if it extends the principles of the Monroe Doctrine unilaterally the treaty is but a scrap of paper?

Mr. MUNDT. Yes. I think I should move on to that point now which has brought up so much discussion.

Mr. WHERRY. I want to thank the Senator for a very able speech. I thank him for placing in the RECORD the histories of similar pacts of the past and of the different wars which have been fought under them, which the Senator has listed chronologically. I think it will be a fine thing for future Senators and for the American public to know those things. I appreciate that. I did not mean to interrupt the Senator.

Mr. MUNDT. The Senator did not at all interrupt.

Mr. WHERRY. If the Senator intends to answer the question in his general remarks, I shall not interrupt him further at this time.

Mr. MUNDT. The Senator did not interrupt at all. Let me preface what I am going to say by mentioning that I agree that the value of the pact, insofar as it has value, lies in its potentialities; but I disagree with the Senator from Connecticut, and with others who have spoken in the way they apparently define the word "potentialities." For some reason or other, a great many Americans continue to think of potentialities in terms of guns, potentialities in terms of gold, potentialities in terms of food and armaments and machinery. I simply do not believe that the United States can afford to pile arms high enough on the shores of the 11 other signatory countries to give us any permanent security by that kind of implementation. I think there is a kind of implementation we can employ, if we will modernize our thinking to conform to the challenge of an ideological war, and if we will learn from the lessons of history that we simply cannot form a pact that excludes more than it includes and expect to establish a balance of power that can purchase peace.

What do I mean when I say, "I vote for the pact because not to do so I think would bring tragic and serious consequences among our best friends in Europe"? I vote for the pact hoping it may become a doorway through which we can move to a more effective machinery of peace. I hope it will not become merely another revolving door, from which we emerge exactly where we entered, as has been the case with so many of the previous programs.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MUNDT. Certainly.

Mr. WHERRY. This question comes to me. It has been confusing me all these days. If there is no commitment, no moral obligation—and the Senator says that is how he feels about it—yet there are those who say that there is such an obligation and that the two matters cannot be separated. In view of that, would it not be well for the countries to agree upon some clarifying declaration as to what the intention of the Senate of the United States is? Certainly there are contradictory observations and statements which have been made and which would be capable of interpretation both ways, both that there is and that there is not a moral obligation. Would it not be the honest and frank thing to clarify the subject, so that the other signatories to the pact would know whether they were going to get arms, or whether they were not going to get arms, through the ratification of the North Atlantic Pact?

Mr. BALDWIN. Mr. President, will the Senator yield, or does he want to answer that question first.

Mr. MUNDT. I should like to answer it briefly by saying that I certainly regret that so much misunderstanding has developed as to what the pact implies or does not imply. If some feasible way can be developed by which we can manifest our group intention, I think it would be a wholesome thing for the world as it is today.

I now yield to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, I should like to ask the Senator this question: Did not the distinguished majority leader, the chairman of the Committee on Foreign Relations, and the distinguished ranking minority member of the Foreign Relations Committee, and also the distinguished junior Senator from New York, who has taken part in many of these conferences, make it crystal clear to the Senator from South Dakota that a vote for the pact did not mean necessarily that it was going to be implemented with arms? Did they not make it perfectly clear?

Mr. MUNDT. They did. They made it crystal clear to me. I have tried to make my particular views crystal clear by what I have had said today. To me it is additionally crystal clear because of the fact that before any arms could possibly be sent, the matter must come back to the Congress for an increase of authority so as to send the arms.

Mr. BALDWIN. Will not the Senator agree with me that the proper way to proceed in connection with the question of arms implementation is by the method provided in the pact, itself, in article 9, as follows:

> The parties hereby establish a council, on which each of them shall be represented, to consider matters concerning the implementation of this treaty. The council shall be so organized as to be able to meet promptly at any time.

It then gives the council authority to set up subsidiary bodies. Does not the Senator agree with me that the next step in the implementation of the treaty is the organization of the council, and its deliberations and its recommendations to the signatory nations, which probably we shall have to consider in the United States Senate? Does the Senator agree with me in that?

Mr. MUNDT. That sounds like an orderly procedure, but I should like to move now to another phase of this discussion, because I do not want to spend too much time discussing arms, because in my opinion the matter of supplying arms to the Atlantic Pact countries is simply extending to a few other countries a program in which we are presently engaged. And in my opinion it is not a program of lasting efficacy.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Maryland?

Mr. MUNDT. I yield.

Mr. TYDINGS. Without discussing for the moment whether it would be wise or unwise to furnish arms to any of the countries that have joined in the pact, is it the Senator's considered opinion that, in the event we wanted to go further than the treaty itself and actually provide these countries with some arms, in order to do so we would have to have legislation by the Congress of the United States?

Mr. MUNDT. That is precisely my thought.

Mr. TYDINGS. So that that would be a separate and entirely new proposition, which would require action by the Congress, which could be debated. I confess that there is not one Member of this whole body who can be bound on a proposition, particularly a proposition which is not yet in being or in the hopper of either House. So from the standpoint of keeping the conscience clear and from the standpoint of its having to be an entirely new proposition, any Senator who votes for this treaty is free to vote for or against any other supplemental thing that comes along. There is nothing specifically in the treaty that says how many arms, if any, or how few arms, if any, or that any arms at all, possibly, are to be provided by any subsequent action.

Mr. MUNDT. I concur entirely.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. WATKINS. In connection with the question asked by the junior Senator from Connecticut, is it not a fact that there has already been presented, a long time even before the pact is ratified and becomes effective, a request for arms to be furnished by the United States?

Mr. MUNDT. There is no question about that.

Mr. WATKINS. And before the Council under article 9 is even started to be organized or implemented in any way?

Mr. MUNDT. There is no question about that, either.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. TYDINGS. I, myself, do not know, but I assume and believe that the nations which are joining with us will request military aid in the form of arms. But the point is that that is not binding on this Government. Those countries know that it is not binding on this Government. The countries which make such a request know it is purely in the field of speculation. We may or may not turn them down, just as the treaty itself may or may not be turned down. To take an exaggerated example, those nations might request our entire Navy, and if we do not give it to them they may accuse us of bad faith. But it is just as preposterous, in my opinion, to assume the other case. If they made a reasonable request we would consider it entirely separately.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. WHERRY. The question I asked the Senator with reference to moral obligations brought from the distinguished Senator from Connecticut a query to the distinguished Senator from South Dakota whether he heard the statements made by the junior Senator from New York [Mr. DULLES], and if he read article 9, and so forth. I do not quarrel with that, because I realize that Senators have given their own opinions and have stated how they felt toward the signing of the pact.

The distinguished Senator from Maryland has just made a statement, with which I agree, relative to article 3 and article 9. But what I want to know is this: Has there been any commitment made to those nations of which we do not know, which obligates us? We have not had on the Senate floor a clear answer to that question. We have heard several Senators say that there is no moral obligation, none whatever. But the distinguished Senator from Iowa [Mr. GILLETTE] says that this is a military alliance and that there is a commitment. I might also quote the Senator from New York [Mr. DULLES], whom the distinguished Senator from Connecticut [Mr. BALDWIN] quoted in his colloquy with the Senator from Oregon [Mr. MORSE]. The Senator said, "Does it not imply arms?" The answer was "Yes"; but he clarified that and said there was no moral obligation in any way whatsoever. Certainly if the Senator from Oregon is in the Senate Chamber he will bear me out in the statement that he is confused as to the answer.

So I asked the question of the distinguished Senator a moment ago whether there should not be a clarifying reservation or a declaration showing what is the intention of the Senate of the United States. My contention is that there is no moral or legal obligation within the pact itself committing us to supply arms to any country. But I do say that the minute the North Atlantic Pact is ratified those nations have a perfect right to ask this Nation for arms, under article 3 and article 9, and that then the Senate of the United States can make up its mind what, if any, arms are to be granted.

Mr. President, getting back to the question which has troubled us all, if we vote for the pact do we legally and morally commit ourselves to furnishing arms, up to this moment we have received nothing but a lot of "fuzzy" answers. They have not been clear-cut and to the point. I doubt if the chairman of the Foreign Relations Committee could restate it any more forcefully than he has already stated it. I doubt if the Senator from Michigan or the Senator from New York could state it more clearly. Observations have been made directly to the contrary by Senators for whose judgment I have a high regard. We can follow almost any line of thinking. The Secretary of State, or a new Secretary of State, could find evidence and find in history statements made by those in authority that would commit us to furnish arms. Another Secretary of State could find just the opposite.

So I say, Mr. President, that the time is here when the sense of the Senate should be brought into play and we can determine as a Senate the proper interpretation. If there is no moral or legal obligation to furnish arms, why cannot the Senate say so? If we are to furnish arms to some nation, why do we not say so?

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MUNDT. I am happy to yield to the Senator from Texas.

Mr. CONNALLY. Mr. President, I have refrained from interrupting Senators, because I wanted every Senator to have an opportunity to express himself on this question. I did not want to consume a lot of time, myself. But the Senator from Nebraska has just said that we have no proof whether there were any commitments made. If he will read the committee report he will find on page 25, in the first paragraph, these words:

> The State Department has assured the committee that during the negotiations no commitments of any kind—

That means moral or legal, or immoral or illegal—it means any kind—

> no commitments of any kind were made by the United States to furnish military assistance.

I assume those countries, as suggested by the eminent Senator from Maryland, will want arms. That does not mean that we have to furnish them. The only obligation we have is in connection with relying upon self-help, mutual aid, and so forth. But if we are in a league with several other nations, and associated with them in the objective which we have, is there any harm in saying that we will mutually aid each other to promote the objective which we have?

Some Senators say that if we ratify the treaty we are bound to furnish arms. How many arms? Is there anything in the treaty saying how many arms we will furnish? Is there anything in the treaty or is there any obligation which says we will give them our whole fleet? How many airplanes are we bound to give? When a Senator votes, how does he know what he is voting for? According to the Senator from Nebraska [Mr. WHERRY] we will have to furnish arms. Would two rifles satisfy the moral obligation to furnish arms, or would we have to furnish complete arsenals?

Mr. WHERRY. That is what I want to know.

Mr. CONNALLY. No, Mr. President; there is no obligation to furnish arms. How does the United States obligate itself? It obligates itself by a vote of the Senate on the treaty, or by the passage of a law. There is no man in the Government, not even the President of the United States, who can obligate this Nation on this, that, and the other thing. The Constitution provides the way.

Let me say to the Senator from Nebraska and to any other Senators who entertain his views, which are quite extensive on this subject, suppose we ratify the treaty—I see a sneer upon the face of the Senator from Utah [Mr. WATKINS], but that is all right. It is very becoming to the Senator.

Mr. WATKINS. I was just on the verge of laughing, I thought it was very humorous.

Mr. CONNALLY. The Senator is perfectly free to laugh. Many people laugh every time they look at the Senator from Utah. Of course, that is meant in all good humor. I could tell that the Senator was getting ready to laugh.

But, Mr. President, suppose we ratify the treaty and some of the nations say they want arms: Who is to say how much in the way of arms they should receive? Who is to say when we will give them the arms they want?

Something has been said regarding the council. The council has no authority to bind any nation. We are all in a common enterprise, we all have the same objective. I think we should get together and talk over the situation, and after we shall have done so, it is up to us and to the other nations to determine for ourselves what the immediate situation requires. If we feel the situation requires the furnishing of arms, we will probably furnish some arms. But, after all, it is up to the Congress. It is up to the minority leader as well as other Senators.

Mr. WHERRY. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield again.

Mr. WHERRY. I am not at all quarreling with the Senator from Texas. I agree with him, that after the pact is signed it is for the determination of the Senate. But are we under any moral or legal obligation to furnish arms? What has been done or said that makes the question recur on the part of very prominent Members of the Senate as to whether there is an obligation? That is what I think should be cleared up.

Mr. CONNALLY. What kind of an assurance does the Senator want?

The PRESIDING OFFICER. The Chair reminds the Senator that the Senator from South Dakota has the floor and the Senator from Texas was recognized to ask a question.

Mr. CONNALLY. Mr. President, the Senator from South Dakota yielded to me to make an observation and to ask a question. When I rose I stated my purpose.

But the Senator from Nebraska wants some assurance. What more assurance can he want than the statement of the committee, which says that the State Department, in negotiating the treaty, made no commitments of any kind? Who negotiated the treaty—the State Department or the Senator from Nebraska?

Has the Senator from South Dakota yielded to me?

Mr. MUNDT. Yes.

Mr. CONNALLY. Who negotiated the treaty—the Senator from Nebraska or the Secretary of State?

The Secretary of State came before the Committee on Foreign Relations and said:

> We made no commitments of any kind or character about the furnishing of arms.

Here is the treaty. That is the subject on which we are to vote. The Senator

from Nebraska wants to vote according to his imagination, according to his dreams, according to what he thought last night when he awoke suddenly when a fire alarm sounded. But, Mr. President, the treaty is in written form. There are no commitments except those in the treaty. When the other signatory nations want arms, are we going to say, "Come in and pick out anything you want"? The Congress of the United States will have to determine how many arms. Who is going to say what kind of arms those nations will receive? Are we going to unlock our arsenal and say, "Take anything you want to take"? Under some imaginary plan of the Senator from Nebraska, they will say, "I want to see not the President of the United States, not the Secretary of the Armed Forces, not the Committee on Armed Services, but I want to see Mr. WHERRY. He is the man who says we can have everything we want."

According to the Senator all we have to do is to ratify this treaty and our arsenals and our shipyards are open, and they can get everything. He says that if we ratify the treaty we are under a moral obligation, a legal obligation, and any other kind of an obligation there is, to turn over all our military supplies, our Navy, and our arsenals, to the Governments which are signatories to this treaty.

Mr. President, there is no such provision in the treaty. The treaty sets out the obligations we assume; and of course we do assume obligations. We would not sign a treaty, and the other countries would not sign it with us, unless there were certain obligations to be performed. But they are written out in black and white. They are not written in some man's imagination. They are not written according to the foibles and the weaknesses and the personal slant of Senators. They are written in black and white. That is the kind of a treaty we have. We are not writing a treaty and leaving what it means to the future.

Suppose they did ask for arms. About one-fourth of the Members of the Senate would vote to give them the arms, or whatever they wanted. That does not necessarily mean that they would get the arms. The other three-fourths might say, "No, you cannot have those arms."

We are not going to weaken our own national defense, we are not going to give away to foreign nations the things we need for our own Nation, for our own defense. That is one of the primary considerations not only in connection with this treaty, but in connection with legislation, that we are not willingly going to surrender the things which are necessary for our own national defense. We would be a great people to say that because we signed the treaty we had a moral obligation. Where is it written? Oh, it is not written except in the minds of Senators like the Senator from Nebraska. It is written in their minds, not on paper. But we do not ratify treaties in people's minds, unless they put down on paper or on parchment what they have in their minds.

There are obligations, but there are no obligations except those which are contained in the treaty. After the treaty shall have been ratified, if it is ratified, over the objections of the Senator from Nebraska, Congress will still be here, I hope, the Senate will still be here, the administrative authorities will still be here, and there is no obligation that can override the powers or the authority of the Congress of the United States, when it comes to appropriations out of the Treasury, when it comes to the matter of arms we must provide through appropriations.

No, Mr. President, the treaty does not contain anything of the character indicated.

I thank the Senator from South Dakota very much for yielding to me.

Mr. WHERRY. Mr. President, will the Senator from South Dakota yield for a question? Does not the Senator think that after the tirade just directed to the Senator from Nebraska he ought to have at least 2 minutes to answer?

Mr. MUNDT. I yield with the understanding that no hocus-pocus happens which will take me off the floor.

Mr. WHERRY. I will not say anything at this time, except that after all this speech there has not been anything cleared, so far as I am concerned, and if there is anyone chasing rainbows, and staying awake at night, and being awakened by the firemen, it is the Chairman of the Committee on Foreign Relations, and not the Senator from Nebraska.

Mr. CONNALLY. Mr. President——

Mr. WHERRY. If any more time is to be given, I want time to reply.

Mr. CONNALLY. The Senator from Nebraska is most generous. He calls my remarks a tirade. He is very tired of hearing them.

Mr. President, the Senator says that so far as anything I have said is concerned, it has not affected him. Neither has it affected this marble arch here; it has not moved; it has not spoken. Neither has it affected this old stand before me, which has been here much longer than has the Senator from Nebraska, and probably will be here longer than he will be here. It has not affected these marble columns. They have not uttered anything; they have not said anything; it has not moved them. I am not surprised that it did not move the Senator from Nebraska.

Mr. WHERRY. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I am going to yield to the Senator from Nebraska, then I am going to say something in my own time.

Mr. WHERRY. Mr. President, I should like to say, in answer to the remarks made by the Senator from Texas, that apparently he is attempting to chastise the Senator from Nebraska because I had the temerity as a Senator, to express my opinions about some clarification of the treaty.

I did not negotiate the treaty, but the very treaties which have been mentioned here today by the Senator from South Dakota, and the hundreds of executive agreements which have been entered into, which ought to have come to the Senate for ratification, are convincing evidence to me that there is a responsibility on a Senator, whether a Senator from Nebraska, from Texas, or from any other State, to do his constitutional duty and discharge his responsibility when he advises and consents to a treaty so important as is the North Atlantic Pact. That is my answer to all this particular criticism about my taking an interest in the North Atlantic Pact.

Mr. BALDWIN. Mr. President, a point of order.

Mr. TYDINGS. Mr. President, will the Senator from South Dakota yield to me to ask a question which has nothing to do with the present controversy between the two Senators?

Mr. MUNDT. I yield.

Mr. WHERRY. I should like to finish my two observations. I have covered No. 1. No. 2 is, I am not the one to whom these countries are coming to say, "Senator, you said you would give us everything, including the navy." I am one who is trying to write a clear record. I want to see to it that these countries are not misinformed. The Senator says, "What would you do?" I have already stated what I thought should be done. I am for the North Atlantic Pact, if the Senator from Texas, the Senator from Michigan, and the Senator from New York will put into it exactly what they have said on the floor of the Senate, not what the junior Senator from Nebraska thinks, who the able Senator from Texas said would not be here very long. It does not make any difference about the Senator from Nebraska. I say to my colleagues that the generations yet to come should have the protection of a clarifying amendment in this treaty indicating to the signatory countries exactly where we stand.

One further observation, and I shall be through. I said in the beginning that I thought that the opinions and thinking here were very much confused. That is certainly true. The distinguished Senator from Texas is confused. He says I am for a moral obligation. I am not for a moral obligation. I am one man who does not want in this treaty any guaranty of a moral obligation. But I do say—and I agree with the Senator from Maryland—that after the treaty is once signed, then we will give every assurance under article 3 and article 9, and every other article that is applicable, to countries that come and ask for arms. That is our duty. I am not so sure they would not be coming to me. I suggest to the Senator from Texas that I am a member of the Committee on Appropriations, and they will be coming to the Committee on Appropriations when they come to get arms.

I say now that if the North Atlantic Pact shall be ratified, I will do with regard to it as I have with regard to everything else, I will try to see that the appropriations are justified, and I will not sabotage any of the appropriations. I will exercise my privilege of voting as I think I should vote.

So I say to the Senator from Texas that what we need today more than anything else is a vote by the Senate on a clarifying reservation, to mean what we say and say what we mean, so that the signatory countries will not be misdirected, so that they will not feel that they have something coming to them to which they are not entitled, and so that they will understand perfectly what the

Senate does when it ratifies the North Atlantic Pact.

Mr. TYDINGS. Mr. President, will the Senator from South Dakota yield for a brief observation?

Mr. MUNDT. I yield to the Senator.

Mr. TYDINGS. In substantiation of the Senator's answer to several interrogations, to wit, that this pact did not bind anybody to vote for an arms program one way or other other, I should like to ask the Senator if he does not recall that we did appropriate without any pact, and if we did not give without any pact, arms to Turkey and to Greece, and if without any pact and without any agreement we did not also give arms to the Philippines, and there are other countries I will not mention, which come to my mind and to the minds of other Senators, which without any pact, and without any agreement, we helped in a modest way small military organizations to support a new government.

I should now like to ask the question: Even if we do not have the North Atlantic security alliance pact, or what ever its official name is, is it not true that a bill could be introduced for the giving of arms to any of the western European countries, which we could support even without a pact? So my point is this, that the arms situation could be accomplished without any pact at all, or with the pact. But whether we do or do not accomplish it, is it not a fact that it will require a separate piece of legislation quite apart from the pact itself?

Mr. MUNDT. I think it is unquestionably clear that the adoption of the pact does not materially change the situation at all insofar as it involves armaments. We have already in the past, without a pact, made arms available in some instances, and in other instances have declined to make arms available.

Mr. President, I want to move on now from the question of arms to another aspect. Let me conclude that part of the discussion, in dealing with armament, by saying that insofar as the junior Senator from South Dakota is concerned, when he votes for the pact, as vote for the pact he shall, he does it definitely and clearly and publicly, disavowing and denying any obligation to any other step of any other kind in any foreign policy conceived by anybody, any place, and that includes armaments. I think if we cannot obtain a collective expression of opinion from the Senators, each of us, by expressing ourselves individually, can help write a verdict in that connection which can be understood by the other signatory powers.

Having resolved to vote for the pact, then, with very little confidence in its capacity as presently written to produce the desired results, what do I propose to do following my vote for ratification?

No. 1: I shall do what I can as opportunity presents itself to try to bring China back into the foreign policy of the United States; to try to bring about a world policy operating on a world basis to maintain peace, instead of this strange football alliance of 11 nations, with the United States of America as coach, selected by some kind of legerdemain, and called the North Atlantic Nations, called democratic nations, when every person in the room knows that they are neither democratic nor North Atlantic. Whatever the tie that binds them—and I have not been able to find it—certainly "North Atlantic" does not define Italy, and "democratic" does not define Portugal.

So, by whatever arrangements these recruits were found, I submit that we should move in the direction of broadening the base of our foreign policy.

In the second place, I shall use opportunities as they present themselves, and that means when any suggestion for implementation comes forward, if it does, and if not, sooner, to try to push our policy in the direction of Senate Resolution 133, in which I joined a week ago, which would establish out of this pact something analogous to a little United Nations which has the capacity for growth and the capacity for action.

The reason I suggest modifications in this pact, Mr. President, is that in my opinion it has some very serious deficiencies at the present time which have not yet been concentrated upon in the arguments which have been brought before us in the Senate.

The first of these is that the Atlantic Pact, in my opinion, fails entirely to recognize the second greatest unsolved problem threatening the peace. Of course, it recognizes communism as the biggest menace to the peace. But the Atlantic Pact ignores entirely the fact that we now have an atomic bomb, and the solution of what to do about controlling the military use of the atomic bomb, in my opinion, is second only in importance to the solution of how the challenge of communism is to be met.

Somebody very correctly said, "The world lived a thousand years between August 5, 1945 and August 6, 1945, at the time the atomic bomb was dropped on Hiroshima."

But I have read the text of the Atlantic Pact in vain to find any single remote hint of the fact that anybody who devised it or who signed it had ever even heard about the atomic bomb. That glaring deficiency, in my opinion, alone indicates the futility that I anticipate is going to flow from the pact with or without arms, if that is the only type of implementation which we attempt.

I have mentioned a second deficiency in the pact. The fact that it excludes more than it includes of the portions of the world that we look upon as friends at the present moment.

A third deficiency is that it fails to provide an international police force of any kind to enforce the mandate of this fraternity of nations. Nothing is provided except 12 separate military establishments tied together rather thinly by the mucilage of American currency but each with its own commanders, and each with its own loyalty, and each with its own decision as to where and when it should go in the operation. I think we should move in the direction of an international police force of some kind in this world today while there is yet time for a small police force to control dangers that can grow to bigness and to international hazards.

The fourth deficiency of the pact, as I see it, is that it comes to us in the form of a lifeless stone, frozen for 20 years on the theory that those who picked out the 12 signatory nations knew all the answers to all the problems for the next two decades. As a matter of fact, for 10 years it does not even provide for getting together to consider whether they made any bad guesses in the first instance, and for the full 20 years it repeats the same fatal error of the United Nations Charter by giving to one nation the right of a veto to stop the constructive design and decisions of the other members of the pact.

Mr. President, I think those are serious objections. I think those are serious deficiencies, deficiencies sufficient to make me vote against the pact were it not for the dangers that I feel might flow and which I have described as coming from a rejection of the pact at this late and awkward hour when we are called upon now to advise and consent with the State Department and the White House in this situation.

I am frank to say I do not know why Italy is in the pact and Turkey is out of the pact, or, to put it more dramatically, I can not see why Italy, a former enemy of ours in the war, is in the pact, and Greece, the victim of the attack by Italy during the war, is out of the pact.

Something has been said about the psychological impact of this pact. It may be a good psychological impact on the people of Italy, but it is a mighty bad psychological impact upon the people of Greece and upon the people of Turkey.

So I refuse to accept the glittering generalities and the high praise of a pact so loosely drawn, with so many glaring deficiencies and omissions, with such a strange and bizarre membership that you cannot find a single screen through which all of them can pass.

That is why I like the suggestion we have in Senate Resolution 133. It keeps the thing alive. It provides the machinery by which we can bring into this fraternity a majority of the strength of the non-Communist world. I want to implement it by adding to it, not by guns. I want to implement it by providing the political machinery by which it can help to set up an international police force and preserve peace. I want to implement it by making it a living thing instead of a Mosaic code carved in a piece of rock which can never change. That is the way I propose to implement the pact. With such kind of implementation, I have hope and confidence. Such kind of implementation differs from that given by the melancholy failures of the pact. That is why I say I consider the pact a futility if the height of our imagination, genius, and design today is once again to provide guns, arms, and food, and rely on this pact alone to do something which no earlier pact has ever even remotely approximated.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. MUNDT. I yield.

Mr. BALDWIN. Let me say that I am in accord with what the Senator has said in this part of his address about the implementation of the pact. Previously he stated that we were opening a door, standing on the threshold of a new room that we want to decorate and make bright

and hopeful. I think there are great possibilities. That is why I say that I feel some real enthusiasm about supporting the pact, because of its future possibilities.

The Senator has made a good point, it seemed to me, in connection with the fact that other nations were not included. The Senator is familiar with article 12 of the treaty, which provides as follows:

After the treaty has been in force for 10 years, or at any time thereafter, the parties shall, if any of them so requests, consult together for the purpose of reviewing the treaty, having regard for the factors, then affecting peace and security in the North Atlantic area, including the development of universal as well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security.

In the Senator's opinion does not that language admit of the possibility that other nations—perhaps not bordering on the Atlantic—may be included within the terms of the treaty?

Mr. MUNDT. It admits of the possibility, provided we are willing to accept the hypothesis which I reject, that for the next 10 years everything is correctly arranged. Article 12 says: "After the treaty has been in force for 10 years." For 10 years what is going to happen to Turkey, the first line of defense against communism? Turkey has stood up against the threats of the Communists to take the Dardanelles. We went to the assistance of Turkey with the Truman doctrine. Turkey is one of the participating nations under the Marshall plan. By any definition or description, Turkey has more democracy today than Portugal, and is moving more rapidly in the direction of increasing self-determination for her people. What is going to happen to Turkey or Greece for 10 years? Are we trying to build up, with our money and wealth, governments which will be friendly, and which will resist communism, or are we trying to destroy such governments by excluding Greece and Turkey from this fraternity of nations?

Mr. BALDWIN. Does not the Senator feel that under article 9 of the pact, which provides for the establishment of a council on which each of the signatories shall be represented, to consider matters concerning the implementation of the treaty, recommendations could be made for the inclusion of additional nations? It is also provided that the council shall be organized to meet promptly at any time. Could not the council, if it felt it desirable that additional nations be added prior to the expiration of 10 years, make such a recommendation to all other signatories for their consideration? Is the situation as frozen as my distinguished friend believes it is?

Mr. MUNDT. Under the terms of this pact it is impossible to preclude the veto by any country, no matter how small, no matter how distant from the philosophy of our Government, no matter how involved in European policies, animosities, and trade rivalries. In the absence of a veto, the nations can do anything by unanimous consent, of course, just as anything can be done in the United States Senate by unanimous consent; but we have not established machinery for bringing about such a situation with any degree of positiveness.

Mr. BALDWIN. I submit to the Senator that this treaty does provide the machinery, in the form of the council.

Mr. MUNDT. If there is no veto. In the presence of a veto, action is stopped.

Mr. BALDWIN. The point about the veto is well taken. That is one of the reasons why we are driven to this regional arrangement. We are hopeful that by including a smaller number of nations we can provide unanimity, which is sometimes impossible under the United Nations Charter. I feel hopeful about the possibility of unanimity.

Mr. MUNDT. If we are driven to part from the United Nations by the fact that we did not act wisely, if the same mistake is repeated in the new organization we may be driven from that to something else. We may be driven to reduce from a football team to a basketball team, and then down to two, and then to individual action.

Senate Resolution 133 gives us a chance to implement the peace by doing things in the ideological field, getting on the offensive ideologically, instead of always conditioning our policy according to the particular threat of the moment coming out of Moscow.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. MORSE. Am I correct in understanding that the Senator is critical of the North Atlantic Pact because it excludes certain nations?

Mr. MUNDT. Because it excludes so many and includes so few.

Mr. MORSE. However, the Senator says he is going to vote for the pact because he thinks that there are ways of implementing the pact, such as Senate Resolution 133. Am I correct in my understanding that the Senator from South Dakota particularly stresses the international police force referred to in Senate Resolution 133?

Mr. MUNDT. That is one of the things which I stress.

Mr. MORSE. Assuming for the moment the adoption by the Senate of Senate Resolution 133, does the Senator believe that the obligation would rest upon us thereafter to implement the international police force militarily?

Mr. MUNDT. Senate Resolution 133 provides that in any foreign allocation of arms which we make, a portion of them shall go to the international police force.

Mr. MORSE. My question is whether or not by the adoption of Senate Resolution 133 we would assume an obligation.

Mr. MUNDT. Unilaterally? Not at all. If the Senator means an international police force to be armed by the United States; not at all. It provides for an international police force to be armed by the international group supporting it. We would assume an obligation only for our share.

Mr. MORSE. Would we not very clearly assume an obligation to do our share?

Mr. MUNDT. Cooperatively, with the rest of the nations.

Mr. MORSE. We would not have the moral right, would we, to exercise the veto by refusing to do our share?

Mr. MUNDT. The veto does not appear.

Mr. MORSE. As I understand the argument of the Senator from South Dakota, he seems to think that under the Atlantic Pact we have the moral right, even under article 9, to veto any cooperative effort militarily to support the pact by supplying arms.

Mr. MUNDT. The philosophy of the veto recurs frequently in the Atlantic Pact.

Mr. MORSE. The Senator does not feel that the philosophy of the veto is inherent in Senate Resolution 133?

Mr. MUNDT. No.

Mr. MORSE. Will the Senator explain to me the distinction between the two? I am at a loss to understand any distinction.

Mr. MUNDT. In Senate Resolution 133 there is a veto only in certain prescribed areas. Certain other areas of community behavior are outside the veto. Certain specific acts of aggression and the matter of increasing the size of the membership are beyond the operation of the veto. Internal matters, such as the control of the national defense establishment, immigration laws, and so forth, are within the veto. In the areas spelled out by Senate Resolution 133 the veto does not operate.

Mr. MORSE. Let us confine our discussion to a comparison of the defense council under the pact and the international police force under Senate Resolution 133. In what respect does the Senator believe that our obligations for providing military aid under Senate Resolution 133 differ from the obligations under the pact?

Mr. MUNDT. There is a great difference, because under the pact it is proposed to maintain 12 military establishments, including our own, and to rely for the patrol of the world upon the activities of those 12 nations, any one of which can exclude itself by the veto. Under Senate Resolution 133 we would establish one international police force operating in addition to and in cooperation with individual defense establishments of the nations; but that one international police force at least would operate beyond the control of the veto. It would operate in precisely the way the policeman on his beat operates in the city of Washington. He does not refer back to the city council or the District of Columbia Committee for authority to apprehend a criminal.

Mr. MORSE. Will the Senator point out to me wherein in the North Atlantic Pact he feels that there is any obligation to implement 12 independent military establishments?

Mr. MUNDT. There is nothing in the pact to the contrary. There is nothing in the pact providing for the establishment of an international police force which can operate beyond the control of the veto. We can establish a common connection among the various independent military establishments; but we provide nowhere for a military command which can operate without the veto of each individual country. Throughout

the debate the most enthusiastic proponents of the pact have stated that the declaration-of-war power remains in the hands of Congress.

Mr. MORSE. I want to talk about the question of the military implementation of the pact.

I refer to the language of article 9:

> The parties hereby establish a council, on which each of them shall be represented, to consider matters concerning the implementation of this treaty.

Does the Senator from South Dakota disagree with me that that language at least raises an obligation on the part of the signatories to the pact, in good faith, cooperatively, to work out an area-defense program that will carry out the objectives of the pact?

Mr. MUNDT. In rather vague and nebulous language it does raise some such point as that.

Mr. MORSE. Of course, the Senator from South Dakota can use whatever adjectives he wishes to use in describing it; but I wish to find out whether the Senator thinks an obligation is there.

Mr. MUNDT. Does the Senator mean in the pact?

Mr. MORSE. Yes; and I should like to know in what respect that obligation differs from the obligation under Senate Resolution 133, so far as concerns having the United States give military aid to any international police force.

Mr. MUNDT. Insofar as I am concerned there is no obligation in the Atlantic Pact requiring me, as a Senator, to vote for any implementation by arms. I reject that hypothesis.

If I vote for Senate Resolution 133, I undertake the obligation of voting for our share of arms for the international police force—not for the military armaments of France, Holland, Belgium, England, and so forth, as is contemplated by some persons under the Atlantic Pact. In Senate Resolution 133, we assume an obligation only for the international establishment.

We might, as the Senator has pointed out, decide that we want, either bilaterally or multilaterally, supply arms to help some of the other countries.

But our obligation under Senate Resolution 133 goes only to paying our share of the expenses of the international police force, our share of the armaments and munitions for the international police force, our share of the salaries of the officers and men of the international police force, under that resolution. That is as far as our obligation goes under Senate Resolution 133. It is spelled out very clearly.

Mr. MORSE. Then the Senator's objection to military aid is not to providing military aid, but only as to the form in which he thinks it is provided under the Atlantic Pact. Is that correct?

Mr. MUNDT. I would substitute the word "futility" for the word "form."

Mr. MORSE. Futility?

Mr. MUNDT. Yes, futility.

Mr. MORSE. However, the Senator from South Dakota would be perfectly willing, would he, to support military aid if he thought the military aid would carry out the objectives of the pact?

Mr. MUNDT. Certainly I would be willing to support military aid if I thought military aid would provide permanent peace and I would provide it in the form in which a military police force could use it. The Senator from South Dakota voted for aid to Greece and Turkey, and voted for the Marshall plan. I was also one of the authors in the House of Representatives of the measure for providing aid to China, because I thought it would do some good for China, and I think it would have done so if it had been shipped to China at the time when it was authorized and at the time when the appropriation was made, instead of 8 or 9 months afterward.

Mr. MORSE. One more question, if the Senator will yield further. I appreciate the Senator's response to my questions, but I wish to be sure I understand his ultimate reasons for announcing that he will vote for the pact, when it seems to me that the entire text of his speech is an argument against the pact.

Mr. MUNDT. The questions of the Senator from Oregon are following the wrong trail if he is trying to ascertain my ultimate reason for voting for the pact. I can answer that without further questions: It is because to reject the pact at this hour, I think, would destroy the confidence of hundreds of millions of fine people of Europe, upon whose loyalty and friendship we depend. It would destroy their faith and credibility in the friendship of the United States, because on April 4, when they signed the pact, it was to them an official document. That is the compelling reason.

Mr. MORSE. But the Senator's defense of Senate resolution 133 makes clear—and I assume he intends to have it made clear—that he favors military aid, provided the military aid is channeled through an international organization, of which he approves; but he is not in favor of military aid through the Atlantic Pact, although he is going to vote for it, because he thinks it is futile to supply military aid through this pact. Is that correct?

Mr. MUNDT. The Senator from Oregon is correct, insofar as the latter part of his statement is concerned. I think it is futile to try to buy peace by providing military aid under the Atlantic Pact. I do not think we can pile armaments high enough, under the Atlantic Pact, to do the job.

In the first part of his statement or question, however, the Senator from Oregon was going beyond the scope of Senate Resolution 133, because I have said I favor only supplying military aid for the international police force.

Mr. MORSE. But that would mean, for all practical purposes, that the United States would supply the aid and the armaments and implementation by arms, because 90 percent of it would be supplied by our country.

Mr. MUNDT. Not necessarily.

Mr. MORSE. What other country can supply it?

Mr. MUNDT. It can be provided in part by recruits coming from the armed establishments already operative in some of the other countries. It can be supplied by the navies of some of our fine confederates in this situation, who can also supply military aviation.

Mr. MORSE. One other question, and I close with this: Is what the Senator from South Dakota is really attempting to do, so far as concerns making clear his record on the pact this afternoon, to place in the record his interpretation of article 9 in regard to the defense council, which he says, in his judgment, carries along with it no obligation on the part of the United States to supply military aid, even though every one of the other countries but the United States were to reach the conclusion that a certain area-defense program can best meet a potential aggressor?

Mr. MUNDT. I have tried to do that; but if I have done only that, I have taken an uncommon length of time to get the job done. That is only one part of the picture I have described in the march of history as it has unfolded since the 11th day of March 1941.

Mr. MORSE. That is one of the objectives. Is that correct?

Mr. MUNDT. That is correct.

Mr. MORSE. And in reaching and fulfilling that objective—and I think the Senator from South Dakota has done so, insofar as his own interpretation of article 9 is concerned—has not the Senator himself defended the exercise of a veto on the part of the United States, just as the United States was a party to writing into the San Francisco Charter a veto which the Senator from South Dakota himself admits, in his argument, is one of the things which has prevented the United Nations from achieving success in reaching its objectives?

Mr. MUNDT. No; because it would be impossible to veto an arrangement which has been emphatically denied to be written into the measure at all—in other words, that military implementation has to flow from the Atlantic Pact. The Senator from Oregon assumes something which the Senator from Texas [Mr. CONNALLY], the Senator from Michigan [Mr. VANDENBERG], and other leaders of our foreign policy committee have denied. It would be impossible to veto a policy which does not prevail. We could dissent from some decision, but that is altogether different from vetoing an obligation to which we are not committed.

Mr. MORSE. I most respectfully say to the Senator that he has assumed an erroneous premise on which to base a conclusion, because I do not think anyone can read article 9 without recognizing that it carries with it a clear obligation on our part to implement the Atlantic Pact.

Mr. MUNDT. The Senator from Oregon has some very distinguished Americans among the dissenters to that opinion, subject, apparently, to a variety of interpretations.

Mr. MORSE. I understand there is a difference of opinion; but I say that this pact is absolutely no stronger than article 9, and if my country walks out on article 9 of the pact, once we ratify it, we are going to be held up to the scorn and the contempt of the people of the world, who are ready now to make a fight for freedom. All this talk about obligations, and running away from obligations, in regard to the pact, will come home to

roost, in my judgment, and it will not be to the benefit of my country.

I am going to vote for the pact enthusiastically, because I believe it carries along with it the machinery and the procedure, including military implementation, for stopping Joe Stalin in his tracks. We ought to stop him now, and we ought to stop playing with words such as "obligations."

I may say to the Senator from Texas that the junior Senator from Oregon does not believe that it is merely the legal language set out in the pact that constitutes the obligations of the United States. The obligations of the United States are to be found in those great moral pronouncements in the preamble of the pact, that carry with it completely the obligation on the part of our country to back it up militarily and make clear to Joe Stalin that when he moves in the course of aggression, he has picked a fight.

Mr. MUNDT. Mr. President, I think it is fortunate perhaps that Senators with a great variety of views are going to vote for this pact. The Senator from Oregon and the junior Senator from Connecticut will vote for it enthusiastically. The Senator from Iowa and I shall vote for it with great reluctance, but we shall vote for it. That records at least four votes for the treaty.

I disagree entirely with the premise that the success of the pact depends upon article 9. In my opinion the success of the pact depends entirely upon its capacity for growth and expansion. If it remains a lifeless thing of 12 countries, with no capacity for growth and no new capacity for added organizational procedures, I do not think it will be possible to manufacture arms fast enough so that the problems of war may be solved, especially in view of the fact that nothing in the pact even attempts to solve the problem of the atomic bomb.

I now desire to quote two short passages appearing in the RECORD of July 11, 1949, and I shall then end these remarks. I want to quote a short statement by the Senator from Ohio [Mr. TAFT], who is going to oppose the pact, and from the Senator from Iowa [Mr. GILLETTE], who is going to support the pact; both quotations being in support of the position the ten of us have taken who have offered and are supporting Senate Resolution 133. Said the Senator from Ohio:

> The North Atlantic Treaty might have been so drafted as to create a small United Nations within the larger group, improving upon the United Nations Charter, eliminating its defects, and furnishing an example of an improved international organization which could be followed by the United Nations itself. * * * It is the general plan suggested in Senate Resolution 133, introduced by the distinguished junior Senator from Alabama and 10 other Senators on Friday of last week, with which I have great sympathy.

That leads me to hope that perhaps the Senator from Ohio may find himself enrolled with us in our support of Senate Resolution 133.

Now, from the Senator from Iowa:

> The only program to check communism is one that has as its purpose something far greater than checking communism * * * Only a full-scale American political offensive can deal with the world-wide Communist conspiracy.
>
> I would welcome, and I believe the American people would welcome, a new initiative, originating perhaps in this great deliberative body, that would look beyond armed truces, strategic pacts, and regional devices and that would prepare a well-thought-through program for strengthening the United Nations as a global security organization, for world-wide reduction instead of increases in armaments—a world-wide crusade, if you will.
>
> Let us begin to make our own foreign policy, instead of letting Moscow make it for us.

So, Mr. President, I shall vote for the North Atlantic Treaty. I shall consider it as a doorway through which we have the possibility of passing to arrive at a more plausible and historically optimistic and prophetic arrangement for securing the peace than simply the present scope and text of the North Atlantic Pact. I shall vote for it with but faint hope that it is going to achieve the objectives of those who have spoken for it so enthusiastically. I shall vote for it rather with the prayer that we may find the capacity somehow to try something different and do something bigger and to approach this problem realistically by enrolling on our side all of the right-thinking peoples of the world, instead of limiting our effort to a little exclusive club of 12 hopeful nations searching for the highway to peace.

Mr. MAGNUSON obtained the floor.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that, without prejudice to my right to the floor, I may yield 10 minutes to the junior Senator from Wisconsin.

The PRESIDING OFFICER. Without objection, that course may be pursued.

## COMPETITION OF CHEAP FOREIGN LABOR WITH AMERICAN INDUSTRIES

Mr. McCARTHY. I thank the Senator very much for yielding to me.

Mr. President, I should like to speak very briefly about a premeditated, deliberate, willful murder—a murder which not only in itself concerns me greatly but one which I fear may be merely the forerunner of and setting the pattern for an entire chain of like crimes. I speak of the murder not of a human being, but the murder of an industry, and the destruction of a vast number of jobs.

We, as a nation, are committed to the idea of building up the standard of living in certain of the poverty-stricken areas of the world—some areas that have always been poverty stricken and others that are poverty stricken today because of being devastated by the war.

This is a laudable thing for us to do for a number of reasons: First, it is in keeping with the Christian principle that man is, to at least some extent, his brother's keeper; second, it is certainly proper and just for those born in a prosperous nation, such as ours, to be of some help to people who, through no fault of their own, are born in the poverty-stricken areas of the world and who without the help we give them will live their entire lives under those same circumstances; third, it is an excellent idea also from a purely selfish standpoint, because if we can bring up the standard of living and thus increase the purchasing power of the hundreds of millions of people in the economically depressed areas of the world, it will furnish a better and larger market for our own goods and will improve the standard of living of our own workmen here in this country.

We have been committed to the principle of free trade for a number of years now. In theory it is a good idea. Theoretically, it should work to the advantage of everyone. Theoretically, an item which can be more economically produced by a group of people in one area of the world should be available to people throughout the world who want to buy that item at a lower cost than they would otherwise be able to purchase it. Theoretically, free trade should improve the living standard of workingmen throughout the world. However, there is a huge gap between theory and actual practice.

In actual practice it does not work out when free trade exists between one nation that insists upon a decent standard of living and another nation which countenances payment of starvation wages. It becomes doubly vicious when we use the tax money of our laboring men to hire experts to go into starvation-wage areas of the world to teach how to duplicate our products and then also supply the experts to market those foreign products in this Nation at a selling price far below the cost of domestic production—a price which is made possible by the starvation wages being paid to such foreign labor.

It is of course a very simple fact that if an industrialist in a slave-wage area of the world duplicates an American product and is allowed to ship that product into the United States without any restriction or tariff whatsoever, the industry producing a like product in this Nation will be forced to do one of two things—First, go out of business and put its workmen into the streets; or, second, reduce the wages of its workmen to the level paid in the starvation-wage area.

I realize that we must import if we are to export. I am fully cognizant of the great need of an exchange of goods between countries.

It is becoming increasingly clear, however, that it is absolutely impossible to have free trade between one country which produces an item at starvation wages and this Nation, which produces the same item at a decent wage rate. It is impossible to have free trade under such conditions without reducing the wage rate and the standard of living of our own workingmen. Theoretically, free and reciprocal trade can be of benefit to both the nations involved only when the items are produced in both nations by workingmen being paid substantially the same wages. Otherwise, instead of increasing the standard of living in the poverty-stricken areas of the world, we will create poverty-stricken areas in this country.

This Nation should have the freest possible trade. A maximum amount of beneficial foreign trade is advisable. But when our own employees walk the streets looking for work or depend on the Government for a dole because of cheap imports, that is not beneficial foreign trade. When a man's own government

trades off his job to some foreign country, he is not only taken from the ranks of the earners, but he also leaves the ranks of those who buy goods from others.

Today I am very greatly disturbed by one example in the towns of Appleton and Waupaca, Wis., of what improperly handled free trade is doing to many industries in our country. The Zwicker Knitting Mills in Appleton and Waupaca, Wis., make woolen gloves. Today they employ somewhat less than a thousand people.

Each week when those employees get their pay checks, a sizable amount is deducted for taxes. Part of this amount goes to pay technical experts employed by the Army in Japan to teach the Japanese how to make exact duplicates and copies of the woolen gloves made in the Appleton factory. Part of those taxes also goes to pay Army experts who market those Japanese-made woolen gloves in this country.

The workers in the Appleton factory are getting an average wage of 88 cents an hour. The Japanese workers are getting between 8 and 12 cents an hour.

American Army experts, who are being paid out of the taxes of those Appleton and Waupaca workers, have succeeded in selling over 4,600,000 pairs of women's, misses', and children's woolen gloves in this country. Total consumption of this same line of woolen gloves in this country last year was slightly over 4,700,000 pairs. This means that if sales in 1949 approximate those of 1948, the Japanese laborer, at 8 to 12 cents an hour, will supply our market with 4,600,000 pairs of woolen gloves and our own workmen will be fortunate to supply 100,000.

In other words, our own Army is marketing sufficient gloves to take care of approximately 96 or 97 percent of the total consumption, leaving approximately 3 or 4 percent to our local workers.

I read to the Senate a memo from the Chief of the Apparels Unit, Merchandise and Sales Branch, Textile Division, Economic and Scientific Section of the General Headquarters of the Supreme Commander for the Allied Powers in Japan written on May 17, 1949, on the subject of woolen-glove exports from Japan.

The figures are given in dozens of pairs instead of in single pairs.

I read:

1. A review of export woolen glove contracts indicates that order for 385,025 dozen gloves in assorted sizes and types have been placed for shipment to the United States during 1949.

2. Total dollar value of contracts of paragraph 1 above is $1,141,479.77, which indicates that average glove price is $2.964.

This is unquestionable proof that our own military units have done their job so well that there will be no woolen glove industry in these United States next year. It will be noted that the average glove price was $2.96 per dozen pairs, which is 20 percent below the domestic cost of production.

Incidentally the cost of production of gloves is practically 100 percent labor. The cost of the material in the glove is practically nil. Almost the entire cost is the wage of the men and women who make the gloves. Our Army is marketing gloves at 20 percent less than the production cost.

Our own producers, with the wages they pay, must face competition which cannot possibly be met. This means that Japanese-made gloves are being offered for sale in the United States at a price 20 percent below domestic cost of production. It is interesting to note that practically all of the gloves for which orders have been taken are identical copies of gloves designed, manufactured, and sold in this country. Almost every style has been pirated from the lines of domestic manufacturers.

Experts employed by our Army and paid out of the taxes of American workmen are making it possible for the Japanese glove industry to undersell the entire American glove industry by 20 percent of what it costs to produce the same woolen gloves in this country. Of course, it is not difficult to do this when you pay workmen 8 to 12 cents an hour. It is difficult, however, to justify this by saying we are raising the standard of living of those people—raising their standard of living by paying them 8 to 12 cents an hour.

The end result of this whole situation, of course, will be that my people back in Appleton and Waupaca will be forced out of jobs because of something they have financed out of their own pay rolls.

It has long been the practice of many nations to engage in the practice of dumping surpluses into other nations. To the best of my knowledge, however, this is the first time in the history of the world that any nation has engaged in the reverse practice of dumping into its own country surpluses of another nation.

I have already called this situation to the attention of the Department of Commerce, which has the authority to take action. However, nothing has been done. I am now taking this method of calling it to the attention of the President. As Commander in Chief of the Army, he has the absolute power to prevent the destruction of this American industry by our own Army.

If the President allows this wrecking of American industry to go on, it certainly makes that part of the speech which he made last night—urging American industry to expand—seem ridiculous to the point of being ludicrous.

My concern, of course, is not merely over the woolen-glove industry in Wisconsin, but also over the numerous other industries which will also be destroyed in like manner if this situation is allowed to continue.

If the President was sincere in last night's request that American industry do everything in its power to increase its capacity to produce and to reduce the ranks of the unemployed; if the President is sincere in his concern for the laboring man, then he has no alternative but to immediately call a halt to this destruction of American industry with its attendant unemployment.

Certainly he cannot believe that the standard of living in poverty-stricken areas can be brought up by tearing down the standard of living in this Nation. Certainly our well-meaning idea of building up other areas of the world will be a dismal failure if in the atempt we destroy American industry and the jobs of American laboring men.

We are presently considering increasing the minimum wage. In addition, many labor leaders are asking for increased wages. However, a higher minimum wage and a higher wage rate for labor will be of no benefit whatsoever to the man who is left jobless and is put out on the street by the sort of thing which is being done to the woolen-glove industry today.

By way of contrast to what we are not doing toward protecting the industries and workmen who are jeopardized by this practice, I refer to the concrete action taken by Canada in this same woolen-glove situation. Japan will ship some gloves to Canada, but they will enter on an absolutely competitive level established by restrictive action under a minimum duty high enough to give protection to their own industry.

Obviously we can preserve some of the production of Japan and some of the production of many of the other backward areas of the world, but if we try to preserve so much we will end by having our men on the street. The end will be that everyone will lose.

In closing, Mr. President, I ask the Senate to join with me in demanding that the President of the United States immediately call a halt to the practice which, if continued, will impoverish millions of American working men—the practice of using American experts and foreign labor at starvation wages to undersell what our workmen produce. If the President is sincere in his repeated professions of concern for the laboring man, he has no choice but to take action immediately, action which he has the power and the duty to take.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. McCARTHY. I shall be glad to yield, if I may further encroach on the time of the Senator from Washington.

Mr. MAGNUSON. If it is very short, I shall yield. I desire to get through with what I have to say.

Mr. KEM. I do not understand that the Senator from Washington has the prerogative of parceling out the time.

The PRESIDING OFFICER. The Senator from Washington had the floor, and yielded by unanimous consent.

Mr. McCARTHY. If the Senator from Washington will yield to me for a moment——

Mr. KEM. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEM. May a Senator who has the floor parcel it out to other Senators?

The PRESIDING OFFICER. No; but the Senate gave unanimous consent for the Senator from Washington to yield to the Senator from Wisconsin without losing the floor.

Mr. McCARTHY. I am going to ask the Senator from Washington if I may impose on him for another 2 or 3 minutes to answer the question of the Senator from Missouri.

Mr. KEM. I did not understand unanimous consent was asked for.

The PRESIDING OFFICER. Yes, it was asked for and granted.

Mr. MAGNUSON. I yield.

Mr. KEM. I do not care to impose on the good nature of the Senator from Washington if he has been granted the prerogative of holding the floor. I shall withhold my question until he has concluded, then I shall ask it.

Mr. MAGNUSON. I shall be glad to yield if it does not take too long.

Mr. KEM. I do not know what the Senator from Washington would think was too long. I desire to ask a few questions.

Mr. MAGNUSON. If it is not going to take over 3 or 4 minutes, I shall be glad to yield.

Mr. KEM. May I be permitted to ask the Senator from Washington how long he is disposed to engage the attention of the Senate?

Mr. MAGNUSON. For about 20 minutes.

Mr. McCARTHY. It might be well for me to attempt to get the floor after the Senator from Washington has concluded, and then answer the question of the Senator from Missouri.

## THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. MAGNUSON. Mr. President, as I said to the Senator from Missouri, I shall not detain the Senate too long in what I have to say this afternoon. Although it may seem somewhat immaterial and irrelevant to the matter now before the Senate, the Atlantic Pact, in my opinion it has a great deal of bearing upon that subject and the things that have been brought out in the discussion of the Atlantic Pact and its ramifications.

Mr. President, I shall vote for the Atlantic Pact. I shall vote for it enthusiastically, because I believe, as many other Senators have expressed themselves in favoring it, that it is the best present means we have to approach at least a semblance of the hope of peace in the world. But I shall not vote for it with any reservation that that vote does not commit me to a moral obligation, perhaps not a legal or technical obligation, to provide whatever may be necessary to those countries which are signatory to the pact, not only in the case of armed attack, but in case of need of military aid in presupposing that an attack may be imminent.

I do not see why we talk so much, and why there has been so much almost double talk, about whether or not the North Atlantic Pact should legally, morally, or in any other way commit us to aid. We use very technically the term "military aid." I hope it does commit us to every aid we can render to the countries which have joined with us in an attempt to give all the people some hope for peace.

I hope the American people are not misled, by anything which may have been said in this debate, into thinking that the United States of America has not the moral obligation to give the other signatory countries aid. At least I consider I, as a United States Senator, have in voting for this pact. Of course, we will consider in what amounts it shall be given, how we shall do it, and when we shall do it. All those matters will be considered, even as to direct military aid while we are at war. But, nevertheless, it seems to me we should recognize, when we vote, and the American people should know, that we are committed to mutual aid, and that we will carry out our treaties as we always have, that is, in our own self-interest, and in the interest of peace.

Mr. President, I was very much interested in the statements of the distinguished Senator from South Dakota, whose judgment I greatly respect. I served with him in the House, and I know of his fine work on the Committee on Foreign Affairs there. It seemed to me that he felt after his study and analysis, that his main objection to the treaty was that it not only geographically, but in other ways, limited the opportunity of other countries to come into the treaty later on, and come within the purview of its blueprint.

Should I believe that, should I believe that our approach through the medium of the North Atlantic Treaty, our approach through the medium of the United Nations, our approach through the medium of the Marshall plan, and all the things we have done postwar in the hope that we could take the leadership and achieve the peace, would minimize our contribution, and that we would be limited in our global approach, as it were, to the sphere about which the Senator from South Dakota talks, I should vote against the treaty, unless reservations could be proposed and adopted which would allow the expansion necessary.

As the Senator from South Dakota said, I do not know why the other eleven countries joining in the pact were picked out. I am somewhat concerned why the North Atlantic area was picked out. That may not be the proper approach, or perhaps the circumstances require that action be taken in that region first. It seems to me that we need not confine ourselves to the conclusion that what we are trying to do in the Atlantic Treaty is frozen to the particular area indicated. So today I wish to bring into this debate a few observations of my own, a great concern I have, and which I have had for a long time, regarding the possibility of our doing in other portions of the globe about which the Senator has spoken exactly what we think we are going to do under this treaty in the North Atlantic.

Mr. President, if we are going to do this job right, if we are going to assume the leadership of all the free peoples of the world, and of those who would be free, of course we cannot limit the work we are undertaking to do to one geographical area of the world.

I do not make any criticism of the fact that the Atlantic Pact comes to the Senate first—perhaps world-wide circumstances and events made it more logical and more wise that it should be first—but I would severely criticize the action if I thought that the pact meant the end of what we propose to do; if I thought the leadership of America in attempting to do this kind of job for the peace of the world and our own peace was limited only to the pact; if I thought that immediately after the ratification of the pact, the interest of America would not move us to go elsewhere throughout the world, and that other pacts might not be signed. I refer particularly to the Pacific.

Of course, any discussion of the Pacific must relegate itself to the Chinese situation. I am not here today to suggest any panacea for the situation in China, or to suggest anything by way of correcting what has happened in China. I think we have been neglectful respecting China. I believe we have placed ourselves and the other nations of the world who are interested in a democratic Asia, in an almost insurmountable position, and almost impossible situation, which it may require years for us to clear up. But I think it would be of great help to all the countries upon the perimeter of the Pacific if similar negotiations and similar wheels were put in motion to achieve the same thing we would achieve by the treaty we are about to ratify in the United States Senate. It has been most difficult to convince people that that should be done.

When the Senator from South Dakota speaks of limiting and freezing the job we are doing by the Atlantic Pact, or freezing the machinery by which other nations could get together as these 11 nations have, I would refer him and the Senate to Senate Resolution 239, the Vandenberg resolution, which I understand and believe had a great deal to do with the formation of the plan, and which brought about the preliminary work which led to the North Atlantic Pact. That resolution does not freeze our obligation, nor does it freeze the directive of the Congress of the United States to the executive department so that a similar job may not be done where it is needed to be done in other parts of the world.

Section 2 of that resolution provides for "progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles, and provisions of the charter."

Section 3 provides for the "association of the United States, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security."

Section 4 provides for "contributing to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting its national security."

Those sections do not limit the directive which was adopted by the Senate in 1948. This intent of Congress is not limited only to one geographical area. Those three sections make it possible to do the same job any place in the world where we deem it wise to do it.

Mr. President, it seems to me the time is more than ripe, probably it is long

overdue, for a similar pact for the Pacific.

The problem of China is a serious one. Any pact in the Pacific or any discussion of the proposal of a Pacific Pact must necessarily involve a strong China. No Pacific Pact could be effected without America being strong defensively in the Pacific, and without the great territory which is called China being a part of it. The position China is in makes it difficult, of course, to begin such negotiations. But I say the time has probably long since passed when we should have made a beginning under an express directive of the Congress of the United States, as made in Senate Resolution 239, which provides that the same kind of job should be done, and does not limit it to any geographical area.

First things come first. Perhaps the circumstances in the world march of events require that we first turn our attention to the North Atlantic. But surely, when that is concluded, the eyes of America, if we think of our national interests and what is in our national interest, should then be turned westward for a similar pact.

Every time I get into a discussion regarding China or every time I hear a speech regarding the problem of China I find that those who discuss the matter always turn down the argumentative road regarding the condition or the acts of the so-called Nationalist government. I think it is high time that when we look to the westward to do the kind of job we now expect to do by the Atlantic Pact, we should minimize the constant discussion and arguments regarding the merits of the government now in authority in China.

It seems to me that we should approach the problem by asking ourselves, What is in the national interest of the United States? Is it in the national interest of the United States and the peace of the United States and the world to allow the Communists to have complete control of the great country which is China, a country with vast resources, and a potential even greater than that of our own country in its beginnings? I think we should cease arguing whether or not we should do something in China, based upon a discussion of the relative merits of one form of government as opposed to another. We did not act upon the basis of such considerations in our treatment of Greece. If we had adopted the same formula when we turned our attention to Greece, we would never have done anything in that country, because there were many arguments on both sides as to the government then controlling Greece. There were those who wanted to see another form of government in Greece, which would make it probably what it is going to be in the future.

So I say that we should approach the problem of China by asking ourselves the question, What is in the national interest of the United States?

Apparently the announced policy of those who have thought about it is to stop communism wherever it may be, and to improve and enhance democracy wherever we may have an opportunity anywhere in the world, not only in the Atlantic and in Europe, but all over the world. That being the case, it seems to me that we have something to do in the Pacific and the Orient. A Pacific pact may be the answer.

There are great arguments as to whether or not we can give military aid. Much has been written and much has been said on the question of whether what is occurring in China is a civil war. If it were a civil war, our traditional policy would be hands off. My best information from China—and I have a great deal of information from China, from those who know the facts and who have an objective interest in what is occurring there—is that it is not a civil war. If the same thing had happened to a country in Europe that is happening today in China, we would long ago have been active in correcting it. So I say that I think the time is overdue. I rise today not only to express the hope that the pending treaty will receive the approval of the Senate, but the hope that this job is not frozen, as the Senator from South Dakota [Mr. MUNDT] feels it is.

I hope this will be only one step in what we plan to do for all the peoples of the world, including our own interest, for the furtherance of peace and democratic processes. I hope that even now we can make a start toward achievement.

Perhaps a Pacific pact would not be similar to the pending treaty. Perhaps it would not have the same wording or the same objectives as this pact, but it should be a pact suited to the needs of the Pacific nations. Such a pact would be a great help to nations other than China. It would be a great help to Siam, which is now fighting against communistic encroachment. It would be a great help to French Indochina, to Java, and to Burma, and all the other countries where communistic uprisings have been occurring daily, and where the condition of the people is such that communistic ideologies and doctrines may easily take hold, so that we may be years in establishing democratic or decent governments in that area.

I think that before steps are taken actually to enter into negotiations for a Pacific pact, which I have urged for many months, there are other things we can do, following the same pattern, and with the same objectives and motives we have in what we are discussing here today. I think it is high time for the American Government to let the world know that we are never going to recognize a communistic government in the Orient so long as there is an anticommunistic government in existence. I think we should do something shortly regarding a survey as to the possibility of sensible military assistance to any anticommunistic government which would be against the present communistic regime in parts of China.

All this may lead to some interesting conclusions, conclusions which might bring us to the realization that we can do a great deal in the Orient. All is not yet lost. Those of us who have lived in the Orient appreciate the fact that, in most cases, the oriental mind is a great deal more spiritual than economic or military.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. WHERRY. Will the distinguished Senator indicate to me, if aid is given, either economic or military, whether it would be given, after the survey is made, to nationalistic organizations or governments, or whether it would be extended through a coalition government, if such a government were recognized?

Mr. MAGNUSON. I will say to the distinguished minority leader that if it is possible to give that type of aid, it should be given to a coalition government, which is now forming in China, and which does not have within it the same personnel as the Nationalist Government, about which there has been so much controversy.

If a Pacific pact were concluded in that area, the signatories to the pact might be able so to police the government that we might have at least an anti-Communist government, which would give some hope to the people of China, who do not want a communistic government.

Mr. WHERRY. Would a coalition government in China be anticommunistic? I may say to the Senator that I am in total agreement with the Senator's observations with regard to aid to China.

Mr. MAGNUSON. I cannot speak with authority, but I believe that the real leadership in China is anticommunistic. I feel that there is the belief in the minds and hearts of most of the Chinese people that any government which they could finally achieve, whether it be a coalition government or a nationalist government, operated as it should be operated, should be anti-Communist.

Mr. WHERRY. Mr. President, may I ask the distinguished Senator another question?

Mr. MAGNUSON. Certainly.

Mr. WHERRY. In the event the coalition government were not anti-communistic, what would be the impact upon the people of Formosa or south China relative to aid in any form?

Mr. MAGNUSON. I do not quite get the purport of the question.

Mr. WHERRY. The point I make is this: When the survey about which the Senator is speaking is completed, if aid is to be given, it is very important to know where the aid should go, in order that it may not fall into Communist hands.

I understand, following a recent visit to the White House, that the policy which we have been pursuing since 1939 has been more or less based upon a coalition government.

Mr. MAGNUSON. It is based upon the hope of a coalition government.

Mr. WHERRY. My feeling is that whatever aid is given in China should certainly be given to a government which is anti-Communist. For that reason, I ask the distinguished Senator, if aid is to be given, whether or not a coalition government should receive it; and if a coalition government were formed, whether or not it would be anticommunistic.

Mr. MAGNUSON. Of course, it would be anticommunistic. I believe that before we do anything in a material way we shold know exactly what is going to happen. My point is not so much a plea for anything material. I think material aid must follow any of

these pacts, based upon the wisdom and judgment of the Congress of the United States as to when, where, and how much. But my plea, if I make a plea, is that something more than material aid is needed. A great deal has been said here about psychological warfare and about the psychological approach to these problems. If that means something in our approach to the North Atlantic problems, it means twice as much in our approach to the oriental, because, as I say, the oriental is more spiritual than material. In most instances the oriental lives on faith and hope. God knows, they do not have enough of the material things of life even to have a decent standard of living.

Knowing the Orient a little, as I do, I think that unless there is a psychological approach, unless countries of the Far East have some hope that there will be a Pacific association of nations to help them, just as we are helping the Atlantic nations, unless the countries of the Far East have hope that there will be for them some rehabilitation plan similar to the Marshall plan, their resistance to the Communist forces will be seriously impaired.

Ironically, Mr. President, the doom of the government of China began with General Marshall's report. At the same time when that distinguished gentleman was formulating a report or plan which evolved itself into the Marshall plan, which we know is doing such a fine job in Europe, General Marshall made a report on the situation in China. In that report he suggested that those in authority in China form a coalition with those who were the Communists in the north. Of course that was a fatal mistake, for there is no such thing as a coalition with Communists. Once you attempt to cooperate with them, they take you over. That was the beginning of the end of the present so-called government in China.

But today I make a plea for the nations in the Pacific area. China and the other oriental countries would be tremendously encouraged in their fight against the inroads of communism in southeastern Asia if it could be known that the United States of America, the hope of all the world, which at the present time is considering how it can help the small nations of Europe, would, when it is through with that problem, help the nations bordering the Pacific work out an arrangement by which they would be safer and freer and have a better living.

I do not know how much material aid and military aid should be given to China. I think that matter must be most carefully considered. I do know that we must strengthen the anticommunistic forces in the Far East. Otherwise, all the debate we have here and everything done in connection with the North Atlantic Pact will be in vain.

In terms of the future of the world, what is the importance of keeping Greece out of the hands of the Communists, as compared with the importance of keeping out of Communist hands a territory having over 600,000,000 people and having the greatest potential resources in the world? If the Communists control all of China, they will control a country which has more resources, more manpower, and greater potentialities than are to be found in all the vast areas of Russia. I believe that Russia deliberately developed the Berlin situation and built a bonfire there in order to divert our attention from the great fire occurring in the Far East. In terms of the future of the world and its welfare, how does the control of Berlin compare with the control of China?

So, Mr. President, the giving of serious attention to the problem in the Far East and among the nations bordering the Pacific is long overdue. I do not criticize the placing of the North Atlantic Pact first. I remember that during the recent war, the boys in the Pacific often criticized the plan by which the job in the Atlantic was done first. However, that turned out to be a wise step. Perhaps this pact is a wise step. But, Mr. President, if we are to consider the national interests of the United States of America, I think we must give some hope to the people of the Far East.

I think a Pacific Pact is the answer to the problems facing Australia, Chile, Peru, and all the other countries of South America and other countries in the Pacific area that are not parties to the North Atlantic Pact. A Pacific Pact would give them courage and hope. Such a pact might even be the solution of the problem as to the kind of government to have in Japan, once the occupation forces leave there. Such a Pacific Pact would make easier our defense problems in the Pacific.

Of course, Mr. President, no pact is worth the paper it is written on without a strong defense and a strong country behind it. Certainly a Pacific Pact would solve some of our problems in Alaska. It would not leave us all alone in the Pacific, as we are today.

I am not too much concerned about the type of government China ultimately has. I am not too much concerned whether within the tent of a Pacific family of nations, similar to the Atlantic family of nations, there might be some bad elements. Of course that might occur. But I am concerned over the possibilities that communistic Russia might control the greatest potential resources and the greatest raw-material areas in the entire world.

Mr. President, there still is hope in that situation. The Chinese fought the Japanese for eight and a half long years, and during that time the Japanese controlled more Chinese territory than the communistic Government in China controls today. During the recent war the Japanese controlled all the seaports and all the lines of communication in China. Today China still has control of many of them.

Of course, Mr. President, it is not necessary to have the Congress pass a law in order to permit military aid to be supplied to the countries on the Pacific, to the countries of the Far East. But, short of military aid, we should provide real help. It is time that we turned our attention to that great problem. As I have said, defense is a part of the problem.

I intended to talk a little today about the defense in the Pacific, knowing that if we proceed with the North Atlantic Pact it will mean nothing unless we back it up by providing for defense in the Pacific, as we have provided in the Atlantic and in Europe and in the Mediterranean.

Mr. President, recently an important study of the defenses in the North Pacific has been made by Fergus Hoffman, a very able newspaperman in my city. He has written an important series of objective articles on that subject, and regarding Alaska in particular. Without burdening the Senate at this time, Mr. President, I ask unanimous consent to have printed, not in the Appendix of the RECORD, but in the body of the RECORD, my statement regarding Mr. Fergus Hoffman's very fine analysis of the situation, which also involves what I have been discussing today; and in that connection I also ask to have printed in the RECORD a part of Mr. Hoffman's testimony before the Military Affairs Subcommittee of the Senate Appropriations Committee.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

The tragedy and potential disaster inherent in Alaska due to our failure to adopt a realistic defense program there in these past 4 years was forcibly brought to the attention of members of the Senate Appropriations Committee yesterday.

Fergus Hoffman, a reporter for the Seattle Post-Intelligencer who has traveled widely throughout Alaska, described how postwar changes have left many of our World War II bases in Alaska in no condition to face a sudden invasion from a new direction—the transpolar regions.

Even where we have Alaskan bases oriented against future demands, we lack the necessary troops to defend those bases. Now this is something that I think not only the Congress but the country at large should understand:

If Alaska is to be effective as our northernmost guardian against aggression from the other side of the polar ice cap, we must begin immediately to give the armed services the men and materials they need there.

We must not only erect the radar "picket line" on our Arctic perimeter to give adequate warning of invasion—we must also see to it that adequate troops are stationed at those radar units to protect them against the sneak attacks which could paralyze the entire warning system of the North.

We must provide ample funds for military housing. This idea of sending our fighting troops to Alaska only for the summer must be abandoned. They cannot live in the temporary wartime shelters which were not designed for permanent use. In fact, many of these, racked by wind and storm, have literally been blown away—they are tar-paper shacks and skeletonized huts. Instead, we must have permanent barracks wherever we have permanent Alaskan bases. At the end of the good weather in Alaska last summer, the Air Force and the Army had to bring 7,000 troops back to the United States because there was not enough all-weather housing to enable them to spend the winter in the north.

Another important "must" in the requirements for Alaskan defense is the suggestion by Mr. Hoffman that the United States immediately enter negotiations with the Dominion of Canada to make the Alaska Highway more easily accessible to the freight lines now unable to use the road as frequently as military demands require. The principal obstacle at present is the poor condition of the provincial road system leading into the start of the Alaska Highway at Dawson Creek, B. C.

If American-Canadian cooperation can bring a lifting of present load restrictions on the present provincial route, the heaviest trucks will then have access to the Alaska Highway at will. The armed services in Alaska now must incur the additional cost of sending their freight by rail to Dawson Creek; if this snag were eliminated, American trucks could roll straight from the Pacific Northwest and the Middle West to Fairbanks and Anchorage.

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STATEMENT OF FERGUS HOFFMAN, STAFF CORRESPONDENT, THE SEATTLE POST-INTELLIGENCER

Alaska, fashioned by geography to be America's first line of defense or offense in transpolar war, today is little more than the most widespread collection of potential Pearl Harbors under the Stars and Stripes. From the Arctic isolation of Barter Island through Bering Strait and far out into the North Pacific where the Aleutians point a warning finger at the Russian-occupied Kurile Islands, there are Americans who realize only too well that their stations in wartime would immediately become little Corregidors.

This is a seeming paradox, in the face of the lesson so swiftly learned on June 3, 1942, when Jap carrier fighters and bombers slashed out of an Aleutian fog bank to bring World War II to Dutch Harbor. Dutch Harbor survived, but Kiska and Attu fell—cut off, isolated, occupied. If the Jap task force which crept up on Dutch Harbor had persisted, instead of suddenly retreating in the face of surprise resistance which was not as strong as it appeared, the Japs well might have taken Dutch Harbor and its outlying defense bases at Umnak and Cold Bay as well.

In the grim months that followed, Alaskans and the fellow Americans who came to help them bitterly absorbed the meaning of unpreparedness and solemnly swore they would not be caught off guard the next time. Now, when the next time might be any time, Uncle Sam is asleep in the north again. It is an ill-earned slumber, disturbed by the persistent proddings of worried civilians and military men who are not asleep, but not unless the alert voices are heard in the Halls of Congress can the Nation as a whole be awakened to the dangers breeding beneath the pole star. The cost of security in Alaska is the price of freedom in America; postwar events have seen the Nation's defense axis pivot sharply to the north, and unless we wilfully risk invasion, the United States now must implement its swiveling bulwark with permanent, modern bases and the men to man them.

So much was written during World War II of the speed and force with which Alaska was converted into a battle front that the public in general retains the impression that the north land has been permanently girded with fortresses and air bases fit to meet any onslaught.

This is not the case.

Alaska is weak.

If war broke out tomorrow, the enemy well might occupy Point Barrow, Nome, Dutch Harbor, and Kodiak while our military efforts were concentrated upon begging and borrowing enough airplanes to ferry troops from the continental United States to defend mainland centers such as Anchorage and Fairbanks. Meanwhile, the enemy in well-planned procedure could be launching Alaska-based planes against the industrial might of the Pacific coast and the Middle West. Well enough to say that we could really and eventually drive occupation forces back, or perhaps sever their air and surface lines—but will America in an era of atom bombs and guided missiles have time for all this?

America has the time now. She has the time to keep a single Navy patrol plane on guard along the Alaska Peninsula and the Aleutians and another on patrol along the Bering Sea coast—when they are not busy with air-sea rescues, supply missions, and the multitudinous chores which fall to a skeletonized force. Across the throat of Bering Strait, meanwhile, only 58 miles away, a steady stream of Arctic-wise mariners and airmen bustles up and down the Siberian coast to keep the growing outposts of Soviet Russia supplied and guarded. For Alaska's 33,000 miles of coastline, indented with deep, hidden harbors and frequently masked by fog and storm, Uncle Sam relies for protection largely upon reports from fishermen and wanderers and natives. Intelligence officers of the military services and agents of the Federal Bureau of Investigation must learn of strange wheel markings on Alaskan flats from Eskimos; this was the case when tire traces were found by native hunters on St. Lawrence Island. The Eskimos described in detail their find, but by the time their report reached official ears, the trail was cold. Another party of Eskimo walrus hunters, braving the Bering waters in their skin umiaks, sighted a submarine on the surface. They made toward it and the stranger submerged. By the time the report was relayed to a mainland air base, the visitor was nowhere to be found.

The Eskimo hunters, telling this correspondent of the submarine, shook their heads in amazement at the discourtesy of the vessel they had hailed.

"It could not have been American boat," they said. "Why would American boat hide from us?"

It is fantasy to imagine that reconnaissance by an unfriendly power does not take place regularly along Alaska's unguarded coast. There is little to prevent it—and every reason for a potential enemy to want to garner every detail he can about the state of our northern defenses. This is as certain as it is that ships of the Russian merchant marine have made repeated excuses in an effort to win emergency permission to enter Dutch Harbor, Cold Bay, and other ideal bases along the Great Circle route of the North Pacific. The persistent, continuing determination of the Russians to collect military information about Alaska was grimly illustrated to hapless American Eskimos from Little Diomede Island in the summer of 1948 when they were imprisoned and grilled for days on Russian Diomede Island less than 3 miles away. Technically, the American Eskimos were guilty of illegal entrance into Russian territory because they make their usual summer visit to relatives on Big Diomede after Russia abrogated the long-standing agreement which permitted these visits. Notwithstanding the highly accidental nature of their transgression, the American Eskimos were cross-examined, ill fed, and mistreated. Then the little supply ship *North Star* of the United States Alaska Native Service, heading in toward Little Diomede, flashed its searchlight against the Russian island—the American prisoners were set free the next day.

In addition to the postwar details so freely available, Russia has in its possession a detailed knowledge of Alaska from border to border, a knowledge deriving from the dramatic "Alsib" days when Russian pilots flowed across Alaska to take delivery of warplanes to be flown to Siberia and on to the European war front. The Russians, their foresight sharpened by a master plan projected far beyond VJ-day, insisted they could spare the pilots to ferry planes from Alaska but specified that no Americans would be permitted to take planes to Siberia. Similarly, America equipped a complete maritime base on the edge of the North Pacific so the Russians could take delivery there of lend-lease vessels they then took into the secret ports of their Siberian coast line. It is from bases on this mystery-shrouded coast, as the Alaskan Command officially has pointed out, that war well might bring showers of guided missles upon American cities as far away as Los Angeles.

Perhaps a guided missile with a range of 4,000 miles is in the conjectural stage now (and perhaps not) but before the Nation decides not to erect defenses in Alaska which could cope with such attacks it would be wise to read what the Alaskan Command says of guided missiles from the west:

"The possibility of such operations should not be ignored."

Possibilities, the rocks upon which more than one military career foundered on Pearl Harbor Day, are as numerous in Alaska as the caribou that migrate in week-long files through Anaktuvuk Pass in the month of March. No man exists who has seen all of Alaska, the vast land that could swallow Texas and still have room for Florida. Obviously, with its perimeter virtually unguarded, with 586,400 square miles of almost empty space, Alaska cannot be physically protected at every place where there is a possibility that an enemy might land.

It was to provide a neutral, informed report of the true state of our Alaskan defenses that the Hearst newspapers assigned this correspondent to Alaska. From Navy patrol planes, from 50-foot power boats on the Bering Sea, from treaded "weasels" rumbling across the Arctic tundra, from Indian Service motorships and commercial cargo planes, from Ketchikan to Barrow, anyone with eyes in his head would see the same thing:

1. Alaska is strategically located for the defense or offense of the United States.

2. Alaska needs more military bases.

3. Alaska needs money to provide troops to defend the bases it now holds.

4. Alaska needs assurance that never again will it be a stepchild of Uncle Sam, dependent upon the whim of the American taxpayer and the peace propaganda of Soviet Russia.

The many facets of the burning problem of Alaskan defense reflect themselves in a single glass: the general undevelopment of the sprawling country. Perhaps 90,000 persons inhabit the Territory, 34,000 of them Eskimos, Aleuts, and Indians. This comprises no source from which a military force may draw sustenance, and, as a result, the armed services are dependent upon imports for virtually 99 percent of their needs.

A striking example of the effect which such a thin-spread population has upon defense efforts occurs in construction costs. The climate limits active construction in most parts of Alaska to from 6 to 8 months a year. Workers cannot be attracted to short-term employment without added inducements, including transportation to and from the States. Add to this the expenses of importing almost all basic raw materials, except, in some instances, lumber, plus the expense of food, supplies, and equipment which must be brought from the continental United States, and you find that Alaskan defense construction costs may range up to two and one-half times as much as in the United States proper.

For this reason, it may be safely said that anything which benefits Alaska benefits the defense of Alaska. The military, in a commendable example of cooperation, is working hand-in-glove with Governor Gruening, the Department of the Interior, and other civilian Government representatives on multiple projects designed to increase the Alaskan population by immigration. However, this is a long-term project, a vision in decades, and the Nation may have cause to question the immediate value of such methodical progress.

What is needed in Alaska now is the green light from Congress. Funds should be made available to build suitable housing for all the troops required to defend all the bases the military believes are fundamental to the defense of Alaska.

Provisions should be made for the training—not in company strength, as at present, but in regimental strength—of American troops in northern warfare.

A rigid perimeter warning system should be erected immediately so that aerial infiltration of Alaska can be detected and reported at once.

The Congress should investigate and reassess the military value of our now abandoned or depleted Aleutian installations in the light of changing conditions in Asia, keeping in mind that Alaska is vulnerable not only from the North but from the West.

Specific directives should be issued, and implemented with all required manpower, equipment, and supplies, to assure the maintenance in Alaska of a force sufficient to repel any invader. Perhaps the words of the Alaskan Command in describing the success of its test maneuvers under Alaskan conditions are somber; most certainly, they are true.

"Since we have proved these operations feasible, we must assume that they can be accomplished by others."

Mr. MAGNUSON. Mr. President, I also ask unanimous consent to have printed in the RECORD certain factual statements regarding China. These statements present cold, hard facts, rather than one man's opinion or the opinion of any group. I must say that in the statements the type of government in China is not discussed; but the statements present facts which might have some bearing upon the peace of the world and the future of the world and of the United States, in particular.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

1. The area taken over by the Communists represents about one-fourth the area of China. The area under the Japanese since the early part of the last war was two to two and one-half the area under the Communists at present.

2. In terms of population, the Communist-dominated China has approximately a population of 180,000,000, about 39 percent of the total population of China (460,000,000).

(a) At the time of the Japanese war, Japan was already in full domination of Manchuria since 1931. Japan invaded and took most of north China and substantial portions of northwestern China (Inner Mongolia). Japan attacked and took Nanking and Shanghai and Hankow during the first half year of the war (August to December 1938). In 1944, Japan went through central and southwestern China, cutting the nation into two parts. The Japanese also took Canton early in the war. The area under Japanese occupation since the early years of the war was 2 to 2½ times the area now under Communist domination.

(b) More importantly, from 1938 on, Japan completely cut off China from communications by sea, occupying all China's ports. Hence the necessity of the Burma Road and the "Hump" operation.

(c) Government area today commands many seaports, all along the coast, and is free to communicate through Indochina and other bordering southeast Asia areas.

(d) And yet, the Chinese Government was able to carry on the war against Japan for 8 years, until VJ-day in 1945.

3. (a) Communists dominate the main wheat- and soybean-producing areas. The government area is rich in rice production, especially in the lake region of Hunan Province and in the Chengtu Plains of Szechuan Province.

(b) Prewar statistics would have shown that much of the industrial assets of China have fallen into Communist hands. This is especially true of the highly developed region of the northeast, Manchuria.

Two facts mitigate the importance of this statement:

(1) After the Soviet entry into war in 1945, it is known that Soviet troops had taken away and destroyed practically all the industrial assets of Manchuria, so that even if Russia should attempt to return to the Communists what they had taken away, much of it will have been lost due to the methods the Russians employed in removing the equipment, according to the Pauley report, approximately $2,000,000,000 worth of materials were thus accounted for by the Russians.

(2) During the 8 years of the war the Government had concentrated its efforts toward development of central and especially southwestern China, with the industrial resources of Formosa; it can be seen that the Government of China still possesses substantial industrial resources.

Another interesting fact is that many of the essential products of China's foreign trade are produced in areas held by the Government. These include such strategic materials as tungsten, manganese, antimony, tin, mercury, and agricultural products such as tung oil, bristles, tea, silk, and other edible vegetable oils. Besides the above, all overseas remittances, which traditionally form a substantial portion of China's balance of payments, are remitted to south China.

4. The Chinese Government has had long and bitter experience with collaboration with the Communists. These experiences have proven that collaboration is impossible.

5. The Government is firm in its determination to protect the Chinese Constitution of 1946, which Gen. George C. Marshall described as a democratic constitution, with a full bill of rights. President Chiang Kai-shek is the elected President of China under the 1946 constitution. He cannot and will not agree to the abrogation of that constitution, which was adopted by the elected representatives of the people, as demanded by Mao Tse-tung, chief of the Chinese Communists in his 8-point program for peace. President Chiang would be betraying the confidence of the Chinese people if he were to agree to such terms. (The Chinese Communists had boycotted the Constituent Assembly which adopted the constitution, and had consistently denounced the supreme law of the land.)

6. Neither can President Chiang agree to the abolition of international treaties which the Chinese Government had entered into solemnly with friendly powers. He cannot and will not agree to the unilateral denunciation of the Chinese-American Treaty of Friendship, Commerce and Navigation, which was based on the principles of mutuality and reciprocity, which was signed by President Truman and ratified by the United States Senate as late as November 1948. Communist leader Mao Tse-tung had ordered mass demonstrations against the treaty, and denounced it as "an instrument of national betrayal," a treaty dictated by American imperialism, and sought to reduce the Chinese people to slaves of American capitalists. President Chiang can never agree to Mao Tse-tung's conditions of peace which included unilateral denunciation of this and other treaties with friendly nations.

7. President Chiang, even in retirement, stands as the one leader of China committed to a policy of containing and fighting world communism in China and in other countries of Asia. It is well known that if China falls to communism, many key areas in the Far East will feel the profound effect of that fall, and they too will fall one by one. These countries include Burma, Indochina, Indonesia, Siam, Malaya. Communist movements in India, Pakistan, the Philippines will become much stronger. Above all, the position of the United States in Japan and South Korea will have become untenable.

8. The peoples of Asia comprise 1,000,000,000 people, half of the human race.

9. These areas contain rich natural resources supplying all countries of the world. It has been correctly stated that, without the supply of materials from the Far East, European recovery will receive a serious setback. United States resources cannot make up the deficiency; in fact, the United States itself depends upon some of these materials.

10. The march of communism in China is a serious menace to the free world. Communist attacks are now concentrated in China, and it is here that effective steps must be taken to check its expansion.

11. China still has a vast base of operations, with abundant manpower and natural resources. China is must stronger today than during the war against Japan.

12. Impoverished by long years of war, however, China needs outside assistance to stem the tide of Communist advances, and eventually to fight back.

13. Above all she needs small arms and ammunition to replenish her armies. Much of the decrease of morale on the part of the government troops is due to the lack of arms and ammunition. A soldier unarmed is not a soldier as such. The shipments of small arms and ammunition under the $125,000,000 aid program to China, though voted by Congress in April 1948, did not arrive in China until the month of November 1948. Some shipments are still on the way.

14. The Chinese Army, many units of which were trained by Americans during the war, now requires technical training and know-how which can only be furnished by Americans. A military mission to China with technicians and logistic experts will do wonders to the Chinese Army.

15. Some economic assistance is also required, and it will have more effect now than before, as much of ECA supplies went to take care of the 28,000,000 refugees from communism which clustered the main cities of China. The smaller area now under government control after the loss of Changchun and Mukden in Manchuria, Peiping and Tientsin in North China, will enable the economic assistance to be of more effect.

16. The Chinese Government is prepared fully to cooperate with the administration of any program of assistance.

17. The Chinese were able to carry on the fight against Japan because of the moral and material support of the free world, principally the United States. They still require this moral support of their fight against communism from the free peoples of the world. It will do much to boost the morale of the troops and the people.

18. The Chinese are individualists like Americans. They abhor the collectivism and totalitarianism of the Communists. Given full moral and reasonable material support, they will yet be the vanguards of freedom as they so ably demonstrated during the war against Japan, the first 4 years of which they fought the Japanese aggressors alone.

Mr. MAGNUSON. So, Mr. President, I make this plea again. I am going to support the North Atlantic Pact. I am going to support similar pacts. I believe that is our job in the world today. I believe that whether we like to have world leadership or not, the world looks to us for leadership. If the job is to be done, surely it cannot be done for the world in only one ocean.

## COMPETITION OF CHEAP LABOR WITH AMERICAN INDUSTRIES

Mr. SPARKMAN and Mr. McCARTHY adressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SPARKMAN. Does the Senator from Wisconsin wish to make some remarks?

The PRESIDING OFFICER. Does the Senator from Wisconsin want to conclude, by answering some questions?

Mr. SPARKMAN. I had two unanimous-consent requests to present, after which I intended to move a recess.

Mr. McCARTHY. I should like to have the floor for a few minutes.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. McCARTHY. I want to conclude my remarks mainly by yielding to the Senator from Missouri, and to answer his questions.

Mr. KEM. Mr. President, I should like to ask the Senator a question. As a preface to the question, I may say I was much interested in the very challenging address by the Senator from Wisconsin. I am inclined to think the incident he has brought to the attention of the Senate of unfair competition to an industry in his own State is typical of many other incidents of the same kind which now affect the United States or will affect it in the near future. I should like to ask the Senator whether the woolen-glove manufacturers of Wisconsin have been subjected to any competition from factories built with Marshall-plan money in any of the participating countries?

Mr. McCARTHY. I may say to the Senator from Missouri, it is not Marshall-plan money, but it is money that comes out of the same tax envelope. It is not what would technically be called Marshall-plan money that we are spending in Japan, but we are doing a number of things: First. We pay the military technicians and the experts to go there to teach the Japanese industrialist how he can copy the American glove, and the Japanese are doing a perfect job of copying every popular design; and second, of course we pay out of the same taxpayer's envelope the Army experts and give them the job of marketing the Japanese glove. Incidentally, the job of marketing the Japanese glove is solely and wholly under the control of our Army. Those in control, of course, are Americans, and the place in which they look for markets is the United States. They find they can get markets here by cutting the price sufficiently, and now they are selling the gloves in this market. I merely use the woolen-glove industry as an example because it is a small industry, so it is easy to demonstrate. Our own Army men send the gloves to this country, and undersell the domestic cost of production by 20 percent.

As I believe I said originally in my statement, the cost of a glove is largely a matter of the cost of labor. The cost of the material is practically nothing. When we speak of the cost of production, we speak of the cost of labor, the amount paid to the laboring man and woman.

Mr. KEM. The woolen-glove industry is a segment of the great textile industry in the United States; is it not?

Mr. McCARTHY. That is very definitely the fact.

Mr. KEM. I ask the Senator whether ECA has caused to be constructed with Marshall plan money in some of the participating countries good textile factories?

Mr. McCARTHY. I do not claim to be an authority on what ECA is doing, but the whole pattern disturbs me very much. I believe we all agree that it is important to have a large volume of foreign trade. Of course, if we expect to export, we must also import, and whenever there is an importation of goods, it hurts some American industry. I am not concerned with that, but I am concerned about the Marshall funds and ECA funds. We know that sizable plants are being built in Europe. That in itself, of course, is not too bad. I personally did not favor channelizing the funds through the governments of the participating countries and having them give it away to their pet politicians. I felt we should loan the money to European industries the same as we loaned money to our own distressed industries during the war, realizing, of course, that perhaps we would make some bad loans, but loans that would be repaid, if possible, instead of giving certain groups entire plants that are entirely free of debt. Let us say we have plant X in Europe, built with ECA funds. There is no debt to be paid. Let us assume machine tools are being manufactured in the plant. We send technical experts to help them do that, to teach them.

Under the President's bold new plan we will go a step further. We will guarantee those industrialists a profit. In other words, let us say John Jones is employing 10,000 men in my city of Milwaukee, or in the city of Kansas City, Mo. Under the bold new plan he will be guaranteed a profit, if he goes to some slave-labor area, that is, a distressed and depressed area, and sets up his plant. Certainly it is an excellent thing for the people in that area. If it is wisely done, it may be good for them. He is over there, the plant is built with ECA funds; he makes a profit. He begins to pay labor possibly more than 12 cents an hour, as is done in Japan. Let us say he pays 15 or 20 or 25 cents an hour, as is done in many areas.

He is then allowed to ship his product back into this country. It is the identical product he had been manufacturing here. Obviously our laboring man who previously worked in his plant in this country cannot compete with labor getting 15 or 20 cents an hour. I am not sure that I make myself clear. But the plan seems to be, if the Japanese picture sets the pattern—and I believe it does—that we will place a premium upon moving factories from this Nation into the slave-wage areas of the world, and then guarantee the industrialist a profit, saying to him, "You can ship your product back into this country scot free." That of course means the transferring of jobs from this country to a foreign country.

Mr. KEM. I will ask the Senator if this is not the procedure: We build a factory with Marshall plan money, we install the latest American machinery, we send experts to operate the machinery and get the factory working. Then we send experts with knowledge of the American markets to tell them what to manufacture. Is that correct?

Mr. McCARTHY. We also send experts to lay out the marketing of the products in this country.

Mr. KEM. And do we not give them another advantage? In a case where there is any doubt that profits may be readily available, do we not guarantee them the convertibility of the money they want to take out of the enterprise?

Mr. McCARTHY. And in addition to that, under the President's bold new plan, we will, of course, guarantee a profit. I might say that in theory I am not against free trade. I think the greater the flow of free trade there is between two nations, the better. But I do not believe that it will help any area of the world, if we say to industrialists in an area in which starvation wages are being paid that they can ship their products to this country, and do it scot free, instead of improving the standard of living in the poverty stricken area.

What it will do, in my opinion, is to create vast poverty-stricken areas in this country. Where another nation pays substantially the same wages as we pay, I frankly can see no reason at all for a tariff. I can see no reason for any restrictions of any kind upon trade with such a nation. But I do think that where another nation allows starvation wages to be paid, there must be a tariff which is more or less commensurate with the difference between wages in this country and the wages in the foreign country. I am not sure that I am answering the Senator's question.

Mr. KEM. Yes, I think the Senator is answering it. I should like to ask another question. As an American lawyer and a distinguished former judge, I assume the Senator believes in the American principle that monopolies constitute unfair competition. Is that correct?

Mr. McCARTHY. There can be no question about that.

Mr. KEM. I will ask the Senator what he thinks about the ECA's promoting or implementing great national monopolies or cartels abroad, to trade in areas where American goods are being sold and have been sold in the past, or even in our own American markets? Does the Senator regard that as fair competition under the concepts of American law?

Mr. McCARTHY. Let me first answer by saying that I voted for ECA. I did not like the proposal to channelize all the funds through tottering foreign governments. I think that ECA has done better than a fair job. I do not regret having voted for ECA. I do think, in line with the Senator's question, that we are creating some vicious monopolies. I believe many phases of the program have been badly handled, and that we are finding more and more the truth of the proposition that it is possible for us to help the remainder of the world by destroying American industry and of course, American labor.

I notice, and I think it is very gratifying that laboring people, at least in my State, with many of whom I have very

close contact, are finally waking up and becoming aware of what is happening.

I think the Senator might be interested in a statement in a letter I have before me. It is an excerpt from a letter written by Col. R. W. Porter, Jr., executive officer to the Under Secretary of War, dated November 2, 1948, in which he is answering objections to this importation of Japanese gloves. He says:

Japan must export what she has to earn dollars to maintain herself, even if it is to be at the expense of American industry.

Again, on December 9, 1948, Mr. Williams, who is head of the Textile Division—I cannot recall the exact title, but at any rate, it is in general headquarters—says that Japan must sell in the United States regardless of consequences.

I think that is a viciously dangerous type of thinking. I believe we can absorb some of the glove production and the machine-tool production of other nations, but when there are men who say, "We do not care what the consequences are on American industry; we are in charge of selling, and we are simply going to dump the goods in the United States," it is very dangerous. To my knowledge, this is the first time in history that a nation has ever reversed the dumping procedure and decided to take up the surpluses of other nations and dump them in this country.

Mr. KEM. A nation which has a monopoly is in a peculiarly advantageous position to dump, is it not?

Mr. McCARTHY. Yes. Russia has nationalized the fur industry, obviously. They buy all their furs from the farmers and do a great job of dumping them through Amtorg.

Mr. KEM. There is freedom from taxation and there is a government monopoly of the whole market.

Mr. McCARTHY. Yes. As the Senator will probably recall, at the time of the Coplon spy trial there was considerable evidence, and stories were carried in the local newspapers which were pretty thoroughly confirmed, that Amtorg was the foreign organization which furnished the money for the subversive activities of Communists in this country.

I realize I am getting off on an entirely different subject.

Mr. KEM. When we help the socialization of industry are we not subjecting ourselves to the same sort of competition to which the Senator has referred?

Mr. McCARTHY. I am not so much concerned with that. What disturbs me is that we spend American money to build a plant in a foreign country; then we say to industrialists, "Go over there and we will guarantee you a profit and will send over experts and technicians," and we do not make any attempt to increase the wage scale in those so-called poverty-stricken areas. We allow them to produce goods at a starvation wage, send the product back into this country, and sell it at a price with which no local manufacturer can compete because of the decent wage which he pays to his employees. We seem to have completely lost sight of the fact that all we are doing is transferring a poverty-stricken area from some section of Europe to this Nation and, at the same time, doing very little to relieve the poverty-stricken conditions in the foreign area.

I might say that when I spoke of the glove industry I did not do it because I was concerned only with that industry. It is a small industry, and it is easy to see the whole pattern which is being established when the Army is deliberately saying, "We will use the 8-to-12-cents-an-hour labor and place orders in the United States which will account for between 95 and 97 percent of the total annual consumption, and we will leave for the American workers the production of about 3 percent of the product." That means that the American manufacturer will produce none of it, because no mill can continue to operate on 3 percent of production.

I hope that both the Democratic and Republican Members will join with me in a demand that the President, who has the power, will promptly take steps to prevent what is now happening, and say, "We will absorb only so much of the foreign production as we can absorb without wrecking our local industries."

## DEATH OF A. ROBERT COX

Mr. SPARKMAN. Mr. President, I am getting ready to move to take a recess, but before doing so there are a couple of unanimous-consent requests I wish to make.

First, I have received a letter from Mr. Paul A. Strachan, president of the American Federation of the Physically Handicapped, Inc. He is himself totally and permanently disabled and has done a remarkable job in behalf of the physically handicapped persons in this country.

I ask unanimous consent that the letter which he has written to me regarding the death of a physically handicapped person be placed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF THE PHISICALLY HANDICAPPED, INC.,
*Washington, D. C., July 13, 1949.*

Hon. JOHN J. SPARKMAN,
*United States Senate,*
*Washington, D. C.*

DEAR JOHN: At our convention, you will, no doubt, recall having met A. Robert Cox, "Abbreviated Bob," as he called himself, who got about in a wheel chair, he having had his legs amputated at the hips, some 15 years ago, after having suffered an auto accident which completely paralyzed his lower limbs.

I say, John, Bob Cox was a great man and a roundsman of the Lord. He had courage beyond compare; he had that priceless thing called enthusiasm for living. He loved his fellow men and, particularly, his heart bled for the millions of handicapped in this country.

He never let his physical handicap get him down. After his first operation he built up a business by telephoning from his bed. Later, he procured and learned to drive an auto, with manual controls, and he drove all over the Middle West, and over a great deal of the United States, otherwise.

He organized several lodges of this federation throughout the country and we regarded him as one of our most valued officers. Our federation sorrows at his death and asks that, in view of his many friends throughout the country that you kindly insert this letter in the CONGRESSIONAL RECORD as a mark of recognition of the splendid services which Bob rendered to his fellow citizens.

I also ask that the following dispatch from Saginaw, Mich., be included:

"PLUCKY CRIPPLE DIES 1 MONTH BEFORE WEDDING

"SAGINAW, MICH., July 4.—Misfortune that dogged a courageous cripple for nearly half his 33 years finally licked him yesterday, a month before he was to marry a girl he had met in his work for the physically handicapped.

"Plucky A. Robert Cox, a weaver, and nationally known as one of the founders of the American Federation of the Physically Handicapped, died of a kidney infection in St. Mary's Hospital.

"Bob was severely injured in an auto accident 15 years ago. He won his first fight for life then, but paralysis left him helpless. After 6 years of staying in bed he asked doctors to amputate his paralyzed legs. They refused, saying the operation might kill him. At Bob's insistence the legs were taken off, and he again pulled through.

"Since then he had been extremely active in organizing groups of physically handicapped persons. At the same time he carried on his weaving business in Saginaw.

"But 3 weeks ago the infection sent him back to the hospital. Doctors at first gave him no chance at all, but his supreme will to live kept Bob fighting.

"The end came yesterday—a little more than a month from the day he had planned to marry Florence B. Foerster, of Bay City."

I will appreciate your complying with my request, John, and ask that you advise me.

With warm personal regards, I am,

Sincerely,

PAUL A. STRACHAN,
*President.*

## CAPT. JOSEPH G. FEENEY

Mr. SPARKMAN. Mr. President, on yesterday I read a news item which was of considerable interest to me, and I believe it was of interest to all Senators who during the last several years have had occasion to have dealings with the Navy's liaison officer on Capitol Hill, Capt. Joseph G. Feeney. The news item of yesterday told of his appointment as White House legislative assistant.

Joe Feeney did an excellent job when he was on Capitol Hill representing the Navy Department, and I know he can be relied upon to do an excellent job in his present position at the White House, serving more or less as legislative liaison officer between the White House and the Congress.

I wanted to say this word of commendation with reference to his appointment and to wish him every success in his new work.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to join the Senator from Alabama in expressing my hearty approval of the action of the President in his appointment of Capt. Joseph G. Feeney to be his legislative assistant.

I have known Captain Feeney personally since I took my seat in this Chamber early in 1945. In my opinion, his work as liaison officer for the Navy Department for the past 5 years has been particularly helpful to the Members of the Senate, and to me personally Captain Feeney has rendered most unusual and helpful service.

Captain Feeney was an outstanding hero of World War II, and as a result of his heroism in combat with the enemy he was the recipient of the Navy Cross and the Purple Heart.

I feel sure that he will be able to perform most useful service to the President, and we of the Senate shall always welcome his presence when his duties bring him to the Hill.

I know I voice the sentiments of all the Members of this body when I congratulate Captain Feeney on this important appointment, but, frankly, I think we should really be congratulating the President.

Mr. MAGNUSON. Mr. President, I wish to join with the Senators who have just spoken so highly of Capt. Joseph Feeney. He served his country and the Navy well during the war, and later served well as liaison officer for several years between the Senate and the Navy Department. The President has made a good appointment, and I wish to join Captain Feeney's many other friends in wishing him every success in his new position.

## RESOLUTIONS FROM THE AMERICAN LEGION, DEPARTMENT OF THE STATE OF ALABAMA

Mr. SPARKMAN. Mr. President, within the past few days the American Legion, Department of the State of Alabama, has held its convention at which several resolutions were adopted, six of which have been sent to the Alabama congressional delegation. They deal with matters with which the Congress is concerned. I ask unanimous consent that the resolutions be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas it has come to the attention of the American Legion, Department of the State of Alabama, in convention assembled in Mobile on July 3, 4, 5, 1949, that there are war-housing units in the Mobile and Gadsden areas and possibly other areas in the State of Alabama, which have been determined by the respective local housing authorities in those areas to be needed as low-rent housing units; and

Whereas under the present requirements of the acts of Congress, it is required that these housing units be demolished or disposed of by January 1, 1950; and

Whereas it is the opinion of this convention assembled that remedial legislation should be passed by Congress authorizing the transfer of such projects to the respective local housing authorities for use as low-rent housing projects: Now, therefore, be it

*Resolved*—

1. That it is the sense of this convention that the Congress of the United States should immediately pass remedial legislation providing for the transfer of war-housing units to local housing authorities for use as low-rent housing projects, war-housing projects which have been determined by the respective local housing authorities to be needed in the respective communities for use as low-rent housing projects.

2. That such remedial legislation is urgently required in order to provide housing facilities for veterans in the respective areas involved.

3. That this convention assembled requests that the Senators and Representatives of the Congress of the United States from Alabama assist in the passage of such legislation providing for the transfer of war-housing units to local housing authorities for use as low-rent housing units.

4. That copies of this resolution be sent to each Senator and Congressman from the State of Alabama.

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Whereas the Congress of the United States in passing the GI bill of rights intended that GI loans be made available to veterans for certain worth-while purposes; and

Whereas the intention of this bill is being defeated by the fact that facilities of private lending institutions either are not available, especially in the rural areas, or lending institutions are not interested in making these loans in many instances, resulting in veterans being deprived of securing these GI loans: Now, therefore, be it

*Resolved by the American Legion, Department of Alabama, in annual convention assembled in Mobile this 5th day of July, 1949,* That the Congress of the United States be called upon to provide the lending machinery and facilities to veterans wherever they might reside so that all veterans may benefit by the GI bill of rights in accordance with the legislative intent; be it further

*Resolved,* That the copy of this resolution be forwarded to each Representative and to each Senator of Alabama, and that they be requested to initiate legislation to this effect.

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Whereas the right of most veterans of World War II to receive readjustment allowances under title V of the Federal Servicemen's Readjustment Act of 1944 (known as the GI bill of rights) expires July 25, 1949; and

Whereas only about one-half of the unemployed Alabama veterans of World War II have rights to benefits under the Alabama unemployment compensation; and

Whereas unemployment amongst Alabama veterans is increasing; and

Whereas economic conditions in the near future may be such as to cause great hardship and financial distress to such veterans and their families: Now, therefore, be it

*Resolved,* That the American Legion, Department of Alabama, in annual convention assembled in Mobile on July 5, 1949, does herewith memorialize and petition the Eighty-first Congress of the United States of America now in session in the city of Washington, D. C., to extend the rights and privileges of veterans of World War II under title V of the Servicemen's Readjustment Act of 1944; be it further

*Resolved,* That a copy of this resolution be forwarded to the President of the United States, the Vice President, the Speaker of the House of Representatives and to each Congressman and Senator from the State of Alabama, and the members of the Veterans' Affairs Committee of the House.

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Whereas the American Legion was organized for the purpose of upholding and defending the Constitution of the United States of America, maintaining law and order, and fostering and perpetuating a one hundred percent Americanism, to inculcate a sense of individual obligation to the community, State, and Nation, to promote peace and good will on earth, and to transmit to posterity the principles of justice, freedom, and democracy upon which our Government is founded; and

Whereas there is widespread violation of the principles of trial by jury, of the security of the home, and of the freedom and liberty of the individual citizen by gangs and mobs, who seek to substitute force and violence for law and order; and

Whereas hundreds of thousands of the flower of American manhood have died upon the battlefields of the world to protect and preserve the principles upon which our country and the American Legion is founded and those of us who by good fortune were spared to meet here today, are determined to keep faith with the dead, and make certain that their sacrifice be not in vain: Now, therefore, be it

*Resolved,* that the American Legion, Department of Alabama, in convention assembled in the city of Mobile, July 3, 4, 5, 1949, hereby condemns each and every act of mob violence committed by mobs and hoodlums and thugs within the State of Alabama; and we hereby call upon each and every enforcement agency and official in Alabama to ferret out, arrest, and bring to the bar of justice each and every member of each of said mobs, to the end that justice and democracy be preserved; be it further

*Resolved,* That all law-abiding citizens of Alabama be and they are hereby each called upon to rally to the support of their respective local law enforcement officials and aid them to detect and place in arrest, each and every person guilty of acts of mob violence; be it further

*Resolved,* That the American Legion, Department of Alabama, commend General Gorgas Post No. 1 for its prompt, courageous, and effective stand against mob violence and that this department hereby express its staunch future support of each and every post in the State of Alabama required to act on the part of law and order for the good of the respective communities wherein they are located; be it further

*Resolved,* That the Congress of the United States be advised that local self-government is the cornerstone of democracy, that government must be kept close to the individual citizen, that the integrity of State and local governments must be preserved, and that the matter of the suppression of mob violence is for the State and local government and that said matters are now being appropriately handled by the people of Alabama without Federal interference.

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Whereas the Department of Alabama, the American Legion, in convention assembled in Mobile, Ala., July 5, 1949, wishes to express appreciation to the members of Alabama's delegation in Congress for their efforts to prevent the passage of legislation in furtherance of the civil-rights program; and

Whereas the State of Alabama has satisfactory laws for dealing with the problem of lynching; and

Whereas our present system of making the payment of a nominal poll tax a prerequisite to voting in the State is a State matter and of no concern of the central Government; and

Whereas many of the provisions of the proposed bill to establish a National Fair Employment Practice Commission will, if enacted into law, disrupt certain industries in our State, and are irreconcilable with our system of free enterprise and our present segregation laws; and

Whereas other provisions of the civil-rights program recommended by President Truman would be detrimental to the State of Alabama: Therefore be it

*Resolved by the Alabama Department of the American Legion,* That this convention applauds and expresses its appreciation to Alabama's Senators and Representatives in Congress for their efforts to forestall the passage of all bills that have been introduced in the United States Congress in furtherance of the civil-rights program, particularly their fight against antilynching laws, antipoll-tax laws, and the establishment of a National Fair Employment Practice Commission.

Whereas the Committee on Un-American Activities of the United States House of Representatives has rendered outstanding service in exposing the efforts of Communist and other subversive groups to undermine our Government and spread among our people ideologies antagonistic to our American way of life; and

Whereas this committee is carrying on a work which is in line with our Americanism program: Therefore be it

*Resolved by the American Legion, Department of Alabama, in annual session assembled in Mobile on July 5, 1949,* That we endorse and commend this committee and ask the Representatives from Alabama to vote to continue this committee; be it further

*Resolved,* That copies of this resolution be sent to the Honorable JOHN S. WOOD, chairman of the committee, and to each of the nine Representatives and the two Senators from Alabama, and that copies be given to the press for publication.

PROGRAM FOR FRIDAY

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WHERRY. Mr. President, I should like to state that in cooperation with the majority leader we have attempted to provide some sort of continuity in which Senators will speak on the North Atlantic Pact. The Senators who will be available tomorrow to speak on the pact will include the Senator from Indiana [Mr. JENNER], the Senator from Oregon [Mr. MORSE], the Senator from Florida [Mr. PEPPER], the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Missouri [Mr. KEM].

I do not say they will proceed in that order. Of course that depends upon the occupant of the chair. I should like to say, however, that while I am not asking unanimous consent that the Senator from Indiana [Mr. JENNER] be recognized, he has had to postpone his remarks, and I trust that the occupant of the chair will recognize him tomorrow. He had hoped to speak today, but he had to give way to other Senators who wanted to make their speeches in the time he would have had.

I feel that in cooperating with the majority leader it will help to arrange a program and expedite the whole matter.

I wanted to have that statement in the RECORD so that Senators could see it.

RECESS

Mr. SPARKMAN. Mr. President, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 58 minutes p. m.) the Senate took a recess until tomorrow, Friday, July 15, 1949, at 12 o'clock meridian.

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NOMINATION

Executive nomination received by the Senate July 14 (legislative day of June 2), 1949:

JUDGE OF THE JUVENILE COURT OF THE DISTRICT OF COLUMBIA

Edith H. Cockrill, of the District of Columbia, to be Judge of the Juvenile Court of the District of Columbia, to fill a new position.

# HOUSE OF REPRESENTATIVES

THURSDAY, JULY 14, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, Rev. Jacob S. Payton, D. D., offered the following prayer:

Gracious God, through the impartation of Thy spirit equip us for the duties that lie ahead. Make plain to us the path of righteousness, and grant us strength and courage to walk proudly and unfalteringly therein. Grant us, Merciful Father, companionship with things excellent by enabling us to live above the cares that fret and the temptations that debase. May we think Thy thoughts until our minds are elevated and every area of our lives is transformed.

May we never minimize the responsibilities of the use of a day nor grow insensitive to the solemn fact that present actions determine future conditions. This day, O Lord, may the work of Members of this body be acceptable in Thy sight. In the name of Thy Son, our Saviour, we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

THREE AFFILIATED TRIBES OF FORT BERTHOLD RESERVATION, N. DAK.

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 33) providing for the ratification by Congress of a contract for the purchase of certain Indian lands by the United States from the Three Affiliated Tribes of Fort Berthold Reservation, N. Dak., and for other related purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Florida? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MORRIS, MURDOCK, WHITE of Idaho, D'EWART, and LEMKE.

EXTENSION OF REMARKS

Mr. BLAND asked and was given permission to extend his remarks in the RECORD and include resolutions adopted by the Committee on Merchant Marine and Fisheries.

COMMITTEE ON THE JUDICIARY

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I present a privileged resolution (H. Res. 246) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That the expenses of conducting the studies and investigations authorized by House Resolution 238, Eighty-first Congress, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, within or without the United States, not to exceed $45,000, including expenditures for employment, travel, and subsistence of experts and clerical assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the House Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I present a privileged resolution (H. Res. 254) and ask for its immediate consideration.

*Resolved,* That the Committee on Un-American Activities is hereby authorized to pay, out of the funds made available to it by House Resolution 78 of the Eighty-first Congress, the sum of $526.85 to The Congressional, Inc., trading as the Hotel Congressional, for providing hotel service to Miss Elizabeth T. Bentley, from August 5, 1948, to August 18, 1948, both dates inclusive, while she was testifying before such committee.

Mr. LECOMPTE. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Iowa.

Mr. LECOMPTE. Mr. Speaker, it occurs to me that a word should be said about this resolution.

This resolution contemplates the payment of a bill from the Congressional Hotel for a room and services for Miss Elizabeth Bentley, who appeared before the Committee on Un-American Activities several months ago. Miss Bentley's appearance before this committee attracted Nation-wide interest. The bill is for more than $500 for 12 days' room service, and so forth, at the hotel named. This hotel is located back of the House Office Building.

Miss Bentley was subpenaed and appeared before the House Committee on Un-American Activities. A guard was furnished Miss Bentley during the time she was at that hotel and the meals for the guards are included in the bill. The guards or policemen drew their salaries from the District Government, presumably.

Mr. Speaker, the rules of the House at that time provided a maximum of $6 per diem as expense allowed to Government employees and witnesses for subsistence. Of course, this bill is a great deal higher than that. It is something like $15 a day for Miss Bentley's apartment, plus charges for meals for herself in her apartment and meals for the guards, and tips, and long distance telephone calls. However, the Committee on Un-American Activities apparently felt that it was necessary to have Miss Bentley here, that it was necessary to have her guarded all the time she was here, and that it was necessary to furnish meals for the guards during the time she was appearing before that committee. The bill could not be paid and okayed by the Committee on Un-American Activities because it was far in excess of the regular amount provided by the rules.

The resolution is amended, I think, by a provision to pay this bill out of the unexpended balance that remained of the funds provided the Committee on

Un-American Activities in the Eightieth Congress.

It occurs to me that inasmuch as this is an extraordinary bill the Members of the House should have a word of explanation in connection with it. If this bill is to be defended, it should be defended not by the Committee on House Administration but by the Committee on Un-American Activities, which committee contracted the bill and has never gotten the obligation discharged.

Mr. RICH. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Pennsylvania.

Mr. RICH. What hotel is it that charged $15 a day for a room for an individual?

Mr. LECOMPTE. It is the Congressional Hotel. The Committee on Un-American Activities authorized the bill, as I understand. This $15 a day is for the suite.

Mr. RICH. Who would authorize anyone to go to a hotel that would charge $15 a day for a room?

Mr. LECOMPTE. As I said before, the Committee on Un-American Activities will have to defend this bill, not the Committee on House Administration. The Committee on House Administration is merely undertaking to discharge an obligation of the Government that the Committee on Un-American Activities contracted. I am not defending this bill; in fact, I refused to okay this bill last fall when I was chairman of the Committee on House Administration or to sign a voucher for the payment of same. I regard this bill as an obligation of the Un-American Activities Committee and as such I submit that Members of the House should determine if the claim of the hotel is to be paid. I have never understood the necessity of having Miss Bentley here before the Un-American Activities Committee for 14 days.

Mr. RICH. I came in here one night about midnight and went over to that hotel and asked them for a room. They wanted $12 a night for me to sleep about 6 hours. So I just went to another hotel.

Mr. LECOMPTE. Of course they served meals to Miss Bentley in her room and she was under guard, and in the bill there is a substantial sum for tips. I do not recommend passage of this resolution. I only state the facts for the benefit of the House.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 1, line 3, strike out "78" and insert "48"; strike out "Eighty-first" and insert "Eightieth."

The committee amendment was agreed to.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 252) and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That the expenses of conducting the studies and investigations authorized by rule XI (1) (h) incurred by the Committee on Expenditures in the Executive Departments, acting as a whole or by subcommittee, not to exceed $50,000, in addition to $50,000 authorized by House Resolution 88, Eighty-first Congress, agreed to February 9, 1949, and $50,000 authorized by House Resolution 127, Eighty-first Congress, agreed to April 1, 1949, including employment of such experts, special counsel, and such clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ARLETTA B. ROBERTS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 275) and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That there shall be paid out of the contingent fund of the House to Arletta B. Roberts, widow of Parker A. Roberts, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death and an additional amount not to exceed $250 toward defraying the funeral expenses of said Parker A. Roberts.

The resolution was agreed to.

A motion to reconsider was laid on the table.

OFFICE OF THE SERGEANT AT ARMS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. J. Res. 298) and ask for its immediate consideration.

The Clerk read as follows:

*Resolved, etc.*, That in order to provide additional protection for the appropriated and trust funds of the Office of the Sergeant at Arms of the House of Representatives, the Comptroller General of the United States shall, not less frequently than once each 6 months, detail employees of the General Accounting Office to make an on-the-spot audit of all receipts and disbursements pertaining to the fiscal records of such Office of the Sergeant at Arms. The Comptroller General shall report to the Speaker and Sergeant at Arms of the House of Representatives the results of each such audit.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. MARTIN of Massachusetts. I understand that this has been done for the last 2 years. What change is made by the present resolution?

Mrs. NORTON. I do not believe there is any particular change except that the Sergeant at Arms would like to have the audit authorized by law.

Mr. MARTIN of Massachusetts. He would prefer to have this authority to have the books audited, rather than by his individual request?

Mrs. NORTON. That is correct. He thinks it should be authorized by law because he handles a great amount of money and would like to have that protection.

Mr. MARTIN of Massachusetts. Of course, I am certainly in favor of the resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution, House Concurrent Resolution 52, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That there be printed 1,000,000 additional copies each of the publications of the Committee on Un-American Activities entitled "One Hundred Things You Should Know About Communism in the United States of America," "One Hundred Things You Should Know About Communism and Religion," as amended, "One Hundred Things You Should Know About Communism and Education," "One Hundred Things You Should Know About Communism and Labor," and "One Hundred Things You Should Know About Communism and Government": *Provided*, That the above-named publications be printed in 1 volume, of which 900,000 copies shall be for the use of the Committee on Un-American Activities of the House of Representatives and 100,000 copies shall be for the House document room; be it further

*Resolved*, That there be printed 1,000,000 additional copies of the publication of the Committee on Un-American Activities entitled "Spotlight on Spies," of which 900,000 copies shall be for the use of the Committee on Un-American Activities of the House of Representatives and 100,000 copies shall be for the House document room.

With the following committee amendments:

Page 1, line 2, strike out "one million" and insert "two hundred and fifty thousand" in lieu thereof.

Page 1, line 12, strike out "nine hundred thousand" and insert "one hundred and twenty-five thousand" in lieu thereof.

Page 2, line 2, strike out "one hundred thousand" and insert "one hundred and twenty-five thousand" in lieu thereof.

Page 2, line 3, strike out the word "document" and insert the word "folding" in lieu thereof.

Page 2, line 4, strike out "one million" and insert "two hundred and fifty thousand" in lieu thereof.

Page 2, line 6, strike out "nine hundred thousand" and insert "one hundred and twenty-five thousand" in lieu thereof.

Page 2, line 9, strike out "one hundred thousand" and insert "one hundred and twenty-five thousand."

Page 2 line 9, strike out the word "document" and insert the word "folding" in lieu thereof.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. HOFFMAN of Michigan. How many of these will be available to the Members of Congress?

Mrs. NORTON. Seventy-five thousand.

Mr. HAYS of Ohio. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. HAYS of Ohio. This resolution was amended in committee to make 125,000 available to Members of Congress and 125,000 available to the Committee on Un-American Activities.

Mr. LECOMPTE. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. LECOMPTE. The original resolution called for 1,000,000 copies of 4 documents, bound into 1 volume, and 1,000,000 copies of another document. The committee reduced the number of each to 250,000, and provided that the committee would have at its disposal one-half of the 250,000 of each publication, and the balance would be distributed through the folding room, pro rata, to the Members of the House. Is that not correct?

Mrs. NORTON. That is correct. A great many publications are not used, and your committee felt that it would be in the interest of economy to print if and when necessary, rather than to have perhaps a 1,000 copies not used. This has been true in the case of a great many printed publications.

Mr. LECOMPTE. If the gentlewoman will yield, I might answer the gentleman from Michigan that the resolution is amended so that the documents provided for the Members of the House are distributed through the folding room, so that each Member will get an equal number.

Mrs. NORTON. That is true. I thank the gentleman.

The committee amendments were agreed to.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MONUMENT TO MOHANDAS K. GANDHI

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the consideration of House Joint Resolution 295, to erect a memorial to the memory of Mohandas K. Gandhi.

This resolution has the approval of the State Department and the Fine Arts Commission and the National Park and Planning Commission. The cost of construction and maintenance is to be upheld by the India League of America, so it will not cost this country anything.

The SPEAKER. The Clerk will report the joint resolution.

The Clerk read the resolution, as follows:

Whereas India's greatest leader, Mohandas K. Gandhi, has met the martyr's death; and

Whereas the beloved Gandhi throughout his life had brought to the people of India and peoples everywhere the meaning of a selfless devotion to peace, and with it the gift of his own unbounded spiritual wealth; and

Whereas Mohandas Gandhi's uncompromisable strength led India to the independence for which it had sorely struggled; and

Whereas the impact of his personality upon history is undeniable; and

Whereas in consideration of the cordial relations existing between the people of the United States and the people of India, and in the hope that a memorial to his memory in the United States may further those cordial cultural and spiritual relations between these two countries, and in the further hope that such a memorial will awaken and keep alive in people everywhere the sense of their individual dignity and independence as well as an abhorrence for civil, religious, and communal strife anywhere: Now, therefore, be it

*Resolved, etc.*, That authority is hereby granted to the India League of America, or any other organization which may be organized for this purpose, to erect, within 5 years from the date of the approval of this resolution, a memorial testifying to the wisdom and leadership of Mohandas K. Gandhi, as philosopher and statesman, in the city of Washington, on such grounds as may be designated by the Fine Arts Commission, subject to the approval of the Joint Committee on the Library. The model of the memorial so to be erected shall be first approved by the said Commission and by the Joint Committee on the Library, the same to be presented to the people of the United States without cost to the Government of the United States: *Provided*, That the cost of custodian maintenance of the edifice contemplated by this act will be borne perpetually by the organization undertaking its original construction.

Mr. HAYS of Ohio. Mr. Speaker, I reserve the right to object.

Anticipating the question of the gentleman from Pennsylvania, I may say that this memorial will not cost the Government of the United States anything, either to construct or to maintain after it is constructed.

Mr. RICH. Who is going to maintain it?

Mr. HAYS of Ohio. The people who are going to build it, the India League.

Mr. RICH. What is this for? Explain it; we could hardly hear. What do we want Gandhi over here for?

Mr. HAYS of Ohio. As I understand it, they are not to bring the remains of the gentleman to the United States; they are merely going to construct a memorial to his memory. The State Department is anxious and willing to have it done because they think it will promote better international relations. The India League is going to construct the memorial and maintain it after it is constructed on a site selected by the Fine Arts Commission.

Mr. RICH. Will he have his toga on or will he be sitting on his heels?

Mr. HAYS of Ohio. That will be up to the Fine Arts Commission, I imagine.

Mr. BROWN of Ohio. Further reserving the right to object, I merely wish to suggest to the sponsors of the resolution that the gentleman from Pennsylvania [Mr. RICH] is known as a very generous and very charitable man. I hope that he will be as easily approached to become the first contributor to this very desirable project.

Mr. RICH. Let me say in answer to the gentleman, Mr. Speaker, that I would rather spend my own money to help it than to tax my people back home for it.

Mr. HAYS of Ohio. That is exactly what they are going to do. Spend their own money. No one will be taxed.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, your committee has held several hearings, and has conducted numerous discussions on this resolution to memorialize Gandhi. It was introduced originally early in 1948, shortly after the great Indian leader was assassinated.

The gentleman from New York [Mr. CELLER] reintroduced it in the Eighty-first Congress, in the form of a simple House resolution. All hearings and correspondence on the measure were directed toward House Resolution 460, Eightieth Congress, and House Resolution 13, Eighty-first Congress. Letters came in from scholars, authors, historians, and various celebrated people, all urging favorable consideration.

The gentleman from Illinois, Hon. C. W. BISHOP, then chairman of the Library Subcommittee, called hearings for April 5, 1948, at which the gentleman from New York [Mr. CELLER] made his representation in person and was supported by other Members of the House, including Hon. KARL MUNDT, and the gentleman from Pennsylvania, Hon. JAMES FULTON. Mr. J. J. Singh, president of the India League of America, also presented a statement in person, and the Department of State was represented by Raymond Hare, then Chief of the Division of South Asian Affairs.

Subsequent hearings were held by the gentleman from Texas, Hon. KEN REGAN, subcommittee chairman, on June 22, 1949, when most of the above people returned, plus official expression from the Commission of Fine Arts, delivered by one of the commissioners, Frederick V. Murphy. He was accompanied by H. P. Caemmerer, secretary to the Commission.

Certain changes were made in the resolution as it then was composed, and these were incorporated in an entirely new bill, House Joint Resolution 295, which is the bill now reported out by your committee.

The Commission of Fine Arts, the National Capital Park and Planning Commission, and the Department of State, are all in favor of the enactment of the proposed legislation.

The report from the Secretary of State on the Gandhi memorial resolution is as follows:

JUNE 30, 1949.

Hon. KEN REGAN,
*Chairman, Library Subcommittee,*
*House of Representatives.*

MY DEAR MR. REGAN: I have received your letter of June 27, 1949, requesting my views on the merits of House Resolution 13 (now H. J. Res. 295) of the Eighty-first Congress, a resolution to erect a monument to the memory of Mohandas K. Gandhi.

This resolution represents a constructive and appropriate approach to the commemoration of a great man of peace whose impact upon history as stated in the resolution is indeed undeniable. The erection of a suitable monument to Mohandas K. Gandhi in the National Capital of the United States paid for by individual subscriptions would make a definite contribution to the genuine friendliness which already exists between the people of the United States and the people of India.

Sincerely yours,

DEAN ACHESON.

The SPEAKER. The question is on the resolution.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTINUATION OF ETHNOLOGICAL RESEARCH ON THE AMERICAN INDIAN

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I ask unanimous consent for the present consideration of the bill (H. R. 3417) to provide for the cooperation by the Smithsonian Institution with State educational and scientific organizations of the United States for continuing ethnological researches on the American Indian, approved April 10, 1928, and for other purposes.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN of Michigan. Is this a privileged resolution?

The SPEAKER. It is not.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians," approved April 10, 1928, is amended by deleting in the first section thereof the words "for continuing ethnological" and inserting in lieu thereof the words "to continue independently or in cooperation anthropological," and following the word "Indians" insert the words "and the natives of lands under the jurisdiction or protection of the United States;".

SEC. 2. Appropriations are hereby authorized for the maintenance of the Astrophysical Observatory and the making of solar observations at high altitudes; for repairs and alterations of buildings and grounds occupied by the Smithsonian Institution in the District of Columbia and elsewhere; and for preparation of manuscripts, drawings, and illustrations for publications.

Mrs. NORTON. Mr. Speaker, the purpose of this legislation is to give permanent statutory authorization to activities of the Smithsonian Institution which have been carried on with continuous congressional approval for upward of 70 years, to place these activities on the same legal basis which their other permanent activities have. Several years ago Congress requested the Bureau of the Budget to contact all Federal agencies who were carrying on activities with the aid of Federal appropriations without having clear-cut basic authority therefor, to advise them to submit drafts of bills proposing the requisite authorizations. This bill is in accordance with that suggestion. It will facilitate cooperative research projects in conjunction with other Federal agencies who desire to utilize the Institution's services, and to prevent points of order being raised against these nonstatutory activities during the consideration of appropriations for their support.

Enactment of this legislation will involve no increase in current appropriations. On May 3, 1949, the Bureau of the Budget cleared a justification report from the Smithsonian Institution to your committee, and further stated that this measure is in accord with the program of the President.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ONE HUNDREDTH ANNIVERSARY OF THE BUILDING OF THE SOO LOCKS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I ask unanimous consent for the present consideration of the bill, H. R. 5188, to provide for the preparation of a plan for the celebration of the one hundredth anniversary of the building of the Soo locks.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, may I ask the gentlewoman from New Jersey if this is something for Michigan?

Mrs. NORTON. It is.

Mr. HOFFMAN of Michigan. It is so unusual that I will not object to it.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That there is hereby created a commission to be known as the Soo Locks Centennial Celebration Commission (hereinafter referred to as the "Commission") and to be composed of nine Commissioners to be appointed by the President. The Commissioners shall serve without compensation and shall select a chairman from among their number.

SEC. 2. (a) It shall be the duty of the Commission to prepare a comprehensive plan for the celebration in the year 1955 of the one hundredth anniversary of the building of the Soo locks.

(b) The Commission shall make a report of its progress to the President at least twice a year, and shall submit to the President prior to the beginning of the celebration a final report setting forth the plan prepared pursuant to subsection (a) of this section and containing such recommendations for carrying out such plan as it deems advisable. The Commission shall cease to exist 30 days after the date of the submission of the final report.

Mrs. NORTON. Mr. Speaker, this bill proposes to create a commission, the duties of which will be to prepare a comprehensive plan for the celebration in 1955 of the one hundredth anniversary of the Sault Ste. Marie locks, popularly known as the Soo locks.

The Commission is to be composed of nine Commissioners, appointed by the President; they shall serve without compensation and shall select from among their number a chairman.

The first Sault lock was built in 1855; the first ship through the locks was the *Illinois*, piloted by Capt. Jack Wilson, on June 18, 1855. The first of 3,000,000,000 tons of iron ore which have since moved through the locks came down the St. Marys River in the brig *Columbia* on August 17, 1855.

More tonnage passes through the Soo locks each year than through the Panama Canal and the Suez Canal combined, a great bulk of it being transported on ships and barges which never visit the open sea. This record is also achieved on a 9-month working basis. A force of approximately 250 Federal employees working under the supervision of the United States Corps of Engineers operates the locks.

The State of Michigan has already appointed a Soo Locks Centennial Commission, pending appropriate congressional action. The main purpose of creating authority for a President-approved Commission is to match the contemplated action being instituted in the Canadian Parliament to create a similar body to function in international harmony in this celebration of an event which meant so much to both Canada and the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include an editorial and an article from the International Teamster on the economic conditions of the country.

Mr. MURDOCK asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. HERLONG asked and was given permission to extend his remarks in the RECORD and include an article.

SPECIAL ORDER GRANTED

Mr. LANE asked and was given permission to address the House for 15 minutes today, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

ONE THOMAS DEWEY COMES OUT FOR BRANNAN PLAN

Mr. O'SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Speaker, it is indeed with great pleasure and satisfaction that I announce to my colleagues here today that one Thomas Dewey yesterday gave complete endorsement and pledged his full support to the Brannan plan. He said, in substance, that farmers should be guaranteed the same proportion of the national income as they receive on the average over the preceding years; that he endorsed proposed crop loans on storables to support prices at income-parity levels; that he favored direct Government payments to farmers of the difference between market price and support price on storables like dairy products, fruits, and livestock; that nonstorables be sold on open market to consumers, instead of attempting storage as has been done in the past with eggs, potatoes, and so forth; that price supports should be given to the first $25,000 of gross farm income only and beyond that limit no supports should be given; and that acreage allotments, marketing quotas and marketing agreements should be put into effect when necessary to maintain balanced parity-income levels.

To communicate this information to me, he used a splendid farmer's ballot provided by labor.

Oh, yes; I forgot to tell you that this Thomas Dewey does not hole in on week ends at Pawling, N. Y., but lives at Douglas, Otoe County, Nebr. He is a real dirt farmer.

COMMITTEE ON VETERANS' AFFAIRS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that I may have until 12 o'clock tonight to file a report on a bill reported by the Committee on Veterans' Affairs yesterday and also to file application for a rule.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MILWAUKEE SOLVES RACIAL DISCRIMINATION PROBLEM WITHOUT RIOTS

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include certain newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, last week a very bad situation nearly developed in my home city of Milwaukee. An ambitious young Negro lad, a veteran of World War II, who wanted to attend one of our institutions of higher learning, arrived in our city with his family in a trailer. He was assigned by the Veterans' Referral Service to the county trailer camp. Some misguided people who ought to know better virtually drove that lad and his family out of the trailer camp.

The next day the mayor's commission on human rights, the Governor's commission on human rights, the district attorney, and the sheriff all went into action. I am happy to report that man is back in the trailer camp. Meetings have been held and in a very sound manner the laws of Wisconsin have been explained to all the people involved.

I think Milwaukee successfully solved by good citizen and official action what might have been a very nasty racial situation. We are proud of the way things are handled in Wisconsin. We are proud of splendid American citizens like Bruno Bitker, James Dorsey, Father Franklyn Kennedy, Father Claude Heithaus, Christ Seraphim, Dr. A. A. Suppan, John Murphy, William U. Kelley, Robert C. L. George, the Reverend Norman Ream, Glenn Clarke, Otto Jirikowic, District Attorney William McCauley, and Sheriff Herman Kubiak whose timely action in this situation proved that racial tension can be solved through firmness and understanding and that there is no need for the riots which have developed in some cities.

I am inserting an editorial and three stories from the Milwaukee Journal which tell the story in its entirety and point up the lesson of this incident:

[From the Milwaukee (Wis.) Journal of July 13, 1949]

"A MIRACLE HAS OCCURRED"

It happened in Milwaukee. As the chairman of the Governor's commission on human rights said: "A kind of miracle has occurred."

It seems like that, all right.

A few days ago, an educated and ambitious young Negro war veteran arrived in town with his own trailer and was assigned a place in a county trailer camp. He wanted further to improve himself in a local technical school. His wife and two children were with him.

Immediately ugly race prejudice raised its head and Milwaukee had a threatening race crisis on its hands. A crowd of trailer-camp residents wanted to force the Negro family out.

It looked bad for a while. There were threats of violence. One couldn't forget what had just occurred in St. Louis and Youngstown at the bathing places.

But what happened in Milwaukee?

The mayor's and the Governor's commissions on human rights instantly stepped in to do what they could. The district attorney carefully explained the law. The sheriff, without a moment's hesitation, said he would enforce it—equal rights for Negro and white alike—if it took every deputy he had. Businessmen, lawyers, and religious leaders—of different faiths and sects and colors—all worked many weary hours to reason with the troublemakers and to ask for basic American fairness.

From the first instant that the crisis arose, there were these two forces to combat the prejudice—firmness and democratic reasoning. The Negro war veteran and his wife helped immeasurably by keeping their heads and their tempers even under great provocation.

Agitators were recognized quickly and kept from stirring muddy waters.

Finally tensions began to ease. Some of the most violent spokesmen against the Negroes began to understand the law; they began to understand what the spokesmen for the human rights commissions were talking about; they began to see that the Negro veteran family were pretty decent folks in a tough spot.

And they began to realize that the main things that were eating them were some gripes about the Greenfield trailer camp that had nothing to do with the color of Albert J. Sanders, his wife, and children.

So Tuesday the miracle occurred. Those who had opposed Sanders most strongly apologized to him. They shook hands. He did his part, too. "I'm sorry all this happened," Sanders said. "Some just misunderstood."

It's a happy ending—a very happy ending, indeed.

Milwaukee can well hold up its head. And it can be proud of the many persons who labored through the discouraging early hours to wipe out a short-lived blot on the name of Milwaukee and Wisconsin.

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[From the Milwaukee (Wis.) Journal of July 8, 1949]

OUSTED NEGRO FAMILY DECIDES TO GO BACK TO TRAILER CAMP SITE—GIVEN PLEDGE OF PROTECTION—SHERIFF PROMISES AID AFTER DISTURBANCE AT GREENFIELD SITE

A Negro veteran who moved out of the Greenfield trailer camp with his family Thursday after a demonstration by more than 100 residents of the camp, decided Friday to go back.

The veteran, Albert J. Sanders, 29, who was born in the Philippines, made his decision in the office of District Attorney William J. McCauley. McCauley and representatives of groups fighting racial prejudice, who had called on McCauley to demand an investigation of Sanders' eviction, urged him to take his family back to the camp.

Sanders, his wife, Rogelia, 27; their sons, Malayo, 5, and Rogelio, 3, and Sanders' mother, Bertha, 60, moved out of the camp Thursday night, less than 12 hours after their arrival. They slept in their car overnight in Greenfield Park, a half mile west of the trailer camp.

TELLS OF THREATS

The demonstrators were dispersed by sheriff's deputies. The deputies estimated the number of demonstrators at 125, although onlookers said there were about 200.

The demonstration followed a meeting at which a petition declaring that the Negro should not be permitted in a white camp was circulated. More than 70 persons had signed the petition.

Sanders told McCauley that the demonstrators had threatened: "If you stay here, we'll break up your car. We'll hurt you and your wife, and your children, too."

Sanders said he left the camp because of his wife's fears that the threats would be carried out.

Mrs. Sanders said that during the trouble two women were awfully nice to her.

CHILDREN MADE REMARKS

"They told me, 'We want you to stay,'" Mrs. Sanders said.

Sanders said the first indication the family had that they were not wanted occurred at 6 p. m. when his two children were playing outside the trailer. Other children gathered and told the Sanders youngsters, "We don't want to play with you. Get out of here."

Sanders said he did not witness the incident, but learned of it from his mother when he returned at 6:30 p. m.

Then, about an hour later, adults came around and made threats, he said.

Sanders was reluctant to return to the camp. But he yielded when Sheriff Herman Kubiak told him:

"Go back there. You don't need to be afraid. Our department will give you constant protection."

"DUTY TO GO BACK"

Theodore Coggs, a member of the group that called on McCauley, said: "It's your duty to go back and meet this issue squarely."

He said that the Sanders family could move into his home later if conditions were unacceptable at the camp.

Before going to McCauley's office the representatives of the protesting groups had met at the Catholic Herald-Citizen offices, 793 North Jackson. The meeting, called by William V. Kelley, executive secretary of the Urban League and president of the Interracial Federation of Milwaukee County, decided on this action:

Recommend to the district attorney that he take action under the State's equal rights law, which provides a fine or imprisonment for denial of public accommodations.

Urge Sanders and his family to return and live at the trailer camp, and ask Sheriff Kubiak to assure them protection.

Call a meeting of residents of the trailer camp who believe in "American principles of equality."

WOULD EVICT PROTESTERS

The meeting was called by Kelley.

"Those who participated in the riot should be moved out of the camp," Kelley declared.

Attorney James Dorsey, a member of the Governor's commission on human rights, said the names of those who signed the petition for Sanders' removal from the camp should be given to the district attorney and sheriff for "proper action."

Others attending the meeting were the Reverend Claude H. Heithaus, S. J., of Marquette University; Father F. J. Kennedy; Coggs; Robert C. L. George; Bruno V. Bitker; Dr. A. A. Suppan; and Attorney John Murphy, legal adviser for the Milwaukee School of Engineering, where Sanders is enrolled.

BORN IN MANILA

Sanders was a cook, third class, in the Navy. He was given a medical discharge December 22, 1943. He was born in Manila and came to

the United States 10 years ago. He worked in the Navy shipyards in Florida after his discharge from the Navy. He arrived in Milwaukee about 10 days ago with his wife and sons and mother.

Shortly after his arrival he enrolled at the engineering school. However, because he had no living quarters the enrollment was held up and the school's housing bureau aided him in a search for a place to live.

His enrollment was accepted Thursday, when he was given space at the trailer camp. The camp, operated by the county at Highway 100 and West Greenfield Avenue, has 500 trailers, with a population estimated at 1,800.

Sanders, who has his own trailer, was assigned to the camp Wednesday by Eugene Grobschmidt, director of county veterans' housing. About 75 of the trailers at the camp are privately owned.

PROMISED PROTECTION

Sanders and his family moved into the camp at 11 a. m. Thursday. The circulation of the petition was started in the afternoon.

The meeting that preceded the demonstration held in building B was orderly. Afterward most of the crowd moved over to Sanders' trailer.

Sheriff Kubiak said Friday that Lloyd Rhodes and Eugene Michalski, the first two deputies to arrive, and Lt. Claire De Voll, who arrived later, had talked to Sanders and told him they would see that he met with no harm if he remained at the camp.

Kubiak said the incident supported his recent request to the county board for additional deputies to patrol the camp area. He said the reports of the deputies concerning the demonstration indicated that there were "four fellows who were the cause of the trouble."

A veterans' group at the camp Friday was circulating a petition urging the Sanders family to remain. Twelve signatures were obtained within a few minutes, one of the circulators said.

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[From the Milwaukee (Wis.) Journal of July 9, 1949]

NEGROES STAY AT CAMP AFTER UNRULY MEETING—BOTH SIDES GREETED BY DISAPPROVAL AS TRAILERITES LISTEN TO TALKS ON HUMAN RIGHTS

The family of Albert J. Sanders, Negro war veteran, slept in its Greenfield trailer camp home Friday night. Outside, six deputies stood guard. Earlier 65 deputies had been on hand at the camp as an unruly meeting was held to discuss the Sanders' presence there.

Sanders, 29, who was born in the Philippines, had moved with his family from the camp Thursday after a demonstration by more than 100 camp residents. He told authorities that the demonstrators had threatened harm to himself, his wife, Rogelia, 27, and their children, Malayo, 5, and Rogelia, 3.

Public officials and representatives of groups fighting racial prejudice prevailed upon him to return Friday.

About 400 of the camp's 1,800 trailer residents attended the meeting which was held at the camp's open-air theater. The meeting had been called by members of the Governor's and mayor's commissions on human rights.

DISAPPROVE BOTH SIDES

Shouts of disapproval frequently interrupted speakers who warned against racial prejudice. But there were boos, too, for several of the trailerites who vehemently protested the presence of the Sanders family in the camp.

Before the meeting and long afterward the arguments continued among small groups which gathered in various sections of the camp. One such argument lasted until after midnight in the camp office where a few of the more vocal demonstrators berated Eugene Grobschmidt, Red Cross housing director, who had authorized Sanders to move into the camp.

Speakers at the meeting included Bruno V. Bitker, Father Claude Heithaus, S. J., and Father Franklyn J. Kennedy, members of the Governor's and mayor's commissions; the Reverend Norman Ream, president of the Milwaukee Ministerial Association; Glenn Clarke, representing the CIO county council; Otto Jirikowic, of the AFL; and Christ T. Seraphim, county commander of the American Legion.

BETRAY CHRISTIANITY

"Those who instigate intolerance are betraying the principles of Christianity," Father Heithaus said. He had come with the Sanders family to the camp early Friday afternon and had remained with them in their trailer in the hours preceding the meeting.

Bitker said "all decent citizens of Milwaukee were disturbed by the treatment of the Sanders family Thursday night." Seraphim called the conduct of some of the camp residents un-American.

Three trailerites said that they had been named spokesmen for the opposition. They were Russell Waypa, Thomas Callahan, and Doyle Esterline.

Waypa and Callahan and Joseph Susedik, another camp resident who spoke frequently throughout the evening, urged the removal of the Sanders family.

CALLS FOR VOTE

Waypa several times called for a voice vote on whether Sanders should remain.

"This is democracy; the majority rules," he cried as "No" was shouted by many in the crowd.

"Throw 'em out," some women yelled despite the presence of the deputies.

"This is only the beginning," Callahan said. "Next week we'll have two Negro families and the week after, four."

"We had segregation in the service," Susedik said, "why can't we have it here?"

He demanded that a poll be taken of every trailer resident and that the county abide by that vote.

COMMUNIST ATTENDS

Mrs. Josephine Nordstrand, executive secretary of the Wisconsin Civil Rights Congress and a Communist, attempted repeatedly to get to the microphone. Bitker and deputies prevented her. She finally was escorted from the camp by deputies, shouting about Jim Crowism and a police state.

Rain dispersed a large part of the crowd about 10:30 p. m.

Deputies continued to guard the Sanders' home Saturday. Sheriff Herman Kubiak said that his men would be stationed there continually, if necessary, to prevent a recurrence of Thursday's incident.

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[From the Milwaukee (Wis.) Journal of July 12, 1949

APOLOGIES END OUTBURST OF RACIAL ROW IN CAMP—EIGHT TRAILER RESIDENTS REGRET DEMONSTRATION AGAINST NEGRO FAMILY, WORK FOR HARMONY

Public apologies from eight residents of the Greenfield trailer camp were accepted Tuesday by Albert J. Sanders, the 29-year-old Negro war veteran who, with his family, was the target of racial demonstrations at the camp last week.

The apologies were made in the office of District Attorney William J. McCauley, in the presence of McCauley, Sanders, Sheriff Herman Kubiak, and the members of the mayor's and Governor's commissions on human rights. The commission members, who also represented several Milwaukee groups interested in racial harmony, had been working since the issue developed last Thursday to win over persons opposed to letting the Sanders family live at the camp.

HAILS "MINOR MIRACLE"

After the apologies had been heard, Attorney Bruno V. Bitker, of the Governor's commission commented: "A kind of minor miracle has occurred."

"I'm sorry all this happened," Sanders said. "I know we have good people in the camp. Some just misunderstood. I think that is why it happened—they misunderstood."

McCauley asked him whether he was any longer afraid to live at the camp.

"No; no longer," Sanders said.

The eight tenants had been invited to McCauley's office Tuesday morning after they had privately told commission members that they were sorry for what had happened. They said they now wanted to help Sanders establish himself at the camp. The group included several persons who had been ringleaders in the disturbance through an emergency committee which was formed after Sanders' arrival at the camp last Thursday.

OUTLET FOR "GRIPES"

Joseph Susedik was the first to express remorse. He explained that in the Army, in which he served from 1940 to 1944, and in the New Jersey town where he previously lived, segregation had been the rule. He pointed out that camp residents had a number of "gripes" over sanitary conditions.

"A lot of gripes came to a head with this little incident," Susedik said. "I was angry. I didn't realize that the Sanders had a right to be there."

Susedik said that many of his previous statements had been made as spokesman for the emergency committee.

"I won't say that my views were any different under the stress of anger," he said. "After I got to thinking it over I realized how wrong I was. I feel they are due an apology. I'm not a Communist. I'm not a Ku Kluxer. I'm just a plain American citizen who happened to let a few things go to my head that weren't so."

CHANGE OF SENTIMENT

Susedik told McCauley that he believed 90 percent of the camp residents, after mature reflection, felt differently now than they did when the issue first flared. He said that many of them did not know about the laws guaranteeing equal rights to all people. He has been telling them about these Federal and State laws, he said.

"I've told them that the Negroes have been free now for about 90 years, and it's about time we made them feel free."

Susedik said he believed a lot of the trouble was stirred up deliberately "somehow" and added "apparently we've got a few Communists out there." He said that anger had been intensified the first night by the appearance of "a woman who had no right to be there." He told McCauley he was referring to Mrs. Josephine Nordstrand, executive secretary of the Wisconsin Civil Rights Congress, a Communist-front group.

Susedik also had a suggestion for future occasions when Negroes might be admitted to other similar camps. He proposed that he and others from the Greenfield camp talk to the Negro newcomers and the residents to explain the laws.

"That's the way to handle something like this," he said, "Don't do like they did in Washington, D. C. We read about a race riot there and the next day it was quelled. Did anybody learn anything from that?"

Mrs. Fay Farrell explained that she and many of the other women in the camp had never lived with Negroes before and were afraid. She said that she began to think things over Sunday and on Monday went to Susedik to tell him she was resigning from the emergency committee. He told her that he felt the same way, she said, so they went to see Father Franklyn J. Kennedy of the mayor's commission. She said that she had

been talking to other residents to make them see her point of view.

SIX OTHERS CALLED

Susedik and Mrs. Farrell were the first to apologize. When the other six were called into the room, McCauley told them all:

"You are here by the grace of an invitation rather than the patrol wagon. You were all about to be arrested. You put these commissions and this office to a lot of trouble by your attitude."

He asked if the rest had anything to say. These are their statements:

Warner Stein: "We're sorry. The camp has found out that Sanders is a mighty good fellow, better than many of us."

Thomas Callahan: "After I knew of the laws, I decided Sanders had the right and I realized that we did an injustice. I'm very sorry it happened."

Russell Waypa: "I apologize to Sanders and the commissions. I realize now Sanders has the right to live anywhere he chooses."

Lester Geisler: "I was ignorant of the law. I owe them an apology, too."

Doyle Esterline: "It seems it was all done in a fit of rage. Sanders and the rest of the Negro race are as welcome to live with us as anyone."

William Jenson said that he was not one of the group that had opposed Sanders. Then he added, "I'm sorry for the camp that it happened. Outsiders, I think, made most of the trouble."

Then Father Claude H. Heithaus, member of the mayor's commission, told them: "I hope you people will go back and counteract what has happened. Do your best to build up good neighborliness for the Sanders family."

BLOT WIPED OUT

"I already said that's what we'd do," said Susedik.

Speaking for the Governor's commission, Bitker and Father Kennedy said that the group, by its public apology, had "wiped out a short-lived blot on the good name of the State of Wisconsin."

It was disclosed at the meeting that Mrs. Sanders had been taken by county ambulance to the county general hospital Monday night for treatment of an old illness. She had been operated on in Habana, Cuba, 3 months ago. Her condition was reported to be good Tuesday.

The Sanders family has two children.

THE HOUSING ACT OF 1949

Mr. DOLLINGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DOLLINGER. Mr. Speaker, when this House had under consideration H. R. 4009, the Housing Act of 1949, two amendments submitted by Members in substance provided that there shall be no discrimination against any person under the provisions of the act. Although both amendments were defeated, 130 votes were cast for one, and 122 for the other. Many other Members indicated that they opposed discrimination.

Now that the Housing Act is passed, I feel that those of us who are opposed to such discrimination should have an opportunity to act.

On January 18, 1949, I introduced H. R. 1641, which provides that Federal funds shall not be used for housing where there is discrimination on account of race, religion, color, ancestry, or national origin.

I have this day placed on the Speaker's desk a discharge petition to bring H. R. 1641 before this House for consideration. I ask those who are opposed to discrimination to join with me in affixing their signatures to this petition in order that the bill may be brought before this body for action.

EXTENSION OF REMARKS

Mr. MULTER. Mr. Speaker, on yesterday I was given permission to extend my remarks in the RECORD and include an article. I have been informed by the Public Printer that this will exceed two pages of the RECORD and will cost $280, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. SASSCER asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. HOWELL asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. WALTER asked and was given permission to extend his remarks in the RECORD.

Mr. HAYS of Ohio asked and was given permission to extend his remarks in the RECORD in two instances and include in each a newspaper editorial.

AUTHORIZING THE SECRETARY OF THE ARMY TO CONVEY CERTAIN LANDS TO THE CITY AND COUNTY OF SAN FRANCISCO

Mr. HAVENNER. Mr. Speaker, by direction of the Committee on Armed Services, I ask unanimous consent for the immediate consideration of the bill (S. 863) authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I understand the nature of this bill, but will the gentleman explain it so that the Members will be advised as to what the purpose is?

Mr. HAVENNER. Mr. Speaker, with the consent of the majority and minority leadership on Wednesday of last week I obtained passage under suspension of the rules for a companion bill which provided for exactly what this bill will provide, that is, for the transfer of the old Palace of Fine Arts Building of San Francisco back to the city of San Francisco.

Mr. MARTIN of Massachusetts. Mr. Speaker, further reserving the right to object, this simply reiterates what we have previously done.

Mr. HAVENNER. That is right. This is a companion bill passed by the Senate, and I ask for its passage by the House at this time.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Army is authorized and directed to convey by quitclaim deed to the city and county of San Francisco, subject to the conditions provided for in section 2 of this act, the following-described land in the city and county of San Francisco, State of California, together with all improvements thereon, included within metes and bounds as follows:

Commencing at a point on the westerly line of Lyon Street, distant thereon five and seventeen one-hundredths feet southerly from the northerly line of Bay Street, if extended and produced westerly, and running thence northerly along the westerly line of Lyon Street one thousand one hundred and ninety-six and eighty one-hundredths feet; thence southwesterly on a curve to the left of six hundred and twelve feet radius, central angle one hundred and fifty-five degrees forty-seven minutes and fifty seconds, tangent to a line deflected one hundred and two degrees six minutes and five seconds to the left from the preceding course a distance of one thousand six hundred and sixty-four and thirteen one-hundredths feet to the westerly line of Lyon Street and the point of commencement, containing nine and ninety-three one-hundredths acres, more or less.

SEC. 2. The deed of conveyance authorized by the first section shall provide that the grantee—

(1) shall not hereafter amend or rescind Ordinance No. 7531 (new series) duly passed by the board of supervisors of such city and county (permitting the United States to construct, maintain, and operate in perpetuity a spur track railroad);

(2) shall convey to the United States perpetual rights of ingress and egress across the property as now enjoyed by the United States;

(3) shall permit the use of the main building situated on the property described in section 1 of this act by the State of California for National Guard purposes.

In the event that the grantee shall fail to conform to such conditions, the deed of conveyance shall cease to be of force and effect and all rights enjoyed by the United States prior to the enactment of this act shall again accrue to the United States: *Provided*, That such permission shall not be effective until the Governor of the State of California shall certify in writing to the Secretary of Defense that such land is needed by the State of California for the purpose of a site for a National Guard Armory and for training the National Guard or for other related military purposes and that such land is suitable for such purposes.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. WALSH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[Mr. WALSH addressed the House. His remarks appear in the Appendix.]

PRESIDENT TRUMAN AND THE NEW DEAL

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHURCH. Mr. Speaker, in his radio address last evening President Truman confirmed to the country that the

basic policy of the Democrat-New Deal Party which he heads is to spend and continue to spend.

He made it clear that he will continue to resist any attempt to cut the cost of Government. The burden of his argument to justify his extravagance is that to cut Government expenditures now would add to the downward trend of our economy and increase unemployment.

According to this administration high Government spending is necessary in a period of deflation. That is the same pump-priming doctrine advocated by the New Deal as a cure for the depression.

But, Mr. Speaker, let me remind you that during the period of inflation, when prices were rising and employment was at an all-time high, this same administration then resisted every effort of the economy-minded Eightieth Congress to reduce Government expenditures.

And so, inflation or deflation, full employment or unemployment, rising prices or falling prices, whatever our economic condition, the Truman administration preaches the policy of spend and spend. To the Democrat-New Dealers there is nothing more sacred than their huge spending budgets. Under no circumstances, last year or this, inflation or deflation, then or now—under no circumstances should anyone seek to economize. I do not accept such inconsistent, insane doctrine, nor do the great majority of the American people.

SPENDING

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Listen, my colleagues. If you want to have prosperity you must spend more than you make. Yes; you must do that. If you do not, you might not get on the Government security rolls when you get old. In other words, never slash your expenditures when your income falls. That is the new philosophy the President gave to the country by radio last night. It must have been a shock to some of the folks who have always felt that they ought to save a little for a rainy day, but you dare not do that if you are going to have prosperity in this country. Thrifty families and individuals, when they find their incomes falling, always cut their expenditures. They get along without things they might like to have but cannot afford. Government ought to do the same. The President has the philosophy that you must spend more, not less. If followed it means bankruptcy for this country.

EXTENSION OF REMARKS

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

Mr. MILLER of Maryland asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include two articles by Robert Hillyer.

Mr. KEARNEY asked and was given permission to extend his remarks in the RECORD in two instances and include two editorials.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in three instances and in each case to include extraneous matter.

CONFERENCE REPORT ON STATE, JUSTICE, COMMERCE, AND THE JUDICIARY APPROPRIATION BILL, 1950

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report and statement on the bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a table showing the amount of money received and spent since 1914 by the Federal Government.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. RICH addressed the House. His remarks appear in the Appendix.]

TAX RETURNS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was was no objection.

Mr. REED of New York. Mr. Speaker, under our present tax laws the Federal income tax returns of all fiduciaries, partnerships and corporations, as well as many other types of returns, including estate and gift tax returns, must be filed under oath and, therefore, must be notarized by a notary upublic. The Treasury Department has recommended that this oath requirement of these returns be eliminated and instead that these returns be made under the penalties of perjury, as is now the law in the case of all individual and employment tax returns. I have introduced a bill to accomplish this purpose, H. R. 5633.

This bill does not, of course, involve any question of tax liability. Its purpose is to expedite the processing by the Internal Revenue Bureau of tax returns, many of which now have to be returned by the Bureau to the taxpayers for compliance with the oath requirement at a considerable expense to the Bureau. The elimination of this notarization requirement and the use of the verification form is therefore directly in line with the Congress' policy of eliminating all unnecessary administrative expenses in the executive departments.

Moreover, not only does this legislation have the approval of the Treasury Department, but it has been actively urged by all persons and organizations who prepare tax returns and who are under the burden and expense of having these returns notarized.

The effect of my bill, which gives the Commissioner of Internal Revenue authority to dispense with the oath requirement and substitute the verification form as he deems advisable, is similar to a provision which unanimously passed the House in the Eightieth Congress but which the Senate did not have time to act upon before adjournment.

EXTENSION OF REMARKS

Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend the remarks he made yesterday on the so-called Poage bill and include therein a table and a letter from the Administrator.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD in two instances: in one to include an editorial, and in the other to include a newspaper article.

Mr. JONAS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SIMPSON of Illinois asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a table from the Bureau of Agricultural Economics.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. JACKSON of California asked and was given permission to extend his remarks in the RECORD and include three articles.

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

FARM LEGISLATION

Mr. PACE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PACE. Mr. Speaker, I feel some obligation to keep the House advised of the situation with regard to farm legislation. The Committee on Rules has granted a rule making in order a bill introduced by the gentleman from Tennessee [Mr. GORE]. The bill is H. R. 5716. Of course, I hope the bill will not be approved by the House. But my purpose now is to caution you before you obligate yourselves too much to support that bill, please insist that it be substantially amended. As the Gore bill stands today it would continue the 90-percent support provided in title I of the Aiken bill and at the same time it would put into effect title II of the Aiken bill.

Therefore, on January 1, 1950, you would have two entirely different support programs, one provided in title I of the Aiken bill and the other provided in title II, and with it the complete authorization of the entire production payment plan as requested by the Secretary of Agriculture. It would be an unfortunate situation if it should be enacted in that form.

FARM LEGISLATION

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I have just heard the gentleman from Georgia [Mr. PACE] give his views on a rule reported by the Committee on Rules. I have not seen the printed copy of the rule this morning, but it was the intent and purpose of the Committee on Rules to report a rule which would make in order the so-called Gore bill. The Gore bill as it was presented to our committee would continue title I, but would postpone the effective date of other portions of the so-called Aiken bill until January 1, 1951.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Tennessee [Mr. GORE].

Mr. GORE. I have just checked with the bill clerk and the typographical error referred to by the gentleman from Georgia is being corrected. I have the original working copy before me. He has put in a stop order on the printing of the copies. There is a typographical error. According to my original working copy, the error is a printer's error. It should be "303" instead of "203."

Mr. BROWN of Ohio. Then the statement of the gentleman from Georgia is based on a misunderstanding because of the printing error. The fact is that the effective date of the Aiken bill is postponed for 1 year by your bill?

Mr. GORE. Yes.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. PACE. I am not familiar with the matter of a typographical error, but the bill, as introduced, and for which a rule was granted by the Rules Committee, will put into effect the Aiken bill and title I.

The SPEAKER. The time of the gentleman from Ohio [Mr. BROWN] has expired.

EXTENSION OF REMARKS

Mr. BOYKIN asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD and include a statement.

THE PRESIDENT'S ADDRESS

Mr. SABATH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks and include some newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, a few minutes ago the gentleman from Pennsylvania [Mr. RICH] said that he did not know what to say. Then, later on, he said that after he heard the President's speech he could not sleep the entire night. As a matter of fact, he stated that he awakened at 5 a. m. and could not sleep. Perhaps the gentleman was upset because he heard the President recommend so many constructive things relative to bringing about the general improvement of business and other conditions.

Mr. RICH. I will answer the gentleman. I was afraid that I would use words that would not be allowed in the Chamber.

The SPEAKER. The time of the gentleman from Illinois [Mr. SABATH] has expired.

THE AGRICULTURAL BILL

Mr. GORE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GORE. Mr. Speaker, the typographical error to which my friend from Georgia has directed attention has, fortunately, already been called to my attention. I have here a marked copy of the law from which a copy was made, but in the print that came out just a few moments ago there is an error. In section 7 the print reads "203", when it should have been "303." I have contacted the bill clerk, and he has issued a stop order on the print. A star copy will be available soon with the typographical error corrected.

Let me repeat that by my bill the present agricultural program, which is the result of 16 years of experience, will be continued for the year 1950, and the effective date of the Aiken bill will be postponed until January 1, 1951.

The SPEAKER. The time of the gentleman from Tennessee has expired.

AMENDING THE AGRICULTURAL ADJUSTMENT ACT

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 283) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, for printing in the RECORD:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideraion of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, and all points of order against the said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 6 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read, and, after the reading of the first section of such bill, it shall be in order to move to strike out all after the enacting clause and insert the text of the bill H. R. 5617, and all points of order against such amendment are hereby waived. At the conclusion of the consideration of the bill H. R. 5345, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage, without intervening motion, except one motion to recommit, with or without instructions.

OVERTIME PROVISIONS OF THE FAIR LABOR STANDARDS ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 264 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution the bill (H. R. 858) to clarify the overtime compensation provisions of the Fair Labor Standards Act of 1938, as amended, as applied in the longshore, stevedoring, building, and construction industries, with Senate amendments thereto, be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendments be, and the same are hereby, agreed to.

Mr. SABATH. Mr. Speaker, as chairman of the Committee on Rules, I have called up House Resolution 264, not because I favor the passage of the resolutino, but, due to certain conditions, I was obliged to report the rule.

In view of these circumstances, I feel that the gentlemen who are much more familiar with the subject matter than I am, will explain the reasons why this resolution should not be passed.

I wish to state, however, that this resolution aims to take the bill, H. R. 858, from the Speaker's table and agree to the so-called Senate amendments, which are retroactive and which I believe will again be declared unconstitutional. The other body has again gone out of its way to amend the House bill as originally passed. I feel that the House bill should have been accepted by the Senate in its original form. As I said before, I personally believe that the Senate amendment to the bill will be held unconstitutional because of its retroactive and ex post facto features. Furthermore, the Senate amendments aim to nullify the action already taken in this matter by the United States Supreme Court. I believe that the proper procedure would have been to grant a rule taking the bill from the Speaker's table and sending the bill to conference.

It will be explained by the gentleman to follow that the title of the bill, "Overtime on Overtime" is, indeed, erroneous, for this is not a bill to legalize overtime on overtime.

Mr. Speaker, I have received voluminous correspondence on this bill in the form of letters, telegrams, and post cards—to such an extent that I cannot mention all of them at the present time. They were all in opposition to the granting of this rule and to the retroactive features of this bill. I would, however, like to insert a telegram and a letter that I received, which will more clearly explain my position:

JUNE 13, 1949.

Representative ADOLPH SABATH,
*Chairman, House Rules Committee,*
*Washington, D. C.:*

We are bitterly opposed to the retroactive amendment of H. R. 858 and ask Congress of the United States to let the courts settle our claims. We know that the House originally passed a bill which contained the clause barring a retroactive amendment. We also know

that the House Labor Committee has since passed the Senate's retroactive amendment without hearing our case. The Supreme Court and other courts have ruled in our favor. The United States District Court in Puerto Rico on May 9, 1949, ruled that the shippers there did not act in good faith since June 22, 1943. Our claims are no different than the Puerto Rican longshoremen. We ask that at least the House Labor Committee hear our just cause.

LOCAL 791, INTERNATIONAL
LONGSHOREMAN'S ASSOCIATION,
NEW YORK.

I also received the following letter, among many others:

JUNE 8, 1949.

Re H. R. 858.

CONGRESSMAN SABATH: We, longshoremen and longshoremen's wives of the eastern seaboard declare that the passage of H. R. 858 would rob us of money already earned during the war as back pay. Future earnings over and above 40 hours on a time and one-half basis would be denied if this bill is passed. H. R. 858 would place the longshoremen at the mercy of the ship owners who stand for longer hours at straight pay and discrimination against Negro workers.

The Supreme Court ruled in our favor for back-pay claims, but as yet nothing has been received. The sentiment of the longshoremen is that an injustice has been done. If necessary they would tie up the water front of the eastern seaboard for the back pay sorely needed.

We know you will support our just cause and help defeat H. R. 858.

Sincerely,

Longshoremen: James Quinn, representing Pennsylvania and Houston rank and file, ILA; Emile Sacona, Local ILA 856; John Chincotta, Local ILA 808; Bill Keno, Local ILA 1199–1; Andrew Deyes, Local ILA 1199; Joseph Giordono, Local ILA 338; Longshoreman Women's Auxiliary: Elizabeth Bailey, Treasurer.

Consequently, I trust that you gentlemen will listen carefully to the speakers to follow, for they will address themselves to the underlying reasons motivating their opposition to the bill and to the rule.

I reserve the balance of my time, Mr. Speaker, and I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may need.

Mr. Speaker, House Resolution 264 has been reported by the Committee on Rules in order to permit the House to have a vote on the Senate amendments to H. R. 858. Regarding this bill we find ourselves in a peculiar parliamentary situation, and, if I may, I will take 2 or 3 minutes in order to expain it.

H. R. 858 originally passed the House as a bill which came from the House Committee on Education and Labor to clarify the overtime compensation provision of the Fair Labor Standards Act of 1938. If I recall correctly, the original bill as it passed the House applied only to those persons engaged in work as longshoremen. When the bill went to the Senate, that body amended the measure so as to make the prohibition of overtime on overtime apply to all employees coming under the Fair Labor Standards Act. The Senate also added a provision which would make retroactive that prohibition of the payment of overtime on overtime apply in the case of longshoremen.

CALL OF THE HOUSE

Mr. KEEFE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Evidently no quorum is present.

Mr. GORE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 127]

| | | |
|---|---|---|
| Albert | Hall, | Preston |
| Allen, Ill. | Leonard W. | Rains |
| Angel | Halleck | Redden |
| Barrett, Wyo. | Harrison | Ribicoff |
| Buckley, N. Y. | Hays, Ark. | Riehlman |
| Bulwinkle | Heffernan | Rivers |
| Burke | Heller | Rogers, Mass. |
| Canfield | Hinshaw | Roosevelt |
| Cavalcante | Hoeven | Sadowski |
| Chatham | Jackson, Calif. | Scott, |
| Clemente | Kearns | Hugh D., Jr. |
| Clevenger | Kee | Shafer |
| Corbett | Kennedy | Short |
| Coudert | Keough | Simpson, Pa. |
| Dingell | Kirwan | Smathers |
| Dolliver | McGregor | Smith, Va. |
| Dondero | Macy | Staggers |
| Doughton | Mitchell | Thomas N. J. |
| Eaton | Monroney | Whitaker |
| Ellsworth | Morrison | White, Idaho |
| Fulton | Patman | Wigglesworth |
| Furcolo | Pfeifer, | Wilson, Ind. |
| Gilmer | Joseph L. | Withrow |
| Gordon | Pfeiffer, | Woodhouse |
| Gorski, Ill. | William L. | |
| Hall, | Plumley | |
| Edwin Arthur | Poulson | |

The SPEAKER pro tempore (Mr. COOPER). Three hundred and fifty-two Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

OVERTIME PROVISIONS OF THE FAIR LABOR STANDARDS ACT

Mr. BROWN of Ohio. Mr. Speaker, as I was explaining at the time the quorum call interrupted, House Resolution 264 provides for the taking of the Senate amendments to H. R. 858 from the Speaker's desk and agreeing thereto under a rather complicated parliamentary situation which I would like to explain to you, if I may, in the few moments I wish to take.

H. R. 858 as originally reported from the Committee on Education and Labor of the House, would have prohibited the payment of overtime on overtime to longshoremen. The bill passed the House. The Senate amended the measure so as to make the prohibition of payment of overtime on overtime apply to all workers coming under the Fair Labor Standards Act of 1938.

The Senate also added a provision which would make the prohibition against overtime on overtime retroactive as to the pay of the longshoremen as covered in the act as it passed the House originally. The Senate amendments were then messaged over to the House and placed upon the Speaker's desk. A unanimous-consent request was submitted by the chairman of the Committee on Education and Labor to take the Senate amendments from the Speaker's desk and agree thereto. That request was objected to. The matter of further action on the bill was then taken up, as I understand it, in the Committee on Education and Labor. There were two things which could be done: One was to disagree to the Senate amendments and ask for a conference; and the second was to consider the Senate amendments and agree thereto. When the measure was brought up before the Committee on Education and Labor that committee instructed its chairman, the gentleman from Michigan [Mr. LESINSKI] to appear before the Committee on Rules and to request a rule making in order the taking of the Senate amendments from the Speaker's desk and agreeing thereto. The Committee on Rules granted the rule, as requested, and it is now before us.

I want all to understand very clearly that a vote for the rule is a vote to take from the Speaker's table the Senate amendments to H. R. 858 and agree thereto; in other words, if you vote for the rule you also vote for the Senate amendments, and all of the legislative activity of the House on this particular measure is then completed. In other words, there will be simply one vote. You will vote on the rule and if you adopt the rule you agree to the Senate amendments; if you vote down the rule then you have disagreed to the Senate amendments.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. Yes; I yield gladly.

Mr. SABATH. Is it not a fact that the Senate amendments are retroactive?

Mr. BROWN of Ohio. I mentioned all of that.

Mr. Speaker, I do not care to yield for any statement; I have explained that.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I will yield to the gentleman but for a question only, not a statement.

Mr. MARCANTONIO. As to the parliamentary situation, if the House votes down the previous question then this bill can be sent to conference and the House can stand by its original bill.

Mr. BROWN of Ohio. It could be sent to conference, I presume, if the resolution were defeated, and if the Committee on Education and Labor requested a rule to send it to conference, and if the Committee on Rules granted a rule to send it to conference.

The issue before the House, however, is whether you want to adopt this rule or not. If you adopt the rule then, of course, you agree to the Senate amendments.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. JENNINGS. How much money is involved?

Mr. BROWN of Ohio. I cannot answer that question; it will have to be answered by others later in the debate.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The gentleman from Ohio has consumed 7 minutes.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the chairman of the Committee on Education and Labor, the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Speaker, the gentleman from Ohio [Mr. BROWN], has covered the situation and I agree with him with a small modification because I do not think he has been acquainted with all of the facts.

The bill came before the House on account of an emergency involving a strike of longshoremen. The unions wanted this type of legislation, but every labor organization was against any retroactive feature of the bill which the Senate passed. There is a Bay Ridge decision of the Supreme Court that certain longshoremen are entitled to this overtime and this is where the argument comes in on the retroactive feature.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. The gentleman will agree that all I was attempting to do was to explain the parliamentary situation as to the resolution and what it will do, and did not discuss the bill itself.

Mr. LESINSKI. That is true. I brought this matter before the committee and the committee voted 14 to 11 to report the Senate bill with amendments as is. That is what is before you today. Personally, I voted against the bill, but the vote was 14 to 11 in committee and, naturally, as chairman I had to perform my duty.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Texas.

Mr. LUCAS. The distinguished chairman of the Labor Committee has stated that certain longshoremen were entitled to this benefit. Does he not agree that if these longshoremen are entitled to it all longshoremen are entitled to it? Only a certain few of them have brought these suits and this bill penalizes those who have abided by their contract.

Mr. LESINSKI. That is correct.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from New York.

Mr. ROONEY. Is it not a fact that under the terms of this bill now before us a decision of the United States Supreme Court is wiped out completely?

Mr. LESINSKI. Correct.

Mr. ROONEY. Would the gentleman say that is constitutional?

Mr. LESINSKI. I do not believe it is proper and that is the reason why I voted against this particular amendment in the Senate bill.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from New York.

Mr. CELLER. Is this not very much like changing the rules in the midst of a game?

Mr. LESINSKI. Correct, but it has been done.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from New York.

Mr. MARCANTONIO. The fact of the matter is there are 26,000 claims pending. If the Senate amendment is adopted those 26,000 claims will be wiped out, even though the Supreme Court has adjudicated that the men are entitled to this pay?

Mr. LESINSKI. The gentleman is correct and I think that section of the Senate amendment should be disposed of and the bill passed as originally agreed to by the House.

Mr. CELLER. That particular section is section 2, which is retroactive and reaches back and says claims which are adjudicated and which are proper shall now be nullified, is that correct?

Mr. LESINSKI. That is correct. That is what this bill does. You attorneys ought to understand the situation. I am not a lawyer personally, so I am not going to make the explanation.

Mr. SABATH. Mr. Speaker, I yield 7 minutes to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Speaker, if you vote for this resolution, you will be doing one of the greatest injustices that could possibly be done workingmen.

They call this bill overtime on overtime. It is no such thing. It is simply a bill that has been introduced and presented to us with the idea, so they say, of clarifying the meaning of the Wages and Hours Act, but in reality to prevent longshoremen from recovering wages for which they worked and which are justly due.

I voted against this bill when it was first before the House, because I felt then that the real objective was to strike at those men who had just claims for wages which they earned during the war years, and that is exactly what this bill has turned out to be by reason of this amendment that was tacked on over in the other body, and now comes back before you today.

The question has been raised as to what this bill will cost. The total amount involved is about $15,000,000 that is owed to longshoremen, a great many of whom are bringing suit to get back the wages which they have earned.

Now, the gentleman from Texas has stated that it would be unfair; that this bill would penalize those who abided by their contracts. This bill does not penalize those who have abided by their contracts, because they all had the right, and the Supreme Court has so declared that they had the right to demand and should receive overtime for work done at the nightly rate over and beyond 40 hours per week.

Since 1872 the longshoremen in New York City have been getting one and one-half times more for work at night than for work in the daytime. This bill would kill that premium wage, so that if a man ordinarily would be entitled to, say, $1 an hour for working 8 hours in the daytime, and if he got $1.50 an hour for work at night, after 8 hours of day work he would be entitled to overtime. If he works at night, he should be entitled to overtime on the nightly rate basis.

Now, what is overtime? Overtime is the period of time past a certain basic point—8 hours under the law. If a man works at night as a longshoreman in the hold of a ship, and he works for 40 hours, he gets the same wage at the end of the fortieth hour as he received at the end of the first hour; he would, under this bill, get the same wage after the fiftieth or the sixtieth hour if he worked. He could never get overtime.

The reason for this higher wage for this particular type of work is, first, that it is uncertain and hazardous. Longshoremen do not work steadily. They work in accordance with the time when the ship comes in, or when there is transportation of freight from inland and it arrives at the port. They work long hours and hard hours. Their work is dangerous down in the hold of a ship, and the accident rate is fairly high. It is because of that type of work that they have been paid a higher premium wage for night work than hey receive in the daytime.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from New York.

Mr. CELLER. Is it not true that this case went to the Supreme Court, where the employers were well represented by counsel, and the Supreme Court remanded this case to the United States district court for adjudication as to the claims? Now, is not that a recognition by the Supreme Court that there was a debt, and would not the passage of this bill with section 2 be tantamount to the cancellation of that debt?

Mr. LYNCH. There is not the slightest doubt in the world that that is the effect of this legislation. There is not the slightest doubt in the world that that is the intent of the legislation so that these wage earners would not be paid overtime which they labored and sweated for during the war.

Mr. LESINSKI. Mr. Speaker, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from Michigan.

Mr. LESINSKI. Was not the basis for the Supreme Court decision the fact that these men worked more than 8 hours on a particular night and that they were entitled to premium pay?

Mr. LYNCH. I think I made that point clear before, that under this bill a man who worked at night could never get overtime if he were paid at night one and one-half times the rate that he received during the day. These matters are now the subject of litigation. The courts have sustained the workers. What we do under this legislation is not only to vacate the judgment of the court but also tell these workers that we are taking from them the right to overtime that the Court determined they had.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, I am unalterably opposed to this bill. I opposed it when it was before the House in the month of February and now, with the provision which I predicted would be in this bill when it came back to us

from the Senate, the retroactive provision known as section 2, I am most certainly doubly opposed to it.

Continuing the argument advanced by the learned gentleman from New York [Mr. LYNCH], I wish to point out that as far as the amount of money involved in this situation is concerned the bulk of it, practically 90 percent of it, would be paid by the United States Government.

The situation with regard to the provisions of the wage-hour law affecting the longshoremen and with regard to the fact that they were entitled to premium wages for night work in the dark and dangerous holds of ships over the period since the year 1872 was definitely brought to the attention of all of these stevedoring and operating companies by the Wage and Hour Division during the course of the war, I believe as far back as 1942. They were informed and advised, and all the agencies of the Government were informed and advised, that the Fair Labor Standards Act was being violated. Nevertheless they went ahead and proceeded to flagrantly violate this law. Finally a case for back pay was brought up to the United States Supreme Court. We now have a decision of that highest court of the land that these longshoremen are entitled to present to the district court their legitimate claim for back pay.

What is the humane situation today? Are we not being vindictive toward these men who faithfully and loyally worked in the holds of the ships during the course of the war? Today there is plenty of unemployment in the port of New York. I regularly meet longshoremen who have a claim for back pay and who presented their claim under the decision of the United States Supreme Court. They feel that they already have that money in their pocket and are waiting to spend it. Yet what does this Congress propose to do? Are you going to take that money right out of that longshoreman's pocket? Remember that the average wages of longshoremen are $2,400 to $2,600 a year. You are going to take that money out of their pockets for the benefit of whom? You have heard the figure on the total amount of claims, given by the distinguished gentleman from New York. Ninety percent of this money would come from the Federal Treasury.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I gladly yield to the distinguished gentleman from Ohio.

Mr. FEIGHAN. Is it not a fact that all the shipping industries in their contracts with the Government had special indemnity agreements that the Government would reimburse them for any future claims?

Mr. ROONEY. They most certainly did. They also knew they were violating the wage-hour law, that this was not overtime on overtime. This so-called overtime on overtime bill is a misnomer, as pointed out by the gentleman from New York [Mr. LYNCH], because the night rate was premium pay. For three-quarters of a century it was agreed that it was worth more for a longshoreman to go into the black hold of a ship during the course of the night and subject himself to losing his arms or his legs or his life, than to work the same period of time during the course of the day.

Mr. Speaker, I appeared before the Rules Committee and opposed this bill a week or two ago and I am now going to vote against it.

Mr. BROWN of Ohio. Mr. Speaker, I yield 8 minutes to the gentleman from Pennsylvania [Mr. MCCONNELL].

Mr. MCCONNELL. Mr. Speaker, I am in favor of this resolution to take H. R. 858 from the Speaker's desk and concur in the Senate amendments. This is not a partisan proposition and it is not a case of taking money out of the pockets of poor workers. If that were the case, then some union leaders must have very, very red faces at the present time.

H. R. 858 passed the House on February 21, 1949, by a vote of 230 to 7. The purpose of the bill was to clarify the overtime compensation provisions of the Fair Labor Standards Act of 1938, as applied in the longshore, stevedore, building and construction industries.

The Fair Labor Standards Act requires an employer to pay each of his employees engaged in commerce or in the production of goods for commerce one and a half times the regular rate of pay for hours worked in excess of 40 a week. But the act does not define the term "regular rate of pay."

In the absence of a specific definition, the unions and the employers in the stevedoring, longshore industry, as one example, agreed by collective bargaining on a straight-time rate and an overtime rate. They designated certain hours—not exceeding 8 hours—as the basic, normal, or regular workday, and a workweek—not exceeding 40 hours. Work performed during all other hours on those days, and on Saturday and Sunday, or holidays, or on the sixth or seventh day of the workweek was designated as overtime, and paid for at a rate of one and a half times the straight time or regular rate. This practice prevailed in all coastal ports of America for years. Under this agreement no employee could work more than 8 hours in a workday, or in excess of 40 hours in a workweek without receiving one and a half times the straight-time rate.

In 1945 in the port of New York, suits were instituted to determine if overtime in the longshore-stevedore contract was overtime under the Fair Labor Standards Act. Judge Rifkind, a partner of Senator Wagner, and certainly no enemy of labor, ruled that the collective-bargaining agreements accorded with the law. The circuit court of appeals reversed the district court, and then, on June 7, 1948, 10 years after the passage of the act, the Supreme Court sustained the circuit court of appeals by a 5-to-3 decision in the Bay Ridge Operating Co. against Aaron case. This decision held that overtime paid in conformity with the contract was in certain instances part of the regular rate, and that statutory overtime had to be paid in addition to the contractual overtime. The effect of this decision would be to increase the regular rate, and since employers are required by law to pay one-and-a-half times the regular rate, it would increase the amount of overtime payments due, plus penalties. This decision fell very heavily on the stevedore industry and threatens to cause considerable hardship to other industries throughout the Nation.

H. R. 858 attempts to clarify this situation by providing that—

First. If the premium rate of pay for work on Saturday, Sunday, holidays, or the sixth or seventh day of the workweek is not less than one and a half times the rate established in good faith for like work performed during nonovertime hours on other days, it should be creditable toward the overtime payments required by law and not be included in the regular rate of pay; or

Second. If, in pursuance of an applicable employment contract or collective-bargaining agreement, the premium rate paid for work outside the hours established in good faith by contract or agreement as the basic, normal, or regular workday—not exceeding 8 hours—or workweek—not exceeding 40 hours—is not less than one and a half times the rate established for like work performed during such workday or workweek, it should be creditable toward the overtime payments required by law, and not be included in the regular rate of pay.

H. R. 858 as passed by the House was limited specifically to the longshore, stevedore, building and construction industries, and was made applicable to future claims only.

H. R. 858, as passed unanimously by the Senate, was amended to make its provisions applicable to all industries; and was made retroactive to protect employers against existing and future claims for overtime payments.

On May 26, 1949, the House Education and Labor Committee by a 14 to 11 vote instructed its chairman to seek concurrence by the House on H. R. 858, as amended by the Senate.

When the bill was originally considered by the committee, no serious objection was raised to making its provisions applicable to all industries. However, it was decided that since the committee has considered a broader bill to amend the Fair-Labor Standards Act at that time, the provisions of H. R. 858 should be included in it, and made applicable to all industries. This bill was to be brought to the floor for action at a later date. H. R. 858 was made a special purpose bill to meet a pending situation in particular industries. Since no other bill has been brought to the floor of either body, I believe we should now concur in the passage of H. R. 858, as amended, and make its provisions applicable to all industries.

A majority on the Education and Labor Committee at the time H. R. 858 was considered, believed that its provisions should be made retroactive, but a parliamentary question of germaneness caused the committee to refrain from including it in the original bill. The other body having seen fit to amend H. R. 858, making its provisions retroactive, I believe the House should concur in that action for the following reasons:

First. The claims for overtime payments are in the nature of windfalls.

The employees and employers having operated satisfactorily for years under specific collective agreements did not expect any additional payments.

Second. The claims undermine collective bargaining agreements.

Third. The denial of retroactive relief would penalize the overwhelming majority of employees who chose to abide by the agreements. Only about one-fifth of the employees have attempted to take advantage of a situation which was unexpected by them.

Fourth. The failure to provide retroactivity would have a possible disastrous effect upon many companies having an impact upon commerce. And this would occur at a time when business is obviously slowing down.

Much has been said as to the amounts involved. No one knows the exact amount. I have heard figures ranging all the way from two hundred to three hundred million dollars. The Government will be obliged to pay some of this where war contracts are involved, but unless this particular resolution is passed making the provisions retroactive for all industries, claims may arise against companies in many types of industries throughout the United States. No one knows how many employers will be subjected to suits for back pay because of the particular ruling of the Supreme Court, which we feel is not in accord with the intent of the Fair Labor Standards Act.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. McCONNELL. Not at this time.

Fifth. The parties involved in the agreements acted in good faith. There was no indication to the employers prior to 1943 that their pay practices were not in accord with the law. And then on October 15, 1943, it was only in the form of a letter from the Wage and Hour Administrator to the War Shipping Administrator. The Wage and Hour Administrator never took any steps to enforce any opinion he held, as was his duty, and never issued any ruling to an employer that the stevedoring contracts violated the law. The War Shipping Administration, the Army, the Navy, and the Justice Department all differed with the Wage and Hour Administrator and instructed the stevedoring contractors to continue their traditional pay practices.

Sixth. Opposition to the claims has been supported by various executive departments of the Federal Government.

Seventh. Various unions have urged their members to refrain from filing court claims.

If you will read some of the comments which were made—I have heard so much about how this will hurt labor. If it does, let us look at some of the statements that have been made. They are significant. Here is one. This is the American Federation of Labor Weekly, for Tuesday, August 3, 1948, and the title is "Green Cautions Against Court Action To Get Back Pay Under Overtime Ruling."

> AFL President William Green, in a letter to all affiliated national and international unions clarifying the issues raised by the recent Supreme Court overtime-on-overtime decision in a case involving longshoremen, urged that AFL affiliates refrain from filing court claims for back wages which may be due as a result of the decision.

Only one-fifth of the longshoremen have filed claims. What you will do if you do not pass this particular resolution is to penalize 80 percent of the loyal union members who have stood by the contracts in this industry.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield the gentleman one additional minute.

Mr. McCONNELL. I would like to read another quotation. In a letter to the Senate committee, from Mr. D. W. Tracy, international president of the International Brotherhood of Electrical Workers, he stated the formal position of his union on this matter. In part, the letter reads:

> The brotherhood has been confronted with serious difficulties in negotiating collective bargaining agreements in the electric utilities industry as a result of the decision of the United States Supreme Court in the Bay Ridge case. The Bay Ridge decision had the effect of increasing the liability of the companies for premium compensation in excess of the fair contracts between the parties. It is understandable that the companies in this industry would seek to confine their liability to the contractual commitments. The brotherhood did not and would not oppose this effort because it is not our policy to seek gains beyond our agreements.

Mr. Justice Frankfurter summarized the reasons this bill is needed when he wrote his dissent in the Bay Ridge case. He wrote:

> The present decision is heedless of a long-standing and socially desirable collective agreement and is calculated to foster disputes in an industry which has been happily at peace for more than 30 years.

I urge you to support the House Resolution 264.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. GOODWIN].

Mr. GOODWIN. Mr. Speaker, it happens that I have a particular interest in this bill. The original bill to clarify the issue which has come to be known as "overtime-on-overtime" was introduced by me in the Eightieth Congress. The bill aroused great interest Nation-wide and was almost universally approved, not only by industry and management but also by most segments of labor, particularly those most closely allied with the longshore and stevedoring industries. I endeavored to be diligent in my efforts to secure committee action, but the bill was never reported. If it had reached the floor of the House for debate, I am confident it would have passed by an overwhelming vote.

I was glad to support and vote for H. R. 858 which recently passed this House, although the bill did not go as far as my original proposal. In the course of the debate, I expressed my disappointment that the bill could not have been made retroactive and could not have included industry in general, and I expressed the hope and the belief that both these features would be included in the legislation before final approval. I am sure that there was a general feeling that the bill should include those two features, and I believe that if it had been parliamentarily possible to amend the bill when it was passed in February by adding retroactivity and general coverage, such action would have been taken by the House at that time.

The bill has now come back from the other branch amended in these two desirable respects, and I hope the amendments will be accepted today. There can scarcely be any doubt as to the desirability of both of these amendments. Certainly, if this legislation is good for longshore, stevedoring, and building construction industries, it is good for all industries, particularly those where clock-pattern overtime exists. Also, if the principle of this legislation is wise for the future, then it ought to be made applicable to pending litigation.

The gentleman from Pennsylvania [Mr. McCONNELL] referred in his remarks to labor representatives who favor this legislation. Let me also call your attention to the fact that Joseph P. Ryan, head of the International Longshoremen's Association, whose members brought the original suits, testified before a congressional committee and filed a brief in the United States Supreme Court, placing his union on record as opposed to the suits. He said that he feared that granting overtime on overtime might wipe out, and now I quote Mr. Ryan:

> All the gains we have made for our men over a period of 25 years.

Any benefit accruing to any worker by reason of the decision of the Supreme Court in the Bay Ridge and Huron cases is in the nature of a windfall not expected by labor and never contemplated or provided against by management.

It is portal-to-portal pay over again, and there is just as much necessity for clarifying the overtime-on-overtime issue as there was in the portal pay case. Passage of this legislation by the acceptance of the Senate amendments will be hailed with great satisfaction because it will resolve a condition of doubt and confusion now existing in the ranks of management and labor alike. So long as the present feeling of uncertainty and confusion exists among labor and management it is inevitable that the commerce of the country will be restricted and impeded. Passage of the legislation will be a long step forward toward maintaining the integrity of the principle of collective bargaining.

I hope the resolution to accept the Senate amendments will be adopted.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. GREEN].

(Mr. GREEN asked and was given permission to revise and extend his remarks and to include therein an article by John M. Corridan in the magazine America of April 2, 1949.)

Mr. GREEN. Mr. Speaker, I wish to state at this time that I voted against this bill when it was under consideration in the House. I am going to oppose it again.

The article by Mr. Corridan is as follows:

OVERTIME ON OVERTIME: LONGSHOREMEN'S CASE

(By John M. Corridan)

(H. R. 858, a bill passed by the House and sent to the Senate, is a proposed amendment to the wages and hours law whereby the stevedoring and the building and construction trades would be removed from the coverage of the law. Hearings ended March 14 on the Senate proposal to make this amendment retroactive in its effects so as to wipe out the longshoremen's claims for overtime on overtime—claims sustained by the Supreme Court's so-called overtime-on-overtime decision.—Editor.)

There isn't a dull moment on the New York docks any hour of the day, and often well into or through the night. Thousands of cases, bales, barrels, and cargo in bulk are swung out from hatches by ship's gear onto the docks. Trucks, lighters, and railway cars discharge cargo onto the piers or into the holds of ships. Fork trucks, four wheelers, tractors, and trailers twist in and out, moving cargo to and from the dock's edge.

Why all the feverish activity? Because, for profitable operation, the ship's turn around must be as short as possible. That's why ships are often worked through the night, even though longshoremen receive a night differential of 150 percent of their day rate.

The men breaking out or stowing away cargo in the iron bellies of ships, or moving it to and from the dock's edge, are the longshoremen. As workers, they differ from all other workers in one essential occupational condition; in practice there is no regularity in a longshoreman's working hours, either in clock time hired or in the number of hours worked on each occasion.

In the early 1900's longshoremen shaped every hour. Men looking for dock work gathered in a semicircle at the pier entrance where work was available. The hiring boss in charge picked from this shape the men he wanted to work until he knocked them off. Picking a man from the shape carried with it no obligation to give him any specified hours of work. For the first time, under the present contract, the men receive a minimum of 4 hours' pay between 8 a. m. and 5 p. m., if picked in either of the two daily shapes at 7:55 a. m. or 12:55 p. m.

Working in all kinds of weather, in the narrow confines of hold and dock, surrounded by moving vehicles and spinning machinery, and handling tons of diversified cargo, the longshoreman has a hazardous occupation, particularly at night. It is these factors that account for the historically high differential between the day rate and the night and holiday rates as contrasted with other trades. In 1872, longshoremen were paid the following rate per hour: 40 cents day rate, 80 cents night rate, $1 for Sundays. Since 1872—whether there has been a union or not, whether unions in general were strong or not, long before there were differentials in other industries—longshoring had a day and a night rate, irrespective of the number of hours worked or not worked.

The night rate in New York has been around 150 percent or more of the day. This high night rate had to be paid to get men to work. The differential is not true overtime, since it is not determined by hours worked over and beyond the normal hours for a workday. Seven different courts, including the United States Supreme Court and three United States circuit courts of appeals, together with the Administrator of Wages and Hours, arrived at this definite conclusion based on solid evidence. Highly respected and conservative members of the Federal judiciary have so ruled—Chief Judge John Parker of the Fourth Circuit Court of Appeals, Judge Augustus Hand and Judge Thomas Swan of the Second Circuit Court of Appeals, for example. At present, though, there is a bill in Congress, H. R. 858, which would exclude the longshoremen from the protection of the Wages and Hours Act. Moreover, for the past few weeks hearings have been held before the Labor and Public Welfare Committee of the Senate to determine whether or not H. R. 858 is to be made retroactive in its effects.

Ironically, in practice the vast majority of longshoremen have never been paid true overtime under the Wages and Hours Act. No sooner did the longshoremen win their case before the Supreme Court for unpaid overtime than the shipping industry not only petitioned Congress for a law to remove longshoremen from the scope of the Wages and Hours Act, but also asked it to make that new law retroactive, so as to wipe out the overtime benefits granted to the longshoremen by a previous Congress.

If any group of workers needs the Wages and Hours Act (1938), the longshoremen under the notorious shape-up system of hiring are that group. The purpose of the Wages and Hours Act was, in part, to spread employment reasonably by placing a ceiling over hours. The penalty rate of time and a half after 40 hours in the same workweek was calculated to have that desirable effect.

In an industry where work is irregular, and where there is an unregulated oversupply of men, as there is in New York, and where that work is extremely hazardous, it is absolutely necessary to retain economic penalties which will compel a more equitable distribution of the work available. As it is, the average longshoreman makes only about $2,000 a year.

According to the National Labor Relations Board in New York, no more than 14,000 of the 35,000 New York longshoremen averaged as much as 26 hours of work per week in 1947 and were still working in the port of New York in 1948. According to the central records bureau of the New York Shipping Association, only 22,000 men received 800 or more hours work in 1948. The figures indicate the poor distribution of work opportunities among the longshoremen.

The present law requires that when men earn two rates of pay, any computation of overtime must be based on an average of the two rates as a base. An example will show what the law requires. A longshoreman works 40 hours between Monday and Thursday. He puts in 20 hours at the day rate of $1.25 an hour ($25) and 20 hours at the night rate of $1.875 ($37.50). He gets an additional 8 hours work on Friday from 8 a. m. to 5 p. m. Instead of being paid at the day rate of $1.25 an hour ($10), the law requires that he be paid time and a half, using the average rate as the base.

An employer would not be inclined to give a man 8 hours overtime at the rate of $2.265 an hour when he could hire other men at the rate of $1.25 an hour. Enforcement of the overtime provisions of the wages and hours law, which the bill (H. R. 858, passed by the House but not yet by the Senate) aims to prevent, would spread work opportunities more equitably among longshoremen. As it stands now, some men earn as much as $5,000 a year, while many more make less than $1,000.

Very little concern for the observance of the Wages and Hours Act has been shown by the shipping industry on the east coast. Despite the fact that since October 1940 the act has prescribed a maximum straight-time workweek of 40 hours, the industry's contracts with the International Longshoremen's Association (ILA) called for a 44-hour straight-time workweek all through 1945.

Prior to 1938, the shipping industry never considered the night differential overtime, as it now must. In 1934, Mr. E. P. Foisie, now president of the Water Front Employees Association of the Pacific Coast, declared: "There is practically no true overtime in longshoring—that is, true overtime as adopted by the factory industries. Time in excess of 8 hours is the conventional overtime. Nothing of the sort pertains to longshoremen."

Again, in 1941–42, Mr. Foisie called "overtime," when applied to the longshoremen, a "misnomer."

It is difficult to understand just why the shipping industry failed to comply with the various directives of the Wage and Hour Administrator, and subjected themselves to the risk of 100 percent damages—the penalty for noncompliance. The industry was careful enough to get special-indemnity agreements in their Government contracts which guaranteed reimbursement from the Government in case of future claims. If these claims were delayed, then, through a statute of limitations, reduced to 2 years in 1947, only the Government would be liable for past violations by reason of cost-plus contracts.

Equally difficult to understand is the position of the ILA leadership, which apparently failed to notice the violations, and subsequently, upon notification, opposed the claims of the men. It was a local of the ILA that established the validity of the longshoremen's claims to these overtime payments. In 1941, Local 814 of the ILA filed suit in the Federal district court in Milwaukee against the National Terminal Co. The ILA held that the company was in violation of wages and hours by failure to pay true overtime. The ILA won the suit on May 15, 1943, before Judge Duffy, a former United States Senator from Wisconson at the time the wages and hours act was passed. Judge Duffy's decision was unanimously upheld by the seventh circuit court of appeals on January 28, 1944.

It is difficult, too, to understand how Government agencies could ignore the directives of the Wage and Hour Administrator acting within his competency under the authority of Congress. The Justice Department is in a strange position. In the name of the War Shipping Administration, the Attorney General is opposing suits brought against private shipping interests. In so doing, he has reversed the Justice Department's position in the custom inspectors' case (*U. S.* v. *Myers*, 1944).

Most fantastic of all is the contention of the shipping industry that payment of $500,000,000 in claims would bankrupt the industry (New York World-Telegram, March 11, 1949).

What are the real facts? First, the lawyers for the men give $15,000,000 as the top figure filed for all claims in the United States and its possessions. Second, 95 percent of the money claimed will have to be met, not by the industry, but by the Federal Government under cost-plus contracts.

Equally fantastic is the impression created that these suits are a Communist plot. Of the 26,000 claims filed, non-Communist lawyers represent about 20,000 men. The case was handled in the courts by the firm of Goldwater & Flynn, of which Edward Flynn, former National Democratic Committee chairman, is a partner. The longshoremen themselves are overwhelmingly anti-Communist. It is just another case of giving credit to the Communist Party where little or no credit is due them—in the hope of smearing good men and their just cause.

The longshoremen are morally and legally entitled to payment for their unpaid overtime. As Senator THOMAS, present chairman of the Labor and Public Welfare Committee, said: "No windfalls are involved here, but merely the enforcement of a just debt knowingly assumed" (Washington Post, June 25, 1948). In the present hearings, Senator WAYNE MORSE of Oregon remarked: "It would be a serious thing if Congress should attempt to reverse the Supreme Court in a matter affecting property rights—the workman's ability to collect money that the Court says is due him" (New York World-Telegram,

March 11, 1949). There is no telling how serious the longshoremen would consider it.

As to whether or not Congress should pass H. R. 858 (without retroactivity), that remains within the determination of Congress. It is certain, however, that this whole episode points up the reasons why there should be an investigation of the entire industrial-relations set-up of the port of New York by a responsible Government body with power to recommend remedial legislation. Until it is done, peace, decency, and justice will not come to the troubled New York water front. The time for that investigation is now.

Mr. SABATH. Mr. Speaker, I yield 7 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, there is a great deal of confusion as to what we are about to do. This legislation definitely takes from under the protection of the Fair Labor Standards Act the longshoremen of this country. Let me give you an illustration: Let us assume that the regular day rate of pay is $1 an hour; let us assume also that the pay for night work, which has always been penalty pay in the longshoremen industry, is $1.50. There has always been penalty pay for night work in the longshore industry because of the hazardous character of the work, and that penalty feature has existed since 1872. Let us assume that a longshoreman works 41 hours at night-time. He will be paid for 40 hours at $1.50 an hour. What pay will he receive for the 41st hour? That is the issue before us.

The Supreme Court in interpreting the Fair Labor Standards Act states that for the extra hour over 40 the longshoreman is to receive not the $1.50, the same penalty pay that he has received for the 40 hours, but he is to be paid overtime just as the law requires, time and one-half for every hour of work over 40 hours. The Fair Labor Standards Act requires that for time worked over 40 hours a week the employee is to be paid time and one-half. The gentlemen who are behind this bill contend that the longshoreman is to receive the same dollar and a half and no more for the 41st hour, thereby depriving him of the time and one-half for overtime, work done over 40 hours a week. They contend that he is to be paid the same amount for the hours worked over 40 hours that he is paid for the hours during the 40-hour period. So that the longshoremen here are being robbed of pay guaranteed by the overtime provisions of the Fair Labor Standards Act. The proponents of this legislation come here and tell you that if the longshoremen are paid overtime they would be paid overtime on overtime. This is a false cry and a snare. The whole purpose of this legislation is to deprive the longshoremen of the benefits of penalty pay for night work. The bill would have this penalty pay be substituted for overtime pay required by law.

Mr. Speaker, I repeat, the whole purpose of this legislation is to rob the longshoremen of their penalty rate that they have received since 1872.

This matter went to the Supreme Court and in the Bay Ridge case the Supreme Court decided that for the forty-first hour the longshoreman shall be paid time and a half; so that the Supreme Court interpreted the contract between the longshoremen's union and the employers to provide that the longshoreman shall be paid his time and a half for any time that he works over 40 hours. That is the decision of the Court. The Court sustained the interpretation of the Fair Labor Standards Act I have given here.

Now comes the Senate. The Senate not only takes the position adopted by the House—and I say when this matter came up under suspension back in February very few Members of the House understood this question—but the Senate goes farther and it says that not only is the longshoreman to be deprived of overtime from now on but any claims that he has had prior to this legislation for overtime pay are wiped out and he can no longer sue for this back pay due him.

If you vote for this resolution you are voting not only for the House bill which wipes out the overtime protection for longshoremen but you are also voting for the Senate amendment which deprives the longshoreman of any claims he has heretofore had. I do not like to use this language and I rarely use it, but I say this is grand larceny being committed against the longshoremen and I want to tell you that no matter what happens to this legislation I am going to ask for an investigation of the contemptible lobby that has been working behind this bill. Huge sums have been spent to put over this legislation.

Mr. Speaker, I ask unanimous consent to place in the RECORD at this point a list of the names of these lobbyists and the amount of money that has been expended to put over this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, the question here is, shall the longshoreman receive time and a half for the forty-first hour or shall he not? Shall the longshoreman be deprived of his right to sue for time and a half for the forty-first hour that the Supreme Court has said he has a right to sue for?

If you vote for the resolution you say that the longshoreman cannot sue for that time and a half for the forty-first hour. If you vote against the resolution you are preserving the claims that the Supreme Court has said these longshoremen have, and, what is more, you are asserting the principle of Fair Labor Standards Act protection, the 40-hour-week protection for American workers.

Further, this bill amends the Fair Labor Standards Act for all industries, depriving millions of workers of the overtime provisions of the act.

Mr. LYNCH. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from New York.

Mr. LYNCH. Is it not true that under this bill a longshoreman who only worked 1 hour in a week could be considered as working overtime?

Mr. MARCANTONIO. Exactly. In other words, what they are doing here, they are taking the penalty pay which a longshoreman has always received for working at nighttime, and they say that penalty pay now is overtime even though the longshoreman puts in that time at nighttime.

Mr. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Massachusetts.

Mr. KENNEDY. His daytime pay is his regular pay, not his nighttime pay?

Mr. MARCANTONIO. Let us say the daytime pay is one dollar and let us say that the nighttime pay is $1.50. A longshoreman works 40 hours at $1. Then he works 1 hour extra at night for $1.50. The gentleman's contention is that that $1.50 is overtime pay. The Supreme Court and the longshoremen have said "No," that is penalty pay. Because he worked at night, that is penalty pay, and he is entitled to time and a half for that forty-first hour.

Mr. KENNEDY. His regular pay is his daytime pay, not his nighttime penalty pay.

Mr. MARCANTONIO. The gentleman is clearly in error. His regular pay is $1 for day work as well as $1.50 for night work. This applies to 40 hours worked either day or night. However, for any hour worked over 40 he is entitled to time and a half for it.

Mr. Speaker, this bill, H. R. 858, amending the Fair Labor Standards Act has returned to the House with two Senate amendments which make it a more vicious piece of antilabor legislation than it was originally when I led the fight against its passage.

This bill, H. R. 858, is a notorious piece of legislation. And when the history of the Eighty-first Congress is written one day, the passage of H. R. 858 will be marked as one of the most monstrous actions of this body.

As originally reported out of the House Labor Committee some months ago, the bill removed from the hours and overtime protection of the minimum-wage law all employees of the stevedoring and building-construction industries. It was described to us as urgently needed legislation to prevent a serious tie-up on the east-coast waterfront; a deadline, March 1, was specifically mentioned. Unless the legislation was passed by that date, said its proponents, disaster would befall the longshore industry. March 1 came and is long since gone; no legislation was passed and no tie-up took place.

I said then, and I say now, that there is absolutely no need for such legislation; that is, unless this Congress is decided that before any other legislation is passed to aid the American workingmen, the fat purses of the American shipowners and operators be further padded by excluding the longshoremen from the protection of the Fair Labor Standards Act. And that is what the House did do. It passed H. R. 858 and cracked down on a handful of hard-working longshoremen. It is significantly tragic that the same House which has failed to repeal Taft-Hartley sends this antilabor proposal to the President as its first piece of labor legislation.

I pointed out to the House that there was more to H. R. 858 than its prospective application—the form in which it passed the House. I said that the main

objective was to use this bill as a hook onto which a retroactive clause could be hung to wipe out the back-pay claims of thousands of longshoremen. For these longshoremen have sued and won through the Supreme Court of the United States legitimate claims for back pay extending to 1945. The employers have refused to follow either the law or the warnings of the Wage and Hour Administrator to pay longshoremen time and a half for all hours worked over 40.

And after losing in the courts, these same wealthy employers come to Congress and ask us to change the law in order to wipe out these back-pay claims.

And this the Senate did. The Senate, with a handful of Members on the floor, passed by unanimous consent an amended version of the House bill. The Senate amendments extended the application of this bill, that is, the exclusion from the hours' protection of the act, to all employees in all industries with a pay schedule similar to longshore. The Senate also retroactively wiped out all the existing back-pay claims which the Supreme Court had upheld.

Behind this action in the Senate and behind the attempt to get House approval of the Senate amendments, you can find one of the most powerful lobbies in Washington operating—and operating effectively.

I have compiled from the records of the Clerk of the House the expenditures—the proclaimed expenditures—of these lobbyists to put this bill across. I think that before this Congress approves legislation like H. R. 858, it would do well to investigate those who are lobbying so determinedly for its enactment.

Among the lobbyists are—

Waterfront Employers Association, which estimated $59,615 for legislative or Washington office operations for 1948 and which employed: Radner & Zito—the firm members and associates are William Radner, Frank J. Zito, J. Franklin Fort, Odell Kominers, Mary L. Schleifer, and William Ragan—528 Tower Building, Washington, D. C., $2,500 representing compensation at the rate of $250 per month from March 1, 1948, to December 31, 1948. Compensation for work done by firm members or associates. Legislation affecting maritime industry, particularly in relation to wage-and-hour law.

For the first quarter of 1949, $750, representing compensation at the rate of $250 per month, January–March 1949; estimated reimbursement for long-distance telephone and other communication expenses $225; mimeographing and printing of statements for presentation to congressional committees, $246.75. "Received from the Waterfront Employers Association, in addition to the $250 per month for legislative work, compensation in the amount of $1,000 per month for work in connection with litigation under the Fair Labor Standards Act." Worked on "legislation affecting maritime industry, particularly in relation to wage-and-hour law."

Arthur H. Breed, 310 Fifteenth Street, Oakland, Calif., who, I believe, is a California State senator. For third quarter of 1948 July 1 through September 30, salary, $3,614.24; miscellaneous expenses—office, postage, telephone, and telegraph, and so forth, and entertainment—$228.71. James D. Hahn, associate, $50 per week, plus expenses. Supporting overtime-on-overtime legislation.

For fourth quarter, 1948, October 1 through December 31, salary, $3,574.92; miscellaneous expenses, $191.65. James D. Hahn, associate, $50 per week plus expenses. Supporting overtime-on-overtime legislation.

For the first quarter of 1949, salary, $3,575; miscellaneous office expenses, $118.91. James D. Hahn, associate, $50 per week plus expenses. Supporting overtime-on-overtime legislation.

National Federation of American Shipping, which estimated $37,354 for legislative or Washington-office operations for 1948, and which employed—

Walter E. Maloney, of law firm of Burns, Currie, Walker & Rich, 40 Wall Street, New York City. Compensation is indefinite, depending on extent to which his services will be required. Retained in connection with Federation's efforts to get legislative relief for maritime employers from effects of Supreme Court decision in the Bay Ridge case. Registrant believes lobbying law is not applicable to him when as an attorney he renders legal service to a client. Will report on quarterly statements the portion of his income allocable to legislative activities. This is 1949 registration.

Frazer A. Bailey: Registrant believes that $450 represents the amount of his salary received from the National Federation during the fourth quarter of 1948 which is allocable to legislative activities; $93.91 paid to Waldorf-Astoria, Park Avenue, New York, N. Y., for expenses of luncheon meeting with industry and labor representatives in connection with overtime-on-overtime legislation. During past quarter supported overtime-on-overtime legislation and certain amendments to the Merchant Marine Act of 1936 as amended.

For first quarter of 1949, $2,250:

Supported legislation relating to overtime on overtime, United States-flag shipping participation in Government-financed cargoes, and amendments to the Merchant Ship Sales Act of 1946.

John B. Ford, 1809 G Street NW., Washington, D. C.:

A fair portion of my salary chargeable to lobbying purposes is $25 per month, $75 for the quarter. Compensation for personal services. Legislation affecting the American merchant marine, specifically legislation amending the Merchant Marine Act of 1936, House Joint Resolutions 377, 398, 412, and 413, and companion bills, overtime-on-overtime legislation, and other legislation affecting shipping.

Alfred U. Krebs, 1809 G Street NW., Washington, D. C.: Registrant believes that $50 per month represents a fair allocation of his salary for the fourth quarter of 1948. Registrant did not support or oppose any legislation during the fourth quarter of 1948.

W. Bruce Macnamee, 1809 G Street NW., Washington, D. C.: $150 per month—$450 for quarter—allocable to legislative activities. Not employed to support or oppose any particular activities. Not employed to support or oppose any particular legislation.

Plumley Fletcher, 421 Tower Building, Washington, D. C.: Gross salary received, $925; expenses, $141.30. "No specific legislation."

John F. Rudy, 1809 G Street NW., Washington, D. C.: $35 received as salary during fourth quarter 1948 allocable to legislative activities.

As director of public relations of the National Federation of American Shipping am not employed to support or oppose any particular legislation.

S. D. Schell, 1809 G Street NW., Washington, D. C.: Approximately $300 of regular salary for the quarter is allocable to services performed on matters relating to legislation. Activities consisted mainly of answering questions of various officials in the Government and others interested in general legislation pending in Congress with no particular activity on pending legislation.

National Association of Stevedores, New York City, reported expenditures of $3,034 for 1948.

Finally, these are the same lobbyists who are working so determinedly to change the Ship Sales Act of 1946 and the Merchant Marine Act of 1936; to reduce their indebtedness to the United States Government; to change the depreciation rate on their vessels; to increase their subsidies. How many are in violation of the law by not registering with the United States Maritime Commission for the purpose of carrying on these activities?

A thorough congressional investigation is needed.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. WERDEL].

Mr. WERDEL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a copy of an article published in the magazine America.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WERDEL. Mr. Speaker, the gentleman from New York has used the figure of $1.50. Now, we must understand when we are considering this bill that under the ILA contract the regular rate of pay is $1.88 an hour; that by expression in the contract the overtime rate is $2.82 an hour. If you assume under the contract as written by the ILA that a man works 1 hour before 5 o'clock and 7 hours after 5 o'clock, under the contract that man has earned $19.81 overtime and $1.88 regular time. Under the court decision you would add those up, divide by 8 to get to the normal rate, so the court normal rate instead of being $1.88 as expressed in the agreement becomes $2.71 an hour. Then the overtime rate, if you please, is not $1.50 an hour but under the court action is $4.06 an hour. If you apply the differential in the overtime rate in the contract as written by the court and the one as written by the parties, then you have a difference of $25 per week for a 60-hour week. Then if you apply the penalties, you have $50 per week. You multiply that by 52, and you have a possible $2,600 claim per year for a man that works 60 hours a week. Multiply that by the 20,000 claims that are

now pending and you have five hundred and some odd million dollars. The claims presently filed are only part of those that can be filed and will be filed if the Congress does not pass this bill with its retroactive features.

I have sat here and listened intently to the debate on H. R. 858, just as I sat here and listened last February, and I have not heard a single meritorious argument advanced against the bill. Not only that, as a member of the Labor Committee, I heard considerable testimony both for and against the bill when hearings were held last February and I was present when several Members of the House appeared before the Rules Committee and opposed the granting of the rule. I heard no further argument against this bill and I do not believe there is any.

Here is a situation where labor and management, parties that have bargained collectively for more than 30 years, came before Congress with a joint application for legislative relief. The International Longshoremen's Association, A. F. of L., and the employers in the stevedoring industry, who have fought side by side through the courts to sustain their collective bargaining agreements, turned to Congress for help. Now let us look at what had happened.

Because of their strength over the years, the International Longshoremen's Association had won from the employers a contract that gives the longshoremen benefits far beyond the minimum requirements of the law and far better than the usual collective bargaining agreement. In fact, Judge Rifkind in the district court found that there was 8.50 times as much contractual overtime as there was overtime measured by the number of hours in excess of 40 worked for one employer. This union, like some well-organized bargaining group, had gone far beyond the point where overtime is paid merely for excess hours or for work performed after a certain hour of the day. On the east coast, for example, the men were able to gain a contract spelling out a regular or normal working day of 8 hours from 8 a. m. to 12 noon, and from 1 p. m. to 5 p. m., and the regular or normal workweek is made up of 40 hours, 5 regular or normal working days from Monday to Friday, inclusive. These regular working days are the straight-time hours under the contract and if a man works at any time outside the regular working day, the contract provides that he shall be paid at the overtime rate of time and one-half the straight-time rate. In other words, under the contract there are only 40 hours during the week when an east coast longshoreman can work at straight time. At all other hours he gets time and one-half. At present the straight-time rate is $1.88, the overtime rate is $2.82.

There are some longshoremen who had no interest beyond the chance to get a quick dollar. These men were mostly those who had come into the industry during the war period and that were advised by some clever lawyers that there was a chance to collect some unexpected overtime compensation. These lawyers were hired on a percentage retainer, and without further ado, suits were filed in 1945.

The International Longshoremen's Association opposed these suits because it knew that the enforced payment of overtime on overtime would mean that the employers would never again grant the benefits provided by the traditional type of contract. Accordingly, having the courage of their convictions, union officials testified in opposition to these claims and a brief was filed by the International Longshoremen's Association in the Supreme Court. The American Federation of Labor, the parent organization of the International Longshoremen's Association, also filed a brief in the Supreme Court and it is interesting to see their appraisal of the effects of the Bay Ridge decision. Their brief, opposing the claims of the longshoremen, reads in part as follows:

> A final important consideration. The result of the Bay Ridge decision reaches beyond the question of overtime only and adversely affects the interests of organized labor in other directions than the loss of advantageous arrangements previously won. It strikes at the very foundation of collective bargaining. In some respects it interferes with the right of organized labor and employers to enter into agreements which are more advantageous to the workers than the minimum statutory provisions enacted for their benefit. It denies to organized labor the right to enter into contracts which in good faith seek to accord a broad and favorable interpretation of the work "overtime" and thus strikes directly at labor's power to improve its working conditions through the process of collective bargaining.

Meanwhile officials of the International Longshoremen's Association and also William Green, president of the American Federation of Labor, were advising union men all over the country they should not instigate suit or file claims to collect overtime-on-overtime. It is something to note that the overwhelming majority of union longshoremen respected the wishes of their leaders and over 80 percent of the longshoremen in this country filed no overtime-on-overtime claims.

The courts ruled in favor of the suing longshoremen and against the employers and labor organizations. The court held that payments at the overtime rate had to be included in the compilation of an average rate and that when a man worked more than 40 hours in a workweek, he must be paid one and one-half times his average rate—overtime on overtime. The court in fact told the parties "true, you have called this 150 percent rate an 'overtime rate'; you intended it to be true overtime and you both treated it as such; but you are both wrong—it is not overtime at all, but a part of the man's regular rate." Of course, this decision opened the flood gates and many more suits were filed. As a matter of fact while we had this matter under consideration by the Labor Committee we were advised that suits are also pending in the building and construction field as well.

Soon after the Supreme Court decision the International Longshoremen's Association and the East Coast employers had to negotiate for a new contract. The overtime issue immediately became the major obstacle to a new contract, and because of their inability to find a satisfactory substitute for their previous work patterns and contracts, a nationwide strike took place last fall. In an effort to end this tie-up the Secretary of Labor sent the following telegram to the International Longshoremen's Association and to the employers:

> I will on the opening of the Eighty-first Congress promptly support legislation to validate in principle the traditional form of contract between stevedores, shipping companies, and longshoremen.

Relying on this assurance the parties entered into a temporary truce, and the country's merchant marine and its cargoes moved once again. This truce, unsatisfactory as it is to both parties, continues while they await the enactment and our consideration of this legislation. Unquestionably as soon as this bill becomes law, the industry will revert to its traditional type of contract and practice.

The Secretary of Labor appeared before the Labor Committee and urged prompt relief from the overtime-on-overtime problem. Of course, the bill as originally introduced dealt solely with the future, but there can be no question about it—if the principle is sound for future labor contracts then it is only fair and equitable to make this principle applicable to those cases where parties have in good faith entered into such contracts in the past.

We had extensive hearings before the Labor Committee and when it became apparent that we were going to treat it separately and apart from general wage-hour legislation, we had representatives of the parties before us in executive session. I have no doubt in my own mind that if it had been possible for us to do so, the bill reported to the House by the Labor Committee would have been retroactive. Our action in this direction was prevented solely by a ruling of the Parliamentarian that such an amendment would not be germane.

The House passed the bill by a vote of 230 to 7, and thereafter the other body undertook consideration of the measure. A special subcommittee of three—Senators HILL, WITHERS, and MORSE—appointed by the Senate Committee on Labor and Public Welfare held extensive hearings devoted primarily to the question of retroactivity and broader coverage. While we had heard the labor organizations, the employers, individual longshoremen and lawyers representing longshoremen in pending cases, the Senate hearings were even more complete. Considerably more time, in fact, unlimited time, was given the attorneys representing the suing longshoremen. For instance, Mr. Monroe Goldwater of the firm of Goldwater & Flynn, New York City, testified on March 7, on March 8, and again on March 10, and submitted a supplemental brief for the record. Numerous other attorneys representing claimants also appeared. Among them, Mr. Herbert Resner, a member of the firm of Gladstein, Anderson, Resner & Sawyer, and general counsel of the International Longshoremen's and Warehousemen's Union, CIO. I think we can assume that these attorneys, fighting to save large contingent legal

fees, put forward their best cases. Nevertheless, the Senate subcommittee voted unanimously to make H. R. 858 retroactive, and the full Senate committee concurred. When the bill reached the floor of the Senate, amended so as to be retroactive, it passed without a single objection. The Senate also made the bill applicable to all industries. There has been no opposition whatsoever to such broader coverage, and I certainly feel that if the overtime-on-overtime problem is to be corrected it should be corrected for everyone.

Actually H. R. 858 means that if parties entering into a contract that meets the requirements of the bill the extra compensation provided by the contract premium rates will be excluded in computing the regular rate at which employees so paid are employed. Furthermore, this premium compensation may be credited toward any overtime compensation due under the Fair Labor Standards Act. The purpose in making the bill retroactive is to prevent the maintenance of suits now pending or the enforcement of claims which may have accrued prior to the enactment of this bill. In other words, if prior to the date of enactment of this act an employer has paid an employee for, let us say, 1 hour's work at a premium rate of not less than time and one-half the rate applicable for the same work during nonovertime hours, then the overtime premium—50 percent or greater—will be excluded from the calculation of regular rate and may be credited toward statutory overtime.

This is certainly fair and equitable.

The problem here presented results from a Supreme Court decision. That decision resulted in the court rewriting contracts of the bona fide contracting parties. The necessary action to follow has been the enforcement of the 100 percent penalty provisions of the Fair Labor Standards Act and the assessment of large attorney fees.

The undisputed testimony before the House Committee on Education and Labor by officials of the United States Maritime Commission was that the United States Government is exposed to damages in an amount in excess of 200,000,000.

William Green of the American Federation of Labor has advised against filing of claims and lawsuits by members of American Federation of Labor unions. The proper officers and attorneys of the International Longshoremen's Association appeared as a friend of the court and opposed the decision of the Bay Ridge case. Yet, we were advised in the House Committee on Education and Labor that in excess of 20,000 lawsuits have been filed.

I want to call your attention to the circumstances surrounding the filing of many of those lawsuits. I have in my possession digests of all of the cases filed on the Pacific Coast from Seattle, Wash., to southern California—62 such cases, each embracing many plaintiffs, have been filed. Sixty of those cases have been filed by the law firm of which Richard Gladstein is the senior partner. I also have evidence of the cases filed in Hawaii. There are nine such cases embracing a large number of plaintiffs. All nine of those lawsuits were filed by Mr. Gladstein's law firm. I also have in my files copies of the printed and mimeographed attorney-fee agreements retaining Mr. Gladstein's firm of attorneys to collect overtime compensation and liquidated damages as a result of the Bay Ridge case. The undisputed testimony before the House and Senate committees is that these agreements were circulated in the port cities by individuals who went out on the streets to induce longshoremen to retain Mr. Gladstein's law firm to commence legal proceedings. The agreements are also fully set forth in the Senate hearings. I cannot see how that can be considered anything but champerty, even in those States permitting an attorney to take a contingency fee. Certainly, it is difficult to understand why the proper bar associations in the areas where these tactics have been employed have not taken action against the law firms benefited by these tactics. Many of these agreements provide for contingency fees of large proportion of any possible recovery in addition to the attorney fees allowed under the terms of the Fair Labor Standards Act.

In these days when socialist England is crying for food but still has an uncontrolled London dock strike; when the Australians are battling unreasonably stimulated labor troubles; when Harry Bridges has outclassed Hirohito by blockading Hawaii, I believe it should be pointed out here that the Richard Gladstein I have mentioned is the attorney for Harry Bridges and for that labor union which Mr. Bridges has stolen from its membership. Richard Gladstein's Communist affiliations are mentioned in five places in the 1947 report on the un-American Activities of the Joint Fact Finding Committee to the fifty-seventh California legislature. He is there listed as the attorney for the Communist Party. He is presently one of the attorneys defending the 11 Communists in the conspiracy trials now pending in New York.

Surely the Members of the House comprehend what is involved in the retroactivity of H. R. 858. When these bills were first passed, employers were given a reasonable length of time to comply with the provisions of the act in their business affairs. However, now that the act has been in effect for 10 years, when the Supreme Court or our other courts improperly interpret the intent of Congress with regard to who might be covered by the act, or as in this case, what the true definition of regular rate is, such action has the effect of making the penalty provisions retroactive. Such provisions are retroactive for the period of time covered by the Statute of Limitations on labor claims in the respective States. You can, therefore, well understand that we are considering a problem where honest employers are exposed to the uncontrolled champerty of dishonest labor leaders and that the real measure of damages in the case is the extent of the assets that the employers possess.

We on the House Committee on Education and Labor have been reliably advised that some employing organizations would be forced to expend costs in the amount of $300,000 in order to provide an audit required by the decision of the Bay Ridge case. Those high court expenditures are understandable if we keep in mind that the average daily rate would be different for each employee and some of these firms have hired them by the tens of thousands. I am advised that the Statute of Limitations in New York State is 6 years.

We should not be deceived as to the amount of damages involved in our decision here. It is admitted that only a small portion of those entitled to file these suits have yet filed. Some employers in Hawaii have already settled claims brought by Harry Bridges' union. However, immediately upon being relieved of this legal harassment, after they marshaled their assets and entered into a settlement, such employers have immediately faced new claims by the same plaintiffs filed by the same attorneys without cost to the plaintiffs, under contingency fee agreements. Unless H. R. 858 is made retrospective in effect to state the true intent of Congress when the law was passed, there will be a flood of cases filed as soon as this Congress adjourns.

I also have in my possession digests of the cases filed in the New York City area. Most of these cases have been filed by plaintiffs who are members of the union that entered into the bona fide agreement with stevedoring employers through the International Longshoremen Association. The leadership of that union and their attorneys justifiably desiring to rely upon their collective-bargaining agreement have opposed such actions. Those of us on the Education and Labor Committee have been reliably advised that the jurisdictional contest now going on between the International Longshoremen Association and the captive union of Harry Bridges has resulted in the filing of many of the New York cases. The same unethical tactics have been employed by many of the attorneys who represent the plaintiffs in the New York actions. We have been told that persons identified with Communist activities have circulated attorney-fee agreements in New York with the remarks that "It will not cost you anything to let us show you what Harry Bridges can do for you."

The New York cases have been filed by the following attorneys: Goldwater & Flynn, David Friedman, Nathan Baker, Cherny & Lexine, Samuel M. Cole, Sol Gerstein, Howard Schulman, Albert A. Gerber, Samuel P. Lavine, Walter N. Moldawer, Protter & Bagley, Tanz & Jaffe, Max R. Simon, Benenson & Israelson, Aaron Sofer and Milton I. Stockton, Maurice Braverman, William Murphy, McNally & Batten, Duberstein & Nimkoff, Nathaniel A. Rankow, Dilorenzo & Alfert, Joseph B. Koppelman, O'Dwyer & Bernstien.

I also believe that it should be called to the attention of the House that the firm of Goldwater & Flynn has offered to make settlement of all of the cases filed to date, for all of the attorneys I have mentioned, for the sum of $10,000,000.

I do not believe that the Senate Committee asked Mr. Goldwater, when he appeared before it, whether his firm was associated with all of the other firms I

have mentioned as having filed pending actions. It is true that that firm represents about 5,000 plaintiffs. It is also true that the captive union of Harry Bridges is supposed to be a CIO union; that Robert Nathan in Washington is an economist for that union; that Jerome Spingarn is an attorney with offices connected with Robert Nathan; that Jerome Spingarn appeared in executive session of the Education and Labor Committee of the House when the retrospective effect of the Lesinski bill, H. R. 858, was being discussed. He appeared as a representative of Goldwater & Flynn and was even allowed into executive session of the committee until his removal was insisted upon by the Honorable SAMUEL K. MCCONNELL, ranking minority member of the committee.

It is my considered opinion that these facts demonstrate that the decision of the Bay Ridge case has resulted in the development of one of the largest and most vicious rackets in the history of our country and the legal profession.

I am sure that it will appear to the general American citizens that this Congress should examine into the real cause for the flood of litigation which has been filed in our courts by mass circulation of attorney fee agreements. It has been, in effect, a mass production of unwarranted lawsuits against honorable and responsible citizens and against the United States Government and its taxpayers themselves. Certainly, our bar associations should be interested and the Department of Justice should feel called upon to examine into these matters and determine their cause and also to determine whether there is any connection between this mass of litigation and the resignation of James L. Goldwater from the Wage and Hour Division of the Department of Labor and the Solicitor's Office in April 1942. Members of the Committee are reliably advised that at that time James L. Goldwater entered the law office of his father, the senior partner in the firm of Goldwater & Flynn.

When H. R. 858 was first introduced by the gentleman from Michigan [Mr. LESINSKI], members of the Education and Labor Committee were led to believe that the retroactive features of the bill would be discussed. However, on the day set for such discussion, the gentleman from Michigan [Mr. LESINSKI] claimed that the retroactive features were not germane. The need for retroactive features was known when the bill was first introduced, and if they had been included in the bill, the bill would have been referred to the Judiciary Committee. The House Labor Committee passed H. R. 858, believing that the Senate under its rules would amend the bill. Offering amendments to H. R. 858 in its original form on the floor of the House would also have been subject to the objection that such amendments were not germane to the bill.

I am sure that a majority of the members of the Education and Labor Committee were in favor of retroactive features in the original bill. They later voted to instruct the gentleman from Michigan [Mr. LESINSKI] to take the bill from the Speaker's desk when it was returned from the Senate and concur in the Senate amendments.

It seems little short of bad faith to have certain gentlemen of the committee now making the point on the floor of this House that the Education and Labor Committee held no hearings on the bill, and that is particularly true in the light of the fact that the law firm of Goldwater & Flynn were permitted to sit in on executive sessions by the gentleman from Michigan [Mr. LESINSKI], the author of the bill.

I think that it is unfortunate that the gentleman from New York has inserted an article by John M. Corridan, S. J., from the magazine America into the RECORD. As a member of the good Father's faith, I can only say I believe he has been deceived by men who seem to think there is a difference between coveting your neighbor's goods as an individual and doing it by group action, provided that group is called a union or political party. It is with consideration and respect for Father Corridan that I enclose herewith a copy of the reply to his statements printed in the magazine America on June 4, 1949, as drafted by Daniel A. Lynch:

CONCERNING OVERTIME ON OVERTIME

In the issue of America for April 2, 1949, there appeared an article by John M. Corridan, S. J., entitled, "Overtime on Overtime; Longshoremen's Case." The paper attacks H. R. 858, a proposal to clarify the Fair Labor Standards Act by outlawing overtime on overtime. The House of Representatives passed the bill by a vote of 230 to 7. In the same issue America boasts that among its more than 22,000 subscribers by mail are "pastors, teachers, government officials, journalists, and other leaders of public opinion." It is probable that few of the readers of America are familiar with the question of overtime on overtime. Hence they are very apt to accept Father Corridan's statements without qualifications. The present writer feels that a quite different version of the controversy should be presented to America's readers.

All longshoremen are represented by the International Longshoremen's Association (A. F. of L.) or by the International Longshoremen Workers Union (CIO). This representation is not new. The ILA has represented the longshoremen in New York for over 30 years. It has contracts covering west coast longshoremen for over 15 years. Through collective bargaining the unions and the employers agreed upon a straight-time rate and an overtime rate. In New York, at the present time, the straight-time rate ($1.88) is payable for work performed between 8 a. m. and 12 noon and 1 p. m. to 5 p. m., Monday through Friday. Work performed during all other hours on those days and on Saturday, Sunday, or holidays is by agreement of the employers and the union designated as overtime and paid at the rate of time and one-half ($2.82). This practice prevailed in all coastal ports of America for years prior to the passage of the Fair Labor Standards Act. Following the passage of the act, in 1938, all parties to these collective agreements believed that the overtime provisions of the contracts complied with the existing law.

Under this arrangement, it was proved in Federal court that longshoremen were paid eight and one-half times more in overtime wages than they would have received if paid in accordance with the law—that is, after 40 hours of work.

In 1945, in the port of New York, approximately 800 men, most of whom came into the industry only for the war years, instituted suits under the FLSA to determine if "overtime" in the union contract was "overtime" under the law. The cases were tried before Judge Simon J. Rifkind, who ruled that the collective agreements accorded with the law. He stated that to hold otherwise would "put collective bargaining in the category of a device to obtain money under false pretenses." The circuit court of appeals reversed the district court, and the Supreme Court sustained the claims by a 5-to-3 decision (*Bay Ridge Operating Co., Inc.* v. *Aamon*, 1947). The Supreme Court held that the overtime paid to and accepted by longshoremen for years, without complaint either by their unions or themselves, was a part of the "regular rate" under the law, and that statutory overtime had to be paid on top of the contractual overtime that was already paid.

Following the decision of the circuit court in the Bay Ridge case, suits were instituted by some 20,000 longshoremen who sought to climb aboard the "gravy train," wholly disregarding the agreements entered into in absolute good faith with their own unions. With this problem to face, the ILA and the New York Shipping Association commenced contract negotiations in 1948. Various proposals for rephrasing the agreement to permit continuance of the overtime practices were submitted by conciliators, but approval thereof could not be obtained from the Wage Hour Administrator. The longshoremen went on strike in November.

The situation was presented to the Secretary of Labor who, on December 7, 1948, sent the following telegram to ILA and the shipping association: "I will on the opening of the Eighty-first Congress promptly support legislation to validate in principle the traditional form of contract between stevedores, shipping companies, and longshoremen." (This referred solely to overtime.) Thereafter, Secretary Tobin directed his legal staff to consider corrective legislation. After a conference of representatives of the A. F. of L., CIO, the shipping, stevedoring, building, and construction industries, a bill was drafted and introduced by Congressman JOHN LESINSKI, chairman of the Committee on Labor and Education, at the request of Walter Mason, legislative representative of the A. F. of L. And thus was H. R. 858 conceived and born.

Now Father Corridan's article contains many inaccurate statements. Limitation of space permits an exposition of only the more important of these.

He states that the shipping industry petitioned Congress for a law to remove longshoremen from the scope of the Wages and Hours Act and that H. R. 858 will achieve that result. Nothing could be further from the truth. The fact is that Congress has been asked to permit unions and employers to agree, through collective bargaining, to overtime terms more beneficial than the minimum requirements of the FLSA. The AFL, Labor Department, and Wage and Hour Administrator have endorsed this effort. Even the CIO does not oppose H. R. 858 in principle. Is it reasonable to believe that these groups would agree to such a limitation at a time when they are demanding that the act be expanded?

He asserts that the industry is hazardous, particularly at night, thus requiring a higher rate for night work than other industries. Stevedoring is hazardous at all times but records will show that, on the basis of manhours worked, more accidents occur in daytime hours than during the night. He implies that seven different courts have determined that payment of 150 percent of the day rate for night work is not true overtime. I challenge Father Corridan to name any court which so ruled prior to 1947.

He would have us believe that the industry has consistently violated the act because, up to 1945, the ILA contract called for 44 straight-time hours. He does not state—as is the fact—that longshoremen working in

excess of 40 hours for any employer in a given week were paid one and one-half times the straight-time rate for hours worked in excess of 40. Stevedores in New York have been investigated by inspectors of the Wage and Hour Division, and not a single complaint has been filed.

He states that he cannot understand why the industry failed to comply with, and the Government agencies ignored, the various directives of the Wage and Hour Administrator. Father Corridan cannot point to a single directive of the Administrator which stated that the industry should pay more than contractual overtime, because none was issued.

What happened was this. In 1943 the Administrator wrote to War Shipping Administration, stating that in his opinion the overtime-pay practices under an ILA contract in a Gulf port did not comply with the law. He requested the comments of WSA on his opinion. At least 25 conferences were held, attended variously by representatives of WSA, Army, Navy, Wage-Hour Administration, and Justice Department. At this very time the Administrator refused to give a ruling on the question, although specifically requested by an employer to do so. Since the procurement agencies challenged the opinion of the Administrator, it was agreed that the Attorney General—the highest legal authority in the executive branch of the Government—would determine their legal position. He decided that the ILA contract did not violate the law and undertook to defend his ruling in the courts. The Administrator apparently adopted this position, since he never sought to enforce his opinion, as was his right and duty under the FLSA.

Father Corridan states that the industry was careful to obtain special-indemnity agreements in Government contracts. This is just sound business practice. The ulterior motive he ascribes to the industry in obtaining the indemnity is a gem. He indicates that with the indemnity agreements, plus delay, only the Government would be liable for past violations of the law because of the 2-year statute of limitations contained in the Portal to Portal Act. I should like Father Corridan to explain how the industry could know in 1945, when the indemnities were obtained, that the Portal to Portal Act would be passed by Congress in 1947.

With respect to the amount of pending claims, Father Corridan is apparently willing to accept as gospel truth the statement of the attorneys for the litigants. He says the "lawyers for the men give $15,000,000 as the top figure filed for all claims in the United States and its possessions." Had he checked his facts, he would have found that more than $15,000,000 of claims were asserted in only 4 out of some 200 lawsuits. I assume Father Corridan was also advised by the same lawyers that the real fact is that 95 percent of the liability for overtime on overtime will be met by the Government.

If Father Corridan had written of this subject as a pure proposition of law, it might not be necessary to point out his errors of fact. It is an entirely different matter, however, when a writer flits from error of fact to half truth to the false conclusion that the men are morally entitled to recovery, and that their cause is just.

For a certainty, the shipping and stevedoring industries seek to have existing claims barred. These claims have no more moral substance than the claims which arose in the Mt. Clemens Pottery case and were outlawed by the Portal to Portal Act (with which Father Corridan says he has no quarrel). In asking for corrective legislation, all that the industry seeks is a law to validate agreements entered into in good faith with the ILA after negotiations with a committee of upwards of 100 representatives. The Xavier Labor School seeks to encourage collective bargaining. Its instructors must necessarily teach that an agreement once made is binding upon all of the employees covered by the contract, and must be honored in letter and spirit. Giving retroactive effect to H. R. 858 will accomplish this and nothing more. Responsible officials of the AFL have stated that the greatest assets of the trade-union movement are their collective agreements and the integrity therein involved. How can Father Corridan aline himself with those who seek to destroy these assets? William Green asked constituent unions of the AFL to see to it that their members did not sue for overtime on overtime. Does Father Corridan believe that Mr. Green would have made such a request if the men were morally entitled to the money and their cause just? One Federal judge stated that it would be difficult to sustain these claims if they rested upon moral grounds alone; another described similar litigation as a species of synthetic afterthought."

Father Corridan's paper was written without regard for the true facts. A host of reprints of the article have been circulated among longshoremen along the waterfront of New York. These men have every right to expect that statements made by Father Corridan in America are true. His article is factually wrong. I submit that it is his responsibility to see to it that the false impressions he has created are corrected.

DANIEL A. LYNCH.

Mr. SABATH. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, it seems that I am the only one on the Democratic side of the Committee on Education and Labor who is going to represent the majority of that committee, which reported out this bill. The bill came out by a 14-to-11 vote, and the majority favored retroactivity. You will recall that the Senate bill adding retroactivity was reported by the Senate Committee on Labor, comprised of Senators PEPPER, MORSE, and others who are labor's great friends, and it came out of that committee unanimously and went to the full Senate without a dissenting vote. So this cannot be said to be an antilabor bill. It is not. It is a prolabor bill, because it prevents these people who have lawsuits from getting this extra windfall, where those who did not bring suit would not be entitled to it. That is the substance of it. The issue is, Will these men abide by their contracts? That is the simple issue. There was a contract all during the war, and it exists until today, entered into by this labor union. It is a strong labor union. Yet some of the members want to get this windfall as the result of this tortuous decision of the Supreme Court. We certainly should clarify the law, and that is all this bill intends to do.

H. R. 858 passed the House in February. At that time the House Education and Labor Committee was holding hearings on H. R. 2033, providing numerous amendments to the Fair Labor Standards Act of 1938. In the course of those hearings we considered the problem of overtime on overtime, because, as the Secretary of Labor told us, it is one of the most serious problems arising under the wage-hour law. When it became apparent that there would be some delay in reporting out H. R. 2033, or any other comprehensive bill, the committee decided to expedite the clarification of the overtime provisions of the act, and we reported out H. R. 858. H. R. 858, as reported by the committee and as passed by the House 230 to 7, dealt solely with the future and had no retroactive application. It provided merely that after the date of enactment, overtime premiums paid in accordance with contracts meeting the standards set forth in the bill would be recognized as true overtime and could be credited against the obligations to pay overtime under the 1938 act.

The committee was well aware of the need for retroactive relief. We had heard considerable testimony with respect to the lawsuits pending in the stevedoring and longshore industries and in the building and construction industries. As I told you last February, in my opinion, a majority of the members of the committee felt that retroactive relief was fully justified. My statement to you at that time has since been confirmed by the action of the committee, voting to concur in the Senate amendments. You will recall that the committee was precluded from voting on retroactive relief because the committee was advised by the Parliamentarian that a retroactive amendment would not be germane since the bill, as originally introduced, dealt solely with the future. It was solely because of this technicality that the committee failed to act on the question. Several members of the committee, including myself, told you that we sincerely hoped that when the bill was considered on the other side retroactive relief would be afforded and that we would be given an opportunity to correct the situation.

Now the other body has amended the bill to grant retroactive relief. And it is important to remember that action was taken at the conclusion of extensive hearings. A subcommittee of the Senate Committee on Labor and Public Welfare held hearings from March 2 to March 14 on H. R. 858 alone and these hearings were devoted almost exclusively to the question of retroactivity. All parties were heard. Numerous longshoremen were heard personally and I believe that all of the attorneys representing the claimants on both coasts were heard. The subcommittee consisting of Senators HILL, WITHERS, and MORSE reported unanimously in favor of retroactivity. The entire Senate committee concurred and the bill, as amended, passed the Senate without a single objection.

The Senate also amended the bill so that it would now apply to all industries. There has never been any objection to this. The House Committee on Education and Labor limited the bill's coverage solely because we were considering H. R. 2033 which would extend the same relief to all industries. Certainly we should concur in the broader coverage of the amendment.

Mr. BROWN of Ohio. Mr. Speaker, I yield the remaining time on this side to the gentleman from Massachusetts [Mr. HERTER].

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Georgia.

Mr. COX. I trust the Members of the House will give attention to what the

gentleman from Massachusetts has to say. He will give you an accurate picture of the whole question here involved.

Mr. HERTER. Mr. Speaker, in order to have a clear understanding as to what the real issue is in this piece of legislation and to determine whether or not this is antiunion or prounion legislation, let me read you a few extracts from the brief filed by the International Longshoremen's Union before the Supreme Court dealing with this matter. I think these extracts will clarify without any question of a doubt the fundamental issues that are involved here. The brief begins as follows:

The International Longshoremen's Association (AFL), hereinafter referred to as the ILA supports petitioners' appeal herein, because under the decision of the court below, the economic and social gains it has made for its membership as a whole over a period of 25 years would be seriously undermined. Its capacity to negotiate and reach agreements in good faith for the betterment of the general conditions of its members, including the fixing of wage scales and overtime rates—which in this industry are over and above and superior to the standards set by the Fair Labor Standads Act—would be destroyed. Elements of uncertainty would be introduced into the processes of collective bargaining. The promises of the parties solemnly entered into and relied upon in working out an industrial code for the industry, would no longer have that moral authority and economic predictability which is a basic and essential requirement for effective pursuit of the processes of collective bargaining.

What was the contract solemnly entered into between the employers and the employees? Again I read from the union's statement:

(a) Straight time rate shall be paid for any work performed from 8 a. m. to 12 noon and from 1 p. m. to 5 p. m., Monday to Friday, inclusive, and from 8 a. m. to 12 noon, Saturday.

(b) All other time, including meal hours and the legal holidays specified herein, shall be considered overtime and shall be paid for at the overtime rate.

Mark you, it is considered overtime, and is not considered premium time. Here is the statement of the union brief about that:

Overtime was fixed at time and a half the regular rate. No intricate computation to arrive at the overtime was necessary. The rates were clearly set forth, and no member of the union has ever expected overtime on overtime. No employer has ever expected that there would be a demand for it.

The union, speaking for its entire membership, cannot allow some of its members to repudiate individually an agreement as to what constitutes regular and overtime rates to which they, together with their fellow workers, jointly agreed through the orderly processes of collective bargaining over a long period of years. For the union to stand by idly when such repudiation is attempted would be to destroy the very foundation of bona fide collective bargaining.

Mr. LYNCH. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. LYNCH. Does the gentleman believe that a union and an employer can contract away a statute of the United States?

Mr. HERTER. I will answer the gentleman's question directly. The employer and the employee entered into a contract in good faith. Those contracts had been in existence for many years. Along came the Fair Labor Standards Act. The Administrator of the Fair Labor Standards Act never said specifically that this was a violation. He said he was not sure whether it was, and he never tried to enforce the Fair Labor Standards Act on them. It was not until the matter came into court that there was any question as to whether that act had been violated.

Mr. Speaker, I want to read now a part of the opinion of Mr. Justice Frankfurter, one of the three dissenters in this case. He said:

No time is a good time needlessly to sap the principle of collective bargaining or to disturb the harmonious and fruitful relations between employers and employees brought about by collective bargaining.

Then Justice Frankfurter makes this statement in regard to the Court's opinion. He said:

It treats the words of the Fair Labor Standards Act as though they were parts of a cross-word puzzle. They are, of course, a means by which the Congress sought to eliminate specific industrial abuses. The Court deals with these words of Congress as though they were unrelated to the facts of industrial life, particularly the facts pertaining to the longshoremen's industry in New York.

Mr. Speaker, I could continue with further quotations directly from the unions. I will read only the statement of the American Federation of Labor in regard to this matter. It is as follows:

A final important consideration. The result of the Bay Bridge decision reaches beyond the question of overtime only and adversely affects the interest of organized labor in other directions than in the loss of advantageous arrangements previously won. It strikes at the very foundation of collective bargaining. In some respects it interferes with the right of organized labor and employers to enter into agreements which are more advantageous to the workers than the minimum statutory provisions enacted for their benefit. It denies to organized labor the right to enter into contracts which in good faith seek to accord a broad and favorable interpretation of the word "overtime" and thus strikes directly at labor's power to improve its working conditions through the process of collective bargaining.

In my own district members of the Maritime Union came to me and they said, "We want to see this legislation enacted. We want to be considered honorable men who stick by our bargains. We do not want any windfalls that we never expected. Not only that, but we have refused to sign the petitions that are being circulated."

Let me say a word with regard to those petitions. I could show you photostat copies of the type of petition that was circulated by lawyers in order to get the longshoremen as their clients. They would line up the longshoremen and pass out these typewritten contracts. Twenty-six thousand men who are making appeal for back wages, have placed their contracts in the hands of a very few number of lawyers in New York City. One of those lawyers, testifying before the Senate Committee on Labor and Public Welfare, stated he would be willing to settle his claims for $10,000,000. That means $2,500,000 for his law firm. I will not mention the name of the law firm, but it is right here in the hearings so that anybody can read it. Naturally, the lawyers who have been getting these clients do not want us to interfere.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. COX. The substance of the statement made by the leaders of these labor unions and the allegations set forth in the briefs filed are to the effect that the honor of the unions cannot be upheld if the members were to be permitted to violate the terms of a solemn contract entered into?

Mr. HERTER. There is absolutely no question about that. The allegation is made that this bill is an antiunion bill; that we have to defend the individuals whom the lawyers got to bring these claims. No one ever did it on his own account. It was done by the lawyers, chasing after them like ambulance chasers, in order to make a fee which they wanted to settle in a collective amount. It seems to me we have a pretty good criterion there as to whether this is a labor or antilabor bill. Considering the fact that the subcommittee in the Senate conducted hearings on this matter at tremendous length, and reported to the full Committee on Labor unanimously, Republicans and Democrats alike, and this went to the Senate unanimously, making it retroactive to apply to all industries, it seems to me is about as good a test of the justice of this matter as anything that we could produce.

Gentlemen, like the gentleman from New York [Mr. MARCANTONIO], now standing, opposed the original bill on which the House had already made a determination by a vote of over 200 to 7, now questions the retroactivity which every fair-minded person says is the right thing to do. Every longshoreman who wants to live up to his contract says it is the fair thing to do.

Mr. McCONNELL. Will the gentleman yield?

Mr. HERTER. I yield.

Mr. McCONNELL. Is it not also the fact that the Department of Justice fought side by side with the stevedores, defending their case, and stated that the stevedore contract was in accord with the Fair Labor Standards Act?

Mr. HERTER. There is no question about that. The Fair Labor Standards Administrator never made a decision in the matter, and the Department of Justice, for the United States Government, took the opposite position, and defended the Maritime Commission in its interpretation. The Transport Service of the United States Army likewise took the same position. All the way through until this extraordinary decision by the Supreme Court was handed down, everyone assumed that the operators and longshoremen were working together in good faith; nor was there ever any question involved on the part of the men themselves as to whether the operators were working in bad faith. This whole matter had been trumped up by a few lawyers from the very beginning.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts [Mr. HERTER] has again expired.

Mr. SABATH. Mr. Speaker, a few moments ago the gentleman from Texas [Mr. LUCAS] stated he was the only one who received any recognition. I apportioned the time according to the requests that had been made, and I did not deny anybody that requested time. I granted him as much time as I was able to do. The gentleman from Texas [Mr. LUCAS] came to me the very last minute after all the time had been given out by me. I had reserved a minute for myself and gladly yielded to him the only minute I had, which I did not use myself.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. LUCAS. I want to disabuse the gentleman's mind. My statement was to the effect that I was the only one on the committee representing the majority of the committee to receive recognition from the Democratic side.

Mr. SABATH. I think the gentleman's statement is correct, if that is what he said. But I yielded to all those who came to me. No one asked me for time. In fact, I asked several Members if they wanted to speak and they did not ask for any time; so I apportioned it to those who asked for it.

Mr. Speaker, I yield the balance of my time to the gentleman from Indiana [Mr. JACOBS].

Mr. THOMPSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-three Members are present, not a quorum.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 128]

| | | |
|---|---|---|
| Allen, Ill. | Furcolo | Pfeifer, |
| Angell | Gilmer | Joseph L. |
| Barrett, Wyo. | Gordon | Pfeiffer, |
| Bentsen | Gorski, Ill. | William L. |
| Buckley, N. Y. | Hall, | Powell |
| Bulwinkle | Edwin Arthur | Preston |
| Burke | Hall, | Redden |
| Canfield | Leonard W. | Rhodes |
| Cavalcante | Halleck | Ribicoff |
| Chatham | Harrison | Riehlman |
| Chudoff | Heffernan | Rivers |
| Clemente | Heller | Rogers, Mass. |
| Clevenger | Hoeven | Roosevelt |
| Corbett | Jackson, Calif. | Sadowski |
| Coudert | Kee | Smith, Va. |
| Davis, Tenn. | Keogh | Staggers |
| Dingell | Kirwan | Teague |
| Dolliver | McGregor | Thomas, N. J. |
| Dondero | Mack, Ill. | Wilson, Ind. |
| Doyle | Macy | Withrow |
| Durham | Meyer | Wolverton |
| Eaton | Mitchell | Woodhouse |
| Fisher | Morrison | |
| Fulton | Patman | |

The SPEAKER pro tempore. Three hundred and sixty-four Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

## OVERTIME PROVISIONS OF THE FAIR LABOR STANDARDS ACT

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the gentleman from Indiana [Mr. JACOBS].

The SPEAKER pro tempore. The gentleman from Indiana is recognized for 5 minutes.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield.

Mr. JAVITS. I would like to state that I am opposed to the retroactive features which are before us now. Although I supported the bill before, I shall be unable to support the retroactive feature.

Mr. JACOBS. I thank the gentleman very much.

Mr. Speaker, I was a member of the committee when H. R. 858 was brought up for hearing. I was sitting there, and I saw the representative of industry and the representative of the longshoremen, and I heard them talk for about 30 minutes.

I turned to my colleague from South Carolina, and I told him, and he can verify it, "These gentlemen are trying to lead us down the dirt road and hand us something else."

That is exactly what has turned out. I then said that I wanted to put two questions, and I asked the gentleman who was there representing the Wage-Hour Administrator when the first ruling was handed down that stated that overtime pay applied to premium pay, and he said it was in 1943.

I put the question to him, and he answered it, and it is in the record.

I turned to Mr. Maloney, who represented the shipping industry, and I asked him, "Will you state to us now whether or not you are intending to ask to have the retroactive feature incorporated in this bill?" He stood first on one foot, and then he stood on the other, and he did not look to me like he wanted to answer the question, but he finally came to the conclusion that he could not say "No," because he did intend to ask for it, and he finally said, "Yes," they probably would.

We did not hold hearings on this bill before the House committee. When we talk about figures, we do not know what they were, because the Parliamentarian ruled that it was not germane to this bill as it came before us. But I do know this: I know there are a lot of people who are going to vote for this measure who will tell me that they believe in following the Constitution of the United States. I am going to say to you, if you believe in the separation of the powers of Government, then you cannot vote for this bill, because you have done exactly what Senator MORSE said in the Senate hearings. I wish I had time to read it, because he used exactly the same phrase I used later when I said they are trying to constitute this Congress a super Supreme Court. That is exactly what Senator MORSE said in the Senate hearings. He referred to it as a super Supreme Court retroactively changing a law that was passed in 1938.

Yes, I say to you again, I do not make up my mind whether I am going to vote for a piece of legislation on account of who is for it. I am not against it because this group of people may be for it, and I am not against it because that group of people may be for it; but I do say to you that you are being swept off your feet to vote for this legislation—to put in a retroactive feature—by a plan and a scheme—and I say to you with some modesty, at least, that I nipped it in the bud before the House Committee on Labor before they ever disclosed it.

I voted against it when it came back to the House from the committee; I voted against it on this floor.

I am not opposed to clarifying the regular rate; I think it should be clarified. I am going to tell you what I think this House should do if the membership would rise to the occasion and do what should be done: You should return this bill to the Committee on Rules with instructions to strike out the retroactive features of this legislation.

Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Minnesota.

Mr. WIER. I think it would be well for the gentleman from Indiana to relate the conditions under which the pressure was put on for immediate action on this bill: In connection with the signing of a contract or a strike, and they had to have this bill in 1 week.

Mr. JACOBS. That is true; we were told that; and I knew that there was something phony about it from the minute those people walked into the Committee on Labor.

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired. All time has expired.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and Mr. ROONEY demanded a division.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that there is not a quorum present, and I make the point of order that no quorum is present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and sixty-eight Members are present, a quorum.

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 207, noes 52.

Mr. ROONEY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The resolution was agreed to.

The SPEAKER pro tempore. Without objection, a motion to reconsider will be laid on the table.

Mr. MARCANTONIO. Mr. Speaker, I object.

The SPEAKER pro tempore. The question is, Shall the motion to reconsider be laid on the table?

The question was taken and the Speaker pro tempore announced that the ayes seemed to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.]

Two hundred and sixty-five Members are present, a quorum.

So the motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include a news release.

Mr. SHORT asked and was given permission to extend his remarks in the RECORD and include two newspaper articles.

PROMOTE REHABILITATION OF NAVAJO AND HOPI INDIANS

Mr. SABATH. Mr. Speaker, I call up House Resolution 282 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5208) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this rule makes in order the consideration of the bill H. R. 5208, for the relief of the Navajo and Hopi Tribes of Indians, and provides for 1 hour of general debate.

The bill provides in part as follows:

That in order to further the purposes of existing treaties with the Navajo Indians, to provide facilities, employment, and services essential in combating hunger, disease, poverty, and demoralization among the members of the Navajo and Hopi Tribes, to make available the resources of their reservations for use in promoting a self-supporting economy and self-reliant communities, and to lay a stable foundation on which these Indians can engage in diversified economic activities and ultimately attain standards of living comparable with those enjoyed by other citizens, the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the funds from time to time appropriated pursuant to this act, a program of basic improvements for the conservation and development of the resources of the Navajo and Hopi Indians, the more productive employment of their manpower, and the supplying of means to be used in their rehabilitation, whether on or off the Navajo and Hopi Indian Reservations.

Mr. Speaker, if there ever was a worthy piece of legislation before this House it is this bill. If we owe anything to anyone in any way, we owe it to the unfortunate Indians of these two tribes, who are in a condition that was described before the Committee on Rules as being most unfortunate and cataclysmic. We have made a pledge and promise to these people that we will provide for them and treat them fairly, but unfortunately such has not been the case. What this bill aims to do is rehabilitate them, provide schools for their children, build a few roads, and provide other aid that is needed by them.

I am of the opinion that there cannot be anyone who can justly and conscientiously be against this bill. The bill originally called for $89,000,000, to be expended for them in the next 10 years. However, the Committee on Rules, after hearing the evidence, due to a desire to practice economy, insisted that some of the authorizations provided in the bill be reduced. The committee in their desire to get action for these people agreed to some of the reductions, so that the bill, in accordance with the agreement between the Committee on Public Lands and the Committee on Rules, will be reduced to about $71,000,000, or a reduction of about $18,000,000.

If you gentlemen had been present when the evidence was presented, as I was, you would have been ashamed of the fact that we have not long before this given aid to these citizens, and that we have delayed carrying out our pledges to and agreements with them.

I am not going to delay the House with a long statement, although I did intend to bring home to you the real situation. Believing that every Member will favor the adoption of the rule, I shall not take any more time.

Mr. Speaker, I now yield 30 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, so far as I know there is no objection to the granting of this rule. The rule makes in order a bill providing for a 10-year rehabilitation program for the Navajo and Hopi Tribes. It may seem a little cynical to say that a bill such as this should have been introduced in the Congress and should have been passed by the Congress a good many years ago. For many years the Indian tribes have been very seriously neglected by the Congress of the United States. I am very glad that this bill is now before us. The cynicism arises from the fact that it was only last year that the members of these Indian tribes were given the right to vote.

The bill provides for roughly $90,000,000 spread over a period of 10 years. When this matter came before the Committee on Rules the members of the committee, in interrogating witnesses, were convinced that the amounts asked for were excessive. The committee was very cooperative in seeing to what extent they could properly offer amendments to cut down the total amounts that are authorized in this bill. I am certain that when the bill is read for amendment the committee will offer those amendments which were proposed to the Committee on Rules.

Mr. PETERSON. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. PETERSON. After appearing before the Committee on Rules, we called the Committee on Public Lands together and told them of our discussions with the Committee on Rules. We reported favorably the committee amendments, amendments which we told the Committee on Rules we would offer. And by authority of the committee when the proper time arrives, I will offer those amendments as committee amendments.

Mr. HERTER. I thank the gentleman. I understand the amount is cut roughly $17,000,000?

Mr. SABATH. Around $17,000,000.

Mr. HERTER. That was my understanding.

Mr. PETERSON. It is not quite that much.

Mr. MORRIS. It is not quite that much, it would more nearly be around $12,000,000.

Mr. PETERSON. One figure was cut practically $1,000,000. Then we reduced the $20,000,000 to $10,000,000. We cut that in two. Then there was another $500,000 which was reduced to $250,000, and the other figure of $1,000,000 was reduced to $500,000. So we actually reduced one item $10,000,000, and another item $250,000. It amounts to $10,750,000, I think.

Mr. MORRIS. If the gentleman will yield, I believe I can clarify that.

Mr. HERTER. The misunderstanding there arose from the fact that as I understand it the chairman of our committee reached an agreement with the members of the committee that $5,000,000 should be taken from the school building program likewise. Am I correct in that statement?

Mr. SABATH. I believe that tacitly and not willingly it was agreed that provided they could get the rule because they so desire this legislation, they were willing to agree to that cut although I, myself, believe that we should not ask them to reduce that amount from the school fund. But they have agreed and I am ready in accordance with the agreement which I believe I made, which was not a positive one, to offer that amendment myself.

Mr. HERTER. I thank the gentleman.

Mrs. BOLTON of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mrs. BOLTON of Ohio. May I ask if this money comes out of the tribal funds?

Mr. HERTER. No, the money comes out of the Treasury of the United States.

Mrs. BOLTON of Ohio. Can the gentleman tell us what the situation is, with reference to the Hopis and Navajos as to whether they come under the Wheeler Act of 1934, or not?

Mr. HERTER. I am afraid I am not sufficiently informed to be able to answer the lady's question. Was that in regard to the resettlement?

Mrs. BOLTON of Ohio. No. It is in regard to bringing all Indians into citizenship. Just the opposite has been the case in practically everything that the Indian Bureau has done to date. I was particularly interested that this should

bring about citizenship, as you expressed it.

Mr. HERTER. I think the lady had probably better address her question to members of the committee because we did not go into the entire question of what was happening to the Indian tribes.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts [Mr. HERTER] has expired.

Mr. HERTER. Mr. Speaker, I yield myself five additional minutes.

Mr. MORRIS. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. MORRIS. I do not want to have any misunderstanding in the beginning as to the agreement. We did agree with the Rules Committee that we would offer certain amendments. Those amendments have been indicated by the chairman of our committee, the gentleman from Florida [Mr. PETERSON]. I understood that after the rule was reported the Rules Committee itself would offer an amendment to reduce the amount still further. In other words, the amendment, as I understand it, will cut $5,000,000 off the amount for schools. We are not going to get into any scrap on that proposition. We will leave that up to the House. You gentleman may be right. I think you are in error. I believe we ought to have every dime. But as I say, we are not going to fuss over that proposition, but I did not want the RECORD to show that we had agreed to that particular matter.

Mr. HERTER. I thank the gentleman.

Furthermore, this is a 10-year program. The individuals who are interested in the program will have to justify before the Appropriations Committee, given appropriations for any part of the program year by year as it develops. If those who are interested in it find that the authorizations are not large enough, they will go to the Congress and ask for additional authorizations.

Mr. FERNANDEZ. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. FERNANDEZ. With respect to the $25,000,000 reduction for education, that is one item on which our committee was unanimous in thinking that it should not be made. We thought it was too low, if anything. That is one item on which I think this House ought not to make any change. If it were possible, it ought to increase it. This appropriation will take care of only 13,000, and there are 24,000 Indian children of school age now.

Mr. HERTER. I understand the gentleman's position. I understood the committee had agreed to a cut of $5,000,000 in this item.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has again expired.

Mr. HERTER. Mr. Speaker, I yield back the remainder of my time.

Mr. SABATH. Mr. Speaker, having no other demands for time, I move the previous question on the rule.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. PETERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 5208, to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5208, with Mr. CARNAHAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida [Mr. PETERSON] is recognized for 30 minutes, and the gentleman from California [Mr. WELCH] will be recognized for 30 minutes.

Mr. SABATH. Mr. Chairman, will the gentleman yield 2 minutes to the gentleman from Pennsylvania? I promised him 2 minutes and I forgot about it.

Mr. PETERSON. I will yield the gentleman 2 minutes.

Mr. SABATH. I ask unanimous consent that the gentleman be allowed to speak out of order.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DAVENPORT. Mr. Chairman, as you have seen by the paper, the chips are down; the battle is on. The big steel industrialists in their deliberate effort to bring on another depression have defied President Truman's appeal for peace on the labor front. It is very evident that they are inviting a strike. The great president of the CIO, and the steelworkers, Philip Murray, has made an open declaration that if a strike comes about it cannot be blamed on labor. The demands of labor for an adjustment of wages to meet the high cost of living are just. But the National Association of Manufacturers and the big industrialists are determined to plunge our Nation into a period of strife and strikes that will inevitably result in bloodshed and depression. With their greedy eyes fixed on the 1950 and 1952 elections, they are ready, willing and eager to sacrifice the unity of our people and the welfare of the great rank and file of the working men and women of our Nation in order to again fasten their grip on the Presidency and the Congress. Back to the ditch of depression and despair seems to be their slogan, but thank God we have a man in the White House, a spunky little fighter, one of America's greatest Presidents, who is saying to these evil forces in our Nation "don't count your chickens before they are hatched, boys. We are not going to have a depression because the American people of all classes are united behind our great humanitarian program and with the help of God we will win."

Now is the time for all Americans to take off their coats, roll up their sleeves and fight this desperate effort on the part of the worst reactionaries in our country who, in order to gain their ends, would throw this country into a depression. Yes, even war. Let us all get behind our great President now in this time of threatened storm both at home and abroad. And if we put up a real fight we will march forward to the full realization of the Democratic platform of 1948 guaranteeing to every citizen regardless of race, creed, or color the right to work at decent wages, broadened social security, a 75 cents minimum wage law, civil rights, and repeal of the infamous Taft-Hartley law.

I wish to conclude by quoting from an article in the New York Times, Thursday, July 14:

> Senator HUBERT H. HUMPHREY, Democrat of Minnesota, declared today that by its reply to the President's request, the United States Steel Corp. "is making it clear that it prefers crisis to national welfare."
>
> In a statement issued in his capacity as national chairman of Americans for Democratic Action, Senator HUMPHREY said:
>
> "This may well be the first real use made of the Taft-Hartley law by big business to crush trade unionism. It is significant that the United States Steel Corp. in its reply to the President and in its refusal to act in the public interest uses the Taft-Hartley law as its shield."
>
> The Minnesota Senator congratulated Mr. Murray and his union for their "concern for the public welfare" in agreeing to Mr. Truman's plan. Saying that the President had asked both parties to place the public interest above their private interest, he regretted that United States Steel "saw fit to ignore the public interest and insist on its own way." He added that "the significance of this action will not be lost on the American people."

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DAVENPORT. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

Mr. MASON. Mr. Chairman, I object.

Mr. PETERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, I doubt if I shall use the entire 5 minutes to which I am entitled. I try to follow the policy of speaking only when I think it might be helpful; I do not usually speak just to be making a speech. I know of no real opposition to this bill so I do not know that I really should speak at this time; but probably, since I am chairman of the Subcommittee on Indian Affairs of the Committee on Public Lands, I should make just a few observations, and I shall do so at this time.

These people whom we seek to aid in this bill are good people. It is true, they are a subject people; we subjugated them many years ago, but we made a solemn treaty with them that we would do certain things. We have not yet halfway started to live up to that treaty. We told them back in 1868 that if they would stop their fighting and make peace with us that we would give them a schoolhouse or a schoolroom and a teacher for every 30 pupils. That is what we told them.

Now, this bill which provides $25,000,000 for their education does not nearly live up to that treaty, but it starts us in that direction. I have seen those people from out there, I talked to them when they appeared before the committee. They are people of native intelligence and ability, they are good folks, just like we are. They are living under

conditions that we ought to be thoroughly ashamed of. They are living in little hogans, as they call them, with no windows and dirt floors. Their rate of TB is one of the highest in all the world, so I am informed; at least much higher than the average in this great country of ours. The mortality rate among newborn babes is something like 4 or 5 times greater than that among the rest of the people of this country, as I understand it.

We put them out there on a desert land and they are not able to live there without some help and assistance. I just feel certain that this honorable body of ladies and gentlemen—that the entire Congress of the United States—is going to do something to relieve the situation. It is true that there is a rather large amount requested here, but it covers a period of 10 years. We are going in the direction we should have been going before, and I find no fault with anyone at all in regard to this matter. We, perhaps, are all to blame for not having awakened long since to our full responsibilities and obligations in this matter.

We are now launching on a program of rehabilitating these people, helping to make them self-sustaining, and in order to do that we will have to spend some money. The primary, fundamental, essential thing is education, and in order to bring about education we are going to have to build some roads out there. There are very few roads there on their reservation. Also, we are going to have to build some hospitals. We are going to have to dig some wells. You know, water is of primary concern in that country, as the people in the Golden West well know, and especially those in that part of the West.

What we are proposing in this bill to do is to carry on a health and education program, a program that will enable them to find employment and work. They are good workmen. They are skilled in many arts and sciences. They want to work, and we want to help them, and I am sure we are going to help them.

Mr. BYRNE of New York. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from New York.

Mr. BYRNE of New York. Can the gentleman give us any information as to what their health condition is at the present time or what it has been in the not too remote past?

Mr. MORRIS. Their health condition is not nearly up to the average of America. As I suggested a while ago, their rate of tuberculosis is much higher than any of the rest of our population. It has been stated, and I assume correctly, by doctors and others who ought to know, and I assume they do know, that a great many of them are really undernourished. Their health is not as good as it ought to be, primarily on account of the lack of facilities that the rest of us enjoy.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman one additional minute.

Mr. BYRNE of New York. What can the gentleman say about eye trouble? I understand they are subject to a great deal of eye trouble.

Mr. MORRIS. They are subject to trachoma, an eye trouble, but that is improving. They have found a process or treatment for that and it is improving rapidly. However, they do have a lot of eye trouble yet. They have a great many diseases that are brought about, I believe, from the evidence I heard, largely by malnutrition and especially by the unsanitary conditions under which they are forced to live.

Mr. WELCH of California. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, within a brief year, upon learning through the press of this country of their deplorable condition, the hearts of the American people went out to the Navajo and Hopi Indians. The bill now under consideration offers the first comprehensive plan to meet the terrible distress existing among some of our Indian tribes who have been shoved around from pillar to post, and too long neglected.

In the treaty of 1868 with the Navajo Indians the United States Government set aside 16,500,000 acres of land, creating a reservation approximately the size of the State of West Virginia. Much of this land is arid and contains some of the poorest in the West. There were less than 9,000 Navajo Indians when this treaty was signed. At that time they managed to exist by hunting wild game and raising cattle and sheep. Now, however, their population has increased to over 60,000 and is increasing at the rate of 1,200 yearly. The overcrowding on this land, much of which is semibarren, has reduced the average family income to less than $400 per year. From the best reports obtainable, the infant mortality rate is continually increasing until it is now 318 per 1,000, or 7 times greater than that for the average United States population. There are practically no field doctors or nurses attending these 60,000 Americans.

The same tragic story can be told concerning education. With some 24,000 children of school age, only 8,000 have any schooling whatsoever and they average less than 3 years. This means that 16,000 Indian children, wards of the Federal Government, receive no educational opportunities to help them to help themselves. Only 12 percent of the Navajo Indians included in the selective service records of 1943 could speak the English language.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield right at that point?

Mr. WELCH of California. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. It has been stated time and time again in the committee hearings that there are facilities for 8,000 children of school age. Actually, there are school facilities for only 6,000 children. That is the record.

Mr. WELCH of California. Mr. Chairman, what is true with respect to the Navajo and Hopi Indians is true to more or less degree with American Indians on other western reservations. This tragic condition should not be allowed to endure. The whole problem of the American Indian, particularly in the West, requires immediate attention in the manner provided for in this bill. The legislation under consideration provides for a long-range program that will make the Indians of both the continental United States and Alaska economically self-sufficient. The present disgraceful conditions cannot be permitted to continue. It is a blot upon our Government.

The Navajo and Hopi Indians are nomadic in their habits. They should be educated and given an opportunity to break away from tribal conditions of centuries to make their way in the world and become first-class American citizens. They are humans as you and I and must be treated as such.

Mr. PETERSON Mr. Chairman, I yield 7 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I should like to take 70 times 7 minutes to discuss this adequately.

First, I want to speak concerning the responsibility for the Indian problem which we face. I cannot fix that responsibility accurately but I can hint at it. Who is responsible? The Federal Government has failed to carry out its obligations to these people. The failure has extended over several decades, at least 80 years in the case of the Navajo and Hopi Indians.

As far as political parties and administrations are concerned in this responsibility, the pot cannot call the kettle black. I want it distinctly understood that this problem has been growing worse year by year. Now is the time to take hold of it with vigor and apply the remedy. This bill does it when followed by suitable appropriations.

While I am speaking of blame, I want also to express appreciation and much praise to my colleagues. For my own part I have made personal efforts to attract attention to this great problem time after time, especially in the Committee on Indian Affairs, of which I am a member. I recall that in 1944 I begged the Committee on Indian Affairs to go into those reservations. A committee was appointed that was headed by Congressman Jim O'Connor, of Montana. The vice chairman was former Congressman KARL MUNDT. With them were the gentleman from New Mexico, Congressman FERNANDEZ, Congressman Gilchrist, and myself. Unfortunately we were not able to get on those reservations, but we did make a report. At that time the report, written chiefly by Mr. O'Connor and Mr. MUNDT, criticized the Indian Service severely for spending too much of the money appropriated for overhead and not getting enough down where it was intended to serve. I mention that in passing.

I assure you that I personally have been interested in the plight of these unfortunate people. They are good human stock, but the Navajos are in a primitive state of society. Somebody asked me the other day how their white neighbors feel toward them. Let me express how I feel toward them. I have worked and lived among Indians. I value them as much as I do any of my white neighbors. Just recently I appointed a full-blood Hopi Indian to

West Point. A few weeks ago he was admitted. He is probably the first full-blood Indian ever to be admitted to our Military Academy. I cite that in passing.

Now I want to review just a few things. No organized and adequate effort in Congress to solve this problem was made until the Eightieth Congress. I begged the gentleman from Montana [Mr. D'EWART], chairman of the subcommittee in the Eightieth Congress, to take a subcommittee out to that Indian reservation. Unfortunately in 1944 our committee did not get there. However, in 1947 the gentleman from Montana [Mr. D'EWART] took a small subcommittee out there and examined conditions, and for that I want to give him full credit. When we came back here in December 1947 we made a report. The splendid chairman of the full committee was present, although it was not necessary for him to attend that special meeting. When he heard our report he was horrified and said that we must do something.

Hardly before we had time to think twice he called a meeting of the full Committee on Public Lands and introduced a bill. He had that bill entitled for the relief of the Navajos. Knowing that the Hopi Indians, only 4,000 of them, living in the midst of 60,000 Navajos, were in the same condition, I asked that the bill include the Hopis, which was done. Then the committee acted, and you recall the rest. An authorization for $2,000,000 was passed by this House for that purpose and subsequent appropriations were made.

Some of my friends said, "Is $2,000,000 enough?" I said, "It all depends on what you intend to do. If it is merely for immediate relief it may be more than is necessary, but if you mean an adequate program for rehabilitation, it is not a drop in the bucket."

The gentleman from New Mexico [Mr. FERNANDEZ] and I, being from that area, said, "Do not deceive the American people." Thousands of letters were coming in from every State in the Union, sent in by church people, saying, "Do something for these unfortunate people," recognizing their plight. The gentleman from New Mexico [Mr. FERNANDEZ] and I probably bored our committee friends by saying, "Do not deceive the people by inadequate action. This is merely the first step. This is for relief, needed as it is, but the most important thing is the long-range program."

Mr. Chairman, we have met today to consider the bill which provides for that long-range program. I want to give credit to those Members who did the groundwork for this great program in the Eightieth Congress. I want to give credit, further, to my good friend, the gentleman from Oklahoma [TOBY MORRIS], for having sponsored this legislation which carries out the earlier program. He has builded better than he yet knows, for this program will lift this people out of the depths.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I am glad to yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. Mr. Chairman, I appreciate the gentleman yielding. I particularly want to thank him as a Member of the Eightieth Congress for saying that the Eightieth Congress did accomplish something. As a Member of the Eightieth Congress, I have always had an interest in the American Indian. After all, I am sure the gentleman will agree with me that they were the original Americans.

Mr. MURDOCK. Yes. As Will Rogers said, his ancestors were there to meet the *Mayflower*.

Mr. O'HARA of Minnesota. The treatment of some of our Indians certainly has been no great credit to this country. Certainly the people who come from the section of the country that the gentleman from Arizona does, and his neighbors, know that what we are doing by this bill is the humane thing to do.

Mr. MURDOCK. I thank the gentleman and will say I agree with the gentleman that the history of our treatment of the American Indians is not a matter of which we may be proud. There has been altogether too much neglect, all too frequent violation of treaties, and very often an unwise policy pursued even by the friends of the Indians. I must confess that I am often at a loss to know what is the wise and just policy for our Government to pursue in regard to our Indian citizens. I am convinced that the just policy is to confer upon them the benefits of full citizenship just as soon as they are capable of entering into all the rights and privileges of citizens, but, first and foremost, we must supply them with education and civilizing conditions of life to fit them for taking their place with their white neighbors in the white man's way of life. What is the wisest policy to accomplish that necessary training often confuses the minds of the best of statesmen and even of the friends of the Indians.

Among my colleagues here in Congress I find the right spirit and attitude of friendliness toward the Indians as is evident now in this committee. The trouble in recent years, as I have observed it, is that it is hard for Members of Congress to understand the problem of the Navajo, which is the No. 1 Indian problem of our country, because of a lack of knowledge of his homeland and the harsh natural conditions under which he must now live. It is because several committees in recent years have gone out on that vast reservation and seen for themselves what we from that area have been unable to tell them that the fruitful legislative efforts in the Indians' behalf have been put forth.

All of this I greatly appreciate, but even at the risk of making myself a nuisance I must remind my colleagues that the tremendous task of lifting a nation from barbarism to civilized life will require long and continued effort. The enactment of this legislation is but a beginning, and must be followed by similar programs through many generations.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, I am glad to have this opportunity to rise in support of this legislation. It is the culmination of long hearings and a great deal of study. A report was written on the Navajo and Hopi Reservations in 1945. Another hearing was held in 1946 and again in 1948. Again this year our committee held extensive hearings. In addition to that, the Department of the Interior made a long study. The result of that study is this report which I hold in my hand. It is a very interesting report on the conditions of the Navajos and the cause and result of what has happened there.

Our subcommittee 3 years ago visited this reservation, as the gentleman from Arizona has said. We viewed conditions with our own eyes. When we returned to the Congress we asked for an appropriation from our Committee on Appropriations in order to give relief to these people. They generously granted funds at that time.

But what we need on this reservation is a long-time rehabilitation program and not a relief program. We are attempting in this bill to provide for a long-time program.

Mrs. BOLTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield.

Mrs. BOLTON of Ohio. Does the gentleman feel that the money is adequate? Does the gentleman think that $25,000,000 for education over a period of 10 years is sufficient? My personal opinion is that it is really nothing.

Mr. D'EWART. It is a good start on what we do need.

Mrs. BOLTON of Ohio. Yes; it is.

Mr. D'EWART. Of course it does not take care of all the Indians on the reservation, as I shall bring out in a moment. The program of development of reservations resources even if they were developed to the full will only take care of one-half of the Indians who live there. We have to find off-reservation employment for the other Indians.

Mrs. BOLTON of Ohio. Of course, the gentleman will also appreciate that the children are very important to take care of.

Mr. D'EWART. That is right. We are making a good start with this program—an excellent start.

The situation now on the Navajo and Hopi Indian Reservations is that there are 61,000 Navajos representing an increase in the population of 600 percent since the time in 1868 when the treaty was signed which made them wards of the Federal Government. As I have indicated, the reservations will only support about half of these Indians even after we have developed the resources as planned in this program.

There are some 24,000 school children. This program contemplates the education of about half of them. At the present time we are educating about 8,000 children. This program will enlarge that school system until we take care of 13,000 or 14,000 children.

Many of these Indians will have to leave this reservation. Until we can determine what will become of those who have to leave the reservation, it is difficult to determine the rest of the program with regard to child education. The

average income of the family on the reservation is about $400, chiefly from livestock.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield.

Mr. FERNANDEZ. If they do not leave the reservation, this bill, as far as education is concerned, is wholly inadequate; is it not?

Mr. D'EWART. Yes. It is a good start, however, we think.

As I said, the income per family is about $400, largely from sheep and livestock operations.

The diet is insufficient. You will see babies with their stomachs swollen, and other indications of malnutrition. You will see a great many children with sore eyes. You will see old people as well as young people blind, where, if they could have been treated properly this would not have happened.

The housing is inadequate. The hogans have bare floors. The cooking is done outside with only the most primitive utensils, perhaps a frying pan and a coffeepot, and not much more.

In 1934 the Government undertook a stock reduction program, necessary because of the erosion on the reservation. When they took the stock off the reservation, that left a great many of the Indians with no livelihood. Sheep were their livelihood, and when we took them away they were left without a livelihood. We did not provide an alternative way for them to make a living, which made a very difficult situation for those who were left. There are very few roads. Their means of livelihood are very meager. In 1947 the Congress recognized this situation. It got so bad that the Appropriations Committee appropriated $2,000,000 for relief that winter. You will remember the stories in magazines and the pictures that were shown, and the situation that happened that winter. Not only was $2,000,000 made available, but the whole country contributed to the relief of these Indians. They were brought through in a very poverty-stricken way. The next winter we appropriated for further relief $500,000 more. That has been the situation—a hand-to-mouth existence. We have not had any long-range program.

Under H. R. 5208 it is proposed to set up a long-range program for the rehabilitation of these Indians. It is a 10-year program, that will provide in many ways to set them on their feet so that they can be more self-supporting than they are now.

Soil and water conservation and range improvement are very much needed because of the erosion conditions there. The completion or expansion of some 78 small irrigation projects that range from a few acres up to perhaps 2,000 acres. It is proposed under this program to enlarge and expand those small-irrigation projects, scattered here and there, so that they will provide such food as can be raised on them.

A survey of the timber and mineral resources and other physical and human resources is needed, so that we can develop them to more adequately serve these people. The development of their industrial enterprise is required. These people have a sawmill enterprise. They are very good in rug making and in silver work, and things like that. We should develop off-reservation work. I want to speak on that a minute. These Indians, contrary to what many people think, are good workers. When they are given an opportunity, they are splendid workers. The railroads hire them for right-of-way work. The mining companies use them. In the appropriation 2 years ago we earmarked some funds for use in helping these Indians get work off the reservation. Mrs. Adams has handled that off-reservation work in a splendid manner in cooperation with the United States Employment Service. In the last year there were some seven or eight thousand jobs provided for Navajo Indians off the reservation. The money that they earned has been returned to their families. This has been a splendid undertaking in helping these Indians to help themselves. It has been of advantage to the sugar-beet industry, the railroad companies, and the mining companies in that area.

In addition to that, it is a means of instruction to these Indians in working for other people and the education they get in working off the reservation; that is something that is certainly a fine program and has got to be extended if we are going to take care of those who cannot remain on the reservation. We are providing in this bill for the relocation of some of these families down on the Colorado River on a project there that was developed by the Japanese. We believe a number of families can be transferred down there to their advantage.

We provide for road work in this bill. I may say that in providing for these different activities we contemplate that the Indians will be employed wherever possible on road work or whatever undertaking goes forward so that they can learn how to do these jobs and best be able to support themselves. Some radio and telephone communication is necessary. Domestic water supply has got to be developed, because water is very scarce under this reservation, exceedingly scarce; and oftentimes when it is found it is not fit to use. We have provided in this bill that no hospital, school, or development will be undertaken except subsequent to the geological survey finding the water adequate.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. CRAWFORD. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. D'EWART. This water survey is exceedingly important, in order to develop the schools and hospitals they must have on this reservation. Without adequate water studies we do not have the background necessary to go forward.

We are proposing a loan of $5,000,000 for these Indians so they can borrow some money to buy livestock, to get better breeding stock, to increase the wool which is grown on their sheep, and possibly to help them in getting education off the reservation, help them with the facilities they need in providing for new industrial development. I think, therefore, this loan is a very important item in this program. Hospital bedding and equipment is provided in the bill, and, as has been brought out by the previous speaker, this additional hospital equipment is very necessary. After we shall have provided it there still will be less than half as many hospitals for these Indians per thousand as there are in the rest of the country.

School buildings are the principal item in the bill, $25,000,000—certainly the most important item of all. More than 80 percent of these people do not speak English. If they are going to get work off the reservation, if they are going to be able to provide for themselves, they must be able to speak English, they must be able to write in order that they may send funds back to their families. As it is, we have to make arrangements with the trader before they leave so that he takes care of their financial affairs and sends the money back to the family. So education is the basis of all future effort on this reservation.

A small sum is provided for housing facilities which will be used largely around the agency and the school buildings and such places where many will have to live.

That, very briefly, is the program that is provided; it is a 10-year program, certainly a minimum of effort and one that is justified for these people who are, perhaps, the most poverty-stricken people in the United States. Talk about slum clearance. Here is where we need slum clearance; certainly here is where we need to help people who are so backward, and I hope this bill will receive the favorable action of the House because it is action that has long been needed and action that I hope will be taken today for the benefit of these people so they may become self-supporting and self-respecting citizens of these United States.

Mr. PETERSON. Mr. Chairman, I yield such time as he may desire to the gentleman from New Mexico [Mr. MILES].

Mr. MILES. Mr. Chairman, I rise in support of the pending bill.

Mr. PETERSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. PATTEN].

Mr. PATTEN. Mr. Chairman, on March 11, I introduced a bill, H. R. 3489, which would authorize a long-range program for the rehabilitation of the Navajo and Hopi Indian Tribes and for the better utilization of their resources. I cannot overemphasize the need for early action on this legislation, which has been submitted by the Secretary of the Interior, acting on the specific directive of the President.

Mr. Chairman, there is to my knowledge no group of American citizens in greater need of, or more deserving of, assistance than these Indian tribes—not assistance to help them exist at a near-starvation level, but assistance which will enable them to get on their feet economically and to raise their own standard of living to what can truly be called American. While I am well aware that other tribes, including the Papagos in my own State of Arizona, are also faced with very serious problems and likewise deserve assistance, I am limiting my remarks at this time to the Navajos and Hopis because their problem, and a start

toward solving it, are now squarely before us.

Let me outline briefly the major aspects of the problem as it exists on the Navajo Reservation today. I think the members who do not have first-hand information will find it hard to believe that such conditions can be found in the United States of 1949. The Navajo Reservation is a vast expanse of 16,000,000 acres, approximately the size of the State of West Virginia, located in Arizona, New Mexico, and Utah. Most of the land is poor—arid and semiarid land suitable only for grazing, and some of it not even good enough for that. Soil erosion is a serious menace. It is not only further depleting the land resources at an alarming rate, but is also endangering the huge investment in Hoover Dam and in many communities which depend upon the Colorado River for irrigation, domestic water, and electric power. The Hopis live in a much smaller area, completely surrounded by their Navajo neighbors. Except on the fringes of this vast area, all-weather roads are nonexistent. Even in the best of weather, travel is slow and costly. This is a serious handicap to the Indian economy and to the health, education, and other activities of the Indian Service.

Living on and adjacent to the reservation are more than 62,000 Navajos trying to make a living out of a land which cannot support them. It is estimated, in fact, that in its present state of development, the lands available to the Navajos can support only 20,000 persons at what we would consider an acceptable standard. And even when it is fully developed, as proposed by the Interior Department, the reservation will support only 35,000 persons at a minimum subsistence level. It is clear, therefore, that a substantial portion of the Navajos must ultimately seek a living away from the reservation, a fact which is recognized in the Department's program.

The great majority of Navajos live in abject poverty. The Navajo family lives in a hogan—a one-room structure built of logs and mud, with no floor, windows, or sanitary facilities. The Navajo diet is deficient and malnutrition widespread. Health deficiencies are numerous, and closely related to the socio-economic status and the mode of living of the Indians. The tuberculosis and infant mortality rates are believed to be the highest in the United States, the latter being more than four times the national rate.

Education is one of the most serious aspects of the problem. Today there are school facilities, including schools on and off the reservation, for only one-third of the children of school age. And let us not forget that this condition exists despite the promise made by the United States in its treaty of 1868 with the Navajo Tribe to provide a school and teacher for each 30 Navajo children of school age.

A problem of this size and gravity can be successfully attacked only on an overall basis. The critical conditions now threatening every phase of Navajo life are all interrelated and cannot be treated on a makeshift or halfway basis. We have tried that system up to now, and it has not worked. There must be a comprehensive plan in which all phases of the problem are dealt with on a coordinated basis. In my opinion, the plan proposed by the Secretary of the Interior would accomplish this end. Very briefly, it is designed to achieve three basic goals: First, to provide adequate education, health, and other public services generally available to other American citizens; second, to develop the natural resources of the reservation to a degree which will provide a decent standard of living for as many members of the tribe as possible; and, third, to encourage and assist in off-reservation resettlement for those Navajos for whom no means of earning a living is available on the reservation.

As a representative of these fine people, including the 3,600 Navajos who served our country so well in the recent world war, I urge that the Nation's responsibility to them be no longer delayed.

Mr. PETERSON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill has been explained more or less in detail and a very fine explanation made by Members who preceded me. I want to give you very briefly a history of this bill.

Last year the situation was such that there was more or less Nation-wide interest aroused with reference to the problems of the Navajo and Hopi Indians. The situation at that time was such that the Congress passed an appropriation for the emergency then existing.

The Congress felt at that time, while it wanted to alleviate the situation resulting from the emergency, it would be much better if a long-range program were developed. There was a provision in that authorization definitely directing that a study be made and a report be made to the Congress. That did not come out of our committee; it came from another committee. However, as a result of study, a plan for long-term rehabilitation was submitted to the Congress. That came to us by Executive order and in the message which appears in the report is a clear-cut statement of the fact this will assist in rehabilitation.

It is a question whether we will from time to time hand out a dole or whether we want to proceed on a practical, businesslike basis in our effort to rehabilitate these people. We have broken our contract with those people. We have not provided adequate facilities for schools. They are harassed by disease. Human consideration as well as good business actually requires that we pass this bill and I sincerely hope it may be passed by unanimous vote of the House.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, there are a great many people at Columbia University and at the Union Theological Seminary in my district who are critically interested in this legislation. I think it is long overdue. It is a very fine effort at long last to do the right thing by these original Americans.

I hope the bill passes and shall support it, of course.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, I want to congratulate the committee for presenting this legislation. I happen to know something about conditions down in the Navajo and Hopi area, having visited there 2 years ago.

May I say, as I have so many times stated after listening to testimony brought before our Subcommittee on Appropriations for the Interior Department, that to permit such conditions to exist in these great United States is a disgrace upon our great Government. As a medical man I was actually astounded and ashamed at conditions such as exist in the Navajo and Hopi area.

I am very pleased that our Public Lands Committee has seen fit to report out this legislation. I hope it will be a good start toward rehabilitating that great area. Of course, it is my hope that they will not put any schools or hospitals at any spots where water is scarce to take care of those institutions. Water is basic, and for my part, I believe a great many of those Indian families will have to be transferred to some other area.

The death rate from tuberculosis and the infant mortality is so much greater in the Navajo and Hopi area than it is in the rest of the United States that something must be done.

The morbidity rate in children is also high due in my opinion to the poor supply of water and milk.

The living conditions and the unsanitary environment are inexcusable in this great land of ours.

Tuberculosis, dysentery in children, diphtheria, typhoid fever, and malnutrition are diseases that can and should be controlled. Yet, they are continuing in a manner that is astonishing. Disease is prevalent. You would hardly believe that such diseases as typhoid fever, and diphtheria could exist in the United States with the vast medical progress that we have made. But, those conditions do exist down there, and I am certainly happy on this occasion to help put through this legislation and hope that it will be passed unanimously.

Mr. PETERSON. Mr. Chairman, I yield 2 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Chairman, I am for this bill. The Navajo Indians are a great people. They are brave, and when the call came in the last war their boys enlisted and went into the service and did great work in the defense of our country. The Navajos are working under a great many handicaps. They inhabit one of the driest sections of the United States. I think everybody knows how parched and dry is that part of the great State of Arizona that they inhabit. These people need all the help that this Government can give them. They are dependent on grazing and raising livestock for a living, but the necessary financing as contained in this bill is what is needed. It is to the credit of the United States that we are doing this thing, and I am certainly for this bill. I hope to see the day when the Navajos will become a prosperous tribe and be

what they were intended to be, a great race of people.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, nearly everything that could be said about the Navajos has been said. I wish to state, however, that I am not personally in favor of the committee amendments. I do not believe there should have been any cut in this bill. However, I shall not oppose the committee amendments in order to get the bill passed and out of the way.

I wish to state, for the information of the Members, that in the last 3 years a different approach has been taken in the solution of the Indian problem. Up to that time all that this Congress did was to feed the Indian when he was hungry; but 3 years ago, under the chairmanship of the gentleman from Montana [Mr. D'EWART] and continued under the leadership of the present chairman the gentleman from Oklahoma [Mr. MORRIS] we are taking the Indian problem seriously. We are going to get them to be American citizens, and we are going to get them out of wardship. That is the aim and the purpose.

Heretofore appropriations were made in lump sums; that was a mistake. A lot of the blame that we heap upon the Indian Bureau, although they are entitled to some of it, was the blame and the fault of the Congress itself. We failed to realize that the solution of this problem could not be brought about by lump-sum appropriations, but by studying each and every tribe and its requirements, and then providing sufficient funds to rehabilitate them so that they could become self-sustaining and independent citizens.

I may state for the information of this Congress you may as well know it now as later that we are going to come in with requests for a lot more appropriations. These will be for the purpose of getting rid of the Indian problem in the future. If we continue the appropriations merely for subsistence, then the Indian problem will be here Congress after Congress. We have been at that for over 100 years. Let us get through with this Indian problem by rehabilitating them and by putting them on their feet.

For the benefit of some of my friends who ask us what we have done in that regard, may I say that there is another very important bill pending. That is the D'Ewart bill. In that bill we emancipate the Indian. We permit him to become an independent citizen. We enable him to get out of wardship, if the State court says he is competent. He does not have to depend on the Bureau any longer to approve his competency. The local court will determine that.

In addition, we provide that from now on, from the time that the bill is finally passed and signed by the President, every Indian child born will be no longer a ward of the Government after he or she becomes 21 years of age. Then they will have to go on their own, whether they want to or not.

In the meanwhile, we are perfectly willing to let the Indians that want to die as wards pass on and go to heaven as wards, but after 21 years they will go there as free and independent citizens of the United States.

I am sure every Member of Congress knows the importance of that class of legislation. You know the importance, first, of studying each and every tribe separately, its needs, its ability, its environment, and all that has been stated here so ably by the gentleman from Montana [Mr. D'EWART] and by my colleague who is now the chairman, the gentleman from Oklahoma [Mr. MORRIS].

I shall state however that I hope there will be no cut in education. I am not in favor of the other cuts, but I shall make no fuss about them because the committee has accepted them and I shall abide by the committee's decision.

Mr. PETERSON. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, I take this opportunity to extend my compliments to the distinguished chairman of this committee and to the gentleman from Idaho, the gentleman from Oklahoma, the gentleman from Arizona, and the gentleman from Florida, and the many other distinguished Members who have addressed themselves to this bill in behalf of the Navajo Indians. I can say that the people from my district as well are glad that this blight upon the escutcheon of our country is going to be removed and this care taken.

However, I want to use this as the vehicle to bring to the attention of this committee and the other Members of the House the fact that in the anthracite coal fields of Pennsylvania there have been for a generation or more at least 20,000 men between the ages of 18 and 50 who are just as good Americans and just as unemployed as the Navajo Indians, and who need just the same kind of opportunity for gainful employment, security, and rehabilitation. In a district of 500,000 people I have today 25,000 unemployed men, and there is no hope, without the aid of this Congress, of these good Americans being gainfully employed and being placed in a position where they are not upon the public dole or forced to go to GI schools in order to support themselves and their families by subterfuge.

While I commend this subcommittee and the full committee and the House upon its care and assiduous attention to this important problem of the Indians, which I recognize, I appeal to them to give some attention and consideration to these other Americans in the great coal fields of Luzerne County, Pa., who are in desperate and dire need. My people do not ask for charity—they want to work—they want jobs—decent jobs for decent pay under decent working conditions. In no place in America is there such a grave and acute unemployment problem—and it has been existing for years. Congress can no longer ignore it and starting with this speech I intend to keep this matter continually before the Congress until something constructive and lasting is done about it. The Navajo Indians may be the "vanishing Americans" but the unemployed of my congressional district are the "forgotten Americans."

Mr. PETERSON. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, I rise at this time to express my sincere and heartfelt thanks to the members of our subcommittee on Indian Affairs, as well as the members of the full Committee on Public Lands, for their fine cooperation and untiring efforts in this matter. We have tried, and I believe we have been successful in our subcommittee on Indian Affairs, as well as the full Committee on Public Lands, to keep partisanship entirely out of the picture. We realize that this is not in any sense a partisan matter. We realize that our friends from the other side of the aisle are just as interested in these Indian matters as we are on this side. I want to say that no one could ever have any finer cooperation from our friends on the other side of the aisle than I have had as chairman of this subcommittee.

It is usually unwise to pick out individual members for compliments. Every member of our committee is a fine person. They are all people of integrity and ability. I want to thank them for their untiring efforts. But I must pick out one member. The chairman of the subcommittee during the last Congress was the gentleman from Montana [Mr. D'EWART]. As you all know, he is on the other side of the aisle from me. But I say to you if there was ever a person who has demonstrated that he has absolutely no feeling of jealousy and absolutely no feeling of resentment whatsoever about the fact that I am chairman of the committee this time instead of his being such chairman, it certainly is the gentleman from Montana [Mr. D'EWART]. He has attended every hearing, I believe, and we have been in session almost continuously every day for what seems like months. He has been there all the time. He is honest, sincere, capable, and dependable. I just felt that I should particularly mention him by name. He certainly has a wealth of knowledge concerning matters with which our committee deals, and he certainly has been most helpful to me as a new chairman. It does not mean that I look upon him with any greater feeling of respect and esteem and admiration than on any other member of the committee. They are all people of the finest and highest type. They know the Indian problems, and especially the Navajo and Hopi problem, better than I do. I will admit frankly and freely that I have sat, as chairman of this committee, at the feet of these men and women, and I have learned a great deal.

I have learned this is a good bill, and I want to express my sincere appreciation to the members of the subcommittee and the full committee for the fine work they have done with regard to this bill.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. PETERSON. Mr. Chairman, we have no further requests for time.

Mr. D'EWART. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I wish to thank the chairman of our subcommittee for his

fine remarks. He has been an able, hard-working and industrious leader of this committee.

Mr. Chairman, I ask unanimous consent that all who spoke on this bill may have permission to revise and extend their remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, I yield the remaining time to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I just want to take this time to state for the purposes of the record as one who has long been interested in the welfare of the Hopis and Navajoes that I think this is one of the greatest steps forward that the Congress has ever taken in the interest of developing a proper long-range program to solve the problem of these two tribes. I want to enthusiastically compliment the committee and to raise my voice in support of this legislation. I believe this is a step in the direction that will ultimately give full rights of citizenship to these Indians and give them the right to enjoy the same privileges that other American citizens enjoy under other existing law.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That in order to further the purposes of existing treaties with the Navajo Indians, to provide facilities, employment, and services essential in combating hunger, disease, poverty, and demoralization among the members of the Navajo and Hopi Tribes, to make available the resources of their reservations for use in promoting a self-supporting economy and self-reliant communities, and to lay a stable foundation on which these Indians can engage in diversified economic activities and ultimately attain standards of living comparable with those enjoyed by other citizens, the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the funds from time to time appropriated pursuant to this act, a program of basic improvements for the conservation and development of the resources of the Navajo and Hopi Indians, the more productive employment of their manpower, and the supplying of means to be used in their rehabilitation, whether on or off the Navajo and Hopi Indian Reservations. Such program shall include the following projects for which capital expenditures in the amount shown after each project listed in the following subsections and totaling $90,000,000 are hereby authorized to be appropriated:

(1) Soil and water conservation and range-improvement work, $10,000,000.

(2) Completion and extension of existing irrigation projects, and completion of the investigation to determine the feasibility of the proposed San Juan-Shiprock irrigation project, $9,000,000.

(3) Surveys and studies of timber, coal, mineral, and other physical and human resources, $500,000.

(4) Development of industrial and business enterprises, $1,000,000.

(5) Development of opportunites for off-reservation employment and resettlement and assistance in adjustments related thereto, $3,500,000.

(6) Relocation and resettlement of Navajo and Hopi Indians (Colorado River Indian Reservation), $5,750,000.

(7) Roads and trails, $20,000,000.

(8) Air transport facilities, $680,000.

(9) Telephone and radio communication systems, $500,000.

(10) Agency, institutional, and domestic water supply, $2,500,000.

(11) Establishment of a revolving loan fund, $5,000,000.

(12) Hospital buildings and equipment, and other health conservation measures, $4,750,000.

(13) School buildings and equipment, and other educational measures, $25,000,000.

(14) Housing and necessary facilities and equipment, $820,000.

(15) Common service facilities, $1,000,000.

Funds so appropriated shall be available for administration, investigations, plans, construction, and all other objects necessary for or appropriate to the carrying out of the provisions of this Act. Such further sums as may be necessary for or appropriate to the annual operation and maintenance of the projects herein enumerated are hereby also authorized to be appropriated. Funds appropriated under these authorizations shall be in addition to funds made available for use on the Navajo and Hopi Reservations, or with respect to Indians of the Navajo Tribes, out of appropriations heretofore or hereafter granted for the benefit, care, or assistance of Indians in general, or made pursuant to other authorizations now in effect.

SEC. 2. The foregoing program shall be administered in accordance with the provisions of this Act and existing laws relating to Indian affairs, shall include such facilities and services as are requisite for or incidental to the effectuation of the project herein enumerated, shall apply sustained-yield principles to the administration of all renewable resources, and shall be prosecuted in a manner which will provide for completion of the program, so far as practicable, within 10 years from the date of the enactment of this act. An account of the progress being had in the rehabilitation of the Navajo and Hopi Indians, and of the use made of the funds appropriated to that end under this act, shall be included in each annual report of the work of the Department of the Interior submitted to the Congress during the period covered by the foregoing program.

SEC. 3. Navajo and Hopi Indians shall be given, whenever practicable, preference in employment on all projects undertaken pursuant to this act, and, in furtherance of this policy, may be given employment on such projects without regard to the provisions of the civil-service and classification laws. To the fullest extent possible, Indian workers on such projects shall receive on-the-job training in order to enable them to become qualified for more skilled employment.

SEC. 4. The Secretary of the Interior is authorized under such regulations as he may prescribe, to make loans from the loan fund authorized by section 1 hereof to the Navajo Tribe, or any member or association of members thereof, or to the Hopi Tribe, or any member or association of members thereof, for such productive purposes as, in his judgment, will tend to promote the better utilization of the manpower and resources of the Navajo or Hopi Indians. Sums collected in repayment of such loans and sums collected as interest or other charges thereon shall be credited to the loan fund, and shall be available for the purpose for which the fund was established.

SEC. 5. Any restricted Indian lands owned by the Navajo Tribe, members thereof, or associations of such members, or by the Hopi Tribe, members thereof, or associations of such members, may be leased by the Indian owners, with the approval of the Secretary of the Interior, for public, religious, educational, recreational, or business purposes, including the development or utilization of natural resources in connection with operations under such leases. All leases so granted shall be for a term of not to exceed 25 years, but may include provisions authorizing their renewal for an additional term of not to exceed 25 years, and shall be made under such regulations as may be prescribed by the Secretary. Restricted allotments of deceased Indians may be leased under this section, for the benefit of their heirs or devisees, in the circumstances and by the persons prescribed in the act of July 8, 1940 (54 Stat. 745; 25 U. S. C., 1946 ed., sec. 380). Nothing contained in this section shall be construed to repeal or affect any authority to lease restricted Indians lands conferred by or pursuant to any other provision of law.

SEC. 6. In order to facilitate the fullest possible participation by the Navajo Tribe in the program authorized by this act, the members of the tribe shall have the right to adopt a tribal constitution in the manner herein prescribed. Such constitution may provide for the exercise by the Navajo Tribe of any powers vested in the tribe or any organ thereof by existing law, together with such additional powers as the Congress has recognized to be proper for inclusion in the constitutions and charters of Indian tribes who desire to secure political and economic powers of self government. Such constitution shall be formulated by the Navajo Tribal Council with the approval of the Secretary of the Interior and shall be effective upon adoption by secret ballot of the adult members of the Navajo Tribe in an election held under such regulation as the Secretary may prescribe, at which a majority of the qualified votes cast favor such adoption. Amendments of the constitution may be formulated and adopted in like manner.

SEC. 7. Notwithstanding any other provision of existing law, the tribal funds now on deposit or hereafter placed to the credit of the Navajo Tribe of Indians in the United States Treasury shall be available for such purposes as may be designated by the Navajo Tribal Council and approved by the Secretary of the Interior.

SEC. 8. The Tribal Councils of the Navajo and Hopi Tribes and the Indian communities affected shall be kept informed and afforded opportunity to consider from their inception plans pertaining to the program authorized by this act. In the administration of the program, the Secretary of the Interior shall consider the recommendations of the tribal councils and shall follow such recommendations whenever he deems them feasible and consistent with the objectives of this act.

SEC. 9. From and after the effective date of this act, all Indians within the tribal or allotted lands of the Navajo and Hopi Reservations shall be subject to the laws of the State wherein such lands are located, and shall have access to the courts of such State for the enforcement of their rights and the redress of wrongs to the same extent and in the same manner as any other citizen thereof: *Provided, however,* That all classes and character of property now exempt from taxation shall continue to be and remain exempt from taxation by the State until otherwise provided by Congress; and that, until otherwise provided by Congress, all Federal and tribal laws and regulations respecting the management, assignment, inheritance, or disposition of lands shall be recognized and enforced where such laws or regulations are in conflict with State laws: *Provided further,* That nothing herein contained shall be construed as authorizing the State to interfere in any manner with the administration of the school system as provided and administered by the Federal Government for such Indians, except that the respective State school curricula shall be installed and followed in the Navajo schools so far as feasible: *And provided further,* That nothing in this act provided shall be deemed to impair the terms and obligations of any existing statute or treaty between the United States Government and the said Indians, nor take away the jurisdiction now exercised by the Federal Government or the tribes, but in all cases the jurisdiction of the State, the Federal, and the tribal courts shall be concurrent.

Mr. PETERSON (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, that it be printed in the RECORD at this point, and be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 14, strike out "$90,000,000" and insert "$89,320,000."

Mr. PETERSON. Mr. Chairman, I ask unanimous consent that consideration of that amendment be deferred until we perfect this section of the bill by other amendments.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 3, line 7, strike out all of the line.

The committee amendment was agreed to.

The Clerk read as follows:

Page 3, lines 8, 10, 12, 14, 16, 18, and 20, strike out the numbers and insert "8", "9", "10", "11", "12", "13", and "14."

The committee amendments were agreed to.

The CHAIRMAN. The question is on the committee amendment on page 1.

The committee amendment was agreed to.

Mr. PETERSON. Mr. Chairman, I offer three committee amendments, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: On page 3, line 6, strike out "$20,000,000" and insert in lieu thereof "$10,000,000."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: On page 3, line 9, strike out "$500,000" and insert in lieu thereof "$250,000."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: Page 3, line 20, strike out "$1,000,000" and insert in lieu thereof "$500,000."

The amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 6, line 15, strike out all of section 6, and insert in lieu thereof the following:

"SEC. 6. In order to facilitate the fullest possible participation by the Navajo Tribe in the program authorized by this act, the members of the tribe shall have the right to adopt a tribal constitution in the manner herein prescribed. Such constitution may provide for the exercise by the Navajo Tribe of any powers vested in the tribe or any organ thereof by existing law, together with such additional powers as the members of the tribe may, with the approval of the Secretary of the Interior, deem proper to include therein. Such constitution shall be formulated by the Navajo Tribal Council at any regular meeting, distributed in printed form to the Navajo people for consideration, and adopted by secret ballot of the adult members of the Navajo Tribe in an election held under such regulations as the Secretary may prescribe, at which a majority of the qualified votes cast favor such adoption. The constitution shall authorize the fullest possible participation of the Navajos in the administration of their affairs as approved by the Secretary of the Interior and shall become effective when approved by the Secretary. The constitution may be amended from time to time in the same manner as herein provided for its adoption, and the Secretary of the Interior shall approve any amendment which in the opinion of the Secretary of the Interior advances the development of the Navajo people toward the fullest realization and exercise of the rights, privileges, duties, and responsibilities of American citizenship."

The committee amendment was agreed to.

Mr. SABATH. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SABATH:

On page 3, line 3, strike out "$3,500,000" and insert "$3,000,000."

On page 3, line 5, strike out "$5,750,000" and insert "$5,250,000."

On page 3, line 17, strike out "$25,000,000" and insert "$20,000,000."

Mr. SABATH. Mr. Chairman, I offer this amendment because of my desire to secure a rule on this, what I consider a most humane, deserving, and needed piece of legislation. I did not feel that I could obtain a rule from the committee unless some cuts were made. The original bill provided for $89,000,000. Personally I believe that the committee reporting this bill, especially the gentleman from Oklahoma [Mr. MORRIS], were so desirous and anxious to get favorable consideration that they agreed to these three amendments that the committee has offered.

In addition to that, the committee felt we should cut down the appropriation for the school fund from $25,000,000 to $20,000,000, and two other minor amendments.

As I said, I believe that the funds will be needed for the education, aid, and assistance of these poor, unfortunate citizens, but I am complying with the wishes and requests of my committee, and I offer this amendment pursuant to the instruction of the Rules Committee. It is up to you gentlemen to pass upon whether or not we should reduce that appropriation for school purposes for the 24,000 children who have been deprived of a school. There are no schools there whatsoever, and the need is great. I have not been there. All I can go by is the evidence that was presented. I was tremendously impressed with the statements of these gentlemen and their anxiety to be of service to these people, because they felt as I felt, that we have delayed doing our part for these suffering people.

Mr. SHORT. Mr. Chairman, will the distinguished gentleman yield briefly?

Mr. SABATH. I yield.

Mr. SHORT. I have exceedingly few, if any, Indians in my district, but I hope that I have a heart. It seems to me anyone with a drop of the milk of human kindness in him would have to support this measure. I think our treatment of the American Indian through all these years has been disgraceful and indefensible. I feel exactly as I think the distinguished chairman of the Committee on Rules feels, that the amounts placed in the bill by the Committee on Public Lands are the amounts we should like to have; and I would like to ask the chairman of the Committee on Rules if there was a gentleman's agreement between the Rules Committee and the members of the Committee on Public Lands? If there was such a gentleman's agreement in order to get a rule for the consideration of this measure, that agreement should be kept. I cannot see that it makes much difference, the slight amounts that are involved here; the important thing is that you have taken a step in the right direction, and when more funds are needed they can come back to Congress and get them.

Mr. SABATH. The three amendments offered by the chairman of the committee were those that they agreed would be offered. I had no power. The members of the Rules Committee insisted that they reduce and reduce the appropriation called for. I was trying to bargain with the committee. Finally I suggested a little cut here and a small cut there in the hope that I would get the rule out, being supremely desirous of obtaining action because of the tremendous plea that was made to me especially by the gentleman from Oklahoma [Mr. MORRIS] and the chairman of the committee, pleading, and urging, that a rule be granted. So I did it in order to get action.

The evidence presented so ably to the Committee on Rules by the gentleman from Florida, Chairman PETERSON, the gentleman from Oklahoma [Mr. MORRIS], the gentleman from New Mexico [Mr. FERNANDEZ], the gentleman from Arizona [Mr. MURDOCK], the gentleman from New Mexico [Mr. MILES], and the gentleman from Montana [Mr. D'EWART] was indeed both shocking and revealing.

Mr. SHORT. But was there a tacit gentleman's agreement between the members of the Committee on Rules and the members of the Committee on Public Lands as to the amount contained in the gentleman's amendment? That is what I should like to know as a member of this body.

Mr. SABATH. The members of the Committee on Public Lands had already gone. I stated to the Committee on Rules that in view of prevailing conditions, I was going to try to talk to the committee in charge of the bill and ask them whether they would be willing to reduce various requested appropriations. I said that they were so anxious to get this bill through that they might agree to cut further and I said I was going to introduce this amendment.

Mr. SHORT. Believing in this legislation, I want the members of the Committee on Rules to be satisfied so that when this Committee on Public Lands comes back for more money the Committee on Rules will not refuse them. They had better stay in good graces with them.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. PETERSON. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PETERSON. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. PETERSON. The gentleman from Missouri asked as to whether we had a gentleman's agreement between the Committee on Rules and the Committee on Public Lands. The agreement was as to the amendments that I introduced and which have already been agreed to.

Mr. SABATH. The gentleman is correct.

Mr. PETERSON. The amendment which the gentleman from Illinois has now introduced and which is pending was something the Committee on Rules thought of after the members of the Committee on Public Lands had left; is not that right?

Mr. SABATH. That is right.

Mr. PETERSON. I want to be sure on that, because we keep our gentlemen's agreements. We do not want the members of the Committee on Rules to think we did not keep our agreement with them.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. GAVIN. I ask the gentleman, knowing him to be a very kindly, sympathetic character: Would he be angry with us if we were to vote the amendment down?

Mr. SABATH. I am sure such action would not hurt my feelings, because I was for the original bill.

Mr. GAVIN. The gentleman would not be angry with us if we should vote against his amendment?

Mr. SABATH. No, no; I would not. Being chairman of the Committee on Rules I frequently find myself forced to do things that are not agreeable to me personally, but I do my duty like a good soldier.

Mr. GAVIN. We want to thank you for your very kindly attitude in the matter.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MARSHALL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois.

Mr. Chairman, the explanation given by the chairman of the Rules Committee is very clear to the Members of the House. In carrying on the discussion of this Navajo-Hopi rehabilitation bill now before the House, we have talked in terms of the money being expended over a 10-year period. That is one of the provisions in the bill in connection with the rehabilitation of the Navajo-Hopi Indians.

The Committee on Indian Affairs has spent long hours and a great deal of time in reviewing the terms that have gone into this bill. I doubt that many pieces of legislation have come before the House of Representatives as thoroughly gone into as I happen to know the Indian Affairs Committee spent upon this particular piece of legislation.

It was repeatedly brought out that if these Navajos and Hopis are to be properly rehabilitated it will be necessary to have a certain amount of off-the-reservation employment and in order that they have that proper chance to engage in work off the reservation there was an item in the bill that carried $20,000,000 for building roads in the reservations. In cutting this amount to $10,000,000 I hope it is not the intention of this House to feel that the $10,000,000 will be the answer in building roads for 10 years, because if that be true I am certain it will greatly handicap the rehabilitation work of the Indian. I am hoping that the Indian Bureau will see fit to put these roads in as soon as they possibly can to reach every corner of that particular reservation.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I want to make the observation that the gentleman from Illinois [Mr. SABATH], chairman of the Rules Committee, has made a very frank confession to members of the committee. He says he is carrying out the instructions of the Rules Committee but his own personal views are contrary. This standing committee has considered the pending bill very carefully and has reported it out. The Rules Committee has imposed certain conditions. The committee as a whole in its wisdom may reject those conditions that have been imposed upon the standing committee. As far as I am concerned, I am going to vote against the amendment.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on behalf of the tribal councils of the Winnebago, the Santee Sioux, the Ponca, and the Omaha Indians, of Nebraska, I want to express my deep appreciation to this committee for bringing this bill to the floor, and I urge its passage.

The members of the Indian tribes in my district that I have mentioned have a great interest in this particular piece of legislation because the conditions which exist on the reservations of those four tribes in some parts are very similar to some of the conditions that exist on the Navajo and Hopi reservations.

When this bill comes before the Committee on Appropriations of the House to implement this authorization I hope it will not contain the amounts mentioned in the amendment offered by the gentleman from Illinois [Mr. SABATH]. I hope when the members of the Omaha, Winnebago, Santee Sioux, and the Ponca Indians request some relief they will be given at least a part of the consideration you are giving to these suffering Indians in this bill. The health conditions, the law-and-order conditions, and the educational conditions on the reservations to which I refer are very serious.

I hope when these Indians come before you for some relief, you will give them at least some consideration.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I just want to compliment the gentleman on a very fine statement and to say that in western Pennsylvania there is a great deal of interest being displayed that Congress take some action and afford relief to these Navajo Indians. I am greatly pleased to have this opportunity to support this legislation here today.

Mr. STEFAN. I thank the gentleman.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Illinois [Mr. SABATH] has offered three amendments. One has to do with the appropriation carried in line 3, another one has to do with the school buildings, and another one which has to do with section 6. I just want to ask this question of the members of the standing committee. Take the appropriation of $3,500,000 for the development of opportunities for off-reservation employment. As I gather it, there are about 30,000 Indians on that reservation who should find jobs elsewhere. The effort is to find employment for them. This appropriation would indicate that it is going to cost over $1,000 per Indian to find the jobs. That is one of the things that the Committee on Rules questioned. Why should it cost $3,500,000 to find employment in the neighborhood of the reservation for 30,000 Indians? It was the recommendation of the gentleman from Illinois [Mr. SABATH], and the recommendation of the Committee on Rules also, that that only be reduced by $500,000, leaving $3,000,000.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. That shows that the Committee on Rules has not had the evidence before it, because if that is the understanding of the Committee on Rules that that is all that is going to be done with the $3,500,000, they would be right about it, but that is not all they are going to do. There are a lot of other things that have to be done to resettle these people, for example, over in the Red River Reservation, and finding land for them, providing facilities for them, and so forth. You cannot take a big group of Indians like that and just throw them out on a white community, you have to take care of them. This is a 10-year plan. You have to continue this year after year, and that very clearly shows that the Committee on Rules has not had the evidence before it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. SABATH].

The amendment was rejected.

Mr. PETERSON. Mr. Chairman, I ask unanimous consent to return to the first amendment on lines 14 and 15 and send to the Clerk's desk, by direction of the committee, an amendment as a substitute for the printed amendment in the bill.

The Clerk read as follows:

Committee amendment: Page 2, line 18, strike out "$90,000,000" and insert "$89,320,000."

Substitute amendment offered by Mr. PETERSON: Page 2, line 15, strike out the sum and insert in lieu thereof "$78,570,000."

The substitute amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. COOPER) having assumed the chair, Mr. CARNAHAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5208) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes, pursuant to House Resolution 282, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. PETERSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1407) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PETERSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: Strike out all after the enacting clause of the bill S. 1407 and insert in lieu thereof the provisions of the bill H. R. 5208 as passed.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent the proceedings by which the bill (H. R. 5208) was passed were vacated, and the bill was laid on the table.

PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to inquire of the majority leader as to the program for next week.

Mr. McCORMACK. On Monday the Consent Calendar will be called, and then there will be two suspensions, one on H. R. 5632, a bill from the Committee on Armed Services, to reorganize the fiscal management in the National Military Establishment, and the other, S. 1184, from the Committee on Banking and Currency, known as the military installation housing bill. Following the suspensions, the United Nations participation bill, H. R. 4708, will be considered.

On Tuesday the Private Calendar will be called.

I have reserved Tuesday, Wednesday, Thursday, and Friday for the consideration of H. R. 5345, the Agricultural Act of 1949. If all that time is not required to complete action on that bill, I shall announce toward the end of next week the further program for the week.

As usual, conference reports may be brought up at any time, on agreement between the leaders.

GENERAL LEAVE TO EXTEND REMARKS

Mr. PETERSON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill H. R. 5208, which has just been passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

STATE, JUSTICE, COMMERCE, AND THE JUDICIARY APPROPRIATION BILL, 1950

Mr. ROONEY submitted the following conference report and statement on the bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes:

CONFERENCE REPORT

(H. Rept. No. 1063)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4016) "making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 7, 8, 9, 11, 12, 13, 14, 16, 18, 27, 28, 29, 30 and 31.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 6, 15, 17, 21, 22, 24, 25, 26, 33, 39, 40, 41, 42, 43, 44, 45 and 46, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,000,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,299,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$26,800,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,079,500"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,825,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$700,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,400,000"; and the Senate agree to the same.

Amendment numbered 37; that the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,179,000"; and the Senate agree to the same.

Amendment numbered 38; That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$400,600"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5 and 10.

JOHN J. ROONEY,
DANIEL J. FLOOD,
CLARENCE CANNON,
KARL STEFAN,
IVOR D. FENTON,
*Managers on the Part of the House.*

PAT MCCARRAN,
KENNETH MCKELLAR,
THEODORE FRANCIS GREEN,
LEVERETT SALTONSTALL,
STYLES BRIDGES,
KENNETH S. WHERRY,
*Managers on the Part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF STATE

Amendment No. 1: Corrects a citation to the U. S. Code, as proposed by the Senate.

Amendment No. 2: Appropriates $13,000,000 for buildings fund, instead of $20,000,000 as proposed by the House and $9,520,100 as proposed by the Senate.

Amendment No. 3: Authorizes the purchase of ten passenger motor vehicles by the International Boundary and Water Commission, United States and Mexico, as proposed by the Senate, instead of fourteen, as proposed by the House.

Amendment No. 4: Appropriates $1,120,000 for salaries and expenses of the International Boundary and Water Commission, United States and Mexico, as proposed by the House,

instead of $1,122,800 as proposed by the Senate.

Amendment No. 5: Reported in disagreement.

Amendment No. 6: Corrects language as proposed by the Senate.

Amendment No. 7: Authorizes the purchase of three passenger motor vehicles under the appropriation for International Information and Educational Activities, as proposed by the House, instead of four as proposed by the Senate.

Amendment No. 8: Appropriates $34,000,000 for International Information and Educational Activities, as proposed by the House, instead of $32,343,900 as proposed by the Senate.

Included in the conference agreement is the sum of $171,000 for aid to American-sponsored schools abroad.

The new curtain-type antennas at domestic short wave transmitters requested by the Department are disallowed.

Amendment No. 9: Authorizes the transfer of not to exceed $2,760,000 to other appropriations of the Department of State from the appropriation for International Information and Educational Activities as proposed by the House instead of $2,598,000 as proposed by the Senate.

DEPARTMENT OF JUSTICE

Amendment No. 10: Reported in disagreement.

Amendment No. 11: Appropriates $1,114,600 for Contingent expenses, Legal Activities and General Administration, as proposed by the House, instead of $663,600 as proposed by the Senate.

Amendment No. 12: Appropriates $218,000 for Traveling expenses, Legal Activities and General Administration, as proposed by the House, instead of $150,000 as proposed by the Senate.

Amendment No. 13: Appropriates $3,750,000 for Salaries and expenses, Anti-trust Division, as proposed by the House, instead of $3,650,000 as proposed by the Senate.

Amendment No. 14: Deletes the Senate proposal to make a separate appropriation for the Lands Division.

Amendment No. 15: Appropriates $44,000 for the payment of claims pursuant to the act of March 15, 1949 (Public Law 17), as proposed by the Senate.

Amendment No. 16: Appropriates $52,585,141 for Salaries and expenses, Federal Bureau of Investigation, as proposed by the House, instead of $50,987,000 as proposed by the Senate.

Amendment No. 17: Provides that not to exceed $750,000 of the appropriation for Salaries and expenses, Federal Bureau of Investigation, shall be available for liquidation of obligations incurred in fiscal year 1949, as proposed by the Senate.

DEPARTMENT OF COMMERCE

Amendment No. 18: Eliminates the Senate proposal for the purchase of one additional passenger motor vehicle for the Office of the Secretary.

Amendment No. 19: Provides a maximum of $4,000 for the replacement of one passenger motor vehicle for the Office of the Secretary instead of $3,000 as proposed by the House and $5,000 as proposed by the Senate.

Amendment No. 20: Appropriates $1,299,000 for Salaries and expenses, Office of the Secretary instead of $1,200,000 as proposed by the House, and $1,358,000 as proposed by the Senate.

Amendment No. 21: Appropriates $41,885,000 for the Seventeenth Decennial Census, as proposed by the Senate, instead of $43,000,000 as proposed by the House.

Amendment No. 22: Appropriates $870,000 for General administration, Bureau of the Census, as proposed by the Senate, instead of $755,000 as proposed by the House.

Amendment No. 23: Provides contract authority in an amount not exceeding $26,800,000 for Establishment of air-navigation facilities, instead of $18,300,000 as proposed by the House and $27,300,000 as proposed by the Senate.

Amendments Nos. 24, 25, and 26: Appropriates $196,500 for Construction, Washington National Airport, as proposed by the Senate, instead of $21,500 as proposed by the House.

Amendment No. 27: Eliminates the provision proposed by the Senate placing a limitation of $80,000 on the amount used from the appropriation for Federal-aid airport program for services connected with the office of the General Counsel.

Amendment No. 28: Restores the provision of the House providing a limitation of $130,000 on the administrative expenses under the appropriation for Air navigation development, Civil Aeronautics Administration.

Amendment No. 29: Eliminates the provision proposed by the Senate allowing the transfer of $56,600 from the appropriation for Air navigation development to the appropriation for Salaries and expenses, Civil Aeronautics Administration.

Amendment No. 30: Eliminates the Senate proposal authorizing the purchase of four passenger motor vehicles by the Civil Aeronautics Board.

Amendment No. 31: Appropriates $3,620,500 for salaries and expenses, Civil Aeronautics Board, as proposed by the House instead of $3,780,000 as proposed by the Senate.

Amendment No. 32: Appropriates $2,079,500 for Field office service, Bureau of Foreign and Domestic Commerce, instead of $2,031,000 as proposed by the House and $2,106,000 as proposed by the Senate.

Amendment No. 33: Appropriates $4,550,000 for Export control, Bureau of Foreign and Domestic Commerce, as proposed by the Senate, instead of $5,000,000 as proposed by the House.

Amendment No. 34: Appropriates $10,825,000 for Salaries and expenses, Patent Office, instead of $10,625,000 as proposed by the House, and $10,925,000 as proposed by the Senate.

Amendment No. 35: Provides a limitation of $700,000 for improvements to buildings, grounds, and other plant facilities, National Bureau of Standards, instead of $600,000 as proposed by the House and $800,000 as proposed by the Senate.

Amendment No. 36: Appropriates $1,400,000 for Operation and administration, National Bureau of Standards, instead of $1,310,000 as proposed by the House and $1,510,000 as proposed by the Senate.

Amendment No. 37: Appropriates $24,179,000 for Salaries and expenses, Weather Bureau, instead of $24,000,000 as proposed by the House, and $24,359,000 as proposed by the Senate. The Conference Committee directs the Weather Bureau to provide weather stations at Scottsbluff, Nebraska and on the islands of Kauai and Hawaii, T. H. as previously recommended by the Senate. The Weather Bureau is also directed to absorb the reduction made by decreasing the amounts for administrative expenses and other objects, and not by closing existing weather stations.

THE JUDICIARY

Amendment No. 38: Appropriates $400,600 for Salaries and expenses, Customs Court, instead of $400,100 as proposed by the House and $401,120 as proposed by the Senate.

Amendment No. 39: Appropriates $2,067,000 for Miscellaneous salaries, as proposed by the Senate, instead of $2,037,000 as proposed by the House.

Amendment No. 40: Excepts from the limitation on the aggregate salaries paid to secretaries and law clerks appointed by one judge, within grade promotional increases and compensation paid for temporary assistance needed because of an emergency, as proposed by the Senate.

Amendment No. 41: Limits the aggregate salaries paid to secretaries and law clerks appointed by one judge to $6,700 per annum as proposed by the Senate instead of $6,500 as proposed by the House.

Amendments Nos. 42 and 43: Correct language as proposed by the Senate.

Amendment No. 44: Limits the aggregate salaries paid to secretaries and law clerks appointed by the chief judge of each circuit and the chief judge of each district court having five or more district judges to $9,000 as proposed by the Senate, instead of $7,500 as proposed by the House.

GENERAL PROVISIONS

Amendments Nos. 45 and 46: Approve language changes in Section 601 as proposed by the Senate.

AMENDMENTS IN DISAGREEMENT

The managers on the part of the House have authorized the following motions to be made with respect to the amendments in disagreement.

Amendment No. 5: (Relating to Construction, International Boundary and Water Commission, United States and Mexico). The House managers will move to recede from disagreement to the amendment of the Senate numbered 5 and concur therein.

Amendment No. 10: (Relating to the appropriation for legal activities not otherwise provided for, Department of Justice). The House managers will move to recede from disagreement to the amendment of the Senate numbered 10 and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert: $5,680,400.

JOHN J. ROONEY,
DANIEL J. FLOOD,
CLARENCE CANNON,
KARL STEFAN,
IVOR D. FENTON,
*Managers on the Part of the House.*

Mr. ROONEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 4016.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. STEFAN. Reserving the right to object, Mr. Speaker, and I shall not object, may I ask how the gentleman intends to divide the hour to which he is entitled on the conference report?

Mr. ROONEY. It will be perfectly agreeable to me to divide it between the gentleman from Nebraska and myself.

Mr. STEFAN. Very well.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: On page 14, strike out all of line 21, down to and including line 19 on page 15, and insert:

"For detail plan preparation and construction of projects authorized by the convention concluded February 1, 1933, between the United States and Mexico, the acts approved

August 19, 1935, as amended (22 U. S. C. 277-277d), August 29, 1935 (Public Law 392), June 4, 1936 (Public Law 648), June 28, 1941 (22 U. S. C. 277f), and the projects stipulated in the treaty between the United States and Mexico signed at Washington on February 3, 1944, $900,000, to be immediately available, and to remain available until expended: *Provided*, That no expenditures shall be made for the lower Rio Grande flood-control project for construction on any land, site, or easement in connection with this project except such as has been acquired by donation and the title thereto has been approved by the Attorney General of the United States: *Provided further*, That expenditures for the Rio Grande bank-protection project shall be subject to the provisions and conditions contained in the appropriation for said project as provided by the act approved April 25, 1945 (Public Law 40): *Provided further*, That unexpended balances of appropriations for construction under the International Boundary and Water Commission available for the next preceding fiscal year shall be merged with this appropriation and shall continue available until expended."

Mr. ROONEY. Mr. Speaker, I offer a motion, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate No. 5 and concur therein.

Mr. ROONEY. Mr. Speaker, this conference report represents the unanimous judgment of the managers on the part of the House on the bill (H. R. 4016) making appropriations for the Departments of State, Justice, and Commerce, and the Federal Judiciary for the fiscal year ending June 30, 1950.

There are a few items in the bill with which this conference report is concerned, that we conferees, representing the House, are not entirely satisfied with. However, a conference is always a matter of give and take and compromise so as to arrive at a conclusion which is for the best interests of the people of the country.

The final result of the conference, if adopted by this House, will show that there is a reduction from the amount of the budget estimate for the coming fiscal year—of course we really already are in that fiscal year because of the delay on the part of the other body—there is a reduction from the amount of the budget estimate of approximately 8½ percent. The total amount requested by the Bureau of the Budget was $740,362,956, while the total amount represented in this conference report is $677,972,102, or $62,390,854 less than the amount originally requested by the Bureau of the Budget.

The total amount of the bill as originally passed by the House was $684,616,102, while the amount set forth in this report is $677,972,102, or $6,644,000 less than the total amount passed by the House last April.

There are only two amendments in disagreement, concerning which we shall offer motions, the first of which is now pending before you. The pending motion concerns the appropriation for the International Boundary and Water Commission, United States and Mexico, and primarily refers to the Falcon Dam project, which is on the boundary river between the two countries. Under the action recommended by the conferees there is added the amount of $900,000 in cash beyond the amount of cash originally allowed by the House; however, I must point out that while your conferees agreed upon allowing this $900,000 increase in cash, there is also a reduction of $2,900,000 in contract authority for the International Boundary and Water Commission, United States and Mexico.

The only other motion which I shall offer concerns the appropriations for the Department of Justice. The action of the House originally lumped together six divisions of the Attorney General's Office, appropriationwise under the title "Legal Activities Not Otherwise Provided For": The Lands Division, Tax Division, Criminal Division, Claims Division, Customs Division, and special attorneys. The action of the Senate upon passage of this bill eliminated the Lands Division from this lump appropriation. Under the agreement arrived at by the conference committee and at the request of the Attorney General, in the interest of more efficient operation of his office, the Lands Division goes back into this lump appropriation.

I am at a loss at the moment to recall the items in this report with which you would be most specifically concerned, but one of them, I know, is the building fund of the Department of State. I am going to leave to my good friend and distinguished colleague, the ranking member and former chairman of the subcommittee, the gentleman from Nebraska [Mr. STEFAN], the explanation of the action of the conferees on that item.

I may say that the conferees have met on this bill beginning the 21st of June and have had quite a number of interesting sessions with the members of the conference committee from the other body. I wish to extend my respects and thanks for their cooperation, kindness, patience, and courtesy to my fellow-conferees, the gentleman from Pennsylvania [Mr. FLOOD], the gentleman from Georgia [Mr. PRESTON], the esteemed chairman of the great House Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], the gentleman from Nebraska [Mr. STEFAN], and the gentleman from Pennsylvania [Mr. FENTON], who ably took the place of the gentleman from Ohio [Mr. CLEVENGER], who, because of illness, was unable to serve as a member of the conference committee.

I shall also say that we all, those distinguished gentlemen whom I just mentioned and I, are sincerely grateful to the executive secretary of our committee, Mr. Jay Howe, for his splendid and faithful work as well as to Mr. George Y. Harvey and Mr. Kenneth Sprankle and all of the members of the staff of the Committee on Appropriations.

I respectfully urge the adoption of both motions as to the amendments reported in disagreement, the pending motion to recede from disagreement to the amendment of the Senate No. 5, and concur therein, and my next motion to recede from disagreement to the amendment of the Senate No. 10 and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$5,680,400." This latter motion refers only to the lumping of the six appropriations in the Office of the Attorney General.

Mr. Speaker, I yield such time as he may desire to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, we bring to you a conference report which is a very important one, because it deals with all the operations of the Department of State, the Department of Justice, the Department of Commerce, and the Federal judiciary. The total amount of this bill is $677,972,102. As was explained by the chairman, the budget estimate was $740,362,956. The bill as it passed the House carried $684,616,102; and as passed by the Senate the total was $671,782,281.

The contractual authority, however, is increased $5,600,000 in the bill over the House figure. When all items and contract authorizations are taken into consideration, there is not much difference between the House bill and the Senate bill. However, when the decrease in the foreign building item made by the Senate is considered it should be considered only as a bookkeeping item, a bookkeeping transaction and not a savings at all.

Also, the Senate increased an item in the CAA budget $8,500,000 over the House figure. This matter is an actual dollar figure over the figure of the House.

The House increased the Senate figures for the Antitrust Division in the Department of Justice. All of you are interested in effective antitrust operations. The budget cut the antitrust item $100,000; the committee and the House increased that to the figures requested by the Department.

The budget decreased the request of the Federal Bureau of Investigation by over $1,598,141. Your committee was unanimous in giving the FBI what they felt they needed to conduct the effective operations against crimes and conduct the many investigations they are called upon to make. The Senate cut the request of the FBI. Your conferees were successful in restoring the total amount requested by the Federal Bureau of Investigation. I shall explain this in more detail later.

This committee has been in deadlock many days, we have been at an impasse for over 2 weeks over many of the items. You who are familiar with appropriation bills and conferences know of the many compromises that have to be made in order to get a bill out and keep the departments going. I will also detail later the matter of foreign buildings and the American schools in Latin America. In reply to the gentleman from Nebraska [Mr. MILLER], the item for Scottsbluff weather station is in the bill. Mr. MILLER has worked strenuously for this station which is in his district and his arguments for it have been very convincing and effective.

FBI APPROPRIATION ESTIMATE, FISCAL YEAR 1950

The estimate for the Federal Bureau of Investigation for the fiscal year 1950 in the amount of $52,585,141 was approved by the Bureau of the Budget for an amount of $50,987,000, there being a cut made by the Bureau of the Budget in the amount of $1,598,141.

The House Appropriations Committee restored the cut of $1,598,141, recommending an appropriation for the Federal Bureau of Investigation for the fiscal year 1950 in the amount of $52,585,141. The Senate approved an appropriation the same as was approved by the Bureau of the Budget in the amount of $50,987,000, reducing the House approved estimate by the amount of $1,598,141. The final compromise with the Senate restored the House figure and the amount requested by the FBI.

In addition, the Senate Appropriations Committee approved phraseology in the FBI's 1950 appropriation to the effect that $750,000 of the 1950 appropriation be available immediately. This phraseology is approved and will permit the utilization of $750,000 of the 1950 appropriation to cover expenditures for the present fiscal year.

It should be pointed out that making available the $750,000 of the 1950 appropriation for the fiscal year 1949, will correspondingly reduce the 1950 appropriation.

It is essential that the $750,000 be made available for the remainder of the present fiscal year. It will be recalled that the President in his budget message to Congress stated that the FBI would undoubtedly need a supplemental appropriation in the amount of $2,630,000 for the remainder of the present fiscal year due to its greatly increased activities not only in the form of new legislation such as the Selective Service Act of 1948, for which no funds were appropriated, but likewise for its increased activities in the internal security field, all of which have increased considerably necessary FBI expenditures during the present fiscal year over and above the amount appropriated.

Mr. Hoover, the Director of the FBI, reduced the operating expenditures of the FBI in every way possible during the present fiscal year in the hope that additional funds would not be necessary. He was successful in reducing the budget estimate for supplemental funds which was in the amount of $2,630,000, to $750,000, a reduction of approximately $2,000,000. The approval of the phraseology to permit the use of $750,000 of the 1950 appropriation in 1949 enables the FBI to continue for the remainder of the fiscal year absolutely essential activities which must be performed.

For the fiscal year 1950, I feel that the FBI estimate of $52,585,141 was fully justified. During the testimony before the Appropriations Committee, Mr. Hoover pointed out the various responsibilities of his Bureau at the present time. There is no reason to believe that there is going to be any decrease in the work referred to the FBI during the next fiscal year. Internal security matters being handled by the FBI are demanding increased investigative attention. At the present time thousands of such investigative assignments are pending, necessitating investigative attention 24 hours a day, every day in the year. It will be recalled that it was testified to that the investigative matters being referred to the Federal Bureau of Investigation are increasing tremendously over original estimates. It is estimated that approximately 474,000 investigative matters will be received by the FBI during the present fiscal year and it is forecast that there will be no reduction in such investigative matters during the next fiscal year. We know espionage and related subversive activities are not decreasing. We know in the light of recent developments that the investigative work of the FBI is going to become more and more difficult and complex if they are to continue to remain on top of the activities of a subversive nature. It is essential to the welfare of the country that this agency be not handicapped in any way in continuing its coverage of such activities. Therefore, sufficient personnel must be made available.

In addition to the internal security work of the Federal Bureau of Investigation that agency has investigative jurisdiction over more than 100 Federal statutes. The over-all crime situation in the country today, with the unrest presently being experienced, will undoubtedly continue at its present pace during the next fiscal year. It would be foolhardy to permit the criminal element of the country today to feel that sufficient funds would not be available for the investigation into their lawbreaking proclivities. Those of us present today remember the tragic conditions in the thirties when crime was rampant throughout the country: Kidnapers, extortionists, bank robbers, white-slavers, automobile thieves, and others endeavored to break the law with impunity. The Federal Bureau of Investigation, having responsibilities for investigating these crimes, many of which were made Federal offenses at that time, succeeded in reducing such crimes to a minimum. It is necessary that this check on such criminal activities be continued.

Your committee was unanimous in reaching the conclusion that all of the funds requested by the FBI be provided. This conference report brings you this assurance.

FOREIGN BUILDING PROGRAM

I feel it is important because of much misunderstanding to discuss at this time the appropriation for the Foreign Buildings Office in the Department of State. The budget estimate totaled $25,000,000 for foreign building acquisitions. Your House committee cut this amount to $20,000,000 and the Senate reduced it further to $9,520,000. We now bring you the conference report which indicates that your conferees have come to an agreement in the amount of $13,000,000 for foreign buildings. The Senate objected to acquiring buildings in China, Finland, and Hungary and also objected as do members of the House committee, to the acquisition in some instances of too elaborate buildings and also expressed the fear which is shared by some members of your committee that the future maintenance and operation costs may exceed any savings which the Department might claim as a result of having its own quarters. However, some members of your House committee do not share the feeling of the Senate that this item is an actual appropriation because the Department informs us that no dollars are actually expended in the purchasing of buildings and properties in foreign countries. The United States has about 300 foreign missions scattered over the world. The employees must be housed. The Department feels that the Senate subcommittee in reducing its authorization has been under the misapprehension that the Foreign Building Office program is based on dollar expenditures whereas practically all of its acquisitions are secured on accounts of debts, owed to the United States for surplus property disposals, loans in default, lend-lease settlements, or similar transactions.

The Department feels that reducing the Foreign Buildings Office's authorization is equivalent to reducing payments by the debtor countries to an amount corresponding to the sum approved by the committee. This program for 1950 was in the amount of $20,000,000, and desirable and useful properties to this value are obtainable. As stressed before the House committee, the Department pays for these valuable assets only by reduction in the amount of the enormous debts owed by the foreign countries to our Government. It is the opinion of many people thoroughly qualified to judge that the properties secured under the Foreign Buildings Office program will probably represent the only payments on many of these obligations that this Government will ever receive. Foreign Buildings Office's total program amounts to about $200,000,000 out of a total owed this Government of billions. The abilities of most governments, even in the distant future, to repay their obligations to the United States, other than in such local currency transactions as are exemplified by the Foreign Buildings Office program, are extremely hypothetical. This is particularly true in the curtain countries where it is almost certain that items secured under the Foreign Buildings Office program will constitute probably the only payment ever received on the debts; nevertheless the Senate committee wishes the recoveries specifically restricted in a number of the curtain countries.

As explained during the House hearings the question of expense in connection with the operation of these properties, under ownership as compared with lease rentals, is easily answered. Suppose for instance this Government, needing additional office space, could secure on some similar basis say the Washington Building, would it be advisable to acquire it or not? Obviously it would be, inasmuch as the rental charge for such a building would probably exceed a quarter million dollars a year, whereas the operation of it would come to less than 40 percent of this or less, not including taxes. Real estate owned by our Government in nearly all countries is tax exempt under reciprocal treaty arrangements.

It has been suggested, and FBO is perfectly willing to concur in the suggestion, that these transactions be not expressed through appropriation channels at all, inasmuch as new dollars are not involved—in the countries where credit agreements exist—but that this amount be handled simply through congressional authority to utilize the credits

up to stipulated amounts similar to procedure followed in the case of Public Law 584—Fulbright Act.

The Department wishes to assure the committees at this time that undue extravagance has no place in the selection of acquisitions by FBO. In all but a very few, the two or three hundred items already secured have been predicated on a strictly commercial basis even without reference to the benefit of the capital values involved. It should, in relation to this, also be kept in mind that properties not proving satisfactory or expedient can always be sold and the proceeds turned into the Treasury. We do not have to keep them.

I include in my statement a memorandum from the Department of State:

JUNE 7, 1949.

Through: Mr. Peurifoy, Mr. Larkin.

CUT IN BUILDINGS FUND APPROPRIATION

In connection with the cut by the Senate in the buildings fund appropriation, we are preparing a résumé of the underlying principles behind FBO's present operations and the effect of the proposed cut; this was requested by Mr. STEFAN for the House committee in accordance with our discussions with you yesterday. Copy of this will be sent over to you later today and, supplementing this memorandum, we would submit the following:

Recent analyses of the buildings program for the next 2 years show a potential need of up to about $90,000,000 in foreign currency, of which $40,000,000 is required to meet the more urgent requirements of the next 2 years.

Our original budget for 1950 was $25,000,000, plus the anticipated carry-over from fiscal year 1949. Reduction of the 1950 appropriation to $9,520,000 would require a complete recasting of the whole buildings program and serious retrenchment in critical areas, and perhaps the abandonment of certain projects for which sites have already been secured and preparatory work under way. Among the principal items of concern at the moment, exclusive of the regular items comprising our long-range program, are the following:

Initial acquisitions and work in Japan preparatory to a take-over by the Department. The amount of $1,500,000 has already been earmarked for this program in fiscal 1950 in conjunction with the Department of the Army, FLC, and the Japanese Government, and specific properties have already been selected. Two million dollars per annum was set up for subsequent annual budgets.

In connection with the immediate requirement of housing some 2,000 civilian employees under the United States High Commissioner for Germany, we anticipate considerable expenditures will be required in addition to those which may be met through occupation funds. In addition, this is the critical time for planning and moving ahead on property acquisitions in connection with the long range diplomatic and consular post requirements. At least $2,000,000 for fiscal 1950 alone should be earmarked for this purpose.

Utilization of reparations assets in Spain and Portugal during fiscal 1950 would equal at least $3,000,000.

The acquisition of a site for a permanent United States Government combined offices building in London, prior to expiration of the surplus property agreement with the UK at the end of 1950, plus the completion items in London and continuing expenditures to relieve the serious conditions in various consular posts throughout the British Isles and colonies, is estimated at $5,000,000.

New office buildings for Rio and Reyjavik, for which plans are already completed and bids solicited, coordinated with deadlines for drawing down local currency, will total up to $3,600,000.

To meet the critical condition in Palestine, an expenditure of at least $1,500,000 will be necessary, of which less than $500,000 is actually available in existing credits.

Current activities utilizing foreign credits cover 49 specific countries, exclusive of possessions and colonies. The above six items alone total $16,000,000, to which could be added at least $15,000,000 to meet the regular program requirements for 1950. From this it will be seen that even the reduction in our original budget, from $25,000,000 to $20,000,000, will mean a definite curtailment of the program.

We especially wish to draw your attention to the probability that foreign credits for the Department's buildings program may be seriously curtailed, if not eliminated altogether through write-offs or defaults within the next 2 or 3 years. The fiscal years 1950–51 will probably afford the most important period remaining to the Department to capitalize on this unique opportunity to meet its long-range buildings requirements, while at the same time effecting important recoveries of American assets held abroad and corresponding reductions in recurring new dollar appropriations for rents, leaseholds, and quarters' allowances.

AMERICAN-SPONSORED SCHOOLS IN LATIN AMERICA

Mr. Speaker, after the First World War, Germans residing in most of the larger cities of the Latin-American Republics organized grade and high schools. These schools were open not only to German children but also to the children of Latin Americans who are influential in political, educational, and economic activities of their respective countries. With the advent of the Second World War a survey showed that these schools had been most effective in promoting the cultural, political, and commercial interests of Germany in the other Americas.

When the Second World War was imminent the governments and citizens of many Latin-American countries cooperated in a movement to close the German schools. At the same time they expressed an interest in establishing American-type schools. Following a careful study of the situation, the American-school program in Latin America was established as one of the features of the State Department's cooperation with the American Republics.

Evidence that the project has been a success is indicated by the fact that there are now 270 American-type schools in Latin America participating in this program. There are now approximately 60,000 Latin-American children enrolled in these schools, in addition to the children of American citizens. The schools are sponsored by Americans and nationals of the communities in which they are located and are accredited by the governments of those countries. Approximately $6,000,000 is obtained annually from local sources for their operating costs, and the contribution of the United States through appropriations made to the State Department for this program was only $171,000 during the last fiscal year. In addition, more than $1,000,000 was contributed locally in Latin America within recent months for buildings and equipment. These contributions were made in most cases in the belief that the United States Government would continue to provide funds to the schools for the purpose of employing United States citizens to direct and administer them.

The funds made available to the Department of State by Congress for the American-school program have been used largely for the purpose of providing administrators and teachers from the United States who are carefully screened as to their training, experience, character, and belief in our ideals of democracy.

(Mr. STEFAN asked and was given permission to revise and extend his remarks and include an item from the Department of State.)

Mr. ROONEY. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Speaker, as a member of the Subcommittee on Appropriations for the State Department, Justice, Commerce, and the Judiciary, I, of course, participated in this conference, and I think I should take this time to tell the House that the distinguished gentleman from the other body who presided as chairman of that subcommittee, a renowned Member of that other body, well safeguards their interests. But, as you know, the chairman of the House subcommittee was the distinguished gentleman from New York, and his name is ROONEY. The distinguished chairman of the other body has a name of the same Gallic ancestry. But, let me assure you that the best interests of the House were well-preserved, and when it was a case where Greek met Greek, we held our own, and came back to the House with the biggest number of SR's—Senate recessions—that this or any other subcommittee will bring back here. I am very happy to report that under the leadership of the gentleman from New York [Mr. ROONEY] we were successful, and I may say to my distinguished colleagues on the Republican side of the aisle that while the distinguished gentleman from Nebraska [Mr. STEFAN] does not have in his veins the noble blood of Irish ancestry, yet that Slovak stubbornness and righteousness did him in good stead. Time and again he smote them hip and thigh, and this committee, I believe, in the number of conferences in which I participated with the Committee on Appropriations, held fast to the belief for economy for the whole bill that this subcommittee handled. I think that the attention given to the Civil Aeronautics Authority was justified well by the importance to health and safety in this increased development of air transport, and since time and again there have been in recent days and weeks serious problems having to do with safety and air navigation it is fitting, in the belief of your committee and of the House, that this aeronautic group be given the proper attention to the end that their function be enlarged and expedited.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. ROONEY].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: On page 28, line 20, strike out "$5,640,400" and insert "$3,709,400."

Mr. ROONEY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 10 and concur in the same with an amendment as follows: In lieu of the sum proposed by said amendment, insert "$5,680,400."

Mr. ROONEY. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

BOARD OF EDUCATION OF THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4381) to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and, without objection, appoints the following conferees: Messrs. ABERNETHY, SMITH of Virginia, and MILLER of Nebraska.

There was no objection.

POLICE AND FIRE DEPARTMENTS, DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2021) to provide increased pensions for widows and children of deceased members and retired members of the Police Department and the Fire Department of the District of Columbia, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and, without objection, appoints the following conferees: Messrs. DAVIS of Georgia, KLEIN, and BEALL.

There was no objection.

BANKS DOING BUSINESS IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2104) relating to orders to banks doing business in the District of Columbia to stop payment on negotiable instruments payable from deposits in, or payable at, such banks, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 10, after "relates", insert "by stating the amount of the item upon which payment is to be stopped, the date thereof, and the name of the payee."

Page 2, line 2, after "payable", insert ": *Provided, however,* That any stop-payment order transmitted by telephone to an officer of the bank upon which the instrument has been drawn shall be accepted by the bank upon such identification that will insure the order has been transmitted by its depositor as an effective notice for a period of 24 hours, after which time it shall no longer be valid unless followed by a written order as otherwise provided herein."

Page 2, line 10, after "such", insert "written."

Page 3, strike out lines 10 to 17, inclusive, and insert:

"SEC. 5. Any bank or trust company that pays a check or other instrument drawn by or against the account of a depositor, the payment of which has been ordered stopped, and the order is still in effect, as herein provided, shall be responsible to the depositor for the amount thereof. When restored to such a depositor, the bank shall be subrogated to any benefits receivable, or amounts recoverable, by the depositor, but shall pursue its remedy at its own expense."

Mr. McMILLAN of South Carolina. Mr. Speaker, the House passed this bill on May 2, 1949, and the amendments which have been adopted by the Senate simply provide that a stop order given by telephone to an officer of a bank shall be effective for 24 hours after which it will no longer be valid unless followed by a written order, and, secondly, under section 5 of the House bill, it was felt that there was some ambiguity in this section by using the words "actual loss" in defining the liability of the bank. This section was changed so as to make the bank liable in the amount of the instrument but gives the bank the right of subrogation to any benefits inuring to the depositor but the bank must pursue such a remedy at its own expense.

The ranking minority member the gentleman from Massachusetts [Mr. BATES] has indicated that he has no objection to the Senate amendments.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FUR LABELING

Mr. WADSWORTH. Mr. Speaker, under rather unusual circumstances and in violation of some of the traditions of the House, as a minority Member I venture to call up House Resolution 278, and ask for its immediate consideration.

The Clerk read as follows:

*Resolved,* That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5187) to protect consumers and others against misbranding, false advertising, and false invoicing of fur products and furs. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. WADSWORTH. Mr. Speaker, in further explanation of this unusual performance, of a member of the minority of the Committee on Rules calling up a rule, may I say I can see no member of the majority party of the Committee on Rules here present to take charge of the rule. I have, however, consulted with the gentleman from Tennessee who, I am informed on infallible authority, is the Democratic whip, and I have his consent to behave in this atrocious manner.

I understand under the rules 1 hour of debate is in order. On this side of the aisle no requests for time have been made to speak on the rule. I now inquire if there are any requests for time on the majority side?

Mr. PRIEST. Mr. Speaker, if the gentleman will yield, the chairman of the Committee on Rules, who had this rule under consideration, I believe understood that perhaps the bill would be passed over today. So if there is no request for time on the rule, if the gentleman from New York [Mr. WADSWORTH] will move the previous question, since he has called the rule up, I believe that would be in order and we could proceed with the consideration of the bill.

Mr. WADSWORTH. Mr. Speaker, it is with great cheerfulness that I move the previous question on the rule.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. GORE asked and was given permission to revise and extend his remarks in the RECORD.

Mr. SIKES asked and was given permission to extend his remarks in the RECORD.

Mr. WELCH of California asked and was given permission to revise and extend his remarks and include a statement made by him before a subcommittee of the Committee on Armed Services of the Senate.

Mr. HINSHAW asked and was given permission to extend his remarks in the RECORD and include an address by Sean McBride.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks in the RECORD and include an article by Hanson W. Baldwin, entitled "What Kind of War?"

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include a speech by Mr. Frank Aiken.

Mr. DOYLE asked and was given permission to extend his remarks in the

RECORD in two instances and include extraneous matter.

FUR LABELING

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the bill (H. R. 5187) to protect consumers and others against misbranding, false advertising, and false invoicing of fur products and furs be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That this act may be cited as the "Fur Products Labeling Act."

SEC. 2. As used in this act—

(a) The term "person" means an individual, partnership, corporation, association, business trust, or any organized group of any of the foregoing.

(b) The term "fur" means any animal skin or part thereof with hair, fleece, or fur fibers attached thereto, either in its raw or processed state, but shall not include such skins as are to be converted into leather or which in processing shall have the hair, fleece, or fur fiber completely removed.

(c) The term "used fur" means fur in any form which has been worn or used by an ultimate consumer.

(d) The term "fur product" means any article of wearing apparel made in whole or in part of fur or used fur; except that such term shall not include such articles as the Commission shall exempt by reason of the relatively small quantity or value of the fur or used fur contained therein.

(e) The term "waste fur" means the ears, throats, or scrap pieces which have been severed from the animal pelt, and shall include mats or plates made therefrom.

(f) The term "invoice" means a written account, memorandum, list, or catalog, which is issued in connection with any commercial dealing in fur products or furs, and describes the particulars of any fur products or furs, transported or delivered to a purchaser, consignee, factor, bailee, correspondent, or agent, or any other person who is engaged in dealing commercially in fur products or furs.

(g) The term "Commission" means the Federal Trade Commission.

(h) The term "Federal Trade Commission Act" means the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914, as amended.

(i) The term "Fur Products Name Guide" means the register issued by the Commission pursuant to section 7 of this act.

(j) The term "commerce" means commerce between any State, Territory, or possession of the United States, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession, or the District of Columbia, but through any place outside thereof; or within any Territory or possession or the District of Columbia.

(k) The term "United States" means the several States, the District of Columbia, and the Territories and possessions of the United States.

MISBRANDING, FALSE ADVERTISING, AND INVOICING DECLARED UNLAWFUL

SEC. 3. (a) The introduction, or manufacture for introduction, into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product which is misbranded or falsely or deceptively advertised or invoiced, within the meaning of this act or the rules and regulations prescribed under section 8 (b), is unlawful and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act.

(b) The manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, and which is misbranded or falsely or deceptively advertised or invoiced, within the meaning of this act or the rules and regulations prescribed under section 8 (b), is unlawful and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act.

(c) The introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce, of any fur which is falsely or deceptively advertised or falsely or deceptively invoiced, within the meaning of this act or the rules and regulations prescribed under section 8 (b), is unlawful and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act.

(d) Except as provided in subsection (e) of this section, it shall be unlawful to remove or mutilate, or cause or participate in the removal or mutilation of, prior to the time any fur product is sold and delivered to the ultimate consumer, any label required by this act to be affixed to such fur product, and any person violating this subsection is guilty of an unfair method of competition, and an unfair or deceptive act or practice, in commerce under the Federal Trade Commission Act.

(e) Any person introducing, selling, advertising, or offering for sale, in commerce, or processing for commerce, a fur product, may substitute for the label affixed to such product pursuant to section 4 of this act, a label conforming to the requirements of such section, and such label may show in lieu of the name or other identification shown pursuant to section 4 (2) (E) on the label so removed, the name or other identification of the person making the substitution. Any person substituting a label shall keep such records as will show the information set forth on the label that he removed and the name or names of the person or persons from whom such fur product was received.

(f) Subsections (a), (b), and (c) of this section shall not apply to any common carrier or contract carrier in respect of a fur product or fur shipped, transported, or delivered for shipment in commerce in the ordinary course of business.

MISBRANDED FUR PRODUCTS

SEC. 4. For the purposes of this act, a fur product shall be considered to be misbranded—

(1) if it is falsely or deceptively labeled or otherwise falsely or deceptively identified, or if the label contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product;

(2) if a label is not affixed to the fur product and does not show in words and figures plainly legible—

(A) the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of this act;

(B) that the fur product contains or is composed of used fur, when such is the fact;

(C) that the fur product contains or is composed of bleached, dyed, or otherwise artifically colored fur, when such is the fact;

(D) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(E) the name, or other identification issued and registered by the Commission, of one or more of the persons who manufacture such fur product for introduction into commerce, introduce it into commerce, sell it in commerce, advertise or offer it for sale in commerce, or transport or distribute it in commerce;

(3) if the label required by paragraph (2) (A) of this section sets forth the name or names of any animal or animals other than the name or names provided for in such paragraph, unless such name or names are preceded by the words "Processed to simulate" and the fur product has been so processed.

FALSE ADVERTISING AND INVOICING OF FUR PRODUCTS AND FURS

SEC. 5. (a) For the purposes of this act, a fur product or fur shall be considered to be falsely or deceptively advertised if any advertisement, representation, public announcement, or notice which is intended to aid, promote, or assist directly or indirectly in the sale or offering for sale of such fur product or fur—

(1) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of this act;

(2) does not show that the fur is used fur or that the fur product contains used fur, when such is the fact;

(3) does not show that the fur product or fur is bleached, dyed, or otherwise artificially colored fur when such is the fact;

(4) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(5) contains the name or names of any animal or animals other than the name or names specified in paragraph (1) of this subsection, unless such name or names are preceded by the words "Processed to simulate" and the fur product has been so processed, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur.

(b) For the purposes of this act, a fur product or fur shall be considered to be falsely or deceptively invoiced—

(1) if such fur product or fur is not invoiced to show—

(A) the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of this act;

(B) that the fur product contains or is composed of used fur, when such is the fact;

(C) that the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

(D) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(E) the name and address of the person issuing such invoice;

(2) if such invoice contains the name or names of any animal or animals other than the name or names specified in paragraph (1) (A) of this subsection, unless such name or names are preceded by the words "Processed to simulate" and the fur product has been so processed, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur.

EXCLUSION OF MISBRANDED OR FALSELY INVOICED FUR PRODUCTS OR FURS

SEC. 6. (a) Fur products imported into the United States shall be labeled so as not to be misbranded within the meaning of section 4 of this act; and all invoices of fur products and furs required under the act of June 17, 1930 (ch. 497, title IV, 46 Stat. 719), shall set forth, in addition to the matter therein specified, information conforming with the requirements of section 5 (b) of

this act, which information shall be included in the invoices prior to their certification under said act of June 17, 1930.

(b) The falsification of, or failure to set forth, said information in said invoices, or the falsification or perjury of the consignee's declaration provided for in said act of June 17, 1930, insofar as it relates to said information, shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act; and any person who falsifies, or fails to set forth, said information in said invoices, or who falsifies or perjures said consignee's declaration insofar as it relates to said information, may thenceforth be prohibited by the Commission from importing, or participating in the importation of, any fur products or furs into the United States except upon filing bond with the Secretary of the Treasury in a sum double the value of said fur products and furs, and any duty thereon, conditioned upon compliance with the provisions of this section.

(c) A verified statement from the manufacturer, producer of, or dealer in, imported fur products and furs showing information required under the provisions of this act may be required under regulations prescribed by the Secretary of the Treasury.

NAME GUIDE FOR FUR PRODUCTS

SEC. 7. (a) The Commission shall, with the assistance and cooperation of the Department of Agriculture and the Department of the Interior, within 6 months after the date of the enactment of this act, issue, after holding public hearings, a register setting forth the names of hair, fleece, and fur-bearing animals, which shall be known as the Fur Products Name Guide. The names used shall be the true English names for the animals in question, or in the absence of a true English name for an animal, the name by which such animal can be properly identified in the United States.

(b) The Commission may, from time to time, with the assistance and cooperation of the Department of Agriculture and Department of the Interior, after holding public hearings, add to or delete from such register the name of any hair, fleece, or fur-bearing animal.

(c) If the name of an animal (as set forth in the Fur Products Name Guide) connotes a geographical origin or significance other than the true country or place of origin of such animal, the Commission may require whenever such name is used in setting forth the information required by this act, such qualifying statement as it may deem necessary to prevent confusion or deception.

ENFORCEMENT OF THE ACT

SEC. 8. (a) (1) Except as otherwise specifically provided in this act, sections 3, 6, and 10 (b) of this act shall be enforced by the Federal Trade Commission under rules, regulations, and procedure provided for in the Federal Trade Commission Act.

(2) The Commission is authorized and directed to prevent any person from violating the provisions of sections 3, 6, and 10 (b) of this act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this act; and any such person violating any provision of section 3, 6, or 10 (b) of this act shall be subject to the penalties and entitled to the privileges and immunities provided in said Federal Trade Commission Act as though the applicable terms and provisions of the said Federal Trade Commission Act were incorporated into and made a part of this act.

(b) The Commission is authorized and directed to prescribe rules and regulations governing the manner and form of disclosing information required by this act, and such further rules and regulations as may be necessary and proper for purposes of administration and enforcement of this act.

(c) The Commission is authorized (1) to cause inspections, analyses, tests, and examinations to be made of any fur product or fur subject to this act; and (2) to cooperate, on matters related to the purposes of this act, with any department or agency of the Government; with any State, Territory, or possession, or with the District of Columbia; or with any department, agency, or political subdivision thereof; or with any person.

(d) (1) Every manufacturer or dealer in fur products or furs shall maintain proper records showing the information required by this act with respect to all fur products or furs handled by him, and shall preserve such records for at least 3 years.

(2) The neglect or refusal to maintain and preserve such records is unlawful, and any such manufacturer or dealer who neglects or refuses to maintain and preserve such records shall forfeit to the United States the sum of $100 for each day of such failure which shall accrue to the United States and be recoverable by a civil action.

CONDEMNATION AND INJUNCTION PROCEEDINGS

SEC. 9. (a) (1) Any fur product or fur shall be liable to be proceeded against in the district court of the United States for the district in which found, and to be seized for confiscation by process of libel for condemnation, if the Commission has reasonable cause to believe such fur product or fur is being manufactured or held for shipment, or shipped, or held for sale or exchange after shipment, in commerce, in violation of the provisions of this act, and if after notice from the Commission the provisions of this act with respect to such fur product or fur are not shown to be complied with. Proceedings in such libel cases shall conform as nearly as may be to suits in rem in admiralty, and may be brought by the Commission.

(2) If such fur products or furs are condemned by the court, they shall be disposed of, in the discretion of the court, by destruction, by sale, by delivery to the owner or claimant thereof upon payment of legal costs and charges and upon execution of good and sufficient bond to the effect that such fur or fur products will not be disposed of until properly marked, advertised, and invoiced as required under the provisions of this act; or by such charitable disposition as the court may deem proper. If such fur or fur products are disposed of by sale, the proceeds, less legal costs and charges, shall be paid into the Treasury of the United States as miscellaneous receipts.

(b) Whenever the Commission has reason to believe that—

(1) any person is violating, or is about to violate, section 3, 6, or 10 (b) of this act; and

(2) it would be to the public interest to enjoin such violation until complaint is issued by the Commission under the Federal Trade Commission Act and such complaint dismissed by the Commission or set aside by the court on review, or until order to cease and desist made thereon by the Commission has become final within the meaning of the Federal Trade Commission Act,

the Commission may bring suit in the district court of the United States or in the United States court of any Territory, for the district or Territory in which such person resides or transacts business, to enjoin such violation, and upon proper showing a temporary injunction or restraining order shall be granted without bond.

GUARANTY

SEC. 10. (a) No person shall be guilty under section 3 if he establishes a guaranty received in good faith signed by and containing the name and address of the person residing in the United States by whom the fur product or fur guaranteed was manufactured or from whom it was received, that said fur product is not misbranded or that said fur product or fur is not falsely advertised or invoiced under the provisions of this act. Such guaranty shall be either (1) a separate guaranty specifically designating the fur product or fur guaranteed, in which case it may be on the invoice or other paper relating to such fur product or fur; or (2) a continuing guaranty filed with the Commission applicable to any fur product or fur handled by a guarantor, in such form as the Commission by rules and regulations may prescribe.

(b) It shall be unlawful for any person to furnish, with respect to any fur product or fur, a false guaranty (except a person relying upon a guaranty to the same effect received in good faith signed by and containing the name and address of the person residing in the United States by whom the fur product or fur guaranteed was manufactured or from whom it was received) with reason to believe the fur product or fur falsely guaranteed may be introduced, sold, transported, or distributed in commerce, and any person who violates the provisions of this subsection is guilty of an unfair method of competition, and an unfair or deceptive act or practice, in commerce within the meaning of the Federal Trade Commission Act.

CRIMINAL PENALTY

SEC. 11. (a) Any person who willfully violates section 3, 6, or 10 (b) of this act shall be guilty of a misdemeanor and upon conviction shall be fined not more than $5,000, or be imprisoned not more than 1 year, or both, in the discretion of the court.

(b) Whenever the Commission has reason to believe any person is guilty of a misdemeanor under this section, it shall certify all pertinent facts to the Attorney General, whose duty it shall be to cause appropriate proceedings to be brought for the enforcement of the provisions of this section against such person.

APPLICATION OF EXISTING LAWS

SEC. 12. The provisions of this act shall be held to be in addition to, and not in substitution for or limitation of, the provisions of any other act of Congress.

SEPARABILITY OF PROVISIONS

SEC. 13. If any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of such provision to any other person or circumstance shall not be affected thereby.

EFFECTIVE DATE

SEC. 14. This act shall take effect 1 year after the date of its enactment.

Mr. O'HARA of Minnesota. Mr. Speaker, I move to strike out the last word. In fairness to some of the gentlemen who are here, I had promised them I would discuss the bill so that they might ask questions.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes.

Mr. O'HARA of Minnesota. Mr. Speaker, this bill, H. R. 5187, is properly described as a bill to protect consumers and others against misbranding, false advertising, and false invoicing of fur products and furs.

The bill was reported unanimously by the Committee on Interstate and Foreign Commerce. In that connection it was reported unanimously in the Eightieth Congress by that same committee, but was not passed upon in the closing days of that Congress because of the rush of the calendar. The bill had a unanimous report of the Committee on Rules.

The bill is designed to protect consumers primarily from the practice of

the fur trade engaged in frequently, at least by part of the fur trade, of using in advertisements, in a false or misleading manner, foreign animal names and glamorous, fictitious designations for furs and fur products.

Furs are particularly susceptible to dyeing and processing which tends to change their appearance. The manufacturing industry, and it is a compliment to them, are so successful that they can dye, color, and change a fur, such as rabbit fur, to resemble a far more expensive fur. This imitation, coupled with misleading and flamboyant statements in advertising, makes it easily possible for the purchasing public to be misled and deceived. The committee received a great deal of testimony on these abuses. I should like to give you a few examples, and I shall go into that a little further, of names under which rabbit coats have been sold to the public.

Beaverette: There is no such animal. But the name is very close to beaver, and the purchaser might well believe he was getting some kind of a beaver's relative, when it is actually rabbit.

Ermiline: There is no such animal in existence, but the name is suggestive of ermine, which is an expensive fur. An ignorant purchaser might think he is buying ermine when he is buying ermiline.

Lapin is the name of another fur coat. That is the French name for rabbit.

Other names are Hudseal, Mink Coney, and Sealine. All of them are rabbits.

Muskrat has been described as Hudson Seal, Diver Sable, and Water Mink. I could go on for a long time. Any of the Members who are interested in additional examples might have a look at the list of them set forth on page 70 of the hearings. This list gives the designations used, the correct name of the fur, and the name and date of the publications in which the advertiser used such designation.

Filed in the committee there are a number of photostatic copies of original advertisements taken from all over the country with these flamboyant, misleading, and deceptive terms in the advertising.

The Federal Trade Commission has endeavored to correct some of these practices. However, these practices are so widespread that enforcement by the Federal Trade Commission, through its normal processes, is exceedingly difficult. Furthermore, such practices are engaged in frequently by retailers, who are beyond the reach of the Commission because they are engaged in intrastate rather than interstate commerce. Therefore, specific legislation on this subject is considered necessary.

The remedy suggested in this bill is the mandatory invoicing of furs and the mandatory labeling of fur products moving in interstate or foreign commerce, under the usual name of the animal that produced the fur.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota may proceed for five additional minutes in order to explain the bill more fully.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. O'HARA of Minnesota. In addition, the label or advertisement is to set forth other information vital to the consumer, such as, first, whether the garment contains used fur; second, whether the fur is dyed or bleached; and third, whether the product is composed of waste fur or other inferior parts of the pelt.

There is an excellent precedent for the kind of informative labeling proposed in this bill. As some of the Members may well recall, in 1939 Congress passed the Wool Products Labeling Act. This act, which was reported by the Committee on Interstate and Foreign Commerce, requires disclosure of the wool contents of a fabric or article. The act is also known as the Truth in Fabric Act.

The Wool Products Labeling Act, while vigorously opposed at the time by many segments of the trade, is today recognized as an outstanding piece of consumers' protective legislation. The Interstate and Foreign Commerce Committee feels that similar protection is required for the purchasers of furs and fur products.

The fur products labeling bill, like the Wool Products Labeling Act, would be administered by the Federal Trade Commission. The enforcement provisions of the fur labeling bill closely follow those of the Wool Products Labeling Act.

The Commission may issue cease and desist orders, and wherever necessary, may resort to condemnation and injunction proceedings. A criminal penalty is also provided for willful violations of the provisions of the act.

The bill further directs the Federal Trade Commission to set up a register of names to be known as the Fur Products Name Guide. This guide would set forth the true English names of fur-bearing animals, or in the absence of such a name, the name by which such animal can be properly identified in the United States. In order to correctly describe on the label or in the advertisement the name of the animal that produced the fur the manufacturer would have to use the name set forth for such animal in the Fur Products Name Guide.

The use of the name of an animal, other than the animal that produced the fur, is allowed only if the name of such animal is preceded by the words "Processed to simulate." This may sound complicated. However, it is quite simple.

A bad practice has grown up in the fur industry of advertising muskrat, for example, as "Mink blended muskrat." What that conveys to the consumer I am not quite sure. I am reasonably sure, however, that it is, to say the least, confusing to the consumer.

If the bill is enacted, such muskrat coat would either have to be advertised and labeled, purely and simply, as a muskrat coat, or, if the manufacturer or retailer insists on using the word "mink" in connection with muskrat, he would have to advertise or label the coat as muskrat processed to simulate mink. In this way, the consumer will be absolutely certain as to what he is getting.

To summarize this all briefly:

The abuses which this bill aims to cure are very widespread. Attempts to eliminate these abuses under the Federal Trade Commission Act itself have failed. The Interstate and Foreign Commerce Committee is unanimous in the belief that legislation is required to protect consumers of furs and fur products, and that, in this case, the pattern set so successfully by the Wool Products Labeling Act should be followed. An amendment will be offered, which is necessary. In the rewriting of this bill there was an oversight and my colleague from Oklahoma will provide that the fur products name guide be set up within 6 months after it goes into effect.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I am very much interested in the gentleman's explanation of the bill. He gave a very fine explanation of it. However, I have telegrams from several dealers of fur garments in the Midwest in opposition to this bill. These firms have high-class, high-caliber establishments, they have a wonderful reputation for business ethics. I refer particularly to one, I am sure the gentleman knows about this one, too, the Cowne Fur Co., of Des Moines, that has been in existence more than 50 years, with no criticism at all as to its method of conducting business. Yet, they are opposed to this bill on the theory it would cause their business serious damage.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. O'HARA of Minnesota. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CUNNINGHAM. Can the gentleman give me any explanation as to why such a high-class institution as the Cowne Fur Co. should oppose this bill?

Mr. O'HARA of Minnesota. I can explain that to the gentleman because I have received some of those same letters from equally high-class people. First, let me say there is no reflection upon the fur industry generally. Some of them are extremely high-class people who sell the product, who tell you what you are getting, how long it will wear and charge you a reasonable price. Then there is the other type who are out to deceive the public and to mislead them. They use these highly advertised trick words wherein they mix up all of these names. Let me say that this bill will hit the ones who are deceiving the public, who are making a racket out of a perfectly honorable business. They have stirred up these decent fur people into thinking that this is a terrible bill.

Mr. CUNNINGHAM. Why would not this bill do the legitimate dealer, such as the Cowne Fur Co., any good?

Mr. O'HARA of Minnesota. May I say to the gentleman that there is no question but what this bill will aid decent, honorable fur people, and I hope they will find that out if this bill is passed.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Georgia.

Mr. COX. While the effect of this bill will be to protect the legitimate furrier, still its primary purpose is to protect the uneducated public?

Mr. O'HARA of Minnesota. That is correct; yes.

Mr. COX. Let me say to the gentleman that at one time I bought a rabbit coat when I thought I was buying, and the dealer thought he was selling me, ermine.

Mr. O'HARA of Minnesota. May I say to the gentleman that illustrates exactly what is going on. I have talked to some of these men who are skilled in the processing business and they tell me that even the buyers of some of these establishments which operate fine stores are misled themselves in the product which they sell.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. I received a number of communications from the muskrat fur people in Louisiana. As the gentleman knows, the vast majority of muskrat furs are grown in the State of Louisiana.

Mr. O'HARA of Minnesota. It is probably the greatest single fur-producing State in the United States, may I say to the gentleman, and it is a very fine fur.

Mr. BOGGS of Louisiana. I have read the gentleman's bill very carefully. I am inclined to believe they are unduly alarmed; nevertheless, I should like to have an expression from the gentleman as to whether or not, in his opinion as the author of this legislation, it would have an adverse effect on the muskrat fur of Louisiana.

Mr. O'HARA of Minnesota. May I say to the gentleman in all honesty and sincerity I think it would be of great benefit to that trade because the muskrat is a reasonably priced fur and it is a long-wearing fur. The trouble is that some of your muskrat people down in Louisiana are being cheated through the importation of a bunch of cheap foreign furs that are sold under highly advertised terms, which will not wear as long as the type of coat that the gentleman's muskrats would produce down in Louisiana.

Mr. BOGGS of Louisiana. Would the gentleman's bill require also the labeling of these imported furs?

Mr. O'HARA of Minnesota. That is correct. But, not that they were a foreign fur, no.

Mr. BOGGS of Louisiana. Take the imported furs from Siberia, for instance.

Mr. O'HARA of Minnesota. If I could have a minute later on I would like to call the gentleman's attention to the highly advertised terms that they sell some of these imported stoles, that are nothing but dog hides, that are sent over here from China and, I believe, some from Siberia, that are sold on the basis that they are a very fine fur. They are advertised as expensive furs, but probably not near as long wearing as some of the local furs produced in this country.

Mr. BOGGS of Louisiana. Objection has also been made that this labeling imposes undue restrictions and hardships upon retailers. Is there any validity in that objection?

Mr. O'HARA of Minnesota. I do not feel that that is really a legitimate objection. The manufacturer is compelled to label the product when it is issued and he is compelled to invoice it. Let me illustrate on that very danger.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has again expired.

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. O'HARA of Minnesota. Let me illustrate. Recently I was talking to one of the members of the Federal Trade Commission who has the responsibility of enforcing that act in connection with the fur industry as it exists today. He advised me of this fact. He said that recently—and I made a note of it so that I could transmit it—that one of the representatives of a large manufacturing group in the city of New York had appealed for advice to the Federal Trade Commission, dealing with the action of certain buyers, who after negotiating for the purchase of a number of fur coats made of wombat, which is sort of a ground squirrel, insisted that the coats be invoiced to them as Russian weasel instead of wombat, and would not take the coats unless they were so invoiced by these dealers. Now Russian weasel would be a false name, as these other animals are a type of ground squirrel and are not of the weasel family and, further, are not as valuable or as long-wearing fur. That illustrates what the decent industry is up against in these negotiations in the give-and-take of the fur trade. I might tell you frankly that this representative represented a large, very fine group of fur manufacturers in the city of New York.

Mr. BOGGS of Louisiana. One other question and I will not impose upon the gentleman any further. The fur dealers and the fur people generally inform me that the industry is in a very depressed state at the present time.

Mr. O'HARA of Minnesota. Very much so.

Mr. BOGGS of Louisiana. As a matter of fact, I have been reliably informed that in the muskrat-producing area of Louisiana that we will be very fortunate if the muskrat trappers receive as much as one-half for this year's crop as they received for last year's crop, and last year's crop was a great deal less than the take had been for the previous year.

Mr. O'HARA of Minnesota. That is right.

Mr. BOGGS of Louisiana. Now, the allegation is made that one of the principal causes of the difficulty at this time is the high wartime excise taxes that are still collected on furs. In the opinion of the gentleman, will this bill impose restrictions which may have a bad competitive effect on furs as compared to other types of wearing apparel?

Mr. O'HARA of Minnesota. Let me say to the gentleman I will say absolutely no. For example, did the wool people go out of business when we passed the Wool Labeling Act? No. It improved that business. The manufacturers were helped. The cheaters were put under the responsibility of labeling whether it was pure wool or shoddy wool, or whether it was wool, or whatever it was, and what was the percentage of wool and what was the percentage of cotton and rayon, and so forth. It helped the wool industry.

As the gentleman knows, excise taxes are one of the things that must be taken into consideration in that respect.

The gentleman speaks of muskrats, which is the largest single fur industry in this country, I believe. Naturally I am concerned about those people, and the mink people, and the fur farmers all over the country. Fur farmers exist in the South as well as in the North. There are some very large fur farms in Virginia. It does not take a cold climate to raise fur, although that is what people think. One of the things that has been hurting our local fur farmers most seriously is the terrific imports of foreign furs, which have just raised Cain with our own people. Something has to be done about that soon or all of our industry is going out of business.

Mr. BOGGS of Louisiana. I thank the gentleman.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Ohio.

Mr. JENKINS. I should like to ask the gentleman two or three short questions. I have had some correspondence that would indicate that this bill is not altogether for the benefit of the consumer. These suggestions very slyly imply that it might be for some ulterior purposes, or for the benefit of certain individuals. Let me ask the gentleman about the statement in the title of the bill, "to protect consumers and others." That term "others" does not mean anybody in particular, does it?

Mr. O'HARA of Minnesota. There is nothing sinister about that. As a matter of fact, one of the hopes of this bill, as I expressed it to the gentleman from Iowa, is that it will provide protection and additional aid to the decent, honorable people in the fur trade. It is just as much help to them in many ways as it is to the public.

Mr. JENKINS. I think so.

Further, I notice that on the last page you have a time limit, that the bill will not go into effect until a year after it is passed.

Mr. O'HARA of Minnesota. That is correct.

Mr. JENKINS. I have had some complaints from people who already have a stock of fur on hand.

Mr. O'HARA of Minnesota. They were apparently given the information as a part of the propaganda that this bill

would go into effect immediately, and they would have to go to the expense and trouble of labeling their coats. The bill will not go into effect for a year after it is passed, and those coats will certainly be sold and disposed of within that time.

Mr. JENKINS. I thought that was the reason for allowing this extended time, to give the dealers who already have furs on hand time to dispose of them and move them in interstate commerce.

Mr. O'HARA of Minnesota. The gentleman is correct.

Mr. JENKINS. Another complaint has come to me from a very distinguished man in my State. This is his complaint, and I am going to read it: "We find that the labeling provisions are completely unsatisfactory and would be misleading to the consuming public if the bill would become a law. It prohibits the use of standard trade terms and would cause endless confusion among retailers and the consuming public." That is a very sweeping condemnation.

Mr. O'HARA of Minnesota. Of course, it is a very general statement, and most of it, I would say, is not accurate. They would have to label the fur. I am sure the gentleman himself would be in favor of protecting the public from fraud, and protecting the decent industry from the fraudulent industry.

Mr. JENKINS. The gentleman stated that the great committee of which he is a member, the Committee on Interstate and Foreign Commerce, reported this bill out unanimously.

Mr. O'HARA of Minnesota. On two occasions, in the Eightieth and Eighty-first Congress.

Mr. JENKINS. I should think naturally, that that great committee would not report any bill out unless you had given it thorough and complete study.

Mr. O'HARA of Minnesota. We have repeatedly gone over this bill. It has been refined. In the original bill there were provisions that were unfair to the industry. Those have been taken out. We have refined the bill and tried to make it meet the objective and yet meet any complaints of unfairness. But you just cannot please these people who do not want anything done.

Mr. JENKINS. Did the gentleman have before the committee—I have no doubt he did—every group that might be interested in this whole program?

Mr. O'HARA of Minnesota. I would say in a general way, yes. They certainly had every opportunity, and there were a number of witnesses who appeared and testified.

Mr. JENKINS. About how long has this bill been before the committee?

Mr. O'HARA of Minnesota. We had about 2 days of hearings in the Eightieth Congress, and I think in the Eighty-first Congress about the same length of time; 3 days of hearings, rather.

Mr. SCUDDER. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. SCUDDER. I note that this bill was introduced on June 15. I have a telegram from the head of the California Merchants Association in California, who was formerly president, I believe, of the national organization. They are opposed to the bill. Have they had a chance to be heard before the committee on this bill to express themselves?

Mr. WILSON of Oklahoma. Mr. Chairman, will the gentleman yield so that I may answer that question?

Mr. O'HARA of Minnesota. I yield.

Mr. WILSON of Oklahoma. The original bill in this session of the Eighty-first Congress was introduced by the gentleman from Minnesota [Mr. O'HARA]. That bill is H. R. 97. The gentleman from Michigan [Mr. SADOWSKI] introduced a bill, H. R. 3755, one month later. The bill now before the House is a clean bill which was reported out after extended hearings. A copy of the hearings is available in the Chamber. In the previous Congress as the gentleman from Minnesota [Mr. O'HARA] has told you, there were some hearings held, or so I am informed. There were ample opportunities given to all the associations representing the fur industries to be heard. Those hearings extended over a period of more than 3 days.

Mr. SCUDDER. The gentleman says the fur industry was heard. How about the department stores throughout the country who, I know, are represented by the people who sent me telegrams? They are against the bill.

Mr. WILSON of Oklahoma. May I answer that question, too? The National Retail Dry Goods Association was represented. The National Board of Fur and Farm Organizations was represented as well. There appear in the record some 25 communications by Better Business Bureaus and the American Retail Federation had a representative there.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. WILLIS. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. WILLIS. The gentleman said that Louisiana produces more muskrats than any comparable area in the world. We produce in addition mink, otter, coons and many other fur-bearing animals in handsome quantities.

Mr. O'HARA of Minnesota. Louisiana is probably the greatest fur-producing State in the Union.

Mr. LARCADE. It is the greatest State.

Mr. WILLIS. It so happens that the greater part of that fur-producing area lies in my own district. I am not interested particularly in the alleged unfair practices of the middleman, but I am deeply interested in the trapper and the man who cultivates, farms and traps these fur-bearing animals. I understand that the gentleman probably has the same interest at heart.

Mr. O'HARA of Minnesota. I have.

Mr. WILLIS. But I would want to ask the gentleman in all fairness, is it his opinion this bill would be beneficial or harmful to the trapper?

Mr. O'HARA of Minnesota. It is my honest opinion that it would be helpful because it would eliminate this flam-buoyant advertising and the selling of cheaper furs which are nowhere near as good in quality as the furs that you produce in the State of Louisiana. They do not wear as well and do not make as good a garment as the muskrat furs produced in the gentleman's State of Louisiana. I think definitely it would be most helpful.

Mr. WILLIS. Our colleague the gentleman from Louisiana [Mr. BOGGS] mentioned the adverse effect upon this industry of the wartime excise taxes. I have introduced a bill to treat with that question. Since our interests appear to be mutual, I hope the gentleman will go along with us.

Mr. O'HARA of Minnesota. May I say to my friend I certainly shall.

Mr. LARCADE. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to my friend, the gentleman from Louisiana.

Mr. LARCADE. I know that my friend and colleague is aware of the fact, but it is not generally known, as my other colleagues have just stated, that Louisiana is the largest fur-producing State in the Union.

Mr. O'HARA of Minnesota. That is true.

Mr. LARCADE. I happen to have the honor to represent that portion of the State of Louisiana which is the largest fur-producing district. As a result of that, I am naturally interested in this bill. I have a number of telegrams from some of my constituents. I am surprised to find that they are in opposition to the bill. I have studied the bill very carefully and after doing so, have come to the conclusion that there is nothing which will be detrimental to the fur industry in my State or in any other portion of the United States, but on the contrary it should be helpful.

I would like to ask the gentleman two questions, as put to me in two telegrams. One of them is: How can this bill penalize the muskrat industry?

Mr. O'HARA of Minnesota. I do not see how it can.

Mr. LARCADE. Next, one of my constituents says the business interests of this area convince us that passage of this bill will be very detrimental to the fur industry in Louisiana.

Could you tell me in what way this bill could adversely affect the fur industry in Louisiana?

Mr. O'HARA of Minnesota. I do not see how it could do anything but help them. I am sorry some of these good people have been propagandized unduly and unfairly.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. JAVITS. I am troubled by the fact that the gentleman does not make any provision for fur-trimmed coats, except to include them. That is going to be quite tricky. I understand they are labeling now for wool. Do I understand the gentleman understands they are labeled also for fur? That is contained on page 2, line 6. If the gentleman did not

intend to include all fur-trimmed garments, he would have to make some amendment to that definition. "Any apparel made in whole or in part of fur or used fur." Then it confers authority on the Commission to exempt articles which have a relatively small quantity of value of fur or used fur in them.

Mr. O'HARA of Minnesota. As I recall, on the original bill there was some rather restrictive and I think harassing language in the bill. That has been stricken out and this language inserted so as to give some modicum of regulation on the part of the Federal Trade Commission.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has again expired.

Mr. JAVITS. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. O'HARA of Minnesota. Some of it could be very valuable fur and some of it could be of no particular value. Obviously, the Federal Trade Commission does not want to harass the industry on making a lot of articles of cheap furs, but there might be some necessity on expensively fur-trimmed coats, for instance, that might be subject to regulation.

Mr. JAVITS. Would not the gentleman consent to an amendment striking out the words "relatively small" in line 8, making it read, "the Commission shall exempt by reason of the quantity or value of the fur or used fur contained therein", giving the Commission complete discretion?

Mr. O'HARA of Minnesota. Will the gentleman let me discuss that question with him a little later.

Mr. JAVITS. It is claimed that this bill is discriminatory against fur dyers and dressers and in favor of people who raise mink and silver fox, because their stuff will probably be labeled 100 percent genuine, while the other, just as good, will not be saleable.

What does the gentleman say about that?

Mr. O'HARA of Minnesota. I do not think it will be discriminatory.

Mr. JAVITS. You do not consider that is a valid objection?

Mr. O'HARA of Minnesota. No, sir.

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. DOYLE. The gentleman will remember I spoke to him yesterday about this bill.

Mr. O'HARA of Minnesota. That is correct.

Mr. DOYLE. I advised the gentleman that I had a telegram from retailers in my home city, with which this gentleman is well familiar, in Los Angeles County, Calif. Does the gentleman have any idea why ethical, high-class retailers should object to this bill? I have wires to that effect.

Mr. O'HARA of Minnesota. I know of no reason why they should object to the bill, except one, that is that they probably have been misinformed as to what this bill means. In their trade organizations the group which unfortunately they should be careful of, is influencing them to send some telegrams.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. CASE of South Dakota. These fears that are expressed today are exactly the same fears that were expressed when the Wool Products Labeling Act came up. I do not believe there is a Member of the House today who would have the nerve to advocate repeal of that act.

Mr. O'HARA of Minnesota. I thank the gentleman.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. JUDD. The gentleman has assured us this will not hurt the fur-growing areas or the fur-manufacturing areas. The gentleman and I come from a State where in addition to growing and manufacturing furs, it gets really cold and the people wear furs.

Mr. O'HARA of Minnesota. That is right.

Mr. JUDD. The gentleman can assure us that the bill will not hurt those who wear the furs?

Mr. O'HARA of Minnesota. It will protect them.

Mr. JUDD. It will protect them against imitation and inferior products?

Mr. O'HARA of Minnesota. That is right.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. KEEFE. The gentleman is familiar with the fact that it is claimed by retail fur dealers that their business has suffered because of the competition of the cloth, fur-trimmed garments, which manufacturers have been able to make by using an inconsequential amount of fur, and thus escape the 20-percent tax.

I am now advised that they are in process of making a cloth garment that uses a large amount of fur, but that they have priced the lining of this new garment under some arrangement with the Bureau of Internal Revenue by which they are able to produce what appears to be a convertible garment, fur on the outside, that can be turned so that you have cloth on the outside, but by putting an extraordinary price upon the lining they are able to get rid of the payment of the 20-percent tax.

My fur people are exceedingly interested to see to it that if labeling is to be employed on fur garments that it likewise shall apply to the fur on cloth garments which are in competition with them; and I would not want any amendment offered to subsection (d) that would open the door to further intensify the competition that is hurting the people who are legitimately dealing in the fur-garment business.

Mr. O'HARA of Minnesota. I thank the gentleman.

Mr. WILSON of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILSON of Oklahoma: On page 17, line 12, after the word "Act", insert a comma and the following: "except section 7."

Mr. WILSON of Oklahoma. Mr. Speaker, a brief explanation is that section 7 provides that within 6 months after the effective date of this legislation that there shall be prepared by the Federal Trade Commission, in cooperation with the other related departments, a guide. The last section of the act, section 14, to which this amendment applies, states that the effective date of the act shall be 1 year after enactment. There is no reason for the delay in the preparation of the guide so that within 1 year there will be a guide of which the industry will have cognizance and under which it can operate.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

Mr. O'HARA of Minnesota. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Minnesota: On page 6, lines 3 and 4, strike out "if a label is not affixed to the fur product and does not show" and insert "if there is not affixed to the fur product a label showing."

Mr. O'HARA of Minnesota. Mr. Speaker, I may say that this is merely a clarifying amendment suggested by the legislative counsel, Mr. Perley, and which is a very necessary amendment. I hope it will be accepted.

Mr. WILSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. WILSON of Oklahoma. Mr. Speaker, the committee will accept the amendment.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Minnesota [Mr. O'HARA].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### RECESS AUTHORITY TO CLERK TO RECEIVE MESSAGES AND TO THE SPEAKER TO SIGN ENROLLED BILLS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next the clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

### EXTENSION OF REMARKS

Mr. REES asked and was given permission to extend his remarks in the RECORD and include an address.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Illinois [Mr. MASON] is entitled to recognition for 10 minutes.

TAX EQUALITY AND EXCISE TAX REPEAL IN ONE PACKAGE

Mr. MASON. Mr. Speaker, in a speech in the House on June 16, 1 month ago, I took as my theme, "Let's tax the untaxed to ease the tax load upon the overtaxed." In today's follow-up speech I am taking as my theme, "Let's kill two birds with one stone," or, if you prefer, "Let's wrap up tax equality and excise tax repeal in one package."

Mr. Speaker, in my mail and—from what I hear—in the mail of most Members of Congress the two greatest demands from taxpayers today are for immediate repeal of the wartime excise taxes and the plugging of loopholes in our tax laws through which certain tax-exempt organizations now escape payment of Federal income tax on billions of dollars' worth of competitive commercial business. These two demands dovetail perfectly. Put them together in one piece of legislation and we have a real solution of two perplexing problems. If we do so, taxpayers will be pleased; business will find new incentive to go forward; the Treasury will gain in revenue; and we will at the same time ease the tax load that now rests so heavily upon the overtaxed. In addition, no one will be hurt, because not a dime of additional tax will be imposed upon individuals and corporations now paying taxes, while the taxdodgers will be called upon to pay only the same rates that their competitors now pay.

Mr. Speaker, I believe that practically every Member of this Congress, regardless of party, agrees that the excise taxes which were imposed during wartime should now be repealed, or at least reduced to prewar rates. Many transportation companies are in the red. The telegraph company is said to be losing a million dollars a month. Furriers, jewelers, luggage dealers, and cosmeticians are complaining bitterly because their businesses are restricted by these nuisance taxes. Only the other day the American Retail Federation and its associates besought the Congress, before it adjourns, to take action in this matter.

Many Members of Congress have heard the taxpayers' cry and have attempted to initiate the action that is needed. Right now there are over 100 bills before the Ways and Means Committee proposing various formulas for repeal or reduction of some or all of these wartime excises: H. R. 2100 by the gentleman from Massachusetts [Mr. MARTIN]; H. R. 2097 and H. R. 2098 by the gentleman from Wisconsin [Mr. BYRNES]; H. R. 43, by the gentleman from Michigan [Mr. DINGELL]; H. R. 5510 introduced only last week by the gentleman from Louisiana [Mr. WILLIS]. These are only a few among the many.

Likewise in the Senate there are numerous bills to accomplish the same purpose, the most outstanding among them being the amendment to H. R. 3905, which was presented recently by the Senator from Colorado [Mr. JOHNSON] and approved by the Senate Finance Committee.

But we are told, Mr. Speaker, that the Treasury cannot afford the reduction or repeal of these excise taxes, and it is doubtless true that the loss of the $700,000,000 revenue now produced by these taxes would still further endanger the precarious financial condition of the Treasury. The chairman of the House Ways and Means Committee, the gentleman from North Carolina [Mr. DOUGHTON], has solemnly stated that however desirable it might be to give business this needed relief, he can see no way of doing so unless and until substitute revenue is found. The President, in his midyear economic message, proposed repeal of the 3-percent excise tax on freight, but went on to say that he would not justify changes in the tax laws that would result in a larger net loss in revenues than would result from this single item—thus denying to business the major part of the help that it needs.

Mr. Speaker, my bill, H. R. 5064, is the complete answer to the President, the chairman of the Ways and Means Committee, and all others who are searching for ways to help business stay on its feet in this period of readjustment without upsetting the delicate financial condition of the Federal Treasury. Conservatively, the provisions of my bill will bring into the Treasury more than $1,000,000,000—enough to compensate fully for the loss of revenue from repeal of the burdensome excises, and at the same time give the Government half as much again in badly needed revenue to pay our bills.

Since I spoke on this subject a month ago further evidence has accumulated to demonstrate the financial peril that confronts our Nation if we neglect to close the loopholes that are today encouraging a legalized method of doing business without paying income taxes. In my own mail, just a few days ago, there was a letter from a wholesale grocer in Indiana who wrote bluntly:

> Unless your bill, H. R. 5064, is adopted, we and our 400 customers shall reorganize as a tax-exempt cooperative. Our plans are already made. There is no other way we can stay in business against our chief competition, which is now a tax-free co-op.

From Houston, Tex., comes word that a 23-story office building in that city has been sold to a tax-exempt foundation for well over $2,000,000. Never again, unless the laws are changed, will an income tax be paid on that building's rental profits. It is, without question, one of those sale-and-lease-back deals that are becoming so popular, that are robbing the Treasury of substantial and increasing amounts of revenue.

I have just received a folder, issued by a firm of so-called industrial financiers, with offices in the financial district of Chicago, that is, to my way of thinking, the most insolent and brazen assault on the tax revenues of the United States that I have ever seen. It is legal, of course, but only because this Congress has neglected to pass two measures that have been introduced at this session in an effort to abolish this abuse—one by my colleague, the gentleman from New Jersey [Mr. KEAN], and the other by the distinguished Senator from New Hampshire [Mr. TOBEY]. According to this shameless prospectus, various sorts of benevolent foundations are finding it possible and profitable to increase their income by acquiring selected business enterprises.

> The tax-exempt status of the foundation—

I am quoting directly now—

> is the underlying factor, and the economics are based on the simple fact that a bona fide foundation can use tax-free income to amortize its investment.

Two plans of procedure are offered—the so-called Pacific coast plan and the so-called universal plan. They differ only slightly. In either case, the alleged charity buys a property at a price, it is admitted, more than could otherwise be had; the seller then pays a fixed rental for the property, and the buyer—the foundation—pays back most of these earnings to the seller without contributing one penny to the Federal Treasury in income tax on earnings—let alone the 38 percent that a competing property owner would be required to pay. Not even section 102 of the Internal Revenue Code, providing a penalty for retaining an undue percentage of earnings, applies in tax-dodging deals of this kind.

Mr. Speaker, hundreds of millions of dollars' worth of properties are being manipulated into tax exemption under this legal skulduggery. It is a loophole that must be plugged up before our revenues are entirely depreciated.

I have previously told you how the university of Louisville is about to go into the horse-racing business, with tax-free tickets, tax-free paddocks, and tax-free pari-mutuel percentages. It will be done through the reorganization of Churchill Downs in such a way that it will no longer pay into the Treasury the half million dollars a year of tax that it has paid in other years. I have told you how New York University has become the tax-free owner and operator of various factories, including macaroni, pottery, and piston rings. I have told you how 800 independent oil jobbers in the State of Iowa are now setting up a cooperative so that they will have tax-dodging equality with their chief competitors; and I can tell you now that other businesses, in other States—the independent oil jobbers in both Michigan and Wisconsin—are planning the same escape from their income-tax liabilities.

I would not have you believe these were all. The 48 States are full of concerns that have learned how easy it is to do business without paying income tax—and more and more are learning every day. Some of these businesses start from scratch and grow quickly into monopolistic bigness. Some, like the Ohio Cultivator Co., the St. Anthony & Dakota Elevator Co., the Globe Refinery, and many others—former taxpayers—sold out for the high prices that only tax-exempts can afford to pay.

Whatever the methods, the results are the same. Today, it is conservatively estimated that more than three and a quarter billion dollars of competitive commercial business is being done by tax-exempt organizations and corporations of various kinds. The taxes that they avoid paying amount to more than $1,000,000,000 a year. That billion, Mr. Speaker, is a subsidy—a hidden subsidy. It is the unwilling gift, today, of the taxpayer to the tax-dodger—the reluctant donation of

the poor little taxpayer to the rich and arrogant charitable trust, or to the educational institution, or to the cooperative, or to the Government-owned enterprise.

Let me ask you: What would be the reaction of this Congress, and of the electorate it represents, if that billion-dollar subsidy should be thrown open to public inspection? Suppose, for instance, there should be offered to the Congress each and every year a bill that might say: "There is hereby appropriated out of the moneys paid by taxpayers into the Treasury of the United States the sum of $630,000,000 as a subsidy to support the competitive business ventures of cooperatives and other mutual organizations; the sum of $173,000,000 as a subsidy to aid and assist the commercial activities of altruistic organizations; the sum of $267,000,000 as a subsidy to guarantee the profit-making success of Government-owned businesses in direct competition with private enterprise." Would you vote for such an appropriation? I think not. Yet you actually do that very thing by condoning hidden subsidies in exactly these amounts, thereby robbing the little-business man, the little taxpayer, to foster and promote competitors whose one aim is to destroy the American profit system.

Mr. Speaker, little business needs relief. Customers balk today when they find the burdensome wartime excise taxes added to the inflated prices of the goods they want to buy. Business will improve when those taxes are removed, as we all agree they should be. Business will take new courage, too, when it can once more meet competition on a more even basis—when it knows that the presently tax-dodging storekeeper, or jobber, or wholesaler, or manufacturer down the street is at last paying the same taxes, struggling under the same restrictions and regimentation as the little taxpayer.

Mr. Speaker, we have before us an opportunity to kill two birds with one stone:

First. Let us at once adopt one of the numerous bills to repeal or greatly reduce the nuisance excise taxes.

Second. Let us at the same time adopt H. R. 5064 to impose income taxes on the business income of tax-exempt organizations and corporations.

Now is the time to do it. Current statistics of the Department of Commerce show that more than 200 little businesses are being shoved into bankruptcy each week, many because continued high excise taxes drive their customers away; some because the tax privileges of certain competitors make it impossible for them to keep their heads above water. They will live and prosper if we remove the obstacles that confront them. It is as simple as that. I urge the immediate adoption of this double blessing in a single package.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. JAVITS] is recognized for 30 minutes.

### A POST-ERP PROGRAM

Mr. JAVITS. Mr. Speaker, on January 20, 1949, the President said:

> We must embark on a bold, new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.

He continued by urging "that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life. And, in cooperation with other nations, we should foster capital investment in areas needing development." The President estimated that "more than half the people of the world are living in conditions approaching misery." The President then invited the cooperation "of business, private capital, agriculture, and labor in this country" in this monumental effort. And in his message of June 24, 1949, on the point IV program the President said of the underdeveloped areas: "They must create a firm economic base for the democratic aspirations of their citizens."

### POINT IV

Much soul searching and many questions have been asked about the now-famous point IV announced by the President, and interest in it has been quickened by the fear of a domestic depression. President Murray of the CIO said on June 26 last that the time has come for "immediate action" to "stem the tide of growing unemployment." Unemployment is up and there are predictions that it may rise to as much as 5,000,000 in the next fiscal year; and the Federal deficit for fiscal 1949 of $1,800,000,000 is not reassuring on this point.

First, let us be clear about the President's finding as to the underdeveloped character of the world's economy. It has been authoritatively estimated that the average per capita income in the world is in the area of $70 per year in terms of United States 1946 dollars compared with which the United States enjoyed a per capita income in 1946 of about $1,200. The general average even of highly industrialized countries like Great Britain and France is in the area of $300 to $400 per year. Successful agricultural countries like Argentina enjoy substantially the same annual per capita income, while countries like Mexico, Italy, and Chile enjoy annual per capita incomes of about $200 per year, with China, India, and some of the middle eastern countries coming at the bottom of the scale with annual per capita incomes as low as $40 a year.

The United Nations Department of Economic Affairs, in a report published early this year, said that industrial output in most war-devastated countries was approaching or had already exceeded prewar levels, but this was only because existing plant and manpower resources were being utilized at near capacity. Yet we all know that shortages, austerity, and difficulties are still harrassing most of the world other than a few areas in North and South America and Oceania.

### WESTERN EUROPE, 1952

We hear, too, authoritative predictions that by 1952, when the ERP was expected to have adequately put western Europe on the road to ability to stand on its own economic feet, it will still be suffering a dollar deficit of between one and three billion dollars with the latter more nearly accurate; and even the latter demanding what the London Economist calls prodigious efforts—an increase of 40 percent above the present level of visible exports and the turning of an unfavorable deficit of $750,000,000 of invisible exports in 1947 into a favorable balance of $1,300,000,000 in 1952. The current or rather recurrent British financial crisis due to the continued draining away of her dollar and gold reserves is certainly not reassuring either.

The economist gives three alternatives as to how this problem can be dealt with. First, the development of sources of supply, in nondollar areas, of the articles now imported from dollar areas; namely, essential raw materials and machinery. Second, greater exports by Europe to the United States directly or indirectly; and, third, reduction of the level of Europe's imports. The last is a repetition of the British austerity plan for the whole of Europe. Apart from the inability of most of Europe to stand this strain, it is highly doubtful that even Britain can do more than remain alive, but starved, under such a plan and certainly cannot attain the robust economic health essential to her own and the world's security.

The evidence seems to be clear on all sides that if we are to make the European recovery program succeed and if we are to answer the Communist challenge in the world in the overriding terms of economic well-being, we must have a plan to succeed the European recovery program and a plan to bring about world economic recovery.

We are spending in the area of five to six billion dollars a year on the European recovery program as compared with a domestic civilian economy in the United States alone of about $250,000,000,000 as gross national product, or in the magnitude of 2 percent; and with operations in our foreign trade of approximately $19,000,000,000 of which $12,500,000,000 are in exports and $6,500,000,000 in imports. These figures show that if we are to attain world recovery we must act on the scale which our own economy and the world economy implies. This does not mean, however, expansion of Government programs, for such expansion, aside from its ideological implications, would bog us down administratively. As it is today, the administration of the European recovery program is relatively superficial and does not get down into the detailed operations in the various countries which are essential to our successful supervision even of the European recovery program of self-help and mutual cooperation itself. For example, we have relatively little to do with the aspects of domestic business in the ERP countries which result from the ERP—we have little to say about whether or not they encourage free competition or cartels.

### SELECT HOUSE COMMITTEE ON POST-ERP POLICY

It is time that the Congress took a broad look at the whole basis for participation by American trade and industry in the European Recovery Program and in the program of world recovery

and assess its capabilities and the legislative action which could be taken to deal with them. Such a review would involve not only the possibilities of Government guarantees of convertibility of foreign currency, a program started in the Economic Cooperation Act of 1948, but also taxation, Government interposition in American foreign investments, Government-industry partnership in foreign investment and development and similar changes. It would include also an investigation which is long overdue of the role played by the International Bank for Reconstruction and Development and the International Monetary Fund in the prospects for world recovery. For this purpose I am today introducing a resolution for the creation of a select committee of the House on post-ERP policy. This resolution follows the experience of the House in the Eightieth Congress in creating the Eaton-Herter committee. It would include in its membership representatives of the Committee on Foreign Affairs, Ways and Means, Appropriations, Banking and Currency, and Agriculture with its chairman the chairman of the Committee on Foreign Affairs. I attribute to the work of the Eaton-Herter committee a great deal of the credit for the passage of the ERP legislation, and I believe the gravity of the problems which we are facing require a similar basis for action now.

It is also important that this committee should have before it alternatives for action and it is in this spirit that I outline a program for the continuance of economic recovery in the free world and for the accelerated development of the economically underdeveloped countries.

INTERNATIONAL BANK AND MONETARY FUND

It is high time that we learned why it is that two agencies to which the United States had pledged $5,920,000,000—$3,175,000,000 to the bank and $2,750,000,000 to the fund—have done so relatively little in aid of world recovery at the most critical point in world history and why almost the whole job has been left to the United States. It is very interesting to note that one of the first actions of the National Advisory Council on International Monetary and Financial Problems which runs United States policy with respect to the bank and the fund was to ask for an interpretation by the executive directors of the bank on whether, under the articles of agreement, "the bank had authority to make or guarantee loans for programs of economic reconstruction and the reconstruction of monetary systems, including long-term stabilization loans." This question was answered in the affirmative, yet for whatever reason, the record is almost blank insofar as carrying it through in any country is concerned.

The bank has interpreted almost as literally as the National City Bank of New York or the Chase National Bank the mandate in its charter that the borrower "will be in a position to meet its obligations under the loan"; yet equal consideration must be given to the other provision in its charter that "the bank is satisfied that in the prevailing market conditions the borrower would be unable otherwise to obtain the loan under conditions which in the opinion of the bank are reasonable for the borrower." The bank has the power to loan or guarantee over $8,000,000,000; it has in United States funds alone almost $730,000,000, and has raised $254,000,000 by direct bond flotations, largely in the United States market. Yet in the almost 3 years since it began operations it has made loans of only $650,100,000 through January 31, 1949.

The International Monetary Fund has aggregate authorized capital of $7,976,000,000 of which the United States' share is 34.2 percent. There has been paid into the fund over $1,300,000,000 in gold, over $927,000,000 in members' currency—of which over $300,000,000 is in United States or Canadian dollars—and $4,500,000,000 in nonnegotiable, non-interest-bearing notes of the members of which the United States share is about $2,000,000,000. The total business done by the fund since the beginning of its operations is about $650,000,000. The question is immediately raised whether the very large amount of capital in terms of United States dollars and gold—well over $3,500,000,000—is not just frozen in the fund and whether it should not be released for productive use by a merger of the bank and fund making them one institution—a merger which has been very seriously considered in responsible quarters.

In April of this year the Subcommission on Employment and Economic Stability of the United Nations commented on the operations of the fund and the bank as follows:

It is said of the bank, "It is a useful but a minor addition to assisting financial machinery at a time when world uncertainty makes venture capital extremely unventuresome," and with respect to the fund, "the most useful attitude toward the fund is that a government consider how it can do what it wants to do, from its own purely nationalistic viewpoint, without legal violation of the fund's charter."

In both the cases of the fund and the bank the United States has very broad powers. It may withdraw from either at any time and have its shares repurchased. The bank may suspend its operations permanently by vote of a majority of its directors, representing a majority of the total voting power, and the United States has for these purposes about a third of the total voting power and together with the United Kingdom a majority of the voting power. Total membership of bank and fund is 46 nations, of which 20 are of the North, South, and Central Americas alone.

Three-fifths of the members with four-fifths of the total voting power can amend the articles of agreement of the bank and any member may bring up proposed amendments before the board of governors.

Here is an area of international activity occupied by international organizations founded for fundamental purposes which we must find the way to attain. By 1952 the bank and fund will no longer be able to be overlooked by their members because they are enjoying gifts from the United States under ERP rather than seeking loans from the bank and fund.

A gifted observer, Barbara Ward of the London Economist, has recently outlined—New York Times magazine, November 14, 1948—what the bank ought to do in the following terms:

> The functions of the bank would be twofold; in the first place to insure that the free world was getting sufficient capital into international circulation and, secondly, to undertake in the world at large new models of those great projects, such as the Grand Coulee Dam, the Tennessee Valley Authority, the Dniepestroi, which seem to have as much a symbolic as economic value in the modern world. If, within 5 years of setting to work, the free nations could point to a Euphrates Valley Authority, a vast development scheme on the Yangtze, the transformation of Formosa into a powerhouse and storehouse of the Far East, the Russians could whistle up 10 more 5-year plans and still have the whole weight of western achievement working against them.

Miss Ward wrote before the recent Chinese nationalist debacle but such action could have helped to avoid it.

So prevalent is the opinion—with which the bank and fund are regarded—that even in United Nations circles it is being seriously proposed that there be organized a United Nations Economic Development Administration heavily financed with United States Government capital for the purpose of taking over the job which the world expected that the bank and fund would do.

PRIVATE INVESTMENT ESSENTIAL

A recent survey of the results of the European recovery program was made by the authoritative United Nations Economic Commission for Europe, a very interesting group having upon its representatives both of eastern and western European nations and headed by a Swedish chairman. This Commission came to the conclusion that even with an increase of 60 percent in overseas sales, European countries would still be faced in 1952 with a $3,000,000,000 deficit in trade with the United States, assuming that they maintain their current volume of imports from the United States.

The Commission came to the conclusion that the only hope for a Europe able to stand on its own feet after the European recovery program is ended in 1952, lies in a major program of capital investment for specific development projects staggered over a period of time. Yet in the face of these estimates, the best and most optimistic estimate—made by a representative organization of private business which has studied the problem, the international relations committee of the National Association of Manufacturers—is that but $2,000,000,000 of private investment capital can be made available as the aggregate of private foreign investment from the United States after the completion of the European recovery program—and that means an aggregate for investment everywhere and not just in Europe.

Under the circumstances, President Truman's bold new program, so widely hailed as America's post-ERP solution for the world's economic ills, must be wrong somewhere if it alone is designed

to cope with a multi-billion-dollar problem in Europe and the world while being gaged to a total of $45,000,000 from the United States out of a total UN appropriation of $105,000,000.

Diametrically opposed views with respect to the conditions of foreign investment are found in the recent report of the Subcommittee on Economic Development of the United Nations with respect to underdeveloped countries in the following terms:

29. Public opinion in the underdeveloped countries, therefore, urges the imposition of certain conditions on the entry of private foreign capital. Among the more important of these conditions which are usually mentioned are provisions for domestic participation in the capital structure of enterprises promoted by foreign concerns within the country, for effective domestic participation in policy making and management of these concerns when operating within their boundaries, the imposition of an obligation on such concerns to reinvest within the country at least a portion of the profits that they make within the country and of an obligation on these concerns to give adequate technical training, in the working of these concerns, to the nationals of the country, and the provision of facilities for the acquisition by such nationals of the technical know-how possessed by these concerns.

30. On the other hand, private investors in the capital-exporting countries appear hesitant regarding the advisability of making private investments abroad in the absence of certain conditions governing the security of their investments, the transfer of their profits, and the effective management of their operations. Thus, for example, among conditions sometimes put forward by private investors in the capital exporting countries are: guaranties from the governments of the capital-importing countries that investments will not be taken over without adequate compensation, that exchange facilities will be provided for the transfer of profits and of capital, that no conditions be imposed requiring participation by nationals of capital-importing countries in equity investments, that no conditions be imposed regarding participation by such nationals in the policy making or operating bodies of such concerns or that no obligations be imposed on such concerns to train nationals of capital-importing countries or make it possible for them to acquire the technical know-how possessed by these concerns. It has also been suggested that bilateral treaties on private foreign investment be arrived at.

I think it is fair to say under these circumstances that those in high places don't know quite what to do and have little confidence in the remedies that they have proposed. It seems clear, too, that American private business in which alone resides the experience and facilities to proceed on a great program of foreign private capital investment or of engaging manpower and technological skill for foreign economic development does not know what to do either. Yet, Amercian business has never in its history shrunk before the challenge of war or failed to magnificently meet that challenge in terms of enough production on time. Why then should it fail to meet the challenge of peace?

FOUR-POINT PROGRAM

I believe that the time has come for a totally new approach to the world's economic problems in which the United States should lead, and that the willingness to take the needed steps must be premised on the will to avoid war by obtaining an economic triumph over the Communist system rather than a military triumph. In this spirit, a partnership of the United States Government and of United States private business for overseas economic development is essential. Only on these terms can the job be done and America's fundamental resources be harnessed to meet the test of winning the peace.

I propose, therefore, a four-point program for post ERP recovery and for the economic development of underdeveloped areas calculated in a magnitude realistically to meet these problems:

First. Utilization by the Government of the great resources of business and industry in extending technological assistance to underdeveloped areas which are part of the free world, through research and development contracts of the type made during the war between Government and business.

Second. Government guarantees against political risks for American private investment contributing to the economic improvement of developed countries and the development of underdeveloped areas of the free world, both of the capital invested and of a reasonable interest rate or return, guaranteeing convertibility into dollars.

Third. The creation of a great world financing organization by a merger of the International Bank and Fund, or if this cannot be accomplished, by the organization of an economic development corporation with United States Government capital in the amount of $10,000,000,000 to engage in partnership ventures with American business and industry, for the continuance of recovery in developed countries and the economic development of underdeveloped areas of the free world.

Fourth. Enactment by the Congress of the reciprocal-trade agreements program which expired June 30, and passage of the enabling act for acceptance of membership by the United States in the International Trade Organization.

It is anomalous that the Nation which will spend $17,000,000,000 for the European recovery program, has an annual budget of almost $42,000,000,000, has an annual non-Government income of about $215,000,000,000 and gross national product of over $250,000,000,000, and possesses the greatest resources in skilled men and productive machinery and raw materials which the world has ever known, should be thinking of a great program of economic reconstruction for the world in terms of $45,000,000 to be devoted to the President's point IV. Our experience in the Reconstruction Finance Corporation itself, in the Home Owners' Loan Corporation, in the FHA mortgage insurance program indicates that underwriting the development of American resources whether of property or investment is always a money-making rather than a money-losing venture.

The first means for utilizing America's technological resources is already dealt with by legislation the President has sent to the Congress. Where these resources are required, private business should, under contract with the Government, devote its technological and planning staffs for stated periods for the purpose, payment to be made as the United States may be able to arrange between itself and the participating country. So long as the contract is in effect, the operation is to be carried on under governmental supervision and control by the United States. The participating company has the option to renew its contract or to withdraw and thereby maintain that freedom of action so essential to the efficiency and success of the operation.

ECONOMIC OFFENSIVE IN ASIA

The use of this technique is of the most critical importance in Asia where we are definitely on the defensive in the struggle against the Communist ideology. Nothing could be more electrifying to the peoples of Asia than a broad-scale effort by the United States to improve their physical conditions of living. We obviously cannot hold Asia against communism with soldiers or with diplomacy or with traditional influence, but the mobilization of America's resources in skilled manpower for the purpose of aiding Asiatics with their problems of unproductive agriculture, primitive transport, even more primitive sanitation, lamentable conditions of health and almost total absence of other welfare services could have a most powerful influence. Our skilled soldiers of peace would be welcomed in Asia and can operate effectively in areas like South China, Indochina, India, Pakistan, Burma, Indonesia, and Malaya from which they could spread their influence by the quality and reputation of their work deeply into Communist-held China.

In the field of foreign private investment the pattern established by the guaranties to private business investment under the European recovery program is already dealt with by legislation sent to the Congress by the President. These guaranties are fundamentally only to be approved where the participating country concerned first agrees that the project will further its own and international economic development. Projects include not only new ventures but expansion, modernization, and development of existing enterprises, and all enterprises must be consistent with the national interest of the United States.

Guaranties are not alone limited to the amount of the investment but include also actual earnings and profits as may be agreed upon for each guaranty and a fee is charged for each guaranty which, intelligently administered, could almost make of the guaranties a mutual insurance fund.

The guaranty protects against political risks and not economic risks. These include expropriation, destruction by riot, revolution or similar action, transfer restrictions, and exchange depreciation. Problems with respect to participation in management by local employees, instruction of indigenous personnel in technical operations and sharing of ownership with local interests will depend upon agreement on a bargaining basis by the participating country and the participating company as approved by the United States.

PRESENT LEGISLATIVE PROGRAM INADEQUATE

But the technical aid to underdeveloped nations and guaranties of convertibility of investment and income from American private investments abroad contributing to economic development, alone are likely to prove inadequate. It has been pointed out time and again that businessmen and individuals will not invest abroad with all the hazards involved particularly today in view of the ideological struggle going on in most countries of the world, in return for the modest return likely to be realized even though it is convertible into dollars. Furthermore, the maximum estimates with respect to American private investment abroad of $2,000,000,000 hardly augurs well for making available by this means the sums necessary for economic improvement in developed countries and to open up underdeveloped countries by increases of their standards of living sufficient to absorb the exports, which increased production in industrialized countries, including our own, are bringing about.

UNITED STATES FEAR OF DEPRESSION

One of the key points in the current fear of depression in the United States is the question of what is likely to happen to the economy of the world when we conclude ERP in 1952. If we are to stop at that point, western Europe will have been saved for the time being from communism, but world economic stability will be far from achieved and we will be sentencing the world to austerity and retrenchment for years—and perhaps to another war. The world is so critically short of investment capital and investment goods, it is so much in the ferment of transition especially in Asia, that this conclusion, absent our courageous and continuing cooperation, is inevitable. Major advances in production during the war have given us world leadership and raised our own standard of living at least 25 percent. To stand still now is to retrogress. It is noteworthy that our Federal budget deficit for fiscal 1949 is due to the lessening of income shown by smaller tax withholdings from wages and salaries. More income from more production and more trade, not less income, is the answer to budget surplus and national well-being. The answer to how far we can go in the world depends more on increasing our income to make our spending less burdensome than it is now—essential as indeed is governmental economy like that suggested by the Hoover Commission on Government Reorganization.

ECONOMIC DEVELOPMENT CORPORATION

To provide the means for investment on the scale required by world recovery and developments of the economically underdeveloped countries adequate to form the needed basis for world economic prosperity, either a single international financing organization is required such as would result from a merger of the International Bank and the Fund; or a great, new Economic Development Corporation is needed financed by the United States Government in a magnitude proportioned to the business to be done. We must be thinking in terms of initial capital in the magnitude of $10,000,000,000.

An Economic Development Corporation would function very much like the Reconstruction Finance Corporation in extending loans on mortgage, or otherwise, to prospective investors and developers abroad, and in acquiring securities from such investors or developers, in effect creating a Government-business partnership. Such companies could also be participated in by governments or individuals in the areas where economic development work is to be undertaken.

Cooperation with participating countries would be likely to determine the success or failure of the whole program and there we should adopt the procedure so successfully worked out in connection with the European recovery program. We should bring about the establishment of regional organizations of participating countries like the Organization of European Economic Cooperation of the 19 countries participating in the ERP, which can advise with us on over-all plans for particular regions with similar economic, social, and political interests. From this would logically follow the negotiation of agreements or treaties giving fair protection for and preventing discrimination against investments by United States nationals and the new Economic Development Corporation in such areas. The work of the Bank and the Fund to help members to get their internal financial and economic affairs in order would continue.

Investment or loans by the consolidated International Bank and Fund, or by the Economic Development Corporation would go far to quieting the fears of American businessmen that the United States Government would leave them adrift at some point after encouraging them to undertake broad-scale ventures for overseas economic development.

OUR CHOICE

Succeeding ERP we can have an intergovernmental loan program probably scaled down to around $3,000,000,000 a year which is likely to put the world on a permanent dole from us or, having gotten western Europe off its back and on its feet, we can try to revitalize the world's trade, modernize its production plant, improve its products, and make operations more efficient in this way enabling free nations to sustain themselves and to go ahead in the industrial age. The techniques for this purpose which I have specified are proportioned to the size of the job.

Much has been made of tax-exemption inducements for American private investment overseas in a program of economic development. The danger of discriminating in favor of such investments and against investments in the United States is obvious; yet it may be possible to offer a legitimate inducement by relieving overseas investments from the burden of double taxation on the profits earned and the dividends declared out of them. The basic reason for this action would be that in such an investment it becomes impossible to operate as an individual or a partnership and that the corporate operation is not a privilege but a necessity; hence, it should not be penalized by double taxation as it is in domestic business.

We are but two short fiscal years away from the end of the European Recovery program. If we do not encourage the free world with such constructive efforts as are here urged now, we shall be faced at the end of fiscal 1952 with a renewed threat of international collapse. If we wait until this threat faces us it is likely to result in forcing us into a new recovery or aid program again without promise of a permanent improvement in the free world's economic fortunes. Should such a recovery or aid program have to be continued after 1952, it would be justifying the criticisms of the enemies of the ERP that it represents the beginning of a permanent dole by the United States to the other nations of the world in a continuing effort to finance our exports and in this way to hold ourselves up by our own bootstraps. Should this criticism prove justified the self-respect of the western European nations and indeed of all the democracies could soon lead them into a surrender to the extremism of the right or of the left, both equally fatal to America's aspirations for peace in the world.

What is needed is not only a bold new program but a new world program the magnitude of which will be proportioned to the vast size of the problems to be dealt with.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. The gentleman just used an expression about putting the world on a dole from the United States. How long does the gentleman think the United States could stand supporting the world on a dole?

Mr. JAVITS. That is exactly the reason for my proposal, that we do not want the United States ever to be put in the position where it has to count how long it can stand it. The world should be ready in 1952 to be able to paddle its own canoe, with the necessary investment capital furnished in the way I have described. One of those ways does not need new money from the United States, to wit, a merger of the fund and the bank.

Mr. WHITE of Idaho. The gentleman realizes that when he is talking about money he is talking about credit tokens. Does the gentleman know of any money that is in circulation that is real money?

Mr. JAVITS. The money of the United States is real money, being foundationed on the greatest productive power the world has ever known, to the extent of over $250,000,000,000 a year. If we handle it right, it can go to $300,000,000,000 or more. I think that is the realest money that mankind has ever envisaged, much more real than gold, which is perfectly useless in and of itself.

Mr. WHITE of Idaho. Is the gentleman cognizant of the fact that J. P. Morgan the elder, when appearing before one of the committees of Congress, was asked what was money, and said that only gold was money? The gentleman does not subscribe to that?

Mr. JAVITS. No; I do not. I think that is by now an outmoded concept. I

think money is in terms of the working power of a people and the production which a great Nation like ours has. Our mines, our factories, our railroads, and our people's skill, those are our money.

Mr. WHITE of Idaho. The gentleman knows that all these loans of our money to European countries are simply a draft on the things the gentleman has just enumerated, the resources of this country, which the gentleman calls money. They come back here, and it is a draft on the products of the men that work in the factories and the farmers that work in the fields.

Mr. JAVITS. I would want to see it made a draft to give men more work, make our resources more productive and make the country more prosperous. That is the reason for my proposal.

Mr. WHITE of Idaho. Is the gentleman familiar with the experience that France had with the so-called assignat back in the eighteenth century?

Mr. JAVITS. I have read a good deal about the history of all kinds of inflated money and paper moneys. I repeat to the gentleman what I said before, that none of them were premised on the skill, resources and productive capacity of a nation such as the United States, or anything remotely resembling this country and therefore I do not consider the cases at all similar.

Mr. WHITE of Idaho. What the gentleman calls money is simply credit, is it not?

Mr. JAVITS. I am sorry, sir, but I do not want to debate the question or the semantics of terms.

Mr. WHITE of Idaho. I am just asking the gentleman for information. The gentleman, in his statement at the point that I first asked him to yield, mentioned a large fund in the so-called World Bank.

Mr. JAVITS. Yes, I said World Bank.

Mr. WHITE of Idaho. Would you advocate lending that money to nationals or firms of other countries, or to the governments of such countries?

Mr. JAVITS. I would recommend lending that to governments or nationals, depending on what would be the most productive. The World Bank then would not be restrained in that way and could handle the matter either way, as the situation required.

Mr. WHITE of Idaho. Was that fund created to be loaned to firms or nationals or to the governments of these countries?

Mr. JAVITS. The bank's funds essentially were created to be loaned to whoever could make the best use of them, and the bank, under its charter, could lend accordingly.

The fund was created after arrangements with the Government.

Mr. WHITE of Idaho. In the light of our experience in dealing with the nationals of foreign countries and making loans to foreign countries in the past, does the gentleman think that we have perfectly sound security?

Mr. JAVITS. I think that engaging in the kind of program which I envisage, to wit, for productive purposes and developing underdeveloped areas and further developing developed areas would be sound and infinitely superior to any other program that we could pursue.

Mr. WHITE of Idaho. The gentleman realizes that he is opening up a big question and that we could talk this over for a long time without coming to any conclusion. But I just wanted some information, and I wanted to know what the gentleman advocated.

Mr. JAVITS. I thank the gentleman very much.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 15 minutes.

## FEDERAL AID TO EDUCATION

Mr. LANE. Mr. Speaker, I am opposed to the Barden bill, otherwise known as H. R. 4643 and sometimes miscalled the Federal aid to education bill.

I am fighting against it because it draws the line between public school children and parochial school children and is thereby a violation of those American ideals in which all of us share.

"All men are created equal." This is a Christian concept and an American concept. Together, these spiritual and political values have built the greatest Nation on earth.

There are those, however, who would attempt to divorce this twin strength and splinter our unity.

They would favor one child at the expense of another.

Catholics are not second-class citizens and they will oppose any legislation, however, well meaning, which in effect discriminates against them. The committee considering this bill was motivated by the realization that education is the strong right arm of liberty in its defense against totalitarianism. Fine. But such legislation must be consistent with freedom and equality if it is to succeed in its high purpose.

The Barden bill starts out with an ideal and then contradicts it. This is supposed to be "Federal aid to education." Not to some schools, but to all. For instance, the present bill adds up all the children in a particular State to determine the money to be appropriated to that State. Then it subtracts all children attending parochial or private schools in apportioning the benefits. This, I maintain, is discriminatory bookkeeping.

Furthermore, it is in defiance of legal precedent. The several states have provided from public tax revenues, certain auxiliary aids to sectarian schools. And the courts have ruled that the States are well within their rights in so doing. To provide children attending parochial or private schools with such incidental services as medical and dental examinations, nursing attention, transportation, and nonreligious textbooks, is only part return for the moneys which the parents of these children have contributed through general taxation. In fact, these parents bear a double burden, which is manifestly unfair. They pay their share in supporting the public school system and an extra share to support parochial schools whose added function is to teach the young those eternal truths of religion which are the true staff of life.

Besides, the members of religious teaching orders who have devoted themselves to God, and who ask nothing more for their self-sacrificing labors than to develop children who are a credit to themselves and to their Creator, are a blessing to the American taxpayer for the weight they have cheerfully taken from his shoulders. Is it too much to ask that the children in their care be treated on the same basis as all other American children?

The most serious threat to our national security comes from communism, which is aimed at the Americanism of Protestant, Jew, and Catholic alike. In Europe we find that the Catholic Church is the one great obstacle to atheistic, materialistic and brutal communism. In the United States it is likewise opposed to this hideous doctrine, and minimum of help to parochial children, or to withhold it from those youngsters whose training is so thoroughly American in that it teaches respect for the individual and loyalty to God and country.

On the contrary, we must meet and conquer Communist treachery by national unity and national morale, by the cooperation of all groups opposed to communism. We can do this by exemplifying in our day-to-day conduct that equality of opportunity in every field, education included, which is the life-given air of the democracy we breathe.

Already 22 of the 48 States allow some use of State funds to extend such aid as bus transportation, free nonreligious books, and tuition payments to pupils of private schools. Recent Supreme Court decisions are interpreted as meaning that the States have the right to offer such indirect help. Yet, the Barden bill denies this.

Which gives rise to the suspicion that the Federal Government wants to control all education and will refuse all aid to private schools until such time as these schools are willing to obey its edicts in every respect. This is a dangerous trend.

Considering the whole question of Federal aid to education, that distinguished citizen, President Dwight D. Eisenhower, of Columbia University, said, in part:

> It would completely decry and defeat the watchful economy that comes about through local supervision over local expenditures of local revenues.

In short, unless we are careful, even the great and necessary educational processes in our country will become yet another vehicle by which the believers in paternalism, if not outright socialism, will gain still additional power for the central Government. Very frankly, I firmly believe that the army of persons who urge greater and greater centralization of authority and greater and greater dependence upon the Federal Treasury are really more dangerous to our form of government than any external threat that can possibly be arrayed against us. I realize that many of the people urging such practice attempt to surround their particular proposal with fancied safeguards to protect the future freedom of the individual. My own conviction is

that the very fact that they feel the need to surround their proposal with legal safeguards is in itself a cogent argument for the defeat of the proposal.

The 2,500,000 children attending nonpublic schools, their parents, friends, and coreligionists, add up to a formidable case against the Barden bill. They, and those who speak up for this viewpoint in the Congress will never relax in their opposition to legislation which uses a denial of constitutional rights as a subtle form of pressure to make our whole educational system subservient to centralized political control.

We have permitted the Federal Government, with definite limitations of power, to finance and participate in such large-scale national programs as social security and housing. These deal primarily with the material things of life. But education, concerning the mind and spirit of man, is the most precious responsibility of all. It must remain free from political domination.

As Senator TAFT said in his 1943 criticism of Federal aid to education:

> Federal subsidy in the end means Federal control.

This is not to discount the fact that there are serious educational problems. There is need for better facilities, among other factors. If a few States can prove that they cannot support their public schools, then bills should be presented in the Congress to provide for these emergency situations, and without prejudice to private schools. The point at issue in such a situation is to keep the Federal Government from arrogating to itself that over-all control from which, once established, there is little hope of escape. At all costs, we must preserve home rule.

According to a Supreme Court opinion, the Federal Government has a right to control that which it subsidizes. Concerning a farm case in the State of Ohio Chief Justice Jackson ruled:

> It is hardly lack of due process for the Federal Government to control that which it subsidizes.

All of us must honestly face the fact that the proposed Federal aid to education bill would only mark the beginning of a trend which would be difficult to check. That is why consideration of the initial step is most important. Once the die is cast, forces would be set in motion which could conceivably revolutionize the developing pattern of American education in a headstrong fashion inimical to our best traditions and our steady progress.

The President's Commission on Higher Education is not content with the present request of $300,000,000. It has indicated—in its program of scholarships for higher education—a scale of increase which would bring the total annual appropriations for this purpose up to $1,000,000,000 a year by 1960. As other parts of the stepped-up program are spelled out, we can expect a total appropriation of approximately $2,250,000,000 as an aid to higher education alone by the year 1960.

Applying this yardstick to present appropriations sought for aid to grammar and high schools, we arrive at a figure of $1,000,000,000 by 1960. The grand total would then reach such proportions that any question concerning control would be idle debate in the face of an accomplished fact.

We must resist this opening wedge of Federal aid to education because it is discriminatory in the first place. Secondly, this arbitrary approach confronts us with the issue as to whether we shall keep State and local control of education or whether we shall capitulate to the easiest way, which in the long run is the dangerous way—Federal support and Federal control of all education.

The struggle will be won or lost on the first battle.

Once we admit, approve, and accept Federal aid the tide will run against us. Once the practice is in force, the public would submit to Federal regulation before they would give up the appropriations to which they had become accustomed. We would forfeit our local and democratic responsibilities in such matters, and surrender every freedom to the all-embracing appeal of a security which knows no limit this side of totalitarianism.

We must not fall for this "foot-inside-the-door" technique, because the first concession is the major and all-determining one. Once we have sacrificed the fundamental principle involved, we are on the toboggan slide where there are no brakes.

Let us bear in mind the following resolution adopted by the supreme board of directors of the Knights of Columbus, representing the more than 760,000 members of that society whose views coincide with those of many millions more in our Nation:

> Whereas one of the cherished and inalienable rights guranteed by the Constitution of the United States is the right of parents to further the education of their children in the schools of their choice, either public, parochial, or private; and
>
> Whereas the history of our country, past and recent, abundantly proves that parochial schools, maintained at great cost to Catholic taxpayers, effectively prepare children for the responsibilities of American citizenship and graduate young men and women qualified to vote, eligible for public office and subject to military service; and
>
> Whereas the Barden Federal aid to education bill, H. R. 4643, in effect repudiates the rights of parents, and reduces parochial-school pupils to a status of second-class citizenship by depriving them of the bus rides, nonreligious textbooks and health aids to which they have a Constitutional right; and
>
> Whereas the Barden bill, which counts parochial-school pupils in for the purpose of computing the Federal aid to be granted and counts them out of their share of benefits, is the worst and most objectionable Federal aid bill ever approved by any congressional committee: Be it
>
> *Resolved*, That the supreme board of directors of the Knights of Columbus is unalterably opposed to this, or any other Federal-aid-to-education legislation which fails to guarantee that the essential services mentioned will be available to all children in both public and parochial schools.

This bill constitutes a dangerous precedent.

It is a threat to our national unity.

It is unequal and unfair.

In the name of all that is American, it merits defeat.

EXTENSION OF REMARKS

Mr. WHEELER asked and was given permission to revise and extend his remarks in the RECORD.

WARTIME EXCISE TAXES SHOULD BE REPEALED

Mr. CURTIS. Mr. Speaker, the time is at hand when our wartime excise taxes should be repealed.

These taxes are retarding business and destroying jobs now. Unemployment is rising throughout the country, and the continuation of any tax that is destructive to our economy is unsound.

I speak of such excise taxes as those on toilet articles, barber and beauty supplies, jewelry, furs, movie tickets, communication and transportation charges.

The people back home who know the situation are demanding repeal of these taxes.

This wartime excise tax on jewelry applies to all articles whether they are a necessity or not. The tax is cutting down the sale of these articles. In turn, this means revenue loss for the retailer. His clerks and everyone with whom he spends his money suffer his income loss.

As a result, wholesalers are doing less business and orders are not being placed with our factories. When factories slow down or close, workers are jobless, incomes drop, with a consequent loss of Treasury receipts.

A similar situation prevails with furs. A coat, of course, is a necessity. If a woman's coat is made of cloth there is no excise tax on it. But if it is fur, there is a 20-percent-wartime tax. Consequently, people are not buying fur garments.

Retailers and wholesalers are losing business profits on which they pay taxes. Fur manufacturers are going out of business, thus losing profits on which they would pay taxes. The jobless fur workers seek unemployment compensation, an added demand on Treasury funds. At the same time, these workers no longer have wages on which to pay income tax.

At the end of the line is the fur farmer who takes the full force of the impact. He cannot sell his pelts and is faced with the same loss of livelihood.

Much has been said about luggage and ladies' handbags. The situation speaks for itself. These taxes ought to come off.

Mr. Speaker, I would call your attention to the situation with regard to the movie theater in the average American town. Movies are the amusement for the rank and file of Americans. The bulk of our citizens cannot go to swank night spots, or join exclusive recreational clubs, or take costly vacations or journey to a distant city to see a big-league baseball game. Their amusement is the home-town movie. But we are taxing those movie tickets at the heavy wartime rate of 20 percent. It is not right. It is not sound. That tax should be repealed.

We are still taxing at wartime rates the baby powder and baby oil that a

mother uses to care for her infant, under the heading of toilet goods. These wartime excise taxes on toilet articles should be repealed entirely.

We even tax the tools with which men make a living. I refer to the tax on the toilet articles and cosmetics used by a barber or beauty shop. A tax is imposed upon the soap, powder, and hair oil the barber uses on his customers. The barber has to absorb that extra cost.

Barbers and beauticians are saddled with an additional hardship. If they want to sell a bottle of hair tonic now and then, they must have a double set of books to keep track of the tax. The tax for preparations used in the shop is paid by the owner or agent when he buys the material. If he sells the preparations to a customer, the barber does not pay the tax when he buys from the wholesaler, but he collects the tax from his customer and remits that. This is not all the story. The barber or beautician is required to sign a vicious statement declaring that if the merchandise used in the shop is mixed up with that which he sells, he will be fined $10,000 and jailed for 5 years.

Mr. Speaker, the House of Representatives passed my bill, H. R. 3825, in the Eightieth Congress, but the other body failed to act. I again have a special bill to take care of this particular problem of the barber and beauty shops. It is H. R. 1712.

So that you may know about this burdensome and unfair tax on barber and beauty shops, I want to insert in the RECORD this certificate of purchase for resale which these people have to sign if their shop handles cosmetics for retail. This was furnished to me by Mr. Kenneth Green, a fine citizen and businessman of Lincoln, Nebr. The certificate is as follows:

CERTIFICATE OF PURCHASE FOR RESALE

GREEN SUPPLY CO.,
*Lincoln, Nebr.:*

I operate the----------
(State name of beauty or barber shop)
Located at----------
(State address)

and hereby certify that all retail package sizes (as distinguished from professional package sizes) of toilet preparations and cosmetics which I purchase from you shall be resold by me and not used in the operation of my beauty (or barber) shop.

I understand that if any of the above articles purchased for resale are used by me in the operation of my beauty or barber shop, or resold by me at retail, I will be liable for tax on such use or resale. It is understood that the fraudulent use of this certificate to secure exemption will subject the undersigned and all guilty parties to a fine of not more than $10,000 or to imprisonment for not more than 5 years or both, together with costs of prosecution. The undersigned also understands that he (or she) must be prepared to establish competent evidence that the articles were actually purchased for the purpose for which stated in this certificate.

----------
(Name of shop)
----------
(Owner or agent)
----------
(Address)

Dated----------

The Treasury Department will not interpose objections to this form of certificate of purchase for resale.

Mr. Speaker, the country wants excise-tax relief now. This barber and beauty shop bill should be passed and all of these other industries and businesses should be relieved of these unfair, unjust, and wartime taxes. I might go on and mention other industries—the tax on freight bills and railroad tickets, on long-distance telephone calls and telegrams. The average American perhaps does not make a long-distance call or send a telegram unless there is a tragedy in his family. And when he does, Uncle Sam collects a tax of 25 percent of the cost of that call or telegram. The people are entitled to relief from these wartime burdens.

This tax relief can be granted, and further tax reduction can be made if waste and useless spending can be ended by this Government. No system of private enterprise has ever survived in a country where more than 35 percent of the national income was taken in taxes. We are reaching that point now and the people demand relief.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. PRESTON, for July 14, on account of official business.

## ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 14 minutes p. m.), under its previous order, the House adjourned until Monday, July 18, 1949, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

768. A letter from the Acting Secretary of the Navy, transmitting a report of a proposed transfer of a crash boat (less engine), or craft of similar type, to Schmidt-Hoeger Post 3149, Veterans of Foreign Wars of the United States; to the Committee on Armed Services.

769. A letter from the Acting Executive Secretary, National Advisory Committee for Aeronautics, transmitting a report of contracts negotiated under sections 2 (c) (11) and (16) of the Armed Services Procurement Act of 1947 for the period January 1, 1949, to June 30, 1949; to the Committee on Armed Services.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. NORTON: Committee on House Administration. House Resolution 246. Resolution authorizing expenses of conducting studies and investigations of certain matters pertaining to immigration; without amendment (Rept. No. 1048). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 252. Resolution providing for the expenses of conducting the studies and investigations authorized by rule XI (1) (h) incurred by the Committee on Expenditures in the Executive Departments; without amendment (Rept. No. 1050). Ordered to be printed

Mrs. NORTON: Committee on House Administration. House Joint Resolution 298. Joint resolution to provide for on-the-spot audits by the General Accounting Office of the fiscal records of the Office of the Sergeant at Arms of the House of Representatives; without amendment (Rept. No. 1052). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Concurrent Resolution 52. Concurrent resolution authorizing the printing of additional copies of the publications entitled "100 Things You Should Know About Communism in the U. S. A.," "100 Things You Should Know About Communism and Religion," as amended, "Spotlight on Spies," "100 Things You Should Know About Communism and Education," "100 Things You Should Know About Communism and Labor," and "100 Things You Should Know About Communism and Government"; with an amendment (Rept. No. 1053). Ordered to be printed.

Mrs. NORTON: Committee on House Administration: House Joint Resolution 295. Joint resolution to erect a memorial to the memory of Mohandas K. Gandhi; without amendment (Rept. No. 1054). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. H. R. 3417. A bill to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians, approved April 10, 1928, and for other purposes"; without amendment (Rept. No. 1055). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. H. R. 5188. A bill to provide for the preparation of a plan for the celebration of the one hundredth anniversary of the building of the Soo Locks; without amendment (Rept. No. 1056). Ordered to be printed.

Mr. SABATH: Committee on Rules. House Resolution 283. Resolution providing for the consideration of and waiving all points of order against H. R. 5345, to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, and providing further for the insertion of the text of the bill, H. R. 5617, and waiving all points of order thereon; without amendment (Rept. No. 1057). Referred to the House Calendar.

Mr. O'TOOLE: Committee on Merchant Marine and Fisheries. S. 1137. An act to revise and codify laws of the Canal Zone regarding the administration of estates, and for other purposes; without amendment (Rept. No. 1058). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'TOOLE: Committee on Merchant Marine and Fisheries. S. 1136. An act to amend the Canal Zone Code, and for other purposes; without amendment (Rept. No. 1059). Referred to the Committee of the Whole House on the State of the Union.

Mr. ABERNETHY: Committee on the District of Columbia. H. R. 4749. A bill to remove the requirement of residence in the District of Columbia for membership on the Commission on Mental Health; without amendment (Rept. No. 1060). Referred to the House Calendar.

Mr. ABERNETHY: Committee on the District of Columbia. H. R. 4892. A bill to provide for the admission of pay patients to the Home for the Aged and Infirm; without amendment (Rept. No. 1061). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 5598. A bill to increase compensation for World War I presumptive service-connected cases, provide minimum ratings for service-connected arrested tuberculosis, increase certain disability and death compensation rates, liberalize requirement for dependency allowances, and redefine the terms "line of duty" and "willful misconduct"; without amendment (Rept. No. 1063).

Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee on Armed Services. H. R. 5632. A bill to reorganize fiscal management in the National Military Establishment to promote economy and efficiency, and for other purposes; with an amendment (Rept. No. 1064). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on the District of Columbia. H. R. 1370. A bill authorizing the appointment of three additional judges of the municipal court for the District of Columbia, prescribing the qualifications of appointees to the municipal court and the municipal court of appeals, and for other purposes; with an amendment (Rept. No. 1065). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on the District of Columbia. H. R. 3343. A bill to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia; with an amendment (Rept. No. 1066). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMATHERS: Committee on Foreign Affairs. House Joint Resolution 297. Joint resolution authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949; with an amendment (Rept. No. 1067). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROONEY: Committee of conference. H. R. 4016. A bill making appropriations for the Departments of State, Justice, Commerce, and the Judiciary; without amendment (Rept. No. 1068). Ordered to be printed.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. NORTON: Committee on House Administration. House Resolution 254. Resolution to provide payment to The Congressional, Inc., for hotel service provided Miss Elizabeth T. Bentley; with an amendment (Rept. No. 1049). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 275. Resolution for the relief of Arletta B. Roberts; without amendment (Rept. No. 1051). Ordered to be printed.

Mr. ABERNETHY: Committee on the District of Columbia. H. R. 4789. A bill to provide for the issuance of a license to practice chiropractic in the District of Columbia to Abraham J. Ehrlich; without amendment (Rept. No. 1062). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FORAND:

H. R. 5640. A bill to provide for the continuance of family benefits to civil-service employees separated after 20 years' service; to the Committee on Post Office and Civil Service.

By Mr. RABAUT:

H. R. 5641. A bill to amend the Tariff Act of 1930 with respect to the duty payable on materials returned after exportation from the United States for manipulation, where such manipulation does not change the rate of duty applicable to such materials; to the Committee on Ways and Means.

By Mr. STOCKMAN:

H. R. 5642. A bill authorizing annual payments to States, Territories, and insular governments, for the benefit of their local political subdivisions, based on the fair value of the national-forest lands situated therein, and for other purposes; to the Committee on Public Lands.

By Mr. O'BRIEN of Michigan:

H. R. 5643. A bill to provide for the appointment of postmasters by the Postmaster General at post offices of all classes by promotions within the service; to the Committee on Post Office and Civil Service.

By Mr. PETERSON:

H. R. 5644. A bill authorizing an alternate route for that portion of the Intracostal Waterway from the Caloosahatchee River to the Anclote River, Fla. (H. Doc. 371, 76th Cong.), near Venice, Fla.; to the Committee on Public Works.

By Mr. VURSELL:

H. R. 5645. A bill to amend section 3403 (c) of the Internal Revenue Code to repeal the tax on rebuilt, reconditioned, and repaired automobile parts and accessories; to the Committee on Ways and Means.

By Mr. BARING:

H. R. 5646. A bill to amend the Stock Pile Act of 1946, Public Law 520, Seventy-ninth Congress, chapter 590, second session; to the Committee on Armed Services.

By Mr. BOGGS of Louisiana:

H. R. 5647. A bill to prohibit the picketing of United States courts; to the Committee on the Judiciary.

By Mr. GAVIN:

H. R. 5648. A bill to make reclaimed lubricating oils subject to the excise tax on lubricating oils; to the Committee on Ways and Means.

By Mr. KELLEY:

H. R. 5649. A bill to authorize the issuance of a special postage stamp in honor of Samuel Gompers; to the Committee on Post Office and Civil Service.

By Mr. MURRAY of Tennessee:

H. R. 5650. A bill to amend the act of August 8, 1946, relating to the payment of annual leave to certain officers and employees of the Federal Government and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BLATNIK:

H. R. 5651. A bill to amend the act of May 29, 1944, to provide for the recognition of services of additional civilian officials and employees, engaged in and about the construction of the Panama Canal; to the Committee on Merchant Marine and Fisheries.

By Mr. CUNNINGHAM:

H. R. 5652. A bill to establish a procedure by which the Administrator of Veterans' Affairs may bring charges against educational institutions and by which procedure the educational institutions may answer such charges before an impartial agency; and to authorize the Veterans' Administration to reimburse State approved agencies for expenses incurred by them in ascertaining the qualifications of educational institutions for furnishing training to veterans and for expenses incurred in supervising educational institutions offering such training; to the Committee on Veterans' Affairs.

By Mr. RODINO:

H. R. 5653. A bill to amend the Social Security Act so as to provide that deportable aliens shall not be entitled to certain social-security benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. TACKETT:

H. R. 5654. A bill for the relief of persons discharged from the draft in World War I; to the Committee on Armed Services.

By Mr. ALLEN of California:

H. J. Res. 300. Joint resolution to appoint a board of engineers to examine and report upon the proposed central Arizona project; to the Committee on Public Lands.

By Mr. O'HARA of Illinois:

H. J. Res. 301. Joint resolution establishing a commission to select a site and design for a memorial to the contributions of members of all religious faiths to American military and naval history; to the Committee on House Administration.

By Mr. PETERSON:

H. Res. 284. Resolution providing for the consideration of the bill (H. R. 2988) to provide for a Resident Commissioner from the Virgin Islands, and for other purposes; to the Committee on Rules.

By Mr. RANKIN:

H. Res. 285. Resolution providing for the consideration of H. R. 5598, a bill to increase compensation for World War I presumptive service-connected cases, provide minimum ratings for service-connected arrested tuberculosis, increase certain disability and death compensation rates, liberalize requirement for dependency allowances, and redefine the terms "line of duty" and "willful misconduct"; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHELF (by request):

H. R. 5655. A bill for the relief of Helen Surma; to the Committee on the Judiciary.

By Mr. CROOK:

H. R. 5656. A bill to authorize a change in date of rank on the active list of Commander Irving J. Superfine, United States Navy; to the Committee on Armed Services.

By Mr. FARRINGTON:

H. R. 5657. A bill to legalize the admission into the United States of Joo Tung Lum; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 5658. A bill for the relief of Gunther H. Hahn; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 5659. A bill for the relief of Charles S. Edwards; to the Committee on the Judiciary.

By Mr. KILBURN:

H. R. 5660. A bill for the relief of Gustaf Henrik Walden; to the Committee on the Judiciary.

By Mr. McKINNON:

H. R. 5661. A bill for the relief of Florence Grace Pond Whitehill; to the Committee on Armed Services.

By Mr. JOSEPH L. PFEIFER:

H. R. 5662. A bill for the relief of Joao Oto Ramos; to the Committee on the Judiciary.

By Mr. JUDD:

H. J. Res. 299. Joint resolution to provide unrestricted entry privileges for Sister Elizabeth Kenny; to the Committee on the Judiciary.

By Mr. JAVITS:

H. Res. 286. Resolution to create a Select Committee on Post-ERP Policy; to the Committee on Rules.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1302. By the SPEAKER: Petition of District of Columbia Dental Hygienists Association, Washington, D. C., requesting that the Congress do not enact any legislation which will hamper that freedom such as the current proposals for compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

1303. Also, petition of Mrs. Mollie Kehler and others, Mitchell, S. Dak., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1304. Also, petition of Mrs. M. B. Claypoole and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1305. Also, petition of I. C. Ellis and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1306. By Mr. LECOMPTE: Petition of Mr. H. A. Workman, druggist, and other citizens of Leon, Iowa, urging the repeal of the 20 percent excise tax on all toilet goods; to the Committee on Ways and Means.

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# SENATE

## FRIDAY, JULY 15, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who art the Supreme Ruler of the Universe, we pray that daily we may be endowed with that deeper insight which discerns and knows how to interpret the eternal will of God.

May we have the courage to believe that in our search for world peace we are not being duped by an elusive phantom and a vague impossibility.

God forbid that we should ever feel with the cynic that wars are inevitable and that men always have and always will bow down to the foul mud gods of hatred and greed.

May we never regard this earth as the perpetual jungle of selfish nations, snapping and snarling at each other and engaging periodically in bloody conflicts, each more terrible and tragic than the last.

Grant that we may believe and understand that pacts and treaties, leagues and federations, however seemingly reasonable and plausible, must depend ultimately for their realization and success upon the birth, by the Holy Spirit of God, of a finer moral and spiritual life in the heart of man.

Hear us in the name of the Prince of Peace. Amen.

### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 14, 1949, was dispensed with.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 863) authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco.

The message also announced that the House had passed the bill (S. 1407) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 858. An act to clarify the overtime compensation provisions of the Fair Labor Standards Act of 1938, as amended, as applied in the longshore, stevedoring, building, and construction industries; and

H. R. 2104. An act relating to orders to banks doing business in the District of Columbia to stop payment on negotiable instruments payable from deposits in, or payable at, such banks.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 5 to the bill, and concurred therein, and that the House receded from its disagreement to the amendment of the Senate numbered 10 to the bill, and agreed to the same with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2021) to provide increased pensions for widows and children of deceased members and retired members of the Police Department and the Fire Department of the District of Columbia; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DAVIS of Georgia, Mr. KLEIN, and Mr. BEALL were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4381) to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ABERNETHY, Mr. SMITH of Virginia, and Mr. MILLER of Nebraska were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 33) providing for the ratification by Congress of a contract for the purchase of certain Indian lands by the United States from the Three Affiliated Tribes of Fort Berthold Reservation, N. Dak., and for other related purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MORRIS, Mr. MURDOCK, Mr. WHITE of Idaho, Mr. D'EWART, and Mr. LEMKE were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 3417. An act to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians," approved April 10, 1928, and for other purposes;

H. R. 5187. An act to protect consumers and others against misbranding, false advertising, and false invoicing of fur products and furs;

H. R. 5188. An act to provide for the preparation of a plan for the celebration of the one hundredth anniversary of the building of the Soo locks;

H. J. Res. 295. Joint resolution to erect a memorial to the memory of Mohandas K. Gandhi; and

H. J. Res. 298. Joint resolution to provide for on-the-spot audits by the General Accounting Office of the fiscal records of the Office of the Sergeant at Arms of the House of Representatives.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 52) authorizing the printing of additional copies of the publications entitled "100 Things You Should Know About Communism in the U. S. A.", "100 Things You Should Know About Communism and Religion," as amended, "Spotlight on Spies," "100 Things You Should Know About Communism and Education," "100 Things You Should Know About Communism and Labor," and "100 Things You Should Know About Communism and Government," in which it requested the concurrence of the Senate.

### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Hickenlooper | Millikin |
| Anderson | Hill | Morse |
| Baldwin | Hoey | Mundt |
| Brewster | Holland | Murray |
| Bricker | Humphrey | Myers |
| Bridges | Hunt | Neely |
| Butler | Ives | O'Conor |
| Byrd | Jenner | O'Mahoney |
| Cain | Johnson, Tex. | Pepper |
| Capehart | Johnston, S. C. | Reed |
| Chapman | Kefauver | Robertson |
| Chavez | Kem | Russell |
| Connally | Kerr | Saltonstall |
| Cordon | Kilgore | Schoeppel |
| Donnell | Knowland | Smith, Maine |
| Douglas | Langer | Smith, N. J. |
| Downey | Lodge | Sparkman |
| Dulles | Long | Stennis |
| Eastland | Lucas | Taylor |
| Ecton | McCarran | Thomas, Okla. |
| Ferguson | McCarthy | Thomas, Utah |
| Flanders | McClellan | Thye |
| Frear | McFarland | Tydings |
| Fulbright | McGrath | Vandenberg |
| George | McKellar | Watkins |
| Gillette | McMahon | Wherry |
| Green | Magnuson | Wiley |
| Gurney | Malone | Williams |
| Hayden | Maybank | Withers |
| Hendrickson | Miller | Young |

Mr. MYERS. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly meeting at Rome, Italy.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Colorado [Mr. JOHNSON] is absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Pennsylvania [Mr. MARTIN] and the Senator from New Hampshire [Mr. TOBEY] are absent on official business.

The Senator from Ohio [Mr. TAFT] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

FEDERAL COMMUNICATIONS COMMISSION

Mr. McFARLAND. Mr. President, I ask unanimous consent for the present consideration of the nomination of Edward Mount Webster, of the District of Columbia, to be a member of the Federal Communications Commission.

Mr. JOHNSTON of South Carolina. Mr. President, I hate to object to the request made by my good friend, the Senator from Arizona, but I should like to study the record in connection with that nomination a little before we take it up.

The VICE PRESIDENT. Objection is heard.

Mr. McFARLAND. Mr. President, I may state that this nomination was reported unanimously, that is 11 members of the committee voted for it, and 1 member voted "present." At present there are only four members of the Federal Communications Commission. Two are in Paris attending a conference. Mr. Webster is not on the pay roll, and has not been since the 1st of July. The fact that there is a vacancy in the membership of the Commission is seriously handicapping the work of the Commission.

Mr. JOHNSTON of South Carolina. Mr. President, I dislike to object, but this nomination is not on the Executive Calendar yet.

Mr. McFARLAND. Oh, yes; it is on the Executive Calendar.

Mr. JOHNSTON of South Carolina. It was put on yesterday?

Mr. McFARLAND. It was put on the calendar yesterday.

The VICE PRESIDENT. Objection is heard.

Mr. McFARLAND. Mr. President, I give notice that at the first opportunity I shall move to take up this nomination, because the work of the Federal Communications Commission is being seriously handicapped at this time by reason of the vacancy.

Mr. JOHNSTON of South Carolina. Mr. President, so far as I am concerned, I merely wish to look into the record. I shall probably not press the objection, but I do want to look into the subject. Hearings were held on the nomination, and I should like to look at the record.

Mr. LUCAS. Mr. President, may I respectfully request that the able Senator from South Carolina examine the hearings sometime this afternoon, if possible, in order that later we may be able to take up the nomination and have it confirmed by the Senate? There is considerable urgency in the nomination.

Mr. JOHNSTON of South Carolina. Mr. President, I shall try to abide by the wishes of the majority leader. I shall be glad to look into the matter. As I stated a few moments ago, I merely wish to study the record.

TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions, submit petitions and memorials, and present matters for insertion in the RECORD and the Appendix of the RECORD, as though we were in the morning hour, and without debate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

REPORT OF OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on the Judiciary:

*To the Congress of the United States:*

I transmit herewith for the information of the Congress the annual report of the Office of Alien Property, Department of Justice, for the fiscal year ending June 30, 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 15, 1949.*

REPORT OF OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Foreign Relations:

*To the Congress of the United States:*

I am transmitting herewith the Twenty-eighth Report to Congress on Lend-Lease Operations.

This report contains in appendix V a report on lend-lease fiscal operations prepared by the Treasury Department and submitted to the Secretary of State in accordance with Executive Order 9726. The period covered is from March 11, 1941 through March 31, 1949.

A settlement agreement was signed with Czechoslovakia on September 16, 1948, and appears in this report as appendix I.

Two agreements with France relating in part to lend-lease matters were signed on March 14, 1949. The texts appear in this report as appendixes II and III. Under the terms of these agreements residual financial accounts and shipping matters arising out of lend-lease and other operations during and immediately after the war were finally agreed upon and settled in accordance with the principles set forth in the memorandum of understanding between France and the United States regarding settlement for lend-lease, reciprocal aid, surplus war property and claims, signed on May 28, 1946, and published in the Twenty-third Report to Congress on Lend-Lease Operations.

A settlement of wartime claims and accounts between the United States and Canada was signed on March 14, 1949 by means of an agreement contained in an exchange of notes, which appear in this report as appendix IV.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 15, 1949.*

(Enclosure: Twenty-eighth Report to Congress on Lend-Lease Operations.)

PROPOSED DISCHARGE OF FIDUCIARY OBLIGATION TO IRAN

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting a draft of proposed legislation to discharge a fiduciary obligation to Iran, which, with the accompanying papers, was referred to the Committee on Foreign Relations.

PETITION

The VICE PRESIDENT laid before the Senate a resolution adopted by the twentieth grand convention of the Grand Lodge of Pennsylvania, Order of the Sons of Italy in America, Philadelphia, Pa., favoring the admission of Italy into the United Nations, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GEORGE, from the Committee on Finance:

H. R. 5086. A bill to accord privileges of free importation to members of the armed forces of other nations; with amendments (Rept. No. 685).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

H. R. 2944. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide survivorship benefits for widows or widowers of persons retiring under such act; without amendment (Rept. No. 686); and

H. R. 3756. A bill to amend the Civil Service Retirement Act of May 29, 1930, to provide that the annuities of certain officers and employees engaged in the enforcement of the criminal laws of the United States shall be computed on the basis of their average basic salaries for any five consecutive years of allowable service; without amendment (Rept. No. 687).

By Mr. HUMPHREY:

From the Committee on Post Office and Civil Service:

S. 660. A bill to amend the Act of June 27, 1944, Public Law 359, and to preserve the equities of permanent classified civil-service employees of the United States; with amendments (Rept. No. 691);

S. 1231. A bill to repeal the limitation upon the total annual compensation of certain rural carriers serving heavily patronized routes; without amendment (Rept. No. 688);

S. 1232. A bill to increase the equipment maintenance allowance payable to rural carriers; without amendment (Rept. No. 689); and

S. 1937. A bill to amend the Veterans' Preference Act of 1944; with amendments (Rept. No. 692).

From the Committee on Expenditures in the Executive Departments:

H. R. 3851. A bill to amend Public Law 289, Eightieth Congress with respect to surplus airport property and to provide for the transfer of compliance functions with relation to such property; with an amendment (Rept. No. 690).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. 2170. A bill for the relief of W. P. Bartel; without amendment (Rept. No. 693).

## REPORT OF A COMMITTEE ON PERSONNEL AND FUNDS

Pursuant to Senate Resolution 123, Eighteth Congress, first session, the following report was received by the Secretary of the Senate:

JULY 15, 1949.

REPORT OF COMMITTEE ON RULES AND ADMINISTRATION

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Albert L. Seidel, chief clerk, to Feb. 28 | $10,330.00 | $1,721.66 |
| Nelson Deranian, professional staff (counsel), to Jan. 15 | 10,330.00 | 430.41 |
| George J. Nilles, assistant clerk, to Jan. 24 | 6,852.05 | 456.80 |
| Laura Vogt, clerk (secretarial) to Feb. 14 | 3,377.22 | 412.76 |
| James L. Harrison, professional staff, from May 11 | 10,330.00 | 1,434.71 |
| Paul R. Eaton, chief clerk, from Mar. 11 | 10,330.00 | 3,443.32 |
| Russell C. King, assistant clerk, from Apr. 13 | 6,852.05 | 1,484.60 |
| B. Floye Gavin, clerk (research) | 5,198.02 | 2,598.96 |
| Ruth P. Noon, clerk (secretarial) From Feb. 24 | 3,377.22 | 1,191.38 |
| Myrtle Paynter, clerk (stenographic) | 3,294.45 | 1,647.18 |
| Eileen Barrett McGenty, Clerk (research) from Jan. 16 | 5,198.02 | 2,382.38 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure, 81st Congress | $10,000.00 |
| Amount expended January 1, 1949 through June 30, 1949 | 571.10 |
| Balance unexpended | 9,428.90 |

CARL HAYDEN,
*Chairman.*

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. O'CONOR:

S. 2267. A bill for the relief of Elizabeth Bozsik; to the Committee on the Judiciary.

By Mr. BALDWIN:

S. 2268. A bill for the relief of Mrs. Myrtle Moreau; to the Committee on the Judiciary.

By Mr. LODGE:

S. 2269. A bill to provide for the enlistment of aliens in the Regular Army; to the Committee on Armed Services.

By Mr. MAGNUSON:

S. 2270. A bill for the relief of Annie Louisa Moss; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 2271. A bill authorizing the naturalization of Antun (Anton) Karlo Marco Kocelj; to the Committee on the Judiciary.

By Mr. PEPPER (for himself and Mr. AIKEN):

S. 2272. A bill to amend the Public Health Service Act in order that the organizational structure of the existing National Advisory Councils established in connection with National Institutes created within the Public Health Service shall be similar; to the Committee on Labor and Public Welfare.

By Mr. THOMAS of Utah:

S. 2273. A bill to assure the provision of all necessary services to prepare disabled persons for and establish them in remunerative employment, to provide for grants-in-aid to the States for adjustment training services for the blind, and for establishing employment opportunities for the severely disabled, to amend the Vocational Rehabilitation Act, as amended (U. S. C., 1946 ed., title 29, ch. 4), to amend the Randolph-Sheppard Act (U. S. C., 1946 ed., title 20, ch. 6A), and for other purposes; to the Committee on Labor and Public Welfare.

## ECONOMIC EXPANSION BILL OF 1949—AMENDMENT

Mr. MURRAY (for himself, Mr. THOMAS of Utah, Mr. CHAVEZ, Mr. PEPPER, Mr. GREEN, Mr. HILL, Mr. KILGORE, Mr. LANGER, Mr. MAGNUSON, Mr. MORSE, Mr. TAYLOR, Mr. SPARKMAN, Mr. MCGRATH, Mr. GILLETTE, Mr. HUMPHREY, Mr. KEFAUVER, Mr. NEELY, and Mr. GRAHAM) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 281) to provide specific measures in furtherance of the national policy established in the Employment Act of 1946, which was referred to the Committee on Labor and Public Welfare and ordered to be printed.

## HOUSE BILLS AND JOINT RESOLUTIONS REFERRED OR PLACED ON CALENDAR

The following bills and joint resolutions were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 3417. An act to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians," approved April 10, 1928, and for other purposes; and

H. J. Res. 295. Joint resolution to erect a memorial to the memory of Mohandas K. Gandhi; to the Committee on Rules and Administration.

H. R. 5187. An act to protect consumers and others against misbranding, false advertising, and false invoicing of fur products and furs; to the Committee on Interstate and Foreign Commerce.

H. R. 5188. An act to provide for the preparation of a plan for the celebration of the one hundredth anniversary of the building of the Soo Locks; ordered to be placed on the calendar.

## A DYNAMIC PROGRAM FOR A DYNAMIC REPUBLICAN PARTY—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address on the subject A Dynamic Program for a Dynamic Republican Party, delivered by him at a dinner of the National Federation of Women's Republican Clubs on June 27, 1949, in Madison, Wis., which appears in the Appendix.]

## RUGGED DAYS FOR THE MAJORITY LEADER—ARTICLE FROM NEW YORK TIMES MAGAZINE

[Mr. HILL asked and obtained leave to have printed in the RECORD an article entitled "Rugged Days for the Majority Leader," written by William S. White and published in the New York Times magazine for July 3, 1949, which appears in the Appendix.]

## ADDRESS TO SOCIETY OF MAYFLOWER DESCENDANTS BY AMBASSADOR E. N. VAN KLEFFENS, OF THE NETHERLANDS

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an address by E. N. van Kleffens, Ambassador of the Netherlands, before the Society of Mayflower Descendants on November 22, 1948, which appears in the Appendix.]

## THE BRANNAN AGRICULTURAL PLAN—INTERVIEW WITH PROF. J. R. BOWRING

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an interview with Prof. J. R. Bowring, assistant professor of agricultural economics at the University of New Hampshire, by Mr. Fred Beane, farm editor for the New Hampshire News, published in the New Hampshire Sunday News of July 3, 1949, which appears in the Appendix.]

## THE MARITIME STRIKE IN HAWAII—EDITORIAL FROM LONG BEACH, CALIF., PRESS-TELEGRAM

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "Truman Refusal To Act Means Suffering in Hawaii, Mainland," published in the Long Beach, Calif., Press-Telegram of July 13, 1949, which appears in the Appendix.]

## THE THREATENED STEEL STRIKE—EDITORIAL FROM THE WASHINGTON POST

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial on the steel strike, from the Washington Post of July 15, 1949, which appears in the Appendix.]

## LEAVES OF ABSENCE

Mr. BALDWIN and Mr. THYE obtained consent to be absent from sessions of the Senate on Saturday and Monday next.

## COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. ANDERSON a subcommittee of the Committee on Agriculture and Forestry was granted permission to meet this afternoon during the session of the Senate.

On request of Mr. HOLLAND the subcommittee of the Committee on Public Works considering rivers and harbors and flood-control legislation was granted permission to continue its meeting during the session of the Senate today.

## EX-NEW DEALERS FEATHERING THEIR NESTS

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a statement entitled "Ex-New Dealers Feathering Their Nests," which was prepared by myself.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EX-NEW DEALERS FEATHERING THEIR NESTS

Mr. President, the Senator from Louisiana [Mr. LONG] made a statement to the press a few days ago in which he declared he was going to investigate ex-officials of the executive branch who resign their posts in the Government and quickly turn up as spokesmen and lobbyists for special interests. For that statement, I want to congratulate the Senator, who happens to be a Democrat. But this matter should be a bipartisan matter, since men are men and are apt to yield to temptation, regardless of party, if the temptation is left open to them. I believe such an investigation will be extremely enlightening.

It is particularly appropriate that the Senate consider such practices in the light of the new pay-raise legislation for bureau executives. This legislation has passed the House of Representatives and no doubt soon will be taken up by the Senate. I should like to see an amendment added to the pay-raise legislation which would prevent men high in Government posts from resigning one day

and the next day starting to practice law, influence, or whatever, in the agencies from which they resigned. This may be legal, but it is certainly questionable.

Any number of examples come to my mind. There is Charles R. Denny, who resigned a couple of years ago as Chairman of the Federal Communications Commission and within 2 weeks turned up as chief counsel for the National Broadcasting Co., which as we all know, has a great interest in maintaining and cultivating the good will of the FCC.

Another case is that of Dean Landis, who failed of reappointment to the CAB when his term as chairman ended last year. He now is practicing before the CAB for private clients. He is at least in position to make use of copies of files and other information which he could have obtained only as chairman of the CAB.

The law firm of Arnold, Fortas & Porter is another particularly well-known example.

Thurman Arnold, who resigned as Chief of the Antitrust Division of the Department of Justice, has built his private law career representing the very companies against whom he sought prosecution when he was in the Government.

Abe Fortas, formerly Under Secretary of the Interior, has lobbied openly for his clients about a wide variety of matters in the Department of the Interior and elsewhere in the Government, where he built influence before leaving the Government.

Paul Porter, also a former Chairman of the FCC, represents various radio companies and the Western Union Telephone & Telegraph Co., as well as numerous other private interests. He could never have obtained those clients if he had not been trained in this private school—the Federal Government—which we have been allowing the executive department to operate.

Dozens of these former New Dealers and ex-bureaucrats, who seemed to have bleeding hearts for the people when in the Government, have turned out to be exceedingly clever money makers representing the former "capitalists" against whom they railed.

Many of the various bureaus have rules which prevent former administrators, attorneys, or agents from practicing before their former agencies for terms running from 6 months to 2 years after they have severed connections. However, we all know that such rules are made by the administrators and can be set aside by the administrators. This is another matter that might well be investigated.

There are plenty of other rumors circulating about Washington that certainly deserve a thorough airing. For example, there is the rumor that Joseph Nunan, the former Commissioner of Internal Revenue, was instrumental in overthrowing a long-time ruling in the Treasury Department recently for one of his private law clients. The relations of James Markham, the former Alien Property Custodian, with the General Aniline Corp., which once was under his control as Alien Property Custodian, should be investigated. There are numerous examples of this kind of thing, and I sincerely hope that the junior Senator from Louisiana will not overlook any of the possibilities for investigation when he starts his inquiry.

It is an odd fact that, while Congress has legislated all around this subject, no definite, concise, clear law with criminal penalties ever has been passed preventing ex-employees of Government agencies from coming before the same agencies immediately after their severance and making money off their contacts. We hear a lot about "5 percenters," "influence salesmen," and such, but the real "influence" men are the professional bleeding hearts of the New Deal who have been converted to the private enterprise system by the fat legal fees they have been offered. Proper legislation would crimp the style of these men who capitalize on the education Uncle Sam has furnished to them while paying them for it.

I believe I speak for thousands of ethical lawyers and millions of plain citizens when I say that Congress ought to act so as to stop this practice once and for all. We cannot penalize the men who have already transgressed, except by publicizing them, but we certainly can stop it from here on out if we choose.

## ABSENCE OF FOREIGN SERVICE OFFICERS FROM THE UNITED STATES—LETTER FROM THE STATE DEPARTMENT

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a letter which I have received from Mr. Donald W. Smith, Chief of the Division of Foreign Service Personnel, giving information as to the length of time Foreign Service personnel have been absent from the country.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 6, 1949.

The Honorable WILLIAM F. KNOWLAND,
*United States Senate.*

MY DEAR SENATOR KNOWLAND: Your letter of June 15, 1949, in which you requested certain information concerning Foreign Service officers and the length of time they have been out of the country, has been referred to me for reply.

The total number of Foreign Service officers, as of May 31, 1949, is 1,258. The greatest length of time that any one of them has spent out of the country is 29 years and 9 months.

The total number of Foreign Service officers who have spent 5 years or more without a continental United States duty assignment is 318, and the break-down on this total is as follows:

Number of Foreign Service officers:

| | Years |
|---|---|
| 41 | 5 |
| 27 | 6 |
| 42 | 7 |
| 40 | 8 |
| 19 | 9 |
| 36 | 10 |
| 8 | 11 |
| 7 | 12 |
| 7 | 13 |
| 9 | 14 |
| 1 | 15 |
| 3 | 16 |
| 7 | 17 |
| 8 | 18 |
| 11 | 19 |
| 5 | 20 |
| 8 | 21 |
| 6 | 22 |
| 4 | 23 |
| 4 | 24 |
| 4 | 25 |
| 3 | 26 |
| 5 | 27 |
| 7 | 28 |
| 6 | 29 |

This does not mean, however, that these officers have been out of the country continuously for the period of time shown above, since statutory home leave, consultations, temporary detail, and a liberal policy with respect to returning Foreign Service officers for emergencies and personal hardship reasons have provided opportunities for a stay in the United States of an average of 2 months every 2 or 3 years.

Should you have any further questions concerning the Foreign Service, the Department will be pleased to answer them upon request.

Sincerely yours,

DONALD W. SMITH,
*Chief, Division of Foreign Service Personnel.*

## WHITE RUSSIANS STRANDED ON TUBABAO ISLAND

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a copy of a letter addressed to the Secretary of State by a representative of a group of white Russians who are now stranded on Tubabao Island.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GUIUAN, SAMAR, P. I., *June 14, 1949.*

The SECRETARY OF STATE,
*Washington, D. C.,*
*United State of America.*

SIR: Having been stranded on Tubabao Island, after our evacuation from China, and living now under the care of IRO, we are placed in a position which, to a great number of us, is most deplorable.

We are people who for many years have been used to independence, earned our own living, and supported our families. Most of us came to China many years ago, penniless and without any friends there, but we proved to be able to adapt ourselves to any conditions. We have repeatedly weathered through hard times, as those of World War II, but even then we succeeded in supporting ourselves, and did not become a public charge.

Having relatives or friends in the United States of America, we filed at one time or another applications with the United States consulate in China for immigration to America; but we did not expect to leave China before receiving a visa to the States, as most of us had permanent jobs which would have enabled us to wait until our quota number was available.

Political events in China forced us to change our plans rather suddenly. In order to get away from the Communist menace, we had to accept, with gratitude and due acknowledgment of the splendid effort of IRO for the evacuation of Russian emigrants and other stateless foreigners, the assistance of that Organization. We did so with the understanding that this assistance is to be of the shortest possible duration, and that we will be given an opportunity to return to normal life as soon as it may be practically possible.

Owing to circumstances quite beyond our control, we are still unable to leave our temporary haven—United Nations Evacuation Camp, Tubabao, Samar, P. I.—for a permanent one. With those of us who applied for admission to the United States, the delay is due to the insufficiency of quota numbers. Many of us will have to wait for quite a long time, up to 2 or 3 years, or to go to some other country, where our chances for successful resettlement are not as good as in the United States since we do not have there those relatives or friends who can assist us to start a new life in the United States.

In order to present you with some information concerning the number, age, categories, etc., of persons having affidavits, on whose behalf we are speaking, we have made a registration of families and single persons evacuated from China who have applied for immigration into the United States of America and possess affidavits. The summary statement of this registration is enclosed herewith.

The statement shows the status as on June 8, 1948. But as affidavits are still coming in, the number of persons having same is increasing. Thus, the figures of the table will have to be regarded as slightly lower than the actual ones.

As stated above, the turn of political events in China had at once uprooted and put under the charge of IRO a number of people who normally could have easily waited for their turn to be admitted to the United States. Our predicament is one which is not likely

to happen again in any near future, and which could not be foreseen by the legislators when they devised and adopted the quota system of admission of immigrants.

While being very hard for us, our predicament indirectly increases the burden on the taxpayers in the United States, since a good part of IRO funds is granted by the United States. We would, therefore, respectfully request that a number of quota numbers sufficient for admitting those uprooted applicants who have valid affidavits, be borrowed from the quotas of the following few years, so that our distress be relieved, and the public funds placed at the disposal of IRO economized.

We trust that owing to the small number of persons concerned, such an arrangement would upset neither the immigration policy nor the labor market of the country, while bringing to us at the same time that much-needed relief which for some of us may mean the difference between the possibility to start a new life, or becoming destitute on account of demoralization which may be caused by a too prolonged stay in a refugee camp.

Respectfully yours,

N. SHLITTER,
*Chairman of the Initiative Group of Persons With Affidavits.*

N. A. BARSOUKOFF,
*Secretary.*

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JUNE 8, 1949.

SUMMARY STATEMENT

Registration of families and single persons evacuated from China to UNEC Camp, Tubabao Island, Samar, Philippine Islands, who have applied for immigration into United States of America and possess affidavits, was completed on June 7, 1949.

The said registration may be summarized as follows:

1. Total number of families, 792; 1,344 persons.

2. This number may be classified as follows: (a) Families with children under 21, 169; (b) couples, 173; (c) independent men, 172; (d) independent women, 273; total, 792.

3. Number of persons under various quotas, covering the years 1945–49:

| Quota | Families | Persons |
|---|---|---|
| (a) Russian quota, applied in— | | |
| 1945 | 3 | 3 |
| 1946 | 74 | 135 |
| 1947 | 220 | 385 |
| 1948 | 229 | 434 |
| 1949 | 62 | 93 |
| Total | 588 | 1,050 |
| (b) China quota, applied in— | | |
| 1945 | 1 | 4 |
| 1946 | 62 | 97 |
| 1947 | 43 | 52 |
| 1948 | 52 | 78 |
| 1949 | 13 | 23 |
| Total | 171 | 254 |
| (c) Polish quota, applied in— | | |
| 1946 | 1 | 1 |
| 1947 | 2 | 4 |
| 1948 | 6 | 7 |
| Total | 9 | 12 |
| (d) Latvian quota, applied in— | | |
| 1946 | 2 | 2 |
| 1947 | 1 | 1 |
| 1948 | 4 | 5 |
| 1949 | 1 | 1 |
| Total | 8 | 9 |
| (e) Estonian quota, applied in— | | |
| 1946 | 2 | 2 |
| 1947 | 1 | 1 |
| 1948 | 2 | 2 |
| Total | 5 | 8 |
| (f) Rumanian quota, applied in— | | |
| 1946 | 2 | 2 |
| 1948 | 1 | 1 |
| Total | 3 | 3 |
| (g) Finnish quota, applied in 1947 | 2 | 4 |
| (h) Turkish quota, applied in 1948 | 2 | 2 |
| (i) Japanese quota | 2 | 2 |

4. Families may be classified as follows: (a) Men, 471 persons, 35 percent; women, 619 persons, 46 percent; boys under 21, 138 persons, 10 percent; girls under 21, 116 persons, 9 percent; total, 1,344 persons, 100 percent.

(b) Ages: Under 21, 265 persons, 20 percent; 21 to 50, 777 persons, 58 percent; over 50, 302 persons, 22 percent; 1,344 persons, 100 percent.

5. Eighty-one families have their affidavits on hand.

6. Three hundred and three families have received notifications that their dossier was transferred from China to the American Embassy in Manila. (New notifications coming in continually.)

7. Four hundred and fifty-two families have been summoned by the American Consulate in China for preliminary examination.

8. Two hundred and fifty-nine families have passed X-ray in China.

9. Sixty families passed United States Consulate medical examination in China.

10. Five families had their fingerprints taken in China.

## NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a statement prepared by myself, including a report from the National Advisory Committee for Aeronautics commenting on the Hoover Commission reports as they affect that agency.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN released today a letter from the National Advisory Committee for Aeronautics commenting on certain aspects of the reports and task force appendixes of the Hoover Commission which affect that agency.

This is the ninth in a series of such releases by the Committee which have been received in response to its request for information relative to the effect the Hoover Commission reports would have on the respective agencies.

The NACA included in its letter general views relative to the four across-the-board reports of the Commission, but its primary interest is centered on recommendations 4 and 6 of the report on the Department of Commerce, which would establish a Bureau of Civil Aviation within the Department of Commerce, into which the NACA would be incorporated.

In its comments on this proposal, the NACA states that, "We are informed that the Department of Commerce does not concur in the recommendation. The National Advisory Committee for Aeronautics does not concur in the recommendation, but, rather, recommends that its status as an independent agency of the Federal Government should be continued."

In support of this position the NACA submitted the following eight specific reasons why it should remain as an independent agency:

"1. The NACA has 17 members, 10 of whom are top representatives of other governmental agencies. They can serve freely and as equals only because the NACA is an independent agency, not controlled by another agency.

"2. The 17 members include 4 from the military services, 4 heads of governmental scientific agencies, 4 private citizens from the ranks of science, 3 from industry, and 2 representatives of civil aeronautics in the Department of Commerce. This representative membership is the primary reason for the well-established teamwork between science, industry, and the military services that makes American aircraft superior in performance to the aircraft of any other nation. The 10 Government members reflect approved Government policies in determining the conduct of NACA affairs. There is nothing to be gained in the way of improved efficiency by providing an additional overhead in another agency.

"3. The organization of the NACA is exceptional in form among governmental agencies, the members serving without pay and being analogous to a board of directors to a typical business corporation. This exceptional form of organization is required by its functions and is justified by the results achieved and by the vital relation of air supremacy to the national security.

"4. The present independent status of the NACA facilitates the appreciation at the highest levels of Government of the scientific research needs of aviation. This is of prime importance to our national security. It is the foundation for America's supremacy in the air.

"5. It would not be possible to bring the NACA within the National Military Establishment, the Department of Commerce, or any other agency without changing its character, impairing its efficiency, lessening its usefulness, reducing cooperation between the governmental agencies concerned, and retarding the progress of aeronautics. The country would no longer have the free collective judgment of the NACA as to the problems to be attacked, the methods to be used, and the new facilities needed. The existing harmony of membership and enthusiasm of effort would be undermined. The members would no longer control the decisions of the committee. Directions and regulations would be received from departmental authorities with resulting loss of originality, initiative, and flexibility of operation. The dominant department's representatives on the committee would have enlarged influence, and the other agencies would correspondingly lose interest. This would lead to unnecessary duplication of effort in aeronautical research.

"6. The activities of the NACA could not be profitably amalgamated with those of any other agency, even if that agency likewise had independent status. Its work has included the whole gamut from fundamental research, with the aim of understanding the phenomena of aerodynamics, structures, materials, propulsion, etc., to extensive applied research to compile the generalized design data needed by the designers of specific aircraft.

"7. The NACA is now closely integrated into the broad national aeronautical effort of science, industry, and the military services. NACA personnel and facilities are available for advice, consultation, and research on problems of greatest national concern. By progressive development, establishment of confidence, demonstrated contributions, and value returned on investment, a unique organization of high efficiency and morale has been created. The NACA, with its 5 major and 22 subordinate committees of technical experts, is also of unusual value to the Government in coordinating research activities of the military, the industry, and scientific and educational institutions.

"8. The independent status of the NACA has been a primary factor in its successful operation through three decades, including two world wars, and made possible American supremacy in the air in World War II. Great harm to the national security could easily result from change in status. The present independent status should be continued unless there can be a clear showing that a change would result in improvement."

In commenting on the recommendation of the task-force report on departmental management (appendix E, recommendation No. 2), that "the creation of special administrations or agencies to discharge permanent governmental responsibilities as administrative substitutes for executive departments should be discouraged," the Commission holds that the qualification in the report that there "may be some justification for the peculiar administrative status of the Atomic Energy Commission * * *. In any event we do not desire to suggest any hard and fast rules about the use of executive departments which would not permit exceptions in certain circumstances," should apply to the NACA, "because its work concerns each of the important aeronautical agencies of the Government, including the armed services," and that "the public interest requires that the coordinating and planning of research and aeronautical science by the NACA be independent of any one department."

The NACA is in accord with the general recommendations contained in the Hoover Commission reports on personnel management, general services, and budgeting and accounting, except that in the field of specialized procurement covered in the report on Office of General Services where research apparatus or equipment, or nonpersonal services, are required for support of aeronautical or other research programs the regulations prescribed by a central supply organization are neither practicable nor desirable.

The Commissioner of NACA is also in accord with recommendation No. 10 of the report on budgeting and accounting, providing for the establishment of an Accountant General in the Department of the Treasury, but does not agree that his action should be subject to the approval of the Comptroller General. The Chairman's views are in accord with the dissent of Commissioner Rowe, in that accounting and fiscal methods and procedures should be vested in an official of the executive branch of the Government subject to the control of the President. He is also in accord with recommendation No. 12 of this latter report concerning accrual basis accounting, simplification of the present warrant procedure, and standardization of procedures, nomenclature, and inventory practices, but suggests that "the widest possible latitude should be left to operating agencies to permit them to make the most effective adaptations of the principles to their particular situations."

The letter from the NACA follows:

NATIONAL ADVISORY
COMMITTEE FOR AERONAUTICS,
*Washington, D. C., June 24, 1949.*

Senator JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.*

DEAR SENATOR MCCLELLAN: Permit me, in the absence of Chairman Hunsaker, to respond to your letter of May 23, 1949, requesting comment on certain aspects of the reports and task force appendixes of the Commission on Organization of the Executive Branch of the Government.

Under date of March 17, 1949, Dr. Hunsaker sent a letter to the President commenting on, and making recommendations concerning, the reports of the Commission on Organization of the Executive Branch of the Government relating to:

1. General management of the executive branch.
2. Personnel management.
3. Office of general services and supply activities.
4. Budget and accounting.

I enclose three copies of that letter since the comments and recommendations represent the present views of the NACA on these subjects.

Report No. 10, relating to the Department of Commerce, recommends the transfer of the National Advisory Committee for Aeronautics to the Civil Aviation Bureau to be established in the Department of Commerce. We are informed that the Department of Commerce does not concur in the recommendation. The National Advisory Committee for Aeronautics does not concur in the recommendation, but, rather, recommends that its status as an independent agency of the Federal Government should be continued. A statement of the reasons why the National Advisory Committee for Aeronautics should remain an independent agency of the Federal Government was prepared under date of March 17, 1949, and three copies of that statement are enclosed.

You asked specifically what economies and efficiencies have been achieved through administrative actions and organizations effectuated to accord with the Commission's recommendations. The NACA does not have any present way of obtaining reasonable estimates of economies and efficiencies to be achieved by those Commission recommendations which might affect the NACA indirectly, since the extent of those economies and efficiencies would necessarily depend upon action by other agencies, as, for example, by the proposed Office of General Services in relation to procurement. The one recommendation directly affecting the NACA, namely, the recommendation that the NACA be transferred to the Department of Commerce, does not seem to offer any reasonable opportunity for curtailing expenditures, and it is believed such a transfer would impair the efficiency of the agency and lessen its usefulness. In this connection, reference is particularly made to paragraph 5 of the enclosed statement of March 17, 1949.

In the excellent Digest of the Reports of the Commission on Organization of the Executive Branch of the Government prepared by your staff there appears a recommendation (on p. 29) that Report No. 10 on the Department of Commerce be referred in its entirety to the Senate Committee on Interstate and Foreign Commerce with the exception of recommendation No. 7, concerning transfer of the Public Roads Administration, which your staff recommends be referred to the Senate Committee on Public Works. It is respectfully suggested that the recommendation of the Commission relating to the transfer of the NACA to the Department of Commerce should be considered by the Senate Committee on Armed Services since that committee has legislative jurisdiction over the NACA.

If you wish any more detailed information concerning these comments or recommendations, I shall be happy to supply you with whatever you may desire.

Sincerely yours,

J. F. VICTORY,
*Executive Secretary.*

The above letter was accompanied by a communication addressed to the President on March 17, 1949, which follows:

NATIONAL ADVISORY COMMITTEE
FOR AERONAUTICS,
*Washington, D. C., March 17, 1949.*

The PRESIDENT,
*The White House,*
*Washington, D. C.*

DEAR MR. PRESIDENT: In response to your memorandum of March 1 to heads of departments and agencies, requesting comment and recommendations on four stated reports of the Commission on Organization of the Executive Branch of the Government, the following are submitted:

1. GENERAL MANAGEMENT OF THE EXECUTIVE BRANCH

The Task Force Report on Departmental Management (appendix E) in recommendation 2 states: "The creation of special administrations or agencies to discharge permanent governmental responsibilities as administrative substitutes for executive departments should be discouraged." That report also states: "We believe further that there may be some justification for the peculiar administrative status of the Atomic Energy Commission. * * * In any event we do not desire to suggest any hard and fast rule about the use of executive departments which would not permit exceptions in certain circumstances."

The National Advisory Committee for Aeronautics is such an exceptional agency, because its work concerns each of the important aeronautical agencies of the Government, including the armed services. Its members are appointed by the President and function like the board of directors of a business corporation. They meet monthly, determine policies, and research programs. The membership includes 10 top representatives of seven agencies of Government, and seven distinguished members from private life from the ranks of science and industry, who serve without compensation.

The NACA has been an outstanding success for more than 30 years, and its work is the foundation for the present technical superiority of American military and civil aircraft. In my judgment the public interest requires that the coordinating and planning of research in aeronautical science by the NACA be independent of any one department, and that the NACA have continued independent status under the President.

2. PERSONNEL MANAGEMENT

I agree with the Commission's analysis of deficiencies in present personnel practices in the Federal Government. Such deficiencies are not universal nor uniform, but vary from agency to agency.

The majority of the recommendations on personnel management designed to speed up personnel transactions and raise the prestige of Government service, have our approval, especially the recommendation to raise the salary ceiling.

With regard to recommendation 28 concerning the performance of personnel functions by operating officials, it is believed that the personnel organization within the agency should serve operating officials so as to free them from personnel tasks in order that they can give more time to the performance of their primary duties. Correctly administered, most personnel functions can be accomplished more efficiently by personnel technicians than by operating officials, provided the personnel technicians are competent and keep thoroughly familiar with the problems and needs of the operating officials.

The Commission's recommendations 19 and 20 deal with the principles of establishing pay rates for Government employees. On this subject I agree with Mr. Pollack's minority report which recommends that all Government pay rates be related to pay for comparable positions in private industry by geographical areas.

It is recommended that study be given to the position classification practices of the Federal Government with a view to developing a system which will be more useful and accurate in accomplishing the various personnel transactions such as recruiting, reduction in force, efficiency rating, separation pay, and training.

3. OFFICE OF GENERAL SERVICES AND SUPPLY ACTIVITIES

I am in general agreement with the Commission's recommendations on the Office of General Services and Supply Activities, with one important qualification: Recommendation 4 provides for the establishment of a Bureau of Federal Supply in the Office of General Services. A major function of this Bureau is the formulation of policies and regulations governing the supply operations of the executive branch. It is agreed that in the procurement of common-use items,

uniform policies and regulations are desirable. In the field of specialized procurement, however, as for example where research apparatus or equipment, or nonpersonal services are required for the support of aeronautical or other research programs, uniform policies, methods, and regulations prescribed by a central supply organization are neither practicable nor desirable. Some examples of specialized procurement by the NACA are the purchase of schlieren apparatus, interferometers, optical gages, 36-element recording oscillographs, reflecting galvanometers, special electrical equipment such as wind tunnel drive motors, dynamometers, wind tunnel balance equipment, radar tracking units, and so forth.

Specialized research equipment represents annually a large proportion of the NACA appropriation for supplies and equipment. Most of the NACA specialized procurement requires expert technical advice in determining requirements, and it is frequently necessary for NACA specialists to confer with prospective suppliers in order to prepare adequate specifications to meet special requirements.

It is therefore recommended that the authority of the proposed Bureau of Federal Supply in the Office of General Services to prescribe uniform policies, methods, and regulations be limited to items in common use by the civilian agencies of the executive branch. The concept of agency responsibility for procurement of special items was recently recognized by the Congress in the enactment of the Armed Services Procurement Act of 1947 (Public, 413, 80th Cong., approved February 19, 1948), which gives the NACA the necessary latitude in specialized procurement.

4. BUDGETING AND ACCOUNTING

I agree with recommendations 1, 2, 3, 4, 7, 11, and 13.

I submit no comment with respect to recommendations 5, 6, 8, and 9 as they relate to problems not specifically involving the NACA.

I agree with recommendation 10, that an Accountant General be established in the Treasury Department, with authority to prescribe accounting methods and procedures, but do not agree that his actions should be subject to the approval of the Comptroller General. In line with the dissent of Commissioner Rowe, it is felt that the prescribing of accounts, accounting, and fiscal methods and procedures, and the settlement of accounts should be vested in an official of the executive branch of the government, subject to the control of the President.

In general, I agree with the miscellaneous recommendations covered by recommendation 12 concerning accrual basis accounting, simplification of the present warrant procedure, and standardization of procedures, nomenclature, and inventory practices. However, only the broad, basic principles inherent in these reforms should be made mandatory, and the widest possible latitude should be left to operating agencies to permit them to make the most effective adaptation of the principles to their particular situations.

Respectfully,

J. C. HUNSAKER,
*Chairman.*

## APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, ETC.—CONFERENCE REPORT

Mr. McCARRAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4016) "making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 7, 8, 9, 11, 12, 13, 14, 16, 18, 27, 28, 29, 30 and 31.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 6, 15, 17, 21, 22, 24, 25, 26, 33, 39, 40, 41, 42, 43, 44, 45 and 46, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,000,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,299,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$26,800,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,079,500"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,825,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$700,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,400,000"; and the Senate agree to the same.

Amendment numbered 37; that the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,179,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$400,600"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5 and 10.

PAT MCCARRAN,
KENNETH MCKELLAR,
THEODORE FRANCIS GREEN,
LEVERETT SALTONSTALL,
STYLES BRIDGES,
KENNETH S. WHERRY,
*Managers on the Part of the Senate.*

JOHN J. ROONEY,
DANIEL J. FLOOD,
CLARENCE CANNON,
KARL STEFAN,
IVOR D. FENTON,
*Managers on the Part of the House.*

Mr. McCARRAN. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4016, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
*July 14, 1949.*

*Resolved*, That the House recede from its disagreement to the amendment of the Senate No. 5 to the bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate No. 10, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$5,680,400."

Mr. McCARRAN. Mr. President, I should like to make a brief explanation with respect to two items in the conference report.

Amendment No. 10 relates to the Lands Division of the Department of Justice. The House approved an appropriation of $2,450,000 for the Lands Division and consolidated their appropriation with three other divisions within the Department of Justice. When the bill came before the Senate Appropriations Committee, it was found that the amount allowed by the House would result in the curtailment of the activities of the legal force in the field. Accordingly the Senate Appropriations Committee increased the appropriation by $46,000 and provided separate language for the Lands Division. In conference the House conferees insisted upon the Lands Division being consolidated with these other appropriations and the Senate conferees receded from their position. However, the Senate conferees insisted on the additional funds being provided to take care of the field attorneys, and the amount approved for amendment No. 10 is $5,680,400, which will provide $40,000 for personal services in the Lands Division in excess of the amount approved by the House committee. This will allow the Lands Division to continue its present legal force in the field.

Amendment No. 32 appropriates funds for the field service of the Bureau of Foreign and Domestic Commerce. The House approved an appropriation of $2,031,000 and the Department advised the Senate Appropriations Committee that this reduction of $75,000 would result in the closing of field offices in Albuquerque, N. Mex.; Cheyenne, Wyo.; Phoenix, Ariz.; and Reno, Nev. Our committee increased the appropriation by $75,000 in order to provide for the continuation of these offices as well as the retention of five positions in other field offices. In conference the conferees agreed upon an appropriation of $2,079,500, which is $48,500 in excess of the

House figure and which will allow for the continuation of the field offices in this great basin region in the places mentioned.

Mr. President, I move that the Senate concur in the amendment of the House to amendment of the Senate numbered 10.

Mr. WHERRY. Mr. President, let me ask the distinguished Senator how much increase is provided for.

Mr. McCARRAN. There is an increase of $40,000 to take care of the field offices in the Department of Justice.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

### CONVEYANCE OF CERTAIN LANDS TO CITY AND COUNTY OF SAN FRANCISCO—INDEFINITE POSTPONEMENT OF BILL

Mr. McCARRAN. Mr. President, there has been messaged to us from the House of Representatives, House bill 5289, authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco. On yesterday the House passed Senate bill 863, an identical bill. Therefore I move that House bill 5289 be indefinitely postponed.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

### THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. LUCAS. Mr. President, on yesterday the Senator from Illinois attempted to convince the Senate that we should agree to a unanimous-consent proposal for the Senate to vote on the North Atlantic Pact either on Saturday, Monday, or Tuesday next. I made an earnest effort in that connection, but was unsuccessful in my plea to obtain such consent. Some of the Members of the Senate in discussing the question thought perhaps if I made another attempt today, after the debate on the treaty, yesterday, some agreement might be reached. Mr. President, in view of that fact, I shall propound another unanimous-consent request, and I sincerely hope it may be agreed to.

I ask unanimous consent that on Monday, July 18, 1949, at the hour of 5 o'clock p. m., the Senate proceed to vote without further debate on any amendment which may be pending or which may be proposed to the pending treaty and upon any amendment or reservation which may be proposed to the resolution of ratification and upon the resolution itself; that the time for debate between 12 o'clock and 5 o'clock on Monday be equally divided, and be controlled respectively by the Senator from Texas [Mr. CONNALLY], for the proponents, and by the Senator from Missouri [Mr. DONNELL], for those opposed to said treaty.

The VICE PRESIDENT. Is there objection to the request?

Mr. DONNELL. Mr. President, I have listened with care to the suggestion made by the distinguished Senator from Illinois. I may say that I have given, I think, conscientious and careful consideration to the question as to what should be done in regard to the limitation of debate. It is not my purpose to consume time today in debating this question; but I wish to state that here we are considering what is conceded to be the most momentous change in our foreign policy, certainly the most momentous since the time of the enunciation of the Monroe Doctrine, and possibly since the beginning of the Republic. So I feel that we should err, if at all, on the side of utmost freedom of debate on this matter.

I am not able to consent to the date suggested by the Senator from Illinois. This morning I observed in the New York Times a most interesting editorial, which I may say is strongly in favor of the pact, which takes the view that ratification of the pact is advisable; but in the editorial there is one sentence which I think should command our attention, as follows:

> The treaty involves so many obligations and implications that there is no reason to curtail debate until these are clarified.

Mr. President, I appreciate that all of us should use our best judgment as to how long the debate should be protracted. I appreciate that there may be those who think we should agree today as to when debate should be ended. There may be others who think we should wait until tomorrow or Monday to decide.

I have been very greatly puzzled as to what is the proper agreement to make, if any, at this time. But I most respectfully and earnestly say, and for the reason that I regard the welfare of our Republic, perhaps the very preservation of our Republic, to be involved in the decision confronting us here, that I must object to the unanimous-consent agreement proposed by the able and distinguished Senator from Illinois.

Mr. LUCAS. Mr. President, I thoroughly understand the deep sincerity that is expressed here on the part of the distinguished Senator from Missouri, and I am sure I speak for all of us when I say I feel sure that no Senator underestimates the tremendous responsibility that is involved in the consideration of the question now before the Senate.

I repeat what I said yesterday: We have an unusual amount of legislation on the calendar. My purpose in rising again today to seek a unanimous-consent agreement is more or less in line with what a number of Senators thought should be done.

Insofar as I personally am concerned, Mr. President, it is perfectly all right if we debate the pact interminably. We can go all next week and the week following, because I, for one, do not want it said at any time in the future that debate was limited or curtailed upon any implication or any phase of the Atlantic Pact.

However, I believe that nearly all the points have been fairly well covered; and I am certain that if we went on tomorrow and Monday, and with a night session tonight, probably we could cover any implications which the New York Times editorial indicates exist.

I am wondering whether the distinguished Senator would agree that a vote be taken on Tuesday.

Mr. WHERRY. Mr. President, reserving the right to object, before the Senator from Missouri answers the question, I should like to have him permit me, if he will do so, to inquire of the able majority leader just what he means when he says he hopes the Senate will enter into this proposed agreement as to a time for voting upon the North Atlantic Pact.

I wish to bring this to his attention and also to the attention of the Chair: If I correctly understand the procedure, there is to be no vote on the treaty itself, but we shall either accept the treaty or not accept it after the Committee of the Whole rises and the question comes on the resolution of ratification. It is only then that an amendment or reservation to the resolution of ratification is in order. If I am correct in that, I wish to point out that several reservations which have been offered would not be in order for consideration until after the treaty has been completely debated and until amendments thereto have been settled one way or the other, if any are offered to the treaty itself.

So, if I am correct in my interpretation of the procedure, I suggest to the majority leader, that inasmuch as consideration of an amendment in the form of a declaration or reservation is not in order until the resolution of ratification is presented to the Senate, should not the unanimous-consent agreement be made in such a way that the Members of the Senate who have offered reservations or declarations as amendments will be given time, under some allocation of the time, to discuss them after they do become in order, when the resolution of ratification is formally presented to the Senate? Would the majority leader agree with me as to that?

Mr. LUCAS. I would agree that it could be done, although I may say to my friend from Nebraska that it seems to me the unanimous-consent agreement covers the parliamentary situation, if it is desired to agree to it in this way. I take it that all the reservations and all amendments will be debated adequately before a final vote is taken.

Mr. WHERRY. Mr. President, if the majority leader will yield, I may say that is the point I am making. A reservation is similar to an amendment in the case of a bill. At the last moment, some Senator might decide he should be given an opportunity to offer an amendment or reservation to the resolution of ratification. Inasmuch as the resolution is not yet out of the Committee of the Whole, and cannot be, until the Committee of the Whole rises and discussion of the treaty has been completed, I wonder whether it could be arranged this way: That, on whatever day may be agreed to under the unanimous-consent request, the time be allocated so that at least those who offer reservations shall be given an opportunity to present them, together with any amendment that might be offered up to that time. I am not particular as to the time allotted. It might be 30 minutes, possibly 15 minutes on a side, that is, 15 minutes for

proponents and perhaps 15 minutes for opponents. But, at any rate, those who wish to submit a reservation or offer an amendment to the resolution of ratification should be assured that some time would be given for explanation and debate on any amendment or reservation that might be offered.

Mr. DONNELL. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. LUCAS. I yield for that purpose.

Mr. DONNELL. Mr. President, I inquire if the Senate at this moment is in session as the Senate, or is it now sitting as a Committee of the Whole?

The VICE PRESIDENT. The Senate is sitting as a Committee of the Whole. The treaty cannot be submitted to the Senate, as the Senate, until the Committee of the Whole has risen and reported the treaty to the Senate. Reservations or amendments to the resolution of ratification cannot be offered until it is before the Senate. That means after the Committee of the Whole rises. But in that connection the Chair would necessarily have to hold that, under a unanimous-consent agreement fixing the time for debate on the resolution of ratification and all amendments and reservations thereto, the debate would terminate at whatever hour is agreed upon as the time when the vote shall be taken; because, if in the Committee of the Whole the agreement is entered into to have the time fixed for a vote on the resolution of ratification or the amendments, that would be binding on the Senate when the treaty is reported from the Committee of the Whole to the Senate.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WHERRY. May I follow this up for a moment?

Mr. LUCAS. I yield to the Senator from Nebraska.

Mr. WHERRY. I wanted to work out the mechanics of it. The procedure in the case of a treaty is different from that in the case of a bill. In the case of a bill a certain time may be allotted for amendments. I want to cooperate in every way I can with the majority leader in getting the unanimous consent which is requested, but I think that the unanimous-consent request mechanically should provide a certain amount of time to be allocated to those who offered amendments or reservations to the resolution of ratification, which now will have to be included in the unanimous-consent agreement. That is agreeable to me. But I think there should be sufficient time allowed for the presentation either of amendments or reservations before the Committee rises to report the treaty, either with or without amendment.

I offer that as a suggestion to the majority leader, and suggest that there be included in his unanimous-consent request provision for a definite amount of time on amendments or reservations. I should say perhaps 3 hours. It seems to me we could arrange to vote at 5 o'clock, and that the Committee rise too, at 2, and that from 2 until 5 any reservations which may have been submitted could be debated. I have not thought it through, yet, but I should be willing to enter into such unanimous-consent agreement, whenever Senators, including the Senator from Missouri [Mr. DONNELL], will agree. However, I want to reserve the right to object long enough, if possible, to work out with the majority leader some definite understanding about the time to be allocated to those who might offer amendments or reservations to the resolution of ratification.

Mr. DONNELL. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. LUCAS. I yield.

Mr. DONNELL. It is a parliamentary inquiry I had in mind. I think the language of the distinguished Vice President probably answered the point in my mind, but I wanted to be certain I clearly understood the ruling. The point I had in mind is this: We are sitting now as in Committee of the Whole. The question in my mind is whether the Committee of the Whole, without the Senate's resuming its sitting as the Senate, has the right to adopt a time provision or requirement which is binding on the Senate itself as a body. I wanted to get the ruling of the Chair on that point.

The VICE PRESIDENT. It is the Chair's opinion, as expressed a moment ago, that any unanimous-consent agreement entered into in the Committee of the Whole as to a time for final vote would be binding on the Senate no less than on the Committee of the Whole.

Mr. DONNELL. I thank the Vice President. That was my understanding of the Chair's language, but I wanted to be sure that I understood it correctly.

Mr. WHERRY. Mr. President, will the Senator yield for a further parliamentary inquiry?

Mr. LUCAS. I yield for that purpose.

Mr. WHERRY. Could the Senate, sitting as a Committee of the Whole, by unanimous consent, make an agreement that, say, on any day next week—and, in view of the fact that this discussion has come up, let us take a day that has not been mentioned; let us say Wednesday or Thursday—the Committee of the Whole would rise and report the treaty to the Senate at 2 o'clock on Thursday afternoon, let us say, and that a vote would be taken on the resolution of ratification at, say, 5 o'clock, the time, between 2 and 5, to be divided between the proponents and opponents of any amendment or reservation that might be offered to the resolution of ratification? Would that be binding?

The VICE PRESIDENT. The Chair thinks that the Committee of the Whole can agree to rise at any hour in the future on which it is willing to agree, and that whatever debate is to be had after that hour could be divided, under the request of the Senator from Illinois, between the proponents and the opponents of the treaty. But it could be agreed to that between the hours of 2 and 5, for instance, any reservation or amendment offered could be debated, we will say, for 10 minutes on each side, the time to be controlled by the proponents of the amendment or the reservation and the chairman of the Committee. The Chair is perhaps going into a little detail which might be regarded as a suggestion. It is not. He is trying to illustrate what can be done.

Mr. WHERRY. I thank the distinguished Vice President. I should like to say to the majority leader that upon that basis, mechanically, I think the wording would have to be changed somewhat, but if the majority leader would accept it, I should have no objection. I think that would permit ample time for anyone who might wish to submit a reservation to the resolution of ratification to present it and to discuss it prior to the final vote on the resolution of ratification. If that can be worked out, I shall have no objection to the proposed agreement.

Mr. LUCAS. The unanimous-consent request as submitted does that very thing. The only objection to the unanimous-consent request, in line with what the distinguished Senator from Nebraska is discussing, is that no provision is made for time for debate upon any amendment or reservation to the resolution of ratification, before 5 o'clock. We could adopt the Senator's suggestion, of course, meet at 12 o'clock, and divide the time between 12 and 5 between the proponents and opponents. I do not at all object to that, Mr. President. I should be willing to modify it along that line. My only thought was that all the debate on reservations or amendments by those who are interested in them would probably take place in the meantime. I do not think they will require more than 10 or 15 minutes of debate, although more time than that may be desired. However, I have no objection to the modification of the unanimous-consent agreement in accordance with the suggestions offered by the Senator from Nebraska.

Mr. WHERRY. Mr. President, will the majority leader yield for a further parliamentary inquiry?

Mr. LUCAS. I yield.

Mr. WHERRY. If the unanimous-consent request provides a definite hour at which the Committee of the Whole shall rise and report the treaty—I should like to make the hour, say, 2 o'clock—and the time between 2 and 5 is allocated between the proponents and opponents of any reservations which may have been submitted, and the vote is then to be taken upon the resolution of ratification, and on any amendments thereto. I should accept that as clearing up the mechanics of the situation I have in mind.

I should like to say further, I hope the majority leader will suggest another day upon which we may have the vote. As I understand, the request was only for Saturday, Monday, or Tuesday.

Mr. LUCAS. I have not yet finished. I am now doing a little horse trading with my friend on the other side. If the Senator from Nebraska will give me an opportunity, that is what I expected to do.

Mr. WHERRY. Would the Senator be interested in the trade I suggest?

Mr. LUCAS. I have already accepted that.

Mr. WHERRY. I suggest an additional trade. I should like to see every Member of the Senate on this side of the aisle at least, and I hope, on the other side, agree upon a day. What would the majority leader say if I suggested Thursday?

Mr. LUCAS. Let me get to that.

Mr. WHERRY. Very well.

Mr. LUCAS. If the minority leader will let me move along, I am trying to do this in the best way I know of. I appreciate the cooperation of the minority leader.

I had asked the able Senator from Missouri if Tuesday would be acceptable, and then we became involved in a parliamentary discussion. I yield to my good friend from Missouri.

Mr. DONNELL. Mr. President, I appreciate being included in the class of David Harum in this horse trade. I think we are all very sincere and sober in our consideration of this question. It is a matter of great importance. No one, including the distinguished Senator from Illinois, desires that any Senator be cut off without the opportunity of fully debating the question. There are many implications involved. I have considered the matter this morning and have been very reluctant to agree to a specific time. I should, however, be willing to state, and do now state, that if the distinguished Senator from Illinois selects Thursday, and the hours mentioned by the Senator from Nebraska, namely, 2 o'clock for the rising of the Committee, and the intermediate period between 2 and 5 o'clock to be devoted to debate upon reservations, and that the final vote shall occur at 5 o'clock on Thursday of next week, I should be willing to agree.

Mr. LUCAS. The Senator will not agree on Wednesday.

Mr. DONNELL. No; I cannot agree on Wednesday.

Mr. WHERRY. Mr. President, reserving the right to object—I am not going to object—I want to be sure that the language provides that the Committee rises at 2 o'clock and that the final vote is to be at 5 o'clock.

Mr. LUCAS. I shall certainly take care of that 3 hours between 2 and 5 o'clock for my distinguished friend. There will be no question about that at all.

The VICE PRESIDENT. Let the Chair see if he understands the Senator from Illinois.

Mr. LUCAS. I do not care to restate the request at this particular time. I should like to rewrite the request in line with the language suggested by the able Senator from Nebraska, and shall present it a little later. I think there is enough language in the colloquy which has gone on between the Senators to enable all of them to understand what is meant.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I shall go further and agree to accept an agreement that 2 o'clock be the hour at which the Committee rises, that 5 o'clock be the hour for the final vote on the resolution of ratification, and that the time between 2 and 5 o'clock be divided between the proponents and the opponents. I accept it now. On Thursday at 5 o'clock the final vote will be taken.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. DONNELL. Does the Senator have in mind that the reservations will be voted on at 5 o'clock?

Mr. WHERRY. The resolution of ratification and any amendments thereto will be voted on by the Senate itself.

Mr. DONNELL. Let me be certain that I understand it correctly. The Committee of the Whole will rise at 2 o'clock on the afternoon of next Thursday, and the period between 2 and 5 o'clock is to be available for debate on the reservations or other documents relative to the resolution of ratification.

Mr. WHERRY. That is correct.

Mr. DONNELL. At 5 o'clock p. m. on that day will occur the vote on all reservations or other motions of any kind, and on the resolution of ratification.

Mr. WHERRY. That is correct.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Virginia.

Mr. ROBERTSON. If we agree to the pending proposal that we vote on this matter on next Thursday, do I correctly understand that we shall continue for a week on the debate without opportunity of bringing up in the meantime any appropriation bills, in order to give two distinguished Senators until next week to prepare the second speeches they wish to make? I assume there are very few, if any, Senators who would want to speak between now and next Thursday.

Mr. LUCAS. We shall have to determine it as we go along. I cannot anticipate what may happen.

Mr. ROBERTSON. This agreement would not preclude our taking action on other matters, would it?

Mr. LUCAS. If we run out of speeches we shall have plenty to do.

Mr. ROBERTSON That is what I wanted to know.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. There is quite a list of speakers. That is why the unanimous-consent request extends until next Thursday. I should like to suggest to the majority leader that if we have a night session tonight, or even a session tomorrow, there will be plenty of Senators who want to make their position clear. If we run out of speakers there is plenty of legislation needing attention.

Mr. DONNELL. Mr. President, will the Senator yield in order that I may propound a parliamentary inquiry?

Mr. LUCAS. I yield for that purpose.

The VICE PRESIDENT. The Senator will state his parliamentary inquiry.

Mr. DONNELL. I referred to the vote at 5 o'clock upon the reservations and any other motions that might be presented, and then the vote upon the resolution of ratification of the treaty. I should like to ask the distinguished Vice President what is the order of the voting. Is it, first, upon amendments to the treaty itself, then upon the resolution of ratification, and then upon reservations, or is there some other order that would apply?

The VICE PRESIDENT. The Chair ought to clarify the situation. After the Committee of the Whole has risen, the procedure is the same as in the Senate on the consideration of a bill. Only one amendment can be considered at a time, as offered. Others may be offered, read, and debated under the agreement, and the vote suspended until the hour of 5 o'clock, in this case, at which time the Chair would feel that the amendments or reservations should be voted upon in the order in which they were offered and printed for the information of the Senate.

Mr. DONNELL. Is it the opinion of the Vice President that the resolution of ratification would not be voted upon until after the reservations are voted upon?

The VICE PRESIDENT. The resolution of ratification is the last thing voted on, because after it is voted on, no further amendments are in order. Therefore amendments must be voted on prior to the vote on the final ratification.

Mr. DONNELL. Is that true also of reservations?

The VICE PRESIDENT. It is equally true of reservations.

Mr. DONNELL. I thank the Vice President.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WATKINS. Has anything been said as to the matter of dividing the time?

Mr. LUCAS. The time between 2 and 5 o'clock will be divided equally between the proponents and opponents.

The VICE PRESIDENT. Let the Chair see if he correctly understands the situation.

The Senator from Illinois asks unanimous consent that on next Thursday, at 2 o'clock p. m., the Committee of the Whole shall rise and report the treaty to the Senate; that between the hours of 2 and 5 o'clock, during which time reservations and amendments may be offered, the proponents of an amendment shall be given 10 minutes and the chairman of the Committee on Foreign Relations will be given 10 minutes in opposition; that between the hours of 12 and 2 the time shall be equally divided between the proponents and the opponents of the treaty itself, to be controlled by the Senator from Texas [Mr. CONNALLY] and the Senator from Missouri [Mr. DONNELL]; that at the hour of 5 o'clock the debate shall terminate and a vote shall be taken on amendments or reservations seriatim until they are disposed of, and at 5 o'clock a vote shall be taken upon the resolution of ratification itself.

Is there objection? The Chair hears none, and it is so ordered.

Mr. LUCAS. Mr. President, I desire to notify the Senate again that the Senate will be in session tonight upon the pending question, and I propose to keep the Senate in session probably until 10 or 10:30 o'clock. So those who desire to speak on the treaty should be ready to do so. I hope that we will not have to end the session about 6 o'clock because no Senator is ready to speak because of the unanimous-consent agreement. Such a situation frequently comes about

when we get a unanimous-consent agreement. Everyone says to himself, "Well, I will speak on Monday or Tuesday." If there shall be no business before the Senate dealing with the particular question now pending, appropriation bills will be taken up, because we must move on and expedite the business of the Senate. I respectfully request and urge that those who have speeches to make be present, ready to be recognized by the Chair when one of the Senators concludes his task upon this very important question.

The VICE PRESIDENT. In connection with the Senator's statement, the Chair would like to make the observation that under the rule the Chair is required to recognize the Senator who first addresses the Chair, if the Chair hears him, and the Chair's ears are always open on that score. Under the circumstances the Chair feels that priority should be given to Senators who wish to speak on the treaty, and if such Senators are on their feet demanding recognition, and the Chair knows it, the Chair will give priority to them rather than those who desires to speak on extraneous matters. Of course, if some Senator rises and desires to speak on any subject in the world, and no other Senator is demanding recognition, the Chair must recognize that Senator, but under the circumstances involved now the Chair feels that the procedure he has suggested is a fair one.

Mr. WHERRY. Mr. President, I should like to ask the distinguished majority leader if it is not his intention also to continue his announcement that there will be a Saturday session.

Mr. LUCAS. I made that announcement yesterday, and if we should happen to run out of speakers around 6 o'clock this evening, I am sure we will have a Saturday session, but if we should run until 10:30 o'clock tonight, I think that in view of the agreement we have reached possibly we ought to let Senators have Saturday to take care of matters in their offices, and perhaps we will take a recess until Monday. I see some Senators on the other side smiling as though that might be a very popular move. I have a hope in that direction, at least.

Mr. WHERRY. I wonder if the Senator would make a definite announcement, in view of the fact that the agreement has been made.

Mr. LUCAS. I do not believe I had better do that until a little later.

The VICE PRESIDENT. That matter having been disposed of, the Senate is still in Committee of the Whole considering the North Atlantic Treaty.

## THE ECONOMIC EXPANSION ACT OF 1949

Mr. JENNER obtained the floor.

Mr. MURRAY. Mr. President, will the Senator from Indiana yield?

Mr. JENNER. For what purpose?

Mr. MURRAY. I should like to have 10 minutes to explain a measure which I introduced this morning.

Mr. JENNER. Mr. President, I ask unanimous consent that the distinguished Senator from Montana may have 10 minutes, providing I do not lose the right to the floor.

The VICE PRESIDENT. The Senator from Indiana asks unanimous consent that he may, in substance, yield the floor to the Senator from Montana for 10 minutes to make a speech on another subject. Is there objection? The Chair hears none. The Chair admonishes the Senator from Montana that he will call him to time at the end of 10 minutes.

Mr. MURRAY. Mr. President, on July 11 of this year the President of the United States, in his midyear economic report, provided the Congress and the American people with a sober and statesmanlike review of the recent decline in economic activity.

The President pointed out that unemployment has been gradually rising and that production, profits, and farm income have been gradually falling. He warned against our relying on "letting nature take its course" and advised that "the way to prevent our economy from shrinking is to take affirmative action that will help it to expand." He urged that within the next few years we achieve a national output well above $300,000,000,000.

Today, on behalf of 17 Members of the Senate, both Democrats and Republicans, I have sent to the desk an amendment in the nature of a substitute to S. 281, a bill designed to reverse the present trend toward contraction in business activity and to promote a steady and stable expansion of our national economy at a rate that, over the next 4 or 5 years, will raise the total output of goods and services in America from its present level of $250,0000,000,000 to the President's goal of $300,000,000,000.

This bill, entitled "The Economic Expansion Bill of 1949," is an amendment in the nature of a substitute for S. 281, which the Senator from Alabama [Mr. SPARKMAN] and myself, together with the Representative from Texas [Mr. PATMAN], introduced on January 10, 1949, and which has been under study and consideration since January by the Committee on Labor and Public Welfare.

Associated with Senator SPARKMAN and myself in sponsorship of this measure are the following members of the Committee on Labor and Public Welfare: The Senator from Utah [Mr. THOMAS], the Senator from Alabama [Mr. HILL], the Senator from Florida [Mr. PEPPER], the Senator from West Virginia [Mr. NEELY], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Oregon [Mr. MORSE].

Also associated with us in the sponsorship of this measure are the following Senators who are not members of the Labor and Public Welfare Committee, but whose participation in its development has been just as active and whose interest in obtaining favorable action upon it is equally as vigorous: the Senator from West Virginia [Mr. KILGORE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from North Dakota [Mr. LANGER], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Idaho [Mr. TAYLOR], the Senator from Alabama [Mr. SPARKMAN], the Senator from Rhode Island [Mr. McGRATH], and the Senator from North Carolina [Mr. GRAHAM].

Also associated in the sponsorship of this measure is a distinguished group of Members of the House of Representatives led by the able chairman of the House Special Committee on Small Business, Mr. PATMAN, of Texas.

Mr. President, I ask unanimous consent that the economic expansion bill, together with a brief sectional explanation of its provisions, be printed in the body of the RECORD at the end of my remarks.

Mr. President, I ask unanimous consent that the economic expansion bill, including a brief sectional explanation of its provisions, be printed in the body of the RECORD at the end of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

### THREE POINTS ABOUT THE BILL

Mr. MURRAY. Mr. President, before discussing the bill in detail, I should like to emphasize three main points.

First. The bill is designed by the sponsors to carry out the recommendations in President Truman's economic program.

While the bill is not being introduced at the request of the administration, and while its sponsors take full responsibility for it, we feel that a careful study of the bill will reveal the point-by-point similarity in form and substance to the analysis and recommendations contained in the President's midyear economic report.

The programs contained in the five main titles of the bill deal with the five main problems that the President identified in his economic report. They deal with these problems along the general lines that the President has recommended. Being legislation, the bill is more specific and detailed than the President's message, and in a few points the proposals in the bill reflect the decision of the sponsors to carry the program a little further than the President has specifically recommended. This was necessary to meet all the problems involved. There are, however, no inconsistencies between the bill and the President's program, and the bill is as close to the President's program as it could be while retaining the independence of action of its sponsors and recognizing the independence of action of the President in presenting the problem to be considered.

Second. The bill is based upon a wide canvass of views of all sections of the business community as well as other groups of our economy.

The bill is an effort to secure the cooperation and assent of all the groups that make up our economy. It has deliberately omitted certain measures which, whether rightly or wrongly, some groups have come to regard with concern. For example, it makes no provision for controls or for construction of plants by the Government. It follows the logic of the President's Economic Report, in relying primarily upon the stimulation and encouragement of voluntary investment by private business and voluntary price and wage adjustments. The supplementary Government programs

which it proposes, such as advance planning of resource development and public works and the improvement of social security, are in accord with the best business thinking of how to prepare ourselves against the possibility of a further economic downturn.

Third. The bill is not a vast and uncontrolled spending measure.

The bill is designed to encourage the highest attainable levels of private investment, production, and employment. It is based upon the idea that the only sound way to hold Federal expenditures within bounds is to have a healthy economy which makes emergency outlays unnecessary. The total authorizations of about $15,000,000,000 contained within the bill include recoverable loans, authority to insure private lending for foreign investment, and other propasals which do not involve net cost to the Federal Government and may even yield to the Government a profit if economic conditions remain favorable. Only $4,000,000,000 of this $15,000,000,000 figure would require appropriations, and even these appropriations would not be utilized in full if the bill is successful in achieving the goal of economic stability and expansion. The sponsors of the bill believe that an effort to protect and enlarge our $250,000,000,000 national economy by appropriations that might run up to $4,000,000,000 and authorizations for various recoverable investment programs that might run up to $11,000,000,000 is not a high price to pay for the achievement of the bill's objectives. The bill places great emphasis upon the things which must be done to achieve a balanced budget and to make further reductions of the national debt. The total program of recoverable investment and grants or assistance under the bill comes to less than our annual rate of expenditure for national defense. Our first line of national defense must be a strong and stable and expanding economy.

NOTHING HUMAN IS ALIEN TO THIS BILL

Mr. President, as I introduce this bill my mind goes back to two scenes that took place 4 years ago, when I and my colleagues in the Senate and the other House were working on the original full-employment bill.

The first was a meeting which we had called to obtain the views of prominent economists. We were particularly interested in hearing from a certain outstanding figure in the world of economics, a man who had been president of the American Economic Association and whose achievements in the analysis of economic events had been recognized throughout the country. When he arose to speak, we were expecting him to talk in language loaded with facts, figures, and statistics. But he surprised us completely. His first words were—and I quote—"My friends, nothing human is alien to this bill."

And he went on to explain that economics after all is only another way of talking about the problems of people and that in trying to eradicate depression and unemployment we are dealing with the greatest human problem of the twentieth century.

The second scene took place when a leading psychiatrist, a man who was in charge of mental health problems for the War Department during World War II and who since became president of the American Psychiatric Association, appeared before a legislative committee to testify on the full-employment bill. He talked about the effect of unemployment upon the American family and upon the future of our children.

When a family is plagued with unemployment—

He said—

it is impossible to conceive of the children maturing without some degree of warp in their personality structure and, consequently, subsequent difficulties in their relations to people and to the community * * *. Studies have indicated the deleterious effect on the physical health of children. In the majority of cases their education is cut short. Emotionally, they become quite disoriented, not only because of the marital friction (created by unemployment) but because of the confused role of each parent in the home. They are inclined to regard the father as a failure and so lose respect for him.

Mr. President, we here in the Congress of the United States often tend to concentrate so much upon statistics, upon amendments, upon clauses, upon procedure, upon jurisdictional rivalries, between committees and with executive officials, that we sometimes lose sight of the fact that we come here by the grace of God to represent and serve the people of the United States.

And so, upon introducing this historic measure, let me use the words that were given us 4 years ago about the original full-employment bill and which are every bit as applicable to the economic expansion bill—"nothing human is alien to this bill."

Let me remind every Member of the Senate that when we talk about an expanding economy as against a contracting economy, about maximum employment and production as against a business recession, we are talking about the future happiness and well-being of boys and girls, young men and young women, fathers and mothers. Let us remember that what we do here will in a large sense determine whether our children live in a country of abundant opportunity or whether we shall once again see a generation in which one-third of the Nation is shattered by the loss of skills, the loss of effective productive capacity, the loss of economic competence, the loss of pride, the loss of ambition, the loss of hope, and the loss of human dignity.

BACKGROUND OF THE MEASURE

Mr. President, much has been written in the newspapers and the columns and the editorials about the process through which the economic expansion bill has been drafted. The authors of the measure have been commended, even by those who have not as yet been willing to accept our proposals, for having solicited the views, before introduction, of hundreds of people in all walks of life: businessmen, labor leaders, farm leaders, churchmen and economists. There has been considerable comment over the fact that as many as 11 committee prints of the measure have been prepared in advance of introduction. Some have expressed bewilderment as to why it has taken so long to prepare a bill of this type.

Mr. President, this bill has indeed a long history, a history that cannot be measured in terms of the time it has taken to solicit comment throughout the country or to prepare 10 preliminary prints. This bill goes back in its origins to the days when Albert Gallatin, as Secretary of the Treasury, prepared the first plan for post roads and canals. It goes back to the Homestead Act of 1862 under which Abraham Lincoln promoted the expansion of the West by providing over 200,000 acres of public lands to ranchers, farmers, and timbermen. He who writes the history of this measure must include the Interstate Commerce Act, the Sherman Antitrust Act and the varied legislation written on the statute books under Theodore Roosevelt's Square Deal, Woodrow Wilson's New Freedom and Franklin Delano Roosevelt's New Deal. Nor should one ignore the declaration in the 1948 platform of the Democratic Party to "achieve security, full production and full employment" and the 1948 platform of the Republican Party to "promote a stable economy so that men and women need not fear the loss of their jobs nor the threat of economic hardships through no fault of their own."

Above all, this legislation has its roots in the Employment Act of 1946.

The Employment Act also was a measure aimed at economic expansion. Let me quote from the address I made in the Senate on January 22, 1945, when, on behalf of a bipartisan group of Senators, I introduced that measure:

Expansion is the essence of our capitalist system. But today, when there is no longer any frontier in the geographical sense, we must think of strengthening our free competitive economy by expanding it from within. Today our new frontier is in our backyard in every State and city of the country. Today we must again attempt to foster economic expansion through wise laws, just as we did when we enacted the Homestead Act and the other measures which helped develop the West.

If, after the war, we fail to expand, America will once again be visited with another great depression. And another serious depression would mean millions of disillusioned and jobless men would have little interest in the maintenance of a system which offers so little in the way of good living conditions. It would give birth to strong political pressures against such a system.

These words are even more applicable today than they were in 1945.

When the original full-employment bill was first introduced, we were still engaged in an all-out war against Germany and Japan. Nourished by billions of dollars of war contracts, our economy was running at peak levels of employment and production. The burden of postwar inflation was still more than a year and a half in the future.

The war has now been over for more than 4 years. We have already gone through the period of postwar inflation which in the history of the country has followed upon the heels of every war. We are now at a crucial turning point. Every postwar inflation in America has

been followed by a postwar depression. Today, the overriding question in the minds of all Americans is whether or not we shall be able to provide jobs for those who, through no fault of their own, have already been thrown out of work, whether or not we can reverse the present trend toward contraction and provide the basis for a healthy and stable rate of economic expansion.

Today the future of the capitalist system in America hangs in the balance. New systems of economic organization, based upon public ownership of the means of production, rather than upon private enterprise, are spreading through the world. It is now becoming increasingly obvious that if we allow American capitalism to contract and become stagnant we shall thereby be promoting the success of socialism and communism in other countries and inviting the growth of some new system in this country.

WHY THE EMPLOYMENT ACT IS NOT ENOUGH

In February 1946, after 13 months of committee consideration, public hearings, and floor debate, the Congress passed and sent to the President for signature the Employment Act of 1946.

In its final version this act lacked some of the clear-cut and vigorous language that the then Senator from Missouri, Mr. Truman, and myself had recommended when, as the Democratic members of a Miltary Affairs Subcommittee, we first proposed legislation of this character. Nevertheless, the final measure did contain, as I stated on the floor of the Senate on February 8, 1946, when the conference report was approved, "all the essentials of a full employment program which, if properly and firmly administered, would constitute a real contribution to the successful operation of our economic system."

The act emphasized the fundamental concept that the Federal Government has the ultimate responsibility for creating and maintaining conditions "under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work," and for promoting "maximum employment, production, and purchasing power." It provided for periodic economic reports to the Congress, in which the President would set forth the current economic facts of life, the levels of employment, production, and purchasing power needed in the economy, and a program for attaining the needed levels of economic activity.

It established the Council of Economic Advisers to assist the President in the preparation of his economic reports and in the coordination of his economic program. It set up the Joint Committee on the Economic Report to analyze the President's reports to Congress and to help coordinate the diverse activities of the several committees of the Congress.

During the previous 13 years, the Congress had passed many great laws designed to bulwark our economy. These provided, among other things, for a program of social security, aids for private and public housing, support of farm prices, insurance of bank deposits, control of the stock exchanges, regulation of utility holding companies, development and conservation of our natural resources, wage and hour standards, and the right of labor to organize and bargain collectively. Each of these steps was taken on an individual basis and each was addressed toward dealing with an individual economic problem. The Employment Act of 1946 gave us for the first time a general framework of policy and procedure within which each of these separate policies and programs could be integrated. It provided a wholly democratic and wholly American approach to economic planning. This act has been hailed by Walter Lippmann as "one of the most significant enacted by Congress in this century." It has been described by the distinguished Senator from Vermont [Mr. FLANDERS], who as a businessman had participated in its framing before he came to the Senate, as "the most significant administrative implementation of the formulation of public policy since establishment of the Federal budget system a quarter of a century earlier." It has been described by President Truman as "one of the most forward-looking pieces of legislation that we have had in the history of this great Nation of ours."

If the Employment Act made such a great contribution to economic policy, the question may then be asked "Why is it not enough?"

On February 20, 1946, when he signed the measure at the White House, President Truman supplied the answer to this question. I quote from his statement:

> The Employment Act of 1946 is not the end of the road, he stated, but rather the beginning. It is a commitment by the Government to the people—a commitment to take any and all of the measures necessary for a healthy economy, one that provides opportunities for those able, willing, and seeking to work. We shall try to honor that commitment.

The Employment Act has occasionally been attacked as nothing but one great, glittering promise. In a certain sense, it is perfectly true that the act gives us the promise of action rather than action itself. It is a promissory note in which Congress pledged to take whatever steps might be needed to create and maintain conditions under which there will be useful employment opportunities for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

This commitment is not one that could be met by passing any one single piece of legislation. Action is needed from year to year as economic conditions change; such action must necessarily cover a broad variety of policies and programs. At this moment specialized legislation is required in many fields. Such legislation has already been enacted in the field of housing. There is no doubt that the recent housing legislation will make a notable contribution toward the objective of sustained economic expansion. Action is also needed in such specialized fields as the support of farm prices and farm income, river-valley development, and minimum wages.

But specialized legislation is not enough.

In addition to specialized legislation, as pointed out in the economic expansion bill's declaration of policy, certain broad measures are needed now to provide cooperation between all segments of the private economy and Government in treating some immediate problems common to all and thus, encouraging an economic environment conducive to sustained economic expansion.

Let me point out five major defects in our present structure of Government policy.

First. We have never yet addressed ourselves in a broad and wholehearted fashion to the promotion of economic expansion through private investment, production, and employment.

Second. We have never yet developed a practical orientation toward maintaining a level of purchasing power adequate to maintain high levels of private investment, production, and employment.

Third. We have never yet had a sufficiently sound and business-like approach to the budgetary policies of the Federal Government.

Fourth. We have thus far always taken a hit-or-miss attitude toward resources development and public works.

Fifth. We have failed to equip ourselves with the weapons needed to deal with serious unemployment wherever and whenever it arises.

The proposed economic expansion bill is designed to fill these five gaps in our armor.

At this point I shall briefly indicate how the five titles of the bill deal with each of these questions and how the bill is to be administered.

ECONOMIC EXPANSION THROUGH PRIVATE INVESTMENT, PRODUCTION, AND EMPLOYMENT (TITLE I)

The first title of the Economic Expansion Act of 1949 is designed to promote a steadily rising level of private business investment. This emphasis upon private business investment is consistent with the emphasis in the President's midyear economic report to the Congress. In his discussion of policies for economic stability and expansion, the President made the following observation:

> There are now great opportunities for business investment to remove obsolescence, to make use of the rapid progress of science and invention, to improve transportation facilities, to enlarge the housing supply, to industrialize underdeveloped areas of our country, to bring conveniences and labor-saving devices to American homes and farms, and to meet the needs of a population that will continue to grow. Businessmen should lift their sights to the needs of an economy that grows and prospers from year to year.

The purpose of title I is to provide concrete incentives for businessmen to lift their sights.

The first section in title I contributes to this purpose by providing for the broad study of potential business investment which the President called for in his report. This type of study on a continuing basis, as provided for in section 101, is needed not only to serve as a guide for voluntary action by business but also is a means of bringing into sharper focus the many and diverse activities of the Federal Government affecting business investment.

The following sections of title I provide substantive incentives of an extremely significant character. At the

suggestion of the distinguished Senator from Oregon [Mr. MORSE], title I attempts to carry out the recommendation for accelerated amortization of private business investment contained in the publication of the Committee for Economic Development entitled "Taxes and the Budget: A Program for Prosperity in a Free Economy" (November 1947). The CED's proposal on accelerated amortization reads as follows:

A great deal of confusion surrounds the question of annual depreciation rates, and business has been hampered by restrictive regulations affecting depreciation. So long as the total charges do not exceed the original cost of business assets, there can be little difference to the Government in the long run whether such costs are written off slowly or rapidly. The ability to amortize assets rapidly provides an important stimulus for the purchase of new and more efficient equipment. The committee believes that, within the limits of reason, business management should be permitted to use its own judgment in establishing depreciation rates.

Let me now read from a letter which I received from the Senator from Oregon [Mr. MORSE] during the period when this bill was being drafted:

Action on this CED proposal is long overdue. If the legislation is drafted in such a fashion as to carry out this proposal, I am sure that it will evoke broad support among the business community, particularly from these small and independent producers who need an incentive of this type to put them into a stronger competitive position in relation to the big monopolistic enterprises which currently exercise such a dominating force in America.

The bill attempts to carry out this proposal by allowing private investment in plant capacity to be depreciated over a 5-year period.

The bill authorizes the Reconstruction Finance Corporation to insure private bank loans to business enterprises. These loans would be at low interest rates and for periods up to 30 years. Under these provisions the principle of FHA mortgage insurance will be extended to business loans. No direct loans by the Government are provided for.

Title I also contains a fully rounded section to assist in combating monopolistic restrictions on economic expansion. This includes the promotion of technological research by the Department of Commerce, the surveying on a regional basis of developmental needs and market potentials, a new survey of Government-built war plants which are not in substantial operation and which may be leased to small and competitive business enterprises, and a continuing study of monopolistic restrictions by the Federal Trade Commission.

The bill also recognizes the need for the expansion of foreign investment. It recognizes that America cannot afford to go back to a philosophy of economic isolation but must move forward toward the objective of stimulating productive investment in the economically underdeveloped areas of the world. Only thus can we provide the export markets needed for the products of American industry and the dollars needed abroad for the repayment of loans made by the United States and the World Bank. Only thus can we help other nations to develop through their own efforts their economic resources and productive capacity so as to enable them more effectively to achieve and maintain freedom and democracy and eradicate the conditions of squalor and poverty on which communism and other forms of totalitarianism always thrive and flourish. For this purpose the bill authorizes the United States to guarantee or to purchase securities issued by the International Bank for Reconstruction and Development, thereby freeing the International Bank from its present dependence upon the Wall Street securities market. It increases the lending and guaranty authority of the Export-Import Bank. It authorizes the President to guarantee the operations of private business enterprises in entering into long-term contracts for the procurement of critical raw materials abroad and, under certain conditions, to provide directly for the procurement of such materials. Such action would merely supplement and by no means displace direct action to encourage the development of new sources of raw materials in the United States and to accelerate stock-piling purchases from United States firms. Immediate action under this provision would not only buttress the economy of the United States but would be one of the most important steps that could be taken now to solve the problem of the dollar shortage in the United Kingdom and the sterling area, thereby protecting United States exporters against the danger of rapidly dwindling markets.

Early drafts of the economic expansion bill provided that as a last resort, where other measures failed to induce private expansion in critical areas of the economy, the Government could contract with private enterprise to build new plants and facilities. Upon the recommendation of many businessmen whom we have consulted with respect to this legislation the provisions for Government construction of plants have been left out of the bill. I, for one, still agree with the President of the United States that where no other actions will serve to expand capacity in areas where big business and monopoly insist upon restricting capacity, it may be necessary for the Government to engage in direct construction. However, it is my sincere hope that enlightened business leadership can prove conclusively that there is no need for Government action of this type. The provisions of the economic expansion bill dealing with accelerated amortization, more liberal credit facilities, the combating of monopolistic restrictions, and the expansion of foreign investment should provide all the incentives that private businessmen could reasonably seek.

ECONOMIC EXPANSION THROUGH INCREASED PURCHASING POWER (TITLE II)

The second title of the economic expansion bill is entitled "Economic Expansion Through Increased Purchasing Power." In this title it is recognized that—as President Truman has stated in his midyear economic report to the Congress—"in addition to the need for expanded business investment, positive actions are required to enlarge consumer purchasing power."

This title of the bill is divided into two parts.

Part A deals with voluntary adjustments of prices, wages, and profits. It provides for essential studies that will contribute to the voluntary adjustment of prices, wages, and profits in a manner that will encourage an expanding economy. It provides that the Council of Economic Advisers may arrange for "the holding of national, industrial, or regional conferences from time to time, including conferences at which representatives of industry, labor, agriculture, consumers, the professions, and Government shall seek to formulate the general principles and methods to encourage improved development of such voluntary price, wage, and profit policies" as will further the objective of sustained economic expansion.

Part B is aimed at placing a more effective floor beneath purchasing power by improved assistance for the unemployed. It extends for one year the payments to unemployed veterans under the GI Bill of Rights. Recognizing that living costs have increased tremendously since the GI Bill of Rights was enacted, it raises the allowance for unemployed veterans to $25 a week. It also establishes minimum benefit standards to govern our State-administered system of unemployment insurance. As recommended in the President's economic report, these minimum standards would raise the duration of benefits to 26 weeks and the amount to $30 a week for single individuals.

To encourage the States to meet these standards, the bill provides for a Federal reinsurance fund to assure that the increased protection to the unemployed will not threaten the continued solvency of State unemployment funds.

Finally, provision is made for extending the duration of benefits beyond 26 weeks, up to 52 weeks, in any State which wishes to make an agreement to that effect with the Federal administrators. This optional provision would come into play only when unemployment in a State has reached serious proportions.

ECONOMIC EXPANSION THROUGH SOUND BUDGETARY POLICIES (TITLE III)

The third section in the part of the President's midyear economic report dealing with "policies for economic stability and expansion" discusses Federal budgetary policy. Similarly, the third title of the economic expansion bill is entitled "Economic Expansion Through Sound Budgetary Policies."

Section 301 is entitled "A Balanced Budget and Debt Retirement in an Expanding Economy." This section is so crucial to an understanding of the economic expansion bill that I shall read it in full:

(a) In order that Federal expenditures and the Federal tax system can most effectively contribute to sustained economic expansion under a system of free competitive enterprise with due regard for the welfare and security of all the people, both expenditure and tax policy should be measured more carefully than in the past in terms of their effects upon the whole economy, and those policies

which stimulate private investment, production, employment, and purchasing power, either directly or indirectly through useful and regenerative public projects, should be given priority. The objective should be to balance the budget and provide for the orderly reduction of the national debt under conditions of maximum employment, production, and purchasing power, while realizing that this objective is unattainable when economic activity is declining or when resources of plant and manpower and materials are substantially lying idle.

(b) Toward those ends, the annual economic reports of the President and/or the annual economic reviews of the Council of Economic Advisers shall set forth in broad outline a 6-year estimate of desirable levels of Federal expenditures and receipts related to such total national product and income over these years as would be consistent with maximum employment, production, and purchasing power. The minimum goal shall be a national output of $300,000,000,000 within 4 or 5 years, and at that level of output to raise sufficient revenues annually to balance the budget and to provide a surplus for the systematic reduction of the national debt.

In June 1949 according to the President's economic report, the national debt amounted to almost $253,000,000,000. For the first half of calendar year 1949 Federal cash payments for interest alone on the public debt ran at an annual rate of $4,000,000,000, as contrasted with an annual rate of $3,800,000,000 during the second half of 1948.

If we fail to reverse the present trend toward economic contraction, Federal revenues will decrease; there will be an increasing drain upon Federal expenditures in relation to the size of the economy; the national debt will rise rapidly and with it the annual burden of payments upon the debt. The only way to provide for an orderly reduction in the national debt is to set our sight toward achieving a $300,000,000,000 national economy in the next 4 or 5 years. Section 301 provides for a business-like approach toward this objective.

Section 302 introduces into the conduct of Federal financial operations the principal of accelerating or decelerating the rate of expenditures or lending activities in line with current changes in the economic situation, within limits set by existing legislation and by provisions of this act.

Section 303 is entitled "Distinction Between Investment and Operating Expenditures." The author of this section as in the case of the previous provision in title I on accelerated amortization, is the distinguished Senator from Oregon [Mr. MORSE]. Let me quote from the communication I received on this subject from the Senator from Oregon:

It seems to me that this legislation would be an appropriate place to require that in presenting the annual budget to Congress a sensible distinction be made between regenerative and recoverable expenditures on the one hand and operating expenditures on the other hand. A good deal of the current nonsense which is being talked about the budget flows from a failure to make the logical distinction between capital investment and administrative costs of the Government. This is a distinction that every business makes in its own budget and if the Government of the United States is to be run on a business-like basis, it should be made in the Government's budget.

In accordance with Senator MORSE'S proposal, section 303 provides that the President's annual budget message provide the Congress with—

(a) A separation of capital, developmental, and recoverable expenditures and operating expenditures, and (b) an estimate of capital, developmental, and recoverable expenditures, by agencies and/or purposes, for the six ensuing fiscal years.

This provision should not be confused with suggestions that have occasionally been made for a capital budget. A capital budget would require that an evaluation be made of every piece of Federal property, including desks, typewriters, filing cabinets, and buildings. I do not care at this time to enter into a discussion as to whether or not a capital budget would be feasible. This section provides not for a capital budget but for an organization of the annual budget message in such a fashion as to provide Congress with an appraisal of the value and validity of proposed expenditures.

Section 304 recognizes that we cannot have a sound budgetary policy without a complete reexamination and overhauling of our Federal tax structure. Under this section a special bipartisan Commission would be created to "examine the Federal, State, and local tax structures and policies with a view to determining whether and to what extent such structures and policies are a deterrent to sustained economic expansion of private investment and consumer purchasing power consistent with necessary public investment and social services." Special attention would be given to the necessity of providing adequate financial resources for the financing of Federal, State, and local governmental functions. This Commission would consist of 18 members, 6 of whom would be selected by the President, 6 by the President of the Senate, and 6 by the Speaker of the House of Representatives. The Commission would be required to report in full to the President and the Congress within 18 months after the appointment of its members and would then pass out of existence.

ECONOMIC EXPANSION THROUGH RESOURCES DEVELOPMENT AND PUBLIC WORKS (TITLE IV)

Title IV of the bill provides for the long-range advance planning and regularization of public works and resources development.

Under section 401 the needed levels of resources development and public works would be reviewed every year in the annual economic reports of the President or in the economic reviews by the Council of Economic Advisers. This would be based on regional surveys of needs, to be undertaken largely by local planning agencies, universities, and colleges. This provision is largely based upon ideas that have been developed by the very able and distinguished Senator from Alabama [Mr. SPARKMAN], who has done pioneering work on the problem of regional resource development in the industrially underdeveloped areas of the United States.

Provision is made in section 402 for the coordination of the resources development and public-works planning of the various agencies, departments, and corporations of the Federal Government. In particular, the President is instructed to prepare and maintain a national inventory of all State, local, and Federal plans and operations with respect to resources development and public works, with classifications in terms of geographic areas, urgency, the extent of progress in the planning process, the extent to which projects can be accelerated or decelerated, and other appropriate classifications.

Section 403 is aimed at providing for the advance planning of resources development and public-works projects so as to have at all times a reserve of plans for useful projects, both rural and urban, valued at approximately $30,000,000,000. To help build up this shelf of planned and useful projects a State and local advance-planning fund is established in the General Services Administration—which has just taken over the functions of the Federal Works Agency. This would be a revolving fund from which non-interest-bearing loans would be made to city or State governments for both blueprints and site acquisition. Part of the funds could also be used for grants to help in developing over-all city or State plans for physical development. The section also provides for a Federal advance-planning fund from which allocations could be made by the President for the preparation of blueprints and the acquisition of sites by the various departments and agencies of the Federal Government.

For this section the sponsors of the economic-expansion bill are indebted to the very able and distinguished Senator from Florida [Mr. PEPPER], who has pioneered in the development of legislation to provide for the advance planning of Federal works and who assisted in the preparation of this measure.

Section 404 goes beyond advance planning and provides for credit assistance through the Reconstruction Finance Corporation to help city and State governments take projects off the shelf and put them into construction or operation. For this section also we are indebted to the Senator from Florida. Let me quote from a letter which he addressed to me during the period when the bill was being drafted:

I should like to see included in the bill a loan program at a low rate of interest. The present authority of the RFC is limited in the amount of the authorization and the interest rate is 4 percent, a rate which is too high for small communities and States, particularly in times of this economic distress.

In conformance with the recommendations of the Senator from Florida, this section provides for increasing the RFC's authorization by $1,000,000,000 and by providing that as a condition to the guarantee or purchase of city and State securities "such securities shall bear low interest rates consistent with the purposes of the projects and approximating the interest rate on obligations of the Federal Government."

CONCENTRATION UPON AREAS OF SERIOUS UNEMPLOYMENT (TITLE V)

After dealing with business investments, purchasing power, budgetary policy and public works, the midyear economic report of the President discusses

concentration upon areas of relatively serious unemployment.

While unemployment is not now at a very high level for the country as a whole—

Stated the President in this report—

there are many localities and even some States where it is serious. These pools of heavy unemployment need to be treated before they spread, and the responsibility is in part national.

It would indeed be a serious error for us to regard the present economic situation as one of national crisis. Unemployment has not become—and with effective action in time, it will not become—a national emergency. Yet it would be equally foolish to think for a moment that we could take effective steps on behalf of national economic expansion without also focusing directly upon those geographical areas and industries in which unemployment has already become serious. In most of New England, as pointed out in the report of the Council of Economic Advisers entitled, "The Economic Situation at Midyear 1949," the number of unemployed in June 1949 amounted to more than 10 percent of all those covered by unemployment compensation. Other States where unemployment is relatively heavy, according to the Council, are California, New Jersey, New York, South Carolina, and Tennessee. In addition, there are many cities and towns where the level of unemployment is so high that—if extended to the Nation as a whole—we would have more than 10,000,000 people walking the streets looking for work. Accordingly, it is the purpose of title V, which is entitled "Concentration Upon Areas of Serious Unemployment" to provide for the quarantine and treatment of serious unemployment whenever it arises in any geographic or industrial area.

Under section 501, the Secretary of Labor would continuously survey the extent to which unemployment has reached or threatens to reach a serious level in any geographic area or industry. This operation would not be limited to unemployment which is regarded as resulting from fluctuations in the business cycle; it would deal also with unemployment of a chronic, technological, or seasonal nature. The Secretary of Labor would classify such unemployment problems in terms of their relative seriousness, needed priority of attention, and advise the President accordingly. The President may then certify any such area or industry as a serious unemployment problem.

Three types of action are provided to deal with serious unemployment problems in any geographical area or industry.

Under section 502 an effort would be made to relieve conditions through the placement of regular Government contracts, within the limits of existing authorizations and appropriations, or through loans to business enterprises by the Reconstruction Finance Corporation.

Under section 503 an Unemployment Emergency Reserve Fund is established which could only be drawn upon if it were conclusively determined by the President that—

(1) Such use is essential to alleviate or prevent serious unemployment problems and (2) other Federal, State, or local funds are not available in sufficient amounts.

This reserve fund could be used for increasing the funds available to the various Federal agencies for undertaking, or assisting city and State governments to undertake, in accordance with programs already authorized under legislation other than the economic expansion bill, projects in the field of resources development, public works and public services. It could also be used for grants to city and State governments by the General Services Administration for emergency resources development, public works or public-service projects which are not included in grants-in-aid programs under legislation other than this act but which are approved by the competent State, local, or regional authority. For every $70 in emergency Federal grants of this type, the city or State government would have to supply or expend at least $30.

Another part of the Unemployment Emergency Reserve Fund could be used for increasing the funds available to the various departments and agencies of the Federal Government for the authorized procurement of goods and commodities under existing statutory authorizations, for stock piling, national defense, and other Government uses, or for advance buying for any such uses.

Under section 504 provision is also made on a limited and controlled basis for assistance in retraining unemployed workers and/or helping them move to areas where the employment service certifies that there are more adequate job opportunities.

ADMINISTRATION (TITLE VI)

The first section of title VI vests the administration of the act in the President, giving him the responsibility of coordinating the operating activities of the various Federal departments, agencies, and corporations under the act. It also authorizes him to appoint a special assistant to assist him in the coordination process.

It has often been proposed that the objectives of the Employment Act would be facilitated by the creation of machinery whereby the representatives of industry, agriculture, labor, and Government could sit around a conference table on a regular basis and try to broaden the area of agreement among themselves. Proposals of this type have been made by the National Grange, the American Federation of Labor, and countless religious and consumer organizations. Under section 602, accordingly, the Council of Economic Advisers would establish a broad advisory committee, called the Economic Cooperation Committee, consisting of representatives of industry, labor, agriculture, the professions, and consumers. This advisory group would meet regularly to consult with the Council of Economic Advisers. It would not supersede any special advisory committees that the Council of Economic Advisers has already established or may establish in the future.

THE OPPOSITION TO ECONOMIC EXPANSION

Mr. President, the overwhelming majority of American businessmen want economic expansion.

The farmers of America know that they can sell their products only in an expanding economy.

The workers of America know that only in an expanding economy can they improve working conditions and obtain a more adequate standard of living.

The men who went forth to fight, and if need be to die, did so that the country might live, that their fathers, brothers, and sons could labor to build a more perfect union and more perfect world. They did not contemplate then—and they do not contemplate now—an America harassed by recession and unemployment.

Let us not blissfully deceive ourselves into thinking that everyone is for economic expansion and for maximum employment, production, and purchasing power.

When the Employment Act of 1946 was being debated, we found that there was in this country a small but vocal minority who opposed this legislation because they opposed full employment. One businessman wrote us that "private competitive capitalism needs a floating pool of unemployed." Others told us frankly that unemployment is necessary to maintain labor discipline and keep wages down. They preferred footing the bill for charity and relief as against positive measures to provide for an expanding economy. Undoubtedly, it was in this frame of mind that the chief economist for the Chrysler Corp., Mr. John Scoville, told the Cleveland Welfare Federation that "we can have as much unemployment as we are willing to pay for." Mr. Scoville also argued that the right to a job was "a communistic doctrine" and that he preferred the old American slogan, "root, hog, or die."

This same preference for relief as opposed to jobs was echoed by Rufus Tucker, General Motors economist, who stated that—"the moral obligation to keep any citizen from starving * * * can be more adequately and cheaply fulfilled in other ways than by providing jobs."

The New York State Chamber of Commerce approved a report which maintained that depressions are "the price we pay for freedom."

The head of an advertising firm in Des Moines, Iowa, wrote an article entitled "We Need Those Depressions." Let me quote from this article:

It is to be hoped that depressions are never abolished, for they have many desirable features. Those who learn to ride the business cycle can find as many advantages in depressions as in booms—personal as well as business advantages. Smart folks take advantage of the boom * * * they are then ready for depression-time bargains, bargains in every conceivable thing from a suit of clothes to a railroad.

When the Employment Act of 1946 became law, I called upon all those who in the past had declared themselves against full employment to "set aside their doubts and join with the sponsors of this legislation in an all-out effort to preserve our country from a major

depression 5 or 6 years hence." I regret to say that my invitation was not accepted.

In recent years, in fact, the number of those who have expressed themselves against maximum employment and production and against economic expansion has grown instead of dwindled. In June 1947, for example, Mr. Winthrop Aldrich, president of the International Chamber of Commerce and leading American banker, declared that "corrective recessions are necessary to reduce costs and prices to a level which permits an economy to function to best advantage."

A few days later the editors of the Wall Street Journal wrote an editorial entitled "The Coming Recession" and observed that "a mild recession that dispels the boom psychology would be a welcome guest."

Some months ago the magazine Factory Management and Maintenance polled a cross section of management and asked: "What one thing will help most to increase productivity in the years ahead?" The answers were summarized in part as follows: "Outstanding here, perhaps, is the fact that a significant number of companies still consider a depression, difficult-to-get jobs, and even breadlines the one thing that will help most to increase productivity."

More recently a member of the President's Council of Economic Advisers, Dr. John L. Clark, made the following statement before a congressional committee concerning the conferences of the Council of Economic Advisers with certain leading businessmen:

> We have had presented to us repeatedly in our conferences with representatives of business that very proposal—that the best thing that could happen would be to have a larger degree of unemployment in order that there might be at the factory gates each morning a list of job hunters (what is happening in their kitchens, I don't know) because that would make labor more eager and more productive.

The most recent—and the most startling—justification of unemployment appeared in an editorial in the Journal of Commerce of June 14, 1949. This editorial made the following observation:

> Perhaps the greatest lesson in our economic history lies in the fact that, after each set-back, our economy has come back stronger. * * * The only thing we are afraid of today is that we may be talked into giving up this pattern of progress.

The editorial writer then goes on to make it clear that by this so-called pattern of progress he means the ups and downs that have periodically brought misery, despair and bankruptcy to millions upon millions of our businessmen, farmers, and workers.

In other words, the Journal of Commerce accepts the inevitability of another recession, or even a serious depression, and then justifies this acceptance on the theory that it will help to make us stronger.

In a sense, of course, the Journal of Commerce is right. It will strengthen those finance capitalists who know how to ride the business cycle and pick up depression bargains. It will strengthen that small minority of monopolists who see depression as a God-given opportunity to put their small competitors through the wringer and then buy up their assets. It will give new strength to those economic bourbons who see depression as a means of weakening organized labor.

Above all, it will give incalculable strength to those here and abroad who are dedicated to the destruction of the American system of private capitalism and political democracy.

Mr. President, I should like to quote at this moment from the September 1945 report which was made to the Senate upon the original full employment bill by the distinguished Senator from New Hampshire [Mr. TOBEY] and the then Senator from New York [Mr. Wagner]. I quote:

> Those who argue that continuing full employment means regimentation are themselves sewing the seeds of economic and political revolution. No hostile foreign agent could do more to wreck the fabric of our society than to tell our people that unemployment is the price we pay for free enterprise.

Mr. President, there is much talk today about who is loyal and who is disloyal to America. There is much talk today about subversive activity. I should like to associate myself completely with the statement made by the distinguished Senator from New Hampshire [Mr. TOBEY] when the original full employment bill was reported to the Senate. Let me quote him once again.

> No hostile foreign agent could do more to wreck the fabric of our society than to tell our people that unemployment is the price we pay for free enterprise.

Is that man a friend or an enemy of American capitalism who says that the American system "needs a floating pool of unemployed"?

Are they truly loyal to America who maintain that "depressions are the price we pay for freedom"?

What could be a more subversive statement than the declaration that "corrective recessions are necessary to reduce costs and prices" or that "a mild recession that dispels the boom psychology would be a welcome guest"?

What could be more utterly disloyal to American ideals than to call our past record of boom and bust a "pattern of progress"?

What could be more alien to the hopes and aspirations of our people? What could be more destructive of America's good name and repute in other countries throughout the world?

THE NEED FOR CONSTRUCTIVE DISCUSSION

Mr. President, there will be some in this body and throughout the country who may disagree with certain sections of the economic expansion bill. That is how it should be in a democracy. Sound legislation can be developed only through the clarification of opposing points of view.

The sponsors of this bill welcome criticism. We do not regard this bill as the last word. We know that certain of its provisions may, upon careful examination, prove to be in need of improvement. We intend to make such improvements before the bill becomes law.

We hope, therefore, that anyone who criticizes this bill does so in a constructive fashion. And by the term "constructive" I mean, above all else, that they should come forth with alternative constructive proposals of their own.

And as for those who are opposed to this measure not because they disagree with the methods but because they favor a contracting economy rather than an expanding economy—I call upon them to disassociate themselves completely from the utterly subversive idea that "depressions are the price we pay for freedom." I call upon them to reject the utterly disloyal concept that a mild recession would be a welcome guest. I call upon them to disavow the utterly un-American theory of using depressions to put business competitors through the wringer and to weaken labor unions. I call upon them to come back to the good old American idea that this great country of ours should be a land of expanding and abundant opportunity.

Mr. President, every two decades, for the past 100 years, we have been plagued by a boom and a major depression; and every decade has brought forth new explanations as to the causes of the business cycle and new remedies. But there is one fact upon which all are agreed, namely, that fear of a depression tends to lead us inevitably into a depression. When business, agriculture, and labor fear unemployment they make plans to adjust themselves to unemployment. When their daily actions are based upon such plans then we are doomed to have unemployment.

Whatever program we adopt, therefore, let us act without delay.

Let us have courage and be decisive in our efforts. Let us not be swayed by fear of our inability to determine our own destiny.

Let us not wait until a period of future crisis before we take action to achieve the President's goal of a $300,000,000,000 economy.

Let us not wait until we see further economic contraction before we take steps to promote economic expansion.

Let us act now, through the regular legislative processes as set forth in our Constitution, to provide our businessmen, our farmers, our workers, and our veterans with confidence in the future of American enterprise and American democracy.

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EXHIBIT 1

S. 281

Amendment (in the nature of a substitute) intended to be proposed by Mr. MURRAY (for himself, Mr. THOMAS of Utah, Mr. CHAVEZ, Mr. PEPPER, Mr. GREEN, Mr. HILL, Mr. KILGORE, Mr. LANGER, Mr. MAGNUSON, Mr. MORSE, Mr. TAYLOR, Mr. SPARKMAN, Mr. MCGRATH, Mr. GILLETTE, Mr. HUMPHREY, Mr. KEFAUVER, Mr. NEELY, and Mr. GRAHAM) to the bill (S. 281) to provide specific measures in furtherance of the national policy established in the Employment Act of 1946; viz: Strike out all after the enacting clause and insert the following:

"SHORT TITLE AND TABLE OF CONTENTS

"SECTION 1. This act, divided into titles and sections according to the following table of contents, may be cited as the 'Economic Expansion Act of 1949.'

"TABLE OF CONTENTS

"Sec. 1. Short title and table of contents.
"Sec. 2. Declaration of policy.
*"Title I—Economic expansion through private investment, production, and employment*
"Sec. 101. Objectives for private investment, production, and employment.
"Sec. 102. Amortization incentives for private enterprise.
"Sec. 103. Financial assistance for private enterprise.
"Sec. 104. Measures to combat monopolistic restrictions on economic expansion.
"Sec. 105. Expansion of foreign investment.
*"Title II—Economic expansion through increased purchasing power*
"Part A—Voluntary adjustments of prices, wages, and profits
"Sec. 201. Price, wage, and profit objectives.
"Sec. 202. Periodic conferences.
Part B—Payments to the unemployed
"Sec. 203. Payments to unemployed veterans.
"Sec. 204. Payments to unemployed nonveterans.
"Sec. 205. Extended duration of payments to unemployed nonveterans.
*"Title III—Economic expansion through sound budgetary policies*
"Sec. 301. A balanced budget and debt retirement in an expanding economy.
"Sec. 302. Limitations on financial operations.
"Sec. 303. Distinction between Federal investment and operating expenditures.
"Sec. 304. Special bipartisan tax commission.
*"Title IV—Economic expansion through resources development and public works*
"Sec. 401. Resources development and public works objectives.
"Sec. 402. Coordination.
"Sec. 403. Advance planning of resources development and public works projects.
"Sec. 404. Credit assistance for city and State projects.
*"Title V—Concentration upon areas of serious unemployment*
"Sec. 501. Designation of serious unemployment areas.
"Sec. 502. Government contracts and financial assistance for private enterprise.
"Sec. 503. Emergency reserve fund for urban and rural unemployment.
"Sec. 504. Labor retraining and mobility.
*"Title VI—Administration*
"Sec. 601. General administrative provisions.
"Sec. 602. National economic cooperation.

"DECLARATION OF POLICY

"SEC. 2. (a) In the Employment Act of 1946, the Congress declared the continuing policy and responsibility of the Federal Government, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to promote maximum employment, production, and purchasing power.

"(b) To achieve these objectives requires steady expansion of the national economy at a rate that will make an average of at least one-half to three-quarters of a million new job opportunities available every year for a growing population, that will provide an average annual increase of at least 3 to 4 percent in the total output of goods and services, and that over the next 4 or 5 years will raise the total output of goods and services to $300,000,000,000, valued at current prices.

"(c) The achievement of these objectives is essential to provide confidence in the future among the people of the United States, to fortify our democratic way of life, to provide for the orderly reduction of the national debt, to strengthen the national security, to effectuate the foreign policy of the United States, and to contribute to the establishment and maintenance of lasting peace among nations.

"(d) In addition to the specialized legislation required in a wide variety of fields to achieve these objectives, certain broad measures are needed to promote an economic environment conducive to sustained economic expansion through cooperation between all segments of the private economy and government.

"(e) The policies under this act shall be carried out in accord with these principles—

"(1) private enterprise shall be encouraged in every feasible way to promote the objectives of this act;

"(2) consultation and cooperation between Government and industry, labor, agriculture, and others, shall be fostered;

"(3) where necessary, the governmental measures provided herein shall be used as a supplement to the efforts of industry, labor, agriculture, and others to promote sustained economic expansion.

"TITLE I.—ECONOMIC EXPANSION THROUGH PRIVATE INVESTMENT, PRODUCTION, AND EMPLOYMENT

"OBJECTIVES FOR PRIVATE INVESTMENT, PRODUCTION, AND EMPLOYMENT

"SEC. 101. In defining needed levels of production and employment as required under the Employment Act of 1946, the President shall ascertain specifically the short-range and long-range objectives for private investment, production, and employment and formulate policies to encourage, and to reduce factors militating against, the attainment of such objectives. For the purpose of assisting the President hereunder, the Council of Economic Advisers, utilizing the services, facilities, and information of other Federal agencies (especially the Departments of Commerce, Agriculture, Interior, Labor and Welfare) as provided in section 4 (e) (2) of the Employment Act of 1946, shall study—

"(1) the levels of private investment and production needed for consumption requirements at maximum employment levels;

"(2) the inadequacies of capacity in major industries which are or may be limiting factors on sustained economic expansion; and

"(3) the adequacy of the capital resources of private business enterprises, and of the capital markets, to provide the financing needed for private investment and production in an expanding economy.

"Where such studies relate to the levels of private investment and production needed to carry out national security programs, they shall be developed in consultation with the National Security Resources Board. The investment, production, and employment objectives and policies, and the results of the studies, provided for in this section shall be transmitted by the President to the Congress in the annual and midyear economic reports of the President and/or the economic reviews of the Council of Economic Advisers.

"AMORTIZATION INCENTIVE FOR PRIVATE ENTERPRISE

"SEC. 102. (a) For the purpose of maintaining private investment, production, and employment, and encouraging their sustained expansion in accordance with the objectives provided for in section 101, any taxpayer at his election and upon receipt of a certificate of approval as provided for under subsection (d) shall be entitled, in lieu of depreciation deductions allowable under the Internal Revenue Code, to a deduction for amortization under the Internal Revenue Code over any period that he elects of not less than 60 months (or for one-half of the depreciation period allowable under the Internal Revenue Code in the case of assets having a life of 60 months or less) with respect to any facility, as defined in subsection (c), completed after the enactment of this act, or completed prior to its enactment to the extent that the investment in such facility has not been depreciated under the Internal Revenue Code: *Provided,* That (1) the total deduction for amortization for any facility shall not exceed the total deductions allowable under the Internal Revenue Code and (2) it is not the intention of the Congress that a facility for which an amortization deduction authorized in this section is claimed shall thereafter be reamortized for the purpose of computing costs either for wage or price purposes.

"(b) The amortization deduction shall begin at the election of the taxpayer as to any such facility with the month following the month in which the facility was completed or with the succeeding taxable year and, as to any facility completed prior to the enactment of this Act, with the first month or taxable year beginning after its enactment. Such election shall be declared in the return for the taxable year in which the deduction is to begin and shall be accompanied by a copy of the certificate of approval provided for in subsection (d).

"(c) The term 'facility' means any facility, building, machinery, or equipment or part thereof, the construction, rehabilitation, erection, installation, or development of which adds to, or improves the efficiency of, productive capacity.

"(d) The President shall establish a committee to issue certificates of approval for those facilities as defined in subsection (c) for which amortization deductions authorized in this section are sought. Such committee may prescribe such forms, rules, and regulations as it may determine necessary.

"(e) The basis for computing gain or loss on the sale of the facility for which an amortization deduction authorized in this section has been claimed shall be the basis allowable under the Internal Revenue Code as adjusted by the amount of the depreciation claimed under this section.

"(f) If at any time the President finds that the amortization incentive authorized in this section is no longer needed to achieve the objectives provided for in section 101, he may suspend the availability of this incentive altogether or as to specific major industries: *Provided, however,* That (1) such suspension shall apply only to new facilities, the construction, rehabilitation, erection, installation, or development of which is thereafter commenced; and (2) the President may thereafter at any time when he determines it to be necessary to help achieve the objectives provided for in section 101 again make this incentive generally or specifically available for such periods as he may determine necessary.

"FINANCIAL ASSISTANCE FOR PRIVATE ENTERPRISE

"SEC. 103. (a) For the purpose of maintaining private investment, production, and employment, and encouraging their sustained expansion in accordance with the objectives provided for in section 101, the President, through the Reconstruction Finance Corporation, may make financial assistance available to sound and properly managed business enterprises engaged in production (including cooperatives), in the form and on the terms provided for in subsections (b) and (c), and for this purpose the total limitation on the outstanding commitments, loans, and advances to the Reconstruction Finance Corporation are hereby increased by $3,000,000,000. In the administration of this section, priority shall be given to new, small, and competitive business enterprises, particularly those located in industrially underdeveloped areas of the country and those engaged in the production of raw materials essential to national security and to sustained economic expansion.

"(b) The financial assistance provided for in subsection (a) shall be in the form of insurance against losses on loans, up to 90 percent of the amount of such loans, made by any qualified private bank or financing institution, or any qualified private or public regional development organization, to individual private business enterprises (including cooperatives) for maintaining, developing, or expanding production or productive facilities or improving the efficiency of such facilities, and such loans may include loans for the refinancing of obligations not in excess of $500,000 for capital investments in productive facilities outstanding upon the enactment of this act: *Provided*, That premium rates shall be charged for such insurance but not in excess of 1 percent of the total amount of the outstanding loans insured under this section. The Reconstruction Finance Corporation may, upon terms approved by the Secretary of the Treasury, dispose of any evidence of debt or security held by him in connection with insurance issued under this subsection and collect, compromise, rediscount, or sue upon such obligations.

"(c) Loans insured under subsection (b) shall be made on the basis of managerial competence and the prospect of repayment under generally prosperous economic conditions for periods up to 30 years and at interest rates not less than the going interest rate of the Federal Government plus one-half of 1 percent and not more than 4 percent per annum, and under such other general terms or conditions as may be prescribed by the Reconstruction Finance Corporation, including provisions for the reduction or deferment of interest payments or the deferment of principal payments, or both, where necessary during periods of serious national declines in demand and employment and including provisions for the deferment of principal and interest payments until the completion of facilities financed with such funds or provisions for the payment of principal and interest out of earnings or profits: *Provided*, That insured loans made to maintain production shall have maturities not in excess of 15 years.

"(d) If at any time the President finds that the financial assistance available for private enterprise is otherwise adequate to achieve the objectives provided for in section 101, he may suspend the availability of the financial assistance authorized in this section either as to the economy as a whole or as to specific major industries: *Provided, however*, That (1) such suspension shall not affect commitments entered into for such financial assistance prior to such suspension; and (2) the President may thereafter at any time again make such financial assistance generally or specifically available for such periods as he may determine necessary.

"MEASURES TO COMBAT MONOPOLISTIC RESTRICTIONS ON ECONOMIC EXPANSION

"SEC. 104. In order to offset monopolistic restrictions on economic expansion and undue concentration of economic control and thereby to help achieve the objectives provided for in section 101—

"(a) the Secretary of Commerce shall contract with business enterprises (including cooperatives), and with educational institutions, research or scientific institutions and foundations, and governmental agencies, Federal or State, for scientific and technological research and developmental work, particularly of the type needed by new, small, and competitive business enterprises, including contracts for the construction and operation of pilot and demonstration plants, or for the sale of such plants to the highest competitive bidders, and shall make the products of such work promptly and generally available to private enterprise: *Provided*, That any such contract shall provide that any invention, discovery, or finding produced thereunder shall, whether or not patented, be required to be made freely available to the public and, if patented, the patents thereon shall be required to be assigned to the United States. Expenditures for this purpose shall not exceed $400,000,000 per annum;

"(b) the President shall, through the Tennessee Valley Authority and any other such Federal regional agencies as may be established, and for each region of the country for which no such agencies exist, through such administrative mechanisms as he may designate or create, provide for continuing regional surveys of developmental needs and opportunities for private business enterprise, particularly new, small, and competitive business enterprises, including market analyses and distribution potentials: *Provided*, That in making such surveys the facilities of State, local, and regional planning and development agencies and of universities, colleges, and private research organizations shall be utilized to the fullest practical extent. The results of such surveys shall be made promptly and generally available to private enterprise. Expenditures for this purpose shall not exceed $100,000,000 per annum.

"(c) the President (1) shall provide for a complete survey of Government-built war plants which are owned by the Federal Government and which are not substantially in operation, and (2) may, by or under contract with private enterprise, provide for any necessary rehabilitation, equipment, and expansion of such plants, and/or for the lease or sale of such plants, for reasonable consideration, to private business enterprise, particularly to new, small, and competitive business enterprises; and

"(d) the Federal Trade Commission shall make a continuing study of the extent to which the opportunities for needed expansion in private investment, production, and employment, particularly by new, small, and competitive business enterprises, is being or threatens to be restricted or impeded by monopolistic or restrictive practices or agreements (including patent and international cartel restrictions and restrictive financing practices), by governmental regulatory activity, or the undue concentration of economic control. The Federal Trade Commission shall submit an annual report thereon to the President and the Congress within six months after the end of each calendar year and such special reports as it determines to be necessary. Expenditures for this purpose shall not exceed $1,500,000 per annum.

"EXPANSION OF FOREIGN INVESTMENT

"SEC. 106. (a) The Congress hereby recognizes and affirms that it is the policy of the United States—

"(1) to assist economically underdeveloped areas of the world to develop on an integrated, long-range basis and through their own efforts, their economic resources and productive capacity so as to enable them more effectively to achieve and maintain freedom and democracy, to establish a rising standard of living and to enlarge the market for and output of goods for their domestic use and for world trade;

"(2) in connection with the negotiation of agreements for the fair and nondiscriminatory treatment of private foreign investment in economically underdeveloped areas, to assist in creating a climate conducive to investment of private capital in undertakings that will further the balanced development of economically underdeveloped areas and that will promote the best interests of those areas and their peoples, as well as the interests of the United States;

"(3) to help assure the supplies of critical and other raw materials needed by United States industry from the underdeveloped areas and thereby provide those areas with dollars needed for the repayment of developmental loans and for economic growth;

"(4) to help make European countries independent of emergency foreign assistance by providing new and expanding markets which such countries, as well as the United States, can share;

"(5) to help restore a network of world trade at high and expanding levels so that all nations of the world can benefit from the resultant new investment opportunities and new and expanding world markets; and

"(6) to cooperate with the International Bank for Reconstruction and Development and with other appropriate public and private international bodies, in vigorous and courageous action to support the rapid expansion and development of the economically underdeveloped areas.

"INTERNATIONAL BANK

"(b) The Secretary of the Treasury, after consultation with the National Advisory Council on international monetary and financial problems, is hereby authorized, on such terms and conditions as he deems appropriate, to guarantee on behalf of the United States, or to purchase, securities issued by the International Bank for Reconstruction and Development, the sum of such guaranties and purchases not to exceed $4,500,000,000 for financing sound and productive projects in economically underdeveloped areas which conform with or are essential to the long-range development plans of such areas: *Provided*, That, in fixing the terms and conditions upon which the United States shall purchase securities of the bank, the Secretary of the Treasury shall be guided by the objectives of enabling the bank in appropriate cases to make loans with maturities up to 60 years, with a part thereof available for financing the local currency costs of projects where necessary, and with interest rates of not less than 2 and not more than 3 percent. The Secretary of the Treasury may, as a condition to any such guaranty or purchase of the securities of the bank, require the bank to negotiate agreements with other capital-exporting member nations to guarantee or purchase the securities of the bank under similar terms, to the extent of the ability of such nations to participate in foreign lending. For the purpose of this subsection, the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued are extended accordingly.

"EXPORT-IMPORT BANK

"(c) The total limitations on the notes, debentures, bonds, or other obligations of the Export-Import Bank issued to the Secretary of the Treasury and on the outstanding loans and guaranties of the Export-Import Bank are hereby increased by $2,500,000,000 for loans and guaranties for the financing of sound and productive projects in economically underdeveloped areas which conform with or are essential to the long-range development plans of such areas.

"PROCUREMENT OF CRITICAL MATERIALS

"(d) For the purpose of helping to assure supplies of those raw and other materials that are critical to the rising and long-term needs of private industry in the United States by encouraging the production of such materials in the economically underdeveloped areas, the President, through such department or agency as he may designate, may (1) purchase or make commitments to purchase for stock piling, critical materials acquired under contracts, particularly long-term contracts, by United States private business enterprises from the economically underdeveloped areas when there is no immediate market for such materials either at home or abroad; and (2) enter into long-term contracts for the production of critical raw materials from the economically underdeveloped areas when necessary to supplement the otherwise available supplies or sources of

supplies of such materials: *Provided*, That such Government contracts shall provide for periodic price adjustments and shall include reasonable antidumping provisions. Critical raw materials purchased by the Government under this section shall be resold at prices not less than the prevailing market prices except where the market prices are found to be artificially maintained. Nothing in this subsection shall be construed to limit existing authority under the Strategic Materials Stock Piling Act, and the administration of this subsection shall be coordinated with the administration of such act. Expenditures under this section shall not exceed $500,000,000.

"TITLE II—ECONOMIC EXPANSION THROUGH INCREASED PURCHASING POWER

"PART A—VOLUNTARY ADJUSTMENTS OF PRICES, WAGES, AND PROFITS

*"Price, wage, and profit objectives*

"SEC. 201. (a) In defining needed levels of purchasing power as required under the Employment Act of 1946, the President shall evaluate the short-range and long-range effects of general practices and policies relating to prices, wages, and profits upon such purchasing power. For the purpose of assisting the President hereunder and providing necessary guides for voluntary adjustments of prices, wages, and profits, the Council of Economic Advisers utilizing the services and facilities and information of other Federal agencies (especially the Department of Commerce, Agriculture, Interior, Labor, and Welfare) as provided in section 4 (e) (2) of the Employment Act of 1946—

"(1) shall study the relationship between family incomes and expenditures at all income levels in order to estimate consumption requirements at maximum employment and production;

"(2) shall study earnings of wage earners and total family income, with special attention to the standard of living of low-income families in relation to Nation-wide standards of health and decency;

"(3) shall examine the general relationships of the prices, wages, and profits which appear most conducive to an expanding economy, taking into account the role of price reductions and wage increases, respectively, in increasing consumption and sharing productivity gains and in inducing adequate capital investment through an adequate level of profits;

"(4) shall study the general relationship between industrial and agricultural prices and incomes which appear most conducive to an expanding economy with emphasis in both urban and rural areas upon balanced national growth, improvement in plant and equipment, and rising standards of living;

"(5) shall study the relationship between international programs and trade policies and the structure of domestic production with due consideration for the effects of such programs and policies on international economic stability and growth and the long-run adjustment of United States exports and imports consistent with the position of the United States as a creditor nation, and also the effects of such policies on domestic prices, consumption, and employment; and

"(6) shall provide, through appropriate Federal departments or agencies, for the holding of such public hearings as it may determine necessary.

"The national price, wage, and profit objectives and policies, and the results of the studies, provided for in this section shall be transmitted by the President to the Congress in the Annual and Midyear Economic Reports of the President and/or Economic Reviews by the Council of Economic Advisers.

"PERIODIC CONFERENCES

"SEC. 202. The Council of Economic Advisers may arrange from time to time for the holding of national, regional, or industrial conferences, including conferences at which representatives of industry, labor, agriculture, consumers, the professions, and government shall seek to formulate general principles and methods to encourage the development of such voluntary price, wage, and profit objectives and policies as will further the objectives of this act.

"PART B—PAYMENTS TO THE UNEMPLOYED

*"Payments to unemployed veterans*

"SEC. 203. (a) Section 700 (a) of the Servicemen's Readjustment Act of 1944 is amended by striking out the words 'two years' and inserting in lieu thereof the words 'three years.'

"(b) Section 900 of such act is amended to read as follows:

"'SEC. 900. (a) The allowance for a week shall be $25 less that part of the wages payable to him for such week which is in excess of $3: *Provided*, That where the allowance is not a multiple of $1, it shall be computed to the next highest multiple of $1.'

"(c) Section 900 (b) of such act is amended by adding at the end thereof the following proviso: '*Provided further*, That the total amount of allowance to which an individual is determined to be entitled under this section shall be reduced by the amount of unemployment compensation received by such individual under any other Federal or State unemployment compensation law during any week subsequent to July 31, 1949. The Administrator shall require any individual to file a claim for unemployment compensation under a Federal or State law as a condition for receipt of allowances, if it appears to him that there is a likelihood that such individual may be eligible to unemployment compensation under such law with respect to the same period of unemployment for which he is claiming an allowance and no allowance under this section shall be payable to such individual if he fails to file such claim or if such claim is denied in whole or in part by reason of the allowances provided by this section.'

"(d) Section 902 (b) of such act is amended by striking out '$100' whenever it appears and inserting in lieu thereof '$125.'

"(e) The amendments made by subsections (b), (d), and (f) of this section shall take effect August 1, 1949.

"PAYMENTS TO UNEMPLOYED NONVETERANS

"SEC. 204. (a) Section 1603 (a) (1) of the Internal Revenue Code is hereby amended to read as follows:

"'(1) All compensation is paid through public employment offices or such other agencies as the Administrator may approve: *Provided*, That such approval shall be withheld because of provisions requiring an individual, in addition to registration at a public employment office, to make an independent search for work if the Secretary of Labor finds that such requirement is not necessary to insure such individual's exposure to suitable jobs and availability for suitable work.'

"(b) Section 1603 (a) (5) of the Internal Revenue Code is hereby amended by deleting the word 'substantially' in clause (C) and by adding the following new clause:

"'(D) If the position is one which does not utilize the individual's highest skill unless he has had a reasonable opportunity to obtain work utilizing such skill;'

"(c) Section 1603 (a) of the Internal Revenue Code is hereby amended by adding the following paragraphs:

"'(7) Compensation is payable to an insured individual for a week of total unemployment in an amount (up to a maximum of at least $30) equal to at least 50 percent of the weekly wages of such individual;

"'(8) Compensation will not be denied to any insured individual by reason of exhaustion or reduction of his benefit rights or cancellation of his wage credits until he has been paid an amount equal to compensation for 26 weeks of total unemployment within a benefit year;

"'(9) An individual shall be insured for compensation if he has been paid in his base period as much as 30 times his weekly benefit amount (if such law provides for a qualifying requirement computed as a multiple of the individual's weekly benefit amount), or at least 1½ times his high-quarter wages (if such law provides for a qualifying requirement computed as a multiple of his high-quarter wages, or if he has been employed by an employer in as many as 20 weeks in his base period (if such law provides for a qualifying requirement based on weeks of employment); and

"'(10) Compensation will not be denied to any insured individual who is able to work and is available for suitable work: *Provided*, That such approval shall not be withheld because of provisions denying compensation under any of the following conditions: (A) For the first week of unemployment occurring within the benefit year; (B) for a period not in excess of the 4 weeks immediately following the week in which (i) the individual left suitable work without good cause; or (ii) the individual was discharged for misconduct connected with his work; or (iii) the individual refused suitable work without good cause; (C) for any week in which the individual's unemployment is due to a stoppage of work which exists because of a strike at the factory, establishment, or other premises at which the individual is, or was, last employed and the individual is participating in or directly interested in the strike, or is a member of a grade or class of workers any of whom were participating in, or directly interested in, the strike.'

"(d) Section 1607 of the Internal Revenue Code is amended by adding the following subsections:

"'(o) Base period: The term "base period" means the first four of the last five completed calendar quarters immediately preceding the beginning of the benefit year.

"'(p) Weekly wages: The term "weekly wages" means, with respect to an individual, the amount of wages (as defined in the State unemployment compensation law) paid to such individual during the period used for determining his compensation for a week of total unemployment (1) divided by the number of weeks in such period if it is the calendar quarter in which such individual was paid his high quarter wages; or (2) if the period used is different divided by the number of weeks, in the period used, in which he performed services in employment (as defined in the State unemployment compensation law).'

"(e) Section 904 (h) of the Social Security Act is hereby amended by striking out the third sentence.

"(f) Section 904 of such act is hereby amended by adding at the end thereof the following new subsections:

"'(i) There is hereby appropriated to the Federal Unemployment Account in the Unemployment Trust Fund for the period beginning January 1, 1950, and ending June 30, 1950, for the fiscal year ending June 30, 1951, and for each fiscal year thereafter, amounts equivalent to 100 percent of the taxes (including interest, penalties, and additions to the taxes) received after December 31, 1949, under the Federal Unemployment Tax Act and covered into the Treasury. There is also authorized to be appropriated to the Federal Unemployment Account such additional sums as may be required to carry out the purposes of this title or of titles III, XII, and XIII of the Social Security Act.

"'(j) For the purpose of assisting the States in the administration of their unemployment compensation laws, and in the establishment and maintenance of a system of public employment offices in accordance with the provisions of this title, there is hereby authorized to be expended, for payments to the States, from the Federal Unemployment Account in the Unemployment

Trust Fund for the fiscal year ending June 30, 1950, and for each fiscal year thereafter, sums not to exceed the amounts specified by Congress in the appropriation act or acts for each such fiscal year.

"'(k) There is authorized to be expended from the Federal Unemployment Account for the fiscal year ending June 30, 1950, and for each fiscal year thereafter, a sum not to exceed the amounts specified by Congress in the appropriation act or acts for the Federal Security Agency, the Department of Labor, and the Department of the Treasury to be necessary for the administration by the Secretary of Labor of its functions under the Federal Unemployment Tax Act and titles III, IX, XII, and XIII of the Social Security Act.'

"(g) Section 1201 of the Social Security Act is hereby amended to read as follows:

"'SEC. 1201. (a) If on December 31, 1949, or on the last day of any ensuing calendar quarter, the balance in a State's unemployment fund does not exceed a sum equal to the amount of compensation paid under the unemployment compensation law of the State from the State fund during such quarter and the immediately preceding quarter, the State shall be entitled to a reinsurance grant. Such reinsurance grant shall be three-fourths of the amount estimated by the Secretary of Labor by which 2.7 percent of the remuneration paid during the next calendar quarter and subject to the State unemployment compensation law is less than the compensation which will be payable under the provisions of the State law: *Provided*, That such amount may include the estimated amount that will be payable under the State law for weeks of unemployment equal to, but not in excess of, 52 weeks within 78 continuous weeks.

"'(b) The Secretary is authorized and directed, on application of a State employment security agency, to make findings as to whether the conditions entitling a State to a reinsurance grant provided for in subsection (a) hereof have been met; and if such conditions exist, the Secretary is directed to certify, to the Secretary of the Treasury, from time to time, the amount of such grant, reduced or increased, as the case may be, by any sum by which the Secretary of Labor finds that the amounts granted for any prior quarter were greater or less than the amounts to which the State was entitled for such quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise concerning the operation and administration of the State law, as the Secretary deems necessary or relevant to the performance of his duties hereunder.'

"(h) The amendments made by subsections (a), (b), (c), and (d) shall be effective as of the tenth Sunday after the enactment of such subsections.

"EXTENDED DURATION OF PAYMENTS TO UNEMPLOYED NONVETERANS

"SEC. 205. (a) When used in this section—

"(1) The term 'weekly benefit amount' means the amount of compensation to which an individual is entitled with respect to a week of total unemployment, under the provisions of a State unemployment compensation law.

"(2) The term 'benefit year' means the benefit year prescribed in the applicable State unemployment compensation law; except that, if such State law does not prescribe any benefit year, such term means any period of fifty-two consecutive weeks specified in an applicable agreement made under this section, or, if there is no such applicable agreement, then any period of fifty-two consecutive weeks prescribed by the Secretary of Labor (hereafter in this section referred to as the Secretary).

"(3) The term 'State' includes the District of Columbia, Alaska, and Hawaii.

"(b) Upon the written request of the Governor of any State (or, in the case of the District of Columbia, upon the written request of the Commissioners of said District), the Secretary is authorized on behalf of the United States to enter into any agreement for any quarter with any State, or with the unemployment compensation agency of such State, under which such State agency (1) certifies that unemployment of individuals covered under the State law during the immediately preceding quarter is in excess of 10 percent of the total number of individuals covered under such law and that 10 percent of all such unemployed individuals have exhausted their rights to benefits during their benefit year, (2) will make, as agent of the United States, payments of compensation as authorized in this section with respect to unemployment occurring in the temporary period, and (3) will otherwise cooperate with the Administrator and with other State unemployment compensation agencies in making payments of compensation authorized by this section.

"(c) Any such agreement shall provide for supplementing the amount of compensation payable to any individual during his benefit year in such amount that compensation will not be denied to any individual by reason of exhaustion of his benefit rights, until he has been paid an amount equal to fifty-two times his weekly benefit amount (or such lesser amount as may be specified in the agreement).

"(d) Sections 1302 (b), 1304, 1305, and 1306 of the Social Security Act, as amended, shall apply in the administration of this section.

"TITLE III—ECONOMIC EXPANSION THROUGH SOUND BUDGETARY POLICIES

"A BALANCED BUDGET AND DEBT RETIREMENT IN AN EXPANDING ECONOMY

"SEC. 301. (a) In order that Federal expenditures and the Federal tax system can most effectively contribute to sustained economic expansion under a free competitive enterprise system with due regard for the welfare and security of all the people, both expenditures and tax policy should be measured more carefully than in the past in terms of their effects upon the whole economy, and those policies which stimulate private investment, production, employment, and purchasing power, either directly, or indirectly through useful and regenerative public projects, should be given priority. The objective should be to balance the budget and provide for the orderly reduction of the national debt under conditions of maximum employment, production, and purchasing power, while realizing that this objective is unattainable when economic activity is declining or when resources of plant and manpower and materials are substantially lying idle.

"(b) Toward these ends, the Annual Economic Reports of the President and/or Economic Reviews of the Council of Economic Advisers shall set forth in broad outline a 6-year estimate of desirable levels of Federal expenditures and receipts related to such total national product and income over these years as would be consistent with maximum employment, production, and purchasing power. The minimum goal shall be a national output of $300,000,000,000, valued at current prices, within 4 or 5 years, and at that level of output to raise sufficient revenues annually to balance the budget and to provide a surplus for the systematic reduction of the national debt.

"LIMITATIONS ON FINANCIAL OPERATIONS

"SEC. 302. (a) Within the limitations of existing legislation, including this act, the President shall direct Federal departments, agencies, and corporations to reduce or expand expenditure programs, for procurement, construction, and other purposes, and to curtail or accelerate guaranty, loan, and credit operations, in light of changing economic conditions.

"(b) As part of this budgetary practice, the President shall establish a maximum annual limitation upon the financial operations under this act. Such limitation shall apply both to the aggregate of $4,000,000,000 authorized to be appropriated under this act and to the aggregate of $11,000,000,000 authorized, through public debt transactions in the form of guaranties, loans, or other financial commitments.

"DISTINCTION BETWEEN FEDERAL INVESTMENT AND OPERATING EXPENDITURES

"SEC. 303. Federal budgetary practice shall be revised to distinguish between operating and capital expenditures, and in transmitting to the Congress the estimates called for in section 201 of the Budget and Accounting Act of 1921, as amended, the President shall, to the extent and in such detail as may be feasible, (a) separate operating expenditures from capital, developmental and recoverable expenditures, and (b) estimate of capital, developmental and recoverable expenditures by agencies and/or purposes for the six ensuing fiscal years.

"SPECIAL BIPARTISAN TAX COMMISSION

"SEC. 304. There is hereby created a special bipartisan commission to examine the Federal, State, and local tax structures and policies with a view to determining whether and to what extent such structures and policies are a deterrent to sustained economic expansion and to make recommendations for such structures and policies as will provide appropriate incentives for needed expansion of private investment and consumer purchasing power consistent with necessary public investment and social services and with special attention to the provision of adequate financial resources for the financing of Federal, State, and local governmental functions. The Commission shall consist of 18 members. The President shall select six members, three of whom shall be officials of the executive branch of the Federal Government, and shall designate the Chairman of the Commission. The President of the Senate shall select six members, three of whom shall be Members of the Senate. The Speaker of the House of Representatives shall select six members, three of whom shall be Members of the House of Representatives. The Commission may establish a special subcommission to assist it with its investigation of the State and local tax structures and policies and such other subcommissions as it determines necessary to assist it with special tax problems, and shall consult with appropriate organizations of State and local officials. The Commission shall report in full to the President and the Congress within 18 months after its members have been appointed, shall have the authority to borrow such personnel from the executive agencies of the Federal Government or from the committees of the Congress, or to hire without regard to the civil-service laws or the Classification Act of 1923, as amended, such additional personnel as it needs, and its private members may be compensated at the rate of $40 for each day spent in meetings of the Commission or upon work for the Commission. Payments to the members of the Commission, and for the services of such employees as it may hire or borrow shall not exceed $5,000,000. The Commission shall cease to exist upon the submission of its full report to the President and the Congress.

"TITLE IV—ECONOMIC EXPANSION THROUGH RESOURCES DEVELOPMENT AND PUBLIC WORKS

"RESOURCES DEVELOPMENT AND PUBLIC WORKS OBJECTIVES

"SEC. 401. (a) In defining needed levels of employment, production, and purchasing power as required under the Employment Act of 1946, the President shall ascertain specifically the short-range and long-range

needs for resources development and public works projects, both on a national and regional basis, and the adequacy of the machinery and financing available for such purposes, with special emphasis on the need for regularized resources development and public works activities in an expanding economy and to their long-range stimuli to private investment, production, and employment, rather than on the need for emergency projects from time to time.

"(b) For the purpose of assisting the President hereunder the Council of Economic Advisers shall utilize the services, facilities, and information of other Federal agencies as provided in section 4 (e) (2) of the Employment Act of 1946: *Provided, however,* That the President, through the Tennessee Valley Authority and any other such regional agencies as may be established and, for those regions of the country for which no such agencies exist through such administrative mechanisms as he may designate or create, shall provide for continuing regional surveys of needs for resources development and public works projects and: *Provided further,* That in making such surveys the facilities of State, local, and regional planning and development agencies and of universities and colleges shall be utilized to the fullest practicable extent. The results of such surveys shall be made promptly available to appropriate Federal, State, and local agencies. Expenditures for such surveys shall not exceed $40,000,000 per annum.

"(c) The resource development and public works objectives, and the results of the surveys, provided for in this section shall be transmitted by the President to the Congress in the Annual Economic Reports of the President and/or Economic Reviews of the Council of Economic Advisers.

"COORDINATION

"SEC. 402. (a) The President shall provide for (1) the coordination of the resources development and public works planning of the various Federal departments, agencies, and corporations, and (2) the preparation and maintenance of a national inventory of all State, local, and Federal plans and operations with respect to resources development and public works, with classifications in terms of geographic areas, urgency, the extent of progress in the planning process, the extent to which projects can be accelerated or decelerated, and other appropriate classifications. For this purpose the President may utilize the facilities of the Bureau of the Budget, the Council of Economic Advisers, and other appropriate Federal departments, agencies, and corporations, and may designate to assist him one or more of the officers, employees, and experts provided for under section 601 (b).

"(b) The Council of Economic Advisers shall advise the President on the need for accelerating or decelerating the undertaking of resources development and public works projects in the light of changing economic conditions.

"ADVANCE PLANNING OF RESOURCES DEVELOPMENT AND PUBLIC WORKS PROJECTS

"SEC. 403. (a) It is the purpose of this section to provide for the advance planning of resources development and public works projects so as to have at all times a reserve of plans for useful projects, both rural and urban, valued at approximately $30,000,000,000.

"(b) There is hereby established in the General Services Administration and subject to the control of such Administration, a State and Local Advance Planning Fund of $500,000,000 from which through the Bureau of Community Facilities, non-interest-bearing loans may be made to the States and their agencies and political subdivisions to aid in financing and maintaining advance planning for specific resources development and public works projects (including basic resources data, architectural and engineering surveys and designs, economic investigations and analyses, working drawings, specifications, procedures, site acquisition, and other actions preliminary to the commencement of such projects), and from which grants may be made to States and their agencies and political subdivisions for the purpose of developing over-all State, local, and regional plans for physical development: *Provided,* That (1) all projects for which such loans are made shall conform to over-all State, local, or regional plans for physical development approved by competent State, local, or regional planning authorities, (2) the making of such loans shall not in any way commit the Congress to appropriate funds for the undertaking of any specific project, and (3) all loans made under this section shall be repaid if and when the projects planned with such loans are commenced. All sums so repaid shall be deposited and covered in the Treasury to the credit of the fund and shall be available for making further advances under this section.

"(c) There is hereby established in the Executive Office of the President, subject to the control of the President, a Federal Advance Planning Fund of $100,000,000 from which allocations may be made to the various Federal departments and agencies having responsibility for resources development and public works projects, to finance the preparation and maintenance of advance planning for such projects (including basic resources data, architectural and engineering surveys and designs, economic investigations and analyses, working drawings, specifications, procedures, site acquisition, and other actions preliminary to the commencement of such projects).

"CREDIT ASSISTANCE FOR CITY AND STATE PROJECTS

"SEC. 404. The President, through the Reconstruction Finance Corporation, on such terms and conditions as he deems appropriate, may guarantee on behalf of the United States, or purchase, securities issued by the States and their agencies and political subdivisions for the financing of resources development and public-works projects with maturities up to 60 years: *Provided,* That as a condition to such guaranty or purchase the President shall require that such securities shall bear low interest rates consistent with the purposes of the projects and approximating the going interest rate of the Federal Government. For this purpose, the total limitation on the outstanding commitments, loans, and advances of the Reconstruction Finance Corporation is increased by $1,000,000,000.

"TITLE V—CONCENTRATION UPON AREAS OF SERIOUS UNEMPLOYMENT

"DESIGNATION OF SERIOUS UNEMPLOYMENT AREAS

"SEC. 501. In order to achieve the objective of the Employment Act of 1946 of creating and maintaining employment opportunities for those able, willing, and seeking work by utilizing all of the resources of the Federal Government to deal directly with serious unemployment whenever it arises or threatens to arise in any geographic area or industry before it undermines national economic stability and expansion, the Secretary of Labor—

"(a) shall ascertain the current and long-range trends in the size or composition of the national labor force and the levels of current unemployment in terms of the optimum utilization of the labor force, both on a national and regional basis, and shall supplement available factual information concerning the characteristics of the employed and the unemployed, particularly the latter, and concerning the underemployment of employed persons;

"(b) shall study the utilization and gainful employment, both on a national and regional basis of special population groups, including old and young persons, with particular attention to the maximum utilization of older persons in gainful activity rather than their enforced retirement, and the relation of the educational training of young persons to the labor requirements of the economy;

"(c) shall advise the President as to any geographic area or industry in which unemployment (whether cyclical, chronic, technological, or seasonal) has reached or threatens to reach a serious level, either in magnitude or duration, together with a classification of such areas or industries in terms of their relative seriousness and needed priority of attention, and the President may certify any such area or industry as a serious unemployment area; and

"(d) whenever the President so certifies any area or industry, may assign a special investigating staff to examine the special reasons for the unemployment in such area or industry and to recommend measures designed to facilitate desirable economic adjustments, and shall transmit such recommendations to the appropriate Federal departments or agencies or to the President.

"In the administration of this title, consideration shall be given to the factual information and to the recommendations of any investigating staff provided for in this section. For purposes of this section, the Secretary of Labor may utilize the services, facilities, and information of other Federal agencies. Expenditures under this section shall not exceed $3,000,000 per annum.

"GOVERNMENT CONTRACTS AND FINANCIAL ASSISTANCE FOR PRIVATE ENTERPRISE

"SEC. 502. To the extent that serious unemployment in any area or industry certified under section 501 can be eliminated or alleviated without injury to other areas or industries or to Government purchase and contract programs, and without preventing desirable economic adjustments from occurring, the President may direct (1) the appropriate contracting agencies of the Government, including the National Military Establishment, within the limits of existing authorizations and appropriations, to place additional contracts in any such area or industry, and (2) the Reconstruction Finance Corporation to give special consideration to the provision of such financial assistance for private business enterprises as will help to maintain or raise the level of production and employment in such area or industry.

"EMERGENCY RESERVE FUND FOR URBAN AND RURAL UNEMPLOYMENT

"SEC. 503. (a) There is hereby established as part of the emergency funds of the President an Unemployment Emergency Reserve Fund of $2,200,000,000 which shall not be used unless it has been determined that (1) such use is essential to alleviate or prevent serious unemployment in areas or industries certified under section 501, and (2) other Federal, State, or local funds are not available in sufficient amounts.

"(b) Up to $1,700,000,000 of the Unemployment Emergency Reserve Fund may be used for—

"(1) increasing the funds available to the various Federal departments, agencies, and corporations for the commencement of Federal resources development, public works, and public service projects authorized under legislation other than this act;

"(2) increasing the funds available to the various Federal departments, agencies, and corporations for grants to States and their agencies and political subdivisions, for resources development, public works and public service grants-in-aid programs authorized under legislation other than this act;

"(3) for allocation to the Secretary of Agriculture to establish and finance a conservation-works program for use in those areas where there is serious agricultural unemployment or underemployment, for the conservation of natural resources and the provision

of socially productive work: *Provided*, That, (a) compensation to workers under this program will be at prevailing wages for comparable work but in no case less than any established minimum wage, and (b) such work will be conducted on private land only with the consent of the owner, and upon certification by the Soil Conservation Service that the performance of such work is in the public interest; and

"(4) allocations to the General Services Administration for grants to States and their agencies and political subdivisions for emergency resources development, public work or public service projects which are not included in grants-in-aid programs under legislation other than this act but which are approved by the competent State, local, or regional authority: *Provided*, That (a) projects financed by such funds shall be located in such a fashion as to relieve unemployment in areas designated under section 501, (b) the employees on all projects financed thereunder shall be paid prevailing wages rather than relief or subsistence wages, and (c) all grants to States and their agencies and political subdivisions shall be made only on the condition that $30 of non-Federal funds is supplied or expended for every $70 of Federal grants.

The coordination provisions of section 402 shall apply to the utilization of the Unemployment Emergency Reserve Fund under this subsection, and in addition the President shall provide convenient facilities whereby the applications of States and their agencies and political subdivisions for emergency grants under this subsection may be handled by, or under the direction of, a single Federal agency or officer. For purposes of supplementing the grants available hereunder, the President may direct the Reconstruction Finance Corporation to accelerate its guaranties and purchases of securities of States and their agencies and political subdivisions as provided for in section 404.

"(c) Up to $500,000,000 of the Unemployment Emergency Reserve Fund may be used for increasing the funds available to the various Federal departments, agencies, and corporations for the procurement of goods and commodities authorized under legislation other than this act for stock piling, national defense, and other Government uses, or for advance buying for any such uses: *Provided*, That (1) such funds shall be made available only for geographic and industrial areas certified under section 501 as serious unemployment areas, and (2) such goods and commodities shall not be bought at prices higher than the prevailing market prices at the date of contracting for such purchases.

"LABOR RETRAINING AND MOBILITY

"SEC. 505. (a) In order to facilitate the occupational adjustment of workers (either industrial or agricultural) in fields of work where job opportunities are declining, for reason of technological change of relocation of industry, the President may provide, through the appropriate Federal departments and agencies, for vocational free education or training of not more than 6 months on a full-time basis or its equivalent on a part-time basis, and may provide maintenance allowances for every person receiving such education or training on a ful-time basis: *Provided*, That (1) the maximum amount expended per person shall not exceed $ for the cost of education or training or $ a month for maintenance allowances, and (2) the aggregate of such amounts shall not exceed $100,000,000 per annum.

"(b) Where public employment service offices certify job placements involving the movements of workers (either industrial or agricultural, exclusive of migratory workers) and their families from one labor market area to another, the Secretary of Labor may provide financial assistance for the transportation (including the transportation of household effects) of such workers and families: *Provided*, That (1) it is certified by the responsible employment service officer of the labor market area in which the job applicant resides that no comparable job opening is available locally; (2) it is certified by the responsible employment service officer of the labor market area to which the job applicant is to move that there is a shortage of workers in the available local labor force to fill jobs of the classification for which the placement is to be made, and that such shortage does not arise from hiring specifications discriminating against persons because of race or religious affiliation; (3) it is determined that without such assistance it would be impossible for such workers and families to move to the location of new employment; (4) the maximum amount expended per person shall not exceed $1,000 per family for transportation, including the transportation of household effects, and (5) the aggregate of such amounts shall not exceed $50,000,000 per annum. The financial assistance shall be in the form of non-interest-bearing loans, subject to regulations established by the Secretary of Labor with respect to duration and repayment: *Provided further*, That where the applicant for financial assistance is a resident of an area classified by the Secretary of Labor as a chronically depressed labor market area, according to criteria defined by that official, the financial assistance may be in the form of a grant.

"TITLE VI—ADMINISTRATION

"GENERAL ADMINISTRATIVE PROVISIONS

"SEC. 601. (a) The administration of this act is vested in the President, who shall coordinate the operating activities of the various Federal departments, agencies, and corporations under this act.

"(b) The President may appoint an assistant, who shall receive compensation at a rate not to exceed $20,000 per annum, to assist him in coordinating the operating activities of Federal departments, agencies, and officials under this act, and in facilitating the assistance required by the Council of Economic Advisers under this act from other Federal agencies. Such assistant may appoint not to exceed three specialists or other experts without regard to the civil-service laws and fix their compensation without regard to the Classification Act of 1923, as amended. Within the limits of funds which may be made available, such assistant may employ such other officers and employees as may be necessary, in accordance with the Classification Act of 1923, as amended, and may make such other expenditures for supplies, facilities, and services as may be necessary.

"(c) The power of the Federal Trade Commission to require reports from corporations engaged in commerce, as provided in section 6 of the Federal Trade Commission Act, shall be available upon the direction of the President for the purpose of facilitating the studies provided for in sections 101 and 201 of this act.

"(d) This act shall be applicable to the continental United States and to its territories and possessions.

"(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

"NATIONAL ECONOMIC COOPERATION

"SEC. 602. (a) In addition to the various specialized advisory committees already established or hereafter established by the Council of Economic Advisers under section 4 (e) (1) of Employment Act of 1946, the Council shall establish an Economic Cooperation Committee which shall consist of not more than 15 representatives of business, labor, agriculture, the professions, and consumers. Insofar as possible, the industry members of the Committee shall be representative of small, medium-size, and large business enterprises and of different geographical areas. The Committee shall advise and consult regularly with the Council with respect to its assistance to the President in ascertaining the economic objectives provided for in sections 101, 201, 301, and 401. The Committee shall endeavor (1) to bring to the Federal Government the most representative thinking of various segments of the private economy regarding sound national economic policies and the development of an economic environment within which private efforts toward the achievement of the objectives of the Employment Act of 1946 can be maximized, and (2) to interpret and disseminate generally, and in particular to private enterprise, such information and advice regarding the economy and national economic policies as may lead to improved understanding and cooperation in achieving the objectives of the Employment Act of 1946.

"(b) The Council of Economic Advisers shall allot funds to cover the cost of such staff services as the Committee may need, any reports that the Committee or any group thereof may decide to publish, and per diem allowances of $40 per member for each day spent in meetings of the Committee. Expenditures for these requirements and for the Council's studies under sections 101, 201, 301, and 401 shall not exceed $500,000, and these expenditures shall not be included within the maximum limitation contained in section 4 of the Employment Act of 1946."

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SUMMARY OF ECONOMIC EXPANSION ACT OF 1949 (S. 281—JULY 15, 1949)

This bill includes the following titles:

I. Economic Expansion Through Private Investment, Production, and Employment.

II. Economic Expansion Through Increased Purchasing Power.

III. Economic Expansion Through Sound Budgetary Policies.

IV. Economic Expansion Through Resources Development and Public Works.

V. Concentration Upon Areas of Serious Unemployment.

VI. Administration.

*Declaration of policy*

The national economic policy of promoting maximum production, employment, and purchasing power, as declared in the Employment Act of 1946, requires in the next few years a steady expansion of the national economy that will raise the total output of goods and services to $300,000,000,000.

The achievement of this objective through cooperation between all segments of the private economy and Government is essential to provide confidence in the future among the people of the United States, to fortify our democratic way of life, to provide for the orderly reduction of the national debt, to strengthen the national security, to effectuate the foreign policy of the United States, and to contribute to the establishment and maintenance of lasting peace among nations.

TITLE I. ECONOMIC EXPANSION THROUGH PRIVATE INVESTMENT, PRODUCTION, AND EMPLOYMENT

*Objectives for private investment, production, and employment*

Section 101: This section directs the President to ascertain short-range and long-range objectives for private investment, production, and employment needed to implement the national policy established by the Employment Act of 1946. It directs him also to ascertain policies to encourage the attainment of these objectives and to reduce any factors militating against their attainment.

To assist the President in making these determinations, the Council of Economic Advisers is directed to make specific studies,

utilizing the facilities of other Federal agencies. Results of these studies are to be transmitted by the President to the Congress.

This section assumes that the private investment, production, and employment needed for sustained economic expansion will be provided by American business if it has reliable guides for expansion and if there is an economic environment conducive to such expansion. It also assumes that such guides can only be provided by the Federal Government in cooperation with all segments of the private economy, and that the establishment of such guides will help to create and maintain such an environment.

*Amortization incentive for private enterprise*

Section 102: This section provides a stimulus to private investment in the form of a shortened period of amortization similar to that used during the war. A taxpayer who so desires may deduct amortization of his investment in facilities which add to, or improve the efficiency of, productive capacity over any period that the taxpayer elects of not less than 5 years and not more than the normal depreciation period under the Internal Revenue Code. This privilege is extended to investments made prior to the enactment of this act to the extent that they have not been depreciated for tax purposes. A certificate of approval is required. The President is authorized to suspend this amortization incentive altogether or as to major industries, or thereafter to make it available again, as may be required to help achieve the private investment, production, and employment objectives established under section 101.

This section is intended to be of primary benefit to small and new businesses, both in terms of helping them to repay short-term loans which is frequently the only form of financing available to small business and affording them operating capital when needed, including those small businesses with high cost capital structures which would be among the first to be squeezed out if economic conditions were to continue to decline. This tax incentive is an expedient, pending the complete examination of our tax system provided for in section 304.

*Financial assistance for private enterprise*

Section 103: This section extends the FHA principle of Government insurance of private financing to loans to private businesses (including cooperatives) engaged in production in order to help assure the private investment, production, and employment needed for sustained economic expansion. It authorizes the President, through the RFC, to insure up to 90 percent loans made by private banks and financing institutions, and by public or private regional developmental organizations, to sound and properly managed businesses for the maintenance or expansion of production or productive facilities. For this purpose the limitation on the amount of RFC outstanding commitment, loans, and advances is increased by $3,000,000,000. The loans eligible for insurance are low-interest, long-term loans, and include loans having the indicia of equity capital and loans for the refinancing of outstanding obligations for capital investment in productive capacity not in excess of $500,000. Priority is to be given to loans to new, small, and competitive enterprises, especially in underdeveloped areas of the country and those producing raw materials essential to national security and sustained economic expansion. As in the case of accelerated amortization, the President is authorized to suspend financial assistance in whole or in part and to again make such assistance available as changing economic conditions require.

This section, too, is intended to be of primary benefit to small and new businesses and seeks to assure them of the financing which is generally not available.

*Measures to combat monopolistic restrictions on economic expansion*

Section 104 (a): This subsection authorizes the Secretary of Commerce to contract with business enterprises (including cooperatives) and with private and Government agencies for scientific and applied research, particularly of the type needed by new, small and competitive enterprises. Expenditures are not to exceed $400,000,000 per annum, and the results of such work are to be made promptly and generally available to private enterprise.

The purpose of this subsection is to help provide new and small businesses with the kind of technologic research which they need in order to grow and expand but which, unlike big businesses, they can usually not afford.

Section 104 (b): This subsection authorizes the President to provide for surveys of regional needs and market and distribution potentialities for private enterprise. For this purpose, the President is authorized to use the Tennessee Valley Authority or any other such Federal agencies as may be established, and where such agencies do not exist, such administrative mechanism as he may designate or create. Expenditures are not to exceed $100,000,000 per annum.

Again, the intent is to enable all business enterprises to have essential information available now only to the largest enterprises.

Section 104 (c): This subsection directs the President to provide for a complete survey of Government-built war plants which are not substantially in operation, and authorizes him, by or under contract with private enterprise, to put such plants into operating condition and to lease or sell such plants for reasonable consideration to private enterprise, particularly to new, small, and competitive enterprise.

This subsection does not authorize the Government to construct new plant facilities, on the assumption that with the amortization incentive and financial assistance provided for in sections 102 and 103, private enterprise will provide the plant facilities needed for economic expansion. At the same time, it recognizes that existing Government plants can and should be utilized.

Section 104 (d): This subsection directs the Federal Trade Commission to make a continuing study of restrictions on opportunities for needed expansion, resulting from monopolistic practices or restrictive agreements, by undue concentration of economic control, or by governmental regulatory activity. Periodic reports are required. Expenditure not to exceed $1,500,000 per annum.

While this subsection does not add to the existing authority of the FTC, it provides for the use of such authority in furtherance of the objectives of this bill and for funds for this purpose.

*Expansion of foreign investment*

Section 105 (a): In this subsection it is recognized to be the policy of the United States to help provide the financial assistance needed for the long-range and integrated economic development of the underdeveloped areas of the world, so as to help such areas to achieve and maintain freedom and democracy, to establish a rising standard of living and to enlarge their markets and world markets, and, to this end, to assist in creating a climate conducive to private capital investment in such areas, to help assure the supplies of critical materials needed in increasing amounts by private industry in the United States, to help European countries to become independent of emergency foreign assistance, to help restore a network of world trade at high and expanding levels for the benefit of all nations of the world, including the United States, and to cooperate with public and private international organizations in vigorous and courageous action for the rapid economic expansion and development of underdeveloped areas.

The purpose of this section is to provide financial implementation for the President's point IV program. It recognizes that primary reliance must be placed on private investment to provide the impetus for the long-range development of the economically underdeveloped areas except for the development of essential public facilities and services and that these facilities and services, in many instances, will have to be furnished before private investment will be ventured in any significant way in the underdeveloped areas.

Section 105 (b): International Bank. This subsection authorizes the Secretary of the Treasury to guarantee or purchase securities of the International Bank for Reconstruction and Development, up to $4,500,000,000, for the financing of essential undevelopmental projects in underdeveloped areas, which require long maturities and low interest rates and assistance with local currency costs that are not now obtainable from the International Bank. Such projects are to conform with long-range development plans.

Like all International Bank loans, these loans would be essentially government to government loans.

Section 105 (c): Export-Import Bank. This subsection authorizes an increase of total obligations of the Export-Import Bank by $2,500,000,000 for sound and productive projects which conform with, or are essential to, long-range development plans for the underdeveloped areas.

This subsection increases the amount of the Export-Import Bank's authority to make public and private loans.

Section 105 (d): Procurement of critical materials. This subsection authorizes the President to assure a market for critical materials acquired under contracts, particularly long-term contracts, by private enterprise in the United States from the underdeveloped areas, and to enter into direct contracts, with price adjustment and antidumping provisions, for critical materials from underdeveloped areas when necessary to supplement other available supplies. Protective provisions with respect to resale prices are set forth. Existing authority under the Strategic Materials Stock Piling Act is protected. Expenditures are not to exceed $500,000,000.

This subsection is intended to help promote the production in the underdeveloped areas of critical materials needed by private industry in the United States and, at the same time, to help provide such areas with dollars with which to repay developmental loans.

TITLE II. ECONOMIC EXPANSION THROUGH INCREASED PURCHASING POWER

*Part A. Voluntary adjustment of prices, wages, and profits*

Price, Wage, and Profit Objectives

Section 201: This subsection directs the President to evaluate the short-range and long-range effects of general practices and policies relating to prices, wages, and profits and, for the purpose of assisting the President and providing guides for the voluntary adjustment of prices, wages, and profits, directs the Council of Economic Advisers to undertake specified studies including studies of family income and expenditure relationships to determine consumer demands under conditions of maximum-purchasing power; the general relationships between prices, wages, and profits, and industrial and agricultural prices and incomes, which would be most conducive to an expanding economy; and foreign trade program and policies in relationship to the over-all national-economy policy. Section 202 provided for periodic

conferences to develop policies and methods to encourage such voluntary adjustments.

The purpose of these sections is to help promote, through voluntary action, the balance between incomes necessary to maintain a rising volume of consumer expenditures and the funds required for business expansion.

*Part B. Payments to the unemployed*

Payments to Unemployed Veterans

Section 203 (a): This subsection provides for an extension to July 25, 1950, of the unemployment-benefit provisions of the GI bill of rights.

Section 203 (b): This subsection provides for increasing the weekly benefit from the flat $20 per week set in 1944 to $25.

Section 203 (c): This subsection provides that the Federal Government will pay only the extra cost above whatever rights an individual has under a State unemployment insurance law. For instance, if a single veteran is entitled to $15 a week for 10 weeks under a State law the Federal Government will pay the $10 extra for 10 weeks to bring his payments up to the $25. After the veteran has exhausted his State benefits the Federal Government will pay the entire cost up to the 52-week maximum in the GI bill of rights.

Section 203 (d): This subsection provides for increasing the $100 a month maximum payment to self-employed veterans to the comparable monthly amounts of the increased weekly unemployment benefits.

Section 203 (e) This subsection provides that the increased amounts of weekly and monthly benefits will begin on August 1, 1949.

Payments to Unemployed Nonveterans

Section 204 (a): This subsection provides that State provisions requiring that the compensation applicant must actively seek work is not to be applied indiscriminately in all situations but only where it is necessary to insure an unemployed individual's "exposure" to suitable jobs and his availability for suitable work.

Section 204 (b): Under this subsection, a State cannot disqualify a person for benefits when the work available is less favorable in terms of wages, hours, or other conditions, than for similar work in the community, or before it is ascertained that the job offered utilizes the worker's skill as well as other available job opportunities in the community.

Section 204 (c): This subsection adds four new requirements to the six requirements which States must meet under the Federal law. These new requirements are as follows:

One new requirement specifies that the minimum percentage of wage loss which the weekly benefits based on the claimant's weekly earnings must provide shall be not less than 50 percent of wages up to a maximum not less than $30.

A second new requirement provides for payment of compensation for 26 weeks of total unemployment within a benefit year.

A third new requirement sets the maximum eligibility conditions in State laws. Since States provide eligibility conditions based on the weekly benefit amount, or high quarter earnings, or weeks of employment, the new provision establishes three alternative bases as permissible maximum requirements in the year prior to unemployment—30 times the weekly benefit amount, 1½ times the high quarter earnings, or 20 times the weeks of employment.

A fourth new requirement provides for maximum disqualification provisions, as follows—1 week, as a waiting period in all cases; 4 weeks, where applicant left suitable work without good cause or was discharged for misconduct, or where applicant refused suitable work without good cause; and disqualification for period of work stoppage in a strike.

Section 204 (d): This subsection clarifies section 1607 of the Internal Revenue Code by adding definitions covering the base period, and weekly wages.

Sections 204 (e), (f), and (g): These subsections relate to converting the present Federal unemployment account from a loan fund into a reinsurance fund making outright grants under certain specified conditions to the States whose unemployment funds run low.

Section 204 (f): This subsection establishes on a permanent basis the Federal Unemployment Account which would otherwise expire on December 31, 1949.

Section 204 (g): This subsection provides that a State unemployment fund is deemed to be low if the fund has a balance of less than the benefits paid out during the two previous quarters. The State is then entitled to a reinsurance grant from the account if the benefits exceed 2.7 percent of pay rolls. The amount paid to a State is three-fourths of the cost above 2.7 percent excluding any benefits paid in excess of 52 weeks. The division of benefit cost in a State where fund ran low would be as follows (measured as a percentage of pay rolls):

| Cost of unemployment benefits in a quarter | Federal reinsurance grant | State share of cost |
|---|---|---|
| | *Percent* | *Percent* |
| 2.7 percent | | 2.7 |
| 3 percent | 0.225 | 2.775 |
| 3.5 percent | .6 | 2.9 |
| 4 percent | .975 | 3.025 |
| 4.5 percent | 1.35 | 3.15 |
| 5 percent | 1.725 | 3.275 |
| 6 percent | 2.475 | 3.525 |

Extended Duration of Payments to Unemployed Nonveterans

Section 205: This section provides for extending the duration of benefits beyond 26 weeks up to 52 weeks in any State which wishes to make an agreement with the Secretary of Labor. This section is optional with each State. The Federal Government will pay the cost of such extended benefits. This optional provision only comes into operation when unemployment in a State is in excess of 10 percent of the workers covered and more than 10 percent of such unemployed individuals have exhausted 26 weeks of benefits.

The purpose of sections 203, 204, and 205 is to equalize unemployment compensation for nonveterans and veterans with respect to the duration of payments when States with serious unemployment obtain the supplement to extend the period of payments from 26 to 52 weeks. These adjustments will help to assure the sustained purchasing power needed for economic expansion, and will also help to alleviate the suffering resulting from unemployment.

TITLE III. ECONOMIC EXPANSION THROUGH SOUND BUDGETARY PROCEDURES

*A balanced budget and debt retirement in an expanding economy*

Section 301 (a): The objective of Federal fiscal policy, as set forth in this section, is to contribute to the stability and expansion of the national economy under a free competitive economy with due regard for the welfare and security of all the people, and to give priority to those Federal tax and expenditures policies which directly or indirectly stimulate private investment, production, and purchasing power. Fiscal policy thus conceived would help to maintain conditions of maximum employment, production, and purchasing power, which provide the basis for a generally balanced budget and the orderly reduction of the national debt.

Section 301 (b): This subsection directs the President to set forth in broad outline in his reports to the Congress a 6-year estimate of desirable levels of Federal expenditures and receipts related to projected national product (rising to $300,000,000,000 during the first 6-year period) for the systematic reduction of the national debt under conditions of maximum employment, production, and purchasing power.

*Limitations on financial operations*

Section 302: This section directs the President to provide for the reduction or expansion of authorized Federal expenditures in light of changing economic conditions, and requires the President to establish annual maximum limitations upon the financial operations of this act.

*Distinction between investment and operating expenditures*

Section 303: This section provides for the adoption of accounting procedures for the separation of investment from operating accounts in Federal budgetary practice in order to facilitate sound analysis of the Nation's economic activities and condition. The section requires the President, in his reports to the Congress, under the Budget and Accounting Act of 1921, to distinguish between capital, developmental, and recoverable expenses on one hand and current operating expenses on the other hand.

*Special bipartisan tax commission*

Section 304: This section creates a special bipartisan commission of 18 members to examine the Federal, State, and local tax systems. The purpose of the examination is to determine whether existing tax structures and policies are a deterrent to sustained economic expansion and to make recommendations for such changes as may be desirable to provide incentives for private investment and consumer purchasing power, and to provide for the financing of necessary public investment and social services on the part of Federal, State, and local governments.

In general, the purpose of this title is to provide for more careful measurement of Government expenditures and tax policy than in the past in terms of their effect upon the whole economy, with particular attention to the needs of an expanding economy.

TITLE IV. ECONOMIC EXPANSION THROUGH RESOURCES DEVELOPMENT AND PUBLIC WORKS

*National resources development and public-works objectives*

Section 401: The objective of national-resources development and public works is to harmonize such necessary public activities with the private enterprise activities of the economy in such a fashion to obtain vigorous growth and stability of the whole. Such projects can be used to take up any slack which may develop in private employment and production, but a more far-reaching purpose will be served if they are planned on a long-range basis as an integral part of national economic expansion.

Section 401 (b): This subsection directs the President to report periodically on needed levels of resource development and public works, and on the plans and financing available for such purposes.

*Coordination*

Section 402: The President is directed to coordinate resources development and public-works planning of the various Federal agencies and to initiate a national inventory of State, local, and Federal plans and operations, classified so as to facilitate the acceleration or deceleration of public works according to economic conditions.

*Advance planning of resources development and public-works projects*

Section 403 (a): This subsection provides for maintaining at all times a reserve of plans for projects valued at $30,000,000,000, both urban and rural.

Section 403 (c) (b): This subsection establishes in the General Services Agency a revolving fund of $500,000,000, from which the Bureau of Community Facilities may make loans, without interest, to the States and their agencies for advance planning, including site acquisition, for specific projects in harmony with over-all plans approved by State, local, or regional authorities. Loans for advance planning do not commit the Congress to appropriate funds for undertaking projects. Grants may be made for developing over-all State, local, and regional plans.

Section 403 (c): Advance planning of resource development and public-works projects by Federal agencies, on a coordinated basis, is provided for by a Federal advance planning fund of $100,000,000. Subject to the control of the President, allocations may be made to Federal agencies responsible for such activities.

*Credit assistance for city and State projects*

Section 404: The President, acting through the Reconstruction Finance Corporation, is authorized to purchase or guarantee securities issued by the States and their agencies or subdivisions for resources development and public-works projects. Securities are to have maturities up to 60 years and to bear low interest rates approximating the interest rates on obligations of the Federal Government. Maximum authorization of the Reconstruction Finance Corporation is increased to $1,000,000,000 for this purpose.

*Regional resources surveys*

Section 405: This section authorizes up to $40,000,000 per annum for surveys of regional needs for resources-development projects by the President acting through regional agencies. Facilities of State, local, and regional planning and development agencies, and of universities and colleges, shall be utilized to the fullest practicable extent. Results of surveys shall be made promptly available to appropriate Federal, State, and local agencies.

TITLE V. CONCENTRATION UPON AREAS OF SERIOUS UNEMPLOYMENT

*Designation of serious unemployment areas*

Section 501: In order to maintain employment opportunities for those able, willing, and seeking work, this title provides measures for dealing directly with unemployment in specific areas or industries where the problem requires immediate attention even though unemployment nationally may not be particularly serious. The factual investigations provided for in this section are intended as guides in the application of appropriate measures and the effective administration of the measures provided in this title and other parts of this bill.

Upon the advice of the Secretary of Labor, the President may certify, for special assistance under sections 503 and 504, those areas or industries where unemployment has reached or threatens to reach serious proportions. For any area or industry so certified the Secretary of Labor may assign a special investigating staff to examine the special causes of unemployment and to recommend measures to help correct the economic maladjustments underlying such unemployment and these recommendations are to be given consideration in the administration of this title. Expenditures of $3,000,000 per annum are authorized.

*Government contracts and credit for private enterprises*

Section 502: This section provides that the President may: (1) Direct Federal agencies, including the National Military Establishment, to place additional contracts in any such area or industry, to whatever extent feasible, within existing authorizations and appropriations; and (2) direct the Reconstruction Finance Corporation to give special consideration to financial assistance for business enterprises in the designated areas or industries.

*Emergency reserve fund for urban and rural areas*

Section 503 (a): This subsection provides for the establishment of an Unemployment Emergency Reserve Fund of $2,200,000,000, as part of the emergency funds of the President, to be used where funds otherwise available are inadequate for the purpose of alleviating or preventing serious unemployment in areas designated under section 501.

Section 503 (b): This subsection provides that a maximum of $1,700,000,000 of the Unemployment Emergency Reserve Fund may be used for certified areas or industries: (1) For increasing funds available to Federal agencies for undertaking authorized Federal resource development, public works, and public-service projects; (2) for increasing Federal grants to States and their subdivisions for programs under existing legislation; (3) for a conservation works program to deal with unemployment and underemployment in agricultural areas; and (4) for allocations to the General Services Administration for grant-in-aid programs approved by the competent State, local, or regional authority as authorized by this bill.

Section 504 (c): This subsection provides for use of a maximum of $500,000,000 of the unemployment emergency reserve fund for increasing the funds available to Federal agencies for procurement under statutory authorization, for the products of industries or areas designated under section 501 as affected by serious unemployment.

*Labor retraining and mobility*

Section 505 (a): This subsection is designed to reduce unemployment where it results from the fact that workers trained in one occupation or field of work may lack training or skills for existing job opportunities because of technological changes or relocation of industry. Under this section, the President may direct appropriate agencies to provide vocational education or training equivalent to 6 months on a full-time basis with maintenance allowances for persons receiving such education or training on a full-time basis. Expenditures of $100,000,000 per annum are authorized.

Section 505 (b): This subsection is designed to reduce unemployment where it results from the inability of unemployed workers to move to areas where job opportunities are available. Under this section, the Secretary of Labor may provide financial assistance where required upon certification of a job placement by a public employment office. Financial assistance is to be granted only upon certification that there is a labor shortage in the area to which the worker is to move and also that comparable job opportunities are not available to the applicant in the area of his home residence. The assistance is to be in the form of non-interest-bearing loans, except where grants are provided to facilitate movement from areas classified as chronically depressed areas, and is not to exceed $1,000 per family. Expenditures are limited to $50,000,000 per annum.

This section is broadly and generally applicable and is not limited to areas or industries certified under section 501.

This title recognizes that problems of serious employment will arise notwithstanding general economic stability and growth. While the title is intended to have long-range usefulness, it would be of assistance in dealing with current problems of unemployment. It is not intended, however, as an emergency depression measure.

TITLE VI. ADMINISTRATION

*General administrative provisions*

Section 601 (a): This subsection vests administration of this act in the President.

Section 601 (b): This subsection authorizes the President to appoint an assistant to aid him in coordinating the operating activities of Federal agencies under this act, and provides for other services and expenditures as may be necessary for this purpose.

Section 601 (c): This subsection extends the power of the Federal Trade Commission to require reports from corporations for purpose of facilitating the studies provided for in sections 101 and 201.

Section 601 (d): This subsection extends the applicability of the bill to the territories and possessions as well as the continental United States.

Section 601 (e): This subsection authorizes to be appropriated such sums as may be necessary to carry out the provisions of the bill.

*National economic cooperation*

Section 602 (a): This subsection authorizes the Council of Economic Advisers to establish, in addition to its specialized advisory committees, a broadly representative Economic Cooperation Committee to consult with the Council of Economic Advisers with respect to its assistance to the President in the formulation of economic objectives under the bill.

Section 602 (d): This subsection authorizes the Council of Economic Advisers to allot funds for necessary expenses of the committee and provides for expenditures not to exceed $500,000, in addition to the maximum contained in the Employment Act of 1946, for these requirements and for the Council's studies under the bill.

## THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. JENNER. Mr. President, at the outset I wish to say that in view of the exhibition which I witnessed on the floor of the Senate yesterday while the distinguished junior Senator from South Dakota [Mr. MUNDT] was speaking, when his grand speech was interrupted by several Senators who made statements on other subjects during the course of his speech, I want to notify the Chair that until I have concluded my prepared remarks I do not care to yield. However, at the conclusion of my prepared statement I shall be glad to yield to any and all Senators, so long as my physical strength permits.

Mr. President, 32 years ago a great American stood on the floor of the United States Senate and uttered the following words:

We need not disturb ourselves because of what a minority may do.

There is always lodged, and always will be, thank the God above us, power in the people supreme.

Sometimes it sleeps, sometimes it seems the sleep of death; but, sir, the sovereign power of the people never dies.

It may be suppressed for a time, it may be misled, be fooled, silenced.

I think, Mr. President, that it is being denied expression now.

I think there will come a day when it will have expression.

The poor, sir, who are the ones called upon to rot in the trenches, have no organized power, have no press to voice their will upon this question of peace or war; but, O Mr. President, at some time they will be heard.

Mr. President, the people for whom this man spoke scoffed at him, reviled him, insulted him.

These same people, the poor, the blind, the foolish people who were lead in a dance of death, whose cause he championed, actually hung him in effigy.

Yet little more than a decade later Senator Robert La Follette, Sr., was voted into the Hall of Fame.

If there is any one lesson that American history teaches us, it is that the right does not always have the majority on its side.

Time and again because of the willfulness, the blindness, and the folly of mortal man, it is the truth that is scoffed at, persecuted, ignored, and denied.

Our own American history is filled with such incidents, where only a handful of men at times, and then with not a too great certitude, have clung to basic principles against overwhelming odds.

Mr. President, I preface my remarks concerning the North Atlantic Treaty in this manner because it is only one of a long series of similar proposals presented to and ratified by an increasing majority of the Members of this United States Senate during recent years.

In addition, facts seem also to warrant the continued claim by sponsors of these measures to the increasingly unanimous support of American public opinion.

I would be less than honest if I did not admit that as this trend has continued, I have felt my own inner conviction to be more and more out of harmony with the temper of the times.

I also find that the dwindling minority of my colleagues in the Senate, and of my fellow Americans back home, who are of the same mind, at times feel themselves to be the last remnants of a race of vanishing Americans.

Mr. President, I am one of the minority who is conscientiously opposed to the ratification of this North Atlantic Pact and to all its dangerous implications. Because, when all is said and done, and when all the garbled diplomatic gibberish has been uttered, this North Atlantic Treaty is nothing but another step down the road we have been traveling for the past 25 years away from our magnificent American traditions. Its ratification will merely commit us, for the next 20 years, to a continuation of the present policies in which we are now involved.

No one has more clearly stated this fact than the distinguished chairman of the Senate Foreign Relations Committee, who, on July 5, speaking in defense of this pact, stated:

> I said at the outset that we are taking a momentous decision in the development of the foreign relations of the United States.
>
> What is more, the North Atlantic Treaty is the logical outgrowth of the policies which we have evolved during the last few years.

In other words, this is the apex. This is the culmination of the policy which we have followed during the past few years.

Mr. President, this speech may not be heard; it may not be read; it may only be printed; but, by your help, by the gods, it will be made.

Mr. President, the distinguished chairman went on to enumerate the steps we have taken, in very general terms, without the slightest reference whatever to the real consequences of our actions.

Frankly, Mr. President, I was amazed to hear my distinguished colleague justify these actions and the policies we have been following during and since the war with the following words:

> We stand before the bar of history. We shall face its judgment without fear. We strive to strengthen liberty and security to the free nations of the world. We await the verdict of the years with supreme confidence.

Mr. DONNELL. Mr. President, does the Senator prefer not to yield?

Mr. JENNER. I prefer not to yield until I finish my prepared remarks, as I stated at the outset.

Mr. President, if one were to take these words at their face value, he would be forced to conclude that the distinguished senior Senator from Texas would have us believe that the steps this Government has been taking during the recent years, and the policies to which the American people have been committed, and which they have been underwriting with their treasure and their blood, have strengthened the cause of freedom and the safeguards of human dignity, both at home and abroad.

In other words, my distinguished colleague would have us believe that the policies to which we have been committed during recent years have hastened the return of sanity and simple justice to international relations.

He would also have us believe that these policies at the same time have strengthened those magnificent guaranties and safeguards of human dignity and freedom that have made and kept America, at least up to this hour, what Abraham Lincoln once described as the "last best hope of earth."

Mr. President, in all humility may I say, there is nothing I could more passionately desire than to be able to accept these happy assurances by my distinguished colleague at their face value.

But, it so happens, that I was one of those who served my country during that last greatest of all wars, side by side with my fellow citizens, and I have had those experiences, first hand, which make it impossible for me to blind myself to the ugly reality that has issued from this war.

Furthermore, in the short period of time that I have been privileged to represent the people of Indiana in the United States Senate, I have been forced to deal with the consequences of these same ugly realities, which I have seen face to face.

I do not want what I am going to say to be misunderstood or misinterpreted through any fault of mine, so I must speak plainly.

The truth is, Mr. President, that while we may grant the benefit of the doubt to those who have been formulating the basic decisions upon which our foreign policy of recent years has been based, and while they may have been acting from the best intentions, the effect of their actions only proves once again where the road of good intentions so often leads.

I do not want to be interpreted as questioning the motives of those who have been at the helm of the ship of state during the recent tragic years.

However, Mr. President, I cannot be blind to the fact that the forces that have been let loose throughout this period are the very same forces, which, so many other times in history, have gotten out of the control of the men who created them, and precipitated a catastrophe.

I would be less than honest with myself, with my colleagues, and with my own people, if I did not now take a stand against ratification of a treaty, pact, or agreement of any kind that would, in effect, give sanction to policies that are feeding and enriching the very forces which are bent on our own destruction both at home and abroad.

Therefore I want to approach the question of the ratification of this treaty from the point of view of those vanishing Americans who believe that the time has come for us to stand our ground and to evaluate this, together with every other proposal on the basis of its effect, not on other peoples abroad, but on our own.

Mr. President, this is why I believe it to be an insult to the integrity of Members of this body to be constantly hurling into their teeth the warning that our sincere and conscientious convictions and deliberations must never see the light of day, because of what some foreign power may think, or because of some ulterior purpose to which our remarks may be put by alien interests.

How long, Mr. President, can a nation last when the padlocked mouth becomes the symbol of a new patriotism? Such continued admonition to silence by the supporters of this treaty and by admintration spokesmen only serves to throw into bolder relief the real nature of the crucial decision which we are now called upon to make.

It is my conviction, old-fashioned as it may be, that we ought not to undertake deliberation on a single issue in the United States Senate from the point of view of what other nations may think, but only from the point of view of a primary concern for the good of this country, the preservation of which became our solemn duty when we took our oath of office.

This does not mean, Mr. President, that I am any less interested in removing the threat or in stopping the spread of communism or of totalitarianism in any form around the world. I am bitterly opposed to any and every despotism.

No one is more eager than I, nor more determined to do his part to support every constructive measure undertaken by this Government for the maximum defense of human dignity and freedom.

Yet, from what I have been able to learn from a study of American history, any step taken by this Government to defend the dignity and freedom of other peoples, must stem from a sense of unimpassioned justice and unswerving allegiance to principle. Times change, circumstances change; but principles endure forever.

Wherever our deliberations or our actions are influenced by a fondness or hatred for other people, it is as true today as it was true when George Washington said it, that—

> The nation which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a

slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest.

Indeed, George Washington went on to say, in his farewell address:

Against the insidious wiles of foreign influence (I conjure you to believe me, fellow citizens), the jealousy of a free people ought to be constantly awake; since history and experience prove, that foreign influence is one of the most baneful foes of Republican government. * * * Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

Mr. President, how true those words are today. Under this pact we are mortgaging for 20 years our foreign policy to the hatreds and the jealousies of European countries which are masters at making war. On the floor of the Senate, on July 12, the junior Senator from New York [Mr. DULLES] said that representatives of the United States and of our allies gathered together at the recent Paris conference and debated whether or not they should artificially stimulate the tension between the east and the west, in order to keep the American people worked up so that, based on the hatreds of Europe, the Truman end of the lend-lease program could be kept flowing into the politicians' pockets. But the junior Senator from New York truly said that at last they decided against that procedure.

Mr. President, is it not marvelous that the leaders of our country have at last decided to tell the American people the truth, for once, in regard to our foreign policy? That is what George Washington was talking about when he said the wiles of foreign influence are dangerous to the freedom of a republic.

This morning we pick up the newspaper and read the principal headline, in large, black type:

Grim-faced leaders hold secret atom conference.

The city and the Nation are full of rumors. Some say it was not an "atom conference" at all. Some say it was a conference about the steel strike. But the distinguished chairman of the Armed Services Committee of the Senate walked out from that "grim-faced" conference and announced to the press of the world—and the word was flashed forth in every newspaper headline this morning: "Boys, you wouldn't print it if you had it, for the good of the country."

Mr. President, it is about time that we take the conduct of our affairs back into our own hands. It is about time that the people of the United States are told the truth, the whole truth, and nothing but the truth.

Mr. President, I believe that the reasons why I am unalterably opposed to this North Atlantic Treaty are, at least, in keeping with the magnificent tradition which has been bequeathed to us by our earliest patriots.

I have used a simple test to arrive at the conclusion that has convinced me that the North Atlantic Pact ought not to be ratified. That simple test is based on the obvious truth that we cannot stop the spread of communism, we cannot raise the standards of living of other people, we cannot strengthen the safeguards of human dignity, and we cannot enlarge the area of human freedom anywhere else in the world, by ourselves becoming a centralized police state or by destroying our standard of living or by bankrupting ourselves or by repudiating the safeguards of human dignity and freedom which keep America today the last sanctuary of human dignity and decency on earth.

Mr. President, the North Atlantic Treaty, when analyzed from this point of view, is a liability, not an asset; a dangerous threat to, and not a guarantee of, our security.

The ratification of this pact, I believe, will only more deeply and more permanently involve us in the economic, social, political, and military affairs of all the other nations on the earth; and if the experiences of the past mean anything, this involvement of necessity will have to be paid by the sweat, toil, sacrifice, and suffering of the American people. So far as my own convictions are concerned, the facts warrant no other conclusion.

To begin with, Mr President, why is it that the proponents of this treaty are going through such verbal gymnastics to display its alleged advantages, when an explanation of them in simple, English language would be so much easier? Why is it that so much double-talk is being bandied about concerning the real nature of the commitments contained in this treaty, when the crying need of our time is for this Government, at least, to take its own people back into its confidence?

To me the answer is obvious, and it explains why those who advocate this treaty are divided, even among themselves, even as to the wisdom of clarifying beyond question of doubt the real nature of the military commitments contained in the weasel-worded clauses of this treaty.

From the Senate floor, in the debate, the Senator from Maryland [Mr. TYDINGS], chairman of the Armed Services Committee, said, "The pact of course means military implementation." The Senator from Oregon [Mr. MORSE] said, "I expect to vote for it with that understanding." Another Senator said, "I can vote for the treaty, but I do not have to vote for arms." Yes; a Senator can be inconsistent if he want to be, but let him not delude the American people. It is all right for Senators to "kid" themselves, but then not take themselves too seriously.

The reason is, Mr. President, that an honest admission of the commitment to furnish arms and manpower which lies at the heart of this military alliance, is such a radical departure from our whole tradition as a free people, that it is considered unwise, at this time, to take the American people into the confidence of Government, for fear of an immediate reversal of the alleged overwhelming public support that has been propagandized into being, in support of this treaty.

Yesterday on the floor of the Senate I was approached by a Senator who said to me, "Listen. Let us have an understanding. Let us make an agreement. Let us fix it so there will not be any arms implementation this year. Let us postpone it until next year." That shows the real intention—to postpone it until next year. Let us spoon-feed America. Let us not tell them about these grim-faced leaders holding serious conferences. Let them continue to live from crisis to crisis, from emergency to emergency. The only definite thing to reveal is that in connection with these crises and emergencies, they will either mean war or the spending of the material assets of the people of America. With that kind of policy, one is liable to run out of answers.

The truth of the matter is, Mr. President, this treaty will morally commit us to such a radical departure from our traditional conduct of foreign affairs that a ratification of its implementing clauses, article 3 and article 9, will only legalize for the next 20 years this traffic in arms, a perpetuation of the peacetime military lend-lease, which, as even the distinguished junior Senator from New York [Mr. DULLES] admitted on July 12, this Government has been carrying since the end of the war. Why is it done now? They do as they please, anyway. The distinguished senior Senator from Texas, yesterday paced up and down the floor of the Senate, saying, "Of course it is not a commitment. We are going to pass a law to do these things." Did any of the distinguished Senators vote for a law last year which gave France $1,000,000,000 in war tools? There was no law, was there? Of course not. There was not a bill. I did not vote on it. No Senator here voted on it. No Member of Congress voted to give France $1,000,000,000 last year in war tools. It is estimated that about $6,000,000 of it went to beat the Indonesian people into submission. Still we talk about human dignity prevailing all over the world. Nuts!

Mr. President, why is it that we can no longer afford to be honest with the American people?

How long since we have been commissioned as their elected representatives to beguile, to misinform, or to feed their minds on illusions, and how long, Mr. President, can we expect the American people to maintain a confidence in their Government or in their Government officials when, by continuing to indulge in such practices, we know we are only postponing a day of awakening and a day of reckoning?

How many of our fellow Americans do my distinguished colleagues believe understand the full implication of the admission by the junior Senator from New York that we have been furnishing nations around the world with armaments and war material, even without a North Atlantic Pact, or a treaty, or an agreement of any kind, and without a law passed by Congress?

How many Americans do my colleagues honestly believe realize that the ratification of this pact will merely legalize, for the next 20 years, the same practices which this Government has been

indulging in, in the form of peacetime rearmament and lend-lease programs, ever since the end of the war?

Mr. President, I say it is little wonder that the proponents of this treaty will not put down in simple language so that the American people can understand without the slightest question exactly what the North Atlantic Treaty proposes to do. It is little wonder that this whole question is not approached from the basis of its effect on our Government and way of life. It is perfectly obvious why, instead, public opinion in support of it, as, in the case of ECA and the Greek-Turkish loan, and all the other postwar administration proposals on an international scale, has been whipped up by an appeal to a frenzied fear of Russia.

Mr. President, I feel it my duty now to tell the American people it is my solemn conviction that, so far as this North Atlantic Treaty is concerned, the policies it will legalize for the next 20 years, the powers that must be granted in order to implement those policies, and the propaganda technique that has been used to influence a favorable public opinion in its support, are all the frightening consequences of that very concentration of arbitrary power in the hands of a few from which our founding fathers sought to spare us.

If I read our American history aright, the very powers which are proposed to be legalized and perpetuated by the ratification of the treaty are the essence of the same despotism that resulted in the American Revolution and the Declaration of Independence.

I believe that what is needed in this debate more than anything else, to clarify this issue, is a real modern definition of imperialism. Only yesterday, several leading editorials said the issue was not clarified. I think the thing that would clarify it more than any other one thing would be a real definition of modern imperialism.

America has never been an imperialistic power, although on occasion during its history its actions have been imperialistic in nature.

But if we are not to become the victims of the very thing our founding fathers revolted against, and of the very forces which we profess to be opposing, we must recognize that in this modern age imperialism is that form of government which, to maintain itself in power, exploits its own people, in order to enable it to exploit others.

That is why, Mr. President, I am so seriously concerned to point out to my people that the ratification of the North Atlantic Treaty will legalize for the next 20 years the exercise of that same power of exploitation and coercion by our own Government which will enable it to exploit us, in order to enable other governments to exploit their own people as well as others.

Mr. President, our earliest patriots drafted the Declaration of Independence and the Constitution of the United States to provide for a system of government based not only on a grant of power to its representatives, but also on a system of checks and balances to circumscribe the use of that power, and to prevent the re-emergence in our midst of centralized arbitrary authority.

It was Thomas Jefferson himself who warned that the American people would lose their freedom, if ever the day came when they transferred their primary allegiance from the legal basis of the safeguards of their freedom to the whims and fancies of personalities.

Mr. President, I wonder how many Members of the United States Senate are following whims and personalities in this momentous decision.

Underlying this chapter in human history was the determination to prevent the concentration and abuse of power in the hands of any American Government or a ruling clique that could be used to defy the Constitution, to set the law aside, or to render impotent those traditional principles of government, for the sake of political expediency or power politics, either on the domestic or international scene.

I say, again, times change, circumstances change, but principles endure forever.

For those who drafted the Constitution and who charted the course upon which our ship of state set sail had just freed themselves from the exploitation and tyranny by a government which maintained itself in power at their expense.

They knew that the abandonment of these principles, which they had enacted into law for the protection and welfare of our people, meant inevitably a return to political expediency, under which system America would again be launched back into the ruthless realm of power politics, where human beings became nothing but pawns in the ensuing struggle for power, thus losing any control whatever over their own destiny.

In the second place, Mr. President—and if we ever needed the wisdom and counsel of our earliest American patriots, we need it now—those patriots knew that such an abandonment of principle and of the legal safeguards that had been erected for their preservation meant that the economic, the financial, and the social resources of this Nation would be downgraded into political items, to be used to finance the unproductive projects which are always necessary for the attainments for purely political ends.

Third, Mr. President, they knew that since, in a constitutional representative republic, men hold power by popular consent, this power could only be maintained by those who abandoned these principles and their traditional safeguards; they knew this power could be maintained, I say, only through the use of misinterpretation, propaganda, and deliberate falsehood.

They also knew where this vicious circle led. It led to an impasse wherein the deeper these political "pied pipers" became involved in policies and commitments, both at home and abroad, which threatened the future welfare and liberties of the American people, the more these "pied pipers" would be forced to the use of outrageous propaganda and downright misinterpretation of fact as a permanent technique for keeping themselves in power.

But, Mr. President, uncertain as these earliest patriots may have been of the architecture of the documents to which they set their hands, there is one stark fact concerning which they had not the slightest doubt or misgiving.

That fact was that of all the powers which by their very nature were the natural enemies of the safeguards of freedom they had erected, the power of the military—militarism at home, and military alliances abroad—was their deadliest foe.

So it is, Mr. President, that George Washington counseled, in his Farewell Address, that his people "avoid the necessity of those overgrown military establishments which under any form of government are inauspicious to liberty and which are to be regarded as particularly hostile to republican liberty."

Mr. President, it is at this point that the North Atlantic military pact takes on its fullest significance, for, as the senior Senator from Texas has told us:

> The North Atlantic Treaty is the logical outgrowth of the policies—
>
> Note this, and never forget it—
>
> of the policies we have evolved during the past few years.

I want to examine those policies which have evolved and which have brought us to this great North Atlantic Treaty about which we hear vague phrases. It is said that we are at the point of no return, that we cannot pull the rug out from under the other signatory countries, and that it is the greatest deterrent to war since David's sling. Let us see what policies we have evolved in order to reach this place.

Mr. President, it is now admitted that this is the policy toward which we have been aiming all along.

This is not what we were told when all the other policies, to which the distinguished chairman of the Foreign Relations Committee refers, were presented to the Senate for ratification. We were told at every step that all the world needed—please note this; it has been only a little more than a year ago—was American financial and economic aid to put it back on its feet and to enable these countries once more to earn their way back out of their shattered economies to a decent standard of living, to social security, and political stability.

In that spirit, Mr. President, many of my distinguished colleagues went along with the administration.

The extent of these requests is simply staggering, and I want to read a list of appropriations that have been made to back up these requests to give us a better perspective of exactly where the North Atlantic Treaty fits in.

I shall now quote from a report of the Committee on Foreign Relations, Senate Document 2202, February 26, 1948, entitled "The European Recovery Program."

When the conferences were held at Quebec, Tehran, Yalta, and Potsdam, did we hear their voices raised against those intrigues?

That report reveals that since the end of the Second World War the following American grants, gifts, loans, and credits have been extended by us to Europe:

Credits and loans. Interest-bearing credits and loans include (1) loan to the United Kingdom of $3,750,000,000 authorized by Congress in 1946.

That was to do the job in England; that was to permit her to get back into a pacetime economy. It was to last for several years. England spent all that money in a little over a year and spent a large percentage of it on cold cream, lipstick, cigarettes, and chewing tobacco.

No. 2 was the Export-Import Bank reconstruction loan to France of $550,000,000 in September 1945.

Remember the dates—1945 and 1946.

The second loan to France was $650,000,000, in June 1946.

First. The loan to the United Kingdom of $3,750,000,000 authorized by Congress in July 1946.

Second. Two Export-Import Bank reconstruction loans to France, one of $550,000,000 in September 1945, the second of $650,000,000 in June 1946.

Third. Sale of United States surplus property abroad and surplus merchant vessels on long-term credit to France at a credit of $300,000,000, and to Italy at a credit of $160,000,000, for purchase of surplus property in Europe, and $42,000,000 to each for the purchase of merchant vessels.

Fourth. Lend-lease settlements and pipe-line credits. In the period from July 1, 1945, to June 30, 1947, the United States Government authorized repayable loans and credits to the Paris Conference countries of $7,353,000,000 in all.

GRANTS AND RELIEF

Grants and relief include:

First. UNRRA, toward which the United States contributed $2,700,000,000.

We let the Minister of the Interior in France, a Communist, distribute those funds. In Czechoslovakia they took our UNRRA engines, put a picture of Uncle Joe Stalin on them, and ran them up and down the country. We blew away $2,700,000,000 in that venture.

Second. United States foreign-relief program, including an authorization of $332,000,000 in July 1947 and a donation of $15,000,000 to the International Children's Emergency Fund.

Third. Interim aid to Austria, France, and Italy, in the amount of $522,000,000, enacted in December 1947.

Fourth. Greek-Turkish aid, to the amount of $400,000,000.

But the war still goes on. It is said the number of guerrillas has been reduced from 25,000 to 22,000. That is a pretty expensive price the American taxpayers have to pay for each guerrilla.

Fifth. Relief of occupied areas.

Sixth. Lend-lease aid not repayable.

In the period from July 1, 1945, to June 30, 1947, the United States Government authorized assistance under the programs listed above of some $1,943,000,000, allocable to certain of the Paris Conference countries.

A further $767,000,000 allocable to German relief, and $481,000,000 not allocable to specific countries in Europe but intended almost entirely for the Paris Conference countries, were authorized, making a total of $3,191,000,000, to which interim aid should be added, making the total as of December 31, 1947, $3,788,000,000.

Thus loans, credits, grants, and relief to the Paris Conference countries and Germany authorized in the period July 1, 1945, to December 31, 1947, totaled a little over $11,000,000,000.

To this must be added, Mr. President, the additional billions which have been furnished under the first year's operation of the Marshall plan.

Mr. President, we can all remember how the Marshall plan was peddled to the American people.

It was an absolute necessity, we were told, to get European recovery going.

In spite of all the other billions of dollars we had poured out, it was cheaper than war, we were told, and nobody can argue with that. We were given our choice, we were told, of the Marshall plan, or universal military training and the conscription of our youth. By every conceivable means the administration sold the Marshall plan to the American people as a nonmilitary guaranty of genuine economic, social, and political recovery in Europe, which would enable these nations to provide the foundations for their own defense.

Yet, even before the first year's operation of the Marshall plan had been completed, in spite of all the glowing assurances of the tremendous strides toward recovery that had taken place, we were let in on the secret that this North Atlantic Pact, and an arms-implementation bill, would also be necessary, even to defend the progress that had been achieved.

On Monday, March 28, 1949, I called attention to this fact, little realizing how my charges would be vindicated. I said at that time:

I am not one of those who adhere to a bipartisan foreign policy.

It is the damnation of this country. Why? Because the bipartisan foreign policy admittedly applies only to one little spot on the earth, namely, to western Europe. There is no bipartisan foreign policy in South America. There is no bipartisan foreign policy in China. There is no bipartisan foreign policy anywhere else on the earth except in one little spot.

Why do I say it is the damnation of this country? We are a two-party system of government, and when any foreign policy is taking more than 50 percent of all Americans can produce in the way of taxes and diverting it into the channels of foreign governments, we cannot separate that kind of a foreign policy from our domestic economy. Our domestic problems are all too interwoven. Today we are spending about $12,000,000,000 for all the costs of the domestic government, and the balance of the $44,000,000,000 budget is going for defense, wars past and wars future, and relief for the world.

Mr. President, we are a two-party system of government. Let us draw the line. Let us give the American people the choice. Let us quit confusing them.

I stake my political future on that creed, and I would rather stake it on that creed than offer the lives of our boys and our girls in the embroilment of another war brought about by the hatreds and the jealousies of the nations of the world who are expert in making wars.

I continue the quotation of what I said on March 28, 1949:

I oppose the continued squandering of the material and financial resources of our country in a foreign-spending scheme labeled for recovery purposes.

I called attention to this very fact at that very time, Mr. President, by saying:

The thesis of the Marshall plan—which made it a far more logical and sensible program than the Truman doctrine—was that by our available economic might, we were helping our friends to recover from the havoc of war, and thus resume their places in the world economic system.

We also proposed to make them strong enough so that they could better defend themselves.

The theory was that busy European people would become happy European people, and that thus they could defeat the steady dosages of Communist poison which they are being fed.

Moreover, by 1952—we were told—west Europe would be sufficiently recovered to walk again without a crutch.

We would reestablish a third force in west Europe.

The North Atlantic alliance admits that no such third force has been established.

It formally abandons the effort.

Now a crutch is not enough. We must give every one of the invalids an armored car to ride in.

Mr. President, my protest was based on the fact that the billions we were spending for recovery was too severe a drain on our American economy even though it might actually be helping Europe to get back on her feet.

I was then convinced, as I am now, that the additional burden of revival of lendlease for rearmament of these countries, would be disastrous.

Now it turns out that in spite of my protest, I was too optimistic, because from every corner of the globe there now comes word that the billions we have poured out in our program of economic aid to our so-called allies are not achieving their objective of economic, social, and political stability, but that instead, they are aggravating the very condition which they were designed to correct.

Is it any wonder then, Mr. President, that, confronted with the prospect of the continued outpouring of our billions in a futile effort to restore the shattered economies of the nations of this side of the iron curtain, we are now called to shoulder the added burden of a lend-lease rearmament program for the next 20 years?

What has recently developed in America? We have now come to the point that every time our people get a little stomach ache they run to Washington for relief. That statement now applies to the whole world. Whenever a country gets an ache or a pain its representatives run to Washington for relief. Before I conclude I shall prove to the Senate that the whole world is now looking to Washington for aid and relief. How long can 6 percent of the world's population provide for its own standard of living and look after and care for and

feed and arm the other 94 percent of the people of the world?

Mr. President, I know of no quicker way to impoverish and bankrupt our people than for us now to commit them to any such 20-year program, just to bail out the administration's bankrupt mistakes of the past.

For, if the billions we have poured out have succeeded only in intensifying the rivalries and sharpening the conflicts that make economic recovery impossible, even a continued economic recovery program is a suicidal venture.

But for us to add to these economic drains the staggering burden of a 20-year rearmament program, as provided by this North Atlantic Treaty, would be madness. For the truth is that the basis upon which economic recovery and economic cooperation among those very nations that are signatories of this pact were premised, are being repudiated in practice left and right. It is a folly for us to ignore this fact longer.

Mr. President, at this very moment England is in the process of repudiating the promises she has made under the Bretton Woods agreement, the International Monetary Fund, the World Bank, the British loan and the Marshall plan itself.

By these actions Britain is repudiating the principles upon which the success of the economic recovery of the western world is absolutely dependent.

Britain is caught now in a national struggle for survival and so far as economics is concerned, she is destroying the whole basis upon which this Government is carrying on the economic aspects of the cold war. We fight the cold war. England feeds the cold war.

I am reliably informed that during the past week Britain has served notice on us that she must have—note this; the past will not be enough, Mr. President, so England served notice on us last week that she must have billions of dollars more in grants-in-aid, and that we must take over the blocked currency in the sterling area, making it convertible in terms of American dollars.

Then, too, we are asked to open our American markets to British products as well as to the production of the sterling area or else.

And that "or else," Mr. President, is that Britain will team with Russia and place primary reliance for her continued economic recovery on expanding state-controlled trade barter system.

The truth is, Mr. President, that England has been playing both ends against the middle since the end of the war, along with the other Marshall plan nations, whose reopening of trade with the Soviet Union and Soviet satellites, has resulted in over 88 trade pacts under the terms of which more than $3,000,000,000 worth of goods a year are now pouring into Russia. And we are fighting the cold war. Silly. Silly.

And now, Mr. President, we learn of secret deals made between Britain and the Communists in northern Korea by way of Hong Kong, which have opened up a tremendous black market trade between the British and Russian-dominated territory at the expense of the American taxpayer.

The British have even a different value on the pound for Russia than they have for America. Are we not silly? And now in face of all this, just a few days ago we were asked to foot an additional bill of $150,000,000 to underwrite the continuing deficits of southern Korea, which is the victim of British exploitation and discrimination. General Chennault said the other day at a luncheon downstairs:

> Why send this $150,000,000 over there? The more money that is sent there the more attractive southern Korea becomes to the Communists. Southern Korea is surrounded by Communists, and if you covered that country with gold, the more attractive it would become to them. The more we put into southern Korea the more valuable and attractive she becomes to Russia.

Old Joe has been playing this game of put-and-take with us for a long time. We put and he takes.

And now we are being asked to foot an additional bill of $150,000,000 to underwrite the continuing deficits of southern Korea, which is the victim of British exploitation and discrimination.

So when we learn of the most recent trade pact that has been entered into, between Britain and Russia, which provides for the exchange of Russian agricultural products for British—get this—machinery and equipment, we can see how this practice is only expanding into a permanent policy.

Meanwhile, right under our noses in the Argentine, Britain cuts off American businessmen from southern American markets by entering into a 5-year trade pact on the same barter basis.

Mr. President, that is not enough. Britain has cut off imports from the dollar area completely until September while at the same time she is feverishly seeking to expand her state-controlled barter system on both sides of the iron curtain.

What is happening in France? The French are caught in the same predicament and are at their wits ends to devise a means to preserve their French franc bloc intact.

What of Italy, Mr. President? A recent dispatch from Ludwell Denny insists that we cannot bring about Italian recovery economically, or in any other way, in the next 20 years. Yet poor old Italy is in the North Atlantic Pact. We signed a treaty with her to make her pay Russia millions of dollars. We also said, "You cannot have a navy or an army." She is going to be our big ally in the next war. Are we not silly?

What about Spain? Military men say that Spain is most strategic. She is not in the pact. I presume it is because her people are not democratic, liberty-loving people like the people of Portugal. Are we not silly? On May 27, 1949, the Christian Science Monitor revealed that—

> A 4-year program of aid for Spain aggregating $500,000,000 has been outlined by the Madrid Government and is to be proposed to the United States in impending credit negotiations. As the Spanish planners hopefully see it the program would involve two hundred to three hundred million as the United States portion in the total program.

What about Germany, into which we have been pouring over a billion dollars a year?

A recent independent survey by a joint British and American commission stated that Germany would have to have available $26,000,000,000 for new investments if it is ever going to get back on its feet in our lifetime.

Meanwhile, we continue the senseless destruction at the expense of the American taxpayer of the peacetime industrial potential on which 50,000,000 people are dependent and without which European recovery is impossible. At this very moment steel mills in Germany are being torn down. The distinguished Senator from New Hampshire [Mr. BRIDGES] knows that, does he not?

Let us put the whole picture together. That is what I have tried to do. Only a few days ago we were informed through the press that the British are withdrawing completely from contributing anything to the cost of occupation relief, or administration, even of their own zone, placing the entire burden on the backs of the American people.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. JENNER. I would rather complete my prepared address. Then I shall be happy to yield to any and all Senators, as long as I can stand here.

We are at the crossroads. Our action now will determine the future of this great Nation.

What about the Near East, where, at least in regard to the Greek-Turkish loan, this administration honestly stated that its assistance was primarily for military purposes. The truth is that for our labors and our money in Greece we now confront the burden of supplying the needs of 800,000 refugees, or nearly one-eighth of the population. It is not a pretty picture, is it?

Economic recovery is still in the stages of a pious hope, and the ravages of civil and guerrilla warfare are digging an ever-deepening grave for any hope of economic security or political democracy in that unhappy nation in the foreseeable future.

What about Turkey, Mr. President? To be sure, we have furnished them over a billion dollars worth in actual value of war matériel. Yet, the Turkish economy is still paralyzed by the destruction of the European industrial potential and market.

What about Iran? According to a United States news report from Tehran of December 24, 1948, the tragic story of how this nation has become a battleground for oil concessions between Russia and the Western Powers revealed the poverty, disease, and illiteracy that prevails on every hand. No matter how small the town, the streets are filled with beggars, most of them sick and hungry.

What about Israel? Recent dispatches reveal how, in order to guarantee any economic security whatever, Israel claims she needs and is now seeking a loan of $800,000,000.

What about the Mohammedan world which is seething with resentment against the Western Powers? How are those nations faring, and how much economic recovery and how much extension of representative government can we look for among those unhappy people,

no matter how many millions we pour out?

What about Africa, Mr. President? How much freedom, economic security, and representative government are we financing, directly or indirectly, for its millions?

Lest we forget, Africa is the earth's largest continent, with 11,710,000 square miles as against Asia's 10,350,000, exclusive of Russia, and Europe, with less than 2,000,000. We are biting off a pretty big chew.

Have we forgotten that European influence already predominates in Africa and is determined to continue to predominate? We talk about democratic, liberty-loving people. Are we not silly?

We cannot talk about a North Atlantic pact unless we look at the world. The French rule over 4,200,000 square miles; the British, 1,700,000; the Belgians, 1,000,000; and the Portuguese, that liberty-loving people, over 800,000.

The Spanish dominate a corner of Morocco, and the Italians are looking forward to returning to parts of north and east Africa.

What about the Far East, into which we are asked to prepare to pour billions of dollars more?

Let us take China, for instance. What hope is there that our billions will be used for economic recovery and for the revival and extension of democratic government in China? All of us know about the situation in China. What a foreign policy we have evolved from the things the senior Senator from Texas [Mr. CONNALLY] has talked about, which have led us up to this pact? What was the great thing we did in China? Mr. President, we sent General Marshall—for whom the Marshall plan was named—to China, to do what? To stop communism? To help freedom-loving people al over the world? Oh, no. We sent him over there to force Chiang Kai-shek to take Communists into his government; and when Chiang refused, we "pulled the rug," as the proponents of this treaty say in this debate. They say, "Do not pull the rug out from under our allies in western Europe"; but we surely "pulled the rug" out from under Chiang, and kept it pulled out for 20 months, so the Communists could march in there.

Mr. President, we have not guessed right in our foreign policy. During the war years, we thought the right answer in France would be Petain and Laval, but it turned out to be de Gaulle. In Yugoslavia we thought the right answer would be Mikhailovich, but it turned out to be Tito.

Now this particular program is evolved, and it is the apex. Mr. President, you can have it; I do not want it.

What about Japan, which we have kept as a virtual prisoner since the end of the war, cut off from the rest of the world at tremendous costs to the American taxpayer? Please understand this, Mr. President: We should stop looking at one little spot, and should think about our own country and its future. Now we are told that we must finance a 10-year program for the economic rehabilitation of Japan, and that we must also now rearm her as our only potential ally against spread of communism in the Far East.

What about French Indo-China, Indonesia, the Malayan States, and India, Mr. President? In that area over half the world's population are suffering hunger, privation, and misery as the continued victims of imperial exploitation on the part of nations which, directly and indirectly, are using the resources and finances of the American people to make it impossible for the Asiatics ever to earn their way up out of the privation and misery that continue to be their lot.

What about the Philippines, Mr. President? In an article of June 17, 1949, by Ray Cromley, the Wall Street Journal revealed that—

> The American "little Marshall plan" for the Philippines is failing. Officials here confess: We don't know what to do about it.
>
> If all the millions we've poured into the Philippines haven't put the Pacific country on its feet, I'm a little skeptical of whether the billions we're sending across the Atlantic will help much either, one candid official remarked.
>
> In the 3 years since we gave the Philippines their independence, State Department officials say, the United States has put close to $1,500,000,000 into this small island country.
>
> Another $500,000,000 is scheduled for the next 3 to 4 years.
>
> And recovery is not around the corner, one of these advisers concedes.

What about Latin America, Mr. President, the economic recovery of which our good-neighbor policy was designed to hasten, and which our Monroe Doctrine was designed to defend? In the January 1949 issue of Foreign Affairs, there is an article entitled "Roots of Revolution in Latin America," and here is the picture which the author of that article draws of the success with which our efforts have been met:

> It is difficult to name other areas of the world in which so few have so much and so many have so little. Approximately 90 percent of the national wealth of Colombia is controlled by 3 percent of the population.
>
> In the Argentine, 15 families own one-tenth of the entire land area of Buenos Aires Province, and the same families have land holdings throughout the nation amounting to 7,000,000 acres.
>
> In Chile, three-tenths of 1 percent of the total number of landed proprietors own more than 52 percent of all the farm land of the nation.
>
> In Venezuela, fewer than 3 percent of the landed proprietors own more than 70 percent of the land.
>
> In Mexico, a similar concentration of land ownership, under which in 1910 only 1 percent of the Mexican people owned 70 percent of the country's arable land, was one of the most powerful factors in provoking the epochal revolution that broke out in that year.
>
> The overwhelming majority of agricultural laborers in the 20 countries of Latin America, all of them agricultural, lived under oppressive conditions of peonage, share cropping, and in some cases even unconditional slavery.

Yet, Mr. President, while the exact total of the amount of aid we have poured into these nations to the south has not finally been determined, we know it runs to more than six or seven billion dollars in recent years.

Now, Mr. President, in the face of this overwhelming testimony of the futility of the present course we are following, on May 9, 1949, the United Nations Economic Commission for Europe issued a report in which it finally admitted that—

> The present attack on the problem (of recovery) through the European recovery program which stresses European action to solve the dollar problem can produce only a greater curtailment of dollar imports and a permanent discrimination against dollar goods in the European markets and those under European controls.

Then on July 11, 1949, Monday of this week, one of the most ardent supporters of the Marshall plan, Mr. Walter Lippmann, finally admitted, in speaking of the deepening European economic crisis which the Marshall plan was designed to avert, that—

> It has been evident from the beginning to those who knew the facts that the figures were doctored for reasons of political expediency.
>
> Two years ago, even before the Marshall plan was submitted to the Congress, it was a mathematical certainty that the crisis which has now arrived must come at the very latest when Marshall aid stops in 1952.

Hushed meetings, secret meetings, secret diplomacy, trick figures, beguilement, falsification, misrepresentation, downright lying to the American public will never solve these great problems.

Confronted as we are with these facts how can any United States Senator possibly commit the American people to a 20-year military alliance and rearmament program when such a commitment would by its very nature commit us, at least for a similar period, to a continued bailing out of the bankrupt economies which this military alliance is designed to defend?

It would be dangerous enough for us to undertake the defense of economic, social, and political systems which were sound and solvent because, even then, the disposition of these nations would be to squeeze out of us all they could get to ease the inflationary impact of rearmaments on their own economies.

We are told, "We do not have to send anything. This is not a military commitment." Yet England, already this year, has reduced her main line of defense, her navy, which has been her strength for 350 years. She is reducing it this very year. Her navy is becoming smaller and smaller, for she is relying on the United States to keep building its Navy bigger and bigger. It is said, "No, you need not send anything."

Do Senators know that our national debt is greater than the total national indebtedness of the 11 other nations who are signatories to the North Atlantic Pact? Does anybody ever think about our country any more? It is known that these pacts do not bring peace; they bring war. The record shows there have been 272 military alliances, I believe, since the birth of Christ, and there have been 175 wars.

Again I say for us to commit the American people to a rearmament program for the signatory nations to this pact as well as for the additional nations that will be invited to join would be a criminal disservice.

Again, Mr. President, I can call to mind the wisdom of our earliest American patriots, whose fear and hatred of militarism at home and of military alliances

abroad was also based not only on a love of freedom, but on a keen knowledge of the economic effect of such policy. That economic effect has been described again and again in the pages of history and covers the inescapable truth that the earnings and savings of productive enterprise cannot be squandered on unproductive armaments without impoverishing and finally bankrupting any people who try it.

Yet this is exactly what the advocates of this treaty are now asking the American people voluntarily to undertake.

Mr. President, what is the point in longer covering up the military implications of this treaty? The distinguished Senator from Iowa [Mr. GILLETTE] expressed the situation aptly when he said, "We are at a point from which there is no returning." Such it is, at least, in the Senator's mind. The Senator from Oregon [Mr. MORSE] thinks the pact means military assistance. I am sure I have heard him speak to that effect on the Senate floor. So why should we longer cover up the military implications of the treaty? Why garble the information given to the people? Why do we not tell the American people in plain, simple English language the truth about the military implications of the treaty?

We have been bombarded with perfectly plain statements by Administration spokesmen and by our highest military ranking officers, to the effect that the North Atlantic Treaty is a bald-faced military alliance designed to carry out a strategy upon which they are in complete agreement.

I do not believe the facts I am about to mention have been stated heretofore in the debate. On April 6, 1949, Secretary of the Army, Kenneth C. Royall, urged the American people to share—get this—both its armed might and its military forces with western Europe in order to help forestall a war. He went so far as to admit that the Atlantic Pact nations are counting on American arms for their own troops and also counting on the support of an American army overseas.

So let us not only tell the American people they will have to send arms under the pact. Let us send the word to the mothers and fathers of this Nation that they are likely to have to follow the arms with their sons—all the pretty language of "Do not enter"; "Keep off the grass" notwithstanding.

On the same day, Gen. Lucius D. Clay told the United States Occupation Forces in Germany that—

> Two days ago the Atlantic Pact was signed in which we have pledged ourselves to secure the peace and to prevent aggression by force, if necessary.

On the same day, General Bradley, now Chief of Staff, revealed this basic military strategy. Let us make the American people aware of what our Chief of Staff thinks. He said:

> We cannot count on friends in western Europe if our strategy in event of war dictates that we first shall abandon them to the enemy with a promise of later liberation, yet that is the only strategy that can prevail if the military balance of power in Europe is to be carried on the wings of our bombers and deposited in reserves on this side of the ocean.

What are we doing? According to the Chief of Staff, we are committing this Nation for 20 long years to a ground war in Europe. Why? Because the Chief of Staff says we cannot abandon our friends to the enemy, with the hope of later going to their aid and helping them get back their countries. Why? He is practical. We would have to bomb our friends in Paris and Copenhagen and London, did we not follow the strategy of the Chief of Staff. So what does it mean? It seems that we are virtually committing this Nation to a ground war in Europe which inevitably we are bound to lose.

Why do I say that, Mr. President? We just passed through a great war. We thought we made a tremendous war effort, but, we had only 69 divisions on both fronts in that war. Hitler put 220 divisions against Stalin to defeat Russia. He lost 2,000,000 German boys killed and 3,000,000 crippled and wounded, and he did not take Russia. Oh, yes; he was on the offensive; I will admit that. We are going to fight a defensive war, it is said. When we arm all the signatory nations and give them guns, planes, tanks, and so forth, is Russia going to walk around with a BB gun in her hand? There will be an armaments race which will eventually bankrupt this country. In the last year of the war we had 60 divisions; France had approximately 9, and Belgium had approximately 5. Russia could put 500 divisions in the field at any time. If we send military aid to the European countries, all we are doing is to prepare a table for Russia. Hitler took all the low countries in 39 days. England lost all her armies at Dunkerque. What do we want to do—prepare a table?

Mr. President, the philosophy which I just quoted from General Bradley, Chief of Staff, has been admitted also by the Secretary of State, who is in charge of foreign affairs, when, on April 27, 1949, he told the Senate Foreign Relations Committee—and let us make it clear to the American people what we are doing:

> The United States can and should provide military assistance to the other pact countries.

Could it be any plainer? The Secretary of State, Dean Acheson, said, on April 27, 1949, that the United States can and should provide military assistance to the other pact countries.

As recently as May 27, 1949, General Bradley reemphasized the basic strategy behind the North Atlantic Treaty when he said:

> We propose to embark on a military aid program and not only—

Note this, Mr. President—

> not only for the nations who joined in the Atlantic Pact, but for Greece and for Turkey and for other friendly nations too.

In the Foreign Affairs Outline No. 22, the white paper which has already been placed in the RECORD, published recently by the Department of State, I think, as late as last May, the American people have been given clearly to understand that it is not the treaty that is considered important, but its advocates admit it is the military implementation of the treaty upon which they are counting to secure the peace.

I read from that outline:

> The requests of the eight North Atlantic Pact countries are not a product of the Atlantic Pact.
>
> The military assistance program was conceived and developed separately and somewhat in advance of the formulation of the pact.
>
> The military assistance program would be necessary even without an Atlantic Pact.
>
> It is clear, however, that the military assistance program will be more effective with the Atlantic Pact than without it, for the Atlantic Pact provides the defensive potenial of all the members taken together as contrasted with the smaller potential of the individual member nations.
>
> It further provides the procedures for attaining coordinated military defense plans and the mechanisms for developing the self-help and mutual aid principles.

Mr. President, they are planning all the time. General Montgomery, of England, has been placed in charge of the defense for the Benelux countries. He has already admitted that for a proper defense in western Europe 80 divisions of men are needed. A division of American soldiers costs $400,000,000. Multiply 80 by $400,000,000 and it will be seen what the plan for the defense of western Europe already amounts to. We have three divisions in this country, two army divisions, and one marine division; we have a couple of divisions in Germany, and maybe a division or two in Japan. We are worried about defending Europe. What are we going to do about our own defense? Are we going to throw this Nation into a military economy that will place a blot on it for a hundred years to come, and we still may have a war?

Mr. President, I want it clearly understood that I would vote for this treaty if I were not convinced that it is inseparable from arms implementation, which makes it an unnecessary, dangerous instrument, which is far more likely to incite war than to secure the peace. Show me an armaments race in all history that has not resulted in war. I am more convinced now of this danger than I was when, on April 19, on the American Town Meeting of the Air, I said that this pact, with its military commitments—

> will make us no new friends and it could unduly alarm our potential enemies. We could accomplish the same purpose merely by extending the Monroe Doctrine to the countries that have indicated a desire to join with us in fighting for freedom if and when the need arises.

That would be simple; that would be unilateral; that would be traditionally American. But who in this administration would ever think of anything simple and traditionally American?

There cannot be the slightest question of the main purpose of the strategy behind this military alliance, or of the objective against which it is directed.

We hear talk about it being a defensive pact. So far as that is concerned, it is a 20 years pact. Twenty years ago Mussolini was in his swaddling clothes. Twenty years ago there was not even a fuehrer named Hitler. Who is to say that one of these very pact nations may

not down the road become totalitarian and an aggressor? Who is to say that 5 years from today France will not have an election and legalize communism and vote for Communist leaders? Then where would the arms and the implementation be?

General Bradley says we are not going to send them junk, that we are going to send them good, modern equipment. We are going to prepare the table for some nation that 5 or 10 years from now may legally vote communistic. The distinguished Senator from Michigan says that if that happens this will no longer be a pact. But the pact does not say that. Let us say what we mean and mean what we say.

In the February 18, 1949, issue of the United States News, Mr. George F. Keenan, director of the policy-planning staff of the Department of State, left no question in the minds of his readers whom this military alliance was directed against, when he said:

> The Kremlin has no compunction about retreating in the face of superior force. * * * In these circumstances it is clear that the main element of any United States policy toward the Soviet Union must be that of a long-term, patient, but firm and vigilant containment of Russian expansive tendencies.

In the light of these admitted facts, is not a man compelled to the conclusion that this North Atlantic Treaty is not a guaranty of peace, but is an inevitable incitement to war?

Mr. President, the thesis that is advanced by the supporters of this pact, to my mind, is identical with the provisions of the original Lend-Lease Act—the American enabling act of 1941—for that act was designed to surrender to the President blanket power with which to pour out our vast resources and armaments potential and also provided that in carrying out that grant of power the President could exercise any power or authority conferred upon him by this act through such department, agency, or officer, as he shall direct.

And what is more, Mr. President, complete blanket power of discrimination and selection was also conferred on the President, who could use these resources for the benefit of the government of any country whose defense the President deems vital to the defense of the United States.

My conviction that this North Atlantic Treaty as it stands, together with its military commitments and the discretionary power that is placed in the hands of the President, constitutes not a guaranty of peace but a dangerous threat of war, is further strengthened by the fact that those who are advocating the ratification of this treaty, as a peace measure, are the same people who not so long ago advocated the lend-lease bill as a peace measure.

We have heard these same claims too recently to ignore how tragically they misrepresented the facts.

In speaking in support of lend-lease, the distinguished senior Senator from Illinois [Mr. LUCAS], the majority leader, gave us the following assurances:

> No, Mr. President, I repeat that H. R. 1776 (lend-lease bill) is a peace measure and not one of war.
>
> I submit it as a step in the direction of peace, and if I thought for one moment that it was a step toward war, I would be standing here opposing it with all the power and force that I command.

We hear echoes in this debate of the same sentiment—"This is for peace."

How did the present chairman of the Committee on Foreign Relations regard the original lend-lease bill, the man who day after day has stood here saying, "Don't dot an 'i' and don't cross a 't.' We want it as it is. It is for peace, and we are standing at the bar of history." Here was his statement on lend-lease:

> This bill, I submit, is not intended to get the Nation into war, but it is intended to keep it out of war * * *.

Six of one and half a dozen of the other.

And how did the outstanding Republican supporter of our bipartisan foreign policy so regard the original lend-lease bill? The RECORD shows that the distinguished senior Senator from Michigan took the following position:

> My greatest fundamental objection to it is that it invites and authorizes the President of the United States to enter the continental arena of power politics, which has been the curse of the Old World and the cradle of its incessant wars for 1,000 years, invites and authorizes him to become power politician No. 1 of this whole mad world * * *. I am opposed to any of these policies, Mr. President, which would needlessly threaten to drag us into war, when we are still officially saying that we intend to stop short of war and when this very legislation is being labeled peace.
>
> I freely concede that our whole status today is precarious, but that is no reason why we should make it more so.

O my distinguished colleagues, if you forget all else I say, take the words of the distinguished Senator from Michigan and bring them down to the present conditions of world history, and observe his statement:

> I freely concede that our whole status today is precarious.

We all concede that. Then he continued:

> But that is no reason why we should make it more so.

Is it any wonder, Mr. President, that the native common sense of our American people can so easily see through this flimsy disguise that attaches to the North Atlantic Treaty?

At this point I want to read into the RECORD a simple letter from one of my constituents which gives me added strength to stand by my convictions, knowing that this American citizen speaks from her heart and mind, and is not peddling propaganda to anyone. Let me quote this Hoosier lady's letter. It impressed me greatly. She says:

> No argument against the cost of the Atlantic Pact is really worth an iota as long as one admits it is prevention against war, for we must be willing to pay whatever is necessary to prevent war.

Mr. President, that is true. We will pay any price for peace—any price.

> Peace costs money. The basic question is, Will the Atlantic Pact prevent war?

That is putting it into a nutshell, Mr. President. Will the Atlantic Pact prevent war? She continues:

> The answer is "No," and one of the reasons the answer is "No" is that the expenses of its nonproductive military measures will so drain our national economy that we will be the certain victims of a depression in our country.
>
> Another depression will surely lead to another war or to a Communist revolution within our own country.
>
> Those are the implications we must face when we choose the path of nonproductive, negative militarization.

Mr. President, this letter represents the instinctive reaction and native common sense of an American citizen that could not possibly be based on knowledge of all the evidence that is available to support such a plea. Again I want to say that, even from such evidence as I have been able to gather after long hours of search, I can come to no other conclusion than that this constituent of mine is right.

The North Atlantic Treaty cannot possibly lead us to peace, for added to all the obvious facts I have presented in oppposition to it, there is the further fact that the treaty will be used to defend the consequences of secret commitments and betrayals of American principles that have set in motion those forces of human degradation, suffering and slavery, which constitute the inevitable breeding ground of war.

It is my conviction, Mr. President, that the American people still have not the slightest notion of what has happened in both Europe and Asia during and since the end of war as a consequence of these secret agreements and, since that is true, there is no way they would have of knowing the end uses to which the continued outpouring of American billions is being put.

The American people cannot know what a dangerous instrument for war the North Atlantic Treaty will become, if it is ratified, until they clearly see how it fits into this pattern of secret agreements and secret diplomacy which is inflicting such privation and misery on so many of the people of the earth.

Mr. President, what will the American people say when the day comes that they awaken to these tragic truths only to find themselves committed for another 20 years to financing of policies of British imperialism, French imperialism, Portuguese imperialism, Belgian imperialism—policies of exploitation and oppression against which the very fiber of their being rebels?

If they knew the truth, how many Americans would voluntarily commit themselves to the continued outpouring of their billions in economic and military aid to perpetuate a continuation of the very same policies which their economic and military aid has been financing up to this moment?

The truth is that as a result of the secret agreements entered into by two American Presidents, one, President Roosevelt, who held to the theory of foreign relations that "Papa knows best," and the other, President Truman. During and since the end of the war, the American people have been hoaxed into legalizing and supporting aggression and

human degradation on both sides of the iron curtain.

How has this happened? At the secret conference of Tehran President Roosevelt turned over to Russia—listen—100,000,000 people in eastern Europe and paralyzed the European economy that for centuries had been depending upon the interchange of the industrial products of the west with the agricultural products of the east.

At Yalta, in March 1945, President Roosevelt—"Papa knows best"—again confirmed this outrageous betrayal of 100,000,000 people, and added to it the disgraceful betrayal of China.

At this conference, President Roosevelt turned over to Russia what amounted to Inner and Outer Mongolia, the five northern provinces of China, Manchuria, which is the breadbasket of the Orient, half of Korea, and restored to Russia the rights over the trans-Siberian railway for which she had already been paid twice, once by the Chinese, and once by the Japanese.

Such a betrayal, Mr. President, paralyzed the economy of the Orient. When these two conferences are put together, they add up to a betrayal into Stalin's hands of a maximum of the raw materials, a maximum of the geographical advantages, a maximum of the food-producing area, and a minimum of the population of the Eurasian continent, and it left us permanently burdened with the bankrupt deficit economies of western Europe and eastern Asia to support, with a minimum of the raw materials, with a minimum of the food-producing area, and a maximum of over three quarters of the world's population that is caught between Russia and ourselves.

What is more, at Potsdam this Government agreed to further outrageous policies, which have never been submitted to the Senate for ratification, which guaranteed the perpetual deficit of those areas that have been left dependent upon us.

Only as recently as April 28, 1949, Dean Acheson, Secretary of State, reaffirmed—get this—the Potsdam declaration, when he said:

> This joint program I wish to emphasize is in no sense a repudiation of our international commitments on Germany, embodied in the Potsdam protocol and other agreements.
>
> It represents a sincere effort to deal with existing realities in the spirit of the original allied covenants pertaining to Germany.

The distinguished junior Senator from New York [Mr. DULLES] said that during the recent conference in Paris a discussion was had as to whether the American people should be told the truth. Thank God, they decided for once to tell them the truth. But was not that a strange debate, as to whether or not artificially to stimulate tension between the east and the west, in order to work the American people into a feeling of crisis, so the old lend-lease Burma Road could be continued in operation.

Mr. President, what else could be expected from such secret betrayals of our traditional principles and of our most vital interest than that our attempt to make good the resulting deficiences would bankrupt this Nation.

Yet this is what we have been attempting to do since the end of the war.

In the first place, Mr. President, we have legalized Russian aggression in eastern Europe and western Asia by leaving on the statute books the criminal betrayals reported by Tehran, Yalta, and Potsdam. What has the Foreign Relations Committee to say about it? Nothing.

Then, having given these secret agreements such a status, we actually financed the Communists in their brutal liquidation of all opposition and consolidation of their stranglehold on the nations which had been betrayed into their hands.

In the first place, we gave them over $11,000,000,000 worth of lend-lease, billions of which they used to set up puppet regimes to transport human slaves to Siberia and to consolidate their power, not one dime of which was ever spent in the war against Japan. Three hundred and fifty thousand Japanese have disappeared into Siberia. General Wedemeyer's armies, which we equipped with the American taxpayers' money, have disappeared in northern Manchuria. Literally millions of German laborers and prisoners of war are unheard of; and we financed it.

In addition, Mr. President, we poured out hundreds of millions of dollars through UNRRA, to be used for political purposes by Communist agents.

On top of this, we gave them $14,000,000,000 worth of reparations since the end of the war, to go with the additional millions they acquired indirectly through our loans to Soviet satellites.

At this very moment, as I have stated before in this speech, we are continuing indirectly to subsidize the very forces on the other side of the iron curtain which we are asked to ratify this North Atlantic Treaty to hold back, through the more than 88 separate trade pacts which have been entered into with the Soviets and their satellites by the Marshall plan countries who are receiving ECA billions from the American taxpayer.

In addition, Mr. President, we are continuing to play the role of Stalin's left hand in Europe by financing, at our expense, the destruction of the industrial potential which is absolutely necessary for the recovery not only of the German economy, but for that of western civilization itself.

France is afraid of a revived Germany from a military standpoint. England is afraid of a revived Germany from a business standpoint. There are 50,000,000 people in the zone. We continue to tear down German steel factories and to furnish $1,000,000,000 a year to keep German people on relief, knowing full well that if there is any hope for European recovery, it lies in the recovery of the economy of Germany. How we have fooled ourselves and the American people so far.

No matter how we twist the English language to cover up the fact, we are also continuing to finance the consolidation and extension of Socialist governments and of planned economy that continue to feed in the ECA trough, gorging themselves at the expense of the American taxpayer while continuing the exploitation of their own people.

Now we are discovering that economic planning cannot stop at the water's edge, but it must be extended into all relationship with the possessions of the nations which engage in it. So we are also playing the role of Stalin's left hand in the Middle and Near East, in North Africa, and in the Far East.

Four of the five signatories to the Brussels Pact are imperial powers which for centuries have maintained their position and their security at the expense of the blood and sweat of hundreds of millions of human puppets and slaves in their imperial possessions. We are going to help liberty-loving democratic governments. Are we not silly?

So, while I speak, Mr. President, we are continuing to pour billions into the vicious perpetuation of this imperialist system by our so-called major peace-loving allies.

The Dutch in Indonesia, the French in Indochina, the British in Burma, the East Indies, and the Malayan Peninsula, together with the Belgians, are perpetuating those forces of cruelty and oppression which only fan the fires of another world conflagration. They are all being fed by the continued outpouring of our billions from the pockets of our American taxpayers.

In the face of these facts, Mr. President, and fully conscious of the gravity of the decision that lies before us, I want again to point out the futility of our present course. Even from a military point of view I think the strategy on which the North Atlantic military alliance is based, is suicidal.

There is one lesson which we ought by now to have learned from the cold war and that is that Moscow will keep the peace only as long as we ourselves are strong enough to stay her covetousness. Bankrupt and destroy this economy, and there goes the last best hope of peace on earth.

All other arguments to the contrary notwithstanding, in the next war—which, please God, may never come—in which no place will be immune, it is America that will be the major target of the initial onslaught. For the past several years this has been the warning of our highest ranking military men and we know we cannot buy immunity. The next time every American industrial center and every seat of both control and authority will be the targets for the first night.

What could Moscow more desire than that we now, confronted with the dangerous drain on our own economy which the ECA continues to impose, should be maneuvered into a gigantic rearmament race that would squander our military resources in outposts on the Russian frontiers all around the world, leaving ourselves the hollow shell of defensive power? Yet, Mr. President, this is exactly what the prospect is if the North Atlantic Treaty is ratified.

It is simply staggering to realize that at this very moment, when we are asked to commit ourselves to such a rearmament program, there is not in existence

a single national defense proposal containing a statement of even the minimum requirements in manpower and matériel necessary to the defense of our security in the Western Hemisphere.

We are all worked up about the defense of Europe. Barney Baruch says that more than a year ago a plan was submitted for the defense of our country. It is a matter of recent publication in the daily newspapers. President Truman says that no such plan is in existence. Baruch says it is. But what has been done? No name has been submitted for the strategic position of gathering together our defenses since the President was turned down on the nomination of Mr. Mon Wallgren. God helps those who help themselves. We had better be looking to our own defenses.

I am convinced with Mr. Winston Churchill, that—

> The deterrent of the atomic bomb in the hands of the United States holds the Soviet Union in check.

Our possession of the atomic bomb, the importance of which Mr. Churchill realizes, and our great industrial potential, which will continue to be of the utmost importance and strength to us if we do not persecute and beat it to death and throw it into an economic tail spin, will hold the Soviet Union in check, says Winston Churchill, knowing the value of the industrial strength of America, plus the atomic bomb.

But the atomic bomb, Mr. President, is not a weapon for our defense, for its use would destroy our own people.

What we need is to preserve the financial solvency, the industrial capacity, the economic freedom and incentive, and the social and personal liberties that are the last sources of our internal strength.

If these sources of strength are to be preserved in the future, it is time that, instead of surrendering control over the end uses to which our resources are being put, we take that control back into our own hands.

Mr. President, I say again what I have said before: Ratification of the North Atlantic Pact means that we are mortgaging our foreign policy to the interests of Europe. We had better keep management of our affairs in our own hands. "God helps those who help themselves."

What do I mean, Mr. President? I need cite only one example, which was furnished by the junior Senator from New York [Mr. DULLES], who said on July 12, 1949, on the floor of this very Senate:

> At Paris last month there was some discussion as to whether to accept at all the Soviet proffered truce and to resume, even on a tentative basis, Four-Power consultations.
>
> The reason was that some feared any relaxation of East-West tension would bring a corresponding relaxation on the part of the American people, and therefore they needed to be kept artificially alarmed.

Mr. President, I beg of you, and of all Members of the Senate, to note that statement. Of course, they decided against the course of action there suggested. Nevertheless, under article 9 of the proposed pact, the control of the affairs of the United States will be transferred into the hands of a superstate in Europe, and our interests will be mortgaged to theirs. That is exactly what I mean when I say that we should keep control of our own affairs.

This is why I believe, as I have said before, that we could accomplish the same purpose of contributing to the security of the western world merely by extending the Monroe Doctrine to the countries that have indicated a desire to join with us in the fight for freedom.

But, Mr. President, we can abandon, only at our peril, the traditional principles and legal safeguards of human dignity and freedom that have brought this great Nation to the present hour.

Let us never forget that circumstances change, times change, but these principles endure forever.

Mr. President, the Constitution of the United States vests in the hands of Congress the power to raise, maintain, and equip our armies, and to provide for the national defense of our country.

Through this debate the proponents of this treaty have insisted that its ratification does not commit us to arms implementation. The distinguished chairman of the Foreign Relations Committee [Mr. CONNALLY], the junior Senator from New York [Mr. DULLES], and the ranking minority member of the Foreign Relations Committee [Mr. VANDENBERG] have consistently maintained there is no commitment of any kind, under the provisions of this treaty, to furnish arms. They insist the North Atlantic Pact and arms implementation bill have no relaion to each other.

Yet, Mr. President, the moment that a reservation to the resolution ratifying this treaty was introduced on the Senate floor on July 13, by the Senator from Nebraska [Mr. WHERRY], the chairman of the Foreign Relations Committee shouted—

> We cannot attach a single reservation to this treaty.

Yet, this reservation states in simple language the assurances they have given us.

O, Mr. President, why do we not say what we mean and mean what we say?

Under these circumstances, Mr. President, a ratification of this treaty without this reservation will take the national defense out of the hands of Congress, and will deposit it into the hands of a semisuper state of 12 nations, or at best, into the hands of the Chief Executive for the next 20 long years.

Mr. President, I say to you, and to my distinguished colleagues, we are at the cross roads. The hour is late. I know many Members of the Senate, early in the debate, pledged themselves, through statements to newspapers, in some cases, to vote for the pact. But now, down deep in their hearts, they are sorry. Mr. President, let all repent, and strike a blow for liberty.

I repeat, we are at the cross roads. This pact is a great departure—the greatest departure, as admitted by everyone—from our traditional American policy. I have tried to paint for the Senate a picture of the sick world. Do Senators think we can do the whole job? Every time there is a stomach ache somewhere in the world, must we be the doctor? It would be fine, it would be nice; but we in the United States have a greater national debt than the debts of all the other nations put together. The cost of local governments is $16,000,000,000. We have a projected cost of Federal Government, this year, not counting the arms implementation, of approximately $43,000,000,000 or $44,000,000,000. Then we have projected, as stated by the distinguished Senator whose address preceded mine, many great public works, and so forth. I have not included in these figures the cost of the Fair Deal or the cost of the trend toward socialization in our Government.

Mr. President, let us think for America before it is everlastingly too late. [Applause.]

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Indiana yield to the Senator from Missouri?

Mr. JENNER. I yield.

Mr. DONNELL. The Senator's address has, I am sure, caused all of us who have been fortunate to hear all or any part of it—and I may say I was fortunate enough to hear a large part of it—to feel a deep sense of obligation to him for the seriousness, earnestness, and tremendous zeal he has exhibited in considering the welfare of our Nation.

I should like to ask him a question. He has referred to the fact that he believes some Senators have hitherto committed themselves by mentioning to newspaper reporters or others their position regarding the pact. Does the Senator from Indiana consider that any Member of the Senate would be violating any moral duty merely because he had told some newspaperman, weeks or days ago, how he was going to vote, if he were now to come around to vote as the interests of our country—yes; the interests of the world—demand; in other words, vote against this treaty?

Mr. JENNER. He would not be violating any moral commitment or any other kind of commitment, but he would be doing the greatest American service he possibly could render.

Mr. DONNELL. Does not the Senator from Indiana think that every Member of the Senate, upon his sworn oath, is obligated to do his duty here, regardless of any remarks he may have made on some poll or in connection with some questioning or on some other occasion of that kind?

Mr. JENNER. I certainly do—and regardless of what some foreign countries may think he is doing.

Mr. DONNELL. I should like to ask the Senator this question: He has referred to the fact that the junior Senator from New York [Mr. DULLES] said, on July 12:

> At Paris last month there was some discussion as to whether to accept at all the Soviet-proffered truce and to resume, even on a tentative basis, four-power consultations.
>
> The reason was—

So the junior Senator from New York said—

> that some feared any relaxation of the east-west tension would bring a corresponding

relaxation on the part of the American people, and, therefore, they needed to be kept artificially alarmed.

Mr. JENNER. Yes; that is what the junior Senator from New York said.

Mr. DONNELL. I was greatly impressed by the Senator's reference to that statement on the part of the junior Senator from New York.

Mr. JENNER. In other words, they favor spoon feeding; they take the position, "Tell the American people only what you want them to know, but lead them down the road to bankruptcy in this Nation. Keep them living from crisis to crisis."

I am happy to know that, for once, the persons in charge of our foreign relations have decided that the American people may know the truth instead of being artificially stimulated.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. JENNER. I yield.

Mr. DONNELL. The distinguished junior Senator from New York, after citing "the discussion as to whether to accept at all the Soviet-proffered truce," and so forth, the reason being that the American people "needed to be kept artificially alarmed."

And as I understand the situation now, the Senator from New York was talking about the preliminaries to the four-power conference. Is that correct?

Mr. JENNER. Yes; the conference participated in by the "great, democratic, liberty-loving powers."

Mr. DONNELL. In other words, there were only four powers participating in that conference, and Russia was one of them?

Mr. JENNER. Yes; and France and England were the two others, in addition to ourselves.

Mr. DONNELL. Russia, France, England, and ourselves. Is that correct?

Mr. JENNER. That is correct.

Mr. DONNELL. So a discussion took place and I understand "discussion" means talk, back and forth—not any immediate rejection, not any immediate denunciation of any such deception of the people of America or of the world, but a discussion.

Mr. JENNER. I ask the Senator from Missouri, is it not a shame that the American representative should even have discussed whether they would tell the American people the truth?

Mr. DONNELL. That is precisely the point, Mr. President, about which I want to ask the Senator. As I understand from his eloquent and powerful address, we were told here by the junior Senator from New York that the members of the British and the French and the United States delegations, prior to the determination of whether we would have a four-power conference, were sitting around discussing whether the American people needed to be kept artificially alarmed. Is that correct?

Mr. JENNER. That is exactly correct. In other words, we are losing control of our own destiny, because we are going to have a silly super state to lay down the rules by which we shall play the game of foreign intrigue, as they played it, as the senior Senator from Michigan said, for a thousand years in Europe.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. HICKENLOOPER. Mr. President, will the Senator yield for an observation at this point?

Mr. JENNER. I yield.

Mr. HICKENLOOPER. I should like to suggest to the Senator from Indiana and to the Senator from Missouri that, while I do not myself assume there is any connotation of disrespect, yet I should like to say the very statement made by the junior Senator from New York along that line indicated his very high degree of moral fidelity to his obligations, and that he would not be a party to any such concealment or any such hysteria on the part of the American people.

Mr. JENNER. I think the junior Senator from New York said they decided upon a better course. I am most happy to say—and I commend the junior Senator from New York—that they decided upon telling the American people the truth. But I still say it is a shame that we and our allies sit around prior to a conference discussing whether we shall tell the American people the truth or whether we shall keep them stimulated so we may continue digging into their pockets to get money for this, that, and the other thing, particularly to support British imperialism, French imperialism, Belgian imperialism, and Portuguese imperialism.

Mr. HICKENLOOPER. Mr. President, I am in thorough accord with the Senator in his condemnation of any such procedure. That, however, was not the point I wanted to discuss. But when the junior Senator from New York made his speech on July 12, I felt that he indicated his consistently high degree of honorable assumption of his obligations when he told us frankly that that matter had come up, but that, in the meeting referred to, they did not follow such policy.

Mr. JENNER. I do not know what was in the mind of the junior Senator from New York. The junior Senator from New York is on the floor. He might have his own explanation, and I should be happy to hear it.

Mr. DONNELL. Mr. President, I pause for any interruption or requests from the junior Senator from New York, or for any question he may have.

Mr. JENNER. I should be glad to have the remarks of the Senator from New York. However, it may be that he does not care to have me yield at this time. I yield further to the Senator from Missouri.

Mr. DONNELL. I think, in fairness to the Senator from New York, it should be stated very clearly, as the Senator from Indiana has stated, that the Senator from New York immediately followed this language by saying:

> That thesis, I may say, we rejected.

Mr. JENNER. "We"?

Mr. DONNELL. Yes.

Mr. JENNER. "We rejected"?

Mr. DONNELL. The Senator from New York continued:

> We believed that the American people could be trusted with the truth, and that they would see that, even if the peril in Europe seems less imminent, still the European recovery program and the North Atlantic Treaty could not now be abandoned without consequences of the gravest character.

Mr. JENNER. That is a refreshing statement of American foreign policy.

Mr. DONNELL. I take it the Senator from Indiana and I both rejoice that our delegation did reject that thesis. Am I correct?

Mr. JENNER. I compliment the Senator from New York. I am rejoicing. I only hope the policy continues in our dealings with foreign nations of telling the American people the truth, the whole truth, and nothing but the truth. I am sick and tired of secret commitments which sell the United States down the river and build up the potential war power of Russia. We gave Russia by secret commitments control over 100,000,000 people. We gave her China, we gave her Manchuria, we gave her the northern half of Korea, we gave her the Manchurian Railroad. What more are we expected to do?

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. JENNER. I am glad to yield.

Mr. DONNELL. I was about to question the Senator along this line, in regard to the preconference discussion which ensued, as the Senator from New York said, at Paris last month. I do not know how long it was after the discussion started before the American members of the proposed conference rejected the thesis, but I am glad they rejected it. I ask the Senator whether he is not also of the opinion that the Senator from New York has rendered a fine service by pointing out the fact that this thought, which was rejected, was in the mind of any of the proposed signatories, that is to say, of the actual signatories, the British or the French, for obviously they must have been the ones who originated it. Does not the Senator from Indiana agree with me that it is fortunate indeed that at this time we know that the members of signatory nations were even considering this duplicity, this artificial alarm to be created in America? Is it not, in the opinion of the Senator, a thought we should bear in mind in determining whether we want to tie ourselves up for 20 long years with signatories, two of the leading ones of whom even thought of suggesting such a policy of duplicity, which was rejected, and I hope, promptly rejected, by the members of the delegation from the United States? Does not the Senator agree with that?

Mr. JENNER. I certainly do. I hope every Senator who swore to uphold the oath of his office will also prayerfully consider what these nations would do to us, if men like the junior Senator from New York had not been present to say "Boys, you had better tell the truth this time; you have lied enough."

Mr. DONNELL. Mr. President, will the Senator yield for another question?

Mr. JENNER. I am glad to yield.

Mr. DONNELL. The Senator exhibited here a copy of this morning's Washington Post, containing the headline, "Grim-faced leaders hold secret atom

conference—TYDINGS says United States interests would forbid printing news."

Mr. JENNER. Here we go again, boys—another secret conference. [Laughter.]

Mr. DONNELL. I will ask the Senator whether he also observed in this same newspaper, I think it is, and I am going through it rather rapidly—perhaps it was in some other newspaper I saw it—an announcement with respect to certain activities which have been started in Italy, in order to overcome the advance of communism in Italy. Did the Senator see that in one of the morning newspapers of our city, or perhaps in a New York newspaper?

Mr. JENNER. I did not.

Mr. DONNELL. I assure the Senator that I did, and I want to ask him this question: In view of the warnings given, if I am not mistaken, by the Pope who was undertaking to take steps in order to overcome communism and to denounce communism, I was in hope I would find it in this newspaper, but I do not, at the moment. In view, however, of the number of Communists who are in Italy demanding attention, does not the Senator think we had better stop and look at this pact in which we agree to extend continuous mutual aid? Does not the Senator think we should consider just what the pact itself says or does not say about a nation signatory to the pact which might become a Communist nation hereafter?

Mr. JENNER. I certainly do.

Mr. DONNELL. Does the Senator find, notwithstanding all the oratory all the general statements, all the assurances we have that a Communist nation cannot remain in the pact—does the Senator find at any place from the beginning to the end of the pact one single, solitary word which says that if a nation becomes Communist or any other "ist," it shall therefore forfeit membership or shall be put out of membership in the North Atlantic Pact?

Mr. JENNER. I cannot find it.

Mr. DONNELL. The Senator is a lawyer, is he not?

Mr. JENNER. I am.

Mr. DONNELL. I will ask the Senator, as a lawyer, if he were drawing a contract between 12 parties and wanted to have a provision by which, upon the happening of certain events, one of the parties could be removed, whether he would leave it unprovided for by express terms, or whether he would put in a definite, specific provision to that effect.

Mr. JENNER. I certainly would put in a definite, specific provision to that effect.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. WHERRY. I should like to join in the remarks made by the Senator from Missouri relative to the very forceful address made by the Senator from Indiana. Regardless of how one may feel regarding the pact, the Senator's speech has certainly represented a great amount of research.

There are two things which disturb me. One is the small number of nations——

Mr. DONNELL. Mr. President, will the Senator yield so that we can note the map while the Senator is speaking?

Mr. WHERRY. How can other nations get into the pact? Has the Senator studied the provisions of the pact? Will other nations be accepted? How do they have to qualify for membership?

Mr. JENNER. At the end of 10 years a review is taken, but nothing can be done about coming in or going out until the end of 20 years.

Mr. WHERRY. If the North Atlantic Pact is ratified, the signatory nations are the only ones that will be members of it for 10 years, are they not?

Mr. JENNER. Without unanimous consent.

Mr. WHERRY. In the opinion of the Senator, is there any likelihood that any other nations will be admitted to membership in the pact within the next 10 years? For example, does the Senator think that Spain would have any chance of getting into the pact? The Senator mentioned Spain with reference to Portugal in the way of comparing the forms of government.

Mr. JENNER. Judging from what the Secretary of State said a few days ago, I assume we ourselves could determine that.

Mr. WHERRY. How would it fit into the United Nations if, in reality, the growth of the pact were restricted to the family of nations which are now permitted to be members of it?

Mr. JENNER. The treaty is clearly a sabotage of the United Nations. It weakens it. We may as well admit that the United Nations is nothing but an empty shell and a debating society. Yet I do not see any of the great, economy-minded men wanting to stop the huge appropriation for erecting buildings for it.

Mr. WHERRY. Has the Senator given any thought, in connection with his remarks, accentuated by the remarks of the Senator from Missouri [Mr. DONNELL], with reference to who is to determine what is an act of aggression? Could there not be internal disturbances by reason of which a signatory to the pact might determine that it was an act of aggression in which we might become involved?

Mr. JENNER. There is no clear definition in the treaty of what is an act of aggression.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. DONNELL. Is there any definition at all?

Mr. JENNER. None at all.

Mr. DONNELL. None whatsoever.

Mr. WHERRY. When is it necessary that we go to the assistance of a nation, with mutual aid or with armed forces, if necessary, after an act of aggression has been committed? Who makes the determination? Can an act of aggression occur from without, or can it happen from within? Could not a signatory power determine it and say that an act of aggression had been committed from within by a foreign agency which had infiltrated into the country?

Mr. JENNER. There is so much haze in connection with it that no one can tell how to answer the query of the Senator from Nebraska. My guess would be that a semisuperstate would tell us when to move in and what to do.

Why is it, Mr. President, that the double talk of article 3 and article 9 of the treaty, which commit us to the use of arms and to the supplying of arms to the signatories of this pact, a fact which its supporters deny, cannot be clarified by a statement written into the resolution of ratification of the treaty, or into the treaty itself? Is not the continued refusal to do so doubly dangerous, in light of the fact that no effort whatever has been made by the framers of this document to specify what is meant by aggression? It is not even specified.

The chairman of the Foreign Relations Committee has very cleverly sidestepped this issue, too, and brushes it off with the following interpretation of article 5 of the treaty, which he said, on July 5—

> is based upon the fundamental proposition that an armed attack against any one of us is to be considered an attack against all.

However, the question of what constitutes an armed attack is left entirely to the discretion and judgment of leaders of the signatory powers, which cannot help but be colored by the impulse of the hour. That is what is called our modern realism.

This is exactly what the distinguished chairman of the Foreign Relations Committee admitted, when, in the same speech, he went on to say:

> It is up to the signatories to determine whether an attack has occurred. Internal disorders and revolutions will not ordinarily—

Note that, Mr. President—

> will not ordinarily be considered armed attacks—

I am quoting the chairman of the Senate Foreign Relations Committee—

> unless they are aided and abetted by an outside power to such an extent that the parties decide that an armed attack has in fact taken place.

Such equivocation is not only alarming, it is absolutely frightening, for it is the essence of the very homicidal, suicidal mania which is driving America's present leadership into the arms of this military alliance.

It is not as though history had not erected sufficient warning signs along this road we are traveling in letters bold and bloody enough so that even those who run may read; it is the fact that our leadership continues not only to ignore, but to deny, their very existence.

This treaty is designed to enforce the terms of a peace treaty, of many of which we have not the slightest notion, and none of which has ever been sent to the Senate for consideration.

I have cited the Italian treaty, and that was a "lulu." We are making the poor Italian people pay the Soviet Government several hundred million dollars, but we will not let the Italians rearm. Yet, we are going to have a big defense pact for peace.

It now turns out that the supporters of this treaty not only refuse to tell us what they seek to defend, but they refuse to tell us even how they intend to defend it.

What they want is the surrender of the constitutional rights of this body into the hands of the Chief Executive without any hedges or limitations on the powers we surrender with those rights. It is little wonder that the junior Senator from Iowa [Mr. GILLETTE], my distinguished colleague, admitted that this treaty is a step backward and not a step toward peace.

Is it not strange, Mr. President, that the architects of this treaty were unable to agree upon or were unwilling to include a definition of aggression which would provide a concrete objective for and a specific limitation on the powers of defense granted under the treaty, in the light of the following facts:

Russia is nobody's fool, she knows her strength, she knows how far to go. We have not her good sense. I repeat, on July 3, 1933, Russia signed in Moscow with the official representatives of Poland, Estonia, Latvia, Rumania, Turkey, Persia, and Afghanistan, a convention for the definition of aggression, which Russia sponsored, and in which is found the clearest and most precise definition of what constitutes aggression that is to be found in the history of international relations. There are 272 known international agreements in the record of this debate.

Article 2 of this remarkable treaty to which I have referred, this Russian treaty, which defines aggression, while our treaty says nothing about it, reads as follows:

> In accordance with the above, the aggressor in an international conflict, with due consideration to the agreements existing between the parties involved in the conflict, will be considered the State which will be the first to commit any of the following acts:

Then, as clear as day, it sets them out:

> 1. Declaration of war against another State;
>
> 2. Invasion by armed forces, even without a declaration of war, of the territory of another State;
>
> 3. An attack by armed land, naval, or air forces, even without a declaration of war, upon the territory, naval vessels, or aircraft of another State;
>
> 4. Naval blockade of the coasts or ports of another State;
>
> 5. Aid to armed bands formed on the territory of a state and invading the territory of another state, or refusal, despite demands on the part of the state subjected to attack, to take all possible measures on its territory to deprive the said bands of any aid and protection.

Mr. President, I ask the distinguished Senator from Nebraska and my other colleagues, why could not such a definition of aggression have been incorporated in the treaty we are considering, and how can a United States Senator possibly vote for the commitments contained in this treaty when our own United States representatives refused to put any limitation on either the offensive or defensive uses of the armaments which form the very essence of this pact?

Mr. President, this is not merely a step backward, as the distinguished Senator from Iowa said, it is a plunge into the dissolution and debauchery of the Dark Ages, back into the black night of international anarchy into which we now propose to sail our ship of state, guiding it no longer by the light of the stars, but by the feeble flicker of light of every derelict ship that passes.

Mr. WHERRY. Mr. President, I thank the distinguished Senator for his observation in answer to my question. I deeply appreciate it. I realize what the Senator is attempting to show, mainly, the difference between an act of aggression under a multilateral agreement, and the lack of definition in the North Atlantic Treaty.

Let me ask the distinguished Senator a further question. Under the terms of the treaty we have under consideration could a signatory power interpret an internal disorder caused by an outward force, in which perhaps a few arms might be used, to be a major attack by an armed force, and therefore require the United States or any other signatory power forthwith to come to its assistance, during the determination of whether the act was an act of aggression?

Mr. JENNER. There is no definition. The gate is wide open. It is a question of the rule or law of the jungle.

Mr. WHERRY. Would we be required to furnish the force that was necessary, if the signatory powers determined there was an armed attack, and if so, what is the difference between the hypothetical case I mentioned, and the alleged facts given by the Senator from Missouri this morning relative to Italy? Suppose the Communists inspired an internal disorder and it got out of hand, and Italy, as a signatory power, asked for mutual aid under the terms of this pact, forthwith. Would there be an armed attack, would there be an act of aggression, and would it come within the terms of the pact?

Mr. JENNER. Nobody knows.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. DONNELL. I appreciate the Senator has been on the floor a long time, and if he would rather not yield, I shall not ask him some questions I have in mind.

Mr. JENNER. I am glad to yield to the Senator from Missouri.

Mr. DONNELL. The Senator has referred to certain features which lead me to ask him a question. I call his attention to the following language in the report of the Committee on Foreign Relations, and ask him whether this language indicates a recognition by the committee itself of the vagueness and indeterminateness of certain of the language in the treaty. The committee says:

> The first question which would arise would be whether or not an armed attack had in fact occurred. If the circumstances were not clear, there would presumably—

And I underscore verbally the word "presumably"—

> be consultation but each party would have the responsibility of determining for itself the answer to this question of fact.

In view of the fact that the report of the committee uses the word "presumably," I ask the Senator if that does not indicate in itself that the committee is in doubt and does not know, and simply raises a presumption as to whether an attack would ever occur in the circumstances referred to.

Mr. JENNER. That is my interpretation.

Mr. DONNELL. If there should be a difference of opinion, some signatories thinking that the circumstances constituted an attack, and other signatories thinking not, it would follow inevitably, would it not, that the alleged unanimity of action on the part of all the signatories to repel an attack would fall about as fast as ice would melt beneath the sun?

Mr. JENNER. That is correct.

Mr. DONNELL. As a further illustration of the vagueness and of the recognition of the vagueness in the language of the treaty, in this highly important provision, article 5, which has been declared by the Senator from Michigan, as I recall, to be the heart of the treaty, I call the attention of the Senator to this language by the Committee on Foreign Relations itself on the very point raised by the Senator from Nebraska. Says the report:

> Obviously, purely internal disorders or revolutions would not be considered armed attacks within the meaning of article 5. However, if a revolution were aided and abetted by an outside power such assistance might possibly be considered an armed attack.

Does that indicate any great certainty by the committee as to whether it would or would not?

Mr. JENNER. None whatsoever. It is the law of the jungle. There is no definition of "aggression."

Mr. DONNELL. Then the committee proceeds to enlighten us by this language. It says:

> Each party would have to decide, in the light of the circumstances surrounding the case and the nature and extent of the assistance, whether, in fact, an armed attack had occurred and article 5 brought into play.

Does not that indicate to the Senator from Indiana that if there should be a wide divergence of opinion among the signatories to the treaty as to the circumstances under which all the signatories are to combine against an aggressor, the alleged unanimity of action would again fall away and be wiped out and disappear into outer darkness?

Mr. JENNER. Yes; and if we did not go along with the ideas of the semisuper state they would again call us "Uncle Shylock," "traitor," and "breaker" of our word.

Mr. DONNELL. Mr. President, will the Senator yield for one further inquiry with respect to the matter of the Communists?

Mr. JENNER. I yield.

Mr. DONNELL. My understanding and impression has been that in France 25 percent of the people are Communists.

Mr. JENNER. About one in every four Frenchmen, as one walks the country over, will be found to be a Communist today.

Mr. DONNELL. So that if that many more were to become Communists 50

percent of the French would be Communists?

Mr. JENNER. Yes.

Mr. DONNELL. The question I want to ask the Senator is a paraphrase of a question he asked on the floor of the Senate some weeks ago. Suppose we send to France billions of dollars of military equipment during the period of the next 2 or 3 years. Suppose France rearms herself. Suppose, because of some internal discontent with the affairs of the Government, instead of one person out of every four being a Communist there should be an increase in the number, so that a majority of the French people were Communists. Let us suppose that majority of Communists were to take over the country. Is there provision in the pact by which the billions of dollars of armaments we had then sent to France, under the illustration used, would then have to be returned to us, or would the Communist government in France have the right to continue to keep that military equipment?

Mr. JENNER. Not only would they have a right to continue to keep the military equipment we have sent there, but, so far as that is concerned, there is nothing in the treaty which would prohibit or prevent us from continuing to support communistic France for 20 long years.

Mr. DONNELL. Will the Senator yield once again?

Mr. JENNER. I yield.

Mr. DONNELL. In regard to the obligation to continue support of France for 20 years, is there anything in the treaty which would enable us to terminate the obligation to assist and aid Portugal, that eminent democratic country, in the preservation of its democratic institutions, for 20 long years?

Mr. JENNER. Nothing whatsoever.

Mr. President, in the New York Journal of Commerce of July 14, 1949, appears an article entitled "Acheson Opposes Arms Cut Move." It is an Associated Press dispatch of as late as day before yesterday. The subheading is:

[Acheson] says $1,500,000,000 fund for foreign nations is absolute minimum.

Does the Senate know that the $1,500,000,000 is not the cost of the arms? That is merely the cost of getting the equipment ready and hauling it over to our great freedom-loving, democratic allies, who finally consented to tell us the truth about the situation only so recently described by the junior Senator from New York [Mr. DULLES]. As a matter of fact, that $1,500,000,000 will represent nearer $7,000,000,000 of the American taxpayers' money. Why do we not say what we mean and mean what we say?

I read from the article:

Secretary of State Acheson today flatly opposed any cut in the administration's projected $1,450,000,000 foreign arms aid program.

He said this figure represents the absolute minimum needed for western Europe and other areas.

I believe Turkey and Greece are in that.

The Secretary stated his position at a news conference while opposition led by Senator TAFT was wiping out prospects for a quick Senate vote on the North Atlantic Treaty.

* * * * *

Acheson also commented on another issue which has arisen on Capitol Hill. He agreed with Senator DULLES that the United States delegation at the big four Foreign Ministers' meeting in Paris had considered whether the American people should be kept artificially alarmed and had rejected the idea completely.

Mr. President, I ask unanimous consent that the entire article may be printed in the RECORD, at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ACHESON OPPOSES ARMS CUT MOVE—SAYS $1,500,000,000 FUND FOR FOREIGN NATIONS IS ABSOLUTE MINIMUM

WASHINGTON, July 13.—Secretary of State Acheson today flatly opposed any cut in the Administration's projected $1,450,000,000 foreign arms aid program.

He said this figure represents the absolute minimum needed for western Europe and other areas.

The Secretary stated his position at a news conference while opposition led by Senator TAFT, Republican, of Ohio, was wiping out prospects for a quick Senate vote on the North Atlantic treaty.

The small group opposing the defense agreement centered their fire on the military aid program and the commitments carried in the pact.

Acheson also commented on another issue which has arisen on Capitol Hill. He agreed with Senator DULLES, Republican, of New York, that the United States delegation at the big four Foreign Ministers' meeting in Paris had considered whether the American people should be kept artificially alarmed and had rejected the idea completely.

The matter came up, Acheson said, in discussion of whether the false sense of peace and security by making a show of cooperation. The United States delegation, he added, decided that it should not reject any possible avenue of cooperation with the Soviet Union merely because acceptance of the avenue might relax tension in the world.

He and his advisers believed, Acheson said, that the American people would quickly spot any evidence of insincerity on the part of the Soviet Union.

The arms question came up in connection with another recent comment by DULLES. The Senator, as a Republican foreign policy leader, attended the Paris Conference and has long been in close touch with the State Department.

I read also from a news article by William P. Simms, published in the Indianapolis Times of April 16, 1949, as follows:

The Red army is far and away the largest in the world. It could easily muster 20,000,000 men. And the Kremlin cares little or nothing about human lives. Moscow isn't afraid of consequences on western European battlefields, therefore, but it gives plenty of thought to what might happen to vital centers behind the iron curtain if attacked from the stratosphere.

Congress more and more is convinced that the United States is fast approaching the point where the biggest contribution it can make to world security is to keep itself strong, economically as well as militarily.

Churchill holds the same view. I do, too. I continue to read:

Moscow has long held that America is its chief obstacle to world domination. And that the overthrow of the United States is hopeless unless and until it first suffers economic collapse. European critics should remember this when, like Oliver Twist, they ask for more.

Mr. President, I ask unanimous consent that the article may be placed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HIGH COST, WASTE ENDANGER PACT—INCREASING DEMANDS OF ALLIES SEEN PERIL TO UNITED STATES APPROVAL

(By William P. Simms)

WASHINGTON, April 16—Swift Senate approval of the Atlantic Pact is endangered by two things:

One is western Europe's increasing demands for help of one sort or another. The other is the kind of "staggering waste" that Herbert Hoover called to the attention of Congress.

The two are closely related. Together they eventually could destroy Uncle Sam's ability to help Europe, and thus bring about the collapse of the west on which Moscow long has been counting.

Thus far only a few Members of Congress have favored trimming appropriations for Europe's economic recovery. The present allotment of $5,380,000,000 is expected to pass probably without reduction.

At present, too, sentiment seems to favor extending the utmost possible arms aid to Europe. But there is considerable difference of opinion regarding what "the utmost possible" is. Many believe we are straining ourselves about as far as we dare and that if we go much further our national economy will begin to give at the seams.

UNFORTUNATE IMPRESSION

This, observers feel, should be clearly understood abroad. If for any reason Congress should get the idea that some of our European partners are not pulling their full weight as members of the team, it would create a most unfortunate impression here.

That is one of the reasons why any demand for more American troops in Europe at this time would be so lacking in common sense.

The United States couldn't possibly send enough troops to make much difference, even if it wanted to. Russia and her satellites now have more than 5,000,000 troops in war footing. A determined Red army could hardly be stopped even if we had five times the 75,000 troops we now maintain over there.

The only thing now holding the Russians back, according to Winston Churchill, is the American war potential, especially the atomic bomb. They are aware that if they attacked the pitifully small Allied forces in western Germany, it would mean war with the United States.

LARGEST ARMY IN WORLD

The Red army is far and away the largest in the world. It could easily muster 20,000,000 men. And the Kremlin cares little or nothing about human lives. Moscow isn't afraid of consequences on western European battlefields, therefore, but it gives plenty of thought to what might happen to vital centers behind the Iron Curtain if attacked from the stratosphere.

Congress more and more is convinced that the United States is fast approaching the point where the biggest contribution it can make to world security is to keep itself strong, economically as well as militarily.

Moscow has long held that America is its chief obstacle to world domination. And that the overthrow of the United States is hopeless unless and until it first suffers economic collapse. European critics should remember this when like Oliver Twist, they ask for more.

Mr. DONNELL. Mr. President, will the Senator yield for one further question?

Mr. JENNER. I should like to place several articles in the RECORD at this point, and then I shall be glad to yield.

I read from an editorial published in the Indianapolis Times, as follows:

Our first and last line of defense is a sound American economy. Our production was the vital factor that turned the tide in our favor in World War II. It is the vital factor in preventing another war, and would be our greatest advantage if another war should be forced upon us. No nation or group of nations can match us in that field if our economic strength remains unimpaired.

Excessive taxation must be avoided if we are to remain strong. But a little hard-boiled budgeting should make new taxes unnecessary. Former President Hoover estimates that $1,500,000,000 can be saved by eliminating the padding of the national defense budget. This should be enough to arm western Europe within the framework of the present budget.

A balanced budget is vital to peace because the present threat of war may continue to menace us for many years to come. We cannot afford to go off the deep end at what may be only the beginning of a long, critical period during which we must be prepared for any emergency.

Mr. President, I ask unanimous consent that the editorial from the Indianapolis Times, and an article entitled "Allies Asking for United States Arms," by Jim G. Lucas, under a Washington headline date April 14, be printed in the RECORD at this point.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Indianapolis Times]

ONE STEP TOWARD PEACE

Submitting the North Atlantic defense pact to the Senate, President Truman stressed the national desire for a just and lasting peace, describing the pending treaty as a long step in that direction.

It is well to regard the treaty in that light. It is a long step toward our objective, to be sure. But it is just one step. Others must follow in proper sequence.

No single Maginot line can save the world from another devastating war.

First, and of immediate concern, this treaty must be ratified by the Senate, and by the legislative bodies of the other signatory nations, before it will be effective. After that, unless it is to be backed by real force, it will be little more than a gesture.

Senators who favor treaty ratification, but balk at the idea of voting money to arm the nations in the defense agreement, are victims of their own wishful thinking. Peace is not that cheap.

A treaty didn't stop Hitler when he invaded Poland. He wasn't stopped until he reached the English Channel and the gates of Moscow and Stalingrad, where he encountered real force on two fronts.

Britain and France were obligated by treaty to defend Poland against an armed attack. They kept faith to the best of their ability. But they were not prepared to halt the German advance, and Hitler knew it as well as they did.

The North Atlantic defense agreement will impress Moscow only if the parties to that agreement have the armament to support their obligations to one another.

But, essential as they are, arms of themselves will not guarantee peace. Our first and last line of defense is a sound American economy. Our production was the vital factor that turned the tide in our favor in World War II. It is the vital factor in preventing another war, and would be our greatest advantage if another war should be forced upon us. No nation or group of nations can match us in that field if our economic strength remains unimpaired.

Excessive taxation must be avoided if we are to remain strong. But a little hard-boiled budgeting should make new taxes unnecessary. Former President Hoover estimates that $1,500,000,000 can be saved by eliminating the padding of the national defense budget. That should be enough to arm western Europe within the framework of the present budget.

A balanced budget is vital to peace because the present threat of war may continue to menace us for many years to come. We cannot afford to go off the deep end at what may be only the beginning of a long, critical period during which we must be prepared for any emergency.

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ALLIES ASKING FOR UNITED STATES ARMS—EQUIPMENT WILL BE SENT IF CONGRESS APPROVES PACT

(By Jim G. Lucas)

WASHINGTON, April 14.—Some of Uncle Sam's new allies—the North Atlantic Pact countries—already have asked for specific items of military equipment to bolster their defenses.

Eight pact countries last week asked if we were ready to start arming them. Secretary of State Dean Acheson said we were, Congress willing. The pact, however, must be approved by the Senate before arms can be discussed.

Nevertheless, informal negotiations are under way. On the assumption Congress will approve, military men on both sides of the Atlantic are getting down to facts and figures.

The Americans are anxious to make a substantial contribution at the earliest after Congress gives its consent to show this country means business. Western European defense chiefs want to plug the obvious holes in their military dams.

Some orders, it was learned, probably will have been tentatively filled, and equipment set aside for delivery, as soon as Congress votes.

ASKING FOR PLANES

The big western European powers want planes. The British want at least 150 B-29's. They also have asked unofficially, for fighters. France has, too. In addition, the French have asked for approximately 100 carrier planes for their fleet.

Britain, it was learned, also has sought money and raw material to expand her own jet-fighter production. The request went to the combined chiefs of staff last fall. England has produced some of the world's best jets.

All that may take digging. Air Secretary W. Stuart Symington said 18 months ago he had 2,805 reserve planes. Only 504 were bombers, he said. Since then the figures have been reduced. The Navy is in worse shape. Last spring, Secretary John L. Sullivan told Congress it was withdrawing its last 584 "moth-balled" planes.

We probably have no more than 2,000 surplus planes, some in bad shape.

REBUILDING ARMIES

As a rule, smaller powers want first to rebuild their armies. Preliminary surveys indicate we can contribute some antiaircraft, field artillery, mortars, rifles, and machine guns. The military apparently will have about $7,000,000,000 for new supplies soon. As that new equipment becomes available, we probably can send more surplus overseas.

The Joint Chiefs of Staff, however, may run into difficulties. Their first responsibility is to the United States. Yet they don't want to arm our allies only with cast-offs and second-hand equipment. Their job will be to work out a plan under which we can share modern weapons as generously as possible without jeopardizing our own security. It will not be an easy decision.

The effect of the proposed North Atlantic Pact arms program—the best guess is $1,800,000,000—on our stock piles is something else for the joint chiefs to worry about.

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article entitled "Arms and the Money," written by Henry Hazlitt and published in Newsweek of May 30, 1949.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARMS AND THE MONEY

(By Henry Hazlitt)

The commitment we have made to defend the integrity of western Europe has been forced upon us by the Russian threat. It is a grave and tremendous commitment. In return for it, our negotiators had both the right and duty to ask heavy quid pro quos. Instead, they assumed that they had to promise monetary and military aid in addition in order to bribe western European governments to accept the tremendous pledge from us for which they have been begging ever since 1914.

If western Europe has a will to defend itself, it will have little trouble in finding the means. The $1,130,000,000 grant that we have promised them for the first year is after all only 3 percent of the present total governmental expenditures of the Atlantic Pact nations. They can easily make that up by cutting less essential things out of their swollen governmental budgets.

On the other hand, as I pointed out in a Newsweek article of April 4, there is no way in which we can insure that either the money or the equipment we contribute would actually result in a net increase of European armament by that amount. To the extent that we free European governments from the necessity for military spending, we release just that much more of their resources for bigger social-security schemes, bigger food subsidies, bigger nationalization deficits, or what not.

It is now being argued that we can solve this dilemma by insisting that each beneficiary European government spend on armaments in the next fiscal year, say, at least as much as we contribute, in addition to the amount it has already been spending in the current fiscal year. But it is dubious policy to try to force any country to spend more on defense than it thinks it ought to spend. This could easily give rise to the unwholesome belief in that country that it was spending large sums on defense, not for its own self-preservation but as a favor to us. It might also tend to encourage bookkeeping fictions under which government expenditures were charged to the military budget that did not in fact belong under that budget.

If our administration is nontheless determined to go ahead with its $1,130,000,000 military-aid program, then Congress, instead of adding this to the already dangerous burden upon our taxpayers, should take it out either of our proposed military budget of $15,300,000,000 or of the $5,430,000,000 authorized for the ERP.

Consider the military budget first. For a single year it already equals the military expenditures for the entire 19 years from 1922 through 1940. Must our military budget now be larger still? Does it make any sense to assume that our military expenditures with the Atlantic Pact must be actually higher than without the Atlantic Pact? Even if we do not assume that the Atlantic Pact in effect adds the existing military expenditures of western Europe to our own, can we not assume that if we transfer a billion dollars of our defense expenditures to Europe, it at least removes the necessity of spending that billion dollars here?

Finally, if the administration refuses to take this $1,130,000,000 out of the home military budget, Congress could take the whole amount out of the $5,430,000,000 authorized for the ERP. It could simply authorize the beneficiary European governments to use up to this amount of their ERP funds for buying armaments from us instead of other things. As it is, we are about to throw most of this $5,430,000,000 away anyhow.

We are turning it over to European governments to meet a trade deficit that they themselves have brought about by exchange control with overvalued currencies. Our ERP funds, in short, are being used in the main to subsidize and prolong a vicious totalitarian device that strait-jackets economies, retards recovery, and makes impossible the free multilateral flow of world trade.

The further burden on our budget involved in the proposed European armament-aid program is without logic or excuse.

Mr. JENNER. Mr. President, I read from an editorial published in the Indianapolis Times as follows:

ECA Administrator Paul G. Hoffman has characterized the British-Argentine Treaty as a "dreadful" departure from the nondiscriminatory trading system which the Marshall plan was to rebuild. The European recovery program, he added—

This is Mr. Hoffman whose statement is being quoted. In what high respect he is held in this body.

The European recovery program, he added, could not succeed against the type of agreement, contemplated by the British-Argentine proposal.

Since the British-Argentine Treaty was entered into another secret treaty has been entered into between Britain and Russia. Russia fights the cold war. Britain feeds and fattens it.

Mr. President, I ask unanimous consent that the editorial from the Indianapolis Times may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OBSTACLE TO WORLD RECOVERY

American objections to the proposed British-Argentine trade treaty have raised an issue much too serious to be pigeonholed in the official archives after casual diplomatic exchanges.

On the surface the pending agreement merely appears to provide for exchange of British oil and machinery for Argentine beef over a 5-year period. But, because of our support of the European recovery program, this country is an injured third party in the deal.

If this treaty is ratified, the United States will be placed in the position of financing a British monopoly of the Argentine machinery market through ERP, while abetting Britain's discrimination against American farm products.

Our own money would be used to shut us out of two important markets for American products, because American dollars are underwriting the production of British machinery. And this at the very time when we must seek new markets to get the money to continue to support European recovery.

ECA Administrator Paul G. Hoffman has characterized the British-Argentine Treaty as a "dreadful" departure from the nondiscriminatory trading system which the Marshall plan was to rebuild. The European recovery program, he added, could not succeed against the type of agreement contemplated by the British-Argentine proposal.

Mr. Hoffman has promised to bring "every pressure we can" to prevent the treaty's ratification. These efforts might go to the point of canceling Britain's participation in the recovery program, it was indicated.

That would be an extreme measure, undesirable and probably unnecessary. With Britain out of it, there would be little point in continuing the recovery program itself. But it is time to make it clear that there is a limit to the sacrifice Americans are prepared to make in the name of recovery.

It was to be an all-for-one and one-for-all program, working toward the ideal of a live-and-let-live world, and it must be kept on that straight and narrow road.

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial entitled "What Does Atlantic Pact Mean?" published in the Indianapolis Star of April 30, 1949.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT DOES ATLANTIC PACT MEAN?

The Truman administration has made a major mistake in trying to interpret the Atlantic Pact as an obligation of the United States to supply $1,450,000,000 worth of arms to western Europe. The Atlantic Pact assures those countries that we will act if one of them is attacked. That is what the Monroe Doctrine meant for the Western Hemisphere. The announcement that the United States would resist any attempt by foreign nations to establish themselves in the Western Hemisphere successfully kept any such attempt from being made without war. We believe that the Atlantic Pact should serve the same purpose, and that if we intend to preserve European independence without war, the guaranty that the Atlantic Pact gives should be sufficient.

How secure can we make western Europe anyway? When the Marshall plan was presented to Congress it was offered as the means of making western Europe secure from communism. When the Atlantic Pact was first proposed it was as the means of making western Europe secure. Now we are told we must spend one-fortieth of our whole national budget for arms to make western Europe secure. What next? American armies to make western Europe secure?

Can we really supply, feed, protect, and arm all the nations of western Europe, build our own mighty military machine, give aid to Turkey, Greece, China, and other countries, and in addition spend $6,000,000,000 to $15,000,000,000 extra on the domestic welfare programs of the Fair Deal?

If we are to send any arms to Europe at all they should be surplus arms now supposedly in the possession of our military forces. According to the Hoover Commission, the Army had 60,000 tanks. Where are they? The Army had enough equipment to supply 89 divisions at war's end. Now it says there is only enough to equip 18. Where is the rest? The Navy has ships in mothballs.

Secretary Acheson says we must send arms to Europe to make the Atlantic Treaty more effective. How effective can we get? We believe that Senator VANDENBERG and Senator TAFT are quite right in saying that the Atlantic Pact can be approved without any immediate military commitment of arms at all. If it cannot, it does not mean what it says.

Mr. JENNER. Mr. President, I have another editorial from the Indianapolis Star entitled "Too Little or Too Much." I read from it as follows:

The State Department program seems to us to represent muddled thinking. The $1,130,000,000 expenditure would be both too little and too much. That is a piddling sum when it comes to military might.

Yet there is a movement on this floor, Mr. President, to put off the arms program this year, to make it easier for the boys to swallow.

It would not buy western Europeans a real defense against Russia's mighty armies and air forces. You might as well try to kill a bear with a BB gun.

They speak plainly in Indiana, do they not?

It would take many billions of dollars in arms, many divisions of crack American and European troops, and huge fleets of planes to insure a successful defense of the Continent against a determined Russian invasion. Therefore the proposed sum is too much—a potential Operation Rat Hole.

It will be up to Congress to provide some clear thinking on this subject.

How can we have clear thinking on the subject when we cannot put plain English language into a treaty to say what it means?

Either we rest on the Atlantic Pact as a hands-off warning to Russia, or we go back on a wartime footing and make our "frontier on the Elbe" a real defense line. The latter course would be preposterous under present conditions and the State Department's halfway proposal sounds like a boondoggle.

Mr. President, I ask unanimous consent that the entire editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TOO LITTLE OR TOO MUCH

The State Department issued a "peace paper" Saturday which set forth the administration's plans and arguments for rearming the Atlantic Pact nations. The plans in brief are to supply these nations with $1,130,000,000 worth of military aid in the fiscal year beginning July 1. The arguments, in short, are that the weakness of western defenses invite Russian aggression and that European signers of the pact presently feel insecure.

This "peace paper" presents Congress with a grave question. How secure can the United States afford to make western Europe? When and if the Senate ratifies the Atlantic Pact, Russia will have been served notice that an attack on any alliance nation means an attack on the United States. The Monroe Doctrine told potential invaders of the Western Hemisphere the same thing, and we did not have to arm Latin America to make that document a success.

Somewhere along the line the original intent of the Atlantic Pact seems to have been twisted. At its inception we understood it was to serve as a clear-cut warning to Russia by several nations so there would be no misunderstandings such as those which bred two world wars. Now the administration wants to turn it into a new lend-lease program.

The State Department program seems to us to represent muddled thinking. The $1,130,000,000 expenditure would be both too little and too much. That is a piddling sum when it comes to military might. It would not buy western Europeans a real defense against Russia's mighty armies and air forces. You might as well try to kill a bear with a BB gun. It would take many billions of dollars in arms, many divisions of crack American and European troops and huge fleets of planes to insure a successful

defense of the Continent against a determined Russian invasion. Therefore the proposed sum is too much—a potential Operation Rat Hole.

It will be up to Congress to provide some clear thinking on this subject. Either we rest on the Atlantic Pact as a hands-off warning to Russia, or we go back on a wartime footing and make our "frontier on the Elbe" a real defense line. The latter course would be preposterous under present conditions, and the State Department's halfway proposal sounds like a boondoggle.

Mr. JENNER. Mr. President, I have before me an editorial entitled "Not Enough," published in the Indianapolis Star. I quote a part of it:

These changes are simple. The Atlantic Pact should set up a Council and a High Court. It should abolish the unlimited veto power for this Council. It should create an international military force. It should establish international control of atomic energy among its members. It should permit nations outside the Atlantic community to join by accepting these conditions. Russia could then be told that as soon as she accepted these same changes in the United Nations Charter the Atlantic Pact would be dropped and a new world organization able and willing to keep peace in the world would be born.

Mr. President, I ask unanimous consent that the entire editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"NOT ENOUGH"

The Marshall plan was 2 years old on Sunday. General Marshall was honored by a dinner in Washington, at which he was called the man who "redirected history" by initiating the European recovery program and the chain of events that followed. General Marshall spoke strongly for ratification of the Atlantic Pact, because, he said, the economic-aid program is "not enough." And yesterday the Senate Foreign Relations Committee announced approval of the pact unanimously.

It is certainly true that General Marshall did "redirect history" by starting an American aid-to-Europe program. This emergency action did stop Russia. It did prevent Communist capture of half of the countries of western Europe. It prevented complete failure of the United Nations. But it was "not enough" to do the job of keeping peace in the world. Neither will the Atlantic Pact be "enough." That, too, is a strategic expedient, necessary now perhaps, but still only an expedient. The world still lacks the means of keeping peace, of protecting the liberty of small and large nations, of living together in harmony under law.

The United Nations was supposed to provide these means. But the UN as it is today is also "not enough." Australia and New Zealand are pressing the United States for a Pacific pact to prevent Russian aggression in the East. Greece and Turkey are wondering about a Mediterranean pact to protect their liberty. The Red conquest of China is going to present the western world, and the United States in particular, with serious and dangerous problems in the future. The Atlantic Pact is "not enough" to solve these problems.

That's why the United States now needs a long-range plan, a world-wide program which will be "enough." A few changes in the text of the Atlantic Pact might make possible such a program of global scope.

These changes are simple. The Atlantic Pact should set up a Council and a High Court. It should abolish the unlimited veto power for this Council. It should create an international military force. It should establish international control of atomic energy among its members. It should permit nations outside the Atlantic community to join by accepting these conditions. Russia could then be told that as soon as she accepted these same changes in the United Nations Charter the Atlantic Pact would be dropped and a new world organization able and willing to keep peace in the world would be born.

Mr. JENNER. The next article is from the Indianapolis Times, and is entitled "Liberty Goes Down Same Drain." I read a portion of the article:

The big question is how much the state can take from this producing group before drying its members up. How much can they be forced to give before they switch sides—that is, start giving less than they receive? If enough of them are dried up and switch sides, then government collapses.

But before any government collapses it always tries to save itself by forcing people to follow its plans.

We have them now—many of them.

It tries to make them produce under Government orders.

And it makes no difference whether the Government started out to be a welfare state or a tyrant state—a benefactor or a master. Liberty goes down the same old drain into which it has flowed time and time before.

I ask unanimous consent that the entire article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WELFARE STATE—LIBERTY GOES DOWN SAME DRAIN

(By E. T. Leech)

WASHINGTON, May 11.—The old idea in America was that the people controlled and supported the Government. Now it is in conflict with a new and world-wide idea that Government supports the people.

That's what all the shooting is about. A basic clash of ideas is raging both in this country and abroad.

If you say you favor the old American idea, you risk being called old-fashioned, reactionary, and probably hard-hearted.

Actually you won't be old-fashioned—for the simple reason that the American idea isn't really old. Compared to the other theory it is quite new. However, the mere matter of age is of little real importance save as past experience reveals future prospects.

As for the matter of being hard-hearted, it is of course difficult to oppose things which promise well. It is a tempting idea to think that the state can make everybody comfortable and secure, well-educated, healthy, and safe against old age, unemployment, or emergency. Why would anybody oppose such a system?

The answer, of course, is that nobody would—if it actually could exist. The only question involves whether it is possible.

BEST FOR PEOPLE

Every government contends it is the best possible government for its people. There have been thousands of governments over the long course of history—and they all made that claim. At least 99 percent of those governments don't exist today, or have been so modified as to be completely changed.

Had those governments been as good for their people as they pretended to be, more of them would have survived. That seems to be a reasonable assumption.

Another thing to remember is that at least 99 percent of those governments were supreme over their people. That is, the state controlled the people, instead of the people controlling the state. That has been the customary and general condition since man emerged from barbarism.

If it had been a good system, why would mankind have suffered so much under it? Why would such governments constantly fail and disappear?

The American system grew out of those failures. It was founded for the express purpose of getting away from state control. For the first time the principle that the individuals are supreme over the state not only was proclaimed but was put into practice.

Now this idea—less than two centuries old—is again in conflict with the other idea, which is at least 10,000 years old. Yet for some queer reason, the ancient system is being hailed as something new.

WELFARE STATE

The only real change is that it has been dressed out in high-sounding and appealing trappings. It is to be a welfare state, seeking only security, abundance, health, schooling, and contentment for its people. They are to subordinate themselves to it not as a master but as a benefactor.

There is one supreme obstacle: The state never creates anything. It doesn't earn a dollar. It can give only what it takes from others—either from its own people, from other people, or from both. And before giving anything back it must deduct the cost of government—a deduction which grows in proportion to the services which the state attempts.

America doesn't intend to loot any other people. Instead of taking from them, it is giving them billions. Therefore all that Washington can give away must be taken from our people here at home.

Many will get more than they give—at least for a while. That's the chief bait. But those who do most of the producing and create most of the wealth will get less than they give—far less in many cases.

GOVERNMENT COLLAPSES

The big question is how much the state can take from this producing group before drying its members up. How much can they be forced to give before they switch sides—that is, start giving less than they receive? If enough of them are dried up and switch sides, then government collapses.

But before any government collapses it always tried to save itself by forcing people to follow its plans. It tries to make them produce under government orders.

And it makes no difference whether the government started out to be a welfare state or a tyrant state—a benefactor or a master. Liberty goes down the same old drain into which it has flowed time and time before.

Mr. JENNER. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Familiar Tactics," written by Thomas L. Stokes, a noted columnist, and published in the Washington Evening Star.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FAMILIAR TACTICS—LABEL OF "ISOLATIONISTS" BEING PINNED ON LAWMAKERS OPPOSING ATLANTIC PACT

(By Thomas L. Stokes)

The insinuating label of "isolationism" is beginning to be pinned on those who are doubtful that the Atlantic Pact, and especially its corollary arms support for western Europe, is the way to meet the dilemma that confronts the world today.

It is familiar tactics. The word "isolationism" has come to have derogatory implications and can serve well even if improperly applied.

In examining this strategy, which will be used in debate to begin soon in the Senate Foreign Relations Committee and later in the Senate, itself, it may be helpful to recognize frankly two things:

1. Those who oppose the Atlantic Pact, or are skeptical about it, do include many of

the old-time isolationist persuasion, but they also embrace many known and proved supporters of internationalism who see such regional armed alliances as the greatest possible obstacle to real international cooperation.

REASONING OF SUPPORTERS

2. Supporters of the Atlantic Pact and its arms for western Europe include many known and proved champions of international cooperation, but they likewise include many old-fashioned isolationists who go along happily on this project, as they did on the Truman doctrine and the Marshall plan, solely because of its anti-Russian direction.

Among the latter are found many who not only oppose the real democratic forces in Europe, but are sympathetic to restoration of the old antidemocratic forces in Europe whose repudiation and defeat were our principal aim in the Second World War.

It seems fair to raise the question as to whether the Atlantic Pact does not, itself, involve a species of isolationism instead of real internationalism. Its basic concept is the armed isolation of a group of nations of the world which would be accomplished by putting up our own barrier, our own picket fence of guns, across a front in Europe. The reasoning is that this is necessary to counter a similar armed isolation in eastern Europe. The effect is to break up the world into two isolated armed camps which is the very reverse of international cooperation.

We resort to this type of isolation to offset Russian isolation. There is no question that Russia raises the chief problem of isolation in the world today. She came out of the Second World War to adopt an isolationist policy, just as we did after the First World War a quarter of a century ago.

RUSSIA STILL UN MEMBER

Russia is the strongest opponent of any sort of world federation or world government, which is demonstrated in her propaganda that depicts world government as another plot of capitalism. She still remains in the United Nations, however, despite all the noisy oratory of her representatives there. That is a gain. That is to be encouraged.

But it would seem that creating another area of isolation by drawing an armed ring around her would only encourage her own isolationism, and be the very thing to intensify nationalism among her people and rally them to the defense of it by arms if necessary.

There is another way, an alternative. This is to analyze her isolationism and try to understand it, and in this we have some history of our own to guide us. At the same time we should analyze ourselves and our own motives. In those processes we could lay the basis for getting at the root of the troubles between us so that we could sit down and negotiate their adjustment.

Is it too late to try to do it that way?

Mr. JENNER. The next article is entitled "Bid Unappreciated," by Ludwell Denny. It was published in the Indianapolis Times. I ask unanimous consent that the article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BID UNAPPRECIATED

(By Ludwell Denny)

MARSEILLE, April 28.—American supplies are pouring into France's largest port, but the people here neither understand nor appreciate this Marshall-plan aid.

Only a minority knows there is such a thing. And many of them think it is a Yankee imperialistic plot to enslave France. That is what the Communists tell them.

Ask any responsible resident of Marseille, native or foreign, and you get the same answer. The rank and file in general are ignorant of the recovery program, of how it works, and especially of its cost to the American taxpayer.

Superficially, French and American officials may be blamed for this. They are supposed to publicize American help. They try. Perhaps they could do more—indeed there are plans for wider publicity.

Whenever possible American supplies are marked plainly with the stamp of the Economic Cooperation Administration and the United States of America shield. But the big shipments—the crude oil, coal, wheat, and other bulk commodities—cannot be marked. Occasionally American and French officials meet a ship and hold appropriate ceremonies, which are usually distorted by the Red press and not too well reported by others.

GET INTO REGULAR CHANNELS

Most of these American suppliers are anonymous to the French consumer because they flow into and are lost in the regular channels of trade here. The peasant's wife—and often even the worker in the textile factory—does not know that the cotton in her dress is an American gift.

The fact is that—as the Marshall plan works—there is no gift to an individual but only to the nation, the Government. It is not free to manufacturer, jobber, retailer, or consumer—they pay in francs for what they get. The francs thus received by the Government go into a so-called counterpart fund for economic and financial rehabilitation projects approved by ECA.

By this method the American dollar does double duty. First, it provides the essential supplies which dollar-short France could not obtain otherwise. Then—having created French goods, and jobs and wages for consumption of those goods—the dollars now converted into francs finance the national reconstruction program.

Obviously some such system is necessary if Marshall aid is to help France help herself instead of leaning on American subsidies. Also this system is necessary to minimize the favoritism, waste, and graft which usually go with foreign hand-outs.

But these great virtues of the Marshall plan make it difficult to dramatize to the individual. Altogether, there is little popular response characteristic of the French when they are touched by sentiment.

So the causes of this go deeper than inadequate promotion budgets or unimaginative officials.

Communism is a common excuse—this is a Red port and often a center of unrest and revolt. Until recently there was a Communist mayor.

Here, as elsewhere, the Soviet mouthpieces are powerful in propaganda. The party press never misses a chance to smear us and to poison the public mind. They picket the United States consulate and plaster the city with anti-American posters.

But the Communists aren't the whole answer. American aid flowing into this port is little more appreciated under a new Gaullist city administration than under the recent Red mayor. Americans, who hoped the followers of General de Gaulle would be better publicists for the Marshall plan than the Communists, are disappointed.

The Red lies about American capitalism using ECA to enslave France are self-defeating to some extent because of their source, but the ungracious attitude of typical De Gaullist influences groups which resent the Reds' cruder tactics.

The zealous general claims to represent a majority of Frenchmen and that a national election would prove it. But middle-of-the-road parties of the coalition government believe his appeal wanes as economic conditions improve and the Red threat is checked—at least for the moment.

NATIONALISM IS EXTREME

In any case, extreme nationalism is potent here and perhaps more than any other single factor is a barrier to appreciation of the ECA. None is so supersensitive as the strong who are now weak. Temporary military defeat and German occupation scarred the spirit of France even more than the land. They want to forget and cannot.

Their brittle what's-the-use gaiety is mixed with somber dreams of greater national glory, of leadership of all Europe. They cannot stand to think of France as weak.

Those who want help resent the need for it. From that it is an easy step to resent the helper. Especially when the American helper shows he thinks the dollars would go further if the luxury-loving French would practice more austerity like the British. So they dwell on their own considerable effort and close their minds to foreign backing.

This may not be as unfortunate as it seems to the unappreciated giver of gifts. Not if the donor is more interested in results than in gratitude.

Although French pride in this period of poverty and humiliation may take occasional pathological forms, without that pride democratic France cannot survive. To restore shattered self-confidence is more difficult than to rebuild war-devastated areas. Yet without it, American dollars can pauperize but never revive a healthy France.

In that sense, the finest result of American aid to date is that France is able to regain her self-esteem so soon. Her chances of standing on her own feet and of surviving the Red threat are vastly better than a year ago. If her ego suffers growing pains, which sometimes make her forget the helping hand, at least there is growth.

Mr. JENNER. The next article is entitled "Trouble Ahead for Allied Pact?" The article was written by Marquis Childs and published in the Indianapolis Times of April 25, 1949. I ask unanimous consent that the article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORLD AFFAIRS—TROUBLE AHEAD FOR ALLIED PACT?

(By Marquis Childs)

WASHINGTON, April 15.—At the time of the signing of the Atlantic Pact one of the ambassadors took his foreign minister to call on a prominent Member of the Senate. In the course of their private talk the Senator, who is one of the most earnest advocates of international cooperation, was oppressed by some disquieting doubts about the future of the pact.

It was a curious conversation. Each man talked from a different set of beliefs.

The foreign minister was full of confidence. He seemed to feel that everything had been settled, including the certainty of a generous allotment of lend-lease arms for his country and other nations of the pact where the need is great.

The Senator was not nearly so sure. He tried to put in a little caution so that the distinguished visitor would return to his homeland with at least the understanding that it would take time to ratify and implement the agreement.

AT CROSS PURPOSES

This note of caution made the ambassador most unhappy. Obviously, he did not want his minister to return with any doubts. So in the end the three talked more or less at cross purposes.

Now that the pact is before the Senate, there is an object lesson in this conversation

for the days ahead. Many Senators are fearful that the promises made to the European nations signing the pact have been too glib and too generous. They see trouble ahead in this connection.

The No. 1 consideration is time. Given the present temper of the Senate, quick action simply is not possible. Approval of the pact is likely to take many weeks.

Hearings before the Foreign Relations Committee have not yet been scheduled. They probably will begin toward the last of this month or the first part of May. They are certain to be lengthy.

The question in many senatorial minds is whether ratification of the pact is also a commitment to provide arms. Secretary of State Dean Acheson will be called on to answer that one, and it will not be easy.

Directly related are doubts as to the internal stability and strength of certain of the signatory powers. The fear is that arms sent from this country may fall into the hands of political adventurers of the right or the left.

When it comes to debate on the Senate floor, no one would be rash enough to prophesy the number of weeks that will be devoted to speechmaking. Both in the hearings and in the floor debate it appears certain that the pact and the arms to implement it will be linked together.

VALIDITY OF PACT

Some sincere opponents, such as Senator FORREST C. DONNELL, of Missouri, will take hours if not days to expound their uncertainty as to whether the pact violates fundamental provisions of the Constitution. Old-fashioned isolationists of the type of Senator WILLIAM LANGER, of North Dakota, will exploit the familiar theme of a decadent Europe leaning on the United States. Much of this oratory will be tailor-made for the Soviet propaganda radio, beamed at western European peoples.

Secretary Acheson has made an effort to prepare the signatory powers for this performance. But, whether in view of his delicate role as negotiator and mainstay of strength and encouragement, he has been able to do this is questionable.

Some Senators have been disturbed by State Department announcement of European armament requests released while the debate on European aid was still on. They are fearful of implied promises of arms and, back of that, the hint that the number of American troops in Europe will be greatly increased.

There is no reason why all these doubts cannot be honestly resolved in frank discussion. If the foreign ministers returned with an impression of quick action, they will have to adjust to the current reality.

GRAVE RISKS

At the same time it is important for the Senate to understand the viewpoint of the Europeans who signed the pact. They came here realizing the grave risks they took for their respective countries in defying Soviet threats. They could not, politically speaking, have taken those risks without the hope and even the assurance of tangible help toward greater security.

What must be avoided on both sides of the Atlantic is mutual disillusion and the bitter recrimination that would go with it. The moral of all this is patience and then more patience.

Mr. JENNER. The next article is entitled "Free Security Can Lead To Bust." It was written by E. T. Leech and published in the Indianapolis Times. I ask unanimous consent that the article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW POT OF GOLD—FREE SECURITY CAN LEAD TO BUST

(By E. T. Leech)

WASHINGTON, June 14.—During the great boom which in 1929 turned into the great bust, many businessmen, economists, and politicians fell for an old theory. They thought they could get something for nothing.

Bitter experience taught them that it can't be done. A good many are considerably wiser today than they were then—because they got burned. So they shouldn't be too contemptuous and disgusted because a lot of folks—including a new generation—again are falling for the old theory.

Many older businessmen were graduated or flunked out of the something-for-nothing school of economics. They learned by sad experience that they were badly educated.

But the old school has had a revival. It has a new staff of economists and politicians, and more students than ever before. Some words and titles have been changed—basically the course is the same as during the great boom.

SOMETHING FOR FREE

It still teaches the oldest and fondest hope of mankind—that you can get something for free. It is a hope which has led to more personal and political tragedy than any other.

Much of the Nation in the boom years thought it could get wealth for nothing. Today's illusion is that the public can have free security. Either wealth or security can come only out of production and saving. The something-for-nothing idea fails because it supposes that the fruits of production can be had without producing and thrift.

Those who gambled in the great stock-market boom created none of the wealth they wanted. The same can be said of those now promoting and cheering for the great security-for-all boom.

Millions of Americans played the market in the twenties as an easy way to riches. Stocks were bought and sold on a shoestring. Banks and brokerage houses were loaded with loans—paper which represented not production but hope.

Those in the bull market were doing nothing to create a single dollar. You have to raise a crop, dig some ore, make an article or perform a service to create wealth. The wealth thus produced by work, planning, and saving is merely measured in dollars.

"WE WENT BUST"

The stock market speculators tried to get wealth without work. When enough people tried the same thing, the load got too heavy and we went bust.

Now there's an idea that people can have security—the most precious form of wealth—without working or saving to help create it. We will be lucky if we can weather this new illusion without another painful disaster. It could hurt more than the last one, for this time it involves giving up our freedom to the state as the price for what we hope to gain.

Again his country is piling up debt and creating billions of fictitious dollars. Not on the old security market, but on the new social security market. The addition of one word has made no basic change.

A popular theory has developed widely that people can gain security merely by being alive. It will be furnished by the State. By pension, benefit, bonus and bounty, Washington can lift the toil and responsibility of life.

Businessmen should not be too critical. It wasn't long ago that the same sort of magic was supposed to exist on Wall Street.

OLD-FASHIONED SAVING

During the stock boom, a lot of Americans continued to work and save for a rainy day. They were called old-fashioned. Yet they made all the real wealth on which the boom rested—until it broke under the burden of nonproducers' debts and demands.

Today millions of Americans still are trying to make their own security, by personal effort and saving. They, now, are being called old-fashioned. But the something-for-nothing boys keep taking more and more from the producers.

This time, the pot of gold has shifted from Wall Street to Washington. But the idea is still something for nothing. And it can lead to a bust even worse than the last one—for the losses can involve liberty as well as property.

Mr. JENNER. The next is an editorial from the Louisville (Ky.) Courier-Journal of April 21, 1949. The editorial is entitled "This 'MacArthur Plan' Would Need Armies, Too." I ask unanimous consent that the editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THIS "MAC ARTHUR PLAN" WOULD NEED ARMIES, TOO

Harold Stassen, lamenting the lack of an American aid program for all Asia, advocates a "MacArthur plan" which would embroil the United States in such costly and undiplomatic difficulties that our huge program in Europe would seem a vest-pocket experiment indeed. We have no quarrel with Mr. Stassen's echo of some of the sentiments of President Truman's "bold new plan" to aid the backward areas of the earth, or with his belief that American influence should be used to end colonial exploitation in Asia. But the elaborate program he proposes flies in the face of reality.

In China, for example, he wants an aid program under which "no substantial payments" would be made to any central government—"a decentralized, flexible, ingenious approach under direct American supervision." Nice adjectives, but how make them true? With half of China's millions already under the Communists, and the other half split weakly among a handful of generals, just who would provide authority, cooperation, and permission for Americans to do anything effective save butter up the regional bosses and feed one warlord's armies to the dissatisfaction of all others?

We should also, Mr. Stassen holds, improve transportation in China and Burma. The difficulties in China are obvious. In Burma, since the British withdrew, the country has been split into warring factions, a four-way split so disastrous that one rebel army or another has on occasion seized part of the capital, the Government totters to this moment, and political anarchy has transformed a former bread-basket country into a hungry one. Shall the United States back one of the factions with military might, restore law and order on our terms, and then proceed to improve transportation?

Mr. Stassen thinks we should reconstruct the Philippines, and few Americans quarrel with the idea that we owe a great deal to our former wards and present allies. But we already have a sizable program of helping the Philippines. And we agree with him that the United States might well extend engineering aid to the hydroelectric and reclamation developments on the rivers of India. But there again no special program is now required. The Government of India is the most stable one in Asia, its credit is good, its leadership able, our relations with it amicable, and any proposals coming from the Indians themselves are certain of our friendliest consideration.

One of Mr. Stassen's more glittering generalities is that we should coordinate aid in Asia with the recovery of Japan. Nobody on this side of the Pacific will oppose that proposition. But General MacArthur and the State Department already have discovered that distance does a peculiar thing to generalities. Every specific step we have taken to put the Japanese economy on its feet again has occasioned loud criticism in the Philippines, or in China, or in Australia, depending on which country saw the biggest threat to its own markets or the security in the recovery of Japan. Mr. Stassen admitted that the whole situation was difficult and complex, but his statement of noble purposes has done little to make it any less so.

An earlier statement of Mr. Stassen's, it will be recalled, tended to support the propaganda of some Americans for all-out aid to China. His amplified remarks still put a heavy emphasis on the Chinese problem. But this week Senator CONNALLY, as chairman of the Foreign Relations Committee, underscored effectively the recent frankly stated policy of Secretary of State Dean Acheson. Senator CONNALLY agreed that at this time there is little the United States can do to halt the Communist march in China. The committee, he said, is giving right-of-way to the Atlantic security treaty, and has no plans to consider further aid to the Chinese Nationalist Government. Unless Mr. Stassen wants to send the United States Army into China to pave the way for our flexible and ingenious approach, he might as well agree with Messrs. Acheson and CONNALLY, it seems to us, that while we hasten the recovery of Europe, we must in Asia for some time to come wait and see.

Mr. JENNER. Next is an article written by John O'Donnell and published in the Washington Times-Herald. The article deals with the expenditures which have been made in foreign countries, and the boondoggling which has been carried on. I ask unanimous consent that the article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPITOL STUFF

(By John O'Donnell)

If any of you Americans happen to be interested in how much you've been tapped on your personal United States bank roll to save foreigners since Woodrow Wilson decided we should make the world safe for democracy and Franklin Roosevelt ordered that we should impose the four freedoms everywhere in our time we commend attention to an official bank statement.

We got the bad news just as Mr. Harry Burke of the United States Senate secretariat was getting into a taxi on Capitol Hill, all hell-bent for the White House where President Truman was waiting to put his signature on the $5,500,000,000 grab on the Treasury to carry on the Marshall plan until June 30, 1950.

The bad news is that every citizen of the United States of America, and this includes infants, jailed criminals, the insane and the senile and the incurable invalids are being slugged $650 a head of United States cash to help out foreigners.

The Government figured that the average United States family consists of five—father, mother, and three children. This means that the average head of a United States family kicks in $3,200 to carry out the overseas policies of Wilson and F. D. R.

For the up-to-date statistics on our operations as world savers we are indebted to Representative JAMES E. VAN ZANDT, a Pennsylvania Republican, who incidentally fought in both world wars and three times was commander in chief of the Veterans of Foreign Wars.

The statistics produced by VAN ZANDT to let the American taxpayer get an honest accounting were assembled by the House of Representatives official information staff. They show that the present over-all cost of our foreign-aid program is $92,169,478,135.

And if this cost of $650 a head is peanuts in these inflated days, remember that even in 1948 the cost of running this Government was only forty billions, or $268 per capita. And in balmier, more tranquil days—like 1915, the cost of running the Federal establishment before we got snarled with blood in Woodrow Wilson's foreign entanglements, was only $7.56 per each citizen.

Of that ninety-two billions in hand-outs, about seventy billions has been outright grants—gifts is the proper word. The other twenty-two billions gets the prettier classification of loans. That listing is, of course, silly, for of that twenty-two billions more than fifteen billions is the money (on paper) still due us on unpaid balances of World War I loans.

The other hand-outs include:

Lend-lease, $50,205,229,787; Marshall plan (through June 1950), $9,254,000,000; relief in occupied areas, displaced persons, etc., $4,251,000,000; Treasury loan to Britain (1947–48), $3,750,000,000; UNRRA, $2,700,000,000; and Greek, Turkish, China aid, $1,127,000,000.

Who got the bulk of this United States largesse? Well, $44,679,000,000 went to save the British economy for socialism and $12,793,000,000 went to the Soviet Union.

Here are the official figures provided for our congressional guidance. Read them and, we suggest, weep.

Tables I and II follow:

TABLE I.—*A recapitulation of United States loans and grants to foreign nations (April 1949)*

| | |
|---|---|
| Unpaid balances due on World War I loans (January 1948) | $15,460,248,348 |
| Lend-lease (through Mar. 31, 1948) | 50,205,229,787 |
| Marshall plan (through June 1950) | 9,254,000,000 |
| Army relief in occupied areas (through June 1950) | [1] 3,774,000,000 |
| Treasury loan to Britain (1947 and 1948) | 3,750,000,000 |
| UNRRA (through March 1947) | 2,700,000,000 |
| Export-Import Bank loans (through June 1950) | 2,007,000,000 |
| Treasury subscriptions to international bank and reconstruction fund (1946 and 1947) | 1,585,000,000 |
| Surplus war goods (liquidation agreements) | [2] 1,148,000,000 |
| Philippine aid and war damages (through June 1950) | 682,000,000 |
| Greek-Turkish Aid Act (through June 1950) | 607,000,000 |
| China Aid Act (through June 1950) | 520,000,000 |
| Displaced persons, international refugee organization, contributions to United Nations, Palestine refugees, and other assistance programs (through June 1950) | 477,000,000 |
| Total | 92,169,478,135 |

[1] This figure does not include any part of our direct occupation costs, only the civilian relief extended through the military services.

[2] In addtion, the armed services disposed of some $6,434,000,000 of surplus goods and stores overseas, for which no liquidation agreements have yet been reported. In most cases these goods were furnished directly into foreign relief and reconstruction channels; but in other cases, liquidation agreements still are in process of negotiation.

TABLE II.—*Total distribution of United States loans, grants, and aids overseas, including unpaid balances on World War I loans (includes all Marshall plan estimates for fiscal 1950, but does not include any funds for rearmament under North Atlantic Pact)*

| | |
|---|---|
| 1. Austria | $885,118,000 |
| 2. Armenia | 39,942,000 |
| 3. Belgium and Luxemburg | 1,744,000,000 |
| 4. British Empire | 44,679,000,000 |
| 5. China | 3,446,000,000 |
| 6. Czechoslovakia | 17,348,000 |
| 7. Denmark | 234,792,000 |
| 8. Egypt | 59,700,000 |
| 9. Estonia | 25,903,079 |
| 10. Ethiopia | 16,447,000 |
| 11. France and possessions | 3,371,000,000 |
| 12. Finland | 24,600,056 |
| 13. Germany (Bizonia) | 3,260,000,000 |
| 14. Greece | 681,000,000 |
| 15. Hungary | 64,000,000 |
| 16. Iceland | 20,900,000 |
| 17. Israel | 63,009,000 |
| 18. Italy | 4,700,000,000 |
| 19. Iran | 23,100,000 |
| 20. Iraq | 7,805,000 |
| 21. Ireland | 142,703,000 |
| 22. Japan | 1,891,000,000 |
| 23. Korea | 89,469,000 |
| 24. Latvia | 10,713,000 |
| 25. Liberia | 14,829,000 |
| 26. Lithuania | 9,603,059 |
| 27. Netherlands and possessions | 979,000,000 |
| 28. Norway | 345,000,000 |
| 29. Philippine Islands | 708,000,000 |
| 30. Poland | 373,600,000 |
| 31. Portugal | 11,647,000 |
| 32. Rumania | 79,435,000 |
| 33. Russia | 12,793,400,000 |
| 34. Saudi Arabia | 46,200,000 |
| 35. Sweden | 104,100,000 |
| 36. Trieste | 35,200,000 |
| 37. Turkey | 305,400,000 |
| 38. Yugoslavia | 117,200,000 |
| 39. American Republics (13) | 1,651,392,000 |

Mr. JENNER. Next is an article entitled "These Days," written by George Sokolsky and published in the Washington Times-Herald of July 13, 1949. I ask unanimous consent that the article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THESE DAYS

(By George Sokolsky)

For a man who is approaching 80, Bernard M. Baruch is as active as most young fellows and maybe that is because he was a prize fighter in his youth. He has learned to skip about with ease.

Once a year, when he has the time, he goes to Vichy in France to drink the water there, which he says is good for you.

Myself, I prefer American White Rock, bottled at the spring, but then Bernie has an internationalist complex.

I called him just before he sailed for Europe to ask him about his latest to-do with President Truman. They do not get along well, those two.

Baruch has been the friend of every President since Woodrow Wilson, but he has not hit it off with Truman. Their big row was over campaign finances.

Truman wanted Baruch to take the job of collecting and Baruch refused, politely saying that no other President had ever asked him to collect campaign money.

That displeased Truman, who thereupon wrote Baruch a scorching letter. They have not done well together since. As a matter of fact, they have had no contacts since.

The loss is, of course, Harry Truman's and the country's, for if the President had had the advantage of the experience, knowledge,

and wisdom of Bernard Baruch in the intricate matters of national and international financing, in which field Baruch is one of the world's great authorities, he would not so long have talked about inflation at a time of dropping prices.

However, Mr. Truman prefers the advice of Leon Keyserling, who has always been wrong since he became Truman's brains, as can readily be demonstrated by the course of events.

Since 1916, Bernard Baruch has been interested in the field of mobilization for war. In 1918, Woodrow Wilson turned over such problems to him. He has written, spoken, testified on the subject. He had a plan ready for mobilization for World War II in 1938, seeing what was coming long in advance.

He prepared our rubber program and fought through the development of our synthetic-rubber industry.

He saved the atom bomb for the United States by the Baruch plan, when others, including our own scientists, and statesmen, were all for giving it away.

So when Baruch talks about mobilization, it is wisdom to listen. And this is what he said: "By whom have American liberties been threatened in the past? By the military, or by reckless civilian politicians and rabble-rousers? The role of the soldier in the United States has always been that of the protector of our liberties.

"In times of peace all too many people have tended to jeer at members of the armed forces, to laugh off their warnings, to give little heed to what they have sought for defense.

"Then, suddenly, war erupts. The much-maligned military are expected to spend billions in furious yet efficient haste, to recruit and train, in a matter of months, millions of men who never held a rifle before, to organize global operations touching places most Americans had never heard of.

"Certainly, it is one of the marvels of American history that our armed forces have not failed us in time of war, despite the treatment given them during peace."

Then he said: "Bear this fact in mind—the American people are currently in the throes of tormenting, frustrating readjustments. Both as a nation and as individuals we grew up accustomed to regard war and peace as distinctly separate states, like day and night. Today we live in an around-the-clock twilight of neither war nor peace.

"The cold war is as total as actual war. It requires not military readiness alone but a strategy embracing all fronts, a strategy which rises above the race of selfish groups who seek to better themselves at the expense of others, even to where it endangers our very Government."

But what got Truman mad at Baruch again was this bald statement: "At the close of the war, Congress created an agency to draw up and recommend mobilization plans. When this agency attempted to act, it was, as you know, prevented from doing so. It has still to be heard from."

Truman says that there is no such report. Baruch said that there is. Baruch kindly assumes that it is lost somewhere in the White House.

Mr. JENNER. The next is an editorial entitled "Congress Must Discuss the Pact Thoroughly." There is no notation as to the source of this editorial. I ask that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS MUST DISCUSS THE PACT THOROUGHLY

In his capacity as chairman of the Democratic National Committee, Senator MCGRATH must be expected, we suppose, to indulge in some purely political pontificating.

The results are not always happy, however. We have in mind generally his inclination to charge all congressional delay on important legislation on the Republicans. But specifically his advance warning that the Republicans may try to use the Atlantic Pact as a "legislative road block" is open to question.

By now the Atlantic Pact is familiar to most Americans who take the trouble to read newspapers intelligently or to listen attentively to the radio. Yet the approval of this pact, which we believe in and consider necessary, is personally important to everyone in the United States. It deserves the widest discussion in Congress. It should be understood by everyone.

We do not mean, by advocating full congressional discussion, that there is any excuse for haggling; there is none. But Senator TAFT has logic on his side when he insists there is "public demand for full and comprehensive discussion of the pact and all problems which arise out of it, including the issue of furnishing arms to the signatory nations."

We simply cannot undertake pact membership until the whole Nation has been informed of its implications. Already Turkey is making overtures toward United States sponsorship of a Mediterranean pact. We are setting a precedent in the North Atlantic Pact and its effects reach far. We must realize fully what it means.

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "ERP Area May Widen To Include Red Bloc," written by Herbert R. Hill and published in the Indianapolis News. We shall see how much Tito is going to charge us to do business with him.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AS I SEE IT—ERP AREA MAY WIDEN TO INCLUDE RED BLOC

(By Herbert R. Hill)

What happens to ERP, now that the Berlin skirmish has reached another milestone?

Tentatively it is scheduled to end in 1952, although few accept that date to be the final deadline.

Actually, Russia herself by 1952 may be sharing in some sort of an ERP arrangement. At least that is what the Kremlin now plans.

The Red satellite states have already raised the question of whether the United States is discriminating against their "peaceful import requirements." They propose to take the charge to the United Nations if the Big Four foreign ministers conference does not bring about an increase in east-west trading.

The end of the blockade has already reopened a road through Berlin for a lively trafficking of all sorts of goods. Soon a similar avenue will be opened in Vienna. The Kremlin is suggesting that it would be better all around if this exchange were legalized by trade agreements.

Washington has anticipated this situation somewhat by already increasing the list of items that do not require export licenses. Thus the European black market is reduced that much. The Red bloc had previously tested our counterblockades in Europe and found that dealing with sub rosa middlemen, many of them in Sweden and Switzerland, was too slow and too expensive a process.

We still control the situation because we can tag almost anything as "strategic material" and thus prevent the Soviets from getting it. And there is no hypocrisy in this. In an era of global struggle, everything of consequence—including the minds of men—is relatively of strategic value.

CONSUMER GOODS FAMINE AMONG RED SATELLITES

The saturation point has about been reached among Russia's satellites where they can no longer accept paper money and the scratching of bookkeepers' pens for what they can ship only to the Soviets. The Communist states have a great want for machinery, cotton, wool, rayon, and such metals as copper, tin, and zinc.

We have a current surplus of most of these goods, and the surplus will increase as our present business recession continues. The problem is how to make satisfactory deals with the east to exchange the goods for such things as timber, oil, coal, certain minerals, grain, cattle, hides, and non-European foods.

Almost gone now is the fear of west European states that the Reds can overthrow their present moderate regimes except by armed invasion. They cannily consider the Russian necessity to consolidate what she already has gained or else lose it all. The line of battle has shifted from the Seine to the Elbe.

Even though the long-range objectives of the Kremlin are not changed, the pressure is building up among American producers as well as among west European countries to induce Paul G. Hoffman, ECA chief, to propose an eastward extension of ERP. If the iron curtain is raised, or doorways through it are reopened, our ERP will widen its limits.

Economic necessity is goading all of us. It operates more conclusively than any philosophy of government.

Mr. JENNER. Next I have an editorial entitled "The Opportunity of the GOP," published in the Indianapolis Star. Let me read a portion of it:

In the field of foreign affairs they should not merely follow the bipartisan policy of support for the Marshall plan and the Atlantic Pact, but they should press for reform of the United Nations, for abolition of the veto, for the creation of a UN emergency armed force, and for the end of military control of American foreign policy.

In short the GOP should now work as hard for a Republican program as it has worked against the Fair Deal program. That is the best way to win the confidence of the American people—and incidentally, to win elections, too.

I ask unanimous consent that the entire editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE OPPORTUNITY OF THE GOP

Now is the strategic time for the Republican Party in Congress to "accentuate the positive." The Democratic administration has given up trying to pass its own Fair Deal program and Senate Majority Leader LUCAS has stated that he and Mr. Truman will be satisfied with repeal of the Taft-Hartley Act, extension of the reciprocal trade program and ratification of the Atlantic Pact. Thus, if constructive new legislation is going to come out of the Eighty-first Congress, it will be up to the Republicans to pass it, if they can. The place for the GOP to make a record upon which to run in the next election is in Congress. The initiative is now theirs.

The Democratic administration has accomplished almost nothing so far. It extended rent controls, it continued ECA without appropriating any money, and it gave Mr. Truman a whopping big raise. That's all.

Now is the time for the Republicans in Congress to make their bid to enact the sort of program they believe in. The major fight should be concentrated on getting economy in Government by passing the reorganization plans and by slicing $3,000,000,000 off

the swollen Truman budget, and on decentralizing the powers of Government over farm, health, welfare, and business activities.

The budget must be cut to avoid a deficit. Mr. Truman refuses to cut it, so the Republicans should do everything they can to trim it. The Government pay rolls must be cut. We have 1,000,000 more Government workers today than we had in 1939. They are not only costing us billions of dollars, they are also swarming all over the country trying to regulate and control as much of our economic life as possible.

Republicans in Congress have advocated legislation in the fields of housing, education, health, welfare and labor relations which restrict the power of government over the States and over individuals while at the same time providing the services the American people are demanding. Senator TAFT has taken the lead in this field of keeping America free while at the same time providing the necessary services. He has adopted the sound philosophy that the Government can look out for the poor without at the same time regimenting those who can take care of themselves.

Republicans should do their best now to rewrite the Taft-Hartley Act to conform to the needs of today as they did their best to prevent outright repeal of the law and a return to the jungle days of the Wagner Act. They should fight as hard to retain and improve the Hope-Aiken bill to provide sliding scale farm price supports as they have fought to kill the monstrous Brannan plan to regiment and control the lives and properties of the American farmer.

In the field of foreign affairs they should not merely follow the bipartisan policy of support for the Marshall plan and the Atlantic Pact, but they should press for reform of the United Nations, for abolition of the veto, for the creation of a United Nations emergency armed force, and for the end of military control of American foreign policy.

In short, the GOP should now work as hard for a Republican program as it has worked against the Fair Deal program. That is the best way to win the confidence of the American people—and incidentally, to win elections, too.

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Reds Still Gain in East," written by Hanson W. Baldwin, and published in the New York Times of July 14, 1949.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REDS STILL GAIN IN EAST—COMMUNISTS HELD USING LULL TO ADVANTAGE AS WEST LOSES GROUND BY "DOODLE-DRIFT"

(By Hanson W. Baldwin)

Political and military thunderheads hang above the Orient, and the present outward calm precedes a coming storm.

Events of the past 2 weeks reveal clearly that communism is still on the march in Asia and that the western world is still fighting a losing battle to contain it.

In China the Communists have halted to consolidate politically and economically their military conquests before pushing on to new victories, in much the same manner that the Russian Army halted periodically during the last 2 years of the war to consolidate its gains and to bring up supplies. But the lull has not been used by the democracies. We are still following a hands-off policy, a negative policy in China.

There is no major military impediment to a resumption of the Communist advance toward Hong Kong and South China. Nor has any support developed in the Communist-held areas of China, for the fatuous belief that a Communist China might turn toward the West instead of toward Russia.

Political opinions do not necessarily follow trade routes, and even though Communist China may need the products of the West—as eastern Europe undoubtedly needs them—we should not expect economic exchanges to lead to political friendship.

There has been no evidence of any development of Titoism in China. It would be premature to anticipate any such development so soon. Those who comfort themselves with this hope are probably indulging in wishful thinking. There has been, on the contrary, a revival in parts of Communist-held China, notably Shanghai, of antiforeign feeling, led by the Communists. It is probably fair to say that the prestige of the United States and of the western world in this whole area has never been lower in modern times.

In Korea there is a dangerous dichotomy between our foreign and military policies. At the very time our occupying troops—the only stabilizing influence in Korea—have been withdrawn Congress is asked to provide $125,000,000 for economic aid. But dollars will not stop the bayonets of the Communist-dominated North Korean Army on the thirty-eighth parallel. The days of the South Korean Government probably are numbered unless there is a drastic change in our plans and policies.

In many other areas of the East communism is emerging as a stronger force than had been anticipated. In Japan the Communists have gained steadily in strength in the past year. The military phase of our occupation ended long ago. Gen. Douglas MacArthur now is coping with economic, political, and psychological problems of immense magnitude. He is working in fields in which he has no particular competence and his usefulness in Japan—great in the initial phase of the occupation—has come to an end. A new and bold policy and a civilian governor to administer it are needed.

In Indonesia the Republic's first and probably growing problem will be communism. In French Indochina the Communist-led guerrillas defy a nation that once possessed an army with an unrivaled prestige.

Our politico-military "hands off" policy in the Orient is perhaps better described as a policy of "doodle and drift."

BLUNDER IN B–36 PROBE

Recent memoranda by Secretary of Defense Louis Johnson and Under Secretary Stephen T. Early directing that proposed testimony by service heads in the House investigation of the B–36 be submitted first to Mr. Early for "such coordination as is needed" were tactical blunders, as inexplicable as they were unnecessary.

The importance of these memoranda undoubtedly has been somewhat overemphasized, and the intent—to prevent an increase in service bitterness and friction—probably was laudable. But Mr. Johnson is an astute politician and Mr. Early an able publicist. Both should have foreseen that, since the names of Mr. Johnson and Secretary of the Air Force W. Stuart Symington have been mentioned in connection with the B–36 investigation, any memoranda directing prior coordination of testimony would be subject to suspicion and to charges of cover-up and whitewash.

Instead of such coordination, all service witnesses should have been instructed to testify freely, fully, and frankly. This incident has lent substance to the fears of those who contend that a single Chief of Staff for all the services, or more powers for the Secretary of Defense, will lead to a directed military party line.

Mr. JENNER. Mr. President, I also ask to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Fog on the Atlantic," published in the Wall Street Journal of July 14, 1949.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOG ON THE ATLANTIC

Senator TAFT believes that the Atlantic Pact clearly commits the United States to rearm western Europe. Senator DULLES believes that it does not.

How can honest men differ so totally on what one would suppose to be a matter of fact?

The answer is that the administration has hopelessly confused the Atlantic Pact and the military-aid program. It was the administration which spoke of the arms scheme as implementing the pact. It was the State Department which encouraged or at least allowed the representatives of the European nations to come to Washington in search of arms before the pact was signed. It was the State Department's analysis of the treaty which described the arms program as a vital corollary. It was Secretary of State Acheson who testified that there was an obligation to some kind of military assistance.

For months this newspaper has been trying to separate these eminently separable issues. It has said that the pact alone is a deterrent to aggression because it commits the full military power of the United States to the defense of western Europe in the case of attack. It has said that the arms program, far from being supplemental to the pact, weakens it because it shows a would-be aggressor that this country is not sure it means what it says in the pact.

It has said that the arms program, in addition, is futile (because western Europe cannot be made impregnable), prohibitively costly (because the proposed program is admittedly only a beginning) and dangerous (because provocative).

We do not know why the administration insists on tying together these separate and distinct issues, but its insistence strongly suggest that in some blundering deal it promised arms in order to get the European nations to join the pact.

At any rate, the situation is now so fogbound that some Senators who support the pact but oppose the arms program find they cannot honestly vote for the pact. Senator DULLES is right if he means that the language in the pact does not literally commit the United States to European rearmament. But the administration has put an interpretation on that language which makes it impossible for a Senator to know unequivocally that when he votes for the pact he is not tactily voting for arms as well.

That being the situation, the pact must be revised as Senator TAFT suggested, by the inclusion of a reservation explicitly rejecting any moral or legal commitment to supply arms. Only in that way can the fog be dispelled.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. DONNELL. I wish to make one point in my questioning of the Senator perfectly clear. That point relates to the remarks of the junior Senator from New York [Mr. DULLES], in the course of which he said:

At Paris last month there was some discussion as to whether to accept at all the Soviet proffered truce and to resume, even on a tentative basis, Four Power consultations. The reason was that some feared any relaxation of east-west tension would bring a corresponding relaxation on the part of the American people and therefore they needed to be kept artificially alarmed.

That thesis, I may say, we rejected.

I had assumed that the language "That thesis, I may say, we rejected" meant that the thesis could not have originated within our own delegation. However, I wish to say that I have no knowledge whatsoever as to whether it originated in our delegation, or with the British or the French. I was assuming, when I mentioned the British or the French as the possible source, that because of the language "That thesis, I may say, we rejected," the thesis could not have originated with us; but I wish to make it clear that I have no knowledge whatsoever as to the origin of the thesis.

Mr. JENNER. Neither have I.

INCREASED PENSIONS FOR WIDOWS AND CHILDREN OF DECEASED MEMBERS OF DISTRICT OF COLUMBIA POLICE AND FIRE DEPARTMENTS

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 2021) to provide increased pensions for widows and children of deceased members and retired members of the police department and the fire department of the District of Columbia, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McGRATH. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HUNT, Mr. JOHNSTON of South Carolina, and Mr. SCHOEPPEL conferees on the part of the Senate.

CUMULATIVE AND EMERGENCY LEAVE WITH PAY FOR TEACHERS AND ATTENDANCE OFFICERS OF DISTRICT OF COLUMBIA BOARD OF EDUCATION

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 4381) to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McGRATH. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mrs. SMITH of Maine, Mr. HENDRICKSON, and Mr. FREAR conferees on the part of the Senate.

THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. MORSE obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield for a quorum call?

Mr. MORSE. No; I prefer not to yield for that purpose.

Mr. President, when I was a small boy I was very much impressed by an American custom which was much more prevalent then than it is these days. That was the custom of hanging a large black crepe bow, usually on top of a wreath of flowers, on the front door of a home where death had occurred. I can remember that some of my earliest thinking and emotional attitudes and fears about death were stirred up by seeing those black crepe bows. I remember, too, that my mother, who was a very deeply religious woman, used to try to allay my fears and answer my perplexities about death in the homes where the front doors were wreathed in black by seeking to use those occasions as opportunities to teach me some religious lessons. I remember her saying so impressively that although death had visited a house, hope and faith still lived in the house.

It seems to me that some of the orations in the Senate against the North Atlantic Pact constitute the hanging of a black crepe bow on the door of the Chamber; but in my judgment the funeral sermons on the North Atlantic Pact for the most part, have not been based on any premise of faith and hope that a living peace can survive in the world.

In the very brief remarks which I intend to make, I wish to say something about peace. Unless we win it—and we cannot win it alone—the first chapter in the fall of America will be written into the history of our country.

These are not only momentous days in this debate, but I say very feelingly that I think they are dark days, unless there is a resurgence in America of faith in our chances to win the peace. I want no one to interpret this next statement as a criticism of any of my colleagues, but as an expression of judgment on my part as to what so many of their speeches in criticism of the Atlantic Pact have meant to me: I think those speeches for the most part have spelled out again the view that "America can go it alone." In listening to those speeches I have seen, in my mind's eye, stalking across the Chamber of the United States Senate, the ghosts of American isolationism. Granted that their speeches against the pact have sprung from a fountain of sincerity as deep as the one from which I speak at the present moment, nevertheless, in my opinion, if their philosophy becomes the framework for American foreign policy, they offer no hope for peace, but assure us of war, and a war which we shall not win.

In the course of this debate I think someone should say what I now say: That we cannot win a war against Soviet Russia without allies. If we were to turn our back on the Atlantic Pact, what hope is there that we would have allies in a war with Russia? It seems to me that throughout this debate on the part of the opponents of the Atlantic Pact, there has been little showing of any deep understanding or keen appreciation of the tremendous fear that grips the people of Europe who are living under the shadow of the only great power in the world today that manifests an apparent intention to violate the peace, if and when the world becomes weak enough for her to succed in an aggressive policy.

I realize there cannot be any peace in the world without a solution of the strained relationships, which now give every evidence of being far from friendly, between Russia and the signatories to the Atlantic Pact. I recognize that even if the allies of the Atlantic Pact should stand together in case Soviet Russia should decide to make war on the world—and if she makes war on one signatory, it will be only a matter of time, and a few short hours, I think that time will be, before that aggression will have flamed itself into world war III—I say I recognize that even if a war breaks out between Russia and the signatories to the Atlantic Pact, it will not be a war that will result in victory for either side. Neither side will win in the sense that no matter whether we win militarily, we shall, perhaps for decades to come, be economically impoverished.

So I think everything that mankind holds dear, from the standpoint of great social and human and spiritual values, is at stake in this debate, Mr. President.

Thus, in thinking out loud this afternoon, I would carry the Senate back to at least a few premises which I feel I must consider in reaching the conclusions which I would have the Senate at least weigh as my suggestions outlining the course of action which I think the Senate should follow.

One premise which I lay down—and I think it is a rather basic premise in this debate—is that the record is perfectly clear that Russia is not now, nor was she during the war, an ally of the nations which now are signatories to the Atlantic Pact. Certainly she never was an ally of the United States or of Great Britain or of France, because when we turn to those recent pages of war history, we fail to find any evidence of conduct on the part of Russia that typifies or characterizes an ally in war. What we do find is a record of a great power that found herself at one and the same time in common combat against a common enemy—the totalitarian states of Germany and Italy, and subsequently Japan.

To me, Mr. President, it is an indisputable historical fact which we, as representatives of the American people, must not overlook or permit the citizens of our country to overlook, namely, the fact that during the course of the war Russia did not conduct herself as an ally. Of course, there were military exchanges with her; we supplied her with matériel; there were some conferences with her as to military strategy. But the fact still remains that Russia functioned independently and individualistically, and without cooperative consort with us, as evidenced by the fact that during the course of the war she did not even allow us to maintain military missions within her borders. To the extent that there was any allied military personnel within her borders, they were subject to the tightest type of restrictions and censorship on their activities. She maintained the iron curtain during the war, as well as subsequent thereto. I know of the many rationalizations that are advanced in an effort to explain Russia's strange behavior as an ally. We are told she is

more oriental than occidental in her thinking. We are told her people are a suspicious people. We are told she is in great doubt as to our ultimate aims and objectives. But, even when we get through analyzing the rationalizations which some advance for Russia in explanation of her conduct, the final result is not proof that she seeks a peaceful course of action, but rather a warning that she is following a course of action which must, to put it mildly, be described as unfriendly. Of the many bits of proof that one need offer, if proof is necessary to substantiate this first premise of mine, I offer this, and I shall offer one other. Her iron curtain policy of inaccessibility, her iron curtain policy that causes her to practice police-state methods even in her intercourse with the embassies and delegations that officially sit within her borders representing foreign powers, including our own—and one only has to talk to the personnel of the foreign embassies who have served time in Russia to understand how right I am about this point—I say those iron curtain policies themselves offer the proof that her intentions are not friendly toward us, or toward the other signatories to the pact, or toward any other country that is unwilling to accept the totalitarian ideology of communism.

The second bit of proof, if proof is needed, is her undermining and infiltrating tactics, global in nature, persistent, constant, and based upon the Communist philosophy that the end result, the goal, the final accomplishment she seeks, is world revolution. She seeks the ultimate destruction of the capitalistic society and the supplanting of it with communistic totalitarianism. I cannot ignore those two great facts; I refuse to ignore them. I am not going to blind myself to the fact that they are great international realities today, and that they are threatening the peace. I cannot join forces in the Senate of the United States with men who say to me, in effect, "In spite of the record of Russia, we propose to oppose a pact which seeks security for the United States through the cooperation and support of some allies resulting from the mutual-aid program proposed in the Atlantic Pact." As I listen to these men, my mind goes back to a little reading of history, and rather recent history it is, too. It was not so many years ago that the Senate was the platform for other orations, speeches, and arguments which sought to minimize—yes, even to scoff at—the idea that we should think of strengthening our defenses in the Pacific, that we should take note of very definite military trends in the world indicating the gathering clouds of another hurricane of war. The spirit of isolationism stalked the floor of the United States Senate then, too, and the Senate was the scene of great, historic debate, in which very sincere men fought against the fortification of Pacific bases, argued against taking the necessary steps to build up the military manpower of this country, refused to give heed to many, within the Congress and outside, who were warning that, unless an embargo were imposed on the sale of war material to the Japanese Imperial Government, much of the matériel of war that was being shipped from all the west-coast ports, in fact, from all the ports of this country, to Japan, would come back to this country in the bodies of American boys. Much of it did come back in that form. I say, not critically but in a spirit of great sadness, today, as I view this debate, we find men once again following a very short-sighted policy with regard to the plight in which we shall find ourselves in case war does break out within the next decade or two.

I realize the history of military alliances has not been a history which has shown such alliances to have been followed by peace, but I shall not accept what I think is a bit of fallacious reasoning in this debate, that there is a necessary cause-and-effect relationship between military alliances and war. There have been so many other factors, including, up until a recent date in history, a failure on the part of great nations of the world to dedicate themselves to great human and social rights as set forth in the preamble of the San Francisco Charter. Of course, if that Charter is but an empty vessel, if the Charter is naught but parchment with empty words written thereon, then perhaps there is just cause for orations that are not premised upon faith and hope that we can win the peace.

I refuse to accept that philosophy of defeatism. I agree with the Senator from Michigan that the United Nations Charter and the implementation of it offer the only hope for peace. I enlarge upon it by saying that I think it offers the only hope for the survival of civilization itself.

Before I come to certain sections of the North Atlantic Pact, I want to stress my conviction that if we do not have allies, and if war breaks out, we shall not win it; we shall not win it militarily. We shall win great military engagements, but I think that if the Soviet Union decides to follow a course of warlike action, she will follow it when she knows she is in a position to win. She will know, with Europe down, that she will be in a very strong position to win, because I think there is abroad in America today a sense of false security which is absolutely unwarranted by the facts. In my opinion, if war should come as soon as next week, tremendous military injury would be done on the continent of the United States. I think a war as soon as next week would result, in a very short time after its beginning, in the loss of many thousands of civilian lives within our own country, and the devastation of certain key cities and military objectives. I believe that to be true, and the American people should be told the truth. I am not going to sit in the Senate of the United States and permit arguments based upon economic costs of defense to cause me to follow a course of action which would deprive young American men and women now in their teens of the allies which I think they are entitled to if Russia continues in her present course of conduct. Russia's conduct cannot be characterized as consonant with a friendly course of conduct toward the signatories of the North Atlantic Pact. The signing of the pact has nothing to do with her course of conduct, because it was fixed long before the signing of the pact.

I am convinced that the security of young men and women in America who in their generation will have to bear the greatest suffering of the third world war, if it shall come to pass, makes it necessary for the Senate of the United States, on this occasion, to be willing to run the calculated risks of war and the calculated costs of taking reasonable steps to defend ourselves against a war with Russia. I wish I could tell the American people that it can be done without the expenditure of considerable sums of money; but it cannot be. I am satisfied that it will cost us less if we work for the type of defense security which we must have, to the extent that defense security can be a deterrent to Russia, through allies working cooperatively with us, than it will cost us if we try to do it alone.

As I have sat here and tried to squeeze down to really ultimate meaning the contentions of those whose viewpoints I oppose in this debate, I keep asking myself, What is their alternative? What do they propose? How do they propose to do it in a more acceptable way and give us a greater guaranty of defense security against Soviet Russia?

Again, in no spirit of antagonism toward them, because it is too serious a matter for personal differences, I say their proposals are impracticable at this time, impossible of accomplishment, and, for the most part, stymied by the very procedure which, throughout their speeches, they have deplored so much.

Take the veto; take all the resolutions, including Senate Resolution 133—the fact still remains that they cannot change the veto of the Security Council. We must assume our share of responsibility for that fact. I think it is an unfortunate responsibility we have to assume it, but we must assume it. We should have opposed the veto from the beginning.

Their proposals, in the last analysis, as I see them, boil down to paper defense. Stalin and his totalitarian government are not going to be deterred by paper defenses. I think the only thing that is going to deter them is a clear demonstration on the part of the Government of the United States, as I put it the other day on the floor of the Senate, that we are going into the Atlantic Pact as an ally of the other signers with a determination to back them up with whatever implementation the Security Defense Council, provided for therein, after due deliberation and negotiation, decides is necessary to defend the nations which are members of the pact. Stalin must have clear evidence that we intend to defend the principles of freedom so clearly set out in the preamble of the pact, and incorporated by reference in the pact from the preamble of the San Francisco Charter.

If I were asked whether I thought the necessity for the pact is a very ideal situation for the world to find itself in, of course the answer would be "No." If I were asked if I thought that even the Atlantic Pact, with the implementation which necessarily follows from it, is any guaranty of peace, of course the answer would be "No." But I would say that I

am satisfied there is no hope for peace in the world unless we constantly, consistently, persistently, and morning and noon and night, make clear to Joe Stalin and his crowd that we intend to preserve the peace. We cannot do that on continental United States alone.

I thought the junior Senator from New York [Mr. DULLES] in his speech made a series of great contributions to this debate in the interest of clear thinking about the pact. One of the most telling points he made was the point of mutuality of the pact, and a piercing of the false assumption, which I think has colored the thinking of many in and out of the Senate, that, so far as the contributions for mutual defense are concerned, so far as the paying of the cost of implementation of the pact is concerned, America alone will pay the bill. He pointed out the falsity of that assumption. Well it is that he pointed it out, because I think it important that we give consideration to the great human factors which are involved in any proposed area-defense program under this pact. The manpower contributions as well as economic contributions which will be made by the other countries are bound to be substantial.

I do not quote the Senator from New York [Mr. DULLES] verbatim, but I know I do no injustice to his meaning when I call attention to the argument he made, that, after all, it is the people in the countries of Denmark, Norway, France, Holland, Belgium, Italy, and the other signatories of the pact, who are living within the shadows of Russian military power and might, and who know that the first impact of a war with Soviet Russia is going to be borne by them, millions of them who are making a great human contribution to the area-defense program of the pact.

Oh, it is so easy for us in the Senate to add up figures and to suggest that the American taxpayer is being asked to pay too much. I do not want him to be asked to pay too much, but I know it is not asking him to pay too much when we ask him to join in a cooperative program of mutual aid with the peoples of the world who are willing to make a fight to preserve the very principles of freedom referred to in the preamble of this pact, against any aggression which may be carried on by Soviet Russia.

Let us not mince words about it. If the people of Europe, if the people of England, lose their freedom, we will lose ours. If we followed a course of action of rejecting this pact, it would result in a loss of faith in us on the part of those people. It would spread despair and a loss of hope in our determination to stand shoulder to shoulder with them as an ally in preserving freedom in Europe. The internal conflict which would develop in those countries would play right into the hands of that second great tactic of Russia which I mentioned earlier in my remarks, namely, her tactic of infiltration. I am inclined to think that Italy would go down, as well as France, and it could happen in England.

So, Mr. President, I cannot get over the argumentative hurdle inherent in the question as to what would happen to us if freedom should not survive in Europe. Because I think that is one of the key questions in this debate, I am not going to injure the security of my country by favoring walking out of Europe.

I am going to answer the junior Senator from Indiana [Mr. JENNER] in respect to one point he made this afternoon by saying frankly and forthrightly to the American people, "It is true that the front line of your defenses have now become the Russian border." Those defenses must be developed and maintained until Joe Stalin and his crowd give clear evidence—not promises but clear evidence—in terms of action, that they are willing to discontinue the two tactics now being practiced, by which they hope, obviously, to overrun the world, using as their last and third tactic at the appropriate time military might. Russia will succeed with her world-revolution movement if we are so foolish and shortsighted as to return to an isolationist attitude in the United States. It would have the effect of running out on our duty to help develop the military defenses of those nations still willing to fight for freedom, and which nations would have to absorb the first impact of a military attack by the Soviet.

I would say to the Senator from Indiana [Mr. JENNER], and to those others who hold his point of view, that the people of the countries signatories to this pact are contributing something more than their territorial position as the first battleground in case of a contest with Soviet Russia. They are contributing something more than manpower to be slaughtered in the early days of such a combat. They are contributing, it seems to me, intangible as it is, reenforcements of faith in a democratic way of life.

They will contribute great military bases. I think it should be said in this debate—and, if it has been said, I have not heard it—that if we are going to wage war—if we have to wage war—against Russia, and if we are going to wage it successfully from a military standpoint, we must have bases—we must have air bases. The countries signers of the pact know that. I think it is of great value to the American people that because of their military position, territorially speaking, the signatory countries are willing to make such contributions, material and human, to this pact which, if we tried to figure out in terms of dollars and cents, would cause us to reach the conclusion that we are not paying too much for our share of the implementation of the pact.

Mr. President, I want to return to the language of the pact. I agree it should mean what it says and say what it means. I think it does. Oh, it is so easy in the Senate of the United States for us to pick up the pact and, as lawyers and Senators, indicate how we would have written it if we had been in the position where it was our duty to write it. It is easy, it seems to me, for us to overlook the fact that we are dealing here with a negotiated instrument, negotiated with representatives of foreign countries, with countries characterized by many differences in social mores and historical backgrounds—countries in which the peoples entertain fears and suspicions and doubts somewhat different from our own on many matters coming within the purview of the treaty; differences which create great difficulties in negotiations of a treaty.

Just take, for example, the linguistic differences, and the difficulties in negotiating respecting the problem of selecting language that will set forth common ideas and common concepts, no matter what tongue in which those ideas and concepts are expressed. I say that the language of the treaty, as other treaties, ought to be read in terms of those negotiating problems and of those difficulties that are inherent and inseparable in any diplomatic conference. It seems to me that when we take into account those difficulties, this is a remarkably clear instrument. But I urge the Senate to remember that we should not only read the instrument from its four corners, as we lawyers say, but as in the case of any other legal document, we should read it from the standpoint of its setting, from the standpoint of its surrounding facts and circumstances, from the standpoint of its spirit and intent—yes; from the standpoint of the moral obligations which I think are inherent in it and are as real as its legal obligations.

I do not believe I have any fundamental differences with the chairman of the Foreign Relations Committee, the Senator from Texas [Mr. CONNALLY], or with the senior Senator from Michigan [Mr. VANDENBERG], whose leadership on foreign relations I have followed since coming to the Senate, exercising at all times, as the record shows, my own independent judgment. Nevertheless, the record shows that I have followed his leadership; and I am proud of the fact that I have done so. Nor do I think I have any fundamental differences with the junior Senator from New York [Mr. DULLES]. However, I believe that I bring to this debate on the pact a little different emphasis than any one of the three Senators just mentioned. As I have studied the language of the pact, and as I have tried to inform myself on the setting of the pact and on its surrounding facts and circumstances, from which I say real moral obligations spring in connection with any treaty, I am convinced that this pact rests on something more than its so-called legal obligations. If it does not, it is worthless. If it does not, it is an empty gesture. If it does not, it is already a museum piece for Joe Stalin.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. MORSE. I prefer to complete my main remarks, except with reference to any of the Senators whose names I have mentioned, and have the Senator from Nebraska cross-examine me later. I think it is only a matter of courtesy that, to the extent I have any differences with the Senator from Texas [Mr. CONNALLY], the Senator from Michigan [Mr. VANDENBERG] or the Senator from New York [Mr. DULLES], they should be free to interrupt me if they care to do so. I am

not so sure, if they hear me through, that they will think they have any great differences.

I repeat, Mr. President, that I think the setting of the North Atlantic Pact, the surrounding facts and circumstances which gave rise to its birth, and its historical parenthood, establish within its four corners a clear moral obligation to implement the pact with such military aid and assistance as is necessary to build up an effective area defense against the Soviet Union. Unless that is an essential part of the meaning of the pact, I repeat that it is already a museum piece for Stalin's repository for diplomatic scalps. Unless it means military aid among other things, it will not be and cannot be a check against Soviet Russia. It can bring no solace, confidence, or feeling of security to the peoples of the countries signatory to it if it does not carry with it area defense military aid. It will become a source of suspicion and distrust and loss of faith on the part of those peoples if we do not work out a military-aid program.

Because I think this point needs to be emphasized in the debate, I wish to enlarge upon it a bit, over and above what I already have stated for the record.

Let me refer to the preamble.

The parties to this treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.

They are determined to safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of democracy, individual liberty, and the rule of law.

They seek to promote stability and well-being in the North Atlantic area.

They are resolved to unite their efforts for collective defense and for the preservation of peace and security.

They therefore agree to this North Atlantic Treaty.

Of the many things which might be pointed out with regard to the meaning of that preamble, I wish to take the time this afternoon to mention only two. Note that the preamble says:

The parties to this treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.

As a lawyer, I say that the mention of the Charter of the United Nations incorporates by reference the great objectives of the San Francisco Charter, as set forth in the preamble of that Charter. Without taking the time to read it, I ask unanimous consent to have the preamble of the United Nations Charter printed in the RECORD at this point as a part of my remarks.

There being no objection, the preamble was ordered to be printed in the RECORD, as follows:

We, the peoples of the United Nations, determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind; and

To reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small; and

To establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained; and

To promote social progress and better standards of life in larger freedom; and for these ends to practice tolerance and live together in peace with one another as good neighbors; and

To unite our strength to maintain international peace and security; and

To ensure, by the acceptance of principles and the institution of methods, that armed force shall not be used, save in the common interest; and

To employ international machinery for the promotion of the economic and social advancement of all peoples; have resolved to combine our efforts to accomplish these aims.

Accordingly, our respective Governments, through representatives assembled in the city of San Francisco, who have exhibited their full powers found to be in good and due form, have agreed to the present Charter of the United Nations and do hereby establish an international organization to be known as the United Nations.

Mr. MORSE. Mr. President, those principles constitute the idealism of the North Atlantic Pact. The reference to those principles in the preamble constitutes a reaffirmation of our determination and the determination of the other signatories to the pact to seek to promote the ways of peace in the world and to resist aggressors who seek to violate the principles of human freedom upon the existence of which peace is dependent.

The second thing I should like to point out as to the contents of the preamble is that in the very beginning of the treaty itself we, as a signatory thereto, say that we, too, are resolved to unite our efforts with the other countries for collective defense and for the preservation of peace and security. So far as the military aspects of this treaty are concerned, I think collective defense is the very basis proposed for the implementation of the treaty. It seems to me we play upon words if we say that our pledge in the preamble of the pact, even before we reach article 3 and article 9, does not carry along with it a pledge on our part, a moral commitment on our part, to join in the fight for the preservation of freedom by sharing in the military implementation of the treaty.

I repeat that if we do not recognize that obligation at the very time we ratify the treaty, then I think to a certain degree we are participating in a kind of gesture; we are again, it seems to me, insisting upon a principle of unilateral action, in the sense that we are going to veto what we do not like.

Mr. President, in a moment I shall refer to some of the speeches of other Senators. I do not mean, as some of the other speakers have pointed out, that by our signing of this treaty, any other signatory thereto will be placed in a position so that it can come to the United States and can say that it is automatically entitled to a certain quantity of certain implements of military defense. In fact, I think any such argument is absurd.

When we sign this treaty, setting up, as is done under another section of the treaty, a council of area defense, I say we commit ourselves to something more than merely determining for ourselves what we will or will not contribute. I say we pledge ourselves to cooperate in good faith, in the negotiations relative to the area defense council, in building up such military defenses as the council concludes are necessary to be provided in order to carry out the very purpose of the treaty by supplying such defenses and security as can be provided through military channels.

We need to keep in mind the fact that this is a treaty of mutual aid, and we should keep ourselves as free of suspicion of others as we expect other nations to keep themselves free of suspicion of us, as to intentions and good faith motives. It is to be expected that when the signatories to the treaty sit down in the conferences relative to the area defense program, they will act in good faith, to the end of seeking to effectuate, for the mutual aid of each and all of them, only those defenses which can effectively provide some degree of security for the members of the pact.

I know that in argument it is always dangerous to deal in hypotheticals, because the realities never seem to work themselves out exactly in accordance with the premises of hypotheticals. Nevertheless, I wish to suggest that if we go into this treaty and if the area defense council—speaking hypothetically—prepares a program which we believe will strengthen the security of the members of the pact, and if the only objection we can raise to the program is its cost, I think we shall be walking out on our obligations under the pact if we refuse to go along, solely because we think it costs too much.

Mr. President, again I am not saying—if we wish to reduce the argument to the absurd—that a program could not conceivably be outlined by the area-defense council which would involve a cost which would weaken our own security because of its effect upon our own economy. Certainly that is one of the factors which must be considered in determining the defense program blueprinted by any such council. But I say we have to go into this pact, or not go into it at all, on the assumption that the members of the pact are going to act in good faith toward each other in respect to area-defense problems, which include the problems of America's economy. If the need for a pact such as this one really exists—and I believe it does—then we should recognize that we can neither have military isolationism nor economic isolationism any more in America and win the peace. By that sentence I do not mean I would be willing to go along with any proposal that we turn over to any area-defense council authority over the economy of my country, but I do mean that, in view of the present military situation existing in the world, we might as well admit here and now that if we are going to have allies, and if it is worth anything to us to have allies in the preparation of defenses against a potential aggression on the part of Russia, it is going to cost us considerable sums of money.

Some want to run the calculated risk of saving money and take the chance that we may not end up ultimately at war with Russia. They want to run the risk of dealing with Russia without the allies

we would have if we went into the pact. They can take that stand for the pages of history if they wish to. But my stand in this debate will be opposed to them. Costly as implementation of the treaty is bound to be, I believe it will constitute the expenditure of defense dollars which will prove to be a wise expenditure, if—and, big as the "if" is, nevertheless I state it—if the pact is instrumental, as I think it will be, in making clear to Russia that we intend to come to the immediate assistance of any member of the pact whose territorial integrity or whose rights in any other respect as set forth in the treaty are violated. However, we must implement the pact with military aid through an area defense program if it is to have much influence on Russia.

Let me say in respect to the potential cost, still undetermined, of the implementation of the pact, I hold to the view, as a member of the Armed Services Committee of the Senate, that a portion of the cost of implementing the pact can be deducted from our Military Establishment budget now submitted for defense measures outside the treaty. I do not know how much of it can be deducted, but I know some of it can. I shall be open to reason and conviction when any appropriation proposal is submitted; but I say here, now, that, in my opinion, our Military Establishment should recognize that, if we ratify the pact and then go ahead, as I think we necessarily must, with its military implementation, they should understand it will call for a revision of their proposals for military appropriations. If, for example, in the interests of the use of common weapons easily transferred from the military force of one country to the military force of another—such as naval weapons—we should work out with England under the pact a uniformity of defense weapons for the British and American Navies, and as a result of an implementation agreement we make available to the British Navy certain equipment, it stands to reason that making it available to the British Navy should allow us to reduce somewhat our expenditures for the American Navy. The same statement applies to the Air Force and to the Army.

What are we talking about in the treaty? We are talking about an area defense; a common defense. If we are going to act in concert, if there is to be a unification of effort in the common defense, then we should recognize that the very treaty itself will permit of some savings in the sense that we should not have to appropriate for our own forces the same amount we otherwise would have to appropriate for them, if we were going to go it alone in the building up of American security against Russia. This is exactly one of the problems, I submit, which would be the subject matter of negotiations and agreement on the part of countries participating in the Area Defense Council, which carries inevitably with it a moral obligation on our part to make good the primary objective of the treaty, which is the objective of common defense.

Am I mistaken in that interpretation of the treaty? Let us see. I am sorry, Mr. President, to take the time to read sections of the treaty into this speech of mine, but there can be no continuity in my argument unless I do so. So, because my argument is based on the language of the treaty, I shall comment on three sections. Article 2 reads as follows:

ARTICLE 2

The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Mr. President, it is that article which sets forth the intention of the parties to work out a program of cooperative effort on the level of economic relations as a part of the common defense. It carries along with it obligations on the part of England, France, Norway, Denmark, and all the other signatories toward us, economically, and vice versa. It is that article which, keeping in mind the type of obstacles to negotiations previously mentioned in these remarks, I think sets forth with remarkable clarity that the signatories to the pact intend to work out economic difficulties and problems which exist between and among them, recognizing that, unless they strengthen their economies, they can become easy prey to Russia. The pact recognizes clearly, by implication, the fact that Soviet Russia and her leaders believe that our system of free economy, our system of capitalistic incentive, is foredoomed and that when it collapses an opportunity to strike will be in existence and therefore it calls upon the members of the pact to cooperate economically as well as militarily.

Yes; I admit there are important commitments within the treaty in respect to cooperation over and above military cooperation such as the economic cooperation set forth in article 2. But that is not all. I read article 3:

In order more effectively to achieve the objectives of this treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

That language, Mr. President, carries with it the clear moral obligation to act in concert to promote what? To develop and promote "their individual and collective capacity to resist armed attack."

Of course it does not carry with it any specific commitment as to any quantity or particular item of military defense or equipment, but it means, to me, and I think it should mean to others who are willing to give to it the literal meaning of the words used in the article a commitment on our part to cooperate in mutual aid to the end of developing the collective capacity of the signatories to resist armed attack.

We are not going to do that, Mr. President, by exchanging resolutions with Russia. We are not going to carry out article 3 by repeating some of the recent mistakes of history.

Let us look at one or two of them. There is a date we should never lose sight of in this debate. That is the date of September 30, 1938—Munich. There was a program in existence in the world at that time which comes pretty close to one implication, it seems to me, that has arisen in this debate over the matter of implementation, namely, the idea that Chamberlain had that apparently he could stop Hitler with persuasion. Do not forget that it was on March 31, 1939, that the Chamberlain declaration on behalf of Britain and France guaranteeing the integrity of Poland was enunciated; that on April 13, 1939, there was the British-French declaration guaranteeing the integrity of Greece and Rumania, and on May 12, 1939, there was the British agreement of mutual assistance to Turkey. Reference to these agreements was made in the debate yesterday, and citations to them were placed in the RECORD. But a fallacious conclusion was drawn from them. The conclusion was that they were not instrumental in preserving the peace. Of course, they were not, because steps had not been taken in time to develop the necessary defenses and military implementation so that they would mean something. That was the Chamberlain policy. A policy of appeasement and empty gestures.

I do not want any promulgation of the Chamberlain Munich policy to creep into the North Atlantic Pact, because, as certainly as we are here today, if the policy of exchanging notes or trying to appease is to be the policy of implementing the North Atlantic Pact, or if the only obligation we are assuming under the North Atlantic Pact is to decide for ourselves some time in the future what implementation shall be adopted, then I say, Mr. President, the pact, at the time we ratify it, will automatically become a scrap of paper.

This pact, I submit, means, if it means anything, the assumption of both a legal and a moral obligation of the people of the United States and their Government to cooperate, through mutual aid, with the signatories thereto in a military implementation of the pact. A part of it, possibly most of it, conceivably might be upon our own continent. It might be that the Area Defense Council would decide that the best military defenses that could be built up, so far as striking power is concerned, would be to establish bases on our own land. But if the military implementation is pursuant to that type of military blueprint, we would still be carrying out what I think is the clear moral obligation of the treaty, namely, to implement the treaty with military aid as well as economic agreements.

If, on the other hand, the judgment of the Area Defense Council, resulting from good-faith negotiations, is that considerable expenditures are necessary for military implementation in Europe, let us frankly admit now that we are obligated, when we ratify the treaty, to participate in a contribution to that implementation.

I agree with the Senator from Texas, the Senator from Michigan, and the

Senator from New York, that it is impossible to say what form that implementation will take, or at what cost it will come, but I differ, at least in the sense of emphasis, with the thought that the only obligations in this treaty are its so-called legal obligations, and for reasons which I shall set forth later.

Mr. WHERRY. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Nebraska.

Mr. WHERRY. I do not wish to interrupt the Senator, but the names of the Senator from Michigan and the Senator from Texas were mentioned, and I should like to quote from the address made by the distinguished ranking minority member of the Committee on Foreign Relations in behalf of the pact, on the point the Senator is discussing, which is a point which has been troubling me. I should like to quote what he said, and then I should appreciate the Senator giving his impression of what the Senator from Michigan said and whether or not he agrees. The Senator said:

I know, Mr. President, there are many friends of this great peace adventure who are inclined to put their overriding emphasis upon the subsequent physical implementation of the pact.

This is the point the distinguished Senator from Oregon is now discussing.

There are those who count it disingenuous to take any other view.

I do not agree. Frankly, I should have much less interest in this treaty if I thought its repressive influence for peace is measured by or dependent on any such implementation. It is not the military forces in being which measure the impact of this "knock-out" admonition. In my view its invincible power for peace is the awesome fact that any aggressor upon the North Atlantic community knows in advance that from the very moment he launches his conquest he will forthwith face whatever cumulative opposition these united allies in their own wisdom deem necessary to beat him to his knees and to restore peace and security.

Again he said:

Let me not be misunderstood. I accept the philosophy of article 3 for myself. I simply insist upon the proper context. We are not launching a vast arms race. Quite the contrary; we largely depend upon potentials.

Then again:

Just what is our obligation at this point? * * *

I shall feel free to argue with my colleagues on the merits of any such issues when they arise. But I shall never argue that their vote for the pact precludes free and honest judgment and independent in any such subsequent event.

I bring this point up at this time because it is the very subject the Senator is discussing, and I wondered what he thought about these observations of the ranking minority member of the Committee on Foreign Relations, and whether he agrees with the observations.

To me the Senator from Michigan is emphasizing the potentialities which would be accomplished, and he refers to the extension of the Monroe Doctrine multilaterally, and to the fact that we should not place the emphasis on the implementation legislation.

Mr. MORSE. Mr. President, I am very glad the Senator raised the question. I wish to say, concerning the quotation the Senator from Nebraska just read from the CONGRESSIONAL RECORD, that of course I think the language of the Senator from Michigan itself just quoted indicates that the effectiveness of the treaty rests upon the accumulation of the defense powers of the signatories to the treaty. If there is no accumulation of military defense power, then the pact is not going to be very effective as a deterrent to Joe Stalin. Of course military aid under this part does not mean an arms race. It means only that the area defense council will try to work out a joint defense program which will make it possible for quick and effective joint action if Russia starts a war.

Mr. WHERRY. But as to the implementation which he emphasizes, does the Senator feel that if we vote for the North Atlantic Pact we will be free to take independent action on implementation?

Mr. MORSE. As I vote for the pact, I feel that my country has committed itself to cooperate in an Area-Defense Council to implement the pact. My country's representatives will be free on that council to exercise their right and authority in disagreeing with certain proposals which they decide are unreasonable, but I do not believe that morally we would be free, as a member of that council, to take a position of an out and out veto of any program for mutual aid in area defense which the rest of the council agreed upon. I do not believe that the treaty carries with it the moral right on our part to say, "In the last analysis we shall write the blueprint as to what the area defense shall be."

It is on that point of emphasis that I find myself holding a somewhat different point of view from some of my colleagues as to what I think the obligations of my Government are once we ratify the treaty. That is why I have said that I do think there is a basic moral obligation in the treaty for the United States, as a member of the Area Defense Council which is established, to participate in the military implementation of the treaty. If we walk out on that obligation of implementation I think we are walking out on a moral obligation to provide military aid which is implied in the creation of the Area Defense Council itself, I think such a failure to meet what I call the moral obligation to help provide military aid will hold us up to the scorn and the contempt and the loss of confidence of the members of the pact.

Mr. WHERRY. What the Senator means, if I understand him correctly, is that after the Atlantic Pact is signed, under article 9, the defense council article, there will be a moral and legal obligation for the United States to consider, in whatever process it cares to adopt, the application of whatever the council recommends.

Mr. MORSE. To cooperate in good faith as a member of the council in working out an area-defense program.

Mr. WHERRY. And we are legally and morally obligated to do that if we sign the North Atlantic Treaty?

Mr. MORSE. I think there is such a moral and legal obligation, but there is neither a moral nor a legal obligation created by article 9 or article 3 that binds us to make available to the area defense council a certain specific number of ships or airplanes or bases, or what not. As to that, as I said in my colloquy with the Senator from New York [Mr. DULLES] the other day, I completely agree with him that our freedom to negotiate is preserved to us. Nevertheless I do think that we cannot ignore the fact that we are agreeing that we will not walk out, by way of the unilateral exercise of a veto on our part, of a military implementation of the pact simply because the blueprint is not exactly the one we would write if we were writing it ourselves. In other words, there is a mutuality of responsibility in these things, or, to put in terms of a colloquialism, there is an obligation to recognize that if we are to go into this matter af an area defense program, we give up our right to say, "We will pick up our marbles and go home," whenever we do not like the way the rules are applied to us.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. VANDENBERG. There has been so much controversy over this question, and so much misunderstanding, I have been giving a good deal of thought to it, and I ask my able friend from Oregon whether, if it can be simplified, it could be simplified in this manner: Our obligation is not to furnish arms. Our obligation is not to any specific objective. Our obligation is to our responsibility as an honorably participating member of the North Atlantic community in quest of objectives to which the treaty is addressed. Is not our obligation to our general responsibility and is not the exercise of our obligation, a requirement of honest judgment in respect to our obligation to our general responsibility?

Mr. MORSE. I think that is all very true, I may say to the Senator from Michigan but I believe when we say that, when we recognize that obligation, we should make clear to the American people that fulfilling that responsibility will necessarily mean, as I said earlier in my remarks, by reason of the surrounding circumstances under which this treaty was written, that we will be bound to go forward with the military implementation of an area-defense-security program to be negotiated by the signatories to the pact.

Mr. VANDENBERG. If that proves to be the requirement of our responsibility under the pact, the decision is for us to make. Now, it seems to me the only difference between the Senator from Oregon and me is that he is anticipating that decision for himself.

Mr. MORSE. It is a decision for the council to make with the representatives of the United States party to the council. But I repeat that we are honor bound to make clear at all times in the future history of the council that we are acting in good faith in seeking to implement an area-defense program. I do not see how we can escape the conclusion that if we fulfill our duty in good

faith American tax dollars will be required for military defense expenditures at home and abroad under this pact.

Mr. VANDENBERG. The Senator is not indicating, of course, that the recommendation of the defense council is binding as an obligation.

Mr. MORSE. No; I do not think the recommendation is binding.

Mr. VANDENBERG. That is the point.

Mr. MORSE. But I believe the obligation which is binding is our duty in the interest of mutual aid and common defense to act in good faith in our participation within the council in carrying out the military-implementation objectives which I think the signatories clearly had in mind when in the historic setting here in Washington we signed the treaty.

Mr. VANDENBERG. Let me, if I am not interfering with the Senator's speech, illustrate what I have in mind.

Mr. MORSE. The Senator is not interfering with my speech at all.

Mr. VANDENBERG. The fundamental theory upon which article 3 is written, of course, is the theory of ECA, namely, that it is based upon self-help and mutual aid; and one of the fundamental tests which would be legitimately applied by us to any recommendation, for example, from the defense council, would be a perfectly legitimate inquiry as to whether it was based on appropriate self-help. Is not that true?

Mr. MORSE. That is true.

Mr. VANDENBERG. In other words, that pin points, it seems to me, the point I am trying to make, that there is no way to anticipate the type of question which will arise which may involve an obligation, and there is no obligation except the very important obligation of honesty and honorably living up to the responsibility which we accept as a copartner in the mutual defense of the North Atlantic area.

Mr. MORSE. I do not disagree with that.

Mr. VANDENBERG. I do not think we are in disagreement at all. That is the point I was trying to emphasize.

Mr. MORSE. I do not disagree with that, I will say to the Senator from Michigan, but I take judicial notice of the area defense conditions as they exist at the very time we are ratifying the treaty, and I say, for example, that when it comes to air defenses of the area it will be necessary to have bases, it will be necessary to have equipment, and where, as of now, and in the first few years of the life of the treaty, will most of the resources for those bases and equipment come from? From America. I may possibly have overemphasized that point, because I want to be careful that our people are going into this with their eyes open. That is why I have stressed in the remarks I have previously made and the remarks I have made today, my desire that our people know that it is going to cost money to implement the treaty. How much money we do not know. What the exact form of the equipment for area defenses will be we do not know. The area defense council is going to work it out.

We still keep all of our constitutional checks on the question of appropriations, as has been brought out before. But those checks and the legal terms of this treaty cannot erase from this treaty, in my judgment, if it is going to mean anything at all, our moral obligation in good faith to do our part in implementing it. We cannot possibly implement it as I said earlier in my remarks, so as to have any effect on Joe Stalin, without implementing it by way of military defenses and military aid. I do not think he understands any other language at the present time. Unless he knows that we are in a position to move against him immediately as a united group of countries organized under this pact, in mutual defense then it does not mean much as a deterrent to Russian aggression.

Before the helpful interruption I was discussing the situation that existed at the time of the Munich meeting, and I had pointed out that Chamberlain's policy was pretty much a policy that was not backed up with any effective military implementation. As Churchill says in his book The Gathering Storm, the then President of the United States, Franklin Delano Roosevelt, seemed to recognize this problem, and he suggested at that time that a conference of European nations be called.

I do not know that it is useful even to talk in terms of hindsights, because we are still guessing when we try to reach any conclusions as to what might have happened if something else had happened. But if Hitler had known that there not only was an expression of intention on the part of a group of countries to resist his aggression, but that a group of countries were implementing a joint determination to use their military forces by way of mutual aid in opposition to Hitler if following Munich he violated the territorial integrity of the countries he did violate, it is at least interesting to ponder whether he would not have followed a different course of action. I think he would. So only by way of historical analogy, but not with any intention of saying the conclusion is inevitable, I express the view that a military implementation of the pact will cause Stalin to think a long time before he decides to breach the peace. I say that in my judgment, if my country goes into the Atlantic Pact it ought to go into it with an understanding on the part of the Senate and the people of the United States that we are going to proceed with an implementation of the pact, including a military implementation, to that degree which the judgment of the Council decides is necessary in order constantly to make clear to Mr. Stalin our intention to fight if he commits an aggression.

I should like to turn for a moment to article 9, which has been referred to by the distinguished Senator from Michigan [Mr. VANDENBERG]. To me article 9 is the implementing machinery and procedure of the treaty itself. I read article 9:

> The parties hereby establish a Council—

This is the way we are going to carry out our mutual aid. This is the way, as set forth in article 3, we are going to develop our individual and collective capacity to resist armed attack. We are not going to do it acting independently of each other. We are not going to do it individualistically. We recognize in article 2 that we have the obligation to develop our own self-help; but we also recognize, as individual nations, that our own individual self-help will not be sufficient to make clear to Joe Stalin and company that he is headed for trouble if he follows an aggressive course of action. So, to serve very clear notice on him, and not to make the mistake of the Munich period, not to make the mistake of following a course of appeasement, but a course of mutual aid backed by the perfecting of an implementation of this treaty which carries with it the power militarily to resist, we say:

> The parties hereby establish a Council, on which each of them shall be represented, to consider matters concerning the implementation of this treaty. The Council shall be so organized as to be able to meet promptly at any time.

We are going to keep our eyes on every move the Soviet makes. We are not going to wait for formal conferences. We are not going to tie our hands with international diplomatic protocol. We are going to organize this procedure so that we can meet promptly at any time. I like to think of this in terms of the fire-alarm phase of the treaty.

> The Council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defense committee which shall recommend measures for the implementation of articles 3 and 5.

As the Senator from Michigan has clearly implied in his remarks today and previously, this is a matter of recommendation and procedure, but it certainly carries with it the idea of uniting in a joint effort to implement the treaty—for what purpose? For the purpose of having individual and collective capacity on the part of the signatories to resist armed attack. That is what the two sections mean to me. They mean to me that when I vote for the treaty I am voting to spend money in the future for implementing the treaty; and, speaking for myself, I think I would be very naive if I did not recognize that I am voting to spend money in the future for military implementation as well as for the type of implementation which I think is clearly implied in article 2, which has to do with economic mutual aid on the part of the parties.

There has been some discussion of an assumed difference which exists in point of view between the junior Senator from Oregon and the junior Senator from New York [Mr. DULLES] with regard to the type of obligation which is inherent in this treaty. I wish to go back to the RECORD of July 12, 1949, because I do not think the difference is as fundamental as the press seems to try to make out. I think there is a difference, and I want to make very clear my position on that difference; but I do not consider the difference is over the objective of the treaty at all. I go back to the CONGRESSIONAL RECORD of July 12, 1949, at page 9285, where the junior Senator from Oregon said:

> Mr. MORSE. Mr. President, I have only one or two questions to ask the Senator from New York. They deal with the question of moral obligation. I am sure the Senator from New York will agree with me that the American people are very sensitive when it

comes to the question of carrying out their moral obligations. Whenever we as a people have a moral obligation, we take pride in the fact that we live up to it.

I am inclined to think that there is a little misunderstanding and some confusion in the country in regard to the question of moral obligation in relation to the pact. I would appreciate it very much if the Senator would help me in my own thinking on the subject.

I intend to vote for the pact, feeling that in doing so my vote carries with it the moral obligation on the part of my country, in mutual aid of and cooperation with the other signatories to the pact, to do those things necessary to protect the members of the pact from aggression by any country which seeks to make war upon them. It seems to me that that is an underlying, inescapable moral obligation.

I am sorry that I am not putting this in the form of a question. I am putting it in the form which will be most helpful to me in my own thinking if the Senator from New York will make comment upon it when I finish this very brief observation.

That is one moral obligation which I think my country assumes the moment we ratify this pact. It seems to me that we cannot escape a moral obligation to give whatever military aid is within our power, consistent with our economic abilities, to assist any member of the pact militarily to protect itself from armed aggression on the part of any violator of the peace of the world.

I mean no criticism of any Member of the Senate, but I make these comments because it seems to me that there has been just a little failure to come face to face with what I think is the underlying moral obligation of this pact, which I think the Senator from New York stated very clearly in an example which he used in the course of his speech. He clearly pointed out that, after all, by ratifying this pact we are not taking on unilateral obligations. Exceedingly great obligations are being assumed by millions of people who will be much closer to the first firing line than we shall be in case war should break out. People who live in the very shadow of what we all know is the greatest potential aggressor in the world are willing to risk their all to make the first defense against the aggressor. That contribution of position on their part, if I may put it that way, carries with it the moral obligation on our part to support whatever arms program the facts may show is needed in order to see to it that the members of the pact are immediately protected from an aggressor.

With that explanation, I put this question: Is it not true that if and when we ratify this pact the American people should understand that we have undertaken a moral obligation under the pact to cooperate with all the signatories thereto in providing for the members of the pact the military defense necessary in order to protect us all against an aggressor?

Mr. DULLES. I agree with that statement. The important distinction to make, I think, is that the acceptance of the proposition which the Senator puts does not give any individual member the right to get any particular thing from any other member. The analogy is not perfect, but if we take the case of the United States of America, no particular State has a right to get any particular armament within its borders to defend it from invasion.

Mr. MORSE. I agree.

Mr. DULLES. There is a responsibility of the whole which must be discharged honorably, but that does not give any particular member the right to demand any particular arms or aid for himself.

Mr. MORSE. I agree.

Mr. DULLES. Nor in my opinion does it require us to build up each one of these states so that it alone can defend itself by what is within its own territory. It may be that, just as the best defense of the State of New York may be something that is in the State of Maine or in the State of Florida, so the best defense of the North Atlantic community may be something that is in the United States.

I digress for a moment, to say that I certainly have tried to make clear, in my comments here this afternoon, that that is my view also.

Now returning to Mr. DULLES' comments:

But certainly there is no right on the part of any particular member of the North Atlantic community to make any particular demands upon the others. There is a duty upon all of them to act as a part of that community and to carry out their common obligation to take steps for the best defense of all of them as a whole.

Mr. MORSE. I agree. Speaking for the record now, so far as the people of my State are concerned, I want the people of my State to know that when I vote to ratify this pact, I also believe that I am undertaking a moral obligation to vote, in the future, funds for the people of the United States to supply such military assistance as we can supply within our economy, without doing great damage to our economy, to protect all the members of the pact from a potential aggressor.

Therefore, I ask the Senator from New York whether I state the matter correctly when I say that when we go into this pact we do undertake an obligation to work out, with the other signatories to the pact, an area-defense program, to which we will make a contribution; and, of course, all of us know that necessarily, because of our great war-making potential, so far as production is concerned, it will be a substantial contribution to the area-defense program? Is that a correct statement?

Mr. DULLES. Yes; I think so.

Then the Senator from Michigan [Mr. FERGUSON] interrupted, and there was discussion on another issue.

Later we came back to the other subject, and I said:

Mr. President, my question was this: Do we undertake a moral obligation to build up a program of area defense; and I think the record will show—if not, let me say now—that that will include, of course, considering our great capacity for the production of war matériel, making a substantial contribution through a defense establishment which will protect the nations against an aggressor.

Mr. DULLES. If the Senator says the United States will make a substantial contribution to the defense of the North Atlantic area, I certainly agree. The question of where that contribution shall be made is, I think, wholly an open question.

But I do not think there is any obligation at all under the treaty to send any particular force or strength to Norway or Denmark or France or the Benelux countries or to Portugal or any other place.

Mr. MORSE. Does the Senator from New York think there is any obligation, under the treaty, after the parties to it have worked out what they consider to be a necessary area defense, for our country to cooperate with them in carrying out that defense program; or would we violate an obligation if at that time we said, "Well, we are sorry, but we do not propose"—for example—"to supply the number of airplanes the defense council thinks is needed in order adequately to defend the signatories to the pact"?

Mr. DULLES. Does the Senator mean that if the recommendation made under article 9 should call for sending American supplies to Norway or France, we would be free to reject the recommendation? In my opinion, we would be free to reject the recommendation on the ground that it did not effectively carry out the defense. I do not think we can repudiate the obligation of working out together a defense of the entire area.

Mr. MORSE. Does not the Senator from New York think there will be very great danger, under those circumstances, of our appearing in the eyes of the other countries of the world as insisting upon a unilateral determination of what an adequate defense program would be?

Mr. DULLES. I think we are entitled to exercise an honest judgment about the recommendations.

Mr. MORSE. I agree; but, in exercising that honest judgment, does not the Senator think that one of the operative facts necessarily must be an underlying moral obligation or commitment which we take unto ourselves when we ratify this pact, to become a cooperative member with the other signatories in effectuating a defense program which the other signatories are able to agree to, with our cooperating in its draftsmanship?

Mr. DULLES. Yes; but I do not like this moral obligation angle very much, because I think when one deals with treaties, and so forth, he deals with legal obligations rather than moral obligations. Moral obligations are rather loose things.

Mr. President, it is at that point, and only at that point, that I find myself in unequivocal disagreement with the Senator from New York. I reject his theory. I reject it for the reasons I have advanced at some length this afternoon in connection with my view that a treaty is never any stronger than the moral obligations assumed by the parties at the time they enter into its legal obligations. I say I reject the notion that the so-called legal obligations can be separated from the moral obligations. I say that history is strewn with the wreckage of treaties upon the legalistic interpretations of whose language nations have tended to fall back.

I close by saying that for the reasons I have advanced this afternoon, the North Atlantic Treaty means much more than the printed words contained therein. The North Atlantic Treaty carries with it all the implications of the preamble of both the San Francisco Charter and its own preamble to preserve freedom in the world. It means that through mutual aid, through cooperative effort in an area-defense council, we pledge ourselves to the other signatories thereto that in good faith we will work out with them, exercising in turn the same good faith which they exercise toward us, an implementation of this treaty for collective security and defense. Now, in this debate, is the time to explain that moral obligation to the American people—not to deny its existence. Now is the time to recognize and admit it, so that our citizens can be forewarned that, in the interest of their own security, appropriations will have to be made in due course of time, on the basis of a blueprint mutually agreed to between the cooperating parties to the pact, for the military implementation of the treaty. It is a moral obligation to stand together for peace and freedom, giving clear notice to Joe Stalin that we do not intend to permit him to follow a course of action whereby he can pick us off one by one. It is a notice that an attack on one is an attack on all.

I have not taken time today to discuss a great many other facets of the international situation which I think is so indicative of a future war unless we take such steps for mutual aid as we take in the Atlantic Treaty. I have not even talked on the Asiatic situation. In my judgment, it is not necessary for us to discuss the Asiatic situation in reaching a decision as to whether the treaty and the clear obligations which I think are inherent in it will be worth the price as a check against the Soviet Union. I am satisfied it will be. I believe it is an insurance risk we should take for which the premium will not be excessive. Without it and without the pledge of assurance that we will help the signatories in collective defense, in my opinion, international relations in Europe are going to break-down. Without giving the mutual aid and assistance provided for in the pact, the countries of Europe must necessarily, out of an instinct of survival, proceed to adopt for expedient and convenient purposes various types of programs of appeasement, which I say to my good friend the Senator from Indiana [Mr. JENNER] it seems to me it will be necessary for them to follow if we adopt his attitude on his proposals. His proposals, I believe, when boiled down, are proposals which sum up to America's again withdrawing herself within herself and making the great mistake of thinking we can meet the Russian menace in the world without allies.

I close on the plane on which I started, Mr. President. Unless we as Senators are willing and unless the American people are willing to accept what I insist is more than a legal obligation in the treaty, a moral obligation to implement the legal obligation of the treaty, namely, cooperating in the Area-Defense Council in effectuating an area-defense program as our only present hope of security against a potentially aggressive course of action on the part of Stalin—I say unless we follow that course of action, instead of following an individual course of action on the part of the United States, we shall write the first part of the chapter on the fall of the United States. I am convinced history will record the fact that resort to economic and military isolationism on the part of the United States will end with our having followed the course of action which results in our being without allies. Nations will not stand with us on empty promises. Nations will not take the risk they are going to have to take, if we follow or insist upon a unilateral course of action whereby we reserve to ourselves the complete right to veto what allies and partners in a program of collective security believe to be necessary to protect the group as a whole.

Thus, in closing, Mr. President, I say if we mean it when we say that an attack on one of us is an attack on all, then the corollary is a recognition, when we ratify such a pledge, that we will vote the funds necessary, after a reasoned judgment satisfies us what the amounts are, to carry out both the legal and the moral obligations of the treaty. If we bottom it today on any other premise, then we are not writing a treaty, but I think we are tearing up a treaty which has already been signed and making it but scraps of paper. I repeat, if there is a difference between the junior Senator from Oregon and the junior Senator from New York, it is only in respect to that one paragraph and that one answer which the junior Senator from New York made on July 12, when he said:

> But I do not like this moral obligation angle very much, because I think when one deals with treaties, etc., he deals with legal obligations rather than moral obligations.

I reject his view on that point, because I say the type of faith and hope for peace to which I referred in the beginning of my remarks today depends entirely upon carrying out, not only a legal obligation but moral obligations to help defend those peoples and countries that are willing to make a fight for freedom.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. WHERRY. May I suggest to the distinguished Senator from Oregon, I deeply appreciate the very forceful argument he has made this afternoon relative to the interpretation of the term "moral obligation." I am not much exercised about our legal obligations, after the treaty is signed, and the arms implementation legislation is presented under articles 3 and 9. I, too, am interested in this question of moral obligation. May I ask the distinguished Senator whether he feels, if the United States signs the North Atlantic Pact, there will be no moral obligation upon the part of the United States to provide arms by way of mutual aid?

Mr. MORSE. I think we have an obligation to provide arms.

Mr. WHERRY. The Senator thinks we have a moral obligation, does he?

Mr. MORSE. I think we have.

Mr. WHERRY. In that respect, does not the junior Senator from Oregon differ entirely from the junior Senator from New York?

Mr. MORSE. I do not think so, if I correctly understand the junior Senator from New York. I am sorry the junior Senator from New York could not remain.

Mr. WHERRY. So am I. I should have liked to have him present.

Mr. MORSE. I may say for the RECORD I explained to the junior Senator from New York that I was going to discuss this subject, and I thought I would discuss it very early in the afternoon. It was necessary for him to catch a 5:30 train. He remained as long as he could. He made perfectly clear to me that he wanted me to go ahead with my discussion even in his absence, saying if he had any comments to make he would make them at a later date.

Mr. WHERRY. I deeply appreciate that observation. I, too, was very much interested, hoping that the Senator from New York would be present, because I feel that a part of the colloquy in which the junior Senator from New York and the junior Senator from Oregon engaged brings me to a different conclusion. It may be that I am wrong, and that is the reason I should like to ask the junior Senator from Oregon a question.

After the junior Senator from New York had answered the questions which the junior Senator from Oregon propounded, as recited in the CONGRESSIONAL RECORD on page 9286—and I shall read just one of them:

> Mr. MORSE. Mr. President, I have only one or two questions to ask the Senator from New York. They deal with the question of moral obligation. I am sure the Senator from New York will agree with me that the American people are very sensitive when it comes to the question of carrying out their moral obligations. Whenever we as a people have a moral obligation, we take pride in the fact that we live up to it.

The Senator has read that into the RECORD again today. After the Senator from Michigan [Mr. FERGUSON] had queried the Senator regarding France, they came back to this colloquy, that is, the junior Senator from Oregon and the junior Senator from New York; but prior to the time the Senator from New York got back to it, I asked this question, which appears on page 9286:

> If I correctly understand the question asked a moment ago by the distinguished Senator from Oregon [Mr. MORSE], it was the same one which I asked of the distinguished Senator from New York earlier in the afternoon. I simply wish to be sure that I understood him correctly, because he answered my question categorically "No," that there will be no obligation upon the part of the United States, if the Senate ratifies this treaty, to provide arms as mutual aid. Did I correctly understand the Senator's answer to my question?
>
> Mr. DULLES. The answer to the question of the Senator from Nebraska, in my opinion, is "No."

I am not speaking about how much aid should be given and saying that a country can say, "Give us this or that," unilaterally or in any other way; I am talking about the same question which was asked by the distinguished Senator from Oregon in the colloquy which has been quoted this afternoon. Certainly I understood the distinguished Senator from New York to say, "No, there is no moral obligation, upon the signing of the North Atlantic Pact, to provide arms." That is my understanding. I wish the Senator were here, because a moment ago I asked the distinguished Senator from Oregon the same question which I propounded to the Senator from New York, and he said he thought there was a moral obligation. I appreciate the wide experience, the legal training, and the legal ability of the junior Senator from Oregon, and I also appreciate the fact that he has made an argument on the moral obligation which has increased my apprehension about the question.

So I submit the record to the distinguished Senator from Oregon, and I think that upon the same question the junior Senator from Oregon and the junior Senator from New York reached opposite conclusions.

Mr. MORSE. I think a reading of the comments of the junior Senator from New York will show that he agrees that there is an obligation to work out an area defense program which might, as he says, involve military arms. I think there is a degree of difference between us. I am perfectly willing to take notice of the fact that we cannot have an area defense program without arms——

Mr. WHERRY. Certainly not.

Mr. MORSE. I do not know what we would use for defense if we did not have arms, if we carry out article 3 of the treaty with regard to collective security.

Mr. WHERRY. I agree with the Senator.

Mr. MORSE. But I think, in fairness to the junior Senator from New York, it should be said that what he was trying to point out was that whatever the obligation, which he calls legal but which I say is a combination of legal and moral—whatever the obligation is, there is no commitment in advance that we shall appropriate money for any specific equipment, any specific base, any specific program in terms of military defenses. I interpret his remarks as meaning that. I disagree with his conclusion of fact, as we lawyers would say, if what he means is that we could have the type of security which is provided for in article 3 without military aid. Article 3 reads, in part:

> Will maintain and develop individual and collective capacity to resist armed attack.

We cannot resist armed attack with snowballs; we cannot resist armed attack unless we recognize that there is an obligation to work out an area defense security program which involves military defenses.

Mr. WHERRY. If the Senator will yield further, I shall conclude. It was after a part of that colloquy that I again asked the question. I am in total agreement with the Senator from New York and the Senator from Oregon in their interpretation that area defense is entitled to full consideration by the Senate. We should give it full faith and sincerity in our consideration. After the entire colloquy I posed the question once again. The thing I want to know is the responsibility we have, and whether it is a moral responsibility. I asked the Senator, as I have asked other Senators on the floor, whether there was a moral or a legal obligation, if the United States ratifies the pact, to supply the arms. He said categorically, "No."

I asked the distinguished Senator from Oregon that question, and he said "Yes." He says there is no difference between the two. Maybe there is not, but that is the point I am trying to clarify in my mind.

Mr. MORSE. Let me make it perfectly clear, so far as technical language is concerned. The Senator from Nebraska uses the phrase "the arms." He does not mean all the arms.

Mr. WHERRY. Oh, no.

Mr. MORSE. We assume under the treaty as I see it the obligation of providing our fair share of arms. In view of all the circumstances, our fair share of the arms in the first years of the pact will obviously be more than it will be in later years of the pact.

Mr. WHERRY. Mr. President, it seems to me that it has been demonstrated beyond all shadow of a doubt that the Senate needs a clarifying declaration as to what our moral and legal responsibilities are when we ratify the pact. I cannot see it in any other way. Distinguished Senators arrive at different conclusions and give different answers to the same query as to our legal and moral responsibility.

### ANNOUNCEMENT OF RECESS OVER SATURDAY

During the delivery of Mr. MORSE's speech,

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LUCAS. I wish to make a brief announcement. We shall, of course, continue with the debate on the Atlantic Pact this evening, but when we finish tonight we will take a recess until Monday next.

I ask unanimous consent that this statement appear at the conclusion of the remarks of the distinguished Senator from Oregon.

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). Without objection, it is so ordered.

### THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. FULBRIGHT. Mr. President, before I start my remarks I should like to say that I am still very much puzzled as to the distinction between moral and legal obligations as applied to nations. It has always been difficult for me to believe any nation ever recognized what we consider as moral obligations. If anything, they are amoral.

Mr. CONNALLY. Mr. President, would the Senator like to have a quorum?

Mr. FULBRIGHT. I do not care for a quorum.

Mr. CONNALLY. Very well.

Mr. FULBRIGHT. Mr. President, I shall vote to ratify this treaty for one principal reason. I believe the commitment on our part to resist any armed aggression against any of the members of the pact will deter any nation which may now or may hereafter contemplate embarking upon such an aggression. To me that point presents the principal justification for the treaty.

I have always believed that if Hitler had known, before he attacked, that he would ultimately have to fight the United States in addition to his immediate victims, he probably would not have started World War II. Instead of an Atlantic Pact, we had passed the Neutrality Act, which assured him by solemn legislative act a free hand in his aggression. If we had not changed our minds and reneged on that assurance, I have little doubt that Hitler would be in control of all of Europe, Africa, and the Near East today. Without the aid of the United States I do not think there was sufficient power in the world to overcome the Germans. I may add that I think very probably the First World War could have been prevented, certainly delayed, had the Kaiser believed that the coalition which did eventually come about would be brought into existence.

It is for the reason, therefore, that the pact will tend to delay and possibly prevent world war III that I am supporting it. It will not solve the fundamental ills that afflict the western world, but it will help give us a breathing spell during which, if we are wise, we may be able to find the solutions to our real problems.

I do not think it is necessary that we implement the pact by sending arms to Europe immediately. The economic and political problems of Europe are so pressing that they still should be the primary object of our attention and efforts. Unless we can solve these problems, the west will disintegrate as a result of its own internal contradictions and confusion anyway.

We have made so little progress in formulating a rational policy for the west that I am confident the Russians believe at this time that there is a good chance of their success without the risk of precipitating an armed conflict. That belief also contributes to our short-term security from attack.

When I say that I do not see the need of sending arms to Europe immediately, my thought is that, before that is done, we should develop a definite policy regarding European armament before we plunge into the undertaking.

Before sending arms, a program for an over-all European defense establishment should be definitely worked out among the participating nations. Sixteen individual defense organizations will be futile except for internal police duty. To be effective, there must be a single, coordinated military organization with a well-defined and responsible command by a single general staff. If this is not done, we run the risk of supplying vital arms to states unable to prevent their falling into the hands of an aggressor. We have failed to achieve the economic integration of these countries with quite unsatisfactory results. Surely we will not repeat that error in the military program.

Mr. President, with regard to the rather spirited controversy in this Chamber about whether or not we are committing ourselves to send arms to Europe if we ratify this pact, as one member of the Committee on Foreign Relations, I certainly believe that such is contemplated and expected. As to whether it is a legal or moral obligation, I cannot say. I do believe, however, that our Government intends to send arms and that the Europeans expect to receive them.

Personally, I am perfectly willing to send arms, but they should be sent only under the conditions I have mentioned above. I believe therefore that this body can and should make it clear that as a condition of sending the arms, the European signatories should cooperate in the creation of a single defense establishment.

Mr. LONG. I wonder if this pretty well states the Senator's understanding on this subject. It is Secretary Acheson's statement, found at page 13 of the hearings, where he said:

> I therefore earnestly trust that the Congress will see fit to enable this Government to carry out that aspect of its foreign policy represented by the proposed military assistance program. At the same time I urge that both the treaty and the proposed military assistance program should be considered separately and on their own merits.

I ask the Senator if he does not agree that we are considering the pact entirely on its own merits, and when we come to the military assistance program, we should consider that entirely on its own merits, without feeling that one necessarily requires the other.

Mr. FULBRIGHT. I think we are going to consider them separately. I am trying to make the point that, so far as I am concerned, in considering the pact before us, we are going to send the arms, I expect, and I see no objection to sending them. In fact, we could send the arms without the pact. We are not doing anything unusual. We sent arms to Greece, to Turkey, and to China. That aspect of it has never bothered me, and I think we will send them as we see the need for them. I have no objection to that at all. It is assumed it will be done after due consideration, and because we believe it is for our advantage and the advantage of all the signatories.

The point I am making is that before we send arms we should try to see that they will be effective after they are sent, and that a single organization will have control of them, which can coordinate their use, and also coordinate sufficient power to prevent their falling into the hands of a possible aggressor, as many of our arms did in China, for example. We find now that the Communists are well equipped with arms which we sent to the Nationalists.

Mr. LONG. Does the Senator feel that because a Senator votes for the Atlantic Pact, which provides for mutual assistance in case one of the signatories is attacked or invaded, or the security of the signatory is threatened, necessarily he commits himself to any specific mutual assistance program?

Mr. FULBRIGHT. No; certainly not to any specific program. I shall certainly feel free to offer suggestions as to how the pact is implemented, as I am offering them now. I think it is proper to offer them now, merely in the nature of notice of what I expect our own Government to do. I feel that our own representatives on the council, which is authorized by article 9, will have the power to do this. I am offering my suggestions in the nature of advice or directions in the same way that I offered advice to the administrators of the ECA. I do not think they followed the advice, but I believe it was perfectly proper to offer it. In my opinion, it is the duty of Senators to offer advice. That is what I am attempting to do. While I am perfectly willing to admit that I think it is proper to send military forces, I believe they should be sent in an orderly and effective way, requiring that the forces be organized over there under a single general staff, a single command, so to speak, and not be disseminated in 11 or 12 little countries constituted really only a police force.

I might say in connection with that, but departing a little, that I also think as a part of the plans there should be the requirement that the countries organize their own arms production programs, on an area scale or a continental scale, and that it be divided in accordance with the economic situation. Those which can best produce certain articles of warfare should do it, and each country should not try to have a complete military establishment on a miniature scale, even though it is complete in the sense of having all the various integral parts of a military establishment.

Mr. LONG. Does the Senator feel that the Administrator of the European recovery program should be allowed to contribute to the arms programs of the countries in Europe?

Mr. FULBRIGHT. No; I do not think that is contemplated, nor do I think it would be within his power.

Mr. LONG. Did the Senator say something to the effect that he felt that the Administrator had the power to ship arms at the present time?

Mr. FULBRIGHT. No. The Administrator has the power to devote the money which we have appropriated for the ECA to projects bringing about integration of the economy of countries, that is, the convertibility of their currency, to assist in the breaking down of the trade barriers, and to bring about economic union. But I do not think he has done it. I was only drawing an analogy to indicate that in the economic field I think that should have been the primary purpose, but it was not. It developed, unfortunately, in nationalistic and separate compartments. I do not think the military should develop that way. It should be developed and the policy behind it should be on the whole area basis.

Mr. LONG. I agree with the Senator that this Nation, with the consent of Congress, could certainly furnish arms to any nation, even without any pact. But I wonder if the Senator from Arkansas feels that any power exists, in the absence of congressional consent, to furnish arms to any nations other than Greece and Turkey, who are receiving them by consent of Congress.

Mr. FULBRIGHT. Arms were furnished in the case of Greece and of Turkey under specific authorization. I do not know that I would say that we can send arms to any nation without authority being granted by Congress. I do not know that any power exists in the Government to do so without congressional authority.

Such an interpretation might well be made of article 9 of the treaty as a directive to our Executive in carrying into effect the treaty.

With regard to the discussion on Wednesday last of a reservation—the discussion took place, I believe, between the Senator from Nebraska [Mr. WHERRY] and the Vice President—I think a clarifying interpretation of article 9 might properly be adopted in order to give the other signatories notice of our intentions.

I may say that I do not wish to offer a reservation that would require any renegotiation or resubmission. I was not clear from the discussion between the Senator from Nebraska and the Vice President whether such a clarifying interpretation would require that. I was left with the impression, from reading that discourse, that it would in a sense be up to the Department of State to decide as to whether it would be necessary to submit it to the other countries. But the purpose of such clarification to me is to give notice to the other countries that that is one of the important considerations in the supplying of arms.

Mr. President, although I urge the Senate to ratify the pact, I wish to suggest that its significance not be overemphasized. It does not offer us hope of a positive solution of our principal troubles. It is rather a negative holding operation, giving us time to gather our wits about us and find our direction.

The really important problem which now confronts us arises from the increasing evidence that the Marshall plan is not succeeding as its sponsors hoped it would. I was one of its sponsors. As one of those who supported the Marshall plan, I again feel it my duty to point out that I do not think it can succeed of its purpose without the political and economic unification of western Europe.

On March 30 and April 5 and 6 of this year, I discussed in detail my reasons for believing that without the integration of the European economy the Marshall plan cannot succeed. Again, I wish to say that, unless the unification of Europe is brought about simultaneously with its industrial rehabilitation, I do not believe it will become a strong and viable community.

A few days ago the Department of State issued a statement indicating that it was not very much concerned about the present crisis in Great Britain. Some reliable sources in Great Britain do not agree with that view. On July 2 the Economist, the leading publication of its kind in London, was extremely concerned about the situation. It had this to say about it in its leading article entitled "1952 Is Now":

> As in the phony war of 1939, the belief that time is on our side has again proved a myth. Time, now as then, is on our side only if we use it. And, now as then, time has not been used to sufficient effect. The crisis staved off 2 years ago is returning in a more acute form.

That ends the first paragraph. With that description of the present situation I entirely agree. Later in the same article we find the following:

> In spite of all that can be done by bilateral deals, the reserves are again running out. If the policy continues unchanged, the British economy threatens to settle by the stern long before 1952.

I would say that that description by this leading English magazine is certainly at variance with the estimate of the seriousness of the situation by the Department of State.

The article goes on to point out that the British must cut their costs of production and become competitive if they expect to become really self-sufficient. I do not believe they will or can become competitive with our own economy so long as they and the other European states pursue their narrowly nationalistic policies in the economic and political fields.

From other sources I have seen evidence of trouble brewing in Europe. On July 1, the Christian Science Monitor

carried an article by its special correspondent in London which began with the following paragraphs:

Another alarm buzzer has sounded in the council rooms where Europe's statesmen now grapple with the trade and payment crisis.

It is sounded by experts charting industrial progress under the Marshall plan.

They warn of surplus capacity in major industries unless present and planned investment programs are tailored to fit—too many textile mills, too many chemical plants, too many oil refineries, too many steel works, too much wasted effort, and too little efficiency.

This is seen here as timely additional warning of the perils ahead should European nations let themselves be carried motionless on the drift to autarchy.

I ask unanimous consent to have inserted at this point in the RECORD the remainder of the Christian Science Monitor article. It is very short.

There being no objection, the remainder of the article was ordered to be printed in the RECORD, as follows:

It obviously demands top-level action to give real meaning at last to those shadowy half-words, "coordination and integration."

Warnings of surplus capacity are given in a series of reports now being issued through technical committees of the Organization for European Economic Cooperation.

MARKET SURVEY URGED

When completed, the series is to form part of the prolonged interim report on ERP which began with a volume issued in December 1948, to take the place originally scheduled for the "lost" master plan.

Report of the OEEC committee which has probed the chemical industry shows a danger of overproduction in certain major groups—nitrogenous fertilizers, phosphates, dyestuffs.

It points out that this danger arises because almost all ERP countries have prepared vast schemes for construction of new plants in order to combat the dollar shortage and to fulfill their own demands.

The report declares that by 1952 there will be a minimum surplus of nitrogenous fertilizers of 135,000 tons yearly. It urges a detailed investigation of export markets in order to establish the advisability of some of the proposed plant extensions in Europe.

There also is likely to be a large surplus of superphosphates. Europe is warned that the building of new plants in countries overseas will close some outlets for such exports, notably South Africa.

TEXTILE SURPLUS LOOMS

There is an estimated 1952 export surplus of 82,000 tons of dyestuffs.

OEEC's textile report warns that Europe is planning to make many more textile goods than the world's export markets are likely to be able to absorb—at a conservative estimate it works out at 210,000 metric tons more a year, worth up to $550,000,000.

The urgency of the problem and the need for a speedy cooperative solution are increased, because, despite this inherent danger of overproduction, it is still essential that the present obsolete plant be renewed.

"Unless this is done," OEEC states, "the vicious spiral of the prewar depression in the western European textile trade will begin again: Contraction of markets, neglect of equipment, rising costs, further contraction of markets.

These problems are intensified even further, OEEC declares, by a probable shortage of raw material for woolen industries, leading western Europe to look to the dollar area for an increasing proportion of its requirements.

Reequipment of Europe's oil refining industry and further development of crude-oil resources under European control are likely to bring substantial savings in dollars, according to OEEC. European consumption of 63,000,000 tons, more than double prewar, is planned for 1953.

But OEEC adds that the planned increase in refining capacity seems like proceeding ahead of marketing possibilities.

A final report on steel has not yet been issued. But Great Britain's Iron and Steel Federation in its latest monthly statistical bulletin draws new attention to the prospect of surplus capacity.

COMPETITION REVIVED

Planned steel expansions in Europe would bring annual output up to 57,500,000 ingot tons, a little more than 13,000,000 tons greater than prewar. Because of current uncertainties, the Economic Cooperation Administration has suggested that the expansion program should be extended over 8 to 10 years instead of 4. OEEC concurs. But there is little hope yet of an agreement on who is to make how much steel and of what kind if plans have to be cut.

OEEC technical experts have little doubt about the answer to the question of surplus capacity. Coordination, integration, and efficiency must be obtained by one means or another.

Commentators now claim that if Europe feels it cannot do the job by deliberate planning, either through distaste for further state control or in actual present lack of government powers of direct control in most democracies, then it is more urgent than ever that competition be injected into the European system and bilateralism be banished.

This obviously ties up with efforts of ECA to reach a progressive agreement with OEEC on trade and payment problems. Pressure against bilateralism this time comes from inside OEEC itself with the additional comfort of the time-worn truism "forewarned is forearmed."

Mr. FULBRIGHT. From this article it is evident that the ECA has done an excellent job of building plants in Europe, but surely it should be clear now that production alone is not the complete answer to the ills of Europe. Production is, of course, important, but without the free movement of goods within at least an area as large as Europe, it is extremely doubtful that production there will become competitive or efficient, or serve the purpose which I thought the Marshall plan was intended to serve; that is, to make Europe strong and prosperous.

Mr. President, again I wish to point out that the ECA has concentrated its attention upon production and neglected the fiscal and trade policies of the participants. Section 3 of title 1 of the original act has not been adequately pursued. That section reads:

(3) facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

I still regret that on April 6 last the Senate refused to accept an amendment designed to further this objective.

I also wish to insert in the RECORD as a part of my remarks a very excellent editorial on this subject from the Washington Post of July 8, entitled "Restrictionism."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RESTRICTIONISM

It is all very well for Secretary Acheson to minimize the difficulty in which the British Government finds itself. But the situation simply cannot be pooh-poohed as a temporary strain. Even the London Economist, arriving the same day as the Acheson comment, heads its leading article, "Nineteen hundred and fifty-two is now," meaning that the time has come for Britain to seek solvency out of her own resources. This does not mean self-sufficiency. It means a recognition of economic interdependence in action: goods for goods, services for services, and no doles from America. The temporary measures announced by Sir Stafford Cripps to conserve hard-money reserves are restrictionist. They provide for further straitjacketing of the British people within the country and further insulation of the people in their foreign relations. This is another move toward self-sufficiency.

Think what this would mean in the case of the State of Maine. Dr. Taussig, one of the great economists of the last generation, used to say that Maine could grow bananas. But why, he used to ask, should she grow bananas when she can buy them with her potatoes, fish, and climate, and so much cheaper and so much better? Britain is trying to be agriculturally self-sufficient. But the expense to the British people, demonstrated by the fat subsidies to British farmers, is out of all proportion to the advantage. Other Europeans are pursuing the same course of agricultural self-sufficiency. As the UN Economic Committee's report certified, they are all, likewise, straining to develop their own steel industries. At this rate they will soon have nothing to exchange but their own washing. This is the road to a poverty which the people simply cannot endure, but which, judging from the statements of sundry spokesmen, their present leaders expect the United States to subsidize.

This country has great need of Britain (and her neighbors) in the business of upholding the free world. It was for the purpose of putting Britain and other nations on their economic feet that the Marshall plan was initiated—not, however, separately, but together, so as to restore them as a going concern. The basic idea was to restore a functioning Europe. Mr. Marshall did not use the plural. He did not say the British economy, the French economy, European economies. He talked about the "European world"; "Europe," "a working economy." What is happening is that the British are trying to build up an island economy, and the example has, perforce, to be copied in Europe. Whether it will influence Britain's partners in the sterling bloc by persuading them to curb their dollar purchases is, however, doubtful. It looks, indeed, as if Cripps' restrictionism will lead to the disintegration of the sterling bloc, not the isolation of it under British leadership. That, to be sure, would be Britain's own funeral. The situation is of concern in this country because of the need to put the British and their neighbors in some partnership relation for the job of stabilizing a world doomed to constant travail.

This explains the openly expressed views 6 months ago of Messrs. Hoffman and Snyder in favor of the alinement of currencies in Europe on an interchangeable basis. They were acting according to the letter and the spirit of the Marshall plan. Doubtless this "pushing and prodding," as Governor Dewey called it, may invite resentment. The plain fact of the matter, however, is that, as the Economist says, time, which is on the British side only if it is used, "has not been used to sufficient effect." Senator FULBRIGHT raised this very question in the course of the debate on the second appropriation for ECA.

Surely the time has come to stop giving lip service to a continental economy and work toward it. There is no salvation for Britain in behaving like a barricaded *Maine*. Sir Stafford Cripps' rigid prescriptions must have come like a shower of ice water to those

earnest workers in Britain for western integration and their millions of supporters. To be sure, the risks of embarking on this road are enormous. But there is hope in that direction, and none at all in the present direction of a closed economy. The story is told of a man who languished for 5 years in the Bastille. Suddenly he had an idea. He went to the door, found it open, and stepped out in the open air, a free man. Something like this, even if the open air proves squally, is needed in present-day Europe—if the Continent is to recover health and strength, and if the Marshall plan is to justify the statesmanship that inspired it.

Mr. FULBRIGHT. The punch line in the editorial reads as follows:

Surely the time has come to stop giving lip service to a continental economy and work toward it.

That sentence sums up neatly my criticism of the attitude of the Department of State and the ECA toward the problem of restoring a strong Europe. Both give lip service to the idea of an integrated and unified Europe, but in practice their actions are not directed to that end. In fact, it is my belief that, seeking to achieve economic self-sufficiency on the national level in 16 small nations, the program is deterring, rather than promoting, European integration and unity. The facts as developed in the hearings and by the reports of the OEEC itself support this conclusion.

Again, Mr. President, I wish to cite the opinion of Dr. Gunnar Myrdal as carried in the Washington Post on July 9. As Senators probably know, Dr. Myrdal is the executive secretary of the United Nations Economic Commissions for Europe and a noted Swedish economist. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks this brief article, which is a résumé of a speech which he made in Washington, apparently on July 8.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ECONOMIST SPEAKS—DR. MYRDAL ASKS REVIVAL OF INVESTMENT

Dr. Gunnar Myrdal, executive secretary of the United Nations Economic Commission for Europe and a noted Swedish economist, said yesterday that Europe's economy is disintegrating.

He urged a revival of private-capital investments by American finance to "oil the machinery" of European trade. Without private financing, the "strangulation" of trade will continue, he said.

The London economic crisis is not just a temporary one, he declared, and is due to many complex factors.

"The greatest existing bottleneck, one more dangerous than the shortages of coal, steel or other basic materials, is lack of confidence in the future," Dr. Myrdal told an audience of about 150 which included Paul G. Hoffman, ECA Administrator.

He was addressing a luncheon in his honor given by the Washington World Affairs Center at the Willard Hotel.

The lack of confidence is due largely to the cold war, Dr. Myrdal said. Although trade between east and west should not be regarded as a panacea for Europe's troubles, he added, such trade would be one required condition to "get western Europe off the American dole."

No single step can be regarded as the solution to Europe's economic problems, he continues, as "the channels for a multilateral system of trade have been broken and a new pattern is needed."

Two of the reasons for the economic disintegration of Europe, Dr. Myrdal said, are the increasing economic nationalism used by governments and the dollar shortage.

One of the most important factors lacking in the situation is a capital market between the various countries, Dr. Myrdal said. He said cooperation between American finance and banking and "solid, conservative and experienced" European banking houses should be encouraged.

Hoffman, who said he agreed with Dr. Myrdal on the complexity of the European problems, said United States imports must be built up from the present $1,000,000,000 a year to $5,000,000,000 in imports, balanced by about the same amount in exports. Otherwise, he said, we must face a world of shrinking trade.

Senator PEPPER, Democrat, of Florida, who was in the audience, said, "The cold war was the worst of all follies, adding that surely, there must be an honorable meeting ground for living and working together."

Mr. FULBRIGHT. I call attention to one or two statements which he made. He says in so many words that "Europe's economy is disintegrating." Two of the reasons for the economic disintegration of Europe, Dr. Myrdal said, "are the increasing economic nationalism used by governments and the dollar shortage." This was in July of this year. I call attention to the increasing economic nationalism, which is exactly the criticism I tried to present to the Senate on a previous occasion, regarding the effect of the present policy of the ECA in the administration of that program.

Mr. President, I realize that this discussion of the difficulties presently encountered by the European recovery program is not entirely germane to the ratification of the treaty, although both are important parts of our foreign policy. Furthermore they are related and this success is interdependent. It is difficult to see how one can succeed without the other also succeeding, although I do think the Marshall plan is the more fundamental.

To my mind the spirit of the debate on the pact has led to the feeling that its importance is greatly overemphasized. I think it is a proper step, and I am for it, but to me it has nothing like the significance for the future of Europe and world peace, as has the success of a plan such as the Marshall plan.

The latter is extremely important because, I feel strongly that our policy makers in the Department of State and the ECA are mistaken in their idea that each little state in western Europe can be neatly and separately rehabilitated and then at some indefinite time in the future unification can be brought about. The developments during the past 12 months clearly demonstrate the fallacy of this view. I think that if one will read the hearings on the authorization for the ECA the past spring, he will find that that was the attitude of the Department of State, as expressed by the Secretary of State.

Mr. President, I believe that reason and experience clearly indicate that if we and our friends in Europe are not to be sadly disappointed in the results of the European recovery program, we must, at the earliest possible moment, bring about the free movement of goods, of persons, and of capital among the participating countries. The failure of the Marshall plan would not mean simply some hardship or inconvenience to the participants. It would be a serious blow to the prestige of the free world and a major victory to the Communists. Such a failure on our part would encourage the Communists, more than anything I can think of, to renew with vigor their pressure upon the west.

Mr. President, I have supported consistently the Marshall plan and I shall vote to ratify this treaty. I suggest, however, to the Department of State that money alone is not enough to make either successful. More important than money is the policy, the wisdom, with which the money is spent.

In Europe we are dealing with an antiquated, obsolete, economic, and political system—a system which grew up long before the advent of the steam engine, electricity, the radio, the airplane, or modern industrial methods generally. Such a system is an anachronism today and I think it is quite impossible to breathe lasting strength and life into it, regardless of how many dollars we squander on it.

The Europeans, except for the present British Government, have been groping for some way to bring about effective unity, but without our leadership, under the circumstances, it is difficult, if not impossible, to achieve.

Some of our people seem to think that we should not meddle in the political affairs of Europe. This idea, Mr. President, assumes that there is a hard and fast line between economic and political matters, which simply is not so. Likewise military matters, such as are the subject of this treaty, are but a special phase of the political life of a nation.

The Europeans would welcome some leadership on our part looking toward the unification of their distracted and sick community. I do not wish to bore the Senate by repetition, but I do think it pertinent to cite again the statements by Sir Arthur Salter in the quarterly review Foreign Affairs of last January.

In my opinion it is pertinent because of the developments which have come about in Europe, particularly Great Britain, and the comparison between what we now read in the press as to what is going on in Great Britain and what we were told was going on during the hearings, when we had extremely optimistic and rosy reports about the status of the economy of Great Britain.

Let me refer to an article by Sir Arthur Salter, published in Foreign Affairs, an American quarterly review, for the first quarter of 1949. I wish to read only a few paragraphs:

If economic union does not include this, it does little good; if it does, it involves political changes that amount to something approaching federation. Even under prewar conditions the attempts to create economic unions failed unless they were accompanied, or quickly followed, by political union.

* * * * *

In these circumstances, agreement among the several countries on a general plan, and on the means of securing its application, is likely to be slow and difficult. The influence of a powerful and disinterested country,

in an arbitral position, may often in such cases make just the differences—

He has reference, of course, to the function which this country might play in that movement—

may overcome a separatism which each national representative may realize is against the general interest but which in view of pressure from interests in his own country he is impotent to resist. For ECA to be completely passive in such a case, and merely to stand ready to help whatever may be agreed by OEEC, and no more, will be to decline one of the most valuable services it can render.

On the other hand, to try to force through schemes against the determined resistance of governments who, after all, are responsible for the social and political problems of their countries, by making acceptance the condition of grants, would be highly dangerous. Much may be done by tactful persuasion; all may be risked by a harsh insistence.

I cited in that same speech, which I shall not bother to read now, several other authorities in Europe to the same effect. One other, which I think is very interesting, is a short statement by the present foreign minister of Italy characterizing the Marshall plan. Count Sforza said last year:

Our only salvation is a United States of Europe. We can never be economically self-supporting as long as we are cut up by nationalistic boundaries. Moreover, we will never abolish war until we banish nationalism, and we will not banish nationalism by ourselves. We can only do it if you put the pressure on us. You can do it through the Marshall plan. You are the only people who can make us set up a United States of Europe, but you will have to be tough. Otherwise the Marshall plan will be one chapter—a pleasant chapter, but a passing one.

That, I think, was the essential element that was missing in the administration of the Marshall plan. With regard to this treaty, I think there is an analogy with regard to the supplying of armaments. While I think the policy is accepted—and I am sure the Government will follow it—I very strongly urge the Senate to consider the advisability of incorporating a clarifying interpretation, whatever the technical word one should use in the very mysterious procedure in which we are engaged, which was described last Wednesday. I do not know that we can make a suggestion about a treaty without requiring it to be resubmitted to all the countries. I do not think it should be resubmitted; I do not think it is necessary, but I think our own Government should be advised, and the others should be given notice, that we consider it to be an extremely important part of the arms program that they have a unified arms program, and that we do not undertake to interpret this treaty as meaning that we will try to build 12 small independent armed forces in the various countries, or even six, or two. In my opinion, the military force should be one. Some persons say, "How do you arrive at that conclusion?" I think it is perfectly logical to reason, from a combination of articles 3 and 9, that if the military force is to be effective, it must be single, and that in the creation of a council on which we would be represented, we would be in a perfectly proper position in saying that we are not obligated in any way, morally or otherwise, to do a futile thing, which would be to send a small dab of armaments to these various countries, but that we are interested in trying to create a coordinated, strong, single army for the continent of Europe.

Here again there is a further analogy to what is taking place in the economic field. I pointed out that in the economic field Belgium and the Netherlands, on the one hand, and Italy and France, on the other hand, have undertaken, through treaties, to try to bring about economic union between their countries.

In the case of Belgium and the Netherlands, they were having difficulties, because of which they had put off until a 6-month period next year the time when their currencies would be made convertible, and, because of their difficulties, France and Italy were contemplating a period of as long as 6 years. But in both cases those countries have voluntarily undertaken to bring about economic unification.

In the military field the five countries involved in the Brussels Pact agreed to set up a consultative assembly; and after having done that, they have agreed upon a unified command, as among those countries, with unified planning and general-staff work, still headed, I believe, by General Montgomery. So the principle is not unalike.

I do not want us to inject ourselves in our blundering manner into this field, as we have done in the economic field, and thus perhaps cause those nations to disrupt their application of that idea, and go about creating a separate French Army and a separate Dutch Army and a separate Norwegian Army, and a separate Danish Army. It is true that a good deal has been said about the considerations which were entered into with the representatives of Norway and Denmark, leaving the impression that we had committed ourselves to arm them individually. However, the Secretary of State has said specifically and explicitly, in the hearings, that we have made no commitments of any kind in regard to armaments.

So we are not committed to follow that course, as of today. Thus we are free to follow the other basic policy. I think it will be extremely important now in the military field, as it was in the economic field, for us to try to bring about that union.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. LONG in the Chair). Does the Senator from Arkansas yield to the Senator from Massachusetts?

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. I have listened with a great deal of interest to the Senator.

Judging from what he has said, he is one of those who believe there should be a great deal more unification among the nations of Europe and a greater cooperation and greater acting together between them. He says the Marshall plan is just one step in connection with the future of Europe, and so forth; and he has spoken about the military field. The Senator has also said that he believes we should exert all the pressure we can exert in order to attain the end of greater unification.

My question is this: How far should we go internally into a country? I have in mind particularly that in connection with the ECA operations, an amendment may be offered concerning the nationalization of further industries in England. Is it not the opinion of the Senator from Arkansas that that goes too far, that if we do anything like that we take away a great deal of the purpose of the aid we give?

Mr. FULBRIGHT. I certainly agree with the Senator from Massachusetts. I may add that I do not think that kind of interference contributes at all to the purpose I have in mind. I do not think my purpose involves any interference at all in the internal economy of a country.

If the Senator from Massachusetts will recall the example I used in trying to give some idea of what I meant in regard to economic unification, it was in the case where Belgium and the Netherlands have already undertaken such a project. That project is current today, but they are having difficulties with it. My point is that we would be much better off and Europe would be much better off if we would use our money to further such projects, rather than to look only at the production of steel, textiles, refineries, and so forth, in each country. I think they have done that. The actual, positive program we have followed is along those lines, as I see it; and I think the evidences are becoming clearer every day. The article I read from the Christian Science Monitor describes nothing new; it is only current. It confirms what was in the report of the ECA itself last spring, namely, the difficulty the ECA is having in building up a complete economy in each country, in each of these small states, in an attempt to give each one of them all that is necessary for its own economy. The ECA thinks that keeps those countries from having the dollars they need, or causes them to have difficulties with their balance of payments. I say that only reinforces their nationalism, and makes more difficult the unification of those countries.

Dr. Myrdal said on July 8 that the economy of Europe is disintegrating because of the growing nationalism. Apparently it is increasing today. A few years ago there was a feeling—a much stronger feeling than it is today, I think—that the countries of Europe had to get together. The reason for that is not simply some idea of politics. On the contrary, the reason for it is based, I think, on the soundest practical economics, namely, that they will never be able to set up plants that are efficient, according to our use of the term, because they have no mass market.

Think of the situation, Mr. President. If all the products of Massachusetts were confined to the market in Massachusetts, and if they could not be sold in Arkansas and Mississippi, what a weak economy we would have. The strength of our economy lies in our ability to produce goods in efficient, large-scale manufacturing plants because there is a mass

market, a market not confined to the boundaries of each State. Therein lies the strength of our economy.

There was a tendency to develop such an economy in Europe; but the ECA has, very unfortunately, I think, not pursued a policy which has been devoted and directed primarily toward the solution of those problems, which are currency problems to a great extent. The problem of convertibility of currency is now the crucial question, as the Senator from Massachusetts well knows, and is the one that constitutes a crisis, as Britain sees the matter. Certainly the British economists think it is a crisis, even though our own State Department does not think so.

The same situation is true of all the other European countries. They already have sufficient production, but the difficulty is that in many cases they cannot sell the textiles and other articles they have the ability to manufacture, because of the lack of free trade and lack of sufficient capital. I do not think there is the slightest chance of their having a really strong economy under such circumstances.

It seems to me that the same idea is analogous and sound in the military field. I do not think we shall have a strong military force if we go about the implementation of this treaty in the same way we have proceeded in the economic field in regard to Europe. In other words, if we try to give Belgium so many tanks, planes, and other implements of war, in an attempt to make Belgium self-sufficient militarily, in the same way we have attempted to make her self-sufficient in the economic field, I think we shall fail in our attempt. I believe the whole matter should be studied as a unit and the contribution of each country should be carefully worked out from the point of view of what will be the most efficient, with the idea of having one military force.

Mr. SALTONSTALL. Because of the Brussels Pact, there is a greater opportunity of that sort, is there not, in the military field than there is in the economic field?

Mr. FULBRIGHT. The Brussels Pact has presented such opportunities for the five nations participating in that pact. Of course, it has not involved all the countries of Europe; but it has provided a good start. I do not think it is a much better start than the organization of the Benelux nations in the economic field. We should have taken that up and said, "This is an excellent thing; it is on a small scale; but it will assure, so to speak, a tightened plan." If we had put $100,000,000 into making their currencies solvent and solved their fiscal problems, or helped them to do it, it would have been advisable. In addition to that, there must be an adjustment of their internal taxes. We did not have to tell them to do it. They said, "We are doing it." All we should have said is, "We want to help, and here is, say, $100,000,000." I merely take that figure for illustration. This was discussed, I believe, with Mr. Spaak, who was then foreign minister, when he visited this country. He thought it an excellent idea. But that is an intangible kind of project. What appeals to ECA is a blueprint brought to them for a steel plant. They are all for that, but that is not a matter of policy. The other idea deals with policies, with trade barriers, and convertibility of the currency. To my knowledge ECA has never considered that. I think it has the power to do it. I think it could do it. It simply has not done it. Under the North Atlantic Treaty, our representatives on the council established by article 9 will have the power to do what I am saying should be done.

What I should like to do is to impress upon our representatives in the executive branch that I hope in the military field they will follow a policy which will not repeat the mistake which has already been made in the economic field.

I think my proposals are sound. I think other Senators, if they approve, can have a great influence. Unfortunately, the Senate disapproved of my suggestion as to ECA, so I am not too optimistic. I still maintain that the evidence of what is happening is a confirmation of the validity of my argument. That is about all I care to say.

Mr. PEPPER. Mr. President, as in this historic Chamber, we discuss this momentous pact, all of us have the awareness that we are engaged in solemn business. In this day when crisis follows crisis and crucial demand follows upon crucial exaction, we Americans look back with something like nostalgia, I suspect, to those days not remote in time but vastly far away in history and significance, when America was a debtor nation, when we were really a second class power, and when probably most of our people believed we were secure and safe behind the broad oceans that separated us from the old world, east and west.

We now know that the same Providence which has been so generous and kind in its lavish bestowal upon us of most generous benefits has also exacted of us a responsibility which today is the most challenging responsibility faced by any nation in the world. There are some who conscientiously feel that this pact is a dangerous alternative to any other course, yet there are others of us who believe it is far better to take the risk which the pact imposes than to fly to other dangers we know not of.

Mr. President, I think it is the general sentiment of our people that it is unthinkable to go backward, it is impossible to stand still, and accordingly, there is no way for us to go except forward. There is also something that is inherent in the American character. That is that we prefer to fashion our own fate as best we can rather than become imprisoned in a web others might spin for us. Consequently, we still feel that we are the masters of our fate, and that we are going to accept the challenge of our rendezvous and destiny.

Mr. President, the pact, it seems to me, offers the best hope of the end of the cold war and the beginning of that long peace which has been so painfully purchased and so dearly sought by our country and by our people. It of course is a momentous step we take, and yet, seen against the background of history, seen in the light of the evolution of our policy, it is not so wide a departure as one might think it to be.

I look back, for example, to the development of the Monroe Doctrine, which was born in 1823. It was proclaimed first as a unilateral declaration of the President of the United States, although communicated to the Senate and read in this historic Chamber, but we have seen how it has proceeded through evolutionary steps, through the policy of the good neighbor, the policy of nonintervention declared on December 3, 1933, the policy of consultation, first announced by President Roosevelt in 1936 and embodied in the declaration which proceeded from the President's announcement, under which we assumed the obligation that the states of the Western Hemisphere should regard an attack upon one as an attack upon all, and under which we agreed that, should such an attack occur, we would consult with one another about our common defense.

The next step was the Inter-American Solidarity Declaration in 1938, which emanated from Lima, Peru. There, we accepted the principle of the joint obligation to defend the states of the Western Hemisphere, not including Canada, of course. We then had the declaration of common neutrality in 1939, then the Act of Havana, in 1940, by which we took action and assumed joint responsibilities; then the Act of Chapultepec, in March 1945, and finally the Rio Treaty, September 2, 1947.

Mr. President, I ask that there may appear at the conclusion of my remarks a statement I have before me entitled "Development of the Monroe Doctrine."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PEPPER. It will be apparent that this has been a progressive course, the idea of the security of this hemisphere having been first unilaterally assumed by this country and then finally jointly by various States, proceeding to the point where we not only have the Lima declaration by the representatives of our country that we will make common cause against a common enemy; not only the Act of Chapultepec, where again the representatives of our country solemnly proclaimed the same principle, but finally for the first time, a solemn promise embodied in a pact, wherein we agreed that an attack upon one nation in the Western Hemisphere would be regarded as an attack upon all. When I say "Western Hemisphere," I speak of the nations of the Western Hemisphere, excluding Canada.

Mr. President, that shows the general direction in which the idea of a community of interest has been moving. It is clear that the role of the United States in world affairs has been a steadily expanding one since the independence of our country, indeed, since its inception. I think we might count the beginning of our world period with the Spanish-American War and the incidence of that victory. Then came the League of Nations and our failure to adhere to it after

World War I, and finally the correction of that mistake, at the conclusion of World War II, by our being one of the principal architects of the United Nations Organization.

So, I see a steadily expanding responsibility which our country has had to assume. This process of evolution, integration, and expansion has been going on in various parts of the world, as a matter of fact, since the dawn of history.

There has been another concept forming in the minds of men definitely since it was first expressed by Clarence Streit in 1938. That is the concept of the Atlantic community. I find, by some little inquiry, that in his book Union Now, a Proposal for an Atlantic Federal Union of the Free, published in September of 1938, Mr. Clarence Streit first used the phrase, "Atlantic community," which is the basic grouping of people into a unity which is now known as the North Atlantic Pact.

Mr. Walter Lippmann used the same phrase in his subsequent book, published in 1943, entitled "United States Foreign Policy, Shield of the Republic"; and the terms "Atlantic" and "North Atlantic" were used when the North Atlantic Treaty came into the stage of consideration.

So, Mr. President, this idea of the pact which we are now considering is certainly not a new one, at least to us in the Senate. All the events, not only in the Western Hemisphere but especially since the conclusion of the war, have been moving toward the sort of treaty which we have here for consideration.

I might say, Mr. President, that at the conclusion of the war four courses were open to the countries of the world which wanted peace and which were determined to take risks in order to prevent war. One was the idea of collective security for the whole world, or that part of the world which would associate itself with such a concept. That finally found eloquent expression, first, in the United Nations, which was formed January 1, 1942; second, in the United Nations Charter, which was established at the conclusion of the war and formed in June 1945, and later ratified by the United States Senate. That was one course. Another course was the idea of individual nations standing on their own bottom, fighting their own battles. That was the old nationalism which had failed so often in the past and from which all were anxious and eager to turn away.

Another course was the old kind of alliance which prevailed so extensively in the history of the long ago. But people were not ready to rely upon the old and futile process for preserving the peace of the future.

Another course is the one which finally found expression in this and other associations of similar character, the regional grouping of nations into a sort of collective security compact, a number greater, generally, than was found in the old-fashioned alliances, but a lesser number than is generally provided in the concept of a world without collective security.

I have noted a few of the things which are a part of the background of the Atlantic Pact, in order to lay upon my colleagues the burden of the inquiry, whether all this evolution has not been inevitable in view of the circumstances surrounding it, and whether, in view of all that has happened, we are now completely free agents to contemplate the rejection of this pact or its serious modification by one means or another. It requires but a look at the evolutionary sequence which looms out of the past to convince us today of the fact that we have gone so far down this road that the only sensible course is now to pursue it to its logical conclusion; that it is too late to turn back; that while other courses and options might previously have been possible, we have closed the door upon them and have departed from those policies and have taken this option. Obviously the only thing to do is to pursue it not only to its logical conclusion, but to what we hope is about to be the rich harvest which comes from its long nurture.

Mr. President, I mentioned the part of the evolution that brings us to where we are today in connection with this pact, the United Nations, formed January 1, 1942.

There was the act of Chapultepec, March 6, 1945, in which we said that an attack against one nation on this hemisphere would be considered an attack against all, and that if an attack occurred, the parties agreed to consult upon measures to be taken.

Then there was the United Nations Charter, with articles 51 and 52, adopted June 26, 1945, which became effective on October 24, 1945.

Let it be emphasized here that there was careful provision made in the United Nations Charter for the very kind of instrument we have before us today, for collective defense security arrangement, and for the regional association of nations for the purpose of preventing any intrusion upon the security of any member of the group.

So, Mr. President, instead of being outside the borders of the Charter, the Charter itself was built to have room for this very sort of thing, because there were some who feared that the collective security arrangement being established would not prove to be effective for one reason or another, possibly because of the veto power, which itself was a condition to the establishment of the organization. Far better to have had the United Nations Charter and the organization itself, with all it has done and is doing and will do, than not to have had it at all. So, if the veto was the condition upon which we got it, far better to have got it with the veto than not to have had it at all without the veto provision in it.

But there were some who feared, with that provision in it, and because of its inherent frailties and its infancy, it might not be able to keep the peace of the world and to protect individual nations against aggression, and they felt there should be some alternative method, some optional machinery. So able lawyers, farsighted statesmen, some of whom are Members of this body, deliberately provided a place in the United Nations Charter in which they put a different kind of thing.

I have had my misgivings as to whether it was altogether contemplated in the full reach and scope which this pact takes on when article 3 is included in it, and I rather think we have put together a concept of the regional association with the defense collective group under article 51, in order to get the full authority, but surely, by putting the two together, we do have a place in the United Nations Charter into which it naturally, easily, and by design is able to fit.

Then comes the proposal of former Secretary Byrnes of a four-power agreement to keep Germany disarmed. That was in December 1945. There we have, for the first time, so far as I know, although the President considered it after World War I but never submitted to the Senate the agreement, the idea that we enter into a four-power pact to keep Germany disarmed.

Then comes Mr. Churchill's Missouri speech proposing a fraternal association between the United States and the United Kingdom and a military alliance between the two nations for mutual defense.

They were reaching out already in late 1945 and early 1946 for an alternative method to protect the security of individual areas.

Finally, in May 1946, President Truman proposed that the United States arm the Americas for defense. That was no new concept, but let it be remembered when people talk about the danger and the threat of arming our friends, that as early as May 1946 the President proposed arms aid to the Western Hemisphere powers without any pact. I emphasize that because later I shall speak on the relations of the arms suggestion to the obligations of the pact itself.

In May 1946 the United States proposed joint defense plans with Canada, especially for Arctic defense. There again is a grouping outside of the United Nations for security purposes. While President Roosevelt had earlier declared that an attack upon Canada would be regarded as a threat to the security of the United States, expanding the Monroe Doctrine, as it were, to Canada, so far as I know the proposal I just mentioned was the first beginning of a solemn agreement of the significance this one had.

In March 1947 there was the Dunkirk Treaty between the United Kingdom and France, in which, so far as I am aware, a treaty for the first time mentioned article 51 of the United Nations Charter, and said that the treaty was made conformably to article 51 of the United Nations Charter. That was in 1947.

Mr. VANDENBERG. Mr. President, will the Senator give me that reference again?

Mr. PEPPER. That was March 4, 1947, when the Dunkirk Treaty between the United Kingdom and France specifically mentioned that it was a treaty entered into pursuant to the authority of article 51 of the United Nations Charter.

Then came the Truman doctrine, March 4, 1947, the President's message to Congress on Greece and Turkey, when the United States assumed support of free peoples resisting attempted subjugation, and provided $400,000,000 of aid to Greece and Turkey, United States military missions to Greece, military aid and a military mission to Turkey.

Mr. President, we had already had trouble in the United Nations. We had not formed a United Nations police force. The veto had been exercised, and there were those who felt that there was no immediate prospect that we would be able to attain collective security under the United Nations. We were reaching out unilaterally, outside the United Nations, not in opposition to its general objectives, but outside the machinery of the United Nations, reaching out unilaterally to achieve the objective of security for the people of Greece and Turkey against outside aggression.

I shall speak later about the points of difference in my own mind, between myself and the advocates of that proposal. I thought at that time that we could, by using the authority conferred upon the Assembly in article 2, find a common means by which we could carry out a common effort inside the machinery of the United Nations to protect Greece and Turkey against any threatened aggression. Let me read the language upon which I relied. I was aware, of course, that there was a veto power in the Security Council. We could not use the Security Council to effectuate this security, and in the absence of members lending their cooperation, we could not establish an international police force. But article 10, subparagraph (2), contains this language under chapter IV, dealing with the General Assembly:

> The General Assembly may discuss any questions relating to the maintenance of international peace and security brought before it by any member of the United Nations, or by the Security Council, or by a state which is not a member of the United Nations in accordance with article 35, paragraph 2, and, except as provided in article 12—

Which simply provides that the Assembly cannot act upon a matter while the Security Council is considering it—

> may make recommendations with regard to any such questions, to the state or states concerned or to the Security Council, or to both.

I always felt that if common effort, through the Security Council, for the protection of a victim of aggression, was not possible, it was possible, through that language, in the General Assembly, by the nations in the Assembly who wanted to carry out the principles of the Charter to get together and make to member states or groups of states recommendations for a plan under which a common effort for security could be pursued. I think that was always one of the options that was possible. I mentioned four awhile ago; I should have added this one, coming through the Assembly, taking advantage of the language I have just read.

But another course was followed, and I shall come to the conclusion that, having departed from the use of the United Nations machinery, as we have for so long, and having gone so far down this optional road, which is a perfectly legal road to follow, it is unthinkable now that we should consider reversing the decision made back in March 1947, at least, if not at an earlier date. and consider that we are completely free, as we were, for example, as soon as the United Nations Charter was adopted, and the United Nations went into force and operation, which of course we are not at the present time.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PEPPER I yield to the Senator from Massachusetts.

Mr. SALTONSTALL Would not the fifth method require some kind of pact?

Mr. PEPPER. It might not require a solemn pact, in the form of a treaty. It might simply be a working arrangement, by which nations might act together. They could have embodied it in a pact, but I did not regard it as absolutely necessary. But even if it were put into the form of a pact, I would have felt a little better about its legitimacy had the pact itself been recommended through the United Nations Assembly, rather than being put together on the initiative of the pact members themselves. Does the Senator see that in degree, at least, it would have been a little closer relationship to the United Nations, and it could not have been said that it was quite in the same degree outside the United Nations as it might be said the pact we are considering is at the present time?

In May 1947, the Greek-Turkish bill became law.

Mr. SALTONSTALL. If the Senator will excuse me, I meant to point more the other way, that if that were done within the United Nations Assembly, a pact would really be required before the nations could feel themselves obligated.

Mr. PEPPER. Undoubtedly, before they would be obligated to one another, in the solemn sense that they are after they sign a pact; there can be no doubt about that. However, I still think it would have been possible for a major group in the Assembly that wanted to carry out the purpose of the Charter to formulate a plan. The Senator will remember that Mr. Hamilton Fish Armstrong suggested that a group of nations get together and form a council that would assume responsibility of keeping the peace, as it were. But if a group in the Assembly had, through the votes they had in the Assembly, formulated a plan, it would have been adhered to by all those who were willing, and if the major states had been willing to associate themselves with such a plan, and had carried it out, I think they would not have had to enter into a treaty. They could have done it by cooperation of their legislative and executive bodies in the several countries, and the countries in turn working with one another.

Mr. VANDENBERG. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the Senator from Michigan.

Mr. VANDENBERG. The Senator has referred to the suggestion made by Hamilton Fish Armstrong. I think it is interesting to know that the Armstrong proposal contemplated precisely the sort of thing we are doing in the pact before us, expanding to other congenial nations of the United Nations. So the Hamilton Fish Armstrong suggestion is simply the lengthening shadow of the precise thing we are now doing.

Mr. PEPPER. No doubt they are certainly kindred spirits. However, the point I was making was that the plan we are now pursuing had not been recommended by the Assembly of the United Nations. It has not, of course, been recommended by the Security Council. In that sense it is not the child of the United Nations organization, such as it would have been had the plan been conceived of and proposed to member states in the Assembly of the United Nations itself. In that event there could not have been any question in anybody's mind that it was an extremity to which the Assembly had to resort because of the veto in the Security Council, and because the Security Council members had failed to carry out their obligations under the Charter to hold the air force and other military forces available at the command of the Security Council to keep the peace of member states and of the world.

But as I say, Mr. President, that was a course that could have been followed. That was my basic difference from my distinguished friend from Michigan. I have always said—as can be verified if anyone cares to examine the record—that I am prepared at any time to cast my vote as a Senator to join with any other nations to resist aggression by armed force wherever it may occur. It will be remembered that I used the analogy of Lincoln when he called upon the volunteers to save the Union. I said, "If any country is to be the victim of aggression I am perfectly willing for our country to say 'We must get together, those of us of the United Nations organization who believe in the principles of the Charter, and take our obligations solemnly. Let us array ourselves against the aggressor, and if we cannot do it through the Security Council, let us do it the best way we can, but let us save the Union and protect the victim of aggression against aggression.' "

I never was opposed to giving aid to Greece or Turkey in any reasonable amount that might be proposed. I am still ready to associate myself with other Representatives and Senators to make it the duty of our country to stand with any nation that will stand against armed attack whenever it occurs and wherever it occurs. I do not think we can contemplate the possibility of peace by any other policy anywhere in the world.

Mr. President, I was speaking about the evolutionary progress we had been going through. In June 1947 General Marshall delivered his speech at Harvard advocating the Marshall plan. Thereby we were getting into the field of multilateral cooperation economically.

In June of 1947 Bevin and Bidault began conversations on the Marshall proposal in Paris.

In September 1947 came the Rio Treaty. Then, for the first time, the

nations of the Western Hemisphere entered into a solemn promise in a treaty that an attack upon one is an attack upon all, and each nation would help meet the attack in accordance with the principles of article 51 to the best of his ability.

Mr. President, that is the first time we entered into a treaty to do that. We had agreed to do it at Chapultepec, and we had really, in the Lima declaration, agreed to the same principles, but with those expressions of representatives of our Government, the Rio Treaty was solemnly entered into by the Government of the United States, by the advice and consent of the United States Senate.

Then, of course, while we saw this grouping of powers for peace purposes in this hemisphere, while we saw the beginning of the Marshall plan in Europe and economic grouping of European nations, we saw a similar grouping of nations in another part of the world under the name of Cominform organized in Moscow in October 1947.

Then in January 1948 comes probably as much as any other statement the genesis of the Atlantic Pact, when Foreign Secretary Bevan proposed the union of western Europe in the House of Commons. Because the one grows almost inevitably and naturally out of the other, as it were.

Remember, we have had the Rio Pact in the Western Hemisphere, the Marshall plan, and now the Foreign Secretary of the United Kingdom proposes a union of states of western Europe.

Our own State Department, one day later, in January 1948, welcomes the announcement of the proposal to form the western European union.

In February 1948, between the 20th and the 25th, there is a greater incentive for this proposal by the coup d'etat in Czechoslovakia by the Communist Party.

In March 1948 comes the negotiation and the consummation of the Brussels 50-year treaty signed by the United Kingdom, France, and the Benelux countries.

There, in rigid pact form, treaty form, comes into being the second one of these regional associations under article 51, or under the regional pact idea of article 52. We see how the concept is growing. First, the Western Hemisphere Pact and the Rio Treaty; then comes the Marshall plan; and thereafter the Benelux trade union, which I did not mention. Then finally the Brussels Pact, and just before that the Cominform in another part of Europe.

In March of 1948, the same day, in an address to Congress, President Truman said:

> I am sure that the determination of the free countries of Europe to protect themselves will be matched by an equal determination on our part to help them do so.

Mr. President, I am speaking about the way evidence has piled up that the Senate cannot today regard itself as having a free moral choice to reject or to adopt the treaty. Too much has happened heretofore for us to regard ourselves now as completely free agents to reverse all this lengthy sequence and say, "We will toss it out the window and repudiate all that has happened in the past."

Here was our President putting his blessing upon the formation of the Brussels Pact, as our State Department had put its blessing in January upon the announcement of the proposal to form it, made by the Foreign Secretary of the United Kingdom.

Then the ECA Act was passed by Congress in April 1948.

In April of 1948 the foreign ministers of the countries whose representatives had signed the Brussels Pact, announced plans to implement the pact. Its form was becoming more enlarged, and more and more it was enlarging as not only a defense pact, but a mutual aid pact; and they announced that they intended to implement it by even further extensions of its authority.

Then on April 28, 1948, General Marshall, who was then Secretary of State, said, respecting the matter of arms, that the State Department had under consideration the question of military lend-lease for the members of the Brussels Pact. That was before the North Atlantic Pact was ever proposed, the pact we are now considering in the Senate.

That, Mr. President, leads me to the conclusion I am later coming to, that the pact is simply a part of a policy which has been formulated over a course of years, has been gradually pursued, and that while arms are consistent with article 3 of the pact, the authority for sending arms did not originate in article 3. It is not expressly provided for in article 3. The arms program is simply a part of our general policy, of which the pact itself is another part.

In April 1948, the defense ministers and chiefs of staff of the Brussels Pact countries met in London to initiate joint military discussions. We have not gotten that far in the Western Hemisphere under the Rio Treaty, presumably. But it can be seen how the Brussels Pact is growing.

Then in May 1948 the Senate Foreign Relations Committee favorably reported Senate Resolution 249 which proposes:

> (3) Association of the United States, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security.

Mr. President, it seems to me, if I may say so with deference, that some Senators who are now opposing the pact are a little late in expressing their opposition. I think at least the Senator from Florida was a little more timely in the warnings he gave about this course than some of our honorable colleagues, because while they voted for the Vandenberg resolution, Senate Resolution 239, the Senato from Florida was one of four who opposed it, and one of the few who spoke on the floor predicting then that that was the beginning of the road leading us to the point to which we have come today. The Atlantic Pact follows as night the day from the Vandenberg resolution. Indeed, as its author clearly, and, of course, candidly stated, it was intended to lead to such a thing as the Atlantic Pact. I saw it at the time and I stated that I would rather not deviate from the machinery of the United Nations organization. I was fearful that if we pursued this course and followed it too far, it might lead us into the old alliances again and tend to weaken the United Nations organization, because we have come primarily to rely upon this way of keeping the peace rather than the United Nations machinery method of preventing aggression and protecting the security of the world. But surely Senators who are charged with knowledge of what they do and what they vote for, as one is charged with knowledge with respect to an instrument which he signs, are a little tardy, when the President of the United States takes the advice the Senate gives him, in saying that they repudiate the instrument which the President has negotiated.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. VANDENBERG. He not only took the advice but he took the textual language.

Mr. PEPPER. Exactly; the literal language about self-help and mutual aid found in the Vandenberg resolution is embodied in this treaty. It has already been quoted in the Senate. There is no need for me to advert to it here. The President of the United States has done exactly what Senate Resolution 239 advised him to do.

I found myself in this situation: As I said, that was an optional course which we could pursue. Senators, for their own reasons, felt that we had to pursue that course, that there was no other effective remedy. I opposed that course at the time. I said then that I would prefer to strengthen the machinery of the United Nations, if it were possible; and if it were not possible, under the language I read a few moments ago, under which the Assembly may advise states about how to maintain international peace and security, a member could declare openly in the Assembly, "I am determined to keep my pledged word to protect international peace, and I call upon all the members of this organization who will faithfully join me in carrying out our pledged word to associate themselves with me and let us do so." Even such a declaration in the Assembly itself would have been a little better, I thought, than going entirely outside the Assembly to form this association, which, as I said, was an optional method of keeping the peace of the world.

Some may say, "Why is it that the senior Senator from Florida who spoke against the Vandenberg resolution, and spoke against the first Greek-Turkish proposal for the same reason, now feels that it is his duty, in furtherance of the security of this country and the objectives of the United Nations, to support the Atlantic Pact?" It is simply because that was the time when the decision was being made as to the course we were to take, and I conscientiously stated at the time that I preferred another course. But my views did not prevail. Only four of us voted in that way, and only a very small number of Senators voted against unilateral aid to Greece and Turkey.

We thought that the aid should have been multilateral, rather than to have a United States military mission over there. On the shoulders of that splendid Floridian of whom we are so proud, General Van Fleet, who is performing his duties as chief of that military mission, I would far rather have seen "U. S." on one shoulder, and "U. N." on the other But there is no doubt that the objective of our unilateral action was consistent with the objectives of the United Nations Charter.

If I were a member of the United States Supreme Court and dissented from the majority opinion in a case before the Court, and the majority opinion became the law of the Court and of the land, if I were called upon later to write an opinion upon the same subject I could not, representing the Court, say, "I am going to decide this case according to my dissenting opinion, which did not prevail." I would have to observe the law of the Court which had been decreed by the majority of my colleagues.

I feel now that the decision has been made, and that we are following this optional course, and I am going to give it my support to the very best of my ability. Having come thus far, I believe that it is unthinkable to stop, reverse our course, and go back to some imaginary turning off point and start all over. It is our duty to pursue the method which we have already adopted. I have reason to believe that we are nearly through the dark tunnel, and are already approaching the gleam of sunlight on the other side. I think probably this is the final stroke which will end the cold war and make possible a real peace, and real economic, political, and social cooperation among the major nations of the world, and will make it possible at long last for us to have that equilibrium which will enable the United Nations to work. I am still as devoted to the United Nations as I ever was, but I feel that now the best way to reach the objective is to pursue to its logical conclusion the course we are now following.

I mentioned the Vandenberg resolution, adopted last year, in May. The Senate passed the resolution on the 11th of June—incidentally on the same day on which it was presented to the Senate. So it was not very long delayed by this honorable body.

A few days later—12 days later, in June 1948, Under Secretary Lovett announced talks to begin with the Brussels Pact countries. The press told about the general nature of those talks. We were all advised that the executive branch of the Government was beginning to take our advice and to implement it. We did not pass a resolution asking the President to stop. We did not condemn him. I do not recall that any Senators made speeches condemning the Under Secretary for opening such conversations. We were beginning to proceed along the course which had been decreed by the United States Senate.

On July 6, 1948 the Ambassadors to the United States from Canada, Great Britain, France, and the Benelux countries met with Secretary Lovett to discuss views on European defense requirements. Those who are so shocked by the idea that we should furnish some arms aid must have known that those ambassadors were talking with the representatives of our State Department about European defense requirements, and that we were moving toward a policy of helping to defend themselves and others.

On July 20, 1948, United States and Canadian military experts joined in consultation as to military aid under the Brussels Pact. That was in the press. The Brussels Pact group not only had their civilian representatives, but they set up a group of military experts to talk about the defense of Europe, and United States and Canadian military experts met with them, not as members, but they sat in with them and consulted with them.

On September 27, 1948, Foreign Secretary Bevin, before the United Nations Security Council, said—and this was a public declaration:

> If we cannot proceed on a world basis, we must proceed on a regional basis.

That, again, was implementing the regional approach to the international security problem.

On September 27 and 28, 1948, the defense ministers of the Brussels pact countries announced an agreement upon common-defense policies and the formation of an organization to carry out such policies.

On October 4, 1948, the Brussels pact powers appointed a military staff.

On October 13, 1948, the Canadian Government stated its willingness to participate in a collective defense agreement for the North Atlantic area.

Before October 26, 1948, the Brussels pact powers submitted their equipment needs to the United States. That was in the press.

On October 26, 1948, the consultative council of the Brussels pact powers met in Paris and agreed to seek a North Atlantic Pact. I have already mentioned the Bevin statement in the House of Commons, the Brussels pact, and the Vandenberg resolution. The Brussels pact powers agreed to seek the North Atlantic Pact after there had been consultation between them and our State Department pursuant to the Vandenberg resolution.

On October 28, 1948, Canadian Minister Pearson stated that Canada had informed the Brussels pact powers that she was prepared to negotiate for a regional pact. That was all in the newspapers.

On November 19, 1948, Premier Salazar of Portugal said:

> The salvation of Portugal, western Europe, and the occidental world lies in the formation of a true Atlantic bloc.

On November 27, 1948, the British Foreign Office announced that the draft of the Atlantic Pact was completed. Of course, it was contemplated that we were to be a member of it.

On December 6, 1948, Defense Secretary Forrestal declared that military equipment must be given generously to western Europe.

I said awhile ago that the giving of arms to western Europe is a part of our general policy, that this pact is simply a part of our general policy, and that all the responsibility for the arms program cannot be laid upon article 3 of the pact. That did not originate in article 3 under any circumstances.

In December 1948, the pact negotiations began in Canada between Under Secretary Lovett and the ambassadors of the western powers.

On December 10, 1948, the British delivered jet planes to France, under the Brussels Powers Pact.

It can be seen, Mr. President, how the Brussels Pact has grown into an instrument under which those powers join not only for economic cooperation and for the joint defense of their countries in case of attack, but they have begun to implement their ability to defend one another, as article 3 contemplates we shall do under the Atlantic Pact. Although there is no specific promise in the Brussels Pact that the British will furnish jet planes to France, it was a part of the good-will implementation of the common-defense obligation they had assumed. That was stated in the newspaper account which I have mentioned, too, in connection with referring to the British giving of jet planes to France under the Brussels Pact.

On January 10, 1949, President Truman in his budget message to Congress said:

> The instruments of our policy requiring the largest measure of budgetary support are the extraordinary programs of economic and military aid to those countries and peoples who share our international objectives and our determination to make them effective.

There, again, the Atlantic Pact had not been adopted, but the President was telling us in his budget message that one of our budget responsibilities is economic and military aid to those who share our international objectives and our determination to make them effective.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. SALTONSTALL. Has the Senator from Florida any evidence that the British gave the jet planes to France specifically under the Brussels Pact, or was it an endeavor entirely apart from the Brussels Pact?

Mr. PEPPER. As I said a while ago, Mr. President, it was simply consistent with the obligations, as I understood them. I have the New York Times article which told about it. I got my information from that source, and I simply assumed that since they had military committee meetings and since they were generally coordinating their military defense facilities for their common defense, when the French needed some jet planes the British were making, when the French had decided upon that particular type, which was a Vampire plane, and when the British had made some of them, the British let the French have them. The British might have let the French have them without the pact—just as we have let nations agreeable to our attitude have arms without the Atlantic Pact.

I simply am emphasizing that Senators who say they cannot vote for the Atlantic

Pact because of the arms policy are ignoring the fact that the arms policy predates the Atlantic Pact and exists outside the Atlantic Pact; and the only relationship the arms policy has with article 3 is that furnishing arms is consistent with the obligation incurred under article 3 and by associating ourselves together under the pact; but it is not mandatory or specific, and no lawyer could honestly say that in the English language used in the pact there is any promise for us to provide arms to anyone, much less particular arms to any certain people.

On January 14, 1949, the State Department announced that the United States will send arms only to countries associated with us in collective defense arrangements.

I am prepared to say that the furnishing of arms is an incident of the existence of the relationship which the pact assumes, but it is not out of the pact that the obligation primarily or exclusively springs. The fact that we entered into the pact at all, even if there were no article 3, would make the furnishing of arms perfectly consistent with the goodwill execution of our responsibility under the pact, if we could help our colleagues in the pact by doing so.

Let me say here, Mr. President, that if I promised on my life to defend my neighbor, it would be a strange doctrine that would hold that I could not give him a gun with which to let him help defend himself. It would be a peculiar fullback on a football team who would protest against having the coach strengthen the line the fullback was going to back up.

So I say that if there were no article 3, it would be perfectly consistent with the relationship and the objectives of the powers for us to give arms as well as economic and other assistance—technical assistance and the like—to those who are identified with us.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. VANDENBERG. I think the point the Senator from Florida is now underscoring is extremely important because of the prospectus which lies immediately ahead. We are under notice that the President will ask Congress for an arms program for western European countries, among others, before this session of Congress adjourns. But the State Department has categorically stated, without reservation or equivocation, that that request is not under the North Atlantic Pact now in contemplation, although it is in harmony and sympathy with the pact and parallels its objective. However, it is independent of the pact, preceded the pact, and is a part of the general policy.

Mr. PEPPER. Exactly.

Mr. VANDENBERG. And is not a part of the pact.

Mr. PEPPER. Yes. The Senator from Michigan could not have stated the matter clearer than he did.

Many of the Senators who have felt alarmed about the inclusion of the arms obligation under article 3 are lawyers. How can a lawyer read these words—

> In order more effectively to achieve the objectives of this treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack—

And then say there is an obligation to deliver a specific sort of mutual aid, to contribute to a particular kind of self-help, under those words? It simply is not there.

What Senators are doing, if I may say so, is they are confusing the policy of which the able Senator from Michigan spoke, with the assumption that that policy originates in article 3. However, the policy is already here, and article 3 is still being debated and discussed. So one could not possibly be the creature of the other.

In January 1949, President Truman, in his inaugural address, recommended that the United States associate itself by treaty in a collective defense arrangement with free European countries. Remember, Mr. President, it was in January of this year that our President made that recommendation.

On January 25, 1949, we had another council, formed in another part of the world: the U. S. S. R., Czechoslovakia, Hungary, Rumania, and Poland formed a council for economic mutual assistance. That was mutual. They were the ones to begin the idea of a multilateral pact.

On January 24, 1949, there was the Polish-Rumanian alliance.

On January 28, 1949, there was the formation of the Council of Europe, composed of the Council of Ministers, an executive body, and a legislative assembly with advisory powers.

You can see, Mr. President, how the western European association, the Brussels Pact group, step by step is implementing its organization until it has arrived at the closest to a United States of Europe, which was envisioned long ago by many of the ancients themselves, that has ever been known in actuality. We may hope that the matter may evolve voluntarily and freely into an effective association of European states, and that the number may be enlarged.

In January 1949 the Soviet white paper denouncing the Atlantic Pact was issued.

On January 30, 1949, occurred the shelving of the defense alliance between Norway, Sweden, and Denmark.

On February 11, 1949, Trygve Lie, Secretary of the United Nations, warned against regional pacts unless they recognized the United Nations' supremacy. Of course that was essential; and, as has been said before, that is what primarily distinguishes this arrangement from the old alliances of the past. They were not subordinate to anybody. All these pacts expressly subordinate themselves to the Security Council of the United Nations.

On February 17, 1949, the Turkish Foreign Minister proposes to the French Foreign Minister extension of the North Atlantic Pact by a supplemental agreement for a Mediterranean Pact. It will be noted how the idea of regionalism is growing.

On February 20, 1949, the Senator from Ohio [Mr. TAFT] endorsed the pact, which would pledge United States aid to western Europe in case of attack. I am glad the Senator from Ohio still adheres to that position, but it is a little odd to me, though I reluctantly say so in the Senator's absence, that the Senator from Ohio would be willing for us to commit ourselves to a unilateral defense of Europe, as he and his colleague from Vermont appear to propose, without any reciprocity of obligation on the part of European countries to help themselves or to defend us, and would prefer that to the North Atlantic Pact, in which for the first time we get the promise of the major powers of Europe that they will come to the aid of America if we are attacked from some other direction. That is a consideration, as we lawyers would say, for the promise on our part to go to their defense. It is a reciprocal obligation we assume. They are just as much obligated to send their aid across the Atlantic to the west as we are to send our assistance across the Atlantic to the east. Yet the Senator from Ohio apparently is willing for us to assume a unilateral obligation to protect Europe without any reciprocal obligation on their part, not only to help us but not even to help themselves get ready to resist the attack.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I yield to the Senator from Illinois.

Mr. LUCAS. Does not the Senator from Florida believe the able Senator from Ohio is slightly inconsistent in his position, when he advocates going along with the pact in the event the arms program is not included in the provision for implementation of the pact; and yet, at the same time, he submits a resolution which would extend the Monroe Doctrine into western Europe, which in reality would sabotage the pact completely?

Mr. PEPPER. I myself cannot escape the conclusion that there is a decided element of inconsistency in the position of the Senator from Ohio. Let us take the situation in the Western Hemisphere. We got considerable cooperation from the powers of the Western Hemisphere during the war. They furnished us critical materials. They helped in the protection of their countries against infiltration. They let us have bases. They did a great many things that amounted to affirmative cooperation in the waging of the war. It certainly means more to us to have a solemn promise of all the nations in the Western Hemisphere that the security of every state is the common obligation of all the states of the Western Hemisphere, than it does for us to stand alone and say we unilaterally are going to protect the whole Western Hemisphere without any obligation on their part even to help themselves. While we made the decision, nevertheless, they could have opened their doors and their gates under the Monroe Doctrine and not turned a hand to help themselves. The whole responsibility would have been on us, and they would not have violated any express obligation or agreement with us. They cannot now do that. They are obligated to work cooperatively with their colleagues in that compact,

to maintain their ability to resist, and if one of us is attacked, it is a solemn obligation of every other state to join in meeting the attack.

Certainly it is worth something, to have that kind of affirmative promise. Yet our distinguished colleague from Ohio would prefer to have a unilateral obligation to defend Europe without any contemplation of the coalescing of plans or of exchanging even technical knowledge, without their strength and their ability to defend themselves, lessening therefore our security. In return for our obligation, we get their reciprocal obligation not only to help one another, but to help us in case of attack.

Let us suppose Norway, under the proposal made by the Senator from Ohio and his colleague, the Senator from Vermont, were attacked. Without the Altantic Pact, Britain, France and the other signatory states would not have any obligation of a pledged word to help us defend Norway. Theoretically we could find ourselves there, facing an aggressor, defending Norway, while all the other members of the group, the 9 or 10 other European states, could stand idly by, and without breaching an obligation, refuse to turn their hand to help us. They might even give aid to the enemy we were trying to hold from the throat of little Norway. Now, if an individual state is attacked, every other member of the group helps defend that state, and we are simply one of the group that has that common obligation. That seems to me, Mr. President, to be a far better obligation on our part than the other proposal.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. SALTONSTALL. Keeping in the forefront of our minds that we are taking all these steps for our own greatest security, have we not a greater security under the pact than we would have if we were merely relying on the Monroe Doctrine?

Mr. PEPPER. There can be no doubt about that. For the first time we have reciprocal promises. True, the pact only runs 20 years. Senators were emphasizing all that has happened in 20 years. We can never tell but what an attack sometime or other might hit the Pacific coast instead of the Atlantic coast. We have thought of war as originating in the Atlantic. But suppose the Japanese had attacked us, and there had not been a war in Europe, and we had had the North Atlantic Pact. Probably the Pacific is outside the area included; but if anybody should attack us within the North Atlantic area, here in our own waters, for example, it would have been the obligation of the British Fleet to come quickly to our aid. Somebody may say, "They held themselves ready for a century to do that, to help enforce the Monroe Doctrine." Yes, they did. But a change of ministry in Great Britain might have changed the policy. There was no treaty to that effect. It was a unity of interest that we preserved and adhered to. But it was not committed in any solemn form.

A little bit later, when I talk about giving arms, I shall say in answer to the distinguished Senator from Massachusetts, who realizes how few people there are who stand against any potential aggressor, how relatively few people in numbers and in the scope of their territory, that surely it is not a preposterous suggestion to give them a little more help, to make an aggressor delay a little longer at least an attack which might happen to come across their part of the line to continue my football analogy.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I yield to the Senator from Washington.

Mr. CAIN. If there are solid reasons, as I think there are, for supporting the North Atlantic Pact, does the distinguished Senator from Florida know of any plans for a comparable pact in the Pacific, in terms of protection for America?

Mr. PEPPER. I am going to refer, in sequence, to the suggestion which has been made of a Pacific Pact. There is no doubt at all that it is perfectly logical, if we are willing to undertake the responsibility to the extent involved in the pact concept, to extend it to other areas of the world. I want to say candidly to the distinguished Senator from Washington, however, I hope our executive authority, which has the primary responsibility for our foreign policy, will be reluctant and hesitant to enter upon additional pacts, for I feel that sometime or other we must come back to the concept of collective security for the whole world. I do not want to engage ourselves so deeply or commit ourselves so far that it will be extremely difficult, if not impossible, to return to the concept of international collective security, for surely that is a direction in which we must go if we are to achieve a stable world. Whether we have to have a Mediterranean Pact or a Pacific Pact will probably depend upon the success of the Atlantic Pact. If the Atlantic Pact achieves the world equilibrium which I think is possible and probable, then I think it is possible that the danger of aggression not only will have so diminished that a pact will not be necessary, but, at the same time, the strength of the United Nations will have so increased that we will not, perhaps, need a regional or an article 51 pact for the protection of any area outside the Atlantic Pact area.

Mr. CAIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MUNDT in the chair). Does the Senator from Florida yield to the Senator from Washington?

Mr. PEPPER. I yield.

Mr. CAIN. Will the Senator permit me to ask this question: Does the able Senator from Florida think that the pending North Atlantic Pact might be used as a springboard for the creation of a world pact?

Mr. PEPPER. Mr. President, I will say that I am utterly opposed to that process. If we are going to enlarge this pact into a world organization, how can we say that it will not destroy the United Nations organization? If we are willing to admit the failure of the United Nations and say we must turn to some other method and build another alternative organization, well and good; but I am going to say, before I conclude my remarks, that the accomplishments of the United Nations are minimized far below what they should be; that the United Nations is a tremendous world force for prosperity and peace, and that instead of disdaining and abandoning the United Nations, this is simply a step toward its protection, implementation, and strengthening.

I will associate myself, in a few days, with a group that looks toward the evolution of the United Nations into a world government. I deem that just as certain to come, if this world lasts, as the United Nations came out of the archaic and chaotic past. It is a part of the integration of the human race into a single system. It is a process which has been going on since the first groups of mankind. It is bound to come. But, Mr. President, I want it to come as an evolution of the United Nations, as our Constitution evolved from the Continental Congress. I do not want to set up an enemy of what we already have.

Mr. CAIN. Does the Senator from Florida think that the pending Atlantic treaty is a step in the evolution toward world government?

Mr. PEPPER. Yes; and I am going to predicate what I say upon the announcement of General Marshall as to what the real predicate of this thing is and the purpose it seeks to achieve, which is a state of equilibrium of the world from which we may build a peaceful world society. It is designed to bring about that state of equilibrium and that degree of economic, political, and social progress which will make possible a cooperative and peaceful world.

I mentioned the fact that on February 21, 1949, the Greek Foreign Minister, Tsaldaris, stated that western European statesmen understood the desire of Greece and Turkey for a Mediterranean defense alliance.

On February 21, 1949, the Norway Foreign Office spokesman said it had decided to join in organizing a Council of Europe.

On March 3, 1949, Norway requested and received an invitation to join pact conversations.

On March 7, 1949, the draft of the Atlantic Pact was completed by the ambassadors' committee in Washington and sent to Canada and Brussels powers for official approval.

On March 14, 1949, the Australian Defense Minister stated that he hoped for a Pacific defense pact similar to the North Atlantic Pact.

On March 14, 1949, foreign ministers of Brussels powers began a 2-day conference to coordinate western Europe in defense with the Atlantic Pact.

It is interesting to note how these things are being integrated. The Brussels powers finally spread over, as it were, into the Atlantic Pact and began to work with each other.

On March 15, 1949, the foreign ministers of the Brussels powers approved the terms of entry into the pact at London.

Senators read about all this is in the newspapers. We are conscious of the fact that the advice we gave is gradually being implemented, and it would seem to me that if Senators were alarmed about it, that would be the time to have stood on the floor, in our old Chamber, at least, and to protest against it and say we made a mistake, and offer a resolution contrary to the Vandenberg resolution, to stop it before it gained too much momentum. But I am not aware of any such concerted effort being made.

On March 17, 1949, invitations were issued to Italy, Portugal, Denmark, and Iceland to join the pact.

On March 18, 1949, the pact was made public with indications that it would be signed during the first week of April.

I do not know of any other instrument ever executed by our Government which has had such clear origin in a congressional enactment, with the advice of the Senate, that has been so clearly and so accurately implemented by the executive branch of the Government, or the negotiations of which have been so explicit and so open and which finally, almost without precedent, so far as I am aware, during the first week of April, and approximately 2 weeks before it was signed, was made public for anyone to shoot at. It was known by the Senate that our State Department, pursuant to our advice, after all the negotiations, had put together these exact words, and that if it were not stopped, it was going to be signed 2 weeks later as a solemn instrument and was going to be presented at a later time to the Senate for consideration. Yet, Mr. President, I know of no resolution to reconsider the Vandenberg resolution. I hardly recall any speeches made concerning it. Certainly events were allowed to move on with increasing momentum toward the consummation of this pact.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CAIN. I am not certain about the accuracy of this observation, but my mind seems to tell me, with reference to the time to which the Senator has just referred, that the Senator from Utah [Mr. WATKINS], in particular, rose to raise certain questions about the desirability and wisdom of the pact; and if I still remember correctly, the majority leader suggested to the Senator in blunt language that the pact, not being before the Senate, was not properly a subject for discussion.

Mr. PEPPER. Mr. President, since the Senate presumed to give the Executive advice regarding the negotiation of the pact, it would seem to me to be thoroughly consistent for Senators to have advised the President to discontinue the negotiations, but I do not know of any resolution presented to that effect. In the law there is the principle of estoppel. I am not saying it is a legal doctrine applicable to this subject. But in a world such as the one in which we now live, where other nations rely upon us—it may not be the Senate, but they rely upon the President of the United States, elected recently by the people, prior to the negotiation about which I have spoken—I cannot but believe that there is something of a duty to make timely objection and protest. It is something in the nature of a moral duty, due to the terrible responsibility we face today in the world.

I shall speak in a moment about the consternation that would be thrown into western Europe if the news tickers were to bring to them the horrifying news that the Senate had emasculated the Atlantic Pact. It would be a shock from which I am not at all sure they could survive in their present situation.

I recall the speech of the Senator from Utah, and in that sense of the word he did make inquiry.

Mr. CAIN. Mr. President, would the Senator from Florida permit me this hope? I trust that during the remainder of the speech of the Senator from Florida he will see fit to reflect on whether in his opinion the several reservations presented before the Senate seek to emasculate or to make less healthy the pending treaty. There are a number of Senators, I among them, who are concerned about the pending reservations. We see much to encourage our consideration concerning them, and if there are opposing views, and if the Senator from Florida shares them, we would appreciate his statement.

Mr. PEPPER. I feel very strongly, in the first place, that reservations are not necessary, that the pact does not obligate us to do the things which the Senators propose to prevent by their reservations. I think it is very easy to show that that is true. In the second place, the attachment of reservations might start a general reaction of reservations in other parts of the world, amongst the other signatory powers, which might indefinitely delay and prolong the confirmation of this pact. If it has any virtue, it is in stabilizing the world situation. The longer we drag this disturbance out, the longer the tragic, costly cold war is prolonged, the longer will the ill health of the world be continued, and with all my heart I want to see an end brought to the unspeakably pitiful situation which exists today, and to see us move on toward a cooperative and peaceful world.

In the last place, as I said, I was going to say a little later that today, when the economic situation in western Europe is so precarious, when they are talking about the failure even of the Marshall plan, when we may be faced with other demands upon us to carry out the objectives we originally had in mind when we undertook the Marshall plan, when the whole economic future of western Europe trembles in the balance, now to give them such blow, at this uncertain time, would have immeasurable and unpredictable consequences. Certainly it would arrest, if not reverse, the trend which we now see toward a better situation between eastern and western Europe, between the Soviet Union and ourselves, as it were, and the encouraging prospects which we now have of things getting so much better than they have been.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Michigan?

Mr. PEPPER. I yield.

Mr. VANDENBERG. In view of the observations of the able Senator from Washington, I wish to take the opportunity to beg of him to keep an open mind on the question of reservations until we have an opportunity to present what I believe is a totally convincing reason why we should not undertake, in connection with our task of ratification, to subdivide, by inference, any part of the general responsibility which we are accepting, because the great strength of this undertaking is the general mutual responsibility. If each one of the nations is going to start, no matter how technically correct a statement in a reservation might be, to try to spell out what this sentence means and that sentence means, and the practice becomes contagious, the net result will be a shambles.

Mr. PEPPER. I thoroughly agree with the able Senator from Michigan.

Mr. CAIN. Mr. President, will the Senator permit me to say just a word in reply to the distinguished Senator from Michigan?

Mr. PEPPER. I yield to the Senator from Washington.

Mr. CAIN. I think that the best evidence of the open-mindedness of the junior Senator from Washington with reference to the question of reservations is his asking the Senator from Florida to reflect on the subject from his point of view.

Mr. PEPPER. I feel very strongly as the Senator from Michigan has expressed his feeling. The pact is a friendly association of friendly nations, having a common interest and a common objective. They pledge their faith, one to another, to cooperate in good faith for their mutual progress and peace, as the Senator from Michigan says.

If we start spelling out, and asking what our immediate interests may be, I am reminded of a story I have often referred to humorously of a detailed agreement entered into by spouses before marriage. The gentleman had always had the idea that the reason why marriages went on the rocks was because the parties did not spell out their mutual obligations under the engagement. So this couple spelled out a lengthy and detailed statement, going into such details as to how long the relatives of each could stay in the home of the married couple, that if one had relatives who visited, the other had the right to have relatives, how many nights a week they would go out, and that neither one would establish a friendship with a person of the opposite sex. For any violation of the rules by either there were actual financial penalties prescribed in the prenuptial agreement.

I need hardly say that the marriage went on the rocks, and the prenuptial agreement apparently did not achieve the high objectives the parties had in their minds. It is not possible

to spell out in detail that intimate kind of a relationship.

In the pact we merely agree that we are going to work together in good will, for the common purpose, and our reciprocal security

Mr. President, I was saying that the pact had been made public. Then on March 19, 1949, the State Department white paper on the pact was issued, explaining the purpose of the pact. March 31, 1949, the Soviet Union delivered an official protest against the pact to several of the sponsoring countries. April 2, 1949, the ministers of the powers joining the pact issued a joint statement relative to the Soviet statement. April 4, 1949, the North Atlantic Treaty was signed in Washington by the 12 signatory powers.

Mr. President, we cannot fail to recall that simple but solemn ceremony. The President of the United States was present. Members of the Senate were present. It was an impressive joining together of hands, as it were, in a common pact, for our common security and peace. That was April 4. I do not recall any resolution being offered the next day that before these gentlemen went home they should be told we were going to reconsider the authority under which we had advised the execution of the pact. The pact was the augmentation of the Vandenberg resolution. May 19, 1948, had become April 4, 1949.

April 27, 1949, hearings began on the pact before the Senate Committee on Foreign Relations, and on June 6 the Senate Committee on Foreign Relations issued its report favorably recommending the pact by a unanimous vote. On July 5 debate began in the Senate on the ratification of the pact.

That is the genealogy of the pact, that is the historical background for it, that is the evolution of it.

Mr. President, the question is asked, What was the pact intended to accomplish? I do not know of any better authority as to what it was intended to accomplish than General Marshall. General Marshall, speaking before the House of Representatives Foreign Affairs Committee on the 5th of May 1948, proceeded to tell about the foreign policy of the United States, and how we were trying to achieve a more peaceful and cooperative world. He told about the United Nations Charter, about the difficulties which had arisen in the United Nations, and the inability of the United Nations machinery to keep pace at this stage of its evolution. Then he said, speaking about another power:

> It is a misconception to suppose that differing systems cannot live side by side in peace under the basic rules of international conduct prescribed by the Charter of the United Nations. These rules are obligatory upon all members.
>
> A fundamental task of the United Nations and of our foreign policy is to dispel the misconceptions of the Soviet leaders and to bring about a more realistic view of what is possible and what is impossible in the relationship between the Soviet Union and the world at large. In this way there can be restored to international society the equilibrium necessary to permit the United Nations to function as contemplated at San Francisco.

It can be called by the grosser words balance of power, if Senators will. Certainly that is a term not in favor. General Marshall uses the word "equilibrium."

If we can bring about a redress of the imbalance in power which exists as the result of the war, the submergence of certain nations and the emergence to a new power of others, we may achieve, and I think we are achieving that very equilibrium which will make possible the effective functioning of the United Nations organization.

I believe we are nearly to the end of the tunnel. I think we can see the light of the day on the other side. That is the reason I do not want to start anew and go the long and tortuous way back to the other end or risk being destroyed in the darkness of the conduit itself.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CAIN. I would like to inquire of the able Senator from Florida whether the text authored by General Marshall, from which the Senator is reading, includes any observations on the subject of China concerning how we as a Nation seek to achieve stability in that area of our influence.

Mr. PEPPER. General Marshall on this occasion was testifying before the House Foreign Affairs Committee upon the subject of the organization, or what changes, if any, should be made in the form of the United Nations organization. There were a good many resolutions before the Foreign Affairs Committee, proposing changes in the structure of that organization. The General was, as our Secretary of State, coming back to an adherence to the United Nations Charter, advising against the disruption of the organization itself, and speaking about the collateral approaches we were making to the efficacy of the United Nations organization. I detected in his appeal a sort of a plaintive call for patience and cooperation until it could have time, with the collateral supports that were being constructed, to function as it was intended to function.

General Marshall did not go into the question of China.

Mr. CAIN. I thank the Senator.

Mr PEPPER. I submit that is another subject, and we had better not now go into it. But I believe that if the North Atlantic Pact succeeds, and we establish equilibrium in Europe and between the Soviet Union and the United States, if we continue the growing friendliness which is now manifest, it will be possible for a cooperative world to work out even the problem of China and the other controversial areas of the world.

I wish to quote further from General Marshall:

> The United States Government is now considering the steps necessary to bring the National Military Establishment to the minimum level necessary to restore the balance-of-power relationships required for international security.

There again establishing the equilibrium as a means of establishing security. Then the general goes on to say that the immediate problem is military, but the ultimate problem is economic and social, and that we are working toward a better world economically as well as in terms of peace.

Also in the State Department white paper issued on March 19, 1949, the State Department declares the purposes of the Atlantic Pact in respect to the United Nations Charter. Without taking time to read it, Mr. President, I ask unanimous consent that the marked portions on pages 86 and 87 of the documents relating to the North Atlantic Treaty, under the heading "The Atlantic Pact and the United Nations" be incorporated in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

THE ATLANTIC PACT AND THE UNITED NATIONS

The pact and the United Nations Charter: The Atlantic Pact is a collective self-defense arrangement among countries of the North Atlantic area who, while banding together to resist armed attack against any one of them, specifically reaffirm their obligations under the Charter to settle their disputes with any nations solely by peaceful means. It is aimed at coordinating the exercise of the right of self-defense specifically recognized in article 51 of the United Nations Charter. It is designed, therefore, to fit precisely into the framework of the United Nations and to assure practical efforts for maintaining peace and security in harmony with the Charter.

Article 51 of the United Nations Charter recognizes that the member governments have "the inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations, until the Security Council has taken measures necessary to maintain international peace and security." Such measures, however, or to be reported immediately to the Security Council, and do not in any way affect the authority and responsibility of the Security Council "to take at any time such action as it deems necessary in order to maintain or restore international peace and security."

Article 5 of the treaty specifically provides that measures taken by the parties as a result of an armed attack on one of them shall immediately be reported to the Security Council and shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

The primary responsibility for maintaining international peace and security rests with the Security Council. The obligations undertaken by the parties to the Atlantic Pact do not affect their obligations under the Charter and are subject to present and future obligations with respect to actions taken by the United Nations "to maintain or restore international peace and security." Article 7 of the pact explicitly states: "This treaty does not affect, and shall not be interpreted as affecting, in any way the rights and obligations under the Charter of the parties which are members of the United Nations, or the primary responsibility of the Security Council for the maintenance of international peace and security." In other words, everything done by the parties under the treaty must be done in accordance with their obligations under the Charter, the provisions of which, wherever applicable, are paramount.

Mr. PEPPER. Mr. President, I should like to read the following from the State Department white paper:

> The United States is now contemplating entry into the North Atlantic Pact as a means

of giving effective support in the area of collective security to the purposes and principles of the United Nations as set forth in the Charter. If the American people approve this step, the Government's objective will be the same as the one on which United States policies now converge, the restoration to international society of the conditions essential to the effective operation of the machinery of the United Nations and the progressive attainment of the objectives stated in the United Nations Charter. In the words of President Truman:

"We are moving on with the other nations to build an even stronger structure of international order and justice. We shall have as our partners countries which, no longer solely concerned with the problem of national survival, are now working to improve the standards of living of all their people.

* * * * *

"Slowly but surely we are weaving a world fabric of international security and growing prosperity."

So much for the declared purposes of the pact. I wanted to say a few words about the pact itself. I am at a total loss to see how some Senators can have such a misconception of the relative importance of the two principal articles of the pact, article 3 and article 5. It is my observation, Mr. President, that the meaningful article in this pact is article 5, and that article 3 is simply an incident of relative unimportance compared to the importance of the obligations we assume in article 5 of the pact. Article 5 reads:

ARTICLE 5

The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

I am surprised that Senators have appeared to pass over so lightly those most serious obligations we assume. Let me point out two or three instances. First we give up the power of deliberation and discussion in case of an armed attack upon a member of this community as to whether or not we in any way will come to their aid. That is a prerogative we have previously preserved.

Senators recall that the attack upon Belgium and France occurred on the 1st of August 1914. When did we go to their aid? In April of 1917. During all that interval a bitter and keen debate was waged in America as to which side of that controversy we should take, or whether we should take any at all. We would give up that prerogative. If this pact had been in effect, then as soon as Belgium was attacked by German armed force we would have had a sacred obligation to have done everything in our power to repel and to throw out of the area attacked the invading armed force, including the use of arms on our own part, including the use of American manpower, to wage physical resistance against that aggressive force with arms.

How long was the interval between the attack on Poland on September 1, 1949, by Hitler, and the time when American lend-lease was made available? It was the time from September 1, 1939, until March 1941, before lend-lease was consummated.

I believe the German declaration of war upon us was made a day or two later than December 7, 1941, but it was not until December 1941 that we declared war, until we were ready to use the force which under the Atlantic Pact we would obligate ourselves to use immediately we can employ it. In other words, the moment the attack occurs our obligation comes into being. We cannot debate in the Senate the question whether or not we shall go to the aid of the victim of armed attack. We have already previously given our assent to the arising of the obligation. If the attack is such that we cannot resist it, if we cannot contribute our part to throw it out, except by a declaration of war, we can debate a declaration of war, as to whether we shall implement our obligation; but I do not believe that any Senator at that time would have the free choice to decide whether or not we should help. It is only a question as to the manner of the assistance which we shall give.

That is the first thing. We take away from ourselves the time to debate and deliberate and decide whether we shall take sides or not. We give up our neutrality in a controversy which arises from an armed attack upon one member of this group by an outside power. Heretofore we could have been neutral. Now we cannot be neutral any longer. We have committed ourselves against neutrality. We are partisan from the start in that controversy. That is a very meaningful surrender of a freedom which we previously possessed. I am prepared to take it; but to compare that with a general understanding that in order to help our colleagues we will give them some economic, military, and technical assistance, is to compare a mouse with an elephant in importance, it seems to me.

By this pact we commit ourselves, by a solemn agreement, that the security of any other member of the pact is directly essential to our own security. That, too, has been an open question, as to whether we considered the security of one member of this group as essential to our own security, to the extent that we had to employ all the force we might find necessary to protect the country or area attacked by armed force against such assault.

What does that mean? That means, for example, that we agree that if Algeria is subjected to an armed attack, we will not be neutral in that assault. We will give our assistance to the emancipation of Algeria. We never agreed to any such thing as that before. We make the same agreement with respect to the Canary Islands, off the coast of Africa, belonging to Portugal. We make the same commitment with respect to the Azores, also a Portuguese possession, off the coast of Portugal in the eastern Atlantic. We make that commitment with respect to Iceland, Norway, Denmark, France, Belgium, Holland, and every other signatory to the Atlantic Pact association.

It is no longer a debatable question as to whether our security is related to the security and the emancipation of a country in this area—not only those countries, Mr. President, but the whole vast area. Let us see where the Tropic of Cancer runs. It is just north of Habana on the large map. It runs to the west coast of Africa, relatively halfway down the west coast of Africa, which runs generally from north to south. In all that vast area any one of those signatory powers which is attacked, or any of those islands which is a victim of armed attack, has our solemn pledge that we will help emancipate and liberate her from the aggressor. So it seems to me that the meaningful article is article 5 of the pact, and that when we see the arms provision in relation to article 5, we see that the meaningful part of the pact is article 5, and the obligations which we assume under that article. So it is very surprising to me to hear able Senators say that it seems to them that article 5 is subsidiary to article 3, that arms are the main thing, and that the commitment to go to the defense of any part of this area in case of armed attack is subordinate to the obligation to furnish arms.

As I have already pointed out, there is certainly no promise in article 3 to furnish arms. There is nothing said about arms. If we were going to put into a pact an obligation to furnish arms, we would certainly spell it out in such a way that it could be discovered. We would provide who would get the arms, some idea as to how they were to be distributed, and the like.

I do not mean to say that the pact does not contain elements of danger. As was said by the junior Senator from New York [Mr. DULLES] the other day, as I understood him, the abuse of the power conferred in article 3 could make this pact a tragic mistake. It is my earnest hope that the executive branch of our Government will not abuse the power conferred, and that it will not go further than reason dictates and decrees.

A while ago I said to the able Senator from Washington [Mr. CAIN] that I did not regard any reservation as necessary. Why? We already have a reservation of the most effective character in the pact itself. What is it? It is that whatever is done under article 3 must be authorized by the Congress of the United States. That is the reservation that is important; that is the safeguard; that is the assurance that we need. I think we can rely upon the American Congress not to go too far in the implementation of article 3. We can rely upon the restraint of the American Congress, expressing the cautious sentiments of the American people that we shall not convert this pact into something which would weaken the United Nations Organization, and thereby endanger the

strength and continuity of the United Nations organization.

The other articles of the pact are simply incidental to those two principal articles. Article 2 has already been referred to as containing general declarations that are essentially embodied in the United Nations Charter. The remaining portions of the pact essentially relate to its implementation and to its extension and termination.

It seems to me, therefore, that it is the policy of the Government to give economic and military aid tc friendly associates in the world who have identified themselves with us in the North Atlantic Pact. That is the common objective of the pact. The only specific promise in the pact that is significant and meaningful is the solemn covenant that an armed attack upon one member of the association shall be regarded as an armed attack upon all, and that each of us will employ the means it deems necessary to resist and hurl back such an armed assault. Whether we give economic aid or whether we give military assistance, the final arbiter of what we give shall be the Congress of the United States—not the State Department, not the President of the United States, but the Congress of the United States, where we shall have the privilege of debate and consideration, and where public opinion may make itself manifest—and, I am confident, heard.

Mr. MUNDT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Florida yield to the Senator from South Dakota?

Mr. PEPPER. I yield.

Mr. MUNDT. We have the lesson of history, have we not, that without the pact, in the case of Turkey and Greece, we have made great military aid available to those countries?

Mr. PEPPER. The Senator is correct.

Mr. MUNDT. Ratification of the pact in no sense changes the capacity of Congress to determine whether or not military aid is to be made available to any country in the world.

Mr. PEPPER. The Senator is undoubtedly correct. That aid was inaugurated long ago, before there was ever any mention of the Atlantic Pact. That area is outside the Atlantic Pact group. Such aid no doubt will continue, although that area is not a part of the Atlantic Pact territory. I venture to say that if the Atlantic Pact were rejected by the Senate, the economic aid and the arms aid which we have been carrying on would still continue to be the policy of the Government, with the approval of the Congress itself.

Mr. President, a moment ago I mentioned the area included in what I call the first line of defense. I am, rather, thinking of the United States as being the fullback in this game upon this field, as it were, and I am thinking of western Europe as the line. Mr. President, that is a rather thin line. Let us look at it. Norway and Denmark are the Scandinavian powers that are parties to the pact. They have a total population of 7,391,000. These are the latest figures that I have. Of course, Norway and Denmark are in the upper part of Europe, as we see by examining the map that now is before us in this Chamber. Mr. President, if they are going to hold any part of the line or put up any resistance at all, or slow down any attack which may occur, certainly our coordinating our defense with theirs and giving them some assistance would not be an extraordinary proposal.

The next group is the Benelux countries, of which the Netherlands has a population of 9,793,000; Belgium has a population of 8,453,000; Luxemburg has a population of 291,000; and France has a population of 45,500,000—or a total of 60,037,000 people in all that area, which is the heart of Europe. Mr. President, if Germany should happen to be the aggressor, Germany has a population of 70,000,000 people. All the territory of Germany is contiguous. The German people would then operate from the center toward the circumference.

If the Soviet Union should happen to be the aggressor, the 60,000,000 people of the Benelux countries would, for all practical purposes, have to be the line to hold and delay any attack which might occur.

Mr. President, I wish to say that I thoroughly believe there is utterly no danger of an armed attack by the Soviet Union upon any of that group or upon us; and many other persons have expressed the same sentiment, with which I am in hearty accord. But, Mr. President, I may be wrong. I do not know of anyone who contemplates an attack upon us; but I have never voted against a military or naval or air force appropriation that has been proposed in the Senate since I have been a Member of the United States Senate, and I do not contemplate voting against any reasonable proposal which may be made for the security of this country.

But I am confident that surely the preservation or the continuity of the present imbalance is not going to contribute to the confidence of western Europe or make the countries of western Europe less jittery about their security, or make us feel more secure, or, if there is in contemplation any aggression in the heart of any other nation, make such nation less disposed to engage in such aggression.

Mr. President, Italy and Portugal have a population of 54,285,000, but they are way off to one side. It is hardly possible that Portugal, which is way off on the western side of Spain, and Italy would bear the brunt of an attack, if it should come. But if it should come, Italy has a population of only 45,883,000 persons; and, of course, all the rest of the signers of the pact are separated from western Europe by water. True it is that the British are divided only by the English Channel, but they are not likely to have to bear the first brunt of any armed attack, should it occur.

The United States is separated by 3,000 miles of ocean, and it is not contemplated that we shall establish in Europe military forces of this country, other than our occupation forces, so far as I know at the present time.

We are thinking now about possibilities and potentialities, not about probabilities. If those countries are going to be the front line of defense, if they are going to be the line behind which our security lies, surely there is nothing unreasonable about a reasonable amount of aid to them in the strengthening of their defense forces, and that is all that is contemplated as a part of our military policy.

Mr. President, if I felt that Congress, even if the Executive ever had any such disposition, would allow the United States Government to implement the arms of these various countries to the point where they ever became a threat to anyone else, I certainly would not vote for this pact. But I see the modest suggestion made by the President and the State Department, of a little over a billion dollars; and I also have before me the advice of the Secretary of State, mind you, as set forth on page 37 of the hearings before the Foreign Relations Committee, as follows:

> The CHAIRMAN. Would you mind if I intervened just a moment?
>
> Senator HICKENLOOPER. Not at all.
>
> The CHAIRMAN. Is it not true that while under the budget and this proposed bill we give them—

Meaning the other Atlantic Pact countries—

> $1,130,000,000 for the next current year, their own budgets providing for arms and so on are something like six or seven times as much as that $1,130,000,000?
>
> Secretary ACHESON. Somewhere in that neighborhood, Senator.

These people are providing principally their own defense, Mr. President. We are simply supplementing it in a modest way. Senators know that $1,130,000,000 will not go far now in providing an arms program for even one nation, let alone for nations as numerous as these, covering so large an area.

As I have said, first there is no commitment to any specific sort or quantity or timing of any aid that we give, economic, military, or otherwise.

Second, the reservation already written into this treaty is that we shall give, under article 3, only such mutual aid and assistance and self-help as the United States Congress shall provide. We do not commit the United States Congress to anything.

So, Mr. President, when Senators are talking about reservations, I do not know of any better reservation than that we reserve the right to do hereafter what we deem to be the right and proper thing to do, consistent with our general obligations and the general purposes of the pact.

Of course, it is meaningful. I do not want anything I say to be regarded as a legalistic hedging. If we are going into this pact, we are going into it in good faith, and our national honor will demand that we execute in good faith the obligations we have assumed. But we have told everyone that we reserve the right to examine in good faith the subsequent proposals for the implementation under article 3.

Another thing, Mr. President, is that we are dealing with adult people; we are dealing with nations represented in

Washington by able ambassadors. Senators know that the ambassadors, who have a gallery in our regular Chamber, know that the United States Congress has its own right to decide its own course and policy.

So, Mr. President, I am satisfied that the Congress can be counted upon to see to it that Article 3 is not implemented in such a way as to violate the spirit and general purpose of this pact and the obligations we have assumed under the United Nations organization.

Mr. President, only a few words more I come to the conclusion that circumstances and events have established the necessity for the course we are asked to pursue. I also come to the conclusion that the policy of the executive branch of our Government has long ago outlined this course and has progressively pursued it, and that the Senate of the United States has itself adopted it, and has advised the executive branch of the Government to negotiate this pact; and now that it comes back to us, pursuant to our advice, it is unseemly for the United States Senate, which advised it, to reject it or impair it by unnecessary or emasculating reservations, especially when we realize that at the present time the United Nations organization has not functioned as we had hoped and dreamed it might. As I say, I do not despair of it. But, Mr. President, it is not yet capable of keeping the peace of the world.

I mentioned a while ago about this pact being consistent with our general obligation under the United Nations. I would myself have said sometime ago that we were not assuming, in article 5, any new obligation to what we had assumed in the United Nations Charter. If I am not mistaken, I heard the able Senator from Michigan say we were simply assuming in this pact essentially the same obligations we had assumed in the United Nations Charter. But now, Mr. President, upon a more careful examination of the United Nations Charter, I do not come to that conclusion. The United Nations Charter does have as its objective the peace of the world, and that the nations of the group will work toward the peace of the world. Each nation obligates itself to settle its differences in a peaceful manner, and each nation obligates itself, first, to regard the Security Council as its agent in the preservation of the peace of the world. The principal states agree that they will hold air power available to the Security Council in order to accomplish its desired functions. We all, as member states, agree that if we are called upon by the Security Council to carry out a course determined upon by the Security Council, we will comply with the request.

But, Mr. President, we have assumed no obligation I can find in the four corners of the United Nations Charter, that if Algeria is the subject of an armed attack, we will regard it as an attack upon the United States, and that we will employ all means we deem essential to throw off and to resist that attack and to liberate that country. I find no such commitment in the United Nations Charter. Nor do I find that if the Canary Islands are assaulted by armed attack, we have an obligation individually, outside the United Nations, to go to their aid. But we have that obligation under this pact. We pledge ourselves individually not merely to let the Security Council be our agent, not that we will comply with the request of the Security Council; we pledge ourselves individually that we will go to the aid of that area within the Atlantic Pact territory that might be the subject of attack. So, Mr. President, I say the important and meaningful part of the pact is article 5. Senators have made a mountain out of a mole hill in the way they have emphasized the obligations of article 3, nebulous and general and vague as they are.

Mr. CAIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Washington?

Mr. PEPPER. I yield.

Mr. CAIN. Did I correctly understand the able Senator from Florida to say if there is an armed attack on French Algeria, the provisions of the Atlantic Pact require the United States and the other signatories to the pact to repel the attack and oust the aggressor?

Mr. PEPPER. That is my understanding. That is within the North Atlantic area, which is defined in the pact. It would become the obligation of each signatory power to do what it deemed essential to liberate that area and to repel the attack.

Mr. CAIN. Against that question, may I inquire of the Senator from Florida, in the event of armed aggression in Greece, would there be any obligation to throw out the aggressor promptly?

Mr. PEPPER. I know of no pact obligation. The only obligation would be a general, nebulous one that might be inferred from our membership in the United Nations. I am speaking of the only promised obligation we have.

Mr. CAIN. Might it be inferred that if there is an armed attack upon Greece, because of our commitments and our interest in Greece, we, the United States of America, might assume the obligation of throwing out the aggressor from Greece without the assistance of any of the other 11 members of the North Atlantic Pact?

Mr. PEPPER. Mr. President, in view of the position we have previously taken to assist Greece against any attack from the outside, I have no doubt we would employ force, if force were used against the security of Greece. But we could debate that.

Mr. CAIN. Indeed, we could.

Mr. PEPPER. We could argue about that. We could discuss whether we should or not. We might even say it was not the kind of thing we wished to get into. Presently, we are not using armed force to resist. They are Greek soldiers who are there resisting attack. But if Greece were included in the pact, and then a soldier came across the Greek border, we could no longer be neutral in that case.

Mr. CAIN. There are a good many of us, I may say to the Senator from Florida, who expect to support the pact, but we are deeply concerned to note the absence from the pact of several nations, among them, Greece. We should have liked to think Greece would be a charter member, so to speak, of the pact. We are now only concerned with what Greece's chances are of being admitted into the pact in the future, in the interest of the general security which we hope to achieve throughout the world.

Mr. PEPPER. Mr. President, it is my own view hat, in the future, security will be preserved in one of two ways. Either the United Nations will continue to be incapable of keeping world peace, and we shall resort to some alternative, or these collateral and supporting efforts will be so successful that the United Nations will be able to set up the machinery of enforcement, and then these pacts can dwindle away as it were, and our collective group, the members of the United Nations, will collectively keep the peace of the world. That is a course I earnestly hope will be followed, and I believe this is a contribution to that happy event.

Mr. CAIN. I ask the Senator to reflect on this question. If it turns out in the future that pacts are the best answer society has to the needs of tomorrow, does it not logically follow that if Greece is to be a member of a pact, it must become a member of the so-called North Atlantic alliance? I would think strategically and geographically of no other pact to which Greece could possibly belong.

Mr. PEPPER. Mr. President, as I said, if the United Nations is not given new strength and a new chance of success by some such pact as this, the Brussels Pact, the North Atlantic Pact, and the Rio Pact, and by the general cooperation with other peace-loving nations we are carrying on, then, at long last, we shall have to turn to some alternative and develop the alternative, instead of the principal means intended to keep the peace of the world. But I still believe in the United Nations.

Mr. CAIN. I thank the Senator for his observation.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I yield.

Mr. KILGORE. I may ask the Senator from Florida, is it not a fact that General Ludendorff, in his memoirs, stated that World War I would not have advanced to the stage of unrestricted warfare, as it did, had it not been for the fact that the Germans felt the United States would not go to war, and that if it did go to war, it could not get ready in time to defeat Germany? Is it not also a fact, as has been admitted on the floor of this Chamber, that, had there been a feeling in Europe that the United States would actually engage in World War II, there was a strong probability the war would not have been begun?

Mr. PEPPER. I not only would answer "yes" to both questions of the able Senator from West Virginia, but I would say what I said before. It was always my private opinion that the action of the United States Senate in failing to repeal or modify the Neutrality Act in the spring of 1939, when President Roosevelt recommended that we do

so, was an unintended encouragement to Hitler to send his minions across the Polish border on the 1st of September 1939.

Mr. KILGORE. Is it not also a fact that our refusal to cooperate with the League of Nations after World War I gave an indication we would not cooperate and would not assist in wars abroad, unless we were attacked, and that that also contributed to the bringing on of World War II?

Mr. PEPPER. There is no doubt about it.

Mr. KILGORE. Therefore is it not also true that the very fact of reaching an agreement with nations to stand together against aggression by powers hostile to our theory of life will have a strong tendency to deter such powers from starting the war that might become world war III?

Mr. PEPPER. I think the Senator is absolutely correct.

Mr. KILGORE. Is it not a fact that that is one of the principal reasons why it is necessary to have a pact?

Mr. PEPPER. I think it is a fact that if we let it be clearly known that armed attack is not the modern way to act, and that we will resist changing the world in that way, it will contribute to the peace of the world because it will discourage aggression from any source.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. FERGUSON. Does not the Senator think it is even more important that nations which may have in their hearts the idea of aggression understand definitely what the nations in the pact intend than it is to have an absolute understanding among the nations who sign the pact?

Mr. PEPPER. There is no doubt about that.

Mr. FERGUSON. We are discussing more the idea of the meaning of every word, but I doubt at times whether any person who enters into a contract agrees absolutely on the meaning of every word in the contract. In a pact such as this it seems to me it is more important that the nations which are not in the pact understand definitely what we mean, namely, that we will not permit aggression. Does not the Senator think that is correct?

Mr. PEPPER. I thoroughly agree with the Senator from Michigan. It will contribute to peace, in my opinion, if it be clearly understood by any potential aggressor that an aggression upon any country—it should be any country anywhere in the world—means collective armed resistance to the attack. But certainly any armed attack upon a member of this group will evoke a wholehearted and all-out resistance of every member of the group.

Mr. FERGUSON. In other words, they will meet the might of everyone in the group if they do become aggressors.

Mr. PEPPER. There is no doubt about that. I think that is one of the contributions that the pact makes to the peace of the world. Some Senator said we are promising the preservation of the status quo. This means that the countries that have too little territory will not be able to expand. Mr. President, there is a right way of getting more territory, and there is a wrong way of getting it. There is a right way of getting land, goods, and property, and there is a wrong way. I may not have any of those things, and under the law of the society in which I live I cannot get them in a criminal way. I must get them in a lawful way. We have established an international organization to hear persons who feel themselves aggrieved, and not only have they a channel of negotiation and a channel of purchase and acquisition in a friendly way, but they also have a world court in which they may claim redress of their wrongs. But we cannot any longer in this modern civilized world have a lawful society and allow nations or individuals to take by armed force what they desire.

Mr. FERGUSON. Was it not the purpose of the United Nations to speak for all the nations of the world and tell them that the day had passed when any nation could take territory by aggression, which meant war?

Mr. PEPPER. It would seem to me that if progress means anything in the evolution of society it means that violence is no longer a permissible method of gratifying national aspirations.

Mr. FERGUSON. Is not that what we tried to spell out in the United Nations?

Mr. PEPPER. That is correct. Each nation solemnly agreed that it would settle its differences by peaceful means.

Mr. FERGUSON. Is it not true that, feeling as we do, that the United Nations has not been able to accomplish that, we have taken the means through this pact to spell it out in a regional area, so that at least the 12 signatory nations feel they can keep down aggression?

Mr. PEPPER. I think so. This is the key area of the world. If we can keep the peace in this part of the world, then this part of the world is most qualified to preserve peace in the rest of the world. If we can hold together this group and then bring it into friendly association with eastern Europe, including the Soviet Union, we can have world peace. We can let it be clear, as General Marshall said, that we will hear their complaints. I have always been willing to hear Russia's complaints, in spite of a lot of criticism about it; I have always felt it had a deep-seated feeling that the nations of western Europe were already foreclosed of mind against the redress of any of Russia's wrongs. That does not give Russia a right to do any wrong. It has a right to be heard in conference and in council to present its case. It has a right to appeal to the minds of men for its aspirations; but neither Russia nor any other nation has a right to commit armed attack upon its neighbors. That is where we say the red light goes on—"Stop here. Proceed at your peril." That is what this pact makes unmistakably clear.

It is not the method I should have preferred, yet self-help is a permissible strategy or tactic in every legal society of which I know. I have the right of self-defense without committing any crime. A vigilante group, Mr. President, traditionally has kept law and order until the sheriff, the courthouse, and the judge came into being. This is self-help for security. It is permissible self-help, recognized by the Charter of the United Nations organization.

Mr. President, I well remember when persons in my State used to carry guns, but now they do not carry guns in their pockets or strapped on their persons, if they are private individuals. Why? Because in public places we usually rely upon the law for our security. That is what the United Nations was intended to do. We contemplated disarmament as the result of the United Nations. But we have never settled the peace. That was not a function of the United Nations. In the Charter itself it is recognized that the great powers victorious in the war had to settle the peace, and the United Nations was supposed to operate upon a peaceful world which had been established by the victorious Allied Powers.

Mr. LUCAS. Mr. President, will the Senator yield at that point?

Mr. PEPPER. I yield.

Mr. LUCAS. Would the Senator care to make an observation or two as to what he believes would happen in the event the Senate of the United States refused to ratify the pact after our country took the initiative and became the architect of the pact?

Mr. PEPPER. Mr. President, the inevitable effect of it would be to throw consternation into western Europe, to convince those people, in spite of anything else we could say, that we had gone back to isolationism in the United States, or we had, in common parlance, "let them down"; that we had betrayed them and left them to their fate.

As I said a while ago, I personally never have believed—and I say it again—that the Soviet Union intends armed attack. I hope I shall not be proved to be wrong. It was discussed in the Foreign Relations Committee. It is my personal belief that if England should attack France, it would be our obligation to go to the assistance of France against England, just as it is our obligation to go to the assistance of Germany if she should be attacked by France, or to the assistance of France if she should be attacked by the Soviet Union.

That is my belief, Mr. President, but if any other power has any idea or desire upon western Europe, the rejection of this pact by the Senate would merely mean that we would give them, instead of the red light, the green light, to go ahead, indicating we were going to stay out of Europe at this time.

Mr. LUCAS. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the Senator from Illinois.

Mr. LUCAS. I wholeheartedly agree with the Senator from Florida. It seems to me that the point we are now discussing has not been given sufficient significance in this debate. Senators who oppose the pact have offered absolutely nothing as an alternative from the standpoint of attempting further to keep the peace of the world. Everyone knows

that this is another calculated risk, like the Marshall plan.

I submit, with all the sincerity I possess, that the United States having instituted in the first instance aid to Turkey and Greece, following that with the Marshall plan, and now coming along with the third or fourth step with respect to our foreign policy, in the nature of this Atlantic Pact, if we did not carry out this step, insofar as all we have done in the past is concerned, we might just as well forget about it. The Marshall plan would ultimately be a complete failure, and what we have done for Greece and Turkey would go by the wayside. I undertake to say that within a short time, anywhere from 12 to 18 months, the hordes of communism would be running over the nations we are attempting to protect. I hope the Senator agrees with me.

Mr. PEPPER. I certainly agree in the basic assumptions of the Senator from Illinois, and his conclusions follow from his assumptions.

I would put it this way: The security of these peoples is essential to their economic welfare before they can work in peace and harmony. A man who expects himself to be shot all the time cannot do a very good job.

The second point is, if these people do not have our endorsement of their security, which is what this pact really is, it means that they are either going to be jittery because of fear, or they will ruin themselves economically trying to provide for their own military security, and even then, Mr. President, have the consciousness that they cannot do an effective job.

I pointed out a while ago that the populations of the areas in west Europe principally, which is a small group of people, their collective economy weak, many of them devastated by war, are not in a position, in their present extremity, adequately and effectively to defend themselves. They either would resort to appeasement, which would simply mean that they would be coerced into a system which might be hostile to their tradition, or they would bankrupt themselves in an ineffective attempt to make sure of their own security, or they would give up and quit, and allow themselves to be taken over by whatever strong aggressor might come along.

It seems to me, Mr. President, that this pact is a way of quieting things down, of giving these people the assurance they need, of taking a part of the military burden off them, although they are still collectively putting up about six to every dollar we will put up under the arms aid program; and it discourages aggression from any source outside their own individual territory, and pledges us to their territorial security.

As the Senator says, I do not know of any one who has proposed anything better. It is far better than the proposal of the Senator from Ohio for unilateral guaranties to Europe, as I said a while ago. We have not time to alter the United Nations into an effective instrument to accomplish so effectively the same purpose, in the immediate future, at least, because it would take time to have even a conference, let alone to modify the Charter of the United Nations. I am afraid the attempted modification of the Charter in this respect would simply mean the disruption of the organization. It is also my belief that if we entered into this pact, especially by a good margin over the two-thirds majority in the Senate, and if we use the common sense and the reason I believe we may employ with respect to article 3, pretty soon we would find an acceleration in the peaceful progress being made in the present cold war and controversy between eastern and western areas in Europe and in the world.

I do not believe we will have to send many arms to Europe to do that. I believe that furnishing them some of the things they most need will give them a little better balance in their security systems and facilities. An integration of their defense plans, some exchange of technical information, and some arms aid of a modest character, will give them a sense that they are secure from uprising of an inimical character in their own countries, and that they are able to put up an effective and reasonable resistance to any attack which might come, when their strength is considered in cooperation with that of other members of the pact, and any idea that anyone might have had about anything being a pushover in the modern world would have been dissipated. Then this progress we now see toward peace can rush on apace until in a little while, perhaps a year or two, we will find that the consultation that is going on in Berlin will have proceeded in a more and more friendly way, to better and better results, the international conferences will improve in atmosphere and disposition, as the Paris Conference was an improvement over its predecessor, the job of the United Nations will be more illuminating and in better spirit, and there will be altogether more cooperation among the major powers of the world. Then we can work out our conditions in an honorable and peaceful way.

Mr. LUCAS. Mr. President, will the Senator yield again?

Mr. PEPPER. I yield to the Senator from Illinois.

Mr. LUCAS. Does the Senator from Florida agree with the Senator from Illinois that in the event the Senate of the United States ratifies the pact, insofar as the implementation of the pact is concerned from the standpoint of furnishing arms to the various nations, we will then be in a better position to make a proper and adequate distribution of arms to the nations which are in the pact rather than by dealing unilaterally or bilaterally with the respective nations so far as arms are concerned?

Mr. PEPPER. No doubt the pact will make possible machinery through which we can deal with the area as a whole. We will think of the burdens of the area rather than the burdens of an individual country. They are already prepared for that, because some of them have had their consultations in their own Brussels Pact Association.

Mr. LUCAS. There has been long debate in the Senate about the question of the implementation of the pact with arms, yet the Senator from Florida knows, and it has been stated before on the floor of the Senate, that notwithstanding the pact, we have been furnishing arms to various nations.

Mr. PEPPER. Certainly.

Mr. LUCAS. During the past 3 years we have been furnishing millions, yes billions, of dollars worth of arms to various nations.

Mr. PEPPER. And we contemplate continuing it.

Mr. LUCAS. And we contemplate continuing it. It seems to me the only thing the pact will do with respect to the implementation by arms is that, insofar as the nations which have joined in the pact are concerned, we will be in a much better position adequately to make the proper distribution of the arms than we would be if we were dealing with them individually as nations. That will not only give us a stronger defense for our own security, but it will also be much cheaper in the long run so far as dollars and cents are concerned.

Mr. PEPPER. Not only what the Senator says is correct, but we can exercise some good influence, no doubt, on some of these countries to help one another more than they have been doing in the past. I think it will make possible a greater economy in the use of the arms.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LUCAS. If we ratify the pact, though some contend that it carries with it not only a moral but a legal obligation to implement the pact by the use of arms, does the Senator agree with me that we could deny, for instance, Belgium, the use of arms, and yet at the same time furnish arms to a nation outside the pact?

Mr. PEPPER. There is no doubt that under the pact we would be legally entitled to do so, if we felt justified that that would be the better course for us to pursue.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CAIN. The Senator from Illinois has just said, and if I understand correctly the Senator from Florida has agreed, that it would be cheaper and more effective and more intelligent to provide arms for the members within the Atlantic Pact rather than to provide arms to individual nations. That gives rise again to a question which seriously concerns a good many of us who expect to support the pact. Why, against the premise so ably debated by the Senator from Illinois, is not Greece a member of the Atlantic community to which she undeniably belongs? I wonder if the Senator from Florida would make a further observation upon that subject?

Mr. PEPPER. Mr. President, I do not know why certain nations were chosen and certain nations were omitted from this association. I suppose the people who were drawing this group together had some good reason why they thought it was best to associate certain nations in the group and not to associate others. As I said, this is not a universal pact. It

was intended to assure the community of effort of a certain group of nations for their common security. I have no doubt that the pact will indirectly relate to the security of all nations, for that matter, against attack.

I think now the idea of regional association for self-defense, for self-help, has fairly well established the pact. That is as far as we have gotten in the evolution toward a collective security for the world; that no longer can a nation satisfy its national interests by armed attack. I think the Rio Pact and the Western Union and now the Atlantic Pact, if it is consummated, will pretty well establish that fact. And the fact that they only apply to given areas technically will not prevent the extension of their influence to other areas of the earth.

Mr. CAIN. Mr. President, will the Senator permit me to say that mine was neither an antagonistic nor a prejudiced question. The Senator from Florida is but one of several Senators to whom I have addressed that question. The Senator from Florida simply does not have the information adequately to satisfy it. I hope, as one interested in this problem, that some Senator will be able to explain to us why an important nation, strategically anyway, to the safety and security of the North Atlantic community, is not a member of this pact. I am no military authority. I have had a reasonable experience in the armed forces of the Nation, and I understand and can read a map, and I would say, and I know the Senator from Florida will agree with me, that if we are contemplating a military alliance we recognize from the outset that it is not so strong if it does not possess within it all the potential allies embraced within the North Atlantic community.

Mr. PEPPER. One will notice as he goes through life that we crawl before we walk and we walk before we run, and we gain speed, at least to a certain period of our lives, as we grow. I am always impressed with the principle of evolution, how things grow, how great oaks grow from little acorns.

When it became apparent that the United Nations was not yet able to keep the peace of the world we started groping for some alternative to keep the peace and to prevent aggression. Some of the efforts were bilateral. Some of them were unilateral. Some of them were merely the bringing together of groups. And now this is a larger association of nations and peoples. But we have generally now hit upon this regional pact as the alternative to world collective security, as the means of keeping peace and preventing aggression.

As I said, I certainly hope that this is not going to be the substitute for an effective United Nations. I hope this principle will not have to expand. I hope it has gone far enough to impress the nations and people that armed aggression means war, and war means ruin for everybody, victor as well as vanquished.

So, Mr. President, I hope it will never be necessary to incorporate Greece in a Mediterranean pact, or to expand the Atlantic Pact so as to include Greece. I am convinced in my mind that this is going to be the final climax of effort that will make possible a peaceful world. I am an optimist about the future. I do not believe we are going to have war. I think there is less danger of it today than there has been at any time since hostilities ended.

Although I would have preferred that it had come through the United Nations more directly, I believe this alternative evolution is a lasting emergency method which has finally been discovered. I think there is more and more evidence of its efficacy. I hope it will not be necessary to expand it, but I think all may rest secure that the integrity of Greece against armed attack is going to be assured, Atlantic Pact, Mediterranean Pact, or no pact at all.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CAIN. I know that the pact has been designed to help make peace secure, and to wage aggressive and effective warfare if that becomes imperatively necessary; and because we both share a mutual interest in the future, I would again, if I might, draw the Senator's attention to the map, and point out what the map so plainly says for itself—that with the exclusion, for whatever the reasons—and I know not what they are—of Greece and Turkey, we have left our right flank or eastern flank, as the case might be, open, and in the event of a total war in that area I am afraid that exclusion would cause us to run a better than a calculated risk of losing the war before we had any more than become involved in it.

Mr. PEPPER. I share the Senator's concern and his interest.

Mr. President, in conclusion let me say that it has always been of impressive interest to me to see how world organization has emerged from the feeble beginnings of the ancient past. I turn back to the Amphyctionic League, when the Greek city-states were put together; to the association of the Italian states in an earlier day; to a period of temporal power for the church. Then through the Middle Ages I hear Descartes and the various philosophers and statesmen speaking about a United States of Europe and a lawful international society.

Coming down to modern days we see the negotiation of the arbitration pact toward which so much was contributed by the great William Jennings Bryan.

Then we come to the League of Nations, in the memory of our own time, when a great structure was built on beautiful Lake Geneva, and when twenty-odd nations associated themselves together in a league which lasted a number of decades.

Mr. President, although we had to experience the intervening anguish of another war, I do not see failure for the idea of world unity and organization, which seemed perhaps superficially apparent with the defeat of the League of Nations. On the wreckage of the League of Nations, even though it comes through the crucible of war, I see a yet nobler and grander structure arising than ever existed before—the United Nations organization, which now has 58 members, the principal powers of the world. It has a great new home aborning on our own friendly and democratic shores, where it may be secure in the enjoyment of an unmolested future. I find that it has a great many subsidiary organizations which are lacing the world together in a tremendously strong fabric of unity. I find the habit of world regard, association, and perspective forming in the minds of men. International radio communications, rapid international travel, the growing intimacy of the human race through such contacts, and all those things are gaining momentum toward a world society, which we may be sure will eventually emerge.

If we must have a temporary hesitation in our progress, if we must go through nationalism, then up to international collective security, and then drop back a little to the intervening stage of regionalism for the time being, be sure that human progress is inevitably ahead, and that international groupings and the association of peoples are bound to become more intimate rather than less so.

Eventually—and I hope this will be a pivotal step forward in the direction of that happy end—we shall see the reemergence of the United Nations, stronger than it has ever been—not only a stronger United Nations, but the United Nations organization itself will prove to be inadequate to meet the demands of the human race for cooperative progress and world peace. Upon the United Nations there will, partially in our lifetime, but assuredly in the foreseeable future, emerge a world government, wherein there shall be universal law and universal order and universal contribution to the progress of mankind. We shall at long last realize the dream of Tennyson, when he said:

Till the war drum throbb'd no longer, and the battle flags were furl'd,
In the parliament of man, the federation of the world.

EXHIBIT 1

DEVELOPMENT OF THE MONROE DOCTRINE

A. ESSENTIAL PORTIONS OF PRESIDENT MONROE'S MESSAGE OF DECEMBER 2, 1823

"The occasion has been judged proper for asserting, as a principle in which the rights and interests of the United States are involved, that the American continents, by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as subjects for future colonization by any European powers. * * *

"We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety. With the existing colonies and dependencies of any European power we have not interfered and shall not interfere. But with the governments who have declared their independence and maintained it, and whose independence we have, on great consideration and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny, by any European power in any other light than as the manifestation of an unfriendly disposition toward the United States."

B. RECENT DEVELOPMENTS IN THE MONROE DOCTRINE

1. The good neighbor: In his inaugural address on March 4, 1933, President Roosevelt sounded the keynote of his administration's policy toward Latin America by declaring that he would "dedicate this Nation to the policy of the good neighbor—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

2. Nonintervention: The first opportunity to demonstrate our good neighborliness came at the Seventh International Conference of American States which opened at Montevideo on December 3, 1933. In signing the Argentina Antiwar Pact on behalf of the United States, Cordell Hull stated: "The United States Government is opposed as much as any other to interference with the freedom, sovereignty, or other internal affairs or processes of the governments of other nations. * * * No government need fear intervention on the part of the United States under the Roosevelt administration."

3. Consultation: The Inter-American Conference for the Maintenance of Peace opened in Buenos Aires on December 1, 1936, with an address by President Roosevelt. Speaking of the mounting threats of war abroad, he said: "We in the Americas make it at the same time clear that we stand shoulder to shoulder in our final determination that others, who, driven by war madness or land hunger, might seek to commit acts of aggression against us, will find a hemisphere wholly prepared to consult together for our mutual safety and our mutual good." The conference accordingly adopted a convention for the maintenance of peace which provided that should the peace of the American republics be threatened by any source either at home or abroad, the signatory powers should consult with each other immediately with a view to cooperative action to preserve the peace of the American continent.

4. Inter-American solidarity: The Eighth International Conference of American States met in Lima, Peru, from December 9 to 27, 1938, at a time when the war clouds were piling higher. The question of inter-American solidarity, therefore, occupied the center of the stage. The Declaration of Lima, the most important achievement of the conference reaffirmed the continental solidarity of the American States, reaffirmed their decision to help one another in case of a foreign attack, and provided for joint action not only against a military assault but also against the underground infiltration methods pursued by the Axis. It also strengthened the foundation of consultation laid in Buenos Aires in 1936 by providing that "the ministers for foreign affairs of the American republics, when deemed desirable and at the initiative of any one of them, will meet in their several capitals by rotation and without protocolary character."

5. Common neutrality: The first meeting of the Foreign Ministers of the American Republics took place at Panama in September 1939. Its most spectacular agreement was the Declaration of Panama which stated that, for continental self-protection, the American Republics, so long as they were neutral, were entitled, by inherent right, to have the waters adjacent to them free from hostile acts by any non-American belligerent.

6. Joint action: The second meeting of the Foreign Ministers took place in 1940 after the fall of France and the low countries. The most pressing problem, therefore, was the position of the French and Dutch possessions in the Western Hemisphere. The Act of Havana set up an emergency administrative committee authorized to assume the administration of any colony in this hemisphere attacked or threatened. The committee consisted of a representative from each republic and could be called together at the request of any of the republics. If action were so urgent that the convening of the committee could not be awaited, any American Republic, acting by itself or with other republics, could act as required by its own defense or by that of the continent.

7. Act of Chapultepec: The next step was taken by the Inter-American Conference on Problems of War and Peace held in Mexico City in March 1945, when it approved a declaration known as the Act of Chapultepec, which provided that an attack by any State against an American state should be considered as an act of aggression against the others; and that whenever such acts or threats of aggression occurred, the signatories would consult in order to agree on measures to be taken, including the possible use of armed force. This declaration was to be followed up by an inter-American treaty setting forth these principles in permanent form.

8. The Rio Treaty: The inter-American treaty of reciprocal assistance put into permanent form the basic principles embodied in the Act of Chapultepec by: (1) Imposing an obligation on the contracting parties to take positive action to assist in meeting an armed attack against any American state; (2) providing for consultation and action, not only in the event of armed attacks and other acts of aggression but whenever any other fact or situation might endanger the peace of the Americas; (3) outlining the machinery and organs of consultation which the American states will utilize in taking collective measures to meet such threats; (4) defining a special hemispheric security area; (5) enumerating the political, economic, and military measures which may be taken against an aggressor; and (6) providing for the effective integration of inter-American peace machinery into the United Nations.

## DEATH OF AMERICAN JOURNALISTS IN PLANE CRASH NEAR BOMBAY, INDIA

Mr. CAIN. Mr. President, with the indulgence and consideration of the majority leader, I should like to submit two very brief statements to the Senate.

Mr. President, residents of the Pacific Northwest and the entire Pacific Coast as well as the rest of the Nation are grievously shocked by the death of 13 prominent American journalists in the recent crash of a Dutch plane near Bombay, India.

The victims of this unfortunate disaster included George L. Moorad of radio station KGW in Portland, Oreg., Fred W. Colvig of the Denver Post, and Charles Gratke of the Christian Science Monitor, who previously had worked on his father's newspaper at Astoria, Oreg.

Our journalists who fly to foreign lands for information can well be called the eyes of America and I am sure my colleagues in the Senate all join me in expressing deep sympathy to the bereaved relatives of those who perished in the faithful pursuance of their duty.

## OUR DEFENSES IN ALASKA

Mr. CAIN. Mr. President, on Wednesday of this week Mr. Fergus Hoffman, of the Hearst newspaper bureau in Seattle, Wash., appeared before the Military Affairs Subcommittee of the Senate Appropriations Committee as an authority on the state of our defenses in Alaska. Mr. Hoffman qualifies as an authority on the subject of our Alaskan defenses because he has been assigned by his paper, the Seattle Post-Intelligencer, to that subject during the past 4 years.

Mr. Hoffman's estimate of the situation in Alaska was fully contained in a statement which he presented to the Military Affairs Subcommittee. This statement, which will be of substantial interest to every American who reads it, appears in the CONGRESSIONAL RECORD of July 14 on pages 9469 and 9470. I wish to draw the excellence and substance of this statement to the attention of all Senators.

It seems to me, Mr. President, that if this unbiased objective and specialized account of the inadequacy of the defense measures we are presently taking in Alaska is not promptly assessed by the Congress, and indeed by the entire Nation, we cannot say at some sad future date that we were not fully and adequately warned in advance. In times gone by America has sometimes failed to heed danger signals which were flashed by men who knew. I think that Mr. Hoffman has provided us with an opportunity to react to requirements which are pressing and demanding in Alaska.

As Mr. Hoffman emphasized, there is a prevailing need to provide military housing in Alaska if we expect to maintain troops in the north land, as we must, on a year-round basis.

If we are seriously concerned with securing the safety of the Nation, as we are, we must take steps to see that nothing interferes with the arming of our entire northern perimeter.

Alaska is a vast springboard from which an aerial bombardment of the continental United States could easily be undertaken. It lies virtually helpless today before a world picture that grows steadily more serious as the Soviet occupied countries of Europe and Asia slowly succumb to the Red tide.

As we think about arming some of the nations in Europe we must not fail to arm Alaska. As of this moment it seems completely safe and necessary to say that we do not have enough intercepter planes in the north to fight off an attack on even one of the few bases we have there.

It is certain that we do not have enough troops to defend one of those bases in the face of a surprise attack. I have been told, and Mr. Hoffman confirmed it, that in military maneuvers in Alaska alarm battle stations are partly manned by Army clerks rather than by Army antiaircraft crews. It is to our national interest to provide additional facilities and men so that never in the grim future will we be caught off guard in the north.

Before we think seriously of satisfying European requests for military aid we had better build up and guarantee the security of Alaska. It will take a lot of money, material, and manpower to do this in the way it ought to be done. Mr. Hoffman gave a complete answer to these requirements when he said:

> The cost of the defense of Alaska is the price of freedom in America.

Mr. Hoffman appeared before a great committee of the Congress at the right time. He has urged us to keep our eye

on the greatest objective of all—the security of the United States and its Territories. I am pleased to bring his urging and warnings to the floor of the Senate.

At this late hour I am extremely grateful to the majority leader for permitting me the opportunity to submit these two statements.

Mr. LUCAS. Mr. President, it is a pleasure to have the Senator from Washington present the very interesting and illuminating addresses upon the subject matters which he has discussed. I am happy to be here with him and see that he is permitted to present these matters at this late hour.

Mr. CAIN. I thank the Senator from Illinois.

RECESS TO MONDAY

Mr. LUCAS. Mr. President, it is now nearly 10:30. I think we should probably take a recess. It seems to me that the distinguished occupant of the chair is probably ready to go home. I am sure that the few Senators who remain in the Chamber are ready to go. Our newspaper friends are certainly prepared to take leave at a moment's notice. I therefore move that the Senate stand in recess until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 10 o'clock and 28 minutes p. m.) the Senate took a recess until Monday, July 18, 1949, at 12 o'clock meridian.

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# SENATE

## MONDAY, JULY 18, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. R. Orman Roberts, D. D., Temple Methodist Church, San Francisco, Calif., offered the following prayer:

Before the mountains were brought forth or ever Thou hadst formed the earth and the world, even from everlasting to everlasting, Thou art God. In this, Eternal Father, we reaffirm our faith. Today we are a part of the yesterdays and the tomorrows, and Thou art of the whole.

Thou art our Creator. Thy interest in the destiny of man has been manifested in the past; Thou hast not left him alone but art ever present. As we pause today make these moments holy, to the end that we may be lifted above all that would blind us to Thine eternal purposes and that we may be inspired to be instruments in Thy hands for their achievement. In the name of our blessed Lord, we pray. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 15, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 14, 1949:

S. 1042. An act relating to the payment of fees, expenses, and costs of jurors.

On July 15, 1949:

S. 1070. An act to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

On July 16, 1949:

S. 1168. An act to amend section 2680 of title 28, United States Code; and

S. 1688. An act to provide for certain adjustments on the promotion list of the Medical Service Corps of the Regular Army.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 276. An act to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes;

S. 863. An act authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco;

H. R. 858. An act to clarify the overtime compensation provisions of the Fair Labor Standards Act of 1938, as amended;

H. R. 2104. An act relating to orders to banks doing business in the District of Columbia to stop payment on negotiable instruments payable from deposits in, or payable at, such banks; and

H. R. 4016. An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LUCAS, the Committee on Labor and Public Welfare was granted permission to hold a meeting this afternoon concerning the Hawaiian strike situation during the session of the Senate.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Donnell | Graham |
| Anderson | Douglas | Green |
| Brewster | Downey | Gurney |
| Bricker | Dulles | Hayden |
| Bridges | Eastland | Hendrickson |
| Butler | Ecton | Hickenlooper |
| Cain | Ferguson | Hill |
| Capehart | Flanders | Hoey |
| Chapman | Frear | Holland |
| Chavez | Fulbright | Humphrey |
| Connally | George | Hunt |
| Cordon | Gillette | Ives |
| Jenner | McKellar | Smith, Maine |
| Johnson, Tex. | McMahon | Smith, N. J. |
| Johnston, S. C. | Malone | Sparkman |
| Kefauver | Martin | Stennis |
| Kem | Maybank | Taft |
| Kerr | Millikin | Thomas, Okla. |
| Kilgore | Morse | Thomas, Utah |
| Knowland | Mundt | Tydings |
| Langer | Murray | Vandenberg |
| Lodge | Neely | Watkins |
| Long | O'Conor | Wherry |
| Lucas | Reed | Wiley |
| McCarran | Robertson | Williams |
| McCarthy | Russell | Withers |
| McClellan | Saltonstall | Young |
| McFarland | Schoeppel | |

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senators from Idaho [Mr. MILLER and Mr. TAYLOR], and the Senator from Wyoming [Mr. O'MAHONEY] are detained on official business in meetings of committees of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly, meeting at Rome, Italy.

The Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The PRESIDENT pro tempore. A quorum is present.

TRANSACTION OF ROUTINE BUSINESSS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions, submit petitions and memorials, and present matters for the RECORD, as though the Senate were in the morning hour, and without debate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON SPECIAL ASSISTANTS EMPLOYED BY DEPARTMENT OF JUSTICE

A letter from the Acting Attorney General, transmitting, pursuant to law, a report showing the special assistants employed by the Department of Justice, for the period January 1 to June 30, 1949 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pusuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

## PETITIONS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the PRESIDENT pro tempore:

The supplementary petition of C. W. R. Hovde, of Los Angeles, relating to the proposed repeal of the Taft-Hartley labor law; to the Committee on Labor and Public Welfare.

A resolution adopted by the board of commissioners of the city of Perth Amboy, N. J., favoring the enactment of legislation to establish a work program to provide jobs for the needy and distressed unemployed; to the Committee on Labor and Public Welfare.

## PROTEST AGAINST COMPULSORY HEALTH INSURANCE PROGRAM

Mrs. SMITH of Maine. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD a letter I received from Dr. Frederick R. Carter, secretary-treasurer, Maine Medical Association, Portland, Maine, together with a resolution unanimously adopted by the house of delegates of the Maine Medical Association, in session, June 29, 1949, at Poland Spring, Maine, relating to the compulsory health insurance program.

There being no objection, the letter and resolution were referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

MAINE MEDICAL ASSOCIATION,
*Portland, Maine, July 12, 1949.*

The Honorable MARGARET CHASE SMITH,
*The United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR: Enclosed please find copy of a resolution which was unanimously passed by the house of delegates of the Maine Medical Association, in session June 20, 1949, at Poland Spring, Maine.

Very truly yours,
FREDERICK R. CARTER, M. D.,
*Secretary-Treasurer, Maine Medical Association.*

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The Maine Medical Association in annual session convened does hereby unanimously—

*Resolve*, That it does approve and endorse the 12-point program of the American Medical Association for the improvement of the health of the American people and for the betterment of the distribution of medical care by voluntary and cooperative means in keeping with the American way of life and a free enterprise system; and the Maine Medical Association does further unanimously

*Resolve*, That it does vigorously oppose compulsory health insurance as a long stride away from the American system of Government toward a socialized society and further because it would foist upon the people an inferior system of medical care at a greatly increased cost and a staggering tax burden upon the people; and the Maine Medical Association does further

*Resolve*, That this representation of opposition to a compulsory system of Government medicine be made known to the President of the United States and to the Senators and Representatives in the Congress from Maine, by sending each of them a copy hereof.

## PROTEST AGAINST CURTAILMENT OF AUTHORITY OF FEDERAL POWER COMMISSION OVER NATURAL GAS OPERATIONS

Mr. WILEY. Mr. President, I received this morning from Paul H. Riemer, city clerk of Wauwatosa, Wis., a letter transmitting a resolution adopted by the Common Council of Wauwatosa, protesting against any curtailment of the authority of the Federal Power Commission over natural gas operations. I ask unanimous consent that the text of the resolution be appropriately referred and printed at this point in the RECORD.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

*Be it resolved by the Common Council of the City of Wauwatosa, Wis.*, That in the public interest and to avoid any increase in the price of natural gas to consumers, said city being about to become a city of such consumers, and to avoid curtailing the authority of the Federal Power Commission:

1. That bill S. 1498 recently approved by the Senate committee should be resisted by the representatives of this ctiy in the Senate of the United States.

2. That bill H. R. 4001 recently approved by a House subcommittee should be resisted by the representatives of this city in the Congress of the United States.

3. That said city hereby records itself as against both of said bills.

4. That the city clerk is hereby directed to forward copies of this resolution to United States Senators ALEXANDER WILEY and JOSEPH R. MCCARTHY, and to Congressmen CLEMENT J. ZABLOCKI and ANDREW J. BIEMILLER.

## PROHIBITION AGAINST LIQUOR ADVERTISING—PETITION

Mr. DOUGLAS. Mr. President, at the request of constitutents, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD without the signatures a petition signed by 100 citizens of Sandwich, Plano, Yorkville, Franklin Grove, and Leland, Ill., praying for the enactment of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce, and the broadcasting of such advertising over the radio.

There being no objection, the petition was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

*To Our Senators and Representatives in Congress:*

We respectfully request that you use your influence and vote for the passage of a bill to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio. The most pernicious effect of this advertising is the constant invitation and enticement to drink. The American people spent $9,640,000,000 for alcoholic beverages in 1947 as compared with $7,770,000,000 in 1945. During the same period there was a corresponding increase each year in crime, juvenile delinquency, broken homes, deaths, and injuries due to intoxicated drivers, in the number of alcoholics and also of habitual or heavy drinkers. There is every reason why this waste of money and of human values should not be increased but rather greatly decreased.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NEELY, from the Committee on Labor and Public Welfare:

S. 1031. A bill amending Public Law 49, Seventy-seventh Congress, providing for the welfare of coal miners, and for other purposes; with amendments (Rept. No. 695).

By Mr. MCCARRAN, from the Committee on the Judiciary:

S. 229. A bill for the relief of E. W. Eaton Coal Co.; with amendments (Rept. No. 726);

S. 609. A bill for the relief of Mrs. Bertie Grace Chan Leong; with an amendment (Rept. No. 721);

S. 627. A bill for the relief of Leon Moore; with an amendment (Rept. No. 722);

S. 777. A bill for the relief of Calvin D. Lynch & Son; W. Thomas Lockerman; Sudlersville Supply Co.; George C. Moore and H. A. Moore; J. McKenny Willis & Son, Inc.; Hobbs & Jarman; C. S. Thomas; and Royse R. Spring; without amendment (Rept. No. 699);

S. 986. A bill for the relief of Carlos Riggenbach; without amendment (Rept. No. 700);

S. 1096. A bill for the relief of Abe Lincoln and Elena B. Lincoln; with amendments (Rept. No. 727);

S. 1976. A bill for the relief of Mrs. Juan Antonio Rivera, Mrs. Raul Valle Antelo, Mrs. Jorge Diaz Romero, Mrs. Otto Resse, and Mrs. Hugo Soria; with amendments (Rept. No. 728);

H. R. 559. A bill to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co.; with an amendment (Rept. No. 723);

H. R. 605. A bill for the relief of the estate of James B. Stirling, deceased; with an amendment (Rept. No. 724);

H. R. 607. A bill for the relief of Harvey M. Lifset, formerly a major in the Army of the United States; without amendment (Rept. No. 701);

H. R. 691. A bill for the relief of Lawrence Fontenot; without amendment (Rept. No. 702);

H. R. 1023. A bill for the relief of Lois E. Lillie; without amendment (Rept. No. 703);

H. R. 1069. A bill for the relief of Albert Burns; without amendment (Rept. No. 704);

H. R. 1075. A bill for the relief of Harry C. Metts; without amendment (Rept. No. 705);

H. R. 1137. A bill for the relief of J. W. Greenwood, Jr.; with an amendment (Rept. No. 725);

H. R. 1619. A bill for the relief of St. Elizabeth Hospital, Yakima, Wash., and others; without amendment (Rept. No. 706);

H. R. 1672. A bill for the relief of Jack Phillips; without amendment (Rept. No. 707);

H. R. 1993. A bill for the relief of Samuel Fadem; without amendment (Rept. No. 708);

H. R. 2344. A bill for the relief of Charles W. Miles; without amendment (Rept. No. 709);

H. R. 2704. A bill for the relief of Freda Wahler; without amendment (Rept. No. 710);

H. R. 2925. A bill for the relief of Ida Hoheisel, executrix of the estate of John Hoheisel; without amendment (Rept. No. 711);

H. R. 3139. A bill for the relief of James B. DeHart; without amendment (Rept. No. 712);

H. R. 3408. A bill for the relief of Opal Hayes and D. A. Hayes; without amendment (Rept. No. 713);

H. R. 4097. A bill for the relief of George M. Beesley, Edward D. Sextion, and Herman J. Williams; without amendment (Rept. No. 714);

H. R. 4138. A bill for the relief of Herbert L. Hunter; without amendment (Rept. No. 715);

H. R. 4307. A bill for the relief of Ever Ready Supply Co. and Harold A. Dahlborg; without amendment (Rept. No. 716);

H. R. 4366. A bill for the relief of Pearson Remedy Co.; without amendment (Rept. No. 717);

H. R. 4854. A bill for the relief of Mrs. Miriam G. Wornum; without amendment (Rept. No. 718);

H. R. 4948. A bill relating to the policing of the building and grounds of the Supreme Court of the United States; without amendment (Rept. No. 719); and

H. R. 5287. A bill to amend title 28, United States Code, section 90, to create a Swainsboro Division in the Southern District of Georgia, with terms of court to be held at Swainsboro; without amendment (Rept. No. 720).

By Mr. WILEY, from the Committee on the Judiciary:

S. 2031. A bill for the relief of the Willow River Power Co.; without amendment (Rept. No. 696).

By Mr. O'CONOR, from the Committee on the Judiciary:

H. R. 4875. A bill to amend title 28 of the United States Code relating to travel expense allowances for Government employee witnesses; without amendment (Rept. No. 697); and

H. J. Res. 170. Joint resolution designating June 14 of each year as Flag Day; without amendment (Rept. No. 694).

By Mr. FERGUSON, from the Committee on the Judiciary:

H. R. 2608. A bill for the relief of C. H. Dutton Co., of Kalamazoo, Mich.; without amendment (Rept. No. 729).

## W. C. JACKSON—REFERENCE OF BILL TO COURT OF CLAIMS

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report an original resolution, and I submit a report (No. 698) thereon.

The PRESIDENT pro tempore. The report will be received, and the resolution will be placed on the Calendar.

The resolution (S. Res. 137) was ordered to be placed on the calendar, as follows:

*Resolved*, That the bill (S. 2185) entitled "For the relief of W. C. Jackson," now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

## ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 18, 1949, he presented to the President of the United States the following enrolled bills:

S. 276. An act to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes; and

S. 863. An act authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco.

## REPORTS OF PERSONNEL AND FUNDS BY COMMITTEE ON AGRICULTURE AND FORESTRY

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following reports were received by the Secretary of the Senate:

JULY 8, 1949.

REPORT OF COMMITTEE ON AGRICULTURE AND FORESTRY

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Paul E. Hadlick,[1] consultant | $7,563.07 | $315.12 |
| Joycette K. Jones, clerk (majority) | 7,405.06 | 3,702.53 |
| James M. Kendall, clerk (minority) | 6,356.72 | 3,178.36 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $10,000.00 |
| Amount expended | 873.09 |
| Balance unexpended | 9,126.91 |

[1] Service began June 15, 1949.

ELMER THOMAS.

JULY 8, 1949.

REPORT OF COMMITTEE ON AGRICULTURE AND FORESTRY—SUBCOMMITTEE ON UTILIZATION OF FARM CROPS (PURSUANT TO S. RES 36, 81ST CONG.)

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

| Name and profession | Rate of gross annual salary | Total salary received |
|---|---|---|
| Eva Charlton,[1] stenographer | $3,708.27 | $618.04 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditure | $12,000.00 |
| Amount expended | 206.43 |
| Balance unexpended | 11,793.57 |

[1] Service began May 1, 1949.

ELMER THOMAS.

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ANDERSON:

S. 2274. A bill to provide for the addition of certain lands to El Morro National Monument, in the State of New Mexico, and for other purposes; and

S. 2275. A bill permitting the use for public purposes of certain land in Hot Springs, N. Mex.; to the Committee on Interior and Insular Affairs.

(Mr. YOUNG introduced Senate bill 2276, to continue price support of agricultural commodities at current levels for 1 year and to require price support for oats, barley, and rye, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. LANGER:

S. 2277. A bill for the relief of George A. Voregarethsos (George Spiro Chatmos); to the Committee on the Judiciary.

By Mr. McKELLAR:

S. 2278. A bill for the relief of the City of Harriman School District; to the Committee on the Judiciary.

By Mr. STENNIS:

S. 2279. A bill for the relief of Panajotis John Papathansiu; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 2280. A bill to extend the time within which the War Claims Commission may file its report with respect to war claims arising out of World War II; to the Committee on the Judiciary.

By Mr. IVES:

S. 2281. A bill to extend the time within which proceedings may be commenced, or appeal may be taken, to determine the claims of Louis W. Schaaff for a patent; to the Committee on the Judiciary.

By Mr. HOLLAND (for himself and Mr. PEPPER):

S. 2282. A bill for the relief of H. E. Dantzebecher; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 2283. A bill to stabilize farm income and farm prices of agricultural commodities at a fair level, and to provide an adequate, balanced, and orderly flow of agricultural commodities in interstate and foreign commerce; to the Committee on Agriculture and Forestry.

By Mr. KEFAUVER:

S. 2284. A bill for the relief of Elizabeth Schuler; to the Committee on the Judiciary.

By Mr. FERGUSON:

S. J. Res. 118. Joint resolution to provide for designation of the Veterans' Administration Hospital at Saginaw, Mich., as the "Aleda E. Lutz Veterans' Hospital"; to the Committee on Labor and Public Welfare.

## CONTINUATION OF PRICE SUPPORT OF AGRICULTURAL COMMODITIES

Mr. YOUNG. Mr. President, I introduce for appropriate reference a bill to continue price support of agricultural commodities at current levels for 1 year and to require 90 percent price support of oats, barley, and rye.

While the Secretary has authority to support oats, barley, and rye at 90 percent, he is presently supporting these very important crops at only 72 percent of parity for barley and rye and 70 percent for oats.

I am hopeful that this Congress will improve its present long-range price support legislation, but since it appears entirely possible that neither the legislation coming out of the House—nor that which we may have an opportunity to vote on in the Senate—will be satisfactory, I am offering this bill.

In my opinion, it would be far better to extend our present program for another year under this bill, than to put into effect for the 1950 crop year a long range bill that would provide lower levels of price supports or be unsatisfactory in other respects.

I ask unanimous consent to have inserted in the RECORD as part of my remarks a table showing the comparative prices which would prevail at Bismarck, N. Dak., for next year's crop under the various proposals now pending.

The PRESIDENT pro tempore. The bill will be received and appropriately referred, and, without objection, the table will be printed in the RECORD.

The bill (S. 2276) to continue price support of agricultural commodities at current levels for 1 year and to require price support for oats, barley, and rye, introduced by Mr. YOUNG, was read twice by its title, and referred to the Committee on Agriculture and Forestry.

The table presented by Mr. YOUNG is as follows:

*Estimated support prices for the crop year 1950 for specified grains at Bismarck, N. Dak., if parity prices remain the same as they are now, according to Secretary Brannan's proposal, the present support levels, and the Aiken-Hope Act, and under proposal of Young*

[These figures prepared by U. S. Department of Agriculture]

| Commodity | Estimated price supports per bushel at Bismarck, N. Dak. | | | | | |
|---|---|---|---|---|---|---|
| | Senator YOUNG's bill | Secretary Brannan's price support standard at 100 percent of parity | Present support levels at 90 percent of parity (Steagall amendment) | Aiken-Hope provisions (title II) | | |
| | | | | 90 percent | 72 percent | 60 percent |
| Wheat | $1.92 | $1.85 | $1.92 | $1.82 | $1.45 | $1.21 |
| Oats | .81 | .57 | .62 | .58 | .45 | .36 |
| Barley | 1.34 | .95 | 1.06 | 1.01 | .81 | .66 |
| Flax | 3.66 | 4.22 | 3.66 | 3.66 | 2.92 | 2.42 |
| Rye | 1.52 | 1.16 | 1.20 | 1.13 | .90 | .73 |

NOTE.—The estimated price-support standards and title II parity prices for 1950 are based on estimated 1940-49 average prices and Apr. 15, 1949, parity index. Except for flax, all title II parity prices are transitional parity prices.

## JOINT COMMITTEE TO ATTEND FINAL NATIONAL ENCAMPMENT OF GRAND ARMY OF THE REPUBLIC

Mr. DOUGLAS submitted the following concurrent resolution (S. Con. Res. 54), which was referred to the Committee on Armed Services:

*Resolved by the Senate (the House of Representatives concurring)*, That there is hereby created a joint congressional committee which shall be composed of five Members of the Senate to be appointed by the President of the Senate, and five Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The joint committee shall select a chairman from among its members.

SEC. 2. The joint committee shall represent the Congress at the Eighty-third and Final National Encampment of the Grand Army of the Republic, to be held at Indianapolis, Ind., from August 28 to September 1, 1949.

SEC. 3. The expenses of the joint committee, which shall not exceed $5,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of the disbursements so made.

## AMENDMENT OF RULE RELATING TO QUORUM OF STANDING COMMITTEES AND SUBCOMMITTEES

Mr. BRIDGES submitted the following resolution (S. Res. 135), which was referred to the Committee on Rules and Administration:

*Resolved*, That rule XXV, Standing Rules of the Senate, is hereby amended by adding to subsection (3) thereof the following:

Each such standing committee, or duly appointed subcommittee thereof, shall constitute a competent tribunal for the purpose of taking sworn testimony if a quorum of said committee or subcommittee is present at the beginning of the session at which the testimony is taken, and the continuance of such a quorum throughout the session shall be conclusively presumed for the purpose of determining competency to take sworn testimony unless and until a point of no quorum is raised by a Member.

## REPORTS ON CERTAIN PUBLIC-WORKS PROJECTS

Mr. CHAVEZ submitted the following resolution (S. Res. 136), which was referred to the Committee on Public Works:

*Resolved*, That each of the following is requested to submit to the Senate not later than January 1, 1950, a full and complete schedule of all public-work projects which are under consideration by his department or agency at the time of adoption of this resolution, but for the construction of which no funds have heretofore been made available (including all projects to be constructed or planned by, or with the assistance of, such department or agency):

(1) The Secretary of the Interior, with particular regard to irrigation, reclamation, and related water resources projects of the Bureau of Reclamation, and to projects for fish hatcheries and wildlife refuges, park and recreation facilities, and geological surveys.

(2) The Secretary of the Army, with particular regard to river and harbor, flood control, and related water resources projects of the Corps of Engineers.

(3) The Secretary of Agriculture, with particular regard to flood control, soil erosion control, forestry control, and water flow retardation projects.

(4) The Administrator of Civil Aeronautics, with particular regard to airways and airports.

(5) The Administrator of General Services, with particular regard to projects of the Bureau of Public Roads, to local public works planned or to be planned with Federal aid, and to other projects of types administered, prior to the effective date of the Federal Property and Administrative Services Act of 1949, by the Bureau of Community Facilities and the Public Buildings Administration.

(6) The Federal Security Administrator, with particular regard to hospitals and schools.

SEC. 2. Such schedule shall classify such projects into three groups as follows: (1) Authorized projects, (2) as yet unauthorized projects which are considered economically advisable at the time of submission of such schedule, and (3) as yet unauthorized projects which are not considered economically advisable at the time of submission of such schedule, but which may become so in time of economic stress. Each such project shall be designated in such schedule by name and location, and there shall be set out in such schedule, with respect to each such project, (1) the estimated cost to the Federal Government of such project, and (2) the estimated cost to the Federal Government of completing plans for such project to the point where construction can begin.

## NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. McCARRAN. Mr. President, in accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

ASSISTANCE TO CHINA

For an additional amount for "Assistance to China" as authorized by the China Aid Act of 1948 (Public Law 472, approved April 3, 1948) $100,000,000 (of which not to exceed $300,000 shall be available for administrative expenses) to be expended in the same manner and under the same terms as authorized by section 12 of Public Law 47, Eighty-first Congress, approved April 19, 1949.

Mr. McCARRAN also submitted an amendment intended to be proposed by him to House bill 4830, making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

## LEAVE OF ABSENCE

Mr. HENDRICKSON asked and obtained permission to be excused from attendance on sessions of the Senate from 4 o'clock this afternoon through tomorrow.

## ADDRESS BY SENATOR MARTIN AT EVACUATION DAY CEREMONIES AT VALLEY FORGE

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by him at the Evacuation Day ceremonies held by the Valley Forge Historical Society at Valley Forge, Pa., on June 18, 1949, which appears in the Appendix.]

## GIFT OF LAND BY PAUL MELLON TO STATE OF VIRGINIA

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an article entitled "Paul Mellon Gives Virginia 420-Acre Farm for Research," written by John W. Ball and published in a recent issue of the Washington Post, which appears in the Appendix.]

## SUPPLEMENTARY CONVENTION TO BROADEN NORTH ATLANTIC PACT—STATEMENT BY SENATOR DOUGLAS

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD a statement prepared by him in support of Senate Concurrent Resolution 52, calling for a supplementary convention to broaden the North Atlantic Pact, which appears in the Appendix.]

## ADDRESS BY SENATOR HUMPHREY AT DEDICATION OF STATUE OF GENERAL JOSE ARTIGAS

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an address delivered by him on July 10, 1949, at Montevideo, Minn., during the Fiesta Day dedication of the statue of the Uruguay national hero, Gen. Jose Artigas, which appears in the Appendix.]

## STATEMENT ON ECONOMY BY SENATOR HUMPHREY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a statement on economy, issued by him, which appears in the Appendix.]

## HOOVER COMMISSION REPORTS—STATEMENT BY SENATOR HUMPHREY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a statement

issued by him relative to the Hoover Commission reports, which appears in the Appendix.]

LIMITATIONS ON CONGRESSIONAL INVESTIGATION—ARTICLE BY GEORGE MEADER

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an article entitled "Limitations on Congressional Investigation," by George Meader, published in the Michigan Law Review of April 1949, which appears in the Appendix.]

THE POLITICAL PARADE IN CONGRESS—COLUMN BY GEORGE ROTHWELL BROWN

[Mr. JENNER asked and obtained leave to have printed in the RECORD the column entitled "Political Parade," by George Rothwell Brown, published in the Washington Times-Herald for July 18, 1949, which appears in the Appendix.]

NO COMMON GROUND—EDITORIAL FROM THE WALL STREET JOURNAL

[Mr. KEM asked and obtained leave to have printed in the RECORD an editorial entitled "No Common Ground," published in the Wall Street Journal of July 13, 1949, which appears in the Appendix.]

NECESSITY OF TOOLS FOR INDUSTRIAL PRODUCTION

[Mr. GEORGE asked and obtained leave to have printed in the RECORD a statement entitled "Message to American Industry—Give Us the Tools—Your Only Chance of Getting Ahead," written by James H. McGraw, Jr., president, McGraw-Hill Publishing Co., Inc., and published in the July issue of the Textile World, which appears in the Appendix.]

APPOINTMENT OF JOHN FOSTER DULLES TO BE SENATOR FROM NEW YORK—EDITORIAL BY SILLIMAN EVANS

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "Great Contribution to Peace," from the Nashville Tennessean of July 14, 1949, which appears in the Appendix.]

THE ATLANTIC PACT—EDITORIAL FROM THE LOUISVILLE COURIER-JOURNAL

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "A Strong Alliance First, Maybe Federation Later," from the Louisville Courier Journal of July 11, 1949, which appears in the Appendix.]

INFLUENCE PEDDLERS—EDITORIAL FROM THE WASHINGTON POST

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial "Influence Peddlers," from the Washington Post of July 18, 1949, which appears in the Appendix.]

YOU CANNOT DO BUSINESS FROM AN EMPTY WAGON—STATEMENT FROM DUN & BRADSTREET, INC.

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD a letter from A. D. Whiteside, president of Dun & Bradstreet, Inc., together with a statement entitled "You Can't Do Business From an Empty Wagon"; which appears in the Appendix.]

## STABILITY OR BANKRUPTCY

Mr. WHERRY. Mr. President, President Truman made a shocking radio address last Wednesday, in which he praised deficit spending and recommended bigger and bigger appropriations.

In an address over the Columbia Broadcasting System, July 16, last Saturday, I exposed the fallacies in his borrow-and-spend program.

I ask unanimous consent to have inserted at this point in the body of the RECORD a copy of my address entitled "Stability or Bankruptcy."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow Americans, the top news in Washington tonight is the President has committed a terrible blunder. It vitally affects every one of you. It will have repercussions all over the world.

Your freedoms, your jobs, your plants, your mines, your factories, mills, and farms, your lifetime savings, all are at stake. They are in jeopardy because the President has thrown away all pretense of being for sound Government financial policies, and freedom of enterprise.

He has tossed overboard the sound, prudent, wise policy of having the Government spend within its income, on a pay-as-you-go basis.

He is asking us, the Congress, the American people, to go deeper and deeper into red-ink spending, to borrow and borrow, to spend and spend, in another futile attempt at pump-priming. It is another destructive demand to plunge America into a Government-controlled economy, a socialistic state.

Fellow Americans, this is not a fairy tale. This is not a broadcast from the moon. It is happening right here in our beloved America. The President has set the wheels in motion to do all of these things to create a totalitarian state.

These very proposals were broadcast last Wednesday night by the President, when all of the Nation's radio and television equipment were mustered and placed at his disposal, to make an official economic report. But what the American people heard was part fact, part fancy, but in all a political speech.

Oh, yes, the President sugar-coated his shocking proposals with high-sounding words such as security, prosperity, peace, and contentment. But as usual it was noticeable he shied away from the cost.

Why even before the President got steamed up for this latest raid upon your pocketbooks, calling for new and additional spending of public money, he had already submitted to the present Congress requests under the label of social welfare, costing over a period of 50 years, $1,250,000,000,000. That much money in silver dollars would make seven stacks reaching to the moon.

Fantastic? Yes, but it is true. Up to the moment of his broadcast, the President demanded a $4,000,000,000 increase in taxes. His constant demand that this be done created confusion in business, in labor, and in all segments of our economy.

The tax burden already has reached the saturation point. Today, 33 cents out of every dollar you spend goes for Federal, State, and local government. In our declining economy, an increase in taxes could only speed the downward spiral.

Mr. Truman was compelled to change his course. He abandoned higher taxes in the face of overwhelming opposition by Congress and the people.

This left two courses open: One, the sound, sensible course of reducing the cost of Government, bringing outgo within income; and the other, deficit spending. He chose the latter course—deficit spending—the easy way out for himself but the disastrous route for the Nation. What a cruel delusion.

All of this deficit spending adds to the mountain of national debt. It is a mortgage upon present and future generations, but there will be a judgment day. The debt must be paid; it can only be paid out of the hard-earned dollars of the people.

Fellow citizens, the President, like a schoolmaster, spoke to you as though you were little children. He said: "If we were in a depression, I would be the first person to tell you."

Why, just think of it. Do you think the President needs to tell farmers that farm prices have fallen sharply since last November? Do you think that a man out of work needs to be told he is out of a job? Do you think a manufacturer who is running only 3 days a week needs to be told that business has fallen off? Oh, has it come to this: That you have to wait until Mr. Truman tells you so.

Well, he is 6 months behind the times and won't help you much. He has been so all along ever since he has been in the White House. When the war ended he predicted hard times and asked Congress for billions to cushion his expected depression.

Last winter, after his election, prices crashed because of the fear of adoption of his radical, socialistic, spendthrift proposals. But even as prices continued to fall he was still saying everything was fine, just what we want. Yet, at the same time, he was demanding from Congress power to control inflation.

He also demanded from Congress the power to build steel mills and other industrial plants in competition with private enterprise, factories to produce anything he desired. Yet, within 60 days, however, the steel mills were operating at 85 percent capacity because of surpluses.

The President is confused, bewildered, perplexed, and caught in a mass of contradictions. In another effort to alibi for his own failures, he blames tax relief voted by the Republican Congress for the Treasury deficit of the last fiscal year.

That tax relief has cushioned the blow of the Truman business decline, and production would still be lower and unemployment still greater if this tax reduction had not been made.

With the air of a magician, who has just astounded his audience, Mr. Truman boasts, he has cut the national debt more, than all other Presidents put together.

He told you he reduced the debt $28,000,000,000.

Now where did he get the 28 billion? Twenty-one billion came from the sale of bonds to patriotic Americans in a victory drive, immediately after the war. The funds were idle in the Treasury. The money was borrowed with one hand and paid back with the other.

The remaining $7,000,000,000 came from the $8,400,000,000 surplus, accumulated in the fiscal year 1948 under the stewardship of the Republican Eightieth Congress. So you see, like all slight-of-hand performances, when you know the trick, there is no mystery, and the act fails flat.

The President asked for a $300,000,000,000 national income. Of course we are all for a higher national income, provided it is based on increased productivity and a stable dollar. But the course the President has chosen, is the road to inflationary rubber dollars without increased productivity. He could just as easily set his sights for a $400,000,000,000 or even a trillion dollar national income.

Deficit spending is the doorway to printing press money.

What value is increased national income, if a loaf of bread costs a wheelbarrow full of money?

You know what has happened in Germany and Italy. You know what has happened in China. History is strewn with countries that have collapsed on that treacherous highway.

The only sane course the President should pursue is to cut the outrageously high cost

of Government. This can be done on appropriations for both foreign aid and domestic affairs.

Since the end of hostilities we have poured $25,000,000,000 in cash and goods into Europe in a hit-or-miss fashion. It all stems from the betrayals at the Yalta Conference, at which many countries, including China, were delivered to Soviet Russia.

Certainly any further contributions made by the taxpayers of this country, ought to be based upon a sound foreign policy that will insure peace.

On the home front Mr. Truman protests that our Military Establishments cannot get along with less money. It should be obvious to everybody by this time, that the waste and inefficiency in the armed forces is costing the taxpayers billions of dollars.

All the bickering, back-biting and refusal to cooperate by all branches of the military is due to temporizing by the Commander in Chief. Forthright orders by him to the ranking admirals and generals to get on with the job of unification would be applauded by every citizen of this country.

The President and his associates should back up the Senate Appropriations Committee which yesterday cut the military budget a billion and a half. Yes, and this could be cut another half billion and still give us effective national defense.

He and his associates should back up the Senate Appropriations Committee in its cut of ECA of about three-quarters of a billion dollars.

The President and his associates should back up the McClellan-Wherry resolution to cut other appropriations in whatever amount is necessary to balance the budget.

It must be done to preserve the solvency of our own country.

The President should cooperate with the Members of Congress who are bending every effort to place this country on a pay-as-you-go basis. But he has made them the ready target of escape from his own failures.

Like knights of old in armor and flashing sword, Mr. Truman slashes right and left at "selfish interests." Indeed, according to him, there are among us craven persons who would rather see the country prostrate, millions out of work, and children crying for food, than to see him succeed.

Who are these "selfish interests"? They must include all who advocate economy in Government. Is it selfish for these economizers to be thinking of their own welfare and the welfare of their children? Are they selfish because they do not want to live in a bankrupt Nation?

Are they selfish because they do not want to live in Mr. Truman's "welfare state" as wards of the national planners, and then as tools of the state?

Are they blind and selfish because they do not understand it is their duty to support half the rest of the world?

Are they voicing "selfish interest" when they say there is nothing wrong with western Europe that hard work and protection for free, competitive enterprise won't cure?

And what about those Democrats in Congress who have signed pledges in support of reduction in the President's spending budget? Sixty-three United States Senators—Democrats and Republicans alike, have endorsed a resolution—over administration opposition, to reduce Government expenditures and balance the budget.

Is Mr. Truman going to purge those Democrats, because they don't agree with his philosophy of deficit spending?

President Truman sees in the socialism and nationalization program of the Labor government of Great Britain and its companion governments in other lands, a system that obviously pleases him better than our tried and proven American way.

He has cast his lot with the pressure groups and special interests. He would barter away our freedom and the highest standard of living in the world. He would substitute regimentation under scores of measures, including the Brannan plan to control and manage the affairs of our farmers.

For our part, we Republicans in Congress will continue to fight for reduction in the cost of Goverment; we shall resist without compromise those proposals of the Truman administration that infringe upon the inalienable right of our people to freedom of choice.

We shall continue to strive for stability in the Government at Washington, for this is the most vital ingredient in the formula for world peace and prosperity. Only if we have stability can we achieve confidence among our own people that their public servants are adhering to the principles of thrift, efficiency, economy, and forthrightness. On these principles our Nation was founded and has grown. They cannot be compromised. They have brought us standards of living that are goals to which all other peoples can only aspire.

We live in the best country on earth.

Let's keep it that way.

## SOUTHEASTERN POWER MARKETING—EXCERPT FROM REPORT ON INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the body of the RECORD page 69 of the committee report on the Interior Department appropriation bill, 1950. My reason for placing this portion of the report in the RECORD is that there exists some confusion respecting the Southeastern Power Administration, and I have received numerous telegrams and letters concerning it. At a meeting of the Committee on Appropriations, I asked whether the bill adversely affected the Southeast. I was told it did not. The report clearly shows that the Southeast is not in the least affected, and is still under the administration of the Department of the Interior, as provided by the Flood Control Act passed in 1944.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

DECREASES AND LIMITATIONS

Office of the Secretary: Southeastern power marketing: Salaries and expenses, $70,000.

The committee recommends that this entire provision, which reads as follows, be deleted from the bill:

"Salaries and expenses, southeastern power marketing: For expenses necessary to carry out the provisions of section 5 of the Flood Control Act of 1944 (16 U. S. C. 825s), as applied to the area east of the Mississippi River, for marketing power produced or to be produced at multiple-purpose projects of the Corps of Engineers, Department of the Army; purchase (not to exceed two) and hire of passenger motor vehicles; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); and printing and binding; $70,000."

There now exists under the Office of the Secretary of the Interior a Division of Power, to which marketing responsibilities of the Secretary under the Flood Control Act of 1944 have been delegated.

In the southeastern portion of the United States, power is being produced at only one flood-control project built by the Corps of Engineers, and the power from this project, Dale Hollow Dam, Tenn., has already been sold to the Tennessee Valley Authority. The committee was further advised that engineers of the Interior Department and engineers of the Tennessee Valley Authority have also negotiated an agreement whereby all power from two other Cumberland Basin projects, Center Hill and Wolf Creek, is to be sold when available by the Interior Department to the TVA under terms which satisfy the satutory responsibilities of both agencies.

Moreover, the committee was further advised that a contract has already been negotiated by the Division of Power for the sale of power to the Georgia Power Co. from the Allatoona project, Georgia, which is to be completed in 1950. Other Corps of Engineers projects in the southeastern area of the United States are not due to be completed until 1952.

A total of $85,000 was requested for the appropriation "Salaries and expenses, southeastern power marketing," and the House allowed an appropriation of $70,000. The committee was requested to approve the $70,000 allowed by the House and to increase the amount by $15,000 to provide the full amount of the budget estimate.

However, the committee sees no need for setting up another organization, which includes personnel increases of $68,860, to carry on work which is already being performed, and which is of such a nature that a separate organization should not be required. The committee has, accordingly, denied the requested increase of $15,000 and recommends that the $70,000 allowed by the House be deleted from the bill.

## LETTER FROM MISS ADA MARIE CAMPBELL FAVORING ATLANTIC PACT

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter written to me by Miss Ada Marie Campbell, of Fargo, N. Dak., as follows:

DEAR SENATOR LANGER: I would like to go on record as being a North Dakotan who favors the Atlantic Pact.

This is not the first letter of that kind I have received from North Dakota.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FARGO, N. DAK.

Senator WILLIAM LANGER,
*Washington, D. C.*

DEAR SENATOR LANGER: I would like to go on record as being a North Dakotan who favors the Atlantic Pact.

Yours very truly,
(Miss) ADA MARIE CAMPBELL.

## DEATH OF A. F. WHITNEY, PRESIDENT OF BROTHERHOOD OF RAILROAD TRAINMEN

Mr. LANGER. Mr. President. I have heard with very deep regret of the death of A. F. Whitney, the head of the Brotherhood of Railway Trainmen. Not only was he a warm personal friend of mine, but in my opinion he was one of the outstanding Americans, and one of the best friends labor has ever had.

Mr. President, I ask unanimous consent that the article which appeared in the Washington Evening Star of July 16, in connection with Mr. Whitney's death, be printed in full at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A. F. WHITNEY, 76, TRAINMEN'S PRESIDENT, DIES OF HEART ATTACK—LABOR LEADER FOUGHT AND THEN MADE PEACE WITH TRUMAN

CLEVELAND, July 16.—Alexander Fell Whitney, 76, fiery labor leader, who was the friend and sometimes bitter opponent of Presidents of the United States, died at his home early today of a heart attack.

The peppery president of the 215,000-man Brotherhood of Railroad Trainmen was stricken after spending a full day at his office and an evening with friends at his Bay Village home.

His wife, Dorothy Mae Whitney, said she heard him call out that he was not feeling well early this morning. She telephoned for help, returned to his side, and found him dead.

Outspoken for the policies of the late Franklin D. Roosevelt, Mr. Whitney served on several national committees, including the one which guided the annual President's birthday balls for infantile-paralysis victims. He also served on the seven-member United States delegation to the Inter-American Peace Conference at Buenos Aires in 1936.

It was in recent years in relations with President Truman, however, that Mr. Whitney came most prominently into view of the American public.

The crippling railway strike of May 1946 was in full swing. All but 100 of 17,500 of the Nation's scheduled passenger trains and 240 of 24,000 freight trains were out of operation for a 48-hour period.

President Truman called Mr. Whitney and Alvanley Johnston, grand chief of the Brotherhood of Locomotive Engineers, to the White House for a closed conference.

The labor chiefs called their men back to work, but soon after Mr. Whitney shouted "double-cross."

He said they were induced by the President to postpone the strike for 5 days on the promise that an agreement would be forthcoming from railroad management.

Instead, he said, the brotherhood officials were given the run-around.

President Truman asked Congress for an automatic draft for striking railroaders.

Mr. Whitney soon after announced plans to use the $47,000,000 brotherhood treasury to defeat President Truman in the election of 1948.

A reconciliation between the labor leader and the President followed, however.

The men shook hands, agreed they were both hotheaded, and went to work together. In 1948 Mr. Whitney was labor's outstanding supporter of the President in his campaign for reelection against Governor Dewey, of New York.

SON OF MINISTER

Acutely intelligent and well read, Mr. Whitney was the son of a Methodist minister, the Reverend Joseph Leonard Whitney. He was reared in Cedar Falls, Iowa, and went to work as a candy butcher on the Illinois Central Railroad there in the late eighties.

Peppery of temper and acid of tongue in lashing opponents, Mr. Whitney was a political liberal who jumped from party to party to side with men with his ideals. From 1908 to 1932 he sided with Theodore Roosevelt; Republican; with Mr. Roosevelt as a Bull Moose; Woodrow Wilson, Democrat; Robert M. La Follette, Progressive; Herbert Hoover, Republican; and Franklin D. Roosevelt, Democrat.

At the time of his death Mr. Whitney was planning to visit Washington in connection with legislative matters.

A few hours before his death he had authorized a strike of brotherhood workers on the Southern Pacific Railroad. The strike was scheduled for 6 p. m. next Friday. A week ago a strike was authorized by Mr. Whitney on the Missouri Pacific Railroad. The latter strike threat was placed in the hands of a Presidential fact-finding board.

Besides his widow, Mr. Whitney is survived by two sons and a daughter.

The brotherhoods president since 1928, Mr. Whitney was last elected to a 4-year term in October, 1946.

BOARD TO NAME SUCCESSOR

Secretary-Treasurer W. P. Kennedy said the brotherhood's constitution specifies that the board of directors shall name a successor to Mr. Whitney within 30 days.

In the interim, Assistant President D. A. MacKenzie, of Cleveland, will be in charge of the union's affairs. Mr. MacKenzie was in Salt Lake City yesterday, but was expected to return to Cleveland immediately.

There were nine members of the board, including Mr. Whitney. The eight are expected to attend the funeral services. Mr. Kennedy said the board probably would meet within a few days after the funeral.

The man named by the board will serve as president until the September, 1950, convention of the brotherhood.

President Truman sent a message of condolence to the widow today.

Funeral services will be conducted at 11 a. m., Monday, in Lakewood Methodist Church here, with burial in Lakewood Cemetery. The brotherhood's general headquarters will be closed all day Monday.

## COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS BY VARIOUS GOVERNMENT BOARDS AND AGENCIES

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have incorporated in the body of the RECORD at this point as a part of my remarks letters which I have received from the National Labor Relations Board, the Federal Mediation and Conciliation Service, and the National Mediation Board, with reference to the recommendations of the Hoover Commission reports, and supporting task force appendixes which affect these agencies, together with my covering statement.

There being no objection, the statement and letters were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN, chairman of the Committee on Expenditures in the Executive Departments, today released letters from the National Labor Relations Board, Federal Mediation and Conciliation Service, and National Mediation Board, with reference to the recommendations of the Hoover Commission reports and supporting task force appendixes which affect these agencies.

This is the tenth release in a series issued by the committee containing comments from various Federal establishments relative to the effect the Hoover Commission recommendations would have on the operation of such agencies.

The National Mediation Board agrees with the implied conclusion of the Commission that any change in status of the Board which deals with labor disputes involving rail and air carriers should be left for congressional determination in connection with its revision of labor policies which will affect this agency and the National Labor Relations Board.

The Federal Mediation and Conciliation Service endorses the Commission report No. 1 on general management, but objects to the change in the nomenclature of the "Service," in accordance with the recommendation of the committee that the designation "services" is to be used only in principal executive agencies having one or more very large units therein. It is the contention of the Federal Mediation and Conciliation Service that the present term aptly describes its activities, in order that it might be clearly indicated that the functions are in no way associated with any of the law-enforcement powers of government, or that it performs its duties in any way other than by persuasion.

The Mediation and Conciliation Service also subscribes to the general recommendations of the Commission on Personnel Management, with one reservation: The Service believes that a distinction might be made between positions of a general nature which are common to all agencies, and highly specialized and quasi professional positions which are peculiar to a given agency such as conciliators, who are appointed without regard to civil-service laws and regulations, and contends that the necessity for specialized treatment of positions peculiar to this agency is widely recognized.

Paul M. Herzog, Chairman of the National Labor Relations Board, sets forth in detail the Board's views relative to the specific inquiries submitted by the committee, to the effect that the Commission recommendations on general management will require no substantial changes in organization, policies or procedures of the National Labor Relations Board, and that the recommendations on personnel management do not call for revision of the present policies of that agency nor for new legislation, but states that if the Hoover Commission's recommendations in this latter report are effectuated it would change substantially the practice of this and other Federal agencies.

In commenting on the report on regulatory commissions, Mr. Herzog points out that the recommendation providing that all administrative responsibility be vested in the chairman of the Commission would be in conflict with present policy, inasmuch as the Office of General Counsel is organized and operates like a regular administrative investigative agency with all administrative responsibility concerning its internal operations centering in that official. In the offices of the Board, administrative responsibility rests with the chairman by virtue of an informal understanding that he will consult the other Board members on any large administrative questions. Coordination of internal operations of the offices of the Board is the immediate responsibility of the Board's executive secretary. Mr. Herzog, however, fails to make any specific recommendation as to a possible exemption of the National Labor Relations Board from any general application of this recommendation.

In his concluding comment, the Chairman of the National Labor Relations Board indicates that there will be no substantial direct savings in operating costs or reductions in personnel following the adoption of applicable recommendations of the Commission, except in the form of speedier and more efficient handling of cases.

The letters from these three agencies follow:

NATIONAL LABOR RELATIONS BOARD,
*Washington, D. C., June 17, 1949.*

Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.*

DEAR SENATOR MCCLELLAN: Your letter of May 23, 1949, requests a report from the National Labor Relations Board respecting the recommendations of the Commission on the Organization of the Executive Branch of the Government. Your inquiry in effect centers around four substantial questions:

1. What recommendations apply to this agency?

2. How do we propose to give effect to these recommendations?

3. What legislation may be necessary to effectuate these recommendations?

4. What economies may result from adopting these recommendations? Our report therefore attempts to cover these four points specifically.

A. The Commission's recommendations on general management of the executive branch apply more particularly to central administrative agencies such as the Bureau of the Budget; the four recommendations which do

bear upon this agency, apply also to all other Federal agencies.

(1) The use of standard nomenclature was earlier recommended by the Senate Committee on Expenditures in the Executive Departments, and pursuant to those recommendations we adopted the new terminology before the Hoover Commission issued its own recommendations.

(2) We are currently working on the problem of improving the reporting and inspection of field operations, and have made progress during the past 2 years in clarifying responsibilities and methods of our inspecting officers.

(3) For the past year, we have been preparing a revised and simplified manual of instructions for all our employees. Sections of the manual are currently being issued as completed.

(4) The recommendation that administrative regions and regional headquarters of Federal agencies should be more nearly comparable geographically is consistent with our established practice of locating regional headquarters in principal cities similarly used by other Federal agencies: Boston, New York, Philadelphia, Baltimore, Atlanta, Pittsburgh, Cleveland, Detroit, Chicago, New Orleans, Cincinnati, St. Louis, Fort Worth, Kansas City, Seattle, Portland, San Francisco, and Los Angeles. Regional boundaries necessarily are determined largely by the distribution of cases filed with the agency, as well as available transportation facilities, considerations which limit the possibility of conforming to districts used by other Federal agencies.

To summarize, the Commission's recommendations on general management do not call for any substantial changes in organization, policies or procedures of the National Labor Relations Board.

B. The Commission's recommendations on personnel management apply to the National Labor Relations Board only as they also affect all other Federal agencies. Most of the recommendations call for revision of statutes, or civil-service rules and regulations. The Commission's recommendations which do not require amendments to laws and civil-service regulations are in substantial agreement with present policies and practices of the National Labor Relations Board.

(1) We seek to promote career employees by (a) presenting their qualifications to appointing officers, who are filling vacancies in the agency; (b) preparing them for promotion by a modest in-service training program, supplemented by such training resources as are available through other large agencies and departments.

(2) Our employees participate in the formulation of personnel policies through consultation on all such policies as affect them individually.

(3) Our personnel director is staff adviser to all top officials of the agency on personnel policies and practices.

(4) We are endeavoring to place our employees in positions where their talents and experience may be fully utilized.

(5) Although small agencies like our own are definitely limited in the number of junior scientific, technical, professional and administrative posts to which we can recruit annually, we do have two 1-year internships which afford an opportunity for young candidates to gain experience in the Federal service.

These specific recommendations of the Hoover Commission therefore do not call for a revision of present policies of this agency, nor for new legislation.

Most of the Commission's recommendations on personnel management call for revision of civil-service laws and regulations which, if put into effect, would change substantially the practices of this and other Federal agencies. None of the recommendations have a peculiar application to the National Labor Relations Board, however.

(6) Placing primary responsibility for recruiting and examining in the operating agencies would shift such work from the Civil Service Commission, and assign additional work to our personnel branch and to operating officials, who would be called upon to prepare examinations and to rate applicants for technical and administrative positions.

(7) Enactment of a comprehensive pay policy, and provision for more adequate salaries for highly qualified civil-service employees should bring the benefits ordinarily to be expected when more competent candidates can be brought into key posts.

(8) Amending statutes governing reductions in force to retain in service best qualified employees would certainly improve the Federal service, as indicated by our own past experience wit. the after effects of reductions in force carried out under present regulations. Present procedures give little effect to the operating needs of agencies as declining activity requires personnel reductions.

(9) In recommending the adoption of a more workable procedure for separating inefficient employees, the Commission reccgnizes that present methods are so cumbersome, so time-consuming, and so trying that few supervisory officials are willing to go through with the ordeal.

(10) The Hoover Commission recommends that, applicants for civil-service posts should be grouped as outstanding, well-qualified, qualified, and unqualified instead of being given a numerical grade. A somewhat similar plan is now used by the National Labor Relations Board in the process of selecting candidates for attorney positions which are excepted from civil service. A preliminary screening of applications by a committee of Board attorneys similarly classifies them prior to final review and selection for appointment.

(11) The Hoover Commission's recommendations respecting veterans' preference do not call for our special comment.

(12) The Hoover Commission's recommendations respecting efficiency ratings are not too different from our present practice. In evaluating his subordinates annually, each supervisor reviews their past performance, and in personal conferences discusses with each his strengths and weaknesses, and suggests remedial measures. The ratings given are, as recommended by the Commission, only one of several factors considered in selecting employees for salary increases, promotions, or separations.

(13) The recommendation of the Hoover Commission that within-grade periodic salary increases should be given only when supervisors certify at the time that the increases are deserved has been an established practice in the National Labor Relations Board for several years.

C. The Hoover Commission's report on the proposed Office of General Service does not bear directly upon this agency, so we are not reporting under this subject.

D. The Commission's recommendation of a "performance budget" in its report on Budgeting and Accounting bears directly upon present practices of the National Labor Relations Board in submitting budget justifications to the President. We have already gone far in the direction recommended by the Commission. To the extent that we can develop the necessary statistical information, our budget is based upon workload estimates, and studies of the time required to handle cases at each stage in the Board's procedure. Each year we have improved upon our methods, and obtained more accurate data. To the extent that it may be approved by Congress and the Bureau of the Budget, this agency proposes to develop a performance budget as recommended by the Commission. Because of our very brief experience under the Labor Management Relations Act of 1947, we have to date been unable to forecast accurately the number of cases which will be filed with the agency. Further experience under the new legislation will contribute to more accurate forecasting, and our cost analyses will give a better base for our future budget estimates.

The other recommendations in the report on budgeting and accounting do not pertain to problems or activities affecting the National Labor Relations Board, and therefore no report is submitted concerning them.

E. The Hoover Commission's report on regulatory commissions includes two recommendations which particularly concern the National Labor Relations Board; the remainder relate to other regulatory agencies or apply generally to all and do not call for special comment in this report.

(1) The Commission has recommended that in regulatory commissions "all administrative responsibility be vested in the chairman of the commission." In the National Labor Relations Board administrative responsibilities were divided by the Labor Management Relations Act of 1947 between the five-member Board and the independent General Counsel. The Office of the General Counsel is organized and operates like a regular administrative or investigative agency with all administrative responsibilities concerning its internal operations centering in the General Counsel. In the offices of the Board administrative responsibility rests with the Chairman by virtue of an informal understanding that he will consult the other Board members on any major administrative questions. Coordination of internal operations of the offices of the Board is the immediate responsibility of the Board's Executive Secretary.

(2) The Hoover Commission's recommendation that statutes be amended to permit the delegation to the commission's staff of routine, preliminary, and less important work has, we believe, already been put into effect as far as possible by the National Labor Relations Board. Preliminary hearings of cases are conducted by agents of the Board, and most cases are decided by the Board on the basis of the record without hearings before the Board itself. The Labor Management Relations Act of 1947 authorized the Board to set up panels of three members with full authority to decide cases. Certain routine cases are handled by subpanels of the Board's chief legal assistants. These measures have materially speeded the Board's processes.

It will be seen from the foregoing comments that, with respect to the National Labor Relations Board, substantial direct savings in operating costs or reductions in personnel may not follow upon the adoption of applicable recommendations of the Commission on Organization of the Executive Branch of the Government. The Commission itself reaches this conclusion in its report on regulatory agencies (p. 17), but it does state that real savings will be found elsewhere in the form of speedier and more efficient handling of cases. The National Labor Relations Board will continue to seek to improve further the economy and efficiency of its operations along the general lines suggested by the Commission's reports.

I shall be happy to supplement this report with any further information which you or your committee may want.

Very truly yours,

PAUL M. HERZOG, *Chairman.*

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FEDERAL MEDIATION AND CONCILIATION SERVICE,
*Washington, D. C., June 28, 1949.*

Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.*

DEAR SENATOR MCCLELLAN: We are pleased to comply with your request of May 23, 1949,

for our comments on the recommendations of the Commission on Organization of the Executive Branch of the Government.

As you know, ours is a relatively small agency and therefore most of the recommendations of the Commission are not so far reaching in their effects on us as they might be on other and larger agencies. Furthermore, the Commission has made no recommendations directly affecting this agency specifically. Nevertheless, we submit, for what they may be worth, our comments on those recommendations which affect this agency indirectly.

1. COMMISSION REPORT NO. 1, GENERAL MANAGEMENT OF THE EXECUTIVE BRANCH

We subscribe to the objectives of this report and, in general, to the objectives and provisions of S. 942.

We urge, however, that further consideration be given to the language of section 202 (a) of S. 942. According to that section, the designation "service" is to be used only in principal executive agencies having one or more very large operating units therein. It is not entirely clear whether this agency would be permitted to continue using the appellation "service" under these terms. In our opinion, it would be most unfortunate to deprive this agency of the use of the term "service," which so apty describes its functions and activities. It is most important to the effectiveness of the service that unions and employers be not misled, by the appellation, into the mistaken belief that it has or is in any way associated with any of the law-enforcement powers of Government or performs its duties in any way other than by persuasion. The clear advantages which are inherent in the designation "service" would be lost and confusion might result if the agency, known to the public as a service, were required to use some other designation for administrative convenience.

2. COMMISSION REPORT NO. 2, PERSONNEL MANAGEMENT

With one reservation, we subscribe to all 29 recommendations on personnel management. Our reservation is with respect to recommendation No. 2 regarding recruiting and examining. We believe a distinction might be made between positions of a general nature which are common to all agencies—such as stenographers, typists, accounting clerks, etc.—and highly specialized and quasi professional positions which are peculiar to a given agency, such as conciliators in this service. Recruiting and examining for the common positions might be performed more efficiently and economically by the Civil Service Commission, while recruiting and examining for the specialized types of positions might be performed better by the agencies in which such positions are located.

This service is currently operating on such a basis. By statute (Labor Management Relations Act, 1947, Public Law 101, 80th Cong.), conciliators and mediators of this service are appointed without regard to civil-service laws and regulations. The necessity for specialized treatment of positions peculiar to this agency is widely recognized. On the other hand, clerical and administrative positions in the service are filled through regular civil-service procedures. The more proficient and economical facilities of the Civil Service Commission are utilized in recruiting and examining for these positions common to all agencies.

3. COMMISSION REPORT NO. 3, OFFICE OF GENERAL SERVICES

Recommendations 2, 7, 8, 19, and 20 do not concern this agency. We urge early and favorable action on the other recommendations of this report.

4. COMMISSION REPORT NO. 7, BUDGETING AND ACCOUNTING

We endorse the entire 13 recommendations of this report.

5. SUMMARY

We might point out that this Service, since its inception in August 1947, has been organized in accordance with the general administrative management principles set forth in the Commission's recommendations. The resulting economies have been the subject of testimony by the undersigned before the Senate Committee on Labor and Public Welfare and before the Appropriations Committees of both Houses.

We have been informed by the Bureau of the Budget that there would be no objection to the presentation of this reply to the committee.

Sincerely yours,

CYRUS S. CHING,
*Director, Federal Mediation and Conciliation Service.*

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NATIONAL MEDIATION BOARD,
*Washington, June 22, 1949.*

Senator JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.*

DEAR SENATOR MCCLELLAN: Replying to your letter of May 23, 1949, requesting our comments relative to prospective implementation of recommendations contained in reports of the Commission on Organization of the Executive Branch of the Government:

On pages 18 and 19 of the report of the above-referred-to Commission covering "Department of Labor," the following appears:

"Other agencies: The question has been raised as to the restoration of the Federal Mediation and Conciliation Service to the Department, and placing in the Department, for housekeeping purposes, the National Mediation Board, which deals with labor disputes involving rail and air carriers, and the National Labor Relations Board.

"The Congress is engaged in revising labor policies which will affect some of these agencies. The Commission can make no recommendations as to their organization until these questions are settled."

It will be noted, therefore, that no specific recommendations were made relative to this Agency, which is a small, independent one, specializing in labor-relations service in the railroad and air-line industries, and we quote below comment which appears in the report of the full Committee on Appropriations of the House of Representatives in connection with appropriations for the fiscal year 1950.

"Title III—National Mediation Board: The Committee has approved in full the budget estimates for the various items under the National Mediation Board, including the National Railroad Adjustment Board, totaling $928,500, which, after taking into account added pay act costs, provides an over-all increase of about $47,000.

"The committee has always found these agencies to be very modest in their budgetary requests and to exercise a commendable conservatism in the expenditure of funds granted for their operation."

We cannot find in the reports referred to in your letter any recommendations which would affect this Board either directly or indirectly.

Sincerely yours,

FRANCIS A. O'NEILL, Jr.,
*Chairman.*

## COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS BY VETERANS' ADMINISTRATION

Mr. MCCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks, a letter from Carl A. Gray, Jr., Veterans' Administrator, relating to certain Hoover Commission recommendations, together with my covering statement.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN released today a letter received from Carl A. Gray, Jr., Veterans' Administrator, in which he dissents vigorously to certain of the Hoover Commission recommendations contained in its reports on veterans' affairs, medical activities, and the Department of the Interior, which affect the Veterans' Administration.

Administrator Gray takes sharp issue with sweeping recommendations which would (1) consolidate all veterans' insurance activities in a Veterans' Life Insurance Corporation, (2) transfer outright functions, facilities and personnel of veterans' hospitals, including out-patient service, to a proposed United Medical Administration, and (3) transfer veterans' hospital construction to the Department of the Interior.

Referring to the proposed creation of a Veterans' Life Insurance Corporation (recommendation No. 3 of the report on veterans' affairs) the Administrator contends that, if the Hoover Commission recommendation that the in-trust funds should be burdened with costs due to extra-hazards or administration, it would be "wrong in principle as a breach of faith with policyholders, and would constitute a breach of contract which the Supreme Court would hold to be beyond the power of the Congress," and "contrary to the policy of the Government of defraying extra-hazard and administrative costs through appropriations." Citing several other arguments against the proposal, which are elaborated upon in his letter, Mr. Gray concludes:

"A careful consideration of all the factors involved leads me to the conclusion that the creation of a corporation to handle insurance operations would not add any impetus to better service to policyholders or economy in operation."

Consolidation of large-scale activities in the Federal Government in the fields of medical care, medical research, and public health (Recommendation No. 1, Medical Activities) which proposes to transfer veterans' hospitals under a new United Medical Administration, would according to the Administrator "limit the use by veterans of the Nation's hospital plant established for them by making these facilities available to additional groups, principally armed forces personnel and their dependents and merchant seamen. It would also impede the efficient handling of claims for compensation, pension, insurance, and other benefits where a physical examination is necessary. It is in basic conflict with the traditional policy of the Government to accord to veterans, as a class, special consideration through one agency responsible for administering the various benefit programs."

In concluding his comments on this proposal, Mr. Gray states that the "major benefit programs are so dependent upon and integrated with the medical, hospital, and domiciliary care programs as to preclude their separation from the Veterans' Administration of which they are a part without disastrous effects on the efficient administration of veterans' benefits."

Transfer of the construction of veterans' hospitals to the Department of the Interior would "do violence to the established policy of concentrating veterans' programs in a single agency" and would, in Administrator Gray's opinion, "be prejudicial to the medical care of veterans. * * * Proper hospital construction requires a close working relationship between those who construct and

those who design to meet medical requirements, as well as those who will be responsible for maintenance and additions. This relationship presently exists in the Veterans' Administration." The Administrator adds that since the Department of the Interior would withdraw from the construction field after completion of a hospital, and VA would still require a duplicatory staff for maintenance and additions, concluding that:

"The construction of new hospitals, as well as betterments and repairs, are integral parts of the process for achieving the ultimate purpose of medical care for veterans. Any separation of these activities, would, in my judgment, be unsound."

Pointing out that the Veterans' Administration has recently completed a major reorganization which involved the liquidation of 13 branch offices, Mr. Gray declares that further major internal changes recommended by the Hoover Commission would be ill-advised at this time.

The Administrator also objects to recommendation No. 4 in the report on veterans' affairs, which would authorize the establishment of a system of certification for all educational institutions which are not accredited institutions, contending that under present laws institutions are approved by appropriate agencies of the State or the Administrator and payments are not made in the absence of such approval. He points out further that if the Commission believes that Veterans' Administration should have more authority in approving educational institutions, additional legislation required would involve reconsideration of the basic question of Federal-State relations which was explored by Congress prior to the passage of the original Servicemen's Readjustment Act.

With reference to recommendation No. 5 in the same report to the effect that records of pension payments and compensation for individual veterans be transferred from the Office of Contact and Administrative Services to the proposed Veterans' Benefit Service, the Administrator contends that any separation of index and records would produce inefficiency and that if the Commission intended to recommend a transfer of the claims files the proposed change would militate against efficiency and the fixing of responsibility; and that the distribution and duplication of essential documents among the several services would result in the confusion of records responsibility and impair operations.

In commenting on recommendation No. 6 in this report, that the home-loan guaranty program be transferred to the Housing and Home Finance Agency, it is stated:

"This recommendation is contrary to the long-established policy of the Congress that veterans' programs should be administered by a single agency, a policy which was reaffirmed by the Servicemen's Readjustment Act which placed all of the basic programs under that act in the Veterans' Administration. There appears to exist no sound reason for making an exception of the loan guaranty program."

In concluding, Administrator Gray objects to recommendation No. 6 in the report on general services, providing for the centralization of operation and maintenance of public buildings under the General Services Administration, stating that "It is my opinion that where the Veterans' Administration is the owner or sole governmental occupant of a building, the building operation and maintenance service should be provided on the basis of requirements peculiar to the needs of the office or the medical clinic in question by utilizing the talents of the managers and existing organizations at the installation."

The letter from the Administrator, Veterans' Administration, follows:

JUNE 24, 1949.

Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments,*
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR MCCLELLAN: This is in further reply to your letter of May 23, 1949, requesting a report with reference to the application of the reports of the Commission on Organization of the Executive Branch of the Government to the Veterans' Administration.

We are directly concerned with the reports on veterans' affairs, medical activities, and certain aspects of the report on the Department of Interior. The following comments are therefore addressed, in the main, to this material.

REPORT ON VETERANS' AFFAIRS

*A. Internal organization*

Recommendation No. 1 in this report deals with internal organization. With the exception of the creation of a Veterans' Life Insurance Corporation, it could be effectuated under existing authority of the Administrator. However, because a major reorganization involving liquidation of our 13 branch offices has just been concluded, it is believed that any further major change in organization at this time would be ill-advised. The action with respect to branch offices was taken only after I had personally visited field stations in each of the States. After careful consideration it was concluded that the elimination of this intermediate supervision would result in a saving of money and increased efficiency of operations through the avoidance of overlapping responsibilities. Studies have constantly been made and will continue (including due consideration of the Commission's recommendations) with respect to organization of the Veterans' Administration. At it becomes evident that changes in organization will promote efficiency in service to veterans or economy without sacrifice of service the necessary action will be taken.

Recommendation No. 2, dealing with promulgation of directives, is not clear. All directives from central office to the field are promulgated by the Administrator or issued "by direction of the Administrator" by the Deputy Administrator (formerly the Executive Assistant Administrator). An exception exists as to the Veterans' Canteen Service, because it is treated as a self-supporting business operation. The present practices on issuance of directives are believed to be proper.

*B. Life insurance*

The Commission's recommendation No. 3 for creation of a Government insurance corporation is very general and does not indicate the conditions under which the corporation would operate. An important consideration in examining this matter is that this would be a Government corporation operating under applicable laws and its usefulness cannot be determined by considering advantages enjoyed by a private corporation.

The Commission's view that the corporation plan would more readily permit comparison of operating efficiency with private insurance companies does not give sufficient recognition to the dissimilarity of Government insurance which has no agency force and is chiefly on a monthly payment basis, and commercial insurance which is usually on an annual payment system and has a field agency force performing many important functions. In fact, there is such dissimilarity between Government insurance and commercial insurance as to make fair comparison from a practical standpoint impossible.

With reference to the recommended part-time advisory board on insurance matters there has been in existence for several years an actuarial advisory committee composed of top actuarial executives with leading private insurance companies who advise on policy in technical matters.

With respect to both internal accounting and audit procedures and those involving the Veterans' Administration in conjunction with other agencies there appears to exist no necessity for creating a corporation in order to effectuate such changes and improvements in these procedures as may from time to time be indicated. Accounting procedures of an actuarial nature (fund accounting) now approximate accepted procedures employed by commercial life insurance companies, with due regard for certain basic differences in the nature of assets and liabilities. Premium accounting and its allied functions would not be more susceptible to change under a corporate plan. In both of these fields studies have been made and will continue, in search of new and improved methods which are open to administrative adoption as their worth is demonstrated. The report speaks of business-type accounts as being maintained for insurance funds of World War I veterans. The same methods are used for keeping insurance accounts covering World War II veterans. The suggested power to compromise claims would be of questionable value. If an insured or a beneficiary has a just claim it should be paid in full and if not, no payment should be made. I do not believe that the Government should make nuisance settlements on insurance contracts.

The proposal that insurance disbursements be handled directly rather than by the Treasury Department could be urged with equal force as to monies paid under the veterans' programs generally. Insurance disbursements do not constitute the major portion of disbursements under our programs. At one time the Veterans' Administration made its own disbursements but this function was transferred, beginning in 1934, to the Treasury Department pursuant to Executive order. Analysis of the present system fails to show that any saving in cost or in time can be effected.

The proposed corporation would apparently include its own staff for related services, such as legal, personnel, supply, finance, and file indexing, which are now furnished by units serving all of the benefit programs. The present integrated system results in economy which would be lessened by a separation of any part of these services. In this connection, should it be desirable to ascertain the cost of the insurance program, a system of cost accounting could be set up without establishing a Government corporation.

The report indicates that the insurance operation should be self-sustaining. If this means that as against present policyholders the insurance trust funds would be burdened with costs due to extra hazards of the service and possibly administrative cost, it is believed that such a change would be wrong in principle as a breach of faith with policyholders and would constitute a breach of contract which the Supreme Court, on the principle of *Lynch* v. *United States* (292 U. S. 571), would hold to be beyond the power of the Congress. Even if the plan were limited to future insurance with a separate fund therefor it would be contrary to the policy of the Government of defraying extra hazard and administrative costs through appropriations.

A careful consideration of all of the factors involved leads me to the conclusion that

the creation of a corporation, to handle insurance operations would not add any impetus to better service to policyholders or economy in operation.

*C. Vocational rehabilitation and education*

The Commission recommends (4) that the Veterans' Administration be authorized to establish a system of certification for all educational institutions which are not accredited institutions in that they have not been approved by recognized accrediting organizations or by the appropriate State department of education; and that no payments be made where such certification has not been received. The exact purpose of this recommendation is not clear. Under present law institutions are approved by appropriate agencies of the States or the Administrator and payments are not made in the absence of such approval. While the Servicemen's Readjustment Act authorizes the Administrator to approve institutions which have not received the approval of the appropriate State agency, this authority has not been exercised except with respect to a few training-on-the-job establishments and foreign institutions after recommendation by the State Department. Except as noted, no institutions have been approved by the Administrator under this act; all have been approved by the State agencies. In view of the number of institutions (approximately 45,000 on the current list) and the long-accepted philosophy that educational matters are for the States, the present policy is considered sound. The State approving agencies have satisfactorily cooperated where State-approved institutions were found to be deficient.

Presumably, the Commission believed that the Veterans' Administration should have more authority in approving or disapproving institutions. This would require additional legislation and would involve reconsideration of the basic question of Federal-State relations which was explored by the Congress prior to the passage of the original Servicemen's Readjustment Act. This law permits only the States to disapprove institutions which they have previously approved. This is believed to be proper and sound in principle, and I do not recommend such a change in the law.

*D. Compensation and pensions*

Recommendation No. 5 is to the effect that "records of pension payments and compensation for individual veterans" be transferred from the Office of Contact and Administrative Services to the proposed Veterans' Benefit Service. In fact, records of "payments" of these benefits are retained in the Office of Finance and the only compensation and pension files kept by Contact and Administrative Services are veterans' claims folders. That Office also maintains the general files and operates a records-index system. Any separation of index and records would produce inefficiency. If the Commission intended to recommend a transfer of the claims files the proposed change would militate against efficiency and the fixing of responsibility. The job of servicing some 13,000,000 individual claims folders requires highly trained personnel and the transfer of this responsibility to a service whose primary function is the adjudication of claims would add a complicating factor to that already complex operation. Moreover, records maintained in veterans' claims folders are used in connection with several other programs and the distribution and duplication of essential documents among the several services would result in the confusion of records responsibility and impair operations.

*E. Loan guaranty*

It is proposed by recommendation No. 6 that the home loan guaranty program, except for certification of eligibility, be transferred to the Housing and Home Finance Agency. There is no specific reference to farm and business loans.

This recommendation is contrary to the long-established policy of the Congress that veterans' programs should be administered by a single agency, a policy which was reaffirmed by the Servicemen's Readjustment Act which placed all of the basic programs under that act in the Veterans' Administration. There appears to exist no sound reason for making an exception of the loan-guaranty program. This program is designed to give preferential treatment to veterans. This basic objective can best be fulfilled through administration by an agency primarily interested in the welfare of veterans rather than an agency which deals with financial assistance for the general population.

Moreover, the division of responsibility involved in this proposal is bad in principle, would result in administrative difficulties, and would be contrary to the purpose of the Servicemen's Readjustment Act to provide prompt and efficient service to veterans through unified direction of activities.

Accordingly, I recommend against adoption of this proposal.

REPORT ON MEDICAL ACTIVITIES

In this report the Commission recommends (No. 1) the establishment of a United Medical Administration into which would be consolidated most of the large-scale activities of the Government in the fields of medical care, medical research, and public health (including preventive medicine). The responsibility for furnishing medical and hospital care for veterans would be included in the consolidation by transfer of the functions, facilities, and personnel for medical care from the Veterans' Administration (No. 4). Likewise, out-patient services in field offices and special services incidental to hospitalization would be transferred, though the Veterans' Administration would continue to certify patients for treatment and would determine disability ratings, etc.

This proposal would limit the use by veterans of the Nation's hospital plant established for them by making these facilities available to additional groups, principally armed forces personnel and their dependents and merchant seamen. It would also impede the efficient handling of claims for compensation, pension, insurance, and other benefits where a physical examination is necessary. It is in basic conflict with the traditional policy of the Government to accord to veterans, as a class, special consideration through one agency responsible for administering the various benefit programs.

The policy of caring specially for veterans through a central agency is not one that merely sprang up. Rather, it has had a natural, healthy growth from the bitter experiences of divided responsibility. The Congress thoroughly considered the situation in connection with the enactment of Public, No. 47, Sixty-seventh Congress, approved August 9, 1921, which established the Veterans' Bureau to which were transferred the functions of the Bureau of War Risk Insurance of the Treasury Department and those functions relating to veterans which had previously been exercised by the Federal Board of Vocational Education and the United States Public Health Service. Under this act, hospital facilities and equipment were transferred to the Veterans' Bureau and thereafter rapid progress was made in improving medical and hospital sevices to veterans. Still later, in 1929, the President recommended to the Congress that in the interest of efficiency, economy, more uniform administration, and better definition of national policies, the Pension Bureau, the National Home for Volunteer Soldiers and the Veterans' Bureau should be brought together under a single agency. Accordingly, after extended investigation, the Congress passed the act of July 3, 1930, which authorized the consolidation of the various agencies affected and resulted in the establishment of the Veterans' Administration in its present integrated form.

Subsequent enactments, such as the Servicemen's Readjustment Act, and Public Law 293, Seventy-ninth Congress, January 3, 1946, which established in the Veterans' Administration a Department of Medicine and Surgery, confirmed the organizational policy of a single agency for the administration of veterans' benefits.

Disability compensation and pensions and insurance benefits predicated upon disability require medical examinations, including hospitalization for observation. The monthly payments in cases of veterans without dependents are subject to reduction while receiving hospitalization or domiciliary care. The amounts of monthly payments in many cases are dependent on the veterans' social adaptability requiring field investigations. The feasibility of trial home visits looking to complete discharge from the status of a hospital patient requires investigations of home conditions. Entitlement to new and reinstated insurance is often dependent upon proof of insurability proven by medical examination. Entitlement to vocational rehabilitation under the provisions of Public Law 16, Seventy-eighth Congress, as amended, is dependent upon medical-examination findings. Entitlement to assistance in acquiring specially adapted housing under the provisions of Public Law 702, Eightieth Congress, is dependent upon medical examination and other medical findings. In brief, major benefit programs are so dependent upon and integrated with the medical, hospital, and domiciliary-care programs as to preclude their separation from the Veterans' Administration, of which they are a part, without disastrous effects on the efficient administration of veterans' benefits.

In view of the historical facts which have been outlined and the experience gained therefrom, it seems clear that the proposed plan would not work without detriment to the efficient operation of the program of medical and hospital care and other benefits provided for veterans. The high standard of care which has been attained by the Veterans' Administration would necessarily be lowered by a merger of our program with other programs. Under the circumstances, I must strongly recommend against the adoption of this recommendation.

HOSPITAL CONSTRUCTION (REPORT ON DEPARTMENT OF INTERIOR)

In this report, the Commission recommends transfer to a proposed Building Construction Service in the Department of Interior of the responsibility for preparation of plans, award of contracts, and supervision of major construction projects, including Veterans' Administration hospitals. This is stated to be designed for organization along "more functional and major-purpose lines." A major purpose of the Veterans' Administration is to provide hospital care for veterans, and the construction of hospitals is a vital element in accomplishing that purpose. It seems apparent, therefore, that in this instance the Commission's estimate of what constitutes "functional and major-purpose lines" is erroneous. The proposal would do violence to the established policy of concentrating veterans' programs in a single agency and would, in my opinion, be prejudicial to the medical care of veterans. In addition, the division of the two functions of medical care and construction of hospitals between two agencies would breed delays and render difficult the placing of responsibility. This would be true whether the division of responsibility was between the Veterans' Administration and the proposed Building Construction Service or between the proposed

United Medical Administration and the proposed Building Construction Service.

Proper hospital construction requires a close working relationship between those who construct and those who design to meet medical requirements as well as with those who will be responsible for maintenance and the construction of additions and betterments. This relationship presently exists in the Veterans' Administration. The Commission's report indicates that the proposed Building Construction Service would not operate after construction is completed, nor is it proposed to absorb all construction work into the Department. The effect would appear to be that the Veterans' Administration would be required to maintain an engineering and architectural staff to plan and supervise the betterment and repair of hospitals, while the Interior Department maintained another such staff to perform similar functions in the construction of new hospitals. I cannot reconcile this needless duplication of staff with any intention to produce economy in Government. The Veterans' Administration, over a period of more than 20 years, has developed a group of highly qualified architect-engineers who have, by long experience and intimate knowledge of the program, become expert in the design and construction of new hospitals to meet the needs peculiar to the care of veteran patients. This experienced group also handles the design and construction of major additions and betterments and the maintenance, operation, and repair of existing veterans' facilities. As a result the Veterans' Administration has been able to improve and standardize its hospital design, construction, and engineering operation.

The construction of new hospitals, as well as betterments and repairs, are integral parts of the process for achieving the ultimate purpose of medical care for veterans. Any separation of these activities would, in my judgment, be unsound.

BUILDING OPERATION AND MAINTENANCE (REPORT ON OFFICE OF GENERAL SERVICES)

Recommendation 6 of this report would provide for centralization of operation and maintenance of public buildings under the Office of General Services, with certain exceptions. It is my opinion that where the Veterans' Administration is the owner or sole governmental occupant of a building, the building operation and maintenance services should be provided on the basis of requirements peculiar to the needs of the office or the medical clinic in question by utilizing the talents of the managers and existing organizations at the installation. This practice is being followed by the Veterans' Administration in many locations and during my recent field inspection I noted that it has promoted operating efficiency and economy and has eliminated duplication of functions and unnecessary overhead personnel, which would be involved if another agency were participating in this activity.

This discussion has been restricted to certain matters having a direct and peculiar relationship to the activities of the Veterans' Administration. No effort has been made to analyze each and every detail or implication of the proposals and discussions contained in the several reports of the Commission. As bills designed to implement particular proposals of the Commission are considered by committees of the Congress we will want the opportunity to comment with respect to such additional factual and technical matters as may be pertinent.

The following advice has been received from the Bureau of the Budget: "You are advised that there would be no objection to the transmittal of your reply to the committee. However, in view of the fact that certain problems relating to the organization and function of the Veterans' Administration are in the process of being considered by the President, the absence of objection does not necessarily indicate approval of the views expressed in your letter."

Sincerely yours,

CARL H. GRAY, JR.,
*Administrator.*

## COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS BY FEDERAL SECURITY AGENCY

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a letter from Federal Security Administrator Oscar R. Ewing, commenting upon 10 Hoover Commission reports which affect the Federal Security Agency, together with my covering statement.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Comment of Federal Security Administrator Oscar R. Ewing upon 10 Hoover Commission reports which affect the Federal Security Agency was made public today by Senator JOHN L. MCCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments.

In a terse, analytical letter to Senator MCCLELLAN, Mr. Ewing states he is "in complete accord" with the Hoover Commission recommendation (No. 1 Hoover Report on Social Security, Education, and Indian Affairs) which would establish a Department of Welfare to administer Federal functions relating to health, education, and welfare.

(The Senate Committee on Expenditures in the Executive Departments has scheduled public hearings beginning Thursday, July 21, on Reorganization Plan No. 1 of 1949, which would transform the Federal Security Agency into a Department of Welfare.)

Administrator Ewing does not agree, however, that the functions to be embraced by the new Department of Welfare should be limited to those contained in the Hoover Commission report. He objects vigorously to the Commission recommendation (No. 4 Hoover Commission Report on Medical Activities) which would transfer the Public Health Service from the Federal Security Agency to a proposed United Medical Administration embracing all Federal hospital facilities.

With reference to the proposed transfer of the Bureau of Employees' Compensation and the Employees' Compensation Appeals Board to the Department of Labor as the Hoover Commission recommends (recommendation No. 2, Department of Labor), Mr. Ewing reports he can find "no tangible reasons," because of their close relationship to other social-insurance programs administered by the Federal Security Agency, for such transfer. He points out that Hoover Commission Vice Chairman Acheson and Commissioners Aiken and Rowe recommended those functions be retained in the proposed new Department of Welfare.

Transfer of the Bureau of Employment Security (United States Employment Service and Unemployment Compensation Service) (recommendation 3, Department of Labor) from the Federal Security Agency to the Department of Labor meets with Administrator Ewing's approval, as does the proposed merger of the functions of the Veterans' Employment Service in the Bureau of Employment Security with those of the United States Employment Service (recommendation 6).

(Public hearings have been scheduled by the Senate Committee on Expenditures in the Executive Departments beginning Monday, July 25, on Reorganization Plan No. 2 of 1949, which would transfer the Bureau of Employment Security to the Department of Labor and merge the Veterans' Employment Service with the United States Employment Service.)

Mr. Ewing objects to the Hoover Commission's recommendation (No. 7, Department of Labor) for concentrating responsibility in the Bureau of Labor Statistics in the Department of Labor for collection of employment, unemployment, working hours, pay roll, and wage data on the grounds that this "would impose on State statistical agencies a huge new system of statistical reports, would only serve to acquire data already produced * * * by the Bureau of Employment Security, and inasmuch as the Bureau's functions cannot be administered without pay roll and wage tax records, the present system would have to be continued alongside the new."

The Hoover Commission's recommendation (No. 8, Department of Labor) proposing a detailed survey of industrial hygiene functions to work out a logical division between labor and health agencies, in Administrator Ewing's opinion, "was made on the basis of inadequate information" concerning the development of the present division of functions. In this connection Mr. Ewing states "contrary to the report, actual inspection and administration of industrial hygiene and labor standards generally is not traditionally part of the State labor agencies' factory inspection and labor work generally. State labor agencies, through their factory inspection organizations, have, by tradition, been concerned with accident prevention work only, with the exception of two States. Industrial hygiene, on the other hand, confines itself solely to the maintenance and improvement of the health of workers."

The transfer of functions pertaining to regulation of foodstuffs to the Department of Agriculture and regulation of drug and other products from the Food and Drug Administration in the Federal Security Agency to the proposed United Medical Administration (recommendation No. 13, Department of Agriculture) finds Administrator Ewing in disagreement with the Commission. "In my opinion," he contends, "nothing would be gained and much would be lost in splintering this Bureau, which has had a history of unified operation for more than 40 years. Such action would be a denial of the Commission's own concept of grouping Government agencies according to major purposes, which in this instance is the protection of the consumer."

In view of the Hoover Commission's recommendation to transfer the Public Health Service to the proposed United Medical Administration, Administrator Ewing states, "I am somewhat confused" by the recommendation (No. 8, Social Security) to transfer the Bureau of Indian Affairs to the new Department of Welfare. He agrees that the health, educational, and welfare problems involved outweigh those pertaining to land, irrigation, and forests (as concerning welfare of Indians), but believes "that the proposal to transfer Indian Affairs to this agency should be reexamined if the Public Health Service is not to be retained."

Mr. Ewing objects to proposed transfer of St. Elizabeths Hospital, as recommended (No. 4, Report on Medical Activities) to either the District of Columbia or the United Medical Administration, believing the institution's operations should be closely coordinated with the Public Health Service's Mental Health program.

The FSA Administrator agrees that the Secretary, Undersecretary, and Assistant Secretaries of the Department of Welfare, proposed by the Hoover Commission report on that subject, should be appointed by the President subject to confirmation by the Senate and that department officials below the rank of Assistant Secretary should be appointed by the Secretary. However, he expresses reservations concerning shifting of

FSA's Children's Bureau from its grants-in-aid status to a general staff capacity to the Secretary (Recommendation No. 3, Social Security) stating, "I would want to feel absolutely certain that any change in the program or location of this Bureau shall safeguard the high standard of performance which has always been maintained."

Referring to the Commission's recommendation (No. 4, Social Security) that a review be made of old-age and survivors' insurance programs covering not only the benefit formula, coverage of the system and the scope of the protection offered but also contributions and financial policy, Mr. Ewing points out that FSA's position has been presented on this matter at hearings by the House Ways and Means Committee on H. R. 2893, the social-security amendments of 1949, earlier in this session of the Congress. He agrees that a study should be made to determine whether the various Federal retirement systems, with exception of the Foreign Service system, should be merged, but believes that is a matter for consideration by the Civil Service Commission, rather than FSA, whose resources he offers, however, to the extent needed for such a study.

As to Hoover Commission recommendation (No. 5, Social Security) that no changes be made in the status of the Railroad Retirement Board, Mr. Ewing states: "I am not entirely in agreement with this recommendation," but does not elaborate upon his reservations or objections.

Administrator Ewing also disagrees with the recommendation (No. 7, Social Security) that Federal educational programs "must be administered by the agencies whose functions the particular programs serve to promote."

In commenting on other Hoover Commission reports which indirectly affect the Federal Security Agency, Mr. Ewing takes exception to a statement in the Foreign Affairs Report (recommendation No. 7) that the Federal Security Agency does not have the "orientation, experience, or skills" to carry out the State Department's international educational exchange programs, declaring that "the Office of Education is capable of administering and should administer such programs." Mr. Ewing agrees that all agencies should closely coordinate their foreign activities with the Department of State, emphasizing that FSA established an Office of International Relations in 1946 to accomplish this.

Mr. Ewing agrees in principle with the Hoover Commission recommendation (No. 5, Federal-State relations) for a continuing survey of Federal-State relations on tax matters, grants-in-aid programs, and budgetary coordination, but opposes creation of a new Government agency for this purpose, as the Commission recommends, believing such responsibility should be placed in the Bureau of the Budget. He concurs in the need for continuous research into Federal-State relations, for improved, clarified budgeting of grants-in-aid programs, and for consolidating certain grants-in-aid appropriations, explaining that some work (in the last-mentioned area) has been accomplished by FSA in the public health field.

In conclusion, Mr. Ewing presents a detailed analysis of the four Hoover Commission across-the-board reports on (1) general management of the executive branch; (2) personnel management; (3) the general services agency (which has become Public Law 152, 81st Cong.); and (4) budgeting and accounting. The Federal Security Administrator is in accord with the major provisions of these over-all reports as a means of accomplishing substantial improvements in the day-to-day operations of the Government.

The full text of Mr. Ewing's statement follows:

FEDERAL SECURITY AGENCY,
*Washington, July 14, 1949.*

Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments, United States Senate.*

DEAR SENATOR MCCLELLAN: In my letter of June 7 I stated that a study would be made relative to the application of the various recommendations and textual discussions in the Hoover Commission reports which affect this Agency. A preliminary study has been completed and I am glad to have this opportunity to present my views to your committee.

The two reports of major concern to the Federal Security Agency are those on social security and education, and the proposed United Medical Administration.

In its report on social security and education (H. Doc. No. 129) the Commission makes eight recommendations. These are commented upon individually.

Recommendation No. 1: "We therefore recommend that a new department to administer the functions set forth in this report be created and headed by a Cabinet Officer."

I am in complete accord with that part of the recommendation which proposes a new Department. I do not agree that the functions should be limited to those set forth in the report. On page 12 of the report the Commission recommends the following transfers:

Bureau of Employees' Compensation to the Department of Labor.

Employees' Compensation Appeals Board to the Department of Labor.

Bureau of Employment Security to the Department of Labor.

Public Health Service to the United Medical Administration.

Food and Drug Administration, partly to the Department of Agriculture and partly to the United Medical Administration.

I wish to go on record in connection with each of the proposed transfers.

BUREAU OF EMPLOYEES' COMPENSATION AND EMPLOYEES' COMPENSATION APPEALS BOARD

As these two functions relate primarily to compensation for injuries of civilian employees of the Federal Government, I am considering them together. Frankly, I can find no tangible reasons why these functions should be transferred from this Agency. I feel strongly that the relation of these functions to other Federal social insurance is of much greater importance, and call your committee's attention to the separate statement of Vice Chairman Acheson and Commissioners Aiken and Rowe, which appears on pages 46–47. Their recommendation is as follows:

"We recommend that the Bureau of Employees' Compensation be retained in the new Department of Welfare, where it can be closely associated with other Federal social insurance programs."

I also quote the following from their statement:

"No substantial reasons are advanced by the majority for transfer of the functions of this Bureau to the Department of Labor. These workmen's compensation functions bear not the slightest resemblance—in major purpose, in method of operation, in groups protected, or otherwise—to any existing operating program of that Department. They bear only superficial resemblance to the unemployment compensation grant-in-aid program which we recommend be transferred to Labor. Determination of the nature and extent of disablement for disability benefits involves considerations wholly dissimilar to those involved under unemployment compensation laws in determining an unemployed individual's willingness and readiness to work and the amount of benefits payable to him. The bureau administering Federal workmen's compensation laws logically belongs with the agency primarily responsible for the Government's other programs in the social-insurance field."

I am opposed to the proposal to transfer these functions.

BUREAU OF EMPLOYMENT SECURITY

I am in accord with the proposed transfer. However, while on this subject, I would like to comment on recommendations 6 and 7 in the Report on the Department of Labor (H. Doc. No. 119). These recommendations both relate to the activities of the Bureau of Employment Security.

Recommendation 6 provides for the merger of the functions of the Veterans' Employment Service in the Bureau of Employment Security with those of the Employment Service. I am in full agreement with this proposal. The present requirement for the appointment of the Chief of the Veterans' Employment Service by the Chairman of the Veterans' Placement Service Board is, as stated by the Commission, an anomalous administrative arrangement which should be corrected. I am sure that the proposed merger, which to a great extent would merely reinstate certain provisions of the original Wagner-Peyser Act, would not be detrimental to our veterans.

Recommendation 7 provides that responsibility should be focused in the Bureau of Labor Statistics for collection of data, research, and analysis relating to employment and unemployment, working hours, wages, and pay rolls. This would require the imposition on State employment security agencies of a huge new system of statistical reports. The new system would only serve to acquire data which is already produced as an integral part of the routine operations of the Bureau of Employment Security. Inasmuch as the Bureau's functions cannot be administered without pay roll and wage tax records, the present system would have to be continued alongside the new. I have no objection to developing still further the present over-all coordination and comprehensive analysis functions of the Bureau of Labor Statistics with regard to information in both covered and uncovered fields of employment. In this connection your attention is invited to the statement made in the Task Force Report on Public Welfare which was prepared for the Commission. Page 392 of the report states: "It is generally recognized that nothing is likely to be gained by transferring to a single statistical agency collection and analysis functions which are designed primarily with a view to planning and controlling an agency's specialized operating program."

PUBLIC HEALTH SERVICE

In this section I will include general comments regarding the Commission's Report on Medical Activities (H. Doc. No. 128).

The proposal to transfer this Service to a United Medical Administration is far reaching. It compels me to say that those members of the Commission who approved the recommendation failed to realize its implications. It is evident that somehow there was a failure to place before the Commission an accurate picture of the daily relations existing in the fields of health, education, and security. There was also an apparent failure to recognize the need for a well-rounded medical service in the national defense establishment.

I know that the facts developed by the Commission in connection with the construction of Federal hospitals presented a serious problem, and one which requires prompt attention. However, there must be a solution to that problem other than this proposal, which, in my opinion, subordinates

public-health activities in research, preventive medicine, grants-in-aid, and the various aspects of health education to a problem of hospital construction and management.

The transfer of the Public Health Service would, as Vice Chairman Acheson and Commissioners Rowe and Aiken said in their separate report, cause more of the organizational confusion which the Commission was created to terminate. The health activities of the Nation cannot be considered by themselves. Matters of health, education, social insurance, and welfare are fundamentally and operationally intertwined. This is clearly recognized in the definition of health of the World Health Organization, which is quoted on several occasions in the Task Force Report on Public Welfare: "Health is a state of complete physical, mental, and social well-being, and not merely the absence of disease and infirmity."

I agree with the Commission's objective of treating medical care, medical research, and public health as an entity. As the pattern of medical services in the Nation develops, this will become increasingly important. I believe, however, that the Commission goes to an extreme in urging complete consolidation of Federal hospitals, regardless of other considerations. In the first place there are situations in which the retention of hospitals to round out other activities outweighs the operational advantages of the consolidation of hospitals per se. In the second place there are other ways than consolidation of attaining some of the ends which the Commission seeks.

The Commission underrates the importance of hospital operation as a part of the equipment any large health or medical-care organization needs in order to perform well the other aspects of its work. For example, it is almost inconceivable that the professional staff of the Public Health Service could be procured, developed, and retained without an adequate number of diversified hospitals as an integral part of its total operations.

Likewise, I feel that the National Defense Establishment must have an adequate number and diversity of hospitals as a regular part of its own equipment. Both the morale and the technical competence of doctors and other professional staffs depend upon continuing contact with hospitals and with patients. Preventive medicine and early diagnosis of serious medical situations will not be practiced by regimental and post surgeons with minimum or intermittent training and no ties with general hospitals.

If the armed services find it difficult to recruit medical personnel at present, it would become doubly difficult if service doctors were limited to preliminary diagnosis, outpatient service, and treatment in a few hospitals. Finally, the task of administering a hospital system is the only realistic and practical means of training officers to handle the large-scale medical-care problems imposed by war. It is my opinion that a strong unified military medical service would, to a great extent, solve problems relating to the medical personnel of the armed services.

Clarification of congressional policy as to the beneficiaries of Federal medical care and the method of providing it is an absolute prerequisite to any plan for consolidating civilian hospitals. Particularly is it essential to define the obligation for such care to veterans with non-service-connected disabilities. Without this definition, neither Federally constructed and administered nor Federally aided hospitals can be intelligently planned. I think it exceedingly important that the policy clarification precede any large-scale consolidation of hospital management.

I am generally in agreement with the remaining recommendations regarding medical activities. An advisory committee is desirable in any civilian medical service and I believe that the National Advisory Health Council of the Public Health Service would be suitable for this purpose if expanded to include public members, and the professional composition changed to include representation appropriate to the total function.

A career service for professional health workers is essential, but it should be designed to meet their special needs and administered with broad latitude by the agency responsible for health program results. The Commission recommended that a survey should be made by the proposed United Medical Administration to determine the needs for emergency aid to medical schools. The Budget Digest, which was presented to your committee, indicates that this is a matter which could be handled by administrative action. You are advised, therefore, that plans had been completed and that such a survey was under way by the Public Health Service, in cooperation with the American Medical Association and the Association of Medical Colleges, prior to the release of the Commission's report. I am glad to advise you that considerable progress has been made in this survey, and it is now contemplated that it will be completed some time this fall. You may also be interested in knowing that plans are also under way for a survey of the Nation's schools of public health and schools of dentistry.

Expansion in research, preventive medicine, public health, and health education is necessary. The authority to carry out these functions, centered by Congress in the Public Health Service, is adequate in most respects and should carry over to a consolidated civilian health service in the proposed new Department.

I doubt that the civilian medical service should include the four comparatively small hospitals in the Canal Zone; these might better continue under present jurisdiction.

It seems to me that the presentations on the subject of health made by Vice Chairman Acheson and Commissioners Rowe and Aiken on pages 41 through 46 in the Report on Medical Activities, and on pages 37 through 45 in the Report on Social Security and Education, are generally sound, though for reasons previously given, I do not concur with their alternate proposal for the transfer of the Public Health Service hospitals. On page 39 of the latter report, this group recommends that the present grouping of the health functions should be continued and strengthened by placing all such functions in a Department of Welfare. As they point out on page 40: "The activities included in the functional fields of the Agency are related and interwoven at almost every point. This is especially true in the interrelation between the general health functions and the other functions of the Agency. Even a superficial examination of the Federal Security Agency's activities will show clearly how they continually overlap and cut across the major functional fields of health, education, and security." The school health bill, S. 1411, which passed the Senate April 29, 1949, is a perfect illustration of how one program cuts across the major functional fields of health, education, and security. Your committee is familiar with this bill, which provides for the prevention, diagnosis, and treatment of physical and mental defects and conditions of school children. If this bill become law, the program will be carried out jointly by the Public Health Service, the Office of Education, and the Children's Bureau of the Social Security Administration. It will involve questions of needy families receiving assistance from the Bureau of Public Assistance and, in many cases, questions relating to special training required to assure vocational rehabilitation.

Transfer of the Public Health Service to a separate health agency would seriously impair the integration and balance of these programs with other programs to which they are related. As Vice Chairman Acheson and Commissioners Rowe and Aiken point out on page 42: "Coordination at the Federal level is the key to balanced, economical, and effective State and local programs in the health, education, and social-security fields as well as the key to effective Federal administration."

Finally, as stated on page 44: "Governmental programs must be administered to serve the citizens, not to exalt the professional. It is the well-being of the individual, not control by doctors, educators, and social workers, with which the Government's health, education, and social-security functions are primarily concerned."

While on the subject of the Public Health Service, I would like to refer again to the Commission's report on the Department of Labor. Recommendation No. 8 of this report proposes that a detailed study be made of industrial hygiene functions to work out a logical division of functions between labor and health agencies. I cannot help but feel that this recommendation was made on the basis of inadequate information regarding the development of the present division of functions between labor and health. Had representatives of the Commission discussed this matter with the Public Health Service, the numerous studies that have already been made would have been available to them. Contrary to the report, "actual inspection and administration of industrial hygiene and labor standards generally" is not "traditionally part of the State labor agencies' factory inspection and labor work generally." State labor agencies, through their factory inspection organizations, have, by tradition, been concerned with accident-prevention work only, with the exception of two States. Industrial hygiene, on the other hand, confines itself solely to the maintenance and improvement of the health of workers.

These joint studies, made by the Bureau of Labor Standards of the Department of Labor, the Bureau of Mines of the Department of the Interior, and the Public Health Service, have formed the basis for joint action in the industrial-hygiene field. Adequate working relationships have been worked out at the Federal level, which have been paralleled in the States. As a result of these studies, the Director of the Bureau of the Budget defined the scope of activities of both the Department of Labor and the Public Health Service so that moneys appropriated for these agencies would not be used for duplicate or overlapping functions.

I am unalterably opposed to the recommendation to transfer the Public Health Service to an independent United Medical Administration, and I feel that any plan to consolidate hospital functions at this time would be premature. I realize, however, that that part of the Commission's Report on Medical Activities which relates to the construction and the utilization of hospitals requires immediate consideration. I likewise feel that proper safeguards for the elimination of waste and duplication can be established by methods other than those proposed by the Commission, even if it should be eventually decided that two medical services are needed, one military and the other civilian.

FOOD AND DRUG ADMINISTRATION

Again I find myself in disagreement with the Commission. In my opinion nothing would be gained and much would be lost in splintering this Bureau, which has had a history of unified operations for more than 40 years. Such action would be a denial of the Commission's own concept of grouping Government agencies according to major purposes, which in this instance is the protection of the consumer.

The results of a divided enforcement program would be duplication and confusion. Scientific and administrative personnel

would be duplicated in separate establishments; laboratories would be duplicated in Washington and the field; a dual corps of inspectors would cover the same territory; two sets of import controls would be in effect; two units of legal counsel would be required. Confusion would follow—particularly in trade and business reationships and in relation to legal action and the courts. Already we have evidence of a similar kind of confusion in the regulation of advertising of food, drug, and cosmetic products by the Federal Trade Commission.

I feel strongly that it would not be in the public interest to transfer the Food and Drug Administration in whole or in part away from the Federal Security Agency—either to the Department of Agriculture on the one hand or to an independent United Medical Administration on the other. In transferring the Food and Drug Administration to this Agency in 1940, President Roosevelt said: "The work of the Food and Drug Administration is unrelated to the basic functions of the Department of Agriculture and there is no other agency to which these functions more appropriately belong than to the Federal Security Agency." I think this is still true.

It seems to me equally self-evident that this Bureau—or a part of it—cannot operate successfully in a setting where the interest of producers and processors—as contrasted with consumers—is the paramount objective. Responsibility for devising ways and means to increase the production and marketing of agriculture products is unrelated and may even be contrary to the purposes of the Food, Drug, and Cosmetic Act.

Under the heading "Public Health Service" I have commented on the proposed independent United Medical Administration. Should such an Administration be established, a specialized interest and professional leadership would control it and the consumer interest, which is the major concern of the Food and Drug Administration, might be neglected. Moreover, economic cheats, misbranding, slack-filled and deceptive packaging are not medical matters. The legal sanctions and enforcement procedures which are the core of food, drug, and cosmetic regulations are not the familiar techniques of those whose first concern is medicine.

In my judgment, the Food and Drug Administration must remain a single unit. Its present independent position in this Agency permits greater opportunity to serve our citizens. The views of Commissioners Pollock and Rowe on pages 49–51 of the Commission's Report on Social Security support this conclusion forcibly and clearly. I am in complete accord with them.

ST. ELIZABETHS HOSPITAL

While the Commission's Report on Social Security and Education makes no mention of St. Elizabeths Hospital, nevertheless it does not appear in the chart of the proposed organization of the new department as shown on page 8. On the other hand, in the Report on Medical Activities, the chart on page 21 has a block for St. Elizabeths Hospital wherein it is stated that the hospital should be transferred either to the District of Columbia or to the United Medical Administration. This same statement appears on page 20 of the report.

I am fully aware that a large percentage of the patients of St. Elizabeths Hospital are cared for at the expense of the District of Columbia. Nevertheless, I do not agree that the hospital should be transferred to the District. This is one of the outstanding mental hospitals in the country and its operation in close conjunction with the mental health program of the Public Health Service and its National Institute of Mental Health will be of incalculable benefit to the whole Nation. It should be developed as a research and training unit in the large program, as well as continuing to serve as a model institution for the treatment of mental diseases.

Recommendation No. 2: "We recommend that these officials be appointed by the President and confirmed by the Senate, but that all officials in the Department below the rank of Assistant Secretary be appointed by the Secretary."

I am in complete agreement with the recommendation that the Secretary, Under Secretary, and Assistant Secretaries should be appointed by the President and confirmed by the Senate. Likewise, I concur in the recommendation that all other officials should be appointed by the Secretary.

Recommendation No. 3: "We recommend that as soon as the integrated new Department develops a more unified approach to grants-in-aid, the Children's Bureau be divested of grant functions and the Bureau shifted to a general staff capacity to the Secretary."

This recommendation of the Commission is being carefully studied. Before taking any affirmative action, I would want to feel absolutely certain that any change in the program or location of this Bureau shall safeguard the high standard of performance which has always been maintained by the Children's Bureau and which is responsible for the prestige in which the program of this Bureau is held by the people of the United States.

Recommendation No. 4: "The Eighth Annual Report of the Board of Trustees of the Federal Old-Age and Survivors' Insurance Trust Fund has stated: * * * There is need for a review of the old-age and survivors' insurance program covering not only the benefit formula, the coverage of the system, and the scope of protection afforded, but also contributions and financial policy. We recommend that such a review be made."

In connection with this matter I refer your committee to the hearings before the Ways and Means Committee on H. R. 2893. All of the matters referred to have, I feel, been completely aired before this committee in its consideration of the various proposed revisions of the old-age and survivors' insurance plan.

Recommendation No. 5: "We recommend that a study be made to determine whether these systems, with the exception of the Foreign Service System, should be merged."

This recommendation refers to the several contributory retirement systems operating within the Federal Government. I endorse such a study and would gladly make available the resources of this Agency to the extent needed in such a study. However, it seems to me that this is a matter for consideration by the Civil Service Commission, which is responsible for the administration of a number of the systems referred to by the Commission.

Recommendation No. 6: "The Commission recommends the retention of the Railroad Retirement Board in its present status."

I am not entirely in agreement with this recommendation.

Recommendation No. 7: "This Commission believes, however, that these educational programs must be administered by the agencies whose functions the particular programs serve to promote."

In this recommendation the Commission's reference is to numerous educational activities carried on by the different agencies of the Government. With regard to that section of the report which leads to this recommendation, I would like to point out that the Commission's statement that Federal funds expended for all educational purposes exceeds $2,500,000,000 is at best misleading. It gives the impression that the Government is assisting general education in a substantial way. I feel that it should be made clear that the sum referred to by the Commission is, for the most part, expended for specialized or particular forms of education and does not assist in strengthening the general educational programs of the States.

I cannot agree with this recommendation of the Commission. In my judgment a distinction must be drawn between those educational activities of the Federal agencies which are directly educational in purpose and those which further the objectives of the various departments. It is my belief that those activities which directly concern State and local school administration should be transferred to the Office of Education. I likewise feel that it would be to the advantage of the Government if machinery was established in the Federal Security Agency to review and recommend methods for coordinating other educational activities of the Federal Government.

In spelling out the educational activities carried out in the new Department, the Commission failed to include a most important function which the Office of Education is authorized to carry out under its basic act of 1867; namely, "to promote the cause of education." This function has grown more important with the passing of years and is the principal basis for the assumption of national leadership on the part of the Office of Education.

Recommendation No. 8: "We recommend that the Bureau of Indian Affairs be transferred from the Department of the Interior to the proposed Department, which would embrace social security and educational functions."

In view of the Commission's recommendation to transfer the Public Health Service to the United Medical Administration, I am somewhat confused by the recommendation to transfer the Bureau of Indian Affairs to this Agency.

To me, one of the most important needs of the Indians is adequate medical care and the prompt taking of preventive measures to assure their future good health. I fully agree that the health, educational, and welfare problems involved in the operation of this Bureau should receive first consideration. The functions that relate to irrigation, forest restoration, and other land and water uses, while important, are of secondary concern and can be properly administered if arrangements for coordination are made with agencies primarily concerned with these activities. Because of my belief that the general welfare of our Indian population is entitled to first consideration, it is my opinion that Indian Affairs should be administered by the agency responsible for health, education, and welfare. However, I do feel that the proposal to transfer Indian Affairs to this Agency should be reexamined if the Public Health Service is not to be retained.

The Report on Indian Affairs, pages 53 through 63, House Document No. 127, contains a number of recommendations. However as the Bureau of Indian Affairs is an organizational unit of the Department of the Interior, I do not feel that I should make any comments thereon.

Other reports of the Commission which directly affect this Agency are as follows:

Department of Labor, House Document No. 119.

Department of Agriculture, House Document No. 80.

Foreign Affairs, House Document No. 79.

Federal-State Relations, House Document No. 140.

In my comments on the Bureau of Employees' Compensation, the Employees' Compensation Appeals Board, and the Bureau of Employment Security, these items in the report on the Department of Labor which affect this Agency have been covered.

Under Food and Drug Administration, I expressed my concern regarding proposals to split and transfer the Food and Drug Administration in part to the Department of

Agriculture and in part to the United Medical Administration.

In the report on foreign affairs, there are a number of points which concern this Agency. The first is the text following recommendation No. 7: "The one is the educational exchange program which the Task Force Report recommended be transferred to the Federal Security Agency. The Federal Security Agency does not have the orientation, experience, or skills to carry on work in this broad cultural field, and therefore the State Department should continue to administer this program."

I cannot agree with this statement. The Office of Education has, for several years, effectively carried on some of these programs. Moreover, the student exchange program, prior to its transfer to the Office of Education in July 1947, was delegated by the Department of State to a non-public agency, namely, the Institute of International Education. I believe that all federally supported programs for the exchange of students, teachers, and educational specialists should be operated through the Office of Education. While I recognize that the State Department has major duties in setting fundamental policies and in furnishing guidance in connection with the programs under discussion, it should not operate these programs. The Office of Education is capable of administering and should administer such programs.

With regard to recommendations 21 and 22, this Agency is in complete agreement with the Commission's comments relative to present-day conduct of foreign affairs. These recommendations provide that the departments and agencies should consider the possible foreign impact of all proposed major policies and programs and consult with the State Department in regard thereto and should establish an officer or office directly responsible to the agency head for coordinating foreign-affairs activities. The problems of our foreign relations are so vast and complicated that the State Department should receive the fullest cooperation from all agencies which have an interest in foreign affairs. The need for central coordination of the international aspects of the work of the Agency was realized 3 years ago, in July 1946, when the Office of International Relations was established within the office of the Administrator. This office has complete responsibility for coordinating all Agency international activities and relationships. It serves as a focal point for liaison with the State Department. It has been effective in making substantial progress in the coordinated formulation of Agency positions on matters of foreign policy and in the handling of various types of international activities by the constituent units of the Agency. Further progress may be anticipated as the hand of the Office is gradually strengthened.

As the Federal Security Agency administers a number of grant-in-aid programs, it has a definite interest in the Commission's Report on Federal-State Relations. As the Agency Office of Federal-State Relations worked with the various bureaus on problems relating to the simplification of State plans, it became increasingly clear that a substantial part of the States' criticism of Federal activities was directed against certain administrative procedures and the multiplicity of contacts with State officials. Accordingly, auditing of State grants and merit-system activities were consolidated and placed in the Office of Federal-State Relations. These changes reduced to a minimum contacts in these fields.

To a substantial degree, the advantages gained by the consolidation of these activities may be lost if the Commission's recommendations for transfer were followed. Every effort should be made to maintain the advances made.

Taking the Commission's recommendations in order, I concur in the need for continuous appraisal and research into matters referred to in Nos. 1 and 2. I agree with No. 3, but feel that the emphasis might have been put on the need for more attention by the States. To the best of my knowledge, the budgetary and administrative functions at the Federal level are coordinated.

I am in full agreement as to the need for clarifying grant-in-aid plans. The advantages of standard requirements is of such importance that it deserves emphasis equal to that given to the number of grants. This Agency has a consolidated appropriation for assistance grants and, in cooperation with the Bureau of the Budget, an effort was made this year to move in the direction of consolidating certain Public Health Service grant-in-aid appropriations. However, the House Appropriations Committee took the position that this should not be done at this time. The committee is inclined to believe that the existing appropriating structure should be maintained substantially along present lines for at least a few years. (See H. Rept. No. 228 of Mar. 8, 1949.)

I agree with the principle of Recommendation No. 5 but not with the proposal to create a new agency. The establishment of such a separate agency will inevitably result in considerable duplication of activities which are the major responsibilities of the agencies administering specific programs. The purpose sought can be accomplished more economically and, in my opinion, as effectively by placing the responsibility for coordinating these activities in the Director of the Bureau of the Budget.

The Agency is of course also interested in the over-all management reports of the Commission, such as general management of the executive branch, personnel management, general services, and budgeting and accounting. These are considered individually.

GENERAL MANAGEMENT OF THE EXECUTIVE BRANCH (H. DOC. NO. 55)

I am in accord with the findings of the Commission as set out in part I. I should, however, like to comment on the question of delegations of authority. I would hope that any legislation affecting the Executive Office, or any of the other reports, would contain broad delegations of authority such as those found in section 204 (a) of S. 942, which was introduced by you on February 14, 1949.

I am generally in accord with part III of the report, which pertains to departmental management. I am in complete agreement with the proposal to consolidate like activities both at the executive branch level and within the departments. Unless such action is taken I know of no way to eliminate the duplication which cannot help but exist under the present organizational structure of the Government.

The recommendation that there must be a clear line of authority within each department and that which recommends the appointment of bureau chiefs by the department heads go hand in hand. This I have learned by experience. The placing of overall administrative responsibility in a Secretary or Administrator, and at the same time providing for Presidential appointments of subordinates and placing specific statutory responsibility in such subordinates, can only result in confusion. It makes two persons responsible for the same thing and is unworkable unless there is complete understanding and cooperation between the persons concerned. Only in rare cases is it possible to develop such a relationship. Usually the result is conflict, general dissatisfaction, and down-right poor administration. I cannot too strongly express the opinion that the vesting of all authority in department heads, including full appointing authority, is fundamental to good administration.

I likewise feel that department heads should have the power to determine the organizational structure of their departments. Changes would of course be in accord with basic statutory requirements and major reorganizations might be subject to review and approval by the President. To do a major job of reorganization successfully in the Federal Security Agency would require provision for use of the designation service as provided in recommendation No. 21. Otherwise it would not be possible properly to designate a unit made responsible for the direction and supervision of a number of related bureaus.

While I favor an Administrative Assistant Secretary or some comparable position such as Executive Assistant, I do not agree with the implication of the chart on page 30, that the General Counsel or the Publications Officer report through such a position. Nor do I think such a staff officer should be shown in the line, as this chart seems to do. Finally, I have real doubts as to the wisdom of calling such a career employee an Assistant Secretary.

I am in complete accord with those recommendations which relate to departmental staff; namely, recommendations Nos. 18 and 19, although I believe that a program specialist should be added to the list on page 38.

I am in complete agreement with recommendations Nos. 22 through 27, all of which relate to Federal Field Services. In this connection I feel that your committee should know that this Agency has made considerable progress in this area. The number of regions has been reduced, uniform boundaries have been established, and 8 out of 10 agency units operating in the field have been integrated into these regional offices. These units are serviced by central housekeeping staffs and all are furnished central legal services. All units which are concerned with Federal-State relations are served by a single grant-in-aid audit unit and a single merit-system unit. Changes affecting the remaining two units are under study.

PERSONNEL MANAGEMENT (H. DOC. NO. 63)

On the whole, this report is a constructive document which correctly analyzes many of the needs for improvement in the Government personnel system.

One of the more significant and progressive proposals in the report is the use of examination-rating techniques that would place candidates into broad grouping such as outstanding, well qualified, qualified, and unqualified. It is presumed that this proposal embraces the idea of an applicant for Federal service making one application which can automatically be considered for any one or several occupational fields on a continuous open basis, as is now the case in the Tennessee Valley Authority. Even if there is some possibility of placing this in effect without modification of the Civil Service Act and the Veterans' Preference Act, we would urge introduction and passage of any necessary legislation to make certain that restrictions that may stand in the way are eliminated.

Of equal importance is the recommendation concerning establishment of substantially higher salary levels for executive positions in the service. To elaborate on this need is hardly necessary in view of the obvious factual support for it. Likewise, the recommendation providing for employee participation in the formulation and improvement of Federal personnel policies and practices is a constructive one, in line with the best thinking on personnel administration.

Without being certain of the exact form it should take, I am also impressed by the need for fundamental alteration both in our

approach to the problems of personnel administration and in our conception and organization of the central personnel agency. I find myself, indeed, in substantial agreement with the "additional views of Commissioner Pollock" on all points except point 6 (pay adjustments).

The recommendations relating to decentralization with greater responsibility in the individual departments fit in with the necessities of the present Government structure. They are not only desirable but absolutely necessary to the continuance of a constructive merit system in the public service. On this score, too, Professor Pollock has come closer to what is needed than has the majority of the Commission.

The replacement of the present efficiency rating system by a system of ability and service records would be a definite advance that would move away from the contradictions and complications of the present efficiency rating system. I heartily endorse the proposal in the Task Force Report on Federal Personnel for elimination of overall conclusion ratings which lead to invidious comparisons and to supervisor-employee conflict in the form of appeals and adjudication.

I am disappointed that the Commission did not say anything about the need for an adequate employee health program of a genuinely preventive character.

OFFICE OF GENERAL SERVICES—SUPPLY ACTIVITIES (H. DOC. NO. 73)

I am in full accord with that part of the report which relates to the establishment of an Office of General Services and to placing therein the over-all Government supply function, records management, and the operation and maintenance of public buildings, as well as the responsibility for carrying on the relationship with certain institutions as recommended in the report. The Director of the Office of General Services should be appointed by the President as head of an independent establishment.

I am in accord with the recommendation that each department and agency establish a records management program. The successful operation of the Federal Security Agency's records management program convinces me of the soundness of this recommendation. With regard to the recommendation that a bureau in the Office of General Services be established to undertake responsibility for the operation and maintenance of public buildings, I agree. However, I see no reason why such a bureau or office should not be responsible for all public buildings other than those located on military reservations.

Generally, I am in accord with the various recommendations that apply specifically to improvement in the Federal supply operation. As I see it there is no possibility of improving the present situation unless the volumes of restrictive statutes and decisions relating to supply are repealed. I likewise feel that it would be desirable to extend the Armed Services Procurement Act of 1947 to all agencies. The recommendation to establish a Supply Policy Committee composed of representatives of the Bureau of Federal Supply and the National Military Establishment seems to be too restrictive to me. Many agencies of the Government have supply problems of sufficient importance to warrant giving them a place on an over-all Supply Policy Committee. I am in accord with the various provisions of recommendation No. 5; however, I wish to point out that an agency that might be designated to purchase specific supplies for all other agencies of the Government would have to be properly staffed to undertake such a responsibility.

I also feel that the establishment of a strong Traffic Office in the Bureau of Federal Supply is an activity which has long been needed by the civilian establishments of the Government. It seems to me that this Office might well be given the responsibility for final adjustment of carrier bills, leaving to the General Accounting Office such audit as may be necessary.

The remainder of the recommendations in this part of the report, if carried out, should result in better over-all management in the field of supply. I wish to emphasize, however, that recommendation No. 14 is of extreme importance. Only if surcharges are abolished can complete cooperation be obtained.

BUDGETING AND ACCOUNTING (H. DOC. NO. 84)

With regard to part I of this report I am in full accord with the recommendation for a performance budget. I would like to point out, however, that this will increase rather than reduce the burden of departmental budget officers unless the green sheets are eliminated and something in addition is done to eliminate constantly increasing demands for more annd more detailed information in each phase of the budget process.

As to the survey of the appropriation structure, I would like to suggest that this be made a continuous study. It must be continually revised to keep up with new programs and processes. The Federal Security Agency, with the cooperation of the Bureau of the Budget and the Congress, has had such a project underway for the past 3 years and has made progress. The recommendation for separation of expenditures into two categories, capital outlays and operating expenses, I believe, should be adopted. Commingling of funds for these two phases of governmental operations distorts the expenditure picture.

Legislation should by all means be provided to enable the President to reduce expenditures under appropriations to the extent that programs are operated in keeping with the purpose and intent of the Congress, and after departments and agencies have been heard. In this connection the present practices of making insignificant adjustments in the apportionments might well be discontinued.

Part II of the report relates largely to the internal organization of the Bureau of the Budget and is a matter for determination by the President.

Part III, which provides for the reorganization of accounting in the Government, is of major significance and I concur generally in the recommendations contained therein. It is my opinion that the accounting processes of Government would be greatly simplified if the activity of the General Accounting Office were limited to audit. Likewise a spot check rather than a continuous and detailed audit seems desirable and should meet most requirements.

If the proposals of the Commission meet with the approval of your committee I suggest that very careful thought be given to needed legislation. One striking illustration of the need for such legislation is that covering final payment or adjustment of carrier bills. This, under present law, is a responsibility of the General Accounting Office. It seems to me that the payment of bills for supplies or services of any nature should be a function of the executive branch. If the recommendations of the Commission with reference to a central supply system are accepted and implemented, it occurs to me that the traffic unit suggested for that organization could assume the responsibility of final adjustment and settlement of carrier bills. The General Accounting Office could make such audits as would be required to assure the Congress of the integrity of expenses in connection with the payment of carrier bills.

The recommendation to provide for on-the-site audits on a spot-check basis makes sense and appears to be in line with the basic purposes of the joint survey by Treasury, Budget, and General Accounting Office which is now in progress.

Recommendation No. 12 which refers to accrual accounting, simplification or elimination of the warrant system and uniform departmental practices seems desirable in some instances. However, in many cases the results to be achieved by an accrual system will not justify the high cost of maintaining accounts on that basis. The joint committee on accounting, composed of the Director of the Bureau of the Budget, Secretary of Treasury, and Comptroller General, will, I believe, be able to work out simplified efficient Government accounting services to the distinct advantage of both the legislative and executive branches.

As to accountable offices contributing to fidelity insurance fund, I suggest rather that bonding costs be borne by the Federal Government. This is in line with the practice of private employers and many State and local governments.

The recommendations regarding over-all management activities should, if followed, result in substantial improvements in the day-to-day operation of the Federal Government. I feel, however, that we should all bear in mind the references in the various reports to prospective savings and that these reports also imply that additional responsibilities will be assumed by the Departments. These are to some extent contradictory. The implication is rather to increased cost at the departmental level. This can only be prevented if the plans to eliminate nonessential laws and regulations are carried out to a maximum degree and simplified procedures introduced in the operation of personnel, procurement, budget, and other management procedures.

With regard to legislation pending before Congress, the bill of most interest to this agency is H. R. 782, a bill to constitute the Federal Security Agency a Department of Welfare. This bill is substantially the same as S. 712, which was considered by your committee during the last Congress; the only real difference being in section 3 which vests certain powers in the Secretary. It has the same purpose as a similar provision in section 3 of the act of May 26, 1949 "An act to strengthen and improve the organization and administration of the Department of State, and for other purposes."

H. R. 782 is a simple approach to the establishment of a department. As indicated in House Report No. 122, it is an exact parallel of the law which created the Department of Agriculture. The Director of the Bureau of the Budget, in a letter dated January 27, 1949, stated:

"In the light of these repeated expressions of the President's views upon the subject, the Bureau feels unreservedly that the enactment of H. R. 782 would be in complete accord with his program."

The Commission has recommended the establishment of a department. The provisions contained in H. R. 782 are in accord with the Commission's recommendations in its report on general management of the executive branch. I would be glad to discuss this bill, and any other matters referred to herein, at any time convenient to you.

Sincerely yours,

OSCAR R. EWING,
*Administrator.*

PRINTING OF EXTRANEOUS MATTERS IN THE RECORD

Mr. LUCAS. Mr. President, I desire to make one or two observations with respect to the insertion of matters in the RECORD. I have listened to the unanimous consent requests today. At least six unanimous consent requests have been made to insert matters in the body of the RECORD. One such matter, a political speech by my good friend the

minority leader [Mr. WHERRY] was inserted in the body of the RECORD. A letter from someone in North Dakota was inserted in the body of the RECORD.

It may be proper to do that at times when the insertion is important enough, but I believe the Senate is proceeding not quite in accord with the precedents which have been established with respect to the insertion of matters in the body of the RECORD. I merely mention this in passing, and sincerely hope that Members of the Senate will try to comply with the precedents and keep as many such matters as possible in the Appendix of the RECORD, and out of the body of the RECORD, unless they are of sufficient importance so that Senators sincerely and conscientiously believe that they ought to go there.

I made no objection, and probably will not do so in the future, but I do know what the precedents are, and I know that what we have been doing recently is inserting a great many matters in the body of the RECORD, which I believe is fundamentally wrong. We should correct the situation as we go along.

### LEGISLATIVE PROGRAM

Mr. SALTONSTALL. Mr. President, in the absence of the minority leader I should like to ask the majority leader a question. I know that a number of speakers on the North Atlantic Pact have been scheduled for today. Is it the intention of the majority leader to take up any of the appropriation bills so long as any Senators are waiting to speak on the North Atlantic Pact?

Mr. LUCAS. Mr. President, in reply to that inquiry I will say that we will continue with the pact until we finish it, without any interruption by appropriation bills or other matters.

### CAPT. JOSEPH G. FEENEY

Mr. MARTIN. Mr. President, I am happy indeed to commend the appointment of Capt. Joseph G. Feeney to be liaison man between the White House and the Congress on general legislative matters.

Captain Feeney is a Pennsylvanian with a distinguished record of Naval service in World War II. He has the Navy Cross awarded for gallantry in action against an enemy submarine when he continued to direct gunfire after he was badly wounded.

For some time he was liaison officer between the Department of the Navy and the Senate. I have had numerous occasions to call upon Captain Feeney for assistance in clearing up problems affecting my constituents. In every instance, without exception, I have been deeply impressed by his comprehensive knowledge of naval and legislative matters, his unfailing courtesy, and his zeal to be helpful.

It is a pleasure to welcome Captain Feeney into his new duties as White House legislative assistant. I do so in full confidence that he will serve, as always, with the same high degree of intelligence, competence, and integrity that he has so ably demonstrated in the past.

### REORGANIZATION PLAN NO. 8 OF 1949, RELATING TO THE DEPARTMENT OF DEFENSE—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 262)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read.

(For President's message, see today's proceedings of the House of Representatives at p. 9668.)

Mr. SALTONSTALL. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. SALTONSTALL. We have just heard read a reorganization message from the President of the United States with relation to the armed services. I have read, very quickly, in the La Follette-Monroney Act relative to reorganization of the executive branch, the provision covering the duties of the Committee on Armed Services. For several months, the Senate Committee on Armed Services considered the matter covered in the message, and many of the recommendations of the President are very substantially along the lines of the recommendations of the Committee on Armed Services. I note that the chairman of the committee, the Senator from Maryland [Mr. TYDINGS], is not present at the moment, and I raise the parliamentary inquiry as to whether or not this message might not well be referred to the Committee on Armed Services, which has spent the greater part of this year considering this very subject.

The PRESIDENT pro tempore. The Chair is advised by the Parliamentarian that all the other reorganization plans have been referred to the Committee on Expenditures in the executive departments, under subdivision (B) of subsection (d) of rule XXV as set forth in the Reorganization Act.

Mr. SALTONSTALL. Mr. President, I have a further parliamentary inquiry to propound.

The PRESIDENT pro tempore. The Senator will state it.

Mr. SALTONSTALL. A motion for a different reference would be in order, if the Senate so desired, would it not?

The PRESIDENT pro tempore. The Senator is correct.

Mr. SALTONSTALL. I thank the Chair.

Mr. GURNEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. GURNEY. Has the Chair ruled that the referral will be to the Committee on Expenditures in the Executive Departments?

The PRESIDENT pro tempore. The Chair is advised by the Parliamentarian that the question of reference can lie on the table for the present, and can be taken up later on.

At the present time the Senate is in executive session, save by unanimous consent.

Mr. GURNEY. Mr. President, another parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. GURNEY. Is a motion now in order to refer the message to the Committee on Armed Services, or could I make a motion to refer it to the Armed Services Committee and have my motion lie on the table?

The PRESIDENT pro tempore. Such a motion could be considered now only by unanimous consent, because the Senate is in executive session.

Mr. GURNEY. Then, Mr. President, I ask unanimous consent that I may now enter a motion that the message be referred to the Armed Services Committee.

The PRESIDENT pro tempore. Is there objection?

Mr. MCCLELLAN. Mr. President, reserving the right to object, before consenting to having that action taken, I should like to have an opportunity to confer with the chairman of the Armed Services Committee. I say frankly to the Senator from South Dakota that, so far as I personally am concerned, I have no objection to having the Senator's committee have jurisdiction of this matter.

Frankly, I think it probably is proper that that committee should have jurisdiction of it, rather than that the Committee on Expenditures in the Executive Departments should have jurisdiction. But I do not wish to take any position at this time which will place the jurisdiction of the committee in future jeopardy with reference to reorganization plans.

I say frankly that I think under the rule the Chair is eminently correct in stating that the message should go to the Committee on Expenditures in the Executive Departments. However, if I may have the opportunity I have suggested, and if the Senator from South Dakota will withhold his motion until I can confer with the Chairman of the Armed Services Committee, it may be that this matter can be adjusted satisfactorily to all concerned.

Mr. GURNEY. Mr. President, I am perfectly in accord with the request and desire of the Senator from Arkansas, and I hope he will confer with the chairman of the Armed Services Committee. In the meantime, I hope no reference of this message will be made.

The PRESIDENT pro tempore. The message, with the accompanying plan, will lie on the table and will be referred later.

### PRESERVATION OF HISTORIC PLACES AND OF AMERICAN IDEALS AND PRINCIPLES

Mr. MARTIN. Mr. President, since we have been meeting in this tradition-hallowed Chamber, there have been numerous able and eloquent references to the historic events with which it is associated. We have heard equally able and eloquent pleas for the preservation of the ancient landmarks which adorn the Senate Chamber now undergoing repair and renovation.

As a member of the joint congressional committee charged with the rebuilding of the White House, I have received many personal calls and letters urging the preservation of as much as can be preserved of that historic and beloved edifice.

These pleas are actuated by the spirit of reverence in which we Americans hold the sacred shrines of our history.

Ninety years ago, when the Senate met in this Chamber for what was then thought to be the last time, its presiding officer was Vice President John Cabell Breckinridge, of Kentucky, the same State which has given us the distinguished President of the Senate in the present Congress. In concluding a magnificent tribute to the illustrious statesmen who had made history here, Vice President Breckinridge said:

> The structures reared by men yield to the corroding tooth of time. These marble walls must molder to ruin; but the principles of constitutional liberty, guarded by wisdom and virtue * * * do not decay.

Truly, Mr. President, time has taken its toll of the structures of stone and steel built by men. We regret the passing of these physical links with the great men and events of the past.

But, Mr. President, we shall have deeper and more significant cause for regret if, through indifference or neglect, the American people fail to preserve the great principles of constitutional liberty to which Vice President Breckinridge referred so eloquently.

For decades our congressional Chambers breathed the spirit of liberty and independence handed down by the founding fathers. In these Chambers thrift and economy were regarded as virtues of government. In these Chambers the constitutional division of authority and responsibility between the Federal Government and the States was recognized and respected. In these Chambers, freedom of the individual was protected from encroachment by the Central Government. In these Chambers initiative and opportunity—not a welfare state—were regarded as the guiding lights of American progress. Here, with deep concern over the steadily rising cost of government, warnings were sounded that to be free our solvency as a Nation must be maintained.

Yes, Mr. President, great values are associated with our meeting Chambers. I join sincerely and whole-heartedly with those who are interested in the preservation of our places of historic importance. But infinitely more important to every American should be the preservation of the sacred ideals and principles without which the structure of American freedom cannot long endure. I repeat, the principles of constitutional liberty do not decay when guarded by wisdom and virtue. Unless we serve as sentinels in the watchtower of our freedom, the sites and structures of past glory will be but a hollow mockery to future generations.

## THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess), signed at Washington on April 4, 1949.

Mr. CAIN. Mr. President, the junior Senator from Washington wishes to discuss briefly the Atlantic Treaty, as he understands it, in an effort simply but sincerely to clear his own conscience, to set his mind straight, and to be of reasonable service to the several million citizens in Washington State whom he is privileged to represent. At least these citizens and those who live elsewhere in the Nation are entitled to consider and judge the point of view which I shall attempt to define.

Mr. President, if it suits the convenience of the Senate, I rather naturally should prefer to proceed without interruption, but I shall gladly, as always, conform to the wishes of Senators.

With the ratification of the North Atlantic Treaty the American ship of state will be launched upon seas which appear to me to be both new and treacherous. It will be the first time in our history, so far as I know, that the United States will have concluded a military alliance for mutual defense in peacetime. The issue of the Atlantic Pact is so momentous and the consequences of its adoption or nonadoption so immediate and world-wide that I share with most Senators their feeling of troubled responsibility when they consider their decision on the treaty. There are not many among us who consider the Atlantic Treaty to approximate a perfect or even an adequate instrument.

For my part, I am strongly inclined to say that I intend to vote in favor of ratifying the pact. But I must make it quite clear that in so voting I reserve my complete freedom in the matter of the arms program; I will not accept any implication of moral or legal obligation as a result of my vote. I say this on the basis of the repeated though at times equivocal assurances, by officials of the State Department, strengthened by assurances from the senior Senator from Texas [Mr. CONNALLY], and the senior Senator from Michigan [Mr. VANDENBERG], and on the basis of my own lay reasoning, that the arms program is a separate and distinct thing from the Atlantic Pact.

Mr. VANDENBERG. Mr. President, the Senator said he did not want to be interrupted, but may I inquire whether he applies his adjective "equivocal" to the statements made by the Senator from Michigan?

Mr. CAIN. By no means, I may say to the Senator. The adjective applied only to what I understand were certain statements made by officials of the State Department.

Mr. VANDENBERG. The Senator from Michigan thought he had been quite unequivocal on the subject.

Mr. CAIN. It is my considered opinion the Senator from Michigan has been quite unequivocal.

Mr. VANDENBERG. I thank the Senator.

Mr. CAIN. From my point of view there has been no uncertainty of any character concerning the feeling of the Senator from Michigan as expressed on the subject of arms.

I shall vote for the treaty as a treaty because I think it is a step, even if a distressingly feeble and stumbling one, in the direction of the ultimate peace all of us seek for mankind. I shall vote on measures for military aid in connection with the treaty as my judgment dictates when those measures are before the Senate.

Mr. President, the decision to vote for the ratification of the pact did not come easy to me. I sympathize with and understand thoroughly the position of those Senators who expect to deny the ratification. There is much that could be and has been said on this floor in favor of the opposition. Those who would deny the ratification have made a splendid contribution to the treaty debate. They have conclusively destroyed an oversimplification of the issues which have been presented by some, who, I think, have been motivated more by hope than by reality. The opponents, rather than the proponents, have awakened America to the perils of tomorrow. If the opponents seek a more effective treaty, and one which is not so drenched with uncertainty as is the treaty before us, I wish not to criticize but to acknowledge and applaud their labor and intentions.

My overriding reason for supporting the treaty, while recognizing the validity of arguments against it, lies in the fact that the Atlantic Pact contains an excellent principle which almost everybody favors and a poor piece of machinery to carry out this principle, which, from my point of view, almost everybody dislikes. The principle or purpose of the pact lies in the necessity for firm, swift, and united action by peace-loving nations in the Atlantic community, supported by the United States, against the rising threat of Communist aggression. The principle is noble because it sincerely seeks to avert the third world war by serving notice upon the designing Communist state and its satellites, or any other state, that the American Government will not stand officially unconcerned while the Moscow rulers destroy the western nations one by one. In the past we have waited too long and too naively for the totalitarian aggressors in Germany and Japan to terrorize the nations into abject neutrality only to batten and fatten upon their conquests.

So much for the principle. I shall presently do my best to establish as a fact that the machinery chosen by the State Department to carry out this principle is so clumsy, defective, and myopic that a grave choice is offered to us: either we reject the pact and thereby reject the principle; or we ratify the pact and by so doing accept its woefully inadequate machinery. It is not that the pact is bad; it is simply not good enough.

Is there anyone in or out of this Chamber today who seriously believes that anything short of the best will fully protect us all in the future? The best which can now be said for the treaty is that its ratification may provide time in which the improvements which are so clearly indicated and imperatively required may be agreed to and made a part of the Atlantic Treaty and other treaties that must follow.

May I draw thoughtful attention to some of the shaky articles of the pact that promise so much and yet may deliver so little? There are 12 signatory members of the treaty. According to article 10 the admission of new members

can be made only upon unanimous consent of all 12 members. This means that, although the United States is naturally expected to pour out billions of dollars and in case of war to furnish the biggest blood bank, any one of 11 European nations may veto America's invitation to a friendly and willing nation to join in the treaty. Thus, to use the most exaggerated example we could use, obviously, Luxemburg, with its 350,000 fine people can veto the policy of the United States of America and veto it without appeal.

No aspersion of any kind is intended by me on the great little country of Luxemburg. It happened that I sometimes rested there during the war and its people gained my complete affection and respect. All things considered, I know of no nation which has consistently accomplished so very much with so little. Luxemburg enjoys our American friendship as we do hers.

Only about 10 days ago it pleased the Senate to confirm a distinguished American lady as Minister Plenipotentiary to Luxemburg. But even with the most skillful of diplomats and the friendliest of nations we ought to beware of submitting the vital policies of the United States to the veto of any single foreign state. In the years to come, for instance, we may well need the friendship and military assistance of Spain. Whenever I look at a map of the North Atlantic community, which I encourage every American to do, I am the more convinced that we need Spain now, if what we seek at the outset is a military alliance. Her strategic importance in the western Mediterranean is almost decisive. Are we to be denied in time of need the help of her million trained veterans of war against Communists just because some European politicians, perhaps under the influence of some Communist elements, do not like the color of Franco's nose and decide to veto the admission of the Spanish nation into a mutually helpful alliance? I hold no brief for Spanish dictatorship, but I submit that it was neither necessary nor wise thus to tie up the hands of the United States. I may be wrong, but it seems to me that the State Department has learned nothing and forgotten nothing from Russian vetoes.

I also want to feel certain that Sweden will be admitted to membership in the pact when she so desires, but one derives no such assurance from the treaty as it is written. Look at the map again and you, too, will feel more secure when Sweden has joined hands with us and the other pact members.

I think it a great pity that Greece is not to be a member of the pact from the beginning. The map tells me that she ought to be for security reasons. Logic tells me that we could reduce our sizable commitments, present and intended, to Greece if she were a member. I am puzzled now as to her chances for membership should the United States wish in the future to include Greece in the North Atlantic alliance, which seems to be designed, and rightfully so, to protect the best interests of all for one and one for all.

But, Mr. President, what disturbs me more is the question, What about Turkey? Do you share my distress that she is not now a part of the treaty which the Senate has before it for ratification? May I encourage every Senator to look again and again at the map on our wall and then many among us will surely ask questions similar to the ones which deeply worry me?

In view of the quarterly reports to Congress by President Truman praising Turkey and her people, confirming the close American concern for that country for the last 2 years, would it not be logical and appropriate to strengthen our relations with that country in a manner necessitated by existing circumstances and ultimately include her in the Atlantic Pact?

If in case objections emanate from European countries, would it not be in conformity with American interests and a natural consequence of the sacrifices which we might be called upon to make in the future, to impress upon the European countries the fact that the inclusion of Turkey would strengthen and complete the pact, which requires full American commitment, as I understand, for their defense.

It is said that the United States concern over Turkey has not diminished. Military aid under the Truman doctrine is continuing and will continue in the future. The continuance of this aid is certainly a good investment but military aid in the form of arms alone is not sufficient. With the signature of the Atlantic Pact, certain European nations have been reassured of American support through effective assistance, whereas Turkey, by a simple promise of military aid, has been reduced to the status of a secondary country from the point of view of American concern.

Have we forgotten that it was almost only yesterday when Turkey displayed unusual courage in refuting two Russian demands?

The Russians demanded to alienate Turkey from the international convention governing the straits and to conclude an exclusive straits convention which would only include riparian states of the Black Sea. Had the Turks been morally overcome by Russian pressures exterted in 1945 and 1946, the danger of a Russian expansion through the straits to the Mediterranean would have naturally created a situation which would not only endanger the security of the Mediterranean area, the Arab countries, the oil resources of this region, about which, as I recall, very little has been said in this debate, but it would also threaten the security of western Europe and the United States. Would not the security of the Atlantic area have been shaken, had the Turks not barred Russian expansion plans?

How then can such an important country, the existence of which is so vital for western Europe and America, be long excluded from our intended security system?

Given that Turkey has expressed a strong desire to collaborate with the United States in the security arrangements and I am told, but I do not know how accurately, that Turkey has openly, publicly, and ardently requested admission into the alliance of the North Atlantic community states, and has been turned down, I hope that before this debate has run its course there will be adequate answers to that supposition or question of mine.

Mr. MUNDT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STENNIS in the chair). The Senator has expressed a wish to proceed without interruptions.

Mr. CAIN. Mr. President, though I should prefer to proceed uninterruptedly to maintain the continuity of my statement, if any Senator feels otherwise, I shall be glad to subscribe to his wish.

Mr. MUNDT. I did not want to interrupt the Senator, but I enthusiastically share his concern regarding the manner in which the nations have been selected for membership in the pact. I wondered if the Senator did not feel with me that Turkey's contribution to our side of the contest has been tremendous not only since the war, when she has stood at the aggression border and insisted that there be no invasion of her country, an indication that, if necessary, she will resist alone, but, as a matter of fact, during the late war she refused to be seduced into fighting against us. We have had such illustrations of sympathy with the American cause from Turkey, which entitle her to membership in the fraternity of nations which is being established.

Mr. CAIN. May I suggest that to me what the Senator has just said speaks plainly for itself? Certainly the Senator's observations confirm what I have in recent years been led to believe. The Senator has pointed out why, as one Senator, I place some measure of emphasis on the subject of Turkey. I want Turkey, as a nation, to know there are those within the United States Senate who will be as complimentary to her recent efforts to contain communism as we possibly can be, while expressing the hope that if there are good, sound reasons why Turkey should not today be a member of this alliance, the time will soon come when she not only will be invited but will be taken into the North Atlantic community. One of my concerns is how we can be certain, if that be our prime desire, that Turkey can be admitted to membership.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. JENNER. From a military standpoint, as well as from the standpoint of being opposed to the spreading of communism, and being one of the first nations actually to take a bold stand and fight against it, would not Spain also come into that category?

Mr. CAIN. Prior to the time the Senator entered the Chamber I had used three other examples of nations whose admission to the Atlantic alliance would give me greater assurance that the treaty, especially in time of trouble, would be effective. I think we are entitled to know what the reasons are for the absence of these nations. One of the nations I mentioned was Sweden, which, I

understand, of her own wish does not presently desire to be a member of the pact. Another nation was Spain, and the third was Greece. I have never said to anyone because I know it is not true, that I represent any approximation of a military authority but I do not have to be an authority about things military to understand that there should be the very best reasons why those who could defend our life line in the Atlantic area are not included in the treaty. I would say, as one who has heard a lot of guns fired in anger, that I would not myself want to get mixed up in a world-wide war that began in the North Atlantic community without having, at the outset, Spain and Turkey on my side, because my assumption would be that, if they were not on our side, they would be against us, and we would be in more trouble than one could possibly anticipate if that turned out to be a fact.

Mr. President, given that Turkey is an ardent supporter of the democratic way of life, given that Turkey wishes to establish a security system in the Mediterranean with American support, how then can America make certain that Turkey is admitted to membership in the pact in the future if we change our present position and want her?

I only know that each and all of the 12 member nations must agree to accept Turkey or Turkey must remain on the side lines of a struggle which is to eventually determine if civilization survives or dies.

There may be very good reasons for the existence of the treaty veto, but I think its great danger ought to be recognized and borne in mind. As I understand, an opportunity will be provided a decade from now to amend the treaty. Until then, if the treaty veto turns out to be a serious mistake we are stuck with it for 10 years of trouble-laden time.

Even from the standpoint of an old-fashioned military alliance, the pact before us is a vague paper. A classic military alliance spells out the duties and obligations of each member. Each nation contributes troops, money, or goods, in proportion to its capacity, and its share of assistance is precisely specified. Aggression is defined. In the pact, almost everything, including the decision as to whether armed attack has occurred and what to do about it, is somewhere up in the air. Only the United States is expected immediately to pour out additional resources and money. Until war comes, and all of us hope to avoid it, the treaty, as written, is pretty largely a one-way street. If war comes what exactly are we entitled to expect from the member nations? I should like to know. There is nothing in the pact, for example, to prevent France from remaining neutral without violating the pact, should Soviet Russia invade western Germany—nothing to prevent her even to refuse to open up her territories for the passage of American forces. Why should any European nation, be it France, already bled white, or Communist-torn Italy, or Belgium, rush with their maximum efforts against the terrifying aggressors when they are virtually certain that the Americans will do the job? When an unwise horse pulls for two, the other may relax.

Another defect of the pact is that we may spend very large sums of money to build up separately and disunitedly the individual armies of the smaller member states which are almost certain to be overwhelmed in a few days by a powerful agressor. No thinking American will refuse to help them in their hour of need.

The European nations, to whom we are going to be joined for a very long time to come are proud and highly civilized. They belong to the same great Atlantic community to which we in America belong. Our Nation is composed largely of descendents from these nations, and although we are a new world, we are also a European world. We need them as much as they need us. But this does not mean that we need to apologize for watching our own national interests or rush around with an anxiety complex to please everyone, only to run the unnecessary risk of earning the contempt of all.

From every viewpoint except its dire necessity, the pact, built by the architects of the State Department as a defensive dam, is so weak, murky and contradictory that most of its magnificent purpose is washed away. It faithfully reflects the deep-seated neurosis of a split personality of the State Department that too often vacillates between the appeasement of Soviet Russia and menacing talk, only to end up in half-measures.

My chief criticism of the Atlantic Pact does not lie in what it does, but in what it fails to do. The council of diplomats provided for in article 9 of the Atlantic Pact, is even more important in grappling with the basic problems of aggression and armament race, than the veto-ridden security council of the United Nations. What we are saying in effect to Soviet Russia is this: "We know that you are feverishly building atomic plants, and that you will use them, or the bombs which come from those plants, without hesitation in any future conflict. It is probable that within 2 or 3 years you will have enough of these instruments of death and horror to terrorize our European allies into neutrality and to threaten our great cities with destruction if we intervene. According to the articles of our Atlantic Pact you may continue doing this in peace, and without restraint for at least 10 years and perhaps for 20.

"We also know that you are feverishly consolidating your gigantic zone of influence in eastern Europe, and that you are building scores of divisions in your satellite countries while devitalizing eastern Germany. According to the articles of the Atlantic Pact you may continue doing this without fear of us for at least 10 years. We also know that you began digesting China and soon will reach out for periferal lands. Here, too, we have no real objections. But if you dare to invade Norway or attack Luxemburg we shall descend upon you with the entire might of the United States. There we draw the line."

Yet, Mr. President, I think a good way exists for solving these terrifying world problems not through the passive resistance of the Atlantic Pact nor through preparations for suicidal atomic war but through the militantly organized will to peace of humanity.

The Atlantic Pact is being presented under article 51 of the United Nations Charter for the purpose of mutual defense against aggression, and with the stated intention of strengthening the United Nations. It is here that the architects of the State Department have missed a God-given opportunity that would have electrified the world, and impressed the Politburo more deeply than a hundred Atlantic pacts.

Under the same article 51 it would have been entirely possible to introduce instead of a very timid military alliance, a thunderous world pact for mutual defense open to all nations including Russia. Previous to this world pact the United States Government and its natural allies could have offered to Russia a revision of the United Nations Charter under articles 108 and 109 on just and guaranteed conditions comparable to these outlined in Senate Concurrent Resolution 50, a resolution offered and supported by 16 Senators last year. Had Russia refused, as she probably would have done, then the introduction of the world pact under article 51 would have followed.

The members of this world collective front would be governed not by an obscure council of diplomats but by a central authority consisting of a security council liberated from the veto of an aggressor and a world court to openly judge the aggressors, backed up by an effective and tyranny-proof international police force to punish the violators. Among the article of the world pact there would be specific and comprehensive provisions for international control of atomic energy and elimination of the armament race on conditions identical to the United States and to Russia, should Russia change her mind and agree to join in a guaranteed peace settlement.

I submit, Mr. President, that a world pact of such a noble, powerful, and just construction would have been received in this Senate, in this Congress, in this Nation, in the nations of the world, and, yes, in Russia, too, with far greater respect than the Atlantic Pact. It would have excluded no peaceful nation and it would have stopped once and for all, at least that would be our rightful hope, the aggressive designs of those governments who, profiting by the absence today of lawful authority in the world, seek like any gang to prey upon defenseless peoples. It would have proven to the Russian people beyond any doubt that the Western World seeks the participation of Russia and not her partition. The Atlantic Treaty as it stands now is not only directed against Soviet Russia but excludes her under any conditions from the Atlantic area to which she rightfully belongs. As a result, the pact plays into the hands of the Politburo and its propaganda. The pact as it stands now will inexorably intensify the atomic threat and the armament race; but it fails to offer any solution

other than eventual war. And since a preventive war which is an aggressive war is justly repugnant to the democracies of the Atlantic community, this eventual war will most likely occur at the time and place chosen by the aggressors, after their stock piles of atomic bombs are built up, and under conditions of strategic surprise overwhelmingly favorable to them.

Mr. President, I should have liked to ask the Secretary of State a question, but I did not ask it because I was somewhere else during the time when the hearings on the pact were being held before the Committee on Foreign Relations. My question would have been:

"Why not base the fundamental objective of our foreign policy on the establishment of an effective and lawful world organization of 60 nations from India to Greece against any aggressor rather than an Atlantic alliance of power politicians?"

To Soviet Russia, a paralyzed and divided United Nations is an enormous advantage because she can succeed in her designs for conquest only in a paralyzed and divided world. To the United States of America a paralyzed United Nations, which is what we have today, unable to control the armament race or punish aggressors means the world on our shoulders and swift economic ruin for all of us in this country.

I once heard Alger Hiss when president of Carnegie Endowment for International Peace proclaiming in a radio debate, "Rather a United Nations with Russia and a veto than the United Nations without Russia and the veto." Why?

It can properly be asked of me in turn how can it be that I am going to vote for the ratification of the Atlantic Pact, after all that I have said here. I have two answers:

The first answer is, with reference to the treaty itself, that the United States, my country, is publicly announcing, for the first time, that America will be the first to enter any future war in defense of its Atlantic Pact allies against any aggressor. I want my country to say this, because I want any aggressor to be forewarned as to the consequences of any fiendish plan of attack he might have in mind. The treaty says by inference that America will be prepared to wage total war against any aggressor should a future need arise. I know that America has no desire to fight but it has a great and determined will to live, and if our Nation finds it necessary to fight in order to live we shall go first-class from the beginning with everything we have in any unavoidable future conflict and now is the time to make this intention clear to every nation on the face of the earth.

My second answer is that an effective way has been opened to transform the pending timid North Atlantic Treaty into a ringing challenge to war lords everywhere. And this way does not lie through the method of reservations which would require resubmitting the pact to its member nations. A more effective method exists due to the fact that the pièce de résistance of the Atlantic Pact is the arms program to implement the pact.

About 10 days ago the junior Senator from Alabama [Mr. SPARKMAN] submitted a resolution on behalf of a group of 11 thoughtful Senators among whom I was privileged to be one. The purpose of the resolution is not to oppose the ratification of the North Atlantic Treaty. This is a matter for each individual Senator. There are some among our group who expect to vote against the ratification, as some of us expect to vote for ratification. The purpose of the resolution is to point the way toward a far more effective implementation of the treaty than now proposed by the administration in its forthcoming military-aid bill. When this military-aid bill comes before the Senate it is our intention to offer an amendment to the bill containing the substance of the present resolution.

The amendment will provide first for the extension of the Atlantic Pact into a world pact along the lines of the ABC plan sponsored last year by 16 Senators. Secondly, it will provide for the immediate establishment of an Atlantic contingent which will be a nuclear international police force recruited from volunteers who are citizens from smaller states only and under control of the defense committee of the North Atlantic Alliance. This Atlantic contingent can become a powerful auxiliary force to the national armed forces of the larger member states, and especially to the United States armed forces, who will have a strong, if not a decisive voice, in its organization and command.

This resolution and the forthcoming amendment will also have a provision requiring that at least a part of the money or material to be appropriated for defense in Europe shall be used for this Atlantic contingent. It is expected, of course, that nations receiving any aid from the United States will be ready to support the essentials of this American proposal for the immediate establishment of the Atlantic contingent and for the eventual extension of the Atlantic Pact into a world pact.

I need not repeat here the details of our resolution nor dwell long upon its vast importance for the peace of the world. The Senator from Alabama has already accomplished this task in his provocative speech. Here I shall only say that I believe a far larger number of Senators than this group of 11 will join us in our undertaking. The time has come, we believe, to shift our bipartisan foreign policy from half measures to the central solution of the terrifying problems that now plague the world. The solution is neither appeasement of Soviet Russia nor a preventive war against her; neither an impotent veto-ridden United Nations nor a utopian world state. The solution is a reconstructed United Nations or a world pact so designed that all shall be protected in collective security and each even against all.

By way of summary, Mr. President, the junior Senator from Washington expects to vote for the ratification of the Atlantic Treaty because the good in the treaty overshadows the weaknesses it so clearly possesses, and because the treaty can be used as a springboard for the attainment of the improvements we must make secure if society is to live. I have no apology to make for my intended vote in favor of the North Atlantic Treaty nor in emphasizing my distress over the instances in which the pending pact falls short of what it should now include. The pact is simply a beginning; it is nothing more. My best hope is that all the nations concerned will never rest until the treaty is amended and perfected to meet the demanding and frightening obligations of our times.

Through my study of the pending treaty I somehow kept thinking of something Winston Churchill said long before the last great conflict had run its bloody and agonizing course. I paraphrase the words now for the benefit, or perhaps a better word to use is consideration, of those among us in and out of this body who think the North Atlantic Treaty gives promise of what it does not have.

This is not the end. It is far, in fact, from being the beginning of the end. But, perhaps if we keep on trying, it is the end of the beginning.

Mr. KEM. Mr. President, this fine old room has been the scene of many discussions that have been momentous in their consequences. Decisions have been made here that affected the people of this country—for better or worse—for generations. But, I cannot help but feel, Mr. President, that the decision which we now face is at least as fateful as any that ever confronted Webster, Calhoun, or Clay, or any of the other statesmen of the past who have sat here. In this connection, it is not inappropriate for us to recall at this time that in the history of the Republic, the dissenting opinion of one generation has often become the prevailing opinion of the next.

We are called upon to approve—or reject—a treaty which links the United States in a military alliance with Canada and 10 countries of western Europe for 20 years.

Under the treaty, an attack by Russia or some other aggressor nation on any 1 of the 12 pact nations would be considered as an attack on all of them. The treaty also calls for a program of mutual military aid. It is called "mutual," but it means that the United States is expected to provide western Europe with guns, planes, tanks, and ammunition when they are needed.

Those urging ratification of the Atlantic Treaty argue that it might help to prevent World War III. The senior Senator from Texas [Mr. CONNALLY], chairman of the Senate Foreign Relations Committee, has called it a flaming Do Not Enter sign to aggressors.

It was also said that the treaty will encourage a feeling of confidence and security in western Europe, since any attack by Russia there would mean war with the United States.

The announced objectives of the Atlantic Pact are worthy. There can be no question about that. We all desire peace. The American people—and a vast majority of the people of the rest of the world—are sick and tired of war

and all the human suffering that goes with it.

This is the fateful question: Will the North Atlantic Pact be a wise and practical method of reaching and maintaining the peace—so dear to the hearts of us all?

I have given careful consideration to the high purposes of the North Atlantic Pact. I have carefully weighed the arguments advanced in its favor. I have reached the conclusion that I cannot, in good conscience, do otherwise than oppose it.

I shall be brief. In view of the length of this discussion which has already taken place, I have been at some pains to compress what I have to say in as small a compass as possible.

THE PACT WOULD COMMIT AMERICANS TO DEFEND PEOPLES WHO MAY BE UNWILLING TO DEFEND THEMSELVES

First. Under the pact we commit not only the present generation of Americans, but also young men and women yet unborn. We agree that they will fight to maintain the boundaries of nations, the people of which may not be willing to defend themselves.

We know that some of the signatories of the North Atlantic Pact—notably Great Britain and France—also have presently existing military alliances with Russia.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. KEM. I yield.

Mr. SALTONSTALL. The Senator has stated that we know that France and Russia have military agreements, and I think he said that England and Russia have military agreements.

Mr. KEM. We know that England and France have military alliances with Russia. The facts were brought to the attention of the Senate in the speech by the able Senator from Nevada [Mr. MALONE], and, as I recall, the agreements were incorporated in full as a part of his remarks. I invite the attention of the Senator from Massachusetts to the address of the Senator from Nevada, where they may be found. I may say that those alliances are directed particularly to Germany, but they nevertheless are presently existing military alliances. In case of war between the United States and Russia, can we be certain with which of their allies the governments for the time being in control of those countries will cast their lot? Arthur Horner, the head of the all-powerful coal miners union in Great Britain, has stated publicly that in the event of war between Great Britain and Russia, no coal will be produced in Britain. Mr. Clement Atlee, Prime Minister of Great Britain, has said that in economic matters the British were looking to Russia rather than to the United States.

I cannot help but recall a dispatch from Oslo, Norway, by the famed American newspaper correspondent, Leland Stowe, at the time the German Army entered the Norwegian Capital on April 9, 1940, with no resistance on the part of the Norwegians. An able-bodied young Norwegian man was standing in a hotel lobby waiting for a young woman to go dancing. As the Nazis marched down the street in front of the hotel, he was asked by Mr. Stowe, "What do you think about it?" His answer was, "I don't know what to think. What are you Americans going to do about it?"

Please remember that our obligation to defend the people of western Europe is binding upon us for 20 years. It puts our foreign policy in a strait-jacket for a fifth of a century. I agree with the Senator from Iowa [Mr. GILLETTE] who said here the other day: "Let us begin to make our own foregin policy, instead of letting Moscow make it for us." This treaty means that the initiative will be with Russia, that Russia will be calling the tune for us for 20 years.

Times change and our foreign policy should change with them. The Senator from Connecticut [Mr. BALDWIN] suggested the other day that Colonel Lindbergh's dramatic flight across the Atlantic placed a new aspect on foreign affairs. I agree entirely. So did the perfection of the radio, and more recently the atomic bomb. Can any one of us say that there will be no further epoch-making developments in the next 20 years?

How rapidly the picture changes. When Mr. Truman became President, Russia was our stanch ally and Italy was our declared enemy. Now, Mr. Truman proposes a 20-year military alliance with Italy and directed against Russia. It will be remembered that Dr. Johnson said of a man who married his second wife that it was a triumph of hope over experience.

THE ARMS PROGRAM WILL PROVE A SINKHOLE FOR BILLIONS OF AMERICAN DOLLARS

Second. I cannot support the North Atlantic Treaty because I am convinced that the arms program, which goes with it, will prove a sinkhole for untold billions of the money of the American taxpayers for military equipment which, in the event of war, may be turned against us.

During the debate in the Senate it has become crystal-clear that the treaty itself and the arms program are one and inseparable—that one without the other would be like a dairy without cows—or a cannon without ammunition. As Mr. Acheson says, one is a "corollary" of the other. He has told us that any Senator who votes for the treaty is "less free" to vote against the arms program.

The arms program would require the American taxpayers—in addition to the ECA and other programs—to furnish nearly $1,500,000,000 for the first year alone. This money would be used not to pay for the planes, and so forth, which would be sent over, but merely to repair and ship existing equipment worth many billions of dollars more. And Senators will remember that is for the first year only. The United States would have the obligation to keep these countries armed for 20 years. We now happen to have a vast amount of material. In subsequent years this will not be the case.

As Mr. Walter Lippmann has pointed out, Norway and Denmark now believe that they have a vested right to receive arms from us. Mr. Lippmann said:

> This need not have happened. It should not have happened. But it did happen. In January the State Department went publicly on record with a statement which was addressed to the Scandinavian countries and had a decisive effect on their policies, saying that the United States would supply arms only to "countries associated with us in collective defense arrangements." After that Norway and Denmark adhered to the pact. Are they not entitled now to believe that they have acquired a right to receive arms? If Norway and Denmark, then what about all the others?

Let us bear in mind that the arms we send would be completely within the control of the nation receiving them. They would be subject to the orders of those who, at the time, control the government of each of those countries. Two and two make four, and they always have. What would happen if Italy should go communistic at the next election? The Reds would be free to take over the arms and use them against us. Then, too, if Russia should decide to go to war she would find that we had placed much of our best military equipment at her very doorstep, where we would be in no position to protect it. This has already happened in China, much to our embarrassment and chagrin.

Victory by bankruptcy is apparently the Russian strategy. By undertaking to turn western Europe into an armed camp at American expense, we may be playing into the hands of the Kremlin.

THE PACT MEANS A RETURN TO THE DISCREDITED DEVICE OF A MILITARY ALLIANCE TO PRESERVE A BALANCE OF POWER

Third. I cannot support the Atlantic Pact because it bypasses the United Nations, in which we once placed such great hopes.

The United Nations has not been entirely successful. Good evidence of this is the proposal for the North Atlantic Treaty, now before the Senate. But I am not convinced that we should now junk the United Nations. Certainly we are not justified in again placing our trust in a military alliance as an instrument of peace. To do so would be to take a step backward in the progress of the world toward international peace and justice.

The Atlantic Pact, in the last analysis, is an attempt to set up a balance of power between the East and the West. The balance of power is just about the oldest political device in history, and probably the most discredited. Attempts to balance one group of nations against another have been the curse of the Old World and the cause of its wars for more than two thousand years.

Mr. President, there are those who will call what I have said isolationism. I call it realism, looking at the facts as they are.

There are those who profess to rejoice that by the ratification of this treaty, the United States will abandon a traditional policy, which served us well for over a century and a half, that of no entangling alliances. Our foreign policy should be flexible enough to adapt itself to changes from day to day in the world in which we live. That is one reason why I am so definitely opposed to placing our

foreign policy in a strait-jacket for 20 years. But, Mr. President, in the present case, for my part, I am unwilling to advise and consent to a disregard of Washington's warning against "entangling alliances with none," in order that we may substitute in its place Mr. Acheson's brand new policy of "entangling alliances with some."

Mr. MARTIN. Mr. President, for many years I have advocated a defensive compact against the enemies of civilization.

In a speech delivered in Philadelphia, March 9, 1948, I said:

> We must, without delay, take leadership in bringing the God-fearing, peace-loving nations of the world together in a defensive pact, joining the Old World and the New, for mutual protection against communistic domination and enslavement.
>
> We must tell the aggressors, clearly and forcefully, that if any one of these nations is molested all will fight to preserve its freedom. We must leave no room for doubt.
>
> That policy if backed by military strength will avert war.
>
> We must take decisive action before it is too late. Delay will prove costly to us and the world.

I urged such a defense alliance nearly as far back as World War I.

Not many years ago foreign relations and international agreements were far removed from Main Street. They did not seem to touch the average man in his home, his job, or his daily life.

But two world wars in a generation have changed all that. Today we know, through tragic experience and vast cost in blood and treasure, that peace and freedom cannot be taken for granted.

If the peace-loving countries of the world had been united in a defensive pact, such as this, I dare say Kaiser Wilhelm and Adolf Hitler would not have dared to move their armies beyond the German boundary. Had the German war lords known that the United States would come to the defense of the invaded countries, World War I and World War II probably would have been prevented.

A defensive compact is a notice to the world for peace and good will and opposition to aggression.

The Monroe Doctrine, enunciated 126 years ago, has prevented foreign aggression against the Western Hemisphere without the purchase of a single gun or the firing of a single shot.

Mr. President, in supporting the pact, I feel I have no obligation to support the rearmament program.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Nebraska?

Mr. MARTIN. I gladly yield.

Mr. WHERRY. Mr. President, I read in the morning newspaper certain observations by the distinguished Senator from Pennsylvania relative to implementing legislation, which it is contended by some should go hand in hand with ratification of the pact. I am unable to call to mind exactly what the Senator said. I gather from the report there was some question at least about the size of the appropriations. I am uncertain whether the Senator made a positive statement that he favored implementing legislation. But regardless of that, the reference to implementing legislation is what brought the matter to my mind. I should like to address a question to the distinguished Senator, who certainly is one who knows from a military point of view the needs who, as a former governor, knows something about expense, and, as a lawyer and a student, knows something about contracts. My question is whether, in the Senator's opinion, he feels that if the Senate should ratify the North Atlantic Treaty there would be either a moral or a legal commitment to provide arms through implementing legislation.

Mr. MARTIN. Mr. President, in reply to the question of the distinguished Senator from Nebraska, I may say I have devoted a great amount of time to the subject about which he inquires. I favored some kind of compact for years through which the godly nations of the world would give notice to the aggressor nations that they wanted peace and good will and that they would look with great disfavor upon those who are aggressive. I refer to that after much study, which has continued over a long period of years. In referring to some of my earlier speeches, I found I had advocated something like this shortly after World War I. I was in World War I, and I saw its great devastation. I dislike to make this personal reference, but I had 1,100 casualties in my regiment in 3 days' fighting. Time never effaces the memory of a calamity like that.

I felt that military might would not solve the problem and that a great moral question was involved. I then considered the Monroe Doctrine, which is really only a declaration of policy. Originally it was a statement that we would consider it an unfriendly act if any country of the world should become an aggressor so far as the Western Hemisphere was concerned. That doctrine has been in existence for 126 years, and we have not been required to purchase a rifle nor have we fired a shot to uphold the doctrine during that time.

Using our experience under the Monroe Doctrine as a basis, it seems to me it is well worth while to make the trial. For hundreds of years, through an armament race, we have tried to preserve peace. I have gone over the country advocating greater preparedness, because I felt that a strong Navy, powerful ground forces, and an outstanding air force would preserve peace for America. But they have failed to do so. I do not believe America can fight another war and preserve the free-enterprise system. To fight as we do, the thing of first importance is fiscal solvency. Next in importance is a high morale on the part of the people. We talk about the industrial might of the United States in World War II. It is admitted that it functioned wonderfully well; but the great thing was the morale of the American people, after the tragic event that occurred at Pearl Harbor. I was bringing a division north overland at the time we got the news, passing the small towns of the South. Then, as we advanced on the great cities of the North, we found people aroused. There had been aggression, and public morale was the great strength the United States possessed at that time.

Yes, Mr. President, to answer directly, I feel, when I vote for the pact, I am under no obligation to vote for armaments. But I want to say if an aggressor nation unjustly attacks one of the signatories to the pact, I feel it will then be for Congress to determine whether we go to war; and, if I am a Member of the Congress at that time, I do not doubt that I shall vote to do so. But I believe an act of Congress finally would be required.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. MARTIN. I yield.

Mr. WHERRY. Will the Senator permit me to ask one more question?

Mr. MARTIN. Certainly.

Mr. WHERRY. Did I understand the distinguished Senator to say that the Monroe Doctrine had operated so successfully all these years that he felt that that was the big potential in the aid we might give to the countries involved? I am a little confused with regard to the Senator's statement in that connection.

Mr. MARTIN. Personally, I think the fact that the United States is a part of this pact is a notice to the world that if it be necessary we shall go to war, because we have always gone to war when it became necessary. I think the time has probably come to realize that great armaments to preserve peace have failed. I have been in military work for half a century, and I have probably made more speeches in favor of a strong defense than has any other Senator. But, Mr. President, we have not preserved peace. It seems to me we should make a trial of this treaty. The Monroe Doctrine has been successful. The time has come when the world must start to live in peace.

Let me give this illustration: William Penn, the founder of the Commonwealth of Pennsylvania, was a man of peace, and he practiced peace. He built his manor northeast of Philadelphia, among the Indians. He did not even have a wall placed around his house. He said, "We are going to live in peace." And he had peace, not only during his administration, but peace endured for two generations thereafter. There were 75 years of peace. He lived in peace and he practiced peace.

I think the time has come when we had better resort to that plan

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. MARTIN. I yield.

Mr. WHERRY. So, if I correctly understand the Senator's position, he is favorable to the principle of the Monroe Doctrine, extended unilaterally to all these nations?

Mr. MARTIN. Yes.

Mr. WHERRY. Then would the Senator, in order to carry out that plan, feel that we should have to subscribe to the implementation of arms in order to carry out action against any violation of section 5 of the treaty prior to the time Congress shall determine whether there has been an aggression?

Mr. MARTIN. In my humble opinion—and it is a very humble opinion—I do not think we are required to vote for armaments at this time. However, I feel that if one of the nations should be unjustly attacked, we would be, possibly, under obligation to go to its aid. In the case of the Spanish-American War we were under no obligation to go to the rescue of Cuba, but the American people wanted it done. We were under no legal obligation to go to the rescue of Great Britain or France in World War I; yet the American people wanted it done. In World War II we were attacked, and we then were forced to defend ourselves.

Mr. WHERRY. What if France should attack Italy, or if any one of the signatory powers should attack another one?

Mr. MARTIN. I still think, Mr. President, that this great American Nation, with its fine moral and religious background, could do an enormous amount to settle a dispute between France and Italy. If we were not in the compact I think we would have less influence. That is my own very humble opinion.

Mr. WHERRY. But the Senator very definitely feels that there is no moral obligation, if the Senate ratifies the treaty, to provide implementation by arms. Is that correct?

Mr. MARTIN. That is the way I feel.

Mr. WHERRY. I thank the Senator.

Mr. MARTIN. Mr. President, I yield the floor.

## CONFIRMATIONS OF NOMINATIONS IN THE MILITARY ESTABLISHMENT

Mr. TYDINGS. Mr. President, the Senate being in executive session, I ask unanimous consent that certain routine promotions in the Military Establishment which I report from the Armed Services Committee of the Senate be confirmed and the President notified. I may say that the committee was unanimous in ordering the report.

The PRESIDING OFFICER. Without objection, the nominations are confirmed, and, without objection, the President will be immediately notified.

## THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

The PRESIDING OFFICER. The treaty is before the Senate, as in Committee of the Whole, and open to amendment.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Cordon | George |
| Anderson | Donnell | Gillette |
| Brewster | Douglas | Graham |
| Bricker | Downey | Green |
| Bridges | Dulles | Gurney |
| Butler | Eastland | Hayden |
| Cain | Ecton | Hendrickson |
| Capehart | Ferguson | Hickenlooper |
| Chapman | Flanders | Hill |
| Chavez | Frear | Holland |
| Connally | Fulbright | Humphrey |
| Ives | McFarland | Schoeppel |
| Jenner | McKellar | Smith, Maine |
| Johnson, Tex. | McMahon | Smith, N. J. |
| Johnston, S. C. | Malone | Sparkman |
| Kem | Martin | Stennis |
| Kerr | Maybank | Taft |
| Kilgore | Millikin | Vandenberg |
| Knowland | Morse | Watkins |
| Langer | Mundt | Wherry |
| Long | Murray | Wiley |
| Lucas | Neely | Williams |
| McCarran | O'Conor | Withers |
| McCarthy | Robertson | Young |
| McClellan | Russell | |

The PRESIDENT pro tempore. A quorum is present.

Mr. DONNELL. Mr. President, and Members of the Senate, the senior Senator from Michigan [Mr. VANDENBERG], speaking on March 22, 1949, before the Conference of Mayors, said, referring to the North Atlantic Pact:

> I believe the pact, and any subsequent legislative implementation, must be the subject of total exploration and of complete public hearings in the Senate.

Continuing he said:

> This is the most important step in American foreign policy since the promulgation of the Monroe Doctrine. Such a step should only be taken with the solemnity of a national convict'on.

It is of great interest to observe that the distinguished senior Senator from Texas [Mr. CONNALLY], who so eloquently and powerfully supports the North Atlantic Treaty, expressed himself on June 11, 1948, during the debate on Senate Resolution 239, as follows:

> I think the question of hemispheric arrangement is peculiar from our viewpoint, by reason of the historical setting, referring particularly to the Monroe Doctrine.

The Senator from Texas continued:

> I should be very reluctant, I may say, to join any other regional organization in the world. It would involve us in difficulties we might not be able to avoid.

Mr. President, I agree with the Senator from Texas.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Missouri yield to the Senator from Texas?

Mr. DONNELL. I yield, Mr. President, to the Senator from Texas. I should like to say, however, that except in an instance where I have addressed myself particularly to what a Senator has said, I should like to go forward with my remarks. But I am willing to yield to the distinguished Senator from Texas.

Mr. CONNALLY. The Senator quotes something I said in debate on the resolution which related to regional pacts. The treaty is not a regional pact in the sense that that term was used. Those regional pacts were subordinate organizations under the United Nations to settle controversies and disputes. This action now is entirely under article 51, independent wholly of the United Nation. I think in fairness, though, I might say that it could be, if the nations agreed to it, converted into a regional pact. But we have not done that. That question is not before the Senate. We do not intend to do that until it is considered on its own merits. So what I had in mind when I made the statement the Senator refers to was that I would not want to agree to a number of regional pacts for the settlement of United Nations problems.

Mr. DONNELL. I noted the comment made by the senior Senator from Texas to the effect that this is not a regional pact, and that it is formed entirely under article 51 of the United Nations Charter. I may say in that connection, and I shall address myself somewhat more fully to that proposition later on this afternoon, that the distinguished Senator from Texas and the distinguished Senator from Michigan do not agree in their statements as to the North Atlantic Treaty having been written entirely under article 51 of the Charter. The distinguished senior Senator from Michigan, speaking in the latter part of last week, as appears on page 9369 of the CONGRESSIONAL RECORD, told us that the treaty is written primarily under article 51 of the Charter, and it takes on a regional character only by general inference. This disagreement, if such it be, was very strikingly evident the other afternoon when the junior Senator from Michigan [Mr. FERGUSON], in whose legal ability and knowledge all of us have the greatest of confidence, asserted without any question upon his part that the North Atlantic Treaty is a regional agreement. In response to questions he pointed out that it comes under articles 52, 53, and 54 of the United Nations Charter. Yet his statement was refreshed, I may say, by the suggestion which was instantly made upon the floor by his distinguished colleague from Michigan in pointing out, as the colloquy indicated, that the treaty is written primarily under article 51 of the Charter.

It was pointed out the other day in the course of the colloquy between the junior Senator from Michigan, the senior Senator from Michigan, and myself, that there is not one word, not one syllable in the North Atlantic Treaty, except in article 5 of the treaty, that mentions article 51 of the Charter of the United Nations. So, how it is that these gentlemen can come before us with such assurance and tell us that parts of the treaty are written under article 51 and parts of it are written under articles 52, 53, and 54, as was pointed out in substance by the distinguished former Senator Austin, when he was on the witness stand, is beyond me, because there is nothing in the treaty which even remotely mentions any article except 51, and it is mentioned only in article 5 of the treaty. I shall revert a little further to that subject later in the afternoon.

I may say, however, at this point that it is not amiss to mention that the distinguished Senator from Vermont [Mr. FLANDERS] in commenting on the contention that this treaty is builded on article 51 of the Charter, pointed out that the world's peace, as he picturesquely put it, would hang suspended on one fragile article. I shall discuss a little later something of the comment which the distinguished Senator from

Florida made last year as to the applicability or nonapplicability of article 51 of the Charter.

Mr. President, I have digressed, in response to the statement made by the Senator from Texas, from the thesis upon which I was about to proceed in my remarks this afternoon. I trust that Senators, recognizing the fact that in the interest of continuity it is frequently better to proceed without interruption, will bear with me, if possible, throughout my remarks before I shall answer questions which they may desire to ask me.

I address myself this afternoon to one tremendously outstanding important question, and one that must be answered in order that any one of us may properly determine what his vote should be with respect to this treaty. The question is simple in language, but it involves a vast quantity of material and a vast number of integrated problems. The question to which I address myself is: What effects on the United States of America would ratification of this treaty produce?

Ratification of the treaty would at the very instant it is voted by the Senate place our Nation under heavy obligations—heavy obligations, and I emphasize both those words—to no one of which obligations is our Nation subject the moment before ratification is effected. In that one flashing instant in which the result of this vote is announced, if it be to the effect that the treaty is ratified, the conditions in our Nation have vastly changed. And each and every one of the obligations under which we are not at this time nor will we be in the flash of an instant before the conclusion of the vote, but to all of which we will be obligated at the conclusion of the vote, if ratification ensues—each of those obligations continues, not for a day or a week or a year, but for 20 long years.

I spoke to the distinguished Senator from Indiana [Mr. JENNER], who momentarily occupies the position this afternoon of acting leader for the minority, and I asked him where he was 20 years ago. He responded that he was in college at that time. He is now a Member of the United States Senate. Mr. President, it is not too happy a reflection to call attention to the fact that very, very few of the Members of the Senate were here 20 years ago. It is perhaps even a more melancholy reflection for all of us to realize that very few of us will be here 20 years from now, at the end of the period of this treaty.

Mr. President, these obligations endure, as I have said, for 20 years; and there is no means of release within the treaty from its obligations for that period of 20 years. To be sure, if all 12 members of the pact should some day agree that the pact should be canceled, like the operation of unanimous consent in the Senate, they can undo for all future time the operations of the instrument. But barring the contingency of such unanimous consent, the instant that this treaty shall be ratified—if it shall be—we shall be for 20 years involved in obligations of deep, tremendous moment, obligations which refer not alone to material matters, but to the lives and the happiness of our children; indeed, they may involve the very life of the Republic itself if under those obligations we shall find ourselves involved in a tremendous world-wide war.

We are confronted at the outset by a challenge which, before we proceed further, must be answered. That challenge is by the senior Senator from Michigan [Mr. VANDENBERG], who so courteously listens this afternoon to these remarks. Let me read it. I quote from page 8896 of the CONGRESSIONAL RECORD of July 6 of this year. The Senator from Michigan said:

> Our obligation under this pact is nothing new. It exists in the whole spirit of the Charter.

On the next page, he says:

> This pact is a fraternity of peace. It involves us in no obligation not already implicit in our signature to the United Nations Charter. It simply makes the obligation plain and dependable for us and others.

Our friend the dictionary tells us that the word "implicit" means "fairly to be understood, though not specifically stated; tacitly comprised; implied, opposed to explicit."

I deny that our obligation under the pact is, to quote the language of the Senator from Michigan, "nothing new." I deny, to quote his language again, that it "involves us in no obligation not already implicit in our signature to the United Nations Charter."

On Friday of last week we were addressed by the senior Senator from Florida [Mr. PEPPER], who took occasion to comment upon the observation of the Senator from Michigan as to whether or not new obligations are assumed under the pact, in addition to those which are assumed under the Charter of the United Nations. The Senator from Florida said:

> I mentioned a while ago about this pact being consistent with our general obligation under the United Nations. I would myself have said sometime ago that we were not assuming, in article 5, any new obligation to what we had assumed in the United Nations Charter. If I am not mistaken, I heard the able Senator from Michigan say we were simply assuming in this pact essentially the same obligations we had assumed in the United Nations Charter. But now, Mr. President, upon a more careful examination of the United Nations Charter, I do not come to that conclusion. The United Nations Charter does have as its objective the peace of the world, and that the nations of the group will work toward the peace of the world. Each nation obligates itself to settle its differences in a peaceful manner, and each nation obligates itself, first, to regard the Security Council as its agent in the preservation of the peace of the world. The principal states agree that they will hold air power available to the Security Council in order to accomplish its desired functions. We all, as member states, agree that if we are called upon by the Security Council to carry out a course determined upon by the Security Council, we will comply with the request.
>
> But, Mr. President, we have assumed no obligation I can find in the four corners of the United Nations Charter, that if Algeria is the subject of an armed attack, we will regard it as an attack upon the United States, and that we will employ all means we deem essential to throw off and to resist that attack and to liberate that country. I find no such commitment in the United Nations Charter. Nor do I find that if the Canary Islands are assaulted by armed attack, we have an obligation individually, outside the United Nations, to go to their aid. But we have that obligation under this pact. We pledge ourselves individually not merely to let the Security Council be our agent, not that we will comply with the request of the Security Council; we pledge ourselves individually that we will go to the aid of that area within the Atlantic Pact territory that might be the subject of attack.

So, Mr. President, the distinguished Senator from Florida has very clearly and definitely indicated his inability to accede to the statement of the distinguished Senator from Michigan that the obligations of the pact involve us in no obligation not already implicit in our signature to the United Nations Charter. Indeed, the report of the Committee on Foreign Relations itself does not agree that the treaty "involves us in no obligation not already implicit in our signature to the United Nations Charter." That report specifically sets forth, on page 8, what it terms the new obligations undertaken by the United States in the treaty. It lists them as follows:

> 1. To maintain and develop, separately and jointly and by means of continuous and effective self-help and mutual aid, the individual and collective capacity of the parties to resist armed attack (art. 3);
>
> 2. To consult whenever, in the opinion of any of the parties, the territorial integrity, political independence, or security of any of them is threatened (art. 4);
>
> 3. To consider an armed attack upon any of the parties in the North Atlantic area an attack against them all (art. 5); and
>
> 4. In the event of such an attack, to take forthwith, individually and in concert with the other parties, such action as the United States deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area (art. 5).

So, Mr. President, when we are assured by our good friend from Michigan, with his beauty of diction and his sincerity of thought, that our obligation under the pact is nothing new, as I see it he comes directly in conflict with the statement of the committee of which he is the ranking Republican member, that the "new obligations undertaken by the United States in the treaty" are those which I have mentioned.

The four, however, which are listed by the committee are to my mind not all the new obligations undertaken by the United States in the treaty. Let us consider what the obligations assumed or undertaken by the United States in the North Atlantic Treaty are.

The instant before ratification, we are not bound by a contract with any other nation that we shall engage in "strengthening" our "free institutions." Today, no other nation has a right to complain to the United States of America that by reason of the fact that we are omitting to do something which such other nation contends is necessary to strengthen our free institutions, we are violating a contract with that Nation. Today we may freely elect to do whatsoever we think to be proper toward the strengthening of our free institutions, and we are not obligated by contract with any nation to do anything whatsoever with respect to any of our institutions.

Mr. President, on March 19, 1949, Secretary Acheson, on the very day when the

contents of the treaty were first exposed to public view, had something to say with respect to article 2. I do not seem to be able to place my hand for the moment upon his statement, but I have it; and if I do not place my hand upon it during the course of my remarks, I now ask unanimous consent that at the conclusion of my remarks that there be printed, as an addendum to my remarks, an excerpt from Secretary of State Acheson's address on the North Atlantic Alliance.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. DONNELL. Mr. President, I have said that today no other nation has a right to complain to the United States of America that by reason of the fact that we are omitting to do something which such other nation contends it is necessary to strengthen our free institutions, we are violating a contract with that nation. Today we may freely elect to do whatsoever the United States thinks to be proper toward the strengthening of our free institutions, and we are not obligated by a contract with any nation to do anything whatsoever with respect to any of our institutions. But the instant this pact is ratified, if it is, we then come under a distinct, definite, and clear obligation of article 2 of the treaty that we will contribute toward the further development of peaceful and friendly international relations by strengthening our free institutions. We then shall have made a contract with the 11 other nations that we will do so.

Mr. President, who will say that Italy or Portugal or Britain or Iceland or any of the other signatories should have the right even to raise a question as to whether our free institutions are being strengthened? Why should this subject, the strengthening of our own internal, free institutions, be one on which any of the other 11 signatory nations should have contractual rights against us? Conversely, why should we have such rights against them, unless, perchance, in the latter case by reason of our placing funds in such magnificent amounts into their possession we might have some right to say that they shall not have the funds if they shall longer continue certain courses of action? I am unable to bring myself to the conclusion that that situation is such that any signatory to this pact, other than the United States of America, should have a contractual right even to raise the question as to whether our free institutions are being strengthened.

But, Mr. President, at page 8897 of the CONGRESSIONAL RECORD we are told by the distinguished senior Senator from Michigan [Mr. VANDENBERG] that article 2 "is an abstract objective in keeping with the spirit of cooperation in the North Atlantic community."

He said:

> It is not by any stretch of the imagination a mandate.

Mr. President, I most respectfully deny that assertion, and I stand on the language of the treaty, wherein it is stated:

> The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions—

And by fulfilling certain other obligations to which I shall refer in a few moments.

The North Atlantic Treaty in article 9 provides that—

> The parties hereby establish a Council * * * to consider matters concerning the implementation of this treaty. * * * The Council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defense committee, which shall recommend measures for the implementation of articles 3 and 5.

It is to be noticed that while the defense committee is one of the bodies which is to be set up, it is only one; and article 9 says:

> The Council shall set up such subsidiary bodies as may be necessary.

The subject matter above included in article 9 is the consideration of matters concerning the implementation of this treaty. Mr. President, why should a council on which each of the 12 nations is to be represented, have a right to inquire into the conduct of our domestic free institutions? The instant before the treaty is ratified, each of the 48 separate States of the United States of America is entitled to whatever rights the domestic constitutional law of our own Nation today preserves to such State, and those rights are free from usurpation by the Federal Government.

I see now in the Chamber a distinguished Senator from one of the Southern States, who doubtless is interested in problems of this kind, as indeed are all of us. I say that the instant before the treaty is ratified, his State and my State and every other State of the Union is entitled to whatever rights, free from contractual obligations, free from treaty obligations entered into by this country with other countries, as the domestic constitutional law of our own Nation preserves to each such State, and those rights are free from usurpation by the Federal Government. Those rights of the State may relate to many important matters. I mention among them suffrage, schools, segregation, poll tax, freedom from seizure, and many other fields which likewise might be mentioned.

However, the instant the treaty is ratified, what do we find as to that situation? We find that at that very instant there is created the basis for the forceful and persuasive contention, both in legislative halls and in courts, that the treaty has become a part of the supreme law of the land and has vested in the Federal Government the duty, and by virtue thereof places within the domain of the authority of the Federal Congress a correlative power, to deal with such free institutions, thereby superseding the power previously vested in the several States over the protection of such institutions.

Mr. President, is it said that such a contention is strained and untenable? I point out, as I did a few days ago, a bill known as Senate bill 984, which was introduced in the Eightieth Congress. I pause to say, incidentally, that notwithstanding the mention in the President's address a few nights ago of the so-called unlamented Eightieth Congress, I for one, am proud of my membership in that Congress, and I have no excuses to make to anyone for any part the Senate may have taken in connection with the work of that Congress. Of course, we were not perfect; but this body, and also the House of Representatives, I think, deserves far more commendation than it has received at the hands of many in high position, by reason of the work it has done. But I did not intend to comment particularly upon the Eightieth Congress.

I was about to say, as I previously indicated, that a contention can reasonably and forcefully be made that this treaty places within the domain of the powers of the Federal Congress both the duty and the power to deal with the free institutions. It may be seriously argued to have superseded, because of the constitutional provision as to what constitutes the supreme law of the land, such power with which the several respective states had previously been invested over the subject of such institutions. I had asked the question whether such a contention is strange and untenable. I point out to Senators Senate bill 984, a bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry, was introduced on March 27, 1947, by a distinguished list of Senators—the then junior, now senior, Senator from New York [Mr. IVES], the senior Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH], the Senator from Oregon [Mr. MORSE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Montana [Mr. MURRAY] and the Senator from Pennsylvania [Mr. MYERS]. After being introduced, the bill was referred. Extensive hearings were had upon it before a subcommittee, of which several of us had the honor to be members. I pointed out the other day that in a portion of the bill it is stated that the—

> The Congress hereby finds that the practice of discriminating in employment against properly qualified persons because of their race, religion, color, national origin, or ancestry is contrary to their American principles of liberty and of equality of opportunity and is incompatible with the Constitution.

That, most significantly, has a bearing at this time upon what will be contended, if the treaty shall be ratified. Then what do we find? These distinguished Senators join in this expression:

> This act has also been enacted as a step toward fulfillment of the international treaty obligations imposed by the Charter of the United Nations upon the United States as a signatory thereof to promote—

It then quotes from the Charter—

> universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

It may be remembered, Mr. President, that when this was called to the attention of the Senate, the distinguished Senator from New York [Mr. IVES], now senior Senator, then junior Senator, rose and wanted to know if I would feel any

better if the word "obligations" were removed. It is not a question as to what I would feel about it. The point is, these eight distinguished Senators, a twelfth of the membership of the Senate, joined last year in a bill containing this recital:

This act has also been enacted as a step toward fulfillment of the international treaty obligations imposed by the Charter of the United Nations upon the United States as a signatory thereof.

Mr. President, someone may say this was a mere oversight. I do not think anyone could very well so contend, with such distinguished authors of the bill. But, if it was an oversight, it was repeated this year, for on January 5, 1949, the then junior, now senior Senator from New York [Mr. IVES], for himself, and on behalf of the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from New Jersey [Mr. SMITH], introduced another bill "to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry." In that bill appears this language:

(c) This act has also been enacted as a step toward fulfillment of the international treaty obligations imposed by the Charter of the United Nations upon the United States as a signatory thereof to promote "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion."

But, Mr. President, someone may say it is only these particular Senators who had thought up this fantastic theory. Let us see about it. On the 28th day of April, this year, the distinguished junior Senator from Rhode Island [Mr. MCGRATH] introduced in the Senate three bills—Senate bill 1725, a bill "to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States"; Senate bill 1726, a bill "to provide protection of persons from lynching, and for other purposes"; and Senate bill 1728, a bill "to prohibit discrimination in employment because of race, color, religion, or national origin." I do not know that it is an unjust or an improper inference to draw that, inasmuch as the distinguished Senator from Rhode Island is a member of the party of the President of the United States—indeed, occupies as its chairman—the highest possible official position in the Democratic National Party, I say it is not out of place to draw the conclusion that these bills at least were not repugnant to the idea of the administration in carying out the so-called civil rights program of the administration. They were introduced, as I have said, only a few months ago, April 28, 1949, and in the course of the first of them, Senate bill 1725, I observe this language:

(c) The Congress further declares that the succeeding provisions of this act are necessary for the following purposes:

* * * * *

(iii) To promote universal respect for, and observance of, human rights and fundamental freedoms for all, without distinction as to race or religion, in accordance with the undertaking of the United States under the United Nations Charter, and to further the national policy in that regard by securing to all persons under the jurisdiction of the United States effective recognition of certain of the rights and freedoms proclaimed by the General Assembly of the United Nations in the Universal Declaration of Human Rights.

The author of the bill, at page 3, then says:

(d) To the end that these policies may be effectively carried out by a positive program of Federal action the provisions of this act are enacted.

Mr. President, I note, incidentally, in connection with this aspect of the matter that we have a warning of something else—not only that the proposal in Senate bill 1725 was made "to promote universal respect for," and so forth, "in accordance with the undertaking of the United States under the United Nations Charter," but we are told it is to further the policy "proclaimed by the General Assembly of the United Nations in the universal declaration of human rights."

If I am not mistaken, that is the document in which the president of the American Bar Association, Mr. Frank Holman, of one of the Western States, has been so deeply interested. He has been calling to the attention of the members of the bar from one end of the country to the other, the dangerous implications involved in these universal declarations of human rights, which are not mere general statements but sooner or later are going to rise, just as they have risen here, at the instance of the Senator from Rhode Island, chairman of the Democratic National Committee, as a basis for a bill upon a subject of this kind, the security and protection of the civil rights of persons within the jurisdiction of the United States.

Incidentally, I may observe that the language of Senate bill 984, from which I have previously quoted, introduced by the Senator from New York [Mr. IVES], makes reference to the provisions of the United Nations Charter as international treaty obligations. I think it went much further than the Charter itself justifies, for an examination of the United Nations Charter will disclose that at least most of these statements, if not all—and I am not sure but that it is true of all of them—are mere expressions of purpose, mere ideals which are sought to be reached, mere determinations, mere resolutions. But not so with the North Atlantic Charter. Article 2 of the North Atlantic Charter, notwithstanding the assurance by the Senator from Michigan that it is by no stretch of the imagination a mandate, as I see it, is a definite, positive contractual commitment. It does create an obligation. So, even though there was an inaccuracy, which the Senator from New York was quite willing to recognize a few days ago, in the use of the term "obligation," which apparently the Senator from Rhode Island has observed, because he does not refer to "obligations," but only to the somewhat similar expression "undertaking of the United Nations under the United Nations Charter"—I say, notwithstanding the fact that the Charter did not enter into obligations, the treaty does; and if we ratify this treaty we shall have committed ourselves by a contractual obligation to these various nations. We are not going to have to wait very long, in my judgment, before some Senator will rise in the Senate and offer a bill to be referred which will base provisions of the general type set forth in these bills on the theory, in part, that they are in compliance with the solemn treaty obligations which, along with statutes and Constitution, constitute the supreme law of the land.

I shall not read the other two bills; but the Senator from Rhode Island did not stop with the one bill which related to securing and protecting the civil rights of persons. He introduced Senate bill 1726 to provide for the protection of persons against lynching, and I think identically the same statement—it looks like it, but I have not checked it with a microscope, but it would appear to be precisely the same statement as set forth in Senate bill 1725—appears in Senate bill 1726.

Then the Federal Fair Employment Practice Act, Senate bill 1728, introduced by the Senator from Rhode Island, contains likewise, on page 3, what would appear, from a casual inspection of it, precisely the same language as is contained in Senate bill 1725.

Mr. President, this is a very serious implication, because of the fact that today the 48 States of the Union are free from obligations entered into by this country with other countries, of the nature set forth in the treaty. But the minute, yes, the second ratification occurs, there is immediately presented opportunity for serious contention, serious assertion, that every one of the States and the Federal Government likewise must take notice of the fact that the treaty has become a part of the supreme law of the land, and that inasmuch as a Federal obligation has been created under the treaty, Federal power to perform that obligation has likewise been created.

Mr. President, I am not so sure but that those who make the contention would be sound in what they say. I am not making any concession on the floor of the Senate that would preclude me from presenting views to the contrary, if I should think such views were sound, but I am convinced of the truth of what I am about to say, and the Senate will observe my comment.

The Senator from Michigan will recall that recently, in a colloquy with his distinguished colleague, the junior Senator from Michigan, reference was made to the case of *Missouri* v. *Holland* (252 U. S. 416). What is the effect of article 2 of the treaty in light of the decision in Missouri against Holland? In considering that question, the attention of the Senate is called to the fact that under holdings rendered previous to that case, Congress, prior to the exercise of the treaty-making power, with respect to the subject of migratory birds, had no power to pass laws concerning that subject; the reason for the lack of such power in Congress being that the Constitution does not grant Congress power

to pass laws on that subject, but the subject of migratory birds is, according to Missouri against Holland, a part of the field in which treaty-making powers may be exercised. Furthermore, according to that case, after the making of a treaty on the subject of migratory birds Congress can, by virtue of the provisions of article 1, section 8, of the Constitution, validly pass laws to put into effect the provisions of the treaty.

The section to which I refer is the one which provides that Congress shall have power—

> To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

That, of course, should be read in connection with that portion of article 6 of the Constitution, which reads:

> This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding.

Mr. President, Missouri against Holland does not hold that a treaty can repeal the Constitution of the United States. Under the doctrine of that case, the adoption of a treaty on a given subject matter which is within the treaty power and as to which subject matter there had been no previous grant to Congress of legislative power causes Congress, because of the terms of section 8 of article I of the Constitution, to be possessed of power to legislate to carry into effect such treaty.

Missouri against Holland establishes that if the agreements made by said article II or within the treaty-making power of the United States Government, Congress has the power to enact legislation to carry out those agreements.

In discussing the obligations created by article II of the treaty, I shall assume that the contents of the article are within the treaty-making power.

The Supreme Court, in the case of *Geofroy* v. *Riggs* (133 U. S. 266), says:

> The treaty power, as expressed in the Constitution, is in terms unlimited except by those restraints which are found in that instrument against the action of the Government or its departments, and those arising from the nature of the Government itself and of that of the States. It would not be contended that it extends so far as to authorize what the Constitution forbids or a change in the character of the Government or in that of one of the States, or a cession of any portion of the territory of the latter, without its consent. * * * But with these exceptions, * * * there is no limit to the questions which can be adjusted touching any matter which is properly the subject of negotiation with a foreign country.

In determining just what legislation may by Congress be enacted pursuant to the agreements of article 2 of the North Atlantic Treaty it is essential that there be ascertained what are the scope and meaning of those agreements. There is disclosed a dangerous fact. That fact is that the language of those agreements and their breadth and comprehensiveness are so uncertain that no one can determine, in the absence of decision by a court, what is their meaning.

Who can tell what is the meaning of the obligation of strengthening their free institutions? Who can tell what is the meaning of the obligation of bringing about a better understanding—founded? Who can tell what is the meaning of seeking to prevent conflicts?

The whole gamut of speculation as to the meaning of these vague and indeterminate expressions is left open to interpretation. Thus it is that wide opportunity for broad claims of Federal jurisdiction over subjects previously considered to be reserved to the States is created by article 2 of the treaty, and until ultimate final judgments of the courts no one among us can with certainty define the limits of that jurisdiction.

Let those who would preserve States' rights look well to their noble ambition so to do when, in reliance upon ratification of a treaty with 11 other foreign nations, distinguished Senators will introduce in the Federal Congress, on subjects which the adherents of States' rights had thought were safely within the exclusive domain of the States, bills with which—to paraphrase the language in the two bills of the Senator from New York [Mr. IVES] and others—it is asserted to Congress that it should legislate on the subjects therein embraced, because—

> This act has also been enacted as a step toward fulfillment of the international treaty obligations imposed by the Charter of the United Nations—

Specifying them under the language of the Ives bill—

> upon the United States as a signatory thereof.

The instant before ratification of the treaty no such contention could be raised, save only under the Charter of the United Nations, and to such contention under that Charter there can be effectively made as defenses, first, that the United Nations Charter does not purport to cover the field of the strengthening of the free institutions of the signatories to it, and, second, that the United Nations Charter creates no obligation which could be construed to cover, even by implication, that field, but that said Charter contains, on this field or related fields, at most a mere declaration of purpose and resolutions. The instant the North Atlantic Treaty is ratified, however, those defenses by persons who strive for the preservation of States' rights are academic, for in the North Atlantic Treaty it is true that (a) the subject matter of free institutions is specifically covered, and (b) instead of mere declarations of purpose and resolutions, the solemn obligation of a promise is set forth and agreement thereto is made.

The instant before ratification of the North Atlantic Treaty the United States of America is not under any contract with an other nation obligating us that we engage in bringing about a better understanding of principles upon which these free institutions are founded. Today, before the treaty is ratified, our Nation has complete right, independent of complaint or interference by any other nation, as to the creation and development of educational systems through which is developed an understanding of those principles. Why should Portugal have any contractual right to insist that the United States of America shall bring about a better understanding of the principles upon which our free institutions are founded? Indeed, what contribution is it likely that Portugal would make in arriving at a determination of what should be done to secure such better understanding, and how could she improve on our own analysis of either our free institutions or of the principles upon which they are founded?

Again, as in the case of the strengthening of our free institutions, the instant before the treaty is ratified, there is no right existing in any group or individual of the United States of America to assert that the States have, through a contract with other nations, lost to the Federal Government rights over educational projects and principles, the power of legislation with respect to which could be asserted, as in the case of S. 984, Eightieth Congress, and the other bills mentioned in the Eighty-first Congress, the claim that through the medium of the treaty obligations, duties, and complementary powers relative to education had been respectively devolved upon and created in the Federal Government as against the States.

Mr. President, these expressions, "free institutions," and "a better understanding of the principles upon which these institutions are founded," are small in volume and extent as compared with the next subject of contractual obligation which is made by article 2 of the Charter.

The instant before the treaty is ratified the United States of America is under no contracual obligations with any nation to promote "conditions of stability and well-being." The instant after the treaty is signed we are bound by a contract with 11 other nations whose ideas of stability and well-being cover a scale of no small proportions and variations, that we will promote such conditionstions of stability and well-being. Here again the contention may and doubtless will be made, as in the case of these bills already introduced in the Senate, that a vast general welfare clause has by the treaty been created, which general welfare clause, on the one hand, imposes duties, and, on the other hand, vests powers in the Federal Government, and it may be contended that those powers supersede powers on those subjects within the States at this time.

Mr. President, another point. The instant before the treaty is ratified this Nation is under no contractual obligation to any nation to "seek to eliminate conflict" in their "international economic policies." No witness testifying before the Senate Committee on Foreign Relations was able to state what problems or situations were intended to be covered by the term "conflict in their international economic policies." The instant after the treaty shall be ratified our Nation is under a broad comprehensive contractural obligation with 11

other nations to seek to do something an illustration of which nobody has submitted up to this time. The possibilities of international impatience, pique, irritation, loss of temper, anger, and conflict resulting from varying interpretations of such language, and from differing concepts as to what shall be done to carry out the obligation, are unlimited. Whether valuation of currencies, the establishment of interchangeable currency, tariff policies, reciprocal trade agreements, international banking arrangements, colonial acquisition, production of agricultural products, or manufacture of machine products, are included within the international economic policies, the seeking of elimination of conflict in which is contracted for by the treaty, remain for the developments of 20 years to determine. At any rate, up to the instant of ratification, we are under no such vague commitments, but the instant after ratification we are bound contractually and solemnly to do something neither the identity nor scope of which is yet known or comprehended.

The instant before the treaty shall be ratified we are under no obligation to encourage economic collaboration, whatever that broad term may include, between ourselves and any other nation. The instant after the treaty shall be ratified we are under a contractual, solemn obligation to encourage economic collaboration between any or all of the 12 parties signatory to the treaty.

It is well to observe that some present-day economic policies of European signatories are not designed to economic collaboration. The distinguished junior Senator from New York [Mr. DULLES] who is upon the floor at this moment, said a few days ago, as appears at page 9277 of the RECORD:

> Some, notably in England, want to limit international trade to a bilateral, governmental bartering of hard goods. That is properly a matter of deep concern to us, for it strikes at the heart of our anti-Communist strategy which depends on increased unity as the fountain for increased vigor.
>
> Despite such set-backs—

Continues the Senator from New York—

> which are to be expected, and which, in my opinion, can be and must be overcome, the results to date under the European Recovery Act have fully justified the initial appropriation.

The Senator from Indiana [Mr. JENNER] a few days ago, and I think the Senator from Nevada [Mr. MALONE], made reference to the Argentine-British Pact. I call attention to the fact that although there had been signed in Washington on the fourth day of April by the signatories, including Britain, the agreement that they will encourage economic collaboration and seek to eliminate conflict in their international economic policies, the Argentine commitment between Great Britain and Argentine was made in the period between the signature of the treaty and the time our Nation shall ratify it, if it shall be ratified.

Mr. President, the instant before the treaty is ratified our Nation is under no promise to extend aid to any nation, to develop the individual capacity of such nation, or the collective capacity of that nation and of one or more of other nations, to resist armed attack. The instant after the treaty is ratified, however, the United States is tied for a period of 20 years to a contractual obligation not merely to "seek"—to adopt the language of article 2—to eliminate economic conflict and encourage economic collaboration, not merely to seek to maintain and develop, but actually and unconditionally to "maintain and develop" separately and jointly with "other nations" by means of continuous—that is to say, uninterrupted—and effective mutual aid, not only the collective capacity of the 12 signatories to resist armed attack, but also the individual capacity of every one of the other 11 signatories and of the United States to resist armed attack. The language is that the "Parties, separately and jointly, will maintain and develop their individual and collective capacity to resist armed attack."

Much has been said in this debate as to what if any obligation with respect to military aid is created by this provision. The senior Senator from New Jersey [Mr. SMITH] said on the floor of the Senate:

> For an hour and 20 minutes I have been trying to state my position that a vote for ratification of the treaty commits me in no way, shape, or manner to vote for military implementation.

And yet, Mr. President, notwithstanding this eloquent effort on the part of the Senator from New Jersey for an hour and 20 minutes to try to state his position that a vote for ratification commits him in no way, shape, or manner to vote for military implementation, I call the attention of the Senate to the remark of a witness which the Senator himself cited here the day, I think, after his own speech. Senators will perhaps recall that the distinguished Senator from New Jersey rose in the Senate and presented an article from the Reader's Digest of July 1949. The authors of that article are William L. Hard and André Visson. Notwithstanding the eloquent efforts of the Senator from New Jersey to state his position that a vote for ratification does not commit him to vote for military implementation, the two opening sentences of the article by Messrs. Hard and Visson read:

> The North Atlantic Pact establishes a North Atlantic military community. It means that the United States must help western Europe to rearm.

So I think, Mr. President, that the witness produced by the Senator from New Jersey seems at least in part to have disagreed with the eloquent thesis which the Senator was so heroically and efficiently endeavoring to expound on the floor of the Senate a day before the presentation of this witness or witnesses.

Yesterday in the New York Times, after referring to last week's debate on the North Atlantic Pact, and with full consideration of that debate back of him, Mr. Hanson W. Baldwin wrote as follows:

> Europe believes that the Atlantic Pact means arms aid; its peoples, naturally, have little faith in any strategy which contemplates the reconquest of western Europe or the defeat of Russia by atomic bombs. The arms-aid program is an earnest of our intention to *defend*—

I think he has italicized the word "defend." At any rate I have italicized it here, and I shall take the responsibility for it—

> The arms-aid program is an earnest of our intention to *defend* western Europe, not merely to "liberate" it once it is overrun and it provides the definite, material indication of our intent to punctuate the Atlantic Pact with power.

Mr. Baldwin's reference to the liberation and overrunning preceding such liberation, and the fact that our program is an earnest of our intention to defend western Europe and not merely to liberate it, brings again to mind the statement of General Bradley, Chief of Staff, in an address delivered 2 days after the North Atlantic Pact was signed, as follows:

> At present the balance of military power is centered in the United States, 3,000 miles from the heart of Europe. It must be perfectly apparent to the people of the United States that we cannot count on friends in western Europe if our strategy in the event of war dictates that we shall first abandon them to the enemy with a promise of later liberation.

Continues the general—

> Yet this is the only strategy that can prevail if the military balance of power in Europe is to be counted on the wings of our bombers and deposited in reserves this side of the ocean.

Senators will recall the response made by Mr. Acheson on the day after the North Atlantic Treaty was signed to eight different signatories of that pact. It was introduced in the RECORD the other day, and it can be found in full in the CONGRESSIONAL RECORD. Among other things he said—and it was in response, Senators will remember, to the request for arms made by these respective nations, eight of them—

> The executive branch of the United States Government is prepared to recommend to the United States Congress that the United States provide military assistance to countries signatory to the Brussels Treaty, in order to assist them to meet the matériel requirements of their defense program. Such assistance would be extended in recognition of the principle of self-help and mutual aid contained in the Atlantic Pact under which pact members will extend to each other such reciprocal assistance as each country can reasonably be expected to contribute consistent with its geographic location and resources, and in the form in which each can most effectively furnish such assistance.

Why was it necessary to mention the Atlantic Pact, the principle contained in it, if assistance was not to be extended by reason of the Atlantic Pact?

I call attention to the fact that, so far as we know, the assistance has not yet been extended to the members of the Atlantic Pact since April 4, at least insofar as the pushing of legislation in Congress to authorize such assistance is concerned, and such legislation would appear to be deferred until after it shall be determined conclusively what has been so presumptively assumed, and perhaps correctly assumed, will result, namely, the ratification of this treaty.

I refer again to the distinguished junior Senator from New York [Mr. DULLES]. I trust he will not become plagued by my reference to him as he sits so patiently here and listens. At page 9277 of the CONGRESSIONAL RECORD of a few days ago, there is set forth the following:

I find in the treaty no obligation, legal or moral, to vote for any armament program or for any item of any armament program unless—

I call to the Senate's attention the word "unless." He finds no obligation—unless it be meritorious in its own right.

Mr. President, so far as I know, no one has ever asserted that the obligations under the pact, if they exist, to vote for an armament program are to vote for an unmeritorious armament program. No one, so far as I know, has ever contended that one can find in this pact, even with the strongest microscope, a list of items of matériel, of guns, ammunition, and bombs, which are expected to be contributed. True, there is no obligation to vote for an armament program, which obligation is contained in the pact, unless the armament program be meritorious in its own right.

A page or two later the distinguished Senator from New York said:

I said in substance that I see in the treaty no legal or moral obligation to vote any arms program which is not defensible on its own merits.

I think at the moment he was suffering from the same difficulty which I have occasionally, and have had already this afternoon, in not finding before me the exact paper I wanted. He was trying to follow his previous expression in his address, but he gave it, in substance, the same way as he had in his address. He stated that there is no obligation in the treaty to vote an arms program which is not defensible on its own merits. I agree to that thoroughly.

Two pages later the distinguished Senator said:

I think there is certainly an obligation on the part of all the members or signatories to the treaty to provide each other with a certain amount of military assistance.

I invite attention to this statement by the distinguished Senator from New York, on page 9281:

I do not know what is meant by the State Department when it uses the term "military assistance." If it means that we must make a contribution to the defense of the area, I, of course, agree that we should give military assistance.

Senators will recall that the distinguished Senator from New York was interrogated most sincerely and most capably by the distinguished junior Senator from Oregon [Mr. MORSE]. He said later to the Senator from New York:

Is it not true that if and when we ratify this pact the American people should understand that we have undertaken a moral obligation under the pact to cooperate with all the signatories thereto in providing for the members of the pact the military defense necessary in order to protect us all against an aggressor?

Mr. DULLES. I agree with that statement. The important distinction to make, I think, is that the acceptance of the proposition which the Senator puts does not give any individual member the right to get any particular thing from any other member.

I pause there to say that I certainly agree with that statement, and, know of no one who has expressed any dissent from it.

The Senator from New York continued:

The analogy is not perfect, but if we take the case of the United States of America, no particular State has a right to get any particular armament within its borders to defend it from invasion.

Mr. MORSE. I agree.

Mr. DULLES. There is a responsibility of the whole which must be discharged honorably, but that does not give any particular member the right to demand any particular arms or aid for himself.

At page 9286 occurs the following:

Mr. MORSE. Mr. President, my question was this: Do we undertake a moral obligation to build up a program of area defense; and I think the record will show—if not, let me say now—that that will include, of course, considering our great capacity for the production of war matériel, making a substantial contribution through a defense establishment which will protect the nations against an aggressor.

Mr. DULLES. If the Senator says the United States will make a substantial contribution to the defense of the North Atlantic area, I certainly agree. The question of where that contribution shall be made is, I think, wholly on open question.

But I do not think there is any obligation at all under the treaty to send any particular force or strength to Norway or Denmark or France or the Benelux countries or to Portugal or any other place.

At page 9578 the Senator from Oregon said:

I repeat, Mr. President, that I think the setting of the North Atlantic Pact, the surrounding facts and circumstances which gave rise to its birth, and its historical parenthood, establish within its four corners a clear moral obligation to implement the pact with such military aid and assistance as is necessary to build up an effective area defense against the Soviet Union.

Two pages later the Senator from Oregon said:

This pact, I submit, means, if it means anything, the assumption of both a legal and a moral obligation of the people of the United States and their Government to cooperate, through mutual aid, with the signatories thereto in a military implementation of the pact.

On the other side of the aisle, among Senators who have expressed themselves as intending to vote for the North Atlantic Pact is the distinguished Senator from Washington [Mr. MAGNUSON]. At page 9466, he said:

But I shall not vote for it with any reservation that that vote does not commit me to a moral obligation, perhaps not a legal or technical obligation, to provide whatever may be necessary to those countries which are signatory to the pact, not only in the case of armed attack, but in case of need of military aid in presupposing that an attack may be imminent.

The distinguished Senator from Arkansas [Mr. FULBRIGHT] said, at page 9584:

Mr. President, with regard to the rather spirited controversy in this Chamber about whether or not we are committing ourselves to send arms to Europe if we ratify this pact, as one member of the Committee on Foreign Relations, I certainly believe that such is contemplated and expected. As to whether it is a legal or moral obligation, I cannot say. I do believe, however, that our Government intends to send arms and that the Europeans expect to receive them.

I emphasize the statement by the Senator from Arkansas that he was speaking as one member of the Committee on Foreign Relations.

Mr. President, the Department of State has told us that article 3, in which is contained this obligation, does not obligate the United States to provide any "definite" amount of military assistance or to make and "specific" contribution. I underscore the words "definite" and "specific." To be sure, no one so far as I know has ever made the contention that article 3 does set forth any "definite" amount or any "specific" contribution. The Department of State, however, proceeds both to state that (a) article 3 does, however, obligate the United States, as it obligates every other member of the North Atlantic Pact, to adhere to the principle of mutual aid and to exercise its own honest judgment in contributing what it most effectively can to implement the mutual aid principle; and (b) it is the opinion of the executive branch of the Government that the United States can best contribute to the collective capacity for defense of the North Atlantic area by providing military assistance, and it is the recommendation of the executive branch that it should do so.

Moreover, the Department of State in its bulletin says that the "very vital corollary" of the North Atlantic Pact is a program of military aid. As previously mentioned, our friend the dictionary tells us that a corollary is "a proposition following so obviously from another that it requires little or no demonstration."

In the Washington Post of Thursday, July 14, appears the following:

Secretary of State Acheson told a press conference the proposed $1,450,000,000 arms-for-Europe program, to be submitted to Congress immediately after ratification of the treaty, is the absolute minimum necessary to strengthen western Europe against possible Communist aggression.

Acheson said he thinks the administration can convince Congress the full amount should be approved.

The Department of State, in its bulletin released in May 1949, announced that among the things which will be recommended under the military assistance program is—

That our military aid to the free nations of western Europe in 1950 take three forms: A relatively small but very important amount of dollar aid to increase military production programs of the western European nations and thus speed termination of their present heavy dependence on the United States, a direct supply of arms and equipment to help accelerate the strengthening of the defensive capabilities of their military forces, and the provision of United States technical and training assistance.

Whatever the obligations of article 3 may be—and certainly we all agree that they must be something—they are continuous. That is to say, they are uninterrupted, and they continue with the

stern continuity prescribed by the solemn contract for the full period of 20 years.

The instant before the ratification occurs our Nation is not subject to any contractual obligation whatsoever to furnish any other nation aid to maintain and develop capacity to resist armed attack. Any such aid, if extended by the United States before ratification of the treaty, is a voluntary contribution which may cease at any time the United States deems it advisable to terminate it.

The instant after the treaty shall have been ratified, however, the right of the United States to make such voluntary contribution has been replaced by a contractual obligation, and one, incidentally, which is necessarily of such a vague nature and susceptible of so many varying interpretations that no one can foresee what irritations, conflicts, and enmities may hereafter arise between those who in so friendly and conspicuous a manner have already signed the obligation.

These amounts are to be provided over 20 years. I shall not undertake to prophesy the amount. I call attention only to the fact that the President of the United States, in his inaugural address, referred to overwhelming force, and that the Army Day speech of General Bradley would seem to imply the sending of enough of whatever we do send to prevent Russia from going into Europe, that is, to prevent conquest to be relieved only by later liberations.

To whom is the aid under article 3 of the treaty to be provided? Of course it is to be to the signatories. The question has been raised as to what happens if any one of the signatories should become communistic. I suggest at this time most respectfully that this is not a wild vagary of the imagination. In the New York Times of July 15, 1949, appears this language:

> Italy's Roman Catholic clergy and members of religious orders, about 80,000 strong, mobilized today for the new anti-Communist campaign waged by the Vatican. Its immediate effect is to break or at least to weaken the Italian Communist Party which claims to have 2,000,000 members.

Mr. President, I do not know how it impresses other Senators who may have had occasion to be in those countries, but I am free to say that on the occasion of a visit some time ago, of course—in October 1947, as I recall—both to France and Italy, I could not come away free from the impression that the political situation in each of them was easily susceptible of change and was dependent upon vagaries and changes of views and psychological conditions and also economic conditions which might arise from time to time; and I can well see—in fact, it would appear quite clear to me—that in both those countries, in the event of financial stringency or in the event of shortage of crops—and there have not been too many crops in Italy since the time when I was there—or in the event of other conditions of economic pressure which would push down the lower economic segments of the population, there is an easy result which can be expected. namely, a rapidly growing number of members of the Communist Party.

I ask the question, then, to whom is the aid under article 3 to be provided? Of course, the answer is, as I have said, to the signatories under this pact. But suppose one of those signatories should become Communist. We are told that in France today—and I think it is true—more than 25 percent of the voters are Communists. I think I have read in the last few days, as I have previously indicated, that the gentleman who is at the head of the French Atomic Energy Commission—I do not recall the technical name of the commission—is himself a Communist, although at the head of that commission and invested with such tremendous responsibilities. I say it is within the realm of easy possibility—in fact, not without the realm of probability—that either France or Italy or some of the other signatories may become Communist. However, it is our obligation for 20 years, to these nations, to "maintain and develop their individual and collective capacity to resist armed attack."

Suppose one of the signatories becomes Communist? We are told with much assurance that there is no danger from that source. The distinguished senior Senator from Michigan [Mr. VANDENBERG] said on the floor of the Senate a few days ago:

> The character of this pact and the nature and extent of our obligations under it are governed by the character and the nature and the extent of its membership.

I pause to pose a question: Was the Senator meaning by that statement that the extent and nature of our obligations are governed by the political character of the signatory who is involved at the moment? Let us read further what the distinguished Senator from Michigan said. He said:

> What happens if one of the existing signatories itself fundamentally changes character within the textual life of the pact?

That is to say, within 20 years.

I read further:

> What happens, for example, if one of them succumbs to communism? Are we still bound by these pledges?

The distinguished Senator from Michigan then said:

> The answer is that we are not. Any adverse change in basic character would represent a new signatory to all intents and purposes. We are making no commitments to any such new signatories.

I can well understand how a proponent of this pact, fired with enthusiasm and with eloquence and with powerful vision, may come before us with statements which may not prove to be so accurate as they should be. Of course I make no criticism of the Senator from Michigan. I honor him very greatly, as he knows; but, to my mind, to say that any adverse change in basic character would represent a new signatory to this pact to all intents and purposes, is not justified and is incorrect.

There is nothing in the treaty, not one word from the beginning to the end of it, to the effect that if there occurs an adverse change—whatever adverse may mean in that connection—in basic character, the country in which it occurs is a new signatory to all intents and purposes.

The signatories are specific governmental entities, and no one of them would cease to be such a specific governmental entity because of a change in the political party which might be in control of its government. How could anyone dare to say that in this country we would become ineligible to the benefits of this treaty because of a mere change in a political party which might have charge of the government of our country at the time? There is no provision in this pact which says anything to that effect. Nothing set forth in the pact even remotely provides to that effect. We remain bound to every country signatory to the pact, so long as it preserves its existence as such country.

Suppose Portugal should become a democratic country. Surely we would not contend that she ceased to be entitled to the benefits of the commitments under the pact because a change had occurred in her basic character.

I wish to make it perfectly clear, however, in fairness to the Senator from Michigan, that of course such a change would not be what he would term an adverse change in basic character. But to my mind there is no student of law, no member of the bar, now upon the floor of the Senate, who can take this document and can find within it anything which a careful lawyer would have placed there in order to guarantee that in the event of such adverse change in basic character, the party concerned is no longer entitled to the benefit of the pledges of this instrument.

Mr. President, indeed it is not at all impossible, as I think was pointed out a few days ago by the distinguished Senator from Ohio, but it is entirely possible, though perhaps some may question its probability, that the very arms we shall turn over to France, Italy, or possibly some other signatory may, in the event of such change in the character of the government of the country as the succumbing of the country to communism, be actually turned against us, rather than used in carrying out the effective partnership which is contemplated by those who have prepared this pact.

I shall not tire the Senate this afternoon by repeating in any detail what I mentioned the other day as to the possibility of the furnishing of arms not only failing to bring about peace, but, on the contrary, resulting in an arms race. I only call attention for the purpose of the RECORD to the fact that at page 9031 and following of the RECORD of July 7, 1949, there is set forth a graphic and interesting and powerful statement by Viscount Grey, pointing out that, prior to World War I—

> Every country had been piling up armaments and perfecting preparations for war. The object in each case had been security.

He then said:

> The effect had been precisely the contrary of what was intended and desired.

He points out what I may term something of the see-sawing, how one nation sees another becoming stronger from the military standpoint and at once deems

it advisable for its own well-being to meet the increase in military strength which the former nation has indicated, by its own efforts and exertions, and how there may easily occur, not the bringing about of peace, not the failure of any of these nations to continue the manufacture of armaments, but on the contrary the encouragement of the manufacture of armaments as a matter of preservation, as a matter of safety. As I pointed out, if Russia shall see these various nations progressively increasing their military power, providing air bases, providing various lines of defense which are obvious and clear, if Russia foresees the defense committee of the council to be created by the treaty in operation and sees the implementation going forward, who is there to say that Russia might not say, as I imagine any one of us would say, "We had better prepare ourselves, rather than stand by and see these 12 nations build themselves up into such invincibility that, if someone should decide one of these days to turn loose that power against Russia, even Russia would be unable to withstand the power."

The distinguished Senator from Florida [Mr. PEPPER], speaking last Friday evening—I am sorry I did not hear him—at page 9598, said:

> I do not mean to say that the pact does not contain elements of danger. As was said by the junior Senator from New York [Mr. DULLES] the other day, as I understood him, the abuse of the power conferred in article 3 could make this pact a tragic mistake. It is my earnest hope that the executive branch of our Government will not abuse the power conferred, and that it will not go further than reason dictates and decrees.

I think we should properly take pause at the very possibility pointed out by the Senator from Florida of the abuse of the power and of the fact that, to quote him with respect to the junior Senator from New York, such an abuse "could make this pact a tragic mistake."

Mr. President, I desire to take this opportunity to say that one of the things which attracted me very much to the testimony of the distinguished Senator from New York before the Foreign Relations Committee—I do not want the RECORD to indicate I am a member of that committee; I was present through the courtesy of the committee—was the fact that after presenting his view as to the merits of the treaty initially, the Senator from New York himself pointed out:

> Of course, with every great enterprise there are risks and disadvantages.

And, said he:

> I think these should be seen and not covered up, because the risks are of such a character that, if seen, they can be guarded against.

He then proceeds with the very first one of those risks which he pointed out frankly to the committee—and I honor him for his frankness. He said:

> In that respect, I would say that, first of all, the pact should not be operated primarily as a military instrument.

The very fact that the distinguished Senator from New York cautioned us so powerfully and vividly as he did against the operation of the pact as a military instrument raises two points: First, that he must have realized, and does realize, there is a possibility that the pact might be operated primarily as a military instrument; and, in the second place, who among us this afternoon, looking forward 20 years, is able to say just what type of man or men will be in charge of the legislative or the executive departments of our Government; just what will be the power of the military, as distinguished from the civil; just how much of an impetus this arms program may give to individual ambitions or collective ambitions of those who see military power as the utmost toward which our striving should be had? Who, I ask, can assure us this afternoon with any degree of certainty that during this 20-year period the pact may not be operated primarily as a military instrument? Perhaps it will not. It is entirely possible the pact may operate as an encouragement to peace. But I repeat, with all the sincerity I possess, a statement to that effect, made with all the eloquence and power of the statements we have had to that effect from Senators on the floor of the Senate and from witnesses testifying before the Foreign Relations Committee, do not alter the fact that any such statement as to what the effect is going to be is mere speculation. It is easily possible, instead of this pact operating as a deterrent to war, it may result as Viscount Grey's book indicates resulted at the time of World War I, in such a condition that each country or set of countries, striving to prevent itself from becoming weaker and seeing its antagonist grow stronger, will increase its own power, and ultimately become embroiled in border incidents or other occurrences which could readily result, and I say it may easily result. The distinguished writer, Viscount Grey, pointed out that an instrument of this character, instead of proving to be an instrument of security, would result in precisely the opposite. I am not saying it will. I am saying that we are taking a chance. Our Nation today is free from any such obligation, free to decide at the time, free, as the distinguished Senator from Texas [Mr. CONNALLY] last February 14 indicated, to decide under the circumstances at the moment. I say it is far better for us to be in that position than to undertake here, as prophets, to say that during a period of 20 years there will result a distinct deterrent to war, rather than to concede that there is at least a danger.

The Senator from New York has pointed out this danger of the operation of the document, this pact, as primarily a military instrument.

The Senator from Florida [Mr. PEPPER], though he is now supporting the pact, recognized that the power conferred in article 3 could make this pact, to quote him again, "a tragic mistake." Yes, Mr. President, I join with the Senator from Florida in saying that if this pact shall be ratified, "it is my earnest hope that the executive branch will not abuse the power conferred and it will not go further than reason dictates and decrees." But, at the same time, I cannot issue, nor can any one of us issue, an insurance policy that guarantees that no abuse will occur.

The distinguished Senator from Florida made some other observations on Friday evening which were called to my attention this afternoon. I had not read this portion of his address, though I had read much of it. I had seen a little of this, but it had not impressed me with the great importance which it possesses. It does not have anything directly to do with the point which I have been discussing, but I am going to take the liberty of digressing for a moment, because I think it should be mentioned because of its great importance. The Senator from Florida not only recognizes the possibility of abuse of the power conferred by article 3, making this power a tragic mistake, but he points out very vividly several other things which may follow and do follow, so he himself concedes, from this pact. He said, at page 9598 of the RECORD:

> I am surprised that Senators have appeared to pass over so lightly those most serious obligations we assume.

He has just quoted article 5—

> Let me point out two or three instances. First, we give up the power of deliberation and discussion in case of an armed attack upon a member of this community as to whether or not we in any way will come to their aid.

Yes, we do, Mr. President; we give it up. It is provided in article 5 that the parties "will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area."

The Senator from Florida, as I see it, is correct when he says:

> We give up the power of deliberation and discussion in case of an armed attack upon a member of this community as to whether or not we in any way will come to their aid.

Then he says this:

> That is a prerogative we have previously preserved.

To my mind that is a most valuable and important prerogative. My observation has been that deliberation and discussion have much of benefit in the life and operation of any individual as well as of any government. Most of the mistakes some of us make are, I think, mistakes of impetuosity. Careful consideration and judgment soberly conceived are, to my mind, much better and more wholesome attributes than is mere speed.

The Senator said, further:

> Senators recall that the attack upon Belgium and France occurred on the 1st of August 1914. When did we go to their aid? In April of 1917. During all that interval a bitter and keen debate was waged in America as to which side of that controversy we should take, or whether we should take any at all. We would give up that prerogative. If this pact had been in effect, then as soon as Belgium was attacked by German armed force we would have had a sacred obligation to have done everything in our power to repel and to throw out of the area attacked

the invading armed force, including the use of arms on our own part, including the use of American manpower, to wage physical resistance against that aggressive force with arms.

And so forth. Then the Senator went further, and said:

That is the first thing. We take away from ourselves the time to debate and deliberate and decide whether we shall take sides or not. We give up our neutrality in a controversy which arises from an armed attack upon one member of this group by an outside power. Heretofore we could have been neutral. Now we cannot be neutral any longer. We have committed ourselves against neutrality. We are partisan from the start in that controversy. That is a very meaningful surrender of a freedom which we previously possessed. I am prepared to take it; but to compare that with a general understanding that in order to help our colleagues we will give them economic, military, and technical assistance, is to compare a mouse with an elephant in importance, it seems to me.

So, Mr. President, the distinguished Senator from Florida has, I think, very clearly indicated his recognition of a number of dangers, or at least of what he may consider disadvantages, in the pact.

I referred to the testimony of the Senator from New York. Indeed his testimony before the committee was in entire harmony with his statement before the Senate a few days ago, when, at page 9277 of the RECORD, he said:

Of course, I know that the North Atlantic Treaty has defects and that there are possibilities of abuse. It is not drafted precisely as I would have it. I know that it could be used as an instrument of militarism or to sabotage the United Nations.

Such statements, I think, coming from so eminent an authority for whom all of us have the highest respect, must cause us to take pause.

I know—

Said he—

that the North Atlantic Treaty has defects.

What are they? I may be in error, but I do not recall that the Senator from New York on the floor told us of those defects. Perhaps he did, but I do not recall it. The thesis of his address, powerful as it was, was in favor of joining the pact. I should like to have him tell us not only the advantages but the defects of the treaty. From his wide experience it would appear to me that we might well gain much by his telling us not only of its advantages, but of its defects.

Then he says:

I know that the North Atlantic Treaty has defects and that there are possibilities of abuse.

He has indicated one in his testimony, namely the operation of the pact primarily as a military instrument, and he has cautioned against that, and he said he hoped the Senate would see fit to register its hope that the North Atlantic Pact would not be operated as a military instrument.

Mr. President, I am not so sure that the mere registry of hope by the United States Senate, in a report, in a debate, or in any manner of expression, is going to carry very much weight over a period of 20 long years; and while the Senator from New York is undoubtedly very wholesome in his hope that the Senate may see fit to register its hope that the North Atlantic Pact will be operated not as a military instrument, I cannot see that our mere registry of that hope will have any great effect.

The Senator from New York says that not only are there defects in the North Atlantic Treaty, and he knows of them, not only does he say that there are possibilities of abuse, and he knows of them, but he says it is not drafted precisely as he would have it. I should like to know, for one, in what respect it is not drafted as he would have it. He says he knows it could be used as an instrument of militarism. I assume he has referred to that in his testimony.

Then he says that he knows it could be used to sabotage the United Nations. I should like to know the means through which it could be sabotaged. I think one of them undoubtedly is in the consultation feature, to which I shall refer in a few moments, as indicated in his testimony.

Mr. President, the Senator from Florida [Mr. PEPPER] participated very vigorously and powerfully on the 11th day of June 1948 in the debate on Senate Resolution 239. I have read that debate, not every word, but I have read a general synopsis of the debate of that date. I read it several months ago, and scanned portions of it more recently, and I am not prepared to state unqualifiedly that no emphasis was laid by the proponents of Senate Resolution 239 upon such an alliance as we are asked to go into through the pact now before us. I cannot say there was nothing of that kind in the debate; there may be something to that effect.

I do know that the impression I derive from reading the debate on Senate Resolution 239 is generally to the effect that we were being pointed to the advantages of regional arrangements. Yet we are told on the floor of the Senate this afternoon by the distinguished Senator from Texas that this is not a regional arrangement, that it is entirely under article 51, which, of course, again, is in conflict, first, with the statement of the Senator from Michigan [Mr. VANDENBERG], who said merely that the pact was primarily under article 51, and it is in total disagreement with the remarks made by the junior Senator from Michigan [Mr. FERGUSON] a few days ago, when he said that this is a regional arrangement, and that it comes under articles 52, 53, and 54 of the United Nations Charter.

Mr. President, as I have said, I cannot tell the Senate this afternoon that nothing was told us from which we could reasonably draw the inference of a projected alliance such as the one into which we are to go. There may have been something. I want to make it clear that I am not even intimating that there was any concealment, but to my mind the thing which stands out in the debate on behalf of the resolution was that what was contemplated was some kind of regional arrangement.

It was pointed out by the distinguished Senator from Georgia [Mr. GEORGE], whom I quoted a few days ago, that such a regional arrangement could itself be of a nature such as an economic arrangement of some sort. I refer to the language of the Senator from Georgia as it appears on page 7839 of the RECORD of June 11, 1948:

I do not think it necessarily means that any President of the United States will, in response to this resolution, ask that the United States enter into a military alliance with western European nations or any other group of nations. It might be that we would associate ourselves with a regional organization of nations in western Europe, as we have done in the recovery program. It might mean that we would associate ourselves with such organization looking to the defense of the States in that organization. We might do that by extending aid. We might do it by furnishing certain things which they would be required to have in order to accomplish that feeling of security which would enable them to make the progress which we hope they will make in the recovery program which we are undertaking to aid.

But, Mr. President, that is not what we have before us. We have here to my mind clearly a military as well as an economic alliance. I do not mean to say that the Senator from Georgia would regard it as in any sense violative of Senate Resolution 239, that a military alliance has been brought back to us, but obviously there was no certainty projected on June 11, 1948, that what we were going into was a military alliance.

I was about to say, Mr. President, that in the debate that day the Senator whose remarks stand out most vividly, as I read them, as envisaging such a military alliance, and the possibility of it, arising from Senate Resolution 239, was the Senator from Florida [Mr. PEPPER]. He made it very clear to my mind that he was fearful that such a thing would result, and he voted against the resolution, with three other members of the Senate. Let me read a few words he said on June 11, 1948, as to what he thought about committing ourselves in advance to the defense of western Europe, or any other part of the world. I read at page 7835 of the permanent RECORD of the Eightieth Congress, when the Senate was considering Senate Resolution 239:

But, Mr. President, I am not prepared to see this country, by implication or otherwise commit itself to the defense of western Europe or any other part of the world in advance, without knowing the facts and circumstances and conditions that would lead to the terrible mobilization of our mighty strength. That is what is involved here. Otherwise, why do we adopt the resolution? What is it intended to do, except to give encouragement to western Europe to form a military union and expect us to associate ourselves with it?

As I have indicated, he said he was not prepared to see this country, by implication or otherwise, commit itself in advance to the defense of western Europe or any other part of the world without knowing the facts and circumstances and conditions which would lead us to the terrible mobilization of our mighty strength.

Mr. President, I submit that there is a great deal of sound common sense in the statement made by the Senator from Florida on June 11, 1948.

I have talked this afternoon about the condition in which we are the instant before this pact is ratified, if it shall be ratified, and the position in which we are the instant after ratification. Let me apply that to the question of armed attack.

The instant before the treaty shall be ratified no contract exists by which attack requires that the United States of America will assist any one of the 11 signatories against which shall have occurred an armed attack. Full freedom exists in the United States to determine what, if anything, it shall do. If it considers it advisable that it go to war it may do so. If it considers it not advisable to follow that course of action, it does not have to follow it. It has not lost the right of deliberation, the right of decision, the right of neutrality, and the Senator from Florida referred to that on Friday evening of last week. I repeat, if it considers it not advisable to follow the course of going to war, it does not have to follow it. If the United States prefers to await the result of negotiations, such as, after attack, successfully ensued between the contending forces in Israel during recent months, that course of action is open to the United States and no other nation has a right to object. The instant however that the North Atlantic Treaty shall have been ratified, the moment the clock before us arrives at the point at which ratification occurs, the condition will have been vastly changed. Article 5, which the senior Senator from Texas calls the heart of the treaty (p. 8813 of the CONGRESSIONAL RECORD), becomes a binding obligation. From then on an armed attack on the territory of any one or more of the 12 signatories in either Europe or North America, on the Algerian departments of France, the occupation forces of any party in Europe, on the islands under the jurisdiction of any party in the North Atlantic area, north of the Tropic of Cancer or on the vessels or aircraft of any of the parties in this area shall be considered an attack against the United States of America and against every other one of the signatories. The obligation arises, instantly upon the ratification of the treaty, that in event of such armed attack the United States of America will assist the party or parties attacked by taking forthwith, individually and in concert with the other 11 parties, such action as it, the United States, deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

The North Atlantic area, incidentally, is not a small body in extent, as Senators will observe by looking at the map which is hanging on the wall at my right.

Our attention has frequently been directed to the fact that article 5 of the treaty limits the action which each of the parties agree it will take forthwith to "such action as it deems necessary." In the course of his address before the conference of mayors the senior Senator from Michigan said, along this line:

> I ask you to note that we reserve unto ourselves the option to decide precisely what contributior we shall make against any such armed attack by an aggressor. There are many recourses short of war as defined in the UN Charter.

Subsequently in his address he said:

> But I ask you also to understand that we are signing no mere scrap of paper. This pact will mean what it says or it is devoid of war-preventive authority. It means that if another armed aggressor threatens any or all of us with world war three—God save the mark—all of us will forthwith unite to stop the aggressor before it becomes universal, and to defeat it before it becomes a universal conquest. All of us must take that pledge in good faith or it were better that we do not take it at all.

Mr. President, incidentally, if we are going to unite to stop aggression before it becomes universal and to defeat it before it becomes a universal conquest, who is there to say that we are not going to have to prepare for it by sending in advance arms and equipment throughout the territory where it may be needed? Who is there to say that we can stand back and say there is no obligation to furnish arms.

Mr. WHERRY. Mr. President, would the Senator prefer not tc be disturbed by a question now, or will he yield to a question?

Mr. DONNELL. I prefer, if I may, to continue my remarks to a conclusion, and then I shall be glad to answer any questions.

I say that our attention has frequently been directed, as by the Senator from Michigan, to the fact that article 5 limits the action which each of the parties agree it will take forthwith to "such action as it deems necessary." Yet there is not a Member on the floor of the Senate who would assert that that would give an arbitrary right—a right to exercise unreasonable or dishonest judgment. If a force of 100,000 Russian soldiers should cross the Norwegian border from Russia, we could not by sending only one soldier say that we had complied with what is necessary. We would not thereby, in my judgment, comply with what we say here.

Secretary Acheson said of article 5—after mentioning "the action which we believe necessary to restore and maintain the security of the North Atlantic area"—

> That is the end to be achieved. We are bound to do what, in our honest judgment, is necessary to reach that result. If we should be confronted again with a calculated armed attack such as we have twice seen in the twentieth century, I should not suppose that we would decide any action other than the use of armed force effective either as an exercise of the right of collective self-defense or as necessary to restore the peace and security of the North Atlantic area. That decision will rest where the Constitution has placed it (RECORD, p. 9113).

Mr. President, the distinguished senior Senator from Texas—I am sorry he is not on the floor at the moment, but in the interest of continuity I think I had best proceed with what I have in mind to say—the Senator from Texas minimizes the obligation of article 5. He said, as appears in the CONGRESSIONAL RECORD at page 8815:

> In the face of an all-out attack we might decide that war would be necessary to restore the peace and security of the North Atlantic area.

Note the word "might," Mr. President. "We might decide" it in the face of an all-out attack. Is there anyone on the floor of the Senate who thinks that an agreement that will assist the other party or parties so attacked, by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, means that we merely might decide that war would be necessary in such a case as I supposed of 100,000 men crossing the border of Norway?

Note also, Mr. President, the Senator's omission—I am sure it was inadvertent, and I mean that certainly, because obviously he would not have intentionally left them out, but he did not put in the words; they do not appear in the RECORD, that in addition to doing what would be necessary to restore the peace and the security of the North Atlantic area we are obligated to do something that may be even more difficult than that, and that is, I quote from the treaty, "and maintain" the security of the North Atlantic area. It is not a mere matter of restoring it. It is not a mere temporary process. We are obligated to restore it and to maintain it. That is to say, we are obligated to assist the parties by taking forthwith such action as we deem necessary, including the use of armed force, to restore and maintain—and I underscore for the RECORD the word "maintain"—the security of the North Atlantic area.

Mr. President, the distinguished Senator from Texas said, as appears on page 8815 of the CONGRESSIONAL RECORD.

> The full authority—

Note the words "The full authority"—

> The full authority of the Congress to declare war, with all the discretion that power implies, remains unimpaired.

Among the great newspapers of the central West is the St. Louis Globe-Democrat in my own State. It does not agree with me in my position on the pact. It favors the ratification of the North Atlantic Treaty. But let me read the editorial which appeared in that newspaper on July 7, 1949, 2 days after the Senator from Texas had delivered his address, in which appeared this language, namely, "The full authority of the Congress to declare war, with all the discretion that power implies, remains unimpaired." This is what the St. Louis Globe-Democrat says:

> Senator CONNALLY pulled out all the stops in a 9,000-word concert appealing for Senate ratification of the Atlantic Pact. He stated the obvious, irrefutable arguments, and then some. He made it clear the world is in a situation where the United States cannot afford to do otherwise than sign the pact, disagreeable and precedent shattering as it may be.
>
> We think he erred seriously, however, in attempting to gloss over with the technicality the most repugnant fact of the treaty. He said it will not automatically commit this country, as some critics have contended, to go to war for any ally which may be attacked. "The full authority of Congress to declare war, with all the discretion that power implies, remains unimpaired," he explained.
>
> The word "automatically," of course, is merely an evasion. Should a foreign aggression break out of such scope as to warrant

the other signatories calling for help, Congress would have no more freedom to avoid war than a citizen has to defy the conventions without ostracism. Technically, the right of Congress to maintain an indifferent isolationism would exist; as a practical, moral matter in a world emergency it would not.

Our automatic involvement in big-scale foreign wars is the fundamental fact of the treaty; without that fact—stated or implied—European nations would not be interested in it. The pact should be sold to the American people on that basis. Half truths are not enough. If they will not accept it in its true meaning, now is the time for them to say so.

What does the language of article V mean? I am not going to argue in great detail this afternoon. I have mentioned before one statement which I think is exceedingly important, and it is exceedingly indicative of what the general acceptation of the language is, and that is the statement in the New York Times of March 22, 1949, as follows:

The North Atlantic Pact contains promises not even dreamed of by Woodrow Wilson. President Wilson, indeed, in his war speech of April 2, 1917, looked forward to "a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations, and make the world itself at last free." But Mr. Wilson in time of peace would not have dared ask the Senate to commit itself, as Mr. Truman and his advisers are now doing, to go to war if any 1 of 11 or more nations is attacked. We should not quibble on this point. The defense pact means that or it means nothing.

Of course, I do not mean to undertake to say that if some isolated minor incident shall occur, that the pact requires us immediately to send forth a million men to repel an attack of pin-point proportions. What I am talking about—and what I think the treaty is talking about—is that in case anything that can be considered an armed attack of material importance shall occur, then there is to be taken forthwith by the parties—they agree to it; they bind themselves to it, in concert with the other parties—such action as each severally deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

To my mind the observation of the editorial writer in the New York Times that the commitment here made is to go to war if any 1 of 11 or more nations is attacked—meaning by attack such an attack as I have referred to—is undoubtedly sound. As the writer says, we should not quibble on this point. The defense pact means that or it means nothing.

I have pointed out more than once—I trust Senators will pardon me for doing so this final time—the fact that the Foreign Minister of Denmark, in a statement which appeared in the Washington Post on March 23, 1949, indicates his complete understanding to be in accord with what I have stated. The dispatch, from Copenhagen, reads as follows:

DENMARK TOLD PACT BINDS UNITED STATES TO FIGHT

COPENHAGEN, DENMARK, March 22.—Foreign Minister Gustav Rasmussen told Parliament today that under the proposed North Atlantic Treaty the United States "would go to war" if any one of the signatory nations is attacked.

"To the Danish Government," he said, "there is no doubt that the United States will consider herself pledged to assist an attacked nation with all her force.

"If armed force is necessary to reestablish security, it is evident that the member countries possessing such force are obliged to use it. That means that if an armed attack occurred on one of the member countries it could have only one answer—the United States would go to war."

That is the interpretation placed on the treaty by the distinguished foreign minister; and if I am not mistaken he was the man who signed on behalf of Denmark.

Mr. President, I have indicated the fact that this treaty completely bypasses the constitutional provision with respect to the declaration of war. Congress is the body which, by the Constitution, is vested with the power of declaring war. Obviously this means that by adopting this treaty, by contracting, in the event of armed attack of a material nature, to go to war, we are completely bypassing the other branch of the Congress, the House of Representatives. If an attack occurs and we perform the duty here set forth, who is there to say that the President of the United States would not feel it his duty to step forward immediately, if this pact were in existence, without congressional action, and base his action on the provisions of the treaty, even though it does not increase any of his powers? I am not saying that it increases his powers. But who is there to say that the President would not feel fully justified, and should be obligated to proceed without a moment's delay, in view of the existence of the treaty, in the event of such a situation as I have described, namely, an attack on Norway?

What is Congress left with? Congress is left with the unpleasant alternative of either allowing the war to be an undeclared one, or of declaring war. In any event, it is confronted with the fact that if our national promise in the treaty, our contractual obligation in the treaty, is to be made good, both Houses of Congress must provide moneys and troops for the war.

Members of the Senate are elected for a period of 6 years. Members of the House are elected for 2 years. By reason of that fact, they are in much closer contact with public opinion, and I have no doubt they are more responsive, generally speaking, because of the election every 2 years, than are Members of the Senate. But be that as it may, under the Constitution of the United States the House is certainly comprehended within the term "Congress" just as much as the Senate. As I say, this treaty completely bypasses the House of Representatives, leaving it only the veritable husk of a constitutional power, namely, that after we are into a conflict, after we are in war, then it is confronted with the practical necessity of declaring war under the terms of the Constitution.

Mr. President, I say, therefore, in view of facts such as I have described, that there is no basis for the minimization of the obligations of article 5. When we are told that the full authority of Congress to declare war, with all the discretion that power implies, remains unimpaired, I submit most respectfully that there is an entire misunderstanding and misconception of what the treaty does, which would follow from the reading of that sentence. I say most respectfully to my good friend and colleague from Texas that the observations of the St. Louis Globe-Democrat are substantially correct with respect to his remark.

Mr. President, I have observed several indications in this debate of what is common to all of us, and that is the tendency to use every argument at our command, to consider every argument favorable to ourselves and sometimes to overlook some of the real implications of language in the treaty, and perhaps to give implications to some of the language that do not belong there. I comment most respectfully upon the argument by the distinguished Senator from Texas on page 8815 of the RECORD:

If any further evidence is necessary to prove the point, let me remind my colleagues of article 1 of the treaty in which the signatories reaffirm their solemn obligations under the Charter to settle their disputes by peaceful means. Let me remind them of article 5 which makes clear that collective action will not be taken—

That is, action responding to an attack—

unless the Security Council has been unable to prevent an armed attack.

I take it that the implication easily follows from this statement that before action in the instant case the Security Council had been attempting to prevent attack, but that is not necessarily at all the situation. If a vigorous, dangerous attack by a foreign nation occurs, the Security Council may have no opportunity whatsoever to endeavor to prevent the armed attack.

I invite particular attention to this further portion of the statement by the Senator from Texas:

That all measures taken as a result of an attack shall immediately be reported to the Council; and that any such action must cease whenever the Council is able to restore peace and security.

It is thus clearly intimated that measures under article 5 are of but limited duration. They are to be terminated when the Security Council has taken measures to restore peace and security. Let us look at that. Under present circumstances article 5 is certainly based upon the idea that an attack may come from Russia. I do not mean to say that this treaty is aimed solely at Russia. I would not say that it is aimed at Russia by name. But it is named against the aggression which we fear may come from Russia. It may come from someone else over a period of 20 years. But anyone who reads the news and the debates, and what Secretary Acheson has said, must concede that the immediate situation of which we are thinking is a situation involving the possibility of an attack from Russia.

So I say that today Russia is the nation we consider most likely to be an aggressor against the signatories. Suppose Russia should attack us or any of the other signatories. We are told by

the Senator from Texas that such action as all the signatories will then take together must cease whenever the Security Council is able to restore peace and security. Suppose Russia attacks. Let us find out how long it will be before the Security Council will act to restore peace and security, or, to quote the language of the North Atlantic Treaty, will take—

the measures necessary to restore and maintain international peace and security.

How long will it be until the Security Council acts? Well, who is the Security Council, Mr. President? Article 23 of the Charter of the United Nations says that—

The Security Council shall consist of 11 members of the United Nations.

Among these 11 members is the Union of Soviet Socialist Republics. So, Mr. President, we start with the fact that the Council that we are asking now to take "measures necessary to restore and maintain international peace and security"—measures, by the way, that would be against Russia—includes Russia in its membership.

But how can the Security Council take measures? In article 27 of the charter it is provided that, with the exception of procedural matters, decisions of the Security Council shall be made by affirmative vote of seven members, including the affirmative votes of the permanent members. But Russia is one of the permanent members. So the Security Council cannot act without the concurrence of everyone of the permanent members. That is the veto situation; that is what we have heard about—the "vetoes by the dozens" that Russia has been guilty of. As I have said, Russia is one of the permanent members.

How long will Senators undertake to say—there are not so many of them here this afternoon, but the quality is good—it will be before the Security Council, consisting of Russia and 10 other members, will take action by all of them, including Russia, necessary to maintain international peace and security? Never, Mr. President. Therefore, the intimation that, after all, this is merely a temporary situation and that the action must cease whenever the Security Council is able to restore peace and security, does not justify the intimation that measures under article 5 of the treaty are of a limited duration.

Mr. President, I am pleased that the Senator from Texas is again upon the floor. I wish to say to him that I have been talking about him in his absence.

Mr. CONNALLY. I have heard the Senator; I have not been out of the Chamber.

Mr. DONNELL. Oh, the Senator was at a place in the Chamber where I did not see him, then.

Mr. CONNALLY. I have just been out of the Senator's sight, but I have heard the observations and implications made by the Senator from Missouri.

Mr. DONNELL. I thank the Senator, and I appreciate his very friendly and courteous spirit.

The Senator from Texas has made some other statements in his argument which are, I have no doubt, made in the very best of good faith; in fact, I know they are; yet I very respectfully submit at least my own personal observations with respect to them.

At page 8813 of the RECORD, the Senator from Texas, in discussing what armed attacks are, said:

Internal disorders and revolutions will not ordinarily be considered armed attacks unless they are aided and abetted by an outside power to such an extent that the parties decide that an armed attack has in fact taken place.

The Senator from Texas was considering the question of whether or not a boring from within process was going to constitute an armed attack. He assures us, without any qualification, that that will not ordinarily be considered an armed attack.

I do not question the soundness of the Senator's judgment in general, but I insist that if we search this treaty from one end to the other, there is no statement in it to the effect that internal disorders and revolutions either will or will not ordinarily be considered armed attacks; and I submit very respectfully that notwithstanding the fact that the Senator from Texas is chairman of the Foreign Relations Committee and is a very distinguished and honored Member of this body, his mere ipsi dixit to the effect that such internal disorders and revolutions will not ordinarily be considered armed attacks, has no force and effect whatsoever in determining the meaning of article 5.

Indeed, I observe that the report of the committee itself says:

Obviously, purely internal disorders or revolutions would not be considered "armed attacks" within the meaning of article 5.

Here we find a very illuminating sentence; I say this rather satirically:

However, if a revolution were aided and abetted by an outside power, such assistance might possibly be considered an armed attack. Each party would have to decide, in the light of the circumstances surrounding the case and the nature and extent of the assistance, whether, in fact, an armed attack had occurred—

There is nothing in the treaty which says that a revolution aided and abetted by an outside power would be considered an armed attack.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DONNELL. Mr. President, I have declined to yield, except to the distinguished Senator from Texas.

The PRESIDING OFFICER (Mr. ECTON in the chair). The Senator from Missouri prefers not to yield.

Mr. FERGUSON. I simply wish to ask a question at this point, in reference to what the Senator from Missouri has just said.

Mr. DONNELL. Mr. President, I have uniformly followed that policy this afternoon in presenting my remarks.

I say there is nothing in the treaty which states whether a revolution so aided and abetted will or will not be considered an armed attack; and the Foreign Relations Committee by the very use of that language indicates the very grave doubt which might arise.

Of course I realize that it is impossible to set forth in the treaty any statement which would define and take up all the series of possible circumstances which might develop; but the point I make is that when we are assured, without qualification on the floor of the Senate, in the course of the debate, that—

Internal disorders and revolutions will not ordinarily be considered armed attacks unless they are aided and abetted by an outside power to such an extent that the parties decide that an armed attack has in fact taken place.

We are receiving merely the opinion of one member of the Foreign Relations Committee. Certainly there is nothing in the treaty which defines that at all.

I say, but not in a spirit of resentment, that to my mind a very large part of the eloquent addresses made here on the 5th and 6th of this month by the chairman of the Foreign Relations Committee and by the distinguished senior Senator from Michigan [Mr. VANDENBERG]—based, as they were, upon the zeal and enthusiasm and beliefs of those gentlemen—are, after all, in large part oratorical, vague generalities giving us honestly and sincerely of their opinions, but with very little reference, in many instances, to the actual language of the treaty. After all, Mr. President, to my mind we have to consult the language of the treaty if we are to determine what the obligations of the treaty are.

Article 4 of the treaty apparently is very harmless. However, the Senator from New York [Mr. DULLES] evidently does not consider it harmless, for I notice that instantly he pricks up his ears, rousing from his somnolence, if he was engaging in that. However, I was saying that article 4 would seem to appear, from its indications, to be harmless. It provides:

The parties shall consult together whenever, in the opinion of any of them, the territorial integrity, political independence, or security of any of the parties is threatened.

The instant before the treaty is ratified, there is no obligation upon the part of the United States to consult with anyone in such consultations as are prescribed in article 4 of the treaty. We can proceed in our own way, using our own best judgment, consulting or not consulting, as we may wish to do. But the instant after ratification occurs, when the clock arrives at the point where ratification has occurred, the obligation exists full blown, and is to be carried out at any time when any one of the 12 signatories is of the opinion that—

The territorial integrity, political independence, or security of any of the parties is threatened.

In that connection the Senator from Michigan assured us, as shown at page 8896 of the RECORD:

There is not a word of obligation in it, except to talk things over.

It is of interest to observe that the Senator from Michigan does say that—

Article 4 * * * is unlimited in the circumference of these consultations.

That is a rather significant statement; and the eloquence and the imagery of it and the circle which can be seen there are very vivid and illuminating, because when any signatory to the

treaty is of the opinion that, for any reason whatsoever, either the territorial integrity, whatever that means; the political independence, whatever that means; or the security of any of the parties is threatened, all 12 of the parties agree that they "will consult together."

Mr. President, at times we have heard something said upon the floor of the Senate about colonial matters. I have not seen anything in this treaty which shows that we have to guarantee the territorial integrity of these nations. We have not gone off into the language of article 10 of the League of Nations, which was so bitterly discussed on the floor of the Senate many years ago. But, obviously, colonial matters are included among the matters which could be considered at these consultations; and it is not at all unlikely that in this "unlimited circumference" to which the Senator from Michigan has referred, colonial matters will be among those which might very readily come before any one party; and it might very well be that in the pushing together of the world, with the crowding and the competition and the fact that, in addition to these 12 nations, there are some 40 other nations in the United Nations, I believe, the impact from a nation's efforts to take over colonies possibly might be among the matters which could be considered at these consultations. It is not unlikely, either, that the discussions might be of grave importance.

I said the Senator from New York recognizes the danger of the group consultations. I do not think he shares the easy assurance of the Senator from Michigan that there is not a word of obligation in it except to talk things over. I have no doubt he would concur with the technical correctness of that statement. Of course, there is no obligation to do anything except talk things over, but I may call attention to the second volume of the testimony in the hearings before the Foreign Relations Committee, in which, at page 344 of the testimony, the Senator from New York [Mr. DULLES] brings up this very question. What does he say about this harmless obligation to consult? He says:

> Again, Mr. Chairman, the pact should not inaugurate a system of group consultations which would destroy the value of the United Nations as the town meeting of the world.

I am not so sure but what that term originated in the Senate; at any rate, it is quoted here. The Senator from New York, who was not then Senator, proceeded to say:

> There are some who argue that the Atlantic Treaty violates the United Nations Charter. I see no merit in that argument, assuming, as I do assume, that the pact is not an artificial military alliance, but a stage in a process of natural political growth. The Charter cannot stop such growth, and it does not attempt to do so.
>
> The pact might, however, gravely impair the usefulness of the United Nations if consultations under its article 4 committed the pact members, or crystallized their views, in advance of United Nations discussion.

I pause to say, of course we can see that readily. If it becomes a question of having these little group conferences of 12 nations coming together to make decisions on all these matters relating to the integrity and the independence and security of any of the parties, how are the other 30 or 40 members of the United Nations going to feel about it? He then continues:

> The risk—

Yes, there is a risk, so he says—

> The risk is greater because the occasions for consultation under article 4 are not merely "attacks" in the "Atlantic area" dealt with by article 5, but threats anywhere to any of the parties. Since the parties have interests and possessions throughout the world, the consultations under article 4 might relate to matters of deep concern to friendly nations of Asia, Africa, the Near East, the Pacific, and the Americas.
>
> The United States does have a community with the west, but we have other communities as well and so many look to us for leadership that we ought not to seem to play favorites. Also, if we really believe in the United Nations, we shall, on matters which are within United Nations jurisdiction, give its processes an opportunity to influence our thought and conduct before making up our mind.

I pause at that point to say, if we are going to have these consultations under the Atlantic Treaty and it becomes a habit, obviously we are not going to give the processes of the United Nations an opportunity to influence our thought and conduct before making up our minds. There are about 30 or 40 other nations outside that are not going to be admitted to these conferences. We are going to lose the benefit of the opportunity of the influence of the other United Nations signatories, and we are likewise going to put ourselves into a position of isolating ourselves from the other signatories of the United Nations Charter. The Senator from New York then continues:

> The United Nations, while weak in many respects, has shown a real capacity, through debate and exposure, to develop moral judgments that actually influence the conduct of member nations. The United Nations ought not to be weakened in this, its greatest field of usefulness.
>
> I am confident that those who drew up the Atlantic Pact did not intend that consultations under it should encroach on the efficacy of the United Nations. But it might be useful if the Senate, in connection with the ratification of the pact, reaffirmed, as it did last year, the policy of the United States to use the United Nations to the full extent of its possibilities.

Mr. President, I am wondering whether the Senator from Florida [Mr. PEPPER], when he commented as I have read earlier this afternoon upon the responsibility of grave injury to the United Nations, had in mind this point of consultation to which the Senator from New York has so appropriately referred.

In addition to the point the Senator from New York makes with respect to our losing this opportunity of securing the influence of all the United Nations signatories upon our thought and conduct before making up our mind, I suggest that conferences of this type make enmities, or might actually break up the United Nations, because parties other than the pact signatories are not included. Conferences followed by refusals to act also can produce dangerous jealousies or even enmities among participants. In other words, if there shall be a series of conferences, and each time a conference occurs those who participate in it decline to give any of the relief or to give what the person suggesting the conference has proposed as proper respecting the point made, can we not readily agree there is at least a very grave possibility of jealousies, hostility, and possibly even graver results flowing from the prevalence of such conferences? The Senator from Texas and other members of the Foreign Relations Committee seemed to realize certain of the dangers of this matter of consultation. At page 12 of the report of the committee we read:

> Some sincere friends of the United Nations have expressed concern lest article 4 be implemented in such a way as to impair the usefulness of the United Nations. Clearly such a danger would exist if consultations under the pact became so frequent they tended to replace United Nations machinery, or if such consultations resulted in a crystallization of views in advance of United Nations meetings and encouraged pact members to vote as a bloc.

It seems to me I have heard at times in Congress of votes by bloc not conducing to the best of good feeling. I return to the committee report:

> It would be particularly unfortunate if our Government took part in "exclusive" consultations with Atlantic Pact members over situations of deep concern to friendly states in Asia, Africa, Latin America, or the Middle East.
>
> The committee is confident that the framers of the Atlantic Pact did not intend that article 4 should infringe upon the efficacy of United Nations machinery or in any way impair its usefulness. Clearly there should be no duplication of United Nations machinery. It is the opinion of the committee that consultation under article 4 should not be sought unless the United Nations for some reason is prevented from dealing with the situation giving rise for consultation. The committee wishes to emphasize this view since it has consistently supported the United Nations as the cornerstone of American foreign relations, and would be loath to see any action taken not entirely in harmony with this policy.

The Senator from Texas, in recognizing, likewise, the possibility from this apparently innocuous paragraph, says this, at page 8815 of the RECORD:

> Nor should the consultations provided in article 4 impair in any way the effectiveness of the United Nations machinery. In practice such consultations should rarely take place.

Then he proceeds to quote from the committee report. Then he says:

> The treaty itself scrupulously avoids any conflict with the United Nations. It will not duplicate in any way the machinery or the procedures established under the Charter. It will not compete with the United Nations, but will serve as a valuable complement to its activities.

Mr. President, I cannot see that the mere fact that the report of the committee emphasizes the importance of not allowing the North Atlantic Treaty to interfere with the United Nations Charter establishes the point of the Senator from Texas that the treaty—and I underscore the word "treaty"—scrupulously avoids any conflict with the United Nations. Obviously the treaty is open to the very danger to which the

Senator from New York so graphically and clearly alludes in his testimony, which I have read, and evidently the committee itself and the Senator from Texas himself realizes what perhaps some others have not realized to such an extent, namely, the possibility of thus undermining and injuring the United Nations.

I recall again to the mind of the Senate that the Senator from Florida [Mr. PEPPER] distinctly expressed the fear, as I have shown earlier this afternoon, of the possibility of the pact interfering with the efficiency and the effectiveness of the United Nations. I have no doubt in my own mind that in this particular instance of consultation, however, innocuous as it apparently is, there is an easy possibility of grave injury to the United Nations which may even disrupt it, ruin its effectiveness, break it into blocs of which this 12-nation bloc is one, and the most powerful one, incidentally. It may thereby, as I say, result in the United Nations losing its effectiveness and being able to survive.

Article 8 of the treaty obligates each signatory "not to enter into any international engagement in conflict with this treaty." I am trying to visualize how, hereafter, if it becomes our law and becomes a part of the supreme law of the land, just where the Department of State is going to find itself in negotiating future international engagements. It will be confronted at the outset with an obligation that it shall not enter into any international engagement in conflict with this treaty. If we enter into some engagement with another nation, for example, China, which some party to the treaty may claim is contrary to the economic collaboration agreement, enmity may result. How can we tell in advance of the negotiation of the treaty, unless we submit every international engagement we are considering to all the eleven signatories of the treaty to ascertain whether they are going to claim it is in conflict with the treaty? We shall have to consider and weigh every future treaty we make by the test of whether it violates economic collaboration and whether it violates the obligation to seek to eliminate conflict in international economic policies.

Mr. President, it seems to me it is imposing a danger and a practical difficulty which are easily underemphasized in the minds of those who are proposing the treaty. I can readily see that the Office of the Secretary of State hereafter may have many a headache over the situation which may develop if in good faith it is negotiating an international engagement and is confronted by the claim of some one or more of the other 11 signatories that the international engagement is in conflict with the treaty.

The treaty raises the question as to whether all or only a majority of the Council can decide what is to be recommended. The parties establish a Council on which each of them shall be represented, to consider matters concerning the treaty. I submit, most respectfully, that there is nothing in the treaty which even remotely tells us how many members of the Council are necessary to decide what its decisions shall be or how many members of the Defense Committee are necessary to decide. If it requires a unanimous vote of all the members, that is one thing. If, on the other hand, it requires only a majority vote, we are confronted by an entirely different situation. If it requires a unanimous decision, obviously little Iceland can adopt the action of the Council in making its recommendations. On the other hand, if a majority vote is required we are in the situation of having a vote no greater than that of Iceland, Luxemburg, or Norway, and if seven of the members of the group shall vote in favor of a policy with which we do not agree, we are outvoted. While only advisory, I should say that in such a condition we might well be in the embarrassing position of refusing to abide by the recommendations of the Council or of the Defense Committee, as the case might be. The result, obviously, may be hurt feelings and enmity.

Mr. President, we are told that the basis of the treaty is article 51. I mentioned this afternoon the fact that I should refer to this subject a little further on in my remarks. The Senator from Texas takes, as I have indicated, a different view from that which the Senator from Michigan takes. The Senator from Texas has assured us this afternoon that the treaty is based entirely on article 51. The Senator from Michigan [Mr. VANDENBERG] in the colloquy in which he and his junior colleague [Mr. FERGUSON] were engaged a few days ago, assured us it was written primarily in article 51, and it takes on a regional character only by general inference.

I do not know what is the meaning of the expression "takes on a regional character only by general inference." I am unable to determine the effect of that language. But the Senator from Michigan referred us to the testimony of the distinguished former Senator from Vermont who is now a distinguished Ambassador of our country, serving with the United Nations, namely, to page 96 of his testimony. Here we find the discussion by the former Senator from Vermont in which he sets forth his views.

I shall not undertake to detail those views, but as I generally understand them, former Senator Austin takes the view that the treaty is, in part, based on the regional theory, and in part on article 51 of the Charter.

Mr. President, I defy anyone to pick up this instrument and tell us from the instrument itself where there is anything from one end to the other which indicates which part of it is based on the regional theory, and which part of it is based on the article 51 theory, except that article 5 does refer to and mentions the right of individual and collective self-defense recognized by article 51 of the Charter.

My general impression, as I get it from hearing my good friend, former Senator Austin—and he is a good friend—and hearing the discussion, is that whenever mention is made of a part of the treaty which would embarrass it in any way, as, for instance, the obligation to report to the Security Council, of which Russia is a member, then we are immediately told that that part of the treaty is based on article 51, but whenever we want something which makes it advisable that we be in a region, then we are told that part of the treaty is based on the regional theory.

Mr. President, I most respectfully say that the divergent opinions which have been given by the Senator from Texas, on the one hand, telling us that the treaty is based entirely on article 51, and then the theory given us by the Senator from Michigan and by the former Senator from Vermont, to the effect that it is based partially on one and partially on the other, clearly indicate the confusion in which any person's mind may be placed as to just what is the proper basis under the Charter.

Mr. CONNALLY. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield to the Senator from Texas.

Mr. CONNALLY. To be completely fair——

Mr. DONNELL. I want to be.

Mr. CONNALLY. I know the Senator does. To be completely fair, should it not also be stated that the Senator from Texas said that the same nations, if permitted by the United Nations, could organize themselves into a regional arrangement?

Mr. DONNELL. Oh, yes; I have no doubt of that, subject to the question, that there has always been some doubt in my mind as to whether we can say that the nations of Europe and the United States are in the same region. I am not certain that they are. I can see the arguments. There are arguments both ways, I think.

Mr. President, when I look at the map on the wall here and see that little sprinkling of European nations, and Italy reaching down into the Mediterranean, with the Adriatic on one side of it, away over there thousands of miles from us, I am not so sure that I would offhand want to fall in with the statement that all these nations, Greenland, the United States, the Aleutian Islands, and all the rest, are in the same region. If they are, I see not much reason for saying that the whole world is not in the same region.

Mr. CONNALLY. The treaty does not rely on the general term "region." It is a matter of the particular countries which are associated in the treaty.

Mr. DONNELL. That is true, but the treaty refers to itself as the "North Atlantic Treaty," and again without any desire to be sharp or satirical—and this is a very minor statement, I realize—when I look at this map, and see the great expanse of the Atlantic Ocean, and see Italy away off on the Adriatic and the Mediterranean, I am not so clear as to how Italy is a part of the North Atlantic area. I do not see, through my glasses or my mind's eye, where Italy fronts on the Atlantic in any part of it, or where it is actually in the North Atlantic area. But, as I have said, that is a minor point, and is merely a designation.

The point I am making is that when we are told that this treaty comes under article 51 of the United Nations Charter, I cannot help recalling again something

of the keenness of perception which was shown by the distinguished Senator from Florida on June 11, 1948, when, it being suggested that we would come under article 51, he made these remarks, referring to the Senator from Michigan:

Does not the Senator recognize that the distinction is that the Security Council is the agency of the United Nations to determine when the organization shall act? Under article 51 the right of self-defense is asserted simply as an inherent right which may be asserted by those who are the victims of the attack. But certainly the Senator from Florida had not contemplated that the recognition of the inherent right of self-defense—which, according to the context of article 51, suggests something like a sudden and emergent attack which might involve the element of surprise and the necessity of an immediate response before access could be had, possibly, to the Security Council, and before the Security Council could act—ever envisoned a long-range, premeditated, preconceived, formally entered into regional military alliance. The Senator from Florida never contemplated, reading article 51 in its context, such an arrangement, for example, as the Chapultepec Treaty, to which I have just referred.

Mr. VANDENBERG. I entirely agree with the Senator. I am not conscious of having said anything to the contrary.

There may be something further in what the Senator from Michigan said which I ought to read. I certainly do not wish to conceal anything. I might read the next few sentences in order to show that I am not in any sense garbling what the Senator said. He stated:

The creation of a regional organization under article 52 and subsequent articles definitely and specifically is subject to the control of the Security Council in respect to enforcement sanctions. I do not think the self-defensive right asserted in article 51 is changed in any aspect as a result of the organization of the regional group. I have simply said that when the regional group organizes within its own regional resources for the purpose of defense it is to that extent in better shape to proceed to exercise whatever obligations or privileges are involved under article 51. I do not conceive that the powers and privileges of article 51 are changed or enlarged in the slightest.

The point I am making, Mr. President, is precisely the point which was made by the Senator from Florida, and his making it, rather than any originality on my part, is the reason why it has come into my mind. The Senator from Florida said he never contemplated reading into article 51 and its context such an arrangement, for example, as the Chapultepec Treaty, and never "envisioned a long-range, premeditated, preconceived, formally entered into regional military alliance."

As I read article 51 of the treaty I am quite convinced that there is a great deal of logic in what the distinguished Senator from Florida said, for if we will read article 51, we will find it says this:

Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security. Measures taken by members in the exercise of this right of self-defense shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the present Charter to take at any time such action as it deems necessary in order to maintain or restore international peace and security.

It would seem to me quite reasonable to assume that what was intended was to cover a situation in which an armed attack occurs. In that event "nothing in the Charter shall impair the inherent right of individual or collective self-defense if any armed attack occurs against a member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security."

Like the Senator from Florida, it seems to me a long step to say that article 51, a portion of which I have just read—and the remainder I do not think adds anything to the point—ever envisioned, quoting the Senator from Florida, a long-range, premeditated, preconceived, formally entered into, regional military alliance.

So, Mr. President, I can quite well sympathize with my good friend who is so original and so interesting, the junior Senator from Vermont [Mr. FLANDERS], who a few days ago, with some shaking of his head, as I recall, indicated that if we relied on article 51, the world's peace would hang suspended on that fragile article.

I mention these as merely indicative of some of the general arguments made in regard to this treaty, which I think may not be so well founded as the general statements to which I have adverted might at first glance indicate.

The Senator from Texas, at page 8816 of the RECORD, said something to which I wish to refer. I said:

I am asking for information as to whether the Senator includes Portugal.

I meant whether he included Portugal on the list of democratic nations. The Senator from Texas later responded to that question in somewhat general terms, I should say, without exactly indicating whether Portugal was a democracy, but expressing somewhat of a hope that our joint enterprise might produce democratic results. At any rate, after I had asked him the question, he said:

Very well; we will talk about that later.

It is unthinkable that 12 nations, who have traditionally supported democratic principles.

I stop there to say that I will not concede that Portugal has traditionally supported democratic principles. I am not much of an historian, or a student of history, and may be in error, but my impression is not to that effect.

It is unthinkable that 12 nations, who have traditionally supported democratic principles, could ever conspire together to negotiate any of the notorious secret deals which were often associated with traditional bilateral alliances.

And then follows this sentence:

There is always a reassuring safety in numbers in such enterprise and the very size of the membership of the Atlantic Pact is in itself an adequate guaranty that the pact means exactly what it says.

Mr. President, I am not quite able to accept, without some question, the point he makes, that the size of the membership is an adequate guaranty that the pact means exactly what it says. I have no doubt it does mean what it says; I have no doubt it means exactly what it says; but I do not see why it may be deemed to be a little more sure that the framers of the pact will tell honestly what they want to say because there are a dozen signatories rather than one. I am not exactly free to accept that proposition. At any rate this is a guaranty which is proposed by the Senator from Texas, that the pact means exactly what it says.

Further, the Senator from Michigan, as appears on page 8894 of the CONGRESSIONAL RECORD, referring to the Monroe Doctrine, said:

In net effect were we not doing what we propose on a multilateral basis, to do today?

I would agree perhaps with the Senator's statement in large part, but I think that the fact that what we are doing today is on a multilateral basis is an interesting and very important distinction between it and what was done by the Monroe Doctrine, because that was not on a multilateral basis, as the Senator well knows. It was on a unilateral basis, in which our country was not bound to anyone. We had a right to revoke the Monroe Doctrine 10 minutes or 10 years or 20 years or any time after the President had enunciated it.

I mentioned the other day an address which it was my privilege to hear 26 years ago in Minneapolis, delivered by the late lamented Charles Evans Hughes, who later became Chief Justice of the United States. He made a statement in relation to the Monroe Doctrine which I think clearly indicates the differentiation between it and this multilateral agreement, this pact, in other words. We are entering into a contract under which the other fellow has some rights against us. We have some rights against him. But it is different from unilateral declaration under which we say, "Keep off the grass" or "Do not enter," as the Senators from Texas and Michigan have used the expressions heretofore.

Mr. Hughes said:

As the policy embodied in the Monroe Doctrine is distinctively the policy of the United States, the Government of the United States reserves to itself—

Note the words "reserves to itself"—

its definition, interpretation, and application. The Government has welcomed the recognition by other governments of the fact and soundness of this policy and of the appropriateness of its application from time to time. Great powers have signified their acquiescence in it. But the United States has not been disposed to enter into engagements which would have the effect of submitting to any other power or to any concert of powers the determination either of the occasions upon which the principles of the Monroe Doctrine shall be invoked or of the measures that shall be taken in giving it effect. This Government has not been willing to make the doctrine or the regulation of its enforcement the subject of treaties with European powers; and while the United States has been gratified at expressions on the part of other American States of their accord with our Government in its declarations with respect to their independence and at their determination to maintain it, this Government in asserting and pursuing its policy has commonly avoided concerted action to maintain the doctrine, even with the American republics.

I pause to say that of course we have changed in that respect. In the Act of Chapultepec and in the Rio Treaty we have changed with respect to our own particular hemisphere. Yet, as the distinguished Senator from Texas, who is not at the present moment in the Chamber, but who is perhaps behind the partition, said on July 11, 1948:

I think the question of hemispheric arrangement is peculiar from our standpoint, by reason of the historical setting, referring particularly to the Monroe Doctrine.

I think also what the Senator from Texas further said is again quite appropos:

I should be very reluctant, I may say—

That is what he said last year—

to join any other regional organization in the world. It would involve us in difficulties we might not be able to avoid.

I note that the Senator from Texas has returned to the floor, Mr. President.

Mr. CONNALLY. The Senator from Texas cannot keep out of the charm of the Senator's language.

Mr. DONNELL. I appreciate the judgment and statement of the Senator.

Mr. Hughes proceeds:

As President Wilson observed: "The Monroe Doctrine was proclaimed by the United States on her own authority. It always has been maintained and always will be maintained upon her own responsibility."

I take it that in that respect doubtless President Wilson has been proved to be wrong, because of the fact that we have changed by reason of the Rio agreement of the act of Chapultepec. But I may say, most respectfully, that the fact that Mr. Wilson's opinion has not been justified in that respect is strikingly indicative of the fact that over a period of 20 years during which we will be bound by this treaty we may have such a profound change in situations that what we today think wise may prove totally unwise at that time.

To my mind the argument about the Monroe Doctrine being a precedent, and the argument that, because of its net effect, we were doing by it exactly what we propose on a multilateral basis, can certainly be differentiated, if no other word is appropriate on the basis I have indicated.

Also I may say that the Senator from Michigan, as appears on page 8894 of the CONGRESSIONAL RECORD, has this to say on the subject of considerable interest, though I realize every time I bring up a matter of this kind that I am going to be accused of being 150 years behind the time. Referring to George Washington's justly revered Farewell Address he said, as appears at page 8894 of the CONGRESSIONAL RECORD:

The North Atlantic Pact may be a literal departure from orthodox American diplomacy although George Washington's justly revered Farewell Address visualized temporary alliances for extraordinary emergencies—and I do not know how any emergency could be more extraordinary than our dire need to stop total atomic war before it starts again, and I think a treaty which is subject to review in 10 years—

I pause to say that, of course, it is not subject to revocation in 10 years, but in 20 years—

is relatively temporary compared with the decades of inexpressible grief which the failure of peace would grind into our broken lives.

Mr. President, I may be alone in my judgment so far as those who are now upon the floor are concerned, but I cannot conceive that the observations of George Washington as to his being willing for temporary alliances to be made for extraordinary emergencies would be in any sense analogous to the situation we now have before us or would be an argument in favor of this position. Yet I have with me somewhere, though I do not find it for the moment, a clipping from the New York Times of February 23 of this year which causes me to wonder whether I am right or wrong in this view. It sets forth that the distinguished senior Senator from New York [Mr. IVES] in a notable address before the Sons of the Revolution argued in substance, as I recall, along the same general line that Washington's admonition should not deter us, but that his being in favor of temporary alliances for extraordinary emergencies would at least have some bearing in favor of our going into a 20-year situation to cover all kinds of facts and circumstances which might develop in that time.

As I have said, I may be alone among those who are on the floor at this time. I am pleased to say, however, that I am not alone, for I refer to the fact that Michigan has produced at least one Senator who takes the view I do. I refer to page 9367 of the CONGRESSIONAL RECORD, on which appears the following colloquy:

Mr. DONNELL. It may be a little old-fashioned to mention here anything about the address of George Washington, some years ago, but the Senator will recall that in that address the Father of his Country said:

"Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies."

I ask the Senator whether he considers that the North Atlantic Pact, which is to last for a period of 20 years, or, as he put it, perhaps 21 years, would come within the term "temporary alliances for extraordinary emergencies," as used in the excerpt which I have read?

Mr. FERGUSON. No; I would say that what I have advocated is a longer term than I believe the Father of his Country had in mind. But I tried to stress the fact that I think if the Father of his Country were here today and saw the world as it is today, in comparison with what it was at the time he was speaking, in relation to this continent and this country, he might have different views from those he held at that time. I spent some time in preparing what I had to say to the Senate today, trying to outline what I thought should be the policy of America as it approached the atomic age and the fast, far-flying airplane.

Mr. DONNELL. I thank the Senator. I understood quite clearly the point he had made, and made so very clearly. I understood though, a moment ago, that he would not consider the North Atlantic Pact to be embraced within the ordinary acceptation of the term "temporary alliances for extraordinary emergencies." Am I correct in that?

Mr. FERGUSON. I would not consider it to be embraced in that term.

So I respectfully submit that to my mind, at least, it is not at all conducive to the conclusion that we are not violating the views of Washington on the propriety of temporary alliances for extraordinary emergencies, to classify this pact for 20 years as a temporary alliance. I think it rather tends to indicate the exuberance and enthusiasm of those who favor the pact, rather than a tendency toward a strictly literal analysis of the statement made by the Father of his Country in his Farewell Address.

Mr. President, I appreciate the lateness of the hour, and I shall endeavor not to trespass very much longer on the time of the Senate. I have tried to consider this pact from the standpoint of the best interest of our country. Incidentally, I may say that I do not think that is at all contrary to the consideration of what is the best interest of the world, because, as has been said so frequently on the floor of the Senate by numerous Members of the Senate—I have no doubt by almost every Senator who is present this afternoon—and as has been said elsewhere by Senators, the good of the world is very largely dependent on the good of our own country. But I have tried to consider what I think are some of the important facts in determining whether or not it is wise to enter into this obligation, which we will not be under an instant before the treaty is ratified, but which we shall be under for 20 years after it is ratified. I have not concluded that we should come under it. In fact, I have definitely concluded to the contrary.

I have noted with interest the views of various Members of the Senate on the treaty. I heard the distinguished Senator from Iowa [Mr. GILLETTE] the other day in a most eloquent address, in which he told us the heart-wrenching experience he had had in trying to determine what he should do. I am sure he was describing for us exactly the travail through which he had passed. He decided to vote for the pact, and I respect his right to do so. However, I wish to mention his mental attitude with respect to the pact for which he intends to vote. Senators will remember what he said:

The vote I shall cast is one that I shall cast with the greatest of reluctance and with the strong conviction that my country has been led step by step into an untenable position before the rest of the world, where her good faith and honor might be called into question, and her moral prestige suffer severe damage, should she now refuse to approve the pact that has been negotiated with the countries in the North Atlantic group.

Further, he stated:

I expect to cast my vote for the ratification of the North Atlantic Treaty. * * * I shall do so with the greatest reluctance, with deep misgivings, with grave doubts and qualms. * * *

We are now virtually obliged to ratify the North Atlantic Treaty, if we are not to make our Nation the butt of ridicule and scorn around the world.

I interpolate that I do not at all share that view. I realize that there will be disappointment if we do not ratify the treaty. I realize that we shall be condemned. Yet, to my mind, it is much better that we should be condemned; it is much better that there should be some inconvenience; it is much better that the result which the Senator from Iowa fears, of our being the butt of ridicule and scorn should occur—it is much better that those things should occur for a time than that our country of 140,000,000 people, with boys and girls yet unborn to be coming under the obligations of this pact, should be tied up for a period of 20 years merely because we may occasion some temporary disappointment, or perhaps a disappointment which is not even temporary. Perhaps we might cause some rush to communism here and there. I am not too much afraid of that. I am not convinced that the whole world will go to smash because we do not go into this pact.

Every signer who sat on the stage on the afternoon when the Senator from Nebraska and I and other Senators witnessed the signing should have known that the signatures were not worth the paper they were written on unless the pact were ratified by the United States Senate. I am reminded of Frank Bacon in the play, Lightnin'. In a curtain speech between the acts he brought out a pension check and exhibited it to the audience. It was made out to him. He said, "Let me tell you about that. It is signed by the Secretary of the Treasury of the United States, but it is not worth a continental unless I put my name on it."

The signers of the pact all knew that it was not worth a continental unless the United States Senate should ratify it.

In my judgment, we have the legal right and the moral right to say whether or not we shall ratify it, even though the ceremony of signing the pact was very impressive. We have the right to decide for ourselves what we think we should do.

Mr. President, I did not decide this question off-hand. So far as consequence in the newspapers is concerned, I do not occupy a position such as that of the Senator from Michigan [Mr. VANDENBERG] or the Senator from Texas [Mr. CONNALLY]; but once in a while some newspaper reporter who runs out of something else to do asks me what my opinion is. I have declined to give my opinion. I have thought about this question for many hours. Finally I came to the conclusion that the consideration of the temporary effect on Europe, or any effect on Europe, did not counterbalance the obligations which we are assuming.

Let me read what the Senator from Iowa [Mr. GILLETTE] said:

> I have stated that I shall vote for the ratification of the treaty; but I have never taken a dose of medicine in my life which was more bitter for me.

Mr. President, it seems to me that there is not a great amount of enthusiasm there.

I see the distinguished senior Senator from New Jersey [Mr. SMITH] sitting here this afternoon. I appreciate his interest and his presence. I have been greatly impressed with one thing which he did recently. I think it is appropriate to mention it. It was suggested to me by something which the Senator from Michigan [Mr. VANDENBERG] said. I am sure he will have no objection to my mentioning it. In closing his eloquent address on the 6th of July, the Senator from Michigan read that portion of the report of the committee which refers to Deity in these words:

> In tendering this unanimous report on the North Atlantic Treaty, we do so in furtherance of our Nation's most precious heritage—shared in common with the other signatories—continuing faith in our dependence upon Almighty God and His guidance in the affairs of men and nations.

It seems to me that we are entitled to take this fact into consideration. I am coming to the Senator from New Jersey in a moment. On the afternoon when the treaty was signed I think it would have been entirely appropriate—I would not say that it was inappropriate that it was not done; that is not for me to say—for some reference to have been made to the Deity, who has created this earth, and under whose divine guidance we live and move and have our being. As I recall, one of the foreign ministers did mention the Deity. I am not certain of that. Certainly there was very little other mention of Him.

The Senator from New Jersey received a letter—I am sure he will have no objection to my mentioning it—from a pastor in this city, in which attention was called to the importance of showing in our action on this treaty the fact that belief in Deity is one of the great component parts of our precious heritage. The Senator from New Jersey, although upon a bed of illness, took the time and trouble, and expended the energy to prepare a very beautiful statement in the nature of a declaration. I do not believe it is a reservation. It was a statement, the substance of which the committee had adopted. I think it is very appropriate that it has done so, in the language which I have read.

It seems to me that there was certainly no very great emphasis on anything except material power, military might, safety, and peace, in any of the proceedings which I saw or heard concerning the North Atlantic Treaty. Possibly I should not have adverted to that subject, but I have done so.

Mr. SMITH of New Jersey. Mr. President, well the Senator yield?

Mr. DONNELL. I yield.

Mr. SMITH of New Jersey. I very much appreciate the Senator's kind reference to me in his remarks. I regret that he and I do not arrive at the same conclusion with regard to ratification of the pact. Certainly we both believe fundamentally in those things which have meant so much to our country since its beginning. One of those things is the realization that we are living under the Almighty God, that we continue to do so, and that we should tell the world that we do so.

Mr. DONNELL. The Senator from New Jersey not only made the suggestion which was adopted by the committee, but in addition prepared a most beautiful and interesting statement. I do not claim to have read it all. I have read a good deal of it. He emphasized our dependence upon Diety and our adoration and reverence for Him. The statement in is the CONGRESSIONAL RECORD.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a moment on this point?

Mr. DONNELL. I yield.

Mr. SMITH of New Jersey. What I have been impressed with has been the drive of the Communists for materialistic atheism and the attempt of the Communists to drive out of the world any form of religion. I have the greatest of respect for both the Catholics and Protestants because of their efforts to meet such persecution in defense of their belief that behind our whole world must be a belief in a divine power. I think it significant and important that at this time we make that statement because we now see in the world opposition not only by the Catholics but also by the Protestants to the drive of the Communists against religion.

I wish to say to the Senator that I appreciate the opportunity he has given to me to comment on this point.

Mr. DONNELL. I am glad to have the Senator make that contribution.

Mr. President, the Senator from Tennessee [Mr. KEFAUVER] said this:

> I shall vote for its ratification, without reservation, but I consent to it only because I see it as a necessary interim measure, a measure that will gain the time needed to explore in peace a far more promising prospect—the possibility of eventually uniting the democracies of the North Atlantic—

I do not know whether he would include Portugal—

> by our own basic Federal principles into a great Atlantic union of the free.

Then he said:

> The chief objection to the treaty, it seems to me, is rather that at best it cannot be relied on to strengthen the side of peace enough to achieve our prime purpose. Alliances are notoriously unreliable, even the most automatic ones.

Then he said:

> Consider merely the record in our own time. Can any Senator name a single alliance in this tumultuous period that achieved the purpose for which it was made? I hope there is at least one exception—though that would only help prove the rule—but I have looked in vain for it.

Then he said:

> Although the treaty is too uncertain an instrument to be trusted permanently to achieve our prime purpose, it can be very useful as a means of gaining the time we need to work out the instrument that will do that job.

I assume he means the uniting of the democracies under our basic Federal principles in a great union of the free.

Then he said:

> Although alliances may not suffice to prevent war very long, they have served to defer war. The trouble has been that their supporters have failed to use this time wisely, failed to use it promptly to replace the alliance with something much more reliable. That something is, in my judgment, our own United States Federal union system.

In that connection he referred to the fact that former Justice Owen J. Roberts, former Secretary of War Patterson, and

former Assistant Secretary of State Clayton had testified in that connection before the Foreign Relations Committee and are the leaders of the Atlantic Federal Union Committee.

The distinguished junior Senator from South Dakota [Mr. MUNDT] expressed his intention to vote for the treaty. His reason for that position is quite interesting. He said:

> The first reason is this: It seems to me that to vote against the pact now, because, in part, of the differences between the governmental systems which the Senator from Washington has mentioned, would be to pull the rug out from under the very governments with which we have to work in order to meet the challenge of communism abroad.

This is to be found at page 9456 of the RECORD.

Then he said:

> I can think of no better weapon to place in the hands of the Kremlin, psychologically, than an outright rejection of the pact by us at this late hour, over 3 months after the State Department has officially attached its signatures to that document.

Then the following occurred:

> Mr. TAYLOR. Mr. President, will the Senator yield?
>
> Mr. MUNDT. I yield.
>
> Mr. TAYLOR. Does the Senator from South Dakota think the fall would be harder for those countries if we were to pull the rug out from under them, so to speak, now, or that the fall would be harder if we wait until after the pact is ratified and then refuse to implement it with arms?
>
> Mr. MUNDT. I think any astute student of the pact should clearly understand by now, from the debate which has been had, that there is no guaranty that we shall implement the pact with arms.

Then he said:

> If now, more than 3 months later, we send out the word, "We were just kidding you people all the time. You had a nice trip over here, and you signed this thing, but we did not ratify it. What you signed was merely a scrap of paper," the Kremlin could use that, in my opinion, to overthrow at some early date some of the non-Communist governments in Europe, or perhaps they could disrupt the authority of some of the small governments that we have to look upon as our friends.

Yet, Mr. President, we are told that the pact will be a deterrent to war. That is what is said by the Senator from Michigan [Mr. VANDENBERG], the Senator from Texas [Mr. CONNALLY], and almost every other Senator who has advocated the treaty here, except such Senators as the Senator from Iowa [Mr. GILLETTE], who are going to vote for the treaty but find many grounds of criticism of it.

But the Senator from South Dakota said:

> I do not believe the pact, of itself, with or without arms, will be an effective deterrent to war. So far as I am concerned, I do not believe we can supply the other countries with sufficient arms to provide for us any permanent security or peace.

Then he said:

> I am going to vote for it without any optimism, and with great fear that it be but a futile gesture, because it is the lesser of two evils now confronting us.

The Senator from Alabama [Mr. SPARKMAN] said:

> I personally favor such outright ratification of the pact. We—

Meaning the 11 Senators, of whom he is one—

> believe that the Atlantic Pact does not go far enough nor deep enough to preserve peace.

He referred to the movement, which he favors, for better implementation of the Atlantic Pact, and he referred to such temporary stopgap measures as—

> the Truman doctrine, the Marshall plan, and now the Atlantic Pact.

Yet, he assures us:

> We do not seek a "parliament of man, the federation of the world."

I may say that the distinguished Senator from Florida [Mr. PEPPER] at the conclusion of his very eloquent remarks on Friday evening quoted from Tennyson the couplet to which the Senator from Alabama referred.

The junior Senator from Michigan [Mr. FERGUSON] stated, as his reason for favoring the treaty:

> Therefore, it is high time that we have a definite foreign policy as to aggression to protect our own self-interest against any potential aggression. Believing that the North Atlantic Pact is the only instrument available to attain this objective, I shall vote for its ratification and feel free to discuss and vote as the facts indicate I should on the implementation of the pact when the occasion arises.

The Senator from Michigan was careful to point out that he regarded the China and South American policies adopted by the State Department, which is the great exponent of this treaty in the executive branch of the Government, as having been very poorly carried out; and he concluded that in order that we may have a definite foreign policy, the pact should be ratified.

The distinguished Senator from Wisconsin [Mr. WILEY] expressed the view that—

> The pact * * * will give courage, strength, and direction to those peoples from whom we stem. * * *
>
> Three hundred million persons who believe in the great common principles which the race has developed and inherited through generation after generation owe an obligation. * * * to perpetuate some of the verities. I believe that this pact is one of the steps which will perpetuate some of these verities and some of these realities. At least some of us think they are realities.
>
> So, Mr. President, I shall vote for ratification of the treaty.

Mr. President, we are told that the pact, when ratified, will act as a deterrent to war and a step in the maintenance of world peace. That is recited again and again by both the Senator from Texas [Mr. CONNALLY], the Senator from Michigan [Mr. VANDENBERG], the Senator from Utah [Mr. THOMAS], the Senator from Massachusetts [Mr. LODGE], who states that in general he agrees with the arguments made by the Senator from Texas and the Senator from Michigan, and by the Senator from New York [Mr. DULLES], who said:

> The North Atlantic Treaty is one of the essential ingredients of that over-all strategy for peace.

However, he said—and I think this is very significant:

> It is apparent now, as it already had begun to be apparent at San Francisco, that security could not be achieved at a single step through a single world organization. It is going to be necessary to advance progressively through a series of organizations for collective self-defense. The North Atlantic Treaty is one more such organization.

I do not know whether the Senator from New York joins with such gentlemen as Judge Patterson, Justice Roberts, and Mr. Clayton in advocating the Union of the Free. Nevertheless, he does express the view that it is going to be necessary to advance progressively through a series of organizations for collective self-defense, and that the North Atlantic Treaty is one more such organization—from which remarks I draw the inference that he regards other future organizations as necessary in order that collective self-defense may be properly achieved.

The Senator from California [Mr. KNOWLAND] said:

> Our best hope, in my opinion, of staying out of future wars is to prevent future wars from breaking out.

The Senator from Washington [Mr. MAGNUSON] said:

> I shall vote for it enthusiastically, because I believe, as many other Senators have expressed themselves in favoring it, that it is the best present means we have to approach at least a semblance of the hope of peace in the world.

Then he said:

> Mr. President, it seems to me the time is more than ripe, probably it is long overdue, for a similar pact for the Pacific.

So I shall not be greatly surprised to find at least some advocates here on the floor of the Senate, and elsewhere—at least the Senator from Washington is one of the Senators who has spoken here about it, favoring a similar pact for the Pacific, and I assume the Senator from Washington means that the United States will be a part of it, although I do not think he so stated in his argument.

The Senator from Arkansas [Mr. FULBRIGHT] said:

> Mr. President, I shall vote to ratify this treaty for one principal reason. I believe the commitment on our part to resist any armed aggression against any of the members of the pact will deter any nation which may now or may hereafter contemplate embarking upon such an aggression. To me that point presents the principal justification for the treaty.

I call attention to the fact that a question was asked by the Senator from Arkansas [Mr. FULBRIGHT], as I mentioned a few days ago in the Senate, of one of the witnesses who appeared before the Foreign Relations Committee, which indicates his view. I think I am correct in stating it substantially. I do not have it before me. It was that one of the great arguments, at any rate, in favor of the treaty is the fact that it gives some time prior to the carrying into effect of some plan for a union of nations.

The Senator from Florida, to whom I have referred more than once, at page 9589 of the RECORD said:

> The pact, it seems to me, offers the best hope of the end of the cold war and the beginning of that long peace which has been so painfully purchased and so dearly bought by our country and by our people.

The Senator from New York again points out, in his opinion, that this will be the beginning, or at least his hope that this will be the beginning, of the lightening of the crushing load of armament. Others take the view, notably the Senator from Massachusetts [Mr. LODGE], that "to reject the pact would be a step fraught with the most colossal danger."

I note the Senator from New York [Mr. DULLES], at page 9276 of the RECORD, said:

> We believed that the American people could be trusted with the truth, and that they would see that, even if the peril in Europe seems less eminent, still the European recovery program and the North Atlantic Treaty could not now be abandoned without consequences of the gravest character. If that happened, it would at once be the signal for a revival of the Communist offensive against western Europe. It would lead our European friends to feel that we could not be relied upon to sustain our high purpose. It would make it utterly impossible to go on from here, as I hope we shall, to develop a program to save Asia from being overrun by Soviet communism. It would, indeed, scrap our program for peace just at the moment when its soundness had been demonstrated, but before it had been sustained to a point where it had consolidated the peace.

The Senator from Tennessee [Mr. KEFAUVER], at page 9212 of the RECORD, said:

> Since an alliance is usually an unreliable means of preventing war, it may well be asked why we should ratify this treaty. My answer is that we should ratify it because of certain practical considerations. However poor a reed we may consider this treaty, it has already been signed.
>
> Refusal to ratify it now because it fails to remove entirely the uncertainty that makes for war would not lessen that uncertainty, but increase it to the highest degree.

The Senator from California [Mr. KNOWLAND], at page 9374 of the RECORD, says:

> Failure to ratify the pact would be a fatal blow to our friends in western Europe.

The Senator from New York [Mr. DULLES] makes the interesting point that, if we have the United States in the North Atlantic Treaty, Germany can be, as he says, "integrated in the west." I am not quite certain I understand just what he means, but I take it he means Germany can be taken in as an ally along with the others. At page 9277 of the RECORD, he says:

> Germany can be integrated in the west if the west includes the United States. Germans cannot be safely integrated in the west, and certainly they will not be invited into the west if the west does not include, for security purposes, the United States.

In response to the broad ground for supporting the treaty, I mentioned the fact that there is no assurance that Germany will be admitted into the treaty—for unanimous consent is required and we have no assurance that France or any other nation will consent. If Germany is admitted, there arises the obligation of article 3 in her favor. This may mean to arm her, or permit her to arm to help herself.

Then we have the concluding argument to present, which is very strong, to which I have previously referred, the one presented very clearly and with very much force by the distinguished junior Senator from New Jersey [Mr. HENDRICKSON], at page 9352 of the RECORD, as follows:

> If we refuse to ratify this North Atlantic Treaty after it has not only been signed here in Washington by the Secretary of State but unanimously recommended to us by the Foreign Relations Committee and urged on us as strongly by its leading Republican member as by its chairman, then, Mr. President, I must admit that we would greatly increase uncertainty as to what the United States would do in the event of aggression.
>
> Since such uncertainty encourages aggression and since such attack endangers the whole Constitution, I have come to the conclusion that, on this count alone, the wisest and safest course lies in ratifying the treaty as it stands.

Again, at page 9354 of the RECORD, he says:

> To refuse to ratify this treaty now would not lessen the dangers we face; it would only, in my considered judgment, make them worse. At best, it would discourage our best friends at a time when the monetary and economic situation is already so uncertain. This would help only the Communist dictatorship, and the more it helped the Kremlin the more it would tend to increase the burden on our economy, thus endangering us still further.

The Senator from New Jersey then points out most clearly the point on which his emphasis was based, namely, the need of a world government, that is to say a government of the free nations of the world, or of Europe and this country. I do not recall just the limitations of it. He shared, generally speaking, the views stated by Messrs. Patterson, Roberts, and Clayton. The Senator from Florida thinks the pending treaty is "a step in the evolution toward world government."

We found out, Mr. President, the other day, from reading the testimony of Secretary Patterson, just what it is he has in mind about a world government. I shall not read it. He refers to the fact that it would have a legislature, it would probably have a court, and it probably would have an executive, although he did not have the details of it. Convertibility of currency and consolidation of debts were within his mind, though he had not yet arrived at a conclusion with respect to either of these particular points to be considered.

So, Mr. President, we find from the various positions of some of those who favor the treaty that they favor it on the theory it will not impose any obligation to provide military assistance; others favor it on the ground that it will require such assistance; others, on the ground of peace; others on what will happen if we do not go into it; some—one at any rate—that we will be the butt of ridicule; and others, on the ground that this is a step toward a world government of some kind. To my mind the suggestion of a plan for a world government is very dangerous, and we should certainly go very slowly in advocating it without being sure of its implications.

Mr. President, today, at the moment before its ratification, our country will not be involved in the obligations of this treaty. They are in large part new obligations. They are not those in which we are involved under the United Nations Charter. We are not today under obligations of this magnitude. We will have exhausted our right to independent determination. We will be obligated to go to war for a period of 20 years in the event of any material attack upon any one of the other signatories. Such an attack may result from a war of which one of our own signatories is actually the provoking cause. As was pointed out the other day, it may be that some ambitious individual will ascend to power in one of the signatory countries, and, by reason of his ascension to power, become so ambitious in his program, knowing there will be 11 other nations behind him, that he will seek to avail himself of the opportunity to provoke war, on the theory that he will be perfectly safe, in that the other nations will stand by him and support him.

Mr. President, in that connection I have in my hand a typewritten booklet issued by Mr. Halford L. Hoskins, Senior Specialist in International Relations, of the Legislative Reference Service, Library of Congress. I also have another book here by him, entitled "A Brief Study of Treaties of Alliance," in which, at page 51, he has this to say:

> The motives and purposes that bring sovereign states into alliance are never uniform for all members of the pact. Consequently, one member or another of an alliance formed originally for defensive purposes may not infrequently employ the relative security supplied by the joint association to pursue unworthy objectives which could not safely be undertaken from an isolated position.

He stated it so excellently that I thought it appropriate to mention it here.

Mr. President, at this time our Nation is a great nation, a powerful nation, a just nation, a Christion nation, a nation which is devoted to high ideals, which when confronted with danger and peril will exercise her very best efforts, and which I believe, notwithstanding the fact that we may not have this alliance in being, can adequately prepare and adequately make her plans for war before any such war starts, just as well as, if not better than if we are bound up with an alliance.

With such an alliance as this, by which we participate in a defense committee, and all the other nations tell us what they want, it is entirely possible that what will be devised there as a means of defense will not be what this Nation in its own best judgment considers should be done. So, in my opinion, the talk about prior planning, and so forth, is by no means a guaranty that the planning which will be brought about will actually result to the best interests of our Nation.

Mr. President, in only a very few sentences, in closing my remarks, I desire to state that this country, having attained the position of power and the influence it has, with the righteousness it can claim in the councils of the world because of its freedom from ambition to rob other nations, and all these qualities it possesses being its own, it seems to me appropriate that we should not deviate from the principles laid down by Washington, Jefferson, Marshall, and other

great leaders of the past, and should not entangle ourselves in international agreements. If we ratify the treaty, from then on, for 20 long years, in every cloud which crosses the political sky in Europe, every incident which could be the cause of war, every bit of hysteria which may develop in England, we shall feel concern, and, I dare say, we shall be sorry, many times, because of the fact that we shall no longer occupy the position which we now occupy. From the standpoint of justice to the children of our country, from the standpoint of justice to our men and women, from the standpoint of justice to the Nation itself, I think the Senate should not ratify the North Atlantic Pact.

To my mind, Mr. President, a distressing prospect faces us. I can see, with great apprehension, that after we have ratified the treaty we are faced for 20 years with the realization that we are bound by ties which cannot be severed except dishonorably; that we cannot make other international engagements without submitting them to the other members of the pact, or running the risk of having violated the pact in making such international engagements. There is a possibility that this pact may cause peaceful conditions to be preserved, but it is a matter of speculation; and as Viscount Grey pointed out, in connection with another pact which he described, instead of bringing security, it produced precisely the opposite result.

So, Mr. President, I strongly urge that the Senate, in its wisdom, and from the standpoint of the best interests of our Nation and of the world, should refuse to ratify the North Atlantic Treaty.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. DONNELL. I yield.

Mr. WHERRY. I did not ask the Senator to yield during his address. He stated that he would rather not yield until he had concluded. There is one question which I should like to ask him at this time. The Senator pointed out a news item in the New York Times which had to do with the need for clarifying the position of the United States Senate on whether the furnishing of arms in implementing the treaty is interwoven with the pact, and whether there is an obligation, if the Senate shall ratify the pact, to provide arms. I do not recall the exact quotation, but that is the impression I received from the news item which the Senator mentioned.

I have here a copy of the London Times, issued last month. I do not want to encumber the RECORD by asking that all the editorial be placed in the RECORD at this place in my remarks, but there is pointed out in three or four places that they are expecting arms legislation to be approved at this session of Congress. They are depending upon it.

Mr. DONNELL. Would the Senator be averse to reading the particular item into the RECORD? It seems to me it is very important.

Mr. WHERRY. I shall read it tomorrow. I expect to go into the subject in more detail at that time. What I wanted to do was to lay the premise and then ask the distinguished Senator a question.

Let us assume that the economic picture changes in this country, and I think it is changing very rapidly. Within a month the price of hogs has declined from $30 to $19. The price of cattle has declined from $40 to $27. Steel production has declined from 195 to 175 in the past 60 days, based on 1939 production. Let us say that the economic situation continues to change, and that the treaty can be interpreted as requiring the United States to furnish arms or give attention to arms legislation. Let us assume that the economic situation will be greatly changed by the time the implementation legislation comes up for consideration, and the Senate turns it down. Maybe that will not be true, but I am assuming it. If that should be the case, what will be the impact upon those nations? We do not know what is going to happen. We are attempting to balance the budget. If we balance the budget, it will depend upon what we do to our own military defense. It will depend upon what is done with ECA appropriations. If arms are not furnished, what will be the impact upon the other signatory countries?

Mr. DONNELL. I think the Senator's question very clearly indicates what the impact would very likely be. I can well see how the nations of Europe may consider it. They may say, "We are willing to accommodate ourselves to a changing condition; we are willing to take all that into consideration." On the other hand, they may say, and I should not be at all surprised if they do say it, that article 2 contains an obligation to seek to eliminate economic conflict and to encourage economic collaboration, but article 3 provides:

> In order more effectively to achieve the objectives of this treaty, the parties, separately and jointly, by means of continuous effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

I looked up the word "continuous." I may be called a crank for looking up words, but I like to know exactly what they mean. Continuous means something done without interruption, to produce a desired result.

I can readily see that the Congress would probably say to itself, "We are not going to bankrupt ourselves; we cannot run ourselves into bankruptcy." Other nations may want us to do so. It is entirely probable they will say, "We went into this, and we have done our part. We expect you to do yours; and this is an unconditional obligation."

Mr. WHERRY. I thank the Senator for his answer, because I think it is a subject which has not been raised as yet. There might be those who believe in the pact and who think all those conditions should be considered at the time the appropriation comes up for consideration. For that reason I think it becomes perfectly clear, each and every time I go into it, that it should be written out that there is no obligation to furnish arms until articles 3 and 9 become operative under the pact, if it shall be ratified. Then they are based upon their own merits and on the conditions at the time they are up for consideration as to whether this country can afford to furnish arms. It seems to me it should be made indelibly clear that there is absolutely no obligation, moral, or otherwise, to provide arms until articles 3 and 9 become operative, and then they should stand on their own basis as to whether they should be approved in the light of conditions existing at that time.

Mr. DONNELL. I desire to say two things. One is that I think we should go even further than that and say there is nothing in this treaty, from A to Z, which obligates us to provide arms. I think that is the extent to which we should go. Even then I should be opposed to the treaty. I shall not make my speech over again, but I am opposed to it.

Mr. WHERRY. I did not mean to ask the question so that it would draw the Senator out to restate his position on the Treatly. Knowing his position, I was asking for his opinion if certain things happen. If we attempt to write a reservation it is said, "Oh, what a terrific impact that will have on the other signatories." It is my position that it would have less impact if we would be clear about it now than if we waited for 6 months, and then, for any reason the arms implementation should not go through. In that event the impact would be colossal.

Mr. DONNELL. I think that in many instances I have not agreed with the views of the distinguished Senator from Idaho [Mr. TAYLOR], but when he made the point to the Senator from South Dakota as to whether it would not be better to pull the rug out now if any rug pulling is to take place than to wait for some months and then pull it out by failing to make the appropriation, I thought he was stating what was good, sound, common sense.

I wish to say one further thing. The Committee on Foreign Relations, we are told by the Senator from Texas—I suppose he means the committee when he says "we":

> We concluded from the hearings that the great majority of the American people strongly support the treaty and the principles upon which it is based.

Anyone is entitled to draw his own conclusion, and I realize that the great preponderance of the testimony, at least certainly on the part of the Government witnesses, was in favor of the pact. I do not know whether most of the lay witnesses were for or against; I have made no study of that; but I say there is nothing in the hearings before the committee, well conducted though they were, which would be at all conclusive as to what is the opinion of the great majority of the American people.

I noticed in a newspaper 2 or 3 weeks ago a statement of the results of the Gallup poll. I think it found that 67 percent of the people interviewed were in favor of the treaty. I make no comment against the Gallup poll. It had an unfortunate experience, as did some other organizations of the same type, but I have no doubt it is conducted scientifically, and may well have stated accurately what the condition was.

I point out that this treaty has had a most amazing amount of affirmative publicity. The publicity has been wonderfully drawn up. There has been all the drama of it from away back in November of last year down to the present time. We were told about the secrecy, and then all the information was released and the Secretary of State made his radio address and along came the delegates or representatives from Europe. Then came the big affair in Washington, with an orchestra playing, when the treaty was signed and there was a great big account of it all. It was wonderful publicity.

I have seen very little publicity adverse to it. That may be indicative of a lack of opposition, I do not know, but I am doubtful as to that. I think the fact is that a very large proportion of the people of the country have not had the opportunity the members of the Committee on Foreign Relations and the other Members of the Senate have had to study it. They might have all come to the conclusion the committee has reached, I do not know. They might have come to the conclusion some of the rest of us have reached.

The mail which has come to my office I am very sure is very much more opposed to the past than for it. That may be due in part, and perhaps large part, to the fact that in writing to me the correspondents know they are expressihg the view I have expressed, and it is possible they may want to be courteous in expressing their views to me. But I have yet to be certain of the fact that the great majority of the people of the United States are sufficiently well-informed about the pact, or have had an opportunity to obtain sufficient information, to arrive at a very conclusive opinion.

Mr. WHERRY. Is it the Senator's opinion that if the people knew, or even if they thought that they knew, that the arms implementation was inseparably linked up to the pact, there might be much more opposition to it than if we could separate them and have the pact on one side and the arms implementation on the other, without any twilight zone between?

Mr. DONNELL. I think so. I have referred to the Globe-Democrat of St. Louis. It recently conducted a poll. I have the figures in my office, and I may hand them to the Senator from Nebraska if he will put them in the RECORD.

Mr. WHERRY. I shall be glad to do so.

Mr. DONNELL. Among the questions asked was whether the people favored the arms program for the North Atlantic countries. I may be in error in my recollection, but I see Mr. Armstrong, of the Globe-Democrat, in the Chamber. He made the tabulation, and my impression is very clear that the great majority were opposed to the implementation program. I think that is the fact. I am not saying I can affirmatively show that the majority of the people are opposed to the treaty, because I do not know. I may say—and I should like to have it in the RECORD—that the correspondence I have received on this question, in large part, by far the largest part curiously enough, has come from outside my own State. I have received it largely from Illinois, New York, California, and some other States, and I do not know how the sentiment is divided in my own State. I have not had it segregated or separated. But I do know that a very considerable proportion of the mail I have received, and I am very sure it is very much in the majority, has been opposed to the North Atlantic Treaty.

Mr. CAPEHART. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield.

Mr. CAPEHART. I should like to ask the able Senator from Missouri whether he finds anything in the wording of the pact which would require the United States to furnish more military aid than any one of the other signatories to the pact.

Mr. DONNELL. There is nothing expressed in the pact to that effect. I think, however, that the clear indication by the Department of State has been to the effect that the resources of the given countries are to be taken into consideration and will be taken into consideration. I think it is undoubtedly true that that is the situation. Take, for instance, a country that has no resources at all, or virtually none. It obviously could not be expected to turn over everything it had.

Mr. CAPEHART. There is no wording in the pact which provides that we shall give more military aid than any other signatory to the pact?

Mr. DONNELL. There is nothing set forth in the pact, but I think the clear implication and practical operation of it would necessarily be that we should give substantial amounts and larger amounts than countries which are not so well circumstanced as we are.

Mr. CAPEHART. But we are not obligated to do that.

Mr. DONNELL. I do not say that. I think that is the implication from the pact. It is not expressed in so many words, but I think we are obligated within the reasonable meaning of the pact to do so.

Does the Senator have any further questions?

Mr. CAPEHART. No, Mr. President.

Mr. DONNELL. I thank the Senate for its patience.

EXHIBIT A

EXCERPT FROM SECRETARY OF STATE ACHESON'S ADDRESS ON THE NORTH ATLANTIC ALLIANCE, MARCH 19, 1949

The second article is equally fundamental. The associated countries assert that they will preserve and strengthen their free institutions and will see to it that the fundamental principles upon which free institutions are founded are better understood everywhere. They also agree to eliminate conflicts in their economic life and to promote economic cooperation among themselves. Here is the ethical essence of the treaty—the common resolve to preserve, strengthen, and make understood the very basis of tolerance, restraint, and freedom—the really vital things with which we are concerned.

## REHABILITATION OF NAVAJO AND HOPI TRIBES OF INDIANS

The PRESIDING OFFICER (Mr. ECTON in the chair), as in legislative session, laid before the Senate the amendment of the House of Representatives to the bill (S. 1407) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes, which was, to strike out all after the enacting clause and insert:

That in order to further the purposes of existing treaties with the Navajo Indians, to provide facilities, employment, and services essential in combating hunger, disease, poverty, and demoralization among the members of the Navajo and Hopi Tribes, to make available the resources of their reservations for use in promoting a self-supporting economy and self-reliant communities, and to lay a stable foundation on which these Indians can engage in diversified economic activities and ultimately attain standards of living comparable with those enjoyed by other citizens, the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the funds from time to time appropriated pursuant to this act, a program of basic improvements for the conservation and development of the resources of the Navajo and Hopi Indians, the more productive employment of their manpower, and the supplying of means to be used in their rehabilitation, whether on or off the Navajo and Hopi Indian Reservations. Such program shall include the following projects for which capital expenditures in the amount shown after each project listed in the following subsections and totaling $78,570,000 are hereby authorized to be appropriated:

(1) Soil and water conservation and range improvement work, $10,000,000.

(2) Completion and extension of existing irrigation projects, and completion of the investigation to determine the feasibility of the proposed San Juan-Shiprock irrigation project, $9,000,000.

(3) Surveys and studies of timber, coal, mineral, and other physical and human resources, $500,000.

(4) Development of industrial and business enterprises, $1,000,000.

(5) Development of opportunities for off-reservation employment and resettlement and assistance in adjustments related thereto, $3,500,000.

(6) Relocation and resettlement of Navajo and Hopi Indians (Colorado River Indian Reservation), $5,750,000.

(7) Roads and trails, $10,000,000.

(8) Telephone and radio communication systems, $250,000.

(9) Agency, institutional, and domestic water supply, $2,500,000.

(10) Establishment of a revolving loan fund, $5,000,000.

(11) Hospital buildings and equipment, and other health conservation measures, $4,750,000.

(12) School buildings and equipment, and other educational measures, $25,000,000.

(13) Housing and necessary facilities and equipment, $820,000.

(14) Common service facilities, $500,000.

Funds so appropriated shall be available for administration, investigations, plans, construction, and all other objects necessary for or appropriate to the carrying out of the provisions of this act. Such further sums as may be necessary for or appropriate to the annual operation and maintenance of the projects herein enumerated are hereby also authorized to be appropriated. Funds appropriated under these authorizations shall be in addition to funds made available for use on the Navajo and Hopi Reservations, or with respect to Indians of the Navajo Tribes, out of appropriations heretofore or hereafter granted for the benefit, care, or assistance of Indians in general, or made pursuant to other authorizations now in effect.

SEC. 2. The foregoing program shall be administered in accordance with the provisions of this act and existing laws relating to Indian affairs, shall include such facilities and services as are requisite for or incidental to the effectuation of the projects herein enumerated, shall apply sustained-yield principles to the administration of all renewable resources, and shall be prosecuted in a manner which will provide for completion of the program, so far as practicable, within 10 years from the date of the enactment of this act. An account of the progress being had in the rehabilitation of the Navajo and Hopi Indians, and of the use made of the funds appropriated to that end under this act, shall be included in each annual report of the work of the Department of the Interior submitted to the Congress during the period covered by the foregoing program.

SEC. 3. Navajo and Hopi Indians shall be given, whenever practicable, preference in employment on all projects undertaken pursuant to this act, and, in furtherance of this policy, may be given employment on such projects without regard to the provisions of the civil-service and classification laws. To the fullest extent possible, Indian workers on such projects shall receive on-the-job training in order to enable them to become qualified for more skilled employment.

SEC. 4. The Secretary of the Interior is authorized, under such regulations as he may prescribe, to make loans from the loan fund authorized by section 1 hereof to the Navajo Tribe, or any member or association of members thereof, or to the Hopi Tribe, or any member or association of members thereof, for such productive purposes as, in his judgment, will tend to promote the better utilization of the manpower and resources of the Navajo or Hopi Indians. Sums collected in repayment of such loans and sums collected as interest or other charges thereon shall be credited to the loan fund, and shall be available for the purpose for which the fund was established.

SEC. 5. Any restricted Indian lands owned by the Navajo Tribe, members thereof, or associations of such members, or by the Hopi Tribe, members thereof, or associations of such members, may be leased by the Indian owners, with the approval of the Secretary of the Interior, for public, religious, educational, recreational, or business purposes, including the development or utilization of natural resources in connection with operations under such leases. All leases so granted shall be for a term of not to exceed 25 years, but may include provisions authorizing their renewal for an additional term of not to exceed 25 years, and shall be made under such regulations as may be prescribed by the Secretary. Restricted allotments of deceased Indians may be leased under this section, for the benefit of their heirs or devisees, in the circumstances and by the persons prescribed in the act of July 8, 1940 (54 Stat. 745; 25 U. S. C., 1946 edition, sec. 380). Nothing contained in this section shall be construed to repeal or affect any authority to lease restricted Indians lands conferred by or pursuant to any other provision of law.

SEC. 6. In order to facilitate the fullest possible participation by the Navajo Tribe in the program authorized by this act, the members of the tribe shall have the right to adopt a tribal constitution in the manner herein prescribed. Such constitution may provide for the exercise by the Navajo Tribe of any powers vested in the tribe or any organ thereof by existing law, together with such additional powers as the members of the tribe may, with the approval of the Secretary of the Interior, deem proper to include therein. Such constitution shall be formulated by the Navajo Tribal Council at any regular meeting, distributed in printed form to the Navajo people for consideration, and adopted by secret ballot of the adult members of the Navajo Tribe in an election held under such regulations as the Secretary may prescribe, at which a majority of the qualified votes cast favor such adoption. The constitution shall authorize the fullest possible participation of the Navajos in the administration of their affairs as approved by the Secretary of the Interior and shall become effective when approved by the Secretary. The constitution may be amended from time to time in the same manner as herein provided for its adoption, and the Secretary of the Interior shall approve any amendment which in the opinion of the Secretary of the Interior advances the development of the Navajo people toward the fullest realization and exercise of the rights, privileges, duties, and responsibilities of American citizenship.

SEC. 7. Notwithstanding any other provision of existing law, the tribal funds now on deposit or hereafter placed to the credit of the Navajo Tribe of Indians in the United States Treasury shall be available for such purposes as may be designated by the Navajo Tribal Council and approved by the Secretary of the Interior.

SEC. 8. The Tribal Councils of the Navajo and Hopi Tribes and the Indian communities affected shall be kept informed and afforded opportunity to consider from their inception plans pertaining to the program authorized by this act. In the administration of the program, the Secretary of the Interior shall consider the recommendations of the tribal councils and shall follow such recommendations whenever he deems them feasible and consistent with the objectives of this act.

SEC. 9. From and after the effective date of this act, all Indians within the tribal or allotted lands of the Navajo and Hopi Reservations shall be subject to the laws of the State wherein such lands are located, and shall have access to the courts of such State for the enforcement of their rights and the redress of wrongs to the same extent and in the same manner as any other citizen thereof: *Provided, however,* That all classes and character of property now exempt from taxation shall continue to be and remain exempt from taxation by the State until otherwise provided by Congress; and that, until otherwise provided by Congress, all Federal and tribal laws and regulations respecting the management, assignment, inheritance, or disposition of lands shall be recognized and enforced where such laws or regulations are in conflict with State laws: *Provided further,* That nothing herein contained shall be construed as authorizing the State to interfere in any manner with the administration of the school system as provided and administered by the Federal Government for such Indians, except that the respective State school curricula shall be installed and followed in the Navajo schools so far as feasible: *And provided further,* That nothing in this act provided shall be deemed to impair the terms and obligations of any existing statute or treaty between the United States Government and the said Indians, nor take away the jurisdiction now exercised by the Federal Government or the tribes, but in all cases the jurisdiction of the State, the Federal, and the tribal courts shall be concurrent.

Mr. O'MAHONEY. Mr. President, as in legislative session, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MCFARLAND, Mr. ANDERSON, Mr. KERR, Mr. ECTON, and Mr. WATKINS conferees on the part of the Senate.

### PURCHASE OF CERTAIN INDIAN LANDS, FORT BERTHOLD RESERVATION, N. DAK.

The PRESIDING OFFICER, as in legislative session, laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the joint resolution (H. J. Res. 33) providing for the ratification by Congress of a contract for the purchase of certain Indian lands by the United States from the Three Affiliated Tribes of Fort Berthold Reservation, N. Dak., and for other related purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. O'MAHONEY. As in legislative session, I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KERR, Mr. MCFARLAND, Mr. MILLER, Mr. ECTON, and Mr. WATKINS conferees on the part of the Senate.

### PROPOSED FREIGHT ABSORPTION LEGISLATION

Mr. WHERRY. Will the Senator from Wyoming tell me why there has not been a conference on the O'Mahoney freight absorption bill (S. 1008)?

Mr. O'MAHONEY. That bill came from the Committee on the Judiciary, of which I am not a member, so the Committee on the Judiciary has the jurisdiction over the appointment of the conferees. I believe the fact that conferees have not be appointed is due to the large amount of business the committee has had on hand.

Mr. WHERRY. I wondered if the Senator had any light on that, because I have been asked about it by several Senators.

### RECESS

Mr. LUCAS. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 9 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, July 19, 1949, at 12 o'clock meridian.

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### NOMINATIONS

Executive nominations received by the Senate July 18 (legislative day of June 2), 1949:

#### UNITED STATES ATTORNEY

Edward Burns Parker, of Alabama, to be United States attorney for the middle district of Alabama. Mr. Parker is now serving in this office under an appointment which expired November 23, 1946.

#### IN THE AIR FORCE

The following-named officers for promotion in the United States Air Force, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to examination required by

law. All others have been examined and found qualified for promotion.

*To be captains*

Abernathy, Julian Ray, Jr., [redacted]
Ammon, Robert Harvey, [redacted]
×Anderson, George Stewart, [redacted]
Ashman, Richard Charles, [redacted]
Askew, George Washington, Jr., [redacted]
Bair, Joe Clarence, [redacted]
Beers, Robert LeRoy, [redacted]
Bender, Carroll Joseph, [redacted]
Bledsoe, John Denton, [redacted]
Bodnyk, Metro, [redacted]
×Brady, Roland Hamilton, Jr., [redacted]
Brandenburg, Warner Otto, [redacted]
Butler, Floyd Nunn, [redacted]
Byers, John Robert, [redacted]
Byrne, Joseph Paul, [redacted]
Carpenter, George Walter, [redacted]
Carter, Herbert Eugene, [redacted]
Cave, Richard Thomas, [redacted]
Cercek, John Frank, [redacted]
Christensen, Edward Michael, [redacted]
Clower, Freeling Horace, [redacted]
Collins, Edward Matthew, [redacted]
Coogler, Arthur Cornwell, [redacted]
Copeland, James Ralph, [redacted]
Creighton, Vernon Francis, [redacted]
Crites, Doyle LaVerne, [redacted]
×Crow, Roy Hammond, [redacted]
Crump, James Blanchard, [redacted]
Cummins, Frank Roger, [redacted]
Davies, Edwin Robert, [redacted]
Deardon, Russell Wendell, [redacted]
×Del Vecchio, Dino, [redacted]
Dews, Charles Allen, [redacted]
Dougherty, David Gardner, [redacted]
Douglas, James David, Jr., [redacted]
Dryer, Melvin George, [redacted]
×Dunn, James, Jr., [redacted]
Edwards, William Howell, [redacted]
×Fletcher, Edward Carleton, [redacted]
Fondaw, Sidney Glen, [redacted]
Froehlich, Vernon Walter, [redacted]
Frymire, William Dale, [redacted]
Gallagher, Kenneth Francis, [redacted]
Gubser, Burlyn Ross, [redacted]
Hanson, Kermit Theodore, [redacted]
Harrison, William Carl, Jr., [redacted]
Haslett, Hugh John, [redacted]
Heggenberger, Robert Walter, [redacted]
×Heinzel, Roy Henry, [redacted]
Hendricks, Clyde Vernon, [redacted]
Henner, Ernest Samuel, Jr., [redacted]
Heyl, Rodney William, [redacted]
Hibbert, John Alfred, [redacted]
Hill, Benjamin Wood, [redacted]
Holeman, Harry Gerald, [redacted]
Holley, James Taylor, [redacted]
Holt, Warner Jenella, [redacted]
×Hugunin, Guy Jackson, Jr., [redacted]
×Iddins, Donald Jennings, [redacted]
Iovine, Guy Thomas, [redacted]
Jackson, Frank Rogers, [redacted]
James, David Marshall, [redacted]
Johansen, Martin Christian, [redacted]
×Jones, Donald Pershing, [redacted]
Jones, James Melton, Jr., [redacted]
Jordan, Raymond Vincent, [redacted]
Judas, Maxwell Vincent, [redacted]
Kelly, Frank Albert, [redacted]
Kissell, William George, [redacted]
Kivipelto, Oiva, [redacted]
Kraemer, Richard Howard, [redacted]
Kral, William, [redacted]
Kramer, Vernon Jerome, [redacted]
Kuchenbecker, John Edward, [redacted]
Ladd, Robert Byard, [redacted]
Leonhardt, Herbert Victor, [redacted]
Linden, Eric Oscar, [redacted]
Litchfield, Robert Latta, [redacted]
×Livingston, Clyde McRay, [redacted]
Looney, William Alvin, [redacted]
McAllister, Allen Marshall, [redacted]
McClanahan, James Clifton, [redacted]
McClure, John Edward, [redacted]
McKinley, James William, [redacted]
McKinnon, Edwin Lawrence, [redacted]
×MacLean, Lynwood Alva, Jr., [redacted]
Madole, William Harley, [redacted]
Meier, Clifford Henry, [redacted]
×Michaud, Leonard P., [redacted]
Moleski, George Ignatius, [redacted]
×Moran, Daniel James, Jr., [redacted]
Moranville, Bill Harold, [redacted]
Morley, Rudyard Carl, [redacted]
Nelsen, Maynard Peter, [redacted]
Novinski, Norbert Lawrence, [redacted]
Ogburn, George Horace, Jr., [redacted]
Parker, John Frederick, [redacted]
Peck, Douglas Thomas, [redacted]
Perry, Stanley Lowell, [redacted]
Phelps, Bernard Alvin, Jr., [redacted]
Phipps, Charles Everette, [redacted]
Provancha, George James, [redacted]
Rice, Arthur Edwin, [redacted]
Richardson, Rolland LeRoy, [redacted]
Ritchie, De Ward, [redacted]
Roach, Harry Edwin, Jr., [redacted]
Ruddick, Lynn Willkom, [redacted]
Rust, Henry Buddington, [redacted]
Sanxter, Donald LaVern, [redacted]
×Schultz, Adrian Joseph, [redacted]
Scott, Dale Wilson, [redacted]
Scoville, Curtis Lee, [redacted]
Seaman, Clarence Orand, [redacted]
Shelton, Walter Scott, Jr., [redacted]
Sherman, Fred Peter, [redacted]
Slaker, Kenneth Waverly, Jr., [redacted]
Smith, Carl Clay, Jr., [redacted]
×Smith, George Robert, [redacted]
×Smith, Robert Gerald, [redacted]
Smith, Roger Harold, [redacted]
Sollars, John Alexander, [redacted]
×Stahl, Benjamin Abraham, [redacted]
Stankowski, John Frank, Jr., [redacted]
Stewart, James Arthur, [redacted]
Sullivan, Francis Charles, [redacted]
Symington, Thomas Alexander, Jr., AO47447.
×Tahsequah, Meech, [redacted]
Taylor, Gardner Wade, 2d, [redacted]
Tedrowe, Thaddeus William, [redacted]
Templin, Jack Donald, [redacted]
Thatcher, William Charles, [redacted]
×Thomas, Parry Lloyd, [redacted]
Thompson, John Robert, Jr., [redacted]
Thorvaldson, Joel Dixon, [redacted]
Thurlow, Everett Beach, [redacted]
Todt, Donald Clare, [redacted]
Trojan, Joseph Ernest, [redacted]
Tuten, Wilson Parker, [redacted]
Van Marter, William Howard, [redacted]
Wagner, Paul Campbell, [redacted]
×Waldher, Eugene Nicholas, [redacted]
Walker, Edwin LeClaire, Jr., [redacted]
Warren, James David, [redacted]
Washer, Larche Mecom, [redacted]
Wilcox, Lawrence Randolph, [redacted]
Williams, Dave Weldon, [redacted]
Williams, Edgar Grant, [redacted]
Williams, Joe Charles, [redacted]
Williamson, Philip Joseph, [redacted]
×Wilson, George Henry, [redacted]
Wilson, Harold Homer, [redacted]
Winchester, Charlton Whitfield, Jr., [redacted]
Winningham, Porter Lee, [redacted]
Woodard, Roger Clinton, [redacted]
Worthington, Arthur Wagner, [redacted]
Yahr, Raymond Richard, [redacted]
Yaworksi, John, [redacted]
Yehle, Vernon Keith, [redacted]
×Zais, Richard Andrew, [redacted]
Zwink, Wayne Ernest, [redacted]

NOTE.—These officers will complete 7 years' service for promotion during the month of July. Dates of rank will be determined by the Secretary of the Air Force.

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## CONFIRMATIONS

Executive nominations confirmed by the Senate July 18 (legislative day of June 2), 1949:

### IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grades indicated under the provisions of title V of the Officer Personnel Act of 1947:

*To be major generals*

Lester Johnson Whitlock, [redacted]
Ray Tyson Maddocks, [redacted]

*To be brigadier generals*

Henry Irving Hodes, [redacted]
Blackshear Morrison Bryan, Jr., [redacted]

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of section 515 of the Officer Personnel Act of 1947:

*To be major generals*

Josef Robert Sheetz, [redacted]
William Arthur Beiderlinden, [redacted]
Reuben Ellis Jenkins, [redacted]
Whitfield Putnam Shepard, [redacted]

*To be brigadier generals*

Harold Eugene Eastwood, [redacted]
Andrew Christian Tychsen, [redacted]
Laurin Lyman Williams, [redacted]
Raymond Eccleston Serveira Williamson, [redacted]
William Lillard Barriger, [redacted]
George Bittmann Barth, [redacted]

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Curtis H. Alloway, [redacted]
Anthony J. Auletta, [redacted]
Paul A. Baldy, [redacted]
John T. Batts, [redacted]
William L. Boylston, [redacted]
Leon W. Brouhard, [redacted]
Clifford J. Budney, [redacted]
David M. Buie, [redacted]
Elmer I. Caldwell, [redacted]
Charles B. Christian, [redacted]
John M. Coates, [redacted]
Lloyd A. Corkan, Jr., [redacted]
Ralph E. Davis, [redacted]
Fred P. De Palma, [redacted]
Bert P. Ezell, [redacted]
Edgar R. Fenstemacher, [redacted]
Joseph F. Fil, [redacted]
George L. Freeman, [redacted]
James V. Galloway, [redacted]
John D. Gard, [redacted]
Franklin T. Garrett, [redacted]
Sam F. Gaziano, [redacted]
Berkeley S. Gillespie, Jr., [redacted]
Anthony P. Glasser, [redacted]
Maxwell Grabove, [redacted]
John B. Gregg, [redacted]
James C. Hefti, [redacted]
Leonard J. Hempling, [redacted]
Lewis E. Hess, [redacted]
Charles W. Howard, [redacted]
William L. Humphrey, [redacted]
Carl W. Ivie, Jr., [redacted]
Lloyd K. Jenson, [redacted]
Maurice E. Jessup, [redacted]
James W. Kelly, [redacted]
Eldredge R. Long, Jr., [redacted]
John S. Mace, [redacted]
Clarence D. Maiden, [redacted]
Roy R. May, Jr., [redacted]
Raymond N. Nelson, Jr., [redacted]
Gilbert H. Newman, [redacted]
John W. Norwalk, [redacted]
Lewington S. Ponder, [redacted]
Noble L. Riggs, [redacted]
Edmund C. Roberts, Jr., [redacted]
William Schabacker, [redacted]
Ferdinand L. Schwartz, [redacted]
John G. Sheehan, [redacted]
Frank W. Sheppe, [redacted]
Russell R. Simpson, [redacted]
Harold T. Smith, [redacted]
Homer D. Smith, Jr., [redacted]
Paul C. Smithey, [redacted]
Basil J. Sollitto, [redacted]

Roderick A. Stamey, Jr., [redacted].
Lawrence V. Troiano, [redacted].
William M. Twitty, [redacted].
Jerry G. Wallace, [redacted].
Dayton L. Warren, [redacted].
Dobson L. Webster, [redacted].
Joseph M. Wells, [redacted].
Donald B. Wentzel, [redacted].
Alton R. Wheelock, [redacted].
William M. Whitesel, [redacted].
Samuel M. Woodward, [redacted].

IN THE MARINE CORPS

APPOINTMENT TO THE TEMPORARY GRADE OF BRIGADIER GENERAL

John Halla

APPOINTMENT TO THE PERMANENT GRADE OF MAJOR FOR LIMITED DUTY

Dorn E. Arnold

APPOINTMENTS TO THE PERMANENT GRADE OF CAPTAIN FOR LIMITED DUTY

Harvey W. Gagner
Albert N. Bailey

APPOINTMENTS TO THE PERMANENT GRADE OF FIRST LIEUTENANT FOR LIMITED DUTY

Conrad J. Morgan
Robert J. Greenway
"J" "B" Powell

APPOINTMENT TO THE PERMANENT GRADE OF SECOND LIEUTENANT FOR LIMITED DUTY

Richard O. Ely

APPOINTMENT TO THE PERMANENT GRADE OF SECOND LIEUTENANT FOR LIMITED DUTY

Herbert E. McNabb

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# HOUSE OF REPRESENTATIVES

## MONDAY, JULY 18, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, Rev. Jacob S. Payton, D. D., offered the following prayer:

Equip us, O God, with all things necessary for entering upon the duties of the week. Remind us that although its demands may be new and different, Thou doth require that they be met only in ways approved by Thee and sanctioned by the good in all ages. We do not pray for uniformity of viewpoint, but rather for the old and changeless qualities of honor and fairness by which men always have resolved their differences acceptably in Thy sight. United may we live and strive to make America strong in the security of righteousness and rich in the abundance of morality and religion. This day may these legislators "be strong in the Lord and in the power of His might." In Christ's name we pray. Amen.

The Journal of the proceedings of Thursday, July 14, 1949, was read and approved.

### MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On July 11, 1949:

H. J. Res. 228. Joint resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week.

On July 13, 1949:

H. R. 20. An act to amend the act of August 1, 1947, as amended, to authorize the creation of 10 professional and scientific positions in the headquarters and research stations of the National Advisory Committee for Aeronautics;

H. R. 596. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of John E. Parker, his heirs, administrators, or assigns, against the United States;

H. R. 709. An act for the relief of the General Engineering & Dry Dock Corp.;

H. R. 1009. An act for the relief of the Central Bank, a California corporation, as assignee of John C. Williams, an individual operating under the fictitious name and trade style of Central Machine Works, of Oakland, Calif.;

H. R. 1116. An act for the relief of Mexican Fibre & Twine Co., Inc.;

H. R. 1173. An act for the relief of Florence Bryant Peters and E. B. Peters;

H. R. 1297. An act for the relief of Alvin G. Patton;

H. R. 1470. An act for the relief of the estate of James F. Delahanty, deceased;

H. R. 1496. An act for the relief of Mrs. Thelma Lee Rynaard;

H. R. 1676. An act for the relief of Thomas M. Bates;

H. R. 3077. An act for the relief of Mrs. Rebecca Levy;

H. R. 3151. An act to amend the Federal Food, Drug, and Cosmetic Act of June 25, 1938, as amended, by providing for the certification of batches of drugs composed wholly or partly of any kind of aureomycin, chloramphenicol, and bacitracin, or any derivative thereof;

H. R. 3313. An act for the relief of the estate of the late Manuel Graulau Velez;

H. R. 3320. An act for the relief of Ignacio Colon Cruz;

H. R. 3321. An act for the relief of Gloria Esther Diaz, Lydia Velez, and Gladys Prieto;

H. R. 3323. An act for the relief of the estate of Rafael Rebollo;

H. R. 3680. An act to authorize the Secretary of Agriculture to quitclaim 5.1 acres of land in Washington County, Miss., to the Mississippi State College;

H. R. 3717. An act to repeal the act of July 24, 1946, relating to the Swan Island Animal Quarantine Station;

H. R. 3720. An act for the relief of Erwin F. Earl;

H. R. 4252. An act to transfer the trawlers *Alaska* and *Oregon* from the Reconstruction Finance Corporation to the Fish and Wildlife Service;

H. R. 4373. An act for the relief of Ray G. Schneyer and Dorothy J. Schneyer;

H. R. 4559. An act for the relief of Louis Brown; and

H. R. 4807. An act for the relief of Robert A. Atlas.

On July 14, 1949:

H. R. 52. An act for the relief of Nevada County, Calif.;

H. R. 682. An act for the relief of the legal guardian of Elliott Hewitt;

H. R. 1042. An act for the relief of Hoy C. Wong; and

H. R. 2785. An act to provide for further contributions to the International Children's Emergency Fund.

On July 15, 1949:

H. R. 599. An act for the relief of Victor R. Browning & Co., Inc.

On July 16, 1949:

H. J. Res. 287. Joint resolution extending section 1302 (a) of the Social Security Act, as amended, until June 30, 1950.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate insists upon its amendments to the bill (H. R. 2021) entitled "An act to provide increased pensions for widows and children of deceased members and retired members of the Police Department and the Fire Department of the District of Columbia," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HUNT, Mr. JOHNSTON of South Carolina, and Mr. SCHOEPPEL to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House with an amendment to a bill of the Senate of the following title:

S. 937. An act to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 4381) entitled "An act to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mrs. SMITH of Maine, Mr. HENDRICKSON, and Mr. FREAR to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4016) entitled "An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the Senate amendment numbered 10 to the above-entitled bill.

### SPECIAL ORDERS GRANTED

Mr. KEEFE asked and was given permission to address the House for 1 hour today following the legislative business of the day and other special orders.

Mr. JENNINGS asked and was given permission to address the House for 1 hour today following the special order granted to the gentleman from Wisconsin [Mr. KEEFE].

### EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and in each to include extraneous matter.

Mr. O'HARA of Minnesota asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and to include a speech she made on last Saturday.

Mr. GOODWIN asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include an editorial and in the other a newspaper article.

Mr. EATON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by Mr. EDWARD HART.

Mr. RICH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Gazette and Bulletin, Williamsport, Pa., entitled "An Old Story."

Mr. BURDICK asked and was given permission to extend his remarks in the RECORD.

Mr. NORBLAD asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. PLUMLEY asked and was given permission to extend his remarks in the RECORD and include an address by Samuel B. Pettengill.

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD regarding a bill he is today introducing.

Mr. MOULDER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by Thomas B. Young, president and general manager of the Guide Publishing Co.

Mr. COLMER asked and was given permission to extend his remarks in the RECORD and include a news article.

Mr. O'BRIEN of Michigan asked and was given permission to extend his remarks in the RECORD and include a statement from the New York Times.

Mr. PATMAN asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and include extraneous matter.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the RECORD and include a letter from the chairman of the Illinois Council of the American Veterans Committee urging extension of the 52–20 law.

Mr. BARTLETT asked and was given permission to extend his remarks in the RECORD.

Mr. WELCH of Missouri asked and was given permission to extend his remarks in the RECORD.

Mr. TRIMBLE asked and was given permission to extend his remarks in the RECORD and include a report of the United States Department of Agriculture.

Mr. DAVENPORT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Pittsburgh Sun-Telegraph.

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and include extraneous matter.

Mr. ELSTON asked and was given permission to extend his remarks in the RECORD and include an editorial from the Cincinnati Enquirer.

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD.

### SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House for 15 minutes today after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

### PARLIAMENTARY INQUIRY

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Speaker, it is my understanding this is Consent Calendar day. In view of the recent Supreme Court decision in the Christoffel case, which held affirmatively that unless a quorum is present the committees of the House and the House are not legal tribunals, would the House now be competent to consider bills on the Consent Calendar, it being apparent a quorum is not present?

The SPEAKER. The gentleman knows, of course, that unless a point of no quorum is made, it is presumed that a quorum is always present.

Mr. HOFFMAN of Michigan. The gentleman from Michigan thought that was the law until the Supreme Court held otherwise.

The SPEAKER. The Chair is following the law of the House of Representatives.

Mr. HOFFMAN of Michigan. The Chair is the law?

The SPEAKER. No, the Chair did not say that.

### CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the consent calendar.

### RESIDENT COMMISSIONER FROM THE VIRGIN ISLANDS

The Clerk called the bill (H. R. 2988) to provide for a Resident Commissioner from the Virgin Islands, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MILLER of Nebraska. Mr. Speaker, I object.

### ESTABLISHMENT OF A FEDERAL INTERAGENCY COMMITTEE ON RECREATION

The Clerk called the bill (H. R. 892) to authorize the establishment of a Federal Interagency Committee on Recreation.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I understand the gentleman from Florida has a committee amendment to this bill. I wonder if he will confirm that fact?

Mr. PETERSON. Mr. Speaker, I have an amendment limiting the new employees to not to exceed two and the appropriation to not to exceed $15,000. I have secured the approval of both sides of the House to this amendment.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the agencies of the Federal Government concerned with public recreation are hereby authorized to form a Federal Interagency Committee on Recreation to promote a closer coordination of their respective programs as authorized by law, to engage in joint recreational research, and to exchange and disseminate information.

With the following committee amendments.

Page 1, line 6, after the word "programs", insert "pertaining to public relation."

Page 1, line 7, strike out "law" and insert "law and."

Page 1, line 8, strike out "and to exchange and disseminate information" and insert "pertaining to those authorized programs."

The committee amendments were agreed to.

Mr. PETERSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: Page 1, line 9, after the period, insert a new sentence: "It is the purpose of this act to provide for the use of regular employees of the agencies of the Federal Government concerned to be assigned to the Federal Interagency Committee on Recreation, and no more than two new employees shall be considered as authorized by this legislation, and the total appropriation shall not exceed $15,000 per year."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### BENEFITS OF ANNUITANTS WHO RETIRED PRIOR TO APRIL 1, 1948

The Clerk called the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948.

Mr. CUNNINGHAM. Mr. Speaker, this bill calls for an expenditure of entirely too much money to be considered by unanimous consent. Therefore, Mr. Speaker, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

### REHABILITATION OF SISSETON-WAHPETON INDIANS

The Clerk called the bill (H. R. 3765) to promote the rehabilitation of the Sisseton-Wahpeton Sioux Tribe of Indians and better utilization of the resources of the Sisseton Reservation, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

### OPERATION OF A MUSEUM AT KLUKWAN, ALASKA

The Clerk called the bill (H. R. 2012) to authorize the erection and operation of a museum at Klukwan, Alaska.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

### WILDLIFE ASPECTS OF THE COLORADO-BIG THOMPSON PROJECT

The Clerk called the bill (H. R. 5134) to promote the development in cooperation with the State of Colorado of the

fish, wildlife, and recreational aspects of the Colorado-Big Thompson Federal reclamation project.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, do I understand that the gentleman from Florida intends to offer an amendment to the bill?

Mr. PETERSON. Yes. I will offer an amendment in accordance with our agreement, which amendment has been submitted to both sides, and which is acceptable.

Mr. BYRNES of Wisconsin. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That, in connection with the Colorado-Big Thompson project, in the State of Colorado, heretofore authorized for construction, operation, and maintenance in accordance with the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), the Secretary of the Interior, based on estimates, evaluations, plans, and specifications submitted to him by the Fish and Wildlife Service, the National Park Service, and the Bureau of Reclamation, shall allocate such portion of the construction costs of said project heretofore or hereafter incurred in connection with the construction costs of such project as in the judgment and discretion of the Secretary represents the cost of such fish, wildlife, game, and recreational development of the construction and operation or maintenance of the said project; and that after such allocation or allocations of costs has or have been made by the Secretary, the amount thereof shall be nonreimbursable; and costs so allocated shall thereafter be considered as an investment in perpetuity by the United States of America in such project for the development of the fish, wildlife, game, recreational, and natural resources involved.

SEC. 2. The Secretary of the Interior, in connection with said Colorado-Big Thompson project, is authorized to construct, maintain, and operate public park and recreational facilities in reservoir areas connected with said project, and to permit the construction, maintenance, and operation of such facilities by others on such terms and conditions as he deems proper and in the best interests of the United States; and to construct, operate, and maintain such fish, wildlife, and game or other recreational facilities as in his judgment may be necessary or desirable. The Secretary of the Interior is authorized to grant leases of lands or interests therein in connection with said project aforesaid, including structures or facilities thereon, in reservoir areas connected with the project, for such periods and upon such terms as he may deem reasonable: *Provided,* That preference shall be given to Federal, State, or local governmental agencies, and licenses may be granted without monetary consideration to such agencies for the use of areas suitable for public park and recreational purposes when the Secretary of the Interior determines such action to be in the public interest. The water areas of all such reservoirs shall be open to public use generally at such rates and charges as may be determined by the Secretary for boating, swimming, fishing facilities, and other recreational purposes, and ready access to and exit from such water areas along the shores of such reservoirs shall be maintained for general public use when such use is determined by the Secretary of the Interior not to be contrary to the public interest or in conflict with the primary purpose of said project in connection with its development as an irrigation and hydroelectric project, all under such rules and regulations as the Secretary of the Interior may deem necessary. No use of any area to which this section applies shall be permitted which is inconsistent with the laws for the protection of fish and game of the State of Colorado in which the project area is located.

SEC. 3. Where, in carrying out the provisions of this act, it becomes necessary to acquire any rights or property, the Secretary of the Interior is hereby authorized to negotiate for and to acquire the same for the United States by purchase and to pay therefor from any appropriated funds available for such purposes the amounts which in the judgment of the Secretary of the Interior represent fair market value for any rights or property so acquired.

SEC. 4. In planning, locating, constructing, operating, and maintaining the fish, wildlife, game, and recreational facilities authorized by this act, and including the determination of the allocation of costs and benefits therefor, the Secretary of the Interior shall give due consideration to any reports, information, or other data and recommendations submitted to him by the interested State agencies; and the Secretary of the Interior shall consult, through the Governor of the State of Colorado, with such public agencies of the State as are concerned with the conservation and utilization of water resources, the protection and propagation of fish and wildlife, and the provision and improvement of recreational facilities. In the event the Secretary of the Interior, the interested State agencies, and the local interests are unable to agree on any of the major features of any plan or program proposd by the Secretary of the Interior under the authority of this act, a full report thereon shall be made by the Secretary of the Interior to the Congress, including the views and recommendations of the interested State agencies and local interests involved, and the proposed works shall not be deemed authorized except upon approval by an act of the Congress.

SEC. 5. Such areas as are made available to the Secretary of the Interior for the purposes of this act under sections 2 and 3 hereof, or by any other law, proclamation, or Executive order in connection with the Colorado-Big Thompson project, shall be administered directly or under cooperative agreements with any State, Federal, municipal, or local agency or agencies as, in the judgment of the Secretary, may be desirable; and, in connection therewith, the Secretary is authorized to plan joint programs and to advance funds to such agencies in connection with the execution or planning of such programs on such terms and conditions as he deems best suited to promote or develop joint programs consistent with the purposes of this act.

SEC. 6. Subject to the provisions of the Administrative Procedure Act (60 Stat. 237), as now existing or hereafter amended, the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect. A violation of any of such rules and regulations promulgated by the Secretary shall be a misdemeanor subject to a fine of not more than $100 or not more than 90 days in jail, or both, for each and every violation of such rules and regulations: *Provided,* That copies of such rules and regulations established by the Secretary of the Interior hereunder shall be posted and kept posted at all times in conspicuous public places within the areas under the jurisdiction of the Secretary of the Interior affected by the provisions of this act.

SEC. 7. Wherever in this act functions, powers, or duties are conferred upon the Secretary of the Interior, those functions, powers, or duties may be performed, exercised, or discharged by the duly authorized representatives of the Secretary or the heads of such other agencies or representatives as the Secretary may officially designate in writing; and a copy of such designation or designations shall be duly published in the Federal Register at the time of the designation or designations aforesaid.

SEC. 8. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such moneys as may be necessary to carry out the provisions of this act, to be nonreimbursable as herein provided.

SEC. 9. This act shall be deemed a supplement to the Federal reclamation laws.

Mr. PETERSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: Page 6, line 21, after the comma, insert the following words and figures: "not to exceed $100,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## PRECIOUS METALS EXPERIMENT STATION AT RENO, NEV.

The Clerk called the bill (H. R. 2386) to provide for the establishment and operation of a rare and precious metals experiment station at Reno, Nev.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

## PROTECT THE PUBLIC WITH RESPECT TO PRACTITIONERS

The Clerk called the bill (H. R. 4446) to protect the public with respect to practitioners before administrative agencies.

Mr. TRIMBLE. Mr. Speaker, this is very important legislation which I think should be debated in full on the floor. Therefore I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

## DISPOSAL OF MARGINAL INDIAN LANDS

The Clerk called the bill (H. R. 3275) to provide for the sale or other disposal of certain submarginal lands located within the boundaries of Indian reservations in the States of Montana, North Dakota, and South Dakota.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That (a) upon the enactment of this act the Secretary of the Interior shall set up a land-disposal committee for each of the Indian reservations in the States of Montana, North Dakota, and South Dakota, which have within their boundaries land acquired under authority of title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), section 55 of title I of the act of August 24, 1935 (49 Stat. 750, 781), and title III of the Bankhead-Jones Farm Tenant Act of

July 22, 1937 (50 Stat. 522), as amended (hereinafter referred to as "title III land").

(b) Such committee shall be composed of—

(1) the chairman of the board of county commissioners of the county in which the major portion of the Indian reservation lies, or a member of the board designated by him;

(2) the State conservationist of the Soil Conservation Service or a representative designated by him;

(3) the Superintendent of the Indian reservation;

(4) the chairman of the tribal council of the reservation, or a member of the council to be designated by the council; and

(5) an honorably discharged veteran, who is a resident of the county and is familiar with the lands in question, to be chosen as the fifth member of the committee by the four members described above.

SEC. 2. The committee shall organize immediately with the chairman of the board of county commissioners, or the member of the board of county commissioners designated by him, as its chairman, and shall proceed to recommend the disposition of all title III land described in section 1 of this act. In making such recommendation, the committee may secure the assistance of the soil-conservation technicians of the Indian Office and the Soil Conservation Service and it shall classify title III lands according to their use capability, designating as grazing lands those tracts which cannot be used for the production of cultivated crops without causing soil depletion and accelerated erosion.

SEC. 3. Title III land may be (a) granted or sold to (1) the United States in trust for the Indians occupying the reservation, (2) other Federal or State government units, (3) individual Indian veterans, (4) individual non-Indian veterans, or (b) exchanged for other land located within the same reservation.

SEC. 4. In the disposal of said land the committee may fix a consideration based on adequate appraisal which considers normal value. In making its findings the committee shall consider (a) the capability and condition of the tract concerned; (b) the effect such disposition would have on the economy of local farms, ranches, and units of government; (c) the best land use of the area; and (d) other factors which the committee considers pertinent.

SEC. 5. The committee in each county, when it shall have determined the disposition of the said lands or any part thereof, shall so certify to the Secretary of the Interior, who is hereby authorized and directed to make such transfers of title as shall carry out the recommendations of the committee.

SEC. 6. All rentals or other revenues received for the use or sale of the title III land shall be divided as follows: (a) One-fourth shall be paid to the county in which the lands are located; (b) one-fourth shall be credited to miscellaneous receipts in the Treasury of the United States; (c) one-half shall be deposited in the Treasury of the United States to the credit of the tribe of the reservation for whose use and benefit the tract concerned was assigned by Executive order.

With the following committee amendment:

Page 3, line 24, strike out "and directed."

The committee amendment was agreed to.

Mr. MORRIS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRIS:

Page 4, line 2, strike out the words "or sale."

Page 4, line 4, strike out the word "one-fourth." and insert in lieu thereof "one-half."

Page 4, line 5, strike out the word "one-half" and insert "one-fourth."

At the end of the bill insert the following:

"All the funds received from the sale of the title III lands shall be credited to miscellaneous receipts in the Treasury of the United States."

The amendment was agreed to.

The bill was ordered to be engrossed, read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## COOPERATION IN RECREATIONAL USES OF LANDS AND WATERS

The Clerk called the bill (H. R. 4403) to facilitate the administration by the Secretary of the Interior, in cooperation with other Federal, State, and local agencies, of the recreational uses of lands and waters within reclamation, flood-control, power, and other Federal reservoir projects.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

## AMENDING CERTAIN PROVISIONS OF THE INTERNAL REVENUE CODE

The Clerk called the bill (H. R. 5268) to amend certain provisions of the Internal Revenue Code.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.—*

SECTION 1. Farmers' returns as declarations of estimated tax.

Section 60 (a) of the Internal Revenue Code (relating to declaration of estimated tax by farmers) is hereby amended by striking out the period at the end thereof and inserting in lieu thereof the following: "; and if such an individual files a return on or before January 31 of the succeeding taxable year, and pays in full the amount computed on the return as payable, such return shall have the same effect as that prescribed in section 58 (d) (3) in the case of a return filed on or before January 15."

SEC. 2. Foreign tax credit.

(a) Section 131 (c) of the Internal Revenue Code (relating to adjustments on payment of accrued taxes) is hereby amended by adding at the end thereof the following new sentences: "In such redetermination by the Commissioner of the amount of tax due from the taxpayer for the year or years affected by a refund, the amount of the taxes refunded for which credit has been allowed under this section shall be reduced by the amount of any tax described in subsection (a) imposed by the foreign country or possession of the United States with respect to such refund; but no credit under this section, and no deduction under section 23, shall be allowed for any taxable year with respect to such tax imposed on the refund. No interest shall be assessed or collected on any amount of tax due upon any redetermination by the Commissioner, resulting from a refund to the taxpayer, for any period prior to the receipt of such refund, except to the extent interest was paid by the foreign country or possession of the United States on such refund for such period."

(b) The amendment made by subsection (a) shall be applicable with respect to taxable years beginning after December 31, 1938. If the allowance of a credit or refund of any overpayment of tax resulting from the application of the amendment made by subsection (a) is prevented on the date of the enactment of this act, or within 1 year from such date, by the operation of any law or rule of law (other than section 3761 of the Internal Revenue Code, relating to compromises), credit or refund of such overpayment may, nevertheless, be allowed or made if claim therefor is filed within one year from the date of the enactment of this Act.

SEC. 3. Charitable contributions by corporations on accrual basis.

(a) Section 23 (q) of the Internal Revenue Code (relating to charitable and other contributions) is hereby amended by adding at the end thereof the following:

"In the case of a corporation reporting its net income on the accrual basis, at the election of the taxpayer any contribution or gift payment of which is made after the close of the taxable year and on or before the 15th day of the third month following the close of such year shall, for the purposes of this subsection, be considered as paid during such taxable year, if during such year, the board of directors authorized such contribution or gift. Such election shall be made only at the time of the filing of the return for the taxable year, and shall be signified in such manner as the Commissioner, with the approval of the Secretary, shall by regulations prescribe."

(b) Section 102 (d) (1) (B) of the Internal Revenue Code (relating to section 102 net income), section 336 (a) (2) of such code (relating to net income of foreign personal holding companies), and section 505 (a) (2) of such code (relating to net income of domestic personal holding companies) are each amended by adding at the end thereof the following new sentence: "For the purposes of the preceding sentence, payment of any contribution or gift shall be considered as made within the taxable year if and only if it is considered for the purposes of section 23 (q) as made within such year.".

(c) The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1942. If the election provided for in such amendments is made for any taxable year beginning before January 1, 1949—

(1) the election for such year may be made (in lieu of at the time of the filing of the return for such year) at any time within 1 year after the date of the enactment of this act; but

(2) such election shall not be allowed unless the taxpayer, in accordance with regulations prescribed by the Commissioner with the approval of the Secretary, consents in writing to the assessment (within such period as may be agreed upon) of any deficiency, to the extent resulting from such election, for any other taxable year of the taxpayer, even though on the date of the filing of such consent such assessment is otherwise prevented by the operation of any law or rule of law.

SEC. 4. Transfers of stock between corporation and nominee.

(a) Section 1802 (b) of the Internal Revenue Code (relating to stamp taxes on sales and transfers of stock) is hereby amended by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon, and by inserting after clause (2) the following new clause:

"(3) From a corporation to a registered nominee of such corporation, or from one such nominee to another such nominee, if in either case the shares or certificates continue to be held by such nominee for the same purpose for which they would be held if retained by such corporation; or from such nominee to such corporation."

(b) In the case of the death before the date of the enactment of this act of a nominee of a corporation (whether or not such

nominee was registered), the tax under section 1802 (b) of the Internal Revenue Code shall not be imposed upon any delivery or transfer of stock from the executor or administrator of such nominee to such corporation if such delivery or transfer is made on or before the date of the enactment of this act or within 1 year after such date.

SEC. 5. Employee annuity contracts.

(a) Section 165 of the Internal Revenue Code (relating to employees' trusts) is hereby amended by adding at the end thereof the following new subsection:

"(d) Certain employees' annuities: Notwithstanding subsection (c) or any other provision of this chapter, a contribution to a trust by an employer shall not be included in the income of the employee in the year in which the contribution is made if—

"(1) such contribution is to be applied by the trustee for the purchase of annuity contracts for the benefit of such employee;

"(2) such contribution is made to the trustee pursuant to a written agreement entered into prior to October 21, 1942, between the employer and the trustee, or between the employer and the employee; and

"(3) under the terms of the trust agreement the employee is not entitled during his lifetime, except with the consent of the trustee, to any payments under annuity contracts purchased by the trustee other than annuity payments.

The amount so contributed by the employer shall not constitute consideration paid by the employee for such annuity contract in determining the amount of annuity payments required to be included in his gross income under section 22 (b) (2); except that if the tax imposed by this chapter for any taxable year beginning before January 1, 1949, has been paid by the employee with respect to such contribution for such year, and not credited or refunded, the amount so contributed for such year shall constitute consideration paid by the employee for such annuity contract. This subsection shall have no application with respect to amounts contributed to a trust after June 1, 1949, if the trust on such date was exempt under subsection (a)."

(b) The amendment made by subsection (a) shall be applicable to taxable years beginning after December 31, 1938.

SEC. 6. Relinquishment of powers in case of reciprocal trusts.

(a) Section 1000 of the Internal Revenue Code (relating to imposition of gift tax) is hereby amended by adding at the end thereof the following new subsection:

"(g) Certain reciprocal trusts: In the case of property in a trust created prior to January 1, 1940, if and to the extent that such property may be deemed to have been transferred to such trust by a person other than the nominal grantor of such property (by reason of the fact that such person has made a reciprocal transfer of property in trust), then a relinquishment by such person on or before December 31, 1950, of any power over such property or over the income therefrom shall not be deemed a transfer of property for the purposes of this chapter. In the event of such relinquishment, the reciprocal transfer made by the person relinquishing such power shall be deemed, for the purposes of this chapter, to have been a completed gift at the time such reciprocal transfer was made. This subsection shall not apply if, at the time such person made the aforesaid reciprocal transfer of property, a law was in effect imposing a tax upon the transfer of property by gift unless (1) a gift tax was paid with respect to such reciprocal transfer, and not credited or refunded, or (2) a gift-tax return was made by such person on account of such reciprocal transfer within the time prescribed but no gift tax was paid with respect to such reciprocal transfer because of the deductions and exclusions claimed on such return."

(b) Section 501 of the Revenue Act of 1932 (imposing a gift tax) is hereby amended by adding at the end thereof the following new subsection:

"(d) Certain reciprocal trusts: In the case of property transferred in trust prior to January 1, 1940, if and to the extent that such property may be deemed to have been so transferred by a person other than the nominal grantor of such property (by reason of the fact that such person has made a reciprocal transfer of property in trust), then a relinquishment by such person of any power over such property or over the income therefrom shall not be deemed a transfer of property for the purposes of this title. In the event of such relinquishment on or before December 31, 1950, the reciprocal transfer made by the person relinquishing such power shall be deemed, for the purposes of this title, to have been a completed gift at the time such reciprocal transfer was made. This subsection shall not apply if, at the time such person made the aforesaid reciprocal transfer of property, a law was in effect imposing a tax upon the transfer of property by gift unless (1) a gift tax was paid with respect to such reciprocal transfer, and not credited or refunded, or (2) a gift-tax return was made by such person on account of such reciprocal transfer within the time prescribed but no gift tax was paid with respect to such reciprocal transfer because of the deductions and exclusions claimed on such return.

(c) In the case of a decedent who relinquished on or before December 31, 1950, a power described in section 1000 (g) of the Internal Revenue Code, such relinquishment shall, for the purposes of section 811 (d) of such code, be deemed not to have been made in contemplation of the death of such decedent if such relinquishment, by virtue of the enactment of this section, did not constitute a transfer of property for the purposes of the gift tax. The provisions of this subsection shall be applicable with respect to estates of decedents dying after December 31, 1939.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### VERMEJO RECLAMATION PROJECT, NEW MEXICO

The Clerk called the bill (H. R. 3788) to authorize the Secretary of the Interior to construct, operate, and maintain the Vermejo reclamation project, New Mexico.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

### REPEALING CERTAIN INDIAN LIQUOR LAWS

The Clerk called the bill (H. R. 3282) to repeal certain acts of Congress, known as Indian liquor laws, in certain parts of Minnesota.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. REES, Mr. MASON, and Mr. RICH objected.

### FORT LOGAN, COLO.

The Clerk called the bill (H. R. 4548) to provide for the utilization as a national cemetery of surplus Army Department owned military real property at Fort Logan, Colo.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

### AMENDMENT OF MIGRATORY BIRD HUNTING STAMP ACT

The Clerk called the bill (S. 1076) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718b), as amended.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

### FISH RESTORATION AND MANAGEMENT PROJECTS

The Clerk called the bill (H. R. 1746) to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DAVIES of New York. I object, Mr. Speaker.

### COUNTY OF LOS ANGELES

The Clerk called the bill (H. R. 524) to provide for the release of all the right, title, and interest of the United States in a certain portion of a tract of land conditionally granted by it to the county of Los Angeles.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Army is authorized and directed to convey, relinquish, and release to the county of Los Angeles, State of California, all the right, title, and interest of the United States in and to a certain portion of the tract of land conditionally granted to the county of Los Angeles, State of California, under the act entitled "An act to convey certain land in the county of Los Angeles, State of California," approved March 24, 1933, as amended, such portion being more particularly described as follows:

"The north 10 feet of lot 4 of tract numbered 949, in the city of Arcadia, county of Los Angeles, State of California, as shown on the map recorded in Book 17, page 13, of maps, in the office of the recorder of the county of Los Angeles."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### AMENDMENT OF INTERSTATE COMMERCE ACT

The Clerk called the bill (S. 255) to amend section 205 of the Interstate Commerce Act relating to joint boards.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That subsection (b) of section 205 of the Interstate Commerce Act is hereby amended to read as follows:

"(b) Whenever there arises in the administration of this part any matter that the Commission is required to refer to a joint board, or that the Commission determines, in its discretion, to refer to a joint board,

the Commission shall, if no joint board eligible to consider said matter is in existence, create a joint board to consider the matter when referred, and to recommend appropriate order thereon. The Commission shall prescribe rules governing meetings and procedure of joint boards and may, in the event of legal proceedings preventing reference to a joint board, determine the matter as provided in section 17. Except as hereinafter provided, a joint board shall consist of a member from each State in which the motor carrier or brokerage operations involved are or are proposed to be conducted. The member from any such State shall be nominated by the board of such State from its own membership or otherwise; or if there is no board in such State or if the board of such State fails to make a nomination when requested by the Commission, then the Governor of such State may nominate such member. The Commission is authorized to appoint as a member upon the joint board any such nominee approved by it. If both the board and the Governor of any State shall fail to nominate a joint board member when requested, then the joint board shall be constituted without a member from such State, if members for two or more States shall have been nominated and approved by the Commission. All decisions and recommendations by joint boards shall be by majority vote: *Provided, however,* That in any matter where only one member shall participate in a hearing such member shall constitute a quorum and make recommendation of an order thereon. If the board of each State from which a member of a joint board is entitled to be appointed shall waive action on any matter referred to such joint board, or if any joint board fails or refuses to act, or is unable to agree upon any matter submitted to it within 45 days after the matter is referred to it or such other period as the Commission may authorize, or if a member shall not be nominated for more than on State (except only when the operations proposed shall be into or through territory foreign to the United States), then such matter shall be decided as in the case of any matter not required to be referred to a joint board. The failure of a duly appointed member of a joint board to participate in any hearing on a matter referred to such joint board, after notice thereof, shall be considered to constitute, as to the matter referred, a waiver of action on the part of the State from which such member was appointed, but shall not affect the duty and power of the remaining members or member of said joint board, if any, to proceed with said hearing, to consider such matter, and to make recommendation of an order thereon. When any proceeding required to be referred to a joint board shall involve operations of a motor carrier conducted or proposed to be conducted into or through territory foreign to the United States, if a single State shall be involved, or if only one State shall make nomination of a joint board member through its Governor or State board, then the Commission, in such case, may receive from that State the nomination of not more than three members and may appoint such nominees to constitute the joint board. Members of joint boards when administering the provisions of this part shall receive such allowances for travel and subsistence expenses as the Commission shall provide. A joint board shall continue in existence for the consideration of matters referred to it by the Commission until such time as its existence may be terminated by the Commission. A substitution of membership upon a joint board from any State may be made at any time by nomination and appointment in the same manner as an original nomination and appointment."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## AMENDMENT OF INTERSTATE COMMERCE ACT

The Clerk called the bill (S. 256) to amend the Interstate Commerce Act, as amended.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That paragraph (5) of section 1 of the Interstate Commerce Act, as amended, is amended by striking out "(a)"; and is further amended by striking out "(b)" and inserting in lieu thereof "(5½)."

SEC. 2. (a) The first sentence of paragraph (2) of section 3 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(2) No carrier by railroad and no express company subject to the provisions of this part shall deliver or relinquish possession at destination of any freight or express shipment transported by it until all tariff rates and charges thereon have been paid, except under such rules and regulations as the Commission may from time to time prescribe to govern the settlement of all such rates and charges and to prevent unjust discrimination: *Provided,* That the provisions of this paragraph shall not be construed to prohibit any carrier or express company from extending credit in connection with rates and charges on freight or express shipments transported for the United States, for any department, bureau, or agency thereof, or for any State or Territory or political subdivision thereof, or the District of Columbia."

(b) The amendment made by subsection (a) of this section shall take effect 6 months after the date of the enactment of this act.

SEC. 3. The second sentence of subparagraph (b) of paragraph (2) of section 5 of the Interstate Commerce Act, as amended, is amended to read as follows: "If the Commission shall consider it necessary in order to determine whether the findings specified below may properly be made, it shall set said application for public hearing; and a public hearing shall be held in all cases where carriers by railroad are involved unless the Commission determines that a public hearing is not necessary in the public interest."

SEC. 4. (a) Paragraph (10) of section 5 of the Interstate Commerce Act, as amended, is amended by adding at the end thereof a new subparagraph as follows:

"Nothing in this section shall be construed to require the approval or authorization of the Commission in the case of a transaction within the scope of paragraph (2) where the only parties to the transaction are street, suburban, or interurban electric railways none of which is controlled by or under common control with any carrier which is operated as part of a general steam railroad system of transportation."

(b) Paragraph (13) of section 5 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(13) As used in paragraphs (2) to (12), inclusive, the term 'carrier' means a carrier by railroad and an express company and a sleeping-car company, subject to this part; and a motor carrier subject to part II; and a water carrier subject to part III."

SEC. 5. Paragraph (5) of section 6 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(5) Every common carrier subject to this part shall also file with said Commission copies of all contracts, agreements, or arrangements, with other common carriers in relation to any traffic affected by the provisions of this part to which it may be a party: *Provided, however,* That the Commission, by regulations, may provide for exceptions from the requirements of this paragraph in the case of any class or classes of contracts, agreements, or arrangements, the filing of which, in its opinion, is not necessary in the public interest."

SEC. 6. Paragraph (5) of section 16 of the Interstate Commerce Act, as amended, is amended by changing the period at the end thereof to a colon and adding thereafter the following: *"Provided,* That in such proceedings service of notice of the suspension of a tariff or schedule upon an attorney in fact of a carrier who has filed said tariff or schedule in behalf of such carrier shall be deemed to be due and sufficient service upon the carrier, and service of notice of the suspension of a joint tariff or schedule upon a carrier which has filed said joint tariff or schedule to which another carrier is a party shall be deemed to be due and sufficient notice upon the several carriers parties thereto. Such service of notice may be made by mail to such attorney in fact or carrier at the address shown in the tariff or schedule."

SEC. 7. Paragraph (1) of section 20 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(1) The Commission is hereby authorized to require annual, periodical, or special reports from carriers, lessors, and associations (as defined in this section), to prescribe the manner and form in which such reports shall be made, and to require from such carriers, lessors, and associations specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers, lessors, and associations as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier, lessor, or association in such form and detail as may be prescribed by the Commission."

SEC. 8. The second sentence of paragraph (5) of section 20 of the Interstate Commerce Act, as amended, is amended by striking out "carriers and lessors" and inserting in lieu thereof the following: "carriers, lessors, and associations."

SEC. 9. Paragraph (8) of section 20 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(8) As used in this section, the words 'keep' and 'kept' shall be construed to mean made, prepared, or compiled, as well as retained; the term 'carrier' means a common carrier subject to this part, and includes a receiver or trustee of such carrier; the term 'lessor' means a person owning a railroad, a water line, or a pipe line, leased to and operated by a common carrier subject to this part, and includes a receiver or trustee of such lessor; and the term 'association' means an association or organization maintained by or in the interest of any group of carriers subject to this part which performs any service, or engages in any activities, in connection with any traffic, transportation, or facilities subject to this act."

SEC. 10. Paragraph (1) of section 20a of the Interstate Commerce Act, as amended, is amended to read as follows:

"(1) That as used in this section, the term 'carrier' means a common carrier by railroad (except a street, suburban, or interurban electric railway which is not operated as a part of a general steam railroad system of transportation) which is subject to this part, or any corporation organized for the purpose of engaging in transportation by railroad subject to this part, or a sleeping-car company which is subject to this part."

SEC. 11. The first two sentences of subsection (a) of section 220 of the Interstate Commerce Act, as amended, are amended to read as follows:

"(a) The Commission is hereby authorized to require annual, periodical, or special reports from all motor carriers, brokers, lessors, and associations (as defined in this section); to prescribe the manner and form in which such reports shall be made; and to require from such carriers, brokers, lessors, and associations specific and full, true, and correct

answers to all questions upon which the Commission may deem information to be necessary. Such annual reports shall give an account of the affairs of the carrier, broker, lessor, or association in such form and detail as may be prescribed by the Commission."

SEC. 12. The third sentence of subsection (d) of section 220 of the Interstate Commerce Act, as amended, is amended to read as follows: "The Commission or its duly authorized special agents, accountants, or examiners shall at all times have access to and authority, under its order, to inspect and examine any and all lands, buildings, or equipment of motor carriers, brokers, and lessors; and shall have authority to inspect and copy any and all accounts, books, records, memoranda, correspondence, and other documents of such carriers, brokers, lessors, and associations (as defined in this section), and such accounts, books, records, memoranda, correspondence, and other documents of any person controlling, controlled by, or under common control with any such carrier, as the Commission deems relevant to such person's relation to or transactions with such carrier."

SEC. 13. Subsection (e) of section 220 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(e) As used in this section, the words 'keep' and 'kept' shall be construed to mean made, prepared, or compiled, as well as retained; the term 'lessor' means a lessor of any right to operate as a motor carrier; the term 'motor carrier,' 'broker,' or 'lessor' includes a receiver or trustee of any such motor carrier, broker, or lessor; and the term 'association' means an association or organization maintained by or in the interest of any group of motor carriers or brokers subject to this part which performs any service, or engages in any activities in connection with any traffic, transportation, or facilities subject to this Act."

SEC. 14. (a) The third sentence of subsection (a) of section 221 of the Interstate Commerce Act, as amended, is amended by striking out the word "registered."

(b) The last sentence of such subsection (a) is amended to read as follows: "In proceedings before the Commission involving the lawfulness of rates, fares, charges, classifications, or practices, service of notice of the suspension of a tariff or schedule upon an attorney in fact of a carrier who has filed said tariff or schedule in behalf of such carrier naming the rates, fares, charges, classifications, or practices involved in such proceedings shall be deemed to be due and sufficient service upon the carrier and service of notice of the suspension of a joint tariff or schedule upon a carrier which has filed said joint tariff to which another carrier is a party naming the rates, fares, charges, classifications, or practices involved in such proceedings shall be deemed to be due and sufficient service upon the several carriers parties thereto, but such manner of service shall not be considered as excluding service in any other manner authorized by law."

SEC. 15. Section 222 of the Interstate Commerce Act, as amended, is amended by adding at the end thereof the following new paragraph:

"(h) Any motor carrier, broker, or lessor, or other person, or any officer, agent, employee, or representative thereof, who shall fail or refuse to keep, preserve, or forward any account, record, or memorandum in the substance, form, or manner prescribed in this part or in any rule, order, or regulation prescribed under this part; or who shall fail or refuse to comply with any requirement of this part with respect to the filing with this Commission or with any agency, office, or representative of the Commission, as prescribed by the Commission, any annual, periodical, or special report, or other report, tariff, schedule, contract, document, or data or with any rule, order, or regulation prescribed with respect to such filing; or who shall fail or refuse to make full, true, or correct answer to any question required by the Commission to be made under the provisions of this part, shall forfeit to the United States the sum of $100 for each such offense, and, in case of a continuing violation, not to exceed $50 for each additional day during which such failure or refusal shall continue. All forfeitures pr vided for in this paragraph shall be payable into the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States, brought in the district where the motor carrier or broker has its principal office, or in any district in which such motor carrier or broker was, at the time of the offense, authorized by this Commission, or by this part, to engage in operation as such motor carrier or broker; or in any district where such forfeiture may accrue; or in the district where the offender is found. All process in any such case may be served in the judicial district whereof such offender is an inhabitant or wherever he may be found. It shall be the duty of the various district attorneys under the direction of the Attorney General of the United States to prosecute for the recovery of such forfeitures. The costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States."

SEC. 16. The first two sentences of subsection (a) of section 313 of the Interstate Commerce Act, as amended, are amended to read as follows:

"(a) The Commission is hereby authorized to require annual, periodical, or special reports from water carriers, lessors, and associations (as defined in this section), and to prescribe the manner and form in which such reports shall be made, and to require from such carriers, lessors, and associations specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary. Such annual reports shall give an account of the affairs of the carrier, lessor, or association in such form and detail as may be prescribed by the Commission."

SEC. 17. The first sentence of subsection (f) of section 313 of the Interstate Commerce Act, as amended, is amended by inserting after "lessors," the following: "and of associations (as defined in this section),".

SEC. 18. Subsection (h) of section 313 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(h) As used in this section, the words 'keep' and 'kept' shall be construed to mean made, prepared, or compiled, as well as retained; the term 'lessor' means a lessor of any right to operate as a water carrier; the term 'water carrier' or 'lessor' includes a receiver or trustee of such water carrier or lessor; and the term 'association' means an association or organization maintained by or in the interest of any group of water carriers subject to this part which performs any service, or engages in any activities, in connection with any traffic, transportation, or facilities subject to this act."

SEC. 19. (a) That the third sentence of subsection (a) of section 315 of the Interstate Commerce Act, as amended, is amended by striking out the word "registered."

(b) The last sentence of such subsection (a) is amended to read as follows: "In proceedings before the Commission involving the lawfulness of rates, fares, charges, classifications, or practices, service of notice of the suspension of a tariff or schedule upon an attorney in fact of a carrier who has filed a said tariff or schedule in behalf of such carrier naming the rates, fares, charges, classifications, or practices involved in such proceedings shall be deemed to be due and sufficient service upon the carrier and service of notice of the suspension of a joint tariff or schedule upon a carrier which has filed said joint tariff to which another carrier is a party naming the rates, fares, charges, classifications, or practices involved in such proceedings shall be deemed to be due and sufficient service upon the several carriers parties thereto, but such manner of service shall not be considered as excluding service in any other manner authorized by law."

SEC. 20. The first two sentences of subsection (a) of section 412 of the Interstate Commerce Act, as amended, are amended to read as follows:

"(a) For purposes of administration of the provisions of this part, the Commission is hereby authorized to require annual, periodical, or special reports from freight forwarders and associations (as defined in this section), and to prescribe the manner and form in which such reports shall be made, and to require from such forwarders and associations specific, full, true, and correct answers to all questions upon which the Commission may deem information to be necessary. Such annual reports shall give an account of the affairs of the freight forwarder or association in such form and detail as may be prescribed by the Commission."

SEC. 21. The first sentence of subsection (d) of section 412 of the Interstate Commerce Act, as amended, is amended by inserting after the words "documents of freight forwarders" the following: "and of associations (as defined in this section)."

SEC. 22. Subsection (f) of section 412 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(f) As used in this section, the words 'keep' and 'kept' shall be construed to mean made, prepared, or compiled, as well as retained; and the term 'association' means an association or organization maintained by or in the interest of any group of freight forwarders subject to this part which performs any service, or engages in any activities, in connection with any traffic, transportation, or facilities subject to this act."

With the following committee amendment:

Page 11, line 19, strike out beginning with the word "by" down through line 23, and insert "solely by water carriers subject to this part which engages in activities relating to the fixing of rates, publication of classifications, or filing of schedules by such carriers."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF CIVIL AERONAUTICS ACT

The Clerk called the bill (H. R. 3940) to amend the Civil Aeronautics Act of 1938, as amended, to regulate the transportation, packing, marking, and description of explosives and other dangerous articles.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Civil Aeronautics Act of 1938, as amended (52 Stat. 973; U. S. C., title 49, sec. 401, and the following), is further amended by inserting, immediately following section 902 (g) thereof, the following new section:

"902. (h) Any person who knowingly or willfully delivers or causes to be delivered to an air carrier or the operator of any civil aircraft for transportation in air commerce, or who causes the transportation in air commerce of, any shipment, baggage, or property, the transportation of which would be a violation of any rule, regulation, or requirement of the Board relating to the transportation, packing, marking, or description of explosives or other dangerous articles, shall upon conviction thereof, for each such offense be subject to a fine of not less than $100 nor more than $5,000, or to imprisonment not

exceeding 18 months, or to both such fine and imprisonment: *Provided,* That when death or bodily injury of any person results from a violation of any such rule, regulation, or requirement the person or persons convicted thereof shall, in lieu of the foregoing penalty, be subject to a fine of not less than $1,000 and not more than $10,000 or to imprisonment not exceeding 10 years, or to both such fine and imprisonment."

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That section 902 of the Civil Aeronautics Act of 1938, as amended, is amended by inserting after subsection (g) thereof the following new subsection:

"'Transportation of explosives and other dangerous articles

"'(h) (1) Any person who knowingly delivers or causes to be delivered to an air carrier or to the operator of any civil aircraft for transportation in air commerce, or who causes the transportation in air commerce of, any shipment, baggage, or property, the transportation of which would be prohibited by any rule, regulation, or requirement prescribed by the Civil Aeronautics Board, under title VI of this act, relating to the transportation, packing, marking, or description of explosives or other dangerous articles shall, upon conviction thereof for each such offense, be subject to a fine of not more than $1,000, or to imprisonment not exceeding 1 year, or to both such fine and imprisonment: *Provided,* That when death or bodily injury of any person results from an offense punishable under this subsection, the person or persons convicted thereof shall, in lieu of the foregoing penalty, be subject to a fine of not more than $10,000 or to imprisonment not exceeding 10 years, or to both such fine and imprisonment.

"'(2) In the exercise of its authority under title VI of this act, the Civil Aeronautics Board may provide by regulation for the application in whole or in part of the rules or regulations of the Interstate Commerce Commission (including future amendments and additions thereto) relating to the transportation, packing, marking, or description of explosives or other dangerous articles for surface transportation, to the shipment and carriage by air of such articles. Such applicability may be terminated by the Board at any time. While so made applicable, any such rule or regulation, or part thereof, of the Interstate Commerce Commission shall for the purposes of this act be deemed to be a regulation of the Board prescribed under title VI.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## APPROVING CERTAIN IRRIGATION CONTRACTS

The Clerk called the bill (H. R. 5184) to approve contracts negotiated with the Belle Fourche Irrigation District, the Deaver irrigation district, the Westland irrigation district, the Stanfield irrigation district, the Vale Oregon irrigation district, and the Prosser irrigation district, to authorize their execution, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Reserving the right to object, Mr. Speaker, and I do not intend to object, may I ask the author of the bill, the gentleman from South Dakota [Mr. CASE], to give us some idea of what this would cost the Federal Government? I ask this because there is no report from the Bureau of the Budget.

Mr. CASE of South Dakota. Mr. Speaker, this bill does not authorize any appropriation for any one of the several projects. It does in one or two instances authorize the writing off of charges against certain lands which have not received water under the original contracts or which have been found to be unsuitable to irrigation. Each of the contracts which are approved by this legislation are based upon exhaustive studies and surveys made by accountants and engineers under the authority and directive of the Reclamation Project Act passed in 1939 and extended in 1944 because the studies could not be carried on during the war. These new or revised contracts have been negotiated by the Bureau of Reclamation and officials of the irrigation districts and ratified by the water-users on the several projects. This bill now gives congressional ratification. It is my belief that the net effect will be to stabilize these projects and to increase the collections made and to expedite the liquidation of the costs as agreed upon. It is similar to one or two other bills which have been previously passed for individual projects. It was thought that by putting this group of projects in one bill it would save the time of the House. The bill has the approval of the Secretary of the Interior and the Bureau of the Budget. It was unanimously recommended by the Committee on Public Lands.

Mr. CUNNINGHAM. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the contracts referred to in sections 2 to 6, inclusive, of this act, which have been negotiated by the Secretary of the Interior (hereinafter referred to as the "Secretary") pursuant to subsection (a) of section 7 of the Reclamation Project Act of 1939 (53 Stat. 1187), are hereby approved and the Secretary is hereby authorized to execute them on behalf of the United States.

BELLE FOURCHE PROJECT, SOUTH DAKOTA

SEC. 2. The contract with the Belle Fourche irrigation district which was approved by the electors of said district on May 3, 1949.

(a) The 1947 reclassification of the lands of the Belle Fourche irrigation district, made in accordance with the provisions of section 8 of the Reclamation Project Act of 1939, and approved by the board of directors of said district on December 27, 1948, is approved.

(b) Contingent upon execution of said contract all payments upon construction charges shall be suspended against 3,427.7 acres of land classified under the act of May 25, 1926 (44 Stat. 636), as in part productive and in part unproductive and found to be temporarily unproductive under the reclassification of lands, approved in section 2 of this act until the Secretary shall declare them to be possessed of sufficient productive power to be placed in a paying class, whereupon payment of construction charges against such areas shall be resumed. The reclassification of such areas shall be completed by the Secretary within 5 years of the effective date of said contract. While said lands so classified as temporarily unproductive and the construction charges against them are suspended, water for irrigation purposes may be furnished upon payment of the usual operation and maintenance charges, or such other charges as may be fixed by the Secretary, the advance payment of which may be required in the discretion of the Secretary. Should said lands temporarily classed as unproductive, or any of them, be found by the Secretary to be permanently unproductive, there shall be deducted from the construction charge obligation of said Belle Fourche irrigation district on account of them an amount obtained by multiplying the total acreage declared by the Secretary to be permanently unproductive by the sum of $43.90 per acre for construction charge plus $10.17 per acre for drainage costs.

(c) The amounts deducted from the construction charge obligation of the Belle Fourche irrigation district as adjusted in said contract and as provided in subsection (b) of this section shall be charged off as a permanent loss to the reclamation fund, but no adjustment shall be made by the United States by reason thereof with any individual landowner either by refund, credit, exchange of land, or otherwise.

SHOSHONE PROJECT, WYOMING

SEC. 3. The contract with the Deaver irrigation district which was approved by the electors of said district on April 9, 1949.

(a) The reclassification of lands, with the consequent modification of the Deaver irrigation district's construction charge obligation, which is provided in said contract, is hereby approved. The construction charge obligation on account of lands found to be temporarily unproductive under such reclassification shall be suspended until the Secretary places such lands in a pay or permanently unproductive status in accordance with said contract. No landowner owning lands within the district which, under such reclassification, have been found to be temporarily or permanently unproductive or which are hereafter placed in a permanently unproductive status in accordance with said contract, shall be thereby entitled to a credit or refund by the United States for construction charges heretofore paid on account of such lands or to an exchange of such lands for other public lands.

(b) The Secretary is authorized to further reclassify not to exceed an additional 100 acres of land in the Frannie division of the Shoshone project and to modify the Deaver irrigation district's construction charge obligation in accordance with said contract and pursuant to the conditions herein provided if, upon such reclassification, he determines that the pay status of any such reclassified lands should be changed.

(c) The proviso affecting the application of net revenues of the Shoshone power plant, as contained in the act of March 4, 1929 (45 Stat. 1562), and the act of April 9, 1938 (52 Stat. 210), are hereby modified to the extent necessary to permit not to exceed $213,000 of the net revenues of the Shoshone power plant to be applied on payments to be made under article 9 (a) of said contract.

(d) The rehabilitation of the irrigation works serving the Deaver irrigation district contemplated under said contract may be performed by contract, by force account, or, notwithstanding any other law and subject only to such reasonable terms and conditions as the Secretary shall deem appropriate for the protection of the United States, by contract entered into with the Deaver irrigation district whereby said district shall perform such work.

UMATILLA PROJECT, OREGON

SEC. 4. The contract with the Westland irrigation district which was approved by the electors of said district on May 14, 1949, and the contract with the Stanfield irrigation district which was approved by the electors of said district on May 21, 1949.

(a) All payments made by the said districts and other parties under contracts for the delivery of water from McKay Dam and Reservoir shall be deposited in a special deposit account with the appropriate regional disbursing officer of the Treasury Department and such payments shall be available for expenditure (i) to meet operation and maintenance costs for the McKay Dam and Reservoir for the year for which paid, and (ii) for the accumulation in said special deposit account of an operation and maintenance reserve, sufficient in the Secretary's judgment to assure proper operation and maintenance of McKay Dam and Reservoir. Following the close of each calendar year, moneys in said special deposit account, in excess of the requirements of (i) and (ii) as determined by the Secretary, shall be transferred to the reclamation fund.

VALE PROJECT, OREGON

SEC. 5. The contract dated April 11, 1949, with the Vale Oregon irrigation district.

(a) All beginning with the first *"Provided"* under the subheading "Vale project, Oregon", under the heading "Bureau of Reclamation", of the act of March 3, 1925 (43 Stat. 1141, 1168), is hereby repealed, and the word "Vale" is hereby stricken out from the first sentence of the third paragraph under the heading "Bureau of Reclamation" of the act of May 10, 1926 (44 Stat. 453, 479).

YAKIMA PROJECT, WASHINGTON

SEC. 6. The contract with the Prosser irrigation district which was approved by the electors of said district on May 28, 1949.

SEC. 7. This act is declared to be a part of the Federal reclamation laws as these are defined in the Reclamation Project Act of 1939 (53 Stat. 1187).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REVENUE BONDS OF HAWAII

The Clerk called the bill (H. R. 4688) to ratify and confirm act 4 of the Session Laws of Hawaii, 1949, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That act 4 of the Session Laws of Hawaii, 1949, amending section 6095 of chapter 118, Revised Laws of Hawaii, 1945, as amended, so as to extend the time within which revenue bonds may be issued and delivered under said chapter 118, is hereby ratified and confirmed and revenue bonds may be issued under and pursuant to the provisions of said chapter 118, Revised Laws of Hawaii, 1945, as amended, and as further amended by said act 4, without the approval of the President of the United States and without the incurring of an indebtedness within the meaning of the Hawaiian Organic Act, and said chapter 118, as amended, shall constitute full authority for the issuance of said bonds without reference to and independent of the Hawaiian Organic Act.

With the following committee amendment:

Page 2, following line 6, add the following new section:

"SEC. 2. This act shall be made retroactive to June 30, 1949."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PENSION AND OTHER PAYMENTS TO INCOMPETENT VETERANS

The Clerk called the bill (S.266) modifying a limitation affecting the pension, compensation, or retirement pay payable on account of an incompetent veteran without dependents during hospitalization, institutional or domiciliary care.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, I notice this is a Senate bill which was passed by the other body.

I note that the Veterans' Administration has made no recommendation concerning it and I ask the gentleman from Mississippi [Mr. RANKIN], if he will explain the bill.

Mr. RANKIN. Mr. Speaker, this bill permits veterans who were previously incompetent, who have no dependents and who have been restored to competency to receive pension, compensation or retirement pay withheld for the period of their hospitalization. No payment is made if a veteran dies within six months after being restored to competency. The present law provides payment only in the event that the veteran's estate is less than $1,500. This is nothing but justice to these men whose compensation or pension has been withheld during the period of their incompetency. All we are asking is that this be restored to them.

Mr. CUNNINGHAM. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the second proviso of subsection (B) of the first section of the act entitled "An act relating to veterans' pension, compensation, or retirement pay during hospitalization, institutional or domiciliary care, and for other purposes", approved August 8, 1946 (60 Stat. 908), is amended to read as follows: *"Provided further,* That in any case where the estate of such incompetent veteran derived from any source equals or exceeds $1,500, further payments of such benefits shall not be made until the estate is reduced to $500, but the amount which would be payable but for this proviso shall be paid to the veteran as provided for the lump sum in the preceding proviso but in the event of the veterans' death no part thereof shall be payable."

With the following committee amendment:

Page 2, line 4, strike out "veterans'" and insert "veteran's."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADJUSTING CERTAIN AWARDS PAYABLE BY VETERANS' ADMINISTRATION

The Clerk called the bill (S. 811) to adjust the effective date of certain awards of pensions and compensations payable by the Veterans' Administration.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, I note that although this bill has been passed by the other body, it being a Senate bill, it is not in accordance with the President's program. Would the gentleman from Mississippi [Mr. RANKIN], chairman of the Committee on Veterans' Affairs of the House, please explain this bill?

Mr. RANKIN. Mr. Speaker, this is a measure to authorize the retroactive award of pensions and compensations payable to World War II veterans and their dependents who could not file their claims promptly, due to having been captured or interned or isolated by the enemy. In other words, if they did not file a claim, due to the fact that they were in a prison camp, this bill makes the claimants eligible for the same benefits as if the award had been effective at time of discharge or death. No new cases are added to the rolls by this proposal.

Mr. CUNNINGHAM. This bill does justice to those veterans who served their country and through no fault of their own could not file an application for such pensions and compensations?

Mr. RANKIN. That is exactly what it is for.

Mr. CUNNINGHAM. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That notwithstanding the provisions of any other law which prescribes the effective date of awards of pensions and compensation, in the case of any claimant for pension or compensation under laws administered by the Veterans' Administration, who is receiving a current pension or compensation on the date of the enactment of this Act, whose claim arose with respect to the disability or death or attainment of a specified age of a member or former member of the armed forces on and after December 7, 1941, and who was unable to file such claim by reason of being interned by a country with which the United States was at war or was otherwise prevented from filing such claim by action of such country, the award of pension or compensation shall be adjusted so as to be effective as of the day the claim would have been allowed had it been filed within 1 year of the death, discharge from the armed forces, or the occurrence of age or any disability or increased disability giving rise to a claim for pension, increased pension, compensation, or increased compensation: *Provided,* That claims for the benefits of this Act shall be filed within 1 year from the date of enactment of this Act.

With the following committee amendments:

Page 2, line 5, strike out the word "day" and insert in lieu "date."

Page 2, line 5, strike out the word "claim" and insert in lieu "award."

Page 2, line 6, strike out the word "allowed" and insert in lieu "effective."

Page 2, line 6, strike out the word "it" and insert in lieu "claim."

Page 2, line 6, strike out the words "within one year of the" and insert in lieu thereof the words "on the date of."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEASES AND LEASED PROPERTY, VETERANS' ADMINISTRATION

The Clerk called the bill (S. 2010) to extend for 2 years the authority of the Administrator of Veterans' Affairs respecting leases and leased property.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the second paragraph of section 100 of the Servicemen's Readjustment Act of 1944 (60 Stat. 299), as amended (38 U. S. C. 693), is hereby amended by deleting "June 30, 1949" and inserting in lieu thereof the following: "June 30, 1951."

With the following committee amendment:

Page 1, line 7, strike out "1951" and insert "1950."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

Mr. RANKIN. Mr. Speaker, I offer a motion which I send to the Clerk's desk.

The Clerk read as follows:

Mr. RANKIN moves to amend the title so as to read: "To extend for 1 year the authority of the Administrator of Veterans' Affairs respecting leases and leased property."

The motion was agreed to.

A motion to reconsider was laid on the table.

CHEROKEE INDIANS, NORTH CAROLINA

The Clerk called the bill (H. R. 4901) to authorize the Eastern Band of Cherokee Indians, North Carolina, to lease certain lands for a period not exceeding 40 years.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Eastern Band of Cherokee Indians, North Carolina, is hereby authorized to lease for a term not exceeding 40 years, unto the Farmers Federation Cooperative, a cooperative association organized under the laws of the State of North Carolina, a certain tract of its land or a part thereof which was acquired by said band from one Johnson Arch and his wife, Ella Arch, located in Swain County, N. C.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KINGS CANYON NATIONAL PARK

The Clerk called the bill (H. R. 4117) to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the National Park System, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That, in order to permit the granting of privileges within Kings Canyon National Park, Calif., upon terms that are consistent with those granted in other national parks pursuant to the act of August 25, 1916 (39 Stat. 535), the last sentence in section 4 of the act of March 4, 1940 (54 Stat. 41, 44; 16 U. S. C., 1946 edition, sec. 80c), which limits the duration of such privileges to 5 years, is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES SHARE OF CERTAIN AIRPORT PROJECT COSTS

The Clerk called the bill (S. 1278) to fix the United States share of project costs, under the Federal Airport Act, involved in installation of high intensity lighting on CAA designated instrument landing runways.

Mr. CUNNINGHAM. Mr. Speaker, there is no report from the Civil Aeronautics Administration or from the Bureau of the Budget until this moment. In view of this I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDMENT OF FEDERAL AIRPORT ACT REGARDING MINIMUM RATES OF WAGES

The Clerk called the bill (S. 1279) to amend the Federal Airport Act so as to provide that minimum rates of wages need be specified only in contracts in excess of $2,000.

Mr. STEFAN. Mr. Speaker, reserving the right to object, will the author of the bill explain the bill?

Mr. BECKWORTH. I shall endeavor to explain the bill.

Our subcommittee reported this bill. It has been passed by the Senate. There has been no objection whatsoever to this particular piece of legislation. As I understand, the bill does substantially this: If the Federal Government undertakes to have some work done and gives a contract the departments do not have to get any approval with reference to any contract less than $2,000. I believe the act which provides that is known as the Davis-Bacon Act.

In the case of airports sponsored, for example, by cities, counties, or States, as airports through their personnel have sought to get work done, because the Federal Government has contributed some money into those airports the given city or the given county has been compelled to get what might be termed governmental approval of the contract. This bill would simply give to a State, county, or a city the same right with reference to contracts of less than $2,000 that the Federal Government already gives to itself, that is, not having to get governmental approval for labor contracts of less than $2,000.

Mr. STEFAN. This bill and the bill that will follow tend to amend the Federal Airport Act. It has not been studied by some of us who are interested in that act. I am not going to object to this bill, but I think the next bill should be explained when it comes up.

Mr. BECKWORTH. I shall endeavor to explain it.

Mr. STEFAN. I withdraw my reservation of objection.

Mr. BECKWORTH. May I say that this is not a departure; it is simply extending to counties, cities, and States the same privilege which the Government already has.

Mr. STEFAN. I understand, I have withdrawn my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That subsection (b) of section 15 of the Federal Airport Act is amended to read as follows:

"MINIMUM RATES OF WAGES

"(b) All contracts, in excess of $2,000 for work on projects approved under this act which involve labor shall contain provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING FEDERAL AIRPORT ACT LIMITING TO 10 PERCENT ANY INCREASE OF AMOUNT, ETC.

The Clerk called the bill (S. 1280) to amend the Federal Airport Act so as to limit to 10 percent any increase of the amount stated as a maximum obligation under a grant agreement.

Mr. STEFAN. Mr. Speaker, reserving the right to object, will the gentleman from Texas explain this bill?

Mr. BECKWORTH. Mr. Speaker, I wish to say that the legislation is noncontroversial. It was approved by the CAA. No person has indicated any desire whatsoever to oppose it.

Irrespective of how accurate an engineering firm may be in estimating the cost of a given airport, almost invariably the final cost is not predictable in exact figures. The purpose of this bill is simply to give the CAA the right to advance 10 percent additional for the completion of the airport. When the devious costs vary, when the cost of labor is indefinite, it is absolutely impossible to estimate exactly what the cost will be in dollars.

Mr. STEFAN. In making an allocation for various States or communities for the construction of airports, the Federal grant will not be increased as a result of this 10-percent provision?

Mr. BECKWORTH. Not the over-all grants.

Mr. STEFAN. The CAA is not going to come in for an additional appropriation to make up the difference?

Mr. BECKWORTH. No. This cannot cost a penny more. It simply gives a State or a county or city the opportunity to get that which it needs to complete its airport up to 10 percent additional. This brings about some needed flexibility.

Mr. STEFAN. It will not result in a deficiency request from the CAA to make up the 10 percent if they guessed wrong?

Mr. BECKWORTH. No.

Mr. STEFAN. If they have guessed 10 percent wrong, and it is going to be 10 percent more, they will not come in for additional money?

Mr. BECKWORTH. No. The controlling factor there, I may add, is the over-all amount that can be spent for airports annually.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 12 of the Federal Airport Act is amended by inserting before the period at the end of the fourth sentence thereof the following: "by more than 10 percent."

The bill was ordered to be read a third time, was read the third time, and passed,

and a motion to reconsider was laid on the table.

RESTORING LEAVE FOR CERTAIN NAVY AND MARINE CORPS OFFICERS

The Clerk called the bill (H. R. 540) to provide terminal-leave pay for certain officers of the Navy and Marine Corps, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 7 of the act entitled "An act to increase the authorized enlisted strength of the active list of the Regular Navy and Marine Corps, to increase the authorized number of commissioned officers of the active list of the line of the Regular Navy, and to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes", approved April 18, 1946, is amended (1) by inserting "(a)" after "7."; and (2) by adding at the end thereof the following new subsections:

"(b) Any person who, after serving as an officer in the Naval Reserve or the Marine Corps Reserve or as an officer in the Regular Navy or Marine Corps without permanent appointment therein; (1) accepted permanent appointment as an officer in the Regular Navy or Marine Corps prior to April 19, 1946; and (2) at the time of such appointment had to his credit leave accumulated or accrued but not taken, shall be entitled, upon application to the Secretary of the Navy prior to September 1, 1948, to such additional leave or such additional compensation as he would have been entitled to receive under the Armed Forces Leave Act of 1946 had all his active duty in officer status at any time from and after September 8, 1939, been as an officer in the Regular Navy or Marine Corps.

"(c) In the event of the death of any person entitled to the benefits of subsection (b) prior to settlement of and compensation for the leave provided for by such subsection, such leave shall be settled and compensated for in the manner provided in section 6 (b) of the Armed Forces Leave Act of 1946."

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That any officer who (1) was separated from the Naval or Marine Corps Reserve after September 8, 1939, for the purpose of accepting a commission in the Regular Navy or Marine Corps; (2) was deprived of leave credit solely because of its having been accumulated prior to his so accepting a commission in the Regular Navy or Marine Corps; and (3) was on active duty on September 1, 1946, shall have such leave remain to his credit to the same extent as if he had not been so separated from such Reserve. Leave restored pursuant to this act, which accrued prior to September 1, 1946, shall be treated as having been to his credit on August 31, 1946, and shall be settled and compensated for in the manner prescribed by the Armed Forces Leave Act of 1946, as amended, if application therefor is made within 1 year after the effective date of this act.

"SEC. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING ADVANCES IN PAY TO PERSONNEL OF THE ARMED SERVICES

The Clerk called the bill (H. R. 4050) to authorize advances in pay to personnel of the Army, Navy, Air Force, and Marine Corps upon permanent change of station, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That (a) upon permanent change of station, commissioned and warrant officers, and enlisted men of the first, second, and third grades of the Army, Navy, Air Force, and Marine Corps, may be paid in advance under such regulations as the heads of the departments concerned may precribe: *Provided,* That such advance payments shall not exceed 3 months' pay in any one case.

(b) When on duty at distant stations where the pay and emoluments to which they are entitled cannot be disbursed regularly, commissioned and warrant officers, and enlisted men of the first, second, and third grades of the Army, Navy, Air Force, and Marine Corps, may have their pay and emoluments advanced under such regulations as the heads of the departments concerned may prescribe.

(c) The regulations prescribed for the administration of this section shall, insofar as practicable, be uniform for the services concerned.

SEC. 2. In the event the person to whom an advance of pay is made pursuant to section 1 of this act dies or is separated from the service for any reason prior to the liquidation of such advance, the amount remaining unliquidated at the time of death or separation shall be passed to credit in the account of the disbursing officer concerned: *Provided,* That such amount remaining unliquidated shall remain a debt from such person or his estate due the United States.

SEC. 3. (a) Section 1563 of the Revised Statutes (34 U. S. C. A. 875) is hereby repealed.

(b) That part of paragraph 1, subheading "Pay of the Navy," heading "Bureau of Supplies and Accounts" of the act of March 4, 1917 (39 Stat. 1181; 34 U. S. C. A. 875), which authorizes advances in pay to officers of the Navy and Marine Corps under certain conditions, is hereby repealed.

With the following committee amendments:

Page 1, line 4, strike out "first, second, and third grades of the Army, Navy, Air Force, and Marine Corps" and insert "armed services."

Page 2, line 3, strike out "first, second, and third grades of the Army, Navy, Air Force, and Marine Corps" and insert "armed services."

The committee amendents were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize advances of pay to personnel of the armed services upon permanent change of station, and for other purposes."

A motion to reconsider was laid on the table.

ADJUSTING LINEAL POSITIONS OF CERTAIN OFFICERS OF THE NAVAL SERVICE

The Clerk called the bill (H. R. 5238) to authorize the adjustment of the lineal positions of certain officers of the naval service, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Officer Personnel Act of 1947, as amended, is hereby further amended by—

(a) Amending subsection (o) of section 304 to read as follows:

"(o) Officers of the line or of any staff corps on active duty on the date of the establishment of lineal lists pursuant to this section, not placed on any such list, shall not be eligible for selection for promotion pursuant to this title. Officers of the line and of the staff corps of the Regular Navy appointed thereto subsequent to the date of establishment of the lineal lists of line and staff corps officers as prescribed in subsections (a) and (i) of this section shall be placed on the appropriate lineal list. Officers of the line and staff corps of the Naval Reserve assigned to active duty subsequent to the date of establishment of the lineal lists as prescribed in subsections (a) and (i) of this section, shall be placed on the appropriate lineal list, and in each grade shall take precedence among themselves and with officers of the same grades of the Regular Navy in accordance with the dates of rank as stated in their commissions and such Reserve officers and Regular officers of the same grade who have the same date of rank shall take precedence among themselves as determined by the Secretary of the Navy: *Provided,* That, notwithstanding any other provisions of law, the Secretary of the Navy is authorized to readjust the precedence of each Reserve officer heretofore or hereafter placed on the lineal lists in order to equalize opportunities for promotion with officers of the Regular Navy. Such Reserve officer may be appointed in the same or a higher grade not above that of captain and his date of rank changed to conform with his adjusted lineal precedence. The authorized number of officers in each grade concerned may be temporarily exceeded by such appointments until the next succeeding annual computation prescribed by this title. Such officer shall be entitled to the pay and allowances of the higher grade to which so appointed from the date of his appointment."

(b) Adding the following new subsection to section 304:

"(s) For 3 years after the date of approval of this subsection the Secretary of the Navy shall from time to time but not to exceed twice annually convene boards composed of officers of the line and of each staff corps, the first such board to be convened within 60 days after the date of approval of this subsection, to recommend the reassignment of running mates to officers of the Staff Corps of the Navy in order to adjust precedence and equalize opportunities for promotion of staff corps officers with line officers. The Secretary of the Navy shall, in accordance with the approved recommendations of such boards, assign running mates and adjust the lineal positions of such Staff Corps officers in their present grades and in such higher grades to which promoted pursuant to this subsection. Should the running mate so assigned a Staff Corps officer have attained a higher grade than the Staff Corps officer, or have been recommended for temporary promotion to such higher grade in the approved report of a selection board, the Staff Corps officer shall be eligible for consideration for selection for temporary promotion to the next higher grade. A board, as prescribed by section 305 of this title, to consider any such Staff Corps officer for recommendation for temporary promotion to the next higher grade shall be convened as soon as practicable after the reassignment of his running mate and such board shall if it considers the Staff Corps officer fitted for temporary promotion so recommend him. If recommended for temporary promotion in the approved report of such board, the Staff Corps officer shall become eligible for such promotion when the line officer who is to be his running mate in that grade became or becomes eligible for temporary promotion thereto. Any such Staff Corps officer not recommended for temporary promotion by such board shall be considered as having failed for selection for temporary promotion and shall have assigned as his running mate the senior line officer in the grade in which he remains: *Provided,* That no Staff Corps officer promoted to a higher grade pursuant to this subsection shall be entitled to the pay and allowances of such higher grade

from a date earlier than the date of the approval of the report of the board in accordance with whose recommendations his running mate was so reassigned."

(c) Deleting the proviso to paragraph (2) of subsection (d) of section 311 and substituting in lieu thereof the following: "*Provided*, That a staff officer with the same date of rank as his line running mate shall take precedence ahead of all line and staff officers junior to his line running mate: *And provided further*, That, except as otherwise provided herein, officers serving in the same grade and having the same date of rank in that grade shall take precedence in the following order: (a) Line officers, (b) medical officers, (c) supply officers, (d) chaplains, (e) civil engineers, (f) dental officers, (g) officers of the Medical Service Corps, and (h) officers of the Nurse Corps."

(d) Amending paragraph (5) of subsection (d) of section 311 to read as follows:

"(5) An officer of a staff corps of the Naval Reserve assigned to active duty subsequent to the date of establishment of the lineal list of line officers as prescribed by subsection 304 (a) of this title, shall, upon assignment to active duty and upon appointment to adjust his precedence as provided in subsection 304 (o) of this title, be assigned as his running mate by the Secretary of the Navy a line officer of the same grade and appropriate to this adjusted precedence."

(e) Adding to section 316 the following new subsection:

"(o) Each officer on the active list of the line of the Navy designated for engineering duty or aeronautical engineering duty who, on August 7, 1947, was serving in the grade of captain with date of rank prior to June 21, 1942, and who, subsequent to August 7, 1947, has been or may be temporarily promoted to the grade of rear admiral shall, if in the grade of rear admiral or upon promotion thereto, as the case may be, have lineal rank among all line officers of the grade of rear admiral corresponding to the relative lineal rank of all such officers while serving in the grade of captain: *Provided*, That if the assignment of such lineal rank would result in giving any such officer a lineal position senior to that of another rear admiral of the same category promoted earlier to that grade such first-mentioned officer shall have lineal position next after the junior rear admiral of the same category who attained that grade as the result of such earlier promotion: *Provided further*, That in the assignment of lineal rank as herein provided there shall be disregarded any officer who, on August 7, 1947, was serving in the grade of rear admiral or captain under a temporary appointment of limited duration."

(f) Deleting in subsection (c) of section 404 the words "service in the Navy" and substituting in lieu thereof the words "naval service, exclusive of active duty for training in a reserve component"; deleting in the first sentence of subsection (h) of the said section the words "For 2 years after the date of approval of this act" and substituting in lieu thereof the words "During the period that title III of this act remains in effect"; and deleting in the second sentence of subsection (h) of the said section the words "shall have completed service in the Navy" and substituting in lieu thereof the words "shall have been selected therefor prior to August 7, 1949, and shall have completed active naval service, exclusive of active duty for training in a Reserve component."

SEC. 2. All commissioned officers of the active list of the United States Navy on active duty on the effective date of this act, who on that date or within 1 year thereafter are designated for special duty in accordance with the provisions of section 401 of the Officer Personnel Act of 1947, as amended, shall be credited for purposes of adjustment of lineal position, eligibility for selection for promotion, eligibility for promotion, eligibility for continuation on the active list and in respect to separation from the active list, pursuant to the provisions of that act but not pay or retired pay, with a period of active service equal to the time spent in attendance at a professional school, or in graduate study at a college or university, in the attainment of education which is a requirement or an alternative requirement of the United States Navy for qualification for designation for the performance of the special duty for which the officer is designated: *Provided*, That the maximum period of active service so credited shall be three calendar years, and shall not include any time spent in attendance at such professional school or in graduate study at such college or university while serving on active duty: *Provided further*, That no such period of active service shall be credited to those of such officers who, although required to hold a graduate degree, were originally and permanently appointed and commissioned in the line of the Regular Navy in the grade of lieutenant (junior grade) as officers designated for special duty, pursuant to section 408 of the Officer Personnel Act of 1947, as amended: *Provided further*, That no officer who attended the United States Naval Academy shall be advanced, pursuant to this act, to a lineal position senior to any member of his class who was as such senior to him and has not lost numbers or precedence.

SEC. 3. As used in this act, the term "time spent in attendance at a professional school, or in graduate study at a college or university" shall, for the purpose of establishing the active service credit authorized by this act, be computed as follows: (1) Full-time, regular-session attendance at a college, university, or professional school for one academic year, exclusive of summer or extra sessions, shall be considered one calendar year; (2) full-time, regular-session attendance at a college, university, or professional school for a fraction of an academic year, exclusive of summer or extra sessions, resulting in the completion of the units of study undertaken during that period, shall be considered to be an identical fraction of a calendar year; and (3) part-time attendance at a college, university, or professional school, or attendance at summer sessions or other extra sessions, shall first be converted into an equivalent fraction of an academic year of full-time, regular-session attendance, and shall be considered to be an identical fraction of a calendar year: *Provided*, That, subject to the limitation contained in section 2 hereof, every officer entitled to the benefits of sections 2, 3, 4, and 5 of this act who holds a professional or graduate degree, with the exception of an honorary degree, from a professional school or a college or university, which degree is acquired through attendance at a professional school or in graduate study at a college or university for a period of at least three academic years, and which degree is a requirement or an alternative requirement of the United States Navy for qualification for service in the special-duty-only classification for which the officer is designated, shall be credited with the maximum period of three calendar years of active service without regard to the actual time elapsed between matriculation and qualification for the professional or graduate degree held.

SEC. 4. The lineal position of each officer described in section 2 of this act shall be adjusted by advancing such officer on the lineal list established pursuant to section 304 of the Officer Personnel Act of 1947, as amended, in accordance with his active service cerdit determined pursuant to sections 2 and 3 of this act. If such adjustment would advance any such officer to a grade higher than the grade in which he is serving under a permanent or temporary appointment on the effective date of this act, he shall be assigned a position on the lineal list senior to the line officer in his grade not restricted in the performance of duty who was the junior officer in the promotion zone last established for his grade and, when selected for promotion to the next higher grade, shall upon promotion be advanced to the position on the lineal list commensurate with his active-service credit: *Provided further*, That officers described in section 2 of this act below the grade of captain whose names appear on a promotion list on the effective date of this act, if not then eligible for temporary promotion to the next higher grade under other provisions of law, shall become so eligible on that date.

SEC. 5. As soon as practicable after each officer described in section 2 of this act has been advanced on the lineal list pursuant to section 4 of this act, the Secretary of the Navy shall appoint and convene selection boards pursuant to the provisions of title III of the Officer Personnel Act of 1947, as amended, to consider for temporary promotion to the next higher grade all eligible officers designated for special duty pursuant to section 401 of that act. The promotion zone for each grade shall consist of those officers who have been advanced pursuant to section 4 of this act, to a lineal position in such grade senior to the line officer of that grade not restricted in the performance of duty who was the junior officer in the promotion zone last established for that grade. Notwithstanding any other provision of law, all officers recommended for temporary promotion in the approved report of a selection board, appointed and convened as herein provided, shall be eligible for temporary promotion to the next higher grade on the date of approval of such report. Upon promotion to a higher grade and advancement on the lineal list pursuant to section 4 of this act, each such officer shall be deemed to have as much service in grade as the line officer not restricted in the performance of duty who has not lost numbers or precedence and who is next junior to such officer on the lineal list.

SEC. 6. The Secretary of the Navy shall prescribe all necessary and proper regulations, not inconsistent with the provisions of sections 2, 3, 4, and 5 of this act, for the computation and crediting of the active-service credit provided by this act to the officers entitled thereto, and for their appropriate advancement on the lineal list of officers established pursuant to section 304 of the Officer Personnel Act of 1947, as amended.

With the following committee amendment:

Page 2, line 21, strike out "a" and insert "the next".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## AMENDING SECTION 1452 OF THE REVISED STATUTES

The Clerk called the bill (S. 1639) to amend section 1452, Revised Statutes, relating to Presidential action on the proceedings and decisions of Navy retiring boards.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 1452 of the Revised Statutes is hereby amended to read as follows: "A record of the proceedings and decision of the board in each case shall be transmitted to the Secretary of the Navy for his approval or disapproval, or orders in the case."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING RESERVE RETIREMENT PROVISIONS OF PUBLIC LAW 810, EIGHTIETH CONGRESS

The Clerk called the bill (H. R. 5508) to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, I find that this report does not comply with the Ramseyer rule. Will a member of the committee explain this?

Mr. FORD. Mr. Speaker, this is most important legislation and it should be passed as quickly as possible. It is legislation that is vitally important for the benefit of the Reserve military program and if objection can be waived I hope it will be. Early this year I introduced H. R. 3039 which is practically identical with the bill under consideration. The Military Establishment has recommended H. R. 3039 with minor amendments. The Clemente bill takes H. R. 3039 with the amendments. Because we are all only interested in making the Military Establishment the very best it is immaterial to me whether I am known as the author of this important legislation. Any delay, for purely technical reasons, would be ill-advised. The reservists need this legislation. The country needs this legislation. I hope favorable action will be taken.

Mr. CUNNINGHAM. May I ask the chairman of the committee if he can assure us there will be an amended report complying with the Ramseyer rule?

Mr. VINSON. We will file a report to comply with the Ramseyer rule, but if it is waived I cannot see any need for it except merely to have a record of it. A similar bill was introduced by the distinguished gentleman to your right and this is, as he says, a very important bill. I hope the gentleman will not insist on his objection.

Mr. CUNNINGHAM. Is this identical with the bill introduced by the gentleman from Michigan [Mr. FORD]?

Mr. VINSON. It is.

Mr. CUNNINGHAM. Why did not the committee report the bill out under his name?

Mr. VINSON. A member of the committee some time later on introduced a bill, and in deference and courtesy to the member of the committee we reported the committee member's bill.

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

CONSTRUCTION OF A BRIDGE ACROSS THE RIO GRANDE AT OR NEAR RIO GRANDE CITY, TEX.

The Clerk called the bill (H. R. 4022) to extend the time for commencing the construction of a toll bridge across the Rio Grande at or near Rio Grande City, Tex., to July 31, 1950.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the time for commencing the construction of a toll bridge across the Rio Grande at or near Rio Grande City, Tex., authorized to be built by Gus A. Guerra, his heirs, legal representatives and assigns, by an act of Congress, approved July 31, 1946, is hereby extended until July 31, 1950. Construction of such bridge shall be commenced on or before such date and shall be prosecuted with reasonable diligence until same is completed.

SEC. 2. The right to alter, amend, or repeal this act is hereby reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADJUSTMENT OF IRRIGATION CHARGES ON THE FLATHEAD INDIAN IRRIGATION PROJECT, MONTANA

The Clerk called the bill (H. R. 4986) to amend an act entitled "An act to provide for the adjustment of irrigation charges on the Flathead Indian irrigation project, Montana, and for other purposes," approved May 25, 1948.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the first sentence of section 4 of the act entitled "An act to provide for the adjustment of irrigation charges on the Flathead Indian irrigation project, Montana, and for other purposes," approved May 25, 1948, is hereby amended to read as follows:

"SEC. 4. Unpaid charges for operation and maintenance of the irrigation system which were assessed prior to May 10, 1926, against any lands within the project, amounting to a sum not exceeding $40,549.89, together with all unpaid interest and penalties on such charges, and unpaid charges due from consumers for electric energy sold through the power system between July 1, 1931, and June 30, 1942, amounting to a sum not exceeding $2,195.16, are hereby canceled."

With the following committee amendment:

Page 2, after line 6, insert "together with interest thereon."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COURTS TO REMIT OR MITIGATE FORFEITURES

The Clerk called the bill (H. R. 4762) to amend title 25, section 247, of the Code of Laws of the United States of America, to empower the courts to remit or mitigate forfeitures.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That title 25, section 247, of the Code of Laws of the United States of America (39 Stat. 970, sec. 1, March 2, 1917), is amended by striking out therefrom the final period and substituting therefor a colon and adding immediately thereafter the following words: "*Provided, however,* That the court shall have jurisdiction to remit or mitigate the forfeiture of any such automobiles, vehicles, or conveyances, if decreed, in favor of any claimant, if it finds that such forfeiture was incurred without willful negligence or without any intention on the part of such claimant to violate the law, or finds the existence of such mitigating circumstances as to justify the remission or mitigation of such forfeiture, upon such terms and conditions as the court deems reasonable and just. The court shall order delivery of any such automobiles, vehicles, or conveyances to any claimant who shall establish his right to the immediate possession thereof, and shall execute, with one or more sureties approved by the court, and deliver to the court, a bond to the United States for the payment of a sum equal to the appraised value of any such automobiles, vehicles, or conveyances. Such bond shall be conditioned to return any such automobiles, vehicles, or conveyances at the time of the trial and to pay the difference between the appraised value of any such automobiles, vehicles, or conveyances as of the time they shall have been so released on bond and the appraised value thereof as of the time of trial; and conditioned further that, if any such automobiles, vehicles, or conveyances be not returned at the time of trial, the bond shall stand in lieu of, and be forfeited in the same manner as, any such automobiles, vehicles, or conveyances."

With the following committee amendments:

Page 1, line 3, strike out "25" and insert "18."

Page 1, line 3, strike out "247" and insert "3618."

Page 1, line 4, strike out "(39 Stat. 970, sec. 1, March 2, 1917)."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend title 18, section 3618, of the Code of Laws of the United States of America, to empower the courts to remit or mitigate forfeitures."

A motion to reconsider was laid on the table.

TRANSFERRING CONTROL OVER INDIAN TRIBAL FUNDS

The Clerk called the bill (H. R. 4025) to transfer control over Indian tribal funds to the Indian tribes.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

PRICE SUPPORT FOR TUNG NUTS AND HONEY

The Clerk called the bill (H. R. 29) to amend the Agricultural Adjustment Act of 1938, as amended, to provide parity for tung nuts, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, I would like to inquire of the author of the bill if he can give us any information relative to it. There is no report from the Department of Agriculture nor from the Bureau of the Budget, and I feel that an explanation is in order so that the Members may know how much money this will cost, and whether or not it is a step toward the adoption of the Brannan plan. It seems to me this bill is too involved to be considered on the Consent Calendar.

Mr. COLMER. Mr. Speaker, if the gentleman will yield, I may say to the distinguished gentleman that this bill was reported out by the Committee on Agriculture. I understand there was a unanimous report filed. As to why there

was no Bureau of the Budget recommendation on the matter, I am sure that I cannot say, since I am not a member of the committee. The thing that I would like to say to the distinguished gentleman is simply this, that this bill does, as he recognizes, give support to two very critical materials, that is, honey and tung oil.

Particularly I would like to call attention of the gentleman to this fact, that tung oil is a critical, strategic war material; that we are dependent upon China, and therefore we are also dependent upon China for this strategic and critical material which is only produced abroad in China, which is now Communist dominated, and therefore upon Russia, in the final analysis.

Mr. CUNNINGHAM. Would the gentleman give us some idea of the extent of the tung-oil industry in the United States?

Mr. COLMER. Let me say to my friend that tung oil is produced upon the coastal plains of five Southern States. It is the only area in this country where it can be produced, a belt of about 100 miles wide, beginning in Florida, going along the coastal plains of Florida, Alabama, Mississippi, Louisiana, and Texas. There is now produced in this country approximately 20,000,000 pounds of tung oil. Our domestic consumption runs in excess of 125,000,000 to 150,000,000 pounds. The committee in its wisdom saw fit to limit the support to the present acreage production, therefore it cannot be a thing that will run wild, and no further increase would be allowed under this bill.

Mr. CUNNINGHAM. Would the gentleman advise us why there is no report from the Department of Agriculture and whether or not the Department of Agriculture has concurred in the provisions of this bill or not?

Mr. COLMER. Frankly, as I said a moment ago, I cannot tell my friend why the Department made no recommendation on the bill. I will say this to him, that when hearings were conducted upon the bill the Department had a representative, the head of that Department, present at the hearings.

Mr. CUNNINGHAM. Will it involve any changes in the tariff regulations?

Mr. COLMER. No; it will not.

Mr. CUNNINGHAM. I want to say to the gentleman that as far as the merits of the bill are concerned, I have no objection to it. I just question if it is a bill that should be considered by unanimous consent. It seems to me that it goes to the policy of the Department of Agriculture, from which there is no report. We have no idea how much money it would cost the Federal Treasury. Therefore, I would be constrained to ask that it be passed over without prejudice.

Mr. COLMER. I hope the gentleman will not take that course. I recognize his right to do so and would have no complaint if he did so, but if the gentleman will note, this is one of the first bills introduced, H. R. 29, and it is certainly no fault of ours that the Department has not made a recommendation upon it.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Michigan.

Mr. FORD. May I say to the gentleman from Iowa that the other portion of this bill, which has not received the attention that tung oil has, is equally important. I hope we can have it go through at this time.

Mr. CUNNINGHAM. Can the gentleman from Michigan give us any idea what it will cost, and why there is no report from the Department of Agriculture?

Mr. FORD. I am not familiar with why a report from the Department of Agriculture is lacking, but I can assure the gentleman that there is a need for this legislation as far as the honey industry is concerned.

Mr. CUNNINGHAM. Mr. Speaker, at the request of other members of the committee and requests from the floor, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER. That completes the call of the eligible bills on the Consent Calendar.

AMENDMENT OF CIVIL AERONAUTICS ACT

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 447) to amend the Civil Aeronautics Act of 1938, as amended, to regulate the transportation, packing, marking, and description of explosives and other dangerous articles.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. McCORMACK. Reserving the right to object, Mr. Speaker, has the gentleman consulted with the members of the committee on the Democratic side?

Mr. HINSHAW. I have been looking for the gentleman from Massachusetts and am delighted to see him. This bill is exact in purpose with the bill H. R. 3940, recently passed on the Consent Calendar. It is my purpose to ask that the House language be substituted for the language of the Senate bill. Otherwise the bills are identical.

Mr. McCORMACK. The Senate bill has been passed?

Mr. HINSHAW. The Senate bill has been passed.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, do I correctly understand that this bill is similar to a Senate bill that has already been passed?

Mr. HINSHAW. It is.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Civil Aeronautics Act of 1938, as amended (52 Stat. 973; U. S. C., title 49, sec. 401 and the following), is further amended by inserting, immediately following section 902 (g) thereof, the following new section:

"902. (h) Any person who knowingly or willfully delivers or causes to be delivered to an air carrier or the operator of any civil aircraft for transportation in air commerce, or who causes the transportation in air commerce of, any shipment, baggage, or property, the transportation of which would be a violation of any rule, regulation, or requirement of the Board relating to the transportation, packing, marking, or description of explosives or other dangerous articles, shall upon conviction thereof, for each such offense be subject to a fine of not more than $1,000, or to imprisonment not exceeding 1 year, or to both such fine and imprisonment: *Provided*, That when death or bodily injury of any person results from a violation of any such rule, regulation, or requirement the person or persons convicted thereof shall, in lieu of the foregoing penalty, be subject to a fine of not more than $10,000 or to imprisonment not exceeding 10 years, or to both such fine and imprisonment."

Mr. HINSHAW. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW: Strike out all after the enacting clause and insert the provisions of H. R. 3940, passed by the House, as follows: "That section 902 of the Civil Aeronautics Act of 1938, as amended, is amended by inserting after subsection (g) thereof the following new subsection:

"'TRANSPORTATION OF EXPLOSIVES AND OTHER DANGEROUS ARTICLES

"'(h) (1) Any person who knowingly delivers or causes to be delivered to an air carrier or to the operator of any civil aircraft for transportation in air commerce, or who causes the transportation in air commerce of, any shipment, baggage, or property, the transportation of which would be prohibited by any rule, regulation, or requirement prescribed by the Civil Aeronautics Board, under title VI of this act, relating to the transportation, packing, marking, or description of explosives or other dangerous articles shall, upon conviction thereof for each such offense, be subject to a fine of not more than $1,000, or to imprisonment not exceeding 1 year, or to both such fine and imprisonment: *Provided*, That when death or bodily injury of any person results from an offense punishable under this subsection, the person or persons convicted thereof shall, in lieu of the foregoing penalty, be subject to a fine of not more than $10,000 or to imprisonment not exceeding 10 years, or to both such fine and imprisonment.

"'(2) in the exercise of its authority under title VI of this act, the Civil Aeronautics Board may provide by regulation for the application in whole or in part of the rules or regulations of the Interstate Commerce Commission (including future amendments and additions thereto) relating to the transportation, packing, marking, or description of explosives or other dangerous articles for surface transportation, to the shipment and carriage by air of such articles. Such applicability may be terminated by the Board at any time. While so made applicable, any such rule or regulation, or part thereof, of the Interstate Commerce Commission shall for the purposes of this act be deemed to be a regulation of the Board prescribed under title VI.'"

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 3940) was laid on the table.

AMENDMENT OF ARMY AND AIR FORCE VITALIZATION AND RETIREMENT EQUALIZATION ACT

Mr. WILSON of Oklahoma. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar 291, the bill (H. R. 5508)

to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That subsection (b) of section 302 of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 is hereby amended by striking out the words "the enactment of this act" and inserting in lieu thereof "July 1, 1949."

SEC. 2. That subsection (c) of section 302 of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 is hereby amended by striking out the words "the enactment of this act" and inserting in lieu thereof "July 1, 1949."

SEC. 3. That the second proviso of section 303 of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 is hereby amended by striking out the words "the date of enactment of this act" and inserting in lieu thereof "July 1, 1949."

Mr. BROOKS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

'mendment offered by Mr. BROOKS: Amend H. R. 5508 by adding a new section to be known as section 4 and to read as follows:

"SEC. 4. That section 306 of Public Law 810, Eightieth Congress, is hereby amended by adding the following language at the end of (4) 'and the National Guard or Organized Militia prior to June 3, 1916.' "

Mr. BROOKS. Mr. Speaker, this amendment simply affects six National Guard officers. Under section 306 originally we specified six categories to be covered. In subsection 4 we stated "Federally recognized status in the National Guard prior to 1933." Recently it has been held that the National Guard prior to 1916 had no Federal status, and therefore under the ruling I understand a few National Guard officers will be excluded from qualifying. The National Guard is very anxious to have this legislation adopted. It is a most worthy amendment. The cost involved is nominal.

The SPEAKER. The question is on the amendment offered by the gentleman from Louisiana [Mr. BROOKS].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### SOME SUPREME COURT JUSTICES DUE TO MAKE REFUNDS

Mr. HOFFMAN of Michigan. Mr. Speaker, on June 27, 1949, Mr. Justice Murphy, in the case of Roland Christoffel, Petitioner, against The United States of America, wrote a decision concurred in by Mr. Justice Black, Mr. Justice Frankfurter, Mr. Justice Douglas, and Mr. Justice Rutledge, which in effect held that Chistoffel could not be convicted of perjury under a statute which provided that "every person who, having taken an oath or affirmation before a competent tribunal, officer, or person, in any case in which the law authorized such oath or affirmation to be administered, that he will testify, declare, depose, or certify truly, or that any written testimony, declaration, deposition, or certificate by him subscribed is true, willfully and contrary to such oath or affirmation states or subscribes any material matter which he does not believe to be true, shall be guilty of perjury," unless it affirmatively appeared that a quorum of the standing committee of the House before which he appeared was present when he testified falsely.

To make the issue clear, permit the following statements of fact:

Harold Roland Christoffel was president of a CIO local which for approximately 80 days carried on a strike at the Allis-Chalmers Co., in West Allis, Wis. It was charged at the time that the strike was inspired by the Communists, and that Christoffel was a Communist. A standing committee of the House of Representatives, commonly known as the Labor Committee, held hearings to ascertain whether additional legislation was necessary to remedy labor disputes which were interfering with the free flow of interstate and foreign commerce.

On March 1, 1947, Mr. Christoffel appeared and was sworn as a witness at a time when more than a majority—a quorum—of the committee membership was present. He was asked a series of questions, the affirmative answer to which would have tended to show that he was a Communist and had affiliated with Communist activities. By his answers he unequivocally denied that he was a Communist or that he endorsed, supported, or participated in Communist programs.

He was later charged with a violation of the statute above quoted and by a jury convicted, the jury being convinced beyond a reasonable doubt that when he appeared before the committee he gave false testimony and that he actually was a Communist and endorsed, supported, and participated in Communist programs.

As stated, the conviction was reversed because, and only because, the judge of the court which tried Christoffel told the jury that if 13 members of the committee—the total membership being 25—were present at the beginning of the hearing and that thereafter during the progress of the hearing some of them left temporarily or otherwise and no question was raised as to the lack of a quorum, then the fact that a majority did not remain during the giving of his testimony did not affect the existence of that committee as a competent tribunal, provided that at the opening of the session and before the oath was administered and the testimony was given there were present as many as 13 members of the committee.

The opinion of the Supreme Court written by Mr. Justice Murphy held that this charge to the jury was erroneous and that when he testified Mr. Christoffel was not testifying before a competent tribunal unless at that very moment 13 or a majority of the committee—a quorum—were "actually, physically present."

To state it somewhat differently, the opinion holds that, even though Mr. Christoffel testified falsely before 12 members of the committee, he was not guilty under the statute unless he testified falsely before 13 members of the committee, for the reason, as stated by Mr. Justice Murphy and those who concurred with him, that less than a majority of the committee did not constitute a legal tribunal, that to sustain a conviction it must affirmatively appear that at least 13 members of the committee were physically present when the false answers were given.

That decision reversing the conviction cited no precedents.

It ignored previous decisions of the United States Supreme Court.[1]

It disregarded the established practice of the House, its committees, and the courts.

It demonstrated the ignorance of the writer and of those who joined in the opinion of the long-established procedure of the House and its committees.

The opinion declares that any action taken by the Congress or by a committee of the Congress is void unless it af-

[1] *Meyers* v. *United States* (171 Fed. Reporter 2d 800, 336 U. S. 912, Order No. 467).

*United States* v. *Norris* (300 U. S. 564).

In a footnote to the dissenting opinion in the Christoffel case, Mr. Justice Jackson said:

"In *Meyers* v. *United States* (171 F. 2d 800, certiorari denied 336 U. S. 912), the petitioner was convicted of subornation of perjury committed before a committee of Congress on two separate days—October 4 and October 6. The conviction was allowed to stand despite a charge to the jury that the quorum on October 4 was presumed to continue unless and until a committee member raised the point of no quorum, and that false testimony given before the point is raised is perjurious under this same statute. That charge is practically identical with the charge given in this case, of which this Court now says 'The heart of this case is that by the charge that was given it the jury was allowed to assume that the conditions of competency were satisfied even though the basis in fact was not established and in face of a possible finding that the facts contradicted the assumption.' This perfectly describes the Meyers case, considering only the October 4 testimony, on which it is said the conviction rested. Considering only that part of each count, Meyers was convicted and is now imprisoned for suborning perjury given under identical conditions as did Christoffel; and Meyers' guilt was determined by a jury which received the same ruling the Court now holds to be error as applied to Christoffel. Yet the Meyers conviction was affirmed and we denied his plea for review. Such a denial here of course does not imply approval of the law announced below but, on the undisputed facts, Meyers conviction rests on a basis which this Court says is 'unthinkable" as to Christoffel whose conviction is reversed.

"Moreover, the Meyers jury was permitted to convict partly at least on the basis of testimony given before a committee on October 6 when the committee records showed and the Government admits, that no quorum was present at any time. Today's opinion is diametrically opposed to the Meyers conviction based on the October 4th testimony alone, but the Meyers conviction also rests in part on testimony before a body which demonstrably and admittedly never amounted to a quorum, while Christoffel's is reversed merely because the charge permitted the jury to ignore oral testimony 'indicating' that a quorum once admittedly established may have evaporated. I do not see how the Court can justify such discrimination. The court below evidently could not, for it relied on the Meyers case as a precedent for affirming the conviction of Christoffel on this identical issue."

firmatively appears that a quorum was present.

If Mr. Justice Murphy and those Justices who joined in his decision are intellectually honest and consistent, then each individually will pay into the Treasury of the United States all sums received by him as salary over and above the amount fixed by the Congress prior to the increase in their salaries provided by the bill which passed the Senate on July 17, 1946.

On that day S. 920, which increased the compensation of Justices of the Supreme Court by the amount of $5,000 annually, passed the Senate.

The record of the proceedings of that day, CONGRESSIONAL RECORD—volume 92, part 7, page 9174, Seventy-ninth Congress, second session—shows that a quorum was present at the beginning of the session, but it does not show that a quorum was present later in the day when the bill was passed.

After the quorum call in the Senate, that body proceeded to consider and pass more than 70 public and private bills and it considered and passed over to a later date at least 10 other bills, some of which were public and some private.[2]

The Parliamentarian of the Senate has advised that unless the question of a quorum is raised and decided prior to the passage of a bill, there is no way of determining from the RECORD whether a quorum was present at a particular time. The RECORD carries no affirmative showing that a quorum of the Senate was present when the bill, under which Mr. Justice Murphy and his associates who joined in this opinion have received additional compensation amounting to approximately $14,583.33 each,[3] was adopted by the Senate.

Hence, following the reasoning of the opinion of Mr. Justice Murphy and his associates, it is evident that he and each of his associates has received some $14,583.33 from the Federal Treasury, the payment of which was never authorized by, and I use the Justice's words, "a competent tribunal," for it does not appear from the records of the Senate that a quorum was "actually and physically present" when S. 920 was passed.

Now, Mr. Justice Murphy, Mr. Justice Black, Mr. Justice Frankfurter, Mr. Justice Douglas, and Mr. Justice Rutledge, inasmuch as you have solemnly declared that neither the Congress nor its committees can act legally and that neither is a "competent tribunal" unless it is affirmatively shown that a quorum of the committee or of each branch of the Congress was present when action was taken, just come across with the money which, under your decision, it appears you have illegally received.

The decision in this case is not only contrary to judicial precedent, to the customs and practices of the Congress and its committees, but it is a shield to the Communists who seek the overthrow of our Government by force and, if followed, to all others charged with violation of a Federal statute.

[2] It is common knowledge that in legislative proceedings, when Consent Calendar business is being considered, frequently only those Members having an interest in the bills on such calendar are present on the floor, and even these Members present themselves on the floor only during the time when the bills in which they are particularly interested are called up for consideration.

[3] The additional salary paid to these Justices from August 1, 1946, when the act became effective, to June 30, 1949, on the basis of the increase of $5,000 per annum granted by Public Law 567, amounts to $14,583.33 each.

### LOUISIANA DEPARTMENT OF WILDLIFE AND FISHERIES

Mr. PETERSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5365) to provide for the transfer of the vessel *Black Mallard* to the State of Louisiana for the use and benefit of the department of wildlife and fisheries of such State.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized and directed to donate and convey to the State of Louisiana, for the use and benefit of the department of wildlife and fisheries of such State, all the right, title, and interest of the United States in and to the vessel *Black Mallard* (formerly known as the *Talvez*), which was acquired by the United States by seizure under the National Prohibition Act. Such vessel has been on loan since 1931 (except for a period in World War II) from the United States to the Department of Wildlife and Fisheries of the State of Louisiana for use as a biological-research boat and has been extensively repaired and refitted at the expense of such State.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### EXTENSION OF REMARKS

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. CANFIELD (at the request of Mr. CASE of New Jersey) was given permission to extend his remarks in the RECORD.

Mr. HAVENNER asked and was given permission to extend his remarks in the RECORD.

Mr. HÉBERT asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. SIKES asked and was given permission to extend his remarks in the RECORD.

### REORGANIZATION PLAN NO. 8 OF 1949—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 262)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed:

REORGANIZATION PLAN NO. 8 OF 1949

(Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, July 18, 1949, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949)

DEPARTMENT OF DEFENSE

SECTION 1. Department of Defense: The name of the National Military Establishment is hereby changed to "Department of Defense" and such Department is hereby constituted an executive department.

SEC. 2. Secretary of Defense: (a) Under the direction of the President, the Secretary of Defense shall have direction, authority, and control over the Department of Defense: *Provided*, That the Departments of the Army, the Navy, and the Air Force shall be administered as executive departments by their respective secretaries, under such direction, authority, and control of the Secretary of Defense.

(b) The provisions of section 2 (a) hereof shall not be construed (1) to authorize the Secretary of Defense to transfer, reassign, abolish, or consolidate the combatant functions assigned to the Departments of the Army, the Navy, and the Air Force, respectively, by sections 205 (e), 206 (b), 206 (c), and 208 (f) of the National Security Act of 1947 or to make transfers of military, naval, or air force personnel from one of said departments to another or to make details or assignments of such personnel in a manner that will impair such assigned combatant functions, (2) to authorize the Secretary of Defense to direct the use and expenditure of funds in a manner that would bring about the results prohibited by section 2 (b) (1) hereof, nor (3) to diminish in any respect the functions of the Secretary of Defense as they exist immediately prior to the taking effect of the provisions of this reorganization plan.

(3) The functions of the Secretaries of the Army, the Navy, and the Air Force under the penultimate proviso of section 202 (a) of the National Security Act of 1947 (with respect to presenting reports and recommendations to the President or the Director of the Budget), are hereby abolished.

(d) The Secretary of Defense may, without being relieved of his responsibility therefor, and unless prohibited by some specific provision of law, perform any function vested in him through or with the aid of such officials or organizational entities of the Department of Defense as he may designate.

SEC. 3. Deputy Secretary of Defense: There is hereby established in the Department of Defense the Office of Deputy Secretary of Defense. The Deputy Secretary of Defense shall be appointed from civilian life by the President by and with the advice and consent of the Senate: *Provided*, That a person who has within 10 years been on active duty as a commissioned officer in a Regular component of the armed services shall not be eligible for appointment as Deputy Secretary of Defense. The Deputy Secretary of Defense shall perform such functions as the Secretary of Defense shall designate, shall take precedence in the Department of Defense next after the Secretary of Defense, and shall receive compensation at the rate of $14,500 per annum or such other compensation as may be provided by law for under secretaries or deputy secretaries of executive departments after the date of transmittal of this reorganization plan to the Congress. During the absence or disability of the Secretary of Defense, or in the event of a vacancy in the Office of Secretary, the Deputy

Secretary of Defense shall be Acting Secretary of Defense and shall perform the functions of the Secretary of Defense. The office of Under Secretary of Defense is hereby abolished; but the incumbent thereof immediately prior to the taking effect of the provisions of this reorganization plan shall, without reappointment, be the first Deputy Secretary of Defense under the provisions of this section.

SEC. 4. Acting Secretary of Defense: During any period of time when neither the Secretary of Defense nor the Deputy Secretary of Defense is able to perform the functions of the Secretary (by reason of absence, disability, or vacancy in the office of the Secretary or Deputy Secretary, as the case may be) one of the following, designated for this purpose by the Secretary of Defense, shall be Acting Secretary of Defense and perform the functions of Secretary of Defense, namely the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force.

SEC. 5. Assistant Secretaries of Defense: There shall be in the Department of Defense three Assistant Secretaries of Defense, who shall (1) be appointed from civilian life by the President, by and with the advice and consent of the Senate; (2) perform such functions as the Secretary of Defense shall designate; (3) take precedence in the Department of Defense after the Secretary of Defense, the Deputy Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force; and (4) receive compensation at the rate of $10,330 per annum or such other compensation as may be provided by law for the assistant secretaries of executive departments after the date of the transmittal of this reorganization plan to the Congress. The offices of Special Assistant to the Secretary of Defense, established under the authority of section 204 (a) of the National Security Act of 1947, are hereby abolished.

SEC. 6. National Security Council: The functions of the Secretaries of the Army, the Navy, and the Air Force with respect to membership on the National Security Council (under the provisions of section 101 (a) of the National Security Act of 1947) are hereby abolished.

SEC. 7. Armed Forces Policy Council: The name of the War Council (provided for in section 210 of the National Security Act of 1947) is hereby changed to "Armed Forces Policy Council." The Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Chairman of the Personnel Policy Board hereinafter provided for, and the Chairman of the Joint Chiefs of Staff hereinafter provided for shall be additional members of the Armed Forces Policy Council.

SEC. 8. Chairman of the Joint Chiefs of Staff: (a) There is hereby established the Office of Chairman of the Joint Chiefs of Staff. Such Chairman shall be an additional member and the presiding officer of the Joint Chiefs of Staff (provided for by section 211 (a) of the National Security Act of 1947).

(b) The chairman of the Joint Chiefs of Staff shall be appointed by the President, by and with the advice and consent of the Senate, from among the Regular officers of the armed services to serve at the pleasure of the President for a term of 2 years and shall be eligible for one reappointment, by and with the advice and consent of the Senate, except in time of war when there shall be no limitation on the number of reappointments. The person appointed as chairman shall, while holding such office, take precedence over all other officers of the armed services, and shall receive the basic pay and basic and personal money allowances prescribed by law for the Chief of Staff, United States Army, and such special pays and hazardous duty pays to which he may be entitled under the provisions of law: *Provided*, That the chairman shall not exercise military command over the Joint Chiefs of Staff or over any of the military services.

(c) In addition to participating as a members of the Joint Chiefs of Staff in the performance of duties assigned to the Joint Chiefs of Staff, the chairman shall, subject to the authority, direction, and control of the President and the Secretary of Defense, (1) serve as presiding officer of the Joint Chiefs of Staff, and (2) provide agenda for meetings of the Joint Chiefs of Staff and assist the Joint Chiefs of Staff in the prompt and effective prosecution of the business thereof, (3) inform the Secretary of Defense and, when appropriate as determined by the President or the Secretary of Defense, the President, of any issue upon which agreement has not been reached by the Joint Chiefs of Staff, and (4) perform such other duties as the President and the Secretary of Defense shall direct.

SEC. 9. Munitions Board: The Munitions Board or, if the Secretary of Defense shall so prescribe, the chairman of the Munitions Board, after consultation with the Board, shall assist the Secretary of Defense in performing such duties as the Secretary of Defense may direct, including, in the discretion of the Secretary of Defense, any or all of the duties enumerated in section 213 of the National Security Act of 1947.

SEC. 10. Research and Development Board: The Research and Development Board or, if the Secretary of Defense shall so prescribe, the Chairman of the Research and Development Board, after consultation with the Board, shall assist the Secretary of Defense in performing such duties as the Secretary of Defense may direct, including, in the discretion of the Secretary of Defense, any or all of the duties enumerated in section 214 of the National Security Act of 1947.

SEC. 11. Personnel Policy Board: (a) There is hereby established in the Department of Defense a Personnel Policy Board.

(b) The Board shall be composed of a Chairman, who shall be the head thereof, and an Under Secretary or Assistant Secretary from each of the Departments of the Army, the Navy, and the Air Force, to be designated by the Secretaries of the respective departments. The Chairman shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate prescribed by law for the Chairman of the Munitions Board.

(c) The Personnel Policy Board or, if the Secretary of Defense shall so prescribe, the Chairman of the Personnel Policy Board, after consultation with the Board, shall assist the Secretary of Defense in performing such duties as the Secretary of Defense may direct, including, in the discretion of the Secretary of Defense, any or all of the following duties:

(1) establishment of personnel policies for military and civilian personnel of the Department of Defense and, where desirable, the development of uniform personnel policies and the elimination of unnecessary duplication and overlapping in the field of personnel;

(2) coordination of appropriate activities of the Department of Defense with regard to personnel matters; and

(3) maintenance of liaison with the various executive departments and other agencies of the Federal Government for the purpose of correlation therewith of personnel activities of the Department of Defense.

(d) When the Chairman of the Board first appointed hereunder has taken office, the Personnel Policy Board created by directive of the Secretary of Defense shall cease to exist and all its records and personnel shall be transferred to the Board.

(e) The Secretary of Defense shall provide the Board with such personnel and facilities as the Secretary may determine to be required by the Board for the performance of its functions.

SEC. 12. Nothing in this reorganization plan, (1) shall be deemed to abolish or transfer, nor have the effect of abolishing or transferring, the Department of the Army, the Department of the Navy, or the Department of the Air Force, or all the functions of any of such executive departments, or (2) shall be deemed to consolidate, nor have the effect of consolidating, two or more of said executive departments or all the functions thereof.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 18, 1949.*

## REPORT OF THE OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

*To the Congress of the United States:*

I transmit herewith for the information of the Congress the annual report of the Office of Alien Property, Department of Justice, for the fiscal year ending June 30, 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 15, 1949.*

## LEND-LEASE OPERATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 263)

The SPEAKER laid before the House the following message from the President of the United States, which was read,

and, together with the accompanying papers, referred to the Committee on Foreign Affairs, and ordered to be printed.

*To the Congress of the United States*:

I am transmitting herewith the Twenty-eighth Report to Congress on Lend-Lease Operations.

This report contains in appendix V a report on Lend-Lease Fiscal Operations prepared by the Treasury Department and submitted to the Secretary of State in accordance with Executive Order 9726. The period covered is from March 11, 1941 through March 31, 1949.

A settlement agreement was signed with Czechoslovakia on September 16, 1948, and appears in this report as appendix I.

Two agreements with France relating in part to lend-lease matters were signed on March 14, 1949. The texts appear in this report as appendixes II and III. Under the terms of these agreements residual financial accounts and shipping matters arising out of lend-lease and other operations during and immediately after the war were finally agreed upon and settled in accordance with the principles set forth in the memorandum of understanding between France and the United States regarding settlement for lend-lease, reciprocal aid, surplus war property, and claims, signed on May 28, 1946, and published in the Twenty-third Report to Congress on Lend-Lease Operations.

A settlement of wartime claims and accounts between the United States and Canada was signed on March 14, 1949, by means of an agreement contained in an exchange of notes, which appear in this report as appendix IV.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 15, 1949*.

[Enclosure: Twenty-eighth Report to Congress on Lend-Lease Operations.]

TWENTY-EIGHTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

LEND-LEASE SETTLEMENTS WITH CZECHOSLOVAKIA AND FRANCE—FINAL LEND-LEASE PAYMENT BY HONDURAS—SETTLEMENT OF WARTIME ACCOUNTS WITH CANADA—LEND-LEASE FISCAL OPERATIONS MARCH 11, 1941, THROUGH MARCH 31, 1949

(Submitted in accordance with section 5, subsection b, of the Lend-Lease Act of March 11, 1941, 55 Stat. 32; 22 U. S. Code sec. 414 (b))

*Lend-lease payments and agreements*

Agreements with the Governments of Czechoslovakia, France, and Canada were concluded during the period covered by this report, and Honduras completed its payments on account.

Czechoslovakia

A Settlement Agreement was signed with the Czechoslovak Government on September 16, 1948. Pursuant to the agreement, the United States was paid in crowns the equivalent of $172,961 (8,648,072 crowns). The Czechoslovak Government received an estimated $2,760,000 in lend-lease aid either directly from the United States or by retransfer from the United Kingdom. This figure is based on the procurement cost of the items. The crowns will be used by the United States Government for general operating expenses in Czechoslovakia.

The text of the agreement appears in this report as appendix I.

Honduras

On February 10, 1949, the Government of Honduras paid a small balance due on its account and thus discharged in full its obligations under its lend-lease agreement signed with the United States on February 28, 1942.

France

The Governments of the United States and France on March 14, 1949, entered into two agreements finally settling a number of residual financial and shipping matters arising out of operations during and immediately after the war.

Under the agreement regarding settlement of certain residual financial claims and accounts, which appears in this report as appendix II, the two Governments agreed on the final amount to be paid by the French Government under the Memorandum of Understanding signed on May 28, 1946. This amount, now fixed at $653,300,000, represents a reduction of $66,700,000 in the lend-lease portion of the $720,000,000 obligation of France established in the Memorandum of Understanding, which original figure was composed of an estimated $420,000,000 for lend-lease and reciprocal aid and the firm amount of $300,000,000 for surplus. In accordance with the Memorandum of Understanding the $653,300,000 shall be paid in annual installments over a period of 35 years with interest at 2 percent. Interest payments began on July 1, 1946, and will continue for 5 years. Interest and principal, payable over a period of 30 years, shall become due beginning on July 1, 1951.

This financial agreement also provides for the settlement of a large number of outstanding claims and accounts between the two Governments, as well as for the disposition of certain residual lend-lease and surplus property held by the French Government. The sum of $2,119,871.19 was paid to the French Government, representing a refund of excess French Government deposits with the United States Navy and Treasury beyond amounts required for cash procurement of lend-lease articles.

The agreement respecting maritime claims and litigation appears in this report as appendix III. This agreement established the method of handling claims arising out of maritime incidents occurring in the course of operations during and immediately following the war. This agreement is similar in objective to agreements on the same subject entered into with various other governments.

Canada

The settlement of wartime claims and accounts between the United States and Canada was effected by an exchange of notes signed by Dean Acheson, Secretary of State, and Hume Wrong, Ambassador of Canada. The notes constitute an agreement settling claims and accounts connected with World War II arising out of the procurement of supplies and services by one government for the other.

During the war the two governments procured defense articles for each other for full cash reimbursement. The United States procured defense materials and services from Canada through an agency of the Canadian Government amounting to approximately $1,250,000,000. The Government of Canada deposited over $423,000,000 with the United States Treasury Department in payment for services and supplies. Since the sums deposited by Canada exceeded costs by $3,675,000, a check for that amount was delivered to the Canadian Embassy.

Complete texts of the notes, dated March 14, 1949, appear in this report as appendix IV.

REORGANIZING FISCAL MANAGEMENT IN THE NATIONAL MILITARY ESTABLISHMENT

Mr. VINSON. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 5632) to reorganize fiscal management in the National Military Establishment to promote economy and efficiency, and for other purposes.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That the National Security Act of 1947 is amended by inserting at the end thereof the following new title:

"TITLE IV

"PROMOTION OF ECONOMY AND EFFICIENCY THROUGH ESTABLISHMENT OF UNIFORM BUDGETARY AND FISCAL PROCEDURES AND ORGANIZATIONS

*"Comptroller of the National Military Establishment*

"SEC. 401. (a) There is hereby established in the Office of the Secretary of Defense an office to be known as the Office of Comptroller of the National Military Establishment, which shall be headed by a Comptroller to be appointed from civilian life by the President, by and with the advice and consent of the Senate. The Comptroller shall receive compensation at the rate prescribed by law for the Chairman of the Munitions Board.

"(b) The Comptroller shall advise and assist the Secretary of Defense in performing such budgetary and fiscal functions as may be required to carry out the powers conferred upon the Secretary of Defense by this act, including but not limited to those specified in this subsection. Subject to the authority, direction, and control of the Secretary of Defense, the Comptroller shall—

"(1) supervise and direct the preparation of the budget estimates of the National Military Establishment; and

"(2) establish, and supervise the execution of—

"(A) principles, policies, and procedures to be followed in connection with organizational and administrative matters relating to—

"(i) the preparation and execution of the budgets,

"(ii) fiscal, cost, operating, and capital property accounting,

"(iii) progress and statistical reporting,

"(iv) internal audit, and

"(B) policies and procedures relating to the expenditure and collection of funds administered by the National Military Establishment; and

"(3) establish uniform terminologies, classifications, and procedures in all such matters.

"MILITARY DEPARTMENT BUDGET AND FISCAL ORGANIZATION—DEPARTMENTAL COMPTROLLERS

"SEC. 402. (a) The Secretary of each military department, subject to the authority, direction, and control of the Secretary of Defense, shall cause budgeting, accounting, progress and statistical reporting, internal audit and administrative organization structure and managerial procedures relating thereto in the department of which he is the head to be organized and conducted in a manner consistent with the operations of the Office of the Comptroller of the National Military Establishment.

"(b) There is hereby established in each of the three military departments the Office of Comptroller, which shall be headed by a Comptroller of the Army, Comptroller of the Navy, or Comptroller of the Air Force, as appropriate in the department concerned. Subject to the authority of the respective departmental Secretaries, the comptrollers of the military departments shall be responsible for all budgeting, accounting, progress and statistical reporting, and internal audit

in their respective departments and for the administrative organization structure and managerial procedures relating thereto. The Secretaries of the military departments may in their discretion appoint either civilian or military personnel as comptrollers of the military departments. Departmental comptrollers shall be under the direction and supervision of, and directly responsible to, either the Secretary, the Under Secretary, or an Assistant Secretary of the respective military departments: *Provided,* That nothing herein shall preclude the comptroller from having concurrent responsibility to a Chief of Staff or a Chief of Naval Operations, a Vice Chief of Staff or a Vice Chief of Naval Operations, or a Deputy Chief of Staff or a Deputy Chief of Naval Operations, if the Secretary of the military department concerned should so prescribe. Where the departmental comptroller is not a civilian, the Secretary of the department concerned shall appoint a civilian as Deputy Comptroller.

"PERFORMANCE BUDGET

"SEC. 403. (a) The budget estimates of the National Military Establishment shall be prepared, presented, and justified, where practicable, and authorized programs shall be administered, in such form and manner as the Secretary of Defense, subject to the authority and direction of the President, may determine, so as to account for, and report, the cost of performance of readily identifiable functional programs and activities, with segregation of operating and capital programs. So far as practicable, the budget estimates and authorized programs of the military departments shall be set forth in readily comparable form and shall follow a uniform pattern.

"(b) In order to expedite the conversion from present budget and accounting methods to the cost-of-performance method prescribed in this title, the Secretary of each military department, with the approval of the President and the Secretary of Defense, is authorized and directed, until the end of the second year following the date of enactment of this act, to make such transfers and adjustments within the military department of which he is the head between appropriations available for obligation by such department in such manner as he deems necessary to cause the obligation and administration of funds and the reports of expenditures to reflect the cost of performance of such programs and activities. Reports of transfers and adjustments made pursuant to the authority of this subsection shall be made currently by the Secretary of Defense to the President and the Congress.

"OBLIGATION OF APPROPRIATIONS

"SEC. 404. In order to prevent overdrafts and deficiencies in any fiscal year for which appropriations are made, on and after the beginning of the next fiscal year following the date of enactment of this act appropriations made to the National Military Establishment or to the military departments, and reimbursements thereto, shall be available for obligation and expenditure only after the Secretary of Defense shall approve scheduled rates of obligation, or modifications thereof: *Provided,* That nothing in this section shall affect the right of the National Military Establishment to incur such deficiencies as may be now or hereafter authorized by law to be incurred.

"WORKING-CAPITAL FUNDS

"SEC. 405. (a) In order more effectively to control and account for the cost of programs and work performed in the National Military Establishment, the Secretary of Defense is authorized to require the establishment of working-capital funds in the National Military Establishment for the purpose of—

"(1) financing inventories of such stores, supplies, materials, and equipment as he may designate; and

"(2) providing working capital for such industrial-type activities, and for such commercial-type activities as provide common services within or among the departments and agencies of the National Military Establishment, as he may designate.

"(b) The Secretary of the Treasury is authorized and directed to establish on the books of the Treasury Department at the request of the Secretary of Defense the working-capital funds established pursuant to the authority of this section.

"(c) Such funds shall be—

"(1) charged, when appropriate, with the cost of stores, supplies, materials, and equipment procured or otherwise acquired, manufactured, repaired, issued, and consumed and of services rendered or work performed, including applicable administrative expenses; and

"(2) reimbursed from available appropriations or otherwise credited for the cost of stores, supplies, materials, or equipment furnished and of services rendered or work performed, including applicable administrative expenses.

"Reports of the condition and operations of such funds shall be made annually to the President and to the Congress.

"(d) The Secretary of Defense is authorized to provide capital for such working-capital funds by capitalizing inventories on hand and, with the approval of the President, by transfer, until December 31, 1954, from unexpended balances of any appropriations of the military departments not carried to the surplus fund of the Treasury: *Provided,* That no deficiency shall be incurred in any such appropriation as a result of any such transfer. To the extent that such methods do not, in the determination of the Secretary of Defense, provide adequate amounts of working capital, there is hereby authorized to be appropriated, out of any moneys in the Treasury not appropriated for other purposes, such sums as may be necessary to provide adequate working capital.

"(e) Subject to the authority and direction of the Secretary of Defense, the Secretaries of the military departments shall allocate responsibility within their respective military departments for the execution of functions which each military department is authorized by law to perform in such a manner as to effect the most economical and efficient organization and operation of the activities and use of the inventories for which working-capital funds are authorized by this section.

"(f) No greater cost shall be incurred by the requisitioning agency for stores, supplies, materials, or equipment drawn from inventories, and for services rendered or work performed by the industrial-type or commercial-type activities for which working-capital funds are authorized by this section, than the amount of appropriations or funds available for such purposes.

"(g) The Secretary of Defense is authorized to issue regulations to govern the operation of activities and use of inventories authorized by this section, which regulations may, whenever he determines the measures set forth in this subsection to be required by the needs of the National Military Establishment, and when such measures are authorized by law, permit stores, supplies, materials, and equipment to be sold to, and services to be rendered or work performed for, purchasers or users outside the National Military Establishment. In such cases, the working-capital funds involved may be reimbursed by charges against appropriate appropriations or by payments received in cash.

"(h) The appraised value of all stores, supplies, materials, and equipment returned to such working-capital funds from any department, activity, or agency, may be charged to the working-capital fund concerned and the proceeds thereof shall be credited to the current appropriations concerned; the amounts so credited shall be available for expenditures for the same purposes as the appropriations credited: *Provided,* That the provisions of this subsection shall not permit credits to appropriations as the result of capitalization of inventories authorized by subsection (d) of this section.

"MANAGEMENT FUNDS

"SEC. 406. The act of July 3, 1942 (56 Stat. 645, c. 484), as amended, is hereby further amended to read as follows:

"'(a) For the purpose of facilitating the economical and efficient conduct of operations in the National Military Establishment which are financed by two or more appropriations where the costs of the operations are not susceptible of immediate distribution as charges to such appropriations, there are hereby established the Navy Management Fund, the Army Management Fund, and the Air Force Management Fund, each within, and under the direction of the respective Secretaries of, the Departments of the Navy, Army, or Air Force, as the case may be. There are authorized to be appropriated from time to time such funds as may be necessary to accomplish the purposes of the funds.

"'(b) The corpus of the Navy Management Fund shall consist of the sum of $1,000,000 heretofore transferred to the Naval Procurement Fund from the Naval Emergency Fund (17X0300), which amounts, and all balances in, and obligations against, any accounts in the Naval Procurement Fund, are hereby transferred to the Navy Management Fund; the corpus of the Army Management Fund shall consist of the sum of $1,000,000 which shall be transferred thereto from any unobligated balance of any appropriation available to the Department of the Army; the corpus of the Air Force Management Fund shall consist of the sum of $1,000,000, which shall be transferred thereto from any unobligated balance of any appropriation available to the Department of the Air Force; in each case together with such additional funds as may from time to time be appropriated to any of said funds. Accounts for the individual operations to be financed under the respective management funds shall be established only upon approval by the Secretary of Defense.

"'(c) Expenditures may be made from said management funds from time to time for material (other than material for stock) and for personal and contractual services under such regulations as may be prescribed by the Secretary of Defense: *Provided,* (1) That no obligation shall be incurred against any such fund which is not properly chargeable to available funds under an appropriation of the department within which the fund is established or, whenever necessary to effectuate purposes authorized by this act, to funds of another department or agency within the National Military Establishment, and (2) that each fund shall be promptly reimbursed from the appropriate appropriations of such department for all expenditures properly chargeable thereto. Nothing herein or in any other provision of law shall be construed to prevent advances by check or warrant, or reimbursements to any of said management funds from appropriations of said departments on the basis of the estimated cost of a project, such estimated cost to be revised and necessary appropriation adjustments made when adequate data become available.

"'(d) Except as otherwise provided by law, amounts advanced to the management funds under the provisions of this act shall be available for obligation only during the fiscal year in which they are advanced: *Provided,* That nothing contained in this act shall alter or limit the authorized period of availability of the funds from which such advances are made. Final adjustments of advances in accordance with actual costs shall be effected with the appropriate funds for the

fiscal year in which such funds are advanced.

"'(e) The portion of the Naval Appropriation Act, 1945 (58 Stat. 301, 310), relating to the Naval Procurement Fund is hereby repealed.'

"ADJUSTMENT OF ACCOUNTS

"SEC. 407. (a) When under authority of law a function or an activity is transferred or assigned from one department or agency within the National Military Establishment to another such department or agency, the balances of appropriations which are determined by the Secretary of Defense to be available and necessary to finance or discharge the function or activity so transferred or assigned may, with the approval of the President, be transferred to, and be available for use by, the department or agency to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established on the books of the Treasury Department, of the department or organization to which such function or activity is transferred, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund. Balances transferred to existing accounts shall be subject only to such limitations as are specifically applicable to such accounts and those transferred to new accounts shall be subject only to such limitations as are applicable to the appropriations from which they are transferred.

"(b) The number of employees which in the opinion of the Secretary of Defense is required for such transferred functions or activities may, with the approval of the Director of the Bureau of the Budget, be deducted from any personnel maximum or limitation of the department or agency within the National Military Establishment from which such function or activity is transferred, and added to any such personnel maximum or limitation of the department or agency to which such function or activity is transferred.

"AVAILABILITY OF REIMBURSEMENTS

"SEC. 408. To carry out the purposes of this act, reimbursements made under the authority of the Economy Act (31 U. S. C. 686), and sums paid by or on behalf of personnel of any department or organization for services rendered or supplies furnished, may be credited to authorized replacing or other accounts. Funds credited to such accounts shall remain available for obligation for the same period as the funds in the account so credited and each such account shall constitute one fund on the books of the Treasury Department.

"COMMON USE OF DISBURSING FACILITIES

"SEC. 409. To the extent authorized by the Secretary of Defense, disbursing officers of the Departments of the Army, Navy, and Air Force may, out of accounts of advances available to them, make disbursements covering obligations arising in connection with any function or activity of any other department or organization within the National Military Establishment and charge upon vouchers the proper appropriation or appropriations of the other department or organization: *Provided*, That all said expenditures shall subsequently be adjusted in settlement of disbursing officers' accounts.

"REPORTS OF PROPERTY

"SEC. 410. The Secretary of Defense shall cause property records to be maintained in the three military departments, so far as practicable, on both a quantitative and monetary basis, under regulations which he shall prescribe. Such property records shall include the fixed property, installations, and major items of equipment as well as the supplies, materials, and equipment held in store by the armed services. The Secretary shall report annually thereon to the President and to the Congress.

"REPEALING AND SAVING PROVISIONS

"SEC. 411. All laws, orders, and regulations inconsistent with the provisions of this title are repealed insofar as they are inconsistent with the powers, duties, and responsibilities enacted hereby: *Provided*, That the powers, duties, and responsibilities of the Secretary of Defense under this title shall be administered in conformance with the policy and requirements for administration of budgetary and fiscal matters in the Government generally, including accounting and financial reporting, and that nothing in this title shall be construed as eliminating or modifying the powers, duties, and responsibilities of any other department, agency, or officer of the Government in connection with such matters, but no such department, agency, or officer shall exercise any such powers, duties, or responsibilities in a manner that will render ineffective the provisions of this title."

The SPEAKER. Is a second demanded?

Mr. SHORT. Mr. Speaker, I demand a second.

Mr. VINSON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Speaker, I yield myself 9 minutes.

Mr. Speaker, for the first time in the history of the armed forces, we are to have by this bill a realistic understanding of what the money is being spent for. It also gives us a sensible business-management process by which to operate the expenditure of billions of dollars being appropriated for national defense. Everybody is in support of this bill because they hope, as I do, that its enactment will result in savings in the armed forces without injury to our fighting efficiency.

Now, let me say here that this bill was a part of the original unification bill which came to the House from the Senate on May 27. What is in H. R. 5632 is, with amendments, what was formerly in section 10 of S. 1843, the latter being the Senate bill amending the Unification Act.

As all members of the House know, we have been studying the Unification Act amendments for some weeks. Just the other day the committee decided to postpone further action on unification until our investigation of the B-36 is completed.

But now we have before us that part of the Unification Act amendment which was before the committee at the time the decision to postpone action on unification was taken.

Now here is what the bill does:

The bill adds a new title IV to the National Security Act. The first section of it establishes a comptroller of the Department of Defense with duties of a budget officer and in addition duties of cost analysis, statistical reporting, auditing, and similar functions which will make the comptroller actually the business manager of the National Military Establishment.

Under the comptroller in the Office of the Secretary of Defense will be comptrollers in each of the three military departments, each one of whom will be responsible to the Secretary of his Department. So what we are doing here is to establish a direct line of civilian control over the funds appropriated for national defense. The only deviation from this permitted in the bill is, if the comptroller in the military department is a military man, then we permit the Secretary of that department to make that officer have a concurrent responsibility to the chief of the military service. But even this is kept discretionary with the Secretary of the department.

The bill then insures that procedures on budgetary and accounting matters, and similar fiscal functions in the Office of the Secretary of Defense, and in each of the three military departments, are made as uniform as possible. This will give us for the first time a means by which to obtain comparable sets of facts and figures from all branches of the armed forces. The advantage of this process is too apparent to require elaboration.

Next, section 403 of the bill establishes what is known as the performance budget. A performance budget is simply a budget which clearly reflects the cost of performance of any particular activity in the armed forces. As it is today, a navy yard, for example, is financed by 15 to 20 separate appropriations. There is no means by which to determine, without endless accounting, what the total cost is of running the navy yard. The Congress never knows precisely what it costs to operate such vast institutions in the armed forces, nor can the Department make cost comparisons between various similar activities and thereby require greater efficiency in installations where costs are running too high.

Under the performance budget plan, the Congress will budget for a given activity—for navy yards, for general hospitals, for arsenals, for supply depots, for large installations of an industrial or commercial type. The Eberstadt Committee and the Hoover Commission consider this budgetary process absolutely essential if we are to accomplish substantial economies in the armed forces. The Hoover Commission takes the position, in fact, that this process should be followed in the entire Federal Government.

Next, the bill gives the Secretary of Defense authority to approve scheduled rates of obligation of funds. The idea of this authority is to insure, insofar as possible, that the armed forces do not incur deficiencies. It has been determined that existing controls over the incurring of deficiencies are inadequate, as a result of the Eberstadt committee and Hoover Commission studies. This provision, section 404, is designed to insure that the services establish carefully scheduled programs of obligation which will prevent unnecessary deficiencies. This is simply another means by which to obtain a businesslike operation of the armed forces.

Section 405 is an exceedingly important provision. It establishes what are

known as working-capital funds. This section affixes a monetary value to inventories of stores, supplies, materials, and equipment of the armed forces. By means of this process, the armed forces will purchase the materials they use from the working-capital funds. This will tend to create a cost consciousness throughout the armed forces, something that has been sadly lacking for many years. The section gives comptrollers in the National Military Establishment means by which to control and account for the cost of the programs and the work performed, and it also makes possible accurate cost data which can be used as a measure for cost efficiency. This provision above all others in the bill will stimulate a businesslike operation in our armed forces.

The next provision of the bill, section 406, establishes what are known as management funds in the Army, Navy, and Air Force. This is simply a pooling of the Departments' funds for use in joint undertakings such as maneuvers and the Eniwetok atomic bomb exercise. The purpose of the management funds is simply to provide a facility and sensible method by which to finance joint undertakings involving more than one of the armed forces or involving more than one appropriation. Its enactment into law will result in increased efficiency in the administration of the funds of the armed forces.

Section 407 of the bill provides the mechanism by which to facilitate accounting and the transfer of funds from one military department to another when any function or activity is reassigned from one department or another under authority of law. The section also permits comparable transfers of personnel.

Section 408 of the bill permits the crediting of reimbursements and funds paid by a department or organization for supplies furnished or for services rendered to authorized replacing or other accounts.

The next section takes advantage of opportunities for savings to be made by authorizing the disbursing and accounting facilities of one department to be used by the other two departments in areas where the work load does not justify the maintenance of separate facilities.

The next section authorizes the Secretary of Defense to require the military departments to maintain property records on both a quantitative and monetary basis. This section has as its purpose the establishing of facts and figures in respect to the property owned by the armed forces. I consider it a highly important provision, but I anticipate that the information it will produce will be very startling to the American people.

The final section of the bill, section 411, consists only of repealing and savings provisons.

So what the bill does is to set up a brand new fiscal system in the armed forces, a system which has the endorsement of all the fiscal authorities of the Government and the vigorous backing of all persons who have given this subject detailed consideration. The Armed Services Committee is in unanimous support of the bill, and I ask the House to move promptly to give the bill favorable consideration.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield with pleasure to the distinguished gentleman from Ohio.

Mr. BROWN of Ohio. I think it might be well to call to the attention of the House the fact that the enactment of this bill, sponsored by the gentleman from Missouri [Mr. SHORT], would permit putting into effect most of the efficiencies and economies in the National Defense Establishment which were recommended by the so-called Hoover Commission, and that the performance budget to which the gentleman has just alluded was one of the general recommendations of the Hoover Commission as well as one of its specific recommendations for betterment of the National Defense Establishment.

Mr. VINSON. I will say to the gentleman from Ohio, who represented the House on the Hoover Commission, that this seeks to carry out what the Eberstadt task force of the Hoover Commission and the Hoover Commission itself recommended, and if there is any saving it must be brought about through the enactment of this type of legislation.

Mr. BROWN of Ohio. May I add that it is the opinion of the Hoover Commission, or my opinion, at least, that the enactment of this legislation will result in very substantial savings to the people of the United States, savings which might run as high as a billion or a billion and a half dollars a year.

Mr. VINSON. That has been said, and it is hoped that more savings can be brought about. But I want to right now put in the RECORD this viewpoint: A reduction in appropriations is not a saving. Today we are appropriating $15,000,000,000 for the Armed Services, and if this Congress reduces that to $10,000,000,000, we will have a reduction of $5,000,000,000. But that does not, by any means, mean that there has been a saving. The only way to get a saving is to maintain the same degree of fighting strength with a lesser sum of money.

Now, I am confident that there can be great savings if the Congress puts the national defense under this type of budgetary and fiscal control. The Hoover Commission even went so far, and rightly so, as to recommend that this principle be applied to every other department of the Government, and I hope the day is not far distant when that will be accomplished.

Mr. BROWN of Ohio. If the gentleman will yield at this point, of course, the gentleman must agree that neither the Hoover Commission nor the Congress can put into effect the laws which may be passed by the Congress, based on the recommendation of the Commission. However, it is the belief of those of us on the Commission, and I presume of the gentleman, that if this law is properly administered, as both the Commission and the Congress hope to see it administered, that the result will be great savings to the people.

Mr. VINSON. That is the hope of all of us. And I want to say this for the benefit of this short debate, when the unification plan came before the Congress, the reorganization of the National Military Establishment that the Establishment proposed last March did not include these fiscal improvements. It dealt mainly with a clarification of the present laws conferred on the Secretary of Defense. The Senate committee, after hearing Mr. Hoover and Mr. Eberstadt, wrote this in, so that the National Military Establishment can never make the claim that it is the father or the author of this method of budgeting and saving money. It originated, in legislation, in the Senate. It was put in there after Mr. Hoover had testified. It was put in there after Mr. Eberstadt had testified and the House Committee on Armed Services had a hearing specifically on this matter, and the bill was reported out unanimously. If we pass this bill, it will go to the Senate, and no doubt the Senate then will amend this bill and include it in other phases of the reorganization of the armed services.

I am happy to say that practically everything in the reorganization plan that has been submitted by the President is the viewpoint that was expressed in committee print No. 2, that was being considered in the Committee on Armed Services when it decided, after hearing some letter read, to postpone the consideration of that bill until the B–36 investigation had been completed. So I may say to the House and the country, we are on the road now to enact legislation that will accomplish what is in the President's message, which was recommended also by the Hoover Commission, and a part of which is set out in this bill before the House. I hope this bill will be unanimously agreed to by the House.

Mr. SHORT. Mr. Speaker, I yield myself such time as I may need.

Mr. Speaker, the message of the President of the United States and the statement just made by the able chairman of the House Committee on Armed Services have given you a rather full, complete, and accurate analysis of the pending legislation.

My position on unification, I think, is pretty well known to Members of the House, and certainly it is known by my colleagues on the Committee on Armed Services. I am one of the few members of that committee who from the beginning have favored unification. I do not, however, want to see a merger of our armed services, which is a vastly different thing.

In questioning the Secretary of Defense, I think he made his position crystal clear, that at no time has it been the intention of the Secretary of Defense to abolish the Marine Corps. Certainly I do not want to see it swallowed up and absorbed by the Army or any other branch of the service, nor do I want to see the air arm of the Navy destroyed or taken over by the Air Force. At all times I think we should preserve the identity and the integrity of each branch of the armed services, because healthy rivalry and wholesome competition I think increase the effectiveness of our National Military Establishment; petty jealousies and private bickerings must stop.

There is a rather sharp cleavage between certain members of our committee on the question as to whether or not we should have a single executive Department of Defense or whether we should maintain the National Military Establishment. Those differences have not yet been resolved. There has been genuine fear on the part of many of our citizens, and that fear was expressed by both Mr. Hoover and Mr. Eberstadt, that in the Senate bill, as sent over to the House committee, vast and almost unlimited powers are concentrated in one individual. You all have heard commentators over the radio, and you have read editorials in the press expressing grave concern as to whether or not we were setting up a "military dictatorship" in this country. I think we should increase the power of the Secretary of Defense, and I think we should have a chairman of the Joint Chiefs of Staff who should be a military man, the most skilled, experienced, and best educated, because of the technical and professional requirements and performances he is called upon to carry out.

I agree with the President of the United States in his message to us a few minutes ago. Personally, I entertain no great fears as to our Prussianizing America or setting up a military dictatorship in this country under our constitutional form of government, particularly because of the psychological state of mind of the American people and in view of our long- and well-established tradition.

Mr. Speaker, last Tuesday, July 12, acting on a motion I offered, the Armed Services Committee voted to postpone further consideration of the Unification Act amendments until after the committee completes its investigation of the B–36 bomber-procurement program and collateral matters.

I do not wish to enter long into the merits of this action on the floor of the House. But I do wish to say, in response to a ridiculous editorial, which I read last Friday morning in the Washington Post, that it is a sad thing to me to find that great newspaper taking the editorial stand that the rumors and innuendos and serious charges which have been made in respect to this B–36 matter should be totally ignored in connection with legislation which deals very directly with the powers and authority of the man who is perhaps most directly involved in those charges and innuendoes.

I have been a Member of this body for a considerable number of years. Never, to my knowledge, have I seen the Congress or any committee thereof attempt to increase the power of a man immediately before he was to be investigated on serious charges involving his fitness for office.

Yet, that was the absurd situation in which the Armed Services Committee found itself last Tuesday. The committee was being requested to vote out a bill which would increase the power of the Secretary of Defense. Immediately thereafter the committee proposed to investigate the Secretary of Defense, and others, on very serious charges. The only logical and proper thing to do, and I trust that Congress will always respond in this fashion, was to postpone the increase of the powers of the Secretary of Defense until the air could be cleared in respect to the charges against him.

It startles me a great deal to find one of the larger newspapers in the country taking the position that the proper thing to do is to grant the increased power first, then investigate the individual to whom the increased powers are to be given. That is like having the accused sit on the jury.

The bill now before the House, Mr. Speaker, is a direct result of the action of the committee to postpone those portions of the Unification Act amendments which relate to the powers of the Secretary of Defense. This bill now before the House was formerly section 10 of S. 1843 as it passed the Senate, and it was section 12 of committee print No. 2 of the Senate bill which is the last stage of the unification amendments pending before the House Armed Services Committee.

This part of the Unification Act amendments relates exclusively to the budgetary and fiscal functions of the National Military Establishment. It is a splendid piece of legislation. It reflects the views of virtually every authority in the United States Government on fiscal matters, and also represents the wisdom of former President Herbert Hoover and Mr. Ferdinand Eberstadt, the latter being the chairman of the task force committee which investigated the national security organization for the Hoover Commission.

This bill, Mr. Speaker, bears the endorsement of the Bureau of the Budget, the National Military Establishment, the Comptroller General, the Treasury Department, the Senate, Mr. Herbert Hoover, and Mr. Ferdinand Eberstadt. To this galaxy of support let me add that the House Armed Services Committee, by roll-call vote, has sent the bill to the House unanimously.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield.

Mr. BROWN of Ohio. I have asked the gentleman to yield in order that I might take this opportunity to congratulate him, the author of this legislation, and the Committee on Armed Services, as a committee of this great House of Representatives, for their good judgment and wisdom in reporting this bill, which I might state will permit most of the savings that could be put into effect under the recommendations of the Hoover Commission in the National Defense establishment to become a matter of reality if properly administered.

Mr. SHORT. The gentleman from Ohio is very kind and more than generous, but he is a little inaccurate, because I am not the author of the bill. I would like to take credit, but I have no pride of authorship whatever, or even in the sponsoring of the legislation. This particular bill was amended by our committee and is lifted almost bodily from committee print No. 2.

Mr. BROWN of Ohio. Well, title IV does bear the gentleman's name, and I think he is entitled to great credit for the energy and talent that he has shown in this effort.

Mr. SHORT. I am not at all ashamed to be connected with this piece of legislation, I can assure the gentleman. Let me state here that my beloved and distinguished chairman, CARL VINSON, the great sage of Georgia who has—and I want the record to show this—done everything humanly possible to enact the Unification Act amendments, despite misleading information on this point in the Washington papers, already has given the House an explanation of the provisions of the bill.

I wish to say to the Members there certainly is no disposition on my part, and I do not believe there is on the part of any member of the House Committee on Armed Services to delay in any fashion the consideration of this important measure.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield.

Mr. ANDERSON of California. I think it would be well for the House to understand also, in connection with the first three titles of the unification bill, which are not reported with the bill which we now have before us, that most of the economies and savings in the field of procurement, supply, transportation, and health can be affected today under the power and authority that the Secretary of Defense has under the first unification bill.

Mr. SHORT. I think there is no question about that. The Secretary of Defense as well as Mr. Hoover specifically and definitely testified before our committee that title IV was the one section of the bill that would bring about increased efficiency and that would effect economies, and that it was worth passing by itself.

So perhaps we are wise in moving a little cautiously and slowly and step by step instead of taking one long leap into the dark. It is claimed that this legislation is going to save a billion or a billion and a half dollars. Certainly we hope it will. I will state frankly, however, that regardless who administers it I am afraid we will not save that much money. If we do, well and good.

Expect not too much and be not disappointed. We believe in giving increased powers to the Secretary of Defense. He certainly has enormous powers under existing law when he can cancel the contract on a supercarrier of $179,000,000 or $189,000,000 after the Congress itself had not only authorized it but appropriated money specifically for that particular project. It is something for you to hesitate just long enough to say, Now, are we going to give more powers to this official of the Government? And how will he use these powers?

I am not thinking about personalities or individuals; I am thinking about the office. Congressmen will come and go, and Secretaries of Defense will come and go, but the office will be there; it is a permanent thing, and we have got to think of it as statesmen, not in any narrow, minor, partisan sense, but in the broad aspect of the situation.

Briefly, the bill establishes an entirely new fiscal and accounting operation in the National Military Establishment and, for the future, we are to have as nearly a

uniform fiscal system throughout all elements of the National Military Establishment as possible. Comptrollers are established in the Office of the Secretary of Defense and in the offices of the Secretaries of the three military departments. A new budgetary system is established, as well as new devices to put the National Military Establishment on a business basis.

In view of the amazingly unanimous support for this bill from all elements in the Government involved in fiscal matters, and in view of the very vigorous support of Mr. Hoover and Mr. Eberstadt, I am certain that the House will quickly approve this legislation unanimously. Our committee did.

Let me say here that the chairman and ranking minority member of the Committee on Appropriations, and all members of the Appropriations Subcommittee on the Armed Services, were sent the provisions that now appear in this bill and were asked to contribute their views on the subject to the Armed Services Committee. The bill now before the House is, I understand, completely in line with their desires, and we have omitted from the original bill certain provisions to which they took exception.

I want to say one more thing about the bill. These provisions are not identical to those which appeared in the Senate bill as it passed the Senate. In the first place, the bill does not speak of a Department of Defense. It deals with a National Military Establishment, since the other Unification Act amendments, one of which created a Department of Defense, are not incorporated in this bill. Secondly, we have omitted from the bill several provisions which would have been very damaging, in our opinion. We left out a provision which was in the bill as it passed the Senate whereby the President could declare a national emergency and incur, by law, as large deficiencies as he saw fit. We also eliminated a provision which would have made it against the law for any person in the Military Establishment to come to the Congress in respect to authorizations without first obtaining the approval of the Secretary of Defense. To our way of thinking, this would have denied persons in the Military Establishment, by law, rights which every other citizen in the Nation has, and we struck it out. It should be out.

Let me say in passing that I am glad we have much better liaison and cooperation in this Congress, more so than any other Congress in which I ever served, between our House Committee on Armed Services and the members of the Committee on Appropriations.

Also, on recommendation of the Appropriations Committee, we eliminated a provision which would have permitted a 5-percent transfer of funds from one appropriation to another within the military departments. An finally, we inserted provisions designed to insure that the administrative authority of the departmental secretaries is not undercut on budgetary matters, retaining, at the same time, the direction, authority and control over these secretaries by the Secretary of Defense.

As the bill now stands, it is a substantial improvement over the provisions contained in the Senate bill, and the National Military Establishment is strongly behind the bill as it is now written.

I will not gild the lily any further. The bill should be passed at once, and I am confident that it will be. It is the one section on which all witnesses have agreed. It is the one provision which will promote efficiency and effect economy. It can be enacted now and no harm will result from a temporary postponement of consideration of the highly controversial features of the unification bill.

Again, let me say that I think it is an unwise precedent, a precedent unparalleled previously in the Congress, for any committee of the Congress or the Congress itself to increase a man's power immediately before he is to be investigated to determine his fitness for office. However, this portion of the proposed bill is eminently sound, and I strongly urge the House to act favorably on it and send it to the Senate.

Mr. VINSON. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, of course I am for this bill. It reminds me very much of a story told about Calvin Coolidge. After he had heard a sermon by a preacher he was asked what the sermon was all about. Calvin Collidge said that it was against sin.

Now, all of us are against waste and we are for economy. This is a portion of the unification bill which we were considering and against which there was no opposition by anyone. I do not mean to underestimate the value of this bill because witnesses testified in the course of our hearing, such as ex-President Hoover, that unification would save a billion dollars. I think this measure will save the larger part of that amount. Others testified that the saving might run up to two or two and one-half billion dollars, if the entire unification program were enacted into law.

We as a committee took out of the unification bill that portion we could all agree upon, that portion on which there was no objection from any source whatsoever or any individual that I know anything about. We took that out bodily it representing about 25 percent of the bill, and we bring it here to you for your approval.

Mr. Speaker, I want to refer to what the procedure was leading up to this. Our illustrious Chairman caused the Armed Services Committee to take up the matter of unification and to proceed with hearings. We had very extensive hearings, following which the chairman brought in the Vinson version of the unification bill. We discussed that day after day. We made some changes in it, we amended it, we finally worked closer and closer, as time went on to the Senate version of the Tydings bill. We were summoned for a meeting on the particular day when this unification was killed for the purpose of voting out the Vinson unification bill, which was, in my judgment, a good bill. It should have been reported out and Congress should have had an opportunity to pass judgment upon the matter of unification and not upon only one part of unification, that segment being the part to which there was no objection.

We moved toward a vote; but immediately prior to the vote the clerk of the committee read two mimeographed letters supposed to be signed by the Secretary of Defense, Louis Johnson, in which he sent out instructions regarding evidence which would later be used, or perhaps be necessary to use, in the investigation of the B–36, which was assigned to the Armed Forces Committee. At that point a motion was made by the distinguished gentleman from Missouri [Mr. SHORT] as he has indicated, to postpone consideration of any unification until after the B–36 investigation was terminated. This would have meant the postponement of all unification by the committee until after the adjournment of the Congress. It is obvious it was intended to kill unification during this session of Congress as far as the Armed Forces Committee is concerned.

I opposed that motion, because I thought the committee ought to vote out a unification bill, and give the Congress the opportunity to vote on this subject, as many of us had promised in the course of our campaigns and since our election.

I agree with the gentleman, I am not for consolidation. I do not want to eliminate the Marine Corps or Navy aviation. I want to preserve them as separate organizations. I want those things in a unification program, not a consolidation program. So I opposed that motion to postpone action on the unification bill. We had a vote, and our vote was to postpone it. Thirteen Members voted to postpone and 12 voted to consider it immediately. I think all but one of the Republican Members voted to postpone, the one exception being the gentleman from California [Mr. JOHNSON]. All of the Democrats voted against postponing except three. The Tydings bill was dead in the Armed Services Committee.

The present bill being considered is about 25 percent of the unification program. The other portion can now be found in the message of the President which has just been read to this House. If we pass the present bill—the Short bill—we will have effected the fiscal reorganization of the armed services. The Congress must then proceed to approve the President's unification plan No. 8. If both of these are finally approved by Congress, we will have substantially the unification plan as the people of this country know it. Without both of them, we will fall short of our goal. Without both of them, we will not save the vast sums suggested by our witnesses, and we will not have the efficient, businesslike administration in our sprawling National Defense Establishment which any large-business man would have demanded of his own establishment.

Mr. VINSON. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Speaker, I do not have any objection to this measure whatever. The only reason I am taking the floor is to call to the attention of this

body the ridiculous position in which we find ourselves here today. It is an important measure and one on which much time has been spent in the Congress; one that has been handled by various boards, such as the Hoover Commission, the Eberstadt Board, among others, and the country has debated this problem for the past 3 years. Here today we are taking up a measure, or part of a measure, and receiving 20 minutes of debate on each side. This is a measure which should have been debated, in my opinion, at least 8 or 10 hours to understand it and to carry to the country what we are doing or what we desire to do. We find ourselves here today with the President's message regarding the reorganizing of the Defense Establishment, and I am glad he sent it up here. It is good as far as it goes, but the President does not have the authority under the Reorganization Act to do some things which should be done in this matter. I heartily agree that there can be some saving accomplished under a performance budget, but any good county government in this country would have adopted this procedure 25 years ago. So we need not expect too much from this, because all these so-called comptrollers, established by this act before you, can do is to advise with the heads of the Defense Establishment—that is, with the Secretary of the Army, the Secretary of the Air Force, the Secretary of the Navy. They have no authority to go beyond a certain point. We have to have somebody in a position at the head of the Defense Establishment, as carried in the Senate bill, who can say to the Army and who can say to the Navy and who can say to the Air Force, "We are going to spend this, and we are going to spend no more." We have got to have somebody there with some authority, and you are not going to get it under the President's reorganization bill, because all he can do under that is to appoint probably a civilian head who will have no authority in the matter except to advise with the Chiefs of Staff.

As I say, I have no objection to this legislation, but I am just pointing these things out. We are just going part way and a very small part way in trying to complete unification of our services, and the country is going to be disappointed. I, too, am hopeful that we can save a billion and a half, and if we get good accounting I know we can save some money. But you will never get unification until you adopt and put into some form of law a measure similar to the Senate bill. Some few fear about the authority carried in it, and I was disturbed about it somewhat. But we had worked out in the Armed Services Committee of ours—and I compliment the chairman and the gentleman from Missouri [Mr. SHORT], because we all worked hard on this problem—but we had worked out a very excellent measure with safeguards all around it, and a much better bill, in my opinion, than the measure that came from the Senate. We are taking a position now of going into conference with a performance budget as part of this bill and trying to resolve all of these controversial matters with probably 10 or 15 men in conference. It should be resolved on the floor of this House where 435 Members can have it explained to them. I believe the country is for unification, but we are not going to get it under this measure.

As I say, the bill does not complete the job of unifying our armed forces, but I am for it and I am going to support it.

Mr. VINSON. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, in addition to what I have said, may I simply say that I hope the time will not be far distant when we can really get unification and complete this job. In doing so, I do not want to see any one man given too much power. I am just as anxious as anybody in this hall to see our democratic processes preserved; but in order to get efficiency in a great, vast, sprawling institution like the Defense Estabment, we have to give them some type of business organization, whether you call it unification or otherwise. We cannot do it until we bring into this Congress an honest-to-God unification bill and give you an opportunity to vote "yes" or "no" on it and decide what you want to do.

Mr. VINSON. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Speaker, the pending measure, H. R. 5632, to reorganize fiscal management in the National Military Establishment, seeks, in effect to implement certain recommendations of the Hoover Commission. The fact that this measure is only part of the unification bill which has been pending before the Armed Services Committee should not deter any Member from voting for it. There have been sincere differences of opinion in the committee concerning other parts of the unification bill. While it is possible that in time the committee will be able to report in substance the remainder of the unification bill to this House for action, or it will be inserted in conference or covered by a reorganization plan, there is absolutely no reason at present why we should not take immediate favorable action upon the pending measure. If we can promote economy, efficiency, and accountability, not only in the National Military Establishment, as this bill seeks to do, but in other departments of the Government as well, we will have made a distinct contribution to a balanced budget and restored confidence among the businessmen and people of the Nation.

It is natural that Members of this House, reflecting the sentiment of the people, should look with extreme disfavor as well as apprehension at the possibility of deficit spending. During the current business recession an unbalanced budget is bound to be particularly disturbing.

While I think that the pending measure should be enacted forthwith under suspension of the rules as proposed, I must, as a member of the Armed Services Committee, issue a solemn warning not only to my colleagues here but to the American people, that we must not proceed so far with entirely desirable economy in the Federal Government as to impair the strength of our Air Force and other basic defenses. There has been only the barest temporary surcease at any recent time, in the life-and-death struggle between the forces of Communism on the one hand, and organized religion, democracy, and human righteousness on the other.

This struggle is now proceeding with renewed intensity and fury. All over the world, conspiracies against democratic governments are being hatched. Outbreaks against constituted authority are being staged. The groundwork is being laid for further frontal attacks upon religion, the doctrine of individual liberty, and against democratic institutions in general in favor of the servile police state.

It is very questionable indeed in my mind that this Government should stand by unprotestingly and inert while the Reds are permitted ruthlessly to attack what is left of the religious forces, spiritual strength and political stability of continental Europe. On the other hand the Government should act decisively and positively in these matters. It must take a strong, undeviating position against present outrages which Marxist zealots are launching in some European nations against religious leaders seeking to protect freedom of worship, democracy, and the free way of life. Failure to act in these vital matters only serves to reinstate the policy of shameful appeasement of the Kremlin which characterized some of our earlier diplomatic negotiations with the leaders of world Communism, which in net result breeds even more brazen arrogance and ruthlessness.

There are risks to be sure in any foreign policy we pursue, but great principles are at stake. The perpetuity of free Government is at stake. There is far less risk entailed in my judgment in presenting a firm declarative, uncompromising position in these matters now when our Nation is relatively strong and is possessed with unusual and effective military strength than in waiting with pious hopefulness for future developments and thus risking acute and fearful danger to the integrity of our American institutions as well as the security of our Nation at a time when our potential enemies, due to our own timid, indecisive attitude, may well be vested with great and formidable military power.

If peace is to be assured for this sorry world—and that surely is what we all seek—it will not come as a result of the appeasement of those forces and groups which are aiming and working for the destruction of all the values of Christian civilization.

As part of my remarks I am inserting editorials which appeared, respectively, in today's Washington Times-Herald entitled "Two Planes for One," and in Bob Sibley's column of the Boston Traveler on Russia's Claim to Air Supremacy, which thoughtfully portray implications of the growing strength of the Kremlin air arm. Let us heed the warnings implicit in the current international situation and make sure, above all, at this time, that our powder is dry, our Nation is strong and vigorous, our Air Force and guided missiles, and other

essential parts of our fighting machine are well and efficiently implemented. Then we will be prepared to speak and act in behalf of democratic institutions and freedom and justice whenever they are ruthlessly and savagely assailed by destructive totalitarian dictatorships.

I will support this measure because I believe it will bring about an improvement in the efficiency of the armed services, because I believe that it will result in necessary and vital economies and a greater degree of accountability on the part of military policy makers. But at the same time I must again solemnly warn this House against the peril of thoughtless, imprudent, careless curtailment of our Air Force, or indeed of any other essential part of the national defense, until we are definitely assured that oppression, persecution, conspiracy, and attacks upon democracy and our own security are no longer possible, until the time comes when we can realistically advocate universal disarmament and provide by honest, mutual agreement arrived at in good faith for proper, scientific utilization of atomic energy by all the nations in the interest of suffering humanity and civilization without the danger and challenge that our efforts for peace will be subverted into a program for world-wide communism.

If for any reason this Nation shows weakness and vacillation in this crisis, we will have reason to rue the day in which we failed by our own indecision and inaction to provide abundantly for the national security and to meet our obligations to the cause of democracy and peace.

[From the Washington (D. C.) Times-Herald of July 18, 1949]

TWO PLANES FOR ONE

Is Russia better in the air than we are? Stalin's son says so.

In a recent newspaper interview, which received all too little attention in this country Guards Lieutenant General of Aviation Vassily Josephovitch (which means son of Joe) Stalin made this flat statement:

"Soviet pilots fly farther, faster, and higher than any other airmen in the world."

Furthermore, he said they would prove it at the day of the air fleet celebration which they uncorked yesterday.

The air show opened with mass flights of planes spelling out glory to Stalin and so forth, and then came group flights demonstrating new fighters, gliders, bombers, interceptors, and what not.

Some were old-fashioned gas-engine jobs. Others were jets. All, Joe's boy indicated, would be better than their opposite numbers in any other country.

Soviet scientists, he said, now march ahead of world science in designing new aircraft. In fact, he said, our country has become mighty and invincible in aviation power.

IS IT TRUE?

Well? Is it true?

Russia has made some ridiculous claims, as we all know. She has indeed claimed almost everything from the invention of the electric light to the single-handed winning of the last war. Most of her claims are strictly for home consumption, however, so nobody much bothers to dispute them.

Unfortunately, this boast of Joe's boy cannot be laughed at and ignored.

We don't know what Russia's got in the air. But we do know that they are concentrating their huge military effort on air power, that they are skillful engineers and builders, that they are good pilots.

They have jet engines from the British. They have our old B–29—you remember how four of our B–29 pilots landed on "friendly" Soviet territory during the war and the planes were never returned. Since then B–29's have been seen flying around Russian skies. They have picked up the British trick of refueling in the air. Now, even if they have added nothing, they are capable of flying planes like souped-up B–29's from Moscow to Washington and back, nonstop.

And probably they have added a great deal.

ATOM BOMBS NEXT YEAR?

Furthermore, they are doubtless outproducing us on the assembly lines. Mass production is particularly adapted to a slave state.

In 1945 our scientists said that other countries would probably have the atom bomb in 5 years. Maybe the Russians have it now, which would make their air power many times more formidable, since one plane with one A-bomb equals a lot of planes with the old kind.

For quite a while the Reds have been flying all around over the Siberia shore just across from Alaska. Our people up there are worried and frightened about the constant traffic on the other side of the 50-mile strip of water.

Fergus Hoffman, specialist on Alaskan affairs for the Seattle Post-Intelligencer, has proposed that all United States unfortified and unused air bases in Alaska be destroyed, as a security measure, since he "suspects" that Russia has an air base "right on the Bering Sea."

Alaska should be strengthened with permanent bases and men or "willfully risk invasion," he said.

That's how Americans who are closest to Russia feel about Soviet air power.

B–36 OUR KEY TO AIR POWER

Maybe young Stalin was just "shooting his face off" when he made this first challenge to United States air supremacy since the war. But maybe he wasn't, and the chances, it seems to us, are pretty good that if he was he wasn't "shooting it entirely off" because, after all, he is the boss' son and he was speaking officially, and he did say the claims would be backed up at the air-fleet day. To what extent they were can be seen in the story on page 1.

In any case, we can't afford to take any risks.

We have the B–29. So do they. We have the B–50. So do they, in effect.

We have the B–36. Do they?

It's just possible that they don't, and even if they do, it's more than just possible that if we make ourselves twice as many planes as they have they won't jump us, or they'll be sorry if they do.

Two planes for one, now.

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[From the Boston (Mass.) Traveler of July 18, 1949]

RUSSIA'S CLAIM TO AIR SUPREMACY MAY NOT BE JUST HOT AIR AFTER ALL

(By Bob Sibley, aviation editor)

Russian General of Aviation Vassily Stalin, son of the Generalissimo, announced the other day that Russia is now "a mighty and invincible air power," which amounts to an assertion that the Russian air force is superior to that of the United States or any other nation.

Might as well face it. It may well be true. Why?

More than 14 months ago Air Secretary Symington warned that Russia was building the greatest air force in the world—producing 12 times as many planes per year as the United States. He made that statement in April 1948, and that could mean that in the period of more than a year since that time, Russia has turned out a modern military air fleet of 27,000 airplanes.

In reporting that Russia was turning out 12 times the number of warplanes being procured here, Symington said:

"Russia is building the world's greatest air force in order to reach a decision with this country, and they want to reach that decision in the air."

Since we have been producing about 1,800 planes per year, the Symington estimate would give the Russians an annual production rate of about 21,600 planes.

Thus it is perfectly possible that Vassily Stalin's recent remark about Russia being an invincible air power was not idle chit-chat.

As a matter of fact, while the United States has been indulging in interdepartmental squabbles over national defense needs, economizing on research, cutting down military-plane procurement, and arguing about airplane carriers which would take 4 or 5 years to build, Russia has been following a policy laid down in 1946.

Here is the official Russian pronouncement on that policy:

"The aviation of the Soviet cannot lag behind that of other countries. * * * Soviet airplanes must fly higher, farther, faster than those of any other country. * * * We must have the most powerful air force in the world."

And Vassily Stalin's recent announcement seemed to reflect word for word, some of this 3-year-old policy when he said Soviet pilots now "fly farther, faster, and higher" than any other airmen in the world. Russia has had more than 14 months to make good on that aim.

At about the time Symington was giving his estimate as to the Soviet warplane production potential, another estimate said Russia had, at that time, about 14,400 planes.

Add those to the possible production since Symington spoke, and you have the possibility that Russia's present air force is up to 41,400 planes—plus or minus an unknown amount for wash-outs and production variations.

These matters lead back to some important questions:

Is United States intelligence getting adequate facts from behind the iron curtain where production figures are never announced, and is there any slumbering going on in official Washington over this situation?

It is always possible that Russian quantity is inferior to United States aeronautical quality. But it is also possible that Russian aviation research has made important strides through "borrowed" German aeronautical engineers and designers.

Mr. VINSON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, let me assure the House that I am satisfied that we will be able to write a worth-while unification bill. I hope when this bill goes to the Senate that body will then give us an opportunity to present the House views on the phase of unification dealing with the clarification of the power of the Secretary of Defense. I am satisfied we will bring forth a worth-while unification measure.

Mr. SHORT. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. JOHNSON].

(Mr. JOHNSON asked and was given permission to revise and extend his remarks and include part of the Hoover Commission report.)

Mr. JOHNSON. Mr. Speaker, I am heartily in favor of this bill. It makes reforms in the fiscal operations of our armed forces that will result in large savings. Also, it will enable Congress to

better judge whether the money given to the armed services was well spent.

However, this is only a part of what should be done by Congress. If we are to have an efficient set-up of our defense system I believe we must amend the unification law so as to give the Secretary of Defense more power. Whether we like it or not, we must give the Secretary the power to handle his Department. He must be more than the presiding officer of a debating club, as he has been in the past. The lack of authority frustrated Secretary Forrestal so much that he finally became fatally sick. Since we have given the Secretary the responsibility of running the Department of Defense we must give him the power to do so, or he will be unable to carry out his responsibilities. The Hoover Commission recommended changes in that direction.

Mr. Robert P. Patterson, former Secretary of War, had much experience with this problem during and following the recent war. His views are not entirely concurred in by the Hoover Commission. But they do express my ideas on the matter and they are the ideas that I believe experience will teach us to enact them into law.

Under leave obtained in the House I am adding Mr. Patterson's views:

NEW YORK, N. Y., *November 9, 1948.*

Mr. FERDINAND EBERSTADT,
*Chairman, Committee on National Security Organization,*
*Washington, D. C.*

DEAR MR. EBERSTADT: I regret that I cannot concur in the draft of report.

While the report deals with the entire National Security Organization, the heart of the problem is the Military Establishment. The Military Establishment, as provided in the 1947 legislation, is headed by the Secretary of Defense who is given general powers of control and supervision but little in means to exercise those powers. It also has the Joint Chiefs of Staff, a board of four. It has three executive departments, Army, Navy, and Air, each with its Secretary, Under Secretary, and two Assistant Secretaries. Under the present law the management of the three departments is not the responsibility of the Secretary of Defense, except to a limited degree.

The majority of the committee have looked on the present structure and found it good. It is true that certain changes are recommended, but they strike me as being minor in character. The changes recommended will not, in my opinion, stop the waste that is now prevalent.

I agree that the present organization is an improvement over the system we had prior to 1947. But it is my conviction that the Military Establishment will not be on a sound organizational basis, with waste reduced to a minimum, until we have a single Department of Defense in place of the three Departments of Army, Navy, and Air. This does not mean a scrambling or merger of the three services. They would carry on as the three branches of the Military Establishment, but they would carry on as components of a single Department, under management of the Secretary of Defense. The authority of the Secretary should be comprehensive, not narrowly fenced in as at present.

The reasons behind my conclusion are chiefly these:

1. National defense is a single problem. It should therefore be the responsibility of a single executive department. Foreign relations is a single problem, and we have one department—the State Department—to look after our interests in foreign relations. No one has suggested that it would be better if we had three State Departments.

2. Simplicity of structure, important in any organization, is of paramount importance in a military establishment. Within the establishment the authority and responsibility of the Secretary should be undebatable, and the lines of command should be straight. That requirement will be met if we have a single department. It is not the case now, and it will not be the case if the committee's recommendations are adopted.

3. While the compromise solution of 1947 was a step forward, actual experience under it has proved that too much recognition was given to divisive influences and not enough to unifying elements. We might as well face up to the fact that interservice frictions have not been reduced, and that costly duplications have not been diminshed. I do not believe that we must wait for the slow processes of time and education to cure these evils, nor do I believe that they will be brought under control by writing into the law a mandate that everyone must from now on be cost-conscious. On the other hand, I am confident that a sound organizational structure, with plenty of authority lodged at the top of it and with means provided for exercise of that authority, would put an end to most of these troubles.

The objections that have been raised in the past to a single Department of Defense are that the morale of one or more services would be hurt, and that civilian control over the military might be placed in jeopardy. There are traces of those ideas in the committee report. I am as sensitive as anyone to considerations of morale and of civilian control, but no one has ever explained why or how a single Department would cause a decline in morale or a weakening in civilian control. I regard these as "stock" objections, almost invariably put forward when progress in organization of the Military Establishment is proposed.

My views on the structure of the Military Establishment are set forth in greater detail in the attached memorandum. It is not long, and I should like to have it considered as part of this letter.

Sincerely yours,

ROBERT P. PATTERSON.

[Enclosure.]

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MEMORANDUM ON ORGANIZATION OF THE MILITARY ESTABLISHMENT

The two-department system: From 1789 to 1797 the War Department covered both the Army and the Navy. In 1798 the Navy was placed under a separate Department. The resulting two-department system continued unchanged until 1947.

The mission of each department, speaking broadly, was the same—the national defense. The missions differed in detail, the War Department being responsible for defense on land, the Navy responsible for defense on water. The two departments operated independently. In principle the lack of cohesion was not defensible, but in practice it did not matter much. Military operations in earlier wars were conducted on land for the most part. There were amphibious campaigns, as at New Orleans in 1862 and Fort Fisher in 1864; but they were exceptional, and temporary arrangements took care of those cases.

World War II: The defects in the two-department system came to the surface in World War II. That war differed from earlier wars in two features. In the first place, the advance in science and mechanization had brought in the airplane as a major weapon, and the airplane did not fit into the old land and water line of demarcation. The advance in technology had also made available a speed in military operations far beyond any attainable in other wars.

In the second place, the conditions of fighting in World War II were such that teamwork by the ground, sea, and air forces was an absolute necessity. Amphibious operations were the rule, not the exception. Success was dependent on the most exact planning of operations by the Army, Air, and Navy working as a single task force. The necessary teamwork was unattainable unless the team was led by a single captain.

Pearl Harbor was enough to prove to the Army and Navy that overseas they could no longer operate under weird systems based on double command. Proposals of that character were dropped. Agreement was reached on the principle of single command in each theater of war. In the main the principle was lived up to. There were some serious omissions. But the basic concept, unity of command in the areas overseas, was adhered to.

In Washington it was different. There the old division of responsibility, the two-department system, was persisted in. We did have a new connecting link, the Joint Chiefs of Staff; but the Joint Chiefs of Staff did not bring about unity of top command in Washington. The Joint Chiefs of Staff were merely a committee, and each of the four members had the power of veto. We also had dozens of interdepartmental committees. Those committees were voluntary associations, without power to achieve anything except on mutual agreement of the two departments. The element of single command was lacking, save by recourse to the President.

The separation of the armed forces in World War II into independent departments brought in its train a waste of manpower and a waste of material resources that made the cost of the war far higher than it needed to have been.

Proposals for changes.—Before the close of the war it was recognized that the independent two-department structure of national defense then existing was not an effective means to prosecute a war in which teamwork had become a necessity.

The sharp difference of opinion was on the structural changes needed within the Military Establishment itself. The Navy was of opinion that the two departments should remain separate, connected only by the Joint Chiefs of Staff and other joint agencies.

The War Department proposal was to have a single Department of Defense, under a single Secretary. The single Department was to have three branches of equal status—Army, Navy, and Air.

The President insisted that the War Department and Navy Department get together on an agreed program. After some months a compromise was submitted to the President. The legislation enacted on July 26, 1947, known as the National Security Act of 1947, was along the lines of this compromise.

1947 legislation.—The leading features of the unification law are these:

1. The National Military Establishment is created, headed by the Secretary of Defense and consisting of three departments—Department of the Army, Department of the Navy, and Department of the Air Force.

2. The Secretary of Defense is the principal assistant to the President in matters relating to national defense. His duties include:

Establishment of general policies and programs for the National Military Establishment and all departments and agencies in it;

Exercise of general direction, authority, and control over such departments and agencies;

Elimination of unnecessary duplications;

Supervision and coordination of the preparation of the budget estimates of the departments; determination of the budget estimates submitted to the Bureau of the Budget; and supervision of the budget programs of the departments under appropriations.

3. Each of the three departments is to have a Secretary, Under Secretary, and two Assistant Secretaries. Each is to be administered as an individual executive department by its Secretary.

4. Provision is made for the War Council, the Joint Chiefs of Staff (and a small Joint Staff under the Joint Chiefs of Staff), the Munitions Boards, and the Research and Development Board. These agencies report to the Secretary of Defense.

5. The act also creates (outside the National Military Establishment) the National Security Council, the Central Intelligence Agency, and the National Security Resources Board.

Experience under 1947 act.—A year has passed, and experience in the operation of the new law has been gained.

The 1947 act is a step forward in the direction of unity of the armed forces. The situation is better than it was.

Progress has been made by the Munitions Board toward the goals of single procurement and standardization of equipment. Progress has also been made by the Research and Development Board.

On the other hand, the Joint Chiefs of Staff have done little. No great improvement has been made in budgetary matters. And there still persists in the departments a feeling of separation and self-aggrandizement that is hostile to teamwork, to efficiency, and to economy. The frictions between the Navy and the Air Force are as sharp as before, and they bring about duplications and instances of "empire building" that contribute virtually nothing to our military strength and are unduly hard on the taxpayers.

Conclusions: In support of the existing structure it may fairly be said that the organization is much better than it was when the departments were wholly independent of one another. The committee believes that with some statutory changes the present organization will serve the purpose.

The case for major structural change is a stronger case, if unity, efficiency, and economy are to be promoted.

For one thing, it seems plain that the present structure is top-heavy. There are 13 officials on the secretarial level—a Secretary of Defense and 12 more in secretarial status in the departments. If the number is cut to 11, as the committee suggests, the structure will still be top-heavy.

Another deficit, and it is a serious one, is that while the Secretary of Defense has been given general powers of control, the small size of his office permitted by existing law does not allow him to exercise his powers to advantage. The changes recommended by the committee will alleviate this condition.

But the main trouble is that the present law puts too much emphasis on the three departments and their secretaries, and not enough on the Military Establishment as a whole and on the Secretary of Defense. There is reason to doubt whether the Joint Chiefs of Staff as now constituted will function to advantage. There is reason to doubt whether the interservice rivalries that are so disturbing to our people can be reduced unless a much stronger central authority is vested in the civilian head of the establishment. There is reason to doubt whether any large-scale economy by elimination of wasteful duplications can be achieved under the present plan of organization.

Simplicity of organization is an important factor in all branches of government, but it is of paramount importance in the Military Establishment. In the Military Establishment a complicated system of checks and balances will not work. The authority and responsibility of the Secretary of Defense over the entire establishment should not be subject to debate or to difference of opinion. The law should mark out the lines of authority with black pencil.

Recommendations.—To correct these shortcomings I would recommend:

(1) That the three branches of the armed forces be placed in a single executive department (to be called the Department of Defense). The branches themselves would not be merged, but would exist as the Army, the Navy, and the Air Force. The abolition of the three executive departments would abolish also the posts of secretaries, under secretaries, and assistant secretaries of those departments.

(2) That the Secretary of Defense be the head of the Department, with broad power to manage and direct the activities of the Department, to the same extent that the Secretary of State directs the State Department or the Secretary of the Treasury directs the Treasury Department. There should be an Under Secretary and two Assistant Secretaries to assist the Secretary. Their duties should be department-wide, as the Secretary may direct, and they should not be tied to boosting the interest or pressing the advantage of a particular branch of the armed forces.

(3) There should be a Chief of Staff, to be selected from one of the three services and to be responsible to the President and the Secretary of Defense. He should not command the military forces, but should serve as the agent, adviser, and executive of the Secretary of Defense, subject at all times to the direction and control of the Secretary, and should preside over and cast the deciding vote in the Joint Chiefs of Staff. He should have the assistance of a general staff, to be made up of officers drawn in equal numbers from the three services.

(4) The post of Chief of Staff to the Commander in Chief, a historical accident, should be abolished.

Mr. SHORT. Mr. Speaker, I yield such time as he may desire to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, I have profound respect for and confidence in the members of this committee. I am happy to go along with them in support of this measure.

Mr. SHORT. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

Mr. BUCHANAN. Mr. Speaker, at the request of the majority leader, I ask unanimous consent that further proceedings in regard to this bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## EXTENSION OF REMARKS

Mr. ANDERSON of California asked and was given permission to extend his remarks in the RECORD and include a letter.

## MILITARY RENTAL HOUSING

Mr. SPENCE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1184) to encourage construction of rental housing on or in areas adjacent to Army, Navy, Marine Corps, and Air Force installations, and for other purposes, as amended.

The Clerk read as follows:

*Be it enacted, etc.,* That the National Housing Act, as amended, is amended by adding at the end thereof a new title as follows:

"TITLE VIII—MILITARY HOUSING INSURANCE

"SEC. 801. As used in this title—

"(a) The term 'mortgage' means a first mortgage on real estate, in fee simple, or on a leasehold (1) under a lease for not less than 99 years which is renewable; or (2) under a lease for a period of not less than 50 years to run from the date the mortgage was executed; and the term 'first mortgage' means such classes of first liens as are commonly given to secure advances on, or the unpaid purchase price of, real estate, under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

"(b) The term 'mortgagee' includes the original lender under a mortgage, and his successors and assigns approved by the Commissioner; and the term 'mortgagor' includes the original borrower under a mortgage, his successors and assigns.

"(c) The term 'maturity date' means the date on which the mortgage indebtedness would be extinguished if paid in accordance with periodic payments provided for in the mortgage.

"(d) The term 'rental housing' means housing, the occupancy of which is permitted by the owner thereof in consideration of the payment of agreed charges, whether or not by the termination of the agreement, such payment over a period of time will entitle the occupant to the ownership of the premises.

"(e) The term 'military' includes Army, Navy, Marine Corps, and Air Force.

"(f) The term 'State' includes the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, and the Virgin Islands.

"SEC. 802. There is hereby created a Military Housing Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title, and mortgages insured under this title shall be known and referred to as 'military housing insured mortgages'. For the purposes of this fund there is hereby authorized to be appropriated the sum of $10,000,000. For immediate needs pending such appropriation, the Commissioner is directed to transfer the sum of $1,000,000 to such fund from the War Housing Insurance Fund created by section 602 of this act, such amount to be reimbursed to the War Housing Insurance Fund upon the availability of the appropriations authorized by this section. General expenses of operation of the Federal Housing Administration under this title may be charged to the Military Housing Insurance Fund.

"SEC. 803. (a) In order to assist in relieving the acute shortage of housing which now exists at or in areas adjacent to military installations because of uncertainty as to the permanency of such installations and to increase the supply of rental housing accommodations available to military and civilian personnel at such installations, the Commissioner is authorized, upon application of the mortgagee, to insure mortgages (including advances on such mortgages during construction) which are eligible for insurance as hereinafter provided, and, upon such terms as the Commissioner may prescribe, to make commitments for so insuring such mortgages prior to the date of their execution or disbursement thereon: *Provided,* That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed $500,000,000 except that with the approval of the President such aggregate amount may be increased to not to exceed $1,000,000,000: *And provided further,* That no mortgage shall be insured under this title after July 1, 1951, except (A) pursuant to a

commitment to insure issued on or before such date, or (B) a mortgage given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage.

"(b) To be eligible for insurance under this title a mortgage shall meet the following conditions:

"(1) The mortgaged property shall be held by a mortgagor approved by the Commissioner. The Commissioner may, in his discretion, require such mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation. The Commissioner may make such contracts with, and acquire for not to exceed $100 stock or interest in, any such mortgagor, as the Commissioner may deem necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the Military Housing Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

"(2) The mortgaged property shall be designed for rent for residential use by civilian or military personnel of the Army, Navy, Marine Corps, or Air Force (including Government contractors' employees) assigned to duty at the military installation at or in the area of which such property is constructed. Notwithstanding the provisions of any other law, preference or priority of opportunity in the occupancy of the mortgaged property for such personnel and their immediate families shall be provided under such regulations and procedures as may be prescribed by the Commissioner. No mortgage shall be insured under this title unless the Secretary of Defense or his designee shall have certified to the Commissioner that the housing with respect to which the mortgage is made is necessary to provide adequate housing for such personnel, that such installation is deemed to be a permanent part of the Military Establishment, and that there is no present intention to substantially curtail activities at such installation.

"(3) The mortgage shall involve a principal obligation in an amount—

"(A) not to exceed $5,000,000; and

"(B) not to exceed 90 percent of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed; and

"(C) not to exceed an average of $8,100 per family unit for such part of such property or project as may be attributable to dwelling use, except that if the Commissioner finds in exceptional cases there is a need for larger-sized family units in any project the mortgage may involve a principal obligation in an amount not to exceed $9,000 per family unit for such part of such property or project as may be attributable to dwelling use.

The mortgage shall provide for complete amortization by periodic payment within such terms as the Commissioner shall prescribe, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum of the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release.

"(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall not be less than an amount equivalent to one-half of 1 percent per annum nor more than an amount equivalent to 1½ percent per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments. Such premium charges shall be payable by the mortgagee, either in cash, or in debentures issued by the Commissioner under this title at par plus accrued interest, in such manner as may be prescribed by the Commissioner: *Provided*, That the Commissioner may require the payment of one or more such premium charges at the time the mortgage is insured, at such discount rate as he may prescribe not in excess of the interest rate specified in the mortgage. If the Commissioner finds, upon the presentation of a mortgage for insurance and the tender of the initial premium charge and such other charges as the Commissioner may require that the mortgage complies with the provisions of this title, such mortgage may be accepted for insurance by indorsement or otherwise as the Commissioner may prescribe. In the event that the principal obligation of any mortgage accepted for insurance under this title is paid in full prior to the maturity date, the Commissioner is further authorized in his discretion to require the payment by the mortgagee of an adjusted premium charge in such amount as the Commissioner determines to be equitable but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured under this title until such maturity date; and in the event that the principal obligation is paid in full as herein set forth, the Commissioner is authorized to refund to the mortgagee for the account of the mortgagor all, or such portion as he shall determine to be equitable, of the current unearned premium charges theretofore paid.

"(d) The failure of the mortgagor to make any payment due under or provided to be paid by the terms of a mortgage insured under this title shall be considered a default under such mortgage, and, if such default continues for a period of 30 days, the mortgagee shall be entitled to receive the benefits of the insurance as hereinafter provided, upon assignment, transfer, and delivery to the Commissioner, within a period and in accordance with rules and regulations to be prescribed by the Commissioner of (1) all rights and interest arising under the mortgage so in default; (2) all claims of the mortgagee against the mortgagors or others, arising out of the mortgage transactions; (3) all policies of title or other insurance of surety bonds or other guaranties and any and all claims thereunder; (4) any balance of the mortgage loan not advanced to the mortgagor; (5) any cash or property held by the mortgagee, or to which it is entitled, as deposits made for the account of the mortgagor and which have not been applied in reduction of the principal of the mortgage indebtedness; and (6) all records, documents, books, papers, and accounts relating to the mortgage transaction. Upon such assignment, transfer, and delivery, the obligation of the mortgagee to pay the premium charges for mortgage insurance shall cease, and the Commissioner shall, subject to the cash adjustment provided for in subsection (e) of this section, issue to the mortgagee debentures having a total face value equal to the value of the mortgage, and a certificate of claim as hereinafter provided. For the purposes of this subsection, the value of the mortgage shall be determined in accordance with rules and regulations prescribed by the Commissioner by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of default, the amount the mortgagee may have paid for (A) taxes, special assessments, and water rates, which are liens prior to the mortgage; (B) insurance on the property; and (C) reasonable expenses for the completion and preservation of the property and any mortgage insurance premiums paid after default; less the sum of (i) an amount equivalent to 1 percent of the unpaid amount of such principal obligation on the date of default; (ii) any amount received on account of the mortgage after such date; and (iii) any net income received by the mortgagee from the property after such date: *Provided*, That the mortgagee in the event of a default under the mortgage may, at its option and in accordance with regulations of, and in a period to be determined by the Commissioner, proceed to foreclose on and obtain possession of or otherwise acquire such property from the mortgagor after default, and receive the benefits of the insurance as hereinafter provided, upon (1) the prompt conveyance to the Commissioner of title to the property which meets the requirements of the rules and regulations of the Commissioner in force at the time the mortgage was insured, and which is evidenced in the manner prescribed by such rules and regulations; and (2) the assignment to him of all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction or foreclosure proceedings, except such claims that may have been released with the consent of the Commissioner. Upon such conveyance and assignment, the obligation of the mortgagee to pay the premium charges for insurance shall cease and the mortgagee shall be entitled to receive the benefits of the insurance as provided in this subsection, except that in such event the 1 percent deduction, set out in (i) hereof, shall not apply. If, during the time the mortgage is insured and before the mortgagee has received the benefits of the insurance, the United States acquires, or commences eminent domain proceedings to acquire, all or a substantial part (as defined by the Commissioner) of the mortgaged property for the use of the National Military Establishment, the mortgagee may, at its election, within such time and in accordance with such regulations as the Commissioner may prescribe, receive the benefits of the insurance as provided in this subsection, notwithstanding the fact that the mortgage may not be in default.

"(e) Debentures issued under this title shall be in such form and denominations in multiples of $50, shall be subject to such terms and conditions, and shall include such provisions for redemption, if any, as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury, and may be in coupon or registered form. Any difference between the value of the mortgage determined as herein provided and the aggregate face value of the debentures issued, not to exceed $50, shall be adjusted by the payment of cash by the Commissioner to the mortgagee from the Military Housing Insurance Fund.

"(f) Debentures issued under this title shall be executed in the name of the Military Housing Insurance Fund as obligor, shall be signed by the Commissioner, by either his written or engraved signature, and shall be negotiable. All such debentures shall be dated as of the date of default as determined in accordance with subsection (d) of this section, and shall bear interest from such date at a rate determined by the Commissioner with the approval of the Secretary of the Treasury, at the time the mortgage was accepted for insurance, but not to exceed 3 percent per annum, payable semiannually on the 1st day of January and the 1st day of July of each year, and shall mature 10 years after the date thereof. Such debentures shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by any Territory, dependency, or possession of the United States or by the District of Columbia, or by any State, county, municipality, or local taxing authority. They shall be paid out of the Military Housing Insurance Fund, which shall be primarily liable therefor, and they shall be fully and unconditionally guaranteed as to principal and interest by the United States, and such guaranty shall

be expressed on the face of the debentures. In the event the Military Housing Insurance Fund fails to pay upon demand, when due, the principal of or interest on any debentures so guaranteed, the Secretary of the Treasury shall pay to the holders the amount thereof which is hereby authorized to be appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such debentures.

"(g) The certificate of claim issued by the Commissioner to any mortgagee in connection with the insurance of mortgages under this title shall be for an amount determined in accordance with subsections (e) and (f) of section 604 of this act, except that any amount remaining after the payment of the full amount under the certificate of claim shall be retained by the Commissioner and credited to the Military Housing Insurance Fund.

"(h) The provisions of section 207 (k) and section 207 (l) of this act shall be applicable to mortgages insured under this title and to property acquired by the Commissioner hereunder, except that as applied to such mortgages and property (1) all references in such sections to the 'Housing Fund' shall be construed to refer to the 'Military Housing Insurance Fund', and (2) the reference in section 207 (k) to 'subsection (g)' shall be construed to refer to 'subsection (d)' of this section 803.

"(i) The Commissioner shall also have power to insure under this title or titles II or VI any mortgage executed in connection with the sale by him of any property acquired under this title without regard to any limit as to eligibility, time, or aggregate amount contained in this title or titles II or VI.

"(j) Any contract of insurance executed by the Commissioner under this title shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud of misrepresentation on the part of such approved mortgagee.

"(k) In order to assure an adequate market for mortgages insured under this title, the powers of the Federal National Mortgage Association and of any other Federal corporation or other Federal agency hereafter established, to purchase, service, or sell any mortgages, or partial interests therein, may be utilized in connection with mortgages insured under this title.

"SEC. 804. (a) Moneys in the Military Housing Insurance Fund not needed for current operations under this title shall be deposited with the Treasurer of the United States to the credit of the Military Housing Insurance Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the provisions of this title. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be cancelled and not reissued.

"(b) Premium charges, adjusted premium charges, and appraisal and other fees, received on account of the insurance of any mortgage insured under this title, the receipts derived from any such mortgage or claim assigned to the Commissioner and from any property acquired by the Commissioner, and all earnings on the assets of the Military Housing Insurance Fund, shall be credited to the Military Housing Insurance Fund. The principal of and interest paid and to be paid on debentures issued in exchange for any mortgage or property insured under this title, cash adjustments, and expenses incurred in the handling of such mortgages or property and in the foreclosure and collection of mortgages and claims assigned to the Commissioner under this title, shall be charged to the Military Housing Insurance Fund.

"SEC. 805. Whenever the Secretary of the Army, Navy, or Air Force determines that it is desirable to lease real property within the meaning of the Act of August 5, 1947 (61 Stat. 774), to effectuate the purposes of this title, the Secretary concerned is authorized to lease such property under the authority of said act upon such terms and conditions as in his opinion will best serve the national interest without regard to the limitations imposed by said act in respect to the term or duration of the lease, and the power vested in the Secretary of the Department concerned to revoke any lease made pursuant to said act in the event of a national emergency declared by the President shall not apply. Whenever the Secretary of the Army, Navy, or Air Force determines it to be in the interest of national defense, he is hereby authorized to sell, transfer, and convey at fair value (as determined by him), for use under this title, all or any right, title, and interest in any real property under his jurisdiction, notwithstanding any limitations or requirements of law with respect to the use or disposition of such property. The authority conferred by this section shall be in addition to and not in derogation of any other power or authority of the Secretary of the Army, Navy, or Air Force.

"SEC. 806. The second sentence of section 214 of the National Housing Act, as amended, relating to housing in the Territory of Alaska, shall not apply to mortgages insured under this title on property in said Territory.

"SEC. 807. Nothing in this title shall be construed to exempt any real property acquired and held by the Commissioner under this title from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.

"SEC. 808. The Commissioner is authorized and directed to make such rules and regulations as may be necessary to carry out the provisions of this title."

SEC. 2. Sections 1 and 5 of the National Housing Act, as amended, are further amended by striking out the words "title II, III, VI, and VII" each time they appear and inserting in lieu thereof the words "titles II, III, VI, VII, and VIII."

SEC. 3. Section 212 (a) of said act, as amended, is further amended by striking out the words "effective date of this section," and inserting in lieu thereof the words "effective date of this section, or under title VIII,".

SEC. 4. Section 301 (a) of said act, as amended, is further amended—

(1) By striking out of paragraph (1) the words "under title II, or title VI" and inserting in lieu thereof the words "under title II, title VI, or title VIII"; and

(2) By striking out the period and adding the following proviso at the end of paragraph (1) (E): ": *Provided*, That such aggregate amount paid by the Association shall not include any amount paid by it for a mortgage or mortgages which are insured under title VIII of this act; and."

SEC. 5. (a) Section 1 of the act of July 30, 1947 (61 Stat. 675) is hereby amended to read as follows:

"The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, or their designees within their respective establishments, are authorized to sell and contract to sell, under such regulations and at such prices and for such periods of time, as the Secretary concerned may prescribe, to purchasers within, or in the immediate vicinity of, naval or military activities, such utilities and related services as are not otherwise available from local private or public sources."

(b) Section 2 of said act is hereby amended to read as follows:

"SEC. 2. The utilities and related services authorized to be sold under this act are: (1) Electric power, (2) steam, (3) compressed air, (4) water, (5) sewage and garbage disposal services, (6) gas (natural, manufactured, or mixed), (7) ice, (8) mechanical refrigeration, and (9) telephone service; and the proceeds received for any such utilities and related services sold pursuant to the authority of this act shall be credited to the appropriation or appropriations currently available for the supply of such services: *Provided*, That any utility or related service provided and sold under the authority of this act shall not be so provided unless it is determined that the utility or related service is not at the time of such sale or contract to sell available from a private or other public source, and that the furnishing thereof is in the interest of national defense."

(c) Section 3 of said act is hereby amended by deleting the words "The Secretary of the Navy and Secretary of War" and substituting therefor the words "The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force."

(d) Section 5 of said act is hereby repealed.

The SPEAKER. Is a second demanded?

Mr. GAMBLE. Mr. Speaker, I demand a second.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NICHOLSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. NICHOLSON. Is the motion to suspend decided by a majority vote?

The SPEAKER. It takes a two-thirds vote.

Mr. NICHOLSON. Can we debate this motion before it is put to a vote?

The SPEAKER. There will be 20 minutes on a side on the pending motion to suspend. The gentleman from Kentucky [Mr. SPENCE] is recognized for 20 minutes and the gentleman from New York [Mr. GAMBLE] is recognized for 20 minutes.

Mr. SPENCE. Mr. Speaker, section 6 of the bill was not included in my motion to suspend the rules and consider S. 1184. That section provided for the extension of section 608 of title VI of the National Housing Act, and also an increase in the insurance authorization of title II—which has already been passed and is now law.

This bill provides for the stimulation of private enterprise through FHA insurance of the construction of housing in connection with our military installations. It has been approved by the Army, Navy, Marine, and Air Corps. The bill is designed to help remedy an existing military housing shortage in 219 areas in 41 States. The question is whether or not this housing will be built by private enterprise or by direct appropriations by the Government.

There has been a general demand for the bill. We have heard a great deal

about the Government going into business in competition with private industry. This bill stimulates private industry and by means of private industry all this housing, which is absolutely essential at this time, will be constructed. The Government may either convey or lease lands for the construction of these projects, which will be rental housing. The existing conditions in many instances are appalling and the accommodations not fit for human habitation. This bill presents a device by which this housing can be furnished by the ordinary industrial interests of the country. It will furnish employment when employment may be needed. It will furnish housing which is absolutely essential to our military and naval and air forces installations.

It is the only manner in which this can be done, except by direct appropriations. It does not provide housing for the higher officers. It provides houses for those in the lower grades, and for civilian personnel.

The per unit cost limit would be $9,000, and the limit of insurance is 90 percent of that, or $8,100. However, the amendment which I have introduced provides that in exceptional cases where the Commissioner finds there is need for larger family-sized units, it may be increased to $9,000 insurance per unit, which would make the construction cost $10,000.

In many instances I think these larger units will be necessary and where they are necessary the Commissioner can permit their construction.

I can see no objection that can be made to this bill. If we are going to maintain our military, our naval, and our air force installations, we must have proper housing for those who serve us. The method provided in this bill, it seems to me, is the logical, the reasonable, and the best way to obtain that housing. We have heard a great deal of talk about the Government going into business. This keeps the Government directly out of private business and insures that private enterprise will come in and build these buildings with the assurance by the Secretary of Defense, or whomever he may assign this duty to, that the installations are permanent.

I think you will have no trouble in securing this housing through the method that is set up in this bill.

I believe the House should pass it not only by the two-thirds requisite majority but unanimously.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. SABATH. During the few months I had at my disposal last fall I visited several of these establishments, and I was ashamed to see the conditions under which these men were living. Many of them were obliged to travel 10, 15, or 20 miles. I inquired why so many resigned and was informed that it was because they could not find living quarters suitable for a decent person to live in.

This bill leads in the right direction. Every Member who is familiar with these conditions would gladly vote for this bill. I think it should pass and should receive a unanimous vote.

Mr. SPENCE. I thank the gentleman for his contribution. I believe he states a condition that does not exist generally. I remember some years ago I was in Hawaii and the commanding general took us through the installation. Some of the houses were absolutely disgraceful, totally unfit for human habitation. I believe we ought not to provide such housing for those to whom we must turn for our national defense.

Mr. GAMBLE. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. NICHOLSON. Mr. Speaker, this is an important bill. It ought to have gone to the Committee on Rules and been taken up under the ordinary procedures in the House. What this bill does is to allow private interests, or private capital, to go into United States Army camps, Navy camps, or whatever part of the armed forces may be involved, and build houses. The chairman says that it stimulates private enterprise; of course it does. Who is going to build a house unless it is private enterprise? It is certain that members of the armed forces are not going to do it. What this bill does is to provide a lot of houses in these military camps to meet a passing need. Suppose in a camp in my district they claim to need three or four hundred houses—I do not know exactly how many because I have not the information. Suppose that next year or the year after general peace is declared throughout the world and we cut down our armed forces by a half, a quarter, or nine-tenths, which in my opinion we ought to have. What are we going to do with the houses? Their fate will be just what happened in the 1917 and 1918 Army camps—they will be left to rot, they will burn down, or be destroyed in some way.

If we need some additional houses in our Army camps or in camps run by the Government, let the Government build the houses the same as they have always done. At every reservation with an Army post they own their own property; yet under this bill you are asking private individuals to go into some fort in the United States and build houses and then rent them to either civilian employees or members of the armed forces. I think it is the silliest thing in the world, Mr. Speaker, to have private individuals go into Army camps and build houses and then rent them on the reservation. This proposition of a 99-year lease is very good, but I cannot figure a house in an Army camp lasting 99 years; perhaps it may.

It seems to me that if we are going to build up a military establishment and have people come in here crying about living conditions in the camps, there is no reason why they should go there and live. If they do not like it let them get out into some productive activity. They are going to keep crying continually that somebody has got to build houses for somebody else. There is not anything in this bill that states how much rent will be charged by the men who build them, whoever they may be. In wartime perhaps it might be a good thing for us to build houses on a military establishment in order to get people to come there and live; but to have private individuals go into an Army camp and build houses is beyond my comprehension and it is beyond the comprehension of many members of the committee.

That is why I stand here and ask that this bill take its usual course. Get a rule from the Rules Committee, then bring it on the floor for consideration in the proper way. If the committee had been unanimous, Mr. Speaker, I would not have said anything, because I do not pretend to know everything about what is going on in the Government or in the House of Representatives, either; but where you have a close vote, and there are Members who are unwilling to vote, I think the proper thing is to give the proposition a good airing. It is all right, as I said before, to come in here and cry about the kind of houses they have. And, by the way, there is nothing in this bill that says the general or the major or the colonel will not have quarters. That is exactly what they are getting now. They get the cream of every Army camp or fort. They have special houses of their own.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. SPENCE. I yield 4 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, this bill clearly demonstrates that the Congress wants to provide that industry and free enterprise build just as many houses for as many purposes as can possibly be done.

The sole purpose of this bill is to use private capital and private builders to supply Army houses. The demonstration of the need was clear and apparent to this committee when it was testified that the Army, the Navy, and Air Force need 261,000 houses immediately.

If it were left to be done in the old way that the gentleman from Massachusetts advocates of outright appropriation of tax money to build these houses on Government establishments, it would cost well in excess of two or three billion dollars. Under this bill it will in all probability not cost us one cent. The total cost might be around $5,000,000 to establish the insurance fund behind these 90 percent mortgages. The land on these Army camps and posts can be sold or leased at a reasonable rate to men who will develop this housing and charge the occupants, the sergeants, the corporals, and the enlisted men and their families, an economical rent for those quarters. It will be far better than they are able to get out in the crowded defense areas. The rents will be lower and these houses will be self-liquidating.

In these times when we must spend billions, untold billions of dollars, on national defense, for airplanes, tanks, guns, and ships, if we can let free enterprise handle the housing situation, charging economical rents, amortizing these houses over a period of 30 years, it is, in my opinion, good business to do so. It clearly demonstrates to me that we have to conserve the tax resources of this Nation if we are going to carry this armament load.

Mr. Speaker, there is one other thing to which I would like to refer. Many of

these camps are isolated from crowded centers. If the secretaries of the various branches of the armed services certify that these camps are of a permanent nature, then builders can build this housing on insured FHA loans.

They can utilize the utilities and the services, which would have to be duplicated if it were not for this bill, some place outside the reservation. Those utilities are there; they are capable of servicing this new addition of houses. The people who rent the houses and who own the houses will pay for them as they use them and it will eliminate a widespread duplication of expensive services.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Tennessee.

Mr. EVINS. This might be known as a private enterprise bill?

Mr. MONRONEY. It is strictly a private enterprise bill in which public construction is moved out and the whole matter is turned over to private enterprise, something we have not been allowed to do before on Army posts.

Mr. EVINS. It has been shown that the Army has a great morale problem so far as keeping men in the service is concerned when they bring their families to these bases, isolated as they are. They lose the men from the service and there is also a decline in reenlistments because of the housing situation?

Mr. MONRONEY. The gentleman is correct. Fifty-seven percent of the men in the Air Force are not reenlisting. They were asked the question if they would reenlist had they had adequate houses for their families, and 75 percent answered that they would have reenlisted. This would save a great deal of expense to the Government in training and it would result in the Government's not losing valuable members of the Air Force.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. GAMBLE. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON. Mr. Speaker, in our armed services today we have, roughly, 1,600,000 military personnel, and about three-quarters of those are married people. Also we have a large group of civilian personnel of over 800,000 persons. They are spread all over the world. We have them in isolated places, we have them in populous centers, we have them in every continent. It has been my privilege to visit hundreds of various types of defense installation. The reason we are required to have such a big Army, Navy, and Air Force is due to the situation in which we find ourselves in the chaotic world today. In the foreseeable future, in my humble opinion, we will continue to have a relatively large military force, and I need not go into a discussion of the reason for that. But, I may say that, in my opinion, the way to peace is to properly train our military forces and preserve our strategic strength until the mechanisms to make peace can be forged and made effective.

One of the most important things that the men in these places look to Congress for is a place to live. Many of them live in shacks and tumble-down places, and we must try to find a way for them to live suitably with their families. Under the old plan, when we had a small Army, we built houses on the Army posts. If we built just moderate houses for all this multitude of personnel now in the armed forces who need places, it would cost us, at present prices, about $3,000,000,000.

Here is the general plan that we are working on in this bill and in other bills that I think will come before the Congress: Every person in the Army above the rank of corporal gets an allowance for rent. The same is true of the Navy and Air Force. I think it runs from $37.50 a month up to $120. We propose to lease pieces of land to a contractor in various defense installations over a long period of time, 99 years, which I think is too long; but, anyway we lease it to him and allow him to build a house on that land. Then he is permitted to rent the house to the corporal or sergeant or major or general, or whoever it may be, that is in need of it and will occupy it. The occupant then pays the contractor, in substance, the commutation of rent that he gets which goes as installments to pay on the house. In other words, we appropriate money by the hundreds of millions today to various members of the armed forces to pay rent, to get a place to live, and we propose to have contractors build houses on military installations and pay the rental allowance provided by law for service personnel in the form of rent to the contractor, so that in 30 years, or in some cases much less, the house will be paid out. All that the Government incumbers itself for is the leasing of the land. The contractor takes the risk, and in certain cases, the Government will have to underwrite the undertaking where, in sparsely settled areas, a post is abandoned, and other renters will not use them. When the installments have paid out to the contractor the house and the land become the property of the Government. But, this is the only method, through private enterprise with Government cooperation, that the services can build and buy a house on the installment plan. This plan, I think, is a little too cumbersome, but the idea is that we must find a way to make relatively small appropriations every year for the housing that the armed forces of the United States must have, if they are to properly house their personnel and maintain proper morale. This bill is a step in that direction.

I just want to cite one case where it is extremely important. Down at Muroc Lake, Calif., in the district represented by the gentleman from California [Mr. SHEPPARD], we have one of the most fascinating research and development projects in aviation problems in the entire world. It is a tremendously important installation for our armed forces. In that area we have highly technical men; we have military men; we have technicians, we have supervisors from the aircraft companies, and people of that sort, and many of those people are today threatening to leave unless they can find a suitable place to live. This kind of a law will give them a decent place to live so that they can perform their duties while working on the post. Many of those are service personnel.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. What difference would it make whether the United States Government built a house on its own reservation and charged exactly the same rent that they have to pay now than it would be for a private individual to do it? Why cannot the Government do it and make money on the proposition rather than give it to a private individual to do it?

Mr. JOHNSON. The Government could do it if it was willing to spend $3,000,000,000. The need is immediate. But, the gentleman, I am sure, would not wish to spend such a vast sum of money all at once. We are trying to find a way so that we can do it on the installment plan little by little, year by year, until we finally get it accomplished. In that way we can rather expeditiously take care of the need, without immediately making a large capital investment now. Also, in the long run we would be the owner of the houses.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. WILSON].

Mr. WILSON of Oklahoma. Mr. Speaker, in the consideration of S. 1184 I feel constrained to speak in behalf of this proposed legislation because of my personal knowledge of the need for such legislation. I reside in Enid, Okla., where there is located an Air Force flying training base. While there has been an expansion of housing in Enid it has not kept pace with the needs of military personnel and personnel employed at the base so that soldiers stationed there who have families have registered numerous complaints. As has been pointed out before, risk capital is hesitant to build suitable housing near such installations at low enough rental for military personnel because of the ever present fear that such installations may be closed. As was made clear in the hearings on this measure the Housing Commissioner has been handicapped in making loans for construction such as sought to be promoted by this measure under consideration because he too has had to take into account the possibility that such installations may be closed. This bill provides that in lieu of a finding by the Commissioner of acceptable risk based on a degree of permanence of such military installation the Commissioner may accept a certification from the military that the housing is necessary, that such installation is deemed to be a permanent part of the Military Establishment, and that there is no present intention to curtail substantially the activities at such installation. This would not otherwise militate against the requirement that such housing should produce sufficient rental income to pay operating and debt-service charges and that such housing should meet certain standards of construction, design, and livability.

The survey the Air Force made in September 1948 among enlisted personnel as cited in the report on the measure

under consideration is particularly revealing and applicable to the situation in my home city of Enid. That survey showed that only 59 percent of the enlisted men intended to reenlist but that 79 percent would reenlist if the Government would provide family housing.

I deem the method employed by this bill to be the most satisfactory one for encouraging the construction of housing near military installations on a business basis. Construction can be had for far less than the cost of direct construction by the Army, Navy, or Air Force and private business will receive stimulation at a time when it is needed. The risk to the Government in insuring such projects is small in comparison with the cost of direct Government construction and except in the event of unusual losses the fund set up by this measure would be self-sustaining. Thus this measure will help us accomplish our objective of adequate housing for military personnel at fair rentals in the near future and thus sustain our national military preparedness program and prevent the loss of valuable personnel and at the same time accomplish it in an economical manner with private industry and capital. The House of Representatives should not delay passage of this important legislation.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. SHEPPARD].

Mr. SHEPPARD. Mr. Speaker, 2 minutes is ample time to discuss a bill of this portentous approach to acceptable economy. Less than 30 minutes ago this House considered passage of a bill to simplify the financial concept of military appropriations, advocating the economy and the effects thereof that would be effected by the enactment of that bill. I wish to compliment the chairman of the Legislative Committee on Armed Services for presenting to the House a bill of that character, and I compliment the House on accepting such a bill. If the Congress really wants to save money, and not in a hypothetical way, this bill, S. 1184, is the way you can do it. I have followed the appropriations of the armed services on housing requirements for some time. I was chairman of the Committee on Naval Appropriations for some years and am now vice chairman of the Armed Services Appropriations Committee. Today you have an investment in pilots and other technicians of $20,000-plus per man. We have lost a tremendous percentage of them because of the inability to house them properly at the posts where they have to serve. If you want to save the taxpayers real money this is one of the most constructive approaches that has been offered to this Congress in quite some time and gives private industry a chance to function. I cannot see any logical reason why those who have been advocating the functions of private enterprise should not support the enactment of this legislation. It will save direct appropriations for housing construction on and near military posts, and to me this is a very necessary thing to do if one wants to keep Government out of business and give private enterprise its proper function. This legislation should be enacted without a dissenting vote.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Speaker, this measure could easily be the greatest morale booster for the services we have considered all year. My work has taken me into many military posts, and invariably in postwar years the cry has been for more housing.

Housing has been the great demand, the great need of servicemen. The men on the military posts have been more interested in housing for their families than they have been in pay, in promotion, in food, or in any other one factor. I have talked to men in all ranks, and I know.

They have wanted housing so much that on many posts the men have themselves on their own time gone into old barracks that are no longer being used and with their own hands—sometimes with their own tools and materials—made themselves quarters so that they could have their families with them.

People in the services are career men now. They seek permanency. They want their families with them, just as men in other walks of life also want their families. This is the best approach we have had to speedily provide housing to the men in the military services. And it will do so without a tremendous cost to the United States Treasury. It does it very simply by allowing FHA to extend guaranties for loans by private industry for housing construction on or near military posts. This method has been very successful for a good many years for people in other walks of life. I believe it will be equally successful when extended to military posts and I know it will do a great good.

Mr. SPENCE. Mr. Speaker, I yield such time as he may require to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Speaker, we are all familiar with the importance which our Military Establishment attaches to the question of adequate housing of our armed forces. Lack of housing, or the lack of housing of an acceptable nature, has been the source of much detriment to the morale of our servicemen and their families. The question is pressing at all times, but certainly at this time it has become of the utmost importance as the Military Establishment is coping with the problem of getting and keeping in the armed forces men of the highest caliber.

I favor this bill. I think we should take progressive action in the direction of building up the standard of housing for our armed forces and also to add housing where it is acknowledged to be necessary. Mr. Speaker, this measure, S. 1184, is similar in most respects to the measure which I was pleased to introduce in this regard. Its purpose is to encourage, through our private-enterprise construction facilities, the building of rental housing at or in areas adjacent to military and naval establishments. As in my own measure, the pending bill would undertake this program of military housing through amendment to the existing National Housing Act. It makes proper safeguards by the stipulation that no mortgages can be insured under title VIII, which is a new title to the National Housing Act created under terms of this proposed measure, unless the Secretary of Defense or other authorities of the armed forces certifies that such housing is necessary to meet the needs of personnel at military installations. Protection is further assured by the provision that housing so authorized is to be a part of a permanent military establishment.

When this measure was introduced in the Senate Secretary of the Air Force Stuart Symington appeared before the Senate Banking and Currency Committee in support of the bill. His statement revealed shocking conditions are prevalent in some military areas. I do not think, nor do I believe that anyone else would think, that Secretary Symington has exaggerated the need or the conditions. These deplorable conditions, of course, are isolated instances—and we may be thankful that they do not represent the normal so far as military housing is concerned. However, as Secretary Symington pointed out, some of the largest of our military installations—such Air Force installations as Mitchel Field and Chanute Field—have deplorable and shocking conditions of housing. Morale under such conditions cannot but be impaired. You certainly could not blame a man for wanting to get out of the service if he is unable to keep his wife and family under conditions which would be possible in civilian life.

In my own district, the Fifth District of Tennessee, there is an excellent Air Force installation—Smyrna Air Force Base, in Rutherford County—which is greatly in need of housing and which stands to benefit under the terms of this bill. There are private builders of the highest type who stand ready to go into Smyrna and the areas adjacent to the base and put up housing—they only want a little assurance before they undertake their investment—and their assurance is in this measure.

I sincerely trust that the House today will see fit to authorize the extension of our housing statutes to permit mortgage insurance to be extended for construction of military housing.

Our armed forces stand to gain much—from the standpoint of keeping in the service men of the highest caliber; also from the standpoint of attracting to the armed forces men of ability and character. From the standpoint of morale the benefits would be countless. Enactment of this legislation is necessary and desirable, and I trust that action will not be postponed.

Mr. GAMBLE. Mr. Speaker, we have no further requests for time on this side.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

### REORGANIZING FISCAL MANAGEMENT IN THE NATIONAL MILITARY ESTABLISHMENT

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the order of the

House referring the further consideration of the bill (H. R. 5362) to reorganize fiscal management in the National Military Establishment to promote economy and efficiency, and for other purposes, be vacated and that the vote may now be had on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

SISSETON-WAHPETON SIOUX TRIBE OF INDIANS

Mr. MORRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 3765) to promote the rehabilitation of the Sisseton-Wahpeton Sioux Tribe of Indians and better utilization of the resources of the Sisseton Reservation, and for other purposes.

The Clerk read as follows:

*Be it enacted, etc.*, That in order to provide facilities, employment, and services essential for a self-supporting economy for the Sisseton-Wahpeton Sioux Tribe of Indians, and to lay a stable foundation on which these Indians can engage in diversified economic activities, ultimately attain standards of living comparable with those enjoyed by other citizens, and looking forward to the withdrawal of Federal services and supervision from these Indians, the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of funds from time to time appropriated pursuant to this act, a program of basic improvements for the conservation and development of the physical and human resources of the Sisseton Reservation, including development of off-reservation employment and assistance in adjustments related to such employment.

SEC. 2. The Secretary of the Interior, or his authorized representative, is hereby authorized, in his discretion, to acquire, by gift, purchase, relinquishment, or exchange, any lands, surface rights, water rights, or any interest in land, including any improvements thereon, located within the exterior boundaries of the Sisseton Indian Reservation. Title to all property rights thus acquired shall be taken in the name of the United States in trust for the tribe, and shall be exempt from taxation so long as title shall be held by the United States.

SEC. 3. In order to assist in carrying out the purpose of this act, there is hereby authorized to be appropriated, as an addition to the sum authorized by the act of June 18, 1934 (48 Stat. 986), out of any funds in the Treasury not otherwise appropriated, the sum of $1,000,000, from which the Secretary of the Interior, under the rules and regulations issued pursuant to that act, may make loans to the tribe or to members of the tribe, for any purpose which will promote the economic development of the tribe and its members, including loans to the tribe for the purchase of lands, interests therein, water rights, and improvements. Reimbursement to the United States of loans made from this fund shall be made within 40 years from the date the loan is made.

SEC. 4. The lands acquired under authority in sections 2 and 3 of this act and any other lands so acquired, title to which is in the United States in trust for the tribe, may be sold, assigned, leased, or permitted pursuant to regulations of the Secretary: *Provided*, That sales may be made only to members of the tribe. Sales may be made on a deferred payment plan. Title to all lands sold shall remain in the United States in trust for the tribe and the lands shall be exempt from taxation until payment therefor is made. The interests of the tribe and of the United States in such lands shall then be released, a patent in fee shall then be issued to the purchaser or his successors in interest, and the lands shall then become subject to taxation.

SEC. 5. The Secretary of the Interior or his authorized representative may make grants, in total not to exceed 10 percent of amounts appropriated for loans to borrowers for assistance during initial periods of operations.

SEC. 6. Notwithstanding any other provision of existing law, the tribal funds now on deposit, or hereafter placed to the credit of the tribe in the United States Treasury, shall be available for such purposes as may be designated by the governing body of the tribe and approved by the Secretary of the Interior or his authorized representative.

SEC. 7. There is hereby authorized to be appropriated out of any funds in the Treasury not otherwise appropriated, sums necessary for administrative and technical services and facilities necessary for carrying out the purposes of this act.

The SPEAKER. Is a second demanded? [After a pause.] The Chair hears none.

The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

EXTENSION OF REMARKS

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include three newspaper editorials.

AMENDING UNITED NATIONS PARTICIPATION ACT OF 1945

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 280 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4708) to amend the United Nations Participation Act of 1945. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, this resolution makes in order the consideration of the bill H. R. 4708, an act to amend the United Nations Participation Act of 1945. By agreement with the chairman of the great Committee on Foreign Affairs, the committee will offer amendments to eliminate the provisions of the bill with reference to the salary increases, and will make the salaries consistent with the Foreign Service Pay Act. The purpose of this bill is to strengthen the position of our Government in the United Nations. It seeks to do this in three general ways: First, by strengthening representation at the top level; second, by affirming and clarifying the legal basis for the armed services to furnish noncombatant assistance to the United Nations; third, by making secondary changes in detail in the basic statute under which the United States participates in United Nations' activities.

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Texas has explained this resolution makes in order the consideration of the bill H. R. 4708, with 1 hour of general debate. This bill was considered rather thoroughly for some time in the Committee on Rules and was reported with the understanding there would be certain amendments offered to, and certain changes made in, the bill. These changes and amendments, I believe, are agreeable to everyone.

Mr. Speaker, I have no requests for time, and yield back the balance of my time.

Mr. LYLE. Mr. Speaker, I yield 2 minutes to the distinguished majority leader the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, the sudden death of Alexander F. Whitney, president of the Brotherhood of Railway Trainmen since 1928, is keenly regretted by his many friends and by millions of Americans who admired him from a distance. In the passing of A. F. Whitney, the country has lost one of its outstanding citizens, and labor one of its greatest leaders. During my years of service in the Congress I came to know my late friend, and between us during the years there existed a close, sincere, and understanding friendship. In his passing I have lost a valued and most respected friend.

A. F. Whitney exercised a powerful influence of a constructive nature both as a citizen in the field of government and as a leader in the field of labor. He was a man of strong convictions, but a man of understanding mind; kind and charitable. With all of his greatness of mind and the power of his position he was a man of simplicity. He exercised the power of his position as a trust for the men he represented and their families, and for the country he so strongly and devotedly loved. A. F. Whitney was a symbol of everything noble and uplifting. While the body of my friend is stilled in death, his spirit will always live, an influence and an inspiration for others to follow.

To Mrs. Whitney, and to his daughter and to his sons, I extend my deep sympathy in their bereavement. They can derive their consolation in the knowledge that there loved one, husband and father, was one of the noblest men who ever walked the journey of life.

To the members of the Brotherhood of Railroad Trainmen I also extend my deep sympathy in the death of their friend and leader of many years. His great leadership during life will always remain as a guide and a direction to his successors in office.

May God grant to his soul eternal rest and peace.

Mr. LYLE. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. MCSWEENEY].

Mr. MCSWEENEY. Mr. Speaker, in addition to the splendid words of our distinguished leader, the gentleman from Massachusetts, in tribute to Mr. Whitney, the great leader of the Brotherhood of Railway Trainmen, may I add my humble tribute. As a former employee of the Pennsylvania Railroad and as a Member of this House I realize what a grand work Mr. Whitney has done for those men who labored with him. I feel that he was a great champion on the battlefield of labor and management. He always fought a fair fight. When his lance was broken it was broken only after he had pierced the armor of reactionary opponents. He found that the real fight was to try to bring recognition to his men who worked in a hazardous task, men who were unable to get proper insurance for themselves and their families, men who were and are working daily to bring to all parts of America the much-needed things which are grown or made in other sections of our great country.

Mr. Whitney was a champion of the rights of men; he never at any time denied to management its right, but he merely wanted to see that the laboring men in their field had the opportunity to share the benefits that a great country like America can make possible to its people.

I hope that whosoever may bear the torch laid down by Mr. Whitney will carry on as did Mr. Whitney and fight for his principles. Mr. Whitney recognized the rights of other people who were not even in his same field of endeavor. To me transportation in America has been so important that it is very fundamental that the men who work in that field should have every right and protection.

I am glad that this Congress, with the help and advice of Mr. Whitney, was able to pass legislation which brought about safeguards and insurance protection to the men who labor in the field of transportation, not only for themselves but for their families also.

Mr. Whitney, you have passed on. I, as a Member of Congress will try to emulate your fairness in my efforts to legislate on behalf of all men and women who work in industry, in transportation as well as in behalf of our people generally.

May I add that I hope your family which will have a keen realization of the grand contribution that you made to the well-being of our country will accept my sincere expressions of sympathy and that a gracious providence will bring to them comfort and peace.

Mr. LYLE. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, the rule before us, as has been stated, makes in order the bill which has been unanimously reported by the Committee on Foreign Affairs, H. R. 4708, amending the United Nations Participation Act of 1945. Notwithstanding the fact that the bill has been reported unanimously from the Committee on Foreign Affairs, the Committee on Rules ascertained that there was a provision for the salary of our representative who is to be appointed by the President, in the amount of $25,000. The Rules Committee, notwithstanding that charges are sometimes made that the committee has no right to change any bill or set itself up above any legislative committee in this respect and in several other respects, realized that the compensation of $25,000 would be greater than we believed justified. We contacted the chairman of the Committee on Foreign Affairs who agreed to offer an amendment reducing the salary so that the President could designate what the salary of our representative should be, but that it should be in accordance with the act that we passed a few days ago raising the salaries of certain appointed officials. I have before me the amendment that will be offered by the chairman of the committee, the gentleman from West Virginia [Mr. KEE]. I believe that the bill as amended in this way should receive favorable consideration.

Mr. LYLE. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Speaker, our Nation, humanity, and the cause of peace suffered a severe loss by the sudden death last Saturday of Alexander Fell Whitney. Mr. Whitney's life was devoted to the cause of his fellowman. He fought with determined vigor so that the goal of social justice in this Nation and throughout the world might be attained. Mr. Whitney was a close personal friend of mine, and his death is a great loss to me, and that loss, I am certain, is shared by everyone who advocates the high principles which he held and for which he labored unceasingly and untiringly. I am confident that Mr. Whitney's eternal reward is the peace and happiness that he fought to achieve in life for others.

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4708) to amend the United Nations Participation Act of 1945.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4708, with Mr. MITCHELL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KEE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this is a bill reported by the Committee on Foreign Affairs by unanimous vote and has for its purpose the amendment of an act passed by this Congress in 1945 authorizing participation of the United States Government in the United Nations. Our experience with that act during the intervening years has shown that it is in need of some amendment. Our experience has shown also that if there is one organization in the world that has had the confidence, and I may say the great hopes of the American people of the world that it will be a success through the years to come. In order to make it a success it is necessary that it continue to have the support not only of the American people but of all member nations, and to have that support given to it unstintingly and without reservation.

This bill is simple in its form and its purpose. It has as its purpose three main objectives. The first of these objectives is to strengthen the United Nations by strengthening our representation in that body at the top level. To that end the bill provides for the appointment of an additional deputy representative to the United Nations. We have now, as you all understand, a representative to the United Nations who represents us in the Assembly. That position is now held by Senator Austin, who already has a deputy, but that deputy under the law is only given the right to represent us in the Security Council and not in the organization itself. This bill provides for a deputy representative who would not only represent us in the international body itself when his principal for any reason is not in attendance, but will have also the privilege of acting concurrently in other matters on other proper occasions.

This position of deputy representative is the only new position created by this bill. But the bill, as its second objective, undertakes to further strengthen not only our representation but strengthens the United Nations by authorizing the payment to our representatives in that body and in certain organs or bodies thereof of adequate remuneration for the work which they perform and to give them a proper status. We will later offer an amendment which will accomplish in respect to this objective practically the same purpose as the original text of the bill would have accomplished. This amendment will authorize payment to these representatives an increase in salary. It does not, however, increase the salaries of a great body of men, but the salaries of only some 12 or 13 of our representatives in the body, all of whom have the status of envoy or minister or ambassador to a foreign country. Therefore, this amendment will authorize that the salaries of our representatives in this body be based upon the Foreign Service Act which passed the Congress in 1946 and which grades the salaries of our foreign representatives. By fixing the salaries of our representatives in the United Nations at a level with the grades in the Foreign Service Act, we have a fair rate of pay. If it is an increase in the present instance it is a perfectly fair increase because it provides a salary commensurate with the kind and character of work these people are doing. The third objective of the proposed legislation will be discussed fully by a member of the Foreign Affairs Committee following these remarks. It is not only a worthy objective but it is necessary in order to enable our Government to carry out its obligation to aid and assist the United Nations in the

peaceful settlement of disputes and controversies between foreign nations. The passage of the pending bill will give the required authority for supplying the aid and the equally necessary authority to receive reimbursement therefor from the United Nations.

May I express the hope that the measure will be passed without a dissenting vote.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. JUDD. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, so far I know there is no opposition to this bill. The committee report explains its provisions fully. When it first came before our committee a good many questions were raised as to both the grants and the limitations of power in the bill, and they were very carefully investigated by the committee over a period of 4 days of testimony from State and Defense Departments, much of the testimony of necessity being off the record. The committee came unanimously to the conclusion that the provisions of the bill as, modified and amended in committee, were sound and necessary and in the vital interests of the United States.

I might interject that this is one bill from the Committee on Foreign Affairs which should save us money. Last year we spent over a million dollars to pay the extraordinary expenses of American armed forces which were detailed in a noncombatant capacity to assist as observers, guards, and technicians with the five special missions set up by the United Nations to try to resolve the exceedingly delicate and dangerous situation existing in Palestine, in the Balkans along the Greek border, in India between Hindustan and Pakistan, in Indonesia and in Korea. The United Nations could have reimbursed us for some of the personnel, equipment, supplies, and services we furnished or loaned but without this legislation the National Military Establishment had no authority to accept such reimbursement. With this legislation we might have gotten back at least half of what we spent.

The increase in salaries to our top representatives and delegates to the United Nations of which the chairman the gentleman from West Virginia [Mr. KEE] has just spoken amounts to not over $75,000. Under the bill we hope to get back considerably more than that, so the bill involves no net increase in expenditures.

What may appear at first to be grants of power to the President are really limitations. The President under his constitutional authority as Commander in Chief and as the official responsible for conducting our foreign policy is already detailing American military personnel to operate and work in a noncombatant capacity with these missions. We have tied that power down somewhat. We have made specific the limitation that these men can serve with United Nations missions only in the peaceful settlement of disputes. They cannot be used in the imposition of military sanctions under chapter VII or for any other military operations, except of course to defend themselves if attacked.

Second, the number of personnel has been restricted to 1,000. There never have been more than 452 American officers and men working at one time with these missions, so that is a liberal ceiling. It probably never would get to a thousand, but to make sure that there never would be any possibility of abusing American generosity, or of endangering the United Nations by America furnishing too much of the support of that organization, the bill provides a limitation of 1,000 men.

Then we put in a limitation that only such contributions or loans of facilities, personnel, equipment, or supplies should be made by the United States as are agreed upon by us. The United Nations by itself cannot decide what the United States is to furnish. Our responsible officials will negotiate with the UN on its request and will supply only what we agree to.

A most necessary provision is that which protects the full status and rights in the armed forces of personnel detailed temporarily to United Nations missions.

Mr. Chairman, most of the rest of the bill consist of changes in minor details in the United Nations Participation Act of 1945.

May I make clear that this bill does not do anything to or with the United Nations. It deals only with broadening, improving, and strengthening United States participation in the work of the United Nations. We are a leading member of it. Its headquarters is in our country at our request. Surely the least we should do is to provide everything necessary to enable our representatives and our Government to make the maximum contribution to the effective and efficient working of that organization. I hope before too long we can move more vigorously toward strengthening the organization itself. Important as is its work in these isolated disputes and the work of its specialized agencies it will stand or fall, and our civilization will stand or fall, on whether or not it becomes strong enough to establish a just order under law and prevent a third world war.

Mrs. DOUGLAS. Mr. Chairman, when the United States became a member of the United Nations the Congress passed the United Nations Participation Act of 1945. That act authorized the President and the executive departments to engage in certain activities essential to our full participation in the new world organization. For nearly 4 years that basic legislation has stood without change. It is now necessary, in the light of experience, to make a few limited changes in the United Nations Participation Act.

Before discussing those changes I should like for a minute or two to remind my colleagues of our expectations in 1945 and compare those hopes with the political realities of today.

In 1945 the United Nations was created in the expectation of Big Five solidarity, in the expectation that wartime allies would be natural allies for a peaceful world; in the expectation that democratic give and take and cooperation would provide a solid basis for peace. We realized there would be difficult postwar adjustments to be made but we believed that with work and basic friendships and good will among the nations, ways could be found to make those adjustments.

What we had not expected was the suspicion, the intransigence, and the roadblock techniques of the Soviet Union. The road toward a world organization was strewn not only with natural obstacles, which we expected, but with Soviet designed obstacles, detours, and blind alleys.

The United States has not wavered in its course toward a strong and effective United Nations. Bipartisan consultation and representation have guided American policy toward the United Nations. Ambassador Austin—formerly Senator Austin—has been a tower of strength in acting as this Nation's principal representative.

As background for our consideration of this bill, I have tried to point out that in many respects the obstacles to peace today are greater than we anticipated in 1945. The General Assembly of the United Nations which we expected to meet rather briefly once a year has convened six times in 3 years. The Security Council which was expected to be in session from time to time has been in almost continuous session. This has meant a tremendous load on this Government's representatives to the United Nations. In these years the United States has been looked to more and more for leadership in the United Nations. This has also increased the load on our representatives.

Section 1 of H. R. 4708 will not relieve the load on the United States in the United Nations, but it will spread the load. This section authorizes the appointment of an additional deputy to the United States representative to the United Nations. This means, in terms of personalities, that Ambassador Austin will have two substitutes instead of one. He needs substitutes, and he needs assistance. When the General Assembly and the Security Council are in session at the same time both dealing with problems of world magnitude; when the representatives of other nations are seeking the advice of the United States; when there are demands night after night by audiences who want to know what the United Nations is doing; when there is a staff the size of a major embassy looking to one man for leadership; when a man cannot get away from his job to appear before a committee of this Congress without leaving the United States foreign policy interests in jeopardy; then I say he needs help.

H. R. 4708 will give Ambassador Austin that help. It authorizes him to have two high-caliber deputies. It authorizes them to receive salaries commensurate with their responsibilities.

I should like now to turn to section 4 of this bill. That section is completely new to the original United Nations Participation Act. It authorizes the President to detail limited numbers of United States military personnel to serve the

United Nations in noncombatant capacities and to furnish the United Nations certain facilities and services. The committee examined this provision with great care and is convinced that it offers a realistic way of strengthening the United Nations.

In the past in connection with such UN activities as the Balkan Commission and the Palestine Conciliation Commission, it was apparent that if these commissions were to do their jobs they needed certain essentials such as personnel to serve as observers and guards, or equipment such as transport aircraft, jeeps, and radios. The United Nations called upon member states to supply these essential needs. The United States, along with other members, did its part, although under existing law the executive could only detail personnel or supply equipment to some American military or diplomatic officer serving on the Commission concerned.

The United States must continue to do its part. We must do our part better. This bill will authorize the detail of personnel and the rendering of services directly to the United Nations. But this authority is subject to controls.

Here are the controls:

First. There must be a United Nations request for cooperative action.

Second. The President must find the request consistent with the national interest.

Third. The request must be concerned with the peaceful settlement of disputes not involving the use of armed forces under the Charter.

Fourth. No more than 1,000 United States military personnel may be detailed at any one time.

Fifth. The President should not furnish more than the agreed fair share for the United States.

Sixth. The United Nations shall reimburse the United States for the expenses incurred, except that in exceptional circumstances when the national interest requires, the President may waive reimbursement.

I have gone to some length to set forth the limitations on the detail of personnel and the supplying of services to the United Nations so you may see that we are not giving anything away. The President cannot act under this section except to the extent that he finds it is consistent with the national interest to do so. The United States can save money by authorizing the detail of personnel and the supplying of services under this bill because by so doing we make it less necessary for the United Nations, to which we contribute 40 percent of the budget to maintain full time auxiliary personnel and to purchase transportation and communications equipment of its own.

I have touched on the two most important provisions of H. R. 4708. These are provisions that will strengthen the United Nations and our participation in it.

The House Foreign Affairs Committee has a large number of resolutions pending before it that urge the strengthening of the United Nations. H. R. 4708 is a realistic, hard-headed way of strengthening the United Nations.

I urge my colleagues to support this bill.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That subsections (a), (b), (c), and (d) of section 2 of the United Nations Participation Act of 1945 are hereby amended to read as follows:

"(a) The President, by and with the advice and consent of the Senate, shall appoint a representative and a deputy representative of the United States to the United Nations, both of whom shall have the rank and status of envoy extraordinary and ambassador plenipotentiary and shall hold office at the pleasure of the President. The representative shall receive compensation at the rate of $25,000 per annum and the deputy representative shall receive compensation at the rate of $20,000 per annum. Such representative and deputy representative shall represent the United States in the Security Council of the United Nations and may serve ex officio as United States representative on any organ, commission, or other body of the United Nations other than specialized agencies of the United Nations, and shall perform such other functions in connection with the participation of the United States in the United Nations as the President may from time to time direct.

"(b) The President, by and with the advice and consent of the Senate, shall appoint an additional deputy representative of the United States to the Security Council who shall receive annual compensation of $17,500, and shall hold office at the pleasure of the President. Such deputy representative shall represent the United States in the Security Council of the United Nations in the event of the absence or disability of both the representative and the deputy representative of the United States to the United Nations.

"(c) The President, by and with the advice and consent of the Sente, shall designate from time to time to attend a specified session or specified sessions of the General Assembly of the United Nations not to exceed five representatives of the United States and such number of alternates as he may determine consistent with the rules of procedure of the General Assembly. One of the representatives shall be designated as the senior representative. Such representatives and alternates shall each be entitled to receive compensation at the rate of $15,000 per annum for such period as the President may specify, except that no Member of the Senate or House of Representatives or officer of the United States who is designated under this subsection as a representative of the United States or as an alternate to attend any specified session or specified sessions of the General Assembly shall be entitled to receive such compensation.

"(d) The President may also appoint from time to time such other persons as he may deem necessary to represent the United States in the organs and agencies of the United Nations at such salaries, not to exceed $17,500 each per annum, as he shall determine, but the representative of the United States in the Economic and Social Council and in the Trusteeship Council of the United Nations shall be appointed only by and with the advice and consent of the Senate, except that the President may, without the advice and consent of the Senate, designate any officer of the United States to act, without additional compensation, as the representative of the United States in either such Council (A) at any specified session thereof where the position is vacant or in the absence or disability of the regular representative, or (B) in connection with a specified subject matter at any specified session of either such Council in lieu of the regular representative. The President may designate any officer of the Department of State, whose appointment is subject to confirmation by the Senate, to act, without additional compensation, for temporary periods as the representative of the United States in the Security Council of the United Nations in the absence or disability of the representative and deputy representatives appointed under section 2 (a) and (b) or in lieu of such representatives in connection with a specified subject matter. The advice and consent of the Senate shall be required for the appointment by the President of the representative of the United States in any commission that may be formed by the United Nations with respect to atomic energy or in any other commission of the United Nations to which the United States is entitled to appoint a representative."

SEC. 2. Subsection (b) of section 5 of such act is hereby amended by inserting "or aircraft," after "or vehicle,".

SEC. 3. The proviso in section 6 of such act is hereby amended by inserting after "That" the following: ", except as authorized in section 7 of this act,".

SEC. 4. Such act is hereby amended by inserting after section 6 the following new section:

"SEC. 7. (a) Notwithstanding the provisions of any other law, the President, upon the request by the United Nations for cooperative action, and to the extent that he finds that it is consistent with the national interest to comply with such request, may authorize, in support of such activities of the United Nations as are specifically directed to the peaceful settlement of disputes and not involving the employment of armed forces contemplated by chapter VII of the United Nations Charter—

"(1) the detail to the United Nations, under such terms and conditions as the President shall determine, of personnel of the armed forces of the United States to serve as observers, guards, or in any noncombatant capacity, but in no event shall more than a total of 1,000 of such personnel be so detailed at any one time: *Provided*, That while so detailed, such personnel shall be considered for all purposes as acting in the line of duty, including the receipt of pay and allowances as personnel of the armed forces of the United States, credit for longevity and retirement, and all other perquisites appertaining to such duty; *Provided further*, That upon authorization or approval by the President, such personnel may accept directly from the United Nations (a) any or all of the allowances or perquisites to which they are entitled under the first provision hereof, and (b) extraordinary expenses and perquisites incident to such detail;

"(2) the furnishing of facilities, services, or other assistance and the loan of the agreed fair share of the United States of any supplies and equipment to the United Nations by the National Military Establishment, under such terms and conditions as the President shall determine;

"(3) the obligation, insofar as necessary to carry out the purposes of clauses (1) and (2) of this subsection, of any funds appropriated to the National Military Establishment or any department therein, the procurement of such personnel, supplies, equipment, facilities, services, or other assistance as may be made available in accordance with the request of the United Nations, and the replacement of such items, when necessary, where they are furnished from stocks.

"(b) Whenever personnel or assistance is made available pursuant to the authority contained in subsection (a) (1) and (2) of this section, the President shall require reimbursement from the United Nations for the expense thereby incurred by the United States: *Provided*, That in exceptional circumstances, or when the President finds it

to be in the national interest, he may waive, in whole or in part, the requirement of such reimbursement: *Provided further,* That when any such reimbursement is made, it shall be credited, at the option of the appropriate department of the National Military Establishment, either to the appropriation, fund, or account utilized in incurring the obligation, or to an appropriate appropriation, fund, or account currently available for the purposes for which expenditures were made.

"(c) In addition to the authorization of appropriations to the Department of State contained in section 8 of this act, there is hereby authorized to be appropriated to the National Military Establishment, or any department therein, such sums as may be necessary to reimburse such Establishment or department in the event that reimbursement from the United Nations is waived in whole or in part pursuant to authority contained in subsection (b) of this section.

"(d) Nothing in this act shall authorize the disclosure of any information or knowledge in any case in which such disclosure is prohibited by any other law of the United States."

SEC. 5. Section 7 of such act is hereby amended to read as follows:

"SEC. 8. There is hereby authorized to be appropriated annually to the Department of State, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the payment by the United States of its share of the expenses of the United Nations as apportioned by the General Assembly in accordance with article 17 of the Charter, and for all necessary salaries and expenses of the representatives provided for in section 2 hereof, and of their appropriate staffs, including personal services in the District of Columbia and elsewhere, without regard to the civil-service laws and the Classification Act of 1923, as amended; travel expenses without regard to the Standardized Government Travel Regulations, as amended, the Subsistence Expense Act of 1926, as amended, and section 10 of the act of March 3, 1933, as amended, and, under such rules and regulations as the Secretary of State may prescribe, travel expenses of families and transportation of effects of United States representatives and other personnel in going to and returning from their post of duty; allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (5 U. S. C. 118a); cost-of-living allowances for personnel stationed abroad under such rules and regulations as the Secretary of State may prescribe; communications services; stenographic reporting, translating, and other services, by contract, hire of passenger motor vehicles and other local transportation; rent of offices; printing and binding without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111); allowances and expenses as provided in section 6 of the act of July 30, 1946 (Public Law 565, 79th Cong.), and allowances and expenses equivalent to those provided in section 901 (3) of the Foreign Service Act of 1946 (Public Law 724, 79th Cong.); the lease or rental (for periods not exceeding 10 years) of living quarters for the use of the representative of the United States to the United Nations referred to in paragraph (a) of section 2 hereof, the cost of installation and use of telephones in the same manner as telephone service is provided for use of the Foreign Service pursuant to the act of August 23, 1912, as amended (31 U. S. C. 679), and the allotment of funds, similar to the allotment authorized by section 902 of the Foreign Service Act of 1946, for unusual expenses incident to the operation and maintenance of such living quarters, to be accounted for in accordance with section 903 of said Act; and such other expenses as may be authorized by the Secretary of State; all without regard to section 3709 of the Revised Statutes, as amended (41 U. S. C. 5)."

Mr. KEE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that it be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. KEE. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. KEE:

Page 1, subsection (a), line 11, strike out the words "The representative" and through the end of the sentence on page 2, line 2.

Page 2, subsection (b), line 14, strike out the words "shall receive annual compensation of $17,500 and".

Page 3, subsection (c), line 3, strike out the words "Such representative" and all following lines through to the end of the subsection on line 11.

Page 3, subsection (d), line 15, after the word "Nations", strike out the balance of the line and through the word "but" on line 16.

Page 4, between lines 17 and 18, insert a new section No. 2 and renumber subsequent sections as necessary:

"SEC. 2. Section 2 of such act is further amended by adding the following new subsection:

"'(f) All persons appointed in pursuance of authority contained in this section shall receive compensation at rates determined by the President upon the basis of duties to be performed but not in excess of rates authorized by sections 411 and 412 of the Foreign Service Act of 1946 (Public Law 724, 79th Cong.) for chiefs of mission and Foreign Service officers occupying positions of equivalent importance, except that no Member of the Senate or House of Representatives or officer of the United States who is designated under subsections (c) and (d) of this section as a representative of the United States or as an alternate to attend any specified session or specified sessions of the General Assembly shall be entitled to receive such compensation.'"

The committee amendment was agreed to.

Mr. KEE. Mr. Chairman, I offer a perfecting amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. KEE: On page 8, lines 9 and 10, strike out "Subsistence Expense Act of 1926, as amended" and insert: "Travel Expense Act of 1949."

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MITCHELL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4708) to amend the United Nations Participation Act of 1945, pursuant to House Resolution 280, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

### EXTENSION OF REMARKS

Mr. GOSSETT asked and was given permission to extend his remarks in the RECORD and include a speech by the gentleman from Texas [Mr. LUCAS].

Mr. WILSON of Oklahoma asked and was given permission to extend his remarks in the RECORD.

### GENERAL LEAVE TO EXTEND

Mr. KEE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks in the RECORD on the bill just passed, and also to extend at the point when the bill was under consideration.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

### CERTAIN CLAIMS AGAINST THE UNITED STATES

Mr. SMATHERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 937) to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

On page 3, line 1, of the Senate engrossed bill, strike out "$23,384.03" and insert in lieu thereof "$20,359.65."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is merely reaffirming the position of the House?

Mr. SMATHERS. That is exactly correct.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

### AGRICULTURAL BILL

Mr. SABATH. Mr. Speaker, I ask unanimous request to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, the Committee on Rules, after five or six prolonged hearings on the Pace bill, concluded its hearings and granted a rule for the consideration of the bill which will be brought up in the House Tuesday, July

19. After listening to the evidence of the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY], the testimony of the chairman of the subcommittee, the gentleman from Georgia [Mr. PACE], and other members of the committee, I conferred with the Secretary of Agriculture, Mr. Brannan, and with the gentleman from Nebraska, Representative O'SULLIVAN, and obtained their views with respect to the proposed legislation. I then gave nights and days of thought and study to the proposed farm program and painstakingly digested a statement of Secretary Brannan and I now ask unanimous consent to extend my conclusions in the RECORD for the benefit of those Members who have not been able to give their time and study to this all-important proposed legislation and to express the hope that they will read my conclusions in support of the Pace bill before they will vote.

Therefore, Mr. Speaker, I ask unanimous consent that I may have the privilege of inserting as part of my remarks a statement which I have prepared on the bill.

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, and I shall not object, I will certainly be interested in reading the statement of the gentleman who is a great expert on agriculture.

Mr. SABATH. I had these conferences with many people who are experts because I am not an expert on this subject—although I think I know as much about agriculture as does the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I have weighed carefully the new farm price-support proposals contained in this bill, H. R. 5345. Like many others, I had several questions about them when they were first recommended by Secretary Brannan early in April. They sounded a little too good to be true—largely, I think, because they promised to benefit everyone, farmers and nonfarmers alike. And almost immediately the charge was made by those who opposed them that the proposals were simply a political maneuver designed to please everybody, and that they could not possibly be carried out without costing the poor taxpayer plenty.

Looking back on this first reaction, after studying the proposals both as the Secretary made them in his statement of April 7 and as they are incorporated in this bill, I cannot find any basis for the opposition's charges.

Our way of life and our system of free capitalistic enterprise are both based on the fundamental assumption that what is good for one group is good for all groups or it just is not good. In the past, legislative proposals that sought to favor one group at the expense of another have been promptly labeled class legislation, and when the legislators had their wits about them they promptly turned them down. And yet now, when a set of straightforward proposals is made by the Secretary of Agriculture to minimize whatever aspects of class legislation any measures to support the prices of farm products might have, the proposal is either denounced as vicious class legislation or condemned because it seeks to give the consumer and the economy as a whole a break along with the farmer.

What sort of reasoning is it that twists things in this way? Certainly it does not hold up under scrutiny—something which the Brannan proposals do.

Let us look at them—their objectives, what they might be expected to accomplish in the form they are given in this bill, H. R. 5345, their advantages to both the farmer and the consumer, and their probable cost.

H. R. 5345 does not include all the recommendations made by the administration, and it modifies others, but the objective remains the same. The Secretary of Agriculture has stated it simply and clearly—to assist farmers to maintain a reasonably stable income at a fair level—a level which is equitable to farmers and in the best interest of the other economic groups within our population.

There is nothing new in that objective. It has been the underlying goal of all major farm legislation. What is new about it is the emphasis on income rather than price in the means suggested for reaching the objective. If, in the interest of the whole economy, we really mean to assist farmers to maintain a reasonably stable income—as we have repeatedly professed that we do—why not really do something about it?

When slumping farm prices give a warning signal that there may be a depression ahead, what the farmer needs is not a staggered price support that sags with the oncoming weight of the depression, but some firm income-assurance that will help him lift the depression off his and everybody else's shoulders, while the consumer meanwhile gets needed food at prices he can afford to pay. This is the basic idea behind the income-support standards, the revised parity prices, and the production payment method.

How much of this objective will the enactment of H. R. 5345 actually achieve? According to the committee report, the bill does three things: First. It provides a new and modernized method for the calculation of parity, to be known as the income-support standard; second, it continues to provide price support for agricultural commodities at about the present levels; and third, it authorizes the Secretary of Agriculture to make a test or trial of the production payment method of supporting prices on three commodities.

These three things seem to me to provide what is needed to get started on this new approach to farm-income stability. The limits on the use of the production payment method should provide adequate safeguards for the taxpayer until the actual effects and results of the method can be determined by actual use.

To me one of the great virtues of the bill is that its advantages to farmers and to consumers need not be discussed separately. It frankly emphasizes the fact that a sound agriculture is basic to our system of free enterprise and to our economic well-being. It seeks to fight depression—the only recurrent weakness of our system—by fighting it at its historical source. It would do this by maintaining the purchasing power of farmers at a fair level, so that our farmers can remain good customers for the products of our towns and cities, and by maintaining an ample flow of farm products to urban users and consumers at prices they can afford to pay. This is good business for every Main Street in the country.

How much will it cost? With the limitations placed on the use of production payments, it is obvious that there is absolutely no basis for the extreme figures cited by those who would like to scuttle the whole idea. Like any other method of farm-income support, this method will cost whatever we choose to put into it, and that amount will be determined largely by how great the need is and how effectively we wish to meet the need. Naturally it will cost more than simply giving political lip service to an idea and nothing else.

Those who insist on getting farm-price support at little or no cost are really enemies of price support. They go along with the idea when times are good and the farmer needs a minimum of help, but when the going gets tough and the farmer really needs help in his vital role of shoring up the economy they shy away from any really effective method of assistance.

Actually, for the same results, it should cost less to finance this legislation than to finance the legislation it will supplant. I say this because it makes unnecessary the type of expenditure that was required to carry out price-support legislation on potatoes last year—a type of expenditure that double taxes the consumer by requiring him to pay not only for the actual price support but also for removing the surplus production, part of which at least the consumer might have bought at the lower prices made possible by the production-payment method.

For these reasons I feel strongly that it is in the national interest to adopt this legislation. I am supporting it because I am convinced that it will not only benefit farmers but will also benefit consumers. And in addition, it will give us valuable experience in price-support operations upon which we can plan for the future.

### EXTENSION OF REMARKS

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD and include an editorial.

### SUPPORT PRICE FOR MANUFACTURED DAIRY PRODUCTS

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, on several occasions I have

called attention to the fact that the support price for manufactured dairy products has not been carried out according to the present law. The law states, "90 percent support shall be 90 percent of parity for milk and its products." Butter is being supported in accordance with the law, but cheese and evaporated milk are not.

Let us look at the cheese situation. For an example, during the base period of 1909–1914 the cheese price on the Plymouth (Wis.) Board was 14.5 cents per pound, according to the Bureau of Agricultural Economics of the United States Department of Agriculture. Fourteen and five-tenths cents by two and forty-six hundredths, the parity factor, equals 35.6 cents, which is the parity price per pound as of Plymouth. The support price of 90 percent of parity is 90 percent of 35.6 cents, or 32.1 cents per pound. The cheese price at Plymouth should then at least be 32.1 cents per pound according to the law. Last Friday, July 15, 1949, the Plymouth (Wis.) Board report showed sales at 27 cents per pound. Parity prices apply to the farmer, and the Plymouth (Wis.) Board price is reflected back to the farmer.

Here is another example, milk used in the manufacture of evaporated milk. The base period 1909–1914 price to the farmer was $1.50 per hundredweight. One dollar and fifty cents by two and forty-six hundredths, the parity factor, equals $3.69 per hundredweight. And 90 percent of $3.69 is $3.32, the legal lawful support price under the present law.

The questions are:

First. Why is the present law not being followed?

Second. Why should dairymen be compelled to sell their milk at a price 30 to 60 cents per hundredweight below the support price provided by the present law?

Third. Why should a State like Wisconsin producing 14,000,000,000 pounds of milk be underpaid by fifty to seventy million dollars? This underpayment exceeds all of the subsidy payments made to Wisconsin.

Fourth. Why, may I ask in all sincerity, should we be misled by other promises such as are contained in the Pace bill, when the first objective should be to fulfill the commitments of the present law?

If the Bureau of Agricultural Economics or anyone else wishes to take issue on these calculations and conclusions, I shall be pleased to have them do so.

The Pace bill may promise more support for milk, but when figured out with its gadgets the support price is practically the same as the present law.

### TWO EVENTS OF NOTE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the executives of the Waltham Watch Co. have set a very fine example to labor all over the United States in that they have voluntarily agreed to sign anti-Communist affidavits. It is a very fine example that should be followed everywhere in our country.

Mr. Speaker, on Saturday some members of the Committee on Veterans' Affairs, together with member of the committee staff, flew down to Richmond, Va., to see one of the first houses built partly with Federal money under the Paraplegic Housing Act. It was a very touching experience to see this paraplegic in his home with his wife, the first such home built as a result of the bill passed by Congress last year. The house is so arranged that he could wheel himself from room to room without interference from sills. Extra wide doors permitted the passage of the wheelchair. It gave us all pleasure to see what an inspiration this house was to him.

### THE RUSSIAN AIR FLEET

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Speaker, those who are genuinely interested in the safety of this Nation from Soviet aggression have cause for concern over the display of air power yesterday before the Kremlin in Moscow, in the celebration called the Day of the Air Fleet.

The planes which streaked across the Russian sky yesterday appear to be produced in mass quantities. They fly farther, faster, and higher than our planes of the same general type.

It is now apparent that the Communists are going in for air power on a vast scale. Those who are critical of our efforts should show their patriotism by getting behind a program for the further scientific development of American air power. It is vital to our defense and safety.

### EXTENSION OF REMARKS

Mr. MACK of Washington asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two separate instances, in each to include extraneous material.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD.

Mr. HARVEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an essay.

Mrs. BOLTON of Ohio. Mr. Speaker, believing there is much wisdom to be found in the experiences of those who have made their contribution here on Capitol Hill, I ask unanimous consent to insert my own remarks in the Appendix of the RECORD, including therein an excerpt from a speech made in the other body by the distinguished Senator from Georgia, Mr. Benjamin Harvey Hill, on March 27, 1878.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

### COMMITTEE ON EDUCATION AND LABOR

Mr. SIMS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. SIMS. Mr. Speaker, I have today presented to the clerk a motion in writing to discharge the Education and Labor Committee from the consideration of S. 246, a bill to provide Federal aid to education.

As a member of the Education and Labor Committee and as a member of the Barden subcommittee which held hearings on Federal aid, I am presenting this petition of discharge because I sincerely believe that this is the only way that the House membership will have an opportunity to vote on this vital measure.

This petition of discharge is not critically aimed at the chairman of my committee or at the chairman of my subcommittee. Circumstances within the committee are such, however, that unless 218 Members of this body sign a petition of discharge, it is my opinion that Federal aid to education is dead for this session of Congress.

The Senate by a vote of 58 to 15 passed S. 246, and sent this measure to the House Education and Labor Committee more than 2 months ago. Forty days ago the Barden subcommittee completed hearings on Federal aid, and reported out an amended form of the Barden bill. The Education and Labor Committee has taken no action on Federal aid to education for 40 days.

The basic issue involved in the Federal aid to education controversy is whether public funds should be appropriated to sectarian schools.

The Senate bill avoids this controversial issue. It does not endorse, nor does it condemn the principle of appropriating public funds for sectarian schools.

My petition is to discharge the Senate bill. I am convinced of the need for Federal aid. I am also convinced that a Federal aid to education bill is doomed, if it attempts to meet head-on the question of whether public funds should be appropriated to sectarian schools.

The Senate bill leaves this question up to the individual States. I hope that all Members of this body who are genuinely interested in providing a minimum education foundation program for the youth of this country will join with me in avoiding the religious issue by signing this petition of discharge.

If a majority of the total membership of this body sign the petition of discharge within the next 8 or 9 days, the Senate Federal aid to education bill may be considered by this body on the 8th day of August.

52–20 BENEFITS

Mr. DAVENPORT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DAVENPORT. Mr. Speaker, unless the 52–20 benefits now provided for veterans are extended beyond the deadline of July 25, we will have committed an unworthy deed toward these boys.

Mr. Speaker, I appeal to the Veterans' Affairs Committee to bring 52–20 benefits legislation to the floor of the House for a vote.

In Allegheny County, Pa., which lies in my district, more than 10,000 veterans will lose their benefits unless Congress acts. These are mostly persons who have not earned sufficient money to qualify for State unemployment benefits. In addition to the 10,000 veterans in Allegheny County who are now receiving 52–20 benefits, there are almost 15,000 other veterans now unemployed and not getting Federal benefits.

I have introduced H. R. 5569 to extend the 52–20 benefits until February of next year. By that time Congress will be able to make a more permanent and just settlement. In any case the continuation of benefits beyond the current period is most essential since current business layoffs have hit chiefly the young veterans with little seniority on the job. In addition many veterans recently graduated from school have not been able to find jobs in the shrinking employment market. In order to help the young unemployed veterans with little seniority and those who have graduated recently from school, it is unfair to cut off their benefits. For a Nation which threw away hundreds of millions of dollars in 1948 for unneeded potato subsidies, the cost of continuing the 52–20 benefit program would be negligible.

We must act quickly to extend these benefits or we shall not have acted fairly to our veterans.

EXTENSION OF REMARKS

Mr. FLOOD asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD.

INCREASE IN SALARIES OF THE JUDGES OF THE MUNICIPAL COURT OF APPEALS AND MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3901) to increase the salaries of the judges of the Municipal Court of Appeals for the District of Columbia and the Municipal Court for the District of Columbia, with Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That the salary of the judges of the Municipal Court of Appeals for the District of Columbia authorized by the act approved April 1, 1942 (56 Stat. 191, 194, D. C. Code, title XI, secs. 753 and 771), is hereby increased so that the salary of the chief judge of the Municipal Court of Appeals for the District of Columbia shall be $14,500 per annum and the salary of each associate judge shall be $14,000 per annum; the salary of the chief judge of the Municipal Court for the District of Columbia shall be $13,500 per annum and the salary of each associate judge shall be $13,000 per annum.

"SEC. 2. Section 2 of said act of April 1, 1942, is amended by striking out the words 'The salary of the chief judge shall be $8,500 per annum and the salary of each associate judge shall be $8,000 per annum' and substituting in lieu thereof the following: 'The salary of the chief judge shall be $13,500 per annum and the salary of each associate judge shall be $13,000 per annum.'

"SEC. 3. Section 6 of said act of April 1, 1942, is amended by striking out the words: 'The salary of the chief judge shall be $9,500 per annum and the salary of each associate judge shall be $9,000 per annum' and substituting in lieu thereof the following: 'The salary of the chief judge shall be $14,500 per annum and the salary of each associate judge shall be $14,000 per annum.'"

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman briefly explain what the Senate amendment does?

Mr. McMILLAN of South Carolina. Mr. Speaker, the House passed a bill increasing the salaries of judges of the municipal court of appeals and the municipal court. The Senate increased the appellate court judges by $1,000 over the Municipal Court judges. The House committee has agreed to the Senate amendment.

Mr. MARTIN of Massachusetts. The Senate amendment lifts the salary by a thousand dollars?

Mr. McMILLAN of South Carolina. The Senate provided a difference of $1,000.

Mr. MARTIN of Massachusetts. How many judges are there?

Mr. McMILLAN of South Carolina. There are 3 appellate judges.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, inasmuch as a quorum is not present, does the gentleman think this legislation would be valid? That is, increasing the salaries of justices of the court?

Mr MARTIN of Massachusetts. I think the judges will decide it is, in this particular case.

Mr. HOFFMAN of Michigan. In view of the ruling of the Speaker this morning that the House makes its own rules, when it comes to a decision as to the validity of its rules, and you go to the Supreme Court, the Supreme Court might hold this is not valid because a quorum is not present.

Mr. McMILLAN of South Carolina. The House has already passed this legislation, but the Senate added a little more to it.

Mr. DINGELL. Mr. Speaker, reserving the right to object, may I say to the gentleman from Michigan [Mr. HOFFMAN], that this House is not entirely defenseless in the matter of restricting the unwarranted license of the Supreme Court and the sooner the House declares itself on that point and tells the Supreme Court to remain within its cloister and that we will take care of things here, the sooner we will abate the nuisance and have an understanding.

Mr. HOFFMAN of Michigan. I quite agree with the gentleman and I hope he will introduce a bill to carry that out.

Mr. DINGELL. I think it is brazen on the part of the Supreme Court to attempt to tell the Congress what its rules must be. No one in the Congress questioned the fact that there might or might not have been a quorum, and certainly no one outside of the Congress, including the Supreme Court united or divided in decision, has a right to raise that question.

Mr. HOFFMAN of Michigan. But the Supreme Court did.

Mr. DINGELL. I think we can wipe their slate clean and teach them a proper lesson if we want to.

Mr. HOFFMAN of Michigan. Oh, my.

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, does this amendment fix the salaries of these judges the same as judges of the Federal courts?

Mr. McMILLAN of South Carolina. No, it does not.

Mr. SMITH of Ohio. What does it do?

Mr. McMILLAN of South Carolina. This gives them an increase in salary but not as high as the district court judges get. We do not increase them as high as the salaries of the district judges.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PROVIDE FOR REGULATION OF CERTAIN BUSINESS CORPORATIONS

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3343) to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. McMILLAN of South Carolina. Mr. Speaker, this bill brings the District Corporation Act up to date. It has the approval of the District Commissioners, the District bar, and all of the parties concerned.

Mr. MARTIN of Massachusetts. As I understand it has the unanimous support of the gentleman's committee?

Mr. McMILLAN of South Carolina. That is right; of the subcommittee and the full committee.

The purpose of this legislation is to provide the District of Columbia with a modern corporation act to meet the current trends of business.

It is the result of more than 15 years effort on the part of Bar Association of the District of Columbia.

This bill will affect business corporations only. It does not apply to charitable, church, or benevolent corporations. It follows in substantial form the model corporation law of the American Bar Association, which has been adopted with some slight modifications by the States of Illinois, Oklahoma, and others.

The legislation has the approval of the Commissioners of the District of Columbia.

Exhaustive studies have been made by the Congress in cooperation with the District Bar Association and the corporation counsel of the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.* –

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SHORT TITLE

SECTION 1. This act shall be known and may be cited as the "District of Columbia Business Corporation Act."

DEFINITIONS

SEC. 2. As used in and for the purposes of this act, unless the context otherwise requires—

(a) "Corporation" or "domestic corporation" means a corporation subject to the provisions of this act, except a foreign corporation.

(b) "Foreign corporation" means a corporation for profit organized under laws other than the laws of the District of Columbia and special acts of Congress.

(c) "Articles of incorporation" include the original articles of incorporation and all amendments thereto, and include articles of merger or consolidation.

(d) "Subscriber" means one who subscribes for shares in a corporation, whether before or after incorporation.

(e) "Incorporator" means one of the signers of the original articles of incorporation.

(f) "Shares" are the units into which the shareholders' right to participate in the control of the corporation, in its surplus or profits, or in the distribution of its assets, are divided.

(g) "Shareholder" means one who is a holder of record of shares in a corporation.

(h) "Authorized shares" means the aggregate number of shares of all classes, whether with or without par value, which the corporation is authorized to issue.

(i) Shares of its own stock belonging to a corporation shall be deemed to be "issued" shares, but not "outstanding" shares.

(j) "Stated capital" means, at any particular time, the sum of (1) the par value of all shares then issued having a par value and (2) the consideration received by the corporation for all shares then issued without par value, except such part thereof as may have been allocated otherwise than to stated capital in a manner permitted by law, and (3) such amounts not included in clauses (1) and (2) of this paragraph as may have been transferred to the stated capital account of the corporation, whether upon the issue of shares as a share dividend or otherwise, minus such formal reductions from said sum as may have been effected in a manner permitted by law.

(k) "Paid-in surplus" means all that part of the consideration received by the corporation for, or on account of, all shares issued which does not constitute stated capital, whether heretofore or hereafter created by (1) the receipt by the corporation, for, or on account of, the issuance of shares having a par value of consideration in excess of the par value of such shares of (2) the allocation of any part of the consideration received by the corporation for, or on account of, the issuance of shares in a manner permitted by law or (3) a reduction of stated capital under this act, minus such formal reductions of paid-in surplus as may have been effected in a manner permitted by law.

(l) "Net assets," for the purpose of determining the right of a corporation to purchase its own shares and of determining the right of a corporation to declare and pay dividends and the liabilities of directors therefor, shall not include shares of its own stock belonging to such corporation.

(m) "Registered office" means that office maintained by the corporation, the address of which is on file with the Superintendent of Corporations.

(n) "Insolvent" means that the corporation is unable to pay its debts as they become due in the usual course of its business.

(o) "State" means any State, Territory, colony, dependency, or possession of the United States of America, or any foreign country.

(p) "District" means the District of Columbia.

(q) "The court," except where otherwise specified, means the United States District Court for the District of Columbia.

(r) "Business by a foreign corporation" means the transaction of some substantial part of its corporate business, continuous in its character and not merely casual or occasional, and shall not include the prosecution of litigations, collection of its debts, or the taking of security for the same, or the appointment of an agent for the solicitation of business not transacted in the District: *Provided*, That mere procurement of orders for the sale of personal property by means of telephonic communication, written correspondence, or solicitation by salesmen in the District where such orders require acceptance without the District before becoming binding on the purchaser and seller and title to such property passes from the seller to the purchaser without the District shall not constitute transacting business within the District: *And provided further*, That the sale of personal property to the United States shall not be considered transacting business within the District unless a contract for such sale is accepted by the seller within the District or such property is delivered from stock of the seller within the District for use within the District.

PURPOSES

SEC. 3. Corporations for profit may be organized under this act for any lawful purpose or purposes, except for the purpose of banking or insurance or the acceptance and execution of trusts, the operation of railroads, or building and loan associations: *Provided*, That nothing contained in this act shall be construed to relieve any public-utility corporation incorporated or reincorporated under the provisions of this act from complying with all applicable provisions of the laws of the District of Columbia relating to such corporations.

GENERAL POWERS

SEC. 4. Each corporation shall have power:

(a) To have perpetual succession by its corporate name unless a limited period of duration is stated in its articles of incorporation.

(b) To sue and be sued, complain and defend, in its corporate name.

(c) To have a corporated seal, which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.

(d) To purchase, take, receive, lease, take by gift, devise, or bequest, or otherwise acquire, and to own, hold, improve, use, and otherwise deal in and with real or personal property, or any interest therein, wherever situated.

(e) To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets.

(f) To lend money to, and otherwise assist, its employees, other than its officers and directors.

(g) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other corporations organized under the laws of the District of Columbia, of foreign corporations, and of associations, partnerships, or individuals.

(h) To make contracts and incur liabilities; to borrow money at such rates of interest as the corporation may determine without regard to the restrictions of any usury law; to issue its notes, bonds, and other obligations; and to secure any of its obligations by mortgage or pledge of all or any of its property, franchises, and income. No corporation formed hereunder shall plead any statutes against usury in any court of law or equity in any suit instituted to enforce the payment of any bond, note, or other evidence of indebtedness issued or assumed by it.

(i) To invest its surplus funds from time to time and to lend money for its corporate purposes, and to take and hold real and personal property as security for the payment of funds so invested or loaned.

(j) To conduct its business, carry on its operations, and have offices and exercise the powers granted by this act within and without the District of Columbia and to exercise in any State, Territory, district, colony, or possession of the United States, or in any foreign country the powers granted by this act, subject to the laws of such State, Territory, District, colony, or possession of the United States, or such foreign country.

(k) To elect or appoint officers and agents of the corporation, and to define their duties and fix their compensation.

(l) To make and alter bylaws, not inconsistent with its articles of incorporation or with the laws of the District of Columbia, for the administration and regulation of the affairs of the corporation.

(m) To make contributions to charitable organizations, and, in time of war, to transact any lawful business in aid of the United States.

(n) To cease its corporate activities and surrender its corporate franchise.

(o) To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is formed.

(p) To indemnify any and all of its directors or officers or former directors or officers or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding in which they, or any of them, are made parties, or a party, by reason of being or having been directors or officers or a director or officer of the corporation, or of such other corporation, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled, under any bylaw, agreement, vote of stockholders, or otherwise.

POWER OF CORPORATION TO ACQUIRE ITS OWN SHARES

SEC. 5. A corporation shall have power to purchase, take, receive, or otherwise acquire, hold, own, pledge, transfer, or otherwise dispose of its own shares: *Provided*, That it shall not purchase, either directly or indirectly, its own shares when its net assets are less than the sum of its stated capital, its paid-in surplus, any surplus arising from unrealized appreciation in value or revaluation of its assets and any surplus arising from surrender to the corporation of any of its shares, or when by so doing its net assets would be reduced below such sum. Notwithstanding the foregoing limitations, a corporation may purchase or otherwise acquire its own shares for the purpose of—

(a) eliminating fractional shares;

(b) collecting or compromising claims of the corporation or any indebtedness to the corporation;

(c) paying dissenting shareholders entitled to payment for their shares under the provisions of this act;

(d) effecting the retirement of its redeemable shares by redemption or by purchase at not to exceed the redemption price, but no redemption or purchase of redeemable shares shall be made which will reduce the remaining assets of the corporation below an amount sufficient to pay all debts and known liabilities of the corporation as they mature, except such debts and liabilities as have been

otherwise adequately provided for, or which will reduce the net assets below the aggregate amount payable to the holders of shares having prior or equal rights to the assets of the corporation upon dissolution.

DEALING IN REAL ESTATE AS CORPORATE PURPOSE

SEC. 6. A corporation having among its purposes, as set forth in its articles of incorporation, that of acquiring, owning, using, conveying, and otherwise disposing of and dealing in real property or any interest therein, shall have power and authority so to do without limitation.

DEFENSE OF ULTRA VIRES

SEC. 7. No act of a corporation and no conveyance or transfer of real or personal property to or by a corporation shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such conveyance or transfer, but such lack of capacity or power may be asserted—

(a) in a proceeding by a shareholder against the corporation to enjoin the doing of any act or acts or the transfer of real or personal property by or to the corporation. If the authorized acts or transfer sought to be enjoined are being, or are to be, performed or made pursuant to any contract to which the corporation is a party, the court may, if all of the parties to the contract are parties to the proceeding and if it deems the same to be equitable, set aside and enjoin the performance of such contract, and in so doing may allow to the corporation or to the other parties to the contract, as the case may be, compensation for the loss or damage sustained by either of them which may result from the action of the court in setting aside and enjoining the performance of such contract, but anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained;

(b) in a proceeding by the corporation, whether acting directly or through a receiver, trustee, or other legal representative, or through shareholders in a representative suit, against the incumbent or former officers or directors of the corporation;

(c) in a proceeding by the Superintendent of Corporations, as provided in this act, to dissolve the corporation, or in a proceeding by the Superintendent of Corporations to enjoin the corporation from the transaction of unauthorized business.

CORPORATE NAME

SEC. 8. The corporate name—

(a) shall contain the word "corporation," "company," "incorporated," or "limited," or shall contain an abbreviation of one of such words;

(b) shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation;

(c) shall not be the same as, or deceptively similar to, the name of any domestic corporation, or that of any corporation organized under any act of Congress authorizing the formation of corporations under the laws of the District of Columbia, or that of any corporation created pursuant to any special act of a Congress to transact business in the District of Columbia, or that of any foreign corporation authorized to transact business in the District of Columbia, or a name the exclusive right to which is at the time reserved in the manner provided in this act.

RESERVED NAME

SEC. 9. (a) The exclusive right to the use of a corporate name may be reserved by—

(1) any person intending to organize a corporation under this act or any other act for the organization of a corporation under the laws of the District of Columbia;

(2) any corporation organized under this act proposing to change its name;

(3) any corporation organized under any law other than this act proposing to reincorporate under this act;

(4) any foreign corporation intending to make application for a certificate of authority to transact business in the District of Columbia;

(5) any foreign corporation authorized to transact business in the District of Columbia and intending to change its name;

(6) any person intending to organize a foreign corporation and intending to have such corporation make application for a certificate of authority to transact business in the District of Columbia.

(b) The reservation shall be made by filing with the Superintendent of Corporations an application to reserve a specified corporate name, executed by the applicant. If the Superintendent of Corporations finds that the name is available for corporate use, he shall reserve the same for the exclusive use of the applicant for a period of 60 days.

(c) The right to the exclusive use of a specified corporate name so reserved may be transferred to any other person or corporation by filing in the office of the Superintendent of Corporations a notice of such transfer, executed by the applicant for whom the name was reserved, and specifying the name and address of the transferee.

REGISTERED OFFICE AND REGISTERED AGENT

SEC. 10. Each corporation shall have and continuously maintain in the District of Columbia—

(a) a registered office which may be, but need not be, the same as its place of business;

(b) a registered agent, which agent may be either an individual resident in the District of Columbia whose business office is identical with such registered office, or a corporation authorized by the articles of incorporation to act as such agent and authorized to transact business in the District of Columbia having a business office identical with such registered office.

CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT

SEC. 11. (a) A corporation may change its registered office or change its registered agent, or both, by filing in the office of the Superintendent of Corporations a statement setting forth—

(1) the name of the corporation;

(2) the address, including street and number, if any, of its then registered office;

(3) if the address of its registered office be changed, the address, including street and number, if any, to which the registered office is to be changed;

(4) the name of its then registered agent;

(5) if its registered agent be changed, the name of its successor registered agent;

(6) that the address of its registered office and the address of the business office of its registered agent, as changed, will be identical; and

(7) that such change was authorized by resolution duly adopted by its board of directors or was authorized by an officer of the corporation duly empowered to make such change.

(b) Such statement shall be executed by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and delivered to the Superintendent of Corporations. If the Superintendent of Corporations finds that such statement conforms to the provisions of this Act, he shall file such statement.

(c) The change of address of the registered office, or the change of registered agent, or both, as the case may be, shall become effective upon the filing of such statement by the Superintendent of Corporations.

REGISTERED AGENT AS AN AGENT FOR SERVICE

SEC. 12. (a) The registered agent so appointed by a corporation shall be an agent of such corporation upon whom process against the corporation may be served, and upon whom any notice or demand required or permitted by law to be served upon the corporation may be served. Service of any process, notice, or demand upon a corporate agent, as such agent, may be had by delivering a copy of such process, notice, or demand to the president, vice president, the secretary, or an assistant secretary of such corporate agent.

(b) In the event a corporation shall fail to appoint or maintain a registered agent, then the Superintendent of Corporations is hereby irrevocably appointed as an agent of such corporation upon whom any such process, notice, or demand may be served. Service on the Superintendent of Corporations of any such process, notice, or demand shall be made by delivering to and leaving with him duplicate copies of such process, notice, or demand. In the event any such process, notice, or demand is served on the Superintendent of Corporations, he shall immediately cause one of such copies thereof to be forwarded by registered mail, addressed to the corporation at its registered office. Any service so had on the Superintendent of Corporations shall be returnable in not less than 30 days.

(c) The Superintendent of Corporations shall keep a record of all processes, notices, and demands served upon him under this section, and shall record therein the time of such service and his action with respect thereto.

(d) Nothing herein contained shall limit or affect the right to serve any process, notice, or demand, required or permitted by law to be served upon a corporation in any other manner now or hereafter permitted by law.

AUTHORIZED SHARES

SEC. 13. (a) Each corporation shall have power to create and issue the number of shares stated in its articles of incorporation. Such shares may be divided into one or more classes, any or all of which classes may consist of shares with par value or shares without par value, with such designations, preferences, voting powers, special or relative rights and such limitations, restrictions, or qualifications thereof as shall be stated in the articles of incorporation. The articles of incorporation may limit or deny the voting power of the shares of any class.

(b) Without limiting the authority herein contained, a corporation, when so provided in its articles of incorporation, may issue shares of preferred or special classes—

(1) subject to the right of the corporation to redeem any of such shares at the price fixed by the articles of incorporation for the redemption thereof;

(2) entitling the holders thereof to cumulative or noncumulative dividends;

(3) having preference over any other class or classes of shares as to the payment of dividends;

(4) having preference as to the assets of the corporation over any other class or classes of shares upon the voluntary or involuntary liquidation of the corporation;

(5) convertible into shares of any other class: *Provided*, That shares without par value shall not be converted into shares with par value unless that part of the stated capital of the corporation represented by such shares without par value is, at the time of conversion, at least equal to the aggregate par value of the shares into which the shares without par value are to be converted.

ISSUANCE OF SHARES OF PREFERRED OR SPECIAL CLASSES IN SERIES

SEC. 14. (a) If the articles of incorporation so provide, the shares of any preferred or special class may be divided into and issued in series. If the shares of any such class are to be issued in series, then each series shall be so designated as to distinguish the shares thereof from the shares of all other series and

classes. Any or all of the series of any such class and the variations in the relative rights and preferences as between different series may be fixed and determined by the articles of incorporation: *Provided*, That all shares of the same class shall be identical except as to the following relative rights and preferences, in respect of any or all of which there may be variations between different series:

(1) The rate of dividend.

(2) The price at and the terms and conditions on which shares may be redeemed.

(3) The amount payable upon shares in event of involuntary liquidation.

(4) The amount payable upon shares in event of voluntary liquidation.

(5) Sinking-fund provisions for the redemption or purchase of shares.

(6) The terms and conditions on which shares may be converted, if the shares of any series are issued with the privilege of conversion.

(b) If the articles of incorporation shall expressly vest authority in the board of directors, then, to the extent that the articles of incorporation shall not have established series and fixed and determined the variations in the relative rights and preferences as between series, the board of directors shall have authority to divide any or all of such classes into series and, within the limitations set forth in this section, fix and determine the relative rights and preferences of the shares of any series so established: *Provided*, That such authority of the board of directors shall be subject to such further limitations, if any, as are stated in the articles of incorporation and shall always be subject to the limitation that the board of directors shall not create a sinking fund in respect of any series unless provision for a sinking fund at least as beneficial to all issued and outstanding shares of the same class shall either then exist or be at the same time created.

(c) In order for the board of directors to establish a series, where authority so to do is contained in the articles of incorporation, the board of directors shall adopt a resolution setting forth the designation of the series and fixing and determining the relative rights and preferences thereof, or so much thereof as shall not be fixed and determined by the articles of incorporation.

(d) Prior to the issuance of any shares of a series established by resolution adopted by the board of directors, the corporation shall file in the office of the Superintendent of Corporations a statement setting forth—

(1) the name of the corporation;

(2) a copy of the resolution establishing and designating the series, and fixing and determining the relative rights and preferences thereof;

(3) the date of adoption of such resolution;

(4) that such resolution was duly adopted by the board of directors.

(e) Such statement shall be executed in duplicate by the corporation, by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and shall be delivered to the Superintendent of Corporations. If the Superintendent of Corporations finds that such statement conforms to law, he shall, when all franchise taxes, fees, and charges have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed", and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) return the other duplicate original to the corporation or its representative.

(f) The duplicate original returned by the Superintendent of Corporations shall be filed for record in the office of the Recorder of Deeds.

(g) Upon the filing of such statement by the Superintendent of Corporations, the resolution establishing and designating the series and fixing and determining the relative rights and preferences thereof shall become effective.

SUBSCRIPTIONS FOR SHARES

SEC. 15. (a) A subscription for shares of a corporation to be organized shall be irrevocable for a period of 6 months unless otherwise provided by the terms of the subscription agreement, or unless all of the subscribers consent to the revocation of such subscription.

(b) Unless otherwise provided in the subscription agreement, subscriptions for shares, whether made before or after the organization of a corporation, shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation. The bylaws may prescribe other penalties for failure to pay installments or calls that may become due, but no penalty working a forfeiture of the shares, or of the amounts paid thereon, shall be declared as against any subscriber unless the amount due thereon shall remain unpaid for a period of 20 days after written demand has been made therefor. Such written demand shall be deemed to be made when deposited in the United States mail in a sealed envelope addressed to the subscriber at his last post-office address known to the corporation, with the postage thereon prepaid. In the event of the sale of any shares by reason of any forfeiture, the excess of proceeds realized over the amount due and unpaid on such shares shall be paid to the delinquent subscriber or to his legal representative.

CONSIDERATION FOR SHARES

SEC. 16. (a) Shares having a par value may be issued for such consideration, not less than the par value thereof, as shall be fixed from time to time by the board of directors.

(b) Shares without par value may be issued for such consideration as may be fixed from time to time by the board of directors unless the articles of incorporation reserve to the shareholders the right to fix the consideration. In the event that such right be reserved as to any shares, the shareholders shall, prior to the issuance of such shares, fix the consideration to be received for such shares, by a vote of the holders of a majority of all outstanding shares entitled to vote thereon.

(c) Shares of a corporation issued and thereafter acquired by it may be disposed of by the corporation for such consideration as may be fixed from time to time by the board of directors.

(d) That part of the surplus of a corporation which is transferred to stated capital upon the issuance of shares as a share dividend shall be deemed to be the consideration for the issuance of such shares.

(e) In the event of an exchange of issued shares having a par value for a different number of shares having the same aggregate par value, whether of the same or of a different class or classes, or in the event of a conversion of shares, or in the event of an exchange of shares with or without par value into the same or a different number of shares without par value, whether of the same or a different class or classes, the consideration for the shares so issued in exchange shall be deemed to be (1) the consideration originally received for the shares so exchanged or converted; and (2) that part of surplus, if any, transferred to stated capital upon the issuance of shares for the shares so exchanged or converted; and (3) any additional consideration paid to the corporation upon the issuance of shares for the shares so exchanged or converted.

PAYMENT FOR SHARES

SEC. 17. (a) The consideration for the issuance of shares may be paid, in whole or in part, in money, in other property, tangible or intangible, or in labor or services actually performed for the corporation. When payment of the consideration for which shares are to be issued, which, in the case of shares having a par value, shall be not less than the par value thereof, shall have been received by the corporation, such shares shall be deemed to be full paid and nonassessable.

(b) Neither promissory notes nor future services shall constitute payment or part payment for shares of a corporation.

(c) In the absence of fraud in the transaction, the judgment of the board of directors or the shareholders, as the case may be, as to the value of the consideration received for shares shall be conclusive.

DETERMINATION OF AMOUNT OF STATED CAPITAL

SEC. 18. (a) A corporation may determine that only a part of the consideration for which its shares may be issued, from time to time, shall be stated capital: *Provided*, That in the event of any such determination—

(1) if the shares issued shall consist wholly of shares having a par value, then the stated capital represented by such shares shall be not less than the aggregate par value of the shares so issued;

(2) if the shares issued shall consist wholly of shares without par value, all of which shares have a preferential right in the assets of the corporation in event of its involuntary liquidation, then the stated capital represented by such shares shall be not less than the aggregate preferential amount payable upon such shares in the event of involuntary liquidation;

(3) if the shares issued consist wholly of shares without par value, and none of such shares has a preferential right in the assets of the corporation in the event of its involuntary liquidation, then the stated capital represented by such shares shall be the total consideration received therefor less such part thereof as may be allocated to paid-in surplus;

(4) if the shares issued shall consist of several or all of the classes of shares enumerated in (a), (b), and (c) of this section, then the stated capital represented by such shares shall be not less than the aggregate par value of any shares so issued having a par value and the aggregate preferential amount payable upon any shares so issued without par value having a preferential right in the event of involuntary liquidation.

(b) In order to determine that only a part of the consideration for which shares without par value may be issued from time to time shall be stated capital, the board of directors shall adopt a resolution setting forth the part of such consideration allocated to stated capital and the part otherwise allocated, and expressing such allocation in dollars. If the board of directors shall not have determined (a) at the time of the issuance of any shares issued for cash, or (b) within 60 days after the issuance of any shares issued for labor or services actually performed for the corporation or issued for property other than cash, that only a part of the consideration for shares so issued shall be stated capital, then the stated capital of the corporation represented by such shares shall be an amount equal to the aggregate par value of all such shares having a par value, plus the consideration received for all such shares without par value.

(c) The stated capital of the corporation may be increased from time to time by resolution of the board of directors directing that all or a part of the paid-in or other surplus of the corporation be transferred to stated capital. The board of directors may direct that the amount of the surplus so transferred

shall be deemed to be stated capital in respect of any designated class of shares.

EXPENSES OF ORGANIZATION, REORGANIZATION, AND FINANCING

SEC. 19. The reasonable charges and expenses of organization or reorganization of a corporation and reasonable compensation for the sale or underwriting of its shares may be paid or allowed by such corporation out of the consideration received by it in payment for its shares without thereby rendering such shares not full paid and nonassessable.

CERTIFICATE REPRESENTING SHARES

SEC. 20. (a) The shares of a corporation shall be represented by certificates signed by the president or a vice president and the secretary or an assistant secretary and sealed with the seal of the corporation. Such seal may be a facsimile. Where such a certificate is countersigned by a transfer agent other than the corporation itself or an employee of the corporation, or by a transfer clerk and registered by a registrar, the signatures of the president or vice president and the secretary or assistant secretary upon such certificate may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if such officer had not ceased to hold such office at the date of its issue.

(b) Every certificate representing shares issued by a corporation which is authorized to issue shares the transferability of which is restricted or limited shall state upon the face or back thereof, in full or in the form of a summary, all of the limitation and restrictions upon the transferability thereof.

(c) Every certificate representing shares issued by a corporation which is authorized to issue shares of more than one class shall state upon the face or back thereof, in full or in the form of a summary, all of the designations, preferences, limitation, and relative rights of the shares of each class authorized to be issued, and, if the corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences between the shares of each such series so far as the same have been fixed and determined and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series.

(d) Each certificate representing shares shall also state—

(1) that the corporation is organized under the laws of the District of Columbia;

(2) the name of the person to whom issued;

(3) the number and class of shares which such certificate represents;

(4) the par value of each share represented by such certificate, or a statement that the shares are without par value.

(e) No certificate shall be issued for any share until such share is full paid.

ISSUANCE OF FRACTIONAL SHARES OF SCRIP

SEC. 21. A corporation may, but shall not be obliged to, issue a certificate for a fractional share, and, by action of its board of directors, may issue in lieu thereof scrip or other evidence of ownership, which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip or other evidence of ownership aggregating a full share, but which shall not, unless otherwise provided, entitle the holder to exercise any voting right, or to receive dividends thereon or to participate in any of the assets of the corporation in the event of liquidation. The board of directors may cause such scrip or evidence of ownership to be issued subject to the condition that it shall become void if not exchanged for certificates representing full shares before a specified date, or subject to the condition that the shares for which such scrip or evidence of ownership is exchangeable may be sold by the corporation and the proceeds thereof distributed to the holders of such scrip or evidence of ownership, or subject to any other conditions which the board of directors may deem advisable.

LIABILITY OF SUBSCRIBERS AND SHAREHOLDERS

SEC. 22. (a) A holder of or subscriber to shares of a corporation shall be under no obligation to the corporation or its creditors with respect to such shares other than the obligation to pay to the corporation the full consideration for which said shares were issued or to be issued, which, as to shares having a par value, shall be not less than the par value thereof. Any person becoming an assignee or transferee of shares or of a subscription for shares in good faith and without knowledge or notice that the full consideration therefor has not been paid shall not be personally liable to the corporation or its creditors for any unpaid portion of such consideration.

(b) No person holding shares as executor, administrator, conservator, guardian, trustee, assignee for the benefit of creditors, or receiver shall be personally liable as a shareholder, but the estate and funds in the hands of said executor, administrator, conservator, guardian, trustee, assignee, or receiver shall be so liable. No pledgee or other holder or shares as collateral security shall be personally liable as a shareholder.

SHAREHOLDERS' PREEMPTIVE RIGHTS

SEC. 23. (a) The preemptive right of a shareholder to acquire additional shares of a corporation may be limited or denied to the extent provided in the articles of incorporation.

(b) Unless otherwise provided by its articles of incorporation, any corporation may issue and sell its shares to its employees or to the employees of any subsidiary corporation, without first offering such shares to its shareholders, for such consideration and upon such terms and conditions as shall be approved by the holders of two-thirds of its shares entitled to vote or by its board of directors pursuant to like approval of the shareholders.

BYLAWS

SEC. 24. The power to make, alter, amend, or repeal the bylaws of the corporation shall be vested in the board of directors unless reserved to the shareholders by the articles of incorporation. The bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

MEETINGS OF SHAREHOLDERS

SEC. 25. (a) Meetings of shareholders may be held at such place within or without the District of Columbia as may be provided in the bylaws. In the absence of any such provision, all meetings shall be held at the registered office of the corporation.

(b) An annual meeting of the shareholders shall be held at such time as may be provided in the bylaws. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the corporation.

(c) Special meetings of the shareholders may be called by the president, the secretary, the board of directors, the holders of not less than one-fifth of all the outstanding shares entitled to vote, or by such other officers or persons as may be provided in the articles of incorporation or the bylaws.

NOTICE OF SHAREHOLDERS' MEETINGS

SEC. 26. Written or printed notice stating the place, day, and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or person calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the records of the corporation, with postage thereon prepaid.

VOTING OF SHARES

SEC. 27. (a) Unless otherwise provided in the articles of incorporation, each outstanding share shall be entitled to one vote on each matter submittetd to a vote at a meeting of shareholders.

(b) Shares of its own stock belonging to a corporation shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time, but shares of its own stock held by it in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares at any given time.

(c) A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney in fact. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the person executing it or his personal representatives or assigns; but the parties to a valid pledge or to an executory contract of sale may agree in writing as to which of them shall vote the stock pledged or sold until the contract of pledge or sale is fully executed.

(d) The articles of incorporation may provide that in all elections for directors every shareholder entitled to vote shall have the right to vote, in person or by proxy, the number of shares owned by him, for as many persons as there are directors to be elected, or to cumulate said shares, and give one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or to distribute such votes on the same principle among any number of such candidates.

CLOSING OF TRANSFER BOOKS AND FIXING RECORD DATE

SEC. 28. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the board of directors of a corporation may provide that the stock-transfer books shall be closed for a stated period but not to exceed, in any case, 50 days. If the stock-transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least 10 days immediately preceding such meeting. In lieu of closing the stock-transfer books, the board of directors may fix in advance a date as the record date for any determination of shareholders, such date in any case to be not more than 50 days and, in case of a meeting of shareholders, not less than 10 days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If the stock-transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the board of directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders.

VOTING OF SHARES BY CERTAIN HOLDERS

SEC. 29. (a) Shares standing in the name of another corporation may be voted by such

officer, agent, or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

(b) Shares standing in the name of a deceased person may be voted by his administrator or executor, either in person or by proxy. Shares standing in the name of a guardian, conservator, or trustee may be voted by such fiduciary, either in person or by proxy, but no guardian, conservator, or trustee shall be entitled, as such fiduciary, to vote shares held by him without a transfer of such shares into his name.

(c) Shares standing in the name of a receiver or a trustee in bankruptcy may be voted by such receiver or trustee, and shares held by or under the control of a receiver or a trustee in bankruptcy may be voted by such receiver or trustee without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver or trustee in bankruptcy was appointed.

(d) Except as otherwise provided in section 27, a shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

VOTING TRUST

SEC. 30. Any number of shareholders of a corporation may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise represent their shares, for a period of not to exceed 10 years, by entering into a written voting trust agreement specifying the terms and conditions of the voting trust, by depositing a counterpart of the agreement with the corporation at its registered office, and by transferring their shares to such trustee or trustees for the purposes of the agreement. The counterpart of the voting-trust agreement so deposited with the corporation shall be subject to the same right of examination by a shareholder of the corporation, in person or by agent or attorney, as is the record of shareholders of the corporation, and shall be subject to examination by any holder of a beneficial interest in the voting trust, either in person or by agent or attorney, at any reasonable time for any proper purpose. The trustee or trustees may execute and deliver to the transferors voting-trust certificates which shall be transferable in the same manner and with the same effect as certificates representing shares.

QUORUM OF SHAREHOLDERS

SEC. 31. (a) Unless otherwise provided in the articles of incorporation or bylaws, a majority of the outstanding shares having voting power, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders: *Provided*, That in no event shall a quorum consist of less than one-third of the outstanding shares having voting power.

(b) The shareholders present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

(c) If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting from time to time until a quorum is present when any business may be transacted that may have been transacted at the meeting as originally called.

BOARD OF DIRECTORS

SEC. 32. The business and affairs of a corporation shall be managed by a board of directors. Directors need not be shareholders in the corporation unless the articles of incorporation or bylaws so provide. The articles of incorporation or bylaws may prescribe other qualifications for directors.

NUMBER AND ELECTION OF DIRECTORS

SEC. 33. The number of directors of a corporation shall not be less than three. Subject to such limitation, the number of directors shall be fixed by the bylaws, except as to the number constituting the first board of directors, which number shall be fixed by the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to the bylaws. In the absence of a bylaw fixing the number of directors, the number shall be the same as that stated in the articles of incorporation. The names and addresses of the members of the first board of directors shall be stated in the articles of incorporation. Such persons shall hold office until the first annual meeting of shareholders, or until their successors shall have been elected and qualified. At the first annual meeting of shareholders and at each annual meeting thereafter the shareholders shall elect directors to hold office until the next succeeding annual meeting, except as hereinafter provided. Each director shall hold office for the term for which he is elected or until his successor shall have been elected and qualified.

CLASSIFICATION OF DIRECTORS

SEC. 34. The bylaws may provide that the directors be divided into either two or three classes, each class to be as nearly equal in number as possible, the term of office of directors of the first class to expire at the first annual meeting of shareholders after their election, that of the second class to expire at the second annual meeting after their election, and that of the third class, if any, to expire at the third annual meeting after their election. At each annual meeting after such classification the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the second succeeding annual meeting, if there be two classes, or until the third succeeding annual meeting, if there be three classes. No classification of directors shall be effective prior to the first annual meeting of shareholders.

VACANCIES

SEC. 35. Any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual meeting or at a special meeting of shareholders entitled to vote called for that purpose. Any vacancy occurring in the board of directors for any cause other than by reason of an increase in the number of directors may be filled by the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

QUORUM OF DIRECTORS

SEC. 36. A majority of the number of directors fixed by the bylaws, or in the absence of a bylaw fixing the number of directors, then of the number stated in the articles of incorporation, shall constitute a quorum for the transaction of business unless a greater number is required by the articles of incorporation or the bylaws. The act of the majority of the directors present at a meeting at which is quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the articles of incorporation or the bylaws.

EXECUTIVE COMMITTEE

SEC. 37. If the bylaws so provide, the board of directors, by resolution adopted by a majority of the number of directors fixed by the bylaws, or in the absence of a bylaw fixing the number of directors, then of the number stated in the articles of incorporation, may designate two or more directors to constitute an executive committee, which committee, to the extent provided in such resolution or in the bylaws of the corporation shall have and may exercise all of the authority of the board of directors in the management of the business and affairs of the corporation; but the designation of such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any member thereof, of any responsibility imposed upon it or him by law.

PLACE OF DIRECTORS' MEETINGS

SEC. 38. Meetings of the board of directors, regular or special, may be held at such place within or without the District of Columbia as may be provided in the bylaws or by resolution adopted by a majority of the board of directors.

NOTICE OF DIRECTORS' MEETINGS

SEC. 39. Meetings of the board of directors shall be held upon such notice as is prescribed in the bylaws. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

DIVIDENDS

SEC. 40. The board of directors of a corporation may declare and the corporation may pay dividends on its outstanding shares in cash, property, or its own shares, subject to the following provisions:

(a) No dividend shall be declared or paid at a time when the corporation is insolvent or its net assets are less than its stated capital, or when the payment thereof would render the corporation insolvent or reduce its net assets below its stated capital.

(b) Dividends may be paid out of paid-in surplus or surplus arising from the surrender to the corporation of any of its shares only upon shares having a preferential right to receive dividends, provided that the source of such dividends shall be disclosed to the shareholders receiving such dividends, concurrently with payment thereof. The limitations of this subparagraph shall not limit nor be deemed to conflict with the provisions of this act in respect of the distribution of assets as a liquidating dividend.

(c) If a dividend is declared payable in its own shares having a par value, such shares shall be issued at the par value thereof and there shall be transferred to stated capital at the time such dividend is paid, an amount of surplus equal to the aggregate par value of the shares to be issued as a dividend.

(d) If a dividend is declared payable in its own shares without par value, such shares shall be issued at such value as shall be fixed by the board of directors by resolution adopted at the time such dividend is declared, and there shall be transferred to stated capital at the time such dividend is paid, an amount of surplus equal to the aggregate value so fixed in respect of such shares. The amount per share transferred to stated capital shall be disclosed to the shareholders receiving such dividends, concurrently with payment thereof.

(e) A split-up or division of issued shares into a greater number of shares of the same class shall not be construed to be a share dividend within the meaning of this section.

(f) No dividend shall be declared or paid contrary to any restrictions contained in the articles of incorporation.

(g) Subject to any restrictions contained in its articles of incorporation, the directors of any corporation engaged in the exploitation of wasting assets may determine the net profits derived from the exploitation of such wasting assets without taking into consideration the depletion of such wasting assets resulting from lapse of time or from necessary consumption of such assets incidental

to their exploitation and may pay dividends from the net profits so determined by the directors.

DIVIDENDS IN PARTIAL LIQUIDATION

SEC. 41. A corporation, from time to time, may distribute a portion of its assets, in cash or kind, to its shareholders as a liquidating dividend, in the following manner and subject to the following restrictions:

(a) The board of directors shall adopt a resolution recommending the payment of a liquidating dividend, specifying the class or classes of shareholders entitled thereto and the amount thereof, and directing that the question of such distribution be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice stating that the purpose or one of the purposes of such meeting is to consider the question of such distribution shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders. If such meetings be an annual meeting, such purpose may be included in the notice of such meeting.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken by classes on the question of the proposed distribution. The affirmative vote of the holders of at least two-thirds of the outstanding shares of each class shall be required for the authorization of such distribution.

(d) No such distribution shall be made at a time when the corporation is insolvent or its net assets are less than its stated capital, or when such distribution would render the corporation insolvent or reduce its net assets below its stated capital.

(e) No such distribution shall be made to any class of shareholders unless all cumulative dividends accrued on preferred or special classes of shares entitled to preferential dividends shall have been fully paid.

(f) No such distribution shall be made to any class of shareholders which will reduce the remaining net assets below the aggregate preferential amount payable in event of voluntary liquidation to the holders of shares having preferential rights to the assets of the corporation in the event of liquidation.

(g) Each such distribution, when made, shall be identified as a liquidating dividend and the amount per share shall be disclosed to the shareholders receiving the same, concurrently with the payment thereof.

LIABILITY OF DIRECTORS IN CERTAIN CASES

SEC. 42. (a) In addition to any other liabilities imposed by law upon directors of a corporation—

(1) directors of a corporation who vote for or assent to the declaration of any dividend or other distribution of the assets of a corporation to its shareholders contrary to the provisions of this act, or contrary to any restrictions contained in the articles of incorporation, shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed in excess of the amount of such dividend or distribution which could have been paid or distributed without a violation of the provisions of this act or any restrictions in the articles of incorporation;

(2) the directors of a corporation who vote for or assent to the declaration of any dividend or other distribution of assets of a corporation to its shareholders which renders the corporation insolvent or reduces its net assets below its stated capital shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed, to the extent that the corporation is thereby rendered insolvent or its net assets are reduced below its stated capital;

(3) the directors of a corporation who vote for or assent to any distribution of assets of a corporation to its shareholders during the liquidation of the corporation without an adequate provision for, or the payment and discharge of, all debts, obligations, and liabilities of the corporation shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed, to the extent that such debts, obligations, and liabilities of the corporation are not thereafter paid and discharged;

(4) the directors of a corporation who vote for or assent to the making of a loan to an officer or director of the corporation shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

(b) A director of a corporation who is present at a meeting of its board of directors at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

(c) A director shall not be liable under either subparagraph (1) or (2) of this section if he relied and acted in good faith upon a balance sheet and profit-and-loss statement of the corporation represented to him to be correct by the president or the officer of such corporation having charge of its books of account, or certified by an independent public or certified public accountant or firm of such accountants to fairly reflect the financial condition of such corporation, nor shall he be so liable if in good faith in determining the amount available for any such dividend or distribution he considered the assets to be of their book value.

(d) Any director against whom a claim shall be asserted under or pursuant to this section, and who shall be held liable thereon, shall be entitled to contribution from the other directors who are likewise liable thereon.

(e) Any director against whom a claim shall be asserted under or pursuant to this section for the improper declaration of a dividend or other distribution of assets of a corporation and who shall be held liable thereon, shall be entitled to contribution from the shareholders who knowingly accepted or received any such dividend or assets, in proportion to the amounts received by them, respectively.

OFFICERS

SEC. 43. (a) The officers of a corporation shall consist of a president, one or more vice presidents as may be prescribed by the bylaws, a secretary, and a treasurer, each of whom shall be elected by the board of directors at such time and in such manner as may be prescribed by the bylaws. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the board of directors or chosen in such other manner as may be prescribed by the bylaws. If the bylaws so provide, any two or more offices may be held by the same person, except the offices of president and secretary.

(b) All officers and agents of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the property and affairs of the corporation as may be provided in the bylaws, or as may be determined by resolution of the board of directors not inconsistent with the bylaws.

REMOVAL OF OFFICERS

SEC. 44. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

BOOKS AND RECORDS

SEC. 45. (a) Each corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its shareholders and board of directors; and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its shareholders, giving the names and addresses of all shareholders and the number and class of the shares held by each.

(b) Any person or persons who shall be the holder or holders of record of at least 5 percent of all the outstanding shares of a corporation shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, its record of shareholders and to make extracts therefrom.

(c) A holder of a voting-trust certificate evidencing an interest in a voting trust conforming to the provisions of this act shall have the same rights as a shareholder to examine and make extracts from the record of shareholders of the corporation.

(d) If any person or persons holding in the aggregate 5 percent or more of all of the outstanding shares of a corporation shall present to any officer, director, or registered agent of the corporation a written request for a statement of its affairs, it shall be his duty to make or procure such a statement sworn to by the president or a vice president or by the treasurer or an assistant treasurer, embracing a particular account of its assets and liabilities in detail, and to have the same ready and on file at the registered office of the corporation within 30 days after the presentation of such request. Such statement shall at all times during business hours be open to the inspection of any shareholder and he shall be entitled to copy the same.

(e) Any corporation whose officers or agents shall refuse to allow any such shareholder, entitled under the provisions of this section to examine the record of shareholders, or his agent or attorney, so to examine and make extracts from its record of shareholders, for any proper purpose, shall be liable to such shareholder in a penalty of $50, in addition to any other damages or remedy afforded him by law. It shall be a defense to any action for penalties under this section that the person suing therefor has within 2 years sold or offered for sale any list of shareholders of such corporation or any other corporation or has aided or abetted any person in procuring any list of shareholders for any such purpose, or has improperly used any information secured through any prior examination of the record of shareholders of such corporation or any other corporation.

(f) Nothing herein contained shall impair the power of any court of competent jurisdiction, upon proof by a shareholder of proper purpose, irrespective of the period of time during which such shareholder shall have been a shareholder of record, and irrespective of the number of shares held by him, to compel by mandamus or otherwise the production for examination by such shareholder of the books and records of account, minutes, and record of shareholders of a corporation.

INCORPORATORS

SEC. 46. Three or more natural persons of the age of 21 years or more may act as incorporators of a corporation by signing, verifying, and filing in duplicate in the office of the Commissioner of Corporations articles of incorporation for such corporation.

ARTICLES OF INCORPORATION

SEC. 47. The articles of incorporation shall set forth:

(a) The name of the corporation.

(b) The period of duration, which may be perpetual.

(c) The purpose or purposes for which the corporation is organized.

(d) The aggregate number of shares which the corporation shall have authority to issue; if said shares are to consist of one class only, the par value of each of said shares, or a statement that all of said shares are without par value; or, if said shares are to be divided into classes, the number of shares of each class, and a statement of the par value of the shares of each such class or that such shares are to be without par value.

(e) If the shares are to be divided into classes, the designation of each class and a statement of the preferences, voting power, limitations, restrictions, qualifications, and the special or relative rights in respect of the shares of each class.

(f) The minimum amount of capital with which the corporation shall commence business shall be not less than $1,000.

(g) If the corporation is to issue the shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and preferences as between different series insofar as the same are to be fixed in the articles of incorporation, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series.

(h) Any provision limiting or denying to shareholders the preemptive right to acquire additional shares of the corporation.

(i) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of internal affairs of the corporation, including any provision which under this act is required or permitted to be set forth in the bylaws.

(j) The address, including street and number, if any, of its initial registered office, and the name of its initial registered agent at such address.

(k) The number of directors constituting the initial board of directors and the names and addresses, including street and number, if any, of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors be elected and qualify.

(l) The name and address, including street and number, if any, of each incorporator.

It shall not be necessary to set forth in the articles of incorporation any of the corporate powers enumerated in this act. Whenever a provision of the articles of incorporation is inconsistent with a bylaw, the provision of the articles of incorporation shall be controlling.

FILING OF ARTICLES OF INCORPORATION

SER. 48. (a) Duplicate originals of the articles of incorporation shall be delivered to the Superintendent of Corporations. If the Superintendent of Corporations finds that the articles of incorporation conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of incorporation to which he shall affix the other duplicate original.

(b) The certificate of incorporation, together with the duplicate original of the articles of incorporation affixed thereto by the Superintendent of Corporations, shall be recorded in the office of the Recorder of Deeds.

EFFECT OF ISSUANCE OF CERTIFICATE OF INCORPORATION

SEC. 49. Upon the issuance of the certificate of incorporation, the corporate existence shall begin, and such certificate of incorporation shall be conclusive evidence that all conditions precedent required to be performed by the incorporators have been complied with and that the corporation has been incorporated under this act, except as against the district of Columbia in a proceeding to concel or revoke the certificate of incorporation.

REQUIREMENT BEFORE COMMENCING BUSINESS

SEC. 50. A corporation shall not transact any business or incur any indebtedness, except such as shall be incidental to its organization or to obtaining subscriptions to or payment for its shares, until at least the minimum amount of capital set forth in its articles of incorporation as the minimum amount of capital with which it will commence business has been fully paid in.

ORGANIZATION MEETING OF DIRECTORS

SEC. 51. After the issuance of the certificate of incorporation an organization meeting of the board of directors named in the articles of incorporation shall be held within the United States, at the call of a majority of the directors so named, for the purpose of adopting bylaws (unless the power to adopt bylaws has been reserved by the articles of incorporation to the shareholders, in which event the bylaws shall be adopted by the shareholders), electing officers, and the transaction of such other business as may come before the meeting. The directors calling the meeting shall give at least 5 days' notice thereof by mail to each director so elected, which notice shall state the time and place of the meeting: *Provided, however,* That if all the directors shall waive notice in writing and fix a time and place for said organization meeting no notice shall be required of such meeting.

RIGHT TO AMEND ARTICLES OF INCORPORATION

SEC. 52. A corporation may amend its articles of incorporation, from time to time, in any and as many respects as may be desired: *Provided,* That its articles of incorporation as amended contain only such provisions as might be lawfully contained in original articles of incorporation if made at the time of making such amendment, and, if a change in shares or the rights of shareholders, or an exchange, reclassification, or cancellation of shares or rights of shareholders is to be made, such provisions as may be necessary to effect such change, exchange, reclassification, or cancellation.

In particular, and without limitation upon such general power of amendment, a corporation may amend its articles of incorporation, from time to time, so as:

(a) To change its corporate name.

(b) To change its period of duration.

(c) To change, enlarge, or diminish its corporate purposes.

(d) To increase or decrease the aggregate number of shares, or shares of any class, which the corporation has authority to issue.

(e) To increase or decrease the par value of the authorized shares of any class having a par value, whether issued or unissued.

(f) To exchange, classify, reclassify, or cancel all or any part of its shares, whether issued or unissued.

(g) To change the designations of all or any part of its shares, whether issued or unissued, and to change the preferences, voting power, qualifications, limitations, restrictions, and the special or relative rights in respect of all or any part of its shares, whether issued or unissued.

(h) To divide any preferred or special class of shares, whether issued or unissued, into series and fix and determine the designations of such series and the variations in the relative rights and preferences as between the shares of such series.

(i) To authorize the board of directors to establish, out of authorized but unissued shares, series of any preferred or special class of shares and fix and determine the relative rights and preferences of the shares of any series so established.

(j) To authorize the board of directors to fix and determine the relative rights and preferences of the authorized but unissued shares of series theretofore established in respect of which either the relative rights and preferences have not been fixed and determined or the relative rights and preferences theretofore fixed and determined are to be changed.

(k) To revoke, diminish, or enlarge the authority of the board of directors to establish series out of authorized but unissued shares of any preferred or special class and fix and determine the relative rights and preferences of the shares of any series so established.

(l) To change shares having a par value, whether issued or unissued, into the same or a different number of shares without par value, and to change shares without par value, whether issued or unissued, into the same or a different number of shares having a par value.

(m) To change the share of any class, whether issued or unissued, and whether with or without par value, into a different number of shares of the same class or into the same or a different number of shares, either with or without par value, of other classes.

(n) To create new classes of shares having rights and preferences either prior and superior or subordinate and inferior to the shares of any class then authorized, whether issued or unissued.

(o) To limit, deny, or grant to shareholders of any class the preemptive right to subscribe for or acquire additional shares of the corporation, whether then or thereafter authorized.

PROCEDURE TO AMEND ARTICLES OF INCORPORATION BEFORE ACCEPTANCE OF SUBSCRIPTIONS TO SHARES

SEC. 53. Amendments to the articles of incorporation before any subscriptions to shares have been accepted by the board of directors shall be made in the following manner:

(a) Amended articles of incorporation modifying, changing, or altering the original articles of incorporation shall be signed by all of the living or competent incorporators who signed the original articles of incorporation, verified and filed in duplicate in the office of the Superintendent of Corporations. Such amended articles of incorporation shall contain only such provisions as might be lawfully contained in original articles of incorporation if made at the time of making such amended articles of incorporation.

(b) Such amended articles of incorporation shall be delivered in duplicate original to the Superintendent of Corporations. If the Superintendent of Corporations finds that such amended articles of incorporation conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Superintendent of Corporations shall

be recorded in the office of the Recorder of Deeds.

(c) Upon the issuance of the amended articles of incorporation, the amended articles of incorporation shall become effective and shall take the place of the original articles of incorporation.

PROCEDURE TO AMEND ARTICLES OF INCORPORATION AFTER ACCEPTANCE OF SUBSCRIPTION TO SHARES

SEC. 54. Amendments to the articles of incorporation shall be made in the following manner:

(a) The board of directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each shareholder of record entitled to vote at such meeting within the time and in the manner provided in this act for the giving of notice of meetings of shareholders. If the meeting be an annual meeting, the proposed amendment or such summary shall be included in the notice of such annual meeting.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote, unless any class of shares is entitled to vote as a class in respect thereof, as hereinafter provided, in which event the proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares of each class of shares entitled to vote as a class in respect thereof and of the total outstanding shares entitled to vote.

(d) Any number of amendments may be submitted to the shareholders, and voted upon by them, at one meeting.

WHEN ENTITLED TO VOTE BY CLASSES

SEC. 55. The holders of the outstanding shares of a class whether by the provisions of the articles of incorporation such class of stock is entitled to vote or not shall be entitled to vote as a class upon a proposed amendment which would—

(a) Increase or decrease the aggregate number of authorized shares of such class.

(b) Increase or decrease the par value of the shares of such class.

(c) Effect an exchange, reclassification, or cancellation of all or part of the shares of such class.

(d) Effect an exchange, or create a right of exchange, of all or any part of the shares of another class into the shares of such class.

(e) Change the designations, preferences, limitations, voting, or relative rights of the shares of such class.

(f) Change the shares of such class having a par value into the same or a different number of shares without par value, or change the shares of such class without par value into the same or a different number of shares having a par value.

(g) Change the shares of such class, whether with or without par value, into a different number of shares of the same class, or into the same or a different number of shares, either with or without par value, of other classes.

(h) In the case of a preferred or special class of shares, divide the shares of such class into series and fix and determine the designation of such series and the variations in the relative rights and preferences between the shares of such series.

(i) Create a new class of shares having rights and preferences prior and superior to the shares of such class.

(j) Limit or deny the existing preemptive rights of the shares of such class.

ARTICLES OF AMENDMENT

SEC. 56. (a) The articles of amendment shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and shall set forth—

(1) the name of the corporation;

(2) the amendment so adopted;

(3) the date of the adoption of the amendment by the shareholders;

(4) the number of shares outstanding, and the number of shares entitled to vote, and if the shares of any class are entitled to vote as a class, the designation of each such class and the number of outstanding shares thereof entitled to vote;

(5) the number of shares voted for and against such amendment, respectively, and, if the shares of any class are entitled to vote as a class, the number of shares of each such class voted for and against such amendment respectively;

(6) if such amendment provides for an exchange, reclassification, or cancellation of issued shares, and if the manner in which the same shall be effected is not set forth in the amendment, then a statement of the manner in which the same shall be effected;

(7) if such amendment effects a change in the amount of stated capital, or paid-in surplus, or both, then a statement of the manner in which the same is effected and a statement, expressed in dollars, of the amount of stated capital and the amount of paid-in surplus as changed by such amendment.

(b) If issued shares without par value are changed into the same or a different number of shares having par value, the aggregate par value of the shares into which the shares without par value are changed shall not exceed the sum of (1) the amount of stated capital represented by such shares without par value, and (2) the amount of surplus, if any, transferred to stated capital on account of such change, and (3) any additional consideration paid for such shares with par value and allocated to stated capital.

FILING OF ARTICLES OF AMENDMENT

SEC. 57. (a) Duplicate originals of the articles of amendment shall be delivered to the Superintendent of Corporations. If the Superintendent of Corporations finds that the articles of amendment conform to law, he shall, when all fees and taxes have been paid as in this Act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of amendment to which he shall affix the other duplicate original.

(b) The certificate of amendment with the duplicate original in the articles of amendment affixed thereto shall be recorded in the office of the Recorder of Deeds.

EFFECT OF CERTIFICATE OF AMENDMENT

SEC. 58. (a) Upon the issuance of the certificate of amendment, the amendment shall become effective and the articles of incorporation shall be deemed to be amended accordingly.

(b) No amendment shall affect any existing cause of action in favor of or against such corporation, or any pending suit to which such corporation shall be a party, or the existing rights of persons other than shareholders; and, in the event the corporate name shall be changed by amendment, no suit brought by or against such corporation under its former name shall abate for that reason.

REDEMPTION AND CANCELLATION OF SHARES

SEC. 59. (a) If the articles of incorporation provide that redeemable shares redeemed, or purchased or otherwise acquired by the corporation, shall be canceled and shall not be reissued, then, in the event of such cancellation of shares, the stated capital of the corporation shall be deemed to be reduced by that part of the stated capital which was, at the time of such cancellation, represented by the shares so canceled.

(b) No redemption or purchase of redeemable shares shall be made which will reduce the remaining assets of the corporation below an amount sufficient to pay all debts and known liabilities of the corporation as they mature, except such debts and liabilities as have been otherwise adequately provided for, or which will reduce the net assets below the aggregate amount payable to the holders of shares having prior or equal rights to the assets of the corporation upon dissolution.

(c) When redeemable shares of a corporation have been canceled pursuant to the provisions of the articles of incorporation, a statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by the secretary or an assistant secretary, which statement shall set forth—

(1) the name of the corporation;

(2) the aggregate number of shares which the corporation had authority to issue, itemized by classes and series;

(3) the number of shares canceled, itemized by classes and series;

(4) the number of shares which the corporation has authority to issue, itemized by classes and series, after giving effect to such cancellation;

(5) a statement of the aggregate number of issued shares itemized by classes, par value of shares, shares without par value and series, if any, within a class, after giving effect to the cancellation;

(6) a statement, expressed in dollars, of the amount of the stated capital and the amount of paid-in surplus of the corporation after giving effect to such cancellation.

(d) Such statement shall be delivered to the Superintendent of Corporations. If the Superintendent of Corporations finds that such statement conforms to law, he shall—

(1) endorse on each of such duplicate originals the word "Filed", and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) return the other duplicate original to the corporation or its representative.

(e) The duplicate original returned by the Superintendent of Corporations shall be recorded in the office of the Recorder of Deeds.

(f) The filing of such statement by the Superintendent of Corporations shall operate as an amendment to the articles of incorporation and shall reduce the number of shares of the class so canceled which the corporation is authorized to issue by the number of shares so canceled.

(g) Nothing contained in this section shall be construed to forbid a reduction of authorized shares or a reduction of stated capital in any other manner permitted by the act.

CANCELLATION OF REQUIRED SHARES

SEC. 60. (a) A corporation may at any time, by resolution of its board of directors, cancel all or any part of the shares of the corporation of any class reacquired by it through redemption, purchase, or otherwise, and in the event of such cancellation a statement of cancellation shall be filed as provided in this section. When any reacquired shares have been canceled by resolution of the board of directors, a statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be

thereto affixed, attested by the secretary or assistant secretary, which statement shall set forth—

(1) the name of the corporation;

(2) the aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

(3) the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class before giving effect to such cancellation;

(4) the number of shares canceled, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

(5) a statement that the shares so canceled were canceled by a resolution duly adopted by the board of directors;

(6) the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, after giving effect to such cancellation;

(7) a statement, expressed in dollars, of the amount of the stated capital and the amount of the paid-in surplus of the corporation before giving effect to such cancellation;

(8) a statement, expressed in dollars of the amount of the stated capital and the amount of the paid-in surplus of the corporation after giving effect to such cancellation.

(b) Such statement shall be delivered to the Superintendent of Corporations. If the Superintendent of Corporations finds that such statement conforms to law, he shall—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Superintendent of Corporations shall be recorded in the office of the recorder of deeds.

(c) Upon the filing of such statement by the Superintendent of Corporations, the stated capital of the corporation shall be deemed to be reduced by that part of the stated capital which was, at the time of such cancellation, represented by the shares so canceled and the shares so canceled shall be deemed to be authorized but unissued shares.

(d) Nothing contained in this section shall be construed to forbid a cancellation of shares or a reduction of stated capital in any other manner permitted by this act.

REDUCTION OF STATED CAPITAL IN CERTAIN CASES

SEC. 61. (a) The reduction of the stated capital of a corporation where such reduction is not accompanied by an exchange, reclassification, or cancellation of shares, or by a reduction in the par value of issued shares, or by a reduction of the number of authorized shares of any class below the number of issued shares of that class, or by a redemption and cancellation of shares, may be made in the following manner:

(1) The board of directors shall adopt a resolution setting forth the amount of the proposed reduction and the manner in which the reduction shall be effected, and directing that the question of such reduction be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(2) Written or printed notice, stating that the purpose or one of the purposes of such meeting is to consider the question of reducing the stated capital of the corporation, shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders.

(3) At such meeting a vote of the shareholders entitled to vote shall be taken on the question of the proposed reduction of stated capital, which shall require for its adoption the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote.

(b) When a reduction of the stated capital of a corporation has been approved as provided in this section, a statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by the secretary or an assistant secretary, which statement shall set forth—

(1) the name of the corporation;

(2) a copy of the resolution of the shareholders approving such reduction;

(3) the total number of shares outstanding and the number of shares entitled to vote;

(4) the number of shares voted for and against such reduction, respectively;

(5) a statement of the manner in which such reduction is effected, and a statement, expressed in dollars, of the amount of stated capital and the amount of paid-in surplus of the corporation adjusted to give effect to such reduction.

(c) Such statement shall be delivered to the Superintendent of Corporations. If the Superintendent of Corporations finds that such statement conforms to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Superintendent of Corporations shall be recorded in the office of the Recorder of Deeds.

SEC. 62. (a) No reduction of stated capital shall be made under the provisions of section 61 which would reduce the amount of the aggregate stated capital of the corporation to an amount less than the aggregate preferential amounts payable upon all issued shares having a preferential right in the assets of the corporation in the event of involuntary liquidation, plus the aggregate par value, after such reduction, of all issued shares having a par value but no preferential right in the assets of the corporation in the event of involuntary liquidation.

(b) The surplus, if any, created by or arising out of the reduction of the stated capital of a corporation shall be deemed to be paid-in surplus, except where such reduction is effected by the cancellation of its own shares belonging to the corporation, or by the redemption and cancellation of shares, in either of which events the paid-in surplus, if any, created by such reduction shall not exceed the amount by which the stated capital represented by such shares exceeded the cost thereof to the corporation.

REDUCTION OF PAID-IN SURPLUS

SEC. 63. A corporation may, by resolution of its board of directors, apply any part or all of its paid-in surplus to the payment of dividends as permitted by section 40 of this act, or to the distribution of liquidating dividends as permtted by section 41 of this act, to the payment of reasonable compensation for the sale or underwriting of its shares as permitted by section 19 of this act, the reduction or elimination of any deficit arising from operating or other losses or from diminution in value of its assets.

PROCEDURE FOR MERGER

SEC. 64. Any two or more domestic corporations may merge into one of such corporations in the following manner:

The board of directors of each corporation shall, by resolution adopted by a majority vote of the members of each such board, approve a plan of merger setting forth:

(a) The names of the corporations proposing to merge, and the name of the corporation into which they propose to merge, which is hereinafter designated as the surviving corporation.

(b) The terms and conditions of the proposed merger.

(c) The manner and basis of converting the shares of each merging corporation into shares or other securities or obligations of the surviving corporation.

(d) A statement of any changes in the articles of incorporation of the surviving corporation to be effected by such merger.

(e) Such other provisions with respect to the proposed merger as are deemed necessary or desirable.

PROCEDURE FOR CONSOLIDATION

SEC. 65. Any two or more domestic corporations may consolidate into a new corporation in the following manner:

The board of directors of each corporation, shall by a resolution adopted by a majority vote of the members of each such board, approve a plan of consolidation setting forth:

(a) The names of the corporations proposing to consolidate, and the name of the new corporation into which they propose to consolidate, which is hereinafter designated as the new corporation.

(b) The terms and conditions of the proposed consolidation.

(c) The manner and basis of converting the shares of each corporation into shares, or other securities, or obligations of the new corporation.

(d) With respect to the new corporation, all of the statements required to be set forth in articles of incorporation for corporations organized under this act.

(e) Such other provisions with respect to the proposed consolidation as are deemed necessary or desirable.

MEETINGS OF SHAREHOLDERS

SEC. 66. The board of directors of each corporation, upon approving such plan of merger or plan of consolidation, shall, by resolution, direct that the plan be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting. Written or printed notice shall be delivered not less than 20 days before such meeting, either personally or by mail, to each shareholder of record entitled to vote at such meeting. Such notice shall state the place, day, hour, and purpose of the meeting, and a copy or a summary of the plan of merger or plan of consolidation, as the case may be, shall be included in or enclosed with such notice.

APPROVAL BY SHAREHOLDERS

SEC. 67. At each such meeting, a vote of the shareholders shall be taken on the proposed plan of merger or consolidation. The plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of two-thirds of the outstanding shares of each corporation unless as to any of such corporations two or more classes of shares are issued in which event as to such corporation or corporations the plan of merger or consolidation shall be approved upon receiving the affirmative vote of at least two-thirds of the outstanding shares of each such class.

ARTICLES OF MERGER OR CONSOLIDATION

SEC. 68. (a) Upon such approval, articles of merger or articles of consolidation shall be executed in duplicate by each corporation by its president or a vice president, and verified by him, and the corporate seal of each corporation shall be thereto affixed, attested by its secretary or an assistant secretary, and shall set forth—

(1) the plan of merger or the plan of consolidation;

(2) as to each corporation, the number of shares outstanding, and if there are two

or more classes of shares issued, the designation of each such class and the number of shares thereof outstanding;

(3) as to each corporation, the number of shares voted for and against such plan respectively, and, if there are two or more classes of shares issued the number of shares of each such class voted for and against such plan, respectively.

(b) Such articles of merger or consolidation shall be delivered to the Superintendent of Corporations. If the Superintendent of Corporations finds that such articles of merger or consolidation conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of merger or certificate of consolidation to which he shall attach the other duplicate original which shall then be filed for record in the Office of the Recorder of Deeds.

EFFECTIVE DATE OF MERGER OR CONSOLIDATION

SEC. 69. Upon the issuance of the certificate of merger or the certificate of consolidation by the Superintendent of Corporations, the merger or consolidation shall be effected.

EFFECT OF MERGER OR CONSOLIDATION

SEC. 70. When such merger or consolidation has been effected:

(a) The several corporations parties to the plan of merger or consolidation shall be a single corporation, which, in the case of a merger, shall be that corporation designated in the plan of merger as the surviving corporation, and, in the case of a consolidation, shall be the new corporation provided for in the plan of consolidation.

(b) The separate existence of all corporations parties to the plan of merger or consolidation, except the surviving or new corporation, shall cease.

(c) Such surviving or new corporation, as the case may be, shall have all the rights, privileges, immunities, and powers and shall be subject to all the duties and liabilities of a corporation organized under this act.

(d) Such surviving or new corporation shall thereupon and thereafter possess all the rights, privileges, immunities, and franchises, as well of a public as a private nature, of each of the merging or consolidating corporations; and all property—real, personal, and mixed—and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interest, of or belonging to or due to each of the corporations so merged or consolidated, shall be taken and deemed to be transferred to and vested in such single corporation without further act or deed; and the title to any real estate, or any interest therein, vested in any of such corporations shall not revert or be in any way impaired by reason of such merger or consolidation.

(e) Such surviving or new corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the corporations so merged or consolidated; and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted to judgment as if such merger or consolidation had not taken place, or such surviving or new corporation may be substituted in its place. Neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such merger or consolidation.

(f) In the case of a merger, the articles of incorporation of the surviving corporation shall be deemed to be amended to the extent, if any, that changes in its articles of incorporation are stated in the articles of merger; and, in the case of a consolidation, the statements set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of incorporation of corporations organized under this act shall be deemed to be the articles of incorporation of the new corporation.

(g) The aggregate amount of the net assets of the merging or consolidating corporations which was available for the payment of dividends immediately prior to such merger or consolidation, to the extent that the amount thereof is not transferred to stated capital by the issuance of shares or otherwise, shall continue to be available for the payment of dividends by such surviving or new corporation.

MERGER OR CONSOLIDATION OF DOMESTIC AND FOREIGN CORPORATIONS

SEC. 71. One or more foreign corporations and one or more domestic corporations may be merged or consolidated if permitted by the laws of the State under which each such foreign corporation is organized:

(a) Each domestic corporation shall comply with the provisions of this act with respect to the merger or consolidation, as the case may be, of domestic corporations and each foreign corporation shall comply with the applicable provisions of the laws of the State under which it is organized.

(b) If the surviving or new corporation, as the case may be, is to be governed by the laws of any State other than the District of Columbia, it shall comply with the provisions of this act with respect to foreign corporations if it is to do business in the District of Columbia, and in every case it shall file with the Superintendent of Corporations—

(1) an agrement that it may be served with process in the District of Columbia in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against the surviving or new corporation;

(2) an irrevocable appointment of the Superintendent of Corporations of the District of Columbia as its agent to accept service of process in any such proceeding; and

(3) an agreement that it will promptly pay to the dissenting shareholders of any such domestic corporation the amount, if any, to which they shall be entitled under the provisions of this act with respect to the rights of dissenting shareholders.

(c) The effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations, if the surviving or new corporation is to be governed by the laws of the District of Columbia. If the surviving or new corporation is to be governed by the laws of any jurisdiction other than the District of Columbia, the effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations except insofar as the laws of such other jurisdiction provide otherwise.

MERGER OF PARENT CORPORATION AND WHOLLY OWNED SUBSIDIARY

SEC. 72. (a) Any corporation now or hereafter organized under the provisions hereof or existing under the laws of the District of Columbia, for the purpose of carrying on any kind of business authorized by this act, owning all of the stock of any other corporation now or hereafter organized hereunder or existing under the laws of the District of Columbia, or now or hereafter organized under the laws of any other State of the United States of America, if the laws under which said other corporation is formed shall permit a merger as herein provided, may file, in duplicate original in the office of the Superintendent of Corporations, a certificate of such ownership in its name and under its corporate seal, signed by its president or a vice president, and its secretary or assistant secretary, and setting forth a copy of the resolution of its board of directors to merge such other corporation, and to assume all of its obligations and the date of the adoption thereof. If the Superintendent of Corporations finds that such certificate of ownership conforms to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of ownership to which he shall affix the other duplicate original which certificate shall then be recorded in the office of the Recorder of Deeds.

(b) Upon the issuance of the certificate of ownership, the merger shall be effected and thereupon all of the estate, property, rights, privileges, and franchises of such other corporation shall vest in and be held and enjoyed by such parent corporation as fully and entirely and without change or diminution as the same were before held and enjoyed by such other corporation, and be managed and controlled by such parent corporation, and except as hereinafter in this section provided, in its name, but subject to all liabilities and obligations of such other corporation and the rights of all creditors thereof. The parent corporation shall not thereby acquire power to engage in any business, or to exercise any right, privilege, or franchise, of a kind which it could not lawfully engage in or exercise under the provisions of the law or laws by or pursuant to which such parent corporation is organized, or operates in the District of Columbia. The parent corporation shall be deemed to have assumed all of the obligations and liabilities of the merged corporation and shall be liable in the same manner as if it had itself incurred such liabilities and obligations. The parent corporation may relinquish its corporate name and assume in lieu thereof the name of the merged corporation, by including it in a provision to that effect in the resolution of merger adopted by the directors and set forth in the certificate of ownership, and upon the filing of such certificate the change of name shall be completed, with the same force and effect and subject to the same conditions and consequences as if such change had been accomplished by proceedings under the appropriate section of this act.

RIGHTS OF DISSENTING SHAREHOLDERS

SEC. 73. (a) If a shareholder of a corporation which is a party to a merger or consolidation shall file with such corporation, prior to or at the meeting of shareholders at which the plan of merger or consolidation is submitted to a vote, a written objection to such plan of merger or consolidation, and shall not vote in favor thereof, and such shareholder, within 20 days after the merger or consolidation is effected, shall make written demand on the surviving or new corporation for payment of the fair value of his shares as of the day prior to the date on which the vote was taken approving the merger or consolidation, the surviving or new corporation shall pay to such shareholder, upon surrender of his certificate or certificates representing said shares, such fair value thereof. Such demand shall state the number and class of the shares owned by such dissenting shareholder. Any shareholder failing to make demand within the 20-day period shall be bound by the terms of the merger or consolidation.

(b) If within 30 days after the date on which such merger or consolidation was effected the value of such shares is agreed upon between the dissenting shareholder and the surviving or new corporation payment therefor shall be made within 90 days after the date on which such merger or consolidation was effected, upon the surrender of his certificate or certificates representing said shares. Upon payment of the agreed value

the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

(c) If within such period of 30 days the shareholder and the surviving or new corporation do not so agree, then the dissenting shareholder may, within 60 days after the expiration of the 30-day period, file a petition in any court of competent jurisdiction within the District of Columbia, asking for a finding and determination of the fair value of such shares, and shall be entitled to judgment against the surviving or new corporation for the amount of such fair value as of the day prior to the date on which such vote was taken approving such merger or consolidation, together with interest thereon at the rate of 5 percent per annum to the date of such judgment. The judgment shall be payable only upon and simultaneously with the surrender to the surviving or new corporation of the certificate or certificates representing said shares. Upon payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares or in the surviving or new corporation. Such shares may be held and disposed of by the surviving or new corporation as it may see fit. Unless the dissenting shareholder shall file such petition within the time herein limited, such shareholder and all persons claiming under him shall be bound by the terms of the merger or consolidation.

(d) The right of a dissenting shareholder to be paid the fair value of his shares as herein provided shall cease if and when the corporation shall abandon the merger or consolidation.

SALE, LEASE, EXCHANGE, OR MORTGAGE OF ASSETS IN USUAL AND REGULAR COURSE OF BUSINESS

SEC. 74. The sale, lease, exchange, mortgage, pledge, or other disposition of less than all, or less than substantially all, the property and assets of a corporation, when made in the usual and regular course of the business of the corporation, may be made upon such terms and conditions and for such considerations, which may consist in whole or in part, of money or property, real or personal, including shares of any other corporation, whether or not such other corporation be organized under the provisions of this act, as shall be authorized by its board of directors; and in such case no authorization or consent of the shareholders shall be required.

SALE, LEASE, EXCHANGE, OR MORTGAGE OF ASSETS OTHER THAN IN USUAL AND REGULAR COURSE OF BUSINESS

SEC. 75. A sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, the property and assets, with or without the good will, of a corporation, may be made upon such terms and conditions and for such consideration, which may consist, in whole or in part, of money or property, real or personal, including shares of any other corporation, whether or not such other corporation be organized under the provisions of this act, as may be authorized in the following manner:

(a) The board of directors shall adopt a resolution recommending such sale, lease, exchange, mortgage, pledge, or other disposition and directing the submission thereof to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, the property and assets of the corporation shall be given to each shareholder of record entitled to vote within the time and in the manner provided by this act for the giving of notice of meetings of shareholders.

(c) At such meetings the shareholders may authorize such sale, lease, exchange, mortgage, pledge, or other disposition and fix, or may authorize the board of directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the corporation therefor. Such authorization shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote, unless there are two or more classes of stock issued and outstanding and entitled to vote, in which event such authorization shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares of each such class of shares issued and outstanding and entitled to vote.

(d) After such authorization by a vote of shareholders, the board of directors, nevertheless, in its discretion, may abandon such sale, lease, exchange, mortgage, pledge, or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by shareholders.

RIGHTS OF DISSENTING SHAREHOLDERS

SEC. 76. (a) If a shareholder shall file with the corporation, prior to or at the meeting of shareholders at which a sale or exchange of all or substantially all of the property and assets of a corporation, is submitted to a vote, a written objection to such sale or exchange, and shall not vote in favor thereof, and such shareholder, within 20 days after the vote was taken, shall make written demand on the corporation for the payment to him of the fair value of his shares as of the day prior to the date on which the vote was taken, the corporation shall pay to such shareholder, upon surrender of his certificate or certificates representing said shares, such fair value thereof. Such demand shall state the number and class of the shares owned by such dissenting shareholder. Any shareholder failing to make demand within the 20-day period shall be bound by the terms of the sale or exchange.

(b) If, within 30 days after the date on which such vote was taken, the value of such shares is agreed upon between the dissenting shareholder and the corporation, the corporation shall make payment of the agreed value within 90 days after the date on which the vote was taken authorizing the sale or exchange, upon the surrender of his certificate or certificates representing said shares. Upon payment of the agreed value, the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

(c) If within such period of 30 days the shareholder and the corporation do not so agree, then the dissenting shareholder may, within 60 days after the expiration of the 30-day period, file a petition in any court of competent jurisdiction within the District of Columbia, asking for a finding and determination of the fair value of such shares, and shall be entitled to judgment against the corporation for the amount of such fair value as of the day prior to the date on which such vote was taken, together with interest thereon at the rate of 5 percent per annum to the date of such judgment. The judgment shall be payable only upon and simultaneously with the surrender to the corporation of the certificate or certificates representing said shares. Upon the payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares or in the corporation. Unless the dissenting shareholder shall file such petition within the time herein limited, such shareholder and all persons claiming under him shall be bound by the terms of the sale or exchange.

VOLUNTARY DISSOLUTION OF CORPORATION BY ITS INCORPORATORS

SEC. 77. A corporation which has not commenced business and which has not issued any shares may be voluntarily dissolved by its incorporators at any time within 1 year from the date of the issuance of its certificate of incorporation in the following manner:

(a) Articles of dissolution shall be executed in duplicate by a majority of the incorporators, and verified by them, and shall set forth—

(1) the name of the corporation;

(2) the date of issuance of its certificate of incorporation;

(3) that none of its shares have been issued;

(4) that the corporation has not commenced business;

(5) that the amount, if any, actually paid in on subscriptions to its shares, less any part thereof disbursed for necessary expenses, has been returned to those entitled thereto;

(6) that no debts of the corporation remain unpaid;

(7) that all the incorporators elect that the corporation be dissolved.

(b) Duplicate originals of the articles of dissolution shall be delivered to the Superintendent of Corporations. If the Superintendent of Corporations finds that the articles of dissolution conform to law, he shall, when all franchise taxes, fees, and charges have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of dissolution to which he shall affix the other duplicate original which shall be recorded in the office of the Recorder of Deeds.

(c) Upon the issuance of such certificate of dissolution the existence of the corporation shall cease.

DISSOLUTION BY CONSENT OF SHAREHOLDERS

SEC. 78. A corporation may be dissolved by the written consent of the holders of record of all of its outstanding shares in the following manner:

Upon the execution of such written consent by all the shareholders of record, a statement of intent to dissolve shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth and contain—

(a) The name of the corporation.

(b) The names and respective addresses, including street and number, if any, of its officers.

(c) The names and respective addresses, including street and number, if any, of its directors.

(d) A copy of the agreement signed by all shareholders of record of the corporation consenting to its dissolution.

(e) A statement that such agreement has been signed by all shareholders of record of the corporation or signed in their names by their attorneys thereunto duly authorized.

DISSOLUTION BY ACT OF CORPORATION

SEC. 78. A corporation may be dissolved by the act of the corporation in the following manner:

(a) The board of directors shall adopt a resolution recommending that the corporation be dissolved, and directing that the question of such dissolution be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the advisability of dissolving the corporation, shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken on a

resolution to dissolve the corporation, which shall require for its adoption the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote.

(d) Upon the adoption of such resolution, a statement of intent to dissolve shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporation seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth—

(1) the name of the corporation;

(2) the names and respective addresses, including street and number, if any, of its officers;

(3) the names and respective addresses, including street and number, if any, of its directors;

(4) a copy of the resolution of the shareholders authorizing the dissolution of the corporation;

(5) the number of shares outstanding and entitled to vote;

(6) the number of shares voted for and against the dissolution of the corporation.

FILING OF STATEMENT OF INTENT TO DISSOLVE

SEC. 80. Duplicate originals of the statement of intent to dissolve, whether by consent of shareholders or by act of the corporation, shall be delivered to the Superintendent of Corporations. If the Superintendent of Corporations finds that such statement conforms to law, he shall, when all franchise taxes, fees, and charges have been paid as in this act prescribed—

(a) Endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) The other duplicate original shall be recorded in the office of the Recorder of Deeds.

EFFECT OF STATEMENT OF INTENT TO DISSOLVE

SEC. 81. Upon the filing by the Superintendent of Corporations of a statement of intent to dissolve, whether by consent of shareholders or by act of the corporation, the corporation shall cease to carry on its business, except insofar as may be necessary for the proper winding up thereof.

PROCEEDINGS AFTER FILING OF STATEMENT OF INTENT TO DISSOLVE

SEC. 82. After the filing by the Superintendent of Corporations of a statement of intent to dissolve—

(a) The corporation shall proceed to collect its assets, convey and dispose of such of its properties as are not to be distributed in kind to its shareholders, pay, satisfy, and discharge its liabilities and obligations and do all other acts required to liquidate its business and affairs, and, after paying or adequately providing for the payment of all its obligations, distribute the remainder of its assets, either in cash or in kind, among its shareholders according to their respective rights and interests.

(b) The corporation, at any time during the liquidation of its business and affairs, may make application to the United States District Court for the District of Columbia to have the liquidation continued under the supervision of the court as provided in this act.

REVOCATION BY CONSENT OF SHAREHOLDERS OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 83. By the written consent of the holders of record of all of its outstanding shares, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Superintendent of Corporations as hereinafter provided, revoke voluntary dissolution proceedings theretofore taken, in the following manner:

Upon the execution of such written consent by all the shareholders of record, a statement of revocation of voluntary dissolution proceedings shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth and contain—

(a) The name of the corporation.

(b) The names and respective addresses, including street and number, if any, of its officers.

(c) The names and respective addresses, including street and number, if any, of its directors.

(d) A copy of the agreement signed by all shareholders of record of the corporation revoking such voluntary dissolution proceedings.

(e) That such agreement is signed by all shareholders of record of the corporation or signed in their names by their attorneys thereunto duly authorized.

REVOCATION BY ACT OF CORPORATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 84. By the act of the corporation, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Superintendent of Corporations as hereinafter provided, revoke voluntary dissolution proceedings theretofore taken in the following manner:

(a) The board of directors shall adopt a resolution recommending that the voluntary dissolution proceedings be revoked and directing that the question of such revocation be submitted to a vote at a meeting of shareholders.

(b) Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the advisability of revoking the voluntary dissolution proceedings, shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken on a resolution revoking the voluntary dissolution proceedings, which shall require for its adoption the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote.

(d) Upon the adoption of such resolution, a statement of revocation of voluntary dissolution proceedings shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth—

(1) the name of the corporation;

(2) the names and respective addresses, including street and number, if any, of its officers;

(3) the names and respective addresses, including street and number, if any, of its directors;

(4) a copy of the resolution of the shareholders revoking the voluntary dissolution proceedings;

(5) the number of shares outstanding and entitled to vote;

(6) the number of shares voted for and against the revocation of the voluntary dissolution proceedings, respectively.

FILING OF STATEMENT OF REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 85. Duplicate originals of the statement of revocation of voluntary dissolution proceedings, whether by consent of shareholders or by act of the corporation, shall be delivered to the Superintendent of Corporations. If the Superintendent of Corporations finds that such statement conforms to law, he shall, when all fees have been paid as in this act prescribed—

(a) Endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) The other duplicate original shall be recorded in the office of the Recorder of Deeds.

EFFECT OF STATEMENT OF REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 86. Upon the filing by the Superintendent of Corporations of a statement of revocation of voluntary dissolution proceedings, whether by consent of shareholders or by act of the corporation, the revocation of the voluntary dissolution proceedings shall become effective and the corporation may thereupon again carry on its business.

ARTICLES OF DISSOLUTION

SEC. 87. When all debts, liabilities, and obligations of the corporation have been paid and discharged, or adequate provision has been made therefor, and all of the remaining property and assets of the corporation have been distributed to its shareholders, articles of dissolution shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary which shall set forth—

(a) The name of the corporation.

(b) That the corporation has theretofore filed with the Superintendent of Corporations a statement of intent to dissolve, and the date on which such statement was filed.

(c) That all debts, obligations, and liabilities of the corporation have been paid and discharged or that adequate provision has been made therefor.

(d) That all the remaining property and assets of the corporation have been distributed among its shareholders in accordance with their respective rights and interests.

(e) That there are no suits pending against the corporation in any court, or that adequate provision has been made for the satisfaction of any judgment, order, or decree which may be entered against it in any pending suit.

FILING OF ARTICLES OF DISSOLUTION

SEC. 88. (a) Duplicate originals of such articles of dissolution shall be delivered to the Superintendent of Corporations. If the Superintendent of Corporations finds that such articles of dissolution conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each such duplicate original the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of dissolution, to which he shall affix the other duplicate original.

(b) He shall return the certificate of dissolution, with a duplicate original of the articles of dissolution thereto affixed, which shall be filed for record in the office of the Recorder of Deeds. Upon the issuance of such certificate of dissolution the existence of the corporation shall cease, except for the purpose of suits, other proceedings, and appropriate corporate action by shareholders, directors, and officers as provided in this act.

INVOLUNTARY DISSOLUTION

SEC. 89. A corporation may be dissolved involuntarily by a decree of a court of equity in an action instituted by the Superintendent of Corporations in the name of the District of Columbia, when it is made to appear to the court that—

(a) The franchise of the corporation was procured through fraud; or

(b) The corporation has continued to exceed or abuse the authority conferred upon it by this act; or

(c) The corporation has failed for 30 days to appoint and maintain a registered agent as provided in this act; or

(d) The corporation has failed for 30 days after change of its registered office or registered agent to file in the office of the Superintendent of Corporations a statement of such change.

VENUE AND PROCESS

SEC. 90. Every action for the involuntary dissolution of a corporation on the grounds hereinbefore provided shall be commenced by the Superintendent of Corporations in the United States District Court for the District of Columbia. Summons shall issue and shall be served as in other civil actions. In case a return is made thereon that no officer or agent of such corporation can be found within the territorial limits of the District of Columbia, then the Superintendent of Corporations shall cause publication to be made in some newspaper of general circulation published in the District of Columbia, containing a notice of the pendency of such action, the title of the court, the names of the parties thereto, and the date on or after which default may be entered. The Superintendent of Corporations shall cause a copy of such notice to be mailed by registered mail to the corporation at its registered office within 10 days after the first publication thereof. The certificate of the Superintendent of Corporations of the mailing of such notice shall be prima facie evidence thereof. Such notice shall be published at least once each week for three successive weeks, and the first publication thereof may begin at any time after the summons has been returned. Unless a corporation shall have been served with summons, no default shall be taken against it earlier than 30 days after the first publication of such notice. The cost of publication of such notice shall be paid by the Superintendent of Corporations, unless the decree is against the corporation and such cost is collected from it.

JURISDICTION OF COURT TO LIQUIDATE ASSETS AND BUSINESS OF CORPORATION

SEC. 91. (a) The United States District Court for the District of Columbia shall have full power to liquidate the assets and business of a corporation—

(1) upon application by a corporation which has filed a statement of intent to dissolve, as provided in this act, to have its liquidation continued under the supervision of the court;

(2) when an action has been commenced by the Superintendent of Corporations to dissolve a corporation and it is made to appear that liquidation of its business and affairs should precede the entry of a decree of dissolution.

(b) Proceedings under this section shall be brought in the United States District Court for the District of Columbia.

(c) It shall not be necessary to make shareholders parties to any such action or proceeding unless relief is sought against them personally.

PROCEDURE IN LIQUIDATION OF CORPORATION BY COURT

SEC. 92. (a) In proceedings to liquidate the assets and business of a corporation the court shall have power to issue injunctions, to appoint a receiver or receivers pendente lite with such powers and duties as the court, from to time, may direct, and to take such other proceedings as may be requisite to preserve the corporate assets wherever situated, and carry on the business of the corporation until a full hearing can be had.

(b) After a hearing had upon such notice as the court may direct to be given to all parties to the proceedings and to any other parties in interest designated by the court, the court may appoint a liquidating receiver or receivers with authority to collect the assets of the corporation, including all amounts owing to the corporation by shareholders on account of any unpaid portion of the consideration for the issuance of shares. Such liquidating receiver or receivers shall have authority, subject to the order of the court, to sell, convey, and dispose of all or any part of the assets of the corporation wherever situated, either at public or private sale. The assets of the corporation or the proceeds resulting from a sale, conveyance, or other disposition thereof shall be applied to the expenses of such liquidation and to the payment of the liabilities and obligations of the corporation, and any remaining assets or proceeds shall be distributed among its shareholders according to their respective rights and interests. The order appointing such liquidating receiver or receivers shall state their powers and duties. Such powers and duties may be increased or diminished at any time during the proceedings.

(c) A receiver of a corporation appointed under the provisions of this section shall have authority to sue and defend in all courts in his own name as receiver of such corporation. The court appointing such receiver shall, for the purposes of this act, have exclusive jurisdiction of the corporation and its property, wherever situated.

QUALIFICATIONS OF RECEIVERS

SEC. 93. A receiver shall in all cases give such bond as the court may direct with such sureties as the court may require.

FILING OF CLAIMS IN LIQUIDATION PROCEEDINGS

SEC. 94. In proceedings to liquidate the assets and business of a corporation the court may require all creditors of the corporation to file with the clerk of the court or with the receiver, in such form as the court may prescribe, proofs under oath of their respective claims. If the court requires the filing of claims it shall fix a date, which shall be not less than 4 months from the date of the order, as the last day for the filing of claims, and shall prescribe the notice that shall be given to creditors and claimants of the date so fixed. Prior to the date so fixed, the court may extend the time for the filing of claims. Creditors and claimants failing to file proofs of claim on or before the date so fixed may be barred, by order of court, from participating in the distribution of the assets of the corporation.

DISCONTINUANCE OF LIQUIDATION PROCEEDINGS

SEC. 95. The liquidation of the assets and business of a corporation may be discontinued at any time during the liquidation proceedings when it is made to appear to the court that cause for liquidation no longer exists. In such event the court shall dismiss the proceedings and direct the receiver to redeliver to the corporation all its remaining property and assets.

DECREE OF INVOLUNTARY DISSOLUTION

SEC. 96. In proceedings to liquidate the assets and business of a corporation, when the costs and expenses of such proceedings and all debts, obligations, and liabilities of the corporation shall have been paid and discharged and all of its remaining property and assets distributed to its shareholders, or in case its property and assets are not sufficient to satisfy and discharge such costs, expenses, debts and obligations, all the property and assets have been applied so far as they will go to their payment, the court shall enter a decree dissolving the corporation, whereupon the existence of the corporation shall cease.

FILING OF DECREE OF DISSOLUTION

SEC. 97. In case the court shall enter a decree dissolving a corporation it shall be the duty of the clerk of such court to cause a certified copy of the decree to be filed with the Superintendent of Corporations. No fee shall be charged by the Superintendent of Corporations for the filing thereof.

SURVIVAL OF REMEDY AFTER DISSOLUTION

SEC. 98. The dissolution of a corporation either (1) by the issuance of a certificate of dissolution by the Superintendent of Corporations, or (2) by proclamation of the Superintendent of Corporations for failure to pay annual report fees or file annual reports as provided in this act, or (3) by expiration of its period of duration, shall not take away or impair any remedy available to or against such corporation, its directors, or shareholders, or any right or claim existing, or any liability incurred, prior to such dissolution if suit or other proceeding thereon is commenced within 2 years after the date of such dissolution. Any suit or proceeding by or against the corporation may be prosecuted or defended by the corporation in its corporate name. The shareholders, directors, and officers shall have power to take such corporate or other action as shall be appropriate to protect such remedy, right, or claim. If such corporation was dissolved by the expiration of its period of duration, such corporation may amend its articles of incorporation at any time during such period of 2 years so as to extend its period of duration.

ANNUAL REPORT OF DOMESTIC CORPORATION

SEC. 99. (a) Each corporation shall file with the Superintendent of Corporations, on or before April 15 of each year, an annual report setting forth—

(1) the name of the corporation, the address, including street and number, if any, of its registered office in the District of Columbia, and the name of its registered agent at such address;

(2) the names and respective addresses, including street and number, if any, of its directors and officers;

(3) a brief statement of the character of the business in which the corporation is actually engaged;

(4) a statement of the aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

(5) a statement of the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value and series, if any, within a class.

(b) Such annual report shall be made on forms prescribed and furnished by the Superintendent of Corporations, and the information therein contained shall be given as of the date of the execution of the report.

(c) It shall be executed by the corporation by its president, vice president, secretary, assistant secretary, or treasurer, and certified by the officer executing the report, and the corporate seal shall be thereto affixed.

ADMISSION OF FOREIGN CORPORATION

SEC. 100. A foreign corporation shall procure a certificate of authority from the Superintendent of Corporations before it transacts business in the District, but no foreign corporation shall be entitled to procure a certificate of authority under this act to transact in the District the business of banking, insurance, assurance, benefit, indemnity, building and loan association, or the acceptance of savings deposits, such corporations being admitted to and shall do business in the District of Columbia pursuant to the laws relating to such business. A foreign corporation shall not be denied a certificate of authority by reason of the fact that the laws of the State under which such corporation is organized governing its organization ad internal affairs differ from the laws of the District, and nothing in this act contained shall be construed to authorize the District to regulate the organization or the internal affairs of such corporation.

POWERS OF FOREIGN CORPORATION

SEC. 101. No foreign corporations subject to the provisions of this act shall transact in the District any business for the conduct of which a domestic corporation may not be organized or which is prohibited to a domestic corporation. A foreign corporation which shall have received a certificate of authority under this act shall, until a certificate of revocation or of withdrawal shall have been issued as provided in this act, enjoy the same rights and privileges as, but no greater rights and privileges than, a domestic corporation organized for the purposes set forth in the

application pursuant to which such certificate of authority is issued; and, except as in this act otherwise provided, shall be subject to the same duties, restrictions, penalties, and liabilities now or hereafter imposed upon a domestic corporation of like character.

CORPORATE NAME OF FOREIGN CORPORATIONS

SEC. 102. No certificate of authority shall be issued to a foreign corporation—

(a) Which has a name the same as, or deceptively similar to, the name of any domestic corporation, or that of any corporation organized under any act of Congress authorizing the formation of corporations under the laws of the District of Columbia, or that of any corporation created pursuant to any special act of Congress to transact business in the District of Columbia, or that of any foreign corporation authorized to transact business in the District of Columbia, or a name the exclusive right to which is, at the time, reserved in the manner provided in this act.

(b) The name of which does not contain the word "corporation", "company", "incorporated", or "limited", or does not contain an abbreviation of one of said words, unless such corporation, for use in the District, adds at the end of its name one of such words or an abbreviation thereof.

CHANGE OF NAME BY FOREIGN CORPORATION

SEC. 103. Whenever a foreign corporation which is admitted to transact business in the District shall change its name to one under which a certificate of authority to transact business in the District would not be granted to it on application therefor, the authority of such corporation to transact business in the District shall be suspended and it shall not thereafter transact any business in the District until it has changed its name to a name which is available to it under the laws of the District.

APPLICATION FOR CERTIFICATE OF AUTHORITY

SEC. 104. A foreign corporation may procure a certificate of authority to transact business in the District by making application therefor to the Superintendent of Corporations, which application shall set forth—

(a) The name of the corporation and the State under the laws of which it is organized.

(b) If the name of the corporation does not contain one of the words "corporation", "company", "incorporated", "limited", or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in the District.

(c) The date of its incorporation and the period of its duration.

(d) The address, including street and number, if any, of its principal office in the State under the laws of which it is organized.

(e) The address, including street and number, if any, of its proposed registered office in the District, and the name of its proposed registered agent in the District at such address.

(f) The name or names of the State or States, if any, in which it is admitted or qualified to transact business.

(g) The purpose or purposes for which it was organized and which it proposes to pursue in the transaction of business in the District.

(h) The names and respective addresses, including street and number, if any, of its directors and officers.

(i) A statement of the aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

(j) A statement of the aggregate number of its issued shares itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

(k) A statement of the amount of stated capital and the amount of paid-in surplus of the corporation, as defined in this act.

(l) Such additional information as may be necessary or appropriate in order to enable the Superintendent of Corporations to determine whether such corporation is entitled to a certificate of authority to transact business in the District. Such application shall be made on forms prescribed and furnished by the Superintendent of Corporations and shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary.

FILING OF DOCUMENTS ON APPLICATION FOR CERTIFICATE OF AUTHORITY

SEC. 105. (a) There shall be delivered to the Superintendent of Corporations (1) duplicate originals of the application of the corporation for a certificate of authority, and (2) a copy of its articles of incorporation and all amendments thereto, duly certified by the proper officer of the State wherein it is incorporated.

(b) If, according to law, a certificate of authority to transact business in the District should be issued to such corporation, the Superintendent of Corporations shall, when all fees and charges have been paid as in this act prescribed—

(1) endorse on each of such documents the word "Filed," and the month, day, and year of the filing thereof;

(2) file in his office one of such duplicate originals of the application and the copy of the articles of incorporation and amendments thereto;

(3) issue a certificate of authority to transact business in the District, to which he shall affix the other duplicate original application.

(c) The certificate of authority with the duplicate original of the application affixed thereto by the Superintendent of Corporations shall be returned to the corporation or its representative.

EFFECT OF CERTIFICATE OF AUTHORITY

SEC. 106. Upon the issuance of a certificate of authority by the Superintendent of Corporations, the corporation shall have the right to transact business in the District for those purposes set forth in its application, subject, however, to the right of the District to suspend or to revoke such right to transact business in the District as provided in this act.

REGISTERED OFFICE AND REGISTERED AGENT OF FOREIGN CORPORATION

SEC. 107. (a) Each foreign corporation authorized to transact business in the District shall have and continuously maintain in the District—

(1) a registered office which may be, but need not be, the same as its place of business in the District;

(2) a registered agent, which agent may be either an individual, resident in the District, whose business office is identical with such registered office, or a corporation authorized by its articles of incorporation to act as such agent and authorized to transact business in the District having a business office identical with such registered office.

(b) The address, including street and number, if any, of the initial registered office, and the name of the initial registered agent of each foreign corporation shall be as stated in its application for a certificate of authority to transact business in the District.

CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OF FOREIGN CORPORATION

SEC. 108. (a) A foreign corporation may from time to time change the address of its registered office. A foreign corporation shall change its registered agent if the office of registred agent shall become vacant for any reason, or if its registered agent becomes disqualified or incapacitated to act, or if it revokes the appointment of its registered agent.

(b) A foreign corporation may change the address of its registered office or change its registered agent, or both, by filing in the office of the Superintendent of Corporations a statement setting forth—

(1) the name of the corporation;

(2) the address, including street and number, if any, of its then registered office;

(3) if the address of its registered office be changed, the address including street and number, if any, to which the registered office is to be changed;

(4) the name of its then registered agent;

(5) if its registered agent be changed, the name of its successor registered agent;

(6) that the address of its registered office and the address of the business office of its registered agent, as changed, will be identical;

(7) that such change was authorized by resolution duly adopted by the board of directors or was authorized by an officer of the corporation duly empowered to make such change.

(c) Such statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and shall be delivered to the Superintendent of Corporations. If the Superintendent of Corporations finds that such statement conforms to the provisions of this act, he shall—

(1) endorse on each of such duplicate originals the word "Filed", and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) return the other duplicate original to the corporation or its representative.

(d) The change of address of the registered office, or the change of registered agent, or both, as the case may be, shall become effective upon the filing of such statement by the Superintendent of Corporations.

SERVICE OF PROCESS ON FOREIGN CORPORATION

SEC. 109. (a) Service of process in any suit, action, or proceeding, or service of any notice or demand required or permitted by law to be served on a foreign corporation, may be made on such corporation by service therof on the registered agent of such corporation. Service of any such process, notice, or demand upon a corporate agent, as such agent, may be had by delivering a copy of such process, notice, or demand to the president, vice president, the secretary, or an assistant secretary of such corporate agent. During any period within which a foreign corporation authorized to transact business in the District shall fail to appoint or maintain in the District a registered agent, or whenever any such registered agent cannot with reasonable diligence be found at the registered office in the District of such corporation, or whenever the certificate of authority of any foreign corporation shall be revoked, then and in every such case the Superintendent of Corporations shall be an agent and representative of such foreign corporation upon whom any process, notice, or demand may be served. Service on the Superintendent of Corporations of any such foreign corporation shall be made by delivering to and leaving with him, or with any clerk having charge of the corporation department of his office, duplicate copies of such process, notice, or demand. In the event any process, notice, or demand is served on the Superintendent of Corporations, he shall immediately cause one of such copies to be forwarded by registered mail, addressed to such corporation at its principal office as the same appears in the records of the Superintendent of Corporations. Any services so had on the Superintendent of Corporations

shall be returnable in not less than thirty days: *Provided, however,* That, if a period of less than or greater than thirty days is prescribed by law or by rules of a court in the District or the rules or regulations of any agency of the United States or of the District, such prescribed period shall govern.

(b) Nothing herein contained shall limit or affect the right to serve any process, notice, or demand required or permitted by law to be served upon a foreign corporation in any other manner now or hereafter permitted by law.

(c) The Superintendent of Corporations shall keep a record of all processes, notices, and demand served upon him under this section, and shall record therein the time of such service and his action with reference thereto.

AMENDMENT TO ARTICLES OF INCORPORATION OF FOREIGN CORPORATION

SEC. 110. Whenever the articles of incorporation of a foreign corporation authorized to transact business in the District are amended, such foreign corporation shall forthwith file in the office of the Superintendent of Corporations a copy of such amendment duly certified by the proper officer of the State under the laws of which such corporation is organized; but the filing thereof shall not of itself enlarge or alter the purpose or purposes which such corporation is authorized to pursue in the transaction of business in the District, nor authorize such corporation to transact business in the District under any other name than the name set forth in its certificate of authority.

MERGER OF FOREIGN CORPORATION AUTHORIZED TO TRANSACT BUSINESS IN THE DISTRICT

SEC. 111. Whenever a foreign corporation authorized to transact business in the District shall be a party to a statutory merger permitted by the laws of the State under which it is organized, and such corporation shall be the surviving corporation, it shall forthwith file with the Superintendent of Corporations a copy of the articles of merger duly certified by the proper officer of the State under the laws of which such statutory merger was effected; and it shall not be necessary for such corporation to procure either a new or amended certificate of authority to transact business in the District unless the name of such corporation be changed thereby or unless the corporation desires to pursue in the District other or additional purposes than those which it is then authorized to transact in the District.

AMENDED CERTIFICATE OF AUTHORITY

SEC. 112. (a) A foreign corporation authorized to transact business in the District shall secure an amended certificate of authority in the event it changes its corporate name, or desires to pursue in the District other or additional purposes than those set forth in its prior application for a certificate of authority, by making application therefor to the Superintendent of Corporations.

(b) The requirements in respect to the form and contents of such application, the manner of its execution, the filing of duplicate originals thereof with the Superintendent of Corporations, the issuance of an amended certificate of authority and the effect thereof shall be the same as in the case of an original application for a certificate of authority.

ANNUAL REPORT OF FOREIGN CORPORATIONS

SEC. 113. Each foreign corporation authorized to transact business in the District shall file on or before April 15 of each year with the Superintendent of Corporations an annual report setting forth—

(a) The name of the corporation and the State under the laws of which it is organized.

(b) If the name of the corporation does not contain one of the words "corporation," "company," "incorporated," or "limited," or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it has elected to add thereto for use in the District.

(c) The date of its incorporation and the period of its duration.

(d) The address, including street and number, if any, of its principal office in the State under the laws of which it is organized.

(e) The address, including street and number, if any, of its registered office in the District, and the name of its registered agent at such address.

(f) The name or names of the State or States other than the District, if any, in which it is admitted or qualified to transact business.

(g) A brief statement of the character of the business in which it is actually engaged in the District.

(h) The names and respective addresses, including street and number, if any, of its directors and officers.

(i) A statement of the aggregate number of shares which the corporation has authority to issue, and the aggregate number of its issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

Such annual report shall be made on forms prescribed and furnished by the Superintendent of Corporations and the information therein contained shall be given as of the date of the execution of the report. It shall be executed by the corporation by its president, vice president, secretary, assistant secretary, or treasurer, and, verified by the officer making the report, and the corporate seal shall be thereto affixed.

WITHDRAWAL OF FOREIGN CORPORATION

SEC. 114. (a) A foreign corporation authorized to transact business in the District may withdraw from the District upon procuring from the Superintendent of Corporations a certificate of withdrawal. In order to procure such certificate of withdrawal, such foreign corporation shall file with the Superintendent of Corporations an application for withdrawal.

(b) the application for withdrawal shall set forth—

(1) the name of the corporation and the State under the laws of which it is organized;

(2) that it is not transacting business in the District;

(3) that it surrenders its authority to transact business in the District;

(4) that it revokes the authority of its registered agent in the District to accept service of process and consents that service of process in any suit, action, or proceeding based upon any cause of action arising in the District during the time it was authorized to transact business in the District may thereafter be made on such corporation by service thereof on the Superintendent of Corporations;

(5) a post-office address to which the Superintendent of Corporations may mail a copy of any process against the corporation that may be served on him;

(6) such information as may be necessary or appropriate in order to enable the Superintendent of Corporations to determine and assess any unpaid fees payable by such foreign corporation as in this act prescribed.

(c) The application for withdrawal shall be made on forms prescribed and furnished by the Superintendent of Corporations and shall be executed by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, or, if the corporation is in the hands of a receiver or trustee, the same shall be executed on behalf of the corporation by such receiver or trustee and verified by him.

FILING OF APPLICATION FOR WITHDRAWAL

SEC. 115. (a) Duplicate originals of such application for withdrawal shall be delivered to the Superintendent of Corporations. Upon receipt thereof he shall examine the same, and, if he finds that it conforms to the provisions of this act, he shall, when all fees and charges have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of withdrawal to which he shall affix the other duplicate original.

(b) The Superintendent of Corporations shall return such certificate of withdrawal, with a duplicate original of the application for withdrawal thereto affixed, to the corporation or its representative. Upon the issuance of such certificate of withdrawal, the authority of the corporation to transact business in the District shall cease.

REVOCATION OF CERTIFICATE OF AUTHORITY

SEC. 116. The certificate of authority of a foreign corporation to transact business in the District may be revoked by the Superintendent of Corporations when he finds that—

(a) The certificate of authority of the corporation was procured through fraud practiced upon the District; or

(b) The corporation has continued to exceed or abuse the authority conferred upon it by this act; or

(c) The corporation has failed for a period of 90 days to pay any fees, charges, or penalties prescribed by this act; or

(d) The corporation has failed for 90 days to appoint and maintain a registered agent in the District; or

(e) The corporation has failed for 30 days after change of its registered office or registered agent to file in the office of the Superintendent of Corporations a statement of such change; or

(f) The corporation has failed to file its annual report as required by this act; or

(g) The corporation for a period of 2 years has not transacted any business in the District; or

(h) The corporation has failed to file in the office of the Superintendent of Corporations a duly authenticated copy of each amendment to its articles of incorporation within 30 days after such amendment becomes effective; or

(i) A misrepresentation has been made of any material matter in any application, report, affidavit, or other document submitted by such corporation pursuant to this act, in which event the Superintendent of Corporations shall give not less than 30 days' notice forwarded by registered mail, addressed to such corporation at its principal office as the same appears in the records of the Superintendent of Corporations or at its registered office in the District, of his intent to revoke the certificate of authority.

ISSUANCE OF CERTIFICATE OF REVOCATION

SEC. 117. (a) Upon revoking any such certificate of authority, the Superintendent of Corporations shall—

(1) issue a certificate of revocation in duplicate;

(2) file one of such certificates in his office;

(3) mail to such corporation at its registered office in the District a notice of such revocation accompanied by one of such certificates.

(b) Upon the issuance of such certificate of revocation, the authority of the corporation to transact business in the District shall cease.

EFFECT OF REVOCATION OR WITHDRAWAL UPON ACTIONS AND CONTRACTS

SEC. 118. The revocation of certificate of authority or the voluntary withdrawal of a foreign corporation whereby its authority to do business in the District shall cease and be determined, shall not affect any action then pending, nor affect any right of action upon any contract made by the corporation in the District before such revocation or withdrawal, and, in any action upon any liability or obligation so incurred before the revocation or withdrawal, the process against the corporation may be served, after the filing thereof, upon the Superintendent of Corporations.

APPLICATION TO FOREIGN CORPORATIONS TRANSACTING BUSINESS ON THE EFFECTIVE DATE OF THIS ACT

SEC. 119. Foreign corporations transacting business in the District at the time this act takes effect for a purpose or purposes for which a certificate of authority is required under the provisions of this act shall, within 6 months after the effective date of this act, procure a certificate of authority and shall otherwise comply with all applicable provisions of this act. Failure to secure a certificate of authority within the time provided in this section shall subject the corporation to all the penalties, liabilities, and restrictions provided in this act for transacting business without a certificate of authority.

TRANSACTING BUSINESS WITHOUT CERTIFICATE OF AUTHORITY

SEC. 120. (a) No foreign corporation which is subject to the provisions of this act and which transacts business in the District without a certificate of authority shall be permitted to maintain an action at law or in equity in any court of the District until such corporation shall have obtained a certificate of authority. Nor shall an action at law or in equity be maintained in any court of the District by any successor or assignee of such corporation on any right, claim, or demand arising out of the transaction of business by such corporation in the District until a certificate of authority shall have been obtained by such corporation or by a corporation which has acquired all or substantially all of its assets.

(b) The failure of a foreign corporation to obtain a certificate of authority to transact business in the District shall not impair the validity of any contract or act of such corporation, and shall not prevent such corporation from defending any action at law or suit in equity in any court of the District.

(c) A foreign corporation which transacts business in the District without a certificate of authority shall be liable to the District, for the years or parts thereof during which it transacted business in the District without a certificate of authority, in an amount equal to all fees and other charges which would have been imposed by this act upon such corporation had it duly applied for and received a certificate of authority to transact business in the District as required by this act and thereafter filed all reports required by this act; and in addition thereto it shall be liable for a penalty of not in excess of $500. The Superintendent of Corporations shall bring proceedings to recover all amounts due the District under the provisions of this section. Such charges and penalties shall be paid to the District before any certificate of authority is issued to such foreign corporation.

COMMISSIONER OF CORPORATIONS; DUTIES AND FUNCTIONS

SEC. 121. (a) There is hereby established in the government of the District of Columbia a department of corporations, which shall be charged with the administration and enforcement of this act. At the head of such department there shall be a superintendent of corporations who shall be appointed by the Commissioners of the District of Columbia and who shall be subject to removal by said Commissioners for cause. In said department there shall be such other personnel as may be necessary for the administration of this act, within appropriations made by Congress for said department. The compensation of the superintendent and other personnel shall be fixed in accordance with the provisions of the Classification Act of 1923, as amended.

(b) The Commissioners of the District of Columbia shall provide the department with an official seal, which shall be the seal of the District of Columbia surrounded by a border in which shall appear "department of corporations of the District of Columbia."

(c) Every certificate and other document or paper executed by such superintendent, in pursuance of any authority conferred upon him by law, and sealed with the seal of his office, and all copies of such papers as well as of documents and other papers filed in his office in accordance with the provisions of this act, when certified by him and authenticated by his seal, shall have the same force and effect as evidence as would the originals thereof in any action or proceeding in any court and before a public officer, or official body.

(d) The superintendent shall report annually to the Commissioners his official transactions, and shall include therein a statement of the fees and other receipts collected under any provision of this act, and shall also make such recommendations relative to the corporation laws of the District of Columbia as he shall deem proper.

(e) The superintendent is authorized to attend and participate in the meetings of national organizations of State officials having supervision over corporations, and of the committees thereof, and there is hereby authorized to be appropriated such sums as may be necessary to defray the expenses of attendance at such meetings and to pay such annual dues or other fees as may be necessary to membership in said organizations. The superintendent is further authorized, subject to prior approval of the Commissioners, to visit the corporation departments of the various States when in his judgment such visits are necessary or desirable in connection with the organization or proper conduct of his department.

(f) Subject to the approval of the Commissioners of the District of Columbia, the superintendent is authorized to make, modify, and enforce such regulations as he may deem necessary to carry out the provisions of this act, prescribe penalties for the violation of any such regulations not exceeding a fine of $300 or imprisonment for 90 days, or both, and to prescribe such forms and procedures for use in the conduct of the business of his department as he may deem appropriate.

FEES, FRANCHISE AND LICENSE TAXES, AND CHARGES

SEC. 122. (a) The Superintendent of Corporations shall charge in accordance with the provisions of this act—

(1) fees for filing documents and issuing certificates;

(2) license fees;

(3) franchise taxes;

(4) miscellaneous charges.

(b) The Superintendent of Corporations shall charge for—

(1) filing articles of incorporation, $20;

(2) filing amendment to articles of incorporation, $20;

(3) filing articles of merger or consolidation, $20;

(4) filing a statement of intent to dissolve, $5;

(5) filing article of reincorporation, $20;

(6) filing articles of dissolution, $10;

(7) filing statement of change of address of registered office or change of registered agent, or both, $1;

(8) filing statement of the establishment of a series of shares, $5;

(9) filing an application of a foreign corporation for certificate of authority to transact business in the District and issuing a certificate of authority, $20;

(10) filing an application for reservation of a corporate name or for a renewal of reservation, $5;

(11) filing notice of transfer of a reserved corporate name, $5;

(12) filing an application of a foreign corporation for amended certificate of authority to transact business in the District and issuing an amended certificate of authority, $20;

(13) filing a copy of amendment to the articles of incorporation of a foreign corporation holding a certificate of authority to transact business in the District, $5;

(14) filing a copy of articles of merger of a foreign corporation holding a certificate of authority to transact business in the District, $20;

(15) filing an application for withdrawal of a foreign corporation and issuing a certificate of withdrawal, $5;

(16) filing application for reinstatement of a domestic or foreign corporation and issuing certificate of reinstatement, $50;

(17) filing any other statement or report, except an annual report, of a domestic or foreign corporation, $1;

(18) for indexing each document filed, except an annual report, of a domestic or a foreign corporation, $2;

(19) for furnishing a certified copy of any document, instrument, report, or paper relating to a corporation, $5;

(b) An initial license fee is hereby imposed as follows:

(1) Every domestic corporation upon the filing of its articles of incorporation shall pay, in addition to any other fees and charges imposed by this act, the sum of 2 cents for each authorized share of its capital stock up to and including 10,000 shares, and the sum of 1 cent for each additional authorized share up to and including 50,000 shares, and the sum of one-half of 1 cent for each additional authorized share in excess of 50,000 shares: *Provided*, That in any case in which the articles of incorporation, of a domestic corporation authorizes par value shares having a par value per share other than $100 per share, then, in respect to such shares only, the aggregate par value of all of such shares shall be divided by the figure 100 and the quotient so obtained shall be the number of shares for the purpose of the initial license tax as to such shares: *And provided further*, That in no case shall the initial license fee payable be less than $10.

(2) Every domestic corporation upon the filing of any amendment of its articles of incorporation effecting an increase of its authorized capital stock, in addition to any other fees and charges imposed by this act, a sum equal to the difference between the initial license fee computed at the rates provided in paragraph (b) (1) of this section on the total of the authorized number of shares, including the proposed increase and the initial license fee so computed on the total of the authorized number of shares excluding said increase: *Provided*, That in no case shall the sum payable be less than $10.

(3) For filing an agreement of consolidation or an agreement of merger, $20: *Provided*, That if the corporation created in the case of an agreement of consolidation, or the corporation surviving in the case of an agreement of merger shall be a domestic corporation, then in addition to any other fees and charges imposed by this act, a sum equal to the difference between the initial license fee computed at the rates provided in paragraph (b) (1) of this section upon the total of the authorized number of shares of the corporation created by such consolidation or surviving in the case of a merger

and the initial license fee so computed upon the aggregate amount of the total authorized number of shares such of the constituent corporation as are domestic corporations: *Provided further,* That in no case shall the sum payable as an initial license fee be less than $20.

(c) Each foreign corporation authorized under the provisions of this act to do business in the District and each domestic corporation shall pay an annual report fee of $10, which sum shall be paid at the time of the filing of the annual report required of such corporations under the provisions of this act.

(d) All taxes, fees, and charges provided for in this act shall be paid to the Collector of Taxes of the District of Columbia and deposited in the Treasury of the United States to the credit of the District.

EFFECT OF FAILURE TO PAY ANNUAL REPORT FEE OR TO FILE ANNUAL REPORT

SEC. 123. If any corporation incorporated or reincorporated under this act, or any foreign corporation having a certificate of authority issued under this act, shall for two consecutive years fail or refuse to pay any annual report fee or fees payable under this act, or fail or refuse to file any annual report as required by this act for two consecutive years, then, in the case of a domestic corporation, the articles of incorporation shall be void and all powers conferred upon such corporation are declared inoperative, and, in the case of a foreign corporation, the certificate of authority shall be revoked and all powers conferred thereunder shall be inoperative.

PROCLAMATION OF REVOCATION

SEC. 124. (a) On the second Monday in September of each year, the Superintendent of Corporations shall issue a proclamation listing the names of all domestic corporations and all foreign corporations which have failed or refused to pay any annual report fee or fees or failed or refused to file any annual report as required by this act for two consecutive years next preceding June 30 in the year in which such proclamation is issued and upon the issuance of such proclamation the articles of incorporation or the certificate of authority, as the case may be, shall be void and all powers thereunder inoperative without further proceedings of any kind.

(b) The proclamation of the Superintendent of Corporations shall be filed in his office and shall be published once during the month of September in each of two daily newspapers of general circulation in the District of Columbia. A certified copy of the proclamation shall be transmitted to the Recorder of Deeds and he shall cause notation of the fact of revocation to be made upon the articles of incorporation of each domestic corporation listed in said proclamation.

(c) Upon publication of the proclamation of revocation as provided in this act each domestic corporation listed in such proclamation shall be deemed to have been dissolved without further legal proceedings and each such corporation shall cease to carry on its business and shall proceed to collect its assets, convey and dispose of such of its properties as are not to be distributed in kind to its shareholders, pay, satisfy, and discharge its liabilities and obligations and do all other acts required to liquidate its business and affairs, and, after paying or adequately providing for the payment of all or its obligations, distribute the remainder of its assets, either in cash or in kind, among its shareholders according to their respective rights and interest.

(d) All domestic corporations the articles of incorporation of which are revoked by proclamation or the term of existence of which expires by limitation set forth in its articles of incorporation shall nevertheless be continued for the term of 3 years from the date of such revocation or expiration bodies corporate for the purpose of prosecuting and defending suits by or against them, and of enabling them gradually to collect their assets, convey and dispose of such of their properties as are not to be distributed in kind to their shareholders, pay, satisfy, and discharge their liabilities and obligations and do all other acts required to liquidate their business and affairs, and, after paying or adequately providing for the payment of all its obligations, to distribute the remainder of their assets, either in cash or in kind among their shareholders according to their respective rights and interests, but not for the purpose of continuing the business for which such corporation shall have been organized: *Provided, however,* That with respect to any action, suit, or proceeding begun or commenced by or against a corporation prior to such revocation or expiration and with respect to any action, suit, or proceeding begun or commenced by or against such corporation within 3 years after the date of such revocation or expiration, such corporation shall only for the purpose of such actions, suits, or proceedings so begun or commenced be continued bodies corporate beyond said 3-year period and until any judgments, orders, or decrees therein shall be fully executed.

PENALTY FOR CARRYING ON BUSINESS AFTER ISSUANCE OF PROCLAMATION

SEC. 125. Any corporation, person, or persons who shall exercise or attempt to exercise any powers under articles of incorporation of a domestic corporation or under a certificate of authority of a foreign corporation which has been revoked shall be deemed guilty of a misdemeanor and shall be punished by a fine not exceeding $500 or by imprisonment not exceeding 1 year, or both, in the discretion of the court.

CORRECTION OF ERROR IN PROCLAMATION

SEC. 126. Whenever it is established to the satisfaction of the Superintendent of Corporations that any corporation named in said proclamation has not failed or refused to pay any annual report fee or file any annual report for two consecutive years, or has been inadvertently included in the list of corporations as so failing or refusing to pay annual report fees or file reports, the Superintendent of Corporations is authorized to correct such mistake by issuing a proclamation to that effect and restoring the articles of incorporation or certificate of authority, as the case may be, into good standing with like effect as if such proclamation of revocation, as to such corporation, had not been issued.

RESERVATION OF NAME OF PROCLAIMED CORPORATION

SEC. 127. The Superintendent of Corporations shall reserve the names of all corporations the articles of incorporation of which have been revoked and of all foreign corporations the certificates of authority of which have been revoked until December 31 of the year in which the proclamation of revocation was issued and no domestic corporation shall be formed nor the name of any such domestic corporation changed to a name the same as or deceptively similar to such reserved name nor shall any foreign corporation be authorized to do business under a name the same as or deceptively similar to such reserved name.

REINSTATEMENT OF PROCLAIMED CORPORATIONS

SEC. 128. Upon filing a petition for reinstatement by a proclaimed corporation accompanied by the filing of the delinquent reports, or payment of delinquent annual report fee or fees in full, or both, as the case may be, together with any penalties imposed by this act, and upon payment of the reinstatement fee provided by this act at any time after the date of the issuance of the proclamation, the Superintendent of Corporations, if he finds that all of the documents offered for filing conform to law, shall file them in his office and shall issue his certificate of reinstatement which shall have the effect of annulling the revocation proceedings theretofore taken as to such corporation and such corporation shall have such powers, rights, duties, and obligations as it had at the time of the issuance of the proclamation with the same force and effect as to such corporation as if the proclamation had not been issued.

PENALTY FOR FAILURE TO FILE ANNUAL REPORT ON TIME

SEC. 129. Any corporation organized under this act or any foreign corporation having a certificate of authority under this act which fails or refuses to file the annual report required by this act to be filed on April 15 of each year shall pay a penalty of $25.

PENALTY FOR FAILURE TO MAINTAIN REGISTERED OFFICE OR REGISTERED AGENT

SEC. 130. Any corporation incorporated or reincorporated under this act, or any foreign corporation which has been issued a certificate of authority under this act, which fails or refuses to maintain a registered office or a registered agent in the District of Columbia, in accordance with the provisions of this act shall be deemed to be guilty of a misdemeanor and upon conviction thereof by a court of competent jurisdiction shall be fined in an amount not exceeding $500.

EFFECT OF NONPAYMENT OF FEES

SEC. 131. (a) The Superintendent of Corporations shall not file any articles, statements, certificates, reports, applications, notices, or other papers relating to any corporation, domestic or foreign, organized under or subject to the provisions of this act, until all fees and charges provided to be paid in connection therewith shall have been paid to him or while the corporation is in default in the payment of any fees, charges, or penalties herein provided to be paid by or assessed against it.

(b) No corporation required to pay a fee, charge, or penalty under this act shall maintain in the District of Columbia any action at law or suit in equity until all such fees, charges, and penalties have been paid in full.

PENALTIES; VIOLATION OR FAILURE A MISDEMEANOR

SEC. 132. Any person, or corporation, who violates any provision of this act, or fails to comply with any provision thereof, for which violation or failure no penalty is provided therein or elsewhere in the laws of the District of Columbia, shall be deemed guilty of a misdeameanor and upon conviction thereof by a court of competent jurisdiction shall be fined not exceeding $500 for each and every violation or failure.

RIGHTS AND IMMUNITIES OF WITNESSES

SEC. 133. No person shall be excused from testifying or from producing books, accounts, and papers in any proceeding based upon or growing out of any violation of the provisions of this act, on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no person having so testified shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may have testified or produced any documentary evidence: *Provided,* That no person so testifying shall be exempted from prosecution or punishment for perjury: *Provided further,* That the immunity hereby conferred shall extend only to a natural person who, in obedience to a subpena gives testimony under oath or produces evidence, documentary or otherwise, under oath.

MONOPOLIES AND RESTRAINT OF TRADE

SEC. 134. Nothing in this act shall be interpreted to authorize a corporation to do any act in violation of the common law or the statutes relating to the District of Columbia or of the United States with respect to monopolies and illegal restraint of trade.

WAIVER OF NOTICE

SEC. 135. Whenever any notice whatever is required to be given under the provisions of this act or under the provisions of the articles of incorporation or bylaws of any corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

VOTING REQUIREMENTS OF ARTICLES OF INCORPORATION

SEC. 136. Whenever, with respect to any action to be taken by the shareholders of a corporation, the articles of incorporation require the vote or concurrence of the holders of a greater proportion of the shares, or of any class or series thereof, than required by this act with respect to such action, the provisions of the articles of incorporation shall control.

INFORMATION ACTION BY SHAREHOLDERS

SEC. 137. Any action required by this act to be taken at a meeting of the shareholders of a corporation, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. In the event that the action which is consented to is such as would have required the filing of a certificate under any section of this act, if such action had been voted upon by the shareholders at a meeting thereof, the certificate filed under such section shall state that written consent has been given hereunder, in lieu of stating that the shareholders have voted upon the corporate action in question, if such last-mentioned statement is required thereby.

APPEAL FROM SUPERINTENDENT OF CORPORATIONS

SEC. 138. (a) If the Superintendent of Corporations shall fail to approve any articles of incorporation, amendment, merger, consolidation, or dissolution, or any other document required by this act to be approved by the Superintendent of Corporations before the same shall be filed in his office, he shall, within 10 days after the delivery thereof to him, give written notice of his disapproval to the person or corporation, domestic or foreign, delivering the same, specifying the reasons therefor. From such disapproval such person or corporation may appeal to the United States District Court for the District of Columbia, by filing with the clerk of such court a petition setting forth a copy of the articles or other document sought to be filed and a copy of the written disapproval thereof by the Superintendent of Corporations; whereupon the matter shall be tried de novo by the court, and the court shall either sustain the action of the Superintendent of Corporations or direct him to take such action as the court may deem proper.

(b) If the Superintendent of Corporations shall revoke the certificate of authority to transact business in the District of any foreign corporation, pursuant to the provisions of this act, such foreign corporation may likewise appeal to the United States District Court for the District of Columbia, by filing with the clerk of such court a petition setting forth a copy of its certificate of authority to transact business in the District and a copy of the notice of revocation given by the Superintendent of Corporations; whereupon the matter shall be tried de novo by the court and the court shall either sustain the action of the Superintendent of Corporations or direct him to take such action as the court may deem proper.

(c) Appeals from all final orders and judgments entered by the United States District Court for the District of Columbia under this section in review of any ruling or decision of the Superintendent of Corporations may be taken to the United States Circuit Court of Appeals for the District of Columbia by either party to the proceeding within 60 days after service on such party of a copy of the order or judgment of the United States District Court for the District of Columbia.

CERTIFICATES AND CERTIFIED COPIES OF CERTAIN DOCUMENTS TO BE RECEIVED IN EVIDENCE

SEC. 139. All certificates issued by the Superintendent of Corporations in accordance with the provisions of this act, and all copies of documents filed in his office in accordance with the provisions of this act when certified by him, shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the facts therein stated. A certificate by the Superintendent of Corporations under the seal of his office, as to the existence or nonexistence of the facts relating to corporations which would not appear from a certified copy of any of the foregoing documents or certificates shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the existence or nonexistence of the facts therein stated.

UNAUTHORIZED ASSUMPTION OF CORPORATE POWERS

SEC. 140. All persons who assume to act as a corporation without authority so to do shall be jointly and severally liable for all debts and liabilities incurred or arising as a result thereof.

FORMS TO BE FURNISHED BY SUPERINTENDENT OF CORPORATIONS

SEC. 141. All reports required by this act to be filed in the office of the Superintendent of Corporations shall be made on forms which shall be prescribed and furnished by the Superintendent of Corporations. Forms for all other documents to be filed in the office of the Superintendent of Corporations shall be furnished by the Superintendent of Corporations on request therefor, but the use thereof, unless otherwise specifically prescribed in this act, shall not be mandatory.

REINCORPORATION OR INCORPORATION OF EXISTING CORPORATIONS

SEC. 142. Any corporation which is either—

(1) organized and existing under the laws of the District of Columbia on the date this act takes effect and which is organized for profit and for a purpose or purposes authorized by this act; or

(2) created under the provisions of a special act of Congress to transact business in the District of Columbia for profit and for purposes authorized by this act;

may avail itself of the provisions of this act and may become reincorporated or incorporated hereunder in the following alternative manner:

*I. Reincorporation*

(a) The board of directors shall adopt a resolution declaring it advisable in the judgment of the board that the corporation should be reincorporated under the provisions of this act and further setting forth the following statements for articles of incorporation under this act:

(1) The name which the corporation elects to be reincorporated under and which shall contain the word "corporation", "company", "incorporated", or "limited", or shall contain an abbreviation of one of said words.

(2) The designation of the address, including street and number, if any, of its registered office in the District of Columbia; and the name of its registered agent at such address.

(3) The purpose or purposes for which the corporation was organized and which it will hereafter carry on.

(4) The aggregate number of shares which the corporation was authorized to issue and, if said shares were of one class only, the par value of such shares, or a statement that all were without par value, as the case may be; or if said shares were divided into classes, the number of shares of each class, if any, that have a par value and the par value of each share of each such class, and the number of shares of each class, if any, that are without par value.

(5) If the shares were divided into classes, the designation of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class and whether the shares of any class have full, limited, or no voting power.

(6) The number of directors of the corporation.

(7) Any other provisions, not inconsistent with law, or this act, for the regulation of the internal affairs of the corporation.

(8) That it elects to surrender its existing charter and to be reincorporated under and subject to the provisions of this act.

It shall not be necessary to set forth in the articles of reincorporation any of the corporate powers enumerated in this act.

(b) Written or printed notice setting forth the proposed articles of reincorporation or a summary thereof shall be given to each shareholder of record within the time and in the manner provided in this act for giving notice of meetings of shareholders.

(c) At such meeting a vote of the shareholders shall be taken on the proposed reincorporation and it shall be adopted upon receiving the affirmative vote of the holders of two-thirds of the outstanding shares unless two or more classes of shares are issued in which event it shall be adopted upon receiving the affirmative vote of two-thirds of the outstanding shares of each class issued.

(d) Upon receiving such approval, articles of reincorporation shall be executed in duplicate by the corporation by its president or vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and delivered to the Superintendent of Corporations.

(e) If the Superintendent of Corporations finds that the articles of reincorporation conform to law, he shall, when all fees and charges have been paid as in this act, prescribe—

(1) endorse on each of such duplicate originals the word "Filed", and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of reincorporation to which he shall attach the other duplicate original which shall be filed for record in the office of the Recorder of Deeds:

or—

*II. Incorporation*

Effect of Filing Articles of Reincorporation

(a) By filing with the Superintendent of Corporations a copy of its charter, or articles of incorporation, then in effect, certified by the secretary of said corporation, together with a certificate executed on behalf of the corporation by the president or a vice president and the secretary or the assistant secretary setting forth the following:

(1) The name of the corporation, which shall contain the word "corporation", "company", "incorporated", or "limited", or shall end with an abbreviation of one of said words.

(2) The designation of the address, including street and number, if any, of its registered office in the District of Columbia; and the name of its registered agent at such address.

(3) The purpose or purposes for which the corporation was organized and which it will hereafter carry on.

(4) The aggregate number of shares which the corporation was authorized to issue and, if said shares were of one class only, the par value of such shares, or a statement that all were without par value, as the case may be; or if said shares were divided into classes, the number of shares of each class, if any, that have a par value and the par value of each share of each such class, and the number of shares of each class, if any, that are without par value.

(5) If the shares were divided into classes, the designation of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class and whether the shares of any class have full, limited, or no voting power.

(6) The number of directors of the corporation.

(7) Any other provisions, not inconsistent with law, or this act, for the regulation of the internal affairs of the corporation.

It shall not be necessary to set forth in such certificate any of the corporate power enumerated in this act.

(b) A copy of a resolution of the board of directors certified to by the secretary of such corporation which shows that said board believes it advisable that the corporation should elect to avail itself of the provisions of this act and become incorporated hereunder.

(c) A certificate of the secretary of such corporation to the effect that such action by the corporation has been ratified and approved by the affirmative vote of not less than a majority of the outstanding shares of capital stock of such corporation entitled to vote.

(d) If the Superintendent of Corporations finds that such papers conform to law, he shall accept them for filing in the same manner as herein provided for the filing of articles of incorporation.

EFFECT OF FILING ARTICLES OF REINCORPORATION OR CERTIFICATES OF INCORPORATION

SEC. 143. Upon the issuance of articles of reincorporation or the certificate of incorporation by the Superintendent of Corporations the existence of the corporation shall be continued under this act and the corporation shall be entitled to and be possessed of all the privileges, franchises, and powers and subject to all the provisions of this act as fully and to the same extent as if such corporation had been originally incorporated under this act; and all privileges, franchises, and powers theretofore belonging to said corporation and all property, real, personal, and mixed, and all debts due on whatever account, and all choses in action, and all and every other interest of or belonging to or due such corporation shall be and the same are hereby ratified, approved, and confirmed and assured to such corporation with like effect and to all intents and purposes as if the same had been originally acquired through incorporation under this act: *Provided, however,* That any corporation thus reincorporating or incorporating under the provisions of this act shall be subject to all the contracts, debts, claims, duties, liabilities, and obligations of the corporations thus reincorporated or incorporated as if such reincorporation or incorporation had not taken place and neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such reincorporation or incorporation. Such reincorporated or incorporated corporation shall not be subject to the payment of the initial franchise tax provided by this act.

TRANSFER OF DUTIES OF RECORDER OF DEEDS

SEC. 144. (a) All powers conferred and all duties imposed upon the Recorder of Deeds of the District of Columbia by any act of Congress in relation to the organization of corporations, the amendment of certificates of incorporation or charters of corporations, change in capital stock, change of name, reincorporation, dissolution, or other corporate action are on the effective date of this act hereby transferred to, imposed upon, and shall be exercised or performed by the Superintendent of Corporations; and wherever the words "Recorder of Deeds" or other words denoting that officer appear in any of the acts of Congress relating to the organization of corporations under the laws of the District of Columbia, or to amendments to the certificate of incorporation or charter of any corporation organized and existing under any of such acts, or to changes of name, changes of capital stock, reincorporation, dissolution, or other corporate action of any such corporation, whether such words relate to the powers and duties of such officer in relation to organization of corporations under any such acts, or to any of the corporate acts hereinbefore enumerated or are used in connection with the imposition of obligations or duties or the conferring of rights or privileges upon corporations or other persons, such words shall be construed to mean the Superintendent of Corporations. All fees and charges, except as hereinafter provided, now chargeable by the Recorder of Deeds for doing the work or performing the services hereby transferred to the Superintendent of Corporations shall, after the effective date of this act, be chargeable by the Superintendent of Corporations. On and after the effective date of this act all certificates of incorporation or charters for the organization of corporations under any act of Congress or for the amendment of any such certificate of incorporation or charter, changes in capital stock, reincorporation, dissolution, or other corporate action under any such act, shall be delivered to the Superintendent of Corporations in duplicate original. If the Superintendent of Corporations finds that any such document conforms to law, he shall, when all fees have been paid as prescribed by law—

(1) endorse on each such duplicate original the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Superintendent of Corporations shall be recorded in the office of the Recorder of Deeds, and he shall charge the usual fee for recordation as for deeds of real estate.

(b) The filing of such document in the office of the Superintendent of Corporations shall have the same force and effect as the recordation or lodging for recordation of certificates of incorporation and other corporate documents hereinbefore enumerated, formerly had in the office of the Recorder of Deeds.

(c) Upon the effective date of this act, the Superintendent of Corporations shall take possession of all original books, papers, and records theretofore filed, recorded, used, or acquired by the Recorder of Deeds in the exercise of the powers and in the performance of the duties hereby transferred to the Superintendent of Corporations, but nothing herein contained shall require the Recorder of Deeds to transfer any copies or transcripts of corporate papers that may constitute part of the records of his office.

CONSTITUTIONALITY

SEC. 145. The invalidity of any portion of this act shall not affect the validity of any other portion thereof which can be given effect without such invalid part.

RIGHT OF REPEAL RESERVED

SEC. 146. Congress reserves the right to alter, amend, or repeal this act, or any part thereof, or any certificate of incorporation or certificate of authority issued pursuant to its provisions.

TIME OF TAKING EFFECT

SEC. 147. This act shall take effect 180 days after the date of its approval, and thereafter no corporation eligible to be formed under this act shall be incorporated under any other act or statute now in force in the District of Columbia.

With the following committee amendments:

Strike out section 2, subparagraph (r), being lines 1 to 20, inclusive, on page 8.

Page 96, line 2, strike out the words "franchise taxes", and strike out the comma following the word "fees" in line 3.

Page 99, line 1, strike out the words "franchise taxes", and strike out the comma following the word "fees."

Add to section 100, after line 11, page 114, the following paragraph:

"A foreign corporation shall not be required to procure a certificate of authority merely for the prosecution of litigation, the collection of its debts, or the taking of security for the same, or by reason of the appointment of an agent for the solicitation of business not to be transacted in the District, nor for the sale of personal property to the United States within the District of Columbia unless a contract for such sale is accepted by the seller within the District or such property is delivered from stock of the seller within the District for use within the District."

Page 134, line 4, heading of section 121, strike out "Commissioner" and insert in lieu thereof "Superintendent."

Page 136, strike out section 121, paragraph (f), lines 4 to 12, inclusive, and substitute in lieu thereof:

"(f) Subject to the approval of the Commissioners of the District of Columbia, the Superintendent of Corporations is authorized to prescribe such forms and procedures and to make such necessary regulations not inconsistent with the provisions of this act for use in the conduct of the business of his Department as he may deem appropriate."

Page 136, commencing with the words "SEC. 122 (a)", strike out lines 14 to 21, inclusive, and substitute therefor as follows:

"SEC. 122. (a) There are hereby imposed the following fees and charges."

Page 139, line 19, strike out the words "For filing" and substitute therefore the words "Upon filing of."

Page 139, line 20, strike out "$20: *Provided,* That."

Page 140 line 10, strike out the words "and each."

Page 140, line 11, strike out the words "domestic corporation."

Page 140, line 15, change the "(d)" to "(g)."

Page 140, after line 14, insert three new sections, to read as follows:

"(d) Each domestic corporation organized, incorporated, or reincorporated under the provisions of this act shall pay, at the rate hereinafter set out, an annual report fee based upon the amount of its total authorized capital stock on the 15th day of March immediately preceding the date on which such annual report is due to be filed. The annual report fee shall be paid at the time of filing the annual report required of such corporations under the provisions of this act. The amount of the annual report fee shall be as follows:

"Where the total authorized capital stock does not exceed $25,000, $15; where the total authorized capital stock exceeds $25,000, but does not exceed $100,000, $25; where the total authorized capital stock exceeds $100,000, but does not exceed $300,000, $40; where the total authorized capital stock exceeds $300,000, but does not exceed $500,000, $70; where the total authorized capital stock exceeds $500,000, but does not exceed $1,000,000, $100; and a further sum of $50 for each $1,000,000, or fraction thereof, in excess of $1,000,000. Shares

without par value, for the purpose of ascertaining the amount of the annual report fee, but for no other purpose, shall be taken to be of the par value of $50 each.

"(e) In the case of a newly organized corporation, the amount of the annual report fee to be paid at the time of the filing of its first annual report shall be an amount at the rates provided in paragraph (d) of this section pro rated on a monthly basis for the period from the date its certificate of incorporation or reincorporation was filed with the Superintendent of Corporations to the April 15th on which said first annual report is due to be filed.

"(f) If the annual report fee of any domestic corporation is unpaid on the April 15th on which the same is due, the annual report fee shall bear interest at the rate of 1 percent per month until paid."

Page 145, line 8, after the comma following the word "be", insert "plus interest thereon as provided by this act."

Page 147, strike out section 132, lines 4 to 12, inclusive, and insert in lieu thereof the following:

"PENALTIES

"SEC. 132. Any person or corporation who violates any provision of this act or of any regulation promulgated under the authority thereof, for which violation no penalty is provided in the other sections hereof, shall be, upon conviction thereof by a court of competent jurisdiction, punished by a fine not exceeding $300 or be imprisoned for a term not exceeding 90 days, or both, for each and every violation or failure. In the administration and enforcement of this act, and of any liabilities thereunder accruing, all proceedings shall be in the name of the District of Columbia by the Corporation Counsel or any of his assistants."

Page 159, line 3, strike out the word "franchise" and insert in lieu thereof "license."

Page 162, after line 8, insert a new section, as follows:

"APPROPRIATION OF FUNDS

"SEC. 148. There are hereby authorized to be appropriated from any moneys in the Treasury of the United States to the credit of the District of Columbia such amounts as may be necessary to carry into effect the provisions of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. KEEFE] is recognized for 60 minutes.

## THE ALGER HISS TRIAL

Mr. KEEFE. Mr. Speaker, because of the serious domestic and international implications involved no criminal case in recent times has attracted more attention than the Alger Hiss case. The personalities involved in the fight that your Government and mine is making to expose Communist spy rings in the United States operating within and without the Federal Government has prompted a tremendous volume of radio and newspaper comment and has developed an amazing mass of misinformation concerning the issues involved. Because of his intimate connections and association in our Department of State and because of his prominence, it is readily apparent that the indictment of Alger Hiss by a New York grand jury was of more than ordinary importance. As a result, a case which normally would have had no more than local publicity, actually assumed proportions of national and international importance. Thus the attention of the people of America has been focused upon this trial. The friends of Alger Hiss were rallied to his support, and statements appeared in the public press long before the case came to trial in which many outstanding men and women in high places in and out of Government announced their undying loyalty to Hiss and their belief in his innocence. The Communist-controlled press without exception denounced the indictment of Hiss as another effort of Fascists to destroy the liberties of the common man. In the face, therefore, of all this mass of crimination and recrimination presented to the American people before the actual trial got under way, it was to be expected that Members of Congress would be alert to what was taking place.

In order that the record may be kept straight, let us first examine the exact issue presented in this case. The defendant, Alger Hiss testified under oath on December 15, 1948, before a grand jury in New York charged with the responsibility of investigating espionage matters. In that testimony he denied that he had turned any confidential documents of the State Department or copies of the confidential State Department documents over to Whittaker Chambers or to any other unauthorized person. He further testified that he never saw Whittaker Chambers after January 1, 1937. The grand jury returned an indictment on two counts. Count 1 charged Hiss with having falsely testified that he did not turn any confidential documents or copies thereof from the State Department files over to Whittaker Chambers or to any other unauthorized person. Count 2 charged that he testified falsely when he denied that he had seen Whittaker Chambers after January 1, 1937. Whittaker Chambers, it will be recalled, was at the times alleged in the indictment a self-confessed spy in the employ of Soviet Russia. Alger Hiss was not charged with espionage. He was not charged with treason. He was not charged with being a Communist or with having engaged in subversive activities. He was simply charged with having committed the offense of perjury on two counts. He was tried before a jury in the United States district court presided over by Judge Samuel H. Kaufman. Charges and rumors were rife in and out of Washington that, even though this case was being presented by the United States district attorney's office, Hiss would never be convicted because of powerful influences from high places that were working to secure his acquittal. News items appearing in the New York Times written by Mr. Arthur Krock under date of June 14 and June 19 clearly depicted the political importance of the Hiss trial. The case was finally concluded and the jury announced its inability to reach a unanimous verdict. It has been published throughout the country that the jurors stood 8 to 4 for conviction. The United States district attorney and the Department of Justice have announced that the case will be retried.

Because of circumstances involving this case which arose prior to the trial and because of circumstances developed during the course of the trial, charges and countercharges have been made on the floor of Congress and in the public press that serve to confuse rather than clarify the real issues involved. There are those who say that Members of Congress should restrain themselves and do nothing until the ultimate guilt or innocence of Alger Hiss is finally determined by the court. The distinguished gentleman from Pennsylvania [Mr. WALTER] on Tuesday, July 12, addressed himself to this issue. I thoroughly agree with him that errors of law in rulings by the presiding judge, if any were committed, are matters for correction within the judicial branch of the Government. It will be understood, however, that if perchance errors of law were committed, willfully or through incompetence, no correction by the judicial branch would be possible in the event of the acquittal of a defendant in a criminal case. I agree with him that a congressional investigation of the facts of this case while a trial is in progress or while the matter is within the jurisdiction of the judicial branch of the Government would be in exceeding bad taste. I have diligently searched in an effort to ascertain whether any Member of Congress has ever proposed such an investigation. I find no evidence to sustain the contention that any such investigation was even thought of. If, however, the facts of this case demonstrate willful misconduct on the part of a trial judge, then clearly under the Constitution of the United States a responsibility does lie on the part of the Congress to investigate such charges. Such misconduct, if any there be, in the trial of a case by a United States district judge does involve the direct responsibility of the Congress itself. I am frank to say that the misconduct which I refer to does not involve rulings by the trial judge during the course of the trial on matters of law unless it can be established beyond a reasonable doubt that such rulings were capricious or tyrannical or were willfully made as part of a course of conduct designed to prejudice the prosecution.

### WHAT IS THE RESPONSIBILITY, IF ANY, OF THE CONGRESS?

The burden for surveillance of the conduct of all officers of the United States is on the Congress, and it is so set forth in the Constitution:

> The House of Representatives shall have the sole power of impeachment. (Art. 1, sec. 2, clause 5.)
>
> The Senate shall have the sole power to try all impeachments, and no person shall be convicted without the concurrence of two-thirds of the Members present. (Art. 1, sec. 3, clause 6.)
>
> The President, Vice President, and all civil officers of the United States, shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors. (Art. II, sec. 4.)

The Georgetown Law Journal 1937–38, page 851, says:

> The (constitutional) provision is broad enough to include all officers of the United States, who hold their appointment from the National Government, whether their

duties be executive, administrative, or judicial.

To narrow the congressional burden to the question on the conduct of judges it is necessary to examine the history of impeachment cases to obtain a clear picture of what the words "high crimes and misdemeanors" have come to mean in relation to the conduct of Federal judges. The following citations are pertinent:

Point I. Impeachment in an overwhelming majority of cases has been on the grounds for offenses not covered by Federal statutes.

1. Impeachment may be based upon other than criminal offenses. (P. 1448, United States Constitutional Law.)

2. To the term "high crimes and misdemeanors," practice has given a broad meaning that brings within its connotation offenses not penal by Federal statute. Prof. Thomas * * * points out that in the first four impeachment trials not a single charge rested upon a statute, and the same was true of some at least of the articles in most of the other trials. (P. 1449, United States Constitutional Law.)

3. * * * misconduct may, but need not, amount to a violation of law. (P. 856, Georgetown Law Journal.)

4. It is now, we believe, considered that impeachment is not confined alone to acts which are forbidden by the Constitution or Federal statutes. The better sustained and modern view is that the provision for impeachment in the Constitution applies not only to high crimes and misdemeanors as those words are understood at common law, but also acts which are not defined as criminal and made subject to indictment, and also to those which affect the public welfare * * * an official may be impeached for offenses of a political character and for gross betrayal of public interests, for abuses or betrayal of trusts, for inexcusable negligence of duty, for tyrannical abuse of power * * * or for an abuse or reckless exercise of discretionary power. (Pp. 1449, 1450, United States Constitutional Law, Report of Judiciary Committee to House recommending impeachment of District Judge English.)

5. No judge may be impeached for a wrong decision. (P. 1450, United States Constitutional Law.)

6. None of the 11 articles of impeachment against President Andrew Johnson charged a direct offense against * * * the Constitution or the statutes of the United States, except * * * the violation of the Tenure of Office Act. (P. 856, Georgetown Law Journal.)

7. In the impeachment trial of District Judge English in 1926–27, none of the charges upon which the impeachment was based was of an indictable character: They related to the tyrannical and abusive use of his judicial power, to partiality and favoritism, and to misbehavior in office. (P. 1450, United States Constitutional Law.)

8. The impeachment proceedings against other judges, in more recent times, were grounded on misconduct which fell short of being a crime. (P. 856, Georgetown Law Journal.)

9. Judge Halsted L. Ritter was removed from office for misdemeanors. It is very significant that by this ruling the Senate gave sanction to the proposition that to justify removal of a judge it is not necessary that he be guilty of violation of law. (P. 858, Georgetown Law Journal.)

Point II: Judges of the courts of the United States may be impeached (for acts which are not defined as criminal). (P. 851, Georgetown Law Journal.)

1. Four such judges have actually been convicted after impeachment. (P. 851, Georgetown Law Journal.)

(a) Judge John Pickering, 1803: Judge Pickering was convicted on impeachment, although no direct violation of law was charged against him. The charges were that he had released a vessel without bond, refused to hear witnesses in the case, refused to allow an appeal from his judgment, was intoxicated, and used profanity on the bench. (P. 856, Georgetown Law Journal.)

(b) Judge W. H. Humphreys, 1862: Judge Humphreys was charged with treason, neglect of duty, of acting as a judge in a Confederate State and causing the wrongful arrest of citizens while so doing. (P. 856, Georgetown Law Journal.)

(c) Judge R. W. Archbald, 1912: Judge Archbald was tried under five articles, none of which charged a crime. Among the most serious charges against him was the charge that he conducted a secret correspondence with a litigant concerning the merits of a case pending before him. (P. 856, Georgetown Law Journal.)

(d) Judge Halsted L. Ritter, 1936: Judge Ritter was removed from office for misdemeanors. "The reasonable and probable consequence of the actions or conduct of Halsted L. Ritter, hereunder specified or indicted in this article, is to bring his court into scandal and disrepute, to the prejudice of said court and public confidence in the administration of justice therein, and to the prejudice of public respect for and confidence in the Federal judiciary, and to render him unfit to continue to serve as judge."

This ruling definitely lays down the principle that even though upon specific charges amounting to legal violations, the impeaching body finds the accused not guilty, it may nevertheless, find that his conduct in these very matters was such as to bring his office into disrepute and order his removal upon that ground (p. 585).

Also see point I, item 9.

Point III: What is considered a misdemeanor in impeachment cases?

1. The Constitution gives us no clue as to what crimes or misdemeanors are. However, a study of English and American precedents in impeachment cases leads to the conclusion that they cover general official misconduct. (P. 853, Georgetown Law Journal.)

2. "Under the authoritative construction by * * * the Senate of the United States, a high misdemeanor for which a judge may be removed is misconduct involving bad faith or wantonness or recklessness in his judicial action or in the use of his official influence for ulterior purposes. By the liberal interpretation of the term 'high misdemeanor' which the Senate has given, there is now no difficulty in securing the removal of a judge for any reason that shows him unfit"—Mr. W. H. Taft, before the American Bar Association in 1913. (P. 1450, United States Constitutional Law.)

Thus, Mr. Speaker, it appears to be crystal clear that the Congress does have a responsibility in a matter involving alleged misconduct on the part of a United States district judge. The gentleman from Pennsylvania [Mr. WALTER] suggests:

If there are facts alleged of a nature to indicate misconduct on the part of the judge during the first trial, surely such facts can be equally well developed after the conclusion of the second trial.

While that statement is essentially correct, vigilance on the part of the Congress should demand that the inquiry be made by the Judiciary Committee of the House at the earliest possible moment. I have heretofore indicated that such inquiry should relate solely to any allegations of misconduct on the part of the trial judge. In my judgment such an investigation would in no sense involve the facts relating to the guilt or innocence of the accused but would be limited directly to those facts which might disclose official misconduct on the part of the trial judge. We do have a responsibility, and it cannot be shifted under the Constitution.

I am making no argument that the Judiciary Committee of the Congress should attempt to pass judgment upon the correctness of the rulings on matters of law by the trial judge. I make no contention that the Judiciary Committee or the Congress is charged with responsibility for instructing any trial judge as to what his rulings on matters of law or evidence should be. Such inquiry, in my judgment, would be proper only in the event it was concluded that in conjunction other facts the rulings of the trial judge were so clearly part of a whole plan of judicial prejudice as to render him unfit to pass upon disputed questions of law arising during the trial.

Mr. Speaker, as bearing upon this question I shall attempt to record here for future reference some undisputed facts:

JUDGE SAMUEL H. KAUFMAN AND BACKGROUND

Samuel Hamilton Kaufman born October 26, 1893, New York City. He got his bachelor of laws at New York University in 1917 and was admitted to the bar of the State of New York the same year. In 1935 he was named special assistant to the attorney general handling immigration and naturalization fraud cases; in 1937, special counsel of the Federal Communications Commission; in 1946 he was assistant counsel, Pearl Harbor Investigating Committee. He served in World War I and was for many years a member of the New York National Guard. Married to Ann Delaney Kaufman, they live at 15 West Eighty-first Street, New York City. His law firm at the time of his appointment was Kaufman, Gallop, Climenko, Gould, and Lynton, 30 Broad Street, New York City.

ESTIMATE OF KAUFMAN BY LAWYERS WHO KNOW HIM

Herewith is an estimate of Kaufman made early in 1948 when his nomination was first up:

Lawyers regard Kaufman as a good trial lawyer and a very successful one who has spent almost all of his 35 years in the courtroom. He is described as very resourceful on his feet but lacking in knowledge of fundamentals of law. He is pictured as a man who has his cases prepared by his office and then presents them in court, a man who is smart enough to get well educated, technically trained men who can do the spade work and build his cases for him. As one legal acquaintance put it, in describing his lack of legal knowledge, "Sam is very poor at building a record that will stand up on appeal—if he were trying a man for murder and evidence developed that the man was guilty of rape he is as likely as not to proceed to prosecute him for rape in a manner so impressive on the jury that he would win his murder case, but, of course, lose it on an appeal when the record was examined." The estimate is general that Kaufman's record is fairly clean but that he is a great trader in friendships. He expects friends to help him and in turn he helps friends in matters sometimes outside the boundaries of good judicial conduct. He has

long been ambitious to obtain high Federal appointment in the legal or judiciary branches. In the late thirties he launched a campaign to be made district attorney but he was turned down flat by Washington. His Federal judgeship ambitions, always latent, emerged in 1947. His appointment was politically endorsed by Frank Sampson of Tammany Hall with whom he is very clubby, and subsequently acquired the endorsement of Paul Fitzpatrick, Democrat State chairman, and Ed Flynn, New York committeeman, and boss of the Bronx.

KAUFMAN'S POLITICAL CONTRIBUTIONS

Kaufman is known in New York City as a Tammany Hall Democrat. For many years he has been known as an extremely generous contributor to New York City political war chests; so much so that one highly respected Democrat once remarked that "I don't trust a man who throws that much money around."

New York City does not require any filing of contributions comparable to those filed with the Clerk of the House in Washington relative to campaign contributions affecting Federal offices. Neither, apparently, does the city of New York have any such requirement. The result is that the contributions of Kaufman, on a local and State basis, cannot be checked. However, the Federal contributions can be checked and a search of the record back to January 1, 1940, affecting the Democratic National Committee reports to the Clerk of the House has been made on the following names: Samuel Hamilton Kaufman, Ann Delaney Kaufman (wife), David Kaufman, Julius Kaufman, Gene Kaufman, and Kaufman's law partners, Gallop, Climenko, Gould, and Lynton.

These records show that none of the above names, including Samuel Hamilton Kaufman contributed a single penny to the Democratic National Committee during those 8½ years until July 1948, 1 month after Judge Kaufman's interim appointment, when the following contributions were listed:

| | |
|---|---|
| July 23, 1948, Julius Kaufman, 114 East 23d St., New York City | $1,000 |
| Sept. 22, 1948, Jesse Climenko, 30 Broad St., New York City | 500 |
| Sept. 22, 1948, Julius Kaufman, 30 Broad St., New York City | 1,500 |
| Sept. 22, 1948, M. Robert Gallop, 30 Broad St., New York City | 500 |
| Total | 3,500 |

Now who is Julius Kaufman? According to an inquiry made this very morning, Julius Kaufman is the brother of Samuel Kaufman. The address 114 East Twenty-third Street, New York City, is the address of Dejay Stores, Inc., of which Julius Kaufman is vice president. The New York Telephone Co. has no Julius Kaufman for 30 Broad Street, which is the address of Samuel Kaufman's law firm. Jesse Climenko and M. Robert Gallop were Kaufman's law partners. These contributions totaling $3,500, all made by Kaufman's associates none of whom had ever contributed before, are noteworthy because all were made after Kaufman had received the interim appointment.

I wish to call the attention of the House to one significant fact. It is common knowledge that Mr. Kaufman was a generous contributor, but nowhere do his contributions appear where an official record is required.

Mr. Speaker, I site these facts as part of the background material that will follow to indicate the political character of Judge Kaufman.

PROFESSIONAL RECORD

There are a number of hearsay items of a questionable nature in Kaufman's professional record as an attorney, but the only highly unethical item that could be checked and proved involves an effort in 1943 on behalf of Serge Rubinstein, notorius, convicted, draft dodger. In Kaufman's apartment house on 15 West Eighty-fifth Street lives one, David Brady, who as a lieutenant colonel was second in command—under McDermott—of selective service in the New York area. One Sunday night, about 11 p. m. in the summer of 1943 when Rubinstein was becoming more deeply involved in his draft dodging—he had 11 reclassifications during the war—Kaufman telephoned Brady. The conversation as reconstructed later by Brady, and confirmed for the most part by Kaufman, went something like this:

BRADY. Hello.

KAUFMAN. Gone to bed yet?

BRADY. No.

KAUFMAN. I would like to come up and talk to you.

Kaufman went to Brady's apartment and after the usual show of pleasantries Kaufman got down to business saying:

I have been interested in the Rubinstein case and wondered what you know about it.

Brady, a man whose record appears excellent, halted Kaufman and reprimanded Kaufman for even mentioning the subject of a draft case. Kaufman left promptly. Brady repeats the reprimand in detail and seems very proud of it.

Kaufman confirms the visit but claims that Brady misunderstood him.

Kaufman, down through the years, mainly has been an attorney in corporate matters, receivership, and bankruptcy cases of a financial nature, and has had a very large practice in immigration matters, along with several criminal cases mostly of a character not lending itself to eventual judicial appointment. In 1941 he was an attorney for Serge Rubinstein in a matter involving Rubinstein's Mid-Victory Oil Co. and again in 1943 as an attorney for Rubinstein in the deportation proceedings against him and again in 1947 when he helped argue a Rubinstein appeal before the United States Supreme Court. He was also attorney for the Miranda Bros.—Alfred J. and Ignacio J.—who went to prison in the sensational Brewster Aircraft case for illegal sales of munitions to a South American country. They had a sales contract with Brewster on which they collected $3,600,000 in commissions on the sale of planes to United Nations countries and Kaufman won a compromise in a suit brought against them in the name of Brewster stockholders. He also was attorney for Owney Madden, a notorious New York gangster. Friends regard Kaufman as a wealthy man—"he has made a lot of money."

OPPOSITION TO HIS NOMINATION BY PRESIDENT TRUMAN IN 1948

President Truman's nomination of Mr. Kaufman was announced on May 17, 1948. The nomination was not confirmed by the Senate, being laid aside along with several others, shortly before adjournment of the Eightieth Congress. Mr. Truman then gave Mr. Kaufman an interim appointment on June 22, 1948, and he went on the bench pending rejection or confirmation by the Senate when it reconvened. In January 1949 the Democratic-controlled Senate confirmed the nomination on which the Republican-controlled Senate had declined to act 8 months earlier.

Of the five major bar associations which interested themselves in the appointment, four refused to endorse Mr. Kaufman. They were the American Bar Association, the New York Bar Association, the Association of the Bar of New York City, and the Federal Bar Association of New York, New Jersey, and Connecticut. The last-named association at first endorsed him and then rescinded the endorsement on the basis of more complete information and opposed Mr. Kaufman's nomination. The Association of the Bar of New York City felt so strongly that Mr. Kaufman was not qualified for the bench that it sent representatives to Washington, I understand, to testify in opposition.

The fifth major organization, the New York County Lawyers Association, proved to be the exception. It endorsed Mr. Kaufman. Inquiry shows that its president was I. Howard Lehman, a New York attorney. The chairman of its judiciary committee, which considers such endorsements in detail before they are made, was one Lloyd Paul Stryker. Both men appear to be lawyers of wide reputation. However, since he has taken the bench, Judge Kaufman has given Mr. Lehman the trusteeship of the bankrupt Third Avenue Transit System in New York City, a case that will probably mean up to a quarter of a million dollars to his firm. Mr. Stryker is the attorney who headed Alger Hiss' defense staff.

The basis for the strong opposition of the Association of the Bar of New York City is as follows: When the Attorney General of the United States sent out routine inquiries to bar associations in the southern judicial district of New York, the city bar association called its judiciary committee into session to consider the nomination of Kaufman by President Truman. It had asked Mr. Kaufman to send in material about himself as he was unknown to several of the members of the judiciary committee. In the course of the examination of that material it was noted that he had not listed a former law partnership with the gentleman from New York, Congressman EMANUEL CELLER. One member of the judiciary committee, out of curiosity, looked up Mr. Kaufman in "Who's Who" and noted that in "Who's Who" he did not list the partnership. In addition to this circumstance the judiciary committee had other information of interest so it was decided to ask Mr.

Kaufman to appear personally. Two subsequent judiciary committee meetings were held, both attended by Mr. Kaufman.

Concerning his failure to list his partnership with the gentleman from New York, Congressman CELLER, he explained that he had had to respond in a hurry and that he must have sent over the wrong biography, there being two around the office. Asked about the omission from Who's Who he said he must have sent the wrong biography to that publication.

Mr. CELLER. Will the gentleman give the date of that partnership?

Mr. KEEFE. I do not have the date of this before me at this moment, but the gentleman can easily obtain it. The record is made before the New York Bar Association, at a hearing at which he appeared.

Mr. CELLER. I think it goes back from 1930 to 1935.

Mr. KEEFE. The date of your partnership?

Mr. CELLER. Yes.

Mr. KEEFE. I will give the gentleman that. I did not know he was referring to that. I will give him that, and tell him all about it before I get through.

He had also supplied the committee with a list of outstanding legal cases that he had handled and committee members discussed some of these at length with him. As several members remarked later, Mr. Kaufman demonstrated a perfectly amazing memory about various cases he had handled, knowing them down to minutest details. Kaufman's remarkable memory has been noted down through the years by his colleagues. The committee then began to question him about a case he had not listed. It concerned four small Brooklyn radio stations, all of whom used the same wave length, splitting it up during the broadcasting time between them. This case was heard in the year 1934. The Brooklyn Daily Eagle, and several other groups, were attempting to have the FCC assign the frequency to them. The four small stations naturally were fighting this and each had retained a Washington lawyer to represent him before the FCC. Mr. Kaufman was asked what part his firm played in the case. He replied that he had never heard of the case. He had no knowledge of it. The interrogator in an attempt to refresh his recollection, went into considerable detail about it. He still said he knew nothing about the case.

Next he was asked if it were not true during the time Congressman CELLER was a member of his firm from July 1, 1933, to December 31, 1936, his firm name was Kaufman, Weitzner & Celler, with offices at 60 Wall Street, New York, N. Y. He said it was. He was then asked if the firm did not use a second letterhead, the second firm being known as Kaufman & Weitzner, also 60 Wall Street, New York City. He replied that this had never been done. Throughout both Judiciary Committee hearings of the city bar association at which Kaufman was present he steadfastly insisted that he knew nothing about the case and could not recall his firm had handled it nor that his firm during that period had used two letterheads, and in effect, operated the two firms from the same office. Because of this and other information the Bar Association of the City of New York actively opposed Mr. Kaufman's nomination.

THE BROOKLYN RADIO STATION CASE

When the four Brooklyn radio stations became fearful in 1934 that they were losing their case before the FCC to retain their wave length, the owners finally appealed to Congressman CELLER for help and the Congressman took over their problem, although whether he was acting as a lawyer or as a Congressman is not quite clear in the light of eventual developments. Mr. CELLER told the four owners and their attorneys that they lacked unity and were fighting among themselves and that they would not be successful in protecting their own interests unless they formed a single corporation. The events indicate that it was also made clear that the single corporation would not need four Washington lawyers but would be better off if it retained one law firm. The four stations, under Congressman CELLER's guidance, did organize a single corporation.

Now, Mr. Speaker, I hold in my hand photostat copies, which I will display at the proper time, of a file of some of the correspondence and canceled checks in this case. The file, in itself, tells the story of this transaction. The first three letters in this file are on Mr. CELLER's congressional letterhead and relate to the forming of the corporation. The fourth letter is on the letterhead of Kaufman, Weitzner & Celler. The fifth letter is on Congressman CELLER's congressional letterhead. The sixth and final letter in the file is on the letterhead of Kaufman & Weitzner, also at 60 Wall Street, New York City. The canceled checks include one for $100 by one of the radio station operators and is made payable to EMANUEL CELLER personally and is endorsed by him on the back. The sixth letter tells of how the four radio stations formed a single corporation and then retained a single law firm—the firm of Kaufman, Weitzner & Celler, 60 Wall Street, New York City.

The sixth letter, a photostat of which I now show you, is the most pertinent one to the background of Samuel H. Kaufman. It is on the letterhead of Kaufman & Weitzner, 60 Wall Street, New York City, and amounts to a contract drawn up in technical language, which sets forth that the retainer fee in the case before the Federal Communications Commission shall be $2,500 and at the same time an additional $2,500 shall be paid as an annual retainer for any future legal service performed for the new radio station corporation known as Brooklyn Broadcasters, Inc. This letter asking for $5,000 in retainer fees bears only one signature—Samuel H. Kaufman.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. KEATING. I ask the gentleman to yield at this point to clarify one point for us, which I think perhaps has already been covered. Am I to understand that the criticism voiced by the gentleman regarding this transaction, and very ably voiced, is directed toward the actions of Judge Kaufman and that it is not the gentleman's intention to impugn in any way the action of our colleague the gentleman from New York [Mr. CELLER] in this transaction?

Mr. KEEFE. I can say to the gentleman that I thought I had stated that previously in my statement. I make no charge against our colleague, the gentleman from New York [Mr. CELLER]. I am relating the whole transaction to the conduct of Judge Kaufman when he was before the bar association being examined as to his qualifications and fitness to serve. I think I can readily understand, may I say, that perhaps it might have been in perfect good taste—I do not know, but it might have been in perfect good taste—for there to have been ostensibly two law firms operating out of this office, one of the firm of Kaufman & Weitzner and one Kaufman, Weitzner & Celler. The gentleman from New York [Mr. CELLER] is a Member of Congress. It may have been perfectly proper—I do not know—to have had the firm of Kaufman and Weitzner represent, out of that office, cases which involved the Federal Government, in which the firm of Kaufman, Weitzner & Celler did not participate. I assume, from my conversations with the gentleman from New York [Mr. CELLER] that may have been the purpose.

But the point I am making is that so far as Judge Sam Kaufman, the man with the most meticulous memory, so well-known, why he would forget this situation so that it would not be probed or gone into at all in connection with this appointment. That is what I am unable to understand.

Now I hold in my hand another document. It is the photostat of a letter written by one of the radio station owners during the proceedings in this case, and it contains some information on the part Mr. Kaufman played in this matter which he had completely forgotten when asked about it by the Bar Association last year. I quote from that letter:

> About November 30 immediately prior to the December hearing in Washington the three station owners without their attorneys were invited to a conference at CELLER's office. There for the first time we were introduced to Mr. Kaufman, his partner, and after CELLER left the room Mr. Kaufman took the meeting in hand, told us about the time and effort Congressman CELLER was devoting, and his enormous influence, and wanted to know what his status would be after the stations had received a renewal of license. He demanded $5,000 plus a retainer of $2,500 per annum as counsel to the corporation. It was pointed out that it was impossible to pay such a sum, and he finally suggested that we pay $2,500 for representing us before the Commission and $2,500 additional within a year as an annual retainer. We told him we would consider it. He demanded an immediate answer, stating Congressman CELLER would withdraw unless these terms were acceded to. He sent us the letter of November 30 on the stationery of Kaufman & Weitzner.

KAUFMAN DEFENSE OF THE BROOKLYN RADIO STATION CASE

Subsequently when Mr. Kaufman's nomination was in the process of investigation in Washington, Mr. Kaufman conceded that the above facts were true. He said that all the money his firm had realized from the case was $750 and since this was such a small amount that he had not recalled it until his memory was refreshed by colleagues in his firm after his meetings with the City Bar Association. He said this was also the case of the two letterheads and that he had not recalled it until his memory was refreshed by his colleagues. He pointed out that he had been injured from a fall from a horse shortly after Congressman CELLER became a member of his firm and that in 2½ years of illness and operations as a result of that fall he had spent only a small part of that time in the office. He said in the 3-year period his firm did $560,000 worth of law business and of this slightly less than $30,000 was business involving the Federal Government. He said his partner, Weitzner, was one of the most honest men in the world and he implied that it was Wietzner who had devised the double letterhead stationery. He declared that Congressman CELLER had not shared in any of the $30,000 worth of Federal business. When asked specifically if any of the Federal business originated through Congressman CELLER he finally said some of it did.

Mr. Speaker, these facts should be of interest as bearing on the judicial character and attitudes of Judge Kaufman. These facts, coupled with others which limitations of time will not permit me to go into at this time, prompted four bar associations to oppose his confirmation as United States district judge. You will recall that I was a member of the Pearl Harbor Investigating Committee. Upon the resignation of former Attorney General Mitchell, who had been serving as chief counsel, the committee selected Hon. Seth Richardson to be its general counsel. I was introduced to Samuel H. Kaufman when he appeared in the hearings as assistant to Mr. Richardson. I knew nothing of his antecedent background, but soon learned as a result of his attitudes that he intended to try to induce findings by the committee that would completely whitewash the administration from any responsibility in connection with that tragic event. I cite this only to demonstrate that in my judgment his appraisal of evidence and facts was always in line with the preconceived prejudices that to me were exceedingly apparent.

DISPOSAL OF THE KAUFMAN NOMINATION

The Senate Judiciary Subcommittee met in May 1948 to consider the Kaufman nomination. It was composed of Senator Langer, chairman, Senator Revercomb, and Senator Eastland. Senator Revercomb never participated. It is understood that the subcommittee held some hearings, but that action by the full committee was never taken. It is believed that Kaufman possesses a telegram from the subcommittee—with Senator Revercomb not participating—saying that it decided to recommend confirmation and declaring that charges against him had been shown to be baseless.

President Truman gave Mr. Kaufman an interim appointment on June 22, 1948, some days after the adjournment of the Eightieth Congress, thus enabling him to take the bench. When the Eighty-first Congress convened, the full Senate Judiciary Committee, without any hearings or investigations, confirmed Mr. Kaufman on January 26, 1949.

Mr. Speaker, it is a well-known fact that the defense in an important criminal case always seeks, if possible, to have the case heard by a favorable judge. The facts relating to the assignment of the Hiss case to Judge Kaufman are therefore of more than ordinary interest. The record discloses that the case was postponed six times before the trial date in May 1949 was finally set. Various and sundry reasons were given for the several postponements. It is significant that in May 1949, Judge Kaufman in the usual rotation among the judges of that responsibility was in charge of the criminal calendar. It thus became the responsibility of Judge Kaufman to make assignment of the cases on the criminal calendar. Among these cases was the one charging Alger Hiss with perjury. Judge Kaufman must have known that this would involve an extended trial. He was exceedingly busy at the time in his court, and yet in the exercise of a seldom used prerogative he assigned the Hiss case to himself. His own docket was crowded and after assigning himself the Hiss case he had to order a further 1-week postponement. During the first week of the Hiss trial he was so far behind in his work that sessions of the Hiss trial did not begin until 11:30 a. m., so that the judge could use the earlier part of the morning to sit in cases that were not yet completed. It may be that the assignment of the trial of the Hiss case by Judge Kaufman to himself is a mere incident, but at least it offered the opportunity after many postponements to have the trial presided over by a favorable judge.

These facts are important, because New York and Washington were full of rumors during the week preceding the trial that the "fix" was on in the Hiss trial. Many of these rumors were even published in the press and became so current that distinguished columnists referred to them. Being well acquainted with the machinations of clever criminal lawyers in their efforts to overlook no bet in obtaining a favorable forum, I can well imagine that the defense attorney Lloyd Paul Stryker would be exceedingly gratified when he learned that the Hiss trial was to be heard by Judge Kaufman, whose occupancy of the trial bench he had played such a prominent part in promoting.

THE TRIAL BEGINS

The trial opened on May 31. Because of the unusual demand on the part of the public for admission to the courtroom, ticket distribution was controlled by the contending legal staffs. The prosecution staff consisted of Assistant United States Attorney Thomas F. Murphy. Aiding Murphy was the man who had obtained the indictment of Hiss, Thomas Donegan, special assistant to the Attorney General. The defense staff consisted of General Counsel Lloyd Paul Stryker and four other attorneys. It has been stated that the distribution of tickets of admission to the courtroom was largely done by the defense counsel. The result was that the courtroom was almost constantly packed with a clique favorable to Hiss which seized all opportunities during the course of the trial to laugh, snicker, and guffaw when it was thought to be to the advantage of the defense. This is but a common experience when matters concerning alleged relationship to subversion are involved.

The jury was picked in record time for such an important case. About two hours were consumed in selecting the jury. Judge Kaufman himself examined the talesmen, and both the prosecution and the defense were limited to the exercise of peremptory challenges. All 12 jurors swore under oath that they had no present opinion on the merits of the case or on the guilt or innocence of the defendant. All twelve swore under oath that they had not expressed any opinion on the merits of the case.

The second day of the trial opened with the usual opening statements to the jury. Prosecutor Murphy calmly and dispassionately stated the facts the prosecution intended to establish. The defense attorney Stryker, without objection on the part of Judge Kaufman, made an opening statement which was in effect a violent speech in which he dramatically and vehemently denounced Whittaker Chambers as a thief, a liar, a blasphemer, and a moral leper. I make no point as to whether or not those statements were true. However, as a trial lawyer of many years of experience, I have never been permitted by any trial court to make a closing argument before the introduction of any testimony in an opening statement to the jury. Judge Kaufman seemed utterly fascinated by the opening statement to the jury of the defense counsel Stryker, and evidenced his unusual interest by moving from the judge's bench and taking a seat in the witness chair where he could hear the impassioned opening statement of defense counsel. I call attention to this fact because at the very outset of the trial seasoned reporters and well-trained and experienced lawyers marveled at the failure of the judge himself to restrict Mr. Stryker to a statement of the facts which he intended to prove in his defense of Hiss.

In the opening statement of Murphy he clearly told the jury that in order to convict the defendant they would have to believe Whittaker Chambers, and if they did not believe Chambers, the Government's case would fall. Thus, from the very beginning of this trial efforts were made to impeach and discredit the witness Chambers. I find no fault with this and believe the court adopted a correct view of the law and evidence in this particular. Chambers, a confessed perjurer, a confessed Communist, and of sordid background and reputation for years, unless supported by substantial

corroboration, could well have failed to impress either the court or jury. When Chambers took the stand Judge Kaufman intervened almost immediately. He very meticulously attempted to limit the testimony to the simple question of perjury, and all through the trial he held the prosecution within the most narrow limits. Here was a defendant charged with having delivered secret documents from the State Department files to a confessed Communist courier. Chambers said Hiss delivered the documents to him. Hiss denied it. It would seem elementary, therefore, as bearing upon the credibility of the witness, Hiss, that his relations and connections with Communists and his associations with them would be of vital importance as affecting his credibility even though such facts did not bear directly on the issue in the case. During the whole trial the judge blocked every effort on the part of the prosecution along this line. In his instructions to the jury, however, I believe he correctly stated the law when he said:

> If you find that any witness has willfully testified falsely as to any material fact, you must disregard his testimony as to that fact, or you may reject and disregard his entire testimony. In this connection I charge you that a material fact includes a fact bearing upon the credibility of the witness even though not bearing on the issues in this case.

Thus we find that the trial judge in his instructions to the jury fairly stated the law on this issue. Why during the trial he blocked every effort of the prosecution to offer testimony that would strike directly at the credibility of Hiss is difficult for me to understand. More on this subject will be developed as the case proceeds.

The third day, June 2, was remarkable for two things—first, in the judge's chambers with defense counsel Stryker present and with a complete record being preserved, the prosecutor Murphy informed the judge that in the jury of 10 men and 2 women—with 2 alternates—there was a juror who evidently had falsely sworn at the time of his examination that he either had no opinion or had expressed no opinion as to the guilt or innocence of the defendant. Murphy advised the judge that he had a report from the FBI to the effect that the wife of the foreman of the jury, one Hubert James, was ill at St. Francis Health Resort, Denville, N. J., and that she had told a visitor that her husband sympathized with Hiss and believed him innocent and that he had said he would seek to convey that attitude to the other jurors. Murphy advised the judge that the FBI report was the extent of his information and suggested to Judge Kaufman that he could excuse the foreman and let one of the alternates take the foreman's place. He further stated to the judge that perhaps the humane way to do it with the least excitement would be to excuse the foreman on the grounds that his wife was ill. Judge Kaufman's reply was that this amounted only to hearsay, and because of his desire not to have a mistrial declared, Murphy did not make any formal move for disqualification of the juror James. The foreman remained on the jury. The question arises as to whether or not an obligation rested upon the judge on his own motion to not permit further service on the jury of the foreman, James, if the facts would disclose that he had violated his oath when he was examined as a prospective juror. In any event, James remained as foreman of the jury and voted constantly for acquittal to the very end.

The second matter of importance that occurred on the third day of the trial arose out of the cross-examination of the witness, Chambers. He was asked by the prosecutor how he met the defendant, Hiss. Chambers responded that he was introduced to Hiss by Harold Ware and J. Peters. When Murphy attempted to elicit identification of Ware and Peters, he was promptly blocked by Kaufman, who barred all testimony tending to identify either of them. Now, the fact is that Harold Ware ran the first spy ring in the early days of the New Deal in Washington, which was known as the Ware ring. J. Peters, who was deported during the Hiss trial, is regarded by the FBI as the key figure and pivotal espionage chief of a second Soviet spy ring—the same one which Chambers testified he participated in and in which he implicated Hiss. The trial judge Kaufman did not regard this as important and barred testimony as to the identification of Ware and Peters, with the result that the jurors never had presented to them knowledge as to who Peters and Ware really were. It would seem clear in view of the rule of law heretofore referred to that this identification was of exceeding importance as bearing upon the credulity of the defendant, Hiss, and the probability that he would be engaged in the delivery of secret State Department documents to the Communist courier, Whittaker Chambers. Again, when Chambers, on direct examination, told how he, Hiss, and a Col. Boris Bykoff, a Soviet intelligence officer, met in Brooklyn, N. Y., Judge Kaufman interjected and asked whether on his walk with Colonel Bykoff there was a discussion. Chambers answered, "No; Colonel Bykoff knew who Hiss was." Immediately Kaufman loudly and angrily shouted, "Strike it out."

From a strictly legal point of view, perhaps, the response of Chambers to the question of the judge was not responsive, and perhaps the judge had a right to order his answer stricken on that ground. However, the incident discloses how meticulously Judge Kaufman himself intervened all through this trial so as to throw his protecting arm around Hiss and prevent any disclosure of his connections with the Communist spy ring. As heretofore indicated, Hiss being a defendant in the case, his credibility was an important issue, and his acquaintance with Colonel Bykoff and with Peters and Ware would be important facts for the jury to consider in determining his credibility as a witness in his own defense.

Every attendant at this trial noted that in the first 2 days that Chambers was on the stand Kaufman constantly addressed him in tones of contempt, indicating such scornful attitudes and airs of incredulity and disbelief that it immediately became the talk of the courtroom and eventually the legal profession in New York City. Judge Kaufman and his defenders state that they will refer to the record to show his lack of prejudice or partiality. But the record will not show his facial expressions, the inflection of his voice, his gestures and head movements, his flouncing about on the bench, whipping his chair around with his back to the witness when he was displeased with the testimony. These are all things that took place before the jury that indicated an air of disgust and doubt on the part of the judge that the printed record does not disclose.

On Monday, June 6, the record discloses further attitudes on the part of the presiding judge that were most helpful to the defense. He actually summed up points before the jury not stressed by Stryker and obtained from Chambers testimony that he never told the story of his association with Hiss and Colonel Bykoff before November 17, 1948. The judge himself then brought out that Hiss had filed a $75,000 libel suit against Chambers at the end of September 1948, and thus left the clear implication that Chambers had devised the whole espionage and Bykoff story as a defense in the libel suit. The prosecutor sought to bring out a motive for Chambers' withholding his story for 10 years by offering testimony that Chambers had told the whole story to Mr. A. A. Berle in 1939. Kaufman did not like this, and when Chambers testified "What I told Berle should have started an immediate investigation," the judge roared, "Strike it out" without waiting for any objection on the part of the defense counsel. On this day the judge ordered the grand jury records open to the defense in those portions where they tended to show inconsistencies between the trial testimony and the grand jury testimony on the part of Chambers. The prosecutor objected with great heat but was as usual overruled. Time and again the prosecution attempted to offer testimony to meticulously pin down important facts in the case, only to have them ruled out by Kaufman.

It will be noted that in September 1948 Hiss commenced a libel suit against Chambers and the latter was examined in a pretrial proceeding. His answers in this examination were used by the defense repeatedly in the criminal trial in New York. When Chambers was under cross-examination, the prosecutor, Mr. Murphy, noted that Stryker had read only part of an answer given by Chambers in the pretrial examination in the libel suit, in regard to his brother Richard's suicide. He asked the court that the whole answer be given. "That is all in the record," barked the judge. "Mr. Stryker read only half the answer," Murphy protested. "All the facts are not in the record."

"It is already in the record," insisted Kaufman. "Only partly," said Murphy.

Similar incidents were frequent during the entire trial. It can be said, I believe conservatively, that Judge Kaufman throughout the period of nearly 6 weeks, balked the Government on scores of occasions, some of minor, some of major

importance. A mere repetition of his words taken from the record, however, cannot show the scorn and incredulity marked by his facial expression and inflections of voice which marked his interjections and his tilts with Murphy.

It will be recalled that some of the confidential documents alleged to have been passed by Hiss to Chambers were typewritten copies. The prosecution claimed and proved that these copies were typed on a typewriter that had been owned by Hiss. Hiss had testified that his wife was simply an amateur typist. Murphy offered proof that she had passed a test in English and typing as a student at Columbia University. As usual, Kaufman, without any expression of reason, upheld Stryker's objection to introduction of the record from the graduate school of journalism at Columbia.

Another incident that is significant took place when Mrs. Chambers was called as a witness. It must be understood that the witness was kept out of the courtroom, and she had not heard her husband testify. It should be recalled that Kaufman, a trial lawyer of 30 years' experience, was known for his excellent memory. "What was your last name?" inquired the court of Mrs. Chambers, after she had testified that the Hisses knew her husband only as Carl, and had added, "We never had a last name." The judge said he did not hear her answer. "We never had a last name," she repeated.

"I do not understand your answer," said the judge in a challenging tone. "You testified that you were known as Crosley."

As reported in the New York Times, "the courtroom gasped." Cries of "Oh, no," came from many of the spectators. Every person following the trial, including some 30 reporters, realized the enormity of the court's error. This was a highly important point. Chambers had testified that he never recalled using the name of Crosley. Hiss had insisted that Crosley was the only name by which he had known Chambers. Mrs. Chambers, apparently taken aback by the judge's misquotation of her husband's testimony, neyertheless insisted that she and her husband were known to the Hisses only as Carl and Lisa. The name "Crosley" meant nothing to her, she said. This is but another incident during the trial of this case that disclosed the very obvious prejudice of the trial judge.

On June 17, Judge Kaufman denied two defense motions to dismiss the indictment as the Government rested its case. There were a total of 33 witnesses for the Government. Among these was one Henry Julian Wadleigh. He identified himself as a worker in the Trade Agreements Section of the State Department from 1936 to 1943. He, in substance, testified that "he had as a Communist sympathizer" passed State Department documents to a man named David Carpenter for the ultimate use of Soviet Russia. The prosecutor asked him whether he gave documents to anyone other than Carpenter. He admitted that on several occasions he gave them to Whittaker Chambers. The testimony was electrifying, but Wadleigh hastened to state that he had not given any of the documents in evidence to Whittaker Chambers. The Government offered all of the documents produced from Chambers and as corroboration of Chamber's testimony produced Mr. Amos C. Feehan, a typewriter expert from the FBI, who identified the typewritten exhibits as having been typed on the Hiss typewriter.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. JENNINGS. Mr. Speaker, I have a special order at this time. I ask unanimous consent to yield to the gentleman so much of my time as will enable him to conclude.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. KEEFE. The defense offered a series of character witnesses, including Associate Justices Frankfurter and Reed of the United States Supreme Court. The newspapers played up the attitude of the trial judge toward these two distinguished associates. I want to read you a description of Judge Kaufman's behavior, since the facts set forth in what I will read tally with the descriptions by other competent writers. What I hold here is the current issue of Life magazine and it contains an article by James Bell, who covered the Hiss trial for that publication. Mr. Bell writes, and I quote:

> As the defense swung into its case Judge Kaufman, natty in a blue bow tie, was nearly beside himself. His court was graced by several prominent witnesses, including Associate Justices of the United States Supreme Court. When Frankfurter mounted the stand, Kaufman bounced off his bench, to shake the great man's hand, and all through his testimony treated him with exaggerated respect.
>
> Stryker was on his best behavior in the presence of the great, too, as he got Frankfurter to point out that Hiss' character was "excellent." But the prosecutor obviously ruffled Frankfurter when he called him "judge" and as a result the witness tended to duel with Murphy instead of answering him directly. A typical exchange occurred when Murphy tried to bring out that Judge Jerome Frank did not hold such a high opinion of Hiss. "Do you remember talking to Judge Frank * * *?" "No, I remember his talking to me," replied the witness. "Then I assume you talked to him and he talked to you?" "Well," said Frankfurter sharply, "let's not fence." And so it went.

In all my years at the bar, I have never seen nor heard of any judge in any court committing such an unjudicial act, nor prejudicial act, as to shake hands with a witness in the presence of the jury when that witness was to testify in a criminal proceeding. In this instance, it was not only an act of bias on the part of the judge, Kaufman, for the defendant, Hiss, but it was degrading to the dignity of the bench. And I do not think I need to add, because I am certain that every colleague of mine in this House feels as I do, that neither Justice Frankfurter, nor Justice Reed, proved himself worthy of the highest tribunal in the land when they stepped down to appear as witnesses for the defendant, Hiss. Indeed, on this day, June 22, 1949, three jurists—Kaufman, Frankfurter, and Reed—wrote a lamentable page into the records of our great judicial system.

Now, to return to the case itself, the defense tried to show that a Mr. X, some unidentified person, must have typed the documents found in Chamber's possession and that someone must have stolen the documents in Hiss' handwriting out of his office.

A résumé of the records shows how completely the defense failed to destroy three uncontradicted facts: First, that Whittaker Chambers had in his possession copies of original State Department documents which were secret and confidential; second, that these were all dated in the first 3 months of 1938; and third, that all of the documents except those in handwriting were copied on the Hiss typewriter.

The defendant and his counsel could not deny that Whittaker Chambers had in his possession these copies of original secret and confidential State Department documents. They could not deny that a portion of these documents were in the handwriting of Alger Hiss. They could not deny that the typewritten copies were typed on a machine that had been the property of Alger Hiss. It was therefore necessary to build up an amazing effort to discredit these simple facts. Every technique known to the skilled criminal lawyer was utilized and at one point it appeared that they might be successful in establishing that the Hiss typewriter had been given away and had not been in the possession of the Hisses in the early part of 1938. They produced a Negro servant woman who had worked for the Hisses during the period when the prosecution claimed the documents were typed and she testified that they had given the typewriter to her two sons, Pat and Mike. The sons identified the typewriter in the courtroom as the one they had received.

On cross-examination one of the witnesses admitted that he had taken the typewriter to a repair shop shortly after he had received it. The prosecution then proved conclusively that this repair shop had not been opened for business until September 1938. Thus the attempt to show that someone else could have typed these documents other than Hiss was completely challenged.

The attempt to put some mysterious Mr. X into the picture and to indicate that perhaps Chambers himself had entered the Hiss house and had used the typewriter and copied those documents which he had obtained from someone else other than Hiss could not be swallowed by eight of the jurors. However, the amazing Mr. Stryker had another trick in his bag and was permitted to exhibit it by Judge Kaufman over the strenuous objections of the prosecution. The judge permitted a Dr. Carl Binger, a New York psychiatrist, to sit in a prominent position in the courtroom all during the time that the prosecution was putting in its case. His presence was known to everybody. He observed the witness, Chambers, took copious notes, and it became known that he would be used as a defense witness supposedly to testify on the mental condition of Whittaker Chambers.

This Dr. Binger went further. He not only took notes, but he made figures with his hands, he would raise his finger as a witness testified, and he would conspicuously count on his fingers, leaving the idea that each finger count was a fresh point in his mind. After the trial, one member of the jury, Mrs. Helen G. Sweatt said: "It was not right for the judge to allow that psychiatrist, Dr. Binger, to sit there all the while Mr. Chambers was on the witness stand. At the same time he was watching the jurors and it made some of us nervous." Finally, in a meeting of the counsel in the judge's chambers called by the judge to discuss the admissibility of the testimony of Binger after the arguments of counsel the judge concluded that he would not permit Binger to testify and upheld the prosecution's objections.

When the court and counsel returned to the courtroom Stryker placed Dr. Binger on the witness stand and he was sworn as a witness. Over the strenuous objections of the prosecution and despite the ruling already made by the court in chambers, Stryker was permitted to utilize nearly 45 minutes in asking a hypothetical question of Dr. Binger. Into this question he had put his entire summation and argument. Into it he again repeated the entire defense condemnation of Chambers, and in effect, through the reading of this question for 45 minutes was given another opportunity to make what was in effect a summation of his case before the jury. Despite all the objections of the prosecution and despite the fact that the judge had already held that he would not allow Binger to testify, he permitted Stryker to occupy the time of the court before the jury in making a jury argument in the form of a hypothetical question.

When he had finished the judge immediately ruled the witness off the stand and ordered Stryker's question stricken from the record. Murphy, red with rage at this unusual procedure, cried out, "Great injustice has been done to the Government because of the reading of this question. The damage has been done." It is noteworthy that on no other occasion during the trial did Judge Kaufman permit a witness whom he intended to bar from the witness stand to even be sworn in. The whole net effect of this remarkable occurrence was to give the defense a summation to which it was not entitled. The judge barred the testimony of Mrs. Hede Massing, former wife of Gerhardt Eisler, the fugitive Communist, after arguments in chambers. With respect to this testimony the court stated after coming from his chambers, "Ladies and gentlemen of the jury, there has been a long discussion about the testimony of Mrs. Hede Massing. The court has ruled that her testimony is not admissible. She will not be called as a witness." Murphy had argued that Mrs. Massing's testimony would directly affect the credibility of Hiss as a witness. Judge Kaufman had earlier in the trial admitted testimony which might result in impeaching Chambers. He also questioned Chamber's credibility on his own account and yet he would not even permit this witness to be called and questioned but barred her from the witness stand as he also barred a number of other witnesses whose testimony would tend to impeach the testimony of Hiss.

As a lawyer I can understand that the defense counsel was making a record and the only way the record could be made was to place the witness on the stand, ask the question, and have the testimony excluded and the question stricken. When the prosecution attempted the same thing, however, the witnesses were barred by order of the judge. This little fact is perhaps another indication of the bias and prejudice that the jurors themselves noted when five of the jurors stated in the public press that they believed the judge to have been prejudiced for the defense. It is no answer to say that because eight of the jurors voted for conviction the obvious prejudice of the judge had no effect. No one can say what the effect was upon the other four who voted for acquittal. Some possible light on this might be shown in the fact that the press carried the story that a spokesman for the jury stated the four dissenting members of the jury agreed that the typewritten documents came from the Hiss typewriter but refused to believe that the Hisses had done the typing. Had the state been permitted to offer, or at least tender, the testimony which it proposed to offer and which was excluded by the judge, a different attitude might reasonably have been expected from these four dissenting jurors.

Now, Mr. Speaker, I have merely scratched the surface with reference to the facts of this case. I am not going to burden this House further with the numerous incidents which showed the unusual conduct of Judge Kaufman in this trial. Instead, I will append to my remarks at the end of this speech one or two additional examples which I think the Members will want to read in the RECORD at their leisure.

I well know the delicate character of the problem of what should be done about this judge. I believe sufficient facts have been shown to indicate the necessity for a minute examination by the Judiciary Committee of all of the facts and circumstances relating to Judge Kaufman, particularly with reference to this important trial. No breath of suspicion should attach to the judiciary. Every person has the right to know that when he enters a courtroom the presiding judge of that court will assume his responsibility free from prejudice or interest and administer cool, even justice without bias. It is true that this case may be tried again; it may be that any action by the Congress or its Judiciary Committee could well wait the final disposition of this case.

The people of America, however, are entitled to know that the Congress is ever alert to the discharge of its constitutional function and duty to continue surveillance of the conduct of all officers of the United States Government. These Federal judges are not elected by the people; they are appointed by the President and confirmed by the Senate for life tenure during good behavior. We must not permit the shadow of suspicion or partiality or prejudice to involve men occupying high positions in the Federal judiciary.

To say that the separation of powers demands that the Congress keep hands off in the interest of preserving an independent judiciary is to deny the mandate of the Constitution itself.

Mr. Speaker, I have made this record in order that not only Members of Congress but the general public may be informed of the salient facts and thus be able to know and understand that the representatives of the people in the Congress are alert to their responsibility and at the proper time and in accordance with the best traditions of the American system will determine the fitness or lack of fitness of this judge to dispense equal justice under law.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I will be very glad to yield to the gentleman.

Mr. CELLER. I should think it would go without saying that if any inquiry were directed to the House Committee on the Judiciary by way of impeachment or otherwise in this matter, I would immediately disqualify myself, because Judge Kaufman over 15 years ago was a partner of mine.

Mr. KEEFE. Knowing the gentleman as I do, I am certain that if any such situation as that developed, the gentleman, with his great knowledge of the law and the character of lawyer that he is, would surely do just exactly that.

Mr. Speaker, I ask unanimous consent to extend my remarks by inserting at this point the appended matter to which I referred during the course of my remarks, and also the article appearing in Life magazine, written by James Bell.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The matter referred to follows:

APPENDED MATTER

Mr. KEEFE. Mr. Speaker, herewith I offer some appended examples of Judge Kaufman's conduct in the Alger Hiss case, together with the dates of their occurrence:

June 5: When Chambers took the stand, Judge Kaufman intervened almost immediately. The witness' testimony touched upon his espionage activities before he met Hiss, and the court warned that such testimony would not be admitted in a trial for perjury.

Murphy protested that espionage and perjury were inextricably bound up together in the case. After ascertaining that Chambers' testimony would be that Hiss was a Communist and met Chambers as a result of his communistic activities, the judge remarked:

I have grave doubts as to the admissibility of such testimony. I am afraid that we will get away from the real issue. What you are intending to do, Mr. Murphy, is to supply a motive, not for perjury, but for the espionage charge with which we are not concerned here.

Mr. MURPHY. Is it not a simple rule of law that if, in proving one case, other crimes are proved, that that is just unfortunate? A great jurist, Judge Learned Hand, has said that if other crimes are proved in proving the ultimate crime, that is just unfortunate.

Mr. STRYKER. There is no point to introducing this irrelevant testimony, much as the Government would like to have the fun of putting it in.

Murphy protested this language. The judge ignored him.

June 9: Chambers still on stand.

Judge Kaufman, at this session, sustained numerous defense objections and challenged the witness, as follows:

Do you want us to understand that when you testified before the House committee in August 1948, in substance that you had nothing to do with espionage, that you had forgotten your five sources of supply?

The phrase "do you want us to understand" and "that you had forgotten" were emphasized. The court's tones clearly indicated his incredulity. Murphy protested vigorously this display:

Your Honor, you are distorting something without any intention of doing so, I'm sure. There is no testimony that he "forgot."

Said Kaufman curtly:

I'll look at the record again, and I may ask the question later.

June 24: Hiss continued. During the cross-examination of Hiss, the judge who had been quiet during the direct examination, bestirred himself. Murphy asked Hiss to "fix the times" when he said he had demanded payments of rent from Chambers for the apartment he said he had subleased to him.

"As nearly as you can, Mr. Hiss," said the judge, gently. Hiss turned to the judge with one of his frequent smiles which women spectators saw as "boyish" in this individual of 44.

HISS. After the termination of the lease, Your Honor.

KAUFMAN. When was the termination of the lease?

HISS. My lease expired on the 1st of July. Mr. Crosley moved out a day or two before that.

The COURT. The 1st of July 1935?

HISS. Nineteen hundred and thirty-five. I saw him once or twice after that.

A little later, it seemed almost as if the judge was acquainted with what Hiss was going to say. The transcript shows the following:

STRYKER. Now, at that time were there any secret restrictions in the State Department such as requiring a visitor to give his name and have a badge or anything of that kind?

Answer. There were no restrictions as to visitors entering the building whatsoever.

Question. Do you remember one occasion where you came into your office and has it been impressed upon your mind?

Before Hiss could answer, the judge interjected with what sounded like a prompting reminder: "Do you recall any occasion where someone, a stranger, was sitting in your office?"

Indeed, Hiss did. He promptly related having found one day "a rather eldery pleasant-looking gentleman" standing in the office. The gentleman explained that he was on a sentimental visit for his father had worked in that very same room many years before. He did not remember the name of this stranger. Hiss went on to name others who frequented his office, including Wadleigh.

June 27: Cross-examination of Hiss by Murphy. Hiss was arrogant as he faced the prosecutor. His remarks were flip. Speaking of a visit made by Chambers to his house, he said that he entered. Murphy asked: "By the door?" and Hiss flippantly remarked that is the way one entered a house—through the door. The courtroom guffawed.

MURPHY. Your Honor, will you ask some of these clowns to stop laughing?

KAUFMAN (indignantly). There is no justification for that remark, Mr. Murphy.

MURPHY. I think it is getting ridiculous, Your Honor.

KAUFMAN. I think we have preserved order here very well. There have been a few spontaneous outbursts, but I don't think there is any justification for that remark. We will take a recess for 5 minutes.

Earlier, during the cross-examination of Whittaker Chambers by Stryker, Stryker had insisted on reading an erotic poem in full that Chambers had written in his college days. Judge Kaufman joined in the laughter that repeatedly broke out in the courtroom. The judge frequently joined the spectators in laughter—always at the expense of the Government's case—throughout the trial. But, on the two occasions when Murphy protested this failure of the judge to maintain the usual courtroom decorum, not the spectators but Murphy was the butt of Judge Kaufman's rebukes.

June 28: Mrs. Hiss testifies. At the close of Hiss' testimony, Stryker asked for transcripts of the full testimony given by Hiss before the grand jury. Murphy objected, but the Court ordered the transcripts turned over. He also ordered that Stryker be given an FBI report dated March 26, 1948, on Hiss.

Where the judge had permitted extensive examination of Chambers regarding the suicide of a younger brother, he forbade questioning of Hiss to elicit the fact that his father and sister had committed suicide.

Question. Mr. Witness, do you recall Mr. Stryker asking Mr. Chambers about his brother committing suicide? Have you had such experiences in your family?

STRYKER. I object to it.

KAUFMAN. Sustained.

MURPHY. Your Honor, I submit that I should be allowed to ask this man about some happenings in his family when the Government witness was cross-examined for some length on that.

KAUFMAN. Sustained. I have ruled, Mr. Murphy.

MURPHY. May I ask Mr. Stryker to state his reason?

KAUFMAN. Purely immaterial to the issues. It does not affect the credibility of this witness in the slightest.

MURPHY. I don't know whether credibility is the only issue.

KAUFMAN (sharply). We will proceed to the next point, Mr. Murphy, please.

On another occasion, after Stryker objected to a phrasing of a question by Murphy, the judge remarked to Murphy: "That is not fair, Mr. Murphy."

June 29: During this session Mrs. Hiss was cross-examined by Murphy on how she had spent more than $400 which she had drawn out of the bank in connection with the automobile transaction. The Hisses claim the money was spent for household items by Mr. Hiss. Murphy was cross-examining her on the various items purchased and came to the question of the purchase of some knives and forks. At this point Judge Kaufman began scowling darkly and, by his head movements and facial expressions and glowering toward the defense counsel's table, it was clear that something was amiss. Defense Counsel Stryker was looking in a different direction. Noticing the judge, one of Stryker's colleagues nudged him and Stryker looked at the judge, caught his scowling and promptly arose.

STRYKER (arising). I object.

KAUFMAN (instantly). Sustained.

Judge Kaufman erupted at the close of the session, after the jury retired. Stryker raised the question of contempt as a result of a World-Telegram article quoting an anti-Hiss pamphlet by William Marshall Bullitt, trustee of Carnegie Endowment. Bullitt was Solicitor General, 1912–13.

Kaufman said any application "to punish anyone for contempt" must necessarily await the completion of this trial.

It is most unfortunate—

He continued—

that there is such comment about a trial that is in progress. It is most unfortunate. Both the Government and the defendant are entitled to a fair trial. * * * It has been called to my attention that there have been various columnists writing about their views of the case, some of whom have been in court and some of whom have not been here. It is unfortunate that that kind of thing can take place with respect to an important case of this kind but it is taking place. What the court can do about it I do not know, but after the conclusion of this trial that subject should be considered, either by the court or through some other method. * * * If we are going to get into trials by publicity the function of courts will end.

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[From Life Magazine]

EIGHT OUT OF TWELVE VOTE HISS GUILTY—REPORTER WHO HEARD 735,250 WORDS OF TESTIMONY REVIEWS EVENTS WHICH LED TO THE HUNG JURY

(By James Bell)

The record of the Alger Hiss trial is a prodigious one. Its 735,250 words cover 2,941 pages, make dramatic reading even on the sterile white pages of the official transcript. But to the eyewitness it was far more dramatic.

For 27 days I reported the trial, and my assignment ended at 8:54 p. m. on July 8 when Deputy United States Marshal Tony Pavone jumped from his chair in front of room 1305 in Manhattan's United States courthouse. There was a knocking from inside the door, where a jury of 10 men and 2 women had been deliberating the fate of the defendant for 13 hours and 35 minutes. Pavone hurried off to the judge's chambers. Then Judge Kaufman appeared on the bench without his judicial robes.

Alger Hiss, the lanky, gaunt former State Department employee, sat with his wife. He set his mouth in a firm line and looked at the judge.

"I have a message from the jury," announced Judge Kaufman. "It reads: 'The jury finds it impossible to reach a verdict.'"

The corners of Alger Hiss's mouth drooped almost imperceptibly. His right thumb twitched.

Nothing had been solved. Alger Hiss was still innocent, in the eyes of the law, of perjuring himself twice before a grand jury. But the indictment still stood. He would be tried again, probably in the fall.

As the jurors left the box, Ed McLean, Hiss's classmate at Harvard and one of his defense counsel, jumped up, asked a juror how they voted.

"Eight to four for conviction," said the juror.

The whole pattern of presentation was laid down in the opening statements.

For the Government there was Assistant United States Attorney Tom Murphy, a huge 6-foot-4-inch, 230-pound giant, with a bristling, grayish-brown mustache. Mr. Murphy was quiet, calm, and orderly. The charge was simple—two counts of perjury before the Federal grand jury on December 15, 1948. "He lied when he said that he never gave any restricted documents to Whittaker Chambers on or about February and March 1938. He lied when he said he didn't see or converse with Chambers after January 1937." Mr. Murphy outlined the course of the Government's case: Whittaker Chambers, the self-confessed former Communist courier, would say that Alger Hiss, then an officer in the State Department, gave him documents which were all dated in early 1938. "If you don't believe Chambers, we have no case under the Federal perjury law," the big prosecutor admitted.

In contrast to the cool, logical approach of Mr. Murphy was the bursting, violent, flamboyant, and dramatic speech by Alger Hiss's trial lawyer, Lloyd Paul Stryker, who had defended, among others, the Tammany crook James J. Hines. Mr. Stryker is a short man with a florid face. His sandy, graying hair is close-cropped and combed forward much in the manner of Napoleon's. Mr. Stryker is a truly great actor.

Judge Kaufman, an old trial lawyer himself, was fascinated. He moved to the witness chair for a better view.

Mr. Stryker shouted that he would take Alger Hiss by the hand and lead him before the world. "Yea, though I walk through the valley of the shadow of death, I shall not fear, for I am with Alger Hiss." Stryker wound up an hour-long, sneering, contemptuous recital of Chambers' life with a warning to the jury. "In the Tropics, in a place like Algiers, when a leper walks in the street, the cry is heard before him, 'Unclean! Unclean!' I say to you 'unclean' at the approach of this moral leper."

ENTER WHITTAKER CHAMBERS

Short, fat, impassive Whittaker Chambers, the accuser, and Alger Hiss, the accused, exchanged a long unemotional look when the Government's star witness entered the courtroom amid a general hubbub of buzzing and chattering. Chambers said he met the defendant in the spring or summer of 1934 and saw him "fortnightly" from then until he broke with the Communist Party in 1938.

Then came the crucial spy-thriller point in Mr. Chambers' story. Chambers said he brought Hiss to New York to meet Col. Boris Bykov. The colonel, identified as head of Soviet espionage in the United States, met them in the mezzanine of a dimly lighted Brooklyn theater. Bykov explained to Hiss the necessity of getting State Department documents to aid Soviet Russia in her fight against fascism. Hiss agreed to furnish them. From this time until April 1938, said Chambers, Hiss furnished them.

For 5 days Chambers was under the snarling cross-examination of Lloyd Paul Stryker, who did everything short of physical violence to him. Chambers calmly gave his answers. He quietly admitted to having perjured himself seven times before the same Federal grand jury which indicted Hiss and three times before the House Un-American Activities Committee. He freely admitted he had been a traitor to his country and that he had otherwise lived an immoral life. But all Stryker's lambasting had no effect upon him. He sat looking off into space. More important, Stryker did not crack any portion of Chambers' story.

On the ninth day of the trial Esther Shemitz Chambers, the small, thin-faced, sharp-nosed wife of the ex-Time senior editor, took the witness stand. Wearing a stern gray suit and a black tailored hat, she had to walk within arm's length of Alger and Priscilla Hiss on her way to the chair. There was no hint of recognition.

Mrs. Chambers folded her work-reddened hands and started her story. She was a woman who daily milked 18 cows, took care of 6 beef cattle and a flock of chickens. She told an intricate story of the relations between the Chambers and Hiss families from 1934 to 1938. She told of Mrs. Hiss' aversion to ice cream, of gifts they had exchanged. She told of visits, of the time her youngest wet the floor and "Priscilla gave me a lovely linen towel as a diaper." She told of the chintz bedspreads she and Mrs. Hiss bought at a sale. Her testimony was a mountain of intimate trivia gathered in a woman's mind.

Stryker's cross-examination of Mrs. Chambers was savage. He shouted, snarled, and demanded that she look at him when she answered his questions. Mrs. Chambers was, by her own admission, no good at dates. Stryker pounded away at her. He chided her for giving her baby an alias when her husband was in the Communist underground. He snarled derogatory remarks about her husband. "You didn't think it was much of a misrepresentation to present your husband as a decent citizen, whereas he was a * * *."

Esther Chambers' eyes flashed. She half rose out of her seat and shouted at her tormentor: "I resent that. My husband is a decent citizen, a great man."

"Was he a great, decent citizen in October 1937? Yes or no."

"Yes and always," Esther Chambers shouted. "I believe he is a great man who lives up to his beliefs. His beliefs can change, as they did."

From the press seats we sensed the jury felt the flamboyant Stryker had finally gone too far.

A CHANGE OF PACE

The first 10 days of the trial were explosive. On the eleventh and twelfth days, however, some spectators went to sleep and Lloyd Paul Stryker got so bored he spent most of his time lounging in the corridor, a wet cigar between his thumb and forefinger, and a frown upon his Napoleonic brow.

On a stand behind the witness chair were huge blow-ups of the documents Whittaker Chambers said Alger Hiss gave to him. Two FBI men turned the pages, which measured 5 feet by 3½ feet, as Murphy read from the originals of State Department documents. He showed the copies were either verbatim reports or close paraphrases of the cables and memos which told the story of the United States foreign policy in a world on the brink of war.

Murphy was purposely playing it down. The defense had offered to stipulate that the documents Chambers turned over to the Government were either verbatim copies or paraphrases of original documents. But Tom Murphy would not go for that. He knew that nothing would please the defense more than for him to pass all this evidence over quickly and go on to more controversial matters. So he read for 2 days. And when he was done one of the two vital pieces of evidence in corroboration of Whittaker Chambers' testimony was firmly and impressively in the minds of the jurors.

The other piece of important corroborating evidence went into the record the next day. The Government summoned Amos C. Feehan, a typewriter expert from the FBI. Feehan said he had studied all of the documents which Chambers had turned over to the Government. The defense had agreed that the four handwritten documents were in Alger Hiss' writing. So Feehan turned to the typewritten items, identified as "Government's exhibits Baltimore 5 through 47." Feehan testified that by comparing the items with specimens that the defense admitted came from a typewriter that once belonged to the Hisses, he had come to the conclusion that "Government's exhibits Baltimore 5 through 9 and 11 through 47 were typed on the same typewriter." Using a pointer, Feehan showed the jury the characteristics of the machine. There were 10 small but well-defined flaws in the typewriter which produced both groups of typewritten papers.

The judge came down off his bench for a better view. Stryker, pad and paper in hand, moved up to the witness chair so he could take it all in as Feehan illustrated "little e's with an upthrust terminating stroke," and so on. The jury was obviously impressed. The firmness with which the Government nailed down the documents and the typewriter as corroborating evidence to Whittaker Chambers' testimony was the most convincing part of the Government's case up to this point.

Onto the stand came Henry Julian Wadleigh, a thin man with bushy brown hair and a face that looked like an inverted triangle. He identified himself as a worker in the Trade Agreements Section of the State Department from 1936 to 1943. He was confident and precise. The heart of his testimony was that he had, as a Communist sympathizer, passed State Department documents to a man named David Carpenter for the ultimate use of Soviet Russia.

"And," asked Murphy matter of factly, "did you give documents to anyone other than Carpenter?"

"Yes," Wadleigh replied in his crisp Oxford accent. "On some occasions I gave them to Whittaker Chambers."

The courtroom broke out in a murmur. Judge Kaufman leaned forward. The defense table was a huddle of conferring heads. Mr. Wadleigh assured the prosecutor, however, that he had not given any of the documents in evidence to Chambers.

ENTER A SUPREME COURT JUSTICE

As the defense swung into its case Judge Kaufman, natty in a blue bow tie, was nearly beside himself. His court was graced by several prominent witnesses, including Associate Justice Felix Frankfurter, of the United States Supreme Court. When Frankfurter mounted the stand Kaufman bounced off his bench to shake the great man's hand, and all through his testimony treated him with exaggerated respect.

Stryker was on his best behavior in the presence of the great too, as he got Frankfurter to point out that Hiss's character was excellent. But the prosecutor obviously ruffled Frankfurter when he called him judge and as a result the witness tended to duel with Murphy instead of answering him directly. A typical exchange occurred when Murphy tried to bring out that Judge Jerome Frank did not hold such a high opinion of Hiss. "Do you remember talking to Judge Frank?" "No, I remember his talking to me," replied the witness. "Then I assume you talked to him and he talked to you?" "Well," said Frankfurter sharply, "let's not fence." And so it went.

The most important exhibit in the trial was the battered old Woodstock typewriter which the prosecution charged the Hisses had used to copy the State Department secrets.

The defense produced a middle-aged Negro woman named Clytie Catlett. She had worked for the Hisses during the period when the Government contends the documents were typed. She startled the courtroom by remembering that the Hisses once gave her two sons, Pat and Mike, "an old typewriter." Then came Mike Catlett, a nervous, good-looking boy. The Woodstock in question was shown to him. He pecked a couple of keys, said it was the one, all right. Then came Mike's brother Pat, who said the typewriter had been given to them

when the Hisses moved from their home on Thirtieth Street to Volta Place in Georgetown. The dates on the typewritten documents were all in early 1938. The date of the move had been placed at December 29, 1937.

But Tom Murphy struck back in the cross-examination. He got Pat to admit he had told the FBI he had taken the typewriter to a repair shop shortly after he received it. Murphy later proved that the shop did not open until September 1938. After that the Catlett story was not as convincing as it had sounded at first.

The press rows—and the prosecution—perked up at the mention of the defense's twenty-first witness: Malcolm Cowley, former Communist-tinged literary editor of the New Republic. Mr. Cowley told the court that on Friday, December 13, 1940 Whittaker Chambers had told him that Francis B. Sayre, former assistant Secretary of State and former High Commissioner of the Philippines, was "head of a Communist apparatus in the State Department."

Mr. Stryker preened himself. Cowley's testimony was a damaging item in the attempt to destroy the credibility of Chambers as a witness.

ENTER THE DEFENDANT

On the afternoon of the trial's seventeenth day defendant Hiss took the stand on his own behalf. He looked neat, clean, young, and sincere in an off-white Irish linen suit with a gray State Department necktie. In a nasal, well-controlled voice he denied that he had ever furnished, transmitted, or delivered restricted documents to Whittaker Chambers. He repeated his now well-known story about his relations with Chambers: They met in late December 1934 or early January 1935. Chambers represented himself as George Crosley, a free-lance writer. They became casual friends and, in time, Hiss sublet his apartment to Crosley and threw a 6-year-old Ford into the bargain. When the Chambers family's moving van did not arrive on time Hiss said he would put them up at his home for a few days. In mid-1936 Hiss said he got fed up with Chambers and severed relations with him. That was the last he ever saw of the man until 1948. He flatly denied everything in Whittaker and Esther Chambers' testimony. He had never, he swore, heard of Colonel Bykov.

On his direct examination Hiss was soft-spoken and completely forthright. But on cross-examination he became a slippery and wily precisionist. At one point he enraged Murphy by correcting his grammar. Hiss made Murphy work for each answer. One new fact came out of the questioning by Mr. Murphy. In 1932–33 Hiss was a member of the International Jurisdictional Association, described in a publication of the House Un-American Activities Committee as "Communist created and controlled" and a "Communist front organization."

But the cross-examination did not shake Hiss' testimony. One reason was that whenever Murphy tried to give him the same sort of searching examination of sordidness in his life that Chambers was subjected to, Murphy was cut off by Judge Kaufman. The Government, Judge Kaufman ruled, was not allowed to ask about suicides. Mr. Stryker had been allowed to dwell at great length on this subject in his cross-examination of Chambers.

On the twentieth day of the trial Stryker grandiloquently summoned Mrs. Alger Hiss. Priscilla Hiss, cool, small, and demure in a gray print dress, a small white straw hat and sensible brown walking shoes, mounted the witness stand. She wore spotless white gloves and carried a large brown pocketbook. Mrs. Hiss flatly denied just about everything either Whittaker or Esther Chambers ever said. She revealed that in early 1938 a pocketbook with keys to her house disappeared. And she backed up the Catlett story about the disposition of the typewriter.

Mr. Murphy's quiet, polite cross-examination of Mrs. Hiss was in direct contrast to the manner in which Stryker treated Mrs. Chambers. But Murphy's examination brought out some conflicts between her direct testimony and her testimony before the grand jury. Among these was the fact she told the grand jury she wasn't a typist. In this case she testified she typed well. Mrs. Hiss told Murphy she was never a registered member of the Socialist Party but was confronted with the photostat of a poll book in which her name was registered as a Socialist for the 1932 election. She denied she ever told Esther Chambers that in 1937 she was thinking about taking a nursing course at Mercy Hospital in Baltimore, but Murphy produced a letter dated May 25, 1937, wherein she applied for a university course in order to obtain credits for a "training course at Mercy Hospital."

During a good part of her cross-examination Mrs. Hiss was close to tears and hysteria seemed to lurk just beneath her voice.

The defense's final witness was Dr. Carl Binger, a psychiatrist, the man imported to observe Whittaker Chambers and, at the same time possibly, to put on the old double whammy. But Dr. Binger did not do any testifying except to qualify himself as a witness. The judge allowed the defense to ask a 35-minute hypothetical question which strung together all of the derogatory things said about Chambers and ended with a query as to whether Dr. Binger had an opinion on Chambers' mental condition. At the end of the question, Murphy objected and was sustained. He pointed out that by being allowed to state the question the defense was given what amounted to an extra summation.

The defense rested its case on the twenty-second day and the Government began its rebuttal. The Government had counted heavily on Hede Massing, ex-wife of Gerhart Eisler. Hiss had denied that she once accused him of trying to steal a man named Noel Field from her Communist apparatus in Washington, but the judge would not allow her to testify.

THE SUMMATIONS

Lloyd Paul Stryker's summation of his client's case was what might be expected. He lauded Judge Kaufman as a "distinguished and able jurist whose conduct in this case, I think, may well serve as an example to every judge in this country." He praised the jurors as "soldiers of justice." He said there was only one issue of fact in the case and that was "did Mr. Hiss furnish, transmit, and deliver to Chambers in February and March of 1938 restricted documents?"

He peered into the jury box and said quietly, "Ladies and gentlemen, the case will be in your hands. I beg, I pray you will use your conscience. I have no fear. Yea though I walk through the valley of the shadow of death in this case."

"Alger Hiss," he said, "this long nightmare is drawing to a close. Rest well. Your case, your life, your liberty is in good hands."

But Lloyd Stryker's dramatic summation was no match for that of the Government's Mr. Murphy. No one expected plodding Tom Murphy to go in for showmanship. But he did, and brilliantly, too. Murphy marshaled facts, swept bitter invective across the face of the defendant, and contemptuously referred to Mr. Stryker as a "country bumpkin." Hiss, to Murphy, was like a boy with jam all over his face. The documents in evidence were as damning as a child coming out of the pantry, mouth smeared with raspberry preserves.

There were three uncontradicted facts in this case, he declared:

(1) That Whittaker Chambers had in his possession copies of original State Department documents which were secret and confidential;

(2) That these were all dated in the first 3 months of 1938;

(3) That all of the documents—except those in handwriting—were copied on the Hiss typewriter.

Two hours and 54 minutes later he wound it up by declaring that the grand jury had heard "this traitor and Mr. Chambers, and they indicted Hiss because he lied to them.

"I submit he lied to you. * * * I ask you as a representative of the United States Government to come back and put the lie in that man's face."

In his wind-up of his summation Murphy startled the courtroom by looking at Hubert James, a junior executive for the General Motors Acceptance Corp. and foreman of the jury, and saying, "Assuming that you told your wife, Mr. Foreman, or anyone else that you thought so and so was lying."

It then came to light that the FBI had reported to the Government a telephone tip to the effect that a woman who said she was the wife of the foreman of the jury trying Alger Hiss was telling people that he was "sympathetic to the defendant." Not enough evidence was turned up to withdraw Mr. James from the jury. Mr. James subsequently was one of the four jurors who voted constantly for acquittal. He denied expressing an opinion on the case to anyone.

Newsmen and counsel for both sides who waited during the long and bitter deliberation of the jury never knew what was going on inside room 1305. Subsequently it was disclosed that an 8–4 split for conviction existed from the very moment the jury retired. The first ballot which members of the majority later said was forced by one of the minority "in an attempt to railroad a decision," showed a 4–4–4 split with the four undecided merely voting that way to forestall their opponents' move. The second ballot showed the 8–4 split for conviction.

Only once was there hope of breaking the deadlock. That was at 6:35 when Louis Hill, juror 11, decided he wanted a little more time. The majority thought they had a chance to change him from acquittal to conviction. But 2 hours later Mr. Hill had decided his original stand was the right one.

Jurors coming from the deadlock indicated that Murphy's summation plus the evidence consisting of the typewriter and the documents were the strong point of the Government's presentation. A spokesman for the majority said that the minority accepted the fact that the documents came from the Hiss typewriter and that they believed the typewriter to have been in the Hiss household at the time the documents were typed. But, snorted this juror, they refused to believe that the Hisses had done the typing. They "insisted it was Mr. X—that's the name they kept using." Said another majority member, "Those guys thought Yehudi did the typing."

The SPEAKER pro tempore (Mr. MILLS). The gentleman from Tennessee [Mr. JENNINGS] has 23 minutes remaining.

Mr. BLATNIK. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield.

PUBLIC-WORKS PROGRAM

Mr. BLATNIK. Mr. Speaker, I have today introduced a House resolution calling for the expenditure of $10,000,000,000 of Federal funds to finance a

large-scale public-works program of national scope, and to permit the advanced planning of additional projects for future construction. The purpose of this legislative proposal is twofold. One aim is to provide jobs at union wages for the 4,000,000 unemployed workers and the 2,500,000 involuntary part-time employees throughout the country, and in this manner check the growing economic recession in America. The second purpose is to make possible the construction of needed schools, roads, hospitals, utilities, recreation centers, and other projects contributing to the internal development and the national wealth of our Nation.

I am sure that anyone who has carefully studied the President's midyear economic report can appreciate my motives for introducing this public-works resolution. I know that every social-minded person who remembers the great depression of 1929, with its mass unemployment, Hoovervilles, bread lines, farm foreclosures, 30-cent corn, and 40-cent wheat, will agree with the primary purpose of this bill—to bolster our economy against another economic crisis which would dwarf the 1929 crash.

NAM DOUBLE TALK

I realize that the false prophets of the National Association of Manufacturers, who are now telling us that the current economic recession is not serious and that the end of the recession is just around the corner if we do not rock the boat, will disagree with the philosophy of this bill. After all, the lords of industry prefer a reservoir of a few million unemployed to depress wages in the interests of monopoly profits. To the corporate interests a recession provides an opportunity to destroy small-business competitors and to strengthen monopoly control of our economy.

Moreover, these same NAM spokesmen have another motive for engaging in economic double-talk and deceit about prosperity being around the next corner. By such misrepresentation they seek to hide the fact that it was the NAM-sponsored policies adopted during the Seventy-ninth and Eightieth Congresses that have brought the Nation to the abyss of an economic crisis. It was the big-business representatives in Congress that wrecked all inflation controls, and thus unshackled the profiteers to prey upon the people's pocketbooks. It is the corporate interests of Wall Street and the NAM that are responsible for the boom-bust policies of the last 4 years which have been wrecking our economy, and which now threaten us with depression.

Regardless of what the NAM may say, the common people of our country are worried about the present economic state of the Nation. They are concerned with the problem of growing unemployment, and they fear what the future may bring.

I think it is high time that Congress cast aside its indecision and lethargy about our present economic condition, face the economic facts of life honestly and frankly, and take bold and intelligent action to set our economic affairs in order.

LATER THAN YOU THINK

Mr. Speaker, I am convinced that the present economic situation, with its mounting unemployment, reduced buying power, and production cut-backs is serious, and a cause for real concern. I do not say that depression is inevitable, but I do maintain that unless Congress takes certain steps to reverse the present downward business trends a serious crisis will certainly develop, which will bring suffering, poverty, insecurity, and unemployment to our people. The present economic pattern is a pattern of developing depression, and it is later than you think. Let us face facts before it is too late.

What are the facts that are bringing anxiety and insecurity to our people? I will summarize briefly.

In the first place, unemployment is growing. There are today nearly 4,000,000 totally unemployed workers, and another 2,500,000 are classified as involuntary part-time employees. The customary spring pick-up did not materialize, and unemployment is acute in the textile mills of New England, the steel mills of Ohio and Pennsylvania, the factories of Detroit, Chicago, Connecticut, and New York. The same story is true in nearly every industrial area in the Nation, including Duluth and Hibbing in my own Minnesota district.

If present trends continue, we will have 6,000,000 totally unemployed this winter, and at least 7,000,000 by next spring.

Second, consumer purchasing power is falling. Due to shorter hours and decreased take-home pay, the wages in industry are down by 5 percent from last year. Total farm income has fallen by more than 10 percent, and the rate of bankruptcy on the part of small business is increasing.

Third, industrial production has declined by nearly 15 percent, while cut-backs and shut-downs spread. Steel production—which is the backbone of our entire economy—was recently reduced by about 16 percent, and another 14 percent cut is expected this winter.

Fourth, inflationary price levels still exist with respect to consumer goods. Retail prices have fallen only 3 percent since the all-time high of the postwar inflation, which means that the living standards of both the farmer and the worker are being squeezed between monopoly prices on one hand, and reduced take-home pay and falling farm income on the other.

Fifth, corporate profits remain exorbitantly high—$17,000,000,000 after taxes and $27,000,000,000 before taxes—as a result of monopoly price-fixing, and the refusal of big business to grant needed wage increases to labor. These swollen profits, representing "unpaid wages" to the worker, are concentrated in the upper 10 percent of our income groups, and are being hoarded as "unspent savings" instead of being invested in new enterprises.

Finally, American export trade is dipping as dollar shortages appear in Latin America, Britain, and western Europe. In spite of the fact that exports are being maintained by large American grants for economic and military aid abroad, our exports are down 20 percent from the postwar peak. The current crisis in Britain means at least 25-percent cut in exports to that country, and I am informed that reductions of exports to all the British Commonwealth countries are expected shortly.

These facts and figures, Mr. Speaker, point to a dangerous economic situation; they are the danger signals of a future depression, and corrective action is required to check this creeping paralysis of the national economy. America is drifting today in the face of these disturbing conditions and trends at a time when Congress should be acting vigorously in leading the country toward higher levels of production and employment and a better life for the people.

NEEDED: A PROGRAM FOR FULL EMPLOYMENT AND SOCIAL JUSTICE

The American economy is still a vigorous one, and one that is capable of expansion and of great possibilities. We have the best productive machine the world has ever known. We have enormous natural resources awaiting development. Our Nation is richly endowed with human resources; our people are efficient and well-trained and represent our most priceless natural asset.

However, ours is not an economy that runs itself on some magic formula, or on the theory of automatic self-stabilization. Whether it moves forward to new levels of prosperity and human well-being or whether it sinks into economic depression depends upon the Congress of the United States and the Federal Government.

Our economy responds to human decisions, human will, and human effort, and it is up to Congress to determine whether America remains prosperous or whether we continue to drift toward catastrophe.

In 1946 the Congress passed the Full Employment Act, and the passage of this law represented a far-reaching decision in the field of economic policy. It meant that the American people, speaking through the Congress, had rejected the false philosophy that depressions are inevitable, and had endorsed the idea that Congress should adopt those policies and programs needed to protect the people from depression, and to look out for their social welfare.

In my opinion, the passage of the Employment Act of 1946 represents a commitment by the Congress to the people that the 1929 depression would never happen again—a commitment to take the necessary steps to maintain a healthy economy under all circumstances.

The time has come for Congress to honor that commitment. The President's economic advisers have given us the facts of the economic situation, and our political experiences of the New Deal period give us the know-how for meeting this situation and for solving our economic problems. Circumstances demand that Congress discard its do-nothing, wait-and-see approach to our economic difficulties, and take bold and statesmanlike action to formulate a program of full employment and social justice in accordance with the philosophy of the Full Employment Act.

PUBLIC-WORKS PROGRAM

Mr. Speaker, I am convinced that any program adopted during a period of business decline to secure full employment must of necessity include provisions for large-scale public works. A program of public works serves three main purposes. In the first place, such a program will provide jobs for the unemployed and thus take up the slack in private employment. In the second place, these public works stimulate economic activity—the wages of public-works pay rolls increase the public capacity to consume, and in this way consumer purchasing power is increased, which in turn stimulates industrial and private production. In short, such a program means more jobs both in public and private employment.

A public-works program will also contribute to the total national wealth through the construction of schools, hospitals, utilities, roads, and other public developmental projects which are vitally needed today. Let me remind the House that there exists today a backlog of at least $127,000,000,000 worth of needed and worth-while public projects. For example, America needs to spend $10,500,000,000 for new school buildings, $60,000,000,000 for new roads, $8,500,000,000 for additional hospital facilities, $9,500,000,000 for city waterworks and sewage-disposal plants, $3,500,000,000 for new airports. These items, together with projects for flood control, rivers and harbors improvements, and such internal development projects as the St. Lawrence waterway, the Missouri Valley Authority, and Columbia Valley Authority, provide us with a tremendous shelf of public projects whose construction is in the best public interest.

The existence of billions of dollars' worth of worthy and desirable public projects side by side with millions of unemployed men just does not make sense. Common sense indicates that it is only logical that we put idle men to work building the things that the American people want and need.

It is this conviction that has led me to sponsor the public-works bill I dropped into the legislative hopper this afternoon. It is a simple bill, which contains the following major provisions:

First. It declares it to be the policy of the Congress to restore full employment and to construct public-works projects in cooperation with local communities in order to provide needed public improvements;

Second. It authorizes $10,000,000,000 in Federal funds to be appropriated to the General Services Administration, and directs the General Services Administrator to distribute such funds equitably between the States to construct public-works projects wherever unemployment has reached serious proportions;

Third. It provides that work on all such projects shall be paid for at an hourly rate of wages equal to the prevailing union wage standards in the respective communities; and

Fourth. It authorizes the General Services Administrator to make advances from authorized funds to States and their local subdivisions for the purpose of maintaining a continued reserve of fully planned public works.

In short, Mr. Speaker, this bill authorizes a $10,000,000,000 public-works program to put our unemployed laborers to work at union wages in building public projects that are desirable and wholly in the public interest. I am convinced that its passage by the Congress would represent an important step toward meeting the growing economic recession, and I urge the Congress to give it careful and favorable consideration.

However, I want to remind my colleagues that this public-works bill is not the complete solution to our economic problems. It is only the first plank in a platform to provide full employment and economic security for our citizens. It should be supplemented by the following interrelated and complementary programs:

Stabilize farm income: The Brannan farm program, with its modernized parity formula, 100 percent price supports, and production payments on perishable crops, offers a sound and constructive solution to the farm problem. Its adoption would place a floor under farm income, and it would guarantee farm prosperity in the interest of the national welfare. I urge its adoption without delay, and the repeal of the unfair Hope-Aiken Act, which was passed under Republican sponsorship during the Eightieth Congress.

Encourage high-wage policies: One of the means of checking recession is to maintain the purchasing power of the people. One way to do this is to encourage high wage policies in industry. I urge the Congress to pass the minimum wage bill, raising the minimum to at least 75 cents per hour, and to extend its coverage to all gainfully employed workers. The Federal Government should use all its influence to guarantee needed wage increases to the workers in the steel industry, and to meet the just demands of the union.

Expand the social-security program: Social-security legislation is America's second line of defense against depression. Not only will old-age pensions and unemployment-compensation programs protect the worker against the economic consequences of old age and unemployment, but such programs provide additional purchasing power to the people and thus stimulate industrial production. I maintain the Congress should blanket all people into a broad and comprehensive old-age-pension system and provide adequate pensions for our senior citizens. At the same time, I recommend that the unemployment-compensation program should be extended to cover all workers, and that its benefits be liberalized to provide $30 per week for at least 26 weeks.

Encourage small business: Small business is the cornerstone of a free enterprise economy, and the Federal Government should take steps to create the conditions under which small business can grow and prosper. In this connection, I urge an all-out offensive against monopoly and the tightening-up of the antitrust laws, to protect the small firms against unfair competition of the great corporations and trusts. Small business should be promoted by liberalizing RFC credit policies and establishing a more equitable tax differential for small firms.

Expand foreign trade: America's economic health depends to some extent upon the continuous expansion of our foreign trade, and positive action to bring about further expansion is necessary. I am convinced the reciprocal trade-agreements program, calling for the progressive elimination of trade barriers, is a sound program, and I hope the Senate ratifies the bill extending this program without further delay. It is also my belief that the administration should survey the trade markets of the world with the view to granting credits to all nations that are prepared to buy American goods. Foreign trade means jobs for Americans and it must be expanded.

Mr. Speaker, depression is a disease that brings suffering, misery, and unemployment to our people. The present economic recession appears to be the first stage of a creeping economic paralysis that will lead to depression unless corrective action is taken. There is nothing healthy in the present situation, which has brought unemployment and insecurity to the Nation, and I am firmly convinced that Congress is obligated to take action now.

CONGRESS MUST ACT NOW

Congress has the power to take the necessary steps, and we know what needs to be done. The public-works bill that I have introduced will provide employment for our workers. The Brannan farm program will provide security and prosperity for our farmers. A high-wage policy will give purchasing power to labor. An expanded social-security and unemployment-insurance program will give security to our people. Legislation in behalf of small business will bolster free enterprise. An expansion of foreign trade will provide jobs for the worker and markets for the farmer and businessman. Such policies fit into an overall program for the benefit of America and will bring the good life to its citizens.

I call upon the Congress to discard the outmoded and discredited philosophy of the Hoover days, and take aggressive action in accordance with the principles and ideals of the New Deal and the President's Fair Deal. The Nation is tired of promises that are never fulfilled. The people demand a Marshall plan for America to fulfill the promises of Roosevelt's economic bill of rights and his "four freedoms."

Mr. JENNINGS. Mr. Speaker, I yield back the balance of my time.

EXTENSION OF REMARKS

Mr. CARROLL (at the request of Mr. GRANGER) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HOPE asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. MULTER. Mr. Speaker, I ask unanimous consent that on tomorrow, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 20 minutes, at which time I will answer the gentleman from Wisconsin, and if he will attend, I am sure he will learn something about the rules of evidence and the procedure of the State of New York and the Federal jurisdiction there of the Federal court.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was on objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 15 minutes.

THE ECONOMIC EXPANSION ACT OF 1949

Mr. PATMAN. Mr. Speaker, the President has requested legislation which would enable our Nation to produce within 4 or 5 years an annual output of $300,000,000,000 in goods and services. He has pointed out that to do so we must increase production by a yearly average of from 3 to 4 percent, and provide from half to three-quarters of a million new-job opportunities each year. This is the first time that a President has presented an economic plan designed to stave off a depression, and at the same time provided definite goals for national progress. It marks a new approach to the responsibility of the Chief Executive to the people.

The Economic Expansion Act of 1949, which I have just introduced, would implement at least four of the legislative objectives set forth by the President as necessary for the achievement of his over-all goals. These are, first, to extend the maximum time limit now fixed by law on the maturity of loans to business made by the Reconstruction Finance Corporation; second, to provide for a broad study of investment and development needs and market opportunities in an expanding economy; third, to permit Federal agencies, and assist States and localities, to intensify their advance planning and to acquire sites for useful projects; and, fourth, to encourage investment in underdeveloped areas abroad.

The bill I have introduced carries out these proposals of the President and at a number of points goes somewhat further toward achieving the President's objectives.

In emphasizing the urgency of this measure I shall not explode any bombshell. I agree with those who point out that there are many elements of strength in our present economic situation not present in 1929, when our economy gradually but inexorably crumbled. I agree that we possess the greatest productive machine of all time, together with the greatest capacity to buy what we produce. But I do not agree with those who complacently declare that all we need is salesmanship to assure a continuation of present high levels of production and consumption.

For I am convinced that the present economic situation is loaded with some very grave dangers—dangers which could be our undoing if not courageously faced and neutralized with appropriate preventive measures. If we shut our eyes to those weaknesses, if we do not sanely appraise them in order that we may avoid the concealed pitfalls which we have built for ourselves, we could easily drop into a slump that would bring panic upon us before we knew what had happened.

A hard-boiled attitude is very useful in most practical affairs. I am not criticizing anyone for saying there is nothing to worry about when only three or four million people are without work—that we could even take on seven or eight million today without suffering too seriously. That is probably true. But it is a little like saying that the State of Texas would not be harmed seriously if floods and storms were to kill a few thousand people. A person with a deep feeling for his fellow human beings cannot feel complacent when others are suffering greatly, if there is some way in which he can help them. And, although comparatively few people are permitted actually to starve to death in a depression, the mental and moral suffering to which millions are subjected leaves deep emotional scars on their lives from which many never recover. No one who can remember the devastating effect of the last depression upon the careers of some of their friends and relatives can ever be complacent again at the threatened approach of another economic collapse.

Is there anyone in this Congress who believes that another deep depression is impossible? If so, he has forgotten the months which preceded the downward swing which began in the fall of 1929. That depression was manfully resisted by American industry and American finance. Many manufacturers refused to fire employees and operated at a loss until they discovered that further courage meant ruin. Leaders in Wall Street finance also presented tremendous resistance. People were utterly confused as to the reasons for the decline—and therefore continued to be hopeful. But once the down trend was established it moved as inexorably as an avalanche gathering force and volume until it reached the bottom where it could go no farther.

I tell you it is economic dynamite upon which we are sitting. That does not mean that the charge will inevitably explode. But each time this thing happens to us it is possible for the decline to go farther. The reason is very easy to understand. It is to be discovered in the same causes that enable us constantly to advance economically, to improve our standards of living, to enjoy more and more of the embellishments of modern living. As science and engineering progress, the basic necessities of life—food, clothing, and shelter—can be provided through the effort of fewer and fewer people. Machines take over. There are more and more goods and services which we can do without buying for a considerable time. When the real squeeze comes we reduce our purchases to the bare necessities, or perhaps rely upon someone else to provide them.

Let me give you an astounding example of how the march of technology reduces the labor needed to keep a man alive. During the 5 years 1910–14 it required 106 man-hours of work on the average farm to produce 100 bushels of wheat. During the 5 years 1930–34, 20 years later, it required only 70 man-hours of labor to produce the same amount. One-third less labor. During the 4 years 1945–48 it took only 34 man-hours on the average to produce 100 bushels of wheat, only one-half the labor that was required 14 years earlier and one-third of the labor required 34 years earlier. That means that one man could produce as much wheat as three a generation earlier.

Another and more comprehensive example: The Department of Labor has constructed an index showing the average increase in output per man-hour in all manufacturing industry in the country. Its earliest figure is for 1909. It shows that 20 years later, when the last great depression began, that output per man-hour in manufacturing industry had increased by 98 percent—had virtually doubled by 1929. This index has been carried up to 1939 only, but a conservative projection indicates that it probably has increased another 40 percent over the 1929 mark, or even more in 20 years. That makes an over-all rise in manufacturing output per man of at least 180 percent in 40 years.

The index of output per man-hour for the mining industries begins with the figure for 1919. It jumped more than 40 percent in the 10 years preceding 1929, and almost 70 percent more in the following 20 years, which brings it up to date.

The figures for increased efficiency per man-hour in the electric light and power industry are still more spectacular. From 1929 up to 1944, a period of 15 years, output per man-hour increased almost fourfold. In other words, the labor of one man produced and distributed almost as much electrical energy as the work of 4 men 15 years earlier.

It does not require a great deal of imagination to see what this could mean if the intense fear of another depression were to seize the minds of men. The psychology of panics is unpredictable. Self-preservation becomes as much the dominating emotion of the crowd as with the primitive horde stampeding from some physical danger that threatens its existence. People flee in terror from a depression by purchasing only the necessities of life as precipitately as they flee from fire and flood.

At the bottom of the last depression there were some 13,000,000 workers without work, approximately one-fourth of our labor force. With fewer people needed to produce the necessities of life, would it be an exaggeration to say that if depression were permitted to take its course one-third of today's labor force could be idle? That would mean some 20,000,000 of our people.

Advancing technology not only has made it possible for a smaller proportion of our people to provide the bare necessities for the Nation, it has played an important part in bringing about another situation heavily loaded with danger to our economy and to our free enterprise system. As mechanical genius has progressed, the size and cost of many types of plant and equipment have increased. This means that it requires more and more capital to construct a steel mill or textile plant, to equip a railway, to build a power system—almost any of the basic tools of production and transportation. This has contributed to the growth of monster monopolistic industries in which the tendency is to administer prices to give the greatest possible protection to the investment by yielding the highest profit. Administered prices tend to be less flexible than those in which the play of a free market forces adjustment quickly to spending power. But when prices do not yield to falling demand for goods, the demand can fall off very rapidly, and production must be drastically cut. Therefore, the increase in monopolistic industry has introduced a far greater brittleness to our prosperity than has ever before existed. You can see this effect today in the steel industry; and I am sure that you are all well acquainted with the fact that this basic industry affects virtually every other.

Men throughout the land are asking how serious the present economic situation is. Well, for more than half a year the American economy has been contracting instead of expanding. Manufacturing employment has fallen at a time when additions to the civilian working force required an increase in employment. Census figures showed 3,800,000 out of work in June. In addition, there were millions of others on share-the-work schedules.

In some areas unemployment has reached the crisis stage. You from New England, and you from the west coast States know only too well that there are communities in your area where the proportion of workers without jobs is extremely serious. If the same percentages of unemployed were applied to the Nation as a whole we would have 8,000,000 to 10,000,000 vainly seeking work. We have not reached a national crisis, however.

I am not overlooking the fact that during the last 16 years we have enacted much legislation to buoy up our economy. We have established bank-deposit insurance and improved bank inspection. We have provided considerable unemployment compensation, placed supports under farm prices, checked excessive speculation in securities and commodities, and cushioned our economy in many other ways. And through the Employment Act of 1946, we have committed ourselves to a policy of creating and maintaining employment opportunities for those able, willing, and seeking to work. I am proud to have been the sponsor of that act in the House of Representatives.

But only if we are tested under extreme pressures will we know whether these defenses are sufficient to withstand the devastation which could descend quite suddenly upon us. With the fate of the free world hanging in the balance, and the possibility that intense suffering at home could seriously affect our democratic institutions, we cannot afford to adopt either a negative or passive attitude toward these dangers.

Nor is there the slightest reason why we should. In the very cause of possible destruction—our prodigious capacity to produce—there is also to be found the way to our salvation. We have learned that we can produce and enjoy the fruits of our production beyond the dreams of a generation ago. If we apply the lessons we have learned we can use our knowledge and skills to create more than we have ever enjoyed before, instead of permitting our ability to produce abundantly to ruin us.

What we need is a plan written in the interest of all of the people. The Economic Expansion Act of 1949 which I am now introducing, and which is strongly supported by many other Members of this House, is designed to create the conditions essential for an economy producing national income of at least $300,000,000,000—the goal which President Truman has established. This measure will implement the Employment Act of 1946, and thereby keep our pledge of jobs for those "able, willing, and seeking to work."

I know that many of you are asking what the price will be. How much will it cost? Where is the money coming from? Before I give you the details I wish to say that the cost of dishonoring our commitment would be far greater in dollars and in confidence than of fulfilling our pledge to the people. The cost of failure might well be many hundreds of billions of dollars, and the collapse of our free-enterprise system, along with our hopes for a peaceful world. I trust you will give most serious consideration to what that might mean to our Nation, and to each of you individually.

Authorizations in the Economic Expansion Act of 1949 total $15,000,000,000. Of this, $11,000,000,000 would consist of large sums by which financial organizations such as the Reconstruction Finance Corporation, the World Bank and the Export-Import Bank could extend their commitments. Such commitments would consist partly of guaranties of loans made by other financial institutions. In part, money would be raised by the sale of securities to the public. To the extent that transactions of this type were consummated, no demand for cash upon the Treasury of the United States would be made, although the commitments would be a contingent liability upon the public per se while in effect. Four billion dollars of the total would represent authorizations for direct appropriations. Of course, expenditures would be made over a period of years. The actual cash required would depend upon the extent to which unemployment actually occurs, the cooperation which this program elicits from all sectors of the economy, and the degree to which our economic defenses withstand the pressures of deflation.

What, then, is the program which we offer? Is it one merely of stimulating tremendous business competition? Certainly we need more real competition—less monopoly; but the key to this bill is quite different. Cooperation is the approach—cooperation in solving our economic problems which are very great—cooperation in understanding each other's viewpoints which are extremely diverse—cooperation in thinking through the means by which we can adjust the complex relationships of wages, prices and profits so that production is stimulated to continue to expand and provide a constantly rising standard of living without the experience of putting our economy through the wringer. Do you agree with me that such a program demands a deeper spiritual approach, even greater humility, than the lusty exhortation that we all set out to cut each other's throats as rapidly as possible? This not only is good economics but good religion in any creed, I believe. If the American people can rise to the challenge—and I believe they will—they will in every sense become the accepted leaders in a world beset with difficulties calling for the finest leadership.

The Employment Act of 1946 set the tone of this bill. In that act Congress declared that it was the continuing policy of the Federal Government, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to promote maximum employment, production, and purchasing power. The present bill declares that to achieve these objectives requires steady expansion of the national economy at a rate that will make an average of at least one-half to three-quarters of a million new jobs a year for a growing population, that will provide an average annual increase of at least 3 to 4 percent in total output of goods and services, and that over the next 4 or 5 years will raise the total output of goods and services to the President's goal of $300,000,000,000.

Now, I think, this next statement in the policy declaration requires very thoughtful consideration. It says:

> The achievement of these objectives is essential to provide confidence in the future among the people of the United States, to fortify our democratic way of life, to provide for the orderly management of the national debt, to strengthen the national security, to effectuate the foreign policy of the United States, and to contribute to the establishment of lasting peace among nations.

As you read and reread this measure you will discover how every one of these objectives have been borne in mind in framing this bill.

Naturally, the first step in achieving these objectives must be the establishment of economic goals as required under section 3 of the Employment Act of 1946. Hence, in the first title, the present bill directs the Council of Economic Advisers to make studies essential to the establishment of production and investment goals. Such studies cover, and I quote from the bill:

> (1) The levels of private investment and production, by major industries, needed to meet consumption requirements at maximum employment levels;
>
> (2) the inadequacies of capacity in major industries which are or may be limiting factors in economic expansion; and

(3) the adequacy of the capital resources of business enterprises and of the capital markets to provide the financing for such private production and investment.

To provide funds for the expansion of business, particularly new and small business, including cooperative organizations, when money is not otherwise available on terms that stimulate expansion, the Reconstruction Finance Corporation is authorized to increase outstanding commitments by $3,000,000,000. The bill introduces several new features into RFC financing, one of the most important of which is the insurance up to 90 percent of the total amounts of loans made by any qualified private bank or financing institution, or any qualified private or public regional development organization, to private business enterprises for maintaining, developing, or expanding productive facilities or production. And I wish to emphasize that the bill specifically includes cooperatives as business enterprises.

An interesting and important extension of the RFC operation would be the authorization which the bill gives to make loans on the basis of managerial competence and the prospect of repayment under generally prosperous economic conditions. Sufficient sound assets offered as collateral generally have been required. The bill also permits the extension of ordinary loans from 10 to 30 years.

Under title II the President is authorized also to rehabilitate and expand Government-built war plants and lease them to private businesses, "particularly to new, small, and competitive enterprises."

To combat monopolistic tendencies, the Secretary of Commerce is authorized to expend $160,000,000 a year for a service to industry and trade not unlike that rendered by the Department of Agriculture to farmers. He is authorized to contract with small-business enterprises, educational, scientific, and research institutions to conduct scientific and technical research which will be of value to all business, but especially to small companies which cannot afford the research expenditures of the great companies. This includes the construction of pilot and demonstration plants.

Regional surveys of developmental needs and opportunities for new-business enterprise would be conducted by regional authorities like the Tennessee Valley Authority, or other agencies where these do not exist. For this work in which colleges and research institutions would cooperate $40,000,000 is set aside.

The smallest authorization in the bill is $1,500,000 for the purpose of permitting the Federal Trade Commission to wrestle more adequately with one of our greatest problems—the recent rapid growth of monopoly. The bill states:

The bill provides that—

The Federal Trade Commission shall make a continuing study of the extent to which the opportunities for needed expansion in private production and employment, particularly by new, small and competitive business enterprise, is being or threatens to be restricted or impeded by monopolistic or restrictive practices or agreements * * * or the undue concentration of economic control.

I now call to your attention two of the most important provisions of the bill—authorizations which would enable the World Bank and the Export-Import Bank to increase their commitments in support of point IV of the President's program for foreign aid, which hitherto has lacked financial implementation.

In this section are several important declarations. It is stated as the policy of the United States that underdeveloped areas of the world should be assisted economically "to develop on an integrated, long-range basis and through their own efforts, their economic and productive capacity so as to enable them more effectively to achieve and maintain freedom and democracy, to establish a rising standard of living and to enlarge the market for and output of goods for their domestic use and for world trade."

It would also be our policy "to assist in creating a climate conducive to investment of private capital in undertakings that will further the balanced development" of such areas. Also the act undertakes to help assure the United States of critical raw materials from underdeveloped regions, and to help make European countries independent of emergency foreign assistance by providing new and expanding markets in the underdeveloped areas.

Financing for the World Bank would be effected by authorization to the Treasurer of the United States to guarantee on behalf of this country to purchase the bank's securities, the sum of such guaranties and purchases not to exceed $4,500,000,000.

Financing for the Export-Import Bank would be effected by raising the total limitations on notes, debentures, bonds, or other obligations of the bank issued to the Secretary of the Treasury, plus outstanding loans and guaranties of the bank, by $2,500,000,000 for loans and guaranties "for the financing of sound and productive projects in economically underdeveloped areas which conform with or are essential to the long-range development plans for such areas."

Another fund of $500,000,000 is provided for inducing needed production in underdeveloped areas of materials critical to the rising and long-term needs of private industry.

Title II requires the President, with the help of the Council of Economic Advisers and other Federal agencies, to "evaluate the short-range and long-range effects of general practices and policies relating to prices, wages, and profits" and to provide necessary guides in the voluntary adjustments of prices, wages, and profits. The bill outlines a series of studies which relate to the distribution of the income stream, and the effect of variations in distribution upon economy as a whole. In short, this would be a study of how the income pie should be cut to get the greatest overall results in a manner to benefit the most people. The Council of Economic Advisers is empowered to call national conferences at which representatives of industry, labor, agriculture, consumers, the professions and Government would confer to seek a solution of the problems of income distribution.

Title III is relatively short, but it would have a tremendous influence in placing Federal financing on a sounder basis. The declaration of policy under title III assets that "both expenditure and tax policy should be measured more carefully than in the past in terms of their effects upon the economy as a whole."

In formulating fiscal policy, the bill calls for a balanced operating budget and under conditions of maximum employment, production, and purchasing power, and for orderly management of public debt. It states, however, that a balanced operating budget "is unattainable when economic activity is declining or when resources of plant and manpower and materials are substantially lying idle." It is at this point that the President's goal of national output at $300,000,000,000 within 4 or 5 years is made national policy by incorporation into the bill.

Broad revision of budgetary practice is called for by making a distinction between Federal capital investment and administrative cost. This provision calls for an estimate each year of proposed Federal capital expenditure for the ensuing 6 years.

A useful clause appears at this point in the measure, which permits the President to introduce some flexibility into the lending and spending operations of the Federal Government to conform with changing economic conditions, at least, within the limits of existing authorizations. In other words, if serious unemployment threatened, he could loosen the purse strings a little, and if a period of inflation could tighten them.

Another important policy statement appears in title IV which declares that "resources development and public works are necessary to conserve and build up the strength of the economy as a whole and promote its growth, and thus form an essential element in the promotion of the purposes of this act."

Here the President is directed to ascertain the short-range and long-range needs for resource development and public works projects both on a national and regional basis, and to check the adequacy of the machinery and financing available to putting such works into construction. Emphasis is laid upon the need for regularized resource development and public works construction as a normal requirement of an expanding economy. Attention is called to the long-range lift, given to private investment, production and employment by such projects, as opposed to the more sporadic effects of emergency projects engaged in from time to time.

The bill provides $40,000,000 for conducting surveys and preparing plans for such projects on a contract basis, enlisting local planning agencies, colleges and scientific institutions to work out the details. All such plans must be reported to the President and to Congress.

It asserts that such projects require careful advance planning to achieve maximum utility and provide the greatest stimulus to private investment, production, and employment. The President is directed to keep an eye on this situation and make recommendations to Congress

as to what is required. He is also directed to coordinate the activities in this respect of all agencies of the Federal Government and keep an inventory of State and local projects, utilizing for the purpose the Bureau of the Budget and his Council of Economic Advisers. A revolving fund of $500,000,000 is authorized from which loans may be made to State and local bodies to develop long-range plans, including blueprints, specification, and site acquisition. When the works are put into construction, the loans are to be returned to the fund. A similar revolving fund of $100,000,000 is provided for planning Federal projects. The aim is to develop a reserve of public works and resource-development projects as part of a long-range developmental program, parts of which might be put into operation in time of unemployment emergency. To activate construction when necessary, the Reconstruction Finance Corporation is authorized to expand its commitments by $1,000,000,000.

Title V deals with both acute and chronic unemployment problems. It requires the Secretary of Labor to make various studies of unemployment situations—cyclical, chronic, technological, seasonal—to determine their causes, analyze the problems connected with them and report to the President. This work is to cost not more han $5,000,000 a year; and the Secretary is authorized to utilize the services and information of other agencies of the Federal Government. When found to be appropriate, the President is authorized to direct Government purchasing and loans to areas where serious unemployment exists.

An unemployment emergency reserve fund of $2,200,000,000 would be set up for use when Federal, State, and local funds are not available in sufficient volume to alleviate or prevent serious unemployment. Of the total, $1,700,000,000 would be available to the Federal Government, and to State and local governments through grants, for authorized public works and regional development programs. For authorized procurement of commodities, stock piling, and national defense, $500,000,000 could be used for commodity purchases at prices not higher than prevailing market quotations.

As a continuing activity, not as an emergency measure, $50,000,000 is provided for enabling workers to move from areas of underemployment to areas of labor scarcity, and $100,000,000 is made available for retraining of workers in chronically declining areas or industries.

Administration of the act is vested in the President in title VI. He may appoint an assistant and adviser to coordinate all activities under the act at compensation not to exceed $20,000. The title also authorizes the Council of Economic Advisers to set up an Economic Cooperation Committee to represent all important segments of the economy. The purposes of the Board would be: First, to bring to the Federal Government the most representative thinking of various segments of the private economy regarding sound national economic policies and the development of an economic environment within which private efforts toward the achievement of the objectives of the Employment Act of 1946 can be maximized; and, second, to interpret and disseminate generally, and in particular to private enterprise, such information and advice regarding the economy and national economic policies as may lead to improved understanding and cooperation toward the same objectives.

That gives you a pretty good idea of the scope of this measure. The companion bill introduced today in the Senate by Senators MURRAY and SPARKMAN, and quite a long list of cosponsors, contains four important provisions not in the House measure, but which will be introduced in the House under other bills, in order to assure their referral to the proper committees. One of them is authorization for a thorough study by a commission of 15 experts of the Federal, State, and local tax systems with a view to determining to what extent they hold back economic expansion.

Another important provision not included in the House bill is accelerated amortization for tax purposes of new plant and facilities for productive purposes. The Senate measure also expands considerably present laws for veterans' benefits and unemployment compensation. All of these provisions are in conformity with the President's requests for legislation.

Neither House nor Senate bills deal with the important subjects of currency and banking and ordinary credit transactions, for these subjects fall into a field so highly specialized that they will require separate treatment.

All of you will analyze the bill in relation to the predominating interests of your constituencies. Some may ask: "Of what benefit is the bill to farmers?" In the first place, the bill provides for intensive studies of prices, including farm prices, in relation to wages and profits. It also calls for an intensive study of the relationship between industrial and farm prices and incomes. In the last analyses all of these price-wage-profit studies relate to how the income pie should be cut to produce the largest national income and do justice to each group—what share should go to farmers, industrial workers, white-collar workers, owners of industry, security holders, and so forth.

Farmers cannot afford to stand aside without representation and let others come to decisions as to what share of the national income they should receive. Nor does the bill contemplate that they should. Adequate representation would be given to farmers on the various advisory committees which the Council of Economic Advisers can set up, including the Economic Cooperation Committee.

But that is not all. Farmers have insisted in recent years that we cannot have a prosperous Nation without a prosperous agriculture. That applies equally to industry, trade, and the professions—we cannot have a prosperous agriculture if other groups are depressed. The primary object of the bill is to use our resources so effectively that all groups will prosper more consistently than in the past as a result of the enormous increase in productivity which modern technology has brought about. No group can afford to be unconcerned about the welfare of any other group. In no respect does this bill conflict with the Brannan plan for agriculture.

On the other hand, some of the labor men have expressed fear that a greater proportion of the income stream might be diverted from labor to profits. This is matched by the fear of some industrialists that a greater proportion of income would be diverted to labor and away from management and industrial ownership. Both management and labor fear outside interference—as though the Government were not their Government.

The very intensity of these fears suggests that more light needs to be shed upon the imbalances arising from changes in the flow of income and the balance which must be maintained to keep production and consumption at a high level. We are desperately in need of more information on this subject.

The most difficult task of an individual or a group of people is to face facts courageously and draw conclusions from them which serve the interests of the community as a whole. No one likes a fact that seems to hurt him, yet failure to face facts is the most active source of human conflict. Nevertheless, if we are to attain the kind of economy which we desire, the first and most important step is to master an understanding of what makes it go sour at times and what makes it run well. As we understand these causes more thoroughly we shall avoid conflict and attain mastery.

Some have asked: "Why does the bill emphasize expansion, rather than stability?" Analysis of economic trends shows that our industrial system over the years has produced something like 3 percent more goods and services each year when the advances and retrogressions are balanced out. This trend is continuing. If we were to stabilize production at a fixed level, our standard of living would decline steadily as long as the population increased. But we have never found a way properly to distribute the advantage of this forward march of technology. Only when we find a better way of spreading its benefits will we realize what it can mean—much higher standards of living for the great majority than ever before, particularly for the lower-income groups. These are the real undeveloped resources of our Nation. When the incomes of the more poorly paid groups are expanded, our greatest undeveloped markets will have been fertilized and our national income will attain new heights.

I have also heard it charged that the Economic Expansion Act of 1949 is a step toward State socialism. Those of you who have lived for some years remember similar charges made when the income tax was first levied. The Federal Reserve Act was attacked on the same grounds. It was going to ruin the incentives of private bankers. If one goes back far enough, one discovers that the land policy adopted after the Revolution under which the great crown estates were broken up and opened to small farmers for settlement was attacked on very similar grounds. The Interstate

Commerce Commission Act was considered socialistic. Child-labor laws, social security, the Securities and Exchange Commission, and, above all, the Reconstruction Finance Corporation have represented transfers to the Federal Government of additional powers and authority. All have been characterized as socialistic, although all have been accepted generally as beneficial to the majority of the people and to the economy as a whole.

Does it not seem reasonable that every measure should be examined upon its merits and demerits? If it appears to be a step in the direction which will bring the greatest good to the greatest number, it will be adopted eventually if not immediately—no matter by what name it is attacked.

The total effect of this bill would be just the opposite of socialism, because it seeks to strengthen and stimulate private enterprise, especially small concerns, check monopoly and provide goals for the expansion of all industry. Because I am chairman of your Committee on Small Business I am particularly interested in this phase of the measure. This is the only way in which we can prevent Government from entering business in a far larger way than anything now contemplated. A study of the reasons for the march of socialism in other parts of the world leads to the belief that the best way for us to retain our free enterprise system is to adjust it constantly to the needs of our people through wisely framed measures which help us to operate upon a high level of production and consumption, and avoid the socially and politically disintegrating effects of serious depressions.

What is more, this bill places the primary responsibility for action upon private industry. Government provides objectives and coordinates action, but it is only when weak spots are discovered, which private business finds itself unable or unwilling to strengthen, that there is authority for the Government to act directly.

It must be obvious that business thrives best when it can plan with confidence a long way ahead. When we learn to avoid devastating depression and inflation, an atmosphere will have been created in which business will thrive most and enterprise will be fostered.

I can think of only one way in which this measure would seriously interfere with business. It would tend to check monopoly. It does not seem to me that this would interfere with our free enterprise system, however. As I see it, monopolistic controls are the cancer that is weakening our entire free enterprise system. Monopoly is contrary to everything I conceive as free enterprise. It could choke us.

I doubt whether there is a man here who does not believe that another depression will overtake us sooner or later if we permit our economy to drift. It may take us a long time to learn the kind of cooperation through which we can keep our economic system in balance; but there never was a better time to start than now. I am not predicting that the house will fall. I am convinced that collapse can be avoided by resolute, intelligent, preventive action. But I feel equally certain that escape from depression does not lie in the simple home remedy of greater salesmanship.

Our true hope lies in having the courage and foresight to understand that we have only begun to realize the benefits which are to be enjoyed from an intelligent application of modern science, engineering, economic knowledge, and the growing knowledge of what makes human beings behave the way they do. There are vast vistas opening before us, fuller of promise than at any time in human history.

In the field of economic readjustment our President has lighted some beacons to guide us. The Economic Expansion Act of 1949 is presented to you as my suggestion, and that of my colleagues, as a means of covering the distance between where we now find ourselves and the beacons that the President has kindled in advance of us.

## ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 858. An act to clarify the overtime-compensation provisions of the Fair Labor Standards Act of 1938, as amended;

H. R. 2104. An act relating to orders to banks doing business in the District of Columbia to stop payment on negotiable instruments payable from deposits in, or payable at, such banks; and

H. R. 4016. An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary for the fiscal year ending June 30, 1950, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 863. An act authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco; and

S. 276. An act to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes.

## ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 57 minutes p. m.) the House adjourned until tomorrow, Tuesday, July 19, 1949, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

770. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1950 in the amount of $33,650,000, and a loan authorization of $25,000,000, for the Housing and Home Finance Agency, the Department of Agriculture, and the Department of Commerce, together with a proposed provision pertaining to an existing administrative expense authorization (H. Doc. No. 261); to the Committee on Appropriations and ordered to be printed.

771. A letter from the Acting Secretary of the Navy, transmitting a report of the number of professors and instructors and the amount of compensation for each employed by the United States Naval Postgraduate School as a separate activity; to the Committee on Armed Services.

772. A letter from the Secretary of State, transmitting a list of retired officers or employees of the United States for whom the Department of State is holding decorations, orders, medals, or presents tendered them by foreign governments; to the Committee on Foreign Affairs.

773. A letter from the Secretary of State, transmitting a draft of a proposed bill entitled "To discharge a fiduciary obligation to Iran"; to the Committee on Foreign Affairs.

774. A letter from the Acting Attorney General, transmitting a report showing the special assistants employed during the period from January 1 to June 30, 1949, under the appropriation "Compensation of Special Attorneys, Department of Justice"; to the Committee on Expenditures in the Executive Departments.

775. A letter from the Chairman, United States Maritime Commission, transmitting the quarterly report of the United States Maritime Commission on the activities and transactions of the Commission under the Merchant Ship Sales Act of 1946, from March 31 through June 30, 1949; to the Committee on Merchant Marine and Fisheries.

776. A letter from the President, United States Civil Service Commission, transmitting a draft of a proposed bill entitled "To simplify and consolidate the laws relating to the receipt of compensation from dual employments under the United States, and for other purposes"; to the Committee on Post Office and Civil Service.

777. A letter from the Comptroller General of the United States, transmitting a report with respect to certain phases of the National Service Life Insurance Act and the National Service Life Insurance Fund; to the Committee on Veterans' Affairs.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WILLIAMS: Committee on Post Office and Civil Service. H. R. 5465. A bill to amend section 4 (e) of the Civil Service Retirement Act of May 29, 1930, as amended; without amendment (Rept. No. 1069). Referred to the Committee of the Whole House on the State of the Union.

Mr. FALLON: Committee on Public Works. S. 755. An act to extend the time for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Ill.; without amendment (Rept. No. 1070). Referred to the House Calendar.

Mr. FALLON: Committee on Public Works. H. R. 3478. A bill to extend the time for completing the construction of a bridge across the Mississippi River at or near a point between Delmar Boulevard and Cole Street in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; without amendment (Rept. No. 1071). Referred to the House Calendar.

Mr. FALLON: Committee on Public Works. H. R. 5048. A bill to revive and reenact, as amended, the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill., approved December 21, 1944; without amendment (Rept. No. 1072). Referred to the House Calendar.

Mr. WHITAKER: Committee on Post Office and Civil Service. H. R. 3637. A bill to permit

the sending of braille writers to or from the blind at the same rates as provided for their transportation for repair purposes; without amendment (Rept. No. 1073). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN:

H. R. 5663. A bill declaring the continuing policy and responsibility of the Federal Government to promote maximum employment, production, and purchasing power and setting forth ways and means of achieving these objectives; to the Committee on Banking and Currency.

By Mr. BIEMILLER:

H. R. 5664. A bill declaring the continuing policy and responsibility of the Federal Government to promote maximum employment, production, and purchasing power and setting forth ways and means of achieving these objectives; to the Committee on Banking and Currency.

By Mr. JACKSON of Washington:

H. R. 5665. A bill declaring the continuing policy and responsibility of the Federal Government to promote maximum employment, production, and purchasing power and setting forth ways and means of achieving these objectives; to the Committee on Banking and Currency.

By Mrs. DOUGLAS:

H. R. 5666. A bill declaring the continuing policy and responsibility of the Federal Government to promote maximum employment, production, and purchasing power and setting forth ways and means of achieving these objectives; to the Committee on Banking and Currency.

By Mr. MITCHELL:

H. R. 5667. A bill declaring the continuing policy and responsibility of the Federal Government to promote maximum employment, production, and purchasing power and setting forth ways and means of achieving these objectives; to the Committee on Banking and Currency .

By Mr. CROOK:

H. R. 5668. A bill to establish the National Pulaski Foundation; to the Committee on House Administration.

By Mr. ELLIOTT:

H. R. 5669. A bill to promote the progress of science, to advance the national health, prosperity, and welfare, to secure the national defense, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FERNANDEZ:

H. R. 5670. A bill authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site; to the Committee on Public Lands.

By Mr. KEATING:

H. R. 5671. A bill to prohibit justices of the United States from testifying as to the character or reputation of any person or matters of opinion, and for other purposes; to the Committee on the Judiciary.

By Mr. PATTEN:

H. R. 5672. A bill to facilitate the admission of certain foreign workers desiring to perform agricultural work in the United States; to the Committee on Agriculture.

By Mr. SHEPPARD:

H. R. 5673. A bill to provide for the return to the State of California of certain original documents and maps, known as the Spanish-Mexican land-grant papers, deposited in the National Archives; to the Committee on Post Office and Civil Service.

By Mr. WELCH of Missouri:

H. R. 5674. A bill to extend the authorized maturity date of certain bridge revenue bonds to be issued in connection with the refunding of the acquisition cost of the bridge across the Missouri River at Brownville, Nebr.; to the Committee on Public Works.

By Mr. WHITE of California:

H. R. 5675. A bill to provide for the return to the State of California of certain original documents and maps, known as the Spanish-Mexican land-grant papers, deposited in the National Archives; to the Committee on Post Office and Civil Service.

By Mr. BLATNIK:

H. R. 5676. A bill to authorize the expenditure of $10,000,000,000 through the General Services Administration, to provide for needed public improvements and to promote full employment, and to provide for a continuing reserve of public works; to the Committee on Public Works.

By Mr. LOVRE:

H. R. 5677. A bill to supplement the Federal Aid Road Act (approved July 11, 1916), as amended and supplemented, to authorize regular appropriations for construction of rural local roads, and for other purposes; to the Committee on Public Works.

By Mr. BIEMILLER:

H. R. 5678. A bill to allow a deduction for income-tax purposes, in the case of a disabled individual of expenses for transportation to and from work; to the Committee on Ways and Means.

By Mr. GRANGER:

H. R. 5679. A bill to authorize the transfer of certain agricultural dry land and irrigation field stations to the States in which such stations are located, and for other purposes; to the Committee on Agriculture.

By Mr. WINSTEAD:

H. R. 5680. A bill to extend for a period of 1 year the act of July 15, 1947 (61 Stat. 324), allowing to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purpose of certain provisions of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. McMILLAN of South Carolina:

H. J. Res. 302. Joint resolution to amend the act of June 30, 1949, which increased the compensation of certain employees of the District of Columbia, so as to clarify the provisions relating to retired policemen and firemen; to the Committee on the District of Columbia.

By Mr. CRAWFORD:

H. J. Res. 303. Joint resolution to provide for the designation of the Veterans' Administration hospital at Saginaw, Mich., as the "Aleda E. Lutz Veterans Hospital"; to the Committee on Veterans' Affairs.

By Mr. LINEHAN:

H. J. Res. 304. Joint resolution establishing a commission to select a site and design for a memorial to the contributions of members of all religious faiths to American military and naval history; to the Committee on House Administration.

By Mr. BUCKLEY of Illinois:

H. J. Res. 305. Joint resolution establishing a commission to select a site and design for a memorial to the contributions of members of all religious faiths to American military and naval history; to the Committee on House Administration.

By Mr. MULTER:

H. J. Res. 306. Joint resolution establishing a commission to select a site and design for a memorial to the contributions of members of all religious faiths to American military and naval history; to the Committee on House Administration.

By Mr. O'BRIEN of Illinois:

H. J. Res. 307. Joint resolution establishing a commission to select a site and design for a memorial to the contributions of members of all religious faiths to American military and naval history; to the Committee on House Administration.

By Mr. BIEMILLER:

H. J. Res. 308. Joint resolution establishing a commission to select a site and design for a memorial to the contributions of members of all religious faiths to American military and naval history; to the Committee on House Administration.

By Mr. CHESNEY:

H. J. Res. 309. Joint resolution establishing a commission to select a site and design for a memorial to the contributions of members of all religious faiths to American military and naval history; to the Committee on House Administration.

By Mr. O'BRIEN of Michigan:

H. J. Res. 310. Joint resolution establishing a commission to select a site and design for a memorial to the contributions of members of all religious faiths to American military and naval history; to the Committee on House Administration.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLMER:

H. R. 5681. A bill for the relief of Linton G. Shearon; to the Committee on the Judiciary.

By Mr. COMBS:

H. R. 5682. A bill to authorize Public Housing Administration to pay charges awarded against it by judgment of the Sixtieth District Court of Jefferson County, Tex., and for other purposes; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 5683. A bill for the relief of Moorhead Machinery & Boiler Co., a partnership; to the Committee on the Judiciary.

By Mr. KILBURN:

H. R. 5684. A bill for the relief of Christakis Modinos; to the Committee on the Judiciary.

By Mr. PRICE:

H. R. 5685. A bill for the relief of Delbert. Henson; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1307. By Mr. HALE: Petition of the Maine State Chamber of Commerce expressing determined opposition to national compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

1308. By Mr. LECOMPTE: Petition of R. M. Hofmann, druggist, and other citizens of Ottumwa, Iowa, urging the repeal of the 20-percent excise tax on all toilet goods; to the Committee on Ways and Means.

1309. By Mr. NORBLAD: Petition signed by Mr. and Mrs. S. C. Christensen and 12 other citizens of Lafayette, Oreg., urging passage of a bill to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1310. Also, petition signed by Mr. and Mrs. Roy E. Carter and 12 other citizens of Lafayette, Oreg., urging passage of a bill to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1311. By Mr. SHORT: Petition of William Walpert and many other citizens of Monett and vicinity to amend the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

1312. By Mr. SMITH of Wisconsin: Resolution of Kenosha Council, No. 973, Knights of Columbus, Kenosha, Wis., recording their unalterable opposition to the enactment of the so-called Barden bill providing Federal

aid to education; to the Committee on Education and Labor.

1313. Also, resolution of the Fox River Valley Dental Society, Fond du Lac, Wis., opposing any legislation containing the principles of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

1314. Also, resolution of the Wisconsin State Board of Juvenile Court Judges at a meeting at Chippewa Falls, Wis., June 16 and 17, 1949, opposing H. R. 2892, which "vests great powers in the hands of a glorified public relief agency, which is a threat to fundamental democracy and relegates juvenile courts to the position of an unnecessary appendage of the American judicial system; to the Committee on Ways and Means.

1315. By the SPEAKER: Petition of Mrs. Anna Barry and others, Philadelphia, Pa., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1316. Also, petition of John Pinquist and others, Bristol, S. Dak., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1317. Also, petition of Mrs. Carrie M. Hensley and others, Walla Walla, Wash., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1318. Also, petition of J. H. Richmond and others, West Palm Beach, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

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# SENATE

## TUESDAY, JULY 19, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. R. Orman Roberts, D. D., Temple Methodist Church, San Francisco, Calif., offered the following prayer:

Eternal God, out of the abundance of Thy love Thou hast brought us to this new day. We thank Thee for the gift of life itself; for the things of life so often taken for granted—food and shelter, health and strength, friends and loved ones, the joys of fellowship and the fruits of freedom. As Thou hast cared for the lilies of the field, so hast Thou cared for us, even to providing an avenue of approach that we may commune with Thee.

In the duties of this day may we be conscious of the fact that Thou art ever mindful of us. From this consciousness may we draw the wisdom, the strength, and the will to accomplish Thy purpose.

May Thy holy benediction be upon those who have laid aside the tasks of this life and who, having answered Thy summons, have heard, "Well done, thou good and faithful servant."

In the dear Redeemer's name we pray. Amen.

### THE JOURNAL

On request of Mr. CONNALLY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 18, 1949, was dispensed with.

### MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 18, 1949:

S. 70. An act to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States.

On July 19, 1949:

S. 623. An act for the relief of George Krinopolis.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 255. An act to amend section 205 of the Interstate Commerce Act, relating to joint boards;

S. 1279. An act to amend the Federal Airport Act so as to provide that minimum rates of wages need be specified only in contracts in excess of $2,000;

S. 1280. An act to amend the Federal Airport Act so as to limit to 10 percent any increase of the amount stated as a maximum obligation under a grant agreement; and

S. 1639. An act to amend section 1452, Revised Statutes, relating to Presidential action on the proceedings and decisions of Navy retiring boards.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 256. An act to amend the Interstate Commerce Act, as amended;

S. 266. An act modifying a limitation affecting the pension, compensation, or retirement pay payable on account of an incompetent veteran without dependents during hospitalization, institutional or domiciliary care;

S. 447. An act to amend the Civil Aeronautics Act of 1938, as amended, to regulate the transportation, packing, marking, and description of explosives and other dangerous articles; and

S. 1184. An act to encourage construction of rental housing on or in areas adjacent to Army, Navy, Marine Corps, and Air Force installations, and for other purposes.

The message further announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 811. An act to adjust the effective date of certain awards of pensions and compensations payable by the Veterans' Administration; and

S. 2010. An act to extend for 2 years the authority of the Administrator of Veterans' Affairs respecting leases and leased property.

The message also announced that the House had agreed to the amendment of the Senate to the amendment of the House to the bill (S. 937) to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3901) to increase the salaries of the judges of the Municipal Court of Appeals for the District of Columbia and the Municipal Court for the District of Columbia.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 524. An act to provide for the release of all the right, title, and interest of the United States in a certain portion of a tract of land conditionally granted by it to the county of Los Angeles;

H. R. 540. An act to provide terminal-leave pay for certain officers of the Navy and Marine Corps, and for other purposes;

H. R. 892. An act to authorize the establishment of a Federal Interagency Committee on Recreation;

H. R. 3275. An act to provide for the sale or other disposal of certain submarginal lands located within the boundaries of Indian reservations in the States of Montana, North Dakota, and South Dakota;

H. R. 3343. An act to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia;

H. R. 3765. An act to promote the rehabilitation of the Sisseton-Wahpeton Sioux Tribe of Indians and better utilization of the resources of the Sisseton Reservation, and for other purposes;

H. R. 4022. An act to extend the time for commencing the construction of a toll bridge across the Rio Grande at or near Rio Grande City, Tex., to July 31, 1950;

H. R. 4050. An act to authorize advances of pay to personnel of the armed services upon permanent change of station, and for other purposes;

H. R. 4117. An act to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the National Park System, and for other purposes;

H. R. 4688. An act to ratify and confirm Act 4 of the Session Laws of Hawaii, 1949, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 4708. An act to amend the United Nations Participation Act of 1945;

H. R. 4762. An act to amend title 18, section 3618, of the Code of Laws of the United States of America, to empower the courts to remit or mitigate forfeitures;

H. R. 4901. An act to authorize the Eastern Band of Cherokee Indians, North Carolina, to lease certain lands for a period not exceeding 40 years;

H. R. 4986. An act to amend an act entitled "An act to provide for the adjustment of irrigation charges on the Flathead Indian irrigation project, Montana, and for other purposes", approved May 25, 1948;

H. R. 5134. An act to promote development in cooperation with the State of Colorado of the fish, wildlife, and recreational aspects of the Colorado-Big Thompson Federal reclamation project;

H. R. 5184. An act to approve contracts negotiated with the Belle Fourche irrigation district, the Deaver irrigation district, the Westland irrigation district, the Stanfield irrigation district, the Vale Oregon irrigation district, and the Prosser irrigation district, to authorize their execution, and for other purposes;

H. R. 5238. An act to authorize the adjustment of the lineal positions of certain officers of the naval service, and for other purposes;

H. R. 5268. An act to amend certain provisions of the Internal Revenue Code;

H. R. 5365. An act to provide for the transfer of the vessel *Black Mallard* to the State of Louisiana for the use and benefit of the

department of wildlife and fisheries of such State:

H. R. 5508. An act to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948; and

H. R. 5632. An act to reorganize fiscal management in the National Military Establishment to promote economy and efficiency, and for other purposes.

CALL OF THE ROLL

Mr. CONNALLY. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

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|---|---|---|
| Aiken | Hoey | Morse |
| Anderson | Holland | Mundt |
| Baldwin | Humphrey | Murray |
| Brewster | Hunt | Myers |
| Bricker | Ives | Neely |
| Bridges | Jenner | O'Mahoney |
| Butler | Johnson, Colo. | Reed |
| Byrd | Johnson, Tex. | Robertson |
| Cain | Johnston, S. C. | Russell |
| Capehart | Kefauver | Saltonstall |
| Chapman | Kem | Schoeppel |
| Chavez | Kerr | Smith, Maine |
| Connally | Kilgore | Smith, N. J. |
| Cordon | Knowland | Sparkman |
| Donnell | Langer | Stennis |
| Downey | Lodge | Taft |
| Dulles | Long | Taylor |
| Eastland | McCarran | Thomas, Okla. |
| Ecton | McCarthy | Thomas, Utah |
| Frear | McClellan | Thye |
| Fulbright | McFarland | Tydings |
| George | McGrath | Vandenberg |
| Gillette | McKellar | Watkins |
| Graham | McMahon | Wherry |
| Green | Magnuson | Wiley |
| Gurney | Malone | Williams |
| Hayden | Martin | Withers |
| Hendrickson | Maybank | Young |
| Hickenlooper | Miller | |
| Hill | Millikin | |

Mr. MYERS. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly, meeting at Rome, Italy.

The Senators from Illinois [Mr. DOUGLAS and Mr. LUCAS], the Senator from Maryland [Mr. O'CONOR], and the Senator from Florida [Mr. PEPPER] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The VICE PRESIDENT. A quorum is present.

DEATH OF FRANK MURPHY, ASSOCIATE JUSTICE OF THE SUPREME COURT

Mr. CONNALLY. Mr. President, the people of the United States have been grieved and shocked at the death of Supreme Court Justice Frank Murphy. As in legislative session, I submit a resolution and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read the resolution (S. Res. 138), as follows:

*Resolved*, That the Senate has heard with profound sorrow of the death of Hon. Frank Murphy, late an Associate Justice of the Supreme Court of the United States.

*Resolved*, That the clerk communicate these resolutions to the House of Representatives and the Supreme Court and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect to the memory of the deceased, the Senate, in executive session, do now take a recess until 12 o'clock noon tomorrow.

Mr. CONNALLY. Mr. President, we have all been startled by the announcement of the death this morning of Justice of the Supreme Court Frank Murphy. Mr. Justice Murphy had a very distinguished career as Governor of Michigan, Attorney General of the United States, Governor General of the Philippine Islands, and as a member of the Supreme Court of the United States. He was a man of pleasing personality, and attracted to him many friends and admirers. His service on the Court was not of long duration, but it was marked by many important decisions and opinions in which he participated.

I think it is fitting that the Senate stand in recess in tribute to his memory and in recognition of the sterling qualities which distinguished his record and career. I therefore move the adoption of the resolution.

Mr. WHERRY. Mr. President, I join with the distinguished acting majority leader in the observations he has made relative to Mr. Justice Murphy. We have heard of his death with deep regret. Our country has experienced a great loss in the passing of Justice Murphy.

I should like to make the observation that the recess no doubt will be for this calendar day; that the Senate will meet tomorrow at noon and proceed with the consideration of the pending matter.

In view of the unanimous-consent agreement which has been entered into that the Senate vote on reservations and on the treaty, beginning at 5 o'clock on Thursday, can the distinguished acting majority leader assure the Senate that, if it becomes necessary, the Senate will be in session Wednesday night in order to afford all Members of the Senate who desire to speak on the issue an opportunity to do so?

I am satisfied that Senators who have asked opportunity to speak today will require at least a full day to conclude their speeches. Whether or not more time will be needed I believe cannot be decided until tomorrow evening. But I should like to have the assurance, either from the acting majority leader or from the present occupant of the chair, if he can give it, that, if it becomes necessary in order to provide full opportunity for every Senator who wishes to speak to do so, we may have a night session on Wednesday night, leaving the unanimous-consent agreement as it is.

Mr. CONNALLY. Mr. President, I should prefer that the Senator withhold that suggestion until tomorrow. In view of the death of Mr. Justice Murphy, I should not like to have any business of any kind transacted at this time. I will say to the Senator, however, that I am sympathetic with the view he has expressed, but because of the circumstances I feel the Senate should not transact any business at this time.

Mr. WHERRY. Mr. President, I am not asking for the transaction of business. I am not even asking for unanimous consent. All I ask is that the distinguished Senator from Texas, if he can, will give us the assurance that in the event a night session becomes necessary on Wednesday, such a session will be held.

Mr. CONNALLY. I have told the Senator I am in sympathy with his views.

Mr. WHERRY. If the Senator is in sympathy with the suggestion I have made, I shall not take any further time on that point.

The VICE PRESIDENT. In view of the fact that the Senator from Nebraska mentioned the Chair in connection with the acting majority leader, the Chair wishes to say that the Senator from Illinois [Mr. LUCAS] will be here tomorrow. The Chair has no authority in connection with determining the question of a night session, but if he, through any cooperation on his part, can work out a matter of that sort, he will be very happy to do so.

Mr. WHERRY. Very well.

Mr. VANDENBERG. Mr. President, Mr. Justice Murphy was one of Michigan's most distinguished sons. He was one of the most colorful, and at the same time controversial, figures of our times. He lived a life of passionate devotion to his concept of human welfare. He relentlessly dedicated his persuasive zeals to the cause of human rights. His career honorably carried him to the highest responsibilities of government. He had a great capacity for friendship, of which I was a beneficiary among countless others. I deeply regret his passing, and I lay Michigan's wreath of affection at his tomb.

Mr. LODGE. Mr. President, the death of Mr. Justice Murphy comes as a distinct shock to me. I do not speak of his fine achievements as Governor, Attorney General, and Justice of the Supreme Court. I think of him as a man who was keenly interested in all of life. For example, I shall always vividly recall his attendance at the Army maneuvers in North Carolina during the war, and the zeal and enthusiasm with which he followed the exercises.

Above all do I think of him as a good friend, as one who, with warm heart and deep sympathy and understanding, was unselfishly interested in his fellow men. I shall miss him and mourn his passing.

Mr. McGRATH. Mr. President, I rise to pay deep and humble tribute to Mr. Justice Murphy. Probably to a greater extent than any other Member of the Senate, it was my privilege to be very closely associated with him. I served as a United States district attorney while he was Attorney General of the United States. I came to have for him a very warm and deep affection. I looked upon him in those days as a superior whom one could respect.

I later had the privilege on many occasions of appearing before Justice Murphy while he was on the Supreme Bench of our country and I was representing the Department of Justice as Solicitor General of the United States. Through those days, happy and congenial as they were, our friendship continued to grow.

When I came to the Senate I found occasions to slip away from my office and

visit with him socially in his chambers. I always came away from those visits inspired by his humility, his patriotism, and his devotion to high ideals. Of course I shall miss him, as all of us will.

I want to record here this afternoon that we who knew Justice Murphy and worked with him truly count his loss as a tragedy visited upon our country and our people.

The VICE PRESIDENT. The question is on agreeing to the resolution submitted by the Senator from Texas [Mr. CONNALLY].

The resolution was unanimously agreed to; and (at 12 o'clock and 22 minutes p. m.) the Senate, in executive session, took a recess until tomorrow, Wednesday, July 20, 1949, at 12 o'clock meridian.

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# HOUSE OF REPRESENTATIVES

## TUESDAY, JULY 19, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, Rev. Jacob S. Payton, D. D., offered the following prayer:

We wait upon Thee, O God, in preparation for the duties of the day. Because no man's labor is in vain in the Lord, may the work of these, Thy servants, be begun, continued, and ended in Thee. May no pressure deflect any Member from honor, nor unworthy threat dispel his courage. But should doubt or confusion cause anyone to waver in purpose, grant to sustain him with assurances inherent in an old inquiry of a searcher for the good way of life:

*And what doth the Lord require of thee but to do justly, and to love mercy, and to walk humbly with thy God?*

In Jesus' name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

### MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On July 18, 1949:

H. R. 623. An act for the relief of Sadako Takagi;

H. R. 2349. An act for the relief of Col. Wlodzimierz Onacewicz; and

H. R. 3017. An act for the relief of Ramon G. Hunter and Arthur Nancett.

On July 19, 1949:

H. R. 2848. An act for the relief of Leon Nikolaivich Volkov; and

H. R. 3812. An act for the relief of Myrtle Ruth Osborne, Marion Waltz, and Jessie A. Waltz.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 33) entitled "Joint resolution providing for the ratification by Congress of a contract for the purchase of certain Indian lands by the United States from the Three Affiliated Tribes of Fort Berthold Reservation, N. Dak., and for other related purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KERR, Mr. MCFARLAND, Mr. MILLER, Mr. ECTON, and Mr. WATKINS to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1407) entitled "An act to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCFARLAND, Mr. ANDERSON, Mr. KERR, Mr. ECTON, and Mr. WATKINS to be the conferees on the part of the Senate.

The message also announced that the President pro tempore has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50–3.

### FREE IMPORTATION OF SCRAP METAL

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5327) to continue until the close of June 30, 1950, the suspension of duties and import taxes on metal scrap, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. REED of New York. Mr. Speaker, reserving the right to object, and I shall not object because I am in favor of the bill, I would suggest the gentleman from Pennsylvania make just a slight explanation so that the Members will have the benefit of it if they wish to refer to it in their correspondence with their constituents.

Mr. EBERHARTER. I will be glad to explain the bill for the benefit of the Members.

Mr. Speaker, since 1942 the import duty on scrap metal and other types of scrap had been suspended because of the critical shortage of scrap metal.

This bill will continue for one more year the suspension of this import duty. The situation with respect to scrap is very critical at the present time; we have a supply for only a few months. The committee unanimously agreed that I ask unanimous consent to consider the bill in this manner.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman this question: If you take the duties off of scrap metal, having taken the duties off of many articles under the reciprocal trade agreements, when these foreign countries begin to ship merchandise in here and our factories shut down what do you expect to do then?

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. REED of New York. Here is the point: During the war we sent all sorts of material overseas. I myself have seen acres of tanks and vehicles over there piled up as scrap. We need that scrap today. We have not got that scrap and our industries need it. It will not interfere with producers in this country. Without this scrap we do face unemployment.

Mr. RICH. What are you going to do when you take the tariff off of watches and off of all the things that are manufactured in foreign countries and they come in here and put our American men out of work? What are you going to do then?

The SPEAKER. The Chair calls for the regular order. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the act of March 13, 1942 (ch. 180, 56 Stat. 171), as amended, is hereby amended to read as follows:

"SECTION 1. (a) No duties or import taxes shall be levied, collected, or payable under the Tariff Act of 1930, as amended, or under section 3425 of the Internal Revenue Code with respect to metal scrap, or relaying and rerolling rails.

"(b) The word 'scrap,' as used in this act, shall mean all ferrous and nonferrous materials and articles, of which ferrous or nonferrous metal is the component material of chief value, which are second-hand or waste or refuse, or are obsolete, defective, or damaged, and which are fit only to be remanufactured.

"SEC. 2. Articles of which metal is the component material of chief value, other than ores or concentrates or crude metal, imported to be used in remanufacture by melting, shall be accorded entry free of duty and import tax, upon submission of proof, under such regulations and within such time as the Secretary of the Treasury may prescribe, that they have been used in remanufacture by melting: *Provided, however*, That nothing contained in the provisions of this section shall be construed to limit or restrict the exemption granted by section 1 of this act."

SEC. 2. The amendment made by this act shall be effective as to merchandise entered, or withdrawn from warehouse, for consumption on or after the day following the date of the enactment of this act and before the close of June 30, 1950. It shall also be effective as to merchandise entered, or withdrawn from warehouse, for consumption before the period specified where the liquidation of the entry or withdrawal covering the merchandise or the exaction or decision relating to the rate of duty applicable to the merchandise, has not become final by reason of section 514, Tariff Act of 1930.

Mr. EBERHARTER. Mr. Speaker, by direction of the committee, I ask unanimous consent to withdraw the amendment.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### FOREIGN-TRADE ZONES

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5332) to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones.

Mr. REED of New York. Mr. Speaker, reserving the right to object, and I shall not, I would like just a slight explanation of the bill for the benefit of the Members.

Mr. BOGGS of Louisiana. Mr. Speaker, first let me say that the gentleman from Nebraska [Mr. CURTIS] will offer a committee amendment.

This bill simply permits the display and manufacture of articles in the foreign-trade zones which have been established in the principal ports of the United States—New York, New Orleans, Los Angeles, San Francisco, Seattle, and San Antonio.

This bill comes out of the Committee on Ways and Means with a unanimous report and the full approval of the business interests of the country, the Department of Commerce, the Department of the Treasury, and the Department of National Defense. It is most important to the foreign trade of our Nation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That section 3 of the act of June 18, 1934 (Public Law No. 397, 73d Cong.; 48 Stat. 998), relating to the establishment of foreign-trade zones, is amended to read as follows:

"SEC. 3. Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this act, be brought into a zone and may be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, or be manufactured except as otherwise provided in this act, and be exported, destroyed, or sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise: *Provided*, That whenever the privilege shall be requested and there has been no manipulation or manufacture effecting a change in tariff classification, the collector of customs shall take under supervision any lot or part of a lot of foreign merchandise in a zone, cause it to be appraised and taxes determined and duties liquidated thereon. Merchandise so taken under supervision may be stored, manipulated, or manufactured under the supervision and regulations prescribed by the Secretary of the Treasury, and whether mixed or manufactured with domestic merchandise or not may, under regulations prescribed by the Secretary of the Treasury, be exported or destroyed, or may be sent into customs territory upon the payment of such liquidated duties and determined taxes thereon. If merchandise so taken under supervision has been manipulated or manufactured, such duties and taxes shall be payable on the quantity of such foreign merchandise used in the manipulation or manufacture of the entered article. Allowance shall be made for recoverable and irrecoverable waste; and if recoverable waste is sent into customs territory, it shall be dutiable and taxable in its condition and quantity and at its weight at the time of entry. Where two or more products result from the manipulation or manufacture of merchandise in a zone the liquidated duties and determined taxes shall be distributed to the several products in accordance with their relative value at the time of separation with due allowance for waste as provided for above: *Provided further*, That subject to such regulations respecting identity and the safeguarding of the revenue as the Secretary of the Treasury may deem necessary, articles, the growth, product, or manufacture of the United States, on which all internal-revenue taxes have been paid, if subject thereto, and articles previously imported on which duty and/or tax has been paid, or which have been admitted free of duty and tax, may be taken into a zone from the customs territory of the United States, placed under the supervision of the collector, and whether or not they have been combined with or made part, while in such zone, of other articles, may be brought back thereto free of quotas, duty, or tax: *Provided further*, That if in the opinion of the Secretary of the Treasury their identity has been lost, such articles not entitled to free entry by reason of noncompliance with the requirements made hereunder by the Secretary of the Treasury their destiny has been lost, such customs territory of the United States as foreign merchandise under the provisions of the tariff and internal-revenue laws in force at that time: *Provided further*, That under the rules and regulations of the controlling Federal agencies, articles which have been taken into a zone from customs territory for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines, and fermented malt liquors), or storage shall be considered to be exported for the purpose of—

"(a) the draw-back, warehousing, and bonding, or any other provisions of the Tariff Act of 1930, as amended, and the regulations thereunder; and

"(b) the statutes and bonds exacted for the payment of draw-back, refund, or exemption from liability for internal-revenue taxes and for the purposes of the internal-revenue laws generally and the regulations thereunder."

Such a transfer may also be considered an exportation for the purposes of other Federal laws insofar as Federal agencies charged with the enforcement of those laws deem it advisable. Such articles may not be returned to customs territory for domestic consumption except where the Foreign-Trade Zones Board deems such return to be in the public interest, in which event the articles shall be subject to the provisions of paragraph 1615 (f) of the Tariff Act of 1930, as amended: *Provided further*, That no operation involving any foreign or domestic merchandise brought into a zone which operation would be subject to any provision or provisions of section 1807, chapter 15, chapter 16, chapter 17, chapter 21, chapter 23, chapter 24, chapter 25, chapter 26, or chapter 32 of the Internal Revenue Code if performed in customs territory shall be permitted in a zone except those operations (other than rectification of distilled spirits and wines, or the manufacture or production of alcoholic products unfit for beverage purposes) which were permissible under this act prior to July 1, 1949: *Provided further*, That articles produced or manufactured in a zone and exported therefrom shall on subsequent importation into the customs territory of the United States be subject to the import laws applicable to like articles manufactured in a foreign country, except that articles produced or manufactured in a zone exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the second proviso of this section, may, on such importation, be entered as American goods returned.

Mr. CURTIS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS: On page 5, line 9, insert the following immediately after the word "territory": ", or involving the manufacture of any article provided for in paragraph 367 or paragraph 368 of the Tariff Act of 1930."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

Mr. SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, my amendment to H. R. 5332 prohibits the manufacture of watches and all articles provided for in paragraphs 367 and 368 of the Tariff Act of 1930 in a foreign trade zone. I appreciate the fact that the Ways and Means Committee has approved this amendment and that the House has adopted it. Without this amendment this measure before us would be very damaging to the American jeweled-watch industry, the industry that is so essential to our welfare and the industry that has suffered more than any other industry from foreign competition under the destructive foreign-trade policies of the administration. The passage of this amendment means much to the 2,000 workers engaged in the manufacture of jeweled watches in my district as well as the entire industry.

I opposed this legislation in committee and I am recorded against this bill. It is my belief that this measure has not had adequate hearings, that it is bad legislation and that it would be very damaging to the economy of our country.

H. R. 5332 is an importer's bill. It is a free-trade measure. It should not become law.

H. R. 5332 would amend the Foreign Trade Zone Act—Nineteenth United States Code, page 81—by striking from existing law the prohibition against manufacture in a free-trade zone and inserting express authority to manufacture articles in such a zone from imported materials, or a combination of imported and domestic materials. The bill seems to be in direct conflict with administrative sections of the Tariff Act of 1930, and is highly ambiguous. Under this proposed bill it is believed to be impossible to apply dutiable value provisions of the tariff act; the proper determination of rates of duty is not set forth, and the marking provisions of the tariff act would be completely vitiated.

In its present form it constitutes a direct threat to operations of many American manufacturers.

Under H. R. 5332 it would apparently be impossible to determine dutiable value of an article manufactured in a free-trade zone as required by section 402 of the Tariff Act of 1930. Said section 402 defines dutiable value to be value of "such or similar merchandise" in a foreign country of origin for consumption in that country or for export to the United States; alternatively, dutiable value is defined to be the value of "such or similar merchandise" based upon the value of merchandise previously imported into the United States and sold here. The final alternative for dutiable value is

cost of production, in determining which, the statute requires that all elements of costs be included as well as the usual profit arising in the country of manufacture, and that consideration be given to the profit ordinarily added by the industry in the country of manufacture.

None of the foregoing provisions of section 402 would seem to be susceptible of application to merchandise manufactured in a free-trade zone. No other provision of law prescribes a method for determination of such dutiable values.

The Committee on Ways and Means in Report No. 957, to accompany H. R. 5332, ignores a very important effect of this legislation upon existing law. The bill, in line 3, page 2, permits manufacturing operations to take place in a foreign trade zone whether or not foreign merchandise be first appraised for customs-duty purposes or duties upon such merchandise be liquidated. This report explains in great detail the method by which merchandise shipped into a foreign trade zone may be appraised and liquidated prior to manipulation or manufacture. There is nothing in H. R. 5332 which requires that customs officials perform these appraisement and liquidation functions or which require merchandise entries to be so processed. Appraisement and liquidation of duties upon merchandise shipped into a foreign trade zone cause it to assume what is described by customs officials as a privileged status; merchandise not so appraised or liquidated is known as nonprivileged merchandise. This distinction exists under the present statute and for convenience we will hereinafter refer to the two classes of merchandise by these designations. Under H. R. 5332 nonprivileged merchandise may be manufactured in a foreign-trade zone without any of the restrictions which surround the manufacture of privileged merchandise.

The bill, on page 2, lines 10 to 25, inclusive, provides that upon application, collectors of customs may take under supervision any foreign merchandise in a zone and cause it to be appraised and taxes determined and duties liquidated thereon. The bill further provides that such merchandise may be thereafter manipulated or manufactured and sent into customs territory of the United States upon payment of "such liquidated duties and determined taxes thereon." The use of the word "such" apparently means that the appraised values, duties, and taxes originally determined by the collector will be applied to the merchandise after manufacture, despite the fact that as a result of manufacturing operations it may have become a new article, having a new name, character, and use, and, consequently, have a new and different dutiable value and be subject to a new and different tax and/or customs duty.

Tariff duties upon many industrial products of the United States have been drastically reduced under operation of the reciprocal trade agreements program, including duties upon watch movements. If foreign-made watch movements or parts may be bought into a foreign-trade zone located on the mainland of the United States, adjacent to a large consuming center, to be there manipulated and manufactured and changed in form, the harmful effects of the drastic reductions in duties will be greatly aggravated. If such products may be manufactured and changed in form, and brought into the markets of the United States upon payment of customs duties applicable only to the original form of the product when introduced into foreign-trade zones, the entire structure of our tariff system will be destroyed and the American manufacturer subjected to wholly unrestrained and unrestricted competition from the European cartelized and nationalized industries.

In 1934, the Congress wisely prohibited manufacturing operations in foreign-trade zones since it would have been impracticable to administer the provisions of the Tariff Act or related statutes. No good reason exists today for departure from this policy.

H. R. 5332 would directly conflict with administrative provisions of our existing tariff laws, would open the door to wholesale evasion of our existing rates of tariff duties and statutes governing the marking of a country of origin, and would expose American manufacturers to highly intensified competition from abroad under rates of duty already drastically reduced by trade agreements.

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. MARTIN].

RESIGNATION OF REPUBLICAN NATIONAL COMMITTEEMAN HUGH D. SCOTT, JR.

Mr. MARTIN of Massachusetts. Mr. Speaker, I regret very much the resignation of our good friend and colleague, the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.], as chairman of the Republican National Committee. That he has long desired to retire has been personally known to me. As a former national chairman I can appreciate the many difficulties that he was forced to combat. It is perhaps one of the most trying jobs in public life. He performed that duty with ability, with courage, and with intelligence. His party owes him a debt of gratitude which will not be forgotten. I am sure that in the years ahead the excellent talents of our distinguished colleague will be fully utilized in many ways by his party and his country.

I now yield to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I thank the gentleman from Massachusetts for yielding, in order to permit me to speak for the Pennsylvania Republican congressional delegation, which has frequently expressed great confidence in our distinguished colleague, Hon. HUGH D. SCOTT, JR., chairman of the Republican National Committee. We retain that confidence in Mr. SCOTT. We appreciate his personal sacrifice for our party during the past months. We appreciate his character and the bigness of his understanding which has led him to resign at this moment when his personal strength in the Republican committee is at its highest point. He believes he can best serve our Nation and party by stepping out of office now, thus permitting another to complete the unification of our party in preparation for future service to the Nation.

We of the Pennsylvania Republican delegation join our colleague in pledging our complete support to the new chairman, under whom the efficient organization being perfected now will bring the Republican Party again to its rightful position of leadership in the Nation.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Speaker, the Nebraska Republican delegation this morning had their weekly breakfast and adopted a resolution praising our colleague, Mr. HUGH SCOTT, for the excellent job he has been doing not only for the Republican Party but for the country generally. We know he had a difficult job. The tides were running against him. There was some division among the committeemen and women. It takes a big fellow with an understanding heart and character to step down in the cause of unity. HUGH SCOTT was rendering a great service to his country. He was capable, generous, and sympathetic to his colleagues.

HUGH SCOTT will continue to be a hard-working, loyal Republican, joining real Americans in this great fight to save America from the paralysis of creeping socialism. As a physician, I think his life will probably be prolonged several years because he has an easier job serving in Congress and not trying to go in double harness.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, HUGH SCOTT, as national chairman, was energetic and courageous. He was eminently fair in his dealings with every section of the country. He inaugurated a number of things that will be of future benefit to the party and to the country. He has rendered faithful service at a most difficult time and in face of many obstacles.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that any Member who desires to do so may extend his remarks at this point in the RECORD regarding the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.].

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KEATING. Mr. Speaker, our colleague, HUGH SCOTT, has performed an outstanding service for the Republican Party and, according to the views of those who believe firmly in the two-party system, for our country. He has been diligent, fair, and courteous at all times.

His has not been an easy task. It is altogether fitting that we should render this tribute to his ability to get things done and his consistent sincerity and congeniality, with which his colleagues have long been familiar.

It is my hope that the Republican Party will remain mindful of its debt to HUGH SCOTT. With our gratitude goes also to him our best wishes for his continued success and happiness.

Mr. HARVEY. Mr. Speaker, as a colleague and party associate of the Honorable HUGH D. SCOTT, JR., I take this opportunity to express my high regard for the man who has served as national committee chairman of the Republican Party. Those of us who have had the good fortune of gaining a personal acquaintance with Congressman SCOTT recognize his caliber. Despite the responsibilities of congressional office, and the even more taxing ones of national political leadership, Chairman SCOTT has earned the admiration of many by his industry, enthusiasm, and devotion to those ideals that he deems more important than individual prominence. Through a trying period in the history of a national political organization, HUGH SCOTT has exemplified the traits of the good soldier. His willingness now to yield his party's stewardship typifies the spirit of his career as a worthy partisan. In the name of the fairness and harmony that he believes essential to the future success of his party, this man is willing to step down. I suggest, Mr. Speaker, on behalf of many of his party brethren, that he shall be allowed to step down, but not out. The Republican Party needs more, not fewer, of those who want to keep America strong, sane, and solvent, and who, like Chairman SCOTT, will sacrifice their personal ambitions for their party's welfare.

EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include an article on Hawaiian statehood.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. ELLIOTT asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. FERNANDEZ asked and was given permission to extend his remarks in the RECORD on the subject of the Navajo rehabilitation bill and include therewith some editorials on that subject.

Mr. HAYS of Ohio asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. RODINO asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include an address by General Romulo, Ambassador from the Philippines .

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a letter from the Comptroller General, Mr. Lindsay Warren, regarding payment of national life insurance.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include an article, notwithstanding the fact that it will take up 6½ pages of the RECORD and is estimated by the Public Printer to cost $520; and further to extend his remarks in the RECORD and include a resolution of the American Legion.

EXTENSION OF REMARKS

Mr. MARTIN of Iowa. Mr. Speaker, on last Thursday I obtained permission to extend my remarks in the Appendix of the RECORD and to include an article entitled "What Kind of War?" by Hanson W. Baldwin. I am informed by the Public Printer that the cost is estimated at $260. I ask unanimous consent, notwithstanding the cost, that the extension may be made.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BURDICK asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. HARVEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Hoosier Farmer of July.

Mr. O'HARA of Minnesota asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by Felix Morley.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the Appendix of the RECORD.

PATRIOTIC SERVICES OF MEMBERS OF VARIOUS RACES AND FAITHS

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, there has come to me the honor of being chosen, by the circumstance of mine being the district of residence of the Honorable Barnet Hodes, to introduce in the House the joint resolution providing for the appointment of a national commission to establish a memorial commemorating the contribution of members of various races and faiths to American military and naval history.

During World War II a similar resolution was introduced in the Senate by the Honorable ALBEN W. BARKLEY, then the distinguished senior Senator from Kentucky, now the beloved Vice President of the United States. The measure was reintroduced in the Senate of the Eighty-first Congress—Senate Joint Resolution 43—by the distinguished majority leader, the Honorable SCOTT W. LUCAS. It is the expectation that it will receive favorable consideration. My resolution—House Joint Resolution 301—is intended to bring the matter of this great patriotic project to the immediate attention of the Members of this body that by the joint action of both bodies of the Congress authorization for this memorial to faith and to unity may be given before our adjournment.

Mr. Hodes, whom I have mentioned, is serving with Mr. Paul C. Clovis, as cochairman of the National All Faiths Memorial Committee, which is composed of many men and women of outstanding distinction in the worth-while activities of our Nation. Mr. Hodes is a former corporation counsel of the city of Chicago, serving in that high office longer than any corporation counsel in the history of our city and establishing for it throughout the Nation the reputation of a model public-law office. He has been a large figure in the successful promotion and efficient carrying through of many projects in our city which have contributed vastly to the cultural, spiritual, and patriotic life of our people.

Serving with Cochairmen Hodes and Clovis on the national committee for the proposed monument to faith and to unity are such prominent and respected leaders as Gov. Adlai E. Stevenson, of Illinois; Gov. John O. Pastore, of Rhode Island; President John S. Millis, of the University of Vermont; President J. Hillis Miller, of the University of Florida; President A. A. Lemieux, S. J., of Seattle University; President R. R. Renne, of Montana State College; President Carl R. Woodward, of Rhode Island State College; Mayor Michael V. Disalle, of Toledo; Editor Roy L. Smith, of the Christian Advocate; Author Louis Bromfield; Bishop of Chicago Rt. Rev. Wallace E. Conkling; Martin Goldring; Rev. N. D. Linder; H. Clarence Nixon, of Vanderbilt University; Harris F. Perlstein; Justice James H. Wolfe, of the Supreme Court of Utah; and Alva W. Taylor, of the Conference of Southern Mountain Workers.

The extent to which the proposal for a national monument to faith and unity has met the approval of the American people is reflected in the endorsement already accorded it by 25 leading American cities and by the governors of 17 States. Outstanding clerical and lay leaders of Protestant, Catholic, and Jewish faiths, representing all sections of the country, have joined in urging its authorization by the Congress.

Monuments to ideals, Mr. Speaker, reflect the character of a people. This generation in time will pass, as other generations of our country have passed, and in the monuments that we leave will be read the kind of people that we were in the processing of our minds and the functioning of our hearts. What we have accomplished in a generation is not the only criterion. It is important what we had hoped to accomplish. The dream of this generation—I think, Mr. Speaker, it has been the dream of all generations of Americans—of a brotherhood of man closely bound in mutual understanding and helpfulness may not come into full realization in our days. But that dream will not die with us because its fabric is of imperishable quality. It cannot fail to hearten the generations that carry on where we leave off to know that we did have the dream.

What we accomplish by building monuments, and by establishing memorials, can never be evaluated excessively. I watch with eyes no longer young the men and women and children who come to Washington from every part of our country, from farms and villages and cities. Their faces as they are turned to gaze upon the magnificent monuments that enrich this Capital City of the Nation tell the story. They are pilgrims who have come to the shrine of their country. It may be that the monument in front of which they stand is of granite and is in spoken words inarticulate; but in its presence and under the influence of its sight there is given to them, as pilgrims at their national shrine, with a force stronger than

that of words, an understanding of the purpose of government of, for, and by the people and of the mission of all of of us wherever we are, to preserve and safeguard that government.

There is boundless testimony to the efficiency of the Statue of Liberty in inculcating the spirit of free government into the minds of those who never have known free government. The Declaration of Independence, with its lofty sentiment and its pronouncement of the equality of man in his pursuit for happiness and contentment, may never have been read because the opportunities for popular education in the lands from which they came had given them no opportunity to learn the art of reading. Yet the sight of that monument, the Statue of Liberty, looming forth as a welcome to the land of promise, made crystal clear the spirit of everything for which America stands in its idealism in human relations and governmental purpose.

The Tomb of the Unknown Soldier has been a mighty influence in constantly reminding all of us that no one human life in our country is less precious than any other human life. He who sleeps there has no name that is known to us, but he receives the same homage, the same honors, the same visitations from the pilgrims coming to the shrine of their country as do those of great and famous names whose memory is affectionately perpetuated by the many magnificent monuments in this Capital of monuments.

There is, I think, much merit to the proposal for a third monument to form, with the Statue of Liberty and the Tomb of the Unknown Soldier, a national memorial triskelion. Might I respectfully suggest how appropriate it would be for the authorization to come from the Eighty-first Congress for the third of the great symbolic monuments, that which would be the symbol of democracy, tolerance, and understanding.

The distinguished national committee supporting the resolution of Senator LUCAS, and which I have introduced in the House, states the purpose in simple, forceful language, which I quote:

> Such a memorial would serve as a perpetual reminder that patriotism knows no barriers of race, religion, or national origin. It would stand as an affirmation of American democracy * * * its meaning as implicit, its inspiration as mighty as the Statue of Liberty when it was raised. It would symbolize to a divided world the spiritual strength and unity of our country.

Mr. Speaker, I urge upon my colleagues the adoption of this resolution before we adjourn. There have been differences of opinion among us as to expediency and as to the character of legislation having to do with human relations. My own views have not always been those of some of my colleagues, but I am sure we can agree that patriotism knows no barriers of race, religion, or national origin, that spiritual strength and national unity are advanced by tolerance and understanding, and that to implant such truth upon the consciousness of the peoples of the world the Eighty-first Congress has seen fit and proper, as reflection of the sentiment of its Members, to authorize the building of the All Faiths Monument.

### ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3901. An act to increase the salaries of the judges of the Municipal Court of Appeals for the District of Columbia and the Municipal Court for the District of Columbia.

### BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on July 18, 1949, present to the President, for his approval, bills of the House of the following titles:

H. R. 858. An act to clarify the overtime compensation provisions of the Fair Labor Standards Act of 1938, as amended;

H. R. 2104. An act relating to orders to banks doing business in the District of Columbia to stop payment on negotiable instruments payable from deposits in, or payable at such banks; and

H. R. 4016. An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes.

### JAMES FRED GIRDLEY AND PERCY BRIDGEWATER—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 265)

The SPEAKER laid before the House the following veto message from the President of the United States:

*To the House of Representatives:*

I return herewith, without my approval, H. R. 1131, for the relief of James Fred Girdley and Percy Bridgewater.

This bill authorizes the payment to the persons named of the sum of $150. This sum apparently represents employees' social-security tax collected from Mr. James Fred Girdley for the period from January 1, 1937, through June 30, 1941, through the collector of internal revenue, Pittsburgh, Pa., by the Gulf Oil Corp.

The sum of $150 is, by the terms of the instant bill, made payable to Percy Bridgewater as well as to James Fred Girdley. It appears, however, that none of these taxes were collected by the Gulf Oil Corp. with respect to any services performed by Mr. Bridgewater because: First, Mr. Bridgewater appears to have been the bulk-plant distributor for the Sinclair Oil Co. (Rept. No. 531, Senate, 81st Cong.); and, second, all of the $150 in taxes were collected with respect to James Fred Girdley as is shown by the records of the Bureau of Internal Revenue (Rept. No. 344, House of Representatives, 81st Cong.). No reason is given for refunding to Mr. Bridgewater any part of the taxes collected from Mr. Girdley on which the statute of limitation now prevents a refund.

Bulk-plant distributors engaged in distributing the products of the Gulf Oil Corp. were held to be employees of the corporation in a ruling made by the Bureau of Internal Revenue on July 15, 1938, and in accordance with this ruling, social-security taxes were deducted in the sum of $259.01 during the period of January 1, 1937, to March 31, 1945, from the remuneration to Mr. Girdley by the Gulf Oil Corp. for his services as a bulk-plant distributor. Subsequently, in the light of two decisions by the Federal courts, the Bureau reversed this ruling and held that Mr. Girdley was not an employee and, consequently, was not subject to social-security taxes.

Mr. Girdley filed a claim for refund on August 31, 1945, which under section 3313 of the Internal Revenue Code, permitted him to be refunded only for the taxes collected within 4 years of the date of filing. He was refunded this part of the taxes amounting to $109.01 with interest of $14.18, but the law prohibited the payment of the $150 in taxes collected more than 4 years prior to the date he filed his claim.

From time to time there have been submitted to me other bills which propose to except certain taxpayers from the operation of the statute of limitations by extending the time for the refunding of certain taxes to such taxpayers. On those occasions, I expressed my accord with the settled policy of Congress that it is sound to include in all revenue acts time limitations by the operation of which, after a fixed period of time, it becomes impossible for the Government to collect additional taxes or for the taxpayer to obtain a refund of an overpayment of tax. I pointed out in many such instances that legislation, such as the proposed bill, selects one or two taxpayers for special treatment by excepting them from that policy. Such legislation thus discriminates against the whole body of Federal taxpayers and establishes a precedent which would tend to open the door to relief in all cases in which the statute operates to the prejudice of a particular taxpayer while leaving the door closed to the Government in those cases in which the statute operates to the disadvantage of the Government.

In this regard, the present measure, H. R. 1131, does not differ in principle from those other bills which were under consideration by me on those prior occasions. I am not aware of any circircumstance which would justify an exception in this case to the long-established policy of Congress. I must reiterate my belief that the field of special legislation of this character should not now be opened to relieve special classes of taxpayers from the consequences of their failure to file refund claims within the period fixed by law.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 19, 1949.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the bill and message referred to the Committee on the Judiciary, and ordered printed.

### MRS. OTEEIN FOXWORTH—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 264)

The SPEAKER laid before the House the following veto message from the

President of the United States, which was read by the Clerk:

*To the House of Representatives:*

I am returning herewith, without my approval, H. R. 703, a bill conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of Mrs. Oteein Foxworth.

On September 11, 1936, in the Gourdin section of Williamsburg County, S. C., Investigator Cecil M. Foxworth, of the Alcohol Tax Unit of the Bureau of Internal Revenue, Treasury Department, suffered severe gunshot wounds at the hands of an assailant who was one of three persons the officers were attempting to arrest for a suspected violation of the Federal liquor laws. Investigator Foxworth was taken to the Kelley Sanitarium at Kingstree, S. C., where it was found necessary to amputate his left arm at the shoulder and two fingers of his right hand. On December 12, 1936, he was dropped from the rolls of the Treasury Department, without prejudice, effective at the close of business on said date, on account of total disability incurred in line of duty. Compensation for total disability was awarded Mr. Foxworth from December 16, 1936, until his death on April 10, 1944. The total amount of such compensation is reported to be $10,246.64, plus medical expenses of $505.70.

Following his convalescence, Mr. Foxworth moved to, and undertook the management of, his mother's farm near Marion, S. C. On April 10, 1944, Mr. Foxworth was suddenly stricken ill while assisting a farm hand in an attempt to restore to its pen a pig which had escaped therefrom. He died about 30 minutes before medical attention could reach him.

Though the law was subsequently amended in 1945, at the time of Mr. Foxworth's death sections 10 and 11 of the Federal Employees' Compensation Act precluded compensation for his death and the payment of his funeral expenses since his death did not occur within 6 years after the injuries. Accordingly, Private Law 656, Seventy-ninth Congress, second session, approved June 14, 1946, authorized and directed the United States Employees' Compensation Commission to receive under the Employees' Compensation Act any claim filed by the widow and children of Cecil M. Foxworth, notwithstanding any limitation of time in such act barring consideration of claim for death benefits in his case, and directed the Commission to consider and adjudicate such claim.

On November 20, 1947, the Director, Bureau of Employees' Compensaton, filed an order rejecting the claim for death benefits filed by Mrs. Foxworth on July 22, 1946. The pertinent findings of fact of the Director in such order were that while the death of the employee, Cecil M. Foxworth, occurred on April 10, 1944, from coronary embolism, nevertheless the disease which resulted in his death was neither caused nor aggravated by injury or disease sustained or incurred while in the performance of duty, or by reason of any condition imposed upon the employee as a result of his employment. On January 22, 1948, Mrs. Foxworth filed with the Employees' Compensation Appeals Board an appeal from the rejection of her claim. On May 27, 1948, the Appeals Board affirmed the adverse order of November 20, 1947.

There is no controversy concerning all facts in this case up to the incident immediately preceding the death of the claimant's husband on April 10, 1944. Since the cause of death was not conclusively established by autopsy, the opinions of medical experts upon the issue of the causal relation between injury and death are conflicting. The Congress, by its favorable action upon the bill, has indicated its belief that it would be desirable for a determination to be made by the district court.

I believe that the sole purpose of this legislation is to provide for judicial review of a decision of the Employees' Compensation Appeals Board affirming a decision adverse to the claimant issued by the Director of the Bureau of Employees' Compensation. However, the bill appears to go far beyond its purpose and to do it so imperfectly that both the claimant and the Government may be adversely affected. The bill has important technical deficiencies, the legal effects of which cannot be assessed in advance.

First, through apparent inadvertence, it refers to "alleged death" instead of using the word "alleged" in connection with the cause of death.

Second, the bill appears to do more than create a special right of judicial review. It would, as stated at the outset, confer jurisdiction upon a Federal court to entertain an action at law by the widow for damages arising from her husband's death. The measure of those damages apparently would not be limited to the amount of compensation to which she would have been entitled under the Compensation Act if she had been successful in the administrative proceedings. The bill would appear to contemplate full compensatory damages payable to a successful plaintiff under South Carolina law (Wrongful-Death Act, Code of Laws, South Carolina, secs. 411–412), in view of the provisions relegating the United States to the "exemption and * * * limitations of liability accorded by law to private parties." In this connection it should also be noted that the only right of action in a case of this kind would be under the Wrongful-Death Act. This act, however, permits recovery only if the death was caused by a wrongful act, neglect, or default, which would have given right to liability and damages if death had not ensued. Even then a private employer would not be liable if the decedent had not been covered by the State workmen's compensation law (Code of Laws, South Carolina, sec. 7035–11). The legislative history of the bill fails to reveal any indication or contention that Mr. Foxworth's death was in any way attributable to the wrongful act, neglect, or default of the Government or of its agents.

Third, were the bill not construed in the light of apparently controlling South Carolina statutes, and if the court should find that there was a causal relationship between the injury and death, the bill would then give rise to liability to damages at law in the absence of fault, a highly discriminatory right in favor of Mrs. Foxworth.

Fourth, I am concerned that by vesting exclusive right of recovery in the widow as such, the bill seems to overlook the interest of Mrs. Foxworth's children.

Taken altogether therefore, the technical objections to the bill are so serious as to suggest that the measure, even if approved, would be abortive. Aside from these technical objections, I am also opposed to the establishment of special judicial review for individual claimants when there are already in existence adequate and impartial administrative agencies for the hearing and adjudication of claims and for the review of appeals.

Finally, this bill is in conflict with the basic policy laid down by the House only a few days ago in passing H. R. 3191 which, in section 201, asserts that remedies afforded by the Compensation Act shall be exclusive.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 19, 1949.*

The SPEAKER. The objections of the President will be spread at large upon the Journal and the message and bill referred to the Committee on the Judiciary and ordered printed.

EXTENSION OF REMARKS

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. JACKSON of Washington asked and was given permission to extend his remarks in the RECORD and include a resolution.

PRIVATE CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order to call the Private Calendar tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

THE LATE HONORABLE FRANK MURPHY

Mr. DINGELL. Mr. Speaker, stunned by the shocking news of the untimely death of my old and intimate friend Justice Frank Murphy, I am bereft of the proper words with which to worthily eulogize his passing. Those of us who were privileged to know Frank Murphy

over a span of many successful years were inspired by his progress from recorder's court judge to mayor of Detroit and on to Supreme Court Justice of the United States. Far more impressive, however, was his modest demeanor, exemplary liberalism, and honesty which were the very soul of his character. He carried and exemplified these virtues in the criminal court, as mayor, and as the outstanding Governor of his State, to which office he was elected by the good people of Michigan as a mark of recognition of his sterling worth and as a reward for faithful service.

For these same reasons he endeared himself to the people of that Pacific paradise, the Philippine Islands, for whom he worked so fervently and consistently as the last Governor General and as the first High Commissioner.

Frank Murphy ranks as a peer among the distinguished sons of the great Commonwealth of Michigan. He rose to the heights of success from barefoot boy to Supreme Court Justice and friend and adviser to President Roosevelt, because of his honesty, integrity, liberalism, and scholarliness. Verily, he picked himself up by his own boot-straps to success seldom attained by men of character and ability.

Withal, he never lost sympathy and the touch with the common man. He was loyal and devoted at all times and never too busy to remember occasions precious to the heart of a friend. His official record to the date of his death, especially as Supreme Court Justice, will be recorded with the great minds and characters which graced that great and honored tribunal. His decisions and accomplishments will be mentioned along with those of Justice Holmes and Justice Brandeis wherever liberals are gathered. His name will be engraved permanently upon the hearts and minds of Americans who will pray God's reward for his earthly service and everlasting peace and happiness for his noble soul.

To his faithful and devoted sister and brother, may I say in consolation that I along with many share a precious and a privileged equity in their sorrow. For these survivors I pray the Lord give them courage and strength to carry on along life's journey until the day when all shall meet again in Heaven.

The SPEAKER. The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, 58 years can be a very short life, but that great man who has died today after living only 58 years has lived to greater advantage to himself and his fellow men than most octogenarians. Frank Murphy—Supreme Court Justice at the age of 46—had crowded a distinguished career into the brief years before that crowning event.

After graduation from the University of Michigan Law School he started to work as a $5-a-day law clerk in Detroit. But the First World War broke into his career. As a captain at the end of the war he was sent with the army of occupation into Germany. At the close of the war he studied law in London and Dublin and returned to Detroit to become assistant United States attorney. When he was 34 years old he became Judge Murphy—then, 6 years later, mayor of Detroit. His early support of Franklin D. Roosevelt led to his appointment as Governor General of the Philippines. In 1936 he was elected Governor of Michigan. The crisis of the sit-down strike was handled in a manner which attracted Nation-wide attention and approval, and young Frank Murphy became a national figure, even though he lost the 1938 election for the governorship. President Roosevelt appointed him to the office of Attorney General, and his born crusading spirit immediately drove him into a gang-smashing campaign which will long be remembered.

In 1940 he achieved the ultimate ambition of any American judge or lawyer and took his seat on the bench of the Supreme Court.

Only 58 years to live—yet he was a soldier, mayor of a great city, Governor of a great State, brilliant Federal law-enforcing officer, judge of its highest Court. Who can say that this was not success, pressed down and running over? Our only regret can be that a citizen with such abilities cannot continue to make his contributions to the common good.

When Frank Murphy took the oath as Attorney General on January 2, 1939, he placed his hand on a worn Bible, given to him by his mother when he graduated from grade school. It was open to the text from the eleventh chapter of Isaiah, "But He shall judge the poor with justice and shall approve equity for the meek of the earth. And justice shall be the girdle of His loins; faith shall be the girdle of His reins." These words were the faith of the man who said of his own aspirations, "I should like to belong to the small company of public servants and others who are content to do some of the homely and modest tasks of perfecting integrity in government and making government more efficient and orderly." To refer to Frank Murphy's contributions in his own modest phrase as "homely and modest tasks" is a miracle of understatement. He was one of the great public servants and our loss in his passing from us is too great for words.

Our sympathy goes to his brother and sister and to the many people devoted to Frank Murphy and the ideals which he championed.

The SPEAKER. Without objection, all Members who so desire may extend their remarks at this point in the RECORD on the life, character, and public service of the late Associate Justice Frank Murphy.

There was no objection.

Mr. MICHENER. Mr. Speaker, I, too, was genuinely shocked by the untimely passing of Michigan's distinguished son, Mr. Justice Frank Murphy. Most anything I might say at this time would be repetitious. Concise descriptions of his life have been recalled by my colleagues. I do, however, want to pay my tribute to the unusual life and character of this unusual man.

Born of the common people, Justice Murphy by his own initiative, industry, and ability demonstrated that there is opportunity in America. One does not become a judge in his own community, a mayor of a great city, the Governor of a great State, the High Commissioner of the Philippines, Attorney General of the United States, and a member of the most distinguished Court in all the world by chance. He was a truly Christian gentleman and practiced his religion in his daily contact with his fellow men.

I knew Mr. Justice Murphy at the beginning of his public service. When he came to Washington as Attorney General, I was on the Committee on the Judiciary in the House of Representatives, and we naturally had a common interest in the judiciary and the laws appertaining thereto. After his elevation to the Supreme Court, our common interests still continued, and in his passing I have suffered a personal loss.

Mr. DINGELL. Mr. Speaker, I offer the following resolution (H. Res. 287).

The Clerk read as follows:

*Resolved*, That the House has heard with profound sorrow of the death of the Honorable Frank Murphy, Associate Justice of the Supreme Court of the United States.

*Resolved*, That a committee of four Members of the House be appointed to attend the funeral and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk communicate these resolutions to the Senate and to the Supreme Court and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members of the funeral committee the gentleman from Michigan, Mr. DINGELL; the gentleman from Michigan, Mr. RABAUT; the gentleman from Michigan, Mr. WOODRUFF; and the gentleman from Michigan, Mr. SHAFER.

The SPEAKER. The Clerk will report the remainder of the resolution.

The Clerk read as follows:

*Resolved*, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 12 o'clock and 36 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Wednesday, July 20, 1949, at 10 o'clock a. m.

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REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H. R. 4641. A bill to authorize the Secretary of Agriculture to accept title to certain land owned or to be acquired by the county of Plumas, State of California, and in exchange therefor to convey to Plumas County certain land owned by the United States in said county; without amendment (Rept. No. 1074). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 5512. A bill to amend section 13 of the Federal Farm Loan Act, as amended; without amendment (Rept. No. 1075). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of South Dakota:

H. R. 5686. A bill to provide for payments to counties to reimburse them for loss of tax receipts on account of certain land acquired for use by the United States; to the Committee on Public Lands.

By Mr. HOLIFIELD:

H. R. 5687. A bill to provide for the return to the State of California of certain original documents and maps, known as the Spanish-Mexican land-grant papers, deposited in the National Archives; to the Committee on Post Office and Civil Service.

By Mr. MAGEE:

H. J. Res. 311. Joint resolution establishing a commission to select a site and design for a memorial to the contributions of members of all religious faiths to American military and naval history; to the Committee on House Administration.

By Mr. RODINO:

H. J. Res. 312. Joint resolution establishing a commission to select a site and design for a memorial to the contributions of members of all religious faiths to American military and naval history; to the Committee on House Administration.

By Mr. HOLIFIELD:

H. Con. Res. 105. Concurrent resolution to seek development of the United Nations into a world federation; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California relative to the package sale of alcoholic beverages on military and naval reservations; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. WEICHEL:

H. R. 5688. A bill for the relief of Mr. and Mrs. Cleneth J. Spencer; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1319. By Mr. WHITE of California: Petition of Assembly and Senate of the State of California relative to sale of alcoholic beverages on military and naval reservations; to the Committee on Armed Services.

1320. Also, memorial of Assembly and Senate of the State of California regarding regulation of speedboats on Lake Tahoe; to the Committee on Merchant Marine and Fisheries.

1321. Also, memorial of Assembly and the Senate of the State of California, to grant equal benefits to veterans in the postal service of the United States; to the Committee on Post Office and Civil Service.

1322. Also, memorial of Assembly and Senate of the State of California, for securing funds from the Federal Security Agency to pay for an adequate annual audit of the department of employment; to the Committee on Ways and Means.

1323. By Mr. YATES: Petition of David Nordenmalm, Chicago, Ill., requesting consideration of the Townsend plan for old-age pensions; to the Committee on Ways and Means.

1324. By the SPEAKER: Petition of Philip P. Costello, city clerk, city of Perth Amboy, N. J., relative to requesting the enactment of laws establishing a work program to provide jobs for the needy and distressed unemployed; to the Committee on Public Works.

1325. Also, petition of National Student YMCA and YWCA, Topeka, Kans., relative to stating their opposition to legislation that would dictate to educators the textbooks and other types of educational materials that can be used in the public schools and institutions of higher learning in the United States; to the Committee on Education and Labor.

1326. Also, petition of Honolulu Japanese Chamber of Commerce, Honolulu, T. H., relative to stating their support of the American form of democratic government and denouncing the Communist Party of Hawaii and the United States; to the Committee on Un-American Activities.

1327. Also, petition of Chairman, Korean National Assembly, Seoul, Korea, relative to expressing their thanks for the military assistance rendered by the United States during the last 4 years, and requesting financial assistance as proposed by President Truman; to the Committee on Foreign Affairs.

1328. Also, petition of William Waelke and others, Jefferson, Mo., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1329. Also, petition of Mrs. Emily Chapin and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

# SENATE

## WEDNESDAY, JULY 20, 1949

*(Legislative day of Thursday, June 2, 1949)*

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. R. Orman Roberts, D. D., Temple Methodist Church, San Francisco, Calif., offered the following prayer:

As the hart panteth after the water brooks, so panteth our souls after Thee, O God. Thou hast made us for Thyself, and we are restless until we find our rest in Thee.

The perplexing problems, the demands on body, mind, and spirit, the turmoil and strife of our days would cause us to echo the words of the ancient psalmist, "Why art Thou cast down, O my soul, and why art Thou disquieted within me?" But we are grateful, our Father, that as we find our rest in Thee we can know, like the psalmist, that Thou art the health of our countenance, and our God.

So, Lord, drop Thy still dews of quietness 'til all our strivings cease; take from our souls the strain and stress, and let our ordered lives confess the beauty of Thy peace. In the dear Redeemer's name we pray. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 19, 1949, was dispensed with.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

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| Aiken | Hill | Morse |
| Anderson | Hoey | Mundt |
| Baldwin | Holland | Murray |
| Brewster | Humphrey | Myers |
| Bricker | Hunt | Neely |
| Bridges | Ives | O'Conor |
| Butler | Jenner | O'Mahoney |
| Byrd | Johnson, Colo. | Pepper |
| Cain | Johnson, Tex. | Reed |
| Capehart | Johnston, S. C. | Robertson |
| Chapman | Kefauver | Russell |
| Chavez | Kem | Saltonstall |
| Connally | Kerr | Schoeppel |
| Cordon | Knowland | Smith, Maine |
| Donnell | Langer | Smith, N. J. |
| Dulles | Lodge | Sparkman |
| Eastland | Long | Stennis |
| Ecton | Lucas | Taft |
| Flanders | McCarran | Taylor |
| Frear | McCarthy | Thomas, Okla. |
| Fulbright | McClellan | Thomas, Utah |
| George | McFarland | Thye |
| Gillette | McKellar | Tobey |
| Graham | McMahon | Vandenberg |
| Green | Magnuson | Watkins |
| Gurney | Malone | Wherry |
| Hayden | Martin | Wiley |
| Hendrickson | Maybank | Withers |
| Hickenlooper | Millikin | Young |

Mr. MYERS. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from West Virginia [Mr. KILGORE], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Idaho [Mr. MILLER], and the Senator from Maryland [Mr. TYDINGS] are detained on official business in meetings of committees of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly, meeting at Rome, Italy.

Mr. SALTONSTALL. I announce that the Senator from Delaware [Mr. WILLIAMS] is absent on official business.

The VICE PRESIDENT. A quorum is present.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

THE NORTH ATLANTIC TREATY—DECLARATION

Mr. WHERRY (for himself, Mr. TAFT, and Mr. WATKINS) submitted a declaration, intended to be proposed by them, jointly, to the resolution of ratification of the North Atlantic Treaty, signed at Washington on April 4, 1949 (EX. L., 81st Cong., 1st sess.), which was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

At the end of the resolution of ratification, insert the following:

"The United States of America ratifies this treaty with the understanding that article 3 commits none of the parties thereto, morally or legally, to furnish or supply arms,

armaments, military, naval, or air equipment or military, naval, or air supplies to any other party or parties to this treaty."

FEDERAL COMMUNICATIONS COMMISSION—NOMINATION OF EDWARD MOUNT WEBSTER

Mr. McFARLAND. Mr. President, I ask unanimous consent for the present consideration of the nomination of Edward Mount Webster to be a member of the Federal Communications Commission.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, communicated to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. Frank Murphy, late Associate Justice of the Supreme Court of the United States.

The message announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5327. An act to continue until the close of June 30, 1950, the suspension of duties and import taxes on metal scrap, and for other purposes; and

H. R. 5332. An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 255. An act to amend section 205 of the Interstate Commerce Act, relating to joint boards;

S. 937. An act to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States;

S. 1279. An act to amend the Federal Airport Act so as to provide that minimum rates of wages need be specified only in contracts in excess of $2,000;

S. 1280. An act to amend the Federal Airport Act so as to limit to 10 percent any increase of the amount stated as a maximum obligation under a grant agreement;

S. 1639. An act to amend section 1452, Revised Statutes, relating to Presidential action on the proceedings and decisions of Navy retiring boards; and

H. R. 3901. An act to increase the salaries of the judges of the Municipal Court of Appeals for the District of Columbia and the Municipal Court for the District of Columbia.

TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate be permitted to introduce bills and joint resolutions, offer petitions and memorials, and submit routine matters for the RECORD, as though the Senate were in the morning hour, and without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

EVALUATION AND WAIVER OF COLLECTION OF CERTAIN FINANCIAL ASSISTANCE LOANS

A letter from the Secretary of State, transmitting a draft of proposed legislation to authorize the Secretary of State to evaluate and to waive collection of certain financial assistance loans, and for other purposes (with an accompanying paper); to the Committee on Foreign Relations.

TEMPORARY AID TO AND REPATRIATION OF CERTAIN UNITED STATES NATIONALS IN FOREIGN COUNTRIES

A letter from the Secretary of State, transmitting a draft of proposed legislation to authorize temporary aid to and repatriation of needy nationals of the United States in foreign countries, and for other purposes (with an accompanying paper); to the Committee on Foreign Relations.

AUTHORIZATION FOR CERTAIN PERSONS TO ACCEPT AND WEAR DECORATIONS FROM FOREIGN COUNTRIES

A letter from the Secretary of State, transmitting, pursuant to law, a report on retired officers or employees of the United States for whom the Department of State is holding decorations, orders, medals, or presents tendered them by foreign governments, and recommending legislation to authorize certain retired officers or employees of the United States to accept and wear certain decorations bestowed upon them by certain foreign countries (with an accompanying paper); to the Committee on Foreign Relations.

COMPENSATION FROM DUAL EMPLOYMENTS UNDER THE UNITED STATES

A letter from the President of the United States Civil Service Commission, transmitting a draft of proposed legislation to simplify and consolidate the laws relating to the receipt of compensation from dual employments under the United States, and for other purposes (with an accompanying paper); to the Committe on Post Office and Civil Service.

REPORT OF ACTIVITIES AND TRANSACTIONS UNDER MERCHANT SHIP SALES ACT OF 1946

A letter from the Chairman of the Maritime Commission, transmitting, pursuant to law, the quarterly report of that Commission on the activities and transactions under the Merchant Ship Sales Act of 1946, for the period March 31, 1949, through June 30, 1949 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON CERTAIN PHASES OF NATIONAL SERVICE LIFE INSURANCE ACT AND FUND

A letter from the Comptroller General of the United States, transmitting, for the information of the Senate, a report with respect to certain phases of the National Service Life Insurance Act and the National Service Life Insurance Fund (with an accompanying report); to the Committee on Finance.

REPORT ON NUMBER OF PROFESSORS AND INSTRUCTORS AND THEIR SALARIES, UNITED STATES NAVAL POSTGRADUATE SCHOOL

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, on the number of professors and instructors and the amount of compensation for each at the United States Naval Postgraduate School; to the Committee on Armed Services.

INTERNAL SECURITY OF THE UNITED STATES

A letter from the Attorney General, urging the early enactment of the bill (S. 595) relating to the internal security of the United States; to the Committee on the Judiciary.

INTERNATIONAL WHEAT AGREEMENT

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to give effect to the international wheat agreement signed by the United States and other countries relating to the stabilization of supplies and prices in the international wheat market (with an accompanying paper); to the Committee on Agriculture and Forestry.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

The petition of the Central Florida Townsend Clubs, comprising the Fifth Congressional District in the State of Florida, praying for the enactment of the so-called Townsend plan, providing old-age assistance; to the Committee on Finance.

Resolutions adopted by the Gibson County (Ind.) Bar Association, of Princeton, Ind., favoring the appointment of Judge A. Dale Eby, of Princeton, to be judge of the United States Circuit Court of Appeals for the Seventh Circuit; to the Committee on the Judiciary.

A resolution adopted by the Honolulu (T. H.) Japanese Chamber of Commerce, relating to communism; to the Committee on the Judiciary.

A resolution adopted by the Watertown (Mass.) Council, No. 155, Knights of Columbus, relating to the unification of all the counties of Ireland; to the Committee on Foreign Relations.

A resolution adopted by the Democratic Executive Committee of Lincoln County, Miss., relating to the rights of the States to govern themselves without interference by the Federal Government; to the Committee on the Judiciary.

A letter from Representative HARRY R. SHEPPARD, chairman of the California congressional delegation, enclosing a statement by him, and a resolution adopted by the delegation, affirming its unqualified opposition to the central Arizona project, and its unanimous support of legislation designed to bring the entire question of water rights on the Colorado River to the Supreme Court of the United States for decision (with an accompanying paper); to the Committee on Interior and Insular Affairs.

A letter from the Commonwealth of Kentucky Department of Aeronautics, Frankfort, Ky., signed by Charles H. Gartrell, Commissioner, enclosing a portion of a resolution adopted at an aviation forum under the auspices of that department, protesting against anyone, except the issuing Federal agency having the authority to pick up the Federal certificate of any airman; to the Committee on Interstate and Foreign Commerce.

A letter in the nature of a memorial from the Daughters of Isabella, Kentucky State Circle, Owensboro, Ky., remonstrating against the enactment of the so-called Barden bill, providing Federal aid to education; to the Committee on Labor and Public Welfare.

A resolution adopted by the Blessed Martin Interracial Group of Philadelphia, Pa., relating to the use of Federal funds for nonpublic school children; to the Committee on Labor and Public Welfare.

Resolutions adopted by the Cumberland County (N. J.) Medical Society; the Iowa State Dental Hygienists Association; the Mahoning Couny (Ohio) Chapter of the Academy of General Practice, and the San Diego County (Calif.) Dental Hygienists Association, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

Petitions of sundry veterans enrolled at the Texas Trade School, Texarkana, Tex.; the Rapids Parish Trade Institute, and the Alexandria Trade School, both of Alexandria, La., and the New Mexico Trade School, Albuquerque, N. Mex., praying for the enactment of House bill 1966 and Senate bill 1150, establishing a procedure by which the Administrator may assure veterans full educational and training opportunities commensurate with the tuition charges by educational and training institutions; to the Committee on Labor and Public Welfare.

A resolution adopted by the Rocky Mountain region of the national student YMCA and YWCA, assembled at Estes Park, Colo., relating to academic freedom; to the Committee on Labor and Public Welfare.

A memorial of sundry veterans, employees of the Veterans' Administration, regional office, Cincinnati, Ohio, remonstrating against the enactment of legislation to deprive the veteran of certain employment rights and privileges heretofore granted by the Congress; to the Committee on Post Office and Civil Service.

A letter in the nature of a petition from the National Council of Jewish Women, Inc., of New York, N. Y., signed by Mrs. Mildred G. Welt, national president, relating to appropriations for the European recovery program; ordered to lie on the table.

## PARTICIPATION IN FEDERAL WORKS PROGRAM BY CITY OF NEW KENSINGTON, PA.

Mr. MYERS. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a letter from L. G. Heinle, city clerk of New Kensington, Pa., embodying a resolution adopted by the City Council of New Kensington, Pa., relating to participation by that city in any Federal works program.

There being no objection, the letter was referred to the Committee on Public Works and ordered to be printed in the RECORD, as follows:

CITY OF NEW KENSINGTON,
*New Kensington, Pa., July 13, 1949.*

Hon. FRANCIS MYERS,
*United States Senator,*
*Washington, D. C.*

DEAR SENATOR MYERS: I hereby certify that the following resolution was adopted at a special meeting of city council held July 12, 1949, and that this is a true and correct copy of the resolution as contained in the minute book for the above-mentioned meeting:

*"Resolved by the Council of the City of New Kensington,* That the city will participate in any Federal works program enacted by Congress, also any public housing and slum-clearance programs planned by the State or Federal Government; and be it further

*"Resolved,* That certified copies of this resolution properly authenticated be sent forthwith to United States Senators FRANCIS MYERS and EDWARD MARTIN and Congressman AUGUSTINE B. KELLEY."

L. G. HEINLE,
*City Clerk.*

## AID TO ECONOMICALLY DISTRESSED AREAS

Mr. MYERS. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a letter addressed to me from Erminio J. Cefalo, president, Junior Chamber of Commerce of Greater Pittston, Pa., together with a letter from Mr. Cefalo to Hon. Charles Sawyer, Secretary of Commerce, Washington, D. C., relating to aid to economically distressed areas.

There being no objection, the letters were referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

JUNIOR CHAMBER OF COMMERCE
OF GREATER PITTSTON,
*Pittston, Pa., July 15, 1949.*

Senator FRANCIS J. MYERS,
*Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR: The Junior Chamber of Commerce of Greater Pittston at a meeting Thursday night, July 14, 1949, adopted a resolution seeking the aid the President's new program to aid distressed areas and unanimously voted to send the following telegram to Hon. John R. Steelman, Presidential aide:

"The Junior Chamber of Commerce of Greater Pittston earnestly requests you fully consider anthracite-coal region in keeping with President Truman's statement that he plans to have an extensive program to aid economically distressed areas.

"We have a serious unemployment problem and wish to invite you to come here and meet with civic and business leaders of the anthracite region to discuss these problems."

ERMINIO J. CEFALO,
*President.*

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COPY OF LETTER SENT TO HON. CHARLES SAWYER, SECRETARY, DEPARTMENT OF COMMERCE, BY THE GREATER PITTSTON JUNIOR CHAMBER OF COMMERCE, PITTSTON, PA.

JULY 16, 1949.

Hon. CHARLES SAWYER,
*Secretary, Department of Commerce,*
*Washington, D. C.*

DEAR MR. SAWYER: In keeping with President Truman's program to have Government agencies help distressed areas by purchasing and by other means, the junior chamber of commerce of greater Pittston, sent the following telegram to Dr. John R. Steelman, Presidential aide, copies of which have been forwarded to Congressman DANIEL FLOOD and Senator FRANCIS J. MYERS:

"The Junior Chamber of Commerce of Greater Pittston earnestly requests you fully consider anthracite coal region in keeping with President Truman's statement that he plans to have an extensive program to aid economically distressed areas.

"We have a serious unemployment problem and wish to invite you to come here and meet with civic and business leaders of the anthracite region to discuss these problems."

We note in the press dispatches that you are to visit the New England States on Monday, July 25, in order to confer with leaders of that area on the economic conditions.

We wish to extend an invitation to you to visit and meet with the business and civic leaders of the anthracite coal region to discuss the problem of unemployment. As you know, we are one of the 10 most depressed economic areas in the entire United States.

Pittston is the geographic center of the Wilkes-Barre-Scranton area included in the President's program.

Your visit here will bring together the business and civic leaders in the entire Wilkes-Barre-Scranton area.

Trusting we may hear from you and that you will find it possible to come here on the return trip from the New England States.

Yours very sincerely,

ERMINIO J. CEFALO,
*President.*

## FEDERAL AID TO EDUCATION—LETTER FROM PATRICK A. TOMPKINS

Mr. LODGE. Mr. President, I have received a most interesting letter from Patrick A. Tompkins, who is commissioner of the department of public welfare of the Commonwealth of Massachusetts. I am advised that in addition to the post which he now holds, he has also served as director of social welfare in the State of New York.

Speaking with this authoritative background, he says with special reference to the subject of Federal aid to education that there is what he describes as a gradual usurpation of State discretion in the development of its own plans while utilizing Federal grants-in-aid.

This same gradual infiltration in the educational system may, he says, lead to the point where the State, let alone individual cities, towns, or free-school districts would have no voice in the determination of standards of education, the certification of teachers, the content of curricula or any of the indirectly or directly related functions of school management which are incidental to a well-regulated educational program.

"It would not at all surprise me," he concludes, "to find graduates of otherwise recognized colleges and universities discredited by a Federal Bureau of Education because the teaching curriculum leading to a degree did not include subject matter on the must list of the agency allotting Federal grants in education."

Commissioner Tompkins adds, "In substance, the Federal bureaus are too far removed from the operating unit of government to appreciate and understand the individual constitutions of States, the cultures and desires of the peoples within those States, and accept the pace and the timing and improvement in the culture of America that is the bulwark of our great country."

This relates to such a vitally important subject and comes from such an authoritative source that I ask unanimous consent that the letter be printed in full at this point in the RECORD and appropriately referred.

There being no objection, the letter was referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

The COMMONWEALTH OF
MASSACHUSETTS,
DEPARTMENT OF PUBLIC WELFARE,
*Statehouse, Boston, June 27, 1949.*

Hon. HENRY CABOT LODGE, Jr.,
*Senate Chamber, Washington, D. C.*

MY DEAR SENATOR: As I am a resident of the Commonwealth, as well as State commissioner of public welfare and the father of seven children, I have naturally been concerned about a variety of legislation impinging upon both the provisions of the Social Security Act and the President's recent recommendation for a cabinet position for the department of public welfare. My particular interest at the immediate moment has been the proposed Federal aid-to-education bill embracing an appropriation of $300,000,000. Such a bill, by its very nature, will, of course, affect every family in the United States having children of school age. Apart from my interest as a parent and the fact that the department which I have the privilege to head includes the largest child-welfare unit in the United States of America, I am concerned about the proposed Federal grants-in-aid over a period of almost 17 years both as a director of social welfare in

the State of New York and, since my discharge from the Army in 1945, as commissioner of public welfare in the Commonwealth of Massachusetts.

This concern has been increasing both in intensity and degree for the last several years and relates specifically to what I consider to be a gradual usurpation of State discretion in the development of its own plans while utilizing Federal grants-in-aid. Naturally, there is not any major change in policy or policy making initiated by the Federal Security Administration nor has there been any abrupt or arbitrary departure reflected at any one given moment from the original intent of Congress to provide such grants-in-aid to States which submitted approved plans in accordance with their own constitutions and their own statutes. Rather, there has been a gradual intrusion upon State discretion even to the point of language usage and to the further point where language is presented by the Federal Security Administration which must be used by the States in the development and execution of their plans. Most of this gradual infiltration into State discretion can be traced to the change of standards of administration to requirements of administration. This represents a new interpretation to Federal laws which, in substance, have not been changed since 1935 except as they have increased the Federal matching formula.

My concern with respect to Federal aid to education is related to exactly this same possibility of gradual infiltration in the educational system to the point where the State, let alone individual cities, towns, or free school districts would have no voice in the determination of standards of education, the certification of teachers, the content of curricula or any of the indirectly or directly related functions of school management which are incidental to a well-regulated educational program. It would not at all surprise me to find graduates of otherwise recognized colleges and universities discredited by a Federal Bureau of Education because the teaching curriculum leading to a degree did not include subject matter on the "must" list of the agency allotting Federal grants-in-education.

In substance, the Federal Bureaus are too far removed from the operating unit of Government to appreciate and understand the individual constitutions of States, the cultures and desires of the peoples within those States, and accept the pace and the timing and improvement in the culture of America that is the bulwark of our great country.

To use an illustration that I have employed in the past, may I say that "to pour a pail of culture over the uncultured through the medium of dollars and cents does not change the basic pattern of the individual, his appetites, or his weaknesses." Essentially we are all imperfect, even those who insist that perfectionism is more important than humanity. The perfect technique as in the case of the surgeon does not necessarily result in an improvement of the patient. This is equally true of education and public welfare. It is essential that State discretion in the development of programs best suited to the needs and the desires of the peoples of the individual States remain with those States and that if Federal grants-in-aid are to be the pattern of our country for education and public welfare, that specific, deterring checks on the Federal agencies be made and that the authority, discretion, and limitations of the Federal Bureau in allotting such grants-in-aid shall be similarly spelled out in a language of the law.

Certainly, there should be no acceptance of such grants-in-aid conditioned upon a method of selection of personnel dictated by the Federal bureau nor related to a school of a size acceptable to the Federal Bureau. Such decisions should be left to the individual States with standards as objectives toward which States should make gradual progress.

Very truly yours,

PATRICK A. TOMPKINS,
*Commissioner.*

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on the Judiciary:

S. 1530. A bill for the relief of Public Utility District No. 1, of Cowlitz County, Wash.; without amendment (Rept. No. 731).

By Mr. EASTLAND, from the Committee on the Judiciary:

S. 1681. A bill to prohibit the picketing of courts; with an amendment (Rept. No. 732).

By Mr. GRAHAM, from the Committee on the Judiciary:

S. 1837. A bill to amend the Trading With the Enemy Act; with an amendment (Rept. No. 734).

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

S. 1284. A bill to amend section 6 of the Federal Airport Act; with an amendment (Rept. No. 730).

By Mr. KNOWLAND (for Mr. TYDINGS), from the Committee on Armed Services:

H. R. 5007. A bill to provide pay, allowances, and physical-disability retirement for members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, Public Health Service, the Reserve components thereof, the National Guard, and the Air National Guard, and for other purposes; with amendments (Rept. No. 733).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 1997. A bill to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes; without amendment (Rept. No. 735).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

S. 1890. A bill to authorize acquisition by the county of Missoula, State of Montana, of certain lands for public-use purposes; with an amendment (Rept. No. 737);

S. 1891. A bill to provide for the conveyance of certain land in Missoula County, Mont., to the State of Montana for the use and benefit of Montana State University; without amendment (Rept. No. 736);

H. R. 1720. A bill to provide for the conveyance of certain land in Missoula County, Mont., to the State of Montana for the use and benefit of Montana State University; without amendment (Rept. No. 736); and

H. R. 2197. A bill to authorize acquisition by the county of Missoula, State of Montana, of certain lands for public-use purposes; with an amendment (Rept. No. 737).

## REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation three lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

## ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 20, 1949, he presented to the President of the United States the following enrolled bills:

S. 255. An act to amend section 205 of the Interstate Commerce Act, relating to joint boards;

S. 937. An act to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States;

S. 1279. An act to amend the Federal Airport Act so as to provide that minimum rates of wages need be specified only in contracts in excess of $2,000;

S. 1280. An act to amend the Federal Airport Act so as to limit to 10 percent any increase of the amount stated as a maximum obligation under a grant agreement; and

S. 1639. An act to amend section 1452, Revised Statutes, relating to Presidential action on the proceedings and decisions of Navy retiring boards.

## BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LUCAS:

S. 2285. A bill for the relief of the E. Burnham School of Beauty Culture; to the Committee on the Judiciary.

By Mr. ANDERSON (for himself and Mr. CHAVEZ):

S. 2286. A bill authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG (for himself and Mr. RUSSELL):

S. 2287. A bill to give effect to the International Wheat Agreement entered into by the United States and other countries relating to the stabilization of supplies and prices in the international wheat market; to the Committee on Agriculture and Forestry.

By Mr. THYE:

S. 2288. A bill for the relief of Moorhead Machinery & Boiler Co., a partnership; to the Committee on the Judiciary.

By Mr. THYE (for himself and Mr. HUMPHREY):

S. 2289. A bill to authorize the exchange of Wildlife Refuge lands within the State of Minnesota; to the Committee on Interior and Insular Affairs.

By Mr. CHAPMAN:

S. 2290. A bill to authorize an appropriation for the making of necessary improvements in the cemetery plots at the Blue Grass Ordnance Depot, Richmond, Ky.; to the Committee on Armed Services.

By Mr. HOEY:

S. 2291. A bill for the relief of James I. Bartley; to the Committee on the Judiciary.

By Mr. HOLLAND (by request):

S. 2292. A bill for the relief of Emile J. Gauthier; to the Committee on Finance.

By Mr. PEPPER:

S. 2293. A bill for the relief of Fritz von Opel; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 2294. A bill to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes; to the Committee on the Judiciary.

By Mr. KNOWLAND:

S. 2295. A bill for the relief of Francesca Lucareni, a minor; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 2296. A bill for the relief of Maria Cicerelli; and

S. 2297. A bill for the relief of the estate of Lee Jones Cardy; to the Committee on the Judiciary.

By Mr. WILEY:

S. 2298. A bill to authorize the Administrator of Veterans' Affairs to convey certain lands and to lease certain other land to Milwaukee County, Wis.; to the Committee on Finance.

(Mr. JOHNSTON of South Carolina introduced Senate Joint Resolution 119, to amend the act of June 30, 1949, which increased the compensation of certain employees of the District of Columbia, so as to clarify the provisions relating to retired policemen and firemen, which was referred to the Committee on the District of Columbia, and appears under a separate heading.)

(Mr. McCARRAN introduced Senate Joint Resolution 120, proposing an amendment to the Constitution of the United States to restore the same rights to the Indian tribes which are enjoyed by all citizens of the United States, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

COMPENSATION OF RETIRED POLICEMEN AND FIREMEN OF THE DISTRICT OF COLUMBIA

Mr. JOHNSTON of South Carolina. Mr. President, I introduce for appropriate reference a joint resolution to amend the act of June 30, 1949, which increased the compensation of certain employees of the District of Columbia, so as to clarify the provisions relating to retired policemen and firemen.

The joint resolution would provide specific authority for the Commissioners of the District of Columbia to pay the retired members of the Metropolitan Police, United States Park Police, the White House Police, and the Fire Department of the District of Columbia retroactively to June 30, 1948. It would also provide authority for the Commissioners of the District of Columbia to pay this group of retired employees without the necessity of these employees making requests that these funds be made available to them.

Under a decision of the Comptroller General of March 4, 1949, the Commissioners would not have authority to pay this group of employees unless application were actually made for the payment of these funds and at the time this committee considered the original salary increase bill, H. R. 3088, it was the intention of the committee that all groups of employees should receive this additional compensation without the necessity of having to make application to any source for this money. This intent would be carried out by this legislation.

The joint resolution (S. J. Res. 119) to amend the act of June 30, 1949, which increased the compensation of certain employees of the District of Columbia, so as to clarify the provisions relating to retired policemen and firemen, introduced by Mr. JOHNSTON of South Carolina, was read twice by its title, and referred to the Committee on the District of Columbia.

AMENDMENT OF CONSTITUTION RELATING TO RIGHTS OF INDIAN TRIBES

Mr. McCARRAN. Mr. President, I introduce for appropriate reference a joint resolution proposing an amendment to the Constitution of the United States to restore the same rights to the Indian tribes which are enjoyed by all citizens of the United States, and I ask leave to have printed in the RECORD in connection with the joint resolution a statement giving reasons why the commerce clause of the Constitution should be amended with respect to commerce with the Indians.

The VICE PRESIDENT. Without objection, the joint resolution will be received and appropriately referred, and, without objection, the statement will be printed in the RECORD.

The joint resolution (S. J. Res. 120) proposing an amendment to the Constitution of the United States to restore the same rights to the Indian tribes which are enjoyed by all citizens of the United States, introduced by Mr. McCARRAN, was read twice by its title, and referred to the Committee on the Judiciary.

The statement presented by Mr. McCARRAN is as follows:

STATEMENT BY SENATOR McCARRAN ON REASONS WHY THE COMMERCE CLAUSE OF THE CONSTITUTION SHOULD BE AMENDED WITH RESPECT TO COMMERCE WITH THE INDIANS

The commerce clause of the Constitution delegates the following powers to Congress, quoting verbatim: "To regulate commerce with foreign nations, and among the several States, and with the Indian tribes."[1] For the reasons stated below it is highly desirable that the phrase "and with the Indian tribes" should be stricken out from this clause as soon as possible by proper constitutional amendment. Commerce has since been extended to mean all matters pertaining to Indian tribal affairs in this instance, and therefore has been assumed to justify activities of the Indian Bureau and Congress in relation to Indians.

The argument for removing this phrase is that conditions have changed immeasurably since the Constitution was formulated. Let us go back to the period when the Constitution was adopted in 1787. At that time most of the significant Indian tribes were situated on the frontier and were outside the area of settlement of the white man. On the Carolina and Georgia frontier there were Cherokees and Creeks, strong tribes both of them; on the New York frontier were the Iroquois, a very potent confederacy of fighting tribes. In Kentucky and Tennessee there were some precariously situated white outposts whose very existence was continuously in jeopardy due to the presence of powerful Indian groups to the north and to the south.

Under the Articles of Confederation the powers of the central Government over Indian affairs had been very unclearly defined and inadequately asserted although the Indian tribes were in general regarded as foreign nations. In 1784 the Legislature of New York ordered the Governor and commissioners to treat with the Indians residing within the State. The State of North Carolina likewise was engaged in extending State jurisdiction over the Cherokees and at the same time Georgia was treating with Cherokees and Creeks.

Probably one of the most potent factors which led the Constitutional Convention to place the power over Indian trade in congressional hands was the influence of foreign agents over the Indians. During the revolution American traders faced with the opposition of British traders in the South. After the war these British traders, now under Spanish masters, tried to prevent the western expansion of American trade and settlement through their influence with the Indians. In addition although Americans were interested in securing control over the fur trade they were unable to capture any of the strategic fur trading posts during the Revolution. After the war the British traders still held these posts in the Northwest and thereby maintained powerful economic pressure on many of the tribes. This led to zealous interest on the part of the Continental Congress in finding some means of securing Indian trade and goods. This interest, incidently, led to the appointment in 1786 of two secretaries of Indian trade responsible to the Secretary of War.

At the time when the Constitution was adopted, then, a strong central Government control over Indian trade and Indian affairs appeared to be a matter of political expediency. If the individual States had been allowed to make separate treaties with Indian tribes, especially since some of these tribes were undoubtedly under the potent influence of foreign nations, it would have exercised a dividing force on th new American Republic. Thus it can be seen that in view of the circumstances which faced them the men who drew up the Constitution had no other course than to assign control of the Indian trade and Indian affairs to Congress.

But the circumstances which prevailed in 1787 have greatly changed during the last 150 years. The expansion of American territory and settlement has spanned to continent. The old Indian frontier problems have disappeared as have also the powerful Indian tribal governments which were so significant in 1787. As far back as 1871 the United States abandoned the usage of making treaties with the Indian tribes as if they were foreign nations. Instead of treaties Congress undertook to regulate Indian affairs by statutory enactment. A special Federal agency, the Bureau of Indian Affairs, had been organized in 1824 in the executive department to handle the function of Federal control over these matters.

The Indians of today constitute an insignificant racial minority of our 140,000,000 population, whereas in 1787 the frontier Indians constituted an appreciable factor in proportion to the white population of 3 to 4 million.

It is becoming increasing difficult to distinguish an "Indian" from the other citizens of the Nation. In fact Congress made all Indians citizens in 1924 by joint resolution of the two Houses. Yet, due to powers embodied in the commerce clause, the Federal Government continues to control by special regulations and legislation the lives and property of those citizens who are arbitrarily classed as "Indian." As long ago as 1899 in *Keith* v. *United States et al.* (58 Pac. 507) the child of a white father and an Indian mother was held to be a non-Indian. Yet today there are many persons of infinitesimal proportions of Indian blood, even one two hundred and fifty-sixths, who are under special regulation as "Indians."

Probably very few of us, accustomed as we are to the full exercise of our citizenship rights, have any conception of the restrictions which are imposed by Federal control over our Indian fellow citizens. It may be in point to enumerate a few of these paternalistic forms of discrimination and special treatment, as follows: (1) About half of the Indian children in the United States who attend school must do so at special Indian schools maintained by the Indian Bureau rather than public schools; (2) When ill the average Indian, if he is to get any attention at all must go to an Indian Bureau physician or nurse or enter an Indian Bureau hospital; (3) The restricted Indian cannot buy, sell, or lease land except

[1] Art. I, sec. 8, par. 3.

as Indian Bureau regulations or rules imposed by a tribal organization sponsored by the Indian Bureau permit; (4) The restricted Indian cannot have access to his own funds deposited in the Federal Treasury; (5) When he is on the reservation the Indian is subject to Indian Bureau police, courts, and jails, and various so-called "tribal" regulations; (6) The Indian who is in need of the social security protection accorded all other citizens often finds himself solely dependent on the Indian Bureau for relief and welfare assistance; (7) Indian veterans find in practice that Indian Bureau regulations prevent their obtaining of GI loans under the GI bill of Rights; (8) The Indian cannot buy or sell alcoholic liquors nor consume them on or off the reservation; (9) Freedom of business enterprise on Indian reservations is completely hamstrung by Indian Bureau "tribal" organizations and corporations or by Bureau regulations directly; (10) Under present conditions it generally requires a special act of Congress to free each individual Indian from the restrictions on his property imposed by the Indian Bureau. In fact the initiative of the Indian has been almost completely stifled by the paternalism of special Federal legislation.

The power delegated in the Constitution over Indian trade and affairs, is no longer needed nor just. In fact, so long as this power remains, it will necessarily be to the detriment of our Indian fellow citizens. The retention of this power in the Constitution makes for continuance of a paternalistic Federal control over Indians indefinitely in the future. If Indians are ever to become full citizens all special treatment and control by the Federal Government must be removed. Since the original justification for this control is no longer valid it would seem only reasonable, as well as in the interests of justice, for us here and now to remove the constitutional proviso which differentiates them from all other classes of citizens.

### INVESTIGATION OF MONOPOLISTIC PRACTICES IN FERTILIZER INDUSTRY

Mr. TAYLOR (for himself, Mr. MURRAY, Mr. WITHERS, Mr. GILLETTE, Mr. JOHNSTON of South Carolina, Mr. SPARKMAN, Mr. LANGER, and Mr. MAGNUSON) submitted the following resolution (S. Res. 139), which was referred to the Committee on Agriculture and Forestry:

Whereas there is now before Congress a proposal to create a Columbia Valley Authority which would develop a large supply of low-cost electricity and would include in its boundaries high-grade phosphate deposits; and

Whereas the Tennessee Valley Authority has demonstrated that highly concentrated fertilizers can greatly decrease the cost of fertilization to farmers; and

Whereas one of the most highly concentrated plant-food products developed by our scientists is a mixture of potash and phosphate; and

Whereas it has repeatedly been charged before the Congress that the production of plant-food elements, and their mixing and distribution, is controlled by a trust which maintains high prices and enforces uneconomic mixing and dilution of fertilizers; and

Whereas the American potash industry developed primarily because of Federal aid and on land leased from the Government; and

Whereas as a result of Government development the potash industry has enjoyed extraordinary profits, and a situation has developed in which a few companies control between 80 and 90 percent of the total potash produced in this country; and

Whereas there is a genuine shortage of cheap potash for fertilizer, production of which has been restricted by the monopolistic practices of the American potash industry; and

Whereas the welfare of thousands of wage workers employed in this industry and millions of American farmers who use these products is being adversely affected by the continued existence of the potash monopoly; Be it therefore

*Resolved*, That the Senate Agriculture Committee, through its Subcommittee on Farm Products Utilization is hereby authorized and directed to conduct an investigation of the nature and extent of monopolistic practices in the fertilizer industry, including the manufacture and distribution of potash, phosphate, and nitrogen, the need for development of low-cost fertilizer supplies and for authorization of the construction of fertilizer plants by the proposed Columbia Valley Authority. The sum of $25,000 is hereby authorized to be expended from the contingent funds of the Senate for carrying out the purposes of this resolution.

The committee shall make such interim advisory reports to the Senate Public Works Committee considering the Columbia Valley Authority bill as it seems necessary and shall report its findings and recommendations to the Senate not later than April 15, 1950.

### AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

### INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

### INCREASE IN COMPENSATION OF HEADS OF CERTAIN EXECUTIVE DEPARTMENTS—AMENDMENTS

Mr. BALDWIN submitted an amendment intended to be proposed by him to the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, which was referred to the Committee on Post Office and Civil Service, and ordered to be printed.

Mr. THYE (for himself and Mr. BALDWIN) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, which was referred to the Committee on Post Office and Civil Service, and ordered to be printed.

### THE INTERNAL REVENUE CODE—AMENDMENTS

Mr. BALDWIN submitted two amendments intended to be proposed by him to the bill (H. R. 3905) to amend section 3121 of the Internal Revenue Code, which were ordered to lie on the table and to be printed.

### THE INTERNAL SECURITY OF THE UNITED STATES—AMENDMENTS

Mr. McCARRAN. Mr. President, I submit two amendments intended to be proposed by me to the bill (S. 595) relating to the internal security of the United States, now pending on the calendar, after having been favorably reported from the Committee on the Judiciary.

The bill is the so-called internal security bill, which I introduced on January 18 of this year and which was the subject of lengthy hearings before a subcommittee of the Committee on the Judiciary headed by the senior Senator from Mississippi, Senator EASTLAND, and which received long and mature consideration both by the subcommittee and by the full Committee on the Judiciary.

Most Senators are, I think, at least generally familiar with the provisions of this bill, and I shall not go into detail with regard to the measure at this time.

As I introduced the bill, it contained a provision specifically designed to protect freedom of speech and freedom of the press. This provision was eliminated in committee, not because the committee had any lack of desire to protect these freedoms, but because the committee reached the conclusion that such a provision was unnecessary.

One of the amendments I have just sent to the desk would restore to the bill a provision of this nature. I intend to offer this amendment because the opinion has been expressed—and I have become convinced this is the correct view—that regardless of whether such a provision is necessary, its inclusion in the bill would be a salutary thing.

The other amendment which I have introduced would strike from the bill a provision giving the President, in time of war or national emergency, authority to extend the provisions of the law, by Presidental proclamation, to include such property and places as he might designate in the interest of national security.

I think there is much to be said for this provision; and it might even be that such a provision would be necessary, and that such a Presidential power would be necessary, in time of war. However, this is an extremely broad power; so broad that it would permit the President to designate homes, business places, streets, places of public assembly, and so on, as within the coverage of the bill, and thus create a power of criminal regulation almost limitless in its possibilities. I believe that if the extension of such power to the President becomes necessary, by reason of war conditions, the Congress can act promptly to grant the power; and I gravely doubt whether such power should be vested in the President simply in the case of a national emergency. We are in a state of national emergency right now, and there is no telling how long we may remain in such a state.

The amendments are not the product of sudden inspiration. They are the result of long and mature consideration, and of careful study by experts.

So that the Senate may know the whole history of the genesis of these amendments, let me say that on June 9 the senior Senator from West Virginia [Mr. KILGORE], a member of the Committee on the Judiciary, wrote to me expressing certain fears with regard to the effect of this bill. I promptly began a restudy of the bill, and sought advice with respect to the points raised by the senior Senator from West Virginia. What the senior Senator from West Virginia said, what advice I sought, and what advice I received, are all shown by the correspondence which I hold in my hand, and which I now send to the desk. I ask unanimous consent that the correspondence, in chronological order, may be printed in the RECORD at this point as a part of my remarks.

I hope that Senators will read the correspondence, and will study the issues involved, so that they may have a sound basis for their decision when this bill comes up for consideration, as I hope it may in the very near future.

The VICE PRESIDENT. The amendments submitted by the Senator from Nevada will be received, printed, and lie on the table, and, without objection the correspondence will be printed in the RECORD, as requested. The Chair hears no objection.

The correspondence referred to is as follows:

JUNE 9, 1949.

Hon. PAT MCCARRAN,
*United States Senate, Washington, D. C.*

DEAR SENATOR: I have been very much concerned, as I indicated in the committee, about the language of S. 595, and have been rereading it time and again and feel compelled to reach the conclusion that the language is far broader than, I am sure, you yourself would want it to be if you could take the time for a restudy of the bill. Very few people know as well as I do the tremendous burdens that have fallen on you as chairman of the Judiciary Committee, with probably more bills coming before you than in any previous time in the history of the Judiciary Committee, and I appreciate how difficult it is for you to find the time to go over each of these bills as minutely as you would like and particularly to make a restudy of any bill that you had already taken up in committee. However, I do suggest that it might be worth restudying.

As I have gone over this bill, it seems to me that at least theoretically the bill, if it became law, might make practically every newspaper in the United States and all the publishers, editors, and reporters into criminals without their doing any wrongful act. I am sure that no member of the committee would favor such an outcome, but I am afraid that as the bill now reads the theoretical power would be in the Department of Justice to apply this proposed law against every newspaper. I know you would not want to put any such power in the Department. As I now read the bill, it is so broad that I feel the Department would be given the power, not only theoretical, but actual, to prosecute if it so desired practically every newspaper and newspaperman in the country. In addition, I am afraid that almost everybody else in America would be subject to prosecution under some of the detailed provisions of the bill.

I therefore feel it necessary to say that if the bill came up in its present form, I would be compelled to vote and speak against it on the floor of the Senate.

With kindest regards, I am,
Most sincerely yours,
H. M. KILGORE.

JUNE 10, 1949.

Hon. HARLEY M. KILGORE,
*United States Senate, Washington, D. C.*

MY DEAR SENATOR: I have your letter of June 9 with regard to the bill S. 595, now pending on the Senate calendar.

As you know, this bill was handled by a subcommittee consisting of Senator EASTLAND, Senator MILLER, Senator O'CONOR, Senator FERGUSON, and Senator DONNELL. Public hearings were held on April 5, 6, and 7, and the bill was reported favorably by the subcommittee on May 2. On May 26 the full Committee on the Judiciary ordered the bill reported favorably to the Senate, with an amendment; and the bill was so reported on May 27 by Senator EASTLAND.

In your letter you suggest that this bill may constitute a threat to freedom of the press. Any suggestion of such a threat naturally concerns me greatly. I shall proceed at once to restudy the bill in the light of your letter. It appears that time is available in which this may be done, in view of the fact that there appears to be no possibility the bill would be called up in the Senate until after completion of debate on the labor bill.

After I have completed my restudy of S. 595 with particular regard to its impact upon freedom of the press, I shall get in touch with you again about this matter.

Thank you for writing to me, and my kindest personal regards to you.

Sincerely,
PAT MCCARRAN,
*Chairman.*

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JUNE 10, 1949.

Hon. TOM CLARK,
*Attorney General of the United States, Department of Justice, Washington, D. C.*

MY DEAR MR. ATTORNEY GENERAL: Attached is a copy of a letter I have just received from Senator KILGORE. The suggestion that the bill, S. 595, the so-called internal-security bill, contains a threat to freedom of the press, naturally concerns me greatly, since it was I who introduced this bill. I assume it will also concern you greatly, since the bill came to me with your sponsorship and was introduced at your request.

I shall be grateful if you will let me have, as soon as possible, your comments on Senator KILGORE's letter and specifically on the questions of the impact of S. 595 as reported by the Committee on the Judiciary upon freedom of the press, the extent of the authority which the bill, if enacted, would give to the Department of Justice with regard to proceeding against newspapers and newspaper men, and also the question of whether, as Senator KILGORE states he fears, "almost everybody * * * in America would be subject to prosecution under some of the detailed provisions of the bill."

I realize the many demands upon your time; but this is an extremely important matter, as I am sure you realize, and I therefore feel justified in asking that you expedite your reply.

Kindest personal regards,
Sincerely,
PAT MCCARRAN,
*Chairman.*

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JUNE 10, 1949.

Mr. JAMES P. RADIGAN,
*Chief, Federal Law Section, Legislative Reference Service, Library of Congress, Washington, D. C.*

MY DEAR MR. RADIGAN: Question has been raised with respect to the possible impact of the bill, S. 595, now pending on the Senate Calendar, upon freedom of the press. The suggestion has been made that the bill, if it became law, "might make practically every newspaper in the United States and all the publishers, editors, and reporters into criminals without their doing any wrongful act," and that "the bill * * * is so broad that * * * the Department (of Justice) would be given the power, not only theoretical, but actual, to prosecute if it so desired practically every newspaper and newspaper man in the country."

I am extremely anxious to have a considered opinion on this question at the earliest possible date, and I shall be grateful if you will go into it and have your staff go into it, and let me know your conclusions.

It has also been suggested that almost everybody in America would be subject to prosecution under some of the detailed provisions of the bill. I presume this is intended as a charge that the provisions of the bill are entirely too broad. I wish you would also give attention to this question in a separate section of your opinion.

I realize the many demands that are made upon you, but this is an extremely important matter, and I feel justified in asking that you expedite action on my request.

Kindest personal regards.
Sincerely,
PAT MCCARRAN,
*Chairman.*

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JUNE 10, 1949.

Mr. ELISHA HANSON,
*Attorney at Law, Washington, D. C.*

MY DEAR MR. HANSON: Question has been raised with respect to the impact of the bill S. 595 upon freedom of the press.

This bill, a copy of which is enclosed for your information, is now pending on the Senate Calendar.

I have always been greatly concerned with protection of the rights of the press, for I am deeply convinced that a free press is one of the strongest bulwarks of our system of democratic government.

I shall, therefore, be extremely grateful to you if you will give me your opinion on whether this bill contains provisions which constitute a threat to press freedom or a possible vehicle for harassment of publishers, editors, or reporters in the free exercise of their constitutional rights. If it is your conclusion that there is such a threat in the bill, I hope you may be willing to point out the faulty provisions and to suggest how they might be amended.

Unfortunately, there is no authority under the law by which the Judiciary Committee can offer you any compensation in connection with this matter. I am hoping that you may be willing to undertake this task as a contribution toward good legislation. Your opinion will naturally carry great weight, for you are recognized as one of the outstanding authorities on this subject.

I realize the many demands which are made upon your time, but this matter is so important that I feel justified in asking that you expedite your reply.

Kindest personal regards.
Sincerely,
PAT MCCARRAN,
*Chairman.*

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THE LIBRARY OF CONGRESS,
*Washington, D. C., June 15, 1949.*

To: Hon. PAT MCCARRAN.
Subject: S. 595.

I. THE FIRST QUESTION IS, IF S. 595 IS ENACTED, WILL IT MAKE "PRACTICALLY EVERY NEWSPAPER IN THE UNITED STATES AND ALL THE PUBLISHERS, EDITORS, AND REPORTERS INTO CRIMINALS WITHOUT THEIR DOING ANY WRONGFUL ACT"?

Although a crime at common law, when committed by an individual, consists of acts done with an evil or criminal intent, in statutory offenses created in the proper exercise of legislative power, unless a wrongful intent or guilty knowledge is made an essential element of the prohibited act, the violater may be convicted and punished even if he did

not design to violate the law (*U. S.* v. *Balint* (1922) (258 U. S. 250)). "The constitutional requirement of due process is not violated merely because mens rea is not a required element of a prescribed crime" (*U. S.* v. *Greenbaum* (C. C. A. 3d, 1943), 138 F. (2d) 437), and cases cited; see also *U. S.* v. *Balint*, supra).

With these principles in mind, let us examine the crimes prescribed in proposed section 793 of title 18, as set forth in S. 595. The crimes stated in proposed subsections (a) and (b) do not require an evil or criminal intent generally, but a basic element of the crime, with respect to which the burden of proof is on the prosecution, is that there be "intent or reason to believe that the information is to be used to the injury of the United States, or to the advantage of any foreign nation." If this is shown, it can hardly be said that the actor is innocent of any wrongdoing in his activity. "Intent may make an otherwise innocent act criminal, if it is a step in a plot." *Badders* v. *U. S.* ((1916) 240 U. S. 391). "If a man intentionally adopts certain conduct in certain circumstances known to him, and that conduct is forbidden by the law under those circumstances, he intentionally breaks the law in the only sense in which the law ever considers intent." *Ellis* v. *U. S.* ((1907) 206 U. S. 246). Under subsections (a) and (b) only those who do the proscribed acts with the intent or reason to believe set forth in the statute can be successfully prosecuted. In such cases, a wrongful act has been committed. Acts without the requisite intent or reason to believe are without the compass of criminality. Consequently, the objection that the statute may share the innocent does not appear to be well taken as to proposed subsections (a) and (b).

The argument can be made, of course, that the words "or reason to believe" open up a broad field of possible prosecution on the basis that under almost any circumstances some facts establishing a reason to believe could be shown to the satisfaction of a jury. But it is to be noted that the required reason to believe is that "the information is to be used to the injury of the United States, or to the advantage of any foreign nation." This requires the showing of a positive effect which, in advance of the event, is demonstrated with sufficient clarity that a man can be said to have a reason to believe it will occur. The mere showing that it might occur under certain conditions or that possibilities are suggested is not enough. It might be remarked, however, that it would not, in our opinion, seriously impair the operation of subsections (a) and (b) if "reason to believe" were eliminated therefrom, thus removing a possible source of difficulty in the application of the statute.

Proposed subsection (c) of section 793 is related to subsections (a) and (b). The words "for the purpose aforesaid" mean "for the purpose of obtaining information respecting the national defense with intent or reason to believe that the information is to be used to the injury of the United States, or to the advantage of any foreign nation." Therefore, what has already been said with respect to subsections (a) and (b) applies equally to subsection (c). A further element, however, is introduced in subsection (c). The crime is not committed unless the actor also knows or has reason to believe, at the time he receives or obtains, or agrees to receive or obtain, the documents, etc., that they have been or will be obtained, taken or disposed of contrary to the provisions of the chapter. "Every man is presumed to intend the necessary and legitimate consequences of what he knowingly does." *Reynolds* v. *U. S.* ((1879) 98 U. S. 145). Under subsection (c) only those with the requisite intent and knowledge (or reason to believe) can be subjected to prosecution.

Practically the same comment made concerning subsections (a) and (b) can be made with respect to proposed subsections (d) and (e). Here, in addition, the word "willfully" is used. It is well settled that where a "willful" act is prohibited, "actual knowledge of the existence of obligation and a wrongful intent to evade it, is of the essence." *Hargrove* v. *United States* (C. C. A. 5th, 1933), 67 F. (2d) 820, and cases cited. Since under these subsections, a criminal intent is therefore required, there can be no possible objection to the words "reason to believe" as used therein.

Concerning subsection (f), two crimes are stated: (1) gross negligence in permitting documents, etc., to be removed from the proper place of custody, or lost, stolen, abstracted, or destroyed; and (2) failing promptly to report to a superior officer the illegal removal of documents, etc., from their place of custody, or their loss, theft, destruction, or illegal delivery, with knowledge of the same. The second of these would infrequently, if ever, involve a newspaper or its employees. But even if it did, knowledge is required before the crime of omission can be charged. As to the first, it is competent for the legislature to make negligence criminal, in order to stimulate proper care. See *United States* v. *Balint*, supra. In order to avoid successful prosecution, all one must do is show a moderate amount of care. "Gross negligence" is negligence of such an aggravated character as to approach indifference to or disregard of the consequences; it is the absence of even slight care. See 18 Words and Phrases 721 et seq.

It seems clear, therefore, that none of the crimes stated in subsections (a)–(f) of proposed section 793 could be charged against newspapers or publishers, or the editors or employees thereof, where they were acting in the normal course of their duties and without the wrongful intent or reason to believe, or knowledge, as required under the statute.

II. THE SECOND INQUIRY IS WHETHER THE PROVISIONS OF THE STATUTE ARE TOO BROAD

It is believed that the crimes stated in section 1 of the bill (amending sec. 793) are not stated too broadly. Certain acts are set forth, of a particular kind and with reasonable specificity, so as to inform persons of ordinary intelligence of the crimes with which they might be charged thereunder. See *Lanzetta* v. *New Jersey* ((1939) 306 U. S. 451). It is true that a statute may be so vague as to be unconstitutional, in that it affords no ascertainable standards of guilt and does not define the crimes involved with appropriate definiteness. See *Winters* v. *New York* ((1948) 333 U. S. 507). But in the Winters case the Court conceded that "The entire text of the statute or the subjects dealt with may furnish an adequate standard." In *Screws* v. *United States* ((1945) 325 U. S. 91), upholding a criminal statute against the charge of uncertainty, the Court said that the constitutional requirement of due process of law demands only that a statute give a person acting with reference to it "fair warning that his conduct is within its prohibition." In *United States* v. *Wurzbach* ((1930) 280 U. S. 396), Mr. Justice Holmes declared:

"Whenever the law draws a line there will be cases very near each other on opposite sides. The precise course of the line may be uncertain, but no one can come near it without knowing that he does so, if he thinks, and if he does so it is familiar to the criminal law to make him take the risk."

Nor does a statute have to be so exact as to eliminate all possible variances of meaning. In *Nash* v. *United States* ((1913) 229 U. S. 373, 377), Mr. Justice Holmes also said:

"The law is full of instances where a man's fate depends on his estimating rightly, that is, as the jury subsequently estimates it, some matter of degree. If his judgment is wrong, not only may he incur a fine or a short imprisonment, as here; he may incur the penalty of death."

Tested by these standards S. 595 does not appear to be drawn too broadly.

One point, however, should be noted. Section 4 (a) of the bill provides that anyone willfully violating orders or regulations promulgated by the Secretary of Defense, or by any military commander designated by him, for the protection or security of "military or naval aircraft, airports, airport facilities, vessels, harbors, ports, piers, waterfront facilities, bases, forts, posts, laboratories, stations, vehicles, equipment, explosives, or other property or places" subject to the jurisdiction, administration, or in the custody of the National Military Establishment, or any department, agency or employee thereof, "relating to fire hazards, fire protection, lighting, machinery, guard service, disrepair, disuse or other unsatisfactory conditions thereon, or the ingress thereto or egress or removal of persons therefrom, or otherwise providing for safeguarding the same against destruction, loss, or injury by accident or by enemy action, sabotage or other subversive actions," shall be guilty of a misdemeanor and upon conviction subject to fine or imprisonment, or both. Subsection (c) of section 4 then provides that in time of war, or of national emergency as proclaimed by the President, the provisions of the section "may be extended by Presidential proclamation to include such property and places as the President may therein designate in the interest of national security." This is so broad that it would permit the President to designate homes, business places, streets, places of public assembly, courts, etc., as within the coverage of section 4 (a) and taken together with the almost all-inclusive words underlined above in the quoted portion ("other unsatisfactory conditions thereon" and "removal of persons therefrom") would create a power of criminal regulation almost limitless in its possibilities. It may be questioned whether even in wartime, short of martial law, such power should be afforded by statute. And it should be noted that the power can be exercised even in the event of a "national emergency," which might not even involve war at all. It would seem that the true purposes of section 4 could be served as well if subsection (c) were omitted entirely.

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HANSON, LOVETT & DALE,
*Washington, D. C. June 17, 1949.*

Hon. PAT MCCARRAN,
*Chairman, Committee on the Judiciary,*
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR MCCARRAN: I am sorry that my absence from the city prevented my response to your letter of June 10 before this.

I have given careful consideration to S. 595 as reported with an amendment from the Committee on the Judiciary and also to its companion bill in the House, H. R. 4703, as reported to the House.

With the general purposes of these measures I am in complete sympathy. I consider that a position with the Government is a position of trust and that the most severe penalties should be inflicted upon anyone guilty of a violation of trust, particularly where that violation may endanger the national security or welfare. At the same time, I think it is essential in the enactment of legislation for the protection of the citizenry as a whole not to infringe upon the individual citizen's constitutionally guaranteed rights. Among these, as you have pointed out in your letter, is the right of the citizens of this country to have a press free from Government control, restraint or censorship.

S. 595 as originally introduced by you contained in section 8 a prohibition against the establishment of military or civilian censorship as well as a prohibition against the limitation of the right of the people of this country to have a free press as guaranteed by the Constitution. This section was eliminated in the bill as reported to the Senate ostensibly upon the theory that it was purely superfluous since Congress could pass no law which would infringe upon the freedom of the press. I emphatically disagree with that thinking. The Constitution does not ipso facto prohibit Congress from passing a law repugnant thereto. What it does is to afford the citizen a right to challenge such a law if Congress does pass it and in effect empowers and directs our courts to set aside any law or provision of law repugnant to constitutionally guaranteed rights. Over a period of years, we have had many instances where Congress has enacted legislation, the intent, purpose and effect of which was to delegate to administrative agencies of the Government some of its law-making powers. I firmly believe that all such delegation where made should contain precise limitations on the authority of the recipient agency of such a character as specifically to prohibit it from doing what the Constitution prohibits Congress from doing.

Let me give you two illustrations; one where there was no such limitation and the other where there was.

1. The National Industrial Recovery Act which became law in 1933 and subsequently was set aside in a unanimous decision of the Supreme Court of the United States contained possibly the broadest delegation of authority of any act ever passed by Congress. The powers therein were delegated to the President who in turn was given authority to redelegate them ad infinitum. The President promptly used the authority delegated to him to set up the National Recovery Administration and in turn delegate to the administrator of the National Recovery Administration all of his purported authority under the law.

One of the most controversial provisions of that act was the licensing provision of section 4. By the terms of this provision, the President was authorized by Congress under certain conditions to license any or every business in the United States and to prohibit any person from doing business through the revocation of a license for any activities contrary to the policy of the law. Publishers immediately challenged this grant of authority. The first administrator of the National Recovery Administration stated that he saw no difference between newspaper publishing and any other line of business. Subsequently, but only after months of controversy, the publishers prevailed in their contentions (a) that the press could not be licensed and (b) that conditions for the operation of his business could not be imposed upon any publisher by executive order or agreement of others in the absence of his expressed consent thereto. The incident of the administration of the Recovery Act illustrates the type of controversy that may ensue after a delegation of authority by Congress if the Congress does not in precise terms define the limits of the delegation.

2. In 1942 when the Price Control Act was passed, Congress specifically provided in section 302 thereof "that nothing in this act shall be construed to authorize the regulation of * * * (4) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine * * * ." The net effect of this provision was that during the entire period of price control no one of the several administrators ever attempted to evade that limitation upon his authority.

To the end that proper limits be fixed by the Congress on its delegation, I therefore, suggest that the equivalent of section 8 be restored to this bill with a slight modification as follows:

"SEC. 8. Nothing in this act shall be construed to authorize, require or establish military or civilian censorship or in any way to limit or infringe upon freedom of the press or of speech as guaranteed by the Constitution of the United States and no regulation shall be promulgated hereunder having that effect."

If such a provision be included in the law when it is enacted, it will in no sense defeat the general purposes of the act. It will, however, serve to limit overzealous administration.

Now while it does not deal with freedom of the press as such, I do want to call your attention to a provision in the proposed amendment to the Foreign Agents Registration Act of June 8, 1938.

On page 16 of the reported bill, subsection 8 (e) of the proposed amendment to section 3 of the Foreign Agents Registration Act in effect abolishes all statutes of limitations in respect of failure to file registration statements as required by the law. At the present time, if my memory does not fail me, treason and murder are the only crimes not covered by statutes of limitations. If a 10-year statute of limitations is reasonable for the crimes covered by the other amendments in the bill, certainly a 10-year period would seem to be reasonable for violations of the Foreign Agents Registration law.

In making the foregoing comments, I desire to point out that during World War II this Government did not attempt to enforce censorship as such upon the press of the United States. Agencies of the Government were set up to facilitate the handling of news in such a way as not to endanger the security of this country or to reveal to the enemy the movement of our armed forces. Committees of the press were set up in turn to confer with and cooperate with these agencies of the Government. Certainly, if that can be done in time of war, there should be no occasion in time of peace for Congress to enact legislation which might be construed by an overzealous official as authority to restrict the free flow of information of vital importance to the American people.

Very truly yours,

ELISHA HANSON.

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OFFICE OF THE ATTORNEY GENERAL,
*Washington, D. C., June 23, 1949.*

HON. PAT MCCARRAN,
*Chairman, Committee on the Judiciary,*
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR: This is in response to your letter of June 10, 1949, with which was enclosed a letter of June 9, 1949, from Senator KILGORE to you concerning S. 595, a bill relating to the internal security of the United States, as reported favorably by the Committee on the Judiciary.

Senator KILGORE's letter appears to express concern that members of the press and almost everybody else in America would be subject to prosecution under some of the detailed provisions of the bill.

It is not known to which provisions of the bill the Senator's letter may have particular reference, but it is believed that this fear is unfounded. The history and application of the existing espionage statutes which this bill would amend only in part, and the language, history, hearings, and report of the committee relative to this bill, together with the integrity of the three branches of the Government which enact, enforce, and apply the law, would indicate that nobody other than a spy, saboteur, or other person who would weaken the internal security of the Nation need have any fear of prosecution under either existing law or the provisions of this bill.

Needless to say, neither this Department nor the Members of the Congress would support a measure so drastic as the Senator's letter expresses the fear that this bill might be. The bill was neither intended nor drafted to impair the fundamental freedoms of the press or the individual.

The measure has been given most careful study. It was recommended by the Interdepartmental Intelligence Committee, consisting of the Director of the Federal Bureau of Investigation of this Department and the heads of the military intelligence. An analysis and the purposes of the measure were set forth in the Attorney General's letter of transmittal of January 14, 1949, and the measure was again discussed in detail in hearings before both the Senate and House Judiciary subcommittees.

It may be that the letter of Senator KILGORE refers to the element of "information relating to the national defense" which would be added to subsection 1 (d) of the Espionage Act (p. 12, lines 15 and 16 of the bill as reported). If this be the case, it should be noted that the loss of "information relating to the national defense" under existing law (subsec. 1 (f), p. 13, line 20 of the bill), without any scienter whatever, is punishable the same as a violation of subsection 1 (d), whereas the addition of the element of "information relating to the national defense" to subsection 1 (d) would be modified by the clause "which * * * the possessor has reason to believe could be used to the injury of the United States. * * *" Hence, this amendment would be less broad than existing law in this respect, and I am not aware of any use of the existing law which has abused the freedom of the press or the individual. Moreover, it appears that a person who makes a deliberate, unauthorized transmission of such information should certainly be held accountable at least as much as one who merely loses the information through negligence.

There is enclosed herewith a copy of S. 595 as reported by the Committee on the Judiciary in which additions to existing law have been underscored for purposes of convenient reference. The Department would appreciate the opportunity of discussing with Senator KILGORE any provisions of the bill concerning which he may have any questions.

Sincerely,

TOM C. CLARK,
*Attorney General.*

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JULY 9, 1949.

HON. HARLEY M. KILGORE,
*United States Senate,*
*Washington, D. C.*

MY DEAR SENATOR: Under date of June 9, you wrote me suggesting that the bill S. 595, now pending on the Senate Calendar, after having been reported favorably from the Committee on the Judiciary, may constitute a threat to freedom of the press, and expressing also the opinion that the bill was too broad.

As I promised you in my reply of June 10, I have restudied this bill most carefully, and I have sought expert advice from several sources. For your information, I enclose copies of letters which I addressed to the Attorney General; to the Chief of the Federal Law Section of the Legislative Reference Service, Library of Congress; and to Mr. Elisha Hanson. I am also enclosing replies from the Attorney General and Mr. Hanson, and a copy of certain memoranda furnished me by the Federal Law Section of the Legislative Reference Service, Library of Congress, pertinent to this question.

The Attorney General's letter appears to support the bill, in its present form, both strongly and fully.

Mr. Hanson's letter suggests an amendment which seems to have merit, and which seems aimed at answering one of the points which you raised. It will be my purpose to offer the language suggested by Mr. Hanson as a floor amendment to S. 595. I refer to Mr. Hanson's modification of what was section 8 of the bill as I originally introduced it. In the amendment which I intend to offer, this language will be proposed as a new section 5 of the bill.

Mr. Hanson's suggestion with regard to statute of limitations on failure to file under the Foreign Agents Registration Act does not appear to be well founded. The gravamen of this offense is not an overt act but a mere failure to act. The offense might under some circumstances be very difficult to discover. I do not like the idea of a legal situation in which a foreign agent, if he can successfully flaunt the law for some named period of time, may thereafter be forever immune to prosecution.

The point made by Mr. Oglebay, of the Federal Law Section, Legislative Reference Service, with regard to the desirability of eliminating subsection (c) of section 4 of the committee bill, also strikes me as worth while, and I shall offer an amendment for this purpose.

With the two amendments referred to above, I believe the bill will be wholly acceptable and that it should be enacted.

Thank you for writing me about this matter.

Kindest personal regards.

Sincerely,

PAT MCCARRAN,
*Chairman.*

### ELIZABETH DANIEL MEMORIAL—CHANGE OF REFERENCE

Mr. HAYDEN. Mr. President, I move that the Committee on Rules and Administration be discharged from the further consideration of the bill (S. 2143) to provide for the erection of a memorial at the grave of Elizabeth Daniel, the widow of Joseph (Job) Daniel, a Revolutionary War soldier, and that it be referred to the Committee on the Judiciary. This request is agreeable to the chairman.

The motion was agreed to.

### AMENDMENT OF CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930—RECOMMITTAL OF BILL

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the bill (H. R. 2944) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide survivorship benefits for widows or widowers of persons retiring under such act, be taken from the calendar, and recommitted to the Committee on Post Office and Civil Service.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

### PRINTING OF REVIEW OF REPORT ON MONONGAHELA RIVER, W. VA., AND PA. (S. DOC. NO. 100)

Mr. CHAVEZ. Mr. President, on behalf of the Committee on Public Works, I present a letter from the Secretary of War, transmitting a report dated May 31, 1949, from the Chief of Engineers, United States Army, together with accompanying papers and illustrations, on a review of reports on the Monongahela River, W. Va. and Pa., requested by a resolution of the Committee on Public Works of the Senate, adopted on October 3, 1947, and I ask unanimous consent that it be referred to the Committee on Public Works and be printed as a Senate document with illustrations.

The VICE PRESIDENT. Without objection, it is so ordered.

### HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred as indicated:

H. R. 524. An act to provide for the release of all the right, title, and interest of the United States in a certain portion of a tract of land conditionally granted by it to the county of Los Angeles;

H. R. 540. An act to provide terminal leave pay for certain officers of the Navy and Marine Corps, and for other purposes; and

H. R. 5238. An act to authorize the adjustment of the lineal positions of certain officers of the naval service, and for other purposes; to the Committee on Armed Services.

H. R. 892. An act to authorize the establishment of a Federal Interagency Committee on Recreation;

H. R. 3275. An act to provide for the sale or other disposal of certain submarginal lands located within the boundaries of Indian reservations in the States of Montana, North Dakota, and South Dakota;

H. R. 3765. An act to promote the rehabilitation of the Sisseton-Wahpeton Sioux Tribe of Indians and better utilization of the resources of the Sisseton Reservation, and for other purposes;

H. R. 4117. An act to remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the national park system, and for other purposes;

H. R. 4688. An act to ratify and confirm act 4 of the Session Laws of Hawaii, 1949, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 4762. An act to amend title 18, section 3618, of the Code of Laws of the United States of America, to empower the courts to remit or mitigate forfeitures;

H. R. 4901. An act to authorize the Eastern Band of Cherokee Indians, North Carolina, to lease certain lands for a period not exceeding 40 years;

H. R. 4986. An act to amend an act entitled "An act to provide for the adjustment of irrigation charges on the Flathead Indian irrigation project, Montana, and for other purposes," approved May 25, 1948;

H. R. 5134. An act to promote development in cooperation with the State of Colorado of the fish, wildlife, and recreational aspects of the Colorado-Big Thompson Federal reclamation project;

H. R. 5184. An act to approve contracts negotiated with the Belle Fourche irrigation district, the Deaver irrigation district, the Westland irrigation district, the Stanfield irrigation district, the Vale, Oreg., irrigation district, and the Prosser irrigation district, to authorize their execution, and for other purposes; and

H. R. 5365. An act to provide for the transfer of the vessel *Black Mallard* to the State of Louisiana for the use and benefit of the department of wildlife and fisheries of such State; to the Committee on Interior and Insular Affairs.

H. R. 3343. An act to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia; to the Committee on the District of Columbia.

H. R. 5268. An act to amend certain provisions of the Internal Revenue Code;

H. R. 5327. An act to continue until the close of June 30, 1950, the suspension of duties and import taxes on metal scrap, and for other purposes; and

H. R. 5332. An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones; to the Committee on Finance.

H. R. 4022. An act to extend the time for commencing the construction of a toll bridge across the Rio Grande at or near Rio Grande City, Tex., to July 31, 1950;

H. R. 4050—An act to authorize advances of pay to personnel of the armed services upon permanent change of station, and for other purposes;

H. R. 4708. An act to amend the United Nations Participation Act of 1945; and

H. R. 5508. An act to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948; ordered to be placed on the calendar.

### THE DOCTOR AND OUR HEALTH—ADDRESS BY SENATOR HILL

[Mr. HILL asked and obtained leave to have printed in the RECORD an address entitled "The Doctor and Our Health," delivered by him at the centennial celebration of the Medical Society of Philadelphia County, Philadelphia, Pa., May 11, 1949, which appears in the Appendix.]

### DOES THE MARSHALL PLAN AID SOCIALISM?—ARTICLE IN THE CHRISTIAN SCIENCE MONITOR AND REPLY BY SENATOR KEM

[Mr. KEM asked and obtained leave to have printed in the RECORD an article entitled "Does the Marshall Plan Aid Socialism?—No" written by Roscoe Drummond, chief of the Washington Bureau, the Christian Science Monitor, June 27, 1949, and a letter replying to the article, written by Mr. KEM to the editor of the Christian Science Monitor, July 18, 1949, which appear in the Appendix.]

### ADDRESS BY SENATOR CAPEHART IN REPLY TO PRESIDENT TRUMAN'S SPEECH TO THE NATION

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an address delivered by him over the radio in reply to the address to the Nation by President Truman on July 13, which appears in the Appendix.]

### SOCIALIZED MEDICINE—ESSAY BY MISS JOYCE KELLER

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an essay on socialized medicine written by Miss Joyce Keller, a high-school student of Bluffton, Ind., which appears in the Appendix.]

### ADDRESS BY SENATOR MARTIN BEFORE JEWISH WAR VETERANS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by him before the Jewish War Veterans, Department of Pennsylvania, at Philadelphia, Pa., on June 18, 1949, which appears in the Appendix.]

### BRADFORD (PA.) FLOOD-CONTROL PROJECT

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a statement submitted by him on July 13, 1949, to the Senate Committee on Public Works in support of the Bradford (Pa.) flood-control project, which appears in the Appendix.]

### LACKAWAXEN RIVER BASIN FLOOD-CONTROL PROJECT—STATEMENT BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a statement

submitted by him on July 14, 1949, to the Senate Committee on Public Works in behalf of additional authorization for the Lackawaxen River Basin flood-control project, which appears in the Appendix.]

MONONGAHELA RIVER NAVIGATIONAL IMPROVEMENTS—STATEMENT BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a statement prepared by himself and submitted to the Senate Committee on Public Works, in support of additional authorizations for the Monongahela River navigation improvements, on July 14, 1949, which appears in the Appendix.]

THE THREE-HORSE TEAM—ADDRESS BY SENATOR JOHNSON OF COLORADO

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an address on the subject The Three-Horse Team, delivered by him on July 15, 1949, in Kansas City, Missouri, at the aviation celebration of the chamber of commerce, which appears in the Appendix.]

HARRY BRIDGES—ARTICLES FROM THE NEW YORK TIMES AND STATEMENT BY SENATOR BUTLER

[Mr. BUTLER asked and obtained leave to have printed in the RECORD a news item entitled "Bridges Is Named WFTU Union's Head," and an article by Louis Stark, printed in the New York Times of July 20, 1949, together with a statement by himself, which appear in the Appendix.]

THE ADMINISTRATION'S FISCAL POLICIES—ARTICLE BY VERMONT ROYSTER

[Mr. BYRD asked and obtained leave to have printed in the RECORD an article entitled "No Day of Ending," relating to the fiscal policies of the administration, which appears in the Appendix.]

THE FUTURE OF EUROPE'S MEDICAL PROFESSION

[Mr. MYERS asked and obtained leave to have printed in the RECORD an article entitled "Many Doctors Idle in DP Camps," published in the Pittsburgh Post-Gazette of July 13, 1949, which appears in the Appendix.]

RELEASE OF CONSCIENTIOUS OBJECTORS—EDITORIAL FROM HARTFORD COURANT AND ARTICLE FROM CHRISTIAN CENTURY

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial from a recent issue of the Hartford Courant, and an article from the Christian Century of July 13, 1949, on the subject of release of conscientious objectors, which appear in the Appendix.]

A PROGRAM FOR ASIA

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an article entitled "A Program for Asia," which appears in the Appendix.]

NEW ENGLAND'S UNDEVELOPED WATERPOWER RESOURCES—EDITORIAL FROM BOSTON HERALD

[Mr. SALTONSTALL asked and obtained leave to have printed in the RECORD an editorial entitled "How Much Power?" published in the Boston Herald of July 18, 1949, which appears in the Appendix.]

ROBINSON VERSUS ROBESON—EDITORIAL FROM WASHINGTON POST

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an editorial entitled "Robinson vs. Robeson," published in the Washington Post of July 20, 1949, which appears in the Appendix.]

THE NORTH ATLANTIC TREATY—EDITORIAL FROM CHATTANOOGA (TENN.) TIMES

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "Mr. KEFAUVER's Appeal," published in the Chattanooga (Tenn.) Times of July 13, 1949, which appears in the Appendix.]

THE RESPONSIBILITY OF GREATNESS—EDITORIAL FROM WASHINGTON POST

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an editorial entitled "We Must Buy Peace," published in the Washington Post of July 14, 1949, which appears in the Appendix.]

A CIVIL-RIGHTS COMMISSION — EDITORIAL FROM NEW YORK TIMES

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "A Civil Rights Commission," published in the New York Times of July 13, 1949, which appears in the Appendix.]

THE BASIC PRINCIPLE OF FAIR EMPLOYMENT—EDITORIAL FROM MINNEAPOLIS MORNING TRIBUNE

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "A Basic Principle," published in the Minneapolis Morning Tribune of July 16, 1949, which appears in the Appendix.]

A DEFENSE OF THE ITU

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a communication from the Youngstown Typographical Union, No. 200, Youngstown, Ohio, replying to certain allegations against the ITU, which appears in the Appendix.]

REORGANIZATION OF FISCAL MANAGEMENT IN THE NATIONAL MILITARY ESTABLISHMENT

Mr. RUSSELL. Mr. President, on May 26 the Senate passed the 1949 amendments to the Unification Act. That bill was known as S. 1843. Section 10 of the Senate bill would have added to the original unification law a title 4 which deals with budget and fiscal accounting methods. Senate bill 1843 has not been acted upon by the House. However, the House has passed H. R. 5632, a bill introduced by Representative SHORT, of Missouri. H. R. 5632 carries that portion of the Senate bill which relates to budget and fiscal matters, and in form that is almost identical with the Senate bill. However, the bill which was enacted by the House does not contain the other provisions of the Senate bill having to do with unification of the armed services.

In order that this matter may go to conference, I ask unanimous consent that the Senate, as in legislative session, proceed to the consideration of House bill 5632.

The VICE PRESIDENT. Is there objection to the request of the Senator from Georgia?

There being no objection, the Senate proceeded to consider the bill (H. R. 5632) to reorganize fiscal management in the National Military Establishment, to promote economy and efficiency, and for other purposes, which was read twice by its title.

Mr. RUSSELL. Mr. President, I ask that all after the enacting clause of the House bill be stricken, and that the text of Senate bill 1843, as passed by the Senate, be substituted therefor.

The amendment was as follows:

SHORT TITLE

SECTION 1. This act may be cited as the "National Security Act Amendments of 1949."

CHANGE IN COMPOSITION OF THE NATIONAL SECURITY COUNCIL

SEC. 2. The fourth paragraph of section 101 (a) of the National Security Act of 1947 is amended to read as follows:

"The Council shall be composed of the President; the Vice President; the Secretary of State; the Secretary of Defense, appointed under section 202; the Chairman of the National Security Resources Board, appointed under section 103; such of the Secretaries and Under Secretaries of the other Executive Departments who have been confirmed as such Secretaries by the Senate, as the President may designate from time to time; and such other officials of the Executive branch of the Government as the President, by and with the advice and consent of the Senate, may from time to time appoint to serve at the pleasure of the President as additional members of the Council."

CONVERSION OF THE NATIONAL MILITARY ESTABLISHMENT INTO AN EXECUTIVE DEPARTMENT

SEC. 3. Section 201 of the National Security Act of 1947 is amended to read as follows:

"SEC. 201. (a) There is hereby established, as an Executive Department of the Government, the Department of Defense, and the Secretary of Defense shall be the head thereof.

"(b) There shall be within the Department of Defense (1) the Department of the Army, the Department of the Navy, and the Department of the Air Force, and each such department shall on and after the date of enactment of the National Security Act Amendments of 1949 be military departments in lieu of their prior status as Executive Departments, and (2) all other agencies created under title II of this act.

"(c) Section 158 of the Revised Statutes, as amended, is amended to read as follows:

" 'SEC. 158. The provisions of this title shall apply to the following Executive Departments:

" 'First. The Department of State.

" 'Second. The Department of Defense.

" 'Third. The Department of the Treasury.

" 'Fourth. The Department of Justice.

" 'Fifth. The Post Office Department.

" 'Sixth. The Department of the Interior.

" 'Seventh. The Department of Agriculture.

" 'Eighth. The Department of Commerce.

" 'Ninth. The Department of Labor.'

"(d) The provisions of title IV of the Revised Statutes as now or hereafter amended shall be applicable to the Department of Defense."

THE POWERS OF THE SECRETARY OF DEFENSE

SEC. 4. Section 202 of the National Security Act of 1947 is amended to read as follows:

"SEC. 202. (a) There shall be a Secretary of Defense who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate: *Provided*, That a person who has within 10 years been on active duty as a commissioned officer in a regular component of the armed services shall not be eligible for appointment as Secretary of Defense. The Secretary of Defense shall be the principal assistant to the President in all matters relating to the national security. Under the direction of the President, he shall be responsible for exercising

direction, authority, and control over the Department of Defense, including the performance of the following duties—

"(1) Establishment of policies and programs for the Department of Defense;

"(2) Exercise of direction, authority, and control over the affairs of the Department of Defense;

"(3) Taking of appropriate steps, including such coordination, transfers, and consolidations as may be necessary, to eliminate unnecessary duplication or overlapping in the fields of procurement, supply, transportation, storage, health, research, and personnel, and in such other fields, as he may deem proper, but this shall not be construed to authorize the Secretary of Defense to reassign the combatant functions assigned to the military departments by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof or to make transfers of military personnel from one military department to another or to make details or assignments of military personnel in a manner substantially to affect or change such assigned combatant functions; and

"(4) Performance with respect to the Department of Defense of all of the functions of a head of an executive department under title II of the Budget and Accounting Act of 1921, as amended:

*Provided*, That subject to the terms of this act, the Departments of Army, Navy, and Air Force shall be administered by their respective secretaries under the direction, authority, and control of the Secretary of Defense.

"(b) The Secretary of Defense shall submit annual written reports to the President and the Congress covering expenditures, work, and accomplishments of the Department of Defense, together with such recommendations as he shall deem appropriate.

"(c) The Secretary of Defense shall cause a seal of office to be made for the Department of Defense, of such design as the President shall approve, and judicial notice shall be taken thereof.

"(d) The Secretary of Defense may, without being relieved of his responsibility therefor, and unless prohibited by some specific provision of law, perform any function vested in him through or with the aid of such officials or organizational entities of the Department of Defense as he may designate.

"(e) Under such regulations as he shall prescribe, the Secretary of Defense with the approval of the President is authorized to transfer between the armed services, within the authorized commissioned strength of the respective services, officers holding permanent commissions therein: *Provided*, That no officer shall be transferred without (1) his consent, (2) the consent of the service from which the transfer is to be made, and (3) the consent of the service to which the transfer is to be made.

"(f) Officers transferred hereunder shall be appointed by the President alone to such commissioned grade, permanent and temporary, in the armed service to which transferred and be given such place on the applicable promotion list of such service as he shall determine: *Provided*, That Federal service previously rendered shall be credited for promotion, seniority, and retirement purposes as if served in the armed service to which transferred according to the provisions of law governing promotion, seniority, and retirement therein: *Provided further*, That no officer upon a transfer to any service from which previously transferred shall be given a higher grade, or place on the applicable promotion list, than that which he could have attained had he remained continuously in the service to which transferred.

"(g) Any officer transferred hereunder shall be credited with the unused leave to which he was entitled at the time of transfer."

DEPUTY SECRETARY OF DEFENSE; MILITARY ASSISTANTS; AND CIVILIAN PERSONNEL

SEC. 5. (a) Section 203 of the National Security Act of 1947 is amended to read as follows:

"SEC. 203. (a) There shall be a Deputy Secretary of Defense, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate: *Provided*, That a person who has within 10 years been on active duty as a commissioned officer in a Regular component of the armed services shall not be eligible for appointment as Deputy Secretary of Defense. The Deputy Secretary shall perform such duties and exercise such powers as the Secretary of Defense may prescribe and shall take precedence over the Secretaries of the Army, the Navy, and the Air Force. The Deputy Secretary shall act for, and exercise the powers of the Secretary of Defense during his absence or disability.

"(b) Officers of the armed services may be detailed to duty as assistants and personal aides to the Secretary of Defense, but he shall not establish a military staff other than those provided for by sections 211 and 212 of this act."

(b) Section 204 of the National Security Act of 1947 is amended to read as follows:

"SEC. 204. (a) The Secretary of Defense is authorized to appoint from civilian life not to exceed three special assistants to advise and assist him in the performance of his duties. Each such special assistant shall receive compensation at the rate of $10,000 a year.

"(b) The Secretary of Defense is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such civilian personnel as may be necessary for the performance of the functions of the Department of Defense."

CREATING THE POSITION OF CHAIRMAN OF THE JOINT CHIEFS OF STAFF AND PRESCRIBING HIS POWERS AND DUTIES

SEC. 6. (a) Section 210 of the National Security Act of 1947 is amended to read as follows:

"SEC. 210. There shall be within the Department of Defense a War Council composed of the Secretary of Defense, as Chairman, who shall have power of decision; the Secretary of the Army; the Secretary of the Navy; the Secretary of the Air Force; the Chairman of the Joint Chiefs of Staff; the Chief of Staff, United States Army; the Chief of Naval Operations; and the Chief of Staff, United States Air Force. The War Council shall advise the Secretary of Defense on matters of broad policy relating to the armed forces and shall consider and report on such other matters as the Secretary of Defense may direct."

(b) Section 211 of the National Security Act of 1947 is amended to read as follows:

"SEC. 211. (a) There is hereby established within the Department of Defense the Joint Chiefs of Staff, which shall consist of a Chairman, who shall have no vote but shall be the head thereof; the Chief of Staff, United States Army; the Chief of Naval Operations; and the Chief of Staff, United States Air Force.

"(b) The Chairman shall be appointed by the President, by and with the advice and consent of the Senate, from among the Regular officers of the armed services to serve at the pleasure of the President for a term of 2 years and shall be eligible for one reappointment, except in time of war when there shall be no limitation on the number of reappointments. The person appointed as Chairman shall, while holding such office, take precedence over all other officers of the armed services, and shall receive the highest rate of pay and allowances prescribed by law for the Chief of Staff of the Army, the Chief of Naval Operations, or the Chief of Staff of the Air Force: *Provided*, That the Chairman shall not, by virtue of his office, exercise military command over the Joint Chiefs of Staff or the services.

"(c) Subject to the authority and direction of the President and the Secretary of Defense, it shall be the duty of the Joint Chiefs of Staff to perform, in addition to such other duties as the Secretary of Defense may direct, the following duties:

"(1) preparation of strategic plans and provision for the strategic direction of the military forces;

"(2) preparation of joint logistic plans and assignment to the military services of logistic responsibilities in accordance with such plans;

"(3) establishment of unified commands in strategic areas when such unified commands are in the interests of national security;

"(4) formulation of policies for joint training of the military forces;

"(5) formulation of policies for coordinating the education of members of the military forces;

"(6) review of major material and personnel requirements of the military forces, in accordance with strategic and logistic plans; and

"(7) providing United States representation on the Military Staff Committee of the United Nations in accordance with the provisions of the Charter of the United Nations.

"(d) The Chairman of the Joint Chiefs of Staff as such shall act as the principal military adviser to the President and the Secretary of Defense and shall perform such other duties as the President and the Secretary of Defense may direct or as may be prescribed by law."

(c) Section 212 of the National Security Act of 1947 is amended to read as follows:

"SEC. 212. There shall be, under the Joint Chiefs of Staff, a Joint Staff to consist of not to exceed 210 officers and to be composed of approximately equal numbers of officers appointed by the Joint Chiefs of Staff from each of the three armed services. The Joint Staff, operating under a Director thereof appointed by the Joint Chiefs of Staff with the approval of the Secretary of Defense, shall perform such duties as may be directed by the Joint Chiefs of Staff. The Director shall be an officer junior in grade to all members of the Joint Chiefs of Staff."

CHANGING THE RELATIONSHIP OF THE SECRETARY OF DEFENSE TO THE MUNITIONS BOARD

SEC. 7. Section 213 of the National Security Act of 1947 is amended to read as follows:

"SEC. 213 (a) There is hereby established in the Department of Defense a Munitions Board (hereinafter in this section referred to as the 'Board').

"(b) The Board shall be composed of a Chairman, who shall be the head thereof, and an Under Secretary or Assistant Secretary from each of the three military departments, to be designated in each case by the Secretaries of their respective departments. The Chairman shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $14,000 a year.

"(c) The Board, or if the Secretary of Defense should so prescribe, the Chairman, after consultation with the Board, shall assist the Secretary of Defense in performing such duties as the Secretary of Defense may direct, including, in the discretion of the Secretary of Defense, any or all of the following in support of strategic and logistic plans and in consonance with guidance in those fields provided by the Joint Chiefs of Staff—

"(1) coordination of the appropriate activities with regard to industrial matters, including the procurement, production, and distribution plans of the Department of Defense;

"(2) planning for the military aspects of industrial mobilization;

"(3) assignment of procurement responsibilities among the several military departments and planning for standardization of specifications and for the greatest practicable allocation of purchase authority of technical equipment and common-use items on the basis of single procurement;

"(4) preparation of estimates of potential production, procurement, and personnel for use in evaluation of the logistic feasibility of strategic operations;

"(5) determination of relative priorities of the various segments of the military procurement programs;

"(6) supervision of such subordinate agencies as are or may be created to consider the subjects falling within the scope of the Board's responsibilities;

"(7) regrouping, combining, or dissolving of existing interservice agencies operating in the fields of procurement, production, and distribution in such manner as to promote efficiency and economy;

"(8) maintenance of liaison with other departments and agencies for the proper correlation of military requirements with the civilian economy, particularly in regard to the procurement or disposition of strategic and critical material and the maintenance of adequate reserves of such material, and making of recommendations as to policies in connection therewith; and

"(9) assembly and review of material and personnel requirements presented by the Joint Chiefs of Staff and by the production, procurement, and distribution agencies assigned to meet military needs, and making of recommendations thereon to the Secretary of Defense.

"(d) When the Chairman of the Board first appointed has taken office, the Joint Army and Navy Munitions Board shall cease to exist and all its records and personnel shall be transferred to the Munitions Board.

"(e) The Secretary of Defense shall provide the Board with such personnel and facilities as the Secretary may determine to be required by the Board for the performance of its functions."

CHANGING THE RELATIONSHIP OF THE SECRETARY OF DEFENSE TO THE RESEARCH AND DEVELOPMENT BOARD

SEC. 8. Section 214 of the National Security Act of 1947 is amended to read as follows:

"SEC. 214. (a) There is hereby established in the Department of Defense a Research and Development Board (hereinafter in this section referred to as the 'Board'). The Board shall be composed of a Chairman, who shall be the head thereof, and two representatives from each of the Departments of the Army, Navy, and Air Force, to be designated by the Secretaries of their respective Departments. The Chairman shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $14,000 a year. The purpose of the Board shall be to advise the Secretary of Defense as to the status of scientific research relative to the national security, and to assist him in assuring adequate provision for research and development on scientific problems relating to the national security.

"(b) The Board, or if the Secretary of Defense should so prescribe, the Chairman, after consultation with the Board, shall assist the Secretary of Defense in performing such duties as the Secretary of Defense may direct, including, in the discretion of the Secretary of Defense, any or all of the following—

"(1) preparation of a complete and integrated program of research and development for military purposes;

"(2) advising with regard to trends in scientific research relating to national security and the measures necessary to assure continued and increasing progress;

"(3) coordination of research and development among the military departments, and allocation among them of responsibilities for specific programs;

"(4) formulation of policy for the Department of Defense in connection with research and development matters involving agencies outside the Department of Defense; and

"(5) consideration of the interaction of research and development and strategy, and advising the Joint Chiefs of Staff in connection therewith.

"(c) When the Chairman of the Board first appointed has taken office, the Joint Research and Development Board shall cease to exist and all its records and personnel shall be transferred to the Research and Development Board.

"(d) The Secretary of Defense shall provide the Board with such personnel and facilities as the Secretary may determine to be required by the Board for the performance of its functions."

COMPENSATION OF SECRETARY OF DEFENSE, DEPUTY SECRETARY OF DEFENSE, SECRETARIES OF MILITARY DEPARTMENTS, AND CONSULTANTS

SEC. 9. (a) Section 301 of the National Security Act of 1947 is amended to read as follows:

"SEC. 301. (a) The Secretary of Defense shall receive the compensation prescribed by law for heads of executive departments.

"(b) The Deputy Secretary of Defense shall receive compensation at the rate of $14,500 a year.

"(c) The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force shall each receive compensation at the rate of $14,000 a year."

(b) Section 303 (a) of the National Security Act of 1947 is amended to read as follows:

"(a) The Secretary of Defense, the Chairman of the National Security Resources Board, the Director of Central Intelligence, and the National Security Council, acting through its Executive Secretary, are authorized to appoint such advisory committees and to employ, consistent with other provisions of this act, such part-time advisory personnel as they may deem necessary in carrying out their respective functions and the functions of agencies under their control. Persons holding other offices or position under the United States for which they receive compensation, while serving as members of such committees, shall receive no additional compensation for such service. Other members of such committees and other part-time advisory personnel so employed may serve without compensation or may receive compensation at a rate not to exceed $50 for each day of service, as determined by the appointing authority."

REORGANIZATION OF FISCAL MANAGEMENT TO PROMOTE ECONOMY AND EFFICIENCY

SEC. 10. The National Security Act of 1947 is amended by inserting at the end thereof the following new title:

"TITLE IV

"PROMOTION OF ECONOMY AND EFFICIENCY THROUGH ESTABLISHMENT OF UNIFORM BUDGETARY AND FISCAL PROCEDURES AND ORGANIZATIONS

*"Comptroller of Department of Defense*

"SEC. 401. (a) In order to implement the provisions of section 202 (a) conferring upon the Secretary of Defense authority and control over the military budget, there is hereby established in the Office of the Secretary of Defense an office to be known as the Office of Comptroller of the Department of Defense, which shall be headed by a Comptroller to be appointed from civilian life by the Secretary of Defense and who shall receive compensation at the rate prescribed by law for special assistants to the Secretary of Defense.

"(b) The Comptroller shall advise and assist the Secretary of Defense in performing such budgetary and fiscal functions as may be required to carry out the powers conferred upon the Secretary of Defense by section 202 (a) of this act and by this title, including but not limited to those specified in this subsection. Subject to the authority and direction of the Secretary of Defense, the Comptroller shall—

"(1) supervise and direct the preparation of the budget estimates of the Department of Defense; and

"(2) establish, and supervise the execution of—

"(A) principles, policies, and procedures to be followed in connection with organizational and administrative matters relating to—

"(i) the preparation and execution of the budgets,

"(ii) fiscal, cost, operating, and capital property accounting,

"(iii) progress and statistical reporting,

"(iv) internal audit, and

"(B) policies and procedures relating to the expenditure and collection of funds administered by the Department of Defense; and

"(3) establish uniform terminologies, classifications, and procedures in all such matters.

"MILITARY DEPARTMENT BUDGET AND FISCAL ORGANIZATION—DEPARTMENTAL COMPTROLLERS

"SEC. 402. (a) The Secretary of Defense shall cause budgeting, accounting, progress and statistical reporting, and administrative organization structure and managerial procedures relating thereto in each of the military departments to be organized and conducted in a manner consistent with the operations of the Office of the Comptroller of the Department of Defense.

"(b) There is hereby established in each of the three military departments the Office of Comptroller. Subject to the authority of the Secretary of Defense as set forth in section 202 (a) of this act and the authority granted by this title, and subject to the authority of the respective departmental Secretaries, the comptrollers of the military departments shall be responsible for all budgeting, accounting, and progress and statistical reporting in their respective departments and for the administrative organization structure and managerial procedures relating thereto. The Secretaries of the military departments may in their discretion appoint either civilian or military personnel as comptrollers of the military departments. Departmental comptrollers shall be under the direction and supervision of, and directly responsible to, either the Secretary, the Under Secretary, or an Assistant Secretary of the respective military departments. Where the departmental comptroller is not a civilian, the Secretary of the department concerned shall appoint a civilian as Deputy Comptroller.

"PERFORMANCE BUDGET

"SEC. 403. (a) The budget estimates of the Department of Defense shall be prepared, presented, and justified, where practicable, and authorized programs shall be administered, in such form and manner as the Secretary of Defense, subject to the authority and direction of the President, may determine, so as to account for, and report, the cost of performance of readily identifiable functional programs and activities, with segregation of operating and capital programs. So far as practicable, the budget estimates and authorized programs of the military departments shall be set forth in readily comparable form and shall follow a uniform pattern.

"(b) In order to expedite the conversion from present budget and accounting methods to the cost-of-performance basis contemplated in this title, the Secretary of Defense, with the approval of the President, is authorized and directed, until the end of the

second full fiscal year following the date of enactment of this act, to make such transfers and adjustments within each military department between appropriations available for obligation by such department in such manner as he deems necessary to cause the obligation and administration of funds and the reports of expenditures to reflect the cost of performance of such programs and activities. Reports of transfers and adjustments made pursuant to the authority of this subsection shall be made currently to the President and the Congress.

"PROGRAM ADJUSTMENTS

"SEC. 404. After the end of the second full fiscal year following the date of enactment of this act, the Secretary of Defense, with the approval of the President, is authorized and directed to make transfers and adjustments between appropriations within each military department in order to provide maximum economy and efficiency in the operation of programs for which appropriations may be made from time to time, but no appropriation shall be increased or decreased thereby by more than 5 percent. Reports of transfers and adjustments made pursuant to the authority of this section shall be made currently to the President and the Congress.

"AUTHORIZATIONS FOR APPROPRIATIONS

"SEC. 405. In order to provide the most effective control by the President and the Congress over the moneys in the Treasury not appropriated to specific purposes and to achieve economy and efficiency in matters arising out of the availability and expenditure of moneys which may, from time to time, be appropriated to the Department of Defense, no requests for legislation, which, if enacted, would authorize any appropriations to be made to any of the military departments, shall be transmitted to the Bureau of the Budget, the President, or the Congress by the military department concerned, or by the Department of Defense, without the prior approval of the Secretary of Defense.

"OBLIGATION OF APPROPRIATIONS

"SEC. 406. In order to prevent overdrafts and deficiencies in any fiscal year for which appropriations are made, on and after the beginning of the next fiscal year following the date of enactment of this act appropriations made to the Department of Defense or to the military departments, and reimbursements thereto, shall be available for obligation and expenditure only after the Secretary of Defense shall approve scheduled rates of obligation, or modifications thereof: *Provided, however,* That nothing in this section shall affect the right of the Department of Defense to incur deficiencies under any existing laws or prevent it from incurring deficiencies in order to meet the requirements of national interest or security arising out of emergencies which may be declared by the President to exist, and in such event to the extent that he may direct.

"WORKING-CAPITAL FUNDS

"SEC. 407. (a) In order more effectively to control and account for the cost of programs and work performed in the Department of Defense, the Secretary of Defense is authorized to require the establishment of working-capital funds in the Department of Defense for the purpose of—

"(1) financing inventories of such stores, supplies, materials, and equipment as he may designate; and

"(2) providing working capital for such industrial-type activities, and for such commercial-type activities as provide common services within or among the departments and agencies of the Department of Defense, as he may designate.

"(b) The Secretary of the Treasury is authorized and directed to establish on the books of the Treasury Department at the request of the Secretary of Defense the working-capital funds established pursuant to the authority of this section.

"(c) Such funds shall be—

"(1) charged, when appropriate, with the cost of stores, supplies, materials, and equipment procured or otherwise acquired, manufactured, repaired, issued, and consumed and of services rendered or work performed, including applicable administrative expenses; and

"(2) reimbursed from available appropriations or otherwise credited for the cost of stores, supplies, materials, or equipment furnished and of services rendered or work performed, including applicable administrative expenses.

"Reports of the condition and operations of such funds shall be made annually to the President and to the Congress.

"(d) The Secretary of Defense is authorized to provide capital for such working-capital funds by capitalizing inventories on hand and, with the approval of the President, by transfer, until December 31, 1954, from unexpended balances of any appropriations of the military departments not carried to the surplus fund of the Treasury: *Provided,* That no deficiency shall be incurred in any such appropriation as a result of any such transfer. To the extent that such methods do not, in the determination of the Secretary of Defense, provide adequate amounts of working capital, there is hereby authorized to be appropriated, out of any moneys in the Treasury not appropriated for other purposes, such sums as may be necessary to provide adequate working capital.

"(e) Subject to the authority and direction of the Secretary of Defense, the Secretaries of the military departments shall allocate responsibility within their respective military departments for the execution of functions which each military department is authorized by law to perform in such a manner as to effect the most economical and efficient organization and operation of the activities and use of the inventories for which working-capital funds are authorized by this section.

"(f) No greater cost shall be incurred by the requisitioning agency for stores, supplies, materials, or equipment drawn from inventories, and for services rendered or work performed by the industrial-type or commercial-type activities for which working-capital funds are authorized by this section, than the amount of appropriations or funds available for such purposes.

"(g) The Secretary of Defense is authorized to issue regulations to govern the operation of activities and use of inventories authorized by this section, which regulations may, whenever he determines the measures set forth in this subsection to be required by the needs of the Department of Defense, and when they are authorized by law, permit stores, supplies, materials, and equipment to be sold to, and services to be rendered or work performed for, purchasers or users outside the Department of Defense. In such cases, the working-capital funds involved may be reimbursed by charges against appropriate appropriations or by payments received in cash.

"(h) The appraised value of all stores, supplies, materials, and equipment returned to such working-capital funds from any department, activity, or agency, may be charged to the working-capital fund concerned and the proceeds thereof shall be credited to the current appropriations concerned; the amounts so credited shall be available for expenditures for the same purposes as the appropriations credited: *Provided,* That the provisions of this subsection shall not permit credits to appropriations as the result of capitalization of inventories authorized by subsection (d) of this section.

"MANAGEMENT FUNDS

"SEC. 408. The act of July 3, 1942 (56 Stat. 645, ch. 484), as amended, is hereby further amended to read as follows:

"'(a) For the purpose of facilitating the economical and efficient conduct of operations in the Department of Defense which are financed by two or more appropriations where the costs of the operations are not susceptible of immediate distribution as charges to such appropriations, there are hereby established the Navy Management Fund, the Army Management Fund, and the Air Force Management Fund, each within, and under the direction of the respective Secretaries of, the Departments of the Navy, Army, or Air Force, as the case may be. There are authorized to be appropriated from time to time such funds as may be necessary to accomplish the purposes of the funds.

"'(b) The corpus of the Navy Management Fund shall consist of the sum of $1,000,000 heretofore transferred to the Naval Procurement Fund from the Naval Emergency Fund (17X0300), which amount, and all balances in, and obligations against, any accounts in the Naval Procurement Fund, are hereby transferred to the Navy Management Fund; the corpus of the Army Management Fund shall consist of the sum of $1,000,000, which shall be transferred thereto from any unobligated balance of any appropriation available to the Department of the Army; the corpus of the Air Force Management Fund shall consist of the sum of $1,000,000, which shall be transferred thereto from any unobligated balance of any appropriation available to the Department of the Air Force; in each case together with such additional funds as may from time to time be appropriated to any of said funds. Accounts for the individual operations to be financed under the respective management funds shall be established only upon approval by the Secretary of Defense.

"'(c) Expenditures may be made from said management funds from time to time for material (other than material for stock) and for personal and contractual services under such regulations as may be prescribed by the Secretary of Defense: *Provided,* (1) That no obligation shall be incurred against any such fund which is not properly chargeable to available funds under an appropriation of the department within which the fund is established or, whenever necessary to effectuate purposes authorized by this act, as amended, to funds of another department or agency within the Department of Defense, and (2) that each fund shall be promptly reimbursed from the appropriate appropriations of such department for all expenditures properly chargeable thereto. Nothing herein or in any other provision of law shall be construed to prevent advances by check or warrant, or reimbursements to any of said management funds from appropriations of said departments on the basis of the estimated cost of a project, such estimated cost to be revised and necessary appropriation adjustments made when adequate data become available.

"'(d) Except as otherwise provided by law, amounts advanced to the management funds under the provisions of this Act shall be available for obligation only during the fiscal year in which they are advanced: *Provided, however,* That nothing contained in this Act shall alter or limit the authorized period of availability of the funds from which such advances are made. Final adjustments of advances in accordance with actual costs shall be effected with the appropriate funds for the fiscal year.

"'(e) The portion of the Naval Appropriation Act, 1945 (58 Stat. 301, 310), relating to the Naval Procurement Fund is hereby repealed.'

"ADJUSTMENT OF ACCOUNTS

"SEC. 409. (a) When under authority of law a function or an activity is transferred or assigned from one department or agency

within the Department of Defense to another such department or agency, the balances of appropriations which are determined by the Secretary of Defense to be available and necessary to finance or discharge the function or activity so transferred or assigned may, with the approval of the President, be transferred to, and be available for use by the department or agency to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established on the books of the Treasury Department, of the department or organization to which such function or activity is transferred, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund. Balances transferred to existing accounts shall be subject only to such limitations as are specifically applicable to such accounts and those transferred to new accounts shall be subject only to such limitations as are applicable to the appropriations from which they are transferred.

"(b) The number of employees which in the opinion of the Secretary of Defense is required for such transferred functions or activities may, with the approval of the Director of the Bureau of the Budget, be deducted from any personnel maximum or limitation of the department or agency within the Department of Defense from which such function or activity is transferred, and added to any such personnel maximum or limitation of the department or agency to which such function or activity is transferred.

"AVAILABILITY OF REIMBURSEMENTS

"SEC. 410. To carry out the purposes of this Act, reimbursements made under the authority of the Economy Act (31 U. S. C. 686), and sums paid by or on behalf of personnel of any department or organization for services rendered or supplies furnished, may be credited to authorized replacing or other accounts. Funds credited to such accounts shall remain available for obligation for the same period as the funds in the account so credited and each such account shall constitute one fund on the books of the Treasury Department.

"COMMON USE OF DISBURSING FACILITIES

"SEC. 411. To the extent authorized by the Secretary of Defense, disbursing officers of the Departments of the Army, Navy, and Air Force may, out of accounts of advances available to them, make disbursements covering obligations arising in connection with any function or activity of any other department or organization within the Department of Defense and charge upon vouchers the proper appropriation or appropriations of the other department or organization: *Provided*, That all said expenditures shall subsequently be adjusted in settlement of disbursing officers' accounts.

"REPORTS OF PROPERTY

"SEC. 412. The Secretary of Defense shall cause property records to be maintained in the three military departments, so far as practicable, on both a quantitative and monetary basis, under regulations which he shall prescribe. Such property records shall include the fixed property, installations, and major items of equipment as well as the supplies, materials, and equipment held in store by the armed services. The Secretary shall report annually thereon to the President and to the Congress.

"REPEALING AND SAVING PROVISIONS

"SEC. 413. All laws, orders, and regulations inconsistent with the provisions of this title are repealed insofar as they are inconsistent with the powers, duties, and responsibilities enacted hereby: *Provided*, That the powers, duties, and responsibilities of the Secretary of Defense under this title shall be administered in conformance with the policy and requirements for administration of budgetary and fiscal matters in the Government generally, including accounting and financial reporting, and that nothing in this title shall be construed as eliminating or modifying the powers, duties, and responsibilities of any other department, agency, or officer of the Government in connection with such matters."

MISCELLANEOUS AND TECHNICAL AMENDMENTS AND SAVING PROVISIONS

SEC. 11. (a) The National Security Act of 1947 is amended by striking out the term "National Military Establishment", wherever it appears in such act, and inserting in lieu thereof "Department of Defense."

(b) Section 207 (a) of the National Security Act of 1947 is amended to read as follows:

"SEC. 207. (a) Within the Department of Defense there is hereby established a military department to be known as the Department of the Air Force, and the Secretary of the Air Force who shall be the head thereof. The Secretary of the Air Force shall be appointed from civilian life by the President by and with the advice and consent of the Senate."

(c) Section 207 (b) of the National Security Act of 1947 is repealed.

(d) The first sentence of section 208 (a) of the National Security Act of 1947 is amended by striking out the word "under" and inserting in lieu thereof the word "within."

(e) Section 308 (b) of the National Security Act of 1947 is amended to read as follows:

"(b) As used in this act, the term 'Department of Defense' shall be deemed to include the military departments of the Army, the Navy, and the Air Force, and all agencies created under title II of this act."

(f) The titles of the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, the Under Secretaries and the Assistant Secretaries of the Departments of the Army, Navy, and Air Force, the Chairman of the Munitions Board, and the Chairman of the Research and Development Board, shall not be changed by virtue of this act, and the reappointment of the officials holding such titles on the effective date of this act shall not be required. It is hereby declared to be the intention of Congress that section 203 (a) of the National Security Act of 1947, as amended by section 5 of this act, shall not be deemed to have created a new office of Deputy Secretary of Defense but shall be deemed to have continued in existence, under a new title, the Office of Under Secretary of Defense which was established by the act entitled "An act to amend the National Security Act of 1947 to provide for an Under Secretary of Defense", approved April 2, 1949 (Public Law 36, 81st Cong). The title of the official holding the Office of Under Secretary of Defense on the effective date of this act shall be changed to Deputy Secretary of Defense and the reappointment of such official shall not be required.

(g) All laws, orders, regulations, and other actions relating to the National Military Establishment, the Departments of the Army, the Navy, or the Air Force, or to any officer or activity of such establishment or such departments, shall, except to the extent inconsistent with the provisions of this act, have the same effect as if this act had not been enacted; but, after the effective date of this act, any such law, order, regulation, or other action which vested functions in or otherwise related to any officer, department, or establishment, shall be deemed to have vested such function in or relate to the officer or department, executive or military, succeeding the officer, department, or establishment in which such function was vested. For purposes of this subsection the Department of Defense shall be deemed the department succeeding the National Military Establishment, and the military departments of Army, Navy, and Air Force shall be deemed the departments succeeding the Executive Departments of Army, Navy, and Air Force.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill, H. R. 5632, was read the third time and passed.

ON-THE-SPOT AUDITS OF FISCAL RECORDS OF OFFICE OF SERGEANT AT ARMS OF HOUSE OF REPRESENTATIVES

The VICE PRESIDENT laid before the Senate the joint resolution (H. J. Res. 298) to provide for on-the-spot audits by the General Accounting Office of the fiscal records of the Office of the Sergeant at Arms of the House of Representatives, which was read twice by its title.

Mr. HAYDEN. Mr. President, I ask unanimous consent for the immediate consideration of the joint resolution.

There being no objection, the joint resolution (H. J. Res. 298) was considered, order to a third reading, read the third time, and passed.

PRINTING OF ADDITIONAL COPIES OF CERTAIN PUBLICATIONS OF COMMITTEE ON UN-AMERICAN ACTIVITIES

The VICE PRESIDENT laid before the Senate House Concurrent Resolution 52, which was read, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That there be printed 250,000 additional copies each of the publications of the Committee on Un-American Activities entitled "100 Things You Should Know About Communism in the U. S. A.," "100 Things You Should Know About Communism and Religion," as amended, "100 Things You Should Know About Communism and Education," "100 Things You Should Know About Communism and Labor," and "100 Things You Should Know About Communism and Government": *Provided*, That the above-named publications be printed in one volume, of which 125,000 copies shall be for the use of the Committee on Un-American Activities of the House of Representatives and 125,000 copies shall be for the House folding room; be it further resolved

That there be printed 250,000 additional copies of the publication of the Committee on Un-American Activities entitled "Spotlight on Spies," of which 125,000 copies shall be for the use of the Committee on Un-American Activities of the House of Representatives and 125,000 copies shall be for the House folding room.

Mr. HAYDEN. Mr. President, I move that the Senate concur in the concurrent resolution.

The motion was agreed to.

RUDOLF A. V. RAFF

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 584) for the relief of Rudolf A. V. Raff, which was to strike out all after the enacting clause and insert:

That in the administration of the immigration laws Rudolf A. V. Raff shall, upon

application at a port of entry of the United States, be admitted for permanent residence without an immigration visa, provided he meets all the other requirements of the immigration laws. Upon his admission into the United States, the Secretary of State shall deduct one number from the quota for Austria for the year in which the admission occurs or from such quota for the first succeeding year.

Mr. McCARRAN. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PENSION, ETC., TO INCOMPETENT VETERANS WITHOUT DEPENDENTS DURING HOSPITALIZATION

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 266) modifying a limitation affecting the pension, compensation, or retirement pay payable on account of an incompetent veteran without dependents during hospitalization, institutional or domiciliary care, which was, on page 2, line 5, to strike out "veterans' " and insert "veteran's."

Mr. GEORGE. Mr. President, the amendment of the House is an entirely corrective one, and I move that the Senate concur in the House amendment.

The motion was agreed to.

EFFECTIVE DATE OF CERTAIN AWARDS OF PENSIONS BY VETERANS' ADMINISTRATION

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 811) to adjust the effective date of certain awards of pensions and compensations payable by the Veterans' Administration, which were, on page 2 line 5, to strike out "day the claim" and insert "date the award"; on page 2, line 6, to strike out "allowed had it" and insert "effective had claim"; and on page 2, line 6, to strike out "within 1 year of the" and insert "on the date of."

Mr. GEORGE. The amendments are entirely technical and corrective in point of language, and I move that the Senate concur in the House amendments.

The motion was agreed to.

EXTENSION OF AUTHORITY OF ADMINISTRATOR OF VETERANS' AFFAIRS RESPECTING LEASES AND LEASED PROPERTY

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2010) to extend for 2 years the authority of the Administrator of Veterans' Affairs respecting leases and leased property, which were, on page 1, line 7, to strike out "1951" and insert "1950"; and to amend the title so as to read: "An act to extend for 1 year the authority of the Administrator of Veterans' Affairs respecting leases and leased property."

Mr. GEORGE. The House amendments provide for cutting down the term of extension to 1 year. I move that the Senate concur in the House amendments.

The motion was agreed to.

CONSTRUCTION OF RENTAL HOUSING ON OR IN MILITARY INSTALLATIONS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1184) to encourage construction of rental housing on or in area adjacent to Army, Navy, Marine Corps, and Air Force installations, and for other purposes, which was, on page 6, line 10, after the word "use" to insert a comma and "except that if the Commissioner finds in exceptional cases there is a need for larger sized family units in any project the mortgage may involve a principal obligation in an amount not to exceed $9,000 per family unit for such part of such property or project as may be attributable to dwelling use."

Mr. MAYBANK. I move that the Senate disagree to the amendment, ask for a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

Mr. SALTONSTALL. Mr. President, as a member of the Armed Services Committee, I should simply like to ask if the Senator would explain what the amendment would do.

Mr. MAYBANK. I suggest that the clerk read the amendment. It provides merely for an increase in the amount of money, I think, from $8,100 to $9,000.

Mr. WHERRY. It is an increase of $900 in the insurance feature, is it not?

Mr. MAYBANK. That is correct.

Mr. WHERRY. The amendment was placed on the bill in the House.

Mr. MAYBANK. The amendment was submitted by Representative SPENCE.

Mr. WHERRY. Mr. President, I have no objection.

The VICE PRESIDENT. The question is on the motion of the Senator from South Carolina [Mr. MAYBANK] that the Senate disagree to the House amendment, ask for a conference with the House thereon, and that the Chair appoint conferees.

The motion was agreed to; and the Vice President appointed Mr. MAYBANK, Mr. SPARKMAN, Mr. DOUGLAS, Mr. FLANDERS, and Mr. CAIN conferees on the part of the Senate.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938

The Vice President laid before the Senate the amendment of the House of Representatives to the bill (S. 447) to amend the Civil Aeronautics Act of 1938, as amended, to regulate the transportation, packing, marking, and description of explosives and other dangerous articles, which was, to strike out all after the enacting clause and insert:

That section 902 of the Civil Aeronautics Act of 1938, as amended, is amended by inserting after subsection (g) thereof the following new subsection:

"TRANSPORTATION OF EXPLOSIVES AND OTHER DANGEROUS ARTICLES

"(h) (1) Any person who knowingly delivers or causes to be delivered to an air carrier or to the operator of any civil aircraft for transportation in air commerce, or who causes the transportation in air commerce of, any shipment, baggage, or property, the transportation of which would be prohibited by any rule, regulation, or requirement prescribed by the Civil Aeronautics Board, under title VI of this act, relating to the transportation, packing, marking, or description of explosives or other dangerous articles shall, upon conviction thereof for each such offense, be subject to a fine of not more than $1,000, or to imprisonment not exceeding 1 year, or to both such fine and imprisonment: *Provided*, That when death or bodily injury of any person results from an offense punishable under this subsection, the person or persons convicted thereof shall, in lieu of the foregoing penalty, be subject to a fine of not more than $10,000 or to imprisonment not exceeding 10 years, or to both such fine and imprisonment.

"(2) in the exercise of its authority under title VI of this act, the Civil Aeronautics Board may provide by regulation for the application in whole or in part of the rules or regulations of the Interstate Commerce Commission (including future amendments and additions thereto) relating to the transportation, packing, marking, or description of explosives, or other dangerous articles for surface transportation, to the shipment and carriage by air of such articles. Such applicability may be terminated by the Board at any time. While so made applicable, any such rule or regulation, or part thereof, of the Interstate Commerce Commission shall for the purpose of this act be deemed to be a regulation of the Board prescribed under title VI."

Mr. JOHNSON of Colorado. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

REMOVAL OF RESTRICTIONS ON CERTAIN LANDS AUTHORIZED TO BE CONVEYED TO TRUSTEES OF PORTER ACADEMY

The VICE PRESIDENT laid before the Senate the bill (H. R. 4466) removing certain restrictions imposed by the act of March 8, 1888, on certain lands authorized by such act to be conveyed to the trustees of Porter Academy.

Mr. MAYBANK. Mr. President, I move that House bill 4466 be indefinitely postponed, for the reason that the House passed Senate bill 1742, similar to the House bill on the last calendar call.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from South Carolina.

The motion was agreed to.

COMMENTS BY STATE DEPARTMENT ON HOOVER COMMISSION REPORTS

Mr. McCLELLAN. Mr. President, I have received from the State Department comments on the Hoover Commission reports as they affect that Department. I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a statement which I have prepared on the subject, together with two letters from the Department.

There being no objection, the statement and letters were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN, of Arkansas, chairman of the Senate Committee on Expenditures in the Executive Departments, released a letter today from Mr. John E. Peurifoy, Deputy Under Secretary, Department of State, with reference to implementation of recommendations of the Hoover Commission within that Department. This is the fourteenth such release based on reports received by the committee from the various Federal agencies in response to a request from the chairman for comments relative to the impact of the recommendations affecting such agencies, and administrative action taken to comply with those which will require no legislation.

Mr. Peurifoy states that the enactment of Public Law 73, on the reorganization of the Department of State, is all the legislative authority that will be required at this time to provide the necessary legal authorization for carrying out the organizational recommendations of the Commission, and that it is not proposed to seek further action at this time on recommendation No. 20 (of the Hoover Commission Report on Foreign Affairs), pertaining to the amalgamation of the permanent State Department establishment in Washington and the personnel of the Foreign Service. He states that "authorizing legislation cannot be drafted until a more thorough study has been made and detailed plans have been prepared. It is contemplated that the study and detailed plans can be completed in calendar year 1949, with a view to the transmittal of draft legislation to the Congress early in calendar 1950." He also indicated that the Department will avail itself of the services of an advisory board of outstanding Americans experienced in foreign affairs in this undertaking, as recommended by the Commission.

As a result of the recommendations of two departmental task forces (a) on the organization of the offices presently administered by the Assistant Secretary for administration, and (b) the integration of economic, political, public affairs, and intelligence work into four regional area bureaus, the administrative activities located in Washington have been grouped with the offices of the Foreign Service, and working groups are now preparing to implement the recommendations which relate to redistribution of responsibilities in line with the Hoover Commission's recommendations, subject to "some modifications as necessitated by analysis of the reorganization problem."

A third departmental task force, established to deal with the organization and functions of the top structure of the Department and its relationships with other departments and with the process of policy making, has not yet completed its report, but "has made available its recommendations for use in related aspects of reorganization installation."

Mr. Peurifoy also informed the committee that Hoover Recommendation No. 9, providing additional staff facilities, had been effectuated under provisions of Public Law 73, and that the Operations Committee as recommended (No. 19) has already been established by administrative action and is functioning in the manner proposed by the Commission.

In commenting on the across-the-board recommendations of the Hoover Commission, the Under Secretary states that "generally, the Department will strive to effectuate those proposals which do not require authorization from the Congress or the President" and "shall endeavor to improve its organization and operations along lines basically consistent with the Commission's recommendations contained in its report on General Management in the Executive Branch."

In a separate letter from Mr. W. Park Armstrong, Jr., Special Assistant for Research and Intelligence, the Department reports that "along with the rest of the Department of State, the Research and Intelligence organization is in the process of making use of and following the recommendations of the Hoover Commission." Some of the changes indicated as now being made include: (1) Creation of an over-all board as a means of periodic review by all interested areas of the Department in the allocations and priorities for the intelligence product, to assure that the Department's guidance to the Central Intelligence Agency will properly reflect the Department's needs; (2) strengthening of internal organizational mechanism for the determination of priorities on the kinds of intelligence to be produced and the consumers for whom it will be prepared; (3) establishment of an Estimates Group to maintain continuous scrutiny of foreign political, economic, and sociological problems on a world-wide basis and to prepare intelligence estimates, prognoses, and forecasts upon request; (4) assignment of intelligence advisers to the regional action bureaus and to the functional staff offices in order that close relationships may be maintained between the geographic and other units of the Department and the research divisions; (5) grouping in one staff unit, reporting directly to the Special Assistant for Research and Intelligence, the officers performing high level liaison with the CIA and other intelligence agencies; and (6) providing a special officer to work with the Secretary's planning adviser, and arranging that this officer will sit and work with the policy planning staff.

The letters from the Department of State follow:

DEPARTMENT OF STATE,
*Washington, July 12, 1949.*

The Honorable JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments, United States Senate.*

MY DEAR SENATOR MCCLELLAN: Reference is made to your letter dated May 4, 1949, to the Secretary of State requesting advice relative to any further legislative action required to effectuate fully the reorganization suggested by the Hoover Commission.

Public Law 73, enacted by this Congress, is the only legislative action that will be required at this time to provide the legal authorization for carrying out the organizational recommendations of the Commission or Organization of the Executive Branch of the Government.

It is not proposed to seek the legislation from this session of the Congress that will be necesary to carry out recommendation No. 20 of the Commission pertaining to the amalgamation of the permanent State Department established in Washington and the personnel of the Foreign Service. After thorough consideration of this recommendation it has been concluded that the authorizing legislation cannot be drafted until a more thorough study has been made and detailed plans have been prepared. It is contemplated that the study and detailed plans can be completed in calendar 1949 with a view to the transmittal of draft legislation to the Congress early in calendar 1950. It is further contemplated that in making the study the Department of State will avail itself of the services of an advisory board of outstanding Americans who among them will possess the experience and grasp of foreign affairs necessary to the success of this undertaking. The use of such a board has been urged by the Hoover Commission and is strongly endorsed by the Department of State.

It should be noted that the Department has devoted its efforts for the past 4½ months to the effectuation of the Hoover Commission's recommendations. Upon receipt of the Foreign Affairs Report of the Commission on Organization of the Executive Branch of the Government the Under Secretary of State, with the approval of the Secretary of State, authorized the Assistant Secretary for administration to proceed immediately to review the recommendations of the Commission and to recommend specific steps to be taken to reorganize the Department in line generally with the principles and objectives stated in the Commission's report.

Three task forces were designated, each responsible for a major subdivision of the study. These task forces are composed of senior officers of the Department. They have been assisted by outstanding consultants drawn from both within and outside the Government, including the Bureau of the Budget, the Civil Service Commission, the Department of Justice, and large American corporations with extensive overseas operations. The first was designated to study the organization of the offices presently supervised by the Assistant Secretary for administration, and further, to concern itself generally with the administrative operations of the Department. The second task force was established to deal with the integration of economic, political, public affairs, and intelligence work into four regional area bureaus, and, also, to recommend on the organization and functions of certain staff offices which would have global responsibilities for certain major functions, such as economic and social policy, intelligence, etc. The third task force was established to deal with the organization and functions of the top structure of the Department, the Department's relationships with other departments, and with the process of policy making, involving the dissemination of decisions and information throughout the Department.

Task Force No. 1 has completed its assignment and its recommendations have been implemented. The administrative activities located in Washington have heretofore been separately grouped according to whether they service the Department or the Foreign Service. As a result of reorganization there is no longer any separate Office of the Foreign Service. Its individual functions have been merged with corresponding functions of other departmental offices. Task Force No. 2 has completed its report and recommendations. Working groups are now preparing to implement its recommendations which relate to redistribution of responsibilities in accordance with the Hoover Commission recommendations, with some modifications as necessitated by analysis of the reorganization problem. Task Force No. 3 has not yet completed its report. It will be completed before the end of July. In the meantime it has made available its recommendations for use in related aspects of reorganization installations.

In line with Recommendation No. 9, the Department has moved to provide the Secretary with additional staff facilities to relieve him and the Under Secretary of the heavy burdens which fall upon them and upon other high officers. Immediately upon approval by the President of Public Law 73, two Assistant Secretaries were designated as Deputy Under Secretaries. The President has sent five nominations of Assistant Secretaries to the Senate, covering the four regional areas and the international organizations area. Four of these have already been confirmed by the Senate. An appointment to the post of Assistant Secretary for Congressional Relations has already been given Senate confirmation. The post of Counselor, which formerly had responsibility for congressional relations, will be used to head up the policy planning activities of the Department. This is in lieu of the creation of a new post of Planning Adviser as recommended by the Commission. In order to relieve the Secretary and other top departmental officers from the heavy burden involved in the representation of the United States at international organizations and conferences, Dr. Philip C. Jessup, with concurrence of the Senate, was appointed Ambassador-at-large to represent the Secretary of State in international negotiations. Consideration is being given to the extent to which additional appointments of a similar character should be made.

The Operations Committee recommended in Recommendation No. 19 has already been established by administrative action and is functioning in the manner proposed by the Commission.

With respect to the application of the reorganization proposals relating to general

management, budget and accounting, general services, and other across-the-board recommendations of the Hoover Commission to the Department of State, it should be noted that these proposals have been taken into consideration by the task forces referred to previously. Generally, the Department will strive to effectuate those proposals which do not require authorization from the Congress or the President before they can be put into effect by a single Department in the executive branch. The Department shall endeavor to improve its organization and operations along lines basically consistent with the Commission's recommendations contained in its report on "General Management of the Executive Branch." Public Law 73 vested in the Secretary of State certain powers assigned by statute to subordinate officials. This is in line with the Commission's recommendation for the establishment of full responsibility in the head of the Department and the provision of appropriate top staff assistants to the Secretary. The Department is also conscious of the need for strengthening the administrative side of its operations and relating administration work more closely to program development. These objectives are being sought through the plans and studies that have already been effectuated and those that are now under way.

Sincerely yours,

JOHN E. PEURIFOY,
*Deputy Under Secretary.*

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DEPARTMENT OF STATE,
*Washington, April 26, 1949.*

The Honorable JOHN L. MCCLELLAN,
*United States Senate.*

MY DEAR SENATOR MCCLELLAN: Thank you for presenting us with copies of the Hoover Commission Task Force Report on Foreign Affairs and the Hoover Commission Report on Foreign Affairs, and for calling our attention to certain portions thereof. We, of course, are very much interested in the findings and recommendations of the Commission, and we appreciate having this indication from you of the portions of the reports to which you feel we should give particular notice.

Along with the rest of the Department of State, the research and intelligence organization is in the process of making use of and following the recommendations of the Hoover Commission, both through the process of reorganization and through a change of emphasis on various methods and types of operations. Some of the changes being made by the research and intelligence organization in line with the Hoover Commission recommendations are:

1. We have provided an over-all board as a means for periodic review by all interested areas of the Department, which will permit their participation in the over-all allocations and priorities for the intelligence product. It will furthermore assure that the Department's guidance to CIA will properly reflect the Department's needs.

2. We are strengthening our internal organizational mechanism for the determination of priorities on the kinds of intelligence to be produced and the consumers for whom it will be prepared. By this means we intend to produce a more current type of product and to assure that the product meets the needs of the requester.

3. We are establishing an estimates group to maintain continuous scrutiny of foreign political, economic, and sociological problems on a world-wide basis and to prepare intelligence estimates, prognoses, or forecasts upon request. By this means we will meet the needs of the Department and other intelligence agencies for current estimates and evaluations.

4. We are assigning intelligence advisers to the regional action bureaus and to the functional staff offices in order that close relationships may be maintained between the geographic and other units of the Department and the research divisions.

5. We have grouped in one staff unit, reporting directly to the Special Assistant for Research and Intelligence, officers performing high-level liaison with the Central Intelligence Agency and other intelligence agencies, in order to assure the best possible relationships between the intelligence unit of the State Department and the other Federal intelligence units.

6. We are providing a special officer to work with the Secretary's planning adviser, and it has been arranged that this officer will sit and work with the policy planning staff.

I have enumerated the above steps which are being taken in order to let you know the seriousness with which we have taken the recommendations of the Commission on Organization of the Executive Branch of the Government. I will be happy to advise you further concerning the Research and Intelligence program of the Department at any time.

Sincerely yours,

W. PARK ARMSTRONG, JR.,
*Special Assistant for Research and Intelligence.*

## COMMENTS ON HOOVER COMMISSION REPORTS BY HOUSING AND HOME FINANCE AGENCY

Mr. MCCLELLAN. Mr. President, I have received from the Housing and Home Finance Agency Administrator comments on the Hoover Commission reports as they affect that Agency. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared, together with the comments of that Agency.

There being no objection, the letter and statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN released today a letter from Raymond M. Foley, Administrator of the Housing and Home Finance Agency, setting forth his views in detail relative to recommendations made in various Hoover Commission reports which affect that agency.

The letter is based largely on recommendations contained in the report on Federal business enterprises which have a direct bearing on the operations of the Housing and Home Finance Agency. In regard to the report as a whole, the Administrator states that "In my opinion, the report suffers materially in perspective and, hence, in usefulness, because it approaches the problems in an artificial context of Federal business enterprises and lending agencies, and thus fails to give adequate attention to the many extremely important substantive governmental functions with which these organizations deal. On this fundamental point, I find myself in general agreement with many of the criticisms expressed by Vice Chairman Acheson and Commissioners Pollock, Rowe, Forrestal, and Aiken."

Specific comments were made with reference to the various recommendations in the Hoover Commission's report on Federal business enterprises, as follows:

Recommendation No. 1 (relative to the correction of defects in corporation charters): "Although we agree with the desirability of uniformity as a general objective, it should be recognized, as a practical batter, that the basic purposes and types of organizations of Government corporations are so different that caution and restraint should be exercised to prevent distortion of operations merely for the sake of uniformity."

With subsection (c) of this recommendation, relating to disposition of surplus earnings by partly owned Government corporations, the Administrator agrees in general but states, "It would seem most unwise to declare any of the earnings of these funds to be 'surplus' until adequate provision has been made to take care of possible future losses and contingent liabilities. * * * Both the Federal Housing Administration and the Federal Savings and Loan Insurance Corporation presently have surpluses in the sense that they have accumulated funds in excess of current requirements. However, the capital and reserves of both agencies are held against substantial current outstanding insured liabilities. * * *"

As regards subsection (d) of the same recommendation, that major expenditures for capital additions be made only with prior congressional approval and appropriation, the Administrator observed that if the Commission had in mind "a specific 'appropriation' covering each expenditure, I should consider such a recommendation as unduly restrictive and burdensome both upon the Congress and the various agencies."

The Administrator also states that subsection (g), that the heads of departments and agencies serve as ex officio chairman of advisory board, "seems to me to have serious draw-backs. * * * I should think that if the head of an agency were to serve as chairman of an advisory board to a corporation within his agency, he would almost inevitably find himself embarrassed by recommendations of the advisory board with which he was in disagreement. It would seem much wiser, in my opinion, for the head of any agency to be in a position where his independent judgment and ability to review recommended courses of action are clearly maintained."

Recommendation No. 2: The Administrator agrees that Government agencies should not invest capital funds provided by the Government in interest-bearing Government securities, but points out some housing "trust accounts are not the property of the agency, and therefore could hardly be subject to the type of control recommended for investment of agency funds."

Recommendation No. 3 (that straight line business activities be incorporated): The Administrator concurs, if "accompanied by systems of procedure to allow this type of activity greater flexibility in management, accounting, and budget methods." He points out, however, that "more restrictions and requirements (have made) a heavier burden of administrative workload at present than they were before the Government Corporation Control Act was enacted," and suggests "that act should supersede, not merely add to, previous requirements which were generally recognized as outmoded."

Recommendations Nos. 4, 5, 6, and 7: The Administrator is in general accord, with some minor reservations, with these four recommendations relating to unincorporated business enterprises, administrative expense subsidies, reporting of hidden subsidies, and the diversion of Government revenues, respectively.

Recommendation No. 8 (relative to general restrictions by Congress on direct loans): "I cannot agree with this recommendation if, as seems apparent, it is intended to deny the propriety of certain public purpose activities which the Congress has determined can best be attained through a lending program. * * * I can only conclude, on the basis of our own experience, that the Commission's recommendation fails to recognize that lending per se is merely a means of accomplishing certain public purposes, and that the question of whether to employ this or other means must be decided by Congress in each case."

Recommendation No. 9 (consolidating all housing activities under a single head):

"It is my belief as Administrator that the present method of administration should have an additional period of trial and experience before a final judgment is formed on the subject of additional elements of authority. This is not to say, in the event of the general application throughout the Government of the management principles recommended by the Commission, we would oppose consideration of the application of those concepts to the Housing Agency. However, in view of the fact that we are on the threshold of new activities in the housing field within the framework of a statutory housing objective and in anticipation of extended discussion of the recommendations of the Commission affecting the Housing Agency, it seems to me that prudence would dictate the reexamination at a later date of the powers and authority of the Administrator to see if they are, in their entirety, both adequate and appropriate."

Recommendation No. 10 (establishing one corporation to absorb liquidating activities related to the housing program): Mr. Foley contends that such a program "requires extensive study and consideration, especially in the light of the public housing title of the long-range housing bill which has now been approved by both Houses." He concludes that "should the recommendations of the Commission pertaining to the consolidation of other housing functions be adopted, the conception of a liquidating corporation to serve even broader purposes would have more validity."

With respect to the proposed transfer of the home loan guaranty program of the Veterans' Administration to the Housing Agency (recommendation 6, veterans' affairs), the Administrator comments, as follows:

"There can be no question that the existence of two home-loan insurance or guaranty operations in two separate agencies of the Federal Government results in duplication and overlapping of activities. I note that the staff of your committee (on Expenditures in the Executive Departments) recommends that consideration of this proposal be referred to the Committee on Banking and Currency. Inasmuch as I would recommend such a transfer only in conjunction with certain substantive legislation, such reference would seem to me desirable. The difference in the statutory objectives of the FHA and VA programs, and the terms under which the two programs must operate, make it impossible for this agency to accept, without qualification, the Commission's recommendation for transfer of the VA functions. At the same time, I do not feel that these statutory differences necessarily represent insurmountable obstacles, and a procedure could be adopted for effecting the essential objective of the Commission's proposal. * * *

"Under these circumstances it is our considered opinion that a simple transfer of the loan-guaranty operations of the Veterans' Administration to the Housing and Home Finance Agency would in no way obviate the major problems which now exist."

Recommendation No. 11 (to transfer the Federal National Mortgage Association to the Housing and Home Finance Agency): Mr. Foley points out that this recommendation would further implement the basic policy of the administration with respect to the organization of the Government's housing functions, but argues that, "It is essential that the existing and proposed authority of FNMA be closely coordinated with related housing functions being carried out within the Housing Agency. This objective is presently sought as part of the work of the National Housing Council, but without a direct authority to be exercised by the Housing and Home Finance Administrator."

Recommendation No. 12 (to transfer the Office of Housing Expediter to the Housing and Home Finance Agency: The administrator is in disagreement, and sets forth his reasons therefor, as follows:

"As explained in the report of the Commission, the Housing Expediter enforces Federal rent control and veterans' preference requirements in the sale and rent of new housing units, which has an effect upon the Nation's housing supply—the primary responsibility of the Housing Agency. Accordingly, if the Office of the Housing Expediter were a permanent agency, I would certainly agree that it should be transferred to the Housing Agency, assuming, of course, that legislative authority therefor is granted by the enactment of the pending reorganization bill or otherwise. However, in view of the temporary nature of the Office of the Housing Expediter, I do not believe such transfer should be made. Under existing legislation, that Office would terminate on or before June 30, 1950. In my opinion, any advantages which would accrue to the Government through the consolidation of functions of that Office with functions of the Housing Agency, for the short period of time prior to that date, would be more than offset by the disadvantages involved.

"I believe our position in regard to this recommendation is sound, notwithstanding the fact that the name 'Office of the Housing Expediter' and the title 'Housing Expediter' have become misnomers which confuse the public and result in unwarranted criticism of the Federal Government for having two separate housing agencies. Our proposals for changing these names have been previously presented to the Bureau of the Budget and to the Congress."

Recommendation No. 19 (to consider creation of a system of national mortgage discount banks to provide real estate mortgage discount facilities for all private lending agencies): Mr. Foley has no objection to such a study by Congress, but believes there is "a confusion in the Commission's report between the type of financial activity involved and the public purpose which it is desired to accomplish," concluding that:

"It is my considered opinion that the principles on which this question was rejected in the early 1930's are still sound and that there would be draw-backs to the adoption of a national system of discount banks, of the type apparently contemplated by the Commission, at the present time. At the same time there is no doubt that a general review of the Federal Government's activities in the broad field of fiscal management and supervision might be profitable in terms of recommendations for a better integration of all current reserve facilities. We would welcome a congressional study on such a comprehensive basis."

Mr. Foley did not attempt to reply to the various findings and recommendations contained in the task force report on "Activities and Organization of Lending Agencies of the Government" for the reason that, "for all practicable purposes," the task force report was "rejected and dismissed by the Commission," and contends that this report "contains so many errors of fact and, in our opinion, of conception and consequent judgmet, that to refute it would require a considerable effort and would produce a substantial document. We do not think the report deserves that attention and recommend that it be set aside as of little value in connection with the recommendations discussed herein."

The Housing and Home Finance Agency is in general accord with the basic thesis of the report on general management of the executive branch, that the complex structure should be reorganized along broad functional lines. It "heartily endorses the Commission's central recommendation that personnel management of the Federal Government be decentralized." The Administrator suggests that "if the fundamental objective of promoting a Federal career service is to be attained, it is essential that its distinctive and Government-wide character be preserved," and that in the past "efforts of this nature have often failed because of the inability of individual departments or agencies to work out comprehensive long-range plans within budgetary limitations."

Mr. Foley questions the creation of supervisor-employee councils of the type recommended by the Commission, and, in connection with the Commission's recommendation that the process of dismissing incompetent employees be simplified, suggests that such authority should be vested in the head of the agency or department, "with the Civil Service Commission hearing appeals only where it is alleged that public policy or law have been violated."

In endorsing the recommendation of the Commission relative to the clarification and simplification of the Federal budget along the lines of performance budgeting, Mr. Foley states that, "The present budgetary approach, based as it is upon an elaborate structure of appropriations and an objective classification of expenditures, is highly unsatisfactory from the standpoint of the departments and agencies and, as the Commission's report indicates, equally so from the standpoint of the Chief Executive and the Congress."

The Administrator states, however, that the so-called business-type budget under the Government Corporation Control Act has been disappointing, because it has added a considerable variety of new requirements to those which already existed, maintains that the result is an all but crushing burden of detail in connection with these functions, particularly in the latter months of the calendar year when the budget is in process of formulation.

As a possible solution to the problem he suggests:

"It would probably be fair to say that the Congress cannot have both simplicity and the meticulous, detailed control which it has generally sought to exercise; especially over such matters as annual administrative expense limitations, and even, within these, over such relatively minor phases of administrative expense as personnel work and publicity. I believe your committee will find it necessary to make a deliberate choice between such traditional methods as these, and an approach in terms of flexibility and simplicity which will, perforce, place greater reliance on integrity and competence in administration."

As to another recommendation in this report (No. 8) relative to the supervision of publications of the executive branch by the Office of the Budget, Mr. Foley also differs, contending that:

"A detailed preclearance of all publications (unless that term be very narrowly defined) would be slow and expensive, would hamper rather than facilitate good administration. In this connection the figures cited in the report do not appear to support the idea that publications are a sufficiently significant fraction of the cost of Government to warrant the special cumbersome and costly treatment recommended by the Commisison."

In commenting on the recommendation for the establishment of a National Monetary and Credit Council of domestic financial agencies (Recommendation No. 9, Treasury Department), Mr. Foley does not agree "that the establishment of a council of the type described by the Commission is the appropriate vehicle for attaining that objective." He shares the misgivings expressed by Commissioner Rowe on the specific method suggested by the Commission.

The Administrator also disagrees with the informal recommendation (No. 14, Department of the Interior), that, if any agency should undertake extensive Federal housing construction, this construction should be

the responsibility of the Department of the Interior. He concludes that:

"Experience with this latter program demonstrated rather clearly that the best results, under such circumstances, are obtained when responsibility is vested in a single agency responsible for the entire housing program. This recommendation of the Commission, in my opinion, would result in the same division of responsibility among several agencies which caused so much confusion during the early stages of the war, and which led to the issuance of Executive Order 9070 establishing the National Housing Agency."

The full text of the letter follows:

HOUSING AND HOME FINANCE AGENCY,
*Washington, D. C., July 15, 1949.*

Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.*

DEAR SENATOR MCCLELLAN: I hope you will accept my apologies for our delay in responding to your request of May 23, 1949, for a detailed report relative to the application of the various recommendations of the Commission on Organization of the Executive Branch of the Government to the Housing and Home Finance Agency. We have given considerable study to the basic questions of administration and organization raised by the Commission, both those which relate specifically to this agency and those which, while Government-wide in scope, will have a direct bearing upon the administration of the Housing Agency and programs. In many instances, which I shall try to point out in the appropriate places, the administrative practices and organizational patterns of this agency are presently in accord with the objectives sought by the Commission. In others, you will find that we are more than willing to change and improve our structure and pattern in conformity with the Commission's recommendations and the objectives expressed by the President—subject, of course, to adequate legislative or executive authorization.

The first several reports have generally to do with the basic management framework of the executive branch and with the staff and administrative services of the President and the heads of the departments and agencies. While these reports contain little of unique application to this agency, I am glad to have the opportunity to comment briefly on them in the hope that I may be of some assistance to your committee in evaluating these across-the-board proposals.

REPORT NO. 1—GENERAL MANAGEMENT OF THE EXECUTIVE BRANCH

In general, I should think there will be little dissent to the basic thesis of this report: That the excessively complex structure of the executive branch built up by evolution and almost, as it were, by accident, must be regrouped into a more closely knit framework along broad functional lines, in such manner that the whole structure is more susceptible to control and management by the President and more readily responsive to the needs and views of the Congress.

Similarly, there will be little disagreement in principle with the secondary theses set forth in the first report: That the staff services available to the President should be strengthened; that aggressive measures should be taken to raise the level of quality of Federal administrative personnel, and so on. But while these broad propositions themselves will be generally agreed to, past experience suggests that it will not be easy to find a basis for general agreement on detailed plans for carrying these principles into effect. The variety of interests and personalities involved is so great that any conceivable specific step is certain to generate more or less resistance and controversy. Nevertheless, the report lays out fundamentally sound directions. It is to be hoped that the urgent public need—not only for greater economy in Government but for Government more flexible, more adapted to the complex problems of modern life, and more responsive to the public will—may override the many lesser considerations which will arise as obstacles to fundamental reforms along these lines.

REPORT NO. 2—PERSONNEL MANAGEMENT

We strongly approve the comprehensive nature of the Commission's personnel management survey. Government officials have been burdened too long with the difficult task of attempting to adjust to the present demands of the public service within time-consuming and overly rigid procedures.

I shall not attempt to comment separately upon each of the Commission's 29 recommendations. However, viewing them as a whole, I believe they represent objectives which, if pursued with vigor and imagination, will make it easier for the Federal Government to attract and retain a high caliber of civil servant and, at the same time, will lead to more efficient operations. I have selected for special comment the recommendations of the Commission bearing upon those personnel problems which, in my opinion, are the cause of greatest concern today to Federal administrators.

We heartily endorse the Commission's central recommendation that personnel management of the Federal Government be decentralized. However, if the fundamental objective of promoting a Federal career service is to be attained, it is essential that its distinctive and Government-wide character be preserved. This will require a Civil Service Commission free to devote its entire energies to the formulation and improvement of personnel policies and standards and endowed with sufficient authority to enforce compliance. This approach, I believe, will be the best guaranty against the danger of individual departments and agencies pursuing autonomous and possible diverse personnel programs—a tendency which if unchecked, would lead inevitably to the breaking up of the career service into many independent and competing segments. For this reason I believe it would be unfortunate to divert the Civil Service Commission from its central task by imposing upon it operating responsibilities.

I would, therefore, seriously question the desirability of having the Civil Service Commission share actual recruitment responsibilities with the departments and agencies. Rather, each department and agency should be vested with exclusive responsibility for recruiting its staff within the framework of approved programs. It would dilute and confuse this responsibility to give departments and agencies authority to recruit for only high level positions, or positions peculiar to an agency, and leave to the judgment of the Civil Service Commission the decision as to whether or not this authority should be extended to other classes of positions—although we recognize, of course, that there may be need for a central procurement agency to assist in the recruitment for positions in the lower grades.

I thoroughly approve the recommendation that the Federal Government pursue a vigorous program to recruit and train young men and women for junior professional, scientific, technical, and administrative positions. Past efforts of this nature have too often failed because of the inability of individual departments or agencies to work out comprehensive long-range plans within budgetary limitations. The success of any such program depends directly upon its budgetary implementation.

The recommendation of the Commission concerning the revision of the Government's salary policy seems to be generally realistic, particularly the suggestion that Congress establish a salary ceiling and floor within which the Executive Branch would have authority to work out a comprehensive salary and wage schedule. By this more flexible device the Federal pay scale would be more responsive to national economic trends and more adapted to real recruitment needs. In this connection it is well that the Commission has recognized that for this system to work effectively within the framework of decentralized operations, the departments and agencies must have complete authority to allocate jobs in accordance with established standards.

I think it is regrettable that the Commission did not discuss the proper role of employee organizations in the Federal service. If the individual departments and agencies are to be given more latitude in the administration of personnel programs, it will follow that employee organizations will seek to participate in the development of these programs. I am inclined to question that the supervisor-employee councils of the type recommended by the Commission will satisfy the desire of employees to participate more fully in the development and administration of programs affecting their welfare.

The reduction-in-force plan recommended by the Commission would, I believe, contribute to the improvement of a career service through the retention of the best-qualified employees. While we endorse the principle of severance pay, we feel that it might be well to relate this compensation to length of service and possibly other controlling factors. It is obvious that the adoption of a severance-pay policy would require budgetary implementation.

We are in general accord with the Commission's recommendations that the process of dismissing incompetent employees should be greatly simplified. In line with this recommendation I suggest that the head of an agency or department have final authority in dismissal cases, with the Civil Service Commission hearing appeals only where it is alleged that public policy or law have been violated.

The Commission's approach to the problem of working out a system of performance evaluation, and the emphasis it places upon delegating to line supervisors more responsibility for the administration of personnel policies, seem to be steps in the right direction. We agree also that a program should be developed to facilitate orderly interagency transfers in the technical, scientific, and executive fields.

REPORT NO. 3—OFFICE OF GENERAL SERVICES (SUPPLY ACTIVITIES)

With the enactment and approval by the President of the Federal Property and Administrative Services Act of 1949, much of what the Commission recommended in this report has already been made effective. While time has not permitted me to make a close analysis of the new legislation, it is my general understanding that it conforms to the purposes the Commission had in mind. I will therefore limit my comments in this connection to the observation that, in addition to the facilities and services offered by the new General Services Agency, attention should be given to the importance of the service functions within the various operating agencies.

Concrete expression should be given this concept through adequate classification and compensation standards for positions and the provision of sufficient funds and positions to meet staffing requirements, for it is particularly in this field that difficulties are often experienced attracting and retaining qualified individuals.

REPORT NO. 7—BUDGETING AND ACCOUNTING

Coming first to the budgetary recommendations of this report, we strongly endorse the central idea that the Federal budget should be clarified and simplified along

the lines of performance budgeting. The present budgetary approach, based as it is upon an elaborate structure of appropriations and as objective classifications of expenditure, is highly unsatisfacory from the standpoint of the departments and agencies and, as the Commission's report indicates, equally so from the standpoint of the Chief Executive and the Congress.

The Commission's recommendations along these lines, however, are quite general, and in the absence of specifications as to methods and procedures, it seems to me desirable to point out certain major dangers in such a process which must be borne in mind in developing the details of a new plan. These are intended, not as reservations, but as identifying pitfalls to be avoided:

1. Past experience shows that too frequently improved procedures are added to, rather than substituted for, existing requirements. For example, the Commission's report cites the business-type budget under the Government Corporation Control Act as more nearly approximating performance budgeting than anything else in present practice. Practically all the activities of the Housing and Home Finance Agency are presented as business-type budgets under this act, and I must say in all candor that our experience in this connection has been disappointing. For, while the Government Corporation Control Act was intended to simplify budget and fiscal administration for corporate-type programs and to relate them more realistically to their several activities, the result, in actual practice, has been to add a considerable variety of new requirements to those which already existed. With respect to these programs, we must maintain the records and do the work necessary for the business-type budget, but in addition must also do everything previously required of us for a Government or appropriation-type budget. The result is an all but crushing burden of detail in connection with these functions, particularly in the latter months of the calendar year when the budget is in process of formulation.

In our opinion, therefore, it should be a major purpose in this connection to develop an improved and simplified process to be substituted for, and not added to, present requirements. There is some implication in the Commission's report, for example, that the present detail by objective classes of expense might be retained as supporting material to the performance budget. If this direction is taken, there is very real danger that the whole process might be a net step backward rather than forward.

2. The success of the whole undertaking will depend directly upon the common sense and practical judgment applied to the problem of defining what constitutes a function, activity, or performance unit for purposes of the budget. If the objectives of clarity, reasonableness, and simplicity, are kept firmly in mind, such a redefinition can contribute greatly to improvement of the general form of the budget. On the other hand, if the objective of simplicity is subordinated to that of attempting to reflect all direct and indirect costs which might be attributable to a given program or function, the results might well be as complex, confusing, and unwieldly as the present budget document.

Before commenting briefly on some of the more specific recommendations, it might be well to note that the concept of the performance budget should not be considered as an isolated matter. It is rather the budgetary aspect of the basic recommendations of the Commission concerning the whole process of regrouping, simplification, and rationalization. In the measure that the Commission's work brings about regrouping of activities in the executive branch along simpler and more functional lines these improvements should find expression in the budget. The significance of the performance budget to the reorganization process as a whole, therefore, is that it provides a more suitable method for reflecting the results of the whole process in budgetary terms.

I hope I shall not be misunderstood if I suggest to your committee that this problem lies not wholly on the doorstep of the Executive, but also involves questions whose solution depends upon the Congress. Some of the excessive complexity in the present budget process no doubt arises from obsolete concepts or practices in the executive branch; some, however, stems from efforts to meet the express desires and requirements of the Congress and its appropriations committees. It would probably be fair to say that the Congress cannot have both simplicity and the meticulous, detailed control which it has generally sought to exercise, especially over such matters as annual administrative expense limitations and even, within these, over such relatively minor phases of administrative expense as personnel work and publicity.

I believe your committee will find it necessary to make a deliberate choice between such traditional methods as these, and an approach in terms of flexibility and simplicity which will, perforce, place greater reliance on integrity and competence in administration.

In the following paragraphs I will comment very briefly on some of the more specific recommendations. Some of the numbered recommendations are omitted, either because we are in general agreement with them as stated or because the subject involved appears to require no comment on our part.

Recommendation No. 2 calls for a complete survey of the appropriation structure. This is an absolutely essential step. In this connection again, however, it must be noted that the Congress itself is the key to any real progress toward greater simplicity.

Recommendation No. 8 suggests that "the President be given the means and authority to supervise all publications of the executive branch and that he delegate this authority to a responsible official in the Office of the Budget." We think it should be recognized that the issuance of publications—so long as they are consistent with the functions and responsibilities of the respective agencies under law—are a proper and essential part of the operation of many programs. While there may be some abuse in this connection, we believe it can be adequately controlled by a system of post review, which might properly be lodged in the Bureau of the Budget. We believe, however, that a detailed preclearance of all publications (unless that term be very narrowly defined) would be slow and expensive, and would hamper rather than facilitate good administration. In this connection the figures cited in the report do not appear to support the idea that publications are a sufficiently significant fraction of the cost of Government to warrant the special cumbersome and costly treatment recommended by the Commission.

The Commission's analysis of the Government's statistical system seems to us to be generally valid, although we regret the brief treatment of this important subject. We also regret the omission of any real discussion of the problem of so-called administrative statistics—a function of great significance to many agencies. It is not entirely clear to us what type of central direction of statistical activities the Commission favors. To the extent that it recommends an extension and strengthening of the coordinating activity of the Bureau of the Budget, we are in agreement with its recommendations. However, if the Commission has endorsed central management control of the type apparently advocated in Appendix D by the Special Task Force, we would wish an opportunity to reexamine the proposals and present our views in greater detail.

Regarding the recommendations of the Commission on accounting problems, it should be noted (as pointed out above) that most of the activities within this Agency are of the business- or corporate-type, and maintain their accounts accordingly. On the basis of our general experience—and without going into the questions of jurisdiction raised in the Commission's report—we are fully in accord with the main features of substantive reform in accounting and auditing methods proposed by the Commission, including the separation of auditing and accounting functions; the preparation of periodic summary reports of the financial activities of the Government as a whole; the elimination of detailed voucher audit in favor of business-type periodic test-check audits at the locations where the Government's business is actually transacted; the maintenance of accounts on an accrual basis; the adoption of a simplified and uniform nomenclature; the elimination of the warrant system; and so on.

REPORT NO. 9—VETERANS' AFFAIRS

Recommendation No. 6 in the report on "Veterans' Affairs" suggests the transfer of the veterans' home loan guaranty program to the Housing and Home Finance Agency. This recommendation is repeated in the report on "Federal Business Enterprises" and is discussed later under that heading.

REPORT NO. 11—TREASURY DEPARTMENT

*Recommendation No. 8—The Office of Liquidation*

"We recommend that the Treasury Department examine and report to the President and the Congress semi-annually upon all these agencies in liquidation. The Commission also recommends that the President be given the authority to delegate the work of liquidation to such agencies as he may determine."

This recommendation appears to be limited to the establishment within the Treasury Department of an Office of Liquidation which would concern itself with examination and stimulation of the liquidation of certain Government agencies. Insofar as examination is concerned, I feel that the current annual audits conducted by the Corporations Audit Division of the General Accounting Office, taken together with regular annual reports of agency operations submitted to the Congress, provide generally adequate data concerning an individual liquidating organization. In regard to the stimulation of liquidating activities, I can only say that the Home Owners' Loan Corporation which is under the jurisdiction of this Agency is proceeding with its liquidation as expeditiously as possible under the circumstances. It is not clear just what benefits would accrue under the Commission's proposal to justify the added costs involved. However, I should not otherwise object to this proposal.

*Recommendation No. 9—Establishment of a National Monetary and Credit Council*

"We recommend that there be established a national monetary and credit council of domestic financial agencies in connection with the Treasury to advise on policies and coordination of the operations of domestic lending and Government financial guaranties."

The Commission also recommends that the Housing and Home Finance Agency be represented on such a council and indicated both in that report and in the report on Federal business enterprises that the council would consider the activities of all agencies in the credit field so as to secure "coordination of purpose and avoid overlapping activities and inconsistent credit policies."

In commenting on this recommendation, I should like to emphasize my agreement with the objective of closer coordination of economic policy within the executive branch. I do not agree, however, that the establishment of a council of the type described by the Commission is the appropriate vehicle

for attaining that objective. It would seem more appropriate to recognize that this is a coordinating responsibility which can best be discharged within the executive office of the President and the Bureau of the Budget where problems of program conflicts can best be resolved in the interests of fundamental governmental policy. In short, I am inclined to share the misgivings expressed by Commissioner Rowe on the specific method suggested by the Commission in this connection.

REPORT NO. 14—DEPARTMENT OF THE INTERIOR

In this report, the following general statement is made:

"However, if any of the housing agencies should undertake actual extensive construction for the Federal Government, this construction should be the responsibility of the Department of Interior."

I disagree with this informal recommendation. It seems clear that extensive construction for the Federal Government would be undertaken only under circumstances which would require the same kinds of planning and decisions, and perhaps control, as were involved in the war-housing program. Experience with this latter program demonstrated rather clearly that the best results, under such circumstances, are obtained when responsibility is vested in a single agency responsible for the entire housing program. This recommendation of the Commission, in my opinion, would result in the same division of responsibility among several agencies which caused so much confusion during the early stages of the war, and which led to the issuance of Executive Order 9070 establishing the National Housing Agency.

REPORT NO. 17—FEDERAL BUSINESS ENTERPRISES

This report contains many specific recommendations for changes in the functions and organization of the Housing and Home Finance Agency and also embodies other proposals of a more general nature that affect the Agency.

However, before discussing the individual recommendations in this report, I think a general comment on the report as a whole is in order. In my opinion, the report suffers materially in perspective, and, hence, in usefulness, because it approaches the problems in an artificial context of Federal business enterprises and lending agencies, and thus fails to give adequate attention to the many extremely important substantive governmental functions with which these organizations deal. On this fundamental point I find myself in general agreement with many of the criticisms expressed by Vice Chairman Acheson and Commissioners Pollock, Rowe, Forrestal, and Aiken. I believe, among other things, that there has been a disproportionate emphasis on accounting matters as such. While this type of scrutiny is probably appropriate to an appraisal of Federal accounting practices, it seems but remotely related to the broad problem of organization and administration in the many fields covered by Government business-type programs.

*Recommendation No. 1—Recommendations on corporation charters*

"To correct the defects in corporation charters, we recommend that the Congress should, by new enactment, or by amendment to the Government Corporation Control Act of 1945, provide:

"(a) That borrowing powers, Government liability for their obligations, and budgetary presentation be made uniform for like classes of loans and like securities."

The vagueness of this recommendation may well obscure very worth-while objectives with which, I am sure, we would find ourselves in general agreement. Although we agree with the desirability of uniformity as a general objective, it should be recognized, as a practical matter, that the basic purposes and types of organizations of Government corporations are so different that caution and restraint should be exercised to prevent distortion of operations merely for the sake of uniformity.

"(b) That the Government stock in these corporations be held by the President or by the head of such agency as he may direct."

Presumably this recommendation is intended to apply only to wholly owned Government corporations.

As stated, it does not seem to be of major importance. I should like to point out, however, that if the Commission intended by this recommendation to vest in the President or his designee certain of the powers which are commonly associated with stock ownership (e. g., the appointment of directors or responsible executive officials) I would endorse the recommendation.

"(c) That the Congress determine what disposition should be made of surpluses already earned by partly owned Government corporations. Policies as to distribution of future surplus earnings of both partly owned and fully owned corporations, should also be determined."

In general, this recommendation seems entirely appropriate. It is desirable from the standpoint of the Congress and proper administration that a clear prescription as to the disposition of surplus earnings be written into the law. Within the Housing and Home Finance Agency there are a number of activities to which I should make specific reference in discussing this recommendation. In so doing I should like to indicate some of the considerations which must be taken into account in a definition of what constitutes surplus earnings. For example, the Federal Housing Administration receives income from premiums, fees, and earnings on investments. For the most part, the income of FHA is held in several insurance funds. It would seem most unwise to declare any of the earnings of these funds to be surplus until adequate provision has been made to take care of possible future losses and contingent liabilities. It should also be pointed out that private mortgagors have a direct interest, by provision of law, in the Mutual Mortgage Insurance Fund established under title II of the National Housing Act.

In the case of the Federal Savings and Loan Insurance Corporation, legislative proposals are now pending which would satisfactorily settle, we believe, the question of earnings. In brief, these proposals provide for the retirement of stock, and a clear resolution of the question of dividend payments to the Treasury. As in the case of the Federal Housing Administration, it would seem most unwise to earmark earnings of the Corporation for disposition until adequate provision has been made to take care of future losses. Title IV of the National Housing Act already recognizes this objective by setting up a goal of corporation reserves in relation to insured liabilities.

In short, both the Federal Housing Administration and FSLIC presently have surpluses, in the sense that they have accumulated funds in excess of current requirements. However, the capital and reserves of both agencies are held against substantial current outstanding insured liabilities. In the case of FSLIC, a statutory reserve ratio exists which has not yet been attained. In the case of FHA, under the mutual mortgage-insurance system, the individual mortgagors have a definite interest in these funds, and a right to dividends under certain prescribed circumstances. Under these circumstances we do not feel that these funds should be regarded as "surplus" for purposes of some specific legislative direction for their disposition.

On the other hand, there might be considerable merit to a general review of Federal fiscal policy in this area, as distinguished from specific actions affecting individual programs. In such a general study, some thought might be given to the advantages of establishing a form of noninterest bearing and nonfunded credit in the Treasury as a means of providing necessary financial backing for Government enterprises of this kind without further compounding the public debt.

Since the recommendation of the Commission is directed at both wholly and partly owned Government corporations, reference should be made to the Federal Home Loan Banks. The Federal Home Loan Bank Act provided for the establishment of those institutions with capital subscriptions by both the Government and the member institutions. The statute specifically contemplated that Government capital would be temporary, and a retirement formula has always been in the statute. Prior to retirement, dividends are paid on all stock, both public and private, on an equal basis. Legislative proposals are now pending which would accelerate the retirement of the Government-owned stock.

"(d) That major expenditures for capital additions be made only with prior congressional approval and appropriation."

First of all, it is assumed that this recommendation is intended to refer to congressional authorization rather than appropriation. If this assumption is correct, it is my judgment that the recommendation is a proper one. In making this comment, I am further assuming that the Commission intended that Congress should consider and approve the program in question and that funds should be available only pursuant to law. On the other hand, if the Commission intended to mean that there must be a specific appropriation covering each expenditure, I should consider such a recommendation as unduly restrictive and burdensome both upon the Congress and the various agencies.

"(e) In order to establish a consistent practice among corporations, that all corporations, in determining the cost of construction undertaken by them, include a charge for interest on capital expended during the period of construction."

On its face, this recommendation would appear to say merely that the books of account of Government business enterprises should properly and correctly reflect the capital expenditures connected with their programs. We would, of course, entirely agree with this proposition. It is public knowledge, however, that the sharpest controversy has existed over the proper treatment of interest in connection with certain types of Government power operations; and since this is a public-policy question of considerable complexity and beyond our field of responsibility, we prefer not to express an opinion on it in these general comments.

"(f) That where boards or part-time boards are established they be wholly advisory and be appointed by the President. Public-spirited citizens presently serve on such boards even though fees are paid only for attending meetings."

In the Housing and Home Finance Agency, there is only one Board, the Home Loan Bank Board, a full-time Board having regulatory powers vested in it by law. This Board works well in practice, and the arrangement is considered more satisfactory than the single executive with an advisory board, which appears to be implied in the Commission's recommendation. The Federal Home Loan Bank Act also provides for a Federal Savings and Loan Advisory Council. The Council is composed of representatives selected both by the industry and by the Home Loan Bank Board. As the Commission recommends, its functions are wholly advisory. While the arrangement of a full-time responsible Board, assisted by an advisory group, is at variance with the Commission's recommendation, I am convinced that the present arrangement should not be disturbed.

"(g) That where these corporations are located in the departments or major Government agencies, the heads of such agencies, or representatives designated by them, serve as ex officio chairmen of their advisory boards."

This recommendation, if I interpret it correctly, seems to me to have serious drawbacks. For example, I should think that if the head of an agency were to serve as chairman of an advisory board to a corporation within his agency, he would almost inevitably find himself embarrassed by recommendations of the advisory board with which he was in disagreement. It would seem much wiser, in my opinion, for the head of any agency to be in a position where his independent judgment and ability to review recommended courses of action are clearly maintained.

*Recommendation No. 2—Deposit of United States securities in the Treasury*

"We recommend that all Government business enterprises be required to surrender to the Treasury all United States securities held, up to the amount of the capital furnished them by the Government, and that they receive in return non-interest-bearing credit in the Treasury. They should not be allowed to invest their idle funds in any other securities except as authorized by the Congress. This recommendation does not include trust accounts."

I agree with the first part of this recommendation which states, in effect, that Government agencies should not invest capital funds provided by the Government in interest-bearing Government securities. It is sound in principle that this money should be exchanged for non-interest-bearing credits in the Treasury. Further, organic legislation should establish the method of handling idle funds, and no agency of the Government should be permitted to invest funds in any form of securities other than Government bonds, unless such investments are specifically outlined in legislation.

The recommendation specifically excludes trust accounts. We assume that the exclusion also relates to the second sentence of the Commission's statement: "They should not be allowed to invest their idle funds in any other securities except as authorized by the Congress." Some of the trust accounts held within the Housing and Home Finance Agency are not the property of the agency, and therefore, could hardly be subject to the type of control recommended for investment of agency funds. The HOLC, for example, has for many years been collecting funds each month from borrowers, accumulating those funds, and using them to pay tax and insurance charges as they fall due. Such moneys are at all times the property of the borrowers, and HOLC holds them purely as trustee. Similarly, the funds held by FHA and FSLIC which represent reserves for insurance losses are certainly not idle funds and we assume that they would also be excluded from the recommendation.

*Recommendation No. 3—Incorporation of business enterprises*

"We recommend that straight-line business activities be incorporated so as to secure greater flexibility in management and simpler accounting, budgeting, and auditing methods."

We believe this to be a good recommendation, provided that incorporation is accompanied by systems of procedure to allow this type of activity greater flexibility in management, accounting, and budget methods. In general, corporate or business-type organizations enjoy greater flexibility only to the extent that these are provided in their respective basic statutes. In fact, speaking from our own experience, many corporate activities are subject to more restrictions and requirements and a heavier burden of administrative work load at present than they were before the Government Corporation Control Act was enacted. New requirements have been proposed, and little or nothing has been eliminated from what was previously required. The Government Corporation Control Act has brought about material improvement in the presentation of financial data about these programs, but to date its stated objectives in terms of flexibility, simplicity, and economy in operations have not been achieved. This comment is not made in criticism of the objectives of the Government Corporation Control Act, with which, in fact, we are in full accord. It is intended to emphasize that the requirements of that act should supersede, not merely add to, previous requirements which were generally recognized as outmoded in the adoption of the Government Corporation Control Act, and that the spirit and intent of the act should be more fully carried out in practice.

*Recommendation No. 4—Unincorporated business enterprises*

"We recommend to the Congress that such agencies be given the same flexibility of business practice, a business form of budget, accounting, and audit systems, which are now usually reserved for Government corporations; and that such agencies be required to set up their accounts so as to distinguish between capital expenditures and those to be charged to operations."

Subject to the comments and reservations given in recommendation No. 3 above, we are in favor of this recommendation. In fact, the Federal Housing Administration, although not a corporation, has been placed under the Government Corporation Control Act on our recommendation. Even before this was done, we had administratively adopted the business-type accounting system and presented business-type budgets to Congress. A similar recommendation is pending with respect to the Home Loan Bank Board.

*Recommendation No. 5—Administrative expense subsidies*

"We recommend that Congress require these agencies either to conduct their businesses so as to recover their administrative expenses, or, alternately, to set out such subsidies as a part of their annual request to the Congress for appropriations."

We agree with the principle set out in this recommendation. There are, of course, loss programs which have operated or will operate as corporations which should either have their administrative expenses provided for separately by the Congress, or be allowed to impair capital for the purposes of paying administrative expenses. However, any impairment of capital should be restored periodically through the appropriation process.

In the discussion of this recommendation, the Federal Housing Administration is erroneously listed as an example of a business enterprise which has its administrative expenses appropriated by the Congress. While a relatively small amount of the initial administrative expenses of the FHA were paid from appropriated funds before the premium income reached a sufficient volume to carry the operating expense, administrative expenses are now and for many years have been paid from the premium, fees, and other income in connection with the several insurance programs, subject to congressional authorization.

Much the same observation applies to the Public Housing Administration, whose administrative expenses are paid from the proceeds of management and disposition under its several programs, and from interest income under the United States Housing Act program.

*Recommendation No. 6—Reporting of hidden subsidies*

"We recommend that both incorporated and unincorporated business enterprises report specifically to Congress each year the extent to which earned income fails to cover: (a) Interest on capital furnished by the Government, (b) losses on loans or investments, and (c) operating expenses. Otherwise, through the exhaustion of capital, there is a hidden subsidy, and the real financial results of governmental operations are obscured. These subsidies may not be disclosed until liquidation. Losses and subsidies should be made clear each fiscal year and passed upon by the Congress."

We support this recommendation. Government finances should be handled so that the true condition, whether gain or loss, is clearly presented in financial statements and reports. This amounts to little more than saying that the financial statements should accurately reflect the relationship between earnings and the proper expenses of an enterprise.

*Recommendation No. 7—Diversion of Government revenues*

"We recommend that, as a general principle, receipts arising outside of normal activities be paid into the Treasury, and that the sums necessary for the conduct of these agencies be appropriated by the Congress. This may require provision for some revolving funds."

We agree with this recommendation.

*Recommendation No. 8—Direct lending to private persons*

"We recommend (a) that the Congress review the power to make direct loans (excluding the two minor activities mentioned above), taking into account the problems of economy, efficiency, and integrity; (b) that in nonemergency periods, the Congress place restrictions on direct loans in order to insure that the normal channels of credit are utilized to the maximum extent possible or, alternatively, provide for the guarantee of loans made by private or other established agencies."

I cannot agree with this recommendation if, as seems apparent, it is intended to deny the propriety of certain public purpose activities which the Congress has determined can best be attained through a lending program. The position of this Agency, as a matter of fact, more closely coincides with the following statement in the minority report of Vice Chairman Acheson and Commissioners Pollock and Rowe in their discussion of this subject:

"The question whether the Government should engage in direct lending is a policy matter which properly is decided case by case in the basic statutes authorizing such activities. The Government does not and should not engage in lending as a straight 'business transaction.' It should lend money only to further the accomplishment of a public purpose—social or economic."

The actual experience of the Housing Agency since 1932 itself offers an excellent background for a discussion of this subject. When the Federal Home Loan Bank System was established in 1932 Congress intended it to correct certain basic faults in the country's home-financing structure. In that case a reserve-credit system was established which for almost 16 years has made loans to member home-financing institutions. The system has operated successfully, and is so cited by the Commission in other connections. In this case direct lending, then, has been employed as the appropriate device for strengthening our private thrift and home-financing resources.

Direct lending was also used when HOLC was established in 1933. That Agency was set up to accomplish an emergency-rescue operation, and direct loans to individual distressed home owners represented the quickest and most effective—perhaps the only—way of meeting the problem. This phase of the program was brought to an end in 1936.

When FHA was created in 1934, that Agency was charged with still different responsibilities, and insurance of loans made by private

lenders was provided as the device for carrying out those responsibilities. The effectiveness of this device is amply demonstrated by the operating record of FHA during the past 15 years.

The Federal Savings and Loan Insurance Corporation, also established in 1934, insures savings investments in savings and loan associations. Like the FDIC, it was authorized to make loans to insured institutions to prevent default. As a practical matter, this authority has never been exercised, but cases may well develop in which loans to private institutions may prove to be the most efficient method of avoiding insurance losses.

The low-rent public housing program inaugurated under the United States Housing Act of 1937 provides for long-term, low-interest rate loans to finance locally owned and managed projects. In this case again, direct lending has been employed as the best financial device for accomplishing a congressionally approved desirable public purpose.

Just recently the Alaska Housing Act (Public Law 52) was enacted by the Congress. This act authorizes the establishment of a $15,000,000 revolving fund which can be used for making direct loans to finance the construction of sorely needed housing in Alaska. This legislation clearly recognizes the lack of other resources in Alaska justifies a direct lending program.

Two other pieces of current legislation dealing with direct lending in the housing field may be cited—one of which has just passed both Houses of Congress and one of which is still pending. The first is, of course, S. 1070, the Housing Act of 1949, which will have been signed by the President by the time this letter reaches your committee. The new act provides for loans to local housing authorities under title III, and to authorized local redevelopment agencies under title I. The second (S. 712) would give the Federal National Mortgage Association authority (similar to the authority which it at one time had with respect to rental-housing projects) to originate direct-mortgage loans on cooperative housing projects on terms comparable to those generally extended by private lenders. Thus, it is designed to make certain that, in the event credit is not available from private sources to achieve the public purpose involved, Government-originated loans on comparable terms will fill in the gap. In both of these areas the proposed legislation would authorize programs of direct lending in order to accomplish desirable public purposes—the provision of low-rent public housing and the stimulation of well-designed rental-housing accommodations, particularly for families of moderate income—and as purely business operations on the part of the Government.

I can only conclude, on the basis of our own experience, that the Commission's recommendation fails to recognize that lending per se is merely a means of accomplishing certain public purposes, and that the question of whether to employ this or other means must be decided by Congress in each case.

*Recommendation No. 9—Organization of the Housing Agency*

"We do, however, recommend that all housing activities be placed in one agency under a single administrator who should be given the type of authority which we have recommended for the heads of all agencies."

As we have indicated above in our comments on general management of the executive branch, we agree that the Commission's recommendations regarding the general organization of Executive Departments and Agencies are sound and consistent with accepted standards of good administrative organization. As a general rule, we agree that the agencies within the executive branch should be grouped into departments as nearly as possible by major purpose. When so grouped, the heads of these departments should, under the direction of the President, have full responsibility for the conduct of their departments. We also agree with the Commission that it is generally unwise for subordinate officials of the executive branch to have authority independent from that of their superiors.

The consolidation of Federal housing activities has been a gradual process and, as the Commission has pointed out in another context, the establishment of the Housing and Home Finance Agency under Reorganization Plan No. 3 of July 27, 1947, provided a significant step toward the goal of complete integration. A review of the record of performance of the Housing Agency under the general supervision and coordination of the Administrator will show that the consolidation has brought a real measure of integration to the housing programs and functions represented.

It is my belief as Administrator that the present method of administration should have an additional period of trial and experience before a final judgment is formed on the subject of additional elements of authority. This is not to say, in the event of the general application throughout the Government of the management principles recommended by the Commission, we would oppose consideration of the application of those concepts to the Housing Agency. However, in view of the fact that we are on the threshold of new activities in the housing field within the framework of a statutory housing objective and in anticipation of extended discussion of the recommendations of the Commission affecting the Housing Agency, it seems to me that prudence would dictate the reexamination at a later date of the powers and authority of the Administrator to see if they are, in their entirety, both adequate and appropriate.

*Recommendation No. 10—Liquidating corporation for PHA activities*

"(b) Public war housing program.

"(c) Homes conversion program.

"(d) Veterans' re-use housing program.

"(e) Subsistence homestead and Greenbelt towns program.

"(f) Defense Homes Corporation."

"We recommend that the Congress give consideration to establishing one corporation under the Government Corporation Control Act of 1945, as amended, to take over the activities b. through f. above so as to afford the flexibility of management, and the simplification of budgeting, accounting, and auditing authorized under that act, and thus to expedite liquidation."

This recommendation touches on a very real problem which requires extensive study and consideration, especially in the light of the public housing title of the long-range housing bill which has now been approved by both Houses. As a result of that legislation, certain changes may be required in the organization of the Public Housing Administration which exercises the operating responsibility in each of the named liquidating programs (except the Defense Homes Corporation which has already been transferred to RFC). For example, it may be considered desirable to separate the liquidating activities from the permanent program responsibilities, but considerably more study is required before I should feel prepared to come to this conclusion definitely, and certainly before details of timing and method could be decided.

The several activities mentioned above, except the Defense Homes Corporation, are now under the jurisdiction of this Agency and are in liquidation. Every effort is being made to expedite such liquidation. All of the activities of the PHA are already within the purview of the Government Corporation Control Act which ostensibly guarantees the characteristics of management flexibility and administrative simplification which the Commission's recommendation seeks to obtain. For these reasons I do not believe that immediate action will accomplish the Commission's objective. Should the recommendations of the Commission pertaining to the consolidation of other housing functions be adopted, the conception of a liquidating corporation to serve even broader purposes would have more validity.

Transfer of VA Home Loan Guaranty Program to Housing Agency

"In our report on the Veterans' Administration we have recommended that these activities be transferred from the Veterans' Administration to the Housing and Home Finance Agency, which is engaged in almost exactly the same business. Great economies can be effected. A veteran will then be able to obtain one guaranty where now he frequently requires two. He will have to pay for only one appraisal. He will get his loan faster.

"The Veterans' Administration should continue to certify veterans eligible for loans under the law."

The recommendation referred to is Recommendation No. 6 in the Commission's report on veterans' affairs, which reads:

"The Commission recommends that the veterans' housing loan guaranty program be transferred to the Housing and Home Finance Agency, except that the Veterans' Administration should continue to certify the eligibility of a veteran for these guaranties."

There can be no question that the existence of two home loan insurance or guaranty operations in two separate agencies of the Federal Government results in duplication and overlapping of activities. I note that the staff of your committee recommends that consideration of this proposal be referred to the Committee on Banking and Currency. Inasmuch as I would recommend such a transfer only in conjunction with certain substantive legislation, such reference would seem to me desirable.

The difference in the statutory objectives of the FHA and VA programs, and the terms under which the two programs must operate, make it impossible for this Agency to accept, without qualification, the Commission's recommendation for transfer of the VA functions. At the same time, I do not feel that these statutory differences necessarily represent insurmountable obstacles, and a procedure could be adopted for effecting the essential objective of the Commission's proposal.

At the present time, the National Housing Act contemplates that the FHA, in underwriting mortgage risks, will carry out that activity under specific mortgage financing terms. Thus, property financed with FHA-insured mortgages must meet specific construction and property standards, and in the case of new construction, dwellings are inspected regularly during the construction period. The credit standing of borrowers is also checked by the FHA, and insurable mortgage amounts are determined on the basis of a careful governmentally operated appraisal process.

In the case of the Servicemen's Readjustment Act, on the other hand, provision is made for what amounts to the automatic guaranty of home mortgages made by private lending institutions. The only basic requirement in the act is that the mortgage and price paid by the veteran borrower not exceed the Veterans' Administration appraisal of reasonable value. It is true that the Veterans' Administration has adopted a system of property inspection, but there is no requirement that that system must be followed, and in many cases the loan guaranty activities, insofar as the Veterans' Administration is concerned, are virtually routine.

Under these circumstances it is our considered opinion that a simple transfer of the loan guaranty operations of the Veterans' Administration to the Housing and Home Finance Agency would in no way obviate the major problems which now exist because of the differing terms under which the two programs were authorized by Congress. In other words, it would still be necessary to apply an entirely different approach, within the Housing Agency, to insured or guaranteed residential mortgage loans, depending on the statute under which the insurance or guaranty was executed.

A more satisfactory approach for all concerned could, in our opinion, be taken along the following lines: Amendments could be made to the National Housing Act to adapt insurance programs of the Federal Housing Administration to make insured loans available to veterans on terms comparable to those now authorized under the Servicemen's Readjustment Act (for example, up to 100 percent of value, without the payment of an insurance premium, and with a gratuity of the first year's interest cost). In other respects, however, such loans would be processed through the regular underwriting system of the FHA, with inspections, requirements for observance of minimum property standards, etc. In this way, an FHA-insured mortgage to a veteran borrower would give him the same protection now enjoyed by all borrowers under the FHA system, but would, in the case of veteran borrowers, authorize the more liberal loan terms which the Congress set forth when it adopted the Servicemen's Readjustment Act.

*Recommendation No. 11—Transfer of FNMA to Housing Agency*

"We recommend that the Federal National Mortgage Association be placed under the Administrator of the Housing and Home Finance Agency."

This recommendation would further implement the basic policy of the Administration with respect to the organization of the Government's housing functions. As you know, Reorganization Plan No. 3 of 1947 consolidated most of these functions into the Housing and Home Finance Agency as a permanent organization to coordinate and supervise the administration of the Government's housing program. The FNMA provides the Government's secondary market for FHA-insured or VA-guaranteed residential mortgage loans, which is an increasingly important factor in housing production.

In this connection, my testimony of February 3, 1949, before the Housing Subcommittee of the Senate Committee on Banking and Currency on S. 712 recommended certain changes in the basic legislative authority of FNMA which, if enacted, will have a very important bearing on the volume of home construction and on the production of the types of housing most urgently needed. It is essential that the existing and proposed authority of FNMA be closely coordinated with related housing functions being carried out within the Housing Agency. This objective is presently sought as part of the work of the National Housing Council, but without a direct authority to be exercised by the Housing and Home Finance Administrator.

*Recommendation No. 12—Transfer of OHE to Housing Agency*

"We recommend that the Office of the Housing Expediter be placed under the Administrator of the Housing and Home Finance Agency since the work of the two agencies is clearly related."

I cannot agree with this recommendation. As explained in the report of the Commission, the Housing Expediter enforces Federal rent control and veterans' preference requirements in the sale and rent of new housing units, which has an effect upon the Nation's housing supply—the primary responsibility of the Housing Agency. Accordingly, if the Office of the Housing Expediter were a permanent agency, I would certainly agree that it should be transferred to the Housing Agency, assuming, of course, that legislative authority therefor is granted by the enactment of the pending reorganization bill or otherwise. However, in view of the temporary nature of the Office of the Housing Expediter, I do not believe such transfer should be made. Under existing legislation, that Office should terminate on or before June 30, 1950. In my opinion, any advantages which would accrue to the Government through the consolidation of functions of that Office with functions of the Housing Agency, for the short period of time prior to that date, would be more than offset by the disadvantages involved.

I believe our position in regard to this recommendation is sound, notwithstanding the fact that the name "Office of the Housing Expediter" and the title "Housing Expediter" have become misnomers which confuse the public and result in unwarranted criticism of the Federal Government for having two separate housing agencies. Our proposals for changing these names have been previously presented to the Bureau of the Budget and to the Congress.

*Recommendation No. 19—Establishment of a national system of mortgage discount banks*

"We suggest that the Congress consider the creation of a system of national mortgage discount banks to provide real estate mortgage discount facilities for all private lending agencies over the entire real property field. This might include the present Federal home loan banks."

This recommendation is phrased simply as a suggestion that Congress consider the establishment of a national system of mortgage discount banks, and, of course, we have no objection to such consideration. The discussion of the recommendation in the report of the Commission, however, presents a number of arguments for such a system on the theory that if broad discount facilities are made available, it would be possible for the Government to reduce its present activities in the housing field.

Again, there is, in our opinion, a confusion in the Commission's report between the type of financial activity involved and the public purpose which it is desired to accomplish. Thus, it is probably true, as the report indicates, that Government-sponsored discount facilities would substantially increase the availability and fluidity of capital resources for real estate financing. The question, however, is whether these facilities alone would provide an effective answer to the country's housing problem, or whether the other and complementary activities now under way would not still be needed. In other words, the question again becomes this: "Is the Federal Government to be concerned only with the various types of credit facilities as ends in themselves, or is it to utilize various credit facilities as means of accomplishing certain basic housing objectives?"

As the Commission's report indicates, the proposal for a national system of mortgage discount banks dealing in all types of real-estate security was advanced and debated at great length in 1931 and 1932. There was considerable discussion of this subject in connection with the legislative history of the Federal Home Loan Bank Act adopted in July 1932. At that time the proposal for mortgage discount banks, operating in the entire field of residential real-estate securities, was finally abandoned in favor of a more restricted type of reserve credit system designed to serve long-term specialized home-financing institutions (savings and loan associations, insurance companies, and savings banks). A major consideration leading to this decision was concern over the propriety and soundness of establishing under governmental auspices a system of discount banks which would, in effect, have encouraged the investment of short-term capital in long-term mortgages. It must also be recognized that the establishment in 1934 of the Federal Housing Administration has meant the development of a standard residential mortgage loan which has proved increasingly attractive in the private secondary market. The act also authorized the establishment of national mortgage associations to operate as secondary purchasers of insured loan paper. Although only one such association has been established (the Federal National Mortgage Association), it has served a useful purpose in providing the additional support needed to back up the private secondary market. The Home Loan Bank System itself has made a fine record in the 16 years it has been in existence and has proved by its operations a satisfactory and practicable means of providing a reservoir of reserve credit for long-term home-financing institutions.

It is my considered opinion that the principles on which this question was rejected in the early 1930's are still sound and that there would be drawbacks to the adoption of a national system of discount banks, of the type apparently contemplated by the Commission, at the present time. At the same time, there is no doubt that a general review of the Federal Government's activities in the broad field of fiscal management and supervision might be profitable in terms of recommendations for a better integration of all current reserve facilities. We would welcome a congressional study on such a comprehensive basis.

In this analysis of the Commission's recommendations we have generally avoided reference to the task-force report, entitled "Activities and Organization of Lending Agencies of the Government." This treatment has been deliberate for two principal reasons: First, the task-force report was, for all practical purposes, rejected and dismissed by the Commission; and, second, the task-force report contains so many errors of fact and, in our opinion, of conception and consequent judgment that to refute it would require a considerable effort and would produce a substantial document. We do not think the report deserves that attention, and recommend that it be set aside as of little value in connection with the recommendations discussed herein. Accordingly, we will not plan to make a detailed analysis of the report unless one is requested by your committee.

The recommendations of the Commission, taken as a whole, would have a considerable impact on the existing structure and operations of the Federal departments and agencies. For this reason and because such extensive and detailed planning would be required to resolve the many problems of policy, administration, and organization involved, I feel that it is impossible reasonably to estimate concerning reductions in personnel and in operating costs. Nevertheless, I feel confident that if certain of the Commission's recommendations in the general area of the Housing and Home Finance Agency are put into effect, some actual savings would certainly result and improved coordination of operations of Federal housing programs would be achieved. I do not believe that we are in a position at this juncture to set a dollar value on these economies.

I trust that the comments made in this letter will be of some assistance to you and to the committee in weighing the many and far-reaching recommendations of the Commission. To the extent that you would find more detailed comments of this agency to be helpful, please do not hesitate to call upon

me. We have been advised by the Bureau of the Budget that, while there is no objection to the submission of this report, the absence of such objection should not be taken to mean that all the views expressed herein necessarily reflect the views of the President a to the matters discussed.

Sincerely yours,

RAYMOND M. FOLEY,
*Administrator.*

## THE COMMUNIST WAR AGAINST RELIGION

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared regarding the Communist war against religion. I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD at this point and following it that there be printed communications to me from Wisconsinites as well as an editorial from the Neenah-Menasha Times of June 25, 1949.

There being no objection, the statement, communications, and editorial were ordered to be printed in the RECORD, as follows:

COMMENTS BY SENATOR WILEY ON RED WAR AGAINST MAN'S SPIRIT

Throughout the world the Communists are waging a war to replace the cross of Christianity, the star of David, and the sword of Islam by the red star of Moscow. In every land where there is a Communist movement the master planners of atheism are fighting to destroy the church and organized religion in every form. I have commented upon this matter previously in the Senate and have pointed out that if the Reds should succeed in this ideological war, then a new Dark Ages will envelop the globe.

SITUATION IN RED SATELLITE LANDS

Behind the iron curtain the men of God, followed by their faithful believers, are waging a determined fight against the anti-Christ. But in land after land great voices of the church have been stilled or imprisoned. Archbishop Stepinac, Catholic primate of Yugoslavia; Lutheran Bishop Ordass of Hungary; Josef Cardinal Mindszenty, Catholic primate of Hungary; 15 Protestant ministers of Bulgaria; and countless others have been imprisoned behind the iron curtain. Next on the list are reportedly Archbishop Josef Beran, Catholic primate of Czechoslovakia, and Archbishop Matocha. In devoted Poland the Communists, as everywhere else, have sought the destruction of the Catholic press, the closing of the church schools, the silencing of courageous voices like that of Archbishop Stephen Wyszynski.

Vatican City reports further pressure on the Catholic faith in Rumania by all means of terror, oppression, and pressure. Albania's Communist government is charged by the Holy City with killing, imprisoning, and expelling virtually all the Catholic clergymen.

Never before have the forces of godlessness possessed the power that they now have in the age-old war of materialists against man's freedom of conscience. Never before have they been able to use the press, radio, motion pictures, secret police, informers, violence, to the degree that they can today against those who assert the fatherhood of God and the brotherhood of man.

THE CHALLENGE TO US

It is up to us in the last free ramparts of earth to give our moral and material encouragement to the greatest possible extent to the churchmen and devoted masses in the Old World who are holding the fort against the Asiatic barbarianism which is sweeping over the globe.

RESOLUTION OF THE WISCONSIN DEPARTMENT OF THE CATHOLIC WAR VETERANS

Whereas the Christian world is horrified at the diabolical machinations of the communistic Hungarian Government to remove from office His Eminence, Joseph Cardinal Mindszenty, primate of Hungary, thereby attempting to kill off Catholic life and leadership in Hungary; and

Whereas the barbarism displayed in harassing and trying to break the spirit of this illustrious prince of the Catholic church is accompanied by the fiendish desire to inflict a death penalty that is intended to heap ignominy upon his memory just as the crucifixion was intended to heap disgrace upon the Saviour of mankind; and

Whereas the voices raised in defense of this great champion of liberty and the basic rights of men as well as the things of God, are few and faint: Now, therefore, be it

*Resolved,* That the Wisconsin Department of the Catholic War Veterans in conference assembled on the very day which in these United States has been designated as a day of prayer to ward off persecution and to obtain for all Christian brethren behind the iron curtain strength and protection from Heaven, humbly implore the divine clemency to grant this much-needed help from above; be it further

*Resolved,* That the Wisconsin Department of the Catholic War Veterans in the name of all its members raise its voice in vehement protest against those who, in the arrest, mock trial, and condemnation of His Eminence Cardinal Mindszenty and codefendants are attempting to trample under foot the most sacred rights of individuals and nations and the God of nations, whom they would dethrone, were it within their power; be it further

*Resolved,* That we declare our firm and unshaken conviction that His Eminence Cardinal Mindszenty is innocent of any crime against church or state, against God or man; rather, that in future annals of history he will be regarded as a hero, a martyr, a victim of an injustice so repellant that it cries to heaven for vengeance; be it further

*Resolved,* That we behold in this most recent attempt of God's enemies to discredit religion a most sinister plan to insult the consciences of all right-thinking men. Success in this attempt would embolden them, to be even more ruthless in their endeavor to stamp out religion altogether, and by doing away with religion destroy likewise the props of all governments that base their rights upon God; be it further

*Resolved,* That a copy of this resolution be sent to President Harry S. Truman, to Senators Alexander Wiley and Joseph McCarthy in support of any action our Government may see fit to take in opposing the tyrannies herein described.

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COURT JEREM, No. 1031,
CATHOLIC DAUGHTERS OF AMERICA,
*Stevens Point, Wis.*

The Honorable ALEXANDER WILEY,
*United States Senate, Washington, D. C.*

DEAR SENATOR WILEY: We, the members of Court Jerem, No. 1031, Catholic Daughters of America, have received and read at our last meeting the reprint from page 969 of the CONGRESSIONAL RECORD, of February 8, 1949, giving your statements before the United States Senate concerning the trial of Cardinal Mindszenty of Hungary. We wish to express our heartiest commendation for your protest against this atrocious act of a Communist-controlled government, and it is our sincere hope that you continue your good work along these lines.

Very truly yours,

(MRS.) GRACE HALVERSON,
*Secretary.*

[From the Neenah-Menasha (Wis.) News-Times]

RED PERSECUTION OF CLERGY

The various incidents of Communist-inspired persecution of European religious leaders which have the entire Christian world boiling over in indignation, may, severe as it is, be serving the long-time interest of the religions of the earth—and to the detriment of the Reds.

The trumped-up charges, the tortures, the imprisonments, all of the gouging of the organized clergy, may prove as effective as the tax measures and too-strict maternalism of Britain over the early day American colonies—people who would be free, find the way to freedom. "Freedom to worship" is more than idle phrase. It is innate in man to revere his omnipotent, seen in various guises through the various religions. And he will worship, no matter how heavy an iron heel is grounded into his body.

The Red-inspired persecution of religious leaders, therefore, may but coordinate opposition not only to religious suppression, but to the other suppressions and persecutions common to the Communist ways of these times.

Men will be martyrs to their God—when the Reds attack man through his spiritual side, they are invoking a tremendous wrath.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 40. An act for the relief of William D. Norris;

S. 275. An act for the relief of Arthur C. Jones;

S. 897. An act for the relief of William Henry Tickner;

S. 1080. An act for the relief of James A. Gordon;

S. 1266. An act for the relief of Hayward O. Brandon;

S. 1330. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebraska;

S. 1405. An act to provide for the admission to, and the permanent residence in, the United States of Poon Lim;

S. 1429. An act for the relief of Lacey C. Zapf; and

S. 1742. An act removing certain restrictions imposed by the Act of March 8, 1888, on certain lands authorized by such act to be conveyed to the trustees of Porter Academy.

The message also announced that the House had insisted upon its amendment to the bill (S. 1407) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MORRIS, Mr. MURDOCK, Mr. WHITE of Idaho, Mr. D'EWART, and Mr. LEMKE were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 29. Concurrent resolution favoring the suspension of deportation of certain aliens;

S. Con. Res. 31. Concurrent resolution favoring the suspension of deportation of certain aliens; and

S. Con. Res. 32. Concurrent resolution favoring the suspension of deportation of certain aliens.

## THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington April 4, 1949.

Mr. IVES. Mr. President, yesterday the junior Senator from New York [Mr. DULLES] and I received from Hon. Henry L. Stimson, former Secretary of State and former Secretary of War, a brief message in reference to the North Atlantic Treaty. The message is powerful and effective. Because it is so brief, I shall read it into the RECORD:

STATEMENT CONCERNING THE NORTH ATLANTIC TREATY BY FORMER SECRETARY OF STATE AND FORMER SECRETARY OF WAR HENRY L. STIMSON TELEGRAPHED TO UNITED STATES SENATORS IRVING M. IVES AND JOHN FOSTER DULLES, JULY 19, 1949

I am much troubled by the press reports that the North Atlantic Treaty may be in some danger from opposition in the Senate.

It is my deep conviction that, if the Senate should refuse its consent to the treaty or if it should attach reservations requiring the hazardous and disheartening process of renegotiation, it would be a disastrous repudiation of the traditional American effort to maintain and advance human freedom and peace in the world. It would be a repudiation of a tradition which goes back to the Monroe Doctrine.

The Monroe Doctrine recognized that the freedom and security of this country required the defense of freedom in the entire western hemisphere. At first that Doctrine was a unilateral policy of the United States, but in the last 20 years we have been working to strengthen this policy by a broader concept of collective responsibility and collective action. This broader concept, expressed in the Treaty of Rio de Janeiro, is now the settled policy of the American nations.

The Monroe Doctrine was a doctrine for the Americas. But, with the growth of modern scientific and industrial capacity, we have learned that the defense of freedom here cannot be limited merely to the shores of the Americas. In two great wars we have been forced to recognize that the freedom and security of America are dependent upon the maintenance of freedom and security in western Europe and the whole of the North Atlantic area. It is our recognition of this broader responsibility which has led us since 1945 to adopt a firm policy of cooperation with western Europe. This policy has taken its economic form in the Marshall plan. Its political and military form, foreshadowed by the notable resolution which fittingly bears the name of Senator VANDENBERG, is now embodied in the North Atlantic Treaty. This treaty in keeping with our modern concept of cooperation is not a unilateral commitment; it is a treaty for "effective self-help and mutual aid," and in this respect it is exactly parallel to our present policy in the Americas.

Some have argued that the treaty commits us to military aid which we may not wish to give. I cannot understand this argument. We are committed, if we ratify the treaty, to a policy of self-help and mutual aid. This means that we shall be committed to give military assistance whenever we honestly recognize that the common purpose of the treaty requires such assistance. It is my personal conviction that there is a pressing present need for a moderate program of this sort. But as to the size and form of such a program, men may differ honestly within the framework of the treaty.

It is further argued that the treaty is too narrow—that our commitment to resist aggression cannot be safely limited to a single geographic area. Even if so, how is it possible to advance the cause of collective security by rejecting this major forward step on the road to collective security? Is the world a more dangerous place to live because the North Atlantic area is made safe? The Secretary of State has made it amply clear that the treaty is not to be construed as a narrowing of the interests and obligations of the United States. The treaty deals with an area of the utmost immediate importance to the cause of freedom. Shall we reject it because it does not deal with everything at once?

This treaty has been framed on the advice of the Senate, negotiated and signed in good faith by 12 nations, and reported to the floor by a unanimous committee. It embodies a single fundamental principle: That we will make common cause with other freemen in the Atlantic area, prevent aggression if possible, resist it if we must. This is a great commitment. Surely it is not greater than the need.

Men with doubts must not think that they can vote against the treaty without voting against its basic principle. If this treaty is beaten, or if its great meaning is befogged by reservations seeming to proceed from fear, we shall not soon be able to repair the damage. The North Atlantic Treaty is now the touchstone of our resolution to keep on with our historic struggle for the cause of peace with freedom. No matter what the intention, no matter what the reasoning of Senators who vote to weaken the treaty, their votes will weigh in the scales against this cause.

Very sincerely yours,

HENRY L. STIMSON.

Mr. LUCAS. Mr. President, early yesterday afternoon the Senate, out of respect for the memory of the late Justice Murphy, took a recess until 12 o'clock today. The Senator from Illinois was absent from the Chamber at the time. I have noticed the colloquy which occurred between the able Senator from Texas and the able Senator from Nebraska with respect to a night session today.

In view of the fact that a large number of Senators desire to speak upon the treaty, we have concluded that we shall have a night session today, and I am willing to remain here as long as any Senator desires to speak. Of course, the unanimous-consent agreement effective on tomorrow still remains in force.

The VICE PRESIDENT. The Chair would like to state that, as the Senate knows, he has not engaged in the practice of making a list of speakers, because he has tried to observe the rule that the Chair should recognize the first Senator on his feet asking for recognition.

A list of speakers has been handed to the Chair, and the Chair understands that the list has been made up on the floor, by mutual agreement. The Chair is not bound by the list, and may deviate from it in one or two instances. But if Senators who are seeking recognition according to this arrangement are on their feet asking for recognition, the Chair will try to follow the arrangement, in view of the importance of this debate and the importance of carrying it on in an orderly way. If, however, at any time the Chair should think it proper to recognize some Senator not on the list, if he is asking recognition, the Chair would think that proper.

Mr. LUCAS. Mr. President, I know nothing about any list. I have kept no list on my desk. There are a great number of Senators who wish to speak. We have had some days when those who desired to speak on the treaty were not ready. Now we come to the last day and we find a long list of Senators who desire to address themselves to this particular question. It seems to me that the Chair is not duty bound to follow any list at this particular time, and that a Senator who is on his feet seeking to obtain recognition should be the Senator who is permitted to address the Senate.

As I have said, in view of what occurred yesterday, I am willing to remain here tonight, in order to accommodate any Senator who wishes to address the Senate.

The VICE PRESIDENT. The Chair would like to observe that, of course, when a number of Senators rise and address the Chair, it is not always possible for the Chair to determine which Senator addressed the Chair first. The Chair will exercise his best judgment in that matter.

In view of the number of speakers contemplated today, the Chair will try to expedite the business of the Senate to the best of his ability.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. LUCAS. I yield.

Mr. WHERRY. In view of the statement which has been made in regard to a list of speakers, let me say that I handed the list to the Vice President. I understand that under the unanimous-consent agreement, the distinguished President of the Senate will give priority to those who wish to speak on the pact.

The list which has been handed to the President of the Senate includes the names of Senators who have signified to me that they would like to address themselves to the pending business. There is no arrangement as to the order in which Senators shall be recognized, except I may say that when they have informed us that they would like to speak on the pact, they have been listed as they have given such notice; and if that fact has any force or effect, I would suggest it to the Vice President.

In view of the announcement by the distinguished majority leader that there will be a night session, and in view of the fact that several Senators have indicated that they would like to speak on the pact, it would certainly seem that we shall be required to continue the session beyond 6 o'clock this evening. So I deeply appreciate the announcement, and I thank the majority leader for making it thus early in the day.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from West Virginia.

Mr. NEELY. I should like to inquire whether there is to be any limitation on the speakers today as to the amount of time they may consume. The reason for my inquiry is that I note there are eight names on the list on the Vice President's desk at the present time and one of the Senators whose name is on the list has told me he expects to speak at least an hour, possibly an hour and a

half, if there is to be no limitation. Of course, there are eight on the list, and I know of some other Senators who hope to speak in addition to those. If every Senator speaks as long as he wishes, manifestly even those whose names appear on the list before the Vice President will not have an opportunity to address themselves to this subject. So it seems to me there should be some reasonable limitation.

The VICE PRESIDENT. There is no limitation on the debate of any Senator. The only limitation is that a vote be taken tomorrow at 5 o'clock. At 2 o'clock tomorrow the Committee of the Whole will rise and report the treaty to the Senate.

Mr. NEELY. Mr. President, will the Senator yield further?

Mr. LUCAS. I yield.

Mr. NEELY. Let me submit there should be some reasonable division of the time, so those who wish to speak will not be foreclosed by some Senator or Senators consuming three or four times as much of the available time as anybody else will be able to use.

The VICE PRESIDENT. That is a matter the Chair cannot control. The Chair would not declare a Senator out of order if he skipped a page or two in his speech.

Mr. BALDWIN. Mr. President, when the people of any nation are richly endowed with natural resources; when they produce from such resources a material wealth which surpasses that of any other nation; when they build a free way of life which challenges the imagination of countless millions in this world, they have created a rich, priceless prize for conquest.

All the lessons of our 160 years of history as a Nation have taught us that. We did our best to avoid entanglement in the gigantic struggle which raged in western Europe in the Napoleonic era. Yet, try as we might, we ultimately became involved. The war between the States involved us in difficulties with both France and Great Britain. When Germany marched into Belgium in 1914 and engulfed most of the nations of western Europe, most Americans realized that sooner or later we would be threatened, as indeed we were. Most of us here today can recall our fears when Germany appeared to be gaining the upper hand and when the British Navy seemed unable to cope successsfully with the submarine menace. We wondered how soon it would be before a triumphant Germany bound on world conquest would threaten our shores. In those days, when the power of German arms seemed to be increasing and victory almost within reach, the utter disregard of the arrogant Kaiser for American rights showed us that, once his enemies had been subdued in western Europe, we surely sooner or later would be the next victim.

Again, in 1940, when France fell and the British were all but driven to their knees, Americans feared, and rightly so, that victory for Hitler in Europe might well mean, sooner or later, an attempted conquest of these United States. We were too powerful and too rich to be ignored. Our influence was too great to be overlooked.

So, in 1917 and again in 1941 we unwillingly entered the contest while we yet had friends and supporters to help us, while allies were still available to us. And by our strength and fighting skill we were able to stop the tide of conquest and subdue the aggressor.

We Americans know that a major conflict between two or more nations in the world today will ultimately involve us. History has taught us that lesson. We know that the hope of security and peace by isolation is futile and dead.

Throughout our national history, we Americans have tried to foster peace. We have never been the aggressor. By diplomacy, by force of arms, we have striven to protect our own independence, to guarantee our own security, to prevent war.

The Monroe Doctrine was one such notable example of our efforts, by diplomacy, to protect ourselves and to preserve our own security in the Western Hemisphere. More than one hundred years ago we told the world that any effort at conquest in the Western Hemisphere would be considered as an attack upon us. That doctrine had a most salutary effect upon the development of our Central and South American neighbors. In the announcement of that doctrine, however, we had asked nothing from our Central and South American friends. While the doctrine did protect them, it primarily protected us.

But in a world in which time and space have all but been eliminated, we have implemented that doctrine in the Western Hemisphere by the Rio Pact. In that pact we reaffirmed the Monroe Doctrine. But we also established with the nations in the Western Hemisphere an understanding and agreement that, in the event of an attack by an aggressor from outside the Western Hemisphere, we would stand together, as one, in mutual defense.

Following the armistice in 1918, we made a bold attempt to build an organization for world peace. The men who conceived that ideal lived ahead of their time. The world was not ready for it. Nor was America. We had, as yet, failed to grasp the full significance, to us, of major conflicts in western Europe and in other parts of the world. The League of Nations failed because we, and the other nations of the world, were not ready to support it.

"The blood and sweat and tears" of World War II compelled a second attempt at organization for world peace and produced the United Nations. In many fields of international human relationships, the United Nations has already accomplished great things. However, because of a lack of unanimity in action for world peace, many Americans and people elsewhere in the world are beginning to think that, unless strengthened, it too must fail to solve the riddle of the ages, the prevention of war, by the establishment of law and the administration of justice in the settlement of international misunderstandings and disagreements.

There have been introduced in the House and in the Senate many resolutions, each one expressing the high hope that the United Nations might be strengthened to accomplish its objectives; each one offering new plans to achieve that success. The central theme of most of these resolutions has been that, if we cannot achieve unanimity with all of the nations signatory to the United Nations Charter, we can evolve, within that charter, a unanimity among a smaller group working for the prevention of war and the establishment of law and justice.

It is of great significance that after the introduction of several of these resolutions, the Foreign Relations Committee of the Senate unanimously reported the so-called Vandenberg resolution, thus endorsing the purposes and objectives therein set forth. That resolution sought as its first objective:

> Voluntary agreement to remove the veto from all questions involving pacific settlements of international disputes and situations, and from the admission of new members.

That is a high and noble objective, but realists are frank to admit that presently it appears impossible of accomplishment.

The resolution goes on to state:

> (2) Progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles, and provisions of the Charter.
>
> (3) Association of the United States, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security.
>
> (4) Contributing to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting its national security.
>
> (5) Maximum efforts to obtain agreements to provide the United Nations with armed forces as provided by the Charter, and to obtain agreement among member nations upon universal regulation and reduction of armaments under adequate and dependable guaranty against violation.

Let us now examine this resolution, and the Atlantic Pact which is now under consideration, in the light of the experience that our history has brought us.

First. This resolution and the Atlantic Pact itself are national declarations by the representatives of the people of the United States of our allegiance to, and faith in, the United Nations. They are reaffirmations of our sincere and abiding belief in the efficacy of the administration of law and justice in the settlements of international differences. They say that the American people want peace, not war, and that they are willing to set up effective organizations to secure the administration of law and justice. They are more than statements of diplomatic policy by our State Department or by our President. They are, under our Constitution, with our approval, the considered, debated, voted-upon, and approved expressions of the American people themselves.

The distinguished Senators from Ohio [Mr. TAFT] and Vermont [Mr. FLANDERS]

have introduced a most important resolution—a resolution which would authorize and direct the President to pronounce what, in effect, amounts to a Monroe Doctrine applicable to the whole Atlantic area. That is a laudable and proper thing. But have we not already gone further than that with the Monroe Doctrine itself? Why should we then provide that the President could establish an American policy for western Europe which we as representatives of the American people are not, as a body, now willing to affirm? Have we not already, in the Rio Pact, reaffirmed the Monroe Doctrine as it applies to the Western Hemisphere, and also set up a protective, defensive organization with mutual responsibility among all the nations in the Western Hemisphere? We have therein provided a multilateral arrangement in place of the unilateral arrangement for the Western Hemisphere. The Atlantic Pact likewise provides more than a unilateral arrangement for the Atlantic area. It provides a multilatera arrangement for protection and defense and for mutual development.

As we were aware in 1917, and again in 1941, that we needed allies and friends to contend with aggression, so in this Atlantic Pact as in the Rio Pact we are bringing to our side allies and friends before war may come upon us.

Great emphasis has been given in this debate to articles 3 and 5 of the treaty. They are extremely significant and important articles. But so is article 9, which establishes a council in which each of the nations signatory to the pact shall be represented to consider matters concerning implementation of the treaty. There is the beginning of a working organization of freedom-loving people with a common interest—that interest being the promotion of peace and the protection from threats to that peace. We have done this at a time when many nations are still free to make a choice to come into this pact. This pact is not a threat to any nation anywhere unless that nation chooses to cast itself in the role of an aggressor.

The point has been forcefully made that we have not included in the pact as many nations as should be included. Article 10 of the pact provides that by unanimous agreement "any other European state in a position to further the principles of this treaty and to contribute to the security of the North Atlantic area" may be invited to accede to the treaty and join the pact. Thus, it is not static. Rather, it opens up a new avenue to future developments as events may indicate or require.

It is forcefully claimed that this pact commits us, morally, to the obligations of helping to rearm the other signatories to the pact. There is no such direct commitment made in this agreement as I understand, either directly or indirectly, morally or otherwise. As in 1917 and again in 1941, if attacked, we might find ourselves under the compelling necessity of helping to rearm these nations, or some of them, even though there be no pact whatsoever. An act of Congress could accomplish that, without the Atlantic Pact, if we thought it necessary from the standpoint of our own security to do so.

The proposition has been advanced that, rather than attempt to strengthen the armed forces of the nations signatory to the pact, we should create within the pact itself an international force to which all of the nations signatory could contribute. Such a development is completely within the range of possibility under the terms and provisions of the treaty. The Council provided for in article 9 could well decide upon such a course.

It has been claimed that this pact violates the provisions of the United Nations Charter and has the effect of weakening the United Nations Organization. Article 7 of the treaty provides:

> This treaty does not affect, and shall not be interpreted as affecting, in any way the rights and obligations under the charter of the parties which are members of the United Nations, or the primary responsibility of the Security Council for the maintenance of international peace and security.

Furthermore, this treaty follows directly the line already set forth in the Vandenberg resolution of implementing the United Nations Charter, under section I of article 52 thereof, which provides for:

> * * * the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action. * * *

Much has been said about the risks involved in this pact. What risk do we run if we do not enter the pact? Mr. President, we run the same risk we would have run in 1917 if we had not entered the war and Germany had won. We run the same risk that we would have run in 1941 if we had not entered the war then and Hitler had won. We run the risk of standing alone in the world, of losing the Allies and friends who now have indicated, at great danger to themselves, that they desire to be on the side of peace, freedom, and justice, which is our side. We run the risk of losing ultimately such world trade as we now have. We run the risk of involving ourselves in a tremendous, burdensome, expensive, permanent Military Establishment for our own protection. We run the risk of losing the resources of manpower and material which this pact makes available for helping our own defensive measures. We run the risk of losing for centuries to come the hope and possibility of building a world organization for the establishment of law and justice in the settlement of international disputes. In short, we run the risk of losing everything that we hold dear and priceless. We would deny every lesson history has taught us if we do not approve this pact.

Mr. President, I shall vote for the ratification of this treaty, with no apologies and with the firm conviction that it offers decidedly the best course now for America to follow.

Mr. KEM and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Connecticut yield; and if so, to whom?

Mr. BALDWIN. I yield first to the Senator from Missouri.

Mr. KEM. The Senator from Connecticut has said that history has taught us that what is proposed is the best course for us to follow. I should like to ask the Senator whether history has taught us that the balance of power is an effective instrument of peace.

Mr. BALDWIN. No; I do not think it has.

Mr. KEM. I would ask the Senator if this proposed tract furthermore is not a return to the old device of the balance of power. Are we not here arraying the East against the West, using the same device that has brought so much woe to the world for thousands of years?

Mr. BALDWIN. No; I would say to the Senator from Missouri that I do not think anything of the kind. It has been a fact of history, however, that balances of power have in the world's history preserved the peace for a considerable period of time. They have ultimately broken down. However, I do not look upon the pending treaty as an attempt to attain a balance of power. I rather look upon it as an attempt to bring to our side before war is actually upon us the friends we might hope to have were we involved in a war, the friends we were decidedly glad to have on our side when we did become involved in war in 1917, and again in 1941.

Mr. KEM. What distinction does the Senator draw between this military alliance and the military alliances of the past?

Mr. BALDWIN. In the first place, this is a defensive alliance, if the Senator wants to call it an alliance. It is for our own protection; it is for our own defense. I do not know that it differs substantially from efforts which have been made in the past to aline nations together for their own defense. It has this one distinct difference, however. This is a treaty to bring together under the United Nations Charter, to which so many nations of the world are already signatories, as provided in the Charter, a group for regional defense.

It seems to me it differs very materially in that particular regard from other efforts.

Furthermore, there is this difference: Unlike other treaties, and unlike much of the diplomacy of the past, here is a forthright announcement which tells everybody in the world what we are trying to do with this treaty, what its purpose is, and the whole world can read it. That has not been true of military alliances in the past. They were primarily secret.

Mr. KEM. Can the Senator recall any military alliance in history that was not put forth by the signatories as a defensive alliance?

Mr. BALDWIN. I think it is fair to say that most of them were. I will say, however, that nothing was said about many of them. They were kept in the dark. I do not consider the treaty before us primarily a military alliance. It is more than that, it is an alliance in which each nation agrees that it will try to develop free institutions of government, and endeavor to follow the so-called democratic process. It is a statement by the nations signatory to it

that they will try mutually to get together and arrange to develop their own resources, and take such action as will prevent war. I place great significance upon those particular provisions of the treaty, more, in fact, than I do upon the so-called defensive-alliance features, if the Senator wants to call them that, because I believe it is only by improving standards of living in the world, without seriously damaging or throwing away our own, that we can create an atmosphere in which war will be undesirable, in fact, impossible.

Mr. KEM. In view of the lessons of history to which the able Senator has so eloquently referred, can he still have hope in a military alliance as an instrument of peace?

Mr. BALDWIN. In answer, I will say that if this is a military alliance, then I do have hope in it for the maintenance of peace. I do not call it a military alliance.

Mr. KEM. Will the Senator please indicate the point of distinction between this military alliance and other similar military alliances in history?

Mr. BALDWIN. I think I have already pointed out two. One is that this is an alliance for other purposes than military defense; it is an alliance in which the signatories agree to develop free institutions of government within their own borders. It is an alliance in which the signatories, as nations bordering on the Atlantic, living within the Atlantic area, agree to try to get together and cooperatively improve trade relations and business, and there are many other things of that kind. So that it is more than a mere alliance saying that "If X attacks Y, then B, C, and D are going to Y's defense."

Mr. KEM. Are not Great Britain and Russia also in alliance for the purposes the Senator has just indicated?

Mr. BALDWIN. That may very well be true, but I would think that was all the more reason why we should have them on the dotted line, because in the event of trouble between Russia and the United States, if Britain has a treaty with Russia and none with us, their decision as to where they were going to throw their weight would be a good deal easier than if they signed on the dotted line with us in a mutual-defense alliance.

Mr. KEM. In view of the fact that Great Britain has signed treaties with both the United States and Russia, can the Senator be sure with which of its allies it will go in case of war?

Mr. BALDWIN. Yes, I would say that in the event of war, despite any agreement the Senator has spoken of between Great Britain and Russia, Great Britain would be on our side. I do not think there can be any question about it.

Mr. KEM. Does the Senator have in mind the statement of Mr. Clement Attlee, the Prime Minister of Great Britain, that in economic matters Great Britain looks to Russia rather than to the United States?

Mr. BALDWIN. If Mr. Attlee were speaking for the whole British people, that would be something to think about, but if Great Britain has a government that is responsive to the will of its people, as I believe it has, and the question is presented as to whether Great Britain and its people and dominions are going to cast their lot on the side of Russia or on the side of the United States, I do not think there can be any question about how that issue would be resolved. They would go with us.

Mr. KEM. Does the Senator have in mind that the Prime Minister of Great Britain is not an authorized spokesman of the British people?

Mr. BALDWIN. I believe he is, yes, but oftentimes the authorized spokesman of any people may not be expressing the will of the people as they would like to have it expressed. Then they have an opportunity to change that expression. I think my distinguished friend is raising up meaningless ghosts if he feels that Great Britain's attempt to resume trade relations with Russia necessarily means they are going to abandon all their ties with us. I do not think it means any such thing.

Mr. KEM. I had in mind that the agreement between Great Britain and Russia was more than an economic agreement, that it was also a military alliance.

Mr. BALDWIN. I would say that if Great Britain had a defensive alliance with Russia and us, both those documents might rather help prevent war than encourage it. I think it would be much better than if they had an alliance with Russia and none with us. I would wonder where we stood, in that event.

Mr. KEM. Does the Senator regard Mr. Arthur Horner, the head of the coal miners union of Great Britain, as a representative spokesman for the working people of Great Britain?

Mr. BALDWIN. He may very well be.

Mr. KEM. Is the Senator familiar with the fact that Mr. Horner has said that in case of a war with Russia no coal would be mined in Great Britain?

Mr. BALDWIN. Yes, and Paul Robeson has said that in case of war between the United States and Russia all the Negroes would fight for Russia, but I do not believe it.

Mr. KEM. Does the Senator mean to indicate that Mr. Robeson is in such intimate association with our Government as Mr. Horner is with the government of Great Britain?

Mr. BALDWIN. No, I do not suppose he is, but I would say that Mr. Robeson is a spokesman for his group, and one whose word is listened to by thousands of Negroes. Nevertheless, if the British people should feel that because Mr. Robeson had said that, they were entitled to rely on it, I think they would be making a terrific mistake, just as we would be making a terrific mistake if we relied on what Mr. Horner said.

Mr. KEM. Does the Senator believe that the party to which Mr. Robeson belongs is as influential with the State Department and the White House as the party to which Mr. Horner belongs is at Whitehall and No. 10 Downing Street?

Mr. BALDWIN. I certainly hope not, and I believe not.

Mr. KEM. I should like to ask the Senator further if he has in mind the distinct reservation that Mr. Ernest Bevin made in his statement in Washington at the time this treaty was signed by him on behalf of Great Britain?

Mr. BALDWIN. I do not recall it now. I knew he made some statement, but I do not correctly recall what it was. Does the Senator recall the purport of it?

Mr. KEM. The substance of it was he wanted the other friends of Great Britain distinctly to understand that nothing in this treaty in any way interfered with the obligations of Great Britain toward them, and that it should not be taken as an indication that Great Britain was not going to carry out any commitments it had with other allies and their friends.

Mr. BALDWIN. I think the Atlantic Pact itself has that direct provision in it. It seems to me that is a proper thing to have.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. BALDWIN. I yield.

Mr. DONNELL. I understood the Senator to make the point that this treaty is not static, and in support of that point to call attention to article 10 under which "The parties may, by unanimous consent, invite any other European state in a position to further the principles of this treaty and to contribute to the security of the North Atlantic area to accede to this treaty." Did I correctly understand the Senator?

Mr. BALDWIN. Yes.

Mr. DONNELL. May I ask the Senator whether there is any necessity for having any such sentence in the treaty at all? Does that demonstrate the nonstatic nature of the treaty? Could not the parties issue such an invitation without a sentence in the treaty to that effect?

Mr. BALDWIN. I suppose they could, but I think it is a desirable thing to have it in the treaty. It seems to me, if I may say so to my distinguished friend, the provision meets one of the objections made by the Senator from Missouri to the treaty in his statement that it was freezing the situation for 20 years. The point I make is that that sentence indicates that it is not freezing the situation for 20 years or 10 years, but that it makes it possible to bring in new signatories at any time.

Mr. DONNELL. I was not making the point that it is freezing the situation for 20 years in regard to the admission of any other countries. The countries signatory to the pact could, by unanimous agreement, admit other countries. My inquiry of the Senator is: Does he regard that sentence, which provides for the doing of something which can be done without the existence of the sentence in the treaty, namely, admission of other countries by unanimous consent of the parties to the treaty, demonstrate in the slightest that this treaty is a nonstatic instrument?

Mr. BALDWIN. It demonstrates that the men who drafted it and signed it indicated a desire on their part to receive within the provisions of the treaty other peoples who might be like-minded and might want to join. I think it is a very desirable thing to have in the treaty.

Mr. DONNELL. Mr. President, will the Senator yield to me for another question?

Mr. BALDWIN. Yes.

Mr. DONNELL. I have no doubt the Senator observes that the article itself, instead of saying that the parties may by unanimous agreement invite any other European state to accede to this treaty, places a limitation as to what states could be invited. Has the Senator observed that fact?

Mr. BALDWIN. Yes. I think it is desirable. The limitation placed there is that "The parties may, by unanimous agreement, invite any other European state in a position to further the principles of this treaty and to contribute to the security of the North Atlantic area to accede to this treaty." It seems to me it must provide that limitation. No one would want to invite a state to come in which would destroy the security of the North Atlantic area or destroy and defeat the purposes of the treaty.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. BALDWIN. I yield.

Mr. DONNELL. Does the Senator understand that even though this sentence were not included in the treaty, the parties by unanimous consent could invite any nation they wanted to come into this treaty?

Mr. BALDWIN. That is absolutely so. The Senator from Missouri and I could get together and by agreement carry on business for 50 years because we would hope that we might eventually agree on everything that came up. But if we were to carry on business for 50 years, the Senator from Missouri, being the good lawyer he is, would probably want to have the agreement in black and white, and I, being a Yankee, would probably want it in black and white. I believe it to be desirable in the case of the treaty also, that the provision be in black and white.

Mr. DONNELL. May I ask my distinguished friend, who is a distinguished Yankee, to use his own words—and I myself use them in no sense of opprobrium, but rather of compliment—does not my friend the Senator from Connecticut, good lawyer as he is, and judge-nominate to the bench, agree that there should be in black and white in the treaty a provision that in the contingency that any country which is a party to the treaty becomes a communistic country, it should then be deprived of the right of remaining a party to the treaty, instead of relying on vague, tenuous, doubtful construction as to the meaning of its terms with respect to such a situation?

Mr. BALDWIN. I would answer that when we got to that particular point. As a matter of draftsmanship I would say I would have great difficulty in knowing how to frame the language to cover such an event. I even wonder how we could tell the other nations what kind of governments they ought to have. If one of the signatories to this pact becomes a communistic state, and is drawn behind the iron curtain, and becomes subservient to Russia, and wants to espouse her cause, I think then is the time to deal with that situation. But I do not think that at the present moment we can say we should not sign the treaty because such a contingency might arise.

The Senator from Missouri [Mr. KEM] said Mr. Horner, of England, said something. He said Mr. Bevin said something. Some other contingency might arise. If we are going to delay action on the basis of that sort of argument, then we never could enter into a treaty. Some of the nations signatory to the treaty may break the treaty. That is a possibility; it may be almost a probability; but I do not think that is any reason why we should not ratify the treaty.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. BALDWIN. I yield.

Mr. DONNELL. I want to refer in a moment to a sentence which indicates that this treaty is not so nonstatic. But before doing so I should like to ask the Senator a question. Is there in his opinion anything from the beginning of the treaty to its end which says that if any country shall become controlled by a Communist government it shall thereby be deprived of rights under the treaty?

Mr. BALDWIN. No, there is not. My frank opinion on that point is that it would have been impossible to include such a provision. I think that is a contingency which may arise, and when it arises then the council provided for in the treaty will have to deal with it.

Mr. DONNELL. Does the Senator believe that the Council has any authority under article 9 to say anything that shall be done except to make recommendations?

Mr. BALDWIN. No, it has not. I mean what is done at that particular time to change the terms of the treaty, or to exclude one of the nations which were signatories, would have to be decided by the Senate.

Mr. DONNELL. Is there anything in the treaty which says that the Senate shall decide or may decide whether a country shall be expelled from the treaty?

Mr. BALDWIN. No, there is not. But I think by fair implication that a question so grave as that would have to be decided here. I should want it to be decided here.

Mr. DONNELL. In the Senator's opinion, is there any reason to believe, from a legal standpoint, that our country is entitled to say that any more than Great Britain has the right to say that?

Mr. BALDWIN. No, I think every signatory to this treaty enters it with the full and complete knowledge that we have a certain system of government, we have a certain way of doing things, and they must expect we will follow that course when a question of great importance under the treaty arises. I think we must assume that.

Mr. DONNELL. However, I take it the Senator agrees with me that there is nothing from the beginning to the end of the treaty which says that if a Nation shall become communistic in its government it shall not be entitled to receive the benefits of the treaty. For example, if the Communists should succeed in putting in a premier, or president, or whatever the officer may be, in France or Italy, there is nothing in the treaty which says that that country would become disentitled to remain a member and receive the benefits of the treaty.

Mr. BALDWIN. I agree that there is nothing in the treaty which specifically deals with that question, except the provisions which specifically set forth its purposes and objectives. When one of the signatories attempts to pursue a course which is not in keeping with the agreement, it seems to me that it violates the terms of the treaty, and places itself outside the treaty.

Mr. DONNELL. The preamble of the treaty recites that the parties—

> are determined to safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of democracy, individual liberty, and the rule of law.

Does the Senator mean to tell us that Portugal comes within the definition of a country whose freedom is founded on the principles of democracy?

Mr. BALDWIN. I do not say that Portugal is a democracy in our sense.

Mr. DONNELL. In any sense?

Mr. BALDWIN. Perhaps not in any sense. However, I do say that there is a provision which requires the members signatory to give consideration in their own lands to the development of responsive forms of government. It may very well be that in the course of time Portugal may become more nearly a republic than she now is. I think that would be desirable.

Mr. DONNELL. She could not get much further away from that status.

Mr. BALDWIN. I do not suppose she could.

Mr. DONNELL. Returning to the sentence in article 10 which, as the Senator argues, demonstrates the nonstatic nature of the treaty, am I correct in understanding the Senator to agree with me that notwithstanding the fact that there is a limitation in that sentence, by which the parties may by unanimous consent invite not any other European state, but any other European state in a position to do certain things, the parties may by unanimous consent admit any nation, even though this sentence is in there?

Mr. BALDWIN. A treaty can always be amended by unanimous agreement among the signatories, just as a contract can be amended by agreement of the parties.

Mr. DONNELL. Notwithstanding the limitation, the Senator agrees that the parties may by unanimous consent waive that limitation.

Mr. BALDWIN. Yes; if they all wish to do so.

Mr. DONNELL. On the other hand, does the Senator agree that there is a limitation, namely, that the only type of state which the treaty says the parties may by unanimous consent invite in is a state "in a position to further the principles of this treaty and to contribute to the security of the North Atlantic area to accede to this treaty"? Does the Senator agree to that?

Mr. BALDWIN. I think that is a very desirable provision. We would not want to include in the treaty a nation which would not attempt to further the principles of the treaty or would not attempt to develop security in the North Atlantic area. I do not believe that such nations ought to be in the pact.

Mr. DONNELL. What country does the Senator have in mind which might be admitted within the period of 20 years, under the provisions of article 10?

Mr. BALDWIN. Spain might be admitted.

Mr. DONNELL. Does the Senator believe that that would be in hearty accord with the present views of the Department of State of our Government?

Mr. BALDWIN. With respect to many things, I do not know what the views of the State Department of our country are. We all wonder at times.

Mr. DONNELL. According to the junior Senator from Michigan [Mr. FERGUSON], the State Department is responsible for what he terms the failure—or words to that effect—of the policy of our country in China and South America. Do we not wonder, and have just ground to wonder, whether its recommendation that we approve this treaty for 20 years should be considered, if not infallible, at least strongly persuasive?

Mr. BALDWIN. We have the benefit of the recommendations of the State Department. We have the benefit of the testimony of the Secretary of State. We have the benefit of many other authorities on this subject. However, each individual Member of the Senate must decide this question on his own responsibility, on the basis of all the evidence presented. That is the way I am deciding to vote for it. It seems to me, everything considered, that it is the best thing presently to do. That does not mean that because the State Department approves it, I agree with the policy of the Department in China, or anywhere else in the world. I think the distinguished Senator from Michigan pointed out most forcefully that in other places our diplomacy has failed. Our policy was apparently wrong. It does not necessarily follow that because the State Department makes a mistake in one instance, it makes a mistake in everything, and that consequently we ought to reject the treaty. We have the opportunity in the Senate to decide for ourselves whether we want to approve the treaty. We do not have that opportunity with reference to China. The most we can do is advise, and then face the responsibility for a decision which is made by someone else.

Mr. DONNELL. Does the Senator proceed on the theory that, the State Department having failed in so many illustrations, as, for example, in China, South America, and doubtless other places, by the law of averages it is probably right in connection with the North Atlantic Treaty?

Mr. BALDWIN. I do not mean any such thing. As a United States Senator with a limited knowledge of this subject, but with a very full record, plenty of testimony, and some little knowledge of world history, I say that, judging the treaty on all the evidence, as one member of a jury of 96 Senators, my verdict is going to be in favor of ratifying the treaty.

Mr. DONNELL. Notwithstanding my rather loud voice, I am delighted that the Senator and I can carry on what I know is a perfectly friendly interchange.

Does the Senator have in mind that Germany might be one of the nations admitted by unanimous consent?

Mr. BALDWIN. She might be. I think that might be a good thing to work for.

Incidentally, in connection with the question asked by the Senator's distinguished colleague the junior Senator from Missouri [Mr. KEM] with reference to the Russian-British treaty, it has been brought to my attention that that treaty between Great Britain and the Soviet Union covers only an attack from Germany. It does not cover an attack from any other quarter. As a matter of fact, we offered to enter into a treaty with Russia on exactly the same basis.

Mr. DONNELL. With respect to Germany, the Senator doubtless recalls that portion of the address of the junior Senator from New York [Mr. DULLES] in which he referred to the possibility of integration of Germany into the west if the North Atlantic Treaty should be ratified, and the certainty of its nonintegration into the west if the treaty should not be ratified. Does the Senator recall that portion of his argument?

Mr. BALDWIN. I do.

Mr. DONNELL. Does the Senator believe that the alleged nonstatic provisions of the treaty, namely, article 10, the one with regard to admission by unanimous consent—which could be done without the article—is any guaranty that Germany is going to be integrated into the west.

Mr. BALDWIN. There is no guaranty in the treaty that any other nation is going to join it. However, in that language there is an express invitation. There is the expression of a possibility—indeed, a probability—that other nations can join. This sentence leaves the door open for them. If it were not in there they might consider that there was no door, or, if there were a door, that it was closed to them. This leaves the door open. It may very well be, in the development of time, that Germany will want to come in, and that the other nations will want to accept her. I think that would demonstrate a growth of the effectiveness of the treaty which I should hope to see.

Mr. DONNELL. The Senator does not say that article 10 contains an invitation to any other country to enter, does he?

Mr. BALDWIN. No; not a direct invitation. Article 10 indicates that the door is open.

Mr. DONNELL. In other words, the parties, by unanimous consent—just as the Senate can do things by unanimous consent—under this treaty could do what the Senator suggests without that provision of the treaty. That is all it indicates, is it not?

Mr. BALDWIN. Yes.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. BALDWIN. I yield.

Mr. DONNELL. Does the Senator believe that there is any certainty whatsoever that France would ever consent to Germany being integrated with the west under this treaty? As bearing on the validity of the argument of the junior Senator from New York [Mr. DULLES] as to the great advantage of the treaty from the standpoint of the integration of Germany, does the Senator believe, considering the history of France, the Alsace-Lorraine chapter and other chapters of the history of France with which the Senator is so familiar, that there is any certainty whatsoever that France would ever consent to Germany being integrated, within the meaning that she will be brought in under this treaty?

Mr. BALDWIN. There is no certainty; but the representatives of 10 nations may say to France, "Are you going to continue this Alsace-Lorraine question indefinitely? Is it not time to try to settle it? Here is a vehicle through which we can do it. Is not now the time to get Germany in under the treaty, and commit her to the provision that she, along with us, will take steps to prevent war and aggression in the Atlantic area?" It seems to me that is a desirable thing to do. The fact that 10 out of 11 nations are urging upon the eleventh a particular proposition would be a most helpful thing. That is one of the possibilities.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. BALDWIN. I yield.

Mr. DONNELL. The Senator had an interchange with my distinguished colleague from Missouri [Mr. KEM], whom I am proud indeed to know is also opposed to the ratification of the treaty, along the lines that the treaty is a military alliance. I understand the respective views suggested by the two Senators. I ask whether the Senator from Connecticut was present on June 11, 1948, when the Vandenberg resolution was adopted by a vote of 64 to 4.

Mr. BALDWIN. My recollection is that I was; I think my name is included in the vote, as voting for it.

Mr. DONNELL. Very well. I ask the Senator also whether in the CONGRESSIONAL RECORD for June 11, 1948, he observes at page 7805, this question by the Senator from Vermont [Mr. FLANDERS]:

> Still, do not those three paragraphs envisage the possibility of some relationship with the so-called western union which will be of a military nature?

And that on the next page the Senator from Michigan [Mr. VANDENBERG] responded:

> It envisages any arrangement which is to the mutual aid of any group of peace-loving states in whatever fashion they may conceive it to be to the advantage of peace and security, and our relationship to it is subject to our decision on the same basis in respect to our national security and welfare. That decision will have to be justified by a two-thirds vote of the United States Senate in approving a treaty.

Mr. BALDWIN. That is correct.

Mr. DONNELL. That is a very broad statement that it—meaning the resolution, I assume—envisages any arrangement which is to the mutual aid of any group, and so forth.

Now I call attention to page 7792 of the CONGRESSIONAL RECORD for June 11, 1948, where the distinguished Senator from Michigan had this to say:

Pending this blessed outcome, it is inevitable that related questions of physical security should arise. This results and has resulted in immediate speculation abroad and at home regarding our American role in this collective-security base. The pending resolution is the responsible answer, so far as Congress can presently foresee. It declines automatically military alliances. It declines all peacetime renewals of the old, open-ended lend-lease formula. It declines unilateral responsibility for the fate of western Europe. It is none of those things; it is the exact opposite.

Does the Senator from Connecticut observe that statement by the distinguished Senator from Michigan?

Mr. BALDWIN. Yes.

Mr. DONNELL. In connection with the presentation of the case for Senate Resolution 239, I wonder if the Senator from Connecticut recalls whether the distinguished Senator from Michigan, in addition to the response he made to the distinguished Senator from Vermont [Mr. FLANDERS], said anything that is in any sense a contradiction of his statement that—

It declines automatically military alliances.

Does the Senator from Connecticut note that there is anything else in the observations of the Senator from Michigan on that occasion that in any sense contradicts that statement?

Mr. BALDWIN. My answer is that if the Senator from Missouri wishes to say that I see in this pact merely a military alliance, I suppose it is possible to say that it is a defensive military alliance. But I think what the Senator from Michigan meant at that particular time—and he went on to state other phases of the matter—is that what we are thinking about there is not that which is merely a military alliance alone; it is something more than that.

Mr. DONNELL. It is that and more?

Mr. BALDWIN. Yes; it is that and more.

Mr. DONNELL. That and more?

Mr. BALDWIN. Yes; that is the least part of it.

Mr. DONNELL. In other words, the North Atlantic Treaty is a military alliance and more; is that the Senator's view?

Mr. BALDWIN. The treaty brings together a group of nations who, in the event of an attack, agree to throw in their military resources as may be decided by them for the defense of the area. So it is a military pact and a highly desirable one.

Mr. DONNELL. Does the Senator concede that it is a military alliance?

Mr. BALDWIN. I think it might be called that in a limited sense.

But the Senator from Michigan further said:

It declines all peacetime renewals of the old, open-ended lend-lease formula.

There is no commitment that we shall give anyone anything. I note that my distinguished friend has borne upon that point very heavily throughout his arguments, but I do not share his view as to that.

The Senator from Michigan also said on that occasion:

It declines unilateral responsibility for the fate of western Europe.

It does; yes. All of us are trying to get together to preserve peace in western Europe, because twice in our lifetime we have seen what a war in western Europe can do to us.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. BALDWIN. I yield.

Mr. DONNELL. Did the Senator from Connecticut hear the distinguished senior Senator from New York [Mr. IVES] read to the Senate earlier today a letter from the Honorable Henry L. Stimson?

Mr. BALDWIN. Yes.

Mr. DONNELL. Does the Senator from Connecticut recall that in the course of that letter Mr. Stimson said:

Some have argued that the treaty commits us to military aid which we may not wish to give. I cannot understand this argument. We are committed, if we ratify the treaty, to a policy of self-help and mutual aid. This means that we shall be committed to give military assistance whenever we honestly recognize that the common purpose of the treaty requires such assistance.

Mr. BALDWIN. Yes. Let me say that one of the common purposes of this treaty is our own security, our own protection, our own interest in peace. When we see that threatened, we are going to take action; and we are going to take it, treaty or no treaty, are we not? We always have in the past.

Mr. DONNELL. I would judge that we have, and that we should take whatever action is desirable in the interest of our country, but not the action under some set of circumstances which may arise in the next 20 years, and beyond our control, by which we shall be forced by contract to act, regardless of what our desires may be.

Mr. BALDWIN. Let me say that I do not think the language of the former Secretary of State and former Secretary of War, Mr. Stimson, is at variance with anything in the treaty.

Mr. DONNELL. I do not either.

Mr. BALDWIN. Because he limits it by the proviso.

Mr. DONNELL. Yes. In connection with the part of Mr. Stimson's letter which I have just read—

This means that we shall be committed to give military assistance whenever we honestly recognize that the common purpose of the treaty requires such assistance.

I say, of course, we are committed. There can be no question about it. Under article 5, whenever we honestly find that conditions require it, we are required to give assistance. In addition, under article 3 there is a distinct, definite, specific obligation that—

The parties, separately and jointly, by means of continuous—

In other words, uninterrupted—

and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

That is what article 3 says; is it not?

Mr. BALDWIN. That is correct.

Mr. DONNELL. Does the Senator recall that in this morning's New York Times there is an article, which I now show him, in which it is said that Moscow accuses Italy under the pact?

Mr. BALDWIN. Yes.

Mr. DONNELL. I call attention to this portion of the Russian note:

"The aggressive nature of the North Atlantic Pact," the Russian note said, "is expressed in the extensive military measures that are being carried out by its participants for the increase of their armed forces and armaments, for the creation of an extensive network of air and naval bases, for preparation to utilize atom weapons, and so forth."

That is what it says, is it not?

Mr. BALDWIN. That is correct.

Mr. DONNELL. I want to repeat seriously at this point what I have said several times—certainly once—on the floor. I do not claim this is an aggressive pact; but I submit to the Senator and ask his comment on this question: Is it not thoroughly consistent with the argument I made on the floor of the Senate, as best I could, that Russia may regard it as aggression when she sees this "creation of an extensive network of air and naval bases, for preparation to utilize atom weapons, and so forth," unified under the action of a council, and unified under various articles of the treaty? Is it not entirely probable that just what Viscount Grey pointed out happened between Germany and Italy may result, namely, that Russia will say, "We had better not allow these 12 nations to build themselves up with all this network, which they are telling Italy now is going to be 'an extensive network of air and naval bases, for preparation to utilize atom weapons, and so forth' "?

Is it not, in the Senator's opinion, entirely probable, whether we agree with her or do not agree with her, that Russia, as she looks the matter over from her standpoint, as she sees all these extensive preparations going on, sees billions of dollars being expended on war matériel, sees air bases in Norway, Denmark, and elsewhere on down the line—is it not entirely probable that, instead of causing Russia to like it and say, "We are going to have peace on earth, good will toward men, from now on," Russia will say, "We had better protect ourselves, and we will build up our military strength to keep it at least equal with or perhaps greater than the strength of the 12 nations," and thus precipitate again the very situation that Viscount Grey pointed out as a thing which brought about World War I? Does not the Senator agree with that?

Mr. BALDWIN. I comment on that by simply asking, Did the Senator for one single moment ever think the Russians were going to agree to this, that they were going to like it, that they were going to approve it? I never did.

Mr. DONNELL. Nor did I.

Mr. BALDWIN. I shall vote for the pact regardless of what the Russians think about it, because it is for our own protection.

Mr. DONNELL. I too shall cast my vote regardless of whether Russia likes it or not.

Mr. BALDWIN. That is the way I feel about it. In the second place, the Senator has talked about billions of dollars for defense and air bases in Norway, Denmark, and elsewhere. Of course, that may ultimately come. The treaty makes it possible. It opens a possible avenue for that, but it requires another decision on the part of the signatories to the treaty, through the Council. It requires another decision on the part of the Congress of the United States. But it seems to me, if we are going to say we shall not take any measures for our own mutual protection, for instance, to keep France on our side, because our intentions may be misinterpreted, and deliberately misinterpreted, by some nation, then it means we are going to lie down supinely and say nothing and do nothing for our defense, because some other country may not like it. I do not think that has ever been the American attitude. We must expect, therefore, some criticism of this kind; and of course we are getting it. Let me say, further, that any nation that assumes this is a direct threat to them, in order to entertain that assumption, has got to say, "It is a direct threat to us, because they think we are going to be an aggressor." And it is a threat to them, if they are going to be an aggressor; and that is what the treaty is for. That is the main purpose of it. So I say that Russia in her attitude is very well giving us cause to believe that she does not like this thing, because possibly she had some intentions in this particular area. So I do not know why we should not, for our own protection and our own security, take action with other nations, while they are yet free to take action themselves independently, for our own mutual protection of the whole area. Perhaps we shall arrive at a stalemate which will make possible the ultimate solution of the whole thing on a peaceful basis.

Mr. DONNELL. Mr. President, will the Senator yield for one final point?

Mr. BALDWIN. I yield.

Mr. DONNELL. I want to say, first, of course, neither the Senator nor I would be governed in our vote by what Russia wants or likes. We would be governed by what we think is best for the interests of the world and best for the interests of America. But I should like to ask the Senator whether he does not agree, in view of the expression by Russia in this morning's newspaper, that instead of this merely causing Russia to crawl into a corner and say, "From now on we are not going to do a thing in the world, we are going to quit military armament, we are not going to do anything toward arming ourselves," it is perfectly obvious that Russia is very apt to take directly the contrary position, such as was taken by Germany and England before the World War, and build up her armaments, so that, as has resulted from almost if not every military alliance in the history of the world, we shall have an arms race between contending nations? Is not that perfectly reasonable to suggest?

Mr. BALDWIN. That is reasonable to suppose. But the other side of the thing is, if we do nothing about this, are we not entirely in our rights minds when we assume that Russia ultimately will move into western Europe with her techniques and take over all western Europe, build up the whole area against us, and leave us all alone, free and independent, in glorious isolation, and in an impossible position?

Mr. NEELY. Mr. President, will the Senator yield?

Mr. DONNELL. Just a minute. The Senator has asked me a question, whether I do not agree that Russia would move into western Europe, if we do not go into this treaty. I do not agree with that at all. I think the United States of America is amply able to let the world know where she stands, without tying herself up for 20 years in the quarrels and difficulties and controversies of 11 other nations.

The final point, Mr. President, is, if the Senator will yield for this one final question——

Mr. BALDWIN. I yield.

Mr. DONNELL. In a monograph entitled "A Brief Study of Treaties of Alliance," by Mr. Halford L. Hoskins, Senior Specialist in International Relations of the Legislative Reference Service, Library of Congress, issued in 1949, there appears the following statement:

> The motives and purposes that bring sovereign states into alliance are never uniform for all members of the pact. Consequently, one member or another of an alliance formed originally for defensive purposes may not infrequently employ the relative security supplied by the joint association to pursue unworthy objectives which could not safely be undertaken from an isolated position.

Does the Senator agree with that observation?

Mr. BALDWIN. I think that is a possibility; yes.

Mr. KEM and Mr. NEELY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Connecticut yield; and if so, to whom?

Mr. BALDWIN. I think the Senator from Missouri was on his feet first. I therefore yield to him.

Mr. KEM. Mr. President, I ask the Senator from Connecticut whether he did not make some reference to the treaty between Great Britain and Russia in connection with his colloquy with the senior Senator from Missouri, and if so, what that reference was?

Mr. BALDWIN. I understood the treaty between Great Britain and Russia was a defensive treaty as against Germany. That may or may not be true.

Mr. KEM. That is, against Germany alone?

Mr. BALDWIN. I understand that to be the fact. It may or may not be. I frankly say I am not completely informed on the subject.

Mr. KEM. I ask the Senator whether these are not provisions of that treaty, reading from article 3 and a portion of article 4, of part 2:

> PART II
>
> ARTICLE III
>
> (1) The high contracting parties declare their desire to unite with other like-minded States in adopting proposals for common action to preserve peace and resist aggression in the postwar period.
>
> (2) Pending the adoption of such proposals, they will after the termination of hostilities take all the measures in their power to render impossible a repetition of aggression and violation of the peace by Germany or any of the States associated with her in acts of aggression in Europe.
>
> ARTICLE IV
>
> Should one of the high contracting parties during the postwar period become involved in hostilities with Germany or any of the States mentioned in article III (2) in consequence of an attack by that State against that party, the other high contracting party will at once give to the contracting party so involved in hostilities all the military and other support and assistance in his power.

In other words, is it not true that the treaty is directed not against Germany alone, but rather against Germany or any of the states associated with her in acts of aggression in Europe?

Mr. BALDWIN. Yes; that is correct.

Mr. KEM. That would include Italy; would it not?

Mr. BALDWIN. That would include Italy; yes.

Mr. KEM. Can the Senator be surprised that the Russians are rather restive as to their position when they see Great Britain, Italy, and the United States entering into a military alliance of a somewhat similar character?

Mr. BALDWIN. I may say to my distinguished friend, the possibility of Italy engaging in a war of aggression at this particular stage of history to me is nothing short of ridiculous. If the Russians are going to be afraid of this alliance because Italy is in it and Italy might pursue a policy of aggression against Russia, I think they are merely raising up a ghost.

Mr. KEM. The Senator will agree, will he not, that there is necessarily a complication when we find Great Britain to be in a military alliance with Russia on the one hand and in an alliance with the United States and Italy, directed against Russia, on the other?

Mr. BALDWIN. The treaty between Great Britain and Russia is supposed to be a nonaggression treaty. It is supposed to be a treaty to promote peace. So is the Atlantic Pact a treaty to promote peace. They have a common objective. I do not see anything inconsistent in Great Britain's being a member of the pact with Russia and also being in the North Atlantic Pact. As a matter of fact, there is an express provision in the North Atlantic Pact which makes such a thing possible. There is a recognition on the part of those who negotiated the Atlantic Pact and those who signed it that some of the nations signatory to it might probably have some other commitments in some other directions. To avoid possible difficulty and misunderstanding which might arise from no mention of that possibility, such a provision has been included in the treaty.

It seems to me that if Great Britain binds herself by an agreement with Russia to preserve peace, and then binds herself by an agreement with us and other nations which are signatories to the pact to preserve peace, those two objectives are not entirely inconsistent.

Mr. KEM. Is it not true that the North Atlantic Pact is directed against Russia? Certainly the speech of the senior Senator from Michigan [Mr. VANDENBERG] would lead one to believe that, would it not?

Mr. BALDWIN. I would answer that question by saying that the attitude of Russia has made the North Atlantic Pact essential for security, protection, and peace within the Atlantic area. It is not a threat to Russia. It is a treaty which Russia, by her conduct, has made necessary for us to undertake for our own protection.

Mr. KEM. So it is fair to say that it is directed against Russia, is it not?

Mr. BALDWIN. I do not think so at all. As I said in my address, any nation which wants to take offense against this particular treaty must admit that it intends to be an aggressor, because the treaty has no application except against aggression. If any nation in the world wants to take offense, it can do so, because it must be thinking about or must have some intention of possible aggression.

Mr. KEM. Is not the Senator thinking of Russia as a possible aggressor?

Mr. BALDWIN. I shall answer that by saying that I think this pact is desirable and necessary because of the Russian attitude. It started off on the theory that if we could not get every nation in the United Nations to reach unanimity, then we could get certain members of it, a smaller group, perhaps, to reach unanimity. That is what is attempted by this pact.

Mr. KEM. The Senator does not find any inconsistency in the fact that we are asked to join in a military alliance with Great Britain and Italy against Russia, despite the fact that Great Britain is already in an alliance with Russia directed against Italy.

Mr. BALDWIN. No; I do not find anything inconsistent in that, because the main objective of both agreements, apparently, if they mean anything at all, if language expresses thoughts accurately and correctly, as we must assume this language does, is to enter into a treaty in an effort to preserve peace, in an effort to prevent aggression. Apparently Great Britain and Russia entered into their agreement for the same purpose. What their underlying motive may be, only experience can demonstrate.

Mr. KEM. Do not diplomats sometimes use language for the purpose of concealing thought?

Mr. BALDWIN. Yes. I like to swim, but merely because some persons are drowned when swimming it does not mean that I necessarily should remain away from the water. Because sometimes men break their agreements it does not mean that it is not desirable to have a contract in writing. The courts are filled with efforts to sue persons who have broken agreements. I suspect that in years to come there will be treaties made and treaties broken. I do not think we can give up the whole thing, because in the past some treaties have been broken, and say they are a futile thing. In the past there have been some significant instances of treaties having been kept, and their effectiveness has been a great thing for the world. Unquestionably, one of the outstanding nations which have kept treaties in the past is the British Nation. In an effort to uphold a treaty she has gone to war when the peace was threatened. On Great Britain's record, I would have some hesitancy in saying that she is going to break this treaty simply because of an agreement with Russia.

Mr. KEM. Did not the people of the United States and the people of other countries, when we entered into a compact to create the United Nations, make it known that we and they intended to abandon the doctrine of the balance of power and the practice of forming military alliances? Did we not say to the world that we were entering into a new era? Did we not establish the United Nations with the intention of giving up those things which we had weighed in the balance and found wanting?

Mr. BALDWIN. That was our hope, and it still is our hope. Simply because we have been unable to achieve it on the broad basis which was first attempted does not mean that we shall not achieve it on a smaller basis.

Mr. KEM. The Senator has been very patient, and I imagine he is getting a little bit hungry by this time——

Mr. BALDWIN. The only thing I am thinking of is that perhaps other Members of the Senate would like to speak on this question.

Mr. KEM. I should like to ask the Senator only a few more questions. Does not the treaty of alliance between Great Britain and Russia go further than a mere military alliance directed against Germany and other powers?

Mr. BALDWIN. Does the Senator mean, directed against Russia?

Mr. KEM. No. I am speaking of the existing alliance between Great Britain and Russia, and I am asking the Senator if it does not go further than a military alliance directed against Germany and the powers which have been associated with her? I invite the Senator's particular attention to article 6 of the treaty——

Mr. NEELY. Mr. President, will the Senator yield for a point of order?

Mr. KEM. I yield.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. NEELY. Mr. President, eight Senators who have not spoken on the subject matter of this debate are waiting for an opportunity to be heard. If speakers continue to yield for more than very brief questions, they will thereby render it impossible for half those on the present waiting list to obtain recognition. The able Senator from Connecticut expected to speak for 15 minutes. He has been on the floor more than an hour and he will be kept on his feet until midnight if the present procedure is continued. I beseech Senators who have spoken for hours on the pending question to refrain, as a matter of common courtesy, from consuming further time in debating their interruptions in order that, on this last day of unlimited debate, those who have not yet been recognized may have a chance briefly to state their reasons for supporting or opposing the ratification of the very important North Atlantic Pact. If this suggestion is not accepted, I shall, during the rest of the day, make a point of order against a Senator's yielding to anyone for any purpose other than that of asking a question.

Mr. KEM. Mr. President, I should like to say to the Senator from West Virginia that he is unduly concerned. I have no intention of continuing my interrogatories very much further. I may also say to him that I do not know to whom he is referring when he speaks of the Senators who have spoken for hours on this subject. I myself spoke on the day before yesterday for approximately 20 minutes. As I recall, I have not raised my voice otherwise in this debate, except perhaps to ask a few questions.

Mr. NEELY. Mr. President, I was thinking particularly of the Senator's distinguished colleague from Missouri [Mr. DONNELL], who was asking questions when I came into the Chamber. I happen to know that 2 or 3 days ago he discussed the pending question for more than 3 hours. He spoke with his usual ability and sincerity. I do not mean to be critical of him or any other Senator. I am simply seeking sufficient forbearance from those who have been heard at length to enable a number of Senators who have long been silent to impress a few of their illuminating thoughts upon the imperishable pages of the CONGRESSIONAL RECORD.

The PRESIDING OFFICER. The Chair will rule out of order further discussion of this matter. The Chair is quite sympathetic with the request made by the Senator from West Virginia, and, after this argument, the Chair will give notice that the strict rules of parliamentary procedure shall prevail in the remaining discussion, so long as the present occupant of the chair shall preside.

Mr. BALDWIN. Mr. President, I had a prepared address which required approximately 15 minutes. I started to speak, as I recall, at approximately 20 minutes of 1. It is now 2 o'clock. So I have occupied the floor an hour and a half. That does not seem to me to be an unusually long time. On prior occasions I have asked one or two questions, and I assumed the Senator would have an opportunity to address himself to this subject. I was scheduled to speak yesterday, and my address was prepared. It was unfortunate that we had to adjourn immediately after meeting. There certainly was no effort on my part, or on the part of either one of the Senators from Missouri, unnecessarily to prolong the debate. I should like to submit that I have noted that on each occasion when the colloquy was continued it was inspired by what seemed to me to be a perfectly proper question.

I can understand the apprehension of my distinguished friend from West

Virginia, but I have heard him make some lengthly speeches on this floor, incidentally some very good and entertaining ones. I shall bring my remarks to an end just as quickly as I can. If a Senator asks me a question, I feel in duty bound to attempt to answer it.

Mr. NEELY. Mr. President——

The PRESIDING OFFICER. The Chair has ruled out of order any further discussion. The Chair desires to make it clear that he is not criticizing any Senator, but he has been handed by the Minority Leader a list of eight additional Senators, one of whom, by the way, is the Senator from West Virginia, who have expressed a desire to be heard on the pending matter. Therefore, without criticism of any Senator, the Chair, so long as the present occupant continues to preside, will strictly enforce the rule, upon the conclusion of the address of the Senator from Connecticut.

Mr. BALDWIN. The Chair is absolutely correct.

Mr. KEM. Mr. President, will the Senator from Connecticut yield?

Mr. BALDWIN. I yield for a question.

Mr. KEM. I should like to ask the Senator if article 6 of the treaty between Great Britain and Russia does not contain this provision:

> The High Contracting Parties agree to render one another all possible economic assistance after the war.

Mr. BALDWIN. It does contain that provision. I think it should appear in the RECORD that that treaty was concluded on the 26th day of May 1942, when Great Britain was having an extremely difficult time to protect and defend herself.

Mr. KEM. Will the Senator tell us the length of time contemplated by the treaty?

Mr. BALDWIN. That I do not know. I have not examined it as to that detail.

Mr. KEM. Is not this the provision in that regard:

> Part II of the present Treaty shall remain in force for a period of 20 years. Thereafter, unless 12 months' notice has been given by either party to terminate the treaty at the end of the said period of 20 years, it shall continue in force until 12 months after either high contracting party shall have given notice to the other in writing of his intention to terminate it.

Mr. BALDWIN. That is the provision of the treaty.

Mr. KEM. Then I should like to ask the Senator whether he will be kind enough to examine the address of the Right Honorable Ernest Bevin, Secretary of State for Foreign Affairs of the United Kingdom, on April 4, 1949, at the time of the execution of the North Atlantic Treaty, and with particular reference to the portion to which I now invite his attention. Will the Senator be kind enough to read that into the RECORD?

Mr. BALDWIN. It reads:

> Although this pact is called the Atlantic Pact and is defined as covering the Atlantic area, I must repeat what I stated recently in the British House of Commons, that it does not minimize either our interest in or determination to support others not included in this pact, with whom we have had long years of friendship and alliances.

Let me say to the Senator from Missouri, in answer to his question, that it seems to me that there is an express provision in the pact itself which admits of this particular language and this particular thought, because, of necessity, when these nations sign this pact, they must recognize such obligations as they were under by prior agreements with other nations, and this is an express provision to take care of that.

Mr. KEM. The Senator interprets that language to mean that Mr. Bevin recognized that?

Mr. BALDWIN. Yes, and I think he should. In other words, that simply says, to me, that the signing of the Atlantic Pact does not ipso facto terminate every other agreement we might have with any other nation in the world.

Mr. KEM. I thank the Senator from Connecticut for his courtesy, and the Senator from West Virginia for his forbearance.

Mr. HUMPHREY obtained the floor.

Mr. DULLES. Mr. President, will the Senator yield for an insertion in the RECORD?

Mr. HUMPHREY. I shall be glad to yield for the purpose of an insertion, so long as I do not lose my right to the floor.

Mr. DULLES. Mr. President, I have prepared a brief memorandum dealing with the question of the relationship between the North Atlantic Treaty and the treaties which were made by the United Kingdom and by France with the Soviet Union. I ask unanimous consent to have the memorandum inserted in the RECORD at this point.

The PRESIDING OFFICER. As a part of the Senator's remarks?

Mr. DULLES. Yes.

The PRESIDING OFFICER. Without objection, consent is granted.

The memorandum is as follows:

> Some of the opponents of the North Atlantic Treaty call our attention to the treaties of alliance which Great Britain and France made with the Soviet Union during the course of the war against Germany. These treaties provided for joint prosecution of the war, for cooperation with others for peace, and they provided also that the parties "will not conclude any alliance and not take part in any coalition" directed against the other.
>
> It is argued that this last clause means that Britain and France are now precluded from any collective action to resist armed attack by Russia. If they themselves are attacked, each, it is contended, must defend alone, because to have allies would involve a "coalition" against Russia. If others are attacked, they must sit idly by for, to join in collective defense, would involve a "coalition."
>
> It should not easily be assumed that Great Britain and France have bound themselves to results both so immoral and suicidal. There is, in fact, no warrant for these conclusions.
>
> The argument that Britain and France are now precluded from participating in organized self-defense against Russia ignores the fact that the right of individual and collective self-defense is an inherent right. It is not a right that needs to be expressly reserved, it is not a right that can be waived by implication, and it is doubtful if it can be waived at all.
>
> That is the position that the United States has heretofore taken. When we negotiated the Kellogg-Briand Pact for the renunciation of war as an instrument of national policy, we did not think it necessary to write into the text of the pact a reservation of the right to fight in self-defense if attacked. Our view was that that inherent right of self-defense was not waived by the general and all-inclusive renunciation of the covenant. When we waged war against Japan, Germany, and Italy we were textually violating the Kellogg-Briand Pact. But we were exercising an inherent right of self-defense that in our opinion the pact had not waived.
>
> If the United States felt it unnecessary, in the Kellogg-Briand Pact, to spell out the inherent right of self-defense, it was hardly to be expected that such a reservation, with its public implication of distrust, would have been spelled out in treaties made by allies who at the time were fighting together desperately a war for survival. That would have been highly inappropriate and it was unnecessary because the right, being inherent, did not need to be spelled out.
>
> When it came to drawing up the United Nations Charter, the United States delegation thought it useful to have all the parties recognize by the Charter that individual and collective self-defense was an inherent right, not waived by such unqualified language as the provisions of article 2 (4) of the Charter, requiring all the members to "refrain * * * from the threat or use of force." The recognition of the inherent nature of the right of individual and collective self-defense was contained in article 51 of the Charter.
>
> The Soviet Union, by becoming a party to the Charter, has unreservedly accepted the view that there is an inherent right of collective self-defense, and it has acted accordingly. It has itself made a network of so-called "defensive" pacts which would certainly involve a "coalition" against Britain or France should either attack Russia or one of its satellites. Obviously, it does not consider that such collective defense arrangements violate its treaty with England or France.
>
> In March of last year both the United Kingdom and France joined with Belgium, the Netherlands, and Luxemburg in a treaty for collective self-defense under article 51 of the Charter of the United Nations. They bound themselves to give "all the military and other aid and assistance in their power" in the event that, for example, the Soviet Union should attack the Netherlands or Belgium. I am informed by the Department of State that, so far as it is aware, the Soviet Union has never suggested that that arrangement violated the war treaties of Great Britain or France with the Soviet Union.
>
> The Soviet Union has taken the same position as regards the North Atlantic Treaty. It does not challenge the right of Britain and France to enter into collective arrangements that are defensive. It does assert—indeed, it reasserted yesterday—that the North Atlantic Pact is "a military grouping of states which is of an aggressive nature and directed against the Soviet Union and countries of the Peoples' Democracy."
>
> The issue is thus very simple. If the North Atlantic Treaty is, as it purports to be, an arrangement for collective self-defense, then it is not inconsistent with the French and British treaties. Even the Soviet Union does not make that claim. Only if the North Atlantic Treaty is an "aggressive" or "offensive" arrangement would it violate those treaties, and in that event it would equally violate the Charter of the United Nations and the obligations of the United States under it.
>
> The argument against the North Atlantic Treaty, based upon the British and French

treaties with Russia, is not a new and independent argument. It is the old argument, dressed in new clothes, that the North Atlantic Treaty is not in reality a defense arrangement made in pursuance of the inherent right of collective self-defense.

It should also be noted that if the British and French treaties had, in fact, bound the signatories to neutrality in the event that one of them engaged in armed aggression, that undertaking would have been abrogated by the United Nations Charter. The basic theory of that Charter is that there is no more neutrality as against aggression, and that the members have the duty, and under certain circumstances, the obligation, to act to resist aggression.

That Charter could not work if three of the five so-called great powers had a private arrangement among themselves to stay neutral so that one of them could more safely attack others. Such an arrangement would be violative of the international morality and public policy established by the United Nations Charter and it would have been abrogated by article 103 of the Charter which provides that "In the event of a conflict between the obligations of the Members of the United Nations under the present Charter and their obligations under any other international agreement, their obligations under the present Charter shall prevail."

The argument that the United Kingdom and France are disqualified by wartime treaties with Russia from participating in collective self-defense is so bereft of merit that it illustrates the hard plight of those who feel they must conjure up arguments against the North Atlantic Treaty.

Mr. HUMPHREY. Mr. President, I do not intend to take a great deal of the time of the Senate. However, I do wish to indicate my support of the North Atlantic Treaty. I wish to join with my distinguished colleagues in this body who have already pledged their unqualified support of the North Atlantic Treaty. A careful examination of its provisions has convinced me that this treaty, now awaiting ratification, clearly falls within the framework of the Charter of the United Nations. Equally important is the fact that if its provisions are carried out in good faith by all concerned this pact can indeed be the most important force in modern history on behalf of peace and justice for all the peoples of the world within the framework of the United Nations.

The heart of the treaty is article 5, which is based upon the right of individual or collective self-defense, as recognized under article 51 of the Charter of the United Nations. Article 5 of the pact further provides that any measure so taken shall immediately be reported to the Security Council, and that such measures shall be terminated "when the Security Council has taken the measures necessary to restore and maintain international peace and security."

Thus, the signatories of the Atlantic Pact exercise the right of collective self-defense under the Charter of the United Nations; and in harmony with that Charter, they will terminate these measures of self-defense when the Security Council takes over and does the job.

Mr. President, I submit that not only is this treaty within the framework of the United Nations Charter, but it operates to give that organization the strength and support which it so sorely needs at the present time.

Article 7 is a further recognition of the priority of the United Nations by providing that the treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of United Nations members under the Charter, or the primary responsibility of the Security Council in the maintenance of international peace and security.

In view of the foregoing, no peaceful nation need have any fear with respect to either the intentions of the signatories of the pact or its effect upon the United Nations. This treaty is calculated to add stability to a portion of the world; and we must never forget that in a world in which all are so gravely affected by events which occur in any particular part thereof, any measures which tend to and actually do increase the stability in one part of the world, should add to the stability of the whole.

We are all aware, Mr. President, that the effect of any engagement among nations is determined as much by the manner in which it is carried out, as by the wording of the agreement. The drafters of the pact have brought it clearly within the framework of the Charter of the United Nations. Whether or not, in actual operation, it will strengthen or weaken the United Nations, depends largely upon the manner in which it is carried out. It would be impossible for the drafters of the language of the pact to foresee every contingency which may arise. Its future is dependent largely upon the good faith of its signatories, and above all, upon the intentions and actions of the United States.

Thus, it is of the utmost importance that the signatories to the pact do not consider themselves as members of an exclusive group, honor-bound not to criticize publicly actions of other signatories which contravene either the letter or the spirit of the Charter of the United Nations. Such action would not only result in a failure of the pact to strengthen the United Nations, but might well tend so to weaken that organization as seriously to impair its effectiveness.

Therefore, I take it that it is the intention of our Government—and I have come to this conclusion after a careful reading of the report of the Foreign Relations Committee—as well as that of the other signatories, to be ever watchful that the United Nations obligations of all concerned are faithfully fulfilled at all times. Thus, Mr. President, I feel justified in assuming that our Government will be equally severe with respect to signatories and nonsignatories of the pact who follow a policy inimical to the United Nations. In this connection, I should like to emphasize that our Government must be ever watchful to prevent the birth of a system of consultation which would rival the United Nations Security Council or the Assembly. Article 7 of the pact reassures all members of the United Nations that the United Nations comes first in the international system and that the Security Council has the primary responsibility for the maintenance of international peace and security.

Mr. President, twice in our lifetime American men and American women have fought in western Europe in order to safeguard the independence of those nations whose institutions and whose citizens played such an important role in the founding of our Republic. We emerged victoriously from battle only to see our dream of a just and peaceful world shattered after World War I because of our failure to unite in a practical policy designed to achieve those of a just and enduring peace. I refer Mr. President, to our failure to join the League of Nations. I refer to our failure to join with France and England in a treaty after the end of World War I, a treaty which was offered, but which we turned aside. Today, after World War II, the achievement of a free world and a just and enduring peace hangs in the balance.

We cannot afford to risk another world conflagration as a result of our default in failing to provide a positive policy and the necessary leadership and initiative by which to effectuate that policy. History has taught us the bitter lesson that a policy of containment alone is sheer folly in the modern world. The policy of containment is at best a stopgap temporary measure which has afforded us time to muster our forces and properly to appraise the troubled world situation in which we find ourselves. Containment is not enough. Containment is defensive. The time has arrived for the diplomacy of democracy to move on to the offensive. The principles of democracy are universal; they apply to all people. The moral obligations of the Charter of the United Nations compel us to recognize the oneness of humanity and the living fact of one world. We cannot write off the liberties of those who have been victimized by the enslavement of totalitarianism. Merely to contain the aggressive power and the imperialistic ambitions of those who would engulf the world with their totalitarian ideology is to default on our responsibilities for achieving the goal of a world based upon law and order, and the realization of a just and enduring peace. Yes, it is time that the foreign policy of this Nation be geared to the achievement of respect for human rights and international order as required by the obligation of the Charter of the United Nations. We have had the beginnings of such a policy in the Voice of America, and the United Nations International Children's Emergency Fund, in the International Refugee Organization and the other United Nations organizations. These efforts have proved their effectiveness. The expansion and development of this positive democratic world policy is underwritten and guarded by the ratification of the North Atlantic Pact.

In other words, Mr. President, before the foreign policy of this Nation, or before the objectives and the ideals of the policy of the United Nations would be effectuated we must be sure of our ground, we must be sure in the realization that our strength is properly organized so as to assure our defense against any potential aggressor or any force that would stop the march of the humanitarian principles which are embodied in the Charter of the United Nations, and which are the foundation of

the foreign policy of the United States. A positive foreign policy that places us on the offensive is only possible when we are sure of our ground and secure in the knowledge of overwhelming power and defensive strength. The American spirit and tradition of progress and growth of freedom and opportunity compel us to move forward from a defensive policy of containment into the diplomatic offensive of democratic, humanitarian emancipation.

I make this reference to containment, because I am afraid that somehow or other we are getting ourselves into the frame of mind that we can write off a certain section of the world as belonging under the sphere of influence of someone else. Frankly, Mr. President, that means two worlds. It is my humble opinion, though it may be a very idealistic opinion, that in the great struggle which is now going on in the postwar era we have to resolve that the freedom of the people of Poland is important, the freedom of the people of Czechoslovakia is important, the freedom of the peoples of the Balkans and of Central Europe is important. The freedom of all people everywhere is essential to the peace of the world. Yes, this is a vital part of the moral obligations of our commitments to the Charter of the United Nations and to our belief, our sincere belief, in democratic principles.

Mr. President, I look upon the North Atlantic Pact as one of the steps that gives us an opportunity to be sure of our strength, confident in our power to be able to carry forward by these peacetime means a type of democratic diplomatic offensive which I believe we long ago well ought to have undertaken. As we enter into that kind of a diplomatic offensive we will find that we are doing great good for the cause of an enduring peace.

We can no longer afford to have our foreign policy made in Moscow. We must take affirmative action designed to insure collective security based upon peace and justice. We can no longer afford to have a foreign policy which has more or less the aspects of a fire department merely putting out the conflagration. We must take affirmative action designed to assure collective security based upon peace and justice. We must, by our own actions, our own example, our own policies here and abroad, contribute to the formulation of a world order that is not subject to the outbursts of violence, war, and depression. We must seek the loyalty of people the world over to the eternal truths of the democratic faith. We must reassure those who already have accepted democratic principles that we join with them in their defense and their future.

Mr. President, I may say, digressing for a moment, that during the 1930's some of the people in Europe who are today most critical of this type of an alliance, or pact, were the very people who were proposing a similar type of alliance or pact against the aggressive forces, the totalitarian forces, of nazism. They were the very same people. I recall that in the 1930's the distinguished representative of the Soviets in this country, Maxim Litvinov, was saying to the world, "What we need is collective security." That was collective security against the menace of the totalitarian, barbarian philosophy of nazism. At least in my mind, nazism and communism, in their materialistic and totalitarian aspects, are twin brothers.

Mr. TAYLOR. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. TAYLOR. The Senator says that they were asking for alliances at that time. However, it is true, is it not, that there was no United Nations at that time?

Mr. HUMPHREY. It is true that there was a League of Nations at that time. It is to the eternal discredit of this country that we were not a part of the League of Nations, but there was the League of Nations, and the League of Nations proved its ineffectiveness, because the major power of the world was outside its scope. What I think is important to recognize is that as early as 1933, 1934, and shortly after 1937, the political leaders of the world realized that the only way there could be peace against any type of aggressive power, wherever that power might be, was for those who wanted to live in peace to be joined together by bonds and commitments, so as to have a clear understanding in the minds of the people of the world that freedom-loving people would not be pushed around, but would stand together in any crisis. I believe it has been proved quite clearly that one of the reasons that Hitler was able to accomplish some of his evil ends was that there was disunity in the ranks of the people who wanted an opportunity to grow and develop as free people. They tried to stand one by one, alone, feeling that somehow or other, without antagonizing an aggressive, imperialistic power, they could bring themselves into favor and be spared. Surely we have not forgotten those lessons.

We can no longer afford to wait until the enemies of world peace take action. The folly of such a policy was made abundantly clear by the actions of the Nazis preceding World War II.

Throughout our entire history we have been among the leading isolationist nations of the world, due partly to our geographic and economic position. Within the past 8 years we have undergone a historical transformation which is of the greatest significance. It began with the Lend-Lease Act in 1941, passed with strong congressional approval, and was followed shortly thereafter by the announcement of the Atlantic Charter. In 1945 we arrived at the culmination of the first part of our transformation when we became a signatory to the Charter of the United Nations, together with 46 other nations.

The events of the past few years have demonstrated beyond any question that the security of the United States is dependent upon the security of all members of the United Nations. A conflagration in any one part of the world can, and probably would, rapidly embroil us. We can no longer turn our backs. Our adherence to the principles of the United Nations Charter as well as to the Atlantic Pact is not based upon any do-good policy. It is not a matter of being a good Samaritan. It is based upon cold fact and the records of history, which show that our whole security is vitally bound up in the security of other nations in the world, particularly the nations of western Europe who are signatories to the North Atlantic Treaty. The well-being and the very existence of every American—man, woman, and child—is dependent upon the existence of peace and security throughout the world. To be sure, there are those who feel that all we should do is to build our own defenses.

I submit that the nations in the North Atlantic Treaty represent approximately 300,000,000 people with a common determination, common purposes, and common objectives. Surely they stand a much better chance to live and grow and maintain their independence under this treaty than would individual nations standing individually against the will and power of a potential aggressor.

That, Mr. President, is the basic philosophy which underlies the European recovery program and which finds its next step in the North Atlantic Treaty.

Because of our great economic and physical strength, we have fallen heir to world leadership. That leadership is a sacred trust which we cannot afford to ignore. It is not a matter of whether we like it or not. The facts of history place us in a position of world leadership. Since the termination of World War II we have assumed a tremendous burden, but if by so doing, we are able to assist in the maintenance of world peace, it is certainly worth while.

Those who denounce the Atlantic Pact on the ground that it may lead us into war are ignoring a basic historical fact—that if any of the signatories to the pact were attacked today, we would be forced to assist that nation—not because we are particularly interested in the welfare of that nation or any other nation alone, but for the selfish and practical reason that our own security and welfare would be at stake.

Mr. President, the United Nations is the cornerstone of American foreign policy. I am one of those who believe that the United Nations has done remarkably well in its task of maintaining world peace and security by taking steps to remove the causes of tension and unrest. The United Nations is predicated on the proposition that there will be free and independent nations. The North Atlantic Pact is designed to protect the freedom and independence of nations. The United Nations would be a meaningless instrumentality if it were only a respectable facade, covering, or cloak for a great power to make stooges or satellites of the other nations. During its short existence the United Nations has prevented large-scale war in many trouble spots of the world. After the Atlantic Pact is ratified, I hope to take the time of this body at some distant date to review the work accomplished by the United Nations since its inception.

I support the Atlantic Pact because I believe that legally and morally it is

in harmony with the obligations of the United Nations Charter and because it serves as notice to the world that the Government of the United States will be ever vigilant to lend its strength and support to the end that all freedom-loving nations will be able to live together in a peaceful world in accordance with the principles of the Charter of the United Nations.

As one of that group of Senators who considers the United Nations to be a vital part of American foreign policy, I shall be ever vigilant in cooperating with the Executive or criticizing the Executive to the end that the foreign policy of this country wholeheartedly support the United Nations. I shall vote for ratification and support the North Atlantic Pact.

Mr. TAYLOR. Mr. President, with reference to what has just been said by the distinguished Senator from Minnesota, it is a little late to criticize after the horse is out of the barn, so to speak.

It is my intention to try to demonstrate that the formulation of our foreign policy and the manner of its presentation to the United States Senate has not been forthright, open, and aboveboard. In fact, if I am any judge, it has been secretive and devious to such an extent as to border on being downright dishonest.

Frankly, I am going to make an emotional appeal to the Senate. More particularly, I am going to appeal to a specific emotion—indeed, one that is generally not thought of as being a most worthy emotion. I am going to appeal to the jealousy of the Senate. In some circumstances jealousy can be a very unworthy emotion; probably it is generally thought of as such. But there are times when jealousy is very much in order. The Scriptures tell us of a jealous God—a God jealous of his prerogatives and his domain. I think that it is very necessary that the Senate should be jealous of its rights and prerogatives which are bestowed upon us by the Constitution. We should not relinquish them without the most profound consideration, if at all. We certainly should stand up and fight if it becomes apparent that our prerogatives are being circumscribed or diminished or whittled away in a piecemeal manner calculated not to arouse our suspicions or resentment until the deed is accomplished.

I feel that it is the right of the Senate to legislate in an atmosphere free from alarms artificially created. I submit that the Senate has been subjected to such dangerous and unfair tactics as artificially created crises calculated to affect the outcome of legislation before the Senate at a given moment. It is my argument that the Senate is entitled to a straightforward exposition by the executive department and the Senate leaders relative to any piece of legislation or any treaty or agreement presented to the Senate for its consideration. I do not believe that we have always been accorded the forthright presentation of the facts and given the information necessary if we are to legislate intelligently. I believe this to be especially and increasingly true of recent years. I do not believe the Senate should be imposed upon by having matters presented to it, particularly treaties for its ratification, in such manner and under such circumstances that we are really precluded from exercising our honest judgment, but are placed under great pressure to ratify, without real freedom of choice, what should be very controversial propositions, lest our refusal to pass the legislation or give our consent and advice to a treaty might embarrass our policy makers and the Nation. In other words, Mr. President, I feel that we should call a halt here and now to the practice of presenting grave and important matters to the Senate in the nature of a fait accompli. I call upon the Senate to bring an end here and now to these evil and undemocratic practices which are depriving the Senate of its right to function as a truly deliberative body, which in my judgment it was most certainly intended to be according to the will of our founding fathers as set forth in the Constitution.

Mr. President, how can the Senate have confidence, how can the American people have any confidence in those who formulate our foreign policy when one of our most able and high-placed experts on foreign affairs comes before the Senate and as a newly appointed Member of this body, frankly tells us that during the course of the recent Paris conference, serious consideration was given to the question of whether or not our representatives should refuse to negotiate in good faith with the representatives of the other great world power, even though the most stupid person realizes that world peace—and possibly the question of whether mankind is to survive on this earth—depends upon whether these two great powers can find some basis of agreement. Here are the words of the junior Senator from New York:

> At Paris last month there was some discussion as to whether to accept at all the Soviet proffered truce and to resume, even on a tentative basis, Four Power consultations. The reason was that some feared any relaxation of east-west tension would bring a corresponding relaxation on the part of the American people, and therefore they needed to be kept artificially alarmed.

While the Senator from New York states that it was finally decided to negotiate, and to depend upon the good judgment of the American people to keep themselves properly alarmed and alerted, nevertheless I am convinced that this business of withholding the truth and artificially creating hysteria and hatred has been indulged in in the past. Remember, Mr. President, when this deceit is practiced, it is not only the common people of America who are being fooled; it is also the Senate of the United States. Most of us are not members of the Foreign Relations Committee. The only sources of information we have are those available to the general public—stories and editorials in magazines and the press, which are generally bitterly anti-Russian. I think it would be wise, Mr. President, and advisable, if the party or parties who advanced this totalitarian and undemocratic idea at Paris should be named and relieved of further responsibility in connection with the formulation or implementation of our foreign policy. Unless and until that is done, I do not see how any American citizen or any Member of this body can have any confidence that he is not being deceived and hoaxed with cruel crises and misleading propaganda synthetically created and propagated in the insidious and wicked fashion of Joseph Goebbels.

Mr. President, we shall now explore the genesis and origin, the given reasons and the stated excuses of and for the treaty we now have before us.

In his speech presenting the North Atlantic Pact to the Senate, the distinguished former chairman of the Foreign Relations Committee, the senior Senator from Michigan, had this to say:

> When the Senate, by a vote of 64 to 4 on June 11, 1948, adopted Senate Resolution 239, I believe it proposed the wisest and the safest peace procedures available to us and to western civilization.
>
> It advised the President of the United States to strive toward strengthening the sinews of the United Nations in behalf of the collective peace and fellowship to which we rededicated our hearts and hopes. In particular, we advised him to seek regional and collective arrangements and to associate with them, in behalf of individual and collective self-defense through self-help and mutual aid against armed aggression.
>
> The President has acted upon the Senate's all but unanimous advice. He has sent us precisely that for which we asked—and in the tailoring of which we have had a constant hand. Indeed I would not know what it was I was asking for on that historic day last June if this pact is not it. * * *
>
> (CONGRESSIONAL RECORD, July 6, 1949, p. 8897.)

Here, Mr. President, the distinguished, able, very eloquent, and persuasive Senator from Michigan tells us that this pact is exactly what we asked for. He says we asked for it in Senate Resolution 239. So, Mr. President, let us go back to Senate Resolution 239 and see where it came from and what were its beginnings. Let us refer to debate in the Senate on that resolution and see what the then chairman of the Foreign Relations Committee, the same senior Senator from Michigan, had to say about the resolution which he contends is the parent of the treaty now before us. Here is what he had to say at that time:

> What are the necessities which this resolution is undertaking to answer? The first necessity is this: Recognizing the indispensability of the United Nations as the key to collective security, many Senators have earnestly joined in numerous Senate resolutions proposing new United Nations patterns for a surer collective warrant of just and dependable peace. It is to their everlasting credit that they have thus sought to stimulate more effective relationships in pursuit of dependable peace for freemen in a free world.
>
> The Foreign Relations Committee has been unwilling to bury these suggestions from so many of our Senators in a "deep freeze." It has sought, instead, a simple, forthright declaration to bespeak the essence of all these varying views and to find a common denominator which can hopefully represent the united opinion and recommendation of the Senate. We believe the pending resolution is today's best answer to this need.
>
> The second necessity which we have confronted in this connection, Mr. President, is this: Up and down this peace-loving, peace-living land, which harbors no thought of conquest against any other power on earth, our people have looked with singular anxiety upon the often unhappy vicissitudes of the scarred United Nations, too often stranded

on the veto rocks. They have groped for light with a sense of frustration amid a confusion of well-meaning advice. It is a tribute to their instinct that the infirmities of the United Nations have served only to intensify their zeal in its behalf. It is a tribute to their wisdom that they sense its fundamental utility as the only base upon which to build the hopes by which we live. They are entitled to the practical encouragement which this resolution provides. (CONGRESSIONAL RECORD, June 11, 1948, p. 7791.)

Here we have it, Mr. President. The American people love the United Nations. They want it to succeed. They are to be commended for their wisdom in supporting the UN, and so forth.

That feeling on the part of the people that the UN was our best hope of peace must have percolated up to their Senators because, on June 11, 1948, in discussing Senate Resolution 239, the able Senator from Michigan tells us that that resolution was the result of the desire on the part of the Foreign Relations Committee to take heed of the fact that "many Senators have earnestly joined in numerous Senate resolutions proposing new United Nations patterns for a surer collective warrant of just and dependable peace."

So we have to go back, Mr. President, and examine the resolutions which the distinguished Senator from Michigan assures us were the foundation and beginning of Senate Resolution 239.

As early as the fall of 1945, I became convinced of the inadequacy of the United Nations to cope with the problems of an atomic world, and on October 24, 1945, I introduced Senate Resolution 183 asking the Congress to join in calling upon the President to strengthen the United Nations to the point where it could be transformed into a federal world government. I ask to have a copy of that resolution printed at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the atomic bomb and other new and terrible instruments of warfare make it possible that most of mankind and civilization itself may be destroyed should the world become involved in another war; and

Whereas even before the soldiers of this war have returned to their homes another race between nations is already under way to train ever greater armies and to produce more scientifically diabolical weapons in the largest possible numbers; and

Whereas we believe that not only the people of the United States but an overwhelming majority of all people in all countries are sickened by wars, senseless slaughter, and the burdens of great military establishments and crave only peace: Now, therefore, be it

*Resolved*, That the Senate of the United States hereby calls upon the delegates of the United States of America to the United Nations Organization prayerfully and earnestly to redouble their efforts to secure world-wide agreement to—

Limit and reduce immediately and eventually to abolish armaments, outlaw military training and conscription except for such police forces as the Security Council of the United Nations Organization may deem necessary to preserve the peace of the world; outlaw the manufacture or use of atomic bombs and all other atomic weapons for any purpose whatsoever; outlaw the manufacture or use of other weapons and instruments of war of every kind and nature, except for such weapons as the Security Council of the United Nations Organization may deem necessary to preserve the peace of the world; provide for an international police force capable of enforcing these agreements; be it further.

*Resolved*, That because the creation of an international police force requires adequate international civil authority for its control and mindful of the long and continued peaceful relations between the 48 States of our own Republic and being hopeful that similar principles of government if applied to all men will secure to the world the greatest possible opportunitty for everlasting peace, we therefore urge that every possible effort of our delegates to the United Nations Organization be directed toward the ultimate goal of establishing a world republic based upon democratic principles and universal suffrage regardless of race, color, or creed; and be it further

*Resolved*, That the President of the United States be requested to use the great powers and influence of his high office toward achieving the purposes of this resolution by instructing the delegates of the United States to the United Nations Organization to propose at the First Assembly of that Organization the creation of a commission to prepare the drafts of the requisite international conventions, agreements, and treaties for the establishment of the world republic proposed by this resolution.

Mr. TAYLOR. I shall not read the resolution, but I should like to say that there was nothing in that resolution which contemplated any regional military alliances or agreements and it certainly did not contemplate starting an armament race. The emphasis was strictly on strengthening the United Nations and promoting disarmament by creating a police force for that body in order that the nations of the world might have the necessary security to permit them to disarm. No action was taken on this resolution.

I may say in passing, Mr. President, that in answer to innumerable requests from individuals and organizations, I mailed out 180,000 copies of Senate Resolution 183, largely at my own expense. I believe I had requests from every State in the Union for copies of that resolution. I mention this to demonstrate the widespread interest in strengthening the United Nations into a genuine federal world government.

In the spring of 1947 I determined to submit another somewhat modified resolution. Certain people who were interested, people representing organizations interested in strengthening the United Nations, urged that I postpone introduction of my resolution because they felt confident they could get other Senators to act as cosponsors. The matter dragged on until the month of July was upon us.

In the meantime a number of resolutions were introduced by various Senators and large groups of Senators in some instances, all seeking to strengthen the United Nations. Not one of them calls for any military alliances, mutual-defense agreements, or building up armaments, except perhaps for a United Nations police force.

On March 21, 1947, the Senator from Arkansas [Mr. FULBRIGHT], for himself and the Senator from Utah [Mr. THOMAS], submitted a very brief resolution as follows:

Senate Concurrent Resolution 10

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the creation of a United States of Europe, within the framework of the United Nations (CONGRESSIONAL RECORD, March 21, 1947, p. 2347).

Certainly, Mr. President, that resolution was straightforward and right to the point, and it does not say anything about either defensive or offensive alliances, nor does it mention armaments.

On March 31, 1947, the Senator from Wisconsin [Mr. WILEY] submitted a similar resolution. The Wiley resolution is almost as brief as the Fulbright resolution, and reads as follows:

Senate Concurrent Resolution 12

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the creation of a United Democratic States of Europe, within the framework of the United Nations, to consist of nations which respect the political, economical, social, and religious liberties of their respective citizens (CONGRESSIONAL RECORD, March 31, 1947, p. 2848).

In his statement accompanying Senate Concurrent Resolution 12, the Senator from Wisconsin [Mr. WILEY] did make one reference to armaments. He said "They," meaning the countries of Europe, which he hoped to see united, "could formulate military plans against any potential aggressor." But the gentleman from Wisconsin did not suggest that we enter into such an alliance or that we arm these nations.

Sometime in June of 1947 my friends informed me they might get more sponsors if I would agree to certain modifications, and they also thought it would be helpful if some Senator with greater seniority were to be the chief sponsor. I agreed to that, as I was far more interested in seeing that some action was taken then I was in seeking personal glory. The original resolution was modified and was finally submitted on July 9, 1947, with the Senator from Michigan [Mr. FERGUSON] as the chief sponsor, the cosponsors being the Senator from New Hampshire [Mr. TOBEY], the Senator from Connecticut [Mr. BALDWIN], the Senator from Vermont [Mr. FLANDERS], the Senator from Washington [Mr. CAIN], the Senator from Virginia [Mr. BYRD], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Connecticut [Mr. MCMAHON], the Senator from Alabama [Mr. SPARKMAN], and myself. This resolution was very brief. I would like to read it at this point:

Senate Concurrent Resolution 23

*Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of the Congress of the United States that permanent world peace can and will be achieved through the United Nations and to that purpose we believe that action should be taken under the provisions of the Charter of the United Nations to propose and adopt amendments and revisions that will strengthen the United Nations as an instrument to prevent war and maintain world peace.

Certainly, Mr. President, no one could honestly claim that this resolution calls for any military alliance such as the one we are now contemplating. In fact it does not call for any alliance of any kind. It very clearly sets forth that its sponsors believe in the United Nations and want to strengthen it.

While I was one of the sponsors of this resolution, it had been so modified and watered down that I was somewhat disillusioned and felt that the resolution was quite inadequate. Therefore, I submitted Senate Concurrent Resolution 24 later that same day. Joining me in that resolution were the Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from New Hampshire [Mr. TOBEY], the Senator from Florida [Mr. PEPPER], and the Senator from Montana [Mr. MURRAY]. The same resolution was introduced in the House by 10 Representatives. This resolution was also quite brief and I should like to read it at this point:

Senate Concurrent Resolution 24

Whereas all the world deeply desires durable peace; and

Whereas the United Nations was created as an instrument to preserve the peace of the world; and

Whereas experience increasingly indicates that the United Nations in its present structure is not fully adequate for this task; and

Whereas the United Nations Charter in its article 109 provides a procedure whereby the Charter of the United Nations may be revised and amended: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of the Congress that the President of the United States should immediately take the initiative in calling a general conference of the United Nations pursuant to article 109 for the purpose of making the United Nations capable of enacting, interpreting, and enforcing world law to prevent war.

Mr. President, certainly neither of these resolutions suggested any action outside the United Nations that might weaken the United Nations. They both very specifically asked that measures he taken to strengthen the United Nations.

The next resolution dealing with this general question was introduced on March 19, 1948, by the junior Senator from Vermont [Mr. FLANDERS]. That resolution reads as follows:

Senate Concurrent Resolution 47

*Resolved by the Senate (the House of Representatives concurring)*, That the President is hereby requested to instruct the United States representative at the seat of the United Nations and representative in the Security Council to seek, either through request of the Security Council or of a majority of the members of the United Nations, to convene the General Assembly of the United Nations in order that the General Assembly may consider in accordance with the Charter of the United Nations the actions taken by the United States and the so-called western nations on the one hand and the Union of Soviet Socialist Republics and the governments of its so-called satellites on the other, and the effect of these actions on the maintenance of world peace and the principles of the Charter of the United Nations (CONGRESSIONAL RECORD, March 19, 1948, p. 3121).

I think that resolution would be very much in order at the present moment, Mr. President, to ask the United Nations to look into this whole matter of creating alliances and further dividing the world.

Obviously, there is nothing in this resolution to suggest that the Senator from Vermont was asking for any military alliance. It simply expresses apprehension over the course of events and asks that a special session of the Security Council or the General Asesmbly should be called.

Then, on April 12, 1948, Senate Concurrent Resolution 50 was introduced by the Senator from Michigan [Mr. FERGUSON] for himself and 15 other Senators, calling for certain revisions in the Charter of the United Nations. I shall not read this resolution because it is rather long. I ask that it be printed at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas civilization itself is threatened by the atomic cloud now hanging over the world, and by the back-breaking load of an armament race leading to a terrifying third world war; and

Whereas the maintenance of international peace and security demand affirmative action now by all the nations of the world seeking peace, so that the mutual suspicion and fear now driving the world into opposite military camps may be replaced by mutual confidence in a United Nations strong enough to guarantee any member nation, however large or small, and whatever its form of government, against armed violence by any other nation; and

Whereas the Congress favors the revision of the United Nations Charter so that its existing defects, demonstrated by experience, shall be removed, and the United Nations Organization shall be able to fulfill its stated mission as the principal and most effective instrument for word peace; and

Whereas the revision of the United Nations Charter shoud be undertaken or supported by the United States Government without delay and in a manner that shall most effectively parallel and integrate the measures for world economic recovery already undertaken or yet to be undertaken by the Congress of the United States: Therefore be it

*Resolved by the Senate (the House of Representatives concurring)*, That the President is authorized and requested to initiate such measures as will carry out without delay the policies hereinabove enunciated, being guided by such principles as he may deem advisable, including the following:

(1) The revision of the United Nations Charter shall preserve the full sovereignty of member states except for acts of aggression and armament for aggression to be specifically defined in the Charter.

(2) The revision of the United Nations Charter shall be carried out with the approval of all member states if possible; but in the event that any permanent member states should veto the proposals for revision, the United States shall join with other like-minded states in accordance with applicable provisions of the United Nations Charter or in any other manner acceptable to the majority of member states, in establishing, on the basis of a revised United Nations Charter, a more effective international organization for mutual defense without the participation of the abstaining state or states.

(3) As proof of America's unbending will to peace, membership in the revised international organization shall remain open to any abstaining state or states not engaged at the time in a war of aggression against a member state, and on the same conditions which prevail for member states.

(4) The revision of the United Nations Charter shall contain the following specific provisions which are deemed the minimum necessary to insure the effective operation of the reorganized United Nations;

(A) Elimination of the veto right by a permanent member in the Security Council, but only in matters of aggression, armament for aggression, and admission to membership in the United Nations.

Aggression shall be prohibited and defined in the Charter, as an attack with weapons of violence by a state (or its citizens) against the recognized territory of a member state; or illegal occupation by a state or territory outside the recognized and established borders of said state and its possessions. Armament for aggression shall be prohibited and defined in the Charter, as the production of atomic or other weapons of mass destruction in violation of agreements or the production of heavy armament beyond agreed quotas; or refusal to submit to inspection.

To conform to the changes in the veto right, representation in the Security Council shall be revised so as to include: Two members each from the United States, the British Commonwealth, and the Union of Soviet Socialist Republics; one each from France and China; and two selected collectively by the remaining member states. Decisions on vetoless matters shall be made by a majority of 6 out of 10.

To interpret the revised United Nations Charter, the International Court of Justice shall be similarly reorganized, or a new World Court established, with power to judge both governments and individuals in specific matters dealing with aggression.

(B) Prevention of armament for aggression. In the matter of atomic weapons, this shall be accomplished by adoption of the official United States proposal for an Atomic Development Authority; in the matter of heavy armament (such as warships, warplanes, and heavy guns) by a world-wide quota limitation of its production, in the following manner:

The Security Council shall establish yearly the maximum of heavy armament to be produced in the world. Of this total, each of the five permanent member states shall have an individual production quota which it may not exceed; and the remaining member states shall have a collective quota to be produced in their territories by an Armament Authority under the management of the Security Council. Armament production quotas, should be: The United States, the British Commonwealth, and the Union of Soviet Socialist Republics, 20 percent each of the fixed world total; France and China, 10 percent each; 20 percent to be the collective quota of the remaining member states. The Security Council shall have full and enforceable rights of inspection.

(C) Establishment of an effective World Police Force, to consist of one international contingent as the active force and five national contingents operating as reserves when needed.

The international contingent, under direct control of the Security Council, shall consist of volunteers recruited exclusively from the citizens of the smaller member states, and shall be equipped with the small nations' collective quota of heavy armament. It shall be stationed, by agreement, in internationalized bases in the smaller states of Europe and Asia, and as policing troops in Germany or other territories when placed under United Nations supervision.

The armed forces of the five major powers shall be the five national contingents. They shall remain under full sovereignty of their respective governments, except that in time of peace their effective strength shall be automatically limited by their agreed quotas of heavy armament production, to be fixed in the United Nations Charter; and except that the governments of the permanent member states shall, subject to their constitutional limitations or procedures, be pledged to make their national contingents available as reserves to the international contingent upon majority decision of the revised Security Council and World Court in specific matters of aggression and armament for aggression.

This tyranny proof and yet overwhelming retaliatory power of the world police force shall also serve as a decisive deterrent against aggressors with bacteriological or chemical weapons or other weapons of mass destruction not easily inspectable.

In the event that a major state shall refuse to participate in the foregoing provisions for the elimination of the world armament race and the establishment of a world police force, then the revised Security Council shall proceed at once to the establishment of the international contingent; furthermore, it shall establish an emergency quota of heavy armament production, to be distributed by agreement among the member states in proportion to their resources, so designed as to make certain that any outside state shall be unable to compete with the overwhelming armament production of the rest of the world, nor engage in acts of aggression against member states.

(5) Until such time as the foregoing provisions for the revised United Nations ((A), (B), (C) plan), or similar provisions, shall be put into effect, the armed forces of the United States and its weapons of every kind shall be maintained at wholly adequate levels.

Mr. TAYLOR. There is no suggestion in this resolution that any action should be taken which would further divide the world into two armed camps. In fact, quite the contrary is true, as may be seen from a reading of one paragraph:

Whereas the maintenance of international peace and security demand affirmative action now by all the nations of the world seeking peace, so that the mutual suspicion and fear now driving the world into opposite military camps may be replaced by mutual confidence in a United Nations strong enough to guarantee any member nation, however large or small and whatever its form of government, against armed violence by any other nation.

It will be noticed that the whole emphasis is upon action in the United Nations toward strengthening the United Nations.

So far as I can find out, Mr. President, this is a complete list of all the resolutions available for consideration when the Foreign Relations Committee met and reported out Senate Resolution 239, presumably because so many Senators had expressed concern for the welfare of the United Nations.

Here, Mr. President, the able and distinguished then chairman of the Foreign Relations Committee says that Senate Resolution 239 was a direct result of a desire on the part of the Foreign Relations Committee to formulate a resolution which would as nearly as possible approximate the hopes and aspirations expressed in the many resolutions which I have cited and from which I have quoted. Yet the Foreign Relations Committee brought out a resolution almost entirely different from anything which had previously been introduced.

Perhaps I should not put it that way, Mr. President. Perhaps I should say that a six-sentence resolution was brought out, three sentences of which politely tipped their hats to the many resolutions which Senators had previously introduced.

But, Mr. President, nothing has ever been done about those three sentences. No action has been taken to implement them. Then there were three sentences inserted by those whose actions would seem to indicate that they want to bypass and discard the United Nations. Everything humanly possible has been done to implement those three sections which had no reference to the expressed wishes of the Senate which had been embodied in any resolution previously introduced.

As I say, the first of the six points contained in Senate Resolution 239 does refer to the question of strengthening the United Nations by seeking to abolish the veto. Article 5 mentions reducing armaments, and article 6 makes mention of a possible review of the Charter of the United Nations by the General Assembly. These three items were all mentioned in resolutions previously introduced and which were then pending before the Foreign Relations Committee. It is significant to note again, however, Mr. President, that no action was taken to implement those provisions of Senate Resolution 239 which bore any reference to the resolutions which the Foreign Relations Committee presumably had considered in drawing up Senate Resolution 239. Certainly there was no action with any concerted drive behind it, and no propaganda campaign to support it, as we have seen in behalf of the so-called Atlantic Pact. However, the other three articles of Senate Resolution 239 bear no relation to anything I can find in any of the resolutions which had been introduced and were then pending before the Foreign Relations Committee, unless we take one sentence from the statement of the Senator from Wisconsin at the time he introduced his resolution calling for the creation of a United States of Europe. He did mention, among the many benefits that would accrue from such a union, a greater ability to defend itself. Perhaps that is the excuse for section 2 of Senate Resolution 239, which reads as follows:

(2) Progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles, and provisions of the Charter.

That is always put in—"in accordance with the purposes, principles, and provisions of the Charter."

Article 3 suggests the association of the United States with such regional and collective arrangements. I can find no suggestion in any of the resolutions then before the committee or in any of the talks delivered in connection with the introduction of those numerous resolutions which appeared in the RECORD that anybody had in mind that we should enter into any alliances outside the United Nations.

Article 4 of Senate Resolution 239 reads as follows:

(4) Contributing to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting its national security.

I have no particular quarrel with that section. Like the distinguished senior Senator from Ohio [Mr. TAFT] I would be willing to vote for such a statement of our determination to oppose aggression, although I cannot find that any of the resolutions then pending before the Foreign Relations Committee called for such a declaration.

So, Mr. President, in response to an insistent demand welling up from the people, I and a great many other Senators introduced resolutions calling for the strengthening of the United Nations. They went into the hopper of the Foreign Relations Committee and out of the other end came Senate Resolution 239, declaring that it was the will of Congress that we should start bypassing and operating outside the United Nations. I want to make it very plain that I, at least, had no such end in mind. I would much rather that any resolution to which I was a party had been left in the "deep freeze," to which the able Senator from Michigan referred, than to have it thawed out and come to life as a Frankenstein monster which could later become the alleged parent of the military alliance which we are presently considering.

This is the chain of events as it has transpired, Mr. President. In 1948 in a series of resolutions referred to the Foreign Relations Committee the Senate made known its desire to strengthen the United Nations in order that we might bring about disarmament. Instead we get Senate Resolution 239, the so-called Vandenberg resolution calling for regional alliances, the only effect of which could be to weaken the United Nations and bring about an increase in armaments.

To allay the fears of some Senators at the time Senate Resolution 239 was up for consideration, the then Chairman of the Foreign Relations Committee had this to say, as was pointed out by the senior Senator from Ohio in his very able address earlier in this debate. I quote from the speech of the senior Senator from Michigan at the time Senate Resolution 239 was up for consideration. This is the same quotation previously used by the senior Senator from Ohio:

The pending resolution is the responsible answer so far as Congress can presently foresee. It declines automatically military alliances. It declines all peacetime renewals of the old, open-ended lend-lease formula. It declines unilateral responsibility for the fate of western Europe. It is none of those things; it is the exact opposite.

And so, Mr. President, the Senators' fears were allayed, and I was one of only four Senators who voted against Senate Resolution 239. Now we are getting all the things the senior Senator from Michigan told us we would not get. And yet the able Senator, the ranking minority

member of the Foreign Relations Committee, told us on the opening day of this debate that we were getting exactly what we asked for. In a speech he made in behalf of the treaty now before us, he had this to say:

When the Senate, by a vote of 64 to 4, on June 11, 1948, adopted Senate Resolution 239, * * * it advised the President of the United States to strive toward strengthening the sinews of the United Nations in behalf of the collective peace and fellowship to which we rededicated our hearts and hopes.

I digress for a moment, Mr. President, to say that is what we did ask for, that was the part of Senate Resolution 239 which could be clearly related to all the various resolutions which had been introduced up to that time. But the senior Senator from Michigan goes on to say:

In particular—

Notice the emphasis, Mr. President, emphasis supplied by the distinguished Senator from Michigan.

"In particular, we advised him," meaning the President—

In particular, we advised him to seek regional and collective arrangements and to associate with them, in behalf of individual and collective self-defense through self-help and mutual aid against armed aggression. * * * The President has acted upon the Senate's all but unanimous advice. He has sent us precisely that for which we asked—and in the tailoring of which we have had a constant hand. Indeed, I would not know what it was I was asking for on that historic day last June if this pact is not it.

That appears in the RECORD of July 6, at page 8897.

Mr. President, I think the Senator from Michigan was well-advised in using the pronoun "I" twice in that last sentence. I think that is the clue to the whole secret of Senate Resolution 239. The distinguished Senator from Michigan included three sentences as a gesture to all the resolutions that had previously been introduced. As has been pointed out in this debate, nothing was ever done about that part of the resolution.

Then, the able Senator from Michigan put in the sections to please himself, or whoever gives him his cue in such matters, and all the work and propaganda have gone to implement those sections—nothing to build up the United Nations and make disarmament possible—concentrate every effort on forming alliances and making arrangements which bypass, undermine, and weaken the United Nations.

While we are on this subject, I should like to make something else plain, Mr. President. I have noticed in the press that those who are opposing the North Atlantic Pact are often referred to as "isolationists." A few years ago that word was built up until it became a bad word, a very bad word; not so bad or all-inclusive as the words "Fascist" and "Communist," but the word "isolationist" has certainly ceased to become a complimentary term.

I, myself, think isolationism is very bad—that we all must live together in this shrinking world. But, Mr. President, seeking to bypass, undermine, and destroy the United Nations is not internationalism. That is not thinking in world terms. And opposition to alliances of a military nature, or any arrangements outside the United Nations, which tend to weaken that organization certainly is not isolationism. The term has become a little confused. We now find those who were rank isolationists a few years ago to be among the most vocal in denouncing defenders of the United Nations as "isolationists."

In the days of the League of Nations, Mr. President, the isolationists were bold, brave buccaneers who made a frontal assault on the League of Nations here in the United States Senate. Today, their descendants and disciples hold forth here and beat their breasts and vigorously denounce those who seek to prevent destruction of the United Nations—who desperately want to build it into an instrument capable of maintaining peace, strong enough in its own right to permit individual nations to disarm.

I must say that the second-generation strategists who are step by step killing the United Nations are much more adroit than their predecessors. They pose as international statesmen and denounce the opposition as isolationists, the while they are busily scuttling the United Nations.

Maybe this pact is what the able and distinguished Senator from Michigan had in mind when S. Res. 239 was foisted on the Senate. It is not what I had in mind, and I do not believe there were very many other Senators who had this alliance in mind when they introduced resolutions calling for the strengthening of the United Nations and an effort to reduce armaments. Nevertheless, here it is.

Mr. President, many Senators have expressed the fear, which I share, that this pact is going to further weaken the United Nations, and that it will in all likelihood lead to an armaments race which could very well hasten war instead of minimizing the prospect.

Of course, we have been assured by the Senator from Michigan that this pact will not weaken the United Nations. In his speech of July 6 the Senator from Michigan had this to say to allay our fears. I quote from the RECORD of July 6, page 8895:

The same Senate which asked, in Senate Resolution 239, for collective self-defense under article 51 of the Charter—as envisioned in the pending treaty—also asked, and in the same breath, for universal disarmament. Let that stand, Mr. President, as an incontestable answer to those malignant critics who cry out that the North Atlantic Pact is born of warmongers harboring evil, armed designs upon their fellow men.

To be sure, Mr. President, we did ask for disarmament, but all we are getting is a military alliance, and we are being asked to assume responsibility for arming half the world.

But the Senator from Michigan went on to assure us further. He said:

The same Senate which thus asked for a "collective arrangement" to implement article 51, pursuant to the terms of the pending treaty, also asked, and in the same breath, for new strengths in the United Nations Charter.

I interrupt the reading at this point, Mr. President, to say that the Senate did indeed ask for new strength in the United Nations Charter. May I ask what has been done to implement that forgotten part of Senate Resolution 239? But to finish the quotation, after referring to the fact that we had asked for new strength in the United Nations Charter, the great Senator from Michigan said:

Let that stand as the equally incontestable answer to those melancholy critics who insist that the North Atlantic Pact is born of a purpose to defile, if not to scuttle, the United Nations.

Mr. President, I have heard no Senator on this floor charge that those who have presented us with the North Atlantic Pact were warmongers harboring evil-armed designs upon their fellow men. Nobody has said that the pact was born of a purpose to defile if not to scuttle the United Nations. Some of us have expressed the fear that this will be the result of the pact, but before any Senator had had an opportunity to make a speech in any way critical of the pact, the distinguished senior Senator from Michigan referred to malignant critics and to those melancholy critics.

Then he went on to reassure us at greater length. He said, as appears at page 8895 of the RECORD of July 6:

I am conscious that this anxiety honestly possesses many earnest friends of the United Nations. I prayerfully say to them that I am certain they are wrong. The pact is written strictly within the framework of the Charter. It implements the Charter pursuant to the Charter's own authority and direction. It categorically asserts in article VII that this treaty does not affect in any way the obligations under the Charter of the parties which are members of the United Nations. It categorically asserts that the treaty does not affect the primary responsibility of the Security Council for the maintenance of international peace and security.

These categorical assurances would make me feel better, Mr. President, if I could forget the equally positive promises which were made by the able Senator from Michigan in 1948 when he said in speaking of Senate Resolution 239—and remember, Mr. President, that the Senator now tells us that Senate Resolution 239 is the father of the present treaty and that it is exactly what we asked for, but at that time the distinguished Senator from Michigan said, and I repeat a quotation which I used earlier, speaking of Senate Resolution 239:

It declines automatically military alliances. It declines all peacetime renewals of the old, open-minded lend-lease formula. It declines unilateral responsibility for the fate of western Europe. It is none of those things; it is the exact opposite (CONGRESSIONAL RECORD, June 11, 1948, p. 7792).

These were not the only assurances given us at the time the Senate adopted Senate Resolution 239. At another place in his speech at that time the Senator from Michigan said:

The extent to which a regional arrangement might be perfected in the Western World is probably far beyond the extent to which, at least for the time being, one could be perfected elsewhere.

Here, Mr. President, the distinguished chairman of the Foreign Relations Committee states that there would be no pacts comparable in scope to the one we had signed with the countries of the Western Hemisphere. Now we are offered a pact with nations outside this hemisphere containing commitments with far greater implications than anything we have signed with South American nations.

At another place we were told by the Senator from Michigan, referring to Senate Resolution 239 of last year:

> But I would say in advance that I would not expect any approval by the Senate of the United States of a regional arrangement which would include, outside the Americas, any such automatic obligations as we have been discussing in respect to the Chapultepec Conference.

So, Mr. President, this able chairman of the Foreign Relations Committee in 1948, when the Senate was debating Senate Resolution 239, assured us that there would be no automatic obligations, but in the present pact we do have the automatic obligations—automatic obligations to go to the defense of any of the countries party thereto, and in some cases if their colonies are attacked.

I should also like to refer, Mr. President, to the fact that the able and distinguished Senator from Michigan said that he would not expect any approval by the Senate of the United States of a regional arrangement which would include outside the Americas any such automatic obligations as we have been discussing in respect to the Chapultepec Conference. But unless my ears deceive me, Mr. President, the able Senator from Michigan definitely does expect us to ratify this North Atlantic alliance. And so, Mr. President, the very able chairman of the Foreign Relations Committee assures us and reassures us. In fact, he assures us that we are insured against the things which trouble us.

I think, Mr. President, when the history books are written the senior Senator from Michigan will be known as the great insurer of the uninsurable. I have to say this for the Senator. The fact that his assurances of yesterday are the broken promises of today does not at all stop him from reassuring us that what we have today is the very thing we asked for yesterday, and that what we get tomorrow will be nothing different from what we are asking for today. If there is any credit due anybody for the sorry record of broken assurances which I have recited, I think nearly all the glory should go to the senior Senator from Michigan; and if there is any blame for the broken promises and the sorry plight in which we now find ourselves, where many Senators feel compelled to vote for this pact against their honest convictions, then I say the blame also should be laid at the door of the great Republican statesman, the former chairman of the Foreign Relations Committee, and the present ranking minority member, that great and persuasive purveyor of the bipartisan foreign policy, the eloquent insurer of the uninsurable, whose Churchillian phrases and dogmatic pronouncements together with countless befuddling clarifications can be found with lavish profusion in all the treaties and reports which have come from the Foreign Relations Committee for lo, these many years.

Fate has placed him in the strategic position of being at the top of the seniority heap at a most critical time in our history. With the aid of an unprecedented build-up by a press devoted to the proposition that peace and harmony are incompatible with circulation and profits, an aura has been thrown about the name of VANDENBERG that makes a contemplative critic cringe at the prospect of the withering condescension of the scorn which he would most certainly invite. By the sheer force of a dominating personality, which is apparently based on an unlimited confidence in his own unlimited infallibility, the Senator from Michigan has to this point ruled with an iron hand.

With absolute confidence, he has caused the Senate to accept dogma as gospel and the bold statement of his fancy as cold, hard fact. The Senator has mastered the strategy of the military axiom which tells us that offense is the best defense. In opening this debate, he struck a heavy blow at the opposition before they ever had a chance to open their apologetic mouths or exercise their quivering vocal cords—before they even had a chance to touch a match to their powder he had fouled the barrels of their flintlocks with hard and harsh words of condemnation.

Referring to some revelation he had just passed on to the Senate, the able Senator from Michigan had this to say:

> Let that stand, Mr. President, as an incontestable answer to those malignant critics who cry out that the North Atlantic Pact is born of warmongers harboring evil, armed designs upon their fellow men.

I submit, Mr. President, that Shakespeare could have done no better in using the English language to bring terror to the hearts of evildoers he had created in his own imagination.

But, just in case there might be those who would resign themselves to being branded by the oracle as malignant critics—and proceed with their opposition—the Senator from Michigan let go the second barrel.

Referring to Senate Resolution 239, which he contends is the parent of the treaty which we are now considering, the Senator mentioned the fact that one of the provisions of that resolution asked for new strengths in the United Nations Charter and, although nothing was ever done about these good provisions of Senate Resolution 239, the able Senator nevertheless used that forgotten provision as the breastworks from behind which he fired the next salvo:

> Let that stand as the equally incontestable answer to those melancholy critics who insist that the North Atlantic Pact is born of a purpose to defile if not to scuttle the United Nations.

Now, Mr. President, the malignant critics have become melancholy critics as well, methinks, indeed, Mr. President, the Senator has been reading Shakespeare, and those of us who would deny his right single-handedly to direct this production he is casting in the role of Hamlet, the melancholy Dane. Forsooth, we are the melancholy critics. Such tactics of calling the opposition names before they even raise their hat on a stick would be vociferously resented by the Senate if they should be used by a Senator of lesser reputation.

But coming from the great Senator from Michigan it strikes terror to the heart of most would-be defenders of the United Nations and chills the reasoning process in embryonic infancy. And so, Mr. President, our ship of state thunders on through the breakers toward the rocks and reefs that lie ahead, along the danerous course of bypassing the United Nations. The dove of peace is chained to our masthead. The fate of world peace is irrevocably, vitally, and probably finally affected by the ill-conceived action which we would now sanction. On our ill-starred journey into the unknown where many another ship of state has foundered on the shifting sands and jagged rocks of other alliances, we are proceeding with our sails full of hot air and assurances, while the majestic figure of the Senator from Michigan stands firmly grasping the helm, his ponderous and presupposed profound pronouncements rolling back and forth across the country even as a miniature mountain meadow in the high country of Idaho echoes and reverberates to the stentorian call of a mating moose—perhaps I should say a distinguished and able mating moose.

And so, Mr. President, the distinguished Senator from Michigan holds forth, blasting away at the opposition with the mighty guns of his superlative oratory and preventing all but a few critics from raising their heads or voices by virtue of the authority which is his because of his unquestioned great prestige. Indeed, he keeps down opposition almost as effectively as an expert marksman ensconced atop a knoll in the middle of a prairie-dog town.

If he has not been the architect of our foreign policy, he has certainly been its chief exponent; he has been the Pied Piper of Hamelin who has led the Senate in its consideration of foreign affairs using with great ability the weapons of studied rhetorical obfuscation and unlimited categorical assurances.

Without in any way meaning to detract from the encomiums I have lavished upon the Senator from Michigan, I should like to mention that in the debate on Senate Resolution 239 the senior Senator from Texas [Mr. CONNALLY], the very able chairman of the Foreign Relations Committee, who was at that time the ranking minority member, had this to say:

> I think the question of hemispheric arrangement is peculiar from our viewpoint, by reason of the historical setting, referring particularly to the Monroe Doctrine. But I should be very reluctant, I may say, to join any other regional organization in the world. It would involve us in difficulties we might not be able to avoid. (CONGRESSIONAL RECORD, June 11, 1948, p. 7804.)

One of two things has happened, Mr. President. Either the able Senator from Texas has forgotten his reluctance or he is reluctantly going along on the present treaty. I am convinced that he

was right in 1948 when he said that to join other regional organizations would involve us in difficulties we might not be able to avoid.

More recently in the course of the present debate, the distinguished chairman of the Foreign Relations Committee has told us that there is no obligation upon any Senator to vote for implementation of this treaty. He said it was written in black and white. Frankly, those of us with doubts have been unable to find where it is set forth in black and white that there will be no obligation. At least for every assurance that there is no obligation which we may find in black and white there is another in white and black wherein some equally important authority proclaims "there is an obligation." Personally, I am convinced that the record will be written in red—if I may be pardoned for using such a naughty word, Mr. President. To make myself more clear, I believe that if we consent to the present treaty, the arms will automatically follow; and the red I refer to is the red ink of greater and greater deficits caused by unlimited spending for an endless stream of armaments.

We are called upon to arm Europe, Mr. President, because the workers in those countries would sabotage the production of armaments within their own borders in their own factories. If their workers will not produce the arms can their soldiers, who after all are largely workers in uniform, be depended upon to use the arms against Russia? I do not have the best connections with the military, Mr. President, but from public writings available to all I have gained the distinct impression that we cannot hope to supply Europe with sufficient arms to withstand an all-out attack by Russia should it occur. In such a case, of course, whatever we send to Europe would then be turned against us.

In a recent issue of the United States News and World Report, a quite conservative publication edited by a journalist of very good reputation, Mr. David Lawrence, there was an article pointing out that if the Russians contemplated military aggression toward the West, they should be building up their communication and transport facilities in that direction; but the article stated that the Russians were deliberately refraining from such action. In fact, I gained the impression that they were more or less letting transport facilities on their western frontiers deteriorate as a defensive move. In other words, it would appear that they are afraid of being invaded and do not want any possible invader to find transport facilities which might aid in an invasion. If these be the facts, does it not seem to indicate that our recent allies are not bent on conquest after all?

I have been most interested, Mr. President, in the statements of previous speakers that the countries of Europe were trading with Russia and seeking to increase that trade; that Britain had sent or was sending some 1,200 locomotives to the Russians. Is not this a rather ridiculous state of affairs? Here our businessmen, manufacturers, and exporters are crying out for markets for our exportable surpluses and our economy is in the doldrums because of a lack of export markets; yet under the Marshall plan we supply vast quantities of materials to England and other European countries while we turn up our noses at the Russians and refuse to trade with them, although they are the only ones we might expect to be able to give us anything of value in return for any goods we ship to them. They would probably be willing in the future as in the past to send us rare metals which, as I understand, we must have if we are to continue our stock piling of strategic materials in our frantic preparations for war.

Certainly a substantial trade with Russia would go a long way to improve relations generally. However, as things now stand we refuse to trade with them. We ship goods to Europe which permits the Europeans to divert just that much of their productiye capacity to producing goods for shipment to Russia. A pattern of trade is being established which will probably be very difficult to change should we ever come to our senses and decide to trade with the Russians. If any good will is created, certainly we do not share in it.

Which brings me to another point. What excuse can we have for feeling that these European nations will have any regard for commitments they may make in joining the North Atlantic Pact. They have individually broken many agreements on monetary and trade matters which they have previously entered into with this Government.

It is also my belief that once we are committed to the North Atlantic Pact the European nations will heave a comfortable sigh, settle back and say, "Now we are all in this military alliance together. But we really cannot afford to arm ourselves so it is up to you, Uncle Sam." Once we are in the pact we shall have to protect ourselves by strengthening our allies militarily, so we shall be forced to send them arms in ever increasing amounts. This in turn may be very well, but I do not see how it can help but lead us down the road of an armament economy. When a country becomes a slave to an armament economy, I do not believe it can escape the dictatorship and loss of freedom which have been associated with the armament economy of other nations.

A press report of recent date informs us that the Italian Senate is considering the advisability of postponing the ratification of the Atlantic Pact until our own Senate has acted not only on the Pact, but also on the question of arms to implement it. Let no one delude himself, Mr. President, that this is a nice, friendly little pact designed to strengthen cultural relations or to build up the United Nations. It is a military alliance. I was about to use the words "pure and simple" but it is neither of those things. It is a military pact stark and naked.

Our allies would not be interested for one moment if they did not have before them the prospect of being furnished the very latest armaments at the expense of the American taxpayers to the tune of billions of dollars.

If there is anything these proposed allies of ours cherish more than the sanctity of their solemn pledges and commitments, it is the happy vision of Uncle Sam's starting another great "something for nothing" program. Mark my words, Mr. President, that is exactly what this grandiose new scheme amounts to.

With the possible exception of England, there is not a country among them that would put up more than a token resistance to Russia.

They would all be torn by paralyzing internal revolution immediately upon the beginning of hostilities, and as I have previously pointed out, our arms would then be turned against us. By irrevocably involving ourselves with these nations, we are immeasurably increasing the risk of war. We will not add to our military security but, on the contrary, will in reality be placing an as yet undetermined amount of our armaments at the disposal of a potential enemy. The additional drain upon our Treasury to supply arms to Europe will make it necessary for us to further increase the national debt at the risk of facing national bankruptcy, because some place, sometime, Mr. President, there comes a point where the camel's back is broken.

I believe we should first of all make an all-out effort to build up the United Nations. We should continue and increase our efforts to reach an agreement for world-wide disarmament. Certainly we should quit this business of even entertaining the thought that we should not negotiate with the Russians on the theory that it might thaw out the cold war and thereby cause the American people to embrace a feeling of false security.

If, in the end, after all possible measures had been taken in all good faith, none of the things I have outlined were possible of accomplishment, then we should look to ourselves for our own defense. Mr. President, I could well compare the situation to the early days on the western plains. When Indians attacked our forefathers, they formed a circle of wagons and all of them got inside the wagon train. They did not have a lot of folks outside on the prairie, somewhere, whom they were also trying to defend. That is exactly what this Atlantic Pact amounts to. We have a lot of folks scattered around, out in the prairie somewhere, and we are going to send them guns which we will need inside the enclosure.

I believe I speak for a great many Americans when I say that I would feel a great deal safer in trusting the defense of this country, if the worse should come to the worst, to my own sons and other American boys like them who believe in our free institutions, than I would if we had scattered arms all around the world in the futile expectation that they would be used effectively in our defense by people who envy us our wealth and are jealous of our material well-being. In fact, they would be used against us.

I foresee the possibility, Mr. President, that we shall again have need of the Russians as an ally in another war against resurgent fascism. Increasingly often of

late I have read articles in the newspapers about the reappearance and growth of the fascist idea in Italy. In the Washington Times-Herald of July 18 there is a prominent headline:

"'New Hitler' arouses Germans as old one did."

In a column of recent date entitled "The We-or-They Fallacy," Walter Lippmann points out that influences at work in the world are rendering out of date the popular idea that the Russians and ourselves are the key to everything. In a very few years new powers may emerge and realinement take place that will render completely passé the "we-or-they fallacy."

Recently, Mr. President, the New York State Bar Association held its annual meeting. One of the principal speakers was Mr. James Grafton Rogers, former Assistant Secretary of State. Mr. Rogers is also a member of the foreign affairs subcommittee of the Hoover Commission on Organization of the Executive Branch of the Government. Mr. Rogers told the lawyers that Germany and Japan could very well be back on top of the heap in a comparatively short time. He predicts that it will not be long until we are going to wake up and find the Fascists riding high once more and then we shall wonder why in the world we were so worried about Russia.

Here is one paragraph of Mr. Rogers' talk:

All through history powerful and industrious defeated peoples have recovered amazingly in almost a handful of years. Germany and Japan are industrious. Five or 10 years from now we will look back on our present preoccupation with Russia as another of our short-sighted foreign policies.

Mr. President, that is a flat statement; he does not say it may happen; he says, "We will."

I believe Mr. Rogers may be absolutely right, Mr. President. Yet here we are, tying ourselves up for 20 years with other nations, one of which, Portugal, is a Fascist nation; another of which, Italy, was recently our enemy, madly acclaiming Il Duce, and could very well be our enemy again.

By arming Europe, Mr. President, we make it possible for those nations to continue imposing their will upon colonial peoples. Mr. Rogers in his address to the lawyers said we caused the United Nations to suffer one of its most severe losses in prestige through our failure to prevent the Dutch police action in Indonesia. Not only did we fail to prevent it, Mr. President; the Dutch were using our guns.

More than a year ago, I made a speech on the floor of the Senate, in which I pointed out that our foreign policy was losing us friends all around the world. At the time I was severely criticized, on the ground that my own criticism of our foreign policy amounted to giving aid and comfort to Russia. I did not mean to give aid and comfort to Russia or to anyone else, Mr. President. I was trying to warn the American people that the good will we had gained by our dominating role in the fight against fascism was being dissipated.

Now the same things I said at that time are being printed in respectable publications. On March 25 of this year, there appeared in the United States News and World Report an article entitled "What the World Thinks of United States: Report on a 3-Year Tour," written by that publication's far eastern editor. I ask that this article be printed as an appendix at the end of my remarks.

The PRESIDING OFFICER (Mr. MUNDT in the chair). Without objection, it is so ordered.

(See exhibit A).

Mr. TAYLOR. Mr. President, Newsweek magazine, in its issue of May 30, carried a similar article entitled, "South Asia: Where and How America Loses Friends." I also ask that this article be included as an appendix at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. THYE in the chair). Without objection, it is so ordered.

(See exhibit B.)

Mr. TAYLOR. Mr. President, in substantiation of my statement that workers in countries with which we seek to ally ourselves could not be trusted to produce armaments, I should like to have printed in the RECORD at the conclusion of my remarks an article by Constantine Brown, a well-known newspaper columnist. The article also supports my contention that the State Department has not been forthright in its dealings with the Senate. The heading of the article is "Opposition to Atlantic Pact seen due to lack of candor by State Department." I ask unanimous consent to have the article printed as indicated.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit C.)

Mr. TAYLOR. Mr. President, I also ask unanimous consent that a second article by Constantine Brown, the title of which is "DULLES in State Department Disfavor After Charges of Artificial Alarm," be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit D.)

Mr. TAYLOR. Mr. President, this article calls attention to the slip the junior Senator from New York [Mr. DULLES] made the other day when he let the cat out of the bag by saying that they had considered in Paris just telling the Russians to go jump in the lake, and not even to talk to the Russians, so that they, the American representatives, could keep the liver scared out of us. Constantine Brown mentions that, except he does not seem to think there is anything very reprehensible about the whole procedure, for his concern merely seems to be that DULLES let the cat out of the bag. That seems to be all that worries Mr. Brown. He said:

This indiscretion on the part of Senator DULLES, who attended most of the secret meetings held in Paris last month, caused many Senators to wonder whether the reports from "highly qualified quarters" in the spring and summer of 1948, when there was a strong expectation that the Russians were about ready to attack western Europe, were not prompted by similar political motives.

I agree. As I stated earlier in my remarks, I believe such tactics have been resorted to in the past. I do not think we would ever have had a Senate Resolution 239 if they had not scared us at the time with bogeymen. I do not think we would ever have passed a draft law, if they had not figured out some artificial crises.

There is another article here, the one I referred to from the Times-Herald, about the new Hitler arousing Germany. I ask that that be printed as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit E.)

Mr. TAYLOR. Mr. President, I should also like to have printed the article I referred to in the early part of my speech, which appeared in the United States News and World Report of July 8, entitled "Why War Scare Is Ending—Russia's Shift to Defensive."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit F.)

Mr. TAYLOR. I also ask to have printed in the RECORD as a part of my remarks a statement recently mailed to me by Hamilton A. Long, from Chicago, Ill.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit G.)

Mr. TAYLOR. I also ask to have printed in the RECORD certain excerpts from a memorandum on national legislation of interest to religious groups, issued by the Friends Committee on National Legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit H.)

Mr. TAYLOR. I should also like to have printed an article from the Washington Post of May 20 entitled, "Atlantic Pact Called Step to Needless War." It calls attention to a conference which was called by such distinguished persons as Thomas Mann and Albert Einstein.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit I.)

Mr. TAYLOR. Another article from the New York Times of April 15, Religious Leaders See Peril in Pact.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit J.)

Mr. TAYLOR. Finally, Mr. President, I should like to have printed an article from the Daily Compass, of Tuesday, July 19,1949, entitled "Winnie Clears It With Baruch," by Jon Kimche. It is under the dateline of London, July 18, and, in part, reads as follows:

It is reported, in fact, that Churchill will come out with a proposal for a rapproachement with Russia and outline his suggestions for a settlement of the cold war. This, his friends think, would be an invaluable and perhaps decisive Conservative Party asset in the next election.

In other words, Churchill, in an effort to get his Conservatives into power, is going to come forth now and settle everything with Russia; which would seem to indicate that they could be settled any time somebody decides to settle them.

Well, Mr. Churchill started the iron curtain. He hung it at Fulton. I can think of no one who would be more appropriate to take it down than Mr. Churchill. He caused the whole miserable business. I wish he had stayed home and minded his own business.

The PRESIDING OFFICER (Mr. THYE in the chair). Without objection, it is so ordered. [Laughter.]

Mr. TAYLOR. Good. I hope that will appear in the RECORD.

(See exhibit K.)

Mr. TAYLOR. Mr. President, there appeared in the Wasington Post of Monday, July 18, an article which should give some people food for thought. The heading reads as follows:

Speed of new Russian jets baffles foreign air attachés. United States admiral impressed.

Describing an air show in Moscow which was witnessed by foreign observers, the article says:

The United Press reported that some of the superjet fighters were so fast that foreign attachés who watched them streak past could not agree on their characteristics.

Jet planes, completely new types and known ones of improved models, appeared in such number at the annual air show that foreign experts believed they now are in mass production.

New jets flashed across Tushino Airfield at altitudes under 1,000 feet. They had come and gone, before the airfield announcer could finish saying they were there.

The air attachés could not agree on the appearance or character of the new planes because of their great speed. Nor could they agree on the exact number of new types or the improvements made on known models.

Now, Mr. President, to those who would have us go swaggering about forming military alliances and needlesly provoking the Russians by setting up bases on their very frontier, I should like to ask this question: If the Russians are able to build jet airplanes with such speed and maneuverability as to baffle our observers, is it not reasonable to assume that they also have the industrial know-how and the other techniques necessary to the manufacture of the atomic bomb?

Frankly, Mr. President, I think that we have missed the boat. We should have put a great deal more faith, energy, and money into the United Nations. Compared to the vast sums we have spent on extraneous matters, the help we have given the United Nations has been peanuts. For every dollar we have invested in the United Nations we have spent $1,000 on armaments. True, we have given it more financial support than any other nation, but I do not believe that is any excuse for our having given it a minimum of financial support compared to other projects which to my mind could not even approach the United Nations in its potentialities for keeping world peace.

Maybe it is too late. Maybe there is nothing left for us to do but resort to alliances and increased armaments, resign ourselves to military dictatorship, the loss of our cherished freedoms, and prepare for Armageddon. I am unwilling to accept that grim and somber prospect. I believe that an all-out military struggle between the two halves of a divided world would mean the end of freedom, world-wide desolation, and new dark ages for mankind; with always, of course, the possibility of the extermination of the human species as a result of the development of more powerful and perhaps new and unheard-of weapons.

My principal reason for being opposed to the North Atlantic Pact is that I have placed so much faith and hope in the United Nations. Despite all the assurances to the contrary, I am still convinced that this pact will, in fact, if it does not intentionally, bypass, undermine, and weaken the United Nations. While I am not a legal authority, my reading on the subject convinces me that it does violence to the provisions of the Atlantic Charter with reference to such matters, and if it does not violate the Charter in the strict legal interpretation, to my mind it certainly violates the spirit of the Charter.

I was elected to the United States Senate on a two-point platform. One of the two planks pledged unfaltering support for an international world-wide organization to keep peace in the world. I shall adhere to that promise to the end.

Referring again, Mr. President, to the assurances that this pact can and will operate within the limits prescribed by the United Nations Charter, referring again to the assurances that those who vote for the pact will not be obligated to vote for military aid, I should like to call attention once again to the assurances we received when Senate Resolution 239 was up for consideration. We were assured repeatedly in unequivocal terms that Senate Resolution 239 did not call for the arming of Europe. Most of the debate revolved around the possibility of modifying the veto. And yet, Mr. President, the newspapers all interpreted Senate Resolution 239 to mean military aid.

The New York Times of Saturday, June 12, 1948, had this headline:

Senate proclaims military aid plan for free nations.

The Washington Post prominently displays this headline:

Senate approves plan for arms aid to Europe. Resolution drawn by VANDENBERG—

There we have it, Mr. President, "resolution drawn by VANDENBERG."

Resolution drawn by VANDENBERG urges President to seek defense pacts.

Not a word, Mr. President, about strengthening the United Nations. Not a word about disarmament. All the emphasis on more arms—"Senate approves plan for arms aid to Europe."

Strange as it may seem, the Washington Times-Herald, which is usually the worst warmonger of all the Washington newspapers, carries the headline:

Senate O. K.'s curb on big power United Nations veto.

Of course, the subheading says:

VANDENBERG's plan supports defense pacts.

In that article is this paragraph:

By its action the Senate slammed the door on western European hopes of obtaining United States arms during this session of Congress, but it leaves it ajar for eventual United States support of collective defense pacts against aggression.

That is the very thing I have discussed, Mr. President, this step by step weaning away from the United Nations, down the road of armed alliances. Do not give the Senators too much at one time, as they might regurgitate, but leave the door ajar so we can sneak back in with the next dose of armaments and with some more arsenic for the United Nations.

The New York Herald Tribune carried the headline:

Senate backs military aid to Europe, 64 to 4.

I was one of the four, Mr. President, I am happy to say. I was one of the four who were not taken in. There will be a larger number this time. Three or four times as many. Next time there will be more.

The subheading in the Tribune article, June 12, 1948, reads:

Paves way to assist five-nation alliance.

Five nations, you will notice, Mr. President. Now that we face the actuality, it is 11 nations.

In still smaller type another subheading reads:

VANDENBERG's resolution also calls for curbing use of veto in UN.

Those were the headlines when the Senate passed Senate Resolution 239. I can see the headlines when we pass the North Atlantic Pact.

Senate clears way for arming of Europe.

And probably a subheading:

United States assumes obligation of rearming democracies against Russian aggression.

Then perhaps there will be no further action at this session. Perhaps things will be allowed to cool off so Senators can forget the heated arguments as to whether or not those who vote for the pact obligate themselves also to vote for arms. Then, later, after the war-minded press has put on a big propaganda drive for arms to Europe, we will be told that of course there was a commitment and that now we must deliver or our country will lose face, just as we have been told about the present treaty, that we must ratify it or else suffer an irreparable loss of prestige.

Frankly, Mr. President, I tried conscientiously to convince myself that I could vote for this pact without searing my conscience. I do not like to be pictured as a maverick. Even including my votes on foreign policy, my record of party regularity is excelled by few, if any, Senators. But these votes on foreign policy seem to have a way of standing out like a sore thumb. Nevertheless, I am going to keep my record clear. When this vote is over I can still truthfully say that I have never compromised with my conscience and my best judgment on a single vote since I have been in the Senate. Always I have predicated my decision on what I believed to be best for my country and its people. It is my firm resolve to adhere to that course so long as I may be privileged to serve in the United States Senate.

EXHIBIT A

[From United States News and World Report for March 25, 1949]

WHAT WORLD THINKS OF UNITED STATES: REPORT ON A 3-YEAR TOUR

(An interview with Joseph Fromm, far eastern editor, United States News and World Report)

(EDITOR'S NOTE.—Joseph Fromm, far eastern editor of United States News and World Report, has just returned to America after 3 years of reporting that took him around the world. During his travels, Mr. Fromm watched the beginning and the growth of the American occupation in Japan. He was in China when the Communist sweep began, and he foretold the collapse of the Chiang Kai-shek government's control over millions of Chinese. In the last year, Mr. Fromm has been on hand for the fighting in Indonesia, the revolution in Indochina, the pro-Communist uprising in Malaya, the warfare in Palestine and elsewhere. He has covered the "cold war" from Korea, through the Middle East, to Spain. Mr. Fromm is in the United States for a vacation before returning to his post in the Far East. The editors of United States News and World Report sat down with Mr. Fromm in our conference rooms to discuss his impressions of the trend of world events. His opinions appear in the interview on these pages.)

Question. How does it feel to be back, after all that traveling, Mr. Fromm?

Answer. Fine. This country looks good.

Question. What impressions did you get overseas? Do people think there is going to be a war?

Answer. I found very little feeling of a prospect of war most places I went. That is true in Spain, for example. And it certainly is true in China. There is little feeling out there about a war between America and Russia.

Question. What about Iran?

Answer. In Iran I found generally that the people didn't think there would be a war. They were jittery, all right. They recognize that if there is a war any so-called containment policy won't contain anybody there. As far as effectively checking the Russians, that isn't even a prospect.

We've been putting in $100,000,000 worth of military equipment—so-called surplus—and we gave it to them with a $10,000,000 credit. They started trying to develop an Iranian Army. One of the men who is active in it told me that, if the Russians marched into Iran, the Iranian Army would run to the south. The only effective resistance might be in guerrilla warfare.

Question. What is the biggest impression you got, over all?

Answer. I think the outstanding impression concerns America more than anything else. People everywhere seem to think the American approach to world problems is out of date. From the representation of the State Department I got the impression, as I talked with them at embassies and such places, that the United States is playing with the world as though the countries were just chess pawns and there were no human beings involved. Lots of times the people don't seem to be taken into consideration at all.

There seems to be a tendency to think you can buy nations. You can pour $2,000,000,000 into China, but you're not going to buy China. There is a revolution going on throughout Asia. It's a popular, mass revolution—right from the grass roots. But our policy, much of it anyway, is still based on the prewar status quo. That is the impression of lots of people in Asia.

AMERICA'S LOST PRESTIGE

At the end of the war, I was flabbergasted at the amount of American prestige. In Malaya, in Indonesia, people would pick me up and throw their arms amound me. In Indochina it was the same thing. They expected America to be the champion of Nationalist movements.

You can imagine the terrific let-down of these people when they decided America was on the side of the colonial powers. For instance, the Prime Minister of the Indonesian Republic told me: "America has betrayed us. America is supporting the Dutch." I ran into the same thing in Indochina, where the people are fighting the French.

The Communists always are on the side of the Nationalist movements. In Indonesia, the Communist line is: "The Americans have betrayed us. The Russians have agreed to trade with us. So you see who our friends are."

Question. The Russians are trying to take advantage of the situation out there?

Answer. I'd say, rather, that they have taken advantage of a historical situation and we have not. I don't credit their intelligence. I think the United States just failed to sense an opportunity.

Once in Saigon I had a conversation with three young men who are fighting the French. I asked one of them: "Why do you follow Ho Chi Minh. He's a Communist. Don't you realize what might happen to your country?"

They were amused. The man I was talking to laughed at me and said: "You mean Ho Chi Minh is a Nationalist? The French have destroyed every other Nationalist organization here. We would rather have Indochina ruled by a native Communist than an Indochina ruled by the French."

COMMUNIST ARGUMENTS IN CHINA

Question. Where do they get the money and the instruments to spread this communism?

Answer. The point is, it doesn't take much.

Take the little farmer in China who gets up at 5 in the morning and works until dark and after. He pays 50 to 60 percent of his crop in rent, another 20 percent in taxes, and then the army comes along and takes 10 percent more. He sees no chance of a change.

Then the Communists come along—with no money whatsoever—and merely say: "Look. Why are you doing this? Why don't you join us and fight for your rights here?" You don't need money to mobilize that.

Another thing, in China the Communists got a lot of free guns and ammunition. It was Japanese stuff the Russians neglected to turn over to Chiang Kai-shek's Nationalists. That lasted a few years.

Now, though, I would say that 70 percent of the Communist equipment is American. I know of one case where the Communists trapped a Nationalist army and got the equipment of 50,000 men. In Mukden, everybody knew that the Nationalist troops and officers were selling their guns on the streets. In Tientsin, lots of guns were smuggled to the Communists.

Question. What's going to happen to China now?

Answer. I think the Communists are going to set up a coalition government.

Question. Dominated by Russia?

Answer. To this extent: In international affairs. Communist China is going to cooperate with Russia because, after all, they probably reason that, if there is a war and Russia is defeated, then they lose too. But I think on internal affairs, the Communists will not let Russia say: "Now, you will do this."

Question. Could the United States have kept China? Or was the allegiance to Russia so strong that nothing could be done?

Answer. In the first place, I certainly think there was a possibility of preventing the Communists from taking over all of China. General Marshall, during his mission out there, felt that the Communists dominated maybe a fourth of the country at that time and the Kuomintang—the Chiang Kai-shek Government—had three-fourths. General Marshall brought them together, but a lot of people think that the Kuomintang didn't want a coalition.

People out there say General Marshall did a marvelous job. But, unfortunately, he had to leave at a critical period and the whole thing blew up. I think our policy after the Marshall mission was based on the idea that it was possible to crush the Chinese Communists. But, actually, I don't think we could have done it. They have too much popular support. They are too strong.

Question. How important is China from the standpoint of peace in the world?

Answer. Industrially, China is so backward that I can't think the country itself is any threat to peace. If one is thinking in terms of war, the fact that the Communists are taking over means Russia's Asiatic flank is safe. But I don't think anybody is thinking about invading Russia through China.

Politically, the situation might have the effect of heartening a lot of people in Asia. The people in Indochina, for instance. They may say: "Now we have a big brother to the north." Many people who weren't Communists before are going to think it might be a good idea to become Communists.

Question. Will it have any effect on India?

Answer. India is pretty remote from all this. I think it will remain neutral. One thing, though—the Communists in India seem to have learned some lessons from the Communists in China. They have gotten into the labor unions, and they are pretty strong there. But I think they are counting on rural India to be the strength of their movement, as it was in China.

DOUBTS ABOUT JAPAN

Question. What about Japan?

Answer. Our new policy seems to be to forget about reform and put recovery first in Japan. It seems to me the primary objective of United States policy in Japan is, first, to get Japan off the American dole and, secondly, keep down the Communists.

But almost everybody recognizes that a self-sufficient Japan requires the cooperation of the countries of Asia, particularly Manchuria. That is the main source of soybeans, coal, iron ore, cotton, and wool. The whole Japanese economy in the past—Manchuria was the backbone of it.

Manchuria is Communist now. They are not going to trade with Japan. And the Chinese Communists are not going to cooperate in trade with Japan if there is any hint that America is building the place up as a military power. The same thing is true in the Philippines. It is political suicide there to advocate trade with Japan.

The President of the Philippines was upset about it when I talked with him. He said: "You're building up a reactionary Japan as a base against Russia. You're buying dubious allies. We fear a resurgent Japan far more than we fear Russia."

I think these reactions are largely a result of our shift in policy during the last 18 months.

SHIFT IN UNITED STATES POLICY

Question. Shift in what policy?

Answer. The United States policy in the occupation. During the first year the main theme was that Japan had to be democratized. That was the basic policy. The breaking up of the zaibatsu (big monopolies) was one of the major things. But now I think we've scrapped the whole policy of zaibatsu dissolution.

Question. There have been almost no reparations?

Answer. That's right. Certainly it has been to a large extent Russia's fault. But

also on our part, we haven't desired to have reparations.

There is a great conflict in our policy. On the one hand, the State Department says our only objective is to make Japan self-sufficient. But then a committee of engineers hired by the Army made its report on reparations and economic reconstruction, and people in Asia were flabbergasted. This report came out and advocated the retention of practically all prewar Japan's industrial capacity—a capacity that the United States, in early policy, admitted included a tremendous amount of what they call obvious excess capacity.

And people out there began to wonder. If, as we had said before, so much industry was obvious excess, why was it suddenly necessary to retain it in Japan if our policy is only to develop a self-sufficient and democratic country?

Question. Is it possible the events in China have caused a policy switch in Japan?

Answer. Yes. I am sure that we have switched the emphasis in Japan as a result of that. Apparently we haven't decided yet what we want to do. In other words, one branch of the Government says we want Japan to be self-sufficient, and then the Army indicates we want Japan to be a military base.

We've got to decide whether we want Japan as a military base. If we do, then I think we'll have to subsidize the economy indefinitely. Because if that is United States policy, we won't get the cooperation of China, or the Philippines, or Australia. They are not going to assist in the development of a militaristic Japan.

JAPANESE AS ALLIES?

Question. In case a war came, would the Japanese people be America's allies?

Answer. I would say, the way the political trend in Japan is going now, that in 5 years you will see the working class violently opposed to America, and the small group of politicians and former war lords on the side of the United States. Whether the Japanese people would fight for us, I would say, is extremely questionable. Anyway, there would be a very effective fifth column, because the Communists have some extremely capable leaders and they are well organized.

We've already seen the results of the recent elections there, in which the Communists made a relatively spectacular showing. That trend started quite a while ago. There was one case where a tax was imposed. It hit the workers pretty hard. The result was that there were strikes—which were banned—and the Socialists who had to apply the tax were accused of being antilabor. Feeling was such that a lot of workers turned to the Communists.

One of the Communist leaders used to tell me: "Every time General MacArthur bans a strike we make votes." Of course, the Communists want to make the situation appear: "the Americans against the workers and the Communists," and I am inclined to believe they have pretty well succeeded. That is demonstrated by the election results. I think the trend of United States policy now will start pinching the farmers, so that in the next year or two the farmers will feel that they have no one to turn to except the Communists.

Question. Are the Russians mixing into the Near East-Palestine business?

Answer. Not very much. The Russians, for the last 25 years, have had a consistent policy in the Middle East. They've changed tactics, but the ultimate objective always has been the same; to dislodge the British and the French from the position on Russia's flank.

Palestine showed that up. First, the Russians supported the Zionists, then they opposed them. They supported the Arabs, and then they supported partition. They always looked at it against the background of what the British were doing at the time. Their idea has been to get Britain out, wherever possible.

Question. Is there much Communist infiltration in the Near East and Middle East?

Answer. Not a great deal. In Israel you have a small Communist Party. Of course, I have read stories that the Russians are sending a lot of spies and such things, but I am very dubious of that.

I would say that there is less prospect of communism in Israel than any country I have visited. There is less class conflict, for one thing, less social conflict. Labor relations are excellent because the unions are part of the Government. The workers have a very strong position already, so the Communists have nothing to offer these people.

I talked with a lot of people there. By supporting Israel consistently, the United States has achieved a position where the Israeli Government is pointed very much in the direction of America, both politically and economically. The party that controls the Government favors what its spokesmen call "neutrality." In other words, they want to be friendly both with Russia and America, and deal with them. I would call it a pro-American neutrality.

Question. What about Arab countries?

Answer. Practically all the experts I talked with said there is less prospect of real communism throughout this whole area than anywhere else. Among the Arabs, the real bar to communism is the feudalistic, religious barrier.

From Russia's point of view, she didn't have to be worried about adopting an all-out pro-Israel policy. She probably didn't care if she embarrassed all the Communist Parties in all the Arab countries. For 25 years they haven't been able to do anything, anyway.

The Communists are working along the lines of Russian foreign policy to get rid of foreign powers in the Middle East. That means Britain, France, America, etc., So you find the Communists collaborating with the nationalists groups. You find them very active with the violently antiforeign movements.

So far as United States policy is concerned, we don't have to worry about the Arabs cutting off the oil. As it has worked out—and as most of the people who have spent a lot of time there point out—the Arabs need us more than we need them. In Saudi Arabia, King Ibn Saud gets a lot of American dollars for his oil. He wasn't going to cut off the oil and bankrupt his country to fight over Palestine.

I think the effect of the United States policy in taking a position that was against the Arabs, or at least a position backing Israel, has put our relations with the Arab countries on a very realistic basis. As far as the ordinary people of those countries are concerned, America's attitude doesn't mean a great deal. There isn't much popular opinion in those places. The Arab countries are far more backward than any others in Asia.

And our policy in America has shown the people who run the Arab governments that they have to watch their step more than we have to watch ours. In other words, they need our economic assistance, our trade, and our purchase of their oil, and they know it. The friendship of Israel is probably as important as the friendship of all the other states collectively. Israel is obviously there to stay. It is going to be the most dynamic country in the whole Middle East.

Question. Did you get into Greece?

Answer. Just for a day or two, on my way to Italy.

Question. Then you wound up in Spain?

Answer. Yes. Madrid was my last long stop.

Question. After all that, what is your impression of United States policy? Are we playing a lone hand in foreign relations or are we following the British? Just what are we trying to do?

Answer. In the Near East at one time we followed the British. Now we are pretty well playing our own hand.

In Asia we just don't seem to have any consistent policy at all. People I've talked with feel it is a sort of policy of compromises, of half measures. This doesn't apply to western Europe maybe. But in Asia, the Middle East, and in Spain American policy has been negative almost universally.

Question. We are putting up a lot of money, aren't we?

Answer. That's just it. America is spending billions, apparently with the idea that we can buy world support with our money. But the chances are it will mean spending money indefinitely because the people themselves are offered nothing very dramatic.

For instance, a worker in Italy has been getting 200 grams of bread a day. If we did not go in and help he would be cut to 150. But he is not much impressed with the fact that he still gets 200 grams. That isn't going to turn him against communism.

What is going to turn him against communism is if he gets 300 grams of bread a day and has a reasonable tax system or a reasonable land system—that's the sort of thing that will persuade him.

CASH VERSUS PERSUASION

Question. That costs, too, doesn't it?

Answer. Yes. My point is nothing is being done to persuade the people. One might say that the United States bought off Italy last year in the election over there. But the fact remains that nothing has been done yet to persuade the 30 percent of the people or so who voted Communist to vote against the Communists next time. So, to make any headway, we have to buy them again.

Question. If we didn't put dollars in China, in Italy, and Greece—if we gave nothing but moral support to the people who are opposing Communists—could these anti-Communists win? Some people in the United States get frightened every time the Communists make the slightest gain.

Answer. That's it. It seems to me the great danger is that the United States will get so terrified as its policies backfire in some parts of the world and the Communists take over, that we might do things that are audacious to the point where they will be provoking.

The Russians go in and back the Communist Party whether the Communists are in power or not. They go along with the revolutionary movement. Most people today are a great neutral mass. They can see no reason to support America and no particular reason to support the Communists. They are not going to fight Communists if they come in, and they are not going to fight on America's side to throw Communists out.

Question. What do you think about Spain?

Answer. Franco is wooing us now, but it is on his terms. I calculate it would mean an expenditure of $2,000,000,000 to make Spain an effective ally, and what would you have after you spent the $2,000,000,000?

Anybody who goes in to help Franco now has to take Franco as he is. When we suggest reforms, people in his government always say: "Our economic situation is so delicate that if we do anything it might cause unrest and we would have nothing to fall back on. But if you came over with $200,000,000 or $500,000,000, then we would be able to consider these things."

The idea seems to be that once you're in you can't get out. And once you're in they don't have to do anything to keep you in. Some of the men over there are talking themselves into a conviction that if we don't give

them economic assistance, there will be riots and the Communists will take over.

I just don't believe it. I have not found a single well-informed member of our embassy staff there who sees any prospect of a civil war in Spain. They say in the whole history of Spain there has never been a revolution as a result of hunger.

COST OF AID TO SPAIN

As far as Franco being an ally, I think what the United States would wind up with is this: We would spend a lot of money to build up his economy. But the economy obviously couldn't support a country that was on the alert for war. Therefore, we would constantly be required to subsidize Spain's domestic economy. Indefinitely. It wouldn't be a 5-year program. It would be a 10-year program, or 15. Even so, what would we wind up with?

The Spanish people still, despite the absence of a more positive American policy, are very definitely pro-American. Many of these people do not like Franco. They have no hope whatsoever of getting any aid. Therefore, any aid you put in—even though it might prevent the wheat ration from being reduced—wouldn't have enough dramatic effect to convince the people it was good. Because, the price they would be paying would be their last hope of getting rid of Franco.

The hope of getting rid of Franco stems from the prospect that the Spanish economy will deteriorate to the point where the people around Franco will decide that American aid is so imperative they will compel him to step down. It's difficult to predict whether this pressure would force Franco out. It is a very distinct possibility, but Franco's retirement would not really solve the Spanish problem.

Question. One thing is clear anyway: The world really seems to be in a mess, doesn't it?

Answer. That's right—quite a mess.

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EXHIBIT B

[From Newsweek for May 30, 1949]

SOUTH ASIA: WHERE AND HOW AMERICA LOSES FRIENDS

(As the shadow of Communist China falls over south Asia, the feeling of south Asian peoples about the United States will play a large part in shaping future events. Three years ago when he toured the area for Newsweek, Associate Editor Harold Isaacs found America and Americans held in highest regard. Here is what he found on a recent swing back through the same countries:)

Pak Kromo, who farms a small patch on the edge of a town in Java, was on his way to market. He had been walking along the road, his back slightly bent, balancing two baskets of vegetables. He had just set them down and squatted to rest—a small, hard, brown, preoccupied man with a seamed face and betel-stained teeth. He looked up with half-suspicious curiosity when we stopped to talk. Like most farmers, Pak Kromo did not like nosy strangers.

But he returned our greeting. After a few minutes of talk he pointed at me and asked my friend: "He's not a blonda (Dutchman), is he?" My friend laughed, "How did you know?" he asked. "He seems polite," said Pak Kromo.

My interpreter explained that I was an American who wanted to know what he thought about things. Pak Kromo looked me over, suspiciously but with a squint of interest. "An American?" he repeated. "What would an American want to know from me?"

"I'd like to know what you think America has to do with your affairs," I said. Pak Kromo said nothing. He pulled a short blade of grass and put it in his mouth. Finally he said: "The Americans are helping the Dutch."

"How?" I wanted to known.

Pak Kromo spit out the piece of grass and plucked another. "America is the most powerful country in the world. Holland is a small country being helped by America, isn't it?" I nodded. "Then how could Holland," he almost shouted, "make war unless America helped her do it?"

As Pak Kromo shouldered his load again, the interpreter looked at me quizzically, then laughed. "Most of us would put it the other way around," he said. "We'd say that Holland wouldn't be able to make war against us here if the United States really acted to keep her from doing so. But I think we understand more about America in Java now than we did 3 years ago. We were pretty foolish then."

VANISHING DREAM

Three years before there had been a dizzy dream about the United States almost everywhere in South Asia. America was powerful enough to conquer the oceans, cleave the mountains, and crush the Japanese. Americans were coming as friends and partners not as rulers. They would help make a brave new world in which Asians would play an equal role.

That dream has gone now, with hardly a trace remaining except perhaps in the acute disappointment and hard-dying hopes that underlie the feeling about America everywhere. There are still not a few would-be friends who almost wistfully want to know when Americans will realize that friendship is a two-way street. But now it is Pak Kromo, with his squint and his simplification of complex events, who best sums up the common attitude. It came in varied accents, in hostile or tired voices, in diplomatic phrases or in plain speech, but it was almost always the same compound of confusion, mistrust, and outright hostility.

Confusion: In Jogjakarta, the occupied Indonesian Republican capital, a young Indonesian woman said: "I wonder what America really wants? The United States backed the Dutch in their first police action. I'm sure of that. Now the Americans are talking in the UN against the Dutch. What lies behind it? Maybe I just don't understand. America is the country of big business and I think maybe all Americans really want is profits."

In India, Jai Prakash Narayan, leader of the Socialist Party, knows America better than most of his countrymen. He worked his way through an American college and wandered on foot around the country during his vacations. He is today perhaps the stoutest opponent in India of Communist totalitarianism. But Jai Prakash cannot make sense of American acts in south Asia. "I know Americans are sincere and well-meaning, but I don't know if I understand what America is up to in Asia. Americans don't seem very clear themselves, and I wonder if they know the price they are going to have to pay for this confusion."

Mistrust: A young Malay nationalist said: "Every time there is an issue affecting a colonial people in the UN, the United States ends up on the side of the colonial countries. Russia always seems to end up on the other side, making Russia seem our champion, working for us. What conclusions are we to draw from this?"

"Tell me," said a dark-skinned Tamil from South India, "I understand that in America dark-skinned people must live only in certain places and go to certain schools. Is that true?"

"Americans are friendly, democratic chaps," said a Chinese in Malacca on the Malayan coast. "But when it comes to people with different color skins, they treat us either as curiosities or as inferior beings. At least with the British we've always known where we stood. They were always the master race. But they never talked as much about democracy as the Americans do. Isn't this really a case of social schizophrenia?"

"We're beginning to think that both America and Russia are poison for us," said a Japanese nationalist youth leader. "America didn't show a flicker of any real support for us until we had our Communist revolt. Then there was some excitement and your representative in the UN, Jessup, made strong anti-Dutch speeches. Maybe if we drummed up a real Communist movement here, we'd get some real American help, only too late."

VANISHING FRIENDS

There are friends of the United States among some of the leaders in south Asia. But they have a way of turning up chiefly among politicians attached to corrupt and unpopular regimes, as in Siam and the Philippines, or among ambitious businessmen bent on transplanting the free-enterprise system to their countries. The more important moderate nationalist leaders have to be sensitive to popular sentiment and are much less willing to call themselves pro-American in world affairs.

In India—the most important of these is probably Jawaharlal Nehru, Prime Minister of India. Nehru is a volatile intellectual more at home among emotional enthusiasms than among hard facts. A great and persuasive exponent of individual freedom, Nehru has until quite recently retained many 10-year-old illusions about Russian "democracy." As a lifelong anti-imperialist and one-time Socialist, he still has a deep mistrust of American capitalism, which he remembers as the firm ally of the British Raj.

Today these ideas are subject to the pressures of Nehru's new position. In Indian affairs he is allied with big business interests. He has been repelled and angered by the disloyal tactics of the Indian Communists. His ideas about Russia have been modified. He is drawn westward, as his negotiation of a new formula to keep India as a republic in the Commonwealth clearly shows. At the same time he retains his mistrust of the race-superiority complex of the West and he wants, if possible, to keep his country clear of the west's conflicts. Hence his policy of neutrality in the cold war.

In Indonesia: President Soekarno of the Indonesian Republic and most of his ministers still list themselves, a little sadly and wearily, as friends of the United States. They wish that American friendship for their cause were consistent enough to still the angry critics among their own followers who charge that they have conceded too much to the Dutch at American behest.

One of these critics today is former Premier Sutan Sjahrir, who probably reflects more accurately than the incumbent leaders the state of mind among Republicans. He has lost the faith in which he once negotiated with the Dutch under Anglo-American and UN auspices. A potent sideline influence, he is sensitive to the mood of the younger Republicans who now often say something like this: "We'll get our freedom by fighting for it, not by waiting for America to help us get it. If our leaders don't see it that way, we'll find other leaders."

In Malaya: Here the United States is viewed mainly as the buyer of tin and rubber and as such a supporter of continued British control over the unresolved conflicts of Malays and Chinese. The most vociferous critics of America are, ironically enough, not Chinese or Malays but British rubber planters, indignant over what they call an American synthetic-rubber conspiracy to keep natural-rubber prices unprofitably low.

In Burma: Only the most conservative older politicians are frankly pro-American, but they are entirely out of the political picture, in which all the active political factions are generally leftist and share a widespread suspicion of the United States as a capitalist colossus.

In the Philippines: In this commonwealth, formally independent of American rule only since 1946, it is now a political liability to be tagged as pro-American. In the involved party and clique rivalries, almost every man who aspires to political power must insist

that he will seek revision or abrogation of the independence provisions giving Americans equal privileges with Filipinos in exploitation of the country's resources. Although few Americans have availed themselves of these special privileges, the act nettles most Filipinos.

Perhaps the most striking index to Filipino feeling is the fact that the leading contender for the Presidency is José P. Laurel, who was puppet president under the Japanese. His greatest appeal to the public, aside from his reputed incorruptibility, is the fact that he is and always has been anti-American.

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EXHIBIT C

[From the Washington Evening Star for July 15, 1949]

OPPOSITION TO ATLANTIC PACT SEEN DUE TO LACK OF CANDOR BY STATE DEPARTMENT

(By Constantine Brown)

Lack of candor on the part of the State Department and its spokesmen in the Senate as to the real meaning of the Atlantic Pact lies at the bottom of the increased opposition to the pact's ratification. The administration hopes, however, that ratification will be completed some time early next week.

The battle was seriously joined when Senate proponents of the pact decided that introduction of a limitation, as proposed by Senator WHERRY, of Nebraska, Republican floor leader, would require that the signatories rewrite the treaty.

The Nebraskan proposed that the treaty, when ratified, should not be construed as an obligation on the part of the United States to provide arms and ammunition to the other signatories of the pact. He insisted that any proposal to appropriate money for Europe's rearmament should be independent of the treaty, and that the Senate should not assume even a moral obligation to pass such appropriations simply because it had ratified the pact.

PACT MUST HAVE FORCE

The fact is that, regardless of the language in the treaty binding the new western coalition, the pact will be nothing but an expression of pious wishes unless it is backed by adequate military force to meet any attack from an aggressor—that is to say, Soviet Russia.

No international agreement, treaty, or pact of the character of the Atlantic alliance can be effective unless it is backed by strong military force. This unpleasant, but at the same time inescapable, truth has been glossed over by the State Department, as well as the Atlantic Pact's strong defenders in the Senate, both of whom preferred to hide behind sophisms rather than admit the whole truth and the implications of the treaty.

Western Europe is not in a position today to provide its own heavy weapons; not only is its industry unprepared for such production but it is highly questionable whether the workers in its metallurgical industries would be willing to produce at the critical moment.

It is true that communism is receding in western Europe as a result of American help. But that does not mean that it has become a negligible factor. The Communists are particularly strong in those industries which can produce tanks, planes, and motors. The recent 24-hour strike of workers in the Italian metallurgical industry is sufficient proof of Communist strength.

COSTS OF PRODUCTION

Theoretically, the western European nations—Britain, France, Italy, and Belgium—should be able before long to produce modern military equipment much more cheaply than it can be produced in this country. Again, theoretically, the cost to the American taxpayers of armed aid to Europe would be cut just about in half if the equipment were produced on the other side of the Atlantic.

The equipping of a full division with modern war apparatus costs about $400,000,000 in this country, while in continental Europe it would cost less than $250,000,000. But the Communists are so strong in the labor unions whose members would be required to produce the weapons that the various European governments do not feel at present that they can be sure of the continuous production which is necessary to organize 25 European divisions in the next 5 years.

If these facts had been made plain by the State Department and its Senate spokesmen, if the Senators had been told frankly that only after the democratic governments have really consolidated their position through American economic and political assistance can they expect to start military reconstruction, the present discussions would have been avoided.

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EXHIBIT D

[From the Washington Evening Star for July 16, 1949]

DULLES IN STATE DEPARTMENT DISFAVOR AFTER CHARGES OF ARTIFICIAL ALARM

(By Constantine Brown)

Senator DULLES is in the doghouse as far as the State Department is concerned.

In the course of his maiden speech last Tuesday, advocating ratification of the Atlantic Pact, he volunteered the highly interesting information that during the recent Paris conference it had been suggested by some western European leaders that the American people be kept "artificially alarmed" over the threat of a Soviet aggression in order to assist passage of the Atlantic Pact in the Senate.

This proposition, Senator Dulles added on the Senate floor, was naturally rejected by Secretary of State Acheson and his advisers.

This indiscretion on the part of Senator DULLES, who attended most of the secret meetings held in Paris last month, caused many Senators to wonder whether the reports from "highly qualified quarters" in the spring and summer of 1948, when there was a strong expectation that the Russians were about ready to attack western Europe, were not prompted by similar political motives.

REPORTS UNSUBSTANTIATED

Some Senators in the Armed Services Committee recall that no positive substantiation of those reports could be given them in executive sessions by the intelligence services of the armed forces. The officers who appeared were cautious, saying only that while our own information agents could detect only minor troop movements, the bulk of the alarming information came from the intelligence services of western European countries, who frequently have better and more numerous sources than we have.

It was due to these alarming reports—to some extent, at least—that Congress voted large appropriations for the military establishment and approved the Air Force 70-group proposal, which later was reduced to 48 groups at the request of Defense Secretary Johnson himself.

While the State Department will make no denial of Senator DULLES' remarks, off-the-record explanations are available. For instance, it is said—not for quotation or attribution—that scare stories about Soviet troop concentrations were correct. They followed the Russian cold-war pattern, after Moscow had decided to enforce a blockade on Berlin and believed that we would be unable to combat such a blockade.

The official sources add that not only we in the United States, but also the French and British Governments, despite public statements to the contrary by their respective foreign ministers, were on pins and needles over when the blow from the East would come.

It was at that time, long before the British evolved the idea for an Atlantic Pact, that the western European nations made their first approach for arms and ammunition from the United States to equip their manpower for resistance to a Russian attack. Representatives of the British and French general staffs came to Washington quietly to discuss the situation with our military leaders and suggest some ways of getting armament.

MADE CLEAR BY LAW

When it was made clear that the law governing the European recovery program did not permit money to be spent on armament, some imaginative Frenchman suggested that tanks and antiaircraft artillery could be sent under the label of farm machinery.

It was at that time that the State Department approached some Senate leaders with the idea that the administration ask Congress to appropriate about $1,000,000,000 to rearm forces of the newly created western bloc.

Senator VANDENBERG, it is said, doused the idea with cold water. He told the State Department that unless there was some political treaty to provide a basis for such a request, the demand for appropriations to rearm Europe at that time would have no chance of passing the House and Senate.

On the advice of the chairman of the Senate Foreign Relations Committee the matter was dropped. The western European governments undoubtedly were informed about the "trend" in Congress, and the idea of an Atlantic Pact is believed to have sprung from that information.

Nevertheless, the State Department feels that the indiscretion of Senator DULLES—who used on the Senate floor information which he gained as a delegate to the Paris Conference—will injure seriously the White House's request for appropriations for the arming of western Europe, which the department considers to be essential implementation of the Atlantic Pact.

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EXHIBIT E

[From the Washington Times Herald]

"NEW HITLER AROUSES GERMANS AS OLD ONE DID

(Here is the first full story of postwar Germany's "new Hitler," a young war veteran acclaimed by his followers as a successor to Der Fuehrer.)

(By Irving R. Levine)

WOLFSBURG, Germany, July 18.—The only man since Hitler who has roused Germans to the verge of the old-time "heil" hysteria is making it plain his enforced retirement is just a temporary thing.

Occupation officials are bearing his name in mind. He is Werner Wolfgang Falck, considered so dangerous the British military government kicked him out of politics.

They are reluctantly convinced he has in him the making of this generation's Fuehrer and they see epitomized in him the ultranationalistic spirit that marked Germany for more than a century.

EXPELLED FROM WOLFSBURG

Falck's power as leader of the "German Rightist party" in the British zone was cut short last April when occupation officers banned the three-year old movement and expelled Falck from Wolfsburg, biggest city in Gifhorn county and site of his party's main strength.

By ousting him from the area, the British aimed at the roots of the movement.

It was estimated he had 125,000 followers when the young war hero retired to tend his garden among the bombed ruins of Goettingen. He spends his time now studying for a doctor of philosophy degree.

Until his at least temporary eclipse, Falck bore for many observers an uncomfortable resemblance—in manner if not in appearance—to Hitler in Der Fuehrer's early days in Munich.

Falck has a head start on Hitler. The Nazi leader was 34 when he whipped together the nucleus of his brown-shirted zealots in Munich in 1923. The tall, blond and well-built Falck is only 25. Like Hitler, he gesticulates wildly, shouting, raising his voice to shattering crescendoes, using every obvious device of soap-box rabble-rousing oratory to incite his audience.

It paid off for him, for a time. In Wolfsburg, founded by Hitler in 1938 as a manufacturing city, crowds cheered Falck wildly. Last November his party won 16 of 25 vacant town council seats.

AVOIDED NAZI LINE

To keep the British satisfied, Falck deliberately steered from the stigma of identifying himself with Nazisim. He argued that the only way to avoid a resurgence of Nazism was to follow him.

One British official wondered: "How that fits in with the way he spoke, and the things he stood for, is beyond me."

Just as Hitler had the "trademark" of a mustache, so cleanshaven, fair, six-foot-two Falck grew one for himself. Out of respect to what he terms the "mistreated" German war veteran, he capitalized on his military record—he was wounded on the Russian front—and adopted black boots, black breeches and a cane as his patent.

Wolfsburg, whose postwar population has been swelled by embittered prisoners of war, has been a constant worry for the British. Even after the official death of his party, ballots were marked with such slogans as "We'll vote for the German Rightist party or none," and "Give us back our Fuehrer, Adolf Hitler."

In this atmosphere, Falck repeatedly hawked this program:

1. Only Nazis guilty of actual crimes, punishable in courts, should be tried.
2. No large-scale denazification.
3. No punishment for political convictions or political errors.
4. German war veterans should be honored for their service to the fatherland.
5. Restore the house of Hohenzollern.
6. No land reforms; industrial monopolies are undesirable.

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EXHIBIT F

[From United States News and World Report of July 8, 1949]

WHY WAR SCARE IS ENDING: RUSSIA'S SHIFT TO DEFENSIVE

(Reported from London, Paris and Washington)

Russian armies are not ready to move. Military planning inside the Kremlin points to defense now, not to attack.

Emphasis is off combat troops, air and naval raiders. Soldiers are doubling as construction workers.

Russia can muster world's biggest armies. But Stalin, impressed with United States industrial power, is less inclined to pick a fight.

War no longer is entering into the day-to-day calculations of diplomats and politicians in the United States or in western Europe. At this season, when war should develop if it were going to occur in 1949, the atmosphere is calmer than at any time since 1946.

Responsible officials agree that the west can take no chances and must keep its powder dry. Nobody in the west claims to have a pipe line into the Kremlin, where a few men make Russia's decisions. But scares about war which give a sense of urgency to military preparations are lacking now.

Russia, diplomatically, is on the defensive. The impression of change is reflected in the interview on page 30 with John Foster Dulles, United States delegate to the conference of foreign ministers at Paris. In addition, the change is showing up in military matters. Britain is trimming military manpower somewhat. The United States Congress is showing less of an urge to give the military services all they want. Russia's military moves also appear to indicate plans for defense rather than aggressive intentions.

At home and in eastern Europe, Russia's military activity, over all, suggests that the Kremlin is worried about holding what it already has rather than about trying to get more territory by using or showing force.

Military evidence of Russia's intentions for the years just ahead is hard to pin down. The Soviet dictatorship is more secretive about everything in general and military matters in particular than any other government in the world. On the best available evidence, however, these are the facts:

Manpower under arms in Russia totals close to 4,000,000. Four out of every 200 Russians are in uniform, as compared to 2.3 out of every 200 Americans. Most Americans in uniform, however, are volunteers, whereas only about 25 percent of the Russian total are professional soldiers, sailors, or airmen. The rest are conscripts serving under Russian laws of universal military service. In addition, Russia is counting on upward of 1,000,000 men in the armed forces of its satellite states in eastern Europe.

Russia's armed forces are the largest in the world excepting only the civil-war armies of China. For Russia, this is nothing new. Since 1900, Russia has maintained the world's largest peacetime force. Now that the United States has 1,625,000 in uniform, few of them draftees, Russia may consider her peacetime armed forces stabilized at 4,000,000. One year's class of conscripts in Russia runs about 1,000,000. Service of 2 to 3 years is required of all Russians.

The land army of Russia is the world's strongest. Some 3,000,000 soldiers are organized into six armies and nearly 200 divisions. About half these divisions, including 450,000 politically elite troops of the MVD, troops comparable to Nazi Germany's SS troops, are fairly well equipped and armed.

Disposition of these forces at present does not suggest that Russiâ is planning to attack the west. There may be 30 Russian divisions in eastern Germany, perhaps 20 more in the rest of Soviet-occupied Europe. But the bulk of the Soviet land army is in European Russia between Poland and the Urals. Many of these troops are kept busy at nonmilitary jobs, building Government housing, dams, roads, and the like. A major objective in the Soviet armed forces is to train conscripts from rural areas to drive trucks, handle simple tools, and do jobs that will enable them to fit into Russia's expanding industry.

Naval forces of Russia are weak, very weak in relation to United States and British sea power. Russia has only one small aircraft carrier building and none afloat. Russian battleships are obsolete, cruisers are few in number. Emphasis in the Russian Navy is on submarines. Russia has about 250 submarines, of which perhaps 125 are equipped with the schnorkel underwater breathing device. More are building. The undersea fleet is a challenge to surface fleets of other nations in the event of war, but Russia has no ocean transport for her own forces.

Air forces of the Soviet Union are strong in jet-propelled fighters and interceptors, weak in long-range strategic bombers. That means Russia is strong in air defense, weak in air attack. Russia is believed to have about 18,000 military planes, both combat and utility, on the active list, with perhaps 15,000, mainly obsolete, in reserve. The United States lists 17,290 planes on the active list and about 15,000 in reserve. But figures on numbers of planes tell little of comparative strength.

Russia's strategic-bomber section is just over a year old and may have as many as 1,000 bombers of the B–29 type. The United States Air Force has about 2,800 B–29's in use and in storage. But Russia is still building B–29's while the United States is flying the B–50, a much better plane, and has about 50 B–36 6-engine bombers which can fly from Alaska to any point in Russia and back again. There is nothing to indicate that Russia has planes to match these.

Arms production in Russia is high in some fields, low in others. Over all, production appears to be geared to arms and support for a big land army, not an air or sea striking force. Tank output remains high, and the Russian heavy tank is considered the world's best. Artillery production is high, too. Russia is taking some guns from the Skoda works in Czechoslovakia, distributing the rest to the armies Moscow can expect to obey Russian orders in eastern Europe. Plane production is from 8,000 to 12,000 a year.

In such arms as guided missiles, rockets, and the like, Russia appears to be trailing the United States, but not by much. German factories that made guided missiles fell into Soviet hands at the end of World War II and German technicians now are working for Russia.

But there are gaps in Russia's military machine that suggest that Russia does not plan aggressive war.

Transport, for example, is in bad condition from the industrial areas of the Urals and Moscow to Russia's European borders. There is no indication that Russia is building the kind of transport network needed for aggressive war, the kind of roads that Nazi Germany built before World War II. Instead, Russia's planners appear to be deliberately leaving transport on her west so weak, as a defensive measure, that the country's industry is suffering.

Spending for war in Russia is going to take about 15.1 percent of the national income of the Soviet Union in 1949, whereas the United States, for the year beginning July 1, is likely to spend only about 7 percent of the national income. But there is much guesswork, there are many imponderables, in such figures. The United States counts on private industry, working for consumers' peacetime needs, to build up industrial power that, if necessary, could be used for war. Russia, with an industry run by government, has no such reserve and cannot match the United States level of industrial production.

Military conclusions based on available facts and much deduction, are that Russia is not likely to risk an aggressive war when United States industrial capacity is so far ahead. Most of Russia's military preparations appear to be defensive, not aggressive. Military men in the west know that 13 men in the Kremlin could send Russia to war tomorrow if they chose. They know, too, that Russia's plans depend on the extent of the economic slump currently developing in the United States. Over all, however, the feeling in the west is that the chances of peace just ahead are better than at any time since the end of World War II.

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EXHIBIT G

RENEGOTIATE THE NORTH ATLANTIC PACT

CHICAGO, ILL., *July 7, 1949.*

*To the United States Senate:*

Identification: Native American; veteran of both World Wars (a major in Air Force last time); lawyer; long-time outspoken foe of communism and Communists and their evil aims and practices here and abroad; a close student of foreign policy and related military matters, incident to my years of writing and lecturing on this subject; a stanch advocate of the American tradition of fairness and candor in international dealings. For fuller statement of background and views against the pact see pages 1235-63,

part 3, records of hearings of the Connally committee.

The pact should be renegotiated in fairness to all peoples concerned, including the American people, and to create a sound basis, in clear, mutual understanding, for any alliance to be made; in part for the following reasons which are supported by overwhelming factual evidence and authoritative opinions. To ratify it "as is" is to build on sand.

1. To make Europe secure against invasion by Russia, not merely to promise postoccupation liberation, is America's obligation under the pact—the understanding on the basis of which our President, State Department, and military leaders negotiated it and other governments signed it. Contrary pretensions are belied by the facts and work a fraud on the American people; just as any American intention not to live up to this obligation, if the pact is ratified, will work a fraud on, victimize the other peoples involved. It's the pact's very heart.

2. No European government would have signed the pact without such assurances; least of all the shaky Queuille regime of France. As he said early this year, France (like Europe) wants security against invasion because any "* * * liberation by America would be liberating a corpse * * * 15 days, even, after the invasion will be too late * * *" (to save all non-Communist leaders of western Europe civilization from liquidation).

3. The British government has a different, superior role regarding the pact; which fulfills partly the Churchill-Roosevelt secret agreement, made at their August 1941 Atlantic Charter meeting, that British-United States forces would police the postwar world. They then contemplated that the UN was sure to be futile and would be used to this end (just as Russia was certain to seek to use it to her opposing ends). In 1945, the Attlee regime agreed; Bevin telling Parliament (Nov. 7): "* * * Britain's policy is to keep on policing the world as she has always tried to do—until a league of nations is developed which can be trusted with the atomic bomb * * *." This 1941 deal was confirmed by the Churchill-Truman pronouncement, in effect, of the then already working British-United States global military alliance, at their March 1946, Fulton, Mo., appearance (which had been arranged 6 months earlier—about VJ-day); following by only a few days Secretary of State Byrnes announcement of the new "get tough with Russia" policy, in a speech reportedly talked over with Churchill at their private meeting in Florida 2 weeks earlier. The other pact signers, mostly Britain's old allies, are subordinate under this primarily British-United States alliance; which fulfills Britain's plans, dating far back (even to Canning's scheme, in 1823, which the unilateral Monroe Doctrine negated) to utilize America's power in furtherance of British imperial interests and unchanging balance-of-power aims and policies in the Old World. To marry America to Britain with respect to these Old World interests, aims and policies, as the pact does in effect, is as needless as it is unsound; today, like 1823.

4. America's obligation under the Pact, to make Europe secure against invasion, requires mammoth rearmament of both Europe and Britain, to create even the appearance—illusory at best—of prospective success in blocking invasion, even briefly. Russia's now vast and growing armies and air force can overrun Europe in a few weeks, maybe days, as United States, British and other military leaders well know. Russia has, moreover, the power and the will to keep this overwhelming superiority there; no matter how greatly Europe and Britain are rearmed. Armaments and arms-producing facilities provided Europe by America, directly or indirectly, will therefore be Russia's for the taking; will increase Russia's war-potential at the expense of our our own. Besides her present forces of some 4,000,000 reportedly—equipped with new, post-war, tanks, jet-planes etc.—which she can double and more, quickly, Russia has the use of the vast resources, material and manpower, of north China, east Europe; and (in war) of Germany, which Russia and France will make sure remains permanently disarmed. Nothing less than a unified, concentrated, ever-ready western Europe force of 200 front-line divisions (some 2,000,000 men), powerfully armored and supported by a great air force, could give any hope of more than token resistance; though doomed to be futile anyway against Russia's overwhelmingly, inevitably, superior forces. Mere hordes of men in uniform do not make a fighting force, moreover, if lacking the will to fight; and the people of Europe (except the disarmed Germans) lack the will to fight Russia—notably France and Italy, harboring some 3,000,000 known native Communists (potential traitors). This helps to explain Gen. De Gaulle's reported remark last year that even 50 western Europe divisions would merely create "an army of prisoners again." A colossal Dunkirk—a la 1940. Even the permanent stationing in Europe of hundreds of thousands of American troops—in line with the pact's adoption of the principle that the defense of western Europe against Russian invasion is essential to America's national security—could not alter this military picture substantially; because any such American force, like present United States troops there, would be wholly inadequate and mere hostages to the Kremlin.

5. Any attempt to create such a great unified force in western Europe would induce, indeed impel, attack by Russia; and less so only in degree with respect to any large force. This would contribute directly to producing the very evil sought to be avoided—Russia's invasion and seizure of Europe; meanwhile giving her a potent propaganda weapon.

6. Britain cannot fight Russia, so arming her cannot aid America—in any Russo-American war; because the British Isles themselves are indefensible, helpless, against Russia's V–2 alone—as Britain's military leaders advised their Government in 1946 or earlier, per reliable reports.

7. Russia's superior equipment makes United States 1945 types (tanks, planes, etc.) useless against her; so greatly improved models would be needed for rearmament of any forces to oppose Russia. Talk about rearming Europe with our on-hand World War II equipment ("surplus") just misleads the American and European peoples; and makes the Kremlin laugh. Militarily, it is a fraud; in relation to trying to make Europe secure against invasion by Russia. The cost of the needed new equipment would be colossal; in money and evil effects on peacetime economy. The 200 front-line divisions, with all necessary supporting organizations, would cost (each) $250,000,000 for initial equipment; plus scores of billions for the needed supporting airforce; plus many billions annually for upkeep of the forces and equipment-replacements (ever changing models of tanks, planes, etc.). To lead the American people to believe otherwise, with talk of a cost of a billion or two as the focus of attention is sheer deception.

8. Bankrupt Britain and Europe—lacking both resources and money for the task—expect America to rearm them; in part with United States-made arms, in part by recreating and supporting (with manufacturing equipment, materials, and money) their armaments industries. The American people will not foot this bill and thus expose our country to Russian conquest through bankruptcy; will not thus gut America's national security resources, her war-potential, to Russia's direct gain (see 4); will not pay endless billions under the long-term Marshall Plan which is implicit in the pact—largely to build a new British empire in Africa; will not, in these and other respects, back the pact's Old World power-politics schemes, originating mainly in London. Not when they learn the truth.

9. The only cure for the evil inherent in the pact, as and when signed, is by way of full renegotiation—with all facts known to all the peoples involved. Good conscience, good morals, good sense, require nothing less. To ratify the pact as is is to build on sand, militarily and otherwise. Any individual, or group, senatorial interpretations, seeking to qualify the meaning of a vote for ratification, will not suffice but to mislead and stultify.

10. The pact should be renegotiated for the sake of all peoples concerned, especially the American people; in part to allow them time in which to learn the truth about it before final Senate action.

Respectfully submitted.

HAMILTON A. LONG.

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EXHIBIT H

MEMORANDUM ON NATIONAL LEGISLATION OF INTEREST TO RELIGIOUS GROUPS, ISSUED BY THE FRIENDS COMMITTEE ON NATIONAL LEGISLATION, WASHINGTON, D. C.

FRIENDS COMMITTEE ON NATIONAL LEGISLATION OPPOSES SUCH A PACT

In its annual statement on legislative policy, adopted January 6, 1949, and circulated with a recent newsletter, the Friends Committee on National Legislation said:

"We oppose (1) attempts to form a North Atlantic Security Pact and other proposals for armed alliances in the guise of regional arrangements under the United Nations because these, we believe, will further solidify the existing divisions in the world instead of reducing these divisions and fostering the unity necessary for peaceful cooperation; (2) establishment of bases in, or a military alliance with, Spain; (3) efforts to misdirect the Benelux agreements into a military alliance; (4) the building of military bases in former mandated and colonial areas; (5) the policy of attempting the containment of Russia by military pressure because it bypasses the United Nations and retards the development of security through truly international action."

* * * * * *

SOME QUESTIONS ABOUT THE PACT

1. Is the pact consistent with the United Nations Charter? "Atlantic pact viewed at UN as fatal blow," runs a banner headline in the Chicago Daily News of March 7, 1949, over a story from Lake Success written by their correspondent after extensive talks with UN officials, delegates, and newspapermen. The article says:

"The United States is throwing so much emphasis behind the proposed Atlantic Pact that, if continued, it could be a kiss of death for the UN, some fear. The United States may be giving lip service to the UN and its possibilities, but in reality it is selling the UN straight down the river. * * * Unless the United Nations gets full and honest support from the United States and the other big powers, it will not survive."

While article 51, providing for regional defense pacts, was put in the Charter largely to accommodate the United States in regard to the Monroe Doctrine, article 53 specifically says:

"No enforcement action shall be taken under regional arrangements or by regional agencies without the authorization of the Security Council."

Felix Morley in the February 16 issue of Human Events writes:

"The Department of State is trying manfully to turn the Vandenberg resolution and article 51 of the Charter into two pillars for the support of the North Atlantic Treaty. It

can only be done by a tour de force. The projected treaty is clearly designed as a military alliance of some members of the United Nations directed against other members (the Soviet block) of the United Nations. And to assert that the UN Charter ever contemplated such a travesty is absurd on the face of it. * * * Only Americans are fooled by our feverish effort to build an alliance against Russia 'within the framework of the United Nations.'"

Can the United Nations be strengthened by dividing the world in half and arming one set of members—and nonmembers since Italy is still a nonmember—against another member or set of members, or can it be strengthened only by mutual disarmament and the development and revision of the UN to give it more moral and political power?

The United States is already spending a thousand dollars on its own armaments for every dollar it spends on the United Nations. Is it going to strengthen the UN by spending more money on armaments?

2. Can alliances keep the peace? Blair Bolles starts an article in the New Republic for February 21 by saying:

"The twentieth century diplomatic boneyard is littered with dead defense treaties that failed in their purpose. They did not prevent the outbreak of war, and once war came, they did not always insure victory. * * * The inevitable consequence of this kind of treaty making is to provoke the other side to make treaties of its own. * * * Nobody keeps the peace by an alliance race."

3. What may be the effect on Russia? Nobody knows. The natural thing will be for the Russians to interpret the arrangements as directed against them. It will tend to prey upon the fears of the Russian people regarding encirclement, to intensify their military preparations, and to increase their pressure upon neighboring countries like Finland. Is it not to be expected that the Russians will take counter measures internally and externally which will largely offset any apparent military advantage that might seem to accrue to the West?

4. What will the program cost? Official spokesmen for the North Atlantic Security Pact have been singularly reticent about the cost in terms of military supplies, money, or materials for a lend-lease military program to accompany the Security Pact, or its effect on the American Military Establishment. They have declared that the military assistance program would be modest and secondary to the economic recovery program, and that it should not compete with the recovery program.

However, according to the Washington Daily News for March 18, the United Press reports that "the administration plans to ask Congress to authorize a military lend-lease program to cost between $1,000,000,000 and $2,000,000,000 in the first year." Some estimates have placed the cost between fifteen and twenty-five billion during the next 5 years.

The military critic of Figaro, conservative French newspaper, as reported in the New York Times for January 28, asserted that it would cost $15,000,000,000 to equip the French Army, plus the cost of reinforcing French fighter squadrons, let alone the French Navy.

The campaign to extend Selective Service in the United States beyond 1950 has already begun. Congress has been riddling the military authorization and expenditure ceiling proposed by the President.

Compare the above cost figures for a multibillion rearmament program at home and abroad with the pathetically small investments which the United States makes in agencies of the United Nations—$18,000,000 for the United Nations itself; $1,250,000 for the solution of world hunger through the Food and Agriculture Organization; $3,750,000 for "creating in the minds of men the defenses of peace" through UNESCO; and other figures cited in previous Newsletters.

5. Are there any lessons from history regarding shipment of arms to other countries? There are several such lessons. Besides what we supplied during the war, the United States has furnished the Chinese Government about two billion dollars worth of military equipment and supplies (plus about a billion of economic aid) since VJ-day. It is estimated that about 90 percent of those military supplies are now in the hands of the Chinese Communists.

France subsidized heavily her military ally, Czechoslovakia, between the wars. Tanks, artillery and planes which France paid for and which were manufactured by Skoda, were seized intact by Hitler, and were used by the invading German Army to overpower the French in 1940.

The United States shipped 20,000,000 tons of scrap iron to Japan in the 1930's. Much of this was returned in shrapnel at Tarawa, Guadalcanal, and Okinawa.

When you put arms in the hands of another man there is no absolute guaranty that, if and when the arms are used, they will be pointed the other way. They may be pointed toward you. On the basis of the current situation, if there is not substantial progress in economic health and stability, can any one guarantee that Italy or France, for example, will not go Communist within the next 20 years and cease to be an ally?

6. Is the real threat to the West from Russia military or ideological? It is probably both. But the United States News and World Report for March 18, in a lead three-page story based on extensive interviews with top civilian and military officials at home and abroad, doubts that the Russians plan or want war in the immediate future. This would indicate that the present opportunity should be used for a determined and persistent effort to end the cold war and seek a series of settlements with the Soviet Union. Russian living standards are miserably low. The Russian people are war weary. The Russian economy is badly wounded.

Can the march of revolutionary communism be stopped by cold steel and bayonets? Whether we intend it or not, to seem to be on the side of the Dutch in Indonesia, or the French in Indochina, or to be bolstering up conservative regimes in Greece and Turkey is to fan the flames of communism. The conduct of the United States has to appear convincing to the hundreds of millions of people of color in Africa and Asia, to the people and countries that are being wooed or pressured by both the democracies and the Communists. Will more tanks and planes and bayonets shipped to France and Italy put food in the mouths of workers, build houses over their heads, divide lands held feudally or clerically, and instill democracy instead of communism?

7. What will be the effect on postwar recovery at home and abroad? Our own postwar readjustment is being delayed by the inflationary effect of $15,000,000,000 spent from the Federal Treasury on armament, plus the increasing reliance of industry and labor on war orders. Add to these developments the growing restrictions on freedom, the increasing demand for military secrecy, the spy mania, the loyalty investigations, the pressure against discussion of controversial subjects, and the other human and spiritual costs to the American people.

To the extent that scarce resources and needed manpower are diverted to rearmament in Europe, to that degree will the needed restoration of factories, homes and goods be delayed for the welfare of the people of Europe, now subsidized by the United States at the rate of about $5,000,000,000 a year through the Economic Cooperation Administration.

And are we to have a repetition of war scares to put the North Atlantic Pact through Congress, with accompanying appropriations, such as we had to put over selective service?

AMERICA MUST CHOOSE

The people of the United States must decide whether they will subscribe to a semi-global arms pact and suicidal arms race, or whether their first allegiance and expenditures shall be for the United Nations and a world system of law and government. They must decide whether to encourage the broadening of the Truman doctrine of military intervention and world rearmament or press unremittingly for a halt to the world arms race. They must decide whether to underwrite uncritically the continuation and intensification of the cold war or call for heroic efforts to negotiate a series of peace settlements with the Soviet Union.

We recognize the cruel dilemma which our State Department feels that it is in, with the fear and insecurity prevalent in Europe, with the pressure of Communist infiltration in many countries, with the difficulties of securing agreement with the Soviet Union over atomic energy control or UN security forces, the prolonged deadlock over Berlin, the Russian boycott of most UN specialized agencies and their recent withdrawal from the World Health Organization, the loss of freedom and liberty in eastern Europe, the unwillingness of the Russians to accept the principle of arms inspection, and other similar situations.

However, many Americans doubt that the United States has made a thoroughgoing effort to settle the Berlin blockade, or to modify the cold war. They look with apprehension upon the President's seeming unwillingness to talk to Stalin or suggest some counter proposal.

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EXHIBIT I

[From the Washington Post of May 20, 1949]

ATLANTIC PACT CALLED STEP TO NEEDLESS WAR

A meeting called by five noted Americans, including Albert Einstein and Thomas Mann, was told here last night that the Atlantic Pact is a step toward forcing this country into "a needless and criminal war" with Russia.

Dr. James W. Wise, son of the late Rabbi Stephen Wise, told a cheering Cosmos Club audience of 100 clergy, education and labor leaders gathered here from all parts of the country:

"American history will yet record that not we are disloyal but those who are trying to antagonize us and the Russian people and force us into a needless and criminal war.

"I do not whitewash dictatorships—I am opposed to them, whether in Stalin's Georgia or Talmadge's Georgia," Wise, a director of the Council Against Intolerance in America, declared. "We are not for Russia. But we are eternally against any military alliances which will provoke and hasten and make war inevitable. A pact of this kind is nothing less than a further step in support of dictatorships, of all forces stopping human progress throughout the world."

Wise was one of four speakers to address the meeting, at which Einstein was to appear but was prevented by illness, according to a conference spokesman.

Idea for the conference, "peaceful alternatives to the Atlantic Pact," originated at a meeting some weeks ago called by Einstein at his home in Princeton, N. J., the spokesman said. Other sponsors besides Mann include Emily Greene Balch, 82-year-old Nobel peace prize winner in 1946; the Reverend Edwin T. Dahlberg, executive secretary of the Northern Baptist Convention; and Bishop W. J. Walls, Chicago, Ill., of the A. M. E. Zion Church.

Of the initiators of the conference, which will continue in session today, only Miss Balch was present last night. She said that "the cards are very much stacked against us—at the last moment we are pulling ourselves together."

This sentiment was echoed by another speaker, Mrs. Alexander Stewart, president of the United States section of the Women's International League for Peace and Freedom, who said that the chances for killing arms implementation of the pact were much greater than for defeating its ratification.

The pact was described as "political folly" by the Reverend John Thompson, dean of the University of Chicago's Rockefeller Memorial Chapel. He blasted the State Department as "our sacred cow," and asserted that "the most serious lag in American life is the great lag between the people's will to peace and the policies of the State Department."

Hugh Bryson, head of the National Union of Marine Cooks and Stewards, characterized the pact as a treaty which "intends to extend the firing squad for those who go on strike to all of Europe."

EXHIBIT J

[From the New York Times of April 15, 1949]

RELIGIOUS LEADERS SEE PERIL IN PACT—TWENTY-TWO SAY ATLANTIC TREATY MEANS CONTINUANCE OF COLD WAR IN A DIVIDED WORLD

Twenty-two Protestant ministers and theologians issued a statement yesterday declaring that the Atlantic Pact means continuance of the cold war in a divided world and the likelihood of eventual disaster. The churchmen appealed for greater use by the United States of the United Nations and the exploring of the possibilities of negotiating peace with the Soviet.

The statement was released by the Reverend John Howland Lathrop, minister of the Church of the Saviour in Brooklyn, and Profs. Paul Scherer and W. Russell Bowie of Union Theological Seminary.

Called a Good Friday statement, it declared that the signers believe that it is time for the Christian church to take a decisive turn and instead of supinely underwriting national policy to set about creating a new spiritual climate.

Commenting on the Atlantic Pact, the churchmen asserted that they hoped that this threat of possible resort to war against Russia will end the danger of war but we need to face unflinchingly and honestly what are the instrumentalities with which the cold war is being waged.

"The adoption of the Atlantic Pact," the statement said, "means continued stock piling of atomic and biological weapons, continuance of peacetime conscription, increase in the already colossal arms budget, building a world-wide spy network, maintenance of military bases around the world, no relaxation in military influence of education, science, industry, and commerce, to say nothing of the periodic waves of national hysteria without which none of these measures could be maintained."

The other signers of the statement were:

Charles F. Boss, Jr., executive secretary, World Peace Commissions, Methodist Church.

Henry J. Cadbury, Harvard University divinity school, and chairman, American Friends Service Committee.

Allan Knight Chalmers, Boston University school of theology.

Henry Hitt Crane, minister of Central Methodist Church, Detroit.

Edwin T. Dahlberg, minister of First Baptist Church, Syracuse, N. Y., and recently moderator of Northern Baptist Convention.

Albert E. Day, minister of Mount Vernon Place Methodist Church, Baltimore.

Phillips Packer Elliott, minister of First Presbyterian Church, Brooklyn.

Georgia Harkness, Garrett Biblical Institute, Evanston, Ill.

John Haynes Holmes, minister of Community Church, New York.

Charles W. Iglehart, Union Theological Seminary, New York.

Paul S. Johnson, Boston University school of theology.

William E. Lampe, secretary, Evangelical and Reformed Church, Philadelphia.

D. P. McCready, minister of First Presbyterian Church (Southern), Clearwater, Fla.

Walter Mitchell, retired bishop of Arizona (Episcopal).

William Stuart Nelson, dean of divinity school, Howard University, Washington.

Albert W. Palmer, radio preacher, Los Angeles, and former moderator, Congregational-Christian Churches.

Edwin McNeil Poteat, minister of First Baptist Church, Raleigh, N. C.

Paul Roberts, dean of Christ Cathedral (Episcopal), Denver, Colo.

Ernest Fremont Tittle, minister of First Methodist Church, Evanston, Ill.

EXHIBIT K

WINNIE CLEARS IT WITH BARUCH

(By Jon Kimche)

LONDON, July 18.—British Cabinet members are greatly interested in reports of a forthcoming visit by Bernard Baruch to Premier Stalin.

Baruch's recent talks with Winston Churchill, and earlier reports of his intention to see Stalin, became major topics of conversation in the House of Commons lobbies when it became known that Churchill planned to make what he calls one of his most important speeches next Saturday at Wolverhampton.

Officially, this speech will be the opening shot of next year's general election, and it will constitute the Conservative Party's first specific outline of its election program.

Churchill's friends, however, say his statement will contain dynamite for the Labor Government and that it will rock public opinion throughout the world. These close associates assert that he has been giving a great deal of thought to the problem of Soviet Russia and has decided on a fundamental revision in his attitude.

He discussed his plans with Baruch, these associates say, and won the full approval of the American for that reversal of his stand.

It is reported, in fact, that Churchill will come out with a proposal for a rapprochement with Russia and outline his suggestions for a settlement of the cold war. This, his friends think, would be an invaluable and perhaps decisive Conservative Party asset in the next election.

There is, however, still considerable guessing on how far he will go in view of strong opposition from a considerable section of the Conservative Party to such a switch in policy.

It must be emphasized that so far all this is not much more than lobby gossip, but Cabinet ministers are discussing it with an air of expectation and not with any skepticism.

The Government, indeed, is rather concerned with the possible effects of such a Tory tactic. They still hope they can forestall its effects by the large-scale trade agreement about to be signed in Moscow.

The British trade mission in Moscow has already signed the first part of the trade pact, affecting British imports of wheat, and is seeking to conclude the second part covering a wide range of machinery and manufactured goods for export to Russia. So great are British hopes that Harold Wilson, president of the Board of Trade, has cancelled his vacation and is staying on in London.

Mr. MAYBANK. Mr. President, even though a unanimous-consent agreement has been reached for a vote on Thursday, and any statement I might make would not delay these proceedings, I shall confine my remarks to an endorsement of the pact and say that I shall cast my vote in the affirmative.

I have watched the struggle for some tangible plan for world peace since the end of World War I. As a young man I followed the formation of an ill-fated League of Nations. Despite President Wilson's warning, it was with sinking hearts that the veterans of that war realized the futility of this organization as new war clouds formed again over those same military camps which had so recently drawn us into a world war.

After those clouds broke and released their terror over the surface of the globe, we again emerged victorious in the armed fight and turned once more to a search for enduring peace.

During the last war I joined with other Senators in a tour of our Nations, making speeches in behalf of the so-called B2–H2 resolution which was the forerunner of the United Nations participation act.

Mr. President, I have supported these ideals in the belief that a workable detour could be found around the roadblocks in the path to enduring world peace.

While I cannot say the United Nations has failed in its purpose, I must charge the abuse of the veto with undermining the effectiveness of the organization. Now, in the Atlantic Pact we have an opportunity to make a concrete contribution to the cause of peace. This position is comparable, in the atomic age, to the stand taken by our forefathers on the Monroe Doctrine. We are simply extending that doctrine to our neighbor countries bordering the eastern and western shores of the North Atlantic and to Italy in the Mediterranean.

The list of signatory nations is incomplete. If the pact must stand, as it does today, I can only hope that it will be implemented in the near future. Because I know that still other nations are anxious to take part in such an agreement, I hope to see the signatures of such countries as Greece, Turkey, and Spain added to this pact which will play so vital a role in our plans for enduring peace.

Yes, Mr. President, I shall vote for Senate ratification of the Atlantic Pact, but I look forward to the day when I may be able to vote for a pact bearing the names of other nations which have served us in the past and stand ready to join forces with us today and in the future.

Mr. GRAHAM obtained the floor.

Mr. MAYBANK. Mr. President, before the Senator from North Carolina begins his speech, with his permission I should like to suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. GRAHAM. Yes; I shall yield. I am not suggesting it myself, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Brewster | Butler |
| Anderson | Bricker | Byrd |
| Baldwin | Bridges | Cain |

| | | |
|---|---|---|
| Capehart | Jenner | Myers |
| Chapman | Johnson, Colo. | Neely |
| Chavez | Johnson, Tex. | O'Conor |
| Connally | Johnston, S. C. | O'Mahoney |
| Cordon | Kefauver | Pepper |
| Donnell | Kem | Reed |
| Douglas | Kerr | Robertson |
| Dulles | Knowland | Russell |
| Eastland | Langer | Saltonstall |
| Ecton | Lodge | Schoeppel |
| Flanders | Long | Smith, Maine |
| Frear | Lucas | Smith, N. J. |
| Fulbright | McCarran | Sparkman |
| George | McCarthy | Stennis |
| Gillette | McClellan | Taft |
| Graham | McFarland | Taylor |
| Green | McGrath | Thomas, Okla. |
| Gurney | McKellar | Thomas, Utah |
| Hayden | McMahon | Thye |
| Hendrickson | Magnuson | Tobey |
| Hickenlooper | Malone | Vandenberg |
| Hill | Martin | Watkins |
| Hoey | Maybank | Wherry |
| Holland | Millikin | Wiley |
| Humphrey | Morse | Withers |
| Hunt | Mundt | Young |
| Ives | Murray | |

The PRESIDING OFFICER (Mr. McGRATH in the chair). A quorum is present.

Mr. GRAHAM. Mr. President, because of the lateness of the hour, I should rather wait until I conclude my statement, before yielding for questions.

I wish first of all, as a freshman in this Hall, and as an amateur on this subject, to acknowledge the leadership of the able chairman of the Senate Foreign Relations Committee, the author of Senate Resolution 192, the senior Senator from Texas [Mr. CONNALLY], the valiant veteran of many struggles in the field of international relations, and his eloquent colleague the able senior Senator from Michigan [Mr. VANDENBERG], the author of Senate Resolution 239, two of the chief architects in the building of our American bipartisan foreign policy. I wish to acknowledge also my indebtedness to all those who have spoken in support of the pact, and all those who, in speaking in opposition to the pact, have contributed to its clarification.

In these critical times, the Senate of the United States, in recognition of its constitutional duty, owes it to itself to consider the present obligation and the long-range import of the Atlantic Pact. The people of the United States, in recognition of their responsibility of world leadership, owe it to themselves and the people of the earth to make clear what is in their minds and hearts, what are their determinations and hopes, as we, the representatives of the people, make one of the historic decisions of our time.

As I move here and there among the Americans of my day, I find in their minds and hearts certain articles of their common faith and hopes. They covet no land, intend no aggression, and plan no war. They hate aggression, abhor war, and want freedom and peace. In common with people in all nations, they want cooperation, communication, trade, and peace with all people. They had hopefully wished and still desperately hope for these things with the Russian people.

The love of the Russian people for their land, their all-out resistance to the powerful Nazi assaults, the dauntless heroism of the Russian armies and their decisive part in helping to win the war in Europe, won the high admiration of the American people. The people of the United States, despite their rejection of the Communist ideology and their strong disapproval of the Soviet dictatorship, were hopeful of working out the basis for international cooperation with the Russian people and all other peoples through the United Nations. The Government of the United States went far in efforts for cooperation with the Soviet Union.

The Atlantic Charter and the United Nations gave the peoples of the earth new hopes for the "four freedoms," for the self-determination of peoples and for the continuation of the international cooperation for winning the peace. Because of the backwashes of a global war, the millions of people killed, the hundreds of billions of values destroyed, untold miseries, frustrations and other consequences of a global war, these hopes are far from fulfillment. Disillusionment and desperation are widespread across the world. The American people are aware of the shortcomings of their own democracy with its remnants of discriminations, bigotries, slums, denial of equal suffrage to many worthy citizens, a few surviving lynchings by mobs in the South and gangs in the North, low incomes in millions of homes with the largest proportion of children, unequal educational opportunities, and other injustices in which we all share, North, South, East, and West. Yet two large facts stand out:

First. The United States, with stupendous war-production plants and the mightiest fighting force, quickly demobilized most of its war plants and armies in the face of totalitarian armies which remain mobilized, larger than all the other armies of Europe and America combined; and

Second. The United States, with its vantage position of monopoly, supported the plan of the United Nations for the international control of atomic power.

### THE HOPES THAT FAILED

After the First World War the United States renounced the League of Nations and failed the hopes of mankind. After the Second World War the Soviet Union has obstructed the United Nations and has failed the humane hopes of the peoples of the world. Upon the ruins and miseries left by the First World War the Fascist dictatorships hurled their monstrous power against the peoples of Europe, Asia and America. Upon the ruins and miseries left by the Second World War the Communist dictatorship organized its no less monstrous aggressions and subversions against the freedom and the dignity of the peoples of both the East and the West. Instead of the development, in accordance with the Charter of the United Nations, of the one world of the peoples' hopes, two conflicting worlds developed within the framework of the United Nations. We still fervently hope that the twilight of the cold war will not turn into the darkness of the unthinkable tradgedy of a third world war. In the struggle toward the dawn we are groping for the free light and the fair balance of both personal freedom and international security. We welcome any suggestion of the Soviet Union toward the relaxation of international tension, but with a vigilance made necessary by cruel experience.

The responsibility for the resulting cold war will ultimately be judged by better-informed minds than my own. I am not unaware that America and the other democracies have some responsibilities for which they are answerable to themselves and the god of history. The frustrations and deficiencies of our own Nation and the other democracies, the corruption in China, the imperialism in the African, Pacific, and Asiatic world, are a part of the sins of the democratic world in which we all must share.

Yet it is written in the record that the Soviet Union, instead of continuing the Allied cooperation which won the war and could have won—and could yet win—the peace, disrupted this international cooperation; obstructed the purposes and possibilities of the United Nations; withdrew in isolation behind the iron curtain; broke the pledges for the self-determination of peoples; crushed civil liberties and the freedom of people to organize in churches, parliaments, corporations, labor unions, and cooperative societies; made more absolute the totalitarian dictatorship based on the oligarchy in the Kremlin, which draws its monopoly of power from a small political party which has liquidated all opposition; held more millions of dissenters, political prisoners, and laborers in concentration camps and in enforced bondage in 1949 than there were slaves in the Southern States in 1861; subjugated little nations by force, or threats of force; carried on internal subversions against the integrity and freedom of all nations; picked off nations, one by one, and locked them behind the iron curtain of the police state; carried on sabotage of European recovery; made war on religion; blockaded Berlin; and, in the midst of the world-wide fear of atomic bombs and the world-wide hopes for peace, rejected the United Nations' plan for the international control of atomic power.

### THE BROKEN WORLD

Instead of the grand design for the translation of the cooperation of the Allied Nations for winning the war into the cooperation of the United Nations for winning the peace, this divided and broken world now carries the heavy loads, the disillusionments, and the strains of the unprecedented cold war in which we have neither the security of peace nor the actuality of war. The tragic fact is we have not one world but two worlds. Yet in loyalty to the hopes for the universal human brotherhood of our religion and the humane hopes of mankind, we must not give up the hope of one world through the principles of the United Nations. The two worlds must not become one world under a totalitarian dictatorship. With our faith in the oneness of freedom and peace, we do not want the one world developed after the model of the Pax Romana, or the Pax Britannica, or an American peace, or a totalitarian

peace. We do not want the one world under either an imperial or totalitarian domination. We need the one world of international cooperation of all nations for the freedom, equal opportunity, and peace of all people.

The totalitarian dictatorship has revealed itself not as a transition to freedom, cooperation, and peace, but as a fixation for expanding tyranny and power for the domination of both hemispheres. The Inter-American Treaty of Reciprocal Assistance, fully in accord with the Charter of the United Nations, was signed at Rio de Janeiro for "the maintenance of continental peace and security" and for "the strengthening of friendship and good neighborliness in the Western Hemisphere." The Asian Conference of the representatives of the peoples of southern Asia, Indonesia, and Australia, gathered at Delhi, at the call of Nehru, the great Prime Minister of India, within the framework of the United Nations, for the muster of moral opinion against broken agreements and attacks on the hopes of dependent peoples for liberation from imperial military power. The North Atlantic Treaty in its terms is an agreement, in accordance with the purposes and principles of the United Nations "to safeguard their freedom and common heritage," and for "the collective self-defense against armed attack."

The United States of America has accepted the responsibility of leadership of the free peoples of the earth. The Truman doctrine, retranslated in the Marshall plan, and the western union, expanded into the North Atlantic community, will, we trust, reinforce the universal pact of the United Nations for freedom and security, for international disarmament, and for amendments to the Charter to strengthen and fulfill the principle and purposes of the United Nations.

In a world situation, in which the veto and a policy of obstruction have weakened the United Nations, and in the European situation, in which defenseless nations were subjugated, one by one, by the aggressions or subversions of totalitarian tyranny, the western European nations drew together in the Brussels Pact, and the North Atlantic nations drew together in the Atlantic Pact for self-help and mutual defense. The pact must not only have the purpose to prevent war, but must also be the historic occasion for enlarging freedom and strengthening the United Nations.

The North Atlantic Treaty must not become merely another military pact which will recapitulate the story of alliances and counteralliances in a line-up for war. Against the possibility of such a tragic development, we must constantly hold before ourselves four objectives:

I. To keep the Atlantic Pact within the framework of the United Nations as the expression of the "inherent rights of individual or collective self-defense," recognized in article 51 of the Charter of the United Nations.

II. To support the Atlantic Pact (a) as a stanch deterrent to aggression and war; and (b) as the basis for western European security and self-recovery.

III. To recognize the inadequacy of the pact and to make our Nation more democratic and more productive (a) for the well-being of all our people; and (b) for our economic and moral strength in the global struggle of ideas.

IV. To make the Atlantic Pact a buttress to the United Nations in a critical period during which steps can be more securely and hopefully taken looking toward international disarmament and the strengthening of the United Nations.

I. THE ATLANTIC PACT WITHIN THE FRAMEWORK OF THE UNITED NATIONS

Mr. President, the Atlantic Pact was negotiated mainly under article 51 of the Charter of the United Nations, which declares:

Nothing in the present Charter shall impair the inherent rights of individual or collective self-defense if an armed attack occurs against a member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security. Measures taken by members in the exercise of this right of self-defense shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the present Charter to take at any time such action as it deems necessary in order to maintain or restore international peace and security.

Article 51 is in chapter 7 of the Charter, which is entitled "Action With Respect to Threats to the Peace, Breaches of the Peace, and Acts of Aggression." This chapter embraces articles 39 to 51, inclusive. Article 51, by its recognition of the inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations, is the main basis in the Charter for the North Atlantic Treaty for the collective self-defense of the North Atlantic community.

The inherent right of individual or collective self-defense if an armed attack occurs carries with it the inherent right of prior agreement for collective self-defense against aggression. Nations that have been given storm warnings that they are in the possible path of the hurricane may exercise an inherent right in making an agreement and plans for collective self-defense.

The North Atlantic community, though not organized as a subsidiary organ of the United Nations, nonetheless makes itself a part of the framework of the United Nations. The first paragraph of the preamble of the North Atlantic Treaty declares:

The parties to this treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.

Article I says:

The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

Article 3 affirms:

In order more effectively to achieve the objectives of this treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

Article 5 provides:

The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such actions as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Article 7 declares:

This treaty does not affect, and shall not be interpreted as affecting, in any way the rights and obligations under the Charter of the parties which are members of the United Nations, or the primary responsibility of the Security Council for the maintenance of international peace and security.

The distinguished chairman of the Senate Committee on Foreign Relations, the senior Senator from Texas [Mr. CONNALLY], has eloquently emphasized the fact that the provisions of this treaty do not include the colonial possessions of the member nations.

Mr. President, the Atlantic Pact, as shown by the excerpts I have just read into the RECORD, is explicitly interwoven with the provisions of the Charter of the United Nations. It is quite explicit in the North Atlantic Treaty itself that the pact is a collective agreement, not for aggression but for defense against aggression. For any nation to object to the expressed stipulations of this pact may be a confession on the part of that nation of an aggressive design or an imputation born of the potential frustrations of such designed aggressions. The world situation; the cooperation of the United Nations in winning the war; the Fulbright resolution, adopted by the House of Representatives; and the Connally resolution, which was overwhelmingly adopted by the United States Senate, were four of the sources from which came the United Nations. The European situation, article 51 of the Charter of the United Nations, and the Vandenberg resolution, adopted by the Senate by a vote of 64 to 4, are three of the sources from which came the North Atlantic Treaty.

The North Atlantic Treaty, as interwoven in the texture of the Charter of the United Nations, does not in its purposes undermine the United Nations. Vetoes and other obstructions have damaged the structure and slowed down the procedures of the United Nations. The

United Nations, with all its frustrations, has, through the constant vigilance of the Security Council and the world open forum of the General Assembly, at times focused international action and mobilized at times the moral opinion of mankind as a powerful influence for preventing local fires from becoming global conflagrations. The Atlantic Pact seeks to repair the damages and reinforce the structure, and does not impair the foundations upon which the structure of the United Nations stands. The Atlantic Pact can serve as a reinforcement of the United Nations in a crucial area for its transition through a critical period to a more effective fulfillment of its great purposes.

II. SUPPORT OF THE ATLANTIC PACT (A) AS A STANCH DETERRENT TO AGGRESSION; AND (B) AS THE BASIS FOR WESTERN EUROPEAN SECURITY AND SELF-RECOVERY

The Atlantic Pact must resolutely be supported as a stanch deterrent to aggression and war. The purpose of the Atlantic Pact is to serve clear notice on any potential aggressor that an attack on one member of the North Atlantic community is an attack upon all, and thereby to prevent any aggression against the North Atlantic community which would inevitably cause a third world war. As has well been observed by many Members of the Senate, if advance notice had been given, the Kaiser, in his day, and Hitler, in his day, that both the British Commonwealth of Nations and the United States of America would join the Allied Powers, each of them would, in his turn, have most likely refrained from the decisions which involved the nations in global war. The commitments in this pact are based on the principles and purposes of the United Nations. The risks involved in the ratification of this pact are much smaller than the heavy risks involved in the failure of ratification. The costs in material and arms which may proceed from the ratification of this pact are small, as compared with the heavy cost which might result from the failure to ratify the pact. The declaration in the Atlantic Pact that an attack on one will be an attack on all the members of the North Atlantic community, with its 350,000,000 people and its mighty resources of potential economic and military power, will be a constant deterrent to aggression.

This potential prevention of a third world war, which would kill scores of millions of people, destroy hundreds of billions of wealth, bankrupt the United States and all the nations, and leave the people hopeless amid the ruins of our civilization, is worth the cost of the support of the Atlantic Pact as a deterrent to war, and as a buttress to the United Nations.

UNILATERAL NATURE OF THE MONROE DOCTRINE ENLARGED IN THE EQUAL DIGNITY, MULTILATERAL PARTICIPATION, AND COLLECTIVE DEFENSE OF 21 AMERICAN REPUBLICS AGAINST AGGRESSION

It has been suggested that the extension of the Monroe Doctrine would involve less risk less costs and be more effective as a deterrent to aggression and war. The nature of the Monroe Doctrine does not lend itself for an extension into the European situation. The Monroe Doctrine, as promulgated by President James Monroe on December 2, 1823, declared:

(1) "We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers (European) to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety. * * *

(2) "Our policy in regard to Europe, which was adapted at an early stage of the war which has so long agitated that quarter of the globe, nevertheless remains the same, which is not to interfere in the internal concerns of any of its powers."

The Monroe Doctrine in its original form, is "the doctrine of two spheres." European powers must not intervene in American affairs, and the United States must not intervene in internal European affairs. The Monroe Doctrine, by its very nature, is a declaration against its extension into the internal affairs of Europe.

What is meant by the extension of the Monroe Doctrine? I clearly recognize, by the extension of the Monroe Doctrine is not meant the original Monroe Doctrine, but really the extension of a unilateral declaration against aggression without its implementation with arms, and without the assurance of collective action by a powerful combination of allies.

The Monroe Doctrine has been enlarged by the new doctrine announced at Chapultepec in 1945, implemented at Rio de Janeiro in 1947, and supplemented at Bogota in 1948. The unilateral nature of the Monroe Doctrine has been absorbed in the multilateral nature of the Treaty of the Americas, signed at Rio de Janeiro by 21 American republics which pledged themselves to international cooperation and collective defense against aggression. The more democratic structure and the greater power of the Pact of Rio de Janeiro make it a better example for the organization of the 12 nations of the North Atlantic area than the unilateral declaration of one nation. The developments of a century and a quarter have flowered in the organization of the continental solidarity of 21 American nations. We should not revert to the outmoded principles of the past, but depend on the multilateral principles of the present, in which the risks and costs are shared.

The Soviet Union has made unilateral treaties with each of its satellite dependencies. The satellites do not meet on a multilateral basis with the equal rights and equal dignity of the Soviet Union. The Soviet Union's system is somewhat analogous to the individual worker bargaining with a giant corporation.

The North American community is based on the freedom and equal dignity of multilateral and collective negotiations. The liberal traditions and the equal dignity of the North Atlantic democracies would resent the unilateral declaration of a sort of protectorate, as the South American republics often resented the unilateral declaration of a hegemony in the Western Hemisphere of the great Republic in the North. The principles of international cooperation and declarations of mutual aid and collective self-defense contained in the Treaty of the Americas, the North Atlantic Treaty, and the Charter of the United Nations, are worth their costs in their possible immeasurable savings for the United States and for all nations.

With regard to the obligations which proceed from the ratification of the Atlantic Pact, each Senator, under the terms of the pact and the provisions of the Constitution of the United States, is free to answer that question for himself by his own vote. The characteristically forthright declaration of the able junior Senator from Oregon [Mr. MORSE] makes emphatically clear that, for him, it will be his all-out support of the pact. I join in his sense of moral obligation to support the pact with whatever means—moral, economic, and military—are found necessary and wise in the situation to make the pact effective as a collective deterrent to aggression. The fact that an attack on one is an attack on all, I recognize, gives the pact the support of tremendous collective power. The conditions of the world in general and of Europe in particular which brought into being the Atlantic Pact, constitute for me the obligation and the wisdom for supporting the North Atlantic Treaty with whatever is required to prevent the aggression which would cost a thousandfold more in the lives, money, arms, and destruction of a third world war.

Failure to ratify and support the North Atlantic Treaty in the present situation would be a set-back for the western nations. The failure of ratification might become an invitation for the totalitarian dictatorship, now held in check, to advance again with internal subversion and external aggression. The danger is that we may get weary of the heavy economic load and the heavy moral responsibility of world leadership. The cold war with its burdens has been forced upon the democracies. To prevent the cold war from becoming a shooting war, we must now carry the heavy load of the Marshall plan, the prospective load of the Atlantic Pact, and share, perhaps, in some future plan for saving southern Asia from totalitarian tyranny, all to prevent a global war and save freedom in the world. For the United States to continue for a long period to carry alone these heavy loads would be to overstrain our economy and to undermine our social well-being. American economic collapse would be a major disaster for freedom on all fronts. Nevertheless, for America to throw down these burdens and abdicate her position of responsibility and leadership might mean the totalitarian domination of Europe and Asia, and then we would have an armaments race almost beyond our imagination. The cost of world leadership is heavy; the cost of abdication is heavier in the irresponsibility which would likely lead to a third world war, the bankruptcy of nations, the murder of millions, and the ruin of civilization. We

must stanchly support the Marshall plan, the Atlantic Pact, and the United Nations as the alternatives to the threatened loss of freedom and the totalitarian domination of the world.

VII. THE INADEQUACY OF THE PACT WITHOUT MORE FREEDOM AND MORE DEMOCRACY IN THE DEMOCRACIES FOR MORE MORAL POWER IN THE WORLD

The ratification of the Atlantic Pact within the framework of the United Nations and the support of the pact as a deterrent to war are not enough. America and the other democracies must be strong in economic and military power. America and the other democracies, however, for the long run, must rely more on the ideas of freedom and the practices of democracy than on economic and military power. The freedom and dignity of the human being, democratic ideas and moral idealism are the ultimate weapons in the global struggle against totalitarian tyranny. Hundreds of millions of suffering and bewildered peoples across the earth are choosing between the patient ways and frustrations of democracy on the one hand, and the irresponsible utopian promises of totalitarian communism, on the other hand.

The United States of America, in her position of world leadership must become more democratic at home for the saving of her own soul and for moral power in saving the freedom of the peoples of the earth. The great human freedoms for which the war was fought make dangerous lags out of the idea of the innate superiority of a master class, a master race, and a master state in our modern dynamic society. The transitions of modern history, partly impelled by the mariner's compass, as the heart of the great commercial revolution, which encompassed all the continents and all the oceans, and three centuries later, impelled by the power engine, as the pulsing heart of the great industrial revolution, which has flung its dynamic mechanical framework around the earth, were processes of slow centuries and gradual adjustments. Social drift and slow adjustment did not then, on such a scale as now, mean swift and global tragedy. Modern man, with his basic ideas, swift scientific inventions and his slow social adjustments, has, with much economic progress and much human misery muddled through to this fateful hour. Human society, with an atomic bomb in its bosom, cannot lag in adjustment to its explosive power. Equal freedom of assembly, speech, publication, and worship in our modern society needs the reinforcement of the equal opportunity to work, to know, to vote, and to bargain collectively. Increase of economic opportunity decreases social tension. The widening of enlightenment and the humane spirit, the inculcation of the ideals of our democracy, and the teachings of our religion, make for the elimination of social injustice and international conflict.

Among the presently feasible measures of adjustment in this atomic age for democratic morale in America and moral power in the world are: The elimination of economic monopoly for the resurgence of the dynamic energies of free enterprise for abundant production and social well-being in our creative democracy; Federal aid to the States, without Federal control, for schools for the more equal opportunity of the children in all the States; decent minimum wages for industrial workers for spreading purchasing power, increasing business, and for giving more job opportunities; local, state, and federal cooperation in the elimination of the few lynchings by mobs in the South and the assassinations by gangs in the North; equality of bargaining power for labor and management; an expanding housing program for the elimination of slums and for providing decent homes for veterans and the people; abolition of the poll tax as a prerequisite for voting; faithful observance of State laws, without nullification by any State of the decision of the United States Supreme Court, regarding equal suffrage and education in the States as the supreme law of the land; local, State, and Federal cooperation in a comprehensive hospital, medical care, medical training, and medical research program to meet the urgent needs of the people; the National Science Foundation bill, to keep America at the farthest frontiers of science; the conservation of soils, forests, water power, and minerals as natural resources for the protection of our democratic heritage; the provision for sound agricultural parity, research, and extension for adequate production in a world in need of food and basic commodities; and the widening of the base of social well-being to lift the level of human liberty.

It cannot be emphasized too much that at the very center of the democratic cause in the struggle against totalitarian tyranny and world domination must be the freedom and equal opportunity of the individual. The spiritual heroism of the great souls who have fought and given their lives for the freedom of the human mind, the dignity of the human being, and the moral autonomy of the human spirit, have won for us the heritage of freedom, under whose American legacy we freely assemble in this Hall. By the Atlantic Pact we are making common cause for the defense of that legacy of freedom, which, through the United Nations, is shared as a part of the great heritage of the peoples of both the east and the west. The sacrificial lives of St. Francis, Joan of Arc, Florence Nightingale, Abraham Lincoln, and Gandhi reveal the unconquerable aspiration of the human spirit for a freer and better world. Idealism does not cringe before tyranny. Repression is the way of frightened power. Freedom is the way of enlightened faith. History teaches, beyond the denial of bigotry or the sneer of cynicism, that the answer to a difference in color or creed is not the Ku Klux Klan, is not tomatoes and eggs, is not a concentration camp; the answer to error is not terror, but the cleansing power of the light and liberty of the Bill of Rights and the Constitution of the United States of America.

Our western tradition of freedom, deposited in the American Bill of Rights and fortified by the ratification of the Atlantic Pact, is a spiritual synthesis.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. GRAHAM. I yield.

Mr. DONNELL. Will the Senator be kind enough to repeat the sentence with reference to the Bill of Rights?

Mr. GRAHAM. Our western tradition of freedom, deposited in the American Bill of Rights and fortified by the ratification of the Atlantic Pact, is a spiritual synthesis.

The constituents of the western heritage which is at stake in the present global struggle come from many sources. The Hebrews gave us the highest conception of the one God and a sense of moral sovereignty, the greatest Life, and the greatest Book. The Greeks gave the world the conception of man as a person of noble proportions and creative capacity in art, literature and philosophy; the Romans exemplified for western peoples a genius for organization, administration and law. The Catholics, who made the sackable city of Rome into the unsackable city of God, represent to us the unity of mankind and a universal sympathy for human beings everywhere as they bear the cross far and near with its call to heroism in the sharing and giving of life. Protestantism, from its seats in Germany and western Europe, gave a new emphasis to the freedom of the individual, his right of private judgment and direct communication with God, without mediation of king or bishop, and made over states and churches under the authority of God and in the name of the people. The struggles in the western European lowlands wrote some of the most heroic chapters in the history of liberty. The English Revolution of 1688, the American Revolution of 1776, and the French Revolution of 1789 opened the way for the rise of modern democracy. The Scandinavian peoples are among the most democratic in the present world. Our own fair land, with the vigor and variety of its differences, its composite richness of peoples, resources, regions, races, colors, and creeds and its struggles for liberty and equal opportunity, has given the world, for the composition of vast distances and differences, the federal principle on which is based: first, in the Constitution of the United States, the American Federal Republic; second, in the Act of Westminster, the British Commonwealth of Nations; and third, in the Charter of the United Nations, the beginnings of a world federalism for the prevention of war and the establishment of the rule of law. The traditions of all these peoples are a part of the common heritage of the North Atlantic community.

The ratification of the Atlantic Pact will strengthen the cause of freedom and peace in the midst of set-backs in many parts of the world. The bipartisan foreign policy of the United States, the European recovery program, the air lift to Berlin, the organization of the western German State, the western union, the democratic majorities in western Europe, the North Atlantic Treaty and the increasing Pacific-Asiatic consciousness of the need for solidarity against totalitarian aggression, all give new hope for saving freedom in a threatened world.

Valuable as is each one of these sources of hope, all combined are not sufficient for a global victory for freedom and peace. The promises of communism and the faults of freedom are loudly and continuously trumpeted to scores of hundreds of millions of people all over the world. The peoples of the earth need the moral dynamics of a fresh evangelism for freedom and democracy for their own great values and to offset the relentless dynamics of a fanatical communism. This is a global struggle for the possession of the mind and soul of man. We must look beyond the Marshall plan and the Atlantic Pact, vital and necessary as they are in holding the line, to make effective use of the time gained for enlarging freedom and strengthening the organization of justice and peace in the world.

The freedom of the human mind and the techniques of modern science have contributed greatly to the knowledge and progress of man, but deeply need an emphasis on the sovereignty of the moral law, humane values beyond science, ethical ideas above totalitarian power, and spiritual insights which will make for a deeper and wider synthesis—a new integration of ideas in the unity of learning, the unity of human personality, and the unity of mankind—one world, one family, and one God.

IV. THE ATLANTIC PACT, AN OCCASION FOR STEPS LOOKING TOWARD INTERNATIONAL DISARMAMENT AND THE STRENGTHENING OF THE UNITED NATIONS

The one world truly begins at home, but without a federated world we may have no home in which to begin. With the lag of the idea of the absolute national state in the atomic age, we may have no world in which to struggle or even to live. With regard to the other dangerous lags we have the freedom to struggle for freedom and hope for a better day. The atomic bomb in the hands of an absolute state is the greatest threat which can come to man. The organization of the idea, under God, of the oneness of freedom and the oneness of the human family in the United Nations, is our best defense and hope against modern civilization's power of self-destruction.

The ratification of the Atlantic Pact should be, at the earliest propitious time, the occasion for the strengthening of the United Nations through amendments to the Charter. I realize, of course, that there could be a tragic disservice to the cause of peace by a premature attempt to amend the Charter without more educational preparation of governments and peoples everywhere, and without improvements in relations between the great nations which are now beginning to develop from the present stanch position of the democracies. The abolition of the veto, with the necessary adjustments in the basis of representation, international inspection and control of atomic power, a world court with original jurisdiction over crimes committed by individuals against the United Nations, an international police force responsible to the United Nations, and proposals for international disarmament in the spirit of the farsighted statesmanship of Senate Resolution 239 of the last Congress, and other significant resolutions pending before this Congress, including the resolution sponsored by 101 Members of the House of Representatives and including proposals which have been advanced for the present strengthening of the United Nations by measures short of amendments to the Charter, all these should be the subject of consideration by the member states of the United Nations in accordance with the Charter of the United Nations.

The United States of America, fronting the two great oceans and situated between the Asiatic and European worlds, the decisive factor in two world wars, with unparalleled agricultural, industrial, and scientific resources, and with the freshest heritage of freedom, has, by circumstance and by the responsibility of a great tradition, become the leader of the free peoples of the earth. The people of America can become simply another people who have come to power for privilege and domination or a great people who can become the leaders in a world transition to freedom and peace for all people. The historic political transitions of western peoples from Roman imperialism to medieval feudalism to modern nationalism can, we trust, in our time be carried forward by the leadership of the democracies away from dictatorship and world domination to the international organization of nations for the freedom and dignity of individual human beings and for justice and peace in the world.

America and the other democracies must take the initiative for the stronger organization of peace, even at the risk of war. Drift into war is suicidal in the atomic age. No people can live in isolation from the skies above, the seas around, or the continents beyond. The dynamic international economic framework, flung around the earth by the commercial and industrial revolutions, gathers up wars and depressions anywhere and involves people everywhere. The international political framework, reaching around the earth to include in time all the nations of the earth, needs moral powers and sanctions beyond its own for preventing wars and establishing justice among the nations. An idea, as old as 2,000 years and as young as the hopes of men, the idea of the fatherhood of God and the brotherhood of man, for which died the Founder of our religion, rejected these centuries as impractical and impossible, has become in the atomic age the most necessary and practical idea of all. The freedom, the dignity and the goodness of individual human beings in all nations constitute the basic condition for the world neighborhood of human brotherhood. The preservation of the heritage of the freedom of the individual in the North Atlantic community and the strengthening of the United Nations for the freedom and peace of all nations are steps toward a world neighborhood and are parts of the oneness of freedom and peace in the world.

May our country, with her legacy of freedom inherited from many lands, and with her abundant resources of a continent saved for the fresh peoples of the New World, not fail mankind in this desperate but hopeful hour. Rather may America rise to the responsibility of her power and the opportunity for her greatness in providing the energies of food, the hopes of freedom, and the leadership in a stronger United Nations for justice and peace in the world, we pray God, in our time.

Mr. TOBEY. Mr. President, I have sat here for the last hour and, in my opinion, I have heard one of the finest addresses it was ever my privilege to hear on the Senate floor. The man who has just addressed us, the Senator from North Carolina, has, in my judgment, given a pattern, not for my party or for his party, but a pattern for America in the great objective and offensive toward world peace. I commend the man for his speech. Not only do I commend the man, but I commend his State for having given him to us as a Senator.

A moment ago the Senator used the expression, "lifting the level." I wonder whether the Senator has heard the expression used in Maxwell Anderson's play Valley Forge:

> There are some men who lift the level of the age in which they live until all men stand on higher ground.

That is what is motivating the Senator's thoughts today, I am sure beyond peradventure, as he looks toward the vote which he is going to cast tomorrow.

I, too, shall vote for the Atlantic Pact. I shall vote for it with deep faith that it will be a voice of America speaking to a troubled world and giving it new faith and hope.

I wish to ask the Senator a question. He held before us in his talk this afternoon certain virtues, certain social accomplishments and objectives. I ask the Senator now this pertinent question, at least I think it is pertinent: Is it not the judgment of the Senator from North Carolina, who has just addressed us, that if this Nation of ours could put into effect and give new life to the program of social benefits for mankind which he enumerated, therein would lie the best antidote for communism, and give assurance that no foreign ideology could ever secure a foothold in this country? Is that not correct?

Mr. GRAHAM. Yes.

Mr. DONNELL. Mr. President, I ask the Senator from North Carolina if he will yield to me for a few questions.

Mr. GRAHAM. Yes.

Mr. DONNELL. I was very greatly interested, as was the Senator from New Hampshire, in the very beautiful and eloquent address delivered by the distinguished Senator from North Carolina. I notice his emphasis in the concluding portion, and at other places in his address, upon the idea of one God. I should like to ask him a question, and that is whether or not he knows if the word "God," or any synonym of Deity, was mentioned from the beginning to the end of the solemn ceremony of the signing of this treaty for 12 nations by 24 men, except the one concluding sentence or two in the remarks of the representative of the Netherlands, which reads:

> And so with the humble prayer for God's merciful blessing, I declare the Netherlands

Government's readiness to sign this treaty for peace.

Does the Senator know of any other reference being made to the Deity in the entire ceremony except that one?

Mr. GRAHAM. I cannot say that I do, but I am sure that when they tried to prepare a treaty for the protection of freedom there must have pervaded them the spirit of brotherhood, the spirit of freedom, and the sense of moral responsibility under God, which comes from our religion in its basic idea that we are brothers of men and sons of God. To me that is the basic idea in the rise of modern freedom and modern democracy.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. GRAHAM. Yes.

Mr. DONNELL. I have before me what purports to be a copy of the addresses by the President of the United States and the foreign ministers at the signing of the North Atlantic Pact. I will not say it without qualification, because it is possible that I may not have observed it, but the only statement I have ever heard as to any mention of Deity having been made by any one of the participants in that ceremony was the reference made by the representative of the Netherlands. And I think that is a fact.

I desire to ask the Senator if he does not think it is rather striking, if my conclusion is true, that that is the only mention made of Deity? Is it not very striking if this is a searching toward the effort to secure one world and one God, that the participants in this enterprise should have failed even to mention Deity, let alone have any invocation or benediction on the occasion of the signing of the pact? Does not the Senator think that is quite significant?

Mr. GRAHAM. I was not aware of the circumstances at that time.

Mr. DONNELL. I was present during a large part of the time. I was not there for the immediate opening, but I am quite confident that the fact is there was no invocation, that there was no reference to Deity, certainly none that ever permeated my ears, so far as I can recall. I do not actually recall hearing the gentleman representing the Netherlands, but I have no doubt he made the statement as reported in the newspapers.

Mr. President, I really wanted to ask the Senator questions along somewhat different lines, in addition to this. I noticed with much interest that in his address, which has been delivered upon the occasion of our consideration of whether or not we are going to ratify the North Atlantic Treaty, which pertains to 12 nations, and the obligations of 12 nations, the Senator paid very strong, eloquent reference to the Bill of Rights of our country being fortified by ratification of the Atlantic Pact. Is not that correct?

Mr. GRAHAM. That is correct.

Mr. DONNELL. I ask the Senator whether or not in his mention of freedom of speech, equal opportunity to vote, the opportunity of bargaining collectively, the elimination of economic monopoly, Federal aid to the States for the schools without Federal interference in their management, increased business, elimination of lynching, housing, equal suffrage, widening of the bases of social well being, or words to that effect he had in mind the fact that article 2 of the North Atlantic Treaty in providing the three methods by which the parties agree that they will contribute toward the further development of peaceful and friendly international relations, include, one, strengthening their free institutions? Did the Senator not have that particular portion of the treaty in mind?

Mr. GRAHAM. What I had in mind was that the pact is not enough by itself, regardless of what any particular article of the pact provides, and that we on our own responsibility, under obligations we have to the world as the leader of the free peoples of the world, must become more free and democratic in our own life.

Mr. DONNELL. And does not the Senator have in mind that article 2 of the North Atlantic Treaty by obligating the parties thereto to strengthen their free institutions, had reference to just such matters as I have enumerated?

Mr. GRAHAM. I should hope that we would, all of us.

Mr. DONNELL. It is not a mere hope. "The parties will contribute toward the further development by strengthening their free institutions," and so forth. That is the language of the treaty. The Senator from North Carolina agrees, does he not, that by that language just such items as he has enumerated and as I have just enumerated, are reasonably to be considered as being within the minds of those who drew the treaty? Is not that true?

Mr. GRAHAM. That is what is in my mind. What was in their minds I could not say.

Mr. DONNELL. The term "free institutions" would include such items as the Senator has mentioned?

Mr. GRAHAM. Yes.

Mr. DONNELL. The Senator may not have heard the remarks which I made on the floor of the Senate referring to the fact that we have already, to my knowledge, had either three or four bills introduced in the present session of the Senate, of the Eighty-first Congress, one of which distinctly mentions the obligations—and I emphasized the word "obligations"—under the United Nations Charter as one of the bases of the proposed legislation. That was the bill introduced by the Senator from New York [Mr. IVES]. Several others use substantially the same, if not identically the same language which was included in a bill he introduced in the Eightieth Congress. The word "undertaking" instead of the word "obligations" is used in three bills introduced by the junior Senator from Rhode Island [Mr. MCGRATH].

Does not the Senator in his judgment think that if we shall ratify the North Atlantic Treaty, inasmuch as already in the Eightieth Congress and in the Eighty-first Congress distinguished Members of this body have presented proposed legislation based in part on alleged undertakings or obligations under the United Nations Charter, that it is reasonable to expect that in the preamble to similar legislation in the future there will be added to it the obligations, the direct obligations, under the North Atlantic Treaty to strengthen the free institutions of the respective participants? Is not that reasonable?

Mr. GRAHAM. I am not a constitutional lawyer, but I have heard constitutional lawyers on this floor, and have also heard the senior Senator from New York [Mr. IVES] say that in his opinion constitutionally the ratification of the pact would in no way impair the present meaning of the Constitution of the United States.

Mr. DONNELL. I have not said that it would. I have not even remotely said that. The Senator agrees with me, does he not, that no treaty can repeal the Constitution of the United States, and that nothing in the case of Missouri against Holland even remotely holds that?

Mr. GRAHAM. Constitutional lawyers have said that on this floor, and I accept their view.

Mr. DONNELL. I take pleasure in being put in the class to which the distinguished Senator refers. I take that position. But if distinguished lawyers such as the former Solicitor General of the United States, the Senator from Rhode Island [Mr. MCGRATH], introduced three bills, assigning as one of the underlying reasons the alleged undertakings under the United Nations Charter, is it not reasonable to suppose that when the North Atlantic Treaty shall have been ratified others, taking such facts as he has thus presented, will likewise use the North Atlantic Treaty as the basis for the legislation which they propose, and will do so even more cogently than has been done by previous introducers of legislation, because article 2 of the North Atlantic Treaty contains a direct, positive commitment, a promise, whereas the United Nations Charter contains nothing but expressions of resolution, desire, and intent? Is not that a perfectly reasonable statement?

Mr. GRAHAM. I do not doubt that those who introduce bills will bring to them all the sanctions they can gather from the four corners of the earth. For me there is sufficient sanction in the American Bill of Rights and the Constitution of the United States, and the American tradition of freedom and democracy, for improving free institutions, without having to go outside.

Mr. DONNELL. The Senator did, however, point out his gratification at the fact that the Bill of Rights of the Constitution is fortified by the ratification of the North Atlantic Treaty. Is not that correct?

Mr. GRAHAM. This is my idea——

Mr. DONNELL. Is not that correct?

Mr. GRAHAM. Freedom is at stake in the world. To me, collective defense against any potential aggression on the North Atlantic community is a defense of freedom in the Western World. Therefore, in my opinion, the ratification of the North Atlantic Pact will fortify freedom in the Western World.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. GRAHAM. I yield.

Mr. DONNELL. I took down rather hastily a portion of the Senator's remarks. Not being a shorthand reporter, I may not have been entirely accurate. However, as I understood the Senator, he stated in substance that the North Atlantic Treaty does not in its purposes undermine the United Nations Charter. Did the Senator say substantially that?

Mr. GRAHAM. Exactly.

Mr. DONNELL. I should like to ask the Senator a question along that line. Has the Senator considered the testimony of the distinguished present junior Senator from New York [Mr. DULLES] before the Foreign Relations Committee, in which he pointed out the danger of this pact gravely impairing the usefulness of the United Nations? Does the Senator recall having read that testimony?

Mr. GRAHAM. I have not read it.

Mr. DONNELL. In order to place his statement before the Senator from North Carolina, I shall read briefly from the testimony. I am referring now to article 4 of the North Atlantic Treaty, which we have been told by the distinguished senior Senator from Michigan [Mr. VANDENBERG] does not even remotely contain a mandate. I submit most humbly that I do not at all concur. I think it does contain a mandate. It contains a promise, a definite commitment. It says:

> The parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence, or security of any of the parties is threatened.

Again I borrow from the Senator from Michigan, in recalling that he stated that the circumference of the subject matter is unlimited. I invite attention to the following observation by the distinguished junior Senator from New York, and ask the Senator from North Carolina if he will be kind enough to state whether or not he concurs in this view:

> Of course, with every great enterprise there are risks and disadvantages. I think these should be seen and not covered up, because the risks are of such a character that if seen they can be guarded against.

The language which I have just read is found at the bottom of page 342 of the record.

On page 344 he said:

> Again, Mr. Chairman, the pact should not inaugurate a system of group consultations which would destroy the value of the United Nations as the town meeting of the world.
>
> There are some who argue that the Atlantic Treaty violates the United Nations Charter. I see no merit in that argument, assuming, as I do assume, that the pact is not an artificial military alliance, but a stage in a process of natural political growth. The Charter cannot stop such growth, and it does not attempt to do so.
>
> The pact might, however, gravely impair the usefulness of the United Nations if consultations under its article 4 committed the pact members, or crystallized their views, in advance of United Nations discussion. The risk is greater because the occasions for consultation under article 4 are not merely attacks in the Atlantic area dealt with by article 5, but threats anywhere to any of the parties. Since the parties have interests and possessions throughout the world, the consultations under article 4 might relate to matters of deep concern to friendly nations of Asia, Africa, the Near East, the Pacific, and the Americas.
>
> The United States does have a community with the west, but we have other communities as well and so many look to us for leadership that we ought not to seem to play favorites. Also, if we really believe in the United Nations, we shall, on matters which are within United Nations jurisdiction, give its processes an opportunity to influence our thought and conduct before making up our mind.

Does the Senator agree with those observations of the Senator from New York, to the effect that we must guard against danger under the pact, which as he says, might gravely impair the usefulness of the United Nations?

Mr. GRAHAM. I stand on what I said in my speech that the pact is not enough, but that we must be on guard to keep the pact within the framework of the United Nations, and that we must strengthen our own free institutions and insist on moral armaments in the cold war. We must use the pact not to undermine the United Nations, but to buttress the United Nations and gain time for steps toward amendments to the Charter which will make it a stronger concert of free peoples, and also a basis—I hope—for a call by our country for international disarmament.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. GRAHAM. I yield.

Mr. DONNELL. I promise not to question the Senator indefinitely, but I should like to ask a further question on this very important point, as I see it. The Senator himself has stated that the North Atlantic Treaty does not in its purpose undermine the United Nations Charter.

Mr. GRAHAM. If I thought it did, I would vote against it. I do not think it does.

Mr. DONNELL. I ask these questions because there may be some dangers which the Senator has possibly not evaluated to be as great as some of the rest of us think.

Mr. GRAHAM. I recognize the dangers. When we read the Holy Alliance of the 1820's, we see nothing that is not beneficent in its language, but it became an instrument of reaction and of dynasties, rather than an instrument of free peoples. It threw its weight in the direction of the restoration of old regimes against the democratic institutions of that age. That was a misuse of the Holy Alliance. We do not want any misuse of the North Atlantic Pact.

Mr. DONNELL. It is possible that we may have it.

Mr. GRAHAM. All human institutions are subject to misuse and abuse.

Mr. DONNELL. Among the other possibilities pointed out by the Senator from New York [Mr. DULLES] in his testimony before the committee is that there is a danger in the possibility of using this pact as a military organization. Does the Senator remember the point he made, or has he read the testimony?

Mr. GRAHAM. Even without reading it, I admit that there are dangers in the instrumentalities employed by any group of people or any group of nations. It depends on what they do with their instrumentalities.

Mr. DONNELL. If the Senator will yield for a further question along this line, the distinguished Senator from Florida [Mr. PEPPER], speaking on June 11, 1948, on the subject of Senate Resolution 239, made the following statement, as found on page 7824 of the permanent RECORD:

> One of the principal causes of the failure of the League of Nations was the fact that the authority, the prestige, and the power of that organization were undermined and destroyed—

He used the same words as were used by the Senator from North Carolina—

> by various collateral agreements, pacts, and understandings which were entered into by the member states.
>
> There was the Locarno Compact, and various other compacts, entered into by states outside the League of Nations organization—

I pause to state that my understanding of the statement of Dr. Wilcox is that Germany participated in the Locarno Pact, although it was not a member of the League of Nations, but that participation was also had by Great Britain and other nations which were in the League of Nations. I take it I am correct in that statement. The Senator from Florida said:

> One of the principal causes of the failure of the League of Nations was the fact that the authority, the prestige, and the power of that organization were undermined and destroyed by various collateral agreements, pacts, and understandings which were entered into by the member states. There was the Locarno Compact, and various other compacts, entered into by states outside the League of Nations organization, attempting to preserve peace by alliances rather than by collective security, thus undermining the foundations of the League of Nations.
>
> Mr. President, the same kind of action would undermine the foundations of the United Nations. I believe, therefore, that when we see that such action is a threat to the success of the organization, we should not encourage by our advice or recommend a process that will inevitably have that effect.

Does the Senator agree with those observations?

Mr. GRAHAM. As I recall, not from any present familiarity with those pacts, those meanings became the real meanings; Geneva was not the real meaning. Of course, such abuse can happen at any time. But in my opinion, the inter-American treaty, the Asian conference, and the North Atlantic community are to be buttresses to the United Nations, and are not even to bypass or impair, much less to destroy, it. They are to repair, not to impair.

Mr. DONNELL. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from North Carolina yield to the Senator from Missouri?

Mr. GRAHAM. I yield.

Mr. DONNELL. There are, so Dr. Wilcox advises me, 59 nations signatory to the United Nations, and 47 of them are not in the North Atlantic Treaty. Does not the Senator from North Carolina agree that there is at least a possibility that if consultations between the 12 na-

tions signatory to the North Atlantic Pact became frequent, a bloc would be created and might easily result in jealousies, anger, conflict, and possibly even a complete break-down of the United Nations, on the theory that one little group of states or nations was usurping the organization?

Mr. GRAHAM. That would depend upon what was in the hearts of the representatives of the various governments. If they met in the spirit of the Charter of the United Nations and of the Atlantic Pact, they would meet to strengthen the United Nations, not to undermine it. However, as the Senator from Missouri knows, a pistol can be used by a policeman for peace and order, or it can be used by an irresponsible person for murder or crime.

To my mind, those who drew the North Atlantic Pact had in their hearts, and put it down in black and white, the reinforcement of the United Nations. I know one can read between the lines things that are not there; but, as the Senator from Missouri fears, things might come there. Yet in the explicit language of the North Atlantic Treaty, it is dedicated to the purposes and principles of the United Nations, the reinforcement of the United Nations, the buttressing of the United Nations, not the undermining of the United Nations.

Mr. DONNELL. Does the Senator from North Carolina agree with this observation by Mr. Halford L. Hoskins, senior specialist in international relations, Legislative Reference Service, Library of Congress, written in 1949:

> The motives and purposes that bring sovereign states into alliance are never uniform for all members of the pact. Consequently, one member or another of an alliance formed originally for defensive purposes may not infrequently employ the relative security supplied by the joint association to pursue unworthy objectives which could not safely be undertaken from an isolated position.

Mr. GRAHAM. I should like to supplement that observation by stating——

Mr. DONNELL. Pardon me; does the Senator agree with that observation?

Mr. GRAHAM. That is stated as a possibility. Of course, if you were to talk about possibilities, we could never get together about anything; we could not have formed the United States of America because of some possibility that some of the member States might engage in aggressions against each other or might violate the Constitution of the United States or what not.

This is what is in my heart: To my mind, in the present world situation of international tension, with the threat of totalitarian tyranny, now held in check on the western front by the staunch opposition of the democracies, the North Atlantic Pact gives to the world time and some sense of security to do the great things set forth in the Charter of the United Nations. It provides time to enable amendments to the Charter of the United Nations to be considered, for steps to be taken toward universal disarmament, and to make the United Nations actually what its ideals are.

Mr. DONNELL. Mr. President, will the Senator yield very briefly for a question which brings me to the last point I had in mind inquiring about?

Mr. GRAHAM. Yes.

Mr. DONNELL. I ask whether the Senator believes I am correct in understanding or inferring that he favors the view that ratification of the North Atlantic Treaty would be a step in the direction of a federation of the free nations of the world.

Mr. GRAHAM. In this way: The larger sense of security that thus comes to western democracies gives them, in my opinion, a more likely opportunity to move toward amending the Charter of the United Nations than they would have without the security which the North Atlantic Pact gives them, for otherwise they would be kept in a state of jitters, worry, and concern about their future. The North Atlantic Pact, by providing such an intermediate period of greater security, in my opinion gives those who believe, as I do, in making a stronger United Nations, more opportunity and more hope about making the United Nations, through amendments to its Charter, what men have been dreaming it actually would become.

Mr. DONNELL. Then, am I correct in my understanding that the Senator from North Carolina favors ratification of the pact because, among other reasons, he believes it is a step toward something along the line of what Judge Patterson, Justice Owen J. Roberts, Mr. Clayton, and the distinguished junior Senator from New Jersey [Mr. HENDRICKSON] advocate, namely, a federation of states of the world?

Mr. GRAHAM. I am for the resolution which already has been introduced by 101 Members of the House of Representatives. That shows where I stand.

Mr. DONNELL. That is a resolution for a federation of the world or a federation of free nations. Is that the general idea?

Mr. GRAHAM. Its real purpose is to prevent war and to establish the rule of law; and that is the purpose of the United Nations.

I think we sometimes are unfair—I am, myself—to the United Nations, in thinking that this child in swaddling clothes can realize all the objectives stated in the preamble of its charter and in its declaration of purposes and principles. We have to give this child, that is crawling now, an opportunity to stand up and grow.

In my opinion the Atlantic Treaty will permit the United Nations to gain time on its way toward maturity.

Mr. DONNELL. The resolution introduced by 101 Members of the House of Representatives——

Mr. GRAHAM. I am for that.

Mr. DONNELL. Provides for a federal union of the states of the world. Is that correct?

Mr. GRAHAM. Through the Charter of the United Nations—not bypassing it or going around it or going under it, but going through it.

Mr. DONNELL. In other words, it provides for a federal union of states, acting through the United Nations?

Mr. GRAHAM. That is correct.

Mr. DONNELL. I thank the Senator from North Carolina and the Senate.

Mr. DONNELL subsequently said: Mr. President, I ask the Senator from North Carolina [Mr. GRAHAM] if he will be kind enough to attend for just a moment. The Senator from North Carolina, in his most interesting address, referred to a House concurrent resolution which had been submitted in the House of Representatives recently by, as he stated, 101 Members of the House. I have before me a letter dated June 10, 1949, from the Honorable BROOKS HAYS, Member of Congress from the Fifth Congressional District of Arkansas, with which he includes a copy of a press release containing a text of proposals and a list of Representatives sponsoring the concurrent resolution. He states it is a group of 91 Members of the House of Representatives. I have shown the Senator from North Carolina a copy of House Concurrent Resolution 64, submitted on June 7, 1949, by Mr. HAYS of Arkansas, which is contained in a booklet sent out by Mr. HAYS, or bearing Mr. HAYS' insignia at any rate, and I ask unanimous consent that a copy of this resolution may be set forth immediately following the colloquy succeeding the address of the Senator from North Carolina.

The PRESIDING OFFICER (Mr. HOEY in the chair). Without objection it is so ordered.

The concurrent resolution (H. Con. Res. 64) is as follows:

> *Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of the Congress that it should be a fundamental objective of the foreign policy of the United States to support and strengthen the United Nations and to seek its development into a world federation open to all nations with defined and limited powers adequate to preserve peace and prevent aggression through the enactment, interpretation, and enforcement of world law.

Mr. LUCAS. Mr. President, before I commence to read the manuscript which is before me, I desire to associate myself with the distinguished Senator from New Hampshire [Mr. TOBEY] in the tribute which was paid to the distinguished Senator from North Carolina [Mr. GRAHAM], for the scholarly, penetrating, and magnificent address he delivered upon the treaty now before the Senate. I should also like to congratulate him upon the manner in which he answered the interrogatories of the distinguished Senator from Missouri [Mr. DONNELL].

In view of the questions which were propounded to the Senator from North Carolina by the Senator from Missouri, it is difficult for me to understand how the able Senator from Missouri could ever have voted in the United States Senate for any agreement dealing with international relations, for there never has been considered by the Senate an international agreement which did not permit of all the doubts, possibilities, probabilities, and speculations about which the Senator from Missouri is so alarmed at this particular time. Certainly there were more doubts as to the success of the United Nations organization, which have proved to be well founded, than are justified, in my opinion, about the success of the North Atlantic Pact which is now under consideration.

Mr. President, in this hallowed Chamber of time, great Senators of yesterday

laid the foundation for the unabated success and glorious achievements of this dynamic Republic. Most of these public servants were of heroic mold, endowed with rare courage, profound wisdom, and prophetic vision. As legislative pioneers in a new world, they followed a bold and resolute course. The Monroe Doctrine, which was considered within these walls, is a classical example of their firm determination to protect and advance the democracy of mankind at all costs.

We are now approaching another decisive hour in the history of the Senate and in the history of the world. During the last 2 weeks we have heard brilliant, cogent, and persuasive arguments on a treaty that was born out of necessity in the further development of a sound and progressive American foreign policy.

It goes without saying that all Senators have studied this agreement between nations of the North Atlantic communities. We have listened to the learned members of the Senate Foreign Relations Committee, at whose hands the pact underwent painstaking examination and analysis, first during the drafting work itself, and again since 12 nations have affixed their signatures.

We have heard also the honest doubts of those who fear the pact will not accomplish its declared purpose, but rather will lead the United States into danger abroad and economic disaster at home. And we have noted the apprehensions of Senators who question whether this document fits properly into the framework of our foreign policy.

For myself, at least, Mr. President, I have resolved all doubts. In my opinion, the North Atlantic Pact will operate as a powerful instrument against aggression. Like the Marshall plan and other phases of our foreign policy, it is another calculated risk. I am willing to drop the ancient moorings of another day and take that risk. I am certain this defensive alliance will diminish the danger abroad and at the same time will not seriously impair our economic position at home.

I have an honest conviction that this treaty fulfills and advances basic and fundamental precepts of American foreign policy. We who support this pact believe it will become another pillar in the security of the free world.

Mr. President, only in a world of peace can the inalienable rights of mankind to life, liberty, and the pursuit of happiness be maintained and exercised, and, parenthetically, only in a world of freedom can peace be maintained in the age of today.

The North Atlantic Pact, I am convinced, will work for the attainment of these noble and humanitarian objectives. In the early days of our Republic, peace was obtainable in the process of one nation's remaining aloof from all foreign quarrels, and freedom was the product of truly democratic government. Since those times, differences between nations have shifted from battlefields, near or distant, into an orbit from which no country can remain apart.

The ratification of the pact will implement the Marshall plan and other segments of our foreign policy. It will give the free peoples of Europe another great lift in morale. It will be another persuasive argument among these people that America is creating a progressive and firm foreign policy which measures up to the world responsibilities which have been thrust upon us.

Ratification of the pact will further discredit the ideology we call communism which has been pushing hard and steadily to wipe out human freedom everywhere. As an example of this tremendous effect of the pact upon European morale, I would cite the recent observation of foreign correspondents in France who have found that the number of enrolled Communists has declined since it became evident that the pact would become a reality. Many of the people who joined the Communist Party in France and other nations did so because they desired protection in the event of Soviet aggression.

In the North Atlantic agreement we of America join other democracies to form a unified foreign policy against external tyrannies aimed at the subjugation of human rights. In this historic document we create for democracy a regional democratic front and say to would-be aggressors, "We democracies stand for peace and human freedom; any major attack upon one of us will be considered as an attack against all."

Mr. President, the pact is another long stride toward the two fundamental objectives of foreign policy. Since the dawn of our independence those objectives have been peace and freedom. Throughout our history we have poured forth our blood and treasure to strengthen both. It is only when freedom has been threatened that Americans have been willing to give up peace temporarily in order to maintain and defend their freedom. Peace and freedom are not only our fundamental objectives, they are the trend of history. I have no sympathy for those who before or since the last war accept the idea that democracy is decadent and that only dictatorship has the strength to survive. Our glorious past should be the complete answer to such irresponsible arguments.

Hitler and Mussolini declared that the democratic peoples had lost the will to fight and were rotting at the core. Those dictators are dead and their systems of government have crashed in ruins. The democratic world has proved its strength, vitality, and ability to survive whatever threats it may encounter. We will continue to try by every means at our disposal to surmount any threat to our security by peaceful means. However, we remind any aggressors who have world domination in mind through the strength of the sword or otherwise to remember the fate of all dictators whose aggressive ambitions have led to their ultimate banishment or a dishonorable grave.

Mr. President, in 1945 no one anticipated the need for a North Atlantic Pact, the Marshall plan, or the Truman Doctrine, because in that year the American people accepted wholeheartedly and with high hopes the obligations of the United Nations Charter. We continue to look to the United Nations as the world's great hope for the future. Unfortunately the forces to which freedom is anathema have sought to weaken the United Nations to serve their own evil imperialistic and ideological ends. They have constantly sought to block constructive and just settlement of disputes and profit by dissension and unrest.

It has become increasingly necessary for the United States as the citadel of freedom, to act both within the United Nations and in support of it to strengthen the forces of freedom in other parts of the world. In recent years such action has played an increasingly vital part in our foreign policy.

We have made clear to the world that we would not countenance the subjugation of the countries in the Middle East. As an example, we proclaimed firmly that we would not permit Turkey and Greece to be overrun, and we have given them a measurable amount of assistance for their defense.

We have made great sacrifices to help rebuild the economic structure of free Europe, to restore its basic economic health and maintain its stability, in order that the forces of evil might be checked in their efforts to profit from hunger, misery, and despair.

These have been nonpartisan measures so far as we were concerned. The issues are too fundamental, too vitally American, to be decided along partisan lines. The measures taken have had the full support of the vast majority of both our major parties. Opposition to them has come from some who were wholly sincere but most forcefully from those who, designedly or unwittingly, serve the ends of those who would destroy freedom.

The North Atlantic Pact is a further vital step in our efforts to strengthen peace and freedom. It, too, has been nonpartisan from its inception in Senate Resolution 239, offered by the Senator from Michigan [Mr. VANDENBERG], to its conclusion through the unanimous report of the Foreign Relations Committee. This is nonpartisan foreign policy at its best.

Yes, Mr. President, it is America in a world of turmoil, struggle, and strife, operating at her best, because our security, our homes, our lives and our fortunes, are all involved.

In accordance with our basic objectives and with long established American tradition, stemming from the Monroe Doctrine, the Pact makes clear American determination to defend peace and freedom against attack from any quarter in the North Atlantic area. In the world of today there are no victors in war. There are survivors and vanquished, but all are losers. Victory today can be achieved only by preventing war from starting. What we must seek, and what we do seek in the pact, is victory over war itself.

We who uphold and defend the forces of freedom and the dignity of man must keep ourselves united and strong.

There must be vigilance. There must be vision. There must be courage. We must demonstrate to the world collectively and decisively that we propose to resist the attack of any aggressor.

Only by doing so can we avoid war. Only by doing so can we keep the torch

of freedom burning until its light penetrates the darkness behind the curtain, and the freedom which all people everywhere so fervently desire can burst the deadly chains of tyranny.

Let me say one final thing, Mr. President. Let me beg my distinguished colleagues to remember that the forces of freedom and the forces of tyranny are struggling for supremacy at this momentous hour. Let me remind every Senator in this historic Chamber that the fate of all free men may rest upon our vote on the North Atlantic Pact.

Remember, we are architects of the pact. Our diplomats labored to create it. Our Foreign Relations Committee studied it, pondered its meaning, and approved it with one unanimous voice.

If we now fail to ratify this agreement, Mr. President, if we turn our backs on the people of the western European countries, the suffering people who have pledged their lives and fortunes in this great international endeavor with us, the people who look to us for leadership—if we should betray our obligations, disavow the declarations of our President and our Secretary of State, disregard the unanimous report of a distinguished Senate committee, adopt reservations or amendments which would repudiate the pact, what would happen to the world?

I submit that the morale of the people of the western democracies, who are making a valiant fight toward economic, social, and political recovery, would be totally shattered. Within 1 year to 18 months, the gates of western Europe would be opened to the hordes of communism.

Failure to ratify this pact would place us upon the shortest road to war and bankruptcy. Failure to ratify this pact would destroy the towering structure of our bipartisan foreign policy. Failure to ratify this pact would make a mockery of the valiant deaths of freemen who fought for the peaceful ideals of mankind and the future of our civilization.

Mr. President, if we do not give our approval to this pact, it will be the beginning of the end of the effectiveness of the Marshall plan and our aid to Greece and Turkey. If we do not approve it, we may as well prepare to withdraw into the Western Hemisphere and build a wall of isolating steel around America. But we cannot do that, Mr. President. We cannot turn back. We dare not return to the dangerous doctrine of isolationism. We are committed to a course of world responsibility. We have chosen the right path, the sure path of mutual aid, and we must press forward to our rendezvous with destiny in a world of peace.

Mr. WATKINS. Mr. President——

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. SCHOEPPEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

| | | |
|---|---|---|
| Aiken | Donnell | Graham |
| Baldwin | Douglas | Green |
| Butler | Dulles | Hayden |
| Capehart | Eastland | Hendrickson |
| Chapman | Frear | Hickenlooper |
| Connally | George | Hill |
| Hoey | McFarland | Smith, Maine |
| Holland | McGrath | Sparkman |
| Humphrey | McKellar | Stennis |
| Ives | McMahon | Thomas, Utah |
| Johnson, Tex. | Malone | Thye |
| Johnston, S. C. | Martin | Vandenberg |
| Kerr | Maybank | Watkins |
| Knowland | Mundt | Wherry |
| Lodge | Murray | Wiley |
| Long | Neely | Withers |
| Lucas | Russell | Young |
| McCarran | Saltonstall | |
| McClellan | Schoeppel | |

The PRESIDING OFFICER (Mr. HOEY in the chair). A quorum is present.

Mr. WATKINS obtained the floor.

Mr. BUTLER. Mr. President, will the Senator from Utah yield that I may have something inserted in the RECORD?

Mr. WATKINS. I ask unanimous consent that I may yield for an insertion, without losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Nebraska is recognized.

Mr. BUTLER. Mr. President, I have in my hand an editorial from the Omaha Evening World-Herald of July 18 bearing on the subject under debate. I ask unanimous consent that it be printed at this point in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ARTIFICIALLY ALARMED

In his first speech in the Senate last week, JOHN FOSTER DULLES made an amazing revelation. Reporting on the recent Conference of Foreign Ministers at Paris, which he attended as a delegate, Senator DULLES said:

"At Paris last month there was discussion as to whether to accept at all the Soviet proffered truce and to resume, even on a tentative basis, four-power consultations. Some feared that any relaxation of east-west tension would bring a corresponding relaxation on the part of the American people and that they should artificially be kept alarmed."

This statement was later confirmed in its entirely by Secretary of State Acheson. According to press dispatches from Washington, "he agreed with Senator DULLES that the United States delegation * * * had considered whether the American people should be kept artificially alarmed, and had rejected the idea completely."

There you have it. Some of those hired by the American people to represent them at Paris wanted to deceive their employers. Wanted to deceive them, because the truth might make them less manageable, less complaint, less willing to follow the policies which the some favored.

What, specifically, were the policies which the "some" felt would be endangered if the truth became known?

Neither Senator DULLES nor Secretary Acheson answered that question. But it is fair to presume, we think, that the "some" had in mind the whole fabric of America's foreign policy and the domestic policies which bear on it. In other words—the Atlantic Pact, the arms-for-Europe plan, the ECA program, and the $15,000,000,000 appropriation for defense.

All of those big-spending plans might have been deemed to be in jeopardy if the American people were permitted to hear about the relaxation of east-west tension.

Now comes the jackpot question: Who were those "some" who wanted to keep the American people artificially alarmed?

Secretary Acheson, as head of the delegation, had three principal advisers: his alternate, Philip C. Jessup, his counselor, Charles E. Bohlen, and Mr. DULLES.

The fact that Mr. DULLES and Mr. Acheson confessed what happened tends to exonerate them. As for Mr. Jessup and Mr. Bohlen, they are Mr. Acheson's subordinates and it is hard to believe that either of them would have advocated such a disreputable and dishonest course, against their boss's opposition.

That leaves only one official unaccounted for—the man who wasn't there.

His name is Harry S. Truman.

Mr. Truman took an unusual, personal responsibility in connection with the Paris conference. After previous Big Four meetings it had been customary for the Secretary of State to report directly to the American people. But that wasn't done after the Paris meeting. Mr. Truman himself, who wasn't there, made the report.

In his formal statement he was cool and perfunctory in his acknowledgment of the delegation's good work. He was hostile toward Russia. He said the Soviets had sought "a return to Potsdam and its system, which the Russians had made unworkable by their misuse of the unlimited veto." He said they were to blame for the failure to bring about real German unification.

But above all, he said—and this was the kernel of his statement—the results of the conference revealed "the correctness" of American foreign policies. He called on the people to adhere to those policies "with calmness and determination."

In effect, he said to the American people: Don't be fooled by Russia's termination of the Berlin blockade; conditions are still tough; we've still got to spend and spend, in the sweet name of world peace.

If the President did not inspire the "some" who wanted to keep the American people "artificially alarmed," at least his thinking was not appreciably different from theirs.

Dictators, as they seek to dominate the actions of their citizen-serfs, find it necessary also to dominate their thinking, usually through lies.

Hitler had to have his Goebbels.

Stalin could not keep Russia under his thumb without the help of Pravda, Izvestia, the Red Star.

So far as we are aware, this is the first time that an attempt to manage the thinking of the American people by falsification has been officially confessed.

"Those" who took part in the plot should be revealed by name. If President Truman disagrees with their aims, he should demand that they be exposed and driven out of public office. If he does not disagree, then Congress should take the lead.

The issue raised by Senator DULLES' brief remark transcends in importance the issue of ratification. For if the Goebbelses who want to keep the people "artificially alarmed" are allowed to remain in office, and to grow in influence, there is small chance that the Pact or any other scrap of paper will put the Republic on the road to peace.

Mr. WATKINS. Mr. President, most of the discussion of the Atlantic Treaty for the past week has been directed to article 3 and its interpretation. The problem presented has been whether or not it commits the United States either morally or legally to furnish arms to other allies named in the treaty.

Hundreds of thousands of words have been spoken by the various members of the Senate who have discussed this particular article and the treaty is general. The time that has been given this article of the treaty has more or less diverted attention from what, to my mind, is a much more important article, to-wit, article 5.

I intend to discuss article 5 and the reservation which I propose shall be

made a part of the resolution of ratification. This reservation will be directed to the meaning of article 5. For the benefit of those listening, and particularly for the benefit of those who may read what I shall say, I now quote in full article 5:

The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually, and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Mr. President, on June 1, I discussed this article and what I thought it meant. I quoted a number of authorities who had been presenting their views on this article before the Foreign Relations Committee when hearings were held last month. At the conclusion of that speech I informed the Senate that I would propose a reservation in two paragraphs to this particular article. I shall offer these paragraphs in separate reservations when the Committee of the Whole has been lifted and reservations are in order.

The reservation which I proposed apparently was not read by very many Members of the Senate. I am led to believe this because of the number of questions that have been propounded by other Members of this body on this particular reservation.

The reservation should have been stated in the early part of the speech. Then it might have been read. To be sure it will receive some consideration and at least will be heard and read by Members of this body, I now quote the reservation to article V which I shall formally propose in two parts to this body at the opportune moment:

PART A

The United States understands and construes article V of the treaty as follows:

That the United States assumes no obligation to restore and maintain the security of the North Atlantic area or to assist any other party or parties in said area, by armed force, or to employ the military, air, or naval forces of the United States under article V or any article of the treaty, for any purpose, unless in any particular case the Congress, which under the Constitution, has the sole power to declare war or authorize the employment of the military, air, or naval forces of the United States, shall by act or joint resolution so provide.

PART B

The United States further understands and construes article V as follows:

That in any particular case or event of armed attack on any other party or parties to the treaty, the Congress of the United States is not expressly, impliedly, or morally obligated or committed to declare war or authorize the employment of the military, air, or naval forces of the United States against the nation or nations making said attack, or to assist with its armed forces the nation or nations attacked, but shall have complete freeedom in considering the circumstances of each case to act or refuse to act as the Congress in its discretion shall determine.

In my opinion these two paragraphs point up stronger than any argument that I may make the real issues that are involved in this treaty.

Article V has been designated the heart of the treaty. I believe that statement is a correct description of the article. I am firmly convinced that if my reservation is adopted, it will protect a most vital part of our Constitution, that of the right of Congress to declare and make war.

To me this is the most important reservation that will or can be presented to the resolution of ratification. By that I do not mean that I have written the most important one, but I mean that a reservation of this character is important for the simple reason that it goes to the very crux of the whole matter, to the very issues involved.

Before I begin the discussion of this reservation, I should like to call the attention of the Senate to the fact that many important treaties entered into by this country and approved by the Senate have had reservations of interpretations attached.

It has been pointed out by the Research Section in International Relations of the Congressional Library:

That the power to apply reservations or attach amendments to treaties has been employed by the Senate with increasing frequency in recent years. Between 1882 and 1910 the United States was party to six multilateral treaties to which reservations were attached at the time of signing. (Taken from list in Owen, Reservations to Multilateral Treaties.)

Since that period reservations usually have been made upon ratification. Between 1910 and 1940, a roughly equivalent period, the United States was party to not less than 37 multilateral treaties to which amendments, reservations, or qualifications were attached, generally upon ratification—List of Treaties Submitted to the Senate, 1789–1934, Washington, Government Printing Office, 1935, pages 43 to 61; Treaties Submitted to the Senate, 1935–1939, Washington, Government Printing Office, 1940, pages 3 to 8.

Back in 1919, when the Treaty of Peace negotiated at Versailles was being debated by the Senate and particularly those features of it which had to do with the formation of the League of Nations, many reservations were presented. Senator Frederick Hale from the State of Maine addressed a letter to the Honorable Charles E. Hughes, later Chief Justice of the Supreme Court of the United States, requesting his views on the League of Nations covenants and what, if any reservations should be attached to the treaty.

Mr. Justice Hughes replied to that letter. His reply was dated July 24, 1919, and a copy of it was inserted in the CONGRESSIONAL RECORD on July 29, 1919, volume 58, part 4, Sixty-sixth Congress. Mr. Justice Hughes, who, by the way, was in favor of our entering the League, made a very significant and, I think, helpful statement with respect to reservations. I quote from the letter:

I think that the prudent course is to enter the proposed league with reservations of a reasonable character, adequate to our security, which should meet ready assent, and thus to establish a condition of amity at the earliest possible moment. * * *

As to the validity of reservations, this question has two aspects: First, with respect to the action on our part which is essential to the making of reservations and, second, as to the effect of reservations upon other parties to the treaty. * * *

As to the first question, it is manifest that attempted reservations will be ineffectual unless they qualify the act of ratification. The adoption of resolutions by the Senate setting forth its views will not affect the obligations of the covenant if it is in fact ratified without reservations which constitute part of the instrument of ratification.

If the Senate should adopt reservations by a majority vote, I assume that these will be made part of the proposed resolution of assent to the treaty, and the question will then be whether the Senate will give its assent with these reservations by the requisite two-thirds vote. If the proposed reservations are reasonable, the responsibility for the defeat of the treaty, if it is defeated, will lie with those who refuse the vote essential to the assent. If the Senate gives its assent to the treaty with reservations, the concurrence of the President will still be necessary, as ratification will not be complete without his action, and the responsibility for a refusal to give the ratification with the reservations as adopted by the Senate as a part of the instrument of ratification would thus lie with the President.

Assuming that the reservations are made as a part of the instrument of ratification, the other parties to the treaty will be notified accordingly. As a contract the treaty, of course, will bind only those who consent to it. The nation making reservations as a part of the instrument of ratification is not bound further than it agrees to be bound. And if a reservation as a part of the ratification makes a material addition to or a substantial change in the proposed treaty other parties will not be bound unless they assent. It should be added that they may acquiesce in a partial ratification on the part of one or more.

But where there is simply a statement of the interpretation placed by the ratifying state upon ambiguous clauses in the treaty, whether or not the statement is called a reservation, the case is really not one of amendment, and acquiescence of the other parties to the treaty may readily be inferred unless express objection is made after notice has been received of the ratification with the interpretative statement forming a part of it.

Statements to safeguard our interest which clarify ambiguous clauses in the covenant by setting forth our interpretation of them, and especially when the interpretation is one which is urged by the advocates of the covenants to induce support, can meet with no reasonable objection. It is not to be supposed that such interpretations will be opposed by other parties to the treaty and they will tend to avoid disputes in the future. Nor should we assume that a reservation would lead to the failure of the treaty or compel a resumption of the peace conferences when the reservation leaves unimpaired the main provisions of the covenant looking to the peaceful settlement of disputes and the organization of conferences and simply seeks to avoid any apparent assumption of an obligation on our part to join in a war at some indefinite time in the future for a cause the merits of which cannot now be foreseen, as it is evident that in such case we must inevitably await the future action of Congress in accordance with what may

then be the demand of the conscience of the Nation. In contemplating this experimental, albeit hopeful, enterprise, our security and good faith are primary considerations. Those, either here or abroad, who would oppose such reasonable interpretations or reservations on our part would take a heavy responsibility.

At this point I should like to observe that the principal reason for quoting Mr. Justice Hughes is the fact that there seems to be a feeling among many of my colleagues that the adoption of a reservation to the present treaty would mean that it would have to be renegotiated. They are convinced that this is dangerous and a rather unusual proceeding. I think Mr. Justice Hughes makes it perfectly clear that, in the interests of better understanding and for the protection of our country, reservations may be necessary.

That statement, made by Mr. Justice Hughes in 1919 on the occasion of the debate over the League of Nations Covenant, is as appropriate to our present discussions and the questions under consideration as it was to the question of that day.

Fundamentally the issues raised in the League of Nations debate by the famous article 10 with its guaranty to "preserve against external aggression the territorial integrity" of all the members of the League are the same as those raised by article V of the Atlantic Pact, which in effect guarantees in different language, by a new approach, the territory and security of the pact nations in the North Atlantic area.

The times, the circumstances, the nations, and the area involved are different, but the underlying principles are the same.

The essential question, stripped of miscellaneous and extraneous matters, raised, so far as the United States is concerned, is:

Can this country under its Constitution give a firm, binding commitment without any escape clauses, that it will surely, certainly, and promptly come to the assistance, with its armed forces if necessary, of any one or more of the other parties to the treaty in the event they are subjected to an armed attack?

To raise the question squarely it should be understood that an "all-out armed attack" should be the "armed attack" under consideration.

Episodes, incidents, attacks short of an all-out war that have in the past, and can be in the future, readily settled by diplomatic methods are not pertinent to this issue and should not be considered in our debate. I shall not consider them in my debate on that issue.

Stated another way, the question is:

Can the President and the Senate by the treaty-making power granted these two divisions of Government by the Constitution, enter into an agreement with foreign powers which will firmly commit this country to go to war either by decision of the President acting under the treaty or by resolution of Congress, which, under the terms of the treaty, it is obligated to adopt?

The European members of the treaty want that firm commitment. They want, and need according to their view, that kind of commitment.

They argue, and their American supporters agree with them, that anything less than a commitment for certain, prompt, immediate armed help will not meet the conditions of a sudden all-out attack of this modern age of supersonic speed planes loaded with atomic bombs and assisted with guided missiles.

The historic and generally accepted American view, is that only Congress sitting at the time the armed attack occurs, has the power, when the attack is made on other than United States territory, to declare war and authorize the employment of the armed forces of the United States to repel such an attack.

This historic view clashes head-on with the so-called needs of our European allies and the exigencies of modern warfare. The problems, then confronting the treaty negotiators and drafters, was how to write an agreement which would surely and certainly bring the United States and all the allies for that matter, into the fight the moment it began with an overwhelming force and at the same time assure the American and other peoples that their constitutional processes of making and declaring war would be preserved.

In other words, the people in this country are led to believe that this country will engage in no war to assist our European allies in the event an all-out atack is made on them unless and until our Congress has declared war and authorized the employment of our armed forces to fight in that war.

It should be noticed that article 11 of the pact does not say that the provisions of the pact will be carried out by the parliaments, congresses, and legislative bodies of the respective parties in conjunction with their executive departments. On the contrary it says "in accordance with their respective constitutional processes."

ARTICLE 11

This treaty shall be ratified and its provisions carried out by the parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the United States of America, which will notify all the other signatories of each deposit. The treaty shall enter into force between the states which have ratified it as soon as the ratifications of the majority of the signatories including the ratifications of Belgium, Canada, France, Luxemburg, the Netherlands, the United Kingdom, and the United States have been deposited and shall come into effect with respect to other states on the date of the deposit of their ratifications.

This language permits, in the case of the United States, the use of a very ingenious device to make the firm commitment of certain, immediate aid in the event of the beginning of a major attack, and at the same time keep the American people assured that its Congress, free, unfettered, and uncommitted, will make the final decision before we are actually at war.

What is this ingenious device? It will be found in the first clause of the sentence of article 5:

The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all.

To illustrate the meaning of that clause, an attack then against Denmark is an attack against the United States.

Here is the way, in the case of the United States, that the device is intended to work; here is the reasoning back of it:

First stage: An all-out attack as distinguished from minor warlike incidents short of a major attack made on the United States immediately creates a state of war.

Congress does not have to declare war; it happens by the act of the aggressor. Congress may recognize by declaration that a state of war exists, but the state of war was brought about by the act of the enemy power. Under these circumstances, the President immediately orders the armed forces to repel the attack. He does not wait for Congress. He probably would be derelict in his duty if he did wait. That is when an attack is made directly on the United States.

Second stage: By the treaty, 10 European nations and Canada are put in the same class as the United States territory when an armed attack is made on them. For that purpose they become United States territory. For the purpose of repelling an armed attack, they become our responsibilities. They are made so by the treaty which, under our Constitution, becomes the law of the land.

The law of the land, which the President is sworn to uphold and enforce, makes it obligatory upon him to regard an armed attack on any one or more of our 11 allies as an attack upon the United States. An attack on the United States creates a state of war between us and the aggressor.

Let me state it another way: An attack on one ally creates a state of war between the nation attacked and the aggressor. That attack is an attack on all parties to the pact. By agreement in the pact itself, then, a state of war is created between the aggressor and all the members of the pact. There is no escape from this conclusion. The President must respond in good faith immediately to defend that additional territory. He must in good faith recognize that a state of war exists between the United States and the aggressor by reason of the treaty of agreement.

In modern war, to adequately defend our allies, he would be required to act immediately, even before he could get to Congress.

If he should order our armed forces into immediate action under the assumption that it was his duty to do so, then Congress would be confronted with a war already in being; and it certainly would not be free to say "No." Our forces would already be committed, and they would be committed under a treaty which became the law of the land without the House of Representatives having had an opportunity to consider it and render its judgment. It would be completely bypassed. We would be at war by operation of the treaty, in other words, a declaration of war by treaty.

Is there anyone who would contend that the framers of the Constitution ever contemplated any such result or had any such intention when they drafted the Constitution?

All of this could be done under article 11, which provides that the provisions of the treaty "shall * * * be carried out in accordance with their respective constitutional processes."

Carrying out the provisions of the treaty "in accordance with our respective constitutional processes" would include either action by the President in repelling an attack or by action of Congress.

I shall seek to clarify the situation by approaching the problem from another direction.

Article 5 creates an obligation to defend our allies' territory in the event of an armed attack upon them. This is an obligation we did not have before the treaty. Simply by making the treaty and adopting the device I have mentioned, which declares, "The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all," we enlarge the territory of the United States for defense purposes.

Article 5 does not increase either the authority of the President or the Congress under the Constitution. That should be carefully considered. It simply adds more territory in which or over which the Executive or the Congress or both can exercise that authority.

This is important, and should be kept clearly in mind. We extend to this new territory the same rights and privileges of defense as possessed by our own territory. By doing this we have taken on an obligation to defend it in case it is attacked. The way we shall discharge that obligation as a practical manner no doubt will be the same general way we discharge the obligation to defend the actual territory of the United States.

If an all-out attack is made upon the new territory, it will call for an all-out defense on our part, the same as it would if an all-out attack were made on our own territory. There can be no difference in the approach, so that the language of article 5 which states "that each of them in the exercise of the right of individual or collective defense * * *" will assist the party or parties so attacked by taking forthwith individually and in concert with the other parties such action as it deems necessary, including the use of armed force to restore and maintain the security of the North Atlantic area, is only saying in another way that each of the parties will take the same kind of action as they would take if their own territory were attacked; that is, they would wage war to defend the area and restore its security the same as they would wage war to defend and restore the security of their own territory.

The reservation I am proposing, which is labeled A, will clarify this situation. It in effect provides that only the Congress can authorize war and the employment of our armed forces to assist in the event one or more of our European allies are victims of armed attack.

It does not leave the field open for the President to act as article 5 would authorize him to do if its meaning were not clarified and restricted. It also states the time-honored and generally understood principle of constitutional law that only Congress can declare or make war and authorize the employment of our armed forces in the prosecution of a war.

It is true that it may make ineffective the device which sought to get around the Constitution. It may mean a few hours delay in the consideration of the emergency; but on the other hand it does no violence to the Constitution; in fact, it protects the right of a free people through their representatives to pass on such a vital matter as the declaring and making of war.

I think I can establish beyond doubt that there is enough confusion about the meaning of article 5 to justify on other grounds not only the necessity of such a reservation as contained in proposal A, but also as contained in proposal B, which is the second paragraph in the printed reservation I offered some time ago, and which has been printed and lies on the desk.

One of the principal arguments for the pact has been that it will be a powerful war deterrent because it will notify in advance any would-be aggressor that in the event it moves upon any one of the signatory parties, it will meet with, certainly, surely and promply, overwhelming force that will stop it in its tracks. The contention goes further than that; it says in effect that with this certain overwhelming force of the 12 countries of the Atlantic Pact marshaled in unity, in advance, no aggressor will even start an attack. Yet it is said by the same parties, mostly proponents of the treaty, that notwithstanding that the commitments under article 5, creating a certain, immediate and sure force to stop an aggression, the article does not in any way infringe upon the right of Congress to declare and make war; that all our constitutional safeguards, regarded so highly by Americans throughout its entire history, are still preserved.

Let me cite from the record:

President Truman in his inaugural address declared:

> If we can make it sufficiently clear in advance that any armed attack affecting our national security would be met with overwhelming force, the armed attack might never occur.

The junior Senator from New York [Mr. DULLES], in a formal statement to the Foreign Relations Committee, declared:

> The pact is needed to eliminate doubt that the Atlantic community will act quickly and unitedly for common defense. There are, here at home, some doubts or more accurately, some hesitations. Few in their heart of hearts really doubt that we would react quickly and wholly against any war intention, armed attack within the North Atlantic area, for that would, in reality, be a war against us. But some would like to put off the day of decision. The European members of the Atlantic community have considerable doubt about our intentions, and there may be doubt in the mind of potential aggressors. Such doubts and hesitations increase the risk of war and they need to be resolved, for, as this committee said last May, "The best deterrent to aggression is the certainty that immediate and effective countermeasures will be taken."

In that statement the Senator from New York is emphasizing the doubt the European members of the Atlantic community have with respect to the intentions of the United States, and also that the potential aggressors may have doubts as to our intentions. Then he indicates to meet those doubts and to stop an aggressor, that "the best deterrent to aggression is the certainty that immediate and effective countermeasures will be taken."

Again quoting from the statement of the Senator from New York [Mr. DULLES]:

> The proposed treaty poses clearly the issue of certainty and immediacy. It says that an armed attack against one of the parties in the North Atlantic area "shall be considered an attack against them all." That seems to me to be reasonably plain English. It means, I take it, that an armed attack upon Denmark, for example, is hereafter to be treated by the United States as an attack upon it.

In this paragraph the Senator makes it clear that in his opinion an armed attack against one of the parties in the North Atlantic area would be an attack upon the United States, for he states, "It means, I take it, that an armed attack upon Denmark, for example, is hereafter to be treated by the United States as an attack upon us." Apparently it should read "upon it." If so, it calls for a correction.

And following this, he declares, "if there is an attack upon the United States, then something happens and it happens surely and quickly." He observes that what happens is not necessarily war. Armed incursions into the United States territory, armed attacks on United States ships and planes which are incidents short of war, do not require a counterattack of the same kind.

But if an aggressor wants to make war, the Senator from New York [Mr. DULLES] continues:

> Our constitution cannot stop him. During the last 100 years the United States has been at war with many countries, but the Spanish War is, I think, the only such war that came about through Congressional declaration. In the others, the Congress found a hostile attack had already created a state of war.
>
> I repeat—

He continues—

> Any aggressor can make war. That choice lies with him. But this treaty, as I read it, takes away from him one choice, one tempting choice, that he used to have—that is the choice of making war on the parties singly, one by one. If he chooses to fight one party to this pact, he must fight them all, and all at the same time.

If I may interpolate, there cannot be any doubt as to what the Senator means. There is nothing left to discretion. He says "he must fight them all, and all at the same time." Then, going on with the quotation:

> The treaty, by saying that in words no potential aggressor can misunderstand, greatly reduces the risk of armed attack on the North Atlantic area and thereby makes a great contribution to peace.

In this argument the junior Senator from New York is only emphasizing what he has already said, in effect, that an all-out attack calls for an all-out and effective treaty which will make certain that such an all-out attack will meet

with an all-out resistance from all of the members of the pact. Nothing is left to future decision where discretion may be freely exercised on the question whether there will be war or no war. If the pact nations are to have the discretion to decide whether they will or will not wage war under those conditions, the whole treaty will be ineffective.

Later on in his testimony before the Foreign Relations Committee, the Senator from New York [Mr. DULLES], under cross-examination, made perfectly clear his interpretation of the treaty obligation in the event of a major attack. He said:

If there is any doubt what we are going to do under those conditions, I think the time to debate that is now. We can afford the time to do it now. Once war starts, we can't afford to have that great debate because it is too costly and the enemy gains too great an advantage.

That language means, if it means anything, that in the judgment of the junior Senator from New York, when we ratify this treaty we have settled the issue in favor of going to war in the event of an all-out attack. We are bound to respond immediately without hesitation or delay. We must act certainly, surely, and with immediacy. That is our obligation under article 5 as he apparently interprets it. In my judgment his interpretation is correct. I think that is what the treaty means.

At this point it may be helpful by way of contrast to direct attention to the statement of the senior Senator from Michigan [Mr. VANDENBERG] in his address in the Senate on the pact. Said the Senator:

But suppose the event is obviously of major and deliberate magnitude and clearly discloses a criminal aggressor deliberately on the march—as Hitler entered Poland or as the Kaiser entered Belgium. Let us say that it is clearly the dread thinking which threatens the life and freedom of one of our associated nations, if not ourselves directly. If it is, it threatens the life and freedom of every other associated nation, including our own. If it is, it threatens total war or total surrender, pact or no pact. If it is, our commitment is clear as crystal. It is to take whatever action we deem necessary to maintain the security of the North Atlantic area, which vividly includes the security of the United States. If the only action adequate is war, then it means war. If it does mean war, I venture to assert that, pact or no pact, it would mean war for us anyway in this foreshortened world. If it does mean war, I venture to say that we would be infinitely better off for having instant and competent allies.

In this declaration the distinguished Senator has made a case for declaration of war even though there should be no pact. But he finally comes to the point of this argument when he concludes: "But if it does mean war," after he has recited all those matters, "only Congress itself under the specific terms of the pact can declare it."

What the Senator says in this last sentence is what is provided in the reservation to the article 5 which I shall offer. It declares that only Congress can decide the issue of war when a total war is begun on one or more of our allies.

The position of the Senator from New York [Mr. DULLES] seems to be quite to the contrary. In fact, the statement of the distinguished Senator from Michigan appears to be in direct contradiction to the idea of certainty, immediacy, and a dependable group of allies who will provide an overwhelming force to stop an aggressor before he begins his attack.

I have said it appears to be a contradiction, but there is the possibility that although the Senator says that Congress itself under the specific terms of the pact can declare war, he means that while Congress will declare the war, it will be doing it because of the outstanding obligation of the United States to wage war under the circumstances mentioned. In other words, the act of the Congress in declaring war then would be done not as a matter of its judgment whether the country ought to go to war, or ought not to go to war, but because of the duty imposed upon it by reason of the covenants in the treaty.

But then comes the next question—

Continues the Senator from Michigan—

Who would decide for us what we would deem to be necessary under such bitter circumstances? The Constitution says only Congress can declare war. The Constitution also makes the President the Commander in Chief of our armed forces. As such, he can use—and many times has used—the armed forces to defend American life and security without a declaration of war. Since treaties are the supreme law of the land, would it not be his duty, under the extreme circumstances last indicated, to act instantly in defense of that pledge? I think the answer is "Yes."

But the Senator does not indicate that the President could do more than take steps short of war to show that the country recognized its pledges under the treaty. It seems to me to be clear from this that the Senator is definitely committed to the proposition that when it comes to war, only Congress could declare it. But he does not settle the question of whether or not Congress has any discretion in the matter and still live within the terms of the treaty. He does not say that the Congress is free to act or not to act in the declaring of war.

In another paragraph he makes a statement which seems to go in the direction that the Congress is without discretion but is bound to declare war. He said:

But that does not dilute the "forthwith" pledge of "all for one and one for all" if an international assassin strikes. The pledge dependably means that whoever is attacked will have dependable allies who will do their dependable part, by constitutional process, as swiftly as possible to defeat the aggressors by whatever means each deems necessary.

That statement seems to be totally in conflict with any idea that the Congress would be free to refuse a declaration of war under the circumstances mentioned in the discussion even though it was of the opinion that in order to defeat the aggressor, war would be necessary.

Many Americans will wonder of what benefit it is to say that only Congress can declare war if it is already committed in advance to make a declaration of ratification of a war already in existence by reason of the terms of the treaty made prior to the emergency which requires action of some kind. Congress under such circumstances would be merely going through the motions and would not in any sense of the word make the declaration as a matter of free choice and decision.

At still another point in his speech the Senator from Michigan said:

The committee (Foreign Relations Committee) report answers an even more specific question on this score. Would he (the President) or the Congress be obligated to react to an attack on Paris or Copenhagen in the same precise manner as to an attack on New York? The answer is "No."

And then the Senator proceeds to distinguish between an attack on our homeland as contrasted with an attack upon the territory of one of our allies. This seems to be directly in conflict with the statement of Senator DULLES, which for convenience, is repeated:

The proposed treaty poses clearly the issue of certainty and immediacy. It says that an armed attack against one of the parties in the North Atlantic area "shall be considered an attack against them all." It seems to me to be reasonably plain English. It means, I take it, that an armed attack upon Denmark, for example, is hereafter to be treated by the United States as an attack upon it.

But this matter of fine distinction so dramatically pursued by the Senator from Michigan seems to be entirely beside the point, when it is realized and when that truth sinks in, that an attack on one pact member is an attack on them all; that an attack on one creates a state of war between the nation attacked and an aggressor, and at the same time creates a state of war between the aggressor and all other members of the pact.

When a state of war is created, there is not anything much left to do but to wage the war, not only to repel the aggressor, but to maintain the security of the North Atlantic area as long as it needs maintaining and for a period not to exceed 20 years.

It is proper to repeat here that there is not anything left for any of the parties to do but to proceed with the war. It has already been started; a state of war has been created. No declaration of war by Congress, if this agreement is sound and is upheld, is required. It would only be an anticlimax—it would only be recognizing what is already in existence by reason of the treaty or an agreement in the treaty.

The language of article 5 which explains what must be done if an armed attack occurs or a state of war is created, seems to have been put in the pact simply to assure nations which have constitutions such as ours that notwithstanding a state of war has been created, there is still some discretion left to the nations in the pact not directly under the attack.

What is said there, however, does not mean any more than what would ordinarily be the practical situation in the event our Nation would be attacked or a state of war created between it and another nation. Most certainly we would take such action as we deemed necessary, including the use of armed force to restore and maintain our security, and of course to beat the aggressor to his knees; but all that is added

in article 5, after the language which creates a condition of war in the event of an attack, is the agreement that the parties will not only take individual action but will take action in concert with other parties.

That is the new feature to what ordinarily would happen in the event a state of war should be created between any of the nations, including our own.

In view of the direct, positive agreement from which we cannot escape, except without dishonor, that a state of war is created between us and an aggressor when he attacks any one or more of our allies, it seems completely contradictory to say, as the senior Senator from Michigan [Mr. VANDENBERG] has said, that in the event of an all-out war, total war, that—

> But if it does mean war, only Congress itself under the specific terms of the pact, can declare it.

I do not want to labor the point unduly, but Congress cannot declare or create a war that is already in existence. It can only ratify what has been done. I assume that when the Senator says that "only Congress itself under the specific terms of the pact can declare it," he has in mind article 11 which provides:

> This treaty shall be ratified and its provisions carried out in accordance with their respective constitutional processes.

That language does not require a declaration of war by Congress before we can get into the war. It merely provides that the agreements which we have entered into shall be carried out "by the parties in accordance with their respective constitutional processes."

This provision can be fully satisfied by Congress ratifying what is already in effect and made so by the agreement, and proceeding to make appropriations for armaments of war and for the prosecution of the war which is already in existence. If it honors the agreement, that is, the treaty, it has no other choice than to proceed on the theory that the war has already been created and the only duty left to it is to provide the sinews of war and ratify what the President will already be doing at the moment, that is, using our armed forces to repel the invader, to win the war, and make it possible to maintain the security of the North Atlantic area not only for a short period, but for 20 years.

If my interpretation of article 5 is correct, and I sincerely and firmly maintain that it is, there can be little comfort in the assurance given us by the distinguished chairman of the Foreign Relations Committee in his speech at the opening of the debate, when he said:

> The full authority of the Congress to declare war with all the discretion that power implies, remains unimpaired.

It should be crystal clear at this stage of the debate that the position taken by the chairman of the Foreign Relations Committee and the senior Senator from Michigan that only Congress can declare war with all the discretion that that power implies, is in complete contradiction to the very terms of the treaty itself.

So also are the generalizations contained in the Foreign Relations Committee report.

I do not accuse the members of the committee of insincerity. I prefer to believe that they do not understand fully the meaning of article 5 and all its implications. However, if I am in error in my interpretation of article 5, and what it commits this country to, I have a great deal of good company in that error.

First, I have already cited the stand of the junior Senator from New York. Now let me quote some lay opinions from two of the leading newspapers of the United States. These statements have been used before, but I am sure a repetition is justified here because of the importance of their interpretation of the treaty from the standpoint of the average citizen of the United States.

First, from the New York Times, dated March 22, 1949:

> The North Atlantic Pact contains promises not even dreamed of by Woodrow Wilson. President Wilson, indeed, in his war speech of April 2, 1917, looked forward to a "universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations, and make the world itself at last free." But Mr. Wilson in time of peace would not have dared ask the Senate to commit itself, as Mr. Truman and his advisers are now doing, to go to war if any one of eleven or more nations is attacked. We should not quibble on this point. The defense pact means that or it means nothing.

Second, from the St. Louis Globe-Democrat, dated July 7, 1949:

> Senator CONNALLY pulled out all the stops in a 9,000-word concert appealing for Senate ratification of the Atlantic Pact. He stated the obvious, irrefutable arguments, and then some. He made it clear the world is in a situation where the United States cannot afford to do otherwise than sign the pact, disagreeable and precedent shattering as it may be.
>
> We think he erred seriously, however, in attempting to gloss over with the technicality the most repugnant fact of the treaty. He said it will not automatically commit this country, as some critics have contended, to go to war for any ally which may be attacked. "The full authority of Congress to declare war, with all the discretion that power implies, remains unimpaired," he explained.
>
> The word "automatically," of course, is merely an evasion. Should a foreign aggression break out of such scope as to warrant the other signatories calling for help, Congress would have no more freedom to avoid war than a citizen has to defy the conventions without ostracism. Technically, the right of Congress to maintain an indifferent isolationism would exist; as a practical, moral matter in a world emergency, it would not.
>
> Our automatic involvement in big-scale foreign wars is the fundamental fact of the treaty; without that fact—stated or implied—European nations would not be interested in it. The pact should be sold to the American people on that basis. Half-truths are not enough. If they will not accept it in its true meaning, now is the time for them to say so.

The editorial from the St. Louis Globe-Democrat was a comment on the statement of the distinguished chairman of the Foreign Relations Committee made in the opening days of the debate on the pact. It points up very forcibly the views of the newspaper world and the ordinary layman of this country.

There seems to be senatorial support for my interpretation of article 5. The distinguished senior Senator from Florida [Mr. PEPPER], who announced himself in favor of the pact, in his speech to the Senate on July 15 declared:

> In other words, the moment the attack occurs our obligation comes into being. We cannot debate in the Senate the question whether or not we shall go to the aid of the victim of armed attack. We have already previously given our assent to the arising of the obligation. If the attack is such that we cannot resist it, if we cannot contribute our part to throw it out, except by a declaration of war, we can debate a declaration of war, as to whether we shall implement our obligation; but I do not believe that any Senator at that time would have the free choice to decide whether or not we should help. It is only a question as to the manner of assistance we shall give.

The junior Senator from Vermont [Mr. FLANDERS], in his speech to the Senate July 7, declared:

> Senators have become very much concerned as to whether in ratifying it we are automatically committing ourselves to war in the event of an attack by an enemy power on one of our cosignatories. Mr. President, it will not take 4 minutes to convince any reasonable person that we are morally committed to a declaration of war in such a case. Not even 4 hours of the most brilliant and convincing oratory could shake this belief in the mind of any reasonable person.
>
> Suppose, for instance, that what was momentarily feared not so many months ago took place and Norway was invaded by Russian forces. Does anyone believe that when, as, and if that does take place, there will be the slightest doubt in the mind of anyone in this room that the Norwegians would expect us to come to their aid in the shortest possible time and with the greatest possible measure of assistance? It is fantastic that, having signed the pact, we should hesitate to do so. * * *
>
> Mr. President, we are quibbling when we question this moral obligation. It is there. It will be accepted, not merely for its own sake, but for its intimate connection with national interests of safety and survival.

The view of one European member of the pact is presented in a dispatch from Copenhagen, Denmark, to the Washington Post under date of March 23. This statement is typical. I quote:

> Foreign Minister Gustav Rasmussen told Parliament today that under the proposed North Atlantic Treaty the United States "would go to war" if any of the signatory nations is attacked.
>
> "To the Danish Government," he said, "there is no doubt that the United States will consider herself pledged to assist an attacked nation with all her force.
>
> "If armed force is necessary to reestablish security, it is evident that the member countries possessing such force are obliged to use it. That means that if an armed attack occurred on one of the member countries it could have only one answer—the United States would go to war."

I think I have presented enough quotations from proponents and opponents of the pact and from laymen in the United States to indicate that there is a sharp difference of opinion on what article 5 really commits us to do. I shall not cite more.

From these quotations it appears that notwithstanding interpretations of article 5 made by the chairman of the Foreign Relations Committee and its ranking minority member that only Congress

can declare war and that it will be required to do that by reason of the provisions of article 11 of the pact, there are others in this country and in Europe who believe the pact commits the United States automatically to go to war in the event any one or more of the other pact members are victims of a major attack.

It seems to me that every effort should be made to have the pact mean the same thing in Europe as in this country so that there will be no disputes and arguments after the pact is ratified. Now is the time to clarify anything that is vague or uncertain in the pact and to make such amendments by reservation which will not violate the Constitution of the United States and yet at the same time give the maximum of support to the friendly nations in the pact.

That is the reason why I have proposed the two reservations to article 5. They go to the very fundamentals of both the pact and the Constitution.

The issues contained in article 5 and pointed up rather forcibly by the reservations I propose are not new. Back in 1919 these issues were discussed. I think it will be of considerable help to us to get the views of one of the great men of our time, a man whom I have already quoted, the former Chief Justice of the United States, Charles Evans Hughes.

Referring again to the letter which he sent to Senator Hale in 1919, which concerned proposed reservations to famed article 10 of the Covenant of the League of Nations, let me quote from that letter:

> If we are entering upon a new world order of democracies, the inevitable consequences should be recognized. Democracies cannot promise war after the manner of monarchs. It is idle to attempt to commit free peoples to the making of war in an unknown contingency when such a war may be found to be clearly opposed to the dictates of justice. * * *
>
> Article 10 is objectionable because it is an illusory engagement. Whether we shall go to war to preserve the territorial integrity of another state in a situation not now disclosed or described so that the merits of the case may be judged will depend upon the action of Congress, and that action will be taken according to the conviction of our people as to our duty in the light of the demands of justice as they appear when the exigency arises. The general guaranty of article 10 cannot be relied upon to produce action contrary to its judgment. We should not enter into a guaranty which would expose us to the charge of bad faith or of having defaulted in our obligation, notwithstanding that Congress in refusing to make war had acted in accordance with its conception of duty in the circumstances disclosed.

Mr. Justice Hughes also suggested a reservation to article 10. I quote only a part of the suggestion, but it is the part pertinent to this discussion:

> The United States of America assumes no obligation under said article to undertake any military expedition or to employ its armed forces on land or sea unless such action is authorized by the Congress of the United States of America which has exclusive authority to declare war or to determine for the United States of America whether there is any obligation on its part under said article and the means or action by which any such obligation shall be fulfilled.

The first paragraph of Mr. Justice Hughes famous statement is worthy of further comment. He said "Democracies cannot promise war after the manner of monarchs. It is idle to attempt to commit free peoples to the making of war in an unknown contingency when such a war may be found to be clearly opposed to the dictates of justice."

What article 5 attempts to do is to commit us to war now upon the happening of a contingency, to wit, an all-out attack on any one or more of our pact members. It is said that, pact or no pact, if such an attack were made on any one of the nations named in the pact, we would immediately respond with a declaration of war. I think that is true as of today. I would be willing to vote for such a declaration.

But article 5 attempts to do more than that. It writes into an agreement that the conditions of today will in effect exist for 20 years, and that we will respond to the conditions which are thus frozen into the treaty the same way at some future time.

It seems to me that is a very unwise step for this country to take. It was only a few years ago when Russia was our ally and Italy was our enemy. Now the situation is reversed. It was only a year ago when China was our ally. Today she is rapidly being turned into an enemy state by reason of the victory of an ideology in a civil war. Many of the other members of the Russian or eastern bloc were our allies. They are in the so-called enemy group today.

It should be kept in mind that each of our proposed allies in the new alliance have their own selfish interest to serve, and when the pressure becomes strong enough, alliance or no alliance, pact or no pact, they will follow the line of their own selfish interests. This has been demonstrated repeatedly by Great Britain since the end of the First World War. She was a member of the League of Nations, but failed to back up the guaranty of the League Covenant. She joined in a treaty with Italy, France, and Germany at Locarno. When Germany marched into the Rhineland, she failed France. She refused to help France enforce the Locarno territorial guaranty. She has been found doing some vetoing on her own account in the United Nations. She entered into an agreement with the United States with respect to Marshall funds received from the United States. According to our State Department, that agreement has not been kept, and pressure has recently been exerted to get her to keep her agreement.

She agreed in principle to freedom of trade between the nations, yet she joined in an exclusive pact for the trade of Argentina. We probably would do the same thing under the circumstances.

The point I am trying to make is no matter what the terms of an alliance are, national interest will supersede those terms and in the end defeat the alliance unless during the entire period of time, the situation remains the same. It cannot be kept the same by a mere agreement and that is what the pact tries to do.

It is as true today as when Justice Hughes said it, that "democracies cannot promise war after the manner of monarchs. No free people can be committed to the making of war in an unknown contingency when such a contingency may be clearly found to be opposed to the dictates of justice. There can be no successful denial of these fundamental principles."

It seems to me the Congresses of the future can be trusted to use their best judgment, and in this case should be trusted as the peoples' representatives. This treaty is something new in our history. We are now putting ourselves in the position of agreeing to wage war to protect the soil and the flags of other territories to which our people, our youth, owe no allegiance. If a Congress of the future, when an emergency should arise—and God forbid that it should—does not believe that the cause is just, that it is opposed to the dictates of justice, it is unlikely that it would enter into the war with any degree of enthusiasm. In fact, it might repudiate the treaty, feeling that it would be better to do that than engage in a cause which it felt was unjust.

We should not enter into any agreement that would bring about a situation where our Congress would be forced to repudiate a solemn obligation.

It should also be kept in mind what we of this generation are actually doing and saying in this treaty and in the arguments in support of it.

For instance, we say that had such a treaty been in existence at the time the First World War was begun, it would not have started; that the Kaiser and his war ministers would have hesitated before starting the fray. We overlook the fact that the Kaiser deliberately brought on our participation in the war by his conduct of unrestricted submarine warfare. Apparently he did not fear us in spite of our protests and our warnings.

We say that Hitler never would have marched had there been such an organization when World War II began. Let us not forget that there was a world organization in existence, made up of practically all the nations of the world except the United States, organized for the very purpose of preventing war with a guaranty of a territorial integrity for member nations. This was a powerful organization, yet it permitted Hitler to take the first step when he marched into the Rhineland. He had few guns, few soldiers, practically no planes and no submarines at that time, but this organization did not have the will for peace. It did not have the will to stop him.

It is speculation to state now that had an Atlantic Pact been in existence he would not have marched in 1939. But according to the State Department he knew we would likely come in. The recent issue from the State Department files indicates clearly he was advised the United States would come to the rescue of Great Britain, but that did not stop him. In fact, following Pearl Harbor, he declared war on the United States. We only recognized a state of war which he created as between us and Germany.

In these two instances it seems to me this generation is showing a great amount of egotism to say that we can read the minds of those who have passed on. Even with our hindsight, we are probably not as wise as we think we are.

But we do not stop there. We attempt to see what will happen in the future, for 20 years.

I think this is an extremely dangerous thesis. We had better take a look at ourselves to see if after all we have the wisdom to say now better than future generations can say it, whether or not they shall go to war upon the happening of a certain contingency.

In the second paragraph of his letter, Justice Hughes points out the duty of Congress to make the decision on what will be done, "and that action will be taken according to the conviction of our people as to our duty in the light of the demands of justice as they appear when the exigency arises."

That is sound doctrine. It is old-fashioned doctrine. It makes sense in any time or age, and particularly at the present time. The statement in that paragraph which we should keep clearly in mind and adopt as one of our guiding principles is that we should not enter into a guaranty which would expose us to the charge of bad faith or of having defaulted in our obligation, notwithstanding that Congress in refusing to make war had acted in accordance with its conception of duty in the circumstances disclosed.

This should fully answer the statement—"Well, if we do enter the treaty and make the commitments, we can denounce the treaty and get out of it any time we feel our interests require us to do so."

The final paragraph in Justice Hughes' letter states the circumstances of a reservation which he suggested to Senator Hale as necessary to protect the United States if the League Covenant were adopted. It should be remembered, too, that Mr. Justice Hughes was in favor of the United States joining the League of Nations, but he felt the interests of the United States should be protected and that reservations to that treaty were desirable and necessary and practical.

It is said that article 5 is the heart of the pact and that if my reservations, which I read to the Senate a while ago, should be adopted, it will cut the very heart out of the pact. My answer to that is that if the pact means what it seems to say and as I and many others have interpreted it, article 5 cuts the very heart out of the Constitution of the United States, because I cannot conceive of any greater right of the people than to decide for themselves whether they are going to fight in any cause which may arise.

It is the sworn duty of every Senator, including myself, to support and defend the Constitution of the United States. I want to do just that, not because of any technical reasoning, but because I believe the provisions in the Constitution that only Congress can declare war and authorize the employment of the armed forces in case of war is a sound and wise doctrine, and that it applies especially in this case where we are making the commitment to defend the territory of some other country in the event of any emergency that may arise, or in the event of any attack that may come.

I think the implications growing out of the Constitution with respect to the declaration of war and the making of war are that the Congress in existence at the time when an emergency arises, should freely and unfettered and without limitations of any kind, make the decision between war and peace.

I am convinced that no free people can long remain free if it permits its officials to do by indirection something that seems to be desirable at the time, yet violates the Constitution which is based on principles which never change, but are applicable to nearly all situations in life, in modern times as well as in early days of the Republic's history.

Let me refer to lend-lease for a moment. Lend-lease was a legal fiction. We wanted to help the Allies in the war, and we tried to find some way to preserve the principles of neutrality and at the same time violate them in effect.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WATKINS. I wish to be courteous, but I should like to complete my statement, if I may, before yielding.

Under those circumstances we called it "lend-lease," though we knew at the time that we were not lending the goods or the armaments to the Allies. We knew that we were giving them to the Allies, and we intended to give them to them in nearly 100 percent of the instances of lend-lease. There were some instances in which we did not make actual leases. But we acted by indirection. It seemed to be the smart thing to do, the brilliant thing to do. But I would have felt better had we said, "Yes, we are going to intervene in this war; we are going to give the equipment you need to fight the war."

I want to go just as far as possible in helping our friends in bringing together in a common understanding those who are opposed to the ideology of communism, which I detest and abhor just as much as any man in this chamber, or the United States for that matter. I should like to vote for this pact, and I will do so, provided the reservations which I have proposed are made a part of the resolution of ratification. I include the two reservations I have mentioned, and the third, which will be proposed by me and at least two other Senators to article 3. I say this in spite of the fact that I have already pointed out many weaknesses in the pact.

There are some advantages to those provisions which bring people together in some kind of a working arrangement under which at least they can talk over mutual problems of defense and plan that defense, even though they are not in an iron-clad alliance.

I point out that these reservations go only to the use of arms, the waging of war. All other measures agreed to in the pact, economic and otherwise, designed to help the parties to develop mutual aid among themselves are not affected at all by these reservations.

The questions I have raised in the past have not all been answered and probably never will be until history writes the final page on this period of our national existence. Some of them have been answered through the graciousness of many Senators who are experts in this field, and others who have testified.

It has been my particular purpose to develop as much interest in the pact as possible so that the people of the country will realize the heavy responsibility we are assuming when we ratify it. We are assuming heavy responsibilities which many people do not even realize. I think Mr. Reston, in the New York Times, pointed out that many people say, "Suppose we do enter into the pact. When the time comes Congress can take care of the situation. We probably will not have to do very much about it at that time." The public has not been too well informed about this pact, even though the newspapers have carried many volumes of printed matter and statements by various persons in connection with it. I think further, if a check were made, it would be found that fewer people know about the pact and what it means than know about the Marshall plan, which has been in existence for some time. As I remember, the percentage of people in the United States who really knew anything about the Marshall plan was very low.

The reservations I propose to article 5 are nothing more or less than a restatement of the old and well-established principles of the Constitution with respect to the declaring and making of war.

The chairman of the Foreign Relations Committee has declared:

> The full authority of the Congress to declare war with all the discretion that power implies, remains unimpaired.

He is making a plea for the pact, and using that as an argument. I invite attention to what Mr. Justice Hughes said in that connection. When the proponents use that argument in favor of ratification, then there is no reason why a reservation should not be accepted. Those are not his exact words, but I think that is the substance of his meaning.

That statement contains the meat of the reservations which I am proposing stripped of the formal language. The senior Senator from Michigan, ranking minority member of the Foreign Relations Committee, has declared that Congress will have final responsibility of declaring war in the case of a total or all-out attack on any member of the alliance. Foreign nations have other interpretations. Many Members of this body think that the pact contains a total commitment, which in effect declares war in advance upon the happening of a war provoking incident. They believe that it is a declaration of war by treaty. They believe that the House of Representatives will be completely bypassed and robbed of its constitutional responsibility.

It should now be clear beyond the shadow of a doubt that clarifying reservations are needed. Why then should not such reservations be adopted, if the proponents of the treaty are sincere in their arguments that our time-honored constitutional principles are to be preserved. I do not doubt the sincerity of the proponents, and at the moment it is impossible for me to understand why they should oppose these reservations. There is no practical difficulty in their adoption.

It has been done many times in the past in connection with treaties. I have placed the figures in the RECORD. In fact, it has been the rule rather than otherwise in connection with treaties which have been ratified by the Senate.

I point out that it has been declared by some of the proponents of the treaty that people in foreign countries which are members of the fact take the same view we have. Then why should they object to a reservation? Why should there be need for renegotiation, if they take that point of view? However, I do not agree with that statement. I do not think they have that point of view. I believe that the statement of the Foreign Minister of Denmark is typical of the way in which those peoples look upon this pact. It will not be necessary to renegotiate the treaty if the reservations to which I have referred are adopted. Justice Hughes has pointed that out; and particularly is it true when those who have been urging the adoption of the treaty are using the substance of the reservation as an argument why we should ratify the treaty.

Mr. President, I had intended to say something further about the reservation to article 3. I discussed that question at some length. Another reservation which is drafted in a little different form from the one which I have had printed and placed on the desks of Senators will be offered tomorrow. I intend to support that reservation. I believe that the arguments which I made the other day will justify my vote in that direction.

Mr. President, I have before me statements by various scholars who have studied the question of the views of European nations on the implementation of the mutual-help article in the pact. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement prepared by Hamilton A. Long, of Chicago.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SAMPLE EVIDENCE OF AMERICA'S ARMS OBLIGATION UNDER THE NORTH ATLANTIC PACT

The understanding and expectation of other signatory nations under the pact, based on representations by United States officials to their officials, is the key to America's obligation under it—as negotiated and signed. The other nations consider this obligation, to arm them for security against invasion, to be not only inseparable from the pact but its very heart. This is proven by the public record; by the sample evidence cited below. Senate "interpretations," and declarations by Senators—individually or in groups, cannot alter the facts in this regard as of the time the pact was signed—on April 4, 1949.

1. France's Foreign Minister Schuman has described the pact as providing the contractual basis for a United States supply of arms for the other signatory nations. (New York Times, Paris dispatch, March 12, 1949.)

2. The French Foreign Office said Schuman had urged that the United States send to Europe the maximum quantity of arms possible, of the most recent types; not surplus equipment from war stocks. (New York Times, London, March 23, 1949.)

3. Foreign Minister Schuman, who left tonight for the pact signing in Washington, is reported in informed circles here (Paris) to be prepared to emphasize to Secretary Acheson that it is urgent to remedy France's exposed position as soon as possible, by rearming her forces and giving assurance of quick assistance in case of attack. (New York Times, Paris, H. Callender, March 31, 1949.) This prepact signing position of Schuman continued thereafter; a cabinet spokesman saying Schuman intends to insist that France be made the keystone of western Europe's defense and that the French Army be aimed for this role. (Associated Press dispatch from Paris; Chicago Tribune, May 31, 1949.)

4. General deGaulle demanded priority for France regarding United States arms, to back the pact, saying the pact is not enough—United States arms shipments must be forwarded immediately on a precise schedule. (Associated Press, Paris, Chicago Sun Times, March 30, 1949.) On the day of the pact signing, he advised France to "reserve her judgment" on the pact until she learned what the United States intended to do to give it military reality—by supplying arms for Europe "and Britain." To have practical value, he said, the pact would have to be accompanied by "sure and precise arrangements regarding American aid." Also said France "must know if and under what conditions she will receive the arms she needs as the advance guard of liberty and the center of defense of western Europe * * * (and) * * * if and under what conditions she will be assisted in case of an aggression threatening her security." The report says deGaulle seemed to warn that he, and his followers in Parliament, might refuse to approve the pact unless its military accompaniments met its specifications. This differed little, the report stated, from what Schuman is understood to have told Secretary Acheson when in Washington for the pact signing; France fearing invasion-occupation above all else. (New York Times, Paris, H. Callender, April 5, 1949; the dispatch having been sent the previous day, the 4th, the day of the pact's signing.)

5. According to the propact New York Times, per its propact James Reston, the tie of the arms program to the pact is definite in the minds of the Europeans. This was his assertion on the eve of the pact signing; in a dispatch noting that President Truman's inaugural speech in January stated he would send to the Senate "* * * a treaty respecting the North Atlantic security plan. In addition, we will provide military advice and equipment * * *." Reston continues by pointing out that in February 1949, in its summary of the Atlantic security problem, the State Department discussed the need for both political and arms commitments, saying: "It seems clear that the United States must supply much of the military equipment which the countries working for recovery cannot produce themselves * * *." (New York Times, Washington, March 3, 1949.) The Truman budget message of January 10 also included the arms program. (New York Times, January 11, 1949.)

6. Immediately after the pact signing, United States Chief of Staff Bradley, speaking in New York expressly at the request of the State Department, regarding the pact "and its implementation," mentioned the President's inaugural speech statements above mentioned and continued by saying that: "A military-assistance program is obviously an essential sequel to the pact." Bradley said United States arms will provide our pact "allies" with the means to resist—lacking which they would not have the will to resist, and the pact would serve as a promise merely of liberation from occupation (New York Times, April 6, 1949). This speech reassured the French and other continentals; in effect responding to the demand of deGaulle about arms, above mentioned, of the previous day. (New York Times, Paris, April 6, 1949).

7. Two months before the pact signing, it was reported that the Governments of Denmark and Norway had been fully but privately informed through their Ambassadors in Washington what the United States is prepared to offer in the way of arms (New York Times, London, February 1, 1949). It will be recalled also that the State Department, in January preceding, officially advised the Scandinavian countries that the United States would supply arms only to "countries associated with us in collective defense arrangements. This had a decisive effect on their policies, as Walter Lippmann truly observes (Chicago Sun Times, July 16, 1949).

8. Last January, news that Washington was discussing with London a deal to supply Britain with a big force of B–29's was officially confirmed in American quarters in London; 150 planes valued at $150,000,000 being mentioned, in exchange for bases, etc. The United States would keep this number in operation, with replacements, repairs, etc. (Chicago Sun Times, London, Frederick Kuh, January 25, 1949). A London AP dispatch at this time said the number of planes discussed was 150 to 180; that equipping the RAF with B–29's had been long discussed, per an American informant; and that this step was thought to be perhaps in line with—and opening the way for—unification of the RAF and United States Air Force bomber commands, a long-discussed plan (AP, London, Chicago Tribune, January 25, 1949). Shortly after the pact signing, the State Department Information Service, which supplies news reports to foreign countries, said that "Air Force sources disclosed that under the arms program some 300 B–29 type bombers may be made available to western Europe." (L. Norman, Chicago Tribune, Washington, April 15, 1949.)

9. Promptly after the pact signing, the Economist (London)—a leading journal of opinion—said the pact "is still more of a promise to western Europe of eventual liberation than an assurance that invasion can never take place. For it to become a full instrument of security, its strategic implications have to be agreed and the scale and distribution of rearmament assessed." And it notes General Bradley's speech above mentioned as showing United States military authorities are aware of the need of arms for our "allies"; and says the Truman Administration agrees: "No attempt has been made to hide from Congress the fact that the Atlantic Pact will be effective only if it is accompanied by a large shipment of arms to western Europe, and by the evolution of a defense plan which involves American military commitments in Europe" (April 19, 1949).

10. As long ago as January 1948, the United States sent a mission to France to make discreet inquiries into the need of the French armed forces; and highest ranking officers of the French armed forces are reported to feel that they have been let down badly by the United States in the matter of arms aid. They insist an agreement in principle was reached at that time for such United States aid. The French forces have even made preparations based on this belief that arms would be forthcoming; training additional divisional staff groups to staff the new divisions to be thus equipped. (New York Times, Paris, Kenneth Campbell, May 30, 1948.)

11. The representatives of the Brussels Pact nations began deliberations on their military needs (to be supplied by the United States) immediately after the President's speech to the joint session of Congress in March 1948: and the United States entered the Brussels Pact military committee's deliberations in July 1948 when a mission of experts was sent to London under Maj. Gen. L. L. Lemnitzer. (New York Times, January 29, 1948. Washington. A. Leviero.) In fact, in mid-1948 French Embassy officials said that the western union nations were continuously pressing the United States military equipment; relying on President Truman's March 1948, message to Congress assuring

these nations that the United States would match their efforts to safeguard their frontiers. (INS dispatch, Washington, Chicago Herald American, August 20, 1948.) And President Truman personally ordered, in October 1948, the release of arms to equip three French divisions in Germany; there being a quiet agreement that United States forces there will be fitted into western Europe defense forces. (New York Herald Tribune, Jos. Alsop, January 12, 1949.)

12. Secretary of State Marshall disclosed to the western Europe Foreign Ministers in Paris, last fall, an 8-point program for dealing with Russia; which the French were then calling the second Marshall plan and Marshall's "grand design"; calling in part for an anti-Communist military alliance and United States lend-lease arms aid of at least $5,000,000,000, the initial cost. Assurances were given that Governor Dewey was in agreement, in principle, as the Republican Presidential nominee. (Paris, Chesly Manly, Chicago Tribune, October 22, 1948.)

13. Immediately after the signing of the pact, eight of the signatories presented to the State Department an urgent appeal for arms and cash aid, for their rearmament; and the United States State Department formally replied that it would recommend such assistance to Congress in recognition of the principle of self-help and mutual aid contained in the Atlantic Pact. (New York Times, Washington, April 9, 1949.) (In other words, the State Department considered the arms program to be an implementation of the pact, though denying it in July in a communication to Senator VANDENBERG, New York Times, July 12, 1949.) The United States Government is going quietly ahead with plans to set up military supply missions in each of the countries which may receive arms under the arms program. A small group of United States armed forces experts arrived in London, a few weeks after the pact signing, to confer with the European Coordinating Committee organization set up under the chairmanship of Ambassador Douglas to supervise the arms-distribution program. (New York Times, London, May 6, 1949.)

14. The arms program has been inextricably interwoven with the alliances program all along; this being especially clear in the spring of 1948 when the President was on the verge of asking Congress for arms lend-lease revival—at the same time that the Vandenberg resolution (Senate Resolution 239) was being readied for public announcement. (See New York Times and New York Herald Tribune, for the last week in April and the first week in May 1948, for instance.) Both arms and alliances programs were, of course, being gradually developed in 1947; and have their roots in still earlier British-United States dealings and understandings—as noted in my statement against the pact at pages 1235–1263 of part 3 of the record of hearings of the Senate Foreign Relations Committee regarding the pact, especially in the chronological list of background events at pages 1259–1263.

15. The demand for our pact allies has all along been for security against invasion occupation, not postoccupation liberation by United States forces. Hence their demand for arms for this purpose. French Foreign Minister Bidault spoke their demand for arms for this purpose. French Foreign Minister Bidault spoke for all when he spoke for France in June 1948, in a reported private conversation, saying that not long after invasion (by Russian forces) every leader of French political and social thought will have been liquidated (Newsweek, June 14, 1948). Early this year Premier Queille reiterated this warning, saying "any liberation by America would be liberating a corpse. * * * Fifteen days, even, after the invasion will be too late." This is why they consider the arms program to be the heart of the pact alliance, their main reason for signing it. Last month Queille said, in line with the prepact signing understanding, that France expects the United States to rearm her army and make her secure against invasion and occupation, because otherwise we could not go on working. And (now that the pact is signed) France feels now that she has allies and soon will have her own army again. Without the United States, we would be lost. (Interviewed by Irving Pflaum, Paris; Chicago Sun Times, June 4, 1949.)

CONCLUSION

The pact, as negotiated and signed, inseparably embodies the arms program to make our allies thereunder secure against Russian invasion.

HAMILTON A. LONG.

Mr. WATKINS. Mr. President, that concludes the formal presentation which I intended to make at this time.

Mr. McMAHON rose.

Mr. DONNELL. Mr. President, has the Senator concluded?

Mr. WATKINS. I have finished. I noticed that the Senator from Connecticut was first on his feet.

Mr. McMAHON. Mr. President, I was seeking recognition. I thought the Senator was through.

Mr. DONNELL. If the Senator will yield to me for a few questions, I shall appreciate the privilege.

Mr. WATKINS. I yield.

Mr. DONNELL. The Senator quoted quite extensively from a letter from Hon. Charles Evans Hughes to Hon. Frederick Hale, dated July 24, 1919, and set forth in volume 58 of the CONGRESSIONAL RECORD for July 29, 1919, part IV, Sixty-sixth Congress, at pages 3302 and 3303. I am not entirely certain whether the Senator quoted all of the parts which particularly impressed themselves on me upon glancing through the letter after hearing the Senator mention it.

Mr. WATKINS. I quoted most of the letter which I thought was pertinent to the present discussion.

Mr. DONNELL. I think the Senator quoted this sentence from the letter of Mr. Hughes:

> The adoption of resolutions by the Senate setting forth its views will not affect the obligations of the Government if it is in fact ratified without reservations which constitute part of the instrument of ratification.

The Senator quoted that; did he not?

Mr. WATKINS. I did.

Mr. DONNELL. Let me ask the Senator whether in his opinion the fact that the Committee on Foreign Relations has made a report, or the contents of that report, would in any way affect the obligations of the Government if the North Atlantic Treaty were in fact ratified without reservations which constitute part of the instrument of ratification.

Mr. WATKINS. I think such statements would not affect it at all, so far as the other countries are concerned, simply because the other countries have not accepted those statements. They have not been called to their attention as a part of the pact. I think Justice Hughes is correct in stating that only such matters as are made a part of the resolution of ratification, and such reservations as come within it, would be binding on the other signatories, in the event they did not object to them, or merely passed some resolution accepting the reservations.

Mr. DONNELL. It would certainly appear logical, would it not, that if Mr. Hughes was correct in saying that the adoption of resolutions by the Senate would not affect the obligations of the Government if the treaty were in fact ratified without reservations which constitute a part of the instrument of ratification, a similar action by a subordinate arm of the Senate in submitting a committee report certainly would not affect the obligations of the Government under the North Atlantic Treaty if the treaty were in fact ratified without reservations which constitute a part of the instrument of ratification.

Mr. WATKINS. I certainly agree with that statement. I think there is a mistaken idea that if the report of the Foreign Relations Committee or the debates of the Congress are examined, what the pact means will be determined. I doubt if they would have any effect. Justice Hughes goes on to point out that even a formal declaration, a resolution passed by the Congress, would have no effect whatsoever on what other nations would be required to do under the pact, or their understanding of the pact.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. WATKINS. I yield.

Mr. DONNELL. Am I correct, then, in drawing the inference that if the adoption of resolutions would not affect the obligations of the treaty, if it is in fact ratified without reservation, and if the report of the Foreign Relations Committee itself would not affect the obligations of the treaty, certainly the mere statements on the floor of the Senate by the chairman of the Foreign Relations Committee would not affect the obligations of the covenant or treaty?

Mr. WATKINS. I doubt it. I think they would have no effect whatsoever on what the other parties would finally argue the treaty to be, unless some of the statements made were in their favor and they wished to use them to bolster an ambiguous clause.

Mr. DONNELL. But is it not perfectly clear that mere statements on the floor of the Senate by the chairman of the Foreign Relations Committee will not affect the obligations of the treaty?

Mr. WATKINS. I think that is correct. Any statements or reservations made would have to be of equal dignity with at least the resolution of ratification in order to be binding in any way on any of the parties.

Mr. DONNELL. And by like reasoning, the statement of the ranking minority member of the committee, made on the floor of the Senate, would not affect the obligations of the treaty would it?

Mr. WATKINS. Much as I respect him, I think that would not have any binding effect on anyone.

Mr. DONNELL. I was referring to the senior Senator from Michigan [Mr. VANDENBERG], with all due respect both to him and to the chairman of the committee. The point I make is that obviously, as a matter of law, none of the statements made by either of those

gentlemen would affect the actual obligations of the treaty after once it is ratified, although doubtless it might be true, as the Senator has indicated, that if some of the other signatories wished to use such a statement as a basis for an argument in regard to admissions on our part, they might do so with some basis of plausibility.

Mr. WATKINS. It might be binding on us, but certainly it would not be binding on them.

Mr. DONNELL. That is precisely the point, and the Senator from Utah has stated it much better than I stated it—so much so, that I am glad to have his statement in the RECORD.

In all frankness, I should say I have not yet developed the matter to that point, but I think the Senator from Utah is entirely correct in his conclusions.

Mr. WATKINS. I think the general legislative history of such matters and the statements made in committee reports are of no binding effect on anyone, except as they might be used in the nature of admissions.

Mr. DONNELL. But when we are told by the senior Senator from Michigan that the pact "involves us in no obligation not already implicit in our signature to the United Nations Charter."

That statement has no actual legal effect insofar as changing the obligations or in giving us any legal assurance that we are not bound in that way, does it?

Mr. WATKINS. I would say it has no effect.

Mr. DONNELL. In other words, the treaty speaks for itself; and the mere conclusion of the distinguished Senator from Michigan that it "involves us in no obligation not already implicit in our signature to the United Nations Charter" is without legal effect, is it not?

Mr. WATKINS. That is correct. The other nations would not have any obligation whatever to regard it as binding.

Mr. DONNELL. Yes.

Mr. President, will the Senator yield for a further question?

Mr. WATKINS. I yield.

Mr. DONNELL. When the senior Senator from Michigan, as shown at page 8897 of the CONGRESSIONAL RECORD, assured us that article 2 of the treaty "is not by any stretch of the imagination a mandate."

That statement does not change article 2 into no mandate, if as a matter of law it is a mandate. Is that correct?

Mr. WATKINS. That is correct.

Mr. DONNELL. Of course, I am not in any sense undertaking to commit the Senator whom I am addressing to a statement of whether it is or is not a mandate.

Mr. WATKINS. I may state that I have a good many doubts about what is in that article. As the Senator from Missouri knows, at the hearings I asked a good many questions about it of the witnesses who appeared. It was difficult to get any concrete statement as to what it meant. I was interested in the statement of the senior Senator from Michigan [Mr. VANDENBERG] that it did not include tariffs or the International Trade Organization or many other things. At the time, I thought to myself, "That is satisfying, and that indicates what is meant; and we are not bound in that direction, because the senior Senator from Michigan has said so." But I have come to the conclusion, after reading Mr. Hughes' letter and other matters in that connection, that we do not know what is included under that section of the pact.

Mr. DONNELL. So when it is stated in article 2 that—

> The parties * * * will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Is it true that both the Senator from Utah, whom I am addressing, and I have found nothing in the testimony we heard before the Foreign Relations Committee—we did not hear all the testimony, but I refer to what we did hear—to illuminate the path with any degree of light which would enable us to tell just what things are meant by that statement in the treaty?

Mr. WATKINS. I agree with the Senator. In fact, I was very much surprised to find that some of the witnesses had not even read the treaty, yet they were giving us advice about it and what it meant, and they said it should be ratified.

Mr. DONNELL. Mr. Clayton, the former Assistant Secretary of State, stated on the witness stand, did he not, that he had not read any part of the treaty?

Mr. WATKINS. I think that is correct.

Mr. DONNELL. Yet he was there advising that it be ratified. Is that correct?

Mr. WATKINS. He said he had read many articles about the treaty, although he had not actually read the treaty.

Mr. DONNELL. I should have included that statement in my question. I did so the other day.

Mr. WATKINS. Yes. But it was surprising to find how little some of the witnesses who were posing as experts on the treaty knew about it and its language.

Mr. DONNELL. When we are told by the senior Senator from Michigan that—

> What happens, for example, if one of them—

Meaning one of the existing signatories—

> succumbs to communism? Are we still bound by these pledges? The answer is that we are not. Any adverse change in basic character would represent a new signatory to all intents and purposes. We are making no commitments to any such new signatories.

Am I correct in my understanding that the Senator from Utah would agree with me that that answer by the Senator from Michigan has no legal effect whatsoever in connection with determining whether there is a discharge of such a country from the treaty by virtue of its becoming communistic?

Mr. WATKINS. I think that is correct. I do believe we can interpret the treaty in that way. The only binding effect, possibly, would be on the Senator from Michigan, but not on anyone else.

Mr. McMAHON. Mr. President, if the Senator will yield for a question, may I ask the two Senators how long they think their colloquy will last?

Mr. DONNELL. I shall take not more than 5 or 10 minutes longer.

Mr. McMAHON. I am anxious to present my remarks on the treaty, and I have an 8 o'clock engagement. Of course I realize that that is of no concern to the Senator, and I do not wish to undertake to limit the colloquy. However, I wondered how long the Senator would take.

Mr. DONNELL. I do not wish in any sense to be unreasonable to the Senator from Connecticut. I should like to pursue this matter for a few minutes further, if I may; and I shall endeavor to be as expeditious as possible.

Mr. McMAHON. Would it be possible—I ask this in all hope that it will be—for the Senator from Connecticut to make a short address, and then for the colloquy to be resumed?

Mr. DONNELL. I shall have to ask the Senator from Utah if that will meet with his approval. I do not think I shall take more than 5 or 10 minutes more.

Mr. WATKINS. Mr. President, I appreciate the situation. However, to accede to the suggestion of the Senator from Connecticut would be to suit his convenience, as opposed to that of the two Senators to whom he has referred.

Mr. McMAHON. I fully appreciate that, and I have no desire to do so.

Mr. DONNELL. I thank the Senator from Connecticut. May I inquire of the Senator from Utah whether he agrees with the sentence I am about to quote from Mr. Charles Evans Hughes' letter of July 24, 1919? The Justice was then referring to the League of Nations Covenant, but now, assuming that in bringing us up to date, that same language were used with application to the North Atlantic Pact, would the Senator agree with this observation made by Mr. Hughes?

> Rather, the proposed covenant—

That is to say, now, it would be the North Atlantic Pact—

> should be viewed as a mere beginning, and while it is important that we should have a beginning, it is equally important that we should not make a false start.

Would the Senator agree with that statement?

Mr. WATKINS. I certainly agree with it. I think that is good, sound sense.

Mr. DONNELL. I recall that the Senator made some mention of a similarity in effect between article 5 of the treaty and article 10 of the League of Nations Covenant. Did I correctly understand the Senator?

Mr. WATKINS. I did make a statement of that kind. I pointed out that, while the situation was different and the parties were different and the circumstances at that time were not quite the same as they are now, yet underlying it all was the same idea in the case of the League of Nations of guaranteeing the territorial integrity of the members of the League of Nations, and in the case of the North Atlantic pact of guaranteeing the security and the territory of

its members. In that way they are very closely related, and the fundamental problem of the Constitution itself, and what can be done under it, with respect to a matter of that kind, is in my opinion exactly the same.

Mr. DONNELL. Mr. President, will the Senator permit me another inquiry?

Mr. WATKINS. I yield.

Mr. DONNELL. Does the Senator agree with me in this observation by Mr. Hughes in that connection? Referring to article 10 of the League of Nations Covenant, he says:

> I still think that article 10 is a trouble breeder and not a peacemaker.

Would the views of the Senator be to the effect that article 5 of the proposed North Atlantic Treaty is likewise, to quote Mr. Hughes' language, "a trouble breeder and not a peacemaker"?

Mr. WATKINS. As the treaty is now written, without my reservations, I think it will be a trouble breeder and be dangerous to the United States. As I interpret it and as I think it was written and intended, it would be an outright violation of the Constitution of the United States in respect to one of the greatest rights the people now possess, namely, to have representatives of their own choosing decide whether they shall go into a war in which their lives, their liberties, and indeed, everything they have in the world are involved.

Mr. DONNELL. In regard to the Senator's reference to the Constitution, may I inquire whether he concurs in this observation in Washington's Farewell Address:

> The basis of our political systems is the right of the people to make and to alter their constitutions of government—but the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

Mr. WATKINS. I agree most heartily with it, and I believe there has been time enough for those who believe we ought to be able to make a treaty of this kind to have gone to the people with a constitutional amendment, if there is such an emergency as has been declared. It would not have taken long to obtain ratification of such an amendment by the various State legislatures, provided the people of the United States would have stood for such an amendment. My own personal judgment is they would have turned it down by an overwhelming vote and voted out of office anyone who would attempt to tamper with the constitutional provisions on the question of making war.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Missouri?

Mr. WATKINS. I yield.

Mr. DONNELL. There is one other portion of Washington's Farewell Address, wherein he is considering the matter of those entrusted with the administration of a free country confining themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department encroachment upon another. Washington had this to say, and I ask the Senator whether he agrees with the underlying views thus expressed by George Washington:

> If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates—but let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield.

Mr. WATKINS. I agree with that, and I point out that in this particular treaty it is attempted to amend the constitutional authority. That cannot be done in my judgment; but there is no way on earth to review it. No one is going into the Supreme Court, as at present constituted, and get any worth-while review of the question.

Mr. DONNELL. Mr. President, I appreciate the courtesy of the Senator. I have made inquiry to ascertain whether a copy of the report of the Committee on Foreign Relations has been placed in the RECORD. I think it is important to have it in the RECORD. I do not regard the committee report as in any sense affecting the obligation of the treaty, but nevertheless I think it is important that the observations of the committee and the views of the committee may be before the Senate in full, and, unless it shall develop from the reportorial staff that the report has already been incorporated, I ask leave that, at the conclusion of the colloquy between the Senator of Utah and myself, the report may be set forth in full.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DONNELL. I thank the Senator.

Mr. WATKINS. I yield the floor.

The report of the Committee on Foreign Relations (Ex. Rept. No. 8) is as follows:

> The Committee on Foreign Relations, to whom was referred the North Atlantic Treaty (Executive L, 81st Cong., 1st sess.), signed at Washington on April 4, 1949, unanimously report the treaty to the Senate and recommend that its advice and consent to ratification be given at an early date.
>
> PART I. BACKGROUND
>
> 1. MAIN PURPOSE OF THE TREATY
>
> The basic objective of the treaty is to assist in achieving the primary purpose of the United Nations—the maintenance of peace and security. It is designed to do so by making clear the determination of the members of the North Atlantic community to safeguard their common heritage of freedom by exercising collectively their inherent right of self-defense in the event of an armed attack upon any of them, while making clear at the same time their determination to live in peace with all governments and all peoples.
>
> 2. TEXT OF NORTH ATLANTIC TREATY
>
> "The Parties to this Treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.
>
> "They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law.
>
> "They seek to promote stability and well-being in the North Atlantic area.
>
> "They are resolved to unite their efforts for collective defense and for the preservation of peace and security.
>
> "They therefore agree to this North Atlantic Treaty:
>
> "ARTICLE 1
>
> "The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.
>
> "ARTICLE 2
>
> "The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.
>
> "ARTICLE 3
>
> "In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.
>
> "ARTICLE 4
>
> "The Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened.
>
> "ARTICLE 5
>
> "The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.
>
> "Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.
>
> "ARTICLE 6
>
> "For the purpose of Article 5 an armed attack on one or more of the Parties is deemed to include an armed attack on the territory of any of the Parties in Europe or North America, on the Algerian departments of France, on the occupation forces of any Party in Europe, on the islands under the jurisdiction of any Party in the North Atlantic area north of the Tropic of Cancer or on the vessels or aircraft in this area of any of the Parties.
>
> "ARTICLE 7
>
> "This Treaty does not affect, and shall not be interpreted as affecting, in any way the rights and obligations under the Charter of

the Parties which are members of the United Nations, or the primary responsibility of the Security Council for the maintenance of international peace and security.

"ARTICLE 8

"Each Party declares that none of the international engagements now in force between it and any other of the Parties, or any third state is in conflict with the provisions of this Treaty, and undertakes not to enter into any international engagement in conflict with this Treaty.

"ARTICLE 9

"The Parties hereby establish a council, on which each of them shall be represented, to consider matters concerning the implementation of this Treaty. The council shall be so organized as to be able to meet promptly at any time. The council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defense committee which shall recommend measures for the implementation of Articles 3 and 5.

"ARTICLE 10

"The Parties may, by unanimous agreement, invite any other European state in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area to accede to this Treaty. Any state so invited may become a party to the Treaty by depositing its instrument of accession with the Government of the United States of America. The Government of the United States of America will inform each of the Parties of the deposit of each such instrument of accession.

"ARTICLE 11

"This Treaty shall be ratified and its provisions carried out by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the United States of America, which will notify all the other signatories of each deposit. The Treaty shall enter into force between the states which have ratified it as soon as the ratifications of the majority of the signatories, including the ratifications of Belgium, Canada, France, Luxembourg, the Netherlands, the United Kingdom and the United States, have been deposited and shall come into effect with respect to other states on the date of the deposit of their ratifications.

"ARTICLE 12

"After the Treaty has been in force for ten years, or at any time thereafter, the Parties shall, if any of them so requests, consult together for the purpose of reviewing the Treaty, having regard for the factors, then affecting peace and security in the North Atlantic area, including the development of universal as well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security.

"ARTICLE 13

"After the Treaty has been in force for twenty years, any Party may cease to be a party one year after its notice of denunciation has been given to the Government of the United States of America, which will inform the Governments of the other Parties of the deposit of each notice of denunciation.

"ARTICLE 14

"This Treaty, of which the English and French texts are equally authentic, shall be deposited in the archives of the Government of the United States of America. Duly certified copies thereof will be transmitted by that Government to the Governments of the other signatories.

"In witness whereof, the undersigned plenipotentiaries have signed this Treaty.

"Done at Washington, the fourth day of April, 1949.

"For the Kingdom of Belgium:
P. H. SPAAK
SILVERCRUYS

"For Canada:
LESTER B. PEARSON
H. H. WRONG

"For the Kingdom of Denmark:
GUSTAV RASMUSSEN
HENRIK KAUFFMANN

"For France:
SCHUMAN
H. BONNET

"For Iceland:
BJARNI BENEDIKTSSON
THOR THORS

"For Italy:
SFORZA
ALBERTO TARCHIANI

"For the Grand Duchy of Luxembourg:
JOS BECH
HUGUES LE GALLAIS

"For the Kingdom of the Netherlands:
STIKKER
E. N. VAN KLEFFENS

"For the Kingdom of Norway:
HALVARD M. LANGE
WILHELM MUNTHE MORGENSTIERNE

"For Portugal:
JOSÉ CAEIRO DA MATTA
PEDRO THEOTÓNIO PEREIRA

"For the United Kingdom of Great Britain and Northern Ireland:
ERNEST BEVIN
OLIVER FRANKS

"For the United States of America:
DEAN ACHESON

"I CERTIFY THAT the foregoing is a true copy of the North Atlantic Treaty signed at Washington on April 4, 1949 in the English and French languages, the signed original of which is deposited in the archives of the Government of the United States of America.

"IN TESTIMONY WHEREOF, I, DEAN ACHESON, Secretary of State of the United States of America, have hereunto caused the seal of the Department of State to be affixed and my name subscribed by the Authentication Officer of the said Department, at the city of Washington, in the District of Columbia, this fourth day of April, 1949.

"DEAN ACHESON
"[SEAL] *"Secretary of State.*
"By M. P. CHAUVIN
*"Authentication Officer*
*"Department of State."*

3. BACKGROUND OF TREATY

The paramount desire of the American people is and always has been for peace and freedom. Since 1776, they have constantly striven, and sometimes fought, to maintain their own freedom and to further the development of freedom elsewhere. They have always sought to live in peace with all men.

Since 1823, when the Monroe Doctrine was promulgated, this Government has contributed to the peace and freedom of the Americas by making clear that it would regard an armed attack upon any part of the Americas as an attack upon the United States. No other doctrine has become more deeply imbedded in American foreign policy. In 1947 all the American Republics joined in signing the Treaty of Rio de Janeiro, which provided that each would regard an attack on any one of them as an attack upon all.

*Since World War II*

In 1945 the United States Government and the American people wholeheartedly accepted the obligations of the Charter of the United Nations. In doing so they undertook the obligation not to use force except in conformity with the Charter and the responsibility, not only of living up to that obligation but of using their influence to see that other powers live up to it. No government has labored harder or more unceasingly to reach international understanding through the United Nations and to make the United Nations a more effective instrument.

Unfortunately one great power and a small group of nations under its domination have not only refused to cooperate in the establishment of a just and lasting peace, but have sought to prevent it, both within and without the United Nations. That power and its fifth columns in other countries have sought to prevent the establishment of such a peace. It has sought to obstruct efforts for the promotion of human welfare and stability in order to profit from human misery and hunger in propagating its own system and advancing its own imperialistic ends.

This threat to free institutions everywhere has caused free nations to draw together in increased cooperation for both defense and economic recovery, as reflected in the Brussels Treaty and the Convention for European Economic Cooperation. The United States Government, in giving effect to the desire of the American people to assist in promoting peace and freedom, has taken far-reaching steps to this end in the act to provide for assistance to Greece and Turkey and in the European recovery program of 1948 and 1949.

Senate Resolution 239: The concern of the American people at the unfavorable trend to postwar developments led to the introduction into the Senate during the Eightieth Congress of a large number of resolutions which aspired to change the United Nations Charter or to chart a more effective course for United States foreign policy through the United Nations. The committee thoroughly canvassed the issues involved, in close cooperation with the Department of State, and, on May 19, 1948, unanimously approved Senate Resolution 239, which sought to focus these aspirations on the most constructive measures it considered practicable.

That resolution was adopted by the Senate on June 11, 1948, by a vote of 64 to 4. It advised the President—

"of the sense of the Senate that this Government, by constitutional process, should particularly pursue the following objectives within the United Nations Charter:

"(1) Voluntary agreement to remove the veto from all questions involving pacific settlements of international disputes and situations, and from the admission of new members.

"(2) Progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles, and provisions of the Charter.

"(3) Association of the United States, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security.

"(4) Contributing to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting its national security.

"(5) Maximum efforts to obtain agreements to provide the United Nations with armed forces as provided by the Charter, and to obtain agreement among member nations upon universal regulation and reduction of armaments under adequate and dependable guaranty against violation.

"(6) If necessary, after adequate effort toward strengthening the United Nations, review of the Charter at an appropriate time by a General Conference called under article 109 or by the General Assembly."

Pursuant to this advice the President in July authorized the Secretary of State to enter into exploratory conversations on the

security of the North Atlantic area with representatives of the Governments of Belgium, Canada, France, Luxemburg, the Netherlands, and the United Kingdom. These conversations resulted in October in agreement that the establishment by treaty of a collective defense arrangement for the North Atlantic area within the framework of the United Nations Charter was desirable and necessary. The North Atlantic Treaty was accordingly negotiated and signed on April 4, 1949, by representatives of the seven governments which had participated in the initial conversations and of the Governments of Norway, Denmark, Iceland, Italy, and Portugal.

Executive-legislative cooperation: The committee commends the close cooperation between the executive branch and the Senate, which has characterized the development of this treaty from inception to conclusion as an example of how important matters in the field of foreign relations should be handled. First the committee and the Department of State considered together the problems facing the United States in this field and the courses of action best suited to deal with them. The Senate then gave the President its advice as to particular objectives to be sought. The executive branch faithfully followed the advice of the Senate and, during the negotiations with the other governments, consulted fully with the committee, which played an effective part in formulating the terms of the treaty. From the beginning the deliberations of both the committee and the Senate on Senate Resolution 239 and the treaty have been conducted on a wholly nonpartisan basis. Finally, in order to give the American and other peoples the earliest possible opportunity to consider the treaty, its terms were made public considerably in advance of signature, as soon as they had been agreed upon by the negotiating governments.

#### 4. COMMITTEE HEARINGS AND ACTION

The committee discussed with the Secretary of State the draft of the North Atlantic Treaty in two informal executive meetings on February 18 and March 8. The treaty, made public on March 18, was signed in Washington on April 4, and was transmitted to the Senate on April 12. Before commencing public hearings the committee met again on April 21 to consider the relationship of the treaty to the proposed military-assistance program. Public hearings, beginning on April 27, were held on 16 days—April 27–29, May 2–6, 9–13, and 16–18. Besides the committee members, various Senators attended or participated in the cross-examination of the witnesses. The very extensive and thorough hearings comprise three printed volumes.

The first administration witness was Secretary of State Dean G. Acheson on April 27, 1949. The Hon. Warren R. Austin, Chief, United States Mission to the United Nations; Hon. Louis Johnson, Secretary of Defense; Hon. W. A. Harriman, United States special representative in Europe of the Economic Cooperation Administration; Hon. Robert A. Lovett, former Under Secretary of State, and Gen. Omar N. Bradley, Chief of Staff of the United States Army and representing the Joint Chiefs of Staff, completed the testimony presented for the administration by May 3.

In the succeeding weeks the committee heard all witnesses who requested to be heard. Among the 90 nongovernmental witnesses were representatives from a number of our important business, labor, agricultural, church, veterans, and service groups. In addition, the committee also received communications from organizations, such as the American Federation of Labor, the United States Chamber of Commerce, and the Junior Chamber of Commerce, placing them on record as favoring the treaty.

Following the conclusion of public hearings, the committee met in executive session on June 2 and 6 to evaluate the evidence gained in committee hearings and to consider the committee report. On June 6 the committee voted unanimously (13–0) to report the treaty favorably to the Senate with the recommendation that it be approved for ratification.

### PART II. GENERAL NATURE OF THE TREATY

The treaty establishes a collective defense arrangement for the North Atlantic area within the framework of the United Nations Charter and based upon the inherent right of individual or collective self-defense recognized by article 51 of the Charter. In many respects it is similar to and patterned upon the Treaty of Rio de Janeiro.

The 12 signatories of the treaty are Belgium, Canada, Denmark, France, Iceland, Italy, Luxemburg, the Netherlands, Norway, Portugal, the United Kingdom, and the United States.

The treaty is subject to review at any time after 10 years and any party may cease to be a party after 20 years; otherwise it is of indefinite duration.

#### GENERAL OBJECTIVES OF THE TREATY

The primary objective of the treaty is to contribute to the maintenance of peace by making clear the determination of the parties collectively to resist armed attack upon any of them.

It is designated to strengthen the system of law based upon the purposes and principles of the United Nations. It should go far to remove any uncertainty which might mislead potential aggressors as to the determination of the parties fully to carry out their obligations under the Charter and collectively to resist an armed attack.

The security of the North Atlantic area is vital to the national security of the United States and of key importance to world peace and security. The peoples of the North Atlantic area are linked together not only by the interdependence of their security but by a common heritage and civilization and devotion to their free institutions, based upon the principles of democracy, individual liberty and the rule of law. It is this common heritage and civilization and these free institutions which the signatories are determined to defend.

The treaty is designed to contribute toward the further development of peaceful and friendly international relations, to strengthen the free institutions of the parties and promote better understanding of the principles upon which they are founded, to promote conditions of stability and well-being, and to encourage economic collaboration. It should facilitate long-term economic recovery through replacing the sense of insecurity by one of confidence in the future.

Although it is intended that the general machinery and procedures provided in the Charter would be utilized in cases of disputes between the signatories, the treaty can of course be used as a regional arrangement under the United Nations for dealing with such matters as are appropriate for regional action within the meaning of chapter VIII of the Charter.

The obligations of national defense and advancing the welfare of its people are inherent in any government. The obligations to settle international disputes by peaceful means and to refrain from the threat or use of force, expressly reaffirmed in the treaty, were undertaken by this Government when it ratified the United Nations Charter.

#### NEW OBLIGATIONS

The new obligations undertaken by the United States in the treaty are—

1. To maintain and develop, separately and jointly and by means of continuous and effective self-help and mutual aid, the individual and collective capacity of the parties to resist armed attack (art. 3);

2. To consult whenever, in the opinion of any of the parties, the territorial integrity, political independence, or security of any of them is threatened (art. 4);

3. To consider an armed attack upon any of the parties in the North Atlantic area an attack against them all (art. 5); and

4. In the event of such an attack, to take forthwith, individually and in concert with the other parties, such action as the United States deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area (art. 5).

The treaty provides for a council and such subsidiary agencies as may be necessary, including a defense committee, to assist the parties in giving effect to the treaty.

#### SAFEGUARDS

The treaty in letter and in spirit is purely defensive. It is directed against no one; it is directed solely against aggression.

The treaty expressly provides that all of its provisions must be carried out in accordance with the respective constitutional processes of the parties.

The provisions of the treaty are expressly subordinated to the purposes, principles, and provisions of the United Nations Charter. The provisions of the Charter, wherever applicable, control every activity undertaken under the treaty.

### PART III. ANALYSIS AND INTERPRETATION

#### PREAMBLE

"The Parties to this Treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.

"They are determined to safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of democracy, individual liberty, and the rule of law.

"They seek to promote stability and well-being in the North Atlantic area.

"They are resolved to unite their efforts for collective defense and for the preservation of peace and security.

"They therefore agree to this North Atlantic Treaty."

#### THE PURPOSES AND SPIRIT OF THE TREATY

The preamble states clearly and simply the purpose, intent, and spirit of the treaty. The committee endorses this declaration, which is formal recognition of the common interests, developing unity, and increasing interdependence of the North Atlantic community.

It should be emphasized, however, that the preamble is no expression of narrow regionalism for the members' will to live in peace is "with all peoples and all governments"—the primary purpose of the Charter of the United Nations. Moreover, peace, stability, and well-being in the North Atlantic area are of universal advantage in the cause of peace.

While cognizant of the elements of common heritage and civilization, and of mutually acceptable principles, there is no intent to impose these upon other peoples. There is the determination, however, to safeguard the fundamental and dynamic nature of this common heritage which includes, under God, the basic moral principles of democracy, individual liberty, and the rule of law.

#### ARTICLE 1.—PEACEFUL SETTLEMENT OF DISPUTES

"The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice, are not endangered, and to refrain in their international relations from

the threat or use of force in any manner inconsistent with the purposes of the United Nations."

In this article the members of the pact reaffirm the solemn obligations which they have accepted under the United Nations Charter to settle all their international disputes by peaceful means. The committee is convinced that the entire text of the treaty, and particularly this article, makes abundantly clear the will of the signatories for peace and their desire to threaten no one.

Since the Charter spells out in detail the machinery and the procedures which are available for such purposes, there is no need to provide any new machinery or procedures in the treaty.

By becoming parties to the treaty, countries which are not members of the United Nations, such as Italy and Portugal, accept the obligations set forth in article 2 of the Charter to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered. Article 33 and other articles of the Charter set forth means of settling such disputes which are available for nonmembers as well as members of the United Nations.

ARTICLE 2.—DEVELOPMENT OF PEACEFUL AND FRIENDLY RELATIONS

"The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them."

Article 2 is a reaffirmation of faith. It demonstrates the conviction of the parties that peace is positive and dynamic, that real peace is far more than the mere absence of war. The parties undertake to strengthen their free institutions, promote conditions of stability and well-being, and encourage economic collaboration.

The unilateral undertaking of the parties to strengthen their free institutions recognizes that free institutions have succumbed in many places of the world and that eternal vigilance is still the price of liberty. The effort to secure better understanding of the principles upon which these institutions are based is a positive appreciation of the role of public opinion, both among the signatories and throughout the world. Free nations must take affirmative measures to this end, rather than resort to censorship or iron curtains. The gospel of freedom can best be spread by example.

The committee supports these objectives as desirable goals to be sought by the signatory parties. It believes that their progressive attainment will contribute to stability, well-being, and real peace.

*No legislative action required*

Considerable attention has been given by the committee to the question whether article 2, in stating these objectives, imposes on the United States any obligation to take specific legislative action. Would the references to "strengthening free institutions" and "eliminate conflict in their international economic policies," for example, mean that we would be obligated to enact additional legislation relating to civil rights, the reduction of tariffs, and similar matters?

The committee is completely satisfied that this article involves no obligation on us to take any legislative action whatsoever. In fact, no such obligations were contemplated by the negotiators and no new machinery is envisaged for these purposes under the treaty. The article does, however, provide encouragement for individual or bilateral action or action through such existing agencies as the United Nations, the Brussels pact, and the Organization of European Economic Cooperation.

The committee finds no implication whatever in article 2 that the United States could be called upon under the treaty to contribute toward a long-term recovery program for Europe.

ARTICLE 3.—SELF-HELP AND MUTUAL AID

"In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack."

Article 3 embodies in the treaty the principle of continuous and effective self-help and mutual aid established by Senate Resolution 239 as a prerequisite to United States association in any collective defense arrangement. This principle has formed the basis of the European recovery program. In both cases the committee is convinced that the greater the degree of coordination achieved the greater will be the results at the least cost to each participant. The committee also wishes to emphasize that under this principle each participant must do its utmost to help itself and its share to help the others. There are no free rides. A definite obligation is undertaken by each party to contribute, individually and collectively, to the defense of the North Atlantic area.

A realistic assessment of the defensive capacity necessary to resist armed attack will be a function of the organization to be established under article 9. On the basis of this assessment each party would determine for itself what it could most effectively contribute in the form of facilities, military equipment, productive capacity, manpower, etc. This decision would be taken in the light of the resources and geographical location of the individual state and with due regard for its economic stability. There is no specific obligation as to the timing, nature, and extent of assistance to be given by any party.

Clearly the capacity of the member states to resist armed attack depends primarily upon their basic economic health. The committee, therefore, fully agrees with the view of the signatories that measures to increase the military strength of the parties must not be permitted to prevent achievement of the objectives of the European recovery program.

It has been suggested in some quarters that article 3 might be interpreted in such a way as to provide the basis for an armaments race. The committee rejects any such interpretation. Capacity to resist armed attack includes all elements, including economic strength, and is relative to the degree of danger and the strength of potential aggressors. If the treaty and the United Nations are successful in providing substantially increased security, it should be possible to have greater capacity to resist armed attack with smaller military forces. The essential objective is increased security, not increased military strength.

Questions have also been raised as to whether the United States, under article 3, would be obligated to assist the other parties to develop the capacity of their overseas territories to resist armed attack. The objective of the treaty is to maintain the peace and security of the North Atlantic area. During the negotiations there were no suggestions that this article should be interpreted as applying to any other area. The United States is under no obligation to assist the other parties in building up military establishments for use in their overseas territories, nor to engage in resisting armed attack outside the area defined in article 6.

The committee calls attention to the fact that the United States stands to gain great benefits from the principle of "continuous and effective self-help and mutual aid." Implementation of this principle will not only help deter aggression but will go far, in the event all the efforts of the parties for peace should fail, to assure the successful defense of the United States and the collective strength essential for victory.

ARTICLE 4—CONSULTATION

"The Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened."

In article 4 the parties undertake to consult whenever any party so requests on the basis that the territorial integrity, political independence, or security of any of them is threatened. A situation arising anywhere might be cause for consultation, provided that it constituted a threat to one or more of the parties and might involve obligations under the treaty. The committee underlines the fact that consultation could be requested only when the element of threat is present and expresses the opinion that this limitation should be strictly interpreted.

Many well-known techniques have been developed whereby internal disorders or coups are deliberately engineered by outside powers to further their own interests. Accordingly, consultation might also be sought under article 4 in the case of an internal disorder where circumstances indicated that such disorder was being aided and abetted by assistance from outside the country affected.

Article 4 carries no obligation other than that of consultation. Whether or not any action was taken following consultation, or what form such action might take, would be matters for each party to decide for itself. It should be emphasized, however, that in no event is collective enforcement action, such as that defined in articles 41 and 42 of the Charter, contemplated.

*Use of United Nations machinery*

Some sincere friends of the United Nations have expressed concern lest article 4 be implemented in such a way as to impair the usefulness of the United Nations. Clearly such a danger would exist if consultations under the pact became so frequent they tended to replace United Nations machinery, or if such consultations resulted in a crystallization of views in advance of United Nations meetings and encouraged pact members to vote as a bloc. It would be particularly unfortunate if our Government took part in exclusive consultations with Atlantic Pact members over situations of deep concern to friendly states in Asia, Africa, Latin America, or the Middle East.

The committee is confident that the framers of the Atlantic Pact did not intend that article 4 should infringe upon the efficacy of United Nations machinery or in any way impair its usefulness. Clearly there should be no duplication of United Nations machinery. It is the opinion of the committee that consultation under article 4 should not be sought unless the United Nations for some reason is prevented from dealing with the situation giving rise for consultation. The committee wishes to emphasize this view since it has consistently supported the United Nations as the cornerstone of American foreign relations, and would be loath to see any action taken not entirely in harmony with this policy.

ARTICLE 5—ACTION IN THE EVENT OF ARMED ATTACK

"The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by

Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

"Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security."

Article 5 is the heart of the treaty. In it the parties establish the principle that an armed attack against one or more of them is to be considered an attack against them all. In accepting this principle, the committee believes that the United States is acting on the basis of a realization brought about by its experience in two world wars that an armed attack in the North Atlantic area is in effect an attack on itself. The solemn acceptance of this principle by all the parties should have a powerful deterring effect on any would-be aggressor by making clear to him in advance that his attack would be met by the combined resistance of all the nations in the North Atlantic Pact.

*Right of self-defense*

From a legal point of view, article 5 is solidly based on the inherent right of self-defense recognized in article 51 of the United Nations Charter. Article 51 in part reads as follows:

"Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security."

Obviously, the right of individual or collective self-defense does not derive from the Charter; rather it is an inherent right of all states which is expressly recognized and preserved by article 51.

The specific commitment undertaken by each party in article 5 is that in the event of an armed attack in the North Atlantic area it will "assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area."

*Determination whether attack has occurred*

The committee notes that article 5 would come into operation only when a nation had committed an international crime by launching an armed attack against a party to the treaty. The first question which would arise would be whether or not an armed attack had in fact occurred. If the circumstances were not clear, there would presumably be consultation but each party would have the responsibility of determining for itself the answer to this question of fact.

Experience has shown that armed attack is ordinarily self-evident; there is rarely, if ever, any doubt as to whether it has occurred or by whom it was launched. In this connection, it should be pointed out that the words "armed attack" clearly do not mean an incident created by irresponsible groups or individuals, but rather an attack by one state upon another.

Obviously, purely internal disorders or revolutions would not be considered "armed attacks" within the meaning of article 5. However, if a revolution were aided and abetted by an outside power such assistance might possibly be considered an armed attack. Each party would have to decide, in the light of the circumstances surrounding the case and the nature and extent of the assistance, whether in fact, an armed attack had occurred and article 5 thus brought into play.

*"Such action as it deems necessary"*

The second problem is the nature and extent of the action contemplated as a result of armed attack. The action specified is that deemed necessary "to restore and maintain the security of the North Atlantic area." The committee emphasizes that this clearly does not commit any of the parties to declare war. Depending upon the gravity of the attack, there are numerous measures short of the use of armed force which might be sufficient to deal with the situation. Such measures could involve anything from a diplomatic protest to the most severe forms of pressure.

In this connection, the committee calls particular attention to the phrase "such action as it deems necessary." These words were included in article 5 to make absolutely clear that each party remains free to exercise its honest judgment in deciding upon the measures it will take to help restore and maintain the security of the North Atlantic area. The freedom of decision as to what action each party shall take in no way reduces the importance of the commitment undertaken. Action short of the use of armed force might suffice, or total war with all our resources might be necessary. Obviously article 5 carries with it an important and far-reaching commitment for the United States; what we may do to carry out that commitment, however, will depend upon our own independent decision in each particular instance reached in accordance with our own constitutional processes.

*President and Congress*

During the hearings substantially the following questions were repeatedly asked: In view of the provision in article 5 that an attack against one shall be considered an attack against all, would the United States be obligated to react to an attack on Paris or Copenhagen in the same way it would react to an attack on New York City? In such an event does the treaty give the President the power to take any action, without specific congressional authorization, which he could not take in the absence of the treaty?

The answer to both these questions is "No." An armed attack upon any State of the United States by its very nature would require the immediate application of all force necessary to repel the attack. The Constitution itself recognizes the special significance of such a calamity by providing that the United States shall protect each State against invasion. Similarly, the government of any nation party to the treaty would feel itself under obligation and under imminent physical need to give the highest priority to essential countermeasures to meet an armed attack upon its own homeland.

In the event any party to the treaty were attacked the obligation of the United States Government would be to decide upon and take forthwith the measures it deemed necessary to restore and maintain the security of the North Atlantic area. The measures which would be necessary to accomplish that end would depend upon a number of factors, including the location, nature, scale, and significance of the attack. The decision as to what action was necessary, and the action itself, would of course have to be taken in accordance with established constitutional procedures as the treaty in article 11 expressly requires.

Article 5 records what is a fact, namely, that an armed attack within the meaning of the treaty would in the present-day world constitute an attack upon the entire community comprising the parties to the treaty, including the United States. Accordingly, the President and the Congress, each within their sphere of assigned constitutional responsibilities, would be expected to take all action necessary and appropriate to protect the United States against the consequences and dangers of an armed attack committed against any party to the treaty. The committee does not believe it appropriate in this report to undertake to define the authority of the President to use the armed forces. Nothing in the treaty, however, including the provision that an attack against one shall be considered an attack against all, increases or decreases the constitutional powers of either the President or the Congress or changes the relationship between them.

*Duration of action*

Measures may be taken under article 5 only when an armed attack has occurred and must be terminated whenever the Security Council has taken the measures necessary to restore and maintain international peace and security. Thus action under article 5 will never be necessary unless the Security Council has been unable to meet its responsibilities and must cease whenever the Security Council has regained control of the situation. The treaty, like article 51 of the Charter, provides insurance against a situation which the Security Council is unable to control. The committee is convinced that the treaty, in making clear that an aggressor could not profit from such a situation, provides a valuable supplement to the Charter in reducing the possibility that it might arise.

ARTICLE 6—DESCRIPTION OF NORTH ATLANTIC AREA

"For the purpose of Article 5 an armed attack on one or more of the Parties is deemed to include an armed attack on the territory of any of the Parties in Europe or North America, on the Algerian departments of France, on the occupation forces of any Party in Europe, on the islands under the jurisdiction of any Party in the North Atlantic area north of the Tropic of Cancer or on the vessels or aircraft in this area of any of the Parties."

Article 6 specifies the area within which an armed attack would bring the provisions of article 5 into operation. Thus, the obligations under article 5 are strictly limited to the area described.

The word "area" is intended to cover the general region, rather than merely the North Atlantic Ocean in a narrow sense, and includes the western part of the Mediterranean as well as the North Sea and most of the Gulf of Mexico. Western Europe faces on the Atlantic even if all the nations of the western European community do not.

In view of the purpose of the treaty to deter armed attack, the area covered by the treaty was deliberately described in general terms rather than defined by lines on a map. The committee agrees that this general description is preferable, for it would seem inconsistent with the spirit of the treaty to provide that article 5 would come into operation in the event of an attack, for example, upon ships or aircraft at a given point but not if the attack occurred a few miles away. If there should be any doubt as to whether or not an armed attack as taken place within the area specified in the treaty, each party would decide for itself, in the light of the facts surrounding the particular situation and the significance of the attack.

*Not applicable to overseas territories*

During the hearings the question arose as to whether the obligations contained in article 5 would apply with respect to the dependent overseas territories of the signatory states. Since these territories are located in all parts of the world the problem assumes major proportions. The committee wishes to emphasize the fact that article 5 would not apply to any of the overseas territories outside the North Atlantic area as described in article 6. The three Algerian departments of France (which constitute only a small part of the total territory of Algeria) are an integral part of metropolitan France under the French Constitution and are not overseas possessions. The only outlying territories

covered are the islands in the North Atlantic area, Alaska, the Aleutian Islands, and the islands of the Canadian Arctic.

ARTICLE 7—PARAMOUNT AUTHORITY OF THE UNITED NATIONS

"This Treaty does not affect, and shall not be interpreted as affecting, in any way the rights and obligations under the Charter of the Parties which are members of the United Nations, or the primary responsibility of the Security Council for the maintenance of international peace and security."

Lest there be any misunderstanding about the relative position of the treaty and the United Nations Charter, article 7 makes clear the overriding character of the Charter with respect to the obligations of the signatories who are also members of the United Nations. This principle is in accordance with the provisions of article 103 of the Charter which stipulates that—

"In the event of a conflict between the obligations of the Members of the United Nations under the present Charter and their obligations under any other international agreement, their obligations under the present Charter shall prevail."

The provisions of the Charter thus govern, wherever they may be applicable, any activities undertaken under the treaty.

The Charter also bestows upon the Security Council the primary responsibility for the maintenance of international peace and security. In the opinion of the committee the treaty rightly recognizes the primary responsibility of the Security Council in this field and makes clear the intent of the signatories not to compete with this responsibility or interfere with it in any way.

This desire not to compete with or impair the authority of the United Nations is applicable not only to the Security Council but to other organs of the United Nations, which, the committee understands, the parties intend to use wherever appropriate.

ARTICLE 8—POSSIBLE CONFLICT WITH OTHER TREATIES

"Each Party declares that none of the international engagements now in force between it and any other of the Parties or any third state is in conflict with the provisions of this Treaty, and undertakes not to enter into any international engagement in conflict with this Treaty."

Before the details of the Atlantic Pact were made public, considerable concern was expressed lest its terms conflict with certain treaties and agreements already in force. Both France and Great Britain, for example, have treaties of alliance negotiated with the Soviet Union during World War II, which obligate the parties to assist one another in the event of an attack by Germany, of any state associated with Germany in the war, and not to conclude any alliance, or take part in any coalition, directed against either party. The Soviet Government asserts that under these treaties France and Britain could not become parties to the pact. The committee thinks it is perfectly obvious that the treaty is not an alliance or coalition directed against any nation, but that it is directed solely against aggression.

Article 8 is designed to make perfectly clear that none of the existing international engagements of any of the signatories is in conflict with the provisions of the treaty. Each signatory has solemnly declared that in fact there is no conflict and that, in effect, they have no commitments which would prevent them from carrying out their obligations under the pact. The committee sees no reason why the United States Government should question the validity of this declaration by the signatories.

*Italian peace treaty*

The committee also examined the terms of the Italian peace treaty, which limit the size of the Italian armed forces and the extent to which rearmament will be possible. Given these limitations the question naturally arises as to whether Italy could live up to her obligations under article 3 of the Atlantic Pact to develop her capacity to resist armed attack. The matter is adequately disposed of by the following statement supplied for the record by the State Department:

"It is understood by all parties to the treaty that the participation of Italy in the North Atlantic Pact has no effect on the military provisions, or any other provisions, of the Italian peace treaty. Any contribution which Italy makes to the collective capacity for defense of the North Atlantic area must be within the limits fixed by the military provisions of the Italian peace treaty."

ARTICLE 9—ORGANIZATION UNDER THE TREATY

"The Parties hereby establish a council, on which each of them shall be represented, to consider matters concerning the implementation of this Treaty. The council shall be so organized as to be able to meet promptly at any time. The council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defense committee which shall recommend measures for the implementation of Articles 3 and 5."

While some machinery is clearly necessary for the effective implementation of the treaty, it would be inadvisable to attempt to elaborate this machinery in detail in the treaty. On the contrary, it is preferable that the machinery be described only in broad outline in order that the specific organization may be evolved in the light of need and experience. The committee urges that the organization set up be as simple as possible consistent with its function of assisting implementation of the treaty and that maximum use be made of existing organizations.

Since the council is given authority only "to consider matters concerning the implementation" of the treaty, its powers are purely advisory with respect to governmental action. Its purpose is to make recommendations to the governments and to assist them in reaching coordinated decisions. It should be emphasized, however, that the responsibility for making decisions lies in the respective governments rather than in the council. Since the council will have only advisory powers, no voting procedure is needed or contemplated. No party will have a veto, nor can it be coerced into taking a decision against its own judgment.

The defense committee will concern itself primarily with making plans and recommendations for the implementation of articles 3 and 5, i. e., preparation for the exercise of the inherent right of individual or collective self-defense. Being subordinate to the council, it, too, will have only advisory powers. The establishment of any planning or other agencies under the defense committee will be a function of the council.

ARTICLE 10—NEW MEMBERS

"The Parties may, by unanimous agreement, invite any other European state in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area to accede to this Treaty. Any state so invited may become a party to the Treaty by depositing its instrument of accession with the Government of the United States of America. The Government of the United States of America will inform each of the Parties of the deposit of each such instrument of accession."

Unanimous agreement is required to invite other states to join the treaty. Other European states in the North Atlantic area may in the future be considered desirable additions to the pact and in a position to accede to it. Since the other American Republics are already signatories of the Rio Treaty no provision was made for their accession to this pact.

*Senate action necessary on new members*

Inasmuch as the admission of new members might radically alter our obligations under the pact, the committee examined article 10 very carefully. The question arose whether any United States decision respecting new members would be based solely on Presidential action or would require Senate approval. Consequently, the committee was fully satisfied by the commitment of the President, delivered by the Secretary of State, that he would consider the admission of a new member to the pact as the conclusion of a new treaty with that member and would seek the advice and consent of the Senate to each such admission. The committee considers this an obligation binding upon the Presidential office.

*Spain and Germany*

The signatory countries did not invite Spain to participate though it is recognized that Spain is strategically important to the defense of the North Atlantic area. Whether Spain will be invited to participate at a later date will depend upon the unanimous decision of the parties.

So many imponderables affect the current position of Germany, which is still under military occupation, that in the negotiations extensive consideration was not given to the inclusion of western Germany. Presumably, Germany will be reunited one day, but time is required so that the German people may prove their attachment to the principles of the treaty. Meanwhile, it should be noted that Germany receives some protection since the treaty covers armed attack upon the occupation forces.

ARTICLE 11—CONSTITUTIONAL PROCESSES

"This Treaty shall be ratified and its provisions carried out by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the United States of America, which will notify all the other signatories of each deposit. The Treaty shall enter into force between the states which have ratified it as soon as the ratifications of the majority of the signatories, including the ratifications of Belgium, Canada, France, Luxembourg, the Netherlands, the United Kingdom, and the United States, have been deposited and shall come into effect with respect to other states on the date of the deposit of their ratifications."

The committee and the Senate, in Senate Resolution 239, attached great importance to assuring that any such agreement as the pact would not only be ratified in accordance with the "respective constitutional processes" of the signatory nations, but also that all its provisions would be carried out under the same constitutional safeguards. Constitutional processes for giving effect to the will of the people are the very essence of democracy and it is only through wide popular support that the treaty can be given the strength and vitality necessary to assure its success.

The committee wishes to emphasize the fact that the protective clause "in accordance with their respective constitutional processes" was placed in article 11 in order to leave no doubt that it applies not only to article 5, for example, but to every provision in the treaty. The safeguard is thus all-inclusive.

The treaty in no way affects the basic division of authority between the President and the Congress as defined in the Constitution. In no way does it alter the constitutional relationship between them. In particular, it does not increase, decrease, or change the power of the President as Commander in Chief of the armed forces or impair the full authority of Congress to declare war.

Except for the proposed foreign military assistance program, no legislation related to

the treaty is presently contemplated or considered necessary. The treaty would constitute legislative authorization for our share of the expenses of the organization contemplated in article 9, but appropriations by Congress would be necessary. As the United States representatives on the council and the defense committee will have no authority to bind the United States Government, the committee believes that officials previously appointed with the confirmation of the Senate will not require further confirmation for these assignments.

*Effectiveness of the democratic process*

It has been questioned whether a treaty subordinating action to the constitutional processes of 12 democratic nations offers sufficient certainty and immediacy of action effectively to deter aggression. The committee is convinced that it does. The expression of the will of a whole people offers far more certainty than any commitment by a dictator. The action of the democracies in the past great war is concrete evidence of their ability to act with the necessary speed in the event of an emergency.

*Entry into force*

The treaty enters into force when instruments of ratification have been deposited by each of the seven governments which participated in the initial negotiations—Belgium, Canada, France, Luxemburg, the Netherlands, the United Kingdom, and the United States. To date, Canada is the only signatory which has deposited its ratification, but parliamentary approval has been given in Great Britain, Norway, Denmark, Belgium, Luxemburg, and Iceland.

ARTICLE 12—REVIEW AND AMENDMENT OF TREATY

"After the Treaty has been in force for ten years, or at any time thereafter, the Parties shall, if any of them so requests, consult together for the purpose of reviewing the Treaty, having regard for the factors then affecting peace and security in the North Atlantic area, including the development of universal as well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security."

The treaty takes into account the processes of peaceful change and the need for flexibility in a rapidly changing world by providing that its terms may be reviewed at any time after it has been in force 10 years. Of course, earlier review is possible by unanimous consent. For purposes of review, the signatories will take into account the factors affecting peace and security in the North Atlantic area. The committee draws particular attention to the explicit reference that developments in the United Nations, including universal as well as regional arrangements, will figure significantly among such factors.

Apart from the general review contemplated in article 12 the treaty makes no provision for particular amendments. If such amendments were advanced, they would require the unanimous approval of the signatory states. In our own case the advice and consent of the Senate would be required. The committee believes that the interests of the United States would be amply protected by these safeguards.

ARTICLE 13—DURATION OF TREATY

"After the Treaty has been in force for twenty years, any Party may cease to be a party one year after its notice of denunciation has been given to the Government of the United States of America, which will inform the Governments of the other Parties of the deposit of each notice of denunciation."

This article provides that after the treaty has been in effect for 20 years any party may cease to be a party 1 year after notice of denunciation has been given. There is no provision for individual members to withdraw prior to that time.

The committee gave serious thought to the problems involved in the duration of the treaty. In view of the difficulties of forecasting developments in the international situation in the distant future, rigidity for too long a time clearly would be undesirable. On the other hand, the committee agrees that the stability and confidence which are so essential for the security of the North Atlantic area could not adequately be established if the treaty were of short duration. It accepts as a desirable solution, therefore, the indefinite duration of the treaty, with provision for review after 10 years, and for withdrawal after 20 years.

The treaty has been criticized in some quarters because it contains no provision for expulsion or the suspension of rights of a recalcitrant member which might fail to carry out its obligations as a result, for example, of its succumbing to communism. Given the nature of the pact and the close community of interests of the signatory states, the committee believes that such a provision would be both unnecessary and inappropriate. Obviously, however, if a member persistently violates the principles contained in the pact, the other members will no longer be obligated to assist that member. Clearly it would fail "to safeguard the freedom * * *" of its people, "founded on the principles of democracy, individual liberty, and the rule of law" as set forth in the preamble, and to strengthen its "free institutions" as provided in article 2. Presumably it would also decline to participate in "mutual aid" (art. 3), and might well violate its undertakings in article 8 "not to enter into any international engagement in conflict with this treaty." A country suffering such a fate would be in no position either to carry out its own obligations under the treaty or to expect assistance from the other parties.

ARTICLE 14—AUTHENTICITY OF TEXTS

"This Treaty, of which the English and French texts are equally authentic, shall be deposited in the archives of the Government of the United States of America. Duly certified Copies thereof will be transmitted by that Government to the Governments of the other signatories."

Article 14 is a formal article concerning the equal authenticity of the English and French texts which have been found to be identical in meaning. Each text being equally authentic, as is the case with any treaty done in more than one language, neither prevails over the other, and any differences in interpretation which might arise would have to be settled by negotiation.

PART IV. OTHER FACTORS CONSIDERED BY THE COMMITTEE

1. UNITED STATES INTEREST IN OTHER AREAS OF THE WORLD

We have learned that the security of the North Atlantic area is vital to our own peace and safety. In accepting the obligations of the treaty, therefore, we merely make clear that we are following a course of action which we would follow without the treaty. If we were to accept the same commitments on a world-wide basis or in areas less vital to our national security, we might well run the danger of "spreading ourselves too thin."

Suggestions have been made that the United States enter into similar pacts with countries in the Middle East and Pacific areas. During the hearings members of the committee questioned administration witnesses specifically on this point. It was established that the United States Government is not currently considering participation in any other regional or collective defense arrangements.

Nevertheless, both the President and the Secretary of State have emphasized on several occasions that our entry into collective defense arrangements in the Western Hemisphere and the North Atlantic area should not be taken by anyone to mean that we do not have a very real interest in the maintenance of peace and security everywhere. The committee fully concurs in this position. Our interest in peace in other areas was clearly expressed when we ratified the United Nations Charter and has been reiterated many times since. The special set of circumstances peculiar to Europe and the Atlantic community make the North Atlantic Treaty a logical development at this time.

2. RELATIONSHIP OF THE TREATY TO THE UNITED NATIONS

As indicated throughout this report, the committee has given careful consideration to the relationship of the treaty to the United Nations. In view of the importance of this relationship, it seems desirable to review it here in general terms.

The committee is convinced that the treaty is wholly consistent with the Charter, that it will strengthen the system of law based on the purposes and principles of the United Nations, and that it will greatly assist in accomplishing the primary purpose of the United Nations—the maintenance of international peace and security.

*No duplication of United Nations machinery*

The treaty is clearly based upon the inherent right of individual or collective defense against armed attack, expressly recognized and preserved by article 51 of the Charter. It is not intended to duplicate in any way, either through consultation or action, the existing machinery and procedures established by the Charter. With respect to consultation, the committee has expressed the view in connection with article 4 that consultation should not be held under the treaty unless the United Nations is for some reason prevented from dealing with the particular situation which has arisen. With respect to action, the committee has noted that action under article 5 cannot be unable to prevent an armed attack and taken unless the Security Council has been that it must cease whenever the Security Council has been able to take the measures necessary to restore peace and security. The treaty specifically provides that the provisions of the Charter are paramount, wherever applicable, with respect to all activities undertaken under the treaty.

*Relationship of treaty to chapter VIII of Charter*

The question has been raised as to whether the treaty establishes a regional arrangement within the meaning of chapter VIII of the Charter. As stated earlier in this report, the treaty is intended primarily to establish a collective defense arrangement under article 51. However, it is not necessary to define the organization of the North Atlantic community as exclusively one or the other. The treaty need not be departmentalized. Its purpose is to assist in achieving the great purposes of the Charter, primarily the maintenance of peace. It can be utilized as a regional arrangement under chapter VIII or in any way, subject to the principles and all pertinent provisions of the Charter, which may be useful to accomplish those purposes.

*Application of article 51*

The question has also been raised as to whether it was contemplated at San Francisco that continuing collective defense arrangements would be established under article 51 or whether that article merely provided for spontaneous action after an armed attack had occurred.

Article 51, as well as articles 52–54, were included in the Charter at the instance of the United States and Latin-American delegations primarily in recognition of the

inter-American system. It was made amply clear during the debates at San Francisco that other similar arrangements were envisaged. Furthermore, Resolution 14 adopted by the Rio Conference paid tribute to the United States proposal: "which later became article 51 of the Charter of the United Nations, by virtue of which it has been possible to conclude the first treaty which develops the principle of collective self-defense."

Obviously neither individual nor collective self-defense can be exercised effectively unless it has been prepared in advance. It should be noted, however, that the treaty authorizes no action in advance of an armed attack, other than defensive preparations.

*No obligation to report defense plans*

It has also been asked whether the parties would be obligated by the Charter to report such defensive preparations to the Security Council. Article 51 stipulates, and the stipulation is expressly reaffirmed in article 5 of the treaty, that "measures taken by members in the exercise of this right of self-defense shall be immediately reported to the Security Council." The right of self-defense is not "exercised" until an armed attack has occurred. Neither article 51 nor any other article of the Charter requires members to report plans for the exercise of this right. It is true that article 54 requires member states to report to the Security Council on regional activities for the maintenance of peace. These activities, however, are clearly those contemplated in articles 52 and 53. If such activities are undertaken under the treaty they would, of course, be governed by the provisions of those articles. Article 54 can in no way be interpreted as applying to plans for collective defense under article 51.

3. COMPARISON OF TREATY WITH OLD-FASHIONED MILITARY ALLIANCES

Some confusion may have arisen in the public mind due to the allegations of certain critics that the treaty is an "old-fashioned military alliance" of the type which Washington warned against in his farewell address. In the past, military alliances have varied widely in both their language and their intent. On the surface, at least, many of them were purely defensive in nature. The committee believes, however, that in actuality the present treaty is fundamentally different from the old-fashioned alliances which characterized European diplomacy during past centuries.

Some of these alliances constituted automatic commitments to go to war in the event the other parties became involved. The Holy Alliance, for example, provided that the parties "will on all occasions and in all places lend each other aid and assistance." Some of them were personal agreements concluded between kings or emperors who were often related to each other. Many of them were kept secret and often those which were made public were accompanied by secret understandings, with aggression and national aggrandizement in the minds of the signatories if not in the actual texts of the treaties. Most of them were limited to two or three parties.

The present treaty avoids all these undesirable aspects. Its entry into force and its execution depends upon the continuing support of the people of the signatory states given through their democratic constitutional processes. Moreover, it has been conceived within the framework of the United Nations Charter with all the solemn obligations against aggressive action which that document imposes upon its members. Finally, in both intent and language, it is purely defensive in nature. It comes into operation only against a nation which, by its own action, has proved itself an international criminal by violating the Charter and attacking a party to the treaty. It continues in operation only until the Security Council has taken the measures necessary to restore and maintain peace and security. If it can be called an alliance, it is an alliance only against war itself.

4. UNITED STATES ATTITUDE TOWARD COLONIAL POLICIES

Some opponents of the treaty have argued that its ratification by the United States might be construed as placing our stamp of approval on the colonial policies of other pact members. The committee categorically denies this assumption. The two things are completely unrelated. In accepting the treaty, the United States in no way indicates support, approval, or disapproval of the colonial policies of other signatories. The purpose of the treaty is to maintain the peace and security of the North Atlantic area and its commitment of assistance is limited to cases of armed attack within that area. Whether the United States will in fact support the colonial policies of any of the other signatories will depend entirely on our evaluation of those policies under the conditions then existing and not on any obligations assumed under the pact.

5. RELATIONSHIP OF TREATY TO EUROPEAN RECOVERY

The European recovery program is designed to cure Europe's economic ills; the treaty is an antidote for insecurity. Obviously each of the programs can contribute much toward the success of the other. On the one hand, economic health is essential to stability and defensive strength. On the other hand, the treaty can do much to stimulate new business enterprise and increase production by dispelling the fear that has haunted western Europe since the war.

The committee believes it will be possible, with careful planning, to strengthen the military establishments of western Europe without retarding the progress of economic recovery. The two programs, however, are not directly connected. Various nations (Austria, Greece, Ireland, Sweden, Switzerland, Turkey, and the western zones of occupation in Germany) are participants in the OEEC but not in the treaty, while Canada and the United States are not members of the OEEC.

In the event there is competition between the two programs for manpower and materials, the committee has been assured that economic recovery will have first priority. The restoration of defense capacity will not be permitted to interfere with economic recovery. No increase in the armed forces of the parties, above that provided for in their present budgets, is currently contemplated. Moreover, increased production of military equipment must be undertaken within the existing slack of productive capacity so as not to interfere with production for civilian purposes.

Rather than hampering recovery the treaty should greatly stimulate and facilitate efforts for complete and long-term economic progress. Thus it should eventually make possible substantial savings for the United States, both in connection with the European recovery program and our own domestic Military Establishment.

6. THE TREATY AND THE MILITARY ASSISTANCE PROGRAM

The committee did not consider in detail the military assistance program since legislation dealing with that matter has not yet been submitted to the Congress. It is understood, however, that the President will soon recommend legislation authorizing the transfer of military equipment and assistance to the Atlantic Pact signatories. The proposed program will request $1,130,000,000 for members of the Atlantic Pact and approximately $320,000,000 for other countries, including Greece and Turkey, making a total of $1,450,000,000 for the fiscal year 1950.

Whether approval of the treaty by the United States would constitute any kind of commitment to support the military-assistance program was discussed at considerable length during the hearings. Clearly the ratification of the treaty would commit the United States to the principle expressed in article 3, namely, to maintain and develop the individual and collective capacity of the signatories to resist armed attack "by means of continuous and effective self-help and mutual aid." It is equally clear, however, that article 3 does not bind the United States to accept the proposed military-assistance program or, for that matter, any particular kind of implementation program. It does bind our Government, as well as the other signatory governments, to the general principle of self-help and mutual aid. Each member of the pact will have to exercise its own honest judgment as to what steps it should take to give effect to this principle.

The State Department has assured the committee that during the negotiations no commitments of any kind were made by the United States to furnish military assistance. The European negotiators were constantly reminded that the implementation of article 3 by the United States would depend upon congressional action. While they were told that the administration intended to introduce legislation authorizing the transfer of military equipment, at the same time they were repeatedly warned that no assurances whatsoever could be given as to whether or not, in what form or in what amounts, such legislation would be approved.

With these factors in mind the committee agrees that the treaty and the military-assistance program should be considered separately by the Congress, each on its own merits. The committee further agrees that a Member of the Senate might vote for the treaty and still find valid reasons for opposing the program of implementation recommended by the administration. During the hearings several members of the committee publicly announced that their support for the pact did not necessarily mean they were going to approve the military-assistance program.

On this point the following statement of Secretary Acheson, as he testified before the committee, is pertinent:

"The judgment of the executive branch of this Government is that the United States can and should provide military assistance to assist the other countries in the pact to maintain their collective security. The pact does not bind the Congress to reach that same conclusion, for it does not dictate the conclusion of honest judgment. It does preclude repudiation of the principle or of the obligation of making that honest judgment. Thus, if you ratify the pact, it cannot be said that there is no obligation to help. There is an obligation to help, but the extent, the manner, and the timing is up to the honest judgment of the parties. I, therefore, earnestly trust that the Congress will see fit to enable this Government to carry out that aspect of its foreign policy represented by the proposed military-assistance program."

7. EUROPEAN INTEGRATION

Since 10 of the nations forming the North Atlantic Pact are European nations, the committee considered the possible effect of the pact on the development of European integration in the economic and political fields. Much practical integration has already been achieved through the Benelux union and the Brussels Pact. The European recovery program, which should insure a degree of lasting economic integration of the participating nations, and the proposed council of Europe, which has at its objective cooperation in the political field, are concrete and encouraging steps toward unity.

The committee believes that the North Atlantic Pact, by providing means for cooperation in matters of common security and national defense, creates a favorable climate for further steps toward progressively closer European integration. Moreover, cooperation

for common security gives added momentum to the movement toward unification.

8. THE TREATY AND THE GERMAN PROBLEM

While Germany is not a party to the North Atlantic Treaty the impact of the treaty upon Germany's future will be highly important. The committee believes it may make possible a solution of the German problem and a constructive integration of Germany into western Europe.

It should be kept in mind that all of the signatories of the pact, and particularly France and the other European countries, have suffered deeply from German aggression. All the signatory states are determined that Germany shall never again be permitted to threaten them. On the other hand, it is entirely possible that the German people may turn to the Soviet Union unless adequate and sincere efforts are made to provide them with a decent and hopeful future as an integral part of free Europe. Our European partners might be reluctant to accept Germany if it were not for the additional unity and security which the pact will afford.

The committee notes that there are already encouraging signs. In January 1949 the French Foreign Minister in a message to the German people declared that the German problem must be solved as part of the over-all European problem. He said:

"Our goal is above all to integrate all the European states in an association which should procure for all its members economic rehabilitation and political security."

Other European signatories have indicated similar views. Among the first concrete benefits of the pact were the highly satisfactory Anglo-Franco-United States agreements on Germany reached in April in Washington.

9. WORLD OPINION

The committee believes that this treaty correctly represents the will of the American people, and the will of the other people of the North Atlantic community, to work for peace. In the United States it has the support of the great majority of our citizens. Abroad, except for the discordant note expressed by the propaganda of the Soviet Government, its satellites, and Communist parties, there is the general feeling that the treaty has already brought new hope and confidence for the future.

Among the signatory nations the conviction is unmistakable that the pact will receive the favorable verdict of history and of posterity. In the Canadian Parliament ratification was voted unanimously. In the Belgian, British, Norwegian, Danish, Luxemburg, and Icelandic Parliaments the vote was overwhelmingly in favor of the treaty, with only the Communists in organized opposition.

The peoples of other parts of the world have expressed their belief that the strengthening of the peace and security of the North Atlantic area will strengthen world peace and their own security. There is evidence that even behind the iron curtain many people find in the treaty new hope for the cause of freedom everywhere.

PART V. CONCLUSIONS AND RECOMMENDATIONS

1. NEED FOR RATIFICATION

The committee believes that our failure to ratify the North Atlantic Treaty would have disastrous consequences abroad. At the present time there is an encouraging momentum of confidence that has been building up in Europe during the past year as a direct result of our interest and assistance. The failure of the political strikes in France and Communist losses in the Italian and French elections in 1948 and 1949, the recent success of the French internal loan and the increased strength of the western European currencies generally, the recent agreements on Germany, and the success of the recovery program—all these things reflect this growing momentum.

The great retarding factor in the European situation has been the pervading sense of insecurity. This sense of insecurity has been lessened during the past year as a direct result of American interest in common security problems as demonstrated by the passage of Senate Resolution 239 and our willingness to negotiate and sign the North Atlantic Treaty. The decision on the part of some of the European nations, such as Norway and Denmark, to participate in the treaty was not taken without full regard for the risks inherent in making clear their determination to resist aggression.

The committee strongly believes that it would be in the best interests of the United States and indeed, the entire world, to sustain and encourage the momentum of confidence that has been building up in Europe, by ratifying the treaty at an early date.

2. SUMMARY OF REASONS COMMITTEE URGES RATIFICATION

On June 6 the committee unanimously agreed to report the treaty to the Senate for favorable action. Its reasons for recommending ratification include the following:

(1) The treaty should greatly increase the prospect that another war can be averted by making clear in advance the determination of these 12 nations of the North Atlantic area to throw their collective power and influence into the scales on the side of peace.

(2) It expresses in concrete terms the will of the American people, and the other peoples of the North Atlantic area, to work constantly to maintain peace and freedom.

(3) Since the course of action envisaged in the treaty is substantially that which the United States would follow without the treaty, there is great advantage to the United States and the entire world in making clear our intentions in advance.

(4) The treaty is expressly subordinated to the purposes, principles, and provisions of the United Nations Charter and is designed to foster those conditions of peace and stability in the world which are essential if the United Nations is to function successfully.

(5) It is wholly consistent with our Constitution and stipulates that all its provisions shall be carried out in accordance with the constitutional processes of the participating countries.

(6) The treaty is in accordance with the basic interests of the United States, which should be steadfastly served regardless of fluctuations in the international situation or our relations with any country.

(7) In strengthening the security of the North Atlantic area the treaty greatly increases the national security of the United States.

(8) It is strictly in accordance with the Senate's recommendation, expressed last year in Senate Resolution 239, that the United States should associate itself with collective defense arrangements and thus contribute to the maintenance of peace by making clear its determination to defend itself against any armed attack affecting its national security.

(9) The treaty will greatly increase the determination of the North Atlantic states to resist aggression and their confidence that they can successfully do so.

(10) It will free the minds of men in many nations from a haunting sense of insecurity and enable them to work and plan with that confidence in the future which is essential to economic recovery and progress.

(11) By encouraging this feeling of confidence and security it should eventually make possible substantial savings for the United States both in connection with the European recovery program and our domestic Military Establishment.

(12) The treaty is essential to the development of that degree of unity and security among the North Atlantic states which will make possible the reintegration of Germany into western Europe and the ultimate solution of the German problem.

(13) It will greatly stimulate the efforts of the North Atlantic states to help themselves and to help each other and, through proper coordination of these efforts, to achieve maximum benefits with minimum costs and bring far greater strength than could be achieved by each acting alone.

(14) In the event our efforts for peace are undermined and war is imposed upon us, the treaty assures us that 11 other nations will stand with us to defend our freedom and our civilization.

(15) The treaty is not confined to the prevention of war but reflects the will of the participating nations to strengthen the moral and material foundations of lasting peace and freedom.

In tendering this unanimous report on the North Atlantic Treaty, we do so in furtherance of our Nation's most precious heritage—shared in common with the other signatories—continuing faith in our dependence upon Almighty God and His guidance in the affairs of men and nations.

Mr. McMAHON. Mr. President, it is only because I am a member of the Foreign Relations Committee that I rise at this time to make a few remarks about the treaty. I realize that the die is cast, and I think everything that can possibly be said about the treaty has been said. I do not intend to debate or discuss any of the subtleties contained or alleged to be contained in the language of the treaty.

The United States of America has come to a place of world leadership. It has reached that position through no design of its own. It has reached it as a matter of destiny. With that leadership and the power that goes with it, are concomitant duties and responsibilities, and yes, liabilities. We owe first to the people of our own land, and, secondly, to the peoples of other lands the duty to do everything we possibly can to maintain the peace. Because I believe the instrument we are considering was conceived in a desire to maintain the peace and because I believe it is an effective step for the prevention of war, I shall support it when the roll is called.

It is all very well to debate fine-spun points and theories, and I have not the slightest criticism of any brother Senator who has seen fit to examine the treaty, page by page, line by line, word by word, and comma by comma. But, Mr. President, in the few minutes at my disposal I propose not to talk in those terms. I propose rather to discuss the events which brought about the treaty, and to state why I think it will be a deterrent to a third and final world war. Moreover, I shall undertake to mention a few items which I think must also be attended to in the very near future in the conduct of our foreign policy.

It is a known fact that at the end of the war the United States of America had the greatest military striking force the world had ever known.

We dismantled that force, tore it apart, brought our boys home, and turned, we hoped, into the paths of peace. Unfortunately for us, and through no fault of our own, it slowly became apparent that our hopes were to be frustrated and that the dove of peace was not to rest on the breast of the world, but that we were to be bedeviled and tormented in our efforts to bring reconstruction to this war-weary and war-worn world.

Mr. President, it would seem to be unnecessary to rehearse the events of late 1945, or 1946, 1947, and 1948. It was finally borne in upon us that the Soviet Union meant what it said and said what it meant. We finally began to understand, when they matched their actions with the philosophy they had expounded to world for 25 years, that unless we took steps to check that aggression, this Nation and the whole western civilization were in dire peril.

So, Mr. President, although we were called imperialists, although we were lied about in as vicious a campaign as ever emanated from any world capital, although our motives were misinterpreted to the world, we have proceeded to write a record of generosity, a record of fair treatment and decency, of which every American citizen can well be proud. Yes, even his children and his children's children will find in the pages of history which we have written in the past few years events which will ever shine as a landmark and as a hallmark of fair play and decency in international relations.

We have given of our largess; we have given of our charity; we have done our best; but at every point, geographically, and at every point, ideologically, we have been met by an obstinate, obstructionist, and determined power which did its best to frustrate our efforts and destroy our line of approach. We watched nation after nation fall under the sway of the Soviet Union. We watched liberty disappear in Poland, in Czechoslovakia, in Rumania, in Hungary, in that part of Austria which Russia controlled, and in all the other sad countries which are now existing behind the so-called iron curtain.

Finally, Mr. President, we engaged in the economic reconstruction of Europe under the so-called Marshall plan. I am fully aware that that was not an act of pure unselfishness, because if there is one thing we know today it is that we cannot live alone, and we know that the great problem of modern civilization, as it has existed and as it has developed in America, is the maintenance of the kind of standard of living we have here in the midst of a wrecked and ruined world. The Marshall-plan program has had its successes and its disappointments, but no one can deny that but for it, all the rest of Europe that had not fallen under the heel of the Soviet Union would have disappeared into the black abyss and we would probably today be facing an Atlantic war, with our backs to the wall, instead of considering this treaty. That plan gave us time, of which we have made, in my opinion, some use—perhaps not enough, but there is still time to do more.

Mr. President, one of the Senators, in commenting on the treaty, suggested that we face realities. If ever a people faced a reality in the history of the world, we face reality when we combine with our friends and say to this potential foe, "If you strike, you will find us united against you."

Yes, Mr. President; we face the realities which I have just attempted briefly to mention. We face the reality of Russian expansion. We face the reality of Russian ideology. We face the kind of philosophy which was enunciated by Lenin and which has been repeated by every Russian leader from that day down to this, to the effect that capitalism and communism cannot live in the same world, and that communism will triumph.

Mr. President, much has been said regarding our moral obligations arising under this treaty. We have a moral obligation to our own people to defend them. This instrument is certainly a potent means of defense. When it comes to exactly what kind of aid we shall extend to our allies, there certainly is room for permissible difference of opinion. I can conceive of Senators arguing that no arms should be furnished to Europe, but that they should be piled up at home. That is an argument with which I do not personally agree, but nevertheless, I think it is permissible. We do, however, have a moral obligation, as I see it, under this treaty, to make it work, and if we do not intend to assume the moral duty to make this treaty work, then, of course, it is foolhardy to enter into it.

I was interested in the statement of the senior Senator from Ohio [Mr. TAFT] when he suggested, in his recent speech, that we were facing an armaments race. We are not facing an armaments race; we are in an armaments race. Certainly our own military budget, to the extent of $16,000,000,000, our own efforts in the manufacture of weapons of mass destruction, constitute our part of an arms race. But it is an arms race which is being engaged in by the Soviet Union certainly to an equal extent.

The war games in Moscow a few days ago demonstrated some new type jet planes which I understand, according to the press, our military observers were surprised to see.

It is not facing reality to say that we face an arms race and do not recognize that we are in it. It is an arms race which we have done everything possible to avoid, because, although it probably has not been emphasized as much as it could have been, we took the initial step to attempt to remove from the armaments of nations what is probably the conclusive weapon of war. We have pursued that ideal with determination and vigor. We have persuaded the peoples of the earth, the Soviets notwithstanding, to approve that proposal. Only Russia at this moment dissents from that proposal.

Mr. President, the senior Senator from Michigan [Mr. VANDENBERG] in his memorable and notable address, called attention to the fact that the text of his resolution did more than prepare the way for the making of this treaty. He also called for maximum efforts to obtain agreements among member nations on universal regulation and reduction of armaments under adequate and dependable guaranty against violation.

Then, as I understood the senior Senator from Michigan, he suggested that it might be an appropriate thing for the President of the United States to address the whole world, upon the completion of this pact, and call attention to the fact that we renewed again our plea and our entreaties that armament reductions should come about.

There can be no question that the final adoption of this pact and the military implementation of it to whatever extent may be suggested, will in and of itself prevent the outbreak of another war. It has long been my conviction that the war cannot be prevented so long as this arms race continues unabated and unchecked.

I should like to see, as the Senator from Michigan would, the President of the United States address the world upon this pact and what it means, and upon our renewed desire for a reduction of armaments. There is one very great impediment to the effectiveness of such a plea, for unfortunately, because of the iron curtain, it cannot be heard by the only people who need to be convinced of our sincerity. It has long been my feeling that conferences of an international character are bound to be useless so long as the iron curtain persists. Unless it can be cleared, and unless the Russian people can be talked to and convinced, in my opinion, there can be no hope for permanent peace.

I should like to see the United States develop a program which I would term "operation freedom." This Nation whose economy has been built upon the art of advertising its industry, this Nation, which has brought itself to the highest standards of living in the world by mass production, it seems to me has the greatest bill of goods in the world to sell. We can offer them freedom and explain it, and tell the people what we mean, and if we can get that message behind the iron curtain, then and then only can we hope to have a change in the Soviet policy.

Mr. President, I think if we can be about this business, if we can work even more intelligently and assiduously for a free and united Europe, if we can go before the United Nations and propose to that organization that it establish radio stations in every country so as to reach the whole world, and let Russia turn that proposition down, we can bring home to the people of the earth more vividly than in any other manner the fact that we are not unafraid of the truth. If we can do some of these things upon the basis of the security which I believe this pact offers us, in the few years before this armament race will come to a head, then in my opinion there will be a real hope of avoiding world war III.

Mr. President, this pact, as I see it, is the foundation stone upon which will be built in the minds of our own people and in the minds of the people of western Europe a feeling of security, and upon which there can be erected a sound edifice for peace. If we were to deny this pact at this time—which, of course, will not be done; it is inconceivable that such a thing should occur—we would plunge into the abyss of despair and destruction not only western Europe, but ourselves as well.

We are dealing with the most unorthodox situation the world has ever known, and we must do some unorthodox things if we are going to meet the challenge. It

is only by the kind of statesmanlike, intelligent, forward-looking policy this pact represents that we can hope for a perpetuation of our ideals, our freedom, and our country.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. McMAHON. I yield.

Mr. WHERRY. Does the Senator feel that if military aid is extended to the signatory nations by this treaty, it might include the sharing of the atomic-bomb secret, or the know-how of what goes with it? I am asking that in all sincerity.

Mr. McMAHON. I understand that. It would seem to me that the pact which we are debating at the present time stands in and of itself. When the military-assistance proposal comes to us I think it will be more appropriate for the Senator, or any other Senator, to inquire into the exact nature of the aid which we intend to give. At the present time, because of the fact that we are engaged, in the Joint Committee on Atomic Energy, in the discussion of our international relationships with two of our allies with regard to this subject, I do not feel I care to pursue the matter any further.

Mr. WHERRY. I deeply regret that the Senator feels that an answer should not be made at this time. I am not going to press him further, except to say that there are some who are confused as to whether or not the pact does imply implementation. If it does, that is one thing; if it does not, that is another. If the two are entirely separate, I suppose the question does not have to be answered at this moment, but if it should involve military aid—which was the point I wanted to make, and we give military aid under article 9 as it is presented, would that involve sharing anything we have, either the atomic bomb, or the secrets, or the know-how, and all that goes with it? It seems to me that question is not untimely, it would help me considerably if I could get the reactions of the Senator to that question.

Mr. McMAHON. I shall stand on the answer I made regarding the exact nature of the military aid which may be given to implement the pact. The proposal for military aid will come before the Congress of the United States, and at that time the character, the amount, the extent of the aid will undoubtedly be divulged to the Congress, and be given to the Congress to pass upon. So I would say to the Senator from Nebraska that as to whether there should be 20,000 tanks, or 50,000 pistols, for example, I believe those matters are not part of the consideration of this treaty.

Mr. DONNELL. Mr. President——

The PRESIDING OFFICER (Mr. GRAHAM in the chair). Does the Senator from Connecticut yield to the Senator from Missouri?

Mr. McMAHON. I yield.

Mr. DONNELL. I assure the Senator I shall not press him for any answer which he does not deem proper to make, and he has only to say that in response to the question, and I shall not press the question.

It appears to me, however, if I may say so in framing the questions to address to the Senator, since article 3 contains an obligation on the parties, by means of continuous and effective self-help and mutual aid, to maintain and develop their individual and collective capacity to resist armed attack, that it becomes of great importance to know, and to know at this time, whether it is deemed likely that any prospective enemy will already have discovered the secret of the atomic bomb, or will hereafter discover it. If it is deemed necessary by the Senator that the other nations, our associates, shall maintain and develop their capacity to resist armed attack, it is necessary, in my opinion, to know whether or not we are going to have to disclose to our cosignatories the atomic-bomb secret.

I ask the Senator from Connecticut whether he agrees with me that, if it seems likely that a prospective enemy has either already discovered the atomic-bomb secret or is about to discover it, in order that our cosignatories may have the capacity to resist armed attack by atomic bomb, they likewise must be vested, either with the bomb itself or the secret of the bomb, or both?

Mr. McMAHON. Mr. President, accepting the Senator's hypothesis merely for the purpose of answering his question, I will say to the Senator from Missouri that I have indicated that the carrying out of the mutual-aid and self-help provision is a matter of agreement between the parties. It is entirely conceivable that all naval functions in a certain area would be assigned to one power; that all air operations in another area would be assigned to another power. There is nothing, as I see it, in this pact or treaty which imposes any obligation on the part of the United States to take any specific pieces of armament, airplanes, tanks, submarines, atomic bombs, or what have you, and put them at the disposal of the treaty nations. That is a matter for negotiation between the parties at the time of the implementation of the treaty, and that implementation, as I understand, cannot come about without the consent, in fact, the approval, of the Congress.

Mr. DONNELL. I thank the Senator for his statement. I ask him this question: Does he not recall that article 3 obligates the parties separately and jointly not only to maintain and develop their collective capacity to resist armed attack but to maintain and develop their individual capacity to resist armed attack? Would not that necessarily mean that if a prospective enemy should discover the secret of the atomic bomb, in order that one of our cosignatories might maintain and develop its individual capacity to resist armed attack, it must have control of the atomic bomb likewise?

Mr. McMAHON. Conceivably, I will say to the Senator, the signatories to the treaty could best be defended in that event by a concentration of that particular weapon within the continental area of the United States. I am not passing upon that question at this time. I merely say that to illustrate that there is no binding compulsion within this pact as to exactly what kind of military assistance shall or shall not be given by the United States to any other country.

Mr. DONNELL. I thank the Senator.

Mr. FREAR. Mr. President, I rise for the purpose of announcing very briefly that I intend to support ratification of the North Atlantic Defense Pact when the vote is taken tomorrow.

The abundant reasons already advanced for ratification by the many distinguished Senators who preceded me in this debate leave little to be desired in the way of added explanations. Therefore I shall detain the Senate only a very few minutes with my comments.

Since I do not consider myself a specialist in the field of international relations, my reasons for favoring this treaty stem from my own personal observations and study of the matter, in light of the conditions in Europe which have developed, particularly since the end of the recent war.

The North Atlantic Alliance was born out of the realization that unless freedom-loving nations unite for common security they will be overwhelmed by the Red tide of communism. One need only review the events which have taken place since the close of the war to see how this atheistic philosophy has already succeeded in advancing across Europe and Asia, entrenching itself at the expense of war-weary, destitute peoples.

Somewhere before it is too late democratic people must make a stand. I believe the North Atlantic defense treaty gives us that opportunity. But let me also say that in making that stand it does not, to my way of thinking, mean that once again we will necessarily be forced to take up arms. The solidarity of the North Atlantic nations will, I feel certain, act as a deterrent to aggression. We must keep in mind that the aggressive attitude of the Soviet Government, both politically and militarily, is just as much a menace to our way of life as it is to that of France or Norway or Luxemburg. Europe's struggle against communism is our struggle. The idealistic theory of isolation on the part of the United States is obsolete.

There is no other course for western Europe's free nations except to seek collective security through some form of unified alliance. We should not hesitate to join in this agreement for our common defense. Europe is still suffering from an attitude of defeatism. Its economy is deficient. Without our generous assistance its plight would be desperate. We have already seen how much Marshall-plan aid and our program of assistance to Greece and Turkey have done to promote European recovery. But it is not enough. A great section of eastern Europe lies helpless under the hand of the Kremlin. Germany, divided and restless, poses another great problem. The strong hand of the United States is needed to reinforce those remaining nations seeking to stand against a totalitarianism which attempts to disrupt recovery and promote disunity for its own insidious gain.

Mr. President, I deplore the awfulness of war just as much as anyone. Along with many others, I have served in our armed forces during both of the recent

conflicts, and have marched over Europe as a liberator for oppressed peoples. The horror and tragedy of war is humanity's greatest scourge. Certainly it is forever incumbent upon us to work for true peace. We must realize that the world cannot be controlled by force. Rather its organization must be founded on the free exchange of ideas. Freedom is a precious and undisputable right, but sometimes its possession is gained only at great cost.

Surely we and many other nations have earnestly sought friendly association with Soviet Russia through the United Nations. But though the efforts of this organization have borne fruit, yet it appears obvious that the United Nations, at present anyway, is not capable of maintaining international cooperation among nations.

In my own State, a small number of people have expressed concern to me about the fact that this treaty represents a radical departure from our earlier foreign policies, in that it takes us into a military alliance for the first time in our history during peacetime. In reply I have stated that for all practical purposes we are already in Europe and have been for a number of years. We have, as I indicated, spent billions of dollars on recovery there. Our occupation armies are there and will probably so remain indefinitely. So, in effect, this allegiance or pledge of cooperation we are considering does not create anything really new or radically different. Rather it consolidates the association of the United States with that of other European nations in the cause of peace.

The treaty viewed geographically takes in the North Atlantic area and its approaches. Certainly the North Atlantic is a vital sea lane bearing on the security of this Nation. One can logically reason, then, that the existence of friendly nations at the European side of the Atlantic means a vast extension of our outer defense system.

I believe, Mr. President—and I feel certain that the majority of the American people do also—that communism must be contained. We cannot allow its further expansion in Europe against helpless individual nations.

If the treaty involves a calculated risk of war, as some believe, it also at the same time involves a calculated bid for real peace.

The proponents of communism must be brought to the sharp realization that already they have transgressed too far on human rights. It is up to us to see that the tide of freedom can continue to flow in Europe and perhaps extend behind the iron curtain where the dignity of the individual has long since been a thing of the past.

In conclusion, Mr. President, I should like to say only that I hope that the Senate will ratify this treaty by the greatest possible margin of votes, so as to leave no doubt in the minds of anyone of our intentions regarding the future well-being of western Europe.

Mr. WHERRY. Mr. President, my understanding was that there was another speaker or two, but they are not in the room.

I should like to ask the distinguished acting majority leader [Mr. CONNALLY] a question. I do not wish to disturb the unanimous-consent agreement which is in effect. However, we find ourselves in this situation: The Committee of the Whole will rise at 2 o'clock tomorrow afternoon to report the treaty to the Senate. The time between 12 and 2 is divided between proponents and opponents of the treaty, in the final debate on that subject.

After the Committee of the Whole rises, the time between 2 and 5 is to be allotted to Senators who have offered amendments or reservations to the resolution of ratification. Five or six such amendments have been submitted. With respect to each such amendment, there will be a limitation of 10 minutes for the proponent of an amendment and 10 minutes for the chairman of the Committee on Foreign Relations in opposition. I am quite satisfied that if we figure 100 minutes for five reservations, for example, we shall have an hour and 20 minutes which will not be used.

I do not wish to ask unanimous consent to disturb the present unanimous-consent order. I should like to have 30 minutes to present a reservation. I have taken the question up with the distinguished chairman of the Foreign Relations Committee. To my mind there are only two ways in which I could be allowed the time I desire. First, if I could have 30 minutes of the 1 hour which is within the control of the Senator from Missouri [Mr. DONNELL] under the allotment of the time between 12 and 2, I should be glad to avail myself of that time. I discussed the question with the distinguished Senator from Missouri [Mr. DONNELL], and I think he is of the opinion that inasmuch as I intend to speak on a reservation, it does not properly come within the time allotted to Senators who wish to oppose the treaty itself.

I talked with the distinguished Senator from Michigan [Mr. VANDENBERG]. I understand from him that he is to speak in the time of the proponents, during the period between 12 and 2 o'clock. I think he intends to speak on a reservation. Am I correct in that statement?

Mr. VANDENBERG. Mr. President, the Senator is almost correct. I intend to speak on the general subject of reservations.

Mr. WHERRY. That being true, if the Senator from Missouri, knowing that fact, would grant me 30 minutes, I would make no further request. If he feels that he cannot, I should like to hear from him.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. DONNELL. I hold in my hand the unanimous consent agreement, which, referring to the period between the hours of 12 and 2, says this:

> That between the hours of 12 o'clock and 2 o'clock the time shall be equally divided between the proponents and the opponents of the treaty itself, to be controlled by the Senator from Texas [Mr. CONNALLY] and the Senator from Missouri [Mr. DONNELL].

My view is that the portion of that time at my disposal, namely, a period of 1 hour, is to be given to opponents of the treaty. I do not think I could consent that a Senator not speaking in opposition to the treaty itself could avail himself of that time. The Senator from Michigan, who has just spoken, is undoubtedly a proponent of the treaty, and may very well speak on reservations, or use his own judgment. But I think I would have to be assured by any Senator to whom I assigned time that he is an opponent of the treaty.

Mr. WHERRY. I see the point. I will not press the request further.

I have also consulted with the distinguished chairman of the Foreign Relations Committee, and I understand that he is not averse to the Senate taking a recess until 11:30 o'clock tomorrow. If that were done, the Senator from Nebraska could be recognized for 30 minutes at that time.

Mr. CONNALLY. Mr. President, I think it would be better for the Senator to be recognized now, and then we could take a recess until tomorrow.

Mr. WHERRY. Mr. President, if there is no objection, I suggest that the Senate take a recess until 11:30 o'clock tomorrow, and that when the Senate reconvenes the occupant of the chair recognize the junior Senator from Nebraska.

Mr. DONNELL. Mr. President, I had understood the Senator from Texas to suggest that the Senator obtain recognition this afternoon.

Mr. WHERRY. I am already recognized.

The PRESIDING OFFICER (Mr. GRAHAM in the chair). The Senator from Nebraska has been recognized.

Mr. VANDENBERG. Mr. President, will the Senator from Nebraska repeat his request?

Mr. WHERRY. I ask unanimous consent that the Senate take a recess until 11:30 o'clock a. m. tomorrow, and that when the Senate reconvenes at 11:30 the occupant of the chair recognize the junior Senator from Nebraska for 30 minutes.

Mr. VANDENBERG. The only question is whether or not the 30 minutes should be added to the time consumed by a possible quorum call, in which case the 30 minutes would impinge on the time of other Senators.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska?

Mr. VANDENBERG. Mr. President, reserving the right to object, I suggest that the Senator from Nebraska put his request in a slightly different form, namely, that he be recognized until 12 o'clock.

Mr. WHERRY. In that event many things might happen. I might not be able to get 30 minutes. If 11:30 is not early enough, I shall be glad to amend the request to 11:15, and do exactly as the Senator suggests.

Mr. VANDENBERG. Does not the Senator see the point I am making?

Mr. WHERRY. Yes. It is a good point. I should like to have 30 minutes if I can get it.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. DONNELL. After hearing the Senator from Michigan, in view of the

fact that there might well be a quorum call, and possibly half the time would be involved, it seems to me that 11:15 would be the logical time for the Senate to meet tomorrow.

Mr. WHERRY. Mr. President, I amend the request. I ask unanimous consent that when the Senate takes a recess tonight, it takes a recess to reconvene at 11:15 o'clock a. m. tomorrow, and that at the time the junior Senator from Nebraska be recognized.

The PRESIDING OFFICER. The Senator from Nebraska will then have the floor, and may do as he pleases.

Mr. WHERRY. I shall have the floor, and I can yield for a quorum call if I care to do so.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? If not, it stands approved.

RECESS

Mr. WHERRY. Mr. President, I move that the Senate take a recess, in accordance with the order just entered.

The motion was agreed to; and (at 8 o'clock and 27 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until tomorrow, Thursday, July 21, 1949, at 11:15 a. m.

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NOMINATIONS

Executive nominations received by the Senate on July 19 (legislative day of June 2), 1949, and referred to the Committee on Armed Services today:

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of section 107 of the Army-Navy Nurses Act of 1947:

*To be captains, Army Nurse Corps*

Ruth Agnew, [redacted].
Catherine Barbara Bean, [redacted].
Florence M. Christman, [redacted].
Mildred O. Conin, [redacted].
Patricia L. Crocker, [redacted].
Helen Elizabeth Cundiff, [redacted].
Dorothy M. Cunningham, [redacted].
Elsie F. Easterling, [redacted].
Margaret Catherine Farley, [redacted].
Margaret Cecelia Flynn, [redacted].
Helen Marie Hays, [redacted].
Bernice Isabel Heath, [redacted].
Maralee Ruth Hodgson, [redacted].
Betty Jane Hughes, [redacted].
Mary P. Kent, [redacted].
Ruth A. Kruger, [redacted].
Marietta Levy, [redacted].
Alice M. Linhares, [redacted].
Etta Mildred Lowe, [redacted].
Gertrude I. Mahn, [redacted].
Mamie Sue May, [redacted].
Irene Ethel Miller, [redacted].
Ruth Theodora Mills, [redacted].
Mary Cecelia Murphy, [redacted].
Anne Loretta Nodziak, [redacted].
Mary Patricia Reilly, [redacted].
Rosalie M. Requist, [redacted].
Lucille D. Russell, [redacted].
Rosemary Slavin, [redacted].
Maude Morrin Smith, [redacted].
Catherine Curtis Stein, [redacted].
Margaret Ruth Stonaker, [redacted].
Isabelle Alma Tarutis, [redacted].
Ruth Elizabeth Tucker, [redacted].
Mary Elizabeth Vaughan, [redacted].

*To be captains, Women's Medical Specialist Corps*

Edyth Hildegard Emerson, [redacted].
Evelyn Folmar, [redacted].
Catherine S. Hooper, [redacted].

CONFIRMATION

Executive nomination confirmed by the Senate July 20 (legislative day of June 2), 1949.

FEDERAL COMMUNICATIONS COMMISSION

Edward Mount Webster to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1949.

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# HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 20, 1949

The House met at 10 o'clock a. m.

The Acting Chaplain, Rev. Jacob S. Payton, D. D., offered the following prayer:

Eternal God, in whom is our sufficiency, we turn to Thee. Within these walls may the honor of America be kept bright this day. Within our hearts may a place be set apart for things worthy of reverence—truth and beauty, loyalty and heroism, faith and sacrifice. Within the scope of our purposes may there be room only for qualities that bear the hallmark of character. Suffer us never to forget, O Lord, that with Thee evaluation of service rests upon the degree to which we identify ourselves with causes that bless and redeem mankind. May Members of this body dedicate themselves to the establishment of righteousness throughout the land. In Thy name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

NAVAJO AND HOPI TRIBES OF INDIANS

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1407) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes, with House amendments thereto, insist on the House amendments, and agree to a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MORRIS, MURDOCK, WHITE of Idaho, D'EWART, and LEMKE.

COMMITTEE ON THE JUDICIARY

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have permission to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments may have permission to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, one of the members of that committee has informed me that he is very anxious to hear the debate on the agricultural bill and he hoped his own committee would not be in session; therefore I would feel constrained to object in accordance with his request, if the gentleman persists.

Mr. PRIEST. Mr. Speaker, I withdraw the request.

SUBCOMMITTEE ON HEALTH, SCIENCE, AND COMMERCE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health, Science, and Commerce may have permission to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. PLUMLEY asked and was given permission to extend his remarks in the RECORD and include a speech made by Samuel B. Pettengill notwithstanding that it exceeded two pages of the RECORD and, according to the Public Printer, costs $240 to print.

SPECIAL ORDERS GRANTED

Mr. REES asked and was given permission to address the House today for 10 minutes following disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

Mrs. BOLTON of Ohio asked and was given permission to address the House for 15 minutes on Monday and Tuesday next, following any special orders heretofore entered.

Mr. JACKSON of California asked and was given permission to address the House on Monday next for 1 hour following any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD in four instances and include extraneous material.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MORTON asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend the remarks he will make in Committee of the Whole today and include statistical tables and extracts on farm legislation.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. PATTEN asked and was given permission to extend his remarks in the RECORD.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD in two instances and include editorials.

Mr. WICKERSHAM asked and was given permission to extend his remarks in the RECORD and include a statement by Gen. Bedell Smith.

Mr. JACKSON of California asked and was given permission to extend his remarks in the RECORD and include three editorials.

Mr. NIXON asked and was given permission to extend his remarks in the RECORD.

PRIVATE CALENDAR

The SPEAKER. This is the day set for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

ARTHUR C. JONES

The Clerk called the bill (S. 275) for the relief of Arthur C. Jones.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur C. Jones, of Dover, N. H., the sum of $4,881.36, plus the sum of $987.60 for medical expenses, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him on July 28, 1942, while serving as a laborer at the United States naval shipyard, Portsmouth, N. H., and the subsequent aggravation of such injuries which resulted in the amputation of both feet: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAYWARD O. BRANDON

The Clerk called the bill (S. 1266) for the relief of Hayward O. Brandon.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Hayward O. Brandon, of Philippi, W. Va., the sum of $259. The payment of such sum shall be in full settlement of all claims of the said Hayward O. Brandon against the United States for wages for overtime work performed during 1941 as an employee of the Post Office Department: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM D. NORRIS

The Clerk called the bill (S. 40) for the relief of William D. Norris.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William D. Norris, of 715 North E Street, Las Vegas, Nev., the sum of $6,760, in full satisfaction of his claim against the United States for compensation for loss of earnings and for pain and suffering as a result of personal injuries sustained on December 19, 1942, near Boulder Dam, when a United States Army vehicle collided with an automobile driven by the said William D. Norris: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JULIA BUSCH

The Clerk called the bill (H. R. 660) for the relief of Julia Busch.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to pay to Julia Busch, of Little Falls, N. Y., the proceeds of national service life insurance policy No. [redacted] issued to Clifford J. MerCarter, late private, Company H, Two Hundred and Seventy-third Infantry, United States Army, who was killed in action in Italy, on February 11, 1944. Although the said Julia Busch was designated by the insured as beneficiary of such policy, her claim for payment thereunder was disallowed by the Veterans' Administration on the ground that she did not stand in loco parentis to the insured within the meaning of the National Service Life Insurance Act of 1940, as amended, because such relationship did not have its conception during the minority of the insured.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES A. GORDON

The Clerk called the bill (S. 1080) for the relief of James A. Gordon.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That James A. Gordon, of Columbia, S. C., is hereby relieved of liability for payment to the War Department of the sum of $861.25, such sum having been charged against the said James A. Gordon by the War Department as a result of the theft of public funds in his custody, without fault or neglect on his part, while he was on active duty as a second lieutenant in the Army of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LACEY C. ZAPF

The Clerk called the bill (S. 1429) for the relief of Lacey C. Zapf.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lacey C. Zapf, of Washington, D. C., the sum of $486.56 in full satisfaction of his claim for transportation costs and other expenses incident to the return of his dependent daughter, Mrs. Betty Zapf Prudden, from Sydney, Australia, to Washington, D. C., in February 1940, incurred by the claimant when he was acting under appointment as American trade commissioner to Australia under travel order issued by the United States Department of Commerce.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SOUTHERN FIREPROOFING CO., CINCINNATI, OHIO

The Clerk called the bill (H. R. 627) for the relief of Southern Fireprocfing Co., of Cincinnati, Ohio.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $32,935.52 to Jacob Lichter and Jennie L. Lichter, partners doing business as Southern Fireproofing Co., of Cincinnati, Ohio, in full settlement of all claims against the United States under certain negotiation agreements between them and the Secretary of War (now the Secretary of the Army).

With the following committee amendments:

Page 1, line 5, strike out "$32,935.52" and insert "$27,019.39."

At the end of the bill, add the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD GRAY AND OTHERS

The Clerk called the bill (H. R. 752) conferring jurisdiction upon the United States District Court for the Eastern District of Michigan to hear, determine, and render judgment upon the claim of Edward Gray, Sr.; Edward Gray, Jr.; Bertha Mae Gray; Bertha Patmon; and Lindsay Gardner, all of the city of Hamtramck, Wayne County, Mich.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of Michigan to hear, determine, and render judgment, as if the United States were suable in court, upon the claim of Edward Gray, Sr.; Edward Gray, Jr.; Bertha Mae Gray; Bertha Patmon; and Lindsay Gardner, all of the city of Hamtramck, Wayne County, Mich., against the United States for loss and damage sustained when the automobile of Edward Gray, Sr., was struck by a truck owned by the United States at Camp Custer Military Reservation, at the corner of Gallagher and Jacob Avenues in the city of Hamtramck, on the 28th day of June 1942.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the

enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, appeals therefrom, and payment of any judgment thereon, shall be in the same manner as in the cases over which such court has jurisdiction under the provisions of paragraph twentieth of section 24 of the Judicial Code, as amended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIGUEL A. VIERA

The Clerk called the bill (H. R. 1474) for the relief of Miguel A. Viera.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Miguel A. Viera, in full settlement of all claims against the United States for personal injury sustained as the result of an accident involving a United States Army truck at Leghorn, Italy, on January 11, 1946.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That jurisdiction is hereby conferred upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon the claim of Miguel A. Viera for damages sustained as the result of an accident involving a United States Army truck at Leghorn, Italy, on January 11, 1946.

"SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, appeals therefrom, and payment of any judgment thereon, shall be in the same manner as in the cases over which such court has jurisdiction under the provisions of paragraph twentieth of section 24 of the Judicial Code, as amended."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to confer jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon the claim of Miguel A. Viera for damages sustained as the result of an accident involving a United States Army truck at Leghorn, Italy, on January 11, 1946."

A motion to reconsider was laid on the table.

JOHN J. O'MARA

The Clerk called the bill (H. R. 1631) for the relief of John J. O'Mara.

There being no objection, the Clerk read the bill as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John J. O'Mara, Dublin, Eire, the sum of $1,000. The payment of such sum shall be in full settlement of all claims of the said John J. O'Mara against the United States arising from an attack made upon him in Dublin on January 27, 1944, by a citizen of the United States who was under prison sentence as the result of a general court martial and who had escaped from the custody of the United States Army: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAURICE J. SYMMS

The Clerk called the bill (H. R. 1666) for the relief of Maurice J. Symms.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the act entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," approved May 29, 1944, Maurice J. Symms, New Orleans, La., shall be held and considered to have been employed for 3 years by the Isthmian Canal Commission on the Isthmus of Panama during the construction period of the Panama Canal, from May 4, 1904, to March 31, 1914, inclusive. The said Maurice J. Symms was compelled to leave such employment after 2 years 11 months and 23 days because of illness.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. JACOB ORNSTEIN

The Clerk called the bill (H. R. 1799) for the relief of Dr. Jacob Ornstein.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Bureau of Employees' Compensation, Federal Security Agency, is authorized and directed to furnish to Dr. Jacob Ornstein, professor of modern languages, Waldorf College, Forest City, Iowa, an automobile equipped with such special attachments and devices as may be necessary to enable the said Dr. Jacob Ornstein to operate such automobile by hand. Such automobile shall be purchased out of funds available to the Bureau of Employees' Compensation for the payment of compensation under authority of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended. The said Dr. Jacob Ornstein served with distinction during World War II in the Office of Strategic Services, his knowledge of European languages being of invaluable assistance to the work of such Office. While on duty in Milan, Italy, in 1945, he was stricken with poliomyelitis, and has never regained the use of his legs.

With the following committee amendments:

Page 2, line 2, after "hand." strike out the and 6 down to and including "Iowa," and insert the following: "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,858 to Dr. Jacob Ornstein, of Waldorf College, Forest City, Iowa, for the purchase of."

Page 2, line 2, after "hand." strike out the remainder of line 2 and all down to and including "amended." in line 9.

At the end of the bill insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRACE L. ELSER

The Clerk called the bill (H. R. 2594) for the relief of Grace L. Elser.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Civil Service Commission is authorized and directed to pay, out of any money in the civil-service retirement and disability fund, to Grace L. Elser, the widow of Wilbur L. Elser, formerly a soil conservationist with the United States Department of Agriculture, an annuity equal in amount to the annuity which she would have been entitled to receive had the retirement of the said Wilbur L. Elser become effective on May 15, 1947, and had he elected in writing, at the time of such retirement, to receive a reduced annuity equal to such reduced annuity payable after his death to the said Grace Elser, as surviving beneficiary.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AULDON ALBERT AIKEN

The Clerk called the bill (H. R. 2628) for the relief of Auldon Albert Aiken.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Auldon Albert Aiken, of Hampton, Va., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said Auldon Albert Aiken against the United States on account of personal injuries (including medical and hospital expenses), property damage, and loss of earnings sustained by him as a result of gunfire by an Army sentry on January 5, 1942, at the airport of the College of William and Mary, on the old Richmond Highway near Williamsburg, Va.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC UTILITY DISTRICT NO. 1, COWLITZ COUNTY, WASH.

The Clerk called the bill (H. R. 3193) for the relief of Public Utility District No. 1, of Cowlitz County, Wash.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not already appropriated, the sum of $62,299.38 to Public Utility District No. 1, Cowlitz County, Wash., in full settlement of the said public-utility district's claim against the United States for a fee paid by the said public-utility district to the clerk of the United States District Court for the Western District of Washington, Southern Division, in cause No. 8592, pursuant to the provisions of paragraph 8, section 555, title 28, United States Code, Annotated, as then in effect: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY THOMAS SCHIEK

The Clerk called the bill (H. R. 3300) for the relief of Mary Thomas Schiek, a Red Cross employee injured by the Army.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $50,000 to Mary Thomas Schiek, in full settlement of all claims against the United States and against Charles H. McDevitt, Jr., formerly a major in the Medical Corps, and Chief of the Surgical Service, Three Hundred and Seventy-second Station Hospital, for permanent injuries suffered as the result of the negligent operation of an Army truck on May 27, 1945, in Bengal Province, India, and as the result of neglect and malpractice by Army Medical Corps personnel of the Three Hundred and Seventy-second Station Hospital: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$50,000", and insert "$35,000."

Page 1, line 6, after the name "Schiek", insert "of Milwaukee, Wisconsin."

Page 1, line 7, after the word "States", strike out the bill down to the colon in line 3, page 2, and insert: "for personal injuries, pain and suffering, permanent disability, and loss of earnings sustained by her and arising out of an accident which occurred in Bengal Province, India, on May 27, 1945, while she was riding in an Army truck, and against all officers, agents, or employees of the United States whose acts or omissions caused or contributed to the personal injuries, pain and suffering, permanent disability, and loss of earnings sustained by the said Mary Thomas Schiek."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mary Thomas Schiek."

A motion to reconsider was laid on the table.

ALASKA NATIVE BROTHERHOOD AND/OR SISTERHOOD

The Clerk called the bill (H. R. 3494) to authorize the Secertary of the Interior to transfer a building in Juneau, Alaska, to the Alaska Native Brotherhood and/or Sisterhood, Juneau, Alaska, camp.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized and directed to transfer without charge to the Alaska Native Brotherhood and/or Sisterhood, Juneau (Alaska) Camp, all the right, title, and interest of the United States in the following-described building in Juneau, Alaska, now owned by the Alaska Native Service:

A one-story two-room frame building, 28 by 45 feet and 24 feet high, presently located on a tract of tidelands shown as lot 2, block A, on the unofficial survey plat of the Juneau Indian Village.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

KNICKERBOCKER INSURANCE CO. OF NEW YORK AND ATLAS ASSURANCE CO., LTD.

The Clerk called the bill (H. R. 3726) for the relief of Knickerbocker Insurance Co. of New York and Atlas Assurance Co., Ltd.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Knickerbocker Insurance Co. of New York, the sum of $2,639.07, and to Atlas Assurance Co., Ltd., the sum of $18,473.48, in full and final settlement of all of their claims against the United States resulting from property damage to the West Dallas (Tex.) Works of the Texas Co. caused by the crash of a B–29 Army bomber into the said plant on October 8, 1944: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any one agent or agency, or by any one attorney or firm of attorneys, on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MRS. MARY L. W. DAWSON

The Clerk called the bill (H. R. 3803) for the relief of Mrs. Mary L. W. Dawson.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Mary L. W. Dawson, of Athens, Ga., the sum of $1,740. Payment of such sum shall be in full settlement of all claims of the said Mrs. Mary L. W. Dawson against the United States for payment of a 6 months' death gratuity of which she was deprived by reason of an error in the naval record of her husband, Lieutenant (junior grade) Cosby Homer Dawson, now deceased. Such error has been corrected by the Board for Correction of Naval Records and the Secretary of the Navy acting pursuant to section 207 of the Legislative Reorganization Act of 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

NEW YORK QUININE & CHEMICAL WORKS, INC., ET AL.

The Clerk called the bill (H. R. 4653) for the relief of the New York Quinine & Chemical Works, Inc.; Merck & Co., Inc.; and Mallinckrodt Chemical Works.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That Merck & Co., Inc., acting on behalf of itself and on behalf of Mallinckrodt Chemical Works and the New York Quinine & Chemical Works, Inc., pursuant to the wartime arrangement entered into at the request of the Government between the three companies and Defense Supplies Corporation for stock piling critical materials, is hereby relieved from the liability of turning over to the Reconstruction Finance Corporation, as successor to Defense Supplies Corporation, the sum of $139,293.55, which amount was received by Merck & Co., Inc., for the account of Defense Supplies Corporation pursuant to the above-mentioned wartime arrangement.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

NORFOLK COUNTY TRUST CO.

The Clerk called the bill (H. R. 5356) to provide for the conveyance of land to the Norfolk County Trust Co. in Stoughton, Mass.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That, notwithstanding any other provision of law, the Federal Works Administrator is authorized and directed to sell and convey by quitclaim deed to the Norfolk County Trust Co., in Stoughton, Mass., upon such terms and conditions as in his discretion he deems to be in the best interest of the United States, a triangular parcel of land off the northerly side of the United States postoffice site at Stoughton, Mass., particularly described as follows:

Beginning at a point marked by a stone bound at the northwest corner of the postoffice site, said point also being the intersection of the east side of Washington Street

with the north side of the right-of-way nine feet wide, more or less; running thence eastwardly along the north side of said right-of-way a distance of eighty-six and two one-hundredths feet to a point in the west side of Park Street marked by a stone bound at the northeast corner of the post-office site; thence southwardly along the west side of Park Street a distance of eight and forty-one one-hundredths feet to a point in the south side of the said right-of-way; thence continuing southwardly along the west side of Park Street a distance of six and eight one-hundredths feet to a point; thence northwestwardly a distance of eighty-eight and sixteen one-hundredths feet to the point or place of beginning, containing six hundred and ten square feet, more or less.

With the following committee amendments:

Page 1, line 3, strike out the partial word "Fed-" after the word "the".

Page 1, line 4, strike out the partial word "eral" and the word "Works" and after the word "Administrator", insert the words "of General Services".

Page 1, line 4, after the word "authorized", strike out the words "and directed".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

## SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called Senate Concurrent Resolution 28, favoring the suspension of deportation of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Acevedo, Ramona nee Diaz Galetty.

[redacted], Adam, Emmanuel Konstantinos or Emanuel Constantinos Adam.

[redacted], Altmann, Anton Frederick (Friedrich).

[redacted], Alves, Domingos Esteves.

[redacted], Anguiano-Alcazar, Felix alias Agustin Valencia alias Agustin Valencia Anguiano alias Felix Anguiano alias Felix Anguaino.

[redacted], Andersen, Knud Kaspar.

[redacted], Anderson, Axel Hjalmar alias Axel Hjalmar Carlsson.

[redacted], Apessos, Ioannis Pndelis alias John J. Apessos.

[redacted], Appelthaler, Katerina.

[redacted], Appelthaler, Kurt Robert.

[redacted], Arellano, Domingos Ramos.

[redacted], Arellano, Soledad Valadez or Soledad Maria Valadez.

[redacted], Arellano, Innocencio.

[redacted], Arellano, Domingo, Jr., or Dominic Arellano.

[redacted], Arellano, Juan or John Arellano.

[redacted], Arlt, Hans Erich Lothar.

[redacted], Arrighi, Alessandro or Alexander or Alessandro Arrigo.

[redacted], Bagniewski, Wanda Stanislawa or Wanda Stanislawa Kiernik.

[redacted], Bastide, Genevive Marcelle.

[redacted], Bau, Siu-Tsung or Marguerite Janet Bau Chang.

[redacted], Baum, Betty.

[redacted], Baumann, Henrik Chaskiel or Henry Baumann.

[redacted], Beitelstein, Anton, Anton Stein, Tony Stein or Anton Beidelstein, Anton Beitelsten.

[redacted], Berard, Jorge Vandesmet.

[redacted], Berkle, Ivera Romalia.

[redacted], Bernheimer, Ludwig.

[redacted], Bianchi, Luigi.

[redacted], Blake, Eulalie Constancia or Eulalie Constancia Turnbull.

[redacted], Blake, Helena Ketruda or Helena Ketruda Powell.

[redacted], Bober, Maria Theresia Gerber.

[redacted], Borraccia, Lorenzo.

[redacted], Bronner, Eugenia Michael formerly Eugenia Gavriloff, nee Losseff.

[redacted], Bronner, Helen Tamara Marianna formerly Helen Tamara Marianna Gavriloff.

[redacted], Brouwer, Frans Hieronimus Borgman.

[redacted], Brown, Doris nee Singh.

[redacted], Brown, Morris Simon alias Movsa Braunreit.

[redacted], Burgers, Willem Adolph Johan.

[redacted], Butterick, Janet Barry or Janet Barry Mack.

[redacted], Candia, Jose alias Jose Candia Urguidi or Jose Urguidi or Joe.

[redacted], Carro, Alfredo or Alfred Carro.

[redacted], Castillo, Geronimo or Giro Castillo.

[redacted], Chalmers, Bromley Russell Scott.

[redacted], Chalmers, Jill.

[redacted], Chin, Yuen Chew or Chin Yuen Chew or Chew Yuen Chinn.

[redacted], Chui, Wan; Chui Wan; Hang Kin Chui; Hankin Hunt.

[redacted], Ciesla, Ludwik.

[redacted], Valdes, Maria Hortensia Clemente y Sanchez McDonald; or Hortensia Clemente Y Sanchez McDonald Valdes nee Hortensia Clemente Y Sanchez; Maria Hortensia Clemente Sanchez or Maria Hortensia Clementa McDonald.

[redacted], Cohen, Joseph.

[redacted], Cohen, Gertie Gertrude.

[redacted], Conradt, Ernst Heinrich Wilhelm or Ernst Henry Conradt.

[redacted], Cucullu, Francesca R.

[redacted], DaGoutis, Louise Emilie nee Masse.

[redacted], Davis, Diane May.

[redacted], Davis, Eileen Marie.

[redacted], Davis, Philip Bennet.

[redacted], Dawson, Harriet Mae or Hattie Mae Lloyd or Harriet Mae Gibson.

[redacted], De Escalante, Alicia Adriana Vara or Alicia Adriana Vara-Solis DeCordero.

[redacted], De Gomez, Rita Avena alias Rita Avena.

[redacted], Dimakos, Christos alias Christos Demakos.

[redacted], DiPietro, Sebastiano or Pietro Petrillo or Grido Cardella.

[redacted], Drioli, Salvatore.

[redacted], Elvir, Cesar Augusto.

[redacted], Engles, Elsie Violet nee Elsie Violet Huffman.

[redacted], Fahie, Adeline nee Nibbs.

[redacted], Fahie, Joseph Alfred.

[redacted], Fahie, Rebecca.

[redacted], Fekete, Agnes Elizabeth nee Pauza now Kourcosk or Korscak.

[redacted], Frank, Annie or Ann Frank or Ann Burtnik Frank or Annie Burtnik Frank.

[redacted], Frazer, Joseph Wellington.

[redacted], Frenkel, Mayer.

[redacted], Gabriel, Manuel Gimenez.

[redacted], Gallegos, Manuel or Manuel Medina.

[redacted], Garcia, Juan or John Garcia.

[redacted], Garcia, William Joseph.

[redacted], Garlipp, Franz Hermann or Frank Herman Garlipp.

[redacted], Ghinelli, Germano or Jerry Ghinelli.

[redacted], Gobb, Marguerite Elinor nee Aaron also known as Marguerite Elinor Aaron.

[redacted], Gomez, Maria Pilar alias Olivia Gomez alias Maria Olivia Gomez Pedroza or Maria Pilas Gomez Quesada.

[redacted], Greaves, Anne Marie nee Anne Marie Erneste Pierre Monlouis-Eugene.

[redacted], Gson-Niebling, Goesta Bertil.

[redacted], Hanko, Joseph Ewald or Joseph or Jozef Hanko.

[redacted], Harvie, Meryl Lorraine or Meryl Lorraine Grayson.

[redacted], Hermandez-Gutierrez, Jose Maria.

[redacted], Haimburger, Rudolf Gustave or Rudolf Haimburger.

[redacted], Huggins, William Archibald.

[redacted], Jacobs, Olive Jane.

[redacted], Joanta, Florence nee Florence Antonescu.

[redacted], Johansen, Kristian Rudolf.

[redacted], Kimbell, Ofelia Aycardi nee Aycardi.

[redacted], Kokolis, Jonnes Peter; or Kokolis, John Peter alias John Nicholas Kokolis or Ioannis Kokolis or Icanis Giannaris or Ioannis Panagiotis Kokolis or Ioanis Koukalis.

[redacted], Kostrzak, Lita Foerster nee Lita Foerster.

[redacted], Kovar, Anton or Anton Joseph Kovar.

[redacted], Kromhout, Arie Jan.

[redacted], Laeske, Hedwig Anna formerly Browne nee Bardeleben.

[redacted], Lansford, Ethel Matilda formerly Ethel Matilda Molohon nee MacDonald.

[redacted], Lee, Ruth Mo or Ruth Lo-Tak Mo.

[redacted], Lencovich, Joseph Peter.

[redacted], Lepore, Salvatore alias Samuel or Sam Lepore alias Samuel Le Poce.

[redacted], Lettsome, Edward or Edward Letsome.

[redacted], Levitsky, Thomas.

[redacted], Longos, Katina.

[redacted], Lopez-Martinez, Juan.

[redacted], de Lopez, Maria Valadez-Romero.

[redacted], Lo Surdo, Sebastiano.

[redacted], Lucas, Lieselotte or Lieselotte Muenzer or Lotte Muenzer or Munzer.

[redacted], Luschnig, Klaus Oswald or Klaus Carnival.

[redacted], Mac Clymont, David or Thomas Wood.

[redacted], Mahlman, Bruno William or Bruno William Dietrich Mahlman.

[redacted], Malerba, Domenico or Domenick Malerba.

[redacted], Mantzuranis, Evagelia or Evagelia Mantzurani or Evagelia Stratigakis.

[redacted], Mar, Judy alias Judy Muck.

[redacted], Mar, James alias James Muck.

[redacted], Mariades, Helene Agouras formerly Helene Andrea Agouras.

[redacted], Marquez, Arturo.

[redacted], Marquez, Maria Del Carmen.

[redacted], Martinez, Cruz.

[redacted], McDougall, Joseph Ignatius.

[redacted], McGill, John Joseph.

[redacted], Mendoza, Julio.

[redacted], Mendoza, Jose Salome.

[redacted], Montgomery, Clem.

[redacted], Muller, Mathias or Mathew Muller.

[redacted], Muller, Barbara nee Messner.

[redacted], Munz, Maria Amparo Gegunde Gomez nee Maria Gegunde.

[redacted], Munroe, Harold Bruce.

[redacted], Newton, Arthur.

[redacted], Nimench, Thomas Kun or Thomas Nimench or Thomas Nimench Bey or Thomas Kun Nemerea or Keen Nimench or Sam Nimench or Keen Nimeh.

[redacted], O'Dyer, Elizabeth nee Ahern alias Elizabeth Organ.

[redacted], Ottley, Robyn Josephine.

[redacted], Paiceira, Vicente or Vicente Paiceira Perez.

[redacted], Palermo, Rosario or Richard Ross Palermo or Ross Palermo.

[redacted], Palermo, Salvatore or Samuel Palermo.

[redacted], Palermo, Vincenzo or James Palermo.

[redacted], Palermo, Anna.

[redacted], Pane, Antonino or Anthony Pane or Antonio Pane.
[redacted], Papadakis, Georgia N.
[redacted], Parasiliti, Nicola Sebastiano Collazzo or Nicola Sebastiano Parasiliti Colazzo or Nicholas Parasi or Benny Pernite or Nicholas Benny Pernite.
[redacted], Paul, Alvin Colton Thomas Theophilus.
[redacted], Piekarz, Hersz.
[redacted], Pilostomos, Christos Antonios.
[redacted], Questel, Francois Marie Edouard, or Edouard Questel.
[redacted], Ramos, Anastacio.
[redacted], Ramos, Anacleta.
[redacted], Rando, Bartolo.
[redacted], de Rangel, Rita Morales or Rita Arroyo.
[redacted], Rehen, Estrid Viola Margareta or Estrid Viola Margareta Tengwall nee Sundberg.
[redacted], Reinsma, Otte or Otto Reinsma.
[redacted], Reiter, Fanny nee Diamond or Fany Reiter.
[redacted], Resch, Frank or Frank Reck or Franz Resch.
[redacted], Reynolds, Bernard Douglas.
[redacted], Robles, Isidro.
[redacted], Roberts, Norma Elizabeth or Norma E. Roberts or Norma Roberts.
[redacted], Roders, Naomi Elizabeth.
[redacted], Roman-Rodriguez, Antonio.
[redacted], Rostar, Victor.
[redacted], Rothstein, Izydor.
[redacted], Rothstein, Helena.
[redacted], Rudd, James Sidney.
[redacted], Ruiz-Carillo De Quintero, Maria or Dolores Cardenas-Soto.
[redacted], Rullo, Hazel Ann nee DeLisle.
[redacted], Russo, Salvatore.
[redacted], Sagert, Clarence James.
[redacted], Schenk, Otto alias Otto Lehman.
[redacted], Schneider, Richard Georg.
[redacted], Schoenberg, Wilhelm Heinrich August or William Schoenberg.
[redacted], Semega, Maria nee Maria Palovcik.
[redacted], Shee, Ong Kwok or Ong Kwock Shee or Roy Ong.
[redacted], Shumis, Artemis Troyannou or or Artenoula Trogiannou or Artemis Troiannou or Artemis Troyannou.
[redacted], Sirianos, George or Georgios Theodore Sirianos.
[redacted], Smedley, Shane Karen Douglas.
[redacted], Sommer, Oscar Felix or Oskar Felix Sommer or Felix Sommer.
[redacted], Stevens, Annie Isabella.
[redacted], Sturmer, Gerlinde Maria.
[redacted], Tackolander, Leonard Helga alias Leonard Quire.
[redacted], Tatem, Edmund Adolphus.
[redacted], Tomas-Morelly, Jose or Jose Tomas, Junior.
[redacted], Tornow, Marie nee Wejnis or Marie Fischer.
[redacted], Trapatsa, Chryssoula.
[redacted], Ullah, Anfar.
[redacted], Vafides, Olge nee Rafaeledes.
[redacted], Valjas, Artemi.
[redacted], Vasquez, Jorge Carrion alias Robert Franco.
[redacted], Vestes, Stratos or Ernest Vestes alias Efstiatios Vestis.
[redacted], Villegas, Ramon alias Ramon Villegas-Ortiz.
[redacted], Wallace, Ezra.
[redacted], Wasserman, Benjamin or Bernard Wasserman or Benjamin Waserman.
[redacted], Wayditch, Julia alias Julia Bornyaszi Oroszy.
[redacted], Whearty, James Patrick or James Wheatley.
[redacted], Willman, Philip John Archibald.
[redacted], Wilson, Arthur Rutherford.
[redacted], Wilson, Walter Allen.
[redacted], Wright, Lourdes Dizon.
[redacted], Yang, Chao-Chen.
[redacted], Yang, Dzing-Tsch Shun.
[redacted], Yuelling, Joseph or Yoesef.

With the following committee amendment:

On page 8, lines 22, 23, and 24, strike out the registration number and the name "[redacted], Nimeneh, Thomas Kun or Thomas Nimeneh or Thomas Nimeneh-Bey or Thomas Kun Nemerea or Keen Nimeneh or Sam Nimeneh or Keen Nimeh."

The committee amendment was agreed to.

Mr. FEIGHAN. Mr. Speaker, I offer several amendments, which are at the Clerk's desk and ask unanimous consent that they may be considered en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. FEIGHAN:

On page [illegible], after line 5, add the following registration number and name:

"[redacted], Diamantopoulos, Sapho."

On page 6, after line 22, add the following registration number and name:

"[redacted], Kahn, Akram or Mohamed Akram or John Elk or Chief Running Elk."

On page 9, after line 17, add the following registration number and name:

"[redacted], Pirrone, Antonino."

Mr. FEIGHAN. Mr. Speaker, the Committee on the Judiciary has agreed to expedite the approval of three individual cases in which personal and family hardship is involved. The cases have been submitted by the Attorney General with his favorable recommendation during the year 1949. The three aliens have submitted valid reasons for urgent trips abroad to be made within the next few weeks. Should the approval of the Attorney General's recommendation be withheld until next year, the three aliens in question will not be able to leave the United States and return legally.

The committee has examined the three cases and it recommends that the three names be added to Senate Concurrent Resolution 28. The Senate concurrence in these amendments has been unofficially promised by the Senate Committee on the Judiciary.

The amendments were agreed to.

The Senate concurrent resolution was agreed to.

## SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called Senate Concurrent Resolution 29, favoring the suspension of deportation of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Abbott, Arnold, or Felix Arnold Abbott.
[redacted], Acuna-Salcido, Francisco.
[redacted], Adamopoulos, Georgios Athanasius, or George Athos Adamson, George Athos Adamopoulos.
[redacted], Andrianos, Panagiotis Stauros, or Peter Andrianos.
[redacted], Apell, Karin Guborg Dagmar (nee Ericsson or Karin Apell or Appell).
[redacted], Arraiza, Dafne Raquel Alvarez.
[redacted], Atkinson, Marguerite Anne or Marguerite Anne Franklin Cavens or Marguerite Alice June Cavens (nee Marguerite Anne Franklin).
[redacted], Balloff, Sophia (nee Papadoupoulou).
[redacted], Bencivenga, Giuseppe, or Joseph Bencivenga or Raffaele Cirillo.
[redacted], Bennett, Raya.
[redacted], Blankenberg, Frederick Moritz Anst, or Frederick Moritz Ernest Blankenberg (alias Frederick Morris Ernest Blankenberg, alias Fred Blackwell, alias Fred Blankenberg).
[redacted], Boellaard, Helena.
[redacted], Bond, Austin.
[redacted], Borg, Carmel Charlie.
[redacted], Borza, Guiseppe.
[redacted], Borza, Antonia.
[redacted], Bushey, Elmer Joseph, or Boucher, or Bushey or Dick or Richard Bushey.
[redacted], Caballero-Bustamante, Alberto Antonio.
[redacted], Caballero-Bustamante, Rafael.
[redacted], Caballero-Bustamante, Maria Estela.
[redacted], Caramsaledis, Fotini (nee Dileveu).
[redacted], Castellano, Vincenzo, or Vincent James Castellano or James Castellano.
[redacted], Cavallarin, Guerrino.
[redacted], Chan, Kenneth Ivan, or Kenneth Ivan Hing.
[redacted], Chavez-Reyna, Alfredo, or Alfredo Chavez.
[redacted], Chew, Kwong Hai, or Harry Kwong (Hai Chew).
[redacted], Christake, Merope (nee Kiloni).
[redacted], Cipolat, Romano.
[redacted], Cohen, Dora (nee Rom).
[redacted], Coutsis, Elias Athanasius or Koutsis.
[redacted], Cristiani, Henrietta Edith, or Henrietta Cristiani.
[redacted], Cybulski, Benjamin, or Robert Gordon or Manuel Solis or Josef or Joseph Royer or Emilio Valdez or Emilio Honorato Valdez y Ramirez or Myer Bursyn or Burstein or Benumek Subelsky or Zubelsky.
[redacted], DeGarciaduenas, Adela Aguilera.
[redacted], DeLeon, Manuel Valencia.
[redacted], Del Valle, Raul Rodriguez, or Raul Del Valle.
[redacted], DePolendo, Genoveva Zavala.
[redacted], Dittner, Pierre Raymond.
[redacted], Eng, Winifred, or Winifred Ho Chong or Ho Gum Lan.
[redacted], Fischer, Bela.
[redacted], Fox, Irene (nee Fuchs or Ronia Malka Fuchs).
[redacted], Gali, Orzaio.
[redacted], Gensen, Friedrich Paul, or Frederick Gensen.
[redacted], Godinez, Juan.
[redacted], Griffin, Robin Delmar.
[redacted], Grizopoulos, George.
[redacted], Grove, Marmaduke, or Marmaduke Grove-Valenzuela.
[redacted], Guillemette, Dorothy Leslie.
[redacted], Harb, Salem Abraham Esah.
[redacted], Hobbs, Ernest Frank.
[redacted], Horvath, Zofia Mary Rawicz, or Zofia Mary Rawicz Oldakowska.
[redacted], Koenig, Brigitta.
[redacted], Kyriakakis, Constas.
[redacted], Lawson, Marjorie Ing-Kai (alias Marjorie Naitto).
[redacted], Lee, Yung Tsin.
[redacted], Lee, Joseph Tsu-An, or Jew On Lee or Joseph On Lee or Lee Jew On or Joe On Lee.
[redacted], Leibovitch, Harold.
[redacted], Lorenz, Kurt Paul.
[redacted], Madrid, Manuel.
[redacted], Madrid, Maria Elodia.
[redacted], Matiatos, Spiros.
[redacted], Matthios, Theodoros, or Terry Matthios.
[redacted], Meireles, Domingos Amaral.
[redacted], Mishas, Efthimia (nee Mandicas).
[redacted], Nahra, Gabriel or Nahara.
[redacted], Nemes, Bella, or Bill Names.

[redacted], Niethe, Karl Wilhelm.
[redacted], Onorati, Umberto, or Albert Onorati.
[redacted], Orta, Maria De La Luz, or Maria De La Luz Horta.
[redacted], Orta, Pilar, or Pilar Horta.
[redacted], Orta Ramona, or Ramona Horta.
[redacted], Palmisano, Gaetano.
[redacted], Panciera, Mario.
[redacted], Pandelaras, Paraskevi Gregory (nee Paraskevi Apostolou Pavlou).
[redacted], Papadatos, Evangelos Gregorious, or Angelos Papas.
[redacted], Perez, Antonio, or Antonio Perez Matesanta.
[redacted], Perez, Virginia Soto, or Virginia Soto Lagos Perez.
[redacted], Pieber, Gerda, or Bessie Soukaras.
[redacted], Pinto, Alessio.
[redacted], Pollett, Robert Anderson.
[redacted], Ramirez, Jesus, or Jesus Ramirez-Carrasco.
[redacted], Randolph, Frank Charles.
[redacted], Reichenbach, Mary Elaine (nee Pye, formerly Beebe).
[redacted], Richter, John Frank.
[redacted], Rodriguez, John Negrete.
[redacted], Rouse, Peter John.
[redacted], Samuel, George Ryan.
[redacted], Schlupp, Anna (nee Heiman).
[redacted], Sereni, Pier Dino.
[redacted], Sobenko, Mary (nee Maria Kuzmiak).
[redacted], Sootzmann, Alex Fritz, or Alex Soodsmann.
[redacted], Staub, Hyman, or Herman Staub.
[redacted], Stewart, Charlotte Rattray.
[redacted], Stipanovic, Branko, or Branko Stipanovich.
[redacted], Tarin, Berta Alicia.
[redacted], Tavares, Henry De Amorin Paula.
[redacted], Theodorides, Georgios Basileios, or Georgios Theodorides or Michael Panagiotis Hadjistylianos.
[redacted], Thomas, Eugene Watkin.
[redacted], Thompson, Oscar Leonard, or Cyril Oscar Wilson.
[redacted], Tomaselli, Charles Rudolph.
[redacted], Trepcos, Helene (nee Helene Kovatsis).
[redacted], Van Hanen, Toivo Albert.
[redacted], Vargas, Cesar Medrano, or Cesar Vargas Medrano or Jesus Maldonado Santiago.
[redacted], Vassilaros, Sofia Ilias (formerly Apostolakis).
[redacted], Vassos, Alfonso Apostolas, or John Paul Pappas or Paul P. A. Vassos.
[redacted], Vene, Bruno.
[redacted], Vitiello, Gennaro.
[redacted], Volksdorff, Ernest William.
[redacted], Vucetic, Henrik Emil.
[redacted], Walters, Junior, Alfred Ernest.
[redacted], Wineland, Marion Gladys (formerly Bundy, nee Walker).
[redacted], Yee, Gloria.
[redacted], Yue, Yeun Shai.
[redacted], Ha, Chan (Chow) Min.
[redacted], Zarate-Urzua, Dionisio; Dionisio Zarate-Covarrubias.

The Senate concurrent resolution was agreed to.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called Senate Concurrent Resolution 31, favoring suspension of deportation in certain cases.

There being no objection, the Clerk read the resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than six months:

[redacted], Allegritti, Giovanni.
[redacted], Alvear, Manuel, or Manuel Alvear Rabanal (alias Ravanada).
[redacted], Anderson, Neoniella Ermakova (nee Vasielievna Tsiba Ermokova).
[redacted], Barbiani, Giordano, or George Barbiani.
[redacted], Bogikes, Maria.
[redacted], Borgman-Brouwer, Peter Willem.
[redacted], Budicin, Pietro or Peter.
[redacted], Cambel, Ali Bulent.
[redacted], Canela, Ignacio.
[redacted], Carson, Donald Frank.
[redacted], Cerniglia, Pasquale.
[redacted], Chien, Alan Richard.
[redacted], Chien, Philip Karl.
[redacted], Chien, George David.
[redacted], Chow, David Zai-Chen, or David Chow.
[redacted], Churchill, Ethel Lightfoot, or Ethel Lightfoot.
[redacted], Deighton, Josephine Amelia, or Johephine Amelia Deighton (nee Suchy); Josephine Amelia Suchy Deighton.
[redacted], De Jimenez, Teresa Ramirez.
[redacted], Del Castillo, Jose Manuel Villa, or Jose Manuel Del Castillo.
[redacted], Deinanos, Evangeline (nee Siotka).
[redacted], De Luzuriaga, Luis Ruiz.
[redacted], De Saldana, Marhta Reyes, or Martha or Marta Reyes de Saldana.
[redacted], Saldana, Elisa, or Maria Elisa Saldana.
[redacted], Dickson, Mary Lynn Holland.
[redacted], Eckardt, Ruth (nee Jankwitz).
[redacted], Eddy, Maria Inez (nee Cabanellas).
[redacted], Estrada-Marquez, Edmundo Gamallel, or Edmundo Gamaliel Estrada.
[redacted], Fenner, Muriel Constance Steele.
[redacted], Fiedler, Otto Erich (alias Otto Fiedler).
[redacted], Florent, Benoit Charles Leys, or Benedict Leys.
[redacted], Forles, Mary (Maria), or Maria Fourlis.
[redacted], Fung, Ng.
[redacted], Garcia, Cristobal Bandera, or Christobal Garcia or Critobal Garcia.
[redacted], Garcia, Maria Jesus.
[redacted], Garcia, Maximiano Macaya, or Max Macaya Garcia.
[redacted], Garcia, Brigida Yulo.
[redacted], Gerovich, Anthony Lennard.
[redacted], Gerstein, Joseph; Joseph Gershon; Joseph Paul Gershon; Joseph Gerstien.
[redacted], Gobas, Eudokia Nicholas (alias Erdokia Gobas alias Eudokia Demetrius Zoidou).
[redacted], Guldberg, Fleming Halfdan.
[redacted], Gundlach, Arend.
[redacted], Hua, Chung Wu, or Chung-Hua Wu.
[redacted], Wu, Ming-Hua Lee (nee Ming-Hua Lee).
[redacted], Johannesen, Jorgen.
[redacted], Juristo, Julius, or Julian Juristo Zabala.
[redacted], Kolakowski, Anna, or Anna Francis Kolakowski or Anna Franciska Kolakowski (nee Polanska).
[redacted], Koulakiotis, Alexandra (nee Tzamtha Coulakotis or Colakiotis).
[redacted], Lehti, Unto Oskari.
[redacted], Leong, Ruth Lee (nee Yee-Yan Lee).
[redacted], Li, Yuan Chuen, or Lee Yung Chuen or Yuan Chuen Lee.
[redacted], Limas, Casimiro Sanchez, or Casimira Limas Sanchez or Casimira Sanchez Limas.
[redacted], Mansour, Iris Isaac Ades.
[redacted], Marcellin, Andre Louis.
[redacted], Masi, Luigi.
[redacted], Mattsson, Matts Erik.
[redacted], Mellinger, Paul Frederick.
[redacted], Moulton, Raymond John, formerly Rowe.
[redacted], Moulton, Lynne Esther Alice, formerly Rowe.
[redacted], Mozzano, Lentino or Valentino.
[redacted], Muzzin, Marcellina Moro (nee Moro).
[redacted], Myers, Myrtle Haley (nee Skeene).
[redacted], Nyi, Huai Fen Li, or Gloria Huai Fen Li Nyi or Mrs. Henry Nyi.
[redacted], Olivera, Roque Tanada.
[redacted], Owens, Stanley Jasper.
[redacted], Penna, Bruno.
[redacted], Pineiro, Enrique Hermo, or Enrique Hermo.
[redacted], Pulli, Toivo.
[redacted], Rivera, Jose.
[redacted], Rodriguez, Eusebio, or Eusebio Rodriguez-Carbajal.
[redacted], Rodriguez-Hernandez, Aurelio (alias Aurelio Rodriguez, alias Jose Zamora Hernandez).
[redacted], Rosen, Harold.
[redacted], Roth, Richard John, or Richard Roth.
[redacted], Sanchez, Jesus, or Jesus Sanchez-Sosa or Jesus E. Sanchez.
[redacted], Sassoon, Frank.
[redacted], Schwitz, Agnes (nee Adams alias Curtis and Moran).
[redacted], Simmons, Evelyn Nora.
[redacted], Sisco, James Everett, or James Everette Sisco.
[redacted], Skenderoglou, Jordan or John or Ioannis Skenderoglou.
[redacted], Spektor, Izak.
[redacted], Spektor, Rebeka (nee Kawenoki).
[redacted], Steinfeld, Marie Rose Armanda (nee Lafond, Rose Corrin, Rose Vallee).
[redacted], Strand, Andreas.
[redacted], Stronge, Thomas Ranken, or Strong.
[redacted], Tetrick, Margaret Elizabeth, or Margaret Hedwig Tetrick or Margaret Warren (nee Coyne).
[redacted], Thomas Gracita.
[redacted], Tolmunen, Martha (nee Tivanainen).
[redacted], Tuckett, Ebenezer.
[redacted], Uddin, Tomiz.
[redacted], Van Der Leek, Hendrik.
[redacted], Zwart, Jan, or Jan Lawrence Zwart.

The Senate concurrent resolution was agreed to.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called Senate Concurrent Resolution 32, favoring suspension of deportation in certain cases.

There being no objection, the Clerk read the resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

[redacted], Bag, Mufijur Rhoman, or Mufijur Bag Rohman or Beg.
[redacted], Chang, Mavis Clare (nee Chen See).
[redacted], Davalos, Ernestine Bautista.
[redacted], De Corral, Concepcion Corbala, or Concepcion Talamantes De Corral.
[redacted], Corral, Jaime Rafael (alias James Rafael Corral).
[redacted], De Delgado, Rafaela Rodriguez Delgadillo.
[redacted], Ellingsen, Nils Johan.
[redacted], Esteves, Nelson Geraldo.
[redacted], Folie, Sophie.
[redacted], Gazzola, Ernesto.
[redacted], Graske, Kurt Robert, or Lais Christiansen.
[redacted], Kannewischer, Walter Oswald, or Walter Brandt or Walter Parker.

[redacted], Kastanos, George C.
[redacted], Kastanos, Helen C.
[redacted], Kesisoglu, Romylos (alias George Iades or Georgiades).
[redacted], Kristoffersen, Harald.
[redacted], Macridis, Elefterios Sava or Makridis.
[redacted], Pavlis, Ekaterini, or Aikaterini Pavlis (nee Voidomatis).
[redacted], Psaltides, Fotini, or Fotini Sotiriades.
[redacted], Renteria, Jesus Jose, or Jesus Jose Renteria Macias.
[redacted], Shulman, Louis.
[redacted], Sklavoonos, Angelo, or Evangelos Sclovounos.
[redacted], Vorlop, Kurt.
[redacted], Waxman, Ethel (nee Rosenbaum or Rosen).
[redacted], Aboitiz, Maria Antonia.
[redacted], Aboitiz, Teresita Isabel.
[redacted], Aboitiz, Jose Miguel.
[redacted], Aboitiz, Xavier.
[redacted], Berman, Samuel or Sam.
[redacted], Broinstein, Sam, or Schaja Broinstein.
[redacted], Calvo, Manuel Rosello, or Manuel Calvo or Manuel Calvo y Rosello.
[redacted], Calvo, Norma.
[redacted], Calvo, Angelita.
[redacted], Chillemi, Agata (nee Russo).
[redacted], Chin, Arthur, or Chin Git or Chan Git.
[redacted], Coone, Olga Alexandra or Hoffman (nee Tuovinin).
[redacted], Curiel, Mauricio Santiago.
[redacted], Daniel, Emma I..nthe, or Emma Iantha Daniel (nee Smith, Emma Ianthe Smith).
[redacted], Santillan De, Rufina Garcia.
[redacted], Santillan, Silvia Garcia.
[redacted], Grando, Ive Grgas, or John Grgas Grando.
[redacted], Hackshaw, Mona May (nee Cockran).
[redacted], Jackman, Woodrow Wilson.
[redacted], Jorgensen, Petrus Kornelius.
[redacted], Robberstad, Trygve, or Teddy Robberstad.
[redacted], Roosekrans, Petrus Johannes.
[redacted], Santellan-Lopez, Baldomero (alias Gustavo Tempzen-Lopez alias Gustavo Lopez Tempzen).
[redacted], Shamarides, Adonis Arghyrou, or Adonis Shamarides or George Chamer.
[redacted], Soininen, Seppo Paavo.
[redacted], Thordahl, Preben Eric, or Preben Gustav Eric Thordahl.
[redacted], Tonani, Fred.
[redacted], Uras, Pasquale, or Patsey Uras.
[redacted], Baker, France Stella, or France Stella Juhel-Renoy.
[redacted], Ciocchi, Luigi.
[redacted], Cuni, Battistina Elena (nee Vaerini).
[redacted], Davis, Stanley Arundel, or Stanle Davis.
[redacted], De Fonte, Sallustio.
[redacted], Dollah, William Henry.
[redacted], Kenedi, Tamas Klein or Thomas.
[redacted], Malouf, George Sleiman, or Georges Maalouf.
[redacted], Percival, Norward Edward.
[redacted], Spithogiannis, Stefanos or Spetogianis.
[redacted], Antzoulatos, Gerasimos, or Gerry or Jerry Angel.
[redacted], Ballarin, Massimo.
[redacted], Barraza, Ceclio, or Cecilio Alvarado Barraza.
[redacted], Bekavac, Anton Ivan.
[redacted], Boldin, Anthony or Baldin (alias Antonio Vittorio Isidoro Baldini, alias Antonio Nino Baldini, alias Nino or Nine Baldini).
[redacted], Casas, Jose, or Jose Casas Rosales or Jose Covos or Cobos.
[redacted], Edwards, Muriel, or Muriel Daniel or Daneil.
[redacted], Ferghina, Teobald Isaia, or Ubaldo Isaia Ferghina.
[redacted], Flores, Buenaventura Garcia, or Buenaventura Flores (alias Joe Garcia).
[redacted], Francz, Jacob, or Jacob Frantz.
[redacted], Gagner, Marie (nee Minard or Mimi).
[redacted], Gilcourt, Charles Henry, or Chas. Gilcort or Charles Gilcourt or Gilcort.
[redacted], Hall, Bertram Carlton.
[redacted], Harrigan, Ethel Margery (nee Peterson).
[redacted], Henden, John Hovde.
[redacted], Kelly, Joseph Francis.
[redacted], Krost, Ernst Wilhelm.
[redacted], Kruse, William Herbert.
[redacted], Leon-Sanchez, Jose Gregorio, or Jose G. Leon.
[redacted], Lopez, Mauro (alias Mauro Lopez Rodriguez).
[redacted], Morales, Esteban.
[redacted], Pavich, Joseph, or Jose Pavic or Yoso Pavic.
[redacted], Perales, Carmen Dolores Guevara, or Carmen Guevara or Carmen D. Guevara or Camoli.
[redacted], Raymond, Inez Eugenia (nee McKelly or Inez Eugenia Raymond).
[redacted], Reasola, Antonio.
[redacted], Reosola, Maria Remedios Olvera.
[redacted], Sacco, Pietro Vincenzo.
[redacted], Saia, Carmelo.
[redacted], Scarcella, Leonardo Agostino.
[redacted], Silano, Carmine Sabino.
[redacted], Smith, Richard (alias Richard Valba).
[redacted], Storie, William Aitken Stewart.
[redacted], Tchekowitch, Alexander Borisovich, or Alexis Boris Alexander.
[redacted], Von Hoefer, Frederic Joseph, or Fred Von Hoefer.

The Senate concurrent resolution was agreed to.

TRUSTEES OF PORTER ACADEMY

The Clerk called the bill (S. 1742) removing certain restrictions imposed by the act of March 8, 1888, on certain lands authorized by such act to be conveyed to the trustees of Porter Academy.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Army is authorized to release to the trustees of Porter Academy by an appropriate written instrument the restriction placed upon that land in Charleston, S. C., which was conveyed to the trustees of Porter Academy pursuant to the provisions of the act of March 8, 1888, entitled "An act authorizing the Secretary of War to transfer to the trustees of Porter Academy certain property in the city of Charleston, S. C.," sections 1 and 2 of which required that the property should be inviolably dedicated to educational purposes and no other and required that the deed of conveyance contain a condition to that effect.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WINNEBAGO RESERVATION, NEBR.

The Clerk called the bill (S. 1330) to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Interior is hereby authorized and directed to sell the trust allotment numbered 322 of Paul Bighead, deceased Winnebago allottee, described as the northwest quarter of the southwest quarter, section 25, township 26 north, range 6 east, sixth principal meridian, Nebraska, containing 40 acres, conveyance to be made by the issuance of a patent in fee to the purchaser and to distribute the proceeds of such sale among the heirs of the said Paul Bighead in accordance with their respective interests: *Provided,* That the Secretary shall deduct from the amount payable under this act to any such heir a sum equal to the prinicipal and accrued interest on any unpaid loan charged against such heir.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM HENRY TICKNER

The Clerk called the bill (S. 897) for the relief of William Henry Tickner.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That, in the administration of the immigration laws of the United States, the provisions of section 13 (c) of the Immigration Act of 1924, as amended (U. S. C., title 8, sec. 213 (c)), which exclude from admission to the United States persons who are ineligible to citizenship, shall not hereafter apply to William Henry Tickner, of Yokohama, Japan, minor son of the fiancée of Arthur L. Prior, private, first class, United States Army, and the said William Henry Tickner shall, for the purposes of the immigration and naturalization laws, be deemed to be the child of said Arthur L. Prior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POON LIM

The Clerk called the bill (S. 1405) to provide for the admission to, and the permanent residence in, the United States of Poon Lim.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That in the administration of the immigration and naturalization laws Poon Lim shall be held and considered to have been lawfully admitted into the United States for permanent residence on November 29, 1943, the date upon which he was temporarily admitted into the United States, upon the payment by him of the visa fee and head tax. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year in which such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ETHEL BARRINGTON MacDONALD

The Clerk called the bill (H. R. 1033) for the relief of Mrs. Ethel Barrington MacDonald.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That Mrs. Ethel Barrington MacDonald, who was naturalized as a citizen of the United States through the naturalization as an American citizen of her father at Grand Forks, N. Dak., on November 4, 1890, and who lost citizenship of the United States by residing at Bogota, Colombia, since 1929, may be naturalized by taking, prior to 1 year from the enactment of this act, before any naturalization court specified in subsection (a) of section 301 of the Nationality Act of 1940, as amended, or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 335 of the said act.

SEC. 2. From and after naturalization under this act, Mrs. Ethel Barrington MacDonald

shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. LEON L. KONCHEGUL

The Clerk called the bill (H. R. 2928) for the relief of Dr. Leon L. Konchegul.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration laws Dr. Leon L. Konchegul, of Washington, D. C., who was admitted into the United States on a student's visa, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his actual entry into the United States, upon the payment by him of the visa fee of $10 and the head tax of $8.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Turkey.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALFRED BAUMGARTS

The Clerk called the bill (H. R. 3413) for the relief of Alfred Baumgarts.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Alfred Baumgarts as of February 24, 1949, at the port of New York, N. Y., the date on which he entered the United States.

SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Latvia of the first year that such quota number is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNIE BALAZ

The Clerk called the bill (H. R. 3837) for the relief of Annie Balaz.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of State and the Attorney General be, and they are hereby, authorized to provide for the admission into the United States for permanent residence of Annie Balaz, a native and citizen of Czechoslovakia.

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the quota for Czechoslovakia of the first year that such number is available.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That for the purposes of the immigration and naturalization laws Annie Balaz shall be considered to be the natural-born daughter of Mr. and Mrs. Adrej Balaz, United States citizens."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCESCA LUCARENI, A MINOR

The Clerk called the bill (H. R. 5155) for the relief of Francesca Lucareni, a minor.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That for the purposes of the immigration and naturalization laws, William F. Kretzinger, now chief warrant officer, United States Army, [redacted], and his wife, Mildred Cole Kretzinger, are hereby declared to be the natural parents of the infant Francesca Lucareni, the custody of such infant having been granted to them by the Provincial Institution for the Protection and Assistance of Infancy, of the city of Leghorn, Italy, under order No. 131, dated January 17, 1948, signed by its director, Dr. Ulisse Foresi.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. GIUSTINA SCHIANO LOMORIELLO

The Clerk called the bill (H. R. 5160) for the relief of Mrs. Giustina Schiano Lomoriello.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That Mrs. Giustina Schiano Lomoriello, a citizen of the United States, who lost citizenship by voting in an Italian election, may be naturalized by taking prior to 1 year from the enactment of this act, before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 335 of the Nationality Act of 1940, as amended.

SEC. 2. From and after naturalization under this act Mrs. Lomoriello shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ABRAHAM J. EHRLICH

The Clerk called the bill (H. R. 4789) to provide for the issuance of a license to practice chiropractic in the District of Columbia to Abraham J. Ehrlich.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

EXTENSION OF REMARKS

Mr. LATHAM asked and was given permission to extend his remarks in the RECORD and include an editorial.

AGRICULTURAL ACT OF 1949

The SPEAKER. The Chair recognizes the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I call up House Resolution 283 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, and all points of order against the said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 6 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read, and after the reading of the first section of such bill, it shall be in order to move to strike out all after the enacting clause and insert the text of the bill H. R. 5617, and all points of order against such amendment are hereby waived. At the conclusion of the consideration of the bill H. R. 5345, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage, without intervening motion, except one motion to recommit, with or without instructions.

CALL OF THE HOUSE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. GORE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 129]

| | | |
|---|---|---|
| Andrews | Fulton | Noland |
| Barden | Gilmer | Pfeifer, |
| Barrett, Pa. | Granahan | Joseph L. |
| Bennett, Mich. | Green | Powell |
| Bentsen | Hall, | Richards |
| Bland | Edwin Arthur | Rivers |
| Bonner | Hall, | Sadowski |
| Buckley, N. Y. | Leonard W. | Sasscer |
| Bulwinkle | Halleck | Secrest |
| Cannon | Hays, Ark. | Shafer |
| Celler | Heffernan | Short |
| Chatham | Irving | Smathers |
| Chudoff | Judd | Staggers |
| Clevenger | Kee | Stanley |
| Coudert | Lichtenwalter | Taber |
| Davenport | McCarthy | Thomas, N. J. |
| Davies, N. Y. | McGregor | Thornberry |
| Davis, Ga. | McMillen, Ill. | Towe |
| Dingell | Mack, Ill. | Velde |
| Dollinger | Madden | Vorys |
| Dolliver | Morrison, La. | Vursell |
| Eaton | Moulder | Wolcott |
| Fernandez | Murdock | Wood |
| Fisher | Murphy | |

The SPEAKER. On this roll call 361 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

AGRICULTURAL ACT OF 1949

The SPEAKER. The gentleman from Illinois [Mr. SABATH] has been recognized.

Mr. SABATH. Mr. Speaker, this rule makes in order the agricultural bill. It provides for 6 hours' general debate. It is an open rule and provides that the so-called Gore amendment may be substituted for the committee bill, known as the Pace bill, embodying some of the recommendations of the Secretary of Agriculture, which has been reported to the House by the Committee on Agriculture after weeks and weeks of careful consideration, and after hearing many witnesses. It was passed by a vote of nearly 2 to 1. I feel, therefore, that the Pace bill is the bill that is entitled to consideration.

As to myself, Mr. Speaker, I am the last man who should call up this rule on

an agricultural bill because, unfortunately, ever since 1933 the consumer has been forgotten and legislation has been passed in the interest of the farmers. The Pace bill is in the interest of the farmers, and to the consumer is the least objectionable, certainly less objectionable than the Gore bill, because the Pace bill for the first time provides a method whereby the consumer will receive some consideration. As one who has at all times supported farm legislation I shall, of course, support this; but I plead and urge with the membership that the Pace bill is entitled to, and deserves, favorable consideration, because it is the fairer of the two bills. The Gore bill, as I see it, is merely a Republican move to thwart the efforts of the Democrats to continue legislation in the interest of the farmers and to some extent, also, the consumers of the country.

Mr. SUTTON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Tennessee.

Mr. SUTTON. Mr. Speaker, I wish to take just a few minutes of the time of the Chairman of the Rules Committee, and of the time of the House, to put the issue fairly in front of this House, being a member of the Committee on Agriculture. Much has been said in the last few days to the effect that we wanted the Gore bill, that we wanted the present program and suspend the Aiken bill for another year.

Mr. Speaker, last June, one Sunday, about 6:30 in the morning, the Aiken bill was crammed down the throats of the Members of the House of Representatives. I am in favor of repealing this monstrosity known as the Aiken bill. I have not heard one Republican, much less any Democrat, who voted against it last year; certainly, not one Republican say he was in favor of the Aiken bill. If there is one I should like for him to stand up.

Mr. MASON. Here is one.

Mr. SUTTON. I am glad to see there are two Members here who are for the Aiken bill.

Now to put the issue squarely in front of this House, personally I am for the Pace bill because it helps the farmers of America.

Mr. Speaker, at the appropriate time I shall offer a substitute which will continue the present program and repeal the Aiken Act and put the proposition squarely up to the House. Then you will have one of two issues to determine. You will have the present program plus repeal of the Aiken bill, or you will have the Pace bill. Personally I favor the Pace bill.

Mr. SABATH. Mr. Speaker, I yielded to the gentleman and he has actually made my speech because I did wish to call attention to the Aiken bill. Everyone who appeared before our committee, Republican and Democrat alike, condemned the Aiken Act and stated it was passed during the last few minutes of the Eightieth Congress, when it was about to adjourn, and that no one knew anything about what was contained in that act. Consequently, I am pleased to note the remarks of the gentleman from Tennessee, coming from the same State that the gentleman from Tennessee [Mr. GORE] comes from, who is going to introduce a substitute for the Pace bill.

I am not going to delay the House. The Members are all familiar with the question. May I say in conclusion, Mr. Speaker, that the Democratic Party has consistently legislated in the interest of agriculture and in the interest of the farmer. For 43 years I have voted for legislation to help the farmer and have done so on the theory that I have so often expressed—that if the farmer has money he will buy and create demand for manufactured goods which he needs, whether they be farm implements, clothing, shoes, or other requirements. He creates a demand for manufactured products that make for work which keeps labor employed. You all know what the conditions of the country were in 1931, 1932, and 1933 when the Democratic Party came into power.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from North Carolina.

Mr. COOLEY. May I ask the gentleman this question: If I understand the situation correctly, the proposition to be submitted to the House by the gentleman from Tennessee [Mr. GORE] is in effect to suspend for an additional year the Aiken Act. The proposition which the gentleman from Tennessee [Mr. SUTTON] said he would submit to the House is repeal of the Aiken bill. As between those two propositions, which one does the gentleman from Illinois favor?

Mr. SABATH. Oh, there is no question in my mind but what the righteous thing to do is to repeal that infamous law, the Aiken Act. No one is for it. It would bankrupt the farmers and it will not do any good for the consumers. However, at this time I am supporting the Pace bill because in a measure it adopts the recommendations to some extent of the Secretary of Agriculture who I consider the best posted and the fairest man so far as agriculture is concerned. He has not only his own Department at heart; he has the interest of the Nation at heart.

Now, he realizes what the Democratic Congress under the leadership of President Roosevelt and now under President Truman has done for agriculture. I do not have to tell you what the prices in 1933 were on the various commodities. Here are the prices that the farmers received in 1932 on some of their commodities and livestock as compared with the prices received on June 15, 1949:

| | 1932 | 1949 |
|---|---|---|
| Beef cattle | $4 | $20. |
| Hogs | $3 | $18. |
| Poultry | 11 cents pound | 26 cents pound. |
| Wheat | 38 cents | $1.86. |
| Corn | 31 cents | $1.21. |
| Eggs | 14 cents dozen | 44 cents dozen. |
| Butter | 21 cents pound | 56 cents pound. |
| Milk | $1.28 per hundred | $3.55 per hundred. |
| Cotton | 6½ cents | 30 cents. |

The farm subsidies, farm loans, crop loans, seed loans, and support prices were justified in 1933, when the vast majority of the American farmers were losing their farms and homes.

The extremely low prices received by the farmers for their commodities were destructive, because 16,000,000 people were unemployed and nearly the same number employed only part time and at greatly reduced wages which were insufficient to enable them to buy enough food to sustain themselves and their families, nor to buy even those cheap things that the farmers were trying to sell.

Mr. Speaker, we must not—we cannot afford—and I am sure the country will not tolerate the recurrence of such terrible conditions and suffering by the American people. In view of the splendid record of the Democratic Party I appeal to you to give favorable consideration to this administration bill—the Pace bill.

What is the record of the Republican Party as to agriculture? What is the record? They have no record, unless it was the greedy Smoot-Hawley tariff bill that destroyed America, or unless it be the $500,000,000 wheat relief bill of 1929, which as soon as it was expended led to the collapse of farm prices and brought on the greatest crash in this country's history. The farmers went bankrupt, losing their homes and their farms.

Now the farmers are prosperous. The Nation is prosperous; and I will say to you, Mr. Speaker, that every section of our country is prosperous. The South has derived as great a benefit under the New Deal and the Democratic administration as any section of the country. For this reason I hope my colleagues will not be led astray by the "collusive combination" of Republicans and Dixiecrats, but will vote against the mongrel Gore substitute and for the Pace Democratic administration bill.

You Republicans received and enjoyed these benefits as well, because many of your farmers in 1932 and 1933 went bankrupt, were committing suicide, and were losing their homes and all they had. The stores were closed. It was under a Democratic President and by a Democratic Congress that legislation was enacted making this country as prosperous as it is. For that reason I support the Pace bill, although I was hopeful it would give more liberal consideration to the consumer.

Therefore, I again implore and urge that you vote against the Gore substitute which has the blessing of the Republicans, and that you vote for the Pace bill.

You gentlemen have taken the following oath—that you will well and faithfully discharge the duties of your office. I ask, and the country demands, that you keep this solemn pledge and obligation, and not play cheap politics in considering a farm policy at the expense of the present and future well-being of the farmers and consumers of our great country.

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I shall rather quickly attempt to explain this rule and make clear that the rule now before us provides for 6 hours of general debate on the bill H. R. 5345, introduced by the gentleman from Georgia [Mr. PACE]. This Pace bill would amend the Agricultural Adjustment Act of 1938

by doing a number of things which I am not sure I could explain to you in full detail if I attempted to do so. I do know however that it would change the present parity price formula, it would change the present support price system that American agriculture has known for the past 10 years, and it would also permit a so-called trial run on the Brannan plan of paying the farmers of the Nation high prices for their products, while selling the same products to the consumers at a low price, with of course, the general taxpaying public paying the difference.

This rule would also—and it is a special rule as far as this particular feature is concerned—make in order the consideration of the bill H. R. 5617, introduced by the gentleman from Tennessee [Mr. GORE], as a substitute for the so-called Pace bill. The Gore substitute would simply postpone for 1 year, or until January 1, 1951, the effective date of the so-called Aiken law passed by the last Congress, and would continue in operation the present farm price support law, and the present farm parity formula, all of which has been in effect since 1938, so as to give to the Congress an opportunity to study the whole American agricultural problem further.

I may add it is my understanding the National Grange and the American Farm Bureau support the Gore bill and are opposed to the Pace bill, while the Farmers Union, headed by Mr. Patton is in favor of the Pace bill.

By the way, both of these bills, H. R. 5345 and H. R. 5617, contain some technical errors, either in printing or in the structure of sentences, that will undoubtedly have to be amended. So there will in all probability, be technical amendments offered to both measures.

In conclusion let me say there seems to be a great deal of confusion in the minds of almost everyone I have talked to about just what H. R. 5345, the Pace bill, wil_ do. Certainly the bill was not explained thoroughly to the Committee on Rules. Certainly there was a sharp division of opinion among the members of the great Committee on Agriculture, who appeared before the Committee on Rules, on this bill. No one could give us any information as to what the cost of the Pace bill will be or just exactly what will be done under it. However, it was rather freely admitted that the bill would confer a very, very broad grant of powers on the Secretary of Agriculture, giving him almost dictatorial control and authority over the farmers of the Nation.

I might add, in conclusion, if I may, that after listening to my great chairman, that outstanding agriculturist and farmer, the gentleman from Chicago [Mr. SABATH], explain this rule and attempt to inject partisanship into this whole question, that I am still confused just as I think most of the Members of the House are still confused as to what can actually be done under this bill.

This is not a partisan question. The future of American agriculture is a serious bipartisan matter. Incidentally both bills that will be considered by the House have been introduced by Members of the majority on the right side of the House, rather than by Members of the minority, so it is not a partisan issue which we have before us. Instead, it is a great national problem which confronts us. One upon which not only the future and the welfare of millions of farmers depends but also the future welfare of our entire country.

Mr. WADSWORTH. Mr. Speaker, I yield 8 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I favor the rule, and I also support the Gore bill which will be proposed as an amendment to the Pace bill.

I regret that the gentleman from Illinois, the distinguished chairman of the Committee on Rules has seen fit to make a political speech on this issue. There is too much politics this time in farm legislation.

But I am supporting the Gore bill because that represents the views of all the members of the Subcommittee on Agriculture that has charge of the drafting of farm legislation.

Mr. Speaker, this is the first time in my long experience as a member of the Committee on Agriculture that political partisanship has entered into the drafting and consideration of our complicated farm problem. I regret this exceedingly, because it vitally affects the welfare of 6,000,000 American farm families. Because of great diversity in American agriculture, the farm problem is an economic question, which can only be solved by honest and sincere consideration on the part of Members of Congress of both political parties and the people whose welfare is at stake.

I have been one of those who has pursued the philosophy that general prosperity for the people of the United States stems from a prosperous agriculture. American farmers are the only group in our economy to produce an annual crop of new wealth from the same soil, and this new wealth supplies the vitality in the blood stream of our economy to determine whether we have a depression or generally prosperous conditions in the country. In view of this strong conviction, I have always endeavored to be fair to every segment of our greatly diversified agricultural economy in the shaping of legislation for the welfare of American farmers. I cannot say that I have always received the same consideration at the hands of some of my colleagues in the consideration of problems affecting the welfare of millions of farmers engaged in the production of diversified farm products and dairying. Be that as it may, I insist that the stakes are too high, and the risk too great, to solely place the solution of the farm problem on a political basis.

Since our discussions in past years involving agriculture have generally been on a high economic plane, recognizing the realities of our action, it is difficult for me to understand why some of my colleagues of long experience and able judgment, should overnight, cast aside their better judgment to make a political football out of the future welfare of 6,000,000 American farmers. Time and events will supply us with the reason for this radical change in conviction on the part of the majority members of our once great Committee on Agriculture of the House of Representatives.

The House is about to pass judgment on H. R. 5345, commonly known as the Pace bill. There are some good features of this bill, over which agreement could be reached. However, the injection of the Brannan plan as the important part of the bill raises the vital and controversial issue on the merits of the proposal and the sincerity of its sponsors.

The Brannan plan which promises prosperity to farmers and cheap food for consumers, rich and poor alike, is the most fantastic scheme that has ever been presented to Congress for consideration. It is not a new plan, for it has been used in every country where Communists and Socialists have gained control over the government by promising the people, if they vote right, all kinds of food and luxuries at low costs and prosperity for the farmers, at the expense of the taxpayers. In England, where farmers have lost their freedom, the Socialist government paid out more than $2,000,000,000 in subsidies in 1948. In the past 4 years, American taxpayers have given England more than $6,000,000,000. Under the Marshall program, the British are slated to receive more than $1,000,000,000 this year, and they are asking for additional billions.

While the Secretary of Agriculture possesses more power than any other Cabinet member, the enactment of the Brannan plan, as presented to the committee on April 7, would complete the circle, and the Secretary would become the czar over 6,000,000 American farmers. The plan would regiment and control every farmer, his production and his income. In other words, it would destroy freedom for American farmers and reduce them to economic slaves dependent upon the edicts and bounty of the Secretary of Agriculture and the Congress for billions of dollars in appropriations to carry out the commitments of the Secretary. I will not be a party to any scheme which destroys freedom for American farmers.

It will be said by the sponsors of the Brannan plan that the proposal is only a trial run on three commodities to be selected by the Secretary and therefore we should authorize the plan. Section 3 of the Pace bill is permanent legislation. It is not a trial run. The Secretary can select three commodities in 1950, three commodities in 1951, three other commodities in 1952 and so on upon which he can use his experiment. The cost of the experiment will be terrific. It will run into billions of dollars annually and there will never be enough tax money in the United States Treasury to pay the bill. This will mean that the farmers will wind up without any program whatsoever and we all know what that will mean to the economy of our country. It would be disaster.

Those who urge a little bit of the Brannan plan as a trial run are unwittingly, I am sure, sponsoring an experiment in Old World socialism, which will destroy freedom for American farmers and be the beginning of the end for our Republic. I want no part of it in our country. Not even a little bit as a trial run. I am satisfied, from past experience, that the members of our Committee on Agriculture can get together and draft sound farm legislation along American lines

that will assure abundant supplies of food, fiber, and tobacco for consumers and prosperity for those who till the soil.

Mr. SABATH. Mr. Speaker, I yield 6 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, the Rules Committee presented this rule in the form in which you find it because the committee understood that was the manner in which the membership of the House wanted the question presented.

I am opposed to the so-called Pace bill. The embarrassment that I experience in opposing this measure arises out of the fact that the sponsor of the bill is the gentleman from Georgia [Mr. PACE], who has given the heart of his life to the cause of those who till the soil. I regard him as being the best informed man, or certainly one of the best informed men, in the country on the subject of agriculture. I am not disposed to assault the bill that he sponsors; there has been too much time, thought, and deep interest of the farmer put into it to make an attack of this kind in good form. I am glad, however, that I see signs of a disposition upon the part of the Committee on Agriculture to give ground on the Pace bill. I think that is evident to everyone. It is something that is probably the result of what seems to be the sentiment of this body.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes; in a moment.

Let me say that I do not question the very deep sincerity of the gentleman from Georgia [Mr. PACE]; I know that he has given no sign of any willingness to compromise; but compromise, in my judgment, is what we shall get; the result will not be a victory for either the majority or the minority; it will, in my judgment, be "dog fall."

In my belief, the Pace bill is out; I am confident that this committee will turn it down by a vote of from 70 to 120—perhaps not quite so high. It is my opinion, however, that some substitute will be accepted. If my only choice were limited to the pending bill and the Gore substitute I would take the Gore substitute. A motion, however will be made to amend the Gore substitute providing for the repeal of the Aiken bill rather than defer its effective date to January 1951.

If the Aiken bill has any friends, I do not know who they are; and if the Gore bill is accepted, or some substitute offered by some member of the committee which provides for a continuation of the present program carrying the repeal of the Aiken bill, I trust that the result will satisfy the membership and both the majority and minority. I do not know why anyone should want to continue the Aiken bill except that party pride may be involved, and while not interested in putting the measure into effect, I can understand that there may be some disposition to let the matter ride until a later date when the Congress will have had time to restudy and propose a different bill covering the general subject of agriculture.

Friends of the pending bill should recall that acceptance of the Gore bill, amended to repeal the Aiken Act will be doing that which the gentleman from Georgia proposed in a bill introduced by him earlier in the session. So, no matter which way the vote goes the gentleman from Georgia is bound to win.

Personally, it would be much more preferable to me to continue the present program and repeal the Aiken bill outright. I can see no good sense in continuing that bill.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. WADSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. MASON].

THE ORIGIN OF THE BRANNAN PLAN

Mr. MASON. Mr. Speaker, Members of Congress have learned that the much-publicized Brannan farm plan is the brain child of Henry Wallace, Rexford Tugwell, and Alger Hiss. Prepared when Wallace was Secretary of Agriculture, it was buried for several years and then resurrected by Mr. Brannan when he became Secretary. He dusted it off and is now trying to sell it to the American farmers as a 1950 election issue. If the plan will bring prosperity, as Mr. Brannan claims, why wait until 1950 to put it over? If, on the other hand, the plan is the brain child of the Wallace-Tugwell-Hiss trio, as reported, then our American farmers should beware.

Mr. Brannan has had months to work out the details of the Wallace-Tugwell-Hiss plan, but according to observers at Des Moines, he was unable or unwilling to reveal a single definite item of cost. He had no answer to charges that milk subsidies alone would cost the taxpayers nearly $2,500,000,000 a year. He refused to hazard a guess on the cost of guaranteeing an income standard on corn and wheat surpluses. He asks the farmers to buy "a pig-in-a-poke" that he labels prosperity without any mention of cost to the taxpayer, or of the socialistic regimentation involved in the plan.

Our farmers do not want their prosperity dependent on the whims of political planners, who, within the last 6 months, have revised their own publicly announced platform, and have reversed themselves completely. Farmers still resent the killing of little pigs, ordered by the Wallace-Tugwell-Hiss trio 15 years ago, and they will resent the Government controls Mr. Brannan now proposes. When we start writing programs of this sort in Washington and begin poking them down the people's throats, we can no longer call our Government a Republic.

BRANNAN'S DOUBLE-BARRELLED FARM PROGRAM

Mr. Speaker, in trying to analyze Secretary Brannan's new farm program one finds it difficult to decide whether it is a farm program or a consumer program. Secretary Brannan proposes that farm prices should be allowed to sink to whatever level the law of supply and demand will bring about. This will please the 145,000,000 consumers by providing cheap food, but it will saddle upon the same 145,000,000 consumers added taxes to make up the difference between the cheap food prices and prices that guarantee a fair return to the farmer—plus a heavy pay-roll burden for the thousands of extra Government employees that will be needed to implement the program.

The 6,000,000 farmers of the Nation, on the other hand, are expected to be delighted with definite assurance that they will receive a check from Uncle Sam to guarantee them a fair return for their labor. Not so pleasing, however, to these same 6,000,000 farmers will be the endless bureaucratic dictation, controls, edicts, and restrictions that will be insisted upon as a necessary part of the Brannan plan. In advancing this program to subsidize and socialize American agriculture, Secretary Brannan did not consult any of the leaders of our farm organizations. Nor does he have any idea of the cost of his new farm program—at least he refuses to make an estimate.

Our present farm program is a good one; it has been tried and tested. Perhaps we had better hold on to that which is good, and try to improve it as we go along. We would be foolish to discard our present program and adopt an untried socialistic program which even if it did work would destroy the traditional independence of our farm people. The question is, "Will the American farmer benefit by regimentation and Government control, which is what the program involves?"

THE HANDS OF ESAU, BUT THE VOICE OF JACOB

Mr. Speaker, we all know how Jacob fooled his old father and robbed his older brother Esau of his birthright. Under the new Brannan Farm plan the Administration hopes to drown out the voice of reason with the clink of dollars. With promises of price security the administration expects to get complete Government control over the farmer, and thus rob him of his birthright of independence.

Mr. E. R. Eastman, editor of the American Agriculturist, expresses it as follows:

> This plan is the slickest vote-getting scheme ever pulled out of a politician's hat. The cost of the plan would be tremendous, running into an estimated seven or eight billion dollars annually. To share in the plan and the Government subsidies, the farmer would practically have to turn over the management of his farm to the Government bureaucrats.

The Brannan plan is thoroughly bad and inherently dishonest. It should be fought tooth and nail, not only because of the heavy tax burden that it would place upon us all, but also because it would be a long step toward a controlled economy and socialism. It would place the American farmer exactly in the same place that the British farmer finds himself today—at the mercy of government planners. Do our farmers want to exchange their birthright for a mess of pottage? Perhaps as Mr. Eastman suggests in his article, "They had better look this gift horse in the mouth."

POLITICAL SHENANIGANS WITH AMERICAN FARMERS

Mr. Speaker, Secretary Brannan's recent announcement that under authority of the CCC Act he would make loans to farmers up to 75 percent of support prices on wheat stored on the ground makes one wonder why he did not take such action last year at this time. He had full authority to make loans of this kind last year but did not do so. Mr. Brannan steadfastly refused

then to make grain loans unless proper storage facilities were provided. He refused to loan one dollar on wheat stored on the ground. This caused wheat producers to lose at least $100,000,000 on their crops. Today with the same legal authority that he had last year he announces a large loan on wheat stored on the ground. The President during the campaign blamed the Republicans for lack of grain-storage facilities and for the slump in grain prices.

As a result of Secretary Brannan's recent loan announcement the price of wheat immediately advanced as much as 9 cents per bushel. This change in policy was no accident. It demonstrates to the farmers of the Nation that the administration has the power to raise or lower grain prices at will simply by using or refusing to use the authority it has under the CCC Act and other acts of similar nature. Can it be that the Truman administration is deliberately playing politics with the welfare of the 6,000,000 farmers of the Nation, using them as pawns in the political New Deal game?

Mr. WADSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Speaker, during the last night session of the Eightieth Congress the Aiken bill was passed. Subsequently it was signed, becoming a public law, the effective date being January 1950.

Before this public law has ever been in effect, the Eighty-first Congress has before it House Resolution 5345, which does three things:

First. It changes the parity formula to an income-support standard, doing away with the original parity formula which was endorsed and accepted by the accredited farm organizations, AAA, and the Grange. Do not ever forget this parity formula was written when farm help was needed badly.

Second. It uses the yardstick of proper farm prices as a moving period for the past 10 years, taking off a year at each end of the period.

Third. It adopts total cash farm receipts as the basis of applying the index.

Who knows whether the Aiken bill or the proposed Resolution 5345 is good or bad from the standpoint of agriculture or the Nation? If the Aiken bill is bad, why did it become public law instead of receiving a Presidential veto? Is it bad before being in effect? Did the Secretary of Agriculture declare its defects before it became public law? Did the Secretary recommend that this law be signed or vetoed? This would be interesting to know.

How many practical farmers who are members of the AAA or the Grange actually know the contents of the Aiken bill? How many know what House Resolution 5345 contains?

A practical farmer does not want his products too high and out of line such as the top of $42 cattle, $32 hogs, $2.25 corn, and $3.25 soybeans unless what he buys is at proportionately high level. No group has the right, legally and morally, to, by legislation, have what is sold at the top price and what that same group buys at a low price and all out of proportion. The farmers, of all people, do not want this.

The same situation applies to wages and services rendered. No one group should have such privileges, regardless of the methods of attainment, political or otherwise.

When cattle were $42 per hundred for the best grade, any cattle feeder wondered but did not question that he should not buy feed-lot cattle to market at 6 months later on that basis. That feeder knew he might take a severe loss. His better judgment said a $42 cattle market is dangerous when he was dealing 6 months hence. When a hog raiser marketed hogs at $32 he wondered how long it would last. He wondered whether to raise the same number of spring or fall pigs as he had before, again knowing they would be marketed 6 months later. His better judgment in most cases said sell the corn at $2.25 instead of raising so many hogs. On grain crops he felt somewhat different and planted accordingly. He had to resort to some income method. He saw corn with a large crop go down to $1.25. He saw cattle go down to a top of $32. He saw hogs go down to $18, and he was not too surprised. He was prepared, because he had proceeded slowly and with common sense. Yet he did not see what he was buying go down on a similar basis nor has he seen it yet.

Now, before a so-called trial run on House Resolution 5345, why not a trial run on the Aiken public law? Why fool the farmer? Neither of these are trial runs. They are liable to be just as permanent as any public law unless public reaction, namely, farmer reaction, dictates otherwise. As a Representative in Congress and wanting to help with the right kind of legislation, it would seem agriculture as a group would and should prefer legislation in their behalf that would not make them political guinea pigs but legislation sponsored and helped in the writing of by agricultural groups to which they belong and have faith in, namely, the AAA and the Grange. Who in all common sense should they feel has their practical long-range interests at heart, those representing them through the years at all levels or those wanting their votes? No political party has the right to trifle by playing political football with that group's economy. No elected or appointed official has that right, either.

H. R. 5345 does not contain the 1,800 norm unit system (as used in Russia) and set up in recent proposals and now included in Senate 1882 in that body. If this legislation passes what do you think will happen on the norm of 1,800 unit system, when it goes to conference. Should a plan on pigs be put into effect according to the explanation of H. R. 5345. The Secretary of Agriculture cannot put the same into effect until he decides whether or not it will throw beef and pork out of proper relationship as to price. He must decide whether the consuming public will eat more pork than beef. Neither can he put it into effect unless appropriations are available and who knows the cost. The availability of appropriations remain with the Congress. Possibly Mr. Farmer today is thinking about taxes and spending down here in Washington. Possibly he wants some sense in Government.

If this legislation were public law years ago and applied to manufacturing the Congress would not allow automobiles to be built because it would hurt the buggy business. You could not have electricity because it would put the coal oil lamp on the shelf. Nuts.

Most practical farmers want fair prices for their products and efforts. In free enterprise which so far includes farming, if they take the losses, of course they feel entitled to the high profits during the good times of heavy demand. Most farmers resent being told what to do, and justly so. This is exactly what will happen if this legislation becomes public law. If the Aiken law contains provisions undesirable, they should be removed, and I am willing to help with such removal as long as I am here. The removals, however, should be with the distinct approval of the recognized agricultural organization. This Congress should not in my opinion rewrite legislation approved by these organizations before they have been put into effect, unless these same organizations have found constructive improvements can be added by amendment. Why should luxury perishable items be included with basic commodities in a support program. Everyone knows they were war measures and for the duration only, another trial run so to speak. This Government or this Nation does not have enough funds or available taxation to support all perishables. The public is fed up with potato programs. The original farm help legislation never intended that we should embark on such a program. Pork can be stored about 6 months without spoiling. Corn and other basic commodities can be stored indefinitely. Let Congress support storable corn and the prices of beef and pork will take care of themselves on a fair basis. This, of course, must be with the farmer's help.

Regardless of any agricultural legislation such as being proposed today or the Aiken public law, all farmers should never forget they still have the right by triple A elections to accept or reject whatever program is offered them. This will be their election. They can accept or reject by so voting. My suggestion is they had better be on hand to vote that day. They might be voted into an 1,500 norm or bondage.

Mr. Speaker, I am not voting to make the American farmer a sharecropper.

Mr. WADSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. COLE].

Mr. COLE of New York. Mr. Speaker, I am opposed to production subsidies in any form, whether for the farmer, the manufacturer, the merchant, or the consumer. Subsidies which are but handouts from the Public Treasury are hostile to the philosophy of life which has made our country great. They destroy initiative and self-reliance. They dim vision and foresight. They circumscribe personal liberty and enterprise. They encourage indolence and extravagance. They generate regulation and regimentation. They require higher taxes and

greater public debt. They are class legislation.

The full power of Government must be used only to prevent extreme hardship of the people, including the farmer. It should be used sparingly and seldom. A permanent program of Government aid whether under the Brannan plan, the Hope-Aiken plan, or the Appleseed plan will eventually destroy the moral fiber and character of the American farmer. I cannot lend them my support no matter how politically expedient it might be.

The best way to help the farmer as it does all our citizens is to have a sound financial Federal structure. Subsidies beget more subsidies and lead to national bankruptcy.

Mr. SABATH. Mr. Speaker, I rise again because the gentleman from Ohio always refers to the Chicago farmer. I want to say to him that I have raised more crops than he has. Yes; I have shipped as many as 1,200 to 1,400 cars of produce that I raised on a 1,200-acre farm. I had done so up to 1931 or 1932, when I was obliged to give up. I could not stand it any more because of the Republican prosperity which was not ours.

Now, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] says, "Why, this will bankrupt the country. Look at what the Socialist Government of Great Britain has spent. They have expended $2,000,000,000." Why, gentlemen, we spent on livestock alone in 1944, 1945, and 1946 in subsidies $1,590,716,246. The dairy subsidy for the same 3 years was $1,513,622,179. On these two items alone in subsidies we spent in the 3 years mentioned a total of $3,104,338,425. That is only on these two agricultural commodities.

I venture to say that this new bill will not cost nearly as much as we have paid out in support prices and subsidies under present law, but that was during the depression and during the war. The depression has been over for years; the war is over. We now have real prosperity. Consequently I do not see how this bill could cost the amount Republican spokesmen charge, but I am not surprised because they double and triple the cost on all legislation they are opposed to.

I realize why some of you Republicans are not for this bill. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] also stated that it is political. To bear out this charge of politics, I insert an excerpt from a notice sent out by the Republican minority whip, the gentleman from Illinois, Mr. LESLIE C. ARENDS, to the 171 Members comprising the Republican minority of the House, as follows:

Upon the completion of the 6 hours general debate, a substitute bill will be offered and voted upon within a short time. Accordingly, it is of paramount importance that every Member be constantly on the floor Tuesday and Wednesday, July 19 and 20.

Every Republican Member who is on his feet and breathing, or shows any sign of life and is free from doctor's orders must be accounted for on the above-mentioned dates, and be ready to vote on this important and far-reaching legislative proposal.

We must defeat the Brannan farm bill. It can be done if all Republicans are on the job.

Your vote is needed.

The Republican aim is to suspend the operation of the Aiken Act for 1 year.

I say, we should do it, and do it now. Repeal this law. Did not all of you Republicans vote against the Pace bill in committee? Have you voted any real farm relief and are you not opposing it now? What is your record on that? I should like to see it. I want you to give the country the record of the Republican Party in the interests of the farmer and agriculture. You have no record with which you can go before the country. The Democrats have. All you have been giving the farmer is lip service. Our Democratic Party has demonstrated its ability and has legislated in the interest of the farmer and the country. I feel that we can trust again the party that has done so much for the country in the past and will do so in the future.

Mr. WADSWORTH. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, I realize how impatient the House is to proceed with this business, and with that realization in mind I shall not attempt in the limited time remaining during the debate on the rule to go into a detailed discussion of this bill. Rather, I shall attempt, and probably inadequately, to size up the situation as it appears to me.

First, this bill, as you will realize if you will only read it, and you will have to read it a good many times before you understand it—I have read it a good many times and I doubt that I understand it all—this bill does away entirely with the whole price support system as we have known it for 10 years, and to that extent it is revolutionary, and proposes in its place something that has never been tried in this country, the income support program.

To make that change means making a great decision which will have its effect down through the years to come—no one knows how many years. We would better pause before making that change.

Second, no one has been able to tell any committee of the House how much this program would cost if put into effect. No approximation of the figure has been given although there have been many, many guesses to the effect that if the program is put into effect under the income support philosophy, the cost might run anywhere from $2,000,000,000 a year to $8,000,000,000 a year—no one can tell. Surely we would be an adventurous Congress if we embarked upon a program with no understanding at all of how much it is going to cost—and the more adventurous if we should do so at this time when the Federal Treasury is in the red about $1,800,000,000 a year, and will in all probability be in the red about $5,000,000,000 a year at the end of the present fiscal year. We would better pause and look around a bit before we embark upon any such adventure.

Thirdly and lastly, as I see it, this bill plants some seeds—some seeds in the ground. True, its proponents say, "We will only plant a few at a time." I am referring now to the trial run proposal. They say, "We will only plant a few seeds at a time." But, Mr. Speaker, I am convinced that once you plant those seeds, there will develop from them hardy perennials which will live from year to year scattering their own seeds and multiply their own strength by the spread of the roots under the soil. You may plant only two or three rows, but having done that much those rows will grow and grow and finally spread over the whole field and with it will go the loss of liberty for the farmer. It is inevitable—it has happened in every country that has tried such a thing.

What do I mean when I say "loss of liberty to the farmer"? I mean that the Secretary of Agriculture, under the development of such a philosophy, would no longer properly be called the Secretary of Agriculture, but he would be called the Master of Agriculture, clothed with power unthinkable and never before proposed in this country until the Brannan philosophy was laid before us. The seeds of that philosophy are in the Pace bill—make no mistake about it.

May I close by stating to you my firm conviction that the most precious thing in the possession of the farmer is his liberty. Seldom, if ever, do you find a man going into farming with the hope or confidence that he will make a great fortune—seldom, if ever. The fact is that very few great fortunes have been made in agriculture. Why do men cling to that avocation? Why do they work 60 hours a week, or more than that if they happen to be dairy farmers? Because they like to plan their own lives. They like to sit on the porch on a Saturday evening after supper and gaze across their fields, noting the development of their livestock and the growth of their crops and the condition of their pastures. They like to sit there and plan freely not only as to what they will do on next Monday, or next month or in the next 6 months, but what they will do the next year, and the next 2 years, and for 3 years or more. Farming has to be planned. You cannot close down a farm the way you close down a factory. The man who does the planning is a man who must be free, and his most precious possession is his liberty. Take that away from him and the enjoyment of farming is gone.

Mr. SABATH. Mr. Speaker, before I took the floor to close the debate on the rule, I inquired from the gentleman from New York [Mr. WADSWORTH], to whom I yielded 30 minutes to his side, if he or anyone else on his side desired to speak. This request was made because I felt it was my right and privilege to close debate. To my great surprise, after I concluded my remarks, the gentleman rose and asked to be recognized in order to use the unused time that I allowed him. This I consider unfair on his part, but I presume he wanted to make clear that he, representing the Republican side, is for the coalition reactionary Republican-Dixiecrat Gore substitute, which I designated in my first speech as the mongrel bill, and which, unfortunately, in no way will relieve the consumer of the exorbitant high cost of food.

I move the previous question, Mr. Speaker.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5345, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] is recognized for 3 hours, and the gentleman from Kansas [Mr. HOPE] for 3 hours.

The gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, more than 128 years ago, in the year of our Lord 1820, the House Committee on Agriculture was created. A very distinguished North Carolinian, Congressman Lewis Williams, a native of Surry County, N. C., introduced the resolution which resulted in the creation of the House Committee on Agriculture. Although Congressman Williams served in this House for 28 years and died while a Member of Congress, he never actually served on the committee which had been created as a result of his own foresight and vision. Seventeen years later Congressman Edmund Deberry, another distinguished North Carolinian, became the first representative from my native State to serve on this important committee. Congressman Deberry became chairman of the committee and his service in that capacity terminated in 1845. No other North Carolinian served on the House Committee on Agriculture until I came to Congress. So for more than 104 years I am the only North Carolinian to become chairman of this very great and important committee.

I mention these things, Mr. Chairman, merely to emphasize the point that I take great pride in my membership on this committee. I am happy in the glad thought that after so many years, yes, so many long decades, another North Carolinian is serving on this committee. I am bold to assert that during my 15 years service on this committee more legislation beneficial to the farmers of this Nation has been enacted into law than had been enacted in all of the history of this Republic.

I take pride in the fact that I have been permitted to participate in the preparation and in the passage of various acts of Congress which go to make up a well-rounded Federal farm program, the first program that the farmers of this Nation have ever had; it is a program that has been tested and tried; it has served well the cause of agriculture both in times of peace and in times of war. When war came upon us there was no segment of our economy better prepared for the shock of war than American agriculture. Our warehouses were filled to overflowing, and our fields were flourishing; and, yes, when peace came to the world again agriculture was prepared for the impact of peace. Under this program the farmers of this Nation have prospered to an extent heretofore unknown, and again I say that I take pride in my membership on this committee. I hope you will pardon this little personal reference.

I am a lawyer by profession; the law is my love and my life, and I was happy in the practice of law. But in my childhood I learned something about farmers and farm problems, and life on the farm. Early in life I became interested in the cause of agriculture. When I realized that my great State, which was one of the leading agricultural States of this Union, had not had representation on the House Committee on Agriculture for so many long years I told the people of my district that I would seek membership on that committee; and, fortunately, by the help of my friends here in the House and perhaps because of my announced purpose, I was elected to that committee in my first year.

I want to clear up another thing here and now: I have never in my life cherished political ambition. In my childhood I never cherished any ambition to sit in the seat of honor or to hold high office. I have said that on every platform in my district and in my State, and the people of my State know it. I now have no political ambition; my one burning desire is to vindicate the faith that the people of my State and district have placed in me. So I come before you not to pull anybody's chestnuts out of the fire. I have had many great predecessors; and I am now perfectly willing to bow with respectful deference before the splendor of their greatness and capacity and to confess that all of them were far greater than I. But to none of them will I yield in my sincere devotion to the cause of agriculture, and no one of my predecessors was ever motivated by a deeper degree of sincerity than I am at this moment.

I come before you proud of my agricultural record; and, yes; I am proud of another part of my record. I know that this House frequently breaks up into groups; I have a labor record, and it is just as good as I want it to be; I do not have to apologize for it here or at home. I have voted for the rights of labor, to give to labor the minimum wage, to give to labor collective bargaining, to give to labor job insurance, social security, and the right to strike.

I stand here now ready to increase that minimum wage, to make more secure the right to strike, to make more secure the right of collective bargaining. Yes, I have voted for and supported all of the basic fundamental rights of labor.

I realize that labor and agriculture must prosper together in this Nation. We have a great Nation, the greatest in the world and the men and women of America in the fields and factories of America have made it great. The farmer cannot be prosperous unless the worker in the city is prosperous. The city worker cannot enjoy that degree of prosperity which he has a right to enjoy in this Nation unless the farmers of this Nation are prosperous. So, agriculture and labor and industry must go hand-in-hand and side-by-side along the road of progress, each pulling its part of the heavy load along the road that leads to prosperity.

Let me remind those who are prone to think perhaps too much of labor and too little of agriculture that agriculture is the mother of all the arts, it is the nursery of all industry. It supplies materials to commerce, jobs for labor, and food and fiber for the human race. It is the basic industry of America and we must keep it prosperous. I do not believe that any of us will ever be able to know or to fully understand the importance of the things we are about to do.

I believe that all of us know that when agricultural commodity prices go down, our agricultural economy is headed for trouble. When the farmers of this Nation find themselves in trouble, grief will soon visit the hearthstones of every man and woman that lives beneath our flag. We must support our agriculture at a high level, not only to protect the economy of our Nation but to protect the security of this Nation and to play our part in the international affairs of this great world.

I appreciate, Mr. Chairman, the political implications and considerations which are here involved, I appreciate the fact that this issue has become involved in partisan politics, but I want to say for my committee that the Committee on Agriculture has been, for at least 15 years, during my service on it, free from partisan politics and seldom, if ever, has partisan politics lifted its ugly head in our committee. I deplore the fact that now partisan politics has lifted its ugly head in my committee and is lifting its head on the floor of this House. I abhor the thought that these great issues must be considered and decided in such a purely political atmosphere.

It does seem to me in deciding upon issues of this magnitude and importance that we as Americans could lift ourselves above the bondages of passions and prejudices and sit down together dispassionately and calmly and consider these issues which so vitally affect the lives and the livelihood and the happiness and the welfare of the people of our Nation; yes, of the people of the world.

Let us look at the issues before us. I take pride in the program that has been written for the last 15 years and under which we have operated so successfully. But I tell you now, after careful study, that that program is showing weaknesses and that it is not now a perfect program. If then that program shows weakness, why should we not give it strength? If it is displaying imperfections, why should we not try to perfect it?

When we came to this session of the Congress, I appointed some important subcommittees. I appointed the gentleman from Georgia [Mr. PACE], as chairman of the subcommittee to handle this problem, and on my motion the gentleman from Georgia was made vice chairman of my committee by unanimous vote. The gentleman from Georgia has worked diligently and faithfully and long hours, both in the daytime and nighttime studying the question here presented. We called upon the legal experts of the Department to analyze and

to interpret the Aiken bill line by line, and paragraph by paragraph, in an effort to find out what it contained. Now we know the Aiken bill for what it really is.

Coming again to partisan politics, I know that all of the Members of this House who were here in the Eightieth Congress recall the fact that on Sunday morning, June 20, 1948, after an all night conference, an important vote was taken. The vote was on the Aiken bill. When the roll was called, every single soul of us on this side of the aisle voted against it and my recollection is that every single soul on that side of the aisle voted for it.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I certainly will yield for a correction.

Mr. HOEVEN. For a correction.

Mr. COOLEY. I will modify that.

Mr. HOEVEN. Is the gentleman talking about the vote on the conference report last year?

Mr. COOLEY. Yes.

Mr. HOEVEN. There was no roll call, I would like to advise the gentleman.

Mr. COOLEY. But there was a vote. I accept the gentleman's statement to the effect that there was no roll call.

Mr. MURRAY of Wisconsin. Mr. Chairmain, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I think the gentleman would like to have the record straight. The gentleman knows that I did not vote for the Aiken bill. I voted "no" on it. He knows I voted against it in conference. What is the use of taking up so much time to tell who voted for it and who did not?

Mr. COOLEY. I apologize for that, and I just want to say to the membership that the very distinguished gentleman who has just spoken was one of the conferees, and along in the middle of the night, when the pressure was burning down from Philadelphia and the party lash was being used from one end of the Capitol to the other, the gentleman from Wisconsin [Mr. MURRAY], withdrew from the conference rather than to give up his honest convictions.

That was the first time I have ever seen this House vote blindly and in woeful ignorance of the proposition they were deciding. We know now that it was a blustering blunder. So we came out with this monstrosity, the Aiken bill, and even now the author of that bill is frank and fair enough to confess that he himself did not know what was in it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. May I suggest to the gentleman that the bill was written down in the Department of Agriculture and sponsored by the then Secretary of Agriculture.

Mr. COOLEY. I do not know where it was written and I do not care where it was written. It was bad. If it is a serpent which will sap the life out of that segment of our economy that depends upon the soil. Why, pray tell me, should any Democrat want to breathe another breath of life into it and extend it and hang that serpent over the heads of the farmers of this Nation for another 12 months?

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. What the gentleman is saying, and I agree with him, is that the paramount issue before the House today is whether or not that bill will be repealed.

Mr. COOLEY. That is, of course, the great issue. The committee bill provides for an qutright repeal of the Aiken bill, with no apology for that bold action. Now we are met by an unusual sort of a situation, where, by some sort of collaboration, a bill has been written into the rule by number, which seeks to suspend that serpent over our heads. If it is a snake and if it is poisonous, and deadly, why not destroy it? I cannot see how any man who voted against it in ignorance and now discovers its vicious and foul provisions would want to extend its life. Let us face up to the issue. The gentleman from Tennessee [Mr. SUTTON], a member of the House Committee on Agriculture, an ardent advocate and supporter of the committee bill but a man who desires to be frank and fair with this House, indicated to us a moment ago that he would place the issue squarely and fairly before us, whether we will repeal the Aiken bill or whether we will accept the proposition of his colleague, the gentleman from Tennessee [Mr. GORE], and extend its life for another year. On that vote I think we have no alternative other than to trample it beneath our feet and defeat it. Then comes the real issue involved, between that proposition and the committee bill.

Now a little bit about the committee bill. When we discovered as a result of our careful studies, extending over a period of weeks and months, that the present program has imperfections and weaknesses, we set out to do something about it. People say, what will this new program cost? I will ask the question, what will the old program cost? Nobody knows. We know this, though, that the potato program alone has cost the taxpayers of America $408,000,000, that the egg program has cost the taxpayers $84,000,000, and that the wool program has cost the taxpayers in excess of $80,000,000. We have on hand 60,000,000 pounds of powered eggs, that are now deteriorating. That is a lot of rotten eggs. Talk to me about rotten apples in the barrel. These rotten eggs will wreck this program which has served agriculture if we do not do something about it. Now, are you going to sit here and say we will continue the old program and bring the house down on our heads?

We are not retreating. We are not compromising. We are not taking a nonsuit and we are not taking a nolle prosse. We are here—every Democrat on the Committee on Agriculture, including the gentleman from Tennessee [Mr. SUTTON], sincerely and honestly believing that we understand the propositions involved and we are urging the House to accept and embrace and adopt and approve the committee bill.

I am taking nobody's chestnuts out of the fire. I do not believe that I will have to go home and try to sell myself to the farmers of North Carolina, and I am certain that not one among them would question my sincerity. I do not question the sincerity of those Members on the other side of the aisle. I accord them every right that I claim for myself. I do not know of a man in the House of Representatives for whom I have greater love and affection than the gentleman from Kansas [Mr. HOPE]. I do not know a man whom I hold in higher esteem. He is honest and courageous and truthful and sincere. I know that he is certainly one who, when he comes to the well of the House, speaks from the impulses of a sincere heart.

But we have the responsibility as was pointed out a moment ago by the gentleman from Texas [Mr. LYLE]: shall we accept the old program as it is and refuse to improve it or perfect it?

What do we do here? This is not the Brannan plan. Heaven help us, the Brannan plan contains 86 pages. I show it to you here it is in my hand. It was introduced by Senator THOMAS in the Senate. This bill now before you contains only 12½ pages. I am frank and bold enough to say that I was not willing to embrace all of the Brannan plan. I do not believe that any of the members of the committee on either side were willing to embrace all of the Brannan plan. But when we studied the Brannan plan we found that after all it was not so bad. We have fixed it so that the Secretary, at least, could have an opportunity to experiment. This thing has been viciously maligned. They have said everything on earth about this bill which is now before you. It is burdened with all the vicious propaganda that could be leveled at it. This is the committee plan which contains only a small part of the Brannan plan—merely enough of it to afford an opportunity to conduct a proper experiment.

Then we decided on account of the uncertainty existing with regard to the experimental features of the program, although we had fully indicated in the report that it was a test or trial, there was nothing in the bill to so indicate, so the majority members of the committee agreed to offer a substitute which will contain a definite limitation of 2 years.

Further, upon consideration we decided that since we knew that eggs and potatoes and wool had been expensive commodities to handle under the price-support program, we would come out and name them so as to remove uncertainty as to what commodities would be selected. I believe, and honestly believe, that these programs handled by the Secretary with a combination of methods of supporting prices, will prove far less expensive than the old programs have proven. He must make certain honest findings. He must find that this price payment program on these three commodities will be the most practicable and most effective way to support prices.

Now, what is horrible about permitting this experiment, circumscribed as

it is, with directions to the Secretary concerning his findings and his methods.

The other change is the change in the formula for determining parity. We have abandoned the old period from 1909 to 1914 and we come up to the last 10 of the last 12 years and relate the income of the farmer to the income of the nonfarmer and we have come out with the figure which fortunately or unfortunately is just about 90 percent of parity as we have known parity in the past.

I shall not go into any great degree of detail with reference to the provisions of this bill since I know that the author, the gentleman from Georgia [Mr. PACE], will do so. I know the membership of the House is anxious to know something about this measure because all of us must go home, after having taken our position, and explain why we voted as we did.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. WHITE of California. I wanted to be sure that the gentleman did not leave the impression—which some Members of the House, who are not well posted on these matters, may have—that we are striving to create something new in the handling of perishable commodities and junking the old. It is merely the implementation, another privilege that the Secretary has, without throwing out the old, and he cannot use this new power unless he finds it the best and most practical method. Is that right?

Mr. COOLEY. That is right.

Mr. WHITE of California. Now, just one further thing. The gentleman from New York [Mr. WADSWORTH] dwelt on the theory that it makes a dictator out of the Secretary of Agriculture. That has been spread throughout the length and breadth of the land. I say to you that this is the only method under which the farmer can have price support and still have some semblance of freedom. He does not have to go in unless he wants to. Is that not right?

Mr. COOLEY. The gentleman is entirely right. They talk about regimentation. If the membership of this House will sit here and listen to this debate with open minds, they must be convinced that this bill circumscribes the authority of the Secretary almost to the *n*th degree. When you compare that with the broad, wide-open powers of the Aiken bill which will fall heavily upon agriculture unless we act now, I believe you will change your minds and will agree to support this measure.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself 15 additional minutes.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. CHRISTOPHER. Does not the gentleman think it is a fact that the word "regimentation" has been used where the word "cooperation" would fit a great deal better?

Mr. COOLEY. The gentleman is exactly right. The basic commodities will be handled in the future just as they have been handled in the past. Farmers will have an opportunity to express their views with regard to the controlling of acreage and the marketing of their products. You cannot force it on them unless two-thirds of them vote in favor of it.

The difference in actual dollars and cents is about 19 cents for cotton under the Aiken bill or about 27 or 28 cents under the committee bill. Other commodities come out about the same.

Now, why all this agitation of mind and spirit about this simple proposition? Are we going to sit here and fail to act? The Aiken bill goes into effect on January 1. To all intents and purposes it actually goes into effect the minute that this Congress adjourns without doing something about it. Let me tell you, when that yoke falls on the necks of the farmers, it will prove to be a yoke of thorns that will bleed the farmers of this Nation to death. It will mean actual bankruptcy in many parts of the farming country of America. You cannot pull the rug out from under agriculture and hope that our national economy will survive. I say to you this is a sincere effort on the part of the Committee on Agriculture to bring to this House a proposition which we heartily endorse and recommend to you and urge your approval.

I want to say in conclusion that it is not the attitude of the gentleman from Georgia [Mr. PACE] it is not my attitude, nor is it the attitude of the committee that we are trying here to force our will upon the Members of this House. We want this committee to work its own will, to make its own decision, but we want you to hear this debate with open minds and hearts, and then reach your own honest judgment about what your duty is. Do not refuse to give us a hearing. Do not repudiate this great committee of mine unless you have just cause to do so.

In the 15 years that I have been on this committee not one single solitary time have we met defeat at the hands of the House of Representatives. Oh, yes; we are in trouble now; we need the support of the thinking men and women of this House, and it will probably take every vote we can muster to adopt this committee bill. I urge you to believe me when I say that I am sincere in my determination not to weaken—and I shall not weaken—on this bill. I bring it to you from my heart, and I know as you hear the gentleman from Georgia, STEVE PACE, explain it you must be impressed with his great sincerity. But let me ask you this, you Democrats and Republicans alike: Am I indebted to the Democrats in the executive branch of this Government? Is the gentleman from Georgia [Mr. PACE] influenced by bureaucracy here in Washington? Or are we free—I mean politically free—to exercise our own honest judgment. I do not know what you think about it, but I believe you would have to look a long time to find two men who are freer from evil political influence. Yes; all the men who sit with me on that Committee on Agriculture are free. We bring you the proposition; it is your decision; it is a great decision. It is a decision which vitally affects this Nation and perhaps will vitally affect this world. I appeal to every Republican and to every Democrat to hear this debate. It is a simple proposition; the issues have been beclouded, the bill has been maligned and deliberately misrepresented, but it is a simple proposition, an important one; and I urge you, and I know you are Americans, to vote with the highest degree of intelligence. When you do that I shall be satisfied and I shall abide by the decisions which are ultimately made.

Mr. HOPE. Mr. Chairman, I yield myself 30 minutes.

The CHAIRMAN. The gentleman from Kansas is recognized.

Mr. HOPE. Mr. Chairman, we have before us today a bill which I believe goes a good deal further in its implications than most bills which come before this Congress. I desire to go into those implications a little later, but I do want to say in a preliminary way that I regret very much that the committee was not able to get together and bring out a unanimous report on a farm bill. I believe I speak for every member of the committee when I say that we all feel that some bill should be enacted at this session. With one or two exceptions, at least the minority members of the committee do not feel that the Aiken bill should go into effect next January and this of itself makes it necessary to pass a bill now. I had hoped that, as in the past, it would be possible for the committee to get together on a bill and, to be frank, I thought until quite recently that the subcommittee which was working on the legislation, and the committee as a whole would get together upon the bill which is now before us as the Gore substitute. That program was changed. I do not know why. All I know is that after the subcommittee had agreed to recommend a 1-year extension of the present program, something happened and the Pace bill was presented to the subcommittee and to the full committee.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Is it not a fact that we did get together on a 1-year extension of the present law and suspension of the Aiken bill for that period?

Mr. HOPE. Yes; the members of the subcommittee did.

Mr. AUGUST H. ANDRESEN. That was unanimous.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from California.

Mr. WHITE of California. Of course, the gentleman recognizes that a committee has the right to change its mind?

Mr. HOPE. Oh, yes. I said the committee did change its mind. That is, some members did, but I do not know why.

Now let me say, in the very beginning, that it is not true, as has been stated in the committee report, that the choice we have before us is the Pace-Brannan bill or the Aiken bill, because we have another choice. We have the Gore bill, which is reenactment of legislation now in effect, which is working as successfully as I think any farm legislation can work in a period of a changing economy—a law which has behind it several years of successful operation. The law

which the Gore substitute proposes to reenact had its beginning, and I am sure the gentleman from Tennessee [Mr. GORE] will bear me out, as the so-called Steagall amendment in the formulation of which I know the distinguished gentleman from Tennessee [Mr. GORE] had a very important part. It was a proposal which came out of the Banking and Currency Committee as a part of one of the price-control bills, and it was adopted, as I recall, by the House without opposition. Republicans and Democrats alike voted for it back in 1941. It was the law during the war and by its terms it was in effect for 2 years following the war.

Last year, with a few modifications to adjust it to conditions that existed at that time, this House enacted it again. It was unanimously reported from the Committee on Agriculture. So the Gore bill, which I hope this Committee will see fit to adopt, not only has behind it a long history, of nonpartisan support in the House, but it has also a record of successful operation, as successful as I think we can possibly have in a period when our economy is changing as rapidly as it is now.

As to the gentleman from Georgia [Mr. PACE], for whom I have the highest regard and esteem, I join in everything that his colleague, the gentleman from Georgia [Mr. COX], said about him this afternoon. I am sure that he does not think that there is anything seriously wrong with the Gore substitute, because on the first day of the session, as I recall it, he introduced a bill which would have enacted the Gore substitute into permanent law. We are not asking that that be done. We are asking that it be extended for 1 year. So, I am sure that the gentleman from Georgia will not have to wrestle with his conscience if he should find that, through the course of events in this House, he must vote for the Gore substitute in order to start legislation on its way to the other body.

I do not need to go into any discussion of the Gore substitute, because I think everybody knows what it is. That is one advantage in considering it—we are all familiar with it; we know how it works; we understand its terminology. We do not have to try to understand some new plan, such as that embraced in the Pace bill, which, I am sure, is not generally understood among the Members of the House. For one thing, as far as the parity formula in that bill is concerned, I know that I am not confessing anything that is embarrassing when I say that most of the members of the Committee on Agriculture do not understand it. I wish the gentleman from Georgia [Mr. PACE] would use part of his time in an effort to explain to the House just how this new formula is arrived at, how it works, and what we can expect from it in the future.

Mr. Chairman, what I fear is that we are going to find ourselves at the end of this session in exactly the same position that we were at the end of the last session as far as farm legislation is concerned. There has been much criticism of the Aiken bill and the circumstances of its enactment and it is justified. However, no one in the House needs to make any apologies for that, for we were not responsible. We passed a bill, the same bill as you have before you in the Gore substitute, several weeks before adjournment. It went to the Senate, and then in the last week of the session, in the last days of that week, the Senate substituted the Aiken bill. I do not think it was properly considered in the Senate. There was no time to do it in the rush of adjournment, and, as far as the House is concerned, we had no opportunity either in the committee or in the House to consider any of its difficult and intricate provisions. It was a question of making the best agreement, the best compromise, that we could with the Senate, because the Senate was adamant. The Senate conference committee, both Democrats and Republicans, stood fast. They said "It is the Aiken bill or nothing." That situation prevailed until the very closing hours of the session. We had numerous meetings, and finally the House conferees made the proposal that we would accept the provisions of the House bill for a 1-year extension, and that we would accept the Senate bill and postpone its going into effect for a year. It was distinctly understood by the conferees of both the House and the Senate, and it was explained on the floor when the House adopted the conference report, that the House conferees had agreed to the compromise because otherwise we would have had no price-support legislation except the Triple-A Act of 1938, which provided price supports for the basic commodities on a flexible basis, mind you, of from 52 to 75 percent of parity, with no support provisions as to other commodities, except such action as the Commodity Credit Corporation might decide to take under its general authority to support prices.

The Steagall amendment would have been gone, all the price-support provisions that were worked out during the war would have been gone. So I have no apology to make when I say that we did the best we could, we brought back the best bill we could get, a bill which has worked well this year, and which, I believe, will work well for another year if we decide to continue it.

Something has been said about the fact that we ought to be passing permanent legislation. On that point, let me call attention to the fact that the Pace bill in its present form is permanent legislation. It is not a trial run. Do not let anyone tell you that. It is permanent legislation. If we adopt it we adopt most of the principles of the Brannan plan. If that is what we want to do, all right. But if we adopt so much of the Brannan plan as is contained in the Pace plan, I am sure most of the Members of the House are going to do so without a full and complete understanding of it and its implications, and they will find themselves in the final analysis in just the same situation Members of Congress were in a year ago when the Aiken bill was adopted.

I am not going to try to differentiate between the Pace bill and the Brannan plan because while the Pace bill does not embody all the Brannan plan it does take in a large part of it. I see that one of the commentators say it takes in 75 percent, and another one says it is 60 percent. I am not going to try to figure it out to a mathematical percentage. But the principle of the Brannan plan is there, and it is the principle of the Brannan plan that I want to discuss. I want to discuss it as it is interpreted by those who have been sponsoring it and who proposed it in the first place, and by that I mean the spokesmen for the great labor organizations of this country, because that is where it came from. It did not come from the farm.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. COX. As of yet I have heard no satisfactory explanation as to why the Farm Bureau and the Grange, two great, reputable farm organizations, were not consulted in the writing of this bill. I have a conviction that the adoption of the pending measure will give these two farm organizations a set-back from which they will never recover, because the Farmers Union, representing the Red element in agricultural circles, operating as a friend and a thing of the radicals, will be put in complete command as far as the farm problem of the the country is concerned.

Mr. HOPE. I am afraid the gentleman is correct. I believe that if we accept the principle of the Brannan plan it means that we have turned the writing of farm legislation over to the heads of some of the great labor organizations of the country. I am glad the labor organizations of the country are interested in agriculture. Certainly I am not complaining about that. But I do not believe they should be permitted to write the legislation and/or that we should pass legislation here which has their approval but which does not have the approval of the great farm organizations of this country, with one exception, and that is an organization which has closely allied itself with organized labor on all political questions.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. CHRISTOPHER. Was the American Farm Bureau Federation consulted in the writing of the Aiken farm bill, and did they give it their approval?

Mr. HOPE. I can only give the gentleman the best information I have on that question. If the gentleman will read the hearings on the Aiken bill he can get the position of the farm organizations. It is my understanding that the Farm Bureau supported the Aiken bill and that the Grange gave it a modified sort of support—they were in favor of part of its provisions and opposed to others. I understand the Farmers' Union gave it partial support and that the National Council for Cooperatives also supported it in part. But I am not attempting to speak for those organizations and am simply giving the gentleman the benefit of the best information I have on the subject.

Mr. CHRISTOPHER. What I wanted to know is whether they were consulted in the writing of the bill. Were they consulted before it was written? Did they help to sponsor the Aiken bill or did they just appear before the committee after the Aiken bill was written? I

want to know if they had an opportunity in writing it, that is, to the gentleman's knowledge.

Mr. HOPE. Not to my knowledge. They may have been consulted. They did appear before the committee. The fact is that the Aiken bill was largely written down in the Department of Agriculture, and the strongest statement that was made for it was by the then Secretary of Agriculture, Clinton P. Anderson. In this he was assisted by his aides in the Department, including the present Secretary of Agriculture, Mr. Brannan.

The Aiken bill was thoroughly and completely a nonpartisan bill. It was the product of the Department of Agriculture and the Committee on Agriculture of the Senate. Whatever its merits or demerits may be, those are the people who have to take the responsibility.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. Is it not a fact that the Democratic National Convention endorsed the principles of the Aiken plan?

Mr. HOPE. That is the way I interpret the resolution which was adopted; yes.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. WHITE of California. I know the gentleman is very sincere in what he says. Does he not believe that the Secretary of Agriculture, who preceded Mr. Brannan, was told by the Republican Party, which was in power at that time, that he had to get rid of the high, rigid price supports, and that if he wanted to save any part of the program he had to compromise and that is the reason Mr. CLINTON ANDERSON supported the so-called flexible price-support plan?

Mr. HOPE. The only answer I can make to the gentleman's statement is that this is the first intimation I have ever heard of anything of that sort.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself 10 additional minutes.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MILLER of Nebraska. Some reference has been made to the different farm organizations endorsing or not endorsing the Brannan farm program. I want the record to show that in the State of Nebraska all three farm organizations have opposed the Brannan plan—the Farm Bureau, the Grange, and the Farmers' Union. I believe in some States the Farmers' Union have endorsed the Brannan plan.

But in the State of Nebraska the Farmers' Union is just as strongly opposed to any part of the Brannan plan as the other two farm organizations.

Mr. HOPE. I am very glad to have the information, and thank the gentleman.

Mr. Chairman, I want to get to the philosophy of the Brannan plan as expounded by those who are responsible for it and who appear to be its principal spokesmen. But before I do that, just in case there are some who think that the Pace bill is not the Brannan plan, I want to quote from an article in one of the great labor papers of the country which is published by the Brotherhood of Locomotive Trainmen, until recently headed by the late Mr. Whitney. This article is taken from the July 11 issue of the Trainmen's magazine, and reads as follows. I quote:

> Grass-root support for the Brannan farm plan has grown so fast that those who did not give the bill a chance for enactment this year are changing their tune. The House Committee on Agriculture approved a measure which would permit application of Brannan principles to three crops in the coming year, as a trial run.

The writer must have had some inside information, for he goes on to say:

> Ground has also been cleared for a complete switch next year to a production payment instead of the present purchase-to-keep-the-price-up method.

There is more to the article, but I will not take the time to read it just now. But that is the word that is going out among those who have sponsored this legislation, and who are responsible for it. They say this is just the beginning, and if they can get the Pace-Brannan bill enacted this year, they expect to have the whole program next year.

Had I the time, I could quote from a number of papers which are published by labor organizations in which they interpret the Brannan plan. At this time I will limit myself to an article on the Brannan plan professing to expound it and explain it, which appeared in the Agricultural Supplement of the League Reporter, the publication of the American Federation of Labor League for Political Education. This article appeared in the issue of April 18. It is long and I cannot read all of it, but I quote from it as follows:

> In presenting the new program to Congress, Secretary Brannan did the following:
>
> 1. To farmers generally he offered an over-all Government-guaranteed and Government-subsidized income at the attractive levels of wartime.
>
> 2. To consumers and labor he offered lower prices for meat, milk, fresh vegetables, eggs, butter, and other perishable farm products, that represent the major part of the consumer's cost-of-living items.
>
> 3. To southern cotton and tobacco growers he offered a Government-guaranteed and Government-subsidized program for cotton and tobacco that would give farmers who produce those commodities a better income than that provided by the so-called 90-percent-of-parity formula which they have been demanding.
>
> 4. To the midwestern Corn Belt he offered increased Government-subsidized and Government-guaranteed price support levels for meat animals (and most corn is marketed in the form of meat).
>
> 5. To producers of fresh vegetables and fruit he offered for the first time a real and permanent place in the Government-guaranteed, Government-subsidized price-support system.

I now skip down to two further paragraphs which will be all that I will have time to read.

> Here is the new part of the program: The perishable commodities account for 75 percent of farm income—meat, milk, butterfat, butter, eggs, poultry, fruits and vegetables—and here the Truman-Brannan plan would allow prices to fall to a free market level. Then the Government would pay the difference in cash directly to the farmer. This would give the farmer a somewhat higher income than he gets under the present Government-subsidized and Government-guaranteed price-support program. The consumer, on the other hand, would get a break, because he could buy these perishable commodities at much lower prices than at present.

I call your particular attention to the next paragraph, because that has reference to the OPA and the British system of food subsidies:

> The new program is a direct payment to the farmer and lower prices to the consumer is similar to the system used during the war under OPA and is similar to the British system which also uses direct payments of tax money to the farmers.

There you have the ultimate of the Brannan plan as seen by those who are its sponsors and defenders.

On that last point regarding the return of the OPA, I wish to call attention to the testimony of three labor representatives who appeared before the committee in favor of the Brannan program. We had a host of witnesses at these hearings but aside from Secretary Brannon and representatives of the farmers union there were only three who appeared in favor of the program. I want to read just what they said about this idea of a new OPA or price-control program.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Not at the moment. The gentleman always asks enlightening questions and I am always glad to have his opinions and views, but I should like to proceed for a while before yielding in order to read what these witnesses said before the committee. I am reading now from the statement of Homer Ayres, who appeared before the committee representing the Farm Equipment Workers' Union. His statement reads as follows:

> Past experience shows that when livestock prices rise sharply the price of meat in the butcher shop jumps up along with it, but when the livestock market falls, the packers and the retail butchers are very reluctant to pass livestock prices on to the consumers. We know that although wheat has dropped, the price of bread has not gone down any. Therefore, to prevent the food processors from pocketing what the consumers should get in the form of lower prices there should be some teeth put into the Brannan law in the form of price control.

The same view was expressed by Lyle Cooper, research director of the United Packinghouse Workers of America, CIO, where in the hearings, part 5, page 821, he states:

> This whole question of margins calls attention to a potential danger that might easily undermine the otherwise well conceived program of Secretary Brannan which seeks to achieve income parity for the farmer and, at the same time, adequate supplies of food within the reach of the low-income consumer.
>
> This is the problem, as I see it. Secretary Brannan's plan, in effect, assumes that lower livestock prices—irrespective of whether or not they fall below the support levels—will automatically be passed on in lower prices to the consumer. Our examination of the

record on marketing margins for meat during the past few years raises a serious question about the validity of any such assumption. * * *

* * * * * *

Consequently, the case for the exercise of control by the Department of Agriculture over marketing margins is much broader than that of the extremely important area of marketing the Nation's meat supply. I respectfully suggest that this committee thoroughly look into this whole problem of margins. For there exists here a probable weakness which could easily endanger—or even wreck—an otherwise admirable program.

And then a statement filed by Russ Nixon, Washington representative of the United Radio, Electrical and Machine Workers' Union of America, CIO, also discusses this question. Among other things, Mr. Nixon says the following:

This means there must be some way to regulate prices and profits of processing corporations and other middlemen, meat packers, dairy producers, manufacturers, flour millers, cotton ginners, chain stores, etc., so that lower costs and prices at the farm level are passed on in full to the consumers.

Mr. Chairman, that represents the view of those who are sponsoring this legislation. To me it clearly indicates that they do not think it will work, and I doubt myself if it will work from the standpoint of passing on to the consumer these lower farm prices which we are supposed to have under this program. If we adopt the Brannan plan, the next thing you are going to have confronting you will be a demand for price controls all the way down the line to make the program work. I do not think there is the least bit of doubt about it.

The philosophy of the Brannan plan, as it is expounded by those who speak for it, is a high income to the farmer and cheap prices to the consumer. That sounds, of course, like magic, but it is not. Somebody is going to have to pay the bill. No one knows how much it is going to be. A little bit later I want to give you an estimate, however, as to how much it will be, because, in my mind, there is no question but what the cost of the plan will be ruinous and it constitutes a direct threat to the entire price-support program for agriculture.

We have seen what the program on potatoes, which has cost so much money, has done in the way of incurring a loss of public confidence of any price support program. But if we had a support price program on potatoes like the Brannan plan this last year (1948) it would have cost twice as much as the $225,000,000 that it did cost. In making that statement, I am using figures furnished by the Secretary of Agriculture in a statement which he made for the International News Service recently. In this statement he stated that if the Brannan program had been in effect in 1948 the price of potatoes to the consumer would have gone down to $1 per bushel. I think that is right. We had an enormous crop of 445,000,000 bushels, very largely induced by the high support price and the price would easily have gone down to $1 a bushel to the consumer. He did not say what it would be to the producer, but when you count freight and all of the middleman's margins, I would say it would not be any more than 50 cents a bushel to the producer. But, let us say 75 cents to be conservative. Let us say then that the price to the producer would have been 75 cents. The support price was $1.75 a bushel. That would have meant payments to producers at $1 a bushel for 445,000,000 bushels, and in addition there would have been the cost of administration. So that the cost could not have been less than $450,000,000, which is exactly twice what it cost to support the prices under the program that was in effect. And yet that is the program which would be put into effect by the Pace-Brannan bill.

My distinguished friend, the gentleman from North Carolina, chairman of the committee, spoke about the cost of the egg program. I am not sure I can recall the figures, but I think he said it cost $84,000,000. As I understand it, that is the cost for 3 years. That is what we have lost in the egg-support program. That is quite a lot of money even in these times. But I want to call your attention to how much more the Brannan payment program would have cost.

I want to read now from the hearings before the Committee on Agriculture in reference to this question and from the testimony of Leon Todd, secretary of the Northeast Poultry Council. He stated, in speaking of the Brannan program:

The cost of administering such a program would be tremendous. In 1948 there were produced in this Nation 3,936,750,000 dozen eggs. If a direct subsidy of 3 cents a dozen would have been paid to farmers in 1948, the total paid out would have been $118,102,500. If the producers received a 5-cent per dozen subsidy it would have meant a lay-out of $196,837,500.

Now, that is compared with a 3-year cost for the egg program under existing legislation of approximately $84,000,000. So, do not let those who are arguing for the Brannan plan tell you that you can carry out that program for less money than you can carry out the old program. You cannot do that. Let me say this, that you can carry out either program more cheaply and economically if you have controls in effect, and if we are going to have any program of this kind why eventually, of course, we are going to have controls, the very tightest kind of controls, upon everything that the farmer produces. But, if you are going to have controls, you can operate just as well under the kind of a program provided for in the Gore bill as you can under the kind of a program in the Pace bill.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New Jersey.

Mr. HAND. The gentleman from Kansas is an able and effective friend of agriculture. Does not the gentleman fear that the cost of this program ultimately will be so exasperating to the people of this country that there will be an attempt to overthrow the entire farm-support program? Does the gentleman have that in his mind?

Mr. HOPE. That is one of the very grave fears that I have.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman said there would be necessity for controls. If you had controls and reduced production, the consumer would not have any benefit of it at all.

Mr. HOPE. If the sponsors of the Brannan program, the labor political leaders, have their way, of course, there will be abundant production and very low prices in the market places. What I have read and what you have no doubt read and heard over the radio by the sponsors of this program all points to that. Of course, the alternative is, if we run out of money, and surely we will some time, would be the very tightest kind of controls over all the agriculture of this country.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New York.

Mr. JAVITS. We, being city dwellers, are concerned with food prices and all that. I would like to have the gentleman answer this question: Does the gentleman feel that taking it over-all, storable, and perishable commodities, that the cheapest way for the city dweller is the flexible price support plan contained in the Hope-Aiken bill rather than these other two alternatives, the rigid 90-percent support, or the so-called Brannan plan? How does the gentleman feel on that point, taking these three alternatives?

Mr. HOPE. I will say this to the gentleman, there are features that are common to all three bills, so far as that is concerned. But it is true that the higher the price-support level, the higher the cost is going to be, that is, providing you do not exercise such controls as to limit production to a point where supply and demand would bring the price up. I would say as far as the consumer is concerned, that a program which embraces price controls at a moderate level, especially upon the nonstorable commodities, would afford the consumer the greatest possibility of an abundant supply at a reasonable price.

The bill includes potatoes. Because so much has been said about potatoes, let me call attention to how the 60 to 90 percent price support program on potatoes is working this year, and I quote from a statement by the National Potato Council, which is an organization representing the potato producers of this country. They are contrasting the program this year as far as cost is concerned with the program last year.

The National Potato Council reported today that the cost of the farm price support program for potatoes is running at only one-fifth of the cost of last year's program.

This sharp reduction in the cost of the program, the Council reported, has been brought about by a lowering of the support price from 90 to 60 percent of parity, and to a sharp decrease in acreage under the present farm program.

As of July 14, 1949, the Government's purchases under the support program totaled only 3,215,000 bushels at a cost of slightly more than $4,000,000, as compared with purchases on the same date in 1948 of 10,700,000 bushels at an approximate cost of $18,500,000.

While this is not the ultimate answer we do know that with a price support of 60 percent of parity this year and an

estimated production of 55,000,000 bushels less than last year, the potato program cannot cost anything like it did then. Let me say that this program in effect this year under the same provisions contained in the Gore substitute is eminently satisfactory to the potato producers. They have repeatedly so testified before the Committee on Agriculture this year.

We have been talking about supporting the price of eggs. Let me say that the egg producers and their representatives have been before the committee. They do not want the Brannan payment program.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. May I correct an impression that I think my good friend from Kansas is perhaps leaving with this House, to the effect that no farmer appeared before the committee in defense of the Brannan plan or urging its adoption in any way. If the gentleman will take the report of the subcommittee and turn to page 1104 he will find beginning on that page of the report a 4-page statement by me. I am a farmer, and when my work is done in this House, if you want to find me you will find me down south of Kansas City on the farm.

Mr. HOPE. I apologize. The gentleman is a farmer, and a good farmer. If he appeared for the Brannan plan, I will certainly have to take back the statement I made. Of course, I am amazed that as good a farmer and as intelligent a legislator as he, would appear in favor of the Brannan plan, and I am not going to try to explain that.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Tennessee.

Mr. JENNINGS. I take it the gentleman has already made it clear and that we all understand that the Gore amendment continues in full force and effect next year the plan under which the farmers of this country have had more prosperity and generally better prices for their products than ever before in the history of the country.

Mr. HOPE. That is absolutely true. I thank the gentleman for his statement.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. COOLEY. The Gore amendment does a little more than extend the present program. It suspends over the head of the farmers of this Nation the Aiken bill, does it not?

Mr. HOPE. It suspends the Aiken bill for 1 year.

Mr. COOLEY. Yes, that is right.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. ABBITT. The gentleman has expressed his views to some extent on the Aiken bill and has expressed a preference for the Gore bill stating further that the farmers have gotten along well under the present program and are satisfied. Would the gentleman not think it advisable then to support an amendment to the Gore bill whereby the Aiken bill would be repealed, thus continuing the program that he has stated is so well suited to the farmers?

Mr. HOPE. I do not want to go into a discussion of that at this time because I assume that such an amendment will be offered and I expect to speak on that amendment at that time. But I am agreeable so far as I am concerned to a 1-year postponement of the Aiken bill for the reason that that will give us another year in which to work out a substitute program for the Aiken bill. I will say that if we cannot do that in another year then I certainly would be in favor of a measure to repeal the Aiken bill.

Mr. ABBITT. The only fallacy I see there in suspending the Aiken bill is to hold a hammer over the House so that when the year 1949 has passed we will have to do something more than merely accept the Aiken bill, which none of us are in favor of, then the House will have to pass some legislation, and we will be plagued by the Aiken bill.

Mr. HOPE. All I am saying is predicated on the idea that we will pass legislation in this next session of Congress which I hope will be satisfactory. I am not saying that the Gore bill in its present form is exactly the bill that we want for a long-time program. I think we are learning through trial and error and experience. It may be a long time before we work out exactly the farm bill which the farmers of this country want and the economy of the country can stand. I certainly think we have not found the answer yet, but I think we have found an answer for the next year if we adopt the Gore bill.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. SCRIVNER. The gentleman may be interested in knowing, which I am sure he does, that my district, which is the Second Congressional District of Kansas, is industrial and agricultural in character and that a widespread poll has indicated that among those living in the city and the farmers, almost 50 to 1 are against the Brannan plan.

Mr. HOPE. I am not surprised.

Mr. JENNINGS. Mr. Chairman, if the gentleman will yield to me once more, I want to say I have a pocketful of telegrams here from the Farm Bureau Federation membership from all over the State of Tennessee. I have not had a single farmer anywhere in Tennessee, from one end to the other, express himself in favor of this Brannan plan.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. CASE of South Dakota. I merely wish to confirm the position of the gentleman from Kansas, as he has outlined it here with respect to the Hope-Aiken bill, and to state that it is thoroughly consistent with the position that he took at the time of the conference a year ago. At that time he stated he was in favor of the Aiken bill so that we might have a bill and have some assurance of some price support if the Steagall amendment were not continued or if we could not work things out by long-range legislation.

Certainly the situation in the year ahead will be comparable to the year behind, if we extend the present program. As far as I am personally concerned, I would be willing to vote to suspend the Aiken portion of the bill indefinitely or repeal it, until we get substantial agreement on a long-range program.

But certainly I do not want to see the assurance which is offered in the Gore substitute that for this coming year, until we do have a clearer conception of a long-range answer, we will have the protection afforded by the present program.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. DOYLE. I take it that because of the emphasis which the distinguished gentleman has placed upon the fact that periodicals of organized labor were supporting the Brannan plan, which I believe the gentleman designated as the sponsors and defenders thereof, that the one reason you are opposed to this Brannan plan is because these periodicals have made certain comments about it. Do I understand that the gentleman is inferring to me, as one who is seeking the facts, that the distinguished chairman of the Committee on Agriculture and the gentleman from Georgia [Mr. PACE], have collaborated at all with the leaders of organized labor in writing this committee bill?

Mr. HOPE. I am not expressing any opinion on that because I have no information on it.

Mr. DOYLE. I take it the gentleman would know that. I take it the gentleman would know whether or not that is a fact, and I would like to know if that is the inference that the gentleman is trying to get across to the House.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. PACE. I am a little astounded at the gentleman's reply, because the gentleman was in the subcommittee and knows the bill was written by the subcommittee and amended 20 times in the subcommittee, and nobody but the subcommittee wrote the bill and the gentleman himself had a good part of the job.

Mr. HOPE. The gentleman does not mean that Members were not handed a draft of the bill when the subcommittee met?

Mr. PACE. I certainly do. I certainly do. I thought the gentleman was well informed that counsel for the committee and I drew the initial draft, and it was amended in the committee at least 15 times before it was reported out by the committee.

Mr. HOPE. There is no question about that.

Mr. PACE. But I do not like the idea—the gentleman knows me and has been in Congress with me for 13 years, and he knows I have not sat down and collaborated with anybody except the members of my committee on this bill.

Mr. HOPE. I said I had no knowledge at all that you had collaborated.

Mr. PACE. I know the gentleman said that, but it was the way in which it was said.

Mr. HOPE. If the gentleman feels hurt because of the way I made that statement, I wish to say to him now that I apologize to him, because I did not want

to leave any impression that the gentleman had collaborated with anyone. However, I do not think it is any crime to collaborate with the leaders of organized labor.

Mr. PACE. I do not either. I did not want to leave that impression, but neither organized labor nor the Secretary of Agriculture, nor anybody else except the subcommittee wrote this bill, to which the gentleman gave his very able assistance.

Mr. HOPE. That certainly answers the question and I yielded to the gentleman so that he could answer the question.

Mr. COOLEY. Mr. Chairman, will the gentleman yield to me?

Mr. HOPE. Yes, I yield.

Mr. COOLEY. I understand the gentleman to propound an inquiry seeking to ascertain whether or not the farm leaders of the country had participated or had been heard in connection with the preparation of this legislation. I want to ask the gentleman if it is not a fact that during these hearings the president of the Farm Bureau, the master of the Grange, and every other single farm organization in America was heard or given an opportunity to be heard.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has again expired.

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

Very extensive hearings were held on general agricultural legislation; on the Aiken bill and on the Brannan proposal. Then the committee went into executive session, and this bill is the result of the executive session. There has been no hearing had at which the farm organizations or others were heard on the Pace bill.

Mr. PACE. The reason for it is this——

Mr. HOPE. I am not complaining about it.

Mr. COOLEY. We started these hearings on farm legislation in January, and we continued them until the time this bill was introduced. This bill was introduced after it had been considered by a subcommittee and after a report had been made to the full committee. The gentleman from Georgia [Mr. PACE], at the request of the committee, introduced this bill. In making its determination, the subcommittee had the full advantage of the testimony of all farm leaders who desired to be heard. We know that the Grange is against it. We know that the Farm Bureau is against it.

Mr. HOPE. I do not think there is any dispute about that. The hearings speak for themselves. If I have given any impression to the contrary, I want it distinctly understood that there were hearings on the whole field of farm legislation, but let me say this, in view of what the gentleman from Georgia [Mr. PACE] has said, I do not want to be left in any false light. There was handed to me and other members of the subcommittee, at the time we came into executive session, a bill in typewritten form, which I assumed was prepared by the gentleman from Georgia. I had no reason to think that it was prepared by anyone else. However, I was not present at the time it was prepared. But I assumed then that it was prepared by the gentleman from Georgia, and he assures us now that it was, and that settles the question as far as I am concerned.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MURRAY of Wisconsin. I think the RECORD will show tomorrow that the gentleman from Kansas did not make the statement that anyone else wrote the Pace bill except the distinguished gentleman from Georgia. What the gentleman was talking about was the Brannan plan. I think the RECORD tomorrow will substantiate that statement.

Mr. HOPE. Of course that is exactly true. May I have the attention of the gentleman from California [Mr. DOYLE]: What I have said here, as far as the sponsorship of legislation is concerned, is sponsorship of the Brannan plan.

Mr. DOYLE. May I say to the gentleman from Kansas that as I recall his statement it was that he either read or stated of his own knowledge that this Pace bill contained 75 to 80 percent of the Brannan plan. Now, definitely, I got the impression from the gentleman's remarks that one of the main reasons he was opposing the Pace bill was because it did contain 75 to 80 percent of the Brannan plan, and because organized labor had made certain comments about the Brannan plan; and I merely wanted to know whether or not my inference was what the gentleman intended to get across; because I certainly have doubt that my colleague the gentleman from Georgia [Mr. PACE] or the distinguished chairman of the Committee on Agriculture would to any extent cooperate with organized labor in writing the bill. They tell us on the floor of the House they did not.

Mr. HOPE. There certainly is no difference of opinion here about that question. The gentleman from Georgia has prepared a bill; the committee has prepared a bill which contains some features of the Brannan plan. I did not say that it was 75 or 80 percent; I said it had considerable of the Brannan plan. Whether it is 75 or some other percentage, it is essentially the Brannan plan. The only reason I brought in the labor organizations and quoted from labor papers was that I regard them as the sponsors of the legislation. I think what they say about it is very important in helping us interpret what it means and what the program is and what the ultimate end of it will be. I could not quote from any of the farm organizations like the Farm Bureau, or the Grange, for they are opposed to the bill. I went to those who sponsored it and I quoted from them as to their understanding as to what the legislation meant.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. PACE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, inasmuch as many Members are asking me to yield, I will take five additional minutes.

The CHAIRMAN. The Chair points out to the gentleman that he has already consumed 59 minutes. Without objection, the gentleman may proceed for five additional minutes.

There was no objection.

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. PACE. I simply want to say to the gentleman that I wrote the bill myself.

Mr. HOPE. I could not believe otherwise, I may say to my distinguished friend from Georgia for whom I have the greatest respect and admiration and with whom I have worked on the Committee on Agriculture for so many years.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. I do not think anybody will dispute the fact that after all these many months of hearings there was a unanimous agreement amongst both Republicans and Democrats on the Committee to adopt the principles of the Gore bill and to suspend the Aiken Act.

Mr. HOPE. That was my understanding.

I desire to conclude now simply by saying that the Committee on Agriculture held hearings all over this country during the past 2 years. We went into New England, we went into the South, we went into the Middle West, we went into the far West. We heard hundreds of farmers. We did not go out looking for farm leaders, we went to the farmers themselves. We traveled by bus and we stopped at individual farms; we talked to farmers along the roadside, and I think we got a pretty good idea of what the farmers of this country want in the way of farm legislation. We found there were two things they emphasized repeatedly: One was soil conservation, in which they were immensely interested. The other thing was that they wanted a continuation of the price-support program. We gained that opinion from interviewing hundreds and hundreds of farmers all over the country, and as a result last year we reenacted the program that had been in effect during the war. That is still the kind of program farmers want, and that is the reason I think this House should adopt the Gore substitute and send it on its way to the Senate so that it can be enacted into law before this Congress adjourns.

Mr. ALBERT. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. SUTTON].

Mr. SUTTON. Mr. Chairman, I want it to be definitely clear to this body that the statement I made when the gentleman from Illinois [Mr. SABATH], of the Rules Committee, yielded to me, was a statement that was straight about the issue presented to the House. In no way do I want the Members to think that I favor extension of the present program. I favor repeal of the Aiken law and I favor the Pace plan. I made that statement in debate on the rule for one purpose. Everyone here, with the exception of the two Republicans who stood up in favor of the Aiken bill, feels that the Aiken bill is unsatisfactory. Even the gentleman from Kansas has repeatedly stated in the Committee on Agriculture

that he is against the Aiken bill. Every member of the Committee on Agriculture, on both the Republican side and Democratic side, with the exception of one member, has said that the Aiken bill is no good. I want it to be clearly known that the reason I put that proposition up is because I want the House to decide in an orderly manner what the farmer will get, whether it will be the program existing today, with repeal of the Aiken bill, or whether it shall be the Pace bill.

I hope the gentleman from Tennessee, my distinguished colleague for whom I have the greatest respect and admiration, will accept my substitute and not even offer his, because last year he voted against the Aiken bill as did every other Tennessee Democrat in the Eightieth Congress. We have studied this Aiken bill line by line, word by word, section by section, ever since January. We had the Solicitor of the Department of Agriculture explain it to us and interpret it for us, and we have come to the conclusion that it will, if permitted to go into operation, mean slow starvation for the farmer.

Personally, I am interested in the farmer and I do not want him to starve to death by hanging this club over his head because next year we might get into difficulties and the Aiken bill might go into effect if we kill off this Pace bill or if we adopt the Gore bill.

Let us see what the Pace bill does, and I would like to direct these words to Members representing agricultural districts not only in the South but in the West. How can you as a Member of Congress representing an agricultural section go back to your people and say to them: "Well, I had a chance to get you $1.46 a bushel for your corn but instead I voted for $1.41."

Under the Pace bill corn will be supported at $1.46; under the Gore bill corn will be supported at $1.41.

How can you go back to your district and tell those farmers: "Well, I had a chance to guarantee you 49.6 cents a pound for your tobacco under the Pace bill, but instead I voted for 41.1 cents per pound for your tobacco. I cut you 8.5 cents a pound on your tobacco."

How could I go back to my tobacco section and tell that to my farmer friends? How could I go back home and tell my friends who raise hogs: "I had a chance to get you $19 a hundred for your hogs under the Pace bill, but, no, I did not want you to have that much money, so I voted for the Gore bill under which you will get $16 a hundred. I cut you $3 a hundred."

How can I go back to my cotton farmers in the State of Tennessee and say to them, "Well, I had a chance to guarantee you $67.50 a ton for your cottonseed under the Pace bill, but I did not vote for it; I voted for the Gore substitute, where you get no protection whatsoever."

How can I go back into the State of Tennessee and tell those farmers, "I had a chance to guarantee you $16.80 a hundred for your beef cattle, but I did not do that. I did not give to you, $16.80; no, that is too much money for you. I voted for the Gore substitute where you get no support whatsoever."

How can I go back into the State of Tennessee and say to my good farmer friends who are not corporation farmers, they are individual farmers, dirt farmers, the best farmers in the country, and tell those great tried and true farmer friends of the Volunteer State of Tennessee, "I had a chance of getting $18.40 support price for your lambs, but I did not want to do that; it is too much money for you. I voted for the Gore substitute and you get no support whatsoever."

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Is it not true that beef does not have support prices?

Mr. SUTTON. Beef does not have support prices at present, but under the Pace bill you will get $16.80 guaranteed. My friends, that is true, or maybe the figure is $16.96.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from North Carolina.

Mr. COOLEY. Under the committee bill, cotton would be at about its present level of 27 or 28 cents and under the Aiken bill, if it ever goes into effect, it will come down to 19 cents.

Mr. SUTTON. Right. And how can I tell my farmers, "I just wanted you to get 19 cents for your cotton?"

My friends, this is it. There are only 6,0000,000 farmers in the United States of America, with 140,000,000 people. The farmer is the backbone of the universe. He is the spinal column of the United States. You cut the price to the farmer and you throw him into bankruptcy. How can the great State of Tennessee exist? Not only that, the great city of New York, the great city of Chicago, the great city of Detroit, and all the other great cities of America—how can they exist with the farmer going bankrupt? The gentlemen to my left want to bring in politics. They brought it into this bill. One of the gentlemen on the Republican side, a member of the subcommittee, voted for this bill to come out of the subcommittee.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. ALBERT. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. WHITE].

Mr. WHITE of California. Mr. Chairman, I do not want to make a stump speech on this proposition, but I do want to do a little reasoning with you and bring out some facts and figures.

In the first place, as the distinguished gentleman from Tennessee [Mr. GORE] said the other day, when speaking before the Democratic caucus, "I do not want to do this in a bragging way, but I do want to give you some information about myself so as to qualify in order that you will have some idea that I should know what I am talking about."

I have spent my life in the handling of commodities, mostly in the buying and exporting of cotton. In addition, I have also farmed cotton and grain and some other commodities to quite an extensive degree. Further, I am at the present time processing and storing about one-sixth of the California cotton crop, and California ranks fifth in the production of cotton in the Nation this year and will probably be second or third next year. In addition, I spent 6 years in the textile business. Further, I am a former member of the New York Cotton Exchange and the Chicago Board of Trade. So whether I do or not, I at least should know something about prices and the effect of legislation on farm prices.

A great many of the Members of Congress, I have found, particularly from the large cities, are not too clear on why we should have price supports on farm products at all. Inasmuch as price supports have come into such bad repute through the potato program and the egg program, it may be in order at this time to defend support prices in general in order to see if I cannot get a little sympathy for some of these ideas that have been injected into the price support program which are new to the program, and I refer specifically to the production-payment plan as advocated by the Secretary of Agriculture.

In order to get the idea before you, of why price supports are necessary, let us go back a moment to the time when this Nation was first founded. At that time 95 percent of our people were engaged in agriculture, and almost every family was an individual, self-sufficient unit that grew all of its own food, spun its own clothes off the backs of its own sheep, and cut down trees to build its own house. So it was truly a self-sufficient, independent economic unit.

But what has happened over the approximately 170 years of the history of our Nation? We have had through the invention and adaptation of labor-saving machinery in agriculture a gradual transition from a nation of self-sufficient independent farmers to a nation of specialists in agriculture because of these machines. Today instead of 95 percent of our people being in agriculture we have only about 19 percent, and every farm family, instead of raising all its own food, produces only one or two commodities, because they have to have a lot of machinery to do it, and therefore they buy most of their food and clothing in town.

So you can see that we have been transformed into a nation of interdependent family units instead of the old self-regulating economy that we had in the so-called good old days.

The point is this: In the so-called good old days the farmer, in order to know how much crop to plant, how much acreage to pitch, just counted the mouths around his table, and he had to plant only enough to feed them. But today the farmer does not know how much to plant, for two reasons. First, he does not know what the demand is going to be, and, second, he does not know what acreage his neighbor is going to plant. So even though you call it socialistic, whatever you want to call it, we cannot help it, we are in this fix through no fault of any of us.

I do not like regulation. I am a farmer. But I prefer regulation to bankruptcy. That is what you get when you do not regulate. Many of the gentlemen on my

left here have fought this program for years, ever since Franklin D. Roosevelt first introduced it. They call it regimentation. That is an ugly-sounding word which does not fit. Just as the distinguished gentleman from Missouri said a while ago, it should be called cooperation. We all know that the farmers themselves cannot get together on a voluntary deal and that we have to work through the Government. That is the only answer. We have a similar situation in the field of traffic. Let us go back a hundred years or so when our predecessors trod the ground where they chose around this Capitol in the good old days. But today we have the traffic lights with red and green lights which tell us when we can cross the streets. Those things are for our own good. Why has that regulation been brought about? It has been brought about through the advance of science and machinery, through the introduction of the automobile, a labor-saving machine, if you will. The comparison is identical with what has happened in the agricultural field. So I say, gentlemen, it is not socialism that we want; it is regulation that we have to take, or we will get communism as a result. We all know that just as surely as we get a serious decline in prices, then that is a depression. When you get a depression, that is when the Communists or the Fascists or any other group takes over. There is where the danger lies in knocking out farm price supports.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WHITE of California. I yield.

Mr. FULTON. The question comes up then on the basis of the gentleman's argument that if one element of the economy is depressed, we then should give relief of a certain kind, even if it introduces a certain type of socialism although we try not to brand it as socialism. Does your argument extend to that point, that if we have any element of the country which is depressed, such as the railroad freight car business, or any other type of business that can be pointed out, and if it has been depressed over a period of time consistently, then we should have the same kind of program as we have for agriculture?

Mr. WHITE of California. Not necessarily. My theory is that if we regulate the production of the basic necessities of life and stop there, that protects the backbone of the country. I think it is generally accepted that the national income is seven times the farm income. That is where the circulation of the dollar starts from the farmer. If agriculture is prosperous and we have a minimum wage with the proper wages-and-hours regulations, then there is going to be purchasing power in the hands of labor, and the economic cycle is going to continue to turn. But when you have a fall in the general price level as we did in 1932, as shown in this chart, the warehouses are bulging with food and nobody can buy it. The city people say "We should have lower prices so that our people too can enjoy some prosperity."

That is a snare and a delusion. The city people do not necessarily get more food by lower prices. They are put out of jobs and they are not able to buy any food. That is the situation which prevailed in 1932. The most essential thing in the life of any democracy is a stable price level. I submit to you that you cannot have a stable price level in the agricultural field unless you make some attempt to regulate the supply in relation to the demand.

Do not tell me that the weather will throw you out of balance. I have had one of the bureaus over here work up some statistics on it, and we have the figures on exactly how much the weather has to do with it. It is 11 percent on the average over the past 25 years. Furthermore, that can be corrected during the following season. That has been one of the arguments which has been made for a long time against any regulation whatsoever.

This chart, which I have here, shows what happened to us immediately after the First World War. We had no price controls of any kind following the First World War.

In May 1920 we had a break of 40 percent in agricultural prices. What did it do? It not only bankrupted the entire agricultural part of our economy but it also dragged down all the rest of the business. The only thing that saved us temporarily was the lending of money to Europe, the same thing as we are doing at this time. When we began to loan money to Europe in the early twenties, then we started to have this little increase in farm prices represented by the line on this chart. That held on until the money ran out abroad in about 1930. When that temporary relief subsided, you see what happened, with no regulation. Our prices went on down until 1932, when everybody was broke, the banks and everybody else. Who got the first relief? The banks, the insurance companies, and the railroad companies, backed up by the RFC. They got the relief first, and then the little people got it later on. It finally got around to the farmers. If you will look at the lines on that chart, you will see that ever since this regulation and farm price support business was started in 1932 the farmers and the rest of the country have prospered continuously. Of course, we had a war in the meantime that boosted prices up too high, and it has made a terrific problem, which the Marshall plan, thank God, has helped to solve. If we had not had the Marshall plan, we undoubtedly would have had a collapse, just as we did in May 1920. It would have bankrupted the whole country. But the Marshall plan is going to run out. People are getting sick and tired of paying out this money to Europe when they can see what might happen in our own country.

So I say to you, if you do not want a collapse such as we had in 1920 and 1932, you had better stick to these farm-price supports. If you do not, you will get a depression in which communism will take over in this country; not communism from Russia, but it will be right here in this country. That is what I am afraid of.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WHITE of California. I yield.

Mr. CRAWFORD. The gentleman used the term "price control." Do you mean price control or price support, or do you term price support as price control?

Mr. WHITE of California. Well, they are one and the same thing, except maximum price controls, like we had under OPA.

Mr. CRAWFORD. I do not think our present farm program is price control. I think it is a floor under the prices of farm products.

Mr. WHITE of California. I think everybody knows what I meant. I meant price supports. I thank the gentleman, and I do not yield any further.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ALBERT. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. WHITE of California. I want to make plain that there are two issues on this bill now before us. First, shall we take the fixed price supports of the Pace bill, as compared to the so-called flexible supports in the Aiken bill? Let us get rid of the Aiken bill completely. The Republicans keeping the Aiken bill and saying they do not want it but merely postpone it makes me think about the fellow who was courting two girls. He could not explain to his steady girl why he wanted the other one around. She said, "If you do not love her what do you want her hanging around for?" So I say that about the Aiken bill to the Republicans. Why do they want it hanging around? Let us repeal it; not extend it.

As far as the production-payment idea is concerned, I do not think I am out of order in revealing this. It is going to be put on a trial basis for 2 years, and limited to three commodities which will be named. Certainly there can be no harm in trying that out. I say it amounts to this: That we are not throwing out the old at all. We are keeping the old provisions on the perishable commodities, but this production-payment idea on these three crops is like giving a violinist another string for his bow. The Secretary does not have to use it unless he wants to. He has to find it is the most practicable and the best method to use. In case there is no place to store these perishables, this is the only plan he has to fall back on. So I say to give him that authority; it can certainly do no harm, and it is only 3 commodities as against 300. Some Members were talking a while ago about what percentage of the Brannan plan is in this Pace bill. It is 1 percent; that is all it is, 3 commodities against 300. There is your percentage of the Brannan plan in the Pace bill right there. The important thing is to distinguish between this so-called flexible price support and a fixed price support. A flexible price support is no good; it is like offering a one-legged man a rubber crutch and saying, "Here, walk on this"; he would fall down, of course. A flexible price-support plan is an uncertain thing and would produce a collapse in farm prices and a depression. We should give the Secretary of Agriculture a chance to implement his program by passing the provision dealing with the trial run on production payments. So the thing to do, my friends, is to vote

for the Pace bill and against the Gore amendment.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MURRAY of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. HOEVEN].

The CHAIRMAN. The gentleman from Iowa is recognized.

Mr. HOEVEN. Mr. Chairman, I, too, regret that politics have been injected into this debate. I am very happy in my assignment on the Committee on Agriculture and deem it a rare privilege also to be a member of the Pace subcommittee. We have had the finest kind of understanding deliberating on the various phases of a long-range farm program during the months since the convening of the Eighty-first Congress, and I want to say that from the very beginning there was no politics injected into our discussion of the long-range program until the Brannan meeting at Des Moines, Iowa, early last June. At that meeting instead of having our farmers discuss their own welfare we found the leaders of the Democratic administration holding a political meeting in our leading agricultural State. Among those present were the Vice President of the United States, the chairman of the Democratic National Committee, the Secretary of Agriculture, and a delegation of Members of Congress from the majority side, not members of the Committee on Agriculture. This group of politicians told the farmers what they were going to get. They were not asked what they would like to have.

There is no clamor for this legislation. I have just returned from Iowa. If there is any place in the world where you will still find the independent farmer it is at the crossroads and at the grass roots of the Midwest. They do not know who thought up the Brannan proposal. Some say that it is the creature of the Farm Union and the CIO; but, regardless of that, the fact remains that it was not written by the farmers of America, nor were they consulted.

Reference was made a few minutes ago to the extensive hearings held by the Committee on Agriculture throughout the length and breadth of the United States during the past 2 years. We held 12 regional meetings, and in every single one of them, without exception, the interested people, a majority of the farmers, the men most affected, said they were satisfied with the present law and wanted it continued.

That is exactly the position taken by the minority members of the Pace subcommittee. I do not think I am divulging any committee secrets when I say that before the Brannan meeting at Des Moines, there was unanimous agreement in the subcommittee that we would not consider the so-called Brannan bill, but that in lieu thereof, we would extend the 90-percent parity program for 1 year, and suspend the Aiken bill for 1 year. That was also the position taken by the minority members of the full Committee on Agriculture at the time the Pace bill was reported out.

Mr. Chairman, at this time I want to pay tribute to the distinguished gentleman from Tennessee [Mr. GORE]. I want to compliment him on the courageous position he has taken in presenting his substitute bill. He had something to say about the Pace bill and the Brannan plan. I would like to quote his words:

> The farmers are not for the Brannan plan. I think it is fuzzy, befuddled politics to think that we, the Democrats, can make political hay by force-feeding the farmer something he does not want.

Remember these words were spoken by a Democrat, generally considered an administration stalwart.

Mr. Chairman, the Pace bill simply gets the camel's nose under the tent. To show you how desperate they are to get the camel's nose under the tent, the Washington Post of yesterday stated that the chairman of the Committee on Agriculture would propose a revised version authorizing a trial run on potatoes, eggs, and shorn wool. That compromise is being offered in an effort to head off a threatened defeat of the Pace bill. In their desperation they might even settle for a trial run on onions.

The American farmer is a notorious skeptic. Any proposition to raise his income and still keep down consumer prices is bound to strike him as having a flaw in it somewhere. The average farmer is still independent. He thinks for himself. He does not forget that he is also a taxpayer. Although the program whereby he is assured of a guaranteed income, and the consumer can have low-priced goods is rather appealing, both must realize that in the last analysis both the farmer and the consumer, as taxpayers, will have to pay the bill.

What about the cost of this program? The Secretary of Agriculture cannot even venture a guess as to what the program will eventually cost. It has been variously estimated to cost from 3 to 10 billion dollars a year. Up to this very moment the Budget Director has refused or has failed to submit a budget estimate as to the cost of the Brannan program.

There has been talk of having a trial run on hogs. I notice, however, that the other body has pigeonholed that proposal. Let us see how a trial run on hogs would actually work. A man sells a load of hogs on the market. Does he get paid immediately when he sells those hogs? Not on your life. First it will have to be determined that the farmer actually sold his hogs. No doubt he will have to make out an affidavit that he sold a load of hogs on a certain day. Then it will have to be determined that someone purchased the hogs and someone else will have to determine what the market price was on the day the hogs were sold. Eventually the papers will get to Washington. Well, knowing the way red tape works in Washington, the farmer may possibly receive the check for his hogs some 3 months or 6 months after the hogs were sold. I wonder how he will like that? Today, under our free-enterprise system, the farmer can still take his load of hogs to market, get his check, and take it to his home bank and put it on deposit. The farmer is thinking about those things. If prices are once driven down on hogs, or other commodities, I ask you very frankly how will those prices ever rise again? I asked the Secretary of Agriculture about that and he was not able to give a satisfactory answer.

The worst objection to the proposed Brannan plan is that in order to get his guaranteed income it will make the farmer subject to the whim of each succeeding Congress as to whether or not the necessary appropriations will be forthcoming. This would keep him in the anxious seat from one session of Congress to the next.

It is my impression that the American farmer would rather continue with a program he has worked with and understands rather than to embark on an experimental program with all its uncertainties.

I fear that the vast expenditure of money which the Brannan plan would entail will ultimately jeopardize the entire farm price support program. The constant drain on the Federal Treasury may reach the point where the taxpayers of the country can no longer stand the burden. When that happens, the entire farm price support program will fall. That would be a tragedy which we still can prevent.

Let us keep the farm problem out of politics and approach the entire matter in a sane and sensible way.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. MURRAY of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I hope that I have the power to express just what I think about this measure. I want to try to convince this House, if there are any skeptics here, that a healthy agriculture is the key to the prosperity of the whole Nation. I want to speak from experience.

Like many other Members of this House, I lived through the first depression and was engaged in the farming business. No regimentation had been accomplished in 1932 and 1933. There were no restricting laws on the statute books to interfere with free enterprise and free enterprise did do as it pleased. But at the end of that period of 1933 we woke up one morning and found the entire business system of this country suspended. What we had known before as our way of life had come to an end, and we were met with foreclosures on every hand, so many of them, that as high as 70 percent of the farms in many counties in my State were foreclosed upon. You talk about a farmer wanting independence and liberty. Is it independence, is it liberty, when the sheriff chases the farmer off his land into the highways of the country?

There were at one time 16,000,000 people tramping the streets of this country looking for a job. I never had a chance to have any money here in Washington when I was a member in those days, because women with children, leading them by the hands, would come to the office begging for something to eat, and unless you were made of stone you would give them something to eat. That was the condition all over the country.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Utah.

Mr. GRANGER. We still had all our liberties, though.

Mr. BURDICK. Oh yes, we had the full liberty to starve; we had the full liberty to be dispossessed of our lands; we had the full liberty to stand and wonder what would come next; we had full liberty to wonder what had become of our free-enterprise system; we wondered if it were not possible to change "our way of life."

The prosperity of the farm is the index to our national prosperity. On this question we do not have to guess, because most of us in this House lived through the depression from 1920 to 1934. During that period it got so bad in 1932 and 1933 that wheat in North Dakota was selling for 26 cents per bushel, oats for 6 cents, and corn had no market at all. Foreclosures were rampant and dispossessions of farm people were commonplace.

The farmers became bankrupt and all business in the United States followed in turn. Buying power disappeared and the stocks of manufactured goods piled up but there were no buyers. With the exception of a dozen banks in North Dakota all went to the wall. Manufacturing plants in the East had to close because they could not sell their products. Labor was forced out of work and at one time 15,000,000 people walked the streets of this country looking for jobs. The financial situation became so utterly ruined by 1933 that a depositor in a bank could not draw out his own money. The Reconstruction Finance Corporation was set up for the purpose of stopping the downward plunge. Money was loaned to banks, railroads, and insurance companies on the theory that money put into the top of the Nation's business would drip down on the people and assist them. It did not drip, and the hordes of roving unemployed people roamed the streets and countryside.

The administration changed, and our policy changed. The banks were not permitted to open until properly checked, and when they did open, they opened under a new law of the guarantee of bank deposits. That stopped the hysteria about runs on banks, for it is a fact that any bank can be closed by a continuous and senseless run on the part of the depositors. The Securities Exchange Commission was set up, protecting the people against the sale of worthless bonds and spurious securities. The roving jobless were put to work that was planned by the Government and the people ate again. Much complaint has been registered since against the inefficiency of this Government work, but it had to be done as private business had testified that they could not put these 15,000,000 to work in private industry.

The farmers in the Dust Bowl were loaned money for feed and seed and were given work on projects planned by the Government. Others were given outright grants, but the farm people ate again. More liberal interest rates were offered the farmers—and longer terms of payment. Added to this the weather changed and these sand-drifted farms came back to produce food for the Nation; food for Europe and flood the Treasury Department with farm income taxes. This happened because the farmers were getting somewhere near the cost of production for their products. Manufacturers started up again, labor was employed and the whole cycle of business in the United States turned to activity.

The means by which this dramatic change in affairs was made had many objectors; those whom the new plan helped the most were in turn the most bitter against the system. It was regimentation, it was socialism, it was communism—as this new term had come into our language more recently. It was "changing our way of life." It surely was. The last charge was correct. Our way of life had been to see the farmer driven off his farm; to see the millions idle in the country because there was no work; our way of life had been to see every bank close in the United States; our way of life had been to permit billions of worthless bonds to be sold in the country annually. It was our way of life to see farm products selling for less than the cost of harvesting them.

Remember that this situation developed before any New Deal was ever heard of; there was no legislation on the books to prevent business from going ahead in its own free way to carry on the business of the country but nevertheless, with this wholly free enterprise system working with no restrictive laws, the whole business of the country collapsed. Was not it time to change our way of life? Is there anything so precious about our way of life that we dare not change it in the face of disaster?

There is no politics in trying to keep this country right side up. All parties should know by this time that a depleted agriculture means a national depression and devastating losses that follow in its wake. It is just as much our patriotic duty to keep this country prosperous as it is our duty to fight in any way we can when this country is at war—no matter if war came over our protest.

Will history never make a dent on the minds of the Republican Party? Will they always shut their eyes to what can be plainly seen around them? The party was defeated last time because of two factors and two only. First the Eightieth Congress started tinkering with price support and came out with a sliding-scale program. This scared millions of farmers right away from the Republican Party, for the farmers believed that under this sliding-scale program they would slide right back to where they were in 1933. The next error was to drastically change the labor laws and make men work by injunction. The labor people thought they would lose all the gains made in the past half century and were as a body alert and fighting the Republican Party. Our candidate was all right, but no Republican candidate could have overcome the errors committed by the party here in Congress. No party can now win an election in the United States that has the full opposition of the farm and labor people.

This bill is an insurance against a depression, which every businessman should buy and be willing to pay for. The plan proposes to keep the Government out of the grain business. The products will be sold on the open market, but at the end of the marketing year, if there is a loss to the farmers on their parity price, the difference will be made up by the Government. That means the general taxpayer will have to contribute, if there is a loss. What does the taxpayer say? He howls and wants to know why he must support a bunch of farmers? Well, the taxpayer can take his choice. He can let the Farm Belt drop back into a period of ruinous prices, close the plants of America, put labor on the street, and suffer his own destruction. If this taxpayer is wise enough, he will support this program and preserve the stability of the entire business system in the United States. Does anyone in America—farmer, labor, businessman, or anyone else—want a return to the days of 1933? This is an important bill—important to every man, woman, and child in the United States if we wish to retain a fair measure of prosperity. Every voter should be willing to favor this insurance against a depression, for through it he can save himself.

I am glad to support this measure, even though the leadership of my party is against it. They are not always right—I sometimes am. I do not want anyone to lose the earnings of a lifetime in a depression, as I did in the last one. When war clouds threaten and this country has to be strong, every voter should favor it because here we have a chance to demonstrate to the world that democracy still works in the United States.

I would be in favor of the Gore bill if it would repeal the Aiken amendment, but I do not want any situation like Edgar Allan Poe's Pit and the Pendulum, so as to have this law swinging over the heads of the farmers to stop for 1 year and then let it continue again. Let us repeal it altogether. If that is all that this Congress can do, namely, repeal that law and leave us under the operation of the old law as it was before you tinkered with it in the last Congress, you will go a long way in again establishing confidence in the membership and leadership of the Republican Party in the West.

I do not think there is anything wrong in trying out a few products under the Pace program. It is not going to cost this country anywhere near the amount of money you say it will. And if this Pace proposition comes before the House for a vote I will support it for the reason that the President of the United States went before all the farm people in the country in the last election and promised them a change from the Aiken law. This is the bill the President is behind. He won. And the people look to this Congress to carry out the program of the President. I am not going to be pointed out in North Dakota as a Republican who did everything in his power to stymie the work of the President in his program to help the farmers of this country. That election was a referendum and the people by their votes clearly indicated their approval of the President's program. I say this is the

most important question that will ever come before this House. If you want to avoid a depression you must contrive some means to sustain those farm prices.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAYS of Arkansas. Mr. Chairman, this is one of the most crucial debates that the Congress has engaged in during this session and I think a quorum ought to be present.

Therefore, Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-four Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 130]

| | | |
|---|---|---|
| Anderson, Calif. | Hall, | Richards |
| Arends | Edwin Arthur | Rivers |
| Barrett, Pa. | Hall, | Sasscer |
| Bishop | Leonard W. | Scott, |
| Bonner | Hays, Ohio | Hugh D., Jr. |
| Buckley, N. Y. | Heffernan | Shafer |
| Bulwinkle | Herlong | Sikes |
| Burke | Hoffman, Ill. | Smathers |
| Cannon | Johnson | Stanley |
| Celler | Kennedy | Stockman |
| Chatham | Lodge | Taber |
| Clevenger | McGrath | Thomas, N. J. |
| Coudert | McGregor | Thomas, Tex. |
| Davenport | McGuire | Thornberry |
| Davies, N. Y. | Macy | Towe |
| Dawson | Morrison | Velde |
| Dingell | Murphy | Vorys |
| Dollinger | Noland | Vursell |
| Dolliver | O'Brien, Mich. | Walsh |
| Eaton | Pfeifer, | Whitaker |
| Ellsworth | Joseph L. | Wigglesworth |
| Engel, Mich. | Poulson | Wilson, Ind. |
| Fellows | Powell | Withrow |
| Gilmer | Rabaut | |
| Green | Rich | |

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 5345, and finding itself without a quorum, he had directed the roll to be called, when 362 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. COOLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I am sure we will all agree that we should have a full understanding of the pending measure before we undertake to vote. Therefore, I would be most grateful if you would be patient with me for a few minutes and give me your close attention. There is a rather important issue involved here.

Some statements have been made that are not entirely accurate. Of course not because of any intention, but because of lack of information. As you all know who have served with me, I have spent the greater part of my service in Congress trying to be helpful to those who provide the food and fiber for this Nation. It is natural after that effort and after long study one should reach some definite conclusions. I learned that agriculture has an important part in the economy of the Nation. The record shows that agriculture leads the way up or down. I have learned that one of the greatest assets to a prosperous agriculture is for the people in the towns and cities to be prosperous; the farmer has no hope of finding a market for his commodities, unless there is someone in town with money in their pockets to buy them.

But that is not all. I have learned and I know that to have a prosperous, stable agriculture the Government must step in and give to the group which buys in a protected market, comparable protection. I have learned that when we provide such a price-support program for the farmers we must consider the interest of the taxpayers and consumers of this Nation. And I have also learned that any support-price program must be sensible and it must be sound, if it is to remain on the statute books.

There is but one issue before the House of Representatives today. I repeat, there is but one issue before the House of Representatives today. That is whether or not the farmers of this Nation will long enjoy a good support-price program. That is the only issue here. That is the issue presented by the pending bill.

Let me put it another way, if you please. How long will this Congress, how long will the American people support a price program which spends hundreds of millions of dollars for the purchase of surplus food, and burns it or lets it rot on the ground or feeds it to the hogs? How long?

It has been mentioned here that we have a good 90 percent of parity support price program. Do you realize you did not have anything but 52 to 75 percent of parity supports before the war? Do you realize that 90-percent support is war born? Do you realize that throughout the war and up until a few months ago the 90-percent support was on a rising commodity price—going up, going up, going up, and that rarely, if ever, were the supports necessary? You understand that, do you not? Do you understand that farm prices have leveled off, and do you realize that we are now faced with declining farm prices? Those of you who want to go back to 50 percent of parity support prices, vote against the committee bill. You should. If we have lost hundreds of millions of dollars in the last 3 years under the present support program, will someone please rise in his place and tell me how many billions we are going to lose in the next 4 or 5 years under the present program? Would you do that for me? We have heard the fantastic figures given this morning about what the committee bill may cost. I challenge every Member who has made that charge to stand up and announce the fantastic figures that the support program contained in title I, which it is proposed to extend, is going to cost in the next 12 months. You cannot measure it by the past. Why? Because, as I said, in the past your support levels were never needed except in isolated cases. Now you have reached that period, I regret to say, when your support level is going to be your market price, and you know it.

Next, I want to answer one question. The question has been asked, How much of the Brannan plan is in the committee bill? Some of my distinguished colleagues cite as their authority publications, labor journals, statements by columnists in the press, yet, with all kindness, those who cited those authorities know exactly what is in the bill.

Of the Brannan plan, to be exact, there is in the bill a new formula recommended by the Secretary of Agriculture, which I will discuss in a few minutes. There is, in addition, in the bill, an experimental program of production payments on three commodities for a period of 2 years.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PACE. Of course I will yield.

Mr. HOPE. The gentleman does not mean that the bill at the present time puts any limitation upon the favored commodities in the program, does he?

Mr. PACE. No; but I thought my distinguished friend understood the announcement of the chairman of the committee that we proposed to offer an amendment to limit the experiment to 2 years.

You know, they call it the Brannan plan. Do you know who first recommended it? Oh, not first, but who recommended it before the Secretary of Agriculture? Mr. Chairman, I have in my hand the hearings before the Senate Committee on Agriculture when what is known as the Aiken bill was under consideration. As far as I have been able to find, this is the first recommendation of the production-payment plan made to that committee. The witness was Mr. John Davis, a very fine, outstanding, able, and honorable gentleman. Mr. Davis had been testifying about the support prices on basic commodities. This is on page 100 of the Senate hearings; that is easy to remember. He had been talking about the basic commodities enjoying such a good support price.

Mr. Davis said:

At our meeting last week, when we were talking about long-range policy, this was pretty much the sentiment—that if a long-range agricultural policy is to include support prices for basic commodities, then our members think they are going to be driven to the position that all segments of agriculture should have somewhat similar treatment.

I subscribe to that myself.

Senator ELLENDER. Can you offer any suggestion as to how it can be done?

Mr. DAVIS. Just this: That we want a study made of the feasibility of using a compensatory payment program for some of the perishable commodities. The problem is that you cannot store such commodities; they have to be moved immediately.

Listen!

If the Government is to take title, then the Government becomes the market—

Irish potatoes, eggs, wool.

We would like to avoid that. The alternative it seems to some of our people is to let the products move in the market at some price, since they are perishable, and then compensate the farmer.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield at that point?

Mr. PACE. Briefly.

Mr. GATHINGS. Would the gentleman state to the committee who Mr. Davis represented?

Mr. PACE. I thought I stated that. Mr. Davis is the executive secretary of the National Council of Farmer Cooperatives.

Now, let us see about the Brannan plan. I do not want to be unkind; I do not believe in that. Somebody had the idea they had something here that they could damn because it happened to come from the lips of Charlie Brannan.

Let us see about that. I am going to prove to you that the National Farm Cooperatives not only suggested it, Senator AIKEN accepted it and wrote it into the bill, but the American Farm Bureau then approved it and they approve it today. And may I repeat that? I shall show to you that the Farm Bureau approves this bill today and refuses to agree to knocking the word "payment" out of the Aiken bill.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 15 additional minutes.

Mr. PACE. Mr. Chairman, Members are getting all sorts of telegrams here from the officials of the Farm Bureau to vote against the committee bill. All right. You ask me, "Mr. PACE, if that is true, why are they sending those telegrams?" Before I read the evidence I want to say to you, "I do not know." But I am going to leave a question with you.

The Honorable CLIFFORD HOPE and I in the committee both questioned Mr. Kline, the president of the National Farm Bureau, about payments being in the Aiken bill. We both asked him if he did not want to strike it out in the Aiken bill. He said he did not. And that is the Brannan plan complete.

Mr. Allen Kline testified before the Senate Agricultural Committee last week. He made nine recommendations of changes in the Aiken bill in the form of amendments and then he spent 10 minutes damning the Brannan plan but did not suggest that the Brannan plan contained in the Aiken bill be stricken out.

Could it be that the Farm Bureau wants the Aiken bill and wants everything killed that would in the slightest endanger the going into effect of the Aiken bill? I am a Farm Bureau member. I think I had a little part in building up the Farm Bureau down in Georgia, and I shall continue to try to build it up, but they have at this hour placed themselves in an inconsistent position that will never be understood by the farmers.

Let me give you the evidence. Refer to page 616, part 3 of the hearings, and you will find the testimony of Mr. John Davis, of the National Council of Farm Cooperatives, who recommended what we call the Brannan plan to the Senate. He was before our committee a short time ago. Here is a question I asked him:

> Do you or do you not approve the Secretary's production-payment proposal?

Here is the answer:

> We would approve it on an experimental basis.

That is the committee bill. He not only suggested that this payment plan be put in the Aiken bill but he has recommended to us that we try it out, and that is all that we are doing, as I will discuss in a moment.

Now turn to page 565. This is Mr. Goss of the National Grange now talking. Mr. Goss is a fine man. As all of us will remember, his principal recommendation to the committee was that a board be appointed to work with the Secretary.

He discussed a straight subsidy, and said that that might be necessary, but that if it were necessary he would like to see the funds raised through some system of price insurance.

It was not a question of subsidy; it was a question of how we are going to get the money.

He recognized that there may be emergency conditions where it might be necessary, nevertheless.

Now, that was the Grange. Compare that with the mimeographed letter which he mailed you a few days ago.

Now let us go to the Farm Bureau, so turn to page 465, and I want you to hear this, because the principal one fighting this bill is a man named Kline, because the Aiken bill is his baby.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. One of the pledges of the Democratic Party is to repeal the Aiken bill.

Mr. PACE. Yes. Every Democrat on the floor that night voted against it and every Republican, but two or three, voted for it, and most of them wish they had not.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kansas.

Mr. HOPE. The President signed it, however, a few days later, did he not?

Mr. PACE. Yes.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it not true that the President stated that he was doing so reluctantly, and that but for his signature we would not have had a support program in 1949?

Mr. PACE. I am sure he is at present for the committee bill.

Mr. COOLEY. Is it not a fact that but for his signature to that bill we would not have had a support program for 1949, that is, this year?

Mr. PACE. Well, we would only have had a 50- to 75-percent program.

Mr. COOLEY. Does the gentleman not think that was a good and persuasive reason why the President should sign the bill, because the Aiken aspects of it were objectionable?

Mr. PACE. I think it was the compelling reason under the circumstances.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I have here the official directive of the President issued on December 31, 1946, when, by Executive order, he killed the support program and said the war was over so far as the farmers of the United States were concerned.

Mr. PACE. Well, he declared the emergency at an end.

Mr. MURRAY of Wisconsin. So far as the farmers were concerned.

Mr. PACE. Let us get rid of the Farm Bureau now. The gentleman from Kansas [Mr. HOPE], the distinguished ranking minority member of the committee—and there never lived a man of greater ability and integrity—asked Mr. Kline this question. Listen to this, and then make up your own minds about the attitude of the Farm Bureau:

> Do you favor continuing in the Aiken bill, if it continues to be the law of the land, a provision for payments?
>
> Mr. KLINE. It is a matter of record that we aggressively supported the act with that provision in it. It is further true that the support of prices for nonbasic commodities, which we are also for, is an extraordinarily difficult proposition, and that there is, therefore, in our testimony, a clear-cut attitude that this may be necessary, but simply pointing out that it has these dangers for farmers inherent in it. Further, it is true that we have proposed some amendments to make effective the act of 1948 and that we have not made any suggestion with regard to the elimination of this provision. In fact, we do not suggest it.

Do you understand, the gentleman from Kansas, after calling to his attention the provision in the Aiken Act that authorized production payments, which was what the Secretary of Agriculture had just recommended to our committee, asked Mr. Kline:

> Knowing it is in there, that it is going to be the law, do you suggest that we knock it out?

Mr. Kline's reply was:

> We do not suggest it.

That is all I am going to say, except this, that those gentlemen have exactly the same views as do the majority of this committee in reporting this bill.

We took the position that the basics are pretty well protected, my cotton, my corn, my wheat, my rice, my tobacco, and my peanuts, and we took the position that as far as their livelihood is concerned, there are farmers producing other commodities who are entitled to equal treatment. We think they, too, are entitled to a support price. That is right. But what else did we decide?

It has been mentioned here that the first day of this session I introduced a bill to continue title I and repeal the remainder of the Aiken Act. I did. That is right. I was then concerned and I am concerned today about the Aiken Act going into effect. But since that was done I have worked in that committee day after day, morning, afternoon, and sometimes at night, and for 6 long months day in and day out we have been studying this problem.

We found that during the last 3 years your Government under title I, which the gentleman from Tennessee [Mr. GORE] now proposes you extend, has bought $408,000,000 worth of Irish potatoes. It has burned them, it has let them lie on the ground and rot, it has fed them to the hogs, and the American people and the American taxpayers did not get one of them.

We also found that under title I, which supports eggs at 90 percent of parity, which the gentleman from Tennessee [Mr. GORE] proposes to extend and continue things just as they are, your Government has lost $48,000,000 and now has $84,000,000 worth of powdered eggs that they cannot even give away.

I tell you what I decided, I tell you what the 17 Democrats on our committee decided. We decided that we could not long live, we decided the farmers could not long live, and we decided the American taxpayers did not intend to live long with a program that did that for perishable foods.

All right; what was the issue, then? If a perishable commodity is entitled to as much protection as my cotton is entitled to, and I claim there is nothing sacred about cotton or corn or wheat, if there is nothing sacred about them and they are entitled to these supports, then what should we do?

It is mighty hard to get it clear in your mind if you do not understand the present farm program, if you do not understand the Aiken Act, and if you do not understand this bill. You see the difficulty. Under the present law as to cotton and corn, storables, and as to Irish potatoes and eggs and everything else, there are but two ways the Secretary of Agriculture can carry out the support program. He can make loans on those commodities that are storable without loss, such as cotton, corn, wheat, and tobacco. There are some six or eight of them—I do not recall exactly how many loans can be made on. Those can be kept, but what do you do with all the others? Under the present law there is only one thing the Secretary of Agriculture can do and that is to buy. That is the reason he bought the Irish potatoes. That means we tell the Secretary, "Mr. Secretary, you go out and support X commodity at a dollar." When we have said that, the Secretary announces to the farmers, "I am going to support the price on this commodity at a dollar."

Then let us say you have a surplus of the commodity you have applied your support to, and the price begins to break. The minute it gets close to $1, the support price, what does the Secretary do? What can he do? He cannot do anything but assemble buyers and say, "Go out yonder to the market and buy up X commodity, and buy and buy and buy." So they buy the surplus to keep that price at a dollar in order to keep our promise to the farmers. That is all he can do. The present law authorizes nothing but loans and purchases. Do you understand that now? Do you understand that all the Secretary can do is to make a loan on the commodity if it can be stored and will not deteriorate and if the storage is not too much and that the only thing he can do is to purchase the surplus?

Now, the question you have to decide today, and that is all, is whether or not you want to continue title I and require him to buy potatoes and burn them up, whether you want him to continue to buy eggs and let them rot, or whether, when there is a surplus, instead of doing that, the Secretary can let the commodity find its market level and then protect the producer by a small payment and let the people of this country eat that food instead of letting it rot or be destroyed. You say that does not make sense? Well, I do not know what would make sense. It was charged here this morning that under this the Secretary can just turn them loose and let them produce a billion bushels and let the price drop down to 10 cents. He cannot do any such thing. Nobody who has read the bill is justified in making any such statement. Listen to me, please—here is the bill. If you turn to page 7 of the bill, you will find that in carrying out the provisions of this section, "compliance by the producer with acreage allotments, production goals, and marketing practices as prescribed by the Secretary, may be required as a condition of eligibility for price support," and then turn back to page 5, section (c), and you will see that when the Secretary fixes the support level on Irish potatoes and eggs, what must he do? He must take into account the supply of the commodity in relation to the demand and the producers must be willing and able to limit their production or marketings within reasonable limitations. What did the Secretary say? You know Mr. Brannan is nothing particular to me. But I believe he is honest—I know that. I believe he is sincere. And on the last day of the hearings on his proposal I questioned him on his proposal. You can find it on page 349 of the hearings.

I questioned him the last minute of the hearings. I wanted to get an idea of what this could cost, where these production limits were to be put. Here is what I asked him:

> Mr. PACE. Could it be said that you would in the administration of this program seek an ample supply of food for all of the people, on a good diet, at reasonable prices?
>
> Secretary BRANNAN. That is right.

Is there anybody here who wants to rise up and object to that?

Mr. SMITH of Ohio. Yes. I object——

Mr. PACE. Very well. I will hear you in a minute.

Mr. SMITH of Ohio. You do not want to hear me.

Mr. PACE. I think I can say the farmers do not object. They want to produce enough for the people to eat. That is what the Secretary said—an ample supply for the people. In fact, if you will look at section 1 of the original Agricultural Adjustment Act of 1938, it is made mandatory on the farmers of this Nation to produce an ample supply for the consumers.

The consumers are not going to object. Certainly they want the farmers to produce enough food for them to eat. Certainly the farmers do not want anything but a reasonable price. I know very well the consumers do not want to pay anything more than a reasonable price. Now, who is going to object? The Secretary, in the administration of Irish potatoes next year, in the administration of the egg program next year, will ask them to produce a supply ample for all the people at reasonable prices. I hope our distinguished friend from Ohio [Mr. SMITH] will get time to tell why he objects.

Now I am taking too long. Let me hurry along, please. I think I should discuss the committee bill and the Gore bill, because we will have little time after it has been offered.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. PACE. If you will just let me finish I will be glad to yield.

The Gore bill, to extend title I, will continue the egg program as is, with no limitations, and with all the losses we have had in the past. Do you know what the Secretary is doing now? He is buying millions of eggs every day. The Gore bill would keep him in that business next year. It will continue the potato program just exactly as it is today. Not a single change. Extend title I. It would support chickens at 90 percent of parity, when all the chicken people came before our committee less than 2 months ago and said, "We do not want it. It is too high. We do not want any fixed support price. We want it left to the Secretary to work out with us on the basis of the supply and demand."

Another thing, under title I you support all wool. Did you know you were supporting prices for the packers of this country—when they buy a lamb they have a way of pulling the wool off? Did you know that you are now guaranteeing them 42 cents a pound for that old greasy wool? We do not think that ought to be done. Under the bill we have limited the support price to shorn wool, to the man out there who takes the sheep and ties him down and clips off the wool. Then we provide that he shall sell it in the market, rather than the Government buying every pound of it at 42 cents, paying the buyers, paying the classers paying the storage, paying the sellers, and then selling it in the competitive market. Will somebody tell me what is the difference in making the Government buy and sell the wool or letting the producer sell it himself, when the cost would be somewhere between 25 and 50 percent less when the producer sells it?

The gentleman from Kansas [Mr. HOPE] expressed the desire that I say something about the parity formula. If it were left to me individually, and you ladies and gentlemen would put farm labor costs in the old formula, I would rather have it than anything. But I have tried 10 years now and you have not put it in. If anybody will turn to page 17 of the committee report and look at the support price you are going to get under the Aiken Act formula, no Representative from a farm area would ever approve of it. What did we have in committee? We had a sound, constructive, practical proposal from the Secretary of Agriculture. We now have one based on 1909–14 prices. The Secretary's formula was far superior to that contained in the Aiken bill. For that reason it is written into this bill. Here is how it works: The Secretary's formula, instead of using the prices the farmers received in 1909–14, provides that all of the prices added up—the total cash farm receipts for the last 10 of the last 12 years, that you shall take those and apply the parity index to each year and determine its purchasing power; add up the 10 years and divide it and get your

average. Then he uses the current parity index to determine what those cash receipts should be at the present time; that is determined. Then after getting that total it has to be broken down to a price support for each commodity. He does that by multiplying the current parity index by the average price each commodity has brought during the last 10 years. For example—I see the gentleman from Georgia [Mr. WHEELER] looking at me—the average price of cotton during the last 10 years has been 22 cents. Multiply that by the index of 1.25 and you will find the parity price of cotton is 27.99 or 28 cents. That is the way it is determined.

I say to you in my place that we did not know how the first parity formula was going to work when it was recommended by President Roosevelt in 1933; I say to you in my place that for the next 5 years, in my judgment, this parity formula is as good as the present formula and many, many times better than that in the Aiken Act; and 5 years from now you can look at it again and see if any changes are needed.

Mr. HOPE. Mr. Chairman, I yield 20 minutes to the gentleman from Tennessee [Mr. GORE].

Mr. GORE. Mr. Chairman, I trust my colleagues will let me proceed for the short time allotted to me to discuss one of the most fundamental issues that has been before the Congress during my tenure in this body without interruption.

I think I should be quite presumptuous if I, alone, after a few weeks' study, came before this body seeking upon only my own endorsement to write a whole agricultural policy for this great country. That I do not.

I know we have a great Agricultural Committee. There is not one member of that committee who is not my warm personal friend. I have no criticism of them—none whatever—nor do I impugn the motives of any of our great labor or farm organizations or any of the opposing parties to this issue.

This is a fundamental issue, a fundamental departure from the orthodox practice of our economy. It is something upon which, I trust, all of us can have honest disagreement without questioning anyone's motive. You have heard the debate. How many of you know more about the bill that is before us—very much more—than you knew before it started? It is a very complicated subject and apparently not many Members are anxious to explain how the bill will work.

The controversy we have had over the Aiken bill for the last 12 or more months, the lack of understanding and the confusion about the present bill, proves what? It proves that we cannot afford to run the risk with the farmer's welfare, and the farmer's welfare being tied to the country's welfare, by taking this leap in the dark and throwing overboard a program that has been built out of 16 years of experience and farmer cooperation.

I do not think we should take this leap in the dark, nor do I think we should permit the Aiken bill to go into effect on January 1 next. We do not have to let either happen. There is an easy but a good alternative.

What is it? It is the substitution, not of my judgment for that of the committee, not at all, it is the substitution of the agriculture program that has been built by these men, by you and by others who have passed on from this body, for 16 years. I confess I thought we had a pretty good program. I have been voting for it for 11 years now and up until last year I never saw any partisanship in the building up of that program. I have been out and I have talked to the farmers. I sort of patted myself on the back that I had been up here and voted for it. In fact, I offered a few amendments that I thought helped build this program. I thought the farmers were pretty well satisfied with it.

I wonder what got so wrong with our farm program so quick. Surely I have been misled. I put on my buckler and shield last fall and, taking sword in hand, campaigned against the Eightieth Congress for tinkering with the great farm program we had been building through years of Democratic administration under the leadership of the late President Roosevelt. Someone should have given me a tip. Honestly I did not know we were running on the Brannan plan. The campaign was over before I heard about it. And think of it. Somebody forgot to put it in the Democratic platform. I wonder how many of you were left in the dark, too. How many of you campaigned on the Brannan plan? I admit I never heard of it until—I believe it was in April. And then almost suddenly we are asked to abandon the parity-price approach to a fair exchange value of farm commodities in the market place that has gained such wide acceptance, asked to endorse a cluster of delusionary promises of food both cheap and expensive at the same time, asked to approve a policy that would make the farmer dependent upon appropriations from the Treasury for a large part of his pay for what he produces. All of this in so short a time and with such inadequate consideration.

By what high mandate are we called upon to endorse this fundamental departure from basic Americanism? By party convention or platform? No, there has been none. By referendum of the people? No, not the people. Have the farmers petitioned that their farm program be changed? I have received no such entreaties. Who, then, wants this plan? All I know is that it is Secretary Brannan's plan. The farmers claim no part of it. In fact, they do not think it is or ever will be a farm plan.

There are other mistakes in the bill to which reference has already been made in preceding debate, but the big issue before us is food subsidies. With this issue I am unwilling to temporize or compromise.

We are told that this subcommittee, of which the distinguished gentleman from Georgia [Mr. PACE] is chairman, unanimously voted to extend this program another year, only later to change its mind. Yet I have heard several suggestions from this well today questioning the loyalty of one certain gentleman from Tennessee to his party. Why? Because I advocate extending a program for which everyone of you who were here in any Congress before this one have voted.

Now, let us come to this bill. I want to take up first the level of price supports. The distinguished gentleman from Georgia pictured what was going to happen; what great catastrophe might happen with the extension of title I. Do you find in his bill any withdrawal of supports on basic commodities? Not at all. You find the list increased and the support levels upped. Even though they now propose an amendment which will make it impossible to have a subsidy-payment program on hogs, do you know what his bill will do? Read the report. The bill increases the support price for hogs from $16 to $19. This $3 per hundred raise on support levels for hogs alone would amount to over $500,000,000 on the hog crop already predicted by the Department of Agriculture, to say nothing of the increased production that is bound to result from the artificial disproportion which the Pace bill would establish in the corn-hog ratio. Do you know what the support price for corn is in the Pace bill? It is $1.46. And $19 for hogs. I will tell you what I can do, and I am a practical farmer, having fed hogs almost every year since I was able to carry a sack of corn. I could rent a city block in Washington or New York and truck corn from my farm in Tennessee and feed hogs at that ratio and make money doing it. Let me ask you if you want to perpetrate that on this country? It might make last years' potato fiasco look like a molehill.

Bug-a-boos can be raised about the present program. I have never suggested that it was a perfect program. It is not. From time to time new circumstances have developed and we have had to make modifications and changes. But what is wrong in that? That is how we build programs in America. We learn from experience.

Now let me right there talk about this potato program. The Secretary has built his whole appeal on this fiasco on potatoes last year. Well, what is it this year? What is it this year? You know, he says that he can handle potatoes better by a subsidy program. What has happened this year? The potato program this year is working quite more satisfactorily. We have learned by experience, by limitation of production, by marketing agreements developed with farmers that potato price supports are working. What is the result? Through July 14 we have bought only about one-fifth as many dollars worth of potatoes as we did by the same date last year. But, that does not mean it is going to cost one-fifth as much. Why? Because the Government can come much nearer getting its money back, and putting into useful purposes, $4,000,000 worth of potatoes than it can with $18,500,000 worth of potatoes. Thus far this year, it is a success story and the Secretary of Agriculture is to be complimented. I talked with the man handling the potato program in my State and he tells me that this year not one bushel of potatoes has been destroyed. They have been put to good purposes; to the

school-lunch program, to social institutions and some, perhaps, to potato flour. Yes, the potato program this year is working. And, what does that prove? It proves that this program that has been time tested through the years can be made to work; in fact, we have learned to handle the most difficult circumstances through and with it. Why, then, I ask you, must I be branded as disloyal to my party because I want to extend it? Why, I ask you Democrats?

Now, I want to talk for just a moment to my friends from highly industrialized districts who have been looking askance at me. Some of you have asked me why I am against the Brannan plan. Some of you asked why the farmers are against the Brannan plan and others have asked why it makes any difference to the farmer where he gets his money as long as he gets it.

Well, let me turn the proposition around and apply it to some of your constituents and then I will let you be the judge as to whether you think they would like it.

Suppose we have a bill up in Congress to establish a policy of giving cheap automobiles to the people and paying the difference in the wages the workers are paid and what we think they ought to be paid by an appropriation from the Treasury. Suppose we say to the automobile workers, "Now, fellows, we are going to have a policy of giving cheap automobiles to the people. We are going to produce an abundance of automobiles and let them find their levels in the market place, as Mr. Brannan says we ought to do with farm products. So do not you fellows ask for any higher wages. Do not you be bothered about wages, anyway. We have a policy of giving cheap automobiles to the people. Of course, the manufacturers will have to cut your wages, but now do not you be bothered about what you get in wages. We are going to pass a bill in Congress to appropriate enough money out of the Federal Treasury to pay you the difference between what you get and what Congress thinks you ought to get."

Do you think the automobile workers would like that? Well, if you do not think so, how come you think the farmers would like it any better?

Now let me go back to this bill. Let me speak of one other price-support level that this bill would establish. This bill would arbitrarily, without any request from anyone, without any justification, without it even being wanted, raise the support price on burley tobacco $9 on the hundred. I have here in my hand a telegram from the Burley Tobacco Producers Association saying they do not want it; it will raise the supports too high. They want to continue the present program. The wire is from Mr. F. V. Browder, president of the Tennessee Burley Tobacco Growers Association.

It would raise arbitrarily and without request the dark-fired tobacco support price $6 on the hundred. I do not know how much you people know about tobacco, but dark-fired tobacco is one type for which we have almost no domestic market except in snuff. We depend on the foreign market to dispose of it, and they say this $6 would price them out of the market. Let me read you the wire:

> We do not favor the Pace-Brannan bill, but we do favor present law.
>
> PAUL RUDOLPH,
> *General Manager, Eastern Dark-Fired Tobacco Association.*

They say they do not want it, yet by this bill we would give it to them unsought, unwanted, unneeded, and unsound.

Let me read to you another telegram from a friend of every one of you who has served in any Congress before this. It is addressed to me:

> As one deeply interested in American agriculture I want to keep the American farmer from becoming a charity patient in the Government hospital.
>
> What the farmers want and are entitled to is a fair price in the market place and not a Government hand-out or dole. And all that labor asks is a fair wage. The paymaster for the products of the soil should be the consumers of those products and not the Treasurer of the United States.
>
> While the Brannan plan preaches a philosophy diametricaly opposed to the American philosophy of government it is, I am afraid, no only a destructive but a seductive philosophy, with plenty of sex appeal, in that it holds out to the American farmers high prices and to the American consumers low prices, thus putting the hands of both the farmers and consumers into the pockets of poor old Uncle Sam for a livelihood.
>
> Hoping that your amendment is adopted, which means that further study will be given the problem, I am sincerely yours,
>
> JOHN W. FLANNAGAN, Jr.

For the benefit of new Members, I should like to identify Mr. Flannagan as the Democratic leader of the Committee on Agriculture just prior to this year. He retired voluntarily the first of last January.

Now I want to talk about eggs. My distinguished friend, the chairman of the committee, said we have 60,000,000 pounds of dried powdered eggs. Do you know that you can powder eggs more cheaply than you can put them in cold storage? Do you know that 60,000,000 eggs is only a drop in the bucket? How many eggs do you think were produced last year?

I am going to tell you how many eggs were produced in dozens—not just the number of eggs. Four and one-half billion dozens of eggs were produced last year. Do you know how many people sold eggs last year? Four million seven hundred and sixty thousand people, mostly women.

Now the distinguished gentleman from North Carolina is going to offer a motion, or so he has announced, to eliminate hogs from the payment program, leaving, however, this artificially created disproportion in the corn-hog ratio. But in that respect the gentleman jumps from the skillet into the fire, in my opinion—to put under the payment program, of all things, eggs. Eggs that are produced by 4,760,000 families.

The marketing of this huge production involves literally millions of sales to hundreds of thousands of buyers located in every county of the United States. The paper work that would be involved in checking sales records to determine the amount of payments due individual farmers almost defied comprehension. Eggs are sold, not only to regular produce buyers, but also to grocery stores and consumers. Thousands of farmers sell eggs on a retail basis—one or two dozen at a time—to passing motorists or to consumers along more or less regular delivery routes. The problem of verifying sales to regular produce buyers and grocery stores would be difficult. Even with an army of inspectors it would be impossible to verify farmers' reports of sales to consumers. Some padding of these reports undoubtedly would occur. What would keep farmers from selling their entire production and buying back eggs for home consumption in order to acquire the sales records which would qualify them for subsidy payments.

How, I ask you, would Secretary Brannan calculate, estimate, or guess how many eggs 4,760,000 American women will sell, to whom, and at what price? To pay a subsidy to every American woman or man who sells a dozen eggs would require the winding and rewinding of a million miles of red tape. Remember OPA? It was necessary during the war but not now.

In many American homes today much of the household money comes from the chickens and eggs which the women raise. When they go to the country store or the county seat on a Wednesday afternoon or Saturday they frequently take a basket of eggs and maybe a chicken or two and with the income from that produce they bring home a pair of shoes, or some print, or a pair of overalls, or some sugar and flour. This practice is not an isolated case, but, I dare say, in rural America the usual case.

I have been trying to figure out just how we would go about keeping all these records and making all these 4,000,000 subsidy payments. So I sent over to the Library and I called the embassies and I got all the books and pamphlets I could about how the program was operated in Germany, in Argentina, and in Great Britain. I find that it has been a rather difficult problem for them, too. Of course, as I said earlier, it has grown far beyond the chicken and egg stage for them. I hold here a pamphlet put out by the British Ministry of Agriculture. I find many things interesting in here. Producers are required to keep receipts, the purchaser is required to keep receipts from the people to whom he sells.

I hold here, too, an analysis of the experience of Germany in this program. You might be interested to know how they handled the egg program. Every person who sold eggs was required to get a receipt in triplicate, one was to be sent to the Department of Agriculture, one was to be safely kept by the chicken raiser, the other was to be filed with the purchaser. After reading this I first thought that the method was pretty bad, but upon second thought, it occurred to me that it might be the most practical way to keep up with an egg subsidy program. If 4,760,000 egg producers averaged selling eggs just once a week that would be 247,520,000 receipts in triplicate.

How are you going to do this? We are responsible for it if we adopt this mess. I am telling you it is utterly unworkable. If you put this thing down the throats of the rural people of America and happen to go down into my district in 1950,

you will likely meet one of these industrious chicken raisers going to town with a basketful of receipts—in triplicate—to get her subsidy, to make up to her what she should have got for her eggs, when she sold them, but did not. If so I advise you not to irritate her. She might be dangerous. For goodness' sake, do not say it is a Democratic program. Say it is the Brannan plan.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. GORE] has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I know the members of the House Committee on Agriculture regret very much that the gentleman from Tennessee [Mr. GORE] did not find it possible to attend at least one of the very great many hearings which we have held. Since the gentleman did not volunteer to appear as a witness on behalf of agriculture—

And since our committee now has the power of subpena, perhaps whenever we have a hearing again we should subpena the gentleman from Tennessee to come and give us the benefit of some of his great storehouse of information.

Mr. GORE. Will the gentleman yield?

Mr. COOLEY. No, I decline to yield. I respectfully decline to yield.

Now, the gentleman finds himself on the horns of a dilemma. He went out and embraced a monster of tremendous proportions. You have heard that old story about the man who had a bear by the tail. The gentleman from Tennessee has a bear by the tail, and because of the fact that he has collaborated so much, he finds it impossible to turn loose the bear. Now, what is the bear? It is the Aiken bill, which was handed to him, lock, stock, and barrel, in this Republican proposal to suspend that serpent above the heads of the farmers for another long year. It looked for a while that he was going to run out on his newmade friends, but apparently he has not indicated any intention to abandon the baby which was placed in his arms. His colleague the gentleman from Tennessee [Mr. SUTTON] stood here in a forthright manner and expressed the hope that the gentleman from Tennessee [Mr. GORE] would accept his amendment, which would have the effect of killing or repealing the Aiken bill. But the gentleman from Tennessee [Mr. GORE], our beloved agricultural expert from Tennessee, could not accept Mr. SUTTON'S amendment. So the fight goes on, and we will face that issue here, whether you prefer the proposal by the gentleman from Tennessee [Mr. SUTTON] to kill this snake, or Mr. GORE'S proposition to breathe a new breath of life into it and keep it alive.

Now, let us look at this bill. If our good friend had spent as much time reading the bill and the report and the hearings as he has in preparation to defend an indefensible position, I think he might have made a greater contribution to the cause of agriculture. Notwithstanding the fact that we have announced that when the proper time arrives we will name the three commodities upon which the Secretary may conduct his experiment—and any good lawyer knows that the enumeration of some things is considered the exclusion of other things—under this bill, with that amendment, the Secretary cannot experiment with hogs, about which the gentleman from Tennessee [Mr. GORE] seems to like to talk. The fact is he has talked about growing hogs here on Capitol Hill. Under this bill the price of hogs is fixed at 19 cents, and the gentleman from Tennessee [Mr. GORE] evidently did not think it wise to give you this language in the bill:

> Notwithstanding the foregoing provisions of this section, if the Secretary determines that the parity price for corn, wheat, milk, butterfat, and hogs are not in such proper relation as to permit the maintenance of desirable feed ratios, the levels at which such commodities are to be supported may be adjusted by not more than 10 percent on any such commodity to levels which the Secretary determines will reflect desirable feed ratios.

What is wrong with that? He can adjust it 10 percent and bring the price of hogs down to about where it is now or perhaps half a cent a pound above its present level.

He makes another point; he says that someone in the burley section sent him a telegram saying that they did not favor the bill because it was going to put the price of tobacco up. Now, that just is not the situation; this bill puts tobacco just about where it was in 1948. I know that the tobacco people in my section and in the district of the gentleman from Tennessee [Mr. GORE] do not want tobacco prices brought down any lower than those that prevailed in 1948. Can you imagine a tobacco farmer facing the highest cost of production he ever faced in history sending a telegram to a Congressman saying: "Pray God, don t put my prices up"? It is the most ridiculous proposition I ever heard of.

The gentleman from Tennessee [Mr. GORE] brought out another thing, the telegram from our beloved former colleague, Mr. Flannagan. I respect him and love him, but unfortunately Mr. Flannagan did not attend a single solitary hearing by either the subcommittee or the full committee.

I think that the gentleman from Georgia [Mr. PACE] must have impressed this House with his great sincerity when he stood here and frankly told you that when he came to Washington fresh from Georgia in January that he introduced the proposition that is now being sponsored by the gentleman from Tennessee [Mr. SUTTON] in the honest belief that it was the proper thing to do. He told you that at that moment he did not know what the situation really was, but for six long months STEVE PACE, night and day has studied this problem from bottom to top. Then in July he introduced this bill after the most extended hearings our Committee has ever conducted. Talk about holding something open to study. All during the Seventy-ninth Congress our Committee studied the subject at length. During the Eightieth Congress we again studied the agricultural problem, and we took a bus and blasted the trailways throughout all of America and went into every agricultural district of this great country. We actually did not conclude those hearings until after the last general election, we concluded the hearings in Fresno, Calif., in December. Then do you think that we should go back into the cloistered halls of some study and sit down with a lot of statistics and try to bring out a farm bill? For 6 months we worked on this, and we bring it to you without apology; we bring it to you in the hope that you will at least consider it with intelligence and with patriotism; we know you will. You have the choice to make. Do not be swept off your feet by this coalition that has sworn to defeat and to repudiate the House Committee on Agriculture which has an enviable record in the Congress, and to repudiate this little part of the present Secretary of Agriculture's program and to continue with a program that becomes more costly every day we operate it. I say to you that this is a reasonable, sensible, sane, and sound proposition; and I commend it to the careful consideration of this House in the earnest hope and belief that the Members are intensely interested in doing the right thing.

Mr. HOPE. Mr. Chairman, I yield 11 minutes to the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Chairman, everyone who has ever studied law recalls the stock illustration used to show that alternative, inconsistent pleadings are permissible. It was alleged that a culprit "did steal, take, and carry away one brass kettle to the value of 12 shillings." The defendant answered: (1) That he did not steal the kettle, never saw it, and it never came into his possession; (2) that he found the kettle; (3) that the kettle was given to him; (4) that he bought the kettle; (5) that the kettle was iron, not brass; (6) that it wasn't worth 12 shillings.

The proponents of the Brannan plan and of its forerunner, the Pace bill, now before us, must be familiar with that system of pleading.

They claim: (1) That the Brannan plan will give the farmer the same income he has enjoyed during the last ten boom years; (2) that it will give the consumer low-cost food because the farm produce will be allowed to sell at the price it will bring and the Government will pay the farmer the difference out of the Treasury; (3) that it will not break the Treasury because farm production will be curtailed by crop control; (4) that it will not enslave the farmer because he will have a chance to vote in a free election whether he wants his crop controlled; (5) that he will vote to have it controlled because if he does not he will not be given any price support; (6) they further claim that the Pace bill is merely a harmless "trial run" of the Brannan scheme to see how it will work.

Let us test these claims.

First, this bill is not a "trial run." It is an entering wedge for the whole Brannan plan. History has shown that farm price support is a one-way street. From the 50 percent to 75 percent of parity of the early thirties support has risen gradually to the 90 percent of World War II. The Steagall Act extended this for 2 years after the war as a cushion for the farmer during the tapering off of prices. No one contemplated that the present 90 percent of parity would be continued permanently

in time of peace. Time has proven, however, that the farmer, even though he is by nature an independent and self-reliant individual, is only human like the rest of us, and when he has become accustomed to receiving a Government subsidy he does not want it reduced. So, when he was told before the last election that under the law soon to come into effect there might be a reduction of price support, he responded with a thundering "No."

The Pace bill cannot be a mere trial run because it establishes a new and higher standard of price support.

Once the Brannan plan of production payments and guaranteed high income becomes effective under this bill for a few commodities, producers of other commodities will insist upon sharing its benefits, and it will be impossible to retreat. The Pace bill came into this House as permanent legislation, permitting the Secretary of Agriculture to put his scheme of production payments into effect on any three commodities that he might choose, subject to certain criteria. It was generally understood that hogs would be one of these commodities. Support of hogs would be a multi-billion-dollar program and would probably strike a staggering blow to producers of beef cattle and other livestock, therefore, a wave of opposition arose. Whereupon, proponents of the bill agreed to limit its effect to 2 years and limit its application to potatoes, eggs, and wool. Let us not deceive ourselves. If the bill were limited to 3 months and affected only onions and parsnips, the camel's head would be in the tent and the Brannan plan would be the inevitable result.

Let us apply our test, therefore, to the Brannan scheme, of which the present bill is merely a forerunner. What will it do for the consumer? What will it do for the farmer? What will it do to the taxpayer?

First let us consider the consumer.

When Mr. Brannan unveiled his scheme, it was to be a great boon to the housewife and meant low-cost food. He talked about it, labor leaders talked about it, and a flood of propaganda was loosed to woo Mr. John Q. Public with this promise. Recently all this talk has suddenly hushed, and there has been a cavernous silence regarding this feature of the plan. Why? The Brannan scheme cannot benefit the consumer for two reasons: First, because it must be accompanied by crop control or break the back of the taxpayer. Crop control means curtailed production of foodstuffs and curtailed production means continued high prices to the housewife. Second, the consumer cannot benefit materially unless a rigid system of price control is added to price support. History has shown that when the farmer gets little for his produce the retail price is still comparatively high, and the difference is absorbed by the processor and the middleman.

There it is, Mrs. Housewife. If you are ever to profit by the Brannan scheme, you must take the OPA back to your bosom with it, and even if you do that you would still not profit much, because under the plan food production must be limited.

Now let us consider the farmer. The Brannan scheme will make the farmer forever the poor relation at the family table of the Nation. He will be given lip service and kind words but he will be reminded constantly that he is dependent upon public charity. His great worries have always been the vagaries of the weather, but he will find those worries were bliss compared with the anxieties that will beset him when he becomes dependent upon the whims of the Appropriations Committees of Congress for his livelihood.

The Brannan scheme means Government-administered farm prices and farm income, with absolute control of all land and production. We have heard much in the past months about a "slave-labor law." Make no mistake. If the Brannan plan is ever enacted into law—and the Pace bill is the first step—we will have a "slave-farmer law." The Secretary of Agriculture will become a complete czar, in control of every acre of every farm in the Nation. Oh, yes, proponents claim that the farmers will have the chance to vote on accepting marketing quotas and that acreage allotments will be used only as a last resort. That is so much prattle. If the farmer does not vote for control, he does not get any price support. Thus he has the privilege of voting whether he shall eat or starve. This is like the "free elections" that were held under Hitler.

The Brannan scheme would place a ceiling on opportunity in agriculture. The farmer could never again sit on his porch at sundown and look across his meadows and plan what he would do with his own the coming day or month or year. His pride of ownership and his sense of independence and security would be forever lost. His standard of living would no longer depend upon his efficiency in producing because once again, as in the days of Henry Wallace, he would be paid for not producing.

No effort has been spared to sell this plan to the farmer. The long arm of the Department of Agriculture has reached out to every community and farm in the Nation with its hand filled with pamphlets and propaganda. But the farmer is awakening to his danger. The Farm Bureau, the National Grange, and other organizations are fighting desperately against it.

Now let us forget the consumer, the farmer, or any other individual or group and consider what the Brannan scheme means to the Nation as a whole. The implications of this measure, both political and economic, are more far reaching than any proposal Congress has considered since it voted to declare war. Its staggering cost to the taxpayer and its effect on the farmer or the consumer are of minor importance compared with the new philosophy it presents.

Fundamentally, the Brannan plan is a scheme to form a political alliance between labor and agriculture to bring about a socialist-labor government in this country and to create a welfare state like the one which flowered so beautifully and is withering so fast in England. I do not question the sincerity of many of its proponents, both within and without this Chamber, but I am convinced that they are unknowingly the tools of those who seek to seize and keep the reins of Government and to make that Government supreme over the rights of men.

Those who doubt this statement should heed the words of former Secretary Byrnes:

> Too many people are trying to transfer power to Government. * * * Power once transferred to Government is difficult to recover. Power intoxicates men. When a man is intoxicated by alcohol he can recover, but when intoxicated by power he seldom recovers.

Those who are beguiled by the glittering promises of this legislation should consider his further words:

> Beware of the Greeks bearing gifts. Beware of those who promise you something which does not belong to them and which can be given to you only at your own expense or the expense of another who may not produce to make the promise good.

Those who do not appreciate the true significance of the decision before us should hear him further:

> We are going down the road to statism. Where we will wind up, no one can tell, but if some of the new programs seriously proposed should be adopted, there is danger that the individual—whether farmer, worker, manufacturer, lawyer, or doctor—will soon be an economic slave pulling an oar in the galley of the state.

Finally, those who believe that the gadgets and supposed safeguards in this bill protect our liberties, should heed the recent words of General Eisenhower:

> I firmly believe that the army of persons who urge greater and greater centralization of authority and greater and greater dependence upon the Federal Treasury are really more dangerous to our form of government than any external threat that can possibly be arrayed against us.
>
> I realize that many of the people urging such practice attempt to surround their particular proposal with fancied safeguards to protect the future freedom of the individual. My own conviction is that the very fact that they feel the need to surround their proposal with legal safeguards is in itself a cogent argument for the defeat of the proposal.

These are some of the reasons that I am opposed to the Brannan plan and to its stepchild, the Pace bill. I have no quarrel with those who do not wish to let the Aiken law, so-called, take effect the first of next year, because while I subscribe to the fundamental intent of that law, which is to provide a flexible price support within certain limits sufficient to protect the farmer from disaster but not high enough to bring on the evils of control and regimentation, I believe that that law is defective in that it places in the hands of the Secretary of Agriculture nearly, if not quite, as much power as he would have under the Brannan proposal.

I hope that the amendment to be offered by the gentleman from Tennessee, continuing for the time being the law now in effect, will be adopted. Certainly this is only a temporary expedient, but so is the Pace bill as described by its sponsors. The Committees on Agriculture of the Congress should have the time and opportunity to study thoroughly and prepare carefully a long-range agricultural program. There are many constructive proposals yet to be

considered, such as: A system of insurance to which the farmer contributes for protection in times of falling prices; the encouragement of new industrial uses of farm products; a two-price system to dispose of food surpluses abroad; and, a coupon system to make such surpluses available to low-income groups in our own country.

Let us not act in haste. We are not in such desperate straits that we need to stifle the producing capacity of American agriculture by placing it in the vise of economic distatorship. I believe that with time and determined effort we can provide a plan for the American farmer that is within the pattern of our Constitution.

Mr. POAGE. Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, I am not here to attack or support either one of the bills. I should like to have some questions answered. Is the gentleman from Georgia [Mr. PACE] in the Hall? Is there anyone else who would volunteer to give expert answers to some questions?

I am rather disturbed about some of the features of this bill. I appeared before the subcommittee and I was interested to know who it was that requested that potatoes be incorporated in this bill as an experiment. I do not find anyone requesting that potatoes be used as an experiment. I would like to know when the price of potatoes is to be fixed. I am serious, gentlemen. I would like some member of the committee to answer these questions if you can answer them.

I would like to know if the price is to be arranged for an area or for a State or for the Nation?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. Yes, if the gentleman has the answer.

Mr. AUGUST H. ANDRESEN. The price is to be fixed by the Secretary at somewhere between zero and 100 percent of parity, leaving it to the Secretary of Agriculture.

Mr. BARDEN. I would like to know if the price is going to be fixed for an area or for a period, or for a particular sale, because an individual farmer could very easily sell his potatoes on the opening market for $2 per hundred and then the price fall and if another farmer happened to come in the off-area, or off time so to speak, he would get probably $1.50, yet the average would be $1.75, and if the support price was $1.70 the $1.50 farmer would have no protection.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. GORE. I would not undertake to answer for any member of the committee, but I would like to read one sentence from the bill which would give the Secretary authority to remove all these little farmers from the supports that you are speaking of. I will read from page 9, line 18:

Production payments need not be made with respect to any commodity or any producer thereof if the Secretary determines—

I would like to digress there to say that I am omitting some 20 specific grants of authority in the bill—

if the Secretary determines that the total amount of production payments which would be made to the producers of the commodity is too small to justify the administrative cost of making such payments.

Mr. BARDEN. I thank the gentleman, but I happen to represent a great potato-producing district. I happen to recall for the last 3 years we have appeared before officials of the Agriculture Department and last year before the Secretary of Agriculture begging the Department and the Secretary to change the type of administration of the potato program. Yet they persisted each year in doing a perfectly foolish and asinine thing. Then the Secretary and his assistants, Mr. Smith, Mr. Trigg, and Mr. Woolley, want to point to the potato program and say how terrible it is. And on top of this the Secretary apparently wants to use it as a guinea pig. Certainly the potato industry is opposed to it. The present program would work O. K. With the right kind of administration the Department of Agriculture does not need more power or law covering potatoes; they and the potato farmers need a better administration of the present law.

I see the gentleman from Georgia on the floor and hope I will have time to go over these questions again.

Will the gentleman from Georgia answer this question? Who requested that potatoes be put in this bill?

Mr. PACE. Who requested it in the testimony before the committee?

Mr. BARDEN. Yes.

Mr. PACE. I do not think it was requested by the producers.

Mr. BARDEN. The gentleman recalls our appearing before your committee?

Mr. PACE. Oh very clearly, and very pleasantly.

Mr. BARDEN. The gentleman will recall the complaint we have had for 3 years as to why the potato situation has gone bad?

Mr. PACE. We hope to have a bill ready next week.

Mr. BARDEN. But there is no word here that corrects the inequity and injustice that has been perpetrated on the potato people during the last 3 years?

Mr. PACE. We could not put it in this bill, but a bill will be before the House next week or the week after that which we hope will correct that.

Mr. BARDEN. May I ask the gentleman this question: In setting the price for potatoes, do you set it for the season, for the year, for the quarter or for the month?

Mr. PACE. Do you mean as to the payments?

Mr. BARDEN. That is right, as to your support price.

Mr. PACE. It will be set just as it is now, I presume.

Mr. BARDEN. You presume—I do not want to presume on my potatoes.

Mr. PACE. That is not changed in the bill. That is all I can say.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BARDEN. Mr. Chairman, may I have some more time?

Mr. POAGE. We cannot give the gentleman any more time. We only have 69 minutes remaining.

Mr. BARDEN. I am not going to get ugly about it, but I will say to you gentlemen that you are going to give me more information about the potato situation than I have been able to get, otherwise you are not going to find me so friendly to your bill. I tell you that now.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, as most of my colleagues know, I have long contended that the proper way to effectively and permanently solve the agriculture problems is to start from the soil. In order that such a program might be carried out, I have introduced a soil-conservation bill, H. R. 2368, which would take land out of production which is now producing surplus crops, and put that land in soil-conserving crops, and thus balance production. I recently explained my bill before the Subcommittee on Agriculture of which the distinguished gentleman from Georgia [Mr. PACE] is chairman.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Georgia.

Mr. PACE. May I say to the gentleman that the subcommittee is giving most sympathetic consideration to the gentleman's bill, which is very meritorious.

Mr. JENSEN. I thank the gentleman.

Mr. Chairman, I ask unanimous consent to read into the RECORD my testimony before the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The statement is as follows:

Mr. PACE. We will now hear from our distinguished colleague, Hon. BEN F. JENSEN, of Iowa.

STATEMENT OF HON. BEN F. JENSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Mr. JENSEN. Mr. Chairman and members of the subcommittee, I appreciate the opportunity to appear before this committee and be of any help I can in providing a few thoughts on what you and I consider the greatest problem facing our Nation today. Needless to say, the whole welfare of our economy, agricultural and industrial, weighs heavily on the decisions this committee reaches in regard to effective farm legislation.

The Nation is sadly in need of a sound approach to the economic problems that beset it today. Since directly or indirectly approximately 70 percent of our labor is employed in the production, processing, and distribution of farm products and the services incident to such activity, the destiny of our Nation's economy rests on the leadership and legislation you gentlemen and the other Members of Congress provide.

It is regretful that practically all of the help offered this committee by well-respected, and rightfully so, national agricultural leaders has been based on economic tangents and monstrosities irrelevant to the basic causes of our agricultural problems. They deal totally in trying to control effects.

Far too many of our agricultural legislation proposers ignore or forget that there is a bottom to the taxpayers' appropriations barrel. We would never have any economic problems if there were a limitless supply of

dollars to cure our economic maladjustments. But we know that the Nation's Federal business structure is very similar to your family's or mine. We have to live within our income and cannot constantly overspend without irreparable disastrous results.

It seems obvious that if our people aren't interested in using more cotton—the fact is clear. If our people are not interested in eating more and more potatoes and consume all the farmers wish and can produce—that fact is also clear. The same is true in regard to certain grain crops. The Government does not have the right or obligation to force our people to utilize everything agriculture produces, or to force our people to pay through taxes sufficient money to make it profitable for our agriculture to continue the production of certain unwanted crops. Our people are interested in more food; but they want it in such items as more and better meat, milk, cheese, and other high standard of living foods. They do not object to using a reasonable portion of their income for food purchases. But they dislike spending part of this income for the production of unwanted commodities as they are now doing through taxation.

That may sound like a peculiar statement since I represent a farm area. But I know that the people I represent want a truthful answer to our farm problems. They want legislation that will work and that will not bankrupt our Government. After all, our farmers have just as much stake in a sound, effective Government and economic system as does the city dweller.

Our farmers realize that their security is no stronger than their ability to produce the types of food the consumer wants to buy. They have no security when their affairs and production are manipulated by one or two people at the Washington level.

I have considered at length these farmer and consumer interests and problems in regard to farm legislation. As a result, I introduced H. R. 2368 earlier this year. This legislation is not a cure-all—it is just a beginning. It will start our Government on a constructive and nonbankruptcy path to helping farmers bring their production in line with consumer food demands, and at the same time will encourage more and more farmers to conserve and make better use of their soil resources.

We should first recognize what took place on our land to produce our 1948 crops. Of the nearly 351,000,000 acres harvested in 1948, approximately 148,500,000 were used for intertilled or row crops, 129,000,000 for close-growing or small-grain crops, and 73,500,000 acres for meadow or hay crops, as part of a soil conserving and building rotation.

A close analysis of 1948 row crop and small grain production shows that at a very minimum approximately 43,500,000 acres which were used for row crops and 28,500,000 acres for small grain should have been in meadow or hay crops for a minimum soil-conserving rotation. (Estimates based on study material used to compile testimony for Long Range Agricultural Policy Hearings, House of Representatives, March 10, 1948).

It is very conservative to say that 1 out of every 4 acres in row crops or small grains in 1948 should have been in a meadow or hay crop for a minimum soil-conserving rotation. Likewise, we would not have a serious maladjustment to agricultural production today if our land were being properly used.

It should be possible through payments, as outlined under H. R. 2368, to reduce the corn acreage 5 percent, the wheat acreage 13 percent, and the cotton acreage 20 percent in this country by Federal payments not to exceed $200,000,000 the first year. This could be done on the basis of converting 20,000,000 acres of land that had been, for the previous two or more years, in corn, wheat and cotton to grass and woodland at the average rate of $20 per acre, the Government paying $10 per acre or one-half the total cost. Let me point out that a reduction of so large an acreage of these three crops the first year would very largely, if not entirely, eliminate the possibility of surpluses occurring in the production of these crops.

In the sixth year, at an annual cost not to exceed $200,000,000 per year, 10 percent of the present corn acreage, 25 percent of the present wheat acreage, and 40 percent of the present cotton acreage could be retired to grass or trees which would undoubtedly eliminate any further possibility of temporary surpluses occurring in the production of these crops. I should like to insert in the record a simple tabulation indicating what an annual Federal payment of $200,000,000 could do under the terms of H. R. 2368.

Mr. PACE. It may be inserted in the record at this point in your statement.

(The statement above referred to is as follows:)

*Acreage of grain and cropland that could be converted to grass or trees with a governmental payment of $200,000,000 per annum as provided in H. R. 2368*

| | Millions of acres | Percent of cost | Cost per acre | Total cost |
|---|---|---|---|---|
| First year | 20 | 50 | $10 | $200,000,000 |
| Second year | 20 | 20 | 4 | 200,000,000 |
| Do | 12 | 50 | 10 | |
| Third year | 32 | 20 | 4 | 200,000,000 |
| Do | 7.2 | 50 | 10 | |
| Fourth year | 39.2 | 20 | 4 | 200,000,000 |
| Do | 4.32 | 50 | 10 | |
| Fifth year | 43.52 | 20 | 4 | 200,000,000 |
| Do | 3.59 | 50 | 10 | |
| Sixth year | 46.11 | 20 | 4 | 200,000,000 |
| Do | 1.56 | 50 | 10 | |

Mr. JENSEN. Thank you, Mr. Chairman. It shows that 47,670,000 acres of land now in soil-depleting crops could be converted to soil-conserving crops; also, as I pointed out, it would eliminate this trend in a surplus which is bringing about a condition and a threat of acreage allotments.

The retirement of grain and row-crop acreage under this provision of my bill is assumed to be at the rate of $20 per acre. That is, an acre of cropland could be retired to trees for an average of considerably less than $20 per acre. Similarly, an acre of cropland could be retired to grass, where no lime and fertilizer were needed, at somewhat less than $20, but if the farmer needed lime or fertilizer in order to encourage good grass pasture or range, it would take somewhat more than $20 per acre to obtain it, so an average of $20 is assumed.

Historically, reduction of crop acreage has not necessarily reduced production of the crop except temporarily. That is, the record shows that the attempts in the thirties to reduce the acreage of wheat, corn, and tobacco did not reduce total production. There was some reduction in cotton production as a result of acreage allotments. The reason for little or no reduction in production through crop acreage allotments is that land is only one of the resources of production at the farmers' command. In earlier attempts the farmer used more labor, fertilizer, and other resources on the land he had in crops and thereby produced greater yields per acre. My recommendations in H. R. 2368 would give the farmer the opportunity of using these extra resources, including his labor, to produce grass or trees, enhance his production, and produce animals and animal products for which there is likely to be a greater demand than for the grain.

As an initial move to help farmers bring their agricultural production and land use more in line with consumer demands. Congress should discontinue appropriating any funds that foster soil destruction by supporting overuse of our soil resources for the production of certain row crops and small grains. We are appropriating hundreds of millions of dollars for this purpose every year.

One of the great travesties on the agricultural scene today is that we do not know actually what the Nation's soil resources are, their condition, or what treatment a vast portion of our land needs to keep it productive. In many ways it's ironic for Congress to legislate for agriculture when it knows actually so little about what our soil resources are.

Except for the work of the Soil Conservation Service in the Nation's soil-conservation districts, farmers have no way to obtain information on the capability of their land for best use and production on an acre-by-acre basis, to learn the condition of their own agricultural food factory. In many places these factories are crumbling—saved temporarily by tremendous uses of fertilizers—but nevertheless washing and bleeding away. In other places tremendous use of fertilizers hides from the farmer's eyes what is actually happening to his land. We need the completion of a Nation-wide land capability survey of our farms, ranches, and woodlands to determine the productive capacity of land conservation needs of each acre. This information should then be furnished to each farmer and rancher, so that he could know what is happening to his food-producing factory, and what his farm needs to keep its productive capacity permanent.

I believe that if all farmers and ranchers of our Nation knew what was taking place on their land, such as when they bypass minimum soil-conserving rotations, we would see one of the greatest changes in land use imaginable, and within a period of a couple of years, I am convinced that when a farmer really knows the truth about his land, he becomes one of the greatest champions for effective soil and water conservation, which in itself would remove most of our present agricultural problems.

In H. R. 2368 I have provided for an early completion of a Nation-wide survey of our soil resources and for furnishing this information to every farmer and rancher.

Nor is this all this legislation provides. There are provisions for a national land policy, a conservation timetable, and special measures to help landowners add sufficient acreage to their farm to complete a profitable farm, and thus reduce much land overuse resulting from uneconomic-sized units. This legislation provides technical assistance for soil- and water-conservation farming for all farmers and ranchers of our Nation who are not now located within a soil-conservation district. There are conservation payments, part of which I described a few moments ago, which will provide for lasting soil conservation. Also, the legislation strengthens the system of farmer control of his agricultural affairs and fosters the organization of soil-conservation districts.

No new agencies are called for, but the Secretary of Agriculture is given the power to join more closely the work of the Soil Conservation Service, conservation programs of the Production and Marketing Administration, and the Extension Service for concerted action on problems which confront this committee today.

It is obvious that a balanced agricultural production that can demand a rightful share of our national income depends on proper use of our soil resources. The sooner we help farmers to use their soil resources properly, as is done by all farmers who have effective soil- and water-conservation programs, the sooner we can ease the economic problems that confront our people today.

Now, Mr. Chairman, I hope I am not taking too much time.

Mr. PACE. No, indeed. May I say here that is one of the most sensible statements I ever heard on the point of the conservation of soil.

Mr. JENSEN. Thank you, Mr. Chairman. I know you have always been very interested in the problem of soil conservation, as well as all other problems so important to our Nation, and I want to compliment this committee now, each and everyone of you, for sitting in these hearings so long, to learn just exactly what is needed and what is best for this Nation through a good agricultural program.

I can't minimize the importance of the job you have to do.

I would just like to express my ideas relative to the different types of programs that have been proposed for agriculture.

I would like just to read a letter which I have been sending out to my people who have asked me how I stood on the Aiken bill; and I think I can give you a clear picture of what I think we should have in the way of an agricultural program.

I might say that the bill which you gentlemen passed in the House in the Eightieth Congress, original bill, the House bill, which this committee brought to the floor of the House and which was passed, was, in my opinion, as good a bill as can be written, as could have been written at that time, for agriculture; and I recommend today that when you write the bill which you will no doubt bring out in this session of Congress, that it will not be too far away from the provisions of the bill which this committee approved and which the House approved during the last session of the Eightieth Congress.

Mr. PACE. Which is now title I?

Mr. JENSEN. That is right.

If I may, Mr. Chairman, I would like to read this letter. It covers about a page in the CONGRESSIONAL RECORD—it is a little less than a page; but in so doing, you will note that I am not only telling you folks here, this committee, what I think about the Aiken bill and some other things in the agricultural field, but you will also note that this is what I tell the people who hire me to come down and represent them in Congress, the people of the Seventh District of Iowa. The letter reads as follows:

HOUSE OF REPRESENTATIVES,
*Washington, D. C., January 31, 1949.*

DEAR FRIEND: Regarding the 90 to 60 percent slide-down scale for basic farm crops, versus the 90-percent support prices now in effect on such commodities, in order that you will know just why I am for the 90-percent support price, I will give you the background of what brought about the 90 to 60 percent provision which goes into effect January 1, 1950, as provided in the Aiken bill.

You know, of course, that the labor leaders made a lot of noise about high cost of food long before the last Presidential campaign got under way. They knew, of course, that it would be popular with most members of the trade-unions to do so, but they did not tell their members that their food bill was costing them a less percentage of their wage dollars than it had during any peacetime period of full employment in the history of our Nation.

The New Deal Party has constantly worked overtime in their great desire to prove to labor that they were the champions of high wages and cheap food while out of the other corner of their mouth telling the farmers they were for a high price for his products. Hence the New Deal have received a great majority's of labor's votes. However, in the last campaign they felt it would be necessary for them to further prove to labor that they were still for cheaper food in order to hold the labor vote. So here is exactly how they did it.

The labor leaders collaborated with high officials of the Department of Agriculture in writing the so-called Aiken long-term agriculture bill. One of the provisions in the bill was the 90–60-percent slide-down scale for basic farm-crop supports. And between the New Deal campaign strategists and the labor leaders the Aiken bill was sold lock, stock, and barrel to the topmen of our farm organizations.

The bill came to the Agriculture Committees of the House and the Senate very late in the last regular session of the Eightieth Congress. The House Agriculture Committee turned thumbs down cold on the 90–60-percent provisions. The bill came to the House with the full 90-percent provisions in the bill and was passed by the House in that form.

The Senate Agriculture Committee also held hearings on the bill and inserted the 90–60-percent slide-down-scale provision. The bill was then taken to the floor of the Senate at about 2 a. m. one morning during the last week of the regular session of the Eightieth Congress, where Senator AIKEN, from Vermont, chairman of the Senate Agriculture Committee, put the bill through the Senate with very little debate.

After which the Senate and House conferees met in almost constant session for several days and nights to thresh out their differences in the bill. The 90–60-percent slide-down-scale provision inserted by the Senate versus the 90 percent House provision was the main point of contention between the two Houses. These conferences between the House and Senate were held during the very last few days of the regular session. The House Members held out for the full 90 percent of parity until about 4 a. m. on the morning of June 20, the very day Congress adjourned. However, a compromise between the Members of the two Houses was effected, and the 90-percent support provision to remain in effect until January 1, 1950, after which time the 90–60-percent slide-down scale was to go into effect. Then the compromise report was brought to the floor of the House about 30 minutes thereafter. The bill was passed by the House and the Senate within a very few minutes thereafter, and in due time the bill was signed by the President.

It is noteworthy that the very next day after the bill was passed prices on most all farm products began to drop and have been on the decline since, and from that day on the unemployment rolls have mounted. Now I am thoroughly convinced that until we repeal the 90–60-percent provision in the bill prices on farm commodities will continue to slide down and unemployment rolls will continue to mount proportionately. Not only will grain prices tumble further but hog, cattle, and poultry prices will go right down the toboggan with them.

Let us not forget that farm prices were 66 percent of parity on an average in 1931–33, and that during those times not only the farmer but the businessman, the laboring man, and everybody in America were in a serious predicament. I need not remind you of this, I am sure, for I know you are old enough to remember it. There was on an average of 14,000,000 American people who were unable to find work during that era for the very simple reason that the farmer's buying power was almost nil. Now certainly that should be a lesson we dare not forget, regardless of our politics, faith, or vocation.

Ever since my first year in Congress I have cooperated very closely with common-sense economic analysts and many Congressmen, most of whom are from farm States, in search of facts and figures to guide us in the right direction to avoid, if humanly possible, another depression, and possibly the complete destruction of our system of government and everything worth while in our blessed land.

Here is what these many years of research has brought to light: For the past 20 years the records of the Department of Commerce, which are compiled from the records of the Departments of Agriculture, Labor, and from other accurate sources in Government records, show that whether it be periods of peace, depression, war, or postwar prosperity such as we now have, the national income has been and is now approximately seven times the farm income. The postwar prosperity which we have enjoyed since World War II has held up mainly because we have had a high farm income due to the fact that basic farm commodities have been supported by our 90-percent parity law.

If you will remember, it was less than 2 years after the close of World War I that farm prices took such a terrific drop which brought about a national depression in 1920. And during the several years thereafter many farmers lost their farms and a lot of business houses closed their doors for the very simple reason that the farmer's buying power was almost nil. I remember that era only too well, as I was at that time running a lumber yard in Exira, Iowa, dealing with farmers almost exclusively. Certainly that horrible experience should be a lesson to all of us. It must not happen again. I am thoroughly convinced, after much study, that the 90–60-percent slide-down support scale on basic farm prices will bring about a repetition of a like condition during the era which I have just described.

Doubtless you have heard the argument it is necessary to reduce the price on farm commodities to avoid great surpluses from piling up, which the Government would have to buy and store in greater quantities than would be possible for the Government finances to stand. That argument falls flat with those who have made a deep study of what causes surpluses to pile up, which is, when the buying power of the people is not sufficient to purchase the goods they need for the high standard of living we Americans want and expect. The facts are that a greatly reduced American standard of living will very surely be brought about by a great reduction in prices of farm commodities, since all wealth springs from Mother Earth, and because as I said before, the national income each year is approximately seven times the farm income; so, unless we maintain a high farm income sufficient to generate a high national income, and thereby assuring high consumption of all goods, Americans will be in serious trouble, and you can bank on that.

Here is something else to think about. Who in America would expect the good Lord to continue to bless us with such abundant crops as we have enjoyed the past 8 years? I am sure, you, like I, will agree that that would be too much to expect of Him who runs nature's business. We are bound to have crop failures in some degree most any year now, and should it become our lot to suffer, say even a 25-percent crop reduction on an average for a period of 2, 3, or 4 years all over America, below the average of the past 8 years; how, I ask in all sincerity, would we feed and clothe the American people the way they like to be fed and clad, let alone help to feed the world, when now we are exporting only about 3 percent of our farm production?

You will also hear the argument that unless the Secretary of Agriculture is given the authority to reduce support prices as is provided in the 90–60-percent slide-down provision, that surpluses will pile up to such a degree that acreage control will again be necessary. That argument also falls flat when we know that it was cheap farm prices that brought about acreage control in the AAA bill of the early thirties. And the result of that program was that the farmers so fertilized and mined their allotted cash-crop-producing acres, that they produced more than ever, and were obliged to do so to meet their bills.

The 90-percent support-price program on basic farm products, corn, wheat, tobacco, cotton, peanuts, and rice has not cost the American taxpayer one thin dime to date. It has actually made a profit to the United States Treasury, to say nothing about the great benefits to the farmers of America and to our whole economy, and for these reasons I certainly will not be a party to a program

which I honestly believe will be destructive to not only the prosperity of our Nation, but also to the peace and progress of our Nation and the world.

You, no doubt, also have heard the argument about the potato situation. I agree that potatoes, which are perishable and cannot be stored for any definite period, should not be supported at the full 90 percent of parity. The facts are that the Potato Growers Association of America suggested to Congress that the support price on potatoes be materially reduced. And the provisions in the Aiken bill directs the Secretary of Agriculture to do so. Hence, that argument made by the sliding-down-scale advocates also falls flat.

If our national income is drastically reduced the American market, which is the only stable and good market of the world today, will lose its buying power, and when that time comes we will neither be able to pay our own way nor help foreign nations with loans or free dollars with which to buy our goods or other nations' goods, or to ward off communistic aggression any place in the world, America included.

Records of the past 20 years also prove that for each dollar of gross farm income, labor (which includes all kinds, blue denim, white collar, and professional) receives an income of over $4, so the laboring people have a mighty big stake in keeping the farmer's income on a high level, the source of all wealth. Regarding the businessman's interest in this proposition, I am sure I need not explain to them the need of keeping a high farm income for they know that is the only thing which will insure good profitable trade for them.

A $42,000,000,000 annual Federal tax take from the American people means that each American family pays on an average of over $1,000 per year in direct and indirect Federal taxes. Add to this around $300 which each family is paying per year in local, county, and State taxes, it makes a total outlay in taxes per year for each family of over $1,300. This being a fact, we must surely do two things, keep our national income at the highest possible figure and stop wasting the taxpayers' dollars.

I hope this will explain my reason for opposing any law which will reduce farm income.

Sincerely yours,

BEN F. JENSEN.

Mr. AUGUST H. ANDRESEN. I would like to know what the gentleman's response was from the people who received that letter.

Mr. JENSEN. I may say I never had anything but complimentary responses. Those who were for the 90–60-percent slide-down-scale provision either did not write me or said, "Thank you for your explanation; it makes sense."

Now, gentlemen, I have taken too much of the committee's time.

Mr. ALBERT. I would like to ask the gentleman a question. I was very much interested in your discussion of your proposed bill, H. R. 2368, I believe. There are problems that worry me quite a little in regard to it and I would like to have your comment on the matter of soil conservation crops. First, would we run into the danger of many farmers having to go out of cash crops so that they would not have enough such crops to make a living for their families?

Mr. JENSEN. No, because the acreage reduction would be small for each farmer. But as you know it is that 5- to 10-percent surplus which depresses farm prices.

Mr. ALBERT. And would the 50 percent from the Government be inducement enough for them to do the job?

Mr. JENSEN. In answer to your first question, my bill is not mandatory, if anyone does not want to get in the program that is their own business. However, you say you would have sufficient cash crops. Well, of course, now when you only transfer 10 percent of an average farm, and that is about what it would be, to balance your agricultural production—10 percent converted from soil depleting to soil conserving would certainly be a benefit not only to the farm itself, but to the farmer who would be building up his soil. He would be cooperating fully with the soil-conservation program, which I think all of us want. He would also be contributing to flood prevention, which is one of our big problems, for you know what flood control costs this country. Flood prevention is carried on in soil conservation. That is flood prevention because you hold rain where it falls and keep the mud and muck and trash out of our streams.

Mr. ALBERT. I think your proposal deserves a lot of consideration by this committee.

Mr. JENSEN. Thank you. My bill provides that we pay 50 percent the first year, and then in order to induce them to keep that land in grass or woodland, we pay them one-fifth of the first cost, or $4 of the first year's cost, for the next 5 years.

It is truly and fully a soil-conservation program in effect, but while we are doing that, we are also taking out of production those crops that are in surplus production. If the program which I recommend is put into effect there will be very little need, if any need, for acreage allotments, or for a reduced parity support price on farm crops, so it serves a threefold purpose.

The things facing us today are the problem of conserving our soil and the problem of keeping the farmer prosperous, for he must be kept prosperous in order to keep the Nation prosperous, as I am sure every one of you will agree.

The whole thing is that we do need a leveling out of our agricultural production. We produce too much of one thing and not enough of another. I don't like this acreage allotment thing and the farmers don't like it. They don't like to be told how they can run their farms. They would like to do it voluntarily and they can do it I feel certain under my bill H. R. 2368, if we will make the 90-percent parity supports permanent.

I have given this a lot of thought. I have worked on this problem constantly during my services in Congress. I am now in the eleventh year, and I know you folks, many of you, have done likewise. I have talked this matter over with many members of this committee, with Mr. PACE, with Mr. HOPE, with Mr. POAGE, Mr. ANDRESEN, Mr. HOEVEN, and most of the members who have been here during the past 11 sessions.

Gentleman, I am sincere about this thing and I want you to know it, and I think my testimony proves there is no politics in it with me. Anyone who plays politics with this proposition is playing politics with a thing that is the most important to the progress, the peace, and the prosperity of America, and I might say the whole world.

Mr. PACE. Thank you very much. You have given us a very excellent statement. Mr. GRANGER wishes to ask a question.

Mr. GRANGER. I appreciate the statement of the gentleman. I think he has given emphasis to soil conservation, as he indicated in his statement, and he played down acreage control and price support. I believe if we spent $1,000,000,000 in soil conservation for the next 25 years, it would cost us less in the long run than what it will cost us for price support, and for flood control, which will become more expensive every year. I certainly agree with you. We need a formula however to put in effect your recommendations.

Mr. JENSEN. I think we could spend $1,000,000,000 here and be justified, if we had the money to spend, but I brought it down to a very sensible and proper figure, commensurate with what I think we can spend under present conditions.

I am not asking this committee to appropriate too much more money in addition to what we already appropriate for soil conservation, and compliance payments. The amount is up to the committee; but I do feel, gentlemen, that we have an opportunity, if we take hold of it, to stop all these silly plans, including the Brannan plan and the Aiken plan, and a lot of other silly, unworkable, un-American plans that have come before this committee.

We can head them off, they are not necessary if we carry on a good, common-sense soil conservation and balanced-agriculture program for the American farmer as I have outlined.

Mr. HOEVEN. Mr. Chairman, I know there are other witnesses to be heard this morning and so I shall not ask any questions at this time. I simply want to compliment my colleague for the great interest he has always shown in the welfare of agriculture and the conservation of soil.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, it is my purpose at this time to convey my feeling by reciting to you the excellent service rendered American agriculture by the distinguished gentleman from Georgia [Mr. PACE].

When the gentleman from Georgia came to this House he was assigned to the important Committee on Military Affairs. He served on that committee for some 2 or 3 years, after which time the Democratic majority of the Committee on Ways and Means saw fit to place him on the great Committee on Agriculture. Since that time he has rendered to his district, his State, and the Nation most meritorious service. He is courageous, able, painstaking, and thorough in his work.

I would like to pay tribute to a great legislator and a great American, STEVE PACE, who has worked so diligently to bring before this body this bill which bears his name. This really is not the Brannan bill, even though I have received innumerable wires from Arkansas, and from my district particularly, asking me to vote against the Pace-Brannan bill. That is inspired mail. If they just knew what was in this Pace proposal they would not have wired me as they have.

If title I of the Agricultural Act of 1948 is continued the whole support price program is threatened and there is grave danger of its failing. That is because of the tremendous cost.

I have been asked time and time again about the cost of the Pace bill in comparison to the present program contained in title I. Let us compare, just for a moment, what would happen if the Pace bill does not go into effect and title I is continued for another year. What would be the situation? Under title I the Secretary of Agriculture can only do one thing on perishables and that is buy and buy and buy and stack the commodities up in great surplus quantities where they would be destroyed and not put into channels of trade and not converted to such admirable uses as the hot-lunch program in our public schools. There is no doubt in my mind, not the least doubt in the world, but that under the provisions of the Pace bill the cost would be greatly reduced. It would be approximately half, perhaps. Let me read the

language which was referred to by my friend from Georgia on page 7:

In carrying out the provisions of this section, compliance by the producer with acreage allotments, production goals, and marketing practices as prescribed by the Secretary may be required as a condition of eligibility for price support.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the distinguished ranking minority member and former chairman of the Agriculture Committee.

Mr. HOPE. If the gentleman thinks that this will save so much money, why does the gentleman want to limit it to three commodities. We have many other perishable commodities so why not turn loose and support all commodities?

Mr. GATHINGS. That is what the Aiken law would do and I am bitterly opposed to it. I think the Aiken law should be repealed. I say to the gentleman that we want to have this trial run and want to do it on these three commodities for a limited time. The provision of the amendment which has been agreed to by the majority of the Committee on Agriculture limits it to three commodities for a limited period of 2 years. We should try it out. Let me ask this question of the gentleman: Under title I there is no earmarking, there is no mandate. The Congress is not speaking to the Secretary of Agriculture as to just what he can do specifically. Title I does not limit production of a given commodity. It was written at a time of scarcities and not a time of overproduction.

Mr. HOPE. If the gentleman is so confident as to what will be saved, I would think he would want to have the trial run apply to all commodities, instead of limiting it simply to three. I got the impression from what the gentleman said that he was so sure that we would save money.

Mr. GATHINGS. I am.

Mr. HOPE. As I was saying, the gentleman seems to be so sure that we would save money on this production-payment program.

Mr. GATHINGS. Absolutely.

Mr. HOPE. I am unable to understand why the "trial run" should be limited to three commodities. Why not try it on all of the perishable commodities?

Mr. GATHINGS. Let us try it out on three commodities as contained in the bill. We can come back later and expand it after it has been tried.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from North Carolina.

Mr. BARDEN. The gentleman keeps mentioning perishables and these three commodities. When did wool get to be classified as a perishable commodity?

Mr. GATHINGS. I want to tell the gentleman that shorn wool, was placed in this bill, as the only exception, because the Secretary of Agriculture came before the committee and asked that wool be included, that wool be named as one of the commodities he would like to make a trial run on. So our committee placed wool in the paragraph along with perishables upon which production payments would be authorized.

If the Pace bill is not enacted we would be right back here next year where we are today. The Committee on Agriculture has worked tirelessly on this legislation. Every phase of the problem has been studied. I hope that the committee bill will be agreed to.

Mr. POAGE. Mr. Chairman, I yield 10 minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, one of the peculiarities of this world is that it does not stand still, but is constantly changing. If our legislative programs are to be effective, they must meet the changing times. They must be realistic.

The face of agriculture has been altered since 1910 to 1914—by new machines, new crop varieties, new methods of farm management, increased productivity, and an increased dependence on other than local markets. Because of the tremendous changes that have taken place it doesn't make sense to support levels today on parity-price relationship that existed 35 to 40 years ago. And so it seems clear to me that we have to make the change contemplated in H. R. 5345 to bring support-price relationships up to date.

In a complex economy in which all parts affect all other parts, there must be a point below which it is not in the public interest to let farm income fall. That point, as envisioned by the Agricultural Act of 1949, would be, for the year 1950, a level of cash return which would give farmers as much purchasing power as they had on the average from 1939 to 1948, inclusive. Thereafter, the base period would move forward, always consisting of the first 10 years out of the past 12. Such a base period has the advantage of offering a reasonably current relationship. It is therefore much more realistic than the old parity base.

Since the beginning of the national farm legislation of the depression years we have had many statements of farm income objectives in farm bills. But, until now no one has proposed legislation that would really be effective in maintaining farm income as high as it ought to be for the good of our whole national economy.

Last year farm prices averaged well above parity—which might lead one to conclude that farmers were well off in comparison with nonfarm people. But when we check the actual income of persons on farms, we find that their per capita income totaled only $909 as against $1,569 for nonfarm people.

Let us put side by side—the bill we are now considering and the Agricultural Act of 1948—and see which would best serve all of the people. Let us examine them to see which gives more promise of preserving farm purchasing power—of encouraging abundant production and consumption—of protecting our basic land resources.

Title II of the Agricultural Act of 1948 would make price support available at levels ranging from 90 percent down to 60 percent of parity, depending upon the supply of the particular commodity.

The philosophy behind this legislation, in other words, is that lowering the support price will bring about a decrease in production. But the farmers of Utah and of the whole Nation know better than that. They know their agricultural history, and they know that some of the biggest crops in the last two decades were also accompanied by the lowest prices. Time and again falling prices have caused production increases. The basic philosophy of title II runs contrary to the economic facts of life.

But this is only part of the picture. The legislation enacted by the Eightieth Congress assures support only for commodities accounting for about one-fourth of gross farm income. It assures support on only one perishable, potatoes. It even prohibits the Commodity Credit Corporation from supporting other perishables.

That is the kind of program with which the Nation is now supposed to defend agriculture and the entire economy against the danger of a collapse of farm prices. Does it seem realistic or adequate?

Now let us take a look at H. R. 5345.

The first objective of this bill is to place a floor under farm purchasing power that will prevent it from falling below the point of danger to the whole economy.

In 1950 this income floor would be a goal of slightly more than twenty-six billions—about 15 percent less than last year's dollar income—and about equal to the purchasing power that agriculture had in 1942.

Let us point out, however, that this is not, as many farm-program opponents have said, a proposal to guarantee farm income. It simply sets up a logical farm-income objective as a starting point.

Instead of restricting support to potatoes and a few storable commodities that bring in about one-fourth of total farm gross income, H. R. 5345 makes full support mandatory for corn, cotton, wheat, tobacco, rice, peanuts, hogs, milk, butterfat, and shorn wool. These commodities account for a much larger proportion of gross farm income.

Which of the two measures is more likely to protect farm buying power? And which of the two programs is more likely to further abundant production and consumption of farm products?

The purchase method of support of perishables gives the consumer no price advantage when we have surpluses and therefore no incentive for greater consumption of commodities in surplus. Loans and purchases work well for storable crops. But for perishables we need a different method.

Under H. R. 5345, prices of three or fewer perishables could be supported by the Secretary of Agriculture through production payments. Market prices of these commodities would be permitted to fall to whatever level they would reach under the normal operations of supply and demand. Payments would be made directly to farmers to compensate for the difference between the actual average market price of these perishables and the support level. Thus consumers would have the benefit of temporary surpluses in the form of lower prices. Not only is this approach more realistic, it gives the taxpayer far more for his money.

Moreover, support through the production-payment method would make it possible to encourage larger production of some of the foods that consumers particularly need and want.

Finally, let me say a word about conservation. Despite the remarkable progress that has been made in conservation there is still much to be done before the Nation's future food supply may be considered safeguarded, and agricultural raw materials for industrial uses assured.

It takes good farm income to build and preserve soil resources. Though Government assists farmers in conservation, the biggest part of the burden inevitably falls upon the tillers of the soil. They cannot give their land the care and attention it needs, unless their returns from the land are adequate. Under title II of the Agricultural Act of 1948, farmers have no assurance of realistic income protection. They have a much more convincing assurance under H. R. 5345.

In the present situation no farm price support program is acceptable that does not provide adequate and realistic protection for farm purchasing power—the means to encourage abundant production and consumption of the food and fiber needed for its national health and strength—and finally, effective conservation of our basic land resources.

On every one of these points, H. R. 5345 is far more adequate and more realistic—than the farm legislation passed so hurriedly a year ago.

Mr. Chairman, in this debate today I am not angry with anyone. I simply want to emphasize again some of the points I have already discussed, and to state that so far as the West is concerned the support program has been more theoretical than real. As a matter of fact, they have been almost entirely confined to other sections of the country. I want to give you the reason why I think this bill should be passed and what I think is the most essential part in it, as far as I am concerned and as far as western Members of Congress are concerned. It has been said, Why change something that everybody understands? I would like to ask any Member of Congress who has been here for a number of years talking about parity and 90 percent of parity to give me a definition of what parity is. The stock answer of it is that it is a formula adopted back in 1909–14. That was supposed to be the time when the earning capacity of the farmer and his dollar was about equal to the dollar he paid for the things he had to buy. Everybody understands it about that far. The farmers do not know any more about it than that. Nineteen hundred and nine was 40 years ago. Automobiles were then just coming into use. Tractors and power equipment were not known on the farms at all. We had not had any experience with fertilizers. In the cattle industry, the longhorn Texas steer was just going out of existence. What happened since then? Great amounts of money have been expended to improve both the production of crops and the production of livestock. It has been revolutionary. We do not do anything now as we did then. Who is to stand up here today to say that that relationship is in balance at all? We claim it is not. That is the difficulty we have here today. It is a difficult thing because whenever you advocate something new it takes 10 times as much argument and persuasion to get a new idea over as it does to chase down every objection. That is the difficulty we are having in explaining this bill. I am sure that if this committee understood what the bill is, we would have no difficulty.

As I say, that old formula never suited the West. It never did suit the wool people. It was never favorably looked upon by the stockmen. We have been trying to change it for the last 10 years, because it was not a fair parity formula for those commodities I have named, and many others.

Now, what does this formula do? I want my friends from the West to pay attention to this, and Members generally. We have complained bitterly that this old formula did not have any of the elements of labor in it. I have heard people condemn it because it did not have that feature in it. What does this new formula do? It simply brings the thing up to date. The formula is just as simple to understand as the old one. It says, in effect, "Mr. Farmer, you are going to have your fair share of the national income." The farmer can understand that just as well as he can understand 90 percent of parity. Whether he understands it or not is beside the point. What he is interested in is getting the price for his commodities.

This new formula we are talking about changes the emphasis from price and puts it on farm income, not 40 years ago, but today, making the relationship what it should be as compared between farm income and income for labor and industry.

Now, it is generally thought that during these times farmers are prosperous. The facts are today that he is not getting anywhere near what he should get. Do you know what his actual farm income is? Nine hundred dollars. What is the average income of all workers in the Nation? Fifteen hundred dollars. That is the difference.

Why are we here as farmers condemning a new formula that will put the farmer on a parity with other segments in society? And this bill will do it—it changes the formula, and it includes labor. They talk about labor—hired labor is included as it should be—it includes all hired labor. That is something to think about. That is something we have complained about all through the years, and that is one reason, if for no other, that I think every one of us ought to be for this bill, in order to establish a formula that will be fair to the farmer and to the consumer as well.

Now, about the whole bill. As I said, we are trying to convince people who have their minds closed, and it is a difficult thing to get anybody to rationalize over anything new, and this is a new thing. It is difficult to understand, but I want to say to you, and say it most humbly in the presence of my colleague the gentleman from Georgia [Mr. PACE], that I have not agreed with him on everything but we have been wrestling with this problem not to do injury to anyone, not to make a political football out of farm legislation. I deny anything of the kind. But he has worked all of us to a "frazzle." Day and night he has worked, and might I add—he is an intelligent worker. He has been most critical of everybody who came before the committee. He has not taken Mr. Brannan at his word, or anybody else; they have all had to show him. Any suggestion that he or the committee is fuzzy in their thinking does not exalt themselves in my estimation. He has convinced himself that this was the program that would be in the interest of the American farmer, and I agree with that. If this bill is not passed, if we do not have this bill that we are considering today, I renew my prediction that you will have nothing other than what you have today. The Aiken bill will come into existence, and I believe there is not one of us representing farming areas who wants that. So I plead with my southern colleagues. This primarily is their baby, we have in it cotton, tobacco, rice, peanuts—these I have always been willing to support, and I shall fight on the floor if any attempt is made on the part of anybody to take any one of those commodities out of this bill. Each is important in the economy of the country, and I think they should be kept in as they are today. There may be those who wish to add other commodities and perhaps some should be added, I do not know, but as far as I am concerned I am opposed to any amendment to this bill no matter for what purpose it is offered. Whether it be the Gore bill, the Sutton amendment, or anything else, I am opoposed to it. As far as I am concerned, win, lose, or draw, I am going to go down swinging and fighting for the bill that this committee has considered, a committee whose work has been done intelligently, for this is a bill which we can go before the country and the farmers and defend.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I am a farmer. I have had the opportunity of working on these agricultural programs; I have seen how some of these programs have worked, and I think I know something about them. I also think I know something about how my neighbors feel. I would also like to say that I am a member of the Farm Bureau, and I know that there are a lot of Farm Bureau members in my State who are in favor of the program which has been proposed by Secretary Brannan. I know some of these people are going to be disappointed if the program Mr. Brannan has proposed is not put into effect. The program would be stronger, in my opinion, if more of the proposals he has made were put into effect; nevertheless, I am going to support the Pace bill because I think it is one of the soundest pieces of legislation that we have considered in connection with agriculture.

Mr. Chairman, sometimes we are a little inclined to overlook a few plain, simple facts. We talk about 16 years of experience with the agricultural program.

My farmer neighbors and myself understood that when the war started we had a job in connection with the production of food. In order to produce this food, incentive payments were given to the farmers to get necessary food production. The farmers responded magnificently. From the experience of World War I some farmers expressed themselves as being reluctant, so the Government said: We will see that these price supports are extended for 2 years after the war to give protection to those who expanded their production.

My farmer neighbors and myself responded and we produced more food, in spite of an acute shortage of help and a shortage of machinery, a shortage of everything, than was ever produced before. We feel that the Government has lived up to its obligation.

We are convinced, however, that we are coming into a different period now, a period in which the world is not going to require all the agricultural production that we have had in the past. Perhaps the country will not require it. We are concerned about the consumption of our agricultural products. We want the products of our farms and factories consumed. We know that unless we can get consumption of those products we cannot produce fully on our farms. My farmer neighbors and myself want to produce to the utmost, we want to market our products, we want to put our products into the hands of people who consume them. That is why we are favorable to the proposition made by the gentleman from Georgia [Mr. PACE].

I know that when our food goes into the market place that food must be consumed. Let me tell you the situation with which we are confronted, so far as eggs are concerned. We take eggs into the market and are repeatedly told—at least I have been told when I have taken eggs up to the market—by our local merchant, "We do not know what the Government is going to do in regard to the purchase of eggs." The people who deal in eggs in this country in the past few years have not dared deal in eggs the way they used to. They fear lack of stability in purchase programs. This affects the market. There have been many times when the support price that has been set on farm products has not been the minimum price but has been the maximum price.

Let us put free enterprise back into the agricultural program. It is purely and simply that. Anyone who has dealt in perishable commodities of any sort has been rather reluctant. My good friend the gentleman from Wisconsin, Mr. REID MURRAY, speaks of cheese, I might cite an example in connection with cheese. I have stopped at a number of cheese factories and they tell me they do not dare to properly age their cheese to make it as palatable as they would like to have made it. Why? Because they did not feel that they could depend on the Government to step in and purchase through a purchasing agreement everything that they needed to support the price of their product.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HOPE. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, in the consideration of H. R. 5345, known as the Pace bill, there comes to my mind two basic questions which I think should be answered by the proponents of this legislation.

These questions are: First, just what is so wrong with our present farm program—and by the present farm program I mean the farm program in effect in this year 1949—that it should be considered necessary at this time to enter into a new field which may prove to be dangerous to our agricultural and national economy in the future? My second question is: Suppose that Congress does go along with Mr. Brannan's ideas as to production payments—which today the consuming element of our population will of course welcome—and suppose that the Congress is requested to pass an appropriation of anywhere from $2,500,000,000 to $8,000,000,000—then will the same consuming element of our population give like support to that appropriation as they are today giving to the Brannan plan, feeling that cheap food is in the offering?

Let me reiterate: Just what is wrong, basically speaking, with our present 1949 price-support program? Just why cannot correcting amendments be made to iron out difficulties in that program? Why discard it now?

Mr. Chairman, a year ago last January—along with the gentleman from Wisconsin [Mr. MURRAY] and the gentleman from Iowa [Mr. TALLE], I introduced legislation which provided for the reenactment of the current farm price support program. I was also one of the few who stated on the floor of the House last June that I could not vote for the Aiken bill as it promised less than 90 percent support. It was pleasing to hear the gentleman from Georgia [Mr. Cox], make the statement, under the rule, that his position coincides exactly with what I have proposed in H. R. 5279—introduced during this session. My bill simply reenacts today's program and discards the Aiken provisions. Let me remind the House that we have today the following types of price supports: We have one type of price supports for the so-called basic commodities—corn, wheat, cotton, tobacco, rice and peanuts. They are being supported now. The level is at 60 percent of parity in the case of dark-air-cured tobacco and 92½ percent of parity in the case of cotton; the others at 90 percent of parity.

Then there are the so-called Steagall Act commodities—named after the late Henry Steagall, author of the act: hogs, chickens (more than 3½ pounds live weight), eggs, milk and milk products, potatoes, turkeys, edible dry beans and peas of certain varieties, soybeans and flaxseed for oil, American Egyptian cotton and sweet potatoes. Here again the support level is generally 90 percent of parity.

Then there are the so-called other commodities. That is a broad term. Wool is the main one but last winter this program covered dried fruit, winter cover crop seed, range grass seed, alfalfa seed, grain sorghums, oats, barley, rye and the so-called naval stores which are the resinous products—tar, pitch and turpentine. With regard to these other commodities, the Secretary of Agriculture is allowed considerable leeway in establishing support levels.

Then there are the so-called section 32 funds—which require that 30 percent of the gross receipts from customs duties each calendar year shall be set aside and given to the Secretary of Agriculture to encourage the exportation or domestic consumption or utilization of American agricultural commodities, especially those injured, price-wise, by imported competitive agricultural commodities. This program is especially important to our great perishable fruit and vegetable industry.

Important too, is another support program—the school lunch.

In addition to all of these, we have given the Federal Government broad authority to set up marketing agreements and other programs with the direct intention of influencing or maintaining prices. Milk, tree fruits, tree nuts, and vegetables are the commodities most affected by this program.

And lastly we have the sugar program conducted under the Sugar Act. This is a subsidy program which allows sugar-beet producers about $2 a ton. We have heard gentlemen make statements on the floor of the House today, which I know they cannot back up, as to the cost of our present farm price support program. They do not quote figures, but to hear them speak, our price supports have cost the taxpayers of America enormous sums. Let us look at the record.

During the hearings before our subcommittee on appropriations for agriculture this past spring, the question was asked by the gentleman from Oklahoma [Mr. STIGLER]:

> With reference to your statement regarding the receipts received from the Commodity Credit Corporation, for the record, I would like to know whether or not it is operated at a profit all the time since it was created by an act of Congress.

See page 92, part I, Hearings on the Department of Agriculture bill for 1950. Mr. Roberts, budget officer of the Department of Agriculture, replied:

> Mr. STIGLER, on the regular Commodity Credit Corporation loan and purchase programs, for which CCC was originally created, they have operated at a profit over the years. You will remember, however, that during the war years, the Commodity Credit Corporation was called upon to pay out funds in connection with what might be referred to as consumer subsidy programs. Those payments were not made for the benefit of farmers, they were paid primarily for the benefit of the consuming public and had the effect of keeping the retail prices to the consumer stabilized. On those programs, there were net loss of $2,104,000,000. On the regular CCC programs, over the life of the Corporation, there has been a net surplus of 205.5 million dollars.

Mr. Roberts also testified that to restore the impairment of the capital stock of the Commodity Credit Corporation, the Congress provided for the cancellation of CCC notes held by the Treasury to the extent of $1,563,000,000 during the fiscal year 1947. That represented

losses of $921,000,000 for the 15 months ending June 30, 1945, and $642,000,000 for the year ending June 30, 1946, principally on the special wartime subsidy programs which were not a part of the regular price-support operations of the Commodity Credit Corporation.

In view of this statement of the budget officer of the Department of Agriculture, certainly no fair-minded man or woman will charge against the price support programs the bulk of the subsidies of $2,104,000,000 required to be paid out by the CCC to help give the consumers cheap foods through the war period. The total cost of what we term price-support operations is scarcely one-half billion dollars over a 10-year period, in my opinion, Mr. Chairman. The average for each of these 10 years would not be $50,000,000 per year. This is peanuts compared to what may be required under the Brannan plan. So, Mr. Chairman, I again ask the question, just what is all the fuss and furore about today—why do away with our present price-support program which, in my opinion, has worked well for over 10 years and certainly should not be discarded for a purely political, vote-getting device, such as is embodied in the Pace bill—the trial balloon of the Brannan plan.

Now let us come to the second basic question, which I asked when I first obtained the floor, no one knows how much it will cost to put Mr. Brannan's program into effect—to subsidize the consumer—and have the general taxpayers of the Nation pay part of his grocery bill. We do know that this subsidy will be charged up to agriculture and will always be thrown up to us in that light. I have asked you—suppose we do adopt Mr. Brannan's plan—where and how are we going to get the money to keep faith with the farmers of the Nation after we have made them dependent for part of their income on a check from the Treasury of the United States?

My voting record in Congress shows that I for one am exercised about the threat of our stupendous national debt. I have voted against the reduction of taxes in times of prosperity. Most people who know anything about the subject will estimate that the fiscal year which ends June 30, 1950, will show our Treasury in the red to the extent of at least $4,000,000,000, and remember that is without the money needed to put into effect the provisions of the Pace bill—much less the provisions of the entire Brannan plan. How will the people of America react next spring to the Secretary's request for funds out of the Treasury to make good the amounts necessary to cover whatever three commodities upon which he decides to experiment. Will my good friend the gentleman from Illinois [Mr. SABATH] then support an appropriation for whatever amount is required to keep faith with farmers of the Nation—under the provisions of the law which Congress would enact if it followed Mr. Brannan's theory. Would you ladies and gentlemen representing consumers districts support such an appropriation? The question is not so much—would, as it is, could we appropriate the money—in the face of a possible $4,000,000,000 deficit. The farmer would hold the sack. Public reaction would be so strong against such an appropriation, in my opinion, that the Congress would have to turn its back on the farmers and refuse to give the money necessary to keep production payments in effect. The Brannan plan would then collapse of its own weight, along with agricultural prices. Mr. Chairman, I hope to see the present price-support program reenacted for an indefinite period of years. Remember, the Congress, in its wisdom, can at any time amend that act. Secondly, I hope to see the Aiken provisions—titles 2 and 3 of the 1948 Agricultural Act—repealed.

As has been said on the floor here today, if there are any friends of the Aiken section of that act, they are not very evident in their defense of its sliding-scale provisions which I personally always opposed. Why not repeal it entirely and keep in effect the present price-support law which the Congress, at any time, amend and improve. We as farmers, and I am one of them, have prospered under our present price-support program. Just because Secretary Brannan, a lawyer by education, advocates a program carries no weight with me particularly. He may be right, but I believe he is wrong.

Mr. POAGE. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. O'SULLIVAN].

Mr. O'SULLIVAN. Mr. Chairman, the Pace bill has been and will be fully presented to you. I feel that I should in the time allotted to me discuss with you now some of the recent big criticisms of the Brannan plan, and endeavor to explain what the Brannan plan really is, as I view it.

At the outset, in order to keep the record straight, the people of the Second Nebraska Congressional District have voted in favor of the Brannan plan 5 to 1 to date, which is contrary to what my colleague the gentleman from Nebraska [Mr. MILLER] claimed earlier today.

In a newspaper article which appeared in the Washington Star on Sunday, July 10 last, a writer by the name of Gould Lincoln made this statement:

> The Brannan bill gives the Secretary of Agriculture dictatorial powers over the farmers.
>
> Secretary Brannan could, if he believed it necessary, cut a farmer's crop in two. Quite a power to place in anyone's hands.

Frankly, I do not believe I can recall a piece of legislation about which there has been so much incorrect information circulated as there has been about the so-called Brannan plan. In the first place, under the production payment provision of the Brannan bill, the Secretary of Agriculture cannot force a farmer to do anything. Let us get that straight. The Secretary cannot force a farmer to do anything. Of course, if a farmer did not comply with the Secretary's production goal, that farmer would not receive the so-called production payment which would be received by farmers who did comply.

Now is there anything dictatorial about that?

Maybe our newspaper friend had marketing quotas in mind when he said the Secretary could cut a farmer's crop in half. If so, he is wrong there, also, because marketing quotas are voted by two-thirds of the farmers themselves.

It should be pointed out that the so-called production-payment plan in the Brannan bill is especially designed to apply to the perishable crops. Mr. Brannan has stated repeatedly that he has no intention of disturbing the time-honored method of handling price supports in the so-called basic crops of cotton, corn, wheat, and so forth. Under the present law price supports are provided through Government loans on these storable commodities. But so far as the perishable crops are concerned, the Brannan bill is the best proposal that has ever been put before Congress, consistent with at least some freedom of action on the part of the individual farmer, and it deserves a fair trial.

The production-payment plan surely cannot fail to be an improvement over the Irish potato program of the past 2 years, which Mr. Brannan had no part in bringing about, except that his Department was not superhuman enough to foresee the heavy increase in the per acre yield of Irish potatoes and the doubling of rows of potatoes with increasing the acreage.

Mr. Brannan has asked for a trial run for his production-payment plan, on a few commodities. Let us give it to him and see what happens. It certainly is better than doing nothing and bankrupting the farmers and the Nation for sure, as we did in 1932.

The only alternative is to fix by law minimum prices and production controls on the perishable crops. This would not cost the taxpayers anything, in the way of production payments, but certainly would be dictatorial, although no more dictatorial than a traffic light at an intersection, which, in effect, says to the motorist: "Since you get protection through me, you must comply with my mandates."

However, since the American farmer is apparently not willing, at least at this time, to accept such rigid controls, let us give the Brannan plan a fair trial.

The Omaha World-Herald, on June 23, last, stated: "Brannan's ag plan is a monstrosity," etc.

It is an old truism that the persons who know the least about a subject generally argue the most vociferously against it, and in the instant case that certainly is exceedingly true.

This is what I have to say about the Brannan farm program, and in so doing I shall not go into the matter of the mechanics of the different formulae under which the farmers shall receive payments but will consider the general theory of same only.

In theory, to my mind the Brannan plan is a proper and a correct program to those who study it rightly.

My way of visualizing the Brannan farm program may be a little out of the ordinary, as most things that I do are, but I believe everyone who can or will listen to or read what I am about to say about it can also not only understand it,

but can carry it with them, and be able to relate it to others, and if need be controvert the claims of extreme right-winged, bad, big business and others.

Just sit down in your room and look up at the upper right-hand corner of the wall which you face. That is the place which agriculture occupies or should occupy—not up in the air, like it is now, but in a highly preferred position in our country's economy. Agriculture should be placed and maintained in a most favorable position. Our national economy is geared to agriculture and not to anything else. When agriculture prospers, the whole country prospers, and when agriculture has a depression, the whole country has a depression.

So, for the sake of the economy of the country the farmer must be provided with good, adequate, steady income for his efforts. He must be given not sporadic, but a steady flow of purchasing power, so that he may not only buy the necessities of life but also the comforts and conveniences of life, even the better things of life, and in fact all of the things which make farm life livable and preferable. In this way the farmers will stay on the farms instead of rushing to the cities, particularly during depression periods, and creating an irresponsible and gullible large labor pool to the detriment of city workers, and to the extreme delight and satisfaction of the enemies and enslavers of organized labor. Thusly you succeed in getting city labor stabilized to a degree by avoiding a glut of manpower in employment areas away from the farms.

Most farm homes are not up to date in comparison with city homes. If farmers had the purchasing power they, I am sure, would bring their homes up to the standards of city homes, and purchase all the necessary conveniences and make the improvements necessary in the home and farm site which would make the farms more enjoyable and livable. This would tend to keep the young folks on the farms and away from the cities, and remove the drudgery and hard work and hard living from the lives of farm wives and farm women.

Now fix your gaze at a point midway between the upper right-hand corner of the room where we have placed the farmer, and the upper left-hand corner of the room. Under the Brannan plan I think that is where industry would be, which is not just up in the air, but on the contrary in a preferred place in our economy. If the farmer has the purchasing power he will be the greatest market for the products of industry. The farms would be an almost virgin sales field for industry. The purchasing power given to the farmer would make the wheels of industry spin for a long time. A large share of the money of the farmer would pass to the left to industry and make it prosperous too and give it also purchasing and particularly employment power.

Now move your gaze to the upper left-hand corner of the room. That is the place which labor would occupy—not up in the air, as it is now, but also in a highly preferred position. I feel that this is the place where the Brannan plan would put labor, and industry would pass a part of the farmers' purchasing power which it had received to labor and labor could thus enjoy steady employment at high wages and this would give labor purchasing power also to buy the products of industry and agriculture. It is to be seen readily that a part of this purchasing power given to the farmer would go to industry and a part of what industry received would go to labor and not one but three large groups, the farmers, industry, and labor, would enjoy the benefits of the money guaranteed to the farmer under the Brannan plan. These three groups I believe compose the majority of the people of the United States. Every mill-run, fair-minded, thinking farmer, regardless of his political faith, should see and knows this. Every mill-run, fair-minded, thinking laborer, regardless of his political faith, sees and knows this. However, smart American extreme right-winged big business cannot seem to see and understand the advantages and the benefits which both little and big industry could have without the asking, without any effort on their part, from the Brannan plan. I think sometimes extreme right-winged, bad big business really wants to keep the farmers and the laborers divided and enslaved and keep the farmers rightful profits flowing into their ignoble one-way pockets.

Extreme right-winged big business just closes its wild eyes, flails the air with both fists, and kicks with both feet, and voids in both ways, and squalls like a spoiled child, and sheds copious tears, and hysterically cries out in a 7-pronged voice, it's communism, it's socialism, it's statism, it's paternalism, it's against our free-enterprise system, it's bad, it's a monstrosity, and it enslaves and regiments the farmer when that is just what extreme right-winged, bad big business has done and has tried to do since the memory of man runneth not to the contrary. It is afraid to say which one of the seven the Brannan plan is, because then most any fool could reduce the contention to an absurdity. Mass production has thus been brought before the American people in the form of the most senseless, silliest diatribe ever indulged in heretofore and big business screeches and wails and sets up a senseless patriotic fuss and nonsense through the false leaders of the Republican Party, and a few apostate Democrats and hopes to win the day. Bad big business is unmindful of the truism, When reason is lost, the cause is also lost, and all things human and divine are also lost.

It whines and wails for new markets but it does not want them at home. It has an ocean-going mind. It wants to sell its manufactured articles to ECA. It wants to feed starving Europe and the rest of the gaunt and hungry world abroad, with washing machines, wringers, electric irons, hair curlers, wash tubs, farm machinery, monkey wrenches, and all of the hundreds of other articles which it manufactures. When the people are crying for bread in those most desolate lands, its advanced designing mind wants to give them ironmongery instead of the biblical stones. If I did not have any better business mind than that I would quit assuming an erect posture and would drop down on all fours and like the pensive old King Nebuchadnezzar, in his penitential mood, eat grass like an ox.

Now, right on the floor of the room in which you are sitting, that floor may be used to illustrate another great group in the economic life of our country recognized under the Brannan plan, and that is the consumer. You and I and every other person belong to that consumer group. Under the Brannan plan, with agriculture, industry, and labor stabilized, the prices of food products could seek their own proper level without in any way harming either agriculture, industry, or labor. Prices could and would come down, and everyone would welcome that sort of a happening.

Heretofore the only way that the price of food or other commodities could be reduced was by either cutting down the price of agricultural commodities or the wages of labor. In the three-horse hitch, agriculture, industry, and labor, never once has the profits of industry been reduced in order to reduce prices. Poor agriculture was most generally the victim and sometimes labor was also. Do you not see that the Brannan plan provides the decent way to reduce prices by giving the farmer the so-called subsidy, and that has never been done or thought out before, and bad big business is sorely sick, I guess, because the Republican leadership did not think of it first.

In the past, extreme right-winged big business has never played fair to either agriculture or labor, or to small business, or to the country generally. It has always endeavored to amass huge profits at the expense of agriculture and labor and small business, and its prime purpose other than making inordinate profits has been to create chaos and ruin in agriculture and in labor and in small business. It has falsely tried to wear the diadem of a creator of all things good, and it has never created anything at all but ultimate ruin for others. Agriculture and labor and small business have now and have always been the real creators—the real builders of this Nation. Extreme right-winged big business in America has just been an ill-mannered, selfish, bawling, whimpering, thoroughly spoiled, overgrown boy, and it is high time for it to wake up, and grow up, and assume a manly mien and manly decency also. I am sure that it will do just that, because it has seen come into being nationally a Four Club, Eight Club, Sixteen Club, and Twenty Club, and there will be a Twenty-four Club, too; and if 20 years of the rule of the people has not convinced this recalcitrant and erring group that they have pursued the wrong course, then their cause is hopeless.

As a member of the House Committee on Agriculture, I say that the majority of that Committee on Agriculture has presented to the Congress the Pace bill, which repeals the Aiken law. This legislation contemplates putting into effect right now a better farm program; and in order to work out the mechanics, or formulate a correct procedure for the Brannan plan to follow when it is enacted ultimately into law, there will be a trial

run made on the three farm commodities—wool, eggs, and potatoes—and after that trial run has been had on these three items, we will all know whether the splendid theory of the Brannan plan can be worked out in practice, the approximate cost of same; and if it is demonstrated that it is workable and not too expensive, the road-block type of Republicanism will pass into the political discard forever, and I fear that the great Republican Party will be dragged by these road blockers to its death also, a thing which I would regret greatly, because this Republic contemplates two strong political parties which have the welfare of all of the people of the Republic at heart, and not the financial welfare of a favored, un-American few.

The Pace bill will do away with Government purchases on the open market in order to keep the prices of farm products up, which in the past has proved to be very bad, as our experiences in the purchasing of potatoes where $408,000,000 has been spent, and for eggs where over $128,000,000 has been spent, and for wool where about $80,000,000 has been spent. Still we do not know how much more will have to be spent on these programs and yet our opposition wildly cries out, "What will the Brannan plan cost? Tell us, please?"

Of course, in the making of purchases, the Government, like every other proper buyer who desires to hold these products for a while, buys the best. This leaves the inferior or lower grades of potatoes and eggs for the consuming public, and will also, if followed out, in the future bankrupt the Nation and lead to the eventual destruction of the whole parity system for agriculture. Who wants to throw agriculture to the extreme right wingers in that fashion? I am sure I do not.

The Brannan plan would eliminate the middlemen who farm the farmers.

The right wingers have captured the national offices of every farm organization but the Farmers' Union. They have captured the national offices of the Meat Producers' Association and defiantly are using these organizations against the best interests of the farmer members of all of these organizations. Do not let them fool you by their present attitude toward the Brannan plan.

The Pace bill and the Brannan plan would pay a farmer for producing and throw aside all of the old wrong theories about paying agriculture to destroy growing crops and livestock or pay farmers for their idleness or for keeping their lands unplanted.

The Pace bill is a good bill for agriculture and the unselfish of the Nation, and should be enacted into law.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5345) to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes, had come to no resolution thereon.

### HOUR OF MEETING TOMORROW

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had adopted the following resolution:

*Resolved*, That the Senate has heard with profound sorrow of the death of the Honorable Frank Murphy, late an Associate Justice of the Supreme Court of the United States.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and the Supreme Court and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect to the memory of the deceased, the Senate do now take a recess until 12 o'clock meridian tomorrow.

### DO WE TRUST IN THE LORD?—WE DO NOT TRUST OURSELVES

Mr. HOFFMAN of Michigan. Mr. Speaker, because we did not trust ourselves nor our ability to defend ourselves, and listened to world-renowned statesmen, we gave to Britain and others, including Russia, dollars, munitions of war, supplies of all kinds, depleting our national resources and finally sacrificed to the Old World the lives and welfare of hundreds of thousands of our young women and our young men.

All because we swallowed the sophistry that our first line of defense was to the east of the Atlantic Ocean; that we were dependent for our national existence upon what other nations did, just as though there was any nation in the world which would not take advantage of us if the opportunity offered.

Now we have the atomic bomb and our bombers, which, our own experts are telling us, are so powerful that any enemy nation, any country, could be destroyed in a few short hours.

So what is now proposed by Mr. Truman and the State Department? That we give the secret of the making of these atomic bombs and a store of the bombs themselves to Britain—Britain, which, during and ever since World War I has been safeguarding her own interests, no matter what the effect on us; which has been privately trading with Russia and with every other nation where she could strike a deal, even though her actions were detrimental to our national welfare.

It would seem that, if we cannot trust ourselves to safeguard the secrets which enable us to make and stock pile the atomic bomb, there is no reason why we should trust Britain.

If we have reached that stage where we no longer trust ourselves and are so foolish that we give to others the secret of our national defense, we have indeed become the world's most foolish people.

The President, the State Department and the Senate propose to commit us to fight in any war which may be started by any one of eleven weak, irresponsible nations.

Common sense would indicate that we retain some of the secrets, some of the ability and some of the material which might enable us to preserve our national existence in such a conflict.

Nor would there appear to be any necessity for turning over to Britain the secrets which enable us to make the atomic bomb. Indications are that there are still enough Judy Coplons and Alger Hisses in the State Department and in the present administration to make sure that Britain, and Russia, for that matter, will obtain all the secret information they desire to enable them to match our war power.

Therefore the security of our own country should be our first thought.

### ALL ON THE PAYROLL, NONE LEFT TO TAX

Mr. HAND. Mr. Speaker, the Government needlessly continues on its course of reckless extravagance, and nowhere is this more evident than in the ever-increasing Federal payrolls. An official report advises us that in the month of April 1949 civilian employees in the executive branch of the Federal Government increased at the rate of more than 350 a day. When we consider that the average Federal pay is approximately $3,000 a year, this means that we have increased our payroll at the approximate rate of a million dollars a day.

The increase in the Federal payrolls goes on its merry way 4 years after the war is over.

In the executive branch of the Federal Government in April 1949 there were employed 2,122,710 persons, an increase, incidentally, over the preceding month of 11,453.

The Department of the Army, which already has so many civilian employees that they are practically packed together shoulder to shoulder, added 3,560 more.

The Post Office Department continues to add new thousands every month.

Veterans' Administration, which recently made a great to-do about efficiency and was promising, as I recall it, that they were going to reduce employment by 8,000, showed a new increase in employees in the month of April.

Mr. Speaker, a recent tabulation shows that during the last 20 years the upward trend in Federal costs is as follows:

Bureaus, departments and civilian employees have grown four times.

Federal Government costs have risen 10 times.

The average family share of Federal debt has risen more than 12 times.

Since it is entirely useless to expect the heads of the executive departments to do anything whatever about this, I again respectfully suggest that the Appropriations Committees take drastic steps looking toward the orderly reduction of this horde of Federal employees. If the trend is not checked, everybody will be working for the Federal Government and there will be no private enterprise left to tax—and just think how uncomfortable the Administration would be if it found nobody left to tax!

### EXTENSION OF REMARKS

Mr. RAMSAY asked and was given permission to extend his remarks in the RECORD.

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD in four instances and to include extraneous matter.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include an article by Dr. Blackshire from the magazine Home and Garden.

COMMITTEE ON EDUCATION AND LABOR

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have until midnight tonight to file a report on the bill H. R. 3829.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. DONOHUE asked and was given permission to extend his remarks in the Appendix of the RECORD, and include an editorial.

Mr. STAGGERS (at the request of Mr. PRIEST) was given permission to extend his own remarks in the RECORD.

Mr. PATMAN (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD in two instances and in each to include extraneous matter.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in the RECORD in three instances and to include certain excerpts.

Mr. BRYSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. HOPE asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mrs. HARDEN asked and was given permission to extend her remarks in the RECORD and include an editorial.

Mr. VAN ZANDT (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his own remarks in the RECORD.

The SPEAKER. Under the previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 10 minutes.

PLIGHT OF THE OIL-PRODUCING INDUSTRY IN THE UNITED STATES

Mr. REES. Mr. Speaker, the producers of oil in my district and in my State are deeply concerned by the ever-increasing volume of imported oil.

While the market at home is shrinking, imports of crude petroleum and its products are increasing every week and every month. During the period from 1936 to 1940, the average importation of crude oil and refined products was 153,000 barrels per day. During the war period the average imports amounted to approximately 200,000 barrels daily. Then after the war they began to increase.

In 1946 the daily import was 370,000 barrels; in 1947, 437,000 barrels. In 1948 the average importation of oil in this country reached 513,000 barrels daily. During this year importations have steadily increased. We now import oil and refined products amounting to almost three times as much as they were during the war period.

During the first quarter of this year, the United States permitted the importation of 580,000 barrels per day, and during the month of April, importations reached an all-time high of 593,000 barrels per day.

Mr. Speaker, a majority of the 15 counties in my congressional district produce oil and gas. Some of them have a large daily yield, others in a lesser degree. All are of consequence in our community life. The local economy is benefited by the income from the sale of crude oil and gas. This is a section of oil-producing territory in which independent operators are at home. It is an old producing area as age is reckoned in the oil industry of the midcontinent region, but new discoveries of oil are made year by year.

By reason of the excessive importation of crude oil the market is shrinking at the present time. Last December the daily average production in Kansas was more than 300,000 barrels. In contrast the daily production of crude oil in my State for the week ended July 9 was 246,000 barrels, or a reduction of 20 percent under that 6 months ago.

When we speak of production we mean the amount of oil that is sold from these wells. Producers under a State proration law are permitted to sell only a small percentage of the production of these wells.

The condition to which I call attention is not confined to Kansas. The national average daily production is also down more than 20 percent. Producers of oil over the country are worried. They are confused. They are totally unable to remedy the situation in which they find themselves.

In my State of Kansas I find a reflection of national anxiety. I am sure other Members from oil-producing areas are aware of what has happened and will continue unless the Federal Government provides a remedy. It certainly does not make sense that our own producers should be restricted more and more in production while a few large importing companies increase their imports to the United States. I think everyone understands that sole and exclusive jurisdiction over interstate and foreign commerce is under control of the national administration. It is a serious and personal matter when an important segment of your economy is threatened with destruction. If you hear a tornado has destroyed a town that you have never seen you feel an abstract sympathy. If it is your own community your anxiety is great.

The thing I am trying to get across to the membership of the House is that this is a national and not a local problem. I wonder how many realize the national consequences implied in the program of surrendering their home markets to South America and the Middle East. The problem is more serious than we realize. A few days ago the distinguished Representative from Illinois [Mr. VURSELL] referred to the effect of oil imports as a creeping paralysis attacking the domestic oil industry.

This is an economic problem. The hundreds of thousands of persons who earn their living by drilling and operating oil wells, who operate pipe lines and refineries, have a direct and vital interest in the production of crude oil. Farmers who share in the proceeds of the sale of oil, the merchants in the hundreds of oil-producing communities, are affected by this situation.

Decrease in purchasing power amounting to more than $1,500,000 per day in the oil industry is reflected in the purchase of manufactured products in other sections of the country. After all, it is a national problem.

It seems strange that the economic benefits of the domestic oil industry of the State and Nation should be transferred to foreign lands and foreign dictators, and to a small group of powerful companies which, though domiciled in the United States, give the appearance of willingness to sacrifice domestic welfare and increase their foreign position. It cannot be right that our own independent producers should be required to cut their allocations or go out of business while our Government sanctions increases of oil from foreign countries.

There is further consideration. In the event of war, our petroleum security can be assured in no other part of the world than within the limits of the United States. The history of two wars should teach us something. I am reminded of the very slender margin of safety which we had when we entered the war in 1917. It happened that the oil production in the district I represent meant the difference between bare sufficiency and a deficiency grave enough to have spelled defeat. Shortly before we went into the European conflict, the El Dorado field in Butler County, Kans., was discovered. Kansas was able, because of the sudden addition to its production of crude oil, to supply about one-eighth of all the oil produced in the United States in the year 1918. That same field made its contribution of more than 2,000,000,000 barrels a year during the Second World War, when every barrel that could be produced was needed.

Is there anyone in the Congress who wants to take the risk of basing the national security on oil supplies hundreds and thousands of miles away from the United States? That is exactly what is implied in this program of flooding the markets of the United States with foreign oil. In order to have a dependable, available, and adequate supply ready for any emergency, as well as for the peacetime uses, there must be continuous and big-scale drilling. New fields must and can be found and developed. In 1948, when economic conditions were encouraging to the producer, more than twice as much new oil was found as was used. The discovered reserves of petroleum were being built up to the position where we could have no fears as to the ability of the United States to meet any sudden increases in demand for oil.

That condition is being reversed. Producers are beginning to curtail their drilling. They pay for drilling by selling crude oil.

Certain visionaries have suggested we shut down our oil producing properties at home, use foreign oil, and then have an emergency reserve. The idea is fallacious. Development would stop. Properties would fall into disrepair. They would not be ready when needed. The theory is too preposterous to warrant the attention of any reasonable-minded person.

Real conservation does not mean withholding from use. The domestic oil industry and the governments of oil-producing States learned years ago the value of conservation in the production of petroleum. By full use of our reserves, not by hoarding them, the industry is encouraged to explore for new reserves. Last year we found twice the amount of oil consumed. Today our discovered reserves are the highest in history.

Mr. Speaker, the trade agreement concessions heretofore granted on crude petroleum and petroleum products should be withdrawn. There should be established a quantitative restriction on the importation of crude petroleum and petroleum products limiting the imports of such commodities to not more than the amount needed to supplement domestic production.

Unless we are able to get the agencies of Government, including the State Department, the Tariff Commission, and other agencies who have authority to do so, to deal with this problem and protect one of the greatest industries of the country, it will in my opinion, be necessary to call upon this Congress to enact legislation to protect an industry that is presently sustaining a loss of business amounting to more than $1,000,000 every day.

Mr. Speaker, I am introducing a bill that will restrict the importation of crude petroleum and petroleum products, limiting such imports to not more than the amount required to supplement domestic production of these products. Unless affirmative action is taken administratively, I shall press for action on this proposed legislation.

### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 255. An act to amend section 205 of the Interstate Commerce Act, relating to joint boards;

S. 937. An act to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States;

S. 1279. An act to amend the Federal Airport Act so as to provide that minimum rates of wages need be specified only in contracts in excess of $2,000;

S. 1280. An act to amend the Federal Airport Act so as to limit to 10 percent any increase of the amount stated as a maximum obligation under a grant agreement; and

S. 1639. An act to amend section 1452, revised statutes, relating to Presidential action on the proceedings and decisions of Navy retiring boards.

### ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 23 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Thursday, July 21, 1949, at 10 o'clock a. m.

### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

778. A letter from the Administrator, Housing and Home Finance Agency, transmitting the Second Annual Report of the Housing and Home Finance Agency covering the housing activities of the Federal Government for the calendar year 1948; to the Committee on Banking and Currency.

779. A letter from the Secretary of Agriculture, transmitting a draft of legislation entitled "To give effect to the International Wheat Agreement signed by the United States and other countries relating to the stabilization of supplies and prices in the international wheat market"; to the Committee on Banking and Currency.

780. A letter from the Secretary of Commerce, transmitting a draft of legislation entitled "To authorize the construction and equipment of a research laboratory building for the National Bureau of Standards, Department of Commerce"; to the Committee on Interstate and Foreign Commerce.

781. A letter from the Archivist of the United States, transmitting records proposed for disposal and lists or schedules, or parts of lists or schedules, covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

782. A letter from the Director, Central Intelligence Agency, transmitting a report including the name of each claimant, a statement of the amount claimed and the amount awarded, and a brief description of the claims against the Central Intelligence Agency under the provisions of Public Law 601, Seventy-ninth Congress, during the fiscal year 1949; to the Committee on the Judiciary.

### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. House Joint Resolution 302. Joint resolution to amend the act of June 30, 1949, which increased the compensation of certain employees of the District of Columbia, so as to clarify the provisions relating to retired policemen and firemen; without amendment (Rept. No. 1081). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 803. An act to provide for the conveyance of a tract of land in Prince Georges County, Md., to the State of Maryland for use as a site for a National Guard armory and for training the National Guard or for other military purposes; without amendment (Rept. No. 1082). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 1161. A bill to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes; without amendment (Rept. 1083). Referred to the Committee of the Whole House on the State of the Union.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. S. 1283. An act to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes; with an amendment (Rept. No. 1084). Referred to the Committee of the Whole House on the State of the Union.

Mr. LESINSKI: Committee on Education and Labor. H. R. 3829. A bill to provide assistance to certain local school agencies overburdened with war-incurred enrollments where such agencies received similar assistance during any prior fiscal year; with an amendment (Rept. No. 1085). Referred to the Committee of the Whole House on the State of the Union.

### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 111. An act for the relief of Mrs. Pearl Shizuko Okada Pape; without amendment (Rept. No. 1076). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 317. An act for the relief of Margita Kofler; without amendment (Rept. No. 1077). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 905. An act for the relief of John Sewen; without amendment (Rept. No. 1078). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 2921. A bill for the relief of Nicholas C. Kalcoutsakis; without amendment (Rept. No. 1079). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4040. A bill for the relief of Agnes Tarjani; with amendment (Rept. No. 1080). Referred to the Committee of the Whole House.

### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 5689. A bill to provide for the return to the State of California of certain original documents and maps, known as the Spanish-Mexican land-grant papers, deposited in the National Archives; to the Committee on Post Office and Civil Service.

By Mr. BENNETT of Florida:

H. R. 5690. A bill to prevent manufacturers and wholesalers of products from offering for sale and selling the same at retail in certain cases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 5691. A bill to prevent manufacturers and wholesalers of products from offering for sale and selling the same at retail in certain cases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BRAMBLETT:

H. R. 5692. A bill to provide for the return to the State of California of certain original documents and maps, known as the Spanish-Mexican land-grant papers, deposited in the National Archives; to the Committee on Post Office and Civil Service.

By Mr. MULTER:

H. R. 5693. A bill to repeal the manufacturers' excise tax on photographic apparatus; to the Committee on Ways and Means.

By Mr. MURPHY:

H. R. 5694. A bill to amend the Public Health Service Act to authorize care of graves of deceased patients buried at the expense of the Public Health Service, and for other

purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. POULSON:

H. R. 5695. A bill to provide for the return to the State of California of certain original documents and maps, known as the Spanish-Mexican land-grant papers, deposited in the National Archives; to the Committee on Post Office and Civil Service.

By Mr. PATMAN:

H. R. 5696. A bill to provide specific measures in furtherance of the national policy of maximum employment, production, and purchasing power, as established in the Employment Act of 1946; to the Committee on Ways and Means.

By Mr. BARING:

H. R. 5697. A bill to amend the Stock Pile Act of 1946, Public Law 520, Seventy-ninth Congress, chapter 590, second session; to the Committee on Armed Services.

H. R. 5698. A bill to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheep herders; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 5699. A bill to provide for the transfer to Pierce County, Wash., of certain surplus land in the Fort Lewis military reservation; to the Committee on Armed Services.

By Mr. MULTER:

H. R. 5700. A bill to provide for appeals to the Civil Service Commission in cases of employees improperly removed from the classified civil service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REED of New York:

H. R. 5701. A bill to amend the Internal Revenue Code relative to the deductibility of losses; to the Committee on Ways and Means.

By Mr. HOBBS:

H. R. 5702. A bill to amend the Legislative Reorganization Act of 1946, as amended, with respect to the presence of a quorum in meetings of committees of Congress; to the Committee on Rules.

By Mr. KEOGH:

H. R. 5703. A bill to amend the Natural Gas Act approved June 21, 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. HERTER (by request):

H. J. Res. 313. Joint resolution to create a Commission to study and report on the feasibility of constructing the Mexican Canal; to the Committee on Merchant Marine and Fisheries.

By Mr. BUCHANAN:

H. J. Res. 314. Joint resolution establishing a commission to select a site and design for a memorial to the contributions of members of all religious faiths to American military and naval history; to the Committee on House Administration.

By Mr. O'NEILL:

H. J. Res. 315. Joint resolution establishing a commission to select a site and design for a memorial to the contributions of members of all religious faiths to American military and naval history; to the Committee on House Administration.

By Mr. ROOSEVELT:

H. Con. Res. 106. Concurrent resolution to seek development of the United Nations into a world federation; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bill and resolutions were introduced and severally referred, as follows:

By Mr. ANGELL:

H. R. 5704. A bill for the relief of Janis Shimada; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 5705. A bill for the relief of Mrs. Inez B. Copp and George T. Copp; to the Committee on the Judiciary.

By Mr. JONES of North Carolina:

H. R. 5706. A bill for the relief of Sidney F. Croft; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 5707. A bill for the relief of Stefano Pecoraro; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 5708. A bill for the relief of Demetrious Konstantno Papanicolaou; to the Committee on the Judiciary.

By Mr. McGRATH:

H. R. 5709. A bill for the relief of Patrick Cronin; to the Committee on the Judiciary.

H. R. 5710. A bill for the relief of the estate of Victor Jacobowitz; to the Committee on the Judiciary.

By Mr. O'BRIEN of Michigan:

H. R. 5711. A bill to extend the patent of Frank Sipos, of Detroit, Mich., being patent No. 2,047,295 for a period of 17 years; to the Committee on the Judiciary.

By Mr. JOSEPH L. PFEIFER:

H. R. 5712. A bill for the relief of Giuseppe Bucaro; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 5713. A bill for the relief of Fanny Tsihrintge Papan; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 5714. A bill for the relief of Charles Cutter; to the Committee on the Judiciary.

By Mr. WHITE of Idaho:

H. R. 5715. A bill for the relief of King Mayberry, to the Committee on the Judiciary.

By Mr. GARMATZ:

H. Res. 288. Resolution for the relief of Isabel Muth Meade; to the Committee on House Administration.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1330. By Mr. HART: Petition of citizens of the United States, residents of New Jersey, protesting against the imprisonment of Archbishop Stepinac and Cardinal Mindszenty; to the Committee on Foreign Affairs.

1331. By Mr. RICH: Petition of Arthur H. Weber and other residents of Williamsport, Pa., in opposition to H. R. 4643, the Barden bill; to the Committee on Education and Labor.

1332. Also, petition of Rev. Leo J. Post and parishioners of St. Boniface Church, Williamsport, Pa., in opposition to H. R. 4643, the Barden bill; to the Committee on Education and Labor.

1333. Also, petition of parishioners of Church of the Annunciation, Williamsport, Pa., in opposition to H. R. 4643, the Barden bill; to the Committee on Education and Labor.

1334. By the SPEAKER: Petition of Swen Swenson and others, Bristol, S. Dak., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1335. Also, petition of Charles H. Nutting and others, Fifth Congressional Townsend Club, Daytona Beach, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1336. Also, petition of Mr. Frank G. Newhart and others, Orlando, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1337. Also, petition of Mr. O. F. Horton and others, Oviedo, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

## COMMITTEE EMPLOYEES

### COMMITTEE ON AGRICULTURE

JULY 8, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Joseph O. Parker | Attorney | $5,164.98 |
| Altavene Clark | Executive officer | 4,304.15 |
| John J. Heimburger | Commodity and research specialist. | 4,927.08 |
| Mabel C. Downey | Clerk | 4,304.15 |
| Ruth B. Phillips | Staff assistant | 2,325.40 |
| Lorraine Adamson | do | 1,757.55 |
| Lydia Vacin | do | 1,539.56 |
| Betty Prezioso | do | 1,069.42 |
| Hugh H. Soper | Research specialist | 1,225.40 |
| George L. Reid, Jr. | Staff assistant | 1,495.47 |
| Katherine D. Wheeler | Assistant clerk | 953.70 |

Funds authorized or appropriated for committee expenditures ..... $50,000
Balance unexpended as of June 30, 1949 ..... $50,000

HAROLD D. COOLEY,
*Chairman.*

### COMMITTEE ON APPROPRIATIONS

JULY 8, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| George Y. Harvey | The clerk | $5,164.98 |
| Kenneth Sprankle | The assistant clerk | 5,164.98 |
| William A. Duvall | Second assistant clerk. | 4,992.90 |
| Corhal D. Orescan | Assistant clerk | 4,992.90 |
| Robert E. Lambert | do | 4,961.79 |
| Arthur Orr | do | 4,663.68 |
| Robert P. Williams | do | 4,334.52 |
| Paul M. Wilson | do | 4,334.52 |
| Claude E. Hobbs, Jr. | do | 4,005.36 |
| Jay B. Howe | do | 4,005.36 |
| Frank Sanders | do | 3,206.46 |
| Lawrence C. Miller | Junior assistant clerk. | 2,516.22 |
| G. Homer Skarin | do | 2,309.34 |
| Earl C. Silsby | do | 2,102.40 |
| Melvin E. Lefever | Clerk-stenographer | 1,895.52 |
| Robert W. Thompson | do | 1,695.43 |
| Watson L. Cormier | do | 493.90 |
| Ralph A. O'Malley | do | 1,337.38 |
| Sam H. Neel | Assistant clerk | 1,459.49 |
| Robert M. Lewis | Messenger | 1,605.84 |
| Frank B. Avery, Jr. | Page | 1,481.70 |
| Bruce R. Grindrod | do | 1,234.75 |
| E. L. Eckloff | Clerk to the majority. | 3,337.80 |
| Robert E. Lee | Clerk to the minority. | 4,677.17 |
| Lawrence A. DiCenzo | Clerk-stenographer to ranking minority member. | 1,611.19 |
| Dorothy Davis | Clerk-stenographer to chairman. | 157.96 |

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Molly J. Turner | Clerk-stenographer to subcommittee chairman. | $31.59 |
| Mary Jane Fisher | do | 31.59 |
| Vivian I. Raber | do | 31.59 |
| Helen Knechtel | do | 31.59 |
| Charlotte M. Plumley. | do | 31.59 |
| Graham W. Howe | do | 31.59 |
| Marjorie V. R. Dement. | do | 31.59 |
| Bette Donlin | do | 1,400.57 |
| Josephine E. Frick | do | 1,716.49 |
| Judy Jones | do | 1,400.57 |
| Elizabeth Layne | do | 1,579.60 |
| Eula D. Rigsby | do | 1,579.60 |
| Joseph P. Hansen | do | 947.76 |
| Dorothy A. Caddigan | do | 1,579.60 |
| Helen S. Boyle | do | 1,337.38 |
| Annette L. Kelley | do | 1,263.68 |
| Norajean R. Ray | do | 315.92 |
| Joseph V. Gartlan, Jr. | do | 168.48 |
| Ruth F. Ringstrom | do | 315.92 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditures | $185,000.00 |
| Amount of expenditures previously reported | 84,190.87 |
| Amount expended from Jan. 1 to June 30, 1949 | 91,570.24 |
| Total amount expended from July 1, 1948, to June 30, 1949 | 175,761.11 |
| Balance unexpended as of June 30, 1949 | 9,238.89 |

CLARENCE CANNON,
*Chairman.*

COMMITTEE ON APPROPRIATIONS (INVESTIGATIVE STAFF)

JULY 8, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Edward E. Hargett | Chief investigator | $3,596.21 |
| Robert E. Lee | do | 471.55 |
| Orrin H. Bartlett | Investigator | 3,640.11 |
| Paul G. Travers | do | 1,741.55 |
| Harris H. Huston | do | 511.72 |
| James J. Kerr | do | 919.05 |
| Harry S. Barger | do | 612.70 |
| Eugene F. Rinta | do | 204.22 |
| Enid Morrison | Legal clerk | 128.29 |
| Virginia A. Keep | Clerk stenographer | 89.97 |
| Lois Moore | do | 246.95 |
| Rena F. Sylvestre | do | 1,352.24 |
| Lorene Hudgens | do | 1,307.09 |
| Dorothy Davis | do | 157.96 |
| Federal Security Agency: Reimbursement for services of David W. Bishop. | Investigator | 1,716.47 |
| Tennessee Valley Authority: Reimbursement for services of Van Court Hare. | do | 888.02 |
| Navy Department: Reimbursement for services of L. B. Wilson. | do | 1,424.40 |
| Federal Bureau of Investigation: Reimbursement for services of Paul G. Travers. | do | 1,000.49 |
| Federal Bureau of Investigation: Reimbursement for services of James J. Maloney. | Investigator | $771.80 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditures | $150,000.00 |
| Amount of expenditures previously reported | 31,040.80 |
| Amount expended from Jan. 1 to June 30, 1949 | 31,138.12 |
| Total amount expended from July 1, 1948, to June 30, 1949 | 62,178.92 |
| Balance unexpended as of June 30, 1949 | 87,821.08 |

CLARENCE CANNON,
*Chairman.*

ARMED SERVICES COMMITTEE

JULY 5, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Robert H. Harper | Chief clerk | $5,164.88 |
| James Deakins | Assistant clerk | 2,014.79 |
| John R. Blandford | Professional staff member. | 5,121.44 |
| Clinton B. D. Brown | do | 5,095.11 |
| Bryce N. Harlow | do | 5,121.44 |
| Robert W. Smart | do | 5,121.44 |
| Agnes H. Johnston | Secretary | 2,532.79 |
| Rosemary Curry | Stenographer | 2,338.27 |
| Gladys E. Flanagan | do | 2,314.73 |
| Berniece Kalinowski | do | 2,338.27 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditures | $25,000 |
| Balance unexpended as of June 30, 1949 | 25,000 |

CARL VINSON,
*Chairman.*

COMMITTEE ON BANKING AND CURRENCY

JULY 11, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Orman S. Fink | Professional staff | $4,532.04 |
| John E. Barriere | do | 3,057.16 |
| William J. Hallahan | Clerk | 4,268.64 |
| Elsie L. Gould | Assistant clerk | 3,544.50 |
| Margaret P. Battle | Stenographer | 2,309.34 |
| Helen E. Long | Assistant clerk | 202.19 |

Funds authorized or appropriated for committee expenditures, none.

BRENT SPENCE,
*Chairman.*

COMMITTEE ON THE DISTRICT OF COLUMBIA

JULY 15, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Mable Haller | Staff director | $4,159.55 |
| Ruth Pingley | Assistant clerk | 384.89 |
| Jack Cable | Staff member | 2,889.68 |
| W. N. McLeod | Clerk | 4,894.67 |
| Ruth Butterworth | Assistant clerk | 1,854.67 |
| Charles Farmer | Minority clerk | 1,650.00 |
| Charles Howe | Messenger | 424.32 |
| | Total | 16,257.78 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditures | $2,000 |
| Balance unexpended as of June 30, 1949 | $2,000 |

JOHN L. MCMILLAN,
*Chairman.*

COMMITTEE ON EDUCATION AND LABOR

JULY 8, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| W. Manly Sheppard | Chief clerk, Jan. 1 to 26. | $746.05 |
| F. Albert Reiman | Assistant clerk (professional staff), Jan. 1 to 26. | 746.05 |
| Irving G. McCann | Chief counsel (professional staff), Jan. 1 to 26. | 746.05 |
| Frank S. McArthur | Investigator (professional staff), Jan. 1 to 26 | 746.05 |
| Bingham W. Mathias | Minority clerk (professional staff), Jan. 1 to 26. | 746.05 |
| Joseph Koski | Chief clerk and executive assistant, from Jan. 27. | 4,418.93 |
| John S. Forsythe | General counsel (professional staff), from Feb. 4. | 4,218.02 |
| Joseph S. Jarosz | Research specialist (professional staff), from Jan. 27. | 4,418.93 |
| Frank E. Boyer | Investigator (professional staff), from Jan. 27. | 4,418.93 |
| John O. Graham | Minority clerk (professional staff), from Jan. 27. | 4,418.93 |
| Frances A. Los | Assistant clerk | 2,598.96 |
| Eleanor Bare | Assistant clerk from Jan. 27. | 2,223.55 |
| Mary Pauline Smith | Assistant clerk | 2,598.96 |
| Mary E. Gilbert Sanders. | do | 2,598.96 |

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Myrtle S. Locher | Assistant clerk (minority). | $2,598.96 |
| Jennie Ward Carter | Clerk-stenographer, Jan. 1 to 26. | 375.41 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditures | $15,000.00 |
| Amount expended from January 2 to June 30 | 863.20 |
| Balance unexpended as of July 1, 1949 | 14,136.80 |

JOHN LESINSKI,
*Chairman.*

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

JUNE 30, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| | |
|---|---|
| Expenses of full committee and subcommittees, itemized on attached: | |
| Full committee | $2,075.96 |
| Executive and Legislative Reorganization Subcommittee, Congressman Chet Holifield, chairman | 3,659.23 |
| Government Operations Subcommittee, Congressman Porter Hardy, Jr., chairman | 11,883.03 |
| Federal Relations with International Organizations Subcommittee, Congressman Henderson Lanham, chairman | 938.71 |
| Intergovernmental Relations Subcommittee, Congressman Herbert C. Bonner, chairman | 1,322.30 |
| Total spent | 19,879.23 |

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Helen M. Boyer | Clerk, Jan. 1 to 19 | $499.29 |
| Helen Balog | Assistant clerk, Jan. 1 to 19. | 279.21 |
| Carl Hoffman | Counsel, Jan. 1 to 19 | 433.45 |
| Hazel Huffman | Investigator, Jan. 1 to 19. | 446.63 |
| Christine Ray Davis | Chief clerk | 4,177.89 |
| Martha C. Roland | Assistant chief clerk | 3,587.79 |
| Thomas A. Kennedy | General counsel | 3,843.73 |
| William A. Young | Staff director | 5,016.20 |
| Julian Fahy | Research analyst | 2,889.68 |
| J. Robert Brown | do | 1,531.75 |
| Delores Fel'Dotto | Clerk stenographer | 2,512.89 |
| Dorothy Morrison | do | 1,582.19 |
| Olive Willeroy | do | 698.02 |
| Teresa Barrett | Clerk typist | 419.81 |
| Francis T. O'Donnell | Minority counsel | 3,818.50 |
| Annabell Zue | Minority clerk | 3,022.02 |
| Hazel Huffman | Completing report started in 80th Cong. | 1,141.35 |
| Truman Ward | Mimeographing | 39.00 |
| Chesapeake & Potomac Telephone Co. | | 76.69 |
| Martha Quell | Stenographic service. | 150.15 |
| Cohen's | Framing pictures | 10.70 |
| J. Robert Brown | Expenses | 411.62 |
| William A. Young | do | 4.80 |
| Hon. Ralph Harvey | do | 80.21 |
| Mildred Philabaum | Reporting | 30.00 |
| Supplies, stationery room. | | 131.44 |
| Tota. expenses, full committee. | | 2,075.96 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditures | $100,000.00 |
| Amount expended from Feb. 14 to June 30 | 19,879.23 |
| Balance unexpended as of June 30, 1949 | 80,120.77 |

WILLIAM L. DAWSON,
*Chairman.*

EXECUTIVE AND LEGISLATIVE REORGANIZATION SUBCOMMITTEE OF THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

JUNE 30, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from April 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Dorothy Morrison | Clerk | $791.09 |
| W. Brooke Graves | Staff director | 2,582.49 |
| Stationery supplies | | 180.65 |
| Jaunita Ball | Expenses | 35.00 |
| Blaine Robinette | do | 35.00 |
| Eleanor Nelson | do | 7.00 |
| Grayce Golding | do | 7.00 |
| Ada M. Elrod | do | 21.00 |
| Tota. expenses | | 3,659.23 |

WILLIAM L. DAWSON,
*Chairman.*

GOVERNMENT OPERATION SUBCOMMITTEE OF THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

JUNE 30, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from February 14, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Carl H. Monsees | Staff director | $3,463.63 |
| Charles Futterer | Administrative analyst. | 1,524.11 |
| James T. Gobbel | do | 1,636.52 |
| John C. Vick | do | 809.62 |
| Gordon P. Peyton | Counsel | 1,083.62 |
| Olive Willeroy | Secretary | 799.84 |
| Eloise G. Menefee | Stenographer | 853.17 |
| J. Robert Brown | Investigator | 1,381.07 |
| Gordon P. Peyton | Expenses | 43.07 |
| Francis T. O'Donnell | do | 91.83 |
| Chesapeake & Potomac Telephone Co. | | 1.25 |
| Stationery supplies | | 195.30 |
| Total spent | | 11,883.03 |

WILLIAM L. DAWSON,
*Chairman.*

FEDERAL RELATIONS WITH INTERNATIONAL ORGANIZATIONS SUBCOMMITTEE OF THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

JUNE 30, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from May 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Franklin D. Rogers, Jr. | Clerk | $907.72 |
| Stationery supplies | | 30.99 |
| Tota. expenses | | 938.71 |

WILLIAM L. DAWSON,
*Chairman.*

INTER-GOVERNMENTAL RELATIONS SUBCOMMITTEE OF THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

JUNE 30, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from April 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Charles Warren | Clerk, Apr. 1 to June 8. | $924.53 |
| Lindsay C. Warren, Jr. | Clerk, June 9 to 30 | 397.77 |
| Total expenses | | 1,322.30 |

WILLIAM L. DAWSON,
*Chairman.*

COMMITTEE ON FOREIGN AFFAIRS

JUNE 30, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Boyd Crawford | Clerk and administrative officer. | $5,164.98 |
| Charles Burton Marshall. | Staff consultant | 5,164.98 |
| Ira E. Bennett | do | 3,443.32 |
| June Nigh | Staff assistant | 2,723.16 |
| Winifred Osborne | do | 2,723.16 |
| Doris Leone | do | 2,723.16 |
| Mabel Henderson | do | 2,056.42 |
| Mary G. Chase | do | 2,838.11 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditures | $50,000 |
| Balance unexpended as of June 30, 1949 | $50,000 |

JOHN KEE,
*Chairman.*

COMMITTEE ON HOUSE ADMINISTRATION

JUNE 24, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Jeanne McDonagh | Clerk, Committee on House Administration. | $3,308.58 |
| Marjorie Savage | Assistant clerk and clerk to Subcommittee on Accounts. | 3,544.50 |
| Jack Watson | Assistant clerk and clerk to Subcommittee on Enrolled Bills, Library, Disposition of Executive Papers and Memorials. | 3,412.86 |
| Lura Cannon | Assistant clerk and clerk to Subcommittee on Printing. | 2,078.41 |
| Maureen B. Sandiford | Assistant clerk and clerk to Subcommittee on Elections. | 2,288.65 |
| Merle Harris | Assistant clerk and stenographer. | 1,447.60 |
| Irene Gilchrist | Assistant clerk and clerk to Subcommittee on Elections (1 month). | 350.40 |
| Frank Specht | Assistant clerk and clerk to Subcommittee on Accounts (2 weeks). | 341.29 |
| Gladys Riggs | Assistant clerk and clerk to Subcommittee on Printing (2 weeks). | 210.24 |

Funds authorized or appropriated for committee expenditures ..... None

MARY T. NORTON,
*Chairman.*

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COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

JUNE 30, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| *Clerical staff* | | |
| Elton J. Layton | Clerk | $5,164.98 |
| Glenn R. Ward | Assistant clerk (employed effective Feb. 1, 1949). | 2,096.85 |
| *Clerical staff*—Con. | | |
| Marjorie A. Biddle | Assistant clerk (resigned Jan. 31, 1949). | $384.89 |
| Royice Reno | Assistant clerk | 2,309.34 |
| Georgia G. Glasmann | Assistant clerk-stenographer. | 2,185.14 |
| Helen A. Grickis | Assistant clerk-stenographer (employed effective May 16, 1949). | 525.60 |
| Julia Watterson | Assistant clerk-stenographer (resigned May 15, 1949). | 1,638.85 |
| Frances W Galvin | Assistant clerk-stenographer (authorized: H. Res. 157) employed effective June 20, 1949). | 122.57 |
| Roy P. Wilkinson | Assistant clerk | 1,619.64 |
| *Professional staff* | | |
| Arlin E. Stockburger | Aviation and engineering consultant. | 5,164.98 |
| Andrew Stevenson | Expert | 5,164.98 |
| Kurt Borchardt | Professional assistant. | 5,164.98 |
| Sam G. Spal | Research specialist employed effective July 1, 1949). | |
| John H. Frederick | Consultant (resigned Jan. 31, 1949). | 634.64 |

Funds authorized or appropriated for committee expenditures (funds authorized under H. Res. 157) ..... $60,000.00
Total amount expended from January 1, to June 30, 1949 ..... 323.64

Balance unexpended as of June 30, 1949 .. 59,676.36

ROBERT CROSSER,
*Chairman.*

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COMMITTEE ON THE JUDICIARY

JULY 15, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| C. Murray Bernhardt | Committee counsel, Jan. 19 to June 30, 1949, chief clerk, Jan. 1 to Jan. 19, 1949. | $5,114.85 |
| Walter M. Besterman | Legislative assistant | 4,961.18 |
| Bess Effrat Dick [1] | Chief clerk | 4,648.48 |
| William R. Foley [2] | Committee counsel | 3,443.32 |
| Walter R. Lee | Legislative assistant | 5,016.10 |
| Velma Smedley | Assistant chief clerk | 5,081.93 |
| Anne J. Berger | Clerk-stenographer | 2,205.88 |
| Frances Christy | do | 2,205.88 |
| Mabel L. Collier [3] | do | 1,747.95 |
| Berta Kaslow [1] | do | 3,009.47 |
| Harriet B. Lamb [4] | do | 277.45 |
| Lucile P. Lamon [5] | do | 840.34 |

[1] Appointed Jan. 19, 1949.
[2] Appointed Mar. 1, 1949.
[3] Appointed Jan. 24, 1949.
[4] From Jan. 1 to Jan. 24, 1949.
[5] Appointed Apr. 14, 1949.

1. Funds authorized or appropriated for preparation of U. S. Code and revision of the laws since Jan. 1, 1949:
   - A. Preparation of new edition of U. S. Code (no year): Unexpended balance Jan. 1, 1949 ..... $15,311.63
   - B. Revision of the laws, 1949:
     - Unexpended balance, Jan. 1, 1949 ..... 4,785.46
     - Second deficiency appropriation, June 23, 1949 ..... 330.00
     - 5,115.46
   - Total ..... $20,427.09
2. Amount expended from Jan. 1 to June 30, 1949:
   - A. Preparation of new edition of U. S. Code (no year) ..... $2,274.74
   - B. Revision of the laws, 1949 ..... 5,106.38
   - Total ..... 7,381.12
3. Balance unexpanded as of June 30, 1949:
   - A. Preparation of new edition of U. S. Code (no year) ..... $13,036.89
   - B. Revision of the laws, 1949 ..... 9.08
   - Total ..... 13,045.97
4. Funds authorized or appropriated for committee expenditure by H. Res. 156 (pursuant to H. Res. 137) ..... 30,000.00
   Amount expended ..... 413.57

Balance unexpended as of June 30, 1949 ..... 29,586.43

EMANUEL CELLER,
*Chairman.*

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COMMITTEE ON MERCHANT MARINE AND FISHERIES

JULY 1, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Hugh A. Meade | General counsel | $4,648.48 |
| John M. Drewry | Assistant counsel | 3,901.07 |
| Reginald S. Losee | Investigator | 3,841.77 |
| Gus S. Caras | Investigator to the minority. | 4,235.72 |
| Elizabeth B. Bedell | Chief clerk | 3,608.49 |
| Frances Still | Secretary | 2,699.13 |
| Frances B. Hoover | Assistant clerk | 2,574.99 |
| Marie Wilson | Assistant clerk | 2,574.99 |
| Leonard P. Pliska | Clerk to the minority. | 2,792.13 |
| Total | | 30,876.77 |

S. O. BLAND,
*Chairman, Committee on Merchant Marine and Fisheries.*

SUBCOMMITTEE TO INVESTIGATE PANAMA CANAL TOLLS

JULY 1, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits

the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from February 28, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Madonna Haworth | stenographer | $1,316.15 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditures | $15,000.00 |
| Amount expended from Feb. 28 to June 30, 1949 | 2,731.27 |
| Balance unexpended as of June 30, 1949 | 12,268.73 |

S. O. BLAND,
*Chairman, Committee on Merchant Marine and Fisheries.*

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COMMITTEE ON POST OFFICE AND CIVIL SERVICE

JULY 7, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| George M. Moore | Chief counsel | $5,164.82 |
| Frederick C. Belen | Counsel | 5,081.43 |
| Lucy K. Daley | Assistant clerk | 2,573.70 |
| Elayne Morelle | Secretary | 2,251.86 |
| Lillian L. Hopkins | do | 2,228.87 |
| Ann E. Hayden | Stenographer | 1,906.99 |
| Elizabeth Feltman | Clerk-stenographer, Mar. 9, 1949, to June 30, 1949. | 1,222.32 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditures | $25,000 |
| Amount of expenditures previously reported | None |
| Amount expended from May 12 to June 30, 1949 | 5 |
| Total amount expended from Jan. 3 to June 30, 1949 | 5 |
| Balance unexpended as of July 1, 1949 | 24,995 |

TOM MURRAY,
*Chairman.*

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COMMITTEE ON PUBLIC LANDS

JUNE 30, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| George H. Soule | Technical consultant. | $5,164.98 |
| Saul C. Corwin | Counsel | 4,304.15 |
| Preston E. Peden | Attorney | 1,359.69 |
| Ernest A. Grant[1] | Clerk | $516.50 |
| Edith C. Curtiss[2] | do | 286.11 |
| Gemma M. O'Brien[3] | do | 47.68 |
| Mary L. Steele | do | 4,648.48 |
| Claude E. Ragan | do | 4,501.16 |
| Nancy J. Arnold | do | 3,448.99 |
| Virginia McMichael | do | 2,574.99 |
| Geraldine Eaker | do | 2,078.41 |
| Betty Lee Angus | do | 1,549.72 |

[1] Terminated Jan. 18, 1949.
[2] Terminated Jan. 18, 1949.
[3] Terminated Jan. 5, 1949.

| | |
|---|---|
| Funds authorized or appropriated for committee expenditures (H. Res. 72) | $30,000 |
| Amount of expenditures previously reported | None |
| Amount expended from Apr. 1, to June 30, 1949 | 1,407.61 |
| Balance unexpended as of June 30, 1949 | 28,592.39 |

J. HARDIN PETERSON,
*Chairman.*

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COMMITTEE ON PUBLIC WORKS

JULY 11, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Joseph H. McGann, Sr. | Professional staff member. | $689.50 |
| Do | Clerk | 3,447.50 |
| Robert F. McConnell | do | 522.83 |
| Do | Assistant clerk | 2,614.15 |
| Joseph H. McGann, Jr. | Minority clerk | 384.89 |
| Do | Assistant clerk | 2,211.80 |
| Mrs. Vera Watts | Stenographer-clerk | 442.36 |
| Mrs. Elaine Jackson | do | 442.36 |
| Mrs. Violet Schumaker. | do | 442.36 |
| Mrs. Frances W. Latta. | do | 1,135.38 |
| Mrs. Alice B. Norton | Clerk-stenographer | 2,211.80 |
| Mrs. Doris B. Hazur | do | 2,211.80 |
| Thomas E. Massie | Counsel | 1,379.00 |
| Mrs. Margaret R. Beiter. | Stenographer-clerk | 663.53 |
| *Subcommittee investigating questionable trade practices* | | |
| John T. M. Reddan | Counsel | 86.08 |
| E. R. Ferguson, Jr. | Assistant counsel | 65.66 |
| Charles F. Meany | Investigator-accountant. | 44.24 |
| Arthur Perlman | Investigator | 48.60 |
| Walton Woods | do | 52.51 |
| Jay S. Hartzell | do | 44.70 |
| Doris M. Mahood | Stenographer-clerk | 33.20 |
| Catherine C. Hubbard. | do | 32.74 |
| Dorothy B. Hayward. | do | 32.74 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditures | $125,000.00 |
| Amount of expenditures previously reported | 99,593.07 |
| Amount expended from Jan. 1 to Jan. 3 | 636.59 |
| Total amount expended from Jan. 1 to June 30 | 100,229.66 |
| Balance unexpended as of June 30, 1949 | 24,770.34 |

WILLIAM M. WHITTINGTON,
*Chairman.*

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COMMITTEE ON RULES

JULY 14, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Humphrey S. Shaw | Clerk (minority clerk from Jan. 1 to 18; clerk from Jan. 19). | $4,709.01 |
| Merritt R. Kotin | Assistant clerk, from Jan. 19. | 3,182.76 |
| Jane Snader | Minority clerk | 2,874.84 |
| Elliodor M. Libonati | Assistant clerk and stenographer from Jan. 19. | 2,587.35 |
| James D. Loebl | Stenographer, from Feb. 17. | 1,103.04 |
| Richard Haas | Stenographer, from Jan. 19 to Feb. 16. | 98.78 |
| Lyle O. Snader | Clerk, from Jan. 1 to 18. | 516.50 |
| Donald Montgomery | Assistant clerk, from Jan. 1 to 9. | 156.85 |
| Mildred M. McGuire | Stenographer, from Jan. 1 to 18. | 153.69 |

| | |
|---|---|
| Funds authorized or appropriated for committee expenditures | None |

A. J. SABATH,
*Chairman.*

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COMMITTEE ON UN-AMERICAN ACTIVITIES

JULY 1, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from December 31, 1948, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| *Employees carried on permanent House pay roll* | | |
| Frank S. Tavenner | Committee counsel (appointed May 2, 1949). | $1,885.66 |
| Louis J. Russell | Chief investigator | 4,839.27 |
| John W. Carrington | Clerk | 4,285.07 |
| Benjamin Mandel | Director of research | 4,663.68 |
| Donald T. Appell | Investigator | 4,137.00 |
| Anne Turner | File chief | 3,885.70 |
| Caroline Roberts | Assistant file chief | 2,585.22 |
| Juliette Joray | Clerk-stenographer | 2,309.34 |
| Margaret Kerwan | do | 2,654.16 |
| Rosella A. Purdy | do | 2,964.55 |
| *Employees paid by voucher* | | |
| William A. Wheeler | Investigator | 3,788.25 |
| Courtney Owens | do | 3,744.38 |
| C. E. McKillips | do | 3,744.38 |
| Wm. J. Jones | do | 3,063.50 |
| Alvin W. Stokes | do | 3,614.94 |
| Jo Benisch | Clerk-typist | 2,270.85 |
| Virginia McCraw | Clerk-typist (appointed June 1, 1949). | 338.91 |
| Pearl Gay | Clerk-stenographer | 1,592.35 |
| Jane Gordon | Clerk-stenographer (appointed June 13, 1949). | 203.35 |

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| *Employees paid by voucher*—Con. | | |
| Helen McCarthy | Clerk-stenographer | $2,171.40 |
| Lorraine Nichols | do | 2,270.85 |
| Rose Sanko | do | 2,270.85 |
| Thelma Scearce | do | 2,609.93 |
| Ruth Tansill | do | 2,270.85 |
| Catherine Crews | File clerk | 2,270.85 |
| Lucille Fitzgerald | do | 2,270.85 |
| Alyce Gartrell | do | 1,676.78 |
| Eileen Sonnett | do | 1,604.41 |
| Alice Walker | do | 2,270.85 |
| Lillian Howard | Research clerk | 2,609.93 |
| Helen Mattson | do | 2,745.17 |
| Mary Ann Moffett | do | 2,270.85 |
| Asselia Poore | do | 2,782.38 |
| Peggy Shaw | File clerk, services terminated February 15, 1949. | 538.84 |
| Ann Kelliher | Clerk-typist, services terminated February 15, 1949. | 538.84 |
| Mary McFerran | Clerk-stenographer, services terminated February 15, 1949. | 538.84 |
| Robert B. Gaston | Investigator, services terminated February 15, 1949. | 888.49 |
| Helen Boyle | Clerk-stenographer, services terminated February 15, 1949. | 538.84 |
| Virginia Allen | File clerk, services terminated February 15, 1949. | 538.85 |
| Jean Carey | Clerk-stenographer, services terminated February 15, 1949. | 538.85 |
| Jane Hahn | Clerk-stenographer (Mar. 7 through June 10, 1949). | 1,133.92 |

Funds authorized or appropriated for committee expenditures (H. Res. 78) ..... $200,000.00
Total amount expended from Jan. 4 to June 30, 1949 ..... 65,910.85

Balance unexpended as of June 30, 1949 ..... 134,089.15

JOHN S. WOOD,
*Chairman.*

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COMMITTEE ON VETERANS' AFFAIRS

JUNE 30, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Ida Rowan | Chief clerk | $5,164.98 |
| Casey M. Jones | Professional aide | 5,164.98 |
| Edwin B. Patterson | do | 5,164.98 |
| Karl Standish | do | 5,164.98 |
| Paul K. Jones | Assistant clerk | $3,250.89 |
| Bessie N. Kenyon | do | 667.56 |
| Frances Montanye | Clerk stenographer | 2,309.34 |
| Mary Schmidt | Stenographer | 2,309.34 |
| George J. Turner | Assistant clerk | 2,378.28 |
| Edward C Wrede | do | 3,612.10 |
| Total | | 35,187.43 |

Funds authorized or appropriated for committee expenditures ..... None

J. E. RANKIN,
*Chairman.*

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COMMITTEE ON WAYS AND MEANS

JUNE 30, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 5, 1949, to June 30, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Charles W. Davis | Clerk (C) | $5,050.20 |
| Leo H. Irwin | Professional assistant (P). | 2,965.82 |
| Stella O. Miller | Assistant clerk (C) | 2,864.92 |
| Gladys L. Kullberg | Staff assistant (C) | 2,460.30 |
| Ralph G. Simmerson | do | 1,954.54 |
| Harriet B. Lamb | Clerk-stenographer | 1,660.04 |
| Gordon Grand, Jr | Minority adviser (P) | 4,881.94 |
| Susan Alice Taylor | Minority stenographer (C). | 2,214.14 |
| Fedele F. Fauri | Social-security adviser (P). | 3,443.32 |
| Lynn L. Stratton | Tax adviser (P) | 860.83 |
| Harry Parker | Messenger | 1,316.16 |
| Sam Hardy | do | 1,275.96 |
| Hughlon Greene | do | 1,275.96 |

Funds authorized or appropriated for committee expenditures ..... None

R. L. DOUGHTON,
*Chairman.*

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COMMITTEE TO ATTEND MORAL REARMAMENT CONFERENCE AT CAUX, SWITZERLAND, AS OBSERVERS

(Authorized under H. Res. 232)

JULY 6, 1949.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from June 2, 1949, to July 6, 1949, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| None | | |

Funds authorized or appropriated for committee expenditures ..... $5,000.00
Total amount expended from June 2 to July 6 1949 (this amount was for expenses of Members making trip) ..... 964.51

Balance unexpended as of July 6, 1949 ..... 4,035.49

PRINCE H. PRESTON,
*Chairman.*

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SELECT COMMITTEE ON SMALL BUSINESS

JULY 7, 1949.

To the CLERK OF THE HOUSE

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1949, to ——, 19—, inclusive, together with total funds authorized or appropriated and expended by it:

| Name of employee | Profession | Total gross salary during 6-month period |
|---|---|---|
| Otis H. Ellis | Executive director, from Feb. 22. | $3,701.56 |
| Joseph W. Kaufman | Chief counsel, from Feb. 2. | 4,246.75 |
| Victor P. Dalmas | Chief, special services, from Feb. 11. | 3,739.94 |
| Suzanne D. Manfull | Administrative assistant, from Feb. 7. | 1,750.90 |
| Kathryn E. Smith | Chief clerk, from Feb. 12. | 1,783.31 |
| Bertha A. Padgett | Secretary, from Mar. 10. | 1,365.46 |
| Mildred Deen | Stenographer, from Feb. 21. | 1,299.21 |
| Dorothy H. Lott | Stenographer, from Feb. 4 to Apr. 30. | 869.47 |
| LaVerne Maynard | Stenographer, from Feb. 16. | 1,349.18 |
| Wesley Naron | Stenographer, from Feb. 2. | 1,489.07 |
| Richard R. Haas | Research assistant, from Feb. 17. | 1,195.45 |
| Albert J. Wolken | Special investigator, from Mar. 21 to Apr. 23. | 755.34 |
| E. H. Cole | Special investigator, from Apr. 13 to June 18. | 799.74 |

Funds authorized or appropriated for committee expenditures ..... $100,000.00
Total amount expended from Feb. 2 to June 30, 1949 ..... 26,915.67

Balance unexpended ..... 73,084.33

WRIGHT PATMAN,
*Chairman.*